Letshego

LETSHEGO AFRICA HOLDINGS LIMITED

FULL YEAR 2024
UNAUDITED FINANCIAL RESULTS

FACT SHEET

DECEMBER 2024

FINANCIAL HIGHLIGHTS

The Board of Directors of Letshego Africa Holdings Limited ("the Group"/"Letshego Africa") herewith presents an extract of the unaudited consolidated financial results for the year ended 31 December 2024.

Interest income
up **15%**
yoy to BWP3.93 billion
(2023: BWP3.42 billion)

Non funded income
up **4%**
yoy to BWP536 million
(2023: BWP514 million)

Operating income
up **26%**
yoy to BWP2.87 billion
(2023: BWP2.28 billion)

Interest expense
down **4%**
yoy to BWP1.60 billion
(2023: BWP1.66 billion)

Profit before tax
up **91%**
yoy to BWP232 million
(2023: BWP121 million)

Net customer advances
up **1%**
yoy to BWP13.56 billion
(2023: BWP13.49 billion)

"Our purpose is consistent in improving lives by delivering simple and affordable solutions that achieve a tangible social impact. The Group's top line growth shows sound business resilience, while our governance structures provide a solid foundation for future sustainable returns. We are now refining our focus on enhancing execution and increasing efficiencies."

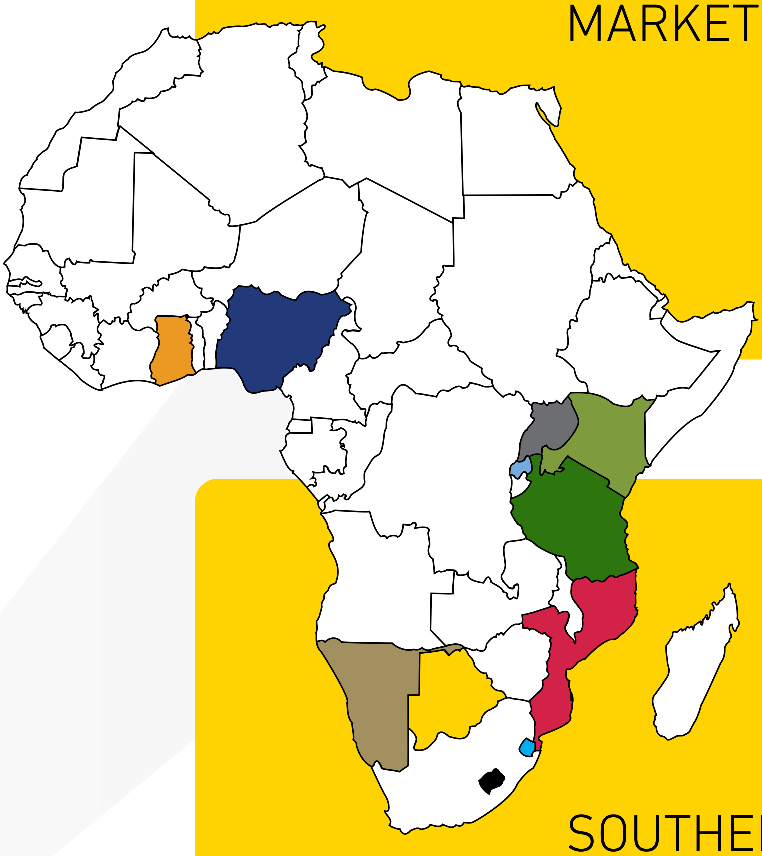
Group Chairman **PHILIP ODERA**

"Strong double digit growth in both PBT and operating income affirms that our business foundations remain sound. We are also encouraged by how well our short term loans have grown in Ghana and Tanzania. Our net loss position, although improved, shows we still have more work to do on balancing tax efficiencies."

Interim Group Chief Executive **BRIGHTON BANDA**

PROFIT AFTER TAXATION

EAST & WEST AFRICA MARKETS



TANZANIA*

>200%

2024 BWP43.4 million
(2023: BWP6.3 million)

* *Tanzania (Letshego Faidika Bank)*

RWANDA

>200%

2024 BWP7.9 million
(2023: BWP6.3 million)

UGANDA

>200%

2024 BWP25.2million
(2023: BWP15.4 million)

SOUTHERN AFRICA MARKETS

BOTSWANA

123%

2024 BWP173.7 million
(2023: BWP77.8million)

NAMIBIA

32%

2024 BWP310.2 million
(2023: BWP234.9 million)

MOZAMBIQUE

12%

2024 BWP194.3 million
(2023: BWP173.5 million)

EXECUTIVE OVERVIEW

Letshego Africa Holdings' collective operations across sub–Saharan Africa recorded a double digit increase in operating income for the year ended 31st December 2024. Bottom line performance was however dampened by an ultimate net loss, though the quantum has greatly reduced from the net loss recorded for the full year 2023.

Topline year on year income growth reaffirms that the business business fundamentals remain strong Profit growth continues to be driven by our three core markets, Botswana, Namibia and Mozambique that collectively contribute over 80% of the Group's total profits. In East and West markets, we are seeing green shoots with Ghana and Tanzania both showing good growth in short term loans year on year of 125% and 568% respectively.

After tax losses for the year are largely attributable to a 12% increase in taxation for the year, driven by increased tax obligations from improved performance in our top three markets, as well as prior year adjustments. A more detailed breakdown of our Effective Tax Rate is available in our financial overview and financial statements.

From a risk perspective, we are priortising attaining global standards in effective risk management. Our Enterprise Risk Management Framework continues to adapt around evolving business activities and trends in third party risk and ever-changing market environments. Recent updates include our Sustainability, Environmental and Social Governance standards.

Our loan loss ratio increased in 2024 to 5.4% from 3.3% the prior year. The Group was still exposed to low performing portfolios originating in the previous years where the Group took incremental provisions and write-offs. In this reporting period, we tightened our credit provisioning as well as write off policies early in the year. The Group took strategic decisions to derisk some challenging business segments during the year. Credit risk frameworks have also been adjusted for new product launches in our markets, giving us confidence that we will achieve our portfolio risk appetite in 2025.

Shareholder updates published on the Botswana Stock Exchange in the second half of the year reiterate the Group's commitment to reviewing its participation model in East and West Africa markets. The objective of this process is to unlock shareholder value for the Group as a whole. A formal exploratory process is underway, however we wish to remind shareholders that such initiatives take time, and there is no guarantee a transaction will result.

Looking forward, we are building on learnings gained from our previous strategy and will be refining our focus to scaling our Deduction at Source portfolio, extending the reach of Short Term Lending and accelerating deposit mobilisation. Effective cost management and increasing efficiencies in collections and recoveries also remains integral to balancing our business flows.

FINANCIAL METRICS

Net interest income
up
32%
to BWP2.33 billion
(FY 2023: BWP1.77 billion)

Non-funded income
up
4%
to BWP536 million
(FY 2023: BWP514 million)

Profit before tax
up
91%
to BWP232 million
(FY 2023: BWP121 million)

Loss after tax
of BWP70 million
down
53%
(FY 2023: BWP149 million)

Net advances
up
1%
to BWP13.6 billion
(FY 2023: BWP13.5 billion)

Customer deposits
up
40%
to BWP2.1 billion
(FY 2023: BWP1.5 billion)

Loan loss ratio
of
5.4%
(FY 2023: 3.3%)

Cost-to-income ratio
of
64%
(FY 2023: 74%)

Effective tax rate (ETR)
of
130%
(FY 2023: 223%)

Basic loss per share
(6.3) thebe
(FY 2023 (9.3) thebe)

Loss on Equity (ROE)
of
(1%)
(FY 2023: (3%))

Capitalisation ratio
24%
(FY 2023: 24%)

Debt-to-equity ratio
of
195%
(FY 2023: 183%)

MACRO ECONOMIC INSIGHTS

The World Bank estimates GDP growth for Sub Saharan Africa to have accelerated to 3.2% in 2024 from 2.9% in 2023, slightly lower than projected in the first half of the year. Economic outcomes for 2024 were a mixed bag of improved performance by South Africa, an average of 2.2% growth in Nigeria, a sub regional set back from conflict in Sudan and economic contraction from reduced diamond sales in Botswana.

