



FULL YEAR 2025  
AUDITED FINANCIAL RESULTS

# Fact sheet

## DECEMBER 2025

ENTER

# Financial highlights

The Board of Directors of Letshego Africa Holdings Limited ("the Group") herewith presents an extract of the audited consolidated financial results for the year ended 31 December 2025.



The Group's full-year results for FY2025 reflect a business that has made meaningful progress in strengthening its underlying performance, notwithstanding the impact of strategic portfolio actions on earnings. Continuing operations delivered a significant improvement in profitability, supported by enhanced credit quality, disciplined risk management and renewed commercial momentum across core Southern African markets. At the same time, the classification of the East and West African portfolio as discontinued operations aligned to the Board's strategy to optimise the Group's footprint and unlock shareholder value, and has had an effect on the consolidated results for the period.

Encouragingly, the fundamentals of the business have improved, with stronger earnings quality, a more resilient funding profile and continued traction in deposit mobilisation and digital channels. These outcomes reflect deliberate actions taken over recent years to clean up legacy portfolios, sharpen execution and refocus the Group on sustainable, risk-adjusted returns. While macroeconomic and liquidity pressures persist in certain markets, the Board is confident that Letshego is better positioned to navigate these dynamics and deliver on its strategic priorities, underpinned by a clearer portfolio focus and a strengthened operational foundation.

**CHRISTOPHER MOKGWARE**  
Group Chairperson



Our FY2025 results showcase a year of disciplined execution against our operational priorities, with continuing operations showing a clear step-up in performance across key financial and credit indicators. Momentum across our core Southern African markets remained strong, driven by tighter underwriting, enhanced collections and a more focused product mix, which together supported a significant reduction in impairments and a meaningful improvement in profitability. In parallel, continued growth in non-funded income and steady progress in deposit mobilisation point to a business that is becoming more diversified and operationally resilient.

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

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

## Consolidated results



Loss after taxation – consolidated  
**up 152%**  
to BWP(235.5) million  
(FY 2024: BWP(93.3) million)



Profit after taxation – continuing operations  
**up 362%**  
to BWP284 million  
(FY 2024: BWP61.4 million)



Loss after taxation – discontinued operations  
**up 236%**  
to BWP(519.5) million  
(FY 2024: BWP(154.8) million)

## Continuing operations



Net interest income  
**up 3%**  
to BWP1.47 billion  
(FY 2024: BWP1.43 billion)



Non-funded income  
**up 26%**  
to BWP552.8 million  
(FY 2024: BWP438.4 million)



Net impairments  
**down 77%**  
to BWP124.8 million  
(FY 2024: BWP533.6 million)



Net advances  
**down 14%**  
to BWP11.7 billion  
following transfer of Disposal Group advances to 'assets held for sale'  
(FY 2024: BWP13.6 billion)



Customer deposits  
**up 4%**  
to BWP2.2 billion  
despite transfer of Disposal Group deposits to 'liabilities directly associated with assets held for sale'  
(FY 2024: BWP2.1 billion)



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



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



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



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



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



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

## Country Performance Highlights



### Namibia

Profit after taxation

up **24%**

to **BWP384 million**

(FY 2024: BWP310 million)



### Mozambique

Profit after taxation

up **56%**

to **BWP310 million**

(FY 2024: BWP199 million)



### Botswana

Profit after taxation

up **23%**

to **BWP214 million**

(FY 2024: BWP174 million)



### Tanzania

Profit after taxation

up **208%**

to **BWP40 million**

(FY 2024: loss of BWP37 million)



### Ghana

Profit after taxation

up **203%**

to **BWP70 million**

(FY 2024: loss of BWP68 million)



# Executive and macro overview

Sub-Saharan Africa's economy sustained a moderate recovery through 2025, with GDP growth now estimated in the 3.8% to 4.2% range for the year, supported by easing inflation and resilient domestic demand. Growth is expected to edge up modestly to around 4.2% to 4.3% in 2026, though operating performance remains uneven across countries. Tight global financing conditions, elevated borrowing costs, and high debt-servicing burdens continue to constrain fiscal space and investment, leaving the region exposed to external shocks.

In Tanzania, political unrest following the October 2025 elections has weakened investor confidence and disrupted trade and tourism flows, introducing heightened short-term uncertainty to East Africa's outlook. Botswana's economy continued to underperform, as prolonged global weakness in global diamond demand continues to weigh heavily on growth with a lower contraction expected in 2025 compared to 2024 despite ongoing government spending restraint and diversification efforts. Namibia maintained moderate growth of around 3.5% to 3.8% in 2025, with prospects strengthening into 2026 on the back of mining activity, green hydrogen developments, and continued recovery in tourism, although climate and external demand risks persist.

The Group remains vigilant to downside risks from global economic fragmentation, geopolitical tensions emanating primarily from the ongoing conflict in the Middle East, debt vulnerabilities, and climate-related shocks. It continues to monitor evolving macroeconomic, political, and market conditions across its operating countries, incorporating scenario analysis and policy developments to support resilience, informed decision-making, and strategic readiness.

Letshego delivered a solid underlying performance in FY2025, building on the recovery in the prior year, with normalised headline earnings reflecting continued operational recovery across its core markets. Despite consolidated results being impacted by discontinued operations, the Group's continuing operations demonstrated strong earnings quality, improved credit outcomes and renewed commercial momentum across product lines, underscoring a strengthened foundation for sustainable value creation.

## Discontinued operations and portfolio realignment

As part of the Board's strategy to optimise the Group's portfolio of businesses and to unlock shareholder value, the Board approved a plan during the second half of the year to explore the sale of some of the Group's business interests in East and West Africa (namely in the geographies of Ghana, Tanzania, Rwanda, Nigeria and Uganda). Consequently, at 31 December 2025, the East and West Africa businesses in question were classified as a 'disposal group held for sale' and as a 'discontinued operation', whilst the business operations

that will remain in the Group following the proposed disposal transaction have been classified as 'continuing operations'.

The discontinued portfolio contributed a loss after tax of BWP519.5 million, driven by IFRS 5 valuation impairment of BWP570.7 million resulting in a total consolidated loss after tax of BWP235.5 million (FY2024: BWP93.3 million loss).

Despite the classification, Tanzania, Uganda, Ghana and Rwanda delivered improvements in profitability, collections, digital disbursements and deposit growth.

## Strong profitability in continuing operations

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

- ▶ Profit after tax from continuing operations rose to BWP284 million (FY2024: BWP61.4 million), supported by improved credit performance and revenue growth.
- ▶ Operating income grew 8% to BWP2 billion, driven by solid Deduction at Source ("DAS") led activity in Namibia and Mozambique and strengthened insurance contributions.
- ▶ Net interest income increased 3% to BWP1.47 billion, while non-funded income rose 26% to BWP552.8 million.
- ▶ Net impairments reduced 77% to BWP124.8 million, reflecting enhanced underwriting, the clean-up of legacy portfolios, and stronger collections across Botswana, Eswatini and Kenya.
- ▶ Loan loss ratio improved to 1%, reinforcing improved credit quality.
- ▶ Southern Africa remained the Group's performance anchor:
  - **Mozambique:** Profit after tax up 56%, supported by strong deposit mobilisation and a 77% reduction in impairments.
  - **Namibia:** Profit after tax up 24%. Strong growth from the Group's expanded digital product offering, together with enhanced insurance income and improved customer experience.
  - **Botswana:** Profit after tax up 23%, with improved credit metrics and renewed loan growth momentum.

### Stronger funding position and liquidity discipline

FY2025 saw a meaningful shift in the Group's funding mix, aligned with its strategy to strengthen local funding and reduce reliance on wholesale obligations.

- ▶ Total customer deposits increased by 64% to BWP3.5 billion, driven by strong performance in major deposit markets and improved digital servicing.
- ▶ Borrowings in continuing operations declined by 16% year-on-year as the Group rebalanced towards deposits.
- ▶ Despite liquidity pressures in the Botswana market, the Group remained adequately funded at consolidated level, supported by strengthened intra-group cash management and cost rationalisation initiatives.

### Proactively positioned to generate shareholder value

With continuing operations showing strong profitability, enhanced credit quality, and improved funding resilience, Letshego enters the next strategic phase better equipped to drive sustainable returns. The strategic review of the East and West Africa portfolio is progressing, while operational discipline, capital optimisation and tax efficiency remain central to the medium term value creation agenda.

The Group's improved underlying performance, restored asset quality and strengthened funding base provide a robust platform for long-term shareholder value.

	FY2025 BWP	FY2024 BWP	Change %
<b>Consolidated</b>			
Loss after tax	(235.5m)	(93.3m)	152%
Total assets	19.01bn	17.96bn	6%
Basic loss per share (thebe)	(15.3t)	(7.4t)	
Capitalisation ratio	22%	24%	
<b>Continuing operations</b>			
Interest income	2.74bn	2.65bn	4%
Interest expense	1.28bn	1.22bn	(5%)
Net interest income	1.47bn	1.43bn	3%
Non-funded income	552.8m	438m	26%
Total operating income	2.0bn	1.86bn	8%
Net impairment expense	124.8m	533.6m	77%
Profit before tax	689.6m	345.9m	99%
Profit after tax	284.0m	61.4m	362%
Net customer advances*	11.7bn	13.57bn	(14%)
Customer deposits*	2.24bn	2.15bn	4%
Cost-to-income ratio	60%	52%	
Loan loss ratio	1%	4.5%	
Basic earnings per share (thebe)	9.4	(0.1)	
Effective tax rate	59%	82%	
Debt-to-equity ratio	167%	196%	
<b>Discontinued operations</b>			
Loss after tax	(519.5m)	(154.8m)	(236%)

\* In classifying some of the Group's businesses as discontinued Operations, the current year balances in the above only constitutes amount for continuing operations, whereas in the prior year the balances presented constitute both continuing and discontinuing operations. This is in keeping with the manner in which Balance Sheet items are presented in the accounting records per the applicable accounting standards.



