REVIEWED FINANCIAL **RESULTS 2017**

Published 12 March 2018

Letshego

Letshego

Africa's leading **inclusive finance** group

www.letshego.com | Letshego Group | Letshego | @LetshegoGroup | lets.connect@letshego.com

We are present in

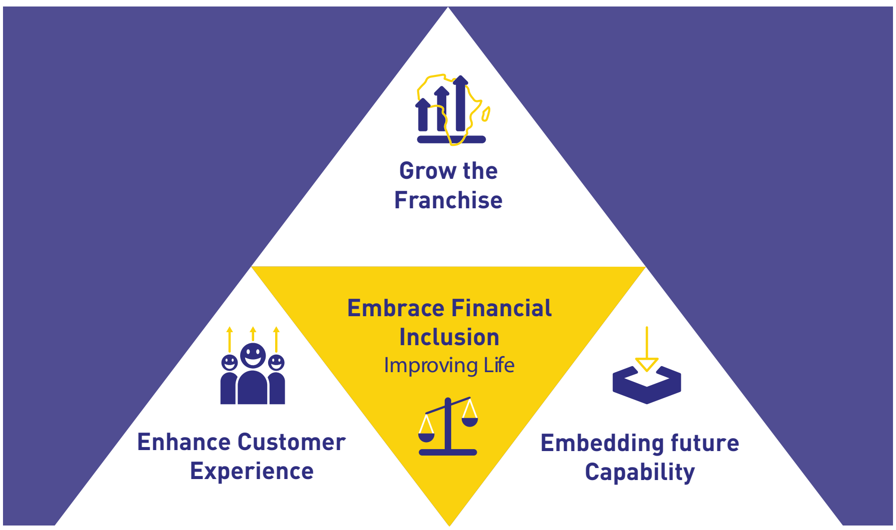
11 AFRICAN COUNTRIES

Botswana | Ghana | Kenya | Lesotho
Mozambique | Namibia | Nigeria
Rwanda | Swaziland | Tanzania | Uganda

USD400 MILLION MARKET CAPITALISATION

1,900 Team over 11 countries	**314** Customer access points
413K Borrowers	**154K** Savers

Rated **Ba3(stable)** by Moody's



LETSHEGO'S JOURNEY 1998 - 2018

MILESTONES

1998
Letshego is founded in Botswana

2002
Listing on the Botswana Stock Exchange

2005
Uganda operations are launched

2006
Swaziland and Tanzania operations are launched

2007
Zambia operations are launched and Botswana IFSC accreditation is attained

2008
Acquisition of Eduloan Namibia (now Letshego Namibia) is completed

Botswana holding company name is changed to Letshego Holdings Limited.

Letshego team size crosses 1,000

2011
Mozambique operations, with deposit-taking capability/licencing, are launched

2012
Funds are raised through JSE and BSE listed Medium Term Note programmes

Micro Africa Ltd (now Letshego Kenya and Letshego Rwanda) is acquired (62.5%)

Lesotho operations are launched

2015
FBN Microfinance Bank in Nigeria (now Letshego MFB) and a controlling stake in Advans Bank Tanzania (now Letshego Bank Tanzania) are acquired

Group Profit Before Tax crosses BWP 1 billion

Letshego is now present in Southern, East and West Africa

2017
Acquisition of afb Ghana
Ghana launches Savings and LetsGo
Letshego Namibia IPO listing
Tanzania and Mozambique agency launch

20 Letshego
TWENTY YEARS OF IMPROVING LIVES

Published 12 March 2018

LETSHEGO HOLDINGS LIMITED GROUP
FULL YEAR 2017 REVIEWED FINANCIAL RESULTS

Letshego

The Board of Directors of Letshego Holdings Limited ("the Group") is pleased to present an extract of the reissued reviewed consolidated results for the year ended 31 December 2017.

On the 5th March 2018 LHL published an extract of the reviewed consolidated results for the year ended 31 December 2017. These results included a disclosure around an uncertain tax treatment. The Board has now received further advice relating to this tax treatment and has amended the 2017 financial statements (and relevant prior years) to include a specific provision for any potential liability that may arise.

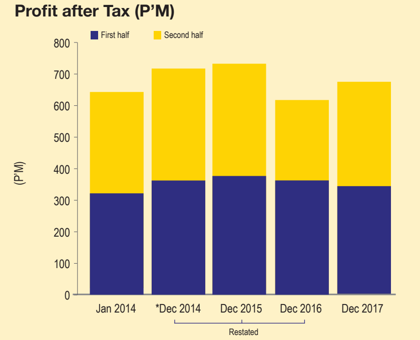
The result is that the consolidated net asset value of Letshego has reduced by 4.1%. The revised Profit After Tax for the year ended 31 December 2017 is 8.6% lower than as published on the 5th March 2018; however, the increase in Profit After Tax from the restated 2016 results is a 12% increase. There is no change to the year-end dividend of 9.0 thebe per share payable to Shareholders registered on the 29th March 2018 and the special dividend of 4.1 thebe per share that is being returned to Shareholders from the proceeds of the IPO of Letshego Namibia.

More details are included in this reissued reviewed consolidated results dated 9 March 2018.

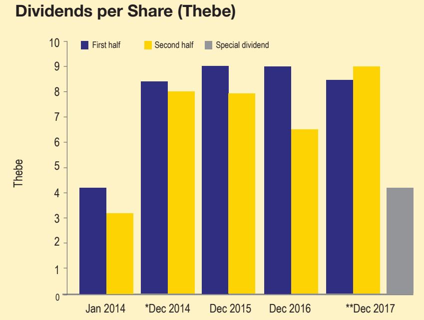
HIGHLIGHTS

Gross Advances to Customers 17%	Operating Income 11%	Profit after Tax 12%	Final Dividend per Share 13.1t

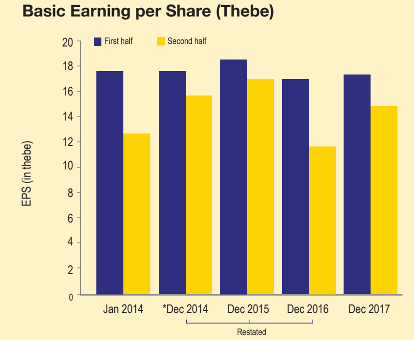
Profit after Tax (P'M)



Dividends per Share (Thebe)



Basic Earning per Share (Thebe)



*11 month period following the change in year end.

