Letshego

LETSHEGO AFRICA HOLDINGS LIMITED

GROUP INTERIM RESULTS 2024

Fact sheet

30 June 2024

FINANCIAL HIGHLIGHTS

The Board of Directors of Letshego Africa Holdings Limited ("the Group"/"Letshego Africa") herewith presents an extract of the unaudited consolidated financial results for the period ended 30 June 2024.

Interest income

↑ 19%

yoy to BWP1.87 billion

(2023: BWP1.57 billion)

Insurance revenue

↑ 8%

yoy to BWP158 million

(2023: BWP146 million)

Operating income

↑ 22%

yoy to BWP1.34 billion

(2023: BWP1.1 billion)

Interest expense

↑ 18%

yoy to BWP793 million

(2023: BWP674 million)

Profit before tax

↓ 31%

yoy to BWP186 million

(2023 Restated: BWP269 million)

Total assets

↑ 7%

yoy to BWP18.2 billion

(2023 Restated: BWP17 billion)

Net customer advances

↑ 6%

yoy to BWP13.4 billion

(2023 Restated: BWP12.6 billion)

Non funded income

↑ 32%

yoy to BWP280 million

(2023: BWP212 million)

Philip Odera
Group Chairman

"Environmental and Social Governance remains paramount in building a sustainable business across multiple and diverse markets. In the first half of 2024 Letshego celebrated a milestone in listing our first Social Bond on the Namibian Stock Exchange. This is just one of many opportunities Letshego Africa is seizing as we build a sustainable business for the benefit of all our stakeholders."

Aupa Monyatsi
Group Chief Executive

"Our business fundamentals remain strong despite macroeconomic headwinds. Mobile Loans continue to deliver outstanding commercial and social returns in key markets across the Group, supporting our traditional DAS products. The strong operating income and balance sheet growth validate our sound business model. Letshego's credit methodologies remain prudent and assist the Group to mitigate risk, in alignment with the Group's governance standards."

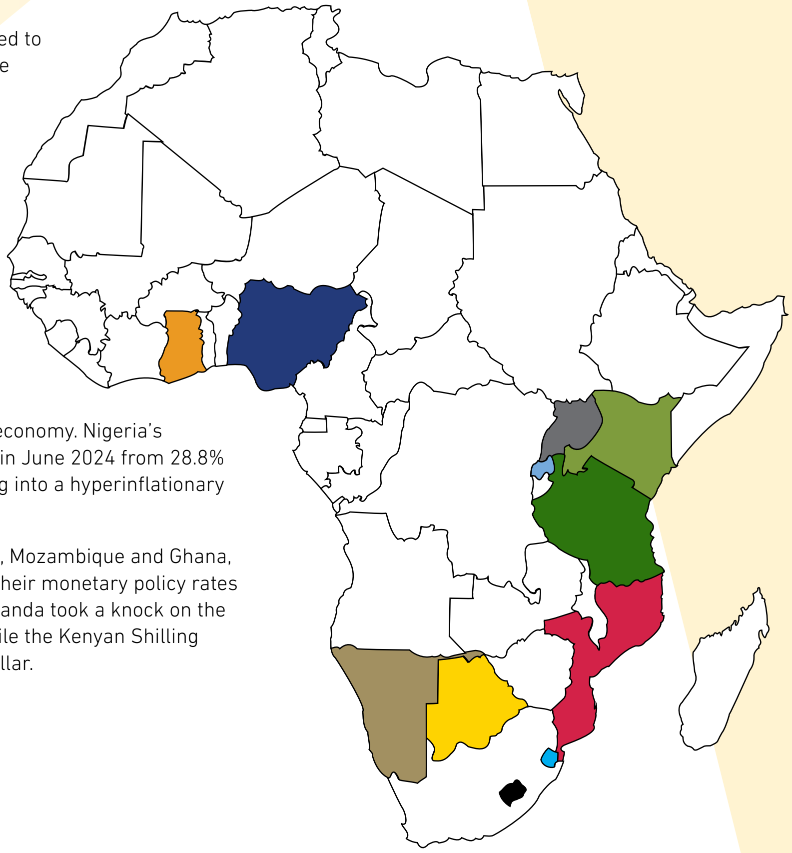
NAVIGATING DIVERSE ECONOMIC ENVIRONMENTS

Sub-Saharan Africa's economic growth outlook in 2024 and 2025 is generally positive. Economic growth is projected to accelerate to 3.6% in 2024 from 2.9% recorded in 2023 partly driven by slowing inflation and easing of monetary policy across a number of countries. However, there are risks to the positive outlook, some being: fiscal tightening due to increased debt servicing, implementation of tough economic reforms, vulnerability to global external shocks, political instability and climate change. These will limit the region's medium term growth to below 4%.

Six of our presence countries are projected to record high GDP growth in 2024 while five others are expected to decelerate at a marginal rate. Botswana is at a risk of marginal economic contraction in 2024, having recorded a 50% year on year decline in Diamond sales in the first half of the year.

Inflation tapered across most of our presence countries in the first half of the year except for Nigeria and Uganda that recorded inflationary upswings. Ghana's inflation eased in the first half of the year but will remain classified as a hyperinflationary economy. Nigeria's inflation increased significantly to 33.2% in June 2024 from 28.8% in December 2023, and is at risk of sliding into a hyperinflationary economy in the near term.

Monetary policy rates eased in Botswana, Mozambique and Ghana, while Nigeria, Uganda and Kenya raised their monetary policy rates during the period. Nigeria, Ghana and Rwanda took a knock on the currencies in the first half of the year while the Kenyan Shilling made significant gains against the US Dollar.



EXECUTIVE SUMMARY

The Letshego business returned to profitability in the period under review versus the loss posted at the end of December 2023. On a historical cost basis, excluding hyperinflationary accounting, profit after tax grew by 4% year on year to BWP74.2 million (H1 2023: BWP71 million). With hyperinflation, profit after tax closed at BWP17.8 million in June 2024 (H1 2023: BWP71 million). This was a return to profitability from the year-end loss of P149 million.

The Group's profit before tax was 31% behind year on year at BWP186.3 million in June 2024 (H1 2023: BWP269.2 million). However, business fundamentals remain resilient with the Group sustaining strong top line performance for the period, demonstrated by double-digit operating income growth of 22% year on year.

Income growth was supported by mobile lending, up 73% in book size to BWP909 million in line with the Group's product diversification strategy. Ghana continues to lead in mobile lending, with strong growth recorded in Tanzania and Botswana. The Group's mainstay Deduction at Source offering recorded steady loan growth of 6% year on year to BWP11.9 billion.

Income from insurance arrangements increased 8% year on year. Net interest income was strong, recording a 20% upswing in growth for the period under review, despite an 18% increase in interest expense compared to the same period last year.

As initiated in 2023, the Group took a more prudent approach to expected credit losses by provisioning Stage 3 loans, based on Time in Default. This, coupled with a strict write off policy led to a net impairment increase of 51% overall, and a loan loss ratio of 4.8%.

Aggressive write offs and impairments have seen an improvement in the Group's coverage ratio from 58% to 63% year on year. A robust portfolio remediation strategy to accelerate collections and recoveries momentum has been put into place.

As determined in 2023, Ghana remains a hyperinflationary economy for reporting purposes. As a result, the Group recognised a net monetary loss of BWP50 million for the first half, due to the subsidiary being in a net monetary asset position for the period, and the Ghanaian Cedi losing purchasing power.

With sound fundamentals in place, Letshego Africa expects to navigate macro economic headwinds while focusing on strong customer growth product prospects.

