

2025 ANNUAL REPORT

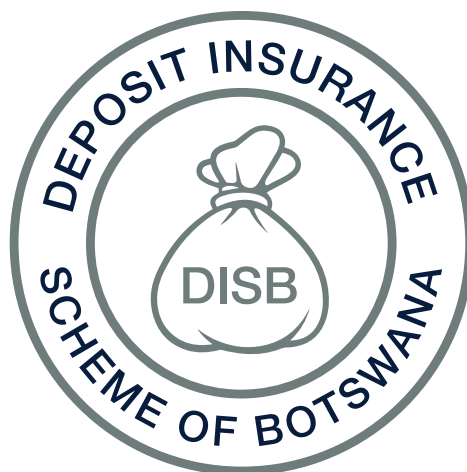
**DEPOSIT INSURANCE SCHEME
OF BOTSWANA**



**Laying the foundation for
safer deposits**







Preamble

The Deposit Insurance Scheme of Botswana (DISB) is required, under regulation 16 of the Bank of Botswana (Deposit Insurance Scheme) Regulations, 2023 (DISB Regulations) to submit to the Minister of Finance, by 31 March of each year, a report on the operations of the DISB, together with audited accounts.

In pursuit of this requirement, the DISB has the pleasure to present the 2025 Annual Report and Audited Financial Statements for the period ended 31 December 2025.



List of Abbreviations

| | |
|--------|---|
| ARC | Africa Regional Committee |
| BSE | Botswana Stock Exchange |
| CAMELS | Capital Adequacy, Asset Quality, Management, Earnings, Liquidity and Sensitivity to Market Risk |
| CIPA | Companies and Intellectual Property |
| DIC | Deposit Insurance Committee |
| DISB | Deposit Insurance Scheme of Botswana |
| D-SIBs | Domestic Systematically Important Banks |
| GDP | Gross Domestic Product |
| IADI | International Association of Deposit Insurers |
| FISC | Finance and Investment Sub Committee |
| FSAP | Financial Sector Assessment Program |
| FSC | Financial Stability Council |
| FIA | Financial Intelligence Agency |
| IFRS | International Financial Reporting Standard |
| MoU | Memorandum of Understanding |
| MTP | Medium-Term Plan |
| NBFIRA | Non-Bank Financial Institutions Regulatory Authority |

Mission, Vision and Values



Vision

The DISB's vision articulates our desired future to become a trusted world-class deposit insurer.



Mission

The DISB is a statutory institution established to protect deposits and enhance financial stability through a sound and sustainable deposit insurance system.

Values

The DISB values are the general guiding principles that will govern how we do business and how we engage our stakeholders.



Integrity

The DISB will act with strong moral principles and honesty in all our engagements with our stakeholders.



Trustworthiness

The DISB will demonstrate reliability, transparency and consistency in everything we do.



Collaboration

The DISB will work together across teams, institutions and stakeholder groups to achieve shared goals.



Excellence

The DISB will strive to be the best in all we do.



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Chairperson's Statement



It is with great pride that I present the Deposit Insurance Scheme of Botswana (DISB) 2025 Annual Report, which is the first to be published under the DISB's inaugural strategic Mid-Term Plan 2025–2029, that was approved by the governing body at its July 2025 sitting. The 2025 Annual Report reviews activities of the first year of a period focused on building the institutional, operational, and financial foundations that should enable the DISB to make significant progress towards its refined mission, vision and goals. As a newly formed institution, the DISB is focused on creating systems, policies, capabilities and partnerships necessary to ensure the long-term stability and credibility of the deposit insurance system. The 2025 Annual Report is organised around the three strategic leverage areas as outlined in the DISB 2025-2029 mid-term plan, which are institutional foundation, financial resilience and stakeholder confidence. These leverage areas are powered by seven strategic objectives.

The DISB has made significant milestones in the financial year under review. The Deposit Insurance Committee (Committee) provided the necessary oversight as the DISB advanced its strategic objectives, strengthened governance, grew the Deposit Insurance Fund, and deepened stakeholder engagement. On governance matters, two Members of the Committee, Mr Mabusa and Ms Masalela retired, and Mr Thatayaone Maxhoo was appointed by the Minister of Finance to replace Ms Masalela effective 1 December 2025. I wish to appreciate the retired Committee Members who guided strategic decision-making, provided invaluable insights, governance, and wisdom throughout their tenure and wish them well in their new endeavours. I also wish to welcome Mr Maxhoo to the Committee and look forward to his contributions given his extensive experience in policy implementation and expertise in insurance.

Looking ahead, I trust that there will be seamless implementation of the new strategy such that it evolves with the dynamics of the financial landscape of Botswana. Last but not least, I extend my heartfelt gratitude to my fellow Committee members, whose wisdom and dedication have been invaluable, the DISB management and staff for their tireless work as well as all stakeholders who have been instrumental in our journey so far. Your unwavering support and dedication have been the driving force behind our achievements.

Clair Mathe-Lisenda

Chairperson

Message from the Director



The 2025 Annual Report is built around our first Strategic Plan, which charts our course for the period 2025-2029. This period is the culmination of extensive internal effort and external engagement, reflecting our shared commitment to protect depositors and foster financial stability in Botswana.

The DISB is still in its formative stage, but our ambition is clear. We aim to build a deposit insurance system that is effective, trusted, and aligned with international best practices. In this annual report, we have grouped our topics for discussion under three powerful strategic leverage areas – Institutional Capability, Financial Resilience, and Stakeholder Confidence. These themes reflect our recognition that deposit insurance is not just about the deposit insurance fund we manage, but also about the systems we build and the trust we earn.

Over the next five years, we will focus on building a solid foundation, including growing the deposit insurance fund to 1 percent of total insurable deposits and laying the groundwork for future legislative autonomy. We will invest in governance, capacity building, public awareness, and partnerships to ensure that the DISB becomes a respected institution within Botswana's financial architecture.

I wish to thank Members of our governing body, the Deposit Insurance Committee, for their vision and guidance, and the DISB staff for their invaluable contribution to teamwork. We will together continue to be guided by our values of integrity, trustworthiness, collaboration and excellence.

Goememang Baattholeng

DIRECTOR

Deposit Insurance Scheme of Botswana



DISB Staff



Part 1 : Management Discussion And Analysis

Part 1 : Management Discussion and Analysis

Operating Environment

The DISB Mid-Term Plan 2025 – 2029 has assessed and identified opportunities that could lead to advantages and growth of the Deposit Insurance Fund as well as challenges that need to be mitigated. The general environment discussed below has a major impact on these market trends and risks.

Economic review

The DISB has a mandate to promote financial stability by enhancing public confidence in the safety of deposits and promoting the stability of member institutions. This function entails monitoring the performance of member institutions under varying economic conditions, with a view to ensuring early detection of vulnerabilities that could lead to distress in some member institutions and to collaborate with the Bank of Botswana to effectively respond to the risk of and actual failure of a member institution.

Estimates from the Ministry of Finance indicate that the domestic economy is estimated to have contracted by 2.8 percent in 2024, largely due to a sharp slowdown in diamond-related activities, compounded by limited economic diversification. This contraction is expected to persist into 2025, with growth projected at -0.4 percent. Notwithstanding, the domestic economy is estimated to rebound to 3.1 percent in 2026. However, in the absence of decisive structural reforms, growth is likely to remain below potential in the short to medium term. In the year 2025, inflation remained relatively subdued. Inflation was at 3.9 percent in December 2025, compared to 1.7 percent in December 2024, therefore, the Bank of Botswana kept the Monetary Policy Rate unchanged at 3.5 percent in December 2025, following its earlier increase

from 1.9 percent to 3.5 percent in October 2025. This policy stance was aimed at strengthening monetary policy transmission, particularly through the effective use of monetary operations tools and the management of market liquidity.

On fiscal policy, it was announced in the 2026/2027 Budget Speech that the Government expects an estimated budget deficit of P26.4 billion, equivalent to 8.9 percent of GDP. The financing strategy for this deficit is expected to draw on a mix of domestic and external borrowing, in particular domestic borrowing due to increased constraints in external resource mobilisation. At the global level, economic conditions remain fragile amid persistent geopolitical tensions, tightening financial conditions, elevated public debt, climate related disruptions and sluggish growth. Notwithstanding, according to the January 2026 International Monetary Fund's World Economic Outlook Update (WEO), global growth is expected to remain unchanged at 3.3 percent in both 2025 and 2026.

On the back of the aforementioned macroeconomic challenges, the November 2025 Financial Stability Report indicated that the domestic financial system remained resilient and continued to be unconstrained in providing financial services to both the households and businesses. Meanwhile, the Financial Stability Council, of which the DISB is a member, recognised the persistence of macro-financial risks, including subdued economic growth, liquidity distribution risks and climate-related risks, that could trigger financial sector vulnerabilities.

Part 1 : Management Discussion and Analysis

Key global developments in deposit insurers

Internationally, the “paybox plus” mandate adopted by the DISB was the most common globally, adopted by 51 percent of deposit insurers in 2024. According to IADI, the share of deposit insurers with this mandate continues to grow significantly in prevalence. This mandate is whereby the deposit insurer has additional responsibilities in resolution over and above reimbursement, such as participating in the resolution decision-making process, supporting the resolution authority in carrying out its functions or authorising the use of its funds to support resolution measures. Accordingly, the Deposit Insurance Fund, which is managed by the DISB could be used for resolution in accordance with Regulation 10 (2) of Bank of Botswana (Deposit Insurance Regulations), 2023. Notwithstanding, the second common mandate, globally, was Loss Minimiser at 21 percent; followed by Risk Minimiser at 17 percent and lastly, Paybox at 11 percent.

On another note, on 28 November 2025, IADI published the revised Core Principles for Effective Deposit Insurance Systems (IADI Core Principles). The IADI Core Principles serve as a foundation for effective deposit insurance systems worldwide and the application of the updated Core Principles is expected to contribute in strengthening financial stability and protecting depositors globally. The revisions reflect structural changes in financial systems, including the growing role of deposit insurers in resolution and digital innovation. The revisions also address insights gained from the banking turmoil in March 2023, which underscored the importance of a coordinated financial safety net, encompassing deposit insurance, resolution and supervision.

Financial sector regulatory developments

During the period under review, the Ministry of Finance commenced the Banking Act of 2023 and promulgated a number of regulations under the Act, including the Banking (Deposit-Taking Institutions) Regulations (Regulations), which, empowers the Bank of Botswana to license deposit-taking institutions. The Regulations came into effect on 15 August 2025. A licensed deposit taking institution automatically becomes a member of the DISB. Hence, the DISB will develop a policy on premium contributions by deposit taking institutions during 2026.

The DISB also continues to carry out work towards achievement of legal, governance, and operational readiness for legislative and corporate autonomy as encapsulated in the Strategic Plan. As part of this work, the DISB is in the process of completing legislative gap analysis, which will inform drafting of a stand-alone legislation, a priority project under the on-going Financial Sector Development Strategy. The stand-alone law, which is dictated by international best practice, emphasises that a deposit insurer should be established under its own primary legislation. The stand-alone legislation will establish the DISB as a fully independent corporate body in order to address gaps that are inherent in the current set up and to enable the DISB to more effectively oversee its mandate without conflicts of interest, and to evolve in line with the needs of Botswana’s financial system.

Workplace environment

During 2025, Staff of the DISB, who are seconded employees from the Bank of Botswana were privileged to benefit from several policies and circulars that were adopted by the Bank of

Part 1 : Management Discussion and Analysis

Botswana. In addition, staff of the DISB attended courses offered by reputable institutions, regionally and internationally on, among others, fund Investment management for deposit Insurance schemes, crisis management and corporate governance. The DISB will continue to ensure that its staff acquires and supplements its skills and competency needs as and when the need arises. The DISB staff establishment remained at five in 2025 as in the previous year. In view of the increased work volume, the Committee approved a request by management to submit additional manpower requests to the Bank of Botswana in 2026.

