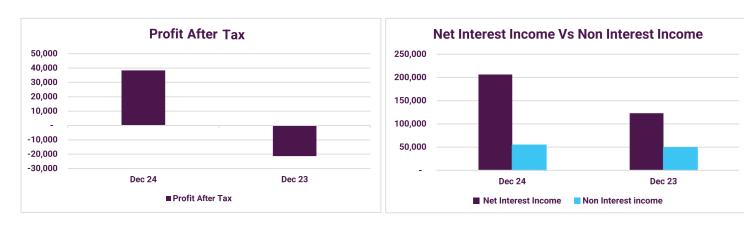
BBS Bank Limited Audited Summarised Consolidated Financial Statements for the year ended 31 December 2024

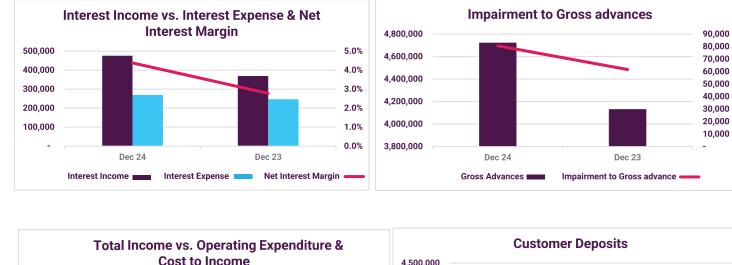
Key Financial Highlights

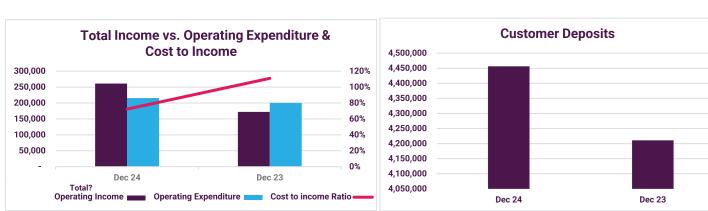




Financial Graphs







BBS Bank Limited (registered number BW00001057162) is regulated by the Bank of Botswana. Member of the Deposit Insurance Scheme of Botswana

The Directors are pleased to publish the BBS Bank Group results for the year ended 31 December 2024. In a remarkable turnaround, the Group has achieved profitability for the first time since 2018. This mile-stone underscores the success of the strategic initiatives we have implemented over the past two years and marks a significant chapter in our journey as a new commercial bank.

This achievement is a testament to the effectiveness of our Pilediwa Corporate Strategy ("the strategy"), designed to revitalise our performance and create value.

During the year, the bank continued to roll out new products and services that resonate well with our customers, driving both improved customer experience and revenue. The strategy has laid the foundation or a successful bank, enabling us to gradually emerge in good shape for sustainable growth, now and into

Further, as we celebrate this significant achievement, we recognise the importance of creating long-term

The Board, Management, and Staff remain dedicated to building on this momentum, enhancing our offerings, and ensuring that our stakeholders benefit from our continued success in the years to come. ogether, we are excited to embark on the next phase of our journey, committed to excellence and growth in a dynamic banking environment as we strive to deliver lasting value to our shareholders and the communities that the Purple Bank serves.

Global and Local Economic Overview

To ensure that its operations are informed objectively, BBS Bank inevitably monitors global and local economic trends. This also helps to ensure that the implementation of our strategy is guided and aligned to the macro-economic data and other developments.

The World Economic Outlook (WEO) expects growth to remain stable but underwhelming. Global growth is forecasted at 3.3% in 2025 and 2026. The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook (WEO), primarily on account of an upward revision in the United States thus offsetting downward revisions in other major economies.

Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging markets and developing

Locally, the Statistics Botswana reports that the economy contracted by 3.3% in Q3 2024 with the non-diamond mining sector growing by 4.2%. The contraction was mainly on the back of the decline in diamond mining sales which shrunk by 16.1% year on year up to Q3 2024. The significant fiscal deficit forecast for 2024/2025 and 2025/2026 is 9% and 7% of GDP respectively, on account of reduced contribution from mineral resources underscoring the urgent need to grow other economic sectors.

