



# Integrated annual report 2025

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About this report

# Introduction

## About this report

The Letshego Africa Holdings Limited (Letshego Africa, Letshego or the Group) integrated annual report provides our stakeholders with a balanced and accurate assessment of the Group's strategic and financial performance for the period 1 January 2025 to 31 December 2025.

The report contains information relevant to all the key stakeholder groups to whom we are accountable, to allow them to assess the Group's ability to create value over time. Our key stakeholder groups include our customers, employees, investors and funders, strategic partners, governments and regulators and members of the communities in which we operate. This report also contains information on the value outcomes for the period under review and forward-looking information. Material information that emerged subsequent to year end has also been included.



## Boundary and scope

The report discusses Group information that covers all 11 of our markets – Botswana, Eswatini, Ghana, Kenya, Lesotho, Mozambique, Namibia, Nigeria, Rwanda, Tanzania and Uganda – as well as the risks, opportunities and outcomes associated with our operating context, industry and stakeholders.

In some instances, information in the report relates to continuing operations across our core operating subsidiaries in the Southern Africa region, being Botswana, Eswatini, Lesotho, Mozambique and Namibia, as well as Kenya. The Letshego Board of Directors (Board) approved a plan to sell the Group's business interests in the East and West Africa region, namely Ghana, Nigeria, Rwanda, Tanzania and Uganda.

## Integrated thinking

Letshego Africa's mandate is to provide inclusive financial services and products to under-served individuals, small business owners and communities across our regional footprint. This strategy underpins our purpose to improve lives and is central to the ongoing enhancements we are making to the way we work, the platforms and channels we use and the way we make decisions. Integrated thinking guides the Group in formulating our strategy and identifying the strategic initiatives needed to deliver it.

Our strategy is designed to achieve a sustainable competitive advantage for our pan-African Group and deliver long-term sustainable returns. The execution of our strategy is supported by corporate governance structures, processes and controls developed in line with global best practice and regularly reviewed to achieve continual improvement.

Our Sustainability Framework, including our environmental, social and governance (ESG) strategy, continues to evolve and is becoming an integrated asset and a differentiator in how we do business on the continent. Our strategy, corporate governance, commitment to sustainable business practices and stakeholder relationships will advance new, tangible value creation and preservation and will guard against the erosion of achieved value.

## Disclosure

Letshego Africa is committed to balanced reporting, disclosing the material constraints related to our strategy and business model, including where value has been eroded due to factors within or outside our control. Information excluded from our report includes that which is considered immaterial, confidential and legally privileged and competitively sensitive. This includes granular data on remuneration, yields and margins.

The report complies with the Botswana Companies Act and the Botswana Stock Exchange (BSE) Equity Listings Requirements. The reporting frameworks applied in the preparation of this report include the principles of the International Integrated Reporting Framework (January 2021), the King Report on Corporate Governance for South Africa (2016) (King IV™) and the International Financial Reporting Standards (IFRS®) Accounting Standards.

## Developments in corporate reporting

While our approach to reporting remains consistent, the Group is cognisant of developments in global reporting standards, including the creation of the International Sustainability Standards Board (ISSB), which has published two sustainability reporting standards and taken on the responsibility for monitoring climate-related disclosures previously monitored through the Taskforce on Climate-related Financial Disclosures. In addition, the BSE released its Sustainability Disclosure Guidance in August 2024.

We are committed to an ongoing journey in terms of ESG and sustainability-related disclosures as global and local standards evolve. We currently assess the social impact of our business in achieving the targets of 11 of the 17 United Nations Sustainable Development Goals (UN SDGs).

## Reporting to shareholders

We continue to assess our reports to enhance the usability and usefulness of the information to our shareholders as a suite.

This report is split into two sections comprising:

**1 INTEGRATED REPORT**

**2 ANNUAL FINANCIAL STATEMENTS**

The notice of annual general meeting (AGM), including the resolutions to be tabled at the AGM, is also sent to shareholders separately. The 27th AGM will be held virtually on Friday, 19 June 2026 per notice. The AGM notice and proxy will be distributed and available to shareholders on or before Friday, 29 May 2026. The notice of AGM will also be available on our [website](#).

1. King IV Report on Corporate Governance 2016. Copyright and trademarks of King Reports are owned by the Institute of Directors in Southern Africa ([www.iodsa.co.za](http://www.iodsa.co.za)) and all of its rights are reserved.

About this report

### Forward-looking statements




Certain statements in our report are forward-looking. These beliefs and assumptions are based on the information currently available to Board and management. Forward-looking statements are subject to certain risks, uncertainties and assumptions, particularly with respect to general market conditions, our ability to manage growth, future performance and changes in the regulatory environment, among others. There can be no assurance that these statements will be accurate, and actual results could differ materially from those anticipated in such statements. The words 'believe', 'anticipate', 'estimate', 'expect', 'intend', and similar expressions identify forward-looking statements. Letshego Africa undertakes no obligation to update forward-looking statements to reflect subsequently occurring events or circumstances or to reflect unanticipated events or developments.

Unless otherwise indicated, all monetary values used in this report are in Botswana Pula (P or BWP).

### Materiality

When deciding which information to include in the report, we consider our stakeholders, sustainability, materiality and completeness. We prioritise matters, opportunities and challenges that are likely to affect the delivery of our strategic intent and our ability to create value for stakeholders in the short, medium and long term as material. These material matters form an integral part of our strategic planning activities.

### Time horizons

 <p><b>SHORT TERM – one year – 2026,</b></p> <p>the year in which we deliver ongoing progress against our strategic intent.</p>	 <p><b>MEDIUM TERM – two to five years – 2027 to 2031,</b></p> <p>the period in which our new strategic intent is undertaken to achieve our purpose and improve lives.</p>	 <p><b>LONG TERM – over five years – beyond 2031,</b></p> <p>we will continue to drive positive impacts that contribute to the United Nations Sustainable Development Goals (UN SDGs).</p>
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### Restatements or reporting changes

The nature of the content and structure of this year's report remains largely unchanged from that of 2024 to provide meaningful and consistent disclosures.

### Process disclosure

The following processes were followed in the preparation and approval of this report:

- ▶ A cross-functional and cross-regional team ensures that an effective report preparation, review and approval process is followed.
- ▶ Information included in this report is sourced from a range of internal and external sources.
- ▶ Certain Board subcommittees review various sections of the annual financial statements to ensure their integrity and recommend them to the Board for approval.

### Assurance

Assurance of financial information has been obtained in line with our combined assurance model.

Ernst & Young conducted independent external assurance on the Group's consolidated annual financial statements and provided an unqualified opinion. The Group's internal audit function provided independent and objective assurance to the Group Audit Committee in accordance with the internal audit standards set by the Institute of Internal Auditors and in line with internal audit methodology.

### Approval

The Board is ultimately responsible for ensuring the integrity and completeness of the integrated report. It has appropriately considered the accuracy and completeness of the material matters, as well as the reliability of all data and information presented in this report and has approved the Group's annual financial statements for the year ended 31 December 2025. In the Board's opinion, it has fulfilled its responsibilities in terms of the recommendations of King IV and believes that the integrated report has been prepared in accordance with the International Integrated Reporting Framework in all material respects.

On behalf of the Board:

**Christopher Mokgware**  
Group Chairperson

*Note – signatures are not included for digital security purposes.*



### Navigating this report

This report is an interactive PDF. It is best viewed in Adobe Acrobat for desktop, mobile or tablet.

This report has been designed with enhanced digital navigation capabilities to improve the readability and digital experience by assisting with moving between sections and connectivity of information across the report.

Icons to navigate in this report can be found on each page and within the report.



### Feedback on this report

We welcome your feedback on this report. Please email your comments to the Group's Company Secretary at [GroupCompanySecretary@letshego.com](mailto:GroupCompanySecretary@letshego.com).



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SECTION 1

# INTEGRATED REPORT

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# Our business

## Who we are

Letshego Africa is a pan-African provider of financial products. Headquartered and listed in Botswana, we provide access to simple, appropriate and inclusive financial solutions for individuals, micro and small entrepreneurs (MSEs) and under-served populations across 11 sub-Saharan markets.

We leverage technology and innovation to create an expansive ecosystem that provides our customers with accessible and affordable financial solutions, products that help people improve their lives, which historically were not easily accessible. Our products are delivered alongside upskilling and empowerment for our employees and customers, equipping them with digital skills that support sustainable financial inclusion and digital-savvy economies.

### Letshego at a glance

Our trusted brand is well-respected across Africa due to our deep commitment to responsible and ethical lending practices, our full regulatory compliance in all our countries of operation and our responsiveness to the needs of our customers. We offer products and services that provide access to affordable housing, healthcare, education, and small-business and agricultural funding, with a focus on entrepreneurs, youth and women.

## Our footprint

We operate in

# 11 African markets:

Ghana, Nigeria, Uganda, Kenya, Rwanda, Tanzania, Mozambique, Namibia, Botswana, Eswatini and Lesotho.



### Our vision

To be the leading pan-African retail financial services provider, transforming the lives of mass and middle-income individuals through inclusive and innovative financial solutions.

### Our purpose

#### Let's improve lives

We provide access to simple and inclusive financial solutions to MSEs and products that enable individuals to improve their lives.

### Our mantra



### Our culture and values

Our values define our culture and ways of working. They are guiding principles for improving our customers' lives.



Ubuntu



Thrive because of diversity



Take full ownership



Be curious and forward thinking

# 2025 highlights



More than  
**4.3 million**  
active customers  
(2024: 3.4 million)



**1 309**  
employees  
(2024: 1 459 employees)

## Consolidated results



Loss after taxation  
**up**  
**152%**  
to P(235.5) million  
(2024: P(93.3) million)



Capitalisation ratio  
**down to**  
**22%**  
(2024: 24%)



Basic earnings per share  
**down to**  
**loss of**  
**(15.3)**  
**thebe**  
(2024: loss of (7.4) thebe)



Return on assets  
**maintained**  
**at loss of**  
**(1%)**  
(2024: loss of (1%))



Customer net promoter score of  
**+28,**  
with customer satisfaction scores over  
**81%**



## Awards and recognition

In 2025, Letshego received the following accolades

★ **Global Banking & Finance Review (Botswana)**

Letshego Botswana was awarded Best Micro Finance Company Botswana 2025 and Best SME Finance Company Botswana 2025.

★ **PMR Africa Awards (Lesotho)**

Letshego Financial Services Lesotho, secured the Diamond Award, ranking 1<sup>st</sup> Overall in Microfinance.

★ **West Africa Business Awards 2025 (Ghana)**

Letshego Ghana was named Savings and Loans Brand of the Year, recognising its impact on the local financial sector.

★ **Africa Best Business Awards 2025 (Ghana)**

Letshego Ghana received Most Innovative Financial Services Provider and Best Savings & Loans Institution.

★ **Sustainability and Social Impact Awards (Ghana)**

In November 2025, Letshego Ghana was recognised as the Best Company in Women Empowerment Project for its 'Gift of Financial Freedom' initiative.

★ **Kitso Konokono Financial Literacy Competition (Botswana)**

Letshego recognised winners in its 2025 poetry competition aimed at enhancing financial literacy.

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2025 HIGHLIGHTS continued

### Continuing operations



Net interest income  
**up 3%**  
 to **P1.47 billion**  
 (2024: P1.43 billion)



Non-funded income  
**up 26%**  
 to **P552.8 million**  
 (2024: P438.4 million)



Net impairments  
**down 77%**  
 to **P124.8 million**  
 (2024: P533.6 million)



Profit after taxation  
**up 362%**  
 to **P284 million**  
 (2024: P61.4 million)



Net advances  
**down 14%**  
 to **P11.7 billion**  
 following the transfer of P2.9 billion  
 advances associated with the divestment  
 transaction to 'assets held for sale'  
 (2024: P13.6 billion)



Customer deposits  
**up 4%**  
 to **P2.2 billion**  
 despite transfer of Disposal Group  
 deposits of P1.3 billion to 'liabilities directly  
 associated with 'assets held for sale'.  
 (2024: P2.1 billion)



Cost-to-income ratio  
**up to 60%**  
 (2024: 52%)



Loan loss ratio  
**down to 1%**  
 (2024: 4.5%)



Effective tax rate  
**down to 59%**  
 (2024: 82%)



Basic earnings per share  
**up to 9.4 thebe**  
 (2024: (0.1) thebe)



Return on equity  
**up to 6%**  
 (2024: 1%)

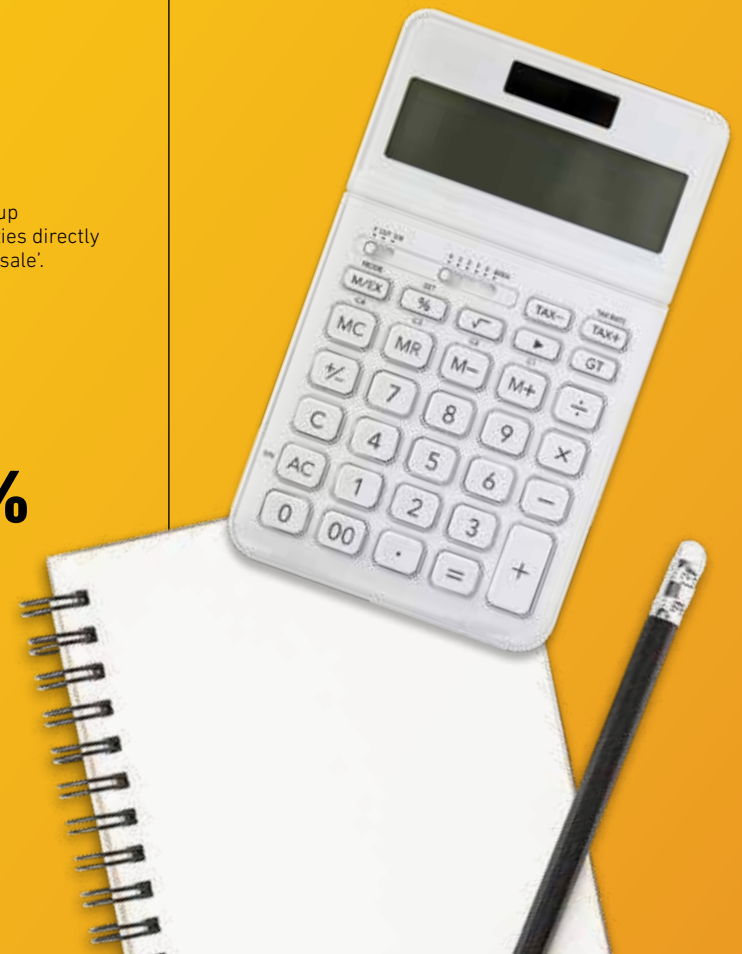


Return on assets  
**up to 2%**  
 (2024: 0%)

### Discontinued operations



Loss after taxation  
**up 236%**  
 to **P(519.5) million**  
 (2024: P(154.8) million)



# Our business model

## RESOURCES

### Inputs

### Constraints and challenges

Resource Category	Description	Input 1	Input 2	Input 3	Constraints and Challenges
Financial	The pool of funds that support our business operations.	<ul style="list-style-type: none"> <li>Focused balance sheet management.</li> <li><b>P4.8 billion</b> equity capital (2024: P5.0 billion).</li> </ul>	<ul style="list-style-type: none"> <li><b>P9.1 billion</b> (including discontinued operations) debt capital (2024: P9.7 billion).</li> </ul>	<ul style="list-style-type: none"> <li><b>P2.24 billion</b> customer deposits (2024: P2.15 billion).</li> <li>Accessing sustainability-linked funding.</li> </ul>	<ul style="list-style-type: none"> <li>An uncertain economic environment.</li> <li>Investing in digitisation and deposit growth while retaining the long-term support of our providers of capital.</li> </ul>
Human	The capabilities, experience and innovation of our employees drive the achievement of our purpose.	<ul style="list-style-type: none"> <li>Experienced and ethical leadership team.</li> <li>Innovative and high-performance culture.</li> </ul>	<ul style="list-style-type: none"> <li><b>1 309</b> skilled permanent employees (2024: 1 459).</li> </ul>	<ul style="list-style-type: none"> <li><b>P4.1 million</b> invested in training and development (2024: P5.3 million).</li> </ul>	<ul style="list-style-type: none"> <li>Attracting and retaining scarce talent in an environment characterised by fierce skills competition.</li> <li>Maintaining a motivated workforce when there is a risk of change fatigue among employees.</li> </ul>
Manufactured	The facilities and general infrastructure that support our business operations.	<ul style="list-style-type: none"> <li><b>277</b> physical access points (2024: 328).</li> <li>Established operations in <b>11</b> sub-Saharan African countries.</li> </ul>	<ul style="list-style-type: none"> <li><b>P37 million</b> invested in physical infrastructure, including upgrading our branches (2024: P46 million).</li> </ul>	<ul style="list-style-type: none"> <li>Digitally enabled infrastructure leveraging advanced IT and enterprise solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Balancing our physical footprint with digital customer access.</li> <li>Limited internet connectivity to support financial inclusion.</li> <li>Ensuring seamless integration between physical and digital channels to provide a consistent customer experience.</li> </ul>
Intellectual	The institutional knowledge and experience that protects our reputation and drives our competitive advantage.	<ul style="list-style-type: none"> <li>A trustworthy brand that resonates with customers.</li> </ul>	<ul style="list-style-type: none"> <li><b>P1.8 million</b> invested in our digital transformation (2024: P27 million).</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing market and data analysis supports our offerings.</li> </ul>	<ul style="list-style-type: none"> <li>Regulations associated with new business development.</li> <li>Automating routine tasks may result in workforce displacement as efficiencies are achieved and improved.</li> </ul>
Social and relationship	Our relationships and partnerships with key stakeholder groups.	<ul style="list-style-type: none"> <li>Quality of our stakeholder relationships.</li> <li>Business activities that deliver a positive social impact.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible ESG practices.</li> <li>Green funding options provided to Affordable Housing customers.</li> </ul>	<ul style="list-style-type: none"> <li>Issuing social bonds in Namibia to accelerate social impact lending.</li> </ul>	<ul style="list-style-type: none"> <li>Balancing the diverse interests of key stakeholder groups.</li> </ul>
Natural	The renewable and non-renewable natural resources needed for everyday activities.	<ul style="list-style-type: none"> <li>Water usage.</li> </ul>	<ul style="list-style-type: none"> <li>Energy consumed (electricity and fuel).</li> </ul>	<ul style="list-style-type: none"> <li>Promote sustainable use of natural resources.</li> </ul>	<ul style="list-style-type: none"> <li>Managing the impact of our business activities on the environment in a responsible manner.</li> </ul>

OUR BUSINESS MODEL continued

## OUR VALUE STREAMS

### Our context and approach to value creation

#### Our stakeholders

A deep understanding of our stakeholders enables us to respond appropriately to their needs and expectations, shaping our strategy and operations to deliver enhanced and tangible value.

Our key relationships: [Page 14](#).

#### Our operating context and related risks and opportunities

Our ability to create value is affected by several factors in our operating environment that we cannot fully mitigate, as they are not entirely within our control. Our enterprise risk management framework ensures that we effectively identify, assess, monitor, control and report our risks and maximise our opportunities. Stakeholder feedback is considered when reviewing our risks.

Our operating context: [Page 10](#).

#### Our strategy

Our strategy is centred around our purpose of *Improving Lives*, which drives every decision we make. By cultivating strong relationships with stakeholders, embracing evolving market trends and investing in sustainable practices, we are laying a solid foundation for long-term value creation. Our proactive approach enhances our resilience, equipping us to navigate future uncertainties and respond adeptly to changing economic landscapes.

Our strategy: [Page 18](#).

## OUR OUTPUTS AND ACTIVITIES

### LENDING

#### Access to funding

We deliver tailored lending solutions, including government and non-government Deduction-at-Source (DAS), Instant Loans, and MSE-focused products, through mobile network operators (MNOs) and fintech partnerships, ensuring affordability and productive use of funds.



### SAVINGS

#### Mobilising savings

Our current and savings accounts (CASA) and fixed deposit accounts offer competitive rates, with digital transaction incentives and interest boosts for savings goals, guaranteeing secure access to funds.



### PAYMENTS

#### Simple and secure payments

We enable seamless transacting via card, USSD, Mobile App, online platforms and MNO wallet integrations, prioritising speed and security.



### INSURANCE

#### Protecting against risks

Our mobile-first offerings include credit life, motor, funeral, and micro-health insurance, delivered through insurer and insure-tech partnerships for instant coverage.



## OUR MANAGEMENT SYSTEMS

### Support functions

- ▶ People and culture
- ▶ Inclusive technologies
- ▶ Strategic partners

### Control functions

- ▶ Compliance management
- ▶ Risk management
- ▶ Internal assurance (audit)

### Corporate governance

- ▶ Strategic oversight
- ▶ Setting an ethical tone

Governance: [Page 85](#).

OUR BUSINESS MODEL continued

## OUR OUTCOMES

### For customers

- ▶ Access to tailored financial solutions that are accessible from multiple, convenient and easy-to-use digital channels and MNO-integrated platforms that ensure simplicity, security and convenience.
- ▶ Customised MSE-focused lending and savings products, including bundled offerings and differentiated rates, to drive business growth.
- ▶ Agile delivery through partnerships and digital-first platforms to respond quickly to evolving customer needs.
- ▶ Proprietary credit scoring tools and flexible repayment options that expand access to credit for more customers.
- ▶ Digital customer experience delivered by trained and knowledgeable employees.
- ▶ Advanced data analytics optimise market share and provide personalised customer offerings, aligned with customer protection and security.

### For employees

- ▶ A safe working environment and access to employee wellness programmes.
- ▶ Opportunities to advance careers and professional development while upskilling to digitally enabled ways of working.
- ▶ 23% employee turnover rate (2024: 16%).
- ▶ P512 million paid in continuing operations staff costs (2024: P393 million).
- ▶ 99.2% of employees received training (2024: 98.8%).
- ▶ Almost 15 300 learning hours completed (2024: 20 000).
- ▶ Women comprise 50% of the workforce (2024: 49%).

### For governments and regulators

- ▶ P453 million paid in taxes (2024: P297 million).
- ▶ Ethical culture ensuring material compliance with relevant legislation, governance frameworks and industry standards.
- ▶ Ongoing collaboration with industry and regulatory working groups and governments to strengthen the financial services sectors in our markets of operation.

### For investors and funders

- ▶ A compelling investment opportunity as a pan-African financial services provider that focuses on financial inclusion through digital transformation, product strategies, market reach, and strong governance.
- ▶ Leadership that supports the development of distinctive capabilities that create a competitive advantage and deliver resilience.
- ▶ Disciplined capital allocation through a capital optimisation plan.
- ▶ Strong balance sheet supporting the growth of our competitive market position.
- ▶ A corporate mandate that strongly focuses on financial inclusion and related positive social impacts, supporting our social licence to operate.
- ▶ Cost-to-income ratio of 60% (2024: 52%).
- ▶ Total assets of P19.3 billion (2024: P18.0 billion).
- ▶ Capitalisation ratio of 22% (2024: 24%).

### For strategic partners

- ▶ Mutual benefits and profitability enhanced by shared markets, services and technology.
- ▶ Well-designed enterprise and IT infrastructure that supports the quick deployment of partner technologies.

### For communities

- ▶ Our lending approach supports access to affordable housing, healthcare, education and agriculture funding with ESG total disbursement of P1.99 billion.
- ▶ ESG total borrowers grew to 71 517 customers.
- ▶ Invested P1.7 million in corporate social investment (CSI) initiatives (2024: P2.2 million).
- ▶ Responsible waste and emissions management, focusing on the sustainable use of natural resources.

# Our operating context

Africa's ongoing transformation is being driven by several transformative mega-trends, which are generating substantial opportunities and influencing the financial services industry across the continent.

Among these are the people dividend created by population growth and a youthful workforce, both of which contribute to a dynamic and energetic labour market. Rapid urbanisation is reshaping cities and communities, creating new avenues for economic development and infrastructure investment. Technological advancement is further accelerating innovation, opening doors for entrepreneurs to develop solutions that foster Africa's social and economic prosperity. Together, these factors are laying the foundation for a future characterised by increased opportunity and sustainable progress throughout Africa.



## Material matters and opportunities

Understanding of the operating context is essential for organisational success in today's dynamic and interconnected business environment. External factors and conditions, including economic, political, social, technological, environmental and regulatory factors affect operations, performance and sustainability. Management considers these influences when assessing, monitoring and mitigating the material risks and opportunities that have the potential to significantly impact value creation by affecting our performance, sustainability and legitimacy. Effectively navigating these complexities enables us to respond with agility, take advantage of opportunities and support sustainable growth over time.

### 1 EVOLVING MACROECONOMIC ENVIRONMENT

**Sub-Saharan Africa's economic environment is diverse and dynamic, shaped by a combination of factors and external influences. The region continues to exhibit diversity across countries, with varying growth drivers and vulnerabilities.**

The International Monetary Fund (IMF)<sup>1</sup> forecasts gross domestic product (GDP) growth for sub-Saharan Africa of 4.4% in 2025 and 4.6% in 2026. This positive outlook is underpinned by easing inflation, which is expected to create room for more accommodative monetary policy across the region. However, the pace of growth will not be uniform. While some economies, particularly in East and West Africa, are expected to outperform the regional average, larger economies such as South Africa and Nigeria are likely to continue lagging due to structural challenges and policy uncertainties. Sustained geopolitical and geoeconomic tensions may introduce further volatility, affecting exchange rates, fiscal stability and debt sustainability in several countries within Letshego's operational footprint. Monitoring these external headwinds will be crucial for managing risk and safeguarding economic recovery in the medium term.

Initiatives such as the African Continental Free Trade Area (AfCFTA) are accelerating regional integration, enabling scale, industrialisation and diversification away from commodity dependence. Deeper integration supports manufacturing, services exports, regional value chains and stronger intra-African trade – key pillars of structural transformation<sup>2</sup>.

#### Opportunities

- ▶ As sectors and industries become more resilient to economic variability, this may accelerate Africa's development.
- ▶ East and West African markets are expected to outperform Africa's average GDP growth in the next five years.

#### Top business risks

- ▶ Credit risk
- ▶ Liquidity risk
- ▶ Regulatory and compliance risks
- ▶ Cybersecurity risk
- ▶ Operational risk

#### Timeframe expected

Short, medium and long term monitoring

#### Level of change

Year-on-year impact remains consistent

#### Stakeholders impacted



#### Related UN SDGs



- <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>
- [https://www.afdb.org/sites/default/files/documents/strategy-documents/afdb\\_tys\\_en-final-rev-april2025-web.pdf](https://www.afdb.org/sites/default/files/documents/strategy-documents/afdb_tys_en-final-rev-april2025-web.pdf)

#### Our response

- ▶ Focused strategic execution and positioning underpinned by world-class operational efficiency.
- ▶ Strong governance approach.
- ▶ Dynamic Enterprise Risk Management Framework.
- ▶ Engaged people, culture and risk infrastructure.



OUR OPERATING CONTEXT continued

## 2 DEMOGRAPHIC GROWTH AND THE YOUTH DIVIDEND

**Africa has the youngest and fastest-growing population globally, accounting for nearly half of global population growth to 2050.**

This creates a potential demographic dividend through labour supply expansion, consumption growth and entrepreneurship – provided jobs, skills and productivity rise in parallel. If poorly managed, however, it risks higher unemployment and inequality.<sup>1</sup>

**Timeframe expected**

Short and medium-term monitoring

**Level of change**

Year-on-year impact remains consistent

**Stakeholders impacted**



**Related UN SDGs**



**Opportunities**

- ▶ An employee value proposition that attracts and retains key talent.
- ▶ Supporting entrepreneurship and innovation powered by a young population, expanding markets and growing digital access.
- ▶ Development programmes that provide future-fit skills and employment opportunities.

**Top business risks**

- ▶ Operational risk
- ▶ People risk

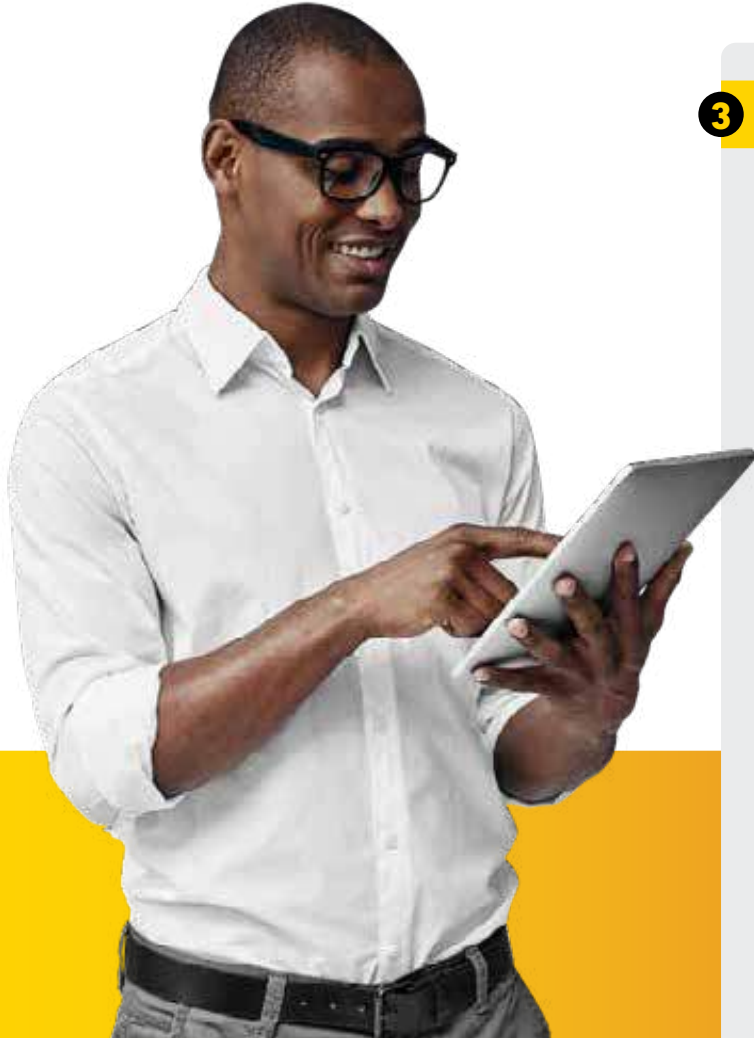
**Our response**

- ▶ Our Culture Blueprint and embedded agile ways of working continually improve the employee experience.
- ▶ Our purpose of Improving Lives.

1. Boston Consulting Group: Six Megatrends That Are Changing Africa – and How to Navigate Them <https://web-assets.bcg.com/pdf-src/prod-live/six-megatrends-that-are-changing-africa.pdf>



OUR OPERATING CONTEXT continued



### 3 INCREASED DIGITALISATION AND TECHNOLOGICAL LEAPFROGGING

Expanding mobile connectivity, fintech, digital platforms and data infrastructure are enabling Africa to leapfrog traditional development paths. Digitalisation is improving financial inclusion, public service delivery, SME productivity and regional trade. It is increasingly viewed as the single most important lever for productivity growth across sectors.<sup>1</sup>

With technological advancement comes an increase in cyber threats through sophisticated cyberattacks, exposing customers to connectivity-driven crime across multiple access points and increasing the risk for organisations like financial services providers that hold valuable data.

By achieving our purpose of Improving Lives, we help address this through the simple, innovative products and services we provide, contributing to poverty reduction, economic empowerment, gender equality, and social development in Africa.

Timeframe expected	Level of change
Ongoing monitoring	Year-on-year impact increasing

Stakeholders impacted



Related UN SDGs



Opportunities

- ▶ A reputation for having secure and stable digital platforms that allow people to save their money safely and protect their personal information.
- ▶ Employee awareness and training.
- ▶ Enhanced financial inclusion and formal economic participation through mobile money and digital payment solutions.

Top business risks

- ▶ Operational risk
- ▶ Data privacy
- ▶ Cyber risk

Our response

- ▶ Our IT, cybersecurity and data privacy controls and response are embedded in our Enterprise Risk Management Framework and ways of work.
- ▶ Our digital-first platforms and purpose support greater financial inclusion and meaningful impact across the communities we serve.

1. <https://www.worldbank.org/en/results/2024/01/18/digital-transformation-drives-development-in-afe-afw-africa> | [https://au.int/sites/default/files/documents/38507-doc-DTS\\_for\\_Africa\\_2020-2030\\_English.pdf](https://au.int/sites/default/files/documents/38507-doc-DTS_for_Africa_2020-2030_English.pdf)



OUR OPERATING CONTEXT continued

## 4 RAPID URBANISATION AND THE RISE OF AFRICAN CITIES

Africa is urbanising faster than any other region, with its urban population projected to double by 2050.

African cities are increasingly emerging as engines of productivity, innovation, and services-led growth. However, rapid urbanisation is also placing significant pressure on housing, transport, energy, and governance systems. How African cities are effectively planned, governed, and financed will continue to influence pace of structural transformation.<sup>1</sup>

### Opportunities

- ▶ Cities provide opportunities for innovation, entrepreneurship and inclusive growth.
- ▶ Infrastructure and housing investment have a multiplier effect on jobs and competitiveness, enhancing economic growth and opportunities.

### Top business risks

- ▶ Operational risk
- ▶ Strategic risk

### Our response

- ▶ Our simple and innovative products are accessible through a range of platforms to enhance financial inclusion and drive positive social impact.
- ▶ Affordable Housing solution and green financing.

**Timeframe expected**  
Ongoing monitoring

**Level of change**  
Year-on-year impact remains consistent

### Stakeholders impacted



### Related UN SDGs



1. [https://www.oecd.org/en/publications/africa-s-urbanisation-dynamics-2025\\_2a47845c-en.html](https://www.oecd.org/en/publications/africa-s-urbanisation-dynamics-2025_2a47845c-en.html)

## 5 CLIMATE CHANGE, ENERGY TRANSITION AND RESOURCE RESILIENCE

Africa is disproportionately exposed to climate risks (droughts, floods, food insecurity) while also holding major opportunities in renewable energy, green minerals and climate-smart agriculture.

The climate transition is reshaping investment, infrastructure and industrial policy choices, making resilience and sustainability central to future growth.<sup>2</sup>

### Opportunities

- ▶ Climate-smart solutions and sustainable financing improve food security, livelihoods, and create green industrial opportunities.

### Top business risks

- ▶ Operational risk
- ▶ Strategic risk

### Our response

- ▶ Green financing and sustainable financing framework.

**Timeframe expected**  
Ongoing monitoring

**Level of change**  
Year-on-year impact remains consistent

### Stakeholders impacted



### Related UN SDGs



2. <https://www.wgi.world/six-transformative-megatrends-shaping-african-landscape/>



## Our key relationships

Our stakeholders are integral to achieving our vision of becoming a world-class retail financial services organisation. They have either a direct or indirect interest in our strategy, success, and ability to deliver tangible value.

We build robust, long-term relationships with our stakeholders by ensuring transparent, open communication to address their feedback and concerns. This helps us shape and enhance our strategy and operations to leverage opportunities for collaboration and realise mutual benefits while delivering sustainable financial value and positive societal impact.



## CUSTOMERS

### WHY THEY ARE IMPORTANT

Our customers are the reason we are in business. Our market knowledge, customer engagement channels and data analytics contribute to our understanding of our customers and enable us to develop relevant and attractive products in an increasingly competitive sector.

#### Related metrics

Over **4.3 million** active customers

Net promoter score of **+28**

Customer satisfaction score of **81%**

#### How we engage

- ▶ Marketing campaigns.
- ▶ Customer polls, surveys and focus groups.
- ▶ Physical branches, call centres and digital access channels.

#### Their needs and expectations

- ▶ Simple, appropriate and accessible financial solutions.
- ▶ Convenient access to fast and efficient service through physical and digital channels.
- ▶ Consistent quality of service and quick turnaround times.
- ▶ Safeguarding data and personal information.
- ▶ Transparency.
- ▶ Ethical and fair treatment.

#### Our response

- ▶ Stable and secure systems and digital channels that offer an increasing range of relevant products and services.
- ▶ Automated processes that shorten turnaround times and drive efficiencies to reduce costs.
- ▶ Ethical and compliant market conduct.

#### Related UN SDGs



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OUR KEY RELATIONSHIPS continued



## EMPLOYEES

### WHY THEY ARE IMPORTANT

Our people deliver our brand promise to improve lives and are central to our ability to create an exceptional experience for our customers. They enable the successful delivery of our strategic objectives, and their creativity and collaboration in delivering value to our stakeholders underpin our business’s long-term success and sustainability.

#### Related metrics

#PeopleFirst strategy

Total learning hours spent on the platform:

**15 264 hours**

(2024: 19 742 hours)

#### How we engage

- ▶ Intranet and email updates.
- ▶ Group and country town halls and team building events.
- ▶ Training and development.
- ▶ Employee engagement events, including surveys and virtual sessions.
- ▶ Employee performance and incentive frameworks.

#### Their needs and expectations

- ▶ Effective performance management with fair remuneration and recognition.
- ▶ Clear and open communication.
- ▶ A safe and healthy working environment.
- ▶ Training, skills and career development supported by transparent talent management.
- ▶ An empowering culture that embraces diversity, equity, inclusion and belonging principles.
- ▶ Consistent human resources policies and practices.

#### Our response

- ▶ #PeopleFirst strategy.
- ▶ Culture Blueprint and Roadmap.
- ▶ Clear employee value proposition.
- ▶ Employee recognition and reward programmes.
- ▶ Increasing digitisation, including online learning platforms and digitised performance management.
- ▶ Employee wellness programmes.

Related UN SDGs



## INVESTORS, FUNDERS AND SHAREHOLDERS

### WHY THEY ARE IMPORTANT

Earning and maintaining the trust and confidence of our investors and funders provides us with access to the capital we need to deliver on our strategy and growth ambitions. We are transparent about how we aim to achieve long-term sustainability, clearly motivate our strategy, and describe our efforts to enhance our operations.

#### Related metrics

ROE from continuing operations:

**6%**

Profit after tax from continuing operations:

**P284.0 million**

(2024: P61.4 million)

Debt to equity ratio:

**167%**

#### How we engage

- ▶ Online investor portal with automated email alert mechanism for investor subscription.
- ▶ Financial results and releases together with financial, integrated and impact reporting.
- ▶ Engagement events and global investor calls.
- ▶ Website, investor and funder updates, together with share price alerts.
- ▶ AGMs.

#### Their needs and expectations

- ▶ Sustainable financial returns delivering long-term shareholder value.
- ▶ An attractive and sustainable growth strategy.
- ▶ Transparent reporting and disclosure.
- ▶ Strong, ethical and experienced leadership.
- ▶ Sound governance.
- ▶ Business resilience and sustainability.

#### Our response

- ▶ Responsible business practices.
- ▶ Robust corporate governance structures supported by effective risk management frameworks.
- ▶ Clear strategic intent with achievable outcomes.
- ▶ Proactive balance sheet management and capital optimisation.

Related UN SDGs



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OUR KEY RELATIONSHIPS continued



## STRATEGIC PARTNERS

### WHY THEY ARE IMPORTANT

We partner with leading-edge and well-established organisations that provide either the funding to support our business activities or the technology and know-how to offer inclusive digital products and services. Our strategic partnerships support a differentiated customer value proposition and experience.

#### Related metrics

Mobile lending partners grown to **10** (2024: 7)

#### How we engage

- ▶ Financial, integrated and impact reports.
- ▶ Shareholder and investor announcements and updates.
- ▶ Bilateral meetings.
- ▶ Industry conferences and events.

#### Their needs and expectations

- ▶ Mutual benefit and profitability, together with extending market reach.
- ▶ Alignment on maximising benefits to stakeholders and positive social impact.
- ▶ Clear agreement terms and adherence to agreements.
- ▶ Ethical business principles and practices.

#### Our response

- ▶ Selecting appropriate partners to maximise opportunity and impact.
- ▶ Sharing services with partners who have complementary customer segments to maximise benefits.
- ▶ Partnering with businesses with a strong presence in Africa to extend reach in top growth markets.
- ▶ Ethical and compliant market conduct.

#### Related UN SDGs



## GOVERNMENTS AND REGULATORS

### WHY THEY ARE IMPORTANT

The financial services sector is highly regulated, and compliance with the requirements of governments, central banks, prudential authorities and other regulatory bodies enhances our reputation and builds stakeholder confidence and trust. Robust relationships with these stakeholders support our understanding of how to ensure we comply with current and upcoming regulations in the markets in which we operate.

#### Related metrics

Taxes paid: **P453 million** (2024: P297 million)

#### How we engage

- ▶ Government relations framework, regulatory updates and reporting.
- ▶ Financial, integrated and impact reports.
- ▶ Shareholder and stock exchange notices, as well as investor and funder updates.
- ▶ Engagement events.
- ▶ Annual general meetings.

#### Their needs and expectations

- ▶ Compliance with applicable legal and regulatory requirements and sound corporate governance practices.
- ▶ Appropriate capital adequacy and liquidity.
- ▶ Responsible tax practices.
- ▶ Strengthening national financial systems and support for government objectives to improve financial inclusion and access to credit for under-served segments.
- ▶ Active participation in industry and regulatory working groups.

#### Our response

- ▶ Robust compliance and risk management frameworks.
- ▶ Proactive balance sheet management and capital optimisation.
- ▶ Responsible taxpayer in all jurisdictions of operation.
- ▶ Robust cybersecurity frameworks and controls.
- ▶ The Group's financial inclusion mandate.

#### Related UN SDGs



OUR KEY RELATIONSHIPS continued



# COMMUNITIES

## WHY THEY ARE IMPORTANT

We find ways to engage with communities to understand how our products and services affect them and to identify opportunities to ensure they meaningfully address critical societal concerns and deliver positive impact.

### Related metrics

Investment in CSI:  
**P1.7 million**  
(2024: P2.2 million)

### How we engage

- ▶ Open dialogue and interaction.
- ▶ Social media, website and digital platforms.
- ▶ Advertising and marketing campaigns and surveys.

### Their needs and expectations

- ▶ Access to financial advice, products and services that enhance their lives and contribute to their financial wellbeing.
- ▶ Financial education and inclusion.
- ▶ Social investment and community upliftment.

### Our response

- ▶ The Group's financial inclusion mandate.
- ▶ Our corporate social investment initiatives.
- ▶ Our lending approach is designed to increase access to affordable housing, healthcare and education funding.

### Related UN SDGs



# Our strategy

Our strategy is designed to enhance stakeholder value through targeted resource allocation, disciplined execution, and a customer-centric approach.

We are focusing on maintaining our resilience, relevance and responsiveness in an increasingly dynamic African financial services landscape through our commitment to disciplined growth, focused execution and enhanced value creation. The Group is focused on delivering high-impact initiatives underpinned by world-class operational efficiency.



## Our strategy on a page

Leveraging **strategic partnerships and collaborations** to



Underpinned by world-class **operational efficiency**



## Leveraging strategic partnerships and collaborations

Our ambition is to accelerate impact and scalability by leveraging strategic partnerships.

We believe that strong, synergistic alliances are essential enablers in extending our market reach, impact, product delivery, operational efficiency and long-term stakeholder returns. Strategic partnerships include digital platforms, fintechs, MNOs and government ecosystems.



### Four strategic pillars of the refocused strategy

1

#### ENHANCE DAS OFFERING

We continually improve our product offering, including our market-leading DAS model, by enhancing features, digitising disbursements and collections, and reinforcing its value proposition for public sector and salaried customers. This will enable us to defend and grow market share in our most established customer segment while optimising our risk-return profile.

3

#### DISRUPT TRANSACTIONAL AND SAVINGS SOLUTIONS

We are redefining how our customers engage with their money by exploring more intuitive, digital-first transactional and savings products to make saving simple and easy. This will aggressively grow deposits, improve customer stickiness and enable a more balanced funding base.

2

#### GROW AND SCALE SHORT-TERM CREDIT

We aim to extend the reach of our sustainable, inclusive finance solutions by providing accessible, short-term credit solutions tailored to the needs of informal, micro and broad-based economic segments. This is enabled by our digital onboarding, credit scoring, and alternative data capabilities, which can further extend our reach and the tangible value we provide to new and existing customers.

4

#### REVIEW MARKET PARTICIPATION MODEL

We are re-evaluating our presence and business models in each market, enhancing operational efficiency and our participation in each jurisdiction to best achieve scalability and long-term stakeholder value. We continuously assess our model and conduct reviews to determine where to invest, where to pivot to adapt to evolving market dynamics, and how best to maintain operations to ensure we achieve optimal impact in the customer segments we serve.

The Board of Directors approved a plan to explore the sale of certain of the Group's assets in East and West Africa, and the Group subsequently embarked on a process to identify prospective acquirer(s) for these assets. A prospective acquirer has since been identified and approved by the Board and the relevant Framework Agreement, Sale and Purchase Agreements and Transitional Services Agreements have been executed. The transaction remains subject to shareholder approval, which will be sought at the forthcoming Annual General Meeting.

### Our medium-term focus areas



#### Liquidity and capital optimisation

The Group maintains heightened vigilance across markets experiencing liquidity constraints.

Various capital management initiatives are being explored to mitigate short-term risks.



#### Target operating model review

Review of the target operating model in light of reassessment of our participation model in East and West Africa markets.

Support for discontinued operations will continue in the short-term as part of the transitional plan with the purchasing entity.



#### Cost efficiencies and optimisation

Driving operational efficiency, supported by cost discipline, improved collections, sharper credit origination as well as strengthened tax efficiency.

A review of technology and procedures is underway to ensure the infrastructure is fit for purpose.



#### Deepening the deposits and payments franchise

Accelerating deposit growth, leveraging transactional accounts, partnerships and broader payments ecosystems.

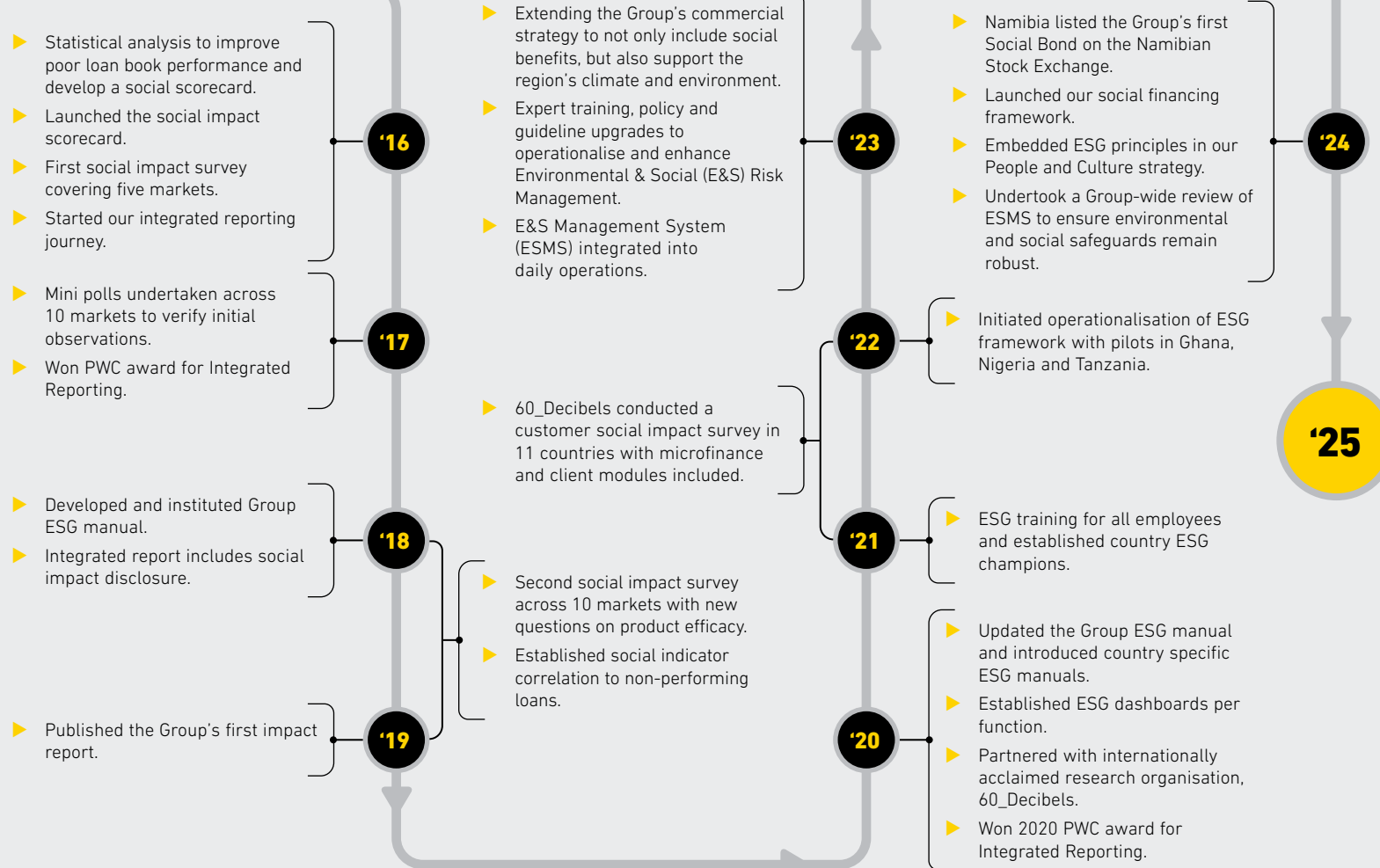
Four of our six continuing operations have deposit-taking licences, providing strong opportunities for cost of funds optimisation.

# Our sustainability framework

## Overview

Having the systems, tools and data to effectively manage our environmental and social risks while adhering to customer protection principles allows us to extend access to inclusive financial solutions to under-served communities. Letshego continues to differentiate its brand by demonstrating tangible social returns for its customers and communities.

### Our ESG journey



OUR SUSTAINABILITY FRAMEWORK continued

## Informing our ESG strategy

Our mandate is to extend access to inclusive financial solutions in under-served communities.

## Letshego Africa's inclusive strategy:

Contributes to 11 of the 17 UN SDGs



## Operationalising ESG

The Group Risk Management Committee and Quarterly Board Review have been established to track and manage ESG and impact financing strategy, risk management and reporting as part of the project undertaken to embed a robust Sustainability Framework across the Group. The E&S Risk Management System has been operationalised from policy to daily business operations through formal training, workshops, updates to policies and guidelines, and post-implementation support by an expert consultant.



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OUR SUSTAINABILITY FRAMEWORK continued

## Building a robust Environmental and Social Management System (ESMS)

Letshego continues to strengthen its commitment to responsible and sustainable operations by advancing its Environmental and Social Management System (ESMS). Leveraging technical assistance provided through development funding partnerships, the Group continues to enhance its environmental and social risk management capabilities across its operations.

Each Letshego subsidiary maintains its own ESMS Framework, designed to evolve alongside the development of new products and operational systems. During the year, a Group-wide review of policy frameworks was initiated to ensure environmental and social safeguards remain robust, relevant, and adaptable to the changing business landscape.

Key business functions that play a critical role in mitigating environmental and social risks include Credit, Sales and Distribution, Product Development, Human Resources, Risk, Legal and Compliance, and Operations. These departments are integral to embedding risk-sensitive practices into both customer onboarding and day-to-day operations.

Accountability for the successful implementation of the ESMS and associated E&S Policy rests with Letshego's executive management both at Group and at Country level to oversee the execution of the framework.

Through these continued enhancements, Letshego reaffirms its commitment to responsible growth, sustainable finance, and the long-term wellbeing of its stakeholders and operating environments.



### Letshego's ESMS framework overview

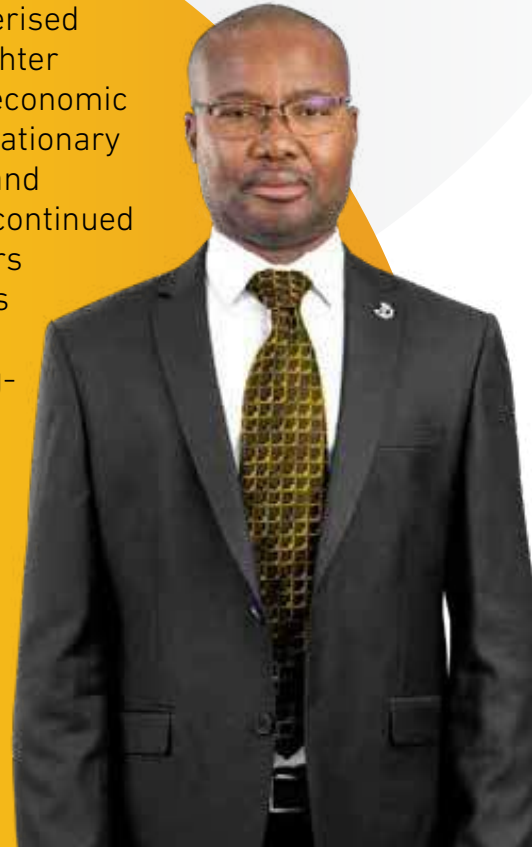
An ESMS system is underpinned by an E&S Policy that defines Letshego's E&S objectives and enables the monitoring of identified indicators. It clearly defines the E&S roles and responsibilities assigned within Letshego. An exclusion list of activities that Letshego is committed to not financing, and a grievance mechanism for internal and external stakeholders, is also included.

- 1 **E&S POLICY**  
Overarching E&S conventions and requirements
- 2 **E&S MANUAL AND FRAMEWORK**  
Overarching E&S risk management framework
- 3 **E&S PROCEDURES**  
E&S risk management for implementation
- 4 **E&S TOOLKIT**  
Tools for E&S implementation

# Insights from leadership

“The past year has been characterised by ongoing global uncertainty, tighter financial conditions and uneven economic recovery across our markets. Inflationary pressures, higher interest rates and constrained household incomes continued to test the resilience of consumers and businesses alike. Against this backdrop, the Board remained focused on safeguarding the long-term sustainability of the Group, while ensuring that Letshego continues to play a meaningful role in advancing financial inclusion and Improving Lives across Africa.”

**CHRISTOPHER MOKGWARE**  
Group Chairperson



## Reflections from our Group Chairperson



### Navigating a challenging operating environment

Africa's economic environment in 2025 was mixed. While some markets showed signs of stabilisation, others continued to experience fiscal pressure, currency volatility and subdued growth. These conditions reinforced the importance of prudent capital management, strong governance and disciplined execution.

The Board worked closely with management throughout the year to monitor risks, strengthen oversight and ensure that strategic decisions were aligned with long-term value creation. We are encouraged by the Group's continued focus on balance sheet resilience, liquidity management and credit discipline, particularly in an environment where affordability pressures remain elevated.

### Strategy and long-term value creation

Letshego's strategy remains anchored in building a sustainable, diversified financial services group that delivers value to shareholders while expanding access to responsible financial solutions for underserved communities.

During 2025, the Group continued to progress its transformation agenda, with an emphasis on strengthening core operations, improving operational efficiency, advancing digital capabilities and deepening customer-centric product offerings.

The Group's full-year results for 2025 reflect meaningful progress in strengthening its underlying performance, notwithstanding the impact of strategic portfolio actions on earnings. Continuing operations delivered a significant improvement in profitability, supported by enhanced credit quality, disciplined risk management and renewed commercial momentum across core Southern African markets. At the same time, the classification of certain East and West African entities/subsidiaries as discontinued operations aligned with the Board's strategy to optimise the Group's footprint and unlock shareholder value and has influenced the consolidated results for the period.

Encouragingly, the fundamentals of the business have improved, with stronger earnings quality, a more resilient funding profile and continued traction in deposit mobilisation and digital channels. These outcomes reflect deliberate actions taken over recent years to de-risk legacy portfolios, sharpen execution and refocus the Group on sustainable, risk-adjusted returns.

The Board supports management's efforts to simplify the business, enhance scalability and improve returns over time. While the benefits of these initiatives may not be immediate, they are essential to positioning Letshego for sustainable growth in a rapidly evolving financial services landscape.



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REFLECTIONS FROM OUR GROUP CHAIRPERSON continued

## Governance and oversight

Strong governance remains a cornerstone of Letshego's approach to long-term success. The Board is committed to maintaining high standards of ethical leadership, transparency and accountability.

During the year, the Board and its committees continued to discharge their responsibilities with diligence, focusing on effective risk management and internal controls, regulatory compliance across all operating jurisdictions, succession planning and leadership development, and the alignment between strategy, performance, and remuneration.

We regularly review the effectiveness of our governance frameworks to ensure that they remain fit for purpose and responsive to emerging risks and stakeholder expectations.

## Sustainability and social impact

Letshego's purpose is rooted in improving lives through inclusive financing. In 2025, the Group continued to integrate environmental, social and governance considerations into decision-making, recognising that sustainable impact and financial performance are closely linked.

The Board remains committed to responsible lending, fair customer outcomes and ethical business practices. We also acknowledge the importance of managing environmental risks, supporting our employees and contributing positively to the communities in which we operate.

While challenges persist, we believe that Letshego's focus on sustainability strengthens its licence to operate and supports long-term value creation for shareholders and society.

## Board changes

During the year, Messrs Philip Odera, Ronald Hoekman, Emmanuel Botlhale and Kethlalefile Motshegwa resigned from the Board, followed by the resignation of Mr Jayamaran Ramesh in March 2026. The Board thanks them for their valuable contribution, commitment and service during their tenure.

We welcome to the Board Ms Tebogo Tomango and Mr Tshephang Loeto, who both joined in 2025, as well as Messrs Michael Viljoen and Ruben Japhta, who joined in April and May 2026, respectively. We acknowledge the insights and valuable contributions they bring to the Group's continued growth and success.

The Board also welcomed Ms Reinet Estelle van der Merwe as the Group Chief Executive Officer of Letshego Africa, effective 1 October 2025. Her credentials include a track record of strategic transformation and stakeholder engagement as well as proven leadership in financial operations and governance. Under her leadership, Letshego is expected to further strengthen its inclusive finance mission.

The Board extends its sincere appreciation to Mr Brighton Banda for the exemplary leadership and commitment demonstrated while serving as Interim Group Chief Executive Officer from February to September 2025. Mr Banda's stewardship during this transitional period has been instrumental in maintaining strategic continuity and operational stability. The Board acknowledges and values the significant contributions made and expresses its gratitude for the dedication to the Company's mission and values.

## Appreciation

I want to thank my fellow Board members for their commitment, focus, proactivity, insight and constructive challenge throughout the year. The strength of the Board lies in its diversity of skills, experience and perspectives, which supports robust decision-making.

I also wish to acknowledge the Group Chief Executive Officer and the executive management team for their leadership during a demanding year. Their continued focus on execution, discipline and accountability has been critical in navigating a complex operating environment.

On behalf of the Board, I would like to thank our shareholders for their continued support and confidence in Letshego. We recognise the responsibility that comes with this trust and remain committed to acting in the best interests of the Group and all its stakeholders.

Finally, I extend my appreciation to all Letshego employees across our markets. Their dedication and resilience underpin the Group's ability to serve customers and deliver on its purpose.

## Looking ahead

While the near-term outlook remains uncertain, the Board believes that Letshego is well-positioned to navigate ongoing volatility. Our priorities for the year ahead remain clear: protect the balance sheet, execute our strategy with discipline, strengthen customer trust and build a more resilient and scalable business.

We remain cautious but optimistic. Africa's long-term growth fundamentals, combined with rising demand for inclusive financial services, continue to present meaningful opportunities. By staying focused on our purpose, values and strategic priorities, we believe Letshego can deliver sustainable value for shareholders over time.

While macroeconomic and liquidity pressures persist in certain markets, the Board is confident that Letshego is better positioned to navigate these dynamics and deliver on its strategic priorities, underpinned by a clearer portfolio focus and a strengthened operational foundation.

## CHRISTOPHER MOKGWARE Group Chairperson

*Note – signatures are not included for digital security purposes.*



# Board of Directors

**BOARD COMMITTEES** ● Group Audit ● Group Risk, Social and Ethics ● Group Governance and Nominations  
 ● Group Remuneration ● Group Strategy and Investment ○ Chairperson

## Non-Executive directors\*



**Christopher Mokgware**

Board Chairperson and Independent Non-Executive Director

57

NATIONALITY MOTSWANA

APPOINTMENT BOARD: AUGUST 2022 CHAIR: JUNE 2025

BOARD COMMITTEES

### QUALIFICATIONS

- ▶ Certified Chartered Accountant
- ▶ Master of Science Information Management – University of Westminster
- ▶ Finance and Global Executive Development Programme – Gordon Institute of Business Science

### SKILLS AND EXPERIENCE

- ▶ Member of the Association of Chartered Certified Accountants, Botswana Institute of Chartered Accountants, Certified Anti-Money Laundering Specialists and The Institute of Risk Management South Africa.
- ▶ Solid background in audit; treasury, project management; Governance; Risk and compliance management.
- ▶ Current: Chairperson and independent non-executive director of Minet Botswana, Chairperson of ICL Botswana.
- ▶ Served on the boards of Debswana Pension Fund (Chair), Botswana Railways, Botswana Post, Peo Venture Capital, Citizen Empowerment Development Agency, and the Independent Complaints Review Committee (Chair).



**Catherine Lesetedi**

Non-Executive Director

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NATIONALITY MOTSWANA

APPOINTMENT NOVEMBER 2017

BOARD COMMITTEES

### QUALIFICATIONS

- ▶ Bachelor of Arts in Statistics and Demography – University of Botswana
- ▶ Management Development Programme in Advanced Insurance Practice – University of Cape Town
- ▶ Diploma in Insurance – University of South Africa

### SKILLS AND EXPERIENCE

- ▶ Associate of the Insurance Institute of South Africa.
- ▶ Vast insurance industry experience; skilled in strategy, negotiations, budgeting, analytics, coaching and entrepreneurship.
- ▶ Current: Group CEO of Botswana Insurance Holdings Limited (BIHL) and represents BIHL on a number of Boards, including BIFM Capital Investment Fund One, Nico Life, Nico Pensions Company and Nico Holdings, also represents SanlamAllianz Group at Sanlam Namibia.
- ▶ Held various positions within BIHL Group and AON Botswana, including Head of Corporate and High Value Business and General Manager of Life and Employee Benefits.



**Tshephang Master Loeto**

Non-Executive Director

39

NATIONALITY MOTSWANA

APPOINTMENT AUGUST 2025

BOARD COMMITTEES

### QUALIFICATIONS

- ▶ Bachelors in Finance – University of Botswana
- ▶ CFA Level 1 (CFA Institute)
- ▶ Certificate of Proficiency & Practice (IISA)
- ▶ Yield & SWAP Curves Certification (Geometric Progression)
- ▶ John Maxwell Leadership Training
- ▶ Member of the Institute of Directors (SA) (in progress)

### SKILLS AND EXPERIENCE

- ▶ Over 16 years of financial services experience and expertise
- ▶ Held various investment and asset management leadership positions.
- ▶ Deep understanding of related fields such as audit, finance & investment, credit, risk, compliance.
- ▶ Current: Chief Investment Officer at the Botswana Public Officers Pension Fund (BPOPF) and Board member of BOMAID and Puma Energy Botswana.
- ▶ Strategic skills and methodical aptitude bring specialised skills and valuable experience.

\* At publication.

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BOARD OF DIRECTORS continued

**BOARD COMMITTEES** ● Group Audit ● Group Risk, Social and Ethics ● Group Governance and Nominations  
● Group Remuneration ● Group Strategy and Investment ○ Chairperson

## Non-Executive directors\*



**Rose Mwaura**

Independent  
Non-Executive Director

54

NATIONALITY  
KENYAN

APPOINTMENT  
DECEMBER 2021

BOARD COMMITTEES

### QUALIFICATIONS

- ▶ Bachelor of Commerce Accounting (Hons) – University of Nairobi, Kenya
- ▶ Certified Executive Coach

### SKILLS AND EXPERIENCE

- ▶ Member of the Institute of Certified Public Accountants of Kenya.
- ▶ Over 25 years of experience in commercial and financial advisory services, as well as audit, assurance, and governance services. Also has experience in expansive leadership roles in governance and public policy, including in the US, Africa, and India.
- ▶ International experience in fostering public sector partnerships to develop public policy and legislation.
- ▶ Current: independent non-executive director of Commercial International Bank of Kenya, Cashia Kenya, Kenya's Jubilee Life Insurance Board and Chair of the Audit Committee. Also, a member of the Kenya College of Accountancy University's Council, including as Chair of the Audit, Risk and Compliance Committees and as Vice Chair of the Kenya Private Sector Alliance Public Finance Sector Board.



**Abiodun Odubola**

Independent  
Non-Executive Director

66

NATIONALITY  
NIGERIAN

APPOINTMENT  
DECEMBER 2019

BOARD COMMITTEES

### QUALIFICATIONS

- ▶ Bachelor of Science in Agricultural Economics – University of Ibadan, Nigeria and University of Lagos, Nigeria
- ▶ Master of Business Administration – University of Lagos
- ▶ Numerous leadership courses – with global institutions, including Euromoney, Moody's, Citibank and Columbia Business School, US

### SKILLS AND EXPERIENCE

- ▶ 30 years of commercial banking experience. Expertise includes relationship management, credit underwriting, credit risk management, country risk management and country audit.
- ▶ Current: Board member of Sthenic Finance and Advisory Limited, and RMB Nigeria.
- ▶ Held senior roles in blue-chip financial institutions, including FirstBank Nigeria, Ecobank Nigeria, Metropolitan Bank Nigeria, Citibank Nigeria and Citibank NA, UK.
- ▶ Founded Camrose Nigeria Limited, a consulting firm that provides financial advisory services on risk, credit management, debt and equity raising.