Overview of Operations

The 2025 Annual Report is organised around the three strategic leverage areas as outlined in the DISB Mid-Term Plan 2025 – 2029. These are:



Strategic leverage area 1: Institutional Foundation

This theme emphasises on building the foundational systems, structures and governance culture required to evolve from the DISB's foundational infancy stage to maturity. The theme also covers the groundwork being laid for eventual legislative autonomy and institutional independence from the Bank of Botswana. The following three strategic objectives drive this leverage area; ensuring an efficient and operationally sound deposit insurance scheme; fostering a culture of governance, accountability and ethical conduct; securing legislative autonomy and institutional independence from the Bank of Botswana.

Building foundational systems and structures

During 2025, the DISB completed several initiatives, which are dedicated towards accomplishment of the strategic objectives under the institutional foundation stage.

| Strategic Objectives | Initiatives completed in 2025 |
|--|--|
| Ensuring an efficient and operationally sound deposit insurance system | Several operating frameworks/internal processes and manuals have been developed and are in use. Strategic planning has been introduced. |
| Fostering a culture of governance, accountability and ethical conduct | A board effectiveness evaluation form has been developed and was used to assess Members' performance for 2025. |
| Securing legislative autonomy and institutional independence from Bank of Botswana | A draft legislative review and gap analysis report has been produced. It will be presented to the Committee for consideration in 2026. |

Part 1 : Management Discussion and Analysis

Enterprise risk management

The DISB currently leverages on the Bank of Botswana’s already established structures for enterprise risk management until such a time that it is fully operationally independent from the Bank of Botswana.

During the period under review, a strategic risk register was developed and approved by the Committee during their end of year meeting. The register highlights key risks with the potential to affect the DISB’s strategic objectives, detailing their key drivers, potential impacts, existing controls, and assigned mitigation actions. The risk register strengthens the DISB’s governance framework by supporting systematic risk monitoring, clearer accountability, and improved alignment of risk management activities with the DISB’s long-term strategic direction.

In addition, staff of DISB participated in risk management activities conducted by the Bank of Botswana Strategic Planning and Risk Management department during 2025. These activities included a Risk Awareness week held under the theme “**Anticipate. Act. Adapt – Risk + Incident Management = Operational Resilience**”; risk management quizzes answered by interacting with Artificial Intelligence tools. The DISB Risk champion also attended training on risk management organised by the same department. The Risk Management Framework relating to investments was embedded in the Investment Policy and the DISB continues to embed risk management in all its activities and to identify and monitor risks attendant on its operations.

Strategic leverage area 2: Financial Resilience

The strategic leverage area on financial resilience focuses on prudent growth and management of the Deposit Insurance Fund (the Fund), underpinned by strong risk analytics and market surveillance capabilities to anticipate and respond to threats to depositor confidence and the financial system.

Membership

The Fund grows primarily through regular premiums or levies paid by member institutions. Membership of the DISB is mandatory for all commercial banks and deposit taking institutions licensed by the Bank of Botswana. As of 31 December 2025, the total number of member institutions of the DISB remained at ten, which included all commercial banks licensed by the Bank of Botswana, as well as Botswana Savings Bank, which is a state-owned bank. All the member institutions have membership certificates which they are required to display in a conspicuous place in all their branches and outlets.

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Members of the DISB as at 31 December 2025



LIST OF MEMBERS OF THE DEPOSIT INSURANCE SCHEME OF BOTSWANA

Absa Bank Botswana Limited
 Access Bank Botswana Limited
 Bank of Baroda (Botswana) Limited
 Bank Gaborone Limited
 BBS Bank Limited
 Botswana Savings Bank
 First Capital Bank Limited
 First National Bank of Botswana Limited
 Stanbic Bank Botswana Limited
 Standard Chartered Bank Botswana Limited.

Administration of the Deposit Insurance Fund (Fund)

The DISB has the responsibility to assess and collect premium contributions from member institutions and to administer the Fund. The DISB's Premium Contributions Policy guides on the rate, calculation and how the premium contributions are to be collected. The DISB collected a total of P72 744 669 from member institutions as premium contributions for the financial year 2025. These funds were invested in Treasury bills and Treasury bonds.

Investment of Fund monies

The DISB invests the Fund monies in Government Treasury Bills and Bonds to preserve the Fund capital and for maintenance of liquidity. However, the DISB may also invest in other securities, as may be determined by the Committee. The DISB's Investment Policy outlines the parameters for investment of Fund monies, the risk appetite and overall investment objective. As at 31 December 2025, the DISB had participated in the monthly Government Securities Auctions and invested a total of P129 000 000 in Treasury bills and Treasury bonds of varying maturities.

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Deposit protection coverage and other uses of the Fund monies

The DISB's coverage limit is set at P250 000 per depositor per member institution in the rare event of failure of a member institution. The DISB protects deposits held by natural persons as well as legal entities, whether they are from Botswana or from other countries. The set limit is standard across all different types of deposits. The set limit, which is higher compared to that of other similar sized deposit insurers, is expected to cover even deposits of small, micro and medium enterprises (SMMEs).

The current coverage limit remains adequate and will be revised as and when necessary, guided by macroeconomic trends, Fund size, and the public policy objectives, in particular, to ensure that most small and unsophisticated depositors in the member institutions are fully covered, while leaving a substantial number of deposits exposed to market discipline, in line with IADI recommendations on coverage. At this coverage limit, it is estimated that 77.5 percent of small retail depositors would be fully covered, whereas in terms of value 12.3 percent of the total deposits are estimated to be covered.

Deposit distribution data as at 31 December 2025

| What if Deposit Insurance Coverage was (amounts in Pula)? | Report the total number of deposits up to and including this level (Pula) | Report the total number of depositors fully covered at this level | Report the percentage of fully covered depositors (Column D as a percentage of total number of depositors in the bank) | Report the number of depositors whose total deposits exceed this level (total depositors less column D) | Report the percentage of the amount of deposits covered at this level to total deposits at the bank (column C as a percentage of the total amount of deposits in the bank) |
|---|---|---|--|---|--|
| 100,000 | 10,449,725 | 1,802,493 | 81.9% | 399,278 | 8.8% |
| 150,000 | 11,550,504 | 1,694,650 | 77.0% | 507,121 | 9.7% |
| 200,000 | 13,122,930 | 1,701,224 | 77.3% | 500,547 | 11.1% |
| 250,000 | 14,564,316 | 1,705,990 | 77.5% | 495,781 | 12.3% |
| 300,000 | 15,740,659 | 1,709,126 | 77.6% | 492,645 | 13.3% |
| 350,000 | 16,825,558 | 1,711,596 | 77.7% | 490,175 | 14.2% |
| 400,000 | 17,877,061 | 1,713,672 | 77.8% | 488,099 | 15.1% |
| 500,000 | 19,497,623 | 1,716,245 | 77.9% | 485,526 | 16.4% |
| >500,000 | 99,225,304 | 2,201,771 | 100.0% | - | 83.6% |
| Total | 118,722,926 | 2,201,771 | | - | 100% |

Source: Commercial banks deposit data

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Monies payable to a protected depositor as compensation in the rare event of failure of a member institution is the major expense of the Fund. Other incidental expenses to be paid out of the Fund include the day-to-day management expenses of the DISB; administration and management expenses of the Fund; repayment of monies borrowed by the DISB as well as costs associated with resolution or liquidation of a member institution.

Deposit data collection and premium assessment

During 2025, the DISB collected detailed data on deposits by ownership category; deposit distribution for determining coverage levels as well as total deposit liabilities of each member institution for the period 31 January 2025 to 31 December 2025 (i.e. period preceding the date of notice to pay premiums for 2026). For purposes of assessment of premium contributions for 2026, average total deposit liabilities for the 12 months, amounting to P77.3 billion (i.e. total insured deposits) were used as the assessment base. At its last meeting of the year on 12 December 2024, the Committee approved the 2025 annual premium rate of 0.1 percent of total insurable deposits payable by member institutions for a period of three years.

Bank performance review

During the period under review, the DISB carried out assessment on the safety and soundness of its member institutions, using the detailed analysis of data obtained from statutory returns, and reports of on-site examinations, that were shared by the Bank of Botswana. The Bank of Botswana shared the results of its CAMELS (Capital adequacy, Asset quality, Management, Earnings and profitability, Liquidity and funding, and

Sensitivity to market risk) ratings with the DISB on a quarterly basis during 2025. The analysis of this data enables the DISB to estimate the potential risk of loss to the Fund should anyone of the member institutions become distressed or non-viable.

A review of quarterly banking sector off-site surveillance reports and on-site examination reports based on CAMELS, showed that overall, the banking industry was adequately capitalised and profitable during the period ended 31 December 2025. The industry capital adequacy ratio (CAR) was above the prescribed minimum threshold of 12.5 percent at 20.3 percent. In addition, all commercial banks remained anchored on strong Common Equity Tier (CET) I, with the industry's CET I to Risk-Weighted Assets averaging 13.6 percent, above the minimum prudential limit of 4.5 percent. Asset quality was satisfactory as reflected by an average NPL ratio of 3.3 percent. Meanwhile, the liquid asset ratio (LAR) was below prescribed minimum threshold of 10 percent, at 5.9 percent. The latter indicates that for most part of the period under review, the banking sector operated in an environment characterised by risks related to tight liquidity conditions. These challenges led to a tightening in monetary conditions, as was reflected by increases in prime lending rates by commercial banks. Under these circumstances, the Bank of Botswana intervened in several ways to support market liquidity. It slashed the primary reserve requirement to zero, which released about P1.8 billion into the market; it extended the maturity of repurchase agreements (repos) with commercial banks from overnight to 7 days. These monetary policy adjustments helped ease the liquidity conditions and were positive for the foreign exchange market.

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Regarding earnings and profitability, the banking industry after-tax profit decreased by 10.1 percent from P4.1 billion in December 2024 to P3.7 billion in December 2025, reflecting a rise in cost of funding. In December 2025, the banking industry's Return on Average Assets and Return on Equity were at 2.5 percent and 26.5 percent, respectively, a decrease from 2.8 percent and 34.1 percent, respectively, recorded in the previous period. The industry Cost-to-Income ratio was 52.4 percent in December 2025, thus within the 50–60 percent prudential range.

Deposit trends analysis

Total customer deposit held by member institutions increased by 2.8 percent, from P111.7 billion in December 2024 to P114.9 billion in December 2025. There was a sharp drop in the growth of household deposits from 12.9 percent in the previous year to 5.3 percent in 2025. On the other hand, growth of business deposits (excluding parastatals) accelerated to 5.3 percent in 2025, from 0.5 percent in the previous year while deposits in foreign currency accounts increased by 1.1 percent in the same period. Given the overall slowdown in deposit growth, the financial intermediation ratio—representing the relationship between bank lending and deposits, remained relatively the same at 81.2 percent in December 2024 and December 2025, indicating that there was relatively minimal increase in the utilisation of deposits by banks to support lending amidst a period of subdued economic activity. However, it is worth noting

that, at 81.2 percent, the industry average intermediation ratio remained slightly above the 50–80 percent preferred range. Notwithstanding, total assets of member institutions recorded an increase of 2 percent over the 12 months period, from P149.2 billion in December 2024 to P151.5 billion in December 2025. Loans and advances accounted for the largest share of the total assets of member institutions at 62 percent and grew by 2.7 percent over the review period; lower than the 8.8 percent in the previous period. In December 2025, total customer deposits held by the two Domestic Systemically Important Banks accounted for 40.3 percent of total deposits held by member institutions.

Total customer deposit held by member institutions increased by 2.8 percent, from

P111.7

billion in December 2024 to

P114.9

billion in December 2025.

