Agora Microfinance
Zambia Limited

Plot 57A, Lukanga Road,
Roma Township Lusaka, Zambia

+260 211 847 838 | info@agoramicrofinance.com | www.amz.co.zm | *337#

AMZ
AGORA MICROFINANCE ZAMBIA

2025

Annual Report

Vision

A Zambia where economic opportunities for the poor enable them to improve their livelihoods, move out of poverty and be equal members of society.

Mission

To contribute to the economic well-being of the poor through effective provision of appropriate financial services.

Contents

Message from the Chair

The Zambian economy had an upsurge in 2025, strengthened by a good recovery in agriculture, strong mining output, and a generally positive investment climate.

Our **GDP grew between 5.2%-5.8%** for the year, fuelled undoubtedly by the positive outlook arising from the IMF restructuring program. This was a welcome change after the droughts of 2024 that had left many families under economic stress.

For AMZ, too, it was a year of recovery and rebound after a challenging 2024. I am pleased to note that the management has put into place several innovative strategies to improve efficiency in operations. Most notably, a **USSD-based system** was launched for loan collections, moving the system away from cash collections to digital payments.

By the end of the year, nearly half of all collections were being made digitally, which was a significant step forward for the Company.

Another tweak in the branch setup was in establishing smaller, more nimble **satellite offices located closer to client villages**. This cut down travel time/cost and allowed easier client reach for our Client Officers.

Despite the process of new equity investments taking longer than expected, we were pleased to note that the incoming shareholders and their board nominees were keen to engage with AMZ and understand the nuances of its work in advance of their formal notifications.

A visit by the investors, where the management and board group took them to meet with branches and clients, was highly engaging for all.

Several other credible initiatives were undertaken during the year, which included **testing of new products**, **new technological tools**, and **more detailed research activities** to better understand the opportunities and challenges.

The board and its committees met 5 times during the year to review progress, discuss strategies, and challenge the management in all aspects of our work.

As we embark on the new year, the **500-strong team** at AMZ is now able to effectively **reach every part of Zambia within an hour or two**, with a reach that is unparalleled in the country. It is now the time to leverage this reach and proximity to clients by maximising the range, breadth, and affordability of financial products for the less banked.

As always, I extend our gratitude to the 130,000 client families and our team who have established a long-term relationship of trust on which our collective success depends.

Thanks also to the management, Directors, and shareholders of AMZ for their continued leadership of and support for this special institution.

Tanmay Chetan

Chair

CEO Report 2025

Dear Colleagues, I am pleased to share an update on AMZ's progress and our 2025 results. After the severe drought of the 2023/2024 farming season, the recovery in agriculture was both encouraging and instructive.

A bumper harvest across multiple value chains helped restore momentum for our clients, predominantly smallholder farmers, and strengthened confidence in the sector. While liquidity remained constrained, rising economic activity and improved capital investment signalled a pathway to renewed growth.

Throughout the year, AMZ prioritised operational efficiency through technology, strengthening client engagement, and accelerating our digital financial services agenda. This foundation will continue to guide innovation in access to finance, convenience, and flexibility, bringing essential services closer to the communities we serve.

"This foundation will continue to guide innovation in access to finance, convenience, and flexibility, bringing essential services closer to the communities we serve".

Advancing financial inclusion remains central to our purpose. **In 2025, we operationalised six satellite branches**, extending our reach in rural communities and improving service delivery as our teams travel shorter distances to support customers. This proximity also strengthens our understanding of client needs, enabling more relevant, tailored products and services.

AMZ achieved 15% growth in the loan book, while our client base remained at around 135,000.

This reinforces the importance of continued product diversification and new offerings that can expand our market. During the year, we refined key product features, including **adjusted loan sizes and more convenient USSD repayments**, strengthening both MSME and group lending to meet evolving client needs.

Our commitment to data-led decision-making advanced significantly with the continued development of our internal analytics tool called **Score Guard**. The platform strengthens visibility into portfolio performance by branch and product and supports analysis through a gender lens that enriches our impact narrative. These insights help us act with greater precision, refining our model and aligning products and services more closely with client expectations.

We also strengthened how we listen and respond, through our internal research function, which refined our satisfaction surveys and impact assessments. A baseline client survey provided clearer insight into drop-out trends, while staff feedback continued to reflect strong alignment with AMZ and our mission.

The establishment of our Risk and Compliance Department reflects our commitment to **stronger governance and disciplined growth**. It will enhance underwriting, strengthen controls, and support more resilient client partnerships.

In 2025, **AMZ recorded 14.9% ROE and 39.7% OCR**, results that reflect our teams' commitment, our customers' trust, and our focus on operational excellence.

Guided by our 7-year strategy, we are strengthening partnerships with clients through diversified products and services, loyalty rewards, customer-centred assessments, and risk-based pricing.

Our ambition is simple and enduring: to deliver value beyond the transaction and to remain a reliable partner through every season and business cycle.

Key Initiatives for 2026

Building on this progress, we will implement the following priorities in 2026:

Risk Management

With the establishment of the Risk and Compliance Department, we will strengthen underwriting across all credit facilities, starting with individual loans.

Technology

We plan to launch the Field Mate application—a digital platform that will enable our client-facing teams to serve customers efficiently and paperless. We also anticipate enhancements to our core banking platform and the recently introduced USSD capability.

Client-centric Assessment

New tools, including the digital field application and MIS upgrades, will strengthen client-centric product delivery. Initial client KYC and financial assessments will help determine the product range a client can access. The tool will incorporate a credit score to support objective eligibility decisions. We expect this to improve operational efficiency and create a stable base for scale.

Process Efficiency and Data Analytics

Management will continue to refine the Score Guard platform, positioning it as a single point of reference for analysis and reporting across the organisation. We also anticipate greater automation of operational and business processes across key functions to drive efficiency.

We thank our customers for trusting AMZ to support their economic well-being, and we remain committed to providing financial services that meet your needs. We also acknowledge our partners for their continued belief in and support of the AMZ mission.

I thank our staff for their dedication to delivering these results, and I appreciate the Board of Directors and Management for their steadfast guidance. Together, we will continue to serve our customers, advance operational excellence, and deliver balanced outcomes. It is an honour to serve with you all.

Susan Chibanga
Chief Executive Officer

Recognition of Leadership: Zee Woman CEO of the Year

In 2025, Agora Microfinance Zambia was honoured by Zee Women's Banking with the recognition of our Chief Executive Officer, Mrs. Susan Chibanga, as the Zee Woman CEO of the Year.

This prestigious award celebrates women leaders who are **making a meaningful contribution to business, society, and national economic development**. For Agora Microfinance Zambia, the recognition reflects Mrs. Chibanga's visionary leadership and her continued commitment to advancing financial inclusion across the country. Her leadership has strengthened the institution's mission of breaking barriers to finance and creating opportunities for inclusive economic participation.

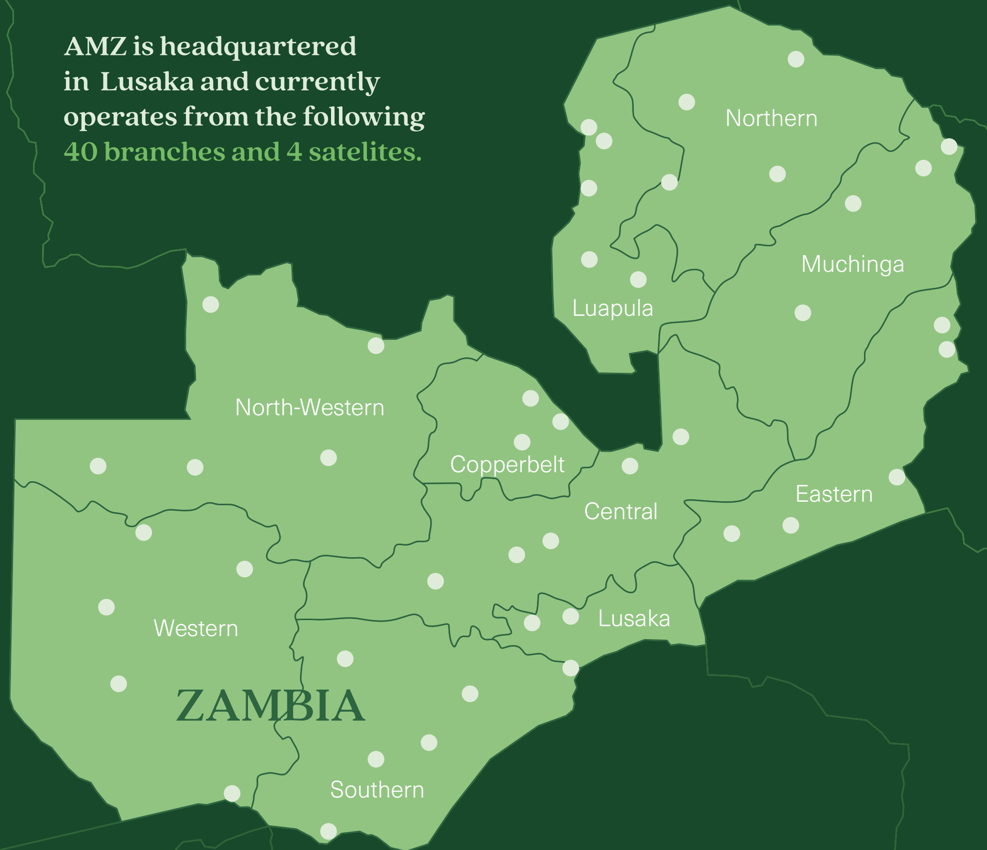
We are proud to celebrate this milestone as an important recognition of both individual leadership and institutional impact. The award also reflects the broader importance of initiatives such as **Zee Women's Banking**, a Zanaco platform that continues to support women through **tailored financial services, enterprise support, financial education, and networks** that enable women entrepreneurs to thrive.

This recognition reinforces Agora Microfinance Zambia's commitment to **empowering women, supporting enterprise growth, and contributing to inclusive national development.**

> "Under her leadership, Agora Microfinance Zambia has continued to expand access to responsible financial services, empowering women entrepreneurs, farmers, small traders, and underserved communities across Zambia."

Areas of Operation

AMZ is headquartered in Lusaka and currently operates from the following 40 branches and 4 satelites.



Satellite Branches

Central
Mafinga: Tendere Village, Tendere Township, Mafinga

North Western
Kisasa: Plot/Stand No. (Middle Shop Front) Road Market area, Mwinilunga Road, Shop No. 3, Kisasa - Kalumbila

Northern
Kaput: Kaputa Primary, P.O. Box 490014, Market Area, Malila Road, Kaputa

Northern
Chilubi: Second Plot on the Right, Chaba Market, Chilubi

Central Province Chibombo
Kabwe | Mkushi | Mumbwa | Serenje

Copperbelt Province
Kitwe | Ndola

Eastern Province
Lundazi | Chipata | Petauke

Luapula Province
Kawambwa | Mansa | Nchelenge

Lusaka Province
Chongwe | Lusaka

Muchinga Province
Chinsali | Isoka | Mpika

Northern Province
Kasama | Mbala | Mporokoso | Luwingu

North-Western Province
Mwinilunga | Kabompo | Kasempa Solwezi

Southern Province
Choma | Itezhi Tezhi | Monze

Western Province
Kaoma | Lukulu | Mongu | Senanga Sesheke | Zambezi

New Branches Opened in 2025

Central
Isoka: Tendere Village, Tendere Township, Mafinga.

North-western
Solwezi: Plot/Stand No. (Middle Shop Front) Road Market area, Mwinilunga Road, Shop No. 3, Kisasa - Kalumbila

Northern
Mporokoso: Kaputa Primary, P.O. Box 490014, Market Area, Malila Road, Kaputa

Luwingu: Second Plot on the Right, Chaba Market, Chilubi.