**Special dividend of 4.1 thebe per share - proceeds from the Namibia IPO.

CONTINUED PROGRESS ON DELIVERY OF THE STRATEGIC AGENDA

The Group has achieved a number of key milestones in its transformation agenda towards creating Africa's leading inclusive finance group and continues to invest in expanding its African footprint and technology delivery platforms. We have delivered good growth in loans to customers and savings mobilisation is gaining momentum, albeit from a modest base. The Group achieved a 6% increase in operating profits and a 13% increase in earnings per share.

FINANCIAL HIGHLIGHTS

- Total revenues exceeded P2.5 billion; a 15% increase on the previous year
- Yields on loans to customers and the cost of borrowings were consistent with the prior period
- Costs increased by 14% year on year – reflecting the continued investments made in our people and systems
- The cost of risk was 3.1% (2016: 2.8%); however, excluding specific once off impairments in Rwanda and Tanzania it was 2.4%
- The Group continues to tighten its impairment methodology in preparation for the adoption of IFRS9
- Profit before tax was P1,003m which is a 6% increase from 2016
- Gross advances grew by 17% to P8.2 billion (or 16% in underlying local currency terms)
- Non-performing loans impairment coverage ratio increased to 70% (2016: 62%)
- Customer savings increased to P228m (2016: P108m)
- Debt to equity ratio was 93% up from 87% in 2016
- Return on equity was 17% (2016: 15%) and return on assets 8% (2016: 8%)
- Share buy backs performed during 2016 and 2017 reduced the weighted average number of shares in issue resulting in earnings per share of 31.9 thebe (2016: 28.1 thebe), a 13% increase

Non financial highlights:

- Total borrowing customers increased from 300,000 to 413,000
- Savings customers closed at 154,000 up from 106,000 in the prior period
- Customers were serviced through 314 customer access points, an increase of 13% on 2016
- Letshego now has 307 third party agents as additional customer access points
- P2.7 billion (2016: P2.5 billion) was disbursed in new or top up loans
- The Group employed 1,905 (2016: 1,620) full time employees supplemented by an additional 1,287 (2016: 1,162) commission-based sales agents

KEY HIGHLIGHTS OF PROGRESS WITH DELIVERY OF THE STRATEGIC AGENDA DURING THE YEAR INCLUDE:

Embrace financial inclusion: During this year, our focus has been on operationalising our solutions and ensuring new access channels are tested and piloted. Key achievements included:

- The launch of the LetsGo Blue Box agency solution in Mozambique. The LetsGo All-in-1 solution simplifies and streamlines the customer experience by delivering a solution that allows a single relationship with Letshego to save, borrow, be paid and pay as well as meet customers other financial needs such as insurance. LetsGo is the start of our offering to bring under-served customers into the formal financial sector in a responsible and sustainable manner.
- Our third party agency network has continued to expand in Tanzania and other initiatives in Nigeria and Namibia are in pilot or at advanced planning stages. At year end Letshego had 307 third party agents across Mozambique and Tanzania.
- Our educational credit solutions have delivered significant growth in this new segment. The loan portfolio was P42m at year end (2016: P nil). Tanzania, Nigeria and Kenya have over 250 schools in this portfolio. Cross selling in this ecosystem resulted in over 750 teachers taking personal deduction at source loans with a value of P14m. The schools have become savings customers in Tanzania and Nigeria. The solution was launched in Uganda during January 2018 and Ghana is scheduled for March 2018.
- The low cost housing solution loan portfolio increased from P250m to P340m during the period and remains an important part of our offering to customers.
- Short term mobile loans were introduced in Ghana during September 2017. At year end loans to over 60,000 customers were made with a balance of P42m. A new mobile savings solution was introduced in Ghana in late 2017 with encouraging early signs. Mobile loans and savings offerings to new and existing customers are expected to be introduced in more countries during 2018.

Grow the franchise: Our core business of 'deduction at source lending' performed well in 2017. Acceptable growth was achieved in our three largest markets; Botswana – 3%, Namibia – 16% and Mozambique – 38%. Letshego Swaziland increased its loan portfolio by 64% and joined Botswana as countries that have made significant progress in growing and diversifying the non-government deduction at source businesses. Ghana was the latest market added to our regional footprint in 2017, via the successful acquisition of Afb Ghana. Ghana is already generating strong revenues in its first year of joining the Group, and we have begun the diversification of this loans only business to offering savings solutions through a mobile wallet. In Nigeria, our 2017 pilot for deduction at source lending has proven successful. Initially, we will focus on employers in Lagos state, with particular interest in teachers who we will engage through their union. Entry to other states is being considered. Overall, credit customer numbers increased from 300,000 to 413,000. Our customer savings numbers increased from 106,000 to 154,000 and closed with deposits / savings due to customers of P228 million. While this is off a low base, we are encouraged by the progress made in conversion of credit customers to savings customers and 2018 will see the roll out of our LetsGo access channel in more markets.

Enhance customer experience: Letshego remains committed to continuously reviewing and improving our solutions to enhance sustainable benefits for our customers, as well as to provide an ever-improving level of customer experience. Improvement is achieved through our market understanding, listening to customers via our ongoing social impact surveys and leveraging the latest developments in technology. Our marketing campaigns are adopting a more educational approach for our customers in demonstrating how, if effectively administered and managed, our financial solutions can reduce financial stress, and provide opportunity.

