



 **Letshego**

Improving Life

through inclusive finance



Improving Life

through inclusive finance

Contents

Preface	5
Letshego Group Structure	6
Our Business – Our Letshego	8
Our inclusive finance solutions	9
Our history and milestones	10
Our social impact	12
Stories of Improving Life and Letshego country snapshots	20

Preface

Letshego Holdings Limited (“Letshego”) was incorporated in 1998, is headquartered in Gaborone and has been publicly listed on the Botswana Stock Exchange since 2002.

Today it is one of Botswana’s largest indigenous groups, with a market capitalisation of approximately USD500mn, placing it in the top 50 listed sub-Saharan African companies (ex-South Africa), with an agenda focused on inclusive finance. Through its eleven country presence across Southern, East and West Africa (Botswana, Ghana, Kenya, Lesotho, Mozambique, Namibia, Nigeria, Rwanda, Swaziland, Tanzania and Uganda), its subsidiaries provide simple, appropriate and accessible consumer and micro-finance banking solutions to the financially under-served in a sustainable manner.

At Letshego, we are intent on operating a profitable business on a sustainable basis and we are committed to contributing to Africa’s growth and prosperity, as well as to improving the lives of our customers. Letshego’s vision is to become Africa’s leading inclusive finance group.

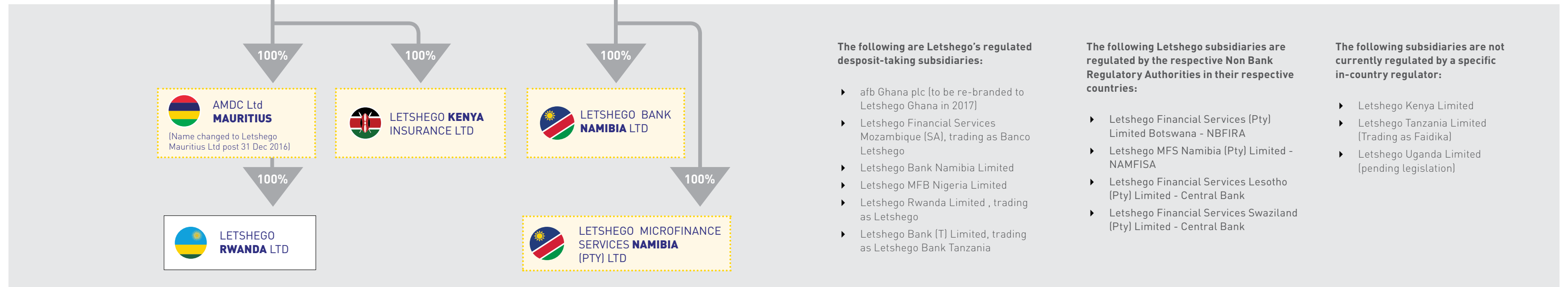
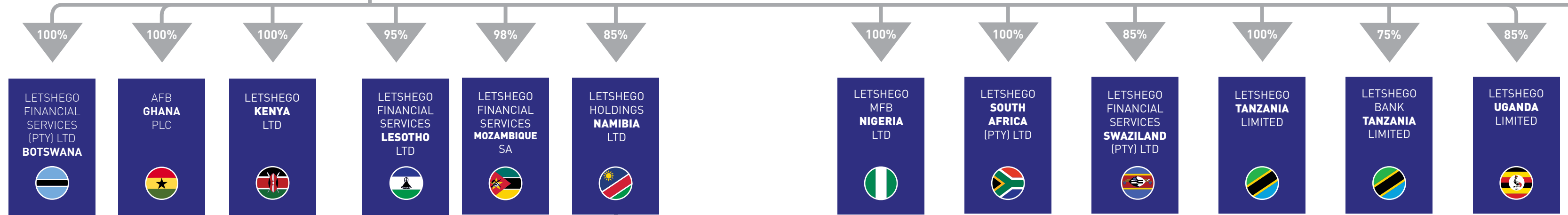
In 2016, we have launched our customer engagement initiative, the Improving Life Campaign. For the duration of this campaign, we asked our customers to share their stories by telling us how they have used their loans productively. Prizes were awarded to the customers that had used their loans wisely, that is, generated income for their family while being able to service the loan and most of all, impacted society and left the community a better place than they had found it.

This book is inspired by these customers and their stories of Improving Life.

GROUP STRUCTURE



LETSHEGO HOLDINGS LIMITED



The following are Letshego's regulated deposit-taking subsidiaries:

- ▶ afb Ghana plc (to be re-branded to Letshego Ghana in 2017)
- ▶ Letshego Financial Services Mozambique (SA), trading as Banco Letshego
- ▶ Letshego Bank Namibia Limited
- ▶ Letshego MFB Nigeria Limited
- ▶ Letshego Rwanda Limited, trading as Letshego
- ▶ Letshego Bank (T) Limited, trading as Letshego Bank Tanzania

The following Letshego subsidiaries are regulated by the respective Non Bank Regulatory Authorities in their respective countries:

- ▶ Letshego Financial Services (Pty) Limited Botswana - NBFIRA
- ▶ Letshego MFS Namibia (Pty) Limited - NAMFISA
- ▶ Letshego Financial Services Lesotho (Pty) Limited - Central Bank
- ▶ Letshego Financial Services Swaziland (Pty) Limited - Central Bank

The following subsidiaries are not currently regulated by a specific in-country regulator:

