LETSHEGO AFRICA HOLDINGS LIMITED
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

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DIRECTORS' REPORT
For the period ended 30 June 2024

The Board of Directors is pleased to present their report to Shareholders together with the reviewed interim condensed consolidated financial statements for the period ended 30 June 2024.

1 **Financial results**

The condensed consolidated financial statements adequately disclose the results of the Group's operations for the interim period ended 30 June 2024.

2 **Directors**

There were no changes to the composition of the Board of Directors during the period.

3 **Independent auditors**

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

4 **Company secretary and registered office**

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

5 **Attorneys and legal advisors**

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

6 **Company registration**
Registration Number: UIN BW00000877524

STATEMENT OF DIRECTORS' RESPONSIBILITY
For the period ended 30 June 2024

The Directors of Letshego Africa Holdings Limited are responsible for the interim condensed consolidated financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of these condensed consolidated financial statements using the framework principles, the recognition and measurement principles of IFRS and contains the presentation and disclosures required by IAS 34, 'Interim financial reporting'.

All companies within the Group maintain systems of internal control which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of the Group's assets. The directors are also responsible for the design, implementation, maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the directors to indicate that any significant breakdown in the functioning of these systems has occurred during the period under review.

The going concern basis has been adopted in preparing the interim condensed consolidated financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future based on forecasts and available cash resources.

The Board of Directors have reviewed and approved the accompanying condensed consolidated financial statements, set out on pages 5 to 28, for issue on 28 August 2024 and signed on their behalf by:

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P Odera
Group Board Chairman

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A Monyatsi
Group Chief Executive

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 JUNE 2024

	Note	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Restated)* P'000	At 31 December 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	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	7	15,204	43,107	11,038
Income tax receivable		38,787	83,729	108,436
Property and equipment	8	98,981	108,163	104,812
Right-of-use assets	9	94,753	89,491	89,241
Intangible assets	10	410,073	348,815	398,710
Goodwill	11	29,576	30,462	30,591
Deferred tax assets		220,074	167,784	219,000
Total assets		**18,235,830**	**16,994,684**	**18,110,093**
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities at fair value through profit or loss	12	751,847	1,219,465	980,519
Customer deposits	13	1,739,678	1,336,735	1,537,984
Cash collateral	14	18,487	17,200	15,853
Income tax payable		82,327	136,355	116,133
Trade and other payables	15	538,244	640,225	796,541
Lease liabilities	16	97,363	97,414	97,972
Borrowings	17	10,094,430	8,278,246	9,626,301
Deferred tax liabilities		-	-	18,903
Total liabilities		**13,322,376**	**11,725,640**	**13,190,206**
Shareholders' equity				
Stated capital	18	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**	**18,110,093**

*Refer to Note 33

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the period ended 30 June 2024

	Note	6 months ended 30 June 2024 (Unaudited) P'000	6 months ended 30 June 2023 (Restated) P'000	12 months ended 31 December 2023 (Audited) P'000
Interest income at effective interest rate	19	1,865,021	1,570,432	3,424,947
Interest expense at effective interest rate	20	(792,707)	(674,408)	(1,646,268)
Other interest expense	20.1	(6,382)	(4,808)	(12,244)
Net interest income		**1,065,932**	**891,216**	**1,766,435**
Fee and commission income	21	59,484	31,135	57,028
Other operating income	22	119,868	78,445	256,141
Insurance revenue	23	146,287	144,544	286,519
Insurance service expense	23	(45,224)	(42,317)	(85,316)
Insurance service result		101,063	102,227	201,203
Operating income		**1,346,347**	**1,103,023**	**2,280,807**
Expected credit losses	24	(333,491)	(221,191)	(456,591)
Net operating income		**1,012,856**	**881,832**	**1,824,216**
Employee costs	25	(234,872)	(263,150)	(611,604)
Other operating expenses	26	(591,726)	(349,530)	(1,091,151)
Total operating expenses		(826,598)	(612,680)	(1,702,755)
Profit before taxation		**186,258**	**269,152**	**121,461**
Taxation		(168,501)	(198,076)	(270,260)
Profit for the period		**17,757**	**71,076**	**(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**	**(148,799)**
Other comprehensive income, net of tax				
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation differences arising from foreign operations		(38,120)	(133,179)	(180,058)
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 earnings per share (thebe)		(0.7)	2.1	(9.3)
Fully diluted 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 CHANGES IN EQUITY
For the period ended 30 June 2024

	Stated capital	Hyperinflation translation adjustment	Retained earnings	Share based payment reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Legal reserve	Non-controlling interest	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Balance at 1 January 2023	**899,571**	**-**	**4,442,210**	**42,474**	**(13,144)**	**(492,653)**	**313,780**	**465,933**	**5,658,171**
Adjustment on correction of error (Note 33)	-	-	(75,563)	-	-	-	-	2,944	(72,619)
Balance at 1 January 2023	**899,571**	**-**	**4,366,647**	**42,474**	**(13,144)**	**(492,653)**	**313,780**	**468,877**	**5,585,552**
Total comprehensive income for the period									
Profit for the period	-	-	45,298	-	-	-	-	25,778	**71,076**
Other comprehensive income, net of income tax									
Foreign currency translation reserve	-	-	-	-	-	(111,574)	-	(21,605)	**(133,179)**
Transactions with owners, recorded directly in equity									
Allocation to legal reserve	-	-	(14,721)	-	-	-	14,721	-	**-**
Recognition of share based payment reserve movement	-	-	-	(5,718)	-	-	-	-	**(5,718)**
New shares issued from long term incentive scheme	18,338	-	-	(18,338)	-	-	-	-	**-**
Dividends paid by subsidiary to minority interests	-	-	-	-	-	-	-	(38,838)	**(38,838)**
Dividends paid to equity holders	-	-	(209,849)	-	-	-	-	-	**(209,849)**
Balance at 30 June 2023 - Restated	**917,909**	**-**	**4,187,375**	**18,418**	**(13,144)**	**(604,227)**	**328,501**	**434,212**	**5,269,044**
As previously stated	**917,909**	**-**	**4,404,445**	**18,418**	**(13,144)**	**(604,227)**	**328,501**	**437,354**	**5,489,256**
Adjustment on correction of error (Note 33)	-	-	(217,070)	-	-	-	-	(3,142)	(220,212)
Total comprehensive income for the period									
Loss for the period	-	-	(246,347)	-	-	-	-	26,472	**(219,875)**
Other comprehensive income, net of income tax									
Fair value adjustment of financial asset	-	-	-	-	(43,107)	-	-	-	**(43,107)**
Foreign currency translation reserve	-	-	-	-	-	(58,323)	-	11,444	**(46,879)**
Hyperinflation adjustment	-	83,920	-	-	-	-	-	-	**83,920**
Transactions with owners, recorded directly in equity									
Allocation to legal reserve	-	-	(48,620)	-	-	-	48,620	-	**-**
Recognition of share based payment reserve movement	-	-	-	16,414	-	-	-	-	**16,414**
Dividends paid by subsidiary to minority interests	-	-	-	-	-	-	-	(29,297)	**(29,297)**
Dividends paid to equity holders	-	-	(110,333)	-	-	-	-	-	**(110,333)**
Transfer to retained earnings	-	-	(56,251)	-	56,251	-	-	-	**-**
Balance at 31 December 2023 - Audited	**917,909**	**83,920**	**3,725,824**	**34,832**	**-**	**(662,550)**	**377,121**	**442,831**	**4,919,887**
Total comprehensive income for the period									
Profit for the period	-	-	(14,162)	-	-	-	-	31,919	17,757
Other comprehensive income, net of income tax									
Foreign currency translation reserve	-	-	-	-	-	(46,546)	-	8,426	(38,120)
Hyperinflation adjustment	-	100,015	-	-	-	-	-	-	**100,015**
Transactions with owners, recorded directly in equity									
Allocation to legal reserve	-	-	(60,531)	-	-	-	60,531	-	-
Recognition of share based payment reserve movement	-	-	-	(34,832)	-	-	-	-	(34,832)
Share buy back	(20,000)	-	-	-	-	-	-	-	(20,000)
Dividends paid by subsidiary to minority interests	-	-	-	-	-	-	-	(31,253)	(31,253)
Balance at 30 June 2024 - Reviewed	**897,909**	**183,935**	**3,651,131**	**-**	**-**	**(709,096)**	**437,652**	**451,923**	**4,913,454**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 30 June 2024

