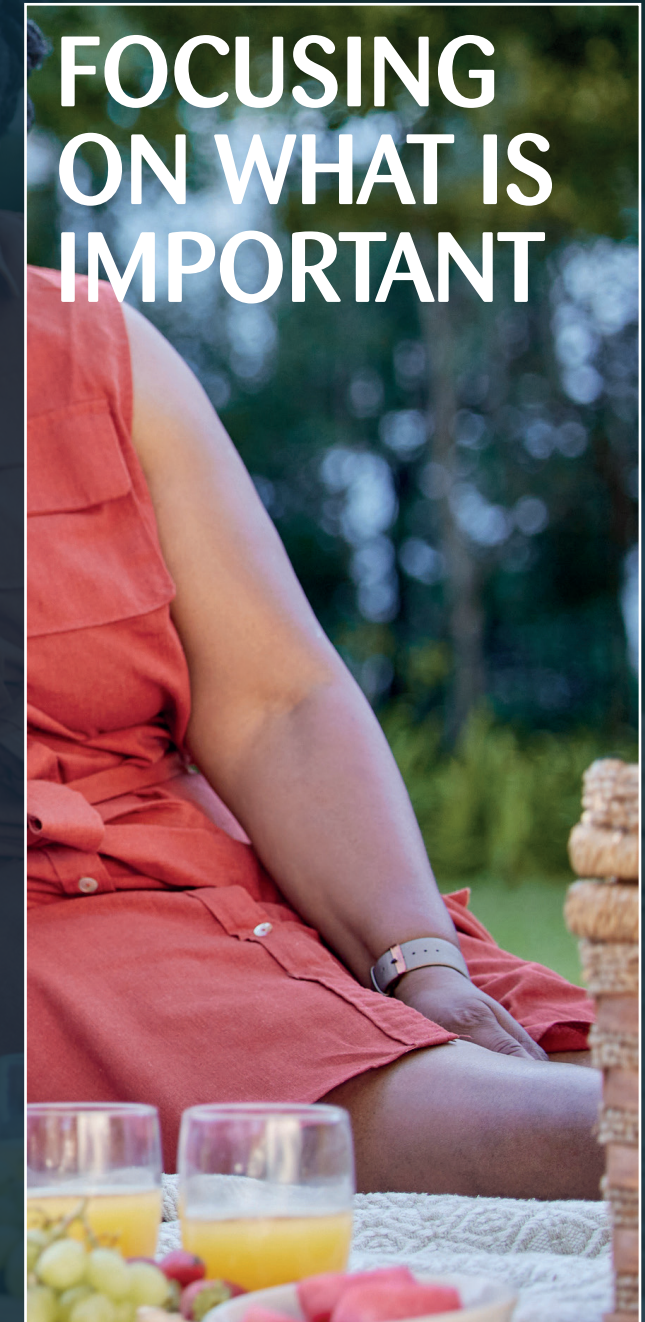




ABRIDGED UNAUDITED GROUP RESULTS

FOR THE PERIOD ENDED 30 JUNE 2025



KEY FEATURES

The directors hereby present the abridged unaudited consolidated financial results of Botswana Insurance Holdings Limited (BIHL) and its subsidiaries (the group) for the period ended 30 June 2025. These financial results are presented in accordance with IFRS® Accounting Standards requirements.



REVENUE

Net insurance service result remained flat at

P87 million

Investment service result

↓ 96% to P3 million

Revenue from contracts with customers

↑ 3% to P162 million

Value of new business

↑ 49% to P84 million



SUSTAINABILITY

Assets under management (AUM)

P51 billion

(Dec 2024: P51 billion)

Solvency – Business is well-capitalised; required capital for the group is covered

8,1 times

(Jun 2024: 6,8 times)



EARNINGS

Operating profit

↓ 56% to P117 million

Core earnings

↓ 52% to P142 million

Share of profit of associates

↑ 89% to P149 million

Impairment of an associate

P85 million

(Jun 2024: P189 million)