Part 1 : Management Discussion and Analysis

Member institutions performance indicators: December 31, 2025

| Indicator | 2025 | 2024 | Indicator | 2025 | 2024 | Indicator | 2025 | 2024 |
|--|-------------|---------|--|----------------|------|---|--------|-------|
| | (P million) | | | Percentage (%) | | | Number | |
| Total customer deposits | 114 894 | 111 656 | Liquid assets/ Uninsured deposits | 55 | 48 | Total number of member institutions | 10 | 10 |
| Total domestic deposit | 91 282 | 88 310 | Core deposits/ Total customer deposits | 23 | 23 | Number of member institutions in distress | nil | nil |
| Total foreign currency deposits | 23 612 | 23 346 | Estimated Insurable deposits/ Total customer deposits | 64 | 65 | Number of member institutions with NPL ratio high than the industry average | 4 | 4 |
| Core deposits (Household Deposits) | 26 857 | 26 009 | Large deposits/ Total customer deposits | 38 | 36 | Number of unprofitable member institutions | 1 | Nil |
| Estimated Average Insured deposits | 73 262 | 72 745 | Large exposures/ Total loans and advances | 29 | 28 | Total number of branches and sub-branches of member institutions | 165 | 158 |
| Total Large Deposits | 44 105 | 41 141 | Average NPL Ratio | 3.3 | 3.4 | Total number of member institutions employees | 5 173 | 5 078 |
| Total assets of unprofitable member institutions | 5 606 | - | Fund Balance / Average Insured deposits (Target fund ratio) | 0.18 | 0.08 | Number of member institutions that failed | Nil | Nil |
| Tier 1 Capital/ Total assets | 9 | 8 | Tier 1 Capital/ Total Risk-weighted assets | 14 | 12 | Tier 1 Capital/ Gross Interest Income | 114 | 109 |

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| | | | |
|--|---------|---------|---|
| Total assets of distressed member institutions | Nil | Nil | <p>Key Highlights</p> <p>Target fund ratio is still very low when compared to the minimum 2 percent recommended as best practice.</p> <p>All member institutions, except one, are profitable, and none are considered distressed.</p> <p>Large deposits make up approximately 38 percent of total customer deposits. These large deposits are volatile especially during conditions of stress.</p> <p>Core deposits, which are usually considered a stable source of funding make up 23 percent of total deposits.</p> |
| Total Capital and Reserves | 17 656 | 15 361 | |
| Total Large Exposures | 25 950 | 24 607 | |
| Total Assets | 151 491 | 149 201 | |
| Total Liabilities | 133 835 | 133 841 | |
| Fund Balance | 130.1 | 56.3 | |

*Fund Balance is Total Fund Balance and Liabilities

The courage limit is set at
P250 000
per depositor per
member institution

Part 1 : Management Discussion and Analysis

Strategic leverage area 3: Stakeholder Confidence

This theme covers efforts to raise public awareness of the DISB, build a trustworthy national brand and engage proactively with member institutions, regulators and other critical partners to ensure alignment and support.

Public awareness campaigns

During the third year of its operation, the DISB continued to engage the public through different platforms, with the view to heighten its public education initiatives, thus ensuring depositors remained assured of the protection offered. Notably, in an effort to provide a more seamless experience for depositors and extend the physical outreach to other parts of the country outside Gaborone, the DISB conducted a mini public road show in Francistown and Palapye towards the end of 2025. Furthermore, the DISB conducted public awareness campaigns through a privately owned radio station; and published its educational pamphlet on newspapers and on its page on the Bank of Botswana website. The public awareness initiatives were done in accordance with DISB Public Awareness and Communications Policy which helps to ensure the effectiveness of the DISB in delivering its public policy objectives of protecting depositors and contributing to financial stability; as well as strengthening and maintaining its credibility. The DISB public awareness activities will be increased gradually as well as being monitored and evaluated on an on-going basis.



DISB branded truck in Francistown during a public awareness campaign on 12 December 2025

Part 1 : Management Discussion and Analysis

Domestic collaboration

During the review period, collaboration with other safety net participants continued to be a significant aspect of the DISB efforts towards information exchange and promoting financial stability. The DISB attended meetings of the Regulatory Policy Committee (RPC) with the Bank of Botswana on 23 September 2025 and on 25 November 2025, where an update on Prudential Supervision of Savings and Credit Cooperative Societies was provided; an Issues Paper on Alignment of Regulatory Capital with Basel III Requirements, a paper on Recommendations for Adoption and Implementation of Suptech and Guidelines on Simplified Due Diligence Measures were discussed. The RPC is one of the Bank's internal Committees in which the DISB is represented by the Director. The DISB also continued to collaborate with the Bank of Botswana on the risk analysis and surveillance of the member institutions to ensure the safety and soundness of member institutions. The finalisation and signing of the Memorandum of Agreement between the Bank of Botswana and the DISB on collaboration and information sharing in fostering financial stability by effectively responding to the risk of, and actual failure of a member institution is expected to be concluded by January 2026.

In addition, the DISB attended all scheduled Financial Stability Council (Council) meetings (in May and November 2025) where the Financial Stability Reports (FSRs) for the period ending 29 March 2025 and 30 September 2025 respectively, were discussed and approved for publication. The

FSR provides an assessment of vulnerabilities and risks to the stability of Botswana's financial system. The Reports indicated that Botswana's financial system remained resilient, and that it was adequately supported by sound regulatory and supervisory frameworks. However, the Council recognised the persistence of macro-financial risks, including subdued economic growth, liquidity distribution risks, climate-related risks, and sectoral vulnerabilities. It was observed that all of these required continued vigilance and, in some instances, proactive policy responses.



Part 1 : Management Discussion and Analysis

International relations and collaboration

During the year under review, the DISB participated in meetings of both IADI (annual meeting and conference held in Lisbon, Portugal) and the ARC (Mombasa, Kenya). The ARC is a Regional Committee of IADI which has been created for Africa specifically to reflect regional interests and common issues through the sharing and exchange of information and ideas. The ARC performs its functions to further the objectives of IADI and acts in the best interest of IADI.

The DISB also participated in the IADI Ad hoc Executive Council meeting held in Taipei, Taiwan in September 2025, wherein the IADI Executive Council approved the revised IADI Core Principles. On 28 November 2025, IADI published the revised Core Principles for Effective Deposit Insurance Systems. The IADI Core Principles serve as a foundation for effective deposit insurance systems worldwide and the application of the updated Core Principles is expected to contribute in strengthening financial stability and protecting depositors globally.



Part 1 : Management Discussion and Analysis



Part 1 : Management Discussion and Analysis



Part 1 : Management Discussion and Analysis

Financial performance analysis

This section provides highlights of the DISB's financial position, financial performance, and cash flows. It should be read in conjunction with DISB's 2025 Annual Financial Statements and notes.

Financial preview

DISB reported a balance sheet growth of 131.1 percent, as total assets increased from P56.3 million in 2024 to P130.1 million in 2025, representing an absolute increase of P73.8 million. The significant expansion in the balance sheet was driven primarily by higher premium contributions received during the year, which directly increased cash holdings and were subsequently deployed into investment assets, particularly Treasury Bills and Treasury Bonds, in line with DISB's conservative investment mandate. Additional contributors included the recognition of a motor vehicle donated by the Bank of Botswana. Collectively, these factors resulted in the Fund's asset base more than doubling compared to the prior year.

Comprehensive income

During the financial year ended 31 December 2025 the DISB earned a total comprehensive income of P74.1 million

Premium contributions

Premium contributions are DISB's primary source of revenue. During the 2025 financial year, the DISB collected a total of P72.7 million in premium contributions from member institutions. These collections were guided by the Premiums Policy approved by the Committee, which prescribes the applicable rate, the calculation methodology, and the procedures for assessing and collecting premiums. For 2025, premiums were charged at a flat rate of 0.1 percent of the average insurable deposits held by each member institution as at 31 December 2024. Premium contributions increased by P41.5 million, rising from P31.2 million in 2024 to P72.7 million in 2025. This increase is largely attributable to the 2025 assessments being based on a full 12-month period, whereas contributions for the 2024 financial year were prorated for six months from the commencement date of the Fund.

Investments

The DISB is mandated by regulation 3(2)(a) to invest in Government treasury bills and bonds to preserve the Fund capital and for maintenance of liquidity. It may also invest in other securities, as may be determined by the Committee.

The Investment Policy in place sets out investment objectives, guidelines, eligible instruments, strategic asset allocation and the Risk Management Framework. This Policy was approved by the Committee at its meeting held

Part 1 : Management Discussion and Analysis

on 5 September 2024, with an effective date of 1 October 2024. During the 2025 financial year, DISB participated in several Government securities auctions, investing in instruments across a range of maturities in line with the Strategic Asset Allocation outlined in the Investment Policy. From these investments, the Fund earned total investment income of P4.2 million during the period under review.

Grants

During the year, and in support of DISB's operational efficiency, the Bank of Botswana generously donated a motor vehicle to facilitate day-to-day operational activities and enhance the DISB's Public Awareness initiatives.

Fund balance

As at 31 December 2025, the Fund balance amounted to P115.1 million, an increase of P74.1 million from the 31 December 2024 balance of P40.98 million. The movement was a result of the net surplus earned during the year.

Non-current liabilities

The Fund's total liabilities declined slightly to P15 million, down from P15.2 million as at 31 December 2024. This reduction was primarily due to the settlement of trade payables. The P15 million related to refundable seed capital advanced by the Government to set up the Fund.

Income tax

The DISB's income is exempt from corporate income tax. The DISB is covered by the exemption under the Second Schedule to the Income Tax Act, and therefore, falls within the ambit of exempt persons for income tax purposes. DISB is also excluded from Withholding Tax that accrues to it. Persons paying DISB are therefore not required to withhold any tax unless on the written instruction of the Botswana Unified Revenue Services.





Part 2 : Corporate Governance Report

Part 2 : Corporate Governance Report

Composition and Role of Deposit Insurance Committee

The DISB is committed to a strong governance framework. This part of the Annual Report presents information about our governing body; the Deposit Insurance Committee (Committee), its subcommittee and activities carried out during the review period.

The Committee is central to the governance of the DISB and is committed to fulfilling its mandate in a manner that is professional, effective, independent and that represents public interest. To this end, the Committee continuously reviews and updates policies and its processes to reflect good governance and best practices.

The Committee, established in terms of regulation 5 of the DISB Regulations, provides for composition of its membership as follows;

- (a) Four members who are not public officers, one of whom is a representative of member institutions; a chairperson is appointed from amongst these members; and

- (b) Three ex-officio members being
 - (i) Permanent Secretary in the Ministry of Finance
 - (ii) Governor of the central bank
 - (iii) Director of the DISB.

In terms of regulation 5(2)(b), the ex-officio members, except for the Director, may designate representatives to be a member of the Committee on their behalf. Members of the Committee are appointed based on their knowledge, skills and experience in disciplines relevant for the functions of the Committee. The members bring independent judgement to the deliberations and decisions of the Committee.

In fulfilling its duties, the Committee is guided by the DISB Regulations, the Committee Charter and the Terms of Reference for the Finance and Investment Subcommittee (FISC).

