

REVIEWED FINANCIAL RESULTS 2017



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

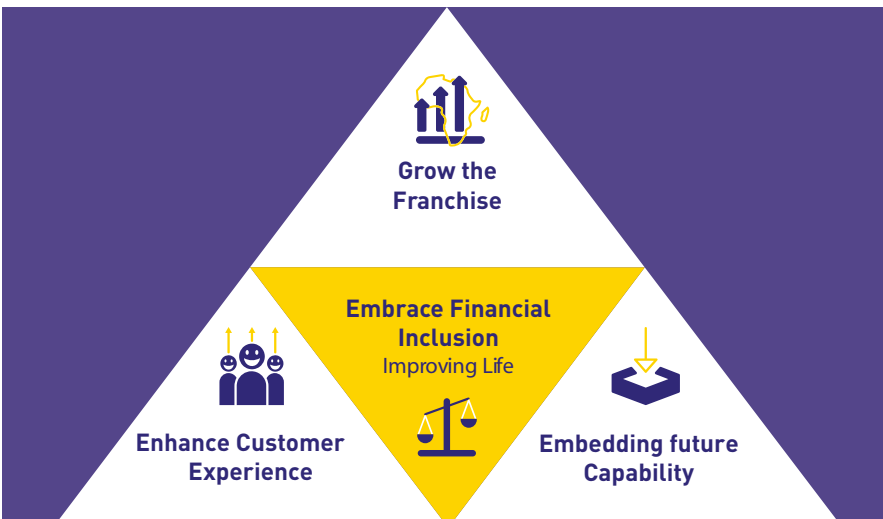
Funds are raised through JSE and BSE listed Medium Term Note programmes
Micro Africa Ltd (now Letshego Kenya and Letshego Rwanda) is acquired (62.5%)
Lesotho operations are launched

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



LETSHEGO HOLDINGS LIMITED GROUP

FULL YEAR 2017 REVIEWED FINANCIAL RESULTS



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

HIGHLIGHTS

Gross Advances to Customers

17%

Operating income

11%

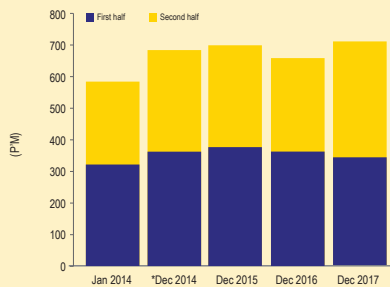
Profit after tax

11%

Final dividend per share

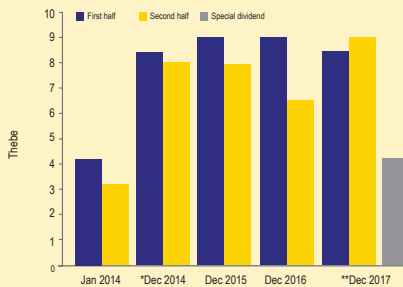
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Profit after Tax (P'M)



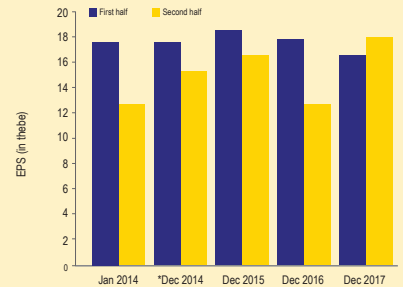
*11 month period following the change in year end.

Dividends per Share (Thebe)



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

Basic Earning per Share (Thebe)



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 99% up from 85% in 2016
- Return on equity was 18% (2016: 16%) and return on assets 9% (2016: 9%)
- Share buy backs performed during 2016 and 2017 reduced the weighted average number of shares in issue resulting in earnings per share of 34.9 thebe (2016: 30.8 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 Atb 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 employees 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, 'Bancos' 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 Bancos 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 89% at year-end (2016: 85%). 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.

