

A low-angle, upward-looking photograph of several tall skyscrapers in a city, likely New York City. The buildings are made of glass and steel, with many windows. Numerous birds are seen in flight, scattered across the sky and around the buildings, adding a sense of movement and life to the urban scene. The sky is overcast with grey clouds.

ANNUAL REPORT 2025

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WELCOME

INTEGRATED REPORT - SCOPE AND BOUNDARY

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

External Environment

- Economic
- Regulatory
- Competitive
- Technological
- Social

Performance

- Environmental impact
- Wealth creation for stakeholders

Resources and Relationships

- Business model
- Value to stakeholders
- Resources

Strategy

- Governance
- Risks
- Operational structure

Finbond Group Limited ("FGL") ("the Group") proudly presents its 2025 Integrated Annual Report, as recommended in the King IV Report on Corporate Governance for South Africa, 2016 ("King IV"). Finbond complies with King IV in all material aspects.

The objective of the 2025 Integrated Annual Report is to provide stakeholders with insight into the performance of the Group and to focus on the strategy and the Group's ability to create long-term sustainable value. Finbond plays an essential role in assisting in the development of the society in which it operates. The combined successes of its customers and stakeholders alike contribute to the foundation of the commercial sustainability of the Group.

This Integrated Annual Report covers all relevant aspects of the activities of Finbond Group Limited, including all subsidiaries, joint ventures and associates, for the period 1 March 2024 to 28 February 2025. The Integrated Annual Report discusses operations in South Africa, Malta, the United States of America, Canada and Panama.

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

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

The audited Financial Statements were approved by the Board of Directors on 21 May 2025.

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

References to the specific provisions of the Global Reporting Initiative Index, which are detailed in full from page 200 of this report, are included at the bottom of the relevant pages in the Integrated Annual Report (commencing at the bottom of this page).

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

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

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

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

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

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

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

FINBOND IN FOCUS

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"A great leader's courage to fulfil his vision comes from passion, not position."

- John Maxwell -

HISTORY AND DEVELOPMENT*

1998

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

2000

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

2003

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

2007

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

2008

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

2009

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

2010

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

2011

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

2012

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

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

2013

Mr Sean Riskowitz of the Riskowitz Value Fund, based in New York, meets with Finbond's Dr van Aardt to discuss a potential investment in Finbond Group Limited. Following the meetings the Riskowitz Value Fund proceeds to acquire its first 6% shares in Finbond at R0.18. Mr Sean Riskowitz and the Riskowitz Value Fund have been a supportive major shareholder since becoming involved with Finbond. Finbond ends the year ended February 2012 with a Net Profit After Tax ("NPAT") of R13.4 million.

2015

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

2016

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

2017

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

2018

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

2020

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

2022

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

2025

The Group continues its recovery and ends the year with turnover of R1.7 billion and a Net Profit after Tax of R31.8 million.

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

BUSINESS PHILOSOPHY



SERVICE STANDARDS



VISION, MISSION, PURPOSE AND KEY PERFORMANCE INDICATORS

OUR VISION

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

OUR MISSION

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

OUR PURPOSE

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

KEY PERFORMANCE INDICATORS

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

OUR CORE VALUES



ACCOUNTABILITY

ACCOUNTABILITY

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



TEAMWORK

TEAMWORK

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



INTEGRITY

INTEGRITY

To maintain social and ethical norms in all activities.



EXCELLENCE

EXCELLENCE

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



HUMAN DIGNITY

HUMAN DIGNITY

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

VALUE GENERATION



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

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

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

VALUE GENERATION MODEL

CAPITALS	INPUTS	OUTPUTS
Manufacturing	Operational processes; branches; IT systems; product mix.	Finbond granted 1,435,548 loans during the financial year. Total deposits amounted to 1,459 and total commercial paper issued amounted to 1,702 notes as at 28 February 2025. Total branches amounted to 621, including investments in joint ventures and associates, being 40 higher than the prior year.
Financial	Capital from depositors; fees and interest paid on loans; credit facilities; strong capital base.	Finbond's balance sheet remained strong. The increase in earnings resulted in additional financial value.
Intellectual	Banking systems; compliance and control systems; reputation; innovation; expertise; strategic partnerships.	Finbond had no material regulatory breaches during the financial year and maintained strict adherence to Treating Customers Fairly. Finbond continues to evolve through ongoing negotiations with strategic partners, while retaining scarce resources in expert areas. Finbond is also developing a centralised loan management system.
Human	Skills; resources; knowledge and expertise; subject matter experts; skills development.	Finbond paid more than R430 million in salaries during the financial year, with an absenteeism rate of 0.75% in South Africa. Finbond embarked on a culture programme in 2020 and continued to enhance employee well-being during 2024. 27 skills development programmes were implemented in the 2025 financial year and 192 learners successfully completed their training.
Social	Stakeholder engagement; customer centricity; BBBEE contribution; community; sponsorships and donations.	Finbond continued to maintain a healthy relationship with all stakeholders. During the financial year, Finbond donated more than R1.7 million to charities. Finbond maintained a level 4 BBBEE rating compared to a level 5 rating in 2020. Customer complaints for 2024 amounted to two for the year and there were no outstanding complaints on 28 February 2025.
Natural	Operational impact on the environment.	Finbond is predominantly "office-based" and leaves a limited carbon footprint on the environment. However, Finbond acknowledges the importance of the responsibility towards the environment to ensure that future generations can enjoy the environment in which we are ultimately investing. The total number of Person Hours Worked ("HW") was calculated as 5,292,557 for the reporting period.

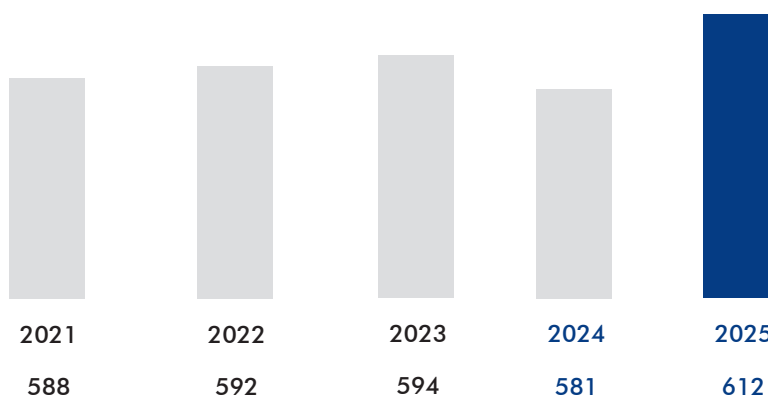
BRANCH NETWORK, NUMBER OF EMPLOYEES AND ACTIVE CLIENTS¹

NUMBER OF BRANCHES

612 BRANCHES

South Africa 452

North America 160



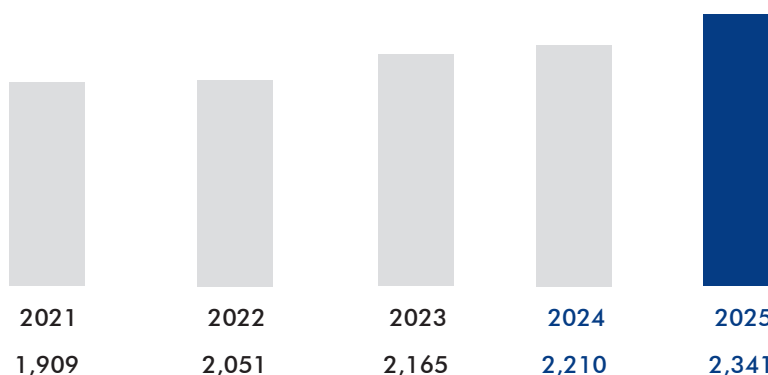
NUMBER OF EMPLOYEES

2 341 EMPLOYEES

South Africa 1 626

North America 713

Malta 2

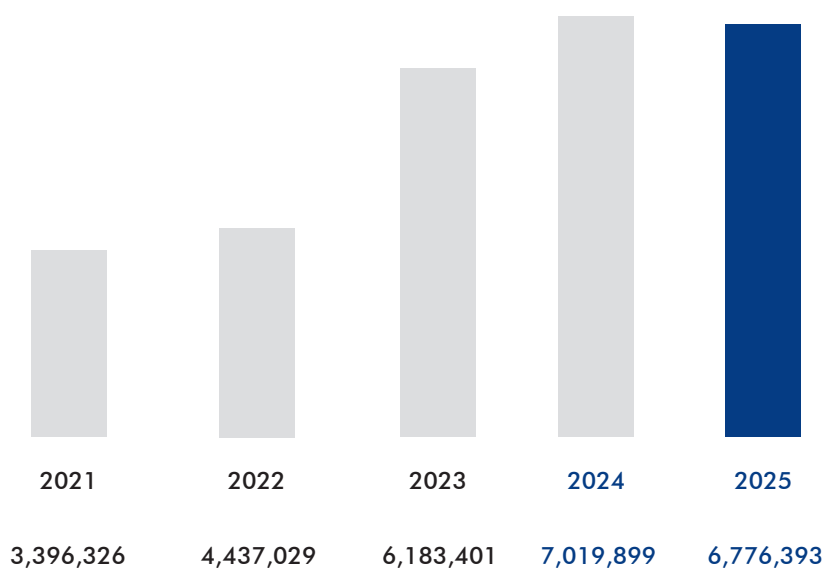


VALUE OF LOANS ADVANCED (R'000)

R6 776 393

South Africa R1 973 119

North America R4 803 274



¹Sales and operating metrics include 100% of subsidiary results where ownership equals or exceeds 75%. For subsidiaries where ownership is below 75%, joint ventures and associates, results include only Finbond's specific ownership percentage. Branches and employees however include 100% of all investments i.e., the Group's full network.

PRODUCTS

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

We focus on our core strength and economic driver which is short-term cash generative lending (tenures on the majority of our loans are four months and less and average capital granted of R2,012 (SA) and \$427 (US)) in South Africa and the US (Finbond's "One Thing").

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

SHORT-TERM CONSUMER LENDING

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

Finbond's South African short-term lending division currently operates through 452 branches and has 1 626 employees. Finbond's North American short-term lending division currently operates through 160 branches and has 713 employees. This includes joint ventures and investments in associates.

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

PERSONAL BANKING

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

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

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

The features of the FinSave Value Account include:

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

OVERDRAFT FACILITY

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

BUSINESS BANKING

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

FMB offers the following business banking products:

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

BUSINESS CREDIT

FMB offers business financing from R5 million to R25 million to small and medium-sized businesses registered in South Africa, and with a trading history of three years or more.

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

SAVINGS AND INVESTMENTS

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

ONLINE AND MOBILE BANKING

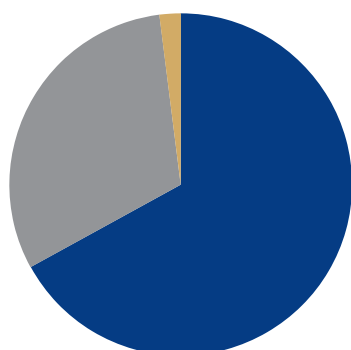
Customers can conveniently manage their finances online and on our mobile banking app. With all our services accessible at their fingertips, they can bank anytime, anywhere.

SECURED LENDING

Finbond's North American operations also offer Auto Title Loans at some branches. An Auto Title Loan is a loan where the borrowers provide their car title as collateral for the repayment of the loan and the Group is placed as the first lienholder on the vehicle title. Auto Title Loans can range from \$100–\$10,000 depending on the value of the vehicle and jurisdiction, with the majority of repayment terms being between one and 24 months. Finbond North America's average Auto Title Loan is \$3,075.

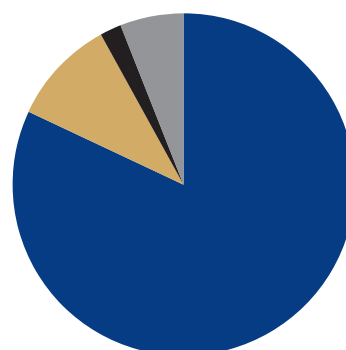
PRODUCT MIX

CONSUMER SHORT-TERM LOAN PRODUCT MIX¹



Geography		Rand value of loans
USA	■	67%
South Africa	■	31%
Canada	■	2%

SAVINGS AND INVESTMENT PRODUCT MIX



Products		Percentage
1. Commercial Paper (FGL) ²	■	82.9%
2. Fixed-Term Deposits (FMB) ³	■	9.6%
3. Fixed-Period Shares (FMB) ³	■	1.6%
4. Permanent Interest-Bearing Shares (FMB) ³	■	5.9%

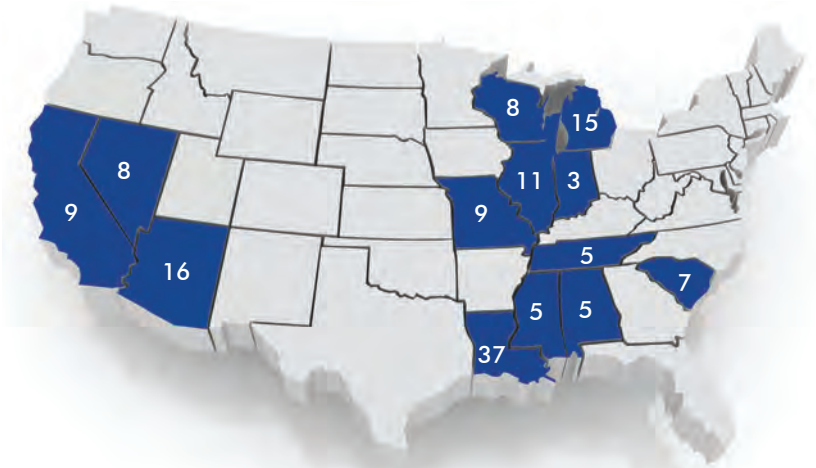
¹Sales and operating metrics include 100% of subsidiary results where ownership equals or exceeds 75%. For Subsidiaries where ownership is below 75%, joint ventures and associates, results include only Finbond's specific ownership percentage.

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

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

SHORT-TERM CONSUMER LENDING BRANCH NETWORK*

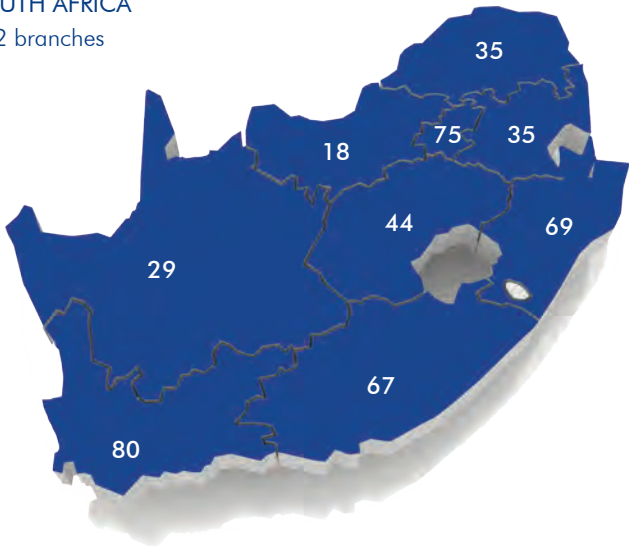
UNITED STATES OF AMERICA
138 branches



CANADA
11 branches



SOUTH AFRICA
452 branches



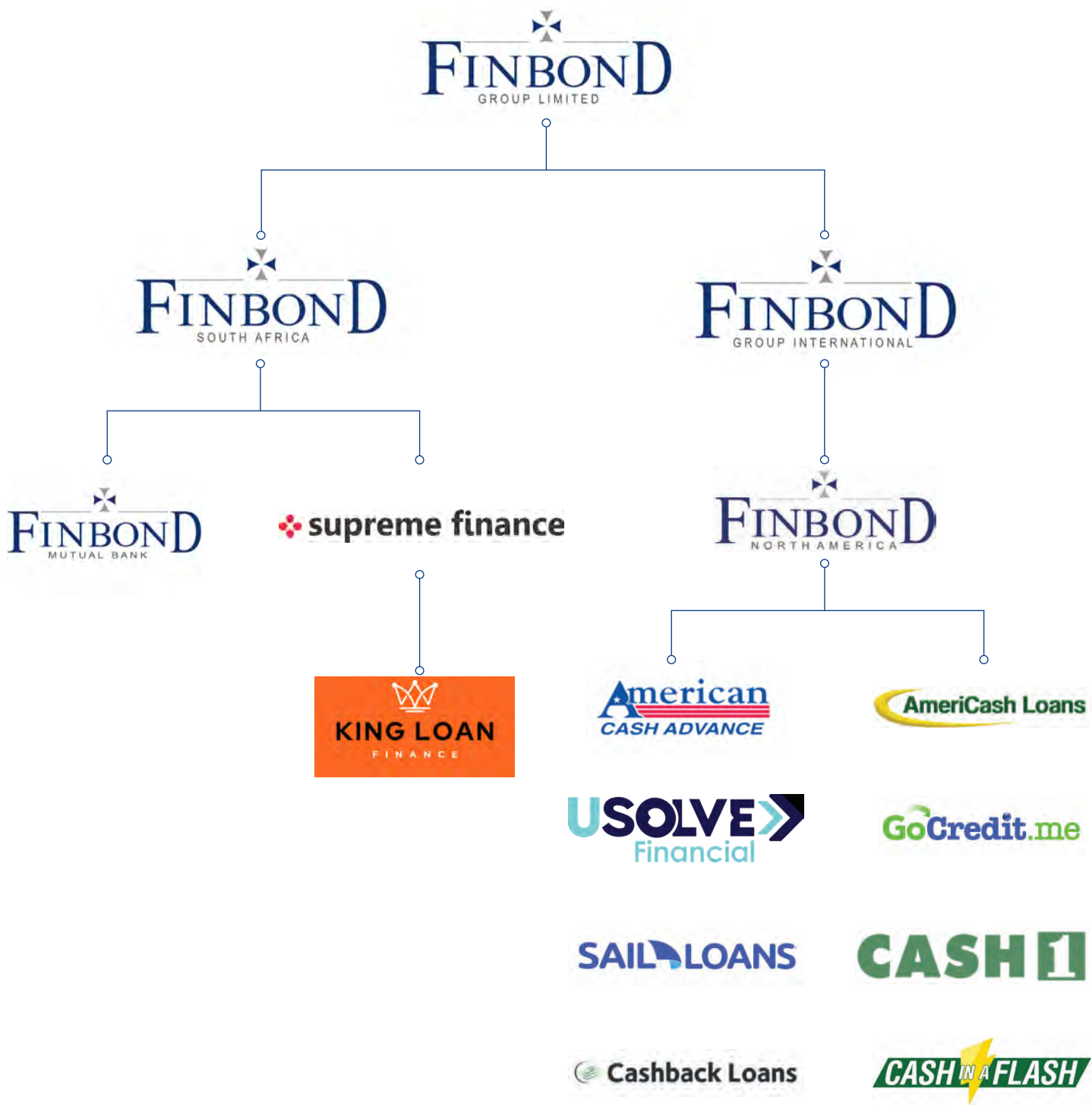
PANAMA
11 branches



*Including joint ventures and investments in associates.

GROUP STRUCTURE*

Finbond Group Limited’s primary business is the lending of money, mostly by way of allocating capital to its subsidiaries through intergroup loans.



*Above structure excludes dormant and insignificant subsidiaries.

FINANCIAL HIGHLIGHTS AND INDICATORS

		2025	2024	2023
Profitability and performance				
Interest income	R'000	833 257	821 526	720 948
Interest expense	R'000	368 106	330 467	308 928
Revenue from operations (turnover)	R'000	1 699 062	1 575 340	1 283 114
Operating income/(loss) before taxation	R'000	61 890	30 646	(298 613)
Profit for the period attributable to owners of the Company	R'000	31 799	557	(274 835)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	R'000	561 718	478 702	120 047
Cost-to-income ratio	%	58.5%	60.4%	68.5%
Ordinary shareholders equity	R'000	730 914	832 558	796 966
Total tangible equity (total equity less goodwill)	R'000	412 411	526 613	488 604
Liquidity and return indicators				
Share Price	cents	70	30	28
Weighted average number of shares in issue	shares	456,601,384	736,634,446	837,576,796
Earnings per share	cents	7.0	0.1	(32.8)
Diluted earnings per share	cents	7.0	0.1	(32.8)
Headline earnings per share	cents	(1.9)	(0.4)	(19.1)
Diluted headline earnings per share	cents	(1.9)	(0.4)	(19.1)
Return on ordinary shareholders' equity	%	4.1%	0.1%	(33.4%)
Total assets	R'000	4 527 784	4 278 331	4 021 225
Net asset value per share	cents	152.3	182.2	99.8
Return on assets	%	0.7%	(0.1%)	(7.0%)
Dividends declared	R'000	43 703	-	-
Consumer loan portfolio quality				
Gross loans and advances	R'000	1 108 346	1 061 546	961 896
Net loan impairment expense	R'000	264 285	260 120	263 382
Total arrears (Stage 2+) to gross loans ratio	%	63.0%	60.5%	59.8%
Loans in Stage 2+	R'000	698 514	642 502	574 820
Total non-performing loans (Stage 3) to gross loans ratio	%	49.9%	47.9%	45.7%
Expected credit loss (ECL) allowance/provision	R'000	586 910	543 088	485 909
ECL provision to gross loans and advances coverage ratio	%	53.0%	51.2%	50.5%
Past due (Stage 2+) coverage ratio	%	84.0%	84.5%	84.5%
Loan revenue	R'000	1 456 401	1 397 794	1 261 276
Loan revenue to average gross loans and advances	%	134.2%	138.2%	143.5%
Net loan impairment expense to loan revenue	%	18.1%	18.6%	20.9%
Net loan impairment expense to average gross loans and advances	%	24.4%	25.7%	30.0%
Collections rate (collection as a percentage of expected receipts)	%	96.5%	98.9%	94.8%
Sales and operations (Consumer loans)²				
Value of loans advanced	R'000	6 776 393	7 019 899	6 183 401
Number of loans advanced		1 435 548	1 395 337	1 318 588
Average loan amount	R	4 720	5 031	4 689
Aggregate annual cash receipts	R'000	8 508 554	8 634 478	7 554 562
Ratio of cash receipts to loans advanced	%	125.6%	123.0%	122.2%
Number of branches		612	581	594
Employees		2 341	2 210	2 165

¹Highlights figures are presented for 3 years (4 years for items within the Statement of Financial Position & Sales and Operations metrics) due to the restatement last year (2024).

²Sales and operating metrics include 100% of subsidiary results where ownership equals or exceeds 75%. For Subsidiaries where ownership is below 75%, Joint Ventures & Associates, results include only Finbond's specific ownership percentage. Branches and Employees however include 100% of all investments i.e., the Group's full network.

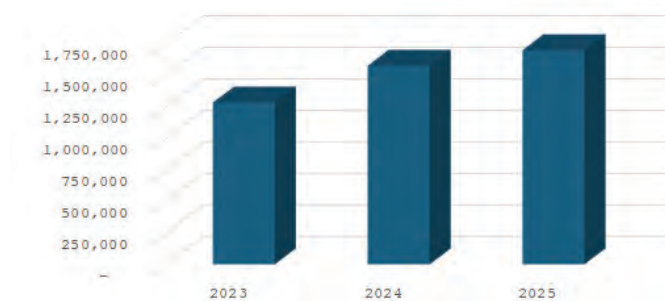
	2022 ¹	% change 2024/2025
	1	1.4%
	1	11.4%
	1	7.9%
	1	102.0%
	1	5 609.0%
	1	17.3%
	1	(3.0%)
	846 412	(12.2%)
	486 710	(21.7%)

	254	133.3%
	853,865,498	(38.0%)
	1	9 108.4%
	1	9 108.4%
	1	(325.0%)
	1	(325.0%)
	1	5 850.2%
	3 975 277	5.8%
	100.9	(16.4%)
	1	1 116.6%
	-	100.0%

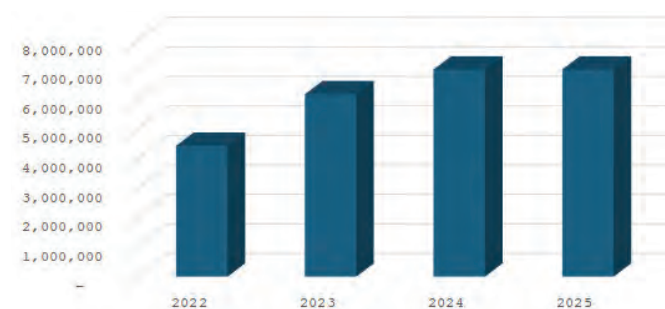
	795 765	4.4%
	1	1.6%
	1	4.1%
	1	8.7%
	1	4.2%
	1	8.1%
	1	3.5%
	1	(0.6%)
	1	4.2%
	1	(2.8%)
	1	(2.5%)
	1	(5.3%)
	92.6%	(2.4%)

	4 437 029	(3.5%)
	1 099 793	2.9%
	4 034	(6.2%)
	5 443 281	(1.5%)
	122.7%	2.1%
	592	5.3%
	2 051	5.9%

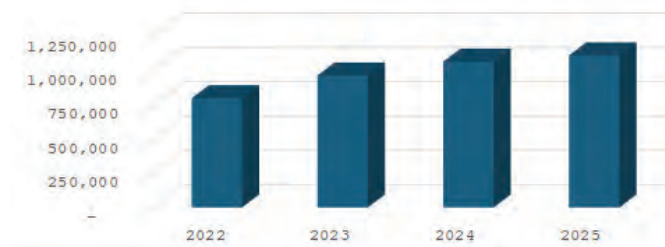
TOTAL TURNOVER (R'000)



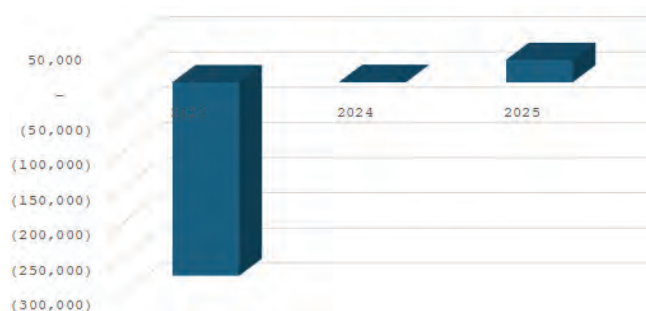
VALUE OF LOANS ADVANCED (R'000)



GROSS CONSUMER LOANS AND ADVANCES (R'000)



PROFIT ATTRIBUTABLE TO OWNERS (R'000)



CHAIR'S REVIEW



DR MALESELA MOTLATLA
CHAIR

Dear Shareholders,

It is with great pride and appreciation that I present this year's annual report, marking another period of solid performance and meaningful progress. Over the past year, Finbond continued on its path to sustained profitability – a testament to the soundness of our board-approved strategic plan of action, the strength of our executive leadership and the resilience of our senior management teams and business partners.

Amid a dynamic and often challenging environment, we remained focused on long-term value creation, operational excellence and disciplined growth. The improved results we have achieved are not incidental; they reflect careful planning, decisive action and a deep commitment to our mission and stakeholders.

This report highlights the milestones we reached during the year, the decisions that shaped our progress, and the vision that will guide us forward. We have every reason to be confident in the road ahead – and even more determined to meet it with purpose.

FINANCIAL RESULTS

The 2025 financial year included several significant achievements and improvements for Finbond. These included:

- Earnings per share ("EPS") improved by more than 100% to 7.0 cents per share (February 2024: 0.1 cents per share);
- Dividends declared to shareholders increased by more than 100% to R43.7 million (February 2024: no dividend);
- Earnings before interest, taxation, depreciation and amortisation ("EBITDA") increased by 17.3% to R561.7 million (February 2024: R478.7 million);
- Total revenue increased by 7.9% to R1.70 billion (February 2024: R1.58 billion);
- Number of loans advanced increased by 2.9% to 1.44 billion (February 2024: 1.40 billion); and

- Ratio of cash receipts to loans advanced improved by 2.1% to 125.6% (February 2024: 123.0%).

Our modest recovery over the past financial year is reflected in this Annual Report. The performance confirms that our recovery remains underway and we are expecting to use our strong liquidity and capital positions to further improve our results going forward. To this end, Finbond's board and management have once again identified various opportunities that are either being considered or implemented in order to achieve our goals set for the 2026 financial year and beyond.

Our ratio of cash receipts to loans granted increased slightly to 125.6% and we managed to further decrease our cost-to-income ratio to 58.5%. When comparing our total collections to expected receipts, our collection rate for the year amounted to 96.5%.

During the period under review, Finbond achieved the following:

- Further improved turnover and interest income levels;
- Further increased the number of loans advanced to above pre-pandemic levels; and
- Maintained our BBBEE rating at level 4.

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

The continued and successful execution of the Finbond strategy is key to making the group a sustainable business. The Board continues directing and monitoring the implementation of the group strategy, which is reviewed on an annual basis.

DIVIDENDS

In view of our return to profitability and our confidence in the future, the Board declared a scrip dividend of 17.82809 ordinary shares for every 100 ordinary shares held, but also offering shareholders the option to receive a cash dividend alternative of 9.57071 cents per share. We are pleased that this dividend has been well received.

SOCIAL RESPONSIBILITY

Social responsibility refers to Finbond's voluntary actions to address social, environmental and ethical issues. It involves going beyond the legal requirements of a business and incorporating social and environmental concerns into our operations and decision-making processes.

Social responsibility is important for companies as it can enhance their reputation, build trust, contribute to sustainable development, mitigate risks and meet stakeholder expectations. By incorporating social and environmental concerns into our operations, Finbond has created value for both itself and society as a whole.

We are proud to have been able to continue our support of various charitable institutions, even during these challenging times. These include Tshwane House of Safety, Tshwane Place of Safety, Silwerkoon, GreyPower, Harmonie Park, Thuthukisa and Silversig. Total contributions for the 2025 financial year exceeded R1.7 million.

RESPONSIBLE LENDING PRACTICES

Responsible lending involves ethical and sustainable practices adopted by financial institutions when providing loans and credit to their customers. It involves ensuring that borrowers are able to afford the debt they are incurring, and that the lending practices do not lead to excessive debt burdens or financial hardship.

Responsible lending practices are essential for protecting consumers, promoting ethical practices, maintaining financial stability, fulfilling social responsibility and complying with regulations. By adopting responsible lending practices, Finbond and its subsidiaries have become trusted brands in the societies in which they operate and maintained healthy collection rates at the same time.

Responsible consumer lending fulfills an important role of including the vulnerable and previously excluded and giving them access to credit. This role will continue to grow rather than diminish in importance.

BRANCH NETWORK

A combination of strategic branch consolidation and new branches opened saw the South African network end the year with 452 branches and the North American network with 160 stores. The total number of employees was at 2,341 at the end of February 2025.

We intend to open and acquire approximately 500 new branches during the following 12 to 48 months, in line with Finbond's Board Approved Five-Year Strategic Plan of Action.

LEVEL 5 LEADERSHIP

Finbond's culture is one of servanthood and excellence.

Warren Bennis said *"Leadership is the capacity to translate vision into reality"*. Finbond expects Level 5 leadership of all its senior managers. Level 5 leaders are modest and willful, humble and fearless.

Level 5 leaders are self-effacing and display a fierce resolve to do whatever needs to be done to make Finbond great. Level 5 leaders embody a paradoxical mix of personal humility and professional will. Level 5 leaders are ambitious, first and foremost for the company and not for themselves and:

- display compelling modesty, are understated and self-effacing;
- are fanatically driven with an incurable need to produce sustained results;
- are resolved to do whatever it takes to make a company great, no matter how big, hard or difficult the decision is;
- enforce agreed standards relentlessly;
- cannot stand and are utterly intolerant of any form of mediocrity;
- do not accept the idea that good is good enough;
- display workmanlike diligence – more plough horse than show horse;
- look out the window to attribute success to factors other than themselves but when things go poorly they look in the mirror and blame themselves taking full responsibility; and
- are servant leaders.

PLACING CLIENTS FIRST

Finbond's vision and core purpose is to add value to clients' lives by offering them access to financial services and, in doing so, growing Finbond.

The Finbond Group exists to deliver client-centric value creation, management and protection. In order to achieve this, the client-centric business model is focused on creating solutions that deliver value to our clients. Key to this is product innovation that addresses the needs of the client first. Finbond is therefore committed to not selling product solutions that do not deliver value for clients. This approach has continued to serve the group well over the past year.

The Finbond Board carries the ultimate responsibility for ensuring that this focus on the client remains a priority across the Group and that all clients are treated fairly. The Social and Ethics Committee is mandated to oversee this function and report back to the Board. Please see page 76 for our brand new Social and Ethics Report.

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

- The highest standard of service and professionalism;
- Duty to protect the public, clients, depositors and the industry and adhere to all laws;
- Client confidentiality;
- Equality and non-discrimination;
- Best interest of the clients; and
- Transparency and disclosing of information in order for clients to make a rational decision.

VALUE GENERATION

A company's responsibility towards value generation refers to its obligation to create value for all its stakeholders, including shareholders, employees, customers, suppliers and the community. This involves generating financial returns for shareholders while also ensuring that the company's activities have a positive impact on society and the environment.

The importance of a company's responsibility towards value generation has rightfully become a topical issue internationally and it involves unlocking value for various stakeholders, including shareholders, customers, employees and communities.

To learn more about Finbond's approach to value generation, please see pages 9 and 10 of this Annual Report.

LOOKING AHEAD

It is expected that Finbond's results for the year ending February 2026 should continue to improve as the recovery continues.

Finbond will continue to strive to be a leading player in the Southern African and North American alternative financial services industries. For 2025/2026 in particular, Finbond's aims are to:

- Improve and further expand our international branch network;
- Organic growth of our core product range or "One Thing" that is unsecured short-term loans both in South Africa and North America;
- Increase our charitable contributions to children and retirement homes in line with our profit growth; and
- Continue our recovery in North America.

We expect challenging economic conditions to persist, but we see this as an opportunity to gain more clients as they look for value and better service.

IN CLOSING

The past year has affirmed the strength of our strategic direction and the resilience of our organisation. Sustained profitability is not just a milestone – it is a reflection of the discipline, foresight and commitment that define our group at every level.

As we look to the future, the Board remains confident in management's ability to navigate change, capitalise on emerging opportunities and drive long-term value. We will continue to provide oversight, guidance and support to ensure that our decisions align with the best interests of our shareholders and all stakeholders.

Thank you for your continued trust and investment in our future. We are proud of the progress made and even more excited about what lies ahead.

I would like to extend a special word of thanks to the captain of the Finbond ship, Dr Willem van Aardt. His continued passion, commitment and determination has been the deciding factor in our recovery to profitability.

I would also like to mention the CEOs of our South African subsidiaries, Mr Carel van Heerden of Finbond Mutual Bank and Mr Marthinus Vermaak of Supreme Finance, both of whom have delivered excellent results.

To my fellow directors and to all our employees, thank you for believing in our future and sharing our vision. Together we will build towards a future we can all be proud of.



Dr Malesela Motlatla
Chairman
21 May 2025

CHIEF EXECUTIVE OFFICER'S REVIEW



DR WILLEM VAN AARDT
CHIEF EXECUTIVE OFFICER

Dear Fellow Shareholders,

As we reflect on the past year, I am proud to report that our group has made positive strides in advancing our long-term strategy and further strengthened our foundation for sustained future profitability. This year was marked by the solid execution of our strategic plans, cost cutting measures, good operational discipline around core products and a continued focus on delivering value to our customers and shareholders alike.

Building on the momentum of the previous year, we have further increased profitability following the significant setback suffered between 2020 and 2023, demonstrating the resilience of our business model and the dedication and persistence of our various geographical senior management teams and business partners in North America. In a market that continues to evolve rapidly, our ability to adapt while staying true to our core values has proven to be one of our greatest assets.

This report provides a comprehensive look at how we achieved these results, the strategic decisions behind our progress and how we are positioning ourselves for continued success in the years ahead. As always, we remain deeply committed to transparency, accountability and creating lasting value.

For the financial year ended 28 February 2025:

- Profit for the year attributable to owners of the Company increased by more than 100% to R31.8 million (February 2024: R0.6 million);
- Earnings per share ("EPS") improved by more than 100% to 7.0 cents per share (February 2024: 0.1 cents per share);

- Dividends declared to shareholders increased by more than 100% to R43.7 million (February 2024: no dividend);
- Turnover increased by 7.9% to R1.7 billion (February 2024: R1.56 billion);
- Operating costs were contained and the cost-to-income ratio improved by 3.0% to 58.5%;
- Total assets increased by 5.8% to R4.53 billion (February 2024: R4.28 billion); and
- Gross loans and advances increased by 4.4% to R1.11 billion (February 2024: R1.06 billion).

FINANCIAL RESULTS

During the period under review Finbond increased gross consumer loans by 4.4% to R1.11 billion from R1.06 billion at the end of the previous financial year.

The vast majority of revenue for the year continues to be derived from short-term consumer loans. EPS improved significantly by more than 100% to 7.0 cents from 0.1 cents last year.

Following continued cost savings, efficiency initiatives and restructures, operating expenses were restricted to an increase of 4.6% to R994.8 million from R950.9 million last year (in contrast to increased revenues of 7.9%). Accordingly, the cost-to-income ratio improved by 3.0% to 58.5%.

Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA") amounted to R245.6 million in North America, versus R297.6 million in South Africa. Total EBITDA amounted to R561.7 million.

R574.0 million (February 2024: R530.3 million*) or 34% (February 2024: 34%) of total revenue was generated in North America, while R1.05 billion (February 2024: R970.5 million) or 62% (February 2024: 62%) was generated in South Africa.

CASH RESERVES

Finbond Group's liquidity position at the end of February 2025 in terms of cash, cash equivalents and liquid assets increased by 19.2% to R1.01 billion.

Payments received as a percentage of capital granted during the reporting period was 125.6% despite the loan book recovery and growth, versus 123.0% in the corresponding period last year.

By the end of February 2025, FGL commercial paper amounted to R2.86 billion (February 2024: R2.55 billion) and FMB retail deposits amounted to R590.3 million (February 2024: R590.8 million). The average FGL commercial paper investment size was R1.54 million for the reporting period, the weighted average outstanding note term was 43.4 months and the weighted average interest rate was 11.1%. The average FMB deposit size was R390k, the weighted average outstanding deposit term was 23.7 months and the weighted average interest rate 9.3%.

Finbond is not exposed to the uncertainty that accompanies the use of short-term corporate call deposits as a funding mechanism since the Group only accepts 60-month commercial paper investments and 6- to 72-month fixed-term retail deposits. Given the long-term nature of Finbond's liabilities and the short-term nature of its assets (short-term consumer loans with an average outstanding book term of 3.4 months in South Africa and an average outstanding book term of 8.9 months in NA (weighted by outstanding balance and based on contractual term), Finbond possesses a low-risk liquidity structure.

ASSET QUALITY

Net loan impairment expense to loan revenue strengthened by 2.5% to 18.1% for the year from 18.6% last year. This ratio demonstrates that our actual loss experience has decreased, due to strengthening portfolio quality.

One of the key value drivers is the quality of new business. Without quality, new business growth is meaningless and not sustainable. An impressive average overall collection experience for the year of 96.5% (North America 103.7%, South Africa 87.7%) reaffirms that high quality loans are added to the portfolio and furthermore that no individual business line is dragging on performance.

CONSUMER EDUCATION

In an age of rapidly advancing technology, consumer education takes on an even more critical role than in the past. The proliferation of new markets, products, and services through the internet creates the potential for large gaps in consumer knowledge and understanding, and thus for marketplace abuse of unwary consumers.

Consumer education is crucial because it empowers individuals to make informed choices, understand their rights, and protect themselves from scams and fraud. It helps drive economic growth and shapes the products and services offered by businesses. Knowledgeable consumers can participate more fully and effectively in the marketplace. The more consumers know about their rights and responsibilities and the services and goods they buy, the better they can protect themselves, make sound purchasing decisions, and positively contribute to the economy.

Given the importance being prudent in the current economic environment, Ms Ina Wilken-Jonker, the Chair of the Finbond Group Social and Ethics Committee, and Chairperson of Gray Power South Africa, has developed two booklets, one for Finbond Mutual Bank and one for Supreme Finance, titled *"Your Guide to Budgeting in Times of Crisis"* which continue to be available to our South African customers.

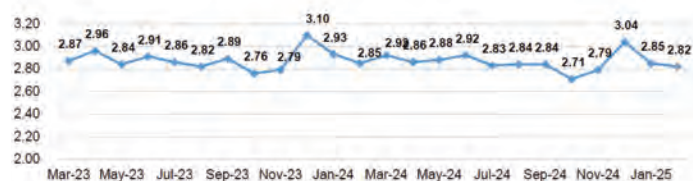
SOUTH AFRICAN OPERATIONS

Finbond's South African business's main focus remains on small short-term consumer loans through its 452 branches. Total revenue from Finbond's South African short-term lending activities increased by 8.2% to R1.05 billion (February 2024: R970.5 million) for the financial year under review. South Africa has continued to perform well and remains well ahead of "normal" pre-COVID levels.

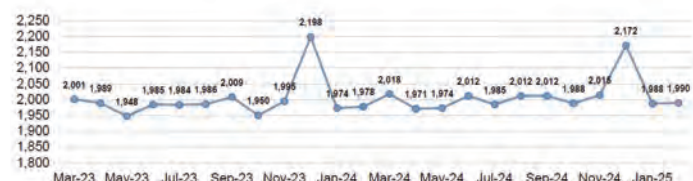
The gross consumer loan book increased by 9.6% to R916.0 million (February 2024: R835.6 million). South African operations received payments from customers of R2.94 billion, an increase of 8.9% compared to the last financial year's R2.70 billion, while granting R1.97 billion in new loans, an increase of 6.6% compared to the last financial year's R1.85 billion.

Finbond South Africa's average consumer loan size was R1,990 (February 2024: R1,978) with an average term of 3.5 months (February 2024: 2.9 months) (based on the total number of loans granted). Given the short-term nature of products, the loan portfolio is cash flow generative and a good source of internally generated liquidity. The loan portfolio turns over approximately four times a year.

AVERAGE LOAN TERM



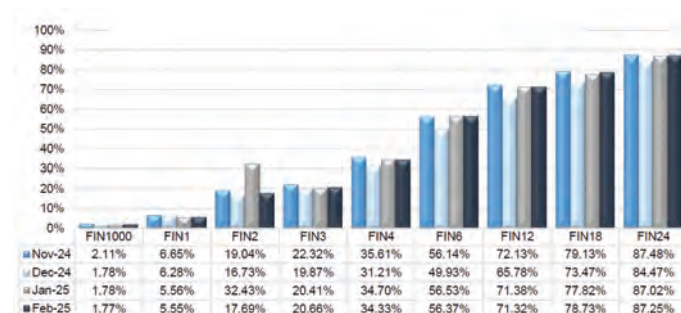
AVERAGE LOAN AMOUNT



Net impairment on loans and advances as a percentage of total revenue remained stable at 19.3% (February 2024: 19.3%). Provisions to gross consumer loans and advances coverage marginally increased to 59.5% (February 2024: 58.9%) as our IFRS 9 ECL models ensure that adequate provisions are held. The overall average collection rate achieved for the year improved to 87.7% (February 2024: 87.4%).