Part 2 : Corporate Governance Report

Committee and sub-committee meetings and attendance (1 January 2025 – 31 December 2025)

| | Committe | SubCommitte |
|---|----------|-------------|
| Number of meetings | 4 | 6 |
| Attendance | | |
| Independent Members | | |
| Clair Mathe-Lisenda (Committee Chairperson) | 4 | N/a |
| Priscillah Ndadi (Chairperson, Sub Committee) | 4 | 6 |
| Dr Jairos Josiah | 3 | 6 |
| Ex Officio Members | | |
| Mr Goememang Baatlhologeng | 4 | 6 |
| Mrs Sheila M. Sealetsa | 4 | 6 |
| Members who resigned during the year | | |
| Mr Oabile Mabusa (Independent) | 2 | N/a |
| Mrs Patrinah P. Masalela (Ex Officio) | 1 | N/a |

Remuneration and allowances for the committee and sub-committee

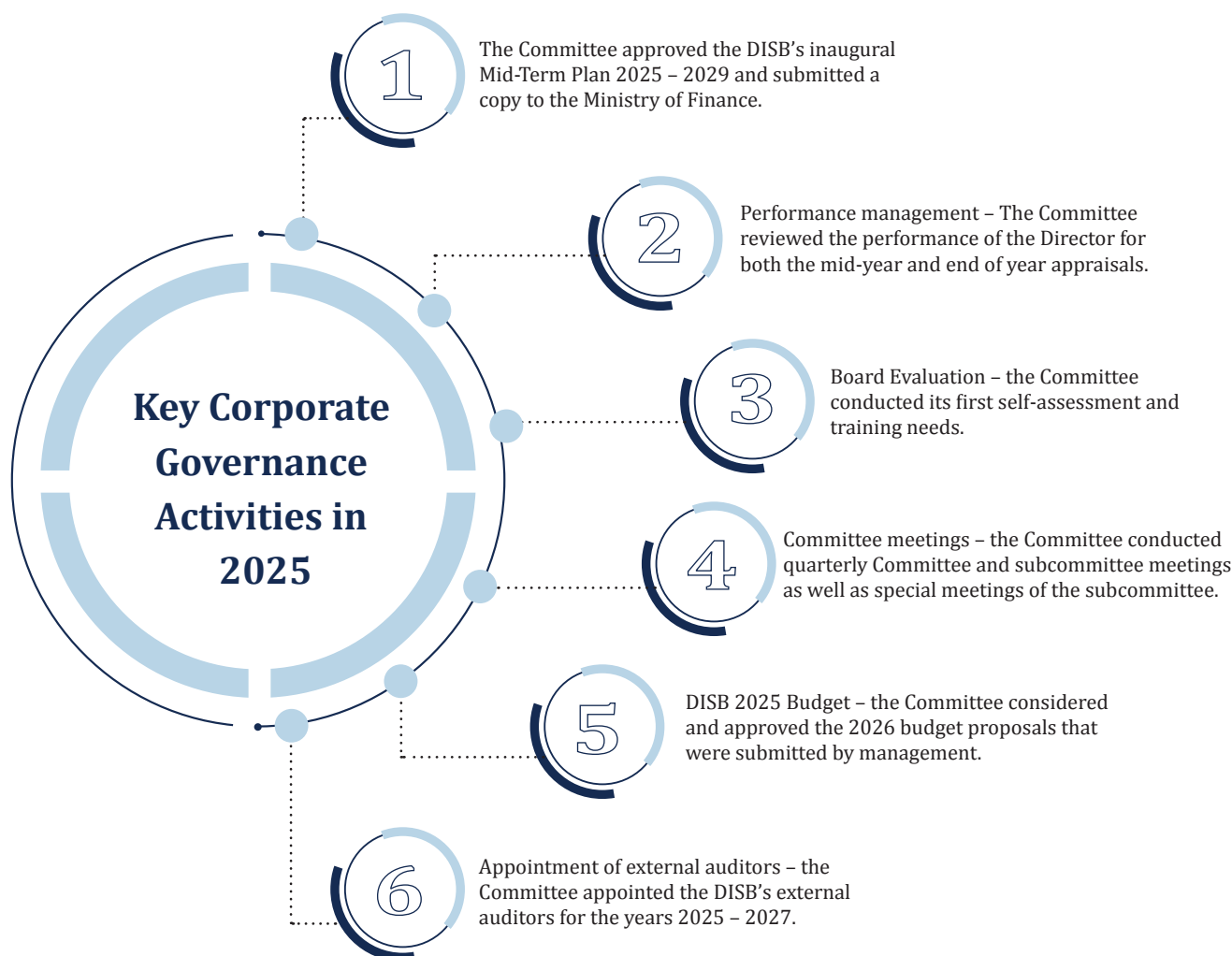
Committee fees and allowances for the period under review were paid in accordance with the Presidential Directive CAB 30B/2023 REV.1 and as may be revised from time to time. In accordance with the Directive, the Chairperson is to be paid P11 250 per sitting and a quarterly retainer fee of P16 875. Ordinary members of the Committee are to receive P10 000 per sitting and a quarterly retainer fee of P15 000.

Part 2 : Corporate Governance Report

Board capacity building and evaluation

Capacity building for Committee Members is of strategic importance to the DISB. Empowering Members on corporate governance best practices, changes in the law and how to effectively discharge their duties ensures that the DISB benefits from a competent, engaged and dynamic Committee. To this end, Members participated in a one-day strategy session

and actively participated in the review of the draft DISB Mid-Term strategic plan 2025-2029. Capacity building on corporate governance was provided to some Members during the year and a board effectiveness evaluation exercise was also undertaken where Members evaluated overall Committee performance across governance, strategy, leadership and stakeholder engagement.



Part 2 : Corporate Governance Report

Deposit Insurance Committee Members



Ms. Clair Mathe-Lisenda
Chairperson



Ms. Priscillah Ndadi



Dr. Jairos Josiah



Ms. Sheila M. Sealetsa



Mr. Thatayaone Maxhoo



Mr. Goememang Baatloleng



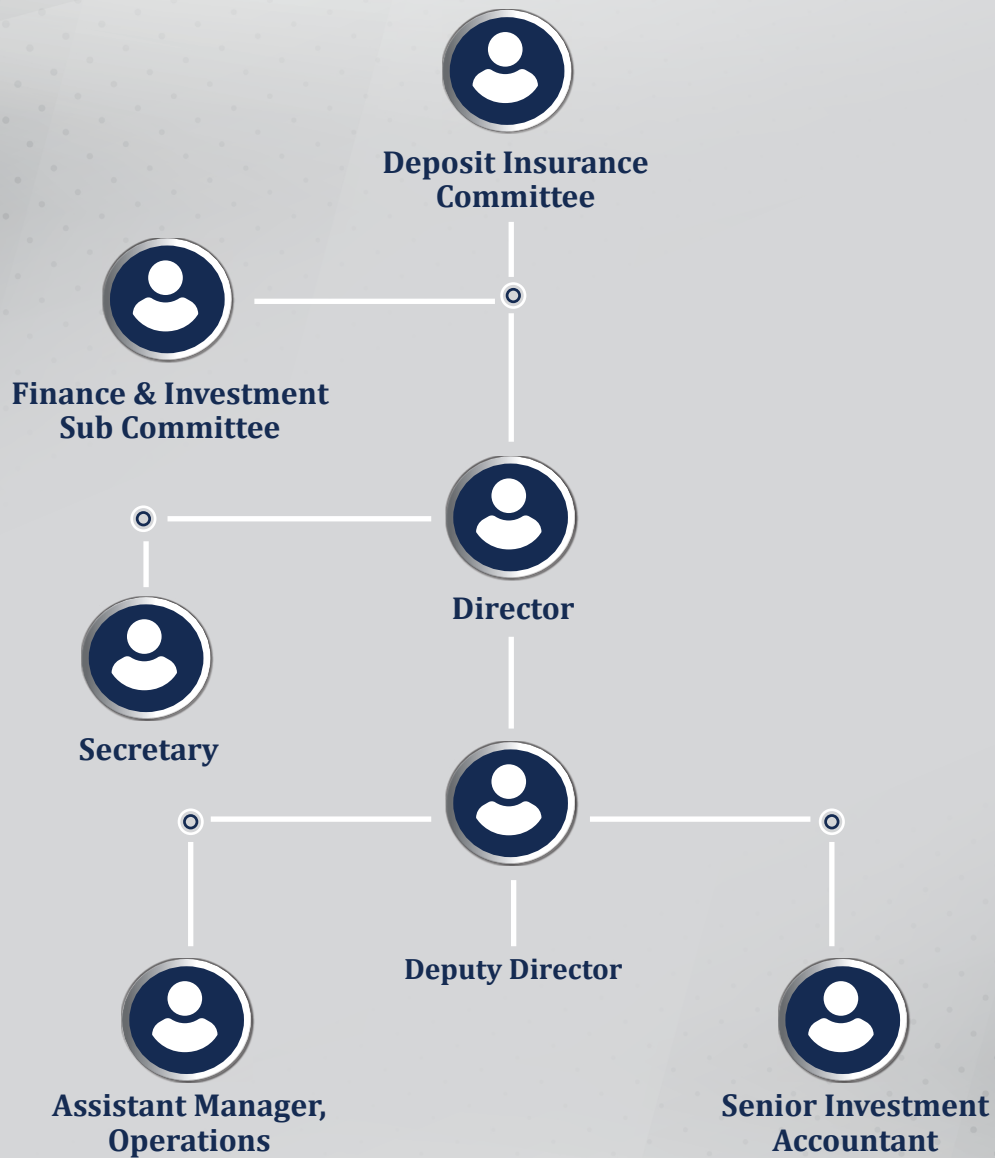
Ms. Patrinah P. Masalela
(Retired 30 April 2025)



Mr. Oabile Mabusa
(Retired 30 September 2025)

Part 2 : Corporate Governance Report

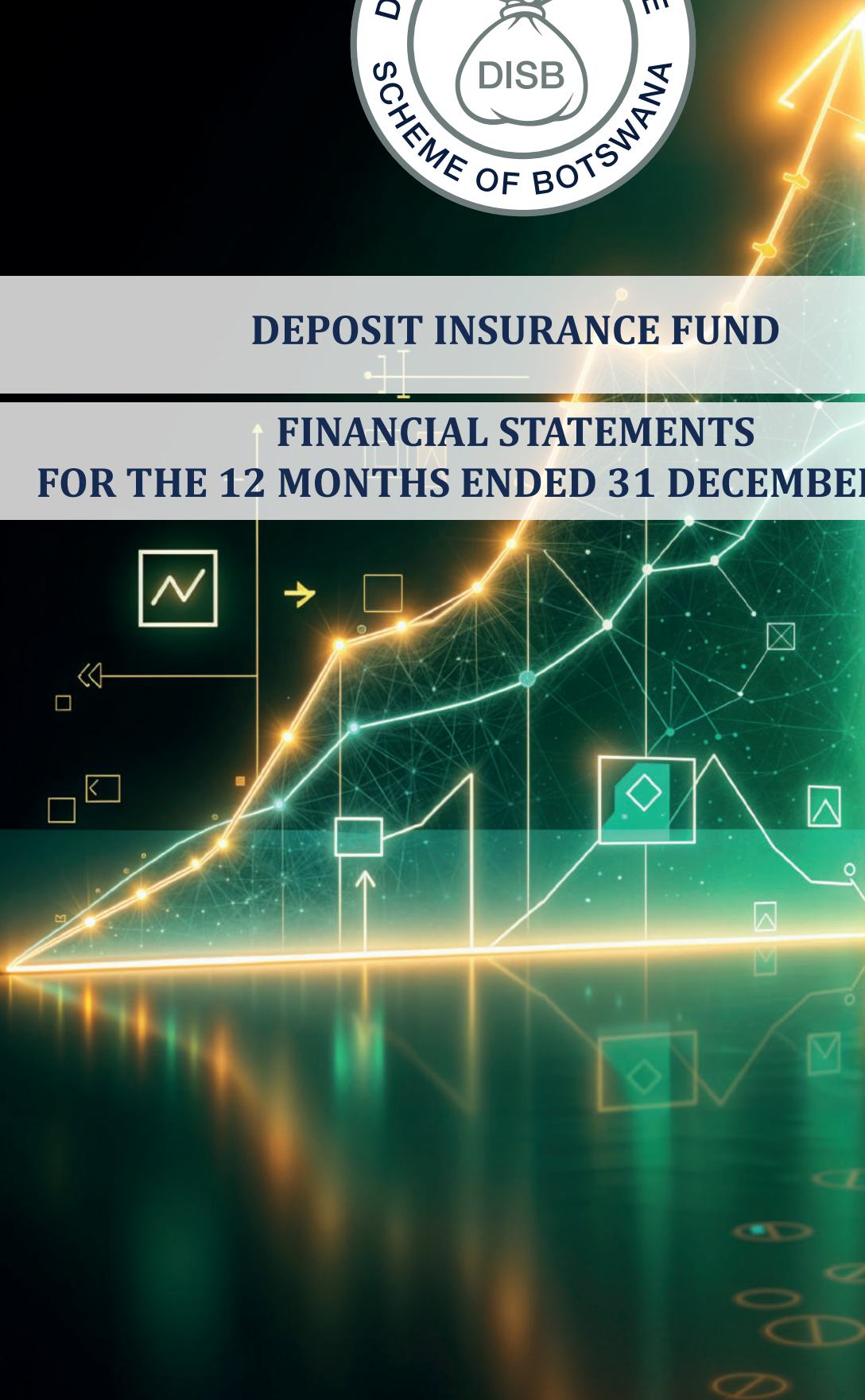
DISB's Organisational Structure





DEPOSIT INSURANCE FUND

FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 DECEMBER 2025





Part 3 : Audited Financial Statements

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

General Information

| | |
|--|---|
| Country of incorporation and domicile | Botswana |
| Nature of business and principal activities | Deposit insurance |
| Committee Members | <p>Ms. Clair Mathe-Lisenda Ms. Priscillah Ndadi Dr. Jairos Josiah Ms. Sheila M. Sealetsa Mr. Goememang Baatlholog Ms. Patrinah P. Masalela (Retired 30 April 2025) Mr. Oabile Mabusa (Retired 30 September 2025) Thatayaone Maxhoo (Appointed 1 December 2025)</p> |
| Registered office | <p>Plot 17938 Khama Crescent Gaborone, Botswana</p> |
| Business address | <p>Plot 17938 Khama Crescent Gaborone, Botswana</p> |
| Bankers | Bank of Botswana |
| Auditors | <p>Deloitte & Touche 2nd Floor Twin Towers, East Building Plot 2883, Fairgrounds Office Park Gaborone, Botswana</p> |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Contents