Embedding future capability : Our operational platform, 'Bancs' was introduced into Nigeria in 2017. Achieving consistency in operating systems provides obvious benefits in risk management, cost reduction, track, monitoring, delivery in solutions and customer experience. As part of integrating new subsidiaries, Oracle EBS went live in Nigeria at the end of July and the migration to Bancs took place in November. Tanzania and Ghana are now the only markets not on the standard operational platform – we are working through the detailed program plans for 2018/19.

At a Group level, 2017 included the planning phase of the Group reconciliation system that aggregates all reconciliation data and processes for the Group into the Corona/Smartstream platform. This implementation has been phased for country implementation over the coming year. We continue to invest in new and alternative credit scoring methodologies and a data analytics team have been established.

ANALYSIS OF THE RESULTS FOR THE PERIOD

This period's results show good growth and a return to improved profitability.

Loan growth was 17% in BWP terms and 16% in local currency. The quality of the loan book remains at targeted levels with the exception of Rwanda and Tanzania where we have taken additional provisions on specific segments of the loan portfolios. The loan loss ratio was 3.1% - this is higher than targeted levels (up to 3%); however, if the referenced Rwanda and Tanzania portfolio are removed the loan loss rate was 2.4%. Our coverage ratio continues to improve and we are well positioned for the introduction of IFRS 9 in 2018. Customer deposits grew by 112% and the impact of our customer savings solutions is gaining traction. Savings customer numbers increased from 106,000 to 154,000. New funding lines were introduced resulting in a 17% increase in borrowings; the Group has a strong funding pipeline in place to support the business growth going forward.

Profit before tax of BWP1,003 million was 6% higher period on period. Operating income increased by 11% - this reflected the underlying growth in advances to customers and was supported by stable interest margins and cost of funding. Costs increased by 14% and are normalising after a period of investment in the business; this trend is expected to continue going forward.

ACQUISITION – GHANA

Letshego acquired a 100% shareholding in AFB Ghana Plc during January 2017. The financial results of AFB Ghana have therefore been included in these reviewed results for the year ended 31 December 2017 for the first time. The purchase consideration was P91m. AFB Ghana has over 42,000 customers, 233 members of staff and 25 customer access points. It contributed P36 million to the 2017 pre-tax profit and its loans to customer's portfolio was P346 million at end December 2017.

FUNDING, CAPITAL STRUCTURE AND DIVIDEND POLICY

During the year all significant funding lines that matured were successfully refinanced demonstrating the confidence that the market continues to have in Letshego. Of note was the Group's success in switching two ZAR denominated bonds that are listed on the JSE to longer maturity dates, at a reduced cost and improving the group's maturity profile. New DFI funding lines were negotiated and are being drawn down in 2018. The Group's Ba3 Moody's credit rating remained unchanged during the year.

The dividend pay-out ratio has been maintained at 50% following an internal review and the debt to equity ratio improved to 93% at year-end (2016: 87%). However, following the reissue of the 2017 results and the restatement of prior year figures, the effective dividend payout ratio is 55% (2016:55%). The Group's cash flows and funding pipeline allowed for the share buyback mandate to be exercised again in 2017 - this resulted in 24.4m shares (1%) being repurchased at an average price of P1.97 per share. We will request Shareholders at the upcoming AGM to extend the buy -back mandate. This share buy-back programme is intended to generate returns for shareholder over and above the existing dividend policy. Since Letshego listed on the Botswana Stock Exchange in 2002 it has raised BWP646 million from Shareholders. In the same period, it has returned over BWP2 billion to Shareholders by way of dividends and share buy-backs. Of this, BWP1.4 billion has been returned since 2014.

LETSHEGO NAMIBIA – IPO ON THE NAMIBIAN STOCK EXCHANGE (NSX)

Letshego Namibia successfully listed on the NSX on 28 September 2017, with an initial market capitalisation of N$1.9bn. As a result of the IPO, the Group's shareholding in Letshego Namibia reduced from 85% to 79%, with the Group's share of the proceeds from the listing being N$117m (BWP87m). The Board has recommended a special dividend of 4.1 thebe per share as the distribution of the proceeds to Shareholders.

GROUP STRUCTURE

The Group has introduced an intermediate holding company structure in Mauritius and over time, the Group subsidiary companies are expected to be moved to that ownership structure. This will not result in any change in the ultimate ownership of the subsidiaries but will allow for a more tax efficient movement of dividends within the Group.

PRIOR YEAR ADJUSTMENT

Details regarding the prior year adjustment are included in Note 18 of the reissued reviewed consolidated results. The most significant change is an increase in the current years' tax charge of P64m and a corresponding increase of P60m in the prior period tax charge.

	Published on 5th March 2018		Reissued on 9th March 2018	
P'm	2017	2016	2017	2016
Profit before tax	1,003	948	1,003	948
Tax	(258)	(278)	(322)	(338)
Profit for the year	745	670	681	610

BOARD OF DIRECTORS

The Board comprises of twelve Directors - seven independent non-executive Directors, three non-executive Directors and two executive Directors. Of the three non-executive Directors, two represent Botswana Insurance Holdings Limited (BIHL) and one represents African Development Partners I (ADP I). Both BIHL and ADP I have material shareholdings in Letshego Holdings Limited. Due to internal changes in these organisations, Catherine Lesetedi replaced Gaffar Hassam as one of the BIHL representatives and Runa Alam replaced Idris Mohammed as the ADP I representative. The Board thanks Gaffar and Idris for their contribution to the Group during their period on the Board and welcomes Catherine as well as Runa and looks forward to their contribution.

PROSPECTS

Letshego continues to drive its financial inclusion strategy and strengthen its operations through investment in technology and people as well as through strategic partnerships. The Board of Directors is confident that the Group is well positioned to benefit from the growing markets in which it is active and views inorganic expansion via acquisitions as important to the acceleration of Letshego's strategy. As such it will continue to seek and review options for the Group to pursue.

