REVIEWED FINANCIAL RESULTS 2018

Published 2019
FAST FACTS

›P3•4 BILLION
MARKET CAPITALISATION

3000+
Team members across Africa

173 000+
Savers across six countries

20+
Nationalities across our people

315
Customer access points

364 000
Borrowers

Rated Ba3(stable) by Moody’s

“In a world where change is exponential, evolution of one’s strategy and resultant business model are essential to deliver superior returns to shareholders, whilst creating value for all stakeholders including customers, staff and regulators. With so much unrealised potential, Letshego is now due for CHANGE.”

- Smit Crouse

Smit Crouse
Group Chief Executive
The Board of Directors of Letshego Holdings Limited ("the Group") herewith presents an extract of the reviewed condensed consolidated results for the year ended 31 December 2018.

HIGHLIGHTS

Profit after Tax (P/Net) 17%
Operating Income 15%
Final dividend per share 3.3t

LOAN PORTFOLIO GROWTH AND QUALITY

Improvement in Group cost of risk is beneficial as a number of factors namely, a change in geographic and business risk and the application/implementation of IFRS 9. Asset quality in East and West Africa is improving with a decrease in non-performing loans being positive. Significant progress has been made in the transformation programme to enhance risk management across the Group.

CAPITAL STRATEGY, FUNDING AND DIVIDEND POLICY

Ratings Agency Moody's has affirmed Letshego Holdings Group's credit rating unchanged at B3 (stable) outlook. The Group remains well capitalised with a CAR of above 18% which is well above the regulatory minimum in all of its operating countries. Despite high reliance on wholesale funding, significant progress has been made in diversification of the Group's funding base away from the bank loan market through the issuance of local currency corporate bonds in Botswana, Ghana, Mozambique and South Africa. The Group has also been successful in attracting new funding from international investors based in the UK and Europe with a focus on micro and inclusive finance ventures. The new funding has enabled the group to better manage its debt maturity profile and liquidity position.

NON-FINANCIAL HIGHLIGHTS

- Unbundled in new or top up loans P4.2 billion (2017: 12.2 billion)
- Total borrowing customers 346,000 (2017: 300,000)
- Total savings customers 173,000 (2017: 154,000)
- Return on Equity (ROE) 15.1% (2017: 13.6%)
- Current Accounts Saving Accounts (CASA) growth of P269 million (2017: P130 million)
- Total assets amounting 1.882 billion (2017: 1.909) full time employees supplemented by an additional 1.321 (2017: 1.287) commission-based sales agents

BUSINESS UPDATE

The core of the Group’s business continues to be tied by the Deduction at Source (DAS) business segment in its consumer lending and microfinance bank channel in Southern, Eastern and Western Africa. Movers in Southern Africa continue to be the largest contributors to the business performance, (70% of Gross Loans) with Botswana and Namibia making up 73% of total Group DAS profit. Letshego Holdings Limited acquired the remaining 25% of Letshego Bank Tanzania for a purchase consideration of approximately P15.5 million. The remaining shares were sold through an initial public offering in the local market.

The Group has published a personal loan code of practice that will support the development of the industry in the future.

GROUP IS WELL CAPITALISED AND PROFITABLE

Effective tax rate

The un-audited Group effective tax rate of 50% is the result of three key factors: partial write-down of the carrying value of deferred tax assets at Letshego Holdings; higher withholding tax charge on dividends from subsidiaries and tax provisions in respect to two subsidiaries. The Group effective tax rate is expected to improve in 2019.

Prior year adjustment – Taxation update

The Company reversed the historical tax returns to Botswana Unified Revenue Service (BURS) is 2018 pursuant to legal advice on the appropriate treatment of foreign tax credits for its Botswana tax returns for the periods 2014 to 2016.

PROSPECTS

New leadership is positioning Letshego for the future – strengthening our roots with strategic focus to achieve sustainable value creation

The Group remains well capitalised and has significant and ongoing funding opportunities.

The Group remains well capitalised with a CAR of above 18% which is well above the regulatory minimum in all of its operating countries. Despite high reliance on wholesale funding, significant progress has been made in the diversification of the Group’s funding base away from the bank loan market through the issuance of local currency corporate bonds in Botswana, Ghana, Mozambique and South Africa. The Group has also been successful in attracting new funding from international investors based in the UK and Europe with a focus on micro and inclusive finance ventures. The new funding has enabled the group to better manage its debt maturity profile and liquidity position.