**Tebogo Tomango**

Non-Executive Director

57

NATIONALITY  
MOTSWANA

APPOINTMENT  
MAY 2025

BOARD COMMITTEES

### QUALIFICATIONS

- ▶ MSc. Audit Management and Consultancy – University of Central England (now Birmingham City University), UK
- ▶ Postgraduate Certificate in Audit Management and Consultancy – University of Central England, UK
- ▶ Postgraduate Diploma in Audit Management and Consultancy – University of Central England, UK
- ▶ CIPFA – IATQ Public Sector Accounting – Botswana Accountancy College
- ▶ Bachelor of Commerce – University of Botswana

### SKILLS AND EXPERIENCE

- ▶ Seasoned finance professional with extensive experience in audit management and consultancy.
- ▶ Held various significant roles in the Ministry of Finance, currently as Accountant General.
- ▶ Her notable achievements include the implementation of a revised payroll management schedule, the development of an e-payslip system, and the review of public procurement legislation.
- ▶ A member of the Botswana Institute of Chartered Accountants and serves on several boards, including the Botswana Public Officers Pension Fund and NMG Administrators Botswana.
- ▶ Known for her leadership, strategic oversight, and commitment to enhancing public financial management.

\* At publication.

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BOARD OF DIRECTORS continued

**BOARD COMMITTEES** ● Group Audit ● Group Risk, Social and Ethics ● Group Governance and Nominations  
 ● Group Remuneration ● Group Strategy and Investment ○ Chairperson

**Non-Executive directors\***



**Michael Viljoen**  
 Non-Executive Director

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NATIONALITY  
**SOUTH AFRICAN**

APPOINTMENT  
**APRIL 2026**

BOARD  
 COMMITTEES FN 1

**QUALIFICATIONS**

- ▶ Master of Economics – University of the Free State
- ▶ Bachelor of Economics (Honours) – University of the Free State
- ▶ Bachelor of Economics – University of the Free State

**SKILLS AND EXPERIENCE**

- ▶ Over 30 years of financial services experience and expertise with the Sanlam Group in South Africa since 2003.
- ▶ He is responsible for various credit risk and credit portfolio management functions, including governance oversight, for entities in the SanlamAllianz Group across Africa, as well as non-bank credit companies in which Sanlam Group has an interest, in India.
- ▶ This includes serving on the boards, credit and investment committees of affiliated companies.

1 Still to be nominated to Letshego Africa's Board committees.



**Rubin Japhta**  
 Independent  
 Non-Executive Director

60

NATIONALITY  
**SOUTH AFRICAN**

APPOINTMENT  
**MAY 2026**

BOARD  
 COMMITTEES FN 1

**QUALIFICATIONS**

- ▶ MBA (cum laude) – University of Stellenbosch
- ▶ Post-Graduate Higher Diploma in Education – University of Cape Town
- ▶ Bachelor of Science (Honors) Economics – University of Cape Town

**SKILLS AND EXPERIENCE**

- ▶ A seasoned business professional with over 30 years' experience in the financial services sector.
- ▶ Worked more than 20 years for the International Finance Corporation of the World Bank Group where his focus was on conducting due diligence and providing advice to banks and Non-Bank Financial Institutions across sub-Saharan Africa and East Asia Pacific.
- ▶ Prior to that he served as Head of Operations of a wholesale financial institution providing loans to Non-Bank Financial Institutions.

\* At publication.

## BOARD OF DIRECTORS continued

## Executive directors


**Reinette Estelle  
van der Merwe**

 Group Chief Executive Officer  
and Executive Director

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 NATIONALITY  
SOUTH AFRICAN 
  
APPOINTMENT  
OCTOBER 2025

## QUALIFICATIONS

- ▶ Bachelor of Commerce – University of Pretoria
- ▶ Honours in Accounting – University of Pretoria
- ▶ Chartered Accountant (CA(SA))
- ▶ Master of Commerce (M. Comm)

## SKILLS AND EXPERIENCE

- ▶ Seasoned executive with over 30 years' experience in financial services, having held senior leadership roles across banking institutions in Botswana and South Africa.
- ▶ Member of the Botswana Institute of Chartered Accountants (BICA).
- ▶ Career spanning several high-profile roles, having served as Chief Executive Officer of First Capital Bank Botswana and Managing Director of Barclays Bank Botswana (now Absa Bank Botswana). She has previously held several senior positions at Absa Africa Group.
- ▶ Track record of strategic transformation and stakeholder engagement, as well as proven leadership in financial operations and governance.


**Gwendoline  
Tinotenda  
Muteiwa**

 Group Chief Financial Officer  
and Executive Director

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 NATIONALITY  
ZIMBABWEAN 
  
APPOINTMENT  
MARCH 2020

## QUALIFICATIONS

- ▶ Bachelor of Commerce Accounting – Rhodes University, South Africa
- ▶ Certificate of Theory in Accounting and Honours in Accounting Science – UNISA
- ▶ Management of Banks and Financial Institutes – Galilee College, Israel
- ▶ Executive leadership development programme – Stellenbosch University, South Africa
- ▶ Master of Business Administration – Steinbeis University, Germany
- ▶ Executive Leadership Development Programme – Gordon Institute of Business Science (GIBS), South Africa

## SKILLS AND EXPERIENCE

- ▶ Member of the Institute of Chartered Accountants Zimbabwe and the Botswana Institute of Chartered Accountants.
- ▶ Over 20 years' experience in banking and financial services, Group CFO at ABC Holdings Ltd (BancABC, part of Atlas Mara). Spent 12 years at ABC Holdings roles, including the CFO for Zimbabwe, incorporating retail and wholesale banking, asset management and micro-lending subsidiaries, and Group Head of Finance Transformation, responsible for implementing a financial control framework, standardisation of financial control systems and processes across the Group.
- ▶ Managing Director for a merchant bank in Zimbabwe, responsible for strategy implementation, customer acquisition and growth.

\* On 27 February 2026, Ms Muteiwa resigned as the Group Chief Finance Officer and Executive Director. She shall serve three months' notice ending on 26 May 2026.



Full Board CVs:

<https://letshegoinvestor.com/governance/#board>

“2025 was a year of steady progress for Letshego Africa. Against a backdrop of ongoing economic pressure across many of our markets, the Group remained focused on what matters most: serving our customers responsibly, strengthening our foundations, and positioning the business for sustainable long-term growth.”

**REINETTE VAN DER MERWE**  
Group Chief Executive Officer



## Insights from our Group Chief Executive



### Delivering on our purpose

Our purpose – to improve lives across Africa through inclusive financial solutions – continues to guide every decision we make. During the year, we remained committed to expanding access to simple, affordable financial products for individuals, micro and small businesses, and communities that traditional financial institutions often underserve.

Demand for accessible credit, savings, and digital financial services remains strong across our footprint. While customers continue to face rising costs of living and income volatility, Letshego's role as a responsible lender and financial partner is more important than ever.

### Operating in a challenging environment

The operating environment in 2025 remained complex. Many of our markets experienced slow economic growth, currency volatility, and elevated interest rates. These conditions required disciplined capital allocation, prudent risk management, and a continued focus on affordability for our customers.

In response, we prioritised balance sheet resilience, strengthened credit processes, and maintained a cautious approach to growth where conditions required it. At the same time, we continued to invest selectively in opportunities that support long-term value creation.

### Strengthening the Group

During the year, we made further progress in simplifying and strengthening the Group. Our 2025 results showcase a year of disciplined execution against our operational priorities, with continuing operations showing a clear step-up in performance across key financial and credit indicators. Momentum across our core Southern African markets remained strong, driven by tighter underwriting, enhanced collections and a more focused product mix, which together supported a significant reduction in impairments and a meaningful improvement in profitability.

In parallel, continued growth in non-funded income and steady progress in deposit mobilisation point to a business that is becoming more diversified and operationally resilient.

The strategic actions taken during the year to streamline the portfolio and sharpen our geographic focus are beginning to translate into greater consistency and quality of earnings. While the reclassification of certain East and West African operations has weighed on reported results, it enables a more concentrated allocation of capital and management attention to our strongest franchises. As we look ahead, we remain focused on scaling our digital capabilities, strengthening customer engagement and maintaining strict cost and risk discipline to support sustainable, risk-adjusted growth.

### INSIGHTS FROM OUR GROUP CHIEF EXECUTIVE continued

With continuing operations showing strong profitability, enhanced credit quality, and improved funding resilience, Letshego enters the next strategic phase better equipped to drive sustainable returns. The strategic review of the East and West Africa portfolio is progressing, while operational discipline, capital optimisation and tax efficiency remain central to the medium-term value-creation agenda. The Group's improved underlying performance, restored asset quality and strengthened funding base provide a robust platform for long-term shareholder value.

## Strong profitability in continuing operations

The Group's core franchises – principally in Southern Africa – delivered a significant uplift in earnings quality.

- ▶ Profit after tax from continuing operations rose to P284 million (2024: P61.4 million), supported by improved credit performance and revenue growth.
- ▶ Operating income grew 8% to P2 billion, driven by solid Deduction-at-Source (DAS)-led activity in Namibia and Mozambique and strengthened insurance contributions.
- ▶ Net interest income increased 3% to P1.47 billion, while non-funded income rose 26% to P552.8 million.
- ▶ Net impairments reduced 77% to P124.8 million, reflecting enhanced underwriting, the clean-up of legacy portfolios, and stronger collections across Botswana, Eswatini and Kenya.
- ▶ Loan loss ratio improved to 1%, reinforcing improved credit quality.
- ▶ Southern Africa remained the Group's performance anchor:
  - Mozambique: Profit after tax up 56%, supported by strong deposit mobilisation and a 77% reduction in impairments.
  - Namibia: Profit after tax up 24%. Strong growth from the Group's expanded digital product offering, together with enhanced insurance income and improved customer experience.
  - Botswana: Profit after tax up 23%, with improved credit metrics and renewed loan growth momentum.

## Responsible growth and sustainability

Sustainability remains integral to our strategy. We recognise that long-term success depends on balancing financial performance with positive social impact and strong governance.

In 2025, Letshego's Environmental, Social and Governance (ESG) Impact Lending portfolio demonstrated measurable progress in advancing sustainable development outcomes across its markets. With 48% of total disbursements directed toward productive use, the Group is actively channelling capital into areas that improve livelihoods, strengthen communities and drive inclusive growth.

The Group continues to embed ESG considerations into our operations. This included responsible lending practices, financial literacy initiatives, and ongoing efforts to build an inclusive and ethical workplace culture. We also continued to align our disclosures with evolving regulatory and stakeholder expectations.





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INSIGHTS FROM OUR GROUP CHIEF EXECUTIVE continued

## Strategic review and looking ahead

As we look to the future, we remain cautiously optimistic. While macroeconomic uncertainty is likely to persist, Africa's long-term fundamentals remain compelling. Population growth, urbanisation, and increasing digital adoption continue to create opportunities for inclusive financial services.

Our priorities for the medium-term are clear:

- ▶ Finalising our geographic refocus towards Southern Africa.
- ▶ Further strengthening our balance sheet and capital structure.
- ▶ Diversifying income streams beyond lending into transactional and deposit-taking services.
- ▶ Embedding our new operating model to enhance efficiency.

We believe that by staying focused on consolidation and disciplined growth, Letshego will be well-positioned to deliver sustainable value to shareholders while continuing to make a meaningful contribution to the communities we serve.

The Group enters 2026 with a strengthened core business, improved credit quality, and clearer strategic focus. The solid profitability delivered by continuing operations in 2025, together with decisive actions across credit, portfolio optimisation, funding, and cost discipline, positions Letshego for a more sustainable growth trajectory in the year ahead.

Operationally, the business continues to show broad-based recovery, with strong contributions from the Southern Africa markets and improving momentum in selected East and West Africa entities. While vulnerabilities remain in a few portfolios, 2025 demonstrated that the prudent credit measures and portfolio clean-up undertaken over the past two years have materially improved the quality of earnings.

As such, continued vigilance will be applied in markets experiencing liquidity constraints, most notably Botswana, where tight domestic liquidity and higher funding costs necessitate close monitoring and proactive scenario planning. Likewise, the recent Pula exchange rate adjustments implemented in July 2025 will require ongoing assessment to determine potential impacts on funding, capital flows and customer repayment behaviour across the Group.

With the Group's new strategic roadmap in place and delivering early returns, management's execution priorities for 2026 will focus on:

- ▶ Continuing to defend and strengthen the DAS franchise, which remains the backbone of the Group's risk-adjusted earnings.
- ▶ Scaling short-term credit solutions through enhanced digital channels, improved risk models and product refinement.
- ▶ Accelerating deposit growth, leveraging transactional accounts, partnerships, and broader payments ecosystems.
- ▶ Driving operational efficiency, supported by cost discipline, improved collections, sharper credit origination, enhanced capital management and strengthened tax efficiency.
- ▶ Review of the target operating model in light of the ongoing corporate action, which will impact our participation model in our East and West Africa markets.

The strategic review of the Group's East and West Africa portfolio continues to advance. As disclosed through the Botswana Stock Exchange, the Company has entered into a binding framework agreement with Axian Digital Venture Holding and Management Limited for the proposed sale of its assets in Ghana, Tanzania, Nigeria, Rwanda and Uganda. The transaction remains subject to the fulfilment (or waiver, where applicable) of certain conditions precedent, including but not limited to approval by the shareholders of the Company by way of ordinary resolution; receipt of all required regulatory approvals in the relevant jurisdictions; and fulfilment of customary closing conditions typical for a transaction of this nature.

The Group remains committed to transparency and disciplined strategic evaluation, ensuring that any potential outcome supports long-term value creation.

Looking ahead, the Board and management remain focused on business turnaround, sustainable profitability and enhanced shareholder returns.

## Appreciation

I would like to share my appreciation for the continued support of regulators, funders, shareholders and stakeholders throughout what has been a complex and transformative financial year. Thank you also to our customers for their continued trust, our employees for their dedication and resilience, and our Board for their guidance and oversight.

I am proud of what we have achieved together and confident in the Group's ability to navigate the road ahead. With a strengthened underlying franchise and a clear strategic direction, the Group is well-positioned to navigate evolving market conditions and capture emerging opportunities across its regional footprint in 2026.

**REINETTE VAN DER MERWE**  
Group Chief Executive Officer

*Note – signatures are not included for digital security purposes.*

# Group Executive Committee

The Board delegates the day-to-day management of the Group and its operations to the Group Executive Committee and is satisfied with the collective experience and skills of the executive team.

## Reinette Estelle van der Merwe

Group Chief Executive Officer and Executive Director

NATIONALITY SOUTH AFRICAN



### RESPONSIBILITIES

- ▶ Chairperson of the Group Executive Committee.
- ▶ Group strategy development, execution and delivery.
- ▶ Oversight of Group and regulatory governance.
- ▶ Group Reputational Risk owner.
- ▶ Delivery of Group shareholder value.
- ▶ Oversight of effective Group stakeholder engagement and management.

## Gwen Tinotenda Muteiwa\*

Group Chief Financial Officer and Executive Director

NATIONALITY ZIMBABWEAN



### RESPONSIBILITIES

- ▶ Responsible for the Group's collective finance strategy, finance operations, risk mitigation and reporting.
- ▶ Balance sheet strategy and management.
- ▶ Group financial reporting and governance.
- ▶ Group treasury and Group capital management and strategy.
- ▶ Group tax strategy and management.
- ▶ Oversight of Group Investor Relations strategy and engagement.

## Molefe Petros

Group Chief Operating Officer

NATIONALITY MOTSWANA



### RESPONSIBILITIES

- ▶ Leads Group operational framework, technology architecture, and operating model to support strategy execution and business performance.
- ▶ Drives continuous improvement, standardisation, simplification and digitisation of operations to enhance efficiency, scalability and service delivery.
- ▶ Oversees Group data operations, platforms, reporting and information management to strengthen decision-making and functional performance.
- ▶ Embeds Agile methodologies across the enterprise to improve operational delivery, collaboration and execution.
- ▶ Oversees regulatory, risk and compliance requirements across Group platforms and operations.

## Brighton Banda

Group Chief of Products

NATIONALITY SOUTH AFRICAN



### RESPONSIBILITIES

- ▶ Responsible for the strategy, structure and execution of the Group's product suite.
- ▶ Product performance and returns.
- ▶ Establishment and management of strategic partnerships that support product development, delivery and strategic value.

## Richard Ochieng

Group Chief Risk and Compliance Officer

NATIONALITY KENYAN



### RESPONSIBILITIES

- ▶ Responsible for setting and implementing the Group Risk and Compliance strategy and the Group's Enterprise Risk Management Framework.
- ▶ Monitors and oversees the management of the Group's primary risk types.
- ▶ Sets and monitors the Group's risk appetite to enable the safe and sustainable delivery of the Group strategy.
- ▶ Oversees organisational ethics and compliance.

## Kgotso Bannalotlhe

Country Chief Executive Officer and Regional Executive

NATIONALITY MOTSWANA



### RESPONSIBILITIES

- ▶ Direct responsibility for Letshego Botswana strategy, performance, operations, impact and governance.
- ▶ Reputational and regulatory risk owner for Botswana.
- ▶ Regional executive oversight of Lesotho and Eswatini subsidiaries' strategy, performance, impact and governance.
- ▶ Member of the Letshego Botswana, Eswatini, Lesotho and Tanzania Boards.

## Gorata T Dibotelo

Group General Counsel and Board Secretary

NATIONALITY MOTSWANA



### RESPONSIBILITIES

- ▶ Advises the Board and management on legal risks, compliance and regulatory matters.
- ▶ Oversees litigation, contracts and dispute resolution.
- ▶ Ensures compliance with corporate governance codes, securities laws and listing requirements.
- ▶ Advises directors on fiduciary duties, governance codes and disclosure obligations.
- ▶ Manages board and committee processes and meetings.
- ▶ Serves as liaison between board, shareholders and regulators.

## Tuduetso A Ntwaetsile

Group Chief Auditor Executive

NATIONALITY MOTSWANA



### RESPONSIBILITIES

- ▶ Responsible for financial, business, IT and projects assurance.
- ▶ Oversight of combined assurance.
- ▶ Support governance framework through the development of the Group's internal audit strategy and execution of audits.

\* Resigned, effective 26 May 2026.

# Our performance

## Product and market reach

### Overview

Our mobile-first digital approach continues to drive inclusive financial services across our markets, offering solutions supported by the LetsGo Digital Mall and strategic partnerships with Mobile Network Operators (MNOs).

Our inclusive product portfolio spans lending, savings, payments and insurance solutions, and is designed to meet the needs of under-served and unbanked salaried and self-employed customers.



Our inclusive product portfolio, which offers **lending, savings, payments and insurance solutions**, aims to **meet the needs of under-served and unbanked salaried and self-employed customers**.



#### HOW WE MEASURE PROGRESS

- ▶ Increase in the number of customers.
- ▶ Customer feedback on product.
- ▶ Top-line growth of products.
- ▶ Asset quality, including the loan loss ratio.
- ▶ Market penetration and share.



#### STAKEHOLDERS IMPACTED

- ▶ Customers
- ▶ Employees
- ▶ Investors and funders
- ▶ Strategic partners
- ▶ Governments and regulators
- ▶ Communities



#### OUR OPPORTUNITIES

- ▶ Increased customer satisfaction with the digitalisation of core products.
- ▶ Increased retail deposit-taking and savings mobilisation.
- ▶ Product reset on MSE to complement the DAS offering.
- ▶ Mutually beneficial partnerships.
- ▶ Expanded market reach.
- ▶ Contribution to Africa's socio-economic development.



#### OUR RISKS AND CHALLENGES

- ▶ Customer purchasing power reduced, impacted by economic challenges and liquidity constraints.
- ▶ Limited understanding and apprehension of new digital technologies.
- ▶ Affordability is impacted by the introduction of new levies.
- ▶ Increased competition in the financial services sector.

PRODUCT AND MARKET REACH continued

## Our value streams

We have introduced lower-risk products to complement our lending portfolio. The Group's product strategy is anchored on enhancing the Deduction-at-Source (DAS) offering, scaling short-term credit and building disruptive transactional and savings solutions through strategic partnerships and digital channels.

2025 reflected disciplined execution, renewed commercial momentum across core product lines, and continued traction in deposit mobilisation and digital channels.



# 01

## LENDING



### Access to funding

We deliver affordable, socially impactful lending.

#### KEY PRODUCTS AND AVAILABILITY

- ▶ Fully digitised DAS loans are available in all markets.
- ▶ Instant Loans are small loans granted to customers with documentation on file within an average of 10 minutes from the loan application to disbursement. Responsible management of these loans helps customers develop their credit profile.
- ▶ Micro Small Entrepreneurs (MSE) ecosystem financing solutions are customised to support business growth, ranging from working capital and short-term loans to ecosystem financing.

#### IMPROVING LIVES

- ▶ Access to capital empowers our customers to improve their circumstances, grow their businesses and achieve their life goals, while stronger credit quality and collections support more sustainable lending outcomes.
- ▶ **DAS loans:** The DAS net loan book increased by 4% to P12.7 billion (2024: P12.2 billion), supported by 313 000 active customers and nine payroll integrations.
- ▶ **Instant Loans:** Short-term credit scaled strongly in 2025, with payouts increasing to P11.3 billion (2024: P6.4 billion), supported by 2.8 million active customers and 10 MNO partnerships. The Instant Loans portfolio increased by 61% year-on-year to P1.37 billion (2024: P850 million).
- ▶ **MSE lending:** The MSE lending portfolio decreased by 2% year-on-year to P990 million (2024: P1.07 billion). MSE ecosystem financing remains part of the Group's productive use lending agenda, supporting business growth through tailored working capital and ecosystem financing solutions.

#### Related UN SDGs



# 02

## SAVINGS



### Mobilising savings

Our savings accounts offer competitive interest rates, and customers are guaranteed access to their money whenever they need it. We are prioritising the mobilisation of deposits to lower the cost of our funding.

#### KEY PRODUCTS AND AVAILABILITY

- ▶ Flexi-Save Account, available in Ghana and Namibia, is a digital, interest-bearing savings account that can be accessed when needed.
- ▶ LetsGo Save Account is a savings account available in deposit-taking regions with Mastercard access.
- ▶ The Timiza Akiba mobile money savings account in Tanzania is a fee-free solution available to Airtel Mobile Money customers that delivers a monthly reward when customers achieve a savings goal .

#### IMPROVING LIVES

Our savings products provide customers with a safe place to save so they can cover unforeseen costs and prepare for future ones, such as a child's education. Total deposits increased to P3.5 billion, up 66% year-on-year (2024: P2.1 billion), anchored by a growing client base and 11 fintech partnerships. The number of deposit customers grew by 48% to 1.5 million in 2025, with more than 70% of this growth supported by partnerships with MNOs.

#### Related UN SDGs



# 03

## PAYMENTS



### Simple and secure payments

Our transactional capabilities, delivered through the LetsGoPay Digital Account, are designed to improve customer convenience, expand access to digital financial services and support safer, more efficient transactions across our markets.

Customers can make payments, send and receive money and access savings and borrowing solutions seamlessly through mobile-led channels, making their day-to-day financial lives easier.

#### KEY PRODUCTS AND AVAILABILITY

- ▶ LetsGoPay Digital Account enables customers to make USSD payments, send and receive money and access savings and borrowing solutions instantly, easily and securely across six of our markets.
- ▶ Our digital payments capabilities enhance accessibility and convenience by supporting simple, reliable and everyday transactions through mobile-led channels.
- ▶ Payment volumes increased by 5% in 2025, while over 25% of transactions were carried out through the Digital Mall, reflecting growing customer adoption of digital payment channels.

#### IMPROVING LIVES

Technology-driven money transfers and transactional accounts are increasingly important in driving financial inclusion. The next phase of our payments agenda is to deepen transactional account usage, expand partnerships and build broader payments ecosystems that increase customer transactionality and support balance retention.

#### Related UN SDGs



PRODUCT AND MARKET REACH | OUR VALUE STREAMS continued

04

INSURANCE



Protecting against risks

In addition to the credit insurance embedded in the repayment terms of most of our loans, we offer a comprehensive range of insurance offerings, including digital insurance products in key markets, providing instant access, fast claims resolution, simplicity and transparency at affordable premiums.

KEY PRODUCTS AND AVAILABILITY

- ▶ Credit insurance is embedded in the repayment terms of most of our loans in all our markets.
- ▶ Short-term digital insurance products include funeral and motor cover in six of our markets.
- ▶ Long-term standalone insurance products include education in Nigeria, and non-digital insurance includes term life in Botswana and motor insurance in Mozambique.

IMPROVING LIVES

- ▶ Our insurance, healthcare insurance and life cover products help customers protect their wellbeing and financial resilience against future risks.
- ▶ Insurance revenue increased 22% to P415 million (2024: P340 million), supported by 280 000 individual policies and 13 insurance partnerships.

Related UN SDGs



Looking ahead

Letshego enters the next phase with a strengthened product strategy focused on defending and strengthening the DAS franchise, scaling short-term credit through enhanced digital channels and improved risk models, and accelerating deposit growth through transactional accounts, partnerships and broader payments ecosystems.

These priorities are intended to deepen customer relationships, improve transactionality and enhance financial inclusion for salaried and non-salaried customers across our markets.

We will continue to allocate resources to high-growth, high-margin products, refine the product suite, retire under-performing offerings and expand in segments where demand and strategic fit are strongest.

Operational efficiency, sharper credit origination, improved collections and embedded governance and compliance standards will remain central to sustainable execution.

Through these actions, Letshego aims to deliver sustainable, inclusive and profitable growth across its markets.



# Digital and operational efficiency

## Overview

Our digital transformation enables process innovation, efficiencies and enhanced customer engagement and experience. Workflow automation, advanced processing, and data analytics provide better insights into customer journeys, informing the development and delivery of simple, relevant solutions that meet our customers' needs and help them improve their lives. This also supports our growth ambitions efficiently and cost-effectively.

**Workflow automation, advanced processing, and data analytics provide better insights into customer journeys, informing the development and delivery of simple, relevant solutions that meet our customers' needs and help them improve their lives.**



### HOW WE MEASURE PROGRESS

- ▶ The number of active customers registered on the LetsGo Digital Mall.
- ▶ Turnaround time to approve and disburse customer loans.
- ▶ Revenue from digital channels.
- ▶ Gender-specific usage habits.
- ▶ System stability.
- ▶ Customer feedback and satisfaction.



### STAKEHOLDERS IMPACTED

- ▶ Customers
- ▶ Employees
- ▶ Investors and funders
- ▶ Strategic partners
- ▶ Communities



### OUR OPPORTUNITIES

- ▶ An enhanced digital customer experience of our core products.
- ▶ Scalability that reaches growing new customer segments.
- ▶ Streamlined processes and increased productivity and efficiencies.
- ▶ Data-driven decision-making that leverages analytics for strategic insights.
- ▶ Environmental benefits by reducing paper use and physical footprint.



### OUR RISKS AND CHALLENGES

- ▶ Increasing regulation around data privacy and data protection.
- ▶ Digital and cyber security skills scarcity.
- ▶ Escalating risk of cyber security and fraud.
- ▶ Inadequate infrastructure, escalating commodity and high data costs across Africa.





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## DIGITAL AND OPERATIONAL EFFICIENCY continued

## Digitalisation approach

Digitalisation remains a strategic priority for enabling inclusive growth, improved customer experience, and enhanced operational efficiency across the Group's markets.

The Group has continued to make significant progress in the evolution of the Digital Mall, its multi-market digital platform that provides customers with secure and convenient access to financial products and services. Our Mall development and strategic partnerships allow us to offer our customers fast, easy access, simplicity, affordability and inclusivity across multiple secure channels: website, USSD, mobile phone and WhatsApp. Our digital accounts support our deposit-taking objectives, making loan repayments easier for customers and, in turn, positively impacting the quality of our lending portfolio.

### LetsGo Digital Mall

Our Digital Mall, available in all our operating markets, has progressed beyond the initial rollout phase, with key capabilities successfully deployed across multiple countries. These included enhancements to digital onboarding and identity verification, strengthened data protection and regulatory compliance, expanded digital payments and wallet services, straight-through digital lending, and increased access through agency banking and mobile channels. These initiatives continue to reduce reliance on physical branches, improve turnaround times, reduce the cost of serving customers, and broaden access to financial services for individuals and MSEs.

The Mall is a key enabler of our value proposition to customers. It is easy to download, registration is free and digital forms are concise and user-friendly. It provides our customers with secure, convenient, and easy access to our products and services across all of our value streams and multiple digital channels.

## 2025 PERFORMANCE

- ▶ We continued to streamline operations and expand our digital ecosystem to improve operational efficiencies, reduce costs and accelerate time-to-market for new products and services, while still ensuring appropriate digital security initiatives were implemented.
- ▶ A heightened focus on engagement and relationship management delivered a strong customer satisfaction score of 81% (2024: 76%).
- ▶ Our relationships with strategic partners continued to enable growth in mobile lending by offering a superior and seamless customer experience.
- ▶ We implemented a variety of wallet and card solutions to grow savings and deposit-taking solutions in new markets.

### Data highlights

Digital transformation continued to support product performance in 2025, with 62% of DAS customers initiating loans through digital channels, while Digital Mall usage for account opening and payments improved to 45% and 25%, respectively.

**25%** of payment transactions are digital through the Digital Mall

## Operational efficiency and digital security

Security and risk management remained central to the digitisation agenda, with biometric authentication, customer consent management and secure transaction flows reinforcing trust and compliance across jurisdictions. In parallel, targeted regulatory updates and configuration-based integrations ensure service continuity while adapting to local market requirements.

Digitisation also supports cost optimisation and operational discipline through strategic provider migrations and improved customer support processes. Collectively, these initiatives position Letshego as a digitally enabled financial services group with a scalable platform that supports sustainable growth, resilience and long-term value creation.

## Looking ahead

We will continue to refine customer journeys, improve overall customer experience and launch new products to increase customer engagement when on our platform.

This strategic focus will drive innovation, increase efficiency and expand our market reach, positioning us well for future growth as we accelerate payment capabilities on our digital platform and with strategic partners, while building momentum in our deposit services to meet customers' digital needs for reliable, secure financial management. We continue to leverage technology to improve the customer experience by streamlining and digitising processes.

We prioritise customer-centric innovation and digitalisation to improve the accessibility and convenience of basic financial services. This commitment reinforces our role as a trusted financial partner dedicated to enhancing lives. We are confident that we can leverage the strength of our core product offerings to drive sustainable growth and deliver value to all our stakeholders.

# Sustainable stakeholder value

## Overview

Achieving long-term stakeholder value is centred on the Group’s ongoing sustainability, relevance and ability to create value for all stakeholders responsibly and ethically. Our success depends on our ability to deliver outstanding customer service, the ongoing relevance of our products, our market share, and how we live our purpose to improve lives by providing inclusive financial services and positive social impact.

As we work to build this value for all stakeholders, our purpose is to improve lives. Our core business has not changed and being an inclusive financial services provider remains our greatest positive impact on society. By making relevant financial products and services available to underserved markets, the Group helps alleviate some of the greatest social challenges faced by communities across the African continent, reducing poverty and inequality and increasing economic growth and employment.

Our new products and services are delivered digitally at affordable prices, attracting new customers, diversifying revenue streams, and increasing the number of products adopted by existing customers. Our digital transformation is delivering efficiencies and providing the data needed to deliver excellence in our processes.

**Our success depends on our ability to deliver outstanding customer service, the ongoing relevance of our products, our market share, and how we live our purpose to improve lives by providing inclusive financial services and positive social impact.**



### HOW WE MEASURE PROGRESS

- ▶ Return on equity.
- ▶ Cost-to-income ratio.
- ▶ Return on assets.
- ▶ Loan loss ratio.
- ▶ Profit growth.



### STAKEHOLDERS IMPACTED

- ▶ Customers
- ▶ Investors and funders
- ▶ Governments and regulators
- ▶ Communities



### OUR OPPORTUNITIES

- ▶ Strong business fundamentals with over 25 years of regional experience.
- ▶ Established reputation as an inclusive finance provider with world-class ethical business practices.
- ▶ Proven Enterprise Risk Management Framework, aligned to global governance standards.
- ▶ Well-capitalised operations embedded in 11 sub-Saharan African economies.
- ▶ Broadening product portfolio and accelerating digitalisation.



### OUR RISKS AND CHALLENGES

- ▶ A challenging economic, social and political landscape.
- ▶ Increasing competition in the financial services sector.
- ▶ A continuously shifting regulatory landscape.



SUSTAINABLE STAKEHOLDER VALUE continued

# 2025 PERFORMANCE

## Continuing operations



Operating income **8%**  
**P2.02 billion**  
(2024: P1.86 billion)



Net impairments expense **77%**  
**P124.8 million**  
(2024: P533.6 million)



Profit after Tax **362%**  
**P284 million**  
(2024: P61.4 million)



Total assets **7%**  
**P19.27 billion**  
(2024: P17.96 billion)



Net advances **14%**  
**P11.7 billion**  
(2024: P13.6 billion)



Customer deposits **4%**  
**P2.2 billion**  
(2024: P2.1 billion)



Cost-to-income ratio **60%**  
(2024: 52%)



Return on equity **6%**  
(2024: 1%)



Basic earnings per share **9.4 thebe**  
(2024: (0.1) thebe)



### Profit performance

The current year results were materially impacted by a P519.5 million loss after tax recorded from discontinued operations, following the reclassification of the Group's business interests in East and West Africa as a 'disposal group held for sale'. Consequently, the Group incurred a loss after tax of P235.5 million in comparison to a loss of P93.3 million reported in the prior year. However, with regard to its 'continuing operations', the Group generated a profit after tax of P284 million, in comparison to a profit of P61.4 million in the prior year, reflecting the remaining business's strong positioning for future growth.

### Operating income

Operating income from continuing operations increased 8% year-on-year to P2 billion, spurred by growth in DAS business in Mozambique and Namibia, which was the main contributor to the 4% growth in topline interest income to P2.7 billion. Non-funded income grew 26% to P552.8 million stemming from income from insurance arrangements within the same jurisdictions of Namibia and Mozambique.

## SUSTAINABLE STAKEHOLDER VALUE continued

## Total operating expenses

Total operating expenses from continuing operations are up 22% above prior year. Operating expenses are broken down as follows:

	31 Dec 2025 P'000	31 Dec 2024 P'000	% var
Direct costs	94 630	102 046	7
Other operating expenses	597 385	478 078	(25)
Staff costs	511 817	392 547	(30)
Foreign exchange loss	1 627	11 731	86
<b>Total operating expenses</b>	<b>1 205 459</b>	<b>984 402</b>	<b>22</b>

- ▶ **Direct costs** were down 7% year-on-year.
- ▶ **Other operating costs** that registered growth from prior year included depreciation and amortisation (up 39%), insurance (up 34%), and consultancy fees (up 12%).
- ▶ **Staff costs** are 30% above prior year. In the previous year the Group reversed staff incentive provisions due to non-performance of the overall Group, as these awards are performance-based. Included in the current year is also P17 million in relation to the Holding company staff restructuring which took place as part of cost rationalisation efforts. Excluding bonus provisions and restructuring costs, the normalised staff costs are up 14% on prior year mainly driven by Botswana and Namibia growth in staff complement to support growing business requirements.
- ▶ **Cost to income ratio (CIR)** from continuing operations stood at 60%, up from 52% in the prior year.

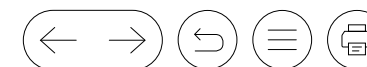
## Effective tax rate

The Group's Effective Tax Rate (ETR) from continuing operations for the year ended 31 December 2025 stood at 59%, a notable improvement compared to 82% recorded for the same period prior year. This reduction reflects the Group's continued efforts to optimise tax efficiency while managing increased profitability across several jurisdictions. As Profit Before Taxation (PBT) rose by 99% year-on-year, the tax charge increased by 43%, driven by the following key factors:

- 1 Current tax and deferred tax increased by 38%, largely attributable to stronger profitability in Mozambique, Namibia, Lesotho, and Botswana.
- 2 Withholding tax increased by 41%, following a rise in dividends and management fees, received by the Group from its subsidiaries by 7% and 18% respectively.

The Group is on track to actively review its operating model and jurisdictional tax frameworks to further enhance tax effectiveness across its regional footprint.





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SUSTAINABLE STAKEHOLDER VALUE continued

## Credit portfolio performance and risk management

### Strong credit outcomes enabled by deliberate portfolio realignment

In 2025, the Group delivered a strong credit performance, supported by disciplined risk management and the effective execution of its refreshed strategy focused on sustainable profitability. Targeted initiatives across credit initiation, collections and recoveries, particularly within the core DAS and short-term lending segments, continued to produce positive results.

Total gross loan book increased to P15.7 billion, compared to P14.5 billion in 2024, demonstrating sustained portfolio growth and a strong customer demand for our diverse suite of lending products. This steady expansion reflects the Group's emphasis on quality origination and ongoing portfolio diversification. Growth in the loan book portfolio was moderate at 8%, which is consistent with the high velocity nature of the mobile loan product where rapid turnover and shorter tenors naturally limit growth relative to longer-term products.

### Non-performing loans (NPLs) and credit quality

Measure	Continuing operations		Discontinuing operations		Combined	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Gross loan book balance in P'm	12 260	12 061	3 395	2 487	15 655	14 548
Portfolio at risk – 30 days (PAR30)	9.7%	11.4%	22.1%	17.9%	11.4%	11.6%
Portfolio at risk – 90 days (NPL)	7.4%	8.4%	14.8%	13.5%	8.0%	8.4%
Impairment expense	79	(50)	(189)	(119)	(111)	(168)
Bad debts – written off in P'm	(437)	(677)	(219)	(166)	(656)	(843)
Recoveries	233	193	43	36	276	229
<b>Net impairments</b>	<b>(125)</b>	<b>(534)</b>	<b>(365)</b>	<b>(249)</b>	<b>(490)</b>	<b>(783)</b>
Loan loss rate – actual	1.0%	4.5%	12.4%	9.6%	3.2%	5.4%

### Asset quality

Asset quality improved on the back of tighter underwriting, enhanced early delinquency controls and strategic write-offs of legacy test-and-learn portfolios. PAR30 improved to 11.4% (2024: 11.6%) and NPL to 8.0% (2024: 8.4%).

The improvement was primarily achieved through the targeted write-offs of underperforming loans linked to the "test-and-learn" initiatives launched since 2021. This was complemented by robust collections and recoveries, where enhanced processes and targeted campaigns led to improvements in the quality of historically distressed portfolios, particularly the deployment of field tracers and leveraging external partnerships. The introduction of alternative collection mechanisms for non-traditional mobile loan products also improved performance in markets like Eswatini.

Stringent underwriting standards, especially for new loans booked in 2024 and 2025, effectively controlled bucket migrations and supported stronger credit quality from origination contributed to the improved asset quality. Despite the overall gains, these were partially offset by increased credit stress in certain markets. Uganda and Nigeria saw a rise in non-performing loans, mainly due to underperformance of the DAS product, stemming from delayed employer payments and changes in deduction management systems. Across both East and West Africa, deteriorating macroeconomic conditions, localised environmental pressures, and heightened recovery challenges, particularly in Non-Government DAS products and legacy MSE portfolios, contributed to increased portfolio strain and higher write-offs.

### Stage 3 coverage and credit risk developments

The Stage 3 coverage ratio closed the year at 67%, compared to 69% in 2024. The marginal decrease reflects the Group's adoption of an enhanced Loss Given Default (LGD) methodology, which incorporates long dated defaults under the Time in Default framework. This was complemented by the transition of the Probability of Default (PD) methodology from cumulative roll rates to the more robust chain ladder approach, implemented during the 2024 reporting cycle. The Group's overall risk profile was further influenced by the accelerated migration of exposures into default, alongside the strategic write-off underperforming "test and learn" products. These included open source individual lending in Botswana and Lesotho, as well as the accelerated write-off mobile loan portfolios in Ghana and Tanzania, which experienced delays in regulatory approvals.

Despite these shifts, credit default insurance continues to provide meaningful credit risk mitigation in Namibia and Mozambique, offering protection against potential losses in these markets. Additionally, default buffers have been established in Tanzania for mobile loans, reflecting the short term and inherently volatile nature of this product segment.

### Continuing vs. discontinued portfolios

Continuing operations recorded improved NPL (7.4%), low loss rate (1.0%), and net impairment expense (P125 million). Discontinued portfolios reflected elevated PAR due to legacy exposures in run-off.

### Recovery performance and loss rates

Post write-off recoveries increased to P276 million (2024: P229 million). The actual loan loss rate decreased to 3.2% (2024: 5.4%). Excluding once-off items, the loan loss rate remained stable at 2.0%. Increases in NPL inflows were observed in Ghana, Tanzania, and Nigeria driven by residual mobile loan balances and DAS remittance delays. Kenya experienced elevated defaults due to macroeconomic pressures and legacy MSE exposures. Botswana and Lesotho recorded write-offs from discontinued open market lending fully provisioned in line with prudent credit practice.

SUSTAINABLE STAKEHOLDER VALUE continued

## Funding and liquidity

### Wholesale and Institutional Funding

The Group's funding strategy continued to focus on:

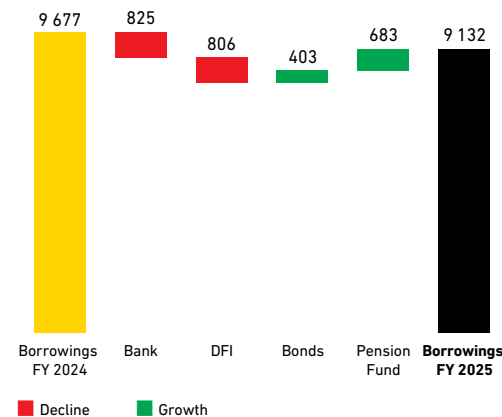
- ▶ Increasing local funding at subsidiary level in order to reduce foreign currency exposures and depreciation risks as well as to reduce dependence on the Group for funding.
- ▶ Diversifying funding sources across development finance institutions (DFIs), bank borrowings and debt securities issuances in order to achieve optimal balance and increase funding agility.
- ▶ Reducing cost of funding by promoting deposit gathering in banking/deposit taking subsidiaries.

### Borrowings concentration

The Group's total borrowings declined to P9.03 billion from P9.68 billion in 2024, equating to a 6% decline year-on-year. The decline was driven by the Group's strategy to reduce borrowings and grow deposits to fund the growth in advances. Composition of the Group's borrowings changed in alignment with strategy of driving Note Programmes across different subsidiaries and reducing reliance on DFIs and Commercial Bank funding. Commercial Bank funding reduced by P825 million and DFIs funding reduced by P806 million while note issuances increased by P403 million and Pension Fund funding increased by P683 million.

Commercial Bank funding reduced to 40.9% (2024: 47.1%) of total borrowings in 2025 (P4.56 billion in 2024 to P3.73 billion in 2025). DFI funding reduced to 13.6% (2024: 21.1%) of total borrowings in 2025 (P2.04 billion in 2024 to P1.24 billion in 2025). While bond issuances increased to P3.34 billion from P2.94 billion in 2024, equating to 36.6% of total borrowings from 30.4% the previous year and Pension Fund funding increased to P0.82 billion from P0.14 billion in 2024, equating to 9% of total borrowings from 1.4% the previous year. The Group intends to deepen the bond issuance across all subsidiaries in order to diversify the funder base for borrowings.

#### TOTAL GROUP BORROWINGS (P millions)



### Botswana market liquidity

Botswana is currently experiencing a market liquidity squeeze in the banking sector, driven by increased borrowing by the government in the local market to fund the budget deficit which has been exacerbated by the significant decline in diamond sales. This has led to higher borrowing costs and constrained credit expansion. The Group as a participant in local bond market has not been spared from the market liquidity issues, which has resulted in challenges in refinancing some of the obligations. This has also been exacerbated by countries which are currently experiencing dollar liquidity shortages. The following strategies have been employed to manage the liquidity stress:

- ▶ Accelerating payment of intercompany loans and management fees by subsidiaries.
- ▶ Payment of outstanding dividends by subsidiaries and extracting excess capital out of countries by declaring special dividends.
- ▶ Staff costs rationalisation at Group as well as review of other operating expenses.
- ▶ Shareholder support: Seeking shareholder support to assist with immediate obligations whilst implementing long-term solutions.

It is important to note that this only impacted the Group due to challenges experienced with repatriation of funds as well as increased local market liquidity stress. The Group on consolidated level remains liquid and most subsidiaries remain adequately funded including the local subsidiary Letshego Financial Services Botswana. The table below shows liquid assets over total funding ratio which is currently at 19% and compares favourably to most industry players.

Measure	December 2025	December 2024	December 2023
Liquid assets	2 454	1 659	1 402
Total funding	12 663	11 824	11 164
Liquid assets over total funding ratio	19%	14%	13%



## SUSTAINABLE STAKEHOLDER VALUE continued

### Deposit mobilisation

The Group's customer deposits increased to P3.5 billion in 2025 (2024: P2.1 billion), a 64% year-on-year increase. Performance was underpinned by strong traction in our larger deposit markets and continued improvement in smaller books, supported by increased disbursements into own accounts, improved customer acquisition and servicing through digital channels. Going forward, our focus will centre on (i) strengthening everyday banking propositions that deepen primary customer relationships and improve retention, (ii) scaling distribution and access through partnerships (particularly mobile-led channels) to diversify inflows, and (iii) accelerating payments and card-enabled ecosystems to increase transactionality and keep balances active within the Group.

### Capital allocation

- ▶ The Group remains well capitalised with strong balance sheet growth supported by well-capitalised subsidiaries.
- ▶ Capitalisation ratio 22% (2024: 24%).
- ▶ Continued focus on maximising capital efficiencies and optimising balance sheet and funding structure.

### Macroeconomic outlook

Baseline forecasts for sub-Saharan Africa's economic growth are still optimistic. The IMF still sees the region holding near 4% real GDP growth in 2026. East and West Africa leads with the pace of GDP expansion, but the sub region's resilience will be fragile due to high debt, tight external financing and weak aid inflows. Letshego expects accommodating monetary policies across its presence markets with some caution around the local currencies that are expected to be under pressure in 2026.

Letshego is acutely aware of the geo-political impact arising from the current Middle East conflict, an external event that portends downside risks to the macroeconomic conditions and prospects for its presence markets. Prolonged conflict and Strait of Hormuz disruption (>one month) would likely shave off approximately one percentage point off the 2026 GDP growth forecast for our oil importing presence countries that consequentially face larger import bills, weaker reserves, currency pressure and inflationary flare ups. Nigeria is expected to record short term boost in this scenario but higher import bills for other commodities would erode the gain.



## Looking ahead

The Group enters 2026 with a strengthened core business, improved credit quality and clearer strategic focus. The solid profitability delivered by continuing operations in 2025 together with decisive actions taken across credit, portfolio optimisation, funding and cost discipline, positions Letshego for a more sustainable growth trajectory in the year ahead.

Operationally, the business continues to show broad-based recovery, with strong contributions from the Southern Africa markets and improving momentum in selected East and West Africa entities. While vulnerabilities remain in a few portfolios, 2025 demonstrated that the prudent credit measures and portfolio clean up undertaken over the past two years have materially improved the quality of earnings. As such, continued vigilance will be applied in markets experiencing liquidity constraints, most notably Botswana, where tight domestic liquidity and higher funding costs necessitate close monitoring and proactive scenario planning. Likewise, the Pula exchange rate adjustments implemented in July 2025 will require ongoing assessment to determine potential impacts on funding, capital flows and customer repayment behaviour across the Group.

The strategic review of the Group's East and West Africa portfolio continues to progress. A prospective acquirer has been identified and approved by the Board, and the relevant Framework Agreement, Sale and Purchase Agreements, and Transitional Services Agreements have been executed. The transaction remains subject to shareholder approval, which will be sought at the forthcoming Annual General Meeting. Shareholders are accordingly advised to exercise caution when dealing in the Company's securities. The Group remains committed to transparency and disciplined strategic execution, ensuring that any outcome of the process supports long-term value creation.

Looking ahead, the Group remains focused on business turnaround, sustainable profitability and enhanced shareholder returns. With a strengthened underlying franchise and a clear strategic direction, the Group is well positioned to navigate evolving market conditions and capture emerging opportunities across its regional footprint in 2026.

# People and culture report

## Overview

Our people are at the centre of our ability to create an exceptional customer experience and deliver on our brand promise to improve lives. As a key competitive advantage, our employee value proposition must remain attractive to acquire and retain the talent needed to execute our strategy, particularly in markets with increased competition for skilled, innovative and dynamic people.

We believe that investing in our people unlocks our business's full potential. We remain committed to fostering a culture where our people can thrive, lead, and grow, supported by the right tools, values, and vision at Letshego.

## #PeopleFirst strategy – building tomorrow's people today

This year, we focused on creating a future-fit organisation by prioritising our people. Guided by our values, we have built an inclusive and empowered culture.

Our initiatives for the year have laid a foundation for a more connected, capable and empowered workforce, positioning us to deliver with purpose and grow together as One Letshego.



### VALUES AND CULTURE

Our culture acts as our compass, promoting collaboration, innovation, and ownership. These values influence how we lead, serve communities, and support each other.

Ubuntu, Curious and Forward thinking,  
Thriving because of Diversity and Taking Full Ownership



### LEADERSHIP

Our leadership is dedicated to driving transformation through enabling others, nurturing talent, and leading with purpose. We have enhanced leadership development and performance management frameworks to foster accountability, resilience, and capability across all levels.



### SYSTEMS AND PROCESSES

We have integrated technology to enhance employee experience, streamlining processes and improving data access for agile decision-making. Our partnership with Udemy offers customised programs to equip our employees with future-ready skills.

PEOPLE AND CULTURE REPORT continued

# 2025 PERFORMANCE

- ▶ We implemented our Human Resources Information Systems (HRIS), which achieved seamless integration of core HR functions, such as employee administration and data management. The HRIS has improved operational efficiency, accuracy, and agility across the business.
- ▶ The rollout of a new performance management platform has enhanced goal setting, performance tracking and feedback processes. This tool ensures alignment across teams and supports employees in their development and impact. It fosters a performance culture emphasising transparency, accountability, and continuous improvement.
- ▶ To support learning and growth, we partnered with Udemy to offer access to a variety of learning programs. These include globally recognised courses and customised learning pathways specific to Letshego, ensuring relevance to our business context. This initiative equips teams with future-fit skills and expanded professional knowledge while promoting self-driven development.



# #PeopleFirst

## Workforce profile

Total employees  
 Permanent: **1 309**  
 (2024: 1 459)

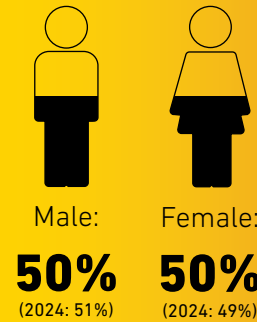
Temporary: **76**  
 (2024: 145)



### Age profile

- Under 30 years: **9%** (2024: 11%)
- 31 – 40 years: **36%** (2024: 55%)
- 41 – 50 years: **50%** (2024: 30%)
- Over 51 years: **5%** (2024: 4%)

### Gender breakdown



## Gender profile by employee category and gender

### Senior management



### Management



### General employees



### Hires by gender



PEOPLE AND CULTURE REPORT continued

Employee engagement



Employee turnover:

**23%**

(2024: 16%)

Reconciliation of employee turnover	Number of employees			31 Dec 2025
	31 Dec 2024	Left during the year*	Hired during the year	
Group	156	57	7	106
<b>Continuing operations</b>	698			681
Botswana	151	8	16	159
Eswatini	29	5	3	27
Namibia	185	24	30	191
Kenya	106	38	9	77
Lesotho	56	7	7	56
Mozambique	171	10	10	171
<b>Discontinued operations</b>	605			522
Ghana	109	13	16	112
Nigeria	231	77	31	185
Rwanda	55	9	11	57
Tanzania	69	8	11	72
Uganda	141	46	1	96
<b>Total</b>	1 459	302	152	1 309

\* Voluntary or due to dismissal, retirement or death in service.



Learning and development



Employees received training:

**99.2%**

(2024: 99.8%)



Total learning hours spent on the platform:

**15 264**

(2024: 19 742 hours)



Training spend:

**P4.1 million**

(2024: P5.3 million)



**1 299**

**employees** have completed at least one course on the online learning platform in 2025

(2024: 848)

Over **97%**

**utilisation** of the online learning platform



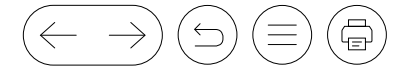
Health and wellbeing

We are committed to our employees' health and wellness, believing that their wellbeing enables personal growth, teamwork, and business success. Over the past year, we have introduced initiatives to help employees balance their lives, including psychological support, mental wellbeing sessions, fitness challenges, health talks, and financial wellness conversations.

Looking ahead

Our aim is to build a workplace where our people are central to our operations, leveraging our updated values which guide how we work, lead and grow together across the continent.

Our strategy continues to be influenced by our people first approach, as we seek to enhance the lives of our employees across Africa. We will continue to focus on improving employee experiences through inclusive people practices, meaningful development opportunities and a culture that acknowledges diversity. We will invest in wellbeing, learning, growth and belonging initiatives as we shape a future where employees thrive.



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## Our social impact

Letshego strives to make a measurable and sustainable social impact in the markets where we operate, improving the lives of our customers across communities and society.

We focus on providing affordable and appropriate financial solutions for emerging customers, including women, youth and entrepreneurs. Our goals are to promote a savings culture, increase our borrowing facilities and expand support for MSEs to grow their businesses. A key driver of our work as a force for social good is our lending approach, which provides inclusive, ethical solutions that help more people improve their lives and those of future generations by expanding access to affordable housing, healthcare and education.

A key driver of our work as a force for social good is our lending approach, which provides **inclusive, ethical solutions that help more people improve their lives** and those of future generations **by expanding access to affordable housing, healthcare and education.**

We measure the impact of our activities and use this information to inform our organisational practices, and identify the opportunities, constraints, impacts and social risks associated with our policies, product design, implementation and management. By adhering to world-class governance standards and achieving a positive social and environmental impact across our footprint, Letshego's products and strategy support 11 out of the 17 UN SDGs.

Our commitment to fairness and transparency is at the heart of our value proposition. Through digital technology, including mobile phones, we are enabling affordable financial inclusion and measurable social impact. Our services are designed for easy, transparent access across multiple channels, ensuring everyone can benefit from our offerings.

Letshego continues to strengthen its capability to deliver its ESG commitments by embedding our Country ESG Manuals and Environmental and Social Management Systems (ESMS) into our daily operations across subsidiaries. Enhancing the management of environmental and social risks forms part of our Enterprise Risk Management Framework. It has been achieved through expert training, policy and guideline upgrades. Operationalisation of Letshego's ESMS supports the reporting of potential environmental and social risks. The identification, monitoring, and potential escalation of ESG and sustainability matters are handled by Letshego's Group Sustainability and Product Governance Committee, which reports to the Group Executive Committee.



OUR SOCIAL IMPACT continued

## Social impact

Holding a bank account or mobile wallet is not just a financial transaction; it is a gateway to empowerment. It enables individuals to mobilise household savings, protect themselves against risks and unexpected financial expenses, and build a credit history. This paves the way to future access to capital, which they can invest in their families, households, and businesses, thereby improving their lives and the communities they are a part of. The LetsGo Digital Mall plays a pivotal role in our mission to deliver enhanced, inclusive financial services across our footprint.

As we continue to enhance the platform’s capabilities, our goal is to support customers throughout their financial services journey and promote personal wellbeing. Our focus on specific economic segments, which have been proven to have the greatest impact on social development in Africa, underscores our commitment to making a difference in the communities we serve.

Letshego’s commitment to advancing financial inclusion aims to ensure that our responsible financial products and services remain accessible to low-income individuals and MSEs, and to improve customer pricing for existing and future financial products. We have identified focus areas in our core offerings that would ensure optimal societal impact for our customers, including:

- ▶ **Access to finance:**  
Providing access to financial services to those formally excluded and under-served customers from the formal financial sector, whether individuals or MSEs.
- ▶ **Access to essential services:**  
Providing individuals with access to finance to enable access to healthcare and education.
- ▶ **Agribusiness:**  
Providing access to finance for agricultural activity (including crop and livestock farming) for low to middle-income farmers to enable food security, poverty reduction, and income generation.
- ▶ **Affordable housing:**  
Providing access to finance for affordable housing to contribute to inclusive growth for low to middle-income customers and enabling asset wealth creation.
- ▶ **Women's economic advancement:**  
Providing financial services focused particularly on women and women-owned businesses to reduce income inequalities.

## Social Financing Framework

Our social financing framework outlines the guidelines under which Letshego intends to issue and raise repeated use of proceeds from financial instruments in the form of social bonds and/ or social loans.

### Funding categories

**Loan group**

Qualifying MSEs, including self-employed individuals and informal traders

**Social impact**

Funding business growth and investment

Related UN SDGs



Financially excluded or informally served individuals

Previously disadvantaged and disabled individuals

Women-owned businesses

Financing enables

- ▶ affordable housing and related activities.
- ▶ MSE, agribusinesses and small-scale farmers to grow.
- ▶ access to healthcare.
- ▶ access to education.



OUR SOCIAL IMPACT continued

## Social impact indicators

### Social objective

### Eligible use of proceeds

### Indicative impact indicator

### Financial inclusion

	<b>MSEs</b>	<ul style="list-style-type: none"> <li>▶ Number of financial products and/ or services provided.</li> <li>▶ Number of jobs created.</li> <li>▶ Number of individuals funded vs MSEs.</li> </ul>
	<b>Individuals' access to finance</b>	<ul style="list-style-type: none"> <li>▶ Number of financial products and/or services provided.</li> <li>▶ Breakdown of income brackets to whom such was provided.</li> </ul>
	<b>Affordable Housing</b>	<ul style="list-style-type: none"> <li>▶ Number of individuals to whom financial products and/or services were provided.</li> <li>▶ Breakdown of the applicable target populations.</li> <li>▶ Location of affordable homes per region.</li> </ul>
	<b>Agribusiness</b>	<ul style="list-style-type: none"> <li>▶ Number of farmers to whom financial products and/or services were provided.</li> <li>▶ Number of agribusinesses to whom financial products and/or services were provided.</li> <li>▶ Breakdown of the applicable target populations.</li> </ul>
	<b>Healthcare</b>	<ul style="list-style-type: none"> <li>▶ Number of individuals to whom financial products and/or services were provided.</li> <li>▶ Breakdown of the applicable target populations.</li> </ul>
	<b>Education</b>	<ul style="list-style-type: none"> <li>▶ Number of individuals to whom financial products and/or services were provided.</li> <li>▶ Breakdown of the applicable target populations.</li> </ul>
	<b>Women-owned businesses</b>	<ul style="list-style-type: none"> <li>▶ Number of women-owned businesses to which financial products and/or services were provided; a regional breakdown will be included where feasible.</li> <li>▶ Number of individuals to which financial products and/or services were provided.</li> <li>▶ Breakdown of the applicable target populations.</li> <li>▶ Number of jobs created.</li> </ul>



OUR SOCIAL IMPACT continued

IMPACT AREA **1**

Inclusive lending approach

We often lend to people with little or no collateral. Therefore, we have a strong preference for productive loans that empower customers to repay with income generated by the loan, reducing their risk of over-indebtedness. Most of our loans have credit insurance embedded in the repayment terms to protect family members from being saddled with a financial burden if a customer passes away.

We also offer value-added products, including loyalty benefits, funeral and life cover. Our digital Instant Loans enable customers who manage their small loans responsibly to improve their credit profile and increase access to productive finance.

Related UN SDGs



Supporting entrepreneurs

Entrepreneurs and their ventures form the economic backbone of many developing countries. According to the World Bank, in Africa, MSEs make a substantial contribution to economic growth, account for a significant portion of all businesses and provide a large share of employment. MSEs in sub-Saharan Africa are estimated to contribute almost 50% of the region's GDP. The support Letshego provides to these businesses, which extends beyond financial services to include capacity building and market access, underscores our commitment to fostering sustainable economic development and financial inclusion in the regions where we operate.

Our financial solutions empower underserved customers to start a business or improve the financial performance of their current business, ultimately improving their income levels and sustaining their livelihoods and those of their employees. Our customised solutions are designed to support the growth of MSEs, and range from the provision of working capital and short-term loans to ecosystem financing.

Funds can be used to purchase primary inputs, upgrade infrastructure, or purchase land or premises. In addition, our lending approach offers much-needed solutions that address social needs, with our products tackling access to affordable housing and education. These solutions are also available on the LetsGo Digital Mall.

Digital technology, including mobile phones, is bringing formal financial services to previously financially excluded and under-served populations at an affordable cost, including those living in rural areas. We offer fast onboarding, improved turnaround times, affordably priced products, and easy, transparent digital services, all accessible across multiple channels.

The use of digital and mobile services helps MSEs reduce their operating expenses and enables them to make payments to their suppliers more quickly and easily. As we expand the capabilities of the LetsGo Digital Mall, we will broaden our digital offerings for MSEs.

Read more about our products on **page 33**.



CASE STUDY

Supporting agribusiness

Accessible financing can unlock agricultural potential and improve livelihoods, as well as create lasting social impact by combining entrepreneurial drive with inclusive financial solutions to transform farming dreams into sustainable realities.

One of our clients, a dedicated public sector worker with a passion for farming, began their agricultural journey with a small vegetable garden and by raising chickens and rabbits. Recognising an opportunity, they turned to Letshego to expand their agricultural activities and support the growth of their existing farming operations, and later again to establish a fish farming operation to diversify and strengthen the farm.



CASE STUDY

Supporting women-run businesses

We supported the government-led 10 000 Women in Mobility Initiative. The initiative aims to help women access income-generating mobility assets such as vehicles, tricycles, and motorcycles. For many women, owning or using a mobility asset can create a new source of income by helping a woman run a business, move goods, serve customers and take better care of her household.

This partnership shows how responsible credit can support women, strengthen families and create more opportunities in local communities.

OUR SOCIAL IMPACT | INCLUSIVE LENDING APPROACH continued

Our impact measures

Economic growth

Every US Dollar invested in MSEs generates, on average, an additional USD12 in the economy, 41% of which benefits those outside the enterprise.<sup>1</sup>

P'billion	2025	2024	2023	2022
Direct economic stimulus from our MSE lending	5 752	7 618	6 818	7 590
Indirect economic stimulus to those outside of our customer base from our MSE lending	3 997	5 294	4 738	5 274

1. From Poverty to Prosperity: Understanding the Impact of Investing in Small and Medium Enterprises, SEAF, 2014.



Sustainability Update

In FY2025, Letshego's ESG Impact Lending portfolio demonstrated measurable progress in advancing sustainable development outcomes across its markets. With 48% of total disbursements directed toward productive use, the entity is actively channelling capital into areas that improve livelihoods, strengthen communities, and foster inclusive growth.

**48%** of Letshego Core Lending Portfolio disbursements in 2025 were for productive use

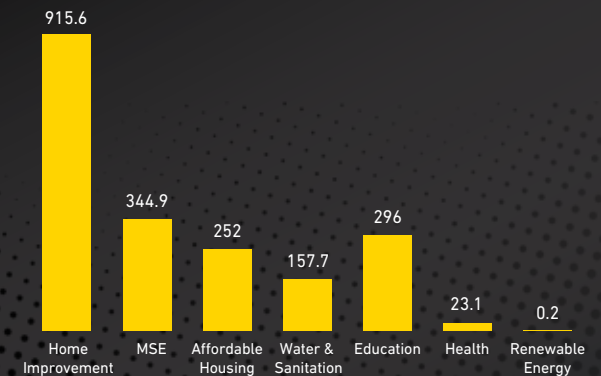
ESG total borrowers  
**71 517**

ESG total disbursement  
**P1.99 billion**

ESG % of Group borrowers  
**53%**

ESG % of Group disbursement  
**48%**

DISBURSEMENT BY CATEGORY (P millions)



OUR SOCIAL IMPACT continued

IMPACT AREA 2

## Affordable housing and green lending

IMPACT AREA 2.1

### Affordable housing

Access to affordable housing finance has profound health and financial wellbeing benefits for individuals, providing adequate, safe homes with proper sanitation, energy and water provision, ownership of a personal asset, and sustainable self-sufficiency. It also mobilises savings and investment, supports home-based enterprises, reduces incidents of childhood diseases, and enhances the performance of schoolchildren. The African continent currently faces a shortfall of at least 50 million housing units, with approximately 54 million Africans living in urban slums, and a housing finance gap estimated at over USD1.4 trillion.<sup>1</sup>

Related UN SDGs



Delivering affordable housing at scale supports the housing market, contributes to national infrastructure, and facilitates job creation and financial inclusion. In addition, as the world transitions towards cleaner, low-carbon economies, green, affordable housing developments and lending initiatives can support this shift. More broadly, adequate accommodation for communities engenders human dignity, contributes to inclusive economic growth (reducing inequality and poverty), improves national living conditions, increases municipal revenues, boosts climate change resilience, and contributes to community social wellbeing and cohesion.