The reports and statements set out below comprise the financial statements presented to the Deposit Insurance Committee:

| | Page |
|--|-------------|
| Committee Members' Responsibilities and Approval | 3 |
| Committee Members' Report | 4 - 5 |
| Independent Auditor's Report | 6 - 7 |
| Statement of Financial Position | 8 |
| Statement of Profit or Loss and Other Comprehensive Income | 9 |
| Statement of Changes in Fund balance for the year | 10 |
| Statement of Cash Flows | 11 |
| Material Accounting Policies | 12 - 15 |
| Notes to the Financial Statements | 16 - 34 |
| The following supplementary information does not form part of the financial statements and is unaudited: | |
| Detailed Income Statement | 35 - 36 |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Committee Members' Responsibilities and Approval

The Members are required in terms of the Bank of Botswana (Deposit Insurance Scheme) Regulations (SI No. 86 of 2023) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Deposit Insurance Fund (Fund) as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the financial statements.

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

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

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

The Members have reviewed the Fund's cash flow forecast for the 12 months to 31 December 2026 and, in light of this review and the current financial position, they are satisfied that the Fund has or had access to adequate resources to continue in operational existence for the foreseeable future.

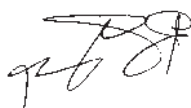
The external auditors are responsible for independently auditing and reporting on the Fund's financial statements. The financial statements have been examined by the Fund's external auditors and their report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 34, which have been prepared on the going concern basis, were approved by the Deposit Insurance Committee on 20 March 2026 and signed on behalf of the Committee on the 31 March 2026 by:

Signed on behalf of the Deposit Insurance Committee by:



Ms. Clair Mathe-Lisenda
Chairperson



Mr. Goememang Baatholeng
Executive Director

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Committee Members' Report

The Members have pleasure in submitting their report on the financial statements of Deposit Insurance Fund for the year ended 31 December 2025.

1. Incorporation

The financial statements presented are for the Deposit Insurance Fund (Fund) which is administered by the DISB. The DISB is a deposit insurer established under Section 43A of the Bank of Botswana (Amendment), 2022 and operationalised through the Bank of Botswana (Deposit Insurance Scheme) Regulations, (2023), that came into effect on 21 July 2023. The Fund operates in Botswana.

2. Nature of business

The Fund administered by the deposit insurer is mandated to provide deposit protection for depositors, through building a sustainable deposit insurance fund, thereby enhancing public confidence in the safety of deposits and promoting stability of the domestic financial system.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards.

- For the 12 months ended 31 December 2025, the Fund has generated revenue from premium contributions of **P 72,744,669**.
- The Fund recorded a net surplus for the 12 months ended 31 December 2025 of **P 74,133,301**.
- The Fund has an accumulated Fund of **P 105,114,633** with net assets worth **P 115,114,633** as at 31 December 2025.
- The Fund has generated cash flows from operating activities amounting to **P 74,025,804** for the 12 months ended 31 December 2025.
- Cash and cash equivalents of the Fund amount to **P 3,638,399** as at 31 December 2025.

4. Membership

| | 2025 | 2024 | 2025 | 2024 |
|------------|------------|------------|-------------------|------|
| Issued | P | P | Number of members | |
| Membership | 10,000,000 | 10,000,000 | 10 | 10 |

Membership of the DISB is mandatory for all commercial banks and deposit taking institutions licensed by the Bank of Botswana (the Bank). As at December 31, 2025, the total number of member institutions of the DISB was 10 (ten), which included all commercial banks licensed by the Bank, as well as Botswana Savings Bank, which is a statutory bank.

Refer to note 8 of the financial statements for detail of the movement in authorised and issued membership.

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Committee Members' Report

5. Committee

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

| Members | Office | Designation | Nationality | Changes |
|---|-------------------|-----------------------|-------------|---------------------------------------|
| Ms. Clair Mathe-Lisenda Chairperson | Chairperson | Non-executive | Motswana | |
| Ms. Priscillah Ndadi | Member | Non-executive | Motswana | |
| Dr. Jairos Josiah | Member | Non-executive | Motswana | |
| Ms. Sheila M. Sealetsa | Ex-officio Member | Non-executive | Motswana | |
| Mr. Goememang Baatlholeng Executive Director | Ex-officio Member | Executive Director | Motswana | |
| Thatayaone Maxhoo | Ex-officio Member | Non-executive | Motswana | Appointed Monday, 01 December 2025 |

6. Events after the reporting period

The Members are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

The Members believe that the Fund has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Members have satisfied themselves that the Fund is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Members are not aware of any new material changes that may adversely impact the Fund. The Members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Fund.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEPOSIT INSURANCE SCHEME OF BOTSWANA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Deposit Insurance Fund set out on pages 8 to 34, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in fund balance for the year and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Deposit Insurance Fund as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The committee members are responsible for the other information. The other information comprises the General Information, Committee Members' Responsibilities and Approval, Committee Members' Report and the Detailed Income Statement. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Partners: CV Ramatlapeng (Botswana)
Associate Directors: T Hove (Zimbabwe) K Zimucha (Zimbabwe)

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF DEPOSIT INSURANCE SCHEME OF BOTSWANA**

Responsibilities of the Committee Members for the Financial Statements

The committee members are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee members are responsible for assessing the fund'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 committee members either intend to liquidate the fund or to cease operations, or have no realistic alternative but to do so.

The committee members are responsible for overseeing the fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

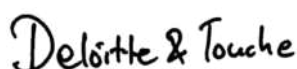
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the committee members' 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 fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee members 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 committee members 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.



Deloitte & Touche
Firm of Certified Auditors
Practicing Member: Tinomuonga Hove (CAP 0047 2026)
Associate Director

31 March 2026
Gaborone

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Statement of Financial Position as at 31 December 2025

| Figures in Pula | Note(s) | 2025 | 2024 18 months |
|---|---------|--------------------|-------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 3 | 227,083 | - |
| Government Bonds | 4 | 39,627,467 | 16,276,577 |
| | | 39,854,550 | 16,276,577 |
| Current Assets | | | |
| Trade and other receivables | 5 | - | 78,080 |
| Government Treasury Bills | 6 | 86,654,525 | 21,589,423 |
| Cash and cash equivalents | 7 | 3,638,399 | 18,320,867 |
| | | 90,292,924 | 39,988,370 |
| Total Assets | | 130,147,474 | 56,264,947 |
| Fund balance and Liabilities | | | |
| Fund balance | | | |
| Membership | 8 | 10,000,000 | 10,000,000 |
| Accumulated Fund | | 105,114,633 | 30,981,332 |
| | | 115,114,633 | 40,981,332 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Paid up Government seed capital | 9 | 15,000,000 | 15,000,000 |
| Current Liabilities | | | |
| Trade and other payables | 10 | 32,841 | 283,615 |
| Total Liabilities | | 15,032,841 | 15,283,615 |
| Total Fund balance and Liabilities | | 130,147,474 | 56,264,947 |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Statement of Profit or Loss and Other Comprehensive Income

| Figures in Pula | Note(s) | 2025 | 2024 18 months |
|---|---------|-------------------|-------------------|
| Revenue | 11 | 72,744,669 | 31,214,759 |
| Other operating income | 12 | 5,058,189 | 3,393,027 |
| Other operating gains | 13 | 4,113 | - |
| Other operating expenses | 19 | (3,673,670) | (3,626,454) |
| Total profit and total comprehensive income for the period | | 74,133,301 | 30,981,332 |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Statement of Changes in Fund balance for the year

| Figures in Pula | Membership | Accumulated Fund | Total fund |
|--|-------------------|---------------------|--------------------|
| Total comprehensive income for the 18 months period | - | 30,981,332 | 30,981,332 |
| Membership issue | 10,000,000 | - | 10,000,000 |
| Total contributions by member institutions | 10,000,000 | - | 10,000,000 |
| Balance at 01 January 2025 | 10,000,000 | 30,981,332 | 40,981,332 |
| Total comprehensive income for the year | - | 74,133,301 | 74,133,301 |
| Balance at 31 December 2025 | 10,000,000 | 105,114,633 | 115,114,633 |
| Note(s) | 8 | | |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Statement of Cash Flows

| Figures in Pula | Note(s) | 2025 | 2024 18 months |
|---|---------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Profit before taxation | | 74,133,301 | 30,981,332 |
| Adjustments for non-cash items: | | | |
| Depreciation | | 75,694 | - |
| Gains on exchange differences | | (4,113) | - |
| Amortised discount on bonds | | (222,585) | - |
| Accrued interest | | (1,083,895) | (308,133) |
| Interest received | | 308,133 | - |
| Discount from prior year | | (525,030) | - |
| Adjust for items which are presented separately: | | | |
| Changes in working capital: | | | |
| Decrease/ (increase) in trade and other receivables | | 78,080 | (78,080) |
| (Decrease)/ Increase in trade and other payables | | (250,774) | 283,615 |
| Cash generated from operations | | 72,508,811 | 30,878,734 |
| Cash flows used in investing activities | | | |
| Purchase of property, plant and equipment | 3 | (302,777) | - |
| Purchases of Government Treasury Bills | 6 | (85,960,000) | (21,474,970) |
| Proceeds from redemption of Government Treasury Bills | | 22,000,000 | - |
| Purchase of Government Bonds | 4 | (22,932,615) | (16,082,897) |
| Net cash used in investing activities | | (87,195,392) | (37,557,867) |
| Cash flows from financing activities | | | |
| Proceeds on membership issue | 8 | - | 10,000,000 |
| Receipt from Government paid up seed capital | 9 | - | 15,000,000 |
| Net cash from financing activities | | - | 25,000,000 |
| Total cash movement for the period | | (14,686,581) | 18,320,867 |
| Cash and cash equivalents at the beginning of the year | | 18,320,867 | - |
| Effect of forex changes on cash and cash equivalents | | 4,113 | - |
| Cash and cash equivalents at the end of the period | 7 | 3,638,399 | 18,320,867 |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Material Accounting Policies

Corporate information

The financial statements presented are for the Deposit Insurance Fund (Fund) which is administered by the DISB. The DISB is a deposit insurer established under Section 43A of the Bank of Botswana (Amendment), 2022 and operationalised through the Bank of Botswana (Deposit Insurance Scheme) Regulations, (2023), that came into effect on 21 July 2023. The Fund operates in Botswana.

The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Deposit Insurance Committee on 20 March 2026.

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these financial statements.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Pulas, which is the Fund's functional currency.

1.2 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

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

| Item | Depreciation method | Average useful life |
|----------------|---------------------|---------------------|
| Motor vehicles | Straight line | 25% |

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.3 Financial instruments

Financial instruments are recognised when the DISB becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

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

The material accounting policies for each type of financial instrument held by the Fund are presented below:

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Material Accounting Policies

1.3 Financial instruments (continued)

Loans receivable at amortised cost

Management have assessed and classified Government Bonds as financial assets at amortised cost.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Expected Credit Loss (ECL) is required for all financial assets measured at amortized cost or FVOCI. However, the Fund is restricted to investing in government bonds and treasury bills which are issued by a highly rated sovereign entity. They are generally considered to have low default risk. The expected credit losses (ECL) of this type of investments' impact is typically immaterial due to low credit risk, and no ECL provision is required under IFRS 9's low credit risk exemption.