## Sustainability Update

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

**48% of Letshego Core Lending Portfolio Disbursements in 2025 were for Productive use**

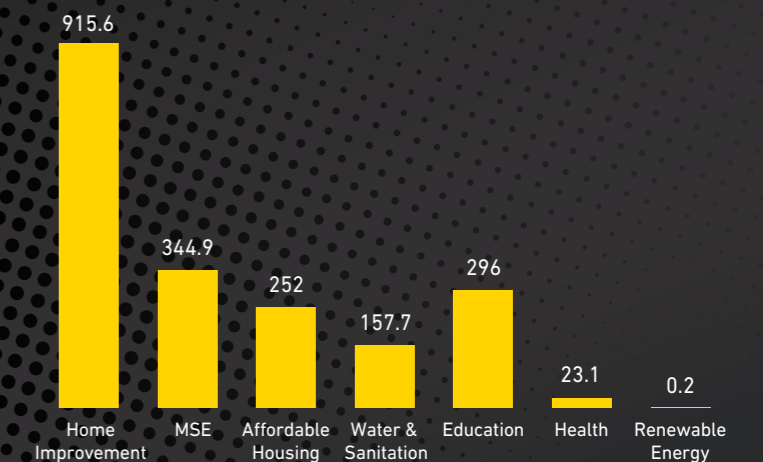
ESG total borrowers  
**71 517**

ESG total disbursement  
**BWP 1.990bn**

ESG % of Group borrowers  
**53%**

ESG % of Group disbursement  
**48%**

DISBURSEMENT BY CATEGORY (BWP Millions)



# Financial performance overview

The Group incurred a loss after tax of BWP235.5 million in comparison to a loss of BWP93.3 million reported in the prior year. The current year results were highly impacted by a BWP519.5 million 'loss after tax from discontinued operations', following the decision to classify the Group's business interests in East and West Africa as a 'disposal group held for sale', and the adoption of the required International Financial Reporting Standards (IFRS) accounting treatment relating to such an occurrence. Regarding its 'continuing operations', the Group however generated a profit after tax of BWP284 million, in comparison to BWP61.4 million for the prior year, with the growth mainly driven by a strong revenue performance in the Southern Africa markets of Namibia and Mozambique and improved expected credit losses in Botswana, Eswatini and Kenya.

Operating income from continuing operations increased 8% year-on-year to BWP2 billion, spurred by growth in DAS business in Mozambique and Namibia, together with growth in income from insurance arrangements within the same jurisdictions.

## Regional Performance

### Southern Africa

In our Southern African markets, Namibia, Botswana and Mozambique remained the main contributors to the Group's overall performance whilst Lesotho and Eswatini returned to near trend profitability levels. Namibia strengthened its digital channels and systems integration to enhance customer experience, improve operational efficiency, and support scalable digital lending. At the same time, the product offering was expanded by introducing innovative lending solutions to better serve financially underserved customers across diverse income segments. Profit After Tax grew from BWP310 million, in 2024 to BWP384 million, up 24%, driven by an increase in net Interest Income and net insurance, while also showing a strong Return on Average Equity of 17.87% compared to 15.04% in the same period last year. The business remains well-capitalised with a capital adequacy ratio of 28% compared to 30% in the previous year.

Our business in our core market of Botswana continued on its recovery path, shedding the non-performing legacy individual lending portfolios in 2025 to deliver a 23% increase in Profit After Tax with key improvements across credit metrics, despite difficult trading conditions. Net Impairments declined 59% year-on-year, write-offs declined by 34% reflecting the ongoing strategic exit from the non-performing Individual lending portfolio. Advances to Customers grew 5% despite the increased write-offs reflecting stronger sales momentum in the second half of the year.

Lesotho and Eswatini returned to trend profitability following negative performances from the year prior.

In Mozambique, Net Profit surged 56% to BWP310 million from BWP199 million when compared to prior year driven by a strong growth in total assets of 5% and powered by an exceptional 58% growth in customer deposits. Deposit mobilisation success was realised through a 76% increase in term deposits, enabling the early repayment of high-cost funding while impairments provisions dropped 77% and non-performing loans improving from 4.95% to 4.42% year-on-year.



### East and West Africa

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

Uganda had increased settlement rates and reduced customer appetite on the DAS book which led to a contraction in the advances portfolio and associated revenue. Net income from operations declined by 46% from BWP26.5 million to BWP14.4 million. Despite this, Uganda's mobile-led transformation agenda gained notable traction with 118 868 clients supported through digital channels. This underscores strong market reach and highlights the growing potential for financial inclusion. Performance was further supported by aggressive collections and contributions from digital lending.

Ghana maintained a strong market position holding nearly 50% share in the digital mobile loan segment grew significantly by 664%, largely driven by the declassification from a hyperinflationary environment, despite increased competition and new market entrants. Expansion of the mobile loan portfolio drove higher net interest income growth. Expected credit losses for Ghana increased following the implementation of Time-in-Default LGD for Mobile Loans, a trend further exacerbated by delays in write-off approvals. This performance significantly contributed to increased

transaction volumes and supported overall topline revenue growth. Customer deposits grew by 136% year-on-year; enhancing funding diversification and reinforcing balance sheet resilience.

Rwanda delivered improved performance reporting of BWP15 million, representing 89% YoY growth. This was primarily driven by reduced interest expense on borrowings. Deposit balances also recorded strong growth, increasing by a 47% year-on-year increase.

Kenya reported a Loss Before Tax of BWP12.4 million, representing an improvement compared to the prior year. This was supported by cost containment measures and an enhanced collections strategy. However constrained lending capacity resulted in a 35% contraction in the loan book, leading to a subdued net interest amid a tight collections environment and underfunding. Impairments provisions improved YoY decreasing from BWP171 million to BWP143 million, driven by better management of the current book.

Nigeria recorded a net loss from operations of BWP1.3 million, impacted by reduced book quality which led to elevated impairment charges and increased borrowing costs. Net advances growth slowed down during the year due to a freeze on the deduction at source portfolio driven by weak collections and elevated ECL levels, non-remittance of deduction at source loan deductions by government agencies, coupled with the decentralisation of deduction points.

# Group Profit Performance

The current year results were materially impacted by a BWP519.5 million loss after tax recorded from discontinued operations, following the reclassification of some of the Group's business interests in East and West Africa as a 'disposal group held for sale'. Consequently, the Group incurred a loss after tax of BWP235.5 million in comparison to a loss of BWP93.3 million reported in the prior year. However, with regard to its 'continuing operations', the Group generated a profit after tax of BWP284 million, in comparison to a profit of BWP61.4 million in the prior year, reflecting the remaining business' poise for future growth.

## Operating income

Operating income from continuing operations increased 8% year-on-year to BWP2 billion, spurred by growth in DAS business in Mozambique and Namibia, which was the main contributor to the 4% growth in top-line interest income to BWP2.7 billion. Non-funded income grew 26% to BWP552.8 million stemming from income from insurance arrangements within the same jurisdictions of Namibia and Mozambique.

Detail on specific income statement components is provided as follows:

## Total operating expenses

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

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

- ▶ **Direct costs** were down 7% year-on-year.
- ▶ **Other operating costs** that registered growth from prior year included Depreciation and amortisation (up 39%), Insurance – customer short term (up 34%), and Consultancy fees (up 12%).
- ▶ **Staff Costs** are 30% above prior year. In the previous year the Group reversed staff incentive provisions due to non-performance of the overall Group, as these awards are performance-based. Included in the current year are also P17m in costs for the LAHL holding company staff restructuring which took place as part of cost rationalisation efforts. Excluding bonus provisions and restructuring costs, the normalised staff costs are up 14% on prior year mainly driven by Botswana and Namibia growth in staff complement to meet support business requirement.

Cost to income ratio (CIR) from continuing operations stood at 60%, up from 52% in the prior year.

## Effective Tax Rate (“ETR”)

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

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

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



## Credit portfolio performance and risk management

### Strong Credit Outcomes Enabled by Deliberate Portfolio Realignment

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

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

### Asset Quality

Asset quality improved on the back of tighter underwriting, enhanced early delinquency controls and strategic write-offs of legacy test-and-learn portfolios. PAR30 improved to 11.4% (FY2024: 11.6%) and NPL to 8.0% (FY2024: 8.4%). The NPL coverage ratio closed at 67%; Stage 3 coverage at 69%.

The significant improvement was primarily achieved through the targeted write-offs of underperforming loans linked to the "test-and-learn" initiatives launched since 2021. This was complemented by robust collections and recoveries, where enhanced processes and targeted campaigns led to improvements in the quality of historically distressed portfolios, particularly the deployment of field tracers and leveraging external partnerships. The introduction of alternative collection mechanisms for non-traditional mobile loan products also improved performance in markets like Eswatini. Stringent underwriting standards, especially for new loans booked in 2024 and 2025, effectively controlled bucket migrations and supported stronger credit quality from origination.

Despite the overall gains, these were partially offset by increased credit stress in certain markets. Uganda and Nigeria saw a rise in non-performing loans, mainly due to underperformance of the deduction at source product, stemming from delayed employer payments and changes in deduction management systems. Across both East and West Africa, deteriorating macroeconomic conditions, localised environmental pressures, and heightened recovery challenges, particularly in Non-Government DAS products and legacy MSE portfolios, contributed to increased portfolio strain and higher write-offs.

