

# LETSHEGO HOLDINGS LIMITED GROUP

## FULL YEAR 2016 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 2016.

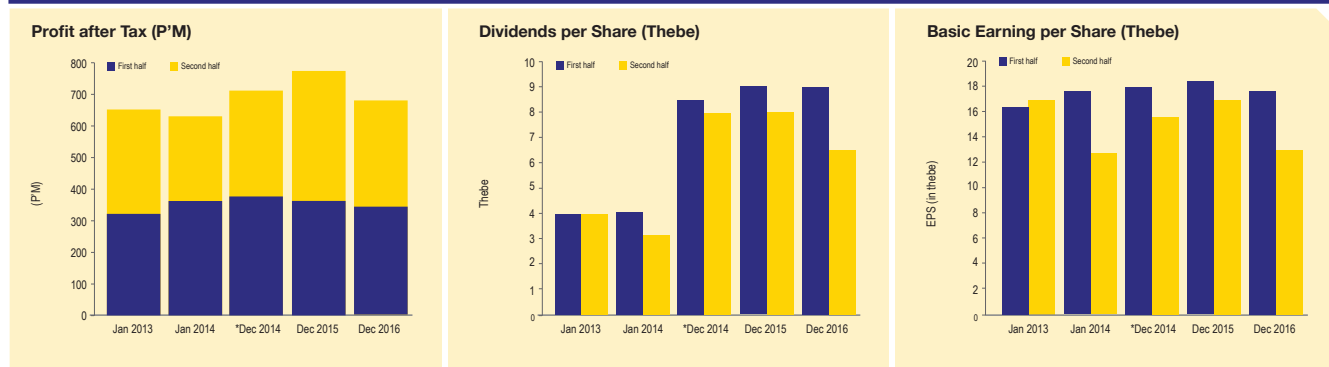
### HIGHLIGHTS

Advances to Customers **6%**

Revenues **9%**

Profit before tax **P948M**

Total dividend per share **15.5t**



\*11 month period following the change in year end.

## CONTINUED PROGRESS ON DELIVERY OF THE STRATEGIC AGENDA IN A DIFFICULT OPERATING ENVIRONMENT

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. However a difficult operating environment has meant that, we have only delivered modest growth in loans to customers and there was a decline in profitability.

### FINANCIAL HIGHLIGHTS

- Total revenues exceeded P2.2 billion; a 9% increase on the previous year (6% increase excluding the 2015 acquisitions)
- Yields on loans to customers and the cost of borrowings were maintained despite the difficult trading environment – e.g. the interest expense in Mozambique increased by P12m due to the higher interest rates in that country
- Costs increased by 41% year on year – excluding 2015 acquisitions this was 25% and excluding some once off expense items the underlying increase was 23%
- The cost of risk was 2.8%, however, excluding specific once off impairments in Botswana (BCL), Mozambique (sovereign risk) and Rwanda (general risk provisions) it was 2.2%, marginally lower than 2015
- The Group is tightening its impairment methodology – this accounted for P33m of the increase in the impairment charge during 2016
- Profit before tax was P948m which is a 9% reduction from 2015
- On a normalised basis, excluding once off items PBT would have been flat year on year
- Gross advances grew by 6% to 7.0 billion ( or 14% in underlying local currency terms).
- Non-performing loans impairment coverage ratio increased from 51% to 68%
- Debt to equity ratio was 85% up from 66% in 2015
- Return on equity was 16% (2015: 19%) and return on assets 9% (2015: 10%)
- Earnings per share of 30.8 thebe (2015:35.2 thebe) was achieved, a decline of 13%

Translation losses arising on the conversion of the results of non Botswana operations had a significant impact on the group's results for 2016. The most notable was the impact of the depreciation of the Mozambique Metical versus the Botswana Pula (the group's functional and reporting currency). The 60% depreciation of the Metical resulted in a reduction of the group profit before tax of P33m.

This also accounted for P338m of the P380m translation losses recorded in the Statement of Comprehensive Income.

