

Basel Pillar 3 Annual Disclosure

For the Quarter Ended 30 September 2026

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Basel Pillar III Annual Disclosure

For the Quarter Ended 30 Sept 2026

1. OVERVIEW OF RISK MANAGEMENT PROCESSES

Introduction

First National Bank Botswana Limited (FNBB or the Bank) is a wholly owned subsidiary of First National Bank Holdings (Botswana) Limited and forms part of the First Rand Group of Companies.

This Pillar III disclosure report is consistent with:

i. the Bank of Botswana's Directive on the "Revised International Convergence of Capital Measurement and Capital Standards" for Botswana (Basel II Directive); and

ii. the Basel Committee on Banking Supervision's (BCBS) Revised Pillar III Disclosure Requirements.

This report has been internally verified through the Bank's governance processes, in accordance with the FNBB Pillar III Disclosure Policy. The policy outlines the roles and responsibilities of Senior Management and the Board in the preparation, review, and approval of the Pillar III Disclosure.

It aims to ensure that:

- The minimum disclosure requirements set out in the Regulations are met.
- The information disclosed is consistent with the way the Board assesses the Bank's risk profile and
- The disclosure accurately reflects the Bank's financial condition and risk profile.

1.1 Risk profile analysis

Capital adequacy

FNBB has maintained its strong capital position. Capital planning is undertaken on a three-year forward-looking basis and the level and composition of capital is determined considering business units' organic growth plans and stress-testing scenario outcomes. In addition, the Bank considers external issues that could impact capital levels, which include regulatory and accounting changes, macro-economic conditions, and outlook.

Credit risk

FNBB credit loss performance has improved year on year, reflecting lower impairment charges and resilient portfolio performance despite the challenging economic environment. Underlying credit risk fundamentals remain sound and continue to be actively managed under the Credit Risk Management Framework. Credit origination and portfolio management strategies remain aligned to the prevailing economic environment and forward-looking macroeconomic outlook, ensuring that lending practices remain prudent and responsive to emerging risks.

Market risk in the trading book

Foreign exchange risk represents the most significant Market Risk in the trading book exposure as at 30 September 2026. The bank's Market Risk profile remained within risk appetite and managed within the Board and Regulatory acceptable limits.

2. REGULATORY CAPITAL REQUIREMENTS

Table 21: Scope of Application

Qualitative Disclosures	(a)	FIRST NATIONAL BANK OF BOTSWANA LIMITED
	(b)	The consolidation of all group entities for accounting purposes is in accordance with IFRS and for regulatory purposes in accordance with the requirements of the Basel II Regulations. There are no differences in the way entities are consolidated for accounting and regulatory purposes.
	(c)	There are no restrictions, or other major impediments, on the transfer of funds or regulatory capital within the group.
Quantitative Disclosures	(d)	There are no capital deficiencies in any of the subsidiaries, that are not included in the consolidation for regulatory purposes
	(e)	There are no interests in insurance entities.



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For the Quarter Ended 30 Sept 2026

The currency used in this report is Pula, and the lowest denomination used is thousand (P'000).

2.1 Basel III Common Equity Tier I Disclosure Template (With Transitional Adjustments) (Table 22)

Common Equity Tier I capital: instruments and reserves as at 30 Sept 2026		(P'000)
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	51,088
2	Retained earnings	4,566,132
3	Accumulated other comprehensive income (and other reserves)	-
4	Directly issued capital subject to phase out from CET1 CAPITAL (only applicable to non-joint stock companies)	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 CAPITAL)	-
6	**Common Equity Tier I capital before regulatory adjustments**	**4,617,220**
Common Equity Tier I capital: regulatory adjustments		
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	(26,589)
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17	Reciprocal crossholdings in common equity	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	of which: significant investments in the common stock of financials	-
24	of which: mortgage servicing rights	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments (IFRS 9 Provisions Transitional Adjustment)	-
27	Regulatory adjustments applied to Common Equity Tier I due to insufficient Additional Tier I and Tier II to cover deductions	-
28	**Total regulatory adjustments to Common equity Tier I**	(26,589)
29	**Common Equity Tier I capital (CET1 CAPITAL)**	**4,590,631**

