ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

LETSHEGO GHANA SAVINGS AND LOANS PLC

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CORPORATE INFORMATION

Directors	Mr. Blaise Mankwa	Independent Chairman	
	Mr. Christian Sottie	Independent Non-Executive Director	
	Mr. Geoffery Kitakule	Non-Executive Director	
	Mr. Ibrahim Obosu	Executive Director	Resigned 30th April 2024
	Mr. Nii Amankra Tetteh	Executive Director	Appointed 9th July 2024
	Ms. Charity Chanda Lumpa	Independent Non-Executive Director	Appointed 4th September 2024
	Mr. Ebo Amenyi Richardson	Independent Non-Executive Director	Appointed 4th September 2024
	Mr. Emmanuel Alex Asedu	Independent Non-Executive Director	Appointed 4th September 2024

Business Registrations Details	Incorporated in the Republic of Ghana Registration number: PL000232015 Date of incorporation: 23 October 2014 Date of commencement of operations: 28th October 2014
Company Secretary	Sirdar Ghana Limited C934/3, 5th Crescent Asylum Down Accra, Ghana
Attorneys / Legal Advisors	Keystones Solicitors 3rd Floor, Advantage Place Mayor Road, Ridge West Accra, Ghana
Registered Address	Ground and 2nd Floor Allied Heights Building Abelemkpe Accra, Ghana
Independent External Auditor	Ernst & Young 60 Rangoon Lane Cantonments City Accra, Ghana
Bankers	Universal Merchant Bank Limited ABSA Bank Ghana Standard Chartered Bank Limited Fidelity Bank Ghana Limited Stanbic Ghana Limited Ghana Commercial Bank Limited

CORPORATE GOVERNANCE

Letshego Ghana Savings and Loans Limited is a fully owned subsidiary of Letshego Africa Holding Limited, a truly African multinational organization, headquartered and listed in Botswana and focused on delivering inclusive finance solutions to underserved populations across its 11 sub-Saharan Africa footprint.

Letshego Ghana is a prominent player in Ghana' s financial sector, consistently adhering to high standards of corporate governance. This commitment has fostered an environment where such standards are upheld across the industry. The company recognizes that exemplary governance is essential for ensuring its long-term viability and remains central to its dedication to being "Here for Good." As the leading and largest Savings and Loans Institution in Ghana, Letshego Ghana continues to play a key role in shaping the country' s financial landscape.

In 2023, Letshego Ghana declared a dividend payment to its shareholders amounting to GHS 19,852,396, which represents 30% of the company's annual profit after tax.

The Board serves as the ultimate decision-making body for all material matters within the Company. It is responsible for providing leadership, setting the strategic direction of the Company, and overseeing Management to ensure the effective execution of its strategy. The Board's mandate is outlined in its Charter and the Schedule of Matters Reserved for the Board. Among its key responsibilities are:

- **Strategy & Financial Performance**: Approving, reviewing, and monitoring the Company' s strategic initiatives and financial performance.
- **Capital & Risk Management**: Approving capital structure changes, ensuring a robust system of internal controls, and overseeing risk management.
- **Delegation & Oversight**: Establishing delegation frameworks for expenditure and other significant commitments, while maintaining oversight through the Board and its committees.

The Schedule of Matters Reserved for the Board and the Board Charter undergo an annual review, with the latest review conducted in October 2023. While the Board retains key decision-making authority, it delegates operational management to the Chief Executive Officer, who in turn delegates responsibilities as necessary for the day-to-day running of the Company. The Board holds the Chief Executive Officer accountable for the effective direction, management, and overall performance of the company, ensuring compliance with regulatory requirements, strategic objectives, and risk management frameworks.

Board Composition & Expertise

The Board is diverse, comprising a well-balanced mix of experience, expertise, and skills across various sectors. Below is a summary of the directors' areas of expertise and ages:

Name	Status	Expertise	Age	Date of Appointment
Blaise Mankwa	Independent Non-Executive Director	Financial management, Corporate governance, Strategic risk oversight, and Business Leadership	65	17th March, 2017
Nii Amankra Tetteh	Executive Director	Business administration, Executive Management, Corporate Governance, and Financial strategy	50	9th July, 2024
Emmanuel Alex Asiedu	Independent Non-Executive Director	Economics, Financial Analysis, Investment management, and Strategic Policy Advisory	53	4th September, 2024
Charity Chanda Lumpa	Independent Non-Executive Director	Financial management, Public Administration, Marketing Strategy, Leadership development, Corporate Governance and Executive coaching	63	4th September, 2024
Ebo Richardson	Independent Non-Executive Director	Information systems, Business Administration, Economics, Leadership Development, Project Management, and IT Governance	49	4th September, 2024
Christian Sottie	Independent Non-Executive Director	Business Administration, Computer science, IT and telecommunications law, Statistical analysis, and Corporate Governance	69	4th September, 2024
Geoffrey Kitakule	Non-Executive Director	Business & Risk Management IT & Computer Science Statistics & Data Analytics in Statistics	55	16th February, 2021

Board & Key Management Changes

In line with best corporate governance practices and regulatory disclosure requirements, the following Board and Key Management Personnel changes occurred during the financial year:

- **New Appointments:**
  Charity Chanda Lumpa — Independent Non-Executive Director
  Emmanuel Alex Asiedu — Independent Non-Executive Director
  Ebo Richardson — Independent Non-Executive Director
- **Retirements:**
  There were no retirements during the financial year.
- **Resignations:**
  - Mr. Ibrahim Obosu - *Executive Director - 30th April 2024*
- **Removals:**
  There were no removals during the financial year.

These changes reflect Letshego Ghana's commitment to maintaining strong governance structures and ensuring continuity in leadership.

BOARD OF DIRECTORS

Blaise Mankwa
Chairman of the Board of Directors

Mr. Blaise Mankwa was appointed as Chairman of the Board of Directors of Letshego Ghana Savings and Loans from 15th March 2017. Mr. Mankwa's extensive career in accountancy practice and banking, spanning over three decades, underscores his profound experience and expertise in financial matters.

His tenure in Ghana and across various African countries demonstrates a deep understanding of the intricacies of finance within diverse economic landscapes.

He has held roles such as Non-Executive Director on the Board and subsequently assumed the position of Managing Director at Universal Merchant Bank (UMB) several years ago.

His banking journey commenced at Barclays Bank Ghana Limited, followed by a transition to KPMG, where he collaborated closely with the World Bank team tasked with restructuring Ghana s banking system. Subsequently, he held senior positions at Ghana Commercial Bank (GCB) and Standard Chartered Bank in Ghana, Tanzania, and Zimbabwe

Mr. Blaise Mankwa's qualifications include a Master of Business Administration from Manchester Business School, as well as memberships in prestigious professional bodies such as FCIB (UK), FCCA (UK), and FCMA (UK).

Nii Amankra Tetteh
(Chief Executive Officer)

Nii Amankra Tetteh is the Chief Executive Officer of Letshego Ghana. Nii Amankra's banking career started in Standard Chartered Bank in August, 2001 where he grew in Wholesale Banking from a Trade Operations assistant to a star Corporate Services Manager.

In February, 2006, following his passion for SME Banking, he joined Barclays Bank as a Business Development Manager for the newly formed Local Business Team. In this role, Nii pioneered many SME innovations including the Business Club concept as a B2B marketing tool. He progressed within the Barclays Bank Ghana leadership cohort; with appointments in the Retail Banking Business in 2009 as a Cluster Manager, through to Head of Retail Distribution in 2010 and appointment as the Head of Retail Business in 2013. His stellar performance led to a regional responsibility in 2014, as Head of Branch Optimization covering Barclays Africa's 12 Markets outside of South Africa.

Nii Amankra returned to Barclays Bank Ghana Limited, Accra in September of 2016 as Director, Retail Business Banking, and a role he held until November, 2017. This period was marked by historic performance outcomes for the Retail Business in the year of its centenary (2017).

Nii Amankra was later appointed Managing Director/CEO of Bayport Savings and Loans PLC, on December 1, 2017, superintending the strategic consolidation, turnaround and delivery of Bayport's best results in its 18- year history in Ghana.

Nii is an Alumnus of China Europe International Business School, Shanghai, University of Leicester, UK, the University of Ghana, Legon and an old student of Mfantsipim School.

Nii was appointed to the board on 9th July 2024.

Geoffrey Martin Kitakule
(Independent Non-Executive Director)

Geoffrey has amassed over two decades of experience in the finance industry. Presently, he serves as Letshego s Group Head of SME and Secured Lending, overseeing operations in 11 countries across Sub-Saharan Africa.

Before assuming his current role, Geoffrey held the position of country CEO at Letshego Uganda for more than ten years, during which he managed all aspects of the company s operations in Uganda.
Prior to joining Letshego Uganda in April 2008, Geoffrey served as the Lead Specialist in Corporate Finance Advisory at the East African Development Bank in Kampala.

Additionally, he served as an Investment Manager at the National Social Security Fund, where he managed pension funds.

Earlier in his career, Geoffrey held the position of Planning & Analysis Manager at MTN Uganda for five years, where he had oversight responsibility for business operations and planning.

Christian Tetteh Sottie
(Independent Non-Executive Director)

Having retired as the Controller and Accountant General of the Republic of Ghana in September 2016, Mr. Christian Tetteh held the pivotal responsibility of managing and overseeing the payment of salaries for the entire government workforce during his tenure.

Currently, he serves as a technical advisor to the Commissioner General of the Ghana Revenue Authority, focusing on business process improvement and the implementation of technological systems to enhance revenue collection.

Additionally, he has provided consultancy services for esteemed institutions such as the Bank of Ghana and the Ghana Civil Aviation Authority, primarily focusing on business development and leadership training.

His extensive experience also extends to serving on the boards of notable institutions including SIC Company, Internal Audit Agency, Ghana Road Fund, and the Ghana Interbank Payment Settlement System (GhiPSS).

He was appointed to the Board in July, 2023.

Charity Chanda Lumpa
(Independent Non-Executive Director)

Charity Lumpa is a seasoned executive with extensive experience in financial services, corporate governance, and strategic business transformation. With a distinguished career spanning leadership roles in banking, insurance, telecommunications, and development sectors, she has consistently driven organizational growth, operational excellence, and stakeholder value.

Throughout her career, Charity has held high-profile positions, including executive and board-level roles, where she has demonstrated expertise in governance, risk management, and strategic planning. Her leadership has been instrumental in steering institutions toward innovation, efficiency, and sustainable success.

Charity is passionate about financial inclusion, leadership development, and corporate ethics, championing initiatives that promote responsible business practices and community impact. She is a trusted advisor and mentor, dedicated to fostering leadership excellence and driving positive change in the organizations she serves.

Her strong background in business development, corporate governance, and operational strategy makes her a valuable asset in both executive leadership and boardroom settings.

She was appointed to the on 4th September 2024

Ebo Amenyi Richardson
(Independent Non-Executive Director)

Ebo Amenyi Richardson is an award-winning change maker and transformational business leader with over 24 years of cross-industry experience in driving large-scale cultural, digital, technology, and brand transformations. He has a proven track record of building high-performing teams, developing leaders, and delivering sustainable stakeholder value in Financial Services, Telecommunications, Mobile Financial Services (MFS), Professional Services, and Fintech.

With extensive experience managing large-scale Change Delivery, Technology, and Operations functions, Ebo has successfully overseen capital and operational expenditures exceeding $30 million and led teams of more than 150 professionals across both developed and emerging markets. His leadership has consistently driven performance improvements and operational efficiencies, achieving cost reductions of over 10 .

Ebo's expertise extends to business growth strategies, process optimization, and leveraging cutting-edge technologies to enhance operational effectiveness.

He is passionate about creating impact-driven solutions and fostering a culture of excellence, making him a sought-after leader in dynamic and evolving industries.

He was appointed to the board on 4th September, 2024

Emmanuel Alex Asiedu
(Independent Non-Executive Director)

Emmanuel Alex Y. Asiedu is a seasoned financial executive, investment strategist, and governance leader with over 25 years of experience in asset management and corporate leadership. A recognized thought leader in Ghana s financial markets, he has played a key role in shaping the investment landscape across Africa. Alex is currently the CEO of Right to Dream Foundation, Ghana, a leading football academy dedicated to transforming young athletes' lives through education, mentorship, and professional development.

Previously, he was Head of Investments, Africa Regions at Standard Bank, overseeing investment expansion across the continent. Prior to that, as Managing Director of STANLIB Ghana, he successfully navigated the firm through Ghana's financial crisis, leading it to become the country s largest investment firm. His earlier career includes leadership roles at Eco bank Investment Managers and Databank Financial Services, where he contributed to the growth of Ghana's fixed-income investment sector.

A Yale World Fellow (2008) and Chartered Financial Analyst (CFA), Alex holds a Master's in Economics from Queen's University, Canada, and a Bachelor's in Economics from the University of Ghana.

He serves on the boards of Letshego Ghana, Impact Investing Ghana (IIGh) as Chair, and is a Trustee of the Gaede Foundation. He has also been part of Ghana's Domestic Debt Consultative Committee, the Venture Capital Trust Fund, and has held leadership roles in CFA Society Ghana and the Ghana Securities Industry Association.

With a strong commitment to governance, impact investing, and youth development, Alex continues to drive transformation across Africa's financial and social sectors.

He was appointed to the board on 4th September, 2024.

EXECUTIVE COMMITTEE

Poelo Mkpayah
Chief Finance Officer

Poelo has over 16 years of experience specializing in financial and management accounting, group reporting, audit and internal controls, cash flow management, cost optimization, covenant reporting, taxation, strategy formulation, budgeting and forecasts.

She joined Letshego Holdings Limited in April 2014 where she served as a Finance Manager and was swiftly promoted to Head of Group Financial Reporting and Compliance due to her hard work and dedication. During this period, Letshego won the award for the Best Corporate Report and Financials conducted by PWC in 2017 and 2019.

In June 2022, she was appointed the Regional Chief Financial Officer for the Letshego Ghana subsidiary. She is a strong communicator and team player who has been exposed to multinational environments with different cultural and market dynamics and leadership styles. Prior to joining Letshego Holdings Limited, she worked with Botswana Development Corporation as a Principal Accountant.

Poelo was selected to be a member of the Botswana Institute of Chartered Accountants (BICA) Integrated reporting committee, which is geared at enhancing integrated financial reporting in Botswana.

She is also a member of the Letshego Group Tax Committee, which is responsible for tax optimization, managing and overseeing the tax governance structures within the Letshego Group s feeds into the Group Audit Committee.

Akua Donnir
Chief Risk Officer

Akua is a seasoned professional with over 22 years of experience spanning Sales, Operations, Insurance, Credit Administration, Risk Management, Collections, and Recovery. She began her career at Standard Chartered Bank in 2002 as a Direct Sales Executive, significantly boosting banking product sales. Holding a Biochemistry degree from KNUST, she later expanded into the pharmaceutical industry as a Regional Manager, excelling in drug sales and leadership. To strengthen her financial expertise, Akua pursued an MBA in Finance. She joined UT Bank in 2006, serving as Credit Manager, Branch Manager, and Retail Banking Manager, where she managed a GHS100M portfolio and successfully drove deposit campaigns while maintaining low non-performing loan (NPL) rates.

In 2016, Akua became Chief Operations Officer at AFB Ghana (now Letshego Ghana), enhancing operational efficiency, policy implementation, and customer management. She led the transition to a new core banking platform and developed standard operating procedures (SOPs) to improve process flows. Currently, as Chief Risk Officer, Akua leverages her extensive expertise in risk management, operations, and strategic leadership. Her track record of problem-solving, customer management, and quality control makes her a valuable asset to any organization seeking a results-driven executive

Sam Donkor
Chief Commercial Officer

Sam is a seasoned Executive Senior Retail Banker, Lawyer, and Insurance Professional with over 16 years of expertise in business transformation, revenue generation, insurance, sales & distribution, and product development.
His experience spans Savings & Loans, International and Local Banking, and Insurance, with a strong focus on digital and transactional banking, FinTech, consumer marketing, and data-driven decision-making.

A product of the Ghana School of Law and a member of the Ghana Bar Association, Sam holds an LLB and a BA in Economics from the University of Ghana. He also has advanced qualifications in Insurance and Business from the UK's Chartered Institute of Insurers, Ghana Insurance College, and Visa Business School, and is currently pursuing an LLM at Queen Mary University, London.

With deep expertise in Ghana's insurance and consumer banking markets, Sam specializes in payroll and micro-lending, digital finance, SME banking, performance management, and retail banking revenue models. His career includes key roles at Absa Bank Ghana (formerly Barclays), where he rose to Vice President & Head of Retail Lending, Credit Cards, and Insurance. He later served as Country Chief Commercial Officer at Bayport Savings & Loans PLC and as Executive General Manager for Sales, Distribution, and Digital Banking at UMB Bank Ltd.

Sam's extensive leadership experience, strong negotiation skills, and strategic insight make him a driving force in the financial sector, particularly in digital banking, FinTech, and retail banking innovation.

Prince Okai
Chief Operations Officer

Prince Okai is an accomplished executive leader with nearly two decades of progressive experience across financial services, real estate, logistics, and corporate governance. His career spans leadership roles in start-ups, business turnarounds, and high-growth organizations, where he has successfully driven strategy, risk management, corporate governance, and operational excellence.

He joined Letshego after a brief stint with Earlbeam Company Limited as Chief Executive Officer, overseeing the Group's real estate, hospitality, security services, and facilities management businesses. He was instrumental in stabilizing the business after a period of significant turmoil. Prince also led the restructuring efforts and in repositioning the business for growth. Concurrently, he was the Executive Supervising Director (Consultant) at Monarch Capital Limited, where he led restructuring, policy development, and investment recovery efforts.

Previously, as CEO of Gulf Frontiers Logistics Limited, Prince played a pioneering role in setting up and managing a Special Purpose Vehicle (SPV) in partnership with the Ghana National Petroleum Corporation, Ministry of Defense, and Ghana Navy, facilitating offshore security patrol services for international oil companies. His experience extends to senior roles at Bayport Savings and Loans, CFC Savings and Loans, and Merchant Bank Ghana, where he led corporate banking, risk management, governance, and large-scale business transformations.

Prince is a Chartered Accountant (ACCA) and a Cambridge Commonwealth Trust Scholar with an MPhil in Development Studies from the University of Cambridge. He also holds a First-Class Bachelor of Arts degree in Psychology with Philosophy from the University of Ghana. His expertise is complemented by extensive professional development in corporate governance, trade finance, financial modeling, and oil & gas fundamentals. Known for his strategic leadership, financial acumen, and ability to drive organizational change, Prince Okai continues to shape businesses with his strong governance, risk management, and turnaround expertise.

Emmanuel Yaw Boafo

Head, Internal Audit

Emmanuel Yaw Boafo is a Fellow of the Association of Chartered Certified Accountants (ACCA), a member of the Institute of Chartered Accountants Ghana (ICAG) and a member of the Institute of Internal Auditors (IIA) Ghana.

He has over 18 years' experience in auditing, risk management, compliance, anti-money laundering and accountancy, having previously worked with Deloitte and Touché Chartered Accountants, CFC Savings and Loans and Bayport Savings and Loans Limited respectively.

While at Deloitte, he led different teams to carry out financial statements and forensic audits for several institutions in the various sectors of the economy.

At CFC as Head of Internal Audit, he played a key role in setting up the audit, risk, and compliance functions.

Yaw was very influential in helping the firm secure a Savings and Loans license by drafting the key policies and procedures for the company's new business. With his innovative training approach, he helped to promote a compliance culture at Bayport where he headed the Compliance and Anti-Money Laundering department.

Emmanuel Ocansey

Acting-Head, People and Culture

Emmanuel Ocansey is the People & Culture Manager at Letshego Ghana.

His career in human resources began at African Finance Business Ghana Plc (now Letshego Ghana Savings & Loans Plc) in September 2016, where he developed expertise in People Operations. Driven by his passion for People Management, Emmanuel joined AFB Ghana PLC as a People Experience Assistant (National Service) in the same year. In this role, he played a key role in streamlining the company's HRIS and managing employee welfare, laying a strong foundation for his HR career.

Over the years, Emmanuel progressed through various HR roles within Letshego Ghana, rising from People Experience Officer to People & Culture Manager. He also took on an additional role as a Payroll Business Partner, supporting payroll services across multiple subsidiaries within the Letshego Group.
His leadership capabilities led to his appointment as Acting Head of People & Culture from June 2024 to December 2024, during which he successfully streamlined people processes and significantly improved employee engagement scores.

Emmanuel holds a B.A. in Integrated Business Studies (Accounting) from the University for Development Studies. He is a Senior Professional in Human Resources International (SPHRI) certified by HRCI and an alumnus of Odorgonno Senior High School.

Daniel Arhin
Head of Credit

Daniel Arhin is a results-driven Credit Risk Manager with over five years of experience in quantitative data analysis and risk management within the financial sector. He served as Manager, Credit Administration & Monitoring at Universal Merchant Bank, specializing in data-driven decision-making, credit risk modeling, and regulatory compliance.

Daniel has a strong track record in statistical analysis, data visualization, and predictive modeling, utilizing Python, SQL, and Microsoft Power BI to provide valuable insights for executive decision-making. His expertise spans IFRS 9 model development (PD, LGD, EAD), asset quality assessments, and stress testing of credit portfolios. He plays a key role in advising senior leadership, including the Management Risk and Board Risk Committees, on risk exposure and mitigation strategies.

Daniel holds a Master's degree in Economic Policy Management from the University of Ghana and is an Associate of the Chartered Institute of Bankers (Ghana). He is also certified in Artificial Intelligence & Machine Learning (BlackBelt Plus) from Analytics Vidhya, India.

With strong leadership and corporate governance skills, Daniel is passionate about leveraging data analytics and AI-driven solutions to enhance credit risk management and financial decision-making.

BOARD SECRETARIASHIP

Letshego partners with Sirdar Ghana Ltd for board secretarial management due to the firm's reputable legal professionals who enhance service efficiency. As a leading expert in high-performance boards, Sirdar Ghana Ltd provides comprehensive governance solutions, including company secretarial services, advisory support, board evaluations, diagnostics, and director upskilling. Their expertise ensures seamless pre- and post-board meeting processes, strengthening Letshego s governance framework and operational effectiveness.