### Non Financial highlights:

- Total borrowing customers were flat at 300,000
- Customers were serviced through 278 customer access points, an increase of 4% on 2015
- P2.5 billion (2015: P2.37 billion) was disbursed in new or top up loans
- The Group employed 1,620 (2015: 1,592) full time employees supplemented by an additional 1,162 (2015: 775) commission-based sales agents

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

**Embrace financial inclusion:** this is the cornerstone of Letshego's strategic agenda. We obtained Mastercard principal licenses in Mozambique and Namibia, became the Alliance for Financial Inclusion (AFI) first African private partner and commenced the pilot of the agency model in Mozambique. Partnerships with Fintech companies and other strategic partners continue to be developed and strengthened.

**Grow the franchise:** During 2016 we finalised the Banking license in Namibia, integrated the 2015 acquisitions (Tanzania and Nigeria) into the business and expanded our agency network in Tanzania. We continue to seek deposit-taking licences to facilitate our financial inclusion agenda and during December 2016 finalised the acquisition of AFB Ghana bringing the number of deposit taking businesses to six.

**Enhance customer experience:** 10 countries launched the new refreshed Letshego brand, including Tanzania and Nigeria where we rebranded to Letshego. Continued investment in people and systems has strengthened our operating platform, with Letshego Mozambique, Rwanda, Kenya and Tanzania now live with USSD mobile financial solutions. Additional customer solutions in partnership with a local mobile operator in Mozambique are planned for 2017, with similar initiatives being progressed in other deposit-taking countries. The enhancement of existing products to ensure continued market relevance continues while for micro and small enterprises, agriculture, low cost housing and education solutions have been rolled out in East Africa.

Product diversification will continue into 2017, with anticipated entry into new informal segments.

**Embed the future capability model:** the Group's core IT platform is now operational in nine countries and a standardised enterprise risk management framework has been rolled out in all countries in line with international best practice allowing us to provide a more comprehensive set of customer solutions.

### ACQUISITION – GHANA

As disclosed on 13 January 2017, Letshego has become a 100% shareholder of AFB Ghana Plc. The financial results of AFB Ghana have not been included in these reviewed results for the year ended 31 December 2016. The purchase consideration is expected to be in the region of P96m. AFB Ghana has over 60,000 customers, 200 members of staff and 25 customer access points.

### FUNDING, CAPITAL STRUCTURE AND DIVIDEND POLICY

During the year all key funding lines that matured were successfully refinanced demonstrating the confidence that the market continues to have in Letshego. The Group's Ba3 Moody's credit rating remained unchanged during the year. Also, new funding lines were introduced bringing the group Debt to Equity ratio to 85% at year end - this is in line with the strategic objective to optimise the Group's balance sheet. Further, the dividend payout ratio has been maintained at 50%

for the past three years; this is due for review in 2017. The Group's strong funding pipeline allowed for the share buyback mandate to be exercised - this resulted in 53m shares (2.4%) being repurchased at an average price of P2.26 per share. We will request Shareholders at the upcoming AGM to extend the buy back mandate, albeit with amendments.

### BOARD OF DIRECTORS

Dr Gloria Somolekae was appointed to the Board during January 2016 as a new independent Non-Executive Director (NED). Enos Banda joined the Board in August 2016 as an independent Non-Executive Director. In November 2016, Enos took over as the Chairman of Letshego Holdings succeeding John Burbidge. Following a long and very successful association with Letshego, John will step down from the board in March 2017. We thank John for his immense contribution to the board dating back to 1998. Post year end, Colm Patterson, the CFO, was appointed to the board. The board now consists of 11 Directors; 2 executive directors, 6 Independent Non-Executive Directors and 3 Non-Executive Directors.

### 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 6.5 thebe per share for the year ended 31 December 2016. 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 2016.