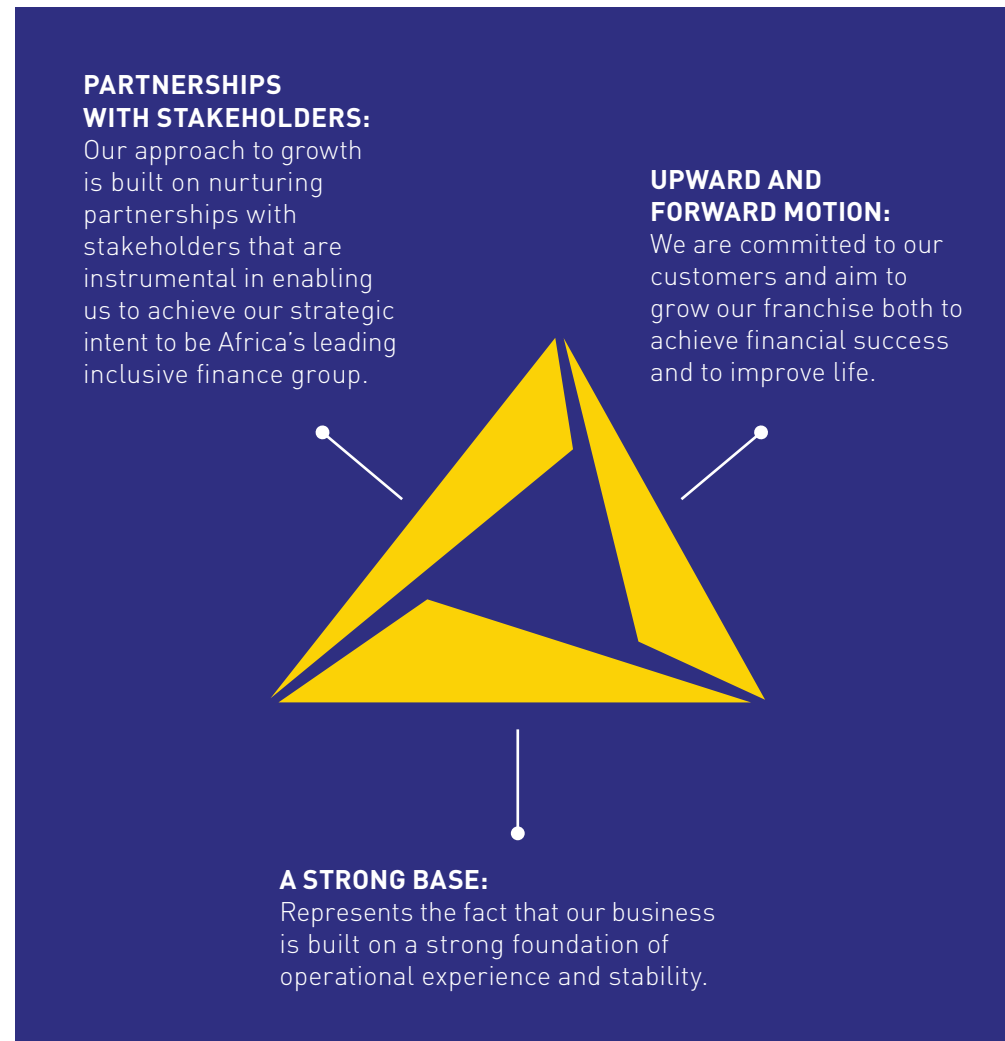
- ▶ Letshego Kenya Limited
- ▶ Letshego Tanzania Limited (Trading as Faidika)
- ▶ Letshego Uganda Limited (pending legislation)

Our Business - Our Letshego

Letshego is a Setswana term meaning 'support'.

At Letshego, we provide financial support to our customers through the provision of simple, appropriate and accessible solutions.

Letshego's solutions are broad-based, innovative, competitively priced and customer-needs driven. We serve an increasing variety of financial needs to three key customer segments: **Micro and Small Entrepreneurs (MSEs), public and private sector low and middle income earners and individuals in the informal market.**



Letshego has four solution offering sets. These solutions are people-centric in their design.



LetsPay

“HELPING YOU PAY OR BE PAID”

We are progressively introducing innovative, technology-driven payment and remittance platforms that enable financial inclusion. Through initiatives such as agency banking in Mozambique and Tanzania, and USSD-based bill payment services in Rwanda, customers are able to make payments to suppliers, family, friends and utility providers. This covers their daily transaction needs and eliminates the inconvenience of travelling long distances to access physical payment points.

In time, these services will be extended to all Letshego's markets where regulatory licencing permits. We are pleased to share that we have started on this journey.

“FINANCING YOUR NEEDS”

At Letshego, we provide our customers with simple, appropriate and accessible financial solutions including loans between BWP50 (USD5) and BWP600,000 (USD60,000), mainly through the deduction at source model, as well as through individual lending to Micro-and-Small Entrepreneurs (MSEs) and micro-loans to informal borrowers. Letshego customers are encouraged to use loans productively to improve their lives sustainably through investment into affordable housing (for own use and income generation), agri-business, education and micro-and-small businesses (including small asset financing such as water tanks, biogas plants and solar units). Today, Letshego improves the lives of over 360,000 borrowers across Africa, who apply their loan funding to a variety of these needs.



LetsBorrow



LetsSave

“SAVING FOR THE FUTURE”

We encourage our customers to invest money into saving for family needs and aspirations, as well as longer term commitments that will see them improve their lives through income generation or purchasing once off items that are needed for their families. Currently, call and term savings solutions are available in Mozambique, Nigeria, Rwanda and Tanzania, with savings solutions being piloted in Ghana and Namibia.

Over time, Letshego looks to offer increasingly flexible and innovatively channeled mobile micro-savings solutions that reward customers for responsible saving practices.

“IMPROVING YOUR LIFE”

The “LetsLive” solutions allow our customers to live a life of dignity and prosperity through added micro-insurance and other benefits such as funeral and life cover. Also, LetsLive is about allowing Letshego customers to provide for their families through investing in their well-being. This includes health and wellness subscriptions, amongst others. Customers' lives will increasingly improve from these associated benefits by virtue of engaging with Letshego. In future, these will extend to financial wellness, wealth and loyalty add-ons.



LetsLive

Our History

Through our 11 country presence in Southern, East and West Africa, Letshego provides consumer and micro-finance banking solutions.

One of Botswana's largest indigenous companies



Present in **11 AFRICAN COUNTRIES**

BOTSWANA | GHANA | KENYA | LESOTHO | MOZAMBIQUE | NAMIBIA | NIGERIA | RWANDA | SWAZILAND | TANZANIA | UGANDA

Rated **Ba3 (stable)** by Moody's

USD500 MILLION
MARKET CAPITALISATION

3,000

Team Over Eleven Countries

315+

Customer access points

360K

Borrowers

100K

Savers Mozambique, Nigeria, Rwanda, Tanzania

LETSHEGO'S JOURNEY 1998 - 2015

- 1998**
Letshego is founded in Botswana
- 2002**
Listing on the Botswana Stock Exchange
- 2005**
Uganda operations are launched
- 2006**
Swaziland and Tanzania operations are launched
- 2007**
Zambia operations are launched and Botswana IFSC accreditation is attained
- 2008**
Acquisition of Eduloo Namibia (now Letshego Namibia) is completed
Botswana holding company name is changed to Letshego Holdings Limited.
Letshego team size crosses 1,000
- 2011**
Mozambique operations, with deposit-taking capability/licencing, are launched
- 2012**
Funds are raised through JSE and BSE listed Medium Term Note programmes
Micro Africa Ltd (now Letshego Kenya and Letshego Rwanda) is acquired (62.5%)
Lesotho operations are launched
- 2015**
FBN Microfinance Bank in Nigeria (now Letshego MFB) and a controlling stake in Advans Bank Tanzania (now Letshego Bank Tanzania) are acquired
Group Profit Before Tax crosses BWP 1 billion
Letshego is now present in Southern, East and West Africa

