

The Board of Directors is pleased to present an extract of the reviewed consolidated results of the Letshego Holdings Limited Group (“the Group”) for the six month period ended 30 June 2015.

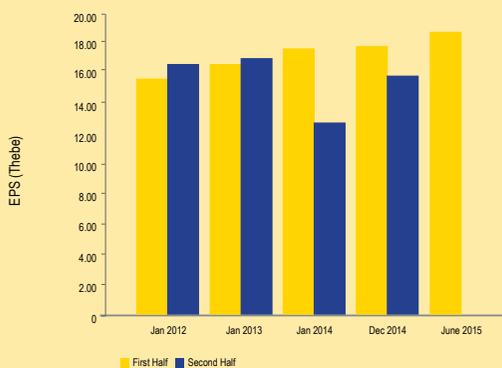
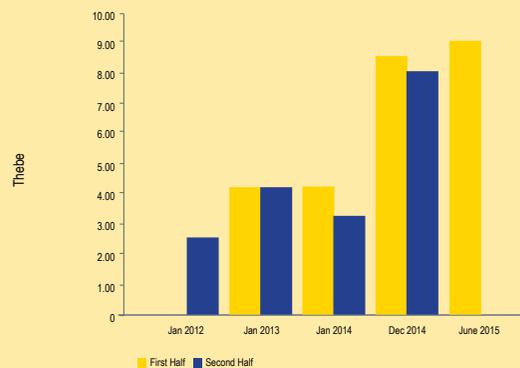
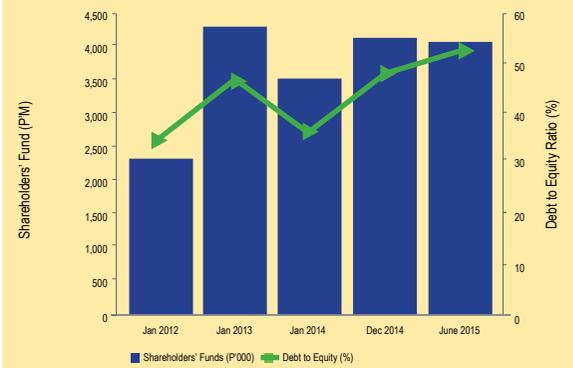
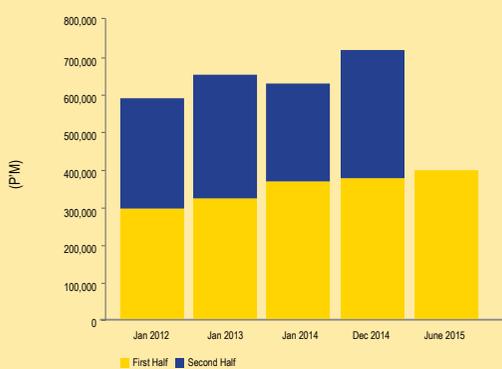
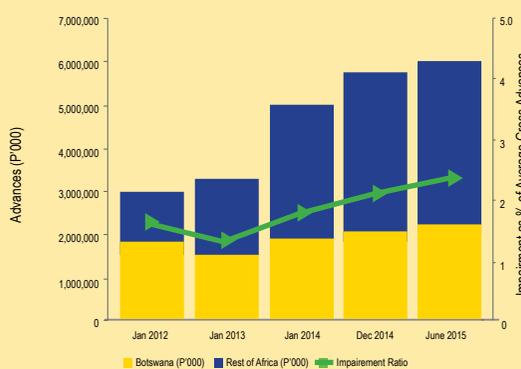
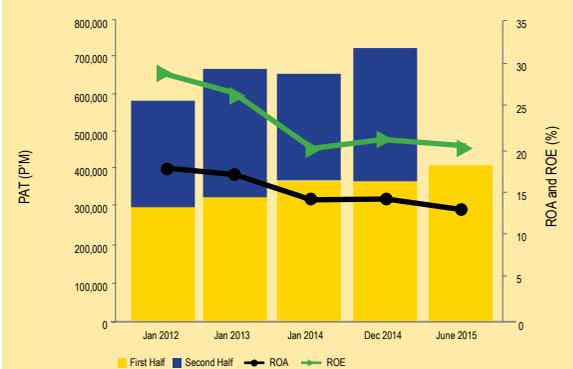
HIGHLIGHTS

