



BIHL GROUP

BOTSWANA INSURANCE HOLDINGS LIMITED



HONOURING
OUR ROOTS,
GROWING
OUR FUTURE

ABRIDGED PRELIMINARY UNAUDITED GROUP RESULTS

for the year ended 31 December 2025

KEY FEATURES

The directors hereby present the abridged preliminary unaudited consolidated financial results of Botswana Insurance Holdings Limited (BIHL) and its subsidiaries (the group) for the period ended 31 December 2025. These financial results are presented in accordance with IFRS® Accounting Standards requirements.



REVENUE

Net insurance service result increased by

↑ 84% to P234 million

Revenue from contracts with customers decreased by

↓ 18% to P286 million

Net investment service result decreased by

↓ 38% to P48 million

Value of new business increased by

↑ 24% to P186 million



EARNINGS

Core earnings decreased by

↓ 12% to P386 million

Profit attributable to equity holders increased by

↑ 413% to P333 million

Share of profit of associates net of impairment provisions increased by

↑ 126% to P99 million



VALUE CREATION

Group equity value increased by

↑ 4% to P4,79 billion
(Dec 2024: P4,66 billion)

Return on group equity value (ROGEV) increased to

↑ 5,8%
(Dec 2024: -5,2%)

Normalised ROGEV strengthened to

↑ 14,5%
(Dec 2024: -0,2%)
indicating stronger underlying performance

Final dividend proposed of

P160 million
not subject to tax
(Dec 2024: P113 million not subject to tax)

P265 million

(Dec 2024: P518 million)
was paid as dividends during the 2025 financial year



SUSTAINABILITY

Business is well-capitalised; required capital for the group is covered

9,3 times
(Dec 2024: 7,2 times)

Assets under management (AUM) decreased by

↓ 2% to P50 billion

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	31 Dec 2025 P'000	Restated ¹ 31 Dec 2024 P'000	Restated ¹ 1 Jan 2024 P'000
ASSETS			
Goodwill	62 992	62 992	62 992
Property and equipment ²	41 932	42 887	45 384
Right-of-use assets	19 043	13 799	11 879
Owner-occupied properties ²	126 077	126 951	124 668
Intangible assets ²	25 598	26 792	34 255
Insurance contracts assets	–	219 392	452 771
Reinsurance contracts assets	11 258	16 864	17 874
Deferred tax	7 956	–	–
Investments	19 746 384	19 213 090	18 778 510
Investment property ²	455 208	475 280	469 920
Investments in associated companies and joint ventures	1 621 182	1 457 254	1 758 469
Equities and similar securities ²	2 258 885	2 142 567	1 974 850
Interest-bearing investments ²	9 267 145	9 532 661	8 884 611
Investment funds ²	2 100 103	1 787 715	1 710 566
Deposits and similar securities ²	4 043 861	3 817 613	3 980 094
Working capital assets	942 435	698 321	489 384
Trade and other receivables ²	137 902	174 078	135 632
Cash and cash equivalents	804 533	524 243	353 752
Total assets	20 983 675	20 421 088	20 017 717
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	204 936	204 936	204 936
Other reserves	183 546	157 459	106 375
Retained earnings	2 863 770	2 719 298	3 302 730
Total equity attributable to equity holders of the parent	3 252 252	3 081 693	3 614 041
Non-controlling interests	8 482	10 501	23 751
Total equity	3 260 734	3 092 194	3 637 792
Liabilities			
Insurance contract liabilities	8 010 129	8 397 033	7 961 752
Reinsurance contract liabilities	66 262	87 034	54 222
Investment contract liabilities	3 638 917	3 637 385	3 442 868
Lease liabilities	21 035	14 776	12 707
External investors in consolidated funds	5 306 043	4 657 616	4 504 564
Derivatives instrument	116 992	44 284	25 429
Deferred tax	2 030	101 922	141 908
Related party balances	3 655	5 438	6 867
Working capital liabilities	557 879	383 406	229 608
Bank overdraft	148 206	60 232	–
Trade and other payables	295 679	322 774	210 984
Taxation	113 993	400	18 624
Total equity and liabilities	20 983 675	20 421 088	20 017 717

¹ Refer to Appendix A for details on restatements.

² These line items have been re-presented in the current year as disclosed in Appendix A.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

	31 Dec 2025 P'000	Restated ¹ 31 Dec 2024 P'000
Net result from life insurance operations	279 359	204 204
Result from life insurance contracts	281 564	203 555
Net insurance service result	233 900	127 199
Insurance revenue	2 460 529	2 267 063
Insurance service expenses	(2 184 112)	(2 100 784)
Income or expense from reinsurance contracts	(42 517)	(39 080)
Investment service result	47 665	76 356
Insurance finance income or expense	402 652	(356 900)
Reinsurance finance income or expense	5 266	(15 494)
Investment income on assets held in respect of insurance contracts	(360 253)	448 750
Other expenses relating to insurance operations	(2 205)	649
Result from other operations	107 154	232 667
Revenue	286 330	350 615
Investment income	660 374	744 180
Investment surpluses ²	151 719	132 442
Change in fair value of external investor's liability and non-controlling interest	(342 008)	(400 677)
Change in fair value of net investment contracts	(320 542)	(341 661)
Sales remuneration	(57 077)	(36 171)
Administration costs	(271 642)	(216 061)
Net impairment losses on financial and contract assets	(7 276)	(2 239)
Profit before share of profit of associates, joint ventures and other income	379 237	434 632
Finance cost on leases (IFRS 16)	(1 724)	(709)
Share of profit of associates and joint ventures	98 614	(384 519)
Profit before tax	476 127	49 404
Income tax expense	(143 179)	(155 941)
Profit for the year	332 948	(106 537)
Profit attributable to:		
– Equity holders of the parent	334 967	(106 134)
– Non-controlling interests	(2 019)	(403)
Total profit for the year	332 948	(106 537)
Earnings per share (thebe) (attributable to ordinary equity holders of the parent)		
– Basic	118	(38)
– Diluted	117	(37)

¹ Refer to Appendix A for details on restatements.

