The Board of Directors of Letshego Holdings Limited (“the Group”) is pleased to present an extract of the reviewed consolidated results for the six months ended 30th June 2016.

**HIGHLIGHTS**

- **Total Assets** increased by 13%
- **Gross advances** increased by 9%
- **Profit before tax** increased to P489M
- **Total revenue** increased by +P1 BN
- **Interim dividend per share** increased by 9t

**CONTINUOUS PROGRESS ON DELIVERY OF THE STRATEGIC AGENDA UNDERSPINNED BY INVESTMENTS IN THE BUSINESS**

The Group continues to deliver on its strategic agenda towards creating a leading African financial services group, with a focus on inclusive financial services. Through its ten country presence across Southern, East and West Africa, its subsidiaries provide consumer lending, micro finance and deposit-taking solutions.

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

- **Embrace financial inclusion:** The Group continues to progress its inclusive finance agenda. This includes engaging with various stakeholders and piloting agricultural, educational and environmental lending projects in low risk pockets of various supply chains in these sectors offLetshego’s balance sheet. These are progressing well and early indicators are that sustainable commercial returns are achievable over time.

- **GROWTH, PERFORMANCE AND RETURNS**
  - Total revenues exceeded P1 billion
  - Profit before tax of P489m
  - Interest income increased by 11%
  - Cost of borrowings remained stable at 10.5%
  - Staff and operational expenses increased by 51%
  - Cost of credit risk at 2.4% remained within target levels
  - Return on Assets of 11%
  - Return on Equity of 19%
  - Dividend of 9 thebe per share retaining a 50% dividend pay-out ratio
  - Gross loans and advances to customers increased by 9%

**ANALYSIS OF THE RESULTS FOR THE PERIOD**

This period’s results show satisfactory growth in an environment of depreciating exchange rates, higher inflation and interest rates and lower economic activity in most of the markets in whichLetshego operates.

**Embrace the future capability model and provide Access, Anytime Anywhere:** Enhancements to customer access points continue across the Letshego footprint and are important in ensuring exceptional customer experiences. For example we have 85 third party agents in Tanzania through a strategic partnership with a local agency - these are expected to increase. The use of mobile money is well established in Kenya and continues to perform very well, with additional opportunities to expand the use of our USSD driven access currently being explored. Letshego is also developing agency and mobile banking, payment services and internet banking solutions, with Mozambique, Namibia, Rwanda and Tanzania at the forefront.

**Board of Directors**

Enos Banda was appointed to the Board during August 2016 as a new independent Non-Executive Director (NED). This brings the number of Directors to eleven of which seven are independent NED’s.

**Auditors’ Review**

The financial information set out in this announcement has been reviewed but not audited by PwC, Letshego Group’s external auditors. Their unqualified review report is available for inspection at the Group’s registered office.

**Prospects**

Letshego continues to drive its inclusive financial services strategy and to strengthen its operations through investment in people, technology and 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 strategic acquisitions as important to the acceleration of Letshego’s strategy. As such, it will continue to seek and review relevant opportunities for the Group to pursue.

**Dividend Notice**

Notice is hereby given that the Board has declared an interim dividend of 9 thebe per share for the period ended 30 June 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 interim gross dividend for the period ended 30 June 2016.

**Important dates pertaining to this dividend are:**
- Declaration date, 31 August 2016
- Last date to register, 16 September 2016
- Dividend payment date on or about, 23 September 2016

For and on behalf of the Board of Directors:

J A Burbidge
Group Chairman
A C M Low
Group Managing Director

GABORONE, Wednesday 31 August, 2016
COMMENTARY (continued)

