BIHL GROUP

BOTSWANA INSURANCE HOLDINGS LIMITED

HONOURING
OUR ROOTS,
**GROWING
OUR FUTURE**

ABRIDGED INTERIM UNAUDITED GROUP RESULTS

for the period ended 30 June 2026

KEY FEATURES

The directors hereby present the abridged interim unaudited consolidated financial results of Botswana Insurance Holdings Limited (BIHL) and its subsidiaries (the group) for the period ended 30 June 2026. These financial results are presented in accordance with the requirements of IFRS® Accounting Standards.

REVENUE

Net insurance service result increased by
↑ 22% to P106 million
(Jun 2025: P87 million)

Revenue from contracts with customers declined by
↓ 1% to P139 million
(Jun 2025: P140 million)

Net investment service result recovered strongly to
P107 million
(Jun 2025: P3 million)

Value of new business decreased by
↓ 21% to P66 million
(Jun 2025: P84 million)

EARNINGS

Core earnings increased by
↑ 102% to P287 million
(Jun 2025: P142 million)

Impairment of an associate increased by
↑ 17% to P99 million
(Jun 2025: P85 million)

Equity-accounted earnings increased by
↑ 65% to P246 million
(Jun 2025: P149 million)

Profit attributable to equity holders increased by
↑ 121% to P335 million
(Jun 2025: P152 million)

VALUE CREATION

Group equity value increased year on year by
↑ 2,4% to P4,92 billion
(Jun 2025: P4.80 billion)
(Dec 2025: P4.79 billion)

Return on group equity value (ROGEV) of
11,7%
(Jun 2025: 12.1%) annualized

Normalised ROGEV reduced to
↓ 10,5%
(Dec 2025: 14.3%) annualised

Dividend (not subject to tax)
P160 million
paid as a dividend during the period
(Jun 2025: P114 million)

Dividend (not subject to tax)
Declared interim dividend of
P122 million
(Jun 2025: P151 million)

SUSTAINABILITY

The business is well-capitalised; required capital for the group is covered
10.9 times
(Dec 2025: 9.3 times)

Assets under management (AUM) of
P40.2 billion
(Dec 2025: P39.3 billion)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	30 Jun 2026 P'000	30 Jun 2025 P'000	31 Dec 2025 P'000
ASSETS			
Goodwill	**62 992**	62 992	62 992
Property and equipment	**37 239**	39 977	41 932
Right-of-use assets	**37 778**	20 518	19 043
Owner-occupied properties	**125 639**	126 951	126 077
Intangible assets	**23 131**	27 199	25 598
Insurance contracts assets	**–**	206 177	–
Reinsurance contracts assets	**17 248**	12 853	11 258
Deferred tax	**4 467**	–	7 956
Investments	**20 996 116**	19 502 557	19 720 610
Investment property	**459 443**	477 005	455 208
Investments in associated companies and joint ventures	**1 783 714**	1 442 070	1 595 408
Equities and similar securities	**2 265 445**	2 293 462	2 258 885
Interest-bearing investments	**8 784 282**	9 345 360	9 267 145
Investment funds	**2 321 970**	1 802 806	2 100 103
Deposits and similar securities	**5 381 262**	4 141 854	4 043 861
Working capital assets	**864 062**	554 604	942 435
Trade and other receivables	**193 049**	101 018	137 902
Taxation receivable	**–**	13 012	–
Cash and cash equivalents	**671 013**	440 574	804 533
Total assets	**22 168 672**	20 553 828	20 957 901
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	**204 936**	204 936	204 936
Other reserves	**385 830**	99 607	266 648
Retained earnings	**2 949 226**	2 731 844	2 770 448
Total equity attributable to equity holders of the parent	**3 539 992**	3 036 387	3 242 032
Non-controlling interests	**7 733**	10 299	8 482
Total equity	**3 547 725**	3 046 686	3 250 514
Liabilities			
Insurance contract liabilities	**7 974 810**	8 130 252	8 010 129
Reinsurance contract liabilities	**76 370**	90 779	66 262
Investment contract liabilities	**3 783 460**	3 603 058	3 638 917
Lease liabilities	**40 102**	21 632	21 035
External investors in consolidated funds	**6 276 814**	4 842 242	5 306 043
Derivatives instrument	**–**	62 953	116 992
Deferred tax liability	**1 788**	112 108	2 030
Related party balances	**1 524**	585	3 655
Working capital liabilities	**466 079**	643 533	542 324
Bank overdraft	**–**	149 942	148 206
Trade and other payables	**352 823**	493 591	280 125
Taxation	**113 256**	–	113 993
Total equity and liabilities	**22 168 672**	20 553 828	20 957 901