Advances **↑ 16%**

Profit after Tax **↑ 8%**

Earnings per share **↑ 6%**

Dividend per Share **↑ 9.0t**

Basic Earning per Share (Thebe)

Dividends per Share (Thebe)

Shareholders' Fund: Debt to Equity

Profit after Tax (P'M)

Gross Advances and Impairment

ROA vs ROE vs PAT


December 2014 was an 11 month period following the change in year end

DELIVERING ON STRATEGIC INITIATIVES

Letshego's strategic intent is to build a leading African financial services group. Delivering the strategy is centred on four key areas of execution:

- ▶ **Diversification:** Letshego continues to diversify in terms of geographic, customer and product mix as well as through introducing new capabilities. This was progressed during the period by way of good growth in all of our markets, in particular Botswana and Kenya, and a number of new products being launched or enhancements being made to existing products. This diversification is expected to continue into the second half of the year with some acceleration being achieved from acquisitions in Tanzania and Nigeria.
- ▶ **Embracing financial inclusion:** we continue to seek deposit-taking licenses and this will facilitate our financial inclusion agenda. This includes providing financial services access via agents and mobile telephony – this has already commenced in Kenya, Mozambique and Rwanda.
- ▶ **Delivering simple, appropriate and affordable solutions:** continued investments in people and systems have created a platform to build upon with Mozambique planning to roll out a number of new customer solutions in the second half of the year in partnership with a local mobile operator. Similar initiatives are being progressed in other countries.
- ▶ **Providing Access Anywhere Anytime:** branch enhancements are in the main complete and use of mobile money is well established in Kenya. New developments include a dedicated Letshego short code number in Namibia, Mozambique and Rwanda plus registration of all Faidika customer access points in Tanzania as agents of the acquisition target there.

HEADLINE PERFORMANCE - HIGHLIGHTS:

- ▶ Growth in loans to customers of 16% to P5.8 billion
- ▶ Profit before tax increased by 3% to P522m
- ▶ Profit after tax increased by 8% to P402 million
- ▶ Cost to income ratio was stable at 28%
- ▶ Impairment charges were 2.5% on average net advances
- ▶ Interim dividend of P196 million - 9 thebe per share

Our underlying performance was good with interest income increasing by 10% and strong growth in non-interest income. Cost of borrowings remained consistent with prior periods; however, interest expense includes foreign exchange losses on open inter group positions of P50 million. Costs increased by 8% and due to using more conservative impairments estimates the charge for the first six months was P70 million. A lower than normal tax charge was recorded following the resolution of some historical tax assessments from certain tax authorities. Overall this resulted in an increase in profit before tax of 3% and an increase in profit after tax of 8%. If the impact of the foreign exchange losses were excluded, the underlying growth in profit before tax would have been 13%.

The Group remains well capitalised with a capital adequacy ratio of over 60% and cash resources of over P283 million. A number of new credit lines were put in place post the period end.

Post period end progress has been made in closing out the net foreign currency open position with the Mozambican Metical that accounted for the majority of the foreign exchange losses. The Group remains with an open position between the Botswana Pula and the South African Rand.

Investments in human capital continued during and post the period with a number of senior appointments made including Group Heads of Customer Experience, Risk and Assurance, Treasury and Credit Risk.

The quality of the advances book was within target levels with an impairment charge on the net portfolio at 2.5%.

GROWTH INDICATORS - HIGHLIGHTS:

- ▶ The payroll portfolio increased by 14% to P5.4 billion, and the microfinance portfolio increased 62% to P390 million
- ▶ The customer base grew by 32% to 263,000
- ▶ Total headcount has risen by 24% to 1,674 including 711 direct sales agents

While the underlying growth in loans and advances to customers was good it was impacted by the prevailing exchange rates as generally emerging market currencies weakened in 2015. For example the growth in our two largest markets outside of Botswana, being Namibia and Mozambique were approximately 30% in local currency terms, however, when translated into Pula, the growth rates were 19% and 7% respectively.

RETURNS - HIGHLIGHTS:

- ▶ Return on Assets was 13%
- ▶ Return on Equity was 20%
- ▶ Earnings per share increased by 6% to 18.5 thebe
- ▶ Dividend declared during the period equates to 50% of profit after tax

Return on assets and equity showed a slight decline on the prior period but remain within target levels.

EXIT - SOUTH SUDAN

As previously communicated to Shareholders, the Board decided to exit its investment in South Sudan and this was concluded during March 2015. The business in South Sudan was sold to a European based developmental financial institution as a going concern.