2016 MILESTONES

- JANUARY**
 - ▶ Affordable housing loan solutions piloted in Botswana (modelled on Kenya housing microfinance offering)
 - ▶ Social and environmental due diligence in 5 countries, across 6 Letshego operations, is concluded
- FEBRUARY**
 - ▶ Letshego is admitted as first African private sector partner to the Alliance for Financial Inclusion
- APRIL**
 - ▶ MasterCard principal issuer status is awarded to Banco Letshego Mozambique
 - ▶ Letshego's signature social investment Healthcare Innovation Programme launches projects in Kenya and Rwanda
- MAY**
 - ▶ Transformational leadership development centres are launched for 50 rising leaders from Letshego's Africa footprint
- JUNE**
 - ▶ Letshego's flagship Improving Life customer campaign is launched first in Swaziland, with other countries following suit thereafter
- JULY**
 - ▶ Commercial banking licence in Namibia is obtained
- AUGUST**
 - ▶ Social impact survey covering 7,000 Letshego customers in 5 countries, is launched
 - ▶ Enos Banda is appointed to Letshego Holdings Limited Board
- SEPTEMBER**
 - ▶ E-learning is launched across Letshego's 2,780 team members in critical financial services subjects
 - ▶ LetsGo "Blue Box" concept is recognised by MasterCard Foundation as an innovative financial solution
 - ▶ Letshego Holdings Limited celebrates its 18th anniversary
- OCTOBER**
 - ▶ TCS B@NCS is implemented across micro-finance operations in Kenya, Rwanda and Uganda, bringing 9 countries onto this integrated enterprise system
- NOVEMBER**
 - ▶ Letshego Group Sustainability Committee is launched with inaugural meeting
 - ▶ Letshego brand is refreshed and implemented across all 10 countries
 - ▶ Enos Banda succeeds John Burbidge as Chairman
- DECEMBER**
 - ▶ Johannesburg Stock Exchange listed medium term notes are successfully refinanced
- JANUARY 2017**
 - ▶ Acquisition of Afb Ghana is completed

Social Impact

At Letshego, we are intent on operating a profitable business on a sustainable basis and we are committed to contributing to Africa’s growth and prosperity, as well as to improving the lives of our customers. Letshego’s vision is to become Africa’s leading inclusive finance group.

We have recognised that sustainability lies in our ability to manage our risks from a holistic point of view. This includes the identification of relevant Environmental, Social, and Governance (ESG) related risks.

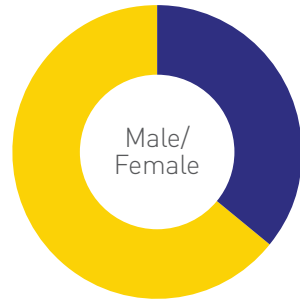
During 2016, following the conclusion of a Social and Environmental Due Diligence (SEDD), we embarked on a social impact survey with over 7,000 Letshego customers across 5 countries of operation, namely Botswana, Namibia, Mozambique, Kenya, and Tanzania (Faidika and Letshego Bank Tanzania).

This was a key element in our transformational strategy, in that a deep understanding of how our customers’ social conditions are affected by Letshego’s business model and services will ensure we are equipped with a unique market perception; this would not only afford us a competitive advantage, but also ensure sustainability through earning a social licence to operate.

METHODOLOGY









A customer questionnaire was developed and presented in the form of an online application (app). The app was loaded onto tablets and interviews were undertaken with customers by trained Letshego staff (with the exception of Namibia, where an external service provider was used) over a three-month period.

The customer base sampled is summarised as follows:



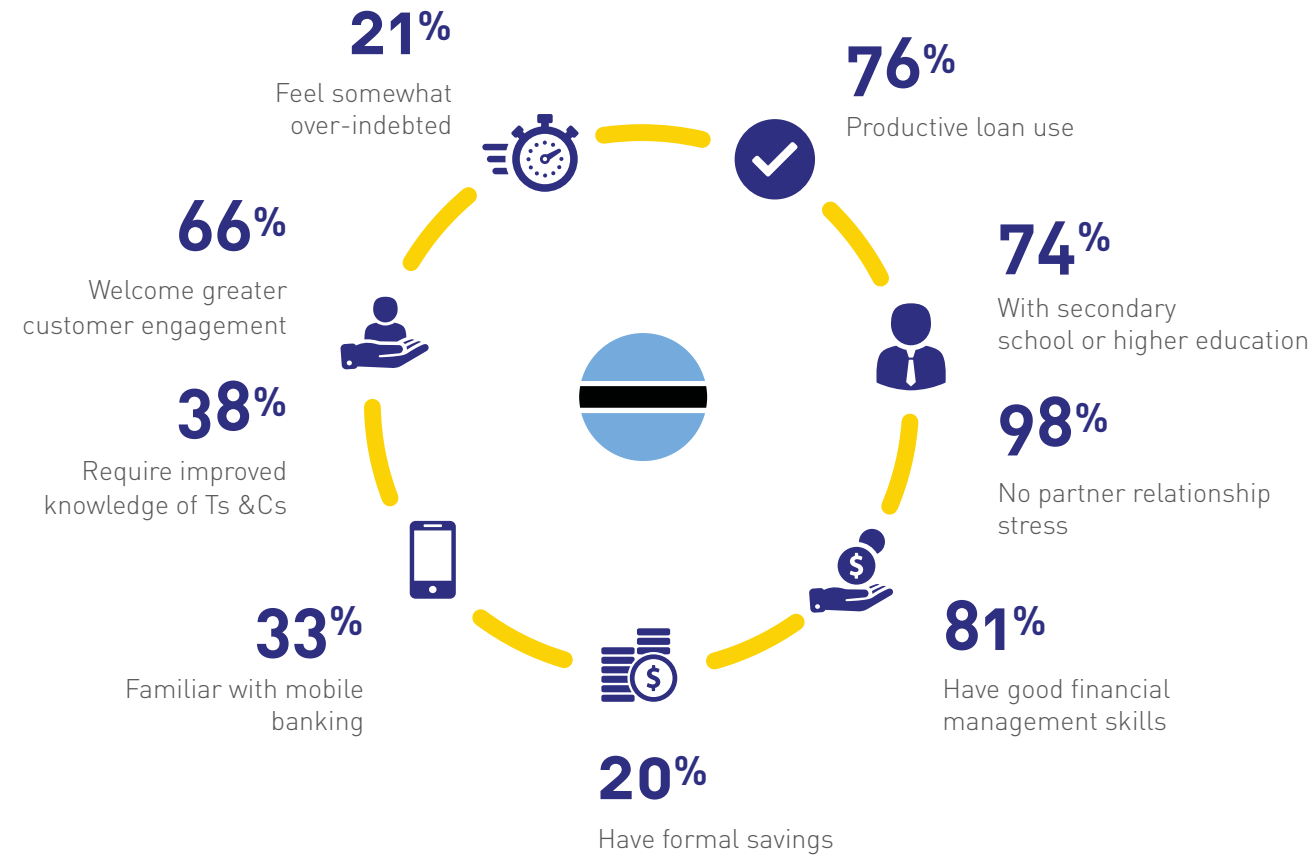
♂ 36% ♀ 64%

SAMPLED CUSTOMER BASE

 Letshego		TOTAL
 Botswana	34%	1692
 Kenya	45%	1182
 Mozambique	29%	1397
 Namibia	40%	976
 Tanzania (Faidika)	37%	968
 Tanzania (L. Bank)	40%	881
Total	36%	7096