² These line items have been re-presented in the current year as disclosed in Appendix A.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	31 Dec 2025 P'000	Restated ¹ 31 Dec 2024 P'000
Profit/(loss) for the year	332 948	(106 537)
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to profit or loss (net of tax):</i>		
Exchange differences on translation of foreign operations	74 462	(19 642)
Total comprehensive income for the period	407 410	(126 179)
Total comprehensive income attributable to:		
– Equity holders of the parent	409 429	(125 776)
– Non-controlling interests	(2 019)	(403)
	407 410	(126 179)

¹ Refer to Appendix A for details on restatements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	31 Dec 2025 P'000	Restated ¹ 31 Dec 2024 P'000
Cash flows from operating activities	218 265	127 355
Cash (utilised in)/generated from operations	(214 977)	204 026
Interest and preference share dividends received	660 374	457 090
Interest paid	(1 725)	(709)
Dividends received from equity investments	33 269	54 061
Dividends received from associates and joint ventures	108 664	58 031
Dividends paid	(264 930)	(518 465)
Income taxes paid	(102 410)	(126 679)
Net cash flow utilised in investing activities	(14 430)	(10 662)
Payments made for the acquisition of equipment	(9 724)	(8 211)
Payments made for the acquisition of other intangible assets	(4 706)	(2 451)
Net cash flows from financing activities	136 687	(6 434)
Payment of principal portion of lease liabilities (IFRS 16)	(6 398)	(6 434)
Proceeds from bank overdraft ²	1 275 469	–
Repayment of bank overdraft	(1 132 375)	–
Net (decrease)/increase in cash and cash equivalents	340 522	110 259
Cash and cash equivalents at the beginning of the year ²	464 011	353 752
Cash and cash equivalents at the end of the year	804 533	464 011

¹ Refer to Appendix A for details on restatements.

² In the prior financial year, bank overdrafts fluctuated between positive and overdrawn balances on a frequent basis and consequently were classified as cash equivalents for purposes of the statement of cash flows. In the current financial year, bank overdrafts have remained largely overdrawn and have thus been treated as borrowings, with inflows and outflows being included in financing activities in the statement of cash flows. The balance of the bank overdraft as at 31 December 2024 -P60.2 million has been included in cash inflows raised through financing activities in the current year.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Stated capital P'000	Non- distributable reserves and other equity P'000	Retained earnings P'000	Total equity attributable to equity holders of the parent P'000	Non- controlling interest P'000	Total equity P'000
Balance as at 1 January 2024	204 936	106 375	3 302 730	3 614 041	23 751	3 637 792
Profit for the year	–	–	(106 134)	(106 134)	(13 250)	(119 384)
Foreign currency translation reserve movement and other comprehensive income	–	(19 642)	–	(19 642)	–	(19 642)
Share-based payment expense	–	7 127	–	7 127	–	7 127
Transfer from retained income/(transfer to statutory reserve)	–	(35 566)	35 566	–	–	–
Transfer to retained income from sharebased reserve	–	–	–	–	–	–
Cost of treasury shares (acquired)/ disposed	–	(5 202)	–	(5 202)	–	(5 202)
Hyperinflation adjustment ¹	–	104 367	–	104 367	–	104 367
Dividend paid	–	–	(518 465)	(518 465)	–	(518 465)
Other movements in reserves ²	–	–	5 601	5 601	–	5 601
Balance as at 31 December 2024	204 936	157 459	2 719 298	3 081 693	10 501	3 092 194
Profit for the year	–	–	334 967	334 967	(2 019)	332 948
Foreign currency translation reserve movement and other comprehensive income	–	74 462	–	74 462	–	74 462
Share-based payment expense	–	7 433	–	7 433	–	7 433
Transfer from retained income/(transfer to statutory reserve)	–	(71 860)	71 860	–	–	–
Transfer to retained income from sharebased reserve	–	(2 307)	2 307	–	–	–
Transfer to/from consolidation reserve	–	(4 223)	4 223	–	–	–
Cost of treasury shares (acquired)/ disposed	–	3 662	–	3 662	–	3 662
Dividend paid	–	–	(264 930)	(264 930)	–	(264 930)
Treasury shares movement	–	18 920	(18 920)	–	–	–
Other movements in reserves ²	–	–	8 084	8 084	–	8 084
Write-back of unclaimed dividends	–	–	6 881	6 881	–	6 881
Balance as at 31 December 2025	204 936	183 546	2 863 770	3 252 252	8 482	3 260 734

¹ During the prior year, the group applied IAS 29 Financial Reporting in Hyperinflationary Economies in relation to Nico Group, a Malawi associate. The indicated amount represents the group's share of the difference between the closing equity and reserves of the associate for the previous financial year, and the effect of translating these at the closing price index and exchange rate at the reporting date.

² Represents movements from other reserves from associates.