	Note	6 months ended 30 June 2024 (Unaudited) P'000	6 months ended 30 June 2023 (Restated) P'000	12 months ended 31 December 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 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	27	(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) investing 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	16	(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**

SEGMENTAL REPORTING
For the period ended 30 June 2024

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. All operating segments used by the Group meet the definition of a reportable segment.

The Group's geographical operating segments are reported below:

Reportable segments 30 June 2024	Botswana	Namibia	Mozambique	Lesotho	Eswatini	Kenya	Rwanda	Uganda	Tanzania	Nigeria	Ghana	Holding company and eliminations	Total
	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000
Interest income at effective interest rate	426,759	324,199	400,113	64,416	75,383	75,592	20,599	115,678	85,553	24,350	335,318	(82,939)	**1,865,021**
Interest expense at effective interest rate	(97,902)	(147,369)	(139,847)	(14,266)	(19,197)	(30,656)	(9,601)	(29,708)	(812)	(2,585)	(139,759)	(161,005)	**(792,707)**
Other interest expense	(662)	(217)	(2,311)	(532)	(208)	(463)	(50)	(218)	(165)	-	(7)	(1,549)	**(6,382)**
Net interest income	**328,195**	**176,613**	**257,955**	**49,618**	**55,978**	**44,473**	**10,948**	**85,752**	**84,576**	**21,765**	**195,552**	**(245,493)**	**1,065,932**
Fee and commission income	-	13,141	6,740	2,080	-	1,363	168	-	889	62	35,041	-	**59,484**
Other operating income	39,807	6,816	4,232	(227)	1,180	2,236	267	2,424	2,908	1,329	3,856	55,040	**119,868**
Net insurance service result	-	101,063	-	-	-	-	-	-	-	-	-	-	**101,063**
Operating income	**368,002**	**297,633**	**268,927**	**51,471**	**57,158**	**48,072**	**11,383**	**88,176**	**88,373**	**23,156**	**234,449**	**(190,453)**	**1,346,347**
Profit / (loss) before taxation	**139,229**	**161,682**	**146,841**	**1,022**	**(31,477)**	**(68,246)**	**235**	**4,232**	**2,658**	**5,531**	**1,701**	**(177,150)**	**186,258**
Taxation - consolidated													(168,501)
Profit - consolidated													**17,757**
Gross advances to customers	3,767,167	3,648,632	2,677,029	589,527	637,225	691,988	176,780	590,932	413,150	107,894	1,074,194	-	**14,374,518**
Impairment provisions	(393,918)	(28,984)	(20,686)	(43,873)	(99,413)	(203,461)	(5,278)	(50,602)	(33,027)	(12,935)	(110,473)	-	**(1,002,650)**
Net advances	**3,373,249**	**3,619,648**	**2,656,343**	**545,654**	**537,812**	**488,527**	**171,502**	**540,330**	**380,123**	**94,959**	**963,721**	**-**	**13,371,868**
Total assets	**3,774,965**	**5,150,941**	**3,258,888**	**589,699**	**665,869**	**613,801**	**192,752**	**636,831**	**518,454**	**104,679**	**1,511,122**	**1,217,829**	**18,235,830**
Borrowings	**1,725,733**	**2,094,116**	**751,585**	**186,040**	**292,983**	**406,012**	**-**	**372,465**	**-**	**7,720**	**549,060**	**3,708,716**	**10,094,430**
Total liabilities	**1,907,623**	**3,184,827**	**1,380,576**	**207,110**	**323,098**	**452,409**	**69,670**	**400,095**	**70,919**	**42,288**	**1,014,508**	**4,269,253**	**13,322,376**

SEGMENTAL REPORTING (CONT'D)
For the period ended 30 June 2023

Reportable segments 30 June 2023	Botswana	Namibia	Mozambique	Lesotho	Eswatini	Kenya	Rwanda	Uganda	Tanzania	Nigeria	Ghana	Holding company and eliminations	Total
	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000
Interest income at effective interest rate	381,487	265,271	314,383	50,802	69,438	71,811	18,788	112,412	69,103	38,926	237,896	(59,885)	**1,570,432**
Interest expense at effective interest rate	(71,836)	(107,370)	(99,238)	(5,749)	(16,397)	(29,216)	(8,491)	(22,199)	(170)	(1,847)	(183,033)	(128,862)	**(674,408)**
Other interest expense	(678)	-	(1,696)	(42)	(234)	(333)	(202)	(157)	(61)	-	(19)	(1,386)	**(4,808)**
Net interest income	**308,973**	**157,901**	**213,449**	**45,011**	**52,807**	**42,262**	**10,095**	**90,056**	**68,872**	**37,079**	**54,844**	**(190,133)**	**891,216**
Fee and commission income	1,081	13,083	341	-	-	12,901	431	-	1,076	215	2,007	-	**31,135**
Other operating income	18,849	(519)	23,479	(8,015)	681	7,451	421	4,689	-	(6,225)	5,452	32,182	**78,445**
Net insurance service result	-	102,227	-	-	-	-	-	-	-	-	-	-	**102,227**
Operating income	**328,903**	**272,692**	**237,269**	**36,996**	**53,488**	**62,614**	**10,947**	**94,745**	**69,948**	**31,069**	**62,303**	**(157,951)**	**1,103,023**
Profit / (loss) before taxation	**70,844**	**127,556**	**125,706**	**9,290**	**(5,515)**	**(22,923)**	**2,216**	**9,394**	**8,513**	**(1,108)**	**42,838**	**(97,659)**	**269,152**
Taxation - consolidated													(198,076)
Profit - consolidated													**71,076**
Gross advances to customers	3,531,221	3,405,019	2,368,594	419,683	569,079	665,912	166,387	563,348	473,808	127,306	995,250	-	**13,285,607**
Impairment provisions	(263,876)	(28,060)	(9,891)	(21,576)	(64,518)	(87,500)	(1,884)	(33,316)	(69,482)	(18,731)	(58,110)	-	**(656,944)**
Net advances	**3,267,345**	**3,376,959**	**2,358,703**	**398,107**	**504,561**	**578,412**	**164,503**	**530,032**	**404,326**	**108,575**	**937,140**	-	**12,628,663**
Total assets	**3,815,653**	**4,384,286**	**2,887,238**	**412,550**	**533,788**	**645,419**	**185,130**	**617,229**	**661,348**	**146,225**	**1,359,020**	**1,346,798**	**16,994,684**
Borrowings	**1,710,131**	**1,899,209**	**479,457**	**48,148**	**181,128**	**393,417**	-	**351,319**	-	-	**537,347**	**2,678,090**	**8,278,246**
Total liabilities	**2,299,738**	**2,430,388**	**1,212,222**	**61,004**	**216,030**	**445,293**	**62,711**	**386,842**	**62,913**	**29,014**	**988,759**	**3,530,726**	**11,725,640**