In Q3 2024, Public Administration & Defence was the major contributor to GDP at 18.7 percent, followed by Wholesale & Retail at 12.5 percent, Construction at 12.2 percent, Mining & Quarrying at 9.2 percent. Based on the previous prints of GDP we forecast a contraction in the final GDP figures for 2024 and it may be equally challenging to attain desired growth in 2025 as major diamond markets like China are reported to have economic headwinds to overcome. This will no doubt have an effect on our otherwise buoyant

Nonetheless, by focusing on long-term results and optimising shareholder returns, we remain confident that the Group will navigate these challenges and remain on track to achieve its goals of prolonged

Summary of our Financial Performance

The Group has achieved a profit after tax of P38.4 million, a significant improvement from the loss of P21.3 million reported for the year ended 31 December 2023. This is a demonstration of impactful progress driven by our corporate strategy with strong support from the Board, Management and Staff.

Overview of our Statement of Financial Position

The Group maintained a strong financial position supported by an 8% growth in total assets, being an increase from P5.2 billion as at 31 December 2023 to P5.6 billion as at 31 December 2024. The year-on-year increase was primarily driven by unsecured loans, which grew by 70% since the beginning o the year. Mortgages and other products remained stable, underscoring the effectiveness of the Group's strategy to diversify its loan portfolio.

The deposit base grew by 6%, moving from P4.2 billion to P4.5 billion, with continued support from our retail and corporate customers. Increase in current and savings accounts will remain the Bank's focus area in 2025 to expand the deposit base and contain cost of funding while maintaining adequate balance sheet

Borrowings, inclusive of debentures and amounts due to other banks, increased by 37%, from P373.4 million to P510.2 million. During the financial year, the Group successfully raised P100 million in Tier II capital. The Tier II capital funded asset growth while deposits assisted with short-term liquidity needs.

Shareholder equity increased by 7%, from P484.1 million to P522.5 million, underscored by the notable improvement in accumulated earnings, which moved from negative P3.4 million as at 31 December 2023 to positive P35.0 million as at 31 December 2024.

Overview of the Statement of Profit or loss and Other Comprehensive Income

Net Interest Income increased by a robust 68% year-on-year, rising from P123.0 million to P206.4 million. This was largely driven by significant growth in the loan portfolio, particularly the unsecured book, which contributed P154.6 million in interest income compared to P31.0 million for the year ended 31 December 2023. However, interest expense also increased by 9%, from P246.4 million to P269.6 million, reflecting the expanded deposit base. Despite this, the net interest position remained strong, demonstrating the Group's ability to capitalise on the growing demand for its credit products.

Net Fee and Commission Income

Net fee and commission income decreased by 14%, from P43.9 million to P37.8 million. This decline was primarily due to reduced insurance commission in the Group's insurance agency business, which was impacted by a year-on-year reduction in loan disbursements.

Other income increased from P5.3 million to P16.7 million, primarily due to profits generated from the disposal of certain properties previously owned by the bank. The Group's divestment of these proper- ties contributed to an increase in non-interest revenue.

Credit Impairments and Other Impairments

Expected Credit Losses (ECL) increased from P6.0million to P19.1 million, primarily driven by the unsecured loan segment. Other portfolios experienced either modest increases or reductions in impairment. Additionally, Other Impairments rose from P3.3 million to P7.9 million due to higher impairment allowances on the bank's portfolio of Properties in Possession (PIPs). These changes reflect a conservative approach to credit risk management amid evolving market dynamics.

Operating expenses, excluding impairments increased by 4%, from P77.4 million to P80.8 million, largely due to additional costs associated with transformation initiatives. This increase was partially offset by a reduction in Personnel Expenses, from P101.1 million to P93.1 million. This reduction was primarily attributable to one-off staff exit costs of P15.5 million incurred in the previous reporting period, which did not recur in the current period.

Prudential Ratios

The Group continued to strengthen its prudential metrics, highlighted by improvements in the cost-to-income ratio, and the capital adequacy ratios:

Moving Forward, Saving Together.

With the Tlamelo Savings Account, grow your future with support that's built around you.

Visit a BBS Bank Branch or call 3631555 to open yours.