GROUP EQUITY VALUE (UNAUDITED)

For the year ended 31 December 2025

GROUP EQUITY VALUE (UNAUDITED)

The group equity value is an aggregate of embedded value from the life insurance covered business and the fair value of all other shareholders' net assets. It represents an estimate of the economic value of the group, excluding the value attributable to future new business from life insurance and the value attributable to minorities.

The group equity value comprises:

- the value of the shareholders' net assets
- fair value adjustments
- the value of in-force business including the value of new business written during the year.

DEFINITION OF EQUITY VALUE

The embedded value represents an estimate of the economic value of the life insurance covered business excluding the value attributable to future new business. Covered business represents the group's long-term insurance business for which the value of new and in-force contracts is attributable to shareholders.

The value of in-force business is the present value of future after-tax profits arising from business in force at the valuation date, discounted at the risk discount rate, and adjusted for the cost of capital required to support the business.

The value of new business represents the value of projected after-tax profits at the point of sale arising from new policies sold during the year ended 31 December 2025, accumulated to the end of the year at the risk discount rate. The value is adjusted for the cost of capital required to support the new business.

	Year ended 31 Dec 2025 P'000	Year ended 31 Dec 2024 P'000
Group equity value results		
Shareholders' net assets after fair value adjustments	2 815 850	2 589 438
Shareholders' net assets, excluding goodwill	3 243 887	3 018 703
Asset mismatch reserve	(428 037)	(429 265)
Value of in-force	1 979 735	2 066 244
Value before cost of capital	1 903 089	1 819 349
Fair value adjustments	146 038	302 549
Cost of capital	(69 392)	(55 654)
Group equity value at the beginning of the year	4 655 682	5 378 684
Group equity value at the end of the year	4 795 585	4 655 682
Required capital	349 986	421 846
Required capital cover	9,3	7,2
Group equity value per share (Pula)	16,83	16,34
Share price (Pula)	23,02	22,50
Share price premium/discount (Pula)	6,19	6,16
Group equity value earnings	272 304	(285 150)
Change in group equity value	139 903	(799 296)
Movement in capital	(132 529)	(4 319)
Dividends paid	264 930	518 465
Return on group equity value (%)	5,8	(5,2)
Return on group equity value (normalised) (%)	14,5	(0,2)

Group equity value results continued	Year ended 31 Dec 2025 P'000	Year ended 31 Dec 2024 P'000
These earnings can be analysed as follows:		
Expected return on life business in force	203 364	185 455
Value of new business	186 217	149 961
Value at point of sale	186 217	149 961
Operating experience variances	52 086	59 531
Mortality/morbidity	22 046	6 468
Persistency	15 842	7 314
Expenses	12 739	(7 159)
Working capital	2 386	52 797
Other	(927)	111
Operating assumption changes	(131 035)	(347 591)
Mortality/morbidity	24 466	(65 660)
Persistency	(86 646)	(28 726)
Expenses	(68 233)	(146 113)
Other	(622)	(107 092)
Group equity value earnings from operations	310 632	47 356
Investment variances	(14 487)	9 992
Economic assumption changes	9 262	(5 099)
Investment return	251 435	114 601
Risk discount rate	(242 173)	(119 700)
Group equity value earnings from covered business	305 407	52 249
Return on non-covered business	123 407	(325 867)
Investment returns	7 655	28 223
Net profit non-life operations	115 752	(354 090)
Change in shareholders' fund adjustments	(156 511)	(11 531)
Changes in treasury share adjustments	(3 199)	2 902
Movement in fair value of incentive scheme shares	6 109	(33 779)
Movement in present value of holding company expenses	(16 617)	8 044
Movement in other net worth adjustments	(142 804)	11 302
Group equity value earnings	272 303	(285 149)

GROUP EQUITY VALUE (UNAUDITED) continued

For the year ended 31 December 2025

	Year ended 31 Dec 2025 P'000	Year ended 31 Dec 2024 P'000
a) Value of new business		
Value of new business at point of sale	186 217	149 961
Value before cost of capital	192 224	154 768
Recurring premium	70 858	49 272
Single premium	121 366	105 496
Cost of capital	(6 007)	(4 807)
b) Fair value adjustments		
Staff share scheme	(50 676)	(56 785)
Non-life operations write-up to fair value	526 426	451 462
Non-life operations write-up to fair value (other)	(167 710)	50 058
Group holding expenses	(203 500)	(186 883)
Reversal of cross-holding adjustment	41 498	44 697
Total	146 038	302 549
<i>Consisting of:</i>		
Net asset value adjustments		
Value of in-force adjustments	146 038	302 549

COMMENTARY

For the year ended 31 December 2025

ECONOMIC ENVIRONMENT

Botswana's economy faced material headwinds in 2025, including a fiscal liquidity squeeze, elevated unemployment, structural inefficiencies and a downturn in key sectors, most notably mining.

Mining activity weakened amid subdued global demand, heightened global uncertainty and trade and geopolitical developments that reduced demand for luxury goods. In the non-mining sector, growth remained muted due to the gradual impact of transformation initiatives, continued low productivity and constrained fiscal space. Liquidity conditions were supported by sizeable Southern African Customs Union (SACU) inflows and external and domestic loan inflows, including from the African Development Bank, the Organisation of the Petroleum Exporting Countries (OPEC) Fund for International Development and the Botswana Public Officers Pension Fund.