Reporting entity

Letshego Africa Holdings Limited (the Company) is a limited liability company incorporated in Botswana. The address of the company is Tower C, Zambezi Towers, Plot 54352, Central Business District (CBD), Gaborone, Botswana. The interim condensed consolidated financial statements for the period ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the “Group”). 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 licenses with the rest being microfinance institutions.

The interim condensed consolidated financial statements for the period ended 30 June 2024 have been approved for issue by the Board of Directors on 28 August 2024.

Basis of preparation

These condensed consolidated financial statements for the period ended 30 June 2024 have been prepared using the framework principles, and the recognition and measurement principles of IFRS and contain the presentation and disclosures required by IAS 34, 'Interim Financial Reporting'. The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS and the accounting policies adopted are consistent with those of the previous financial year, expect for the adoption of new standards outlined below. The condensed consolidated 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 restated to take account of the effects of inflation in accordance with IAS 29: *Financial Reporting in Hyperinflationary Economies* ('IAS 29') in relation to the results of the Group's activities in Letshego Ghana Savings and Loans PLC.

During the second half of 2023 the Group classified Ghana as a hyperinflationary economy. This was following a number of professional organisations outside of Ghana, including global accounting firms, having assessed the economy of Ghana to be hyperinflationary as at 31 December 2023 and thereafter. The IMF World Economic Outlook reported a 3-year cumulative rate of inflation of 111% as of December 2023 and forecast 3-year cumulative rates of inflation of 115% for 2024.

Consequently, the results of the Group’s activities in Letshego Ghana Savings and Loans PLC have been prepared in accordance with IAS 29 (this is prior to the translation of those results to the Group’s presentation currency of Botswana Pula). The restatement is based on conversion factors derived from the Ghana Consumer Price Index (CPI) compiled by the Ghana Statistical Service. The indices and conversion factors used were as follows:

Date	Indices	Conversion factors
June 2024	226.4	1.0000
December 2023	200.5	1.1291
December 2022	162.8	1.3907

The presentation currency of the Group is however 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 directly in equity.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. On initial application of IAS 29, prior period gains and losses are recognised directly in equity. Gains or losses on the net monetary position are recognised in profit or loss. All items recognised in profit or loss are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

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.

The impact of the restatement of the financials of the Ghana subsidiary in accordance to IAS 29 on the Group consolidated financial statements is illustrated in Note 32.

New Standards, Interpretations and Amendments adopted by Group

Standards issued and effective

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These are as follows:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments have no effect on the measurement of any items in the financial statements of the Group. However, the classification of certain borrowings in the Group's disclosures has changed from 'non-current' to 'current' as result of the application of the amendments for the current interim period as well as the comparative interim period. Refer to Note 17 and Note 34 for further details.

Use of judgements and estimates

The preparation of 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 recognized 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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the consolidated annual financial statements of the Group for the year ended 31 December 2023.

Goodwill impairment assessment

Key assumptions in the assessment of goodwill include inflation rates, long-term growth and discount rates. Goodwill was assessed for impairment for Namibia, Ghana, and Tanzania at 30 June 2024. All subsidiaries are expected to be profitable with positive growth rates anticipated, and indicated sufficient headroom to cushion against any future variations or pressures. Based on current information, we are not aware of any material impact of changes to business operations that may arise. Refer to Note 11.

Deferred tax asset recoverability

The two main areas of judgement on deferred tax recoverability relate to the timing differences in portfolio provisions and recognition of deferred tax assets on tax losses. Based on our assessments and financial forecast beyond June 2024 the Group expects to generate sufficient taxable profits and utilise these temporary differences and tax losses before they fall away.

Expected credit losses

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.

The significant estimates and judgements applied to determine the financial position as at 30 June 2024 have been included as part of the accounting policies of the Group. The estimates applied, relating to the calculation of Expected Credit Losses, were based on forward-looking factors referencing a range of forecast economic conditions as at that date.

During the period, the impact of inflationary pressure, was mainly driven by the external macroeconomic effects. 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. The rate refresh incorporated these forecasts for re-calibrated model parameters. On a monthly basis, the ECL model uses macroeconomic forecasts at the implementation level.

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.

All forward-looking statements in these interim condensed consolidated financial statements expressing the management's expectations, beliefs, estimates, forecasts, projections and assumptions are based on the current view of the future development in the business environment and the future financial performance of Letshego Holdings Group and actual results may differ materially from those expressed in the forward-looking statements.