Our affordable housing solutions help our customers buy a home, build a new home, improve or extend their homes and purchase land. We also work with developers and qualified engineers to plan affordable, high-quality homes.

Our impact

Letshego's Affordable Housing loans are distributed country wide in Botswana, Kenya and Namibia urban and rural areas, connecting potential homeowners to a variety of affordable professional service providers including turnkey contractors, architects, interior designers, valuers, real estate agents and quantity surveyors as well as local merchants like brick manufacturers, builders and merchant suppliers who provide discounted prices on building materials.

For every USD100 spent on housing finance activities in Africa, **USD36.50 is added to per capita GDP, and USD225 is added to GDP<sup>2</sup>**

Disbursed **P252 million** and **P916 million**  
in 2025 for affordable housing for home improvements

1. <https://propertyaccess.ng/africas-housing-deficit-could-reach-130-million/#:~:text=Must%20Do%20Differently-,Africa%20is%20confronting%20a%20housing%20deficit%20of%20a%20scale%20that,current%20shortfall%20within%20four%20years.>  
2. *Housing Finance and Inclusive Growth in Africa: Benchmarking, Determinants, and Effects*, Nguena, Tchana Zeufack, World Bank Group, December 2016.



OUR SOCIAL IMPACT continued

IMPACT AREA 2.2

Green lending

Financing green, eco-friendly products enables Letshego to support climate initiatives that reduce the impact of climate change for our customers and promote sustainable, environmentally friendly business practices.

Related UN SDGs



Our impact

Letshego's eco-friendly partner for our green lending portfolio is the Global Climate Partnership Fund, a development fund committed to financing green and eco-friendly innovation across Africa and global emerging markets. The Global Climate Partnership Fund aims to address the shortage of appropriate financing for low-carbon projects in developing economies by focusing on financing energy efficiency and renewable energy projects for SMEs and private households.

Nigeria has introduced simple, affordable finance to individuals and small business owners to support a more sustainable way of life. Green-friendly products include solar bulbs, inverters, solar panels, ecofridges, house inverters, and solar panel systems with an output of 5 KVA. To ensure product quality and durability, and to offer a wide choice of green products for the home or workspace, Letshego continues to formalise partnerships with reliable, expert green power partners based in Nigeria's main centres.

The LetsGo Green Lending solution is available to individuals, small businesses, developing estates, hotels, hospitals, schools, farming operations, cold storage facilities and service-based organisations.

We have also launched a funding solution for eco-friendly bikes in Ghana, empowering riders as couriers.

Our impact measures

Disbursed **P0.2 million** for renewable energy in 2025



CASE STUDY

Supporting access to green energy

Letshego Ghana and the Development Bank Ghana (DBG) extended a credit facility to the Catholic Church to finance a transformative solar energy project with Lumen Energy that will power more than 4 000 Catholic institutions across Ghana in one of the largest private sector led clean energy collaborations.



CASE STUDY

Supporting green mobility

Letshego Ghana continues to advance green mobility with Wahu Mobility, a Ghanaian electric vehicle company pioneering clean transport solutions to reduce urban emissions and improve air quality. This strategic partnership has enabled the deployment of 427 electric motorcycles, each supporting a rider's livelihood while accelerating the transition from petrol-powered transport to low-carbon alternatives. In 2025, this financed fleet contributed to the avoidance of approximately 635 tonnes of carbon dioxide emissions (tCO<sub>2</sub>e), with operations supported by 20.4 Mwh of renewable electricity

By lowering barriers to productive asset ownership through flexible financing models, Letshego is promoting climate action while strengthening financial inclusion, income resilience and sustainable livelihoods.

OUR SOCIAL IMPACT continued

IMPACT AREA 2.3

Water and sanitation

Letshego's Water & Sanitation (WSS) portfolio demonstrates how inclusive finance can meet a clear household need to create measurable social impact.

Related UN SDGs



Across five active markets, our growing WSS portfolio reached 6 289 borrowers and disbursements of P157.6 million. With an outstanding WSS loan book of P253.3 million, held across 8 793 active accounts at year end, our impact is no longer a pilot and has grown to be a meaningful, scalable portfolio in our broader impact lending agenda. 8.8% of ESG borrowers and 7.9% of ESG disbursements were for water and sanitation in 2025, representing 4.6% of group borrowers and 3.8% of group disbursements.

Mozambique has the fastest-growing WSS book, which accounted for approximately 98% of 2025 WSS disbursements and 95.1% of the outstanding book as of December 2025.

The programme works because it was positioned around real customer needs rather than around credit alone. Trained loan officers and agents use targeted awareness material and practical customer conversations to help households finance water purifiers, household piping, water tanks, improved latrines and safer in-home sanitation. The model showed that uptake is strongest when the conversation begins with the problem a customer is trying to solve. The impact is tangible.

Programme case studies show customers moving from exposed outdoor sanitation facilities to safer in-home bathrooms and installing water supply and sanitation systems that materially improve health, dignity, convenience and resilience. As one beneficiary in Maputo reflected after upgrading his bathroom and latrine, "Now, we have a proper bathroom inside the house. It's a dream come true."

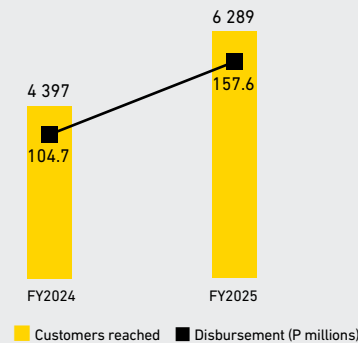
The WSS portfolio is doing more than extending credit: it is helping families access cleaner water, safer sanitation and better living conditions, while strengthening Letshego's position as a development-focused lender.

Our impact measures

**6 289**  
2025 borrowers reached

**8 793**  
Dec 2025 active accounts

ANNUAL CUSTOMER REACH AND DISBURSEMENT (P millions)

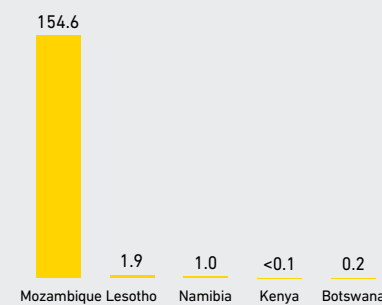


Customer reach increased from 4 397 in 2024 to 6 289 in 2025, while annual disbursements rose from P104.7 million to P157.6 million.

**P157.6 million**  
Disbursed in 2025

**5**  
Active 2025 WSS markets

2025 WSS DISBURSEMENT BY MARKET (P millions)

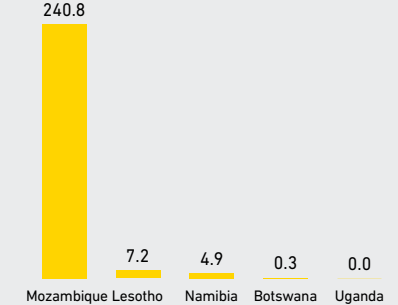


2025 disbursement remained highly concentrated in Mozambique, with a small but visible footprint in Lesotho, Namibia, Botswana and Kenya.

**P253.3 million**  
Dec 2025 outstanding WSS book

**8.8%**  
ESG share of WSS

DEC 2025 OUTSTANDING WSS BOOK BY MARKET (P millions)



The year end water and sanitation loan book closed at P253.3 million, with Mozambique accounting for 95.1% of the outstanding balance.

OUR SOCIAL IMPACT continued

IMPACT AREA **3**

Healthcare

Enabling people to maintain good health not only improves their quality of life, wellbeing and social participation, but it also reduces population susceptibility to infectious disease outbreaks, in turn, contributing to economic growth, employment and the reduction of income inequality. In addition, when people can access quality healthcare, particularly primary healthcare, it reduces the disease burden on public healthcare systems.

We offer working capital and short-term loans, as well as hospital insurance cash cover, to help our customers access the healthcare they need, and we provide wellness information through our digital channels.

Related UN SDGs



Wellbeing

We offer working capital and short-term loans to help our customers access the healthcare they need.

Employee health and wellbeing

We aim to provide a safe working environment for our people and support their mental and physical health and wellbeing through our employee assistance programme. The wellbeing of our employees directly impacts productivity and the work environment. A comprehensive wellness strategy is in place.

Our impact measures

Disbursed **P23.1 million** to clients to enable their wellbeing

CASE STUDY

Letshego Rwanda supports community change and universal healthcare coverage, together with Mutuelle de Santé (Community-Based Health Insurance), a digital, income-based, solidarity-based insurance system, by donating 300 cards to the community, offering critical access to healthcare for vulnerable community members.

CASE STUDY

Letshego Ghana partnered with MAON Medical Centre to host a health screening and national health insurance scheme (NHIS) registration at the Nii Adjor Market in Ashaiman, with over 100 market entrepreneurs screened and registered with the NHIS.

CASE STUDY

Supporting women's health

Over more than a decade, one of our clients, a gynaecologist, built a medical centre using her own resources, steadily expanding her practice and serving patients one step at a time.

By 2025, her vision reached a critical milestone: transforming the medical centre into a full clinic with an operating theatre. Her ambition extends beyond the clinic walls. She dreams of serving rural women with limited means, ensuring they have access to dignified births and specialist care.

Describing the collaboration with Letshego as deeply aligned with her lifelong mission, this partnership has further enabled her dream to become reality with the opening of the operating theatre in 2026.

"It is a great joy to have found Letshego, because I have always dreamed of helping others. And Letshego is also helping others, which is us in this case. We are all working together to help others in terms of health."



LET SHEGO AFRICA HOLDINGS LIMITED INTEGRATED ANNUAL REPORT 2025

OUR SOCIAL IMPACT continued

IMPACT AREA 4

Education

Sustainable economic development can only be achieved when populations have access to education and opportunities to enhance their skills. Investing in education positively impacts incomes, employment, economic growth, risk management, individual and community resilience, and civic engagement, thereby reducing poverty and inequality and increasing tolerance. The IFC estimates that every additional USD1 million invested in MSEs creates an average of 16 new jobs over two years.

Related UN SDGs



Our education products and initiatives

Within our education lending portfolio, we offer working capital, short-term loans and loans to support secondary and tertiary education. We also work with several partners to develop appropriate products for teachers.

Consumer education

Letshego Botswana introduced the innovative Kitso Konokono Financial Literacy Competition, spotlighting the power of poetry to inspire money management skills. It aims to bridge the gap in financial knowledge by using poetry – a medium that resonates with emotions, ideas, and storytelling – through an extensive campaign in which the public engages with selected poets on social media. This campaign to promote financial literacy is about empowering individuals to make informed financial decisions, access crucial services, and foster a more inclusive economy.

Employee development

Investing in the learning and development of our employees enables us to deliver on our strategic objectives and drive a great customer experience while at the same time empowering our employees to advance their careers and make a meaningful contribution to the Group's success, in turn, supporting job satisfaction and our ability to attract and retain key talented individuals.

Read more on page 46.

Our impact measures

Our education lending plays a crucial role in breaking the poverty cycle, creating opportunities for individuals to develop themselves and become productive members of society. This impact encourages optimism for a brighter future.



CASE STUDY

Letshego provides accessible financial solutions that enable customers to meet essential needs such as education expenses, home improvements, medical support and small business investments. In Tanzania, the **TABASAMU CAMPAIGN** provides many families with simplified access to credit and customer centred service that enables them to improve their livelihoods and financial resilience.

Consumer education through expanded financial literacy initiatives via workplace visits, stakeholder engagements and awareness sessions aimed at improving customers' understanding of responsible borrowing, savings discipline and financial planning help customers make informed financial decisions and strengthened long term trust in the banking sector.

In Tanzania, our participation in **2025 National Financial Services Week** provides training to the public to promote financial inclusion and responsible money management.

CASE STUDY

Letshego Holdings Namibia partners with **NeuroNexus Academy**, the first school in Namibia dedicated exclusively to meeting the educational needs of children with Autism Spectrum Disorder (ASD). Opened in January 2025, the academy offers specialised education and early intervention strategies to help children reach their full potential.



OUR SOCIAL IMPACT continued

IMPACT AREA **5**

Gender equality and women's empowerment

On average, women allocate a larger share of their income to household consumption and generate a greater positive impact in their communities. Therefore, helping women fully participate in the economy promotes growth, builds diversified economies, reduces income inequality, and contributes to financial sector stability.

We place a strong focus on diversifying our loan book and empowering women. When analysing gender and microfinance usage, our female customers generally make more productive use of loans; however, there is no research as yet on how gender affects NPL book performance.

Related UN SDGs



Workforce diversity

Just as important is promoting a gender-diverse workforce to better serve and communicate with our increasingly gender-diverse customer base and to benefit from the different points of view and approaches that come from diverse life experiences. Leveraging a multiplicity of perspectives sparks creativity and innovation, helps identify opportunities and boosts morale.

Read more on [page 46](#).

Our impact measures

Household consumption

Annual household spending to meet everyday needs increases USD0.22 for every additional USD1.22 borrowed by women from credit programmes, compared with USD0.13 for men<sup>1</sup>.

Customer profile by gender (%)	2025	2024	2023	2022	2021
Male customers	59.9	59.9	51.9	61.5	64.0
Female customers	40.1	40.1	48.1	38.5	36.0

Value of loans to women (P' million)	2025	2024	2023	2022	2021
Loans to women	5 238	5 105	5 048	4 942	4 382

1. Empowering Women Through Microfinance: Evidence from Tanzania, Kato, M & Kratzer, J, ACRN Journal of Entrepreneurship Perspectives, February 2013.

CASE STUDY

In Kenya, Letshego is proud to be a signatory to the Women Entrepreneurs Finance Code (WE Finance Code), a global commitment uniting financial institutions, regulators, development banks, and ecosystem partners to expand access to finance for women-led MSEs. This commitment reflects our broader purpose of advancing financial inclusion in ways that create meaningful economic and social impact.

Bringing this commitment to life, Letshego Kenya launched the Shujaa Loans Programme in 2025, an innovative initiative designed to support women survivors of gender-based violence on their path to economic independence.

More than a lending solution, Shujaa was intentionally developed as a holistic empowerment model that recognises financial inclusion as a catalyst for dignity, resilience, and long-term transformation.

Our approach is anchored on five core pillars:

- 1. Financial literacy and capability building**  
Delivered by Letshego teams, participants receive practical financial education to strengthen confidence, money management skills, and informed decision-making.
- 2. Business assessment and growth support**  
Each participant's business is reviewed individually, with site visits and growth discussions helping support sustainable entrepreneurial development.

**3. Inclusive, gender-responsive financial services**  
Women are provided with accessible financing at highly competitive rates, tailored to their realities and aspirations.

**4. Ongoing financial counselling and empathetic follow-up**  
Support extends beyond repayment, combining accountability with compassion through continued engagement and financial guidance.

**5. Data-driven monitoring and stakeholder management**  
Robust performance tracking enables effective programme oversight, stakeholder collaboration, and continuous improvement.

Through strategic collaboration with community-based partners, the programme is designed to ensure support is locally relevant, trusted and sustainable.

In under six months, the programme has already supported more than 200 economically disadvantaged women survivors of gender-based violence, equipping them to rebuild livelihoods, strengthen financial independence, and create brighter futures for themselves and their families.

The Shujaa Loans Programme demonstrates how inclusive finance, when paired with empathy, innovation, and purpose, can create lasting social and economic progress.

OUR SOCIAL IMPACT continued

IMPACT AREA **6**

Partnerships and collaboration

Related UN SDGs



To accelerate the pace of inclusive and sustainable development on the continent, African countries must leverage new tools, innovative solutions, and technology, as well as strong, proactive, and responsible governance frameworks, to build agile, sustainable, and resilient national systems.

The delivery of these systems will depend on enhanced partnerships among governments, the private sector, academia, non-governmental organisations, civil society, and other stakeholders, in which all parties are committed to a long-term vision and leadership, shared norms and values, and social cohesion.

#LetsGoNation

We intend to create a community that, through collective gain, delivers positive social impact while increasing the value of our business. The Digital Mall will bring together a connected community of like-minded customers and thought leaders – the #LetsGoNation – creating opportunities for them to advance themselves, their communities, and the environment. Africa’s development is strengthened by sharing its experiences and strengths and by learning from one another. For Letshego, we benefit from a better insight into what inspires our customers, enabling us to develop relevant products and services that support their ambitions and meet their needs. Over time, the #LetsGoNation will enable Letshego to reach wider audiences, acquire customers through personal connections, and deepen our partnership with a dynamic action-oriented population well into the future.

Strategic partnerships

Our lending approach and digitalisation make us an attractive option for international partners who share our objective of providing simple, affordable, and easy-to-use financial solutions that deliver a positive social impact. We look for partners who have a strong presence in Africa and can help us expand our reach, launch new inclusive products, and make our promise to improve lives a reality for our customers. In return, our partners’ customers gain access to our customer base, where there are opportunities to share services. Strategic collaboration can release immense synergies and contribute to Africa’s development.

Collaboration

We actively participate in industry and regulatory working groups and engage with governments to contribute to the development of a robust and productive financial sector framework for the markets in which we operate, and to secure the interests of all participants within the financial ecosystem.

Our impact

CASE STUDY

Namibia University of Science and Technology (NUST)

We partnered with the Namibia University of Science and Technology for their 10<sup>th</sup> Annual Programming Competition, hosted by the Department of Software Engineering. This national event brought together high school learners and university students from across Namibia to compete in coding and software development challenges, boosting digital skills, creativity and problem-solving. At Letshego, we believe in empowering youth through technology and education – together, we are building a digitally skilled and future-ready Namibia.

CASE STUDY

Letshego Eswatini hosted a Trolley Dash campaign with retail partners in Manzini to provide customers with the chance to win grocery shopping sprees, promoting financial inclusion and supporting households. Winners have the opportunity to secure essential groceries, alleviating living expenses and bringing direct relief to the community.



# Country reviews

## Country Chief Executive Officers



NATIONALITY  
**KENYAN**  
RESIDENCE  
**NIGERIA**

Beth Nyaga  
**NIGERIA**



NATIONALITY  
**GHANAIAN**  
RESIDENCE  
**GHANA**

Nii Amankra Tetteh  
**GHANA**



NATIONALITY  
**KENYAN**  
RESIDENCE  
**KENYA**

Jeff Ngeta  
**KENYA**



NATIONALITY  
**UGANDAN**  
RESIDENCE  
**UGANDA**

Giles Germany Aijukwe  
**UGANDA**



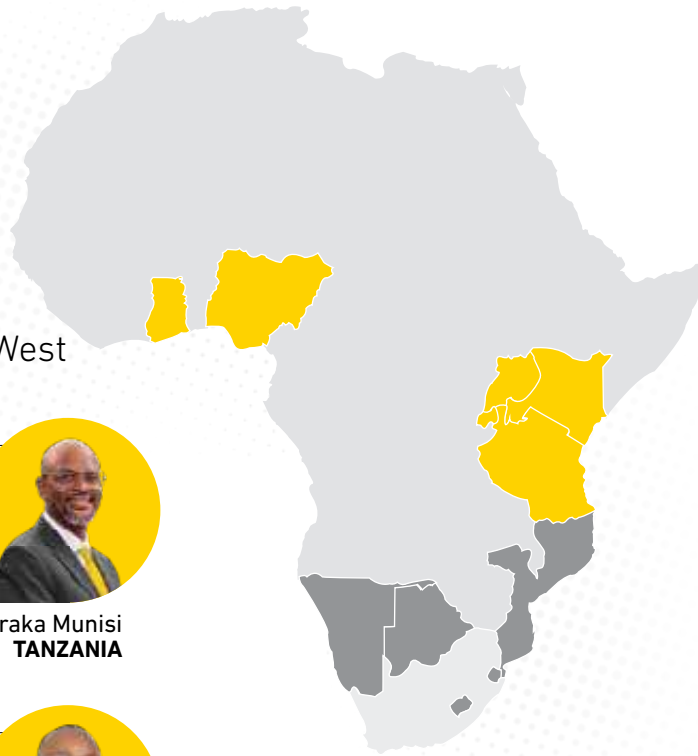
NATIONALITY  
**TANZANIAN**  
RESIDENCE  
**TANZANIA**

Baraka Munisi  
**TANZANIA**



NATIONALITY  
**RWANDAN**  
RESIDENCE  
**RWANDA**

Benoit Niyongabire  
**RWANDA**



### Southern Africa



NATIONALITY  
**NAMIBIAN**  
RESIDENCE  
**NAMIBIA**

Dr Ester Kali  
*CEO Letshego Holdings Namibia Ltd  
and Letshego Bank Namibia Ltd*  
**NAMIBIA**



NATIONALITY  
**NAMIBIAN**  
RESIDENCE  
**NAMIBIA**

Melvin Angula  
*CEO Letshego Micro Financial  
Services Namibia*  
**NAMIBIA**

\* On 27 February 2026,  
Mr Angula resigned as  
Chief Executive Officer.



NATIONALITY  
**MOZAMBICAN**  
RESIDENCE  
**MOZAMBIQUE**

Carlos Nhamahango  
**MOZAMBIQUE**



NATIONALITY  
**MOSOTHO**  
RESIDENCE  
**LESOTHO**

Selloane Tsike  
**LESOTHO**



NATIONALITY  
**LISWATI**  
RESIDENCE  
**ESWATINI**

Mbuso Dlamini  
**ESWATINI**



NATIONALITY  
**MOTSWANA**  
RESIDENCE  
**BOTSWANA**

Kgotso Bannatlothe  
**BOTSWANA**

## COUNTRY REVIEWS:

## East and West Africa

## Products offered

LENDING PAYMENTS INSURANCE SAVINGS

LetsGo Digital Mall

APP WEB USSD WHATSAPP

Country	Nigeria	Ghana	Kenya	Tanzania	Uganda	Rwanda
Profit/loss before tax and Group recharges	<b>P(52.7) million</b> <i>(2024: P3.5 million)</i>	<b>P125 million</b> <i>(2024: P23 million)</i>	<b>P(12.4) million</b> <i>(2024: P(132) million)</i>	<b>P37 million</b> <i>(2024: P17 million)</i>	<b>P12 million</b> <i>(2024: P48 million)</i>	<b>P(15.2) million</b> <i>(2024: P8 million)</i>
Customers	<b>191 994</b> <i>(2024: 115 741)</i>	<b>1.9 million</b> <i>(2024: 1.8 million)</i>	<b>5 902</b> <i>(2024: 7 918)</i>	<b>1 563 593</b> <i>(2024: 1.0 million)</i>	<b>44 328</b> <i>(2024: 38 845)</i>	<b>33 350</b> <i>(2024: 16 151)</i>
Employees	<b>185</b> <i>(2024: 230)</i>	<b>112</b> <i>(2024: 119)</i>	<b>77</b> <i>(2024: 104)</i>	<b>72</b> <i>(2024: 69)</i>	<b>96</b> <i>(2024: 141)</i>	<b>57</b> <i>(2024: 55)</i>
Access points	<b>16</b> <i>(2024: 14)</i>	<b>10</b> <i>(2024: 16)</i>	<b>15</b> <i>(2024: 17)</i>	<b>140</b> <i>(2024: 207)</i>	<b>40</b> <i>(2024: 18)</i>	<b>4</b> <i>(2024: 4)</i>
% female customers	<b>47</b> <i>(2024: 25)</i>	<b>28</b> <i>(2024: 30)</i>	<b>42</b> <i>(2024: 50)</i>	<b>33</b> <i>(2024: 33)</i>	<b>44</b> <i>(2024: 44)</i>	<b>36</b> <i>(2024: 39)</i>

## Performance highlights

In our East and West African markets, Tanzania delivered a strong performance, net income from operations increasing by 308% year-on-year. This growth was supported by robust expansion in customer deposits, which rose by 116%, reflecting improved customer confidence and enhanced funding capacity. Uganda had higher settlement rates and reduced customer appetite for the DAS book, leading to a contraction in the advances portfolio and associated revenue. Net income from operations declined by 46% from P26.4 million to P14.4 million. Despite this, Uganda's mobile-led transformation agenda gained notable traction with 118 868 clients supported through digital channels. This underscores strong market reach and highlights the growing potential for financial inclusion. Performance was further supported by aggressive collections and contributions from digital lending. Ghana maintained a strong market position, holding nearly 50% share in the digital mobile loan segment, which grew significantly by 664%, largely driven by the declassification from a hyperinflationary environment, despite increased competition and new market entrants. Expansion of the mobile loan portfolio drove higher net interest income growth. Expected credit losses for Ghana increased following the implementation of Time-in-Default LGD for Mobile Loans, a trend further exacerbated by delays in write-off approvals. This performance significantly contributed to increased transaction

volumes and supported overall topline revenue growth. Customer deposits grew by 136% year-on-year, enhancing funding diversification and reinforcing balance sheet resilience. Rwanda delivered improved performance reporting of Net income from operations of P15 million, representing 89% year-on-year growth. This was primarily driven by reduced interest expense on borrowings. Deposit balances also recorded strong growth, up 47% year-on-year. Kenya reported a Loss Before Tax of P12.4 million, representing an improvement compared to the prior year. Cost containment measures and an enhanced collections strategy supported this. However, constrained lending capacity led to a 35% contraction in the loan book, resulting in subdued net interest amid a tight collections environment and underfunding. Impairment provisions improved year-on-year, decreasing from P171 million to P143 million, driven by better management of the current book. Nigeria recorded a net loss from operations of P1.3 million, impacted by reduced book quality, which led to elevated impairment charges and increased borrowing costs. Net advances growth slowed during the year due to a freeze on the DAS portfolio, driven by weak collections and elevated ECL levels; non-remittance of DAS loan deductions by government agencies; and the decentralisation of deduction points.

## Looking ahead

The strategic review of the Group's East and West Africa portfolio continues to advance, with active engagement underway with potential counterparties. As disclosed through the Botswana Stock Exchange, the process remains on track and aligned to expectations. The Group remains committed to transparency and disciplined strategic evaluation, ensuring any potential outcome supports long-term value creation.



Our business

Insights from leadership

Our performance

Country reviews

Governance report






Remuneration report

## COUNTRY REVIEWS:

## Southern Africa

## Products offered



Country	 Botswana	 Mozambique	 Namibia	 Lesotho	 Eswatini
<b>Profit before tax and Group recharges</b>	<b>P304 million</b> <i>(2024: P257 million)</i>	<b>P504 million</b> <i>(2024: P350 million)</i>	<b>P473 million</b> <i>(2024: P376 million)</i>	<b>P129 million</b> <i>(2024: P4 million)</i>	<b>P61 million</b> <i>(2024: P(42) million)</i>
<b>Customers</b>	<b>132 087</b> <i>(2024: 146 421)</i>	<b>130 288</b> <i>(2024: 117 541)</i>	<b>112 784</b> <i>(2024: 64 928)</i>	<b>6 739</b> <i>(2024: 7 615)</i>	<b>111 533</b> <i>(2024: 106 681)</i>
<b>Employees</b>	<b>159</b> <i>(2024: 151)</i>	<b>171</b> <i>(2024: 171)</i>	<b>191</b> <i>(2024: 185)</i>	<b>56</b> <i>(2024: 57)</i>	<b>27</b> <i>(2024: 29)</i>
<b>Access points</b>	<b>15</b> <i>(2024: 15)</i>	<b>13</b> <i>(2024: 13)</i>	<b>16</b> <i>(2024: 17)</i>	<b>5</b> <i>(2024: 5)</i>	<b>3</b> <i>(2024: 3)</i>
<b>% female customers</b>	<b>51</b> <i>(2024: 50)</i>	<b>26</b> <i>(2024: 25)</i>	<b>46</b> <i>(2024: 47)</i>	<b>50</b> <i>(2024: 51)</i>	<b>39</b> <i>(2024: 41)</i>

## Performance highlights

In our Southern African markets, Namibia, Botswana, and Mozambique remained the main contributors to the Group's overall performance, while Lesotho and Eswatini returned to near-trend profitability levels. Namibia strengthened its digital channels and systems integration to enhance customer experience, improve operational efficiency, and support scalable digital lending. At the same time, the product offering was expanded by introducing innovative lending solutions better to serve financially underserved customers across diverse income segments. Profit After Tax grew from P310 million in 2024 to P384 million, up 24%, driven by an increase in net Interest Income and net insurance, while also showing a strong Return on Average Equity of 17.87% compared to 15.04% in the same period last year. The business remains well-capitalised, with a capital adequacy ratio of 28%, down from 30% in the previous year.

Our business in our core market of Botswana continued on its recovery path, shedding non-performing legacy individual lending portfolios in 2025 to deliver a 23% increase in Profit After Tax, with key improvements in credit metrics, despite difficult trading conditions. Net Impairments declined 59% year-on-year, write-offs declined by 34%, reflecting the ongoing strategic exit from the non-performing Individual lending portfolio. Advances to Customers grew by 5% despite higher write-offs, reflecting stronger sales momentum in the second half of the year. Lesotho and Eswatini returned to trend profitability following negative performances from the year prior. In Mozambique, Net Profit surged 56% to P310 million from P199 million in the prior year, driven by a 5% increase in total assets and an exceptional 58% growth in customer deposits. Deposit mobilisation success was realised through a 76% increase in term deposits, enabling the early repayment of high-cost funding, while impairment provisions dropped 77% and non-performing loans improved from 4.95% to 4.42% year-on-year.

## Looking ahead

Baseline forecasts for sub-Saharan Africa's economic growth are still optimistic. The International Monetary Fund (IMF) still sees the region holding near 4% real GDP growth in 2026. East and West Africa leads with the pace of GDP expansion, but the sub region's resilience will be fragile due to high debt, tight external financing and weak aid inflows. Letshego expects accommodating monetary policies across its presence markets with some caution around the local currencies that are expected to be under pressure in 2026.

Operationally, the business continues to show broad-based recovery, with strong contributions from the Southern Africa markets. While vulnerabilities remain in a few portfolios, 2025 demonstrated that the prudent credit measures and portfolio clean up undertaken over the past two years have materially improved the quality of earnings. As such, continued vigilance will be applied in markets experiencing liquidity constraints, most notably Botswana, where tight domestic liquidity and higher funding costs necessitate close monitoring and proactive scenario planning. Likewise, the Pula exchange rate adjustments implemented in July 2025 will require ongoing assessment to determine potential impacts on funding, capital flows and customer repayment behaviour across the Group.

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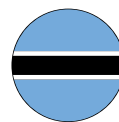
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Letshego Financial Services Botswana first opened its doors in 1998. Letshego Botswana has steadily grown into a leading financial services provider and the largest microlender in Botswana.

**KGOTSO BANNALOTLHE**  
COUNTRY CEO



## Southern Africa country review Botswana

### Operating overview

- ▶ The Botswana macro environment is strained, with forecasts indicating a potential contraction of around 1% due largely to the downturn in the global diamond industry.
- ▶ Inflation is expected to rise, approaching the upper 6% limit of the Bank of Botswana's objective range, driven by currency depreciation following central bank reforms as well as electricity tariff increases.
- ▶ Structural reform priorities include the Botswana Economic Transformation Plan (BETP) to stimulate cross sector growth renewal and investments in renewable energy, manufacturing and technology.

#### Products offered



SOUTHERN AFRICA COUNTRY REVIEW BOTSWANA continued

## Country statistics

	2025	2024	2023	2022
Total full time employees	159	151	152	156
Number of direct sales agents (DSAs)	207	252	186	121
Number of access points	15	15	15	16
LLR to average gross advances (%)	2.9	6.7	6.3	5.0
NPL's provision coverage (%)	117	114	96	130
Profit/(loss) before tax and Group charges (P'million)	304	257	159	475
Net disbursements to customers (P'million)	631	171	739	625
Net Advances Loan book (P'million)	3 162	3 025	3 490	3 179
Net Advances Formal Loans (P'million)	3 124	2 981	3 457	3 292
Net Advances MSE Loans (P'million)	22	29	19	31
Net Advances Informal Loans (P'million)	16	15	14	-
Total active customers	132 087	146 421	79 661	37 404
% Customers Female	51	50	50	41

# 2025

## PERFORMANCE HIGHLIGHTS

Botswana continued on its recovery path, shedding non-performing legacy individual lending portfolios in 2025 to deliver a 23% increase in Profit After Tax, with key improvements in credit metrics, despite difficult trading conditions. Net Impairments declined 59% year-on-year, write-offs declined by 34%, reflecting the ongoing strategic exit from the non-performing Individual lending portfolio. Advances to Customers grew by 5% despite higher write-offs, reflecting stronger sales momentum in the second half of the year. The business was awarded the Best Microfinance House and Best SME Finance company by Global Banking and Finance Review – indicating further strength of the business offering.

## Looking ahead

- ▶ Letshego Botswana will continue to focus on diversifying and growing profitability and customer relevance by defending and growing our market share, expanding our digital lending partnerships, developing a presence in short-term and medium-term convenience lending partnerships and developing capacity for transactional and savings mobilisation products.

### Outlook

Monetary policy lending rate:

# 3.5%

(Bank of Botswana)

Real GDP growth<sup>1</sup>

Annual percent change

# 2.3



Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

# 4.5



1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/BWA>

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## Southern Africa country review Namibia

### Operating overview

- ▶ Economic growth in Namibia moderated to approximately 1.7% in 2025 (2024: 3.8%).
- ▶ Growth was driven mainly by services, including wholesale and retail trade, transport and logistics, public administration and health services. This supported stable credit demand from salaried and service-sector customers, while reinforcing prudent exposure to climate-sensitive sectors.
- ▶ Inflation eased further in 2025, averaging between 3.5% and 4.2%, supported by lower fuel prices, FX stability and reduced imported inflation. The Bank of Namibia responded by reducing the repo rate to 6.5%.
- ▶ Improved affordability and debt-servicing capacity supported loan performance, asset quality and selective lending growth.
- ▶ Despite improved sentiment, structural constraints persisted, including infrastructure pressure, water scarcity and logistics challenges, alongside ongoing climate risks. These conditions reinforced the importance of conservative credit risk management, disciplined underwriting and portfolio diversification.

Established in 2008 following the acquisition of Edu Loan Namibia, Letshego Holdings Namibia listed on the Namibian Stock Exchange in 2017. Namibia listed the Group's inaugural social bond on the Namibian Stock Exchange in 2024 to fund impactful initiatives to improve the lives of its customers.



**DR ESTER KALI**  
CEO LETSHEGO HOLDINGS  
AND LETSHEGO BANK  
NAMIBIA

**MELVIN ANGULA**  
CEO LETSHEGO  
MICRO-FINANCIAL SERVICES  
NAMIBIA

#### Products offered



SOUTHERN AFRICA COUNTRY REVIEW NAMIBIA continued

## Country statistics

	2025	2024	2023	2022
Total full time employees	191	185	149	148
Total part time employees	18	30	33	45
Number of direct sales agents (DSAs)	70	52	55	53
Number of access points	16	17	17	17
LLR to average gross advances (%)	0.09	(0.22)	(0.8)	0.7
NPL's provision coverage (%)	5	7	15	8
Profit/(loss) before tax and Group charges (P'million)	473	376	287	320
Net disbursements to customers (P'million)	824	1 156	626	1 234
Net Advances Loan book (P'million)	4 314	3 994	3 475	3 591
Total active customers	112 784	126 017	119 901	114 570
% Customers Female	47	47	47	47
Total Customer Deposits	1 285	964	607	403
Net deposits – Retail (P'million)	31	39	24	23
Net deposits – Corporate (P'million)	1 254	925	583	380

# 2025

## PERFORMANCE HIGHLIGHTS

During the year, Letshego Namibia strengthened its digital channels and systems integration to enhance customer experience, improve operational efficiency and support scalable digital lending. The product offering was expanded through innovative lending solutions aimed at under-served income segments, supporting financial inclusion. Profit after tax increased by 24% to P384 million (2024: P310 million), driven by higher net interest income and net insurance income. Return on average equity improved to 17.87% (2024: 15.04%). The Letshego Bank Namibia Limited remained well capitalised, with a capital adequacy ratio of 28% (2024: 30%), supporting balance sheet resilience and future growth.

## Looking ahead

- Namibia's economic outlook for 2026 remains cautiously optimistic, with growth forecast at approximately 2.6%, offering opportunities for measured expansion while requiring continued discipline. Against a backdrop of global energy market volatility and geopolitical uncertainty that may sustain pressure on fuel prices, household affordability and operating costs, our focus remains firmly on resilience and sustainable value creation.
- Letshego is well positioned to navigate this environment through disciplined risk management, ongoing digital enablement and targeted product innovation that improves affordability and advances financial inclusion. Supported by stable asset quality, a diversified funding base and a scalable operating model, Namibia continues to be a resilient and strategically important market within the Group, underpinning our long-term growth ambitions.

### Outlook

Current monetary policy lending rate:

# 6.50%

(Bank of Namibia)

Real GDP growth<sup>1</sup>

Annual percent change

# 3.8



Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

# 3.6



1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/NAM>

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The business first opened doors in 2011 and was awarded a commercial banking licence in 2016.



**CARLOS NHAMAHANGO**  
COUNTRY CEO



## Southern Africa country review Mozambique

### Operating overview

- ▶ Economic activity is projected to recover to roughly 2.7% – 3.0% in 2025 (after a slow 2024), driven by a rebound in mining, liquefied natural gas (LNG) projects, and a strengthening service sector.
- ▶ Annual inflation is expected to decrease, averaging around 3.2% – 4.8% through 2025, supported by a tighter monetary policy from the Bank of Mozambique.
- ▶ High external debt, social tensions, and the, at times, volatile security situation in the north continue to threaten stability.

#### Products offered





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## SOUTHERN AFRICA COUNTRY REVIEW MOZAMBIQUE continued

 Country statistics

	2025	2024	2023	2022
Total full time employees	171	171	153	166
Number of direct sales agents (DSAs)	489	335	335	314
Number of access points	13	13	378	463
LLR to average gross advances (%)	0.2	0.9	(0.2)	2.1
NPL's provision coverage (%)	17	15	7	7
Profit/(loss) before tax and Group charges (P'million)	504	350	311	264
Net disbursements to customers (P'million)	791	836	830	531
Net Advances Loan book (P'million)	2 864	2 889	2 528	2 084
Net Advances Formal Loans (P'million)	2 849	2 864	2 522	2 084
Net Advances MSE Loans (P'million)	15	25	6	-
Total active customers	130 288	117 541	416 083	386 784
% Customers Female	24	25	25	25
Total Customer Deposits	952	603	1 041	1 017
Net deposits – Retail (P'million)	741	522	574	568
Net deposits – Corporate (P'million)	211	81	467	449

## 2025

## PERFORMANCE HIGHLIGHTS

Net Profit surged 56% to P310 million from P199 million in the prior year, driven by a 5% increase in total assets and an exceptional 58% growth in customer deposits. Deposit mobilisation success was realised through a 76% increase in term deposits, enabling the early repayment of high-cost funding, while impairment provisions dropped by 77% and non-performing loans improved from 4.95% to 4.42% year-on-year.

## Looking ahead

- ▶ Continue to protect the DAS loan book and diversify the product offering to MSE and Instant loans.
- ▶ Expand accessibility to banking services and solutions with a focus on remote and emerging markets.
- ▶ Enhance collection and recovery capabilities.
- ▶ Ongoing focus on cost rationalisation, including reducing the cost of funding through the mobilisation of retail depositors.

## Outlook

Monetary policy lending rate:

**15.6%**

(MIMO)

Real GDP growth<sup>1</sup>

Annual percent change

**3.5**Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

**5.5**

1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/MOZ>

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The business first opened its doors in 2012.

**SELLOANE TSIKE**  
COUNTRY CEO



## Southern Africa country review Lesotho

### Operating overview

- ▶ With the economy being most hit by the US imposed tariffs, manufacturing and transport sub-sector contractions were primarily driven by weak textile exports to the US and lower fuel consumption. Looking forward, the temporary renewal of AGOA and higher SACU revenues promise modest growth, while risks from trade uncertainty linger.
- ▶ Following elevated government expenditures and weak revenue collection, the overall fiscal balance recorded a deficit of 4.5% of GDP. The deficit was funded through a drawdown of government deposits.
- ▶ Domestic headline inflation eased to 4.1% in December 2025 from 4.3% in November 2025 as a reflection of lower food and fuel prices with added support from a stronger exchange rate. In 2026, inflation is expected to increase to 4.7%.
- ▶ Overall, growth is expected to be driven by the second phase of the Lesotho Highlands Water Project (LHWP II), while mining shows resilience and the manufacturing and agricultural sectors are expected to face challenges.

#### Products offered



SOUTHERN AFRICA COUNTRY REVIEW LESOTHO continued

Country statistics

	2025	2024	2023	2022
Total full time employees	56	57	58	49
Total part time employees	9	6	18	7
Number of direct sales agents (DSAs)	58	62	50	11
Number of access points	5	5	5	5
LLR to average gross advances (%)	2.5	7.8	4.7	(1.5)
NPL's provision coverage (%)	110	79	98	75
Profit/(loss) before tax and Group charges (P'million)	129	4	19	40
Net disbursements to customers (P'million)	(34)	142	136	106
Net Advances Loan book (P'million)	500	546	481	413
Total active customers	6 739	7 615	5 831	5 056
% Customers Female	50	51	52	55

2025  
PERFORMANCE HIGHLIGHTS

While the operating environment was challenging for Lesotho in 2025, the business recovered from a P11 million loss in 2024 that was mainly driven by revised credit provisioning metrics to a normalised P31 million Profit After Tax (after eliminating once off income from reversal of overstated liabilities). This remarkable performance was underpinned by 13% year-on-year revenue growth, 15% year-on-year savings on operating costs and 69% year-on-year reductions in net impairments expenses. The business aspires to remain a key player for driving financial inclusion in Lesotho with a 2026 focus on defending our traditional personal loans, lowering the company cost of funding through deposit mobilisation while also exploring short term lending.

Looking ahead

► The business aspires to remain a key player for driving financial inclusion in Lesotho with a 2026 focus on defending our traditional personal loans, lowering the company cost of funding by deposits mobilisation while also exploring short term lending.

Outlook

Monetary policy lending rate:

**6.50%**  
(Central Bank of Lesotho)

Real GDP growth<sup>1</sup>

Annual percent change

**1.1**



Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

**4.7**



1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/LSO>

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The business first opened doors in 2006 as Micro Provident Swaziland and rebranded in 2010 to Letshego Eswatini.



**MBUSO DLAMINI**  
COUNTRY CEO



## Southern Africa country review Eswatini

### Operating overview

- ▶ Economic growth is expected to strengthen in the near term, up to 4.6% in 2026, supported by domestically financed investments.
- ▶ Continued fiscal consolidation to reduce financing pressure, complemented by calibrated monetary policy and financial sector reforms, is key to macroeconomic stability.
- ▶ Deep structural reforms to improve the business environment and address infrastructure and skills gaps are essential to unlocking growth potential and reducing unemployment and income inequality.

#### Products offered



SOUTHERN AFRICA COUNTRY REVIEW ESWATINI continued

Country statistics

	2025	2024	2023	2022
Total full time employees	27	29	28	29
Number of direct sales agents (DSAs)	80	70	9	7
Number of access points	3	3	3	3
LLR to average gross advances (%)	(1.9)	13.9	5.3	1.3
NPL's provision coverage (%)	100.2	86	92	81
Profit/(loss) before tax and Group charges (P'million)	61	(42)	34	56
Net disbursements to customers (P'million)	264	401	172	86
Net Advances Loan book (P'million)	618	559	576	530
Net Advances Formal Loans (P'million)	606	548	473	442
Net Advances MSE Loans (P'million)	-	1	6	17
Net Advances Informal Loans (P'million)	12	10	97	71
Total active customers	111 533	106 681	356 993	303 892
% Customers Female	40	41	51	44

2025  
PERFORMANCE HIGHLIGHTS

The business delivered a decisive turnaround, returning to profitability following the significant loss reported in 2024.

This recovery reflects strengthened portfolio quality, disciplined cost management, and improved funding efficiency, despite persistent income pressures.

Looking ahead

- ▶ The business will focus on revenue growth through digital bank expansion, further DAS penetration, cost discipline, strengthening mobile loan risk controls to restore high cash generation from this product and optimising funding in 2026 with an introduction of customer deposits as a funding option.

Outlook

Monetary policy lending rate:

**10.25%**

(Central Bank of Eswatini)

Real GDP growth<sup>1</sup>

Annual percent change

**4.6**



Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

**4.0**



1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/SWZ>

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The business started in 2000 as Micro Africa and was acquired by Letshego in 2012. Since 2023, it is also licenced by the Central Bank of Kenya as a digital credit provider.



**JEFF NGETA**  
COUNTRY CEO



## East and West Africa country review Kenya

### Operating overview

- ▶ GDP growth is projected around 4.9% – 5.6%, driven by services and resilient agriculture.
- ▶ Inflation is expected to stabilise at approximately 4.8% – 5.5%.
- ▶ Stable exchange rates are expected to support economic activity.

#### Products offered



EAST AND WEST AFRICA COUNTRY REVIEW KENYA continued

Country statistics

	2025	2024	2023	2022
Total full time employees	77	104	105	148
Total part time employees	4	33	19	34
Number of direct sales agents (DSAs)	32	127	76	97
Number of access points	15	17	17	29
LLR to average gross advances (%)	2.7	24.9	16.2	1.0
NPL's provision coverage (%)	68	68	60	32
Profit/(loss) before tax and Group charges (P'million)	(12.4)	(132)	(37)	5
Net disbursements to customers (P'million)	(18)	34	190	113
Net Advances Loan book (P'million)	210	372	4	576
Net Advances Formal Loans (P'million)	33	53	64	187
Net Advances MSE Loans (P'million)	177	319	408	489
Total active customers	5 902	7 918	96 144	10 106
% Customers female	42	50	52	37

2025  
PERFORMANCE HIGHLIGHTS

Kenya reported a Loss Before Tax and group charges of P12.4 million, representing an improvement compared to the prior year. Cost containment measures and an enhanced collections strategy supported this. However, constrained lending capacity led to a 35% contraction in the loan book, resulting in subdued net interest amid a tight collections environment and underfunding. Impairment provisions improved year-on-year, decreasing from P171 million to P143 million, driven by better management of the current book.

Looking ahead

► Letshego will continue to implement strategic initiatives that will position the business for profitable, sustainable growth.

Outlook

Current monetary policy lending rate:

**8.75%**

(Central Bank of Kenya)

Real GDP growth<sup>1</sup>

Annual percent change

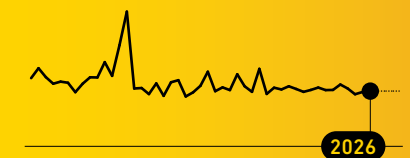
**4.9**



Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

**5.3**



1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/KEN>

Our business

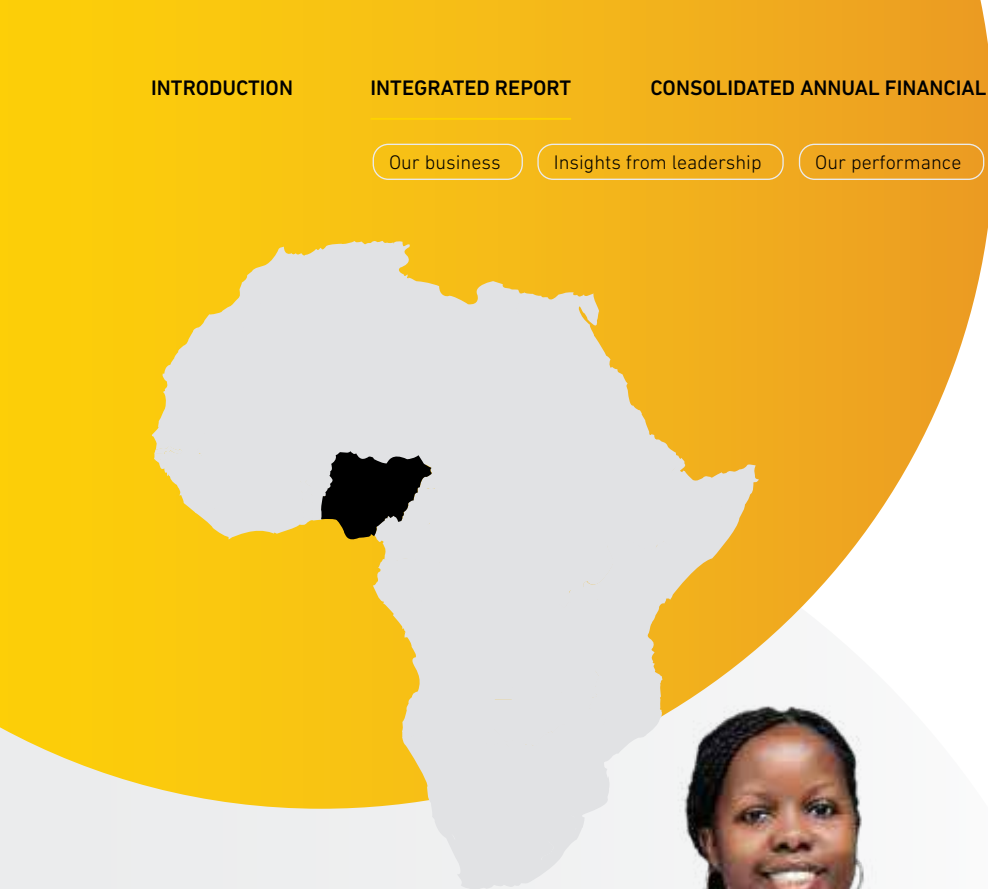
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## East and West Africa country review Nigeria

### Operating overview

- ▶ Nigeria's macroeconomic environment in 2025 reflected gradual stabilisation amid sustained inflationary and monetary tightening pressures.
- ▶ Inflation moderated from prior peaks but remained elevated, maintaining pressure on household incomes and business operating costs.
- ▶ The Central Bank sustained a tight monetary stance, resulting in elevated interest rates and higher funding costs across the banking sector.
- ▶ The market-driven foreign exchange regime continued to influence liquidity management and capital planning, with persistent currency volatility.
- ▶ Improved transparency in the FX market supported investor sentiment, though exchange rate fluctuations remained a key risk consideration.
- ▶ Digital banking adoption accelerated further, with customers increasingly transacting via mobile and electronic payment channels.
- ▶ Regulatory oversight remained robust, with a strengthened focus on capital adequacy, consumer protection, cybersecurity, and governance standards.
- ▶ Non-oil sectors, including agriculture, technology, and telecommunications, supported moderate economic expansion.
- ▶ SME activity showed cautious growth, creating opportunities for targeted lending and deposit mobilisation.
- ▶ Elevated unemployment levels sustained demand for inclusive financial solutions and micro-lending products.
- ▶ Credit risk management remained a priority as higher living costs continued to challenge borrower repayment capacity.
- ▶ Competition for low-cost deposits intensified, driving innovation in digital acquisition and customer engagement strategies.
- ▶ The operating environment underscored the importance of disciplined risk management, digital innovation, and operational resilience.

The business first opened doors in 2008 as FBN Microfinance Bank and was acquired by Letshego in 2015 and rebranded as Letshego MFB Nigeria.



**BETH NYAGA**  
INTERIM COUNTRY CEO

#### Products offered





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## EAST AND WEST AFRICA COUNTRY REVIEW NIGERIA continued

## Country statistics

	2025	2024	2023	2022
Total full time employees	185	231	192	235
Number of direct sales agents (DSAs)	106	192	123	97
Number of access points	16	14	20	21
LLR to average gross advances (%)	11.2	6.6	(2.3)	(9.2)
NPL's provision coverage (%)	103	20	105	62
Profit/(loss) before tax and Group charges (P'million)	(53)	3.5	15	11
Net disbursements to customers (P'million)	151	64	175	224
Net Advances Loan book (P'million)	111	104	126	176
Net Advances Formal Loans (P'million)	14	34	64	107
Net Advances MSE Loans (P'million)	97	69	62	69
Net Advances Informal Loans (P'million)	–	2	0.4	–
Total active customers	191 994	115 741	109 797	100 618
% Customers Female	39	41	47	46
Total Customer deposits (P'million)	67	31	42	24
Net deposits – Retail (P'million)	14	13	15	15
Net deposits – Corporate (P'million)	48	18	27	9

# 2025

## PERFORMANCE HIGHLIGHTS

- ▶ Continued to strengthen brand presence as a leading provider of inclusive financial services, reinforcing our commitment to financial inclusion and empowerment through targeted marketing campaigns and community initiatives across Nigeria.
- ▶ Grew net loan book by 8% and 66% increase in corporate deposits balance, both in local currency with a non-performing loans ratio of 19.4%.
- ▶ Maintained ISO certification (ISO 22301, ISO 20000 and ISO 27001).
- ▶ Maintained regulatory minimum capital requirements and remained adequately capitalised with sound risk management practices to harness growth opportunities for the microfinance sector.

## Looking ahead

As we look to 2026 and beyond, Letshego MFB Nigeria remains focused on delivering sustainable financial solutions that empower individuals, MSEs, and communities nationwide.

- ▶ Our core MSE lending franchise will continue to anchor performance, with accelerated expansion of our digital loan portfolio.
- ▶ Digital transformation remains a strategic priority, driving efficiency, scalability and enhanced customer experience.
- ▶ We will further strengthen and stabilise our digital banking infrastructure to deliver seamless, secure and reliable services.
- ▶ Enhanced online account management, seamless, frictionless bill payments and expanded self-service capabilities will underpin our service delivery evolution.
- ▶ We will pursue innovative product development and strategic partnerships to deepen financial inclusion and broaden market reach.
- ▶ Our approach remains customer-centric, data-led, commercially disciplined and impact-driven.
- ▶ With a clear roadmap, strong governance framework, and committed leadership, Letshego MFB Nigeria is well-positioned to deliver sustainable value and inclusive growth.

### Outlook

Monetary policy lending rate:

# 27.50%

(Central Bank of Nigeria)

Real GDP growth<sup>1</sup>

Annual percent change

# 4.2



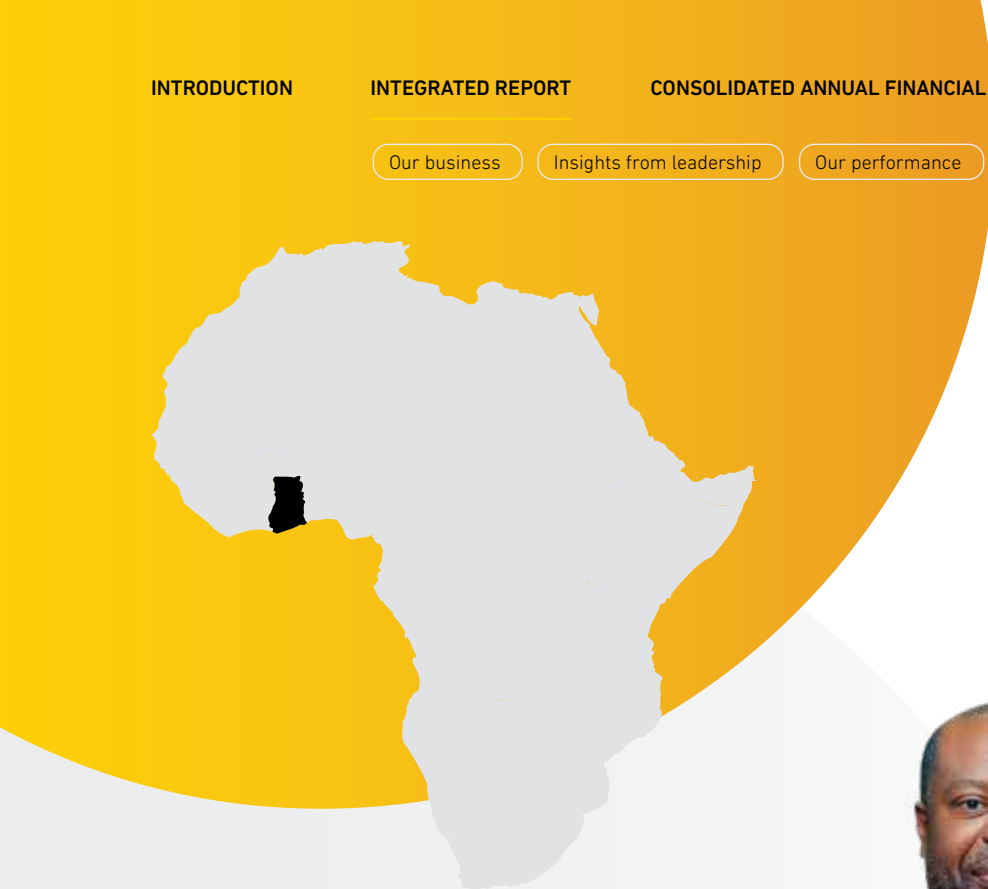
Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

# 18



1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/NGA>



## East and West Africa country review Ghana

### Operating overview

- ▶ Ghana's economy delivered a strong rebound in 2025, with GDP growth of around 5.8%, driven primarily by the services and agriculture sectors following the economic disruptions of 2023–2024. Growth is projected to moderate to approximately 4.8% as the economy transitions into a more stable, sustainable trajectory.
- ▶ Inflation declined sharply to approximately 5.4%, enabling a measured shift from the previously restrictive monetary policy stance to one of gradual easing. The Monetary Policy Rate now stands at approximately 18%, with lending rates averaging 15.9%, improving credit conditions whilst preserving macro stability.
- ▶ The Ghana Cedi appreciated and stabilised significantly, moving from approximately GHS 14.65 to approximately GHS 11 per US dollar, underpinned by IMF-backed structural reforms, strengthened reserves, and trade surpluses and reinforcing investor confidence.
- ▶ Treasury bill yields normalised to the 10–13% range against a backdrop of strong investor demand, reflecting improved market liquidity, positive real returns and renewed confidence in Government instruments.
- ▶ The economic recovery remains largely anchored by the IMF programme, underpinned by fiscal consolidation and sovereign debt restructuring. Whilst stability has improved considerably, the durability of this trajectory is contingent upon maintaining fiscal discipline beyond the programme period, against a backdrop of residual risks including debt servicing obligations, potential fiscal slippages and external shocks.

Letshego Ghana Savings and Loans PLC is a leading inclusive finance institution established in 2010 and acquired by the Group in 2017, the company delivers accessible, technology-driven financial solutions, spanning payroll lending, savings, and micro-finance to under-served and mass-market customers throughout Ghana. Anchored in a digital-first strategy, Letshego Ghana remains firmly committed to advancing financial inclusion while delivering sustainable, long-term value.



**NII AMANKRA TETTEH**  
COUNTRY CEO

#### Products offered





Our business

Insights from leadership

Our performance

Country reviews

Governance report

Remuneration report

## EAST AND WEST AFRICA COUNTRY REVIEW GHANA continued

**Country statistics**

	2025	2024	2023	2022
Total full time employees	112	110	118	182
Number of direct sales agents (DSAs)	–	–	17	–
Number of access points	10	16	16	26
LLR to average gross advances (%)	20	13.4	(1.17)	5.4
NPL's provision coverage (%)	77	63	51	84
Profit/(loss) before tax and Group charges (P'million)	125	(23)*	(63)*	3
Net disbursements to customers (P'million)	10 413	5 840	5 001	1 015
Net Advances Loan book (P'million)	1 523	901	1 207	1 015
Net Advances Formal Loans (P'million)	285	331	448	634
Net Advances MSE Loans (P'million)	18	7	4	5
Net Advances Informal Loans (P'million)	1 220	563	755	376
Total active customers	1 891 086	1 805 059	1 877 741	1 109 887
% Customers Female	30	25	25	25
Customer deposits (P'million)	1 025	434	207	24
Net deposits – Retail (P'million)	132	108	32	8
Net deposits – Corporate (P'million)	893	326	175	16

\* 2024 and 2023 profit/(loss) includes net monetary loss due to hyperinflationary adjustment of P87 million in 2024 and P150 million in 2023.

2025

## PERFORMANCE HIGHLIGHTS

- ▶ Profit After Tax of P70 million was delivered, representing an exceptional 8% year-on-year improvement. Performance 22% above budget, despite elevated net impairment charges arising from accelerated portfolio growth.
- ▶ Net Interest Income grew impressively by 91%, to P82 million, driven by increased loan disbursements and a deliberate shift toward short-term, higher-yielding products.
- ▶ Cost-to-Income Ratio of 45% reflects strong cost discipline and efficient resource allocation across the business.
- ▶ Delivered ROE of 26%, accompanied by a dividend payment of P16 million, reflecting enhanced profitability and efficient deployment of capital.

## Looking ahead

## Regulatory product innovation

- ▶ Submission of new digitally-enabled financial products to the Bank of Ghana for approval as part of a broader product innovation pipeline aimed at expanding inclusive credit access, embedding financial services and accelerating digital revenue streams within a fully compliant framework.

## IT transformation and localisation

- ▶ Initiating the IT Transformation Project to localise critical IT systems; prioritising mission-critical platforms including Core Banking, Support Systems, security, data and integration, while implementing a formal governance model aligned with Bank of Ghana directives and Ghana Investment Promotion Centre (GIPC) Technology Transfer Agreement (TTA) knowledge transfer requirements.

## Credit decisioning and automation

- ▶ Completing the development and pilot deployment of the credit scoring and decision engine, while transitioning DAS loan process automation in-house to strengthen proprietary capabilities, enhance credit decisioning accuracy and improve end-to-end operational efficiency.

## Outlook

Current monetary policy lending rate:

# 14%

(Bank of Ghana)

Real GDP growth<sup>1</sup>

Annual percent change

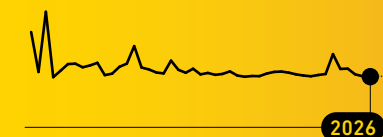
# 4.8



Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

# 3.7



1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/GHA>

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The business first opened doors in 2006 as Faidika MicroFinance. Advans Bank was acquired by Letshego in 2015 and rebranded to Letshego Bank Tanzania. In 2023, Faidika MicroFinance and Letshego Bank Tanzania merged to form Letshego Faidika Bank Tanzania.



**BARAKA MUNISI**  
COUNTRY CEO



## East and West Africa country review Tanzania

### Operating overview

- ▶ Economic momentum remains strong, with growth projected to remain competitive in East Africa, supported by public investment in large infrastructure projects.
- ▶ The Tanzanian shilling has experienced pressure, with projections indicating continued depreciation against the US dollar.
- ▶ Elevated debt servicing costs, mostly to multilateral institutions, are putting constraints on fiscal space. Priority is given to enhancing domestic tax collection, expanding the formal sector, and developing the energy sector (including renewables).

#### Products offered



EAST AND WEST AFRICA COUNTRY REVIEW TANZANIA continued

Country statistics

	2025	2024	2023	2022
Total full time employees	72	69	61	74
Total part time employees	21	34	34	34
Number of direct sales agents (DSAs)	188	163	251	291
Number of access points	140	207	192	277
LLR to average gross advances (%)	4.7	3.7	1.3	5.8
NPL's provision coverage (%)	33	98	93	95
Profit/(loss) before tax and Group charges (P'million)	37	17	10	(33)
Net Advances Loan book (P'million)	577	455	427	74
Total active customers	1 563 593	993 382	506 771	411 586
% Customers Female	38	33	33	28

Looking ahead

- ▶ Leverage our competitive advantages by harnessing our customer-centric approach, cutting-edge technology, extensive network, and committed workforce to deliver value to all stakeholders consistently.

Outlook

Monetary policy lending rate:

**5.75%**

(Bank of Tanzania)

Real GDP growth<sup>1</sup>

Annual percent change

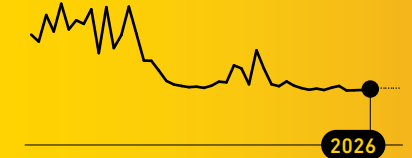
**6.3**



Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

**4.1**



1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/TZA>

2025

PERFORMANCE HIGHLIGHTS

Tanzania delivered a strong performance, net income from operations increasing by 308% year-on-year. This growth was supported by robust expansion in customer deposits, which rose by 116%, reflecting improved customer confidence and enhanced funding capacity.

NPL coverage reduced as a result of acquiring a default insurance cover for mobile loans in 2025.

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The business first opened doors in 2005 as Micro Provident Uganda and rebranded to Letshego Uganda Limited in 2011.



**GILES GERMANY AIJUKWE**  
COUNTRY CEO



## East and West Africa country review Uganda

### Operating overview

Uganda's macroeconomic environment remained stable in 2024–2025, with GDP growth improving modestly from 6.1% in 2024 to 6.3% in 2025, while inflation stayed low, oscillating within 3.3% – 3.8% range. Over the same period, the Bank of Uganda maintained a steady monetary stance, holding the Central Bank Rate at 9.75% to support growth while keeping inflation within the 5% target.