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:

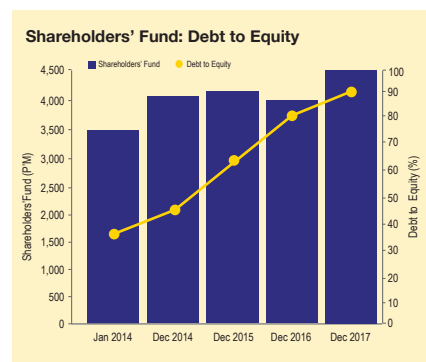
- Declaration date, 28 February 2018
- Last date to register, 29 March 2018
- Dividend payment date on or about, 13 April 2018

For and on behalf of the Board of Directors:

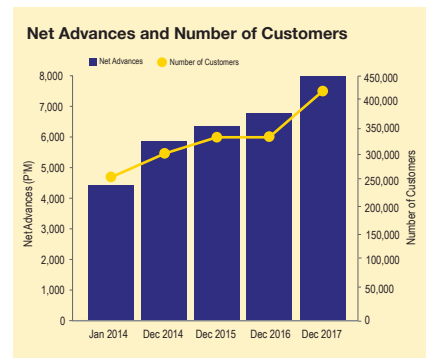
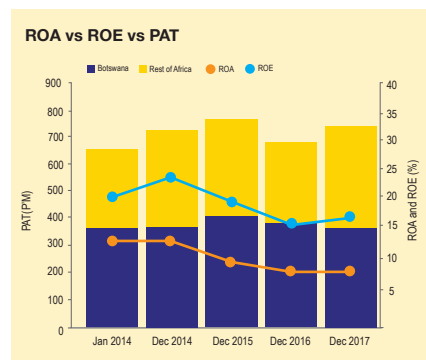
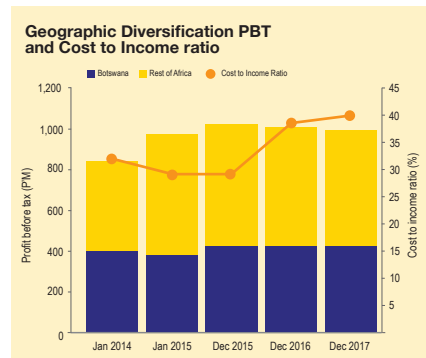
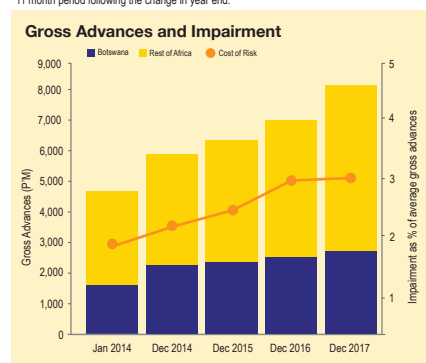
E Banda
Group Chairman

A C M Low
Group Managing Director

GABORONE, Wednesday, 28 February 2018



*11 month period following the change in year end.



RATIOS

	31 Dec 2017 (Reviewed)	31 Dec 2016 (Audited)
Return on average assets (%)	9%	9%
Return on average equity (%)	18%	16%
Cost to income ratio (%)	40%	38%
Debt to equity ratio (%)	89%	85%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	At 31 Dec 2017 (Reviewed) P'000	At 31 Dec 2016 (Audited) P'000	Change %
ASSETS			
Cash and cash equivalents	492,367	529,476	
Advances to customers	7,768,904	6,689,740	16
Other receivables	265,754	226,381	
Property, plant and equipment	92,061	76,034	
Intangible assets	55,340	52,609	
Goodwill	122,280	129,408	
Available-for-sale financial asset	53,591	53,591	
Income tax receivable	17,967	17,250	
Deferred tax assets	156,655	106,961	
Total assets	9,024,919	7,881,450	15
LIABILITIES AND EQUITY			
Liabilities			
Customer deposits	228,432	107,696	112
Cash collateral	27,319	39,225	
Trade and other payables	261,751	294,416	
Income tax payable	64,591	40,749	
Deferred tax liabilities	5,290	808	
Borrowings	3,984,607	3,394,116	17
Total liabilities	4,571,990	3,877,010	
Shareholders' equity			
Stated capital	849,845	875,639	
Foreign currency translation reserve	(680,417)	(634,293)	
Legal reserve	39,607	32,189	
Share based payment reserve	38,840	35,835	
Retained earnings	3,891,745	3,502,271	
Total equity attributable to equity holders of the parent company	4,139,620	3,811,641	
Non-controlling interests	313,309	192,799	
Total shareholders' equity	4,452,929	4,004,440	
Total liabilities and equity	9,024,919	7,881,450	15