Finbond's lending practices have been consistently conservative over the past number of years and our rejection or decline rates remain higher than those of our major competitors. Rejection rates in South Africa stood at between 71% and 88% for our 12- to 24-month products at the end of February 2025.

MONTHLY CODIX DECLINES TO HISTORIC DECLINES RATES



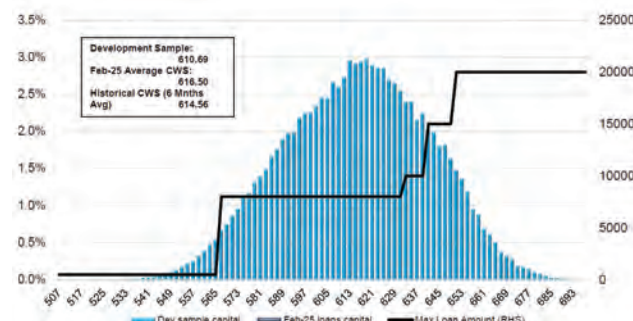
Capital Weighted Scores ("CWS") remain relatively high, which suggests that the quality of loans being originated is satisfactory.

CAPITAL WEIGHTED SCORE

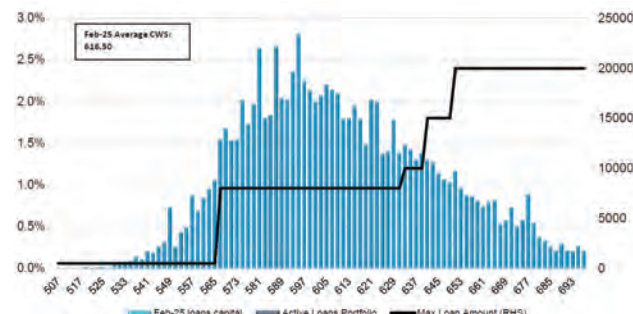


The graphs below show the shift in the distribution when considering the exposure that each approved application represents. It graphically illustrates the credit risk management methodology, where Finbond aims to offset the increased probability of default posed by a lower quality applicant through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

CAPITAL DISTRIBUTION OF NEW LOANS TO HISTORIC LOANS



CAPITAL DISTRIBUTION OF NEW LOANS TO ACTIVE LOANS



NORTH AMERICAN OPERATIONS

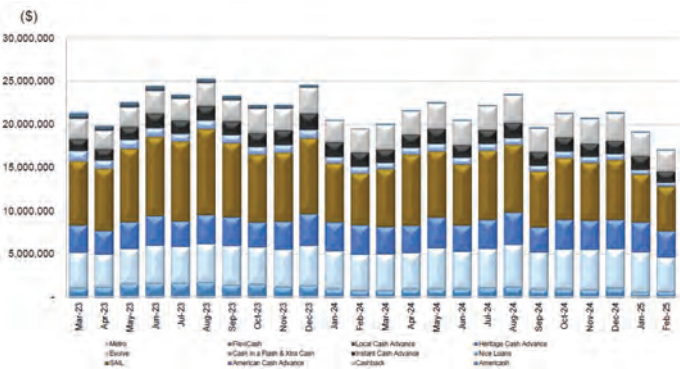
Finbond’s North American business’s primary focus remains on short-term consumer loans offered through 160 branches operating in the following states: Alabama, Arizona, California, Illinois, Indiana, Louisiana, Michigan, Missouri, Mississippi, Nevada, South Carolina, Tennessee and Wisconsin. In addition to the US, Finbond also has a presence in Ontario, Canada and in Panama. Consumer instalment loans are offered online in Illinois, Indiana, Missouri, South Carolina and Wisconsin through our online platforms.

Consolidated subsidiary gross consumer loans and advances decreased by 14.9% to R192.4 million at February 2025 from R226.0 million last year. Investments in JVs and Associates – comprising primarily U.S.-based consumer lending businesses – declined by 4.3% and 1.0% respectively. Strong profitability across our JVs and an exceptional performance from our Associate (C1H), supported growth in investment balances. However, this was offset by substantial cash dividends received during the period, totaling R252.1 million, which reduced the carrying value of these investments.

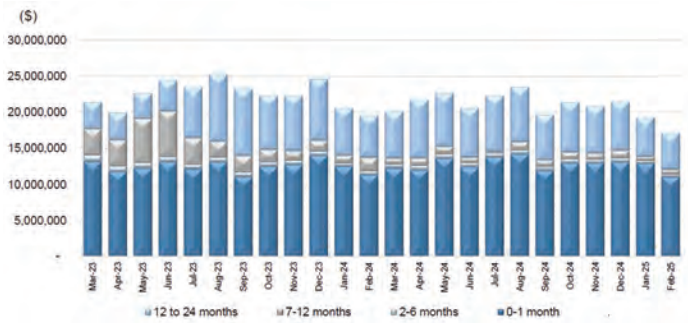
North American operations received payments from customers of R5.57 billion, a decrease of 6.1% compared to the last financial year’s R5.93 billion, while granting R4.80 billion in new loans, a decrease of 7.1% compared to the last financial year’s R5.17 billion. While this is a decline from the prior year, it reflects deliberate actions taken in the U.S. during the period – including stricter upfront credit scoring and the closure of underperforming branches. Current loan levels, however, remain significantly ahead of pre-COVID and Illinois regulatory change levels and accordingly demonstrate the solid progress in executing our strategic recovery initiatives.

Total revenue from Finbond’s North American short-term lending activities (including subsidiaries, joint ventures and associates) however increased by 8.2% to R574.0 million (February 2024: R530.3 million)

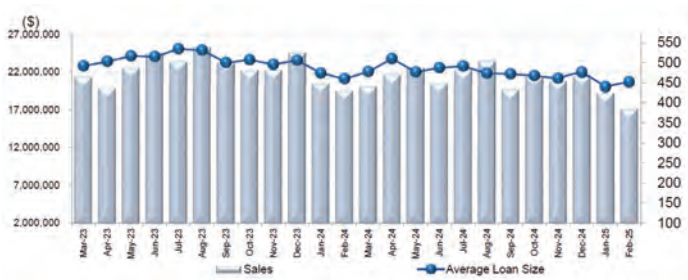
MONTHLY SALES (\$) PER BUSINESS LINE



MONTHLY SALES (\$) PER LOAN TYPE

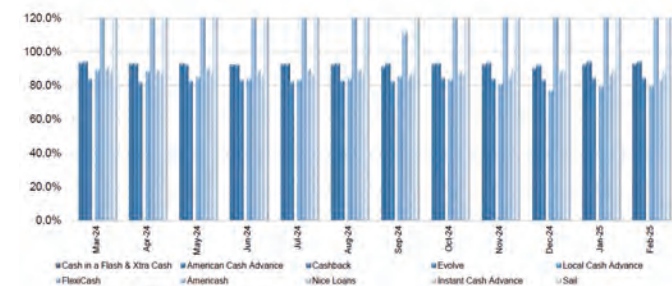


MONTHLY SALES (\$)



for the period under review. Collection rates in North America averaged a very healthy 104.4%. Total net impairment as a percentage of total loan revenue strengthened to 18.5%, from 20.7% last year. Provisions to gross consumer loans coverage strengthened to 21.6% (February 2024: 22.7%). The ratios above are indicative again of Finbond’s conservative credit granting policies and continued rigorous collections efforts.

COLLECTION RATE PER BUSINESS LINE



HUMAN CAPITAL DEVELOPMENT

The Finbond Human Capital Development Department facilitates, supports, guides and supplies advice and information to the various regions within Finbond on productivity, development and succession planning. The main purpose is to build widespread commitment and capabilities amongst all employees to achieve the Finbond vision by developing the organisation into a community of shared purpose marked by high levels of connection, trust and respect.

We continually search for a better way of doing things, even when things are going well, to ensure that a better alternative has not been overlooked and in order to challenge the creativity of all employees. Emphasis is placed on ensuring that employee competency levels are up to the required levels through training and development and that every employee has the correct business tools to be able to perform their work functions at exceptional levels. Training and development of our staff remains a core focus area and one of our business priorities. During the period under review the HCD training department added a range of tools to ensure consistency in executing the training strategy.

Employees further receive market-related remuneration and performance-based rewards when budgets are met.

In order to continually improve two-way communication, employees are encouraged and empowered to raise their concerns through the following platforms:

- Anonymous surveys where employees can bring various matters that they want addressed, changed or improved to senior management's attention;
- An anonymous fraud hotline where suspicious or fraudulent actions by fellow employees can be reported;
- The employment equity forum where employees as representatives of the workforce discuss matters of concern;
- A management culture where employees have an open invitation to discuss matters of concern with their line managers;
- Area managers, training managers, Internal Audit, Compliance, general managers and regional managers regularly visit branches to interact with branch employees and to discuss matters of concern with them; and
- Company Chief Executive Officers and Chief Business Officers also visit the regions and branches to discuss matters of concern with branch and regional personnel directly.

Employees are also kept abreast of company related issues through the Finbond Compass (a monthly electronic magazine) and regular communications from regional offices and head office.

CORPORATE GOVERNANCE

The Board promotes and supports high and ethical standards of corporate governance and, in doing so, also endorses the principles of King IV and ISO 37 000. The Board remains satisfied that Finbond complies with King IV in all material aspects and takes note of the probability of King V being introduced in due course.

Effective corporate governance is of vital importance to a sustainable business and is therefore critical in ensuring Finbond conducts its affairs in a manner that protects the interests of all stakeholders. For this reason, effective corporate governance remains one of the top priorities of the Finbond Board and Executive Management.

Finbond's corporate governance principles and practices remain of the highest standards and exceed all regulatory and statutory requirements. We continuously enhance our corporate governance measures in line with best practice corporate governance recommendations.

Finbond's Corporate Governance Framework is detailed on pages 54 to 61. This also describes in some detail the nature of the organisational structure put in place to direct, manage and control the corporate governance activities of the Group.

BUSINESS PHILOSOPHY AND CULTURE

Winston S. Churchill noted that *"Success is not final; failure is not fatal: it is the courage to continue that counts"*. As disruptive as the past few years have been, there will be long-term and lasting positive effects from the various policies and practices implemented over this period as well as future turbulences, whether it be an economic downturn, natural disaster, social upheaval or another public health crisis. We endeavour to equip Finbond Management with the tools and knowhow to weather these kinds of storms and create strategies to guide us through both growth and decline.

There is rarely a simple, one-size-fits-all solution to the types of challenges faced by business operations. In many cases, business leaders need to approach the problem from different angles to find the right solution – or combination of solutions – to minimise risk, protect revenue streams and capitalise on opportunities that might emerge. In addressing a challenge, it is not helpful to be locked into a particular way of thinking. Finbond's culture, which embraces diversity and welcomes different ideas, allowing for more voices to be heard and more views to be expressed, inevitably leads to innovative solutions.

In managing and growing Finbond through this challenging season we will continue to apply the following general principles:

- We face the brutal facts squarely. We are realistic;
- We stick to our core values and core competencies;
- We manage and think long-term: 5 – 10 years;
- We are disciplined to grow conservatively;
- We continue to hire the best people as the calibre of our employees will determine our success in the long term;
- We put quality first and growth second;
- We are persistent and unwilling to quit until the end result is achieved;
- We learn from mistakes;
- We use adversity to invent, reinvent and recreate;
- We see the obstacle as the way. We will not be blocked by obstacles, we will advance through and over them;
- We aim to “win when others lose”;
- We continue to go forward and continue to act, we do not stand still or do nothing; and
- We are positive, have faith in God and confidently believe that we will be successful and that we will by God’s grace prevail and excel at everything we do.

FOCUS ON SHORT TERM LOANS VS LONGER TERM LOANS

Total loan revenue (consisting of interest, fee and commission income) grew by 4.2% to R1.46 billion (2024: R1.40 billion), supported by overall loan book growth, a strong South African performance and improved US volume recovery.

Despite continued strong competition in the short-term loan market over the past 12 months, our share of the one-to-six-month short-term unsecured market in South Africa (loans below R8,000 with a tenure of between 30 days and 180 days) remains above 23%.

For the financial year, 61% of sales in North America were 0-to-1-month loans. The focus remains on high quality, small, short-term loans. This is supported by an average loan term of 3.5 months in South Africa and 1.95 months in North America by number of loans originated and an average loan size across all loan type sales in North America of \$427 and R1,990 in South Africa.

STRATEGIC INITIATIVES

The world in general, and specifically the markets in which we operate, continue to face extraordinary challenges. Notwithstanding the prevailing challenges, we remain committed to exceeding our accomplishments and setting new standards of excellence.

Our prospects for sustainable growth stand on three pillars: our operations in South Africa, North America and Europe. We are capitalising on the relative strength of our balance sheet and the resilience and perseverance we have built over the past 20 years to consolidate and grow our business.

Conrad Hilton said that “Success seems to be connected with action. Successful people keep moving. They make mistakes, but they don’t quit”. A prudent and innovative strategy remains relevant to reposition Finbond in the current business environment. Strategic initiatives, in line with the Board approved five-year strategic plan, in the short and medium term include:

- Growing our South African operations through increased business volumes and expansion of our branch network by 500 store locations over the next 48 months;
- Stabilising and then growing our international operations through the expansion of our store network in North America and Latin America;
- Expanding our online SAIL GoCredit.Me product by rolling it out to all 50 US states;
- Diversifying our business operations through key strategic partnerships that can add additional distribution channels; and
- Increasing our net profits through organic growth and strategic acquisitions.

In executing our five-year plan of action, the following John Maxwell acronym of the words PLAN-AHEAD will continuously serve as the formula for planning ahead and implementing strategy:

- **P**redetermine your course of action
- **L**ay out your goals
- **A**adjust your priorities
- **N**otify Key Personnel
- **A**llow time for acceptance
- **H**ead into action
- **E**xpect problems
- **A**lways point to successes
- **D**aily review your plan

LOOKING AHEAD

John Maxwell asserted that “If there is no faith in the future there is no power in the present”. We are excited about Finbond’s vision, prospects and further expansion in both North America and South Africa. The opportunities ahead are captivating and exciting.

With a clear strategy, a strong leadership team and the commitment of our people, I am confident that we are well-positioned to continue our momentum and deliver long term sustainable results that matter.

THANK YOU

As we close the chapter on another successful year, I want to express my gratitude to our employees, partners, and, most importantly, to you – our shareholders – for your unwavering support and confidence in our vision.

Our journey toward sustained profitability is not just about numbers; it's about building and equipping a durable, resilient group of strong people that can thrive in any business environment. We have laid a solid foundation and we are poised to build further upon it with purpose, innovation and a relentless focus on long-term value creation.

Thank you for being a part of our continued success.

Last but not least I want to express my deep appreciation and thankfulness towards our Lord and Saviour Jesus Christ for His abundant grace, unmerited favour and loving kindness towards us that enables us to enjoy the precious gift of life and to be more than conquerors in all that we do.



Dr Willem van Aardt
Chief Executive Officer
21 May 2025

CHIEF FINANCIAL OFFICER’S REVIEW



MR GREG LABUSCHAGNE
CHIEF FINANCIAL OFFICER

OVERVIEW

We are pleased to report a second consecutive year of profitability for the year under review, marking the recovery from losses driven by the COVID pandemic and regulatory changes in Illinois (one of our key United States ('U.S.')

The post-COVID recovery in our U.S. business continued to lag broader economic trends in the beginning of the year, largely due to the final impacts of substantial U.S. government COVID stimulus programs. While these stimulus programs had since ended, they temporarily boosted consumer savings balances, which in turn suppressed demand for our credit products. During the year however, we saw the continued return to pre-COVID lending activity in our U.S. business as these elevated savings balances returned to pre-COVID levels. See note 43 for further detail.

In Illinois, we’ve completed the restructuring of investments impacted by regulatory changes introduced in March 2021. Our new Savings Account Instalment Loan ('SAIL') product continues to gain traction, though, as a longer-term product, it requires time to reach profitability due to lower margins (an effect of regulatory change), upfront infrastructure investment, and front-loaded provisioning (under IFRS9). The continued growth of SAIL will require additional funding at a sustainable cost to scale the book and reach suitable profitable returns.

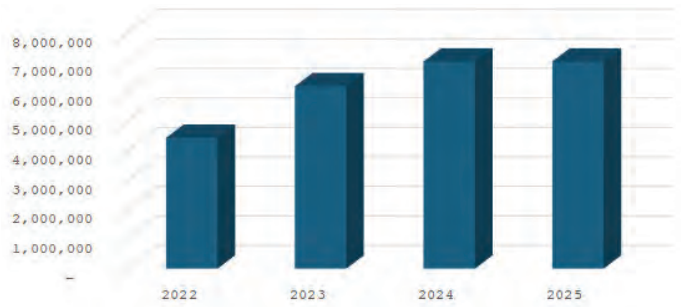
FINANCIAL PERFORMANCE HIGHLIGHTS

Loans Advanced

Short-term consumer loans advanced decreased by 3.5% to R6.78 billion. While this is a decline from the prior year, it reflects deliberate actions taken in the U.S. during the period – including stricter upfront credit scoring and the closure of underperforming branches. These loan levels however still demonstrate the solid progress in executing our strategic recovery initiatives, particularly in mitigating the effects of COVID and regulatory changes in Illinois.

Traditional loan volumes have fully recovered in South Africa ('SA'), Canada, and Panama, and are nearing pre-COVID levels in the U.S.

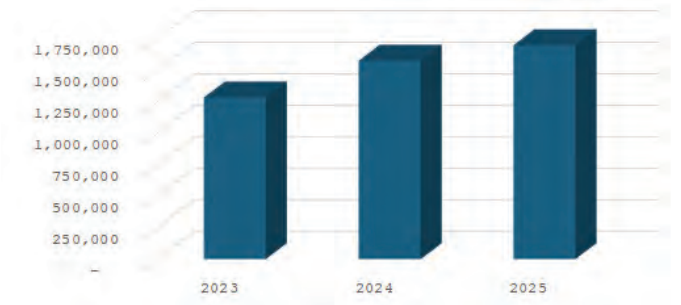
VALUE OF LOANS ADVANCED (R'000)



Revenue (turnover)

Total revenue (consisting of interest, fee, commission, joint venture and associate income) grew 7.9% to R1.70 billion (2024: R1.58 billion), supported by overall loan book growth, strong SA and associate performance, and improved U.S. volume recovery.

TOTAL TURNOVER (R'000)



Finance Costs

Finance costs rose 11.4% to R368.1 million as FGL Commercial Paper ('CP') balances were increased to fund strategic recovery and growth initiatives, as well as to extend maturities and build surplus cash buffers to mitigate funding risk. See note 43 for a detailed funding risk assessment.

Consumer Loan Collections and Impairments

Collections remain robust, with a collections rate of 96.5%. Although lower than the same period last year, the decrease is due to a change in portfolio composition, not performance. More expected collections stemmed from SA in the current period versus last year, with SA having a lower collections rate than North America.

Net impairments as a percentage of loan revenue improved 2.5% to 18.1% (2024: 18.6%), reflecting the robust collections, as well as upfront credit scoring excellence. The ECL provision coverage ratio however increased 3.5% to 53.0%, reflecting ongoing prudence in ECL provisioning.

Operating Expenses

Operating expenses increased 4.6% to R994.8 million, well below revenue growth. Significant efficiency and restructuring efforts continued during the year, with cost benefits expected to accrue further in the coming financial year. Although short-term restructuring costs impacted profitability in the year under review, the cost-to-income ratio improved by 3.0% to 58.5%, reflecting the considerable progress.

Profitability

The Group reported a small profit of R31.8 million, although this represents a 5,609% improvement on the profit of R0.6 million last year. Earnings per share ('EPS') similarly improved to 7.0 cents/share versus 0.1 cents/share last year, an improvement of 9,108%, underscoring the strong COVID and Illinois regulatory change recovery.

LOANS AND ADVANCES

Consumer Loans and Advances

Subsidiary gross consumer loan books grew 4.4% to R1.11 billion. In SA, gross loans increased 9.6% to R916.0 million, while North American gross loans declined 14.9% to R192.4 million.

GROSS CONSUMER LOANS AND ADVANCES (R'000)



Investments in Joint Ventures ('JVs') and Associates – comprising primarily U.S.-based consumer lending businesses – declined by 4.3% and 1.0% respectively. Strong profitability across our JVs and an exceptional performance from our Associate (C1H), supported growth in investment balances. However, this was offset by substantial cash dividends received during the period, totalling R252.1 million, which reduced the carrying value of these investments.

Business Lending, Mortgage & Specialised Finance Loans

Gross loan books grew 29.6% to R200.9 million as Finbond Mutual Bank (a SA-based subsidiary) experienced good business lending growth.

FINANCIAL POSITION

Statement of Financial Position (Balance Sheet)

Total assets increased 5.8% to R4.53 billion, and total liabilities rose 10.2% to R3.80 billion.

Capital and Liquidity

Ordinary shareholders' equity declined 12.2% to R730.9 million, with tangible equity (excluding goodwill) down 21.7% to R412.3 million.

The decrease was primarily driven by currency movements, as the Rand strengthened 4.6% against the U.S. Dollar (\$1 = R18.43 at 28 Feb 2025 vs. R19.31 at 29 Feb 2024). A stronger Rand reduces the ZAR value of the Group's USD assets, liabilities, and forex reserves (within equity), while a weaker Rand has the opposite effect. Although forex reserves declined 21.9% to R369.4 million during the reporting

period, the Group expects continued long-term benefit from a gradually weakening Rand, with current forex reserve levels reflecting its ability to hedge this trend.

Total cash receipts from customers declined by 1.5% to R8.51 billion. While this represents a decrease from the prior year, it reflects the deliberate actions taken in the U.S. during the period – as described under loans advanced above – which contributed to the 3.5% reduction in consumer loans advanced. Importantly, the smaller decline in cash receipts relative to loans advanced highlights continued operational progress. This is further underscored by a healthy cash received-to-cash granted ratio of 125.6%, up 2.1% year-on-year, demonstrating the Group's strong cash generation capability.

Cash and liquid assets (consisting of cash, cash equivalents and other [cash] financial assets) increased 19.2% to R1.01 billion due to substantial cash dividends received from JVs and Associates and increases to CP levels. FGL raised an additional R307.7 million in CP, ending the year with a balance of R2.86 billion.

REGULATION

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

GOING CONCERN

The financial statements have been prepared on a going concern basis. See the Directors' Report and note 43 for a detailed risk assessment.

DIVIDENDS

The Directors declared a scrip dividend, of 17.82809 for every 100 ordinary shares held, to ordinary shareholders of the Company. Shareholders were entitled to elect to receive a gross cash dividend alternative of 9.57071 cents per share (2024: 0.0 cents).

APPRECIATION

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



Mr Greg Labuschagne
Group Chief Financial Officer
21 May 2025

REGULATORY CHANGES

REGULATORY CHANGES ON THE RADAR WHICH MAY IMPACT FINBOND GROUP LIMITED IN 2025/2026

• South African Reserve Bank ("SARB")	The Corporation of Deposit Insurance ("CODI"), a wholly owned subsidiary of the SARB, became a legal entity on 1 April 2023 and banks were required to start contributing to the fund from 1 April 2024. Contributions are based on the level of covered deposits and cover deposits and/or savings of customers up to R100 000 per customer.
• National Credit Regulator ("NCR")	The National Credit Amendment Act No. 7 of 2019 (Debt Relief Bill) was promulgated on 13 August 2019 to commence on a date still to be proclaimed in the Government Gazette. The Bill could impact Finbond's South African debt collection and recovery efforts.
• Financial Sector Conduct Authority ("FSCA")	<p>The Conduct of Financial Institutions ("COFI") Act is expected to repeal several existing financial sector laws and consolidate and strengthen the conduct of business-related provisions they contain in a single, overarching conduct of business law. The COFI Act is also expected to introduce a new, more activity-based licensing framework for financial institutions. Once the COFI Act comes into effect, the primary regulatory instrument available to the FSCA will be conduct standards issued under the COFI Act.</p> <p>The FSCA is in the process of developing a Conduct of Business Report ("COB Report") that will apply to all regulated entities and which will have to be submitted to the Regulating Authority (FSCA) on an annual basis. The COB Report, once finalised, will replace the compliance report contemplated in section 17(1)(c) of the FAIS Act.</p>
• Financial Intelligence Centre ("FIC")	The Financial Intelligence Centre Act was amended in 2023 and had a direct impact on Finbond and the industry in 2024. All prospective and current employees are to be screened for competency and integrity purposes. The Companies and Intellectual Property Commission ("CIPC") has been mandated to establish a register of Beneficial Owners for all entity types registered. Therefore, all CIPC registered companies/entities must declare and register all beneficial owners. Per Directive 8 of 2023, Accountable Institutions must submit compliance and risk returns annually.
• Employment and Labour	The Employment Equity Amendment Act introduced significant amendments to the Employment Equity Act so as to amend, insert, substitute and delete a definition, to provide for the Minister to identify sectoral numerical targets in order to ensure the equitable representation of suitably qualified individuals from designated groups; and to provide for matters connected therewith.
• Canada	The Canadian government proposed in Budget 2023 to change the Criminal Code (relevant for installment loans) to lower the maximum annual interest rate that lenders can charge from a 60% effective annual rate to a 35% annual percentage rate and to change the maximum amount that payday lenders can charge customers for the amount they borrow to \$14 per \$100 borrowed (formerly \$15 per \$100 in Ontario). The rate cap became effective on 1 January 2025.
• USA	The Payment Provisions of the CFPB's Payday, Vehicle Title, and Certain High-Cost Installment Loans Regulation went into effect on 30 March 2025. The rule restricts lenders from attempting to withdraw payment from a borrower's account after two consecutive failed payment transfers unless the borrower provides new authorisation for further attempts. The CFPB announced on 28 March 2025 that it will not prioritise enforcement or supervision actions of the rule, and that it is contemplating issuing a notice of proposed rulemaking to narrow the scope of the rule. An appeal challenging the constitutionality of the rule has been referred to the US Supreme Court.

IF

- Rudyard Kipling -

If you can keep your head when all about you
Are losing theirs and blaming it on you;
If you can trust yourself when all men doubt you,
But make allowance for their doubting too:
If you can wait and not be tired by waiting,
Or, being lied about, don't deal in lies,
Or being hated don't give way to hating,
And yet don't look too good, nor talk too wise;

If you can dream – and not make dreams your master;
If you can think – and not make thoughts your aim,
If you can meet with Triumph and Disaster
And treat those two impostors just the same:.
If you can bear to hear the truth you've spoken
Twisted by knaves to make a trap for fools,
Or watch the things you gave your life to, broken,
And stoop and build'em up with worn-out tools;

If you can make one heap of all your winnings
And risk it on one turn of pitch-and-toss,
And lose, and start again at your beginnings,
And never breathe a word about your loss:
If you can force your heart and nerve and sinew
To serve your turn long after they are gone,
And so hold on when there is nothing in you
Except the Will which says to them: "Hold on!"

If you can talk with crowds and keep your virtue,
Or walk with Kings – nor lose the common touch,
If neither foes nor loving friends can hurt you,
If all men count with you, but none too much:
If you can fill the unforgiving minute
With sixty seconds' worth of distance run,
Yours is the Earth and everything that's in it,
And – which is more – you'll be a Man, my son!



RISK MANAGEMENT AND CORPORATE GOVERNANCE

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"Bad companies are destroyed by crisis. Good companies survive them. Great companies are improved by them."
- Andy Grove -

DIRECTORATE



DR MALESELA MOTLATLA

CHAIR

Independent Non-Executive Director

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

Age: 85

Period of Service: 19 years

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

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

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

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



DR WILLEM VAN AARDT

CHIEF EXECUTIVE OFFICER

Executive Director

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

Age: 52

Period of Service: 23 years

Founded Finbond in January 2003.

Previously co-founder and Executive Director of Thuthukani Group Limited, a JSE listed short-term lending and debt collection company. Doctorate in Public Law through the North West University Potchefstroom Campus in 2005.

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

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

Previously Legal Consultant at Sanlam.

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

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

DIRECTORATE



MS INA WILKEN-JONKER

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

Age: 78
Period of Service: 22 years

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

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

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

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

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

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

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



ADV NEVILLE MELVILLE

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

Age: 70
Period of Service: 13 years

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

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

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

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

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

Honorary Research Fellow at the University of KwaZulu-Natal.

Member of Chartered Institute of Arbitrators, London and Institute of Directors, South Africa.

Former Consumer Goods and Services Ombudsman.

Appointed part-time adjudicator by Community Schemes Ombud Service in 2021.

DIRECTORATE



MR GREG LABUSCHAGNE

CHIEF FINANCIAL OFFICER

Executive Director

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

Age: 49

Period of Service: 9 years

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

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

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

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

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

Previous roles include Financial Manager at ABSA Bank Limited.



MR SEAN RISKOWITZ

Non-Executive Director

[B Proc (Wits)]

Age: 39

Period of Service: 3 years

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

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

Over 20 years' investment industry experience.

DIRECTORATE



MR DANIE PENTZ

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

Age: 78
Period of Service: 5 years

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

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

Participated in the founding and registration of Finbond Mutual Bank and the Community Bank and was Chief Operating Officer of the Community Bank. He was responsible for the development and installation of financial and IT systems.

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

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



MR PIET NAUDÉ

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

Age: 71
Period of Service: 7 years

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

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

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

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

INTERNAL AUDIT*

PURPOSE AND AUTHORITY OF THE INTERNAL AUDIT FUNCTION

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

Internal Audit enhances the Bank's:

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

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

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

SCOPE OF INTERNAL AUDIT ACTIVITIES

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

Internal audit assessments include evaluating whether:

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

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

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

LOOKING BACK OVER FY2025

The Audit Committee-approved Internal Audit plan for FY2025 has been successfully executed by the Internal Audit Function. Areas of improvement have been identified, and recommendations have been made to Finbond Mutual Bank's management.

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

LOOKING FORWARD TO FY2026

The King IV Code on Corporate Governance states that *"continual and rapid changes, as well as the complexity of business, organisational dynamics and the regulatory environment, require companies to establish and maintain an effective internal audit function to assist with their risk management process"*.

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

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

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

In response to the strategic pillars and King IV recommendations for an effective internal audit function, the Bank's top priorities for FY2026 are to develop and strengthen skills within the division, particularly data analysis, artificial intelligence, and other technologies, to improve coverage and increase productivity.

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

COMPLIANCE

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

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

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

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

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

This structure facilitates the achievement of the following key objectives:

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

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

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

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

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

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

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

Any detected incidents of non-compliance were non-material in nature and had either been rectified effectively and timeously or are currently in the process of being rectified.

Planned areas of focus for Compliance in 2025/2026 are, *inter alia*:

- The annual review of the Finbond Regulatory Universe;
- The review of Risk Management Plans (“RMP’s”) for core risk legislation;
- The maintenance of high levels of compliance with the legislation and regulations listed in the Regulatory Universe;
- The continuous review of existing policies, procedures and controls pertaining to core legislation to ensure risk mitigation is effectively executed and to provide guidance to business where controls require enhancement;
- Compliance monitoring, assessments and self-assessments;
- Compliance advice and support to business in respect of current and new initiatives;
- Stakeholder management and regulator interventions;
- Continuous compliance training and awareness initiatives;
- Review and updating of the compliance manual and monitoring methodologies;
- Compliance Team development, communication, and meetings;
- Pro-active regulator interaction and relationship building;
- Annual AML/CFT/PF related training of relevant stakeholders, senior management and Board members;
- Annual amendment of the Risk Management and Compliance Programme, and related policies and procedures, as well as when trigger events occur; and
- Enhancing Finbond Mutual Bank’s conduct standards in line with the Conduct Standards of Banks and regulatory reforms imposed by the FSCA.

REGULATION

A. SOUTH AFRICA

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

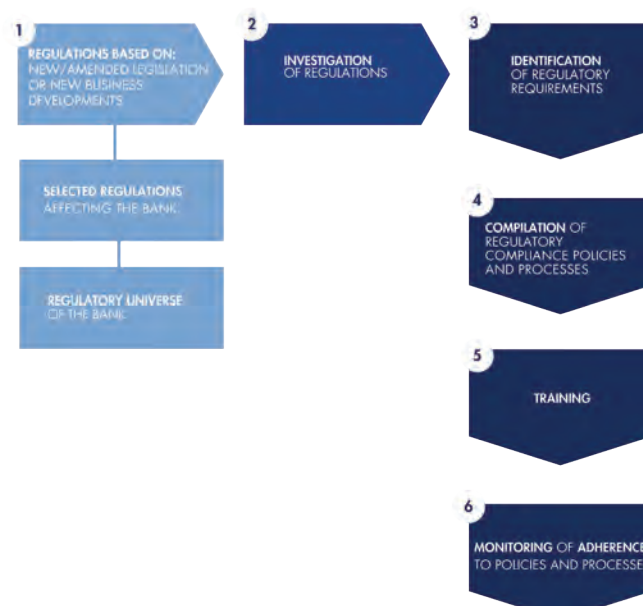
In terms of Finbond’s regulatory universe, the following primary legislation and regulations form the basis and focus of the independent compliance function and management system activities of Finbond:

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

- The Employment Equity Act No. 55 of 1998;
- The National Minimum Wage Act No. 9 of 2018; and
- The King IV Code on Corporate Governance

Finbond Regulatory Compliance Model (“FRCM”)

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



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

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

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

B. NORTH AMERICA

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

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

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

C. CANADA

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

RISK MANAGEMENT FRAMEWORK

1. Approach

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

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

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

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

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

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

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

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

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

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

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

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

2. Governance Structure

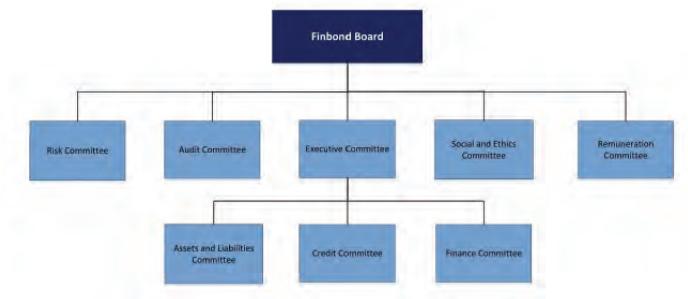


FIGURE 1. FINBOND GOVERNANCE

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

The Board is accountable for the Group’s continuous monitoring of risks and risk management. The Board delegates this to the Executive and Risk Committees that establish and review the Risk Management Framework and oversee its implementation by the Risk and Analysis Department. The Risk and Analysis Department is responsible for the implementation and management of the Group’s Risk Management Framework which includes the identification, measurement, monitoring, reporting and mitigation of all risks.

Findings are immediately communicated to the relevant business unit and escalated through the Chief Risk Officer’s membership of the Risk Committee and Executive Committee and Executive Subcommittees, the Credit Committee and the Asset and Liability Committee. The Chief Risk Officer also monitors the Risk and Analysis Department’s resource levels and ensures adequate resources are available across the organisation to implement and maintain the risk management

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

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

3. Risk Appetite

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

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

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

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

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

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

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

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

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

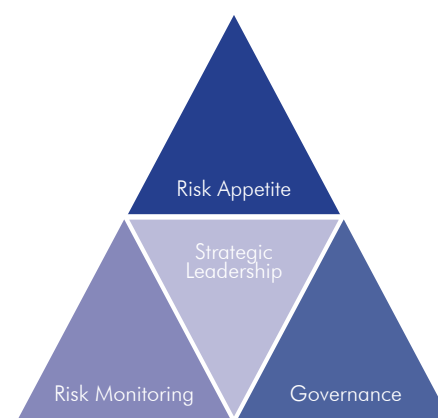


FIGURE 2. RISK APPETITE FRAMEWORK

4. Stress Testing

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

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

The outcomes of stress testing on earnings, liquidity and capital adequacy are considered in determining an appropriate risk appetite

to ensure that these remain above desired levels. Management reviews the outcome of stress tests and, where necessary, determines appropriate mitigating actions to minimise and manage the risks induced by potential stresses.

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

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

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

5. Risk Dashboard and Early Warning Indicators

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

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

6. Risk Management Process



FIGURE 3. RISK MANAGEMENT PROCESS

6.1. Risk Identification

Risk identification is the first step in the proactive risk management process. It provides the opportunities, indicators and information that allow the organisation to raise major risks before they adversely affect

the Group. The various risks that the Group is exposed to are listed in the Risk Barometer (FRB) and Risk Register (FRR). The biggest reside in credit extension, liquidity and operations, and emphasis is therefore placed on these three areas.

6.2. Risk Measurement

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

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

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

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

6.3. Risk Monitoring

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

6.4. Risk Reporting

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

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

6.5. Risk Mitigation

Risk management and reduction is at the core of the operating structure of the Group. The various risks that Finbond is exposed to are mitigated through various internal business processes and policies

as set out in the Finbond Policy Manual (FPM). Existing controls and policies are assessed and, if necessary, adjusted and updated. Mitigating strategies are also considered when the Risk dashboard indicates a breach or near-breach of an approved appetite level.

7. Risk Categories

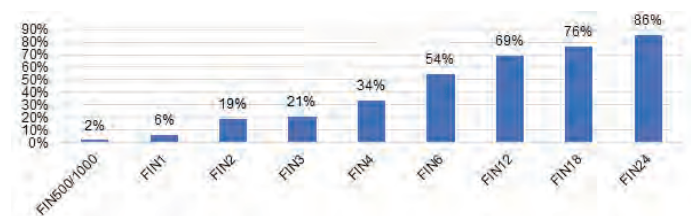


FIGURE 4. ENTERPRISE RISK TYPES

7.1. Credit Risk

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

AVERAGE SOUTH AFRICAN DECLINE RATE PER PRODUCT



AVERAGE NORTH AMERICAN DECLINE RATE PER PRODUCT

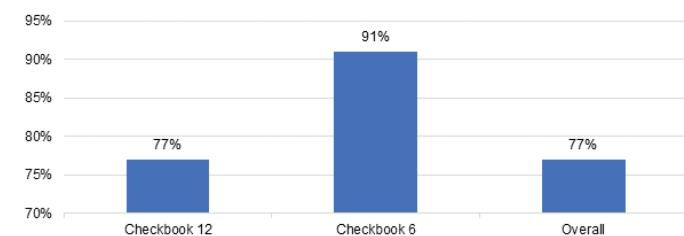


FIGURE 5. DECLINE RATES

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

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

7.1.1. Credit Risk Appetite and Credit Policies

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

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

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

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

7.1.2. Sector and Geographical Exposures

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

Sector and geographical concentration risk is monitored regularly through:

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

7.1.3. Risk Acceptance and Monitoring of Credit Risk

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

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

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

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

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

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

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

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

7.1.4. Credit Concentration Risk

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

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

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

7.1.5. Credit Control and Loss Recovery

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

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

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

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

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

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

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

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

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

7.1.6. Provisions and Impairments

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

The Group continuously reviews its portfolios to assess impairment. The Group makes use of historical loss experience of assets with similar credit risk characteristics, as well as forward-looking information to derive expected credit losses (ECL). In line with the principles of IFRS 9 Financial Instruments, the Group makes use of forward-looking information in its model parameters.

Three economic scenarios (a negative, a positive and most likely) are considered when calculating the impact of macroeconomic factors on the ECL.

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

7.1.7. Counter Party Risk

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

7.2. Liquidity Risk

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

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

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

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

7.2.1. Liquidity Risk Management, Measurement and Monitoring

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

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

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

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

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

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

7.2.2. Principal Policies and Products

Given the long-term and predictable nature of liabilities versus the short-term nature of assets, Finbond possesses a low-risk liquidity structure. Finbond's liabilities consist of longer-term fixed term deposits and five year fixed term notes and as such the Group's major funding sources are not exposed to the uncertainty of debt instruments that are puttable. Finbond Mutual Bank's (a SA subsidiary) deposit portfolio has a weighted average outstanding term to maturity of 23.66 months, while their microcredit loan book is short-term in nature with a weighted average outstanding term of 3.5 months. Furthermore, at Group level the Fixed Term Interest bearing notes have a weighted average outstanding term to maturity of 43 months while the Group's overall loan portfolio has a weighted average outstanding maturity of less than 8 months.

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

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

Bearing Notes with 60-month maturities and interest and capital guaranteed by the Group;

- At Finbond Mutual Bank surplus short-term retail funding is maintained in call accounts with South African Banks or Fixed Income Unit Trusts operated by large reputable South African Asset Managers, Treasury Bills issued by the South African Treasury and South African Reserve Bank debentures; and
- At Finbond Group Limited surplus funding is maintained in call accounts with International banks with High grade credit ratings.

7.2.3. Business-as-usual Liquidity Risk Management

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

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

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

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

7.2.4. Liquidity Stress Testing and Scenario Analysis

The ALCO reviews liquidity scenario analyses and stress testing on a regular basis in order to assess the adequacy of the Group's funding

sources, liquidity buffers and contingency funding strategies to meet unexpected outflows arising from Finbond specific, systematic and market stress events.

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

7.2.5. Stable Liquidity Base

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

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

7.2.6. Diversified Funding Base

Although Finbond employs a diversified funding strategy, sourcing funding lines in the domestic and offshore markets, Finbond's main focus and source of funding is South African Fixed Term Interest bearing notes with maturities of 60 months.

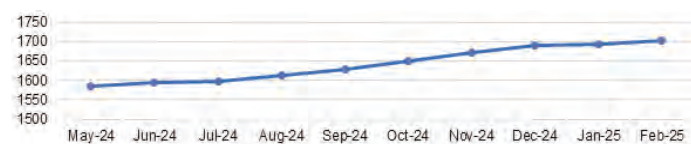


FIGURE 6. NUMBER OF ACTIVE NOTES

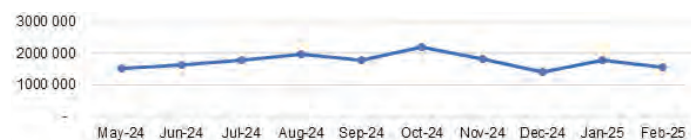


FIGURE 7. AVERAGE NOTE SIZE

As at the end of February 2025, the commercial paper portfolio consisted of 1,702 noteholders with an average note size of ca.R1.5million.