“We will continue to focus on the **stimulation of productive use of loans** in our engagement with customers, as financial inclusion studies have shown that increased productive use correlates to progressively increased net income.”

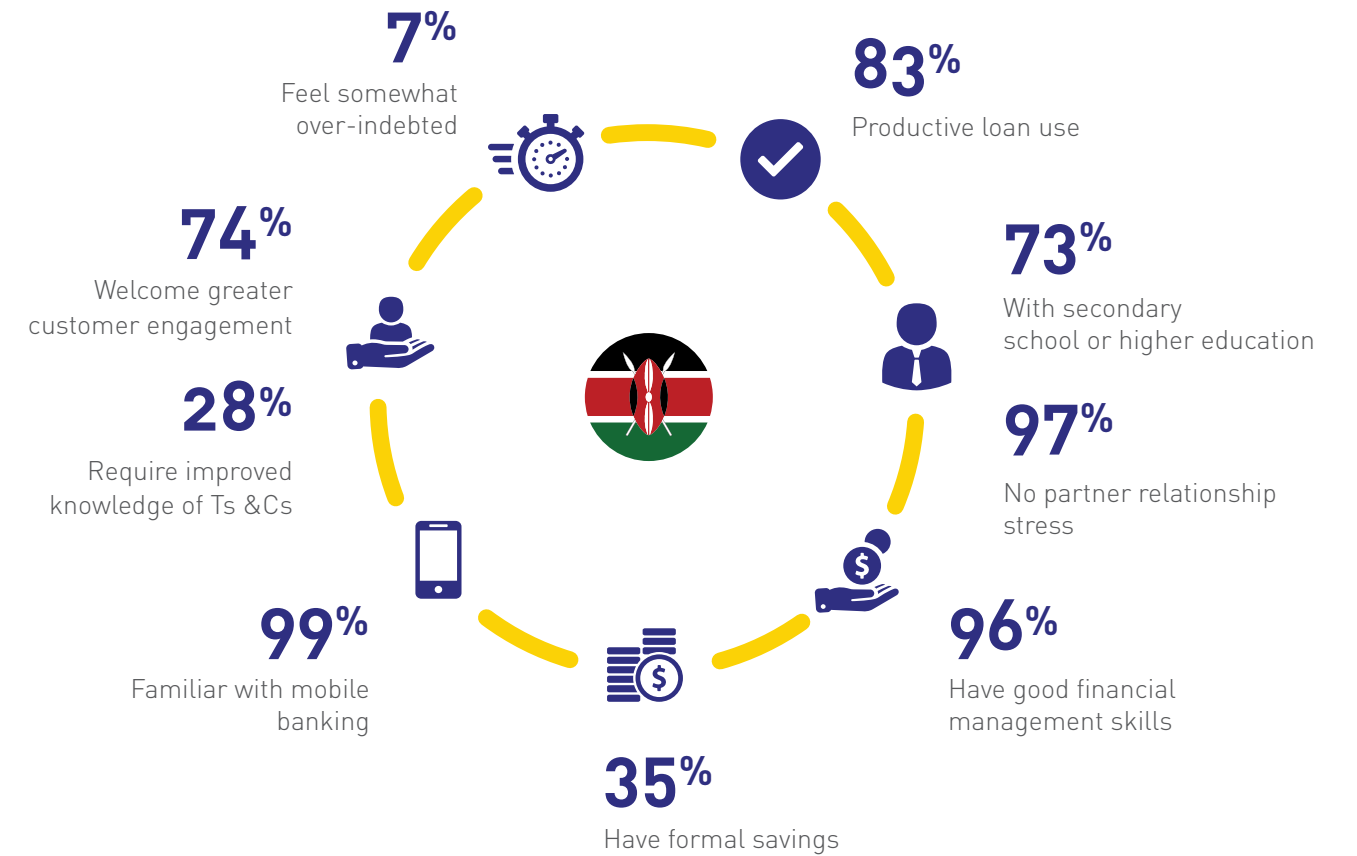