Chama
Plot number CHA/756, Civic Center Road, Chama

Chibombo
Along Great North Road, Plot No. 11, New Boma
Telephone: +260 953 243 603

Chinsali
Plot LN1002892-2D56, Kasama Road, Opposite Chinsali Post Office, Chinsali
Telephone: +260 950 612 167

Chongwe
Shop 5, plot 8958 / M, Great East Road
Telephone: +260 950 846134

Chipata
Office No. 3, Abubakar Bax Complex. Plot No. 2083, Highway Road, Chipata
Telephone: +260 956 949 979

Choma
Office #11 and 12 of L Tembo Complex, Plot #1077 Lusaka Road
Telephone: +260 954 039 243

Isoka
Town Centre, Old Great North Road, Opposite Old Market, Isoka

Itezhi Tezhi
Plot/Stand No. 500 Shimbizhi Market Area, Itezhi Tezhi

Kabompo
Plot no. 2721, M8 Road, Indeco, Kabompo
Telephone:+260 974 282 558

Kaoma
C and C Building, Plot No. 1375 Freedom Way
Telephone: +260 957 419 283

Kabwe
Shop No.10, Stand No. 10652, Sunshare Building, Great North Road
Telephone: +260 956 312 014

Kasama
Plot/Stand No. 4387 Central Town, Luwingu Road Area
Telephone: +260 770 950 668

Kasempa
Along Mumbwa Road, Opposite Mount Meru filling station

Kawambwa
Plot/Stand No. 617 Independence Avenue
Telephone: +260 954 435 357

Kitwe
Plot/Stand No. 1051, Shop 4, Accra Road, Kitwe
Telephone: +260 955 282 568

Livingstone
Address: Stand Number 103, Mosi-o-tunya road, Shop B, Akapelwa facing, Livingstone

Lukulu
Plot/Stand No. 196 Along Lukulu Kaoma Road, Lukulu

Lundazi
Plot 609 Chama Road, Lundazi
Telephone: +260 979 811 713

Lusaka
Shop No. 22A, Kanele Mall, Kafue Road
Telephone: +260 955 628 490

Luwingu
Plot# 310 Wamukulu Raod Burma, Luwingu

Mafinga
Tendere Village, Tendere Township, Mafinga

Mansa
Plot/Stand No. 819 Cathedral Road, Chibote Area
Telephone: +260 972 740 277

Mbala
Plot/Stand No.923B President Avenue
Telephone: +260 957 750 062

Mkushi
Plot No. 2079, Ndanji complex, Independence Avenue, Mkushi
Telephone: +260 760 128 855

Mongu
Plot 331 Mubonda House along Independence Avenue
Telephone: +260 955 316 842

Monze
Plot No. 10C, Independence Avenue, Monze
Telephone: +260 977 874 696

Mpika
Plot No. 4040, Wilmo Building, Great North Road, Mpika
Telephone: +260 950 824 354

Mumbwa
Plot #271 Luangwa Road
Telephone: +260 955 559 223

Mwinilunga
41546 Ikelenge Road, Boma, Mwinilunga

Ndola
A1 Langford House, Junction Broad Way & President, Avenue North
Telephone: +260 950 664 380

Opening Hours
Monday - Friday
08:00 - 17:00

Nchelenge
Chandwe Village, Mununga Road, Kashikishi township, Nchelenge P.O. 740026 Nchelenge

Petauke
Kazumba House, Plot No. 1/246, Boma Road, Petauke
Telephone: +260 956 955 974

Mporokoso
Address: Plot #91 Old Sengelelo Market, Mporokoso

Senanga
Nzuli Commercial Area, Senanga Main Market
Telephone: +260 976 261 045

Serenje
Plot/Stand No. 516 N'ganswa Road, Serenje

Sesheke
Nakatindi Road, Town Centre, Sesheke District Plot No. D7, P.O. Box 20

Solwezi
Office #8 Chikola Complex, Plot #361 Chikola Street
Telephone: +260 955 745 790

Zambezi
Address: Plot No 127, Chipatela Road, Zambezi

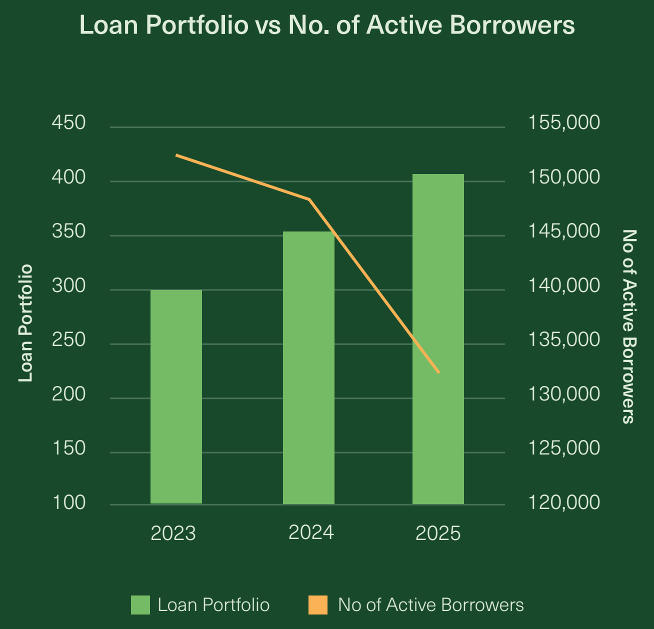
Operational and Financial Highlights

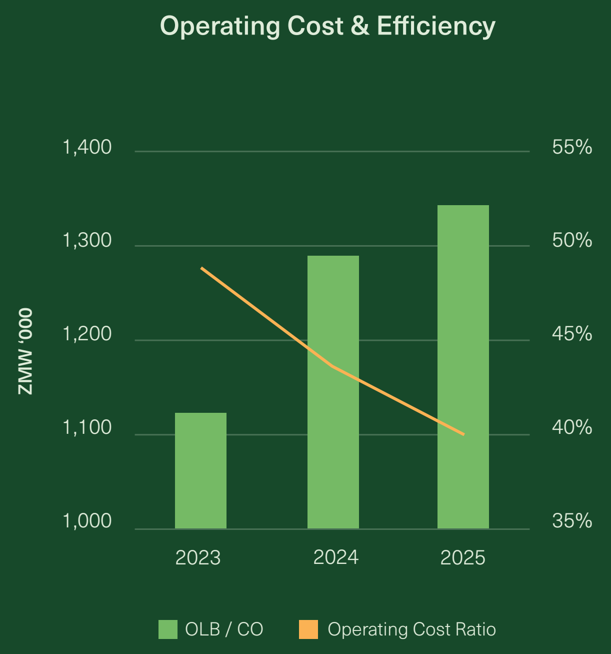
Loan Portfolio

409m

ZMW Active Borrowers

135,779





Women Borrowers

62%

Village Banks

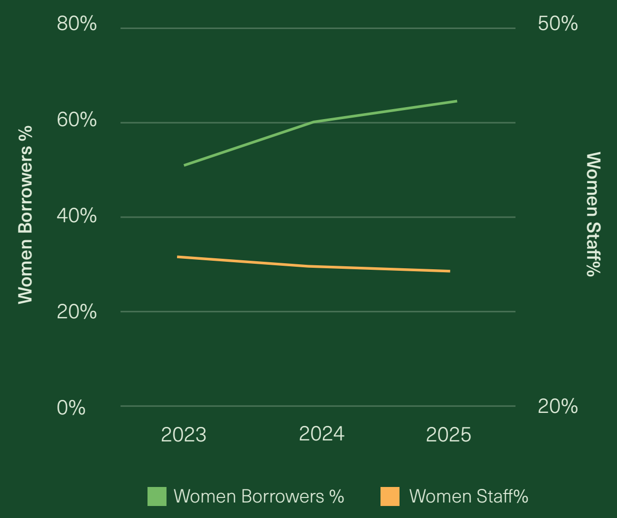
6,644

Rural Borrowers

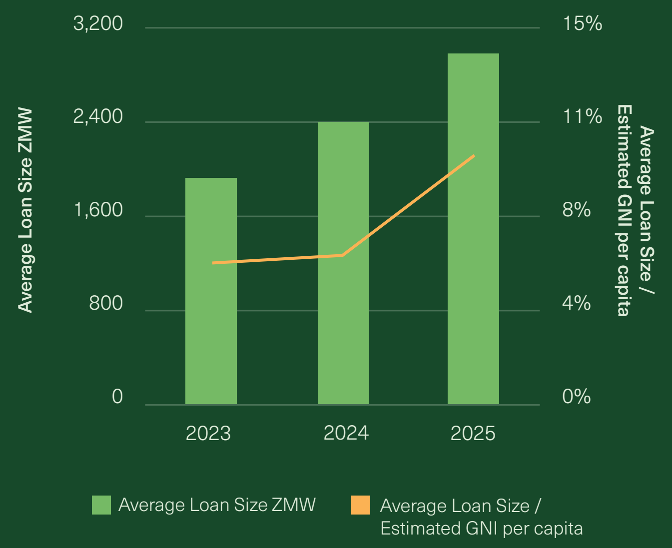
88%

	2023	2024	2025
No of Branches	37	40	40
No of Satelite Branches		4	8
No of Village Banks	5,819	6,874	6,644
Number of Active Borrowers	152,920	149,365	135,779
- Women Borrowers (%)	54%	60%	62%
- No of Rural Borrowers (%)	87%	89%	99%
Loan Portfolio (USD)	11,682,476	12,184,788	18,386,911
Loan Portfolio (ZMW)	300,909,048	356,438,215	409,456,293
PAR 30 Days	1.16%	6.34%	7.75%
Average Loan Size (USD)	76	86	135
Average Loan Size (ZMW)	1,968	2,386	3,016
Average Loans Size / Estimated GNI per capita	6%	6%	10%

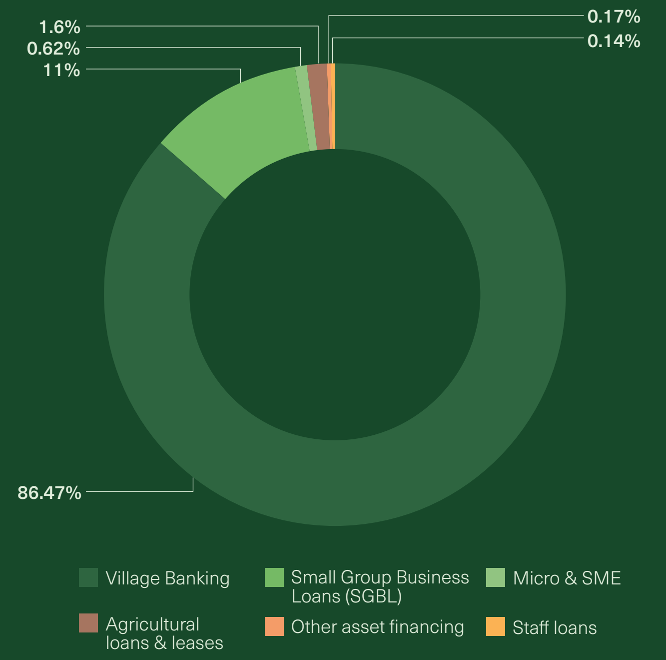
Gender Distribution



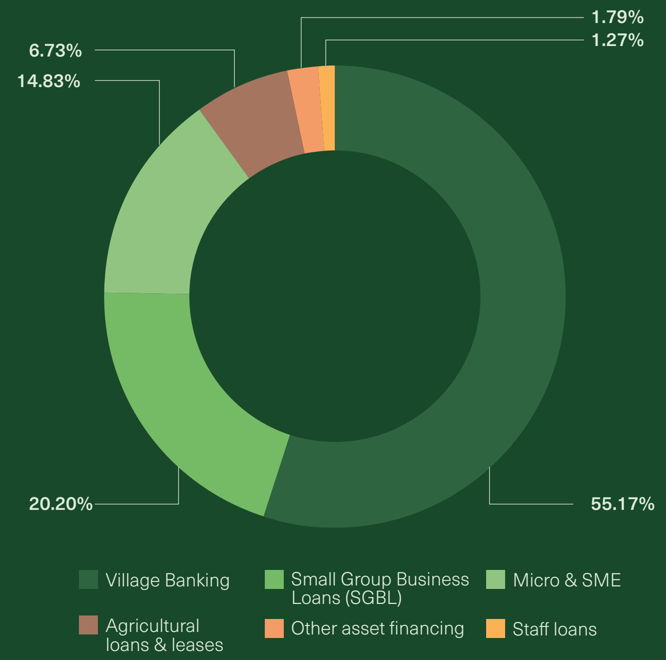
Average Loan Size & Estimated GNI per Capita



Client by Product Type



Portfolio by Product Type



	2023	2024	2025
Margin Analysis (as a % of loan portfolio)			
a) Interest and Fee Income	69.8%	66.4%	64.6%
b) Cost of Funds	21.7%	23.9%	22.8%
c) Net Interest Margin (a-b)	48.1%	42.5%	41.8%
d) Loan Loss Provision	1.4%	6.4%	2.3%
e) Net Margin before Operating Expenses (c-d)	46.7%	36.1%	39.5%
f) Personnel Cost	23.6%	20.2%	20.8%
g) Admin Cost	25.1%	23.0%	18.9%
h) Total Operating Cost (f+g)	48.7%	43.2%	39.7%
Net Margin (h-e)	-2.0%	-7.1%	-0.2%
Financial Ratios			
Operating Self Sufficiency	98.6%	92.5%	106.9%
Solvency Ratio (Equity/Assets)	21.3%	14.2%	15.3%
Debt/Equity	370.5%	604.5%	554.9%
Operating Cost Ratio	48.7%	43.2%	39.7%
Return on Equity	-2.7%	-17.1%	14.9%

Operating Self Efficiency

106.9%

Operating Cost Ratio

39.7%

Return on Equity

14.9%

AMZ Social Performance Dashboard

Outreach: Direct outreach to the poor at the national level

135,779
Number of active borrowers

409m
Total Outstanding (ZMW)