Inflation varied across the region, with the majority of countries experiencing moderate and declining price increases, though food price inflation remained relatively high. Larger economies in Africa did however see sharp price increases, partly reflecting significant currency depreciations, more specifically Nigeria. Food insecurity remained elevated across the region due to adverse weather events, including droughts and floods.

FINANCIAL PERFORMANCE OVERVIEW

The Group's Profit before taxation improved by 91% year on year for the financial year ending 2024, to BWP232 million. While still in a loss after taxation position, the loss halved from BWP149 million in 2023 to BWP70 million in 2024, reflecting the recovery path the business is on.

Operating income for the year increased 26% against the prior year on the back of strong top-line growth. Double digit Interest income growth of 15% was strongly driven by the Group's mainstay Deduction at Source ("DAS") and Short Term lending products. Strong performance from Botswana, Namibia and Mozambique supported DAS growth while Ghana continued to dominate the mobile lending space. Insurance arrangements in Mozambique and Namibia continued to be a significant contributor to our non-funded income, with fee and commission income driven by Ghana's Mobile Loan products. Interest expense was down 4% year on year as reference rates remained stable in most countries, while other economies saw rates reduced.

While net advances growth was muted at 1% against 6% year on year growth in the prior year, Mobile lending made up 6% of the Group's gross advances for the year ended 31 December 2024, against an 84% contribution of DAS. To mitigate ongoing credit risk, the Group took a strategic decision to derisk vulnerable MSE portfolios in Tanzania and Kenya at the start of the year. Deposit growth was strong at 40% year on year, with borrowings increasing marginally by 1% year on year.

In the last financial year, the Group further adjusted its ECL methodology by incorporating assessment of Time in Default (TID) in the Loss Given Default (LGD) computation, and ceased discounting of Stage 3 ECL. The Group also tightened its provisioning and write-off policy in the year. The Group's net impairment increased by 71% in 2024 partly due to writing off qualifying non performing portfolios that were originated in 2022/23. Overall, Stage 3 coverage increased to 69% in 2024 from 58% the prior year. The outstanding test and learn balances had their Stage 3 coverage increase from 66% in the previous year to 77% in 2024 while Ghana instant loan coverage increased from 46% to 60% as a result of the implementation of TID in the year. Ghana remains a hyperinflationary economy for 2024 financial year reporting. However, with the stability in the Ghana Cedi and a positive outlook for the economy, we expect that Ghana should come out of hyperinflationary reporting in 2025. No inflation adjusted restatements were incorporated for Nigeria as international economic bodies and accounting firms continued to hold the view that the economy had not entered Hyperinflation as at December 2024.

Regional Performance

(Southern Africa/East and West Africa)

Southern Africa markets showed good performance in 2024, supported by strong top line performance and profitability in Namibia and Mozambique. Letshego Botswana saw a gradual recovery, following the losses experienced on the Non-DAS Individual Loans in 2023. Botswana wrote off a significant part of this portfolio in line with the Group's prudent approach on Expected Credit Losses and the strict application of the revised write-off policy in 2024.

Namibia, Mozambique and Botswana subsidiaries recorded an increase in profit after taxation of 32%, 12% and 123 % respectively. Southern African markets collectively saw a steady 4% net loan book growth year on year.

Some green shoots were experienced in East and West Africa during the year. Short Term Loans showed good performance in Ghana and Tanzania, with Ghana's disbursements growing threefold. Through Ghana's effective deposit mobilisation strategy, institutional deposit and retail deposits grew 17% and 25%, respectively. As reported in 2023, the Group reset its MSE product and maintained disbursement trends in countries which met minimum performance thresholds, including Rwanda, Uganda and Nigeria. We provide more detail on specific income statement components below.

Profit Performance

The Group's Profit before taxation improved by 91% year on year for the financial year ending 2024, to BWP232 million. While still in a loss after taxation position, the loss reduced by 53% from BWP149 million in 2023 to BWP70 million in 2024.

Operating income

The Group's Operating income grew 26% year on year to BWP2.87 billion on the back of strong top-line growth. Interest income for the year of BWP3.9 billion reflected double-digit growth, with Interest from Advances to customers was up 15 % year on year, driven mainly by DAS and Mobile lending. Interest on Deposits with banks increased 27% year on year. Interest expense of BWP1.59 billion reduced 4% year on year. Non-funded income increased 4% year on year, with strong performance on administrative fees increasing 243%, driven by the Ghana mobile lending book. Detail on specific income statement components is provided as follows:

Total operating expenses

Total Operating expenses increased 9% year on year - these comprise employee costs which decreased 15% and other operating expenses which increased 22% year on year. Included in other operating costs were collection commission and direct costs which increased 62% and 217% respectively. Ghana made up a significant part of this increase with a year on year increase in government e-levies for mobile loan disbursements and collection commissions. Ghana also recorded a hyperinflationary net monetary loss of BWP87 million, down from BWP149 million in the previous year. Other cost increases included recharge costs of BWP50 million, BWP25 million provision was made for an ongoing regulatory review in Mozambique. Licence and Subscriptions increased by P36 million, primality for licensing of systems while professional fees increased by P15 million.

The Group is undergoing a rigorous cost rationalisation exercise aimed at right sizing the holding company, before reviewing the operating model across the Group. This will assess any areas of possible inefficiency between the Group and subsidiaries including an assessment of possible decentralisation of some services. The Group will also undertake a country review of local costs to create a sustainable cost base overall.

Effective Tax Rate ("ETR")

Although historically high for the Group, the ETR for 2023 and 2024 exceeded 100% due to the impact of ECLs and hyperinflationary accounting introduced in the last two years. ETR is driven by the tax charge and the profit before taxation of the business, and in 2024, reduced from 223% in 2023 to 130% in the current year. Although the Profit before taxation increased 91% year on year, the tax charge increased by 12% year on year due to the following reasons:

- Current Tax increased by 15% due to improved profitability from Mozambique, Namibia and Botswana,
- Withholding tax decreased by 37% due to a decrease in dividends, management fees and interest income received by Letshego Africa Holdings Ltd from the subsidiaries.
- Dividend extraction decreased by 44% due to muted performance in some subsidiaries.

In addition, the Group incurred prior year adjustments of BWP79million, the biggest contributors being extraordinary prior year tax matters in Kenya and Tanzania totalling BWP52 million. The Group is reviewing options around jurisdictional regulations to optimise tax efficiencies for our collective operations.

Non-Performing Loans (NPLs) and Credit Quality

As of December 2024, the Group's Non-Performing Loans (NPLs) ratio decreased to 8.4% of the gross loan book, compared to 9.6% for the previous period. Similarly, the Portfolio at Risk (PAR) over 30 days improved to 11.6%, down from 14.4% in FY 2023, marking a significant reduction in credit risk exposure.