Profit attributable to equity holders

↑ 71% to P152 million



VALUE CREATION

Group equity value

↑ 3% to P4,8 billion

(Dec 2024: P4,66 billion)

Return on group equity value improved significantly

to 12,1%

(Dec 2024: (5,4%))

Paid as dividends during the period

P114 million

(Jun 2024: P326 million)

Interim dividend proposed – not subject to tax

P151 million

(Jun 2024: P205 million not subject to tax)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	30 Jun 2025 P'000	30 Jun 2024 P'000	31 Dec 2024 P'000
ASSETS			
Property and equipment	166 928	169 181	169 838
Intangible assets	90 191	93 118	89 784
Right-of-use assets	20 518	10 475	13 799
Investment property	26 480	26 480	26 480
Investments in associates and joint ventures	1 442 070	1 591 474	1 457 254
Reinsurance contract assets	12 853	15 851	16 864
Insurance contract assets	206 177	822 187	219 392
Financial assets at fair value through profit or loss	18 339 886	16 814 781	18 043 156
Bonds	9 345 360	9 861 545	9 570 753
Investment in property funds and companies	1 202 290	1 253 434	1 203 577
Equity investments	3 344 503	3 148 379	3 137 413
Money market instruments	4 447 733	2 551 423	4 131 413
Other receivables	101 018	95 291	132 974
Tax receivable	13 012	–	–
Cash and cash equivalents	134 695	219 255	210 443
Total assets	20 553 828	19 858 093	20 379 984
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	204 936	204 936	204 936
Non-distributable reserves	99 607	121 406	157 459
Retained earnings	2 801 646	3 030 367	2 719 298
Total equity attributable to equity holders of the parent	3 106 189	3 356 709	3 081 693
Non-controlling interests	10 299	23 640	10 501
Total equity	3 116 488	3 380 349	3 092 194
Liabilities			
Insurance contract liabilities	8 130 252	8 905 680	8 397 033
Investment contract liabilities	3 603 058	3 782 463	3 637 385
Reinsurance contract liability	90 779	53 771	87 034
External investors in consolidated funds	4 842 242	3 236 154	4 616 512
Derivatives instrument	62 953	25 882	44 284
Deferred tax liability	112 108	142 134	101 922
Lease liability	21 632	10 902	14 776
Other payables	423 789	316 254	322 774
Tax payable	–	566	400
Related party balances	585	3 938	5 438
Bank overdraft	149 942	–	60 232
Total equity and liabilities	20 553 828	19 858 093	20 379 984

CONSOLIDATED INCOME STATEMENT

For the period ended 30 June 2025

	30 Jun 2025 P'000	30 Jun 2024 P'000	31 Dec 2024 P'000
Net result from life insurance operations	88 037	149 014	204 204
Result from life insurance contracts	89 302	149 728	203 555
Net insurance service result	86 664	86 525	127 199
Insurance revenue	1 029 621	1 189 895	2 267 063
Insurance service expenses	(936 803)	(1 087 496)	(2 100 784)
Income or expense from reinsurance contracts	(6 154)	(15 874)	(39 080)
Investment service result	2 638	63 203	76 356
Insurance finance income or expense	(232 614)	(463 920)	(356 900)
Reinsurance finance income or expense	(23 907)	(12 758)	(15 494)
Investment income on assets held in respect of insurance contracts	259 159	539 881	448 750
Other expenses relating to insurance operations	(1 265)	(714)	649
Result from other operations	199 508	278 702	484 899
Revenue from contracts with customers	162 481	157 579	350 615
Investment income	47 687	210 806	452 599
Interest income using the effective interest rate (EIR)	11 031	1 716	4 491
Other interest income from external investors in consolidated funds	138 565	178 434	291 581
Fair value losses from derivatives instrument	18 669	453	18 855
Change in fair value of investment contract liabilities	(40 360)	(91 853)	(341 661)
Change in fair value of external investors' liabilities	12 728	6 199	67 992
Net changes in external investors in consolidated funds	(151 293)	(184 633)	(359 573)
Other expenses	(150 313)	(133 224)	(252 941)
Administration expenses	(125 200)	(111 537)	(216 061)
Sales remuneration	(24 435)	(21 322)	(36 171)
Finance cost on leases	(678)	(365)	(709)
Impairments raised	–	(1 974)	(2 239)
Profit before equity-accounted earnings and other income	137 232	292 518	433 923
Share of profit of associates and joint ventures	148 573	78 742	168 673
Impairment of an associate	(84 678)	(189 345)	(553 192)
Profit before tax	201 127	181 915	49 404
Income tax expense	(49 649)	(93 318)	(155 941)
Profit/(loss) for the period	151 478	88 597	(106 537)
Profit attributable to:			
– Equity holders of the parent	151 680	88 708	(106 134)
– Non-controlling interests	(202)	(111)	(403)
Profit/(loss) for the period	151 478	88 597	(106 537)
Earnings per share (thebe) (attributable to ordinary equity holders of the parent)			
– Basic	54	32	(38)
– Diluted	53	31	(37)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2025