The ratio increased from 17.2% to 23.5% year-on-year, reflecting the successful conversion of P91 million in debentures to Tier II capital, as well as the addition of a P100 million Tier II facility. These developments underscore the Group's commitment to prudent capital management in support of strategic growth and regulatory compliance.

Non-Preforming Loans Ratio Non-performing loans ratio improved from 6.0% to 5.2% due to loan book growth and effective credit

Cost to Income Ratio

Cost to Income ratio improved to 72.3% down from 111% for the year ended 31 December 2023. This positive change was driven by effective cost management and an increase in operating income.

Loans to Deposit Ratio
The Loans-to-Deposit Ratio saw an upward trend over the reporting period from 97% to 104.2%, driven in large part by the deposit constraints encountered toward the end of the financial year. Additionally, the loans and advances continued to expand particularly within the unsecured lending segment at a faster pace relative to deposit growth.

The Group's liquidity position remains adequate, with a Liquid Asset Ratio of 15.6%, comfortably exceeding the statutory minimum of 10%. This provides a buffer to meet day-to-day obligations and ensures a robust capacity to navigate market volatilities

BBS Insurance Agency Limited

As a key part of the Group's diversification strategy, BBS Insurance Agency Limited has demonstrated robust performance since its establishment in June 2022. Positioned as a one-stop bancassurance service provider, the subsidiary declared and paid a dividend of P12.130 million to BBS Bank Limited in the year ended December 2024, underscoring the success of the Group's integrated financial services

Outlook
The Group, now in the second year of its transformation strategy, continues to pursue a turnaround plan that aims to continue enhancing return on investment and facilitate dividend distributions at the

SUMMARISED STATEMENT OF FINANCIAL POSITION At 31 December 2024

At 31 December 2024		Group		Company	
	At	At	At	At	
	31 December	31 December	31 December	31 December	
	2024	2023	2024	2023	
	P'000	P'000	P'000	P'000	
ASSETS					
Cash and cash equivalents	508,143	366,036	502,775	345,087	
Financial investments	200,382	472,102	200,382	472,102	
Balance due from related company	-	-	1,099	3,756	
Non-current assets held for sale	-	12,593	-	12,593	
Other assets	68,560	68,897	63,447	67,931	
Properties-in-possession	14,002	26,580	14,002	26,580	
Current tax receivable	-	68	65	68	
Loans and advances to customers	4,643,141	4,071,336	4,643,141	4,071,336	
Right-of-use assets	9,610	8,926	9,610	8,926	
Deferred tax asset	7,623	11,650	7,623	11,650	
Intangible assets	34,214	24,660	34,214	24,660	
Property and equipment	99,235	98,402	99,235	98,402	
Investments in subsidiary	-		100	100	
Total assets	5,584,910	5,161,250	5,575,693	5,143,191	
Liabilities					
Customer deposits	4,456,227	4,211,083	4,464,406	4,211,676	
Borrowings	256,009	271,198	256,009	271,198	
Balance due to other banks	50,074	,]	50,074	-	
Debentures	204,121	102,235	204,121	102,235	
Lease liabilities	15,878	14,700	15,878	14,700	
Other liabilities	77,813	75,475	76,545	74,766	
Withholding tax	2,152	2,498	2,224	2,629	
Current tax payable	170	-	_	-	
Total liabilities	5,062,444	4,677,189	5,069,257	4,677,204	
EQUITY					
Stated capital - Ordinary shares	487,453	487,453	487,453	487,453	
Retained earnings/(Accumulated losses)	35,013	(3,392)	18,983	(21,466)	
Total Equity	522,466	484.061	506,436	465.987	