### Stage 3 Coverage and Credit Risk Developments

The Stage 3 coverage ratio closed the year at 67%, compared to 69% in FY 2024. The marginal decrease reflects the Group's adoption of an enhanced Loss Given Default (LGD) methodology, which incorporates long dated defaults under the Time in Default framework. This was complemented by the transition of the Probability of Default (PD) methodology from cumulative roll rates to the more robust chain ladder approach, implemented during the 2024 reporting cycle.

The Group's overall risk profile was further influenced by the accelerated migration of exposures into default, alongside the strategic write-off underperforming "test and learn" products. These included open source individual lending in Botswana and Lesotho, as well as the accelerated write-off mobile loan portfolios in Ghana and Tanzania, which experienced delays in regulatory approvals.

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

### Operational Splits – FY 2025

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

### Continuing vs. Discontinued Portfolios

Continuing operations recorded improved NPL (7.4%), low loss rate (1.0%), and net impairment expense (P125m). Discontinued portfolios reflected elevated PAR due to legacy exposures in run-off.

### Recovery Performance and Loss Rates

Post write-off recoveries increased to P276 million (FY2024: P229 million). The actual loan loss rate decreased to 3.2% (FY2024: 5.4%). Excluding once-off items, the loan loss rate remained stable at 2.0%.

Increases in NPL inflows were observed in Ghana, Tanzania, and Nigeria driven by residual mobile loan balances and DAS remittance delays. Kenya experienced elevated defaults due to macroeconomic pressures and legacy MSE exposures. Botswana and Lesotho recorded write-offs from discontinued open market lending fully provisioned in line with prudent credit practice.

## Funding and liquidity

### Wholesale and Institutional Funding

The Group's funding strategy continued to focus on:

- ▶ Increasing local funding at subsidiary level in order to reduce foreign currency exposures and depreciation risks as well as to reduce dependence on Letshego Group for funding.
- ▶ Diversifying funding sources across Development Finance Institutions, Bank Borrowings and Debt Securities Issuance in order to achieve optimal balance and increase funding agility.
- ▶ Reducing cost of funding by promoting deposit gathering in banking/deposit taking subsidiaries.

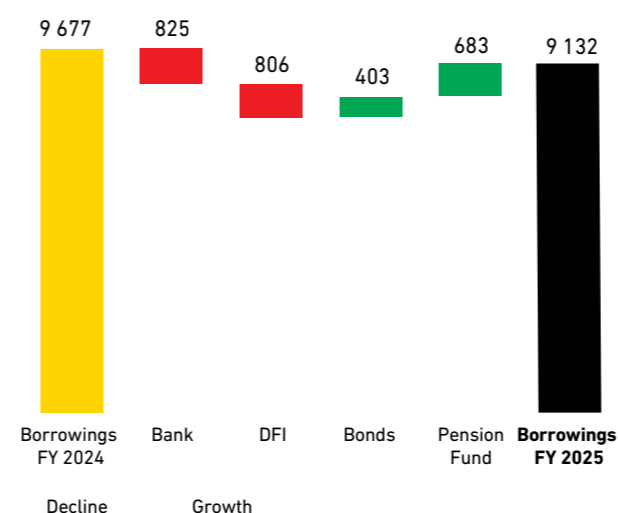
### Borrowings Concentration

The Group's Total borrowings declined to BWP9.13 billion from BWP9.68 billion FY2024, equating to a 6% decline year-on-year. The decline was driven by the Group's strategy to reducing borrowings and grow deposits to fund the growth in advances.

Composition of the Group's borrowings changed in alignment with strategy of driving Note Programmes across different subsidiaries and reducing reliance on Development Finance Institutional (DFIs) and Commercial Bank funding. Commercial Bank funding reduced by BWP825 million and Development Finance Institutional (DFIs) funding reduced by BWP806 million whilst Note Issuances increased by BWP403 million and Pension Fund funding increased by BWP683 million.

Commercial Bank funding reduced to 40.9% (2024: 47.1% of total borrowings in FY2025 (BWP4.56 billion in FY 2024 to BWP3.73 billion in FY2025). DFI funding reduced to 13.6% (2024: 21.1%) of total borrowings in FY2025 (BWP2.04 billion in FY2024 to BWP1.24 billion in FY2025). While bond issuances increased to BWP3.34 billion from BWP2.94 billion in FY2024, equating to 36.6% of total borrowings from 30.4% the previous year and Pension Fund funding increased to BWP0.82 billion from BWP0.14 billion in FY2024, equating to 9% of total borrowings from 1.4% the previous year. The Group intends to deepen the bond issuance across all subsidiaries in order to diversify the funder base for borrowings.

### TOTAL GROUP BORROWINGS (BWP Millions)



### Botswana Market Liquidity

Botswana is currently experiencing a market liquidity squeeze in the banking sector, driven by increased borrowing by the government in the local market to fund the budget deficit which has been exacerbated by the significant decline in diamond sales. This has led to higher borrowing costs and constrained credit expansion.

LAHL as a participant in local bond market has not been spared from the market liquidity issues, which has resulted in challenges in refinancing some of the obligations. This has also been exacerbated by countries which are currently experiencing dollar liquidity shortages. The following strategies have been employed to manage the liquidity stress:

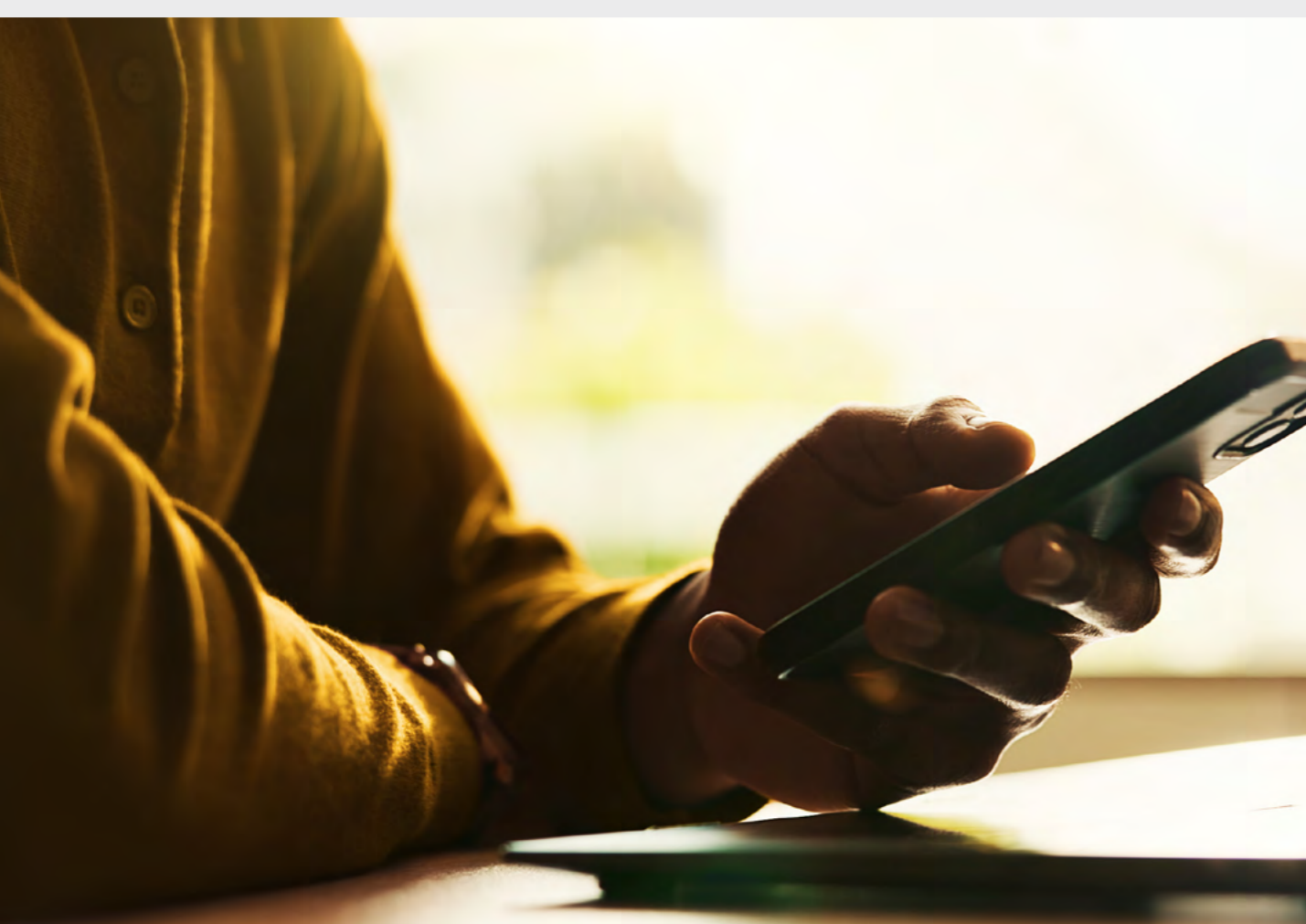
- ▶ Accelerating payment of intercompany loans and management fees by subsidiaries.
- ▶ Payment of outstanding dividends by subsidiaries and extracting excess capital out of countries by declaring special dividends.
- ▶ Staff costs rationalisation at LAHL as well as review of other operating expenses.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

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

Measure	Dec 2025	Dec 2024	Dec 2023
Liquid Assets	2 454	1 659	1 402
Total Funding	12 663	11 824	11 164
Liquid Assets over Total Funding Ratio	19%	14%	13%

### Deposit Mobilisation

The Group's customer deposits increased to BWP3.5 billion in FY2025 (FY2024: BWP2.1 billion), a 64% year-on-year increase. Performance was underpinned by strong traction in our larger deposit markets and continued improvement in smaller books, supported by increased disbursements into own accounts, improved customer acquisition and servicing through digital channels. Going forward, our focus will centre on (i) strengthening everyday banking propositions that deepen primary customer relationships and improve retention, (ii) scaling distribution and access through partnerships (particularly mobile-led channels) to diversify inflows, and (iii) accelerating payments and card-enabled ecosystems to increase transactionality and keep balances active within the Group.