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

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

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Investments in debt instruments at fair value through profit or loss

The Fund holds investments in Government Treasury Bills which are measured at fair value through profit or loss. Although they are debt instruments, management have concluded that they do not qualify to be measured at amortised cost or fair value through other comprehensive income. Refer to note 6.

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Trade and other payables include amounts which have been denominated in foreign currency. Foreign exchange gains or losses are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with Bank of Botswana, other short-term highly liquid investments with original maturities of three months or less.

Cash and cash equivalents are classified as financial assets at amortised cost. Cash and cash equivalents are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these cash and cash equivalents give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Fund's business model is to collect the contractual cash flows on these cash and cash equivalents.

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Material Accounting Policies

1.3 Financial instruments (continued)

Derecognition

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.4 Tax

Income tax

The Fund is formed and established through an amendment to the Bank of Botswana Act. As a creature of this statute, the Fund is covered by the exemption under the Second Schedule to the Income Tax Act and therefore falls within the ambit of exempt persons for income tax purposes. The Fund, albeit exempt, may have other tax obligations which if applicable is required to register for, such as Pay As You Earn (PAYE), Value Added Tax (VAT) and Other Withholding Tax (OWHT).

1.5 Employee benefits

Short-term employee benefits

The Bank of Botswana has seconded its staff members to implement operations of the Fund. As such all employees costs except for short-term training related costs are borne by the Bank of Botswana.

1.6 Provisions and contingencies

The Fund recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the fund will be required to settle the obligation.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

1.7 Revenue from contracts with customers

The Fund recognises revenue from premium contributions billed to member institutions.

Premium contributions are recognised as revenue over time as the Fund provides continuous coverage to depositors. Revenue is recognised on a systematic basis that reflects the passage of time and the ongoing obligation to protect depositors. The Fund provides financial protection services to depositors, which represents a continuous service over the coverage period. As a result, revenue from premiums is recognised on a straight-line basis over the coverage period.

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Material Accounting Policies

1.8 Translation of foreign currencies

Foreign currency transactions

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

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Cash flows arising from transactions in a foreign currency are recorded in Pulas by applying to the foreign currency amount the exchange rate between the Pula and the foreign currency at the date of the cash flow.

1.9 Provision for deposit claims

The Fund only recognises provisions for deposit claims at such time when a member institution is deemed to be susceptible to failure. The Fund provides for probable deposit claims resulting from a member institution's failure at such a time where a CAMELS (Capital adequacy, Asset quality, Management capability, Earnings, Liquidity and Sensitivity to market risk) rating of the member institution shows signs of stress and probable failure. In accordance with regulation 27 (1), the Fund shall provide for a maximum claim of P250 000.00 of the aggregate credit balance of any deposit accounts maintained by the depositor with the respective member institution. Periodic adjustments to the claims provisions are made based on the CAMELS performance of member institutions.

1.10 Grants

Grants are financial assistance provided by the Government and related entities in the form of transfers of resources to the Fund in exchange for compliance with certain conditions related to its operating activities. Grants are used to advance operations of the Fund. Grants relating to operating activities are recognised in profit or loss on a systematic basis over the periods in which the related expenses are incurred. These grants are presented as other income in the statement of profit or loss.

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

18 months

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|--|--|---|
| <ul style="list-style-type: none"> Lack of exchangeability - amendments to IAS 21 | 01 January 2025 | The impact of the amendments is not material. |

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the Fund's accounting periods beginning on or after 01 January 2026 or later periods but are not relevant to its operations:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|--|--|
| <ul style="list-style-type: none"> Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Still to be determined | Unlikely there will be a material impact |
| <ul style="list-style-type: none"> IFRS 19 Subsidiaries without Public Accountability: Disclosures | 01 January 2027 | Unlikely there will be a material impact |
| <ul style="list-style-type: none"> IFRS 18 Presentation and Disclosure in Financial Statements | 01 January 2027 | Unlikely there will be a material impact |
| <ul style="list-style-type: none"> Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards. | 01 January 2026 | Unlikely there will be a material impact |
| <ul style="list-style-type: none"> Amendments to IFRS 7 Financial Instruments: Disclosures | 01 January 2026 | Unlikely there will be a material impact |
| <ul style="list-style-type: none"> Amendments to IFRS 9 Financial Instruments | 01 January 2026 | Unlikely there will be a material impact |
| <ul style="list-style-type: none"> Amendments to IFRS 10 Consolidated Financial Statements | 01 January 2026 | Unlikely there will be a material impact |
| <ul style="list-style-type: none"> Amendments to IAS 10 Statement of Cash flows | 01 January 2026 | Unlikely there will be a material impact |
| <ul style="list-style-type: none"> Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments. | 01 January 2026 | Unlikely there will be a material impact |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

Figures in Pula

| | 2025 | 2024 |
|--|------|------|
|--|------|------|

3. Property, plant and equipment

| | 2025 | 2024 |
|--------------------------|----------|------|
| Cost or revaluation | 302,777 | - |
| Accumulated depreciation | (75,694) | - |
| Carrying value | 227,083 | - |

Motor vehicles

Reconciliation of property, plant and equipment - 2025

| | Opening balance | Additions | Depreciation | Total |
|----------------|-----------------|-----------|--------------|---------|
| Motor vehicles | - | 302,777 | (75,694) | 227,083 |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

Figures in Pula

2025 2024

4. Government Bonds

In the current year, the Fund has participated in the following Bond issues:

- BOTSGB0527 Government Bond, purchased on 28 May 2025.

In the prior year, the Fund has participated in the following Government Bond issues:

- BOTSGB0929 Government Bond, purchased on 27 November 2024.
- BOTSGB0527 Government Bond, purchased on 1 November 2024.

2025

| Oustanding Government Bonds | Coupon rate | Nominal value | Discount | Bonds purchased during the year | Purchase price | Amortised discount for the period | Face value | Interest accrued | Interest received |
|--|-------------|---------------|----------|---------------------------------|----------------|-----------------------------------|------------|------------------|-------------------|
| BOTSGB0929 (maturing on 5 September 2029) | 4.80 % | 7,000,000 | 830,571 | - | 6,169,429 | 164,153 | 6,333,582 | 108,597 | 336,000 |
| BOTSGB0527 (maturing on 5 May 2027) | 5.50 % | 33,000,000 | 153,917 | 22,932,615 | 32,846,083 | 58,432 | 32,904,515 | 280,773 | 1,182,500 |
| Subtotal | 10 | 40,000,000 | 984,488 | 22,932,615 | 39,015,512 | 222,585 | 39,238,097 | 389,370 | 1,518,500 |

Bonds (carrying amounts)

The bonds carry a fixed interest rate per annum and their carrying amounts approximate their fair values.

2024

Oustanding Government Bonds

| Oustanding Government Bonds | Coupon rate | Nominal value | Discount | Purchase price | Interest accrued | Interest Received |
|--|-------------|---------------|----------|----------------|------------------|-------------------|
| BOTSGB0929 (maturing on 5 September 2029) | 4.80% | 7,000,000 | 830,571 | 6,169,429 | 108,597 | - |
| BOTSGB0527 (maturing on 5 May 2027) | 5.5% | 10,000,000 | 86,532 | 9,913,468 | 85,083 | - |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

Figures in Pula

2025 2024

4. Government Bonds (continued)

| | | |
|--|---------------|--------------------|
| | 2025 | 2024 |
| | 10 17,000,000 | 917,103 16,082,897 |
| | - | - |

Bonds (carrying amounts)

The bonds carry a fixed interest rate per annum and their carrying amounts approximate their fair values.

5. Trade and other receivables

Financial instruments:

Accrued interest income

Total trade and other receivables

| | | |
|--|---|--------|
| | - | 78,080 |
| | - | 78,080 |

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost

| | | |
|--|---|--------|
| | - | 78,080 |
|--|---|--------|

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

Figures in Pula 2025 2024
18 months

6. Government Treasury Bills

In prior year, the Fund participated in the following Government Treasury Bills issues: :

- BOTSTB0425 Government Treasury Bill, purchased on 1 November 2024.
- BOTSTB0425 Government Treasury Bill, purchased on 1 November 2024.

In current year, the Fund has participated in the following Government treasury bills issues:

- BOTSTB0825(6014) Government Treasury Bill, purchased on 27 February 2025.
- BOTSTB0825(6162) Government Treasury Bill, purchased on 28 May 2025.
- BOTSTB1225(6170) Government Treasury Bill, purchased on 28 May 2025.
- BOTSTB0426(6501) Government Treasury Bill, purchased on 2 October 2025.
- BOTSTB0426(6774) Government Treasury Bill, purchased on 31 December 2025.
- BOTSTB0626(6782) Government Treasury Bill, purchased on 31 December 2025.

2025

| Outstanding Government Treasury Bills | Coupon rate | Nominal value | Discount | Purchase price | Interest accrued | Interest received |
|--|-------------|---------------------|------------------|-------------------|------------------|-------------------|
| BOTSTB0426/6501 (maturing 01 April 2026) | - | 39,000,000 | 1,365,000 | 37,635,000 | 682,500 | - |
| BOTSTB0426/6774 (maturing on 01 April 2026) | - | 25,000,000 | 525,000 | 24,475,000 | 5,706 | - |
| BOTSTB0626/6782 (maturing on 30 June 2026) | - | 25,000,000 | 1,150,000 | 23,850,000 | 6,319 | - |
| | | - 89,000,000 | 3,040,000 | 85,960,000 | 694,525 | - |

Debt investments at fair value through profit or loss 86,654,525

2024

| Outstanding Government Treasury Bills | Coupon rate | Nominal value | Discount | Purchase price | Interest accrued | Interest received |
|---|-------------|---------------------|----------------|-------------------|------------------|-------------------|
| BOTSTB0425 (maturing on 30 April 2025) | - | 11,000,000 | 162,030 | 10,837,970 | 54,607 | - |
| BOTSTB1125 (maturing on 5 November 2025) | - | 11,000,000 | 363,000 | 10,637,000 | 59,846 | - |
| | | - 22,000,000 | 525,030 | 21,474,970 | 114,453 | - |

Debt investments at fair value through profit or loss 21,589,423
 The carrying amounts of the treasury bill approximate their fair values

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

| Figures in Pula | 2025 | 2024 18 months |
|-----------------|------|-------------------|
|-----------------|------|-------------------|

7. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|--|------------------|-------------------|
| Bank balances | 3,638,399 | 2,436,067 |
| Government treasury bills (3-month maturity on principal amount only) | - | 15,884,800 |
| | 3,638,399 | 18,320,867 |

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default rates:

Credit rating

| | | |
|----------|-----------|------------|
| A-2/ BBB | 3,638,399 | 18,320,867 |
|----------|-----------|------------|

All bank balances are held in local currency (Botswana Pula).

8. Membership

Issued

| | | |
|---------------------------------------|------------|------------|
| 10 ordinary memberships fully paid up | 10,000,000 | 10,000,000 |
|---------------------------------------|------------|------------|

The DISB's membership comprises 10 member institutions, each having paid P1,000,000.00 to be a member of the DISB.

9. Paid up Government seed capital

Paid up government seed capital consists of a sum P15,000,000.00 lent by the Government of Botswana to the Fund for purposes of establishing the Deposit Insurance Fund. This is initial refundable seed capital, as may be determined by Government.

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

Figures in Pula

| | 2025 | 2024 18 months |
|--|------|-------------------|
|--|------|-------------------|

10. Trade and other payables

Financial instruments:

| | | |
|-------------------------|---------------|----------------|
| Trade payables | - | 280,615 |
| Other Withholding Tax | 6,125 | - |
| Committee fees payable | - | 3,000 |
| Accounting fees accrual | 26,716 | - |
| | 32,841 | 283,615 |

Financial instrument components of trade and other payables

| | | |
|-------------------|--------|---------|
| At amortised cost | 32,841 | 283,615 |
|-------------------|--------|---------|

Exposure to currency risk

The net carrying amounts, in Pula, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amount at the closing rate at the reporting date.