7.3. Operational Risk

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

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

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

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

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

7.3.1. Day-to-day operational risk management

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

7.3.2. Insurance programme

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

7.3.3. Fraud Prevention

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

7.3.4. Information Technology Systems

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

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

7.3.5. Data Aggregation and Risk Reporting Process Risk

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

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

7.4. Other Risks

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

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

TECHNOLOGY AND INFORMATION

OVERVIEW

Group Information Technology (Group IT) continued to advance the Finbond Group’s digital transformation agenda. Building on last year’s momentum, the team deepened its focus on driving innovation, operational resilience and customer-centric digital capabilities. Key initiatives in the reporting period demonstrate a marked improvement in the maturity and impact of IT delivery across the Group.

Group IT prioritised the following areas of improvement:

- Elevating our cybersecurity framework and strategic defences to address emerging threats and regulatory expectations, further strengthening our risk posture;
- Accelerating platform enhancements with targeted digital innovations that align with evolving customer behaviours and expectations;
- Extending our service delivery capabilities to attract and retain customers through value-adding, customer-centric product features;
- Advancing data maturity and governance by reinforcing data quality, accessibility and compliance to inform strategic decision-making better; and
- Collaborating with technology partners to drive continuous upgrades to network infrastructure and firewalls, supporting the Group’s strategic goals for performance, stability and business continuity.

OUR STRATEGY

The Group’s IT strategy is centred on enabling sustainable digital growth through cost-effective innovation, strengthened IT governance and active employee engagement. Looking ahead, we remain committed to evolving our technology landscape to meet the changing needs of our customers while deepening our role in supporting inclusive, community-focused financial services. Customer centricity and long-term value creation continue to guide our strategic priorities.

FUTURE OBJECTIVES

As the Group IT transformation journey advances, our efforts remain closely aligned with the broader strategic priorities of the Finbond Group. The following key objectives will guide our focus in the foreseeable future:

- Enhancing product and service offerings through additional features and digital enablement, promoting customer growth and supporting our community lending mandate;
- Educating and empowering customers to confidently adopt and utilise the Group’s digital platforms, ensuring accessibility and digital inclusion;
- Strengthening systems stability and resilience to ensure reliable, high-quality service and support operational continuity;
- Developing internal capabilities to empower, grow and upskill employees, fostering a culture of innovation and continuous learning;
- Partnering with the business to deliver operational excellence, effectiveness and efficiency in a seamless and impactful manner; and
- Strengthening IT governance, controls, and cybersecurity, ensuring our technology environment’s integrity, compliance and security.

These objectives underpin our commitment to building a digitally empowered, secure and customer-focused organisation that is resilient in the face of evolving demands and well-positioned for long-term success.

2025 VISION

Through strategic alignment, value delivery, proactive risk management and efficient resource utilisation, we are building a resilient and future-ready organisation—one that is equipped to navigate change and consistently meet the needs of our customers and communities.

GROUP IT STRATEGIC PILLARS



CORPORATE GOVERNANCE

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

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

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

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

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

ROLE OF THE BOARD

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

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

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

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

CODE OF CONDUCT

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

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

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

COMPOSITION OF THE BOARD

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

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

The Board at 28 February 2025:

Non-Executive

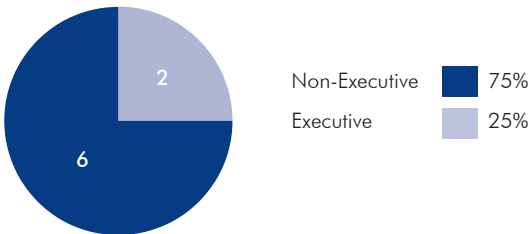
Dr Malesela Motlatla (Chair*)
Ms Ina Wilken-Jonker
Mr Piet Naudé
Mr Danie Pentz
Adv Neville Melville
Mr Sean Riskowitz

Executive

Dr Willem van Aardt
Mr Greg Labuschagne

**Historically disadvantaged South African Directors in office at 28 February 2025 numbered one (12.5%).*

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



NUMBER OF DIRECTORS IN OFFICE AT 28 FEBRUARY 2025

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

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

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

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

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

INTERNAL CONTROL

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

BOARD RESPONSIBILITY

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

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

BOARD ASSESSMENTS

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

BOARD DIVERSITY

The Board has adopted a Diversity Policy which sets out the approach to diversity on the Board of Directors of Finbond Group Limited.

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

BOARD COMMITTEES

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

The various Committees’ areas of responsibility, objectives, members and meeting frequency are set out in the Committee Charters. The following section outlines a summary of the Board Committees that were in operation at 28 February 2025.

Audit Committee

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

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

In its report, the Audit Committee has set out its role and responsibilities and the meetings held during the period. This is included in its own section of the Integrated Annual Report on pages 89 to 91.

Audit Committee Members

Permanent

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

By invitation

Mr Hannes Cloete	Chief Compliance Officer
Mr Greg Labuschagne	Chief Financial Officer
Mr Christo Quinn	Chief Business Officer: FGNA

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

Remuneration Committee

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

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

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

The Committee met on 4 April 2024, 20 September 2024 and 6 December 2024. All the members were present, and Dr Van Aardt attended part of the meetings as an invitee.

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

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

- Ensure that the remuneration policy is adhered to and implemented;
- Review the outcomes of the implementation of the remuneration policy and whether the set objectives are being achieved;
- Ensure that the mix of fixed and variable pay - in cash, shares and other elements - meets the Company’s needs and strategic objectives;
- Satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives;
- Ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- Consider the results of the evaluation of the performance of the Chief Executive Officer and other Executive Directors, both as Directors and Executives in determining remuneration;
- Select an appropriate comparative group when comparing remuneration levels;
- Review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules;
- Examine skills and characteristics required from Board candidates;
- Identify suitable candidates for Director positions;
- Recommend the eligibility of prospective Directors;
- Review and update the Board Succession Planning Policy;
- Appoint suitable individuals to the Board of Directors when necessary;
- Oversee induction and ongoing training of Directors; and
- Evaluate and keep under review the size, structure and composition of the Board and make recommendations to the Board on any proposed changes, taking into account the challenges and opportunities facing the Company and the skills, knowledge and experience required.

Remuneration Committee Members

Permanent

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

By invitation

Dr Willem van Aardt	Chief Executive Officer
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The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

Social and Ethics Committee

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

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

The Committee met on 28 March 2024 and 20 September 2024 and discharged its responsibilities to the Group as mandated by the Board of Directors.

The duties of the Committee are to:

1. Monitor the Company's activities pertaining to any relevant legislation and other legal requirements of prevailing codes of best practice, with regard to matters relating to:
 - i) Social and economic development, including the Company's standing in terms of the goals and purposes of:
 - (aa) the 10 principles set out in the United Nations Global Compact Principles;
 - (bb) the Organisation for Economic Cooperation and Development (OECD) recommendations regarding corruption;
 - (cc) the Employment Equity Act; and
 - (dd) the Broad-Based Black Economic Empowerment Act;
 - ii) Good corporate citizenship, including the Company's:
 - (aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - (bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and

- (cc) record of sponsorship, donations and charitable giving;
- iii) The environment, health and public safety, including the impact of the Company's activities and of its products or services;
- iv) The management of shareholder interest;
- v) Consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws;
- vi) Labour and employment, including:
 - (aa) the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
 - (bb) the Company's employment relationships, and its contribution toward the educational development of its employees; and
- vii) ESG (Environment, Social and Governance).

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

Social and Ethics Committee Members

Permanent

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

By invitation

Mr Abie Muller	Chief Quality & Personnel Officer
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The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

Risk Committee

The Risk Committee met on 27 March 2024, 30 May 2024, 26 September 2024 and 5 December 2024. The Committee is responsible for providing oversight and advice in relation to Finbond's Risk Management Framework (including the significant policies, procedures and practices employed), current and potential future risk exposures of the Group and future risk strategy, including determination of risk appetite and tolerance.

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

The Committee will consider and recommend the Group's risk appetite framework and tolerance for current and future strategy to the Board of Directors for approval, taking into account the Group's capital adequacy and external risk environment. Another function

is to review, consider and update the Finbond Risk Barometer after receiving information relative to the Group's risk.

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

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

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

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

Risk Committee Members

Permanent

Mr Piet Naudé Chair/Non-Executive Director

Mr Danie Pentz Non-Executive Director
 Adv Neville Melville Non-Executive Director
 Mr Sean Riskowitz Non-Executive Director

By invitation

Mr Greg Labuschagne Chief Financial Officer
 Mr Schalk Klopper Chief Risk and Analytics Officer

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

Investment Committee

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

- Consider projects, acquisitions and disposal for assets in line with the Group's overall strategy;
- Review and approve on a regular basis any loan or investment made by or on behalf of Finbond;
- Periodically review and approve policies and guidelines governing Finbond's investment portfolio and monitor compliance with those policies;
- Periodically review and approve policies and guidelines regarding Finbond's use of derivatives and monitor compliance with those policies;
- Periodically review and approve any investment benchmarks or other measurement devices employed by Finbond to monitor the performance of its investment portfolio;
- Monitor on an ongoing basis the performance of Finbond's investment advisers and retain or terminate the services of such advisers as it deems appropriate;
- Perform other such responsibilities regarding Finbond's investment activities or policies or other matters as the Board may from time to time assign the Committee;
- Ensure that investment constraints are consistently followed and that procedures are in place to ensure that the investment portfolio is managed in compliance with the investment mandate and applicable investment constraints;
- Delegate authority to Management to execute individual investment transactions on behalf of Finbond within policies and limits approved by the Committee;
- Approve all external investment manager selections and funding;
- Make periodic reports available to the Board;
- Annually review and reassess the adequacy of its charter and

- recommend any proposed changes to the Board for approval;
- Hire legal, accounting, financial or other advisors as the Committee may deem necessary in its judgement with due regard to cost, without the need to obtain prior approval of any officer of Finbond; and
- Ensure that appropriate due diligence procedures are followed when acquiring or disposing of assets.

Investment Committee Members

Permanent

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

By invitation

Dr Willem van Aardt	Chief Executive Officer
Mr Greg Labuschagne	Chief Financial Officer

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

Executive Committee

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

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

- Formulate, review, communicate and manage the delivery of the Group's strategy;
- Agree on and recommend the Group's Business Plan to the Board;
- Manage the delivery of the agreed Business Plan;
- Define and allocate overall budgets and resources (finance and people) to ensure the organisation has the capabilities and resources to deliver or exceed the objectives in the Business Plan;
- Review and approve the Group's Human Resources strategy;
- Ensure there is an effective management structure and organisation within the Group that is consistent with the effective delivery of the Group's Business Plan;
- Ensure there is an effective succession management process which is designed to ensure effective succession for all critical roles;
- Review and approve all senior appointments as well as the terms of reference of the executive subcommittees;
- Ensure that the Group maintains an effective internal Risk Control Framework which is designed to enable the Group to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the Group's strategic objectives;
- Help ensure the quality of internal and external reporting;
- Help ensure compliance with applicable laws and regulations

- and with the Group's Business Principles; and
- Maintain a Risk Barometer which is presented to the Board at each meeting.

Executive Committee Members

Permanent

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

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

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

The following Executive Committees were in operation at 28 February 2025:

Asset and Liability Committee

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

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

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

- Monitor the liquidity position of Finbond, and liquidity management activities undertaken by Finbond, including wholesale funding activities, contingency funding and any other relevant liquidity measures the ALCO deems advisable or appropriate;
- Approve liquidity risk tolerances by reviewing how the Group's inability to meet its obligations when they become due may affect the Group's earnings, capital and operations;
- Monitor the management and interest rate risk activities and Finbond's overall interest rate risk profile, the sensitivity of Finbond's earnings under varying interest rate scenarios and potential changes in market interest rates;
- Monitor trends in the economy in general and interest rates in particular with a view to limiting any potential adverse impact on the Company's earnings;
- Approve interest rate risk tolerances by reviewing how movements in interest rates may adversely affect Finbond's earnings and capital

using Finbond’s projected earnings and capital as a benchmark;

- Monitor the capital position of Finbond and the capital management activities undertaken to ensure that capital levels are maintained in accordance with regulatory requirements and management directives;
- Monitor Management’s investment activities such as purchase, sale, exchange and other disposition of the investments;
- Review the status of the securities and derivative portfolios, including performance, appreciation or depreciation, quality, maturity profile and any actions taken by Management with respect thereto;
- Review and determine whether to approve the holdings of investment securities (including prudent investments) that are subject to the ALCO’s authority under the ALM Policy or Board of Directors’ resolutions;
- Monitor management of FMB’s treasury functions, including its operations and funds management process;
- Review ALM Policy limits relating to interest rate risk liquidity and capital level;
- Monitor compliance with both external regulations and the ALM Policy with respect to the asset and liability management processes of the Group; and
- Delegate specific authority to the Group’s Chief Financial Officer or other appropriate members of Management.

The Committee meets monthly and is comprised of the Chief Executive Officer, the Chief Financial Officer, Chief Risk and Analytics Officer and the Chief Executive Officer of Supreme Finance.

Asset and Liability Committee Members

Permanent

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

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

Credit Committee

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

The objectives of the Committee are to:

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

The Committee meets monthly and is comprised of the Chief Executive Officer, the Chief Financial Officer, Chief Risk and Analytics Officer and the Chief Executive Officer of Supreme Finance.

Credit Committee Members

Permanent

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

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

Finance Committee

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

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

- Effectively manage all financial, financial regulatory and internal financial reporting;
- Effectively manage all financial and tax risks of the Group;
- Ensure compliance with IFRS Accounting Standards and taxation

legislation applicable within the various jurisdictions within which the Group operates;

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

Finance Committee Members

Permanent

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

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

COMPANY SECRETARY

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

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

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

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

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

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

The Company Secretary's certificate, confirming that all returns and notices have been filed and are true, correct and up-to-date, can be found on page 88 of this Annual Report.

The checklist confirming Finbond's compliance with the principles of the King Code on Corporate Governance has been completed and is available on the Company's website, www.finbond.com

APPLICATION OF KING IV

PRINCIPLE	PRACTICES IMPLEMENTED AND PROGRESS MADE
<ul style="list-style-type: none"> The Board should lead ethically and effectively. 	<p>Finbond's Board of Directors is its governing body. The Directors hold one another accountable for decision-making and to behave ethically, as characterised in King IV. The Chair is tasked to monitor this as part of his duties. The results of the annual King self-assessment questionnaires indicate that the Directors are satisfied with their levels of ethical standards.</p>
<ul style="list-style-type: none"> The Board should govern the ethics of the company in a way that supports the establishment of an ethical culture. 	<p>Finbond's values of integrity, teamwork, human dignity, accountability and excellence guide the behaviour of Finbond employees and the Code of Conduct outlines the ethical standards expected of all Finbond employees. This includes interaction between colleagues, with clients, shareholders, suppliers and the communities within which Finbond operates.</p>
<ul style="list-style-type: none"> The Board should ensure that the company is and is seen to be a responsible corporate citizen. 	<p>The responsibility for monitoring the overall responsible corporate citizenship performance of the Company is delegated to the Social and Ethics Committee by the Board. The Committee is satisfied that Finbond is a responsible corporate citizen.</p>
<ul style="list-style-type: none"> The Board should appreciate that the company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. 	<p>This Annual Report demonstrates how performance is achieved through the strategic initiatives. Finbond sets and achieves its strategic initiatives with reference to its core purpose, risks and opportunities, business model, performance and sustainable development. The Board continuously assesses all outcomes resulting from its strategy and responds to these.</p>
<ul style="list-style-type: none"> The Board should ensure that reports issued by the company enable stakeholders to make informed assessments of the company's performance and its short-, medium- and long-term prospects. 	<p>This Annual Report presents material information in an integrated manner and provides stakeholders with a holistic, clear, concise and understandable presentation of Finbond's performance in terms of sustainable value creation in the economic, social and environmental context within which it operates.</p>
<ul style="list-style-type: none"> The Board should serve as the focal point and custodian of corporate governance in the company. 	<p>The Board serves as the focal point and custodian of corporate governance in Finbond. Its role and responsibilities and the way that it executes its duties and decision-making are documented and are set out in the Board Charter.</p>
<ul style="list-style-type: none"> The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. 	<p>The Board, with the assistance of the Nomination Committee, continually considers its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities. The Board is satisfied with this balance. The Board has also approved a succession plan to be followed in the event of an unforeseen occurrence.</p>
<ul style="list-style-type: none"> The Board should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties. 	<p>Membership of the committees is as recommended in King IV. The composition of the committees of the Board and the distribution of authority between the Chair and other Directors are balanced and do not lead to instances where individuals dominate decision-making within governance structures or where undue dependency is created.</p>

PRINCIPLE	PRACTICES IMPLEMENTED AND PROGRESS MADE
<ul style="list-style-type: none"> The Board should ensure that the evaluation of its own performance and that of its committees, its Chair and its individual members supports continued improvement in its performance and effectiveness. 	<p>Assessments of the performance of the Board, as well as the performance of the Board structures and its members are conducted annually. The Board Charter is also reviewed on an annual basis.</p>
<ul style="list-style-type: none"> The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities. 	<p>A delegation of authority framework indicates matters reserved for the Board and those delegated to Management. The Board is satisfied that Finbond is appropriately resourced and that its delegation to management contributes to an effective arrangement through which authority and responsibilities are exercised. The Chief Executive Officer does not have any work commitments outside of Finbond and its related companies.</p>
<ul style="list-style-type: none"> The Board should govern risk in a way that supports the company in setting and achieving its strategic objectives. 	<p>The Risk Committee assists the Board with the governance of risk. The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of Finbond. The Risk Committee implements a process whereby risks to the sustainability of the Company's business are identified and managed within acceptable parameters. The Risk Committee delegates to Management to continuously identify, assess, mitigate and manage risks within the existing and ever-changing risk profile of Finbond's operating environment. Mitigating controls are formulated to address the risks and the Board is kept up-to-date on progress on the Risk Management Plan.</p>
<ul style="list-style-type: none"> The Board should govern technology and information in a way that supports the company in setting and achieving its strategic objectives. 	<p>The Risk Committee assists the Board with the governance of information technology. The Board is aware of the importance of technology and information as it is interrelated to the strategy, performance and sustainability of Finbond.</p>
<ul style="list-style-type: none"> The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen. 	<p>The Audit Committee continually monitors Finbond's compliance and receives extensive Compliance Reports on a quarterly basis. There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations.</p>
<ul style="list-style-type: none"> The Board should ensure that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. 	<p>Finbond remunerates fairly, responsibly and transparently so as to promote the creation of value in a sustainable manner in line with the Remuneration Policy tabled annually for shareholder approval.</p>
<ul style="list-style-type: none"> The Board should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the company's external reports. 	<p>The Board is satisfied that assurance results in an adequate and effective control environment and the integrity of reports for better decision-making by way of the Internal Audit function, as well as <i>ad hoc</i> external assurance as and when required.</p>
<ul style="list-style-type: none"> In the execution of its governance role and responsibilities, the Board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the company over time. 	<p>Finbond has identified its stakeholder groups and actively balances their legitimate and reasonable needs, interests and expectations. The Board has also approved the Stakeholder Engagement Policy to this end.</p>
<ul style="list-style-type: none"> The Board of an institutional investor company should ensure that responsible investment is practised by the company to promote good governance and the creation of value by the companies in which it invests. 	<p>Finbond is not an institutional investor.</p>

The two kinds of people

- Ella Wheeler Wilcox -

There are two kinds of people on earth to-day;
Just two kinds of people, no more, I say.

Not the sinner and saint, for it's well understood,
The good are half bad and the bad are half good.

Not the rich and the poor, for to rate a man's wealth,
You must first know the state of his conscience and health.

Not the humble and proud, for in life's little span,
Who puts on vain airs is not counted a man.

Not the happy and sad, for the swift flying years
Bring each man his laughter and each man his tears.

No; the two kinds of people on earth I mean,
Are the people who lift and the people who lean.

Wherever you go, you will find the earth's masses
Are always divided in just these two classes.

And, oddly enough, you will find, too, I ween,
There's only one lifter to twenty who lean.

In which class are you? Are you easing the load
Of overtaxed lifters, who toil down the road?

Or are you a leaner, who lets others share
Your portion of labor, and worry and care?

STAKEHOLDERS

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"The essence of strategy is choosing what not to do."
- Michael E. Porter -

STAKEHOLDER ENGAGEMENT

INTRODUCTION

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

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

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

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

STAKEHOLDER ENGAGEMENT FEEDBACK

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

OWNERSHIP AND ACCOUNTABILITY

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

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

MEASURING

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

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

STAKEHOLDER ENGAGEMENT PRINCIPLES

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

CUSTOMERS

CUSTOMER-CENTRICITY

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

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

Our:

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

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

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

EMPOWERING AND EDUCATING OUR CUSTOMERS

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

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

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

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

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

BRANCH NETWORK

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

At the end of the past financial year, Finbond's branch network consisted of 452 branches in South Africa and 160 in North America, including investments in associates. As part of our client-centric focus, we ensure that our distribution channels reflect the demographics of our clients.

TREATING CUSTOMERS FAIRLY

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

EMPLOYEES

HUMAN CAPITAL

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

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

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

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

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

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

PERFORMANCE MANAGEMENT

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

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

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

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

EMPOWERING EMPLOYEES

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

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

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

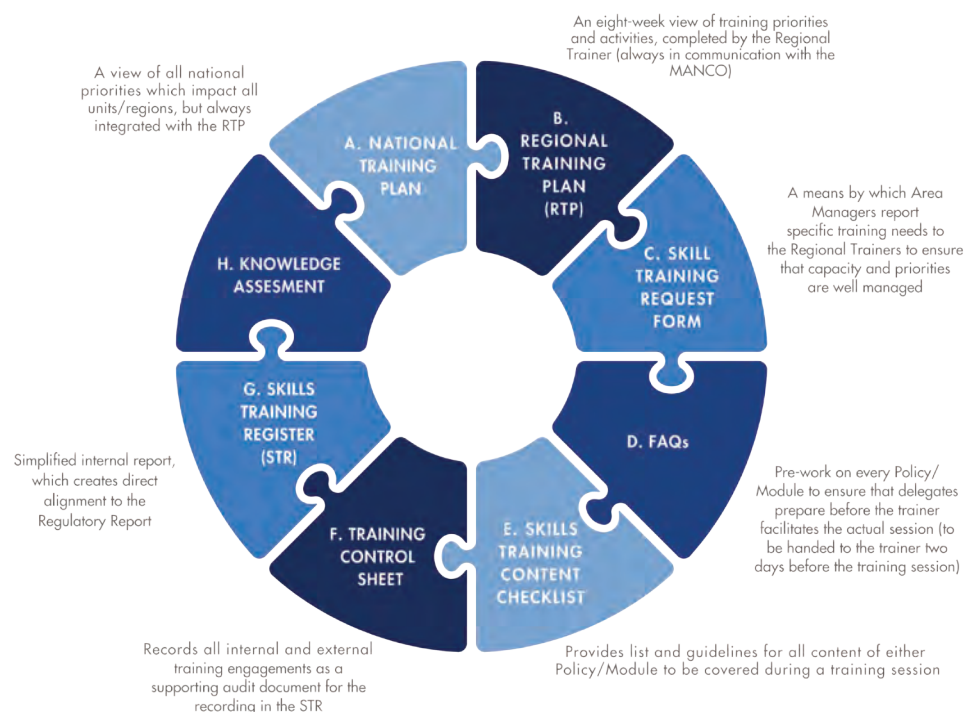
Employees are also kept abreast of Company-related issues through a monthly electronic magazine, The Finbond Compass. Employee wellness is important to us and we encourage and promote wellness events such as charity days, blood donation, HIV/AIDS testing and national Breast Cancer Awareness Day. In addition,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

TRAINING AND EDUCATION

The sustainable performance of our business is directly linked to and dependent on the performance of our employees. Staff development and training are key priorities. It takes skilled, committed, competent and motivated people to deliver on promises such as treating clients fairly, providing innovative and appropriate product solutions and providing excellent customer service to clients. Therefore, investing in people is one of the ways that Finbond nurtures this important value driver. In 2024, Finbond invested more than R9.2 million in the training and development of its employees. Finbond has a comprehensive Policy and Training Manual to guide managers and employees in best practice. Employees’ performance is measured monthly and continuous feedback is provided to them.

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

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



COMPENSATION PAID TO EMPLOYEES*	Figures in R'000
Rand value of net profit per employee	16.2
Rand value of total compensation paid to employees	430,557
Contractors	186
Rand value of total compensation paid to employees including contractors	450,279
Average compensation per employee and contractor (Rands)	209
Ratio of net profit after tax per employee to average compensation per employee	7.4%

*Excludes investments in associates.

EMPLOYEE LEVELS*	2025
Top management	23
Senior management	32
Middle management	102
Junior management	593
Semi-skilled	1,201
Unskilled	13
Total staff	1,964

Trade Unions and Freedom of Association

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

EMPLOYMENT EQUITY REPORT

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

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

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

OCCUPATIONAL LEVELS											
	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Top management	0	0	0	5	2	1	0	2	0	0	10
Senior management	1	1	0	9	1	0	0	5	0	0	17
Professionally qualified and experienced specialists and mid-management	9	7	1	23	8	3	1	14	0	0	66
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	70	19	2	13	233	56	7	51	0	0	451
Semi-skilled and discretionary decision-making	137	37	2	8	496	109	0	13	0	0	802
Unskilled and defined decision-making	0	0	0	0	7	1	0	0	0	0	8
TOTAL PERMANENT	217	64	5	58	747	170	8	85	0	0	1 354
Temporary employees	39	12	0	1	124	44	2	5	0	0	227
GRAND TOTAL	256	76	5	59	871	214	10	90	0	0	1 581

*This report is submitted on 30 September each year and therefore reflects employee numbers as at 30 September 2024.

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

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

OCCUPATIONAL LEVELS											
	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	0	0	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision-making	0	0	0	0	0	0	0	2	0	0	2
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	1	0	0	0	0	0	0	2	0	0	3
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	1	0	0	0	0	0	0	2	0	0	3

*This report is submitted on 30 September each year and therefore reflects employee numbers as at 30 September 2024.
**This report represents a combination of the occupation levels of Finbond Group Limited, Finbond Mutual Bank and Supreme Finance (Pty) Ltd.

COMMUNITY AND SOCIAL RESPONSIBILITY

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

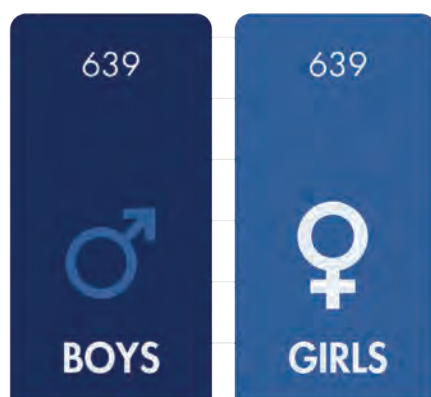
Investing in the communities in which we operate is something that has always been important to the Group. Finbond Group Limited is committed to the principles of socio-economic upliftment of the marginalised and previously disadvantaged in society.

Finbond Group Limited contributed more than R1.7 million to a number of charitable causes through cash donations during the financial year. These include: Tshwane Place of Safety, Tshwane Haven, World Council for Health, Meals on Wheels and Gryskrag, along with various other smaller donations. Finbond contributes to and is proud to be associated with Tshwane Place of Safety Association (TPOSA), which focuses on providing orphaned and abandoned babies as well as babies infected with HIV with good homes, frail care and shelter.

TOTAL CORPORATE SOCIAL INVESTMENT EXPENDITURE

Figures in Rand	FY2025
Bursaries	222 397
Infrastructure	-
Other donations	127 000
Basic need and social development donations	243 000
TPOSA's right to use property	1 188 033
Arts, sports and culture	12 570
Total spend	1 793 000

TPOSA - BOYS VS GIRLS (OCTOBER 2003 - FEBRUARY 2025)

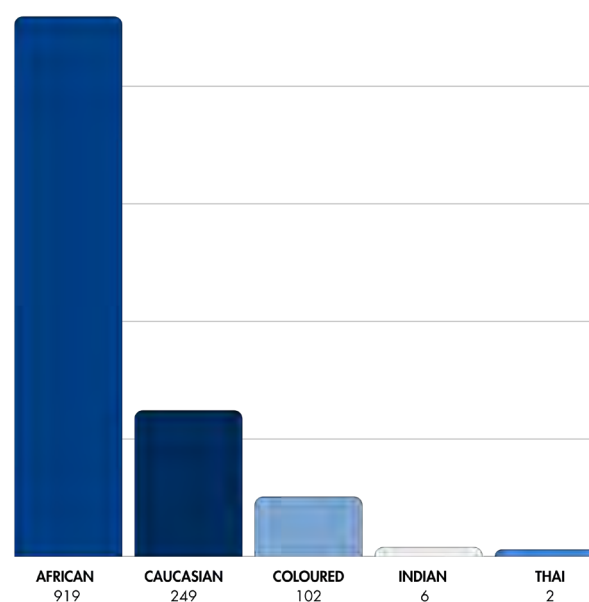


Since opening its doors in October 2003, TPOSA has saved and made a difference in the lives of 1,278 children. The racial breakdown of the children saved is: 919 Black African, 249 Caucasian, 102 Coloured, six Indian and two Thai. 639 of the children were boys and 639 were girls. The haven cares for up to 12 special needs children.

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

For further info see: www.placeofsafety.co.za

TPOSA - RACIAL BREAKDOWN OF CHILDREN ADMITTED





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

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

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

The Silwerkroon Centre promotes two main operational programmes:

- Active Aging Programme; and
- Home Based Care.

For further info see: www.silwerkroon.org.za



Harmonie Park was founded as an extension of the SKDB Company, the charity division of the Dutch Reformed Church. This division of the church provides the lonely and less fortunate with an opportunity to become part of a group of people who support one another like a family and who live together in love and harmony. The following services are offered to the elderly:

- Creating a place where the elderly can be part of society with or without assistance, living with self-respect and dignity.
- Residential services, healthcare, food, security and mental health therapy.

For further info see: www.harmoniepark.co.za



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

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

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

For further info see: www.gryskrag.co.za



Thuthukisa's focus has always been to build together, to improve, develop and promote the well-being of vulnerable groups in communities, such as, but not limited to, abused and widowed women, orphaned and vulnerable children, children and adults with special needs, the elderly and people living with mental disabilities.

In line with the donations and sponsorships received, Thuthukisa supports and empowers these communities financially, with care packs, groceries, non-perishable food items, through needed and useful gifts of all kinds as well as linking these groups to resources for holistic intervention.

For further info see: www.thuthukisa.org.za



SAVF renders services to children, families and the elderly and is a nationally registered welfare organisation - 001-446 NPO - in operation since 1904. SAVF celebrated its centenary on 19 October 2004.

Its programmes include early childhood development, child- and youth care in centres, foster care, safe homes, child protection, preventative and therapeutic programmes, empowerment of teenagers and mothers and fathers, family care, root enquiries, community programmes such as empowerment, skills development, poverty eradication, HIV programmes, employee health and wellness, aged care in homes, housing, luncheon clubs, home support services. Their services statistics represent a person - a child, an adult or an elderly person with his or her unique circumstances and needs, reached and touched by SAVF. Services and outreach projects to 164 154 individuals were calculated in 2021.

For further info see: www.savf.co.za

SOCIAL AND ETHICS REPORT

INTRODUCTION

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

COMMITTEE COMPOSITION AND GOVERNANCE

The Social and Ethics Committee consists of at least three members, all who are Non-Executive Directors. The Chief Quality and Personnel Officer is a permanent invitee to the Committee's meetings. The Committee is chaired by a Non-Executive Director and meets bi-annually, with additional meetings as needed. In FY2025, the Committee successfully held its required meetings, ensuring all matters related to social responsibility, ethics and corporate governance were adequately addressed.

SOCIAL AND ECONOMIC DEVELOPMENT

Adherence to International Standards

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

Broad-Based Black Economic Empowerment (B-BBEE)

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

Corporate Social Responsibility (CSR)

FGL continues to make significant contributions to the communities in which it operates. During the 2025 financial year, FGL continued with its contributions towards Tshwane Place of Safety Association (TPOSA), Gyskrug, Helderberg NG, Thuthukisa, Silwerkroon, Silversig and Harmonie Park.

GOOD CORPORATE CITIZENSHIP

Stakeholder Engagement and Community Investment

FGL remains committed to its role as a good corporate citizen by promoting equality, combating corruption, and contributing to community development. FGL engages with stakeholders through transparent communication, supporting customer needs and promoting financial inclusion. During the reporting period, FGL contributed R1,793 million to charitable organisations, with a primary focus on supporting children and retirement homes.

Compliance and Ethical Practices

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

Environmental Sustainability

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

LABOUR AND EMPLOYMENT PRACTICES

Development and Well-being

FGL is committed to the educational development of its employees. FGL invested in various training programmes, including skills development and leadership training. 27 skills development programmes were implemented in the 2025 financial year and 192 learners successfully completed their training. FGL also supports employees through ongoing career development and offers learnerships for both unemployed individuals and current employees to gain formal qualifications.

Employment Equity

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

CONSUMER RELATIONS AND HEALTH AND SAFETY

Customer Service and Fair Treatment

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

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

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

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

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

Health and Safety

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

CONCLUSION

FGL continues to uphold its social and ethical responsibilities, fostering a culture of accountability, inclusivity and responsible corporate citizenship. The Social and Ethics Committee is satisfied with the progress made during financial year 2025 and remains committed to enhancing FGL's social impact, ethical governance and ESG performance in the years to come. Through continuous engagement with stakeholders, investment in employee development and dedication to community upliftment, FGL aims to contribute meaningfully to the South African financial landscape and beyond.

ETHICS AND CORPORATE CITIZENSHIP

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

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

The 10 United Nations Global Compact Principles are:

Human Rights

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

Labour

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

Environment

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

Anti-Corruption

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

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

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

REGULATORS

A. SOUTH AFRICA

Finbond's South African operations regularly engage with its Regulators, which include:

- The Prudential Authority ("PA") and National Payments System Division ("NPSD") of the South African Reserve Bank;
- The National Credit Regulator ("NCR");
- The Financial Sector Conduct Authority ("FSCA");
- The Financial Intelligence Centre ("FIC");
- The Information Regulator (re POPI), in a co-operative manner in order to gain insight into and implement any new regulations; and
- The Department of Labour.

Finbond reviewed its internal controls, policies, and procedures to remain compliant with regulatory requirements and applicable legislation in pursuit of mitigation of any non-compliance risks.

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

B. NORTH AMERICA

Federal Regulation

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

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

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

State Regulation

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

ENVIRONMENT

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

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

Finbond actively seeks to reduce its carbon footprint and CO₂ emissions and promote a healthy and sustainable environment for all our branches in our regions. We do this by complying with local and international legislation regarding the environment and recycling as far as possible all materials used.

The total number of Person Hours Worked (“HW”) for Finbond was calculated as 5,292,557 for the reporting period.

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

- Total electricity consumed per person hour worked (MWh/HW);
- Average volume of carbon emissions per person worked (Tonnes CO₂e/HW);
- Average volume of non-hazardous waste per person hour worked (Tonnes/HW); and
- Total Direct Energy consumed per person hour worked (MJ/HW).

The Group does not report a target for:

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

ENVIRONMENTAL IMPACT STATISTICS

Total direct energy consumption (Gigajoules, GJ) - that is, from fuels burned	346
Total electricity consumption (MWh)	10,236
Total energy consumption in Gigajoules - calculated (NEW)	40,357
Total carbon emissions (tonnes of carbon dioxide equivalents, CO ₂ e) - calculated	9,814
Total water consumption (kilolitres, or Kl)	55,063
Average quantity of water (litres) consumed per person hours worked (l/HW)	11
Total quantity of non-hazardous waste disposed (tonnes)	240
Total quantity of waste sent for recycling (tonnes)	374
Percentage of waste sent for recycling	66%

SHAREHOLDERS

Finbond is an owner-managed company to an extent, with Management controlling 34% of the issued shares in the Group at the end of the financial year.

As at 28 February 2025, Finbond's institutional shareholders included:

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

Value creation must be consistent and sustainable over the long term; short-term gains cannot be considered true value creation. Over the past 12 years the Finbond share price grew from R0.07 at the end of February 2012 to R0.70 per share at the end of February 2025. This means R100,000 invested in Finbond shares 12 years ago was worth R1 million as at 28 February 2025.

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

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

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

Finbond's major shareholders at the end of February 2025 are listed in the table below:

SHARE REGISTER ANALYSIS

Shareholder	Amount of Shares at 28 February 2025	Shareholding at 28 February 2025
Kings Reign Investments*	179,956,275	34.9%
Protea Asset Management**	147,947,002	28.7%
Finbond Private Equity	59,118,708	11.5%
Sean Riskowitz	23,030,592	4.5%
Roderick Howie	6,227,523	1.2%
Eugene du Plessis	5,637,625	1.1%
Thomas Gillham	4,299,000	0.8%
Limovax (Pty) Ltd	3,902,608	0.8%
Andre Hough	3,522,105	0.7%
Sabdia Equity (Pty) Ltd	2,500,000	0.5%

SHAREHOLDER SPREAD at 28 February 2025 (Financial year-end)

	Number of shares held	% of total shares issued	Number of shareholders	% of total shareholders
Public Shareholders	102,853,456	20%	7,553	99.9%
Non-Public Shareholders	353,747,928	69%	5	0.1%
Directors	24,015,551	5%	3	0.04%
Associates of Directors	329,732,377	64%	2	0.03%
Prescribed Officers and Trustees	0	0%	0	0%
	456,601,384	89%	7,558	99.99%
Subsidiaries	59,118,708	11%	1	0.01%
	515,720,092	100%	7,559	100%

*Controlled through Dr W van Aardt.

**Controlled through Mr S Riskowitz.

REMUNERATION POLICY AND REPORT

REMUNERATION PHILOSOPHY

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

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

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

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

REMUNERATION PRINCIPLES

Our remuneration policy is based on the following overarching principles:

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

REMUNERATION COMMITTEE ("RemCo")

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

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

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

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

EXECUTIVE DIRECTORS' REMUNERATION

Executive Directors' remuneration consists of:

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

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

RemCo has the authority to approve guaranteed packages that will attract and retain the desired calibre of talent. Guaranteed packages are recommended by the Chief Executive Officer after taking into

account individual experience, current performance and contribution. These are then benchmarked against the market in the various countries of operation on an annual basis. Salaries and benefits are reviewed annually and reflect the relative skills and experience and contribution made by the individual.

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

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

SERVICE CONTRACTS

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

SHARE PLANS

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

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

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

- the balance when Finbond Group Limited achieves an audited Net Profit After Tax of R900,000,000 (nine hundred million rand).

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

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

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

REMUNERATION REPORT - KEY STATISTICS

Total rand value of compensation paid to Executive Directors - excluding gains on the exercise of share options (R'000)	63,023
Average compensation per Executive Director - excluding gains on the exercise of share options (R'000)	31,512
Ratio of average compensation paid to Executive Directors relative to average compensation paid to employees - excluding gains	143.74
Total rand value of gains on the exercise of share options - Executive Directors (R'000)	-
Average compensation per Executive Director - including gains (R'000)	31,512
Ratio: Average compensation paid to Executive Directors relative to average compensation paid to employees - including gains	143.74
Total compensation paid to Prescribed Officers - excluding gains on the exercise of share options (R'000)	-
Average compensation per Executive Director and Prescribed Officers - excluding gains (R'000)	31,512
Ratio: Average Executive Director's and Prescribed Officer's compensation relative to average employee compensation - excluding gains	143.74
Total rand value gains on the exercise of share options - Prescribed Officers (R'000)	-
Average compensation per Executive Director and Prescribed Officer - including gains (R'000)	31,512
Number of Board Members (as at 28 February 2025)	8
Number of Board Members who are Non-Executive	6
Percentage of Board Members who are Non-Executive	75%
Number of Board Members who are deemed "Independent"	4
Percentage of Board Members who are deemed "Independent"	50%
Number of Board Members who are deemed "HDSA"	1
Percentage of Board Members who are deemed "HDSA"	12.5%
Number of Board Members who are female	1
Percentage of Board Members who are female	12.5%
Average length of Executive Director service (in years)	16
Average length of Non-Executive Director service (in years)	12
Average length of Director (full Board) service (in years)	13
Average age of Directors (in years)	65
Overall Board and Committee Meeting attendance	100%
Auditor Remuneration: % of non-audit fees	1.17%
Length of current Auditor's service	6 years
Independence of Board Chair	Yes
Number of Prescribed Officers	0

EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR TO 28 FEBRUARY 2025 (Gross before deductions)

R'000	Years service	Basic salary	STI	LTI	Share options	Total remuneration
<i>Paid by a subsidiary of the Company</i>						
Dr W. van Aardt*	23	27,443	5,356	20,683	-	53,482
Mr G. Labuschagne**	9	5,068	432	4,041	-	9,541
Total		32,511	5,788	24,724	-	63,023

*Dr van Aardt is based in Chicago full-time and paid in the United States of America. His total remuneration for the 2025 financial year in local currency was USD 2,925,925 of which USD 1,501,359 was basic salary, USD 293,039 was STIs and USD 1,131,526 was LTIs subject to retention arrangements.

**Mr Labuschagne is based in Ottawa full-time and paid in Canada. His total remuneration for the 2025 financial year in local currency was CAD 746,696 of which CAD 396,634 was basic salary, CAD 33,790 was STIs and CAD 316,272 was LTIs subject to retention arrangements.

N1	BOARD MEETINGS - Meetings attended*				
DIRECTOR	28 March 2024	30 May 2024	27 September 2024	6 December 2024	28 March 2025
Dr van Aardt	o	o	o	o	o
Adv Melville	o	o	o	o	o
Mr Naudé	o	o	o	o	o
Ms Wilken-Jonker	o	o	o	o	o
Dr Motlatla	o	o	o	o	o
Mr Labuschagne	o	o	o	o	o
Mr Pentz	o	o	o	o	o
Mr Riskowitz	o	o	o	o	o
N2	AUDIT COMMITTEE MEETINGS - Meetings attended*				
DIRECTOR	27 March 2024	17 May 2024	26 September 2024	5 December 2024	27 March 2025
Adv Melville	o	o	o	o	o
Mr Labuschagne	o	o	o	o	o
Mr Pentz	o	o	o	o	o
Mr Naudé	o	o	o	o	o
N3	RISK COMMITTEE MEETINGS - Meetings attended*				
DIRECTOR	27 March 2024	30 May 2024	26 September 2024	5 December 2024	27 March 2025
Adv Melville	o	o	o	o	o
Mr Pentz	o	o	o	o	o
Mr Labuschagne	o	o	o	o	o
Mr Naudé	o	o	o	o	o
N4	SOCIAL AND ETHICS COMMITTEE MEETINGS - Meetings attended*				
DIRECTOR	28 March 2024	20 September 2024	28 March 2025		
Ms Wilken-Jonker	o	o	o		
Dr Motlatla	o	o	o		
Adv Melville	o	o	o		
N5	REMUNERATION COMMITTEE MEETINGS - Meetings attended*				
DIRECTOR	4 April 2024	20 September 2024	6 December 2024		
Dr van Aardt	o	o	o		
Dr Motlatla	o	o	o		
Ms Wilken-Jonker	o	o	o		
Mr Pentz	o	o	o		

*From 1 March 2024 to 30 April 2025.

NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR TO 28 FEBRUARY 2025 (Gross before deductions)						
R'000	Years service	Long service fees	Consulting fees	Director's fees	Committee fees	Total Remuneration
Mrs Wilken-Jonker	22	179	1 885	307	486	2 857
Dr Motlatla	19	195	-	368	1 140	1 703
Adv Melville	13	58	-	307	653	1 018
Mr Pentz	5	-	-	307	821	1 128
Mr Naudé	7	24	-	307	603	934
Mr Riskowitz	3	-	-	307	266	573
		456	1 885	1 903	3 969	8 213

ELEMENTS OF REMUNERATION

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

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

In line with King IV, Finbond will take various measures should at least 25% of shareholders vote against the Remuneration Policy or Remuneration Implementation Report, such as engaging with external professionals on a contract basis to ascertain the reasons for the dissenting votes. Management will then take the necessary steps to address legitimate and reasonable objections and concerns.

Background Statement:

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

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

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

Main Provisions of the Remuneration Policy:

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

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

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

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

Remuneration benchmarks from various sources are used, including local and international studies and articles on remuneration trends. The fees of the Non-Executive Directors are also set in accordance with industry standards. The full remuneration policy, as included in the Finbond Group Limited Annual Report, can be found on the Company's website at www.finbondlimited.co.za.

Implementation Report:

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

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

Payments on termination of employment amounted to R1,254,166 in South Africa, made up of accrued leave and retrenchments.



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"Whatever we face, we have a choice: Will we be blocked by obstacles, or will we advance through and over them?"
- Ryan Holiday -

COMPANY SECRETARY'S CERTIFICATE

TO THE MEMBERS OF FINBOND GROUP LIMITED

In my capacity as Company Secretary, I hereby certify that for the year ended 28 February 2025, the Company has filed all such returns and notices as are required by the Companies Act No. 71 of 2008 and that all such returns and notices appear to be true, correct and up-to-date.



Ben Bredenkamp
Company Secretary
21 May 2025

REPORT OF THE AUDIT COMMITTEE

The Audit Committee (“the Committee”) has pleasure in submitting its report for the year ended 28 February 2025, as required by section 94 of the **Companies Act No. 71 of 2008** (hereafter referred to as “the Companies Act”).

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

The Committee takes note of the following key audit matters identified by the external auditors and discussed at the Audit Committee meeting held on 16 May 2025:

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

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

FINANCIAL STATEMENTS

- Review the appropriateness of accounting policies;
- Review the appropriateness of assumptions made by management in preparing the Financial Statements;
- Review the significant accounting and reporting issues, and understand their impact on the Financial Statements;
- Review the Annual Financial Statements, and consider whether they are complete, consistent with prescribed accounting methods and information known to Committee members;
- Obtain assurance from Management with respect to the accuracy of the Financial Statements;
- Review with Management and the external auditors the results of external audit, including any significant issues identified; and
- Review the Integrated Annual Report and related regulatory filings before release and consider the accuracy and completeness of the information.

RISK MANAGEMENT

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

INTERNAL CONTROL

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

INTERNAL AUDIT*

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

EXTERNAL AUDIT

- Review the External Auditors’ proposed audit scope, approach and audit fees for the year;
- Review the findings and recommendations of the External Auditor and Management’s responses thereto;

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

- Review implementation of External Auditors' recommendations by Management;
- Review the performance of External Auditors;
- Ensure that there is proper co-ordination of audit efforts between Internal and External Auditors; and
- Meet separately with the External Auditors to discuss any matters that the Committee or External Auditors believe should be discussed privately.

COMPLIANCE

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

REPORTING RESPONSIBILITIES

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

OTHER RESPONSIBILITIES

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

MEMBERS OF THE AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

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

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

During the period since 1 March 2024 to date, the following meetings were held:

AUDIT COMMITTEE MEETINGS - Meetings attended			
DIRECTOR	27 Mar 2024	17 May 2024	26 Sep 2024
Mr Pentz	o	o	o
Mr Naudé	o	o	o
Adv Melville	o	o	o
Mr Labuschagne (by invitation)	o	o	o

AUDIT COMMITTEE MEETINGS - Meetings attended			
DIRECTOR	5 Dec 2024	27 Mar 2025	16 May 2025
Mr Pentz	o	o	o
Mr Naudé	o	o	o
Adv Melville	o	o	o
Mr Labuschagne (by invitation)	o	o	o

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

The External Auditors in their capacity as assurance providers to the Group also attended and reported to the majority of meetings of the Committee. The Chief Financial Officer, Chief Compliance Officer and Chief Business Officer: North America are permanent invitees and are named on page 56 of the Integrated Annual Report for 2025.

EXTERNAL AUDIT

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

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

- the auditors do not receive any direct or indirect remuneration or other benefit from the company, except as auditors or for rendering other services to the company, to the extent permitted in terms of the Companies Act;
- the auditors' independence has not been prejudiced as a result of any previous appointment as auditor or having regard to the extent of any consultancy, advisory or other work undertaken by the auditors for the Company; and

- (c) it has considered compliance with other criteria relating to independence or conflict of interest as prescribed by the Independent Regulatory Board for Auditors established by the Auditing Profession Act, in relation to the Company and any other company within the Finbond Group.

The Committee recommends the reappointment of BDO as external auditors, due to the reasons stated above.

INTERNAL AUDIT*

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

ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

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

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

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

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

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

The external auditors have provided the Committee with the information required by JSE Listings Requirements 3.84 (g)(iii)(aa) – (dd) and will continue to do so on an annual basis.

EXPERTISE AND EXPERIENCE OF FINANCIAL OFFICER AND FUNCTION

As required by the JSE Listings Requirement 3.84(h), as well as the recommended practice as per King IV, the Committee has satisfied itself that the Chief Financial Officer has appropriate expertise and experience. In addition, the Committee also considered and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and the experience of the senior members thereof.



Mr Danie Pentz
Audit Committee Chair
21 May 2025

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

DIRECTORS' REPORT

The Directors present their report, which forms part of the Annual Financial Statements of the Group, for the year ended 28 February 2025.

The consolidated and separate Financial Statements of Finbond Group Limited, comprising the statements of financial position at 28 February 2025, the statements of comprehensive income, changes in equity and cash flows for the year then ended and the Notes to the Financial Statements include a summary of significant accounting policies and other explanatory Notes in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

1. INCORPORATION

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

2. REVIEW OF ACTIVITIES AND OPERATIONS

Name of Business

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

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

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

Review of operations and financial results

The Financial Statements on pages 102 to 197 set out fully the financial positions, results of operations and cash flows of the Group and the Company for the financial year ended 28 February 2025.

Refer to note 41 for segmental information.

The Group Basic earnings per share for the reporting period amounts to a profit of 7.0 cents (2024: 0.1 cents profit per share). The Group Headline loss per share for the reporting period amounts to 1.9 cents (2024: 0.4 cents loss per share). Refer to note 39 for earnings per share information.

The Group net earnings attributable to ordinary shares for the reporting period amounts to R31 798 527 (2024: R557 108).

3. GOING CONCERN

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

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

Further, the Directors are pleased to convey that the unaudited results reported internally for the two months ending April 2025 are progressing in line with budget.

4. EVENTS AFTER REPORTING DATE

Commitments and contingencies

There are no commitments and contingencies that require reporting.

Events occurring after the reporting period

Management is not aware of any significant events that may impact the financial results that occurred after the reporting date.

5. DIRECTORS' INTERESTS AND SHAREHOLDING IN THE GROUP

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

<u>Director</u>	<u>Direct Beneficial</u>	<u>Indirect Beneficial</u>	<u>Percentage Held</u>
Dr Willem van Aardt		179,956,275	34.9%
Mr Danie Pentz	651,626	-	0.13%
Mr Sean Riskowitz	23,030,592	149,776,102	33.5%
Adv Neville Melville	333,333	-	0.06%

At the end of the previous year, Mr Riskowitz had a direct beneficial shareholding of 34,417,513 shares and an indirect beneficial shareholding of 124,793,498 shares, Mr Pentz had a direct shareholding of 556,405 shares and Dr van Aardt had an indirect shareholding of 186,656,275 shares. There were no changes to the other amounts from 29 February 2024 to 28 February 2025.

5.2 Directors' remuneration for services as Directors in respect of the financial year ended 28 February 2025 is outlined in note 36.

6. SHARE CAPITAL

There were no changes in the authorised share capital of the Company during the period under review. The issued share capital decreased from 542,720,092 to 515,720,092.

The major shareholders are set out in note 35.

7. BORROWINGS AND DEPOSITS

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

8. DIVIDENDS

The Board declared a scrip dividend of 17.82809 ordinary shares for every 100 shares held with a cash dividend alternative of 9.57071 cents per share in February 2025.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Each of the Directors, whose names are stated below, after due, careful and proper consideration, hereby confirm that:

- The financial statements set out on pages 102 to 197, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards and the requirements of the Companies Act of 2008, as amended;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the issuer;
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and

- have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving Directors.

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

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

10. SECRETARY

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

11. INVESTMENTS IN SUBSIDIARIES

Refer to note 8 for a complete list of subsidiaries.

12. SPECIAL RESOLUTIONS

During the year ended 28 February 2025, the following special resolutions were made:

- It was resolved that the remuneration policy and implementation report as set out in the previous Annual Report be approved and the remuneration of the Non-Executive Directors, to be paid by Finbond Group Limited, be fixed from 1 November 2024.
- It was resolved that, subject to compliance with the requirements of the JSE, the Directors of the Company were authorised, at their discretion, to procure for the Company or subsidiaries of the Company ordinary shares issued by the Company on the JSE.
- It was resolved that the Board may provide direct or indirect financial assistance subject to the conditions specified in the Notice to Shareholders included in the 2024 Annual Report.

13. COMPLIANCE

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

14. MATERIAL RISKS

Please refer to the Risk Management Framework set out on pages 44 to 52, as well as to note 37 of the annual financial statements set out on pages 178 to 187 for a description of all material risks which are specific to the Group and its industry.

15. APPROVAL OF CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated and separate Annual Financial Statements of Finbond Group Limited, set out on pages 102 to 197, were approved by the Board of Directors on 21 May 2025 and signed by



Dr Malesela Motlatla
Chairman



Dr Willem van Aardt
Chief Executive Officer



Mr Greg Labuschagne
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT



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

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Finbond Group Limited (the Group and Company) set out on pages 102 - 197, which comprise the consolidated and separate statements of financial position as at 28 February 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Finbond Group Limited as at 28 February 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Consolidated and Separate Financial Statements* section of our report.

We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa.

We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including *International Independence Standards*). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Final materiality

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

	Consolidated financial statements	Separate financial statements
Final materiality	R55,423,000	R41,382,400
How we determined it	1.4% of total operating assets	1.6% of total operating assets
Rationale for the materiality benchmark applied	<p>We have identified total operating assets as the most appropriate benchmark. The reason for this is that the Group's performance is directly linked to its ability to generate lending related assets. Revenue or profits are not appropriate benchmarks based on the volatility of these line items.</p> <p>We chose 1.4% which is consistent with quantitative materiality thresholds used for group audits in this sector.</p>	<p>We have identified total operating assets as the most appropriate benchmark. It is the measurement against which the financial position of the holding Company is most commonly measured by users of the separate financial statements and is a generally accepted materiality benchmark for similar entities.</p> <p>We chose 1.6% which is consistent with quantitative thresholds used for holding companies in this sector.</p>

Group audit scope

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

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

In establishing the Group audit scope, based on our Group risk assessment, we determined the type of work that needed to be undertaken on the financial information of the components. In selecting components, we performed risk assessment procedures across the Group and its components to identify risks of material misstatement. We then identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response. We have identified 7 components in scope for the Group audit.

Based on our scoping procedures described above, we have scoped in the 6 components for audits based on risk identification, and 1 component for a limited scope audit. For other components, analytical procedures and (where appropriate) testing of common controls implemented over components, including entity level controls and, where applicable, component audits performed for statutory, regulatory or other reasons, were performed. Based on our risk assessment procedures, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information not subject to further audit procedures.

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

Key audit matters

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

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

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

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

- assessing management's ECL methodology and stage 3 interest suspension for compliance with IFRS 9 principles and best practice;
- comparing the coverage ratios to the previous reporting period;
- calculating the probability of default through a hazard rate PD (i.e., Challenger) model;
- re-performing the LGD development factor calculation provided by management;
- calculating the LGD pre-write off period using a Challenger model, and the PD modelling data set;
- calculating the EAD, using the PD modelling data set; and
- reviewing management's assessment of the IFRS write-off period for reasonability against historic collections, recovery curves and run off rates.

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

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

Impairment of investments in joint ventures (consolidated financial statements)

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

Management's assessment of impairment of the investments in joint ventures requires the application of significant judgements, in similar areas as noted for Goodwill.

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

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

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

The following procedures, amongst others, were performed:

- We considered indicators of impairment for the investments held, by comparing the carrying value of the investments to the net asset values of the Companies as at 28 February 2025;
- We assessed the recoverable values for those investments with an impairment indicator to confirm compliance with IAS 28: *Investments in Associates and Joint Ventures*;
- We assessed the classification on whether Americash, SAIL and CreditBox form one investment in a joint venture (and Cashback another separate investment in a joint venture,) or whether these constitute four stand-alone investments in joint ventures. The results of our assessment did not identify any aspects regarding the classification of these investments which required further consideration.;
- We challenged the forecasts included in the model by comparing forecasts to historical results to assess the achievability of forecasts, and we assessed the reasonableness of adjustments made by management to growth in estimating forecasted cash flows, based on information available as at reporting date. Based on the results of our assessment, we accepted the forecasts applied by management;
- With the involvement of our corporate finance expertise, we

The relevant disclosures relating to the value in use impairment calculations and related impairment of investments in joint ventures have been provided in note 9 to the consolidated financial statements.

assessed management's expert's assumptions on growth, inflation and interest rates, along with the discount rates applied, by comparing them to known market and industry trends and performing independent challenger valuations. We found that the various rates applied fell within reasonable ranges of our expectation;

- We evaluated the competence, capabilities and objectivity of management's expert and also evaluated the appropriateness of the work performed by management's expert. We did not note any aspects in this regard requiring further consideration;
- We focused on the adequacy of the disclosure in the financial statements in terms of IAS 28: *Investments in Associates and Joint Ventures* and IFRS 12: *Disclosure of Interests in Other Entities*.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled: "Finbond Group Limited Annual Report for the year ended 28 February 2025", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated and separate financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

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

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

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

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

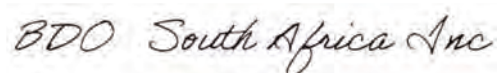
Report on other legal and regulatory requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Finbond Group Limited for 6 years.

BDO South Africa Incorporated

Registered Auditors

A handwritten signature in black ink that reads "BDO South Africa Inc".

Per Chan-ré Pietersen

Director

Registered Auditor

23 May 2025

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2025

R'000	Note	GROUP		COMPANY	
		2025	2024	2025	2024
ASSETS					
Cash and cash equivalents	3	661 787	455 719	92 405	18 862
Other financial assets at fair value through profit or loss	4	22 253	34 568	-	-
Other financial assets at amortised cost	4	329 470	360 002	282	260
Loans and advances	5	675 680	619 057	-	-
Trade and other receivables	6	203 904	151 294	79 333	72 151
Loans to group companies	7	48 782	81 539	1 846 052	1 785 180
Investments in subsidiaries	8	-	-	1 440 550	1 440 550
Investments in joint ventures	9	937 380	979 875	-	-
Investments in associates	10	742 455	749 932	-	-
Property, plant and equipment	11	162 041	149 836	15 109	66
Right of use assets	12	177 608	151 545	-	-
Investment property	13	110 636	117 721	-	-
Deferred taxation	21	120 278	99 798	106 059	83 332
Goodwill	14	318 630	305 345	-	-
Intangible assets	15	16 880	22 100	-	-
Total assets		4 527 784	4 278 331	3 579 790	3 400 401
LIABILITIES					
Transactional deposits	16	47 583	36 878	-	-
Current tax payable		-	11 497	-	-
Trade and other payables	17	102 929	85 992	42 740	10 533
Loans from group companies	7	-	-	13 957	13 933
Lease liabilities	18	194 701	167 659	-	-
Fixed and notice deposits	19	590 282	590 759	-	-
Commercial paper	20	2 861 248	2 553 588	2 861 248	2 553 588
Total liabilities		3 796 743	3 446 373	2 917 945	2 578 054
EQUITY					
Capital and reserves					
Share capital	22	877 978	865 421	981 881	997 001
Reserves	23	386 895	489 192	17 469	15 897
Retained loss		(533 959)	(522 055)	(337 505)	(190 551)
SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO ORDINARY SHAREHOLDERS					
		730 914	832 558	661 845	822 347
Non-controlling interest	34	127	(600)	-	-
Total equity		731 041	831 958	661 845	822 347
Total equity and liabilities		4 527 784	4 278 331	3 579 790	3 400 401

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2025

R'000	Note	GROUP		COMPANY	
		2025	2024	2025	2024
Interest income	25	833 257	821 526	250 011	238 038
Interest expense	26	(368 106)	(330 467)	(293 957)	(257 100)
Net interest income/(expense)		465 151	491 059	(43 946)	(19 062)
Fee income	27	210 068	198 908	-	-
Management fee income	28	-	-	13 126	14 358
Other operating income	29	413 076	377 360	386 097	355 881
Income from joint ventures	9	60 314	34 974	-	-
Income from associates	10	182 347	142 572	-	-
Fair value adjustments		(6 796)	(4 760)	-	-
Foreign exchange (loss)/gain		(5)	(154)	(84 262)	83 177
Net impairment charge	30	(263 885)	(267 077)	59	(132 490)
Reversal of impairment of investments in joint ventures	9	-	12 372	-	-
Impairment of goodwill	14	(3 625)	(3 720)	-	-
Operating expenses	31	(994 755)	(950 888)	(395 260)	(353 917)
Profit/(loss) before taxation		61 890	30 646	(124 186)	(52 053)
Taxation	32	(32 638)	(32 002)	20 935	2 586
Profit/(loss) after taxation		29 252	(1 356)	(103 251)	(49 467)
Other comprehensive income to be reclassified to profit or loss					
Foreign currency translation difference for foreign operations		(100 595)	138 443	-	-
Total comprehensive (loss)/income for the year		(71 343)	137 087	(103 251)	(49 467)
Income/(loss) attributable to:					
Owners of the company		31 799	557	(103 251)	(49 467)
Non-controlling interest	34	(2 547)	(1 913)	-	-
		29 252	(1 356)	(103 251)	(49 467)
Total comprehensive (loss)/income attributable to:					
Owners of the company		(72 070)	133 346	(103 251)	(49 467)
Non-controlling interest		727	3 741	-	-
		(71 343)	137 087	(103 251)	(49 467)
Earnings per share					
Basic earnings per share (cents)	39	7.0	0.1		
Diluted earnings per share (cents)	39	7.0	0.1		

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2025

R'000	Note	Share capital	Reserves	Retained income	Total attributable to equity holders	Non-controlling interest	Total equity
GROUP							
Balance as at 1 March 2023		964 747	354 831	(522 612)	796 966	(4 341)	792 625
Total comprehensive income for the year		-	132 789	557	133 346	3 741	137 087
(Loss)/profit for the year		-	-	557	557	(1 913)	(1 356)
Other comprehensive income for the year		-	132 789	-	132 789	5 654	138 443
Shares repurchased		(100 218)	-	-	(100 218)	-	(100 218)
Treasury shares sold		892	-	-	892	-	892
Equity settled share based payment charge		-	1 572	-	1 572	-	1 572
Balance at 1 March 2024		865 421	489 192	(522 055)	832 558	(600)	831 958
Total comprehensive (loss)/income for the year		-	(103 869)	31 799	(72 070)	727	(71 343)
Profit/(loss) for the year		-	-	31 799	31 799	(2 547)	29 252
Other comprehensive income for the year		-	(103 869)	-	(103 869)	3 274	(100 595)
Shares repurchased		(15 120)	-	-	(15 120)	-	(15 120)
Treasury shares sold		15 120	-	-	15 120	-	15 120
Equity settled share based payment charge		-	1 572	-	1 572	-	1 572
Dividends	40	12 557	-	(43 703)	(31 146)	-	(31 146)
Balance at 28 February 2025		877 978	386 895	(533 959)	730 914	127	731 041

Note 22 23

COMPANY

Balance at 1 March 2023		1 097 219	14 325	(141 084)	970 460	-	970 460
Total comprehensive loss for the year		-	-	(49 467)	(49 467)	-	(49 467)
Shares repurchased		(100 218)	-	-	(100 218)	-	(100 218)
Equity settled share based payment charge		-	1 572	-	1 572	-	1 572
Balance at 1 March 2024		997 001	15 897	(190 551)	822 347	-	822 347
Total comprehensive loss for the year		-	-	(103 251)	(103 251)	-	(103 251)
Shares repurchased		(15 120)	-	-	(15 120)	-	(15 120)
Equity settled share based payment charge		-	1 572	-	1 572	-	1 572
Dividends	40	-	-	(43 703)	(43 703)	-	(43 703)
Balance at 28 February 2025		981 881	17 469	(337 505)	661 845	-	661 845

Note 22 23

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2025

R'000	Note	GROUP		COMPANY	
		2025	2024*	2025	2024
Cash flows from operating activities					
Cash utilised in operations	33	(175 182)	(79 926)	(268 371)	(185 886)
Taxation paid		(47 389)	(70 250)	-	(45 143)
Net cash from operating activities		(222 571)	(150 176)	(268 371)	(231 029)
Cash flows from investing activities					
Acquisition of property, plant and equipment	11	(43 872)	(25 266)	(15 075)	(61)
Proceeds from sale of property, plant and equipment		3 194	(1 185)	-	-
Acquisition of intangible assets	15	(2 596)	(4 674)	-	-
Investment in investment property	13	-	(569)	-	-
Acquisition of financial assets		-	(90 774)	(22)	(18)
Proceeds from sale of financial assets		41 622	33 733	-	-
Acquisition of subsidiaries, net of cash acquired	44	(25 750)	-	-	-
Distributions received from associates	10	156 179	49 160	-	-
Investments in joint ventures	9	(37 385)	-	-	-
Distributions received from joint ventures	9	95 956	16 829	-	-
Net cash from investing activities		187 348	(22 746)	(15 097)	(79)
Cash flows from financing activities					
Buy-back of shares	22	-	(99 326)	-	(100 218)
Proceeds from commercial paper	33	1 447 304	600 474	1 447 304	600 474
Repayments of commercial paper	33	(1 090 293)	(363 694)	(1 090 293)	(363 694)
Lease liabilities repaid	33	(98 368)	(93 440)	-	-
Net cash from financing activities		258 643	44 014	357 011	136 562
Net increase/(decrease) in cash and cash equivalents					
Cash at the beginning of the year	3	455 719	585 040	18 862	113 408
Effect of movements in exchange rates		(17 352)	(413)	-	-
Total cash at end of the year	3	661 787	455 719	92 405	18 862

*Refer to note 33 for details of the reclassification.

NOTES TO THE FINANCIAL STATEMENTS

1. MATERIAL ACCOUNTING POLICIES

Finbond Group Limited ("the Company") is a listed entity on the Johannesburg Stock Exchange ("JSE"). The Company is domiciled in South Africa.

The consolidated Financial Statements are comprised of the Company, its subsidiaries, joint ventures and associates located in South Africa, Malta, the USA and Canada, together referred to as "the Group".

The consolidated and separate Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), the Listing Requirements of the JSE, the Companies Act No. 71 of 2008 and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

Unless otherwise stated, the accounting policies are consistent with those adopted in the prior year and have been applied consistently within the Group.

The Group's consolidated and separate Financial Statements have been prepared on the historical cost basis, except for the following items carried at fair value:

- Investment properties
- Financial assets at fair value through profit or loss.

The consolidated and separate Financial Statements are presented in South African Rand (ZAR), which is the functional currency of the Company.

All amounts have been rounded to the nearest thousand, except where indicated differently.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements, are disclosed in policy 1.5.

1.1 Basis of consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Group and all investees which are controlled by the Group.

The Group's interest in subsidiaries is disclosed in note 8 and includes all entities for which Finbond is exposed to or has rights to variable returns from involvement with the investee and has the ability to affect the amount of its returns.

The results of subsidiaries are included in the consolidated Financial Statements from the date when control commences to the date on which control ceases.

All intragroup transactions, balances and unrealised gains or losses are eliminated in full in preparing the consolidated Financial Statements.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and presented within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured as the aggregate of the fair values of assets given, liabilities incurred and equity instruments issued. Any goodwill that arises is tested annually for impairment.

Transaction costs are expensed as incurred, except if it relates to the issue of debt or equity instruments.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred. Changes to the contingent consideration due to subsequent reporting date remeasurement are not affected against goodwill but instead are recognised in profit or loss.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a gain on a bargain purchase.

In the Company's (Finbond Group Limited company/entity) separate Financial Statements, investments in subsidiaries are carried at cost less any accumulated impairment. The cost of an investment in a subsidiary is the aggregate of the fair value, at the date of the exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company. At each reporting date it is determined whether there is objective evidence that the investment in the subsidiaries is impaired. If this is the case, the difference between the recoverable amount of the subsidiary and its carrying value is recognised in the statements of comprehensive income.

1.2 Investments in joint ventures

The Group's interest in joint ventures is disclosed in note 9 and includes all entities over whose activities it has joint control, established by contractual agreement and requiring unanimous consent for significant decisions.

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

The Group's accounting policy for joint ventures is applied consistently to all joint ventures in which it has an interest.

Refer to note 1.5 for details relating to impairment testing.

1.3 Investments in associates

The Group's interest in associates is disclosed in note 10 and includes all entities in which it has significant influence.

Significant influence is the ability to meaningfully participate in the financial and operating policy decisions of an entity and is presumed when 20 percent or more of the voting power or 20 percent of more representation on the board of directors of the investee is held.

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

The Group's accounting policy for associates is applied consistently to all associates in which it has an interest.

Refer to note 1.5 for details relating to impairment testing.

1.4 Foreign currency translation

Functional and presentational currency

For each entity in the Group, the Company determines its functional currency as the currency of the primary economic environment in which the entity operates, and items included in the Financial Statements of each entity are measured using that functional currency.

The Company uses the step-by-step method of consolidation whereby the Financial Statements of a foreign operation are first translated into the functional currency of any intermediate parent and then translated into the functional currency of the ultimate parent.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis.

The statement of cash flows is prepared using the average exchange rate for the year.

Group companies

On consolidation, the assets and liabilities in foreign operations are translated at the spot rate of exchange prevailing at the reporting date and their income and expenses are translated at average exchange rates for the reporting period. All resulting exchange differences are recognised in other comprehensive income within the foreign currency translation reserve.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1.5 Significant judgements, estimates and sources of uncertainty

In preparing the consolidated and separate Financial Statements, Management is required to make estimates and assumptions that affect the amounts represented in the Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

Actual results in the future could differ from these estimates, which may be material to the Financial Statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods.

Significant judgements include:

Impairment testing

Impairment losses on loans and advances

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

The ECL is calculated using statistical models which incorporate observable data to give a best estimate of expected default rates and the

loss given default (LGD). The LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the business group expects to receive, considering cash flows from any collateral. Statistical models are tailored for customer segments that have similar credit loss characteristics (i.e. by geography and product type). Where the ECL has been raised for individual exposures, management assesses the historical and expected cash flows and the recoverability of collateral at an individual exposure level. Model validation procedures are in place to ensure that the input assumptions applied within the models are a statistically reliable estimate. The information about the ECLs on the Group's loans and other advances is disclosed in notes 5, 6 and 7.

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

The ECL has been calculated using statistical models that also incorporate the economic impact of the following factors: (1) the continued slower recovery from COVID in our industry in North America, and (2) the current uncertain global economic environment (driven by factors such as evolving U.S. foreign policy and ongoing conflicts in Ukraine and the Middle East). For further information on factors considered by Management in the current environment, refer to note 43. The current observable data and forward-looking expectations in the models consider the resultant uncertainty surrounding the timing and extent of potential future defaults and recoveries. Negative, positive, and most likely scenarios have been determined based on independently sourced economic data and these scenarios have been weighted to determine a probabilistic view of the economy going forward.

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

The recoverable amounts of cash-generating units and net investments in joint ventures and associates have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of several estimates and assumptions. It is reasonably possible that these assumptions

may change, which may impact estimations and may then require adjustments to the carrying values of goodwill, intangible assets, investments in joint ventures, and/or investments in associates.

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

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

Expected future cash flows used to determine recoverable amounts are inherently uncertain and could materially change over time. They are significantly affected by several factors including regulation, supply and demand for loans, profit margins, impairment rates, growth rates, together with economic factors such as inflation and interest rates. For further details about the Group's goodwill, intangible assets, and investments in joint ventures and associates, refer to notes 1.8, 9, 10, 14 and 15.

Fair value adjustments of investment property

Although property is considered a low-risk asset over the long term, investors are reminded that significant short- and medium-term risk factors are inherent in the asset class. Investments in property are relatively illiquid and usually more difficult to realise than listed equities or bonds, which restricts the Group's ability to realise value in cash in the short-term.

The property valuations in this period have been prepared in a period of market uncertainty. The current macro-economic environment has resulted in commercial and residential properties selling in much reduced quantities with virtually little or no market activity in some areas. The lack of market activity and the resulting lack of market evidence means that it is generally not possible to value with as high a degree of certainty as would be the case in a more stable market with a higher, active level of market evidence. The best evidence of fair value is current prices in an active market for similar property investments, which emphasises that fair value reflects the best available use of an asset class (in this case investment property). In obtaining evidence to support fair value, the Group has gone to great lengths to obtain and consider information from a variety of sources. For further details about the Group's investment properties refer to notes 1.6 and 13.

Deferred Tax Assets

The Group recognises deferred tax assets for the carry forward of unused tax losses to the extent that it is probable that future taxable profit

will be available against which the unused tax losses can be utilised. Management has gone to great lengths, and considered all available information in making this assessment. The most significant assumption is the forecasts that are used to support the probability assessment that sufficient taxable profits will be generated by the Group to utilise the deferred tax assets. For further details please refer to note 21.

Going Concern

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

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

It should be noted that a high degree of judgement is required to estimate the full financial effect for the year ahead, and beyond. The above factors also serve to confirm that uncertainties lie ahead, and that the timing and magnitude of our various recovery and growth initiatives will continue to be influenced accordingly. Management performed robust capital, liquidity and cash flow stress testing based on multiple scenarios and levels of stress. This stress testing (updated and monitored monthly) continues to demonstrate that the Group remains sufficiently capitalised, with appropriate liquidity levels. Based on this review the Directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future. The going concern basis therefore continues to apply and has been adopted in the preparation of the annual financial statements. Please refer to note 43 for further detail.

1.6 Investment property

Investment property comprises land and non-owner-occupied buildings held to earn rentals and for capital appreciation. Investment property is initially recognised at cost, including transaction costs.

Investment property is subsequently measured at fair value/revalued amount. Fair value is supported by valuations performed by independent external expert valuers holding a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Independent external valuations are performed at a minimum of

every three years unless management's annual fair value assessment indicates material changes to the property market and/or underlying assumptions and inputs into the current valuation models. A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Detail disclosure can be found in note 13.

1.7 Property, plant and equipment

Property, plant and equipment is initially measured at cost and subsequently carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

<u>Item</u>	<u>Average useful life</u>
Property (owner occupied)	39 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment (including leased)	6 years
IT equipment	3 years
Computer software acquired	2 years
Leasehold improvements	6 years

Property held under property, plant and equipment consists of owner occupied land and buildings. Land has an infinite useful life and is not depreciated.

Each component part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

1.8 Goodwill and intangible assets

Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business, less accumulated impairment losses, if any.

Goodwill is not amortised but is tested for impairment annually, by an independent valuator, or more frequently if events or changes in circumstances indicate that it might be impaired. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. Refer to note 14 for further details.

Intangible assets

The Group's intangible assets include trademarks & brand names acquired in business combinations, and the value of internally developed computer software.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows:

Computer software developed - 3 – 15 years

Trademarks and brand names have indefinite lives and are tested for impairment annually. Refer to note 15 for further details.

1.9 Inter-company Group loans

Group loans with no fixed maturities are viewed as part of the Company's investment in subsidiaries or joint ventures and are carried at cost, net of impairments.

Intercompany loans are assessed for ECLs on an individual basis. Scenarios based on the financial performance of underlying cash generating units, leverage and elements of the economy are continuously analysed.

1.10 Financial instruments*1.10.1 Financial instruments – initial recognition*

Financial assets and liabilities are initially recognised on the trade date, i.e. the date that the Group becomes a party to the contractual provisions of the instrument.

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

- Amortised cost.
- Fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

*1.10.2 Financial assets and liabilities*Loans and advances and other financial assets at amortised cost

The Group measures Loans and advances and other financial assets at amortised cost as the objective is to hold the financial assets and to collect contractual cash flows.

The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Business model assessment

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

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

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

The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial instruments to identify whether they meet the SPPI test, as described before.

Commercial paper, fixed and notice deposits, and other financial liabilities

After initial measurement, commercial paper, fixed and notice deposits, and other financial liabilities are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue, and costs that are an integral part of the effective interest rate (EIR).

1.10.3 *Derecognition of financial assets and liabilities*

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

When assessing whether or not to derecognise a loan to a customer, the Group considers both the quantification 10% test as well as additional qualification assessments including, inter alia, the following factors:

- Delinquency status.
- Payment behaviour.
- Client Behaviour Status.
- Whether the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition other than for substantial modification

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the financial asset have expired;
- The financial asset has been transferred and the transfer qualifies for derecognition; or
- When the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. Please refer to note 1.10.5. for further details relating to the Group's write-off policy.

Before evaluating whether, and to what extent, derecognition is appropriate the Group determines whether the derecognition is applied to a part of a financial asset (or a part of a group of similar financial assets) or a financial asset (or a group of similar financial assets) in its entirety. Derecognition is applied to a part of a financial asset (or a part of a group of similar financial assets) i.e., partial derecognition, if the part being considered for derecognition meets one of the following three conditions (in all other cases derecognition is applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety)):

- The part comprises only specifically identified cash flows from a financial asset (or a group of similar financial assets);
- The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a group of similar

financial assets); or

- The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

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

- The Group has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

A transfer only qualifies for derecognition if either:

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

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

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

1.10.4 *Impairment of financial assets*

The Group records the allowance for expected credit losses (ECL) for all loans and other financial assets not held at FVTPL. A 12-month ECL is recognised when there has not been a significant increase in credit risk (SICR). The Group continuously assesses financial assets to determine whether there has been a SICR since initial recognition. This is further explained in note 37.

ECL Recognition

Stage 1: A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR. An ECL continues to be determined on this basis until there is a SICR.

Stage 2: A lifetime ECL is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk. Any exposure that is more than 30 days past due is automatically considered to have experienced a SICR.

Stage 3: A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The financial asset is considered credit-impaired when the loan is in default or the borrower has significant financial difficulty. The definition of default varies per product type and geographical region, however, if the financial instrument becomes 90 days past due then the financial instrument is in default in all cases. Refer to note 37 for further details and considerations applied.

The calculation of ECLs

The mechanics of the ECL calculations are outlined below, with the key elements defined as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the event of a default. It is calculated based on the expected recoverable cash flows, discounted at the relevant interest rate, and includes expected proceeds from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The PD, LGD and EAD are further explained in note 37.

Forward-looking methodology

To align with the principles of IFRS 9 Financial Instruments, the Group holds a provision against potential future losses resulting from changes in the economic environment. The latest Bureau of Economic Research (BER) macroeconomic outlook for South Africa and the International Monetary Fund (IMF) macroeconomic outlook for North America are used to estimate the forward-looking impact on the ECL for loans and advances.

Three economic scenarios (a negative, a positive and most likely) are considered when calculating the impact of macroeconomic factors on the ECL. The probability of each scenario is estimated by management and is tailored to the different customer segments. These scenarios are then linked to PDs to derive a forward-looking ECL. Refer to note 37 for more detail.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Management overlays and changes to the forward-looking methodology are subject to group governance committee oversight.

1.10.5 Write-offs

Loans and advances are only written off when there is no reasonable expectation of recovery. Loans previously written off are not written back. No expected recovery receivable is raised after write-off. The Group's period to write-off is therefore significantly longer under IFRS 9 than before its implementation.

The expectation of no further recovery, and therefore write-off, is determined from statistical evidence in the form of cash flow run-off triangles, based on actual historic loan level information. The point of full write-off is the point in time after reaching operational collections status that the cumulative recovery curve, as derived from the run-off triangles, flattens out. For short-term consumer instalment loans, the write-off period averages between 2 and 10 years in North America (dependent on the credit risk characteristics of the product and region) and averages 2 years in South Africa (dependent on the credit risk characteristics of the product). For the North American single payment products, the full write-off period ranges between 3 months and 12 months. For the secured South African mortgage loan and business lending products, a close relationship is maintained with these clients that are analysed on an individual basis. Scenarios based on their payment behaviour, personal circumstances, various legal avenues, and elements of the economy are continuously analysed, along with the property security. These loans will only be written off if all legal avenues have been exhausted and discussions in committee meetings have concluded that there are no scenarios where future cash flows are possible.

1.10.6 Fair value hierarchy determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (as for unlisted securities), the Group establishes fair value by using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

Effective interest rate method (EIR)

The Group applies the effective interest rate method to calculate the amortised cost of a financial asset or a financial liability and to allocate interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset.

1.10.7 The effective interest rate method

Recognition of interest income

Interest income is recorded using the EIR method for all financial instruments measured at amortised cost.

The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

The adjustment is subsequently amortised through interest and similar income in the income statement. For further details about the Group's recognition of interest income refer to note 1.16.

1.11 Taxation

Income tax

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

equity or other comprehensive income.

Current taxation

Current taxation comprises tax payable or receivable calculated on the basis of the estimated taxable income for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment of tax payable for previous years.

Deferred tax

Deferred taxation is recognised using the balance sheet method in respect of temporary differences between the amount of an asset or liability used for tax purposes and its balance sheet carrying amount. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the statement of financial position date.

The initial recognition of goodwill in a business combination is not provided for as a temporary difference.

Deferred taxation is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred taxation of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends and has the ability to settle its current tax assets and liabilities on a net basis.

1.12 Segment reporting

The Group determines and presents operating segments based on the information that is internally provided to the Chief Executive Officer (CEO) and all the Executive Committee members.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items vary on the primary and geographical basis and are accordingly reported as 'Other' on the

primary basis and 'Corporate' on the geographical basis. Please refer to note 41 for further details.

On a primary basis, the Group is organised into four major operating divisions, namely deposit and debt finance products, lending, property investment and transactional banking. These divisions are the basis on which the Group reports its primary segment information for internal purposes. Please refer to note 41 for further details. The Group operates in two principal geographical areas, namely South Africa and North America. Geographical segment information is provided within each relevant note and further supplemented in note 41.

1.13 Share capital and equity

Ordinary shares are classified as equity.

If the Group reacquires its own equity instruments (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments is deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Dividends on ordinary shares are recognised in equity in the period in which they have been approved by the Group's Directors. Dividends for the year that are declared after the statement of financial position date are dealt with in the Directors' Report.

1.14 Share-based payments

Services received in the share-based payment transactions are recognised as expenses when the services are received. A corresponding increase in equity is recognised when the services were received in the equity-settled share-based payment arrangement.

As equity-settled share-based payment transactions, the services received and the corresponding increase in equity are measured indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions which are not market-related (i.e. service conditions and non-market-related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market-related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments is not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

As the share-based payments granted do not vest until the counterparty completes a specified period of service, Finbond accounts for the share based payment expense over the vesting period.

The share-based payment arrangements provide Finbond with the choice of settling the transaction in cash, or by issuing equity instruments. If this cash option is exercised by Finbond, the components of that transaction will be recorded as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred. No such cash settled option has been exercised or liability incurred. For further details about the Group's share based payment arrangements refer to note 24.

1.15 Employee benefits

The costs of short-term incentives (STI)/employee benefits (those payable within 12 months after the actual service is rendered, such as paid vacation leave and 13th cheques) are recognised in the period in which the service is rendered.

The expected cost of compensated absences is recognised as an expense and associated liability as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

The costs of long-term incentives (LTI)/employee benefits (those payable over a longer period linked to employee retention, such as LTI retention bonuses) are recognised over the agreed retention period over which the service will be rendered. Any portions of LTI bonuses paid are repayable by the employee, on a pro rata basis, should the employee leave the employ of Finbond prior to the end of the formally agreed retention period.

1.16 Revenue

Interest on loans and advances (part of interest income, note 25) is calculated by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets (this would therefore apply to 'Stage 1' & 'Stage 2' assets). When a financial asset becomes credit-

impaired (as set out in note 1.10.4) and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the EIR to the net amortised cost of the financial asset, in terms of IFRS 9.

This is achieved in practice by 'suspending' the difference between interest accrued on the gross carrying amount and net amortised cost on Stage 3 loans to either the Expected Credit Loss (ECL) allowance or directly to Gross Loans and Advances in the statement of financial position. The Group's policy is to suspend this 'Stage 3 Interest in Suspense' ('IIS') directly to Gross Loans and Advances as it is not considered recoverable. Subsequent recoveries of IIS, if any, are released through the movement in the ECL allowance in the statement of comprehensive income. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on the gross carrying amount.

At a Company level, interest income from Group companies (part of interest income, note 25) is earned in terms of the Group's transfer pricing policy. Refer to note 7 for further details regarding terms and balances in respect of inter-company Group loans.

Initiation fees (part of interest income, note 25), being the portion of the loan origination fees that relates to the creation of the financial asset, are deferred and recognised, by applying the EIR method, consistent with the original loan.

Service fees (including card related transaction fees which are part of fee income, note 27) included in the price of the product are recognised as revenue when such services are performed. Loan repayments are linked to customer pay dates over the loan term to optimise collectability.

Commission revenue (part of other operating income, note 29) is earned in respect of customers referred to third party value added service (VAS) providers. Contractually, commission revenue is earned in respect of two highly interdependent/interrelated performance obligations;

1. contracting/sale i.e. upon obtaining the borrower's signature and referral to third party providers, and
2. acting as the collecting party to collect the subscription fee on behalf of third party providers.