#PeopleFirst Highlights

Cultivating our unique Culture

100 culture champions trained in leadership and change management Investment in Excellence Certificate

Empowering Talent and Succession

450 Country and Group Leaders concluded Skills Audit to bolster talent management and succession

Recognising Excellence

Sales and Collection Employee Rewards recognise employees who excel beyond targets

DIGITALISATION CONTINUES TO EXTEND STAKEHOLDER VALUE

The region's digital financial services landscape continues to evolve at a rapid pace, characterised by the adoption of mobile technology, growing consumer demand for convenience and the emergence of innovative business models. Letshego's financially inclusive strategy continues to benefit from the globe's digital evolution, increasing customer access to our solutions via mobile devices.

In the first half of this year, Letshego demonstrated strong growth and momentum in digital financial services with our omni-channel Digital Mall seeing a significant increase in both registrations and the number of active customers. This growth is a testament to the increasing adoption of our digital platforms and relevant product offerings.

The first half saw 96,000 new customers applying for new or top up products via one or more of our Digital Mall channels – web, USSD, app or whatsapp. Our commitment to deepening the reach and awareness around the merits of accessing Letshego solutions online is enabling Letshego to reach a wider audience and accelerate sales growth.

The Digital Mall is reinforcing our core Deduction at Source product while successfully extending the reach of instant loans through partnerships with MNOs and fintechs across our footprint.

Digital 'Orchestration' remains Letshego's catalyst in supporting long term stakeholder value. This refers to the ongoing streamlining of operations and expansion of our digital ecosystem to improve operational efficiencies, reduce costs and accelerate time-to-market for new products and services. Additionally, by facilitating seamless integration with our third-party strategic partners, we can expand our reach and unlock new revenue streams, ultimately increasing profitability and shareholder value in the long term.

In the first half of 2024, Letshego improved turnaround times for customer delivery by 50% in several markets. Namibia for example, reduced the time taken to process new customer applications from an average of 45hrs in the second half of 2023, to just 16 hours by the end of June 2024.

Straight Through Processing or "STP" has increased to 83% as a result of the growing Instant Loan portfolio and back-end automations for our DAS products. These automations include integrations with Central Registries and automated disbursements with remaining manual correspondent banks.

Live chat capabilities introduced in Uganda and Nigeria are transforming the way we engage with customers, complemented by an upgraded Customer Relationship Management platform. This platform is improving the way we track and resolve customer queries, ultimately increasing direct engagement and customer satisfaction.

Mobile Loans drive product growth with positive upswing for DAS

In the first half of 2024, the Group exhibited balanced performance across product lines. Our **DAS Loan Book** portfolio grew by 6% year on year to BWP11.9 billion (H1 2023: BWP11.2 billion).

The MSE or 'Micro & Small Entrepreneurs' product portfolio declined by 5% year on year to BWP1.01 billion (H1 2023: BWP1.06 billion). Affordable Housing, a subset of MSE, decreased by 2% to P572 million (H1 2023: BWP583 million). Namibia still leads the way in Affordable Housing portfolio increasing its portfolio by 181% to BWP31 million (H1 2023: P11 million). MSE loans currently constitute 7% of Letshego's overall loan portfolio. The MSE portfolio has undergone a strategic review to assess market performance and align growth initiatives with key opportunities.

Mobile Lending or 'Instant Loans' enjoyed significant growth in the first half of 2024, with a 73% year on year increase in portfolio value, reaching P909 million (H1 2023: BWP525 million). Tanzania's Instant Loan business is already generating value having grown to BWP138 million in net payouts since launching in the first quarter of this year.

Botswana saw a notable rise in Instant Loan disbursements of 1,000% year on year to BWP55 million (H1 2023: BWP5 million). Ghana's award winning mobile loan, 'Qwikloan' grew by 69% year on year, reaching BWP650 million (H1 2023: BWP384 million).

Insurance Revenue rose by 8% year on year, reaching BWP158 million (H1 2023: BWP146 million), driven by the strong adoption of credit life and embedded insurance products in countries like Botswana, Namibia and Mozambique.

Deposits, or consumer savings, increased by 30% year on year to BWP1.74 billion (H1 2023: BWP1.34 billion), with Ghana recording a jump of 221% and Namibia 64% year on year. Regional deposit mobilisation strategies using digital platforms have enhanced customer acquisition efforts.

SOUTHERN AFRICA
Market Overview

Southern Africa markets collectively recorded strong upward growth momentum in the first half. Namibia is leading the way with profit before tax up 27% year on year to BWP162 million (H1 2023; BWP128 million). Namibia's operating income has increased 9% year on year, supported by upward interest income of 22% compared to the same period last year.

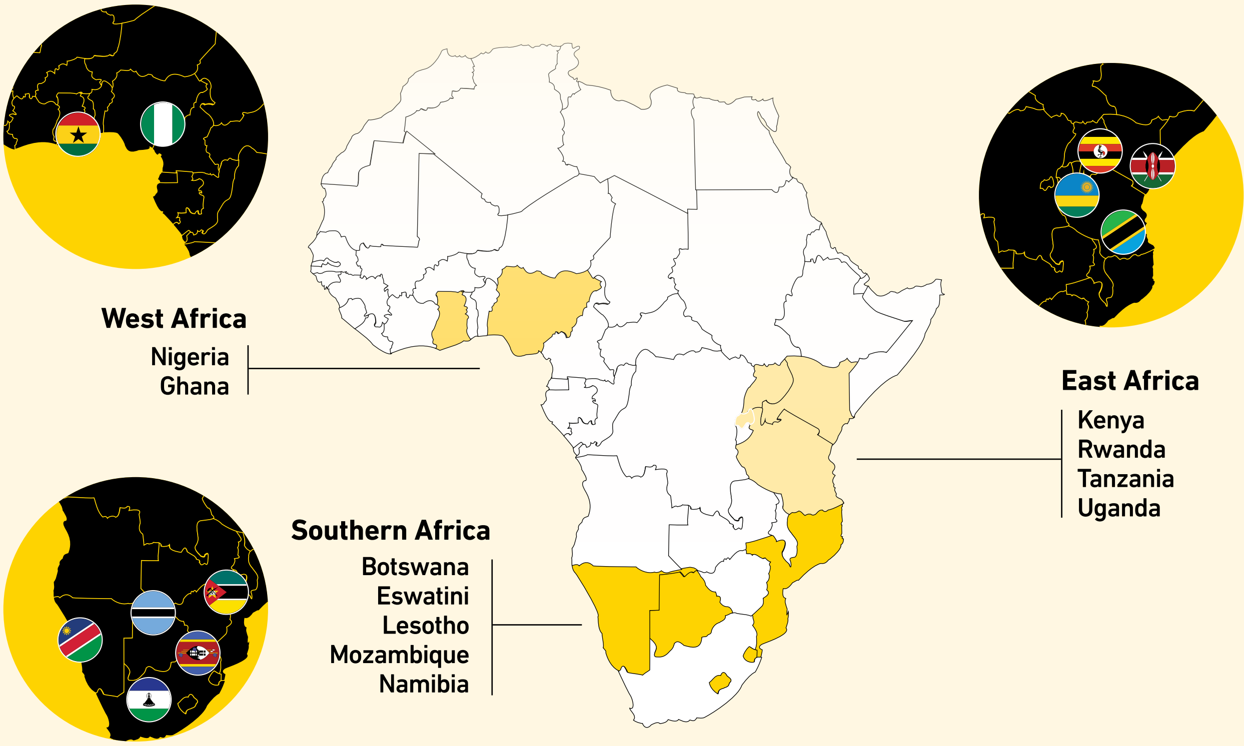
Mozambique also posted strong performance with 13% increase in loan book growth to BWP2.7 billion (H1 2023: BWP2.4 billion) and 27% growth in interest income year on year.

Revenue growth in Southern Africa markets was driven by strong balance sheet acquisition in our Deduction at Source business and enhanced sales force coverage across markets with healthier margin management. First half profitability was impacted by ECLs on Individual Lending portfolios, with enhanced methodologies for collection being a focus.