TYPICAL LETSHEGO BOTSWANA CUSTOMER



PRODUCTIVE LOAN USE 76% OVERALL



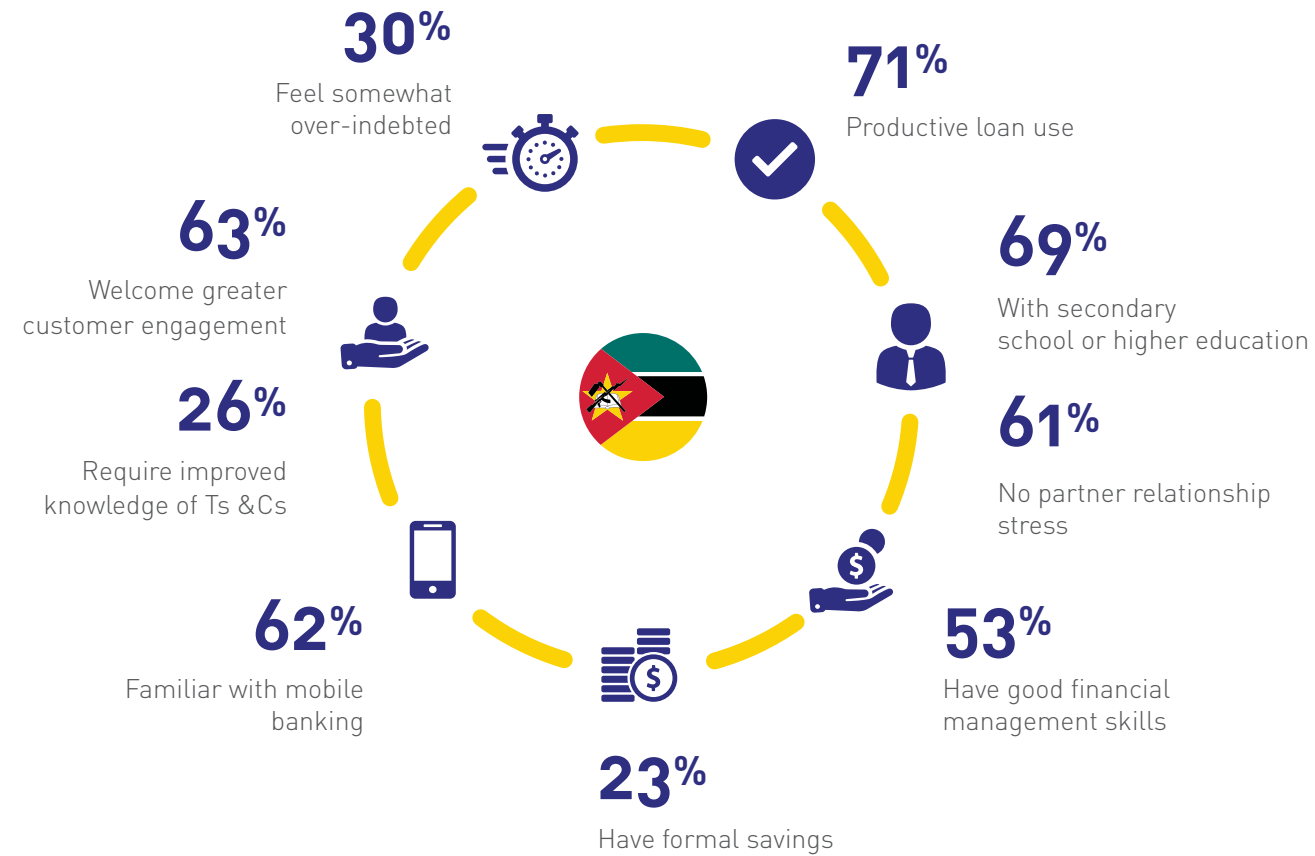
TYPICAL LETSHEGO KENYA CUSTOMER



PRODUCTIVE LOAN USE 83% OVERALL



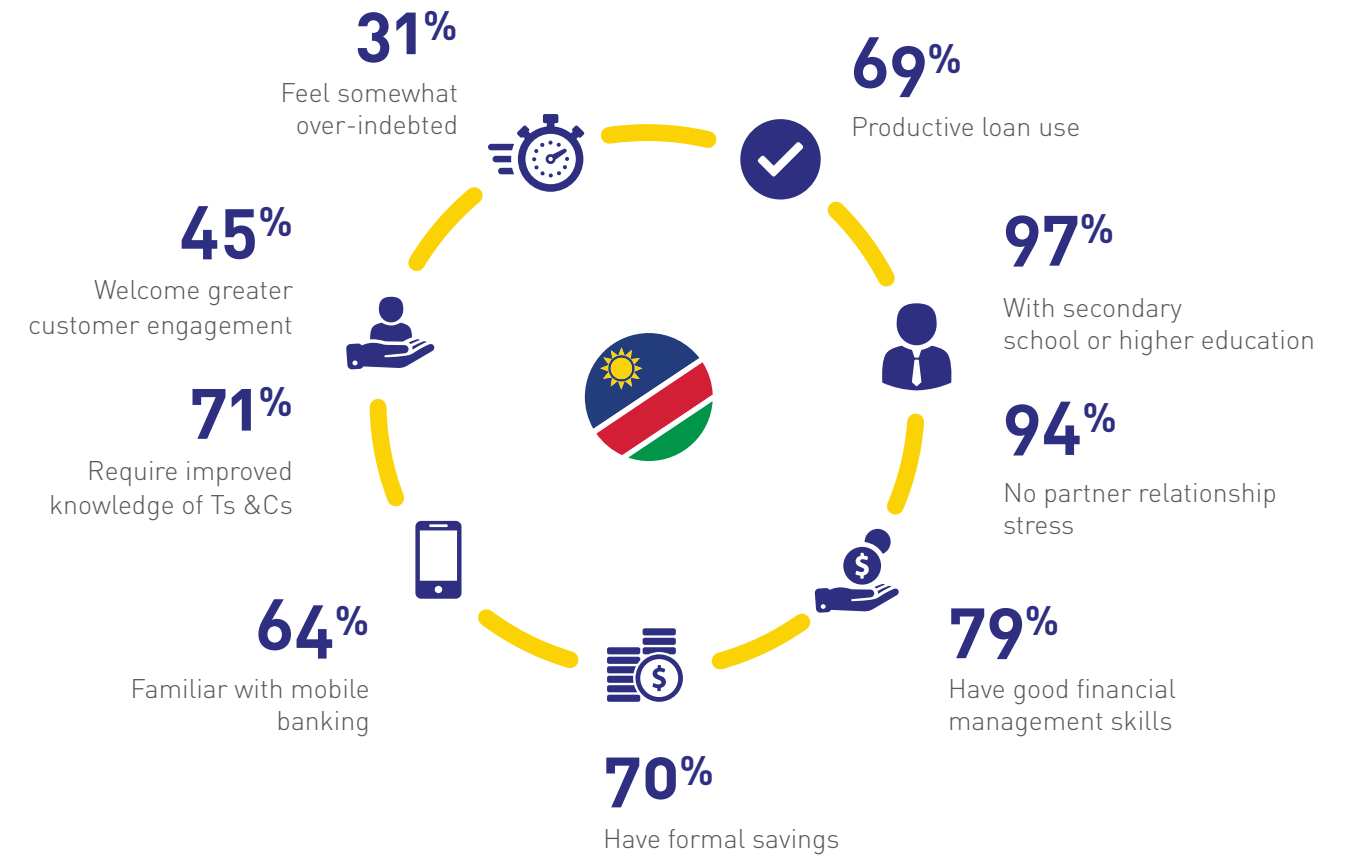