2.1 Basel III Common Equity Tier I Disclosure Template (With Transitional Adjustments) (Table 22) *[continued]*

Common Equity Tier I capital: instruments and reserves as at 30 Sept 2026		(P'000)
Additional Tier I capital: instruments		
30	Directly issued qualifying Additional Tier I instruments plus related stock surplus	-
31	of which: classified as equity under applicable accounting standards	-
32	of which: classified as liabilities under applicable accounting standards	-
33	Directly issued capital instruments subject to phase out from Additional Tier I	-
34	Additional Tier I instruments (and CET1 CAPITAL instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	Additional Tier I capital before regulatory adjustments	
37	Investments in own Additional Tier I instruments	-
38	Reciprocal crossholdings in Additional Tier I instruments	-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
41	National specific regulatory adjustments	-
42	Regulatory adjustments applied to Additional Tier I due to insufficient Tier II to cover deductions	-
43	**Total regulatory adjustments to Additional Tier I capital**	**-**
44	**Additional Tier I capital (AT1)**	**-**
45	**Tier I capital (T1 = CET1 CAPITAL + AT1)**	**4,590,631**
Tier I capital: regulatory adjustments		
46	Directly issued qualifying Tier II instruments plus related stock surplus	183,190
47	Directly issued capital instruments subject to phase out from Tier II	-
48	Tier II instruments (and CET1 CAPITAL and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier II)	-
49	of which: instruments issued by subsidiaries subject to phase out	-
50	*Unpublished Current Year's Profits*	474,711
51	**Provisions**	242,210
52	**Tier II capital before regulatory adjustments**	**900,110**
Tier II capital: regulatory adjustments		
53	Investments in own Tier II instruments	-
54	Reciprocal cross-holdings in Tier II instruments	-
55	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold).	-
56	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions).	-
57	National specific regulatory adjustments	-
58	**Total regulatory adjustments to Tier II capital**	-
59	**Tier II capital (T2)**	**900,110**
60	**Total capital (TC = T1 + T2)**	**5,490,741**
61	**Total risk-weighted assets**	**24,372,531**

2.1 Basel III Common Equity Tier I Disclosure Template (With Transitional Adjustments) (Table 22) *[continued]*

Common Equity Tier I capital: instruments and reserves as at 30 Sept 2026		(P'000)
Capital ratios and buffers		
62	Common Equity Tier I (as a percentage of risk weighted assets)	**18.84%**
63	*Tier I (as a percentage of risk-weighted assets)*	**18.84%**
64	*Total capital (as a percentage of risk weighted assets)*	**22.53%**
65	*Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)*	-
66	*of which: capital conservation buffer requirement*	-
67	*of which: bank specific countercyclical buffer requirement*	-
68	*of which: G-SIB buffer requirement*	-
69		
Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets)		
70	*National Common Equity Tier I minimum ratio (if different from Basel III minimum)*	-
71	*National Tier I minimum ratio (if different from Basel III minimum)*	-
72	*National total capital minimum ratio (if different from Basel III minimum)*	-
Amounts below the thresholds for deduction (before risk-weighting)		
73	*Non-significant investments in the capital of other financials*	-
74	*Significant investments in the common stock of financials*	-
75	*Mortgage servicing rights (net of related tax liability)*	-
76	*Deferred tax assets arising from temporary differences (net of related tax liability)*	-
Applicable caps on the inclusion of provisions in Tier II		
77	*Provisions eligible for inclusion in Tier II in respect of exposures subject to standardised approach (prior to application of cap)*	**435,572**
78	*Cap on inclusion of provisions in Tier II under standardised approach*	**252,032**
79	*Provisions eligible for inclusion in Tier II in respect of exposures subject to internal ratings-based approach (prior to application of cap)*	-
80	*Cap for inclusion of provisions in Tier II under internal ratings-based approach*	-
Applicable caps on the inclusion of provisions in Tier II		
81	*Provisions eligible for inclusion in Tier II in respect of exposures subject to standardised approach (prior to application of cap)*	-
82	*Cap on inclusion of provisions in Tier II under standardised approach*	-
83	*Provisions eligible for inclusion in Tier II in respect of exposures subject to internal ratings-based approach (prior to application of cap)*	-
84	*Cap for inclusion of provisions in Tier II under internal ratings-based approach*	-
85	*Current cap on T2 instruments subject to phase out arrangements*	-
86	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	-