ACQUISITION - TANZANIA

As disclosed by way of cautionary announcement on 27 April 2015 and updated on 10 June 2015, and 24 July 2015 Letshego has agreed to become a 75% shareholder of a deposit taking financial institution that specialises in micro finance by way of subscription for new shares. Since the last notice to Shareholders Central Bank of Tanzania approval has been obtained leaving just one final regulatory approval needed.

Thereafter, once all other conditions precedent have been completed this will add a further deposit taking entity to the Letshego Group adding 5 customer access points and over 20,000 customers. This, when combined with Letshego's existing business in Tanzania will position

COMMENTARY (continued)

Letshego to be one of the leading financial services organisations in Tanzania over time.

Therefore, Shareholders are advised that exercising caution when dealing in the securities of the Company is no longer required for this transaction.

ACQUISITION – NIGERIA

As disclosed to Shareholders on 24 July 2015 Letshego has agreed to acquire a 100% shareholding in a deposit taking financial institution that specialises in micro finance in Nigeria. The transaction is subject to all relevant regulatory approvals that once completed will give Letshego an additional deposit taking license via a national micro finance license in Nigeria. It will also add 28 customer access points and 80,000 customers and will provide a strong platform to grow Letshego in Nigeria.

Therefore Shareholders are advised to continue to exercise caution when dealing in the securities of the Company until a further announcement is made.

BOARD OF DIRECTORS

A new independent non-executive Director will be appointed to the Board once all regulatory formalities have been completed. This will bring the total number of Directors to ten of which six are independent non-executive Directors.

CHANGE OF YEAR END AND COMPARATIVE FIGURES

In 2014 Letshego changed its year-end from 31 January to 31 December. Therefore the interim period is for the six month period ended 30 June 2015 and the comparatives are for the six month period ended July 2014.

AUDITORS' REVIEW

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

PROSPECTS

The Board and management continue to seek and review potential inorganic expansion options that offer opportunities to accelerate Letshego's strategy. The Board of Directors has a positive outlook and expects sustained performance, growth and returns.

DIVIDEND NOTICE

Notice is hereby given that the Board has declared an interim dividend of 9 thebe per share for the period ending 30 June 2015. In terms of the Botswana Income Tax Act (Cap50:01) 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 2015.

Important dates pertaining to this dividend are:

Declaration date	Tuesday, 8 September 2015
Last date to register	Friday, 2 October 2015
Dividend payment date	on or about Friday, 9 October 2015

For and on behalf of the Board of Directors.



J A Burbidge
Chairman



A C M Low
Managing Director

GABORONE, Tuesday, 8 September, 2015

RATIOS

	6 months ended 30 June 2015 (Reviewed) P'000	6 months ended 31 July 2014 (Reviewed) P'000	11 months ended 31 Dec 2014 (Audited) P'000
Return on average assets (%)	13%	14%	14%
Return on average equity (%)	20%	19%	21%
Cost to income ratio (%)	28%	28%	29%
Debt to equity ratio (%)	52%	39%	47%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 30 June 2015 (Reviewed) P'000	At 31 July 2014 (Reviewed) P'000	Change %	At 31 Dec 2014 (Audited) P'000
ASSETS					
Cash and cash equivalents	1	283,581	383,033		320,544
Advances to customers	2	5,804,278	5,006,209	16	5,686,796
Other receivables	3	145,106	87,476		151,103
Plant and equipment	4	50,595	29,759		51,762
Intangible assets	5	48,043	40,461		45,592
Goodwill	6	55,250	55,250		55,250
Income tax receivable		25,496	5,179		11,178
Deferred taxation		30,847	11,873		25,866
Total assets		6,443,196	5,619,240	15	6,348,091
LIABILITIES AND EQUITY					
Liabilities					
Customer deposits	7	11,071	2,234		3,995
Cash collateral	8	38,382	38,817		41,692
Trade and other payables	9	198,076	139,955		209,521
Income tax payable		31,424	46,086		60,406
Deferred taxation		972	-		-
Borrowings	10	2,108,031	1,501,124	40	1,937,844
Total liabilities		2,387,956	1,728,216		2,253,458
Shareholders' equity					
Stated capital	11	989,487	973,347		975,510
Foreign currency translation reserve		(249,082)	(24,771)		(2,189)
Legal reserve		9,512	5,108		5,108
Share based payment reserve		15,751	9,660		21,246
Retained earnings		3,132,387	2,801,570		2,940,521
Total equity attributable to equity holders of the parent company		3,898,055	3,764,914	4	3,940,196
Non-controlling interests		157,185	126,110		154,437
Total shareholders' equity		4,055,240	3,891,024		4,094,633
Total liabilities and equity		6,443,196	5,619,240	15	6,348,091