3,016
Average loan size (ZMW)

88%
Rural

85.7%
Disbursement <20% GNI

48	40	10	8
Districts	Branches	Provinces	Satellites

36% 18-35 Years old

38% Male
62% Female

VB	Group	Individual
86.5%	11.9%	1.6%

Number of Funeral & Hospitalisation sales	30,959
Claims received	635
Claims settled	100%
Credit life sales	198,574
Claims received	420
Claims settled	100%
Weather index sales - against adverse weather	2,239
Mobile money transactions	61,316

Client Satisfaction

Client service satisfaction

85%

Female
87%

Male
82%

Client product satisfaction

73%

Female
74%

Male
73%

54.9% Client retention

94.5% of complaints resolved

Services

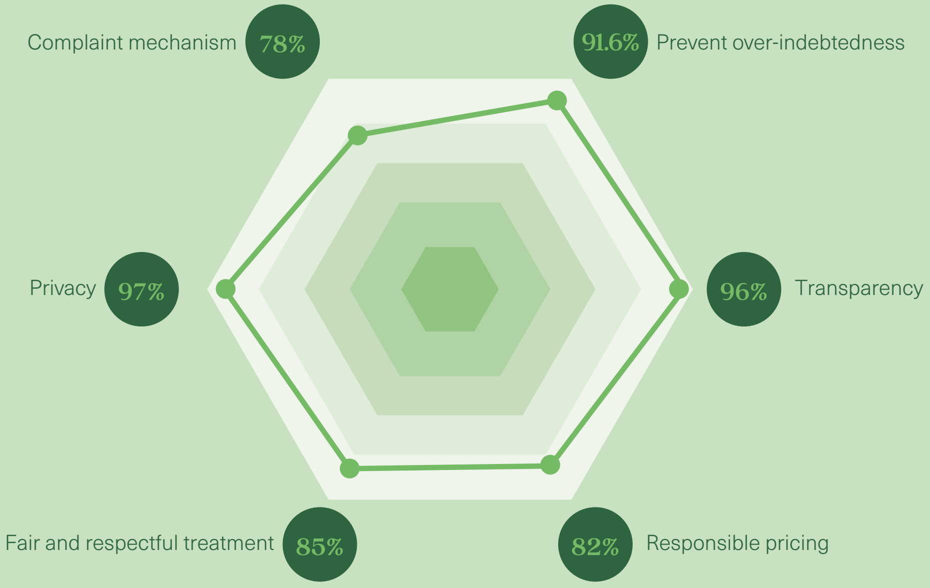
Suitability of processes and products

- 3 Lending methodologies (VB, Group Individual
- 8 Loan products
- 4 Staff products
- 2 Leasing products
- 4 Insurance products
- Mobile money services

Environment

3.5
Solar panels by branch

Client protection principles



Staff: Creation of a dynamic, professional value-based organisation

100% Induction Training

13% Refresher training

513 Number of employees

265 Staff efficiency

585 Co productivity

23% Staff attrition rate

45% Co

All staff

70% Male

30% Female

Management

80% Male

20% Female

Performance - The long-term financial health

39%
Operating expense ratio

43%
Net interest margin (portfolio yield deducted of cost of funds)

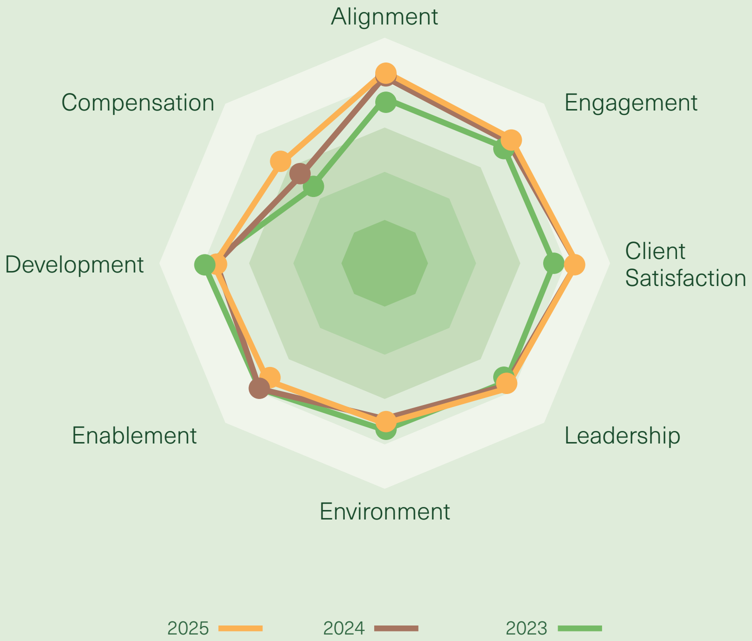
Governance

4
Meetings in a year

50%
Independent directors

Outcomes measurement: V. Improvement of clients' financial stability and incomes

	Total	Women
Quality of life improved	99%	99%
Healthcare improved	98%	99%
Ability to manage finances improved	99%	98%
Savings improved	95%	95%
No difficulty to fund an emergency expense	74%	71%



Directors' report

for the year ended 31 December 2025

The Directors present their report on the activities of Agora Microfinance Zambia Limited ("AMZ" or "the Company"), together with the financial statements for the financial year ended 31 December 2025.

1 Principal activities

The principal activity of the Company is to provide financial services to the rural and urban unbanked population in Zambia.

2 The Company

The Company was incorporated on 7 May 2010, under the Companies Act of Zambia as a private company limited by shares. The Company is also licensed under the Banking and Financial Services Act of Zambia to conduct microfinance services. The address of its registered office and principal place of business is:

Agora Microfinance Zambia Limited
Plot 57A Lukanga Road, Roma
P O Box 745 Post Net
Lusaka

The Company had **40 branches** and **8 satellite branches** as of 31 December 2025 (2024: 40 branches and 6 satellite branches).

3 Shareholding

Agora Microfinance Zambia Limited's shareholding consists of Agora Microfinance NV with 89.80% shares, Moringaway Limited with 8.78%, and Agora Multipurpose Co-operative with 1.42%. The total number of authorised ordinary shares is 6,500,000 with a par value of ZMW 10 per share.

Details of the Company's authorized and issued share capital are included in note 14 in the notes to the financial statements.

4 Results for the year

The Company's results for the year are as follows:

	2025	2024
Interest income calculated using the effective interest rate method	264,431,140	218,426,800
Profit/(Loss) before income tax	19,684,688	(15,841,305)
Income tax (expense)/credit	(9,526,142)	3,046,844
Profit/(Loss) for the year	10,158,546	(12,794,461)

5 Dividends

The Directors did not propose a dividend to be declared in 2025 (2024: **Nil**).

6 Directors' remuneration

Directors' fees paid during the year were **ZMW 234,339** (2024: ZMW 203,952) as disclosed in note 20 to the financial statements.

7 Directors and Company Secretary

The names of the directors and the secretary who held office during the year and up to the date of signing the report are as follows:

Directors

Tanmay Chetan | Chairperson
Maluba Wakung'uma | Non-Executive Director
Glenda Chintu Mazakaza | Non-Executive Director
Jitske Cnossen | Non-Executive Director
Susan Chibanga | Executive Director/CEO

Company Secretary
MINT Advisory

8 Average number and remuneration of employees

Total employee benefits expense for the year was **ZMW 79,609,625** (2024: ZMW 66,410,230) as disclosed in note 9 to the financial statements. The average number of employees throughout the year was **510** (2024: 527).

Month	Number	Month	Number
January	495	July	539
February	492	August	529
March	496	September	513
April	493	October	508
May	503	November	518
June	522	December	512

9 Gifts and donations

There were no donations made during the year (2024: Nil).

10 Property and equipment

The Company acquired property and equipment amounting for **ZMW 5,417,875** (2024: ZMW 9,219,535), as disclosed in note 15 to the financial statements.

In the opinion of the Directors, the recoverable amount as disclosed for property and equipment is not less than the amount at which they are included in the financial statements.

11 Research and development

There was no expenditure incurred for research and development during the year (2024: ZMW Nil).

12 Related party transactions

Related party transactions during the year consisted of a series of loan agreements with the Company's shareholders and remuneration of key management.

Further information about these transactions is included in note 20 in the notes to the financial statements.

13 Prohibited borrowings or lending

There were no prohibited borrowings during the year (2024: Nil).

14 Know your customer ("KYC") and money laundering policies

All KYC requirements are conducted by the branches and filed in hard copy at the branch level. Additionally, all potential borrowers are checked using the Credit Reference Bureau.

15 Corporate Governance

Importance of corporate governance

The Company is governed by the Articles of Association as revised on 6th August 2024. The 'Articles' define the corporate governance structure and mandate of Directors and Senior Management. The Company's business and strategic plan also outlines in detail the governance structure, which includes the Shareholders, Board of Directors, Audit and Finance, Remuneration and Nomination, Asset and Liability, and the Research and Social Performance Committees.

Board committees

During the year 2025, the Board and Committees met as follows:

Meeting	No. of times met
Board	4
Audit and Finance Committee	3
Remuneration and Nomination Committee	3
Asset and Liability Committee	3
Research and Social Performance Committee	3

16 Other material facts, circumstances, and events

The Directors are not aware of any material facts, circumstances, or events that occurred between the accounting date, the date of this report, and the date of approval of these financial statements by the Board that might influence an assessment of the Company's financial position or the results of its operations.

17 Going concern

The Company made a profit for the year ended 31 December 2025 of **ZMW 10,158,546** (2024: loss of ZMW 12,794,461). As at that date, the Company's assets exceeded its liabilities by **ZMW 73,321,700** (2024: ZMW 63,163,154).

Trade payables and other liabilities have continued to be settled in the normal course of business. Accordingly, the financial statements have been prepared on a going-concern basis.

The Company has forecasted a net profit of ZMW 19,911,858 for the year ending 31 December 2026 and expects to generate positive cash flows of ZMW 124,417,219 to be driven by equity injection.

The Directors have assessed the Company's going concern and concluded that there is no doubt about the Company's ability to continue as a going concern. This is based on the known conditions and events that are relevant to the Company's ability to meet its obligations as they fall due.

18 Auditors

Following the provisions of the Articles of Association of the Company, the Auditors, Messrs KPMG Chartered Accountants ("KPMG"), will retire as Auditors of the Company at the forthcoming Annual General Meeting and have expressed willingness to continue in office. A resolution for their re-appointment and the fixing of their remuneration will be proposed at the Annual General Meeting.

The Auditors' remuneration for the year was **ZMW 966,234** for the audit of the statutory financial statements, and **ZMW 150,000** for the provision of other non-audit services (2024: ZMW 719,016 and ZMW 832,420 respectively).

By order of the Board

Company Secretary

Date: 27th March 2026

Directors' responsibilities with respect to the preparation of financial statements

The Directors are responsible for the preparation of the financial statements of Agora Microfinance Zambia Limited ("the Company") that give a true and fair view, comprising the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Companies Act and the Banking and Financial Services Act of Zambia. In addition, the Directors are responsible for preparing the Directors' report.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management, as well as the preparation of the supplementary schedule included in these financial statements.

The Directors have assessed the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework described above.

Approval of the financial statements

The financial statements of Agora Microfinance Zambia Limited, as identified in the first paragraph, were approved by the Board of Directors on 27th March 2026 and are signed by:

Director

Director

Independent auditor's report

To the shareholders of Agora Microfinance Zambia Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Agora Microfinance Zambia Limited ("the Company") set out on pages 32 to 78, which comprise the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and 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 accompanying financial statements give a true and fair view of the financial position of Agora Microfinance Zambia Limited as at 31 December 2025, and of 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 (IFRS Accounting Standards) and in compliance with the requirements of the Companies Act and Banking and Financial Services Act of Zambia.

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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Zambia. We have also 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.

Key audit matter

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

Impairment of loans and advances to customers.