1 Financial Instruments

1.1 Expected credit losses as at 30 June 2024

Below is a summary of the expected credit losses as at 30 June 2024*

Operating Segments 30 June 2024 P'000	IFRS 9 ECL Provisions at 30 June 2024 - (Unaudted)				IFRS 9 ECL Provisions at 30 June 2023 - (Restated)				IFRS 9 ECL Provisions at 31 December 2023 - (Audited)			
	Stage 1: 12-month ECL allowance	Stage 2: Lifetime ECL allowance – not credit-impaired	Stage 3: Lifetime ECL allowance – credit-	Total ECL on 30 June 2024	Stage 1: 12-month ECL allowance	Stage 2: Lifetime ECL allowance – not credit-	Stage 3: Lifetime ECL allowance – credit-	Total ECL on 30 June 2023	Stage 1: 12-month ECL allowance	Stage 2: Lifetime ECL allowance – not credit	Stage 3: Lifetime ECL allowance – credit-impaired	Total ECL on 30 December 2023
Financial assets												
Botswana	73,364	20,852	299,702	**393,918**	54,419	18,858	190,599	**263,876**	66,760	20,561	268,897	**356,218**
Namibia	3,957	707	24,320	**28,984**	4,041	800	23,219	**28,060**	5,201	1,198	25,025	**31,424**
Mozambique	2,824	1,187	16,675	**20,686**	2,325	1,075	6,491	**9,891**	2,655	1,780	9,918	**14,353**
Lesotho	6,675	2,061	35,137	**43,873**	4,416	2,021	15,139	**21,576**	5,603	1,817	19,310	**26,730**
Eswatini	2,428	521	96,464	**99,413**	2,642	721	61,155	**64,518**	3,104	3,652	46,332	**53,088**
Kenya	7,384	6,476	189,601	**203,461**	10,659	4,019	72,822	**87,500**	6,619	5,048	113,336	**125,003**
Rwanda	1,880	234	3,164	**5,278**	1,092	273	519	**1,884**	1,136	143	857	**2,136**
Uganda	4,207	1,186	45,209	**50,602**	4,075	1,604	27,637	**33,316**	3,919	1,186	47,245	**52,350**
Tanzania	3,837	1,521	27,669	**33,027**	4,380	1,281	63,821	**69,482**	3,966	1,308	70,222	**75,496**
Nigeria	2,119	911	9,905	**12,935**	2,205	1,400	15,126	**18,731**	3,501	1,959	14,225	**19,685**
Ghana	13,417	762	96,294	**110,473**	10,150	831	47,129	**58,110**	15,567	843	85,004	**101,414**
Total	**122,092**	**36,418**	**844,140**	**1,002,650**	**100,404**	**32,883**	**523,657**	**656,944**	**118,031**	**39,495**	**700,371**	**857,897**

**Refer to the 31 December 2023 annual financial statements for the full year movements.*

Overall Expected Credit Losses increased from P857.9 million in December 2023 to above P1 billion in June 2024, driven by a deterioration in asset quality on the back of a lagging effect of our test and learn programs in indidivual lending and instant loans. Macroeconomic environment risks in some markets posing collection challenges for deduction at source (DAS) products as well as external pressures impacting Government DAS portfolios increased delays in payments. Inflationary pressures and interest rate changes in Ghana and Nigeria negatively impacted asset quality as operational environments continued to affect sub-Saharian markets. An increase in provisions to 100% was taken for under pressure portfolios such as Kenya Instant loans and Eswatini Mobile loans.

The Group is diversifying into a multi-product retail and instant loans business, whilst DAS remains a core and solid foundation for the business. As competitiveness continues to be driven in order to achieve growth on Government DAS, the Group aims to augment the resilience of this business by exploiting other viable business opportunities that exist across its selected value stream spectrum.

The Group's loan Loss ratio (LLR) was above its risk appetite level and above prior year. The movement was mainly driven by write-offs of legacy portfolios (longer time-in-default), and non-performance of test and learn programs increasing amounts flowing into the Stage 3 category.

Group asset quality deteriorated with non-performing loans (NPLs) rising to 11.0% in June 2024, compared to 8.8% in June 2023, mainly driven by the non-performance of test and learn programs. With the exclusion of these, NPLs remained fairly in line with 2023 full year, at 9.5%. Whilst there was an increase in NPLs across the Group, this was more pronounced for individual lending in Botswana, and mobile loans in Kenya and Eswatini. As East and West Africa continue to have higher risk products in the MSE portfolio, this is being addressed through an MSE reset and diversification into more stable products. The MSE reset launched in 2023 is starting to yield results with Nigeria's NPL falling within 5%.

	HY2024	FY 2023	HY2023***	FY2022***	HY2022	FY2021	HY2021	FY2020	HY2020	FY2019
Gross Loan Book Balance in P'm	14,375	14,346	13,286	13,132	12,812	12,439	11,734	10,740	10,074	9,542
Portfolio at risk – 30 days	14.8%	14.4%	12.3%	9.2%	11.1%	9.2%	8.7%	8.3%	11.2%	10.4%
Portfolio at risk – 90 days (NPL)	11.0%	9.5%	8.8%	6.5%	7.2%	5.9%	5.6%	5.3%	7.9%	7.1%
Post Write off Recoveries in the year in P'm	110	162	80	147	82	178	89	199	105	147
Loan loss rate – actual	4.8%	3.3%	3.4%	1.7%	1.3%	(0.1%)	1.4%	0.3%	1.4%	1.7%
Loan loss rate – excl. once-off items	3.6%	2.0%	1.4%	0.5%	1.3%	0.6%	1.9%	1.8%	1.4%	1.7%
**Non-performing loan coverage ratio	64%	58%	57%	53%	63%	73%	97%	98%	103%	112%

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
For the period ended 30 June 2024

1 Financial Instruments (continued)

1.2 Maximum exposure to credit risk

	At 30 June 2024	At 30 June 2023	At 30 December 2023
	P'000	P'000	P'000
Gross advances to customers	**14,374,518**	**13,285,607**	**14,345,789**
Of which stage 1	12,120,738	11,527,380	12,118,775
Of which stage 2	694,053	596,137	755,182
Of which stage 3	1,559,727	1,162,090	1,471,832
Expected credit loss provisions	**(1,002,650)**	**(656,944)**	**(857,897)**
Of which stage 1	(122,092)	(100,404)	(118,031)
Of which stage 2	(36,418)	(32,883)	(39,495)
Of which stage 3	(844,140)	(523,657)	(700,371)
Net advances to customers	**13,371,868**	**12,628,663**	**13,487,892**
Of which stage 1	11,998,646	11,426,976	12,000,744
Of which stage 2	657,635	563,254	715,687
Of which stage 3	715,587	638,433	771,461
Impairment (ECL) Coverage Ratio	**7%**	**5%**	**6%**
Stage 3 Coverage Ratio	**64%**	**57%**	**58%**

1.3 Expected credit losses: Stress Testing and Sensitivity Analysis

As a predominately Government Deduction at Source (DAS) retail business, the Group was able to remain resilient to the effects of external economic pressures stemming from inflation and increase in interest rates. Although inflation was expected to persist, it was anticipated that central banks would exercise caution in rolling out monetary easing. Furthermore, despite muted GDP outturns and associated challenges, 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 now performed once a year to reduce volatility. Macro economic impacts are now updated monthly in order to build current changes in macros proactively.

Loss given default (LGD)

LGDs between December 2023 and June 2024 have shown mixed results with decreases in some markets that have shown increases in recovery rates and increases in LGDs in predominantly MSE markets 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. This provides an indication of the sensitivity of recovery rates during periods of economic duress. The Group was therefore comfortable with setting the LGD shock at +10%, for prudence purposes.

Probability of default (PD)

The PD's are modelled using a Roll Rate approach. This methodology measures the migration of balances from one delinquency status to another over time. This would then give each account a group PD. When creating shocks for these PDs, a forward-looking scalar multiplier is applied to each group.