Profile of Company Secretary

Catherine Engmann

Catherine, as the corporate secretary representative for Sirdar, has a wealth of corporate governance and company secretarial practice experience gained over two decades. The first 15 years of her career were spent supporting companies listed on the UK Stock Exchange, with the last decade being focused in Africa. Catherine's expertise lies in capacity building for boards.

She leverages her skills as a certified coach to probe sensitively and to help boards identify issues and challenges that lie below the proverbial surface. She has also been involved in the recapitalization of companies through private equity financing, listing new companies, handling mergers and acquisitions, and managing employee share plans, globally. Her extensive boardroom involvement keeps her up to date with governance requirements. Catherine finds great fulfillment in guiding clients like Letshego Ghana to overcome challenges and grow. She holds a Bachelor of Science (Biotechnology) degree and is a chartered governance professional.

GENERAL INFORMATION

Letshego Ghana Savings & Loans PLC is a licensed financial services provider in Ghana, offering innovative solutions to individuals in both the public and private sectors, as well as supporting micro and small entrepreneurs. Established in September 2010 as African Financial Services (AFS), the company rebranded to African Finance Business AFB in 2013. In 2016, it was wholly acquired by Letshego Holdings Limited (LHL), Africa's largest payroll lender headquartered and listed in Botswana, delivering finance solutions to populations across 11 Sub-Saharan markets.

Since its inception, Letshego Ghana has grown to a staff complement of over 100 employees, spread across 16 outlets, and serves over 7.2 million customers through strategic partnerships, innovative technology, and digital delivery channels.

The company provides financial solutions to employees of government institutions and organizations, including those under the Controller and Accountant General's Department, Ghana Armed Forces, and Ghana Police Service. Additionally, it partners with esteemed institutions such as the Volta River Authority, Ghana Shippers' Authority, the University of Cape Coast, and the University of Mines and Technology, offering tailored financial products to their staff.

In 2024, Letshego Ghana partnered with the Development Bank of Ghana to fund solar and electric-powered automobiles as part of its Environmental, Social, and Governance (ESG) initiative, aiming to create a positive impact on society. Through this initiative, Letshego Ghana collaborated with WAHU Mobility, a sustainable fleet solutions company, to offer products like the E-Bike—an electric bicycle designed and manufactured in Ghana to withstand the realities of African roads, providing versatility for both daily commutes and carrying loads.

In August 2024, Letshego Ghana successfully attained the prestigious ISO 27001 certification. This significant milestone demonstrates the company's unwavering commitment to implementing and continually improving its Information Security Management System (ISMS) to safeguard sensitive information.

In September 2024, Letshego received approval from the Bank of Ghana to migrate its database to a cloud computing infrastructure, enhancing the robustness and efficiency of its operational systems.

In November 2024, Letshego Ghana Savings and Loans PLC successfully listed its GHS100 million Senior Unsecured Dual Bond Offer on the Ghana Fixed Income Market. The proceeds from this bond issuance will be used to augment working capital requirements and undertake expansion initiatives.

In 2024, Letshego Ghana received ten prestigious awards, including recognition as the Best Savings and Loans Company in Ghana, the Finance and Innovation Company of the Year, and the Best Company in the Promotion of Financial Inclusion. Additionally, its CEO was honored as the Outstanding Leader of the Year, while the CFO was named Best CFO in the Financial Services Sector. These accolades underscore the company' s brand strength, industry leadership, and remarkable growth throughout the year.

Letshego Ghana Savings &Loans PLC is recognized as one of the fastest-growing financial institutions in the market, offering innovative lending solutions.

CORPORATE GOVERNANCE REPORT

Letshego Ghana Savings and Loans operates in accordance with the Group wide Enterprise Risk Management framework which underpins the corporate governance principle of the business.

These principles and practices are guided by the Corporate Governance Directive 2018 (the Directive), Corporate Governance Disclosure Directive 2022 and the Fit and Proper Persons Directive 2019 issued by the

Bank of Ghana, as well as the Basel Committee standards on corporate governance which constitutes the best of international practice in this area.

The key guiding principles of the business' governance practices are:

Good corporate governance enhances shareholder value

I. The respective roles of shareholders, board of directors and management in the governance architecture should be clearly defined; and

II. The board of directors should have a membership of at least 30% independent directors, defined broadly as directors who do not have more than 5% equity interest directly or indirectly in the institution are not employed by the group or company, or who are not affiliated with organizations with significant financial dealings with the group as provided by the Directive.

III. Accountability and Responsibility: Ensuring clear assignment of responsibilities and accountability for decision-making at all levels within the organization.

IV Transparency: Requiring transparent disclosure of financial and non-financial information to stakeholders, including shareholders, regulators, and the public

V. Integrity and Ethical Behavior: Promoting ethical behavior and integrity among board members, management, and employees, with an emphasis on avoiding conflicts of interest and maintaining confidentiality.

These principles have been articulated in a number of corporate documents, including the company's constitution, a corporate governance charter, rules of procedures for Boards, a code of conduct for directors and rules of business ethics for staff

The Board of Directors

The Board plays a crucial role in shaping the institution's strategic direction, overseeing operations, and supervising executive management to ensure sustainable growth and regulatory compliance.

As of December 31, 2024, Letshego Ghana Savings and Loans' Board of Directors comprised seven members, with 71.43% Ghanaian representation. The composition includes one Executive Director, one Non-Executive Director and five Independent Non-Executive Directors. This structure aligns with Section 29 of the Bank of Ghana's Corporate Governance Directive (the "Directive"), which mandates that a regulated financial institution must have a minimum of five and a maximum of thirteen board members, including the Chairperson. Furthermore, the Directive requires that the majority of board members be non-executive and ordinarily resident in Ghana to ensure balanced decision-making and prevent undue influence by any individual or group.

With a wealth of experience and expertise, the Board remains committed to making well-informed and strategic decisions that drive the institution's progress. In the year under review, the Board convened seven times, exceeding the minimum meeting requirement stipulated in Section 39 of the Corporate Governance Directive.

The Board holds ultimate responsibility for the institution, ensuring the formulation, approval, and oversight of strategic objectives, risk management frameworks, corporate governance principles, and institutional values. It plays a critical role in the appointment, supervision, and performance evaluation of senior management, maintaining a rigorous and transparent selection process in compliance with the Fit and Proper Directive, as stipulated in Sections 10 and 11. These duties are clearly outlined in the Board Charter.

Additionally, within 90 days of each financial year' s commencement, the Board is mandated to certify the institution's overall compliance with the Directive. It independently assesses and formally documents the corporate governance processes, ensuring their alignment with regulatory and strategic objectives. The Board is also responsible for identifying, evaluating, and mitigating emerging risks, thereby enhancing operational resilience and financial stability.
Directors remain fully aware of their governance obligations, reinforcing a culture of accountability and transparency. Moreover, the Board is committed to identifying and reporting any significant deficiencies and control weaknesses detected throughout the year. It must present corresponding corrective action plans, along with implementation timelines, to the Bank of Ghana.

Furthermore, the Board exercises oversight of the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Directive, ensuring strict institutional compliance. This includes reviewing management reports that highlight suspicious activities detected within the quarter and taking necessary measures to strengthen internal controls. It also ensures adherence to internal audit and compliance functions, monitors cybersecurity risks, and promotes ethical conduct across all levels of the institution.

By fulfilling these responsibilities, the Board upholds sound corporate governance practices, fosters financial stability, and safeguards the integrity of the institution in alignment with regulatory expectations and best practices.

CORPORATE GOVERNANCE REPORT

Audit and Finance Committee

To bolster its corporate governance in accordance with Sections 49 to 58 of the Directive and align with best practices, the Board has entrusted different facets of its responsibilities to several committees, namely Audit and Finance, Risk and Compliance and Cyber and Information Security. These committees have been tasked with specific memberships and functions as follows:

Audit and Finance Committee

Christian Sottie	Chairperson
Nii Amankra Tetteh	Member
Geoffrey Kitakule	Member
Emmanuel Alex Asiedu	Member
Charity Chanda Lumpa	Member

The Board Audit Committee is made up of a majority of independent Directors who are all non- executive, with at least 30% Ghanaian membership. The Committee performs the following functions, among others:

- Receive key audit reports and ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with policies, laws and regulations and other problems identified by auditors as well as any other relevant matter referred to the committee by the Board.
- Review and approve the organization' s financial statements, including the adequacy and consistency of accounting policies and practices, to ensure transparency and accuracy in financial reporting.
- Provide oversight of the internal and external audit functions, the appointment, compensation and removal of auditors, reviewing and approving the audit scope and frequency.
- Evaluate the effectiveness of the organization' s internal control environment, including assessing the adequacy of controls to mitigate risks and prevent fraud

The summary of work carried out by the Board Audit Committee during the year includes assisting the Board ensure the adequacy of the institutions audit function, promote, evaluate, and monitor the effectiveness and independence of the institutions Internal Audit, ensured the adequacy of controls, processes and systems that guarantee the reliability and integrity of financial and operational reporting, and ensured adherence to laws, regulations, policies and contracts.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Risk and Compliance Committee (Continued)

Geoffrey Kitakule	Chairperson
Nii Amankra Tetteh	Member
Christian Sottie	Member
Charity Chanda Lumpa	Member
Emmanuel Alex Asiedu	Member
Ebo Richardson	Member

The Board Risk Committee comprises directors from all categories, with at least 30% Ghanaian membership, and undertakes various functions, including but not limited to:

- Questioning the assessment and quantification of the institution's key risks.
- Offering guidance, oversight, and encouragement to foster and sustain a supportive risk culture across the institution.
- Providing overarching scrutiny and evaluation of senior management' s daily risk management and oversight mechanisms.
- Offering overarching scrutiny and evaluation of the institution' s scenario analysis and stress-testing processes.
- Reviewing the internal assessments of capital adequacy and liquidity adequacy within the institution.
- Examining external risk-related disclosures, such as annual reports, accounts, and quarterly disclosures.
- Overseeing and evaluating due diligence on risk-related matters concerning significant transactions and strategic proposals requiring Board approval.

The Board Risk Committee' s scope of work also includes advising the Board on the company's current and future risk tolerance and appetite, as well as strategy formulation, including considerations related to Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT).

Cyber and Information Security Committee

Geoffrey Kitakule	Chairperson
Nii Amankra Tetteh	Member
Christian Sottie	Member
Ebo Richardson	Member

The Committee is mandated to perform the following responsibilities:

- Offering long-term strategic direction concerning technology.
- Supervising significant Information Technology（IT）strategies, projects, and decisions related to technology architecture.
- Evaluating the effectiveness of the institutions IT initiatives in aligning with its business objectives and strategies.
- Engaging in discussions with the institution's senior IT management team.
- Keeping the Board of Directors informed about IT-related issues.
- Reviewing and evaluating Cyber Security Reports submitted by the Chief Information Security Officer and formulating strategic directives for the institution's cyber security policy to allow for implementation.
- Monitor the effectiveness of the institution's preparedness to withstand cyber - attacks and make recommendations to the Chief Information Security Officer for implementation.
- Keep the Board informed and updated on the overall institutional Cyber Security strategy and direction.

The Board Cyber and Information Security Committee' s activities encompass monitoring the implementation of cyber and information security strategies devised by management. It assumes accountability for the institution's IT strategies, scrutinizing the financial, tactical, and strategic advantages of proposed significant IT projects and technology architecture options. Additionally, it conducts thorough evaluations of the advancement of major IT projects and technology architecture determinations. The committee also guarantees the institution's adherence to laws, regulations, standards, policies, and directives pertaining to the cyber security directive.

Other Engagements of Directors

In accordance with the Corporate Governance Disclosure Directive, directors are limited to holding a maximum of five directorship positions concurrently in financial and non-financial companies, including offshore engagements. Before accepting an additional role, directors must ensure that no conflicts of interest will arise.
Additionally, they are obligated to assure that accepting the appointment will not compromise their ability to fulfill their duties as directors of the Letshego Ghana Savings and Loans. Information regarding external directorship positions held by the directors can be referenced in the table provided below

Profile of Directors

Director	Qualification	Position	Other Board Membership and Management Positions (Section 45 of the Directive)
Blaise Mankwah	Retired Banker	Board Chairman Letshego Group, Head of Strategic Operations	Director, Renal Africa Group
Geoffrey Kitakule	Banker	Independent Non-Executive Director	Director, Letshego Uganda Director, Letshego Kenya Director/Shareholder, ATS Co Ltd Director/Shareholder Kitakule Foundation Ltd
Christian Sottie	Retired Auditor	Independent non-executive (Rep, ICA Ghana)	Internal Audit Agency Board SIC Insurance Board
Charity Chanda Lumpa	Retired Banker	Independent non-executive Vice Chairperson, Board Member and Chair Audit, Risk & Compliance Committee	Oikocredit U.A., Netherlands - Green Economic Transition Facility/Green Investment Committee (UNDP/Irish Aid Fund) - Investment Panelist St. Ignatius College of the Society of Jesus, Zambia - Board Chairman
Nii Amankra Tetteh	Banker	Executive Director	CEO, Letshego Ghana Limited
Emmanuel Alex Asiedu	Investment Strategist	Independent Non-Executive Chair of Impact Investing Ghana	CEO, Right to Dream Foundation- Trustee of the Gaede Foundation.
Ebo Amenyi Richardson	Transformational leader	Independent Non-Executive Director Strategy Lead, G-Money Financial Services (EY Consultant)	Board Member, Innovare Limited

The annual meeting calendar during the year 2024

QUARTER	MEETING	DATE
Quarter 1	Strategy Session	23rd January 2024
	Special Approval for 2023 Financials	27th March 2024
Quarter 2	Audit & Finance Committee Meeting	23rd April 2024
	Risk & Compliance Committee Meeting	23rd April 2024
	Cyber & Information Security Committee Meeting	23rd April 2024
	Board Meeting	25th April 2024
Quarter 3	Special Approval for H1 Financials	30th July 2024
	Audit & Finance Committee Meeting	5th August 2024
	Risk & Compliance Committee Meeting	6th August 2024
	Cyber & Information Security Committee Meeting	6th August 2024
	Board Meeting	7th August 2024
	Annual General Meeting of Shareholders	30th September 2024
Quarter 4	Audit & Finance Committee Meeting	23rd October 2024
	Risk & Compliance Committee Meeting	22nd October 2024
	Cyber & Information Security Committee Meeting	23rd October 2024
	Board Meeting	29th October 2024
	Audit & Finance Committee Meeting	17th December 2024
	Risk & Compliance Committee Meeting	17th December 2024
	Strategy Session	17th December, 2024

Board Meetings

The Company's Board held seven meetings in 2024. The record of attendance is provided below:

Name	JAN '24	MAR '24	APR '24	JUL '24	AUG '24	OCT '24	DEC '24
Mr. Blaise Mankwa	√	√	√	√	√	√	√
Mr. Christian Sottie	√	√	√	√	√	√	√
Mr. Geoffrey Kitakule	√	√	√	√	√	x	√
Mr. Nii Amankra Tetteh	√	√	√	√	√	√	√
Mr. Ebo Richardson	√	√	√	√	x	√	√
Ms. Charity Chanda Lumpa	√	√	√	x	√	√	√

Audit and Finance Committee Meetings

The Company's Board Audit and Finance Committee met four times in 2024. The record of attendance is provided below:

Name	APR '24	AUG '24	OCT '24	DEC '24
Mr. Christian Sottie	√	√	√	√
Mr. Geoffrey Kitakule	√	√	√	√
Ms. Charity Chanda Lumpa	x	√	√	√
Mr. Emmanuel Alex Asiedu	x	√	√	√
Mr. Nii Amankra Tetteh	√	√	√	√
Mrs. Poelo Mkpayah	x	√	√	√
Mrs. Akua Donnir (Invitee)	√	√	√	√
Mr. Emmanuel Y Boafo (Invitee)	√	√	√	√

Risk and Compliance Committee Meeting

The Company's Risk and Compliance Committee met four times in 2024. The record of attendance is provided below:

Name	APR '24	AUG '24	OCT '24	DEC '24
Mr. Christian Sottie	√	√	√	√
Mr. Geoffrey Kitakule	√	√	√	√
Ms. Charity Chanda Lumpa	√	√	√	√
Mr. Emmanuel Alex Asiedu	x	√	√	√
Mr. Nii Amankra Tetteh	√	√	√	√
Mr. Ebo Richardson	x	√	√	√
Ms. Poelo Mkpayah (Invitee)	x	√	√	√
Mrs. Akua Donnir (Invitee)	√	√	√	√

Cyber and Information Security Committee Meetings

The Company's Cyber and Information Security Committee met three times in 2024. The record of attendance is provided below:

Name	APR '24	AUG '24	OCT' 24
Mr. Christian Sottie	√	√	√
Mr. Geoffrey Kitakule	√	√	√
Mr. Ebo Richardson	√	√	√
Ms. Akua Donnir (Invitee)	√	√	√
Mr Nii Amankra Tetteh	√	√	√
Innovare Consultant (Invitee)	x	√	√

Planned activities of the Board Committees for 2025

	Proposed Date	Participants
Sub Committee Meetings (To review Q4 2024)		
Audit & Finance Committee	20th January 2025	Board, Company Secretary, CFO, Internal Auditor
Risk & Compliance Committee	21st January 2025	Board, Company Secretary, CRO

Cybersecurity Risk Committee	20th January 2025	Board, Company Secretary &ISM
Board Meeting (To review Q4 2024)	30th January 2025	Board, Company Secretary
Special Approval of 2024 Financials	22nd April 2025	Board, Company Secretary & External Auditors
Sub Committee Meetings (To review Q1 2025)		
Audit & Finance Committee	23rd April 2025	Board, Company Secretary, CFO, Internal Auditor
Risk & Compliance Committee	24th April 2025	Board, Company Secretary, CRO
Cybersecurity Risk Committee	23rd April 2025	Board, Company Secretary & ISM
3. Board Meeting (To review Q1 2025)		
Board Meeting and Approval of Q1 financials	30th April 2025	Board & Company Secretary, external auditors
4. Half-Year Review		
Review 2025 Strategy with Board to measure performance	16th – 18th June 2025	Board & CMC
Special Approval of H1 2025 Financials	27th June 2025	Board, Company Secretary and External Auditors

5. Annual General Meeting	19th June 2025	Board and shareholder
Sub Committee Meetings (To review Q2)		
Audit & Finance	23rd July 2025	Board, Company Secretary, Internal auditor & CFO
Risk & Compliance	24th July 2025	Board, Company Secretary CRO
Cybersecurity Risk	23rd July 2025	Board, Company Secretary & ISM
6. Board Meeting (To review Q2)	30th July 2025	Board & Company Secretary

Special Approval for Q3 Financials	29th September 2025	Board, Company Secretary & External Auditors
7. Sub Committee Meetings (To review Q3)		
Audit &Finance	22nd October 2025	Board, Company Secretary, Internal auditor & CFO
Risk &Compliance	23rd October 2025	Board, Company Secretary, CRO
Cybersecurity Risk	22nd October 2025	Board, Company Secretary & ISM
8. Board Meeting (To review Q3)	30th October 2025	Board & Company Secretary
Special Approval for 2024 Financials (Q3)	27th November 2024	Board, Company Secretary, CFO & External Auditors
9. Management and Board Strategy Session	8th – 10th December 2025	Board and CMC

Letshego Code of Conduct

The Letshego Code of Conduct is rooted in principles and revolves around understanding our Guiding Lights and values, which shape our conduct within the workplace, as well as our interactions with communities, customers, and stakeholders. It serves as a beacon, guiding us to uphold our values and principles, emphasizing the importance of integrity, accountability, and respectful treatment of individuals.

At Letshego, we uphold the highest standards of ethics, integrity, and behavior in all our dealings with clients, colleagues, and stakeholders. This commitment encompasses full compliance with all legal obligations mandated by statutes, regulations, rules, or professional standards, ensuring ethical and responsible conduct at all times.

As an integral part of Letshego's corporate governance framework, management has disseminated the principles outlined in the code of conduct to all employees. This code serves as a fundamental framework, providing guidance on appropriate behaviors and business conduct. It acts as a reference point across various dimensions of employee interactions, encompassing relationships with fellow employees, customers, suppliers, government officials, regulators, joint venture partners, competitors, and the broader community. Both employees and the Board have acknowledged their understanding of the code of conduct by signing off on it, along with acknowledging the sanctions for any breaches.

Recruitment, Induction and Training of New Directors

Individuals selected to serve on the Letshego Board possess a diverse array of skills and backgrounds essential for providing strategic direction to the organization. These backgrounds include expertise in business, banking, accounting, audit, law, IT, and other relevant areas.

Upon appointment, all new directors receive a formal letter outlining the terms governing their tenure on the Board. Additionally, in accordance with the Companies Act, 2019 (Act 992) and the institution's Board Charter, the oldest serving directors are required to retire at each annual general meeting. However, they may seek re-election if they choose to do so, subject to shareholder approval as recommended by the Board. The tenure of non-executive directors is regulated by the Bank of Ghana directive on corporate governance, which imposes a maximum service period of nine years.

New board members undergo a comprehensive induction program that provides an overview of the Group's financial, strategic, operational, and risk management aspects. Key executive management and business unit leaders also deliver presentations to the new board members to familiarize themselves with the organization's operations.

Board Qualifications and Composition

Per Section 23 of Corporate Governance Disclosure Directive, all Board members are deemed qualified for their roles and are required to maintain their qualifications through ongoing training. They possess a comprehensive understanding of their responsibilities in corporate governance and demonstrate the ability to make sound and impartial judgments regarding Letshego's affairs. Additionally, they collectively and individually possess the necessary experience, competencies, and personal attributes, including professionalism and integrity.

Remuneration Structure

In line with market practice, Non-executive directors receive an hourly rate charge per meeting quarterly. This approximates to about USD 2,500 quarterly for their service on the Board and additional compensation of USD 1,100 and USD 1,400 per sitting for committee members and chairpersons, respectively. The remuneration of Board members is subject to shareholder approval based on the Board's recommendation.