A reduction in NPLs and PAR was partly driven by the strategic write-offs of underperforming loans that include Short Term Loans and Non-DAS Loans. There was a notable improvement in collections and recoveries, particularly from new bookings initiated in 2024.

Despite the positive trends, flows into NPLs increased in certain markets, notably Botswana, Kenya and Lesotho. Non-DAS Loans in both Botswana and Lesotho fell short of original credit performance forecasts, resulting in a higher than expected default rate. In Kenya, challenging macroeconomic conditions, including elevated environmental risks and increased collection challenges, particularly concerning Non-DAS Loans and legacy Micro and Small Enterprise (MSE) portfolios, have resulted in higher write-offs and a further deterioration in the risk profile for the portfolio as a whole.

Remediation efforts have seen a gradual recovery for portfolios experiencing higher trends in default, including Non-DAS Loans and Short Term Loans in Kenya and Eswatini.

Portfolio Outlook

The Group's Credit Risk Management Framework continues to evolve and adapt to changing environments and business trends. The Group's focus on enhanced credit evaluation tools, along with increasing efficiencies in collections and recovery strategies is expected to yield continued improvements in the quality of credit origination going forward. The Group has intensified its Collections and Recoveries efforts and strategies to accelerate improvement in asset quality and optimize recoveries in 2025.

Credit Quality

Tabulated summary

Measure	FY2024	FY2023	FY2022	FY2021	FY2020
Gross Loan Book Balance in BWP'm	**14 542**	14 346	13 132	12 439	10 740
Portfolio at risk – 30 days	**11.6%**	14.4%	9.2%	9.2%	8.3%
Portfolio at risk – 90 days (NPL)	**8.4%**	9.6%	6.5%	5.9%	5.3%
Post Write-off Recoveries in the year in BWP'm	**228**	162	147	178	199
Bad Debt Write offs in reporting period	**843**	209	237	295	377
Net Impairment charge	**783**	457	99	17	26
Loan loss rate – actual	**5.4%**	3.3%	0.2%	(0.1%)	0.3%
Loan loss rate – excl. once-off items	**2.3%**	2.0%	0.2%	0.6%	1.8%
Non-performing loan coverage ratio	**69%**	58%	53.0%	73%	98%

* *Non-performing loan coverage ratio = Total ECL provision/Gross carrying amount on Non-performing loans (NPL)*

Expected Credit Losses

Full Implementation of Time in Default LGD

During the financial year, the Group successfully implemented the Time in Default (TID) Loss Given Default (LGD) approach for Stage 3 accounts in line with IFRS 9. This enhancement aligns the Group with best practice in credit risk modelling, and improves the accuracy of Expected Credit Loss (ECL) provisioning. Empirical data suggests that recovery rates and loss expectations vary significantly over time, which makes it critical to adjust LGD estimates based on the duration of default. This methodology also allows for a more granular evaluation of credit risk, aligning better with observed recovery trends. As a precautionary measure, the Group has also applied the TID approach to its Short Term loan portfolios across all markets.

Impairment Coverages

The Stage 3 coverage ratio closed the year at 69%, up from 58% in FY 2023 (restated). This increase in coverage is a result of the Group's implementation of a Loss Given Default (LGD) methodology that accounts for long-dated defaults under the "Time in Default" framework, as outlined above, alongside the transition of the Probability of Default (PD) methodology from cumulative roll rates to a chain ladder approach.

Non-DAS, MSE and Short Term loan portfolios in Kenya and Eswatini are the main drivers increasing Stage 3 coverage.

Credit Impairment charges

Net credit impairment charges for 2024 amounted to BWP 783 million, an increase from BWP 457 million on the prior year. This rise was primarily driven by higher than expected delinquencies including Non-DAS Lending in Botswana and Lesotho, as well as Short Term Lending in Kenya. Additionally, increased legacy write-offs and heightened operational risks contributed to the increase in credit impairments.

Government Deduction at Source loans or 'DAS loans' remain the Group's core portfolio comprising 84% of the total portfolio. DAS loans recorded robust performance with an aggregated Loan Loss Ratio (LLRs) of 2.0% reflecting solid growth and higher quality portfolios. Botswana, Ghana, and Kenya portfolios constituted 85% of the total increase in Expected Credit Losses (ECL) across the Group. In Botswana, the primary driver of impairments was the Non-DAS Lending portfolio, while in Kenya, the MSE portfolio contributed significantly to the increased provisions.

Funding and Liquidity

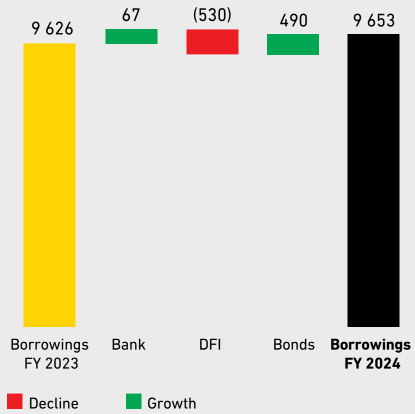
Wholesale and Institutional Funding

Focus on efficiencies

The Group's funding strategy continued to focus on;

- Increasing local funding at subsidiary level in order to reduce foreign currency exposures and depreciation risks as well as to reduce dependence on Letshego Group for funding
- diversifying funding sources across Development Finance Institutions, Bank Borrowings and Debt Securities Issuance in order to achieve optimal balance and increase funding agility
- reducing cost of funding by promoting deposit gathering in banking/deposit taking subsidiaries.

BORROWINGS (BWP Millions)



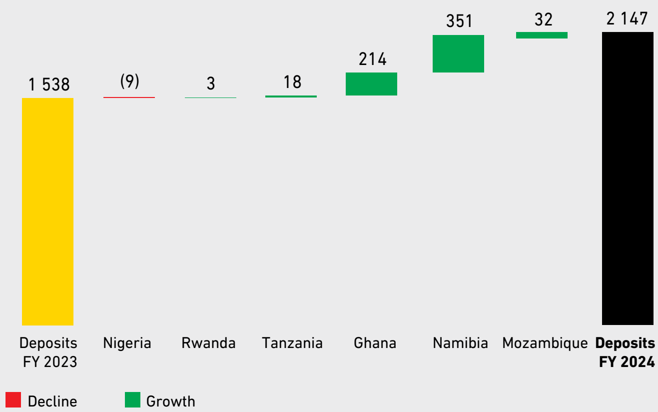
The Group's Total borrowings remained stable at BWP9.68 billion (2023: BWP9.63 billion), equating to a 1% growth year on year. Composition of the Group's borrowings adjusted with a reduction in Development Finance Institutional (DFIs) funding of BWP530 million offset by a similar increase in bond issuances. Namibia and Mozambique increased issuances by BWP309 million and BWP200 million respectively. Ghana bond issuances reduced by BWP200 million, and Letshego Africa Holdings' Botswana Stock Exchange bond issuances increased by BWP181 million. Ghana issuances reduced with the subsidiary letting high-cost bonds mature in a bid to manage cost of funds.

Total bonds outstanding increased by BWP490 million for the year: As a result, DFI funding share of total borrowings reduced to 20% from 26% in 2024 (BWP1.96 billion compared to BWP2.49b in 2023), while bond issuances share rose to BWP2.94 billion from BWP2.45 billion in 2023 - his equating to 30% of total borrowings. A number of subsidiaries are also setting up debt programmes in order to develop this funding avenue going forward. Bank funding increased only by BP67million from BWP4.68 billion to BWP4.75 billion as its share remained stable.