# Looking ahead

## Macro-economic outlook

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

Letshego is acutely aware of the geo-political impact arising from the current Middle East conflict, an external event that portends downside risks to the macro-economic conditions and prospects for its presence markets. Prolonged conflict and Strait of Hormuz disruption (>1 month) would likely shave off approximately one percentage point off the 2026 GDP growth forecast for our oil importing presence countries that consequentially face larger import bills, weaker reserves, currency pressure and inflationary flare ups. Nigeria is expected to record short term boost in this scenario but higher import bills for other commodities would erode the gain.

## Strategic outlook

The Group enters 2026 with a strengthened core business, improved credit quality, and clearer strategic focus. The solid profitability delivered by continuing operations in FY2025 together with decisive actions taken across credit, portfolio optimisation, funding and cost discipline positions Letshego for a more sustainable growth trajectory in the year ahead.

Operationally, the business continues to show broad based recovery, with strong contributions from the Southern Africa markets and improving momentum in selected East and West Africa entities. While vulnerabilities remain in a few portfolios, FY2025 demonstrated that the prudent credit measures and portfolio clean up undertaken over the past two years have materially improved the quality of earnings.

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

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

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

The strategic review of the Group's East and West Africa portfolio continues to advance, with active engagement underway with potential counterparties. As disclosed through the Botswana Stock Exchange, the process remains on track and aligned to expectations. However, no definitive agreements have been reached, and there is no certainty that a transaction will be concluded. Shareholders are therefore advised to continue exercising caution when trading in the Company's securities. The Group remains committed to transparency and disciplined strategic evaluation, ensuring any potential outcome supports long term value creation.

Looking ahead, the Board and management remain focused on business turnaround, sustainable profitability and enhanced shareholder returns. The Board acknowledges and appreciates the continued support of regulators, funders, shareholders and stakeholders throughout what has been a complex and transformative financial year. With a strengthened underlying franchise and a clear strategic direction, the Group is well positioned to navigate evolving market conditions and capture emerging opportunities across its regional footprint in 2026.



# Audited financial statements

The financial statements for the year ended 31 December 2025, from which the financial information in this announcement is set out, have been audited by Ernst & Young, Letshego Group's external auditors. Their audit report is available at the Group's registered office.

For and on behalf of the Board of Directors:

**Christopher Mokgware**  
Group Chairperson

31 March 2026

**Reinette van der Merwe**  
Group Chief Executive Officer

31 March 2026

## Consolidated statement of financial position

	Note	31 Dec 2025 (Audited) P'000	31 Dec* 2024 (Audited) P'000	Change %
<b>ASSETS</b>				
Cash and similar instruments	1	1 951 246	1 658 667	
Investment securities	2	257 797	654 830	
Financial assets at fair value through profit or loss	3	605 877	730 123	
Advances to customers	4	11 667 825	13 569 163	(14)
Insurance contract assets	5	149 216	122 980	
Other receivables	6	189 249	384 754	
Financial assets at fair value through other comprehensive income		11 038	11 038	
Income tax receivable		5 816	13 830	
Assets classified as held for sale	7	3 818 986	–	
Property and equipment	8	86 047	99 353	
Right-of-use assets	9	74 246	95 076	
Intangible assets	10	283 290	393 068	
Goodwill	11	24 246	30 097	
Deferred tax assets		143 347	201 298	
<b>Total assets</b>		<b>19 268 226</b>	<b>17 964 277</b>	<b>7</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	12	572 423	661 386	
Customer deposits	13	2 237 157	2 147 299	4
Cash collateral	14	–	17 038	
Income tax payable		158 025	70 088	
Trade and other payables	15	325 772	328 908	
Liabilities directly associated with assets classified as held for sale	7	2 999 132	–	
Lease liabilities	16	86 034	98 289	
Borrowings	17	8 127 042	9 676 565	
Deferred tax liabilities		239	3 494	
<b>Total liabilities</b>		<b>14 505 824</b>	<b>13 003 067</b>	
<b>Shareholders' equity</b>				
Stated capital	18	897 909	897 909	
Hyperinflation translation adjustment		–	83 920	
Foreign currency translation reserve		(123 400)	(436 182)	
Legal reserve		383 980	417 373	
Share based payment reserve		25 976	18 575	
Retained earnings		3 354 444	3 526 599	
Reserves of a disposal group held for sale		(284 615)	–	
<b>Total equity attributable to equity holders of the parent company</b>		<b>4 254 294</b>	<b>4 508 194</b>	
Non-controlling interests		508 108	453 016	
<b>Total shareholders' equity</b>		<b>4 762 402</b>	<b>4 961 210</b>	
<b>Total liabilities and equity</b>		<b>19 268 226</b>	<b>17 964 277</b>	<b>7</b>

\* In classifying some of the Group's business interests in East and West Africa as a 'disposal group held for sale' and 'discontinued operations', the prior year balances presented constitute amounts relating to both continuing and discontinued operations. This is in keeping with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, which indicates that an entity shall not reclassify or re-present amounts presented for the assets and liabilities of disposal groups classified as held for sale in the statements of financial position for prior periods to reflect the classification in the statement of financial position for the latest period presented.

## Consolidated statement of profit or loss and other comprehensive income

	Note	31 Dec 2025 (Audited) P'000	31 Dec* 2024 (Audited) P'000	Change %
<b>Continuing Operations</b>				
Interest income at effective interest rate	19	2 744 386	2 645 610	4
Interest expense at effective interest rate	20	(1 268 258)	(1 208 652)	(5)
Other interest expense	20.1	(9 212)	(11 513)	20
<b>Net interest income</b>		<b>1 466 916</b>	<b>1 425 445</b>	<b>3</b>
Fee and commission income	21	41 575	43 265	(4)
Other operating income	22	265 035	189 230	40
Insurance revenue	23	335 508	325 671	3
Insurance service expense	23	(89 270)	(119 782)	25
Insurance service result		246 238	205 889	20
<b>Total Non-funded income</b>		<b>552 848</b>	<b>438 384</b>	<b>26</b>
<b>Operating income</b>		<b>2 019 764</b>	<b>1 863 829</b>	<b>8</b>
Expected credit losses	24	(124 754)	(533 573)	77
<b>Net operating income</b>		<b>1 895 010</b>	<b>1 330 256</b>	<b>42</b>
Employee costs	25	(511 817)	(392 547)	(30)
Other operating expenses	26	(693 642)	(591 855)	(17)
<b>Total operating expenses</b>		<b>(1 205 459)</b>	<b>(984 402)</b>	<b>(22)</b>
<b>Profit before taxation</b>		<b>689 551</b>	<b>345 854</b>	<b>99</b>
Income tax expense		(405 569)	(284 410)	(43)
<b>Profit for the year from continuing operations</b>		<b>283 982</b>	<b>61 444</b>	<b>362</b>
<b>Discontinued Operations</b>				
Loss for the year from discontinued operations	7	(519 515)	(154 778)	
<b>Loss for the year</b>		<b>(235 533)</b>	<b>(93 334)</b>	<b>(152)</b>
<b>Attributable to:</b>				
Equity holders of the parent company		(327 888)	(158 973)	
– Profit for the year from continuing operations		201 968	(2 779)	
– Loss for the year from discontinued operations		(529 856)	(156 194)	
Non-controlling interest		92 355	65 639	
– Profit for the year from continuing operations		82 014	64 223	
– Profit for the year from discontinued operations		10 341	1 416	
<b>Loss for the year</b>		<b>(235 533)</b>	<b>(93 334)</b>	<b>(152)</b>
<b>Other comprehensive income, net of tax</b>				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Foreign currency translation differences arising from foreign operations		62 585	235 109	
Total comprehensive income for the year from continuing operations		344 747	197 412	
Total comprehensive loss for the year from discontinued operations		(517 695)	(55 637)	
<b>Total comprehensive (loss)/income for the year</b>		<b>(172 948)</b>	<b>141 775</b>	
<b>Attributable to:</b>				
Equity holders of the parent company		(299 721)	86 297	
Non-controlling interest		126 773	55 478	
<b>Total comprehensive (loss)/income for the year</b>		<b>(172 948)</b>	<b>141 775</b>	
<b>Earnings per share</b>				
Basic earnings per share from continuing operations – (thebe)		9.4	(0.1)	
Basic loss per share from discontinued operations – (thebe)		(24.7)	(7.3)	
<b>Basic loss per share from continuing and discontinued operations – (thebe)</b>		<b>(15.3)</b>	<b>(7.4)</b>	
Diluted earnings per share from continuing operations – (thebe)		9.1	(0.1)	
Diluted loss per share from discontinued operations – (thebe)		(23.9)	(7.0)	
<b>Diluted loss per share from continuing and discontinued operations – (thebe)</b>		<b>(14.8)</b>	<b>(7.1)</b>	

\* During the reporting period, the Group made adjustments to the comparative income statement to reflect the impact of discontinued operations. These adjustments were made to accurately present the financial results of operations that have been treated as discontinued operations as of 31 December 2025. Refer to Note 7 for more detail.

