

## REISSUED LETSHEGO FULL YEAR FINANCIAL RESULTS 2017

Letshego Holdings Ltd (“Letshego Group”) has reissued its FY2017 Results

**GABORONE, Monday 12<sup>th</sup> March 2018** – The Letshego Group published an extract of the reviewed consolidated results for the year ended 31 December 2017 on Monday 5<sup>th</sup> March 2018. Note 18 of these results included a disclosure around an uncertain tax treatment.

The Letshego Holdings Limited 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 and conservative provision for any potential liability that may arise.

While there is further clarification required with regards to our tax treatments, based on existing and historical arrangements with the tax authorities, early feedback with tax experts indicate a more conservative approach is appropriate. An update will be given with the 2018 interim results or earlier.

Letshego is committed to adhering to the strictest levels of legal and regulatory compliance across all our 11 businesses in Africa. In this vein, the Group continuously reviews and assesses all regulatory and tax submissions, with the ongoing support of experts and advisory firms.

Letshego Group’s decision to reissue the Results has been taken without any request or notice being received by local regulators or tax authorities. This is in line with Letshego’s ongoing commitment to take proactive decisions in the interest of best practice governance and effective financial management.

To summarise, the impact on the financial statistics between published and the reissued financial results is as follows:

	Published on 5 March 2018		Reissued 12 March 2018 % change	
	2017	2016	2017	2016
Profit before Tax	P1,003bn	P948mn	P1,003bn 0%	P948mn 0%
Tax	(P258mn)	(P278mn)	(P322mn) 24.8%	(P338mn) 21.6%
Profit after Tax	P745mn	P670mn	P681mn 8.6%	P610mn 8.9%

In reissuing Annual Results, 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 5<sup>th</sup> March 2018; however, the increase in Profit After Tax from the restated 2016 results is a 12% increase.

## NO CHANGE TO DIVIDENDS

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, as previously stated.

With adjustments included, the Group achieved a **6% increase in operating profits** and a **13% increase in earnings per share**.

## REISSUED 2017 FINANCIAL RESULTS: Financial Highlights

Edits reflected in red text for easy reference.

- 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 in 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

## ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

**Renga SESINYI – Senior PR Consultant, Hotwire Botswana**

Tel: +267 392 3579 / Mobile: +267 714 78 847 / Email: [renga@hotwireprc.com](mailto:renga@hotwireprc.com)

## OR

**Lauren CALLIE - Head of Group Corporate Affairs, Letshego Holdings**

Tel: +267 398 4631 / Mobile: +27 82 894 5581 / Email: [laurenc@letshego.com](mailto:laurenc@letshego.com)

## **About Letshego Holdings Limited (“Letshego Group”)**

The Letshego Group is a proudly African multinational organisation, headquartered and listed in Botswana and focused on delivering inclusive finance solutions to underserved populations across 11 Sub Saharan Markets.

With a staff compliment of over 3,000 – including both direct and indirect sales agents - and more than four hundred thousand customers, Letshego is synonymous with leveraging innovation and technology to improve the lives of individuals who have limited access to traditional financial services.

In 2018, Letshego celebrates 20 years of supporting regional communities, with strong progress towards the Group's ambition to be Africa's leading inclusive finance organisation.

***For more info visit [www.letshego.com](http://www.letshego.com)***