Pula Amount

| | | |
|------|--------|---------|
| Pula | 32,841 | 223,613 |
|------|--------|---------|

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

11. Revenue

Revenue

| | | |
|----------------------------|------------|------------|
| Deposit insurance premiums | 72,744,669 | 31,214,759 |
|----------------------------|------------|------------|

Disaggregation of revenue

The Fund disaggregates revenue from customers as follows:

Rendering of services

| | | |
|----------------------------|------------|------------|
| Deposit insurance premiums | 72,744,669 | 31,214,759 |
|----------------------------|------------|------------|

Timing of revenue recognition

Over time

| | | |
|-----------------------|------------|------------|
| Rendering of services | 72,744,669 | 31,214,759 |
|-----------------------|------------|------------|

12. Other operating income

| | | |
|--------------------|------------------|------------------|
| Grant income | 649,390 | 2,943,465 |
| Interest income | 4,186,213 | 449,562 |
| Amortised discount | 222,586 | - |
| | 5,058,189 | 3,393,027 |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

| Figures in Pula | 2025 | 2024 18 months |
|-----------------|------|-------------------|
|-----------------|------|-------------------|

13. Other operating gains

Foreign exchange gains

Net foreign exchange gains

4,113

-

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

| Figures in Pula | 2025 | 2024 18 months |
|-----------------|------|-------------------|
|-----------------|------|-------------------|

14. Related parties

The Fund's related parties include its key management, the Bank of Botswana and the Government of Botswana. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any Members (whether executive or otherwise) of the entity.

| | |
|---------------------------|---|
| Relationships | |
| Founder-contributor | The Government of Botswana |
| Inaugral administrator | The Bank of Botswana |
| Members of key management | Ms. Clair Mathe-Lisenda (Chairperson) Ms. Priscillah Ndadi (Member) Dr. Jairos Josiah (Member) Ms. Sheila Sealetsa (Ex-officio member) Thatayaone Maxhoo (Ex-officio Member) Mr. Goememang Baathholeng (Executive Director and Ex-officio member) Ms. Bonno Theleso (Deputy Executive Director) |

Related party balances

Loan accounts - Owing (to) by related parties

| | | |
|--|------------|------------|
| Government of Botswana-paid up Government seed capital | 15,000,000 | 15,000,000 |
|--|------------|------------|

Refer to note 9 for details of the terms and conditions of the loan.

Amounts included in Trade Payable regarding related parties

| | | |
|--|---|---------------|
| Misallocated funds payable to Bank of Botswana | - | 57,000 |
| Committee fees payable to Bank of Botswana | - | 3,000 |
| | - | 60,000 |

Cash & Cash equivalents held at related parties

| | | |
|---|------------------|-------------------|
| Bank of Botswana* | 3,638,399 | 2,436,067 |
| Treasury Bill - Government of Botswana* | - | 15,884,800 |
| | 3,638,399 | 18,320,867 |

*Refer to note 16 for restatement.

Amounts included in Trade receivables regarding related parties

| | | |
|---|---|--------|
| Accrued interest income - Government of Botswana* | - | 78,080 |
|---|---|--------|

*Refer to note 16 for restatement.

Amounts included in Non-Current assets

| | | |
|--|------------|------------|
| Government of Botswana - Government Bonds* | 39,627,467 | 16,276,577 |
|--|------------|------------|

*Refer to note 16 for restatement

Amounts included in Treasury Bills

| | | |
|---|------------|------------|
| Government of Botswana - Government Treasury Bills* | 86,654,525 | 21,859,423 |
|---|------------|------------|

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

Figures in Pula

2025

2024
18 months

14. Related parties (continued)

*Refer to note 16 for restatement

Related party transactions

Funds received from related parties

| | | |
|------------------------------------|---------|------------|
| Grant income from Bank of Botswana | 649,390 | 2,943,465 |
| Paid up Government seed capital | - | 15,000,000 |

Income received from related parties

| | | |
|-------------------------|-----------|---------|
| Government of Botswana* | 4,186,213 | 449,562 |
|-------------------------|-----------|---------|

*Refer to note 16 for restatement.

Payments made to related parties

| | | |
|--|-------------|------------|
| Government of Botswana - Purchase of Government Bonds & Treasury Bills | 108,892,615 | 37,557,867 |
|--|-------------|------------|

*Refer to note 16 for restatement

Compensation to directors and other key management

| | | |
|-------------------------------|---------|---------|
| Committee sitting allowances* | 757,346 | 520,625 |
|-------------------------------|---------|---------|

**As Bank of Botswana staff seconded to the Fund, the Directors' compensation is maintained by Bank of Botswana.

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

Figures in Pula 2025 2024
18 months

15. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

| | Note(s) | Fair value through profit or loss - Designated | Amortised cost | Total | Fair value |
|---------------------------|---------|--|-------------------|--------------------|--------------------|
| Government Treasury Bills | 6 | 86,654,525 | - | 86,654,525 | 86,654,525 |
| Government Bonds | 4 | - | 39,627,467 | 39,627,467 | 39,627,467 |
| Cash and cash equivalents | 7 | - | 3,638,399 | 3,638,399 | 3,638,399 |
| | | 86,654,525 | 43,265,866 | 129,920,391 | 129,920,391 |

2024

| | Note(s) | Fair value through other comprehensive income - debt instruments | Fair value through profit or loss - Designated | Amortised cost | Total | Fair value |
|-----------------------------|---------|--|--|-------------------|-------------------|-------------------|
| Government Treasury Bills | 6 | - | 21,589,423 | - | 21,589,423 | 21,589,423 |
| Government Bonds | 4 | 16,276,577 | - | - | 16,276,577 | 16,276,577 |
| Trade and other receivables | 5 | - | - | 78,080 | 78,080 | 78,080 |
| Cash and cash equivalents | 7 | - | - | 18,320,867 | 18,320,867 | 18,320,867 |
| | | 16,276,577 | 21,589,423 | 18,398,947 | 56,264,947 | 56,264,947 |

In the prior year, the Scheme classified its bond investments as **fair value through other comprehensive income (FVOCI)**. During the current year, management reassessed how these assets are managed and determined that the Scheme now **intends to hold the bonds to maturity** to collect contractual cash flows. The bonds are not held for trading, and any disposal before maturity would occur only under exceptional circumstances and would be considered a **forced sale**.

Accordingly, the bonds have been reclassified as **financial assets measured at amortised cost**, as this presentation more appropriately reflects the Scheme's intention to realise value through holding the instruments until maturity.

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

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2025

2024
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15. Financial instruments and risk management (continued)

Categories of financial liabilities

2025

| | Note(s) | Amortised cost | Total | Fair value |
|---------------------------------|---------|-------------------|-------------------|-------------------|
| Trade and other payables | 10 | 32,841 | 32,841 | 32,841 |
| Paid up Government seed capital | 9 | 15,000,000 | 15,000,000 | 15,000,000 |
| | | 15,032,841 | 15,032,841 | 15,032,841 |

2024

| | Note(s) | Amortised cost | Total | Fair value |
|---------------------------------|---------|-------------------|-------------------|----------------|
| Trade and other payables | 10 | 283,615 | 283,615 | 283,615 |
| Paid up Government seed capital | | 15,000,000 | 15,000,000 | - |
| | | 15,283,615 | 15,283,615 | 283,615 |

Capital risk management

The Fund's objective when managing capital (which includes members' funds, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk. It also aims to safeguard the Fund's ability to continue as a going concern while taking advantage of strategic opportunities in order to preserve Fund capital and ensure that the safety of the portfolio's principal is never impaired or compromised.

The capital structure and gearing ratio of the Fund at the reporting date was as follows:

| | | | |
|---------------------------------|----|-------------------|--------------------|
| Trade and other payables | 10 | 32,841 | 283,613 |
| Paid-up Government seed capital | 9 | 15,000,000 | 15,000,000 |
| Total borrowings | | 15,032,841 | 15,283,613 |
| Cash and cash equivalents | 7 | (3,638,399) | (18,320,867) |
| Net borrowings | | 11,394,442 | (3,037,254) |
| Equity | | 115,114,633 | 40,981,332 |
| Gearing ratio | | 10 % | (7)% |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

| Figures in Pula | 2025 | 2024 18 months |
|-----------------|------|-------------------|
|-----------------|------|-------------------|

15. Financial instruments and risk management (continued)

Financial risk management

Overview

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

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

The Fund has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Deposit Insurance Committee has established the Finance and Investment Sub Committee, which is responsible for developing and monitoring the Fund's risk management policies. The Sub Committee reports quarterly to the Deposit Insurance Committee on its activities.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Fund is exposed to credit risk on bonds and treasury bills, trade and other receivables and cash and cash equivalents. Credit risk for exposures other than those arising on cash and cash equivalents, are managed through close monitoring prescribed in the Investment Policy. The Policy limits the Fund to investing in Government Bonds and Treasury Bills, as it only deals with a reputable counterparty, being a sovereign, specifically the Government of Botswana with consistent payment histories. Credit risk exposure arising on cash and cash equivalents is managed by the Fund through dealing only with its sole banker, the Bank of Botswana (a central bank, with high credit rating). The Fund is not allowed to place funds with financial institutions in the country.

The maximum exposure to credit risk is presented in the table below:

Deposit Insurance Fund

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Figures in Pula 2025 2024
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15. Financial instruments and risk management (continued)

| | | 2025 | | | 2024 | | |
|-----------------------------|---|-----------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------------|
| | | Gross carrying amount | Credit loss allowance | Amortised cost / fair value | Gross carrying amount | Credit loss allowance | Amortised cost / fair value |
| Government Treasury Bills | 6 | 86,654,525 | - | 86,654,525 | 21,589,423 | - | 21,589,423 |
| Government Bonds | 4 | 39,627,467 | - | 39,627,467 | 16,276,577 | - | 16,276,577 |
| Trade and other receivables | 5 | - | - | - | 78,080 | - | 78,080 |
| Cash and cash equivalents | 7 | 3,638,399 | - | 3,638,399 | 18,320,867 | - | 18,320,867 |
| | | 129,920,391 | - | 129,920,391 | 56,264,947 | - | 56,264,947 |

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for Government Bonds are equal to the fair value because the credit loss allowance does not reduce the carrying amount. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

| | | |
|-----------------|------|-------------------|
| Figures in Pula | 2025 | 2024 18 months |
|-----------------|------|-------------------|

15. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the threat that the Fund will not be able to meet known and contingent short - term liabilities, as they fall due. DISB's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings.