**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.

## Condensed consolidated statement of cash flows

	Note	31 Dec 2025 (Audited) P'000	31 Dec 2024 (Audited) P'000
<b>OPERATING ACTIVITIES</b>			
Profit before taxation from continuing operations		689 551	345 854
Loss before taxation from discontinued operations	7	(464 972)	(91 270)
Adjustments for :			
– Interest income		(4 465 349)	(3 936 523)
– Interest expense		1 653 768	1 596 775
– Amortisation and depreciation		106 521	117 884
– Derecognition of intangible assets		31 666	–
– Impairment of intangible assets		30 926	–
– Loss on disposal/scraping of property and equipment		–	1 159
– Impairment and write off charge: advances to customers*		766 320	782 770
– Impairment of goodwill		8 873	–
– Net monetary loss		–	87 270
– Impairment loss recognised on the remeasurement of assets held-for-sale to fair value less costs to sell	7	570 656	–
– Changes in working capital	27	(153 427)	(651 968)
– Movement in other non-cash items	27	125 220	32 909
Cash used in operations		(1 100 247)	(1 715 140)
Interest received		4 465 349	3 804 328
Interest paid		(1 644 556)	(1 550 329)
Income tax paid		(453 080)	(297 064)
<b>Net cash flows generated from operating activities</b>		<b>1 267 466</b>	<b>241 795</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from maturity of treasury bills and bonds		197 637	211 888
Purchase of investment in insurance cell captive		–	(4 167)
Purchase of property and equipment		(36 832)	(46 432)
Purchase of intangible assets		(1 815)	(27 420)
<b>Net cash flows generated from investing activities</b>		<b>158 990</b>	<b>133 869</b>
<b>FINANCING ACTIVITIES</b>			
Dividends paid to subsidiary non-controlling interest		(76 757)	(64 195)
Capital contribution from non-controlling interest		5 076	–
Share buyback		–	(20 000)
Repayment of principal portion of lease liabilities		(24 245)	(51 625)
Repayment of interest portion of lease liabilities		(9 212)	(12 540)
Proceeds from borrowings		1 436 104	2 220 200
Repayment of borrowings		(1 996 225)	(2 203 842)
<b>Net cash flows used in financing activities</b>		<b>(665 259)</b>	<b>(132 002)</b>
Cash and similar instruments at the beginning of the year		1 396 012	1 133 644
Net movement in cash and similar instruments		761 197	243 662
Effect of exchange rate changes on cash and similar instruments		16 585	18 706
<b>Cash and similar instruments at the end of the year</b>	1	<b>2 173 794</b>	<b>1 396 012</b>

\* Comprises of the aggregation of the net movement in expected credit loss allowances for continuing and discontinued operations (credit of P78.7 million and charge of P189.4 million, respectively) and write offs for continuing and discontinued operations (charge of P437 million and charge of P218.6 million, respectively). Refer to Note 7 and Note 24.

## Condensed consolidated statement of changes in equity

	Stated capital P'000	Hyperinflation translation adjustment P'000	Retained earnings P'000	Share based payment reserve P'000	Foreign currency translation reserve P'000	Legal reserve P'000	Reserves of a disposal group held for sale P'000	Non- controlling interest P'000	Total P'000
<b>Balance as at 1 January 2024</b>	917 909	83 920	3 725 824	34 832	(662 550)	377 121	–	442 831	4 919 887
<b>Total comprehensive income for the year</b>									
Loss for the year	–	–	(158 973)	–	–	–	–	65 639	(93 334)
<b>Other comprehensive income, net of income tax</b>									
Foreign currency translation reserve	–	–	–	–	226 368	–	–	8 741	235 109
<b>Transactions with owners, recorded directly in equity</b>									
Recognition of share based payment reserve movement	–	–	–	(16 257)	–	–	–	–	(16 257)
Allocation to legal reserve	–	–	(40 252)	–	–	40 252	–	–	–
Share buy back	(20 000)	–	–	–	–	–	–	–	(20 000)
Dividends paid by subsidiary to minority interests	–	–	–	–	–	–	–	(64 195)	(64 195)
<b>Balance as at 31 December 2024</b>	897 909	83 920	3 526 599	18 575	(436 182)	417 373	–	453 016	4 961 210
<b>Total comprehensive income for the year</b>									
Loss for the year	–	–	(327 888)	–	–	–	–	92 355	(235 533)
<b>Other comprehensive income, net of income tax</b>									
Foreign currency translation reserve	–	–	–	–	28 167	–	–	34 418	62 585
Discontinued operation – foreign currency translation reserve	–	–	–	–	284 615	–	(284 615)	–	–
Hyperinflation adjustment*	–	(83 920)	83 920	–	–	–	–	–	–
<b>Transactions with owners, recorded directly in equity</b>									
Recognition of share based payment reserve movement	–	–	–	7 401	–	–	–	–	7 401
Allocation to legal reserve	–	–	(66 381)	–	–	66 381	–	–	–
Capital contribution from non-controlling interest	–	–	–	–	–	–	–	5 076	5 076
Derecognition of reserves on amalgamation of subsidiaries**	–	–	138 194	–	–	(99 774)	–	–	38 420
Dividends paid by subsidiary to minority interests	–	–	–	–	–	–	–	(76 757)	(76 757)
<b>Balance at 31 December 2025 – Audited</b>	897 909	–	3 354 444	25 976	(123 400)	383 980	(284 615)	508 108	4 762 402

\* During the second half of 2025, the Ghana economy ceased to be hyperinflationary following the factors that previously gave rise to high inflation no longer being present. The Group therefore discontinued the preparation and presentation of financial statements in accordance with IAS 29 in relation to its Ghana subsidiary.

\*\* Relates to realisation of equity reserves following amalgamation of subsidiaries in Tanzania.

# Segmental reporting

For the period ended 31 December 2025

Reportable segments 31 December 2025	Botswana P'000	Namibia P'000	Mozambique P'000	Lesotho P'000	Eswatini P'000	Kenya P'000	Holding company or eliminations* P'000	Total P'000
<b>Operating income</b>	668 847	809 032	733 296	208 370	92 163	52 221	(544 165)	2 019 764
<b>Profit/(loss) before taxation</b>	304 056	472 598	503 986	129 319	61 081	(12 440)	(769 049)	689 551
Taxation – continuing operations								(405 569)
Loss after tax from discontinued operations								(519 515)
<b>Loss – consolidated</b>								(235 533)
Gross advances to customers	3 484 833	4 323 959	2 886 053	556 636	655 634	352 827	–	12 259 942
Impairment provisions	(322 922)	(10 435)	(21 860)	(56 242)	(37 711)	(142 947)	–	(592 117)
<b>Net advances</b>	3 161 911	4 313 524	2 864 193	500 394	617 923	209 880	–	11 667 825
<b>Total assets</b>	3 508 799	5 743 172	3 712 405	556 015	685 239	287 095	4 775 501	19 268 226
<b>Borrowings</b>	1 740 661	2 077 903	470 189	133 785	313 370	200 183	3 190 951	8 127 042
<b>Total liabilities</b>	1 894 099	3 578 208	1 551 016	182 774	345 769	220 143	6 733 815	14 505 824

Reportable segments 31 December 2024	Botswana P'000	Namibia P'000	Mozambique P'000	Lesotho P'000	Eswatini P'000	Kenya P'000	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Holding company or eliminations* P'000	Total P'000
<b>Operating income</b>	762 055	639 150	578 499	112 297	93 570	81 278	29 827	184 347	186 028	44 571	586 529	(417 393)	2 880 758
<b>Profit/(loss) before taxation</b>	257 326	376 432	349 703	3 906	(41 851)	(131 742)	7 989	48 226	17 101	3 492	(22 909)	(613 089)	254 584
Taxation – consolidated													(347 918)
<b>Loss – consolidated</b>													(93 334)
Gross advances to customers	3 385 442	4 007 610	2 910 922	611 120	602 906	543 368	181 811	592 463	520 584	121 505	1 070 529	–	14 548 260
Impairment provisions	(360 439)	(13 514)	(22 003)	(65 378)	(44 453)	(170 955)	(3 897)	(46 283)	(65 136)	(17 999)	(169 040)	–	(979 097)
<b>Net advances</b>	3 025 003	3 994 096	2 888 919	545 742	558 453	372 413	177 914	546 180	455 448	103 506	901 489	–	13 569 163
<b>Total assets</b>	3 372 775	5 361 562	3 542 978	584 702	621 958	482 094	203 376	626 301	615 953	119 889	1 461 857	970 832	17 964 277
<b>Borrowings</b>	1 746 523	2 150 342	802 622	185 514	257 361	363 743	10 127	374 911	–	24 058	580 765	3 180 599	9 676 565
<b>Total liabilities</b>	1 913 785	3 352 302	1 500 408	213 488	282 802	431 403	76 201	381 259	98 622	55 263	1 091 299	3 606 236	13 003 067

\* Included in Holding Company or eliminations are intragroup charges between the Holding Company and subsidiary entities.

Reference is made to Note 7 where during the second half of the year, the Board of Directors approved a plan to explore the sale of some of the Group's business interests in East and West Africa. At 31 December 2025, the East and West Africa businesses indicated were classified as a disposal group held for sale and as a discontinued operation. With the businesses being classified as discontinued operations, the entities are no longer presented in the Segment Information note.