	30 Jun 2025 P'000	30 Jun 2024 P'000	31 Dec 2024 P'000
Profit/(loss) for the period	151 478	88 597	(106 537)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss (net of tax):			
Exchange differences on translation of foreign operations	(14 381)	(15 342)	(19 642)
Total comprehensive income/(loss) for the period	137 097	73 255	(126 179)
Total comprehensive income attributable to:			
– Equity holders of the parent	137 299	73 366	(125 776)
– Non-controlling interests	(202)	(111)	(403)
Total comprehensive income/(loss) for the period	137 097	73 255	(126 179)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2025

	30 Jun 2025 P'000	30 Jun 2024 P'000	31 Dec 2024 P'000
Net cash (utilised in)/generated from operating activities	(147 541)	57 689	(3 276)
Cash (utilised in)/generated from operations	(115 736)	264 926	73 395
Interest received	58 718	180 150	457 090
Dividend received from equity investments	22 169	32 280	54 061
Dividend received from associates and joint ventures	65 161	32 035	58 031
Interest paid	(678)	(365)	(709)
Tax paid	(63 227)	(125 682)	(126 679)
Dividend paid	(113 948)	(325 655)	(518 465)
Net cash flows utilised in investing activities	(14 799)	(6 847)	(10 662)
Purchase of property and equipment	(7 041)	(5 379)	(8 211)
Purchase of computer software	(7 758)	(1 468)	(2 451)
Net cash flows utilised in financing activities	(3 118)	(2 170)	(6 434)
Payment of principal portion of lease liabilities	(3 118)	(2 170)	(6 434)
Net (decrease)/increase in cash and cash equivalents	(165 458)	48 672	(20 372)
Cash and cash equivalents at the beginning of the period	150 211	170 583	170 583
Cash and cash equivalents at the end of the period	(15 247)	219 255	150 211