AUDITORS' REVIEW

The condensed annual financial statements from which the financial information set out in this announcement has been extracted, has been reviewed but not audited by PricewaterhouseCoopers, the Letshego Group's external auditors. Their unqualified review report is available for inspection at the Group's registered office.

DIVIDEND NOTICE

Notice is hereby given that the Board has declared a final dividend of 9.0 thebe per share for the year ended 31 December 2017. Also, the Board declared a special dividend of 4.1 thebe per share as distribution of the proceeds from the Namibia IPO. In terms of the Botswana Income Tax Act (Cap 50:01) as amended, withholding tax at the rate of 7.5% or any other currently enacted tax rate will be deducted from the final gross dividend for the year ended 31 December 2017.

Important dates pertaining to this dividend are:

- Declaration date, 28 February 2018
- Last date to register, 29 March 2018
- Dividend payment date on or about, 13 April 2018

For and on behalf of the Board of Directors:

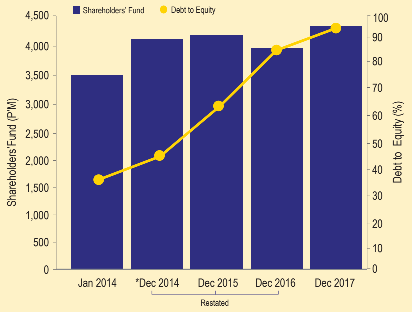
E Banda
Group Chairman

A C M Low
Group Managing Director

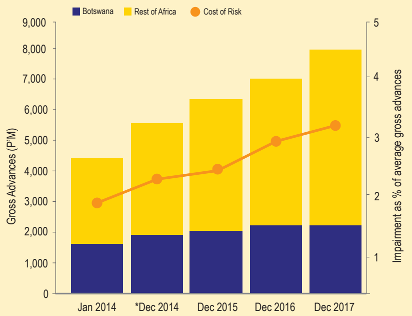
GABORONE, Friday 09 March 2018

COMMENTARY (continued)

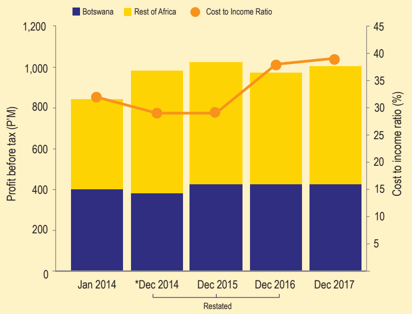
Shareholders' Fund: Debt to Equity



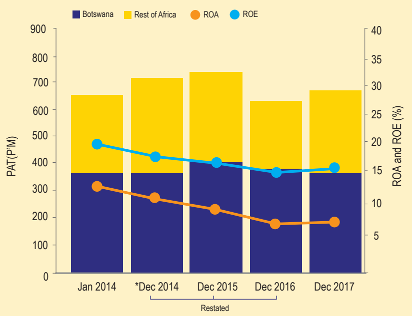
Gross Advances and Impairment



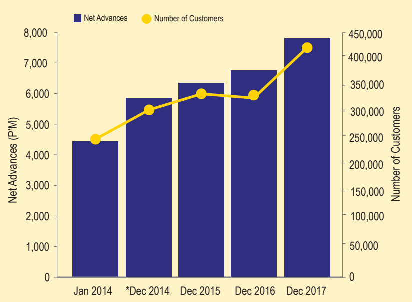
Geographic Diversification PBT and Cost to Income ratio



ROA vs ROE vs PAT



Net Advances and Number of Customers



*11 month period following the change in year end.

RATIOS

	31 Dec 2017 (Reviewed)	31 Dec 2016 Audited (Restated)
Return on average assets (%)	8%	8%
Return on average equity (%)	17%	15%
Cost to income ratio (%)	40%	38%
Debt to equity ratio (%)	93%	87%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 31 Dec 2017 (Reviewed) P'000	At 31 Dec 2016 Audited (Restated) P'000	Change %	At 31 Dec 2015 Audited (Restated) P'000
ASSETS					
Cash and cash equivalents	1	492,367	529,476		526,290
Advances to customers	2	7,768,904	6,689,740	16	6,311,678
Other receivables	3	201,605	166,717		177,585
Property, plant and equipment	4	92,061	76,034		76,030
Intangible assets	5	55,340	52,609		61,312
Goodwill	6	122,280	129,408		170,868
Available-for-sale financial asset		53,591	53,591		-
Income tax receivable		17,967	17,250		27,570
Deferred tax assets		156,655	106,961		68,000
Total assets		**8,960,770**	**7,821,786**	**15**	**7,419,333**
LIABILITIES AND EQUITY					
Liabilities					
Customer deposits	7	228,432	107,696	112	154,495
Deposit with banks		-	-		77,364
Cash collateral	8	27,319	39,225		44,667
Trade and other payables	9	261,751	294,416		175,493
Income tax payable		182,879	99,373		73,494
Deferred tax liabilities		5,290	808		2,006
Borrowings	10	3,984,607	3,394,116	17	2,768,412
Total liabilities		**4,690,278**	**3,935,634**		**3,295,931**
Shareholders' equity					
Stated capital	11	849,845	875,639		989,487
Foreign currency translation reserve		(680,417)	(634,293)		(254,293)
Legal reserve		39,607	32,189		22,178
Share based payment reserve		38,840	35,835		19,705
Retained earnings		3,709,308	3,383,983		3,197,534
Total equity attributable to equity holders of the parent company		**3,957,183**	**3,693,353**		**3,974,611**
Non-controlling interests		313,309	192,799		148,791
Total shareholders' equity		**4,270,492**	**3,886,152**		**4,123,402**
Total liabilities and equity		**8,960,770**	**7,821,786**	**15**	**7,419,333**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 Audited (Restated) P'000	Change %
Interest income	12	2,252,636	1,963,129	15
Interest expense	13	(470,630)	(352,362)	34
Net interest income		**1,782,006**	**1,610,767**	**11**
Fee and commission income		38,596	24,617	57
Other operating income	14	234,169	209,724	12
Operating income		**2,054,771**	**1,845,108**	**11**
Employee costs	15	(367,057)	(309,016)	19
Other operating expenses	16	(446,952)	(407,873)	10
Net income before impairment and taxation		**1,240,762**	**1,128,219**	**10**
Impairment of advances	17	(237,149)	(180,649)	31
Profit before taxation		**1,003,613**	**947,570**	**6**
Taxation		(322,367)	(337,500)	
Profit for the year		**681,246**	**610,070**	**12**
Attributable to :				
Equity holders of the parent company		637,663	568,145	
Non-controlling interests		43,583	41,925	
Profit for the year		**681,246**	**610,070**	**12**
Other comprehensive income, net of tax				
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation differences arising from foreign operations		(39,163)	(377,917)	
Total comprehensive income for the year		**642,083**	**232,153**	
Attributable to :				
Equity holders of the parent company		591,539	188,145	
Non-controlling interests		50,544	44,008	
Total comprehensive income for the year		**642,083**	**232,153**	
Weighted average number of shares in issue during the period (millions)		2,137	2,172	
Dilution effect - number of shares (millions)		46	40	
Number of shares in issue at the end of the period (millions)		2,144	2,135	
Basic earnings per share (thebe)		31.9	28.1	**13**
Fully diluted earnings per share (thebe)		31.2	27.6	