2.2 Basel III Common Equity Tier I Disclosure Template (Fully Loaded) (Table 22)

Common Equity Tier I capital: instruments and reserves as at 30 Sept 2026		(P'000)
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	51,088
2	Retained earnings	4,566,132
3	Accumulated other comprehensive income (and other reserves)	-
4	*Directly issued capital subject to phase out from CET1 CAPITAL (only applicable to non-joint stock companies)*	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 CAPITAL)	-
6	**Common Equity Tier I capital before regulatory adjustments**	**4,617,220**
Common Equity Tier I capital: regulatory adjustments		
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	(26,589)
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17	Reciprocal cross-holdings in common equity	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage servicing rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	of which: significant investments in the common stock of financials	-
24	of which: mortgage servicing rights	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments (IFRS 9 Provisions Transitional Adjustment)	-
27	Regulatory adjustments applied to Common Equity Tier I due to insufficient Additional Tier I and Tier II to cover deductions	-
28	**Total regulatory adjustments to Common equity Tier I**	**(26,589)**
29	**Common Equity Tier I capital (CET1 CAPITAL)**	**4,590,631**
Additional Tier I capital: instruments		
30	Directly issued qualifying Additional Tier I instruments plus related stock surplus	-
31	of which: classified as equity under applicable accounting standards	-
32	of which: classified as liabilities under applicable accounting standards	-
33	Directly issued capital instruments subject to phase out from Additional Tier I	-

2.2. Basel III Common Equity Tier I Disclosure Template (Fully Loaded) (Table 22) *[continued]*

Common Equity Tier I capital: instruments and reserves as at 30 Sept 2026		(P'000)
34	Additional Tier I instruments (and CET1 CAPITAL instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	Additional Tier I capital before regulatory adjustments	-
37	Investments in own Additional Tier I instruments	-
38	Reciprocal cross-holdings in Additional Tier I instruments	-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
41	National specific regulatory adjustments	-
42	Regulatory adjustments applied to Additional Tier I due to insufficient Tier II to cover deductions	-
43	**Total regulatory adjustments to Additional Tier I capital**	-
44	**Additional Tier I capital (AT1)**	-
45	**Tier I capital (T1 = CET1 CAPITAL + AT1)**	**4,590,631**
Tier I capital: regulatory adjustments		
46	Directly issued qualifying Tier II instruments plus related stock surplus	183,190
47	Directly issued capital instruments subject to phase out from Tier II	-
48	Tier II instruments (and CET1 CAPITAL and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier II)	
49	*of which: instruments issued by subsidiaries subject to phase out*	-
50	*Unpublished Current Year's Profits*	**474,711**
51	**Provisions**	**242,210**
52	**Tier II capital before regulatory adjustments**	**900,110**
Tier II capital: regulatory adjustments		
53	Investments in own Tier II instruments	-
54	Reciprocal cross-holdings in Tier II instruments	-
55	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold).	-
56	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions).	-
57	National specific regulatory adjustments	-
58	Total regulatory adjustments to Tier II capital	-
59	**Tier II capital (T2)**	**900,110**
60	**Total capital (TC = T1 + T2)**	**5,490,741**
61	**Total risk-weighted assets**	**24,372,531**

2.2. Basel III Common Equity Tier I Disclosure Template (Fully Loaded) (Table 22) *[continued]*

Common Equity Tier I capital: instruments and reserves as at 30 Sept 2026		(P'000)
Capital ratios and buffers		
62	Common Equity Tier I (as a percentage of risk weighted assets)	**18.84%**
63	*Tier I (as a percentage of risk-weighted assets)*	**18.84%**
64	*Total capital (as a percentage of risk weighted assets)*	**22.53%**
65	*Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)*	-
66	*of which: capital conservation buffer requirement*	-
67	*of which: bank specific countercyclical buffer requirement*	-
68	*of which: G-SIB buffer requirement*	-
69		
Tier II capital: regulatory adjustments		
70	National Common Equity Tier I minimum ratio (if different from Basel III minimum)	-
71	National Tier I minimum ratio (if different from Basel III minimum)	-
72	National total capital minimum ratio (if different from Basel III minimum)	-
Amounts below the thresholds for deduction (before risk-weighting)		
73	Non-significant investments in the capital of other financials	-
74	Significant investments in the common stock of financials	-
75	Mortgage servicing rights (net of related tax liability)	-
76	Deferred tax assets arising from temporary differences (net of related tax liability)	-
Applicable caps on the inclusion of provisions in Tier II		
77	Provisions eligible for inclusion in Tier II in respect of exposures subject to standardised approach (prior to application of cap)	**435,572**
78	Cap on inclusion of provisions in Tier II under standardised approach	**252,032**
79	Provisions eligible for inclusion in Tier II in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
80	Cap for inclusion of provisions in Tier II under internal ratings-based approach	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2015 and 1 Jan 2020)		
81	*Current cap on CET1 CAPITAL instruments subject to phase out arrangements*	-
82	*Amount excluded from CET1 CAPITAL due to cap (excess over cap after redemptions and maturities)*	-
83	*Current cap on AT1 instruments subject to phase out arrangements*	-
84	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*	-
85	*Current cap on T2 instruments subject to phase out arrangements*	-
86	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	-