Important dates pertaining to this dividend are:

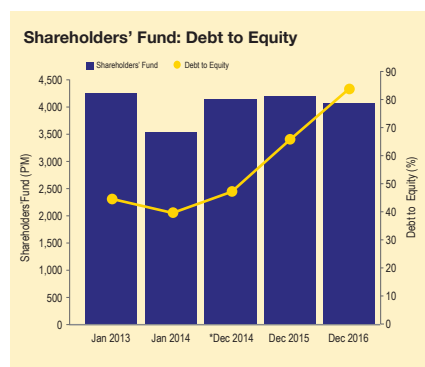
- Declaration date, 1 March 2017
- Last date to register, 31 March 2017
- Dividend payment date on or about, 13 April 2017

For and on behalf of the Board of Directors:

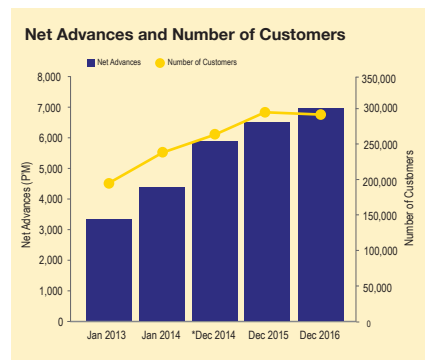
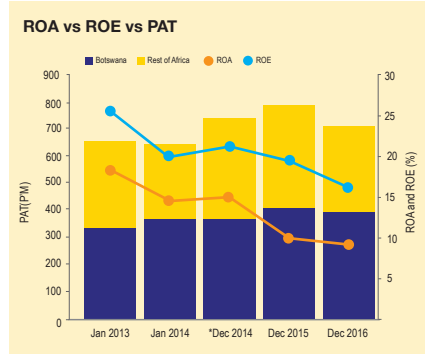
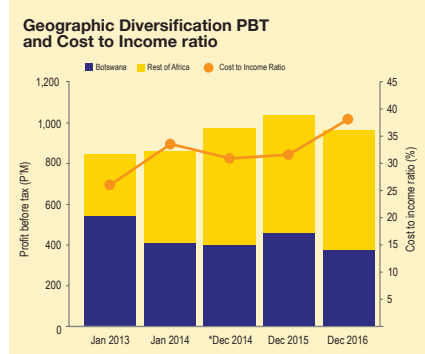
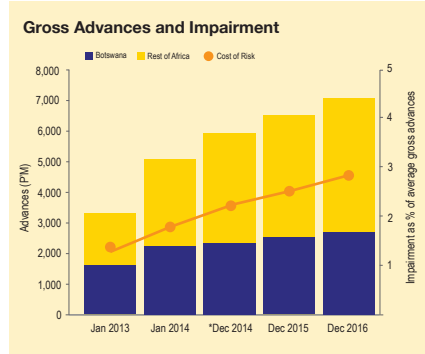
**E Banda**  
Group Chairman

**A C M Low**  
Group Managing Director

GABORONE, Wednesday, 1 March 2017



\*11 month period following the change in year end.



RATIOS

	31 Dec 2016 (Reviewed)	31 Dec 2015 (Audited)
Return on average assets (%)	9%	10%
Return on average equity (%)	16%	19%
Cost to income ratio (%)	38%	29%
Debt to equity ratio (%)	85%	66%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	At 31 Dec 2016 (Reviewed) P'000	At 31 Dec 2015 (Audited) P'000	Change %	
<b>ASSETS</b>				
Cash and cash equivalents	1	529,476	526,290	
Advances to customers	2	6,689,740	6,311,678	6
Other receivables	3	226,381	220,688	
Property, plant and equipment	4	76,034	76,030	
Intangible assets	5	52,609	61,312	
Goodwill	6	129,408	170,868	
Available-for-sale financial asset		53,591	-	
Income tax receivable		17,250	27,570	
Deferred tax assets		106,961	68,000	
<b>Total assets</b>	<b>7,881,450</b>	<b>7,462,436</b>	<b>6</b>	
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Customer deposits	7	107,696	154,495	
Deposits from banks	8	-	77,364	
Cash collateral	9	39,225	44,667	
Trade and other payables	10	294,416	175,493	
Income tax payable		40,749	57,973	
Deferred tax liabilities		808	2,006	
Borrowings	11	3,394,116	2,768,412	23
<b>Total liabilities</b>	<b>3,877,010</b>	<b>3,280,410</b>		
<b>Shareholders' equity</b>				
Stated capital	12	875,639	989,487	
Foreign currency translation reserve		(634,293)	(254,293)	
Legal reserve		32,189	22,178	
Share based payment reserve		35,835	19,705	
Retained earnings		3,502,271	3,256,158	
<b>Total equity attributable to equity holders of the parent company</b>	<b>3,811,641</b>	<b>4,033,235</b>		
Non-controlling interests		192,799	148,791	
<b>Total shareholders' equity</b>	<b>4,004,440</b>	<b>4,182,026</b>		
<b>Total liabilities and equity</b>	<b>7,881,450</b>	<b>7,462,436</b>	<b>6</b>	