1.4 Macroeconomic analysis

Table 1 below depicts forecast movements in key macroeconomic variables across the Group according to data provided by Fitch Solutions.
Although many countries are forecast to have reductions in Inflation YoY, the forecast figures are still expected to be higher than recent historical trends.
Despite projected improvements in unemployment rate, a number of countries are forecast to experience a drop in GDP growth YoY.

The rate refresh incorporated these forecasts for re-calibrated model parameters. On a monthly basis, the ECL model uses macroeconomic forecasts at the implementation level.

Table 1

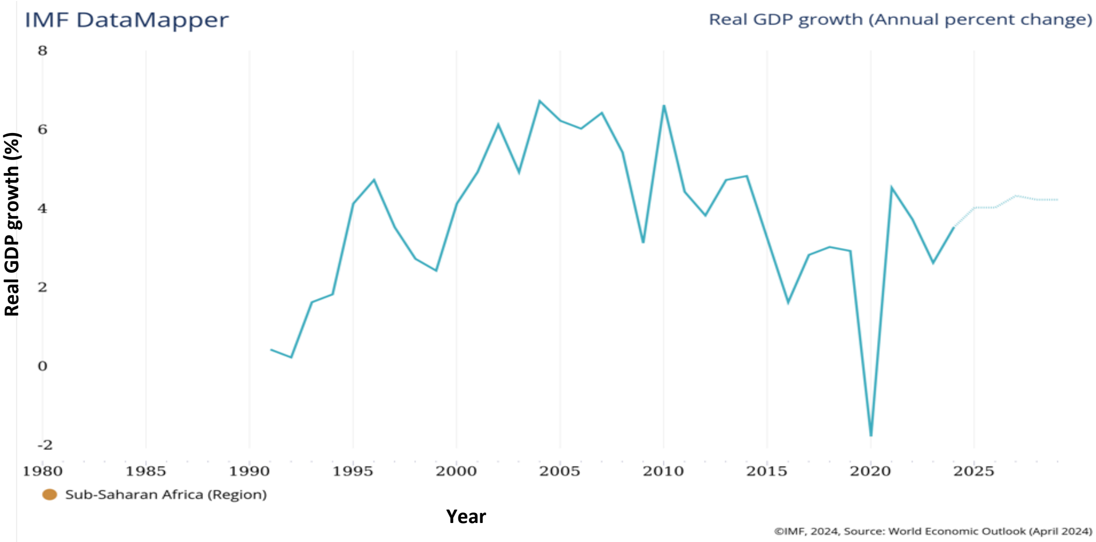
Country	YoY Forecast Movements from H2 2023 to H1 2024		
	Unemployment Rate	Real GDP growth	Inflation
Botswana	▼	▼	▼
Eswatini	▼	▲	▼
Ghana	▲	▲	▼
Kenya	▼	▼	▼
Lesotho	▼	▲	▼
Mozambique	▲	▼	▼
Namibia	▼	▼	▼
Nigeria	▼	▲	▲
Rwanda	▲	▼	▼
Tanzania	▼	▲	▼
Uganda	▼	▲	▼

1 Financial Instruments (continued)

Influence of economic conditions 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%).

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.



	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 December 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

Statutory cash reserve relates to cash held by the Central Bank for the respective deposit taking subsidiaries based on a percentage of the average customer deposits and therefore are not available for day to day operations.

	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 December 2023 (Audited) P'000
2 Investment 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

Treasury bonds are classified as financial assets 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.

	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 December 2023 (Audited) P'000
3 Financial assets at fair value through profit or loss			
Foreign currency swaps	734,237	1,187,398	952,610

This 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 to 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 reflected in note 12.

	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Restated) P'000	At 31 December 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	(1,002,650)	(656,944)	(857,897)
- 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

Additional details of the Group's Expected Credit Losses are set out in Note 1.1.

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:

	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 December 2023 (Audited) P'000
Credit life insurance	83,087	74,270	80,497
Credit default insurance	33,831	48,553	25,052
	116,918	122,823	105,549

5.1 Roll-forward for 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
At 1 January 2023	**123,116**	**(30,966)**	**92,150**
Insurance revenue	144,544	-	144,544
Insurance service expenses	-	(42,317)	(42,317)
Deemed premiums received	(96,215)	-	(96,215)
Deemed claims paid	-	29,571	29,571
Effects of movement in exchange rates	(5,245)	335	(4,910)
At 30 June 2023	**166,200**	**(43,377)**	**122,823**
Insurance revenue	141,975	-	141,975
Insurance service expenses	-	(42,999)	(42,999)
Deemed premiums received	(183,895)	-	(183,895)
Deemed claims paid	-	69,789	69,789
Effects of movement in exchange rates	(2,263)	119	(2,144)
At 31 December 2023	**122,017**	**(16,468)**	**105,549**
Insurance revenue	146,287	-	146,287
Insurance service expenses	-	(45,224)	(45,224)
Deemed premiums received	(130,475)	-	(130,475)
Deemed claims paid	-	39,177	39,177
Effects of movement in exchange rates	2,427	(823)	1,604
At 30 June 2024	**140,256**	**(23,338)**	**116,918**

The expected timing of when assets for insurance acquisition cash flows will be derecognised and included in the measurement of the group of insurance contracts to which they are allocated is disclosed in the table below:

	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
Period ended 30 June 2024				
Expected timing of derecognition of assets balance at reporting date	116,918	-	-	**116,918**
Period ended 30 June 2023				
Expected timing of derecognition of assets balance at reporting date	122,823	-	-	**122,823**
Period ended 31 December 2023				
Expected timing of derecognition of assets balance at reporting date	105,549	-	-	**105,549**

	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 December 2023 (Audited) P'000
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

Due to the short - term nature of the current receivables, their carrying amount approximates their fair value.

	At 30 June 2024 (Unaudited)	At 30 June 2023 (Reviewed)	At 31 December 2023 (Audited)
7 Financial assets at fair value through other comprehensive income	**P'000**	**P'000**	**P'000**
Balance at the beginning of the year	11,038	43,107	43,107
Acquisition of equity securities	4,166	-	11,038
Fair value loss recognised through other comprehensive income	-	-	(43,107)
	15,204	43,107	11,038
Fair value loss recognised through other comprehensive income - net of tax	-	-	(43,107)

During the period, the Group acquired a non-quoted equity stake in a cell captive investment vehicle domiciled in Mauritius. Apart from this, the Group holds a stake in a company that operates a financial services platform. A fair value assessment of these investments is performed annually.