Deposit Mobilisation

The Group continues to mobilise savings in deposit taking markets to diversify funding sources and reduce the cost of funding. For the year under review, Group deposits increased to BWP2.15 billion representing an increase to 18% share from 14% of total Group Funding in the prior year. Borrowings constitute 82% (2023: 86%) of the Group's total funding portfolio. Growth in customer deposits was driven by Namibia and Ghana, with 57% and 99% growth year on year respectively.

CUSTOMER DEPOSIT GROWTH FY2024 (BWP Millions)



LOOKING AHEAD

Macro Economic Outlook

As per the World Bank outlook, Sub Saharan Africa GDP growth is projected to accelerate to 4.1% in 2025 and 4.3% in 2026 on the back of declining inflation and easing monetary policy. South Africa and Nigeria's growth rate will be somewhat lower than the rest of the region. The Group considers potential downside pressure on economic recoveries from events such as US Sanctions, Anti-Immigration policies, Aid cuts, tariffs, attendant trade wars and lingering geopolitical tensions. Potential ripples from such global events could affect fiscal deficits, domestic currencies and debt positions across a number of Letshego subsidiaries in 2025 through to 2026. In line with Letshego's long standing experience gained from operating in emerging markets, the Group consistently stress tests its business strategy against current and emerging risks, proactively implementing mitigating actions where necessary.

Strategic Outlook

Our business fundamentals remain strong, reinforced by the sustained momentum observed in the latter half of the review year. In 2024, our operations continued to be affected by foreign exchange fluctuations, inflationary volatility, elevated direct costs and tax. We will continue to mitigate risks by enhancing collection and recoveries, accelerating portfolio remediation efforts, and enforcing stringent cost controls.

Our priority is executing our refreshed strategy, building on previous experience and lessons learnt to generate higher returns. The focus is to enhance our core Deduction at Source product, scale short-term credit solutions, and accelerate payment capabilities to drive deposit growth. This will be underpinned by disciplined risk and cost management.

We will review our market participation in East and West Africa, assessing opportunities that leverage our strength. We are committed to optimising internal processes and leveraging strategic partnerships to reduce costs and improve service efficiency.

Despite challenges in 2024, we are strategically positioned to restore long-term profitability. With a focused product strategy, disciplined risk management, and stringent cost management, we are taking steps to build resilient growth and creating lasting value for our stakeholders.

UNAUDITED FINANCIAL STATEMENTS

The financial statements from which the financial information is set out in this announcement has not been audited by Ernst & Young, Letshego Group's external auditors. On completion of the audit their report will be available for inspection at the Group's registered office and on the Group's website on or before 31 March 2025.

For and on behalf of the Board of Directors:

Philip Odera	**Brighton Banda**
Group Chairman	*Interim Group Chief Executive*
7 March 2025	7 March 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 Dec 2024 (Unaudited) BWP'000	31 Dec 2023 (Audited) BWP'000	Change %
ASSETS				
Cash and similar instruments	1	1 658 667	1 401 824	
Investment securities	2	651 371	866 718	
Financial assets at fair value through profit or loss	3	725 957	952 610	
Advances to customers	4	13 563 164	13 487 892	1
Insurance contract assets	5	122 980	105 549	
Other receivables	6	378 584	333 672	
Financial assets at fair value through other comprehensive income		16 115	11 038	
Income tax receivable		13 831	108 436	
Property and equipment	7	99 353	104 812	
Right-of-use assets	8	93 801	89 241	
Intangible assets	9	393 068	398 710	
Goodwill	10	30 097	30 591	
Deferred tax assets		239 755	219 000	
Total assets		**17 986 743**	**18 110 093**	**(1)**
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities at fair value through profit or loss	11	661 386	980 519	
Customer deposits	12	2 147 299	1 537 984	40
Cash collateral	13	17 038	15 853	
Income tax payable		63 107	116 133	
Trade and other payables	14	335 256	796 541	
Lease liabilities	15	98 289	97 972	
Borrowings	16	9 676 565	9 626 301	
Deferred tax liabilities		3 494	18 903	
Total liabilities		**13 002 434**	**13 190 206**	
Shareholders' equity				
Stated capital	17	897 909	917 909	
Hyperinflation translation adjustment		83 920	83 920	
Foreign currency translation reserve		(436 274)	(662 550)	
Legal reserve		417 373	377 121	
Fair value adjustment reserve		–	–	
Share based payment reserve		18 575	34 832	
Retained earnings		3 549 807	3 725 824	
Total equity attributable to equity holders of the parent company		**4 531 310**	**4 477 056**	
Non-controlling interests		452 999	442 831	
Total shareholders' equity		**4 984 309**	**4 919 887**	
Total liabilities and equity		**17 986 743**	**18 110 093**	**(1)**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	12 months ended 31 Dec 2024 (Unaudited) BWP'000	12 months ended 31 Dec 2023 (Audited) BWP'000	Change %
Interest income at effective interest rate	18	3 927 066	3 424 947	15
Interest expense at effective interest rate	19	(1 584 235)	(1 646 268)	4
Other interest expense	19.1	(12 540)	(12 244)	2
Net interest income		**2 330 291**	**1 766 435**	**32**
Fee and commission income	20	111 349	57 028	95
Other operating income	21	218 900	256 141	(15)
Insurance revenue	22	325 671	286 519	14
Insurance service expense	22	(119 782)	(85 316)	(40)
Insurance service result		**205 889**	**201 203**	**2**
Operating income		**2 866 429**	**2 280 807**	**26**
Expected credit losses	23	(783 053)	(456 591)	(71)
Net operating income		**2 083 376**	**1 824 216**	**14**
Employee costs	24	(518 403)	(611 604)	15
Other operating expenses	25	(1 332 497)	(1 091 151)	(22)
Profit before taxation		**232 476**	**121 461**	**91**
Taxation		(302 619)	(270 260)	(12)
Loss for the year		**(70 143)**	**(148 799)**	**53**
Attributable to:				
Equity holders of the parent company		(135 765)	(201 049)	
Non-controlling interests		65 622	52 250	
Loss for the year		**(70 143)**	**(148 799)**	**53**
Other comprehensive income, net of tax				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation differences arising from foreign operations, including the effect of hyperinflation		235 017	(180 058)	
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
Fair value loss on financial asset designated at fair value through other comprehensive income		–	(43 107)	
Total comprehensive income/(loss) for the year		**164 874**	**(371 964)**	
Attributable to:				
Equity holders of the parent company		90 511	(414 053)	
Non-controlling interests		74 363	42 089	
Total comprehensive income/(loss) for the year		**164 874**	**(371 964)**	
Weighted average number of shares in issue during the year (millions)		2 154	2 155	
Dilution effect – number of shares (millions)		64	114	
Number of shares in issue at the end of the year (millions)		2 175	2 175	
Basic loss per share (thebe)		(6,3)	(9,3)	32
Diluted loss per share (thebe)		(6,1)	(8,9)	31