TYPICAL LETSHEGO MOZAMBIQUE CUSTOMER



PRODUCTIVE LOAN USE 71% OVERALL



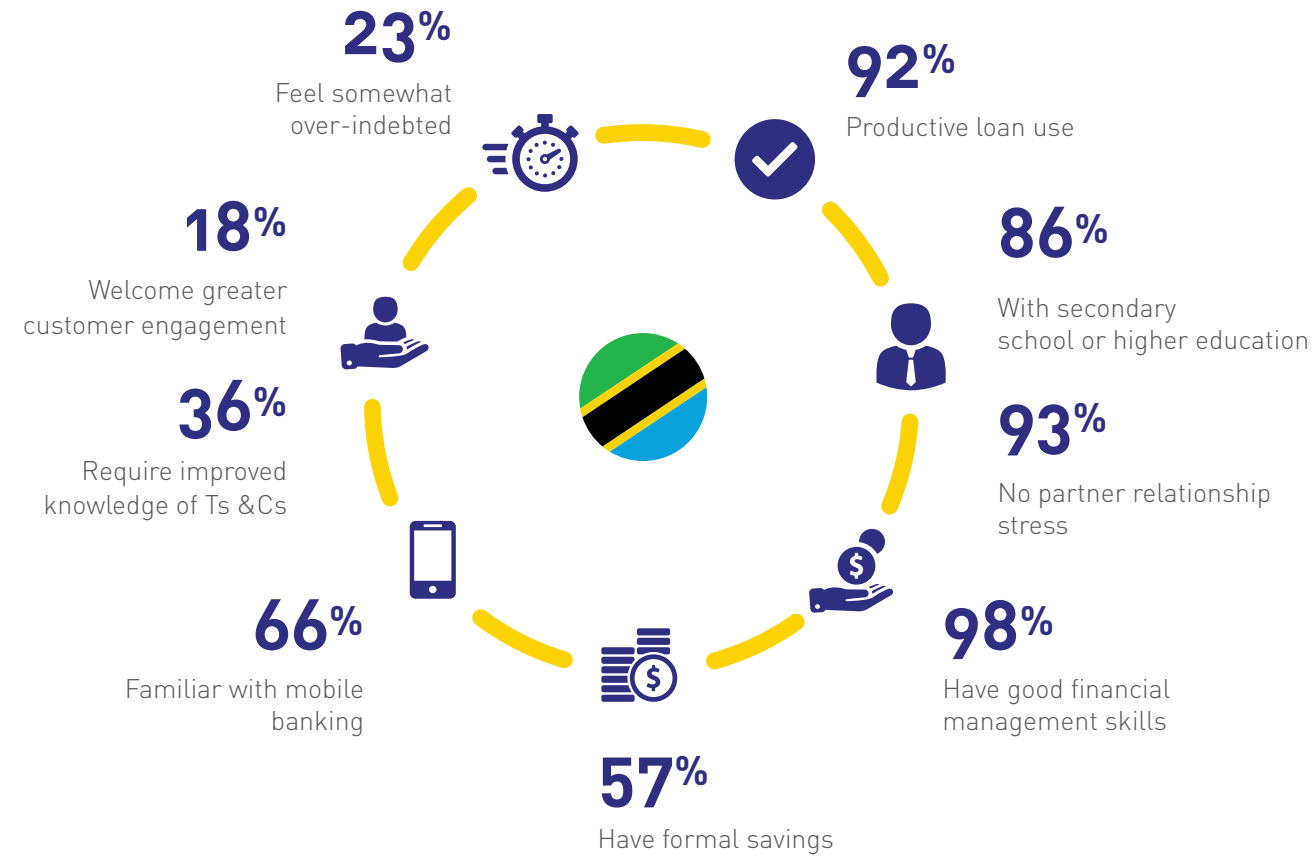
TYPICAL LETSHEGO NAMIBIA CUSTOMER



PRODUCTIVE LOAN USE 69% OVERALL



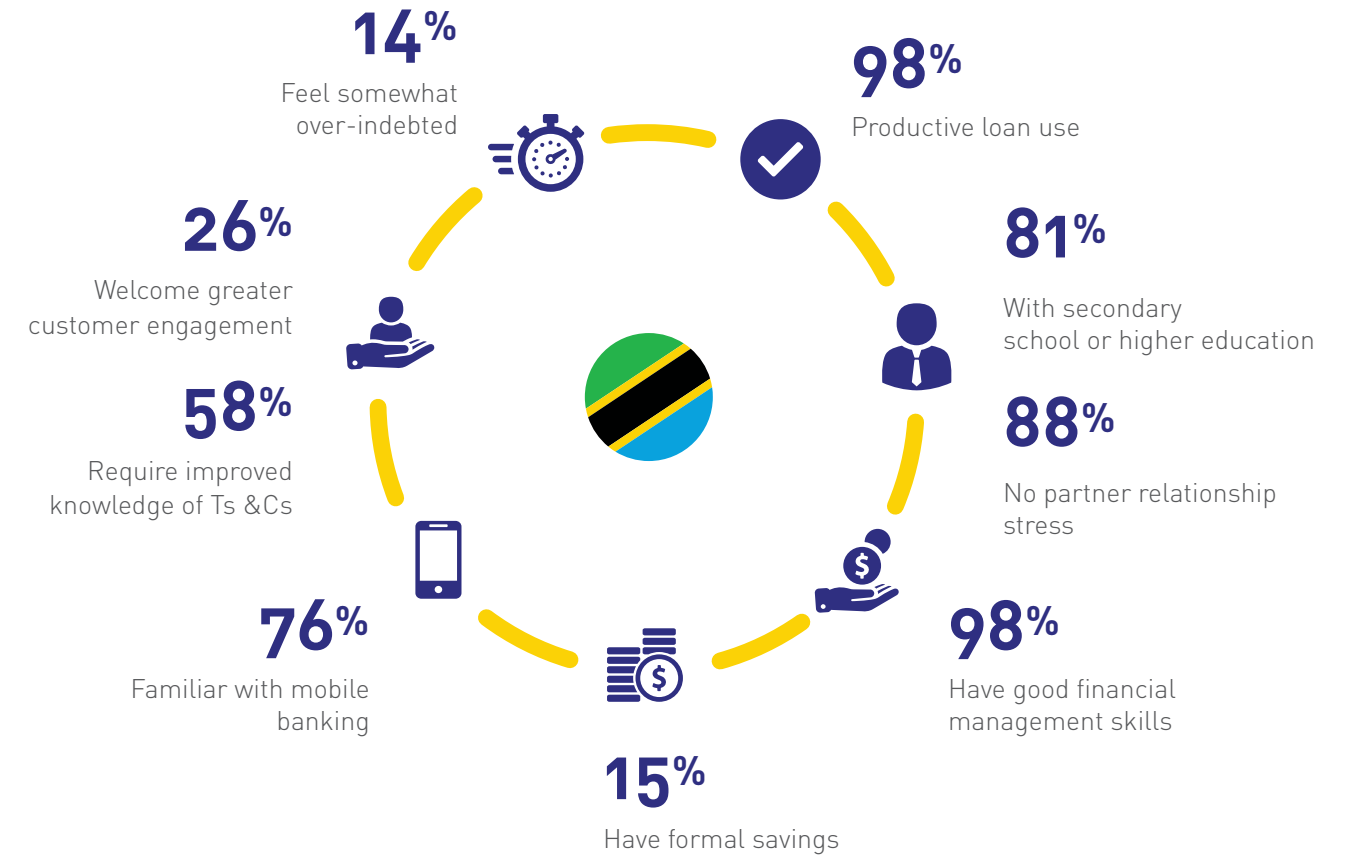
TYPICAL LETSHEGO TANZANIA (FAIDIKA) CUSTOMER