As part of the Group’s inclusive finance strategy Letshego has six deposit taking licences across its operations which will further contribute to the growth of the business.

Shareholders approved an extension of the share buyback programme at the Annual General Meeting of shareholders in May 2018. No shares were repurchased in the current period.

The Group is well capitalised and has significant and ongoing funding opportunities.

AUDITORS’ REVIEW

The condensed consolidated annual financial statements from which the financial information set out in this announcement is derived from, has been reviewed but not audited by PriceWaterhouseCoopers, the Letshego Group’s external auditors. Their un-audited review report is available for inspection at the Group’s registered office.

DIVIDEND NOTICE

Notes is hereby given that the Board has declared a final dividend of 3.5 thebe per share for the year ended 31 December 2018.

Important dates pertaining to this dividend are:
- Declaration date: 1 March 2019
- Last date to register: 21 March 2019
- Therefore, the shares are ex-dividend from 19 March 2019
- Dividend payment date on or about 2 April 2019

For and on behalf of the Board of Directors:

E Banda
Group Chairman
GABONPOLE, 1 March 2019
### COMMENTARY (continued)

#### Shareholders' Fund: Debt to Equity

![Graph showing Shareholders' Fund and Debt to Equity over time](image)

#### Gross Advances and Impairment

![Graph showing Gross Advances and Impairment over time](image)

#### Geographic Diversification PBIT and Cost to Income ratio

![Graph showing Geographic Diversification PBIT and Cost to Income ratio over time](image)

#### ROA vs ROE vs PAT

![Graph showing ROA vs ROE vs PAT over time](image)

#### Net Advances and Number of Customers

![Graph showing Net Advances and Number of Customers over time](image)

### RATIOS

<table>
<thead>
<tr>
<th>Metric</th>
<th>31 Dec 2017 (Reviewed)</th>
<th>31 Dec 2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average assets (%)</td>
<td>5.2%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Return on average equity (%)</td>
<td>12.2%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Cost to income ratio (%)</td>
<td>41.6%</td>
<td>39.7%</td>
</tr>
<tr>
<td>Debt to equity ratio (%)</td>
<td>130.1%</td>
<td>83.3%</td>
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### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>Note</th>
<th>At 31 Dec 2016 (reviewed)</th>
<th>P'000</th>
<th>At 31 Dec 2017 (audited)</th>
<th>P'000</th>
<th>Change %</th>
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<tr>
<td><strong>ASSETS</strong></td>
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<tr>
<td>1. Cash and cash equivalents</td>
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<td>430,557</td>
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<td>3. Other receivables</td>
<td>253,481</td>
<td>231,025</td>
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<td>4. Available-for-sale financial assets</td>
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<td>20,012</td>
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<td>5. Property, plant and equipment</td>
<td>32,632</td>
<td>9,250</td>
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<td>6. Intangible assets</td>
<td>69,026</td>
<td>60,261</td>
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<td>7. Goodwill</td>
<td>106,229</td>
<td>95,310</td>
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<td>8. Deferred tax assets</td>
<td>211,561</td>
<td>132,250</td>
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<td><strong>Total assets</strong></td>
<td>10,506,289</td>
<td>9,950,770</td>
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<td><strong>LIABILITIES AND EQUITY</strong></td>
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<tr>
<td>1. Liabilities</td>
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<tr>
<td>2. Customer deposits</td>
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<td>2,984,252</td>
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<td>3. Cash and cash equivalents</td>
<td>27,508</td>
<td>37,339</td>
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<td>4. Trade and other payables</td>
<td>60,261</td>
<td>91,921</td>
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<td>5. Income tax payable</td>
<td>32,526</td>
<td>18,070</td>
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<td>6. Deferred tax liabilities</td>
<td>1,350,319</td>
<td>1,294,057</td>
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<td>7. Total liabilities</td>
<td>4,281,657</td>
<td>3,900,427</td>
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<td><strong>Shareholders’ equity</strong></td>
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<td>8. Share capital</td>
<td>1,002,621</td>
<td>864,545</td>
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<td>9. Foreign currency translation reserves</td>
<td>308,718</td>
<td>280,461</td>
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<td>10. Legal reserves</td>
<td>337,519</td>
<td>303,677</td>
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<td>11. Share based payment reserve</td>
<td>48,980</td>
<td>43,540</td>
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<td>12. Retained earnings</td>
<td>3,780,317</td>
<td>3,736,928</td>
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<td><strong>Total equity attributable to equity holders of the parent company</strong></td>
<td>3,759,270</td>
<td>3,957,493</td>
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<td>13. Non-controlling interests</td>
<td>315,923</td>
<td>313,169</td>
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<td><strong>Total shareholders’ equity</strong></td>
<td>4,075,193</td>
<td>4,270,662</td>
<td>49</td>
<td></td>
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</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>10,506,289</td>
<td>9,950,770</td>
<td>19</td>
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</table>