NOTE: The diluted EPS has been calculated inclusive of shares that may vest in terms of the Group's long term staff incentive scheme.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital P'000	Retained earnings P'000	Shared based payments reserve P'000	Foreign currency translation reserve P'000	Legal reserve P'000	Non-controlling interest P'000	Total P'000
Balance at 31 December 2015 - as previously reported	**989,487**	**3,256,158**	**19,705**	**(254,293)**	**22,178**	**148,791**	**4,182,026**
Prior year adjustment - note 18	-	(58,624)	-	-	-	-	(58,624)
Balance at 31 December 2015 - Restated	**989,487**	**3,197,534**	**19,705**	**(254,293)**	**22,178**	**148,791**	**4,123,402**
Total comprehensive income for the year							
Profit for the year - Restated	-	568,145	-	-	-	41,925	610,070
Other comprehensive income, net of income tax							
Foreign currency translation reserve	-	-	-	(380,000)	-	2,083	(377,917)
Transactions with owners, recorded directly in equity							
Allocation to legal reserve	-	(10,011)	-	-	10,011	-	-
Allocation to share based payment reserve	-	-	21,552	-	-	-	21,552
New shares issued from long term incentive scheme	5,422	-	(5,422)	-	-	-	-
Share buy back - shares cancelled	(119,270)	-	-	-	-	-	(119,270)
Dividends paid to equity holders	-	(371,685)	-	-	-	-	(371,685)
Balance at 31 December 2016 - Restated	**875,639**	**3,383,983**	**35,835**	**(634,293)**	**32,189**	**192,799**	**3,886,152**
Total comprehensive income for the year							
Profit for the year	-	637,663	-	-	-	43,583	681,246
Other comprehensive income, net of income tax							
Foreign currency translation reserve	-	-	-	(46,124)	-	6,961	(39,163)
Transactions with owners, recorded directly in equity							
Sale of non-controlling interest in Letshego Holdings Namibia Limited	-	16,687	-	-	-	70,791	87,478
Allocation to legal reserve	-	(7,418)	-	-	7,418	-	-
Allocation to share based payment reserve	-	-	25,279	-	-	-	25,279
New shares issued from long term incentive scheme	22,274	-	(22,274)	-	-	-	-
Share buy back - held as treasury shares	(48,068)	-	-	-	-	-	(48,068)
Dividends paid by subsidiary to minority interests	-	-	-	-	-	(825)	(825)
Dividends paid to equity holders	-	(321,607)	-	-	-	-	(321,607)
Balance at 31 December 2017 - Reviewed	**849,845**	**3,709,308**	**38,840**	**(680,417)**	**39,607**	**313,309**	**4,270,492**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 Audited (Restated) P'000
Operating activities			
Profit before taxation		1,003,613	947,570
Add : Amortisation and depreciation		32,800	28,139
: Impairment and write off		376,909	259,180
Movement in working capital and other changes		(1,192,553)	(988,396)
Cash generated from operations		220,769	246,493
Taxation paid		(290,590)	(341,460)
Net cash utilised in operating activities		(69,821)	(94,967)
Investing activities			
Payment for acquisition of subsidiary / investment in financial asset		(90,719)	(53,591)
Net cash acquired from acquisitions		25,864	-
Other investing activities		(40,385)	(19,441)
Net cash flows used in investing activities		(105,240)	(73,032)
Financing activities			
Dividends paid to equity holders and non-controlling interest		(322,432)	(371,685)
Share buy back		(48,068)	(119,270)
Proceeds from sale of interest in a subsidiary		87,478	-
Net receipts on borrowings		432,036	757,274
Net cash generated from financing activities		149,014	266,319
Net movement in cash and cash equivalents		(26,047)	98,320
Cash and cash equivalents at the beginning of the year		529,476	526,290
Effect of exchange rate changes on cash and cash equivalents		(11,062)	(95,134)
Cash and cash equivalents at the end of the year	1	492,367	529,476

SEGMENTAL REPORTING

For the year ended 31 December 2017

The Group's reportable segments are as follows: Botswana, Namibia, Mozambique, Other Southern Africa, Tanzania, Other East Africa, West Africa and Holding company.
- Other Southern Africa includes: Lesotho and Swaziland
- Other East Africa includes: Kenya, Rwanda and Uganda
- West Africa includes: Nigeria and Ghana