Shareholders’ Fund: Debt to Equity

Gross Advances and Impairment

Geographic Diversification PBT and Cost to Income ratio

ROA vs ROE vs PAT

Net Advances and Number of Customers

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th>6 months ended 30 June 2016</th>
<th>6 months ended 30 June 2015</th>
<th>12 months ended 31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>P’000</td>
<td>P’000</td>
</tr>
<tr>
<td>Interest income</td>
<td>13</td>
<td>952,284</td>
</tr>
<tr>
<td>Interest expense</td>
<td>14</td>
<td>(176,187)</td>
</tr>
<tr>
<td>Net interest income</td>
<td>117,097</td>
<td>728,310</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>22,642</td>
<td>11,098</td>
</tr>
<tr>
<td>Other operating income</td>
<td>15</td>
<td>105,854</td>
</tr>
<tr>
<td>Upgrading income</td>
<td>952,284</td>
<td>899,582</td>
</tr>
<tr>
<td>Employee costs</td>
<td>16</td>
<td>(153,735)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>17</td>
<td>(191,239)</td>
</tr>
<tr>
<td>Profit before impairment and taxation</td>
<td>571,839</td>
<td>569,219</td>
</tr>
<tr>
<td>Impairment of advances</td>
<td>18</td>
<td>(68,581)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>493,258</td>
<td>522,593</td>
</tr>
<tr>
<td>Taxation</td>
<td>(101,100)</td>
<td>(120,567)</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>392,158</td>
<td>392,226</td>
</tr>
</tbody>
</table>

Attributable to:

Equity holders of the parent company | 389,304 | 371,062 | 708,282 |
Non-controlling interests | 38,854 | 51,504 | 299,789 |

Profit for the period | 387,158 | 392,226 | -4 | 767,706 |

Other comprehensive income, net of tax

Items that may be subsequently reclassified to profit or loss:

Foreign currency translation differences arising from foreign operations | (287,851) | (274,634) | (283,157) |

Total comprehensive income for the period | 90,107 | 127,592 | 484,549 |

Attributable to:

Equity holders of the parent company | 74,596 | 124,810 | 456,821 |
Non-controlling interests | 15,512 | 2,782 | 7,728 |

Total comprehensive income for the period | 90,107 | 127,592 | 484,549 |

Weighted average number of shares in issue during the period (millions)

Dilution effect - number of shares (millions) | 40 | 35 | 31 |

Number of shares in issue at the end of the period (millions)

Basic diluted earnings per share (thebe) | 17.4 | 18.2 | 34.7 |

Fully diluted earnings per share (thebe) | 17.4 | 18.2 | 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 schemes.