Botswana's interest income grew 12% year on year. Mobile Loan disbursements increased three-fold following the appointment of beMobile, a strategic partner to further extend Botswana's reach. Settlements are a challenge, but common place given the financial sector's increasing levels of competition. Botswana continues to focus on adding new customer value streams and leveraging product innovation to deepen its reach in target customer segments.

Profitability in Southern Africa overall was challenged in Botswana and Lesotho due to continued pressure within the Individual lending portfolios, and accelerating write offs in Eswatini's mobile loan portfolio. This is evidenced by increased ECLs of 126% year on year across these three markets.

Southern Africa markets will continue to focus on DAS and Mobile Loans, as well as Affordable Housing for Botswana and Namibia. Lesotho is on track to launch Affordable Housing in the second half of the year.



EAST & WEST AFRICA
Market Overview

East and West Africa markets have shown resilient performance in the first half of the year with significant progress in key markets such as Ghana and Tanzania where performance is largely driven by growth in Instant loans. We have however faced challenges, particularly in Kenya, where the economic downturn has slowed down the pace of business recovery.

Despite the high inflation and rate environment in Ghana, the business registered a 276% year on year growth in operating income. Ghana's total loan portfolio grew by 8% year on year to BWP1.1 billion (H1 2023: BWP995 million) with mobile lending now making up 60% of the portfolio from 35% in the prior year.

The portfolio quality in the Tanzania portfolio has improved with NPL reduction from 20% in the prior year to 8% this year. Nigeria continues to make progress with its overall portfolio (predominantly MSE) growing 25% year on year to BWP72 million. A significant improvement in DAS repayment rates has also been recorded during the period, reflecting the strengthening of relationships with our customers and stakeholders.

The Kenya business recorded a loss after tax of BWP55 million in the first half under review. This reflects the tough macroeconomic environment, and increased commitment to focus on collections and recoveries. To counter these challenges, Letshego Kenya has taken steps to adjust its operating model and focus on tailored financial products through partnerships to strengthen longer term returns. These efforts are expected to yield positive results in twelve to eighteen months.

Our ongoing investment into digital transformation and partnerships will help us navigate challenges and continue to drive our financial inclusion agenda.

PROFIT AND LOSS
REVIEW

OPERATING INCOME

Operating income grew 22% year on year to BWP1,34 billion. The Group's top line showed double-digit growth with interest from loans and advances up 19% year on year, driven by mobile lending and Deduction at Source. Interest on deposits from banks increased by 80% year on year. Strong net interest income performance was evidenced by 20% growth for the period, while net mobile lending income grew by 334% supported by mobile lending in Ghana, Tanzania, Eswatini and Botswana.

Interest expense was up 18% supported by a 22% increase in borrowings to BWP10.1 billion. Kenya and Tanzania experienced an increase in reference rates, with the highest increase being in Nigeria at 750 basis points.

Non-funded income grew 32% year on year with Income from insurance arrangements up 8% year on year, the latter largely driven by Namibia and Mozambique.

TOTAL OPERATING EXPENSES

Total operating expenses were 35% above prior year, including a net monetary loss of BWP50 million on Ghana hyperinflation accounting. During the period ended 30 June 2024, the Group's subsidiary in Ghana maintained a net monetary asset position, whilst the Ghanaian Cedi lost purchasing power. Employee costs decreased 11% year on year against prior year majorly supported by the realised improved efficiencies from restructuring, which took place in 2023 along with the release of some staff provisions.

Direct costs including mobile fee expenses and levies linked to loan growth increased by 260%, mainly driven by mobile lending volumes in Ghana. Work continues to streamline costs, with a focus on expenses that support incremental revenue.

PROFIT AFTER TAXATION

The Group made an inflation adjusted Profit after taxation of BWP17 million for the half year ended 30 June 2024, compared to BWP71.1 million for the prior period. This is however up from an inflation adjusted loss after taxation of BWP149 million for 31 December 2023,

On a historical cost basis, excluding hyperinflationary accounting, Profit after tax grew by 4% to BWP74.2 million showing potential business resilience.

EFFECTIVE TAX RATE ("ETR")

The decrease in the Group's Profit before Tax from BWP269 million in the prior year to BWP186 million in the current year impacted the ETR as at 30 June 2024, thereby increasing from 74% to 90%.

Tax risk remains elevated arising from new tax regulations in some of our markets. The Group continues to explore opportunities that would optimise tax across the different jurisdictions.

CREDIT OVERVIEW

Asset Quality

Non-performing loans (NPLs) increased to 11% of the gross loan book as at June 2024 (H1 2023: 8.8%, FY 2023: 9.5%). This was mainly due to macro-economic conditions and environmental risks in some markets posing collection challenges for DAS products. Individual loan portfolios in Botswana and Lesotho led to an increase in the Group's ECL profile. The Group also fully provided for non-performing mobile portfolios in Kenya and Eswatini during the reporting period. The Group has put in place a robust portfolio remediation strategy to accelerate collections and recoveries in 2024.

Expected Credit Losses

Prior Year impairment allowance adjustments

During 2023, there was a reassessment of the discounting of Stage 3 ECLs. The prior years' provisioning of Stage 3 exposures from financial year 2020 to 2022 was therefore changed. The basis was that the default date for Stage 3 exposures had already occurred and therefore no discount factor should be applied to Stage 3 ECLs. The Group's restated financials for the first half of 2023 reflect higher Expected Credit Losses (ECLs) compared to the original release.

Management adjustments to models for impairment

For the reporting period H1 2024, management applied adjustments to impairment models to factor in certain conditions or changes in policy that were not fully incorporated into the impairment models, or to reflect additional facts and circumstances at the period end. The Kenya and Eswatini mobile loan portfolio additional provision led to a once-off BWP96 million impact in the first half of the year.

Credit Quality: Tabulated summary

Measure	H1 2024	H1 2023***	FY 2023	FY 2022***	H1 2022
Gross Loan Book Balance in P'm	**14,375**	13,286	14,346	13,132	12,812
Portfolio at risk – 30 days	**14.8%**	12.3%	14.4%	9.2%	11.1%
Portfolio at risk – 90 days (NPL)	**11.0%**	8.8%	9.5%	6.5%	7.2%
Post Write off Recoveries in the year in P'm	**110**	80	162	147	82
Loan loss rate – actual	**4.8%**	3.4%	3.3%	1.7%	1.3%
Loan loss rate – excluding once-off items	**3.6%**	1.4%	2.0%	0.5%	1.3%
Non-performing loan coverage ratio**	**64%**	57%	58%	53%	63%

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

**** Restated*

Credit Impairment charges

Net credit impairment charges were BWP333 million (H1 2023: BWP221million), driven by the higher than anticipated delinquencies in our test and learn programs (Individual lending in Botswana and Mobile Loans in Kenya), higher legacy write offs and increased operating environment risks. This was partially offset by the benefit of credit default insurance in Namibia and Mozambique and 42% increase in post write off recoveries. Total coverage ratio improved to 7% (H1 2023: 5%; FY 2023: 6%) at the back of once-off impacts taken in Eswatini and Kenya, while stage 3 coverage improved to 64% (H1 2023: 57%; FY2023 :58%).

Funding and Liquidity

Wholesale and Institutional Funding

The Group's funding profile is managed by source, counterparty, product, and currency. In 2024 the Group funding strategy continued to focus on ensuring that subsidiaries could self-fund, improving both the currency risk profile and interest rate risk profile of the subsidiaries and the Group. Furthermore, growing our depositor franchise continued to be a focus area, especially in deposit-taking subsidiaries.