These two performance obligations are highly interrelated as collections in the Micro Credit industry are extremely specialised and very dependent and as a result it would be very difficult, if not impossible, for a third party collections entity to collect successfully in our environment. Commission revenue is accordingly recognised proportionate to when these interdependent performance obligations are completed. Subscription fees are linked to customer pay dates over the loan term to optimise collectability.

At Company level, service fees (part of management fee income, note 28) are earned in terms of the Group's transfer pricing policy for the provision of support and administrative services to Group companies. Service fees are recognised and invoiced monthly via inter-company accounts, in line with when the services are provided. Refer to note 35 for further details.

At Company level, royalty revenue (part of management fee income, note 28) is earned on the rental of the Company's intellectual property, consisting of trademarks, copyright and know-how. Royalty revenue is earned from those Group entities making use of the Company's intellectual property on a percentage of total revenue earned basis. Royalty revenue is invoiced monthly. Dividends received are recognised, in profit or loss, when the right to receive payment has been established.

1.17 Interest expense

Interest expense is recognised for all instruments measured at amortised cost, in profit or loss, using the effective interest method.

For further details refer to note 26.

1.18 Leases

Measurement and recognition of leases

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

A lease liability is initially measured at the present value of the remaining lease payments on the commencement date discounted using the Group's incremental borrowing rate.

Incremental borrowing rate/discount rate of 11.25% is used to determine the interest expense/finance cost in the income statement based on the net present value of lease payments on the commencement date.

In calculating the incremental borrowing rate management has considered the following:

- Reference rate: reference rates are commonly relevant 5 year government bonds. These are rates that represent a risk free rate.
- Financing spread adjustment: credit spreads from overdraft facilities with an appropriate term aligned to lease term or otherwise estimated.

- Lease specific adjustment: adjustment in respect of security provided against the lease and the group used an indicative rate for secured and unsecured borrowing of an appropriate duration in line with the weighted-average lease term.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in substance fixed); and
- variable payments based on an index or rate.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases with a term of 12 months or shorter and leases of low-value assets (R100,000 or less) using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Operating leases

All other leases are treated as operating leases. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset and is accounted for in accordance with IFRS 16. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a systematic basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 New and amended standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 March 2025, and have not been applied in preparing these Group Consolidated and separate Company financial statements.

STANDARDS NOT YET EFFECTIVE

The Group has considered the impact of these new standards, amendments to standards and interpretations, and the impact on the financial results of the Group or Company is not material. The Group and Company do not plan to adopt these standards early, they will be adopted in the period that they become mandatory unless otherwise indicated.

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the financial year starting 1 March 2025.

Standard	Details of amendment	Effective from
IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure Amendment - Classification and Measurement of Financial Instruments	<p>The Amendments modify the following requirements in IFRS 9 and IFRS 7:</p> <p><u>Derecognition of financial liabilities</u></p> <ul style="list-style-type: none"> Derecognition of financial liabilities settled through electronic transfers. <p><u>Classification of financial assets</u></p> <ul style="list-style-type: none"> Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – ‘SPPI test’). Contractual terms that change the timing or amount of contractual cash flows. Financial assets with non-recourse features. <p><u>Disclosures</u></p> <ul style="list-style-type: none"> Investments in equity instruments designated at fair value through other comprehensive income. Contractual terms that could change the timing or amount of contractual cash flows. 	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	<p>The standard promotes a more structured income statement and introduces a newly defined “operating profit” subtotal and a requirement for all income and expenses to be classified into three new distinct categories based on an entity’s business activities. The new standard requires an entity to analyse their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. In addition, the standard defines “management-defined performance measures” (MPMs) and requires that an entity provide disclosures regarding its MPMs in order to enhance transparency. The standard further provides enhanced guidance on aggregation and disaggregation of information, which will apply to both the primary financial statements and the notes.</p>	1 January 2027
Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates	<p>The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. Amendment to IAS 21: <i>The Effects of Changes in Foreign Exchange Rates</i>.</p>	1 January 2025

3. CASH AND CASH EQUIVALENTS

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Cash and cash equivalents consist of:				
Cash on hand ¹	12 131	11 305	-	-
Bank balances ²	543 259	350 571	92 405	19 885
Bank overdraft ³	-	(1 023)	-	(1 023)
Central bank balances ⁴	106 397	94 866	-	-
	661 787	455 719	92 405	18 862
Current assets	661 787	456 742	92 405	19 885
Current liabilities	-	(1 023)	-	(1 023)
	661 787	455 719	92 405	18 862

Cash and cash equivalents are stated at cost, which approximates fair value due to the short-term nature of these instruments.

¹Cash on hand is non-interest bearing.

²The effective rate of interest earned on bank balances varies between 0% and 6.0% (2024: 0% and 6.6%).

³ABSA Bank SA Rnil (2024: R100 million) unsecured overdraft facility. Interest is payable at SA prime interest rate. The facility utilised at year-end amounted to Rnil (2024: R1.0 million).

⁴The effective rate of interest earned on Central bank balances is 6.8% (2024: 7.2%). Mandatory reserve deposits must be maintained by Finbond Mutual Bank (a SA subsidiary) at the average required by the SARB over a one-month period and is non-interest bearing. These deposits may be used to manage significant intra- and inter-day cash outflows but are not taken into consideration for cash planning purposes. These mandatory deposits are not available for day-to-day operations. Mandatory reserve deposits held at year-end included in the Central bank balances amounted to R18.5 million (2024: R18.3 million).

4. OTHER FINANCIAL ASSETS

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
At fair value through profit or loss				
UBS Fiduciary Deposits ¹	18 435	31 372	-	-
Other Money Market and Income Funds ²	3 818	3 196	-	-
	22 253	34 568	-	-
At amortised cost				
Treasury bills ³	278 646	300 742	-	-
Short-term deposits ⁴	48 036	59 260	282	260
Deposit Insurance Reserve ⁵	2 788	-	-	-
	329 470	360 002	282	260
Current assets	351 723	394 570	282	260

The Group has not reclassified any financial assets from amortised cost to fair value or vice versa during the current or prior year and there has not been any transfers of investments between fair value hierarchy classes.

Fair value of the current assets at amortised cost approximates carrying value due to the short-term nature and effect of discounting being immaterial.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset mentioned above, and these assets are assessed for impairment.

¹This investment is a UBS fiduciary call deposit, with an average yield of 3.9% (2024: 4.0%).

²These investments are carried at market value, with yields between 0.0% and 12.0% (2024: 0.0% and 8.9%).

³The treasury bills are purchased from the South African Reserve Bank (SARB), carry an average interest rate of 8.6% (2024: 7.8%) and mature between one and twelve months. Treasury bills are held to maturity and assessed for impairment. An ECL provision of R1.9 million (2024: R1.9 million) was raised against the sovereign exposure in treasury bills. The risk of default within the near future is extremely low, and accordingly these assets remain in stage 1.

⁴Short-term deposits consist of 12-month fixed deposits, with average effective interest rates of between 8.0% and 8.7% (2024: 8.7% and 9.9%).

⁵Deposit Insurance Reserve account carry an average interest rate of 7.5%. The deposit reserve account is mandatory reserves held with the Corporation for Deposit Insurance (CODI). The reserve account is irrevocable and unconditionally guaranteed by the South African Reserve Bank (SARB).

5. LOANS AND ADVANCES

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Consumer loans and advances	521 436	518 458	-	-
Business, mortgage and specialised finance loans	154 244	100 599	-	-
	675 680	619 057	-	-

R'000	SOUTH AFRICA		NORTH AMERICA		GROUP	
	2025	2024	2025	2024	2025	2024
Consumer loans and advances	370 607	343 667	150 829	174 791	521 436	518 458
Business lending	74 669	9 574	-	-	74 669	9 574
Mortgage loans	56 765	68 497	-	-	56 765	68 497
Specialised finance loans	22 810	22 528	-	-	22 810	22 528
Net loans and advances	524 851	444 266	150 829	174 791	675 680	619 057

Consumer loans and advances

R'000	SOUTH AFRICA		NORTH AMERICA		GROUP	
	2025	2024	2025	2024	2025	2024
Maturity analysis of loans and advances						
Demand to one month	851 459	776 302	170 101	197 756	1 021 560	974 058
Two to six months	156 187	146 547	26 323	35 075	182 510	181 622
Seven months to one year	5 987	4 973	-	-	5 987	4 973
More than one year	1 803	1 904	-	-	1 803	1 904
Gross loans and advances	1 015 436	929 726	196 424	232 831	1 211 860	1 162 557
Deferred future income	(99 483)	(94 167)	(4 031)	(6 844)	(103 514)	(101 011)
Loans and advances before impairment	915 953	835 559	192 393	225 987	1 108 346	1 061 546
Expected credit loss allowance	(545 346)	(491 892)	(41 564)	(51 196)	(586 910)	(543 088)
Net loans and advances	370 607	343 667	150 829	174 791	521 436	518 458
Current assets	369 949	342 963	150 829	174 791	520 778	517 754
Non-current assets	658	704	-	-	658	704
	370 607	343 667	150 829	174 791	521 436	518 458

The following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The nett carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets. As disclosed in note 1.5 the potential impact on forward-looking macro-economic variables used in our expected credit loss models was assessed and Management concluded that the Group held sufficient impairment provisions.

Analysis of net loans and advances by region - 28 February 2025

R'000	Stage 1	Stage 2	Stage 3	Total
Gross loans and advances ¹	409 832	145 279	553 235	1 108 346
- South Africa	279 758	115 495	520 700	915 953
- North America	130 074	29 784	32 535	192 393
Expected credit loss allowance	(20 771)	(60 195)	(505 944)	(586 910)
- South Africa	(13 980)	(51 387)	(479 979)	(545 346)
- North America	(6 791)	(8 808)	(25 965)	(41 564)
Net loans and advances	389 061	85 084	47 291	521 436
- South Africa	265 778	64 108	40 721	370 607
- North America	123 283	20 976	6 570	150 829
ECL coverage (%)	5%	41%	91%	53%

Analysis of net loans and advances by region - 29 February 2024

R'000				
Gross loans and advances ¹	419 044	133 861	508 641	1 061 546
- South Africa	268 302	99 303	467 954	835 559
- North America	150 742	34 558	40 687	225 987
Expected credit loss allowance	(22 259)	(59 517)	(461 312)	(543 088)
- South Africa	(13 928)	(49 242)	(428 722)	(491 892)
- North America	(8 331)	(10 275)	(32 590)	(51 196)
Net loans and advances	396 785	74 344	47 329	518 458
- South Africa	254 374	50 061	39 232	343 667
- North America	142 411	24 283	8 097	174 791
ECL coverage (%)	5%	44%	91%	51%

¹Stage 3 interest of R102.4 million (2024: R87.8 million) has been suspended against gross loans and advances. Refer to note 1.16 for further details.

Analysis of loans and advances

R'000	Stage 1	Stage 2	Stage 3	Total
Balance as at March 2024	419 044	133 861	508 641	1 061 546
New loans originated	3 824 664	-	-	3 824 664
Transfers from stage 1 to stage 2	(493 339)	493 339	-	-
Transfers from stage 2 to stage 3	-	(318 294)	318 294	-
Transfers from stage 2 to stage 1	54 966	(54 966)	-	-
Transfers from stage 3 to stage 2	-	769	(769)	-
(Decrease)/increase in balance with no change in stage	(3 395 503)	(109 430)	(14 729)	(3 519 662)
Write-offs	-	-	(258 202)	(258 202)
Balance at 28 February 2025	409 832	145 279	553 235	1 108 346

Balance as at March 2023	387 076	135 119	439 701	961 896
New loans originated	3 740 235	-	-	3 740 235
Transfers from stage 1 to stage 2	(498 610)	498 610	-	-
Transfers from stage 2 to stage 3	-	(320 589)	320 589	-
Transfers from stage 2 to stage 1	52 431	(52 431)	-	-
Transfers from stage 3 to stage 2	-	444	(444)	-
(Decrease)/increase in balance with no change in stage	(3 262 088)	(127 292)	(13 130)	(3 402 510)
Write-offs	-	-	(238 075)	(238 075)
Balance at 29 February 2024	419 044	133 861	508 641	1 061 546

Analysis of ECL allowance

Balance as at March 2024	22 259	59 517	461 312	543 088
New loans originated	185 956	-	-	185 956
Transfers from stage 1 to stage 2	(28 974)	215 331	-	186 357
Transfers from stage 2 to stage 3	-	(135 606)	247 152	111 546
Transfers from stage 2 to stage 1	3 685	(28 419)	-	(24 734)
Transfers from stage 3 to stage 2	-	373	(651)	(278)
(Decrease)/increase in allowance with no change in stage	(162 155)	(51 001)	37 952	(175 204)
Write-offs	-	-	(239 821)	(239 821)
Balance at 28 February 2025	20 771	60 195	505 944	586 910

Balance as at March 2023	24 475	60 825	400 609	485 909
New loans originated	179 850	-	-	179 850
Transfers from stage 1 to stage 2	(33 291)	216 747	-	183 456
Transfers from stage 2 to stage 3	-	(135 103)	236 242	101 139
Transfers from stage 2 to stage 1	3 905	(24 273)	-	(20 368)
Transfers from stage 3 to stage 2	-	217	(375)	(158)
(Decrease)/increase in allowance with no change in stage	(152 680)	(58 896)	26 373	(185 203)
Write-offs	-	-	(201 537)	(201 537)
Balance at 29 February 2024	22 259	59 517	461 312	543 088

Transfers to stage 2 and stage 3 are representative of a movement from a 12-month ECL to a lifetime ECL.

Transfers from stage 2 to stage 1 are representative of a movement from a lifetime ECL to a 12-month ECL.

Write-offs of the allowances are related to loans and advances that were written-off during the period. Write-offs occur when loans are in stage 3.

The impact on the measurement of the ECL is from changes in PDs, EADs and LGDs at the beginning and end of the period.

Loans and advances that transferred from stage 1 to stage 2 consist of the summation of the monthly balances that moved from stage 1 in the prior month to stage 2 the following month.

Loans and advances that transferred from stage 2 to stage 3 consist of the summation of the monthly balances that moved from stage 2 in the prior month to stage 3 the following month.

Loans and advances that transferred from stage 2 to stage 1 consist of the summation of the monthly balances that moved from stage 2 in the prior month to stage 1 the following month.

Loans and advances that transferred from stage 3 to stage 2 consist of the summation of the monthly balances that moved from stage 3 in the prior month to stage 2 the following month.

Deferred future income consists of interest and fees, deferred and earned over the period of the loan using the effective interest method.

A statistical model is used to calculate the allowance for Expected Credit Losses (ECL). Refer to note 37 for an explanation of the following as applied in the ECL model:

- Probability of default (PD);
- Exposure at default (EAD);
- Loss given default (LGD); and
- Definition of a significant increase in credit risk (SICR).

To align with the principles of IFRS 9 Financial Instruments, the Group has derived relationships with the ECL model parameters and forward-looking information (FLI) from the Bureau of Economic Research (BER) and the International Monetary Fund (IMF)), Organisation for Economic Co-operation and Development (OECD) and Statistica. Government consumption expenditure, final household consumption expenditure, inflation and unemployment represent the FLI for consumer loans and advances. Three economic scenarios (a negative, a positive and most likely) are considered when calculating the impact of macroeconomic factors on the ECL.

The creation and release of allowance for expected credit losses (ECL) have been included in the impairment line in profit or loss. Amounts charged to the allowance account are written off when there is no reasonable expectation of recovering additional cash in terms of the Group's write-off policy.

Refer to note 37 for a further description of the Group's impairment assessment.

Carrying amount approximates fair value as consumer loan products are short-term in nature and the effect of discounting is immaterial.

[Business, mortgage and specialised finance loans](#)

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Maturity analysis of loans and advances				
Demand to one year	43 589	32 287	-	-
One to five years	113 228	68 294	-	-
More than five years	44 082	54 444	-	-
Gross loans and advances	200 899	155 025	-	-
Loans and advances before impairment	200 899	155 025	-	-
Business lending	76 865	10 192	-	-
Mortgage loans	73 390	94 389	-	-
Specialised finance loans	50 644	50 444	-	-
Expected credit loss allowance	(46 655)	(54 426)	-	-
Business lending	(2 196)	(618)	-	-
Mortgage loans	(16 625)	(25 892)	-	-
Specialised finance loans	(27 834)	(27 916)	-	-
Net loans and advances	154 244	100 599	-	-
Current assets	32 905	20 952	-	-
Non-current assets	121 339	79 647	-	-
	154 244	100 599	-	-

The following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised.
The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

2025

R'000	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount ¹	108 633	5 767	86 499	200 899
Expected credit loss allowance	(2 615)	(663)	(43 377)	(46 655)
	106 018	5 104	43 122	154 244
ECL coverage %	2%	11%	50%	23%

2024

R'000				
Gross carrying amount ¹	43 338	11 468	(100 219)	155 025
Expected credit loss allowance	(1 513)	(1 760)	(51 153)	(54 426)
	41 825	9 708	49 066	100 599
ECL coverage %	3%	15%	51%	35%

Analysis of loans and advances

Balance as at March 2024	43 338	11 468	100 219	155 025
New loans originated	71 372	-	-	71 372
Transfers from stage 1 to stage 2	(1 972)	1 972	-	-
Transfers from stage 2 to stage 3	-	(7 517)	7 517	-
Transfers from stage 2 to stage 1	5 899	(5 899)	-	-
Transfers from stage 3 to stage 2	-	6 276	(6 276)	-
(Decrease)/increase in balance with no change in stage	(10 004)	(533)	(1 118)	(11 655)
Write-offs	-	-	(13 843)	(13 843)
Balance at 28 February 2025	108 633	5 767	86 499	200 899
Balance as at March 2023	60 331	9 209	106 837	176 377
New loans originated	13 527	-	-	13 527
Transfers from stage 1 to stage 2	(8 597)	8 597	-	-
Transfers from stage 2 to stage 3	-	(3 637)	3 637	-
Transfers from stage 2 to stage 1	9 681	(9 681)	-	-
Transfers from stage 3 to stage 2	-	9 073	(9 073)	-
(Decrease)/increase in balance with no change in stage	(31 604)	(2 093)	1 754	(31 943)
Write-offs	-	-	(2 936)	(2 936)
Balance at 29 February 2024	43 338	11 468	100 219	155 025

¹Stage 3 interest of R12.0 million (2024: R13.2 million) has been suspended against gross loans and advances.
Refer to note 1.16 for further details.

Analysis of ECL allowance

R'000	Stage 1	Stage 2	Stage 3	Total
Balance as at March 2024	1 513	1 760	51 153	54 426
New loans originated	2 043	-	-	2 043
Transfers from stage 1 to stage 2	(54)	226	-	172
Transfers from stage 2 to stage 3	-	(1 157)	3 259	2 102
Transfers from stage 2 to stage 1	78	(908)	-	(830)
Transfers from stage 3 to stage 2	-	721	(2 943)	(2 222)
(Decrease)/increase in balance with no change in stage	(965)	21	3 628	2 684
Write-offs	-	-	(11 720)	(11 720)
Balance at 28 February 2025	2 615	663	43 377	46 655
Balance as at March 2023	1 187	919	49 547	51 653
New loans originated	790	-	-	790
Transfers from stage 1 to stage 2	(156)	858	-	702
Transfers from stage 2 to stage 3	-	(558)	1 924	1 366
Transfers from stage 2 to stage 1	265	(1 486)	-	(1 221)
Transfers from stage 3 to stage 2	-	905	(5 847)	(4 942)
(Decrease)/increase in balance with no change in stage	(573)	1 122	8 465	9 014
Write-offs	-	-	(2 936)	(2 936)
Balance at 29 February 2024	1 513	1 760	51 153	54 426

All business, mortgage and specialised loans are held by Finbond Mutual Bank, a South African subsidiary.

Finbond Mutual Bank held mortgaged property as collateral at a combined loan-to-value ratio (CLTV) of 69.5% (2024: 88.3%) on the carrying value for secured mortgage finance. Fair value of collateral and other credit enhancements is determined by referencing the realisable value of security held. The fair value of collateral held approximates R162 million (2024: R186 million). The fair value of collateral held for business and specialised finance approximates R72 million (2024: R16 million) and R40 million (2024: R60 million) respectively.

The fair value of the business, mortgage and specialised finance portfolio does not materially differ from its carrying value.

Transfers from stage 1 to stage 2 are representative of a movement from a 12-month ECL to a lifetime ECL.

The impact on the measurement of the ECL is from changes in PDs, EADs and LGDs at the beginning and end of the period.

Loans that transferred from stage 1 to stage 2 consist of the loans that were in stage 1 at the beginning of the period and the same loans that were in stage 2 at the end of the period.

Loans that transferred from stage 2 to stage 3 consist of the loans that were in stage 2 at the beginning of the period and the same loans were in stage 3 at the end of the period.

Loans that transferred from stage 2 back to stage 1 consist of the loans that were in stage 2 at the beginning of the period and the same loans were in stage 1 at the end of the period. These loans moved from a lifetime ECL to a 12-month ECL.

Loans that transferred from stage 3 back to stage 2 consist of the loans that were in stage 3 at the beginning of the period and the same loans were in stage 2 at the end of the period.

The allowance for loans that remained in stage 3 was increased during the period.

The Group utilises an expected loss model (ECL). The creation and release of provisions for impaired loans and advances are included in the impairment line in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash in terms of Group write-off policy.

The Group has implemented robust internal procedures and reporting mechanisms to identify and manage potentially non-performing clients at a very early stage. The Group makes use of “impairment indicators” to identify possible deterioration in credit quality, which indicates that a provision is required against such secured loans. These indicators are based on an individual’s delinquency status as well as general changes in the economic environment which will have an effect on the client’s willingness and ability to pay (as measured by Credit Scores and affordability assessments) or effect on the value of the assets serving as collateral against such secured loans (as measured by frequent property valuations).

These assessments are used in the determination of a default. Refer to note 37 for the definition of a default as well as explanations of the probability of default (PD), Exposure at default (EAD), loss given default (LGD), definition of a significant increase in credit risk (SICR) as applied in the ECL method.

To align with the principles of IFRS 9 Financial Instruments, the Group has derived relationships with the ECL model parameters and forward-looking information (FLI) from the Bureau of Economic Research (BER) and the International Monetary Fund (IMF). Government consumption expenditure, inflation and unemployment represents the FLI for microfinance loans and advances. Three economic scenarios (a negative, a positive and a most likely) are considered when calculating the impact of macroeconomic factors on the ECL.

6. TRADE AND OTHER RECEIVABLES

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Financial assets - at amortised cost				
Commission receivable ¹	73 813	68 523	73 813	68 523
Sundry receivables	21 034	17 959	673	461
Current tax receivable	2 024	-	164	714
Rental deposits	17 090	14 861	-	-
Non-financial assets				
Prepayments ²	89 943	49 951	4 683	2 453
	203 904	151 294	79 333	72 151
Current assets	132 218	108 692	75 745	70 239
Non-Current assets	71 686	42 602	3 588	1 912
	203 904	151 294	79 333	72 151

Fair value of the current assets approximates carrying value due to the short-term nature and effect of discounting being immaterial.

Fair value of the non-current assets amounts to R66.7 million (2024: R37.8 million) (Company R3.0 million (2024: R1.6 million)).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above, and these receivables are assessed for impairment. The ECL were immaterial for the reporting period.

¹Commission receivable relates to amounts due from customers for referrals to third party value added service providers. An ECL provision of R2.4 million (2024: R0.3 million) was raised during the current year. These assets have a very low credit risk and accordingly remain recognised in stage 1. The balance of the ECL provision amounts to R24.1 million (2024: R21.7 million).

²Prepayments include various operational prepayments across the Group, including; prepaid insurance, period based prepaid legal fees, as well as certain retention based (LTI) prepaid employment benefits (as further disclosed in note 1.15).

7. LOANS TO/(FROM) GROUP COMPANIES

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Subsidiaries				
Supreme Finance (Pty) Ltd ¹	-	-	92 144	81 192
King Loan Finance (Pty) Ltd ¹	-	-	22 362	-
Finbond Group South Africa (Pty) Ltd	-	-	34 928	31 065
Independent Bond Originators (Pty) Ltd	-	-	(13 957)	(13 933)
Finbond Private Equity (Pty) Ltd	-	-	105 101	132 332
Finbond Group International Limited ¹	-	-	1 591 517	1 540 591
	-	-	1 832 095	1 771 247
Joint ventures				
AmeriCash Group ²	31 662	65 110	-	-
Cashbak LLC ³	17 120	16 429	-	-
	48 782	81 539	-	-
	48 782	81 539	1 832 095	1 771 247
Current assets	31 662	65 110	1 846 052	1 785 180
Non-current assets	17 120	16 429	-	-
Current liabilities	-	-	(13 957)	(13 933)
	48 782	81 539	1 832 095	1 771 247

¹The loans to Finbond Group International Limited, Supreme Finance Proprietary Limited and King Loan Finance Proprietary Limited are unsecured, repayable on demand and bear interest at 13.0% (2024: 13.0%) per annum.

²The loan to AmeriCash Group is unsecured and bears interest at 10.5% (2024: 10.5%) per annum. The facility is repayable in November 2026, however, subsequent to year-end, was converted to equity (see note 9 for details).

³The loan to Cashbak LLC is unsecured and bears interest at 8.0% (2024: 8.0%) per annum. The loan is repayable in February 2027.

All other loans are unsecured, bear no interest and are repayable on demand.

GROUP**Analysis of net loans to/(from) group companies - 28 February 2025**

	Stage 1	Stage 2	Stage 3	Total
R'000				
Gross loans and advances	-	56 861	-	56 861
- South Africa	-	-	-	-
- International	-	56 861	-	56 861
Expected credit loss allowance	-	(8 079)	-	(8 079)
- South Africa	-	-	-	-
- International	-	(8 079)	-	(8 079)
Net loans and advances	-	48 782	-	48 782
- South Africa	-	-	-	-
- International	-	48 782	-	48 782
ECL coverage (%)		14%		14%

Analysis of net loans to/(from) group companies - 29 February 2024

R'000				
Gross loans and advances	-	92 448	-	92 448
- South Africa	-	-	-	-
- International	-	92 448	-	92 448
Expected credit loss allowance	-	(10 909)	-	(10 909)
- South Africa	-	-	-	-
- International	-	(10 909)	-	(10 909)
Net loans and advances	-	81 539	-	81 539
- South Africa	-	-	-	-
- International	-	81 539	-	81 539
ECL coverage (%)		12%		12%

Movement in the allowance for impairment:

R'000				
Balance at 1 March 2023	-	(5 782)	-	(5 782)
Movement in the income statement	-	(4 688)	-	(4 688)
Foreign exchange movements	-	(439)	-	(439)
Balance at 29 February 2024	-	(10 909)	-	(10 909)
Movement in the income statement	-	2 317	-	2 317
Foreign exchange movements	-	513	-	513
Balance at 28 February 2025	-	(8 079)	-	(8 079)

COMPANY

Analysis of net loans to/(from) group companies - 28 February 2025

	Stage 1	Stage 2	Stage 3	Total
R'000				
Gross loans and advances	249 421	1 901 228	-	2 150 649
- South Africa	249 421	-	-	249 421
- International	-	1 901 228	-	1 901 228
Expected credit loss allowance	(8 843)	(309 711)	-	(318 554)
- South Africa	(8 843)	-	-	(8 843)
- International	-	(309 711)	-	(309 711)
Net loans and advances	240 578	1 591 517	-	1 832 095
- South Africa	240 578	-	-	240 578
- International	-	1 591 517	-	1 591 517
ECL coverage (%)	4%	16%	-	15%

Analysis of net loans to/(from) group companies - 29 February 2024

R'000				
Gross loans and advances	238 940	1 853 212	-	2 092 152
- South Africa	238 940	-	-	238 940
- International	-	1 853 212	-	1 853 212
Expected credit loss allowance	(8 284)	(312 621)	-	(320 905)
- South Africa	(8 284)	-	-	(8 284)
- International	-	(312 621)	-	(312 621)
Net loans and advances	230 656	1 540 591	-	1 771 247
- South Africa	230 656	-	-	230 656
- International	-	1 540 591	-	1 540 591
ECL coverage (%)	3%	17%	-	15%

Movement in the allowance for impairment:

R'000				
Balance at 1 March 2023	(7 507)	(181 301)	-	(188 808)
Movement in the income statement	(777)	(131 320)	-	(132 097)
Balance at 29 February 2024	(8 284)	(312 621)	-	(320 905)
Movement in the income statement	(559)	2 910	-	2 351
Balance at 28 February 2025	(8 843)	(309 711)	-	(318 554)

A statistical model is used to calculate the allowance for Expected Credit Losses (ECL). Refer to note 37 for an explanation of the following as applied in the ECL model:

- Probability of default (PD);
- Exposure at default (EAD);
- Loss given default (LGD); and
- Definition of a significant increase in credit risk (SICR).

The creation and release of allowance for expected credit losses (ECL) have been included in the impairment line in profit or loss. Amounts charged to the allowance account are written off when there is no reasonable expectation of recovering additional cash in terms of the Group's write-off policy.

The assessments that have been performed on intercompany loan accounts have shown that intercompany loans within SA continue to display low credit risk with no signs of a SICR, and accordingly remain recognised in stage 1. The SA portfolio suffered losses in the year ended Feb 2021, due to the effects of covid, however SA has fully recovered from Covid since then. Profits are improving and leverage is decreasing.

The continued underperformance of the international portfolio can largely be attributed to the unprecedented level of stimulus disbursed to US consumers during the covid pandemic. Consequently, this led to a decrease in sales volumes, negatively impacting the financial performance of the portfolio. Moreover, the sluggish pace of recovery in Illinois further aggravated this issue as the introduction of the new SAIL product, which was launched in response to regulatory changes, is taking longer than anticipated. Although management is confident that these are temporary challenges and that the portfolio will recover to its previous level of profitability in years to come, the increased risk that the international portfolio may not recover fully and consequently that intercompany loans may not be fully recoverable remains, and stage 2 remains appropriate.

The assessment is based on an International Benchmark which translates a Credit Rating into a Default probability. The 45% Basel LGD for unsecured corporate exposures is used for SA. The 90.1% used for international is derived from taking the net liquid assets of Finbond Group International, then reducing those net liquid assets by the further losses forecasted per the very stressed scenario of the Group's 5-year forecast. A recovery rate is then determined as the percentage of net remaining liquid tangible assets divided by the loan balance. The LGD is calculated as 1 minus the calculated recovery rate.

Stage 1 and stage 2 PDs have been sourced from the S&P annual global corporate default and rating transition study, which is publicly available information. This study looks at the credit risk quality and default rates of various companies with different ratings. The stage 1 PD of 7.1% is the average corporate default rate over a 12-month observation period. The stage 2 PD of 18.1% is the average corporate default rate over a 15-year period, which is a proxy for the lifetime default rate.

Refer also to note 37 for a further description of the Group's impairment assessment considerations.

Fair value approximates carrying value.

8. INVESTMENT IN SUBSIDIARIES

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

R'000 COMPANY	Domiciled	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
Finbond Group South Africa (Pty) Ltd	South Africa	100.00%	100.00%	381 591	381 591
Finbond Mutual Bank	South Africa	100.00%	100.00%		
Supreme Finance (Pty) Ltd	South Africa	100.00%	100.00%		
King Loan Finance (Pty) Ltd	South Africa	100.00%	100.00%		
Finbond Private Equity (Pty) Ltd	South Africa	100.00%	100.00%	-	-
Finbond Micro Finance 2 (Pty) Ltd - Dormant	South Africa	100.00%	100.00%	-	-
Independent Bond Originators (Pty) Ltd - Dormant	South Africa	100.00%	100.00%	13 959	13 959
Finbond Group International Limited	Malta	100.00%	100.00%	1 045 000	1 045 000
Usolve Financial (2473614 Ontario Inc.)	Canada	100.00%	100.00%		
Finbond Services Ltd	Malta	100.00%	100.00%		
Finbond Group North America, LLC	USA	100.00%	100.00%		
Finbond Group Canada Inc.	Canada	100.00%	100.00%		
American Cash Advance (TV Profile, LLC)	USA	100.00%	100.00%		
America's Financial Choice, LLC	USA	100.00%	100.00%		
Nice Loans, LLC	USA	75.00%	75.00%		
Cash in a Flash Inc.	USA	100.00%	100.00%		
Local Cash Advance (JSM Local Cash Advance Inc.)	USA	100.00%	100.00%		
Flexicash (CCDF, LLC)	USA	100.00%	100.00%		
Non-current assets				1 440 550	1 440 550

R'000 COMPANY 2025	Opening Balance	Additional Capital	Impairment	Total
Finbond Group South Africa (Pty) Ltd	381 591	-	-	381 591
Independent Bond Originators (Pty) Ltd	13 959	-	-	13 959
Finbond Group International Limited	1 045 000	-	-	1 045 000
	1 440 550	-	-	1 440 550

COMPANY 2024				
Finbond Group South Africa (Pty) Ltd	381 591	-	-	381 591
Independent Bond Originators (Pty) Ltd	13 959	-	-	13 959
Finbond Group International Limited	1 045 000	-	-	1 045 000
	1 440 550	-	-	1 440 550

The dormant subsidiaries do not form a significant part of the Group's operations, and most are in the process of being deregistered.

Supreme Finance (Pty) Ltd, Finbond Mutual Bank, American Cash Advance, Usolve Financial and Nice Loans LLC are the main subsidiaries in the Group, and are considered to be a material part of the Group's operating activities.

Management considers indicators of impairment for investments held by the Group annually, by comparing the carrying value of investments to the net asset values of underlying subsidiaries. Impairment indicators were noted as at 28 February 2025 at Finbond Group South Africa and some of the North American operating subsidiaries, where the carrying value of the investment held exceeded the underlying net asset value, but the Group's annual impairment assessment concluded that no impairment to the investments was necessary (2024: Rnil). Refer to note 14 for management's annual impairment assessment of recoverable values, including key assumptions included, such as forecasted future cash flows and discount rates applied. Management's annual impairment assessment was reviewed by an external, independent valuer.

Details of non-wholly owned subsidiaries that have a material non-controlling interest are disclosed in note 34.

9. INVESTMENT IN JOINT VENTURES

The Group has included the following joint venture entities ("JV") in the consolidated financial statements using the equity method:

Name:	AmeriCash Group
Country of incorporation:	United States of America
Principal place of business:	United States of America
Proportion of ownership interest:	69.7% Membership interest by Finbond Group North America, LLC ⁶
Principal activity:	Short-term consumer instalment lender specialising in unique value- and solution-based products in various states in the US

Name:	Cashbak LLC
Country of incorporation:	United States of America
Principal place of business:	United States of America
Proportion of ownership interest:	56.2% Membership interest by Finbond Group North America, LLC
Principal activity:	Short-term consumer lender as well as other related services in California

The Group has determined that it holds joint control, established by contractual agreements which require unanimous consent for significant decisions, despite Finbond's majority shareholding in both investments above.

Summarised financial information as shown in the joint ventures' financial statements, fully converted to IFRS Accounting Standards by the Group.

2025 - R'000

AmeriCash Group

Cashbak LLC

Current assets ¹	835 826	116 186
Non-current assets	199 484	23 064
Current liabilities ²	(46 176)	(20 129)
Non-current liabilities ³	(462 430)	(3 979)
Net assets (100%)	526 704	115 142
Group share of net assets	367 124	64 629
Revenue (100%) ⁴	484 747	178 161
Profit from continuing operations ⁵	(28 320)	19 542
Other comprehensive income	-	-
Total comprehensive income (100%)	(28 320)	19 542
Reconciliation of carrying amount:		
Opening balance	870 061	109 814
Capital investment	37 385	-
Total comprehensive income attributable to the Group	505	10 971
Gain on bargain purchase ⁶	48 838	-
Reversal of impairment of investment	-	12 106
Dividends received from joint venture	(90 826)	(5 130)
Foreign exchange movements	(39 328)	(17 016)
Carrying amount of interest in joint venture at end of year	826 635	110 745
Total		637 380

¹Current assets include:

Cash and cash equivalents	171 479	69 457
Consumer loans and advances	658 980	44 696

²Current liabilities includes:

Loans to group companies	38 427	18 434
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³Non-current liabilities include:

Lease liabilities	56 880	3 979
Other loans	405 550	-

⁴Revenue includes:

Interest income	470 369	174 457
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⁵Profit from continuing operations includes:

Depreciation and amortisation	52 642	6 251
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⁶For licencing, tax and legal liability reasons, as well as the fact that operations extend across several US states, the AmeriCash Group ('AmeriCash') is structured as several operating entities held directly by Finbond Group North America LLC ('FGNA'). These entities, although held individually by FGNA, are collectively referred to as AmeriCash. These entities all have the same operating agreements in place, the same shareholders/members, and the same Board for each entity in the Group. Operating entities within the Group have a single management team, do not generate cash inflows or cash outflows independently and are not capable of operating independently.

In September 2024, FGNA and the other shareholders of AmeriCash entered into several transactions which ultimately changed FGNA's proportion of ownership interest from 58.0% to 69.7%. The interests of minority shareholders in two entities of AmeriCash (AmeriCash Holding LLC and CreditBox.com LLC, hereinafter collectively referred to as 'ACL') were acquired by FGNA for USD 1,645,308, increasing FGNA's ownership interest by 23.3%. ACL declared a distribution to remaining shareholders, which FGNA's co-JV shareholder used (USD 171,307) to subscribe for shares in ACL (at the same terms of the minority buy-out transaction), decreasing FGNA's ownership interest by 3.0%. FGNA and its co-JV shareholder exchanged ownership interests in ACL and SAIL LLC (at net asset value), which had no effect on FGNA's ownership interest. FGNA's co-JV shareholder subsequently subscribed for further shares in ACL for USD 560,500 (at the same terms of the minority buy-out transaction), decreasing FGNA's ownership interest by 8.5%. Contractual agreements, which require unanimous consent from FGNA and its co-JV shareholder for significant decisions, however remain unchanged. These transactions gave rise to the gain on bargain purchase as disclosed above.

Subsequent to year-end, FGNA and the other shareholders of AmeriCash entered two further transactions which further increased FGNA's proportion of ownership interest from 69.7% to 80.0%. The interests of minority shareholders in another entity of AmeriCash (S.A.I.L., LLC) were acquired by FGNA for USD 125,000. Additionally, the AmeriCash Group loan (see note 7) was capitalized (converted to equity) in exchange for additional shares. Contractual agreements, which require unanimous consent from FGNA and its co-JV shareholder for significant decisions, however, remain unchanged.

2024 - R'000

	AmeriCash Group	Cashbak LLC
Current assets ¹	1 098 223	109 093
Non-current assets	289 047	30 602
Current liabilities ²	(97 851)	(20 529)
Non-current liabilities ³	(570 075)	(9 329)
Net assets (100%)	719 344	109 837
Group share of net assets	416 904	61 652
Revenue (100%) ⁴	606 855	178 589
Profit from continuing operations ⁵	39 172	17 610
Other comprehensive income	-	-
Total comprehensive income (100%)	39 172	17 610
Reconciliation of carrying amount:		
Opening balance	762 927	82 792
Total comprehensive income attributable to the Group	25 089	9 885
Reversal of impairment of investment	-	12 372
Dividends received from joint venture	(16 829)	-
Foreign exchange movements	98 874	4 765
Carrying amount of interest in joint venture at end of year	870 061	109 814
Total		979 875

¹Current assets include:

Cash and cash equivalents	206 444	53 986
Consumer loans and advances	856 661	52 542

²Current liabilities includes:

Loans to group companies	74 589	17 858
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³Non-current liabilities include:

Lease liabilities	106 800	9 329
Other loans	463 275	-

⁴Revenue includes:

Interest income	564 828	171 656
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⁵Profit from continuing operations includes:

Depreciation and amortisation	63 599	8 564
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Finbond Group International extends loans to joint ventures. Refer to note 7 for further details.

The Group determines annually whether there is any objective evidence that its investment in the joint venture is impaired and, if impairment is indicated, the amount is calculated with reference to IAS36: Impairment of Assets.

The Group determines the recoverable amount, being the higher of the fair value less cost to sell and the value in use of the joint venture. The recoverable amount is then compared to the carrying value and an impairment loss is raised if required.

The value in use is determined by discounting estimated future cash flows using the discounted cash flow methodology/income method. The method used was reviewed by an external, independent valuer.

The difference between the Group's share of net assets and the final carrying amount is attributable to goodwill, which was included in the carrying amount upon the deconsolidation of the subsidiaries and their reclassification as joint ventures in 2024.

Because any goodwill that forms part of the carrying amount of the investment in the joint venture is not separately recognised, it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 as a single asset, by comparing its recoverable amount with its carrying amount. An impairment loss recognised is therefore not allocated to any specific asset (including goodwill) that forms part of the carrying amount of the investment. Accordingly, any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases. The difference between the Group share of net assets and the carrying amount of the investments relate to goodwill.

As the joint ventures operate in North America, the USD/ZAR exchange rate is a critical variable in determining the ZAR denominated value of future cashflows. Fluctuations in the exchange rate outlook may significantly impact the carrying amount.

We utilise a multiple scenario forecasting approach to evaluate the resilience of our business against various potential outcomes. This approach involves applying different levels of stress to a variety of forecasting variables, such as profit margins, impairment rates, exchange rates, and growth rates, across a wide range of scenarios. These scenarios span from highly favourable to significantly stressed conditions, enabling us to gauge the robustness of our operations and financial performance under diverse circumstances.

By applying a probability-weighted average forecast across the aforementioned scenarios, we consider the likelihood of each scenario occurring. A discounted cashflow valuation is applied to this probability weighted average five year forecast. In the discounted cashflow valuation, key valuation parameters including dividend pay-out ratio, perpetual growth rate and discount rate are applied.

It is important to note that, under certain stressed five year forecast scenarios where multiple key forecasting variables (including fluctuations in exchange rate) experience simultaneous strain, additional impairment may result. An impairment may also result where the key valuation parameters such as dividend payout ratios, discount rates and perpetuity growth rates are stressed.

A joint venture's future revenue growth rate is an essential factor in estimating the future cash flows generated. To determine the revenue growth rate, the Group follows a bottom-up and top-down approach, engaging with operating heads and incorporating economic trends, strategic aims, and risks in the business plans. Operational performance is forecast based on product and delivery channel strategies as per the business plans and evolves as new information becomes available, affecting the recoverable amounts accordingly.

The Group continually monitors these key variables and updates its assumptions and estimates based on market and economic conditions, as well as management's expectations. Any significant changes in these variables may materially impact the carrying amount of the joint venture and may result in impairment losses.