Refer to the following notes to the financial statements:

- Note 4 Use of estimates and judgements
- Note 12 Loans and advances to customers
- Note 23(a) Financial instrument fair value and risk management - Credit risk
- Note 28(d) Material accounting policies - Financial assets and liabilities

Key audit matter	How the matter was addressed in our audit
As at 31 December 2025, loans and advances to customers amounted to ZMW 384,906,070, which constitutes 80% of the total assets of the Company. This amount includes impairment on loans and advances amounting to ZMW 12,823,190 at that date. In determining the impairment allowance, management applies significant judgments and assumptions, which include: – Assumptions used in the expected credit loss model, such as forward-looking macro-economic factors (e.g. foreign exchange rates, inflation, interest rates, country reserve rates, unemployment rates and gross domestic product ("GDP") growth); – The measurement of modelled provisions, which is dependent upon key assumptions relating to the probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD"); and – The identification of exposures with a significant increase in credit risk ("SICR"). Due to the significance of loans and advances to customers, the increased credit risk, and the significant judgment and estimation uncertainty, this matter was determined to be a key audit matter in our audit of the financial statements.	Our audit procedures included the following: – We tested the design, implementation, and operating effectiveness of relevant key controls over management approval of origination of loans and advances to customers through inquiry and inspection of documentation. – We inspected a schedule of loan exposures and inspected whether the staging of loans into stage 1, 2, or 3 based on the number of days overdue was allocated appropriately and met the Company's definition of a significant increase in credit risk. – We tested the completeness and accuracy of the data used in the ECL model, such as loan exposures, days arrears, asset classification, and other customer-specific data by comparing the inputs to supporting documentation such as customer statements. With the involvement of our Financial Risk Management specialists: – We assessed whether the macro-economic factors (e.g. foreign exchange rates, inflation, interest rates, country reserve rates, unemployment rates and GDP growth) were reasonable by comparing against independent sources of information. – We further assessed the appropriateness of the modelling principles applied to the PD, LGD, and EAD in the credit risk model following the requirements of IFRS 9 - Financial Instruments (IFRS 9). – In addition, we also considered whether stress tests had been incorporated in the macroeconomic factors such as GDP for reasonableness by comparing to independent statistical analyses. – We assessed the adequacy of the disclosures in the financial statements in accordance with the requirements of IFRS 9.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of Zambia, the Directors' responsibilities in respect of the preparation of financial statements, and the Supplementary information. 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Companies Act and Banking and Financial Services Act of Zambia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Companies Act of Zambia

In accordance with Section 259 (3) (a) of the Companies Act of Zambia (the Act), we consider and report that:

- there is no relationship, interest or debt we have with the Company; and
- there were no serious breaches of corporate governance principles or practices by the directors as defined by the guidelines on serious breaches of corporate governance issued by the Zambia Institute of Chartered Accountants.

Banking and Financial Services Act of Zambia

In accordance with section 97(2) of the Banking and Financial Services Act of Zambia, we consider and report that:

- The Company made available all necessary information to enable us to comply with the requirements of this Act;
- The Company has complied with the provisions, regulations, rules and regulatory statements specified in or under this Act; and
- There were no transactions or events that came to our attention that affect the well-being of the Company that are not satisfactory and require rectification including:

  (a) transactions that are not within the powers of the Bank or which is contrary to this Act; or

  (b) a non-performing loan that is outstanding, has been restructured or the terms of the repayment have been extended, whose principal amount exceeds five percent or more of the regulatory capital of the Company.

KPMG Chartered Accountants **31 March 2026**

Jason Kazilimani, Jr.

Partner signing on behalf of the firm

AUD/F000336

Statement of financial position

as at 31 December 2025

In Zambian Kwacha

	Notes	2025	2024
Assets			
Cash and cash equivalents	11	**27,801,022**	32,854,020
Prepayments and other receivables	13	**14,331,104**	14,216,797
Loans and advances to customers	12	**384,906,070**	327,335,521
Property and equipment	15	**38,751,322**	46,741,798
Right-of-use assets	21(a)	**6,203,796**	7,510,224
Intangible assets	16	**4,382,548**	5,957,986
Current tax assets	19(c)	**—**	5,083,107
Deferred tax assets	19(d)	**3,825,742**	5,297,845
Total assets		**480,201,604**	**444,997,298**
Liabilities			
Current tax liabilities	19(c)	**2,425,425**	—
Amounts due to related parties	20(iv)	**54,663**	305,974
Other payables	17	**28,151,909**	9,479,304
Lease liabilities	21(d)	**7,353,258**	8,265,483
Borrowings	18	**368,894,649**	363,783,383
Total liabilities		**406,879,904**	**381,834,144**
Equity			
Share capital	14	**68,888,710**	68,888,710
Share premium		**2,466,137**	2,466,137
Revaluation reserve		**6,790,500**	6,790,500
Accumulated losses		**(4,823,647)**	(14,982,193)
Total equity		**73,321,700**	**63,163,154**
Total equity and liabilities		**480,201,604**	**444,997,298**

These financial statements were approved by the Board of Directors on 27th March 2026 and were signed by:

Director

Director

Statement of profit or loss

and other comprehensive income for the year ended 31 December 2025

In Zambian Kwacha

	Notes	2025	2024
Interest income calculated using the effective interest method	5	**264,431,140**	218,426,800
Interest expense	7	**(87,423,490)**	(78,455,795)
Net interest income		**177,007,650**	**139,971,005**
Impairment losses on loans and advances	12(c)	**(8,751,514)**	(21,105,121)
Net interest income after impairment charges		**168,256,136**	**118,865,884**
Fee and commission income	6	**8,370,470**	7,333,489
Other income	8	**2,591,749**	2,183,565
Other operating income		**10,962,219**	**9,517,054**
Total operating income		**179,218,355**	**128,382,938**
Finance income	10	**4,387,862**	4,007,443
Finance costs	10	**(11,884,687)**	(6,146,407)
Net finance costs		**(7,496,825)**	**(2,138,964)**
Operating expenses	9	**(152,036,842)**	(142,085,279)
Profit/(Loss) before income tax		**19,684,688**	**(15,841,305)**
Income tax (expense)/credit	19(a)	**(9,526,142)**	3,046,844
Profit/(Loss) for the year		**10,158,546**	**(12,794,461)**

There were no items of other comprehensive income during the year (2024: nil).

Statement of changes in equity

for the year ended 31 December 2025 In Zambian Kwacha

	Share capital	Share premium	Revaluation reserve	Accumulated losses	Total
Balance as at 1 January 2024	**62,638,710**	**2,466,137**	**6,790,500**	**(2,187,732)**	**69,707,615**
Total comprehensive income for the year					
Loss for the year	-	-	-	(12,794,461)	**(12,794,461)**
Other comprehensive income					
Issuance of shares	6,250,000	-	-	-	**6,250,000**
Balance as at 31 December 2024	**68,888,710**	**2,466,137**	**6,790,500**	**(14,982,193)**	**63,163,154**
Balance as at 1 January 2025	**68,888,710**	**2,466,137**	**6,790,500**	**(14,982,193)**	**63,163,154**
Total comprehensive income					
Profit for the year	-	-	-	10,158,546	**10,158,546**
Balance as at 31 December 2025	**68,888,710**	**2,466,137**	**6,790,500**	**(4,823,647)**	**73,321,700**

Accumulated loses

Accumulated losses are the brought forward recognised income net of expenses of the Company, plus current year profits attributable to shareholders.

Share premium

Share premium represents the amounts paid by shareholders, over the nominal value of the shares issued.

Revaluation reserve

Revaluation reserve arises from the periodic revaluation of land and represents the excess of the revalued amount over the carrying value of the land at the date of revaluation. Deferred tax arising in respect of revaluation of land is charged directly against revaluation reserves in line with International Accounting Standard (IAS) 12: Income Taxes.

Statement of cash flows

for the year ended 31 December 2025 In Zambian Kwacha

	Notes	2025	2024
Cash flows from operating activities			
Profit/(Loss) for the year		**10,158,546**	(12,794,461)
Adjustment for:			
Interest expense	7	**87,423,490**	78,455,795
Depreciation of property and equipment	15	**13,382,574**	14,398,433
Depreciation of right-of-use asset	21(a)	**4,887,977**	4,317,868
Amortisation	16	**1,714,638**	644,463
Profit on disposal of equipment	8	-	(17,709)
Net exchange differences on borrowings	18	**(5,534,026)**	-
Derecognition of property and equipment	15	**29,879**	513,439
Income tax expense/(credit)	19(a)	**9,526,142**	(3,046,844)
		121,589,220	**82,470,984**
Changes in:			
Loans and advances		**(57,570,549)**	(35,785,576)
Prepayments and other receivables		**(114,307)**	5,399,014
Amounts due to related parties		**(251,311)**	(1,492)
Other payables		**18,544,946**	(2,478,310)
Cash generated from operations*		**82,197,999**	**49,604,620**
Income tax paid	19(c)	**(545,507)**	(1,359,977)
Interest paid		**(90,989,166)**	(73,068,373)
Net cash used in operating activities		**(9,336,674)**	**(24,823,730)**
Cash flows from investing activities			
Acquisition of property and equipment	15	**(5,417,875)**	(9,219,535)
Acquisition of intangibles	16	**(139,200)**	(4,633,834)
Proceeds from disposal		-	17,709
Net cash used in investing activities		**(5,557,075)**	**(13,835,660)**
Cash flows from financing activities			
Proceeds from issuance of share capital	14	-	6,250,000
Proceeds from borrowings	18	**142,500,772**	149,865,483
Repayment of borrowings	18	**(128,289,805)**	(94,018,476)
Payment of lease liabilities	21(c)	**(4,370,216)**	(4,139,933)
Net cash from financing activities		**9,840,751**	**57,957,074**
Net (decrease)/increase in cash and cash equivalents		**(5,052,998)**	**19,297,684**
Cash and cash equivalents at 1 January		**32,854,020**	13,556,336
Cash and cash equivalents at 31 December	**11**	**27,801,022**	**32,854,020**

*As part of cash flows from operating activities, interest income amounting to ZMW264,431,140 (2024: ZMW218,426,800) was received in cash.

Notes to the financial statements

for the year ended 31 December 2025

1 Reporting entity

Agora Microfinance Zambia Limited ("AMZ" or "the Company") is incorporated in Zambia under the Companies Act of Zambia as a Company Limited by shares and is domiciled in Zambia. The Company is also licensed under the Banking and Financial Services Act of Zambia, to conduct microfinance services. The address of its registered office is Plot 57A Lukanga Road Roma, Zambezi Road, Lusaka.

The Company's principal activity is to provide financial services to the rural and urban un-banked population in Zambia.

Details of the Company's accounting policies are included in note 27 in the notes to the financial statements.

2 Basis of accounting

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Companies Act and the Banking and Financial Services Act of Zambia.

They were authorised for issue by the Company's Board of Directors on 27th March 2026.

(b) Basis of measurements

The financial statements have been prepared on the historical cost basis except where otherwise stated.

(c) Going concern

The Company made a profit for the year ended 31 December 2025 of **ZMW 10,158,546** (2024: loss of ZMW 12,794,461). As at that date, the Company's assets exceeded its liabilities **by ZMW 73,321,700** (2024: ZMW 63,163,154).

Trade payables and other liabilities have continued to be settled in the normal course of business. Accordingly, the financial statements have been prepared on a going-concern basis.

The Company has forecasted a net profit of ZMW 19,911,858 for the year ending 31 December 2026 and expects to generate positive cash flows of ZMW 124,417,219 to be driven by equity injection.

The Directors have assessed the Company's going concern and concluded that there is no doubt about the Company's ability to continue as a going concern. This is based on the known conditions and events that are relevant to the Company's ability to meet its obligations as they fall due.

3 Functional and presentation currency

These financial statements are presented in Zambian Kwacha ("Kwacha"), which is the Company's functional currency. Unless otherwise indicated, the financial information is rounded off to the nearest Kwacha.

4 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates, and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2025 is included in the following notes:

- Note 2 (a)(v) – impairment of financial instruments determining inputs into the ECL measurement model, including incorporation of forward-looking information; and
- Note 15 (ii) – valuation techniques and significant unobservable inputs.
- Following a stable estimate of the Company's future results from operating activities, and based on future projected profitable growth, the Company recognised deferred tax assets amounting to **ZMW 3,825,742** (2024: ZMW 5,297,845). The business plan prepared by Management shows that the Company will continue to make sufficient available profits for the period 2026 – 2028, with which the deferred tax asset can be utilised.

5 Interest income

	2025	2024
Loans and advances to customers	**264,431,140**	218,258,035
Investment securities at amortised cost	-	168,765
	264,431,140	**218,426,800**

6 Fee and commission income

Commission on insurance fees	**8,370,470**	**7,333,489**

Insurance fees refer to the commission from the micro-insurance credit life product as well as hospital and funeral insurance cover. AMZ sells micro insurance products from Sanlam Life Insurance, on which AMZ obtains a commission of 10% from the insurance company.

The table below provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligation, including significant payment terms	Revenue recognised under IFRS 15
Commission on insurance fees	This income is made up of credit life insurance and hospital and funeral insurance sold on behalf of Sanlam. AMZ is an agent and has no obligation to underwrite the insurance. Therefore, AMZ only collects premiums on behalf of the insurance companies and earns a commission.	Revenue related to transactions is recognised at the point in time when the transaction takes place.