Total debt, including customer deposits, increased by 23% to BWP11.8 billion (H1 2023: BWP9.6 billion). This was mostly driven by 88% growth in bonds to BWP3.0 billion (H1 2023: BWP1.6 billion) and 30% growth in Customer Deposits to BWP1.7 billion (H1 2023: BWP1.3 billion). Bank funding and Development Finance Institution (DFI) funding grew at rates of 8% and 3% respectively. This is aligned to the Group's funding strategy on the following:

1. **Diversification:** diversification of the funding mix by introducing alternative funding instruments such as bonds and customer deposits to help manage funder concentration risk.
2. **Subsidiary Self-Funding:** The drive for subsidiaries to self-funding using local currency through bond programmes and customer deposits as a way of improving currency risk profile and interest rate risk profile of the subsidiaries and ultimately the Group. In the first half of 2024, Letshego's Namibian subsidiary successfully listed the Group's first social bond on the Namibian Stock Exchange. This bond listing will serve as valuable case study for remaining markets as they analyse various capital market tools that best fit their strategic vision.

The debt portfolio constituted 41% in Bank Funding, 25% in Bond funding, 15% in Deposits and 19% in DFI funding compared to previous year's 46%,17%,14% and 23% in Bank funding, Bond funding, Deposits and DFI funding respectively.

The Group debt maturity profile has improved with only 35% of the debt maturing in less than 1 year compared to 41% the previous year hence improved liquidity risk profile. Changes in regulations in some of our markets led to reduced liquidity in these markets and increased Cost of Funding. The Group's Cost of Funding increased from 12.1% in June 2023 to 13.8% as at June 2024. This is expected to remain elevated given the macroeconomic landscape and Group's long-term objective drive to acquire alternative funding through subsidiaries. At a Holdings level, the Cost of Funds has reduced by 100 basis points from 11.8% the previous year to 10.8% as at 30 June 2024 driven by bond issuances in line with our strategy of local currency funding.

Liquid assets increased to BWP2 billion (H1 2023: BWP1.8 billion) as the Group managed balance sheet efficiencies amid rising cost of funds. Investment securities constitute bonds and bills used to meet regulatory requirements in certain markets. The Group reduced these holdings to BWP720 million from BWP784 million in 2023. The Group makes placements which constitute amounts held in fixed deposit with external financial institutions. These attract interest ranging between 1% – 12% per annum, and are denominated in USD and LCY depending on nature of investment. Some investments are held for the purpose of securing commercial bank debt and managing foreign exchange risk. During the period under review placements increased to BWP600 million from BWP277 million the previous year to enhance liquid asset portfolio yield, thereby boosting income from deposits with banks.

Sustainable Stakeholder Value

During the period, the Group bought back 17,245,784 Letshego shares at 115t. The Group will continue to assess its ability to carry out further buybacks, which will be dependent on inflow from subsidiaries. Share buybacks can improve the overall Return on Equity, as a form of shareholder value creation. Shareholders approved a new share buyback mandate at the Annual General Meeting held on 26 July 2024; the option will remain available until the Group's AGM in 2025.

Outlook

The macro-economic outlook for our presence countries remains fluid, with the baseline outlook for regional economic prospects for 2024-2025 remaining positive. Regional GDP is projected to increase to 3.8% and 4.1% for 2024 and 2025, respectively. Rising geopolitical tensions in the Middle East, potential escalation in Russia/Ukraine and China/Taiwan conflicts, potential policy shifts following globally significant elections and domestic challenges, all potentially pose downside risks to the economic prospects.

Africa remains vulnerable to climate related shocks, while a number of countries carry increasing risk of debt distress. Continuing geo-economic fragmentation and risk of escalation of geopolitical tensions and regional conflicts also pose severe headwinds to the region. Five of our eleven presence countries will hold their national elections this year, however, social political risks from these elections are assessed as low. Policy continuity is rated high.

While we still expect strong loan and income growth, driven by DAS and mobile loans, we acknowledge that we are not immune to the external operating environment. We still expect to see downside impact from expected credit losses for the remainder of this year, although tempered by effective collection efforts and cost optimisation. To this end, the Group will not be declaring an interim dividend, but will instead preserve its capital base to safeguard future performance.

From a strategic perspective, Letshego's Transformation Strategy, launched in September 2020 and guided by our 6-2-5 execution roadmap, draws to a conclusion in 2025. Letshego Africa has progressed strategic planning that will steer the Group into the next chapter of sustainable growth. Stakeholders will be updated once final planning and governance is complete. Letshego remains committed to maintaining a strategy and structure that deepens our impact, enables agility in ever- changing markets, and most importantly, unlocks a tangible and measurable return for our customers and all valued stakeholders.

Letshego's flagship DAS offering remains the Group's foundation from which other product solutions continue to grow and evolve. Mobile or Instant Loans is one of the Group's more recent growth streams that stand to bring future growth value given access and benefits in providing micro capital to more underserved members of the community. Letshego Africa looks forward to articulating our revised focus beyond 2025 at our next presentation.

We wish to thank our strategic partners and stakeholders across our footprint who help extend our reach, increase economic value and deepen impact via our inclusive finance strategy.

This year Letshego celebrates 26 years of improving lives across Africa. We are excited to maintain our momentum as we build a future-fit organisation that delivers sustainable value for customers, employees, investors, strategic partners as well as our regional communities..

For and on behalf of the Board of Directors:

Philip Odera *Group Chairman*	**Aobakwe Aupa Monyatsi** *Group Chief Executive*
29 August 2024	29 August 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30 June 2024 (Unaudited) P'000**	30 June 2023 (Restated)* P'000	Change %	At 31 Dec 2023 (Audited) P'000
ASSETS					
Cash and similar instruments	1	1 796 474	1 069 726		1 401 824
Investment securities	2	720 738	787 474		866 718
Financial assets at fair value through profit or loss	3	734 237	1 187 398		952 610
Advances to customers	4	13 371 868	12 628 663	6	13 487 892
Insurance contract assets	5	116 918	122 823		105 549
Other receivables	6	588 147	327 049		333 672
Financial assets at fair value through other comprehensive income		15 204	43 107		11 038
Income tax receivable		38 787	83 729		108 436
Property and equipment	7	98 981	108 163		104 812
Right-of-use assets	8	94 753	89 491		89 241
Intangible assets	9	410 073	348 815		398 710
Goodwill	10	29 576	30 462		30 591
Deferred tax assets		220 074	167 784		219 000
Total assets		**18 235 830**	**16 994 684**	**7**	**18 110 093**
LIABILITIES AND EQUITY					
Liabilities					
Financial liabilities at fair value through profit or loss	11	751 847	1 219 465		980 519
Customer deposits	12	1 739 678	1 336 735	30	1 537 984
Cash collateral	13	18 487	17 200		15 853
Income tax payable		82 327	136 355		116 133
Trade and other payables	14	538 244	640 225		796 541
Lease liabilities	15	97 363	97 414		97 972
Borrowings	16	10 094 430	8 278 246		9 626 301
Deferred tax liabilities		–	–		18 903
Total liabilities		**13 322 376**	**11 725 640**	**14**	**13 190 206**
Shareholders' equity					
Stated capital	17	897 909	917 909		917 909
Hyperinflation translation adjustment		183 935	–		83 920
Foreign currency translation reserve		(709 096)	(604 227)		(662 550)
Legal reserve		437 652	328 501		377 121
Fair value adjustment reserve		–	(13 144)		–
Share based payment reserve		–	18 418		34 832
Retained earnings		3 651 131	4 187 375		3 725 824
Total equity attributable to equity holders of the parent company		**4 461 531**	**4 834 832**		**4 477 056**
Non-controlling interests		451 923	434 212		442 831
Total shareholders' equity		**4 913 454**	**5 269 044**		**4 919 887**
Total liabilities and equity		**18 235 830**	**16 994 684**	**7**	**18 110 093**