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June 2026

	30 Jun 2026 P'000	30 Jun 2025 P'000	31 Dec 2025 P'000
Net result from life insurance operations	**207 727**	88 037	279 359
Result from life insurance contracts	**212 958**	89 302	281 565
Net insurance service result	**105 667**	86 664	233 900
Insurance revenue	**1 181 333**	1 029 621	2 460 529
Insurance service expenses	**(1 055 350)**	(936 803)	(2 184 112)
Income or expense from reinsurance contracts	**(20 316)**	(6 154)	(42 517)
Investment service result	**107 291**	2 638	47 665
Insurance finance income or expense	**98 735**	(232 614)	402 652
Reinsurance finance income or expense	**(13 611)**	(23 907)	5 266
Investment income on assets held in respect of insurance contracts	**22 167**	259 159	(360 253)
Other expenses relating to insurance operations	**(5 231)**	(1 265)	(2 206)
Result from other operations	**79 743**	54 017	95 666
Revenue	**139 392**	140 378	286 330
Investment income	**528 331**	223 054	653 215
Investment surpluses	**164 891**	91 348	151 719
Change in fair value of external investor's liability and non-controlling interest	**(318 315)**	(151 293)	(342 008)
Change in fair value of net investment contracts	**(258 690)**	(103 979)	(320 542)
Sales remuneration	**(31 072)**	(24 435)	(57 077)
Administration costs	**(144 794)**	(121 056)	(275 971)
Net impairment losses on financial and contract assets	**(6 680)**	(4 144)	(7 276)
Net operating result	**280 790**	137 910	367 749
Finance cost on leases (IFRS 16)	**(803)**	(678)	(1 725)
Equity-accounted earnings	**245 596**	148 573	185 710
Impairment of associates	**(99 108)**	(84 678)	(84 163)
Profit before tax	**426 475**	201 127	467 571
Income tax expense	**(92 336)**	(49 649)	(143 179)
Profit for the period	**334 139**	151 478	324 392
Other comprehensive income (net of tax): to be recycled through profit or loss in subsequent periods:			
– Movement in foreign currency translation reserve	**121 282**	(14 381)	117 555
– Movement in other comprehensive income	**(4 418)**	–	23 769
Total comprehensive income for the period	**451 003**	137 097	465 716
Profit attributable to:			
– Equity holders of the parent	**334 888**	151 680	326 411
– Non-controlling interests	**(749)**	(202)	(2 019)
Total profit for the period	**334 139**	151 478	324 392
Total comprehensive income attributable to:			
– Equity holders of the parent	**451 752**	137 299	467 735
– Non-controlling interests	**(749)**	(202)	(2 019)
	451 003	137 097	465 716
Earnings per share (thebe) (attributable to ordinary equity holders of the parent)			
– Basic	**117**	54	115
– Diluted	**116**	53	114