7 Interest expense

	2025	2024
Interest bearing borrowings	**85,889,661**	76,785,857
Interest expense on leases (note 21(b))	**1,533,829**	1,669,938
	87,423,490	**78,455,795**

8 Other income

	2025	2024
Recoveries of loans written off	**144,950**	140,704
Profit on disposal of equipment	-	17,709
Mobile money commission	**1,777,555**	1,678,611
Other income	**669,244**	346,541
	2,591,749	**2,183,565**

9 Operating expenses

	2025	2024
Employee benefits (note 9.1)	**79,609,625**	66,410,230
Depreciation of property and equipment (note 15)	**13,382,574**	14,865,981
Depreciation of right-of-use-asset(21(a))	**4,887,977**	4,317,868
Amortisation (note 16)	**1,714,638**	644,463
Auditors	**1,137,387**	697,228
Tax remuneration	**174,000**	832,420
Repairs and maintenance	**8,373,107**	9,556,085
Other expenses	**42,757,534**	44,761,004
	152,036,842	**142,085,279**

9.1 Employee benefits

	2025	2024
Salaries	**54,178,332**	45,192,809
Statutory obligations	**3,763,940**	3,392,796
Incentives	**9,325,337**	5,838,376
Leave pay, pension, and other staff costs	**12,342,016**	11,986,249
	79,609,625	**66,410,230**

10 Net finance income/(costs)

	2025	2024
Finance income		
Exchange gains	**4,387,862**	4,007,443
Finance cost		
Exchange losses	**(4,796,647)**	(4,581,464)
Other financing expenses	**(7,088,040)**	(1,564,943)
Total finance cost	**(11,884,687)**	**(6,146,407)**
Net finance costs	**(7,496,825)**	**(2,138,964)**

11 Cash and cash equivalents

	2025	2024
Cash on hand	**54,772**	358,518
Bank balances	**25,346,456**	26,428,790
Mobile money E-value	**2,399,794**	6,066,712
	27,801,022	**32,854,020**

12 Loans and advances to customers

(a) Summary

	2025	2024
Loans and advances	**409,456,293**	356,438,215
Accrued interest	**13,321,700**	11,905,393
Gross loans and advances	**422,777,993**	**368,343,608**
Less: Provision for impairment of loans and advances	**(12,823,190)**	(18,316,907)
Net loans and advances to customers	**409,954,803**	**350,026,701**
Deferred costs	**13,466,008**	10,946,984
Deferred loan fees	**(38,514,741)**	(33,638,164)
	384,906,070	**327,335,521**

Deferred costs are transactional costs directly attributable to the issuance of loans and advances while deferred loan processing fees are fees that form an integral part of the issuance of loans and advances to customers. Both the deferred costs and fees are capitalised to the loans and advances in accordance with IFRS 9, Financial instruments.

12 Loans and advances to customers (continued)

(b) Maturity

	2025	2024
Due:		
Within 1 month	**9,169,326**	3,846,578
Between 1 to 3 months	**55,030,515**	44,935,842
Between 3 months and 1 year	**297,893,418**	286,320,997
Greater than 1 year	**47,363,034**	21,334,798
Loans and advances to customers	**409,456,293**	**356,438,215**

(c) Movements in provisions for impairment of loans and advances are as follows:

	2025	2024
At 1 January	**18,316,907**	1,948,396
Charge for the year	**8,751,514**	21,105,121
Bad debts written off	**(14,245,231)**	(4,736,610)
At 31 December	**12,823,190**	**18,316,907**

13 Prepayments and other receivables

	2025	2024
Prepayments	**5,903,821**	7,237,437
Staff advances	**605,206**	1,522,950
Other receivables	**7,822,077**	5,456,410
	14,331,104	**14,216,797**

14 Share capital

Authorised

	No. of ordinary shares 2025	Ordinary share capital 2025	No. of ordinary shares 2024	Ordinary share capital 2024
Ordinary shares class A	**95,000**	**950,000**	95,000	950,000
Ordinary shares class B	**6,905,000**	**69,050,000**	6,905,000	69,050,000
Total	**7,000,000**	**70,000,000**	**7,000,000**	**70,000,000**

Issued and fully paid

	No. of ordinary shares 2025	Ordinary share capital 2025	No. of ordinary shares 2024	Ordinary share Share capital 2024
Ordinary shares of K 10 each (class A)	**95,000**	**950,000**	95,000	950,000
Ordinary shares of K 10 each (class B)	**6,793,871**	**67,938,710**	6,793,871	67,938,710
Total	**6,888,871**	**68,888,710**	**6,888,871**	**68,888,710**

14 Share capital (continued)

	Ordinary shares class A	Ordinary shares class B	Total ZMW
At 1 January 2024	95,000	6,905,000	7,000,000
At 31 December 2024	**95,000**	**6,905,000**	**7,000,000**
At 1 January 2025	**95,000**	**6,905,000**	**7,000,000**
At 31 December 2025	**95,000**	**6,905,000**	**7,000,000**

The following movements in issued share capital occurred during the period:

	Ordinary shares class A	Ordinary shares class B	Total ZMW
At 1 January 2024	950,000	61,688,710	62,638,710
Issued during the year	-	6,250,000	6,250,000
At 31 December 2024	**950,000**	**67,938,710**	**68,888,710**
At 1 January 2025			
Issued during the year	-	-	-
At 31 December 2025	**950,000**	**67,938,710**	**68,888,710**

15 Property and equipment

	Land	Leasehold improvements	Capital work in progress	Motor vehicles and bikes	Computer and office equipment	Furniture and fittings	Total
Cost							
At 1 January 2024	14,728,000	10,385,365	5,481,614	24,824,739	24,641,646	6,126,075	86,187,439
Additions	-	818,810	208,027	3,076,200	3,008,523	2,107,975	9,219,535
Transfers	-	582,280	(5,481,614)	3,234,000	1,077,251	588,083	-
Write offs	-	-	-	(1,029,250)	(3,585)	(64,960)	(1,097,795)
At 31 December 2024	**14,728,000**	**11,786,455**	**208,027**	**30,105,689**	**28,723,835**	**8,757,173**	**94,309,179**
At 1 January 2025	**14,728,000**	**11,786,455**	**208,027**	**30,105,689**	**28,723,835**	**8,757,173**	**94,309,179**
Additions	-	444,380	1,502,464	1,903,177	1,071,707	496,147	5,417,875
Transfers	-	-	(72,373)	-	14,000	58,373	-
Write offs	-	(19,650)	-	-	-	-	(19,650)
Adjustments	-	-	(10,229)	-	-	-	(10,229)
At 31 December 2025	**14,728,000**	**12,211,185**	**1,627,889**	**32,008,866**	**29,809,542**	**9,311,693**	**99,697,175**
Depreciation							
At 1 January 2024	-	4,158,587	-	14,991,767	12,100,220	2,502,730	33,753,304
Charge for the year	-	2,183,315	-	4,640,376	6,053,219	1,521,523	14,398,433
Disposals		-	-	(574,691)	(3,116)	(6,549)	(584,356)
At 31 December 2024	**-**	**6,341,902**	**-**	**19,057,452**	**18,150,323**	**4,017,704**	**47,567,381**
At 1 January 2025	**-**	**6,341,902**	**-**	**19,057,452**	**18,150,323**	**4,017,704**	**47,567,381**
Charge for the year	-	2,038,126	-	4,741,144	5,098,009	1,505,295	13,382,574
Write offs	-	(4,102)	-	-	-	-	(4,102)
At 31 December 2025	**-**	**8,375,926**	**-**	**23,798,596**	**23,248,332**	**5,522,999**	**60,945,853**
Carrying amounts							
At 31 December 2025	**14,728,000**	**3,835,259**	**1,627,889**	**8,210,270**	**6,561,210**	**3,788,694**	**38,751,322**
At 31 December 2024	**14,728,000**	**5,444,553**	**208,027**	**11,048,237**	**10,573,512**	**4,739,469**	**46,741,798**

15 Property and equipment (continued)

Measurement of fair values

(i) Fair value hierarchy

The fair value of the land was determined at ZMW14,728,000 in 2023 by external, independent property valuers, having appropriately recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

If the land was stated on a historical cost basis, the amounts would be as follows:

	2025	2024
Cost	**7,937,500**	7,937,500
Depreciation	-	-
Carrying amount at 31 December	**7,937,500**	**7,937,500**

The valuation was in line with the Company's accounting policy to recognise its land and buildings at fair value.

(ii) Valuation techniques and significant unobservable inputs

Valuation technique	Significant unobservable inputs	Inter-relationships between key unobservable inputs and fair value measurement
The valuation technique used is the direct comparison. This valuation method involves comparing the past sales of similar land in the area.	The key assumptions were as follows: (i) Remaining useful life of the property; and (ii) Cost of acquiring of the same or similar land.	The estimated fair value would increase or decrease if there is a change in the unobservable inputs.

16 Intangible assets

	Capital work in progress	Software	Total
Cost			
At 1 January 2024	505,895	3,873,482	4,379,377
Additions	-	4,633,834	4,633,834
Transfers	(17,500)	17,500	-
At 31 December 2024	**488,395**	**8,524,816**	**9,013,211**
At 1 January 2025	**488,395**	**8,524,816**	**9,013,211**
Additions	-	139,200	139,200
At 31 December 2025	**488,395**	**8,664,016**	**9,152,411**
Amortisation			
At 1 January 2024	-	2,410,762	2,410,762
Charge for the year	-	644,463	644,463
At 31 December 2024	**-**	**3,055,225**	**3,055,225**
At 1 January 2025	**-**	**3,055,225**	**3,055,225**
Charge for the year	-	1,714,638	1,714,638
At 31 December 2025	**-**	**4,769,863**	**4,769,863**
Carrying amounts			
At 31 December 2025	**488,395**	**3,894,153**	**4,382,548**
At 31 December 2024	**488,395**	**5,469,591**	**5,957,986**

17 Other payables

	2025	2024
Withholding tax	**5,087,981**	2,600,570
Insurance fees payable to Sanlam	**2,688,193**	276,711
Insurance fees payable to Mayfair	**929,324**	211,677
Insurance fees payable to AcreAfrica	**138,478**	195,383
Audit and tax fees	**734,320**	541,417
Staff welfare	**3,195,229**	1,149,348
Other creditors and accruals	**8,389,846**	3,432,962
Other statutory obligations	**1,822,137**	1,071,236
Hedged financial liabilities	**5,166,401**	-
	28,151,909	9,479,304

18 Borrowings

31 December 2025

	Principal	Maturity	Currency	Interest rate/ (excl. WHT)	Carrying value ZMW
Grameen Credit Agricole (GCA)	52,920,700	15 Oct 2027	ZMW	22.11%	**31,724,708**
Oiko Credit	99,000,000	31 Aug 2028	ZMW	24.33%	**69,642,124**
Triple Jump	26,426,100	30 Sep 2028	ZMW	21.11%	**21,046,092**
Bank of Zambia	60,000,000	16 May 2027	ZMW	AVG 8.25%	**15,275,965**
MCE Social Capital	26,937,800	28 May 2027	ZMW	21.90%	**20,633,747**
FMO Entrepreneurial Development Bank	-	-	-	-	**-**
Development Bank	84,884,600	15 Jun 2027	ZMW	21.4%	**32,116,067**
Global Partnership	41,387,332	16 July 2029	ZMW	AVG20.42%	**48,872,523**
Kiva	24,450	31 Dec 2026	USD	0%	**587,866**
Moringaway	20,838,661	30 Jun 2026	ZMW	23%	**41,999,097**
Moringaway 2	850,000	30 Sep 2031	USD	8.75%	**18,836,000**
Agora Microfinance Netherlands	3,050,000	30 Sep 2031	USD	AVG7.08%	**68,160,460**
					368,894,649

31 December 2024

	Principal	Maturity	Currency	Interest rate/ (excl. WHT)	Carrying value ZMW
Grameen Credit Agricole (GCA)	52,920,700	15 Oct 2027	ZMW	22.11%	**47,602,505**
Oiko Credit	99,000,000	31 Aug 2028	ZMW	AVG23.67%	**85,173,139**
Triple Jump	26,426,100	30 Sep 2028	ZMW	21.11%	**27,880,108**
Bank of Zambia	60,000,000	16 May 2027	ZMW	AVG 8.25%	**54,089,103**
MCE Social Capital	26,937,800	28 May 2027	ZMW	21.90%	**32,205,042**
FMO Entrepreneurial Development Bank	-	-	-	-	**-**
Development Bank	84,884,600	15 Jun 2027	ZMW	21.4%	**53,642,720**
Global Partnership	41,387,332	21 Dec 2026	ZMW	20.98%	**41,489,480**
Kiva	24,450	31 Dec 2026	USD	0%	**662,921**
Moringaway	20,838,661	30 Sep 2025	ZMW	23%	**21,038,365**
					363,783,383

18 Borrowings (continued)

All borrowings except the Bank of Zambia facility held have no security.