The calculation uses cash flow projections from business plans for the forthcoming 5 years, which are then extrapolated for further years (perpetuity). Extrapolation is achieved using a long-term growth rate, based on projected economic indicators including the expected long-term inflation rate and GDP growth rate in the joint venture's jurisdiction. The Group therefore follows a conservative perpetuity growth rate approach.

	2025	2024
Perpetuity growth rate	4.2%	3.8%
Exchange rate - ZAR : USD	19.000 - 22.253	18.700 - 22.965
The risk-adjustment discount rate is based on the cost of equity (Ke) and was calculated using the Capital Asset Pricing Model (CAPM):		
Cost of equity (Ke)	14% - 17%	13% - 19%
For purposes of the calculation of the CAPM discount rate, the following assumptions were used:		
Risk free rate	3.9%	3.8%
Equity Market risk premium	4.56%	5.0%
Beta	1.36	1.0
Small stock premium	1.0% - 5.0%	1.0% - 5.0%
Unsystematic risk premium	1.5% - 3.0%	1.5% - 2.5%

10. INVESTMENT IN ASSOCIATES

The Group has included the following entity in the consolidated financial statements using the equity method:

Name:	C1 Holdings LLC ("C1")
Country of incorporation:	United States of America
Principal place of business:	United States of America and Panama
Proportion of ownership interest:	16.8% Membership interest by Finbond Group North America, LLC
Principal activity:	A fintech lender operating via three primary brands that include both short-term consumer finance and business lending in various states in the US and Panama.

The Group has determined that it holds significant influence as it has significant representation on the board (1 of 5, or 20%) and is accordingly able to meaningfully participate in the financial and operating policy decisions of the entity.

Summarised financial information of C1 Holdings LLC as shown in the associate's financial statements, fully converted to IFRS Accounting Standards by the Group.

R'000	2025	2024
Current assets	2 406 922	2 307 723
Non-current assets	177 557	201 979
Current liabilities	(270 152)	(243 835)
Non-current liabilities	(65 515)	(81 027)
Net assets (100%)	2 248 812	2 184 840
Group share of net assets	378 169	368 417
Revenue (100%)	2 597 682	2 430 281
Profit from continuing operations	1 089 533	858 033
Other comprehensive income	-	-
Total comprehensive income (100%)	1 089 533	858 033
Reconciliation of carrying amount:		
Opening balance	749 932	623 137
Total comprehensive income attributable to the Group	182 347	142 572
Dividends received from associate	(156 172)	(49 160)
Foreign exchange movements	(33 652)	33 383
Carrying amount of interest in associate at end of year	742 455	749 932

The Group determines annually whether there is any objective evidence that its net investment in associates i.e., the carrying amount, is impaired and, if impairment is indicated, the amount is calculated with reference to IAS36: *Impairment of Assets*. The difference between the Group share of net assets and the carrying amount of the investments relate to goodwill, which is not tested for impairment separately, instead, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36.

There were no impairment indicators for C1 Holdings LLC in the current or prior period.

11. PROPERTY, PLANT AND EQUIPMENT

R'000 GROUP	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Property	97 630	(1 368)	96 262	86 224	(1 433)	84 791
Furniture and fixtures	36 585	(30 924)	5 661	34 973	(29 466)	5 507
Motor vehicles	14 421	(9 952)	4 469	12 453	(10 051)	2 402
Office equipment	21 427	(16 593)	4 834	20 217	(16 266)	3 951
IT equipment	59 206	(35 872)	23 334	52 338	(28 377)	23 961
Computer software	14 130	(13 215)	915	14 130	(12 117)	2 013
Leasehold improvements	91 209	(64 643)	26 566	93 494	(66 283)	27 211
Non-current assets	334 608	(172 567)	162 041	313 829	(163 993)	149 836
COMPANY						
Property	15 061	-	15 061	-	-	-
Office equipment	4	-	4	-	-	-
IT equipment	84	(49)	35	84	(18)	66
Leasehold improvements	9	-	9	-	-	-
Non-current assets	15 158	(49)	15 109	84	(18)	66

Reconciliation of property, plant and equipment - GROUP 2025 R'000	Opening balance	Additions through business combinations	Additions	Disposals at carrying value	Depreciation charge	Forex adjustment	Closing balance
Property ¹	84 791	-	15 061	-	-	(3 590)	96 262
Furniture and fixtures	5 507	83	3 039	(146)	(2 428)	(394)	5 661
Motor vehicles	2 402	-	2 934	-	(1 018)	151	4 469
Office equipment	3 951	50	2 229	(70)	(1 533)	207	4 834
IT equipment	23 961	146	8 468	(72)	(9 333)	164	23 334
Computer software	2 013	-	-	-	(1 098)	-	915
Leasehold improvements	27 211	-	12 141	(2 138)	(9 751)	(897)	26 566
	149 836	279	43 872	(2 426)	(25 161)	(4 359)	162 041

Note 44

GROUP 2024

Property	80 977	-	-	-	-	3 814	84 791
Furniture and fixtures	7 347	-	1 543	(126)	(2 770)	(487)	5 507
Motor vehicles	1 768	-	1 465	-	(837)	6	2 402
Office equipment	3 587	-	1 676	(3)	(1 553)	244	3 951
IT equipment	14 574	-	11 901	(31)	(5 846)	3 363	23 961
Computer software	317	-	2 196	-	(500)	-	2 013
Leasehold improvements	34 305	-	6 485	(3 109)	(11 025)	555	27 211
	142 875	-	25 266	(3 269)	(22 531)	7 495	149 836

COMPANY 2025

Property ¹	-	-	15 061	-	-	-	15 061
Office equipment	-	-	4	-	-	-	4
IT equipment	66	-	-	-	(31)	-	35
Leasehold improvements	-	-	9	-	-	-	9
	66	-	15 074	-	(31)	-	15 109

COMPANY 2024

IT equipment	21	-	61	-	(16)	-	66
	21	-	61	-	(16)	-	66

A register containing the information required by **Regulation 25(3) of the Companies Regulations 2011** is available for inspection at the registered office of the company.

¹Property held under property, plant and equipment consists of owner occupied land and buildings. Land has an infinite useful life and is not depreciated. Depreciation on buildings is based on cost less residual value. Residual values of buildings have been assessed to be equal to or more than carrying amounts, which leads to no depreciation charge. The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Residual values are assessed annually.

12. RIGHT OF USE ASSETS

R'000 GROUP	2025			2024		
	Cost	Accumulated depreciation	Carrying Value	Cost	Accumulated depreciation	Carrying Value
Premises	355 148	(177 540)	177 608	330 525	(178 980)	151 545
	355 148	(177 540)	177 608	330 525	(178 980)	151 545

Reconciliation of Right of use assets:	GROUP		COMPANY	
	2025	2024	2025	2024
Opening balance	151 545	160 925	-	-
Additions through business combinations (note 44)	387	-	-	-
Additions	127 777	82 020	-	-
Remeasurements	1 307	15 420	-	-
Terminations and modifications	(1 045)	(15 196)	-	-
Depreciation charge	(99 404)	(95 023)	-	-
Foreign exchange movements	(2 959)	3 399	-	-
	177 608	151 545	-	-

Refer to note 18 Lease liabilities.

13. INVESTMENT PROPERTY

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Investment property	110 636	117 721	-	-
Reconciliation of investment property:				
Opening balance	117 721	122 152	-	-
Capitalised expenditure	-	569	-	-
Fair value remeasurements	(7 085)	(5 000)	-	-
Non-current assets	110 636	117 721	-	-

GROUP 2025	Opening balance	Capital expenditure	Fair value remeasurement	Closing balance
Portion 10, 11 and remaining extent of Portion 6 of Farm Zwartkoppies 316 JT Dullstroom Country Estate. Portions 28, 36, 40 & 66 of the Farm Kareekraal 135 JT and Portions 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 37, 38, 39, 41, 42, 44, 45, 46, 48, 49, 50, 51 & 52 of the Farm Morgenzon 122 JT	59 260	-	(2 960)	56 300
Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria	18 536	-	-	18 536
Portion 1 and 3 of erf 312 Hatfield, Pretoria	16 650	-	-	16 650
Portion 1 and remaining extent of erf 64 Hatfield, Pretoria	7 600	-	(2 000)	5 600
Erf 128 Waterkloof Ridge, Pretoria	9 425	-	(1 425)	8 000
Erf 571 Queenswood, Pretoria	3 900	-	(700)	3 200
	2 350	-	-	2 350
	117 721	-	(7 085)	110 636

GROUP 2024	Opening balance	Capital expenditure	Fair value remeasurement	Closing balance
Portion 10, 11 and remaining extent of Portion 6 of Farm Zwartkoppies 316 JT Dullstroom Country Estate. Portions 28, 36, 40 & 66 of the Farm Kareekraal 135 JT and Portions 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 37, 38, 39, 41, 42, 44, 45, 46, 48, 49, 50, 51 & 52 of the Farm Morgenzon 122 JT	64 260	-	(5 000)	59 260
Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria	17 967	569	-	18 536
Portion 1 and 3 of erf 312 Hatfield, Pretoria	16 650	-	-	16 650
Portion 1 and remaining extent of erf 64 Hatfield, Pretoria	7 600	-	-	7 600
Erf 128 Waterkloof Ridge, Pretoria	9 425	-	-	9 425
Erf 571 Queenswood, Pretoria	3 900	-	-	3 900
	2 350	-	-	2 350
	122 152	569	(5 000)	117 721

Details of property R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Portion 10,11 and remaining extent of portion 6 of Farm Zwartkoppies 316 JT				
Purchase price	16 724	16 724	-	-
Capitalised expenditure	398	398	-	-
Remeasurement of fair value	39 178	42 138	-	-
	56 300	59 260	-	-
Dullstroom Country Estate				
Portions 28, 36, 40 & 66 of the Farm Kareekraal 135 JT and Portions 15,16, 17,18,19,20,21,22,24,25,26,27,28,29,30,32,33,34,35,37,38, 39,41,42,44,45,46,48,49,50,51 & 52 of the Farm Morgenzon 122 JT.				
Purchase price (Farm Morgenzon)	16 637	16 637	-	-
Purchase price (Farm Kareekraal)	1 472	1 472	-	-
Capitalised expenditure	19 557	19 557	-	-
Remeasurement of fair value	(19 130)	(19 130)	-	-
	18 536	18 536	-	-
Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria				
Purchase price (Erf 7/315, Erf 8/315)	5 511	5 511	-	-
Purchase price (Erf 1/316)	5 000	5 000	-	-
Capitalised expenditure	801	801	-	-
Remeasurement of fair value	5 338	5 338	-	-
	16 650	16 650	-	-
Portion 1 and 3 of erf 312 Hatfield, Pretoria				
Purchase price	8 336	8 336	-	-
Remeasurement of fair value	(2 736)	(736)	-	-
	5 600	7 600	-	-
Portion 1 and remaining extent of erf 64 Hatfield, Pretoria				
Purchase price	13 378	13 378	-	-
Remeasurement of fair value	(5 378)	(3 953)	-	-
	8 000	9 425	-	-
Erf 128, Waterkloof Ridge, Pretoria				
Purchase price	1 637	1 637	-	-
Capitalised expenditure	76	76	-	-
Remeasurement of fair value	1 487	2 187	-	-
	3 200	3 900	-	-
Erf 571, Queenswood, Pretoria				
Purchase price	2 100	2 100	-	-
Capitalised expenditure	97	97	-	-
Remeasurement of fair value	153	153	-	-
	2 350	2 350	-	-

DISPOSAL ACTIVITIES

Management is actively marketing the investment properties with the intent to dispose of the properties at values equal to or higher than the current book values net of any potential cost relating to such a disposal. Various estate agents have been appointed to market the properties. Market conditions at the moment are not conducive to the quick sale of the properties.

Portion 10 and 11 and remaining extent of portion 6 of Farm Zwartkoppies 316JT

Finbond Mutual Bank has undertaken a strategic initiative approved by its Board in respect of Zwartkoppies Farm, that seeks to unlock value. The focus is on unlocking the true value of the farm through a partnership with an appropriate technical partner for obtaining prospecting rights over the farm and assessing the extent of coal deposit thereon.

The strategy is designed in a phased approach. First phase is to obtain prospecting rights to formally determine coal quantity and quality estimates. The second phase will be driven by the results received from the first.

A prospecting rights application was lodged with the Department of Mineral Resources and Energy in June 2024 by Finbond's strategic partner. The application has been accepted by the Department of Mineral Resources and Energy (DMRE) in February 2025. Further processes will continue with the Department of Mineral Resources and Energy before a conclusion is reached whether the rights are granted or not.

Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria

An offer to purchase portions 7 and 8 of erf 315, Hatfield Township, City of Tshwane Metropolitan Municipality, Registration Division JR, Gauteng, and portion 1 of erf 316, Hatfield Township, City of Tshwane Metropolitan Municipality, Registration Division JR, Gauteng, was received and accepted during July 2022. The residential zoning was approved in September 2024.

Erf 128 Waterkloof Ridge & erf 571 Queenswood, Pretoria

The Group has not embarked on any sales actions on the Waterkloof Ridge and Queenswood properties and does not intend to do so in the near future. These properties have been made available to TPOSA free of charge. The Waterkloof Ridge house provides a haven for children with various medical and other problems, while the Queenswood house is used for financial administration and the distribution of basic supplies.

Finbond is proud to be associated with Tshwane Place of Safety Association (TPOSA), an organisation dedicated to providing orphaned and abandoned babies, as well as babies infected with HIV, with good homes, frail care, and shelter.

DETAILS OF VALUATION

The fair values are supported by valuations performed by independent external expert valuers holding a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Independent external valuations are performed at a minimum of every three years, unless management's annual fair value assessment indicates material changes to the property market and/or underlying assumptions and inputs into current valuation models.

Independent external valuations of Investment Properties were performed during the financial year ending February 2025 for all properties, except for properties with offers to purchase.

An independent external valuation of the Zwartkoppies property was performed for the financial year ending February 2023.

Portion 10 and 11 and remaining extent of portion 6 of Farm Zwartkoppies 316JT

The valuation of this highly specialised property is derived from management's assessment of the probability of the various uses of the property materialising. The options available for potential extraction of value forming attributes of this property has been assessed by management as including:

- Sell the land as it is;
- Partner with a strategic partner to mine the land and the dispose of the land post the mining of coal on the land;
- Sell the land with prospecting rights; or
- Coal not feasible to mine, sell land.

On 26 February 2019 Finbond received a desktop evaluation and review from Ms K. van Deventer of SugarBush Consultancy estimating an occurrence of 1,395,549 tonnes of coal on 10% of the property based on 48 boreholes drilled on the farm Zwartkoppies 316 JT in 1980 by Anglo Vaal (as confirmed by the Council for Geoscience). The output of this report has been used by management's independent expert valuers in their valuation assessments as reflected further on.

On 27 February 2019 Finbond received an independent Laboratory Test Report by Mr Kobus Janse van Rensburg (Manager: Geology) of SGS South Africa Minerals Services Trichardt Laboratory, indicating coal with an RD of 1.49.

Please note that neither the SugarBush Consultancy review, nor the SGS South Africa Minerals Services Trichardt Laboratory reports have been reported on in terms of SAMVAL or SAMREC codes due to lack of recent and prescribed detailed geological surveys and coal quality analysis.

In 2016, a coal prospecting right on Zwartkoppies farm, was irregularly granted by the Department of Mineral Resources and Energy to Legare Mining Service (Pty) Ltd. After the settlement reached between Finbond and Legare, Finbond strategic partner applied for prospecting rights in June 2024.

It was found that two prospecting right applications have also been lodged prior to Finbond's application. Finbond engaged the first applicant which obtained acceptance of its application for prospecting and concluded a memorandum of understanding. Subsequent to the conclusion of the memorandum of understanding, the applicant which obtained acceptance withdrew their application. The Finbond's strategic partner application has now been accepted by the Department of Mineral Resources and Energy.

Once the prospecting rights are obtained, Finbond would then be able to conduct the prescribed detailed geographical surveys coal quality analysis and feasibility studies in terms of SAMVAL or SAMREC codes to allow Management to place value on the mineable land. Although this process invariably also takes time to complete, it is critical to unlocking the value and marketability of this property.

Managements assumptions included in determining the fair value of the property are based on the inputs as assessed and reported by management's two external valuers as obtained during the 2023 year external valuations performed for the property. A risk adjustment has been applied by management to factor in current uncertainty relating to the successful securing of the prospecting rights and/or strategic mining partner, as per the potential options available in extracting value from the property, as discussed above.

Mineable land:

Mineable land value was based on the comparable rental as a percentage of mineral turnover method. The comparable rental as a percentage of turnover method is premised on the fact that the property owner will be compensated for loss and damages in the event of mining, irrespective of who holds the prospecting and ultimate mining right. This is not a valuation of the mineral, it is a valuation of the compensation payable to a property owner for the damage and destruction of this property. The present value of such compensation (mostly in the form of royalties) forms the basis of the determination of the value of the property. Mining would be completed in four years, eight months.

In addition to the valuations as obtained from management's independent experts, management have estimated the mineable land at a fair value of R59.3 million. This is based on current information available and applying prudent valuation assumptions.

Management principal assumptions used in the valuation of the mineable land:	2025	2024
Coal price - per ton	R1 200	R1 200
Coal volume - tonnes	1,300,000	1,300,000
Expected period of cash flows	over 4 years, after 4 years delay	over 4 years, after 4 years delay
Compensation (royalty) - % of turnover	10%	10%
Discount rate used in discounting the cash flows	18%	18%

Changes in above assumptions will have the following impact on the fair value:

10% change in coal price	R4.1 million	R5.3 million
One year change in expected period of cash flows	R6.5 million	R8.1 million
10% change in estimated coal reserves	R2.2 million	R2.9 million
1% change in compensation (royalty) - % of turnover	R4.1 million	R5.3 million
1% change in discount rate used in discounting the cash flows	R2.1 million	R2.8 million

In determining the fair value for the current year, management have taken into account the range of possible options available to extract value from the investment. Management have determined a probability weighted estimate by assigning a probability of likely outcome to each of the 5 scenarios noted above in this note, and applying these probabilities to value estimates determined under each scenario. The weighted average scenario valuation approximates the value that management have determined for the mineable land fair value in total as at the financial year end.

Management have factored the value of the mineable land and RoD development right into its probability assessment and regard a fair value of R56.3 million to be appropriate. A fair value adjustment of R3 million has been recognised in the statement of comprehensive income.

Valuation amount range:	R20 million - R100 million	(2024: R59.3 million - R66.7 million)
Fair value	R56.3 million	(2024: R59.3 million)

Dullstroom Country Estate

Valuations were performed using comparable sales method as the method of valuation. The comparable sales method entails identification, analysis and application of recent comparable sales involving physically and legally similar properties in the general proximity of the subject property. The discounted cash flow method (DCF) was further applied by ADV Valuations to allow for the impact of time on monetary value. The DCF analysis focuses on the operating cash flows expected from a property and the anticipated proceeds of a hypothetical sale (terminal value) at the end of an assumed holding period. Taking time value for money into account, these amounts are then discounted to a present value. The discounted present values of the income stream and the hypothetical sale are added to obtain a market value indication.

Independent external valuations of the investment property were performed by Mr Visser (Professional Valuer) of ADV Valuations and Mr Gouveia (Professional Associate Valuer) of ValueTec Property Valuations for the financial year ending February 2025. Based on the valuation dated 31 December 2024, the value of the property is R14.7 million and R17.2 million respectively.

	2025	2024
Total valuation amount: A.D. Visser (Professional Valuer) of ADV Valuations (formerly known as Amalgamated Property Solutions)	R14.7 million	R16.8 million
Principal assumptions used in the valuation of the property:		
Discounted Cash Flow Method (DCF)		
Discount rate used in discounting the cash flows	16.0%	16.0%
Expected period of completion and cash flows	3 years	3 years
Gross income	R29.2 million	R29.2 million
Costs (VAT, agent's commission, holding costs, marketing expenses, road upgrade costs)	R8.0 million	R8.7 million
Changes in above assumptions will have the following impact on the fair value:		
1% change in discount rate	R0.2 million	R0.2 million
one year delay in the period of cash flows	(R0.2 million)	(R2.5 million)
10% change in costs	R0.6 million	R0.3 million
10% change in gross income	R2.0 million	R2.0 million

Total valuation amount: Mr Gouveia (Professional Associate Valuer) of ValueTec Valuations **2025 R17.2 million** 2024

Valuations were performed using the comparable sales method as the method of valuation. This method entails identification, analysis and application of recent comparable sales involving physically and legally similar properties in the general proximity of the subject property.

Total valuation amount: R.S. Monteiro (NDip (Prop Val) MIV(SA)) of Ubusisiwe Real Estate Solutions R19.1 million

Principal assumptions used in the valuation of the property:

Discounted Cash Flow Method (DCF)	
Discount rate used in discounting the cash flows	16.1%
Expected period of completion and cash flows	3 years
Gross income	R28.0 million
Costs (Agent's commission, holding costs, marketing expenses)	R2.9 million

Changes in above assumptions will have the following impact on the fair value:

1% change in discount rate	R0.5 million
One year delay in the period of cash flows	(R2.8 million)
10% change in costs	R0.3 million
10% change in gross income	R1.1 million

Valuation amount range: **R15 million - R17.2 million** (2024: R16.8 million - R19.1 million)

Fair value **R14.4 million** (2024: R14.4 million)

Pretoria properties

Valuations were performed using the comparable sales method as the method of valuation. This method entails identification, analysis and application of recent comparable sales involving physically and legally similar properties in the general proximity of the subject property.

Independent external valuations of Investment Properties were performed by Mr Visser (Professional Valuer) of ADV Valuations and Mr Gouveia (Professional Associate Valuer) of ValueTec Valuations dated 31 December 2024.

	Mr Visser	Mr Gouveia	Fair value
2025			
Portion 1 and 3 of erf 312 Hatfield, Pretoria	R5.0 million	R6.8 million	R5.6 million
Portion 1 and remaining extent of erf 64 Hatfield, Pretoria	R7.0 million	R8.6 million	R8.0 million
Erf 128 Waterkloof Ridge, Pretoria	R3.8 million	R2.6 million	R3.2 million
Erf 571 Queenswood, Pretoria	R2.5 million	R2.5 million	R2.4 million

	Mr Visser	Mr Monteiro	Fair value
2024			
Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria	R15.5 million	R17.8 million	R16.7 million
Portion 1 and 3 of erf 312 Hatfield, Pretoria	R7.2 million	R8.0 million	R7.6 million
Portion 1 and remaining extent of erf 64 Hatfield, Pretoria	R8.0 million	R10.9 million	R9.4 million
Erf 128 Waterkloof Ridge, Pretoria	R3.8 million	R4.0 million	R3.9 million
Erf 571 Queenswood, Pretoria	R2.3 million	R2.4 million	R2.4 million

Portion 7 and 8 of erf 315 and portion 1 of erf 316 Hatfield, Pretoria has a valid offer to purchase. No formal external valuation was performed for the February 2025 year end.

14. GOODWILL

GROUP R'000	2025		Carrying value	2024		Carrying value
	Cost	Accumulated impairment		Cost	Accumulated impairment	
Goodwill	832 947	(514 317)	318 630	837 897	(532 552)	305 345
South Africa	267 180	(47 822)	219 358	245 371	(47 822)	197 549
North America	565 767	(466 495)	99 272	592 526	(484 730)	107 796
	832 947	(514 317)	318 630	837 897	(532 552)	305 345

Reconciliation of Goodwill: R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Opening balance	305 345	304 021	-	-
Additions through business combinations (note 44)	21 809	-	-	-
Impairment	(3 625)	(3 720)	-	-
Forex adjustment	(4 899)	5 044	-	-
Non-current assets	318 630	305 345	-	-

Goodwill represents the excess of the purchase price over the assets, liabilities and contingent liabilities identified, acquired in a business combination. Goodwill is, from date of acquisition, allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination.

CONSOLIDATED 2025	Opening balance	Additions	Impairment	Forex adjustment	Closing balance
American Cash Advance	98 984	-	-	(4 470)	94 514
Nice Loans	8 812	-	(3 625)	(429)	4 758
Supreme Finance	99 584	21 809	-	-	121 393
Finbond Mutual Bank	97 965	-	-	-	97 965
	305 345	21 809	(3 625)	(4 899)	318 630

CONSOLIDATED 2024	Opening balance	Additions	Impairment	Forex adjustment	Closing balance
American Cash Advance	94 401	-	-	4 582	98 983
Nice Loans	12 071	-	(3 720)	461	8 812
Supreme Finance	99 584	-	-	-	99 584
Finbond Mutual Bank	97 965	-	-	-	97 965
	304 021	-	(3 720)	5 043	305 344

Goodwill is allocated to individual cash-generating units, with impairment testing being performed annually, by comparing the net carrying value of the cash-generating units to the estimated recoverable amount. The value in use is determined by discounting estimated future cash flows of each cash-generating unit using the discounted cash flow methodology/income method. The method used was reviewed by an external, independent valuer.

Management regards the useful lives of cash-generating units to be indefinite, however a R3.6 million (2024: R3.7 million) impairment resulted from annual impairment testing.

The Group determines the recoverable amount, being the higher of the fair value less cost to sell and the value in use, of individual cash-generating units by discounting the expected future cash flows of each of the identified cash-generating units. The recoverable amount is then compared to the carrying value of the respective cash-generating unit and an impairment loss is raised if required.

As the Group owns CGUs that operate in North America, the USD/ZAR exchange rate is a critical variable in determining the ZAR denominated value of future cashflows. Fluctuations in the exchange rate outlook may significantly impact the carrying amount of goodwill.

The Group utilises a multiple scenario forecasting approach to evaluate the resilience of our business against various potential outcomes. This approach involves applying different levels of stress to a variety of forecasting variables, such as profit margins, impairment rates, exchange rates, and growth rates, across a wide range of scenarios. These scenarios span from highly favourable to significantly stressed conditions, enabling us to gauge the robustness of our operations and financial performance under diverse circumstances.

By applying a probability-weighted average forecast across the aforementioned scenarios, we consider the likelihood of each scenario occurring. A discounted cashflow valuation is applied to this probability weighted average five year forecast. In the discounted cashflow valuation, key valuation parameters including dividend pay-out ratio, perpetual growth rate and discount rate are applied.

It is important to note that, under certain stressed five year forecast scenarios where multiple key forecasting variables (including fluctuations in exchange rate) experience simultaneous strain, additional impairment to goodwill may result. An impairment may also result where the key valuation parameters such as dividend payout ratios, discount rates and perpetuity growth rates are stressed.

A CGU's future revenue growth rate is an essential factor in estimating the future cash flows generated by the CGUs. To determine the revenue growth rate, the Group follows a bottom-up and top-down approach, engaging with operating heads and incorporating economic trends, strategic aims, and risks in the business plans. Operational performance is forecast based on product and delivery channel strategies as per the business plans and evolves as new information becomes available, affecting the recoverable amounts accordingly.

The Group continually monitors these key variables and updates its assumptions and estimates based on market and economic conditions, as well as management's expectations. Any significant changes in these variables may materially impact the carrying amount of goodwill and may result in impairment losses.

The calculation uses cash flow projections from business plans for the forthcoming 5 years, which are then extrapolated for further years (perpetuity). Extrapolation is achieved using a long-term growth rate, based on projected economic indicators including the expected long-term inflation rate and GDP growth rate in the CGU's jurisdiction. The Group therefore follows a conservative perpetuity growth rate approach.

Perpetuity growth rate	2025	2024
South Africa	5.99%	6.97%
North America	4.2%	3.8%

Exchange rate		
ZAR : USD	19.000 - 22.253	18.700 - 22.965

The risk-adjustment discount rate is based on the cost of equity (Ke) and was calculated using the Capital Asset Pricing Model (CAPM):

Cost of equity (Ke)		
American Cash Advance	16.11%	14.55%
Nice Loans	22.11%	19.05%
Supreme Finance	21.32%	22.00%
Finbond Mutual Bank	21.32%	22.50%

For purposes of the calculation of the CAPM discount rate, the following assumptions were used:

Risk free rate	3.9% - 10.5%	3.83% - 11.12%
Equity market risk premium	4.56% - 6.00%	4.98% - 6.00%
Beta	0.97 - 1.36	0.98 - 1.05
Small stock premium	1.00% - 8.00%	1.00% - 7.00%
Unsystematic risk premium	1.00% - 4.00%	1.00% - 3.00%

15. INTANGIBLE ASSETS

R'000 GROUP	Cost	2025 Accumulated amortisation	Carrying value	Cost	2024 Accumulated amortisation	Carrying value
Trademarks and brand names	10 933	(6 171)	4 762	12 283	-	12 283
Computer software developed	12 537	(419)	12 118	10 010	(193)	9 817
Non-current assets	23 470	(6 590)	16 880	22 293	(193)	22 100

Reconciliation of intangible assets

	Opening balance	Additions at cost	Amortisation	Foreign exchange movement	Total
2025					
Trademarks and brand names	12 283	-	(6 896)	(625)	4 762
Computer software developed	9 817	2 596	(261)	(34)	12 118
	22 100	2 596	(7 157)	(659)	16 880
2024					
Trademarks and brand names	11 905	-	-	378	12 283
Computer software developed	5 193	4 674	(35)	(15)	9 817
	17 098	4 674	(35)	363	22 100

Acquired trademarks and brand names are allocated to individual cash generating units. Impairment testing is performed annually by comparing the net carrying value of the cash-generating units to the estimated 'value in use'. The value in use is determined by discounting estimated future cash flows of each cash-generating unit using the discounted cash flow methodology/income method. Management regards the useful lives of all cash-generating units to be indefinite, due to the following factors that were considered:

- the expected usage of the asset by the entity and whether the asset could be managed efficiently by another management team;
- product life cycles and public information on estimates of useful lives of similar assets used in a similar way;
- technical, technological, commercial or other types of obsolescence;
- the stability of the industry in which the asset operates and changes in the market demand for the products or services output from the assets;
- expected actions by competitors or potential competitors;
- the maintenance expenditure level required to obtain expected future economic benefits and the entity's ability and intention to reach such a level;
- period of control over the asset and legal or similar limits on the use of the asset, such as the expiry dates of related leases; and
- whether the useful life of the asset is dependent on the useful life of other assets of the entity.

16. TRANSACTIONAL DEPOSITS

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Transactional deposits	47 583	36 878	-	-
Current liabilities	47 583	36 878	-	-

Transactional deposits consist of client funds in savings products, immediately available to customers for use.

Fair value approximates carrying amount due to the short-term nature of liabilities.

17. TRADE AND OTHER PAYABLES

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Trade payables	11 118	11 972	2 114	698
VAT payable	3 304	5 824	319	866
Accrued leave pay	9 240	8 193	411	249
Accruals	35 002	44 415	8 179	8 119
Dividends payable ¹	31 146	-	31 146	-
Sundry payables	13 119	15 588	571	601
Current liabilities	102 929	85 992	42 740	10 533

¹Refer to note 40.

Fair value approximates carrying amount due to the short-term nature of liabilities.

18. LEASE LIABILITIES

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Opening balance	167 659	175 978	-	-
Additions through business combinations (note 44)	425	-	-	-
Additions	127 777	82 198	-	-
Remeasurements	1 302	12 795	-	-
Terminations and modifications	(926)	(15 762)	-	-
Interest expense	18 113	17 138	-	-
Lease payments	(116 481)	(110 578)	-	-
Foreign exchange movements	(3 168)	5 890	-	-
	194 701	167 659	-	-
Current	84 124	80 757	-	-
Non-current	110 577	86 902	-	-
	194 701	167 659	-	-

The Group has leases for branch premises. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset (refer to note 12) and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. No leases include an option to purchase.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options
2025				
Premises	452	2 months - 10 years	1.25 years	48
2024				
Premises	411	3 months - 10 years	2 years	61

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at the reporting date were as follows:

	Within 1 year	2 - 5 years	After 5 years	Total
GROUP - 2025				
Lease payments	98 668	116 620	5 588	220 876
Finance charges	(14 544)	(11 117)	(514)	(26 175)
	84 124	105 503	5 074	194 701
GROUP - 2024				
Lease payments	91 856	90 478	6 640	188 974
Finance charges	(11 099)	(9 419)	(797)	(21 315)
	80 757	81 059	5 843	167 659

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less). Payments made under such leases are expensed on a straight-line or other systematic basis where appropriate. The expense relating to payments not included in the measurement of the lease liability, and included in operating expenses, is as follows:

	GROUP		COMPANY	
R'000	2025	2024	2025	2024
Short-term leases	26 521	23 672	-	-

19. FIXED AND NOTICE DEPOSITS

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
At amortised cost				
Fixed-term deposits	330 529	306 335	-	-
Permanent interest bearing shares	202 615	238 069	-	-
Fixed-period paid-up shares	56 850	44 053	-	-
Notice deposits	288	2 302	-	-
	590 282	590 759	-	-
Current liabilities	239 823	143 604	-	-
Non-current liabilities	350 459	447 155	-	-
	590 282	590 759	-	-

Deposit products in Finbond Mutual Bank (FMB) are classified as follows:

	Effective interest rate at the reporting date:	
Fixed-term deposits	8.8%	(2024: 8.3%)
Permanent interest bearing shares	10.1%	(2024: 10.1%)
Fixed-period paid-up shares	8.9%	(2024: 8.4%)
Notice deposits	5.3%	(2024: 5.8%)

Notice and Fixed-term deposit products earn interest at the contracted fixed rate up to the expiry of the relevant product maturity. Finbond Mutual Bank offers maturity terms of 7-days and 30-days on notice deposits and Fixed-term maturities range from six to 72-months. All clients investing in a Fixed-term deposit will also have voting rights in FMB. The Fixed-term deposits are redeemable and expire at the maturity date.

Fixed-period shares have an investment period of 66 months with guaranteed fixed dividend rates.

Permanent interest bearing shares earn interest at a fixed contracted rate. This investment is non-redeemable but is transferable after expiry of a 72-month period.

Fixed-term deposit and share deposit holders have one vote per depositor at Finbond Mutual Bank shareholders' meetings, irrespective of the value or number of deposits they hold.

Fair value hierarchy: Level 2 (2024: Level 2). Fair value of the fixed and notice deposits amounts to R571.9 million (2024: R565.6 million).

20. COMMERCIAL PAPER

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Fixed-term notes at amortised cost	2 861 248	2 553 588	2 861 248	2 553 588
Current liabilities	239 835	351 780	239 835	351 780
Non-current liabilities	2 621 413	2 201 808	2 621 413	2 201 808
	2 861 248	2 553 588	2 861 248	2 553 588

South African Fixed-Term Interest bearing notes, with Capital and Interest guaranteed by Finbond Group Limited, issued to the general public with a 60 month term. The lender can elect to either capitalise interest or receive a monthly cash payment at a fixed interest rate of between 9% and 12.5% per annum. No defaults of principal or interest occurred during the financial year. The average remaining term is 40 months (2024: 30.7 months). The outstanding balance includes capitalised interest of R85.7 million (2024: R135.0 million).

Fair value of the commercial paper amounts to R2.78 billion (2024: R2.50 billion).

Fair value hierarchy: Level 2 (2024: Level 2).

21. DEFERRED TAXATION

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Deferred tax asset/(liability)				
Property, plant and equipment	(10 938)	(11 190)	-	-
Investment property	(4 085)	(5 615)	-	-
Prepayments on deferred charges	(5 973)	(1 942)	924	484
Other financial assets	(3 125)	(3 561)	-	-
Impairment of investments in subsidiaries	-	-	25 668	25 668
Investment in partnerships	(56 447)	(34 173)	-	-
Amortisation of tax goodwill of foreign investment	(73 377)	(64 711)	-	-
Tax losses available for set-off against future taxable income	162 117	148 545	22 632	-
Deferred tax balances from other temporary differences	112 106	72 445	56 835	57 180
Expected credit losses	(1 945)	2 779	56 835	57 180
Unearned future income	9 946	9 463	-	-
Accrued deferred expenses	99 577	55 810	-	-
Right of use assets	(41 766)	(35 187)	-	-
Lease liabilities	46 294	39 580	-	-
	120 278	99 798	106 059	83 332
Deferred tax liability	-	-	-	-
Deferred tax asset	120 278	99 798	106 059	83 332
Total net deferred tax asset	120 278	99 798	106 059	83 332
Reconciliation of deferred tax asset/(liability):				
At the beginning of year	99 798	95 348	83 332	61 527
Deductible temporary difference movement on foreign partnership investments	(22 274)	(5 139)	-	-
Increase due to goodwill amortisation of foreign investment	(8 666)	(11 293)	-	-
Increase/(decrease) in current tax loss available for set-off against future taxable income	13 572	(13 219)	22 632	-
Increase in accrued deferred expenses	43 767	28 732	-	-
Taxable temporary difference movement on unearned future income	483	1 349	-	-
(Deductible)/taxable temporary difference movement on provisions	(4 724)	3 787	(345)	21 511
Taxable/(deductible) temporary difference movement on wear and tear	252	(1 996)	-	-
Deductible temporary difference movement on prepayments and deferred charges	(4 031)	(769)	440	294
Taxable temporary difference movement on investment property at fair value	1 530	1 075	-	-
Deductible temporary difference movement on right of use assets	(6 579)	(2 043)	-	-
Taxable temporary difference movement on lease liabilities	6 714	3 917	-	-
Taxable temporary difference movement on other financial assets	436	50	-	-
	120 278	99 798	106 059	83 332

Foreign partnership investments

For its investment in three pass-through entities, Finbond Group North America ("FGNA") recognises its share of income and losses on an annual basis. FGNA also tracks the timing differences between book and tax values for these companies. The timing differences are tracked on an aggregate basis as one timing difference for "investment in partnerships". This is a cumulative tracking of the timing differences over the life of the investment.

Furthermore, for one of the partnerships (Americash), "amortisation of taxation goodwill of a foreign investment" applies, as FGNA made an election under IRC 754 to step-up their basis in this investment to align the inside and outside basis in the company. This results in "tax" goodwill amortisation taken over 180 months in accordance with IRC 197. This timing difference is tracked separately from the other timing differences in the partnerships, as this timing differences is technically at the partner level (FGNA), opposed to inside the partnership itself.

Recognition of deferred tax asset

Deferred tax is calculated on all temporary differences under the balance sheet method, using an effective tax rate of 27% (2024: 27%) for South Africa and a blended rate of 26.5% (2024: 25.5%) for North America. The deferred tax assets are stated at the rate at which the assets are expected to be realised and recovered.

The Group recognises a deferred tax asset for the carry-forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Management considers all available information in making this assessment.

At a Company level, Finbond Group Limited (FGL) carries such a deferred tax asset amounting to R22.6 million (2024: Rnil). It should be noted that in assessing future taxable profit against which unused tax losses can be utilised at Company level – at purely an investment income/operational profit level i.e. ignoring potential capital appreciation based on the Group's Board approved strategic plan – the assessment is highly sensitive to movements in the South African Rand to US Dollar foreign exchange rate.

At Consolidated level, deferred tax assets are carried for Finbond Group North America amounting to R133.5 million (2024: R143.2 million), Finbond Group South Africa amounting to R5.3 million (2024: R5.3 million) and King Loan Finance amounting to R0.7 million.

In assessing the recoverability of the deferred tax asset recognised, the Group and Company considers the detailed and rigorous budget and 5-year strategic plan (prepared on an individual entity level) and as reviewed and approved at various committee levels and ultimately by the Board of Directors. The budget and 5-year strategic plan support a return to profitability (that will result in taxable profits against which the tax losses can be utilised) with a high level of confidence. Abnormal losses in recent years have been driven by specific factors which have been carefully considered in assessing the probability of return to profits, such as:

- The COVID pandemic hit our industry particularly hard due to unprecedented US COVID consumer stimulus that directly targeted our low income earning (LSM) customers. Consumer stimulus temporarily elevated consumer savings levels, which suppressed demand for our products. Stimulus has since run out, and consumer savings levels finally returned to pre-pandemic levels during the year (aided by higher inflation levels).
- The Group was naturally also affected by lower economic activity and volumes globally, caused by the COVID pandemic from 2020 to 2022.
- Regulatory change in the US state of Illinois in early 2021 resulted in the need to replace significant Illinois sales volumes and revenue. This was achieved through restructuring initiatives and introducing an entirely new alternate loan product offering. Although sales volumes are progressing, positive impacts on revenue and profitability (for this alternate longer-term 12 – 24-month product) continues to take time as the product matures.
- Also see note 14 (Goodwill) and note 43 (Going Concern) for more information.

Financial projections indicate that the Group is likely to produce sufficient taxable income in the near future, to utilise the deferred tax assets.

Unrecognised tax losses for the Group carried forward and available for set-off against future taxable income amounted to R107.7 million (2024: R87.9 million) for Finbond Group International Limited, and Rnil (2024: R0.6 million) for Finbond Group Canada Inc.

Use and sales rate

The deferred tax rate applied to the fair value adjustment of investment properties/financial assets is determined by the expected manner of recovery. Where the expected recovery of the investment property/financial assets is through sale the capital gains tax rate of 21.6% (2024: 21.6%) is used. If the expected manner of recovery is through indefinite use, the normal tax rate of 27% (2024: 27%) is applied. If the manner of recovery is partly through use and partly through sale, a combination of capital gains rate and normal tax rate is used.

Movement in deferred taxation recognised in the statement of changes in equity amounted to –R22.7 million (2024: R22.5 million).

22. SHARE CAPITAL

Authorised

2025 – 2,000,000,000 ordinary no par value shares (2024 – 2,000,000,000 ordinary no par value shares)

1,520,006,546 (2024: 1,543,398,616) unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Issued				
GROUP				
479,993,454 (2024: 456,601,384) ordinary shares	877 978	865 421		
COMPANY				
515,720,092 (2024: 542,720,092) ordinary shares			981 881	997 001

	Number of shares	Share Capital R'000	Treasury shares R'000	Total R'000
GROUP				
At 28 February 2023	794 124 742	1 097 219	(132 472)	964 747
Treasury shares repurchased	3 000 000	-	892	892
Shares repurchased	(340 523 358)	(100 218)	-	(100 218)
At 29 February 2024	456 601 384	997 001	(131 580)	865 421
Treasury shares sold	27 000 000	-	15 120	15 120
Shares repurchased	(27 000 000)	(15 120)	-	(15 120)
Scrip dividend from treasury shares	23 392 070	-	12 558	12 557
At 28 February 2025	479 993 454	981 881	(103 902)	877 978
COMPANY				
At 28 February 2023	883 243 450	1 097 219	-	1 097 219
Shares repurchased	(340 523 358)	(100 218)	-	(100 218)
At 29 February 2024	542 720 092	997 001	-	997 001
Shares repurchased	(27 000 000)	(15 120)	-	(15 120)
At 28 February 2025	515 720 092	981 881	-	981 881

The Company repurchased 27,000,000 ordinary shares at an average price of R0.56 which reverted to authorised but unissued shares. In February 2025 the Directors declared a scrip dividend to ordinary shareholders of the Company. Shareholders were entitled to elect to receive a gross cash dividend alternative. (Refer to note 40). 23,392,070 ordinary shares allotted pursuant to the scrip dividend were issued from available treasury shares. Finbond Private Equity holds 6.9% of the total issued number of shares following the scrip dividend (2024: 15.9%). The average price for treasury shares sold during the year was R0.55 (2024: R0.30).