Operating Segments 31 December 2017	Botswana P '000	Namibia P '000	Mozambique P '000	Other Southern Africa P '000	Tanzania P '000	Other East Africa P '000	West Africa P '000	Holding company or eliminations P '000	Total P '000
Operating income	**598,626**	**526,329**	**166,536**	**141,547**	**214,443**	**257,255**	**154,648**	**(4,613)**	**2,054,771**
Profit before taxation	**461,435**	**435,894**	**74,963**	**99,584**	**48,382**	**12,259**	**38,494**	**(167,398)**	**1,003,613**
Taxation - consolidated									(322,367)
Profit - consolidated									**681,246**
Gross advances to customers	2,466,433	1,940,065	1,026,944	782,485	573,252	947,884	434,241	-	8,171,304
Impairment provisions	(147,875)	(10,400)	(13,571)	(8,914)	(99,807)	(87,560)	(34,273)	-	(402,400)
Net advances	**2,318,558**	**1,929,665**	**1,013,373**	**773,571**	**473,445**	**860,324**	**399,968**	**-**	**7,768,904**
Borrowings	**546,878**	**791,365**	**338,074**	**512,109**	**33,781**	**509,158**	**218,779**	**1,034,463**	**3,984,607**
Operating Segments 31 December 2016									
Operating income	**635,432**	**427,204**	**154,441**	**108,385**	**194,370**	**251,632**	**45,696**	**27,948**	**1,845,108**
Profit before taxation	**467,153**	**350,839**	**106,681**	**71,941**	**89,797**	**42,566**	**(8,254)**	**(173,153)**	**947,570**
Taxation - consolidated - Restated									(337,500)
Profit - consolidated - Restated									**610,070**
Gross advances to customers	2,388,575	1,668,796	740,420	637,064	532,217	942,873	53,011	-	6,962,956
Impairment provisions	(146,377)	(853)	(5,568)	(12,200)	(44,502)	(62,110)	(1,606)	-	(273,216)
Net advances	**2,242,198**	**1,667,943**	**734,852**	**624,864**	**487,715**	**880,763**	**51,405**	**-**	**6,689,740**
Borrowings	**749,907**	**640,011**	**178,450**	**452,413**	**29,945**	**664,634**	**-**	**678,756**	**3,394,116**

LETSHEGO HOLDINGS LIMITED GROUP
FULL YEAR 2017 REVIEWED FINANCIAL RESULTS

Letshego

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME

	At 31 Dec 2017 (Reviewed) P'000	At 31 Dec 2016 (Audited) P'000
1. Cash and cash equivalents		
Cash at bank and in hand	466,963	462,772
Short term deposits	25,404	66,704
	492,367	529,476
2. Advances to customers		
Gross advances to customers	8,171,304	6,962,956
Less : Impairment provisions - specific	(265,414)	(193,118)
: Impairment provisions - portfolio	(136,986)	(80,098)
	7,768,904	6,689,740
3. Other receivables		
Deposits and prepayments	33,073	34,535
Receivable from insurance arrangements	141,722	78,172
Withholding tax and value added tax	188	2,511
Other receivables	26,622	51,499
	201,605	166,717

	Carrying amount at 01 Jan 2017	Additions	Assets from acquisitions	Disposal	Depreciation charge	Forex translation	Carrying amount at 31 Dec 2017
4. Property plant and equipment							
Motor vehicles	1,761	2,080	2,662	(152)	(1,435)	(1,439)	3,477
Computer equipment	14,292	15,678	851	(352)	(10,484)	(705)	19,280
Office furniture and equipment	36,571	10,771	4,698	(1,581)	(11,236)	(5,563)	33,660
Land and building	18,558	-	-	-	(9)	(173)	18,376
Work in progress	4,852	7,268	-	(255)	-	5,403	17,268
	76,034	35,797	8,211	(2,340)	(23,164)	(2,477)	92,061

	Carrying amount at 01 Jan 2017	Additions	Assets from acquisitions	Disposal	Amortisation charge	Forex translation	Carrying amount at 31 Dec 2017
5. Intangible assets							
Computer software	46,762	6,928	3,605	-	(8,565)	(111)	48,619
Brand value	-	-	3,749	-	(489)	(430)	2,830
Core deposit	5,847	-	-	-	(582)	(1,374)	3,891
	52,609	6,928	7,354	-	(9,636)	(1,915)	55,340

	At 31 Dec 2017 (Reviewed) P'000	At 31 Dec 2016 (Audited) P'000
6. Goodwill		
Goodwill arose on the acquisition of:		
Letshego Holdings Namibia Limited	24,336	23,846
Letshego Tanzania Limited	1,781	1,985
Letshego Kenya Limited	30,245	32,998
Letshego Bank (T) Limited	14,250	15,882
Letshego Microfinance Bank Nigeria Limited	42,684	54,697
AFB Ghana Pic	8,984	-
	122,280	129,408

Goodwill was translated using reporting date exchange rates to reflect the changes in foreign currencies. The Group assessed the recoverable amount of goodwill, and determined that it was not impaired in respect of all cash generating units noted above.

	At 31 Dec 2017 (Reviewed) P'000	At 31 Dec 2016 (Audited) P'000
7. Customer deposits		
Deposits from customers	228,432	107,696
8. Cash Collateral		
Cash collateral on loans and advances	27,319	39,225

Cash collateral represents payments made by customers as security for loans taken. The amounts are refundable upon the successful repayment of loans by customers or are utilised to cover loans in the event of default.