Executive directors, however, do not receive additional remuneration package but are eligible for long-term incentives on the same terms as other employees.

The Board oversees the design and implementation of the Institution's compensation system and regularly reviews it quarterly through the CEO's report to ensure alignment with prudent risk management practices. It ensures that remuneration levels are adequate to attract, retain, and motivate Executive Officers. The board reviews staff salary surveys conducted by the Human Resource department to ensure fair equity on the market in terms of remuneration and can advise where necessary.

Annual certification

In accordance with section 12 of the Corporate Governance Disclosure Directive, the Board certifies that the Institution is compliant with the Directive. The Board further certifies that:

- ✓ It has independently assessed and documented the corporate governance process of the Institution and that it is effective and has successfully achieved its objectives.
- ✓ Directors are aware of their responsibilities to the Institution as persons charged with governance.
- ✓ No material deficiencies and weaknesses have been identified in the course of the year.

Directors are required to obtain certification from the National Banking College, or any other institution recognized by the Bank of Ghana to the effect that they have participated in a corporate governance programme and have completed a programme on Directors' responsibilities.

During the year, as part of regulatory requirements for director certification, all directors of the institution participated in the Corporate Governance Programme for 2024 organized by the National Banking College. Notably, the Board Chairman and the CEO have successfully completed the program and have been certified by the National Banking College, as confirmed by the issued transcript.

The certification programme covered the following topics;

- Cyber Risk Governance and Management
- Fraud Risk Governance and Prevention
- Driving ESG Practices: Board's role from ESG strategy to reporting.

Board Evaluation

Board Performance Evaluation and AML/CFT Evaluation Compliance

The Board confirms its compliance with Sections 46 and 48 of the Corporate Governance Directive regarding Board Performance Evaluation and AML/CFT Evaluation. As stipulated in Section 47, Letshego undergoes a formal and thorough evaluation of its performance annually, with external facilitation, in accordance with the Corporate Governance Directive. The most recent external evaluation of the Board was conducted by Ghana Association of Restructuring &Insolvency Advisors (GARIA) in 2024.
The evaluation criteria assessed the Board' s effectiveness across key domains, including:

- Board Policy and Procedure
- Board Renewal and Succession
- Board Capability, Performance, and Effectiveness
- Board Structure and Operations
- Strategy, Growth, and Innovation
- Operational Improvement and Sustainability
- Risk Appetite and Oversight
- Effective Reporting and Stakeholder Management

A comprehensive report was submitted to the Bank of Ghana in March 2024, addressing key findings and areas for improvement. The next external evaluation is scheduled for 2025.

Summary of Key Findings

Specific Findings:

1. Board Composition & Expertise

The Board lacks specialized independent director expertise in key areas such as IT, cybersecurity, law, economics, and risk management. This results in overreliance on the informal experience of current Independent Directors, increasing organizational oversight risks.

2. Strategy & Performance Monitoring

Compensation governance is unclear, with no structured oversight process in place.

3. Board Meetings & Management Governance

Timeliness of Board meeting material circulation needs improvement. Additionally the following issues were identified in Board processes:

- Following up on actions from Board meetings.
- Dissemination of information related to Board meetings.
- Board secretarial support requires improvement.
- Compliance with director tenure also requires attention.

4. Board Committees

The Audit and Risk Committee was the only committee in operation during the review period. While the Board Charter defines its mandate, the Audit and Risk functions were not separated, which does not align with best practices. Given the limited number of Board members, committee membership appeared to be based on pragmatism rather than governance best practices. Committee leadership lacks independence, as the Board Chair also served as a Committee Chair. Board Committee governance was rated at a Developmental Maturity Level.

5. Related Party Transactions (RPT) Governance

- No structured process exists for identifying and reviewing related party transactions.
- Registers tracking related party transactions are not consistently maintained.

6. Ethics &Professionalism Governance

- The Code of Conduct is not regularly reviewed or implemented at the Board level.
- No documented discussions on ethics and professionalism in Board meetings.

Recommended Actions

1. Implement real-time performance monitoring and improve compensation governance.
2. Improve meeting efficiency, documentation, and follow-up actions.
3. Establish separate Audit and Risk Committees with independent leadership.
4. Develop structured processes for related party transactions and maintain a disclosure register.
5. Conduct regular reviews and operationalization of the Code of Conduct to strengthen governance and ethics.

Business Strategy

During the reporting period, the Board sanctioned and oversaw the institution's overarching business strategy, ensuring alignment with the institution's long-term financial objectives, risk exposure, and proficient risk management, in accordance with section 13 of the Corporate Governance Disclosure Directive.

Additionally, the Board authorized the development and execution of a comprehensive risk strategy, encompassing risk tolerance/appetite, risk policies, risk management and compliance protocols, including measures to mitigate Anti-money Laundering and Combat the Financing of Terrorism (AML/CFT) risks, internal control mechanisms, corporate governance frameworks, principles, and corporate values, including the establishment of a code of conduct or equivalent documentation, as well as a remuneration system

Risk Management and Internal Controls

The Letshego Board has established a robust internal control system in compliance with Sections 64 and 67 of the Corporate Governance Disclosure Directive and has implemented an effective risk management framework. Key Management Personnel assigned to these roles possess the necessary authority, independence, stature, resources, and direct access to the Board.

The internal controls have been structured to ensure that each significant risk is accompanied by appropriate policies, procedures, or other measures, along with corresponding controls to verify their application and effectiveness.

In accordance with Section 68 of the Corporate Governance Disclosure Directive, the institution also maintains a Head of Internal Audit who remains impartial from the institution's audited activities and business line responsibilities. Possessing professional competence in financial information analysis, audit evidence evaluation, and stakeholder communication, the Head of Internal Audit is well-versed in auditing techniques and methodologies. Reporting directly to the Audit Committee and with direct access to the Board, the Head of Internal Audit ensures the integrity of the internal audit function.

Recognizing the pivotal role of external auditors in the corporate governance framework, the Board has enlisted the services of Ernst &Young Chartered Accountants (EY) , an independent, competent, and qualified external auditor, in accordance with Section 71 of the Corporate Governance Disclosure Directive.

Key Management Oversight

In compliance with Sections 18 and 63 of the Corporate Governance Disclosure Directive, the Board actively monitors and verifies that the actions of Key Management Personnel align with the approved strategy and policies, including the risk tolerance/appetite and risk culture.

The Board has ensured the establishment of a management structure that fosters accountability and transparency, overseeing the implementation of suitable systems to manage both financial and non-financial risks inherent to the institution.

Letshego has recruited skilled and capable staff and offers training and development opportunities to sustain the achievement of short and long-term business objectives, as well as to uphold the risk management framework safeguarding the institution's reputation.

Succession Planning

In accordance with Section 17 of the Corporate Governance Disclosure Directive, Letshego Ghana diligently pursues a robust talent and succession management process, recognizing that our success relies on our ability to attract and retain top talent in the industry, while also maintaining a deep bench strength to ensure smooth leadership continuity. Letshego fosters a culture of regularly reviewing and refreshing the succession pipeline to adapt to the dynamic nature of the talent landscape. Departmental heads and Human resources department are empowered to take ownership of the succession management process from start to finish within their respective areas. Our succession planning process prioritizes all critical roles at every level of the organization to ensure continuity in business and leadership.

Letshego is committed to fostering an environment that empowers staff to achieve their career aspirations through internal promotions and appointments.

The Board, through semi and annual engagements with the Executive committee members actively addresses succession planning by advising on its composition and structure, implementing transparent appointment processes for directors, and ensuring the Board remains informed about strategic commercial developments affecting its mandate area.

Corporate Culture and Values

Letshego has cultivated a corporate culture and set of values that foster responsible and ethical behavior, particularly concerning risk awareness, risk-taking, and risk management, as outlined in section 15 of the Corporate Governance Disclosure Directive. This is accomplished through the commitment of Letshego's board members to establish and uphold corporate values. Moreover, key management and employees are instrumental in fostering expectations that business is conducted in a legal and ethical manner at all times.

The corporate values and professional standards set by Letshego, along with supporting policies and measures for addressing unacceptable behaviors, are effectively communicated to all employees. This ensures a shared understanding and commitment to upholding ethical principles throughout the organization.
Letshego inspires on-boarding employees with its history, values, culture, governance and strategic intents that are empowering.

Separation of Powers

A clear division of responsibilities exists between the roles of the Board Chair and the Managing Director, as mandated by Section 19 of the Corporate Governance Disclosure Directive. This ensures a separation of powers within the organization, with distinct roles and responsibilities assigned to each position. The Board Chair provides strategic oversight and direction, while the Managing Director is responsible for the day-to-day operations and implementation of the Board's decisions. This separation of powers helps to maintain accountability, transparency, and effective governance within the institution.

Conflict of Interest

In accordance with Paragraph 59 of the Corporate Governance Directive, 2018, and sections 192 and 194 of the Companies Act, 2019 (Act 992), Letshego has implemented a Conflict-of-Interest Policy to ensure directors avoid both actual and perceived conflicts of interest or situations where their personal conduct could compromise their judgment in fulfilling their duties to the institution. Under this policy. The primary aim of the conflict-of-interest policy is to facilitate the unbiased management of any actual, apparent, or perceived conflicts of interest concerning the decision-making or actions related to the operations of Letshego Ghana. This is to ensure that individuals are not improperly swayed by secondary interests.

The stipulated minimum standards detailed in this policy are applicable to all employees and directors of the institution and its subsidiary entities. The Board conducts annual reviews of actual or potential conflicts of interest to ensure compliance with the provisions outlined in Paragraphs 59 and 60 of the Directive.

Directors are obligated to disclose any direct or indirect interests they hold, or are related to, annually and at each board meeting, particularly if these interests are pertinent to Board actions. They are also expected to abstain from voting on matters involving such interests. Directors are further bound by a duty to avoid situations that may create a genuine or significant risk of conflict of interest or duty regarding any matters brought before the Board.
Throughout the year, no director held a significant interest in any contract of material importance with the institution or any of its subsidiary undertakings.


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Fixed Deposit
✓ Secured investment
✓ Competitive interest rates
✓ Flexible investment solution
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0800898000(Telecel Only)
For more information
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Letshegoghana

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of Letshego Ghana Savings and Loans PLC ('the Company') for the year ended 31 December 2024.

Principal activities

The Company is authorised to transact business as a Non-Banking Financial Institution.

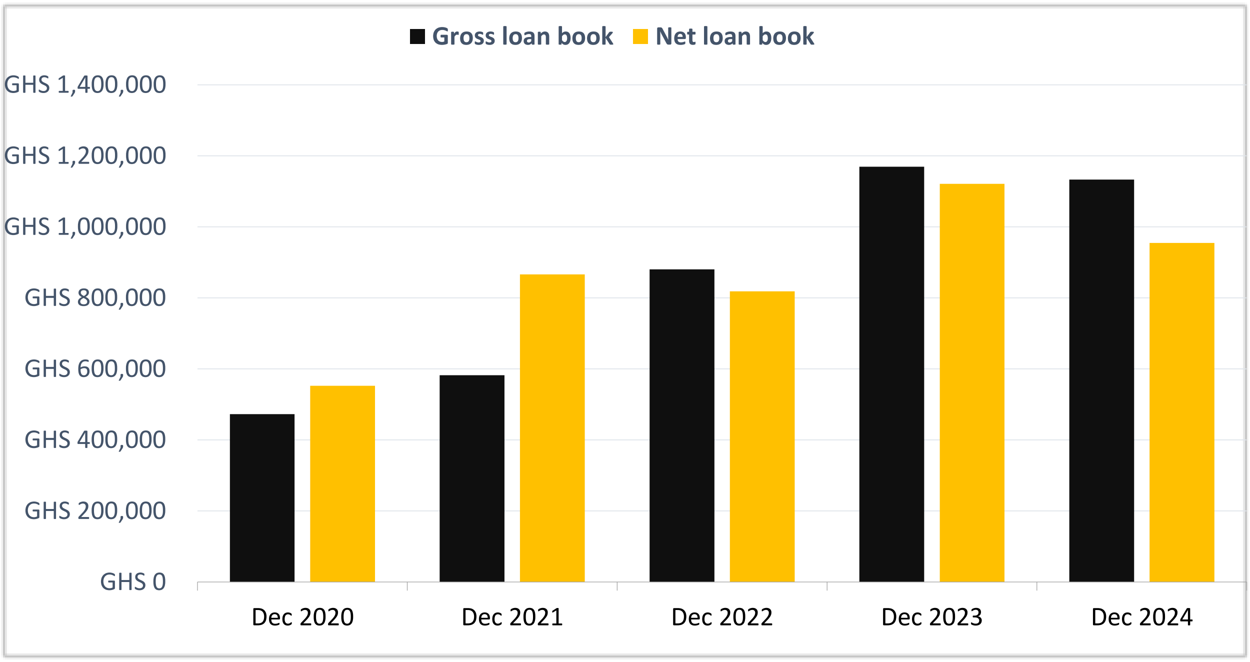
Payroll Loans	Mobile	Green Assets Financing
Letshego Ghana provides Deduction-at-Source loans to Government and private corporate employees in Ghana. Loan values range in value from GHS 1,000 to GHS 200,000 Repayment terms are from 3 to 84 months.	Mobile loan product (Qwikloan) is offered to customers on a short-term basis with repayment via mobile deduction. Loans are repayable in 30 days.	Our Green Assets financing is purposefully designed to support entrepreneurs within the gig economy and businesses in acquiring sustainable equipments and vehicles.
Insurance	**Rewards Program**	**LetsGo**
Because we want to help protect our customers' family in the event that life throws unexpected circumstances their way, we offer easy-to-understand, affordable credit life insurance on selected products. Risks currently covered include: • Life • Accidental death • Disability • Critical illness • Retrenchment	Letshego Ghana loan customers qualify for our Rewards program, which offers additional benefits including free accidental death cover.	LetsGo uses a simple mobile to mobile technology solution. Customers use their active mobile wallet to deposit and withdraw on a 24/7 basis, creating a fully accessible savings product.

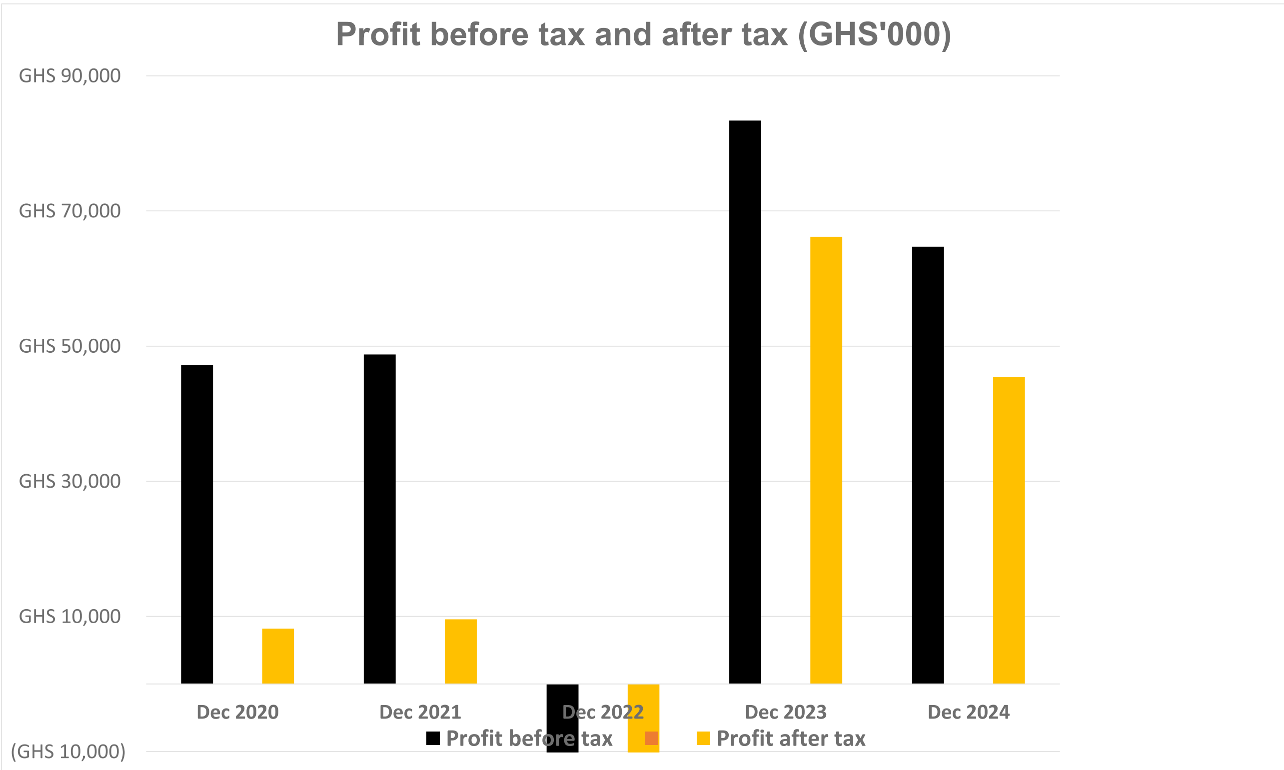
REPORT OF THE DIRECTORS (continued)

5-year company analysis

GHS'000	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024
Net Interest Income	79,697	91,214	68,446	144,715	503,253
Fee income	19,983	20,096	18,407	41,996	20,859
Profit before tax	47,184	48,753	(20,436)	83,382	64,704
Net loan book	552,484	866,247	818,439	1,121,442	954,926

5-year company analysis (continued)





Statement of Directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed the requirements of IFRS Accounting Standards as issued by International Accounting Standard Board including IAS29 Hyperinflation directive issued by the Institute of Chartered Accountants Ghana, the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act, 2017 (Act 930).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Holding Company

The Company is a subsidiary of Letshego Africa Holdings Limited, which acquired 100% of the Company effective 1 January 2018. Letshego Africa Holdings Limited incorporated in 1998, its headquarters is based in Gaborone, Botswana, and publicly listed on the Botswana Stock Exchange since 2002.

Financial results

The financial results for the year ended 31 December 2024 are set out below:

	31 December 2024	31 December 2023
Profit before tax	**64,703,621**	**83,381,885**
Income tax expense	(19,273,838)	(17,207,232)
Profit for the year	45,429,783	66,174,653
Transfer to statutory reserve	(22,714,891)	(33,087,326)
Opening retained earnings	22,244,217	(6,016,323)
Closing retained earnings	**49,785,896**	**22,244,217**

Dividend

The directors recommend the payment of dividend for the year ended 31 December 2024 of GHS 13,628,935 (2023: GHS 19,852,396). This will be subject to regulatory approval.

Capacity building of directors to discharge their duties

The company ensures that only fit and proper persons are appointed to the Board after obtaining the necessary integrity checks have been performed. Letshego Ghana Savings and Loans PLC provides a formal and tailored training for directors annually. The directors attended structured programmes organized by Sirdar Ghana Ltd and National Banking College during the period under review. The training are provided to ensure directors continually update their skills and knowledge of the company's business to enable them effectively perform their role on the Board and its committees. The training organized by the National Banking College was on corporate governance framework.

Auditor and Audit fees

The auditors, Ernst and Young, have completed their six years' term of office in accordance with Section 139(5) of the Companies Act, 2019 (Act 992) as well as Sections 81(4) and 81(5) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). As at 31 December 2024, the amount payable in respect of audit fees was GHS 615,385 (2023: GHS 487,564).

By order of the Board

1

BLAISE O. MANKWA	GEOFFERY KITAKULE
CHAIRMAN	DIRECTOR
Date : 30/04/2025	Date : 30/04/2025

Ernst & Young Chartered Accountants
60 Rangoon Lane
Cantonments City, Accra, Ghana
P. O. Box KA 16009
Airport Accra, Ghana

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
LETSHEGO GHANA SAVINGS AND LOANS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Letshego Ghana Savings and Loans Plc (the Financial Institution) set out on pages 41 to 101, which comprise the statement of financial position and the statement of profit or loss and other comprehensive income asp at 31 December 2024, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Letshego Ghana Savings and Loans Plc as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board including the IAS29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit -Taking Institutions Act, 2016 (Act 930).

Basis for opinion

We conducted our audit in accordance with Internal Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Financial Institution in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, we have provided our description of how our audit addressed the matter as provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The result of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

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Key Audit Matter	How the matter was addressed in the audit
Allowance for expected credit losses on loans and advances to customers	

IFRS 9 introduced a forward-looking Expected Credit Loss (ECL) model.
 	
The ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.
 	
The amount of ECL's recognized as a loss allowance or provision depends on the extent of credit deterioration since the initial recognition and recognition of impairment could be done on a 12-month expected credit losses or lifetime expected credit losses. Impairment computations under IFRS 9 therefore involves the use of models that takes into account:
• The probability-weighted outcome.
• Reasonable and supportable information that is available without undue cost or Loan loss provision is a key area of judgement for management. Significant judgements in the determination of the Bank's Expected Credit Loss includes:
  • Use of assumptions in determining ECL modelling parameters.
  • Portfolio segmentation for ECL computation
  • Determination of a significant increase credit risk and
  • Determination of associations between macroeconomic scenarios.
 	
The use of different models and assumptions can significantly affect the level of allowance for expected credit losses on loans and advances to customers. Due to the significance of such loans which account for about 63.27% of total assets of the financial institution, and the significant use of judgements, the assessment of the allowance for expected credit losses is a key audit matter.
 	
The information on expected credit losses on loans and advances to customers is provided in Note 7a 'Credit (loss) / gain expense on loans and advances' of the financial statements.
	We obtained an understanding of the Bank's credit risk modelling methodology.
	
	We validated and tested the ECL model of the Bank by assessing the data integrity and the internal controls around the model.
	
	We have also performed, among others, the following substantive audit procedures:
	
	• Reviewed the accounting policies and framework of the methodology developed by the Bank in order to assess its compliance with IFRS 9;
	• Verified sampled underlying contracts of financial assets to determine the appropriateness of management's classification and measurement of these instruments in the ECL model;
	• Reviewed and tested the methodology developed to calculate loan loss provision under IFRS 9, concentrating on aspects such as factors for determining a 'significant increase in credit risk', staging of loans, testing specific models related to Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD);
	• Tested the accuracy and completeness of data used in modelling the risk parameter, Recalculating the ECL;
	• Reviewed forward looking information / multiple economic scenario elements;
	• For stage 3 exposures, we tested the reasonableness of the assumptions underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral, estimated period of realization for collaterals, etc;
	• We have also analyzed information relating to the allowance for expected credit losses on loans and advances to customers disclosed in the Notes to the financial statements of the Bank.