Gross domestic product (GDP) grew by 10,9% in Q3 2025, reversing a 3,5% contraction in Q2, and year-on-year growth improved to 8,2% from a 4,0% contraction in Q3 2024. Full-year forecasts pointed to contraction, with estimates ranging from around 1% (Ministry of Finance and the International Monetary Fund (IMF) to 3% (World Bank).

Inflation averaged 2,7% for the year, below the Bank of Botswana's 3% to 6% objective range, however, it ended December at 3,9% and was within the range in Q4. Risks remain tilted to the upside, driven mainly by imported inflation, particularly food and fuel.

In 2025, the Bank of Botswana maintained a 50/50 Pula basket weighting between the South African Rand and the IMF Special Drawing Rights. The annual rate of crawl was set at -1,51% in January 2025 and adjusted to -2,76% effective 11 July 2025. To support development of an interbank foreign exchange market and reduce reliance on the Bank for foreign currency transactions, trading margins were widened from $\pm 0,5\%$ to $\pm 7,5\%$. In December 2025, the Bank announced that in 2026, it will reduce the rate at which it buys foreign currency from commercial banks from 7,5% to 3%, while maintaining the foreign exchange selling margin at 7,5%, with the objective of strengthening incentives to convert export proceeds and increasing foreign exchange supply.

Liquidity conditions tightened during the year, increasing funding costs driven by higher prime lending rates. In October, the Bank raised the Monetary Policy Rate by 160 basis points to 3,5% and directed commercial banks not to adjust prime lending rates in response, as part of efforts to improve monetary policy transmission and support exchange rate objectives. As a support measure, the repo facility tenor for commercial banks was extended from 30 days to 90 days.

Moody's downgraded Botswana's long-term local and foreign currency issuer ratings from A3 to Baa1 and maintained a negative outlook. On 13 March 2026, S&P Global Ratings downgraded long-term foreign and local currency sovereign ratings from BBB+ to BBB-, lowered the country's short-term foreign and local currency sovereign credit ratings to A-3 from A-2 and maintained its negative outlook. The actions reflect heightened risks to debt sustainability and increased exposure to global shocks.

Notwithstanding the downgrades, Botswana remains investment grade, underpinned by institutional strength and a track record of prudent macroeconomic management.

Accounting policies and presentation

The accounting policies adopted for the year comply in all material respects with IFRS[®] Accounting Standards (formerly IFRS 'International Financial Reporting Standards') and are presented in the manner required by the Insurance Industry Act, 2015. These policies are consistent with those applied for the year ended 31 December 2024.

COMMENTARY continued

For the year ended 31 December 2025

FINANCIAL OVERVIEW

	31 Dec 2025 P'000	31 Dec 2024 P'000	% change
Net result from life insurance operations	279 359	204 204	37
Results from other operations	107 154	232 667	(54)
Core earnings	386 513	436 871	(12)
Net impairment losses on financial and contract assets	(7 276)	(2 239)	225
Finance cost on leases (IFRS 16)	(1 724)	(709)	143
Net share of profit of associates and joint ventures net of tax	98 614	(384 519)	126
Profit before tax	476 127	49 404	864
Tax	(143 179)	(155 941)	8
Profit/(loss) after tax	332 948	(106 537)	413
Profit attributable to:			
– Equity holders of the parent	334 967	(106 134)	416
– Minority interest	(2 019)	(403)	401
Total profit for the year	332 948	(106 537)	413

Group results from life insurance operations increased by 37% to P279 million for the year ended 31 December 2025 (FY2024: P204 million). The improvement was driven by favourable claims experience across the individual life and credit life portfolios, together with modest growth in contractual service margin releases. Asset management operating profit increased by 3% year on year, despite lower AUM and contributing positively to the results from other operations line. However, the results from other operations overall declined by 55% due to an adverse valuation of the interest-bearing instruments resulting from the increase in market interest rates. Equity-accounted earnings increased by 126%, mainly attributable to the continued strong performance of Nico Group.

Group equity value

The group equity value increased to P4,79 billion from P4,66 billion. The group equity value allowed for dividends of P264 million paid during the year ended 31 December 2025. The further increase in group equity value is driven by an increase in the net asset value (due to good performance from Nico), the value of in-force for life operations and fair value adjustments for non-life businesses.

Overview of operations by business segment

For management purposes, the group is organised into two principal business areas based on their products and services, and these make up the reportable operating segments as follows:

- The **life insurance** segment which provides life insurance services to its customers through Botswana Life Insurance Limited, Botswana's leading life insurance company, a full subsidiary of the group
- The **asset management** segment which provides asset management services to its customers through Botswana Insurance Fund Management Limited (Bifm), and Bifm Unit Trusts, both subsidiaries of the group.

Segments that do not fall under the two key segments have been classified under 'other'. These comprise associate businesses (Letshego Africa Holdings Limited, Nico Holdings PLC, Botswana Insurance Company Limited, Grand Reinsurance Tanzania and BIHL Insurance Company Limited) and the holding company.

Inter-segment transactions between business segments took place on an arm's-length basis in a manner similar to transactions with third parties. Segmental income, segment expenses and segment results include those transfers between business segments, which are eliminated on consolidation.