2.3. Transitional Disclosures as at 30 Sept 2026 (Table 22c)

		Sept-26	Jun-26	Mar-26	Dec-25	Sept-25
Available Capital (P'000)						
1	Common Equity Tier 1 (CET1)	4,590,631	4,590,631	4,087,849	4,087,849	4,087,849
1 (a)	Fully loaded ECL accounting model	4,590,631	4,590,631	4,087,849	4,087,849	4,087,849
2	Tier 1	4,590,631	4,590,631	4,087,849	4,087,849	4,087,849
2 (a)	Fully loaded ECL accounting model Tier 1	4,590,631	4,590,631	4,087,849	4,087,849	4,087,849
3	Total Capital	5,490,741	5,012,081	5,340,766	4,925,448	4,978,758
3 (a)	Fully loaded ECL accounting model Total Capital	5,490,741	5,012,081	5,340,766	4,925,448	4,978,758
Risk Weighted Assets (P'000)						
4	Total Risk-Weighted Assets (RWA)	24,372,531	23,091,281	24,369,580	23,707,555	24,831,211
Risk-based Capital Ratios as a Percentage of RWA (%)						
5	Common Equity Tier 1 ratio	18.84%	19.88%	16.77%	17.24%	16.46%
5 (a)	Fully loaded ECL accounting model CET1 ratio	18.84%	19.88%	16.77%	17.24%	16.46%
6	Tier 1 ratio	18.84%	19.88%	16.77%	17.24%	16.46%
6 (a)	Fully loaded ECL accounting model Tier 1 ratio	18.84%	19.88%	16.77%	17.24%	16.46%
7	Total Capital ratio	22.53%	21.71%	21.92%	20.78%	20.05%
7 (a)	Fully loaded ECL accounting model Total Capital ratio	22.53%	21.71%	21.92%	20.78%	20.05%
Additional CET1 Buffer Requirements as a Percentage of RWA						
8	Capital conservation buffer requirements (2.5% from 2019) (%)	-	-	-	-	-
9	Countercyclical requirements (%)	-	-	-	-	-
10	Bank G-SIB or DD-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8+ row 9+ row 10)	-	-	-	-	-
12	CET1 available after meeting the bank's minimum capital requirements (P'000)	-	-	-	-	-

2.4 Capital requirements for credit risk

Portfolios subject to the standardised approach are disclosed separately for each portfolio

Table 24: Capital Adequacy Quantitative Disclosures as at 30 Sept 2026		(P'000)
Portfolio	**RWA**	**Minimum Capital Requirement**
ON-BALANCE SHEET EXPOSURES		
Claims on Sovereign or Central banks	352,912	44,114
Claims on Public Sector Entities (PSEs) - one risk weight less favourable than sovereign	187,546	23,443
Claims on Banks	2,660,342	332,543
Claims on Corporates	4,424,845	553,106
Claims Included in the Retail Portfolios	5,980,826	747,603
Claims Secured by Residential Mortgage Property	1,173,095	146,637
Claims Secured by Commercial Real Estate	3,051,884	381,485
Other Assets	1,603,306	200,413
TOTAL ON-BALANCE SHEET AMOUNT	**19,434,756**	**2,429,345**
OFF BALANCE SHEET EXPOSURES		
Commitments	132,741	16,593
Certain transaction-related contingent items such as performance bonds, bid bonds, warrantees and standby letters of credit related to particular transactions.	546,405	68,301
OTC Derivative transactions and credit derivative contracts	48,671	6,084
Total Failed Trades (sum Unsettled non-DvP trades and Failed non-DvP Trades)	-	-
TOTAL OFF-BALANCE SHEET AMOUNT	**727,816**	**90,977**
TOTAL EXPOSURE	**20,162,572**	**2,520,322**

2.5 Capital requirements for market risk

Standardised Measurement Approach

As at 30 Sept 2026	(P'000)
RWA	**Minimum Capital Requirement**
268,641	**33,580**

2.6 Capital requirements for operational risk

Basic Indicator Approach

As at 30 Sept 2026	(P'000)
RWA	**Minimum Capital Requirement**
3,941,318	**492,665**

2.7 Capital Adequacy ratio

Total and Tier I capital ratio - Standardised approach

Tier I capital	4,590,631
Tier II capital	900,110
Total Qualifying capital	**5,490,741**
Total Risk weighted Asset	**24,372,531**
Tier I capital ratio	**18.84%**
Total capital ratio	**22.53%**

2.8 Expanded Regulatory Balance Sheet

There is no difference between the regulatory consolidation and accounting consolidation.