PRODUCTIVE LOAN USE 92% OVERALL



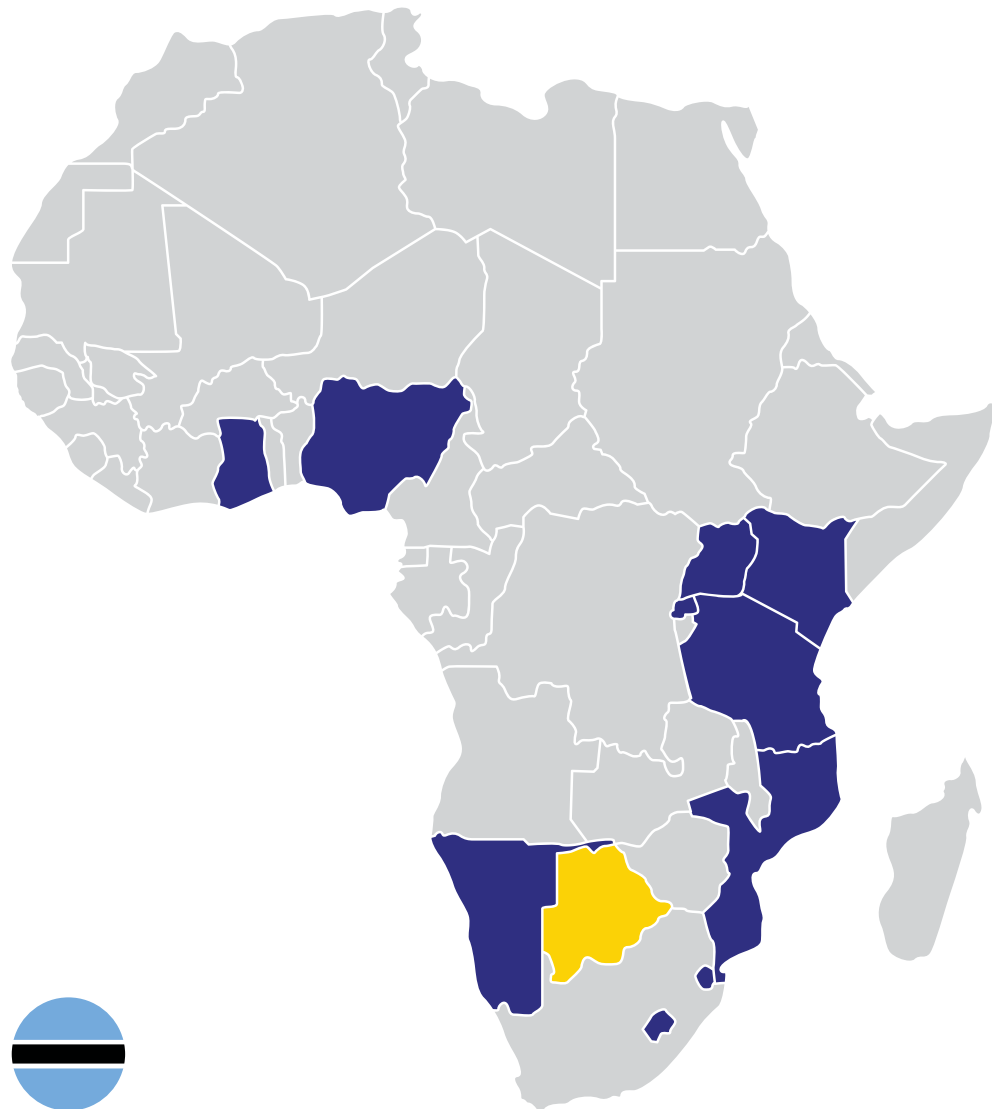
TYPICAL LETSHEGO TANZANIA (LETSHEGO BANK) CUSTOMER



PRODUCTIVE LOAN USE 98% OVERALL



BOTSWANA



Letshego Botswana continues to be a source of innovation in our formal sector deduction at source business. During 2016, to respond to increasing competition, enhancements that included (but were not limited to) repayment holiday campaigns for our repeat customers, increased use of the call centre for customer recoveries and the Improving Life campaign saw us defending our existing portfolio and marginally growing the overall loan book.

A once-off impairment provision of BWP22m was passed in relation to a state owned enterprise. In spite of this the overall NPL rate for 2016 decreased to 3% (2015:4%). Our Profit Before Tax grew from BWP450m in 2015 to BWP467m in 2016 (an increase of 4%) - this growth would have been 8% if normalising the once-off impairment.

Looking ahead, the leadership team's focus is on enhancing business-as-usual efficiencies and effectiveness, while diversifying the business into non-government deduction at source lending. The team will also be exploring MSE services, subject to all regulatory clearances.

"Letshego Botswana continues to be a source of innovation in our formal sector deduction at source business."

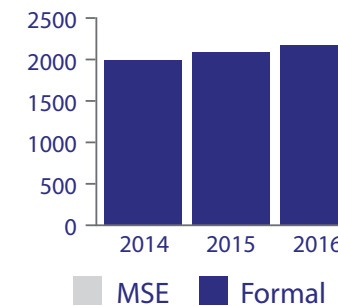


CUSTOMERS & COMMUNITIES

Number of customers ('000):

2014	2015	2016
44	37	37

Loan book split by business segment (BWP'm):



SSI Spend (BWP'000):

2014	2015	2016
176	193	223

Over 60% of our customers are classified as low to middle income* and earn less than BWP11,000 per month, with over 20% of our customers earning less than BWP3,000 per month.

* Source (World Bank Analytical Classifications)

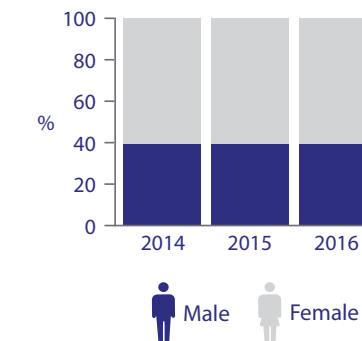


OUR PEOPLE

Number of FTEs:

2014	2015	2016
184	205	242

FTE gender split:



Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

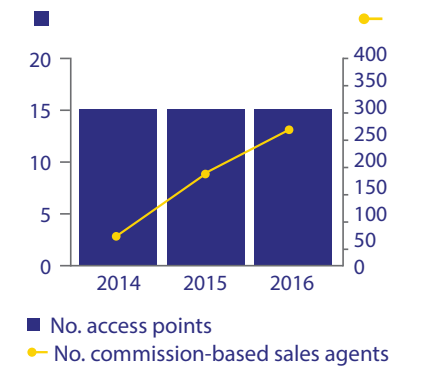
2.0

Training Spend per FTE (BWP)

7,897



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
87	100	104

%Female customers:

2014	2015	2016
38%	38%	39%



Improving my Life

I approached Letshego in March 2016 for a loan of SZL109,500 (BWP84 000). I invested the funds in two projects/assets, I bought a tractor and a mini-bus. I used the tractor to plough and plant vegetables in Mbekelweni which led to me supplying the local market in the area with cabbages, spinach, lettuce, onions and maize. During the summer I use the tractor to plough maize fields for farmers around my area, which helps to provide extra income. I intend to purchase a trailer using the profit. The trailer will assist me in harvesting and transporting different goods for the farmers in my area.