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Note	Year ended 31 Dec 2016 (Reviewed) P'000	Year ended 31 Dec 2015 (Audited) P'000	Change %	
Interest income	13	1,963,129	1,753,556	12
Interest expense	14	(352,362)	(326,694)	8
<b>Net interest income</b>	<b>1,610,767</b>	<b>1,426,862</b>	<b>13</b>	
Fee and commission income		24,617	28,699	(14)
Other operating income	15	209,724	229,390	(9)
<b>Operating income</b>	<b>1,845,108</b>	<b>1,684,951</b>	<b>10</b>	
Employee costs	16	(309,016)	(212,487)	45
Other operating expenses	17	(407,873)	(297,106)	37
<b>Net income before impairment and taxation</b>	<b>1,128,219</b>	<b>1,175,358</b>	<b>(4)</b>	
Impairment of advances	18	(180,649)	(138,864)	30
<b>Profit before taxation</b>	<b>947,570</b>	<b>1,036,494</b>	<b>(9)</b>	
Taxation		(277,836)	(268,788)	
<b>Profit for the year</b>	<b>669,734</b>	<b>767,706</b>	<b>(13)</b>	
<b>Attributable to :</b>				
Equity holders of the parent company		627,809	708,282	
Non-controlling interests		41,925	59,424	
<b>Profit for the year</b>	<b>669,734</b>	<b>767,706</b>	<b>(13)</b>	
<b>Other comprehensive income, net of tax</b>				
<b>Items that may be subsequently reclassified to profit or loss:</b>				
Foreign currency translation differences arising from foreign operations		(377,917)	(283,157)	
<b>Total comprehensive income for the year</b>	<b>291,817</b>	<b>484,549</b>		
<b>Attributable to :</b>				
Equity holders of the parent company		247,809	456,821	
Non-controlling interests		44,008	27,728	
<b>Total comprehensive income for the year</b>	<b>291,817</b>	<b>484,549</b>		
Weighted average number of shares in issue during the period (millions)		2,172	2,184	
Dilution effect - number of shares (millions)		40	31	
Number of shares in issue at the end of the period (millions)		2,135	2,185	
Basic earnings per share (thebe)		30.8	35.2	<b>(13)</b>
Fully diluted earnings per share (thebe)		30.3	34.7	