**SEGMENTAL REPORTING** continued

For the period ended 31 December 2025

**Disaggregated revenue information**

Reportable segments 31 December 2025	Botswana P'000	Namibia P'000	Mozambique P'000	Lesotho P'000	Eswatini P'000	Kenya P'000	Holding company or eliminations* P'000	Total P'000
Interest income at effective interest rate	765 984	827 682	910 235	142 659	136 939	92 009	(131 122)	2 744 386
Interest expense at effective interest rate	(186 958)	(289 706)	(271 607)	(24 678)	(46 128)	(55 921)	(393 260)	(1 268 258)
Other interest expense	(1 584)	(877)	(2 790)	(695)	(450)	(302)	(2 514)	(9 212)
Net interest income	577 442	537 099	635 838	117 286	90 361	35 786	(526 896)	1 466 916
Fee and commission income	294	22 730	12 323	6 115	–	113	–	41 575
Other operating income	91 111	2 965	85 135	84 969	1 802	16 322	(17 269)	265 035
Net insurance service result	–	246 238	–	–	–	–	–	246 238
<b>Operating income</b>	<b>668 847</b>	<b>809 032</b>	<b>733 296</b>	<b>208 370</b>	<b>92 163</b>	<b>52 221</b>	<b>(544 165)</b>	<b>2 019 764</b>

Reportable segments 31 December 2024	Botswana P'000	Namibia P'000	Mozambique P'000	Lesotho P'000	Eswatini P'000	Kenya P'000	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Holding company or eliminations* P'000	Total P'000
Interest income at effective interest rate	844 431	692 371	827 303	138 055	144 953	133 225	41 168	240 172	181 531	50 431	804 151	(161 268)	3 936 523
Interest expense at effective interest rate	(174 806)	(298 989)	(282 648)	(29 839)	(51 598)	(60 618)	(12 242)	(59 222)	(1 677)	(7 019)	(308 018)	(297 559)	(1 584 235)
Other interest expense	(1 887)	(562)	(4 359)	(587)	(458)	(772)	(81)	(430)	(511)	–	(5)	(2 888)	(12 540)
Net interest income	667 738	392 820	540 296	107 629	92 897	71 835	28 845	180 520	179 343	43 412	496 128	(461 715)	2 339 748
Fee and commission income	–	27 540	13 069	–	–	2 656	420	–	(7 863)	408	75 119	–	111 349
Other operating income	94 317	12 901	25 134	4 668	673	6 787	562	3 827	14 548	751	15 282	44 322	223 772
Net insurance service result	–	205 889	–	–	–	–	–	–	–	–	–	–	205 889
<b>Operating income</b>	<b>762 055</b>	<b>639 150</b>	<b>578 499</b>	<b>112 297</b>	<b>93 570</b>	<b>81 278</b>	<b>29 827</b>	<b>184 347</b>	<b>186 028</b>	<b>44 571</b>	<b>586 529</b>	<b>(417 393)</b>	<b>2 880 758</b>

\* Included in Holding Company or eliminations are intragroup charges between the Holding Company and subsidiary entities.

# Notes to the condensed consolidated statement of financial position and statement of profit or loss and other comprehensive income

## 1 Cash and similar instruments

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Cash at bank and in hand	1 574 907	1 373 774
Statutory cash reserve	280 278	262 656
Short term investments	96 061	22 237
	<b>1 951 246</b>	<b>1 658 667</b>
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December 2025:		
Cash and similar instruments as per above, less statutory cash reserve	1 670 968	1 396 012
Cash and similar instruments held for sale (note 7)	502 826	–
<b>Cash and similar instruments for the purpose of the statement of cash flows</b>	<b>2 173 794</b>	<b>1 396 012</b>

## 2 Investment securities

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Government and Corporate bonds: 2 – 5 year fixed rate notes	229 941	666 333
Government and Corporate bonds: Above 5 year fixed rate notes	27 856	15 258
	<b>257 797</b>	<b>681 591</b>
Less : Expected credit losses	–	(26 761)
	<b>257 797</b>	<b>654 830</b>
<i>Movement in expected credit losses:</i>		
Balance at the beginning of the year	26 761	26 761
Reclassified as held for sale*	(26 761)	–
<b>Balance at the end of the year</b>	<b>–</b>	<b>26 761</b>

Investment securities are treasury bills and bonds and are classified as financial assets measured at amortised cost as the business model is to hold financial assets to collect contractual cash flows, representing solely payments of principal and interest. These were issued by the central bank, government and corporates in Ghana and Namibia. The instruments held in Namibia are denominated in local currency, whilst the Ghana instruments constitute local currency denominated bonds and United States dollar denominated bonds. The Ghana instruments are deemed to be purchased or originated credit impaired (POCI).

Due to the nature of the instruments held in Namibia, as well as historical experience, the instruments are regarded as having a low probability of default and the ECL in respect of these is considered immaterial at the reporting date.

\* In light of the classification of the Group's business interests in East & West Africa to a 'disposal group held for sale' (refer to Note 7), the investment securities held in Letshego Ghana Plc was transferred to 'assets held for sale'.

## 3 Financial assets at fair value through profit or loss

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Cross currency swaps and forwards	601 710	725 956
Investment in insurance cell captive	4 167	4 167
	<b>605 877</b>	<b>730 123</b>

Cross currency swaps relate to short-term foreign currency swap arrangements with financial institutions, where the Group pays a specified amount in one currency and receives a specified amount in another currency to reduce its exposure on currency risk. These were translated using reporting date exchange rates to reflect the changes in foreign currencies. The related financial liability at fair value through profit or loss is in Note 12.

## 4 Advances to customers

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Gross advances to customers	12 259 942	14 548 260
Less: Expected credit losses	<b>(592 117)</b>	<b>(979 097)</b>
– Stage 1	<b>(57 718)</b>	<b>(124 880)</b>
– Stage 2	<b>(54 034)</b>	<b>(93 820)</b>
– Stage 3	<b>(480 365)</b>	<b>(760 397)</b>
<b>Net advances to customers</b>	<b>11 667 825</b>	<b>13 569 163</b>

## 5 Insurance contract assets

Based on how the Group manages its Namibia cell captive insurance arrangements, it disaggregates information to provide disclosure in respect of credit life insurance and credit default insurance. The breakdown of groups of insurance contracts issued that are in an asset position is set out in the table below:

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Credit life insurance	103 192	88 562
Credit default insurance	46 024	34 418
	<b>149 216</b>	<b>122 980</b>

### 5.1 Roll-forward of net asset for insurance contracts issued

The roll-forward of the net asset for insurance contracts issued, also showing the liability for remaining coverage for the credit life insurance arrangements, is disclosed in the table below:

	Assets for remaining coverage P'000	Liabilities for incurred claims P'000	Total P'000
<b>At 1 January 2024</b>	<b>122 352</b>	<b>(16 803)</b>	<b>105 549</b>
Insurance revenue	325 671	–	325 671
Insurance service expenses	–	(119 782)	(119 782)
Deemed premiums received	(303 324)	–	(303 324)
Deemed claims paid	–	113 830	113 830
Effects of movement in exchange rates	1 365	(329)	1 036
<b>At 31 December 2024</b>	<b>146 064</b>	<b>(23 084)</b>	<b>122 980</b>
Insurance revenue	<b>335 508</b>	–	<b>335 508</b>
Insurance service expenses	–	<b>(89 270)</b>	<b>(89 270)</b>
Deemed premiums received	<b>(346 456)</b>	–	<b>(346 456)</b>
Deemed claims paid	–	<b>123 800</b>	<b>123 800</b>
Effects of movement in exchange rates	<b>893</b>	<b>1 761</b>	<b>2 654</b>
<b>At 31 December 2025</b>	<b>136 009</b>	<b>13 207</b>	<b>149 216</b>

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

6 Other receivables

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Deposits and prepayments	38 831	141 275
Receivable from insurance arrangements	27 061	127 439
Withholding tax and value added tax	28	15 494
Deferred arrangement and commission fees	26 856	31 601
Settlement and clearing accounts	27 228	57 165
Other receivables	69 245	11 780
	<b>189 249</b>	<b>384 754</b>

Due to the short-term nature of the other receivables, their carrying amounts approximate their fair value.

7 Discontinued operations and non-current assets held for sale

During the second half of the year, in order to optimise the Group's portfolio of businesses, and to unlock shareholder value the Board of Directors approved a plan to explore the sale of some of the Group's business interests in East and West Africa, namely; Letshego Ghana Savings and Loans Plc, Letshego Microfinance Bank Nigeria (Proprietary) Limited, Letshego Faidika Bank (Tanzania) Limited, Letshego Rwanda Limited, and Letshego Uganda Limited. Letshego Kenya Limited has been excluded from the disposal group due to an ongoing legal consideration required to be closed prior to sale of shares. Following on from this, the Group actively embarked on a program to locate a prospective acquirer(s) for the businesses, and the plan is expected to be completed within a year from the reporting date. At 31 December 2025, the East and West Africa businesses indicated were classified as a disposal group held for sale and as a discontinued operation.

The Group applies IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use. In order to be classified as held for sale, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and the sale must be highly probable. Non-current assets (or disposal groups) held for sale are measured at the lower of carrying amount and fair value less cost to sell.

The businesses represent separate geographical areas of operations, whose cash flows can be clearly distinguished from the rest of the Group, both operationally and for financial reporting purposes, and are also part of a single co-ordinated plan to dispose of the geographical areas of operation. The disposal group therefore was classified as a discontinued operation.