SEGMENT RESULTS

For the year ended 31 December 2025	Life business P'000	Asset management P'000	Other ¹ P'000	Inter- segmental P'000	Consolidated P'000
Segment information by products and services					
Net insurance service result	233 900	-	-	-	233 900
Investment service result	47 664	-	-	-	47 664
Other expenses relating to insurance operations	(2 205)	-	-	-	(2 206)
Net result from life insurance operations	279 359	-	-	-	279 358
Revenue from contracts with customers	144 378	187 076	-	(45 124)	286 330
Investment income ²	180 365	680 120	277 784	(445 738)	660 374
Investment surpluses	196 209	(93 842)	(9 752)	59 104	151 719
Change in fair value of external investors' liabilities	-	(517 313)	-	175 305	(342 008)
Change in fair value of investment contract liabilities	(320 542)	-	-	-	(320 542)
Sales remuneration	(57 077)	-	-	-	(57 077)
Administration expenses	(91 428)	(136 708)	(63 891)	20 385	(271 642)
Other administration expenses	(71 085)	(134 272)	(61 807)	17 698	(249 466)
Depreciation	(8 919)	(797)	(865)	-	(10 581)
Amortisation and impairment	(5 727)	(127)	(44)	-	(5 899)
Right-of-use asset depreciation	(5 697)	(1 512)	(1 175)	2 687	(5 697)
Net results from other operations	51 906	119 332	204 141	(268 224)	107 155
Other impairments	(7 276)	-	-	-	(7 276)
Profit before equity-accounted earnings	323 988	119 332	204 141	(268 224)	379 237
Finance cost on leases	(1 724)	(63)	-	63	(1 724)
Share of profit of associates and joint ventures net of impairment provision	-	-	98 614	-	98 614
Profit before tax	322 263	119 270	302 755	(268 161)	476 127
Income tax expense	(80 576)	(32 330)	(30 274)	-	(143 179)
Profit after tax	241 688	86 939	272 482	(268 161)	332 948
Total assets	13 593 717	8 365 906	2 166 193	(3 142 141)	20 983 675
Total liabilities	12 306 698	8 010 561	57 125	(2 166 193)	17 722 941
Return on equity value (%)	12,12	21,72	(21,29)	n/a	5,85

¹ Segments that do not fall under the two key segments also comprise associate businesses.

² Certain line items have been re-presented in the prior year. Refer to Appendix A for further details.

COMMENTARY continued

For the year ended 31 December 2025

For the year ended 31 December 2024	Life business P'000	Asset management P'000	Other ¹ P'000	Inter-segmental P'000	Consolidated P'000
Segment information by products and services					
Net insurance service result	127 199	–	–	–	127 199
Investment service result	76 356	–	–	–	76 356
Other expenses relating to insurance operations	649	–	–	–	649
Net result from life insurance operations	204 204	–	–	–	204 204
Revenue from contracts with customers	165 753	184 862	–	–	350 615
Investment income ²	375 646	576 603	602 199	(769 164)	785 284
Investment surpluses	48 393	25 195	–	17 750	91 338
Change in fair value of external investors' liabilities	–	(555 091)	–	154 414	(400 677)
Change in fair value of investment contract liabilities	(341 661)	–	–	–	(341 661)
Sales remuneration	(36 171)	–	–	–	(36 171)
Administration expenses	(82 411)	(94 982)	(63 422)	24 754	(216 061)
Other administration expenses	(59 712)	(92 280)	(61 140)	21 977	(191 155)
Depreciation	(6 757)	(895)	(879)	–	(8 531)
Amortisation and impairment	(9 434)	(387)	(46)	–	(9 867)
Right-of-use asset depreciation	(6 508)	(1 420)	(1 357)	2 777	(6 508)
Net results from other operations	129 549	136 587	538 777	(572 246)	232 667
Other impairments	(2 239)	–	–	–	(2 239)
Profit before equity-accounted earnings	331 514	136 587	538 777	(572 246)	434 632
Finance cost on leases	(709)	(171)	(154)	325	(709)
Share of profit of associates and joint ventures net of impairment provision	–	–	(384 519)	–	(384 519)
Profit before tax	330 805	136 416	154 104	(571 921)	49 404
Income tax expense	(81 927)	(23 712)	(50 302)	–	(155 941)
Profit after tax	248 878	112 704	103 802	(571 921)	(106 537)
Total assets	13 913 270	7 994 149	1 930 359	(3 416 690)	20 421 088
Total liabilities	12 664 373	7 663 292	59 360	(3 058 131)	17 328 894
Return on equity value (%)	2,71	24,50	(38,05)	n/a	(5,47)

¹ Segments that do not fall under the two key segments also comprise associate businesses.

² Certain line items have been re-presented in the prior year. Refer to Appendix A for further details.

LIFE INSURANCE BUSINESS

Results from life insurance operations are 137% of the prior year's results. The key driver for the increase in earnings is the net insurance service results which are 84% higher than the prior year. However, the improved earnings were partially offset by a decline in the investment service result, driven by volatility in the market yield curve movements during the year, which resulted in lower mismatch profits compared to the prior year. The improvement in the insurance service result, which represents the core earnings for the life business, arose primarily from revisions to the best estimate assumptions which positively impacted the release of contractual service margins to profits as well as better claims and expense variances. The value of new business, which measures the present value of future new business profits, improved by 24% overall, mainly driven by the corporate business lines which have shown strong growth compared to the prior year.

ASSET MANAGEMENT BUSINESS

Bifm Group's operating profit for the year increased by 3% compared to the prior year, primarily due to better-than-expected performance across the asset management operations. The Zambian operations continued to benefit from the Pula/Kwacha currency movement effects as well as a once-off accounting adjustment. Operating profits, excluding the Zambian operations, registered a 1% year-on-year decline driven by a 10% decrease in AUM. Bifm Unit Trusts recorded a positive performance as the operating profit closed 15% above the prior year. Total Bifm Group AUM decreased by 2% to close the year at P49,9 billion (Dec 2024: P51,1 billion); this includes Zambia's P10,6 billion and Bifm Unit Trusts' P2,9 billion AUM.