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER

Total Equity and Liabilitie

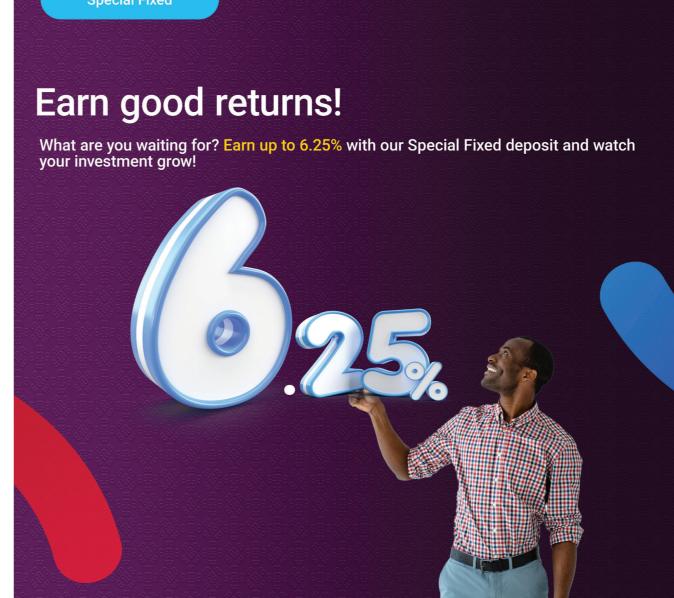
	Grou	Group		
	31 December	31 December	31 December	31 Decembe
	2024	2023	2024	2023
	P'000	P'000	P'000	P'000
Interest income using effective interest rate	476,036	369,407	475,333	369,233
Interest expense	(269,626)	(246,419)	(269,628)	(246,445
Net interest income	206,410	122,988	205,705	122,788
Fee and commission income	40,560	46,132	25,056	21,837
Fee and commission expense	(2,775)	(2,277)	(2,775)	(2,277
Net fee and commission income	37,785	43,855	22,281	19,560
	244,195	166,843	227,986	142,348
Other Income	16,693	5,327	30,537	7,036
Total Income	260,888	172,170	258,523	149,384
Expected credit losses	(19,097)	(6,056)	(19,097)	(6,056
Other Impairment losses	(7,863)	(3,287)	(7,863)	(3,287
Personnel expenses	(93,054)	(101,121)	(91,618)	(100,184
Depreciation and amortisation	(14,798)	(12,522)	(14,798)	(12,522
Other expenses	(80,798)	(77,394)	(80,671)	(77,297
Total expenses	(215,610)	(200,380)	(214,047)	(199,346
Profit/(loss) before taxation	45,278	(28,210)	44,476	(49,962
Taxation	(6,873)	6,862	(4,027)	
Profit/(loss) for the year	38,405	(21,348)	40,449	(49,962
Other comprehensive income	-	-	-	
Total comprehensive profit /(loss) for the year	38,405	(21,348)	40,449	(49,962

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Orumary Strates	(Accumulated losses)	rotal equity
Group			
Balance at 01 January 2023	487,453	17,956	505,409
Total comprehensive loss for the year	-	(21,348)	(21,348)
Balance at 01 January 2024	487,453	(3,392)	484,061
Total comprehensive profit for the year	-	38,405	38,405
Balance at 31 December 2024	487,453	35,013	522,466
Company			
Balance at 01 January 2023	487,453	16,846	504,299
Total comprehensive loss for the year	-	(38,312)	(38,313)
Balance at 01 January 2024	487,453	(21,466)	465,986
Total comprehensive profit for the year	-	40,449	40,449
Balance at 31 December 2024	487,453	18,983	506,435