#### Products offered



EAST AND WEST AFRICA COUNTRY REVIEW UGANDA continued

Country statistics

	2025	2024	2023	2022
Total full time employees	96	141	152	182
Number of direct sales agents (DSAs)	218	240	240	185
Number of access points	40	18	40	43
LLR to average gross advances (%)	4.3	3.9	6.4	1.5
NPL's provision coverage (%)	103	9.1	85	53
Profit/(loss) before tax and Group charges (P'million)	11.8	48	26	36
Net disbursements to customers (P'million)	304	179	246	254
Net Advances Loan book (P'million)	467	546	527	509
Net Advances Formal Loans (P'million)	334	426	424	395
Net Advances MSE Loans (P'million)	113	120	103	114
Net Advances Informal Loans (P'million)	20	0.4	0.4	-
Total active customers	44 328	38 845	33 252	35 590
% Customers Female	44	44	45	40

2025

PERFORMANCE HIGHLIGHTS

- ▶ Continued focus on debt collection project with robust controls to implement lessons learnt.
- ▶ Launched partnerships with MNOs to extend reach of mobile loans.
- ▶ Reduced MSE loan tenor to increase affordability and support asset quality.
- ▶ Despite challenges with DAS book, attained top line interest income growth of 6.4%.
- ▶ Launched LetsGo Insure and Super Micro Loans with an integrated offering that reimburses Letshego customers for hospital cash and funeral cover.
- ▶ Achieved strong results in the employee engagement survey with an employee engagement score of 76.7%.

Looking ahead

- ▶ Leverage process automation in DAS lending with an automated top-up application process.
- ▶ Continued focus on partnerships to support growth, including in the LetsGo Insure and Super Micro Loan product offering.
- ▶ Fully digitise the call centre feature to maximise positive customer experience and ensure timely feedback as well as introduce product modifications based on customer insights and feedback.

Outlook

Monetary policy lending rate:

**9.70%**

(Bank of Uganda)

Real GDP growth<sup>1</sup>

Annual percent change

**6.3**



Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

**5.1**



1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/UGA>

Our business

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Remuneration report

The business first opened doors in 2004 as Micro Africa Group and was acquired by Letshego in 2012.



**BENOIT NIYONGABIRE**  
INTERIM COUNTRY CEO



## East and West Africa country review Rwanda

### Operating overview

- ▶ Rwanda's economy in 2025 demonstrates strong resilience and growth, with real GDP expanding by an estimated 9.4%
- ▶ The government is focused on fiscal consolidation under the National Strategy for Transformation (NST2), aiming to reduce debt vulnerabilities. Policy focus continued emphasis on digital transformation, green growth, and strengthening financial markets.

#### Products offered



EAST AND WEST AFRICA COUNTRY REVIEW RWANDA continued

Country statistics

	2025	2024	2023	2022
Total full time employees	57	55	58	55
Number of access points	4	4	4	4
LLR to average gross advances (%)	0.3	2.2	0.2	(2.7)
NPL's provision coverage (%)	12.3	44.9	23	23
Profit/(loss) before tax and Group charges (P'million)	(15)	8	2	3
Net disbursements to customers (P'million)	59	63	60	95
Net Advances Loan book (P'million)	177	178	175	149
Net Advances Formal Loans (P'million)	3	3	3	5
Net Advances MSE Loans (P'million)	174	175	172	144
Total active customers	33 350	16 151	13 307	15 671
% Customers Female	35	39	37	36
Customer deposits (P'million)	86	58	60	46
Net deposits – Retail (P'million)	28	38	30	39
Net deposits – Corporate (P'million)	58	20	27	9

2025

PERFORMANCE HIGHLIGHTS

Rwanda achieved strong deposit growth of 47% year on year. While the loan portfolio remained broadly flat, emphasis was placed on recoveries and maintaining portfolio quality, contributing to improved loan loss performance.

Looking ahead

- Letshego Rwanda remains committed to accelerating loan book growth, reinforcing digitalisation efforts and enhancing brand recognition to achieve our strategic agenda.

Outlook

Monetary policy lending rate:

**7.25%**

(Bank of Rwanda)

Real GDP growth<sup>1</sup>

Annual percent change

**7.5**



Inflation rate, end of period consumer prices<sup>1</sup>

Annual percent change

**4.1**



1. IMF DataMapper: <https://www.imf.org/external/datamapper/profile/RWA>

# Governance report

Letshego's Board of Directors oversees a group of companies operating across 11 African countries.

## The Board's primary responsibility is to:

- ▶ Oversee and ensure the Group's overall safety and soundness, as well as approve the Group Strategy and oversee its execution.
- ▶ Safeguard our brand and ensure that the Group creates and preserves value for current stakeholders and future generations.
- ▶ Protect the interests of shareholders and other stakeholders.
- ▶ Foster a culture of ethical conduct and compliance across the Group.
- ▶ Approve the Group-wide Governance Framework and ensure compliance with laws and regulations in the countries in which the Group operates.
- ▶ Approve the Enterprise Risk Frameworks, Group risk policies, risk appetite statements and metrics.

The Board, supported by its five standing committees, is the custodian of corporate governance. It is committed to ensuring that sound governance principles and world-class risk management frameworks are fully integrated across all aspects of the business and transparently reported. The Group-wide Governance Framework, which applies to all our markets, and related Group-wide policies are informed by ethical trade, transparency, accountability, and sustainability principles. The Governance Framework is controlled and executed within a structured and formal system and is being enhanced in line with our target operating model. The governance, ethics and business conduct principles and codes of best practice adopted by the Group are the purview of the Group Governance and Nominations Committee and the Group Risk, Social and Ethics Committee.

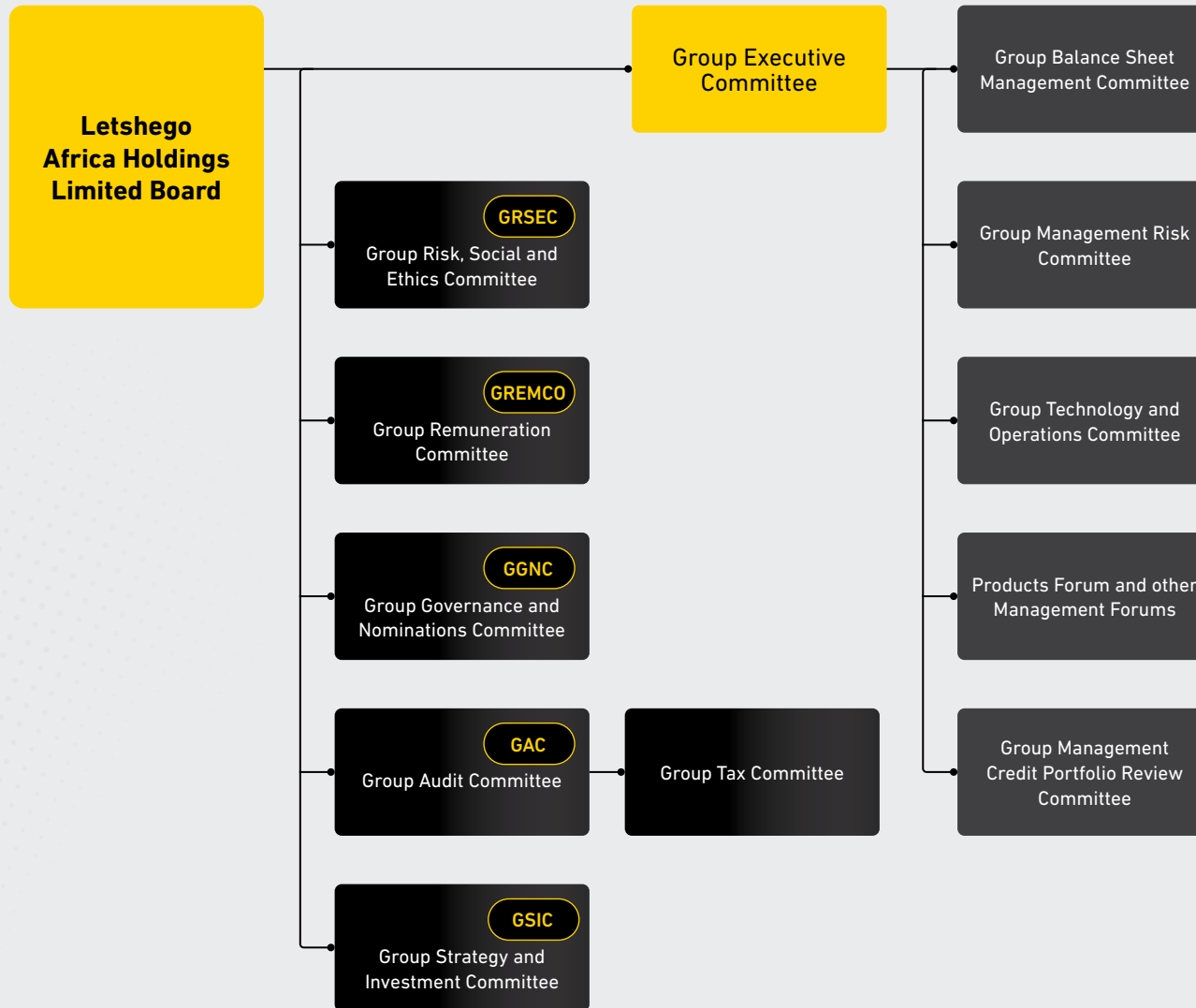
## Mechanisms that assist the Board to satisfy itself that an effective control environment is maintained include:

- ▶ The adoption of King IV assists the Board in ensuring that the Code's recommendations are materially entrenched across its primary risk type frameworks, policies, terms of reference and overall procedures and processes.
- ▶ The Board Charter clearly defines the Board's duties, responsibilities and powers to ensure clarity and accountability.
- ▶ The Group's governance structure supports clear delegation of authority while enabling the Board to retain visibility and effective control. The Board delegates authority to its committees and the Group CEO, who, in turn, mandate the Group's various management committees. The delegation of authority framework clearly defines the responsibilities of the Board and those of management.
- ▶ Controls to ensure compliance with applicable laws, regulations and best governance practices.

Letshego's governance structure supports the execution of the Group's strategy. It ensures that the Group complies with all relevant legislation and good corporate governance practices, acts ethically, balances the interests of our stakeholders, and delivers fair outcomes for our customers. It sets clear authority thresholds for the Board, its committees and the Group's management committees.



# Governance structure



## Good governance practices

The Board drives the Group's commitment to high ethical standards through a sound ethical culture, transparency, good performance, effective controls and integrity.



## Ethical culture

### Governance outcomes

Ethical leadership

Organisational values, ethics and culture

Responsible corporate citizenship

### Responsible Board committees

- ▶ Group Audit Committee
- ▶ Group Governance and Nominations Committee
- ▶ Group Risk, Social and Ethics Committee
- ▶ Group Strategy and Investment Committee
- ▶ Group Remuneration Committee

## Ethics management

Our leaders are committed to ethical practices and business conduct principles set out by the Board Charter and our Group-wide Governance Framework, which go beyond mere compliance. Our values, Code of Conduct and policies clearly articulate our ethical standards and expected business conduct.

The Board is responsible for ensuring that our strategy is delivered with integrity and high ethical standards that engender trust among customers and stakeholders. The Group Risk, Social and Ethics Committee assists the Board in sustaining an ethical corporate culture communicated through clearly articulated ethical standards. It oversees and monitors ethics awareness and inculcates our ethics and business conduct principles in the Group's strategies and operations. The Group Audit Committee also ensures ethical conduct, particularly by monitoring and overseeing initiatives to mitigate potential fraud-related risks.

## Our ethics and business conduct principles

Our ethics and business conduct principles guide the Group in ensuring an ethical corporate culture.

- ▶ Conducting the Group's business with integrity and accountability and in line with its values.
- ▶ Fully complying with all applicable local and international legislation and regulatory requirements.
- ▶ Maintaining and fostering an inclusive and empowering culture and working environment.
- ▶ Protecting the Group's intellectual property, information and data.
- ▶ Protecting and maintaining the best interests of the Group's stakeholders.
- ▶ Continuously leveraging innovation and creativity.
- ▶ Celebrating success.
- ▶ Proactively identifying, managing and mitigating possible, emerging, actual or perceived conflicts of interest.
- ▶ Empowering and encouraging our people and stakeholders to report any unlawful conduct.

## Conflicts of interest

Members of the Board are held accountable for identifying and being transparent about any actual or potential conflicts of interest between their personal interests and the Group's interests. All actual or potential conflicts of interest must be declared at the first Board meeting held after becoming aware of the conflict. Directors submit a declaration of interest annually, outlining all their directorships and personal financial interests, including those of their related parties. Directors are also required to make a declaration of interest at every Board meeting and review the agenda to identify any potential conflicts. This proactive approach helps prevent conflicts and ensures transparency in decision-making processes. Where an actual or potential conflict arises, the director concerned is excluded from discussions and any decision-making relating to the conflict.

## Ethics line

The Group operates a whistle-blowing hotline, which is independently managed by Deloitte. The ethics hotline allows all stakeholders to lodge an anonymous complaint or grievance. The independence of the ethics line provides Letshego with confidence that any concerns raised via the ethics line will be managed professionally and with appropriate discretion for the matter at hand. Stakeholders, whether internal or external, are our most valuable asset in combating fraud by reporting and raising concerns about potentially suspicious behaviour that goes against the Group's Code of Conduct.

## Employee awareness

Training and awareness programmes ensure that our employees understand our commitment to ethical trade, transparency, accountability and sustainability. Training is provided on our Code of Conduct, the values and behaviours we expect of employees, and their responsibilities in maintaining an ethical culture within the Group. Topics covered include the giving and receiving of gifts, anti-bribery, anti-corruption and anti-money laundering (AML), conflicts of interest, transparent and fair dealings with customers and how to report unethical behaviour and suspected fraud, among others.

## Corporate citizenship

Letshego strives to make a measurable and sustainable social impact within the markets where we operate. Our innovations are inspired by the societal challenges faced by local communities. A key driver of our work as a force for social good is our lending approach, which provides inclusive, ethical solutions that help more people improve their lives and those of future generations. Our business activities align with government mandates that encourage the productive use of loans, ultimately increasing income potential, creating employment, and fostering sustainable economic development.

The Board is ultimately responsible for promoting and monitoring our ESG performance and is assisted by the Group Strategy and Investment Committee. The committee reviews the Group's frameworks, policies and guidelines for safety, health, social investment, community development, environmental management and climate change.

## Approach to sustainability

Letshego continues to make progress in building a comprehensive Sustainability Framework that incorporates all functions and subsidiary businesses, as part of the Group's quest to foster ethical and robust business practices across its network. Core streams of focus include framework development, ESG risk management, ESG data management, reporting, funding, accreditation and thought leadership. After an independent due diligence, gap analysis, and leadership review process, Letshego has effectively updated its policies, procedures, and tools to align with international environmental & social (E&S) risk management standards.

The Group Risk, Social and Ethics Committee and the Group Strategy and Investment Committee have the mandate to oversee and track the progress and development of the Group's long-term sustainability ambitions across representative functions and subsidiaries.

## 2025 PERFORMANCE

- ▶ The Board is satisfied with the Group's progress in applying the recommendations of King IV.
- ▶ Continued to operationalise and deepen ESG practices across the Group.
- ▶ Continued to make progress in enhancing digital platforms to collect ESG and impact data.



GOOD GOVERNANCE PRACTICES continued

## Group strategy and reporting

### Governance outcomes

Strategy, implementation and performance

Reports and disclosure

### Responsible Board committees

- ▶ Group Audit Committee
- ▶ Group Strategy and Investment Committee
- ▶ Group Risk, Social and Ethics Committee



### Strategy

The Board approves the Group’s strategy and monitors strategic progress and the associated business plans for the Group and its subsidiaries. At the annual strategy session, the Board deliberates on the Group’s strategy and its alignment with the Group’s financial inclusion mandate and long-term sustainability. It also considers the risks and opportunities facing the Group, as well as the progress made in implementing the strategy.

The Group Strategy and Investment Committee reviews and recommends to the Board for approval all new strategic investments and material funding initiatives needed to advance the delivery of the Group’s strategic intent. This may include start-up operations, mergers and acquisitions, joint venture partnerships, and divestments when objectives are not achieved. The committee also provides input on strategy formulation and recommends the strategy to the Board for approval. At a management level, Group Exco and the Group Technology and Operations Committee drive strategy implementation from approving and prioritising projects to monitoring trends and identifying strategic partnerships.

### Reporting and disclosure governance

The Board, Group Risk, Social and Ethics Committee, and Group Audit Committee all have responsibilities for ensuring the integrity of the Group’s financial and integrated reporting. This includes ensuring that our reporting is transparent and meets stakeholders’ information needs, enabling them to make informed decisions about the Group’s prospects. The Group Audit Committee is responsible for oversight of the preparation of accurate financial statements that comply with all applicable legal requirements and accounting standards.

## 2025 PERFORMANCE

- ▶ To support the delivery of the Group’s strategy:
  - The Board oversaw and monitored the implementation of the Group’s key strategic projects.
  - The Board approved key senior management appointments.
  - The Group Audit Committee, following its review, was satisfied with the competency and expertise of the Group Chief Financial Officer.
  - Reviewed material investment and capital allocation recommendations to support the strategy.
- ▶ Reviewed and recommended the 2024 financial statements and integrated reports for Board approval.

## GOOD GOVERNANCE PRACTICES continued

## The Board

### Governance outcomes

Role of the governing body



Board composition

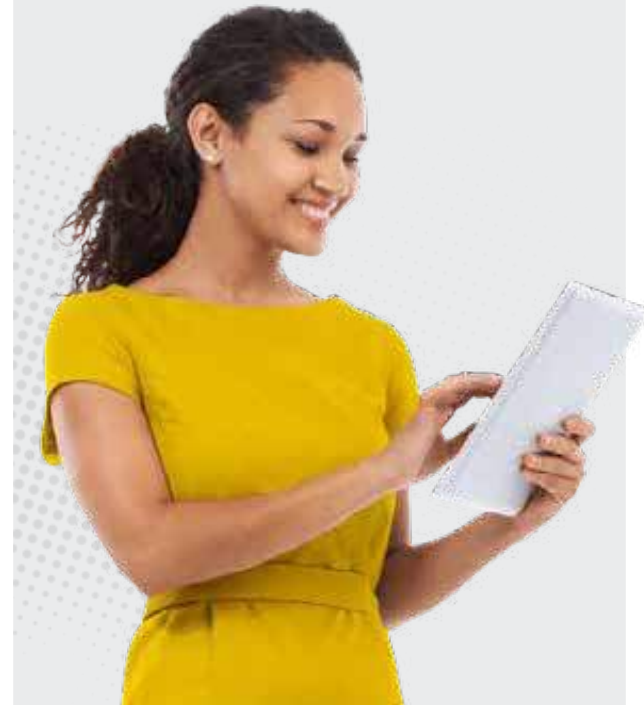


Performance evaluation



### Responsible Board committees

- ▶ Board
- ▶ Group Governance and Nominations Committee



### Overview

The Board plays a pivotal role in creating and preserving value. It approves strategy, sets policy, ensures capital prudence, and oversees the Group's governance frameworks and control environment.

All Board members have a fiduciary duty to represent the best interests of the Group and its key stakeholders. The Board Charter documents the role, responsibilities and procedural conduct of the Board. It aligns with King IV and relevant statutory and regulatory requirements. It covers corporate governance, trading by directors in the Group's securities, declarations of personal interests and potential conflicts of interest, alternative dispute resolution, and business continuity procedures, among others. The Board Charter is reviewed every two years. Subsidiary Boards oversee strategy implementation within each of our markets. The roles, responsibilities, and procedural conduct of these Boards are set out in the Group-wide Governance Framework. Subsidiary Boards ensure that country management maintains effective and efficient operations and internal controls and complies with laws and regulations. The Group continues to align the composition of subsidiary Boards with best practice governance principles.

### Board composition

The Group's non-executive directors are individuals of high calibre and credibility who make significant contributions to the Board's deliberations and decisions. The Board comprises a mix of skills, knowledge and expertise appropriate for the nature and strategic demands of the Group. The diversity of the Board brings different perspectives to strategic decisions. The Board Chairperson sets the ethical tone for the Board and is responsible for ensuring the Board operates with a collective mind and efficiently and effectively. The Board Chairperson, Mr Christopher Mokgware, is an independent, Non-Executive Director. The role of the Chairperson is separate from that of the Group CEO.

The Board, assisted by the Group Governance and Nominations Committee, regularly reviews its composition to ensure it is appropriate for the strategy, supports the effective execution of the Board's responsibilities and aligns with the requirements of King IV. When gaps in knowledge or skills are identified, and/or new appointments are made, directors receive development training. Development training is provided on matters such as the Group's risks, applicable laws, accounting standards and policies, and the Group's operating environment.

Director independence is reviewed annually, including the independence of the Chairperson. Directors who have served for three consecutive years or have been on the Board the longest must stand for re-election at the Annual General Meeting (AGM). The maximum term for non-executive directors is nine years.

### Appointment process

The director appointment process and criteria for assessing the appropriateness of potential candidates are documented in the Board Charter and Identification, Appointment and Re-appointment of Directors Framework. Shareholders vote on the appointment of all non-executive directors at the AGMs, either by ratifying appointments made by the Board or voting on the re-election of directors who retire by rotation. Full disclosure on the appointed directors is provided to shareholders to assist their assessments. The Group Governance and Nominations Committee ensures that the appointment process is transparent. In addition to a candidate's experience, knowledge, skills, availability, and likely fit, the committee also considers the candidate's integrity and ability to dedicate sufficient time to the Board, given their other directorships and commitments. The committee seeks to balance experience and institutional knowledge with fresh insight.

### Induction

Our induction programme provides new directors with information on their fiduciary duties and responsibilities, as well as the Group's business and operations. Appointment letters clearly explain what is expected of Board members in terms of time commitments, committee service and involvement outside Board meetings.

## GOOD GOVERNANCE PRACTICES | THE BOARD continued

## Access to information and professional advice

The Board has unrestricted access to Group information and can seek advice from alternative sources if needed. Board and committee meeting papers are circulated timeously ahead of scheduled meetings so that directors can prepare and discharge their duties adequately.

## Performance evaluation

Independent Board performance evaluations and self-assessments are conducted every three years. The self-assessment process provides open, constructive, two-way feedback between the Chairperson and Board members on the performance of the Board and its committees across various governance areas. Action plans are then implemented to address areas of improvement.

While some subsidiary Boards have initiated performance assessments for individual Board members, efforts are ongoing to ensure that this practice is adopted consistently across all subsidiaries. The objective is to embed a uniform standard of governance and accountability throughout the Group.

## Company Secretary

The Company Secretary plays a key role in the Group's management of corporate governance and reports to the Board Chair on all statutory duties and functions pertaining to the Board. The Company Secretary's primary responsibilities are to:

- ▶ Facilitate Board administration.
- ▶ Ensure the Board and its committees comply with statutory procedures and their respective Charters, and that Board and committee procedures are adhered to and regularly reviewed.
- ▶ Guide the Board on the proper discharge of its responsibilities.
- ▶ Keep the Board updated on developments regarding best practice corporate governance.
- ▶ Ensure that Board and committee meetings are effectively conducted, including appropriate input to the meetings and follow-up and feedback to the Board when queries are raised.

- ▶ Ensure that the Group complies with the governance aspects of applicable laws and regulatory frameworks, including the BSE Listings Requirements.
- ▶ Ensure that the correct procedures are followed when appointing new directors, including their induction.

The Board, following its review, was satisfied with the competency and expertise of the Company Secretary.

The Board is satisfied that an appropriate arm's-length relationship is maintained with the Company Secretary. The Company Secretary is appointed by, and accountable to, the Board, and operates independently of executive management.

The Board, through the Chairperson, oversees the performance of the Company Secretary and ensures that the role remains objective and free from undue influence. The Company Secretary has unfettered access to the Board and its committees and provides independent guidance on governance, compliance, and statutory matters.



GOOD GOVERNANCE PRACTICES | THE BOARD continued

### Independence

The Board is sufficiently independent to support diverse thinking and opinions. The Board Chairperson, Mr Christopher Mokgware, is independent and free from any conflicts of interest.



- Non-executive Directors **4**
- Executive directors **2**
- Independent Non-executive Directors **4**

### Age

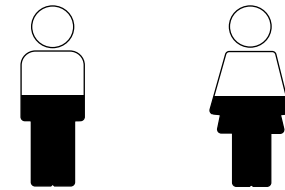
The average age of the Board is 55 years. Board succession plans are reviewed regularly and considered adequate, with appropriate interim measures in place should an unforeseen loss of expertise occur.



- Under 50 years **1**
- 50 – 59 years **7**
- Over 60 years **2**

### Gender

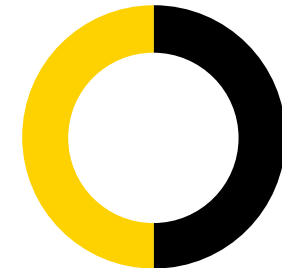
The requirements of the Board Charter and the Directors' Induction Guidelines regarding Board appointments were met.



Male: **50%** Female: **50%**

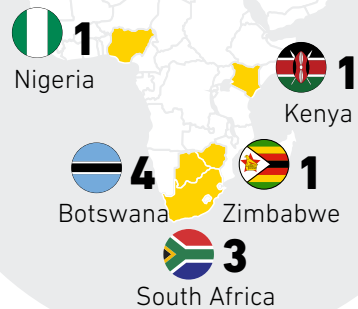
### Tenure

The average tenure of the Board is 3 years.



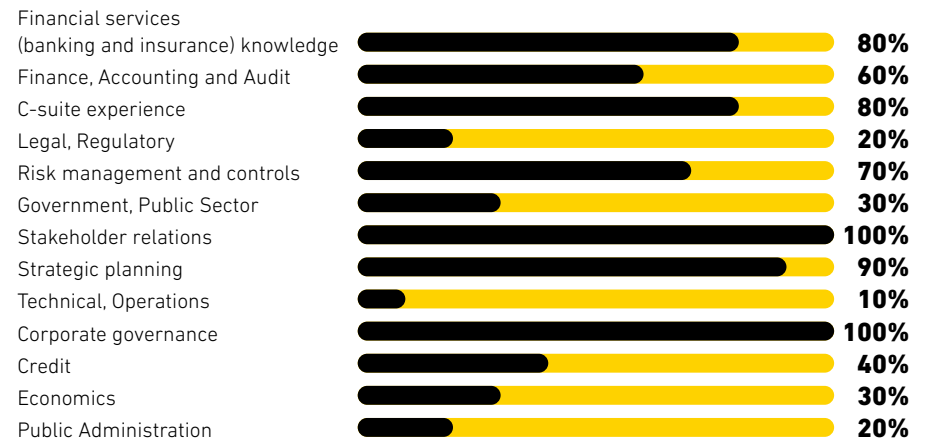
- 0 – 3 years **5**
- Over 3 years **5**

### Nationality



### Skills

The Board has the appropriate skills needed to oversee the delivery of the Group's strategic intent and to navigate the Group's operating environment.



GOOD GOVERNANCE PRACTICES continued

### Board meeting attendance

Board and sub-committee meeting attendance from 1 January 2025 to 31 December 2025 was as follows:

Director	Board meeting	GAC	GRSEC	GRemCo	GGNC	GSIC	Training
C Mokgware (Chair)	17/17	2/2	–	–	4/4	5/5	3/3
A Odubola	17/17	7/7	4/4	6/6	–	8/8	3/3
R Mwaura	17/17	7/7	4/4	–	–	8/8	3/3
C Lesetedi	14/17	–	–	4/6	4/4	1/1	2/3
T Tomango	9/10	–	3/3	–	3/3	–	2/3
T Loeto	3/3	–	2/2	2/2	–	2/2	2/2
P Odera	2/7	–	–	–	1/1	–	–
R Hoekman	11/11	–	2/2	4/4	–	6/6	–
J Ramesh	17/17	7/7	–	6/6	–	8/8	3/3
Prof E Bothale	11/11	3/3	2/2	–	2/2	–	–



## 2025 PERFORMANCE

The Board held its scheduled quarterly meetings during the year, together with the annual strategy review meeting and additional sessions to consider and approve key operational, strategic and governance matters and are satisfied that the functions are performing within expectations.

### GAC

- ▶ Reviewed the performance and effectiveness of Group Internal Audit, the Group Chief Audit Executive (CAE), the Group Chief Financial Officer (CFO) and the finance function, and are satisfied that the functions are performing effectively and continue to provide appropriate oversight, assurance and financial stewardship across the Group.
- ▶ Reviewed and approved 2025 Audited Financial Statements.
- ▶ Reviewed and approved the Internal Audit Charter and Internal Audit Plan.
- ▶ Reviewed and recommended the revised Group Audit Committee Charter for Board approval.

### GRSEC

- Reviewed and recommended the following frameworks and policies to the Board for approval:
- ▶ Data Protection Policy
  - ▶ Procurement Policy
  - ▶ Debt Sale Policy
  - ▶ Disaster Recovery and Availability Management Policy
  - ▶ IT Compliance Policy
  - ▶ Data Classification and Records Retention Policy
  - ▶ Employee and Contract Security Policy
  - ▶ 3rd Party Risk Management Policy

- ▶ IT and Cyber Security Policy
- ▶ Treasury Risk Policy
- ▶ Product Risk Framework and Policy
- ▶ Group Risk, Social and Ethics Committee Charter

### GGNC

- Reviewed and recommended the following frameworks and policies to the Board for approval:
- ▶ Revised Group Governance and Nominations Committee Charter.
  - ▶ Revised Group-wide Corporate Governance Framework.
  - ▶ Revised Identification, Appointment and Re-Appointment of Directors Framework.

### GREMCO

- ▶ Reviewed and approved the organisational restructuring of the business and recommended the same for Board approval.
- ▶ Reviewed and recommended the Revised the Group Remuneration Committee Charter to the Board for approval.

### GSIC

- ▶ Reviewed and recommended the Revised the Group Strategy and Investment Committee Charter to the Board for approval.
- ▶ Approved several strategic projects and corporate actions.

GOOD GOVERNANCE PRACTICES continued

## Committees of the governing body

### Governance outcomes

Committees of the governing body

Performance evaluation

### Overview

The Board sub-committees have specific areas of responsibility to assist the Board in discharging its duties and responsibilities.

The Board considers each committee's information, opinions, recommendations, reports and statements at its quarterly meetings. An independent non-executive director chairs each committee. Committee Charters are approved by the Board and reviewed at least every two years or as necessary. The Board must also approve any changes to Charters. When joining a Board committee, new members are provided with information on the committee's responsibilities and the specific practices and procedures that pertain to its oversight of Group functions and activities.

## Group Audit Committee

GAC

### Quorum

Minimum of three members  
Majority = quorum

### Frequency

Meets at least four times a year

### Members

#### Independent non-executive directors

- ▶ R Mwaura (Chair)
- ▶ A Odubola
- ▶ J Ramesh\*
- ▶ C Mokgware
- ▶ Prof E Bothale\*

#### Independent attendees

- ▶ External Audit Engagement Partner

#### Management attendees

- ▶ Group Chief Executive Officer
- ▶ Group Chief Financial Officer
- ▶ Group Chief Audit Executive

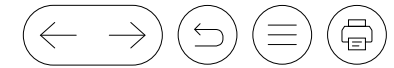
#### Permanent invitees

- ▶ Group Chief Risk and Compliance Officer
- ▶ Group Head of Credit Risk

### Key areas of responsibility

- ▶ Provides independent assurance to the Board on the financial reporting process, systems of internal controls, the audit process and the process for monitoring compliance with laws and regulations.
- ▶ Oversees the Group's reporting and disclosure and reviews the Group's accounting policies.
- ▶ Oversees the Group's corporate accountability, such as ethical conduct and tax compliance, among others, and the management of associated risks, including the risk of fraud.
- ▶ Oversees the Group's combined assurance approach.
- ▶ Oversees the effectiveness of the Group's internal audit, finance and reporting functions.
- ▶ Review with the Group CAE, the audit plans, internal audit financial budget, staffing plan, activities, and organisational structure of the internal audit function; and consider whether or not the standing of the Group Internal Audit (GIA) function provides adequate support to enable the Committee to meet its objectives.
- ▶ Review the performance of the GCAE and concur with the annual compensation and salary adjustment.
- ▶ Review the effectiveness of the internal audit function, including conformance with the Global Internal Audit Standards.
- ▶ Evaluating the performance and effectiveness of GIA, the Group CFO and the finance function.
- ▶ Reviewing the adequacy and effectiveness of the Company's systems of internal control in responding to risks within the organisation's governance, operations and information systems, including internal financial control and business risk management.

\* Resigned from the Board.



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GOOD GOVERNANCE PRACTICES | COMMITTEES OF THE GOVERNING BODY continued

### Group Risk, Social and Ethics Committee

GRSEC

Quorum	Frequency
Minimum of three members Majority = quorum	Meets at least four times a year

#### Members

##### Independent non-executive directors

- ▶ A Odubola (Chair)
- ▶ R Hoekman\*
- ▶ R Mwaura
- ▶ Prof E Botlhale\*

##### Non-executive directors

- ▶ T Tomango
- ▶ T Loeto

##### Management attendees

- ▶ Group Chief Executive Officer
- ▶ Group Chief Financial Officer
- ▶ Group Chief Risk and Compliance Officer
- ▶ Group Head of Credit Risk

##### Permanent invitees

- ▶ Other Exco members as required

#### Key areas of responsibility

- ▶ Formulates the Group's risk profile and risk appetite.
- ▶ Oversees the Group's Enterprise Risk Management Framework (ERMF) and monitors the Group's primary risks against the approved risk appetite and controls.
- ▶ Approves the nature, role, responsibility and authority of the risk management function and its scope of work.
- ▶ Monitors external developments relating to corporate accountability and any associated risks, including emerging risks and their prospective impacts.
- ▶ Oversees the management of organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships, including the Group's social and environmental frameworks, policies and guidelines.
- ▶ Considers succession plans for the Group's Chief Risk and Compliance Officer.

### Group Governance and Nominations Committee

GGNC

Quorum	Frequency
Minimum of three members Majority = quorum	Meets at least four times a year

#### Members

##### Independent non-executive directors

- ▶ P Odera (Chair)\*
- ▶ C Mokgware

##### Non-executive directors

- ▶ C Lesetedi
- ▶ T Tomango

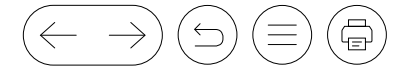
##### Management attendees

- ▶ Group Chief Executive Officer
- ▶ Group General Counsel and Board Secretary

#### Key areas of responsibility

- ▶ Determines the principles of governance, social ethics and codes of best practice for adoption by the Board and the Group.
- ▶ Manages director appointments, retirements and re-elections, as well as the induction of new directors.
- ▶ Oversees succession planning for the Board Chairperson.
- ▶ Facilitates the performance evaluation of the Board and its committees and oversees the action plans to achieve improvements.
- ▶ Oversees the performance evaluation of individual Board members.
- ▶ Oversees the education of directors.
- ▶ Conducts the annual directors' independence assessment.

\* Resigned from the Board.



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GOOD GOVERNANCE PRACTICES | COMMITTEES OF THE GOVERNING BODY continued

## Group Remuneration Committee

GREMCO

Quorum	Frequency
Minimum of three members Majority = quorum	Meets at least four times a year

### Members

#### Independent non-executive directors

- ▶ J Ramesh (Chair)\*
- ▶ R Hoekman\*
- ▶ A Odubola (Chair)

#### Non-executive directors

- ▶ C Lesetedi
- ▶ T Loeto

#### Management attendees

- ▶ Group Chief Executive Officer
- ▶ Group Chief People and Culture Officer

### Key areas of responsibility

- ▶ Reviews the Group's Remuneration Policy and Framework.
- ▶ Ensures that the remuneration of all employees is fair and market-related for key roles.
- ▶ Ensures that remuneration is linked to the Group's strategic and financial performance.
- ▶ Oversees the policies related to the appointment, succession planning, and professional development of executive directors and senior managers.
- ▶ Establishes performance targets for the Group's incentive scheme.
- ▶ Recommends non-executive directors' fees.
- ▶ Oversees the management of people-related risk, including the policies and frameworks to manage the workforce.
- ▶ Oversees talent management and succession planning, including for the CEO.

## Group Strategy and Investment Committee

GSIC

Quorum	Frequency
Minimum of three members Majority = quorum	Meets at least four times a year

### Members

#### Independent non-executive directors

- ▶ R Hoekman (Chair)\*
- ▶ R Mwauro
- ▶ J Ramesh\*
- ▶ A Odubola

#### Non-executive directors

- ▶ C Lesetedi (Chair)
- ▶ T Loeto

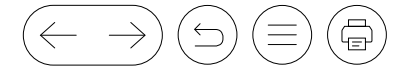
#### Management attendees

- ▶ Group Chief Executive Officer
- ▶ Group Chief Financial Officer
- ▶ Group Chief Operations Officer
- ▶ Group Chief Products Officer

### Key areas of responsibility

- ▶ Oversees all new strategic investments and major funding initiatives, as well as funding mechanisms to support the Group's strategy.
- ▶ Participates in investment and funding negotiations when appropriate.
- ▶ Manages the Group's investment policies and guidelines.
- ▶ Participates in the development of the Group's strategy and recommends it to the Board for approval.
- ▶ Review and assess proposals for significant restructuring, including changes to the business model, organisational structure or strategic direction, and provide recommendations to ensure alignment with the Group's long-term strategy and investment objectives.
- ▶ Monitors and reviews the annual business plan, budget and capital structure of the Group.
- ▶ Responsible for integrating ESG considerations into the organisation's strategic and governance frameworks. This includes evaluating ESG factors in strategic initiatives and investments, promoting transparency in ESG reporting, engaging stakeholders to incorporate their perspectives, monitoring ESG performance metrics, and collaborating with management to embed ESG principles across the organisation.

\* Resigned from the Board.



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GOOD GOVERNANCE PRACTICES continued

## Delegation to management

### Governance outcomes

Delegation to management 

### Overview

The Board delegates the implementation of the Group's strategy, the individual country strategies and the running of day-to-day activities to the Group CEO and Exco. Various management committees address specific business imperatives.

Exco reports to the Board and its committees. This provides an appropriate flow of information and progress reports from mandated management teams to the relevant oversight Board committees. The Board constructively challenges management, holding it to account for the Group's progress.

The Board appoints the Group CEO, who serves as the link between management and the Board. The Group CEO is accountable to the Board and delivers regular reports on strategic progress.

### Group Executive Committee

Quorum	Frequency
Exco members	Weekly

#### Members

- ▶ Group CEO (Chair)
- ▶ Exco members

#### Key areas of responsibility

- ▶ Provides unified leadership in delivering the Group's strategic intent and addressing business challenges.
- ▶ Drives strategy implementation and sets the budgets for the Group, country and business strategies.
- ▶ Ensures that significant risks are appropriately managed and that the Board is kept updated on these risks as well as emerging risks.
- ▶ Monitors the external environments of each market in which the Group operates.
- ▶ Promotes a culture that is ethical and customer-centric and drives innovation, high performance and stakeholder engagement.
- ▶ Ensures the Group's commitment to the workforce is appropriate.
- ▶ Ensures exemplary governance and effective cost control.

### Group Management Risk Committee

Quorum	Frequency
Exco members	Quarterly

#### Members

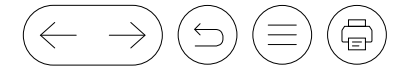
- ▶ Group CEO (Chair)
- ▶ Exco members

#### By invitation

- ▶ Risk owners and subject matter experts

#### Key areas of responsibility

- ▶ Reviews the Group ERMF and its supporting Primary Risk Type Frameworks, level 1 Policies and Risk Appetite before recommending the same to the Board for approval.
- ▶ Reviews the Group Level 2 Policies, Standards and Guidelines before recommending them to Group Exco for approval.
- ▶ Approves all Group Procedures and Processes recommended by Group Functional Heads.
- ▶ Promotes a culture of risk management discipline, anticipation and compliance.
- ▶ Reviews models and approaches to inform the Group's risk appetite and the risk appetite for each market for approval by Exco and the Board.
- ▶ Oversees the implementation of all elements of the Group's ERMF.
- ▶ Monitors compliance with the Group and country risk appetites.
- ▶ Manages and takes action to mitigate all primary risks facing the Group.
- ▶ Reviews significant risk events and ensures that the control environment is adequate to prevent recurrence.



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GOOD GOVERNANCE PRACTICES | DELEGATION TO MANAGEMENT continued

### Group Technology and Operations Committee

Quorum	Frequency
50% of members + 1, including the chair or alternative	Bi-monthly

#### Members

- ▶ Group Chief Operations Officer (Chair)
- ▶ Group Chief Digital and Data Officer
- ▶ Group Chief Products Officer
- ▶ Group Head of Technology
- ▶ Senior representatives from IT, Digital and Data, Cybersecurity, and Operations
- ▶ Representatives from strategic business units with significant technology dependencies, including Products, Marketing, Sales

#### Key areas of responsibility

- ▶ To ensure that technology strategy and investments align with and support the overall Group strategy and objectives.
- ▶ To foster innovation and technological advancement within the Group.
- ▶ To provide oversight and guidance on technology-related risks and cybersecurity.

### Group Balance Sheet Management Committee

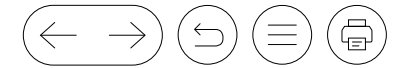
Quorum	Frequency
The majority of members	Monthly

#### Members

- ▶ Group CEO (Chair)
- ▶ Selected Exco members

#### Key areas of responsibility

- ▶ Responsible for balance sheet planning and management for the Group within set risk parameters.
- ▶ Reviews, accepts and recommends Asset and Liability (ALM) management limits for approval by the Board.
- ▶ Reviews and monitors the capital management process, including capital planning, capital allocation, economic capital calculation and stress testing.
- ▶ Monitors liquidity and funding, including liquidity contingency plans.
- ▶ Monitors interest rate risk, foreign exchange risk exposures, cost of funds and product pricing across the Group.
- ▶ Conducts stress testing and model validation for ALM.



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GOOD GOVERNANCE PRACTICES | DELEGATION TO MANAGEMENT continued

## Group Management Credit Portfolio Review Committee

Quorum	Frequency
<p>Four members, including the Chair or alternate Chair.</p> <p>Country heads of risk and business must be represented.</p>	<p>Bi-monthly</p>

### Members

- ▶ Group Chief Risk and Compliance Officer (Chair)
- ▶ Selected Exco members
- ▶ Head of Group Credit Risk
- ▶ Group Credit Operations Manager
- ▶ Group Head of Shared Services
- ▶ Country Chief Risk Officers
- ▶ Country Heads of Business
- ▶ Country Heads of Risk and Credit
- ▶ Country Collections and Recoveries manager

### By invitation

- ▶ Country CEOs
- ▶ Other specialists and senior management may be invited where appropriate.

### Key areas of responsibility

- ▶ Oversees credit risk management and underwriting processes and ensures they are in line with the Group's credit risk management framework.
- ▶ Agrees on key credit risk decisions and strategies to improve portfolio quality.
- ▶ Oversees the collections and recoveries processes to ensure they are effective and meet set targets and budgets.
- ▶ Escalates all material variations within lending portfolios (Group and country) and deviations from the Group's credit risk management framework.
- ▶ Ensures that businesses operate within the set mandates of all governance structures (e.g. loan limits and other operating limitations imposed).
- ▶ Oversees all agreed deep dives and portfolio investigations.
- ▶ Ensures that terms of reference are in place for local Portfolio Review Committees.

## Country Management Committees

Quorum	Frequency
<p>The majority of members</p>	<p>Monthly</p>

### Members

- ▶ Country CEOs
- ▶ Country management team.

### Key areas of responsibility

- ▶ Promote the Group's desired culture.
- ▶ Provide unified leadership on key strategic and other business initiatives within the country operations.
- ▶ Drive the implementation of country business strategies within budget.
- ▶ Timely reporting of any significant risks or issues in-country.
- ▶ Monitor external developments in their respective markets and the associated risks.
- ▶ Promote and implement an effective risk management framework in their respective operations aligned to the Group's framework.
- ▶ Ensure that their respective operations operate according to the highest standards of regulatory compliance and best practice.
- ▶ Approve all new products and service offerings for approval by Exco.



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GOOD GOVERNANCE PRACTICES continued

## Risk and opportunity

### Governance outcomes

Risk and opportunity governance 

### Responsible Board committees

- ▶ Board
- ▶ Group Risk, Social and Ethics Committee
- ▶ All Board committees oversee the risks about their specific responsibilities.

### Governing risk

Risks are governed and managed through an extensive, multi-layered, and integrated structure, with the Board ultimately responsible for risk governance.

Our ERMF promotes a sound risk culture and risk visibility, ensuring that risks are adequately identified, measured, managed and monitored. Informed by our Agile Ways of Work, risks are governed and managed through an extensive, multi-layered, and integrated structure, with the Board ultimately responsible for risk governance. Our risk management approach can be quickly adapted to respond to changing risks encountered as we execute our strategy.

The Group Risk, Social and Ethics Committee is responsible for developing and reviewing the ERMF that supports strategic delivery, including the principles, policies, systems, processes and training needed to ensure effective risk governance. If required, the committee can establish additional committees to manage risk. It also formulates the Group's risk profile and appetite. The Board approves the risk appetite, and ERMF and the primary policies that support it. The Board and the GRSEC are responsible for ensuring the effective implementation and management of the ERMF.

### Managing risk

The Group's management teams are responsible for identifying key risks. The GRSEC ensures that the processes for identifying key risks are appropriate across our operations and assesses the integrity of our risk control systems. Both the Board and the GRSEC review the key risks that impact or may impact the achievement of our strategic imperatives and/or our business model, as well as the strategies and systems in place to mitigate their impact and protect the Group from financial loss. Our key risks include operational (people, supplier and product risks), strategic (market, digital, IT & cybersecurity and data risks), compliance (regulatory and legal risks), and financial (capital, credit and treasury risks).

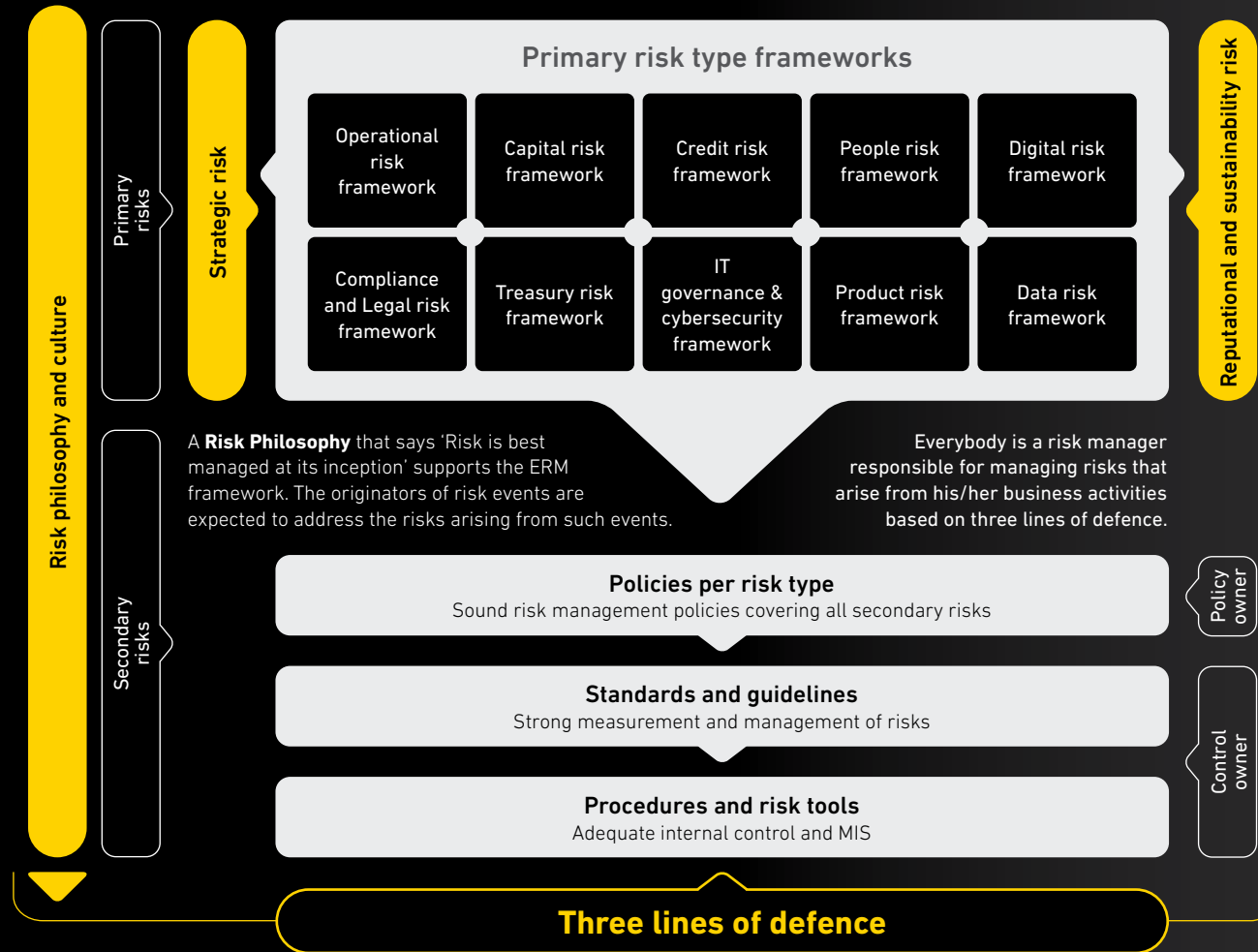
The Group Executive Committee approves the models and approach for determining risk appetite, monitors the operating environment, including within regional operations, to identify emerging risks, and ensures appropriate actions are taken to mitigate them. The Group Management Risk Committee implements the ERMF, proactively manages the Group's key risks, and ensures compliance with the Group's risk appetite, including the taking of remedial action to prevent the recurrence of any risk event. It also ensures that the subsidiary risk management frameworks are effective, align with the Group ERMF, comply with regulations, and adequately identify, assess, monitor, control and report regional risks. The risk appetite framework communicates our risk profile and helps subsidiaries manage risks within the approved risk appetite. Country CEOs and their Country Management Committees are responsible for effectively implementing their risk management frameworks in their respective operations. We regularly review and assess the maturity of risk management processes across subsidiaries and deliver awareness, knowledge, and capacity-building initiatives when required.

## 2025 PERFORMANCE

Reviewed and recommended the following frameworks and policies to the Board for approval:

- ▶ Data Protection Policy
- ▶ Procurement Policy
- ▶ Debt Sale Policy
- ▶ Disaster Recovery and Availability Management Policy
- ▶ IT Compliance Policy
- ▶ Data Classification and Records Retention Policy
- ▶ Employee and Contract Security Policy
- ▶ 3rd Party Risk Management Policy
- ▶ IT and Cyber Security Policy
- ▶ Treasury Risk Policy
- ▶ Product Risk Framework and Policy
- ▶ Group Risk, Social and Ethics Committee Charter

## Enterprise-wide risk management framework (ERMF)



A **Risk Philosophy** that says 'Risk is best managed at its inception' supports the ERM framework. The originators of risk events are expected to address the risks arising from such events.

Everybody is a risk manager responsible for managing risks that arise from his/her business activities based on three lines of defence.

**Policies per risk type**  
Sound risk management policies covering all secondary risks

**Standards and guidelines**  
Strong measurement and management of risks

**Procedures and risk tools**  
Adequate internal control and MIS

**Three lines of defence**

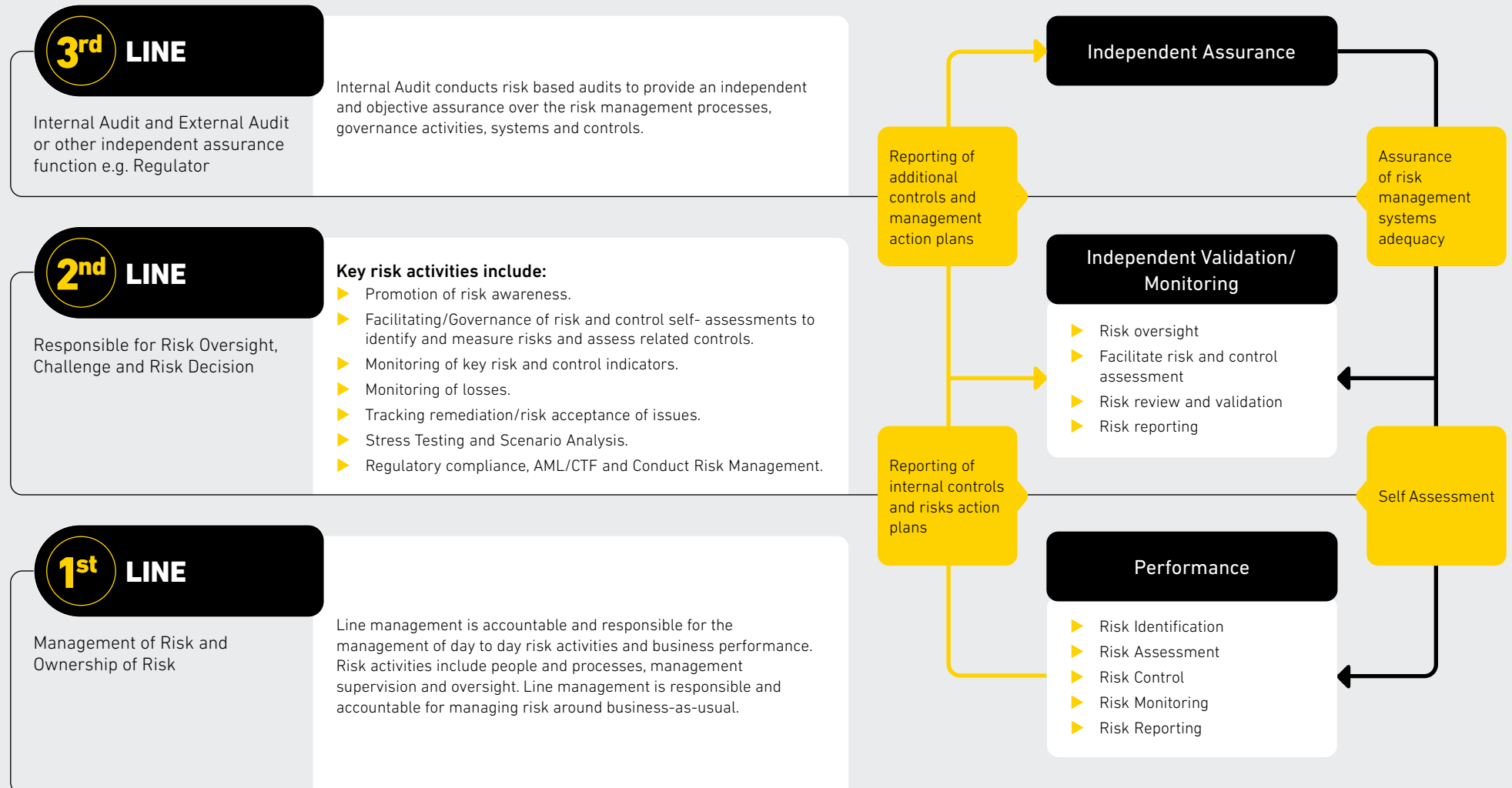
Our group-level policies are categorised into levels 1 and 2. Level 1 policies are required to meet regulatory, governance and legal requirements. The Board approves these policies. Level 2 policies must meet a range of operational requirements, and Exco is responsible for their approval. The Board approves risk appetite statements and metrics.



GOOD GOVERNANCE PRACTICES | RISK AND OPPORTUNITY continued

### Three lines of defence model

The effectiveness of the Group’s ERMF is underpinned by our three lines of defence model. The model clearly divides risk management responsibilities among the risk owners (line management), the control functions (risk and compliance management), and the internal audit function. The model helps the Group address all identified risks, design and implement control activities, and ensure that risks are taken within the approved risk appetite.



GOOD GOVERNANCE PRACTICES continued

## Technology and information

### Governance outcomes

Technology and information governance

### Responsible Board committees

- ▶ Board
- ▶ Group Audit Committee
- ▶ Group Risk, Social and Ethics Committee
- ▶ Group Strategy and Investment Committee

### Overview

The Group's operations and sustainability are critically dependent on information and technology (I&T), particularly the delivery of innovative products that enhance our competitive advantage.

As we advance our digital transformation, information security governance has also become key. Both the IT and Cybersecurity Risk Framework and the ERMF cover the management of all significant I&T risks, as well as disaster management, cybersecurity, I&T policies, legal risks, and compliance with laws, rules, codes, and standards. Both a digital framework policy and a data framework policy are in place. At the subsidiary level, country managers are responsible for the effective implementation of their respective business continuity and disaster management plans.

Our IT and Cybersecurity Risk Framework ensures that best practices are implemented, I&T performance is robustly monitored and measured, I&T costs are optimised, and I&T resources are used efficiently.

Read more about our efforts in the digitisation section on **page 37**.

## 2025 PERFORMANCE

- ▶ Remediated customer information using AI to improve data management, eliminate silos and ensure data integrity.
- ▶ Modernised compliance and AML risk management by leveraging advanced technologies to mitigate regulatory adaptation challenges, including delayed responses and regulatory complexity.



GOOD GOVERNANCE PRACTICES continued

# Compliance

## Governance outcomes

Compliance governance

## Responsible Board committees

- ▶ Board
- ▶ Group Audit Committee
- ▶ Group Risk, Social and Ethics Committee

## Overview

Regulators and other governmental bodies perform a number of activities, including requests for information, audits, investigations, legal and other proceedings to determine our compliance with consumer protection policy and other legislation and regulations relating to our trading and business activities.

As a key risk, compliance is a standing agenda item of GRSEC. The Board is kept abreast of any new legislation or regulatory changes and their impact on the Group and/or its subsidiaries, as well as the controls being implemented to ensure compliance. A number of jurisdictions have recently been grey-listed by the Financial Action Task Force (FATF). A significant number of new laws relating to anti-money laundering (AML), cybercrime and the protection of personal information were passed to facilitate removal from the grey list. Five African countries have since been removed from the list.

To ensure compliance, monitoring and reporting systems were enhanced to bolster AML and CFT, as well as other regulatory requirements. Throughout the year, the Group maintained rigorous compliance with legal, regulatory, and governance standards, ensuring operational integrity and stakeholder confidence. The Group Audit Committee and Group Risk, Social and Ethics Committee, and, at a management level, the Group Management Risk Committee assist the Board in this responsibility.

## Tax governance

The Group undertakes legitimate and responsible tax planning in all countries in which it operates. We do not use artificial or abnormal tax structures intended to avoid tax.

Our objective is to generate enough taxable income to absorb a greater portion of our accumulated tax losses and to utilise withholding tax credits to reduce our effective tax rate to optimal levels.

The Group Tax Committee is responsible for the achievement of the Group's tax strategy, promotes an ethos of tax compliance, manages tax risks and acts as a trusted advisor to the Group's businesses. It manages tax policy and other tax-related governance tasks. The committee reports directly to GAC.

Our approach to tax is underpinned by a commitment to complying with tax laws responsibly and maintaining open, constructive relationships with tax authorities, governments, and fiscal authorities.

*Effective tax rate: page 41.*

# 2025 PERFORMANCE

- ▶ Leveraged AI to enhance the Group's compliance and AML risk management, to modernise our operations and reduce operational costs and resource misallocation.
- ▶ Streamlined processes, reducing time-consuming tasks and enhancing scalability.
- ▶ Remediated customer information using AI, significantly improving data management, eliminating silos and ensuring data integrity. This mitigated regulatory adaptation challenges, including delayed responses and regulatory complexity.
- ▶ Implemented a quarterly risk assessment process to identify tax risks, their impact and mitigation.



GOOD GOVERNANCE PRACTICES continued

## Remuneration

### Governance outcomes

Remuneration governance

### Responsible Board committees

- ▶ Board
- ▶ Group Remuneration Committee

### Overview

The Board, with Group Remco's assistance, ensures that our employees are remunerated fairly, responsibly, transparently and in line with industry standards. A Group-wide remuneration policy and framework govern remuneration.

We use independent surveys and consultants to ensure that our remuneration is market-related and establish remuneration credibility with our shareholders. We provide performance-based short- and long-term incentives to attract, incentivise and retain top talent. Executive directors, senior leaders and management are appraised against predetermined strategic objectives and the achievement of specific Group performance targets, which the Board approves annually. The Remco Chair reports to the Board after each meeting.

Read more about remuneration: [page 106](#).

## 2025 PERFORMANCE

- ▶ The Board is satisfied that the Group's remuneration policy supports the achievement of the Group's strategic objectives.
- ▶ Oversight implementation of the Group's Culture Blueprint, including new company values.



# Remuneration report

The Group aims to remunerate Board members and Group employees adequately, fairly and within industry norms. The Group's remuneration practices balance rewards with its strategic objectives.



## Remuneration policy

The Group's Remuneration Committee is responsible for recommending the remuneration for Non-executive Directors and employees.



### Board and Non-Executive Director remuneration

Key aspects of Director remuneration include the following:

- ▶ Non-Executive Director fees are fixed for a period of two years post-adjustment.
- ▶ Directors of the Group's Board and subsidiaries are remunerated with an annual retainer and sitting fees for meetings attended.
- ▶ Non-Executive Directors do not receive any additional fees relating to the performance of the Group and do not participate in any share-based payments or incentives.
- ▶ The current structure was approved by shareholders at the Extraordinary General Meeting held on 25 October 2022. No changes were made for 2025.



### Non-Executive Director remuneration

The Board remuneration for the 2025 financial year is set out below:

- ▶ **Board Chairperson:**  
**P950 000** all-inclusive fixed fee.

- ▶ **Directors:**  
**P27 285** per meeting.

- ▶ **Board Committees:**

Chairperson:  
**P30 000** per meeting attended.

Member:  
**P20 000** per meeting attended or  
**P2 000** per hour,  
capped at P10 000 per meeting.

- ▶ **Annual retainer**  
Board Director  
**P240 000**



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## REMUNERATION POLICY continued

Director	Board P	Ad hoc meetings P	Board retainer P	Training P	GAC P	GRSEC P	GRemCo P	GGNC P	GSIC P	Total P
P Odera	–	–	420 192	–	–	–	–	–	–	420 192
A Odubola	145 140	4 000	240 000	54 570	122 000	120 000	84 000	–	94 000	863 710
R Mwaure	145 140	4 000	240 000	54 570	182 000	80 000	2 000	–	94 000	801 710
R Hoekman	76 570	–	120 000	–	–	40 000	44 000	–	74 000	354 570
C Lesetedi	139 140	–	240 000	54 570	–	–	80 000	80 000	20 000	613 710
C Mokgware	47 285	–	637 912	–	40 000	–	2 000	20 000	34 000	781 197
J Ramesh	172 425	4 000	240 000	54 570	122 000	–	124 000	–	114 000	830 995
Prof E Bothale	76 570	–	294 570	–	60 000	40 000	–	40 000	–	336 570
K Motshegwa	–	–	–	–	–	–	–	–	–	–
T Tomango	101 855	4 000	149 670	27 285	–	40 000	20 000	60 000	–	402 810
T Loeto	54 570	–	84 783	54 570	–	20 000	20 000	20 000	40 000	293 923
<b>Total</b>										<b>5 699 387</b>

Note: Any difference with the figures disclosed in the annual financial statements relates to prior year directors' fee under-provisions.

## Non-Executive Director remuneration review and benchmarking

In line with the Group's commitment to compensate Board members and employees on a fair and transparent basis in line with market trends, the Group Remuneration Committee conducts a benchmarking review of the Group's Non-Executive Director remuneration strategy every two years.

The latest benchmarking review was conducted in 2022, which compared Letshego's Non-Executive Director fees to peer entities and organisations with similar footprints and commercial strategies operating in Africa and internationally.

Based on the final benchmarking reports concluded by Bowmans, the Board is satisfied that the current level of remuneration is within industry and sector standards.

## Employee remuneration

The Letshego Employee Remuneration Policy serves to drive an inspired and loyal employee culture that fosters proactive engagement, individual leadership and productivity, leveraging the Letshego #PeopleFirst agenda.

Our reward philosophy and principles are aligned with global and national standards in structure and regulation while enhanced to include reward and incentive programmes that initiate proactive support of Letshego's business strategy and values – mitigating inherent operational risks and entrenching ethical business practice. Through Letshego's Reward Programme, employees are motivated to understand their respective role objectives and minimum deliverables while providing the flexibility to excel in individual performance with additional personal effort and contribution to boost delivery and overall performance.

The Group uses a Total Reward approach encompassing all components of reward in a competitive set. Total reward takes into account the totality of the relationship between Letshego and individual employees. This policy recognises that although the financial dimension is vital, the relationship has other elements that contribute to creating a fulfilling, multi-faceted employee experience.

## The Letshego Employee Experience

At Letshego, our Employee Experience refers to the holistic journey an employee takes with Letshego from their first day in the office through their career trajectory and importantly, after the employee leaves the organisation. When an employee leaves our organisation, we still value them as 'alumni' of our brand, and as such, they continue to be valued ambassadors of our brand and business for years to come.