CAPITAL MANAGEMENT AND SOLVENCY

The group remains well-positioned in terms of capital management and solvency. This was taken into consideration by the board when resolving to declare a final dividend. The group's capital cover is 9,3 times, having increased from 7,2 times in the previous year. The increase in required capital cover was driven by lower dividend payouts, an improved net asset value supported by the continued strong performance of Nico Group and Bifm Group, and a reduction in the impairment of an associates to P78 million.

GOING CONCERN

The directors have further reviewed the group's funding position and available sources of funding and conclude that these are adequate to support the group's funding requirements. Based on this review and considering the current financial position and profitable trading history, the directors are satisfied that the group has adequate resources to continue in business for the foreseeable future. The going concern basis, therefore, continues to apply and has been adopted in the preparation of the annual financial statements.

LOOKING AHEAD

Botswana's insurance sector faces a muted near-term outlook due to macroeconomic pressure from diamond sector weakness, slower GDP growth and constrained household finances, which are weighing on premium growth, increasing lapse rates and driving expense inflation. Despite this, the industry remains structurally resilient, supported by low penetration, steady demand for savings and risk products, and a relatively stable financial system.

From a BIHL perspective, the group is well-positioned as a leader, underpinned by strong capital adequacy, diversified earnings (insurance and asset management) and consistent operational performance, although growth is expected to remain modest in the short term.

Any reference to future financial performance included in this announcement has not been audited or reported on by the group's auditor.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2025, from which the financial information in this announcement is set out, have not been audited by PricewaterhouseCoopers, the group's external auditors. Their audit report will be available at the group's registered office on or before 31 March 2026, upon completion of the audit.

COMMENTARY continued
For the year ended 31 December 2025

DIVIDEND DECLARATION

The directors have resolved to award a final dividend of 56 thebe per share (not subject to tax). The important dates pertaining to the dividends are:

Declaration date	24 March 2026
Ex-dividend date	14 April 2026
Record date	16 April 2026
Payment of dividend	23 April 2026

For and on behalf of the board

Dr Keith Jefferis
BIHL Group Board Chairman

27 March 2026

Catherine Lesetedi
Group Chief Executive Officer

APPENDIX A

1. Re-presentation and restatement of prior year

To better align the presentation of the group's financial reporting to that of its ultimate holding company and comparable entities in the industry and Southern African region, the group has amended the presentation and disclosure format it had previously followed. This has resulted in:

- the presentation of statement of comprehensive income instead of separate statements of profit or loss and comprehensive Income as was done in prior periods; and
- the re-presentation of some individual line items in the consolidated statement of financial position and consolidated statement of comprehensive income. As a result of this re-presentation, a number of financial statement line items were named, aggregated or disaggregated differently from the basis followed in prior periods, but there were no changes to the group's accounting policies or the recognition and measurement bases of assets and liabilities, or items of income and expenses.

There was no impact on the company financial statements previously reported, except for the fact that the separate financial statements are now presented as a standalone part of the financial statements, and not as comparative information to the consolidated financial statements.

2. Restatements in respect of corrections of prior period errors

i. The group's accounting for investments properties and equity investments

During previous reporting periods, the group incorrectly aggregated investments in investment properties and equity investments in property companies (held through a consolidated fund) into a single line item on the face of the statement of financial position, titled 'investments in property funds and companies.' Separate line items already existed for both investment properties and equity investments. This presentation was not in compliance with IAS 1, which requires that dissimilar items should not be aggregated.

The error has been corrected through retrospective restatement in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. There is no impact on the statement of profit or loss and other comprehensive Income, statement of comprehensive income, or statement of cash flows.

ii. The group's accounting for unit holdings in investment funds

During previous reporting periods, the group did not present investment funds separately on the face of the statement of financial position. These amounts were incorrectly aggregated within 'equities and similar securities' and 'deposits and similar securities.' This presentation was not compliant with IAS 1, which requires that dissimilar items should not be aggregated.

The error has been corrected through retrospective restatement in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. There is no impact on the statement of profit or loss and other comprehensive income, statement of comprehensive income, or statement of cash flows.

iii. The group's accounting for investments in consolidated funds

During the prior year, the group incorrectly omitted the recognition of an investment surplus and a corresponding receivable for income earned but not yet received in the amount of P41 404 000. As this arose at a (collective investment undertaking) fund consolidated by the group, the liability to external investors and the corresponding impact on the fair value of the liability was also understated.

Cash and cash equivalents held via consolidated funds were incorrectly classified as Money Market Instruments (now represented as 'deposits and similar securities'). This error occurred due to the incorrect conclusion that since these cash balances cannot be utilised to directly settle obligations of the group, they cannot be classified as cash and cash equivalents.

The balances meet the definition of 'cash' in IAS 7. the consolidated statement of cash flows is also restated as a result of this.

These errors have now been corrected through a retrospective restatement in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, and there is no impact on previously reported profit or net assets.

iv. Classification of unlisted equity investments

During previous reporting periods, the Group classified its investment in an unlisted equity instrument as interest-bearing assets, rather than presenting it under equity securities on the face of the statement of financial position. The error has been corrected through a retrospective restatement in the current financial year, in accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The correction does not impact the statement of profit or loss and other comprehensive income, the statement of comprehensive income, or the statement of cash flows.

v. Accounting policy on certain financial assets

The group previously disclosed that its accounting policy was to designate and measure fixed deposits and commercial papers at fair value through profit or loss.

