



RESTATEMENT NOTICE

The shareholders are referred to the Group's published:

1. integrated annual report that was circulated via X-news on 28 June 2024; and
2. abridged annual financial statement for the year ended 31 December 2023 that was circulated via X-news on 19 July 2024 and will be circulated in The Monitor newspaper on 22 July 2024.

In these publications, the 2021 and 2022 expected credit loss allowances were retrospectively corrected. The integrated annual report and the abridged annual financial statement are accessible on the LAHL website.

Pursuant to section 5.6(d) of the Botswana Stock Exchange Equity Listings Requirements, LAHL is required to issue a restatement notification containing details and the reason for restatement of previously published results. Shareholders are hereby informed that the Group restated its previously reported results for 2021 and 2022 due to the following reason:

1. Restatement of Expected credit losses

During 2023, the approach was taken to stop discounting loans in the Stage 3 maturity bucket, for the calculation of Expected Credit Losses ("ECLs"), following the Group's concurrence with its external auditor's view that this was a more prudent approach in the calculation of ECLs. Between 2020 to 2022, the Group's calculation of Expected Credit Loss Allowances included a discount factor to Stage 3 defaulted exposures. However, since the default date for Stage 3 exposures is considered to have already occurred, it was determined that no discount factor should be applied to these exposures in calculating Expected Credit Loss Allowances at a reporting date. By accounting definition, the reassessment of the calculation of ECLs was deemed to be an error and consequently the Group retrospectively restated its financial statements presented for 2022 and 2021 as

follows:

Impact on Statement of Financial Position

	31 December 2022, as previously reported P'000	Effect of restatement P'000	31 December 2022, as restated P'000	31 December 2021, as previously reported P'000	Effect of restatement P'000	1 January 2022, as restated P'000
Advances to customers	12,727,475	(72,618)	12,654,857	11,875,595	44,751	11,920,346
Deferred tax assets	129,082	13,603	142,685	95,748	(14,758)	80,990
Total assets	16,908,616	(59,015)	16,849,601	16,059,441	29,993	16,089,434
Income tax payable	68,426	13,603	82,029	96,268	(14,758)	81,510
Total liabilities	11,250,446	13,603	11,264,049	10,553,439	(14,758)	10,538,681
Retained earnings	4,442,209	(75,563)	4,366,646	4,421,568	38,465	4,460,033
Non-controlling interests	465,933	2,944	468,877	439,152	6,286	445,438
Total equity	5,658,170	(72,619)	5,585,551	5,506,002	44,751	5,550,753

Impact on Statement of Profit or Loss and Other Comprehensive

	31 December 2022, as previously reported P'000	Effect of restatement P'000	31 December 2022, as restated P'000
Expected credit losses	(98,706)	(117,370)	(216,076)
Net operating income	2,187,121	(117,370)	2,069,751
Profit before taxation	801,255	(117,370)	683,885
Taxation	(332,311)	-	(332,311)
Profit for the year	468,944	(117,370)	351,574
Attributable to:			
Equity holders of the parent	401,903	(114,028)	287,875
Non-controlling interest	67,041	(3,342)	63,699
Impact on Basic and Diluted Earnings per Share			
Decrease in Basic earnings per share	18.7	(5.31)	13.4
Decrease in Diluted earnings per share	17.6	(5.00)	12.6

These details are disclosed in note 41 of the annual financial statements, which are accessible on X-news and the Group's website.

BY ORDER OF THE BOARD

Friday, 19 July 2024