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2026

	Stated capital P'000	Other reserves P'000	Retained earnings P'000	Total equity attributable to equity holders of the parent P'000	Non-controlling interest P'000	Total equity P'000
Balances as at 31 December 2024	204 936	157 459	2 649 496	3 011 891	10 501	3 022 392
Profit for the year	–	–	326 411	326 411	(2 019)	324 392
Foreign currency translation and other comprehensive income	–	117 555	23 769	141 324	–	141 324
Cost of treasury shares acquired	–	3 199	–	3 199	–	3 199
Share-based payment expense	–	7 433	–	7 433	–	7 433
Transfer to/from non-distributable reserve	–	(71 860)	71 860	–	–	–
Transfer to/from consolidation reserve		46 520	(46 520)	–	–	–
Transfer to retained income	–	6 342	(6 342)	–	–	–
Dividend paid	–	–	(264 930)	(264 930)	–	(264 930)
Write-back of unclaimed dividends	–	–	6 881	6 881	–	6 881
Other movements in reserves	–	–	9 823	9 823	–	9 823
Balances as at 31 December 2025	204 936	266 648	2 770 448	3 242 032	8 482	3 250 514
Profit for the period	–	–	151 680	151 680	(202)	151 478
Foreign currency translation and other comprehensive income	–	(14 381)	–	(14 381)	–	(14 381)
Cost of treasury shares acquired	–	(10 418)	–	(10 418)	–	(10 418)
Share-based payment expense	–	12 717	–	12 717	–	12 717
Transfer to/from non-distributable reserve	–	(45 770)	45 770	–	–	–
Dividend paid	–	–	(113 948)	(113 948)	–	(113 948)
Other movements in reserves	–	–	(1 154)	(1 154)	–	(1 154)
Balances as at 30 June 2025	204 936	99 607	2 731 844	3 036 387	10 299	3 046 686
Profit for the period	**–**	**–**	**334 887**	**334 887**	**(749)**	**334 138**
Foreign currency translation and other comprehensive income	**–**	**121 282**	**(1 802)**	**119 480**	**–**	**119 480**
Cost of treasury shares acquired	**–**	**627**	**–**	**627**	**–**	**627**
Share-based payment expense	**–**	**5 110**	**–**	**5 110**	**–**	**5 110**
Transfer to/from non-distributable reserve	**–**	**(19 513)**	**19 513**	**–**	**–**	**–**
Transfer to/from consolidation reserve	**–**	**(5 520)**	**5 520**	**–**	**–**	**–**
Transfer to retained income	**–**	**17 196**	**(17 196)**	**–**	**–**	**–**
Dividend paid	**–**	**–**	**(159 528)**	**(159 528)**	**–**	**(159 528)**
Other movements in reserves	**–**	**–**	**(2 616)**	**(2 616)**	**–**	**(2 616)**
Balances as at 30 June 2026	**204 936**	**385 830**	**2 949 226**	**3 539 992**	**7 733**	**3 547 725**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2026

	30 Jun 2026 P'000	30 Jun 2025 P'000	31 Dec 2025 P'000
Cash flows from/(used in) operating activities	**28 875**	(154 291)	216 541
Cash utilised in operations	**(328 038)**	(264 653)	(147 128)
Interest and investment income received	**461 822**	165 076	501 390
Interest paid	**(803)**	(678)	(1 725)
Dividends received from equity investments	**66 664**	57 978	128 222
Dividends received from associates and joint ventures	**81 986**	65 161	103 122
Dividends paid	**(159 528)**	(113 948)	(264 930)
Income taxes paid	**(93 073)**	(63 227)	(102 410)
Net cash flow utilised in investing activities	**(11 762)**	(14 799)	(14 430)
Payments made for the acquisition of equipment	**(7 044)**	(7 041)	(9 724)
Payments made for the acquisition of other intangible assets	**(4 718)**	(7 758)	(4 706)
Net cash flows from financing activities	**(150 633)**	145 653	138 411
Lease liabilities repaid	**(2 449)**	(2 440)	(4 683)
Proceeds from bank overdraft	**16 586**	846 569	1 275 469
Repayment of bank overdraft	**(164 770)**	(698 475)	(1 132 375)
Net (decrease)/increase in cash and cash equivalents	**(133 520)**	(23 437)	340 522
Cash and cash equivalents at the beginning of the period	**804 533**	464 011	464 011
Cash and cash equivalents at the end of the period	**671 013**	440 574	804 533

GROUP EQUITY VALUE

For the period ended 30 June 2026

The group equity value comprises:

- the value of the shareholders' net assets
- fair value adjustments
- the value of in-force business including the value of new business written during the period.