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th>Note</th>
<th>Year ended 31 Dec 2018 (reviewed)</th>
<th>P'000</th>
<th>Year ended 31 Dec 2017 (audited)</th>
<th>P'000</th>
<th>Change %</th>
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<tbody>
<tr>
<td><strong>Interest income</strong></td>
<td></td>
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<tr>
<td>12. Interest income</td>
<td>2,194,287</td>
<td>2,054,176</td>
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<td></td>
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<tr>
<td><strong>Interest expense</strong></td>
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<td>13. Interest expense</td>
<td>1,954,279</td>
<td>1,874,023</td>
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<td><strong>Net interest income</strong></td>
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<td>14. Net interest income</td>
<td>2,010,081</td>
<td>1,948,521</td>
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<td><strong>Fees and commission income</strong></td>
<td></td>
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<tr>
<td>15. Fees and commission income</td>
<td>22,228</td>
<td>20,856</td>
<td>65</td>
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<tr>
<td><strong>Other operating income</strong></td>
<td></td>
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<tr>
<td>16. Other operating income</td>
<td>1,992,000</td>
<td>1,871,839</td>
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<td></td>
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<tr>
<td><strong>Operating income</strong></td>
<td></td>
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<tr>
<td>17. Operating income</td>
<td>2,016,496</td>
<td>2,034,839</td>
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<tr>
<td><strong>Employee costs</strong></td>
<td></td>
<td></td>
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<tr>
<td>18. Employee costs</td>
<td>(310,177)</td>
<td>(267,952)</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>19. Other operating expenses</td>
<td>(310,177)</td>
<td>(267,952)</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income before impairment and tax</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>20. Net income before impairment and tax</td>
<td>1,606,142</td>
<td>1,566,934</td>
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<tr>
<td><strong>Impairment of allowances</strong></td>
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<tr>
<td>21. Impairment of allowances</td>
<td>1,861,990</td>
<td>1,763,786</td>
<td>59</td>
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<tr>
<td><strong>Profit before taxation</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>22. Profit before taxation</td>
<td>1,861,990</td>
<td>1,763,786</td>
<td>59</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Taxes</td>
<td>(510,492)</td>
<td>(502,297)</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
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</tr>
</tbody>
</table>
| 24. Profit for the year | 1,351,498 | 1,261,489 | 7 
| **[Note: Additional notes about ROE and other financial metrics](image)**
### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**Balance at 31 December 2016**

<table>
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<tr>
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<th>P'000</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Stated capital</td>
<td>875,639</td>
<td>3,383,983</td>
<td>35,835</td>
<td>8,044</td>
<td>12,286</td>
<td>192,766</td>
<td>3,886,152</td>
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<tr>
<td>Retained earnings</td>
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<td></td>
</tr>
<tr>
<td>Shared based payments</td>
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<tr>
<td>Foreign exchange reserve</td>
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<tr>
<td>Non-controlling interests</td>
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</table>

**Total comprehensive income for the year**

- Profit for the year: 43,593
- Other comprehensive income, net of income tax: 5,951
- Foreign currency translation reserve: 5,951
- Transactions with owners, recorded directly in equity: 5,951
- Sale of non-controlling interest in Zenith/Holdings Namibia Limited: 5,951
- Allocation to legal reserve: 5,951
- Allocation to share-based payment reserve: 5,951
- New shares issued from long term incentive scheme: 5,951
- Share buy-back: 5,951
- Dividends paid by subsidiary to minority interests: 5,951
- Dividends paid to equity holders: 5,951

**Balance at 31 December 2017 - Audited**

<table>
<thead>
<tr>
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<th>P'000</th>
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<tbody>
<tr>
<td>Stated capital</td>
<td>899,645</td>
<td>3,709,308</td>
<td>38,940</td>
<td>26,417</td>
<td>39,007</td>
<td>312,509</td>
<td>4,270,492</td>
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<td>Retained earnings</td>
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</table>