Table 26: Expanded Regulatory Balance Sheet

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
(P'000)	**As at period end 30 Sept 2026**	**As at period end 30 Sept 2026**	
Assets			
Cash and balances at central banks	911,625	911,625	
Items in the course of collection from other banks	20,043	20,043	
Trading portfolio assets	5,514	5,514	
Financial assets designated at fair value	-	-	
Financial assets held to maturity	13,262,621	13,262,621	
Derivative financial instruments	54,094	54,094	
Loans and advances to banks	3,630,128	3,630,128	
Loans and advances to customers	18,272,356	18,272,356	
Reverse repurchase agreements and other similar secured lending	-	-	
Available for sale financial investments	-	-	
Current and deferred tax assets	37,262	37,262	
Prepayments, accrued income and other assets	992,714	992,714	
Investments in associates and joint ventures	-	-	
Goodwill and intangible assets	26,589	26,589	
of which goodwill	26,589	26,589	A
of which other intangibles (excluding MSRs)	-	-	B
of which MSRs	-	-	C
Property, plant and equipment	569,323	569,323	
Total assets	**37,782,266**	**37,782,266**	
Liabilities			
Deposits from banks	1,166,040	1,166,040	
Items in the course of collection due to other banks	-	-	

2.8 Expanded Regulatory Balance Sheet *[continued]*

Table 26: Expanded Regulatory Balance Sheet [continued]

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
(P'000)	**As at period end 30 Sept 2026**	**As at period end 30 Sept 2026**	
Liabilities (continued)			
Customer accounts	29,108,063	29,108,063	
Repurchase agreements and other similar secured borrowing	214,944	214,944	
Trading portfolio liabilities	-	-	
Financial liabilities designated at fair value	-	-	
Derivative financial instruments	14,200	14,200	
Debt securities in issue	-	-	
Other borrowings	-	-	
Accruals, deferred income and other liabilities	375,362	1,138,472	
Current and deferred tax liabilities	-	-	
Of which DTLs related to goodwill	-	-	D
Of which DTLs related to intangible assets (excluding MSRs)	-	-	E
Of which DTLs related to MSRs	-	-	F
Subordinated liabilities	183,190	183,190	
Provisions	91,682	91,682	
Retirement benefit liabilities	-	-	
Total liabilities	**31,153,482**	**31,916,592**	
Shareholders' Equity			
Paid-in share capital	51,088	51,088	
of which amount eligible for CET1 CAPITAL	51,088	51,088	H
of which amount eligible for AT1	-	-	I
Retained earnings	6,577,696	5,814,586	
Revaluation Reserve	-	-	
Accumulated other comprehensive income	-	-	
Total shareholders' equity	**6,628,784**	**5,865,674**	

2.9 Extract of Basel III common disclosure

Table 27: Extract of Basel III common disclosure

	(P'000)	Component of regulatory capital reported by bank	Source based on Reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2.5
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	51,088	H
2	Retained earnings	4,566,132	
3	Accumulated other comprehensive income (and other reserves)	-	
4	*Directly issued capital subject to phase out from CET1 CAPITAL (only applicable to non- joint stock companies)*	-	
5	Common share capital issued by subsidiaries and held by third parties (amount) allowed in group CET1 CAPITAL)	-	
6	**Common Equity Tier I capital before regulatory adjustments**	**4,617,220**	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	26,589	A-D

3. Main features of the regulatory capital instruments

Table 28: Main features of regulatory capital instruments

	FNBB011	
1	Issuer	**FIRST NATIONAL BANK BOTSWANA**
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN: BW0000002989
3	Governing law(s) of the instrument	Botswana
4	Regulatory treatment	Tier 2 Capital
5	Transitional Basel III rules	Not Applicable
6	Post-transitional Basel III rules	Not Applicable
7	Eligible at solo/group/group and solo	Group
8	Instrument type (types to be specified by each jurisdiction)	Unsecured Subordinated Notes
9	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	BWP 117.75
10	Par value of instrument	BWP100
11	Accounting classification	Borrowings
12	Original date of issuance	15 December 2021
13	Perpetual or dated	10 Years No Call 5 Years
14	Original maturity date	15 December 2031
15	Issuer call subject to prior supervisory approval	Yes
16	Optional call date, contingent call dates and redemption amount	15 December 2026 Optional Call Date, Issuer is entitled to redeem all or some of Notes at Optional Redemption Amount on Optional Redemption Date

Table 28: Main features of regulatory capital instruments [continued]