(continued on the next page)
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<table>
<thead>
<tr>
<th></th>
<th>Stated capital</th>
<th>Retained earnings</th>
<th>Shared based payments reserve</th>
<th>Foreign currency translation reserve</th>
<th>Legal reserve</th>
<th>Non-controlling interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 31 December 2014</td>
<td>910,810</td>
<td>2,940,521</td>
<td>21,246</td>
<td>(2,189)</td>
<td>5,108</td>
<td>154,437</td>
<td>4,094,633</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>- 371,062</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income, net of income tax</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with owners, recorded directly in equity</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposal of Financial South Sudan (Pty) Ltd</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to share based payment reserve</td>
<td>- 8,482</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocated to legal reserve</td>
<td>- (4,404)</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New shares issued from long term incentive scheme</td>
<td>13,977</td>
<td>(13,977)</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends paid to equity holders</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31 December 2015</td>
<td>994,487</td>
<td>3,132,387</td>
<td>15,751</td>
<td>(254,293)</td>
<td>9,512</td>
<td>148,791</td>
<td>4,182,026</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>- 369,304</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income, net of income tax</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with owners, recorded directly in equity</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-controlling interest arising on Business combination - Advans Bank Tanzania</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition of Non-controlling interest - Letshego Tanzania Limited</td>
<td>- (5,125)</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation to share based payment reserve</td>
<td>-</td>
<td>3,954</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocated to legal reserve</td>
<td>-</td>
<td></td>
<td>(12,666)</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends paid to minority interests</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends paid to equity holders</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31 December 2015</td>
<td>989,487</td>
<td>3,256,158</td>
<td>19,705</td>
<td>(249,082)</td>
<td>22,178</td>
<td>184,303</td>
<td>4,159,293</td>
</tr>
</tbody>
</table>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th>Activity</th>
<th>6 months ended 30 June 2016 (Reviewd)</th>
<th>P‘000</th>
<th>6 months ended 30 June 2015</th>
<th>P‘000</th>
<th>12 months ended 31 Dec 2015 (Audited)</th>
<th>P‘000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td></td>
<td>489,058</td>
<td>522,593</td>
<td>1,036,494</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add: Amortisation and depreciation</td>
<td></td>
<td>14,099</td>
<td>9,208</td>
<td>21,808</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Impairment of advances</td>
<td></td>
<td>119,211</td>
<td>22,274</td>
<td>141,485</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movement in working capital and other changes</td>
<td></td>
<td>(387,733)</td>
<td>(435,819)</td>
<td>(1,056,929)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td></td>
<td>234,835</td>
<td>168,522</td>
<td>197,616</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation paid</td>
<td></td>
<td>(7,349)</td>
<td>(88,609)</td>
<td>(96,958)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash generated from / (utilised in) operating activities</td>
<td></td>
<td>56,549</td>
<td>845</td>
<td>(124,464)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment for acquisition / investment in subsidiaries</td>
<td></td>
<td>-</td>
<td>(265,008)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash acquired from acquisitions</td>
<td></td>
<td>-</td>
<td>178,315</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other investing activities</td>
<td></td>
<td>(8,312)</td>
<td>(10,551)</td>
<td>(31,292)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash flows used in investing activities</td>
<td></td>
<td>(39,312)</td>
<td>(117,885)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid to equity holders and subsidiary minorities</td>
<td></td>
<td>-</td>
<td>(174,806)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net receipts of borrowings</td>
<td></td>
<td>57,868</td>
<td>170,187</td>
<td>857,385</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash utilised / generated from financing activities</td>
<td></td>
<td>(116,438)</td>
<td>(4,005)</td>
<td>488,218</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net movement in cash and cash equivalents</td>
<td></td>
<td>(68,701)</td>
<td>(14,311)</td>
<td>237,693</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the period</td>
<td></td>
<td>526,250</td>
<td>320,544</td>
<td>320,544</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td></td>
<td>72,260</td>
<td>43,150</td>
<td>31,947</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the period</td>
<td></td>
<td>385,296</td>
<td>283,581</td>
<td>526,290</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 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

### Operating segments June 2016

<table>
<thead>
<tr>
<th>Segment</th>
<th>Botswana P‘000</th>
<th>Namibia P‘000</th>
<th>Mozambique P‘000</th>
<th>Other Southern Africa P‘000</th>
<th>Tanzania P‘000</th>
<th>Other East Africa P‘000</th>
<th>Total P‘000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>310,351</td>
<td>197,108</td>
<td>102,279</td>
<td>46,021</td>
<td>94,199</td>
<td>121,745</td>
<td>26,887</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>251,677</td>
<td>163,435</td>
<td>58,460</td>
<td>28,426</td>
<td>55,946</td>
<td>27,072</td>
<td>(7,349)</td>
</tr>
<tr>
<td>Taxation - consolidated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(81,609)</td>
<td>(489,058)</td>
</tr>
<tr>
<td>Profit - consolidated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(517,100)</td>
</tr>
</tbody>
</table>

### Operating segments June 2015

<table>
<thead>
<tr>
<th>Segment</th>
<th>Botswana P‘000</th>
<th>Namibia P‘000</th>
<th>Mozambique P‘000</th>
<th>Other Southern Africa P‘000</th>
<th>Tanzania P‘000</th>
<th>Other East Africa P‘000</th>
<th>Total P‘000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>298,146</td>
<td>184,576</td>
<td>120,605</td>
<td>40,148</td>
<td>77,724</td>
<td>110,976</td>
<td>(10,655)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>216,384</td>
<td>156,203</td>
<td>73,906</td>
<td>30,024</td>
<td>49,696</td>
<td>46,185</td>
<td>(49,785)</td>
</tr>
<tr>
<td>Taxation - consolidated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(72,260)</td>
<td>(522,593)</td>
</tr>
<tr>
<td>Profit - consolidated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(191,900)</td>
</tr>
</tbody>
</table>

## Reviewed Consolidated Results

Half Year Results June 2016

(continued on the next page)
### 1. Cash and cash equivalents
- **Cash at bank and hand:** 341,665
- **Short term deposits:** 43,631
- **Total cash and cash equivalents:** 385,296