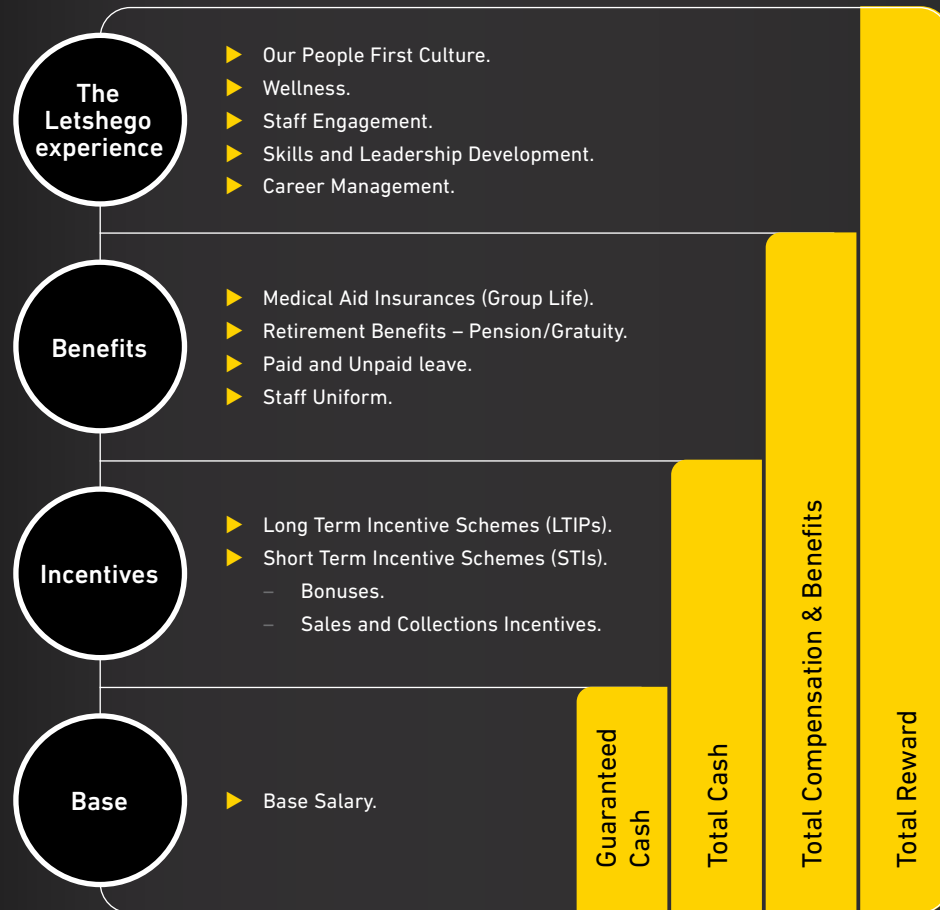
The Employee Experience embodies our #PeopleFirst culture by leveraging engagement tools and initiatives that evidence how our people remain our priority in strengthening our business and brand across our pan-African footprint. #PeopleFirst celebrates our people as assets, and our competitive advantage, and it is integral to us being able to deliver sustainable economic, social, and financial returns for all our stakeholders.

Employee Diversity remains a key attribute in the workplace with more than 21 nationalities represented in our employee population. Diversity remains a core strength and differentiator for Letshego as a truly pan-African brand and operation dedicated to achieving tangible social and economic benefits across regional communities. Every individual has a unique contribution to make when it comes to our brand and business.

Employee talent, skills and experience are critical to building a sustainable business that grows within an ever-evolving digital and tech-orientated industry. In this way, Letshego's robust Employee Learning Framework is a multi-tiered, multi-functional framework that not only empowers employees at all levels of the business with the latest skills and functional trends in areas like credit, operations, finance and technology but also includes broader people development curricula including individual leadership, entrepreneurial thinking, agility methodologies and strategy formulation.

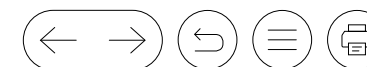
REMUNERATION POLICY continued

Total reward model



Reward components

COMPONENT	CHARACTERISTIC
<b>SALARY</b>	<ul style="list-style-type: none"> <li>▶ Paid for skills and experience brought to a role.</li> <li>▶ Linked to market rates.</li> </ul>
<b>BENEFITS</b>	<ul style="list-style-type: none"> <li>▶ Non-financial reward elements designed to assist and support the employee.</li> <li>▶ Includes medical cover, pension contributions, Group life, paid and unpaid leave.</li> </ul>
<b>PERFORMANCE BONUS</b>	<ul style="list-style-type: none"> <li>▶ Paid for achievement of pre-determined performance targets by the Group and individual.</li> </ul>
<b>DEFERRED BONUS</b>	<ul style="list-style-type: none"> <li>▶ Aligns the Group senior and country management team with the overall Group objectives and strategy.</li> <li>▶ Is an incentive to drive performance and also acts as a retention tool for key employees.</li> <li>▶ Paid upon achievement of Group and personal targets as a motivation and retention tool.</li> <li>▶ Aligns senior management's objectives with those of the Group and is linked to movements in the share price.</li> <li>▶ Vests in two tranches, 50% after two years and the remaining 50% after three years.</li> </ul>
<b>LONG TERM INCENTIVE PLAN SCHEME</b>	<ul style="list-style-type: none"> <li>▶ Ensures competitiveness in the market to attract top talent into the organisation.</li> <li>▶ Incentivises senior executives to drive the successful execution and delivery of the Group's strategy through higher performance and measured in sustainable shareholder value creation.</li> <li>▶ Awards are conditional on achieving targets set on Return On Equity (ROE) and Earnings Per Share (EPS).</li> <li>▶ Vesting of awards is in one tranche at the end of three years.</li> </ul>



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REMUNERATION POLICY continued

## Executive Director remuneration

### Executive Directors' remuneration as at 31 December 2025

Executive Director incentive bonuses are evaluated and recommended by the GRemCo for the approval of the Board. All amounts disclosed below are in Botswana Pula.

Executive Director	Period served as director	For management services	Performance/sign-on bonus <sup>1</sup>	Total
Aobakwe Aupa Monyatsi	13/05/2022 – 14/02/2025	1 012 815	–	<b>1 012 815</b>
Brighton Banda	15/02/2025 – 30/09/2025	2 166 336	–	<b>2 166 336</b>
Reinette van der Merwe	01/10/2025 – 31/12/2025	1 579 713	750 000	<b>2 329 713</b>
Tinotenda Gwendoline Muteiwa <sup>2</sup>	24/03/2020 – 31/12/2025	5 330 545	–	<b>5 330 545</b>
<b>Total</b>		<b>10 089 409</b>	<b>750 000</b>	<b>10 839 409</b>

### Executive Directors' remuneration as at 31 December 2024

Executive Director	Period served as director	For management services	Legacy leave encashment <sup>3</sup>	Total
Aobakwe Aupa Monyatsi	13/05/2022 – 31/12/2024	5 264 616	697 667	<b>5 962 283</b>
Tinotenda Gwendoline Muteiwa	24/03/2020 – 31/12/2024	3 815 192	392 880	<b>4 208 072</b>
<b>Total</b>		<b>9 079 808</b>	<b>1 090 547</b>	<b>10 170 355</b>

### Top three earners who are not Executive Directors as at 31 December 2025

	For management services	Retrenchment costs <sup>4</sup>	Total
Employee 1	1 204 967	3 004 686	<b>4 209 653</b>
Employee 2	3 278 472	–	<b>3 278 472</b>
Employee 3	1 159 038	1 861 097	<b>3 020 135</b>
<b>Total</b>	<b>5 642 477</b>	<b>4 865 783</b>	<b>10 508 260</b>

### Top three earners who are not Executive Directors as at 31 December 2024

	For management services	Legacy leave encashment	Total
Employee 1	4 065 169	278 439	<b>4 343 608</b>
Employee 2	3 244 726	302 568	<b>3 547 293</b>
Employee 3	2 892 300	243 218	<b>3 135 518</b>
<b>Total</b>	<b>10 202 195</b>	<b>824 225</b>	<b>11 026 419</b>

In terms of the Long Term Incentive Scheme, no ordinary shares vested to Executive Directors that related to 31 December 2025 and 2024 financial year ends. There were no performance bonuses awarded in 2025.

1. There were no performance bonuses awarded to Executive Directors in 2025 and 2024 financial years. However, there was a sign-on bonus of P750 000 paid in 2026, and was not included in the amount disclosed in the 2025 financials.
2. Tinotenda Gwendoline Muteiwa resigned in February 2026. Management services include pension and gratuity accruals.
3. The Group did a once-off leave encashment in 2024.
4. During 2025, the Group underwent a restructuring exercise and once-off retrenchment costs were incurred.



2

SECTION 2

# CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

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## Group corporate information

Letshego Africa Holdings Limited is incorporated in the Republic of Botswana  
 Registration number: UIN BW00000877524 and previously Co. 98/442  
 Date of incorporation: 4 March 1998  
 A publicly listed commercial entity whose liability is limited by shares

### Company Secretary and Registered Office

Gorata Tlhale Dibotelo  
 Tower C, Zambezi Towers  
 Plot 54352  
 Central Business District  
 Gaborone, Botswana

### Independent External Auditors

Ernst & Young  
 2nd Floor, Plot 22  
 Khama Crescent  
 Gaborone, Botswana

### Transfer Secretaries

Central Securities Depository Botswana (CSDB)  
 4th Floor, Fairscape Precinct  
 Plot 70667 Fairgrounds  
 Gaborone, Botswana

### Attorneys and Legal Advisors

Armstrongs  
 Acacia House  
 Plot 53438  
 Cnr Khama Crescent Extension and PG Matante Road  
 Gaborone, Botswana

## Directors' report

The Directors have pleasure in submitting to the Shareholders their report and the audited financial statements of Letshego Africa Holdings Limited (the Company) for the year ended 31 December 2025.

### Nature of business

The Company is engaged in investment in foreign and local financial services operations.

### Stated capital

Stated capital of the Company at 31 December 2025 amounted to P897,909,651 (2024: P897,909,651).

### Dividends

No dividends were proposed or declared in relation to the 2025 financial year (2024: nil).

### Material developments

Shareholders are advised that the Company is in the final stages of negotiations with a potential counterparty for the sale of some of its assets in East and West Africa.

Should the transaction successfully conclude, it would be subject to obtaining regulatory approvals across the various jurisdictions in which the affected businesses operate. In addition, the transaction requires approval under the Botswana Stock Exchange Listings Requirements.

The proposed transaction remains subject to the satisfaction of several conditions precedent, including approvals and confirmations from key strategic partners, suppliers, and funders.

### Directors

The following persons were directors of the Company:

#### Non-executive

Name	Details	Nationality
C. Mokgware	Appointed to the Board on 11 August 2022, appointed Board Chairperson 9 June 2025	Botswana
P. Odera	Resigned 9 June 2025	Kenya
C. Lesetedi	Appointed 14 November 2017	Botswana
A. Odubola	Appointed 12 December 2019	Nigeria
R. Hoekman	Resigned 20 June 2025	The Netherlands
R. Mwaura	Appointed 2 December 2021	Kenya
J. Ramesh	Resigned 5 March 2026	Botswana
K. Motshegwa	Resigned 19 February 2025	Botswana
Prof. E. Botlhale	Resigned 20 June 2025	Botswana
T. Tomango	Appointed 16 May 2025	Botswana
T.M. Loeto	Appointed 22 August 2025	Botswana


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DIRECTORS' REPORT continued

## Directors *continued*

### Executive

Name	Position	Nationality
A.A. Monyatsi	Group Chief Executive Officer (resigned 14 February 2025)	Botswana
B. Banda	Interim Group Chief Executive Officer (appointed to the Board 15 March 2025 to 30 September 2025)	South Africa
R. Van der Merwe	Group Chief Executive Officer (appointed to the Board 1 October 2025)	South Africa
T.G. Muteiwa	Group Chief Financial Officer (resigned 27 February 2026)	Zimbabwe

### Directors' shareholdings

The aggregate number of shares held directly by Directors at 31 December 2025 were 2,466,782 shares (31 December 2024: 6,623,906 shares). Full details of this shareholding are available at the registered office of the Company or at the office of the transfer secretaries.

### Long Term Incentive Plan

The Group operates an equity-settled conditional Long-Term Incentive Plan (LTIP), which was approved by shareholders at an Extraordinary General Meeting held on 20 December 2005. Under the plan, conditional share awards are granted to management and key employees. The estimation of shares to vest for a year is based on internal projections as to the specified non-market conditions being achieved. Shares are awarded in the holding company, Letshego Africa Holdings Limited, which is listed on the Botswana Stock Exchange.

## Directors' responsibility statement

for the year ended 31 December 2025

The Directors are responsible for the preparation of the annual financial statements of Letshego Africa Holdings Limited (the "Company") that give a true and fair view, comprising the statement of financial position at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Botswana Companies Act.

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

The Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead. Notwithstanding the matters outlined in Note 2.9 of the consolidated annual financial statements, the Directors have satisfied themselves that the Group has access to sufficient funding resources to meet its foreseeable requirements.

The external auditor is responsible for reporting on whether the annual financial statements give a true and fair view in accordance with International Financial Reporting Standards and the manner required by the Botswana Companies Act.

### Approval of the annual financial statements:

The annual financial statements of Letshego Africa Holdings Limited as identified in the first paragraph, were approved by the Board of Directors on 31 March 2026 and are signed on its behalf by:

**C. Mokgware**  
Chairperson

**R. Van der Merwe**  
Group Chief Executive Officer

*Note – signatures are not included for digital security purposes.*



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# Independent auditor's report



2<sup>nd</sup> Floor  
Plot 22, Khama Crescent  
P O Box 41015  
Gaborone, Botswana

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Email: eybotswana@za.ey.com  
Partnership registered in Botswana  
Registration No: 10829  
VAT No: P03625401112  
www.ey.com



## Independent Auditor's Report

To the Shareholders of Letshego Africa Holdings Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Letshego Africa Holdings Limited and its subsidiaries (the Group) set out on pages 117 to 191, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of material accounting information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group at 31 December 2025, and of its consolidated financial performance and of its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act (CAP 42:01).

### 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 Financial Statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with other ethical requirements that are relevant to our audit of the consolidated financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

The Key Audit Matters apply only to the audit of the consolidated financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p><b>IFRS 9 considerations (Expected credit loss allowance of loans and advances)</b></p> <p>As of 31 December 2025, Letshego Africa Holdings Limited (the Group) reported net loans and advances to customers amounting to BWP11.7 billion (2024: BWP 13.6 billion), representing approximately 62% of the Group's total assets. The related ECL impairment allowance was BWP592 million, (2024: BWP979.1 million). The ECL impairment allowance is significant in the context of the consolidated financial statements in respect of IFRS 9 - Financial Instruments.</p> <p>The estimation of credit losses is inherently uncertain and subject to significant judgement and estimates. Furthermore, models used to</p>	<p>With the support of our internal specialists, we performed the following audit procedures, amongst others:</p> <p>We obtained an understanding of the Group's credit policy, evaluated and tested the design and the operating effectiveness of key controls over the processes of credit assessment, loan classification and loan impairment assessment.</p> <p>We assessed the appropriateness of the models and methodologies against accounting standards and generally accepted industry principles as applied by similar organisations operating in the same economic sector and geographical areas.</p>



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INDEPENDENT AUDITOR'S REPORT continued



determine credit impairments are complex, and certain inputs used in the models are not fully observable.

Any model and data deficiencies are compensated for by applying overlays to the outputs. The calculation of these overlays is highly subjective.

Significant judgements and estimates applied in determining the Group's expected credit loss (ECL) allowance include:

- Choosing appropriate models and assumptions for the measurement of expected credit loss allowances
- Determining criteria for significant increase in credit risk (SICR)
- Determination of overlays for model and data deficiencies
- Estimation of the probability of default (PD), exposure at default (EAD) and loss given default (LGD) parameters.

This estimation uncertainty is further increased by ongoing volatility in the geographical markets in which the Group operates.

The expected credit loss models require the application of forward-looking information in determining key inputs such as economic variables that affect the output of the models.

Given the combination of inherent subjectivity in the preparation of the expected credit loss models, and the judgement and estimates involved in determining the inputs into the models, we considered the calculation of the expected credit loss allowance in accordance

We challenged management's rationale and assessments as to whether overlays should be considered for model and data deficiencies against our understanding of the factors considered by management and independent data.

We reconciled and agreed the data from the core banking systems of each jurisdiction to the inputs used in the respective ECL models.

We evaluated the appropriateness of the forward-looking macroeconomic scenarios and the probability weightings developed by management by comparing these to historical data and those applied by similar organisations operating in the same economic sector and geographical areas.

We reperformed the staging distribution for a sample of loans and advances to assess the accuracy of the staging applied in the models against the criteria indicated by management.

We evaluated management's criteria used to allocate the loans and advances between stages 1, 2 or 3 against the requirements of IFRS 9.

We developed a challenger model to independently calculate the PD, LGD and EAD parameters and compared the results from the challenger model to the ECL allowance recognised by the Group in its consolidated financial statements.



with IFRS 9 - *Financial Instruments* as applicable to the Group's loans and advances to be a key audit matter in our audit of the consolidated financial statements.

The disclosures associated with credit impairment of loans and advances are set out in the consolidated financial statements in the following notes:

- Note 1.3.1 - *Credit risk*
- Note 2.1 - *Impairment of advances to customers*
- Note 6 - *Advances to customers*

**Discontinued operations and non-current assets classified as held for sale (IFRS 5)**

During the year, the Group classified certain subsidiaries in East and West Africa as discontinued operations following management's commitment and plans to dispose of these businesses. The assets and liabilities of the disposal group were classified as held for sale and discontinued operations and measured in accordance with IFRS 5.

This matter was significant to our audit due to the magnitude of the balances involved and the degree of estimation uncertainty, as well as judgement involved in determining whether the IFRS 5 classification criteria were met, including whether the sale was highly probable, and the estimation uncertainty involved in determining fair value less costs to sell.

The disclosures associated with the discontinued operations and non-current assets held for sale are set out in the consolidated financial statements in the following note:

We assessed the appropriateness of the accounting policies, loan impairment methodologies applied and the adequacy of the disclosures by comparing these to the requirements of IFRS 9 - *Financial Instruments*.

Our procedures included, amongst others,

We evaluated management's assessment of the held-for-sale and discontinued operations criteria against the requirements of IFRS 5;

We inspected the Board-approved disposal plans, and other supporting documentation evidencing management's commitment to the disposal process;

We assessed the status of negotiations with potential buyers and the probability and timing of the disposal;

We assessed the reasonableness of management's determination of fair value less costs to sell, including key assumptions and inputs; and evaluated the remeasurement of assets, and assessed the transparency of disclosures.

We assessed whether any impairment



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## INDEPENDENT AUDITOR'S REPORT continued



- Note 10 - *Discontinued operations and non-current assets held for sale*

losses or reversals were required in accordance with IFRS 5.

We assessed the appropriateness and the adequacy of the disclosures by comparing these to the requirements of IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*

**Other Information**

The directors are responsible for the other information. The other information comprises information included in the 199-page document titled "Letshego Africa Holdings Limited Consolidated Annual Financial Statements for the year ended 31 December 2025" which includes the Group Corporate Information, the Directors' Report, the Directors' Responsibility Statement, the Group Value Added Statement, the Five-Year Financial History and the Analysis of Shareholding which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Financial Statements**

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act (CAP 42:01) and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

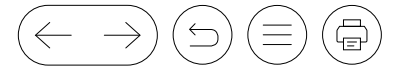
Those charged with governance are responsible for overseeing the Group's financial reporting processes.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.


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## INDEPENDENT AUDITOR'S REPORT continued



- 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young  
Firm of Certified Auditors, Practising Member: Thomas Chitambo (CAP0011 2026)  
Gaborone,

31 March 2026



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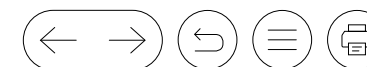
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# Consolidated statement of financial position

as at 31 December 2025

	Note	31 December 2025 P'000	31 December* 2024 P'000
<b>ASSETS</b>			
Cash and similar instruments	3	1 951 246	1 658 667
Investment securities	4	257 797	654 830
Financial assets at fair value through profit or loss	5	605 877	730 123
Advances to customers	6	11 667 825	13 569 163
Insurance contract assets	7	149 216	122 980
Other receivables	8	189 249	384 754
Financial assets at fair value through other comprehensive income	9	11 038	11 038
Income tax receivable		5 816	13 830
Assets classified as held for sale	10	3 818 986	–
Property and equipment	11	86 047	99 353
Right-of-use assets	12	74 246	95 076
Intangible assets	13	283 290	393 068
Goodwill	14	24 246	30 097
Deferred tax assets	31.1	143 347	201 298
<b>Total assets</b>		<b>19 268 226</b>	<b>17 964 277</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	15	572 423	661 386
Customer deposits	16	2 237 157	2 147 299
Cash collateral	17	–	17 038
Income tax payable		158 025	70 088
Trade and other payables	18	325 772	328 908
Liabilities directly associated with assets classified as held for sale	10	2 999 132	–
Lease liabilities	19	86 034	98 289
Borrowings	20	8 127 042	9 676 565
Deferred tax liabilities	31.1	239	3 494
<b>Total liabilities</b>		<b>14 505 824</b>	<b>13 003 067</b>
<b>Shareholders' equity</b>			
Stated capital	21	897 909	897 909
Hyperinflation translation adjustment		–	83 920
Foreign currency translation reserve		(123 400)	(436 182)
Legal reserve	22	383 980	417 373
Share based payment reserve	23.1	25 976	18 575
Retained earnings		3 354 444	3 526 599
Reserves of a disposal group held for sale	10	(284 615)	–
<b>Total equity attributable to equity holders of the parent company</b>		<b>4 254 294</b>	<b>4 508 194</b>
Non-controlling interests		508 108	453 016
<b>Total shareholders' equity</b>		<b>4 762 402</b>	<b>4 961 210</b>
<b>Total liabilities and equity</b>		<b>19 268 226</b>	<b>17 964 277</b>

\* In classifying some of the Group's business interests in East and West Africa as a 'disposal group held for sale' and 'discontinued operations' (refer to Note 10), the prior year balances presented constitute amounts relating to both continuing and discontinued operations. This is in keeping with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, which indicates that an entity shall not reclassify or re-present amounts presented for the assets and liabilities of disposal groups classified as held for sale in the statements of financial position for prior periods to reflect the classification in the statement of financial position for the latest period presented.



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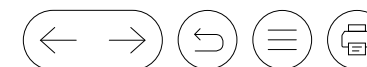
Consolidated financial statements

# Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2025

	Note	31 December 2025 P'000	31 December* 2024 P'000
<b>Continuing Operations</b>			
Interest income at effective interest rate	24	2 744 386	2 645 610
Interest expense at effective interest rate	25	(1 268 258)	(1 208 652)
Other interest expense	25.1	(9 212)	(11 513)
<b>Net interest income</b>		<b>1 466 916</b>	1 425 445
Fee and commission income	26	41 575	43 265
Other operating income	27	265 035	189 230
Insurance revenue	28	335 508	325 671
Insurance service expense	28	(89 270)	(119 782)
Insurance service result		246 238	205 889
<b>Operating income</b>		<b>2 019 764</b>	1 863 829
Expected credit losses	6.3	(124 754)	(533 573)
<b>Net operating income</b>		<b>1 895 010</b>	1 330 256
Employee costs	29	(511 817)	(392 547)
Other operating expenses	30	(693 642)	(591 855)
<b>Total operating expenses</b>		<b>(1 205 459)</b>	(984 402)
<b>Profit before taxation</b>		<b>689 551</b>	345 854
Income tax expense	31	(405 569)	(284 410)
<b>Profit for the year from continuing operations</b>		<b>283 982</b>	61 444
<b>Discontinued Operations</b>			
Loss for the year from discontinued operations	10	(519 515)	(154 778)
<b>Loss for the year</b>		<b>(235 533)</b>	(93 334)
<b>Attributable to:</b>			
Equity holders of the parent company		(327 888)	(158 973)
– Profit for the year from continuing operations		201 968	(2 779)
– Loss for the year from discontinued operations		(529 856)	(156 194)
Non-controlling interest		92 355	65 639
– Profit for the year from continuing operations		82 014	64 223
– Profit for the year from discontinued operations		10 341	1 416
<b>Loss for the year</b>		<b>(235 533)</b>	(93 334)
<b>Other comprehensive income, net of tax</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Foreign currency translation differences arising from foreign operations		62 585	235 109
<b>Total comprehensive income for the year from continuing operations</b>		<b>344 747</b>	197 412
<b>Total comprehensive loss for the year from discontinued operations</b>		<b>(517 695)</b>	(55 637)
<b>Total comprehensive(loss)/income for the year</b>		<b>(172 948)</b>	141 775
<b>Attributable to:</b>			
Equity holders of the parent company		(299 721)	86 297
Non-controlling interest		126 773	55 478
<b>Total comprehensive(loss)/income for the year</b>		<b>(172 948)</b>	141 775
<b>Earnings per share</b>			
Basic earnings per share from continuing operations – (thebe)		9.4	(0.1)
Basic loss per share from discontinued operations – (thebe)		(24.7)	(7.3)
<b>Basic loss per share from continuing and discontinued operations – (thebe)</b>	32	<b>(15.3)</b>	(7.4)
Diluted earnings per share from continuing operations – (thebe)		9.1	(0.1)
Diluted loss per share from discontinued operations – (thebe)		(23.9)	(7.0)
<b>Diluted loss per share from continuing and discontinued operations – (thebe)</b>	32	<b>(14.8)</b>	(7.1)

\* During the reporting period, the Group made adjustments to the comparative income statement to reflect the impact of discontinued operations. These adjustments were made to accurately present the financial results of operations that have been treated as discontinued operations as of 31 December 2025. Refer to Note 10 for more detail.



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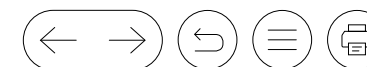
## Consolidated statement of changes in equity

for the year ended 31 December 2025

	Note	Stated capital P'000	Hyperinflation translation adjustment P'000	Retained earnings P'000	Share-based payments reserve P'000	Foreign currency translation reserve P'000	Legal reserve P'000	Reserves of a disposal group held for sale P'000	Non-controlling interests P'000	Total P'000
<b>Balance as at 1 January 2024</b>		917 909	83 920	3 725 824	34 832	(662 550)	377 121	–	442 831	4 919 887
<b>Total comprehensive income for the year</b>										
Loss for the year		–	–	(158 973)	–	–	–	–	65 639	(93 334)
<b>Other comprehensive income, net of income tax</b>										
Foreign currency translation reserve		–	–	–	–	226 368	–	–	8 741	235 109
<b>Transactions with owners, recorded directly in equity</b>										
Allocation to legal reserve	22	–	–	(40 252)	–	–	40 252	–	–	–
Recognition of share-based payment reserve movement	23	–	–	–	(16 257)	–	–	–	–	(16 257)
Share buyback		(20 000)	–	–	–	–	–	–	–	(20 000)
Dividends paid by subsidiary to minority interests		–	–	–	–	–	–	–	(64 195)	(64 195)
<b>Balance at 31 December 2024</b>		897 909	83 920	3 526 599	18 575	(436 182)	417 373	–	453 016	4 961 210
<b>Total comprehensive income for the year</b>										
Loss for the year		–	–	(327 888)	–	–	–	–	92 355	(235 533)
<b>Other comprehensive income, net of income tax</b>										
Foreign currency translation reserve		–	–	–	–	28 167	–	–	34 418	62 585
Discontinued operations – foreign currency translation reserve	10	–	–	–	–	284 615	–	(284 615)	–	–
Hyperinflation translation adjustment*	41	–	(83 920)	83 920	–	–	–	–	–	–
<b>Transactions with owners, recorded directly in equity</b>										
Recognition of share-based payment reserve movement	23	–	–	–	7 401	–	–	–	–	7 401
Allocation to legal reserve	22	–	–	(66 381)	–	–	66 381	–	–	–
Capital contribution from non-controlling interest		–	–	–	–	–	–	–	5 076	5 076
Derecognition of reserves on amalgamation of subsidiaries**		–	–	138 194	–	–	(99 774)	–	–	38 420
Dividends paid by subsidiary to minority interests		–	–	–	–	–	–	–	(76 757)	(76 757)
<b>Balance at 31 December 2025</b>		897 909	–	3 354 444	25 976	(123 400)	383 980	(284 615)	508 108	4 762 402

\* During the second half of 2025, the Ghana economy ceased to be hyperinflationary following the factors that previously gave rise to high inflation no longer being present. The Group therefore discontinued the preparation and presentation of financial statements in accordance with IAS 29 in relation to its Ghana subsidiary. Consequently, the cumulative Hyperinflation Translation Adjustment of P83.9 million that was recognised by the Group upon initial application of IAS 29, which was maintained at this amount throughout the period of hyperinflation, has been prospectively adjusted through a transfer of the amount to retained earnings. Refer to Note 41.

\*\* Relates to realisation of equity reserves following amalgamation of subsidiaries in Tanzania.



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## Consolidated statement of cash flows

for the year ended 31 December 2025

	Note	31 December 2025 P'000	31 December 2024 P'000
<b>OPERATING ACTIVITIES</b>			
Profit before taxation from continuing operations		689 551	345 854
Loss before taxation from discontinued operations	10	(464 972)	(91 270)
<i>Adjustments for:</i>			
– Interest income		(4 465 349)	(3 936 523)
– Interest expense		1 653 768	1 596 775
– Amortisation of intangible assets	13	46 602	27 901
– Depreciation of property and equipment	11	33 896	43 876
– Depreciation of right-of-use assets	12	26 023	46 107
– Derecognition of intangible assets	13	31 666	–
– Impairment of intangible assets	13	30 926	–
– Loss on disposal/scrapping of property and equipment		–	1 159
– Impairment and write off charge: advances to customers*		766 320	782 770
– Impairment of goodwill	14	8 873	–
– Net foreign exchange differences		82 536	141 645
– Net change in market adjustments on foreign currency swaps		35 283	(92 479)
– Long-term incentive plan provision	23.1	7 401	(16 257)
– Net monetary loss		–	87 270
– Impairment loss recognised on the remeasurement of assets held-for-sale to fair value less costs to sell	10	570 655	–
<i>Changes in working capital:</i>			
Movement in advances to customers		(1 720 632)	(731 846)
Movement in insurance contract assets		(26 236)	(17 431)
Movement in other receivables		72 099	(45 558)
Movement in trade and other payables		154 809	(467 633)
Movement in customer deposits		1 383 572	609 315
Movement in cash collateral		(17 038)	1 185
<b>Cash used in operations</b>		<b>(1 100 247)</b>	<b>(1 715 140)</b>
Interest received		4 465 349	3 804 328
Interest paid		(1 644 556)	(1 550 329)
Income tax paid	31.3	(453 080)	(297 064)
<b>Net cash flows generated from operating activities</b>		<b>1 267 466</b>	<b>241 795</b>



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## CONSOLIDATED STATEMENT OF CASH FLOWS continued

	Note	31 December 2025 P'000	31 December 2024 P'000
<b>INVESTING ACTIVITIES</b>			
Proceeds from maturity of treasury bills and bonds	4	197 637	211 888
Purchase of investment in insurance cell captive	5	–	(4 167)
Purchase of property and equipment	11	(36 832)	(46 432)
Purchase of intangible assets	13	(1 815)	(27 420)
<b>Net cash flows generated from investing activities</b>		<b>158 990</b>	<b>133 869</b>
<b>FINANCING ACTIVITIES</b>			
Dividends paid to subsidiary non-controlling interest		(76 757)	(64 195)
Capital contribution from non-controlling interest**		5 076	–
Share buyback		–	(20 000)
Repayment of principal portion of lease liabilities	19	(24 245)	(51 625)
Repayment of interest portion of lease liabilities	19	(9 212)	(12 540)
Proceeds from borrowings	20	1 436 104	2 220 200
Repayment of borrowings	20	(1 996 225)	(2 203 842)
<b>Net cash flows used in financing activities</b>		<b>(665 259)</b>	<b>(132 002)</b>
<b>Movement in cash and similar instruments</b>			
At the beginning of the year		1 396 012	1 133 644
Movement during the year		761 197	243 662
Effect of exchange rate changes on cash and similar instruments		16 585	18 706
<b>Cash and similar instruments at the end of the year</b>	3	<b>2 173 794</b>	<b>1 396 012</b>

\* Comprises of the aggregation of the net movement in expected credit loss allowances for continuing and discontinued operations (credit of P78.7 million and charge of P189.4 million, respectively) and write offs for continuing and discontinued operations (charge of P437 million and charge of P218.6 million, respectively). Refer to Note 6.3 and Note 10.

\*\* Minority shareholders' capital contribution for the Ugandan subsidiary, required for the entity's transition to a microfinance deposit-taking institution.



## Accounting policies

For the year ended 31 December 2025

### Reporting entity

Letshego Africa Holdings Limited (formerly Letshego Holdings Limited, 'the Company') is a limited liability company incorporated and domiciled in Botswana. The address of the company is Tower C, Zambezi Towers, Plot 54352, Central Business District, Gaborone, Botswana. The consolidated financial statements of the Company as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is a retail financial services organisation involved in banking and microfinance activities in 11 African countries across East, West and Southern Africa. Six of the 11 operations have deposit-taking licences with the rest being microfinance institutions. The Group's ambition is to increase its deposit taking capabilities across its footprint.

The consolidated financial statements for the year ended 31 December 2025 have been approved for issue by the Board of Directors on 31 March 2026.

The following principal accounting policies, which are consistent with prior years except for the adoption of new/amended accounting standards, have been adopted in the preparation of these consolidated annual financial statements.

### Statement of compliance

The consolidated annual financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Botswana Companies Act.

### Basis of preparation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated annual financial statements are presented in Botswana Pula, which is the Group's reporting currency and the Company's functional currency. Except where indicated, financial information presented in Botswana Pula has been rounded off to the nearest thousand.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The consolidated annual financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position; financial assets classified at fair value through other comprehensive income (FVOCI), and financial assets and liabilities classified at fair value through profit or loss (FVTPL). These financial statements have also been adjusted to take into account the effects of inflation in accordance with International Accounting Standard 29, 'IAS 29' (Financial Reporting in Hyperinflationary Economies).

### Hyperinflation

The financial statements of the Group's entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

The presentation currency of the Group, however, is that of a non-hyperinflationary economy and comparative amounts are not adjusted for changes in the index in the current year. Differences between these comparative amounts and current year hyperinflation adjusted amounts are recognised through other comprehensive income. The main procedures applied in the restatement of transactions and balances are as follows:

- ▶ Monetary assets and liabilities are not restated because they are already stated in terms of the measuring unit current at the balance sheet date;
- ▶ Non-monetary assets and liabilities that are not carried at amounts current at balance sheet date and components of shareholders' funds are restated by applying the change in index from the date of transaction, or if applicable, from the date of their most recent revaluation to the balance sheet date. Depreciation is based on the restated amounts;
- ▶ At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated

statement of financial position. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period;

- ▶ Income statement transactions, except for depreciation charge, are restated by applying the change in the index from the month of the transactions to the balance sheet date;
- ▶ Net gain or loss arising from the net monetary asset or liability positions are included in the income statement; and
- ▶ All items in the cash flow statement are expressed in terms of the measuring unit current at the balance sheet date.

The assessment as to when an economy is hyperinflationary is an area of significant judgement and is based on the guidelines of IAS 29: *Financial Reporting in Hyperinflationary Economies* (IAS 29), which considers both qualitative and quantitative factors, including whether the accumulated inflation over a three-year period is in excess of 100%.

When an economy ceases to be hyperinflationary, the Group discontinues hyperinflationary accounting and treats the amounts expressed in the measuring unit at the end of the previous reporting period as the basis for the carrying amounts in subsequent reporting periods.

### Basis of consolidation Investments in subsidiaries

Subsidiaries are investees controlled by the Group. The Group 'controls' an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that are presently exercisable are taken into account. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.



## ACCOUNTING POLICIES continued

**Basis of consolidation** *continued***Business combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable assets acquired, and liabilities assumed.

Transaction costs are expensed as incurred except if it relates to the issue of debt or equity securities.

**Goodwill**

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. The carrying amount of goodwill is assessed annually for impairment. An impairment loss recognised on goodwill is not reversed in a subsequent period.

**Transactions eliminated on consolidation**

Intra group balances and any unrealised income and expenses arising from intra group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**Non-controlling interest**

Non-controlling interest (NCI) is shown separately in the consolidated statement of financial position and statement of profit and loss and other comprehensive income. NCIs are viewed as equity participants of the Group and all transactions with minorities are therefore accounted for as equity transactions and included in the consolidated statement of changes in equity. NCI is measured at the proportionate share of the acquiree's identifiable net assets.

**Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained is measured at fair value when control is lost.

**Change in the Group's interest in subsidiaries**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with the equity owners of the Group. A change in ownership in interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect the relative interests in the subsidiary. Any differences between the amount of the adjustment to non-controlling interests and any consideration paid or received is recorded in equity.

**Property and equipment**

Property and equipment is measured at cost less accumulated depreciation and any accumulated impairment/losses.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the plant and equipment. The estimated useful lives for current and prior periods are as follows:

Computer equipment	3 years
Office furniture and equipment	4 – 5 years
Motor vehicles	4 years
Buildings	30 – 50 years

Land is stated on the historical cost basis and not depreciated as these assets are considered to have indefinite economic useful lives. Repairs and maintenance are recognised in profit or loss during the financial period in which these costs are incurred, whereas the cost of major renovation is included in the carrying amount of the related asset when it is probable that future economic benefits will flow to the Group. When the cost of major renovation is included in the carrying amount of the asset and significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

The residual value and useful life of each part of plant and equipment, if not insignificant, is reassessed annually. Depreciation costs are recognised on a prorate basis from the date the asset is available for use.

Subsequent expenditure is capitalised when it is probable that the future economic benefits will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future

economic benefits are expected from its use or disposal. Any gains and losses on disposal of property, plant and equipment items are determined by comparing proceeds with the carrying amounts and recognised in profit or loss.

**Work in progress**

Work in progress comprises of costs incurred in the on-going construction of items that are held for use in the production and supply of goods or services and incurred in on-going design, construction and testing of computer software that is identifiable, which the Group has control over and future economic benefits will flow from the asset. The costs associated with the construction and development processes indicated are recognised as work-in-progress until a time that the assets are available for use, that is, when the assets are in the location and condition necessary to be capable of operating in the manner intended by management. At this point, the respective element will be transferred from work-in-progress to an appropriate category of property and equipment and/or intangible assets and is depreciated/amortised over the useful life of the asset.

**Foreign currency transactions**

Transactions conducted in foreign currencies are translated to Botswana Pula at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Botswana Pula using the closing exchange rate at the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss.

**Foreign operations' financial statements**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Botswana Pula using the closing exchange rate at the financial period end. The income and expenses of foreign operations whose functional currency is not the currency of a hyperinflationary economy are translated to Botswana Pula at rates approximating those exchange rates at the dates of the transactions. The income and expenses of a foreign operation whose functional currency is the currency of a hyperinflationary economy are translated to Botswana Pula at the closing exchange rate at the most recent statement of financial position.



## ACCOUNTING POLICIES continued

## Foreign operations' financial statements

### continued

Foreign currency differences are recognised directly in equity in the foreign currency translation reserve. When a foreign operation is disposed of, either in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

## Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

## Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- ▶ Property 2 to 5 years

## Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

### Discount factor

Under IFRS 16 'Leases', discount rates are used to determine the present value of the lease payments used to measure a lessee's

lease liability. Discount rates are also used to determine lease classification for a lessor and to measure a lessor's net investment in a lease. For lessees, the lease payments are required to be discounted using:

- ▶ the interest rate implicit in the lease if readily determinable, or
- ▶ the lessee's incremental borrowing rate.

### The lessee's incremental borrowing rate

Where the lessee is unable to readily determine the interest rate implicit in the lease, the discount rate will be the lessee's incremental borrowing rate. The incremental borrowing rate is an interest rate specific to the lessee that reflects:

- ▶ the credit risk of the lessee
- ▶ the term of the lease
- ▶ the nature and quality of the security
- ▶ the amount 'borrowed' by the lessee, and
- ▶ the economic environment (the country, the currency and the date that the lease is entered into) in which the transaction occurs.

The Group uses the incremental borrowing rate as the discount factor and the applicable rates were determined per country. The discount factors take into account the interest rates on the existing facilities where applicable and commercial rates that Group entities could be offered by their lenders if they were to source funding.

## Intangible assets

### Computer software

Software acquired by the Group is measured at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life. Internally developed software is measured at capitalised cost less accumulated amortisation and impairment.



## ACCOUNTING POLICIES continued

**Intangible assets** *continued***Computer software** *continued*

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software for current and prior periods is 3 to 10 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Computer software is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains and losses on disposal of these intangible asset items are determined by comparing proceeds with the carrying amounts and recognised in profit or loss.

**Brand value and core deposits**

Brand value and core deposits acquired in a business combination are recognised at fair value at the acquisition date. Brand value is the right to use the trade name and associated brands of the acquired entity and core deposits relates to the customer relationships attributable to customer deposits of the acquired entity. These are carried at cost less accumulated amortisation at each reporting period. Amortisation is recognised in profit or loss using the straight-line method over their estimated useful lives.

Brand value is amortised over its expected useful life of 7 years whereas core deposits are amortised over its useful life of 8 years. These intangible assets are tested for impairment annually at the cash generating unit level.

Brand value and core deposits are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains and losses on disposal of these intangible asset items are determined by comparing proceeds with the carrying amounts and recognised in profit or loss.

**Provisions**

Provisions are recognised when the Group has a present legal obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

**Onerous contracts**

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities)

**Income tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case the related income tax is also recognised in equity.

**Current tax**

Current tax comprises tax payable/refundable calculated on the basis of the expected taxable income for the year, using tax rates enacted at the reporting date, and any adjustment of tax payable/refundable for previous years.

**Deferred tax**

Deferred tax is provided on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in profit or loss except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination. The effect on tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**Interest income**

Interest income is recognised in profit or loss at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual/behavioural terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and administration charges paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.



## ACCOUNTING POLICIES continued

**Interest income** *continued*

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

**Fee and commission income****Administration fees – lending**

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Where fees and commissions form an integral part of the effective interest on a financial asset or liability these are included and measured based on effective interest rate. Fees and commissions, which relate to transaction and service fees where the performance obligation is satisfied over a period of time are recognised on an accrual basis as the service is rendered.

**Credit life and disability insurance commission**

Where the Group is acting as an agent, commissions and fees earned on the sale of insurance products to customers on behalf of the insurer are recognised on a time-apportionment basis over the period the service is provided.

**Early settlement fee**

This is a settlement penalty fee, which is levied on customers when they settle their loans before the maturity date and are recognised in profit or loss as other operating income when these loans are settled.

**Other income**

Other income comprises income from statement fees, mark-to-market gains on foreign currency swaps and other non-core income streams which are recognised in profit and loss as and when they are earned.

**Interest expense**

Interest expense is recognised in profit or loss using the effective interest method as describe under the interest income policy above. Foreign currency gains and losses on interest earning financial liabilities are recognised in profit or loss, as part of interest expense, as they are incurred.

**Interest from bank deposits**

Interest from bank deposits is recognised on an accruals basis at the agreed interest rate with the respective financial institution.

**Legal reserve**

According to the commercial code applicable to certain subsidiaries, a non-distributable legal reserve of the subsidiaries' annual profits is transferred till the reserve meets the regulatory requirements in respective jurisdictions.

**Stated capital**

Stated capital constitutes ordinary shares and preference shares and is recognised at the fair value of the consideration received. Incremental costs that are directly attributable to the issue of an equity instrument are deducted from initial measurement of the equity instrument.

Treasury shares is where the Group purchases its own stated capital. The consideration paid, including any directly attributable incremental costs, is deducted from total shareholders' equity as treasury shares until they are re-issued or sold. Where the shares are subsequently sold or re-issued, any consideration received net of any directly attributable incremental costs, is included in shareholders' equity.

**Dividends paid**

Dividends on ordinary shares are recognised against equity in the period in which they are approved by the Directors. Dividends declared after the reporting date, are not recognised as a liability in the consolidated statement of financial position.

**Employee benefits****Short-term employee benefits**

Short term employee benefits are expensed as the related services are provided. Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is recognised for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

**Post-employment benefits**

The Group operates a defined contribution retirement benefit fund. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised in the profit or loss as an expense when they are due in respect of service rendered before the end of the reporting period.

Under the defined contribution plans in which the Group and its employees participate, the Group and the employees contribute fixed percentages of gross basic salary on a monthly basis.

**Staff incentive bonus scheme**

The Group also operates a staff incentive bonus scheme. The provision for employee bonus incentive is based on a predetermined group policy and is recognised in trade and other payables. The accrual for employee bonus incentives is expected to be settled within 12 to 36 months.

**Payroll administration costs**

Administration costs are charged by employers for payroll deduction facilities. These costs are set-off against recoveries made from clients. Where the Group is not able to recover in full such administration costs, they are recognised in profit or loss as incurred.

**Share-based payment transactions**

The Group operates an equity-settled conditional Long Term Incentive Plan (LTIP). Conditional awards are granted to management and key employees. The Group also grants its own equity instruments to employees of its subsidiaries as part of group share-based payment arrangements. The number of vesting awards is subject to achievement of specific performance metrics.

The grant date fair value of awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards that vest.

The fair value of the options is determined excluding non-market vesting conditions. These vesting conditions are included in the assumptions of the number of options expected to vest. At each reporting date, the Group revises its estimate of the number of options expected to vest.

The Group recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.



## ACCOUNTING POLICIES continued

**Share-based payment transactions** *continued*

Amounts recognised for services received if the options granted do not vest because of failure to satisfy a vesting condition, are reversed through profit or loss. If options are forfeited after the vesting date, an amount equal to the value of the options forfeited is debited against the share based payment reserve and credited against retained earnings.

The proceeds received net of any attributable transaction costs are credited to stated capital when the options are exercised.

**Determination of fair value of equity instruments granted**

The share price of Letshego Africa Holdings Limited (as quoted on the Botswana Stock Exchange) of the Group's equity instruments at grant date is the estimated fair value of the share options granted. No adjustments are made for non-market vesting conditions as there are none. Therefore, no valuation techniques are used (Monte Carlo/Black Scholes etc.) as the quoted price at grant date is the fair value. The details of the Group's Share Incentive Scheme are reflected in Note 22.

**Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on geographical segments. Segment results include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**Earnings per share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares arising from the Long Term Incentive Plan (LTIP) awards.

**Dividends per share**

Dividend per share is calculated by dividing the earnings attributable to ordinary equity holders by the number of shares outstanding at the end of a period. The number of shares used to calculate the dividend per share excludes shares held as treasury shares.

**Contingent liabilities**

The Group discloses a contingent liability where it has a possible obligation from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain events not wholly within the control of the Group.

**Financial assets and liabilities****Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets****Initial recognition and measurement**

The Group initially recognises financial assets on the date that they are originated or on the trade date at which the Group becomes a party to the contractual provisions of the instrument. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on

the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- ▶ Financial assets at amortised cost (debt instruments).
- ▶ Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- ▶ Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- ▶ Financial assets at fair value through profit or loss.

The Group's financial assets and liabilities consist of the following significant items.

**Financial assets at amortised cost**

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets at amortised cost consists of advances to customers, other receivables and cash and cash equivalents.



## ACCOUNTING POLICIES continued

**Financial assets and liabilities** *continued***Financial assets at amortised cost** *continued***Advances to customers**

Advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term. Advances to customers are initially measured at fair value plus incremental direct transaction costs, and are subsequently measured at their amortised cost using the effective interest method.

**Other receivables**

Other receivables comprise deposits and other recoverables which arise during the normal course of business. These are initially measured at fair value plus incremental direct transaction costs, and are subsequently measured at their amortised cost using the effective interest method.

**Cash and cash equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with financial institutions. Bank overdrafts, which are repayable on demand and form an integral part of the Group's cash management, are included as a component of cash and cash equivalents. Cash and cash equivalents are measured at amortised cost in the consolidated statement of financial position.

**Purchased or originated credit impaired (POCI) assets**

Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses.

**Financial assets at fair value through OCI**

Financial assets at fair value through OCI are non-derivatives that are designated in this category. For debt instruments, the classification is mandatory for certain assets unless the fair value option is elected, whilst for equity instruments the fair value through OCI classification is an election. Financial assets at fair value through OCI are subsequently measured at fair value and gains and losses

arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Dividends received from financial assets at fair value through OCI equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

**Financial assets at fair value through profit or loss**

The Group may designate financial assets at fair value through profit or loss when either:

- ▶ the assets are managed, evaluated and reported internally on a fair value basis; or
- ▶ the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Financial assets at fair value through profit or loss are derivatives or non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures, or management intends to dispose of it within 12 months of the reporting period. Financial assets at fair value through profit or loss are recorded and measured in the statement of financial position at fair value. Gains and losses arising from changes in fair value are recognised in profit or loss. Interest or income is recognised in the profit or loss when the contract comes to an end or when the right to payment has been established.

**Financial liabilities****Initial recognition and measurement**

The Group initially recognises financial liabilities on the date that they are originated or on the trade date at which the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities measured at fair value through profit or loss, or financial liabilities measured at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, customer deposits, cash collateral, financial liabilities at fair value through profit or loss and trade and other payables.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- ▶ Financial liabilities at fair value through profit or loss.
- ▶ Financial liabilities at amortised cost.

**Financial liabilities at fair value through profit or loss**

The Group may designate financial liabilities at fair value through profit or loss when either:

- ▶ the liabilities are managed, evaluated and reported internally on a fair value basis; or
- ▶ the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.



## ACCOUNTING POLICIES continued

**Financial assets and liabilities** *continued***Financial liabilities at amortised cost**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings including trade and other payables, customer deposits and cash collateral are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest amortisation is included as finance costs in profit or loss.

**Borrowings and deposits from customers**

Borrowings and customer deposits are the Group's sources of funding. These are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

**Trade and other payables**

Liabilities for trade and other amounts payable, which are normally settled on 30 to 90 day terms, are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

**Cash collateral**

Cash collateral consist of cash received as security for advances to customers and is held until the customer loan is fully settled, at which point the balance is refunded to the customer. The cash collateral is set off against a loan balance only when the loan balance is deemed irrecoverable from the customer.

**Derecognition**

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

asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

**Offsetting**

Financial assets and liabilities are set off and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

**Amortised cost measurement**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

**Fair value measurement**

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques.

Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models. The Group uses widely recognised valuation models for determining the

fair value of common and simpler financial instruments like interest rate swaps. For these financial instruments, inputs into models are market observable.

When entering into a transaction, the financial instrument is recognised initially at fair value. The best evidence of fair value of a financial instrument at recognition is normally the transaction price, the fair value of the consideration given or received. The value obtained from the valuation model may differ from the transaction price. This initial difference, usually an increase in fair value indicated by valuation techniques, is recognised in income depending upon the individual facts and circumstances of each transaction and not later than when the market data becomes observable.

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, bid-ask spreads, liquidity risks, as well as other factors. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments measured at fair value.

**Identification and measurement of impairment for financial assets**

At each reporting date the Group assesses whether there is evidence that financial assets not measured at fair value through profit or loss are impaired.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the Group.



## ACCOUNTING POLICIES continued

## Financial assets and liabilities *continued*

### Identification and measurement of impairment for financial assets *continued*

In assessing impairment the Group uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, and forward-looking information such as economic inputs, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on financial assets measured at amortised cost are calculated as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against the financial asset. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

### Write-offs

Financial assets are written off either in their entirety or partially when the Group has no reasonable expectation of recovering the asset in its entirety, or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference will be an additional impairment loss, which is presented as an addition to the allowance applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

### Insurance arrangements

The Group has credit and disability cover in place in most markets. Under these arrangements premiums are collected from customers and paid on to the insurer, with the Group earning a fee, commission or profit share.

### Cell captive arrangements

The Group has cell captive insurance arrangements, under which it accepts significant insurance risk from its policyholders. These arrangements offer credit life and credit default protection over the Group's loan portfolios in certain of the markets where the Group

operates. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. A cell captive structure represents an agreement between an insurance entity and the Group to facilitate the writing of insurance business. The Group has entered into agreement with insurance providers under which the insurance provider set up an insurance cell within its legal entity, for example a corporate entity subscribes for a separate class of share. The arrangement provides that all claims arising from insurance contracts written by cell are paid out of the cell's assets, with any profit after deduction of the insurers' fees, allocation taxes and other costs payable to the Group.

### Recognition

The Group assesses its lending products to determine whether they contain distinct components which must be accounted for under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) lending contract. Currently, the Group's lending products do not include any distinct components that require separation. The Group recognises groups of insurance contracts it issues from the earliest of the following:

- ▶ The beginning of the coverage period of the group of contracts.
- ▶ The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date.
- ▶ For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- ▶ The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks.

### Insurance contracts – initial measurement

The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues under its cell captive arrangements, since:

- ▶ The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary (refer to above).

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised. The Group had no onerous contracts at the reporting date.

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group chooses to expense insurance acquisition cash flows as they occur.

### Insurance contracts – subsequent measurement

The Group measures the carrying amount of the asset or liability for remaining coverage at the end of each reporting period as the asset or liability for remaining coverage at the beginning of the period:

- ▶ Plus premiums received in the period.
- ▶ Plus any adjustment to the financing component, where applicable.
- ▶ Minus the amount recognised as insurance revenue for the services provided in the period.
- ▶ Minus any investment component paid or transferred to the liability for incurred claims.



## ACCOUNTING POLICIES continued

**Financial assets and liabilities** *continued***Cell captive arrangements** *continued***Insurance contracts – subsequent measurement** *continued*

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and includes an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

**Insurance contracts – modification and derecognition**

The Group derecognises insurance contracts when:

- ▶ The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)  
Or
- ▶ The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant asset or liability for remaining coverage.

**Presentation**

The Group presents separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets and portfolios of insurance contracts issued that are liabilities.

The Group disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense. The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.

**Derivatives held for risk management purposes**

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position. Changes in its fair value are recognised immediately in profit or loss.

**Impairment for non-financial assets**

At each reporting date, the Group reviews the carrying value for its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Impairment losses in respect of goodwill are not reversed. For assets excluding goodwill, if there is an indication of impairment, the Group estimates the assets recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the assets is considered impaired and is written down to its recoverable amount.

**Assets held for sale and discontinued operations**

The Group classifies assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the statement of financial position. The Group presents separately any cumulative income or expense recognised in other comprehensive income relating to a non-current asset (or disposal group) classified as held for sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately. The Group includes proceeds from disposal in cash flows from discontinued operations. Additional disclosures are provided in Note 10. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.



## ACCOUNTING POLICIES continued

## New and amended standards and interpretations

The Group applied for the first-time standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### Lack of exchangeability – Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have an impact on the Group's financial statements.

### Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

### Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- ▶ A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.

- ▶ Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- ▶ Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- ▶ The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Group is currently assessing the impact of the Amendments on its operations, but not intending to early adopt the Amendments.

### Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity. The amendments:

- ▶ Clarify the application of the 'own-use' requirements for in-scope contracts.
- ▶ Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts.
- ▶ Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures. The Group does not expect that the amendments will have a material impact on its financial statements.

## IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as the Group, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently assessing the impact that the amendments will have on the primary financial statements and notes to the financial statements.

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## ACCOUNTING POLICIES continued

## Standards issued but not yet effective

*continued*

### Annual Improvements to IFRS Accounting Standards- Volume 11 – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

On 18 July 2024, the International Accounting Standards Board (IASB) issued the Annual Improvements to IFRS Accounting Standards-Volume 11. It contains amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

The IASB's annual improvements are limited to amendments that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards.

The amendments contained in the Annual Improvements relate to:

- ▶ IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter.
- ▶ IFRS 7 Financial Instruments: Disclosures:
  - Gain or loss on derecognition.
  - Disclosure of differences between the fair value and the transaction price.
  - Disclosures on credit risk.
- ▶ IFRS 9 Financial Instruments:
  - Derecognition of lease liabilities.
  - Transaction price.
- ▶ IFRS 10 Consolidated Financial Statements – Determination of a 'de facto agent'.
- ▶ IAS 7 Statement of Cash Flows – Cost Method.

These amendments are mandatory for financial years beginning on or after 1 January 2026; earlier application is permitted. The Group is currently assessing the impact of the Amendments on its operations but not intending to early adopt the Amendments.



# Notes to the consolidated financial statements

For the year ended 31 December 2025

## 1 Risk management

### 1.1 Introduction and overview

Sub-Saharan Africa's economy sustained a moderate recovery through 2025, with GDP growth now estimated in the 3.8% to 4.2% range, supported by easing inflation and resilient domestic demand. Growth is expected to edge up modestly from around 4.2% to 4.3% in 2026, though performance remains uneven across countries. Tight global financing conditions, elevated borrowing costs, and high debt-servicing burdens continue to constrain fiscal space and investment, leaving the region exposed to external shocks.

In Tanzania, political unrest following the October 2025 elections weakened investor confidence and disrupted trade and tourism flows, introducing heightened short-term uncertainty to East Africa's outlook. Botswana's economy underperformed earlier expectations, with prolonged weakness in global diamond demand weighing heavily on growth and raising the risk of contraction in 2025, despite ongoing government investment and diversification efforts. Namibia maintained moderate growth of around 3.5% to 3.8% in 2025, with prospects strengthening into 2026 on the back of mining activity, green hydrogen developments, and continued recovery in tourism, although climate and external demand risks persist.

The Group remains vigilant to downside risks from global economic fragmentation, geopolitical tensions, debt vulnerabilities, and climate-related shocks. It continues to monitor evolving macroeconomic, political, and market conditions across its operating countries, incorporating scenario analysis and policy developments to support resilience, informed decision-making, and strategic readiness.

### 1.2 Financial risk

During the year under review, the Group was exposed to both financial and non-financial risks, which were effectively managed through established mitigation measures and robust oversight. The Group Management Risk Committee

provided active monitoring at the management level, while the Group Risk, Social and Ethics Committee exercised governance and strategic oversight at the Board level.

In line with the Group's Enterprise Risk Management Framework (ERMF), financial risk is categorised as Capital Risk, Credit Risk and Treasury Risk that covers liquidity risk, interest rate risk, investment risk and foreign exchange rate risk.

#### 1.2.1 Capital risk

Capital risk is the risk that the Group is unable to maintain sufficient levels of capital resulting in inability to support business activities, failure to meet regulatory requirements and increased costs or reduced capacity to raise funding due to adverse changes in credit rating or funding sources.

All the Group's subsidiaries were adequately capitalised during the period under review in line with the Group's Internal Capital Adequacy Assessment Process (ICAAP Lite).

Risk Appetite metrics for Capital Risk are tracked on a regular basis with breaches being reported to the Group Balance Sheet Management Committee and Group Management Risk Committee for adequate oversight by Management.

### 1.3 Credit risk

#### 1.3.1 Credit risk

Credit risk represents the potential loss arising from a borrower or counterparty's failure to fulfil contractual financial obligations when they fall due. The Group's principal exposure to credit risk stems from its lending activities and from interbank placements and other credit-related transactions undertaken across its subsidiary entities.

The proposed corporate transaction involving the disposal of some East and West African subsidiaries has no impact on the Group's Expected Credit Loss (ECL) calculations under IFRS 9. Our ECL framework already reflects the enhancements implemented in the prior year, including the updated treatment of Stage 3 exposures. These enhancements

incorporated Time in Default (TID) and the application of 100% Loss Given Default (LGD) for exposures reaching 360 days past due. Accordingly, the transaction did not require any changes to model assumptions, staging criteria, or impairment outcomes. While the portfolio delivered gains during the year, these were partially offset by rising credit stress in certain markets. In Uganda and Nigeria, non-performing loans increased, driven primarily by weaker performance in the Deduction-at-Source (DAS) product. This deterioration resulted from delays in employer remittances and system changes affecting the deduction and payment processes.

#### *Stage 3 Coverage and Credit Risk Developments*

The Stage 3 coverage ratio closed the year at 67%, compared to 69% in FY 2024. The marginal improvement reflects the Group's adoption of an enhanced Loss Given Default (LGD) methodology, which incorporates long-dated defaults under the Time in Default framework. This was complemented by the transition of the Probability of Default (PD) methodology from cumulative roll rates to the more robust chain ladder approach, implemented during the 2024 reporting cycle.

The Group's overall risk profile was further influenced by the accelerated migration of exposures into default, alongside the strategic write-off of underperforming "test and learn" products. These included open-source individual lending in Botswana and Lesotho, as well as the accelerated write-off of mobile loan portfolios in Ghana and Tanzania, which experienced delays in regulatory approvals.

Despite these shifts, credit default insurance continues to provide meaningful credit risk mitigation in Namibia and Mozambique, offering protection against potential losses in these markets. Additionally, default buffers have been established in Tanzania for mobile loans, reflecting the short-term and inherently volatile nature of this product segment.



## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

1 Risk management *continued*1.3 Financial risk *continued*1.3.1 Credit risk *continued*

Key metrics	YoY Trend	2025	2024
Growth in gross advances to customers (%)	↓	(4.7%)	1.4%
Loan loss rate (%)	↓	3.2%	5.3%
Non-performing loans (NPLs) as a percentage (%) of gross advances	↓	8.0%	8.4%
Stage 3 coverage ratio (%)	↓	67%	69%

	2025 P'000	2024 P'000
<b>Loan loss rate % – cost of risk</b>		
Impairment expense, excluding Investment Securities	490 236	765 090
Average gross advances to customers	15 101 661	14 447 025
	3.2%	5.3%
<b>Non-performing loans %</b>		
Non-performing loans	1 250 058	1 225 009
Gross advances to customers	15 655 062	14 548 260
	8.0%	8.4%

**Cost of Risk**

The annualised Loan Loss Rate (LLR) for FY 2025 reduced to 3.2%, performing slightly adverse to the Group's risk appetite threshold of 3%, but significantly improving in comparison to FY 2024 (5.3%).

**Loan Write-off policy**

The Group's loan write-off framework is guided by regulatory requirements for regulated entities and an internal policy for non-regulated entities. This approach ensures timely and appropriate recognition of loan losses, accurately reflecting the institution's financial condition and operational environment.

**Scenarios Leading to Loan Write-Offs****1. Contractual Write-Offs**

These occur when the Group determines that it is no longer reasonably assured of recovering amounts due under the contractual terms of the loan or advance agreement. For accounts meeting this category the following process applies:

- ▶ **Classification as Loss:** Accounts past due for 360 days will be classified as loss.
- ▶ **Provisioning for Unsecured Exposures:** The Group will apply a 100% provisioning for all unsecured exposures under the loss category.
- ▶ **Provisioning for Secured Exposures:** For exposures secured by property or motor vehicles, the Group will recognise provisions for the shortfall between the gross loan amount and the sum of the Forced Sale Value (FSV) of the collateral and existing IFRS 9 provisions.
- ▶ **Collateral Revaluation:** Secured exposures involving property or motor vehicles will undergo revaluation upon classification as loss.
- ▶ **Write-Off Timelines:** Unsecured Exposures: Write-off occurs at 460 days past due, including those secured by movable collateral (excluding motor vehicles).
- ▶ **Secured Exposures:** Write-off occurs at 1,080 days past due for loans secured by property or motor vehicles, adhering to regulatory timelines where applicable.

**2. Non-Contractual Write-Offs**

These arise when the Group loses control over its contractual rights, rendering the loan or part of the loan uncollectible. Common scenarios include:

- ▶ **Fraud:** Proven third-party fraud, classified as an operational loss for accounting purposes, with recovery pursued through legal channels.
- ▶ **Deceased Borrower:** Where the borrower has passed away.
- ▶ **Bankruptcy:** The borrower has been declared bankrupt.
- ▶ **Court Rulings:** A court of law declares the loan or part of the loan contractually void.

For non-contractual write-offs, the write-off is executed immediately upon the occurrence of the triggering event, without adhering to the standard days-past-due framework.



## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 1 Risk management *continued*

### 1.3 Financial risk *continued*

#### 1.3.1 Credit risk *continued*

##### **Approach to managing credit risk**

The Group takes a comprehensive approach to managing credit risk, aligning with its Group Enterprise Risk Management (ERM) Framework. Credit risk management is embedded as a critical component of the Group's integrated financial risk management strategy.

The Group's Credit Risk Management Framework is applied consistently across all subsidiaries through the implementation of robust Credit Risk Policies, Standards, Processes, and Systems. These are tailored to reflect the Group's business model and the operational complexity of its activities.

The framework enables the Group to:

- ▶ **Identify:** Accurately pinpoint credit risk exposures across its portfolios.
- ▶ **Assess:** Evaluate credit risk levels effectively to inform decision-making.
- ▶ **Monitor:** Continuously track credit risk metrics and portfolio performance.
- ▶ **Control:** Implement measures to mitigate risk exposures and maintain portfolio quality.

Additionally, the Group ensures that sufficient capital resources are allocated to support the risks undertaken, safeguarding the Group's financial resilience and compliance with regulatory requirements.

##### **Credit risk mitigation**

The Group provides credit life insurance to all clients, ensuring the repayment of outstanding loan balances to the Group in the event of a borrower's death or permanent disability. In addition, two markets offer comprehensive insurance coverage for risks such as job loss, employer default, absconding, and temporary disability.

For portfolios not backed by payroll deductions and classified as higher risk (e.g., Mobile and Non-DAS portfolios), the Group employs credit scoring, delivers customer education before extending credit, and undertakes regular portfolio reviews. Furthermore, additional retrenchment covers have been implemented in key markets to support portfolio sustainability.

