### Botswana Insurance Holdings Limited

#### Group Results for the Year Ended 31 December 2009

#### Key Features

<table>
<thead>
<tr>
<th>Financial Overview</th>
<th>Analysis of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Premiums Earned</strong></td>
<td><strong>Operating surplus</strong></td>
</tr>
<tr>
<td>P2.3 billion</td>
<td>P250.6 million</td>
</tr>
<tr>
<td>15%</td>
<td>13%</td>
</tr>
</tbody>
</table>

#### commentary on group results for the year ended 31 december 2009

The year ended on a more positive note, with inflation and interest rates having feared and positive growth has returned to the world economy.

The Group's embedded value increased by a pleasing 13% to P2.2 billion, representing  resulting in the classification of the business as an associate.

FSG Limited as well as Letshego Holdings Limited. During the year, the Group pressures on profitability by many of the companies in which the Group has

Investment income consists of dividends, interest and rental income earned

Operating surplus increased by 13% to P250.6 million on the back of strong negative effects of the global economic downturn, the operating surplus

The value of the in-force is the present value of future after-tax profits arising from

The value before cost of capital is the present value of future profits arising from

The value attributable to minority interests and goodwill attributable to future

Funds on deposit

Balance at bank and investing in short-term deposits

### Profit and Loss Account

#### Profit for the Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 2009 (BPP)</th>
<th>Dec 2008 (BPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Premiums earned</td>
<td>P2.3 billion</td>
<td>P2.1 billion</td>
</tr>
<tr>
<td>Less: other income</td>
<td>P20 million</td>
<td>P11.7 million</td>
</tr>
<tr>
<td>Less: other expenses</td>
<td>P737 million</td>
<td>P850 million</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>P237.7 million</td>
<td>P214.6 million</td>
</tr>
<tr>
<td>Taxation</td>
<td>P35.8 million</td>
<td>P29.8 million</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>P201.9 million</td>
<td>P184.8 million</td>
</tr>
<tr>
<td>Less: dividends paid</td>
<td>P20.4 million</td>
<td>P30.5 million</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>P181.5 million</td>
<td>P154.3 million</td>
</tr>
</tbody>
</table>

#### Exchange Differences on translating

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 2009</th>
<th>Dec 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange differences on translating</td>
<td>P(276)</td>
<td>P(23)</td>
</tr>
</tbody>
</table>

#### Total Comprehensive Income for the Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 2009</th>
<th>Dec 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total comprehensive income for the year</td>
<td>P201.5 million</td>
<td>P154.3 million</td>
</tr>
</tbody>
</table>

#### Financial Overview

- **Net Premiums Earned**: P2.3 billion (15% increase)
- **Operating surplus**: P250.6 million (13% increase)
- **Dividends paid**: P20.4 million (10% decrease)
- **Total comprehensive income**: P201.5 million (24% increase)

#### Accounts Presentation

The accounting policies adopted for the period comply in all material respects with International Financial Reporting Standards, as amended. In the current year included the Botswana Insurance Industry Act (Cap 46:01) and the corresponding internationally accepted accounting standards which are consistent with those applied for the year ended 31 December 2008.

#### Embedded Value

The Group’s embedded value increased by a pledge of 10% to P2.2 billion, after allowing for the P148 million dividend paid during the year.

#### Financial Analysis

- **Operating surplus**: P250.6 million (13% increase)
- **Investment income and surpluses**: P250.6 million (13% increase)
- **Surplus attributable to ordinary shareholders**: P230.7 million (18% increase)
OVERVIEW OF OPERATIONS

Life insurance business
The business has achieved very good results in the face of increased financial pressure on individuals and corporate bodies alike. It has succeeded in increasing both new and renewal business. The net investment margin of the business increased by 8% to P1.3 billion. These good results are largely attributable to our client centric approach, in particular focusing on our corporate clients. We have enhanced our diversified product offering with new products and services designed for our corporate clients. We continue to expand our distribution capabilities through strong broker relationships, dedicated sales agents and our collaboration with our banking partners.

We experienced very strong growth in the bancassurance business that we have launched in partnership with several financial institutions. This partnership has enabled us to reach a large number of consumers through our banking partners to access insurance products easily thereby building our brand to insurers and investment solutions. We are pleased to announce that under the program we have launched very attractive and competitive insurance products to the clients of the financial institutions. In new business volumes. Going forward, this distribution channel will further distribution of retail products and this resulted in impressive growth of the bancassurance business that we have launched in partnership with several financial institutions. The important dates pertaining to the dividends are:

- Declaration date: 12 February 2010
- Last day to register for dividend: 9 April 2010
- Date of payment: 29 March 2010
- Distribution of dividend: 17 thebe per share (gross of tax) and a special dividend of 17 thebe per share (gross of tax).

Finally, the business – recorded an operating profit of P218.8 million a 45% increase from the prior year, despite the global financial crisis.

Assent Management business
Following the collapse of the global capital markets in 2008 and early 2009, there was strong recovery from the second quarter of 2009 onwards and the MSCI World index posted returns of 46%, in US Dollar terms, for the year. The BSE Domestic Companies Index (DCI) continued to decline during the first half of 2009, but improved more than its basics during the second half of the year. For the twelve months to December 2009, the DCI index increased by 2.93%, a marked weakness compared to previous years. Local Bonds recorded positive returns due to the unprecedented decline in interest rates.

In view of the positive turnaround in the capital markets, the DCI index under Assent Management increased by 56% to 75.5 billion as of 31 December 2009.

We will continue to build on our achievements and focus on our key strategies of growth and profitability, especially in the insurance markets, is expected to continue to affect the results for fiscal year 2010.

DIVIDEND DISCLOSURE
The Directors have resolved to award a final dividend for the period of 35 thebe per share (net of tax) and a special dividend of 17 thebe per share (net of tax) (gross of tax). The estimated surplus capital of the Group, as at 31 December 2009, after taking into account required statutory capital and substantial provisions for future growth opportunities that will be pursued, is expected to be distributed in the current year.

The Directors have resolved to award a final dividend for the period of 35 thebe per share (net of tax) and a special dividend of 17 thebe per share (gross of tax). The estimated surplus capital of the Group, as at 31 December 2009, after taking into account required statutory capital and substantial provisions for future growth opportunities that will be pursued, is expected to be distributed in the current year. The effective management of capital is a key and ongoing focus area of the Group. Adequate provision has been made for the required statutory capital and substantial provisions for future growth opportunities that will be pursued. The estimated surplus capital of the Group, as at 31 December 2009, after taking into account required statutory capital and substantial provisions for future growth opportunities that will be pursued, is expected to be distributed in the current year, and a dividend is expected to be paid to shareholders.

Investors are strongly encouraged to continue to monitor the situation closely and expected dividends.

The effective management of capital is a key and ongoing focus area of the Group. Adequate provision has been made for the required statutory capital and substantial provisions for future growth opportunities that will be pursued. The estimated surplus capital of the Group, as at 31 December 2009, after taking into account required statutory capital and substantial provisions for future growth opportunities that will be pursued, is expected to be distributed in the current year. The Directors have resolved to award a final dividend for the period of 35 thebe per share (net of tax) and a special dividend of 17 thebe per share (gross of tax) (net of tax). The estimated surplus capital of the Group, as at 31 December 2009, after taking into account required statutory capital and substantial provisions for future growth opportunities that will be pursued, is expected to be distributed in the current year.

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