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Other Information

The Directors are responsible for the other information. The other information comprises the information included in the 101 - page document titled "Letshego Ghana Savings and Loans Plc" Annual Report and Financial Statements for the year ended 31 December 2024". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and the requirements of the Companies Act, 2019 (Act 992) and the and the Banks and Specialized Deposit-Taking Institutions Act, 2016(Act 930) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Financial Institution's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Financial Institution or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Financial Institution's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Financial Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Financial Institution to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion, proper books of account have been kept by the Financial Institution, so far as appears from our examination of those books;

iii. The statement of Financial Position and the statement of comprehensive income (statement of profit or loss and other comprehensive income) of the Financial Institution are in agreement with the underlying books of account.

iv. In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the Financial Institution at the end of the financial year and of the profit or loss for the financial year then ended;

v. We are independent of the Financial Institution pursuant to section 143 of the Companies Act, 2019 (Act 992).

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The Banks and Specialized Deposit-Taking Institutions Act, 2016, (Act 930) under Section 85 (2) requires that we report on certain matters. Accordingly, we state that:

i. The accounts give a true and fair view of the statement of affairs of the Financial Institution and the results of operations for the year under review;

ii. We were able to obtain all the information and explanations required for the efficient performance of our duties;

iii. The transactions of the Financial Institution are generally within the powers of the Financial Institution;

iv. The Financial Institution has generally complied with the provisions of the Financial Institution's and Specialised Deposit-Taking Institutions Act, 2016, (Act 930).

The Financial Institution has generally complied with the provisions of the Anti-Money Laundering Act, 2008, (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and regulations made under these enactments.

Other matters

The Financial Institution has generally complied with the provisions of the Corporate Governance Disclosure Directive 2022 issued by the Bank of Ghana.

The Engagement Partner on the audit resulting in this independent auditor's report is Pamela Des Bordes (ICAG/P/1329).

Ernst & Young

Ernst & Young (ICAG/F/2025/126)
Chartered Accountants
Accra, Ghana

Date: 30.04.2025

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	5	162,195,840	84,974,744
Investment securities	6	252,586,741	203,080,980
Financial asset at fair value through profit or loss	14	6,266,081	-
Loans and advances to customers	7	954,926,112	1,121,442,362
Other assets	8	79,573,716	64,437,445
Income tax receivable	17c	4,468,052	-
Deferred income tax asset	17d	36,070,787	5,925,082
Property and equipment	9	5,701,580	4,953,192
Right of use assets	10	6,555,661	2,466,097
Intangible assets	11	844,519	1,315,781
Total assets		**1,509,189,089**	**1,488,595,683**
LIABILITIES			
Customer deposits	12	457,692,422	185,002,959
Financial liabilities at fair value through profit or loss	14	-	3,184,069
Collateral security deposit	16	-	399,252,173
Other liabilities	13	51,818,863	20,572,547
Lease liability	15	-	85,069
Income tax payable	17c	-	10,828,060
Borrowings	18	680,515,272	596,144,677
Total liabilities		**1,190,026,557**	**1,215,069,554**
EQUITY			
Stated capital	19	162,046,314	162,046,314
Retained earnings		49,785,896	22,244,217
Statutory reserves	22	107,123,702	84,408,811
Credit risk reserves	23	-	4,826,787
Share based payment reserve	24	206,620	-
Total shareholders' equity		**319,162,532**	**273,526,129**
Total liabilities and equity		**1,509,189,089**	**1,488,595,683**

The accompanying notes form an integral part of these financial statements

The financial statements on pages 40 to 43 were approved by the Board of Directors and signed on its behalf by:

Signature:

Signature:

Name of Director: BLAISE O. MANKWA

Date: 30/04/2025

Name of Director: GEOFFERY KITAKULE

Date: 30/04/2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31 December 2024	31 December 2023
Interest income at effective interest rate	25	767,308,206	550,535,927
Other Interest and similar income	25b	3,345,993	1,478,113
Interest expense at effective interest rate	28	(267,401,683)	(407,164,855)
Interest and similar expense	28b	-	(133,709)
Net interest income		**503,252,516**	**144,715,476**
Fee and commission income	26	20,858,742	41,996,484
Commission expense	30	(190,387,125)	(60,225,169)
Other operating loss	27	(1,298,443)	(6,282,794)
Operating income		**332,425,690**	**120,203,997**
Net expense on financial asset and liabilities at fair value through profit or loss	29	(20,866,945)	(3,282,898)
Credit (loss) / gain expense on loans and advances	7a	(174,815,103)	18,104,158
Credit gain on investment securities	33	-	6,666,074
Net operating income		**136,743,642**	**141,691,331**
Personnel expenses	31	(29,179,678)	(24,149,716)
Operating expenses	32	(42,860,343)	(34,159,730)
Total operating expenses		**(72,040,021)**	**(58,309,446)**
Profit before taxation		**64,703,621**	**83,381,885**
Income tax expense	17a	(19,273,838)	(17,207,232)
Profit for the year		**45,429,783**	**66,174,653**
Total comprehensive income for the year		**45,429,783**	**66,174,653**
Earnings per share			
Basic and diluted (Ghana cedis)	20	1.16	2.54

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Stated capital	Retained earnings	Share based payment reserve	Statutory Reserves	Credit Risk Reserves	Total equity
At 1 January 2024		162,046,314	22,244,217	-	84,408,811	4,826,787	**273,526,129**
Total comprehensive income		-	45,429,783	-	-	-	**45,429,783**
Transfer to statutory reserves		-	(22,714,891)	-	22,714,891	-	**-**
Recognition of share-based payment reserve	24	-	-	206,620	-	-	**206,620**
Transfer from credit risk reserves	23	-	4,826,787	-	-	(4,826,787)	**-**
As at 31 December 2024		**162,046,314**	**49,785,896**	**206,620**	**107,123,702**	**-**	**319,162,532**

	Note	Stated capital	Retained earnings	Statutory Reserves	Credit Risk Reserves	Total equity
Balance as at 1 January 2023		80,546,314	(6,016,323)	51,321,485	-	**125,851,476**
Total comprehensive income		-	66,174,653	-	-	**66,174,653**
Transfer to statutory reserves		-	(33,087,326)	33,087,326	-	**-**
New share capital issued	19	81,500,000	-	-	-	**81,500,000**
Transfer to credit risk reserves	23	-	(4,826,787)	-	4,826,787	**-**
As at 31 December 2023		**162,046,314**	**22,244,217**	**84,408,811**	**4,826,787**	**273,526,129**

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024	31 December 2023
Cash flows from operations	34	**376,097,722**	**207,660,752**
Interest paid on borrowings	18b	(157,431,896)	(109,868,340)
Interest paid on customer deposits	28	(87,214,993)	(17,681,361)
Interest received - Treasury bonds	6	8,858,160	1,643,016
Interest paid on lease liability	15	-	(115,557)
Income tax paid	17c	(64,715,655)	(18,102,306)
Net cash flows from operating activities		**75,593,338**	**63,536,204**
Cash flows from investing activities			
Purchase of property and equipment	9	(2,761,164)	(4,407,999)
Proceeds from the sale of Investment securities	6d	-	24,240,015
Proceeds from disposal of property and equipment	27	519,250	-
Purchase of intangible assets	11	(73,321)	(604,030)
Net cash flows (used in) / from investing activities		**(2,315,235)**	**19,227,986**
Cash flows from financing activities			
Drawdown from borrowings	18b	592,679,053	165,806,132
Repayment of principal portion of borrowings	18b	(588,650,991)	(220,386,614)
Repayment of principal portion of lease liabilities	15	(85,069)	(1,492,062)
Net cash flows from / (used in) financing activities		**3,942,993**	**(56,072,544)**
Net movement in cash and cash equivalents		**77,221,096**	**26,691,646**
Movement in cash and cash equivalents			
At the beginning of the year		84,974,744	58,283,098
Movement during the year		77,221,096	26,691,646
Cash and cash equivalents at 31 December	5	**162,195,840**	**84,974,744**

The accompanying notes form an integral part of these financial statements

1 General Information

Letshego Ghana Savings and Loans Plc is a public limited company incorporated and domiciled in the Republic of Ghana. The Company is licensed as a Non-Bank Financial Institution under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The Company's corporate bonds are listed on the Ghana Fixed Income Market of the Ghana Stock Exchange. The Company is a wholly owned subsidiary of Letshego Holdings Limited, a company incorporated in the Republic of Botswana.

The address of the Company's registered office is Ground & 2nd Floor, Allied Heights Building, Abelemkpe, Accra.

2 Material accounting policy information

The material accounting policies adopted in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board including IAS29 Hyperinflation directive issued by the Institute of Chartered Accountants Ghana and interpretations issued by the IFRS Interpretations Committee. Additional information required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930) have been included, where appropriate. These financial statements have been prepared under the historical cost convention.

The preparation of financial statements is in conformity with IFRS Accounting Reporting Standards as issued by the International Accounting Standards Board including IAS29 Hyperinflation directive issued by the Institute of Chartered Accountants Ghana and requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New and amended standards and interpretations

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

The Company did not have any supplier finance arrangements at the reporting date, therefore, the amendments had no impact on the Company's financial statements.

2 Material accounting policy information (continued)

2.2 New and amended standards and interpretations (continued)

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

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

The amendments had no impact on the Company's consolidated financial statements.

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

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

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

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

The amendment to IAS 1 clarifies that an entity's right to defer settlement of a liability arising from a loan arrangement for at least twelve months after the reporting period may be subject to the entity complying with conditions specified in that loan arrangement also known as covenants. If a covenant is required to be complied with at the end of the reporting period, the covenant still affects whether the right exists at the end of the reporting period even if compliance with the covenant is assessed only after the reporting period. However, covenants do not affect whether that right exists at the end of the reporting period if an entity is required to comply with the covenant only after the reporting period.

The amendment further clarifies that if an entity has the right, at the end of the reporting period, to roll over an obligation for at least twelve months after the reporting period under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period. Additionally, when an entity breaches a covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach.

The amendments have no effect on the measurement of any items in the financial statements of the Company. However, the classification of certain borrowings in the Company's disclosures has changed from 'non-current' to 'current' as result of the application of the amendments. The impact of the amendments is that total borrowings amounting to GHS 152.7 million in the "Between 6 and 12 months" and "After 12 Months" age categories have been reflected under the "Within 6 Months" age category as a result of breaches in covenants. Refer to Note 18 for further details.

2 Material accounting policy information (continued)

2.3 Standards issued but yet to be effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

• A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (continued)

• Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed

• Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments

• The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

IFRS 18 Presentation and disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as the Company, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards

2 Material accounting policy information (continued)

2.3 Standards issued but yet to be effective (continued)

IFRS 18 Presentation and disclosure in Financial Statements (continued)

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently assessing the impact that the amendments will have on the primary financial statements and notes to the financial statements.

Annual Improvements to IFRS Accounting Standards-Volume 11: - Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

On 18 July 2024, the International Accounting Standards Board (IASB) issued the Annual Improvements to IFRS Accounting Standards-Volume 11. It contains amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

The IASB's annual improvements are limited to amendments that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards. We reported on the draft Annual Improvements to IFRS - Volume 11 in Express Accounting News 28/2023.

Annual Improvements to IFRS Accounting Standards-Volume 11: - Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The amendments contained in the Annual Improvements relate to:

• IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter
• IFRS 7 Financial Instruments: Disclosures:
 Gain or loss on derecognition
 Disclosure of differences between the fair value and the transaction price
 Disclosures on credit risk
• IFRS 9 Financial Instruments:
 Derecognition of lease liabilities
 Transaction price
• IAS 7 Statement of Cash Flows - Cost Method.

2 Material accounting policy information (continued)

2.4 Foreign currencies

Functional and presentation currency

Items included in the Company’s financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Ghana Cedi, which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities

All financial assets and liabilities are recognised in the statement of financial position and measured in accordance with their assigned category.

2.4.1 Measurement methods

Amortised cost

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition – the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

The Company classifies its financial assets at fair value through other comprehensive income and fair value through profit or loss. The Directors determine the classification of its financial assets at initial recognition.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

Initial recognition and measurement (continued)

When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

In all other cases, the differences is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

2.4.2 *Classification and subsequent measurement*

The Company classifies its financial assets in the following measurement categories:
Fair value through profit or loss (FVPL);
Fair value through other comprehensive income (FVOCI); or
Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and investment securities.

Classification and subsequent measurement of debt instruments depend on the Company's business model for managing the asset; and the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in ‘other operating income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.2 *Classification and subsequent measurement (continued)*

Debt instruments (continued)

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within ‘Net trading income' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Company subsequently measures all equity investments at fair value through profit or loss, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns.

When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.2 *Classification and subsequent measurement (continued)*

Impairment

The company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

The time value of money; and

Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Modification of loans

The company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

Significant extension of the loan term when the borrower is not in financial difficulty.

Significant change in the interest rate.

If the terms are substantially different, the Company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.2 *Classification and subsequent measurement (continued)*

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

The amount of the loss allowance; and

The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Company are measured as the amount of the loss allowance.The Company has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

The Company’s financial assets consists of the following:

2.4.3 Loans and advances to customers

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term. Loans and advances to customers are initially measured at fair value plus incremental direct transaction costs and are subsequently measured at their amortised cost using the effective interest rate method.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise deposits held at call with financial institutions. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.2 *Classification and subsequent measurement (Continued)*

Investment Securities

Investment securities are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and the company does not intend to sell immediately or in the near term. These are initially measured at fair value plus incremental direct costs and subsequently measured at amortised cost using the effective interest rate method.

For purchased or originated credit-impaired (POCI) financial assets the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the financial asset. The credit-adjusted EIR is the interest rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets and issued for management of short term currency exposures. Financial assets at fair value through profit or loss are recorded and measured in the statement of financial position at fair value. Gains and losses arising from changes in fair value are recognised in profit or loss. Interest or income is recognised in the profit or loss when the contract comes to an end or when the right to payment has been established.

Other assets

Other assets comprise of deposits and other recoverables which arise during the normal course of business. These are classified as loans and receivables and are initially measured at fair value plus incremental direct costs and are subsequently measured at their amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities measured at fair value through profit or loss, or financial liabilities measured at amortised cost.

The Company’s holding in financial liabilities represents mainly borrowings, customer deposits, financial liabilities at fair value through profit or loss and other liabilities.

Borrowings and customer deposits

Borrowings and customer deposits are the Company’s sources of funding; they are classified as financial liabilities at amortised cost and are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current liabilities and issued for management of short term currency exposures. Financial liabilities at fair value through profit or loss are recorded and measured in the statement of financial position at fair value. Gains and losses arising from changes in fair value are recognised in profit or loss.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.2 *Classification and subsequent measurement (Continued)*

Financial liabilities (continued)

Other liabilities

Liabilities for trade, other amounts payable which are normally settled on 30 to 90 day terms and lease liabilities are measured at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company. These are classified as financial liabilities at amortised cost.

Cash collateral

Cash collateral consist of cash deposit received as security for the mobile loans from Jumo Ghana and it is held as a collateral.

2.4.4 Recognition

The Company initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company uses trade date accounting for regular way contracts when recording financial asset transactions.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from these asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position.

In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.6 Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.4.7 Fair value measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined using valuation techniques.

Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models. The Company uses widely recognised valuation models for determining the fair value of common and simpler financial instruments like interest rate swaps. For these financial instruments, inputs into models are market observable.

When entering into a transaction, the financial instrument is recognised initially at fair value. The best evidence of fair value of a financial instrument at recognition is normally the transaction price, the fair value of the consideration given or received. The value obtained from the valuation model may differ from the transaction price. This initial difference, usually an increase, in fair value indicated by valuation techniques is recognised in income depending upon the individual facts and circumstances of each transaction and not later than when the market data becomes observable.

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, bid-ask spreads, liquidity risks, as well as other factors. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments at fair value.

2.4.8 Identification and measurement of impairment

At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

The Company considers evidence of impairment at both a specific asset level and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment that has been incurred but not yet identified.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.8 Identification and measurement of impairment (continued)

Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Company on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

In assessing collective impairment, the Company uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances to customers. Interest on the impaired asset continues to be recognised through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

2.4.9 The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 10 and are subject to impairment in line with the Company's policy.

2 Material accounting policy information (continued)

2.5 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

2.5.1 Company as a lessor

Leases in which the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.6 Intangible assets

Software acquired by the Company is measured at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software for current and prior periods is ten years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2 Material accounting policy information (continued)

2.7 Property and equipment

Property and equipment is measured at cost less accumulated depreciation and any accumulated impairment/losses.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the property and equipment. The estimated useful lives for current and prior periods are as follows:

Computer equipment	3 years
Furniture and fittings	4 years
Office equipment	5 years
Motor vehicles	4 years
Furniture and fittings	3 years

The residual value and useful life of each part of property and equipment, if not significant, is reassessed annually. Depreciation costs are recognised on a prorate basis from the date the asset is available for use.

Subsequent expenditure is capitalised when it is probable that future economic benefits will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Gains and losses on disposal of property and equipment items are determined by comparing proceeds with the carrying amounts and recognised in profit or loss. When revalued assets are sold, it is Company policy to transfer any amounts included in capital surplus in respect of those assets to income surplus.

2.8 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and risks specific to the asset.

A previously recognised impairment loss is reversed where there has been a change in circumstances or in the basis of estimation used to determine the recoverable value, but only to the extent that the asset's net carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Provisions

Provisions are recognised when Company has a present legal obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2 Material accounting policy information (continued)

2.10 Income Tax

Income tax on the profit or loss for the year comprises current and deferred income tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case the related income tax is also recognised in equity.

Current income tax

Current income tax comprises tax payable calculated on the basis of the expected taxable income for the year, using tax rates enacted at the reporting date, and any adjustment of tax payable for previous years.

Deferred income tax

Deferred income tax is provided on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in profit or loss except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination. The effect on tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.11a Interest income

Interest income is recognised in profit or loss at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and administration charges paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2 Material accounting policy information (continued)

2.11b Interest expense

Interest expense is recognised in profit or loss using the effective interest method as describe under the interest income policy above. Foreign currency gains and losses on interest earning financial liabilities are recognised in profit or loss, as part of interest expense, as they are incurred.

2.12 Fees and commissions

Fees and commissions are recognised on an accrual basis when the service has been provided. Commission and fees received by the entity to originate a loan are recognised on a time-apportionate basis over the period the service is provided. Commission expenses, which relate mainly to agency and collection charges, are expensed as the related services are received.

2.13 Stated capital

Ordinary shares are classified as 'stated capital' in equity. Stated capital is recognised at fair value of the consideration received. Incremental cost are directly attributable to an equity instrument are deducted from the initial measurement of the equity instrument.

2.14 Dividends paid

Dividends on ordinary shares are recognised against equity in the period in which they are approved by the shareholders. Dividends declared after the reporting date are not recognised as a liability in the statement of financial position.

2.15 Employee benefits

Pension obligations

The Company makes contributions to mandatory pension schemes for eligible employees. Contributions by the Company to the mandatory pension schemes is determined by law and are defined contributions plan.

A defined contribution plan is a pension plan under which the Company pays fixed contributions to the statutory pension scheme or the provident fund. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2.16 Share-based payment transactions

The parent operates an equity-settled conditional Long Term Incentive Plan (LTIP). Conditional awards are granted to management and key employees. The parent also grants its own equity instruments to employees of its subsidiaries as part of group share-based payment arrangements. The number of vesting awards is subject to achievement of specific performance metrics.

The grant date fair value of awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards that vest.

2 Material accounting policy information (continued)

2.16 Share-based payment transactions (continued)

The fair value of the options is determined excluding non-market vesting conditions. These vesting conditions are included in the assumptions of the number of options expected to vest. At each reporting date, the Company revises its estimate of the number of options expected to vest.

The Company recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to parent's equity.

Amounts recognised for services rendered if the options granted do not vest because of failure to satisfy a vesting condition, are reversed through profit or loss. If options are forfeited after the vesting date, an amount equal to the value of the options forfeited is debited against the share-based payment reserve and credited against income surplus.

The proceeds received net of any attributable transactions cost are credited to stated capital when the options are exercised.

Determination of fair value of equity instruments granted

The share price of Letshego Africa Holdings Limited (as quoted on the Botswana Stock Exchange) of the parent's equity instruments at grant date is the estimated fair value of the share options granted. No adjustments are made for non-market vesting conditions as there are none. Therefore, no valuation techniques are used (Monte Carlo / Black Scholes etc.) as the quoted price at grant date is the fair value. The details of the share incentive scheme are reflected in Note 24.

2.17 Contingent liabilities

The Company discloses a contingent liability where, it has a possible obligation from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain events not wholly within the control of the Company.

2.18 Deferred income

Deferred revenue is recognised when cash is received but services have not been rendered. It is measured at the value of the amount received.

The Company charges various upfront and recurring fees to its loan customers. Deferred income is made up of loan initiation fees calculated as a fixed percentage of the loan amounts disbursed to the customers and charged either upfront to the customer, without specific services being rendered for such fee income. IFRS 9 Financial Instruments require such fees to be considered as an integral part in the determination of the effective interest rate used in the subsequent measurement of the underlying financial asset at amortised cost. This means that such fee income should not be recognised when charged, but should be recognised over the term of the underlying loan and advance on the same basis as is done for interest earned.

3 USE OF ESTIMATES AND JUDGMENTS

The preparation of annual financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Significant judgements made by management in the application of International Financial Reporting Standards occur mainly on loans and advances, impairments, share based payment and deferred tax asset.

3.1 Impairment of advances to customers

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company regularly reviews its loan portfolio (note 8) and makes judgments in determining whether an impairment loss should be recognised in respect of observable data that may impact on future estimated cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce the differences between loss estimates and loss experience.