**Adjusted balance 1 January 2018**

- Impact of adopting IFRS 7: 12,038
- Recognition of deferred tax on IFRS 9 adjustment: 10,096

**Total comprehensive income for the year**

- Profit for the year: 32,200
- Other comprehensive income, net of income tax: 4,110,634
- Foreign currency translation reserve: 4,110,634
- Transactions with owners, recorded directly in equity: 4,110,634
- Acquisition of non-controlling interest - Tanzania Bank: 4,110,634
- Allocation to legal reserve: 4,110,634
- Allocation to share-based payment reserve: 4,110,634
- New shares issued from long term incentive scheme: 4,110,634
- Dividends paid by subsidiary to minority interests: 4,110,634
- Dividends paid to equity holders: 4,110,634

**Balance at 31 December 2018 - Reviewed**

<table>
<thead>
<tr>
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<th>P'000</th>
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</thead>
<tbody>
<tr>
<td>Stated capital</td>
<td>932,621</td>
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<td>26,417</td>
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<td>313,262</td>
<td>4,474,662</td>
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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2016 (Basic)</th>
<th>31 Dec 2017 (Basic)</th>
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</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1,020,000</td>
<td>1,020,000</td>
</tr>
<tr>
<td>Add: Amortisation, depreciation and others</td>
<td>51,000</td>
<td>51,000</td>
</tr>
<tr>
<td>Impairment and write-off</td>
<td>275,000</td>
<td>275,000</td>
</tr>
<tr>
<td>Movement in working capital and other changes</td>
<td>(1,171,000)</td>
<td>(1,171,000)</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Taxation paid</td>
<td>401,045</td>
<td>350,050</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(70,025)</td>
<td>(69,025)</td>
</tr>
<tr>
<td>Investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment for acquisition of subsidiary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash acquired from acquisition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other investing activities</td>
<td>29,861</td>
<td>29,861</td>
</tr>
<tr>
<td>Net cash flows used in investing activities</td>
<td>(29,861)</td>
<td>(29,861)</td>
</tr>
<tr>
<td>Financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid to equity holders and non-controlling interest</td>
<td>(892,243)</td>
<td>(892,243)</td>
</tr>
<tr>
<td>Share buy-back</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition / sale of interest in a subsidiary</td>
<td>(15,547)</td>
<td>(15,547)</td>
</tr>
<tr>
<td>Net receipts on borrowings</td>
<td>1,293,384</td>
<td>1,293,384</td>
</tr>
<tr>
<td>Net cash generated from financing activities</td>
<td>501,617</td>
<td>501,617</td>
</tr>
<tr>
<td>Net movement in cash and cash equivalents</td>
<td>703,057</td>
<td>703,057</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>1,188,402</td>
<td>1,188,402</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>(1,027,000)</td>
<td>(1,027,000)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>490,397</td>
<td>490,397</td>
</tr>
</tbody>
</table>

### SEGMENTAL REPORTING

**For the year ended 31 December 2016**

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 Kenya, Rwanda and Uganda
- West Africa includes Nigeria and Ghana

**Reportable segments December 2016**

<table>
<thead>
<tr>
<th></th>
<th>Botswana</th>
<th>Namibia</th>
<th>Mozambique</th>
<th>Other Southern Africa</th>
<th>Tanzania</th>
<th>Other East Africa</th>
<th>West Africa</th>
<th>Holding company</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>455,836</td>
<td>577,005</td>
<td>256,515</td>
<td>154,853</td>
<td>203,600</td>
<td>265,055</td>
<td>297,805</td>
<td>59,518</td>
<td>2,582,354</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>457,854</td>
<td>447,740</td>
<td>156,225</td>
<td>89,583</td>
<td>95,558</td>
<td>14,404</td>
<td>57,459</td>
<td>(251,124)</td>
<td>1,020,508</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2016 (Basic)</th>
<th>31 Dec 2017 (Basic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation consolidated</td>
<td></td>
<td>(10,026)</td>
</tr>
<tr>
<td>Profit - consolidated</td>
<td>510,482</td>
<td></td>
</tr>
</tbody>
</table>