- The Grameen Credit Agricole loan has an interest rate of **22.1%.**
- The Triple Jump facility had an interest rate of **21.11%.**
- The Bank of Zambia facility had an interest rate of **8.25%** secured by a shareholder's guarantee.
- The MCE Social Capital facility had an interest rate of **21.9%.**
- The FMO Entrepreneurial Development Bank facility had interest set at **21.4%.**
- The Moringaway USD and ZMW facilities had interest rates of **8.75%** and **23%** respectively.
- Global Partnership facilities had an average interest rate of **20.42%**.
- Agora Microfinance Netherlands facility had average interest rate of **6.13%.**
- The KIVA facility is worth **USD24,450** with zero interest rate.
- Oiko credit facility had an interest rate of **24.33%**.

18 Borrowings (continued)

Movement in borrowings

2025

	GCA	OIKO	AMNV	Moringaway	Triple Jump	FMO	MCE	Bank of Zambia	Global Partnership	KIVA	Total
At 1 January	45,360,601	78,600,000	-	20,838,661	26,426,100	53,052,877	31,414,324	51,448,872	41,225,201	662,921	349,029,557
Drawdown	-	-	71,994,056	41,058,613	-	-	-	-	27,451,875	1,996,228	142,500,772
Repayments	(15,047,414)	(14,314,285)	-	-	(6,606,525)	(21,221,150)	(11,210,975)	(37,060,001)	(20,758,172)	(2,071,283)	(128,289,805)
Exchange gains	-	-	(4,406,056)	(1,127,970)	-	-	-	-	-	-	(5,534,026)
	30,313,187	**64,285,715**	**67,588,000**	**60,769,304**	**19,819,575**	**31,831,727**	**20,203,349**	**14,388,871**	**47,918,904**	**587,866**	**357,706,498**
Accrued Interest	1,411,521	5,356,409	572,460	65,793	1,226,517	284,340	430,398	887,094	953,619	-	11,188,151
At 31 December	**31,724,708**	**69,642,124**	**68,160,460**	**60,835,097**	**21,046,092**	**32,116,067**	**20,633,747**	**15,275,965**	**48,872,523**	**587,866**	**368,894,649**

2024

	GCA	OIKO	Moringaway	Triple Jump	FMO	MCE	Bank of Zambia	Global Partnership	KIVA	Total
At 1 January	58,426,912	10,400,000	25,263,386	15,433,022	74,274,025	13,429,575	54,573,900	41,225,201	156,528	293,182,549
Drawdown	-	75,000,000	20,838,661	26,426,100	-	26,937,800	-	-	662,922	149,865,483
Repayments	(13,066,311)	(6,800,000)	(26,828,329)	(15,433,022)	(21,221,148)	(8,953,051)	(3,125,028)	-	(178,072)	(95,604,961)
Finance cost	-	-	1,564,943	-	-	-	-	-	21,543	1,586,486
	45,360,601	**78,600,000**	**20,838,661**	**26,426,100**	**53,052,877**	**31,414,324**	**51,448,872**	**41,225,201**	**662,921**	**349,029,557**
Accrued Interest	2,241,904	6,573,139	199,704	1,454,008	589,843	790,718	2,640,231	264,279	-	14,753,826
At 31 December	**47,602,505**	**85,173,139**	**21,038,365**	**27,880,108**	**53,642,720**	**32,205,042**	**54,089,103**	**41,489,480**	**662,921**	**363,783,383**

19 Income tax expense

a) Amount recognised in profit or loss

	2025	2024
Current tax expense	**8,054,039**	1,175,793
Deferred tax expense/(credit)	**1,472,103**	(4,222,637)
	9,526,142	**(3,046,844)**

b) Reconciliation of effective tax rate

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

		2025		2024
Profit/(Loss before tax)	-	**19,684,688**	-	(15,841,305)
Income tax using corporate tax rate	30%	**5,905,406**	30%	(4,752,392)
Non-deductible expenses	18%	**3,542,292**	(14%)	2,271,787
Over/under provision deferred tax (IFRS 16)	0%	**78,444**	3%	(566,239)
	48%	**9,526,142**	**19%**	**(3,046,844)**

c) Statement of financial position

	2025	2024
Balance at 1 January	**(5,083,107)**	(4,898,923)
Charge for the year	**8,054,039**	1,175,783
Tax paid	**(545,507)**	(1,359,977)
Balance at 31 December	**2,425,425**	**(5,083,107)**

d) Deferred tax assets and liabilities

The Company has no tax losses available for utilisation against future taxable income (2024: Nil).

Recognised deferred tax assets

Following a stable estimate of the Company's future results from operating activities, and based on future projected profitable growth, the Company recognised deferred tax assets amounting **to ZMW 3,825,742** (2024: ZMW 5,297,845). The business plan prepared by Management shows that the Company will continue to make sufficient available profits for the period 2026 – 2028, with which the deferred tax asset can be utilised.

Management anticipates they will be able to meet their budget forecasts for the year based on growth of the loan book and increased capital injection from shareholders and increase in external borrowings. Additionally, Management has intentions to increase other lines of income such as mobile money transactions.

19 Income tax expense (continued)

d) Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year.

2025

	Balance at 1 January 2025	Recognised in income	Balance at 31 December 2025	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment-cost	(240,048)	(354,110)	**(594,158)**	(594,158)	-
Loan loss provision – IFRS 9	(5,495,067)	1,648,109	**(3,846,958)**	(3,846,958)	-
IFRS 16 - leases	(226,578)	(118,261)	**(344,839)**	(344,839)	-
Incentive provisions	(147,631)	(384,638)	**(532,269)**	(532,269)	-
BOZ provision	858,597	1,390,143	**2,248,740**	-	2,248,740
Provision for legal cases	(47,118)	-	**(47,118)**	(47,118)	-
Net deferred income/expenses	-	(709,140)	**(709,140)**	(709,140)	-
	(5,297,845)	**(1,472,103)**	**(3,825,742)**	**(6,074,482)**	**2,248,740**

2024

	Balance at 1 January 2024	Recognised in income	Balance at 31 December 2024	Deferred tax asset	Deferred tax liabilities
Property, plant and equipment-cost	(271,144)	31,096	(240,048)	(240,048)	-
Loan loss provision – IFRS 9	(584,520)	(4,910,547)	(5,495,067)	(5,495,067)	-
IFRS 16 - leases	(114,320)	(112,258)	(226,578)	(226,578)	-
Incentive provisions	(340,012)	192,391	(147,631)	(147,631)	-
BOZ provision	281,906	576,691	858,597	-	858,597
Provision for legal cases	(47,118)	-	(47,118)	(47,118)	-
	(1,075,208)	**(4,222,637)**	**(5,297,845)**	**(6,156,442)**	**858,597**

20 Related party transactions

Parent and ultimate controlling party

The Company is owned and controlled by Agora Microfinance NV ("AMNV"), Moringaway and Agora Multipurpose Co-operative. The Company has carried out transactions with its shareholders, the ultimate parent is AMNV.

The relevant transactions and balances are as below:

i) Borrowings

	2025	2024
Loan principal from Moringaway	**60,769,304**	20,838,661
Loan principal from AMNV	**67,588,000**	-
Interest expense payable to Moringaway	**57,815**	199,704
Interest expense payable to AMNV	**572,460**	-
	128,987,579	**21,038,365**

20 Related party transactions (continued)

ii) Interest

	2025	2024
Interest paid to Moringaway	**13,197,182**	9,286,622
Interest paid to AMNV	**660,585**	-
	13,857,767	**9,286,622**

iii) Other financing costs

	2025	2024
Hedging costs	**7,088,040**	1,564,934
Service fees	**362,773**	392,940
Guarantee fees	**966,276**	1,216,598
	8,417,089	**3,174,472**

iv) Amounts due to related parties

	2025	2024
Guarantee fee payable	**54,663**	305,974
	54,663	**305,974**

v) Issuance of shares

	2025	2024
Agora Microfinance Netherlands (AMNV)	-	6,250,000

vi) Transactions with Directors or Key management personnel

Key management

	2025	2024
Salaries and other short-term employment benefits	**5,369,232**	4,474,360
Loans and advances to key management personnel	**3,602,006**	994,452

Detailed listing of loans and advances to Directors and key management personnel.

	1-Jan-25 Opening Amounts ZMW	Additions / Disbursements ZMW	Repayments / transfers out ZMW	31-Dec-25 Closing amounts ZMW	Weighted interest range	Nature of loan
Director 1	-	701,825	(31,993)	669,832	13%	Commercial mortgage
Officer 1	499,985	1,403,649	(517,733)	1,385,901	12%	Staff mortgage
Officer 2	151,975	265,690	(212,070)	205,595	20%	Staff Personal Loan
Officer 3	48,353	250,650	(78,702)	220,301	15.5%	Staff Personal Loan
Officer 4	294,139	-	(54,220)	239,919	13%	Staff Personal Loan
Officer 5	-	892,320	(11,862)	880,458	12%	Staff mortgage
	994,452	3,514,134	(906,580)	3,602,006		

20 Related party transactions (continued)

vi) Transactions with Directors or Key management personnel (continued)

The Remuneration and Nomination Committee of the Board determines interest rates for staff loans annually, referencing local treasury bill rates and guided by the principle that such loans should be offered at or near the Company's cost of funds. During the year, Management adjusted the rates quarterly, using the formula of the 182-day Treasury bill plus 8% for general staff loans. The Committee also approved specific products: Staff residential mortgages (182-day Treasury bill), Staff commercial mortgages (182-day Treasury bill + 6%), and Education loans (182-day Treasury bill). Interest rates applied to balances outstanding from related parties were set at thirty-seven percent of the rates that would otherwise apply in arm's length transactions. The interest charged on balances outstanding from related parties amounted to **ZMW 800,951** (2024: ZMW 439,730).

As of 31 December 2025, the balances with related parties are allocated to stages 1, 2 and 3 and have a loss allowance of **ZMW 241,589** (2024: ZMW 38,669). During 2025, an impairment loss amounting to **ZMW 145,775** was recognised in profit or loss in respect of these balances (2024: ZMW 26,659).

vii) Directors' fees

	2025	2024
Directors' fees paid	**234,339**	203,952

21 Leases

Leases as lessee (IFRS 16)

The Company leases office space. The leases typically run for a period of 1 year to 5 years with an option to renew the lease after that date. Lease payments are renegotiated every time after the lease term to reflect market rentals.

Information about leases for which the Company is a lessee is presented below:

a) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented below:

	2025	2024
Balance at 1 January	**7,510,224**	5,679,380
Depreciation charge for the year	**(4,887,977)**	(4,317,868)
Additions	**3,753,033**	6,148,712
Derecognition of right-of-use assets	**(171,484)**	-
Balance at 31 December	**6,203,796**	**7,510,224**

21 Leases (continued)

b) Amounts recognised in profit or loss

	2025	2024
Interest on lease liabilities (note 7)	**1,533,829**	1,669,938

c) Amounts recognised in the statement of cash flows

	2024	2023
Total interest repayments	**1,533,829**	1,669,938
Total principal repayments	**4,370,216**	4,139,933
Total cash outflow for leases	**5,904,045**	**5,809,871**

d) Lease liability

Non-current portion of lease liabilities	**2,859,600**	4,858,060
Current portion of lease liabilities	**4,493,658**	3,407,423
Balance at 31 December	**7,353,258**	**8,265,483**

22 Financial instrument fair value and risk management

Financial risk management

Introduction and overview

The Company has exposure to the following risks from its use of financial assets and liabilities:

– credit risk; – liquidity risk; – market risks; and – operational risks.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The effective management of risk is critical to earnings and financial position within the Company where the culture encourages sound commercial decision making which adequately balances risk and reward.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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, products and services offered. The Company's approach to risk management is based on an established governance process and relies both on individual responsibility and collective oversight. This approach balances stringent corporate oversight with independent risk management structures within the Company.

Naturally, the Company faces a number of risks when conducting its business which it may choose to take, transfer or mitigate as described.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and advances to customers. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure (such as individual obligor default risk and sector risk).

22 Financial instrument fair value and risk management (continued)

Financial risk management (continued)

(a) Credit risk (continued)

(i) Management of credit risk

In order to manage this risk, the Board has a defined credit policy for the Company, which is documented and forms the basis of all credit decisions. The Company also makes allowance for impairment in line with the requirements of IFRS 9.

Management evaluates credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, considering their financial position, past experience and other factors. Individual risk limits are set based on internal and/or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Credit guarantee insurance is purchased when deemed appropriate in cases of death or disability. Credit risk on other financial assets were conducted but did not materialise into a significant adjustment.

(ii) Credit quality analysis

The table below sets out information about the credit quality of loans and advances to customers and the allowance for impairment/loss held by the Company against those assets.