The below summarises the sensitivity analysis on impairment losses for changes in LGD and PD:

December 2024	**Existing impairment Provision**	**Impact on changes in LGD**		**Impact on changes in PD**	
		(+) 5%	**(-) 5%**	**(+) 5%**	**(-) 5%**
Stage 1: 12-month ECL allowance	10,111,024	20,600,775	9,770,214	12,385,522	9,985,467
Stage 2: Lifetime ECL allowance – not credit-impaired	3,202,933	6,466,265	3,020,931	5,350,508	3,136,688
Stage 3: Lifetime ECL allowance – credit-impaired	164,820,380	168,396,552	159,126,895	162,063,935	159,563,319
Total	**178,134,337**	**195,463,592**	**171,918,040**	**179,799,965**	**172,685,474**

December 2023	**Existing impairment Provision**	**Impact on changes in LGD**		**Impact on changes in PD**	
		(+) 5%	**(-) 5%**	**(+) 5%**	**(-) 5%**
Stage 1: 12-month ECL allowance	8,630,504	9,029,645	8,361,758	17,434,858	5,363,889
Stage 2: Lifetime ECL allowance – not credit-impaired	751,647	841,292	689,605	872,674	658,223
Stage 3: Lifetime ECL allowance – credit-impaired	38,484,573	41,917,683	36,166,543	40,494,972	37,589,255
Total	**47,866,724**	**51,788,620**	**45,217,906**	**58,802,504**	**43,611,367**

The sensitivity analysis has been calculated to show the impact of a 5% increase or decrease in the LGD and PD rates on the provision level. Therefore, based on the above, an increase in LGD or PD would have an adverse impact to Company profits. Measures are in place as per the risk governance framework to address this including portfolio management, which is inclusive of collection and recoveries, strategic focus and the risk appetite framework (note 4.3.1).
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Estimates and judgements in determining impairment of financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- the Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment
- the segmentation of financial assets when their ECL is assessed on a collective basis
- development of ECL models, including the various formulas and the choice of inputs
- determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models
- model adjustments and overlays will persist under IFRS 9 to account for localised impacts on the portfolio that are either not picked up by the model or late breaking news where running the ECL model would not be feasible
- as the ECL model is more quantitative in nature the formulation of provision overlay is backed by detailed analysis. The Company ensures that the following is done:
    - o rationale as to why overlay is appropriate is provided
    - o documentation of methodology and data used in determining the overlay is in place
    - o persistent overlays to be incorporated into the ECL model at a future date where applicable

3 USE OF ESTIMATES AND JUDGMENTS (continued)

Full implementation of Time in Default LGD

The Company regularly reviews its loan portfolio and makes judgments in determining whether an impairment loss should be recognised in respect of observable data that may impact on future estimated cash flows.The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce the differences between loss estimates and loss experience.

During the financial year, the Company fully implemented a Time in Default Loss Given Default (LGD) approach for Stage 3 accounts in accordance with IFRS 9. This enhancement aligns with best practices in credit risk modeling and improves the accuracy of expected credit loss (ECL) provisioning. Time in Default LGD is a methodology that recognizes the dynamic nature of loss severity based on the duration an account has remained in default. Empirical studies indicate that recovery rates and loss expectations vary significantly over time, making it imperative to differentiate LGD estimates based on the time elapsed since default. This methodology ensures a more granular assessment of credit risk and better alignment with observed recovery trends.

3.2 Share-based payment transactions

The Company, though the Group operates an equity settled conditional Long Term Incentive Plan (LTIP). The plan is based on non-market conditions. These non-market performance conditions are determined by the Remuneration Committee. The number of awards to vest are assessed and adjusted for the attrition in participants as well as the extent of achievement of those conditions at the reporting dates. The assumption is that there will be a 45.41% vesting probability. Based on historical experience, the estimated achievement of conditions is considered accurate. Refer to Note 24 on Share-Based Payment Scheme.

Sensitivity analysis

The table below details the impact on the profit following a deviation from the 45.41% (2023: no awards) vesting probability.

	31 December 2024	31 December 2023
Impact of a 10% deviation	43,178	-
Impact of a 25% deviation	107,946	-
Impact of a 50% deviation	215,891	-

In the event that more than 45.41% of the shares vest the impact would be adverse to profit. In the event that less than 45.41% of the shares vest, the impact would be favourable to profit.

3.3 Deferred tax asset

The Company has recognised a deferred tax asset of GHS 36.07 million (2023: GHS 5.93 million) which arises from tax losses and other temporary differences that are available to set-off against future taxable income and other deductible temporary differences. The Company expects to generate sufficient taxable profits to utilise the deferred tax assets based on historical probability trends, management's plan on future business prospects and through the use of various tax planning opportunities which are available to the Company. In addition, the Company reviews the carrying amount of the deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax asset movement on tax losses	31 December 2024	31 December 2023
Opening balance	5,925,082	5,972,411
Recognised during the year	32,533,954	-
Utilised during the year	(2,388,249)	(47,329)
Balance at the end of year	**36,070,787**	**5,925,082**

3.4 Income tax expense

The Company is subject to income taxes in line with local regulation. The Company applies significant judgement in identifying uncertainties over income tax treatments in line with IFRIC 23. Significant judgement is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

4 Financial risk management

4.1 Financial risk

In line with the Company's ERM framework, financial risk includes credit risk, liquidity risk, interest rate risk and foreign currency rate risk.

4.1.1 Credit risk

Credit risk is the risk that a borrower or counterparty will fail to meet obligations in accordance with agreed terms. The Company is exposed to credit risk from a number of financial instruments such as loans and inter-bank transactions.

During the year, the Ghanaian economy continued to face significant hurdles, which includes high inflation, rising interest and policy rates, and currency depreciation. These macroeconomic pressures intensified operational and portfolio difficulties due to increasing cost of living and negatively affecting customers' affordability. As a result, there has been a notable rise in the emigration of public sector workers, particularly within the health and education sectors, which has further impacted portfolio performance.

Remediation efforts aimed at addressing underperforming segments of the portfolio including the implementation of stricter onboarding processes have progressed.

The Company's Stage 3 coverage ratio increased to 63% by year-end, up from 51% in FY2023. The adoption of an enhanced Loss Given Default (LGD) methodology, which accounts for long-dated defaults (Time in Default), significantly contributed to the rise in provision coverage across our Mobile and DAS portfolios. This change strengthens credit risk modeling and enhances the accuracy of Expected Credit Loss (ECL) provisioning.

As of December 2024, Non-Performing Loans (NPLs) rose to 14.2% of the gross loan book, up from 8.5% in FY2023. This increase was primarily due to technical process in the approval of write-offs.

Key metrics	YoY Trend	2024	2023
Loan loss Rate (%)	↑	15.2%	-1.8%
Non-performing loans as a percentage (%) of gross advances	↑	14.2%	8.5%
NPL excluding unapproved write offs	↑	8.7%	7.5%
Non-performing loans coverage ratio (%)	↑	63%	51%

4 Financial risk management (continued)

4.1.2 Impairment

Mobile loans Expected Credit Losses

During the year, Mobile Loans accounted for over 60% of the overall portfolio. In response to significant macroeconomic shifts in the country, the Company strategically diversified the Company's portfolio to capitalize on emerging market opportunities. As part of this strategy, key product enhancements and operational improvements were implemented, including an increase in the loan cap from GHS 3,000 to GHS 4,500 and the strengthening of Know Your Customer (KYC) protocols to enforce a single-loan-per-customer policy, particularly across multiple mobile wallets.

These changes were well-received by customers, many of whom increased their loan uptake through timely repayments. As a result, portfolio performance improved, with over 56% of borrowers repaying their loans ahead of schedule. The average repayment period stood at 26 days. In addition, late repayments declined consistently, while recoveries on loans past due—especially those between 30 and 150 days—showed marked improvement.

4.1.3 Write off policy

The Company's loan write-off framework is guided by regulatory requirements for regulated entities and an internal policy for non-regulated entities. This approach ensures timely and appropriate recognition of loan losses, accurately reflecting the institution's financial condition and operational environment.

Scenario's leading to loan write offs

1. Contractual write offs

These occur when the Company determines that it is no longer reasonably assured of recovering amounts due under the contractual terms of the loan or advance agreement.
For accounts meeting this category the following process applies:

- Classification as Loss: Accounts past due for 360 days will be classified as loss.
- Provisioning for Unsecured Exposures: The company will apply a 100% provisioning for all unsecured exposures under the loss category.
- Provisioning for Secured Exposures: For exposures secured by property or motor vehicles, The company will recognize provisions for the shortfall between the gross loan amount and the sum of the Forced Sale Value (FSV) of the collateral and existing IFRS 9 provisions.
- Collateral Revaluation: Secured exposures involving property or motor vehicles will undergo revaluation upon classification as loss.
- Write-Off Timelines:
  Unsecured Exposures: Write-off occurs at 460 days past due, including those secured by movable collateral (excluding motor vehicles).

2. Non contractual write offs

These arise when The company loses control over its contractual rights, rendering the loan or part of the loan uncollectible. Common scenarios include:

Fraud: Proven third-party fraud, classified as an operational loss for accounting purposes, with recovery pursued through legal channels.

Deceased Borrower: Where the borrower has passed away.

Bankruptcy: The borrower has been declared bankrupt.

Court Rulings: A court of law declares the loan or part of the loan contractually void.

For non-contractual write-offs, the write-off is executed immediately upon the occurrence of the triggering event, without adhering to the standard days-past-due framework.

Mobile loans as short term facilities are written off at 300 days past due. Accounts are only written off after Board approval and regulatory approval.

4 Financial risk management (continued)

4.1.4 Approach to managing credit risk

The Board of Directors is ultimately responsible for the management of credit risk and has delegated responsibility for the oversight of credit risk to the Country Risk Management Committee and Country Management Committees. It is the responsibility of Country Credit Risk and each CEO to ensure that the Company's policies regarding credit risk, credit scoring, collateral contribution, affordability levels and minimum take home pay is complied with at all times.

The Company takes a comprehensive approach to managing credit risk, aligning with its Enterprise Risk Management (ERM) Framework. Credit risk management is embedded as a critical component of The company 's integrated financial risk management strategy.
The Company 's Credit Risk Management Framework is applied consistently across all subsidiaries through the implementation of robust Credit Risk Policies, Standards, Processes, and Systems. These are tailored to reflect The company 's business model and the operational complexity of its activities.
The framework enables :
Identify : Accurately pinpoint credit risk exposures across its portfolios.
Assess : Evaluate credit risk levels effectively to inform decision-making.
Monito r: Continuously track credit risk metrics and portfolio performance.
Control : Implement measures to mitigate risk exposures and maintain portfolio quality.

Additionally, the Company ensures that sufficient capital resources are allocated to support the risks undertaken, safeguarding The company 's financial resilience and compliance with regulatory requirements.

4.1.5 Credit risk mitigation

The company offers credit insurance to all its clients, which covers the repayment of the outstanding capital balances on the loan to company in the event of death or permanent disability of the customer. In addition, comprehensive insurance cover is in place in certain markets covering such risks as loss of employment, employer default, absconding and even temporary disability. Further to this, for part of the customer advances portfolio that is not extended through deduction from source, the Company applies Credit scoring and customer education in advance of the extension of credit to customers and conduct regular reviews of the credit portfolio.
- Company writes off loans which are have remained in the loss category for four consecutive quarters.
- Company will restructure loans (modify contractually agreed terms) to increase the chances of full repayment of credit exposure in certain instances.
- Restructuring is expected to minimise future risk of default. Examples are where clients are in financial difficulty, either caused by external or internal factors such as disability/death/theft/accidents/changes in Government policies.
- Restructured loans are treated as non-performing, for provision purposes only, until 6 consecutive payments have been received.
- No loan may be restructured more than twice (system controlled). Loans restructured a second time are classified as "loss" and provisions raised accordingly.
- There are no additional charges applied to restructured loans.
- Customers cannot take a 'top up' loan if they are in arrears

Letshego does rephase (re-age) accounts where instalments are missed, through no fault of the borrower, and subsequently reinstated due to operational issues. Rephasement involves altering the end date of the loan but not the number of repayments or the loan amount.

We adhere to rules / legislation around affordability. In the Company an independent 'central registry' or 'gatekeeper' ensures that affordability rules are adhered to in addition to internal controls in place.

4 Financial risk management (continued)

4.1.6 Credit risk stress testing

The Company recognizes possible events or future changes that could have a negative impact on the credit portfolios and affect the Company's ability to generate more business. Stress testing is an important part of risk management and now forms an integral part of our overall governance and risk culture in the Company. This feeds into the decision making process at management and Board level.

The overlay approach to IFRS 9 followed by the Company is outlined below:

General steps considered in applying IFRS 9 Impairment

The following steps illustrates the general steps that the Company considers when calculating IFRS 9 Impairment:

1. Establish the appropriate definition of default
2. Determine the level of assessment (individual vs. collective assessment)
3. Determine indicators/measures of significant increase in credit risk
4. Define the thresholds for significant increase in credit risk
5. Determine whether the "low credit risk assumption" will be applied to certain loans
6. Identify relevant forward-looking information and macro-economic factors
7. Identify appropriate sources of relevant forward-looking information and macro-economic factors
8. Incorporate forward-looking information and multiple scenarios in staging assessments of loans
9. Stage loans based on the forward-looking assessment of significant increase in credit risk
10. Determine the method to be used for measuring Expected Credit Losses
11. Determine the estimation period – the expected lifetime of the financial instrument
12. Establish the respective Probability of Default for loans in Stage 1 and Stage 2
13. Calculate the Exposure at Default
14. Identify relevant collateral and credit enhancements
15. Develop calculations for Loss Given Default (incorporating collateral and credit enhancements)
16. Consider the time value of money and calculate Expected Credit Losses
17. Identify modifications that occurred during the period and determine if each modification results in derecognition or no derecognition
18. Calculate the modification gain or loss and include/add it to the gross carrying amount of the loan
19. Establish and document the appropriate processes, internal controls and governance for estimating Expected Credit Losses (ECL)

The impairment requirements are complex and require management judgements, estimates and assumptions. Key concepts and management judgements taken into consideration are as below;

Determining a significant increase in credit risk since initial recognition (SICR)

IFRS 9 requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (stage 1), and lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (stage 2) or which are credit impaired (stage 3).The Company assess when a significant increase in credit risk has occurred based on quantitative and qualitative assessments.

Indicators of SICR include any of the following:
• 30 days past due rebuttable presumption;
• historical delinquency behaviour of accounts that are up to date and accounts in 1-30 days category
• significant adverse changes in business, financial and/or economic conditions in which the client operates, including for example retrenchment of the customer, closure of the sponsoring employer, etc.

4 Financial risk management (continued)

4.2 Impairment Calculation

Two types of PDs are considered under IFRS 9:

- Twelve-month PDs – This is the estimated probability of a default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECL, which are applicable to Stage 1 financial instruments.

- Lifetime PDs – This is the estimated probability of a default occurring over the remaining life of the financial instrument which is applicable to Stage 2.

Exposures will move back to stage 1 once they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met. This is subject to all payments being up to date and the customer evidencing ability and willingness to maintain future payments.

The IFRS 9 requirements for the staging of loans is summarised in the two diagrams below;

Diagram 1

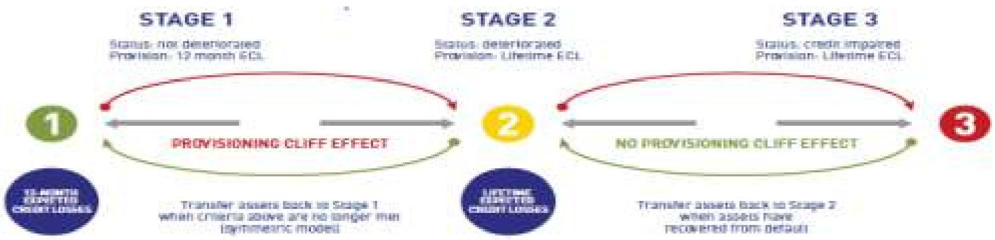

Diagram 2

• Stage 1: relates to a 12-month ECL allowance on financial assets that are neither credit impaired on origination nor for which there has been a SICR.
• Stage 2: relates to a lifetime ECL allowance on financial assets that are assessed to display a SICR since origination.
• Stage 3: relates to a lifetime ECL allowance on financial assets that are assessed to be credit impaired.

4 Financial risk management (continued)

4.2 Impairment Calculation (continued)

Quantitative element

With the use of an internal scorecard or risk rating process, the Company can assess significant increases in credit risk in their loans and advances. This involves setting thresholds for determining what constitutes a significant increase in credit risk as a loan moves along the rating scale. Once the scorecard or risk rating has been determined, the Company can then determine the PD associated with those ratings.

Qualitative Element

Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

Backstop Criteria

Accounts that are 30 calendar days or more past due. The 30 days past due criteria should be treated as a backstop rather than a primary driver of moving exposures into stage 2.

Exposures will move back to stage 1 once they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met. This is subject to all payments being up to date and the customer evidencing ability and willingness to maintain future payments.

Forward-looking information

The IFRS 9 measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. IFRS 9 requires the use of forward-looking factors, or predictive indicators, in the calculation of ECL, including the staging assessment.

Forward-looking information inherently involves management judgment in determining key inputs such as macroeconomic factors that affect PD, LGD and Exposure at Default (EAD) risk factors of a loan, rating category or portfolio, as the case may be, as well as the forecasted values of those risk factors in one, two or more years forward (depending on the expected life of the portfolio).

All macro economic factors used will be approved at high level by the credit committee. This is also based on the correlation exercises done.

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- Unemployment rates
- Consumer Price Index
- Domestic Product (GDP)

The working group approved the three core factors as the starting point for all regression calculations. Management overlays on Macroeconomic variables will only apply in cases were the above three variables have no statistical significance and an alternative variable with a good correlation will then be applied. The forward looking economic expectations are updated on an annual basis or more regularly when deemed appropriate.

4 Financial risk management (continued)

4.2 Impairment calculation (continued)

Definition of default

Default is not defined under IFRS 9.The Company bases default upon its own definition used in its internal risk management. Careful consideration of how default is defined is important as the definition impacts the calculation of PDs, LGDs and EADs, hence impacting the ECL results.

The simplest definition is that of failure to meet a scheduled payment of principal or interest, however, that definition has modifications depending upon the loan product. The definition of default has to be consistent with that used for internal credit risk management purposes for the relevant financial instrument and has to consider qualitative indicators, e.g., breaches of covenants, when appropriate. Inability to pay may also be considered in making the qualitative assessment of default. Indications of inability to pay include:

- the credit obligation is placed on non-accrued status;
- the Company makes a specific provision or charge-off due to a determination that the obligor's credit quality has declined (subsequent to taking on the exposure);
- the Company sells the credit obligation or receivable at a material credit related economic loss;
- the Company agrees to a distressed restructuring resulting in a material credit related diminished asset stemming from such actions as material forgiveness or postponement of payments or repayments of amount owing;
- the Company has filed for the obligor's bankruptcy in connection with the credit obligations; and
- the obligor has sought or been placed in bankruptcy resulting in the delay or avoidance of the credit obligation's repayment.

There is a rebuttable presumption within IFRS 9 that default does occur once a loan is more than 90 days past due. The Company has adopted this presumption.

Discounting

Expected credit losses are discounted at the effective interest rate (EIR) at initial recognition or an approximation thereof and consistent with income recognition. For loan commitments the EIR is that rate that is expected to apply when the loan is drawn down and a financial asset is recognised.

Modelling techniques - Key Changes

Loss Given Default (LGD)

The approach in LGD development did not change from FY2023. The LGD is created with the chain ladder methodology which allows for a granular analysis of loss patterns over time. As was implemented in FY2023, the LGDs gradually increase over time in default to create Time in Default (TiD) LGDs. This would gradually increase ECL coverage the longer an account stays in default as it moves closer towards the write-off point, approaching 100% coverage.

Exposure at Default (EAD)

The approach in estimating Exposure at Default (EAD) was updated from using a statistical regression EAD to an empirical runoff EAD. The new method essentially simulates how the balances of a loan will "run off" over time, based on contractual repayments schedules and interest accruals, and then simulates default events at multiple points throughout the remaining lifetime of the loan. These simulated default balances will then be paired with their respective marginal probabilities of default when calculating the expected credit loss.

Probability of Default (PD)

The previous approach to PD model development used 12-month roll rates to track what portion of at-risk loan balances would, on average, roll into default within 12 months over an observation window. This was done per arrears bucket. It used a scalar adjustment for Lifetime PDs, taking a Forward-Looking Indicator (FLI) Behavioural Score (BScore) adjustment from a behavioural scorecard.

4 Financial risk management (continued)

4.2 Impairment calculation (continued)

Modelling techniques - Key Changes (continued)

Probability of Default (PD) (continued)
The new approach uses a chain ladder to track how at-risk loan balances migrate to default status at marginal one month increments to create marginal default rates from 1 month onwards, done per arrears bucket. The chain ladder identifies patterns in how values grow from one time period to the next. These patterns are used to create forecasts for incomplete periods. This also provides empirical Lifetime PDs that reflect the default behaviour of each arrears bucket. The previous scalar FLI Bscore has been converted into a marginal FLI factor that is added to marginal PDs by arrears bucket. This factor is updated per portfolio on a monthly basis based on economic outlooks.

Implementation of Time in Default LGD for Stage 3 Accounts

Overview of Time in Default LGD
During the financial year, the Company implemented a Time in Default Loss Given Default (LGD) approach for Stage 3 accounts in accordance with IFRS 9. This enhancement aligns with best practices in credit risk modeling and improves the accuracy of expected credit loss (ECL) provisioning.
Time in Default LGD is a methodology that recognizes the dynamic nature of loss severity based on the duration an account has remained in default. Empirical studies indicate that recovery rates and loss expectations vary significantly over time, making it imperative to differentiate LGD estimates based on the time elapsed since default. This methodology ensures a more granular assessment of credit risk and better alignment with observed recovery trends.