The Fund manages its liquidity through its approved Investment Policy. To help retain the desired liquidity, no financial asset shall be purchased that is likely to have few market makers or poor market bids. Similarly, the investment portfolio of the Fund will remain sufficiently liquid to enable the Fund to assure swift payment of protected depositors within 21 days from the date of receipt of a claim from a protected depositor. The Fund shall be managed with the objective of generating a steady stream of interest income to grow the Fund by attaining a reasonable return given the risk tolerance and considering the principal objectives of safety and liquidity.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2025

| | | Less than 1 year | 1 to 2 years | 2 to 5 years | Over 5 years | Contractual amount | Carrying amount |
|------------------------------------|----|---------------------|-------------------|------------------|-------------------|-----------------------|--------------------|
| Non-current liabilities | | | | | | | |
| Paid-up Government seed capital | | - | - | - | 15,000,000 | 15,000,000 | 15,000,000 |
| Current liabilities | | | | | | | |
| Trade and other payables | 10 | 32,841 | - | - | - | 32,841 | 32,841 |
| | | 32,841 | - | - | 15,000,000 | 15,032,841 | 15,032,841 |
| Non-current assets | | | | | | | |
| Government Bonds | 4 | - | 33,185,288 | 6,442,179 | - | 39,627,467 | 39,627,467 |
| Current assets | | | | | | | |
| Cash and cash equivalents | | 3,638,399 | - | - | - | 3,638,399 | 3,638,399 |
| Government Treasury Bills | 6 | 86,654,525 | - | - | - | 86,654,525 | 86,654,525 |
| | | 90,292,924 | 33,185,288 | 6,442,179 | - | 129,920,391 | 129,920,391 |
| | | 90,325,765 | 33,185,288 | 6,442,179 | 15,000,000 | 144,953,232 | 144,953,232 |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

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18 months

15. Financial instruments and risk management (continued)

2024

| | | Less than 1 year | 1 to 2 years | Over 5 years | Contractual amount | Carrying amount |
|---------------------------------|----|---------------------|------------------|-------------------|-----------------------|--------------------|
| Non-current liabilities | | | | | | |
| Paid-up Government seed capital | | - | - | 15,000,000 | 15,000,000 | 15,000,000 |
| Current liabilities | | | | | | |
| Trade and other payables | 10 | 283,615 | - | - | 283,615 | 283,615 |
| | | 283,615 | - | 15,000,000 | 15,283,615 | 15,283,615 |
| Non-current assets | | | | | | |
| Government Bonds | 4 | - | 9,998,551 | 6,278,026 | 16,276,577 | 16,276,577 |
| Current assets | | | | | | |
| Government Treasury Bills | 6 | 21,474,970 | - | - | 21,474,970 | 21,474,970 |
| Cash and cash equivalents | | 18,320,867 | - | - | 18,320,867 | 18,320,867 |
| | | 39,795,837 | 9,998,551 | 6,278,026 | 56,072,414 | 56,072,414 |
| | | 40,079,452 | 9,998,551 | 21,278,026 | 71,356,029 | 71,356,029 |

Foreign currency risk

The Fund is exposed to foreign currency risk as a result of certain transaction, mostly trade payables which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy, currencies are bought and sold without incurring undue costs, ensuring to provide flexibility in responding effectively to changing market conditions

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The Fund is exposed to interest rate risk arising from its investment in government bonds with fixed coupon rates. Changes in market interest rates affect the fair value of these investments. While the Fund generally holds bonds to maturity, it faces reinvestment risk when bonds mature or when coupon payments are received. The Fund monitors interest rate trends and manages risk by diversifying bond maturities within the approved Investment Policy.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

| | Note | Average effective interest rate | | Carrying amount | |
|------------------|------|---------------------------------|--------|-----------------|------------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | | | | |
| Assets | | | | | |
| Government Bonds | 4 | 5.15 % | 5.15 % | 39,015,512 | 16,082,897 |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

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2025

2024
18 months

15. Financial instruments and risk management (continued)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which 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. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

| | 2025 | 2025 | 2024 | 2024 |
|-------------------------------------|----------|----------|----------|----------|
| | Increase | Decrease | Increase | Decrease |
| Increase or decrease in rate | | | | |
| Impact on profit or loss: | | | | |
| Government Bonds 1% | 73,674 | 73,674 | 38,094 | 38,094 |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

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| | 2025 | 2024 18 months |
|--|------|-------------------|
|--|------|-------------------|

16. Prior period errors

During the year, the Fund noted for the year ending 31 December 2024, some of the related party balances and transactions were not reflected on the related party note.

In accordance with IAS 8 - Accounting policies, changes in accounting estimates and errors, the comparative amounts have been restated retrospectively to address the identified error.

The correction of the error(s) results in adjustments as follows:

| Restatement | As previously stated | Restated |
|--|---------------------------------|-----------------|
| Cash and cash equivalents held at related parties | | |
| Bank balances - Bank of Botswana | - 2,436,067 | 2,436,067 |
| Treasury Bill - Government of Botswana | - 15,884,800 | 15,884,800 |
| | - 18,320,867 | 18,320,867 |
| Trade receivables from related parties | | |
| Accrued interest income | - 78,080 | 78,080 |
| Income from related parties | | |
| Investment income - Treasury Bills & Bonds | - 449,562 | 449,562 |
| Amounts included in Non-Current Assets | | |
| Government of Botswana - Government Bonds | - 16,276,577 | 16,276,577 |
| Amounts included in Treasury Bills | | |
| Government of Botswana - Government Treasury Bills | - 21,589,423 | 21,589,423 |
| Payments made to related parties | | |
| Government of Botswana - Purchase of Government Bonds & Treasury Bills | - 37,557,867 | 37,557,867 |

Deposit Insurance Fund

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

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| | 2025 | 2024 18 months |
|--|------|-------------------|
|--|------|-------------------|

17. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Members believe that the Fund has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Members are satisfied that the Fund is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Members are not aware of any new material changes that may adversely impact the Fund. The Members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Fund.

18. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

19. Operating expenses

| | | |
|---|------------------|------------------|
| Advertising | 380,097 | 162,328 |
| Annual meetings and conferences | 528,404 | 975,743 |
| Auditors remuneration - external auditors | 187,587 | - |
| Committee allowances and related costs | 757,346 | 533,159 |
| Consulting and professional fees | 120,684 | 289,780 |
| Depreciation | 75,694 | - |
| Entertainment | 18,527 | 5,266 |
| General office expenses | 9,765 | 64,093 |
| Insurance | 600 | - |
| Motor vehicle expenses | 6,253 | - |
| Printing and stationery | 4,592 | 16,017 |
| Subscriptions | 285,331 | 441,472 |
| Training | 633,915 | 445,628 |
| Travel and travel related expenses | 496,164 | - |
| Workshops and seminars | 168,711 | 692,968 |
| | 3,673,670 | 3,626,454 |



APPENDICES

Appendices

A dashboard of our top 10 measures below indicates implementation progress for each of our objective

| | Objective | Measures | Update as at 31 December 2025 |
|---|--|--|---|
| 1 | BHAG | Grow fund size to 1 % of total insurable deposits. | Target fund ratio is at 0.18 percent. (i) Total fund balance has increased to P130.1 million |
| 2 | BHAG | Achieve legal, governance, and operational readiness for legislative and corporate autonomy. | (i) DISB is funding its own operational budget and has produced its first set of audited financial statements for 2024. (ii) The DISB has appointed an external auditor for the next three years to 2027. |
| 3 | Obj. 1. Ensure an efficient and operationally sound deposit insurance scheme | % implementation of Core Principles for Effective Deposit Insurance Systems | (i) Legal gap analysis on-going to incorporate IADI revised core principles. (ii) Business Case for the procurement of data analysis system is ongoing following discussions by the DIC at the 11 December 2025 meeting. |
| 4 | Obj. 2. Foster a strong culture of governance, accountability, and ethical leadership. | Governance maturity assessment score | A Board Effectiveness Evaluation was conducted and results thereof shared with Members during the 11 December 2025 meeting. |
| 5 | Obj. 3. Secure legislative autonomy and establish DISB's independent legal identity | % completion of draft policy and legal documents | Legislative review and gap analysis is on-going. |

Appendices

| | | | |
|---|--|---|--|
| 6 | Obj. 4. Grow and sustain the Deposit Insurance Fund | % growth of the Fund to target size of total insurable deposits | <p>(i) The DISB been added as a separate entity on the Bank of Botswana SAGE system and the system has gone live.</p> <p>(ii) The DISB has drafted the Government refundable seed capital repayment agreement (Draft Agreement). The Draft Agreement has been finalised between the Bank and the Scheme and awaits feedback from the Ministry of Finance.</p> |
| 7 | Obj. 5. Develop robust risk analysis, data analytics, and market surveillance capabilities | % completion of Risk Assessment Plan | Member Institution early warning metrics have been developed to complement the CAM-ELS ratings. |
| 8 | Obj. 6. Increase public awareness and strengthen DISB's brand visibility | Public awareness level | The pilot national public awareness campaign was carried out in Francistown and Palapye during December 2025. |
| 9 | Obj. 7. Build and maintain strategic partnerships with key stakeholders | Number of signed MOUs/partnerships with stakeholders | <p>(i) The DISB attended the Financial Stability Council meeting held on 6 November 2025, where it was determined that the domestic financial system remains resilient. The DISB also attended the Regulatory Policy Committee of 8 December 2025 which discussed, among others, the supervisory framework for other deposit taking institutions.</p> <p>(ii) MOA with the Bank of Botswana awaits finalisation by the Bank.</p> |



Appendices

IADI Revised Core Principles

| | | | | | |
|--------------------------------|---|--|---|--|---|
| Public Policy Objectives |  | Membership |  | Early detection and timely intervention |  |
| Mandate and Powers |  | Coverage |  | Failure resolution |  |
| Governance |  | Funding for the deposit insurer |  | Reimbursement |  |
| Business Continuity Management |  | Public awareness |  | Use of the deposit insurance fund in resolution |  |
| Legal protection |  | Crisis preparedness and management |  | Financial safety net cooperation, coordination and information sharing |  |
| Recoveries |  | Dealing with parties at fault in a failure |  | Cross-border cooperation, coordination and information sharing |  |

Appendices

Glossary of Terms

Banking Act

The Act of Parliament making provision for the licensing, regulation and supervision of banks and deposit-taking institutions and to promote safety and soundness of banks and for connected matters.

Bank of Botswana Act

The Act of Parliament making provision for establishment of the DISB.

Bank of Botswana (Deposit Insurance Scheme) Regulations, 2023

The subsidiary legislation operationalising the DISB and setting out its objects, powers and functions.

Central Bank

Bank of Botswana established under the Bank of Botswana Act

Coverage Limit

The maximum payment the DISB can make out of the Deposit Insurance Fund to a depositor should a member institution fail. The coverage limit and rules of coverage are prescribed under the DISB Regulations.

Deposit

A sum of money paid by one person to another person, subject to an agreement in terms of which an equal amount or any part thereof may be conditionally or unconditionally repaid by the person to whom the money has been paid, with or without interest or premium, either on demand or at specified or unspecified time, and in circumstances agreed by or on behalf of the persons making the payments and the person receiving such payment. However, it does not include money paid which is referable to the provision of property or services, or the giving of security.

Deposit Insurance Fund

A Fund established under the DISB Regulations for purposes of financing the Scheme and to reimburse depositors in the rare event of failure of a member institution.

Appendices

Deposit Insurance Scheme of Botswana

A public scheme set up for purposes of compensating depositors' money when a bank or deposit taking institution has failed. Membership of the Scheme is mandatory for all banks and deposit-taking institutions licensed by the Bank of Botswana, including the Botswana Savings Bank.

Depositor

A person entitled, or prospectively entitled, to repayment of a deposit, or a portion of a deposit, whether made by him or not.

Non-viable

A member institution is non-viable if:

- (a) it becomes insolvent, that is to say, a winding up order has been made by a court against that institution; or
- (b) there exists in relation to the institution any condition precedent to the exercise of resolution measures by the Central Bank in the interest of and for the protection of depositors, to take such steps or apply such sanctions as authorised under the Banking Act;
- (c) the institution has failed to satisfy prudential criteria and minimum solvency standards prescribed under the Banking Act; or
- (d) it is unable to pay its liabilities in full on a timely basis.

Premium Assessment Rate

The rate set by the Deposit Insurance Committee, which is applied to the protected deposits to determine premium contributions payable by member institutions to the DISB.

Premium Contributions

Amount paid by member institutions into the Deposit Insurance Fund in accordance with the requirements of the DISB Regulations.

Protected Deposits

Total deposit liabilities of a member institution, less excluded deposits specified in the DISB Regulations.

Did you know?

The coverage limit is set at

P250 000

**per depositor per
member institution**

Strategic Plan 2025-2029

| Leverage Area | Objective |
|---------------------------------|--|
| Institutional Foundation | <ol style="list-style-type: none">1. Ensure an efficient and operationally sound deposit insurance scheme.2. Foster a culture of governance, accountability, and ethical leadership.3. Secure legislative autonomy and establish DISB's independent legal identity |
| Financial Resilience | <ol style="list-style-type: none">4. Grow and sustain the Deposit Insurance Fund5. Develop robust risk analysis, data analytics, and market surveillance capabilities |
| Stakeholder Confidence | <ol style="list-style-type: none">6. Increase public awareness and strengthen DISB's brand visibility7. Build and maintain strategic partnerships with key stakeholders |

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