During the current financial year, the group confirmed that its business model is, and has always been, to hold fixed deposits and commercial papers in order to collect contractual cash flows, with early termination occurring only in response to specific and unforeseen liquidity requirements. The contractual cash flows emanating from these instruments also satisfy the 'solely payments of principle and interest' test. Accordingly, these instruments should be classified as measured at amortised cost.

The error has been corrected retrospectively. The previously reported fair value of fixed deposits and commercial papers approximated amortised cost and, accordingly, the correction is limited to the restatement of the accounting policy disclosure, as well as qualitative disclosures in risk management and related notes to the annual financial statements.

APPENDIX A continued

3. The impact on the primary financial statements

The impact on the statement of financial position, statement of profit or loss and other comprehensive income, and statement of cash flows as a result of the correction of the the above prior period errors in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, is shown below.

a. Statement of financial position

2024	Annotation	As previously reported P'000	Prese- ntation change P'000	Prior period error (i) P'000	Prior period error (ii) P'000	Prior period error (iii) P'000	Prior period error (iv) P'000	New presen- tation and restated P'000
ASSETS								
	1	–	62 992	–	–	–	–	62 992
	2	169 838	(126 951)	–	–	–	–	42 887
		13 799	–	–	–	–	–	13 799
	2	–	126 951	–	–	–	–	126 951
	1	89 784	(62 992)	–	–	–	–	26 792
		219 392	–	–	–	–	–	219 392
		16 864	–	–	–	–	–	16 864
	3	19 526 890	–	–	–	(313 800)	–	19 213 090
	3.1, i	26 480	–	448 800	–	–	–	475 280
	3.1	1 457 254	–	–	–	–	–	1 457 254
	3.1, 3.4, i, ii, iv	–	4 340 990	(448 800)	(1 787 715)	–	38 092	2 142 567
	3.1	1 203 577	(1 203 577)	–	–	–	–	–
	3.1	3 137 413	(3 137 413)	–	–	–	–	–
	3.2, iv	9 570 753	–	–	–	–	(38 092)	9 532 661
	ii	–	–	–	1 787 715	–	–	1 787 715
	3.3, iii	4 131 413	–	–	–	(313 800)	–	3 817 613
	4	343 417	–	–	–	354 904	–	698 321
	4.1	132 974	–	–	–	41 104	–	174 078
	iii	210 443	–	–	–	313 800	–	524 243
		20 379 984	–	–	–	41 104	–	20 421 088
EQUITY AND LIABILITIES								
Capital and reserves								
		204 936	–	–	–	–	–	204 936
	5	157 459	–	–	–	–	–	157 459
		2 719 298	–	–	–	–	–	2 719 298
		3 081 693	–	–	–	–	–	3 081 693
		10 501	–	–	–	–	–	10 501
		3 092 194	–	–	–	–	–	3 092 194
Liabilities								
		8 397 033	–	–	–	–	–	8 397 033
		87 034	–	–	–	–	–	87 034
		3 637 385	–	–	–	–	–	3 637 385
	iii	14 776	–	–	–	–	–	14 776
		4 616 512	–	–	–	41 104	–	4 657 616
		44 284	–	–	–	–	–	44 284
		101 922	–	–	–	–	–	101 922
		5 438	–	–	–	–	–	5 438
		383 406	–	–	–	–	–	383 406
		322 774	–	–	–	–	–	322 774
		60 232	–	–	–	–	–	60 232
		400	–	–	–	–	–	400
		20 379 984	–	–	–	41 104	–	20 421 088

Refer to page 18 for annotations.

1 January 2024	Annotation	As previously reported P'000	Presentation change P'000	Prior period error (i) P'000	Prior period error (ii) P'000	Prior period error (iii) P'000	Prior period error (iv) P'000	New presentation and restated P'000
ASSETS								
Goodwill	1	–	62 992	–	–	–	–	62 992
Property and equipment	2	170 052	(124 668)	–	–	–	–	45 384
Right-of-use assets		11 879	–	–	–	–	–	11 879
Owner-occupied property	2	–	124 668	–	–	–	–	124 668
Intangible assets	1	97 247	(62 992)	–	–	–	–	34 255
Insurance contracts assets		452 771	–	–	–	–	–	452 771
Reinsurance contracts assets		17 874	–	–	–	–	–	17 874
Investments	3	18 961 679	–	–	–	(183 169)	–	18 778 510
Investment property	3.1, i	26 480	–	443 440	–	–	–	469 920
Investments in associated companies and joint ventures	3.1	1 758 469	–	–	–	–	–	1 758 469
Equities and similar securities	3.1, 3.4, i, ii, iv	–	4 096 936	(443 440)	(1 710 566)	–	31 920	1 974 850
Investment in property funds and companies	3.1	1 277 154	(1 277 154)	–	–	–	–	–
Equity investments (local and foreign)	3.1	2 819 782	(2 819 782)	–	–	–	–	–
Interest-bearing investments	3.2, iv	8 916 531	–	–	–	–	(31 920)	8 884 611
Investment funds	ii	–	–	–	1 710 566	–	–	1 710 566
Deposits and similar securities	3.3, iii	4 163 263	–	–	–	(183 169)	–	3 980 094
Working capital assets	4	306 215	–	–	–	183 169	–	489 384
Trade and other receivables	4.1	135 632	–	–	–	–	–	135 632
Cash and cash equivalents	iii	170 583	–	–	–	183 169	–	353 752
Total assets		20 017 717	–	–	–	–	–	20 017 717
EQUITY AND LIABILITIES								
Capital and reserves								
Stated capital		204 936	–	–	–	–	–	204 936
Other reserves	5	106 375	–	–	–	–	–	106 375
Retained earnings		3 302 730	–	–	–	–	–	3 302 730
Shareholders' fund		3 614 041	–	–	–	–	–	3 614 041
Non-controlling interest		23 751	–	–	–	–	–	23 751
Total equity		3 637 792	–	–	–	–	–	3 637 792
Liabilities								
Insurance contract liabilities		7 961 752	–	–	–	–	–	7 961 752
Reinsurance contract liabilities		54 222	–	–	–	–	–	54 222
Investment contract liabilities		3 442 868	–	–	–	–	–	3 442 868
Lease liabilities		12 707	–	–	–	–	–	12 707
External investors in consolidated funds	iii	4 504 564	–	–	–	–	–	4 504 564
Derivatives instrument		25 429	–	–	–	–	–	25 429
Deferred tax		141 908	–	–	–	–	–	141 908
Related party balances		6 867	–	–	–	–	–	6 867
Working capital liabilities		229 608	–	–	–	–	–	229 608
Trade and other payables		210 984	–	–	–	–	–	210 984
Bank overdraft		–	–	–	–	–	–	–
Taxation		18 624	–	–	–	–	–	18 624
Total equity and liabilities		20 017 717	–	–	–	–	–	20 017 717