* Refer to Note 27.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**6 months ended 30 June 2024 (Unaudited) P'000**	6 months ended 30 June 2023 (Restated) P'000	Change %	12 months ended 31 Dec 2023 (Audited) P'000
Interest income at effective interest rate	18	1 865 021	1 570 432	19	3 424 947
Interest expense at effective interest rate	19	(792 707)	(674 408)	18	(1 646 268)
Other interest expense	19.1	(6 382)	(4 808)	33	(12 244)
Net interest income		**1 065 932**	**891 216**	**20**	**1 766 435**
Fee and commission income	20	59 484	31 135	91	57 028
Other operating income	21	119 868	78 445	53	256 141
Insurance revenue	22	146 287	144 544		286 519
Insurance service expense	22	(45 224)	(42 317)		(85 316)
Insurance service result		101 063	102 227		201 203
Operating income		**1 346 347**	**1 103 023**	**22**	**2 280 807**
Expected credit losses	23	(333 491)	(221 191)	51	(456 591)
Net operating income		**1 012 856**	**881 832**	**15**	**1 824 216**
Employee costs	24	(234 872)	(263 150)	(11)	(611 604)
Other operating expenses	25	(591 726)	(349 530)	69	(1 091 151)
Total operating expenses		(826 598)	(612 680)	35	(1 702 755)
Profit before taxation		**186 258**	**269 152**	**(31)**	**121 461**
Taxation		(168 501)	(198 076)		(270 260)
Profit/(Loss) for the period		**17 757**	**71 076**	**(75)**	**(148 799)**
Attributable to:					
Equity holders of the parent company		(14 162)	45 298		(201 049)
Non-controlling interests		31 919	25 778		52 250
Profit/(Loss) for the period		**17 757**	**71 076**	**(75)**	**(148 799)**
Other comprehensive income, net of tax					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation differences arising from foreign operations		(38 120)	(133 179)		(180 058)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Fair value loss on financial asset designated at fair value through other comprehensive income		–	–		(43 107)
Total comprehensive loss for the period		**(20 363)**	**(62 103)**		**(371 964)**
Attributable to:					
Equity holders of the parent company		(60 708)	(66 276)		(414 053)
Non-controlling interests		40 345	4 173		42 089
Total comprehensive loss for the period		**(20 363)**	**(62 103)**		**(371 964)**
Weighted average number of shares in issue during the period (millions)		2 169	2 148		2 155
Dilution effect – number of shares (millions)		119	121		114
Number of shares in issue at the end of the period (millions)		2 175	2 175		2 175
Basic (loss)/earnings per share (thebe)		(0.7)	2.1	(131)	(9.3)
Fully diluted (loss)/earnings per share (thebe)		(0.6)	2.0		(8.9)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	**6 months ended 30 June 2024 (Unaudited) P'000**	6 months ended 30 June 2023 (Restated) P'000	Year ended 31 Dec 2023 (Audited) P'000
Operating activities				
Profit before taxation		186 258	269 152	121 461
Adjustments for:				
– Interest income		(1 865 021)	(1 570 432)	(3 424 947)
– Interest expense		799 089	679 216	1 658 512
– Amortisation, depreciation, and profit or loss on disposals		53 054	38 454	116 508
– Impairment and write off charge – advances to customers		438 129	294 722	465 857
– Impairment and write off charge – investment securities		–	–	(9 266)
Movement in working capital and other changes	26	(591 814)	(231 421)	(1 002 398)
Cash used in operations		(980 305)	(520 309)	(2 074 273)
Interest received		1 865 021	1 570 432	3 424 947
Interest paid		(792 707)	(674 408)	(1 646 268)
Income tax paid		(152 636)	(171 461)	(320 888)
Net cash flows (used in)/generated from operating activities		(60 627)	204 254	(616 482)
Investing activities				
Purchase of treasury bills and bonds		–	(95 373)	(165 350)
Proceeds from disposal of treasury bills and bonds		145 980	–	–
Purchase of equity securities in financial assets		(4 166)	–	(11 038)
Purchase of property and equipment		(15 083)	(11 310)	(26 052)
Purchase of intangible assets		(23 570)	(52 114)	(120 026)
Net cash flows generated/(used in) operating activities		103 161	(158 797)	(322 466)
Financing activities				
Dividends paid to equity holders and subsidiary non-controlling interest		(31 253)	(248 687)	(388 317)
Share buyback		(20 000)	–	–
Repayment of principal portion of lease liabilities		(27 773)	(8 001)	(35 556)
Repayment of interest portion of lease liabilities		(6 382)	(4 808)	(12 244)
Proceeds from borrowings		998 005	993 894	3 449 546
Repayment of borrowings		(529 876)	(743 488)	(1 919 648)
Net cash flows generated/(used in) financing activities		382 721	(11 090)	1 093 781
Net movement in cash and similar instruments		425 255	34 367	154 833
Cash and similar instruments at the beginning of the period		1 133 644	994 582	994 582
Effect of exchange rate changes on cash and similar instruments		(10 828)	(1 083)	(15 771)
Cash and similar instruments at the end of the period	1	**1 548 071**	**1 027 866**	**1 133 644**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital P'000	Hyperinflation translation adjustment P'000	Retained earnings P'000	Share based payment reserve P'000
Balance at 1 January 2023 as previously stated	**899 571**	**–**	**4 442 210**	**42 474**
Adjustment on correction of error (Note 27)	–	–	(75 563)	–
Balance at 1 January 2023 – restated	**899 571**	**–**	**4 366 647**	**42 474**
Total comprehensive income for the period				
Profit for the period	–	–	45 298	–
Other comprehensive income, net of income tax				
Foreign currency translation reserve	–	–	–	–
Transactions with owners, recorded directly in equity				
Allocation to legal reserve	–	–	(14 721)	–
Recognition of share based payment reserve movement	–	–	–	(5 718)
New shares issued from long term incentive scheme	18 338	–	–	(18 338)
Dividends paid by subsidiary to minority interests	–	–	–	–
Dividends paid to equity holders	–	–	(209 849)	–
Balance at 30 June 2023 – Restated	**917 909**	**–**	**4 187 375**	**18 418**
As previously stated	**917 909**	**–**	**4 404 445**	**18 418**
Adjustment on correction of error (Note 27)	–	–	(217 070)	–
Total comprehensive income for the period				
Loss for the period	–		(246 347)	–
Other comprehensive income, net of income tax				
Fair value adjustment of financial asset	–	–	–	–
Foreign currency translation reserve	–	–	–	–
Hyperinflation adjustment	–	83 920	–	–
Transactions with owners, recorded directly in equity				
Allocation to legal reserve	–	–	(48 620)	–
Recognition of share based payment reserve movement	–	–	–	16 414
Dividends paid by subsidiary to minority interests	–	–	–	–
Dividends paid to equity holders	–	–	(110 333)	–
Transfer to retained earnings	–	–	(56 251)	–
Balance at 31 December 2023 – Audited	**917 909**	**83 920**	**3 725 824**	**34 832**
Total comprehensive income for the period				
Profit for the period	–	–	(14 162)	–
Other comprehensive income, net of income tax				
Foreign currency translation reserve	–	–	–	–
Hyperinflation adjustment	–	100 015	–	–
Transactions with owners, recorded directly in equity				
Allocation to legal reserve	–	–	(60 531)	–
Recognition of share based payment reserve movement	–	–	–	(34 832)
Share buyback	(20 000)	–	–	–
Dividends paid by subsidiary to minority interests	–	–	–	–
Balance at 30 June 2024 – Unaudited	**897 909**	**183 935**	**3 651 131**	**–**