23. RESERVES

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Non-distributable reserves				
Equity settled share option reserve ¹	17 469	15 897	17 469	15 897
Foreign currency translation reserve ²	369 426	473 295	-	-
	386 895	489 192	17 469	15 897

¹Refer also to note 24.

²Exchange differences arising on translation of the results and net assets of the Group's investments in foreign entities from their functional currencies to the Group's presentation currency are recognised in other comprehensive income. In effect, these amount to unrealised foreign exchange gains.

24. SHARE-BASED PAYMENT ARRANGEMENTS

Finbond Share Appreciation Rights

The Finbond Share Appreciation Rights ("SARs") provides participants a conditional right to receive an award equal to the increase in the share price of a number of notional shares over a specified vesting period (the "Award"). The Scheme is subject to performance vesting conditions as follows:

- 25% of the Award will vest when Finbond achieves an audited net profit after tax ("NPAT") of R300 million;
- A further 25% of the Award will vest when Finbond achieves an audited net profit after tax ("NPAT") of R500 million;
- A further 25% of the Award will vest when Finbond achieves an audited net profit after tax ("NPAT") of R700 million;
- The balance of the Award will vest when Finbond achieves an audited net profit after tax ("NPAT") of R900 million.

Vesting of options is conditional on the employee remaining in the employment of the Company.

The SARs shall be settled by the transfer of ordinary shares in the issued share capital of Finbond ("Share") held by Finbond. The participants have no right to receive cash. Finbond does however have the discretion to settle the Awards in cash. The rules of the Scheme specify that should participants be paid in cash based on the increase in value of the SARs, the cash must be applied towards the subscription or purchase of shares in Finbond. As it is Finbond's stated intention to settle the Awards in equity instruments, the Scheme is classified as equity-settled. The total number of shares that may be utilised for the Scheme is 43,376,894 (2024: 43,376,894).

IFRS 2 requires that all equity-settled share-based payment transactions be measured at fair value at grant date and be recognised as an expense in the income statement over the vesting period.

Outstanding options granted	Exercise date from one to four years
Options with exercise/strike price of R3.04 (Grant 6)	35 350 000
Options with exercise/strike price of R3.40 (Grant 7)	9 000 000
Options with exercise/strike price of R3.15 (Grant 8)	4 550 000
Options with exercise/strike price of R1.27 (Grant 9)	2 000 000
	50 900 000

Weighted average market price (10 day VWAP) at the date of the offer of the sixth Grant was R3.04

Weighted average market price (10 day VWAP) at the date of the offer of the seventh Grant was R3.40

Weighted average market price (10 day VWAP) at the date of the offer of the eighth Grant was R3.15

Weighted average market price (10 day VWAP) at the date of the offer of the ninth Grant was R1.27

Net fair value of options granted	(R'000)
Grant 6	3 497
Grant 7	4 149
Grant 8	2 193
Grant 9	435
	10 274

As per note 23, R17.5 million has already been expensed in terms of the SARs. As per the above another R10.3 million needs to be expensed over the vesting period. Accordingly, the total value of the SARs will ultimately amount to R27.8 million.

Reconciliation of outstanding share options	Number of options	Weighted exercise price R
2025		
Outstanding at the beginning of the year	50 900 000	3.04
Granted during the year	-	-
Forfeited during the year - vesting service condition not met	-	-
Vested and exercised during the year	-	-
Outstanding at the end of the year	50 900 000	3.04
2024		
Outstanding at the beginning of the year	51 900 000	3.05
Granted during the year	-	-
Forfeited during the year - vesting service condition not met	(1 000 000)	3.40
Vested and exercised during the year	-	-
Outstanding at the end of the year	50 900 000	3.04

Measurement of fair value - options

Finbond has used a variant of the binomial model, modelling the particular aspects of the Finbond share options, including exercise behaviour.

The inputs into the binomial option pricing model are as follows:

Number of options and vesting

When determining the expected number of options that will ultimately be converted into issued share capital, cognisance of any service or performance conditions needs to be taken into account. For example, a typical condition of any option scheme is that the employee is still employed when the option vests. An initial best estimate of the number of shares expected to vest is made in determining the expected cost, which is subsequently adjusted until the vesting date when the actual number will be known. An annual attrition rate of 12.5% (2024: 12.5%) has been applied to account for the fact that certain individuals will leave prior to the respective NPAT vesting conditions being met and therefore a portion of the SARs issued will be forfeited.

Option life

The option life was estimated for each tranche based on the projected timeframe within which the relevant NPAT vesting condition would be met in terms of Management's forecasts. Post FY2030, we projected an annual NPAT growth rate of 4.7% (2024: 4.6%), which is based on the weighted average growth rates applicable to Finbond's South African and North American businesses. Participants are expected to exercise either on vesting or within a two-year period after vesting.

Risk-free rate

Typically, the risk-free interest rate is the implied yield currently available on zero coupon government issues, with a remaining term equal to the expected term of the option being valued (based on the option's remaining expected life). IFRS 2 requires the use of a risk-free interest rate with a remaining term equal to the expected life of the option, and risk-free interest rates are typically determined from a bootstrapped zero-coupon perfect fit swap curve. The zero-coupon swap rate curve as at the grant dates as published on Bloomberg was used to determine the risk-free rate. Risk-free rates for the various grant dates and tranches ranged between 6.0% - 9.3% (2024: 5.1% - 9.4%).

Expected volatility

We based our volatility input on the average volatility of Finbond's shares during the 4 year period leading up to the grant dates, which equated to 40.0% for the 2018 issue, 68.3% for the June 2019 issue, 70.7% for the December 2019 issue and 73.4% for the July 2021 issue.

The dividend yield

A dividend yield of 0.4% (2024: 0.4%) was assumed, which is based on Finbond's median dividend yield during the past 5 years (ie. the annual dividend was divided by the market price on the date that the dividend was declared).

Effect on profit or loss

Under IFRS 2, the value of the options is spread over the vesting period. A net expense of R1.6 million (February 2024: R1.6 million) related to equity-settled share based payments transactions was recognised for the current financial year (refer to note 31).

25. INTEREST INCOME

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Total interest income recognised according to the effective interest method				
Loans and advances	532 492	536 955	-	-
Loan initiation fees	242 428	223 331	-	-
Cash and cash equivalents	22 944	21 536	5 084	8 117
Group Companies	9 302	12 035	244 927	229 921
Other financial assets	26 091	27 669	-	-
	833 257	821 526	250 011	238 038

For further details about the Group's recognition of interest and initiation fees in terms of IFRS 9 please refer to note 1.16. Stage 3 interest of R12.9 million (2024: R15.1 million) has been suspended against gross loans and advances.

26. INTEREST EXPENSE

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Bank facilities	2 361	629	3	-
Lease liabilities	18 113	17 138	-	-
Interest expense: Transactional deposits	763	508	-	-
Interest expense: Notice deposits	63	134	-	-
Interest expense: Fixed-term deposits	27 465	25 349	-	-
Dividend expense: Fixed-period shares	4 501	3 320	-	-
Interest expense: Permanent interest bearing shares	20 886	26 289	-	-
Interest expense: Commercial paper	293 954	257 100	293 954	257 100
	368 106	330 467	293 957	257 100

27. FEE INCOME

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Loan service fees	176 659	165 503	-	-
Home loan service fees	81	97	-	-
Card service and other fees	33 328	33 308	-	-
	210 068	198 908	-	-

For further details about the Group's recognition of revenue in terms of IFRS 15 please refer to note 1.16.

28. MANAGEMENT FEE INCOME

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Service fees	-	-	6 726	8 178
Royalties	-	-	6 400	6 180
	-	-	13 126	14 358

Refer to note 35 Related Parties for further details.

For further details about the Group's recognition of revenue in terms of IFRS15 please refer to note 1.16.

29. OTHER OPERATING INCOME

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Commission earned	400 420	367 748	385 559	355 881
Cheque cashing fees	1 511	1 297	-	-
Rental income	2 747	2 607	538	-
Sundry income ¹	8 398	5 708	-	-
	413 076	377 360	386 097	355 881

For further details about the Group's recognition of revenue in terms of IFRS15 please refer to note 1.16.

¹Sundry income includes ancillary revenue for products sold to drive foot traffic at North American stores and consists of Moneygram and Western Union commission, currency and gold exchange fees and phone card sales.

30. NET IMPAIRMENT CHARGE

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Loans and advances ¹				
Movement in expected credit loss allowance	16 165	42 195	-	-
Impairment charge raised during the year	36 051	59 952	-	-
Less release on suspended interest	(19 886)	(17 757)	-	-
Bad debts written off	270 476	241 011	-	-
Bad debts recovered	(22 356)	(23 086)	-	-
	264 285	260 120	-	-
Other ²				
Other financial assets	(375)	1 876	-	-
Trade and other receivables	2 292	393	2 292	393
Loans to group companies	(2 317)	4 688	(2 351)	132 097
	263 885	267 077	(59)	132 490

For further details on the release of suspended interest, refer to note 1.16.

¹Comprises all elements in the movement in allowance/provision for ECL relating to loans and advances in the current year (as disclosed in note 5). Accordingly, this includes current year ECL raised on existing and new loans and advances, and ECL released on loans and advances settled and/or written off.

²Includes current year movements in the allowance/provision for ECL as disclosed in notes 4, 6 and 7 respectively.

31. OPERATING EXPENSES

Operating profit/(loss) for the year is stated after accounting for the following:

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Auditors' remuneration - audit fees	13 494	15 647	3 963	4 250
Auditors' remuneration - other services	160	133	-	-
Depreciation - Property, plant and equipment	25 161	22 531	32	16
Depreciation - Right of use assets	99 404	95 023	-	-
Amortisation - Intangibles	7 157	35	-	-
Advertising	11 755	12 116	6 980	7 114
Bank charges	81 092	81 446	916	538
Collection charges	57 146	44 894	-	-
Commission paid	12 002	12 037	325 635	302 165
Consulting and professional fees	24 171	11 176	3 648	153
Employee costs - short-term benefits	424 097	413 636	11 661	7 761
Employee costs - contributions to defined contribution plans	4 888	4 249	76	73
Employee costs - share-based payment expense	1 572	1 572	1 572	1 572
Property related costs	52 504	47 961	363	-
Telephone and communication expenses	32 841	31 337	135	112
Transactional banking fees	24 061	23 980	-	-

32. TAXATION

Major components of the tax expense

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Current				
<i>Local</i>				
Income tax - current period	32 054	51 042	-	19 219
Under provision - prior period	164	-	164	-
<i>Foreign</i>				
Income tax - current period	13	-	-	-
	32 231	51 042	164	19 219
Deferred				
<i>Local</i>				
Originating and reversing temporary differences - current period	(1 161)	(12 825)	(22 727)	(21 805)
Under provision - prior period	1 628	-	1 628	-
<i>Foreign</i>				
Originating and reversing temporary differences - current period	(60)	(6 215)	-	-
	407	(19 040)	(21 099)	(21 805)
	32 638	32 002	(20 935)	(2 586)
Reconciliation of tax (income)/expense				
Reconciliation between accounting (loss)/profit and tax (income)/expense:				
Accounting profit/(loss)	61 890	30 646	(124 186)	(52 053)
Tax at the applicable tax rate of 27% (2024: 27%)	16 710	8 274	(33 530)	(14 054)
Tax effect of adjustments on joint ventures				
Non-deductible expenses	33 331	27 675	10 803	11 468
Impairment of investments in joint ventures	-	(3 340)	-	-
Impairment of goodwill	979	1 005	-	-
Employee cost - share-based payment expense	425	425	425	425
Dividends expense: Fixed period shares	1 215	896	-	-
Unproductive interest expense	9 746	10 871	9 746	10 871
Capital loss on fair value of investment property	383	270	-	-
Unrecognised tax losses	19 795	15 943	-	-
Disallowed expenses	788	1 605	632	172
Non-taxable income	(14 828)	(249)	-	-
Employment tax incentives	(2 330)	(766)	-	-
Gain on bargain purchase (note 9)	(13 186)	-	-	-
Income attributable to non-controlling interest in foreign partnerships	688	517	-	-
Difference between local and foreign tax rates	(4 367)	(3 698)	-	-
Impact of prior period adjustments on current and deferred tax	1 792	-	1 792	-
	32 638	32 002	(20 935)	(2 586)
Effective tax rate	52.7%	104.4%	16.9%	5.0%

Foreign taxation

Finbond Group North America (FGNA) and its US investments (subsidiaries, joint ventures and associates) operate in several different state and local municipal jurisdictions. They are required to file taxes on a consolidated/combined (or separate, on occasion) filing basis depending on the respective nexus and tax filing requirements of a given state. Therefore, their annual total state tax expense and corresponding effective blended state tax rate fluctuates on an annual basis due as much to shifts in operations as it does to variances in state nexus rules. Since there is no overall governing taxation body (although federal taxes are also levied at the US federal/country level), states and local municipalities are left to their own metrics to determine how nexus is calculated and determine their respective tax rates. Again, US federal tax applies and is levied to FGNA and its US investments in addition to state tax (levied at the federal/country level). For IAS 12 purposes, we use an estimate of apportionment based on the prior year tax return filings, along with current year statutory rules and tax rates to determine an estimate of both current state & federal tax expense and a blended state and federal rate. Since these US entities are organised as pass-through entities, FGNA ultimately consolidates/combines its portion of taxable income and losses from investment entities at FGNA level and recognises (and pays tax) on this combined basis.

33. NOTE TO THE STATEMENT OF CASH FLOWS

R'000	GROUP		COMPANY	
	2025	2024*	2025	2024
Cash flows from operations				
Profit/(loss) before taxation	61 890	30 646	(124 186)	(52 053)
Adjustments for:				
Depreciation and amortisation	131 722	117 836	32	16
Finance charges	368 106	330 467	293 957	257 100
Interest paid*	(425 135)	(314 532)	(343 307)	(238 531)
Loss on sale of assets	(1 007)	956	-	-
Fair value adjustments on financial assets	(289)	(240)	-	-
Fair value adjustments on investment property	7 085	5 000	-	-
Equity profits from associate	(182 347)	(142 572)	-	-
Equity profits from joint ventures	(60 314)	(34 974)	-	-
Share option costs	1 572	1 572	1 572	1 572
Movements in impairment charge and bad debt	286 240	290 163	(59)	132 490
Reversal of impairment of investments in joint ventures	-	(12 372)	-	-
Impairment of goodwill	3 625	3 720	-	-
Accrued leave pay	1 858	814	162	(73)
Changes in working capital:				
Loans and advances increase	(347 509)	(295 177)	-	-
Other receivables increase	(54 565)	(33 348)	(11 266)	(11 719)
Decrease/(increase) in group loans	31 146	(14 198)	(117 320)	(278 667)
Trade and other payables (decrease)/increase	(15 166)	14 873	32 044	3 979
Deposits received from customers increase/(decrease)	7 201	(33 982)	-	-
Transaction deposits increase	10 705	5 422	-	-
	(175 182)	(79 926)	(268 371)	(185 886)
*The Group has reclassified interest paid on Leases from financing activities to operating activities to align with the requirements of IAS 7 – Statement of Cash Flows. This reclassification has no impact on current or prior year statement of financial position or statement of comprehensive income and overall cash flow statement.				
Cash flows from operating activities				
As previously reported	(222 571)	(133 038)	(268 371)	(231 029)
Interest paid on lease liabilities reallocation*	-	(17 138)	-	-
Net cash from operating activities	(222 571)	(150 176)	(268 371)	(231 029)
Cash flows from financing activities				
As previously reported	258 643	26 876	357 011	136 562
Interest paid on lease liabilities reallocation*	-	17 138	-	-
Net cash from financing activities	258 643	44 014	357 011	136 562

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

GROUP - 2025

R'000	Commercial paper	Lease liabilities	Total
Opening balance	2 553 588	167 659	2 721 247
Cash-flows:			
- Repayment	(1 433 598)	(116 481)	(1 550 079)
- Proceeds	1 447 304	-	1 447 304
Non-cash:			
- Additions through business combinations	-	425	425
- Additions	-	127 777	127 777
- Remeasurements	-	1 302	1 302
- Terminations	-	(926)	(926)
- Accrued interest	293 954	18 113	312 067
- Foreign exchange differences	-	(3 168)	(3 168)
	2 861 248	194 701	3 055 949

GROUP - 2024

Opening balance	2 298 240	175 978	2 474 218
Cash-flows:			
- Repayment	(602 227)	(110 578)	(712 805)
- Proceeds	600 474	-	600 474
Non-cash:			
- Additions	-	82 198	82 198
- Adjustments	-	12 795	12 795
- Terminations	-	(15 762)	(15 762)
- Accrued interest	257 101	17 138	274 239
- Foreign exchange differences	-	5 890	5 890
	2 553 588	167 659	2 721 247

COMPANY - 2025

Opening balance	2 553 588	-	2 553 588
Cash-flows:			
- Repayment	(1 433 598)	-	(1 433 598)
- Proceeds	1 447 304	-	1 447 304
Non-cash:			
- Accrued interest	293 954	-	293 954
	2 861 248	-	2 861 248

COMPANY - 2024

Opening balance	2 298 240	-	2 298 240
Cash-flows:			
- Repayment	(602 227)	-	(602 227)
- Proceeds	600 474	-	600 474
Non-cash:			
- Accrued interest	257 101	-	257 101
	2 553 588	-	2 553 588

34. NON-CONTROLLING INTEREST

The following table summarises the information relating to Nice Loans LLC, the Group's subsidiary that has non-controlling interest, before any intragroup eliminations.

R'000	Nice Loans LLC	
	2025	2024
Non-controlling interest percentage	25.00%	25.00%
Cash and cash equivalents	6 866	7 197
Loans and advances	13 990	20 798
Property, plant and equipment	687	6 103
Right of use assets	2 413	6 120
Other assets	1 410	1 325
Trade and other payables	(1 013)	(2 062)
Lease liabilities	(2 631)	(6 581)
Other liabilities	(17 921)	(32 005)
Net assets	3 801	895
Net assets attributable to non-controlling interest	950	224
Revenue	31 214	42 339
(Loss) after taxation	(10 188)	(7 652)
Other comprehensive income	3 494	(3 562)
Total comprehensive income	(6 694)	(11 214)
(Loss) allocated to non-controlling interest	(2 547)	(1 913)
Cash flows from operating activities	2 897	(21 079)
Cash flows from investment activities	2 175	25 638
Cash flows from financing activities	(5 079)	(7 169)
Net increase/(decrease) in cash and cash equivalents	(7)	(2 610)
Dividends to non-controlling interest	-	-

35. RELATED PARTIES

Relationships

Subsidiaries	Refer to note 8.		
Joint ventures	Refer to note 9.		
Associates	Refer to note 10.		
Shareholders with significant influence	Kings Reign Investments (Pty) Ltd Protea Asset Management LLC		
Members of key management and Directors	Dr W. van Aardt Mr G.W. Labuschagne Mrs H.J. Wilken-Jonker Dr M.D.C. Motlatla Adv N.J. Melville Mr P. Naudé Mr D. Pentz Mr S. Riskowitz		
Shareholders with a shareholding of more than 5%	Kings Reign Investments	35%	
	Protea Asset Management LLC	33%	
	Finbond Private Equity	12%	
Directors' shareholding	Direct beneficial	Indirect beneficial	Percentage held
Dr W. van Aardt	-	179,956,275	34.9%
Mr D. Pentz	651,626	-	0.1%
Mr S. Riskowitz	25,038,442	147,637,483	33.4%
Adv N. Melville	333,333	-	0.06%
Key personnel compensation	Refer to note 36.		

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Loan accounts - Owing by Group Companies (Refer to note 7)	48 782	81 539	1 832 095	1 771 247
Related party transactions - paid/(received)				
Royalties				
Finbond Mutual Bank	-	-	(6 400)	(6 180)
Commission				
Finbond Mutual Bank	-	-	188 955	180 144
Supreme Finance (Pty) Ltd	-	-	136 677	122 007
Service fees				
	-	-	(6 726)	(8 179)
Finbond Mutual Bank	-	-	(2 188)	(3 385)
Supreme Finance (Pty) Ltd	-	-	(1 563)	(1 431)
Finbond Group South Africa (Pty) Ltd	-	-	(60)	(95)
Finbond Group International Ltd	-	-	(75)	(619)
Finbond Group North America, LLC	-	-	(2 742)	(2 628)
Finbond Group Canada Ltd	-	-	(98)	(21)
	-	-	28 373	20 563
Finbond Mutual Bank	-	-	2 117	2 177
Finbond Group South Africa (Pty) Ltd	-	-	1 768	1 339
Finbond Group North America, LLC	-	-	20 385	13 113
Finbond Group Canada Ltd	-	-	3 353	2 735
Finbond Services Ltd	-	-	750	1 199
Interest on intercompany loans				
Supreme Finance (Pty) Ltd	-	-	(9 466)	(10 741)
King Loan Finance (Pty) Ltd	-	-	(1 641)	-
Finbond Group International Ltd	-	-	(233 820)	(219 180)
AmeriCash Group	(7 840)	(9 834)	-	-
Cashbak LLC	(1 462)	(2 201)	-	-
Transactional banking fees				
Finbond Mutual Bank	-	-	524	473
Commitment fees				
Kings Reign Investments (Pty) Ltd	914	934	-	-
Treasury shares repurchased				
Finbond Private Equity (Pty) Ltd	-	-	15 120	-
Related party balances				
<i>Trade receivables</i>				
Finbond Mutual Bank	-	-	10 396	10 222
<i>Trade payables</i>				
Supreme Finance (Pty) Ltd	-	-	(11 070)	(10 916)
Kings Reign Investments (Pty) Ltd	(615)	(644)	-	-

36. DIRECTORS' EMOLUMENTS

R'000	Basic Salary	Short-term incentives	Long-term incentives	Share- based payments	Total
Executive 2025					
<i>Paid by a subsidiary of the Company</i>					
Dr W. van Aardt ¹	27 443	5 356	20 683	-	53 482
Mr G.W. Labuschagne ²	5 068	432	4 041	-	9 541
	32 511	5 788	24 724	-	63 023

¹Dr van Aardt is based in Chicago, USA and is paid in US dollars (USD). Total package USD 2,925,925 (2024: USD 2,426,098).

²Mr Labuschagne is based in Ottawa, Canada and is paid in Canadian dollars (CAD). Total package CAD 746,696 (2024: CAD 680,847).

Please refer to the Remuneration policy and report on pages 82 to 86 for further details.

Executive 2024

<i>Paid by a subsidiary of the Company</i>					
Dr W. van Aardt	24 441	2 015	18 863	-	45 319
Mr G.W. Labuschagne	5 022	448	4 197	-	9 667
	29 463	2 463	23 060	-	54 986

There are no post-employment, other long-term or termination benefits.

	Directors' fees	Committee fees	Consulting fees	Long Term Service Award	Total
Non-Executive 2025					
Mrs H.J. Wilken-Jonker	307	486	1 885	179	2 857
Dr M.D.C. Motlatla	368	1 140	-	195	1 703
Adv N. Melville	307	653	-	58	1 018
Mr P.A. Naudé	307	603	-	24	934
Mr D.C. Pentz	307	821	-	-	1 128
Mr S. Riskowitz	307	266	-	-	573
	1 903	3 969	1 885	456	8 213

Non-Executive 2024

Mrs H.J. Wilken-Jonker	196	378	1 420	-	1 994
Dr M.D.C. Motlatla	255	1 252	-	-	1 507
Adv N. Melville	196	449	-	-	645
Mr P.A. Naudé	196	473	-	-	669
Mr D.C. Pentz	196	567	-	-	763
Mr S. Riskowitz	196	211	-	-	407
	1 235	3 330	1 420	-	5 985

37. RISK MANAGEMENT

The Group's risk management strategy is anchored in strong governance and emphasizes both individual accountability and collective oversight, underpinned by detailed reporting. It starts with the Board of Directors and the Risk Committee, where Non-Executive Directors play an active role in providing oversight. The Board defines the Group's risk appetite, sets and regularly reviews risk policies, and ensures the business operates within established parameters.

Executive management, led by the Chief Executive Officer and the Executive Committee, plays a central role in risk management, engaging directly in all significant risk issues. This oversight is complemented by risk management structures embedded across regional and divisional units, supported by robust policies and procedures that promote consistent risk assessment and control.

Each employee shares responsibility for managing risk, reflecting a top-down culture initiated by the Board. A central risk management function supports the Group with continuous risk identification, measurement, monitoring, and reporting, ensuring that risk information is effectively communicated to the Executive Committee and the Board where appropriate decisions on risk mitigation are taken at the executive level to ensure that the Group remains aligned with the risk appetite set by the Board.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure and to reduce the cost of capital. This approach balances the line between risk and reward.

The Group manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets and market conditions. The Group manages capital in proportion to liabilities and assets based on Board approved risk appetite which considers both the quantum of assets and liabilities relative to capital as well as the unique risk profile of the assets and liabilities held by the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt or raise new debt from external sources.

There has been no changes from the previous year to what the Group manages as capital, the strategy for capital maintenance or externally imposed capital requirements.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. A central risk management function supports the Group with continuous risk identification, measurement, monitoring, and reporting, ensuring that risk information is effectively communicated to the Executive Committee and the Board where appropriate decisions on risk mitigation are taken at the executive level to ensure that the Group remains aligned with the risk appetite set by the Board.

The Group views risk management as a measure of ensuring a responsible return on shareholders' equity. Ultimately, the Board remains responsible for risk management.

The Group is managed through a system of internal controls functioning uniformly throughout the entity so that an awareness of risk pervades every aspect of business and is seen as the responsibility of each employee of the Group. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such credit risk and liquidity risk.

Liquidity risk

Liquidity risk is the risk that Finbond is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn, the consequence of which may be the failure to meet obligations to repay investors and depositors and fulfil commitments to lend.

Liquidity management is a priority of the Group. The Group ensures that it has adequate liquid assets at all times in order to maintain an adequate current ratio. The short term nature of the loan book versus the long-term sources of debt received from investors greatly reduces the liquidity risk of the Group.

The Group holds surplus liquidity. Liquidity risk is managed using a multifaceted approach, including:

- Daily, weekly and monthly cash balance analysis, microcredit operational weekly cash sweepings and net microcredit operational cash flows;
- Stressed liquidity and cash flow forecast and testing, updated monthly;
- Monitoring non-operating cash flow specific to funding liabilities (both capital and interest) in stressed liquidity and cash flow testing, as well as debt maturity analysis, updated monthly;
- Asset and liabilities matching through the maturity ladder, updated monthly;
- Debt concentration analysis, updated monthly;
- Short-term Group surplus cash monitoring, updated monthly.

Liquidity determines the day-to-day viability of the Group and remains one of the principal considerations of asset and liability management. The authority and responsibility for liability and interest rate risk management rests with the Group's Board of Directors. The Group's Assets and Liability Committee recommends and monitors Finbond's funding and liquidity policy and reviews the structure of the balance sheet and business strategies taking into consideration market conditions and maintains liquidity contingency plans. Liquidity is managed strictly by the Group and involves prudently managing assets and liabilities, both cash flow and concentration, to ensure that cash inflows have an appropriate relationship to approaching cash outflows. The Group will never optimise interest rate risk at the expense of liquidity risk.

Liquidity profile of financial assets and liabilities

R'000

GROUP - 2025

	Less than 1 year	Between 1-5 years	More than 5 years	Total
Cash and cash equivalents	661 787	-	-	661 787
Other financial assets	351 723	-	-	351 723
Loans and advances	553 683	121 997	-	675 680
Trade and other receivables	113 961	-	-	113 961
Loans to group companies	31 662	17 120	-	48 782
Transactional deposits	(47 583)	-	-	(47 583)
Trade and other payables	(99 625)	-	-	(99 625)
Lease liabilities	(84 124)	(105 503)	(5 074)	(194 701)
Fixed and notice deposits	(239 823)	(287 311)	(63 148)	(590 282)
Commercial paper	(239 835)	(2 621 413)	-	(2 861 248)
Total	1 001 826	(2 875 110)	(68 222)	(1 941 506)

GROUP - 2024

Cash and cash equivalents	456 742	-	-	456 742
Other financial assets	394 570	-	-	394 570
Loans and advances	538 706	45 021	35 330	619 057
Trade and other receivables	101 343	-	-	101 343
Loans to group companies	65 110	16 429	-	81 539
Bank overdraft	(1 023)	-	-	(1 023)
Transactional deposits	(36 878)	-	-	(36 878)
Trade and other payables	(80 168)	-	-	(80 168)
Lease liabilities	(80 757)	(81 059)	(5 843)	(167 659)
Fixed and notice deposits	(143 604)	(386 449)	(60 706)	(590 759)
Commercial paper	(351 780)	(2 201 808)	-	(2 553 588)
Total	862 261	(2 607 866)	(31 219)	(1 776 824)

R'000	Less than 1 year	Between 1-5 years	More than 5 years	Total
COMPANY - 2025				
Cash and cash equivalents	92 405	-	-	92 405
Other financial assets	282	-	-	282
Trade and other receivables	74 650	-	-	74 650
Loans to group companies	1 846 052	-	-	1 846 052
Trade and other payables	(42 421)	-	-	(42 421)
Loans from group companies	(13 957)	-	-	(13 957)
Commercial paper	(239 835)	(2 621 413)	-	(2 861 248)
Total	1 717 176	(2 621 413)	-	(904 237)

COMPANY - 2024				
Cash and cash equivalents	19 885	-	-	19 885
Other financial assets	260	-	-	260
Trade and other receivables	69 698	-	-	69 698
Loans to group companies	1 785 180	-	-	1 785 180
Bank overdraft	(1 023)	-	-	(1 023)
Trade and other payables	(9 667)	-	-	(9 667)
Loans from group companies	(13 933)	-	-	(13 933)
Commercial paper	(351 780)	(2 201 808)	-	(2 553 588)
Total	1 498 620	(2 201 808)	-	(703 188)

Undiscounted maturity analysis of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on the remaining undiscounted contractual obligation period and includes all interest and fees expected to be settled in cash in the future.

R'000	Less than 1 year	Between 1-5 years	More than 5 years	Total
GROUP - 2025				
Transactional deposits	47 583	-	-	47 583
Trade and other payables	99 625	-	-	99 625
Lease liabilities	98 668	116 620	5 588	220 876
Fixed and notice deposits	277 383	368 527	68 368	714 278
Commercial paper	535 440	3 304 597	-	3 840 037
Total	1 058 699	3 789 744	73 956	4 922 399

GROUP - 2024				
Bank overdraft	1 023	-	-	1 023
Transactional deposits	36 878	-	-	36 878
Trade and other payables	80 168	-	-	80 168
Lease liabilities	91 856	90 478	6 640	188 974
Fixed and notice deposits	179 755	464 761	64 202	708 718
Commercial paper	553 261	2 712 452	-	3 265 713
Total	942 941	3 267 691	70 842	4 281 474

R'000	Less than 1 year	Between 1-5 years	More than 5 years	Total
COMPANY - 2025				
Trade and other payables	42 421	-	-	42 421
Loans from group companies	13 957	-	-	13 957
Commercial paper	535 440	3 304 597	-	3 840 037
Total	591 818	3 304 597	-	3 896 415
COMPANY - 2024				
Bank overdraft	1 023	-	-	1 023
Trade and other payables	9 667	-	-	9 667
Loans from group companies	13 933	-	-	13 933
Commercial paper	553 261	2 712 452	-	3 265 713
Total	577 884	2 712 452	-	3 290 336

Interest rate risk

Interest rate risk is the potential impact on earnings or the value of the Group's holdings in financial instruments and on future cash flows from financial instruments due to changes in the interest rate.

The Group operates in a fixed and discretionary interest rate industry for most products. Discretionary rate items are those where the rates are not necessarily linked to a market interest rate but rather where management can, at their discretion, increase or decrease the rate as deemed appropriate, in line with State/Provincial (USA/Canada) and NCA (SA) requirements.

Call deposits in which surplus unemployed funds are placed, bank balances, as well as sources of funding vary with the prime interest rate and JIBAR. Loans and advances and deposits received from customers have fixed and discretionary interest rates in line with State/Provincial (USA/Canada) and NCA (SA) requirements. The Group policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profits or losses.

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rate instruments at the reporting date. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

This is mainly attributable to the Group's exposure to interest rates on its variable rate funding and cash and cash equivalents. The exposure of loans and advances to interest rate risk is considered relatively insignificant based on the Group's product mix. Loan products are predominantly subject to fixed yields based on the Group's target product mix, as prescribed by State/Provincial (USA/Canada) and NCA (SA) requirements.

Significant exposure to interest risk is set out below:

Class of Financial instruments: carrying value

R'000

2025	GROUP	COMPANY
Cash and cash equivalents	661 787	92 405
Other financial assets	351 723	282
Loans and advances	675 680	-
Loans to group companies	48 782	-
Transactional deposits	(47 583)	-
Lease liabilities	(194 701)	-
Fixed and notice deposits	(590 282)	-
Commercial paper	(2 861 248)	(2 861 248)
Net exposure	(1 955 842)	(2 768 561)

2024

Cash and cash equivalents	456 742	19 885
Other financial assets	394 570	260
Loans and advances	619 057	-
Loans to group companies	81 539	-
Bank overdraft	(1 023)	(1 023)
Transactional deposits	(36 878)	-
Lease liabilities	(167 659)	-
Fixed and notice deposits	(590 759)	-
Commercial paper	(2 553 588)	(2 553 588)
Net exposure	(1 797 999)	(2 534 466)

Credit risk

Credit Risk can be defined as the risk of loss arising from the failure of a client or counterparty to fulfil its financial and/or contractual obligations to the Group. The credit risk which the Group faces arise mainly from consumer loans and advances.

Credit risk consists mainly of gross loans and advances, both secured and consumer, as well as deposits placed with institutions. Loans and advances are stated net of impairment on the face of the Balance Sheet. The Group only holds accounts and invests with highly reputable providers with a long and stable credit history, to minimise any firm specific or spill-over risk of loss due to economic conditions.

Loans and advances comprise a widespread demographic and economic customer base. Management evaluates credit risk relating to customers on an on-going basis

The Group's consumer loan portfolio is comprised of many customers with small, short-term loans, dispersed across different geographical regions and states. Sector and geographical concentration risks are frequently monitored with portfolio analysis in South Africa and North America at operating unit level, vintage curves and loan spread per sector reports in South Africa.

The group structures the levels of credit risk it undertakes, placing limits on the amounts of risk accepted in relation to one borrower, or a group of borrowers based on credit vetting and affordability upfront, as prescribed by the regulators.

Active pay date management compliments the above and ensures maximum pro-active efficiencies on borrower repayments and collections.

Daily monitoring of recoverability and collectability at branch, area, region, as well as Group level is practiced. Collection strategies for groups of borrowers by demographic and economic customer base ensures effective and efficient collections efforts. A combination of insourced and outsourced collections strategies are followed.

The Group makes allowance for expected credit losses against its gross loans and advances. Refer to note 5 for additional disclosure relating to loans and advances.

Impairment assessment

Definition of default and cure

A financial asset in default is classified as credit-impaired and in stage 3 for ECL calculations. The definition of default varies per product type and geographical region; however, if the financial instrument becomes 90 days past due then the financial instrument is in default for all cases. The Group does not have a curing policy due to the short-term nature of its consumer debtors book. Consequently, exposures classified in Stage 3 remain in Stage 3 until they are either settled or written off.

ECL measurement process

To determine the ECL, the Group models the probability of an account entering default, the exposure when an account enters default and the LGD based on historical trends and expected collateral recovery. Clients are grouped together according to similar risk characteristics, and historical default performance is projected into the future on the current non-default portfolio. The group stratifies aspects such as client risk groups, product term, product type and geographic location. Where the ECL has been raised for individual exposures, management assesses the historical and expected cash flows and the recoverability of collateral at an individual exposure level. Forward-looking economic assumptions are incorporated into the models where relevant and where they influence credit risk. Continual oversight is provided by management and committees to monitor the methods used to calculate the ECL.

The Group calculates the ECL on loans and advances, loans to/from group companies, as well as the other financial assets measured at amortised cost.

Exposure at default (EAD)

The EAD represents the gross carrying amount of a financial asset at the point of default. The EAD is calculated by considering expected changes in the exposure after the reporting date.

Loss given default (LGD)

The LGD represents the expected loss in the event of a default. For unsecured consumer loans, the LGD incorporates expected recovery rates over time, with recoveries discounted at the relevant interest rate. For secured exposures, the LGD also factors in expected cash flows from collateral realisation.

Significant increase in credit risk

The Group continuously monitors all assets subject to changes in credit risk. To determine whether an asset or a portfolio of assets is subject to 12-month ECL or lifetime ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

When estimating ECL on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Any exposure that is more than 30 days past due is automatically considered to have experienced a significant increase in credit risk. In addition, qualitative considerations are applied when determining whether exposures have experienced a significant increase in credit risk. The Group considers reasonable and supportable information based on the Group's historical credit risk assessment and forward-looking information when determining whether there has been a significant increase in credit risk.

The Group's ECL models, prepared in accordance with IFRS 9, continue to function aligned to business and economic fundamentals. Continuous monitoring of the ECL ensures that the Group adequately provides for the risk profile of the various loan books.

Sensitivity analysis of the forward-looking impact on the ECL provision for loans and advances

The following table shows the main macroeconomic factors used to estimate the forward-looking impact on the ECL for loans and advances. Each scenario, namely a base, negative and positive scenario is presented as at the reporting date.

	South African government consumption expenditure	South African final household consumption expenditure	United States inflation rate	United States unemployment rate	Changes in ECL R'000	% change
2025						
Base scenario	1.29	0.95	1.81	4.13		
100% negative scenario	(0.07)	3.40	6.00	5.90	2 011	(0.3%)
100% positive scenario	2.28	(3.41)	1.30	3.10	(2 694)	0.4%
2024						
Base scenario	1.83	0.86	2.54	4.13		
100% negative scenario	0.24	2.47	7.10	5.90	3 558	(0.6%)
100% positive scenario	2.78	(2.92)	2.00	3.10	(2 758)	0.5%

Currency risk

Currency risk arises from the Group's exposure to foreign currency movements primarily through its operations in the United States of America and Canada, where revenues, expenses, assets, and liabilities are denominated in US Dollars and Canadian Dollars. As a result, fluctuations in exchange rates between the South African Rand (ZAR) and these foreign currencies may impact the Group's financial position, performance, and cash flows.

The Group's policy is to manage currency risk in a manner consistent with its risk appetite and operational objectives. While the Group does not currently engage in active hedging of foreign currency exposures using financial instruments, it seeks to mitigate currency risk through natural hedging strategies. These include, *inter alia*, matching foreign currency income with foreign currency expenses; maintaining adequate foreign currency cash balances to settle short-term obligations in the same currency; preferring to hold long-term liabilities in currencies that are expected to depreciate based on long-term trends; and continuously monitoring exchange rate movements and their potential impact on financial performance and equity.

Currency risk is monitored at Group level. Sensitivity analyses are performed to assess the potential impact of exchange rate fluctuations on equity. A 10% strengthening or weakening of the average ZAR exchange rate against other functional currencies for the year, with all other variables held constant, would have resulted in a change in profit attributable to equity holders of the Company of approximately R1.3 million (2024: R5.4 million). Additionally, a 1% change in the year-end spot exchange rate would have had a R7.4 million (2024: R8.1 million) impact on the foreign currency translation reserve in equity.

The Group remains vigilant of currency trends in its operational markets and will assess the appropriateness of more formal hedging strategies should exposures increase materially or market conditions justify enhanced risk mitigation.

Price risk

The value of financial assets accounted for at fair value (refer to note 4) fluctuates with a combination of changes in market indices and interest rate cycles. The portfolios are managed to ensure the risk/return profile, and distribution among different asset classes corresponds to the Group's investment goals and risk tolerance.

Classification of financial assets and financial liabilities

R'000

GROUP - 2025

	Amortised cost	FVTPL	Total
Cash and cash equivalents	661 787	-	661 787
Other financial assets	329 470	22 253	351 723
Loans and advances	675 680	-	675 680
Trade and other receivables	113 961	-	113 961
Loans to group companies	48 782	-	48 782
Total financial assets	1 829 680	22 253	1 851 933

Transactional deposits	47 583	-	47 583
Trade and other payables	99 625	-	99 625
Lease liabilities	194 701	-	194 701
Fixed and notice deposits	590 282	-	590 282
Commercial paper	2 861 248	-	2 861 248
Total financial liabilities	3 793 439	-	3 793 439

GROUP - 2024

Cash and cash equivalents	456 742	-	456 742
Other financial assets	360 002	34 568	394 570
Loans and advances	619 057	-	619 057
Trade and other receivables	101 343	-	101 343
Loans to group companies	81 539	-	81 539
Total financial assets	1 618 683	34 568	1 653 251

Bank Overdraft	1 023	-	1 023
Transactional deposits	36 878	-	36 878
Trade and other payables	80 168	-	80 168
Lease liabilities	167 659	-	167 659
Fixed and notice deposits	590 759	-	590 759
Commercial paper	2 553 588	-	2 553 588
Total financial liabilities	3 430 075	-	3 430 075

R'000

COMPANY - 2025

	Amortised cost	FVTPL	Total
Cash and cash equivalents	92 405	-	92 405
Other financial assets	282	-	282
Other receivables	74 650	-	74 650
Loans to group companies	1 846 052	-	1 846 052
Total financial assets	2 013 389	-	2 013 389

Trade and other payables	42 421	-	42 421
Commercial paper	2 861 248	-	2 861 248
Loans from group companies	13 957	-	13 957
Total financial liabilities	2 917 626	-	2 917 626

COMPANY - 2024

Cash and cash equivalents	19 885	-	19 885
Other financial assets	260	-	260
Other receivables	69 698	-	69 698
Loans to group companies	1 785 180	-	1 785 180
Total financial assets	1 875 023	-	1 875 023

Bank overdraft	1 023	-	1 023
Trade and other payables	9 667	-	9 667
Commercial paper	2 553 588	-	2 553 588
Loans from group companies	13 933	-	13 933
Total financial liabilities	2 578 211	-	2 578 211

Income, expenses, gains and losses resulting from financial assets and liabilities

R'000

GROUP - 2025	Amortised cost	FVTPL	Total
Interest income	833 257	-	833 257
Interest expense	(368 106)	-	(368 106)
Fee income	210 068	-	210 068
Fair value adjustments	-	289	289
Impairment losses	(263 885)	-	(263 885)
	411 334	289	411 623

GROUP - 2024

Interest income	821 526	-	821 526
Interest expense	(330 467)	-	(330 467)
Fee income	198 908	-	198 908
Fair value adjustments	-	240	240
Impairment losses	(267 077)	-	(267 077)
	422 890	240	423 130

COMPANY - 2025

Interest income	250 011	-	250 011
Interest expense	(293 957)	-	(293 957)
Impairment losses	59	-	59
	(43 887)	-	(43 887)

COMPANY - 2024

Interest income	238 038	-	238 038
Interest expense	(257 100)	-	(257 100)
Impairment losses	(132 490)	-	(132 490)
	(151 552)	-	(151 552)

38. FAIR VALUE INFORMATION

Fair value hierarchy of instruments measured at fair value

The table below analyses assets and liabilities carried at fair value, by level of fair value hierarchy. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the instruments and have been defined as follows:

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

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

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

R'000

Levels of fair value measurements

Assets and liabilities measured at fair value:

2025	Level 1	Level 2	Level 3	Total
Other financial assets	-	22 253	-	22 253
Investment property	-	-	110 636	110 636
	-	22 253	110 636	132 889
2024				
Other financial assets	-	34 568	-	34 568
Investment property	-	-	117 721	117 721
	-	34 568	117 721	152 289

Valuation techniques used to derive Level 2 and 3 fair values

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

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

The fair value is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties that were valued. Independent external valuations are performed at least every three years, unless Management's fair value assessment indicates material changes to the property market and/or underlying assumptions, an input into current valuation models. As disclosed in note 13, Management deemed it appropriate to obtain valuations for portion 10 & 11 and the remaining extent of portion 6 of the Farm Zwartkoppies 316 JT in the 2023 financial year. No valuations were obtained in the current financial year.