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2025

	Stated capital P'000	Non- distributable reserves P'000	Retained earnings P'000	Total equity attributable to equity holders of the parent P'000	Non- controlling interest P'000	Total equity P'000
Balance as at 31 December 2023	204 936	106 375	3 302 730	3 614 041	23 751	3 637 792
Profit for the period	–	–	88 708	88 708	(111)	88 597
Foreign currency translation reserve movement	–	(15 342)	–	(15 342)	–	(15 342)
Share-based payment expense	–	3 425	–	3 425	–	3 425
Cost of treasury shares acquired	–	(975)	–	(975)	–	(975)
Transfers from retained earnings to non-distributable reserves	–	27 923	(27 923)	–	–	–
Dividend paid	–	–	(325 655)	(325 655)	–	(325 655)
Other movements in reserves	–	–	(7 493)	(7 493)	–	(7 493)
Balance as at 30 June 2024	204 936	121 406	3 030 367	3 356 709	23 640	3 380 349
Profit for the year	–	–	(106 134)	(106 134)	(13 250)	(119 384)
Foreign currency translation reserve movement	–	(19 642)	–	(19 642)	–	(19 642)
Share-based payment expense	–	7 127	–	7 127	–	7 127
Transfers from non-distributable reserves to retained earnings	–	(35 566)	35 566	–	–	–
Cost of treasury shares acquired	–	(5 202)	–	(5 202)	–	(5 202)
Hyperinflation adjustment	–	104 367	–	104 367	–	104 367
Dividend paid	–	–	(518 465)	(518 465)	–	(518 465)
Other movements in reserves	–	–	5 601	5 601	–	5 601
Balance as at 31 December 2024	204 936	157 459	2 719 298	3 081 693	10 501	3 092 194
Profit for the period	–	–	151 680	151 680	(202)	151 478
Foreign currency translation reserve movement	–	(14 381)	–	(14 381)	–	(14 381)
Share-based payment expense	–	12 717	–	12 717	–	12 717
Transfers from non-distributable reserves to retained earnings	–	(45 770)	45 770	–	–	–
Cost of treasury shares acquired	–	(10 418)	–	(10 418)	–	(10 418)
Dividend paid	–	–	(113 948)	(113 948)	–	(113 948)
Other movements in reserves	–	–	(1 154)	(1 154)	–	(1 154)
Balance as at 30 June 2025	204 936	99 607	2 801 646	3 106 189	10 299	3 116 488

GROUP EQUITY VALUE (UNAUDITED)

For the period ended 30 June 2025

GROUP EQUITY VALUE

The group equity value is a non-IFRS Accounting Standards measure. This is an aggregate of embedded value from the life insurance-covered business and the fair value of all other shareholders’ net assets. It represents an estimate of the economic value of the group, excluding the value attributable to future new business from life insurance and the value attributable to minorities. The group equity value comprises the value of the shareholders’ net assets, fair value adjustments and the value of in-force business, including the value of new business written during the period.

The value of in-force business is the present value of future after-tax profits arising from business in force at the valuation date, discounted at the risk discount rate, and adjusted for the cost of capital required to support the business. The value of new business represents the value of projected after-tax profits at the point of sale arising from new policies sold during the period ended 30 June 2025, accumulated to the end of the period at the risk discount rate. The value is adjusted for the cost of capital required to support the new business.

	Period ended 30 Jun 2025 P'000	Period ended 30 Jun 2024 P'000	Year ended 31 Dec 2024 P'000
Group equity value results			
Shareholders' net assets after fair value adjustments	2 628 320	2 845 627	2 589 438
Shareholders' net assets, excluding goodwill	3 042 856	3 293 717	3 018 703
Asset mismatch reserve	(414 536)	(448 090)	(429 265)
Value of in-force	2 173 437	2 422 239	2 066 244
Value before cost of capital	1 856 681	2 051 387	1 819 349
Fair value adjustments	402 058	480 801	302 549
Cost of capital	(85 302)	(109 949)	(55 654)
Group equity value at the beginning of the year	4 655 682	5 378 684	5 378 684
Reinstatement – modelling change	–	76 294	76 294
Group equity value at the end of the period	4 801 757	5 367 866	4 655 682
Required capital	376 076	485 335	421 846
Required capital cover	8,1	6,8	7,2
Group equity value per share (Pula)	16,86	18,49	16,34
Group equity value earnings	273 262	247 162	(285 150)
Change in group equity value	146 076	(187 112)	(799 296)
Movement in capital	13 238	108 619	(4 319)
Dividends paid	113 948	325 655	518 465
Return on group equity value (%)	12,1	9,4	(5,4)