	Fair value reserve of financial assets at FVOCI P'000	Foreign currency translation reserve P'000	Legal reserve P'000	Non–controlling interest P'000	Total P'000
	(13 144)	**(492 653)**	**313 780**	**465 933**	**5 658 171**
	–	–	–	2 944	(72 619)
	(13 144)	**(492 653)**	**313 780**	**468 877**	**5 585 552**
	–	–	–	25 778	71 076
	–	(111 574)	–	(21 605)	(133 179)
	–	–	14 721	–	–
	–	–	–	–	(5 718)
	–	–	–	–	–
	–	–	–	(38 838)	(38 838)
	–	–	–	–	(209 849)
	(13 144)	**(604 227)**	**328 501**	**434 212**	**5 269 044**
	(13 144)	**(604 227)**	**328 501**	**437 354**	**5 489 256**
	–	–	–	(3 142)	(220 212)
	–	–	–	26 472	(219 875)
	(43 107)	–	–	–	(43 107)
	–	(58 323)	–	11 444	(46 879)
	–	–	–	–	83 920
	–	–	48 620	–	–
	–	–	–	–	16 414
	–	–	–	(29 297)	(29 297)
		–	–	–	(110 333)
	56 251	–	–	–	–
	–	**(662 550)**	**377 121**	**442 831**	**4 919 887**
	–	–	–	31 919	17 757
	–	(46 546)	–	8 426	(38 120)
	–	–	–	–	100 015
	–	–	60 531	–	–
	–	–	–	–	(34 832)
	–	–	–	–	(20 000)
	–	–	–	(31 253)	(31 253)
	–	**(709 096)**	**437 652**	**451 923**	**4 913 454**

SEGMENTAL REPORTING

for the period ended 30June 2024

The Group's geographical operating segments are reported below:

Reportable segments 30 June 2024	**Botswana P '000**	**Namibia P '000**	**Mozambique P '000**	**Lesotho P '000**	**Eswatini P '000**
Interest income at effective interest rate	426 759	324 199	400 113	64 416	75 383
Interest expense at effective interest rate	(97 902)	(147 369)	(139 847)	(14 266)	(19 197)
Other interest expense	(662)	(217)	(2 311)	(532)	(208)
Net interest income	**328 195**	**176 613**	**257 955**	**49 618**	**55 978**
Fee and commission income	–	13 141	6 740	2 080	–
Other operating income	39 807	6 816	4 232	(227)	1 180
Net insurance service result	–	101 063	–	–	–
Operating income	**368 002**	**297 633**	**268 927**	**51 471**	**57 158**
Profit/(loss) before taxation	**139 229**	**161 682**	**146 841**	**1 022**	**(31 477)**
Taxation – consolidated					
Profit – consolidated					
Gross advances to customers	3 767 167	3 648 632	2 677 029	589 527	637 225
Impairment provisions	(393 918)	(28 984)	(20 686)	(43 873)	(99 413)
Net advances	**3 373 249**	**3 619 648**	**2 656 343**	**545 654**	**537 812**
Total assets	**3 774 965**	**5 150 941**	**3 258 888**	**589 699**	**665 869**
Borrowings	**1 725 733**	**2 094 116**	**751 585**	**186 040**	**292 983**
Total liabilities	**1 907 623**	**3 184 827**	**1 380 576**	**207 110**	**323 098**

Reportable segments 30 June 2023	Botswana P '000	Namibia P '000	Mozambique P '000	Lesotho P '000	Eswatini P '000
Interest income at effective interest rate	381 487	265 271	314 383	50 802	69 438
Interest expense at effective interest rate	(71 836)	(107 370)	(99 238)	(5 749)	(16 397)
Other interest expense	(678)	–	(1 696)	(42)	(234)
Net interest income	**308 973**	**157 901**	**213 449**	**45 011**	**52 807**
Fee and commission income	1 081	13 083	341	–	–
Other operating income	18 849	(519)	23 479	(8 015)	681
Net insurance service result	–	102 227	–	–	–
Operating income	**328 903**	**272 692**	**237 269**	**36 996**	**53 488**
Profit/(loss) before taxation	**70 844**	**127 556**	**125 706**	**9 290**	**(5 515)**
Taxation – consolidated					
Profit – consolidated					
Gross advances to customers	3 531 221	3 405 019	2 368 594	419 683	569 079
Impairment provisions	(263 876)	(28 060)	(9 891)	(21 576)	(64 518)
Net advances	**3 267 345**	**3 376 959**	**2 358 703**	**398 107**	**504 561**
Total assets	**3 815 653**	**4 384 286**	**2 887 238**	**412 550**	**533 788**
Borrowings	**1 710 131**	**1 899 209**	**479 457**	**48 148**	**181 128**
Total liabilities	**2 299 738**	**2 430 388**	**1 212 222**	**61 004**	**216 030**

Kenya P '000	**Rwanda P '000**	**Uganda P '000**	**Tanzania P '000**	**Nigeria P '000**	**Ghana P '000**	**Holding company and eliminations P '000**	**Total P '000**
75 592	20 599	115 678	85 553	24 350	335 318	(82 939)	1 865 021
(30 656)	(9 601)	(29 708)	(812)	(2 585)	(139 759)	(161 005)	(792 707)
(463)	(50)	(218)	(165)	–	(7)	(1 549)	(6 382)
44 473	**10 948**	**85 752**	**84 576**	**21 765**	**195 552**	**(245 493)**	**1 065 932**
1 363	168	–	889	62	35 041	–	59 484
2 236	267	2 424	2 908	1 329	3 856	55 040	119 868
–	–	–	–	–	–	–	101 063
48 072	**11 383**	**88 176**	**88 373**	**23 156**	**234 449**	**(190 453)**	**1 346 347**
(68 246)	**235**	**4 232**	**2 658**	**5 531**	**1 701**	**(177 150)**	**186 258**
							(168 501)
							17 757
691 988	176 780	590 932	413 150	107 894	1 074 194	–	14 374 518
(203 461)	(5 278)	(50 602)	(33 027)	(12 935)	(110 473)	–	(1 002 650)
488 527	**171 502**	**540 330**	**380 123**	**94 959**	**963 721**	**–**	**13 371 868**
613 801	**192 752**	**636 831**	**518 454**	**104 679**	**1 511 122**	**1 217 829**	**18 235 830**
406 012	**–**	**372 465**	**–**	**7 720**	**549 060**	**3 708 716**	**10 094 430**
452 409	**69 670**	**400 095**	**70 919**	**42 288**	**1 014 508**	**4 269 253**	**13 322 376**

Kenya P '000	Rwanda P '000	Uganda P '000	Tanzania P '000	Nigeria P '000	Ghana P '000	Holding company and eliminations P '000	Total P '000
71 811	18 788	112 412	69 103	38 926	237 896	(59 885)	1 570 432
(29 216)	(8 491)	(22 199)	(170)	(1 847)	(183 033)	(128 862)	(674 408)
(333)	(202)	(157)	(61)	–	(19)	(1 386)	(4 808)
42 262	**10 095**	**90 056**	**68 872**	**37 079**	**54 844**	**(190 133)**	**891 216**
12 901	431	–	1 076	215	2 007	–	31 135
7 451	421	4 689	–	(6 225)	5 452	32 182	78 445
–	–	–	–	–	–	–	102 227
62 614	**10 947**	**94 745**	**69 948**	**31 069**	**62 303**	**(157 951)**	**1 103 023**
(22 923)	**2 216**	**9 394**	**8 513**	**(1 108)**	**42 838**	**(97 659)**	**269 152**
							(198 076)
							71 076
665 912	166 387	563 348	473 808	127 306	995 250	–	13 285 607
(87 500)	(1 884)	(33 316)	(69 482)	(18 731)	(58 110)	–	(656 944)
578 412	**164 503**	**530 032**	**404 326**	**108 575**	**937 140**	**–**	**12 628 663**
645 419	**185 130**	**617 229**	**661 348**	**146 225**	**1 359 020**	**1 346 798**	**16 994 684**
393 417	**–**	**351 319**	**–**	**–**	**537 347**	**2 678 090**	**8 278 246**
445 293	**62 711**	**386 842**	**62 913**	**29 014**	**988 759**	**3 530 726**	**11 725 640**