The equity value represents an estimate of the economic value of the life insurance covered business excluding the value attributable to future new business. Covered business represents the group's long-term insurance business for which the value of new and in-force contracts is attributable to shareholders.

The value of in-force business is the present value of future after-tax profits arising from business in force at the valuation date, discounted at the risk discount rate, and adjusted for the cost of capital required to support the business.

The value of new business represents the value of projected after-tax profits at the point of sale arising from new policies sold during the period ended 30 June 2026, accumulated to the end of the period at the risk discount rate. The value is adjusted for the cost of capital required to support the new business.

Group equity value results	Period to 30 Jun 2026 P'000	Period to 30 Jun 2025 P'000	Year to 31 Dec 2025 P'000
Shareholders' net assets after fair value adjustments	**3 541 409**	2 628 320	2 815 850
Shareholders' net assets, excluding goodwill	**3 541 409**	3 042 856	3 243 887
Asset mismatch reserve (AMR)	**–**	(414 536)	(428 037)
Value of in-force	**1 377 154**	2 173 437	1 979 735
Value before cost of capital	**1 536 088**	1 856 681	1 903 089
Fair value adjustments	**78 417**	402 058	146 038
Cost of capital	**(237 351)**	(85 302)	(69 392)
Group equity value at the beginning of the year	**4 795 585**	4 655 682	4 655 682
Impact of AMR release	**(356 894)**	–	–
Group equity value at the beginning of the year – restated	**4 270 810**	4 655 682	4 655 682
Group equity value at the end of the period	**4 918 121**	4 801 757	4 795 585
Required capital	**326 161**	376 076	349 986
Required capital cover	**10,9**	8,1	9,3
Group equity value per share (Pula)	**17,26**	16,86	16,83
Share price (Pula)	**23,75**	23,01	23,02
Share price premium/discount (Pula)	**6,49**	6,15	6,19
Group equity value earnings	**243 416**	273 262	272 304
Change in group equity value	**647 310**	146 076	139 903
Movement in capital	**(563 422)**	13 238	(132 529)
Dividends paid	**159 528**	113 948	264 930
Return on group equity value (%)	**11,7**	12,1	5,8
Return on group equity value (normalised) (%)	**10,5**	15,6	14,3

