IMPORTANT NOTE TO USERS :

The audit opinion reproduced here as a standalone document has been extracted from the Access Bank Botswana limited consolidated and separate annual financial statements for the year ended 31 December 2023. Accordingly, this audit opinion should be read in conjunction with the audited consolidated and separate financial statements. The full set of financial statements and the audit opinion thereon are available for inspection at plot 62433 Fairground Office Park Private Bag 00303 Gaborone, Botswana.

Independent auditor's report

To the Shareholders of Access Bank Botswana Limited

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Access Bank Botswana Limited (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

Access Bank Botswana Limited's consolidated and separate financial statements set out on pages 14 to 100 comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

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Our audit approach

Overview

Overall group materiality

- Overall materiality: BWP 2 613 800, which represents 5% of consolidated profit before tax.

Group audit scope

- The Company and its fully owned subsidiary are financially significant components of the Group based on the consolidated profit before taxes of the Group.
- We performed a full scope audit of the Company and its subsidiary.

Key Audit Matters

- Expected credit losses ("ECL") on loans and advances to customers.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	BWP 2 613 800.
How we determined it	5% of consolidated profit before tax.
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this industry.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of the Company and one wholly owned subsidiary. Our scoping assessment took into consideration the financial significance of each component to the Group. We concluded that the Company and its subsidiary to be financially significant components in the Group based on its contribution to the consolidated profit before tax of the Group.

We performed a full scope audit for the Company and its subsidiary. All testing was performed centrally by the Group audit team. By performing the procedures outlined above, we obtained sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements as a whole.

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*
Expected credit losses ("ECL") on loans and advances to customers *This key audit matter refers both to the consolidated and separate financial statements.* Refer to the following notes to the consolidated and separate financial statements for disclosures relating to this key audit matter: • note 1.3 (Significant judgments and sources of estimation uncertainty - Measurement of expected credit loss allowance); • note 1.17 (Financial instruments - Expected credit losses); • note 3.1.6 to 3.1.8 (Financial risk management - Credit risk); • note 7 (Loans and advances to customers); • note 21 (Impairment credit on financial assets); and	Our audit addressed this key audit matter as follows: For a sample of loans and advances, we agreed the loans and advances information included in the models to the underlying data, accounting records and other information such as loan agreements. Our procedures identified certain data inputs, which were not correctly included in the ECL models. These exceptions were satisfactorily addressed by management during our audit, as confirmed through the testing of additional samples. Utilising our actuarial expertise, we reperformed and assessed the reasonableness

Key audit matter	*How our audit addressed the key audit matter*
• note 38 (Restatement). As at 31 December 2023, the Group and Company recognised gross loans and advances to customers amounted to BWP 6 396 991 000, against which a provision for ECL of BWP 228 278 000 was recognised. The measurement of the ECL on loans and advances to customers is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Statistical models have been developed to support the quantification of credit risk. Key areas of significant management judgement and estimation applied in the measurement of ECL on loans and advances include: • Determining criteria for significant increase in credit risk ("SICR"); • Determining appropriate Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") applicable to loans and advances; • Choosing appropriate models and assumptions for the measurement of ECL; • Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; • Establishing groups of financial assets with similar credit risk for the purposes of measuring ECL; and • Establishing whether any management overlays are required for credit risk elements which are not captured by the models. During the year, errors and omissions were identified in the data inputs used in the ECL models, relating to prior periods. The effects of these errors were adjusted retrospectively, which	of the ECL calculation by performing the following procedures : • We obtained a detailed breakdown of the loans and advances by product type and independently calculated the risk stage for each loan. We compared this to management's classification of loans and advances into various risk stages. No material differences were noted. • We assessed the appropriateness of the model used by the Group and Company with reference to the requirements of IFRS 9 - Financial Instruments, and assessed whether the model was consistently applied to all loans and advances portfolios. We noted no material matters requiring further consideration and there were no inconsistencies in the manner that it was applied across the loans and advances portfolios. • We evaluated the reasonableness of key judgemental inputs used in the model, including: – the PDs applied; – the LGDs applied; – the EADs applied; and – the definition and application of SICR by recalculating these assumptions and comparing our independently calculated outcomes to management's assumptions applied in the ECL calculation. Based on our procedures performed, we noted errors in the manner in which the ECL model performed certain LGD and EAD calculations. These errors were appropriately addressed by

Key audit matter	*How our audit addressed the key audit matter*
resulted in a restatement to the previously reported balances. The impact of these adjustments on the comparative information is disclosed in note 38 to the consolidated and separate financial statements. We considered the ECL on loans and advances to be a matter of most significance to our current year audit due to: ● the degree of judgement and estimation applied by management in determining the ECL on loans and advances; ● the magnitude of the ECL recognised as at 31 December 2023 in relation to the consolidated and separate financial statements; and ● the impact of the data input errors and omissions used in the ECL models on the comparative information.	management in the final ECL calculations.. ● We developed an independent estimation of the ECL on loans and advances by calculating a base case ECL, which incorporated our independently determined SICR adjustments, before considering forward-looking indicators. We compared our results against the Group’s and Company’s ECL estimate in order to identify possible gaps within the modelling components. We determined that the Group’s and Company's ECL estimates were not materially different from our independently determined range of estimated outcomes. We evaluated the reasonableness of the management overlays by performing the following procedures and noted no material exceptions based on our procedures performed: ● We obtained management’s calculations in support of the overlays and assessed the reasonability of management assumptions by agreeing the overlays to the underlying information supporting the calculations; and ● Tested the mathematical accuracy of the calculations. We requested management to determine whether the input data and model calculations errors identified in the current financial year (as referenced above) impacted on the ECL amounts and balances as reported in prior periods. Management confirmed that these matters impacted materially on amounts and balances previously reported in

Key audit matter	*How our audit addressed the key audit matter*
	the financial year ended 31 December 2022, and proposed a retrospective correction of those financial statements (as set out in Note 38 to the financial statements). We performed the following procedures with respect to the restated comparative ECL information: • Using our actuarial expertise, we recalculated PDs and LGDs using corrected data and applying these to the updated EADs and LGDs to arrive at our own possible range of the error in the ECL for the year-ended 31 December 2022. The Group's and Company's estimate of the understatement of ECL for the year ended 31 December 2022 was not materially different from our independently determined range of estimated outcomes. • We selected a sample of corrected data model inputs for loans and advances and agreed these to the underlying data, accounting records and other information such as loan agreements and noted no material exceptions; and • We selected a sample of relevant loan information from the underlying data, accounting records and other information such as loan agreements and agreed that information to the corrected data inputs listing and found no material exceptions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Access Bank Botswana Limited Consolidated and Company Annual Financial Statements for the year ended 31 December 2023" which we obtained prior to the date of this auditor's report, and the document titled "Access Bank Botswana Limited Annual Report 2023", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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Firm of Certified Auditors
Practicing Member: Sheyan Edirisinghe (CAP 004 2024)

05 April 2024
Gaborone