The carrying amount of loans and advances to customers represents the main credit exposure. The maximum exposure to credit risk on these assets at the reporting date was:

	2025	2024
Loans and advances to customers		
Stage 1 – Performing	**405,548,371**	359,214,175
Stage 2 – Not late	**3,913,452**	2,938,112
Stage 3 – Late	**13,316,170**	6,191,321
Gross loans and advances to customers	**422,777,993**	**368,343,608**

Impairment losses

The aging of loans and advances to customers at reporting date was:

	2025	2024
Neither past due nor impaired	**384,679,402**	348,768,580
Past due 1-29 days	**20,868,969**	10,445,595
Past due 30-59 days	**3,913,452**	2,938,112
Past due 60-89 days	**1,913,081**	1,442,818
Past due 90-119 days	**2,226,846**	1,412,677
Past due >120 days	**9,176,243**	3,335,826
Gross	**422,777,993**	**368,343,608**
Provision for impairment	**(12,823,190)**	(18,316,907)
	409,954,803	**350,026,701**

22 Financial instrument fair value and risk management (continued)

Impairment losses (continued)

Impaired loans and advances are loans and advances for which the Company determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/securities agreements.

(iii) Concentrations of risk of financial assets with credit risk exposure
Industry sector risk concentrations within the customer loan portfolio were as follows:

	2025	2024
Agriculture and allied	**37,348,691**	51,760,924
Manufacturing, mining and production	**275,626**	149,836
Trade and services	**376,615,771**	300,042,261
Other sectors	**8,537,905**	16,390,587
	422,777,993	**368,343,608**

The majority of the Company's customers are individuals, who access financial services, either in community banks, solidarity groups, or as individuals. There is no distinct market that is dominant.

(iv) Collateral held and other credit enhancement
In order to determine the credit worth of a particular client, the Company has established a robust system for client assessment which includes determination of the cashflows of the business, determination of the value of collateral as well as the financial capability of the guarantor. In the case of group lending a three-tier guarantee is applied. All these factors help to determine the credit quality of the loan extended to the clients. Agora Microfinance ensures that the collateral pledged for Small and Medium Size Entities (SMSE) loans have a value that is at least 150% of the value of the loan facility requested by the client. This helps to mitigate the credit risk and, in the event that the collateral has to be liquidated, there is surety that the loan will be recovered.

As of 31 December 2025, the non-performing loans amounted to **ZMW 11,403,089** (2024: ZMW 4,748,503) and the collateral pledged against these loans amounted to ZMW 5,983,407 (2024: ZMW 4,927,686).

(v) Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk
When determining whether the credit risk (i.e., risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis based on the Company's experience, expert credit assessment and forward-looking information.

The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime PD as at the reporting date with the remaining lifetime PD for this point in time that was estimated on initial recognition of the exposure.

Because of the absence of credit ratings in Zambia, the Company allocates exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to audited financial statements, management accounts, cash flow projections, available regulatory and press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

The Company has assumed that the credit risk of a financial asset has not increased significantly since initial recognition if the financial asset has low credit risk at the reporting date. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment-grade".

As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 60 days past due. At 60 days past due (two months of non- payment consecutively), non-payment by the borrower can no longer be attributable to any administrative inconvenience but rather possible financial stress or character issues and the likelihood of catching up is remote with a possibility of the arrears remaining permanently. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- The criteria do not align with the point in time when an asset becomes 90 days past due; and
- The average time between the identification of significant increase in credit risk and default appears reasonable.

Sensitivity analysis
If all the stage 2 instruments were stage 1, the ECL would have reduced by **ZMW 1,115,058** as shown below. This analysis assumes that all other variables remain constant.

	2025	2024
Impairment level with stage 2 loans	**12,823,190**	18,316,907
Impairment level with stage 2 loans assumed as stage 1	**(11,708,132)**	(17,774,589)
	1,115,058	**542,318**

The impairment provision decreases due to the reduction in credit risk. Exposures are not generally transferred from 12-month ECL measurement to credit- impaired and there is no unwarranted volatility in loss allowance from transfers between 12-month and lifetime ECL measurements.

Modified financial assets
The contractual terms of the financial assets may be modified for a number of reasons, including changing the market conditions and other factors not related to a current or potential credit deterioration of the borrower. An existing financial asset whose terms have been modified may be derecognised and the renegotiated asset recognised as a new financial asset at fair value.

When the terms of a financial asset are modified and the modification does not result in de-recognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of its remaining lifetime PD as at the reporting date based on modified terms with the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

Definition of default

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company has adopted the Banking and Financial Services Act definition of default which takes into account the ageing of the loan and the relevant provisioning percentages.

Incorporation of forward-looking information

The Company incorporates forward looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL. It formulates a "base case" view of the future direction of relevant economic variables and representative range of other possible forecast scenarios based on advice from the risk committee and economic experts and consideration of a variety of external actual and forecast information. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

External information includes economic data and forecasts published by the government and monetary authorities and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Company for other purposes, such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Company also periodically carries out stress-testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Company has identified and documented key drivers of credit risk and ECL for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 31 December 2025 included the following key indicators for the year ending 31 December 2025:

- Each respective loan effective interest rate;
- Gross Domestic Product (GDP) growth 3%; and
- Macro-Economic data such as foreign exchange, inflation, interest, country reserve and unemployment rates has been sourced from IMF for Zambia. The data is available for annual frequency. For Correlation analysis, interpolation has been done at quarterly level.

The predicted relationships between the key indicators and the default and loss rates on various portfolios of financial assets have been developed by analysing historical data over the past 5 years.

Measurement of ECL

The key inputs into the measurement of ECL are the term structures of the following variables:

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at default (EAD).

To determine lifetime and 12-month PDs, the Company uses the average quotient of principal amounts impaired and delinquent trade receivables based on the five-year default history. Beyond a point of collectability, 100% PD is assumed. The PDs are adjusted to reflect forward-looking information as described above. Changes in the rating for the counterparty or exposure lead to a change in the estimate of the associated PD.

Measurement of ECL (continued)

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties and the expected cashflows from realizability of collateral discounted at the effective interest rate. The LGD models consider the structure, seniority of the claim and counterparty industry. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as a discounting factor.

EAD represents the expected exposure in the event of a default. The Company derives EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of the financial asset is its gross carrying amount.

As described above the subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, which include:

- Instrument type;
- Credit risk gradings;
- Date of initial recognition;
- Industry; and
- Geographic location of the customer.

The groupings are subject to regular review to ensure that exposures within the particular group remain appropriately homogeneous.

Write off policy

The Company writes off a loan balance (and any related allowances for impairment losses) when the Company determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation. For smaller balance standardised loans, charge off decisions generally are based on a product specific past due status. Write offs are approved by the Board before they are actioned.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

(i) Management of liquidity risk

The Company ensures it has sufficient funds on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of expense circumstances that cannot reasonably be predicted such as natural disasters.

Proactive liquidity management in line with Company liquidity standards ensured that, despite volatile and constrained liquidity environments because of the drought, adequate liquidity was maintained to fully support balance sheet strategies. This was achieved through continuous engagements with lenders. For instance, during the year, the Company secured ZMW 143 million. At the same time consideration has been provided to the adequacy of contingent funding, ensuring sufficiency to accommodate unexpected liquidity demands.

22 Financial instrument fair value and risk management (continued)

(ii) Maturity analysis for financial liabilities

Liquidity risk is monitored on a weekly basis by the Finance department and controlled as far as possible by ensuring the mismatch between maturing liabilities and investment of these funds are kept at a minimum.

The table below analyses liabilities of the Company into relevant maturity based on the remaining period at reporting date to the contractual maturity date.

The gross nominal outflow disclosed in the table below represents the contractual undiscounted cash flows relating to the principal and interest on the financial liability.

31 December 2025	Carrying amount	Gross nominal outflows	Less than 1 year	Between 2 – 5 years
Liabilities				
Current tax liabilities	2,425,425	2,425,425	2,425,425	-
Amount due to related parties	54,663	-	-	-
Borrowings	368,894,649	441,891,515	257,468,045	184,423,470
Other payables	28,151,909	23,043,831	23,043,831	-
Lease liabilities	7,353,258	8,167,139	5,307,539	2,859,600
Total liabilities	**406,879,904**	**475,582,573**	**288,299,503**	**187,283,070**

31 December 2024	Carrying amount	Gross nominal outflows	Less than 1 year	Between 2 – 5 years
Liabilities				
Amount due to related parties	305,974	305,974	305,974	-
Borrowings	363,783,383	478,547,582	216,330,797	262,216,785
Other payables	9,479,304	-	-	-
Lease liabilities	8,265,483	9,798,044	4,768,761	5,029,283
Total liabilities	**381,834,144**	**498,130,904**	**230,884,836**	**267,246,068**

The table above shows the undiscounted cash flows on the Company's financial liabilities on the basis of their earliest possible contractual maturity. The Company's expected cash flows on these instruments do not vary significantly from this analysis.

(c) Market risk

Market risk is the risk where changes in market prices, such as interest rate, foreign exchange rates and credit spreads (not relating to changes in the obligor's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

22 Financial instrument fair value and risk management (continued)

(i) Interest rate risk

Exposure to interest rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates.

Interest rate risk is managed principally through monitoring interest rate gaps between the Company's borrowing rates and its fixed onward lending rates. Management also monitors the movement in Treasury bills rates of 182 days on a quarterly basis and then relates this to the amounts that they expect to pay in interest to the respective lenders. This also helps determine the minimum lending rate for the Company which will minimise or avoid interest rate gap losses as well as ensure that the Company has adequate return on funds available for lending.

A summary of the Company's interest rate gap position on non-trading portfolios is as follows:

31 December 2025	Interest rate	Carrying amount	Less than 3 months	3-12 months	1-5 years
Assets					
Loans and advances to customers	Fixed	409,456,293	77,023,031	285,070,228	47,363,034
Total assets		**409,456,293**	**77,023,031**	**285,070,228**	**47,363,034**
Borrowings	Fixed	357,706,498	54,514,104	154,922,358	148,270,036
Lease liabilities	Fixed	7,353,258	1,123,414	3,370,244	2,859,600
Total liabilities		**365,059,756**	**55,637,518**	**158,292,602**	**151,129,636**
Interest rate gap		**44,396,537**	**21,385,513**	**126,777,626**	**(103,766,602)**

The negative interest rate gaps in 1 to 5 years is covered by the assets maturing in the less than 12 months, which are reinvested in the core business of lending to clients.

31 December 2024	Interest rate	Carrying amount	Less than 3 months	3-12 months	1-5 years
Assets					
Loans and advances to customers	Fixed	350,026,701	60,687,813	268,004,090	21,334,798
Total assets		**350,026,701**	**60,687,813**	**268,004,090**	**21,334,798**
Borrowings	Fixed /Variable	363,783,383	24,422,256	137,978,889	201,382,238
Lease liabilities	Fixed	8,265,483	1,214,515	3,643,545	3,407,423
Total liabilities		**372,048,866**	**25,636,771**	**141,622,434**	**204,789,661**
Interest rate gap		**(22,022,165)**	**35,051,042**	**126,381,656**	**(183,454,863)**

22 Financial instrument fair value and risk management (continued)

(ii) Currency risk

Currency risk is the risk of adverse movements in exchange rates that will result in a decrease in the value of foreign exchange assets or an increase in the value of foreign currency liabilities. The organisation does not hedge its foreign assets or liabilities. The Company undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arises.

The Company is exposed to foreign exchange risk primarily with respect to some bank balances and loans which are denominated in United States dollars and euro.

A summary of the Company's foreign currency exposure on its financial assets and liabilities in Kwacha is as follows:

31 December 2025

	EURO (ZMW exposure)	USD (ZMW exposure)	ZMW	Total
Assets				
Loans and advances to customers	-	-	384,906,070	384,906,070
Cash and cash equivalents	160,653	343,615	27,296,754	27,801,022
Other receivables (less prepayments)	-	61,626,246	8,427,283	70,053,529
Total assets	**160,653**	**61,969,861**	**420,630,107**	**482,760,621**
Liabilities				
Other payables	-	-	28,151,909	28,151,909
Current tax liability			2,425,425	2,425,425
Amount due to related parties	-	-	54,663	54,663
Lease liabilities	-	569,217	6,784,041	7,353,258
Borrowings	-	87,025,496	281,869,153	368,894,649
Total liabilities	**-**	**87,594,713**	**319,285,191**	**406,879,904**
Net exposure	**160,653**	**(25,624,852)**	**101,344,916**	**75,880,717**

31 December 2024

	EURO (ZMW exposure)	USD (ZMW exposure)	ZMW	Total
Assets				
Loans and advances to customers	-	-	327,335,521	327,335,521
Cash and cash equivalents	2,833	7,954,597	24,896,590	32,854,020
Other receivables (less prepayments)	-	680,529	6,298,831	6,979,360
Total assets	**2,833**	**8,635,126**	**358,530,942**	**367,168,901**

22 Financial instrument fair value and risk management (continued)

(ii) Currency risk (continued)

Liabilities				
Other payables			9,479,304	9,479,304
Amount due to related parties	-	-	305,974	305,974
Lease liabilities	-	2,351,985	5,913,498	8,265,483
Borrowings	-	662,921	363,120,462	363,783,383
Total liabilities	**-**	**3,014,906**	**378,819,238**	**381,834,144**
Net exposure	**2,833**	**5,620,220**	**(20,288,296)**	**(14,665,243)**

The following significant exchange rates were applied during the period:

	Closing rate		Closing rate	
	2025 USD	2024 USD	2025 EURO	2024 EURO
	22.16	27.83	26.03	28.97

Sensitivity analysis

A 10 percent strengthening of the Zambian Kwacha against the USD and EURO at 31 December would have increased/(decreased) the profits by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2024.