GROUP EQUITY VALUE (UNAUDITED) continued

For the period ended 30 June 2026

Group equity value results continued	Period to 30 Jun 2026 P'000	Period to 30 Jun 2025 P'000	Year to 31 Dec 2025 P'000
These earnings can be analysed as follows:			
Expected return on life business in force	**107 649**	104 220	203 364
Value of new business	**66 164**	83 862	186 217
Value at point of sale	**66 164**	83 862	186 217
Operating experience variances	**25 160**	(6 420)	52 086
Mortality/morbidity	**22 583**	1 512	22 046
Persistency	**(6 391)**	(17 513)	15 842
Expenses	**(5 037)**	11 963	12 739
Working capital	**13 903**	(2 379)	2 386
Other	**102**	(3)	(927)
Operating assumption changes	**(120 616)**	(33 664)	(131 035)
Mortality/morbidity	**(28 039)**	12 258	24 466
Persistency	**(25 100)**	(47 518)	(86 646)
Expenses	**(11 883)**	428	(68 233)
Other	**(55 594)**	1 168	(622)
Group equity value earnings from operations	**78 357**	147 998	310 632
Investment variances	**64 563**	(25 450)	(14 487)
Economic assumption changes	**7 812**	(20 529)	9 262
Investment return	**56 367**	38 695	251 435
Risk discount rate	**(48 555)**	(59 224)	(242 173)
Group equity value earnings from covered business	**150 732**	102 019	305 407
Return on non-covered business	**173 222**	71 733	123 407
Investment returns	**37 278**	(3 738)	7 655
Net profit non-life operations	**135 944**	75 471	115 752
Change in shareholders' fund adjustments	**(80 538)**	99 509	(156 511)
Changes in treasury share adjustments	**674**	1 398	(3 199)
Movement in fair value of incentive scheme shares	**(7 432)**	335	6 109
Movement in present value of holding company expenses	**(34 931)**	(19 490)	(16 617)
Movement in other net worth adjustments	**(38 849)**	117 266	(142 804)
Group equity value earnings	**243 416**	273 261	272 303
a) Value of new business			
Value of new business at point of sale	**66 164**	83 862	186 217
Value before cost of capital	**73 783**	86 845	192 224
Recurring premium	**24 103**	32 818	70 858
Single premium	**49 679**	54 027	121 366
Cost of capital	**(7 618)**	(2 983)	(6 007)
b) Fair value adjustments			
Staff share scheme	**(58 108)**	(56 450)	(50 676)
Non-life operations write-up to fair value	**542 520**	561 728	526 426
Non-life operations write-up to fair value (other)	**(210 178)**	57 058	(167 710)
Group holding expenses	**(238 430)**	(206 373)	(203 500)
Reversal of cross-holding adjustment	**42 172**	46 095	41 498
Total	**77 976**	402 058	146 038
Consisting of:			
Net asset value adjustments			
Value of in-force adjustments	**77 976**	402 058	146 038

COMMENTARY

For the period ended 30 June 2026

ACCOUNTING POLICIES AND PRESENTATION

The accounting policies adopted for the period comply in all material respects with IFRS Accounting Standards. These policies are consistent with those applied for the year ended 31 December 2025.

COMMENTARY

The Botswana macroeconomic environment in the first half of 2026 remained challenging, with limited recovery from the pressures observed in 2025. Economic activity continued to be impacted by subdued global demand for diamonds, tight domestic liquidity conditions, high interest rates and ongoing fiscal constraints resulting in a subdued operating environment for corporates and households.

The mining sector, which remains central to Botswana's external position and fiscal revenues, continued to face pressure amid weak global demand for natural diamonds and broader luxury goods. This was further compounded by heightened geopolitical tensions, including the escalation of the US–Iran conflict, which increased global uncertainty, disrupted trade flows, and contributed to volatility in commodity and energy markets. These developments weighed on export earnings and external balances.

Non-mining sector growth remained subdued, reflecting persistent structural inefficiencies, low productivity and constrained Government spending as debt continued to escalate. This contributed to slower business activity and limited growth in household disposable income.

Liquidity conditions have eased somewhat but interest rates and funding costs remained elevated due to the pace of government borrowing. The Bank of Botswana maintained a cautious policy stance, and directed banks to hold prime lending rates unchanged. Nevertheless, bank lending rates remained high and the demand for credit subdued. The Bank of Botswana increased its Monetary Policy Rate (MoPR), but this was more focused on recalibration and closing the gap with the Government yield curve rather than monetary tightening. Foreign exchange reforms, including adjustments to trading margins and reducing the disincentive for export proceeds conversion, supported gradual improvements in foreign currency market depth.

Inflation increased sharply during the period, reaching double digits on the back of sharply increased global fuel prices. Global energy price volatility arising from geopolitical developments, particularly the US–Iran conflict, together with imported food inflation and exchange rate movements, continued to present risks to price stability.

Sovereign credit risk remained elevated following the ratings downgrades by Moody's and S&P Global Ratings in late 2025 and early 2026, reflecting fiscal pressures, rising public debt and increased exposure to external shocks. While Botswana continues to retain investment-grade status, the negative outlook highlights heightened sensitivity to fiscal developments and global economic conditions.