	Period ended 30 Jun 2025 P'000	Period ended 30 Jun 2024 P'000	Year ended 31 Dec 2024 P'000
Group equity value results continued			
These earnings can be analysed as follows:			
Embedded value earnings from covered business			
Expected return on life business in force	104 220	93 607	185 455
Value of new business	83 862	56 196	149 961
Operating experience variances	(6 420)	61 010	5 953
Mortality/morbidity	1 512	(328)	6 468
Persistency	(17 513)	(1 569)	7 314
Expenses	11 963	(7 085)	(7 159)
Working capital	(2 379)	70 737	52 797
Other	(3)	(745)	111
Operating assumption changes	(33 664)	(137 900)	(347 591)
Mortality/morbidity	12 258	(15 811)	(65 660)
Persistency	(47 518)	–	(28 726)
Expenses	428	(52 691)	(146 113)
Other	1 168	(69 398)	(107 092)
Group equity value earnings from operations	147 998	72 913	47 356
Investment variances	(25 450)	13 362	9 992
Economic assumption changes	(20 529)	84 301	(5 099)
Investment return	38 695	(26 359)	114 601
Risk discount rate	(59 224)	110 660	(119 700)
Embedded value earnings from covered business	102 019	170 576	52 249
Return on shareholders' assets	71 733	(90 137)	(325 867)
Investment returns	(3 738)	11 703	28 223
Net profit non-life operations	75 471	(101 840)	(354 090)
Change in shareholders' fund adjustments	99 509	166 722	(11 531)
Changes in treasury share adjustments	1 398	975	2 902
Movement in fair value of incentive scheme shares	335	(17 255)	(33 779)
Movement in present value of holding company expenses	(19 490)	(9 383)	8 044
Movement in other net worth adjustments	117 266	192 385	11 302
Group equity value earnings	273 261	247 161	(285 149)

GROUP EQUITY VALUE (UNAUDITED) continued

For the period ended 30 June 2025

	Period ended 30 Jun 2025 P'000	Period ended 30 Jun 2024 P'000	Year ended 31 Dec 2024 P'000
a) Value of new business			
Value of new business at point of sale	83 862	56 196	149 961
Value before cost of capital	86 845	61 046	154 768
Recurring premium	32 818	20 659	49 272
Single premium	54 027	40 387	105 496
Cost of capital	(2 983)	(4 850)	(4 807)
b) Fair value adjustments			
Staff share scheme	(56 450)	(40 261)	(56 785)
Non-life operations write-up to fair value (Bifm)	561 728	466 224	451 462
Non-life operations write-up to fair value (other)	57 058	216 379	50 058
Nico write-up to fair value	(87 861)	106 381	(47 619)
BIC write-up to fair value	144 919	109 998	97 677
Group holding expenses	(206 373)	(204 310)	(186 883)
Reversal of cross-holding adjustment	46 095	42 770	44 697
Total	402 058	480 802	302 549
Consisting of:			
Value of in-force adjustments	402 058	480 802	302 549
c) Assumptions			
The main assumptions used are as follows:			
1. Economic assumptions	% p.a.	% p.a.	% p.a.
Risk discount rate	12,05	9,30	11,30
Expense inflation rate	4,68	3,14	4,68
Discount rate for liabilities	Risk-free curve	Risk-free curve	Risk-free curve

COMMENTARY

For the period ended 30 June 2025

ECONOMIC ENVIRONMENT

The first six months of 2025 were marked by heightened economic uncertainty and persistent structural pressures. The economy remains fragile after a 3,0% contraction in 2024. Gross domestic product (GDP) fell 0,3% year-on-year in the first quarter, a slower decline but still pointing to flat to negative growth for 2025, with the forecast ranging between -1% to 0%. The World Bank projects +0,6% growth while the International Monetary Fund forecasts -0,4%.

The diamond sector, which is central to Botswana’s export earnings and fiscal revenues, remains under pressure, characterised by weak global demand, competition from lab-grown diamonds, high inventory levels and the lingering Russian sanctions. The uncertainty over US tariffs has disrupted trade flows, with exporters accelerating shipments ahead of the deadline, followed by a marked slowdown. The US initially levied a 37% tariff on Botswana but this was later revised to 15% from August. Locally, Debswana cut output by 42% quarter on quarter by closing two mines temporarily in the second quarter to help balance supply and demand. Large stones (>5 carats) remain resilient, and a global marketing campaign is planned to boost natural diamond demand.