	At 31 Dec 2017 (Reviewed) P'000	At 31 Dec 2016 (Audited) P'000
9. Trade and other payables		
Insurance premium payable	60,473	61,841
Payroll related accruals	72,967	58,558
Other provisions	32,015	45,849
Trade and other payables	84,635	62,843
Value added tax / withholding tax payable	11,661	65,325
	261,751	294,416
10. Borrowings		
Commercial banks	1,684,654	1,318,452
Note programmes	1,910,428	1,587,943
DFI's	253,703	331,715
Pension Funds	135,822	156,006
Total borrowings	**3,984,607**	**3,394,116**
11. Stated capital		
Issued: 2,144,045,175 ordinary shares of no par value (2016: 2,134,763,925)	849,845	875,639

In October 2017, 24,400,000 ordinary shares were repurchased by the company and these are currently being held as treasury shares. In September 2016, 52,782,546 ordinary shares were repurchased by the company and subsequently cancelled.

	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
12. Interest income		
Advances to customers	2,235,902	1,952,410
Deposits with banks	16,734	10,719
	2,252,636	1,963,129
13. Interest expense		
Overdraft facilities and term loans	474,798	334,407
Foreign exchange (gain) / loss	(4,168)	17,955
	470,630	352,362
14. Other operating income		
Income from insurance arrangements	182,379	146,659
Early settlement fees	34,390	51,565
Sundry income	17,400	11,500
	234,169	209,724
15. Employee costs		
Salaries and wages	268,326	234,347
Staff incentive	49,251	30,971
Staff pension fund contribution	13,961	14,611
Directors' remuneration – for management services (executive)	10,240	7,535
Long term incentive plan	25,279	21,552
	367,057	309,016
16. Other operating expenses		
Accounting and secretarial fees	2,197	2,377
Advertising	18,755	24,419
Audit fees	5,289	4,014
:Audit services	4,148	3,364
:Other services	1,141	650
Bank charges	7,599	6,715
Computer expenses	19,948	13,100
Consultancy fees	40,747	29,305
Corporate social responsibility	5,895	1,973
Depreciation and amortisation	32,800	28,139
Directors' fees – non executive	6,887	6,905
Direct costs	69,703	97,576
Government levies	14,693	10,796
Insurance	11,919	8,608
Office expenses	19,649	22,811
Operating lease rentals - property	48,864	36,784
Other operating expenses	82,575	67,502
Payroll administration costs	2,161	1,060
Telephone and postage	22,253	13,653
Travel	35,018	32,136
	446,952	407,873
17. Impairment on advances		
Amounts written off	247,725	237,680
Recoveries during the year	(139,760)	(78,531)
Impairment adjustment	129,184	21,500
	237,149	180,649

18. Prior year adjustment

Letshego Holdings Limited ("LHL") suffers withholding taxes ("WHT") in various tax jurisdictions from where it earns interest, management fees and other income. The Botswana Income Tax Act (the "Act") allows LHL to claim these WHT as credits against income tax payable in Botswana arising from such foreign income. The Act restricts such credits to the lesser of the following-

(a) the tax payable in the other country; or

(b) the tax charged under the Act, on such foreign income.

LHL has claimed these WHT as credits in its income tax returns in Botswana for each of the years up to financial year ended 31 December 2016. For the financial years 2014, 2015 and 2016, the Botswana Unified Revenue Services ("BURS") paid refunds to LHL in respect of such credits amounting to P15.5Mn, P43.1Mn and P59.7Mn respectively. A recent review of LHL's tax position found these WHT claims to be inconsistent with the Act. As a consequence, LHL has adjusted its financial statements. Such adjustments are considered to be correction of errors in accordance with "IAS 8 Accounting policies, change in accounting estimates and errors". Consequently, these are now corrected with retrospective application as illustrated below:

Statement of financial position - extract	At 31 Dec 2015 Audited - (as previously stated) P'000	Increase/ Decrease P'000	At 31 Dec 2015 Restated P'000	At 31 Dec 2016 Audited - (as previously stated) P'000	Increase/ Decrease P'000	At 31 Dec 2016 Restated P'000
Other receivables	220,688	(43,103)	177,585	226,381	(59,664)	166,717
Total assets	**7,462,436**	**(43,103)**	**7,419,333**	**7,881,450**	**(59,664)**	**7,821,786**
Income tax payable	57,973	15,521	73,494	40,749	58,624	99,373
Total liabilities	**3,280,410**	**15,521**	**3,295,931**	**3,877,010**	**58,624**	**3,935,634**
Retained earnings	3,256,158	(58,624)	3,197,534	3,502,271	(118,288)	3,383,983
Total shareholders' equity	**4,182,026**	**(58,624)**	**4,123,402**	**4,004,440**	**(118,288)**	**3,886,152**

Statement of profit or loss and other comprehensive income - extract	Year ended 31 Dec 2016 Audited - (as previously stated) P'000	Increase/ Decrease P'000	Year ended 31 Dec 2016 Restated P'000
Profit before taxation	947,570	-	947,570
Taxation	(277,836)	(59,664)	(337,500)
Profit for the year	669,734	(59,664)	610,070

NON EXECUTIVE DIRECTORS
E.N. Banda (Chairman) (RSA), R.N. Alam (USA), H. Karuhanga (Uganda), J.S. de Kock (RSA), C.Lesetedi (Botswana), S.D. Price (UK), Dr. G. Somolekae (Botswana), R. Thornton (USA), G.L. van Heerde (RSA), C.G. van Schalkwyk (RSA).

EXECUTIVE DIRECTORS
A C M Low (Managing Director) (UK), C W Patterson (CFO) (Ireland)

CERTIFIED AUDITORS
PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, Botswana

TRANSFER SECRETARIES
PricewaterhouseCoopers (Pty) Limited, Plot 50371, Fairground Office Park, Gaborone, Botswana

REGISTERED OFFICE
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www.letshego.com

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Letshego

Africa's leading **inclusive finance** group

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MEASURING OUR SOCIAL IMPACT – Putting our customer at the centre of everything we do

The Letshego Group is committed to measuring our social impact and ensuring we know and understand our customers, as well as deliver on our promise to Improve Lives in all 11 markets where we have a presence. In conducting regular surveys and polls with our customers, not only do we gain a deeper understanding of our customers' needs, but we also learn more about the personal traits and general behaviour of the individuals that we support.