Overall, the outlook for the remainder of 2026 remains cautiously balanced. While some stabilisation is expected, risks remain skewed to the downside, driven by persistent global uncertainty, commodity price volatility, and domestic fiscal pressures. Notwithstanding these challenges, Botswana's strong institutional framework, sound governance structures and track record of prudent macroeconomic management continue to provide resilience. Debswana is anticipating a significant increase in diamond production in 2026, which should provide a lift to headline GDP growth; however, this may not have much immediate spillover to the rest of the economy.

FINANCIAL OVERVIEW

	30 Jun 2026 P'000	30 Jun 2025 P'000	31 Dec 2025 P'000	% change
Net result from life insurance operations	**207 727**	88 037	279 359	136
Result from other operations	**79 743**	54 017	95 666	48
Core earnings	**287 470**	142 054	375 025	102
Net impairment losses on financial and contract assets	**(6 680)**	(4 144)	(7 276)	61
Finance cost on leases (IFRS 16)	**(803)**	(678)	(1 725)	18
Equity-accounted earnings	**245 596**	148 573	185 710	65
Impairment of an associate	**(99 108)**	(84 678)	(84 163)	17
Profit before tax	**426 475**	201 127	467 571	112
Tax	**(92 336)**	(49 649)	(143 179)	86
Profit or loss after tax	**334 139**	151 478	324 392	121
Profit attributable to:				
– Equity holders of the parent	**334 888**	151 680	326 411	121
– Minority interest	**(749)**	(202)	(2 019)	271
Total profit for the period	**334 139**	151 478	324 392	121

Core earnings

Group net results from life insurance operations increased by 136% to P208 million for the period ended 30 June 2026 (June 2025: P88 million). The improvement was driven by the performance of the investment service result which experienced favourable movement of the yield curve in the short end resulting in assets creating mismatch profits. Results from other operations overall improved by 48% due to higher investment returns.

Equity-accounted earnings

Equity-accounted earnings increased by 65%, mainly attributable to the continued strong performance of the Nico Group. However, the reported growth should be considered in the context of the challenging macroeconomic environment in Malawi, which is characterised by high inflation and persistent foreign exchange shortages. Accordingly, a portion of the growth in reported earnings may reflect inflationary and currency-related effects rather than underlying real economic growth and therefore may not be fully supported by strong underlying economic fundamentals. A hyperinflation adjustment of P114 million has been recognised to reflect the impact of high inflation. However, the translation of Nico Group's earnings into Botswana Pula has not been adjusted for the potential impact of further currency depreciation that may apply to the repatriation of dividends and carrying value of the Nico investment. This represents a potential risk to the translated value of the earnings and may result in the reported equity-accounted contribution overstating the underlying economic benefit when viewed in a stable currency context.

A P99 million impairment was also recognised during the period in respect of Letshego Africa Holdings, following the decline in its listed share price over the six-month period.

Shareholder return

The group equity value increased to P4,92 billion from P4,80 billion, representing a ROGEV of 11,7%, a slight drop from 12,1% reported in the prior period. The group equity value allowed for dividends of P160 million paid during the period ended 30 June 2026. The increase in group equity value is driven by an increase in the net asset value following the release of the AMR, partially offset by a decline in the value of in-force for life operations (down 37% from June 2025) and lower fair value adjustments for non-life businesses.

Overview of operations by business segment

For management purposes, the group is organised into two principal business areas based on their products and services, and these make up the reportable operating segments as follows:

- The **life insurance** segment which provides life insurance services to its customers through Botswana Life Insurance Limited, Botswana's leading life insurance company, a wholly-owned subsidiary of the group
- The **asset management** segment which provides asset management services to its customers through Botswana Insurance Fund Management Limited (Bifm), and Bifm Unit Trusts, both subsidiaries of the group.

Segments that do not fall under the two key segments have been classified under 'other'. These comprise of associate businesses (Letshego Africa Holdings Limited, Nico Holdings PLC, Botswana Insurance Company Limited, Grand Reinsurance Tanzania and BIHL Insurance Company Limited (Insure Guard)), Kgolo Ya Sechaba (KYS) and the holding company.