17	Subsequent call dates, if applicable	Not Applicable
18	Coupons / dividends	Coupons Paid Quarterly
19	Fixed or floating dividend/coupon	Floating
20	Coupon rate and any related index	511 Basis Points Above the Monetary Policy Rate (MoPR)
21	Existence of a dividend stopper	None
22	Fully discretionary, partially discretionary, or mandatory	Mandatory
23	Existence of step up or other incentive to redeem	Not Allowed
24	Noncumulative or cumulative	Not Applicable
25	Convertible or non-convertible	Not Applicable
26	If convertible, conversion trigger (s)	Not Applicable
27	If convertible, fully or partially	Not Applicable
28	If convertible, conversion rate	Not Applicable
29	If convertible, mandatory, or optional conversion	Not Applicable
30	If convertible, specify instrument type convertible into	Not Applicable
31	If convertible, specify issuer of instrument it converts into	Not Applicable
32	Write-down feature	Not Applicable
33	If write-down, write-down trigger(s)	Not Applicable
34	If write-down, full or partial	Not Applicable
35	If write-down, permanent or temporary	Not Applicable
36	If temporary write-down, description of write-up mechanism	Not Applicable
37	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Notes are Subordinated to Claims of General Creditors and Claims of Depositors
38	Non-compliant transitioned features	Fully Compliant
39	If yes, specify non-compliant features	Fully Compliant

Table 28: Main features of regulatory capital instruments

	FNBB012	
1	Issuer	**FIRST NATIONAL BANK BOTSWANA**
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN: BW0000002997
3	Governing law(s) of the instrument	Botswana
4	Regulatory treatment	Tier 2 Capital
5	Transitional Basel III rules	Not Applicable
6	Post-transitional Basel III rules	Not Applicable
7	Eligible at solo/group/group and solo	Group
8	Instrument type (types to be specified by each jurisdiction)	Unsecured Subordinated Notes
9	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	BWP 65.44
10	Par value of instrument	BWP100
11	Accounting classification	Borrowings
12	Original date of issuance	15 December 2021
13	Perpetual or dated	10 Years No Call 5 Years
14	Original maturity date	15 December 2031

Table 28: Main features of regulatory capital instruments [continued]

15	Issuer call subject to prior supervisory approval	Yes
16	Optional call date, contingent call dates and redemption amount	15 December 2026 Optional Call Date, Issuer is entitled to redeem all or some of Notes at Optional Redemption Amount on Optional Redemption Date
17	Subsequent call dates, if applicable	Not Applicable
18	Coupons / dividends	Coupons Paid Semi-Annually
19	Fixed or floating dividend/coupon	Fixed
20	Coupon rate and any related index	7.20%
21	Existence of a dividend stopper	None
22	Fully discretionary, partially discretionary, or mandatory	Mandatory
23	Existence of step up or other incentive to redeem	Not Allowed
24	Noncumulative or cumulative	Not Applicable
25	Convertible or non-convertible	Not Applicable
26	If convertible, conversion trigger (s)	Not Applicable
27	If convertible, fully or partially	Not Applicable
28	If convertible, conversion rate	Not Applicable
29	If convertible, mandatory, or optional conversion	Not Applicable
30	If convertible, specify instrument type convertible into	Not Applicable
31	If convertible, specify issuer of instrument it converts into	Not Applicable
32	Write-down feature	Not Applicable
33	If write-down, write-down trigger(s)	Not Applicable
34	If write-down, full or partial	Not Applicable
35	If write-down, permanent or temporary	Not Applicable
36	If temporary write-down, description of write-up mechanism	Not Applicable
37	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Notes are Subordinated to Claims of General Creditors and Claims of Depositors
38	Non-compliant transitioned features	Fully Compliant
39	If yes, specify non-compliant features	Fully Compliant