NOTE: The diluted EPS has been calculated based on 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
<b>Balance at 31 December 2014</b>	<b>975,510</b>	<b>2,940,521</b>	<b>21,246</b>	<b>(2,189)</b>	<b>5,108</b>	<b>154,437</b>	<b>4,094,633</b>
<b>Total comprehensive income for the year</b>							
Profit for the year	-	708,282	-	-	-	59,424	767,706
<b>Other comprehensive income, net of income tax</b>							
Foreign currency translation reserve	-	-	-	(251,461)	-	(31,696)	(283,157)
<b>Transactions with owners, recorded directly in equity</b>							
Disposal of Financial South Sudan (Pty) Ltd	-	-	-	(643)	-	(34)	(677)
Non-controlling interest arising on business combination- Advans Bank Tanzania	-	-	-	-	-	20,930	20,930
Acquisition of Non-controlling interest - Letshego Tanzania Limited	-	(5,125)	-	-	-	(47,553)	(52,678)
Allocation to share based payment reserve	-	-	12,436	-	-	-	12,436
Allocation to legal reserve	-	(17,070)	-	-	17,070	-	-
New shares issued from long term incentive scheme	13,977	-	(13,977)	-	-	-	-
Dividend paid by subsidiary to minority interests	-	-	-	-	-	(6,717)	(6,717)
Dividends paid to equity holders	-	(370,450)	-	-	-	-	(370,450)
<b>Balance at 31 December 2015</b>	<b>989,487</b>	<b>3,256,158</b>	<b>19,705</b>	<b>(254,293)</b>	<b>22,178</b>	<b>148,791</b>	<b>4,182,026</b>
<b>Total comprehensive income for the year</b>							
Profit for the year	-	627,809	-	-	-	41,925	669,734
<b>Other comprehensive income, net of income tax</b>							
Foreign currency translation reserve	-	-	-	(380,000)	-	2,083	(377,917)
<b>Transactions with owners, recorded directly in equity</b>							
Allocation to legal reserve	-	(10,011)	-	-	10,011	-	-
Allocation to share based payment reserve	-	-	21,552	-	-	-	21,552
Share buy back	(119,270)	-	-	-	-	-	(119,270)
New shares issued from long term incentive scheme	5,422	-	(5,422)	-	-	-	-
Dividends paid to equity holders	-	(371,685)	-	-	-	-	(371,685)
<b>Balance at 31 December 2016</b>	<b>875,639</b>	<b>3,502,271</b>	<b>35,835</b>	<b>(634,293)</b>	<b>32,189</b>	<b>192,799</b>	<b>4,004,440</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 Dec 2016 (Reviewed) P'000	Year ended 31 Dec 2015 (Audited) P'000
<b>Operating activities</b>			
Profit before taxation		947,570	1,036,494
Add : Amortisation and depreciation		28,139	21,806
: Impairment and write off		259,180	196,245
Movement in working capital and other changes		(1,004,956)	(1,056,929)
Cash generated from operations		229,933	197,616
Tax paid		(324,900)	(322,156)
Net cash utilised in operating activities		(94,967)	(124,540)
<b>Investing activities</b>			
Payment for acquisition of / investment in subsidiary / financial asset		(53,591)	(265,008)
Net cash acquired from acquisitions		-	178,315
Other investing activities		(19,441)	(31,292)
Net cash flows used in investing activities		(73,032)	(117,985)
<b>Financing activities</b>			
Dividends paid to equity holders and subsidiary minorities		(371,685)	(377,167)
Share buy back		(119,270)	-
Net receipts on borrowings		757,274	857,385
Net cash generated from financing activities		266,319	480,218
Net movement in cash and cash equivalents		98,320	237,693
Cash and cash equivalents at the beginning of the year		526,290	320,544
Effect of exchange rate changes on cash and cash equivalents		(95,134)	(31,947)
<b>Cash and cash equivalents at the end of the year</b>	<b>1</b>	<b>529,476</b>	<b>526,290</b>

## SEGMENTAL REPORTING

The Group's geographical primary 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: Nigeria

Operating Segments 31 December 2016	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
<b>Operating income</b>	<b>635,432</b>	<b>427,204</b>	<b>154,441</b>	<b>108,385</b>	<b>194,370</b>	<b>251,632</b>	<b>45,696</b>	<b>27,948</b>	<b>1,845,108</b>
<b>Profit before taxation</b>	<b>467,153</b>	<b>350,839</b>	<b>106,681</b>	<b>71,941</b>	<b>89,797</b>	<b>42,566</b>	<b>(8,254)</b>	<b>(173,153)</b>	<b>947,570</b>
Taxation - consolidated									(277,836)
<b>Profit - consolidated</b>									<b>669,734</b>
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)
<b>Net advances</b>	<b>2,242,198</b>	<b>1,667,943</b>	<b>734,852</b>	<b>624,864</b>	<b>487,715</b>	<b>880,763</b>	<b>51,405</b>	<b>-</b>	<b>6,689,740</b>
<b>Borrowings</b>	<b>749,907</b>	<b>640,011</b>	<b>178,450</b>	<b>452,413</b>	<b>29,945</b>	<b>664,634</b>	<b>-</b>	<b>678,756</b>	<b>3,394,116</b>
<b>Operating Segments 31 December 2015</b>									
<b>Operating income</b>	<b>618,370</b>	<b>379,345</b>	<b>233,264</b>	<b>81,574</b>	<b>154,812</b>	<b>239,437</b>	<b>-</b>	<b>(21,851)</b>	<b>1,684,951</b>
<b>Profit before taxation</b>	<b>450,490</b>	<b>316,378</b>	<b>172,476</b>	<b>54,861</b>	<b>89,102</b>	<b>83,772</b>	<b>-</b>	<b>(130,585)</b>	<b>1,036,494</b>
Taxation - consolidated									(268,788)
<b>Profit - consolidated</b>									<b>767,706</b>
Gross advances to customers	2,264,301	1,392,020	1,075,645	399,409	419,798	895,630	116,591	-	6,563,394
Impairment provisions	(116,602)	(486)	(10,385)	(5,495)	(23,970)	(47,993)	(46,785)	-	(251,716)
<b>Net advances</b>	<b>2,147,699</b>	<b>1,391,534</b>	<b>1,065,260</b>	<b>393,914</b>	<b>395,828</b>	<b>847,637</b>	<b>69,806</b>	<b>-</b>	<b>6,311,678</b>
<b>Borrowings</b>	<b>446,871</b>	<b>618,662</b>	<b>324,889</b>	<b>254,096</b>	<b>31,715</b>	<b>620,086</b>	<b>-</b>	<b>472,093</b>	<b>2,768,412</b>