Note: The diluted EPS has been calculated based on the total number of shares that may vest in terms of the Group's long term staff incentive scheme.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 Dec 2024 (Unaudited) BWP'000	Year ended 31 Dec 2023 (Audited) BWP'000
OPERATING ACTIVITIES			
Profit before taxation		232 476	121 461
Adjustments for:			
– Interest income at effective interest rate		(3 927 066)	(3 424 947)
– Interest expense		1 596 775	1 658 512
– Amortisation and depreciation		119 159	116 508
– Impairment and write off charge - advances		1 011 156	465 857
– Impairment and write off (reversal)/charge - investment securities		–	(9 266)
– Net monetary loss		87 270	149 905
– Scrapping of property & equipment and termination of right-of-use		1 159	–
– Working capital changes	26	(861 838)	(1 004 986)
– Movement in other non-cash items	26	32 818	(147 316)
Cash used in operations		(1 708 091)	(2 074 272)
Interest received		3 794 871	3 424 947
Interest paid		(1 550 329)	(1 646 268)
Income tax paid		(297 204)	(320 889)
Net cash flows generated from/(used in) operating activities		**239 248**	**(616 482)**
INVESTING ACTIVITIES			
Purchase of treasury bills and bonds		–	(165 351)
Proceeds from maturity of treasury bills and bonds		215 347	–
Purchase of equity securities in financial assets		(5 077)	(11 038)
Purchase of property and equipment		(46 432)	(26 052)
Purchase of intangible assets		(27 420)	(120 026)
Net cash flows generated from/(used in) investing activities		**136 418**	**(322 467)**
FINANCING ACTIVITIES			
Dividends paid to equity holders and subsidiary non-controlling interest		(64 195)	(388 317)
Share buyback		(20 000)	–
Repayment of principal portion of lease liabilities		(51 625)	(35 556)
Repayment of interest portion of lease liabilities		(12 540)	(12 244)
Proceeds from borrowings		2 985 133	3 449 546
Repayment of borrowings		(2 968 775)	(1 919 648)
Net cash flows (used in)/generated from financing activities		**(132 002)**	**1 093 781**
Net movement in cash and similar instruments		243 662	154 832
Cash and similar instruments at the beginning of the year		1 133 644	994 582
Effect of exchange rate changes on cash and similar instruments		18 705	(15 770)
Cash and similar instruments at the end of the year	1	**1 396 011**	**1 133 644**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital BWP'000	Hyperinflation translation adjustment BWP'000	Retained earnings BWP'000	Share based payment reserve BWP'000
Balance as at 1 January 2023 (restated)	**899 571**	**–**	**4 366 646**	**42 474**
Total comprehensive income for the year				
Loss for the year	–	–	(201 049)	–
Other comprehensive income, net of income tax				
Fair value adjustment on financial asset	–	–	–	–
Foreign currency translation reserve	–	–	–	–
Hyperinflation adjustment	–	83 920	–	–
Transactions with owners, recorded directly in equity				
Allocation to legal reserve	–	–	(63 341)	–
Recognition of share based payment reserve movement	–	–	–	10 696
New shares issued from long term incentive scheme	18 338	–	–	(18 338)
Dividends paid by subsidiary to minority interests	–	–	–	–
Dividends paid to equity holders	–	–	(320 181)	–
Transfer to retained earnings	–	–	(56 251)	–
Balance as at 31 December 2023 – Audited	**917 909**	**83 920**	**3 725 824**	**34 832**
Total comprehensive income for the year				
Loss for the year	–	–	(135 765)	–
Other comprehensive income, net of income tax				
Foreign currency translation reserve	–	–	–	–
Transactions with owners, recorded directly in equity				
Recognition of share based payment reserve movement	–	–	–	(16 257)
Allocation from legal reserve	–	–	(40 252)	–
Share buy back – Treasury shares	(20 000)	–	–	–
Dividends paid by subsidiary to minority interests	–	–	–	–
Balance at 31 December 2024 – Unaudited	**897 909**	**83 920**	**3 549 807**	**18 575**

Fair value reserve of financial assets at FVOCI BWP'000	Foreign currency translation reserve BWP'000	Legal reserve BWP'000	Non-controlling interest BWP'000	Total BWP'000
(13 144)	**(492 653)**	**313 780**	**468 877**	**5 585 551**
–	–	–	52 250	(148 799)
(43 107)	–	–	–	(43 107)
–	(169 897)	–	(10 161)	(180 058)
–	–	–	–	83 920
–	–	63 341	–	–
–	–	–	–	10 696
–	–	–	–	–
–	–	–	(68 135)	(68 135)
–	–	–	–	(320 181)
56 251	–	–	–	–
–	**(662 550)**	**377 121**	**442 831**	**4 919 887**
–	–	–	65 622	(70 143)
–	226 276	–	8 741	235 017
–	–	–	–	(16 257)
–	–	40 252	–	–
–	–	–	–	(20 000)
–	–	–	(64 195)	(64 195)
–	**(436 274)**	**417 373**	**452 999**	**4 984 309**

SEGMENTAL REPORTING

For the year ended 31 December 2024

Reportable segments

The Group's geographical operating segments are reported below:

Reportable segments 31 December 2024	Botswana BWP'000	Namibia BWP'000	Mozambique BWP'000	Lesotho BWP'000	Eswatini BWP'000
Operating income	**762 055**	**639 150**	**573 627**	**112 297**	**93 570**
Profit/(loss) before taxation	**257 326**	**376 432**	**338 327**	**3 906**	**(41 851)**
Taxation – consolidated					
Profit – consolidated					
Gross advances to customers	3 385 442	4 007 610	2 910 922	611 120	602 906
Impairment provisions	(360 439)	(13 514)	(22 003)	(65 378)	(44 453)
Net advances	**3 025 003**	**3 994 096**	**2 888 919**	**545 742**	**558 453**
Total assets	**3 372 775**	**5 361 562**	**3 537 718**	**584 702**	**621 958**
Borrowings	**1 746 523**	**2 150 342**	**802 622**	**185 514**	**257 361**
Total liabilities	**1 913 785**	**3 352 302**	**1 499 774**	**213 488**	**282 802**

Reportable segments 31 December 2023	Botswana BWP'000	Namibia BWP'000	Mozambique BWP'000	Lesotho BWP'000	Eswatini BWP'000
Operating income	**696 771**	**543 276**	**475 566**	**91 178**	**112 438**
Profit/(loss) before taxation	**159 327**	**287 089**	**311 371**	**19 078**	**33 982**
Taxation – consolidated					
Profit – consolidated					
Gross advances to customers	3 845 720	3 506 060	2 542 221	507 733	628 914
Impairment provisions	(356 218)	(31 424)	(14 353)	(26 730)	(53 088)
Net advances	**3 489 502**	**3 474 636**	**2 527 868**	**481 003**	**575 826**
Total assets	**4 000 402**	**5 067 530**	**3 063 770**	**517 404**	**618 509**
Borrowings	**1 782 885**	**2 283 919**	**658 295**	**183 232**	**263 331**
Total liabilities	**2 278 883**	**3 093 005**	**1 299 354**	**205 392**	**300 161**

* *Included in Holding Company or eliminations are intragroup charges between the Holding Company and subsidiary entities.*

Kenya BWP'000	Rwanda BWP'000	Uganda BWP'000	Tanzania BWP'000	Nigeria BWP'000	Ghana BWP'000	Holding company or eliminations* BWP'000	Total BWP'000
81 278	**29 827**	**184 347**	**186 028**	**44 571**	**583 071**	**(423 392)**	**2 866 429**
(131 742)	**7 989**	**48 226**	**9 828**	**3 492**	**(26 368)**	**(613 089)**	**232 476**
							(302 619)
							(70 143)
543 368	181 811	592 463	514 585	121 505	1 070 529	–	14 542 261
(170 955)	(3 897)	(46 283)	(65 136)	(17 999)	(169 040)	–	(979 097)
372 413	**177 914**	**546 180**	**449 449**	**103 506**	**901 489**	**–**	**13 563 164**
520 551	**203 376**	**626 301**	**608 679**	**119 889**	**1 458 398**	**970 834**	**17 986 743**
363 743	**10 127**	**374 911**	**–**	**24 058**	**580 765**	**3 180 599**	**9 676 565**
431 403	**76 201**	**381 259**	**98 622**	**55 263**	**1 091 299**	**3 606 236**	**13 002 434**