Table 29: Explanation of each row of the common disclosure row number

Explanation of each row of the common disclosure Row number	Explanation
1	Instruments issued by the parent company of the reporting group that meet all of the CET1 CAPITAL entry criteria set out in the Directive. This should be equal to the sum of common stock (and related surplus only) and other instruments for non-joint stock companies, both of which must meet the common stock criteria. This should be net of treasury stock and other investments in own shares to the extent that these are already derecognized on the balance sheet under the relevant accounting standards. Other paid-in capital elements must be excluded. All minority interest must be excluded.2
2	Retained earnings, prior to all regulatory adjustments. In accordance with the Directive, this row should include interim profit and loss that has met any audit, verification or review procedures that the Bank has put in place. Dividends are to be removed in accordance with the applicable accounting standards, i.e. they should be removed from this row when they are removed from the balance sheet of the bank.
3	Accumulated other comprehensive income and other disclosed reserves, prior to all regulatory adjustments.
4	Directly issued capital instruments subject to phase-out from CET1 CAPITAL in accordance with the requirements of the Directive. This is only applicable to non-joint stock companies. Banks structured as joint-stock companies must report zero in this row.
5	Common share capital issued by subsidiaries and held by third parties. Only the amount that is eligible for inclusion in group CET1 CAPITAL should be reported here, as determined by the application of the Directive.
6	Sum of rows 1 to 5.
7	Prudential valuation adjustments according to the Directive.
8	Goodwill net of related tax liability, as set out in the Directive.
9	Other intangibles other than mortgage-servicing rights (net of related tax liability), as set out in the Directive.
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability), as set out in the Directive.
11	The element of the cash-flow hedge reserve described in the Directive.
12	Shortfall of provisions to expected losses as described in the Directive.
13	Securitization gain on sale (as set out in paragraph 562 of Basel II framework)
14	Gains and losses due to changes in own credit risk on fair valued liabilities, as described in the Directive
15	Defined-benefit pension fund net assets, the amount to be deducted as set out in the Directive.
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet), as set out in the Directive.
17	Reciprocal cross-holdings in common equity, as set out in the Directive
	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the bank does not own more than 10% of the issued share capital (amount above 10% threshold), amount to be deducted from CET1 CAPITAL in accordance with the Directive.
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold), amount to be deducted from CET1 CAPITAL in accordance with the Directive.
19	Mortgage servicing rights (amount above 10% threshold), amount to be deducted from CET1 CAPITAL in accordance with the Directive.
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability), amount to be deducted from CET1 CAPITAL in accordance with the Directive.
21	Total amount by which the 3 threshold items exceed the 15% threshold, excluding amounts reported in rows 19 to 21, calculated in accordance with the Directive
22	Total amount by which the 3 threshold items exceed the 15% threshold, excluding amounts reported in rows 19 to 21, calculated in accordance with the Directive

Table 29: Explanation of each row of the common disclosure row number [continued]

23	The amount reported in row 22 that relates to significant investments in the common stock of financials
24	The amount reported in row 22 that relates to mortgage servicing rights.
25	The amount reported in row 22 that relates to deferred tax assets arising from temporary differences
26	Any specific regulatory adjustments that the Bank required to be applied to CET1 CAPITAL in addition to the Basel III minimum set of adjustments. Guidance should be sought from the Bank.
27	Regulatory adjustments applied to Common Equity Tier I due to insufficient Additional Tier I to cover deductions. If the amount reported in row 43 exceeds the amount reported in row 36 the excess is to be reported here
28	Total regulatory adjustments to Common equity Tier I, to be calculated as the sum of rows 7 to 22 plus rows 26 and 27.
29	Common Equity Tier I capital (CET1 CAPITAL), to be calculated as row 6 minus row 28.
30	
31	Instruments issued by the parent company of the reporting group that meet all of the AT1 entry criteria set out in the Directive and any related stock surplus as set out in the Directive. All instruments issued by subsidiaries of the consolidated group should be excluded from this row. This row may include Additional Tier I capital issued by an SPV of the parent company only if it meets the requirements set out in the Directive.
32	The amount in row 30 classified as equity under applicable accounting standards.
33	The amount in row 30 classified as liabilities under applicable accounting standards.
34	Directly issued capital instruments subject to phase out from Additional Tier I in accordance with the requirements of the Directive.
35	Additional Tier I instruments (and CET CAPITAL instruments not included in row 5) issued by subsidiaries and held by third parties, the amount allowed in group AT1 in accordance with the Directive
36	The amount reported in row 34 that relates to instruments subject to phase out from AT1 in accordance with the Directive.
37	The sum of rows 30, 33 and 34.
38	Investments in own Additional Tier I instruments, amount to be deducted from AT1 in accordance with the Directive
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the bank does not own more than 10% of the issued common share capital of the entity (net of eligible short positions), amount to be deducted from AT1 in accordance with the Directive.
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions), amount to be deducted from AT1 in accordance with the Directive.
41	Any specific regulatory adjustments that the Bank require to be applied to AT1 in addition to the Basel III minimum set of adjustments. Guidance should be sought from the Bank
42	Regulatory adjustments applied to Additional Tier I due to insufficient Tier II to cover deductions. If the amount reported in row 57 exceeds the amount reported in row 51 the excess is to be reported here.
43	The sum of rows 37 to 42.
44	Additional Tier I capital, to be calculated as row 36 minus row 43.
45	Tier I capital, to be calculated as row 29 plus row 44.
46	Instruments issued by the parent company of the reporting group that meet all of the Tier II entry criteria set out in the Directive and any related stock surplus as set out in the Directive. All instruments issued of subsidiaries of the consolidated group should be excluded from this row. This row may include Tier II capital issued by an SPV of the parent company only if it meets the requirements set out in the Directive.
47	Directly issued capital instruments subject to phase out from Tier II in accordance with the Directive
48	Tier II instruments (and CET1 CAPITAL and AT1 instruments not included in rows 5 or 32) issued by subsidiaries and held by third parties (amount allowed in group Tier II), in accordance with the Directive.
49	The amount reported in row 48 that relates to instruments subject to phase out from T2 in accordance with the Directive.
50	Provisions included in Tier II, calculated in accordance with the Directive.