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

		At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 Dec 2023 (Audited) P'000
1	**Cash and similar instruments**			
	Cash at bank and in hand	1 353 063	1 022 857	918 697
	Statutory cash reserve	248 403	41 860	268 180
	Short term investments	195 008	5 009	214 947
		1 796 474	**1 069 726**	**1 401 824**
	Cash and similar instruments for the purpose of the statement of cash flows	**1 548 071**	**1 027 866**	**1 133 644**
2	**Investment in securities**			
	Government and Corporate bonds : 2 – 5 year fixed rate notes	701 129	797 210	878 221
	Government and Corporate bonds : Above 5 year fixed rate notes	46 370	26 291	15 258
	Less : Expected credit losses	(26 761)	(36 027)	(26 761)
		720 738	**787 474**	**866 718**
	Movement in expected credit losses:			
	Balance at the beginning of the year	26 761	36 027	36 027
	Impairment reversal for the period	–	–	(9 266)
	Balance at the end of the period	**26 761**	**36 027**	**26 761**
3	**Financial assets at fair value through profit or loss**			
	Foreign currency swaps	**734 237**	**1 187 398**	**952 610**

		At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Restated) P'000	At 31 Dec 2023 (Audited) P'000
4	**Advances to customers**			
	Gross advances to customers	14 374 518	13 285 607	14 345 789
	Less: Expected credit losses			
	– *Stage 1*	(122 092)	(100 404)	(118 031)
	– *Stage 2*	(36 418)	(32 883)	(39 495)
	– *Stage 3*	(844 140)	(523 657)	(700 371)
	Net advances to customers	**13 371 868**	**12 628 663**	**13 487 892**

		At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 Dec 2023 (Audited) P'000
5	**Insurance contract assets**			
	Based on how the Group manages its cell captive insurance arrangements, it disaggregates information to provide disclosure in respect of credit life insurance and credit default insurance. The breakdown of groups of insurance contracts issued that are in an asset position is set out in the table below:			
	Credit life insurance	83 087	74 270	80 497
	Credit default insurance	33 831	48 553	25 052
		116 918	**122 823**	**105 549**
6	**Other receivables**			
	Deposits and prepayments	108 734	161 393	140 898
	Receivable from insurance arrangements	382 777	83 527	77 586
	Withholding tax and value added tax	15 109	5 702	5 577
	Deferred arrangement fees	36 841	40 417	53 484
	Settlement and clearing accounts	31 491	32 197	45 193
	Other receivables	13 195	3 813	10 934
		588 147	**327 049**	**333 672**

		Carrying amount at 01 Jan 2024	Additions	Transfers	Disposal	Depreciation charge	Forex translation	**Carrying amount at 30 June 2024**
7	**Property and equipment**							
	Motor vehicles	8 120	1 746	–	–	(1 668)	(877)	7 321
	Computer equipment	20 746	4 150	(125)	39	(7 495)	(132)	17 183
	Office furniture and equipment	58 684	9 187	–	8	(10 839)	309	57 349
	Land and building	17 262	–	–	–	–	(134)	17 128
		104 812	**15 083**	**(125)**	**47**	**(20 002)**	**(834)**	**98 981**

		Carrying amount at 01 Jan 2024	Additions	Modifications	Depreciation charge	Forex translation	**Carrying amount at 30 June 2024**
8	**Right-of-use assets**						
	Property	89 241	5 486	21 653	(22 074)	447	94 753
		89 241	**5 486**	**21 653**	**(22 074)**	**447**	**94 753**

		Carrying amount at 01 Jan 2024	Additions	Transfers	Disposal	Depreciation charge	Forex translation	**Carrying amount at 30 June 2024**
9	**Intangible assets**							
	Computer software	118 027	2 486	125	(500)	(10 525)	(2 019)	107 594
	Work in progress	280 683	21 084	–	–	–	712	302 479
		398 710	**23 570**	**125**	**(500)**	**(10 525)**	**(1 307)**	**410 073**

		At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 Dec 2023 (Audited) P'000
10	**Goodwill**			
	Goodwill arose on the acquisition of:			
	Letshego Holdings Namibia Limited	22 735	21 854	22 407
	Letshego Tanzania Limited	2 082	2 281	2 163
	AFB Ghana Plc	4 759	6 327	6 021
		29 576	**30 462**	**30 591**
	Goodwill was translated using reporting date exchange rates to reflect the changes in foreign currencies. The Group assesses the recoverable amount of goodwill in respect of all cash generating units to determine indications of impairment.			
11	**Financial liabilities at fair value through profit or loss**			
	Foreign currency swaps	**751 847**	**1 219 465**	**980 519**
12	**Customer deposits**			
	Demand accounts	159 184	92 910	288 336
	Savings accounts	828 218	479 527	467 074
	Call and term deposits	752 276	764 298	782 574
		1 739 678	**1 336 735**	**1 537 984**
13	**Cash collateral**			
	Cash collateral on loans and advances	**18 487**	**17 200**	**15 853**
	Cash collateral represents payments made by customers as security for loans taken. The amounts are refundable upon the successful repayment of loans by customers or are utilised to cover loans in the event of default.			
14	**Trade and other payables**			
	Insurance premium payable	303 038	83 683	86 534
	Payroll related accruals	28 867	37 273	20 204
	Staff incentive accrual	21 733	7 806	63 570
	Other provisions	42 074	21 529	22 936
	Guarantee funds	8 042	332 232	423 013
	Trade and other payables	101 602	110 553	139 479
	Value added tax/withholding tax payable	32 888	47 149	40 805
		538 244	**640 225**	**796 541**

		At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 Dec 2023 (Audited) P'000
15	**Lease liabilities**			
	Lease liability	**97 363**	**97 414**	**97 972**
16	**Borrowings**			
	Commercial banks	4 746 266	4 319 072	4 587 754
	Note programmes	2 938 332	1 664 007	2 447 226
	DFI's	2 261 228	2 194 526	2 494 878
	Pension Funds	148 604	100 641	96 443
		10 094 430	**8 278 246**	**9 626 301**
17	**Stated capital**			
	Issued: 2,175,038,644 ordinary shares of no par value (Dec. 2023: 2,175,038,644) of which 28,897,741 shares (Dec. 2023: 11,651,597) are held as treasury shares	**897 909**	**917 909**	**917 909**

		6 months ended 30 June 2024 (Unaudited) P'000	6 months ended 30 June 2023 (Reviewed) P'000	12 months ended 31 December 2023 (Audited) P'000
18	**Interest income at effective interest rate**			
	Advances to customers	1 471 986	1 366 006	2 791 221
	Interest income on risk informal/mobile loans	311 673	61 713	228 297
	Interest income on non-risk informal/mobile loans	21 130	109 231	310 725
	Interest income from deposits with banks	60 232	33 482	94 704
		1 865 021	**1 570 432**	**3 424 947**
19	**Interest expense at effective interest rate**			
	Overdraft facilities and term loans	771 577	565 177	1 335 543
	Interest expense on non-risk informal/mobile loans	21 130	109 231	310 725
		792 707	**674 408**	**1 646 268**
19.1	Other interest expense			
	Interest expense on leases	**6 382**	**4 808**	**12 244**
20	**Fee and commission income**			
	Administration fees – lending	53 823	18 622	39 514
	Credit life insurance commission	5 661	12 513	17 514
		59 484	**31 135**	**57 028**