### 2. Advances to customers
- **Gross advances to customers:***
  - 2016: 6,465,277
  - 2015: 5,952,114
  - Less: Impairment provisions - specific: (194,083) (119,015) (178,726)
  - Less: Impairment provisions - portfolio: (89,240) (29,821) (72,990)
  - Total: 6,204,974 6,900,278 6,113,768
- **Additions**
- **Disposals**
- **Charge**
- **Translation**

### 3. Other receivables
- **Deposits:**
  - 2016: 34,398
  - 2015: 26,252
- **Receivable from insurance arrangements:**
  - 2016: 112,345
  - 2015: 48,909
- **Withholding tax and value added tax:**
  - 2016: 86,635
  - 2015: 52,003

### 4. Plant and equipment
- **Land and building:**
  - **17,976**
- **Equipment:**
  - **38,852**

### 5. Intangible assets
- **Computer software:**
  - **49,654**
- **Office furniture and equipment:**
  - **16,403**

### 6. Goodwill
- **Goodwill arose on the acquisition of:**
  - **Letshego Financial Services Namibia (Proprietary) Limited:**
  - **Letshego Tanzania Limited:**
  - **Letshego Kenya Limited:**
  - **Letshego (T) Limited:**
  - **Lsegofu Microfinance Bank Nigeria Limited:**
- **Total:** 135,069 55,250 170,919

### 7. Customer deposits
- **Deposits from customers:**
  - **92,716**
- **Deposits from banks:**
  - **80,790**

### 8. Deposits from banks
- **Deposits from banks:**
  - **92,716**
- **11,071**

### 9. Cash collateral
- **Cash collateral on loans and advances:**
  - **42,949**

### 10. Trade and other payables
- **Insurance premium payable:**
  - **20,310**
- **Payroll related accruals:**
  - **37,547**
- **Other provisions:**
  - **14,490**
- **Trade and other payables:**
  - **69,189**

### 11. Borrowings
- **Commercial banks:**
  - **946,482**
- **Note programmes:**
  - **1,416,017**
- **DFIs:**
  - **264,377**
- **Pension Funds:**
  - **104,952**

### 13. Interest income
- **Deposits with banks:**
  - **6,110**

### 14. Employee costs
- **Salaries and wages:**
  - **116,432**
- **Staff incentive:**
  - **18,365**

### 15. Other operating income
- **Income from insurance arrangements:**
  - **82,676**

### 16. Interest income
- **Deposits from banks:**
  - **80,790**
- **Deposits from customers:**
  - **92,716**

### 17. Other operating expenses
- **Bank charges:**
  - **2,446**
- **Audit fees:**
  - **1,770**

### 18. Impairment on advances
- **Impairment provisions - portfolio:**
  - **(68,240)**
- **Impairment provisions - specific:**
  - **(194,063)**

### 19. Impairment expense
- **Goodwill:**
  - **68,581**
- **Other operating income:**
  - **15. Other operating income**

### 20. Goodwill
- **Staff incentive:**
  - **18,365**

### 21. Other operating expenses
- **Direct costs:**
  - **43,291**
- **Directors’ fees – non executive:**
  - **2,877**

### 22. Trade and other payables
- **Business and other advances:**
  - **20,310**
- **Payroll related accruals:**
  - **37,547**
- **Other provisions:**
  - **14,490**

### 23. Cash collateral
- **Cash collateral on loans and advances:**
  - **42,949**

### 24. Impairment on advances
- **Impairment provisions - portfolio:**
  - **(68,240)**
- **Impairment provisions - specific:**
  - **(194,063)**

### 25. Impairment expense
- **Goodwill:**
  - **68,581**
- **Other operating income:**
  - **15. Other operating income**

### 26. Goodwill
- **Staff incentive:**
  - **18,365**

### 27. Other operating expenses
- **Direct costs:**
  - **43,291**
- **Directors’ fees – non executive:**
  - **2,877**

### 28. Trade and other payables
- **Business and other advances:**
  - **20,310**
- **Payroll related accruals:**
  - **37,547**