Table 29: Explanation of each row of the common disclosure row number [continued]

51	The sum of rows 46 to 48 and row 50
52	Investments in own Tier II instruments, amount to be deducted from Tier II in accordance with the Directive.
53	Reciprocal cross-holdings in Tier II instruments, amount to be deducted from Tier II in accordance with the Directive.
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the bank does not own more than 10% of the issued common share capital of the entity (net of eligible short positions), amount to be deducted from Tier II in accordance with the Directive.
55	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions), amount to be deducted from Tier II in accordance with the Directive.
56	Any specific regulatory adjustments that the bank requires to be applied to Tier II in addition to the Basel III minimum set of adjustments. Guidance should be sought from the Bank
57	The sum of rows 52 to 56.
58	Tier II capital, to be calculated as row 51 minus row 57.
59	Total capital, to be calculated as row 45 plus row 58
60	Total risk weighted assets of the reporting group.
61	Common Equity Tier I (as a percentage of risk weighted assets), to be calculated as row 29 divided by row 60 (expressed as a percentage).
62	Tier I ratio (as a percentage of risk weighted assets), to be calculated as row 45 divided by row 60 (expressed as a percentage).
63	Total capital ratio (as a percentage of risk weighted assets), to be calculated as row 59 divided by row 60 (expressed as a percentage).
64	Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets). To be calculated as 4.5% plus 2.5% plus the bank specific countercyclical buffer requirement calculated in accordance with paragraphs 142 to 145 of Basel III plus the bank G-SIB requirement (where applicable) as set out in Global systemically important banks: assessment methodology and the additional loss absorbency requirement: Rules text (November 2011). This row will show the CET1 CAPITAL ratio below which the bank will become subject to constraints on distributions.
65	The amount in row 64 (expressed as a percentage of risk weighed assets) that relates to the capital conservation buffer), ie banks will report 2.5% here.
66	The amount in row 64 (expressed as a percentage of risk weighed assets) that relates to the bank specific countercyclical buffer requirement.
67	The amount in row 64 (expressed as a percentage of risk weighed assets) that relates to the bank's G-SIB requirement.
68	Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets). To be calculated as the CET1 CAPITAL ratio of the bank, less any common equity used to meet the bank's Tier I and Total capital requirements.
69	Common Equity Tier I minimum ratio as per the Directive.
70	Tier I minimum ratio as per the Directive.
71	Total capital minimum ratio as per the Directive.
72	Non-significant investments in the capital of other financials, the total amount of such holdings that are not reported in row 18, row 39 and row 54.
73	Significant investments in the common stock of financials, the total amount of such holdings that are not reported in row 19 and row 23.
74	Mortgage servicing rights, the total amount of such holdings that are not reported in row 20 and row 24.

Table 29: Explanation of each row of the common disclosure row number [continued]

75	Deferred tax assets arising from temporary differences, the total amount of such holdings that are not reported in row 21 and row 25.
76	Provisions eligible for inclusion in Tier II in respect of exposures subject to standardized approach, calculated in accordance with the Directive, prior to the application of the cap.
77	Cap on inclusion of provisions in Tier II under standardized approach, calculated in accordance with the Directive of Basel III.
78	Provisions eligible for inclusion in Tier II in respect of exposures subject to internal ratings-based approach, calculated in accordance paragraph 61 of Basel III, prior to the application of the cap.
79	Cap for inclusion of provisions in Tier II under internal ratings-based approach, calculated in accordance paragraph 61 of Basel III.
80	Current cap on CET1 CAPITAL instruments subject to phase out arrangements as per the Directive.
81	Amount excluded from CET1 CAPITAL due to cap (excess over cap after redemptions and maturities).
82	Current cap on AT1 instruments subject to phase out arrangements in accordance with the Directive.
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) as per the Directive
84	Current cap on T2 instruments subject to phase out arrangements, as per the Directive.
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities), as per the Directive.