With the businesses being classified as discontinued operations, the entities are no longer presented in the Segment Information note. The results of the entities for the year are presented below:

2025	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Eliminations P'000	Total P'000
Interest income at effective interest rate	42 138	200 999	274 201	51 553	1 160 999	(8 927)	1 720 963
Interest expense at effective interest rate	(6 913)	(56 194)	(4 414)	(13 676)	(305 527)	12 047	(374 677)
Other interest expense	(154)	(463)	(1 002)	-	-	-	(1 619)
Net interest income	35 071	144 342	268 785	37 877	855 472	3 120	1 344 666
Fee and commission income	183	15 153	8 696	(101)	28 594	-	52 525
Other operating income	907	13 289	816	1 289	54 612	(12 047)	58 866
<b>Operating income</b>	<b>36 161</b>	<b>172 784</b>	<b>278 297</b>	<b>39 065</b>	<b>938 678</b>	<b>(8 927)</b>	<b>1 456 055</b>
Expected credit losses*	(487)	(23 780)	(26 917)	(14 476)	(299 821)	-	(365 481)
<b>Net operating income</b>	<b>35 674</b>	<b>149 004</b>	<b>251 380</b>	<b>24 589</b>	<b>638 857</b>	<b>(8 927)</b>	<b>1 090 574</b>
Operating expenses	(20 948)	(134 604)	(181 528)	(25 932)	(509 617)	41 198	(831 431)
<b>Net income/(loss) from operations before impairment on re-measurement to fair value less costs to sell</b>	<b>14 726</b>	<b>14 400</b>	<b>69 852</b>	<b>(1 343)</b>	<b>129 240</b>	<b>32 271</b>	<b>259 143</b>
Net expense re-allocation on classification to discontinued operations**	(29 994)	(20 868)	(32 825)	(51 318)	(18 454)	-	(153 459)
Impairment loss recognised on the remeasurement to fair value less costs to sell	-	-	-	-	-	-	(570 656)
<b>(Loss)/profit before tax from discontinued operations</b>	<b>(15 268)</b>	<b>(6 468)</b>	<b>37 027</b>	<b>(52 661)</b>	<b>110 786</b>	<b>32 271</b>	<b>(464 972)</b>
Taxation (expense)/credit	(2 531)	(12 596)	2 842	(1 495)	(40 763)	-	(54 543)
<b>(Loss)/profit for the year from discontinued operations</b>	<b>(17 799)</b>	<b>(19 064)</b>	<b>39 869</b>	<b>(54 156)</b>	<b>70 023</b>	<b>32 271</b>	<b>(519 515)</b>
<b>Other comprehensive income for the year from discontinued operations</b>	<b>(13 558)</b>	<b>(3 791)</b>	<b>(79 442)</b>	<b>976</b>	<b>97 635</b>	<b>-</b>	<b>1 820</b>

\* The P365.5 million expected credit losses comprise of net allowance for expected credit losses charge of P189.5 million, bad debts written off charge of P218.6 million and recoveries of P42.6 million (credit).

\*\* Constitute once-off expenses that will no longer be incurred by the Group after the sale of the above operations.

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

7 Discontinued operations and non-current assets held for sale continued

	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Eliminations P'000	Total P'000
<b>2024***</b>							
Interest income at effective interest rate	41 168	240 172	181 531	50 431	804 151	(26 540)	1 290 913
Interest expense at effective interest rate	(12 242)	(59 222)	(2 188)	(7 019)	(308 018)	12 596	(376 093)
Other interest expense	(81)	(430)	–	–	(5)	–	(516)
Net interest income	28 845	180 520	179 343	43 412	496 128	(13 944)	914 304
Fee and commission income	420	–	(7 863)	408	75 120	–	68 085
Other operating income	562	3 827	14 548	751	15 282	(428)	34 542
<b>Operating income</b>	<b>29 827</b>	<b>184 347</b>	<b>186 028</b>	<b>44 571</b>	<b>586 530</b>	<b>(14 372)</b>	<b>1 016 930</b>
Expected credit losses*	(3 877)	(22 968)	(35 941)	(8 814)	(177 598)	–	(249 198)
<b>Net operating income</b>	<b>25 950</b>	<b>161 379</b>	<b>150 087</b>	<b>35 757</b>	<b>408 932</b>	<b>(14 372)</b>	<b>767 732</b>
Operating expenses	(18 150)	(134 884)	(132 984)	(32 265)	(431 836)	36 286	(713 833)
<b>Net income/(loss) from operations before impairment on re-measurement to fair value less costs to sell</b>	<b>7 800</b>	<b>26 495</b>	<b>17 103</b>	<b>3 492</b>	<b>(22 904)</b>	<b>21 914</b>	<b>53 899</b>
Net expense re-allocation on classification to discontinued operations**	(33 512)	(12 864)	(21 683)	(54 872)	(22 238)	–	(145 169)
Impairment loss recognised on the remeasurement to fair value less costs to sell	–	–	–	–	–	–	–
<b>(Loss)/profit before tax from discontinued operations</b>	<b>(25 712)</b>	<b>13 631</b>	<b>(4 580)</b>	<b>(51 380)</b>	<b>(45 142)</b>	<b>21 914</b>	<b>(91 270)</b>
Taxation expense	(2 889)	(4 194)	(32 388)	(1 506)	(22 532)	–	(63 508)
<b>(Loss)/profit for the year from discontinued operations</b>	<b>(28 601)</b>	<b>9 437</b>	<b>(36 968)</b>	<b>(52 886)</b>	<b>(67 674)</b>	<b>21 914</b>	<b>(154 778)</b>
<b>Other comprehensive income for the year from discontinued operations</b>	<b>1 628</b>	<b>5 720</b>	<b>42 842</b>	<b>(36 035)</b>	<b>84 986</b>	<b>–</b>	<b>99 141</b>

\* The P249.2 million expected credit losses comprise of net allowance for expected credit losses charge of P118.5 million, bad debts written off charge of P166.2 million and recoveries of P35.5 million (credit).

\*\* Constitute once-off expenses that will no longer be incurred by the Group after the sale of the above operations.

\*\*\* 2024 comparatives have been restated in light of classification of the disposal group to discontinued operations.

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

7 Discontinued operations and non-current assets held for sale continued

The major classes of assets and liabilities of the entities classified as held for sale as at 31 December 2025 are, as follows:

2025	Rwanda P'000	Uganda P'000	Tanzania P'000	Nigeria P'000	Ghana P'000	Impairment* P'000	Total P'000
<b>Assets</b>							
Cash and similar instruments	53 778	27 648	79 042	25 640	316 717	–	502 825
Investment securities	–	–	–	–	199 396	–	199 396
Advances to customers	176 944	467 256	577 279	111 400	1 522 771	–	2 855 650
Gross advances to customers	179 693	525 099	625 401	136 522	1 928 404	–	3 395 119
Less: Expected credit losses	(2 749)	(57 843)	(48 122)	(25 122)	(405 633)	–	(539 469)
– Stage 1	(865)	(5 351)	(7 728)	(2 111)	(33 857)	–	(49 912)
– Stage 2	(340)	(4 267)	(2 653)	(1 571)	(8 184)	–	(17 014)
– Stage 3	(1 544)	(48 225)	(37 741)	(21 440)	(363 592)	–	(472 543)
Other receivables	2 162	13 874	21 803	1 727	66 218	–	105 784
Income tax receivable	–	–	–	–	5 314	–	5 314
Property and equipment	1 470	3 771	8 367	3 324	8 263	(25 195)	–
Right-of-use assets	1 400	2 554	3 654	1 532	3 216	(12 355)	–
Intangible assets	–	1 596	–	–	435	(2 031)	–
Deferred tax assets	2 616	19 147	19 016	221	109 016	–	150 016
<b>Assets held for sale</b>	<b>238 369</b>	<b>535 846</b>	<b>709 161</b>	<b>143 845</b>	<b>2 231 346</b>	<b>(39 581)</b>	<b>3 818 986</b>
<b>Liabilities</b>							
Customer deposits	85 887	–	121 707	61 587	1 024 534	–	1 293 715
Income tax payable	1 643	3 813	5 252	1 005	–	–	11 713
Trade and other payables	9 827	6 335	65 196	8 062	61 638	531 074	682 132
Lease liabilities	426	2 066	4 396	–	–	–	6 888
Borrowings	14 035	302 497	–	13 582	674 570	–	1 004 684
<b>Liabilities directly associated with assets held-for-sale</b>	<b>111 818</b>	<b>314 711</b>	<b>196 548</b>	<b>84 236</b>	<b>1 760 742</b>	<b>531 074</b>	<b>2 999 132</b>
<b>Net assets directly associated with disposal group</b>	<b>126 551</b>	<b>221 135</b>	<b>512 613</b>	<b>59 609</b>	<b>470 604</b>	<b>(570 655)</b>	<b>819 855</b>
The net cash flows generated/(incurred) by the entities are, as follows:							
Net cash flows from operating activities	29 813	65 401	(10 608)	30 877	172 535	–	288 018
Net cash flows from investing activities	(1 022)	866	692	(1 830)	10 889	–	9 595
Net cash flows from financing activities	4 161	(80 970)	(35 814)	(11 730)	(48 073)	–	(172 426)
<b>Net cash (outflow)/inflow</b>	<b>32 952</b>	<b>(14 703)</b>	<b>(45 730)</b>	<b>17 317</b>	<b>135 351</b>	<b>–</b>	<b>125 187</b>
<b>Amounts included in accumulated OCI:</b>							
Foreign currency translation reserve	(18 554)	30 336	4 406	(186 267)	(114 536)	–	(284 615)

\* An impairment loss amounting to P570.7 million was recognised upon remeasurement of the disposal group held for sale to its fair value less costs to sell. Of the impairment amount determined, P39.6 million was allocated to corporate assets of the disposal group, whilst a further P531.1 million was recognised as a shortfall in light of the likely transaction price. The P531.1 million was recognised as a liability and included under 'Trade and other payables' within the disposal group held for sale. The transaction price that will likely be received by the Group upon sale of the disposal group was used as the fair value in the impairment assessment, following binding offers received from potential counterparties to the transaction, which fell within a valuation range that was determined by independent consultants. The fair value that has been determined falls under 'level 3' of the fair value hierarchy of IFRS 13. The costs to sell that were determined comprise of incremental costs directly attributable to the disposal of the cash-generating units, which include legal and consultancy costs necessary for completion of the sale.