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

	At 31 Dec 2016 (Reviewed) P'000	At 31 Dec 2015 (Audited) P'000
<b>1. Cash and cash equivalents</b>		
Cash at bank and in hand	462,772	472,547
Short term deposits	66,704	53,743
	529,476	526,290
<b>2. Advances to customers</b>		
Gross advances to customers	6,962,956	6,563,394
Less : Impairment provisions - specific	(193,118)	(178,726)
: Impairment provisions - portfolio	(80,098)	(72,990)
	6,689,740	6,311,678
<b>3. Other receivables</b>		
Deposits and prepayments	34,535	33,220
Receivable from insurance arrangements	78,172	105,960
Withholding tax and value added tax	62,175	46,847
Other receivables	51,499	34,661
	226,381	220,688

	Carrying amount at 01 Jan 2016	Additions	Transfers	Disposal	Depreciation charge	Forex translation	Carrying amount at 31 Dec 2016
<b>4. Property plant and equipment</b>							
Motor vehicles	1,932	568	-	-	(754)	15	1,761
Computer equipment	16,403	5,924	-	-	(10,690)	2,655	14,292
Office furniture and equipment	38,852	6,000	-	-	(9,362)	1,081	36,571
Land and building	17,976	-	-	-	(578)	1,160	18,558
Work in progress	867	4,852	(867)	-	-	4,852	-
	76,030	17,344	(867)	-	(21,384)	4,911	76,034

	Carrying amount at 01 Jan 2016	Additions	Transfers	Disposal	Amortisation charge	Forex translation	Carrying amount at 31 Dec 2016
<b>5. Intangible assets</b>							
Computer software	49,654	2,097	867	-	(5,043)	(813)	46,762
Brand value	1,186	-	-	-	(837)	(349)	-
Core deposit	10,472	-	-	-	(875)	(3,750)	5,847
	61,312	2,097	867	-	(6,755)	(4,912)	52,609

	At 31 Dec 2016 (Reviewed) P'000	At 31 Dec 2015 (Audited) P'000
<b>6. Goodwill</b>		
Goodwill arose on the acquisition of:		
Letshego Holdings Namibia	23,846	25,760
Letshego Tanzania Limited	1,985	2,064
Letshego Kenya Limited	32,998	27,426
Letshego Bank (T) Limited	15,882	16,575
Letshego Microfinance Bank Nigeria Limited	54,697	99,043
	129,408	170,868

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 2016 (Reviewed) P'000	At 31 Dec 2015 (Audited) P'000
<b>7. Customer deposits</b>		
Deposits from customers	107,696	154,495

	At 31 Dec 2016 (Reviewed) P'000	At 31 Dec 2015 (Audited) P'000
<b>8. Deposits from banks</b>		
Deposit from banks	-	77,364

These are short term deposits from other banks.