Refer to page 18 for annotations.

APPENDIX A continued

b. Extract of the statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Annotation	As previously reported P'000	Presentation change P'000	Error (iii) P'000	New presentation and restated P'000
Net result from life insurance operations		204 204	–	–	204 204
Result from life insurance contracts		203 555	–	–	203 555
Net insurance service result		127 199	–	–	127 199
Insurance revenue		2 267 063	–	–	2 267 063
Insurance service expenses		(2 100 784)	–	–	(2 100 784)
Income or expense from reinsurance contracts		(39 080)	–	–	(39 080)
Investment service result		76 356	–	–	76 356
Insurance finance income or expense		(356 900)	–	–	(356 900)
Reinsurance finance income or expense		(15 494)	–	–	(15 494)
Investment income on assets held in respect of insurance contracts		448 750	–	–	448 750
Other expenses relating to insurance operations		649	–	–	649
Result from other operations		232 667	–	–	232 667
Revenue from contracts with customers		350 615	–	–	350 615
Investment income	6	452 599	291 581	41 104	785 284
Investment surpluses	6, iii	–	91 338	–	91 338
Interest income using the effective interest rate	6	4 491	(4 491)	–	–
Other interest income from external investors in consolidated funds	6	291 581	(291 581)	–	–
Fair value losses from derivative instrument	6	18 855	(18 855)	–	–
Change in fair value of external investors' liabilities	6	67 992	(67 992)	–	–
Net changes in external investors in consolidated funds	iii	(359 573)	–	(41 104)	(400 677)
Change in fair value of investment contract liabilities		(341 661)	–	–	(341 661)
Sales remuneration		(36 171)	–	–	(36 171)
Administration expenses		(216 061)	–	–	(216 061)
Other impairments		(2 239)	–	–	(2 239)
Profit before share of profit of associates, joint ventures and other income		434 632	–	–	434 632
Finance cost on leases (IFRS 16)		(709)	–	–	(709)
Equity-accounted earnings		168 673	–	–	168 673
Impairment of associates		(553 192)	–	–	(553 192)
Profit before tax		49 404	–	–	49 404
Income tax expense		(155 941)	–	–	(155 941)
Profit for the year from continuing operations		(106 537)	–	–	(106 537)

Annotations

- 1 Goodwill was presented together with intangible assets in the prior year and is now presented as a separate line-item.
- 2 Property was presented together with equipment in the prior year and is now presented as a separate line-item.
- 3 This is a new sub-total that is introduced. The new sub-total now also includes investments in associates and joint ventures and investment property that was previously presented elsewhere.
- 3.1 In the prior year BIHL consolidated financial statements the line-item 'Investment in property funds and companies' was included. This line-item included all of the property assets held by Local Property Fund (LPF) that BIHL consolidates. These balances were disclosed in the prior year in the same note as investment properties and both the IAS 40 and IFRS 13 Level 3 disclosures were provided. The underlying investments are a combination of investments in property companies where the LPF is a shareholder, and investment properties where the LPF owns the title. This balance is reallocated to equities and similar securities and Investment properties respectively. The previously reported line-item equity investments (local and foreign) has been reallocated to equities and similar securities.
- 3.2 This line-item was previously called 'bonds'.
- 3.3 This line-item was previously called 'money market instruments'.
- 3.4 The previously reported line-item equity investments (local and foreign) has been mapped and renamed to equities and similar securities.
- 4 This is a new sub-total that was introduced.
- 4.1 This line-item was previously called 'other receivables'.
- 5 This line-item was previously called 'non-distributable reserves'.
- 6 These line-items were previously disaggregated:
 - Investment income: previously the interest income from external investors in consolidated funds was shown separately.
 - Investment surpluses: previously disaggregated into Interest income using the effective interest rate, fair value losses from derivative instrument and change in fair value of external investors' liabilities.

CORPORATE INFORMATION

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Incorporated in 1990 in Botswana
Company registration number: BW00000798601

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