	2024 (Audited)		2024 (Audited)	202 (Audite
	P'000	P'000	P'000	P'00
Cashflows from operating activities				
Interest receipts	472,754	363,757	472,051	363,5
Commission receipts	35,209	41,665	19,705	17,37
Interest payments	(281,772)	(216,475)	(281,774)	(216,5
Commission payments	(2,774)	(1,862)	(2,774)	(1,86
Other income	5,231	5,327	6,945	7,03
Dividend Income	-	-	12,130	
Cash payments to employees and suppliers	(170,307)	(168,719)	(168,744)	(167,68
Proceeds from sale of properties in possession	4,715	6,964	4,715	6,96
Income tax paid	(2,608)	(4,894)	3	(6
Net cash generated from operating activities before changes in working capital	60,448	25,763	62,257	8,83
Changes in working capital:				
Decrease/(increase) in other assets	337	(6,646)	4,484	(5,78
Decrease/(increase) in balance due from related company	-		2,657	(2,72
Increase in loans and advances to customers	(595,160)	(838,378)	(595,160)	(838,37
Increase in customers' deposits	259,219	1,459,374	266,805	1,457,47
Increase in other liabilities	7,717	43,797	7,158	43,39
(Decrease)/increase in withholding tax	(346)	1,161	(405)	1,29
Receipt of balances from other banks	50,000	-	50,000	
Net cash (used in)/generated from operating activities	(217,785)	685,071	(202,204)	664,12
Cashflows from Investing activities				
Purchase of property and equipment	(7,505)	(6,458)	(7,505)	(6,45
Proceeds from non-current assets held for sale	24,197		24,197	
Purchase of intangible assets	(9,736)	(12,396)	(9,736)	(12,39
New placements of financial investments	(1,529,749)	(2,223,726)	(1,529,749)	(2,223,72
Maturities of financial investments	1,799,791	2,197,900	1,799,791	2,197,90
Net cash generated from/(used in)investing activities	276,998	(44,680)	276,998	(44,68
Cashflows from/(used in) Financing activities				
Repayment of borrowings	(15,158)	(313,976)	(15,158)	(313,97
New debentures issued	100,000	` '	100,000	
Payment of lease liabilities	(1,948)		(1,948)	(1,47
Net cash generated from/(used in) financing activities	82,894	(315,447)	82,894	(315,44
Total cash movement for the year	142,107	324,944	157,688	303,9
Cash and cash equivalents at the beginning of the year	366,036		345,087	41,09
Total Cash and cash equivalents at the end of the year	508,143		502,775	345,08



	Ordinary shares	Retained earnings/ (Accumulated losses)	Total equity
roup			
alance at 01 January 2023	487,453	17,956	505,409
otal comprehensive loss for the year	-	(21,348)	(21,348)
alance at 01 January 2024	487,453	(3,392)	484,061
otal comprehensive profit for the year	-	38,405	38,405
alance at 31 December 2024	487,453	35,013	522,466
ompany			
alance at 01 January 2023	487,453	16,846	504,299
otal comprehensive loss for the year	-	(38,312)	(38,313)
alance at 01 January 2024	487,453	(21,466)	465,986
otal comprehensive profit for the year	-	40,449	40,449
	407.450	10.000	E04 40E

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	2024 (Audited) P'000	2023 (Audited) P'000	2024 (Audited) P'000	2023 (Audited) P'000
ashflows from operating activities				
nterest receipts	472,754	363,757	472,051	363,583
commission receipts	35,209	41,665	19,705	17,370
nterest payments	(281,772)	(216,475)	(281,774)	(216,501)
commission payments	(2,774)	(1,862)	(2,774)	(1,862)
Other income	5,231	5,327	6,945	7,036
ividend Income	-	-	12,130	-
ash payments to employees and suppliers	(170,307)	(168,719)	(168,744)	(167,685)
roceeds from sale of properties in possession	4,715	6,964	4,715	6,964
come tax paid	(2,608)	(4,894)	3	(68)
et cash generated from operating activities before changes in orking capital	60,448	25,763	62,257	8,837
hanges in working capital:				
ecrease/(increase) in other assets	337	(6,646)	4,484	(5,786)
ecrease/(increase) in balance due from related company	-	-	2,657	(2,720)
crease in loans and advances to customers	(595,160)	(838,378)	(595,160)	(838,378)
crease in customers' deposits	259,219	1,459,374	266,805	1,457,479
crease in other liabilities	7,717	43,797	7,158	43,399
Decrease)/increase in withholding tax	(346)	1,161	(405)	1,291
eceipt of balances from other banks	50,000	-	50,000	-
et cash (used in)/generated from operating activities	(217,785)	685,071	(202,204)	664,122
ashflows from Investing activities				
urchase of property and equipment	(7,505)	(6,458)	(7,505)	(6,458)
roceeds from non-current assets held for sale	24,197		24,197	-
urchase of intangible assets	(9,736)	(12,396)	(9,736)	(12,396)
ew placements of financial investments	(1,529,749)	(2,223,726)	(1,529,749)	(2,223,726)
laturities of financial investments	1,799,791	2,197,900	1,799,791	2,197,900
let cash generated from/(used in)investing activities	276,998	(44,680)	276,998	(44,680)
ashflows from/(used in) Financing activities				_
epayment of borrowings	(15,158)	(313,976)	(15,158)	(313,976)
ew debentures issued	100,000		100,000	-
ayment of lease liabilities	(1,948)	(1,471)	(1,948)	(1,471)
let cash generated from/(used in) financing activities	82,894	(315,447)		(315,447)
otal cash movement for the year	142,107	324,944	157,688	303,995
ash and cash equivalents at the heginning of the year	366 036	41 N92	345 087	41 N92