Kenya BWP'000	Rwanda BWP'000	Uganda BWP'000	Tanzania BWP'000	Nigeria BWP'000	Ghana BWP'000	Holding company and eliminations* BWP'000	Total BWP'000
132 200	**22 472**	**176 403**	**145 918**	**67 734**	**217 819**	**(400 968)**	**2 280 807**
(37 489)	**2 297**	**24 780**	**9 557**	**15 350**	**(62 880)**	**(641 001)**	**121 461**
							(270 260)
							(148 799)
602 407	177 103	579 435	502 204	145 898	1 308 094	–	14 345 789
(125 003)	(2 135)	(52 350)	(75 496)	(19 685)	(101 415)	–	(857 897)
477 404	**174 968**	**527 085**	**426 708**	**126 213**	**1 206 679**	**–**	**13 487 892**
566 204	**190 891**	**573 140**	**627 605**	**158 544**	**1 679 328**	**1 046 766**	**18 110 093**
365 735	**–**	**341 331**	**–**	**–**	**513 573**	**3 234 000**	**9 626 301**
424 637	**68 394**	**357 894**	**67 480**	**46 189**	**1 323 866**	**3 724 951**	**13 190 206**

SEGMENTAL REPORTING

For the year ended 31 December 2024

Disaggregated revenue information

The Group's geographical operating segments are reported below:

Reportable segments 31 December 2024	**Botswana BWP'000**	**Namibia BWP'000**	**Mozambique BWP'000**	**Lesotho BWP'000**	**Eswatini BWP'000**
Interest income at effective interest rate	844 431	692 371	827 303	138 055	144 953
Interest expense at effective interest rate	(174 806)	(298 989)	(282 648)	(29 839)	(51 598)
Other interest expense	(1 887)	(562)	(4 359)	(587)	(458)
Net interest income	**667 738**	**392 820**	**540 296**	**107 629**	**92 897**
Fee and commission income	–	27 540	13 069	–	–
Other operating income	94 317	12 901	20 262	4 668	673
Net insurance service result	–	205 889	–	–	–
Operating income	**762 055**	**639 150**	**573 627**	**112 297**	**93 570**

Reportable segments 31 December 2023	Botswana BWP'000	Namibia BWP'000	Mozambique BWP'000	Lesotho BWP'000	Eswatini BWP'000
Interest income at effective interest rate	787 803	564 652	659 293	104 995	147 262
Interest expense at effective interest rate	(183 945)	(252 178)	(238 189)	(14 765)	(35 765)
Other interest expense	(1 125)	(568)	(5 198)	(214)	(463)
Net interest income	**602 733**	**311 906**	**415 906**	**90 016**	**111 034**
Fee and commission income	1 081	24 476	10 860	370	–
Other operating income	92 957	5 691	48 800	792	1 404
Net insurance service result	–	201 203	–	–	–
Operating income	**696 771**	**543 276**	**475 566**	**91 178**	**112 438**

* *Included in Holding Company or eliminations are intragroup charges between the Holding Company and subsidiary entities.*

Kenya BWP'000	Rwanda BWP'000	Uganda BWP'000	Tanzania BWP'000	Nigeria BWP'000	Ghana BWP'000	Holding company or eliminations* BWP'000	Total BWP'000
133 225	41 168	240 172	181 531	50 431	800 693	(167 267)	3 927 066
(60 618)	(12 242)	(59 222)	(1 677)	(7 019)	(308 018)	(297 559)	(1 584 235)
(772)	(81)	(430)	(511)	–	(5)	(2 888)	(12 540)
71 835	**28 845**	**180 520**	**179 343**	**43 412**	**492 670**	**(467 714)**	**2 330 291**
2 656	420	–	(7 863)	408	75 119	–	111 349
6 787	562	3 827	14 548	751	15 282	44 322	218 900
–	–	–	–	–	–	–	205 889
81 278	**29 827**	**184 347**	**186 028**	**44 571**	**583 071**	**(423 392)**	**2 866 429**

Kenya BWP'000	Rwanda BWP'000	Uganda BWP'000	Tanzania BWP'000	Nigeria BWP'000	Ghana BWP'000	Holding company and eliminations* BWP'000	Total BWP'000
166 525	39 085	226 715	139 032	69 448	658 497	(138 360)	3 424 947
(58 097)	(17 488)	(52 109)	(1 450)	(3 719)	(500 766)	(287 797)	(1 646 268)
(815)	(309)	(255)	(390)	–	(166)	(2 741)	(12 244)
107 613	**21 288**	**174 351**	**137 192**	**65 729**	**157 565**	**(428 898)**	**1 766 435**
12 804	821	–	2 611	613	3 392	–	57 028
11 783	363	2 052	6 115	1 392	56 862	27 930	256 141
–	–	–	–	–	–	–	201 203
132 200	**22 472**	**176 403**	**145 918**	**67 734**	**217 819**	**(400 968)**	**2 280 807**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		At 31 Dec 2024 (Unaudited) BWP'000	At 31 Dec 2023 (Audited) BWP'000
1	**CASH AND SIMILAR INSTRUMENTS**		
	Cash at bank and in hand	1 373 774	918 697
	Statutory cash reserve	262 656	268 180
	Short term investments	22 237	214 947
		1 658 667	1 401 824
	Cash and similar instruments for the purpose of the statement of cash flows	**1 396 011**	**1 133 644**
2	**INVESTMENT SECURITIES**		
	Government and Corporate bonds: 2 – 5 year fixed rate notes	662 874	878 221
	Government and Corporate bonds: Above 5 year fixed rate notes	15 258	15 258
		678 132	**893 479**
	Less : Expected credit losses	**(26 761)**	(26 761)
		651 371	**866 718**
	Movement in expected credit losses:		
	Balance at the beginning of the year	**26 761**	36 027
	Impairment (reversal)/charge for the year	–	(9 266)
	Balance at the end of the year	**26 761**	**26 761**

Treasury bonds are classified as financial assets measured at amortised cost as the business model is to hold financial assets to collect contractual cash flows, representing solely payments of principal and interest. These were issued by the central bank, government and corporates in Ghana and Namibia.

The expected credit loss for the instruments held in Namibia were assessed to be insignificant at the reporting date.

At the reporting date it was assessed that the Group is currently holding adequate expected credit loss provisions on the Ghana government bonds held.

		At 31 Dec 2024 (Unaudited) BWP'000	At 31 Dec 2023 (Audited) BWP'000
3	**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**		
	Cross currency swaps	**725 957**	**952 610**

This relates to short-term foreign currency swap arrangements with financial institutions, where the Group pays a specified amount in one currency and receives a specified amount in another currency to reduce its exposure on currency risk. These were translated using reporting date exchange rates to reflect the changes in foreign currencies. The related financial liability at fair value through profit or loss is in Note 11.