**Net Advances**

- 2,102,000
- 1,901,000

**Borrowings**

- 1,010,000
- 392,000

### Reportable segments December 2017

<table>
<thead>
<tr>
<th></th>
<th>Botswana</th>
<th>Namibia</th>
<th>Mozambique</th>
<th>Other Southern Africa</th>
<th>Tanzania</th>
<th>Other East Africa</th>
<th>West Africa</th>
<th>Holding company</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>698,620</td>
<td>520,320</td>
<td>186,026</td>
<td>151,041</td>
<td>214,468</td>
<td>257,055</td>
<td>154,048</td>
<td>(1)</td>
<td>2,064,711</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>481,435</td>
<td>435,984</td>
<td>74,963</td>
<td>99,064</td>
<td>49,362</td>
<td>12,259</td>
<td>38,494</td>
<td>(197,396)</td>
<td>1,000,613</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2016 (Basic)</th>
<th>31 Dec 2017 (Basic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation consolidated</td>
<td></td>
<td>(352,507)</td>
</tr>
<tr>
<td>Profit - consolidated</td>
<td>881,416</td>
<td></td>
</tr>
</tbody>
</table>

**Net Advances**

- 2,018,559
- 1,910,237

**Borrowings**

- 948,870
- 791,365
NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

At 31 Dec 2018 (reviewed)  P’000  At 31 Dec 2017 (audited)  P’000  Year ended 31 Dec 2018 (reviewed)  P’000  Year ended 31 Dec 2017 (audited)  P’000
1. Cash and cash equivalents
Cash at bank and in hand 910,957 400,903 2,160,235 2,270,962
Short term deposits 277,445 25,404 7,838 16,764
1,188,402 426,307 2,168,073 2,287,726
2. Advances to customers
Gross advances to customers 9,547,396 6,171,304 650,292 474,706
Less: impairment provisions - advances 2,256,737 2,053,341 2,265,000 2,322,696
Impairment provisions - portfolio 3,590,933 (368,896) 11,500 1,003,000
(2,086,801) 7,189,404
3. Other receivables
Deposits and prepayments 38,560 35,070 37,000 12,340
Receivables from insurance arrangements 147,331 141,729 8,245 3,090
Withholding tax and value added tax 881 881
Other receivables 65,370 58,620 8,245 3,090
265,991 259,619
4. Property and plant and equipment
Carrying amount at 1 January 2018
Motor vehicles 8,477 3,295 - (275) (1,921) 1,113 4,505
Computer equipment 19,288 11,408 9,041 (5,638) (10,166) 120 24,201
Office furniture and equipment 30,950 7,256 1,295 (1,989) (10,333) 175 27,584
Land and building 31,374 - - - 16,745 15,618
Work in progress 11,258 4,464 (1,426) (5,897) - 142 15,168
92,701 25,243 113 (12,381) 21,444 (156) 85,050
At 31 Dec 2018
Carrying amount at 31 Dec 2018  P’000  (12,381)  At 31 Dec 2017 (audited)  P’000  (156)  Year ended 31 Dec 2018 (reviewed)  P’000  Year ended 31 Dec 2017 (audited)  P’000
Computer software 47,619 3,646 (115) (1,823) (10,622) 50 36,643
Brand value 2,680 - - - (138) 95 2,363
Core deposit 3,861 - - - (193) 342 3,479
59,240 3,646 (115) (1,823) (1,947) 50 45,989
At 31 Dec 2018 (reviewed)  P’000  Year ended 31 Dec 2018 (reviewed)  P’000
6. Goodwill
Goodwill on the acquisition of:
LuthuRo Holdings Randlria Limited 22,774 24,526
LuthuRo Tanzania Limited 1,891 1,781
LuthuRo Kenya Limited 20,945 20,445
LuthuRo Bank T (`) Limited 15,132 14,252
LuthuRo Microfinance Bank Nigeria Limited 23,543 23,485
ARR Ghana PLC 9,125 8,986
106,223 109,260
At 31 Dec 2018  P’000
7. Customer deposits
Deposits from customers 487,718 215,427
8. Cash collateral
Cash collateral on loans and advances 27,026 27,026
Cash collateral represents payments made by customers as security for loans taken. The amounts are refundable upon the successful repayment of loans for customers or are utilized to cover loans in the event of default.
9. Trade and other payables
Invoices paid in terms payable 66,547 80,473
Payroll related accounts 91,437 73,967
Other provisions 65,586 32,015
Trade and other payables 265,080 98,465
Value added tax / withholding tax payable 14,370 11,953
482,225 291,753
10. Borrowings
Commercial banks 2,804,239 1,684,654
Notes and programs 1,146,200 1,210,064
DPA 587,655 236,703
Finance Funds 180,665 36,892
Total borrowings 5,239,119 3,354,157
11. Stated capital
Issued 2,144,085,175 ordinary shares of face value 50c each of which 19,004,190 shares at 21.450,000 are held as treasury shares 862,821 844,845