		6 months ended 30 June 2024 (Unaudited) P'000	6 months ended 30 June 2023 (Reviewed) P'000	12 months ended 31 December 2023 (Audited) P'000
21	**Other operating income**			
	Early settlement fees	1 180	18 928	56 234
	Income from insurance arrangements	57 343	43 233	143 837
	Long term incentive plan	34 832	5 718	–
	Net foreign exchange gain	–	1 148	–
	Sundry income	26 513	9 418	56 070
		119 868	**78 445**	**256 141**
22	**Insurance service result and insurance finance income**			
	The following components are arising from cell captive arrangements in the Group's Namibia subsidiary:			
	Insurance revenue	146 287	144 544	286 519
	– Credit life	93 156	84 840	182 339
	– Credit default	53 131	59 704	104 180
	Insurance service expense	(45 224)	(42 317)	(85 316)
	– Credit life	(8 757)	(8 415)	(25 753)
	– Credit default	(36 467)	(33 902)	(59 563)
	Net insurance service result	**101 063**	**102 227**	**201 203**
23	**Expected credit losses**			
	Amounts written off	293 376	114 781	201 470
	Recoveries during the period	(104 638)	(73 531)	(152 534)
	Expected credit losses raised during the period	144 753	179 941	407 655
		333 491	**221 191**	**456 591**
24	**Employee costs**			
	Salaries and wages	234 014	260 026	520 006
	Staff incentive	(24 391)	(19 929)	35 126
	Staff recruitment costs	1 790	333	1 283
	Staff pension fund contribution	17 823	18 503	35 986
	Directors' remuneration – for management services (executive)	5 636	4 217	8 507
	Long term incentive plan	–	–	10 696
		234 872	**263 150**	**611 604**

		6 months ended 30 June 2024 (Unaudited) P'000	6 months ended 30 June 2023 (Reviewed) P'000	12 months ended 31 December 2023 (Audited) P'000
25	**Other operating expenses**			
	Accounting and secretarial fees	70	38	229
	Advertising	15 773	13 086	33 182
	Audit fees	4 365	3 848	8 418
	– Audit services	4 365	3 596	8 124
	– Other services	–	252	294
	Bank charges	14 361	7 780	12 236
	Computer expenses	3 722	4 726	25 304
	Consultancy fees	24 953	20 601	82 054
	Corporate social responsibility	1 586	1 046	2 462
	Collection commission	43 724	38 050	101 057
	Direct costs	52 449	13 088	16 978
	Direct costs – informal loans	63 097	19 038	56 763
	Depreciation and amortisation	30 527	17 493	54 744
	Depreciation – right of use assets	22 074	19 627	46 768
	Directors' fees – non executive	2 026	4 278	6 860
	Directors' fees – subsidiary boards	4 240	4 689	8 995
	Government levies	13 732	12 778	26 418
	Insurance	8 518	7 072	18 959
	Insurance Fees – customer short term	22 125	22 026	42 534
	Loss on net monetary position	50 322	–	149 905
	Loss on disposal/scrapping of property and equipment	–	–	13 937
	Loss on termination of right of use assets	–	–	1 059
	Office expenses	6 219	12 208	30 105
	Rental expense for low value assets	310	208	471
	Short term leases	1 648	4 061	8 521
	Other operating expenses	152 285	72 463	203 826
	– Entertainment	462	220	627
	– IT costs	5 123	93	3 563
	– Mark-to-market loss on foreign currency swaps	–	8 140	9 345
	– Motor vehicle expenses	4 119	5 323	10 046
	– Net foreign exchange loss	13 744	–	52 078
	– Printing and Stationery	3 507	3 539	9 140
	– Repairs and Maintenance	3 707	4 369	10 001
	– Storage costs	2 503	1 321	3 912
	– Subscriptions and licenses	26 750	14 225	38 314
	– Other expenses	92 370	35 233	66 800
	Payroll administration costs	2 032	1 031	1 203
	Professional fees	25 027	24 154	83 820
	Telephone and postage	15 209	14 053	30 859
	Travel	11 332	12 088	23 484
		591 726	**349 530**	**1 091 151**

	6 months ended 30 June 2024 (Unaudited) P'000	6 months ended 30 June 2023 (Reviewed) P'000	12 months ended 31 December 2023 (Audited) P'000
26 Additional cash flow information			
Movement in working capital and other changes:			
Movement in advances to customers	(322 105)	(268 528)	(1 298 892)
Movement in insurance contract assets	(11 369)	–	(13 399)
Movement in other receivables	(234 698)	(101 269)	(318 192)
Movement in trade and other payables	(258 298)	39 994	210 963
Movement in customer deposits	201 694	215 908	417 157
Movement in cash collateral	2 634	(1 276)	(2 623)
Net change in financial assets at fair value through profit or loss	(10 299)	9 941	5 783
Long-term incentive plan provision	(34 832)	(5 718)	10 696
Hyperinflation translation adjustment	100 015	–	149 905
Net foreign exchange differences	(24 556)	(120 473)	(163 796)
	(591 814)	**(231 421)**	**(1 002 398)**

27 Correction of prior period expected credit losses error

In 2023, it was determined that during the financial years 2020 to 2022, the calculation of the Expected Credit Loss Allowances was incorrect due to the inclusion of a discount factor to Stage 3 exposures at default. 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 at a reporting date.

Consistent with the manner in which the error was corrected in the annual financial statements for 31 December 2023, which was done retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the impact of the error on the previously reported 30 June 2023 interim period is as follows:

Impact on Statement of Financial Position

	At 30 June 2023 as previously reported P'000	Effect of restatement P'000	At 30 June 2023 as restated P'000	At 31 December 2022 as previously reported P'000	Effect of restatement P'000	At 31 December 2022 as restated P'000
Advances to customers	12 848 875	(220 212)	12 628 663	12 727 476	(72 619)	12 654 857
Deferred tax assets	114 666	53 118	167 784	129 082	13 603	142 685
Total assets	**17 161 778**	**(167 094)**	**16 994 684**	**16 908 616**	**(59 016)**	**16 849 600**
Income tax payable	83 237	53 118	136 355	68 426	13 603	82 029
Total liabilities	**11 672 522**	**53 118**	**11 725 640**	**11 250 446**	**13 603**	**11 264 049**
Retained earnings	4 404 445	(217 070)	4 187 375	4 442 210	(75 563)	4 366 647
Non-controlling interests	437 354	(3 142)	434 212	465 933	2 944	468 877
Total equity	**5 489 256**	**(220 212)**	**5 269 044**	**5 658 170**	**(72 619)**	**5 585 551**

27 Correction of prior period expected credit losses error (continued)

Impact on Statement of Profit or Loss and Other Comprehensive Income

	At 30 June 2023 as previously reported P'000	Effect of restatement P'000	**At 30 June 2023 as restated P'000**
Expected credit losses	(73 597)	(147 594)	(221 191)
Net operating income	**1 029 426**	**(147 594)**	**881 832**
Profit before taxation	416 746	(147 594)	269 152
Taxation	(198 076)	–	(198 076)
Profit for the year	**218 670**	**(147 594)**	**71 076**
Attributable to:			
Equity holders of the parent	186 806	(141 508)	45 298
Non-controlling interest	31 864	(6 086)	25 778
Impact on Basic and Diluted Earnings per Share			
Basic earnings per share (thebe)	8.7	(6.6)	2.1
Diluted earnings per share (thebe)	8.2	(6.2)	2.0

The error had no impact the Group's OCI as reflected in its consolidated statement of profit or loss and other comprehensive income.

RATIOS

	30 June 2024 (Unaudited)	30 June 2023 (Restated)	31 Dec 2023 (Audited)
Return on average assets (%)	0.2%	0.8%	(0.8%)
Return on average equity (%)	1%	3%	(3%)
Cost to income ratio (%)	59%	55%	72%
Debt to equity ratio (%)	198%	152%	184%

STUDIO 5

www.letshegoinvestor.com
Letshego
@LetshegoGroup
Letshego
investor@letshego.com

Letshego
LETSHEGO AFRICA HOLDINGS LIMITED