		At 31 Dec 2024 (Unaudited) BWP'000	At 31 Dec 2023 (Audited) BWP'000
4	**ADVANCES TO CUSTOMERS**		
	Gross advances to customers	14 542 261	14 345 789
	Less: Expected credit losses	(979 097)	(857 897)
	– Stage 1	(124 881)	(118 031)
	– Stage 2	(93 820)	(39 495)
	– Stage 3	(760 396)	(700 371)
	Net advances to customers	**13 563 164**	**13 487 892**
5	**INSURANCE CONTRACT ASSETS**		
	Based on how the Group manages its cell captive insurance arrangements, it disaggregates information to provide disclosure in respect of credit life insurance and credit default insurance. The breakdown of groups of insurance contracts issued that are in an asset position is set out in the table below:		
	Credit life insurance	88 562	80 497
	Credit default insurance	34 418	25 052
		122 980	**105 549**

5 INSURANCE CONTRACT ASSETS (continued)

5.1 Roll-forward of net asset for insurance contracts issued

The roll-forward of the net asset for insurance contracts issued, also showing the liability for remaining coverage for the credit life insurance arrangements, is disclosed in the table below:

	Assets for remaining coverage BWP'000	Liabilities for incurred claims BWP'000	Total BWP'000
At 1 January 2023	123 116	(30 966)	92 150
Insurance revenue	286 519	–	**286 519**
Insurance service expenses	–	(85 316)	**(85 316)**
Deemed premiums received	(285 020)	–	**(285 020)**
Deemed claims paid	–	99 360	**99 360**
Effects of movement in exchange rates	(2 263)	119	**(2 144)**
At 31 December 2023	**122 352**	**(16 803)**	**105 549**
Insurance revenue	325 671	–	**325 671**
Insurance service expenses	–	(119 782)	**(119 782)**
Deemed premiums received	(303 324)	–	**(303 324)**
Deemed claims paid	–	113 830	**113 830**
Effects of movement in exchange rates	1 365	(329)	**1 036**
At 31 December 2024	**146 064**	**(23 084)**	**122 980**

	At 31 Dec 2024 (Unaudited) BWP'000	At 31 Dec 2023 (Audited) BWP'000
6 OTHER RECEIVABLES		
Deposits and prepayments	**141 275**	140 898
Receivable from insurance arrangements	**127 149**	77 586
Withholding tax and value added tax	**15 494**	5 577
Deferred arrangement fees	**31 601**	53 484
Settlement and clearing accounts	**56 254**	45 193
Other receivables	**6 811**	10 934
	378 584	**333 672**

Due to the short – term nature of the other receivables, their carrying amounts approximate their fair value.

7 PROPERTY AND EQUIPMENT

	Carrying amount at 01 Jan 2024 BWP'000	Additions BWP'000	Transfers BWP'000	Disposal and written off BWP'000	Depreciation charge BWP'000	Forex translation BWP'000	**Carrying amount at 31 Dec 2024 BWP'000**
Motor vehicles	8 120	3 949	–	–	(3 623)	728	**9 174**
Computer equipment	20 746	16 466	–	(21)	(18 393)	(6 958)	**11 840**
Office furniture and equipment	58 684	26 017	–	(460)	(21 860)	(1 140)	**61 241**
Land and building	17 262	–	–	–	–	(164)	**17 098**
	104 812	**46 432**	**–**	**(481)**	**(43 876)**	**(7 534)**	**99 353**

8 RIGHT-OF-USE ASSETS

	Carrying amount at 01 Jan 2024 BWP'000	Additions BWP'000	Modifications BWP'000	Terminations BWP'000	Depreciation charge BWP'000	Forex translation BWP'000	**Carrying amount at 31 Dec 2024 BWP'000**
Property	89 241	53 905	–	(678)	(47 382)	(1 285)	**93 801**
	89 241	**53 905**	**–**	**(678)**	**(47 382)**	**(1 285)**	**93 801**

9 INTANGIBLE ASSETS

	Carrying amount at 01 Jan 2024 BWP'000	Additions BWP'000	Transfers BWP'000	Disposal BWP'000	Amortisation charge BWP'000	Forex translation BWP'000	**Carrying amount at 31 Dec 2024 BWP'000**
Computer software	118 027	5 200	173 157	–	(27 901)	(4 988)	**263 495**
Work in progress	280 683	22 220	(173 157)	–	–	(173)	**129 573**
	398 710	**27 420**	**–**	**–**	**(27 901)**	**(5 161)**	**393 068**

10 GOODWILL

	At 31 Dec 2024 (Unaudited) BWP'000	At 31 Dec 2023 (Audited) BWP'000
Goodwill arose on the acquisition of:		
Letshego Holdings Namibia Limited	22 671	22 407
Letshego Tanzania Limited	2 329	2 163
AFB Ghana Plc	5 097	6 021
	30 097	**30 591**
Movement in goodwill:		
Balance at the beginning of the year	30 591	31 910
Effect of exchange rate changes	(494)	(1 319)
Balance at the end of the year	**30 097**	**30 591**

The Group performs its impairment test at each reporting date by assessing the recoverable amount of goodwill in respect of all cash generating units in order to determine indications of impairment. The key assumptions used to determine the recoverable amount for the different cash generating units are projected cash flows, pre-tax discount rates and a growth rate to extrapolate any cash flows anticipated beyond a 5 year period. Goodwill was translated using reporting date exchange rates to reflect the changes in foreign currencies. An assessment was performed at year end using the respective entities' value-in-use to determine the recoverable amount and there were no indications of impairment for the above cash generating units.

11 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 Dec 2024 (Unaudited) BWP'000	At 31 Dec 2023 (Audited) BWP'000
Cross currency swap (note 3)	**661 386**	**980 519**

12 CUSTOMER DEPOSITS

	At 31 Dec 2024 (Unaudited) BWP'000	At 31 Dec 2023 (Audited) BWP'000
Demand accounts	66 117	118 051
Savings accounts	726 533	628 561
Call and term deposits	1 354 649	791 372
	2 147 299	**1 537 984**

13 CASH COLLATERAL

	At 31 Dec 2024 (Unaudited) BWP'000	At 31 Dec 2023 (Audited) BWP'000
Cash collateral on loans and advances	**17 038**	**15 853**

Cash collateral represents payments made by customers as security for loans taken. The amounts are refundable upon the successful repayment of loans by customers or are utilised to cover loans in the event of default.

14 TRADE AND OTHER PAYABLES

	At 31 Dec 2024 (Unaudited) BWP'000	At 31 Dec 2023 (Audited) BWP'000
Insurance premium payable	74 128	86 534
Payroll related accruals	22 202	20 204
Staff incentive accrual	41 873	63 570
Other accruals	33 968	22 936
Guarantee funds	–	423 013
Trade and other payables	113 648	139 479
Value added tax/withholding tax payable	49 437	40 805
	335 256	**796 541**

The carrying amount of Trade and other payables approximates their fair value at the reporting date due to their short term nature.

		At 31 Dec 2024 (Unaudited) BWP'000	At 31 Dec 2023 (Audited) BWP'000
15	**LEASE LIABILITIES**		
	Lease liability	**98 289**	**97 972**
16	**BORROWINGS**		
	Commercial banks	4 555 619	4 587 754
	Note programmes	2 938 332	2 447 226
	Development financial institutions	2 043 593	2 494 878
	Pension Funds	139 021	96 443
	Total borrowings	**9 676 565**	**9 626 301**
17	**STATED CAPITAL**		
	Issued: 2,175,038,644 ordinary shares of no par value (2023: 2,175,038,644) of which 28,897,741 shares (2023: 11,651,597) are held as treasury shares.	**897 909**	**917 909**

In terms of the Group's long term incentive plan, nil shares (December 2023: shares of BWP18.3 million) vested at Group level during the year.