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	6 months ended 30 June 2015 (Reviewed) P'000	6 months ended 31 July 2014 (Reviewed) P'000	Change %	11 months ended 31 Dec 2014 (Audited) P'000
Interest income	12	790,281	719,816	10	1,345,194
Interest expense	13	(171,272)	(90,204)	90	(167,582)
Net interest income		619,009	629,612		1,177,612
Fee and commission income		80,399	74,542	8	128,436
Other operating income	14	122,112	57,679	112	188,098
Operating income		821,520	761,833	8	1,494,146
Employee costs	15	(101,625)	(100,617)	1	(207,034)
Other operating expenses	16	(126,976)	(111,376)	14	(225,500)
Net income before impairment and taxation		592,919	549,840	8	1,061,612
Impairment on advances	17	(70,326)	(41,432)	70	(91,480)
Profit before taxation		522,593	508,408	3	970,132
Taxation		(120,367)	(135,320)		(248,280)
Profit for the period		402,226	373,088	8	721,852
Attributable to :					
Equity holders of the parent company		371,062	350,963		674,915
Non-controlling interests		31,164	22,125		46,937
Profit for the period		402,226	373,088	8	721,852
Other comprehensive income, net of tax					
Foreign currency translation differences arising from foreign operations		(274,634)	80,207		106,304
Total comprehensive income for the period		127,592	453,295		828,156
Attributable to :					
Equity holders of the parent company		124,810	421,018		767,552
Non-controlling interests		2,782	32,277		60,604
Total comprehensive income for the period		127,592	453,295		828,156
Weighted average number of shares in issue during the period (millions)					
		2,179	2,131		2,174
Dilution effect - number of shares (millions)					
		35	32		32
Number of shares in issue at the end of the period (millions)					
		2,185	2,176		2,176
Basic earnings per share (thebe)					
		18.5	17.5	6	33.2
Fully diluted earnings per share (thebe)					
		18.2	17.2		32.8

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
Balance at 31 January 2014	959,554	2,522,666	17,470	(94,826)	2,696	96,707	3,504,267
Total comprehensive income for the period							
Profit for the period	-	350,963	-	-	-	22,125	373,088
<i>Other comprehensive income, net of income tax</i>							
Foreign currency translation reserve	-	-	-	70,055	-	10,152	80,207
<i>Transactions with owners, recorded directly in equity</i>							
Allocation to share based payment reserve	-	-	5,983	-	-	-	5,983
Allocation to legal reserve	-	(2,412)	-	-	2,412	-	-
New shares issued from long term incentive scheme	13,793	-	(13,793)	-	-	-	-
Dividend paid by subsidiary to minority interests	-	-	-	-	-	(2,874)	(2,874)
Dividends paid to equity holders	-	(69,647)	-	-	-	-	(69,647)
Balance at 31 July 2014	973,347	2,801,570	9,660	(24,771)	5,108	126,110	3,891,024
Total comprehensive income for the period							
Profit for the period	-	323,952	-	-	-	24,812	348,764
<i>Other comprehensive income, net of income tax</i>							
Foreign currency translation reserve	-	-	-	22,582	-	3,515	26,097
<i>Transactions with owners, recorded directly in equity</i>							
Allocation to share based payment reserve	-	-	13,749	-	-	-	13,749
New shares issued from long term incentive scheme	2,163	-	(2,163)	-	-	-	-
Dividends paid to equity holders	-	(185,001)	-	-	-	-	(185,001)
Balance at 31 December 2014	975,510	2,940,521	21,246	(2,189)	5,108	154,437	4,094,633
Total comprehensive income for the period							
Profit for the period	-	371,062	-	-	-	31,164	402,226
<i>Other comprehensive income, net of income tax</i>							
Foreign currency translation reserve	-	-	-	(246,252)	-	(28,382)	(274,634)
<i>Transactions with owners, recorded directly in equity</i>							
Disposal of Financial South Sudan (Pty) Ltd	-	-	-	(641)	-	(34)	(675)
Allocation to share based payment reserve	-	-	8,482	-	-	-	8,482
Allocation to legal reserve	-	(4,404)	-	-	4,404	-	-
New shares issued from long term incentive scheme	13,977	-	(13,977)	-	-	-	-
Dividends paid to equity holders	-	(174,792)	-	-	-	-	(174,792)
Balance at 30 June 2015	989,487	3,132,387	15,751	(249,082)	9,512	157,185	4,055,240