12. Interest income
Deposits with banks 27,838 15,745
1,168,902 490,267
3,718,257 2,222,626
13. Interest expense
Other interest liabilities 650,292 374,706
Gross interest paid to customers and bonds 11,500 1,003,000
Net interest expense 7,858 (1,983)
654,379 475,706
14. Other operating income
Early settlement fees 51,454 52,000
Income from insurance arrangements 1,233,644 1,253,796
Sundry income 12,955 14,000
267,513 231,198
15. Employee costs
Salaries and wages 17,246 17,279
Staff expense 47,972 38,772
55,218 39,051
16. Other operating expenses
Advertising 1,284 2,137
Bad debt 2,873 2,000
17. Impairment on advances
Amounts written off 298,295 274,659
Recoveries during the year 189,220 123,700
Impairment adjustment 298,415 123,790
387,925 400,449
Non-Executive Directors
N.K. Banda (Chairman) (USA), H.N. Nam (USA), H. Karagegi (Uganda), J.S. de Kock (RSA), P.L. Emery (Executive), S.D. Price (Executive), D. Gravendeel (Executive), G.L. van Heerden (Director), C.J. van Schalkwyk (Director).
Executive Directors
P.J. du Preez (Group CEO, Executive) (Executive), C.W. Patterson (Group Chief Financial Officer)
Alternate Directors
T. Mutasa (non-executive), (Alternate to P.J. du Preez (USA)
Company Secretary
Lawrence Nhloza
Certified Auditors
PricewaterhouseCoopers, P.O. Box 3017, Fairground Office Park, Gaborone, Botswana
Transfer Secretaries
PricewaterhouseCoopers (Pty) Limited, P.O. Box 3017, Fairground Office Park, Gaborone, Botswana
Registered Office
P.O. Box 3017, Fairground Office Park, Gaborone, Botswana
Web site http://www.luthuro.com

At 31 Dec 2018 (reviewed)  P’000  At 31 Dec 2017 (audited)  P’000  Year ended 31 Dec 2018 (reviewed)  P’000  Year ended 31 Dec 2017 (audited)  P’000
FOOTPRINT

1. GHANA
   - est. 2010
   - 216+ STAFF
   - 80,000+ CUSTOMERS
   - 27 BRANCHES

2. NIGERIA
   - est. 2008
   - Opened doors as FBN microfinance bank in March 2008. Acquired by Letshego Group in 2015 and rebranded to Letshego MFB.
   - 270+ STAFF
   - 78,000+ CUSTOMERS
   - 24 BRANCHES

3. NAMIBIA
   - est. 2000
   - 109+ STAFF
   - 70,000+ CUSTOMERS
   - 17 BRANCHES

4. BOTSWANA
   - est. 1998
   - 250+ STAFF
   - 70,000+ CUSTOMERS
   - 17 BRANCHES

5. LESOTHO
   - est. 2012
   - Opened doors in 2012.
   - 60+ STAFF
   - 7,000+ CUSTOMERS
   - 5 BRANCHES

6. ESWATINI
   - est. 2006
   - Opened doors in 2006 as Micro Provident Eswatini and rebranded in 2010.
   - 25+ STAFF
   - 6,000+ CUSTOMERS
   - 3 BRANCHES

7. MOZAMBIQUE
   - est. 2011
   - 170+ STAFF
   - 110,000+ CUSTOMERS
   - 25 BRANCHES

8. TANZANIA
   - est. 2006
   - 230+ STAFF
   - 84,000+ CUSTOMERS
   - 117 BRANCHES

9. RWANDA
   - est. 2004
   - 80+ STAFF
   - 14,000+ CUSTOMERS
   - 9 BRANCHES

10. KENYA
    - est. 2000
    - 190+ STAFF
    - 22,000+ CUSTOMERS
    - 29 BRANCHES

11. UGANDA
    - est. 2006
    - 230+ STAFF
    - 13,000+ CUSTOMERS
    - 45 BRANCHES
Postal: P O Box 381, Gaborone Botswana
Physical: Letshego Place, Khama Crescent, Gaborone Botswana