Terms and Conditions Appl

The Bank obtained its commercial banking license on 06 October 2022, changing its name from BBS Limited to BBS Bank Limited on 06 September 2022, to facilitate the issuance of the banking license. Following the acquisition of the banking license, the Bank began its journey to transition into a commercial bank in January 2023. This journey involved transitioning into a fully-fledged bank, focusing on developing banking capábilities and introdúcing a wide array of banking services and products.

Short term or long term, we've got you covered

Whether it's a sudden storm or a long journey ahead, our insurance

solutions are built to protect what matters most - today and tomorrow.

The Bank established an Insurance Agency, BBS Insurance Agency Limited on 08 June 2022 as part of its long-term strategic plan to diversify its portfolio and offerings.

Comparative Financial Information

Here for the rainy days.

The comparative financial information considered in these financial statements relate to the audited financial information for the year ended 31 December 2023.

The Bank did not declare or pay any dividend during the current and previous years. The Bank's wholly owned subsidiary, BBS Insurance Agency Limited, declared and paid dividend to the Bank amounting to P12.130 million during the current year (2023: P nil). This dividend is included in "Other Income" in the Bank's separate financial statements.

Related party transactions
Mr. Geoffrey M. Bakwena (non-executive director), Mrs. Pedzani Tafa (Executive Director) and some members of Executive Management are BBS Bank Limited shareholders. The other directors do not hold shares directly or indirectly in the Group and Company.

Key Sources of estimation

The preparation of the Group and Company's consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group and Company's accounting policies, management has made judgments in certain areas, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements. These are outlined in the full set of the Group and Company's consolidated financial statements.

The Company and it's subsidiary are limited liability companies incorporated and domiciled in Botswana. The address of the Group and Company's registered office is Plot 13108-112 Broadhurst, Gaborone. The Company is primarily involved in the provision of banking services while the subsidiary is involved in offering insurance agency services. These financial statements represent the Group's consolidated and separate financial statements. The consolidated and separate financial statements were approved for issue by the Directors on 21 March 2025.

These consolidated and separate financial statements for the year ended 31 December 2024 have been prepared on a going concern basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and in compliance with the Companies Act (CAP 42:01), Banking Act (CAP 46:04) and Insurance Industry Act (CAP46:01).

These accounting policies are consistent with those applied in the previous year unless otherwise

Consolidation

The consolidated financial statements comprise the financial statements of the Bank ("the Company") and its subsidiary ("jointly the Group") as at 31 December 2024. The Bank consolidates a subsidiary

The Company has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the

The results of the subsidiary are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Investments in subsidiaries are measured at cost less accumulated impairment losses in the company's financial statements.

Adjustments are made when necessary to the consolidated and separate financial statements of the subsidiary to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Management has made an assessment of the Group and Company's ability to continue as a going concern and is satisfied that the Group and Company has the resources to continue in business for the foreseeable future. There are significant judgements involved in the assessment of whether the going concern assumption remains appropriate.

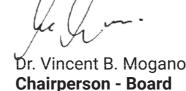
This going concern basis applied presumes that resources will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of

Events after the reporting period Management has evaluated all events and transactions that occured subsequent to the date of the

financial statements but before the date of issuance of these financial statements and has determined that there were no material subsequent events to report.

Auditor's review

The consolidated financial statements from which the financial information is set out in the announcement has been audited by Ernst and Young, the Group's external auditors. The accompanying audit report is available for inspection at the Group's registered office.



Mrs. Pedzani Tafa Managing Director



BBS Insurance Agency

mber of the Deposit Insurance Scheme of Botswana