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	6 months ended 30 June 2015 (Reviewed) P'000	6 months ended 31 July 2014 (Reviewed) P'000	11 months ended 31 Dec 2014 (Audited) P'000
Operating activities				
Profit before taxation		522,593	508,408	970,132
Add : Amortisation and depreciation : Impairment of advances		9,268 72,474	12,007 13,549	13,392 47,215
Movement in working capital and other changes		(458,465)	(479,880)	(1,148,907)
Cash generated from / (utilised in) operations		145,870	54,084	(118,168)
Taxation paid		(167,677)	(138,186)	(256,817)
Net cash utilised in operating activities		(21,807)	(84,102)	(374,985)
Investing activities				
Net cash used in investing activities		(10,551)	(22,122)	(45,447)
Financing activities				
Dividends paid to equity holders and subsidiary minorities		(174,792)	(72,521)	(257,522)
Net receipts on borrowings / equity raising		170,187	251,253	687,973
Net cash (utilised in) /generated from financing activities		(4,605)	178,732	430,451
Net movement in cash and cash equivalents		(36,963)	72,508	10,019
Cash and cash equivalents at the beginning of the period		320,544	310,525	310,525
Cash and cash equivalents at the end of the period	1	283,581	383,033	320,544

SEGMENTAL REPORTING

Regional geographical segments	Southern Africa*		East Africa**		Elimination		Group	
	30 June 2015 P'000	31 July 2014 P'000						
Operating income	657,330	621,991	188,700	192,413	(24,510)	(52,571)	821,520	761,833
Segment profit before tax	426,712	411,951	95,881	96,457	-	-	522,593	508,408
Taxation							(120,367)	(135,320)
Profit for the period							402,226	373,088
Gross advances to customers	5,017,202	4,329,996	934,912	717,909	-	-	5,952,114	5,047,905
Impairment provisions	(112,848)	(18,201)	(34,988)	(23,495)	-	-	(147,836)	(41,696)
Net advances	4,904,355	4,311,795	899,924	694,414	-	-	5,804,278	5,006,209
Borrowings	3,358,022	2,671,319	442,159	316,195	(1,692,150)	(1,486,390)	2,108,031	1,501,124

* Southern Africa includes: Botswana, Lesotho, Mozambique, Namibia and Swaziland.

** East Africa includes : Kenya, Rwanda, Tanzania, Uganda and South Sudan (South Sudan was disposed in March 2015).

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

	At 30 June 2015 (Reviewed) P'000	At 31 July 2014 (Reviewed) P'000	At 31 Dec 2014 (Audited) P'000
1. Cash and cash equivalents			
Cash at bank and in hand	275,851	368,508	311,665
Short term deposits	7,730	14,525	8,879
	283,581	383,033	320,544
2. Advances to customers			
Gross advances to customers	5,952,114	5,047,905	5,762,158
Less : Impairment provisions - specific	(119,015)	(637)	(36,285)
: Impairment provisions - portfolio	(28,821)	(41,059)	(39,077)
	5,804,278	5,006,209	5,686,796
3. Other receivables			
Deposits	26,252	25,536	15,927
Credit life claims receivable from insurance arrangements	48,909	33,256	81,361
Withholding tax and value added tax	52,003	17,474	40,869
Other receivables	17,942	11,210	12,946
	145,106	87,476	151,103

	Carrying amount at 1 Jan 2015	Additions	Transfers	Disposals	Depreciation charge	Carrying amount at 30 June 2015
4. Plant and equipment						
Motor vehicles	1,234	745	-	-	(288)	1,691
Computer equipment	14,354	1,366	-	-	(3,638)	12,082
Office furniture and equipment	13,529	4,914	-	-	(2,578)	15,865
Work in progress	22,645	-	(1,688)	-	-	20,957
	51,762	7,025	(1,688)	-	(6,504)	50,595

	Carrying amount at 1 Jan 2015	Additions	Transfers from WIP	Disposals	Depreciation charge	Carrying amount at 30 June 2015
5. Intangible assets						
Computer software	45,592	3,527	1,688	-	(2,764)	48,043