Rationale and Importance under IFRS 9
Under IFRS 9, financial institutions are required to estimate ECLs using a forward-looking approach that incorporates historical loss experience, current conditions, and reasonable forecasts of future economic scenarios. Traditional LGD models often apply static assumptions, which may not fully capture the evolving credit risk profile of defaulted exposures.
The introduction of Time in Default LGD allows for a more refined approach by:
• Reflecting Recovery Patterns: Recognizing that the probability of recoveries diminishes the longer an account remains in default.
• Enhancing ECL Accuracy: Ensuring that LGD estimates dynamically adjust as accounts progress through different default stages.
• Regulatory Compliance: Aligning provisioning methodologies with regulatory expectations for risk-sensitive credit modeling.

Implementation and Methodology
The Company adopted a graduating LGD curve approach, where defaulted exposures are categorized based on time in default by month (0 months to 60 months in default). LGD estimates were derived using historical recovery data. The model also incorporates any credit enhancement features such as collateral and default insurance, ensuring that provisioning levels are commensurate with actual loss experience.

Impact on Financial Statements
The implementation of Time in Default LGD resulted in refinements to Stage 3 ECL estimates, leading to a more risk-sensitive provision calculation. While the overall provisioning impact varies across portfolios, this approach provides greater transparency and stability in impairment recognition.
The Company remains committed to continuous improvement in credit risk modeling and will regularly review and enhance its LGD framework to reflect changes in portfolio characteristics and market conditions.

Renegotiated loans treatment
Both performing and non-performing restructured assets are classified as stage 3 except where it is established that the concession granted has not resulted in diminished financial obligation and that no other regulatory definitions of default criteria has been triggered, in which case the asset is classified as stage 2. The minimum probationary period is 6 months to move to current state.

4 Financial risk management (continued)
4.2 Impairment calculation (continued)

Loans and advances to customers

31 December 2024	Gross advances	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Net advances
Mobile	745,962,686	(6,184,935)	(1,105,405)	(135,807,473)	602,864,873
Payroll	378,810,053	(3,715,382)	(2,005,253)	(28,140,534)	344,948,884
MSE	8,287,710	(210,707)	(92,275)	(872,373)	7,112,355
31 December 2024	**1,133,060,449**	**(10,111,024)**	**(3,202,933)**	**(164,820,380)**	**954,926,112**

31 December 2023	Gross advances	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Net advances
Mobile	710,642,369	(5,320,436)	-	(9,984,939)	695,336,994
Payroll	454,827,719	(3,274,277)	(723,783)	(28,071,085)	422,758,574
MSE	3,838,998	(35,791)	(27,864)	(428,549)	3,346,794
31 December 2023	**1,169,309,086**	**(8,630,504)**	**(751,647)**	**(38,484,573)**	**1,121,442,362**

4.3 Maximum exposure to Credit Risk

Concentration of credit risk

The Company monitors concentrations of credit risk by product and by industry and by customer segment. An analysis of concentrations of credit risk in respect of loans and advances to customers at the reporting date is shown below:

	31 December 2024	31 December 2023
Concentration by product:		
Payroll loans	378,810,053	454,827,719
MSE	8,287,710	3,838,998
Mobile loans	745,962,686	710,642,369
Gross loans and advances to customers	**1,133,060,449**	**1,169,309,086**
Expected credit loss	(178,134,337)	(47,866,724)
Carrying amount	**954,926,112**	**1,121,442,362**
Concentration by customer segment:		
Formal	387,097,763	458,666,717
Informal	745,962,686	710,642,369
Gross loans and advances to customers	**1,133,060,449**	**1,169,309,086**
Expected credit loss	(178,134,337)	(47,866,724)
Carrying amount	**954,926,112**	**1,121,442,362**
Loans and advances to customers		
Stage 1 - 12 months	829,070,955	962,132,900
Stage 2 - Lifetime	21,767,084	114,227,020
Stage 3 - Lifetime (impaired)	282,222,410	92,949,166
Gross loans and advances to customers	**1,133,060,449**	**1,169,309,086**
Expected credit loss	(178,134,337)	(47,866,724)
Carrying Amount	**954,926,112**	**1,121,442,362**

4 Financial risk management (continued)

4.3 Maximum exposure to Credit Risk (continued)

An analysis of changes in the loan and advances is as follows:

	Loan book				ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 Jan 2024	962,132,900	114,227,020	92,949,166	1,169,309,086	8,630,504	751,647	38,484,573	47,866,724
New Asset Originated or Purchased	550,270,903	-	-	550,270,903	204,925,028	-	-	204,925,028
Transfer from Stage 1 to Stage 2	(44,566,686)	44,566,686	-	-	(32,851,997)	32,851,997	-	-
Transfer from Stage 1 to Stage 3	(168,828,344)	-	168,828,344	-	(155,289,189)	-	186,944,259	31,655,070
Transfer from Stage 2 to Stage 3	-	(101,252,066)	101,252,066	-	-	(3,546,287)	3,546,287	-
Transfer from Stage 3 to Stage 2	-	223,192	(223,192)	-	-	58,342	(58,342)	-
Transfer from Stage 2 to Stage 1	961,582	(961,582)		-	20,034	(20,034)	-	-
Payments or assets derecognised	(470,899,400)	(35,036,166)	(16,487,577)	(522,423,143)	(15,323,356)	(26,892,732)		(42,216,088)
Write offs	-	-	(64,096,397)	(64,096,397)	-	-	(64,096,397)	(64,096,397)
31 December 2024	**829,070,955**	**21,767,084**	**282,222,410**	**1,133,060,449**	**10,111,024**	**3,202,933**	**164,820,380**	**178,134,337**

ECL allowance charge for the year	130,267,613
Write offs	64,096,397
Recoveries	(19,548,907)
Total ECL Income statement charge for the year	**174,815,103**

	Loan book				ECL Restated			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 Jan 2023	522,203,708	238,911,168	119,252,378	880,367,254	13,453,363	18,691,102	29,783,947	61,928,412
New Asset Origionated or Purchased	698,066,924	-	-	698,066,924	61,061,331	-	-	61,061,331
Transfer from Stage 1 to Stage 2	(185,246,026)	185,246,026	-	-	(218,794)	218,794	-	-
Transfer from Stage 1 to Stage 3	(11,840,637)	-	11,840,637	-	(5,866,634)	-	5,866,634	-
Transfer from Stage 2 to Stage 3	-	(10,431,129)	10,431,129	-	-	(9,758,813)	9,758,813	-
Transfer from Stage 3 to Stage 2	-	1,187,656	(1,187,656)	-	-	89,633	(89,633)	-
Transfer from Stage 2 to Stage 1	155,033,491	(155,033,491)		-	1,320,531	(1,320,531)	-	-
Payments or assets derecognised	(216,084,561)	(145,653,210)	(40,552,133)	(402,289,904)	(61,119,293)	(7,168,538)	-	(68,287,831)
Writeoffs	-	-	(6,835,188)	(6,835,188)	-	-	(6,835,188)	(6,835,188)
31 December 2023	**962,132,900**	**114,227,020**	**92,949,166**	**1,169,309,086**	**8,630,504**	**751,647**	**38,484,573**	**47,866,724**

ECL allowance release for the year	(14,061,690)
Write offs	6,835,188
Recoveries	(10,877,656)
Total ECL Income statement release for the year	**(18,104,158)**

4 Financial risk management

4.3 Maximum exposure to Credit Risk (continued)

The tables below set out information about the credit quality of financial assets and the allowance for impairment/loss held by the Bank against those assets.

	Bank Balances		Loans & advances to customers		Investment securities	
At amortised cost	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Stage 1	162,195,840	84,974,743	829,070,955	983,311,823	-	-
Stage 2	-	-	21,767,084	9,227,382	-	-
Stage 3	-	-	282,222,410	176,769,881	276,864,112	227,358,351
Total gross amount	**162,195,840**	**84,974,743**	**1,133,060,449**	**1,169,309,086**	**276,864,112**	**227,358,351**
ECL						
Stage 1	-	-	(10,111,024)	(8,630,504)	-	-
Stage 2	-	-	(3,202,933)	(751,647)	-	-
Stage 3	-	-	(164,820,380)	(38,484,573)	(24,277,371)	(24,277,371)
Total ECL	**-**	**-**	**(178,134,337)**	**(47,866,724)**	**(24,277,371)**	**(24,277,371)**
Net carrying amount	**162,195,840**	**84,974,743**	**954,926,112**	**1,121,442,362**	**252,586,741**	**203,080,980**

Expected credit losses: Stress Testing and Sensitivity Analysis

Management conducted a portfolio-driven stress test by stressing risk parameters and assessing the change(s) in each respective portfolio. For this purpose, the PDs and LGDs were shocked as follows:

- PD Stressing: the standard deviation of the Point-in-Time (PIT) PD distribution for each portfolio and stage was calculated. After this, a quarter of this deviation was added to the respective account level final PDs in each portfolio and stage to obtain plausibly stressed PDs.
- LGD Stressing: out of the 5-year historical crude LGDs per portfolio, the highest crude LGD was identified and applied as a plausibly stressed LGD. This would cover recent history where very challenging economic conditions were experienced.

Loss given default (LGD)

LGDs between 2023 and 2024 have increased for accounts that have longer time in default (TID). The Company was therefore comfortable with setting the LGD shocks for upside and downside at 10%, for prudence sake.

Probability of default (PD)

Since PD's are modelled using a Point-In-Time (PIT) approach, each account is assigned an individual PD. This creates a distribution of PDs for each portfolio. When creating shocks for a portfolio of PIT PD's, a standard margin of adding and subtracting static numbers would not be suitable for creating scenarios. Therefore, an approach using percentiles is used to create a cap and a floor for the distributions. A lower percentile is used as the cap for upside, and a higher percentile is used as a floor for downside.

4.4 Marcoeconomic analysis

Country Macro-analysis : 2023 - 2024

Inflation

Inflation rates experienced a decrease in 2024, although reaching levels higher than forecast. It is however expected to decrease year-on-year in 2025.

Gross domestic product (GDP)
Gross Domestic Product (GDP) growth experienced an increase from 2023 to 2024. The actual 2024 rate was higher than what was forecast by end of 2023. GDP growth is expected to decrease in 2025, but forecast to be higher than what was seen in 2022 and 2023.

4 Financial risk management

4.4 Marcoeconomic analysis (continued)

Unemployment rate

Unemployment rates experienced a slight decrease in 2024, reaching a figure lower than forecast in 2023. It is however forecast to increase slightly in 2025.

Influence of economic on estimate of ECL

A behavioural scorecard is used to incorporate forward looking macroeconomic variables into lifetime PDs. A weighted score is calculated based on the outlook of economic conditions and is updated when there is a change. A marginal FLI factor based on this weighted score is added to marginal PDs by arrears bucket. This factor is updated per portfolio on a monthly basis based on economic outlooks.These weighted scores are applied to each marginal PD in Stage 2 by arrears bucket status. Stage 3 PD is standard at 100%.

A macro-induced regression analysis is used to model a Macro-Induced (MI) LGD for accounts in Stage 2 and 3. This involves identifying how economic conditions influence recovery rates and applying this to forecasted economic outlooks.

Expected credit losses: Forward looking

Macroeconomic forward-looking factors were all stressed to downside heavy for Consumer Price Index (CPI), Inflation, Gross Domestic Product (GDP) and unemployment rate in line with Fitch Solutions' revised outlook for the period ending 31 December 2024. The probability weighted ECL is derived by assigning weights to the base, upside and downside scenarios based on management projections. The weights used are 50%, 20% and 30% respectively for Deduction at source portfolio that holds a low credit risk and 30%, 20% and 50% respectively for MSE and Informal portfolio.

The total weighted impact of GHS 3.3 million for Ghana based on downside scenarios:

GHS	Base case	Upside		Downside		Probability Weighted ECL	Weighted Impact*
	ECL	ECL	Impact	ECL	Impact	ECL	Impact
Payroll loans	31,476,738	25,106,997	(6,369,741)	37,917,951	6,441,213	33,861,169	2,384,431
MSE	615,666	485,623	(130,043)	746,326	130,660	1,175,355	559,689
Mobile loans	142,717,964	120,825,317	(21,892,647)	161,635,915	18,917,951	143,097,813	379,849
Total	**174,810,368**	**146,417,937**	**(28,392,431)**	**200,300,192**	**25,489,824**	**178,134,337**	**3,323,969**

Country	Base ECL	Probability Weighting	Impact
Ghana	174,810,368	178,134,337	3,323,969
Total	174,810,368	178,134,337	3,323,969

*The Probability weighted ECL is derived by assigning weights to the base, upside and downside scenarios based on management projections. The weights used in the last reporting cycle were 50%, 20% and 30% respectively for Deduction at source portfolio that holds a low credit risk and 30%, 20% and 50% respectively for MSE and Informal portfolio. Refreshed assessment used the higher end of risk weightings hence as at October 2024 the weightings used are 30%,20%,50%.

4 Financial risk management

Below is a summary of the expected credit losses recognised in respect of loans and advances to customers as at 31 December 2024:

Operating Segments	IFRS 9 ECL Provisions at 31 December 2024				IFRS 9 ECL Provisions at 31 December 2023			
GHS	Stage 1: 12-month ECL allowance	Stage 2: Lifetime ECL allowance – not credit-impaired	Stage 3: Lifetime ECL allowance – credit-impaired	Total ECL on 31 December 2024	Stage 1: 12-month ECL allowance	Stage 2: Lifetime ECL allowance – not credit-impaired	Stage 3: Lifetime ECL allowance – credit-impaired	Total ECL on 31 December 2023
Financial assets	10,111,024	3,202,933	164,820,380	178,134,337	8,630,504	751,647	38,484,573	47,866,724
Total	**10,111,024**	**3,202,933**	**164,820,380**	**178,134,337**	**8,630,504**	**751,647**	**38,484,573**	**47,866,724**

	At 31 December 2024 (IFRS 9)	**At 31 December 2023 (IFRS 9)**
Gross advances to customers	**1,133,060,449**	**1,169,309,086**
Of which stage 1 and 2	**850,838,039**	**1,076,359,920**
Of which stage 3	**282,222,410**	**92,949,166**
Expected credit loss provisions	**(178,134,337)**	**(47,866,725)**
Of which stage 1 and 2	**(13,313,957)**	**(9,382,152)**
Of which stage 3	**(164,820,380)**	**(38,484,573)**
Net advances to customers	**954,926,112**	**1,121,442,362**
Of which stage 1 and 2	**837,524,082**	**1,066,977,769**
Of which stage 3	**117,402,030**	**54,464,593**
Impairment (ECL) Coverage Ratio	**16%**	**4%**
Stage 3 coverage ratio	**58%**	**41%**

The Company maintains a diversified portfolio comprising mobile lending , Deduction at Source (DAS) and MSE. Despite a three - four months delay in government remittances and the adoption of the Time in Default LGD approach for Stage 3 accounts, the Company demonstrated resilience against external economic challenges.

4 Financial risk management (continued)

4.5 Liquidity risk

Managing liquidity risk is an integral part of the Group's business operations. Liquidity risk arises when the Group is unable to generate sufficient cash flows to meet its obligations as they fall due or when obligations are met at an unreasonable cost. The Group liquidity could be affected by various factors, both internal and external. These include customer withdrawals, unexpected market disruptions that cause liquid assets to become illiquid in the short-term, failure by funders to roll over borrowed facilities or recalling existing loan facilities, delays in expected drawdowns, credit events, natural disasters and adverse publicity among others.

4.5.1 Liquidity risk management process

The Company's liquidity management process, as carried out within the Company and monitored by a separate team in the Treasury department, includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers;
- Monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements;
- Managing the concentration and profile of debt maturities
- Contingency Funding Plans
- Stress testing and scenario analysis

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The Company's Treasury unit also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

The Company's liquidity risk framework includes internally determined liquidity limits aimed at ensuring business objectives are met and regulatory requirements complied with. The Company's liquidity risk framework incorporates internally set liquidity limits designed to ensure the achievement of business objectives and compliance with regulatory requirements.The liquidity risk appetite is measured with reference to stressed net contractual and contingent outflows for a variety of stress scenarios and is used to determine the liquidity buffer. Stress testing is undertaken to assess and plan for the impact of various scenarios which may put the Company's liquidity at risk. Reference is made to Note 18, where the Company was in breach of certain loan covenants and a scenario reflecting the impact on liquidity in the event that the particular lenders recall their facilities has been presented.

4.5.2 Funding approach

Sources of liquidity are regularly reviewed by the Company's Treasury unit to maintain a wide diversification by currency, provider, product and term.

4.5.3 Exposure to liquidity risk

The key measure used by the Company for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose net liquid assets are considered as including cash and cash equivalents and debt securities for which there is an active and liquid market less any deposits from banks and other financial institutions, debt securities issued, other borrowings and commitments maturing within the next month.

The table on the subsequent page presents the cash flows payable by the Company under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows for the no derivative financial assets and liabilities held by the Company.

4 Financial risk management (continued)

4.5.3 Exposure to liquidity risk (continued)

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity date. The amounts in the table below are the contractual undiscounted cash flows:

31 December 2024	From 0 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Above 5 years	Total
Financial liabilities						
Borrowings	154,403,249	189,287,620	243,143,102	93,681,301	-	680,515,272
Customer deposits	413,783,136	43,909,286	-	-	-	457,692,422
Other liabilities **	46,384,615	-	-	-	-	46,384,615
Total financial liabilities	614,571,000	233,196,906	243,143,102	93,681,301	-	1,184,592,309
Financial assets						
Cash and cash equivalents	162,195,840	-	-	-	-	162,195,840
Investment securities	-	-	9,064,768	221,869,728	21,652,245	252,586,741
Financial assets at fair value through profit or loss	6,266,081	-	-	-	-	6,266,081
Loan and advances to customers	698,617,987	7,980,719	66,286,669	115,235,329	66,805,408	954,926,112
Other assets	-	73,445,771	-	-	-	73,445,771
Total financial assets held for managing liquidity ri	867,079,908	81,426,490	75,351,437	337,105,057	88,457,653	1,449,420,545
Net liquidity gap	**252,508,908**	**(151,770,416)**	**(167,791,665)**	**243,423,756**	**88,457,653**	**264,828,236**

The negative cash flows within the 36-month period primarily resulted from the debt restructuring of government investment securities, which have now been extended to 2027 and beyond. Additionally, following the debt exchange program, most customers place deposits for shorter durations (< 1 year). However, we have observed an average roll-over / retention rate of 80%. The Company closely monitors its liquidity position on a daily basis to ensure it can meet its obligations. Furthermore, we conduct regular stress testing and scenario analysis to effectively manage liquidity.

During the current year, there were covenant breaches relating to facilities totaling GHS 152.7 million, for which letters of no action had not been received as at the date of signing these financial statements. These facilities have been classified as non-current liabilities with maturities ranging from 0 to 12 months.

31 December 2023	From 0 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Above 5 years	Total
Financial liabilities						
Borrowings	203,630,568	179,104,180	82,921,227	130,488,702	-	596,144,677
Financial liabilities at fair value through profit or loss	-	-	3,184,069	-	-	3,184,069
Customer deposits	162,262,314	22,740,645	-	-	-	185,002,959
Collateral deposit	399,252,173	-	-	-	-	399,252,173
Lease liability	-	88,798	-	-	-	88,798
Other liabilities **	16,843,533	-	-	-	-	16,843,533
Total financial liabilities	781,988,588	201,933,623	86,105,296	130,488,702	-	1,200,516,209
Financial assets						
Cash and cash equivalents	84,974,744	-	-	-	-	84,974,744
Investment securities	2,456,566	2,353,281	12,024,618	75,566,651	110,679,864	203,080,980
Loan and advances to customers	703,179,050	7,891,671	98,213,381	182,200,036	159,695,447	1,151,179,585
Other assets		59,881,429	-	-	-	59,881,429
Total financial assets held for managing liquidity ri	790,610,360	70,126,381	110,237,999	257,766,687	270,375,311	1,499,116,738
Net liquidity gap	**8,621,772**	**(131,807,242)**	**24,132,703**	**127,277,985**	**270,375,311**	**298,600,529**

Other liabilities **: Statutory payments like withholding tax have been excluded from the "other liabilities".

The negative cashflows within 12 months period was due to the debt restructuring of the government investment securities held, which have now been extended to 2025 and beyond. The Company reviews its liquidity positions daily to ensure that it has sufficient liquidity to meet its obligations. Additionally we perform frequent stress testing and scenario analysis to help adequately manage our liquidity.

4 Financial risk management (continued)

4.5.4 Maturity analysis of assets and liabilities

The table below shows the analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities have been classified to mature and / or be repaid within 12 months, regardless of the actual contractual maturities of the product. With regards to the loans and advances to customers, the company uses same basis of expected repayment behaviour that was used for estimating the EIR. Issued debt reflects the contractual coupon and amortisation.

	31 December 2024			31 December 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Cash and cash equivalents	162,195,840	-	162,195,840	84,974,743	-	84,974,743
Investment securities	-	252,586,741	252,586,741	-	203,080,980	203,080,980
Financial assets at fair value through profit or loss	6,266,081	-	6,266,081	-	-	-
Loans and advances to customers	706,598,706	248,327,406	954,926,112	711,070,721	410,371,641	1,121,442,362
Other assets	72,562,124	7,011,592	79,573,716	49,771,862	14,665,583	64,437,445
Income tax receivable	4,468,052	-	4,468,052	-	-	-
Deferred income tax asset	1,344,591	34,726,196	36,070,787	599,784	5,325,298	5,925,082
Property and equipment	824,790	4,876,790	5,701,580	1,311,676	3,641,516	4,953,192
Right of use assets	445,876	6,109,785	6,555,661	445,876	2,020,221	2,466,097
Intangible assets	-	844,519	844,519	-	1,315,781	1,315,781
Total assets	**954,706,060**	**554,483,029**	**1,509,189,089**	**848,174,662**	**640,421,020**	**1,488,595,682**
Liabilities						
Customer deposits	457,692,422	-	457,692,422	118,845,798	66,157,161	185,002,959
Collateral security deposit	-	-	-	399,252,173	-	399,252,173
Financial liabilities at fair value through profit or loss	-	-	-	-	3,184,069	3,184,069
Other liabilities	51,818,863	-	51,818,863	20,572,547	-	20,572,547
Lease liability	-	-	-	85,069	-	85,069
Income tax payable	-	-	-	10,828,060	-	10,828,060
Borrowings	343,690,869	336,824,403	680,515,272	348,443,365	247,701,312	596,144,677
Total liabilities	**853,202,154**	**336,824,403**	**1,190,026,557**	**898,027,012**	**317,042,542**	**1,215,069,554**
Net as at December	**101,503,905**	**217,658,626**	**319,162,532**	**(49,852,350)**	**323,378,478**	**273,526,128**

The Company holds a diversified portfolio of cash and liquid securities to support payment obligations and contingent funding in a stressed market environment. The Company's assets held for managing liquidity risk comprise cash and bank balances and loans and advances.