Government finances remain under acute stress; the 2025/26 budget revenues cover only 70% of planned spending, forcing more reliance on borrowing. Second quarter domestic bond sales met 29% of funding targets despite higher yields. External loans from the African Development Bank and the OPEC Fund await parliamentary approval. These fiscal pressures led to the suspension of new Government purchase orders in July. The trade deficit persists but narrowed in April on pre-tariff diamond exports. The Southern African Customs Union receipts, despite being lower than the past period, improved the foreign exchange reserves to P48,5 billion in April.

The banking system continues to grapple with liquidity shortages, reflecting high Government borrowing and deposit contraction. The foreign currency balance rose 40% in April ahead of exchange rate changes. Banks increased their prime lending rates in the second quarter despite no change in the central bank policy rate, as banks sought to attract deposits and defend margins against elevated Government borrowing costs. Credit growth to households and firms improved slightly in early 2025, but arrears rose to 5,1% in March, signalling increased repayment strain.

Headline inflation remained subdued at 2,0% in June, supported by lower fuel prices, although core inflation stood higher at 3,9%. This benign picture is expected to change sharply following July’s exchange rate adjustments, an increase in the downward crawl of the Pula and a widening of the Bank of Botswana’s trading band. These changes are expected to lift import prices and push inflation above the central bank’s 3% to 6% objective range, potentially reaching 8% to 9% in the coming year.

The near-term outlook remains challenging. Persistent weakness in the diamond sector, fiscal and liquidity constraints, and the inflationary impact of currency adjustments are likely to keep growth subdued. External loan disbursements could offer temporary fiscal relief, but stabilising the macroeconomic position will require decisive fiscal consolidation and progress on structural reforms to diversify the economy beyond diamonds and strengthen private sector growth.

Accounting policies and presentation

The accounting policies adopted for the period comply in all material respects with IFRS Accounting Standards and are presented in the manner required by the Insurance Industry Act, 2015. These policies are consistent with those applied for the year ended 31 December 2024.

FINANCIAL OVERVIEW
Analysis of earnings

	30 Jun 2025 P'000	30 Jun 2024 P'000	% change
Operating profit	116 799	266 113	(56)
Investment income on shareholders' assets	25 506	33 373	(24)
Core earnings	142 305	299 486	(52)
Share of profit of associates and joint ventures net of tax	148 573	78 742	89
Impairment of an associate	(84 678)	(189 345)	(55)
Investment surpluses on shareholders' assets	(5 073)	(6 968)	27
Profit before tax	201 127	181 915	11
Tax	(49 649)	(93 318)	47
Profit after tax	151 478	88 597	71
Profit attributable to:			
– Equity holders of the parent	151 680	88 708	71
– Minority interest	(202)	(111)	82
Total profit for the period	151 478	88 597	71

Group operating profit decreased by 56% to P117 million for the period ended 30 June 2025. Life operating profit decreased significantly compared to the prior period due to a lower investment service result which is 3% of the prior period. The performance of the net insurance service result remained flat against the prior period. The reduction in earnings from the investment service result is driven by the volatility of the risk-free yield curve movements experienced during the period leading to lower mismatch profits compared to the prior period. The asset management business operating profit for the period was 6% higher than the prior period owing to increased AUM. Equity-accounted earnings increased by 129% driven by the good performance of the Nico Group despite the economy being in hyperinflation. Performance was further negatively impacted by the significant impairment of an associate by P85 million.

Group equity value

The group equity value increased to P4,8 billion from P4,66 billion in December 2024. The group equity value allowed for dividends of P114 million paid during the period ended 30 June 2025. Further, the increase in group equity value is driven by an increase in the value of in-force for the life insurance business and an increase in net asset value, especially Nico Holdings PLC; this is despite Letshego Africa Limited's value being impaired by P85 million during the period.