		12 Months ended 31 Dec 2024 (Unaudited) BWP'000	12 Months ended 31 Dec 2023 (Audited) BWP'000
18	**INTEREST INCOME AT EFFECTIVE INTEREST RATE**		
	Advances to customers	3 035 833	2 791 221
	Interest income on risk informal/Short Term loans	749 654	228 297
	Interest income on non-risk informal/Short Term loans	21 130	310 725
	Interest income from deposits with banks, including investment securities	120 449	94 704
		3 927 066	**3 424 947**
19	**INTEREST EXPENSE AT EFFECTIVE INTEREST RATE**		
	Overdraft facilities and term loans	1 563 105	1 335 543
	Interest expense on non-risk informal/Short Term loans	21 130	310 725
		1 584 235	**1 646 268**
19.1	**Other interest expense**		
	Interest expense on leases	12 540	12 244
		1 596 775	**1 658 512**
20	**FEE AND COMMISSION INCOME**		
	Administration fees – lending	100 480	29 319
	Credit life insurance commission	10 869	27 709
		111 349	**57 028**

		12 Months ended 31 Dec 2024 (Unaudited) BWP'000	12 Months ended 31 Dec 2023 (Audited) BWP'000
21	**OTHER OPERATING INCOME**		
	Early settlement fees	15 143	56 234
	Income from insurance arrangements	130 580	143 837
	Mark-to-market gain on foreign currency swaps	6 390	–
	Sundry income	66 787	56 070
		218 900	**256 141**
22	**NET INSURANCE SERVICE RESULT**		
	The following components are arising from cell captive arrangements in the Group's Namibia subsidiary:		
	Insurance revenue	325 671	286 519
	– Credit life	208 078	104 180
	– Credit default	117 593	182 339
	Insurance service expense	(119 782)	(85 316)
	– Credit life	(37 261)	(25 753)
	– Credit default	(82 521)	(59 563)
	Net insurance financial result	**205 889**	**201 203**
23	**EXPECTED CREDIT LOSSES**		
	Amounts written off	843 062	201 470
	Recoveries during the period	(228 103)	(152 534)
	Expected credit losses raised during the year	168 094	407 655
		783 053	**456 591**
24	**EMPLOYEE COSTS**		
	Salaries and wages	488 889	520 006
	Staff incentive	(4 068)	35 126
	Staff recruitment costs	2 889	1 283
	Staff pension fund contribution	36 780	35 986
	Directors' remuneration – for management services (executive)	10 170	8 507
	Long term incentive plan	(16 257)	10 696
		518 403	**611 604**

	12 Months ended 31 Dec 2024 (Unaudited) BWP'000	12 Months ended 31 Dec 2023 (Audited) BWP'000
25 OTHER OPERATING EXPENSES		
Accounting and secretarial fees	279	229
Advertising	29 594	33 182
Audit fees	10 978	8 418
– Audit services	10 978	8 124
– Other services	–	294
Bank charges	34 208	12 236
Computer expenses	1 504	25 304
Consultancy fees	74 890	82 054
Corporate social responsibility	2 933	2 462
Collection commission	163 712	101 057
Direct costs	15 487	16 978
Direct costs – short term loans	218 488	56 763
Depreciation and amortisation	71 777	54 744
Depreciation – right of use assets	47 382	46 768
Directors' fees – non executive	7 418	6 860
Directors' fees – subsidiary boards	11 005	8 995
Government levies	29 203	26 418
Insurance	19 798	18 959
Insurance Fees – customer short term	48 364	42 534
Loss on net monetary position	87 270	149 905
Loss on disposal/scrapping of property and equipment	481	13 937
Loss on termination of right of use assets	678	1 059
Office expenses	34 353	30 105
Short term leases	5 015	8 521
Rental expense for low value assets	905	471
Other operating expenses	258 719	203 826
– Entertainment	1 375	627
– IT costs	5 349	3 563
– Mark to market loss on foreign currency swaps	–	9 345
– Motor vehicle expenses	8 352	10 046
– Net foreign exchange loss	15 368	52 078
– Printing and Stationery	8 052	9 140
– Repairs and Maintenance	5 947	10 001
– Storage costs	3 889	3 912
– Subscriptions and licenses	74 441	38 314
– Other expenses	135 946	66 800
Payroll administration costs	44	1 203
Professional fees	99 350	83 820
Telephone and postage	34 520	30 859
Travel	24 142	23 484
	1 332 497	**1 091 151**

		12 Months ended 31 Dec 2024 (Unaudited) BWP'000	12 Months ended 31 Dec 2023 (Audited) BWP'000
26	**ADDITIONAL CASH FLOW INFORMATION**		
	Working capital changes:		
	Movement in working capital and other changes:		
	Movement in advances to customers	**(954 233)**	(1 298 892)
	Movement in insurance contract assets	**(17 431)**	(13 399)
	Movement in other receivables	**(39 388)**	(318 192)
	Movement in trade and other payables	**(461 285)**	210 963
	Movement in customer deposits	**609 315**	417 157
	Movement in cash collateral	**1 184**	(2 623)
		(861 838)	**(1 004 986)**
	Movement in other non-cash items:		
	Net change in financial assets at fair value through profit or loss	**(92 480)**	5 784
	Movement in Long-term incentive plan provision	**(16 257)**	10 696
	Net foreign exchange differences	**141 555**	(163 796)
		32 818	(147 316)
		(829 020)	**(1 152 302)**

26 IMPACT OF IAS 29 FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

The economy of Ghana continued to be classified as a hyperinflationary economy during 2024, following the three-year cumulative inflation continuing to exceed 100%, amongst other criteria. Accordingly, for Group reporting purposes, the financial statements of Letshego Ghana Savings and Loans PLC were adjusted in accordance to IAS 29 Financial Reporting in Hyperinflationary Economies.

The restatement of non-monetary items, shareholders' equity, items in the statement of comprehensive income and the adjustment of any index-linked items to the measuring unit current at the reporting date in the Ghana subsidiary resulted in the Group's profit for the period ended 31 December 2024 reduced by BWP86.6 million as illustrated in the table below:

	Historical Cost for the year ended 31 Dec 2024 BWP'000	Impact of IAS 29 Restatements BWP'000	Inflation Adjusted for the year ended 31 Dec 2024 BWP'000
Operating income	2 805 348	61 081	2 866 429
Expected credit losses	(765 373)	(17 680)	(783 053)
Net operating income	**2 039 975**	**43 401**	**2 083 376**
Employee costs	(515 702)	(2 701)	(518 403)
Other operating expenses	(1 203 671)	(41 556)	(1 245 227)
Net monetary loss	–	(87 270)	(87 270)
Total operating expenses	**(1 719 373)**	**(131 527)**	**(1 850 900)**
Profit before taxation	**320 602**	**(88 126)**	**232 476**
Taxation	(304 186)	1 567	(302 619)
Loss for the year	**16 416**	**(86 559)**	**(70 143)**

RATIOS

	31 Dec 2024 (Unaudited)	31 Dec 2023 (Audited)
Return on average assets (%)	(0,4%)	(1%)
Return on average equity (%)	(1%)	(3%)
Cost to income ratio (%)	65%	74%
Debt to equity ratio (%)	195%	183%

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