4.6 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to market risk arising principally from customer-driven transactions and they include foreign currency risk and interest rate risk.

(i) *Foreign exchange risk*

The Company is exposed to the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Management is responsible for minimising the effect of the currency exposure by holding bank accounts in foreign currencies.

At December 31, 2024, if the currency had weakened/strengthened by 10% (2023: 10%) against the US dollar with all other variables held constant, post-tax profit for the year and assets would have been GHS 13,764,299 higher/lower, mainly as a result of US dollar denominated asset and liability balances.

(ii) *Interest risk rate*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Interest rates on the Company's products may increase or decrease with changes in the prevailing levels of market interest rates. The table on the subsequent page summarises the Company's exposure to interest rate risks. It includes the Company's financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 Financial risk management (continued)

4.6 Market risk (continued)

(ii) *Interest risk rate (continued)*

31 December 2024	Up to 1 month	1 - 3 months	3 -12 months	Over 1 year	Non interest bearing	Total
Financial assets						
Cash and bank balance	162,195,840	-	-	-	-	162,195,840
Investment securities	230,934,496	-	-	21,652,245	-	252,586,741
Loans and advances to customers	803,410,685	9,177,827	76,229,669	209,346,848		1,098,165,029
Other assets (excluding prepayment)	-	-	-	-	73,445,771	73,445,771
Total financial assets	**1,196,541,021**	**9,177,827**	**76,229,669**	**230,999,093**	**73,445,771**	**1,586,393,381**
Financial liabilities						
Borrowings	680,515,272	-	-	-	-	680,515,272
Customer deposits	456,378,459	48,429,360	-	-	-	504,807,819
Other liabilities	-	-	-	-	51,818,863	51,818,863
Collateral deposit	-	-	-	-	-	-
Total financial liabilities	**1,136,893,731**	**48,429,360**	**-**	**-**	**51,818,863**	**1,237,141,954**
Total interest repricing gap	**59,647,290**	**(39,251,533)**	**76,229,669**	**230,999,093**	**21,626,908**	**349,251,427**

31 December 2023	Up to 1 month	1 - 3 months	3 -12 months	Over 1 year	Non interest bearing	Total
Financial assets						
Cash and bank balance	84,974,743	-	-	-	-	84,974,743
Investment securities	92,401,115	-	-	110,679,865	-	203,080,980
Loans and advances to customers	361,266,908	603,980,744	26,334,174	27,891,765		1,019,473,591
Other assets (excluding prepayment)	-	-	-	-	59,881,429	59,881,429
Total financial assets	**538,642,766**	**603,980,744**	**26,334,174**	**138,571,630**	**59,881,429**	**1,367,410,743**
Financial liabilities						
Borrowings	596,144,677	-	-	-	-	596,144,677
Customer deposits	15,964,799	117,071,542	74,056,523	-	-	207,092,864
Other liabilities	-	-	-	-	20,572,547	20,572,547
Collateral deposit	-	-	-	-	399,252,173	399,252,173
Total financial liabilities	**612,109,476**	**117,071,542**	**74,056,523**	**-**	**419,824,720**	**1,223,062,261**
Total interest repricing gap	**(73,466,710)**	**486,909,202**	**(47,722,349)**	**138,571,630**	**(359,943,291)**	**144,348,482**

4 Financial risk management (continued)

4.7 Market risk (continued)

(iii) Interest rate sensitivity analysis

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Company.

The interest re-pricing gap analysis is supplemented by monitoring the sensitivity of the Company's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis points (bps) parallel shift in all yield curves. An analysis of the Company's sensitivity to an increase in market interest rates and its impact on the net interest margin is as follows:

		Possible interest rate movements		
	Total interest repricing gap	**+100bps**	**+200bps**	**+300bps**
Up to 1 month	59,647	59,647	119,294	178,941
1-3 months	(39,252)	(39,252)	(78,504)	(117,756)
3-12 months	76,230	76,230	152,460	228,690
Over 1 year	230,999	230,999	461,998	692,997
Total	**327,624**	**327,624**	**655,248**	**982,872**
Net interest income		**503,252,516**	**503,252,516**	**503,252,516**
Impact on net interest income (2024)		0.07%	0.13%	0.20%
Impact on net interest income (2023)		0.35%	0.70%	1.05%

4.7 Capital management

The Company’s objectives when managing capital, which is a broader concept than the ‘equity’ on the face of the statement of financial position, are:

(i) To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for the other stakeholders;

(ii) To maintain a strong capital base to support the current and future development needs of the business; and.

(iii) To comply with the capital requirements set by the Bank of Ghana.

The regulator, the Bank of Ghana, sets and monitors capital requirements for the Company as a whole. In implementing current capital requirements, the Bank of Ghana requires the Company to maintain a prescribed ratio of total capital to total risk-weighted assets. The Company’s regulatory capital is analysed into two tiers:

(i) Tier 1 capital, also referred to as core/primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual non-cumulative preference shares. Disclosed reserves relate to those created or increased by appropriation of after tax profit, income surplus and general statutory reserves.

(ii) Tier 2 capital, also referred to as supplementary/secondary capital includes revaluations reserves, latent revaluation reserves and hybrid capital instruments. Latent revaluation reserves relate to unrealised gains on equity instruments classified as available-for-sale.
Various limits are applied to elements of the capital base. The qualifying tier 2 capital cannot exceed tier 1 capital.

4 Financial risk management (continued)

4.7 Capital management (continued)

4.7.1 Regulatory capital

The capital adequacy ratio is the quotient of the capital base of the Company and the Company's risk-weighted asset base. In accordance with Bank of Ghana regulations, a minimum ratio of 10% is to be maintained.

Tier 1 capital	31 December 2024	31 December 2023
Ordinary share capital	162,046,314	162,046,314
Retained earnings	49,785,896	22,244,217
Statutory reserves	107,123,702	84,408,811
Total disclosed reserves	**318,955,912**	**268,699,342**
Less: Other regulatory adjustments	(42,198,732)	(4,556,016)
Add: Relief on credit loss expense on investment securities	7,735,861	15,471,723
Total tier 1 capital	**284,493,041**	**279,615,048**
Subordinated debt	-	-
Total tier 2 capital	-	-
Total regulatory capital	**284,493,041**	**279,615,048**
Risk-weighted assets	**1,227,471,383**	**1,351,679,669**
Capital adequacy ratio	**23.2%**	**20.7%**
Minimum requirement	**10.00%**	**10.00%**

4.8 Fair value of financial assets and liabilities

The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premier used in estimating discount rates and foreign currency exchange rates and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The table below sets out the carrying amounts and fair values of those financial assets and liabilities not presented on the Company's statement of financial position at their fair values.

31 December 2024	Note	Asset amortised cost	Liabilities amortised cost	Total	Fair value
Investment securities	6	252,586,741	-	252,586,741	252,586,741
Loans and advances to customers	7	954,926,112	-	954,926,112	983,569,044
Total financial assets		**1,207,512,853**	**-**	**1,207,512,853**	**1,236,155,785**
Borrowings	18	-	680,515,272	680,515,272	689,702,228
Customer deposits	12	-	457,692,422	457,692,422	476,000,119
Total financial liabilities		**-**	**1,138,207,694**	**1,138,207,694**	**1,165,702,347**

Financial risk management (continued)

4.8 Fair value of financial assets and liabilities (continued)

31 December 2023	Note	Asset amortised cost	Liabilities amortised cost	Total	Fair value
Investment securities	6	203,080,980	-	203,080,980	203,080,980
Loans and advances to customers	7	1,121,442,362	-	1,121,442,362	1,150,085,294
Total financial assets		**1,324,523,342**	**-**	**1,324,523,342**	**1,353,166,274**
Borrowings	18	-	596,144,677	596,144,677	604,192,630
Customer deposits	12	-	185,002,959	185,002,959	192,403,077
Total financial liabilities		**-**	**781,147,636**	**781,147,636**	**796,595,707**

The following assets and liabilities have their carrying amounts approximate their fair value and then make a list of them.
a. Cash and bank balance
b. Other assets
c. Collateral deposits
d. Other liabilities

The fair value hierarchy section explains the judgements and estimates made in determining the fair values of the financials instruments. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1 - Quoted (unadjusted) market prices in active markets for identifiable assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value is observable
- Level 3 - Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable

The fair values of financial assets and liabilities that are not measured at fair value in the financial statements are shown below:

		Fair values			
At 31 December 2024	**Carrying values**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Investment securities	252,586,741	-	252,586,741	-	**252,586,741**
Loans and advances to customers	954,926,112	-	-	983,569,044	**983,569,044**
Financial liabilities					
Deposits from customers	457,692,422	-	-	476,000,119	**476,000,119**
Borrowings	680,515,272	-	-	689,702,228	**689,702,228**

		Fair values			
At 31 December 2023	**Carrying values**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Investment securities	203,080,980	-	203,080,980	-	**203,080,980**
Loans and advances to customers	1,121,442,362	-	-	1,150,085,294	**1,150,085,294**
Financial liabilities					
Deposits from customers	185,002,959	-	-	192,403,077	**192,403,077**
Borrowings	596,144,677	-	-	604,192,630	**604,192,630**

4.8 Fair value of financial assets and liabilities (continued)

		Valuation technique	Significant unobservable inputs
Investment securities	Level 2	Valued by discounting the future cash flows using market interest rate applicable at that time. For foreign assets, the sum of the cash flows denoted in the foreign currencies are converted with the spot rate applicable at the reporting date.	Based on discount rates of 16% for GHS GoG bonds and 6% on the USD GoG bonds
Loans and advances to customers	Level 3	The fair values of loans and advances are estimated by discounted cash flow models that incorporate assumptions for credit risks.	Expected cashflows are discounted at reference rates adjusted for credit risk exposure
Borrowings and Deposits from customers	Level 3	The fair value of borrowed funds and deposits from customer is estimated by a discounted cash flow model using market rate for similar instruments trading in the market.	Based on average yield curve rates to maturity
Financial assets and liabilities at fair value through profit or loss	Level 2	Valued by discounting the future cash flows using market interest rate applicable at that time. The sum of the cash flows denoted in the foreign currencies are converted with the spot rate applicable at the reporting date.	Based on USD and GHS risk free rates.

		31 December 2024	31 December 2023
5	**Cash and cash equivalents**		
	Bank Balance	162,195,840	84,974,744
	Cash and bank balances for the purpose of the statement of cash flows	**162,195,840**	**84,974,744**

Cash at bank is maintained with reputable financial institutions that have strong credit ratings. An expected credit loss assessment conducted at year-end indicated no material impact.

6	**Investment securities**		
	Government bonds		
	Opening balance	**203,080,980**	**183,165,074**
	Interest accrued	16,694,289	13,656,716
	Interest payment received	(8,858,160)	(1,643,016)
	Maturity of fixed deposit	-	(24,240,015)
	Impairment writeback on bonds	-	6,666,074
	Foreign exchange gain	41,669,632	25,476,147
		252,586,741	**203,080,980**
6b	2 - 5-year fixed rate notes	230,934,496	92,401,115
	Above 5 years fixed rate note	21,652,245	110,679,865
		252,586,741	**203,080,980**

Investment securities constitute Government bonds denominated in local currency and United States dollar 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.

The Company participated in the Government of Ghana's Domestic Debt Exchange Programme on February 14, 2023. As a result, the maturity profiles of these instruments have been revised, with new maturity dates ranging from 2027 to 2038. These investment securities are classified as purchased or originated credit-impaired financial assets.

The assessment of expected credit losses was based on an independent valuation that applied discounting to the revised cash flows. These instruments are listed on the Ghana Stock Exchange, and market data indicated that before the debt restructuring programme in 2022 and 2023, the highest yields were between 5% and 6% for USD bonds and 19% for GHS bonds. To account for the increased risk associated with the purchase or originated credit impaired financial assets, the valuation model incorporated an additional risk premium by applying a margin of 100 to 300 basis points to these yields. Based on this assessment, as of the reporting date, the Company holds adequate provisions for expected credit losses.

6c	**Impairment charge**	**31 December 2024**	**31 December 2023**
	Opening balance	24,277,371	30,943,445
	Movement recognised during the year :		
	Local Cedi bonds	-	-
	Local Dollar bonds	-	(6,666,074)
	Total	**24,277,371**	**24,277,371**

6 Investment securities (continued)

Net carrying amount of investment securities are as follows:

6d 31 December 2024	GoG Cedi bonds	GoG Dollar bonds	Fixed deposit	Total
Opening balance	41,349,008	186,009,343	-	227,358,351
New assets originated or purchased	-	-	-	-
Interest accrued	3,701,316	12,992,973	-	16,694,289
Interest payment received	(1,884,758)	(6,973,402)	-	(8,858,160)
Exchange gain	-	41,669,632	-	41,669,632
Gross carrying amount	**43,165,566**	**233,698,546**	**-**	**276,864,112**
Impairment charge				
Opening balance	(10,907,229)	(13,370,142)	-	(24,277,371)
	(10,907,229)	**(13,370,142)**	**-**	**(24,277,371)**
Net Carrying Amount	**32,258,337**	**220,328,404**	**-**	**252,586,741**

31 December 2023	GoG Cedi bonds	GoG Dollar bonds	Fixed deposit	Total
Opening balance	39,290,708	150,577,796	24,240,015	214,108,518
New assets originated or purchased	-	-	-	-
Interest accrued	3,701,316	9,955,400	-	13,656,716
Interest payment received	(1,643,016)	-	-	(1,643,016)
Maturity of fixed deposit	-	-	(24,240,015)	(24,240,015)
Exchange gain	-	25,476,147	-	25,476,147
Gross carrying amount	**41,349,008**	**186,009,343**	**-**	**227,358,351**
Impairment charge				
Opening balance	(10,907,229)	(20,036,216)	-	(30,943,445)
Impairment writeback	-	6,666,074	-	6,666,074
	(10,907,229)	**(13,370,142)**	**-**	**(24,277,371)**
Net Carrying Amount	**30,441,779**	**172,639,201**	**-**	**203,080,980**

6e An analysis of changes in the carrying amount in relation to investment securities is as follows:

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	-	-	227,358,351	**227,358,351**
*New assets originated or purchased	-	-	7,836,129	**7,836,129**
Transfer from Stage 1 to Stage 2	-	-	-	**-**
Transfer from Stage 1 to Stage 3	-	-	-	**-**
Assets sold during the year	-	-	-	**-**
Exchange gain	-	-	41,669,632	**41,669,632**
Gross carrying amount	**-**	**-**	**276,864,112**	**276,864,112**
Reconciliation of expected credit losses:				
Opening ECL amount as at 1 January 2024	-	-	(24,277,371)	(24,277,371)
New assets originated or purchased	-	-	-	-
Impairment writeback	-	-	-	-
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Assets sold during the year	-	-	-	-
As at December 2024	**-**	**-**	**252,586,741**	**252,586,741**

**This relates to interest accrued less payments received during the year.*

6 Investment securities (continued)

6e An analysis of changes in the carrying amount in relation to investment securities is as follows (continued):

31 December 2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2023	-	-	214,108,519	**214,108,519**
*New assets originated or purchased	-	-	12,013,700	**12,013,700**
Transfer from Stage 1 to Stage 2	-	-	-	**-**
Transfer from Stage 1 to Stage 3	-	-	-	**-**
Assets sold during the year	-	-	(24,240,015)	**(24,240,015)**
Exchange gain	-	-	25,476,147	**25,476,147**
Gross carrying amount	**-**	**-**	227,358,351	**227,358,351**
Reconciliation of expected credit losses:				
Opening ECL amount as at 1 January 2023	-	-	(30,943,445)	(30,943,445)
New assets originated or purchased	-	-	-	-
Impairment writeback	-	-	6,666,074	6,666,074
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Assets sold during the year	-	-	-	-
As at December 2023	**-**	**-**	**203,080,980**	**203,080,980**

**This relates to interest accrued less payments received during the year.*

		31 December 2024	**31 December 2023**
7	**Gross loans and advances to customers**	**1,133,060,449**	**1,169,309,086**
	Less: Expected credit loss	(178,134,337)	(47,866,724)
		954,926,112	**1,121,442,362**

An analysis of net advances by credit risk, including related impairment provisions, is contained in Note 4.1 of these financial statements.

7a	**Credit (loss) / gain expense on loans and advances**		
	Impairment provision	130,267,613	(14,061,690)
	Write offs	64,096,397	6,835,188
	Recoveries	(19,548,907)	(10,877,656)
		174,815,103	**(18,104,158)**

The Company writes off a loan when it has been determined that the loans are uncollectable. All write offs must be approved by Board of Directors and Bank of Ghana. During the current year GHS 64.09 million was approved for write off.

		31 December 2024	**31 December 2023**
8	**Other assets**		
	Prepayments	6,127,945	4,556,016
	Unpaid employer receivables	67,760,422	49,771,862
	Receivable from insurance arrangements	4,801,702	8,722,430
	Other receivable	883,647	1,387,137
		79,573,716	**64,437,445**

Unpaid employer receivables include Controller and Accountant General Department for four months. Prepayments includes advance payments on insurance, subscriptions and others. Due to the short-term nature of the other receivables, their carrying amount approximates their fair value.

9 Property and equipment

Year ended 31 December 2024	Motor vehicles	Computer equipment	Office equipment	Furniture and fittings	Leasehold Improvement	Work in progress	Total
Cost							
At 1 January 2024	4,687,829	2,887,763	2,814,156	3,961,737	-	140,000	14,491,485
Additions	-	453,165	14,817	228,598	2,064,584	-	2,761,164
Disposals	(445,715)	-	(4,533)	(2,749)	-	-	(452,997)
Transfer to Software	-	-	-	-	-	(140,000)	(140,000)
At 31 December 2024	**4,242,114**	**3,340,928**	**2,824,440**	**4,187,586**	**2,064,584**	**-**	**16,659,652**
Accumulated depreciation							
At 1 January 2024	1,506,095	2,427,981	2,392,111	3,212,106	-	-	9,538,293
Charge for the year	923,934	358,541	208,593	381,708	-	-	1,872,776
Disposals	(445,715)	-	(4,533)	(2,749)	-	-	(452,997)
							-
At 31 December 2024	**1,984,314**	**2,786,522**	**2,596,171**	**3,591,065**	**-**	**-**	**10,958,072**
							-
Carrying amount	**2,257,800**	**554,406**	**228,269**	**596,521**	**2,064,584**	**-**	**5,701,580**

9a Year ended 31 December 2023	Motor vehicles	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost						
At 1 January 2023	3,418,519	2,601,912	2,756,073	3,633,053	406,006	12,815,563
Additions	3,544,535	392,750	100,128	370,586	-	4,407,999
Disposals	(2,275,225)	(106,899)	(42,045)	(41,902)	-	(2,466,071)
Transfer to Software	-	-	-	-	(266,006)	(266,006)
						-
At 31 December 2023	**4,687,829**	**2,887,763**	**2,814,156**	**3,961,737**	**140,000**	**14,491,485**
						-
Accumulated depreciation						-
At 1 January 2023	2,312,629	2,109,513	2,180,370	2,880,265	-	9,482,777
Charge for the year	592,437	408,347	247,171	373,043	-	1,620,998
Disposals	(1,398,971)	(89,879)	(35,430)	(41,202)	-	(1,565,482)
						-
At 31 December 2023	**1,506,095**	**2,427,981**	**2,392,111**	**3,212,106**	**-**	**9,538,293**
						-
Carrying amount	**3,181,734**	**459,782**	**422,045**	**749,631**	**140,000**	**4,953,192**

9 **Property and equipment**

10 Right of use assets	31 December 2024	31 December 2023
Cost		
At 1 January	17,542,333	15,982,151
Addition for the year	7,820,463	1,560,182
At 31 December	**25,362,796**	**17,542,333**
Accumulated depreciation		
At 1 January	15,076,236	11,732,153
Charge for the year	3,730,899	3,344,083
At 31 December	**18,807,135**	**15,076,236**
Carrying amount	**6,555,661**	**2,466,097**

11 Intangible assets - Software		
Cost		
At 1 January	6,620,328	5,750,292
Transfer from WIP	140,000	266,006
Additions	73,321	604,030
At 31 December	**6,833,649**	**6,620,328**
Accumulated amortisation		
At 1 January	5,304,547	4,765,713
Charge for the year	684,583	538,834
At 31 December	**5,989,130**	**5,304,547**
Net book amount	**844,519**	**1,315,781**

12 Customer deposits		
Term deposits	362,613,053	180,321,582
Retail deposits	95,079,369	4,681,377
	457,692,422	**185,002,959**

In the current year, customer deposits experienced strong growth, driven by significant leverage amid an improved macroeconomic landscape. We successfully attracted new depositors and expanded our product offerings for both institutional and retail clients.

		31 December 2024	31 December 2023
13	**Other liabilities**		
	Payroll accrual	1,411,582	283,448
	Withholding tax	5,434,248	3,729,014
	Staff bonus	3,720,366	3,002,361
	Audit fees	615,385	487,564
	Insurance premium payable	3,483,394	4,426,546
	Deferred income	18,316,045	5,456,570
	Other accrued expenses	18,837,843	3,187,044
		51,818,863	**20,572,547**

Other accrued expenses comprise unpaid supplier payments, control accounts. These are short term in nature and their carrying amount approximates their fair value at the reporting date.

		31 December 2024	31 December 2023
14	**Financial asset / liabilities at fair value through profit and loss**		
	Carrying value of assets	40,336,839	72,675,982
	Carrying value of liabilities	(34,070,758)	(75,860,051)
		6,266,081	**(3,184,069)**

During the year, the company entered into short term foreign currency swap arrangements with a local financial institution. The company 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 and the movement is reflected in profit and loss.