Overview of operations by business segment

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

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

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

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

SEGMENT RESULTS

	Life insurance P'000	Asset management P'000	Other ¹ P'000	Inter- segmental P'000	Consoli- dated P'000
For the period ended 30 June 2025					
Net insurance service result	86 664	–	–	–	86 664
Investment service result	2 638	–	–	–	2 638
Other expenses relating to insurance operations	(1 265)	–	–	–	(1 265)
Net result from life insurance operations	88 037	–	–	–	88 037
Revenue from contracts with customers					
– Internal	–	3 540	–	(3 540)	–
– External	68 840	93 641	–	–	162 481
Investment income	35 633	12 125	189 240	(189 311)	47 687
Interest income using the EIR	2 932	–	8 099	–	11 031
Other interest income from investment contracts	–	–	258 455	(119 890)	138 565
Fair value gains from derivative instrument	18 669	–	–	–	18 669
Change in fair value of investment contract liabilities	(44 483)	4 123	–	–	(40 360)
Change in fair value of external investors' liabilities	–	–	4 334	8 394	12 728
Net changes in investment contract benefits	–	–	(262 789)	111 496	(151 293)
Result from other operations	81 591	113 429	197 339	(192 851)	199 508
Depreciation	(9 029)	(420)	(502)	–	(9 951)
Amortisation and impairment	(7 555)	(88)	(23)	–	(7 666)
Right-of-use asset depreciation	(2 577)	(710)	(641)	1 351	(2 577)
Administration expenses	(28 773)	(44 235)	(48 944)	16 268	(105 684)
Sales remuneration	(24 435)	–	–	–	(24 435)
Profit before equity-accounted earnings	97 259	67 976	147 229	(175 232)	137 232
Net equity-accounted earnings	–	–	148 573	–	148 573
Impairment of an associate	–	–	(84 678)	–	(84 678)
Profit/(loss) before tax	97 259	67 976	211 124	(175 232)	201 127
Income tax expense	(21 397)	(16 393)	(11 859)	–	(49 649)
Profit/(loss) after tax	75 862	51 583	199 265	(175 232)	151 478
Segment assets and liabilities					
Total assets	14 170 051	8 305 357	2 224 286	(4 004 066)	20 553 828
Total liabilities	12 309 102	7 797 054	1 201 575	(3 860 093)	17 447 639

¹ Included under 'other' are dividends received from subsidiaries and associates by the holding company which are then eliminated under the inter-segmental line.

For the period ended 30 June 2024	Life insurance P'000	Asset management P'000	Other ¹ P'000	Inter-segmental P'000	Consoli-dated P'000
Net insurance service result	86 525	–	–	–	86 525
Investment service result	63 203	–	–	–	63 203
Other expenses relating to insurance operations	(714)	–	–	–	(714)
Net result from life insurance operations	149 014	–	–	–	149 014
Revenue from contracts with customers					
– Internal	–	3 744	–	(3 744)	–
– External	70 982	86 597	–	–	157 579
Investment income	197 479	13 268	380 378	(380 319)	210 806
Interest income using the EIR	424	–	1 292	–	1 716
Other interest income from investment contracts	–	–	269 924	(91 490)	178 434
Fair value (losses)/gains from derivative instrument	453	–	–	–	453
Change in fair value of investment contract liabilities	(107 910)	16 057	–	–	(91 853)
Change in fair value of external investors' liabilities	–	–	31 157	(24 958)	6 199
Net changes in investment contract benefits	–	–	(301 081)	116 448	(184 633)
Result from other operations	161 428	119 666	381 671	(384 063)	278 702
Depreciation	(5 240)	(591)	(419)	–	(6 250)
Amortisation and impairment	(5 353)	(221)	(23)	–	(5 597)
Right-of-use asset depreciation	(1 328)	(710)	(717)	1 351	(1 404)
Administration expenses	(32 499)	(42 270)	(43 443)	17 587	(100 625)
Sales remuneration	(21 322)	–	–	–	(21 322)
Profit before equity-accounted earnings	244 700	75 874	337 069	(365 125)	292 518
Net equity-accounted earnings	–	–	78 742	–	78 742
Impairment of an associate	–	–	(189 345)	–	(189 345)
Profit/(loss) before tax	244 700	75 874	226 466	(365 125)	181 915
Income tax expense	(53 838)	(8 030)	(31 450)	–	(93 318)
Profit/(loss) after tax	190 862	67 844	195 016	(365 125)	88 597
Segment assets and liabilities					
Total assets	14 746 934	5 923 376	1 877 783	(2 690 000)	19 858 093
Total liabilities	12 406 388	5 354 699	1 254 575	(2 514 278)	16 501 384

¹ Included under 'other' are dividends received from subsidiaries and associates by the holding company which are then eliminated under the inter-segmental line.