##### **Key Portfolio Management Actions**

- ▶ **Write-offs and Provisions:** Loans are written off and provisioned in line with the Group's defined policies.
- ▶ **Loan Restructuring:** Loans may be restructured (contractual terms modified) in select cases to enhance the likelihood of full repayment, particularly for clients facing financial challenges due to external or internal factors such as disability, death, theft, accidents, or changes in government policies.
  - Restructured loans are classified as non-performing for provisioning purposes until six consecutive payments are made.
  - Loans may only be restructured once; a second restructuring automatically results in the loan being classified as "loss," with full provisioning.
  - No additional fees are applied to restructured loans.
  - Customers in arrears are ineligible for "top-up" loans.

- ▶ **Re-aging of Accounts:** In cases of missed instalments due to operational issues (not the borrower's fault), accounts are re-aged. This involves adjusting the loan's end date without changing the number of repayments or the loan principal.
- ▶ **Affordability Compliance:** The Group strictly adheres to affordability regulations. In most markets, independent entities, such as a central registry or gatekeepers, ensure compliance with affordability guidelines alongside the Group's internal controls.

##### **Credit risk stress testing**

The Group acknowledges the potential for events or future changes that could negatively impact its credit portfolios, subsequently affecting its capacity to generate additional business. Stress testing is a vital element of the Group's overall risk management and governance framework. It plays a central role in shaping the decision-making process at both management and Board levels, ensuring that the Group is well positioned to respond to potential risks and challenges.

##### **The overlay approach followed by the Group is outlined below:**

##### **General steps considered by the Group in considering impairment**

The following illustrates the steps that the Group follows in calculating impairment of financial assets:

1. Establish the appropriate definition of default.
2. Determine the level of assessment (individual vs. collective assessment).
3. Determine indicators/measures of significant increase in credit risk.
4. Define the thresholds for significant increase in credit risk.
5. Determine whether the "low credit risk assumption" will be applied to certain loans.
6. Identify relevant forward-looking information and macro-economic factors.
7. Identify appropriate sources of relevant forward-looking information and macro-economic factors.
8. Incorporate forward-looking information and multiple scenarios in staging assessments of loans.
9. Stage loans based on the forward-looking assessment of significant increase in credit risk.
10. Determine the method to be used for measuring Expected Credit Losses.
11. Determine the estimation period – the expected lifetime of the financial instrument.
12. Establish the respective Probability of Default for loans in Stage 1 and Stage 2.
13. Calculate the Exposure at Default.
14. Identify relevant collateral and credit enhancements.
15. Develop calculations for Loss Given Default (incorporating collateral and credit enhancements).
16. Consider the time value of money and calculate Expected Credit Losses.
17. Identify modifications that occurred during the period and determine if each modification results in derecognition or no derecognition.
18. Calculate the modification gain or loss and include the modified loan (or new loan).
19. Establish and document the appropriate processes, internal controls and governance for estimating Expected Credit Losses (ECL).

## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 1 Risk management *continued*

### 1.3 Financial risk *continued*

#### 1.3.1 Credit risk *continued*

##### *Credit risk stress testing continued*

The impairment requirements are inherently complex, involving critical management judgments, estimates, and assumptions. The following key concepts and management judgments are considered in the impairment assessment:

##### *Determining a significant increase in credit risk since initial recognition (SICR)*

In accordance with IFRS 9, the Group is required to recognise 12-month expected credit losses (ECL) for financial instruments where there has been no significant increase in credit risk since initial recognition (Stage 1). If credit risk has increased significantly since initial recognition (Stage 2), or if the instrument is credit-impaired (Stage 3), lifetime ECL is recognised. The Group assesses whether a significant increase in credit risk has occurred based on both quantitative and qualitative factors.

##### **Indicators of SICR include any of the following:**

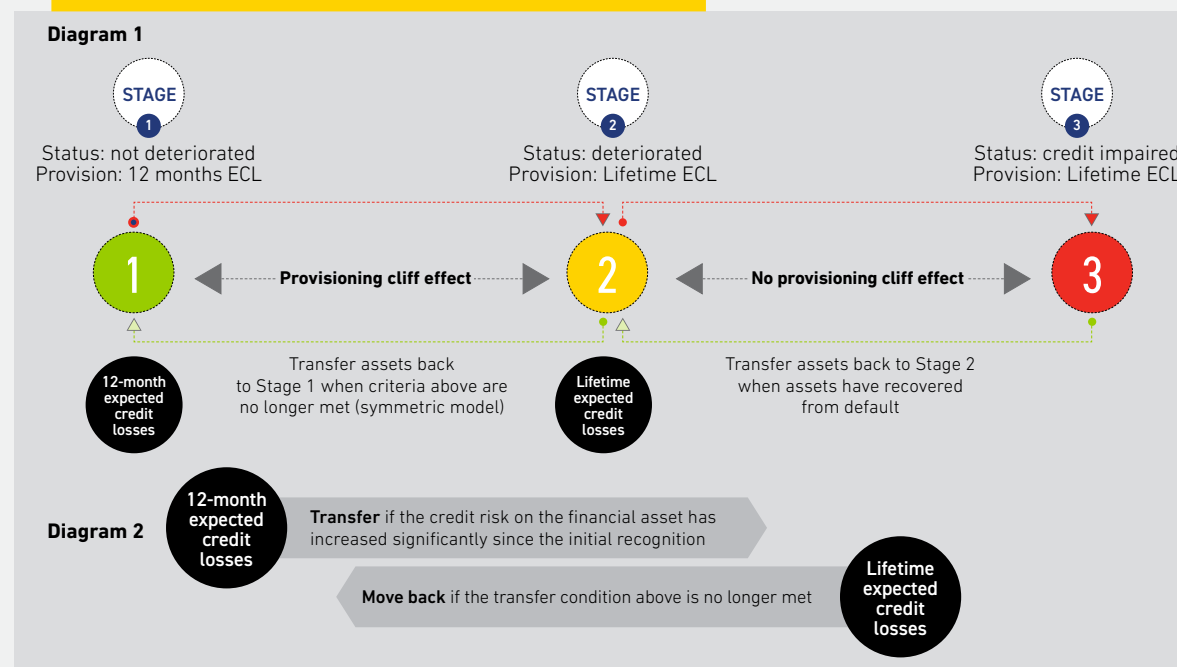
- ▶ 30 days past due rebuttable presumption.
- ▶ historical delinquency behaviour of accounts that are up to date and accounts in 1 – 30 days category.
- ▶ significant adverse changes in business, financial and/or economic conditions in which the client operates, including for example retrenchment of the customer, closure of the sponsoring employer, etc.

##### **Two types of PDs are considered under IFRS 9:**

- ▶ Twelve-month PDs – This is the estimated probability of a default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECL, which are applicable to Stage 1 financial instruments.
- ▶ Lifetime PDs – This is the estimated probability of a default occurring over the remaining life of the financial instrument which is applicable to Stage 2.

Exposures will move back to Stage 1 once they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met. This is subject to all payments being up to date and the customer evidencing ability and willingness to maintain future payments.

The IFRS 9 requirements for the staging of loans is summarised in the two diagrams below



- ▶ **Stage 1:** relates to a 12-month ECL allowance on financial assets that are neither credit impaired on origination nor for which there has been a SICR.
- ▶ **Stage 2:** relates to a lifetime ECL allowance on financial assets that are assessed to display a SICR since origination.
- ▶ **Stage 3:** relates to a lifetime ECL allowance on financial assets that are assessed to be credit impaired.



## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued***Forward-looking information**

The IFRS 9 measure of Expected Credit Loss (ECL) represents an unbiased, probability-weighted estimate based on a range of possible outcomes and incorporates reasonable and supportable information available at the reporting date regarding past events, current conditions, and forecasts of future economic conditions. Forward-looking information is reflected in both staging assessments and the measurement of ECL.

The Group integrates empirically observed credit performance with relevant macroeconomic expectations within a structured framework that reflects portfolio behaviour and broader economic conditions. Macroeconomic data and forecasts are sourced from reputable external providers, and key assumptions, parameters, and scenario weightings are subject to formal governance review and monthly refresh to ensure alignment with the latest available information.

Forward-looking assumptions and related model inputs are applied across both country-level economic environments and underlying portfolio or segment characteristics. This ensures that ECL estimates appropriately reflect local economic conditions while maintaining consistency in methodology, comparability across reporting periods, and transparency in the measurement of credit risk.

Forward-looking inputs are centred on core indicators consistently relevant across operating markets, including unemployment, inflation, and gross domestic product (GDP). These indicators support subsidiary-level economic assessments and help ensure that ECL estimates remain responsive to economic developments while maintaining proportionality, transparency, and alignment with IFRS 9 requirements for the recognition and measurement of expected credit losses.

**Definition of default**

Default is not defined under IFRS 9. The Group is responsible for defining this for themselves and it should be based upon its own definition used in the Group's internal risk management. Careful consideration of how default is defined is important as the definition impacts the calculation of PDs, LGDs and EADs, hence impacting the ECL results.

The simplest definition is that of failure to meet a scheduled payment of principal or interest, however, that definition has modifications depending upon the loan product. The definition of default has to be consistent with that used for internal credit risk management purposes for the relevant financial instrument and has to consider qualitative indicators, e.g. breaches of covenants, when appropriate. Inability to pay may also be considered in making the qualitative assessment of default.

Indications of inability to pay include:

- ▶ the credit obligation is placed on non-accrued status;
- ▶ the Group makes a specific provision or charge-off due to a determination that the obligor's credit quality has declined (subsequent to taking on the exposure);
- ▶ the Group sells the credit obligation or receivable at a material credit related economic loss;
- ▶ the Group agrees to a distressed restructuring resulting in a material credit related diminished asset stemming from such actions as material forgiveness or postponement of payments or repayments of amount owing;
- ▶ the Group has filed for the obligor's bankruptcy in connection with the credit obligations; and
- ▶ the obligor has sought or been placed in bankruptcy resulting in the delay or avoidance of the credit obligation's repayment.

There is a rebuttable presumption within IFRS 9 that default does occur once a loan is more than 90 days past due. The Group has adopted this presumption.

**Discounting**

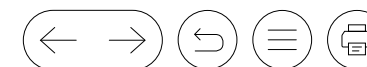
Expected credit losses are discounted at the effective interest rate (EIR) at initial recognition or an approximation thereof and consistent with income recognition. For loan commitments the EIR is that rate that is expected to apply when the loan is drawn down and a financial asset is recognised.

**Modelling techniques****Loss Given Default (LGD)**

The approach in LGD development has not changed from FY2024. The LGD is created with the chain ladder methodology which allows for a granular analysis of loss patterns over time. As was implemented in FY2023, the LGDs gradually increase over time in default to create Time in Default (TID) LGDs. This would gradually increase ECL coverage the longer an account stays in default as it moves closer towards the write-off point, approaching 100% coverage.

**Exposure at Default (EAD)**

The approach in estimating Exposure at Default (EAD) has not changed from FY2024, where an empirical runoff EAD approach is implemented. Default balances are forecast based on projected balances and accrued interest. This method essentially simulates how the balances of a loan will "run off" over time, based on contractual repayments schedules and interest accruals, and then simulates default events at multiple points throughout the remaining lifetime of the loan. These simulated default balances will then be paired with their respective marginal probabilities of default when calculating the Expected Credit Loss.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued**Modelling techniques continued**Probability of Default (PD)*

The approach in PD development has not changed from FY2024. PD models use the chain ladder methodology to track how at-risk loan balances migrate to default status at marginal one month increments to create marginal default rates from 1 month onwards, done per arrears bucket. The chain ladder identifies patterns in how values grow from one time period to the next. These patterns are used to create forecasts for incomplete periods. This also provides empirical Lifetime PDs that reflect the default behaviour of each arrears bucket. An incremental behavioural score adjustment is applied to reflect forward-looking macroeconomic direction. This factor is updated per portfolio on a monthly basis based on economic outlooks.

*Renegotiated loans treatment*

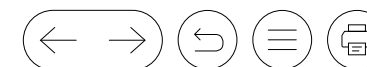
Both performing and non-performing restructured assets are generally classified as Stage 3, unless it is determined that the concession granted has not led to a reduction in the financial obligation and no other regulatory default criteria have been triggered. In such cases, the asset will be classified as Stage 2. The minimum probationary period required to move an asset back to Stage 1 (cure state) is six months.

*Maximum exposure to credit risk*

	Gross advances P'000	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Net advances P'000	Security held P'000
<b>(a) Advances to customers</b>						
<b>31 December 2025</b>						
Southern Africa	11 907 115	(53 025)	(47 445)	(348 699)	11 457 946	–
East and West Africa	3 747 947	(54 605)	(23 604)	(604 208)	3 065 530	–
	15 655 062	(107 630)	(71 049)	(952 907)	14 523 476	–
<b>31 December 2024</b>						
Southern Africa	11 518 000	(84 417)	(55 707)	(365 665)	11 012 211	–
East and West Africa	3 030 260	(40 463)	(38 113)	(394 732)	2 556 952	(33 226)
	14 548 260	(124 880)	(93 820)	(760 397)	13 569 163	(33 226)

Attention is drawn to Note 10, where the Board of Directors approved a plan to explore the sale of some of the Group's business interests in East and West Africa and consequently the Advances related to the entities in the Disposal Group were classified as 'held for sale' at 31 December 2025. At the reporting date the Group continued to have control of the entities within the Disposal Group and the disclosures outlined in Note 1.3.1 outline the credit risk implications of the Group's entire loan portfolio. In light of this, the total gross advances and the total expected credit loss provisions within the Credit Risk Notes reflect an aggregation of the Gross Advances reflected in Note 6 (P12.26 billion) and Note 10 (P3.4 billion), respectively and the total Expected Credit Loss provisions in Note 6 (P592.1 million) and Note 10 (P539.5 million), respectively.

	31 December 2025 P'000	31 December 2024 P'000
<b>(b) Other financial assets measured at amortised cost</b>		
Cash and similar instruments	2 454 072	1 658 667
Investment in securities	457 192	654 830
Other receivable accounts	295 033	384 754
	3 206 297	2 698 251


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**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS** continued

**1 Risk management** *continued*
**1.3 Financial risk** *continued*
**1.3.1 Credit risk** *continued*
**Maximum exposure to credit risk** *continued*

Below is a summary of the expected credit losses recognised in respect to advances to customers as at 31 December 2025:

	IFRS 9 ECL Provisions at 31 December 2025				IFRS 9 ECL Provisions at 31 December 2024			
	Stage 1: 12-month ECL allowance	Stage 2: Lifetime ECL allowance – not credit impaired	Stage 3: Lifetime ECL allowance – credit-impaired	Total ECL on 31 December 2025	Stage 1: 12-month ECL allowance	Stage 2: Lifetime ECL allowance – not credit- impaired	Stage 3: Lifetime ECL allowance – credit-impaired	Total ECL on 31 December 2024
<b>Operating segments</b>								
Financial assets								
Botswana	39 712	37 740	245 470	322 922	65 105	44 272	251 063	360 440
Namibia	1 764	1 285	7 386	10 435	1 387	1 219	10 908	13 514
Mozambique	2 120	1 361	18 379	21 860	3 857	2 325	15 821	22 003
Lesotho	5 808	5 430	45 003	56 241	11 373	5 899	48 106	65 378
Eswatini	3 621	1 629	32 461	37 711	2 695	1 992	39 767	44 454
Kenya	4 693	6 589	131 666	142 948	14 532	19 204	137 219	170 955
Rwanda	865	340	1 544	2 749	967	427	2 503	3 897
Uganda	5 351	4 267	48 225	57 843	5 640	6 625	34 018	46 283
Tanzania	7 728	2 653	37 741	48 122	7 243	6 534	51 359	65 136
Nigeria	2 111	1 571	21 440	25 122	2 487	2 284	13 227	17 998
Ghana	33 857	8 184	363 592	405 633	9 594	3 039	156 406	169 039
<b>Total</b>	<b>107 630</b>	<b>71 049</b>	<b>952 907</b>	<b>1 131 586</b>	<b>124 880</b>	<b>93 820</b>	<b>760 397</b>	<b>979 097</b>

Overall expected credit losses as at 31 December 2025 closed at P1.13 billion, which is an increase from P979 million as at 31 December 2024. This was as a result of strengthening provision coverage on the mobile loan portfolio by implementing the Time in Default (TID) methodology and applying a Loss Given Default (LGD) of 100% from 150 days past due, consistent with observed recovery performance.

Transfers from Stage 1 to Stage 2 are primarily operational in nature, driven mainly by delayed remittances from government employers.



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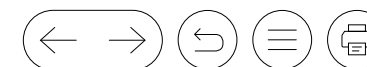
**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued**Maximum exposure to credit risk continued**Key Highlights*

Measure	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020
Gross Loan Book Balance in P'm	15 655	14 548	14 346	13 132	12 439	10 740
Portfolio at risk – 30 days	11.4%	11.6%	14.4%	9.2%	9.2%	8.3%
Portfolio at risk – 90 days (NPL)	8.0%	8.4%	9.6%	6.5%	5.9%	5.3%
Post Write-off Recoveries in the year in P'm	276	226	162	147	178	199
Bad Debt Write offs in reporting period	656	839	209	237	295	377
Net Impairment charge	490	765	457	99	17	26
Loan loss rate – actual	3.2%	5.4%	3.3%	0.2%	(0.1%)	0.3%
Loan loss rate – excl. once-off items	2.0%	2.3%	2.0%	0.2%	0.6%	1.8%
Non-performing loan coverage ratio	67%	69%	58%	53%	73%	98%

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

**The loss allowance recognised in the period is impacted by a number of factors, as described below:**

- ▶ Transfers between Stage 1 and Stage 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” or “step down” between 12-months and lifetime ECL;
- ▶ Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- ▶ Impact on measurement of ECL due to changes in PDs, EADs, and LGDs in the period arising from regular refreshing of inputs into models;
- ▶ Impact on the measurement of ECL due to changes made to models and assumptions;
  - Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- ▶ Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- ▶ Financial assets derecognised during the period and write-offs of allowances related to assets and were written off during the period.



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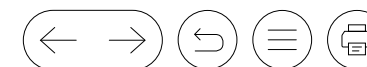
## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued***Maximum exposure to credit risk** *continued*

The following table depicts changes in the gross carrying amount of the consumer and microfinance portfolio to explain their significance in the loss allowance for the same portfolio as discussed above:

	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	P'000	P'000	P'000	P'000
<b>31 December 2025</b>				
<b>Loss allowance:</b>				
At 1 January	124 880	93 820	760 397	979 097
New assets originated or purchased	2 474 469	–	–	2 474 469
Payments or assets derecognised	(1 548 064)	(18 894)	(126 812)	(1 693 770)
<b>Transfers:</b>				–
Transfers from Stage 1 to Stage 2	(30 418)	30 418	–	–
Transfers from Stage 1 to Stage 3	(960 982)	–	960 982	–
Transfers from Stage 2 to Stage 3	–	(109 649)	109 649	–
Transfers from Stage 3 to Stage 2	–	4 259	(4 259)	–
Transfers from Stage 2 to Stage 1	26 691	(26 691)	–	–
Changes to PDs and LGD rates	21 054	97 786	(91 451)	27 389
Write-offs	–	–	(655 599)	(655 599)
	<b>107 630</b>	<b>71 049</b>	<b>952 907</b>	<b>1 131 586</b>

	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	P'000	P'000	P'000	P'000
<b>31 December 2024</b>				
<b>Loss allowance:</b>				
At 1 January	118 031	39 495	700 371	857 897
New assets originated or purchased	1 082 491	–	–	1 082 491
Payments or assets derecognised	(105 550)	(6 406)	(107 249)	(219 205)
<b>Transfers:</b>				–
Transfers from Stage 1 to Stage 2	(51 872)	51 872	–	–
Transfers from Stage 1 to Stage 3	(167 678)	–	167 678	–
Transfers from Stage 2 to Stage 3	–	(103 591)	103 591	–
Transfers from Stage 3 to Stage 2	–	3 602	(3 602)	–
Transfers from Stage 2 to Stage 1	2 796	(2 796)	–	–
Changes to PDs and LGD rates	(753 338)	111 644	742 670	100 976
Write-offs	–	–	(843 062)	(843 062)
	<b>124 880</b>	<b>93 820</b>	<b>760 397</b>	<b>979 097</b>



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued**Maximum exposure to credit risk continued*

	At 31 December 2025 (IFRS 9) P'000	At 31 December 2024 (IFRS 9) P'000
<b>Gross advances to customers</b>	<b>15 655 062</b>	14 548 260
Of which Stage 1	<b>13 406 012</b>	12 480 003
Of which Stage 2	<b>570 995</b>	641 382
Of which Stage 3	<b>1 678 055</b>	1 426 875
<b>Expected credit loss provisions</b>	<b>(1 131 586)</b>	(979 097)
Of which Stage 1	<b>(107 630)</b>	(124 880)
Of which Stage 2	<b>(71 049)</b>	(93 820)
Of which Stage 3	<b>(952 907)</b>	(760 397)
<b>Net advances to customers</b>	<b>14 523 476</b>	13 569 163
Of which Stage 1	<b>13 298 382</b>	12 355 123
Of which Stage 2	<b>499 946</b>	547 562
Of which Stage 3	<b>725 148</b>	666 478
<b>Impairment (ECL) Coverage Ratio</b>	<b>7%</b>	7%
<b>Stage 3 Coverage Ratio</b>	<b>67%</b>	69%

*Expected credit losses: Stress Testing and Sensitivity Analysis*

As a predominately Government Deduction-at-Source (DAS) retail business, Letshego was able to remain resilient to the worst effects of external economic pressures at the back of pressures in inflation and increases in interest rates. Although inflation is expected to remain persistent, we expected central banks to exercise caution in rolling out monetary easing. Furthermore, despite the muted GDP outturns and persistent challenges associated, growth is expected to accelerate in the second half of the year driven by an uptick in demand as well as disinflation.

Model recalibrations are performed at two points, in April and October every year. Additionally, Macroeconomic factors are updated to align with Fitch Solutions revised forecasts at every recalibration period as well as monthly.

**Loss given default (LGD)**

LGDs between December 2024 and December 2025 have shown mixed results with decreases in some markets that have shown increase in recovery rates and increase in predominantly MSE countries that have high-risk sectors. The LGD model uses the run-off triangle method, which allows for a granular analysis of loss patterns over time, as well as Time in Default LGD for accounts in stage 3 to gradually increase coverages towards write-off. This provides an indication of the sensitivity of recovery rates during periods of economic duress. The company was therefore comfortable with setting the LGD shock at +10%, for prudence sake.

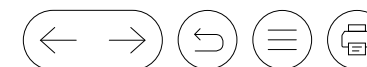
**Probability of default (PD)**

The PD approach uses a chain ladder to track how at-risk loan balances migrate to default status at marginal one month increments to create marginal default rates from 1 month onwards, done per arrears bucket. The chain ladder identifies patterns in how values grow from one time period to the next. These patterns are used to create forecasts for incomplete periods. This also provides empirical Lifetime PDs that reflect the default behaviour of each arrears bucket. The previous scalar FLI Bscore has been converted into a marginal FLI factor that is added to marginal PDs by arrears bucket. This factor is updated per portfolio on a monthly basis based on economic outlooks.

**Macroeconomic analysis**

Country	Forecast movements from 2025 to 2026		
	Unemployment rate	Real GDP growth	Inflation
Botswana	↓	↑	↑
Eswatini	↓	↓	↑
Ghana	↓	↑	↓
Kenya	↓	↑	↑
Lesotho	↓	↑	↑
Mozambique	↓	↑	↓
Namibia	↓	↑	↑
Nigeria	↑	↑	↓
Rwanda	↑	↓	↓
Tanzania	↓	↓	↑
Uganda	↓	↑	↑

The above table shows the main macroeconomic factors used to estimate the expected credit loss allowance on loans.



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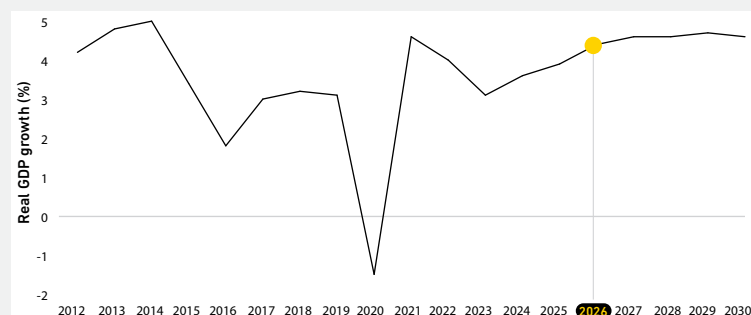
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**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued***Macroeconomic analysis** *continued*

The chart below shows GDP Growth over time for sub-Saharan Africa, reflecting how the region is still in a recovery phase. Changes in the macroeconomic environment are monitored continuously at Group and Country level. Mitigating actions will be implemented by Management for Portfolios showing adverse effects linked to macroeconomic events.

**Global Growth Outlook in 2026 to pick up (Evolution of Real GDP Growth forecasts, %)****Influence of economic variables on estimate of ECL**

A behavioural scorecard is used to incorporate forward-looking macroeconomic variables into lifetime PDs. A weighted score is calculated based on the outlook of economic conditions of each country and is updated when there is a change. These weighted scores are used to convert 12-month PDs into Lifetime PDs for accounts in Stage 2 (Stage 3 PD is standard at 100%).

According to forecasts from Fitch Solutions, the impact of the conflict between DR Congo and M23 Rebels is likely to result in interstate conflict between Congo and Rwanda in the Short term. However, in the medium term a lopsided (in Rwanda's favour) and shaky peace deal will be agreed.

**Expected credit losses: Forward looking**

MSE portfolios were stressed Downside-heavy while the DAS book was stressed Base-heavy to reflect their respective sensitivities to macroeconomic conditions.

The table below summarises the ECL impact of the sensitivity analysis after application of forward-looking factors for the year ending 31 December 2025:

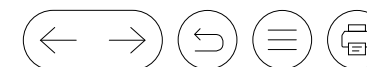
BWP'000	Base case	Upside		Downside		Probability Weighted ECL	Weighted Impact*
	ECL	ECL	Impact	ECL	Impact	ECL	Impact
Consumer	479 074	383 377	(95 697)	584 231	105 157	518 251	39 177
MSE	156 739	128 834	(27 905)	199 539	42 800	176 980	20 241
Informal	484 342	425 800	(58 542)	550 788	66 446	436 356	(47 986)
<b>Total</b>	<b>1 120 155</b>	<b>938 011</b>	<b>(182 144)</b>	<b>1 334 558</b>	<b>214 403</b>	<b>1 131 586</b>	<b>11 431</b>

\* The Probability weighted ECL is derived by assigning weights to the base, upside and downside scenarios based on management projections. The weights used in the last reporting cycle were 50%, 20% and 30% respectively for Deduction-at-Source (DAS) portfolio that holds a low credit risk and 30%, 20% and 50% respectively for MSE and Informal portfolio. Refreshed assessment used the higher end of risk weightings hence as at October 2025 the weightings used are 30%, 20%, 50%.

The total weighted impact of P11.4 million is distributed to operating subsidiaries as follows:

Country	Base ECL	Probability Weighting	Impact
	BWP'000	BWP'000	BWP'000
Botswana	318 472	322 922	4 450
Eswatini	36 435	37 711	1 276
Ghana	403 184	405 633	2 449
Kenya	141 256	142 948	1 692
Lesotho	52 240	56 241	4 001
Mozambique	21 582	21 860	278
Namibia	10 290	10 435	145
Nigeria	22 335	25 122	2 787
Rwanda	2 150	2 749	599
Tanzania	49 970	48 122	(1 848)
Uganda	62 241	57 843	(4 398)
<b>Group</b>	<b>1 120 155</b>	<b>1 131 586</b>	<b>11 431</b>

The Group applied probability weighted ECL as at 31 December 2025. The Stressed outcome is the worst case scenario.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued***Credit quality**

The table below presents an analysis of the Group's gross advances based on the customer segments to which the Group is exposed:

**Formal:** these are unsecured loans including government and non-government payroll Deduction-at-Source (DAS) and individual (open source) lending.

**Micro finance:** micro and small entrepreneurs mainly associated with health, housing, agriculture and education segments.

**Informal (Instant loans):** short-term loans via mobile platforms.

Analysis of exposure by segment as at 31 December 2025	Formal P'000	Micro finance P'000	Informal P'000	Total gross advances P'000
<b>Southern Africa</b>	<b>11 790 204</b>	<b>57 287</b>	<b>59 624</b>	<b>11 907 115</b>
Botswana	3 410 432	31 936	42 464	3 484 832
Namibia	4 323 855	78	27	4 323 959
Mozambique	2 866 997	19 055	–	2 886 053
Lesotho	556 621	16	–	556 636
Eswatini	632 300	6 202	17 133	655 634
<b>East and West Africa</b>	<b>1 205 741</b>	<b>755 181</b>	<b>1 787 025</b>	<b>3 747 947</b>
Kenya	40 874	311 954	–	352 827
Rwanda	(1 043)	180 736	–	179 693
Uganda	381 123	120 135	23 841	525 099
Tanzania	437 343	15 311	172 747	625 401
Nigeria	29 238	107 283	1	136 522
Ghana	318 206	19 762	1 590 435	1 928 404
<b>Gross advances</b>	<b>12 995 945</b>	<b>812 469</b>	<b>1 846 648</b>	<b>15 655 062</b>
Expected credit losses	(518 251)	(176 980)	(436 356)	(1 131 586)
<b>Net advances</b>	<b>12 477 694</b>	<b>635 489</b>	<b>1 410 293</b>	<b>14 523 476</b>

Analysis of exposure by segment as at 31 December 2024	Formal P'000	Micro finance P'000	Informal P'000	Total gross advances P'000
<b>Southern Africa</b>	<b>11 266 712</b>	<b>190 382</b>	<b>60 906</b>	<b>11 518 000</b>
Botswana	3 309 334	37 563	38 545	3 385 442
Namibia	3 889 640	117 970	–	4 007 610
Mozambique	2 886 407	24 515	–	2 910 922
Lesotho	610 989	131	–	611 120
Eswatini	570 342	10 203	22 361	602 906
<b>East and West Africa</b>	<b>1 361 074</b>	<b>885 857</b>	<b>783 329</b>	<b>3 030 260</b>
Kenya	84 910	458 458	–	543 368
Rwanda	4 638	177 173	–	181 811
Uganda	465 413	125 478	1 572	592 463
Tanzania	398 918	40 627	81 039	520 584
Nigeria	44 183	76 256	1 066	121 505
Ghana	363 012	7 865	699 652	1 070 529
<b>Gross advances</b>	<b>12 627 786</b>	<b>1 076 239</b>	<b>844 235</b>	<b>14 548 260</b>
Expected credit losses	(589 966)	(191 584)	(197 547)	(979 097)
<b>Net advances</b>	<b>12 037 820</b>	<b>884 655</b>	<b>646 688</b>	<b>13 569 163</b>

Expected Credit Loss (ECL) are categorised as either '**Performing – Stage 1**', '**Underperforming – Stage 2**', or '**Non-Performing-Stage 3**'.

**Stage 1: Performing**

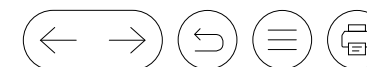
- ▶ when a significant increase in credit risk since initial recognition has not occurred, a 12-month ECL is recognised for all Stage 1 financial assets.

**Stage 2: Underperforming**

- ▶ when a significant increase in credit risk since initial recognition has occurred, a lifetime ECL is recognised.

**Stage 3: Non-Performing/Impaired**

- ▶ when objective evidence exists that an asset is credit impaired, a lifetime ECL is recognised. The Group's definition of default is 90 days past due ("DPD") which is similar to the rebuttable presumption under IFRS 9.



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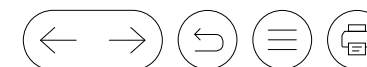
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**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued**Credit quality continued*

The table below presents an analysis by geographic location of the credit quality based on staging:

31 December 2025	Expected Credit Loss			
	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total ECL P'000
<b>Southern Africa</b>				
Formal	51 730	45 617	299 222	396 569
Micro finance	208	1 440	19 414	21 062
Informal	1 087	388	30 063	31 538
	<b>53 025</b>	<b>47 445</b>	<b>348 699</b>	<b>449 169</b>
<b>East and West Africa</b>				
Formal	14 030	9 078	98 574	121 682
Micro finance	7 985	7 501	140 432	155 918
Informal	32 590	7 025	365 203	404 818
	<b>54 605</b>	<b>23 604</b>	<b>604 208</b>	<b>682 417</b>
<b>Total Portfolio</b>				
Formal	65 760	54 695	397 796	518 251
Micro finance	8 193	8 941	159 846	176 980
Informal	33 677	7 413	395 266	436 356
	<b>107 630</b>	<b>71 049</b>	<b>952 907</b>	<b>1 131 586</b>

31 December 2024	Expected Credit Loss			
	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	Total ECL P'000
<b>Southern Africa</b>				
Formal	80 737	52 260	315 395	448 392
Micro finance	2 787	3 211	14 989	20 987
Informal	893	235	35 280	36 408
	<b>84 417</b>	<b>55 706</b>	<b>365 664</b>	<b>505 787</b>
<b>East and West Africa</b>				
Formal	17 341	15 454	108 779	141 574
Micro finance	16 292	19 737	134 568	170 597
Informal	6 830	2 923	151 386	161 139
	<b>40 463</b>	<b>38 114</b>	<b>394 733</b>	<b>473 310</b>
<b>Total Portfolio</b>				
Formal	98 078	67 714	424 174	589 966
Micro finance	19 079	22 948	149 557	191 584
Informal	7 723	3 158	186 666	197 547
	<b>124 880</b>	<b>93 820</b>	<b>760 397</b>	<b>979 097</b>



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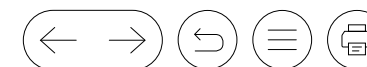
1 Risk management *continued*1.3 Financial risk *continued*1.3.1 Credit risk *continued**Movement in gross exposures and impairment allowance*

A reconciliation of changes in gross carrying amount and corresponding allowances for ECL by stage for Group is as follows:

*Loans and advances at amortised cost*

	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount P'000	ECL P'000	Gross carrying amount P'000	ECL P'000	Gross carrying amount P'000	ECL P'000	Gross carrying amount P'000	ECL P'000
<b>31 December 2025</b>								
<b>As at 1 January 2025</b>	12 480 002	124 880	641 382	93 820	1 426 876	760 397	14 548 260	979 097
New assets originated	3 516 923	2 474 469	–	–	–	–	3 516 923	2 474 469
Payments and assets derecognised	(2 568 790)	(1 548 064)	(1 546 789)	(18 894)	(2 779 680)	(126 812)	(6 895 259)	(1 693 770)
Transfers from Stage 1 to Stage 2	(255 718)	(30 418)	255 718	30 418	–	–	–	–
Transfers from Stage 1 to Stage 3	(1 265 306)	(960 982)	–	–	1 265 306	960 982	–	–
Transfers from Stage 2 to Stage 3	–	–	(569 457)	(109 649)	569 457	109 649	–	–
Transfers from Stage 3 to Stage 2	–	–	62 774	4 259	(62 774)	(4 259)	–	–
Transfers from Stage 2 to Stage 1	949 836	26 691	(949 836)	(26 691)	–	–	–	–
Changes to PD and LGD rates	567 886	21 054	2 677 203	97 786	1 914 469	(91 451)	5 159 558	27 389
Write offs	–	–	–	–	(655 599)	(655 599)	(655 599)	(655 599)
<b>As at 31 December 2025</b>	<b>13 424 833</b>	<b>107 630</b>	<b>570 995</b>	<b>71 049</b>	<b>1 678 055</b>	<b>952 907</b>	<b>15 673 883</b>	<b>1 131 586</b>

	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount P'000	ECL P'000	Gross carrying amount P'000	ECL P'000	Gross carrying amount P'000	ECL P'000	Gross carrying amount P'000	ECL P'000
<b>31 December 2024</b>								
<b>As at 1 January 2024</b>	12 118 775	118 031	755 182	39 495	1 471 832	700 371	14 345 789	857 897
New assets originated	2 584 254	1 082 491	–	–	–	–	2 584 254	1 082 491
Payments and assets derecognised	(1 963 128)	(105 550)	(979 893)	(6 406)	(1 104 417)	(107 249)	(4 047 438)	(219 205)
Transfers from Stage 1 to Stage 2	(335 022)	(51 872)	335 022	51 872	–	–	–	–
Transfers from Stage 1 to Stage 3	(335 022)	(167 678)	–	–	335 022	167 678	–	–
Transfers from Stage 2 to Stage 3	–	–	(498 449)	(103 591)	498 449	103 591	–	–
Transfers from Stage 3 to Stage 2	–	–	544 559	3 602	(544 559)	(3 602)	–	–
Transfers from Stage 2 to Stage 1	155 298	2 796	(155 298)	(2 796)	–	–	–	–
Changes to PD and LGD rates	254 847	(753 338)	640 259	111 644	1 613 611	742 670	2 508 717	100 976
Write offs	–	–	–	–	(843 062)	(843 062)	(843 062)	(843 062)
<b>As at 31 December 2024</b>	<b>12 480 002</b>	<b>124 880</b>	<b>641 382</b>	<b>93 820</b>	<b>1 426 876</b>	<b>760 397</b>	<b>14 548 260</b>	<b>979 097</b>



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

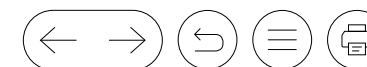
**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued**Loans and advances at amortised cost continued*

The table below presents an analysis by geographic location of the credit quality of advances based on arrears:

31 December 2025	Up-to-date P'000	1-30 days	31-60 days	61-90 days	91 or more	Total Gross advances P'000
		past due P'000	past due P'000	past due P'000	days past due P'000	
<b>Southern Africa</b>						
Formal	10 274 971	618 443	137 168	93 580	666 042	11 790 204
Micro finance	22 263	4 959	3 804	6 716	19 545	57 287
Informal	18 265	16 140	13 518	815	10 886	59 624
	10 315 499	639 542	154 490	101 111	696 473	11 907 115
<b>East and West Africa</b>						
Formal	1 022 030	43 060	18 791	10 089	111 771	1 205 741
Micro finance	249 597	77 700	123 423	88 775	215 686	755 181
Informal	1 118 607	406 805	20 814	14 672	226 127	1 787 025
	2 390 234	527 565	163 028	113 536	553 584	3 747 947

Attention is drawn to Note 10, where the Board of Directors approved a plan to explore the sale of some of the Group's business interests in East and West Africa and consequently the Advances related to the entities in the Disposal Group were classified as 'held for sale' at 31 December 2025. At the reporting date the Group continued to have control of the entities within the Disposal Group and the disclosures outlined in Note 1.3.1 outline the credit risk implications of the Group's entire loan portfolio. In light of this, the total gross advances and the total expected credit loss provisions within the Credit Risk Notes reflect an aggregation of the Gross Advances reflected in Note 6 (P12.26 billion) and Note 10 (P3.4 billion), respectively and the total Expected Credit Loss provisions in Note 6 (P592 million) and Note 10 (P532 million), respectively.

31 December 2024	Up-to-date P'000	1-30 days	31-60 days	61-90 days	91 or more	Total Gross advances P'000
		past due P'000	past due P'000	past due P'000	days past due P'000	
<b>Southern Africa</b>						
Formal	9 907 309	506 820	108 814	56 935	686 834	11 266 712
Micro finance	153 086	8 482	1 718	2 880	24 216	190 382
Informal	35 537	2 948	1 820	2 353	18 248	60 906
	10 095 932	518 250	112 352	62 168	729 298	11 518 000
<b>East and West Africa</b>						
Formal	1 101 491	66 689	30 714	8 616	153 564	1 361 074
Micro finance	485 119	70 444	31 024	26 205	273 065	885 857
Informal	473 238	100 783	23 693	22 234	163 381	783 329
	2 059 848	237 916	85 431	57 055	590 010	3 030 260



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued***Quality of Loan book**

Overall credit risk shows signs of deterioration in 2025 in selected markets. This was driven by increased environmental pressures, significant operational disruptions in central registries, and the continued underperformance of test-and-learn portfolios introduced in 2021 and 2023. The impact was most pronounced in Botswana and Lesotho, reflecting challenges arising from the now-suspended open-market lending initiatives, and in Kenya, where the MSE portfolio underperformed.

In Ghana and Tanzania, the movement in Stage 3 exposures was primarily attributable to the classification of mobile loans into Stage 3 from 31 days past due, as well as delays in write-off approvals by the respective regulators.

BWP'000	Stage 3 Exposures Transitions		
	2025	2024	Movement
<b>Financial assets</b>			
Botswana	245 470	251 063	(5 593)
Namibia	7 386	10 908	(3 522)
Mozambique	18 379	15 821	2 558
Lesotho	45 003	48 106	(3 103)
Eswatini	32 461	39 767	(7 306)
Kenya	131 666	137 219	(5 553)
Rwanda	1 544	2 503	(959)
Uganda	48 225	34 018	14 207
Tanzania	37 741	51 359	(13 618)
Nigeria	21 440	13 227	8 213
Ghana	363 592	156 406	207 186
<b>Total</b>	<b>952 907</b>	<b>760 397</b>	<b>192 510</b>

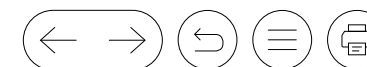
**Remedial Actions put in place to address the above**

- ▶ Introduce specific provisions for operational and fraud impacted portfolios.
- ▶ Intensify control testing and quality assurance programmes for critical credit processes to mitigate operational risks and failures.
- ▶ Implemented revamped collection structure and strategy (including legal) to rapidly remediate the Individual loan portfolio in Botswana and rest of stressed markets.
- ▶ Implement and Embed new Test and Learn control framework.
- ▶ Explore Debt Sales for stressed portfolios.

LGD represents an estimate of the percentage of EAD that will not be recovered, should the obligor default occur and below is an analysis by segments. However, in Southern Africa, Letshego Namibia and Letshego Mozambique have credit insurance in place and this is included as part of recoveries in the LGD calculations.

Country	Portfolio	2025	2024
Botswana	Botswana Government	55.2%	51.8%
	Botswana NonGov-DAS	94.1%	60.7%
	Botswana NonGov-Individual Lending	64.7%	73.9%
	Botswana MSE	82.2%	87.2%
Ghana	Ghana DAS	41.6%	50.1%
	Ghana MSE	63.7%	80.7%
Kenya	Kenya DAS	55.7%	60.4%
	Kenya MSE	48.9%	50.1%
Lesotho	Lesotho DAS	55.0%	60.3%
	Lesotho-Individual Lending	83.2%	60.3%
Mozambique	Mozambique DAS	5.8%	6.3%
	Mozambique MSE	32.9%	6.3%
Namibia	Namibia Microfinance	0.9%	2.2%
	Namibia Bank	0.6%	1.1%
Nigeria	Nigeria DAS	57.7%	46.5%
	Nigeria MSE	86.5%	85.5%
Rwanda	Rwanda DAS	70.7%	69.2%
	Rwanda MSE	25.9%	24.6%
Eswatini	Eswatini DAS	51.4%	42.1%
	Eswatini MSE	99.7%	97.6%
Tanzania	Tanzania DAS	75.1%	72.9%
	Tanzania MSE	94.6%	95.1%
Uganda	Uganda DAS	52.1%	58.4%
	Uganda MSE	34.2%	35.1%

PD represent an estimate of the probability that balances in less than 90 days categories would fall into default (91 or more days past due).



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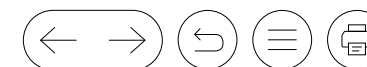
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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

1 Risk management *continued*1.3 Financial risk *continued*1.3.1 Credit risk *continued**Quality of Loan book continued*

Portfolio	Stage	Average PDs	
		2025	2024
Botswana Government	1	1.6%	2.9%
Botswana MSE	1	1.1%	2.6%
Botswana NonGov-DAS	1	3.4%	5.8%
Botswana NonGov-Individual Lending	1	15.3%	29.3%
Ghana DAS	1	2.3%	2.7%
Ghana MSE	1	3.7%	8.9%
Kenya DAS	1	9.7%	15.4%
Kenya MSE	1	13.8%	13.2%
Lesotho DAS	1	2.0%	3.8%
Lesotho-Individual Lending	1	13.8%	3.8%
Mozambique DAS	1	1.7%	3.2%
Mozambique MSE	1	4.4%	3.2%
Namibia Microfinance	1	1.2%	1.5%
Namibia Bank	1	1.5%	2.1%
Nigeria DAS	1	8.9%	18.0%
Nigeria MSE	1	1.1%	1.4%
Rwanda DAS	1	0.8%	2.3%
Rwanda MSE	1	2.3%	2.4%
Eswatini DAS	1	1.2%	1.5%
Eswatini MSE	1	0.0%	1.1%
Tanzania DAS	1	1.9%	5.7%
Tanzania MSE	1	8.9%	2.1%
Uganda DAS	1	3.6%	3.7%
Uganda MSE	1	2.1%	2.5%

Portfolio	Stage	Average PDs	
		2025	2024
Botswana Government	2	35.6%	46.6%
Botswana MSE	2	13.5%	24.8%
Botswana NonGov-DAS	2	52.8%	62.9%
Botswana NonGov-Individual Lending	2	53.2%	72.0%
Ghana DAS	2	58.5%	52.0%
Ghana MSE	2	25.5%	25.2%
Kenya DAS	2	43.1%	51.8%
Kenya MSE	2	48.6%	43.2%
Lesotho DAS	2	40.6%	37.0%
Lesotho-Individual Lending	2	55.2%	37.0%
Mozambique DAS	2	18.4%	23.3%
Mozambique MSE	2	24.2%	23.3%
Namibia Microfinance	2	36.9%	35.3%
Namibia Bank	2	40.4%	37.3%
Nigeria DAS	2	34.8%	52.1%
Nigeria MSE	2	11.3%	9.5%
Rwanda DAS	2	17.8%	50.2%
Rwanda MSE	2	20.5%	20.9%
Eswatini DAS	2	49.2%	56.6%
Eswatini MSE	2	0.0%	24.8%
Tanzania DAS	2	48.0%	23.6%
Tanzania MSE	2	43.4%	57.2%
Uganda DAS	2	15.8%	30.3%
Uganda MSE	2	15.2%	12.5%



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.1 Credit risk** *continued***Financial assets renegotiated****Restructuring**

Restructuring activities include extended payment arrangements, modification and deferral of payments. Following restructuring a previously overdue/delinquent loan is reset to current/normal status and managed together with other similar accounts. There are Group restructuring policies in place and these are kept under continuous review.

	Total gross advances P'000	Restructured loans P'000	Expected Credit Loss held on Restructured loans P'000	Restructured %
<b>31 December 2025</b>				
Southern Africa	11 907 115	4 013	616	0.03
East and West Africa	3 747 947	3 679	1 398	0.1
	<b>15 655 062</b>	<b>7 692</b>	<b>2 014</b>	<b>0.05</b>
<b>31 December 2024</b>				
Southern Africa	11 518 000	1 675	1 675	0.01
East and West Africa	3 030 260	10 453	8 977	0.3
	<b>14 548 260</b>	<b>12 128</b>	<b>10 652</b>	<b>0.1</b>

**Re-phasing**

The Group re-ages accounts where instalments are missed, through no fault of the borrower, and subsequently reinstated due to operational issues. Re-phasing involves altering the end date of the loan but not the number or amount of the instalments. Refer to the analysis below.

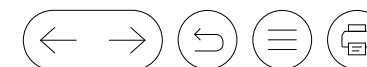
**Re-phased loans analysis**

	Total gross advances P'000	Re-phased loans P'000	Expected Credit Loss held on Re-phased loans P'000	Re-phased %
<b>31 December 2025</b>				
Southern Africa	11 907 115	533 757	130 995	4.5
East and West Africa	3 747 947	105 657	29 603	2.8
	<b>15 655 062</b>	<b>639 414</b>	<b>160 598</b>	<b>4.1</b>
<b>31 December 2024</b>				
Southern Africa	11 518 000	12 675	8 095	0.1
East and West Africa	3 030 260	67 976	56 072	2.2
	<b>14 548 260</b>	<b>80 651</b>	<b>64 167</b>	<b>0.6</b>

**1.3.2 Liquidity risk**

Managing liquidity risk is an integral part of the Group's business operations. Liquidity risk is defined as the risk that the Group does not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises when the Group is unable to generate sufficient cash flows to meet its obligations as they fall due or when obligations are met at an unreasonable cost. The Group liquidity could be affected by various factors, both internal and external. These include customer withdrawals, unexpected market disruptions that cause liquid assets to become illiquid in the short-term, failure by funders to roll over borrowed facilities or recalling existing loan facilities, delays in expected drawdowns, credit events, natural disasters and adverse publicity among others.

The Group manages liquidity risk in line with relevant regulatory requirements and the set internal risk appetite. The Group has put in place adequate and sufficient liquidity risk mitigating controls which are frequently reviewed and monitored by an independent team.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.2 Liquidity risk** *continued*

The following tools have been put in place to manage liquidity risk:

- ▶ Adequate liquidity risk management policies, frameworks and procedures approved by the Board of Directors.
- ▶ Regular Cash flow budgeting and forecasting.
- ▶ Key liquidity ratios and other risk appetites.
- ▶ Contingency Funding Plans.
- ▶ Stress testing and scenario analysis.

The measures in place ensure that, as far as possible, the Group will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring losses above the set risk appetite or risking adverse impact on the Group's reputation.

Overall, there is a sound and robust liquidity management process to measure, monitor and manage liquidity exposures which ensure business sustainability and market confidence in the Group. The Group will continuously forecast and analyse liquidity risk using different time horizons, to ensure that the Group is able to meet its obligations optimally.

The Group's liquidity risk framework incorporates internally set liquidity limits designed to ensure the achievement of business objectives and compliance with regulatory requirements. Stress testing is undertaken to assess and plan for the impact of various scenarios which may put the Group's liquidity at risk. Reference is made to Note 20 and Note 40, where the Group was in breach of certain loan covenants in some subsidiaries and a scenario reflecting the impact on liquidity in the event that the particular lenders recall their facilities has been presented.

The table below summarises the maturity profile of the Group's financial assets and the undiscounted cash flows of its financial liabilities as at 31 December. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many deposit customers will not request repayment on the earliest date it could be required to pay, and the table does not reflect the expected cash flows indicated by its deposit retention history. The short-term negative net liquidity position reflected is largely due to average customer loans and advances tenors that are greater than 3 years, whilst a significant portion of the Group's external liabilities' tenors are limited to 3 years. The Group resolves this by proactively managing all upcoming debt maturities that are ear-marked for rollover and maintaining a robust funding pipeline to close out any short-term gaps in liquidity created due to the maturity mismatch.

Reference is made to Note 10 whereby the Board of Directors approved a plan to explore the sale of some of the Group's business interests in East and West Africa during the second half of the year. Whereas in the short term there are no changes to the Group's liquidity risk management activities across its jurisdictions, should the envisaged disposal transaction materialise, the obligation for the maintenance of the generation of sufficient liquid financial resources to meet obligations associated with financial liabilities will transition to the subsequent owners of the businesses.

	From 1 to 12 months P'000	From 1 year to 3 years P'000	From 3 years and above P'000	Total P'000
<b>31 December 2025</b>				
<b>Contractual maturities of financial assets and liabilities</b>				
<b>Financial assets</b>				
Cash and similar instruments	1 951 246	–	–	1 951 246
Investment securities	190 423	67 374	–	257 797
Financial assets at fair value through profit or loss	412 740	–	193 137	605 877
Advances to customers	1 274 502	2 526 791	7 866 532	11 667 825
<b>Total undiscounted financial assets</b>	<b>3 828 911</b>	<b>2 594 165</b>	<b>8 059 669</b>	<b>14 482 745</b>
<b>Financial liabilities</b>				
Financial liabilities at fair value through profit or loss	307 487	–	264 936	572 423
Customer deposits	1 744 043	493 114	–	2 237 157
Trade and other payables	325 772	–	–	325 772
Lease liabilities	44 617	41 829	53 395	139 841
Borrowings	3 508 367	3 743 349	1 783 508	9 035 224
<b>Total undiscounted financial liabilities</b>	<b>5 930 286</b>	<b>4 278 292</b>	<b>2 101 839</b>	<b>12 310 417</b>
<b>Net liquidity position</b>	<b>(2 101 375)</b>	<b>(1 684 127)</b>	<b>5 957 830</b>	<b>2 172 328</b>



## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.2 Liquidity risk** *continued*

31 December 2024	From 1 to 12 months P'000	From 1 year to 3 years P'000	From 3 years and above P'000	Total P'000
<b>Contractual maturities of financial assets and liabilities</b>				
<b>Financial assets</b>				
Cash and similar instruments	1 658 667	–	–	1 658 667
Investment securities	307 666	211 949	135 215	654 830
Financial assets at fair value through profit or loss	319 895	98 489	311 739	730 123
Advances to customers	1 288 213	1 700 027	10 580 923	13 569 163
<b>Total undiscounted financial assets</b>	<b>3 574 441</b>	<b>2 010 465</b>	<b>11 027 877</b>	<b>16 612 783</b>
<b>Financial liabilities</b>				
Financial liabilities at fair value through profit or loss	240 561	97 745	323 080	661 386
Customer deposits	1 947 718	199 581	–	2 147 299
Cash collateral	17 038	–	–	17 038
Trade and other payables	181 429	–	–	181 429
Lease liabilities	49 380	46 294	59 095	154 769
Borrowings	4 187 717	4 468 201	2 128 861	10 784 779
<b>Total undiscounted financial liabilities</b>	<b>6 623 843</b>	<b>4 811 821</b>	<b>2 511 036</b>	<b>13 946 700</b>
<b>Net liquidity position</b>	<b>(3 049 402)</b>	<b>(2 801 356)</b>	<b>8 516 841</b>	<b>2 666 083</b>

**1.3.3 Market risk**

Market risk is the risk of a decline in the Group's earnings or value of its holdings of financial instruments due to variations in market prices, which include currency exchange rates, interest rates and credit spreads. Market risk management is aimed at optimising return on risk while ensuring exposures are within the set risk appetite. Market risk exists wherever Letshego Africa Holdings Limited (the Group) or its subsidiaries have banking or investment positions. Market risk limits are set and continuously reviewed by the market risk department of the Group's Risk Management Department. As a part of its established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as anticipated and actual changes to interest rate, socio-economic factors driving prepayment behaviours and economic and geopolitical factors driving currency movements. Market risk limits are ultimately approved by the Board. At an operational level, market risk is primarily managed by the Group's treasury department, which is responsible for ensuring that the Group's exposures are in compliance with market risk limits approved by the Board and to take adequate actions when necessary.

The key objective of market risk management is to provide assurance that losses resulting from market risk will not materially reduce the Group capital and earnings.

**Market risk framework and governance**

The ALM/Treasury Risk Framework outlines or discloses the methodology by which the Group identifies, measures, monitors, controls and reports on its market risk profile for every operation within the Group. Effective board oversight of the Group's exposure to Market Risk is the cornerstone of an effective market risk management process. The Board and Senior Management understands the nature and level of market risk assumed by the Group and its subsidiaries and how this risk profile fits within the overall business strategies.

The Group has an effective market risk framework which includes:

**The Board of Directors**

The Board of Directors has ultimate responsibility for Market/Treasury Risk management and approve the risk appetite and tolerance levels by:

- ▶ Approving Treasury Risk Framework, Policies and related strategies recommended by the Risk Framework Owners and Process Owners.
- ▶ Reviewing the Group's overall current and prospective treasury risk profile on a quarterly basis.

**Senior Management**

The senior management is charged with implementing all approved policies that govern market risk and developing procedures for effective management of the risks. Therefore, the senior management is responsible for putting in place:

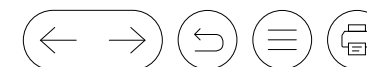
- ▶ Appropriate limits on risk taking;
- ▶ Adequate systems and standards for measuring market risk;
- ▶ Standards for valuing positions and measuring performance;
- ▶ Comprehensive market risk reporting standards and review process;
- ▶ Effective internal controls.

The Group's risk management strategy is different for each of the following categories of market risk and is set out in the subsequent subsections of these financial statements, as follows:

- ▶ Interest rate risk in Note 1.3.3.1.
- ▶ Currency risk in Note 1.3.3.2.

**1.3.3.1 Interest rate risk**

The Group is exposed to risks associated with the effects of fluctuations in prevailing levels of market interest rates. Interest margins may increase or decrease as a result of such changes. This may result in losses in the event that these changes are unfavourable and extreme. Interest rate risk management methodologies across the Group are designed to identify, measure, monitor and control interest rate risk in line with the operating model.



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**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.3 Market risk** *continued***1.3.3.1 Interest rate risk** *continued*

The following table provides an analysis of the Bank's interest rate risk exposure on non-trading financial assets and liabilities. The Bank's assets and liabilities are included at carrying amount and categorised by the earlier of contractual repricing or maturity dates.

31 December 2025 Buckets P'000	< 1 month	1 – 12 months	> 1 year	Total
<b>Rate sensitive assets</b>				
Short term investments*	96 061	–	–	96 061
Advances to customers	859 374	428 839	10 379 612	11 667 825
	955 435	428 839	10 379 612	11 763 886
<b>Rate sensitive financial liabilities</b>				
Customer deposits	525 069	1 712 088	–	2 237 157
Borrowings	953 797	2 952 620	4 117 402	8 023 819
	1 478 866	4 664 708	4 117 402	10 260 976
<b>Interest sensitivity gap</b>	<b>(523 431)</b>	<b>(4 235 869)</b>	<b>6 262 210</b>	<b>1 502 910</b>
<b>Cumulative Gap</b>	<b>(523 431)</b>	<b>(4 759 300)</b>	<b>1 502 910</b>	

\* Short term investments form part of cash and similar instruments. Refer to Note 3.

31 December 2024 Buckets P'000	< 1 month	1 – 12 months	> 1 year	Total
<b>Rate sensitive assets</b>				
Short term investments	22 237	–	–	22 237
Advances to customers	859 374	428 839	12 280 950	13 569 163
	881 611	428 839	12 280 950	13 591 400
<b>Rate sensitive financial liabilities</b>				
Customer deposits	234 336	1 695 371	217 592	2 147 299
Borrowings	1 488 532	2 967 092	5 220 941	9 676 565
	1 722 868	4 662 463	5 438 533	11 823 864
<b>Interest sensitivity gap</b>	<b>(841 257)</b>	<b>(4 233 624)</b>	<b>6 842 417</b>	<b>1 767 536</b>
<b>Cumulative Gap</b>	<b>(841 257)</b>	<b>(5 074 881)</b>	<b>1 767 536</b>	

**Interest rate benchmark reform****Overview**

A fundamental reform of major interest rate benchmarks has been undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative, nearly risk-free rates (referred to as 'IBOR reform'). The Group has had borrowings that referenced to US dollar LIBOR and JIBAR, which have either already been replaced, or will be reformed in future as part of these market-wide initiatives.

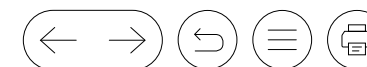
IBOR reform had significant risk management and operational impacts for the Group, which included heightened interest rate risk arising from uncertainty over the timing and the methods of transition, as well as decreases in available liquidity and market volatility over the transition period. During 2023, the Group significantly reduced its exposures to IBORs that are subject to reform, which resulted in all US dollar LIBOR-linked exposures being modified to reference to the Secured Overnight Financing Rate (SOFR), with effect from July 2023. It is however anticipated that JIBAR will cease as a reference rate and transition to the South Africa Overnight Index Average ("ZARONIA") in 2026, as confirmed by the South Africa Reserve Bank (SARB) as the administrator of JIBAR. During the transition period, the Group faces pricing risk from the potential lack of market information as value transfer may occur between the Group and lenders if JIBAR borrowings are transitioned at less favourable rates to the Group. The Group's Market Risk department is tasked to manage the indicated risk and monitors early signs of possible changes in market conditions such as anticipated and actual changes to interest rates.

**Non-derivative Financial Liabilities**

The Group's remaining IBOR exposures are to non-derivative financial liabilities, in particular bonds indexed to JIBAR.

The following table summarises the significant non-derivative exposures impacted by interest rate benchmark reform as at 31 December 2025:

	JIBAR P'000	TOTAL P'000
<b>Non-derivative financial liabilities</b>		
Debt securities in issue	1 488 939	1 488 939
	1 488 939	1 488 939



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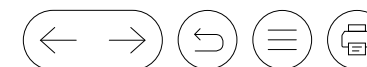
**1 Risk management** *continued***1.3 Financial risk** *continued***1.3.3 Market risk** *continued***1.3.3.2 Foreign exchange rate risk**

The Group operates in various African countries and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange rate risk primarily arises from the Group's foreign currency denominated borrowings. Since the Group does not have an appetite for foreign exchange risk, the strategy is to fully hedge all foreign currency exposures at inception. Foreign exchange exposures are reviewed monthly, and appropriate hedging measures are implemented wherever exposures are identified. Foreign exchange risk is managed through natural hedges in respective countries and also through derivatives such as forward contracts and cross-currency swaps.

Net foreign exchange losses for both continuing and discontinued operations for the year ended 31 December 2025 were P88.6 million (31 December 2024: net losses of P15.4 million).

The following table shows the assets and liabilities of the Group in the respective currencies (Pula equivalent) at the reporting date.

	SA Rand P'000	Eswatini Emalangeni P'000	Namibian Dollar P'000	Lesotho Loti P'000	Tanzanian Shillings P'000	Ugandan Shillings P'000	Mozambican Metical P'000	Kenya Shillings P'000	Rwandan Francs P'000	Nigerian Naira P'000	Ghana Cedi P'000	United States Dollars P'000	European Union Euro	Botswana Pula P'000	Total Pula P'000
<b>31 December 2025</b>															
Cash and similar instruments	3 023	43 327	782 349	21 209	79 042	27 648	724 180	9 837	53 778	25 640	304 444	12 273	-	(135 504)	1 951 246
Advances to customers	-	617 923	4 313 524	500 395	577 279	467 255	2 864 193	209 880	176 945	111 400	1 522 771	-	-	3 161 910	14 523 475
Investment in securities	-	-	257 798	-	-	-	-	-	-	-	199 396	-	-	-	457 194
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	601 710	-	-	601 710
Financial assets at fair value through OCI	-	-	-	-	-	-	-	-	-	-	-	11 038	-	-	11 038
Other receivables	789	6 311	104 118	1 930	21 803	13 874	90 290	8 100	2 162	1 727	66 218	-	-	(66 540)	250 781
<b>Total assets</b>	<b>3 812</b>	<b>667 561</b>	<b>5 457 789</b>	<b>523 534</b>	<b>678 124</b>	<b>508 777</b>	<b>3 678 663</b>	<b>227 817</b>	<b>232 885</b>	<b>138 767</b>	<b>2 092 829</b>	<b>625 021</b>	<b>-</b>	<b>2 959 866</b>	<b>17 795 444</b>
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	572 423	572 423
Customer deposits	-	-	1 285 318	-	121 707	-	951 838	-	85 887	61 587	1 024 535	-	-	-	3 530 872
Cash collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	313 370	2 012 139	133 785	-	302 497	470 189	200 183	14 035	13 582	656 945	506 893	231 607	4 173 277	9 028 504
Trade and other payables	1 247	16 684	59 740	16 795	65 193	6 335	24 410	17 701	9 827	8 062	61 638	(8)	-	78 229	365 855
<b>Total liabilities</b>	<b>1 247</b>	<b>330 054</b>	<b>3 357 198</b>	<b>150 580</b>	<b>186 900</b>	<b>308 832</b>	<b>1 446 437</b>	<b>217 884</b>	<b>109 749</b>	<b>83 231</b>	<b>1 743 118</b>	<b>506 886</b>	<b>231 608</b>	<b>4 823 929</b>	<b>13 497 653</b>
<b>Net exposure</b>	<b>2 565</b>	<b>337 507</b>	<b>2 100 591</b>	<b>372 954</b>	<b>491 224</b>	<b>199 945</b>	<b>2 232 226</b>	<b>9 933</b>	<b>123 136</b>	<b>55 536</b>	<b>349 711</b>	<b>118 135</b>	<b>(231 608)</b>	<b>(1 864 064)</b>	<b>4 297 792</b>
Exchange rates at 31 December 2025 – mid: BWP 1.00 =	1.26	1.26	1.26	1.26	187.77	275.33	4.85	9.82	110.82	110.10	0.80	0.08		1.00	



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

1 Risk management *continued*1.3 Financial risk *continued*1.3.3 Market risk *continued*1.3.3.2 Foreign exchange rate risk *continued*

	SA Rand P'000	Eswatini Emalangen P'000	Namibian Dollar P'000	Lesotho Loti P'000	Tanzanian Shillings P'000	Ugandan Shillings P'000	Mozambican Metical P'000	Kenya Shillings P'000	Rwandan Francs P'000	Nigerian Naira P'000	Ghana Cedi P'000	United States Dollars P'000	Botswana Pula P'000	Total Pula P'000
31 December 2024														
Cash and similar instruments	8 005	31 001	556 643	9 797	124 773	42 351	566 921	35 145	20 825	8 323	181 366	–	73 517	1 658 667
Advances to customers	–	558 452	3 994 096	545 741	455 447	546 181	2 888 919	372 413	177 914	103 507	901 490	–	3 025 003	13 569 163
Investment in securities	–	–	446 135	–	–	–	–	–	–	–	208 695	–	–	654 830
Financial assets at fair value through profit or loss	–	–	–	–	–	–	–	–	–	–	–	4 167	–	4 167
Financial assets at fair value through OCI	–	–	–	–	–	–	–	–	–	–	–	11 038	–	11 038
Other receivables	781	5 911	94 490	2 237	23 011	10 829	46 975	13 726	2 789	3 714	79 395	–	156 730	440 588
<b>Total assets</b>	<b>8 786</b>	<b>595 364</b>	<b>5 091 364</b>	<b>557 775</b>	<b>603 231</b>	<b>599 361</b>	<b>3 502 815</b>	<b>421 284</b>	<b>201 528</b>	<b>115 544</b>	<b>1 370 946</b>	<b>15 205</b>	<b>3 255 250</b>	<b>16 338 453</b>
Financial liabilities at fair value through profit or loss	–	–	–	–	–	–	–	–	–	–	–	–	661 386	661 386
Customer deposits	–	–	965 690	–	56 261	–	602 645	–	58 254	31 153	434 327	–	–	2 148 330
Cash collateral	–	–	–	–	–	303	–	16 734	–	–	–	–	–	17 037
Borrowings	–	257 361	2 150 342	185 514	–	374 911	802 622	363 743	10 127	24 058	580 763	515 230	4 411 892	9 676 563
Trade and other payables	1 674	14 212	65 523	14 455	37 750	3 999	33 082	44 825	7 056	(1 930)	43 877	35	64 351	328 909
<b>Total liabilities</b>	<b>1 674</b>	<b>271 573</b>	<b>3 181 555</b>	<b>199 969</b>	<b>94 011</b>	<b>379 213</b>	<b>1 438 349</b>	<b>425 302</b>	<b>75 437</b>	<b>53 281</b>	<b>1 058 967</b>	<b>515 265</b>	<b>5 137 629</b>	<b>12 832 225</b>
<b>Net exposure</b>	<b>7 112</b>	<b>323 791</b>	<b>1 909 809</b>	<b>357 806</b>	<b>509 220</b>	<b>220 148</b>	<b>2 064 466</b>	<b>(4 018)</b>	<b>126 091</b>	<b>62 263</b>	<b>311 979</b>	<b>(500 060)</b>	<b>(1 882 379)</b>	<b>3 506 228</b>
Exchange rates at 31 December 2024 – mid: BWP 1.00 =	1.31	1.31	1.31	1.31	208.72	281.89	4.88	9.85	103.31	127.51	1.20	0.08	1.00	

\* The analysis above excludes non-monetary assets and liabilities and hence the "total assets" and "total liabilities" indicated above differ from the total amounts presented on the Statement of Financial Position.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 1 Risk management *continued*

### 1.4 Non-Financial Risk

**Non-financial risks relate to risks that are operational in nature and the Group broadly breaks them down as below:**

**Operational risk** is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events including legal actions. The Group is exposed to specific secondary risk types of operational risks listed below:

**Process risk** is the failure to process, manage and execute transactions and/or other processes correctly or appropriately. The Group continues to automate most of its back-end processes.