From our 2017 surveys, we have aggregated the general trends and behavioural characteristics of our customers (diagram below). Letshego continues to set our own challenging benchmarks in continuously improving our social performance, and gaining an ever-deeper understanding of our customers, wherever they may be located.

LETSHEGO CUSTOMER TRENDS
(aggregated across 11 African Markets)

22% Feel somewhat over-indebted

86% Of Letshego customers use their loans for productive purposes

26% Welcome greater customer engagement

34% Of Letshego customers use more than one Letshego product in the last 12 months

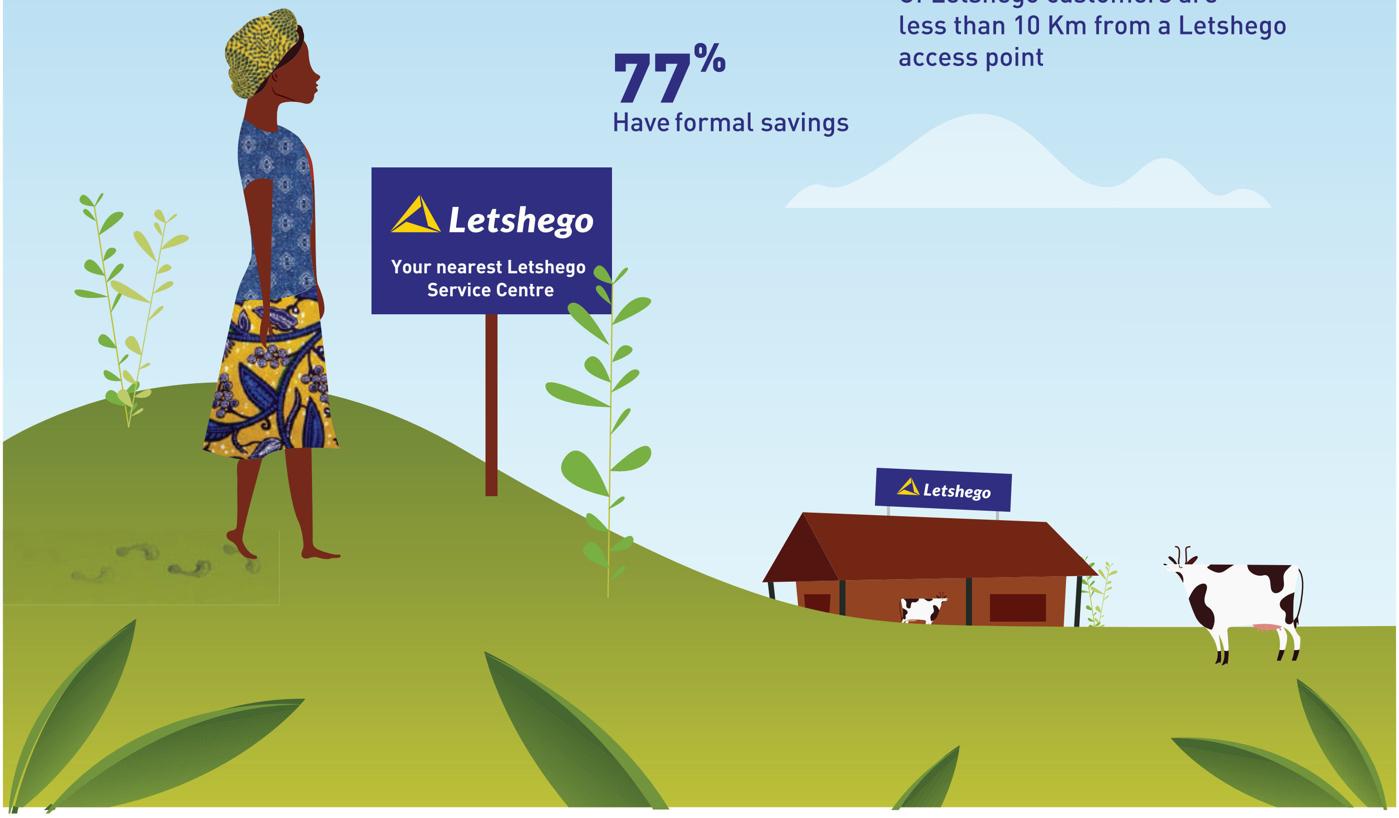
40% Require improved knowledge of Ts &Cs

95% Have no partner relationship stress

58% Familiar with mobile banking

67% Of Letshego customers are less than 10 Km from a Letshego access point

77% Have formal savings



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IMPROVING LIFE *Stories*

"

I approached Letshego in March 2016 for a loan of SZL109,500 (BWP84 000). I invested the funds in two projects/assets, I bought a tractor and a mini-bus. I used the tractor to plough and plant vegetables in Mbekelweni which led to me supplying the local market in the area with cabbages, spinach, lettuce, onions and maize. During the summer I use the tractor to plough maize fields for farmers around my area, which helps to provide extra income. I intend to purchase a trailer using the profit. The trailer will assist me in harvesting and transporting different goods for the farmers in my area.

My loan with Letshego ensured that I become self-sufficient. I now have multiple sources of income.

Mr Isaiah G Mkhaliphi
SWAZILAND

Mr Jeckonia Kapewasha
NAMIBIA

"

I'm a teacher by profession in the Opumaka Combined School in the North. I received financial assistance six years ago from Letshego which I used to build ten rooms / flats that I rent out, receiving NAD10 000 (BWP8 000) per month in rental income.

I used this income to pay back the loan and put my three children through school. I intend to expand my property by adding more rooms / flats to increase the income I generate from them.

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