## 8 Property and equipment

	Carrying amount at 01 Jan 2025 P'000	Additions P'000	Reclassified as held for sale P'000	Depreciation charge P'000	Forex translation P'000	Carrying amount at 31 Dec 2025 P'000
Motor vehicles	9 174	424	(5 399)	(1 711)	70	2 558
Computer equipment	11 839	17 331	(4 019)	(11 070)	748	14 829
Office furniture and equipment	61 242	19 077	(15 253)	(21 115)	9 366	53 317
Land and building	17 098	–	(524)	–	(1 231)	15 343
	99 353	36 832	(25 195)	(33 896)	8 953	86 047

## 9 Right-of-use assets

	Carrying amount at 01 Jan 2025 P'000	Additions P'000	Modifications P'000	Reclassified as held for sale P'000	Depreciation charge P'000	Forex translation P'000	Carrying amount at 31 Dec 2025 P'000
Property	95 076	22 057	(3 398)	(12 355)	(26 023)	(1 111)	74 246
	95 076	22 057	(3 398)	(12 355)	(26 023)	(1 111)	74 246

## 10 Intangible assets

	Carrying amount at 01 Jan 2025 P'000	Additions P'000	Derecognition P'000	Impairment P'000	Transfers P'000	Reclassified as held for sale P'000	Amortisation charge P'000	Forex translation P'000	Carrying amount at 31 Dec 2025 P'000
Computer software	263 495	1 617	–	–	67 161	(2 031)	(46 602)	(350)	283 290
Work in progress	129 573	198	(31 666)	(30 926)	(67 161)	–	–	(18)	–
	393 068	1 815	(31 666)	(30 926)	–	(2 031)	(46 602)	(368)	283 290

## 11 Goodwill

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
<b>Goodwill arose on the acquisition of:</b>		
Letshego Holdings Namibia Limited	24 246	22 671
Letshego Tanzania Limited	–	2 329
Letshego Ghana Plc	–	5 097
	24 246	30 097
<b>Movement in goodwill:</b>		
Balance at the beginning of the year	30 097	30 591
Impairment charge	(8 873)	–
Effect of exchange rate changes	3 022	(494)
<b>Balance at the end of the year</b>	<b>24 246</b>	<b>30 097</b>

The Group performs its impairment test annually. The Group assesses the recoverable amount of goodwill in respect of all cash generating units in order to determine indications of impairment. In light of the classification of some of the Group's business interests in East & West Africa to a 'disposal group held for sale' (refer to Note 7), the goodwill previously held for Letshego Ghana Plc and Letshego Tanzania Limited were impaired to nil following a comparison of the fair value less costs to sell of the disposal group under the potential transaction to the disposal group's net asset value.

## 12 Financial liabilities at fair value through profit or loss

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Cross currency swap (note 3)	572 423	661 386

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

**13 Customer deposits**

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Demand accounts	40 780	400 618
Savings accounts	552 632	631 512
Call and term deposits	1 643 745	1 115 169
	<b>2 237 157</b>	<b>2 147 299</b>

**14 Cash collateral**

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Cash collateral on loans and advances	–	17 038

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.

**15 Trade and other payables**

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Insurance premium payable	26 740	74 128
Payroll related accruals	19 631	22 202
Staff incentive accrual	73 590	41 872
Accruals	34 715	33 968
Other payables	163 395	107 301
Value added tax/withholding tax payable	7 701	49 437
	<b>325 772</b>	<b>328 908</b>

The carrying amount of Trade and other payables approximates their fair value at the reporting date due to their short term nature.

**16 Lease liabilities**

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Lease liability	86 034	98 289

**17 Borrowings**

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Commercial banks	3 307 483	4 555 619
Note programmes	2 927 417	2 938 332
Development financial institutions	1 070 852	2 043 593
Pension Funds	821 290	139 021
	<b>8 127 042</b>	<b>9 676 565</b>

**18 Stated capital**

	At 31 Dec 2025 (Audited) P'000	At 31 Dec 2024 (Audited) P'000
Issued: 2 175 038 644 ordinary shares of no par value (2024: 2 175 038 644) of which 28 897 741 shares (2024: 28 897 741) are held as treasury shares.	<b>897 909</b>	<b>897 909</b>

In terms of the Group LTIP, nil shares (2024: nil shares) vested at Group level during the current year. The number of shares in issue remained at 2 146 million (2024: 2 146 million) and the number of shares held as treasury shares remained at 28.898 million (2024: 28.898 million).

**19 Interest income at effective interest rate**

	12 months ended 31 Dec 2025 (Audited) P'000	12 months ended 31 Dec 2024 (Audited) P'000
Advances to customers	2 612 502	2 497 711
Interest income on risk informal/mobile loans	41 232	50 479
Interest income from deposits with banks, including investment securities	90 652	97 421
	<b>2 744 386</b>	<b>2 645 610</b>

**20 Interest expense at effective interest rate**

	12 months ended 31 Dec 2025 (Audited) P'000	12 months ended 31 Dec 2024 (Audited) P'000
Overdraft facilities and term loans	1 268 258	1 208 652
	<b>1 268 258</b>	<b>1 208 652</b>
<b>20.1 Other interest expense</b>		
Interest expense on leases	9 212	11 513
	<b>1 277 470</b>	<b>1 220 165</b>

**21 Fee and commission income**

	12 months ended 31 Dec 2025 (Audited) P'000	12 months ended 31 Dec 2024 (Audited) P'000
Administration fees – lending	41 575	43 265
	<b>41 575</b>	<b>43 265</b>

**22 Other operating income**

	12 months ended 31 Dec 2025 (Audited) P'000	12 months ended 31 Dec 2024 (Audited) P'000
Early settlement fees	1 128	1 657
Commission income from insurance arrangements	150 519	121 497
Market adjustment gain on interest currency swaps	45 282	6 390
Sundry income	68 106	59 686
	<b>265 035</b>	<b>189 230</b>

**23 Net insurance service result**

	12 months ended 31 Dec 2025 (Audited) P'000	12 months ended 31 Dec 2024 (Audited) P'000
The following components are arising from cell captive arrangements in the Group's Namibia subsidiary:		
Insurance revenue	335 508	325 671
– Credit life	210 236	208 078
– Credit default	125 272	117 593
Insurance service expense	(89 270)	(119 782)
– Credit life	(4 707)	(37 261)
– Credit default	(84 563)	(82 521)
<b>Net insurance service result</b>	<b>246 238</b>	<b>205 889</b>

**24 Expected credit losses**

	12 months ended 31 Dec 2025 (Audited) P'000	12 months ended 31 Dec 2024 (Audited) P'000
Amounts written off	436 962	676 874
Recoveries during the year	(233 473)	(192 920)
Expected credit loss provision (charge)/release for the year	(78 735)	49 619
	<b>124 754</b>	<b>533 573</b>

**25 Employee costs**

	12 months ended 31 Dec 2025 (Audited) P'000	12 months ended 31 Dec 2024 (Audited) P'000
Salaries and wages	406 694	375 638
Staff incentive	61 586	(6 585)
Staff recruitment costs	1 301	2 718
Staff pension fund contribution	24 746	26 863
Directors' remuneration – for management services (executive)	10 089	10 170
Long term incentive plan	7 401	(16 257)
	<b>511 817</b>	<b>392 547</b>

**26 Other operating expenses**

	12 months ended 31 Dec 2025 (Audited) P'000	12 months ended 31 Dec 2024 (Audited) P'000
Accounting and secretarial fees	449	277
Advertising	12 259	16 130
Audit fees	7 849	8 005
Bank charges	11 713	13 213
Computer expenses	1 509	1 367
Consultancy fees	58 048	66 070
Corporate social responsibility	1 735	2 171
Collection commission	46 540	83 359
Direct costs	43 880	11 357
Direct costs – short term loans	4 210	7 330
Depreciation and amortisation	80 498	57 809
Depreciation – right of use assets	26 023	24 843
Directors' fees – non executive	6 001	5 783
Directors' fees – subsidiary boards	6 059	6 202
Government levies	29 430	26 144
Impairment of goodwill	8 873	–
Management cost: Project	57 522	–
Insurance	24 969	15 041
Insurance – customer short term	64 628	48 364
Office expenses	33 857	25 917
Short term leases	2 457	1 565
Rental expense for low value assets	4 135	1 536
Derecognition of intangible asset	31 666	–
Impairment of intangible assets	30 926	–
Other operating expenses	47 298	88 216
– Entertainment	1 491	1 213
– Mark-to-market loss on foreign currency swaps	–	13 408
– Motor vehicle expenses	4 364	4 227
– Net foreign exchange loss	1 627	11 732
– Printing and Stationery	3 121	2 988
– Repairs and Maintenance	5 940	4 346
– Storage costs	3 759	3 593
– Subscriptions and licenses	26 996	39 828
– Other expenses	–	6 881
Payroll administration costs	–	(673)
Professional fees	26 013	43 182
Telephone and postage	17 010	24 143
Travel	8 085	14 504
	<b>693 642</b>	<b>591 855</b>

**27 Additional cash flow information**

	12 months ended 31 Dec 2025 (Audited) P'000	12 months ended 31 Dec 2024 (Audited) P'000
<b>Working capital changes:</b>		
Movement in advances to customers	(1 720 632)	(731 846)
Movement in insurance contract assets	(26 236)	(17 431)
Movement in other receivables	72 099	(45 558)
Movement in trade and other payables	154 808	(467 633)
Movement in customer deposits	1 383 572	609 315
Movement in cash collateral	(17 038)	1 185
	<b>(153 427)</b>	<b>(651 968)</b>
<b>Movement in other non-cash items:</b>		
Net change in financial assets at fair value through profit or loss	35 283	(92 479)
Movement in Long-term incentive plan provision	7 400	(16 257)
Net foreign exchange differences	82 537	141 645
	<b>125 220</b>	<b>32 909</b>
	<b>(28 206)</b>	<b>(619 059)</b>

## Ratios

	31 Dec 2025 (Audited) P'000	31 Dec 2024 (Audited) P'000
<b>Continuing operations</b>		
Return on average assets (%)	2%	0%
Return on average equity (%)	6%	1%
Cost-to-income ratio (%)	60%	52%
Debt-to-equity ratio (%)	167%	196%

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