Refer to note 13 for further information on the fair value methodologies and assumptions for Investment Property.

Reconciliation of assets and liabilities measured at level 3

R'000 GROUP - 2025	Note	Opening balance	Additions/ Disposals	Gains/Loss recognised in profit or loss	Closing balance
Assets					
Investment property	13	117 721	-	(7 085)	110 636
GROUP - 2024					
Assets					
Investment property	13	122 152	569	(5 000)	117 721

No transfer of assets and liabilities within the levels of fair value hierarchy occurred during the current or prior financial year.

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

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

39. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share were based on attributable earnings of R31 798 527 (2024: R557 108) and a weighted average number of ordinary shares of 456,601,384 (2024: 736,634,446).

	GROUP	
	2025	2024
Basic earnings/(loss) per share		
From operations (cents per share)	7.0	0.1

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the weighted-average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

	GROUP	
	2025	2024
Diluted earnings/(loss) per share		
Weighted-average number of ordinary shares (basic)	456 601 384	736 634 446
Dilutive adjustment	-	-
Weighted-average number of ordinary shares (diluted)	456 601 384	736 634 446
Diluted earnings/(loss) per share		
From operations (cents per share)	7.0	0.1

Headline loss and diluted headline loss per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted-average number of ordinary shares outstanding during a period.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

Reconciliation between earnings and headline earnings

R'000	2025		2024	
	Gross	Nett	Gross	Nett
Profit attributable to owners of the Company		31 799		557
Adjusted for:				
Profit/(loss) on disposal of property, plant and equipment	(1 118)	(816)	1 189	882
Reversal of impairment to joint ventures	-	-	(12 372)	(12 372)
Gain on bargain purchase (Refer to note 9)	(48 838)	(48 838)	-	-
Impairment of goodwill	3 625	3 625	3 720	3 720
Fair value loss of investment properties	7 085	5 555	5 000	3 920
Headline loss		(8 674)		(3 293)

	GROUP	
	2025	2024
Headline loss per share		
From operations (cents per share)	(1.9)	(0.4)
Diluted headline loss per share		
From operations (cents per share)	(1.9)	(0.4)

40. DIVIDENDS

R'000	GROUP		COMPANY	
	2025	2024	2025	2024
Dividends	43 703	-	43 703	-

Declaration of scrip dividend and cash dividend alternative

In February 2025 the Directors declared a scrip dividend of 17.82809 for every 100 ordinary shares held, to ordinary shareholders of the Company. Shareholders were entitled to elect to receive a gross cash dividend alternative of 9.57071 cents per share.

The ratio of entitlement was based on the volume weighted average traded price per Finbond ordinary share on the JSE Limited over the five trading days up to and including 14 February 2025, of 53.68333 cents per share, which would be the issue price per Finbond share.

23,392,070 ordinary shares allotted pursuant to the scrip dividend were issued from available treasury shares and R31.1 million was paid from the Company's cash reserves on 31 March 2025.

41. SEGMENT REPORTING

OPERATING SEGMENTS

R'000

GROUP - 2025

	Deposit and Debt Finance Products	Lending	Property Investment	Transactional Banking	Other ¹	Total
Interest income	32 949	794 963	-	126	5 219	833 257
Interest expense	(318 428)	(49 019)	-	(659)	-	(368 106)
Net interest income/(expense)	(285 479)	745 944	-	(533)	5 219	465 151
Fee income	-	183 978	-	26 090	-	210 068
Other operating income	-	410 887	2 189	-	-	413 076
Income from joint ventures	-	60 314	-	-	-	60 314
Income from associates	-	182 347	-	-	-	182 347
Fair value adjustments	289	-	(7 085)	-	-	(6 796)
Foreign exchange gain	-	-	-	-	(5)	(5)
Net impairment charge	-	(263 885)	-	-	-	(263 885)
Impairment of goodwill	-	(3 625)	-	-	-	(3 625)
Operating expenses*	(3 121)	(935 226)	(4 895)	(30 558)	(20 955)	(994 755)
Operating (loss)/profit before taxation	(288 311)	380 734	(9 791)	(5 001)	(15 741)	61 890
Taxation	61 916	(102 798)	2 644	1 350	4 250	(32 638)
Profit/(loss) after taxation	(226 395)	277 936	(7 147)	(3 651)	(11 491)	29 252
*Operating expenses include, <i>inter alia</i> :						
Depreciation	-	(124 262)	-	(271)	(32)	(124 565)
Amortisation	-	(7 157)	-	-	-	(7 157)
Advertising	-	(4 775)	-	-	(6 980)	(11 755)
Bank charges	(1 854)	(76 184)	-	(2 652)	(402)	(81 092)
Collection charges	-	(57 146)	-	-	-	(57 146)
Consulting and professional fees	(125)	(20 067)	(331)	-	(3 648)	(24 171)
Employee costs	(1 076)	(425 324)	(525)	(3 632)	-	(430 557)
Property related costs	-	(50 524)	(1 625)	-	(355)	(52 504)
Telephone and communication expenses	(21)	(32 565)	(12)	(108)	(135)	(32 841)
Transactional banking fees	-	-	-	(24 061)	-	(24 061)
Profit/(loss) for the period attributable to:						
Owners of the company	(226 395)	280 483	(7 147)	(3 651)	(11 491)	31 799
Non-controlling interest	-	(2 547)	-	-	-	(2 547)
Significant segment assets						
Cash and cash equivalents	571 618	74 418	-	13 871	1 880	661 787
Other financial assets at fair value through profit or loss	22 253	-	-	-	-	22 253
Other financial assets at amortised cost	329 470	-	-	-	-	329 470
Loans and advances	-	675 680	-	-	-	675 680
Trade and other receivables	-	201 805	-	1 338	761	203 904
Loans to group companies	-	48 782	-	-	-	48 782
Investments in joint ventures	-	937 380	-	-	-	937 380
Investments in associates	-	742 455	-	-	-	742 455
Property, plant and equipment	-	146 779	-	153	15 109	162 041
Right of use assets	-	177 608	-	-	-	177 608
Investment property	-	-	110 636	-	-	110 636
Goodwill	-	318 630	-	-	-	318 630
Intangible assets	-	16 880	-	-	-	16 880
Significant segment liabilities						
Transactional deposits	-	-	-	47 583	-	47 583
Trade and other payables	-	66 713	-	1 989	34 227	102 929
Lease liabilities	-	194 701	-	-	-	194 701
Fixed and notice deposits	590 282	-	-	-	-	590 282
Commercial paper	2 861 248	-	-	-	-	2 861 248

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

OPERATING SEGMENTS

R'000

GROUP - 2024

	Deposit and Debt Finance Products	Lending	Property Investment	Transactional Banking	Other ¹	Total
Interest income	33 459	779,857	-	94	8 116	821 526
Interest expense	(288 170)	(41 782)	-	(515)	-	(330 467)
Net interest income/(expense)	(254 711)	738 075	-	(421)	8 116	491 059
Fee income	-	172 842	-	26 066	-	198 908
Other operating income	-	375 217	1 954	189	-	377 360
Income from joint ventures	-	34 974	-	-	-	34 974
Income from associates	-	142 572	-	-	-	142 572
Fair value adjustments	240	-	(5 000)	-	-	(4 760)
Foreign exchange loss	-	-	-	-	(154)	(154)
Net impairment (charge)/release	-	(267 077)	-	-	-	(267 077)
Reversal of impairment of investment in joint ventures	-	12 372	-	-	-	12 372
Impairment of goodwill	-	(3 720)	-	-	-	(3 720)
Operating expenses*	(2 770)	(888 258)	(5 954)	(29 333)	(24 573)	(950 888)
Operating profit/(loss) before taxation	(257 241)	316 997	(9 000)	(3 499)	(16 611)	30 646
Taxation	58 585	(85 589)	2 430	945	(8 373)	(32 002)
Profit/(loss) after taxation	(198 656)	231 408	(6 570)	(2 554)	(24 984)	(1 356)

*Operating expenses include, *inter alia*:

Depreciation	-	(117 353)	-	(185)	(16)	(117 554)
Amortisation	-	(35)	-	-	-	(35)
Advertising	-	(5 002)	-	-	(7 114)	(12 116)
Bank charges	(1 540)	(78 448)	-	(1 393)	(65)	(81 446)
Collection charges	-	(44 894)	-	-	-	(44 894)
Employee costs	(1 119)	(399 998)	(500)	(2 345)	(15 495)	(419 457)
Property related costs	-	(45 871)	(2 090)	-	-	(47 961)
Telephone and communication expenses	(16)	(31 184)	(8)	(17)	(112)	(31 337)
Transactional banking fees	-	-	-	(23 980)	-	(23 980)

Profit/(loss) for the period attributable to:

Owners of the company	(198 656)	233 321	(6 570)	(2 554)	(24 984)	557
Non-controlling interest	-	(1 913)	-	-	-	(1 913)

Significant segment assets

Cash and cash equivalents	355 341	85 140	-	13 264	1 974	455 719
Other financial assets at fair value through profit or loss	34 568	-	-	-	-	34 568
Other financial assets at amortised cost	360 002	-	-	-	-	360 002
Loans and advances	-	619 057	-	-	-	619 057
Trade and other receivables	-	144 247	-	1 586	5 461	151 294
Loans to group companies	-	81 539	-	-	-	81 539
Investments in joint ventures	-	979 875	-	-	-	979 875
Investments in associates	-	749 932	-	-	-	749 932
Property, plant and equipment	-	147 423	1 023	101	1 289	149 836
Right of use assets	-	151 545	-	-	-	151 545
Investment property	-	-	117 721	-	-	117 721
Goodwill	-	305 345	-	-	-	305 345
Intangible assets	-	22 100	-	-	-	22 100

Significant segment liabilities

Transactional deposits	-	-	-	36 878	-	36 878
Trade and other payables	3 628	77 653	-	1 944	2 767	85 992
Lease liabilities	-	167 659	-	-	-	167 659
Fixed and notice deposits	590 759	-	-	-	-	590 759
Commercial paper	2 553 588	-	-	-	-	2 553 588

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

GEOGRAPHICAL SEGMENTS

R'000

GROUP - 2025

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

*Operating expenses include, *inter alia*:

Depreciation	(94 941)	(28 345)	(1 279)	(124 565)
Amortisation	(35)	(7 122)	-	(7 157)
Advertising	(2 800)	(1 975)	(6 980)	(11 755)
Bank charges	(72 561)	(7 295)	(1 236)	(81 092)
Collection charges	(56 394)	(752)	-	(57 146)
Consulting and professional fees	(8 787)	(9 982)	(5 402)	(24 171)
Employee costs	(213 717)	(197 207)	(19 633)	(430 557)
Property related costs	(33 248)	(18 769)	(487)	(52 504)
Telephone and communication expenses	(27 504)	(5 108)	(229)	(32 841)
Transactional banking fees	(24 061)	-	-	(24 061)

Profit/(loss) for the period attributable to:

Owners of the company	88 070	44 314	(100 585)	31 799
Non-controlling interest	-	(2 547)	-	(2 547)

Significant segment assets

Cash and cash equivalents	136 278	425,587	99 922	661 787
Other financial assets at fair value through profit or loss	3 537	-	18 716	22 253
Other financial assets at amortised cost	329 470	-	-	329 470
Loans and advances	524 851	150 829	-	675 680
Trade and other receivables	60 669	58 603	84 632	203 904
Loans to group companies	-	-	48 782	48 782
Investments in joint ventures	-	937 380	-	937 380
Investments in associates	-	742 455	-	742 455
Property, plant and equipment	62 313	43 496	56 232	162 041
Right of use assets	135 228	42 380	-	177 608
Investment property	110 636	-	-	110 636
Deferred taxation	53 061	74 070	(6 853)	120 278
Goodwill	219 358	99 272	-	318 630
Intangible assets	11 458	5 422	-	16 880

Significant segment liabilities

Transactional deposits	47 583	-	-	47 583
Trade and other payables	49 539	9 937	43 453	102 929
Lease liabilities	150 184	44 517	-	194 701
Fixed and notice deposits	590 282	-	-	590 282
Commercial paper	-	-	2 861 248	2 861 248

¹'Corporate' represents centralised corporate and International corporate services, functions and expenses, unallocated corporate debt finance expenses, corporate income tax assets and liabilities, and corporate held debt finance liabilities.

GEOGRAPHICAL SEGMENTS

R'000

GROUP - 2024

	South Africa	North America	Corporate ¹	Total
Interest income	454 904	345 316	21 306	821 526
Interest expense	(81 549)	(166 326)	(82 592)	(330 467)
Net interest income/(expense)	373 355	178 990	(61 286)	491 059
Fee income	196 022	3 358	(472)	198 908
Management fee income	4 803	22 596	(27 399)	-
Other operating income	319 577	4 067	53 716	377 360
Income from joint ventures	-	34 974	-	34 974
Income from associates	-	142 572	-	142 572
Fair value adjustments	(4 760)	-	-	(4 760)
Foreign exchange loss	(144)	-	(10)	(154)
Net impairment charge	(189 002)	(72 994)	(5 081)	(267 077)
Reversal of impairment of investment in joint ventures	-	12 372	-	12 372
Impairment of goodwill	-	(3 720)	-	(3 720)
Operating expenses*	(601 612)	(336 181)	(13 095)	(950 888)
Operating (loss)/profit before taxation	98 239	(13 966)	(53 627)	30 646
Taxation	(27 592)	6 516	(10 926)	(32 002)
Profit/(loss) after taxation	70 647	(7 450)	(64 553)	(1 356)
*Operating expenses include, <i>inter alia</i> :				
Depreciation	(84 845)	(31 283)	(1 426)	(117 554)
Amortisation	(35)	-	-	(35)
Advertising	(2 942)	(2 060)	(7 114)	(12 116)
Bank charges	(70 417)	(9 963)	(1 066)	(81 446)
Collection charges	(43 950)	(944)	-	(44 894)
Employee costs	(202 002)	(202 341)	(15 114)	(419 457)
Property related costs	(25 113)	(22 657)	(191)	(47 961)
Telephone and communication expenses	(25 419)	(5 731)	(187)	(31 337)
Transactional banking fees	(23 980)	-	-	(23 980)
Profit/(loss) for the period attributable to:				
Owners of the company	70 647	(5 537)	(64 553)	557
Non-controlling interest	-	(1 913)	-	(1 913)
Significant segment assets				
Cash and cash equivalents	124 250	279 970	51 499	455 719
Other financial assets at fair value through profit or loss	2 936	-	31 632	34 568
Other financial assets at amortised cost	360 002	-	-	360 002
Loans and advances	444 266	174 791	-	619 057
Trade and other receivables	30 960	45 526	74 808	151 294
Loans to group companies	-	-	81 539	81 539
Investments in joint ventures	-	979 875	-	979 875
Investments in associates	-	749 932	-	749 932
Property, plant and equipment	52 195	53 179	44 462	149 836
Right of use assets	104 464	47 081	-	151 545
Investment property	117 721	-	-	117 721
Deferred taxation	52 421	76 825	(29 448)	99 798
Goodwill	197 549	107 796	-	305 345
Intangible assets	8 857	13 243	-	22 100
Significant segment liabilities				
Transactional deposits	36 878	-	-	36 878
Current tax payable	11 937	(516)	76	11 497
Trade and other payables	56 439	19 032	10 521	85 992
Lease liabilities	117 647	50 012	-	167 659
Fixed and notice deposits	590 759	-	-	590 759
Commercial paper	-	-	2 553 588	2 553 588

¹'Corporate' represents centralised corporate and International corporate services, functions and expenses, unallocated corporate debt finance expenses, corporate income tax assets and liabilities, and corporate held debt finance liabilities.

42. COMMITMENTS, CONTINGENCIES AND EVENTS AFTER THE REPORTING PERIOD

Commitments and contingencies

There are no commitments and contingencies that require reporting.

Events occurring after the reporting period

Management is not aware of any significant events that may impact the financial results or require reporting that occurred after the reporting date.

43. GOING CONCERN

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

In the current environment, the following factors were considered in management's assessment:

- The post-COVID recovery in our U.S. business continued to lag broader economic trends in the beginning of the year, largely due to the final impacts of substantial U.S. government COVID stimulus programs. While these stimulus programs had since ended, they temporarily boosted consumer savings balances, which in turn suppressed demand for our credit products. During the year however, we saw the continued return to pre-COVID lending activity in our U.S. business as these elevated savings balances returned to pre-COVID levels. In May 2024, the Federal Reserve Bank of San Francisco reported: "We estimate that excess savings at the aggregate level peaked at \$2.1 trillion in August 2021 and were steadily depleted over the subsequent 2½ years."¹
- The replacement of Illinois sales volumes, revenue, and products following regulatory changes implemented in March 2021 has largely been completed. This included the restructuring of affected Illinois subsidiaries, expansion into other U.S. states, a greater focus on online offerings, and the launch of an alternative loan product in Illinois. As previously disclosed, Illinois contributed 26.9% of Group revenue in the year ended February 2021 (February 2020: 26.4%). Progress continues on the new Illinois product, 'Savings Account Instalment Loans' (SAIL), though the longer-term product (up to 24 months) is taking longer than expected to mature. While the concept is proven, an experienced management team is in place, initial funding has been secured, and significant cost efficiencies were achieved this year, start-up risk remains—as is typical for new product lines. Continued growth of SAIL will require additional funding at a sustainable cost to scale the book and reach profitable returns.
- The current global economic environment remains highly uncertain, driven by factors such as evolving U.S. foreign policy and ongoing conflicts in Ukraine and the Middle East. This uncertainty contributes to a persistently elevated inflationary landscape across many markets. While higher inflation may increase demand for our credit products as consumers seek additional liquidity, it can also erode customer affordability and repayment capacity. In parallel, inflationary pressures typically lead to higher interest rates, which in turn can elevate the Group's cost of funding.
- The South African Reserve Bank issued two sets of draft amendments to the Commercial Paper ('CP') Regulations in July 2023 and July 2024, both of which were opened for industry comment. Finbond submitted its formal response in August 2024 and, to date, no further communication has been received. Industry feedback suggests that the proposed changes, in their current form, are unlikely to be enacted without significant revision, and that implementation before 2026 is improbable. It is expected that updated drafts will be released around mid-2025, allowing for another round of comments, with a likely effective date of early 2027.

In the meantime, FGL has adopted a proactive strategy that includes: (1) early redemption and renewal of existing CP under current rules (extending maturity without increasing exposure), (2) issuance of new CP under existing regulations (creating a surplus cash buffer), (3) ongoing consultation with external Senior Counsel, IFRS specialists, capital market advisors, and industry experts to assess alternative debt instruments and diversify funding sources, and (4) development of a second liquidity stress test model based on the current draft amendments to quantify potential funding gaps and timing requirements.

¹Additional Sources:

Pandemic Savings Are Gone: What's Next for U.S. Consumers?, Abdelrahman, Hamza, and Oliveira, Luiz Edgard. San Francisco Fed Blog. Available at: <https://www.frbsf.org/research-and-insights/blog/sf-fed-blog/2024/05/03/pandemic-savings-are-gone-whats-next-for-us-consumers>. (Accessed 3 May 2024). 2024 AFS Lending Trends Report, Clarity Services. Available from <https://www.experian.com/thought-leadership/business/report-2024-alternative-financial-services> (Accessed 10 June 2024).

Early redemption and renewal, as well as new issuance of CP under the current framework initiatives have been highly effective. In parallel, Finbond has explored several alternative funding products, identifying two viable options: (1) an exclusive fixed-term investment product offered only to select existing FGL clients, and (2) FGL non-participating cumulative redeemable preference shares, available to both new and existing clients. At least one of these funding alternatives will be launched in the new financial year.

It should be noted, as always, that a high degree of judgement is required to estimate the full financial effect for the year ahead, and beyond. The above factors again serve to confirm that uncertainties lie ahead, and that the timing and magnitude of our various recovery and growth initiatives are uncertain. Management therefore performed robust capital, liquidity and cash flow stress testing based on multiple scenarios and levels of stress. The stress testing (updated and monitored monthly) continues to demonstrate that the Group remains sufficiently capitalised, with appropriate liquidity levels. We remain confident that the benefits of our geographically diversified business, strong balance sheet, significant US dollar based assets, experienced management team and cash generating ability will continue to stand us in good stead.

44. BUSINESS COMBINATIONS

During the year, the Group acquired two subsidiaries in South Africa as going concerns through business combinations, summarised below:

Subsidiary/business acquired	Acquisition date	Currency	Consideration transferred R'000
1. Kitsismart Proprietary Limited ('Kitsi')	1 September 2024	ZAR	14 684
2. KWT Finance Proprietary Limited ('KWT')	1 September 2024	ZAR	11 066

1. Kitsismart Proprietary Limited

Operating a consumer lending business in three locations in the Eastern Cape province, South Africa.

The salient features of the acquisition were as follows:

- An agreement for King Loan Finance Proprietary Limited to acquire 100% of the shareholding in Kitsismart Proprietary Limited for a cash purchase consideration of R14 683 628.
- The vendors in respect of the acquisition are Steven Hatley and Mark Bertil Ahlin.

2. KWT Finance Proprietary Limited

Operating a consumer lending business in two locations in the Eastern Cape province, South Africa.

The salient features of the acquisition were as follows:

- An agreement for King Loan Finance Proprietary Limited to acquire 100% of the shareholding in KWT Finance Proprietary Limited for a cash purchase consideration of R11 066 372.
- The vendors in respect of the acquisition are Steven Hatley and Mark Bertil Ahlin.

Identifiable assets acquired and liabilities assumed and purchase consideration at acquisition:

R'000	Kitsi	KWT	Total
Loans and other advances to customers	2 454	1 331	3 785
Gross debtors	4 679	1 987	6 666
Impairment provision	(2 225)	(656)	(2 881)
Property, plant and equipment	169	110	279
Other assets	316	107	423
Total liabilities	(326)	(220)	(546)
Total identifiable net assets at fair value	2 613	1 328	3 941
Goodwill arising on acquisition	12 071	9 738	21 809
Purchase consideration transferred	14 684	11 066	25 750
Revenue since acquisition, for the period ended 28 February 2025	3 769	2 052	5 821
Profit since acquisition, for the period ended 28 February 2025	1 603	860	2 463
Revenue for the year ended 28 February 2025*	8 406	4 525	12 931
Profit for the year ended 28 February 2025*	2 576	1 606	4 182
Net cash flow from business combinations			
Cash and cash equivalents acquired	-	-	-
Consideration paid in cash	(14 684)	(11 066)	(25 750)
Net cash outflow on acquisition	(14 684)	(11 066)	(25 750)
As included in the statement of cash flows for the year ended:			
The statement of cash flows was measured at the average exchange rate for the financial year.			
Net cash outflow on acquisition	(14 684)	(11 066)	(25 750)

*Management's estimate of the result, had the subsidiary been acquired at the beginning of the financial year.

To determine the goodwill associated with the purchase, management followed a systematic approach to determine the fair value associated with identifiable assets and liabilities at acquisition. Some of the key considerations include:

- current and future business performance, including discounted future cash flows, of the entity being acquired;
- past history of synergies obtained from previous acquisitions; and
- synergies expected in the future through cross-selling opportunities across the consolidated client base.

There were no remeasurement period adjustments identified.

Thinking

- Walter D. Wintle -

If you think you are beaten, you are
If you think you dare not, you don't,
If you'd like to win, but think you can't
It's almost a cinch you won't.
If you think you'll lose, you've lost
For out in the world we find,
Success begins with a fellow's will
It's all in the state of mind.
If you think you're outclassed, you are
You've got to think high to rise,
You've got to be sure of yourself before
You can ever win a prize.
Life's battles don't always go
To the stronger or faster man,
But soon or late the man who wins
Is the one WHO THINKS HE CAN!



APPENDIX

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"It's not that I'm so smart, it's just that I stay with problems longer."
- Albert Einstein -

GRI INDEX (GLOBAL REPORTING INITIATIVE INDEX)

Nr	GRI Ref	Topic	Additional explanations	Ref in Annual Report
1	G4-1	<u>STANDARD DISCLOSURE</u> Statement from the most senior decision-maker of the organisation about the relevance of sustainability and the organisation's strategy for addressing sustainability.	Chief Executive Report	CEO's Review (pg.21-27)
2	G4-3	Company Name	Finbond Group Limited	Cover page
3	G4-4	Primary brands, products and services	Products	Products (pg.12-13)
4	G4-5	Location of the organisation's headquarters	Corporate Information	pg.206
5	G4-5	Number of countries where the organisation operates	SA, USA, Canada and Panama	pg.14
6	G4-7	Nature of ownership and legal form	Shareholders	pg.81
7	G4-8	Markets served	Customers	pg.68
8	G4-9	Scale of the organisation	2,341 employees 186 contractors, 612 branches	History and Development (pg.4-5) Branch Network, Number of Employees and Active Clients (pg.11) Chair's Review (pg.18-20) CEO's Review (pg.21-27) CFO's Review (pg.28-30) Financial Highlights and Indicators (pg.16-17) Products (pg.12-13)
9		Industry	Financial Services	Financial Highlights and Indicators (pg.16-17)
10	G4-13	Significant changes during the reporting period		Branch Network, Number of Employees and Active Clients (pg.11) Chairman's Review (pg.18-20) CEO's Review (pg.21-27) CFO's Review (pg.28-30) Products (pg.12-13)
11	G4-15	Has the Company made a CDP submission?	No	
12	G4-15	Has the Company made a WCD submission?	No	
13	G4-15	Does the Report contain a King III compliance checklist?	Application of King IV	King IV (pg.62-63)
14	G4-16	Is the Company a signatory of the UN Global Impact?	No	
15	G4-16	Is the Company a signatory of any industry-specific regulatory body (e.g. ICM) or the Equator Principles?	No	
16	G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents	Finbond Group Consolidated and Finbond Group Limited	Scope and Boundary (pg.2) Group Structure (pg.15)
17	G4-18	Process for defining the report content and the Aspect Boundaries	King IV, GRI Index & SDTI	
18	G4-19	Material Aspects identified in the process for defining report content	External Environment, Strategy, Performance, Resources & Relationships	Scope and Boundary (pg.2)
19	G4-28	Stated reporting period of the Report	1 March 2023 - 29 Feb 2024	Directors' Report (pg.92-94)
20	G4-28	Month of Financial Year End	February	Cover page
21	G4-29	Date of most recent previous report	Integrated Report for financial year ended February 2024	
22	G4-30	Reporting cycle	Annual	
23	G4-31	Contact point for questions regarding the report or its contents	Finbond Group Head Office Tel: 012 460 7288	
24	G4-32	Is the report GRI-compliant?	Yes	
25	G4-32	What Application Level has been declared?	Core	
26	G4-33	Has the report been assured?	No	
27	G4-33	If so, by whom?	N/A	
28	G4-33	Has the AA1000AS Assurance Standard been used by the assurance provider?	No	
29	G4-33	Has the ISAE3000 Assurance Standard been used by the assurance provider?	No	
30	G4-33	Has the assurance provider identified specific data points that have been tested?	No	

Nr	GRI Ref	Topic	Additional explanations	Ref in Annual Report
31	G4-56	Organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Business Philosophy, Vision/ Mission/Core Values	Business Philosophy (pg.6) Vision/Mission (pg.7) Core Values (pg.8)
32	G4-10	<u>LABOUR</u> Total number of employees	2,341 excl. 186 contractors	History and Development (pg.4-5) Branch Network, Number of Employees and Active Clients (pg.11) Financial Highlights and Indicators (pg.16-17) Chair's Review (pg.18-21) Products (pg.12-13)
33	G4-10	Total number of contractors	186 contractors	Employees (pg.69)
34	G4-10	Total number of employees and contractors	2,527	
35	G4-LA12	Percentage of employees who are deemed 'HDSA'	96%	
36	G4-LA12	Percentage of employees who are women	76%	
37	G4-10	Percentage of employees who are 'permanent'	87%	
38	G4-11	Percentage of employees who belong to a Trade Union	None	
39	G4- LA1 (b)	Employee turnover (i.e. number of persons who departed relative to the total number of employees at year end)	25%	
40		Total number of Person Hours Worked (PHW) - Reported	5,292,557	
41		Total number of Person Hours Worked (HW) - Calculated (i.e. 1 824 HW multiplied by total workforce at year end)	4,312,122	
42		Variance in HW reported, versus calculated (percentage)	122.7%	
43		Total number of employees trained, including internal and external training interventions	2,054	
44		Rand (R'000) Value of Employee Trained Spend	9,296	
45	G4-LA6	Total number of Person Days lost due to Absenteeism	2,891	
46		Percentage of Total Person Days lost due to Absenteeism - Calculated	0.75%	
47		Total number of Person Days lost due to Industrial Action (i.e. strike action)	None	
48		Percentage of Total Person Days lost due to Industrial Action - Calculated	None	
49	G4-EC1	<u>ECONOMIC</u> Rand (R'000) Value of Total Revenue Generated	1,699,062	Financial Highlights and Indicators (pg.16-17)
50		Rand (R'000) Value of Total Revenue Generated per Employee	726	
51	G4-EC1	Rand (R'000) Value of Net Profit Generated	31,799	
52		Rand (R'000) Value of Net Profit per Employee	13.6	Employees (pg.69)
53	G4-EC1	Rand (R'000) Value of Total Compensation Paid to Employees and Contractors, including wages and benefits	450,279	Employees (pg.69)
54		Average Compensation per Employee and Contractors (Rands Thousands)	209	Employees (pg.69)
55	G4-EC1	Total Rand (R'000) Value of Compensation paid to Executive Directors - excluding gain on the exercise of share options	63,023	Remuneration Report - Key Statistics (pg.84)
56		Average Compensation per Executive Director (Rands Thousands) - excluding Gains on the exercise of share options	31,512	Remuneration Report - Key Statistics (pg.84)
57		Ratio of Average Compensation paid to Executive Directors relative to Average Compensation Paid to Employees - excluding "Gains"	143.74	Remuneration Report - Key Statistics (pg.84)
58	G4-EC1	Total Rand (R'000) Value of Gains on the Exercise of Share Options - Executive Directors	0	Remuneration Report - Key Statistics (pg.84)
59		Average Compensation per Executive Director (Rands Thousands) - including "Gains on the exercise of share options"	31,512	Remuneration Report - Key Statistics (pg.84)
60		Ratio: Average Compensation paid to Executive Directors relative to Average Compensation paid to Employees - Including "Gains"	143.74	Remuneration Report - Key Statistics (pg.84)

Nr	GRI Ref	Topic	Additional explanations	Ref in Annual Report
61	G4-EC1	Total Compensation (R'000) Paid to Prescribed Officers - excluding Gains on the exercise of share options	0	Remuneration Report - Key Statistics (pg.84)
62		Average Compensation (R'000) per Executive Director & Prescribed Officers - excluding Gains on the exercise of share options	31,512	Remuneration Report - Key Statistics (pg.84)
63		Ratio: Average Executive Directors' & Prescribed Officers' Compensation relative to Average Employee Compensation - Excluding "Gains"	143.74	Remuneration Report - Key Statistics (pg.84)
64	G4-EC1	Total Rand (R'000) Value Gains on the exercise of share options - Prescribed Officers	0	Remuneration Report - Key Statistics (pg.84)
65		Average Compensation (R'000) per Executive Director & Prescribed Officer - including "Gains on share options exercised"	31,512	Remuneration Report - Key Statistics (pg.84)
66		Ratio: Average Executive Directors & Prescribed Officers relative to average Employee Compensation - including "Gains"	143.74	Remuneration Report - Key Statistics (pg.84)
67		Ratio of Net Loss After Tax per Employee to Average Compensation per Employee	7.4%	Employees (pg.69)
68		Rand (R'000) Value of Total Discretionary/Measure Spend	9,296	Employees (pg.69)
69	G4-EC1	Rand (R'000) Value of Total Taxes Paid, inclusive of VAT, Income Tax, Royalties, Rates & Taxes, and all other payments to Government	N/A	
70	G4-EC1	Rand (R'000) Value of Dividends Paid to Shareholders	43,703	
71	G4-EC1	Rand (R'000) Value of Earnings Retained	31,799	
72		Ratio of Payments to Employees relative to Dividends paid to Shareholders	9.85	
73		Ratio of Payments to Government relative to Dividends paid to Shareholders	N/A	
74		Rand (R'000) Value of Corporate Social Investment (CSI)/Socio-economic Development (SED) expenditures - Reported	1,793	Community and Social Responsibility (pg.73-75)
75	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Education	222	Community and Social Responsibility (pg.73-75)
76	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Skills Development, including Adult Basic Education & Training (ABET)	0	Community and Social Responsibility (pg.73-75)
77	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Health, including HIV/AIDS	0	Community and Social Responsibility (pg.73-75)
78	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Basic Needs & Social Development, including Nutrition and/or Feeding Programmes	243	Community and Social Responsibility (pg.73-75)
79	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Infrastructure Development	0	Community and Social Responsibility (pg.73-75)
80	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Arts, Sports & Culture	13	Community and Social Responsibility (pg.73-75)
81	G4-EC1	Rand (R'000) Value of CSI/SED Spend on Other	127	Community and Social Responsibility (pg.73-75)
82	G4-EC1	Total Rand (R'000) Value of CSI/SED Spend	1,793	Community and Social Responsibility (pg.73-75)
83		Variance between Total CSI/SED Spend Reported...versus Calculated - Rands	0	
84		Variance between Total CSI/SED Spend Reported...versus Calculated - Percentage	0%	
85		CSI Spend as a percentage of Net Profit After Tax (NPAT)	5.6%	
86	G4-EC1	Does the report include a comprehensive discussion of returns on CSI?	Yes	Community and Social Responsibility (pg.73-75)
87	G4-EC1	Rand (R'000) Value of Enterprise Development Spend (i.e. support of small business)	171	
		ENVIRONMENTAL		
88	G4 EN3	Total Direct Energy Consumption (Gigajoules, GJ) – i.e. from fuels burned	346	Environment (pg.80)
89		Total Direct Energy Consumed per Person Hours Worked (MJ/HW)	0.07	Environment (pg.80)
90		Total Indirect Energy Consumption (Gigajoules, GJ) – i.e. from electricity consumed	0	
91		Total Indirect Energy Consumed per person hour worked (MJ/HW)	0	
92		Total Electricity Consumption (MWh)	10,236	Environment (pg.80)
93	G4 EN4	Total Electricity per Person Hour Worked (MWh/HW)	0.002	Environment (pg.80)

Nr	GRI Ref	Topic	Additional explanations	Ref in Annual Report
94	G4 EN3	Total Energy Consumption in Gigajoules - calculated (NEW)	40,357	Environment (pg.80)
95		Does the company report a target for electricity consumption, or reductions, against a specific denominator (e.g. per PHW) (NEW)	No	
96		Does the company report a target for total energy consumption or reductions, against a specific denominator (e.g. per PHW) (NEW)	No	
97	G4EN18	Total Carbon Emissions (Tons of Carbon Dioxide equivalents, CO ₂ e) - calculated	9,814	Environment (pg.80)
98	G4EN18	Average Volume of Carbon Emissions per Person Hour Worked (Tons CO ₂ e/HW)	0.002	
99	G4EN19	Does the company report a target for carbon emissions, or reduction, against a specific denominator (e.g. per PHW). (NEW)	No	
100	G4 EN8	Total Water Consumption (Kilolitres, or Kl)	55,063	Environment (pg.80)
101		Average Quantity of Water (Litres) Consumed per Person Hour Worked (l/HW)	11	Environment (pg.80)
102		Does the company report a target for water consumption, or reduction, against a specific denominator (e.g. per PHW). (NEW)	No	
103	G4EN23	Total Quantity of Non-Hazardous Waste Disposed (Tonnes)	240	Environment (pg.80)
104		Average Quantity of Non-Hazardous Waste per Person Hour Worked (Tonnes/HW)	0.00005	Environment (pg.80)
105	G4EN25	Total Quantity of Hazardous Waste Disposed (Tonnes)	0	
106		Average Quantity of Hazardous Waste per Person Hour Worked (Tonnes/HW)	0	
107	G4EN23	Total Quantity of Waste sent for Recycling (Tonnes)	374	Environment (pg.80)
108		Percentage of Waste disposed of that is sent for recycling	66%	Environment (pg.80)
109	G4 LA6	<u>HEALTH AND SAFETY</u> Number of fatalities (i.e. injuries on duty leading to death...excluding the deaths of workers not occurring 'at work')	0	
110	G4 LA6	Number of First Aid Cases (FACs, i.e. injuries on duty leading to minor treatments, such as a plaster or a pain tablet)	4	
111	G4 LA6	Number of Medical Treatment Cases (MTCs, i.e. injuries on duty leading to medical treatment, but no lost days)	4	
112	G4 LA6	Number of Lost Time Injuries (LTIs, i.e. injuries on duty leading to at least one lost day)	3	
113	G4 LA6	Total Number of Recordable Injuries, including MTCs, LTIs and Fatalities - Reported	3	
114		Total Number of Recordable Injuries, including MTCs, LTIs and Fatalities	3	
115	G4 LA6	Fatal Injury Frequency Rate (FIFR, i.e. number of Fatalities per 200 000 Person Hours Worked) - Reported	0	
116		Fatal Injury Frequency Rate (FIFR, i.e. number of Fatalities per 200 000 Person Hours Worked)	0	
117	G4 LA6	Lost Time Injury Frequency Rate (LTIFR, i.e. Number of LTIs per 200 000 Person Hours Worked) - Reported	0.06%	
118		Lost Time Injury Frequency Rate (LTIFR, i.e. Number of LTIs per 200 000 Person Hours Worked)	0.06%	
119	G4 LA6	Total Recordable Injury Frequency Rate (TRIFR) - Reported	0.06%	
120		Total Recordable Injury Frequency Rate (TRIFR)	0.06%	
121		Does the company report a LTIFR and/or TRIFR target?	No	
122		Total Number of Employees & Contractors receiving Voluntary Counselling and Testing (VCT) for HIV/AIDS (i.e. counselled)	0	
123		Total Number of Employees & Contractors Tested for HIV/AIDS	0	
124		HIV/AIDS Prevalence Rate amongst employees	0%	
125	G4-38	<u>GOVERNANCE</u> Number of Board Members (as at 28 February 2025)	8	Remuneration Report - Key Statistics (pg.84)
126	G4-38	Number of Board Members who are Non-Executive	6	Remuneration Report - Key Statistics (pg.84)
127		Percentage of Board Members who are Non-Executive	75%	Remuneration Report - Key Statistics (pg.84)

Nr	GRI Ref	Topic	Additional explanations	Ref in Annual Report
128	G4-38	Number of Board Members who are deemed 'Independent'	4	Remuneration Report - Key Statistics (pg.84)
129		Percentage of Board Members who are deemed 'Independent'	50%	Remuneration Report - Key Statistics (pg.84)
130	G4-38	Number of Board Members who are deemed 'HDSA'	1	Remuneration Report - Key Statistics (pg.84)
131		Percentage of Board Members who are deemed 'HDSA'	12.5%	Remuneration Report - Key Statistics (pg.84)
132	G4-38	Number of Board Members who are Women	1	Remuneration Report - Key Statistics (pg.84)
133		Percentage of Board Members who are Women	12.5%	Remuneration Report - Key Statistics (pg.84)
134	G4-38	Average Length of Executive Director Service (in years)	16	Remuneration Report - Key Statistics (pg.84)
135	G4-38	Average Length of Non-Executive Director Service (in years)	12	Remuneration Report - Key Statistics (pg.84)
136	G4-38	Average Length of Director (full Board) Service (in years)	13	Remuneration Report - Key Statistics (pg.84)
137	G4 LA12	Average Age of Directors (in years)	65	Remuneration Report - Key Statistics (pg.84)
138		Overall Board and Committee Meeting attendance	100%	Remuneration Report - Key Statistics (pg.84)
139		Auditor Remuneration: % of Non-audit Fees	1.17%	Remuneration Report - Key Statistics (pg.84)
140		Auditor's Rotation Period/Length of Current Auditor's service	6 years	Remuneration Report - Key Statistics (pg.84)
141	G4-39	Independence of Board Chairman	Yes	Remuneration Report - Key Statistics (pg.84)
142		Number of Prescribed Officers	0	Remuneration Report - Key Statistics (pg.84)

DIRECTORS' DECLARATION

I hereby declare that to the best of my understanding this report is in accordance with the Core Guidelines of the G4 Sustainability Reporting Guidelines.

Any questions regarding this report or its contents can be directed to me directly by telephone on +27 (0)12 460 7288 or fax on +27 (0)12 460 7285.



Greg Labuschagne
CPA (CA)
Chief Financial Officer

COMPANY INFORMATION

COMPANY REGISTRATION NUMBER

2001/015761/06

COMPANY SECRETARY

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- Psalm 16:11 -

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

"A life spent making mistakes is not only more honourable, but more useful than a life spent doing nothing."
- George Bernard Shaw -

SOLI DEO GLORIA

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