Inter-segment transactions between business segments took place on an arm's-length basis in a manner similar to transactions with third parties. Segmental income, segment expenses and segment results include those transfers between business segments, which are eliminated on consolidation.

SEGMENT RESULTS

For the period ended 30 June 2026	Life business P'000	Asset management P'000	Other P'000	Inter-segmental P'000	Consolidated P'000
Net insurance service result	105 667	–	–	–	105 667
Investment service result	107 291	–	–	–	107 291
Other expenses relating to insurance operations	(5 231)	–	–	–	(5 231)
Net result from life insurance operations	207 727	–	–	–	207 727
Revenue from contracts with customers	69 419	88 908	–	(18 935)	139 392
Investment income	170 430	484 248	20 156	(146 503)	528 331
Investment surpluses	156 468	(20 755)	–	29 178	164 891
Change in fair value of external investors' liabilities	–	(429 477)	–	111 162	(318 315)
Change in fair value of investment contract liabilities	(258 690)	–	–	–	(258 690)
Sales remuneration	(31 072)	–	–	–	(31 072)
Administration expenses	(41 219)	(75 719)	(42 797)	14 941	(144 794)
Other administration expenses	(30 672)	(74 513)	(41 652)	13 275	(133 562)
Depreciation	(4 520)	(369)	(316)	–	(5 205)
Amortisation and impairment	(2 809)	–	–	–	(2 809)
Right-of-use asset depreciation	(3 218)	(837)	(829)	1 666	(3 218)
Net results from other operations	65 336	47 205	(22 641)	(10 157)	79 743
Other impairments	(6 680)	–	–	–	(6 680)
Profit before equity-accounted earnings	266 383	47 205	(22 641)	(10 157)	280 790
Finance cost on leases	(803)	(554)	(443)	997	(803)
Equity-accounted earnings	–	–	245 596	–	245 596
Impairment of an associate	–	–	(99 108)	–	(99 108)
Profit before tax	265 580	46 651	123 404	(9 160)	426 475
Income tax expense	(69 157)	(3 189)	(19 990)	–	(92 336)
Profit after tax	196 423	43 462	103 414	(9 160)	334 139
Total assets	13 658 601	10 293 792	2 269 901	(4 053 622)	13 658 601
Total liabilities	12 283 143	9 680 144	52 697	(3 395 037)	12 283 143
Return on equity value (%)	18,1	5,7	n/a	n/a	11,7

For the period ended 30 June 2025	Life business P'000	Asset management P'000	Other P'000	Inter-segmental P'000	Consolidated P'000
Net insurance service result	86 664	–	–	–	86 664
Investment service result	2 638	–	–	–	2 638
Other expenses relating to insurance operations	(1 265)	–	–	–	(1 265)
Net result from life insurance operations	88 037	–	–	–	88 037
Revenue from contracts with customers	68 840	93 641	–	(22 103)	140 378
Investment income	50 332	290 194	(15 290)	(102 182)	223 054
Investment surpluses	66 398	8 457	–	16 493	91 348
Change in fair value of external investors' liabilities	–	(262 789)	–	111 496	(151 293)
Change in fair value of investment contract liabilities	(103 979)	–	–	–	(103 979)
Sales remuneration	(24 435)	–	–	–	(24 435)
Administration expenses	(47 256)	(64 997)	(15 718)	6 915	(121 056)
Other administration expenses	(28 095)	(63 779)	(14 552)	5 564	(100 862)
Depreciation	(9 029)	(420)	(502)	–	(9 951)
Amortisation and impairment	(7 555)	(88)	(23)	–	(7 666)
Right-of-use asset depreciation	(2 577)	(710)	(641)	1 351	(2 577)
Net results from other operations	9 900	64 506	(31 008)	10 619	54 017
Other impairments	(4 144)	–	–	–	(4 144)
Profit before equity-accounted earnings	93 793	64 506	(31 008)	10 619	137 910
Finance cost on leases	(678)	–	–	–	(678)
Equity-accounted earnings	–	–	148 573	–	148 573
Impairment of an associate	–	–	(84 678)	–	(84 678)
Profit before tax	93 115	64 506	32 887	10 619	201 127
Income tax expense	(21 397)	(16 393)	(11 859)	–	(49 649)
Profit after tax	71 718	48 113	21 028	10 619	151 478
Total assets	14 170 051	8 305 357	2 082 486	(4 004 066)	20 553 828
Total liabilities	12 309 102	7 797 054	262 093	(2 861 107)	17 507 142
Return on equity value (%)	8,1	39,6	n/a	n/a	12,1