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) P'000	Change %
Interest income	2,252,636	1,963,129	15
Interest expense	(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	234,169	209,724	12
Operating income	2,054,771	1,845,108	11
Employee costs	(367,057)	(309,016)	19
Other operating expenses	(446,952)	(407,873)	10
Net income before impairment and taxation	1,240,762	1,128,219	10
Impairment of advances	(237,149)	(180,649)	31
Profit before taxation	1,003,613	947,570	6
Taxation	(258,218)	(277,836)	
Profit for the year	745,395	669,734	11
Attributable to:			
Equity holders of the parent company	701,812	627,809	
Non-controlling interests	43,583	41,925	
Profit for the year	745,395	669,734	11
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	706,232	291,817	
Attributable to:			
Equity holders of the parent company	655,688	247,809	
Non-controlling interests	50,544	44,008	
Total comprehensive income for the year	706,232	291,817	
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)	34.9	30.8	13
Fully diluted earnings per share (thebe)	34.1	30.3	

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 (Audited)	989,487	3,256,158	19,705	(254,293)	22,178	148,791	4,182,026
Total comprehensive income for the year							
Profit for the year	-	627,809	-	-	-	41,925	669,734
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 (Audited)	875,639	3,502,271	35,835	(634,293)	32,189	192,799	4,004,440
Total comprehensive income for the year							
Profit for the year	-	701,812	-	-	-	43,583	745,395
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	3,891,745	38,840	(680,417)	39,607	313,309	4,452,929

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) 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		(1,197,038)	(1,004,956)
Cash generated from operations		216,284	229,933
Taxation paid		(286,105)	(324,900)
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	Namibia	Mozambique	Other Southern Africa	Tanzania	Other East Africa	West Africa	Holding company or eliminations	Total
	P '000	P '000	P '000	P '000	P '000	P '000	P '000	P '000	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									(258,218)
Profit - consolidated									745,395
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									(277,836)
Profit - consolidated									669,734
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



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	64,337	62,175
Other receivables	26,622	51,499
	265,754	226,381

	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

	At 31 Dec 2017 (Reviewed) P'000	At 31 Dec 2016 (Audited) P'000
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	294,415

	At 31 Dec 2017 (Reviewed) P'000	At 31 Dec 2016 (Audited) P'000
10. Borrowings		
Commercial banks	1,684,654	1,318,452
Note programmes	1,910,428	1,587,943
DFIs	253,703	331,715
Pension Funds	135,822	156,006
Total borrowings	3,984,607	3,394,116

	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
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

	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
13. Interest expense		
Overdraft facilities and term loans	474,798	334,407
Foreign exchange (gain) / loss	(4,168)	17,955
	470,630	352,362

	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
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

	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
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

	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
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

	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
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

	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
18. Uncertain tax treatment		
The group has adopted an uncertain tax treatment at Letshego Holdings Limited and this has been assessed by the local tax authorities. In the event this uncertain treatment is reviewed and reversed, the Group would have a potential income liability of P118Mn as at 31 December 2017. In addition, the current year's income tax charge would increase by P64.2Mn and other receivables will reduce by this amount.		

	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
19. Other operating expenses		
Accounting and secretarial fees	2,197	2,377
Advertising	18,755	24,419
Audit fees	5,289	4,014
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	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
20. Other operating expenses		
Accounting and secretarial fees	2,197	2,377
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	Year ended 31 Dec 2017 (Reviewed) P'000	Year ended 31 Dec 2016 (Audited) P'000
21. Other operating expenses		
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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).