	At 31 Dec 2016 (Reviewed) P'000	At 31 Dec 2015 (Audited) P'000
<b>9. Cash collateral</b>		
Cash collateral on loans and advances	39,225	44,667

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 2016 (Reviewed) P'000	At 31 Dec 2015 (Audited) P'000
<b>10. Trade and other payables</b>		
Insurance premium payable	61,841	19,627
Payroll related accruals	58,558	53,351
Other provisions	45,849	23,525
Trade and other payables	62,843	45,540
Value added tax / withholding tax payable	65,325	33,450
	294,416	175,493

	At 31 Dec 2016 (Reviewed) P'000	At 31 Dec 2015 (Audited) P'000
<b>11. Borrowings</b>		
Commercial banks	1,318,452	1,047,442
Note programmes	1,587,943	1,334,392
DFI's	331,715	283,786
Pension Funds	156,006	102,792
	3,394,116	2,768,412

	Year ended 31 Dec 2016 (Reviewed) P'000	Year ended 31 Dec 2015 (Audited) P'000
<b>12. Stated capital</b>		
Issued: 2,134,763,925 ordinary shares of no par value (2015: 2,184,901,697)	875,639	989,487

During the year 52,782,546 ordinary shares were repurchased by the company and subsequently cancelled.

	Year ended 31 Dec 2016 (Reviewed) P'000	Year ended 31 Dec 2015 (Audited) P'000
<b>13. Interest income</b>		
Advances to customers	1,952,410	1,749,633
Deposits with banks	10,719	3,923
	1,963,129	1,753,556

	Year ended 31 Dec 2016 (Reviewed) P'000	Year ended 31 Dec 2015 (Audited) P'000
<b>14. Interest expense</b>		
Overdraft facilities and term loans	334,407	250,999
Foreign exchange loss	17,955	75,695
	352,362	326,694

	Year ended 31 Dec 2016 (Reviewed) P'000	Year ended 31 Dec 2015 (Audited) P'000
<b>15. Other operating income</b>		
Income from insurance arrangements	146,659	163,835
Early settlement fees	51,565	36,533
Sundry income	11,500	29,022
	209,724	229,390

	Year ended 31 Dec 2016 (Reviewed) P'000	Year ended 31 Dec 2015 (Audited) P'000
<b>16. Employee costs</b>		
Salaries and wages	234,347	165,905
Staff incentive	30,971	19,332
Staff pension fund contribution	14,611	9,114
Directors' remuneration – for management services (executive)	7,535	5,700
Long term incentive plan	21,552	12,436
	309,016	212,487

	Year ended 31 Dec 2016 (Reviewed) P'000	Year ended 31 Dec 2015 (Audited) P'000
<b>17. Other operating expenses</b>		
Accounting and secretarial fees	2,377	909
Advertising	24,419	12,306
Audit fees	3,364	3,169
Bank charges	6,715	4,738
Computer expenses	13,100	9,787
Consultancy fees	29,305	21,868
Corporate social responsibility	1,973	2,976
Depreciation and amortisation	28,139	21,806
Directors' fees – non executive	6,985	3,992
Direct costs	97,576	83,455
Government levies	10,796	8,472
Insurance	8,608	4,152
Office expenses	22,811	11,540
Operating lease rentals - property	36,784	25,967
Other operating expenses	68,072	45,148
Payroll administration costs	1,060	982
Telephone and postage	13,653	11,854
Travel	32,136	23,985
	407,873	297,106

	Year ended 31 Dec 2016 (Reviewed) P'000	Year ended 31 Dec 2015 (Audited) P'000
<b>18. Impairment on advances</b>		
Amounts written off	75,834	69,379
Recoveries during the year	(78,531)	(57,381)
Impairment adjustment	183,346	126,866
	180,649	138,864

**NON EXECUTIVE DIRECTORS**  
E N Banda (Chairman) (RSA), J A Burbidge (GB), G Hassam (Malawi), J de Kock (RSA), H Karuhanga (Uganda), I M Mohammed (USA), S Price (GB), R Thornton (USA), Gerrit van Heerde (RSA), Dr. G Somolekae (Botswana), R N Alam (alternate to I M Mohammed) (USA)

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