**Health and Safety risk** relates to an assessment of hazards that can lead to the harm, injury, death, or illness of employees across the Group. No significant health and safety risks were recorded during the year.

**Business Continuity or Disruption risk** is the inability of the Group to effectively respond to a disruptive event or pandemic resulting in failure to continue with the provision of services to its clients or stakeholders.

**Third-Party risk** is the risk arising from the exposure to the ineffective management of third-party relationships and the risks inherited through the association or services provided to the Group. To proactively mitigate such risks, the Group utilises its Third-Party Risk Management Policy approved in 2024, as a preventative control to manage and oversee third-party engagements.

**Fraud risk** is the risk of unexpected financial or material loss as a result of fraudulent action of people internal or external to the Group. The Group's Anti-Fraud and Corruption Policy and Whistle Blowing Policy are supported by an effective Fraud Risk Strategy covering Fraud Risk Prevention, Detection, Investigation and Recovery strategies. Fraud Losses incurred during the period under review remain within the Group's risk appetite and budgeted levels.

**Compliance risk** is the risk of legal or regulatory sanctions, material financial loss or damage to reputation that the Group may suffer as a result of failure to comply with laws, regulations, rules, self-regulatory organization standards and codes of conduct applicable to its activities. Legal Risk which is a secondary risk under Compliance Risk, refers to the risk of loss resulting from unenforceability or unlawfulness of contracts, incorrect or incomplete contract documentation, absence of the country's jurisprudence or precedent and penalties or damages as a result of legislative breaches. Money Laundering risk is also a secondary risk under Compliance Risk and refers to the risk that arises from the execution of transactions to eventually convert illegally obtained money into legal money by obscuring the true nature, source, location, ownership or movement of the proceeds of crime. Conduct risk refers to inappropriate execution of business activities and employee behaviours resulting in adverse impact to the Group's clients, or the Group itself.

**Information Technology (IT) risk** is the risk that arises from failure to leverage on digitalisation or emerging technologies and ineffective execution, maintenance, or operation of the Group's IT resources resulting in reduced competitiveness, operational disruption and possible inefficiencies.

**Cyber risk** is the potential digital attack on the Group's systems resulting in disrupted services, reputational damage, or financial losses.

**Reputational risk** is the potential loss or damage to the Group's image due to stakeholders taking an adverse or negative view of the Group as a result of actual or perceived actions or inactions of the Group, its clients and Third-Party relationships.

**People risk** is the exposure to financial losses or adverse enterprise outcomes arising from the Group's inability to attract, develop, manage and retain the required talent. This also includes breaches to employment legislation and practices, and mismanagement of employee relations.

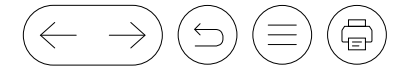
**Data risk** is the exposure to loss of value or reputation of the Group due to issues or limitations to the Group's ability to acquire, store, transform, move, use, destroy or protect the Group's data assets. The Group developed the Data Protection Policy during the third quarter to support data management across its subsidiaries.

**Digital risk** refers to all unexpected consequences that result from digital transformation which may disrupt the achievement of business objectives across the Group. These include cybersecurity, cloud technology, data leaks, workforce talent, compliance, system resilience, process automation, third-party risks and data security.

**Product risk** relates to risks arising from the product life cycle-related activities and new product evolution and failure post-deployment. These include strategic considerations, product design, marketing, product delivery, origination or consummation, product use and duration and termination of the product – this results in high costs from redevelopment and delays in going to market.

**Climate-related risks** are increasingly recognised as a potential source of financial and non-financial impact for financial institutions and their customers. These risks arise from physical risks, such as extreme weather events and long-term climate changes (including floods, droughts and rising temperatures), and transition risks associated with the global shift to a low-carbon economy. Transition risks may stem from regulatory changes, technological developments and shifting market expectations, potentially affecting economic activity, asset values, credit quality and operational resilience across sectors in which the Group operates.

**Insurance risk** is defined as risk, other than financial risk, that is transferred from the policyholder to the issuer of a contract. The Group uses cell insurance arrangements in order to mitigate against credit life and credit default risk over its loan portfolios in the jurisdiction. Credit life insurance is designed to cover both borrowers and lenders against the default of loan repayment because of death, permanent disability, critical illness or job loss of the borrower, whilst credit default insurance indemnifies the lender against a loss occurring as a result of the failure of the borrower to repay a loan for any other reason whatsoever. Refer to Note 7 for additional information on the Group's insurance contract arrangements. The coverage periods for the Group's insurance contract arrangements are less than one year and the insurance contract asset recognised on the statement of financial position is realisable within 6 months.



## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 1 Risk management *continued*

### 1.4 Non-Financial Risk *continued*

All the non-financial risks mentioned above and those not included are managed by the Group in accordance with the approved ERM Framework approved by the Board of Directors covering:

- ▶ Effective Board and Senior Management oversight at both Group and country level;
- ▶ Sound risk management practices that are in line with best practice and local regulations in the countries in which the Group operates;
- ▶ Effective segregation of duties across the footprint;
- ▶ Established processes in risk identification, assessment, controls and monitoring;
- ▶ Fostering an improved risk awareness culture; and
- ▶ Operational risk appetite.

#### Group's approach to managing non-financial risk

The Group's approach to managing non-financial risk is to implement simple and appropriate fit-for-purpose risk management practices that assist the originators of risk events to understand their inherent risk and reduce their risk profile, in line with the Group's risk appetite, while maximizing on sustainable shareholder value. The Group acknowledges the need to transition from the Three Lines of Defence Model to Three Lines Model in alignment with the evolving governance standards and best practices as defined by the Institute of Internal Auditors (IIA). The Group plans to adopt the Three Lines Model before the next review cycle and the model will be expected to upgrade the Group's enterprise risk management approach by emphasizing collaboration, integration, and clarity of roles in achieving organizational objectives. It will shift the focus from defence to value creation and protection, reinforcing accountability across all functions while maintaining robust assurance mechanisms.

#### Frameworks Per Risk Type and Risk Governance

All Non-financial Risks that are at Primary Risk Type level have Risk Type Frameworks and supporting policies that outline the overall risk management approach for the respective non-financial risk and ensure that an effective risk management and measurement process is adopted throughout the Group. The risk frameworks per primary risk type are maintained by the Primary Risk Type Framework Owners and formally reviewed after every two years in line with the Group's risk appetite. Furthermore, the Board is responsible for the approval of all the Primary Risk Type Frameworks and revisions thereto.

The ultimate responsibility for non-financial risk management rests with the Board of Directors. The Group Risk and Social Ethics Committee (GRSEC) meets on a quarterly basis to review all other major risks including non-financial risks. At management level, the Group Management Risk Committee reviews and monitors significant risk events and ensures that the control environment is adequate to prevent recurrence.

It is the responsibility of the Primary Risk Type Framework Owners to ensure that the risk culture, oversight and resources deployed are such that there is a capability to ensure adherence to the relevant policies, standards and procedures. The Primary Risk Type Framework Owners' purpose is to ensure the quality, integrity and reliability of all the risk management and internal control and to provide an opinion accordingly.

#### The management and measurement of non-financial risks

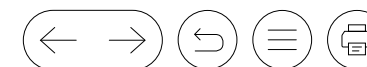
The Primary Risk Type Frameworks form the basis for the embedding of risk management into the day-to-day business processes and practices. They include qualitative and quantitative methodologies and tools to assist management to identify, assess and monitor all risks and to provide management with information for determining appropriate controls and mitigating measures.

The Group identifies and assesses non-financial risks inherent in all material products, activities, processes and systems. It ensures that before new products, activities, processes and systems are introduced or undertaken, the risk inherent in them is subjected to adequate assessment by the risk owners and control owners. To achieve this, Risk and Control Self Assessments (RCSAs) and Risk Registers are effectively used across the Group. The purpose of the RCSA process is to identify and effectively manage risks that could jeopardise the achievement of business objectives. The RCSA process identifies the appropriate controls to mitigate risk, and allows the Group Risk Framework Owners and Process Owners to rate the level of inherent as well as residual risk taking consideration of the adequacy and effectiveness of controls.

All key functions under the Group are required to perform RCSAs at least once a year with oversight from Group Operational Risk and use the Digital Registers for day to day management of risks.

In addition to the above, ERM Embedment and Risk Appetite metrics are tracked quarterly across the Group and any breaches are documented with action plans being put in place.

Finally, the Group has incident management process in place that is supported by the Incident Management Policy and Operational Risk Standards. Management and Staff proactively and appropriately manages incidents to minimize their impact. The Group tracks and maintains a database of all risk events, perform impact assessment and review risk and controls. All material risk events are recorded in the Risk Registers and reported to Group Management Risk Committee and Group Risk, Social and Ethics Committee on a quarterly basis.



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## 1 Risk management *continued*

### 1.5 Financial assets and liabilities measured at fair value disclosed by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value, if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value				
	Fair value – through OCI P'000	Fair value – through profit and loss P'000	Financial Assets at amortised cost* P'000	Financial liabilities at amortised cost* P'000	Total P'000	Level 1 P'000	Level 2 P'000	Level 3 P'000	Total P'000
<b>31 December 2025</b>									
<b>Financial assets measured at fair value</b>									
Financial assets at fair value through OCI	11 038	–	–	–	11 038	–	–	11 038	11 038
Financial assets at fair value through profit or loss – foreign currency swaps and forwards	–	601 710	–	–	601 710	–	601 710	–	601 710
Financial assets at fair value through profit or loss – investment in insurance cell captive	–	4 167	–	–	4 167	–	–	4 167	4 167
	<b>11 038</b>	<b>605 877</b>	<b>–</b>	<b>–</b>	<b>616 915</b>	<b>–</b>	<b>601 710</b>	<b>15 205</b>	<b>616 915</b>
<b>Financial assets not measured at fair value</b>									
Cash and similar instruments	–	–	1 951 246	–	1 951 246	–	1 951 246	–	1 951 246
Investment in securities	–	–	257 797	–	257 797	–	257 797	–	257 797
Advances to customers	–	–	11 667 825	–	11 667 825	–	11 667 825	–	11 667 825
Other receivables	–	–	150 390	–	150 390	–	150 390	–	150 390
	<b>–</b>	<b>–</b>	<b>14 027 258</b>	<b>–</b>	<b>14 027 258</b>	<b>–</b>	<b>14 027 258</b>	<b>–</b>	<b>14 027 258</b>
<b>Financial liabilities measured at fair value</b>									
Financial liabilities at fair value through profit or loss	–	572 423	–	–	572 423	–	572 423	–	572 423
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables	–	–	–	190 135	190 135	–	190 135	–	190 135
Customer deposits	–	–	–	2 237 157	2 237 157	–	2 237 157	–	2 237 157
Borrowings	–	–	–	8 127 042	8 127 042	–	8 127 042	–	8 127 042
	<b>–</b>	<b>–</b>	<b>–</b>	<b>10 554 334</b>	<b>10 554 334</b>	<b>–</b>	<b>10 554 334</b>	<b>–</b>	<b>10 554 334</b>

\* The carrying amount of items measured at amortised cost approximate their fair values.

There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the year.



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## 1 Risk management *continued*

### 1.5 Financial assets and liabilities measured at fair value disclosed by category *continued*

	Carrying amount				Fair value				
	Fair value – through OCI P'000	Fair value – through profit and loss P'000	Financial Assets at amortised cost* P'000	Financial liabilities at amortised cost* P'000	Total P'000	Level 1 P'000	Level 2 P'000	Level 3 P'000	Total P'000
31 December 2024									
<b>Financial assets measured at fair value</b>									
Financial assets at fair value through OCI	11 038	–	–	–	11 038	–	–	11 038	11 038
Financial assets at fair value through profit or loss – foreign currency swaps and forwards	–	725 956	–	–	725 956	–	725 956	–	725 956
Financial assets at fair value through profit or loss – investment in insurance cell captive	–	4 167	–	–	4 167	–	–	4 167	4 167
	11 038	730 123	–	–	741 161	–	725 956	15 205	741 161
<b>Financial assets not measured at fair value</b>									
Cash and similar instruments	–	–	1 658 667	–	1 658 667	–	1 658 667	–	1 658 667
Investment in securities	–	–	654 830	–	654 830	–	654 830	–	654 830
Advances to customers	–	–	13 569 163	–	13 569 163	–	13 569 163	–	13 569 163
Other receivables	–	–	227 985	–	227 985	–	227 985	–	227 985
	–	–	16 110 645	–	16 110 645	–	16 110 645	–	16 110 645
<b>Financial liabilities measured at fair value</b>									
Financial liabilities at fair value through profit or loss	–	661 386	–	–	661 386	–	661 386	–	661 386
Financial liabilities not measured at fair value									
Trade and other payables	–	–	–	181 429	181 429	–	181 429	–	181 429
Customer deposits	–	–	–	2 147 299	2 147 299	–	2 147 299	–	2 147 299
Cash collateral	–	–	–	17 038	17 038	–	17 038	–	17 038
Borrowings	–	–	–	9 676 565	9 676 565	–	9 676 565	–	9 676 565
	–	–	–	12 022 331	12 022 331	–	12 022 331	–	12 022 331

\* The carrying amount of items measured at amortised cost approximate their fair values.



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## 1 Risk management *continued*

### 1.5 Financial assets and liabilities measured at fair value disclosed by category *continued*

#### Measurement of fair values

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ **Level 1** – Quoted (unadjusted) market prices in active markets for identifiable assets or liabilities,
- ▶ **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value is observable,
- ▶ **Level 3** – Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

#### Reconciliation of fair value measurement categorises within Level 3 of the fair value hierarchy

	31 December 2025 P'000	31 December 2024 P'000
<b>Financial asset at FVTOCI</b>		
Opening balance	11 038	11 038
Fair value loss recognised in other comprehensive income	–	–
	<b>11 038</b>	<b>11 038</b>
<b>Financial asset at FVTPL</b>		
Opening balance	4 167	–
Acquisition of preference shares	–	4 167
	<b>4 167</b>	<b>4 167</b>

#### Sensitivity of fair value measurements to changes in unobservable market data

For the financial asset at FVTOCI; a change in the value per share (based on company valuation), which is usually conducted during a cash subscription of shares, a change by 1% – 5% will result in a fair value gain or loss of P0.1million and P0.6million respectively. Where the fair value of this investment does not materially vary to its carrying value, gains or losses will not be recognised.

For the financial asset at FVTPL; a change in the value per preference share by 1% – 5% will result in a fair value gain or loss of P0.04million and P0.2million respectively. Where the fair value of this investment does not materially vary to its carrying value, gains or losses will not be recognised.

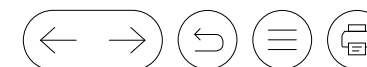
The following tables show the valuation techniques used in measuring fair values, as well as significant unobservable inputs used.

#### Financial instruments measured at fair value

Type	Valuation technique		Significant unobservable inputs
Financial assets and liabilities at fair value through profit or loss – <i>Foreign currency swaps and forwards</i>	Valued by discounting the future cash flows using market interest rate applicable at that time. The sum of the cash flows denoted in the foreign currencies are converted with the spot rate applicable at the reporting date.	Level 2	Based on BWP, EURO and USD risk free rates.
Financial assets and liabilities at fair value through profit or loss – <i>Investment in insurance cell captive</i>	Valued by discounting the future cash flows attributable to the cell owner using market interest rates applicable at the time. The sum of the cash flows denoted in the foreign currencies are converted with the spot rate applicable at the reporting date.	Level 3	Based on the value per preference share of US\$7,500 per share from the price of a recent transaction.
Fair value – through other comprehensive income	Since market values are not available from an observable market, as this is an investment in private equity, the investment has been valued based on a recent independent valuation of the underlying entity prepared for purposes of a restructuring and recapitalisation exercise anticipated to be undertaken by the entity. The inputs include the number of shares and the price per share.	Level 3	Based on the value per share of US\$1 per share from the price of a recent transaction.

#### Financial instruments not measured at fair value

Type	Valuation technique		Significant unobservable inputs
Financial assets and liabilities at amortised cost	Valued by discounting the future cash flows using market interest rate applicable at that time. The sum of the cash flows denoted in the foreign currencies are converted with the spot rate applicable at the reporting date.	Level 2	Based on BWP, EURO and USD risk free rates.



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## 1 Risk management *continued*

### 1.5 Financial assets and liabilities measured at fair value disclosed by category *continued*

#### Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

The ISDA agreements do not meet the criteria for offsetting in the consolidated statement of financial position. This is because the Group does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.

### 1.6 Summary of all financial risks and potential impact

The table below summarises each of the risks raised in this note, along with the anticipated impact should the risks crystallise.

	31 December 2025 P'000	31 December 2024 P'000
<b>Interest rate risk</b>		
Effect of increase in average borrowing cost by 3%		
– increase in interest expense	132 106	155 040
– Effect on profit before tax	(19.2%)	(24.7%)
– Effect on equity*	(13.7%)	(17.7%)
<b>Currency risk</b>		
Effect of BWP appreciation by 1%		
– Effective movement in foreign exchange rates	(1 181)	(1 351)
– Effect on profit before tax	(0.2%)	(0.5%)
– Effect on equity*	(0.1%)	(0.4%)

\* The difference between effect on profit before tax and effect on equity is as a result of the impact of taxation.

#### Summary

Impact of all above risks on profit before tax:

The impact of changes in variables in the opposite direction would be equal and opposite to the values shown above. The Group constantly evaluates these key risks through the process of governance, devises responses to risks as they arise, that are approved by the Group Balance Sheet Management Committee and Board of Directors.

## 2 Use of estimates and judgements

The preparation of consolidated annual financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Significant judgements made by management in the application of International Financial Reporting Standards occur mainly on loans and advances, impairments and share-based payment calculations. Judgement is also applied to the valuation of goodwill recognised and probability of having sufficient taxable profits against which deferred tax assets may be utilised.

### 2.1 Impairment of advances to customers

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group regularly reviews its loan portfolio (Note 6) and makes judgements in determining whether an impairment loss should be recognised in respect of observable data that may impact on future estimated cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce the differences between loss estimates and loss experience.

The below summarises the sensitivity analysis on impairment losses for changes in LGD and PD:

December 2025	Existing impairment Provision	Impact on changes in LGD		Impact on changes in PD	
		(+) 5%	(-) 5%	(+) 5%	(-) 5%
Stage 1: 12-month ECL allowance	107 630	194 602	99 556	145 000	103 929
Stage 2: Lifetime ECL allowance – not credit-impaired	71 049	94 295	62 148	78 998	65 474
Stage 3: Lifetime ECL allowance – credit-impaired	952 907	1 312 623	841 882	1 304 032	856 353
<b>Total</b>	<b>1 131 586</b>	<b>1 601 520</b>	<b>1 003 586</b>	<b>1 528 031</b>	<b>1 025 756</b>



## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**2 Use of estimates and judgements** *continued***2.1 Impairment of advances to customers** *continued*

December 2024	Existing impairment Provision	Impact on changes in LGD		Impact on changes in PD	
		(+) 5%	(-) 5%	(+) 5%	(-) 5%
Stage 1: 12-month ECL allowance	124 880	120 106	88 214	141 946	83 626
Stage 2: Lifetime ECL allowance – not credit-impaired	93 820	38 278	28 615	36 931	29 962
Stage 3: Lifetime ECL allowance – credit-impaired	760 397	967 642	437 034	833 261	833 261
<b>Total</b>	<b>979 097</b>	<b>1 126 026</b>	<b>553 863</b>	<b>1 012 138</b>	<b>946 849</b>

The sensitivity analysis has been calculated to show the impact of a 5% increase or decrease in the LGD and PD rates on the provision level. Therefore, based on the above, an increase in LGD or PD would have an adverse impact to Group profits. Measures are in place as per the risk governance framework to address this including portfolio management, which is inclusive of collection and recoveries, strategic focus and the risk appetite framework (Note 1.3.1).

**Estimates and judgements in determining impairment of financial assets**

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- ▶ the Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment.
- ▶ the segmentation of financial assets when their ECL is assessed on a collective basis.
- ▶ development of ECL models, including the various formulas and the choice of inputs.

- ▶ determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- ▶ selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.
- ▶ model adjustments and overlays will persist under IFRS 9 to account for localised impacts on the portfolio that are either not picked up by the model or late breaking news where running the ECL model would not be feasible.
- ▶ as the ECL model is more quantitative in nature the formulation of provision overlay is backed by detailed analysis. The Group ensures that the following is done:
  - rationale as to why overlay is appropriate is provided.
  - documentation of methodology and data used in determining the overlay is in place.
  - persistent overlays to be incorporated into the ECL model at a future date where applicable.

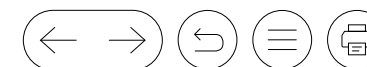
**Full implementation of Time in Default LGD**

The Group regularly reviews its loan portfolio and makes judgments in determining whether an impairment loss should be recognised in respect of observable data that may impact on future estimated cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce the differences between loss estimates and loss experience.

During the financial year, the Group fully implemented a Time in Default Loss Given Default (LGD) approach for Stage 3 accounts in accordance with IFRS 9. This enhancement aligns with best practices in credit risk modelling and improves the accuracy of expected credit loss (ECL) provisioning. Time in Default LGD is a methodology that recognises the dynamic nature of loss severity based on the duration an account has remained in default. Empirical studies indicate that recovery rates and loss expectations vary significantly over time, making it imperative to differentiate LGD estimates based on the time elapsed since default. This methodology ensures a more granular assessment of credit risk and better alignment with observed recovery trends.

**2.2 Share-based payment transactions**

The Group operates an equity settled conditional Long Term Incentive Plan (LTIP). The plan is now only based on non-market conditions. These non-market performance conditions are determined by the Remuneration Committee. The number of awards to vest are assessed and adjusted for the attrition in participants as well as the extent of achievement of those conditions at the reporting dates. The assumption is that there will be a 45.41% (2024: 45.41%) vesting probability. Based on historical experience, the estimated achievement of conditions is considered accurate. Refer to Note 23 on Share-Based Payment Scheme.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**2 Use of estimates and judgements** *continued***2.2 Share-based payment transactions** *continued***Sensitivity analysis**

The table below details the impact on the profit following a deviation from the 45.41% (2024: 45.41%) vesting probability.

	31 December 2025 P'000	31 December 2024 P'000
Impact of a 10% deviation	5 717	4 127
Impact of a 25% deviation	14 293	10 317
Impact of a 50% deviation	28 586	20 633

In the event that more than 45.41% of the shares vest the impact would be adverse to profit. In the event that less than 45.41% of the shares vest, the impact would be favourable to profit.

**2.3 Deferred tax assets**

Judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies. The Group has recognised a deferred tax asset of P143.3 million (2024: P201.3 million) which arises from tax losses and other temporary differences that are available to set-off against future taxable income and other deductible temporary differences. The Group expects to generate sufficient taxable profits to utilise the deferred tax assets based on historical probability trends, management's plan on future business prospects and through the use of various tax planning opportunities which are available to the Group. In addition, the Group reviews the carrying amount of the deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. In arriving at the amount of the deferred tax asset recognised on tax losses, the Group did not recognise a deferred tax asset on tax losses of the Holding company, LAHL, amounting to approximately P479 million.

	31 December 2025 P'000	31 December 2024 P'000
<b>Deferred tax asset movement on tax losses</b>		
Opening balance	75 451	82 254
Recognised during the year	1 891	10 797
Derecognised or reversed during the year	(55 311)	(16 692)
Utilised during the year	(9 222)	(908)
Reclassified to held for sale	(1 891)	-
<b>Balance at the end of year</b>	<b>10 918</b>	<b>75 451</b>
<b>Summary of LAHL Company tax losses recognised</b>		
	<b>Year of expiry</b>	
December 2025	2029	
	3 695	67 361
	3 695	67 361

**2.4 Income tax expense**

The Group is subject to income taxes in various jurisdictions. The Group applies significant judgement in identifying uncertainties over income tax treatments in line with IFRIC 23 (Uncertainty over Income Tax Treatments). Since the Group operates in multinational environments, it assessed whether the interpretation had an impact on its consolidated financial statements. Significant judgement is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

**2.5 Estimating the incremental borrowing rate used in lease liabilities**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The incremental borrowing rate reflects what the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. This requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs, such as comparable market interest rates for similar financed transactions (where and when available), and is required to make certain entity specific estimates, such as adjustments to the rates for the subsidiaries' stand-alone credit rating and country specific risks. Refer to Note 19 on Lease Liabilities.

**2.6 Estimates in determining deferred revenue and related commissions**

The Group recognises interest income using the effective interest method. The effective interest is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual/behavioural terms of the financial instrument. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life cycle of the instruments, as well as other fee income/expense that are an integral parts of the instrument. Refer to Note 24 on Interest Income at Effective Interest Rate.

**2.7 Goodwill**

As required by IAS 36 Impairment of assets, the goodwill was assessed for impairment at year end. In light of the classification of the Group's business interests in East and West Africa to a 'disposal group held for sale' (refer to Note 10), the goodwill previously held for Letshego Tanzania Limited and Letshego Ghana Plc was impaired to nil during the year.

The goodwill that remains arose from the acquisition of Letshego Holdings Namibia Limited. For the purpose of assessing its goodwill for impairment, the relevant entity was considered to be a cash generating unit. The impairment assessment was done using a discounted cash flow model incorporating budgets approved by those charged with governance. Cash flows beyond the period covered by approved budgets were forecasted based on projected growth rates for the relevant cash generating unit. The evaluation was based on a five year strategy and terminal value.



## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**2 Use of estimates and judgements** *continued***2.7 Goodwill** *continued*

In light of the current economic factors, the Group assessed the recoverable amount of remaining goodwill and determined that the Namibia subsidiary was profitable with positive growth expected, indicating sufficient headroom to cushion against any future variations or pressures.

The recoverable amount of the cash generating unit was determined with reference to the value in use. The growth rate is estimated based on past experience and anticipated future growth. The discount rate used is the weighted average cost of capital adjusted for specific risks relating to the entity. Refer to Note 14 for the carrying value of the Namibia goodwill at the reporting date.

The table below shows the discount and growth rates used in calculating the value in use of each cash generating unit:

Entity	31 December 2025		31 December 2024	
	Discount rates	Long term growth rates	Discount rates	Long term growth rates
Letshego Holdings Namibia Limited	16%	4%	16%	4%
Letshego Tanzania Limited	–	–	24%	5%
Letshego Ghana Plc	–	–	44%	5%

**Key assumptions used in value in use calculations and sensitivity to change in assumptions**

The calculation of value in use for each cash generating unit is most sensitive to:

- ▶ discount rates.
- ▶ inflation rate.
- ▶ long term growth rates used to extrapolate cash flows beyond the forecast period.

**Discount rates**

Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in the pre-tax discount rate by 0.5% – 1% for each cash generating unit would not result in a further impairment.

**Inflation rate**

Estimates are obtained from published indices for each country and forecast figures are used if data is publicly available.

If inflation rates increased by an average of 0.5% – 1% above the forecast price inflation, the Group will not have a further impairment.

**Long term growth rates used to extrapolate cash flows beyond the forecast period**

When using industry data for growth rates, these assumptions are important because management assesses how each subsidiary position, relative to its competitors, might change over the forecast period. Management also reviews each subsidiary's previous years' performance against performance targets and an average performance rate is used to extrapolate future cash flows.

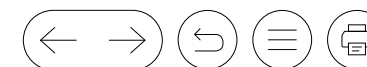
An increase in the growth rate assumption will result in a decrease in impairment whereas a decrease in growth rate will have a further impairment.

**2.8 Insurance contracts**

The Group has cell captive insurance arrangements for its Namibia subsidiary. Cash flows arising from insurance contracts usually involve a high degree of uncertainty regarding the timing and amount of a claim. In addition, there may be changes to the assumptions made about the insurance business as a result of changes in policyholder behaviour. The Group relies on the expertise of its insurers, who manage the cell captive entities, to determine the present value of insurance cash flows and ultimate cost of outstanding claims through the use of a range of standard actuarial techniques. The insurance experts apply judgements in determining the inputs used in the methodology employed to determine expected future cash flows, discount rates and risk premiums (where applicable) and resultant insurance contract assets and liabilities relating to the cell captive arrangements. Refer to Note 7 for the carrying amount of the Group's insurance contracts at the end of the reporting period.

**2.9 Going concern**

The Group generated a Loss after taxation of P186.8 million for the year in comparison to a loss of P93.3 million incurred in the previous year. In light of the possible implications of this performance and the existence of debt covenant breaches outlined in Note 20 and their potential impact on the Group's liquidity and funding pipeline, management made an assessment of the Group's ability to continue as a going concern. As outlined in Note 20 and Note 40, the existing debt covenant breaches had implications on outstanding obligations amounting to approximately P702.9 million at the reporting date. Engagements with funders remain positive and at the reporting date letters of no action covering a total of P445.6 million of the obligations that are in breach had been received.



## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**2 Use of estimates and judgements** *continued***2.9 Going concern** *continued*

Upon making the going concern assessment, management took into consideration the existing and anticipated effects of the current macroeconomic and geopolitical uncertainties on the Group's activities. Management also took into consideration the possibility of its outstanding debt obligations becoming due and payable to the funders on demand, due to the debt covenant breaches existing at the reporting date. In the extreme circumstance of the Group not being able to roll forward existing facilities and also not being able to access new funding earmarked in its future pipeline, the Group would be required to meet funding commitments of approximately P3.8 billion for the period extending to 12 months after the issue of the financial statements.

The above indicated scenario is however highly unlikely and following on from this, management assessed the going concern assumption as being appropriate for the Group in light of the following considerations:

- ▶ In the event of liquidity pressure, the Group would take a conservative forecast on net payouts of 50% on entities with breaches (in the East and West Africa markets) in order to build liquidity.
- ▶ The Group having P9.03 billion in total Borrowings at the balance sheet date and about 8% (approximately P702.9 million) of the outstanding Borrowings being in breach of certain loan covenants. At the time of reporting, letters of no action were received for borrowing facilities amounting to P445.6 million. The Group is yet to receive letters of no action for P257.3 million which constitute 3% of the total Borrowings. Engagements with funders for the remaining P257.3 million are still ongoing.
- ▶ The Group forecasting its funding pipeline of new facilities and roll-overs in its projected cash flows on a conservative conversion rate of 25%, although in the previous year the Group managed to achieve a 59% conversion of its forecasted funding pipeline.
- ▶ The current rollover plus new funding rate for the holding company, LAHL, being at 80%, although this is the entity with the largest re-financing risk due to the Botswana market. As a result the 25% conversion rate used from a forecasting perspective is considered to be fairly conservative.
- ▶ The forecast of the Group's cash resources position for the 18 months after the reporting date, given the above assumptions, reflecting that the Group will have adequate liquidity to operate over the forecasted period. This resultant forecast is summarised alongside:

**Group Forecast of Cash and Similar Instruments, including Undrawn Facilities** **BWP '000**

Forecast cash and similar instruments position, including undrawn facilities as at 31 December 2025	2 370 028
Forecast net cash inflows January – March 2026	451 181
Forecast cash and similar instruments position, including undrawn facilities as at 31 March 2026	2 821 209
Forecast net cash outflows April – June 2026	(92 779)
Forecast cash and similar instruments position, including undrawn facilities as at 30 June 2026	2 728 430
Forecast net cash outflows July – September 2026	(821 329)
Forecast cash and similar instruments position, including undrawn facilities as at 30 September 2026	1 907 101
Forecast net cash outflows October – December 2026	(350 841)
Forecast cash and similar instruments position, including undrawn facilities as at 31 December 2026	1 556 260
Forecast net cash inflows January – March 2027	607 819
Forecast net cash outflows April – June 2027	2 164 079
Forecast cash and similar instruments position, including undrawn facilities as at 30 June 2027	(566 411)
	1 597 668

In arriving at the above forecasted cash flow, the Group also took into consideration anticipated operating and capital expenditure, and the possibility of funders with loan covenant breaches who had not provided 'letters of no action' to the Group (refer to Note 20) recalling their facilities prior to their maturity.

**2.10 Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Assumptions and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note 1.5 and Note 5.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 2 Use of estimates and judgements *continued*

### 2.11 Climate risk considerations

The Group has made progress in embedding climate-related financial risks within its Enterprise Risk Management (ERM) Framework. The enhanced framework strengthens governance by assigning the Board responsibility for ensuring an appropriate collective understanding of climate-related financial risks and for approving and periodically reviewing relevant risk frameworks, policies and standards. Management is responsible for implementing climate-related financial risk management within the Group's business strategy, policies and primary risk type frameworks, and for ensuring that climate-related financial risks are identified and mitigated.

From a regulatory perspective, the Group's subsidiary in Tanzania operates in a jurisdiction where climate-related risk management and disclosure requirements are emerging, and it has begun aligning its practices accordingly. Other subsidiaries operate in jurisdictions where such requirements are still evolving. Although climate-related risks currently do not have a significant impact, the Group continues to monitor regulatory developments across its markets and will progressively enhance its policies, frameworks and disclosures as regulatory expectations and industry practices develop.

### 2.12 Assets held for sale

During the second half of the year the Board of Directors approved a plan to explore the sale of some of the Group's business interests in East and West Africa, namely; Letshego Ghana Savings and Loans Plc, Letshego Microfinance Bank Nigeria (Proprietary) Limited, Letshego Faidika Bank (Tanzania) Limited, Letshego Rwanda Limited, and Letshego Uganda Limited. The Board considered the disposal group to meet the criteria to be classified as held for sale at that date for the following reasons:

- ▶ The entities being available for immediate sale and could be sold to a buyer in their current condition.
- ▶ Actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification.
- ▶ Negotiations being at an advanced stage, with binding offers having been received from with potential acquiror(s).
- ▶ Achievement of strategic milestones which have been communicated to stakeholders in the past to improve shareholder returns.

At the time of reporting there are no indications that required stakeholder approvals to conclude the transaction would be withheld.

The fair value used in the impairment assessment is the transaction price that will likely be received by the Group upon sale of the disposal group, following binding offers received from potential counterparties to the transaction, which fell within a valuation range that was determined by independent consultants.

More details on the discontinued operation are outlined in Note 10.

## 3 Cash and similar instruments

	31 December 2025 P'000	31 December 2024 P'000
Cash at bank and in hand	1 574 907	1 373 774
Statutory cash reserve	280 278	262 656
Short term investments	96 061	22 237
	<b>1 951 246</b>	1 658 667
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:		
Cash and similar instruments as per above, less statutory cash reserve	1 670 968	1 396 012
Cash and similar instruments held for sale (Note 10)	502 826	-
Cash and similar instruments for the purpose of the statement of cash flows	<b>2 173 794</b>	1 396 012

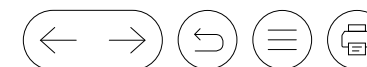
Short term investments constitute amounts held in fixed deposit with external financial institutions. The deposits attract interest ranging between 4% – 12% per annum (2024: 4% – 14% per annum). Cash at bank is held with reputable financial institutions with good credit standing. Statutory cash reserve relates to cash held by the Central Bank for the respective subsidiaries based on the average customer deposits and therefore not available for day to day operations.

## 4 Investment securities

	31 December 2025 P'000	31 December 2024 P'000
Government and Corporate bonds: 2 – 5 year fixed-rate notes	229 941	666 333
Government and Corporate bonds: Above 5 year fixed-rate notes	27 856	15 258
	<b>257 797</b>	681 591
Less : Expected credit losses	-	(26 761)
	<b>257 797</b>	654 830
<b>Movement in expected credit losses:</b>		
Balance at the beginning of the year	26 761	26 761
Reclassified as held for sale*	(26 761)	-
<b>Balance at the end of the year</b>	<b>-</b>	26 761

\* In light of the classification of the Group's business interests in East and West Africa to a 'disposal group held for sale' (refer to Note 10), the investment securities held in Letshego Ghana Plc were reclassified to 'assets held for sale'.

Investment securities are treasury bills and bonds and 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 instruments held in Namibia are denominated in local currency, whilst the Ghana instruments constitute local currency denominated bonds and United States dollar denominated bonds. The Ghana instruments are deemed to be purchased or originated credit impaired (POCI).



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#### 4 Investment securities *continued*

Due to the nature of the instruments held in Namibia, as well as historical experience, the instruments are regarded as having a low probability of default and the ECL in respect of these is considered immaterial at the reporting date.

P138 million (2024: P205 million) of the borrowings in Namibia are secured by lien over Government instruments. The aggregated value of these Government instruments is P312 million (2024: P446 million).

An analysis of the carrying amount in investment securities held is as follows:

31 December 2025	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	POCI P'000	Total P'000
Gross carrying amount as at 1 January 2025	415 138	–	–	266 453	681 591
New assets originated or purchased	–	–	–	–	–
Transfer from Stage 1 to Stage 2	–	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–	–
Reclassified as held for sale*	–	–	–	(199 396)	(199 396)
Assets sold during the year	(157 341)	–	–	–	(157 341)
Effects of movement in exchange rates	–	–	–	(67 057)	(67 057)
<b>Gross carrying amount</b>	<b>257 797</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>257 797</b>
<b>Reconciliation of expected credit losses:</b>					
Opening ECL amount as at 1 January 2025	–	–	–	(26 761)	(26 761)
New assets originated or purchased	–	–	–	–	–
Impairment writeback	–	–	–	–	–
Transfer from Stage 1 to Stage 2	–	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–	–
Reclassified as held for sale*	–	–	–	26 761	26 761
Assets sold during the year	–	–	–	–	–
<b>As at December 2025</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

\* In light of the classification of the Group's business interests in East and West Africa to a 'disposal group held for sale' (refer to Note 10), the investment securities held in Letshego Ghana Plc were reclassified to 'assets held for sale'.

31 December 2024	Stage 1 P'000	Stage 2 P'000	Stage 3 P'000	POCI P'000	Total P'000
Gross carrying amount as at 1 January 2023	639 076	–	–	254 403	893 479
New assets originated or purchased	–	–	–	7 624	7 624
Transfer from Stage 1 to Stage 2	–	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–	–
Assets sold during the year	(215 347)	–	–	–	(215 347)
Effects of movement in exchange rates	(8 591)	–	–	4 426	(4 165)
<b>Gross carrying amount</b>	<b>415 138</b>	<b>–</b>	<b>–</b>	<b>266 453</b>	<b>681 591</b>
<b>Reconciliation of expected credit losses:</b>					
Opening ECL amount as at 1 January 2024	–	–	–	(26 761)	(26 761)
New assets originated or purchased	–	–	–	–	–
Impairment writeback	–	–	–	–	–
Transfer from Stage 1 to Stage 2	–	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–	–
Assets sold during the year	–	–	–	–	–
<b>As at December 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(26 761)</b>	<b>(26 761)</b>

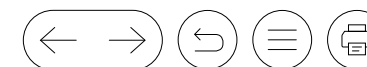
#### 5 Financial assets at fair value through profit or loss

	31 December 2025 P'000	31 December 2024 P'000
Cross currency swaps and forwards	601 710	725 956
Investment in insurance cell captive	4 167	4 167
	<b>605 877</b>	<b>730 123</b>

Cross currency swaps relate to short term 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 15.

The Group has a preference share investment in a cell captive vehicle domiciled in Mauritius in order to self insure its credit risk exposure in some of the jurisdictions where it operates.

Refer to Note 1.5 for details of the fair value and valuation technique adopted for Financial Assets at Fair Value through Profit or Loss in light of unobservable market data.



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## 6 Advances to customers

	31 December 2025 P'000	31 December 2024 P'000
Gross advances to customers	12 259 942	14 548 260
Less: Expected credit losses	(592 117)	(979 097)
– Stage 1	(57 718)	(124 880)
– Stage 2	(54 034)	(93 820)
– Stage 3	(480 365)	(760 397)
<b>Net advances to customers</b>	<b>11 667 825</b>	<b>13 569 163</b>
<b>6.1 Maturity analysis</b>		
Maturing within one year	1 151 862	1 381 207
Maturing after one year within five years	5 468 328	6 557 116
Maturing after five years	5 639 752	6 609 937
<b>Total gross advances to customers</b>	<b>12 259 942</b>	<b>14 548 260</b>

Certain advances to customers are pledged as security to borrowings as set out in Note 20.

## 6.2 Impairment of advances

Balance at the beginning of the year	979 097	857 897
Reclassified as held for sale*	(152 489)	–
Net (reversal)/impairment on advances to customers	(234 491)	121 200
<b>Balance at the end of the year</b>	<b>592 117</b>	<b>979 097</b>

An analysis of net advances by credit risk, including related impairment provisions, is contained in Note 1.3.1 to these financial statements.

## 6.3 Charges to profit or loss

Amounts written off	(436 962)	(676 873)
Recoveries during the year	233 473	192 920
Net remeasurement of allowance for expected credit losses: advances to customers	78 735	(49 619)
	(124 754)	(533 573)

\* In light of the classification of the Group's business interests in East and West Africa to a 'disposal group held for sale' (refer to Note 10), Advances to customers held in the Group's business entities in these regions were reclassified to 'assets held for sale'.

## 7 Insurance contract assets

	31 December 2025 P'000	31 December 2024 P'000
Based on how the Group manages its Namibia 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	103 192	88 562
Credit default insurance	46 024	34 418
	<b>149 216</b>	<b>122 980</b>

## 7.1 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 and the liability for incurred claims for the credit life insurance arrangements, is disclosed in the table below:

	Assets for remaining coverage P'000	Liabilities for incurred claims P'000	Total P'000
<b>At 1 January 2024</b>	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
<b>At 31 December 2024</b>	<b>146 064</b>	<b>(23 084)</b>	<b>122 980</b>
Insurance revenue	335 508	–	335 508
Insurance service expenses	–	(89 270)	(89 270)
Deemed premiums received	(346 456)	–	(346 456)
Deemed claims paid	–	123 800	123 800
Effects of movement in exchange rates	893	1 761	2 654
<b>At 31 December 2025</b>	<b>136 009</b>	<b>13 207</b>	<b>149 216</b>



## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 8 Other receivables

	31 December 2025 P'000	31 December 2024 P'000
Deposits and prepayments	38 831	141 275
Receivable from insurance arrangements	27 061	127 439
Withholding tax and value added tax receivable	28	15 494
Deferred arrangement and commission fees	26 856	31 601
Settlement and clearing accounts	27 228	57 165
Other receivables	69 245	11 780
	<b>189 249</b>	384 754

Due to the short-term nature of the current receivables, their carrying amount approximates their fair value.

## 9 Financial assets at fair value through other comprehensive income

	31 December 2025 P'000	31 December 2024 P'000
Equity instruments measured at FVOCI	11 038	11 038
	<b>11 038</b>	11 038

The Group holds a stake in a company that operates a financial services platform. A fair value assessment of this investment is performed annually.

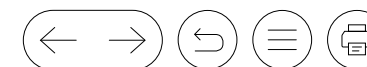
Refer to Note 1.5 for details of the fair value and valuation technique adopted for Financial Assets at Fair Value through OCI in light of unobservable market data.

## 10 Discontinued operations and non-current assets held for sale

During the second half of the year, in order to optimise the Group's portfolio of businesses, and to unlock shareholder value the Board of Directors approved a plan to explore the sale of some of the Group's business interests in East and West Africa, namely; Letshego Ghana Savings and Loans Plc, Letshego Microfinance Bank Nigeria (Proprietary) Limited, Letshego Faidika Bank (Tanzania) Limited, Letshego Rwanda Limited, and Letshego Uganda Limited. Letshego Kenya Limited has been excluded from the disposal group due to an ongoing legal consideration required to be closed prior to sale of shares. Following on from this, the Group actively embarked on a programme to locate a prospective acquiror(s) for the businesses, and the plan is expected to be completed within a year from the reporting date. At 31 December 2025, the East and West Africa businesses indicated were classified as a disposal group held for sale and as a discontinued operation.

The Group applies IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*. Assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use. In order to be classified as held for sale, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and the sale must be highly probable. Non-current assets (or disposal groups) held for sale are measured at the lower of carrying amount and fair value less cost to sell.

The businesses represent separate geographical areas of operations, whose cash flows can be clearly distinguished from the rest of the Group, both operationally and for financial reporting purposes, and are also part of a single co-ordinated plan to dispose of the geographical areas of operation. The disposal group therefore was classified as a discontinued operation.



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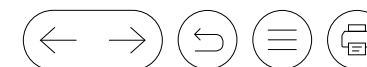
10 Discontinued operations and non-current assets held for sale *continued*

With the businesses being classified as discontinued operations, the entities are no longer presented in the Segment Information note (Note 34). The results of the entities for the year are presented below:

2025	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Eliminations P'000	Total P'000
Interest income at effective interest rate	42 138	200 999	274 201	51 553	1 160 999	(8 927)	1 720 963
Interest expense at effective interest rate	(6 913)	(56 194)	(4 414)	(13 676)	(305 527)	12 047	(374 677)
Other interest expense	(154)	(463)	(1 002)	–	–	–	(1 619)
Net interest income	35 071	144 342	268 785	37 877	855 472	3 120	1 344 666
Fee and commission income	183	15 153	8 696	(101)	28 594	–	52 525
Other operating income	907	13 289	816	1 289	54 612	(12 047)	58 866
<b>Operating income</b>	<b>36 161</b>	<b>172 784</b>	<b>278 297</b>	<b>39 064</b>	<b>938 678</b>	<b>(8 927)</b>	<b>1 456 058</b>
Expected credit losses*	(487)	(23 780)	(26 917)	(14 476)	(299 821)	–	(365 481)
<b>Net operating income</b>	<b>35 674</b>	<b>149 004</b>	<b>251 380</b>	<b>24 589</b>	<b>638 857</b>	<b>(8 927)</b>	<b>1 090 574</b>
Operating expenses	(20 948)	(134 604)	(181 528)	(25 932)	(509 617)	41 198	(831 431)
<b>Net income/(loss) from operations before impairment on re-measurement to fair value less costs to sell</b>	<b>14 726</b>	<b>14 400</b>	<b>69 852</b>	<b>(1 343)</b>	<b>129 240</b>	<b>32 269</b>	<b>259 143</b>
Net expense re-allocation on classification to discontinued operations**	(29 994)	(20 868)	(32 825)	(51 318)	(18 454)	–	(153 459)
Impairment loss recognised on the remeasurement to fair value less costs to sell							(570 656)
<b>(Loss)/profit before tax from discontinued operations</b>	<b>(15 268)</b>	<b>(6 468)</b>	<b>37 027</b>	<b>(52 661)</b>	<b>110 786</b>	<b>32 269</b>	<b>(464 972)</b>
Taxation (expense)/credit	(2 531)	(12 596)	2 842	(1 495)	(40 763)	–	(54 543)
<b>(Loss)/profit for the year from discontinued operations</b>	<b>(17 799)</b>	<b>(19 064)</b>	<b>39 869</b>	<b>(54 156)</b>	<b>70 023</b>	<b>32 271</b>	<b>(519 515)</b>
<b>Other comprehensive income for the year from discontinued operations</b>	<b>(13 558)</b>	<b>(3 791)</b>	<b>(79 442)</b>	<b>976</b>	<b>97 635</b>	<b>–</b>	<b>1 820</b>

\* The P365.5 million expected credit losses comprise net allowance for expected credit losses charge of P189.5 million, bad debts written off charge of P218.6 million and recoveries of P42.6 million (credit).

\*\* Constitute once-off expenses that will no longer be incurred by the Group after the sale of the above operations.



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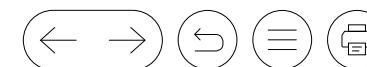
10 Discontinued operations and non-current assets held for sale *continued*

2024***	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Eliminations P'000	Total P'000
Interest income at effective interest rate	41 168	240 172	181 531	50 431	804 151	(26 540)	1 290 913
Interest expense at effective interest rate	(12 242)	(59 222)	(2 188)	(7 019)	(308 018)	12 596	(376 094)
Other interest expense	(81)	(430)	–	–	(5)	–	(516)
Net interest income	28 845	180 520	179 343	43 412	496 128	(13 944)	914 304
Fee and commission income	420	–	(7 863)	408	75 120	–	68 085
Other operating income	562	3 827	14 548	751	15 282	(428)	34 542
<b>Operating income</b>	29 827	184 347	186 028	44 571	586 530	(14 372)	1 016 930
Expected credit losses*	(3 877)	(22 968)	(35 941)	(8 814)	(177 598)	–	(249 198)
<b>Net operating income</b>	25 950	161 379	150 087	35 757	408 932	(14 372)	767 732
Operating expenses	(18 150)	(134 884)	(132 984)	(32 265)	(431 836)	36 286	(713 833)
<b>Net income/(loss) from operations before impairment on re-measurement to fair value less costs to sell</b>	7 800	26 495	17 103	3 492	(22 904)	21 914	53 899
Net expense re-allocation on classification to discontinued operations**	(33 512)	(12 864)	(21 683)	(54 872)	(22 238)	–	(145 169)
<b>(Loss)/profit before tax from discontinued operations</b>	(25 712)	13 631	(4 580)	(51 380)	(45 142)	21 914	(91 270)
Taxation expense	(2 889)	(4 194)	(32 388)	(1 506)	(22 532)	–	(63 508)
<b>(Loss)/profit for the year from discontinued operations</b>	(28 601)	9 437	(36 968)	(52 886)	(67 674)	21 914	(154 778)
<b>Other comprehensive income for the year from discontinued operations</b>	1 628	5 720	42 842	(36 035)	84 986	–	99 141

\* The P249.2 million expected credit losses comprise net allowance for expected credit losses charge of P118.5 million, bad debts written off charge of P166.2 million and recoveries of P35.5 million (credit).

\*\* Constitute once-off expenses that will no longer be incurred by the Group after the sale of the above operations.

\*\*\* 2024 comparatives have been restated in light of classification of the disposal group to discontinued operations.



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10 Discontinued operations and non-current assets held for sale *continued*

The major classes of assets and liabilities of the entities classified as held for sale as at 31 December 2025 are, as follows:

	Rwanda P '000	Uganda P '000	Tanzania P '000	Nigeria P '000	Ghana P '000	Impairment* P '000	Total P '000
<b>Assets</b>							
Cash and similar instruments	53 778	27 648	79 042	25 640	316 717	–	502 826
Investment securities	–	–	–	–	199 396	–	199 396
Advances to customers	176 944	467 256	577 279	111 400	1 522 771	–	2 855 650
Gross advances to customers	179 693	525 099	625 401	136 522	1 928 404	–	3 395 119
Less: Expected credit losses	(2 749)	(57 843)	(48 122)	(25 122)	(405 633)	–	(539 469)
– Stage 1	(865)	(5 351)	(7 728)	(2 111)	(33 857)	–	(49 912)
– Stage 2	(340)	(4 267)	(2 653)	(1 571)	(8 184)	–	(17 014)
– Stage 3	(1 544)	(48 225)	(37 741)	(21 440)	(363 592)	–	(472 543)
Other receivables	2 162	13 874	21 803	1 727	66 218	–	105 784
Income tax receivable	–	–	–	–	5 314	–	5 314
Property and equipment	1 470	3 771	8 367	3 324	8 263	(25 195)	–
Right-of-use assets	1 400	2 554	3 654	1 532	3 216	(12 355)	–
Intangible assets	–	1 596	–	–	435	(2 031)	–
Deferred tax assets	2 616	19 147	19 016	221	109 016	–	150 016
<b>Assets held for sale</b>	<b>238 369</b>	<b>535 846</b>	<b>709 162</b>	<b>143 845</b>	<b>2 231 346</b>	<b>(39 580)</b>	<b>3 818 986</b>
<b>Liabilities</b>							
Customer deposits	85 887	–	121 707	61 587	1 024 534	–	1 293 715
Income tax payable	1 643	3 813	5 252	1 005	–	–	11 713
Trade and other payables	9 827	6 335	65 196	8 062	61 638	531 074	682 133
Lease liabilities	426	2 066	4 396	–	–	–	6 888
Borrowings	14 035	302 497	–	13 582	674 570	–	1 004 684
<b>Liabilities directly associated with assets held for sale</b>	<b>111 818</b>	<b>314 711</b>	<b>196 551</b>	<b>84 238</b>	<b>1 760 742</b>	<b>531 074</b>	<b>2 999 132</b>
<b>Net assets directly associated with disposal group</b>	<b>126 551</b>	<b>221 135</b>	<b>512 610</b>	<b>59 609</b>	<b>470 604</b>	<b>(570 655)</b>	<b>819 855</b>
The net cash flows generated/(incurred) by the entities are, as follows:							
Net cash flows from operating activities	29 813	65 401	(10 608)	30 877	172 535	–	288 018
Net cash flows from investing activities	(1 022)	866	692	(1 830)	10 889	–	9 595
Net cash flows from financing activities	4 161	(80 970)	(35 814)	(11 730)	(48 073)	–	(172 426)
<b>Net cash inflow/(outflow)</b>	<b>32 952</b>	<b>(14 703)</b>	<b>(45 730)</b>	<b>17 317</b>	<b>135 351</b>	<b>–</b>	<b>125 187</b>
<b>Amounts included in accumulated OCI:</b>							
Reserves of disposal group held for sale – Foreign currency translation reserve	(18 554)	30 336	4 406	(186 267)	(114 536)	–	(284 615)

\* An impairment loss amounting to P570.7 million was recognised upon remeasurement of the disposal group held for sale to its fair value less costs to sell. Of the impairment amount determined, P39.6 million was allocated to corporate assets of the disposal group, whilst a further P531.1 million was recognised as a shortfall in light of the likely transaction price. The P531.1 million was recognised as a liability and included under 'Trade and other payables' within the disposal group held for sale. The transaction price that will likely be received by the Group upon sale of the disposal group was used as the fair value in the impairment assessment, following binding offers received from potential counterparties to the transaction, which fell within a valuation range that was determined by independent consultants. The fair value that has been determined falls under 'level 3' of the fair value hierarchy of IFRS 13. The costs to sell that were determined comprise of incremental costs directly attributable to the disposal of the cash-generating units, which include legal and consultancy costs necessary for completion of the sale.



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## 11 Property and equipment

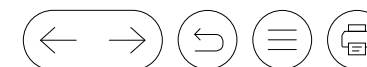
	Motor vehicles P'000	Computer equipment P'000	Office furniture & equipment P'000	Land & building P'000	Total P'000
<b>Cost</b>					
Balance at 1 January 2025	21 181	127 493	177 953	17 098	343 725
Additions	424	17 331	19 077	–	36 832
Disposals*	(797)	(4 129)	(4 980)	–	(9 906)
Forex translation	(102)	199	1 483	(1 229)	351
Reclassified as held for sale**	(14 918)	(41 863)	(66 528)	(527)	(123 836)
<b>Balance at 31 December 2025</b>	<b>5 788</b>	<b>99 031</b>	<b>127 005</b>	<b>15 342</b>	<b>247 166</b>
<b>Accumulated depreciation</b>					
Balance at 1 January 2025	12 007	115 654	116 711	–	244 372
Charge for the year	1 711	11 070	21 115	–	33 896
Disposals*	(797)	(4 129)	(4 980)	–	(9 906)
Forex translation	(168)	(551)	(7 883)	–	(8 602)
On assets reclassified as held for sale**	(9 520)	(37 845)	(51 276)	–	(98 641)
<b>Balance at 31 December 2025</b>	<b>3 233</b>	<b>84 199</b>	<b>73 687</b>	<b>–</b>	<b>161 119</b>
<b>Net book value at 31 December 2025</b>	<b>2 555</b>	<b>14 832</b>	<b>53 318</b>	<b>15 342</b>	<b>86 047</b>

None of the Group's property and equipment has been pledged as security for Borrowings as at the reporting date.

\* The 'disposals' in the current reporting period pertain mainly to branch assets that were scrapped upon closure of branches.

\*\* In light of the classification of the Group's business interests in East and West Africa to a 'disposal group held for sale' (refer to Note 10), property and equipment held in the Group's business entities in these regions were reclassified to 'assets held for sale'.

	Motor vehicles P'000	Computer equipment P'000	Office furniture & equipment P'000	Land & building P'000	Total P'000
<b>Cost</b>					
Balance at 1 January 2024	18 786	143 114	153 358	17 262	332 520
Additions	3 949	16 466	26 017	–	46 432
Transfers	–	(4)	4	–	–
Disposals	(436)	(25 976)	(1 606)	–	(28 018)
Forex translation	(1 118)	(6 107)	180	(164)	(7 209)
<b>Balance at 31 December 2024</b>	<b>21 181</b>	<b>127 493</b>	<b>177 953</b>	<b>17 098</b>	<b>343 725</b>
<b>Accumulated depreciation</b>					
Balance at 1 January 2024	10 666	122 369	94 673	–	227 708
Charge for the year	3 623	18 393	21 860	–	43 876
Disposals	(436)	(25 955)	(1 146)	–	(27 537)
Forex translation	(1 846)	851	1 320	–	325
<b>Balance at 31 December 2024</b>	<b>12 007</b>	<b>115 654</b>	<b>116 711</b>	<b>–</b>	<b>244 372</b>
<b>Net book value at 31 December 2024</b>	<b>9 174</b>	<b>11 839</b>	<b>61 242</b>	<b>17 098</b>	<b>99 353</b>



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 12 Right-of-use assets

	Total Property P'000
<b>Cost</b>	
Balance at 1 January 2025	301 610
Additions	22 057
Adjustment on lease terminations	(5 775)
Forex translation	(1 017)
Reclassified as held for sale	(100 982)
<b>Balance at 31 December 2025</b>	<b>215 892</b>
<b>Accumulated depreciation</b>	
Balance at 1 January 2025	206 534
Charge for the year	26 023
Adjustment on lease terminations	(2 377)
Forex translation	93
On assets reclassified as held for sale*	(88 627)
<b>Balance at 31 December 2025</b>	<b>141 646</b>
<b>Net book value at 31 December 2025</b>	<b>74 246</b>

The 'adjustment on lease terminations' in the current reporting period pertain to lease terminations arising from closure of branches.

\* In light of the classification of the Group's business interests in East and West Africa to a 'disposal group held for sale' (refer to Note 10), right-of-use assets held in the Group's business entities in these regions were reclassified to 'assets held for sale'.

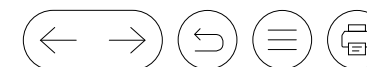
	Total Property P'000
<b>Cost</b>	
Balance at 1 January 2024	251 610
Additions	53 905
Adjustment on lease terminations	(3 828)
Forex translation	(77)
<b>Balance at 31 December 2024</b>	<b>301 610</b>
<b>Accumulated depreciation</b>	
Balance at 1 January 2024	162 369
Charge for the year	46 107
Adjustment on lease terminations	(3 150)
Forex translation	1 208
<b>Balance at 31 December 2024</b>	<b>206 534</b>
<b>Net book value at 31 December 2024</b>	<b>95 076</b>

## 13 Intangible assets

	Computer Software P'000	Brand value P'000	Core deposit P'000	Work in progress P'000	Total P'000
<b>Cost</b>					
Balance at 1 January 2025	382 194	2 177	9 277	129 573	523 221
Additions	1 617	-	-	198	1 815
Expenses	-	-	-	(31 666)	(31 666)
Impairment	-	-	-	(30 926)	(30 926)
Transfers	67 161	-	-	(67 161)	-
Forex translation	(3 206)	-	-	(18)	(3 224)
Reclassified as held for sale	(24 410)	-	-	-	(24 410)
<b>Balance at 31 December 2025</b>	<b>423 356</b>	<b>2 177</b>	<b>9 277</b>	<b>-</b>	<b>434 810</b>
<b>Accumulated amortisation</b>					
Balance at 1 January 2025	118 699	2 177	9 277	-	130 153
Charge for the year	46 602	-	-	-	46 602
Forex translation	(2 856)	-	-	-	(2 856)
On assets reclassified as held for sale*	(22 379)	-	-	-	(22 379)
<b>Balance at 31 December 2025</b>	<b>140 066</b>	<b>2 177</b>	<b>9 277</b>	<b>-</b>	<b>151 520</b>
<b>Net book value at 31 December 2025</b>	<b>283 290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283 290</b>

None of the Group's intangible assets have been pledged as security for Borrowings as at the reporting date.

\* In light of the classification of the Group's business interests in East and West Africa to a 'disposal group held for sale' (refer to Note 10), intangible assets held in the Group's business entities in these regions were reclassified to 'assets held for sale'.



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13 Intangible assets *continued*

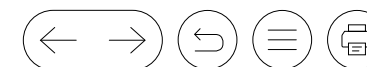
	Computer Software P'000	Brand value P'000	Core deposit P'000	Work in progress P'000	Total P'000
<b>Cost</b>					
Balance at 1 January 2024	214 897	2 177	9 277	280 683	507 034
Additions	5 200	–	–	22 220	27 420
Transfers	173 157	–	–	(173 157)	–
Disposals	(1 249)	–	–	–	(1 249)
Forex translation	(9 811)	–	–	(173)	(9 984)
<b>Balance at 31 December 2024</b>	<b>382 194</b>	<b>2 177</b>	<b>9 277</b>	<b>129 573</b>	<b>523 221</b>
<b>Accumulated amortisation</b>					
Balance at 1 January 2024	96 870	2 177	9 277	–	108 324
Charge for the year	27 901	–	–	–	27 901
Transfer	–	–	–	–	–
Disposals	(1 249)	–	–	–	(1 249)
Forex translation	(4 823)	–	–	–	(4 823)
<b>Balance at 31 December 2024</b>	<b>118 699</b>	<b>2 177</b>	<b>9 277</b>	<b>–</b>	<b>130 153</b>
<b>Net book value at</b>					
<b>31 December 2024</b>	<b>263 495</b>	<b>–</b>	<b>–</b>	<b>129 573</b>	<b>393 068</b>

## 14 Goodwill

	31 December 2025 P'000	31 December 2024 P'000
<b>Goodwill on the acquisition of:</b>		
Letshego Holdings Namibia Limited	24 246	22 671
Letshego Tanzania Limited	–	2 329
Letshego Ghana Plc	–	5 097
	<b>24 246</b>	<b>30 097</b>
<b>Movement in goodwill</b>		
Balance at the beginning of the year	30 097	30 591
Impairment charge	(8 873)	–
Effect of exchange rate changes	3 022	(494)
<b>Balance at the end of the year</b>	<b>24 246</b>	<b>30 097</b>

The Group performs its impairment test annually. The Group assesses the recoverable amount of goodwill in respect of all cash generating units in order to determine indications of impairment. In light of the classification of some of the Group's business interests in East and West Africa to a 'disposal group held for sale' (refer to Note 10), the goodwill previously held for Letshego Ghana Plc and Letshego Tanzania Limited were impaired to nil following a comparison of the fair value less costs to sell of the disposal group under the potential transaction to the disposal group's net asset value.