8 Property and equipment

	Carrying amount at 01 Jan 2024	Additions	Transfers	Disposal	Depreciation charge	Forex translation	Carrying amount at 30 June 2024
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

9 Right-of-use assets

	Carrying amount at 01 Jan 2024	Additions	Modifications	Depreciation charge	Forex translation	Carrying amount at 30 June 2024
Property	89,241	5,486	21,653	(22,074)	447	94,753
	89,241	5,486	21,653	(22,074)	447	94,753

10 Intangible assets

	Carrying amount at 01 Jan 2024	Additions	Transfers	Disposal	Amortization charge	Forex translation	Carrying amount at 30 June 2024
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 December 2023 (Audited) P'000
11 Goodwill			
Goodwill 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

The Group performs its impairment test semi-annually. The Group assesses the recoverable amount of goodwill in respect of all cash generating units in order to determine indications of impairment.The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2023. Goodwill was translated using reporting date exchange rates to reflect the changes in foreign currencies.

12 Financial liabilities at fair value through profit or loss			
Foreign currency swaps	751,847	1,219,465	980,519

The amount relates to 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 (the assets are disclosed in note 3).

13 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

	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 December 2023 (Audited) P'000
14 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.

	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 December 2023 (Audited) P'000
15 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
Accruals	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

Guarantee funds relate to deposits received by the Group from a strategic partner for the funding of mobile loans in Ghana. Trade and other payables relates to clearing accounts and unpaid supplier invoices at the reporting date and due to their shortterm nature, their carrying amount approximates their fair value.

16 Lease liabilities	Carrying amount at 01 Jan 2024	Additions	Interest expense	Cash payments	Forex translation	Carrying amount at 30 June 2024
Lease liabilities	97,972	5,486	6,382	(12,502)	25	97,363

	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 December 2023 (Audited) P'000
17 Borrowings			
Commercial banks	4,746,266	4,319,072	4,587,754
Note programmes	2,938,332	1,664,007	2,447,226
Development Financial Institutions	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

As at the reporting date, the Group was in breach of certain loan covenants in certain entities on obligations amounting to a total of P2.6 billion. These were Uganda (on obligations amounting to P45.8m relating to PAR quality and write off ratios, cost to income ratio and monthly collections), Ghana (on obligations amounting to P177.5m relating to Non-performing loans ratio), Eswatini (on obligations amounting to P43.4m relating to Interest cover ratio), Lesotho (on obligations amounting to P186.2m relating to Capital adequacy ratio and non-DAS book ratio), Botswana (on obligations amounting to P262.3m relating to Maturity matching ratio, collections rate and Non-performing loans ratio), Kenya (on obligations amounting to P338.9m relating to Portfolio quality related ratio, leverage ratio and profitability), and LAHL (on obligations amounting to P1.6b relating to Capitalisation ratio, Net open currency position, portfolio quality, profitability, solvency ratio, net open positions for foreign currency ratios). Renewed efforts to obtain condonement letters for the breaches relating to the indicated obligations were being set up for these to be secured in the remainder of the financial year.

	At 30 June 2024 (Unaudited) P'000	At 30 June 2023 (Reviewed) P'000	At 31 December 2023 (Audited) P'000
18 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
19	**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
20	**Interest expense at effective interest rate**			
	Overdraft facilities and term loans	771,577	565,177	1,335,543
	Interest adjustment on non-risk informal / mobile loans	21,130	109,231	310,725
		792,707	674,408	1,646,268
20.1	**Other interest expense**			
	Interest expense on leases	6,382	4,808	12,244
21	**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
22	**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
23	**Insurance service result and insurance finance income**			
	Included in 'Income from insurance arrangements' above are the following components, 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
24	**Expected credit losses**			
	Amounts written off	293,376	114,781	201,470
	Recoveries during the year	(104,638)	(73,531)	(152,534)
	Expected credit losses incurred during the period	144,753	179,941	407,655
		333,491	221,191	456,591

	6 months ended 30 June 2024 (Reviewed) P'000	6 months ended 30 June 2023 (Reviewed) P'000	12 months ended 31 December 2023 (Audited) P'000
25 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
26 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
- Covenant compliance fees	-	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 amortization	30,527	17,493	54,744
Depreciation - right of use	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 (Reviewed) P'000	6 months ended 30 June 2023 (Reviewed) P'000	12 months ended 31 December 2023 (Audited) P'000
27 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)

28 Contingent liabilities

There are no significant contingent liabilities as at 30 June 2024.

29 Capital commitments

At 30 June 2024 the commitments for capital expenditure under contract amounted to P112m (2023: P283m).

30 Related party transactions

The Company 'Letshego 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 Holdings Limited and there were no transactions with BIHL. However, loans and advances of Letshego Financial Services Botswana (Pty) Ltd are insured through Botswana Life Insurance Limited which is a wholly-owned subsidiary of BIHL and a commission of P37.9m was earned over the period (2023: P4.4m).

	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
Compensation paid to key management personnel (executive directors)			
Paid during the period			
- Short-term employee benefits	5,636	4,217	8,507
	5,636	4,217	8,507

31 Events occurring after reporting date

There were no events occurring after reporting date that have a material impact on the Interim Condensed Consolidated Financial Statements which came to the attention of Management prior to the Publication Date.

32 FINANCIAL RISK MANAGEMENT

Introduction and overview

The Group is exposed to the following risks (including the climate-related financial risks) from financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

Approach to managing credit risk

The Board of Directors is ultimately responsible for the management of credit risk and has delegated responsibility for the oversight of credit risk to the Group Management Risk Committee and Country Management Committees. The Group has adopted a holistic approach to managing credit risk in line with its Group Enterprise Risk Management (ERM) Framework and ensures that credit risk management remains a key component of its integrated approach to the management of its financial risks.
In view of the above, the Group Credit Risk Management framework is implemented throughout the Group via Credit Risk Policies, Credit Risk Standards, Credit Risk Processes and systems designed and established according to the Group's nature of business and Target Operating Model. The credit risk management systems enable the Group and its subsidiaries to clearly identify, assess, monitor and control credit risk and ensure that adequate capital resources are available to cover the risks underwritten. Full details of the Group credit risk disclosures should be read in conjunction with the Group's annual financial statements as at 31 December 2023.

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 as a result of changes in market interest rates but may reduce or create losses in the event that unexpected movements arise. 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. This is managed strategically in line with the Group's risk appetite.

Liquidity risk

Liquidity risk is defined as the risk that arises from the Group not being able to sufficiently meet its financial obligation in a cost-effective manner. Letshego is exposed to liquidity risk arising from the need to finance its on-going operations and growth. Failure to extend the debt maturity profile by refinancing maturing loans could put pressure on the balance sheet and constrain asset growth. This risk is managed at a Group level by negotiating roll over of maturing debt in advance to ensure there is adequate funding for operations in the event of a redemption.

Despite high reliance on wholesale funding significant progress has been made in diversification of the Groups funding base away from the bank loan market through the issuance of local currency corporate bonds in Botswana, Ghana, Mozambique and South Africa. The Group has also been successful in attracting new funding from specialist international investors based in the UK and Europe with a focus on micro and inclusive finance ventures.

As part of the Group's inclusive finance strategy Letshego has six deposit taking licenses across its operations which will further contribute to diversification of the Group's funding base.