		31 December 2024	31 December 2023
15	**Lease liability**		
	As at 1 January	85,069	16,949
	Addition	-	1,560,182
	Interest accrued	-	115,557
	Interest payment	-	(115,557)
	Principal repayment of lease	(85,069)	(1,492,062)
	Balance as at 31 December	**-**	**85,069**
16	**Collateral security deposit**		
	Funding for mobile loans	**-**	**399,252,173**

Collateral deposits were funds allocated to support the mobile loans product. During the year, these deposits were fully repaid and unwound. Since the product has been successfully and optimally implemented since 2017, the collateral structure is no longer required. This was a non-interest-bearing transaction deposit.

		31 December 2024	31 December 2023
17	**Income taxes**		
17a	**Income tax expense**		
	Current income tax	46,184,362	12,990,809
	National fiscal stabilisation levy	3,235,181	4,169,094
	Deferred tax expense	(30,145,705)	47,329
		19,273,838	**17,207,232**

17 Income taxes (continued)

17b Effective tax reconciliations

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the statutory tax rate of 25% as follows:

	31 December 2024	31 December 2023
Profit before tax	**64,703,621**	**83,381,885**
Tax using the corporate tax rate of 25%	16,175,905	20,845,471
Tax effect of:		
Non-deductible expenses	51,535,929	32,934,753
Deductible expenses	(21,527,472)	(40,789,415)
National fiscal stabilization levy	3,235,181	4,169,094
Effects of deferred tax	(30,145,705)	47,329
Tax charge	**19,273,838**	**17,207,232**
Effective tax rate	**30%**	**21%**

17c Income tax (receivable) / payable

	1 January 2024	Charge to profit or loss	Payments in the year	31 December 2024
Year of assessment				
Up to 2023	6,282,915	-	(5,546,561)	736,354
2024	-	46,184,362	(49,982,599)	(3,798,237)
	6,282,915	**46,184,362**	**(55,529,160)**	**(3,061,883)**
				-
National Fiscal Stabilization Levy				
Up to 2023	4,545,145		(4,169,094)	376,051
2024		3,235,181	(5,017,401)	(1,782,220)
Total Tax 2024	**10,828,060**	**49,419,543**	**(64,715,655)**	**(4,468,052)**

	1 January 2023	Charge to profit or loss	Payments in the year	31 December 2023
Year of assessment				
Up to 2022	11,394,412	-	(11,302,306)	92,106
2023	-	12,990,809	(6,800,000)	6,190,809
	11,394,412	**12,990,809**	**(18,102,306)**	**6,282,915**
National Fiscal Stabilization Levy	376,051	4,169,094	-	4,545,145
Total Tax 2023	**11,770,463**	**17,159,903**	**(18,102,306)**	**10,828,060**

17d Deferred income tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2023: 25%).

The movement on the deferred income tax asset account is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	5,925,082	5,972,411
Current year movement	30,145,705	(47,329)
	36,070,787	**5,925,082**

17 Income taxes (continued)

17e Deferred income tax assets are attributable to the following:

	1 January 2024	(Charge) / Credit to profit or loss	31 December 2024
Property and equipment	771,473	(1,344,591)	(573,118)
Right of use and lease liability	(595,257)	(1,043,658)	(1,638,915)
Allowance for loan losses	12,470,818	20,382,200	32,853,018
Other timing differences arising during the year	(6,721,952)	12,151,754	5,429,802
Net deferred income tax assets	**5,925,082**	**30,145,705**	**36,070,787**

	1 January 2023	(Charge) / Credit to profit or loss	31 December 2023
Property and equipment	1,371,257	(599,784)	771,473
Right of use and lease liability	(1,058,262)	463,005	(595,257)
Allowance for loan losses	3,389,533	9,081,285	12,470,818
Other timing differences arising during the year	2,269,883	(8,991,835)	(6,721,952)
Net deferred income tax assets	**5,972,411**	**(47,329)**	**5,925,082**

The Company expects to generate sufficient taxable profits to utilise the deferred tax asset based on historical profitability trends and management on future business prospects

		31 December 2024	31 December 2023
17f	Deferred tax (liability) / asset to be recovered within 12 months	(573,118)	771,473
	Deferred tax asset to be recovered after more than 12 months	36,643,905	5,153,609
		36,070,787	**5,925,082**

18 Borrowings

	Note program	255,306,346	194,474,689
	Term loans	173,926,131	84,660,504
	Overdraft facilities	-	26,441,920
	Letshego Holdings Limited	68,504,804	111,539,207
	Development funding institutions (DFI's)	182,777,991	179,028,357
		680,515,272	**596,144,677**
18a	Current	343,690,869	160,891,251
	Non-current	336,824,403	435,253,426
		680,515,272	**596,144,677**

18 Borrowings (continued)

18b

Year ended 2024	Note Program	Term Loans and Overdraft	Letshego Holdings Ltd.	Development Funding Institutions	Total
At 1 January	194,474,547	111,102,424	111,539,349	179,028,357	596,144,677
Drawdown	200,000,000	199,854,010	108,290,043	84,535,000	592,679,053
Interest expense	51,434,562	63,147,319	17,301,313	29,541,623	161,424,817
Principal repayment	(145,470,204)	(136,960,476)	(192,139,287)	(114,081,024)	(588,650,991)
Interest repayments	(45,132,559)	(63,217,146)	(17,301,313)	(31,780,878)	(157,431,896)
Exchange rate movement	-	-	40,814,699	35,534,913	76,349,612
31 December 2024	**255,306,346**	**173,926,131**	**68,504,804**	**182,777,991**	**680,515,272**

Year ended 2023	Note Program	Term Loans	Letshego Holdings Ltd.	Development Funding Institutions	Total
At 1 January	273,388,099	117,725,315	123,227,106	137,834,421	652,174,941
Drawdown	-	95,293,532	22,992,600	47,520,000	165,806,132
Interest expense	47,717,891	31,716,493	10,322,188	25,735,901	115,492,473
Principal repayment	(76,000,400)	(99,836,214)	-	(44,550,000)	(220,386,614)
Transfer to share capital	-	-	(81,500,000)	-	(81,500,000)
Interest repayments	(50,631,043)	(33,796,702)	-	(25,440,595)	(109,868,340)
Exchange rate movement	-	-	36,497,455	37,928,630	74,426,085
31 December 2023	**194,474,547**	**111,102,424**	**111,539,349**	**179,028,357**	**596,144,677**

Note Programme (MTN)

A total of GHS 255,306,346 of senior unsecured bonds was outstanding under the medium term notes program listed on the Ghana Fixed Income Market (GFIM) of the Ghana Stock Exchange. Interest is payable on the bonds bi-annually based on a combination of fixed and variable rates which were referenced to the 182-day treasury rate issued by the Bank of Ghana.

Letshego Holding Limited

The Letshego Holdings Limited loan is a facility advanced by the parent company. The average interest rates and tenure of the loans is variable and linked to the Secured overnight financing rate (SOFR) and average tenor of 36 months. The loan is denominated in foreign currency (USD) and the loan balance as at December 31, 2024 is GHS 68,504,804

Term Loans

The Term loan balance as at December 31, 2024 is GHS 173,926,132. These are local currency facilities from commercial banks with tenors between 24 to 48 months at an average interest rate of 35% p.a and benchmarked to local reference rates.

Development Funding Institution (DFI's)

We received funding from three Development Funding Institution amounting to GHS 182,777,990. These are facilities with tenors between 36 to 48 months with an average interest rate of 10% pa.

18 Borrowings (continued)

Covenant breaches

As at the reporting date, the Company was in breach of certain loan covenants in relation to funding of GHS 251.9 million. The covenants related to the following:
- Portfolio quality,
- Credit loss ratio,
- Loan book cover ratio and,
- Foreign currency ratio

The Company actively engaged with funders regarding covenant breaches and the remedial actions being taken. Significant progress has been made in working with funders to revise covenants that have become outdated or unachievable over time. Additionally, the Company proactively sought engagement before year-end breaches occurred, securing Letters of No Action. Some discussions continued beyond the balance sheet date, resulting in Letters of No Action in the subsequent period, covering the 2024 year end.

At the time of reporting, letters of no action were received for borrowing facilities amounting to GHS 99.2 million. Engagements are ongoing for borrowing facilities amounting to GHS 152.7 million. These facilities have been classified as current liabilities for year end reporting.

19 Stated capital

The authorised shares of the Company is 100,000,000 ordinary shares, out of which 39,138,275 have been issued as follows:

	31 December 2024		31 December 2023	
	Number of shares	Proceeds	Number of shares	Proceeds
As at 1st January	39,138,275	162,046,314	19,453,968	80,546,314
Additional share capital raised during the year	-	-	19,684,307	81,500,000
	39,138,275	**162,046,314**	**39,138,275**	**162,046,314**

Ordinary shares are classified as ‘’stated capital’’ in "equity". There was no addition to the stated capital during the year.

There are no unpaid liability on shares at the reporting date. There were no shares held in treasury at year end (2023: Nil).

20 Earnings per share

The calculation of basic and diluted earnings per share as at 31 December 2024 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares calculated as follows:

	31 December 2024	31 December 2023
Profit attributable to equity holders	**45,429,783**	**66,174,653**
Weighted average number of shares issued	39,138,275	26,015,404
Basic earnings per share	1.16	2.54
Diluted earnings per share	1.16	2.54

21 Retained earnings

The retained earnings represent earnings retained by the Company. The retained earnings is shown as part of statement of changes in equity.

22 Statutory reserves

This is a non-distributable reserve representing transfer of 50% of profit after tax. It is an accumulation of amounts set aside in accordance with Section 34 of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930). The movement is included in the statement of changes in equity.

	31 December 2024	31 December 2023
Balance as at 1 January	84,408,811	51,321,485
Movement during the year	22,714,891	33,087,326
At 31 December	**107,123,702**	**84,408,811**

23 Credit Risk Reserve

The credit risk reserve is a non-distributable reserve required by Bank of Ghana to account for difference between impairment loss on financial assets as per IFRS and the specific and the general impairment loss on loans and advances and contingent liabilities per the Central Bank's prudential guidelines.

	31 December 2024	31 December 2023
Balance as at 1 January	4,826,787	-
Movement during the year	(4,826,787)	4,826,787
At 31 December	**-**	**4,826,787**

Reconciliation between Bank of Ghana impairment allowance and IFRS impairment

Bank of Ghana impairment allowance for loans and advances	90,227,608	52,693,511
IFRS 9 Impairment for loans and advances at 31 December	178,134,337	47,866,724
Credit risk reserve at 31 December	**-**	**4,826,787**

In the current year, IFRS 9 impairment for loans and advances exceeded the regulatory provision; therefore, no credit risk reserve was recognized. However in 2023, IFRS 9 provisions were lower than the regulatory provision, resulting in the recognition of a credit risk reserve of GHS 4,826,787.

24 Share based payment reserve

Performance shares granted as Long Term Incentive Plan (LTIP) may not exceed 10% of the issued ordinary shares of the Holding Company. The incentive is subject to Group performance conditions which are based on criteria set by the Group Remuneration Committee. These are aimed at alignment of the interests of staff with shareholder interests. They apply over a specified period of time and are pegged to a continued employment condition. The maximum number of shares which can be allocated to any individual participant under the scheme is 1% of the issued ordinary shares of the holding company.

As at 31 December 2024, 1,036,278 total awards were granted during the year (2023: nil) at share price of Ghs 1.35.

24b Share based payment reserve

	31 December 2024		31 December 2023	
	Fair values	Number of awards	Fair values	Number of awards
Reconciliation of outstanding awards				
Outstanding at beginning of the year	-	-	-	-
*Granted during the year	Ghs 1.35	206,620	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**Ghs 1.35**	**206,620**	**-**	**-**

*Awards were granted for the first time during the year, following the appointment of the Chief Executive Officer.

Movement in share based payment reserve	31 December 2024	31 December 2023
Opening balance	-	-
Charge during the year (note 31)	206,620	-
Closing balance	**206,620**	**-**

The award is indexed to the Group's share price on the Botswana Stock Exchange and does not accrue notional dividends during the vesting period.

		31 December 2024	31 December 2023
25	**Interest income at effective interest rate**		
	Loans and advances to customers	750,613,917	536,879,211
	Investment securities	16,694,289	13,656,716
		767,308,206	**550,535,927**
25b	**Other interest and similar income**		
	Interest on bank deposits	3,345,993	1,478,113
		3,345,993	**1,478,113**
26	**Fee and commission income**		
	Insurance commissions	10,359,136	27,217,446
	Processing fee	10,499,606	14,779,038
		20,858,742	**41,996,484**
27	**Other operating loss**		
	Other income	694,357	1,555,139
	Net foreign exchange loss	(2,512,050)	(7,837,933)
	Gain on disposal of assets	519,250	-
		(1,298,443)	**(6,282,794)**
28	**Interest expense at effective interest rate**		
	Note program	51,434,562	47,717,891
	Related party loan	17,301,313	10,322,188
	Interest expense on mobile loans	18,761,873	273,991,021
	Term loans	60,905,285	30,528,372
	Bank overdraft	2,242,034	1,188,121
	Development funding institution (DFI's)	29,541,623	25,735,901
	Customer deposits	87,214,993	17,681,361
		267,401,683	**407,164,855**
28b	**Interest and similar expense**		
	Interest expense on lease liabilities	-	133,709
		-	**133,709**
29	**Net expense on financial asset and liabilities at fair value through profit or loss**		
	Net loss on financial asset and liabilities at fair value through profit or loss	**20,866,945**	**3,282,898**
30	**Commission expense**		
	Commission expense	190,387,125	60,225,169
		190,387,125	**60,225,169**

		31 December 2024	31 December 2023
31	**Personnel expenses**		
	Wages and salaries	13,342,068	10,761,881
	Employer pension contributions	2,789,837	1,860,137
	Share based payment	206,620	-
	Staff incentives and bonus	3,918,054	2,990,844
	Directors remuneration - management services (executives)	3,690,982	555,922
	Staff retrenchment cost	742,536	4,457,069
	Other staff related costs **	4,489,581	3,523,863
		29,179,678	**24,149,716**

Other staff costs comprises of: medical cover, staff training, welfare, relocation expenses and others.

Average number of full time employees during the year	109	122

		31 December 2024	31 December 2023
32	**Operating expenses**		
	Advertising	2,286,590	3,161,099
	Arrangement fees	6,237,882	2,302,215
	Auditors' remuneration	615,385	775,548
	Bank charges	1,772,701	737,029
	Computer and technology costs	7,319,365	4,841,649
	Depreciation and amortisation	2,557,359	2,159,832
	Depreciation right of use assets	3,730,899	3,344,083
	Directors' remuneration	1,151,500	184,500
	Donation	79,721	117,948
	Insurance	353,020	412,416
	Motor vehicle expenses	1,177,081	1,576,763
	Office expenses	929,671	1,311,018
	Other expenses	5,182,564	2,603,517
	Penalties and fines	174,000	67,009
	Professional fees	4,826,649	4,124,114
	Printing and Stationery	147,744	181,357
	Repairs and maintenance	290,082	247,695
	Stamp Duty	-	815,000
	Subscriptions and licenses	749,829	682,023
	Short term rentals	283,218	945,122
	Telephone and internet expenses	1,403,331	1,744,694
	Travel and accommodation	987,238	893,349
	Water and electricity	604,514	931,750
		42,860,343	**34,159,730**

Other expenses include equipment rental, short-term rentals, postage and deliveries, and miscellaneous costs. Penalties and fines amount to GHS 174,000, paid to the Bank of Ghana for breaches identified during an on-site examination in 2022, as well as for the delayed submission of a prudential report for one month.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

		31 December 2024	31 December 2023
33 Credit gain on investment securities			
Investment securities		**-**	**(6,666,074)**

34 Cash generated from operating activities

Operating activities

	Note	31 December 2024	31 December 2023
Profit before tax		**64,703,621**	**83,381,885**
Adjustments for:			
Depreciation of property and equipment	9	1,872,776	1,620,998
Depreciation of right of use assets	10	3,730,899	3,344,083
Amortisation of intangible assets	11	684,583	538,834
Interest earned on treasury bonds	6	(16,694,289)	(13,656,716)
Net foreign exchange movement		104,624,360	70,715,957
Gain on disposal of property and equipment	27	(519,250)	-
Interest expense on borrowings	18	161,424,817	115,492,473
Interest expense on lease liabilities	15	-	115,557
Impairment charge on loans and advances	7a	194,364,010	(7,226,502)
Share-based payment expense	24	206,620	-
Impairment write back on investment securities	6	-	(6,666,074)
Changes in working capital:			
Increase in loans and advances to customers	7	(27,847,760)	(295,777,018)
Increase in other assets	8	(15,136,271)	(48,741,820)
Increase in customer deposits	12	272,689,463	168,294,916
Increase in other liabilities	13	31,246,316	3,211,440
(Decrease) / increase in collateral deposit	16	(399,252,173)	133,012,739
			-
Cash flows from operations		**376,097,722**	**207,660,752**

35 Related party transactions

Relationships:

Letshego Africa Holdings Limited	Parent Company	
Loan from related party		
Letshego Africa Holdings Limited - drawdown	108,290,043	22,992,600
Letshego Africa Holdings Limited - repayment	(192,139,287)	-
Interest payment to related party		
Letshego Africa Holdings Limited - interest accrued	17,301,313	11,970,210
Letshego Africa Holdings Limited - interest payment	(17,301,313)	-

35.1 *Key management personnel compensation*

Remuneration paid to directors in the form of fees to non-executive directors and salaries to executive directors of the Company (note 31). Independent Non-Executive Director emoluments are disclosed in note 34.

During the year, total of 1,036,278 ordinary shares, were granted to Executives in terms of the Long Term Incentive Scheme (LTIP) for the 31 December 2024 financial year (2023: nil) at grant date share price of Ghs 1.35 (note 24).

	31 December 2024	31 December 2023
Short-term employee benefits	3,690,982	555,922
Fees for services as directors	1,151,500	184,500
	4,842,482	**740,422**

36 Subsequent events

Following the end of the 2024 financial year, Ghana experienced a peaceful transition in government after the national elections, reinforcing investor confidence and policy continuity. Early indicators in 2025 point to a positive macroeconomic outlook, underpinned by declining inflation which eased in 2024 to a projected single-digit trajectory and renewed fiscal discipline. GDP growth is expected to accelerate, supported by gains in agriculture, energy, and digital finance, aligning with Ghana's medium-term development agenda. These developments, along with improving foreign exchange stability and international support, position the economy for sustained recovery and inclusive growth. These encouraging trends support a more favorable business climate, and Letshego Ghana remains well-positioned to leverage the emerging opportunities to deepen financial inclusion and deliver value to our stakeholders.

SUSTAINABILITY IN ACTION
IMPROVING LIVES, EMPOWERING COMMUNITIES

At Letshego Ghana, sustainability is not just a commitment it is the heart of our purpose. In 2024, we continued to drive meaningful impact across Ghana through innovative partnerships, inclusive financial solutions, and community-focused initiatives that align with the United Nations Sustainable Development Goals (SDGs). From advancing green mobility and financial literacy to supporting vulnerable groups and promoting health and well-being, our efforts reflect a deep-rooted dedication to improving lives and building a resilient, inclusive future.

Through strategic collaborations, bold initiatives, and a culture of care, we're not just meeting our financial targets, we're transforming lives.

As a proud member of the Letshego Africa Holdings Group, our sustainability actions are part of a larger pan-African vision—to improve lives by extending the reach of impactful financial solutions across our communities. In line with the Group's approach, Letshego Ghana is committed to fostering financial inclusion, protecting the environment, and strengthening governance. Together, we are enabling future-fit African communities where everyone has the opportunity to thrive.

KEY 2024 INITIATIVES

Qwikloan

Qwikloan continued its expansion in 2024, with the following impact:

- **GHS 12.2 million new loans disbursed**
- **GHS 1.03 million new customers on-boarded**
- **GHS 6.95 million total customers serverd**
- **Loan book grew to GHS 743 million, a 125% YoY growth**
- **GHS 6.1 billion in total disbursements, achieving 92% of annual target**

These results reflect strong progress in enhancing financial inclusion and access to credit.

Wahu Mobility Partnership

In partnership with Wahu Mobility and DBG, Letshego Ghana is enabling gig economy riders to access **eco-friendly e-bikes** through a **flexible ride-to-own model**. This supports Ghana s green mobility agenda and improves the earning potential of riders across urban centers. A total disbursement of **GHS 10.2M** has enabled the provision of **427** eco-friendly e-bikes to riders, empowering them with sustainable mobility and income-generating opportunities.

Awards & Recognition

Letshego Ghana received **10 major awards** for excellence in digital leadership, financial inclusion, and innovation. These honors highlight the company's industry leadership, brand credibility, and outstanding performance in 2024.

ISO 27001 Certification

Letshego achieved the **ISO 27001 certification** in 2024, meeting both **international and Bank of Ghana regulatory standards** for information security. This strengthens data protection, reduces operational risks, and builds customer trust through secure service delivery.

Financial Literacy Clinic

Letshego held a Financial Literacy Clinic at Abokobi Presby '1' Basic School, engaging **over 120 students and teachers**. The session was led by the Chief Risk Officer and focused on building smart money habits, promoting early financial literacy and inclusion among young learners.

University Students Sponsorships

Letshego is **sponsoring three university students** from the Village of Hope orphanage. The **Ghs 24,000** sponsorship includes **full educational funding** and **internship placements**, equipping them with academic and professional experience to support their future livelihoods.

Breast Screening Event

Held in October 2024, Letshego's Breast Cancer Awareness Month event offered **free breast screenings to over 150** individuals, including staff, customers, and community members. In partnership with The Mall Clinic, participants also received education on early detection and self-examination techniques.

Gift of Financial Freedom

Letshego absorbed **the loans of 10 loyal mother-customers** in good standing and offered cash donations to some beneficiaries to support family needs such as healthcare, education and business. The over **Ghs 180,000** initiative provided both debt relief and renewed financial freedom.