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

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

REGISTERED OFFICE
Plot 50371, Fairground Office Park, Gaborone, Botswana
www.letshego.com

CERTIFIED AUDITORS
PricewaterhouseCoopers, Plot 50371,

Fairground Office Park, Gaborone, Botswana

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

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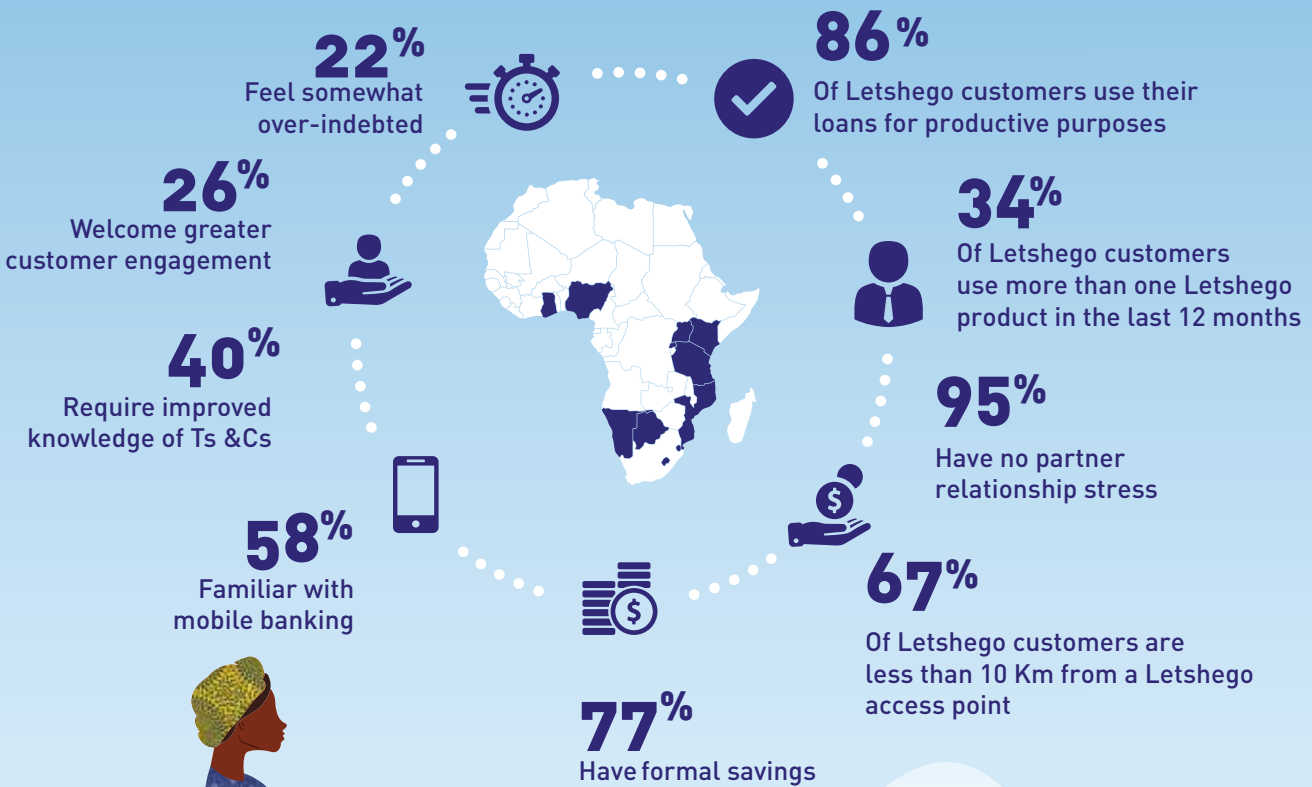
PricewaterhouseCoopers, Plot 50371,

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.

LETSGHEGO CUSTOMER TRENDS (aggregated across 11 African Markets)



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



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.



Mr Jeckonia Kapewasha
NAMIBIA