	Profit or loss		Profit or loss	
	2025 USD	2024 USD	2025 EURO	2024 EURO
	2,562,485	**562,022**	**(16,065)**	**283**

A 10 percent weakening of the Zambian Kwacha against the above currencies at 31 December 2025 would have had the equal but opposite effect on the profit for the year, on the basis that all other variables remain constant.

22 Financial instrument fair value and risk management (continued)

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations and are faced by all business entities. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

(e) Compliance risk

Compliance is an independent core risk management activity, which also has unrestricted access to the Managing Director and the Chairman of the Board. The Company is subject to extensive supervisory and regulatory regimes, and the executive management remains responsible for overseeing the management of the Company's compliance risk.

Money laundering control and occupational health and safety (including aspect of environmental risk management) are managed within the Compliance function and there are increasingly onerous legislative requirements being imposed in both these areas.

The Company has adopted anti-money laundering policies including "Know Your Customer" policies and procedures and adheres to the country's anti-money laundering legislation and the Bank of Zambia's regulations and directives.

The management of compliance risk has become a distinct discipline within the Company's overall risk management framework. Ultimate responsibility for this risk lies with the Board of Directors. A combination of key activities is undertaken to manage the risk such as identifying the regulatory universe and developing compliance management plans, training staff and other stakeholders on relevant regulatory requirements, and monitoring compliance. Compliance with the "Know-Your-Customer procedures" and Prohibition and Prevention of Money Laundering Act number 14 of 2001 as amended by Act number 44 of 2010. Anti-money laundering procedures and legislation became an area of major focus for the Company especially in 2018.

Accounting classifications and fair values

The table below sets out the Company's classification of financial assets and financial liabilities, and their fair values:

2025	Amortised cost	Total carrying amount	Fair value
Assets			
Cash and cash equivalents	27,801,022	27,801,022	27,801,022
Loans and advances to customers	384,906,070	384,906,070	384,906,070
Other receivables (less prepayment)	8,427,283	8,427,283	8,427,283
	421,134,375	**421,134,375**	**421,134,375**
Liabilities			
Other payables	28,151,909	28,151,909	28,151,909
Current tax liability	2,425,425	2,425,425	2,425,425
Lease liabilities	7,353,258	7,353,258	7,353,258
Borrowings	368,894,649	368,894,649	368,894,649
Amount due to related parties	54,663	54,663	54,663
	406,879,904	**406,879,904**	**406,879,904**

2024	Amortised cost	Total carrying amount	Fair value
Assets			
Cash and cash equivalents	32,854,020	32,854,020	32,854,020
Loans and advances to customers	327,335,521	327,335,521	327,335,521
Other receivables (less prepayment)	6,979,360	6,979,360	6,979,360
	367,168,901	**367,168,901**	**367,168,901**
Liabilities			
Other liabilities	9,479,304	9,479,304	9,479,304
Lease liabilities	8,265,483	8,265,483	8,265,483
Borrowings	363,783,383	363,783,383	363,783,383
Amount due to related parties	305,974	305,974	305,974
	381,834,144	**381,834,144**	**381,834,144**

23 Capital management

Regulatory capital

The Company's regulator (Bank of Zambia) sets and monitors capital requirements for the Company as a whole. In implementing current capital requirements, Bank of Zambia requires the Company to maintain a minimum 15% ratio of total capital to total risk-weighted assets. The Company's regulatory capital is analysed into two tiers:

- Primary (Tier 1) capital, which includes paid-up common shares, retained earnings, statutory reserves less adjustment of assets of little or no realisable value.
- Secondary (Tier 2) capital, which includes qualifying subordinated term debt and revaluation reserves limited to a maximum of 40%. The maximum amount of total secondary capital is limited to 100% of primary capital.

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future developments of the business. There were no changes in the Company's approach to capital management during the period.

The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position are:

- To comply with capital requirements set by the Bank of Zambia;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

23 Capital management (continued)

Capital position

I Primary (Tier 1) capital

		2025	2024
(a)	Paid-up common shares	68,888,710	68,888,710
(b)	Share premium	2,466,137	2,466,137
(c)	Accumulated losses	(4,823,647)	(14,982,193)
(d)	**Sub-total A (items a to d) less**	**66,531,200**	**56,372,654**
(e)	Goodwill and other intangible assets	(4,382,548)	(5,957,986)
(g)	**Sub-total B (items d to e)**	**62,148,652**	**50,414,668**
(h)	**Total primary capital**	**62,148,652**	**50,414,668**
II	**Secondary (Tier 2) capital**		
	Revaluation reserves. Maximum is 40% of revaluation reserve.	21,552,200	2,716,200
III	**Eligible secondary capital**		
	(The maximum amount of secondary capital is limited to 100% of primary capital)	21,552,200	2,716,200
IV	**Eligible total capital (I (g) + III)**		
	(Regulatory capital)	83,700,852	53,130,868
V	**Minimum total capital requirement**		
	15% total on and off-balance sheet risk-weighted assets	(68,692,475)	(62,796,357)
VI	**(Deficit)/Excess (IV minus V)**	**15,008,377**	**(9,665,491)**

24 Capital commitments

The central bank approved new shareholders in December 2025 with equity injection expected within the first half of 2026.

25 Contingent liabilities

There were no material contingent liabilities (2024: ZMW nil).

26 Subsequent events

There were no significant events after the reporting date requiring disclosure or adjustment to these financial statements.

27 Material accounting policies

Set out below is an index of the material accounting policies the details of which are available on the pages that follow:

a)	Property and equipment
b)	Intangible assets
c)	Foreign currency transactions
d)	Financial assets and liabilities
e)	Loans and advances
f)	Cash and cash equivalents
g)	Income tax
h)	Share capital and reserves
i)	Employee benefits
j)	Interest income and expense
k)	Fees and commission
l)	Leases

(a) Property and equipment

(i) Recognition and measurement

Equipment is initially measured at cost less accumulated depreciation and any accumulated impairment loss.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the asset to a working condition for its intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located;
- capitalised borrowing costs; and
- Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Any gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of the equipment and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of the asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the expected useful lives of each part of an item or property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciable.

(a) Property and equipment (continued)

(iii) Depreciation (continued)

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

Item	Average useful life
Furniture and fittings	5 years
Motor vehicles	5 years
Motorbikes	4 years
Computer and office equipment	4 years
Leasehold improvements	5 years
Capital work in progress	Not depreciated

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

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

The gain or loss arising from the derecognition of an item of equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(iv) Revaluation

An external, independent valuation expert, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Company`s land every 5 years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

The surplus arising on the revaluation of properties is initially credited to a revaluation surplus, which is a non-distributable reserve.

If the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset, thereafter the remaining decrease is recognised in profit or loss.

(b) Intangible assets

Software

Software acquired by the Company is measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits of the asset to which it relates. All other expenditure is recognised in profit or loss as incurred. Software is amortised on a straight-line basis in the profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software is three years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. However, foreign currency differences arising on retranslation are recognised in profit or loss.

(d) Financial assets and liabilities

i) Recognition and initial measurement

The Company recognises deposits with financial institutions and loans and borrowings on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for a financial asset or financial liability not measured at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification

Financial assets

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cashflows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value. This election is made on an investment-by-investment basis.

(d) Financial assets and liabilities (continued)

ii) Classification (continued)

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Other financial liabilities comprise trade and other payables, amounts due to related parties and loans and borrowings.

Business model assessment

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- average features;
- prepayment and extension terms;
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Company holds a portfolio of long-term fixed-rate loans for which the Company has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Company has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

27 Material accounting policies (continued)

(d) Financial assets and liabilities (continued)

ii) Classification (continued)

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

iv. Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Company evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised, and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

– fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and

– other fees are included in profit or loss as part of the gain or loss on derecognition.

(d) Financial assets and liabilities (continued)

iv. Modifications of financial assets and financial liabilities (continued)

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower (see (vii)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

(d) Financial assets and liabilities (continued)

vi. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would consider in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

vii. Impairment

The Company recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

(d) Financial assets and liabilities (continued)

vii. Impairment (continued)

No impairment loss is recognised on equity investments.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

– debt investment securities that are determined to have low credit risk at the reporting date; and
– other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

– financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
– financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
– undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
– financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Company expects to recover.

(d) Financial assets and liabilities (continued)

vii. Impairment (continued)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

– If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
– If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;
– a breach of contract such as a default or past due event;
– the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
– it is becoming probable that the borrower will enter bankruptcy or another financial reorganisation; or
– the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

– financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
– loan commitments and financial guarantee contracts: generally, as a provision; and
– where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component: The Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

(e) Loans and advances

'Loans and advances' captions in the statement of financial position include:

– loans and advances measured at amortised cost they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(g) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current taxes and liabilities are offset in the statement of financial position only if the Company has a legal right and has intention to settle on the net basis.

(ii) Deferred tax

The Company applies IAS 12 – Income taxes, which states that a deferred tax asset is recognised in respect of deductible temporary differences. A deferred tax asset should be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

– Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss;
– Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
– Taxable temporary differences arising on the initial recognition of goodwill.

(g) Income tax (continued)

Deferred tax (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves.

(h) Share capital and reserves

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(i) Employee benefits

All employees are members of the National Pension Scheme Authority to which both employees and the Company contribute. During 2019, the Company operated a mandatory private pension scheme with Madison Life Insurance through the Madison Pension Trust Fund. Employer contribution and later changed to Saturnia Regna Pension Trust Limited, employer contribution is 4% of basic salary and employee contribution is 3% of basic salary. Obligations for both public and private contributions are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees. In addition, employees may qualify for performance-based incentives as per the Company's internal rules.

There are no expected gratuity payments as per employees' contracts of employment.

(j) Interest income and expense

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes base interest rate and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

(j) Interest income and expense (continued)

The accounting treatment of the costs incurred by the Company in the lending process, is dependent on the nature of the costs. To the extent that these costs are incremental and directly attributable to the origination of a loan measured at amortised cost, such costs will be included in calculating the effective interest rate.

Due to system constraints in not being able to capitalise the costs and fee income to the loan and directly affect the effective interest rate, the Company creates deferred transaction cost and deferred fee income accounts. Since no effective interest rate is calculated however contractual interest rate is used to calculate interest income. These deferred accounts unwind over the expected life of the loan to interest income, together with contractual interest on the loan in order to approximate the requirements of IFRS 9.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(k) Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income-including account servicing fees, investment management fees, sales commission, placement fees and insurance commission are recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

A contract with a customer that results in a recognised financial instrument in the Company's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Company first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

(l) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

(l) Leases (continued)

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

27 Material accounting policies (continued)

(l) Leases (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

28 Standards issued but not yet effective

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

(a) IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company’s statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as ‘other’.

(b) Other standards

The following new and amended accounting standards are not expected to have a significant impact on the Company’s financial statements:

- Lack of Exchangeability (Amendments to IAS 21).
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

Unaudited – Appendix 1

Details of operating expenditure
for the year ended 31 December 2025

In Zambian Kwacha

	As on 31 December 2025	As on 31 December 2024
Advertising and branding	**311,707**	208,368
Audit fees	**1,311,387**	1,529,648
Bank charges	**531,844**	943,735
Computer expenses	**296,510**	420,657
Consultancy fees	**362,773**	1,378,041
Depreciation and amortisation	**19,985,189**	19,828,312
Directors' fees	**234,339**	203,952
Fuel on motor bikes and vehicles	**13,928,654**	13,650,204
General expenses	**4,218,744**	6,750,532
Information Technology	**6,619,474**	6,092,518
Insurance	**903,340**	936,522
Legal fees	**468,297**	589,575
Licensing expenses	**694,079**	640,041
Office expenses	**15,751**	55,061
Other premises costs	**1,221,626**	1,158,310
Professional fees	-	392,956
Recruitment and training	**1,396,578**	1,030,073
Repairs and maintenance	**8,373,107**	9,556,085
Salary and wages	**79,609,625**	66,410,230
Security expenses	**3,293,188**	4,389,908
Stationery	**1,736,480**	2,135,260
Telephone expenses	**847,314**	766,512
Travel – foreign	**282,120**	57,493
Travel – local	**5,394,716**	2,961,286
Total expenses	**152,036,842**	**142,085,279**