	6 months ended 30 June 2015 (Reviewed) P'000	6 months ended 31 July 2014 (Reviewed) P'000	11 months ended 31 Dec 2014 (Audited) P'000
6. Goodwill			
Goodwill arose on the acquisition of: Letshego Financial Services Namibia (Proprietary) Limited	25,760	25,760	25,760
Letshego Tanzania Limited	2,064	2,064	2,064
Letshego Kenya Limited	27,426	27,426	27,426
	55,250	55,250	55,250

The Group assessed the recoverable amount of goodwill, and determined that it was not impaired in respect of all cash generating units noted above.

	6 months ended 30 June 2015 (Reviewed) P'000	6 months ended 31 July 2014 (Reviewed) P'000	11 months ended 31 Dec 2014 (Audited) P'000
7. Customer deposits			
Deposits from customers	11,071	2,234	3,995

8. Cash collateral			
Cash collateral on loans and advances	38,382	38,817	41,692

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. This relates only to Letshego Kenya, Rwanda and Uganda.

	At 30 June 2015 (Reviewed) P'000	At 31 July 2014 (Reviewed) P'000	At 31 Dec 2014 (Audited) P'000
9. Trade and other payables			
Audit fees	1,574	1,600	2,813
Insurance premium payable	35,266	18,314	23,631
Payroll related accruals	42,698	35,804	57,246
Other provisions	12,794	27,020	23,104
Trade and other payables	89,692	50,106	92,644
Value added tax / withholding tax payable	16,052	7,111	10,083
	198,076	139,955	209,521

10. Borrowings			
Commercial banks	853,708	400,951	836,034
Note Programmes	926,661	950,011	934,449
DFI's	140,173	94,001	110,597
Pension Funds	187,489	56,161	56,764
Total borrowings	2,108,031	1,501,124	1,937,844

11. Stated capital			
Issued: 2,184,901,665 ordinary shares of no par value (2014: 2,176,475,705)	989,487	973,347	975,510

	6 months ended 30 June 2015 (Reviewed) P'000	6 months ended 31 July 2014 (Reviewed) P'000	11 months ended 31 Dec 2014 (Audited) P'000
12. Interest income			
Advances to customers	788,341	716,854	1,338,982
Deposits with banks	1,940	2,962	6,212
	790,281	719,816	1,345,194

13. Interest expense			
Overdraft facilities and term loans	121,334	85,907	165,755
Foreign exchange loss	49,938	4,297	1,827
	171,272	90,204	167,582

14. Other operating income			
Income from insurance arrangements	83,332	42,729	134,461
Early settlement fees	15,486	8,851	34,566
Profit on disposal of Finance South Sudan	11,732	-	-
Sundry income	11,562	6,099	19,071
	122,112	57,679	188,098

15. Employee costs			
Salaries and wages	76,197	76,448	136,915
Staff incentive	11,011	12,910	37,304
Staff pension fund contribution	4,432	3,481	7,075
Directors' remuneration – for management services (executive)	1,503	1,795	6,008
Long term incentive plan	8,482	5,983	19,732
	101,625	100,617	207,034

16. Other operating expenses			
Accounting and secretarial fees	570	172	364
Advertising	6,687	7,318	14,516
Audit fees	1,600	1,600	3,133
Bank charges	2,482	1,870	3,735
Computer expenses	5,500	3,270	7,669
Consultancy fees	7,714	4,876	9,448
Depreciation and amortisation	9,268	12,007	13,392
Directors' fees – non executive	2,424	1,896	2,867
Direct costs and provisions	34,111	33,255	65,822
Insurance	2,548	3,539	4,640
Office expenses	4,513	3,501	7,224
Operating lease rentals - property	11,702	11,213	21,247
Other operating expenses	21,387	13,250	40,364
Payroll administration costs	146	431	865
Telephone and postage	5,207	4,356	10,644
Travel	11,117	8,822	19,570
	126,976	111,376	225,500

17. Impairment on advances			
Impairment expense	72,474	13,549	47,215
Bad debts (recoveries) / written off	(2,148)	27,883	44,265
	70,326	41,432	91,480

NON EXECUTIVE DIRECTORS: J A Burbidge (Chairman) (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), R N Alam (alternate to I M Mohammed) (USA)

EXECUTIVE DIRECTOR: A C M Low (Managing Director) (UK)

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