LIFE INSURANCE BUSINESS

Profit before tax from life insurance operations is 67% of the prior period's results. The key driver for reduced earnings is the lower investment service result which is 3% of the prior period. The reduction in earnings from the investment service is driven by the volatility of the risk-free yield curve movements experienced during the period leading to lower mismatch profits compared to the prior period, however, the reduction is also a result of better matching of the assets and liabilities that was achieved over the period through various management actions. The net insurance service result, which represents the core earnings for the life business has remained stable. Value of new business which measures the present value of expected future profits from new business is 149% of the prior period, mainly driven by an improvement in the margins on the retail and corporate business lines.

ASSET MANAGEMENT BUSINESS

The Bifm Holdings Group operating profit for the period ended 30 June 2025 decreased by 11% against the prior period. The results reported in June 2024 included a once-off accounting adjustment of P9 million. The normalised operating profit increased by 3% over the prior period. Bifm Limited posted a 6% year-on-year increase in operating profit, primarily driven by an increase in overall AUM and effective cost management. Bifm Unit Trusts reported flat profits relative to the previous year, same period. The Zambian operations also contributed positively to the group's overall results, benefiting from the positive performance in both the asset management business and advisory services. As of 30 June 2025, total Bifm Group AUM stood at P50,98 billion, including P9,09 billion from the Zambian operations, reflecting a 6% increase compared to the previous period and flat growth over the six-month period.

CAPITAL MANAGEMENT AND SOLVENCY

The group remains well-positioned in terms of capital management and solvency. This was taken into consideration by the board when resolving to declare a final dividend. The group's capital cover is 8,1 times, an increase from 6,8 times in the prior period. The increase in required capital cover is a result of a reduced dividend payout during the period.

GOING CONCERN

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

LOOKING AHEAD

The current business climate is still challenging, driven by the weak diamond market and the liquidity crisis, hence an unfavourable outlook for Botswana's GDP growth. Despite the economic headwinds and other emerging challenges from the public health sector presenting heightened morbidity and mortality risk, management remains optimistic and expects the positive new business trajectory experienced in the first half and the improving claims experience on the group funeral portfolio to contribute positively to the results in the second half. Management has intensified efforts on policy retention which remains a key risk as households rearrange and prioritise essential expenditure in the midst of tough economic times. That said, the group's core operations continue to be resilient and generate profits and positive cash flows, and this is expected to continue in the ensuing period.

DIVIDEND DECLARATION

The directors have resolved to award an interim dividend of 53 thebe per share (not subject to tax).

The important dates pertaining to the dividends are:

Declaration date	20 August 2025
Ex-dividend date	8 October 2025
Record date	10 October 2025
Payment of dividend	22 October 2025

For and on behalf of the board

Dr Keith Jefferis
BIHL Group Board Chairman

Catherine Lesetedi
Group Chief Executive Officer

20 August 2025

CORPORATE INFORMATION

BOTSWANA INSURANCE HOLDINGS LIMITED

Incorporated in 1990 in Botswana
Company registration number: BW00000798601

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Catherine Lesetedi (Group Chief Executive Officer)
Frank Dalo (Group Chief Financial Officer)⁴
Robert Dommisse²
Edwin Elias
Mark Hopkins³
Kate Maphage
Dr Athalia Molokomme
Pragnaben Naik¹
Mustafa Sachak³
Nigel Suliaman²

¹ British
² South African
³ American
⁴ Malawian

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