Currency risk

Currency Risk is defined as the increased variability in earnings due to adverse changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Currency risk management methodologies across the Group are designed to identify, measure, monitor and control currency risk in line with the operating model. This is managed strategically in line with the Group's risk appetite.

Residual currency risk is managed using currency derivatives such as forward contracts and cross currency swaps etc.

Insurance risk

The Group principally operates cell captive insurance structures in its Namibia subsidiary to cater for credit life and credit default implications of its lending arrangements. The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with the insurance contracts under the cell captive arrangements. The risk of exposure in this area is mitigated by the insurance partners who manage the cell captives constantly monitoring the programs' performance and the impact of economic conditions on claims experience and ensuring that the programs maintain adequate claims reserves.

Other risks

The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements. These should be read in conjunction with the Group's annual financial statements as at 31 December 2023. The Group ERM Framework, it's supporting Risk Type Frameworks, Policies, and Risk Appetite Statements and Metrics were refreshed during the first half of the year and approved by the Board. All subsidiaries are at various levels of customizing the same and obtaining local Board approvals by year-end.

32.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's Enterprise Risk Management Framework (ERMF). The following should be read in conjunction with the Group's annual financial statements as at 31 December 2023.

The Board established the Group Audit Committee, (GAC), Group Risk, Social and Ethics Committee (GRSEC), Group Remuneration Committee (Remco), Group Governance and Nominations Committee, Investment Committee, Group Strategy and Investment Committee, Group Executive Committee ("Exco") and subsidiary companies' Country Management Committees ("CMC") which are responsible for the implementation and embedding of the Group ERM Framework and its supporting policies across the Group. All Board committees have both executive and non-executive members, apart from the Exco which comprises of executive directors and senior management and reports regularly to the Board of Directors and its sub-committees on their activities.

The Group's Enterprise Risk Management Framework sets out the principles and standards for management of risks across the Group and all its subsidiaries. It ensures that risks faced by the Group are managed in an integrated, consistent and comprehensive manner to support growth and enhance business performance. Applying ERM Framework across the Group helps to create trust and instil confidence in staff, management, Board and our key stakeholders in the current environment that demands greater scrutiny than ever before about how risk is proactively managed.

32 FINANCIAL RISK MANAGEMENT

32.2 Financial assets and liabilities measured at fair value

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 includes fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

- 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 techniques 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

Financial assets - Level 3	30 June 2024 P'000	30 June 2023 P'000	31 December 2023 P'000
Opening balance	11,038	43,107	43,107
Acquisition of equity securities	4,166	-	11,038
Total loss in other comprehensive income	-	-	(43,107)
	15,204	**43,107**	**11,038**

Financial instruments measured at fair value

Type	Valuation technique		Significant observable / unobservable inputs
Financial assets and liabilities at fair value through profit or loss	Valued by discounting the future cash flows using the market interest rate applicable at that time. The sum of the cash flows denoted in foreign currencies is converted with the spot rate applicable at the reporting date.	Level 2	Based on BWP, EURO and USD risk free rates.
Financial assets at fair value through OCI	Since market values are not available from an observable market, as these are investments in private equity, recent prices in capital raising transactions by the entities are considered as an approximation to fair value of the investment. The inputs include the number of shares and the price per share	Level 3	Based on a recent price per share in a subscription offer

Financial instruments not measured at fair value

Type	Valuation technique		Significant observable / 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 foreign currencies is converted with the spot rate applicable at the reporting date.	Level 2	Based on BWP, EURO and USD risk free rates.

30 June 2024	Carrying amount: Fair value through OCI	Fair value through profit and loss	Financial Assets at amortised cost	Financial liability at amortised cost	Total	Fair value: Level 1	Level 2	Level 3	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Financial assets measured at fair value									
Financial assets at fair value through OCI	15,204	-	-	-	15,204	-	-	15,204	15,204
Financial assets at fair value through profit or loss	-	734,237	-	-	734,237	-	734,237	-	734,237
	15,204	734,237	-	-	749,441	-	734,237	15,204	749,441
Financial assets not measured at fair value									
Cash and cash equivalents	-	-	1,796,474	-	1,796,474	-	1,796,474	-	1,796,474
Advances to customers	-	-	13,371,868	-	13,371,868	-	13,371,868	-	13,371,868
Other receivables	-	-	464,304	-	464,304	-	464,304	-	464,304
	-	-	15,632,646	-	15,632,646	-	15,632,646	-	15,632,646
Financial liabilities measured at fair value									
Financial liabilities at fair value through profit or loss	-	751,847	-		751,847	-	751,847	-	751,847
	-	751,847	-	-	751,847	-	751,847	-	751,847
Financial liabilities not measured at fair value									
Trade and other payables	-	-	-	483,623	483,623	-	483,623	-	483,623
Customer deposits	-	-	-	1,739,678	1,739,678	-	1,739,678	-	1,739,678
Cash collateral	-	-	-	18,487	18,487	-	18,487	-	18,487
Borrowings	-	-	-	10,094,430	10,094,430	-	10,094,430	-	10,094,430
	-	-	-	12,336,218	12,336,218	-	12,336,218	-	12,336,218

The carrying amount of items measured at amortized cost approximate their fair values.

32 FINANCIAL RISK MANAGEMENT

32.2 Financial assets and liabilities measured at fair value (continued)

	Carrying amount					Fair value			
30 June 2023	**Fair value -through OCI**	**Fair value -through profit and loss**	**Financial Assets at amortised cost**	**Financial liability at amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	P'000	**P'000**	**P'000**	**P'000**	**P'000**	**P'000**	**P'000**	**P'000**	**P'000**
Financial assets measured at fair value									
Financial assets at fair value through OCI	43,107	-	-	-	43,107	-	-	43,107	43,107
Financial assets at fair value through profit or loss	-	1,187,398	-	-	1,187,398	-	1,187,398	-	1,187,398
	43,107	1,187,398	-	-	1,230,505	-	1,187,398	43,107	1,230,505
Financial assets not measured at fair value									
Cash and cash equivalents	-	-	1,069,726	-	1,069,726	-	1,069,726	-	1,069,726
Advances to customers	-	-	12,628,663	-	12,628,663	-	12,628,663	-	12,628,663
Other receivables	-	-	159,954	-	159,954	-	159,954	-	159,954
	-	-	13,858,343	-	13,858,343	-	13,858,343	-	13,858,343
Financial liabilities measured at fair value									
Financial liabilities at fair value through profit or loss	-	1,219,465	-	-	1,219,465	-	1,219,465	-	1,219,465
Financial liabilities not measured at fair value									
Trade and other payables	-	-	-	585,270	585,270	-	585,270	-	585,270
Customer deposits	-	-	-	1,336,735	1,336,735	-	1,336,735	-	1,336,735
Cash collateral	-	-	-	17,200	17,200	-	17,200	-	17,200
Borrowings	-	-	-	8,278,246	8,278,246	-	8,278,246	-	8,278,246
	-	-	-	10,217,451	10,217,451	-	10,217,451	-	10,217,451

The carrying amount of items measured at amortized cost approximate their fair values.