LIFE INSURANCE BUSINESS

Net results from life insurance operations increased by 136% compared to the prior period, closing at P208 million, primarily driven by a significant improvement in the investment service result. The improvement reflects favourable movements in the yield curve during the period, which resulted in positive valuation impacts arising from the duration mismatch between assets backing insurance liabilities and the underlying liability profile. The downward movement in the short end of the yield curve, where the group holds a higher concentration of assets relative to liabilities, resulted in asset valuation gains. Conversely, the upward movement at the longer end of the curve reduced the present value of long-term insurance liabilities, further contributing positively to the result.

ASSET MANAGEMENT BUSINESS

Bifm Group's operating profit for the period registered a 20% year-on-year decline driven by a decrease in average AUM. Bifm Unit Trusts recorded a positive performance as the operating profit closed 107% above the prior year. Bifm AUM closed the period at P40,2 billion (December 2025: P39,3 billion), a P2 billion drop from June 2025.

CAPITAL MANAGEMENT AND SOLVENCY

The group remains well-positioned in terms of capital management and solvency. This was taken into consideration by the board when resolving to declare an interim dividend. The group's capital cover is 10,9 times, having increased from 9,3 times at December 2025. The increase is mainly due to the increase in net asset value after releasing the AMR and, to a lesser extent, due to a reduction in required capital caused by a reduction in the underlying business risks.

GOING CONCERN

The directors have further reviewed the group's funding position and available sources of funding and conclude that these are adequate to support the group's funding requirements. Based on this review and considering the current financial position and profitable trading history, the directors are satisfied that the group has adequate resources to continue in business for the foreseeable future. The going concern basis, therefore, continues to apply and has been adopted in the preparation of these abridged interim financial statements.

LOOKING AHEAD

Botswana's insurance sector faces a muted near-term outlook due to macroeconomic pressure from diamond sector weakness, slow GDP growth, high interest rates and constrained household finances, which are weighing on premium growth, increasing lapse rates and driving expense inflation. Despite this, the industry remains structurally resilient, supported by low penetration, steady demand for savings and risk products, and a relatively stable financial system.

From a BIHL perspective, the group is well-positioned as a leader, underpinned by strong capital adequacy, diversified earnings (insurance and asset management) and consistent operational performance, although growth is expected to remain modest in the short term.

DIVIDEND DECLARATION

The directors have resolved to declare an interim dividend of 43 thebe per share (not subject to tax). The important dates pertaining to the dividends are:

Declaration date	20 August 2026
Ex-dividend date	6 October 2026
Record date	8 October 2026
Payment of dividend	20 October 2026

For and on behalf of the board

Dr Keith Jefferis
BIHL Group Board Chairman

Catherine Lesetedi
Group Chief Executive Officer

20 August 2026

CORPORATE INFORMATION

BOTSWANA INSURANCE HOLDINGS LIMITED
Incorporated in 1990 in Botswana
Company registration number: BW00000798601

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Edwin Elias
Mark Hopkins[3]
Kate Maphage
Dr Athalia Molokomme
Pragnaben Naik[1]
Mustafa Sachak[3]
Charles Tawdros[1]

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