The key assumptions that were used to determine the recoverable amount for the Namibia cash generating unit above 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. Refer to Note 2.7 for details of the various metrics used for calculating the value in use for the Namibia cash generating unit.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 15 Financial liabilities at fair value through profit or loss

	31 December 2025 P'000	31 December 2024 P'000
Foreign currency swaps and forwards	572 423	661 386
	<b>572 423</b>	<b>661 386</b>

In the current year P572.4 million (2024: P597.6 million) of the above 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 respective assets are disclosed in Note 5.

Letshego Africa Holdings Limited and Letshego Financial Services Botswana entered into currency swap agreements with financial institutions in respect of foreign currency denominated funding listed below. The currency swaps hedge the variable factor of the capital and interest coupons payable on these. Management evaluates the effective cash flow and applicable payments on the capital and coupon payments and discounts these to calculate the fair value of the currency swap.

Entity – Cross Currency Swaps	Currency	P'000
Letshego Africa Holdings Limited	USD	532 576
Letshego Financial Services (Proprietary) Limited Botswana	USD	39 847

## 16 Customer deposits

	31 December 2025 P'000	31 December 2024 P'000
Demand accounts	40 780	400 618
Savings accounts	552 632	631 512
Call and term deposits	1 643 745	1 115 169
	<b>2 237 157</b>	<b>2 147 299</b>

These are deposits from customers and are short-term in nature.

## 17 Cash collateral

	31 December 2025 P'000	31 December 2024 P'000
Balance at the beginning of the year	17 038	15 853
(Utilised)/raised during the year	(17 038)	1 185
<b>Closing balance</b>	<b>–</b>	<b>17 038</b>

Cash collateral represented payments made by customers to the Group as security for certain loan products taken in some of the jurisdictions where the Group operates. The amounts were refundable upon the successful repayment of loans by customers or were utilised to cover loans in the event of default. The collateral was released back to the customers following settlement of outstanding balances and cessation of the particular loan products during the year.

## 18 Trade and other payables

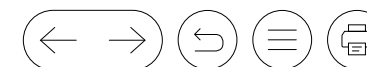
	31 December 2025 P'000	31 December 2024 P'000
Insurance premium payable	26 740	74 128
Payroll related accruals	19 631	22 202
Staff incentive accrual (Note 18.1)	73 590	41 872
Accruals (Note 18.2)	34 715	33 968
Other payables	163 395	107 301
Value added tax/withholding tax payable	7 701	49 437
	<b>325 772</b>	<b>328 908</b>

## 18.1 Movement in staff incentive accrual

Balance at the beginning of the year	41 872	63 570
Current period charge/(reversal) (Note 29)	61 586	(4 068)
Reversed during the year	(29 868)	(17 630)
<b>Balance at the end of the year</b>	<b>73 590</b>	<b>41 872</b>

## 18.2 Movement in accruals

Balance at the beginning of the year	33 968	22 936
Net accruals raised during the year	747	11 032
<b>Balance at the end of the year</b>	<b>34 715</b>	<b>33 968</b>



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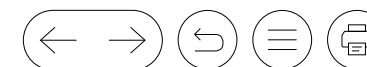
## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 19 Lease liabilities

	Carrying amount at 01 January 2025	Additions	Adjustment on lease modification	Interest expense	Cash payments	Forex translation	Carrying amount at 31 December 2025
Lease liabilities	98 289	22 057	(3 398)	9 212	(33 456)	(6 669)	86 034
	Carrying amount at 01 January 2024	Additions	Adjustment on lease modification	Interest expense	Cash payments	Forex translation	Carrying amount at 31 December 2024
Lease liabilities	97 972	53 905	–	12 540	(64 165)	(1 963)	98 289

	31 December 2025 P'000	31 December 2024 P'000
<b>The following are the amounts recognised in profit or loss:</b>		
Depreciation expense of right of use asset	26 023	46 107
Interest expense on lease liabilities	–	12 540
Expense relating to short-term leases	2 457	5 015
Expense relating to low value assets	4 135	905
	<b>32 615</b>	<b>64 567</b>
<b>Total cash outflows relating to leases were as follows:</b>		
Leases accounted for under IFRS 16	33 456	64 165
Short-term leases	2 457	5 015
Leases relating to low value assets	4 135	905
	<b>40 048</b>	<b>70 085</b>

The Group has entered into commercial leases for premises and operating equipment. The leases have an average life of between one and five years. The Group elects not to recognise assets and liabilities with a lease term of up to 12 months and low value leases for operating equipment. There are no restrictions placed upon the lessee by entering into these. The Group's leases are mainly non-cancellable and refer to the ageing of future lease payments as at 31 December 2025. For a maturity analysis of lease liabilities refer to Note 40.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 20 Borrowings

	31 December 2025 P'000	31 December 2024 P'000
Commercial banks	3 307 483	4 555 619
Note programmes	2 927 417	2 938 332
Development Financial Institutions	1 070 852	2 043 593
Pension funds	821 290	139 021
<b>Total borrowings</b>	<b>8 127 042</b>	<b>9 676 565</b>
<b>Contractual maturity analysis</b>		
Maturing within one year	3 906 417	4 455 624
Maturing after one year within three years	3 743 349	3 227 338
Maturing after three years	477 276	1 993 603
<b>Total borrowings</b>	<b>8 127 042</b>	<b>9 676 565</b>
Contractual interest on borrowings to maturity at reporting date	908 182	1 108 214
<b>Total contractual cash flows on interest bearing loans and borrowings</b>	<b>9 035 224</b>	<b>10 784 779</b>
<b>Movement in borrowings</b>		
Balance at the beginning of the year	9 676 565	9 626 301
Finance obtained from third parties	1 436 104	2 220 200
Repayment of borrowings	(1 996 226)	(2 203 842)
Reclassified to liabilities directly associated with assets classified as held for sale	(1 004 684)	-
Effect of exchange rate changes	15 283	33 906
<b>Balance at the end of the year</b>	<b>8 127 042</b>	<b>9 676 565</b>

**Note programmes and bilateral placements**

The Group has issued medium term note programmes of P2.93 billion (2024: P2.94 billion) of which P1.80 billion (2024: P1.94 billion) are on the Botswana Stock Exchange, P414 million (2024: P144 million) are on the Ghana Stock exchange, P816 million (2024: P570 million) are listed on the Namibian Stock Exchange and P263 million (2024: P281 million) are listed on the Mozambique Stock Exchange at the reporting date. Private placements have been made by Botswana Insurance Fund Management Limited in Botswana amounting to P46 million (2024: nil) Bilateral placements have been made by pension funds and certain investment houses in Eswatini amounting to P202 million (2024: P139 million).

**Security**

P1.2 billion (2024: P1.9 billion) relates to loans that are secured by a corporate guarantee from Letshego Africa Holdings Limited. During the current year a number of subsidiaries sourced in-country and foreign funding which was guaranteed by Letshego Africa Holdings Limited.

P21 million (2024: P99 million) relates to loans that are secured by a corporate guarantee from Letshego Financial Services (Pty) Limited Botswana. This relates to debt owed by Letshego Africa Holdings Limited.

**Interest rate**

P3.4 billion (2024: P1.8 billion) of the borrowings are at fixed interest rates, P4.9 billion (2024: P5.8 billion) are loans issued at variable interest rates and P0.7 billion (2024: P1.1 billion) are fixed via cross currency swaps. The variable interest rates include rates linked to each country's prime lending rate, Ghana reference rate, 3-months JIBAR, 3-months and 6-months US SOFR, Ghana 182 days T-bill.

**Borrowing obligation arising out of put option**

Included in Borrowings, under Pension Funds, is an amount of P103.2 million relating to an unavoidable contractual obligation to deliver cash to an external party upon exercise of a put option. On 14 November 2025, Letshego Africa Holdings Limited Company (the Seller), JG Securities Money Market Trust (the Purchaser) and Letshego Bank Namibia, entered into a Preference Share purchase agreement in terms of which the Purchaser acquired 107,042,421 (at NAD 1.00 each) preference shares of Letshego Bank Namibia. The Seller irrevocably granted the Purchaser, a 'Put Option', whereby the Seller purchases the Preference Shares on any day between 1 March 2028 and 30 November 2028. The Put Option Price shall be the amount of the purchase price, which includes the par value of the Preference Shares compounded bi-annually on 31 January and 31 July of each year at the rate equal to the Prime Rate plus 2% p.a., calculated from the date of acquisition of the Preference Shares by the Purchaser up to the Exercise Date, less an amount equal to all Preference Dividends that have been paid during such time.

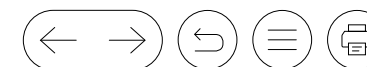
**Borrowings from related parties**

At the reporting date, Borrowings included an amount owed to Botswana Insurance Holdings Limited of P26.7 million (2024: nil) and an amount owed to Botswana Public Officers Pension Fund of P519.4 million (2024: nil). The outstanding balances at the year-end are unsecured and the borrowings from the related parties are on terms equivalent to those that prevail in arm's length transactions.

**Covenant breaches**

As at the reporting date, the Group was in breach of certain loan covenants in relation to funding of P702.9 million in certain entities. These were as follows:

**Kenya** – obligations amounting to P159 million, covenant relating to profitability (Kenya had a negative return on assets), non-performing loans ratio and provisioning ratio (PAR 90 and related provisions were greater than the target risk appetite level as defined by the lender) Debt to Equity ratio, liquidity ratio, leverage ratio and solvency ratio.



## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 20 Borrowings *continued*

**Uganda** – obligations amounting to P179 million, covenant relating to portfolio quality i.e. Non-performing loans ratio (PAR 90, PAR 60 and PAR 30 greater than the target risk appetite level as defined by the lender), cost to income ratio and Monthly Collections less than the monthly collections target.

**Lesotho** – obligations of P134 million, covenant relating to Non-DAS book Ratio (i.e. Non-DAS portfolio: Total portfolio).

**Holdings/Group** – obligations amounting to P231 million relating to net open currency position (Foreign Currency Assets minus Foreign-Currency Liabilities divided by Total Adjusted Equity), solvency ratio (total equity divided by total assets), return on assets, Capitalization ratio, non-performing loans, liquidity ratio and Single group exposure ratio.

At the time of reporting, letters of no action were received for borrowing facilities amounting to P445.6 million. Engagements are ongoing for borrowing facilities amounting to P257.3 million. Refer to Note 40 for the impact of the indicated breaches on the maturity profile of Borrowings.

## 21 Stated capital

	31 December 2025 P'000	31 December 2024 P'000
Issued: 2,175,038,644 ordinary shares of no par value (2024: 2,175,038,644) of which 28,897,741 shares (2024: 28,897,741) are held as treasury shares.	897 909	897 909

	Number of shares in issue	Shares held as treasury shares	Total number of shares
<b>31 December 2025</b>			
Number of shares at the beginning of the year ('000)	2 146 141	28 898	2 175 039
Shares issued during the year ('000)	–	–	–
Acquired and transferred to treasury shares during the year ('000)	–	–	–
<b>Number of shares at the end of the year ('000)</b>	<b>2 146 141</b>	<b>28 898</b>	<b>2 175 039</b>
	Number of shares in issue	Shares held as treasury shares	Total number of shares
<b>31 December 2024</b>			
Number of shares at the beginning of the year ('000)	2 163 387	11 652	2 175 039
Shares issued during the year ('000)	–	–	–
Acquired and transferred to treasury shares during the year ('000)	(17 246)	17 246	–
<b>Number of shares at the end of the year ('000)</b>	<b>2 146 141</b>	<b>28 898</b>	<b>2 175 039</b>

In terms of the Group LTIP (Note 23), nil shares (2024: Nil shares) vested at Group level during the current year. The number of shares in issue remained at 2,146 million (2024: 2,146 million) and the number of shares held as treasury shares remained at 28,898 million (2024: 28,898 million).

Every shareholder shall have one vote for every share held subject to the rights of the holders of any shares entitled to any priority, preference or special privileges. All dividends shall be declared and paid to the members in proportion to the shares held by them respectively.

### Capital management

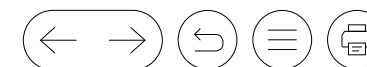
In order to achieve its overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. The Group monitors its capitalisation levels using metrics including Return on Equity, Capitalisation ratio (Total equity/total assets), Capital Adequacy ratio, Debt to Equity ratio and forecasts of asset and profitability performance. The Group's objectives when managing capital, which is a broader concept than the 'equity' in the consolidated statement of financial position are:

- ▶ To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- ▶ To maintain a strong capital base to support the development of its business.

The Group's shareholders' equity consists of ordinary share capital, irredeemable preference shares and reserves. The Group uses its shareholders' equity and long-term borrowings to fund growth and monitors the adequacy of its capital using internal benchmarks as well as external benchmarks set by funders and regulators in the countries of operations. A risk-based approach is also adopted whereby balances with counterparties are required to be supported by capital to a greater extent than other internally held assets.

	31 December 2025	31 December 2024
Capitalisation ratio	22%	24%
Return on equity	6%	1%
Debt to equity	167%	196%

Certain subsidiaries are regulated for capital requirements by the respective in-country regulators. Group maintains sufficient capital in its subsidiaries in order to meet the requirements of local jurisdictions. These are monitored constantly, and actions are taken as and when required. During the year the subsidiaries have complied with the capital requirements.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 22 Legal reserve

	31 December 2025 P'000	31 December 2024 P'000
Balance at the beginning of the year	417 373	377 121
Movement for the period – allocated from retained earnings	66 381	40 252
Derecognition on winding down of subsidiary	(99 774)	–
<b>Balance at the end of the year</b>	<b>383 980</b>	<b>417 373</b>

Legal reserves relate to non-distributable reserves and may be used to increase capital. This is applicable to the following:

▶ Letshego Financial Services Mozambique	Central Bank regulation requires a 30% transfer of annual profits.
▶ Letshego Bank (Namibia) Limited	The reserve represents the difference between provisions computed as per IFRS 9 and provisions calculated as per the regulatory approach.
▶ Letshego Ghana Plc	Central Bank regulation requires a 50% transfer of annual profits.
▶ Letshego Faidika Bank Limited	Where the provisions computed in accordance with International Financial Reporting Standards (IFRS) are less than those required by Regulations, a special non-distributable reserve shall be created through an appropriation of distributable reserves to eliminate the shortfall.
▶ Letshego Uganda Limited	Microfinance regulator requires a transfer of annual profits to be based on the difference between provisioning per IFRS 9 and as per the regulator.

## 23 Share-based payment scheme

Performance shares granted as Long-Term Incentive Plan (LTIP) may not exceed 10% of the issued ordinary shares of the Holding Company. The incentive is subject to Group performance conditions which are based on criteria set by the Group Remuneration Committee. These are aimed at alignment of the interests of staff with shareholder interests. They apply over a specified period of time and are pegged to a continued employment condition. The maximum number of shares which can be allocated to any individual participant under the scheme is 1% of the issued ordinary shares of the holding company.

The Group does not have a past practice of cash settlement for these share options and therefore accounts for them as an equity-settled plan.

As at 31 December 2025, 69,581,502 total awards were outstanding (2024: 63,695,087) at grant date share prices of P1.25, P1.15 and P1.05 for 2023, 2024 and 2025 awards, respectively (31 December 2024: P1.25 for 2023 and 2024 awards respectively).

Reconciliation of outstanding awards	31 December 2025		31 December 2024	
	Fair values	No. of awards	Fair values	No. of awards
Outstanding at the beginning of the year	P1.25	63 695 087	P0.75/P1.41/ P1.25	113 863 552
Granted during the year	P1.15/P1.05	23 762 224	1.25	32 249 203
Forfeited due to not meeting performance	–	–	P0.75/P1.41	(65 137 453)
Forfeited due to resignations	P0.75/P1.41/ P1.25	(17 598 546)	P0.75/P1.41/ P1.25	(17 280 215)
<b>Outstanding at the end of the year</b>	P1.25/P1.15/ P1.05	<b>69 858 765</b>	P1.25	<b>63 695 087</b>

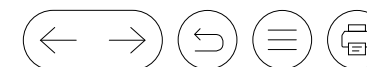
## 23.1 Share-based payment reserve

	31 December 2025 P'000	31 December 2024 P'000
<b>Movement in share based payment reserve</b>		
Opening balance	18 575	34 832
Charge/(reversal) during the year (Note 29)	7 401	(16 257)
<b>Closing balance</b>	<b>25 976</b>	<b>18 575</b>

The award is indexed to the Group's share price on the Botswana Stock Exchange and does not accrue notional dividends during the vesting period.

## 24 Interest income at effective interest rate

	31 December 2025 P'000	31 December 2024 P'000
Advances to customers	2 612 502	2 497 711
Interest income on risk informal/mobile loans	41 232	50 479
Interest income from deposits with banks, including investment securities	90 652	97 421
	<b>2 744 386</b>	<b>2 645 610</b>



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 25 Interest expense at effective interest rate

	31 December 2025 P'000	31 December 2024 P'000
Overdraft facilities and term loans	1 268 258	1 208 652
	<b>1 268 258</b>	1 208 652

## 25.1 Other interest expense

Interest expense on leases	9 212	11 513
----------------------------	-------	--------

## 26 Fee and commission income

Administration fees – lending	41 575	43 265
	<b>41 575</b>	43 265

## 27 Other operating income

Early settlement fees	1 128	1 657
Commission income from insurance arrangements	150 519	121 497
Market adjustment gain on interest currency swaps	45 282	6 390
Sundry income	68 106	59 686
	<b>265 035</b>	189 230

## 28 Insurance service result

The following components are arising from cell captive arrangements in the Group's Namibia subsidiary:

Insurance revenue	335 508	325 671
– Credit life	210 236	208 078
– Credit default	125 272	117 593
Insurance service expense	(89 270)	(119 782)
– Credit life	(4 707)	(37 261)
– Credit default	(84 563)	(82 521)
<b>Net insurance service result</b>	<b>246 238</b>	205 889

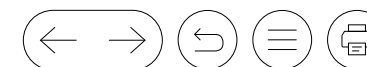
## 29 Employee costs

Salaries and wages	406 694	375 638
Staff incentive (Note 18.1)	61 586	(6 585)
Staff recruitment costs	1 301	2 718
Staff pension fund contribution	24 746	26 863
Directors' remuneration – for management services (executive)	10 089	10 170
Long term incentive plan (Note 23)	7 401	(16 257)
	<b>511 817</b>	392 547

## 30 Other operating expenses

	31 December 2025 P'000	31 December 2024 P'000
Accounting and secretarial fees	449	277
Advertising	12 259	16 130
Audit fees*	7 849	8 005
Bank charges	11 713	13 213
Computer expenses	1 509	1 367
Consultancy fees	58 048	66 070
Corporate social responsibility	1 735	2 171
Collection commission	46 540	83 359
Direct costs	43 880	11 357
Direct costs – short term loans	4 210	7 330
Depreciation and amortisation	80 498	57 809
Depreciation – right of use assets	26 023	24 843
Directors' fees – non executive	6 001	5 783
Directors' fees – subsidiary boards	6 059	6 202
Government levies	29 430	26 144
Impairment of goodwill	8 873	–
Management cost: Project	57 522	–
Insurance	24 969	15 041
Insurance – customer short term	64 628	48 364
Office expenses	33 857	25 917
Short term leases	2 457	1 565
Rental expense for low value assets	4 135	1 536
Derecognition of intangible asset	31 666	–
Impairment of intangible asset	30 926	–
Other operating expenses	47 298	88 216
– Entertainment	1 491	1 213
– Mark-to-market loss on foreign currency swaps	–	13 408
– Motor vehicle expenses	4 364	4 227
– Net foreign exchange loss	1 627	11 732
– Printing and Stationery	3 121	2 988
– Repairs and Maintenance	5 940	4 346
– Storage costs	3 759	3 593
– Subscriptions and licenses	26 996	39 828
– Other expenses	–	6 881
Payroll administration costs	–	(673)
Professional fees	26 013	43 182
Telephone and postage	17 010	24 143
Travel	8 085	14 504
	<b>693 642</b>	591 855

\* Relates to audit fees for continuing operations. Audit fees for discontinued operations amounted to P4.033 million (2024: P2.973 million). Total audit fees for the both continuing and discontinued operations therefore amounted to P11.882 million (2024: P10.978 million).



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## 31 Income Tax Expense

	31 December 2025 P'000	31 December 2024 P'000
<b>Amounts recognised in profit or loss</b>		
<b>Current taxation</b>	<b>391 496</b>	266 726
– Basic taxation	<b>386 876</b>	213 449
– Withholding taxes	<b>11 148</b>	52 789
– Release of prior year's tax provision	<b>(6 528)</b>	488
<b>Deferred tax</b>	<b>14 073</b>	17 684
– Origination and reversal of temporary differences	<b>14 073</b>	17 684
	<b>405 569</b>	284 410

### 31.1 Deferred taxation

Balance at the beginning of the year	197 804	200 097
Less: relating to discontinued operations (Note 10)	(150 016)	–
Current year movement	95 320	(2 293)
<b>Balance at the end of the year</b>	<b>143 108</b>	197 804
Deferred tax assets	143 347	201 298
Deferred tax liabilities	(239)	(3 494)
	<b>143 108</b>	197 804

The Group expects to generate sufficient taxable profits to utilise the deferred tax asset based on historical profitability trends and management judgement on future business prospects.

#### Deferred taxation arises from temporary differences on the following items:

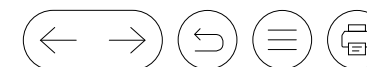
Property and equipment	(14 116)	(32 348)
Lease liability	18 881	7 711
Right of use asset	(16 140)	(11 879)
Share based payment provision	4 061	10 020
Staff incentive provision	13 702	5 413
Expected credit losses	75 632	140 587
Assessed losses	10 918	75 451
Leave pay accrual	1 186	364
Net deferred expenditure	(10 129)	21 322
Prepayments	(5 466)	(3 087)
Unrealised exchange (gain)/loss	3 343	(1 873)
Provisions	8 319	(1 350)
Borrowings	68 760	(409)
Financial assets and liabilities at fair value	(15 843)	(12 118)
	<b>143 109</b>	197 804

### 31.2 Tax rate reconciliation

	31 December 2025 P'000	31 December 2024 P'000
Profit before taxation	<b>689 551</b>	345 854
Tax calculated at Botswana statutory rate of 22%	<b>151 701</b>	76 088
Effect of net foreign deductions at tax rate of 15%	<b>23 394</b>	22 284
Effect of tax rates in foreign jurisdictions	<b>85 747</b>	81 677
Expenses and revenues not deductible for tax purposes	<b>99 273</b>	61 064
WHT tax credits adjustments	<b>33 904</b>	32 295
Release of prior year's provision	<b>11 549</b>	11 001
	<b>405 569</b>	284 410

### 31.3 Reconciliation of income tax paid

Opening balance – net of receivables and payables	<b>56 258</b>	7 697
	<b>555 433</b>	345 625
– Tax charge per profit or loss: continuing operations	<b>405 569</b>	284 410
– Tax charge per profit or loss: discontinued operations	<b>54 543</b>	63 508
– Movement in deferred tax asset	<b>92 065</b>	(17 702)
– Movement in deferred tax liabilities	<b>3 255</b>	15 409
Closing balance – net of receivables and payables	<b>(158 610)</b>	(56 258)
<b>Income tax paid</b>	<b>453 080</b>	297 064



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## 32 Earnings per share

The calculation of basic earnings per share is based on after taxation earnings attributable to ordinary shareholders and the weighted average number of shares in issue during the period as follows:

	31 December 2025 P'000	31 December 2024 P'000
<b>Earnings attributable to ordinary equity holders of the parent</b>	<b>(327 888)</b>	(158 973)
From continuing operations	<b>201 968</b>	(2 779)
From discontinued operations	<b>(529 856)</b>	(156 194)
<b>Weighted number of shares:</b>		
At beginning of year	<b>2 175 039</b>	2 175 039
Effect of treasury shares	<b>(28 898)</b>	(20 865)
<b>Weighted number of shares at end of year</b>	<b>2 146 141</b>	2 154 174
Basic earnings per share from continuing operations (thebe)	<b>9.4</b>	(0.1)
Basic loss per share from discontinued operations (thebe)	<b>(24.7)</b>	(7.3)
<b>Basic earnings/(loss) per share from continuing and discontinued operations (thebe)</b>	<b>(15.3)</b>	(7.4)
The calculation of diluted earnings per share is based on after taxation earnings attributable to ordinary shareholders and the weighted average number of shares in issue during the year, adjusted for the effects of dilutive potential ordinary shares as follows:		
<b>Weighted number of shares:</b>		
Weighted number of shares at end of year	<b>2 146 141</b>	2 154 174
Dilution effect – number of shares (Note 23)	<b>69 859</b>	63 695
	<b>2 216 000</b>	2 217 869
Diluted earnings per share from continuing operations (thebe)	<b>9.1</b>	(0.1)
Diluted loss per share from discontinued operations (thebe)	<b>(23.9)</b>	(7.0)
<b>Diluted earnings/(loss) per share from continuing and discontinued operations (thebe)</b>	<b>(14.8)</b>	(7.1)

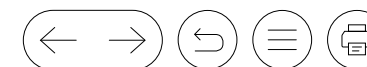
## 33 Dividend paid

The Company did not declare any dividends to shareholders for the 2025 and 2024 financial years.

## 34 Segment information

Following the introduction of the management approach of IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Group Chief Executive Officer (the Chief Operating Decision-Maker), who is responsible for allocating resources to the reportable segments and assessing performance. Operating segments are reviewed and reported geographically to the CODM. All reported segments used by the Group meet the definition of a reportable segment.

The Group operates in eleven countries, namely Botswana, Namibia, Mozambique, Lesotho, Eswatini, Kenya, Rwanda, Uganda, Tanzania, Nigeria, Ghana and offers Deduction-at-Source (DAS), MSE and Informal loans to its customers. In light of the plan embarked on by the Group to recover the carrying amount of some of its business interests in East and West Africa principally through a sale transaction rather than continuing use outlined in Note 10, there was a change in the reportable segments during the year, whereby the Group's business entities that will remain as continuing operations are presented in the Segment Report.



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34 Segment information *continued*

The performance of the Holding Company is evaluated using proportionate consolidation and its financing and its income taxes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arms-length basis in a manner similar to transactions with third parties. No operating segments have been aggregated to form the following reportable operating segments:

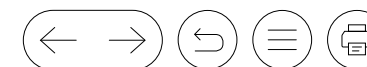
## 34.1 Reportable segments

31 December 2025	Botswana P'000	Namibia P'000	Mozambique P'000	Lesotho P'000	Eswatini P'000	Kenya P'000	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Holding company or eliminations* P'000	Total P'000
<b>Operating income</b>	668 847	809 032	733 296	208 370	92 163	52 221	-	-	-	-	-	(544 165)	2 019 764
<b>Profit/(loss) before taxation</b>	304 056	472 598	503 986	129 319	61 081	(12 440)	-	-	-	-	-	(769 049)	689 551
Taxation – consolidated													(405 569)
Loss after tax from discontinued operations													(519 515)
<b>Loss – consolidated</b>													(235 533)
Gross Advances to customers	3 484 833	4 323 959	2 886 053	556 636	655 634	352 827	-	-	-	-	-	-	12 259 942
Impairment provisions	(322 922)	(10 435)	(21 860)	(56 242)	(37 711)	(142 947)	-	-	-	-	-	-	(592 117)
<b>Net Advances</b>	3 161 911	4 313 524	2 864 193	500 394	617 923	209 880	-	-	-	-	-	-	11 667 825
<b>Total assets</b>	3 508 799	5 743 172	3 712 405	556 015	685 239	287 095	-	-	-	-	-	4 775 501	19 268 226
<b>Borrowings</b>	1 740 661	2 077 903	470 189	133 785	313 370	200 183	-	-	-	-	-	3 190 951	8 127 042
<b>Total liabilities</b>	1 894 099	3 578 208	1 551 016	182 774	345 769	220 143	-	-	-	-	-	6 733 815	14 505 824

31 December 2024	Botswana P'000	Namibia P'000	Mozambique P'000	Lesotho P'000	Eswatini P'000	Kenya P'000	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Holding company or eliminations* P'000	Total P'000
<b>Operating income</b>	762 055	639 150	578 499	112 297	93 570	81 278	29 827	184 347	186 028	44 571	586 529	(417 393)	2 880 758
<b>Profit/(loss) before taxation</b>	257 326	376 432	349 703	3 906	(41 851)	(131 742)	7 989	48 226	17 101	3 492	(22 909)	(613 089)	254 584
Taxation – consolidated													(347 918)
<b>Loss – consolidated</b>													(93 334)
Gross Advances to customers	3 385 442	4 007 610	2 910 922	611 120	602 906	543 368	181 811	592 463	520 584	121 505	1 070 529	-	14 548 260
Impairment provisions	(360 439)	(13 514)	(22 003)	(65 378)	(44 453)	(170 955)	(3 897)	(46 283)	(65 136)	(17 999)	(169 040)	-	(979 097)
<b>Net Advances</b>	3 025 003	3 994 096	2 888 919	545 742	558 453	372 413	177 914	546 180	455 448	103 506	901 489	-	13 569 163
<b>Total assets</b>	3 372 775	5 361 562	3 542 978	584 702	621 958	482 094	203 376	626 301	615 953	119 889	1 461 857	970 832	17 964 277
<b>Borrowings</b>	1 746 523	2 150 342	802 622	185 514	257 361	363 743	10 127	374 911	-	24 058	580 765	3 180 599	9 676 565
<b>Total liabilities</b>	1 913 785	3 352 302	1 500 408	213 488	282 802	431 403	76 201	381 259	98 622	55 263	1 091 299	3 606 236	13 003 067

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

Reference is made to Note 10 where during the second half of the year, the Board of Directors approved a plan to explore the sale of the Group's business interests in East and West Africa. At 31 December 2025, the East and West Africa businesses indicated were classified as a disposal group held for sale and as a discontinued operation. With the businesses being classified as discontinued operations, the entities are no longer presented in the Segment Information note.



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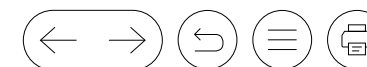
34 Segment information *continued*

## 34.2 Disaggregated revenue information

	Botswana P '000	Namibia P'000	Mozambique P'000	Lesotho P'000	Eswatini P'000	Kenya P'000	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Holding company or eliminations* P'000	Total P'000
<b>31 December 2025</b>													
Interest income at effective interest rate	765 984	827 682	910 235	142 659	136 939	92 009	-	-	-	-	-	(131 122)	2 744 386
Interest expense at effective interest rate	(186 958)	(289 706)	(271 607)	(24 678)	(46 128)	(55 921)	-	-	-	-	-	(393 260)	(1 268 258)
Other interest expense	(1 584)	(877)	(2 790)	(695)	(450)	(302)	-	-	-	-	-	(2 514)	(9 212)
Net interest income	577 442	537 099	635 838	117 286	90 361	35 786	-	-	-	-	-	(526 896)	1 466 916
Fee and commission income	294	22 730	12 323	6 115	-	113	-	-	-	-	-	-	41 575
Other operating income	91 111	2 965	85 135	84 969	1 802	16 322	-	-	-	-	-	(17 269)	265 035
Net insurance service result	-	246 238	-	-	-	-	-	-	-	-	-	-	246 238
<b>Operating income</b>	<b>668 847</b>	<b>809 032</b>	<b>733 296</b>	<b>208 370</b>	<b>92 163</b>	<b>52 221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(544 165)</b>	<b>2 019 764</b>
	Botswana P'000	Namibia P'000	Mozambique P'000	Lesotho P'000	Eswatini P'000	Kenya P'000	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Holding company or eliminations* P'000	Total P'000
<b>31 December 2024</b>													
Interest income at effective interest rate	844 431	692 371	827 303	138 055	144 953	133 225	41 168	240 172	181 531	50 431	804 151	(161 268)	3 936 523
Interest expense at effective interest rate	(174 806)	(298 989)	(282 648)	(29 839)	(51 598)	(60 618)	(12 242)	(59 222)	(1 677)	(7 019)	(308 018)	(297 559)	(1 584 235)
Other interest expense	(1 887)	(562)	(4 359)	(587)	(458)	(772)	(81)	(430)	(511)	-	(5)	(2 888)	(12 540)
Net interest income	667 738	392 820	540 296	107 629	92 897	71 835	28 845	180 520	179 343	43 412	496 128	(461 715)	2 339 748
Fee and commission income	-	27 540	13 069	-	-	2 656	420	-	(7 863)	408	75 119	-	111 349
Other operating income	94 317	12 901	25 134	4 668	673	6 787	562	3 827	14 548	751	15 282	44 322	223 772
Net insurance service result	-	205 889	-	-	-	-	-	-	-	-	-	-	205 889
<b>Operating income</b>	<b>762 055</b>	<b>639 150</b>	<b>578 499</b>	<b>112 297</b>	<b>93 570</b>	<b>81 278</b>	<b>29 827</b>	<b>184 347</b>	<b>186 028</b>	<b>44 571</b>	<b>586 529</b>	<b>(417 393)</b>	<b>2 880 758</b>

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

Reference is made to Note 10 where during the second half of the year, the Board of Directors approved a plan to explore the sale of the Group's business interests in East and West Africa. At 31 December 2025, the East and West Africa businesses indicated were classified as a disposal group held for sale and as a discontinued operation. With the businesses being classified as discontinued operations, the entities are no longer presented in the Segment Information note.



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## 35 Related party transactions

### Relationships:

Letshego Africa Holdings Limited	Parent Company
Subsidiaries	Refer to Note 38

### The Group identifies a related party if an entity or individual:

- ▶ directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the entity (this includes parent companies and subsidiaries);
- ▶ has an interest in the entity whether it gives it significant control or not;
- ▶ has control over the entity;
- ▶ is an associate company, joint venture or is jointly controlled; or
- ▶ is a member of key management personnel of the Group. Key management personnel comprise the executive directors.

### 35.1 Related party transactions

The Company 'Letshego Africa Holdings Limited' is listed on the Botswana Stock Exchange. The Group partnered with Sanlam (SEM) to be its preferred insurance provider by offering innovative stand alone and embedded insurance solutions. Sanlam owns 58% of Botswana Insurance Holdings Limited (BIHL) which is a shareholder of Letshego Africa Holdings Limited and there were no transactions with BIHL. However, loans and advances of Letshego Financial Services Botswana (Pty) Ltd (LFSB) are insured through Botswana Life Insurance Limited which is a subsidiary of BIHL and commission of P63.7 million was earned by LFSB during the year (2024: P89.4 million).

Letshego Africa Holdings Limited also provides guarantees to its subsidiary companies for purposes of credit enhancement as collateral for borrowings entered into by the subsidiaries. Refer to Note 19 for details of loan guarantees that were in place as at the reporting date.

### 35.2 Compensation paid to key management personnel (executive directors)

	31 December 2025 P'000	31 December 2024 P'000
– Short-term employee benefits	10 089	10 170
	10 089	10 170

A total of 3,056,035 ordinary shares, at an exercise value of P3.4 million, were granted to Executives in terms of the Long Term Incentive Scheme (LTIP) for the 31 December 2025 financial year (2024: 5,735,953 ordinary shares, at an exercise value of P7.2 million). No ordinary shares relating to Executives vested and were exercised during the year (2024: No ordinary shares relating to Executives vested and were exercised).

## 36 Capital commitments

	31 December 2025 P'000	31 December 2024 P'000
Authorised by the directors:		
– Not contracted for	45 203	25 378

The above commitments are wholly in respect of capital expenditure and funds to meet these will be provided from the Group's internal resources.

## 37 Subsequent events

### Discontinued Operations

Reference is made to Note 10, which outlines that the Board of Directors approved a plan to explore the disposal of certain Group business interests in East and West Africa. As at the reporting date, the Company was at an advanced stage of negotiations with a prospective counterparty regarding the sale of these assets.

Given the potential materiality of the transaction, any successful conclusion of the negotiations would be subject to obtaining regulatory approvals across the various jurisdictions in which the affected businesses operate. In addition, should the transaction meet the definition of a Category 1 transaction under the Botswana Stock Exchange Listings Requirements, shareholder approval would also be required.

The proposed transaction remains subject to the satisfaction of several conditions precedent, including approvals and confirmations from key strategic partners, suppliers, and funders.

### Downgrade of Botswana's Standard & Poor's (S&P) Global rating

In March 2026, S&P Global ratings downgraded Botswana's long-term and local currency sovereign credit ratings to BBB- from BBB, with a negative outlook. The short term rating was also cut to A-3 from A-2. The downgrade is driven by a prolonged slump in the diamond market, reduced export earnings and Government revenues. S&P projects a fiscal deficit of 8.9% of GDP for the Fiscal year ending 31 March 2027.

The Group continues to monitor the impact of this development on liquidity, cost of funds and inflation levels.

### Geopolitical Environment – Iran Conflict

The ongoing conflict involving Iran has intensified global geopolitical and economic uncertainty, primarily through disruptions in the Strait of Hormuz, one of the world's most critical oil and LNG transit corridors. This has contributed to a material supply disruption in global oil markets and driven oil price surge above USD 100 per barrel, heightening inflationary pressures across import-dependent regions.


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## 37 Subsequent events *continued*

### Geopolitical Environment – Iran Conflict *continued*

For Sub-Saharan Africa, the impact is expected to manifest through higher energy and transport costs, shipping rerouting, and increased war-risk premiums. These disruptions add to existing pressures from Red Sea rerouting and continue to raise logistics and import-cost burdens for the region.

While the broader impact on global GDP may remain contained under a short-duration conflict, Sub-Saharan economies – particularly net energy importers – face currency pressure, rising inflation, and tighter financial conditions in the event of sustained escalation.

The Group continues to monitor these developments and has strengthened its liquidity management, scenario planning, and cost containment measures to ensure operational resilience under heightened geopolitical uncertainty.

As at the reporting date, Management are not aware of any other events occurring after the balance sheet date, but prior to the issuance of the financial statements, which have a material effect on the financial statements.

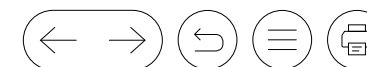
## 38 Investments in subsidiary companies

The Group determines control over any operating entity largely by virtue of power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power over the investee to effect the amount of the investor's returns. Details of subsidiaries of the Group are shown below:

Subsidiary company	Country of incorporation	Nature of business	31 December 2025 % holding	31 December 2024 % holding
Letshego Financial Services (Proprietary) Limited	Botswana	Unsecured consumer lending	100	100
Letshego Ghana (Plc)	Ghana	Unsecured consumer lending and deposit licenced	100	100
Letshego Kenya Limited	Kenya	Group lending, MSE and unsecured consumer lending	100	100
Letshego Financial Services Lesotho	Lesotho	Unsecured consumer lending	95	95
Letshego Financial Services Mozambique, SA	Mozambique	Unsecured consumer lending and deposit licenced	98	98
Letshego Holdings Namibia Limited	Namibia	Unsecured consumer lending and deposit licenced	78	78
ERF 8585 (Pty) Limited	Namibia	Property	100	100
Letshego Microfinance Bank Nigeria (Proprietary) Limited	Nigeria	Unsecured consumer lending and deposit licenced	100	100
Letshego Financial Services Eswatini Limited	Eswatini	Unsecured consumer lending	85	85
Letshego Faidika Bank (Tanzania) Limited	Tanzania	Unsecured consumer lending and deposit licenced	100	100
Letshego Uganda Limited	Uganda	Unsecured consumer lending	85	85
Letshego South Africa Limited	South Africa	Support services	100	100
Letshego Mauritius Limited	Mauritius	Investment holding company	100	100

### Group Structure

The Group has an intermediate holding company structure in Mauritius and will continue to explore its ownership structure over the years. This does not result in any change in the ultimate ownership of the subsidiaries. It will however allow for a more tax efficient movement of dividends within the Group.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

**38 Investments in subsidiary companies** *continued***38.1 Non-controlling interest (NCI)**

Set out below is summarised financial information for Letshego Holdings Namibia Limited, which has a material non-controlling interest to the Group. The amounts disclosed are before inter-company elimination and will not reconcile back to the segment report (Note 34) as it includes an investment property in Namibia.

	31 December 2025 P'000	31 December 2024 P'000
<b>Summarised statement of financial position</b>		
Assets	5 827 567	5 436 951
Liabilities	3 592 095	3 374 426
<b>Net assets</b>	<b>2 235 471</b>	<b>2 062 525</b>
<b>Accumulated non-controlling interest</b>	<b>450 190</b>	<b>408 238</b>
<b>Summarised statement of profit or loss and other comprehensive income</b>		
Revenue	1 099 613	937 062
Profit for the year	384 120	310 204
<b>Profit allocated to non-controlling interest</b>	<b>84 506</b>	<b>68 245</b>
<b>Dividends paid to non-controlling interest</b>	<b>74 739</b>	<b>61 545</b>
<b>Summarised statement of cash flows</b>		
Cash flows from operating activities	749 134	437 204
Cash flows from investing activities	42 719	57 561
Cash flows used in financing activities	(608 396)	(494 978)
	<b>183 456</b>	<b>(213)</b>

Non-controlling interest in the below markets are not material to the Group and their carrying values were as follows:

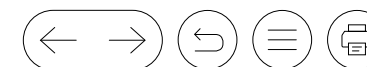
	31 December 2025 P'000	31 December 2024 P'000
<b>Non-controlling interest</b>		
Letshego Financial Services Lesotho	11 339	6 275
Letshego Financial Services Mozambique, SA	5 748	4 937
Letshego Financial Services Swaziland Limited	30 291	23 225
Letshego Uganda Limited	10 540	10 341
	<b>57 918</b>	<b>44 779</b>
<b>Total accumulated non-controlling interest</b>	<b>508 108</b>	<b>453 016</b>

**Significant restrictions**

The Group does not have significant restrictions on its ability to access or use its assets to settle liabilities.

**39 Involvement with unconsolidated entities**

The Group did not have any entities where it holds an interest, but does not consolidate during the reporting period.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

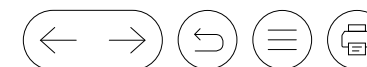
## 40 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled.

As at 31 December 2025	Within 6 months P'000	Between 6 and 12 months P'000	After 12 months P'000	Total P'000
<b>Assets</b>				
Cash and similar instruments	1 951 246	–	–	1 951 246
Investment securities	148 289	108 578	930	257 797
Financial assets at fair value through profit or loss	201 281	–	404 596	605 877
Advances to customers	1 753 723	767 296	9 146 806	11 667 825
Insurance contract assets	149 216	–	–	149 216
Other receivables	189 249	–	–	189 249
Financial assets at fair value through other comprehensive income	–	–	11 038	11 038
Income tax receivable	–	5 816	–	5 816
Assets classified as held for sale	–	3 818 986	–	3 818 986
Property and equipment	–	–	86 047	86 047
Right-of-use assets	–	–	74 246	74 246
Intangible assets	–	–	283 290	283 290
Goodwill	–	–	24 246	24 246
Deferred tax assets	–	–	143 347	143 347
<b>Total assets</b>	<b>4 393 004</b>	<b>4 700 676</b>	<b>10 174 546</b>	<b>19 268 226</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	307 487	–	264 936	572 423
Customer deposits	1 434 731	802 426	–	2 237 157
Cash collateral	–	–	–	–
Trade and other payables	325 772	–	–	325 772
Liabilities directly associated with assets classified as held for sale	–	2 999 132	–	2 999 132
Lease liabilities	–	–	86 034	86 034
Income tax payable	158 025	–	–	158 025
Borrowings	2 644 131	1 262 286	4 220 625	8 127 042
Deferred tax liabilities	–	–	239	239
<b>Total liabilities</b>	<b>4 870 146</b>	<b>5 063 844</b>	<b>4 571 834</b>	<b>14 505 824</b>
<b>Net</b>	<b>(477 141)</b>	<b>(363 168)</b>	<b>5 602 711</b>	<b>4 762 402</b>

The Group's operations and nature of business intrinsically creates a short-term maturity mismatch between assets and liabilities. This is largely due to average customer loans and advances term out to tenors that are greater than 3 years, whilst a significant portion of the Group's external liabilities' tenors are limited to 3 years. The result is a short-term maturity mismatch which the Group resolves by proactively managing all up-coming debt maturities that are ear-marked for rollover and maintaining a robust funding pipeline to close out any short-term gaps in liquidity created due to the maturity mismatch. Refer to Note 1.3.2 for further details of how the Group addresses liquidity risks.

Reference is made to Note 20, whereby the Group is in breach of certain loan covenants in some of its entities. Historically the Group has managed to remediate similar matters without the funding counterparties recalling facilities extended. In the unlikely event of this occurring, total borrowings amounting to P702.9 million in the "Between 6 and 12 months" and "After 12 Months" age categories have been reflected under the "Within 6 Months" age category in the above analysis as a result of the breaches in covenants. However, the Group currently has sufficient liquid resources and access to a funding pipeline to pay down these obligations upon them falling due and engagements are currently ongoing with funders.



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## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

40 Maturity analysis of assets and liabilities *continued*

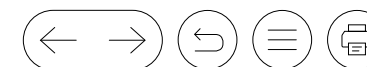
As at 31 December 2024	Within 6 months P'000	Between 6 and 12 months P'000	After 12 months P'000	Total P'000
<b>Assets</b>				
Cash and similar instruments	1 658 667	–	–	1 658 667
Investment securities	73 084	234 583	347 163	654 830
Financial assets at fair value through profit or loss	268 664	51 230	410 229	730 123
Advances to customers	1 000 909	287 304	12 280 950	13 569 163
Insurance contract assets	122 980	–	–	122 980
Other receivables	384 754	–	–	384 754
Financial assets at fair value through other comprehensive income	–	–	11 038	11 038
Income tax receivable	–	13 830	–	13 830
Property and equipment	–	–	99 353	99 353
Right-of-use assets	–	–	95 076	95 076
Intangible assets	–	–	393 068	393 068
Goodwill	–	–	30 097	30 097
Deferred tax assets	–	–	201 298	201 298
<b>Total assets</b>	<b>3 509 058</b>	<b>586 947</b>	<b>13 868 272</b>	<b>17 964 277</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	189 357	51 204	420 825	661 386
Customer deposits	1 214 407	715 300	217 592	2 147 299
Cash collateral	17 038	–	–	17 038
Trade and other payables	328 908	–	–	328 908
Lease liabilities	–	–	98 289	98 289
Income tax payable	70 088	–	–	70 088
Borrowings	2 846 604	1 609 020	5 220 941	9 676 565
Deferred tax liabilities	–	–	3 494	3 494
<b>Total liabilities</b>	<b>4 666 402</b>	<b>2 375 524</b>	<b>5 961 140</b>	<b>13 003 067</b>
<b>Net</b>	<b>(1 157 344)</b>	<b>(1 788 577)</b>	<b>7 907 131</b>	<b>4 961 210</b>

## 41 Impact of IAS 29: Financial Reporting in Hyperinflationary Economies

In the second half of 2023, the economy of Ghana was classified as a hyperinflationary economy following a number of professional organisations, including global accounting firms, having considered the characteristics of the economic environment of a country experiencing hyperinflation, as outlined in IAS 29 *Financial Reporting in Hyperinflationary Economies*, were prevailing. Consequently, for Group reporting purposes, the financial statements of Letshego Ghana Savings and Loans PLC were adjusted in accordance to IAS 29 from the financial year ending 31 December 2023.

In October 2025, the International Monetary Fund (IMF) World Economic Outlook (WEO) reported forecast 3-year cumulative rates of inflation to decrease to 71% and 50% for 2025 and 2026, respectively. As of September 2025, the Ghana Statistical Service also reported decreasing 3-year and 12 month cumulative rates of inflation of 84% and 9%, respectively. In light of this, the factors that gave rise to high inflation are no longer present and both the annual rate and forecast rates of inflation have declined consistently. Therefore, the Group considers Ghana to no longer be a hyperinflationary economy from the second half of 2025.

When an economy ceases to be hyperinflationary, an entity discontinues the preparation and presentation of financial statements in accordance with IAS 29 and should treat the amounts expressed in the measuring unit current at the end of the previous reporting period as the basis for the carrying amounts in its subsequent financial statements. Consequently, the cumulative Hyperinflation Translation Adjustment of P83.9 million that was recognised by the Group upon initial application of IAS 29, which was maintained at this amount throughout the period of hyperinflation, has been prospectively adjusted through a transfer of the amount to retained earnings.



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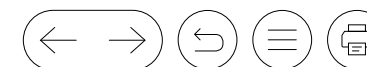
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NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

## Group value added statement

for the year ended 31 December 2025

	31 December 2025 P'000	31 December 2024 P'000
<b>Value added</b>		
Value added is the wealth the Group has created by providing loans to clients		
<b>Interest income</b>	<b>2 744 386</b>	2 645 610
Cost of services	<b>(1 277 470)</b>	(1 220 165)
Value added services	<b>1 466 916</b>	1 425 445
Fee and commission income	<b>41 575</b>	43 265
Other operating income	<b>265 035</b>	189 230
Other operating costs	<b>(587 121)</b>	(473 971)
Insurance revenue	<b>335 508</b>	325 671
Insurance service expense	<b>(89 270)</b>	(119 782)
Impairment of advances and treasury bonds	<b>(124 754)</b>	(533 573)
	<b>1 307 889</b>	856 285
<b>Value allocated</b>		
<b>To employees</b>		
Staff costs	<b>511 817</b>	392 547
<b>To expansion and growth</b>		
Retained income	<b>283 982</b>	94 521
Depreciation	<b>59 919</b>	89 983
Amortisation	<b>46 602</b>	27 901
Deferred tax	<b>14 073</b>	(15 392)
	<b>404 576</b>	197 013
<b>To Government</b>		
Taxation	<b>391 496</b>	266 726
<b>To providers of capital</b>		
Dividends to shareholders	-	-
	<b>1 307 889</b>	856 285
<b>Summary</b>	%	%
Employees	<b>39.13</b>	45.84
Expansion and growth	<b>30.93</b>	23.01
Government	<b>29.94</b>	31.15
Providers of capital	-	-
	<b>100</b>	100



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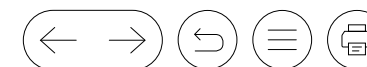
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## Five year financial history

### Statements of financial position

	31 December 2025 P'000	31 December 2024 P'000	Restated December 2023 P'000	December 2022 P'000	Restated December 2021 P'000
<b>Assets</b>					
Cash and cash equivalents	1 951 246	1 658 667	1 401 824	1 020 771	1 413 500
Investment securities	257 797	654 830	866 718	692 101	859 496
Financial assets at fair value through profit or loss	605 877	730 123	952 610	1 178 969	826 092
Advances to customers	11 667 825	13 569 163	13 487 892	12 654 857	11 875 595
Insurance contract assets	149 216	122 980	105 549	92 150	–
Other receivables	189 249	384 754	333 672	257 471	413 411
Financial assets at fair value through OCI	11 038	11 038	11 038	43 107	71 499
Income tax receivable	5 816	13 830	108 436	81 454	134 767
Assets held for sale	3 818 986	–	–	–	–
Property and equipment	86 047	99 353	104 812	116 761	172 822
Right-of-use assets	74 246	95 076	89 241	101 654	98 756
Intangible assets	283 290	393 068	398 710	305 798	30 040
Goodwill	24 246	30 097	30 591	31 910	67 715
Deferred tax assets	143 347	201 298	219 000	142 685	95 748
<b>Total assets</b>	<b>19 268 226</b>	<b>17 964 277</b>	<b>18 110 093</b>	<b>16 719 688</b>	<b>16 059 441</b>
<b>Liabilities</b>					
Financial liabilities at fair value through profit or loss	572 423	661 386	980 519	1 201 095	808 621
Customers deposits	2 237 157	2 147 299	1 537 984	1 120 827	1 175 586
Cash collateral	–	17 038	15 853	18 476	21 522
Income tax payable	158 025	70 088	116 133	82 029	96 268
Trade and other payables	325 772	328 908	796 541	585 578	965 860
Liabilities directly associated with assets classified as held for sale	2 999 132	–	–	–	–
Lease liabilities	86 034	98 289	97 972	97 953	99 646
Borrowings	8 127 042	9 676 565	9 626 301	8 027 840	7 380 768
Deferred tax liabilities	239	3 494	18 903	339	5 168
<b>Total liabilities</b>	<b>14 505 825</b>	<b>13 003 067</b>	<b>13 190 206</b>	<b>11 134 137</b>	<b>10 553 439</b>
<b>Shareholders' equity</b>					
Stated capital	897 909	897 909	917 909	899 571	882 224
Hyperinflation translation adjustment	–	83 920	83 920	–	–
Foreign currency translation reserve	(123 400)	(436 182)	(662 550)	(492 653)	(557 341)
Legal reserve	383 980	417 373	377 121	313 780	265 244
Fair value adjustment reserve	–	–	–	(13 144)	15 248
Share based payment reserve	25 976	18 575	34 832	42 474	39 907
Retained earnings	3 354 444	3 526 599	3 725 824	4 366 646	4 421 568
Reserves of a disposal group held for sale	(284 615)	–	–	–	–
<b>Total equity attributable to equity holders of the company</b>	<b>4 254 293</b>	<b>4 508 194</b>	<b>4 477 056</b>	<b>5 116 674</b>	<b>5 066 850</b>
Non-controlling interests	508 108	453 016	442 831	468 877	439 152
<b>Total shareholders' equity</b>	<b>4 762 401</b>	<b>4 961 210</b>	<b>4 919 887</b>	<b>5 585 551</b>	<b>5 506 002</b>
<b>Total equity and liabilities</b>	<b>19 268 226</b>	<b>17 964 277</b>	<b>18 110 093</b>	<b>16 719 688</b>	<b>16 059 441</b>



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## FIVE YEAR FINANCIAL HISTORY continued

## Statements of profit or loss and other comprehensive income

	31 December 2025 P'000	31 December 2024 P'000	Restated December 2023 P'000	December 2022 P'000	Restated December 2021 P'000
Interest income at effective interest rate	2 744 386	3 936 523	3 424 947	3 145 672	3 110 511
Interest expense	(1 277 470)	(1 596 775)	(1 658 512)	(1 389 202)	(1 134 038)
<b>Net interest income</b>	<b>1 466 916</b>	<b>2 339 748</b>	<b>1 766 435</b>	<b>1 756 470</b>	<b>1 976 473</b>
Fee and commission income	41 575	111 349	57 028	89 554	83 681
Other operating income	265 035	223 772	256 141	251 937	286 604
Insurance revenue	335 508	325 671	286 519	295 491	–
Insurance service expense	(89 270)	(119 782)	(85 316)	(107 625)	–
<b>Insurance result</b>	<b>246 238</b>	<b>205 889</b>	<b>201 203</b>	<b>187 866</b>	<b>–</b>
<b>Total income</b>	<b>2 019 764</b>	<b>2 880 758</b>	<b>2 280 807</b>	<b>2 285 827</b>	<b>2 346 758</b>
Employee benefits	(511 817)	(518 403)	(611 604)	(585 939)	(546 241)
Other operating costs	(693 642)	(1 325 001)	(1 091 151)	(799 927)	(670 969)
<b>Operating income before impairment</b>	<b>814 305</b>	<b>1 037 354</b>	<b>578 052</b>	<b>899 961</b>	<b>1 129 548</b>
Expected credit losses/impairment expense	(124 754)	(782 770)	(456 591)	(216 076)	17 196
<b>Operating income before taxation</b>	<b>689 551</b>	<b>254 584</b>	<b>121 461</b>	<b>683 885</b>	<b>1 146 744</b>
Taxation	(405 569)	(347 918)	(270 260)	(332 311)	(417 243)
Loss for the year from discontinued operation	(519 515)	–	–	–	–
<b>(Loss)/profit for the year</b>	<b>(235 533)</b>	<b>(93 334)</b>	<b>(148 799)</b>	<b>351 574</b>	<b>729 501</b>
<b>Appropriations</b>					
Dividends	–	–	(320 181)	(332 726)	(332 891)
<b>Retained income</b>	<b>(235 533)</b>	<b>(93 334)</b>	<b>(468 980)</b>	<b>18 848</b>	<b>396 610</b>
<b>Attributable to:</b>					
Equity holders of the parent company	(327 888)	(158 973)	(201 049)	287 875	671 554
Non-controlling interests	92 355	65 639	52 250	63 699	57 947
	<b>(235 533)</b>	<b>(93 334)</b>	<b>(148 799)</b>	<b>351 574</b>	<b>729 501</b>

The supplementary information presented does not form part of the annual financial statements of the Group, and is unaudited.



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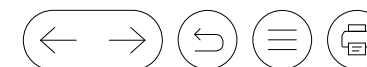
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## Analysis of shareholding

as at 31 December 2025

		31 December 2025 Shares held ('000)	
		Number	%
<b>Top ten shareholders</b>			
▶ Botswana Life Insurance Limited	Non Public	597 236	27.46%
▶ BPOPF MORULA ACT MEM DEP EQ	Public	301 163	13.85%
▶ Botswana Public Officers Pension Fund – Transition	Public	174 018	8.00%
▶ STNB RE Botswana Public Officers Pension Fund	Public	98 462	4.53%
▶ BPOPF LETS STRATEGIC PORT	Public	86 478	3.98%
▶ SCBN (Pty) Ltd RE: CITI 024/76	Public	79 751	3.67%
▶ Stanbic Nominees Botswana RE BPOPF WT PRO PORT MCP	Public	63 313	2.91%
▶ Botswana Public Officers Pension Fund	Public	53 489	2.46%
▶ Stanbic Nominees Botswana RE BIFM PLEF	Public	52 627	2.42%
▶ Business Doctor Investment Limited	Public	51 338	2.36%
Other corporate entities, nominees and trusts and individuals		1 557 875	71.62%
Treasury shares		28 897	1.33%
<b>Total</b>		<b>2 175 039</b>	<b>100.00%</b>

	31 December 2025 Number of Shareholders		31 December 2025 Number of Shares held ('000)	
	Number of Shareholders	%	Number of Shares held ('000)	%
Total Public Shareholders	2 789	99.5%	1 539 960	70.8%
Total Non-Public Shareholders	13	0.5%	635 079	29.2%
<b>Total Shareholders</b>	<b>2 802</b>	<b>100%</b>	<b>2 175 039</b>	<b>100%</b>



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## ANALYSIS OF SHAREHOLDING continued

	31 December 2024 Number of Shares held ( '000)		%
<b>Top ten shareholders</b>			
▶ Botswana Life Insurance Limited	Non Public	597 236	27.46%
▶ FNB Botswana Nominees RE: BIFM – ACT MEM & DP EQ	Public	319 051	14.67%
▶ Botswana Public Pension Fund: Vunani	Public	111 382	5.12%
▶ BPOPF MORULA ACT MEM DEP EQ	Public	103 843	4.77%
▶ BPOPF LETS STRATEGIC PORT	Public	86 478	3.98%
▶ SCBN (Pty) Ltd RE: CITI 024/76	Public	79 751	3.67%
▶ Stanbic Nominees Botswana RE BPOPF WT PRO PORT MCP	Public	67 293	3.09%
▶ Botswana Public Officers Pension Fund	Public	62 778	2.89%
▶ Stanbic Nominees Botswana RE BIFM PLEF	Public	52 574	2.42%
▶ Business Doctor Investment Limited	Public	51 339	2.36%
		1 531 725	70.42%
Other corporate entities, nominees and trusts and individuals		614 664	28.26%
Treasury shares		28 650	1.32%
<b>Total</b>		2 175 039	100.00%

	31 December 2024 Number of Shareholders P'000		%	31 December 2024 Number of Shares held ( '000)		%
Total Public Shareholders	2 857	99.4%		1 524 504	70.1%	
Total Non-Public Shareholders	18	0.6%		650 535	29.9%	
<b>Total Shareholders</b>	2 875	100%		2 175 039	100%	

## Directors' shareholdings

	31 December 2025 Number of Shareholders P'000		%	31 December 2024 Number of Shares held ( '000)		%
▶ Aobakwe Aupa Monyatsi*	–	–		3 857	–	
▶ Tinotenda Gwendoline Muteiwa**	2 467	–		2 467	–	
▶ Jayaraman Ramesh***	–	–		300	–	
	2 467	–		6 624	–	

\* Resigned 14 February 2025

\*\* Resigned 27 February 2026

\*\*\* Resigned 5 March 2026









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# ADDITIONAL INFORMATION


198 Sustainable development goals index

# Sustainable development goals index

	Target	Our contribution
	1.1	We provide finance to individuals as well as MSEs for housing, healthcare, and education, where applicable through relevant products and services, empowering lower-income people, including women, to gain access to basic services and economic resources, including ownership of and control over land, as well as access to financial services, including microfinance. Access to affordable credit helps the poor to reduce their exposure and vulnerability to extreme events, shocks and disasters, whether these are economic, social or environmental in nature.
	1.2	
	1.4	
	1.5	
	2.1	
	2.2	Where agricultural or agri-related lending is offered, our loans support the incomes and sustainability of small-scale farmers, and allows them to implement better agricultural practices such as those that improve soil quality and their resilience to the impacts of climate change, extreme weather and drought.
	2.3	
	2.4	
	3.1	
	3.2	Our healthcare-related lending, where offered, and wellness information tools, where available, support customers with access to healthcare and wellness information to, help them to maintain their health, guard against lifestyle diseases and access quality healthcare when they need it. These solutions contribute to lower mortality rates for pregnant women, newborns and children under five years old, lower the incidence of communicable diseases (such as HIV/Aids, tuberculosis and malaria), lower premature mortality from non-communicable diseases and enable more people to access quality healthcare and medicines.
	3.3	
	3.4	
	3.8	
	4.3	
	4.4	Our education lending, where offered, helps break the poverty cycle, creating opportunities for individuals to develop themselves and become productive members of society. These loans enable individuals to access technical, vocational and tertiary education, contributing towards populations with the skills needed to support employment, decent jobs and entrepreneurship.
	5.5	
		Access to our financial services gives women the power to make better financial decisions that impact their livelihoods and working conditions, empowering them to effectively participate in economies, enhance their socioeconomic situation and hold leadership and decision-making roles. Within the Group, our human capital policies and practices ensure that equal opportunity exists for women, including at Board and leadership level.

SUSTAINABLE DEVELOPMENT GOALS INDEX continued

	Target	Our contribution
	8.2	<p>Our financial inclusion mandate to society holds us to find ways to expand our products and services to those in under-served markets. Access to financial services allows our customers to participate in productive activities, enhance their standards of living and protect themselves against unforeseen events. A key customer segment for the Group is our MSEs, who through access to financial services are able to grow their businesses, and in turn, contribute to job creation.</p> <p>Within our own working environment, we adopt inclusive human capital policies and practices that protect labour rights and ensure a safe and healthy workplace that supports innovation and creativity. We provide our employees with learning and development opportunities to enhance their growth, and the tools they need to maintain and enhance their wellbeing.</p>
	8.3	
	8.5	
	8.6	
	8.8	
	8.10	
	9.1	<p>We work with finance developmental institutions to build and deliver adequate and long-lasting affordable housing through relevant affordable housing initiatives. Within our affordable housing portfolio we also provide credit towards the installation of technology and the use of processes that contribute to environmental improvement. Access to affordable housing improves the wellbeing of our customers and their families, allowing them to build on their asset wealth. We provide access to affordable credit for small enterprises, supporting their growth, access to markets and sustainability.</p>
	9.3	
	9.4	
	10.2	<p>Our financial inclusion mandate to society holds us to finding ways to expand our banking and insurance services to those in under-served markets thereby helping them to improve their lives and effectively participate in the economy. Within our customer base, we focus on extending financial services to low- and middle-income groups, MSEs, the youth, women and those living in rural areas who tend to be more vulnerable to economic, social and environmental shocks.</p>
	11.1	<p>Our affordable housing lending where the affordable housing proposition remains active, ensures that more people have access to adequate, safe and affordable housing and basic services such as sanitation, electricity and clean water. This contributes to inclusive urbanisation and human settlement planning and management.</p>
	11.3	
	13.1	<p>Access to affordable credit allows our customers to strengthen their resilience against climate-related hazards and natural disasters, whether this is in relation to their homes, business sites or agri-businesses.</p>
13.3		
	17.3	<p>Our strategic partnerships with MNOs and work with governments and regulators aim to mobilise financial resources for our markets of operation and share knowledge, expertise and technology to find collaborative solutions that contribute to the achievement of the UN SDGs.</p>
	17.16	
	17.17	

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