32 FINANCIAL RISK MANAGEMENT

32.3 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 had borrowings that referenced to US dollar LIBOR, which have already been replaced, and has borrowings that reference to JIBAR, which 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 in 2024, or at a later date, as confirmed by the South Africa Reserve Bank (SARB) as the administrator of JIBAR.

Non-derivative Financial Liabilities

The Group's remaining IBOR exposures to non-derivative financial liabilities are in bonds indexed to JIBAR.

Derivatives

The Group holds a total return swap indexed to JIBAR for risk management purposes in a hedging relationship. All of the Group's derivative instruments are governed by contracts based on International Swaps and Derivatives Association's (ISDA's) master agreements.

The following tables summarise the significant non-derivative and derivative exposures impacted by interest rate benchmark reform as at 30 June 2024:

	JIBAR P'000	TOTAL P'000
Non-derivative financial liabilities		
Debt securities in issue	1,232,607	1,232,607
	1,232,607	**1,232,607**

The table above represents the non-derivative exposures to interest rate benchmark reform by balance sheet account, which have yet to transition. The exposure disclosed is for positions with contractual maturities after 30 June 2024. Balances reported at amortised cost.

	JIBAR P'000	TOTAL P'000
Derivatives held for risk management		
Total return swap	270,435	270,435
	270,435	**270,435**

The table above represents the derivative exposures to interest rate benchmark reform, which have yet to transition. The exposure disclosed is for positions with contractual maturities after 30 June 2024. Derivatives are reported by using the notional contract amount and where derivatives have both pay and receive legs with exposure to benchmark reform, the notional contract amount is disclosed for both legs.

33 Impact of IAS 29 *Financial Reporting in Hyperinflationary Economies*

Reference is made to the Accounting Policies presented, where during the second half of 2023, the Group classified Ghana as a hyperinflationary economy. This was following a number of professional organisations outside of Ghana, including global accounting firms, having assessed the economy of Ghana as hyperinflationary as at 31 December 2023 and thereafter. Consequently, for Group reporting purposes, the financial statements of Letshego Ghana Savings and Loans PLC were adjusted in accordance to IAS 29 *Financial Reporting in Hyperinflationary Economies* .

The restatement of non-monetary items, shareholders' equity, items in the statement of comprehensive income and the adjustment of any index-linked items to the measuring unit current at the reporting date in the Ghana subsidiary resulted in the Group's profit for the period ended 30 June 2024 reduced by P56.5 million as illustrated in the table below:

	Historical Cost for the period ended 30 June 2024 P'000	Impact of IAS 29 Restatements P'000	Inflation Adjusted for the period ended 30 June 2024 P'000
Operating income	1,266,318	80,029	1,346,347
Expected credit losses	(337,792)	4,301	(333,491)
Net operating income	**928,526**	**84,330**	**1,012,856**
Employee costs	(201,267)	(33,605)	(234,872)
Other operating expenses	(480,251)	(61,153)	(541,404)
Net monetary loss	-	(50,322)	(50,322)
Total operating expenses	(681,518)	(145,080)	(826,598)
Profit before taxation	**247,008**	**(60,750)**	**186,258**
Taxation	(172,786)	4,285	(168,501)
Profit for the period	**74,223**	**(56,465)**	**17,757**

33 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**

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 condensed consolidated statement of profit or loss and other comprehensive income.

34 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 30 June 2024	Within 6 months P'000	Between 6 and 12 months P'000	After 12 months P'000	Total P'000
Assets				
Cash and similar instruments	1,796,474	-	-	1,796,474
Investment securities	182,012	35,292	503,434	720,738
Financial assets at fair value through profit or loss	162,083	205,706	366,448	734,237
Advances to customers	471,537	288,940	12,611,391	13,371,868
Insurance contract assets	116,918	-	-	116,918
Other receivables	588,147	-	-	588,147
Financial assets at fair value through other comprehensive income	-	-	15,204	15,204
Income tax receivable	-	38,787	-	38,787
Property and equipment	-	-	98,981	98,981
Right-of-use assets	-	-	94,753	94,753
Intangible assets	-	-	410,073	410,073
Goodwill	-	-	29,576	29,576
Deferred tax assets	-	-	220,074	220,074
Total assets	**3,317,171**	**568,725**	**14,349,934**	**18,235,830**
Liabilities				
Financial liabilities at fair value through profit or loss	169,687	213,460	368,700	751,847
Customer deposits	816,605	814,225	108,848	1,739,678
Cash collateral	18,487	-	-	18,487
Trade and other payables	538,244	-	-	538,244
Lease liabilities	-	-	97,363	97,363
Income tax payable	82,327	-	-	82,327
Borrowings	3,763,606	682,494	5,648,330	10,094,430
Deferred tax liabilities	-	-	18,903	18,903
Total liabilities	**5,388,956**	**1,710,179**	**6,242,144**	**13,341,279**
Net	**(2,071,785)**	**(1,141,454)**	**8,107,790**	**4,894,552**

Reference is made to Note 17, 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 P420 million that would have been classified under the "Between 6 and 12 months" category, as well as total borrowings amounting to P2 billion that would have been classified under the "After 12 Months" category have been reflected under the "Within 6 Months" category in the above analysis. 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.

As at 30 June 2023	Within 6 months P'000	Between 6 and 12 months P'000	After 12 months P'000	Total P'000
Assets				
Cash and similar instruments	1,069,726	-	-	1,069,726
Investment securities	-	162,941	624,533	787,474
Financial assets at fair value through profit or loss	557,077	-	630,321	1,187,398
Advances to customers	842,474	319,636	11,466,553	12,628,663
Insurance contract assets	122,823	-	-	122,823
Other receivables	327,049	-	-	327,049
Financial assets at fair value through other comprehensive income	-	43,107	-	43,107
Income tax receivable	-	83,729	-	83,729
Property and equipment	-	-	108,163	108,163
Right-of-use assets	-	-	89,491	89,491
Intangible assets	-	-	348,815	348,815
Goodwill	-	-	30,462	30,462
Deferred tax assets	-	-	167,784	167,784
Total assets	**2,919,149**	**609,413**	**13,466,122**	**16,994,684**
Liabilities				
Financial liabilities at fair value through profit or loss	557,481	-	661,984	1,219,465
Customer deposits	581,409	367,715	387,611	1,336,735
Cash collateral	17,200	-	-	17,200
Trade and other payables	640,225	-	-	640,225
Lease liabilities	-	-	97,953	97,953
Income tax payable	136,355	-	-	136,355
Borrowings	4,347,424	758,123	3,172,699	8,278,246
Deferred tax liabilities	-	-	339	339
Total liabilities	**6,280,094**	**1,125,838**	**4,320,586**	**11,726,518**
Net	**(3,360,945)**	**(516,425)**	**9,145,536**	**5,268,166**