My loan with Letshego ensured that I become self-sufficient. I now have multiple sources of income.



Mr Isaiah G Mkhalihi
SWAZILAND



Letshego's simple financial solutions assisted Mr Mkhalihi in becoming the self-sufficient businessman he had always hoped for.



Improving my Life

I started my catering business in 2003, because my salary was not enough to sustain my household. At the time, I earned a monthly salary of NAD5 000 (BWP4 000), which I used to start the business, but after 2 years my customers increased and I could not keep up with the rise in demand.

I decided to get a loan from Letshego and buy more equipment. This helped me generate approximately NAD25 000 (BWP19 000) in earnings per month (five times my previous

salary). I used this to payback my loan, as well as give back to the community.

Currently, I donate NAD1 000 (BWP800) – NAD1 900 (BWP1 500) per month towards an orphanage and sponsor school uniform for some of the children in my area.

I operate from my house, but plan to move into an office in town during December. I have plans to buy more catering equipment to expand the business.



Mrs Mathe extended the financial support she received from Letshego into her community.



BUSINESS





AGRI
BUSINESS



HOUSING



Improving my Life

I run a milk business, but I didn't have enough extra money to purchase the necessary products to make my business successful. Also, the motorcycle which I used for transportation was in bad shape.

I applied for a loan of UGX1.2 mn (BWP4,000) from Letshego, the loan helped increase my money from UGX30,000 (BWP132) to UGX1.2 mn (BWP4,000). I used the money to buy more milk to sell, increasing the litres I supply from 30 litres to 400 litres.

I joined a milk suppliers' group which enabled me to save and buy a plot in Kyebando Nansana, that I started construction of my house on. I later furnished my new home relocated. After some time I applied for a top up loan of UGX1.5 mn (BWP5,000) which I used to buy land in Kakiri – Wakiso that I am still clearing for use.

I plan on purchasing a motorcycle or a car to ease delivery of my goods as well as constructing houses for rent on the land to increase my income.



Mr Mwoenzi Robert
UGANDA



Having limited capital could have been a stumbling block for Mr Robert's business but Letshego was able to help him increase his running capital, leading to a thriving business.

GHANA



Afb Ghana is the latest and second West African acquisition of the Letshego Group. The business was acquired in early 2017, therefore we expect that the full-value of this business will only filter through in the coming years; early indications are positive. Already, work to integrate our Ghana team into the Letshego ethos, strategy and culture is going well.

Additionally, we are looking to go to the market with mobile solutions in 2017. Pleasingly, we are exchanging skills across borders, and for Ghana in particular this is around the end-to-end automation of the loan origination, management, collections and recoveries process, that, for example, is beginning to assist collections performance in Botswana.

“The business was acquired in early 2017, therefore we expect that the full-value of this business will only filter through in the coming years; early indications are positive.”

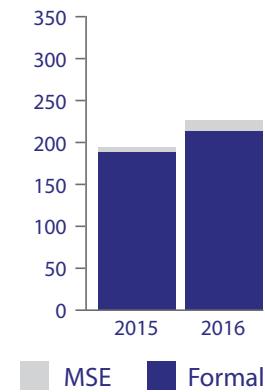


CUSTOMERS & COMMUNITIES

Number of customers ('000):

2014	2015	2016
n/a	50	60

Loan book split by business segment (BWP'm):



SSI Spend (BWP'000):

2014	2015	2016
n/a	344	227

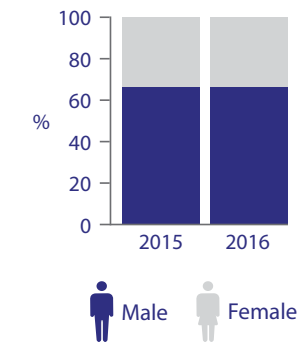


OUR PEOPLE

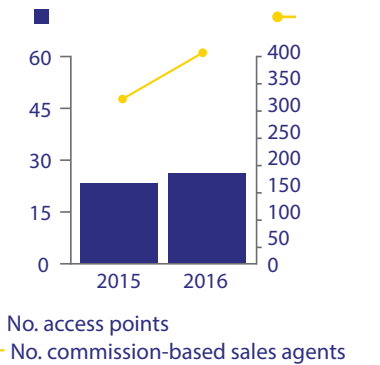
Number of FTEs:

2014	2015	2016
n/a	193	243

FTE gender split:



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
n/a	0,8	4,9

%Female customers:

2014	2015	2016
n/a	11%	10%



Improving my Life

I'm a teacher by profession in the Opumaka Combined School in the North. I received financial assistance six years ago from Letshego which I used to build ten rooms / flats that I rent out, receiving NAD10 000 (BWP8 000) per month in rental income.

I used this income to pay back the loan and put my three children through school. I intend to expand my property by adding more rooms / flats to increase the income I generate from them.



Mr Jeckonia Kapewasha
NAMIBIA





AGRI
BUSINESS



Mrs Kia Joyce Alele
UGANDA



Improving my Life

I live in Ayogo Village, and I am a teacher by profession teaching Agriculture in a secondary school. I am also a farmer. I knew nothing about Letshego until a fellow teacher at Barr Secondary School told me about the business loans Letshego offers.

In October 2015, I got my first Letshego loan of UGX4m (BWP11 528) and used it to buy a grinding machine [maize miller] that now earns me a minimum of 60,000 Shillings each day. It also enables me to get maize bran that I use for feeding my 500 birds which fetch UGX4m (BWP11 528) net quarterly.

I applied for a top up loan shortly after completing my first loan and used this to stock maize grain, beans and soya beans which I sold off when the prices had gone up, which earned me UGX7M (BWP20 189) with some maize still in stock. After the sale of beans and soya beans, I took the maize off the store and improved the quality then supplied to shops in my neighbourhood. This improved my sales.

I plan to buy a feed mixing machine to start processing birds and animal feed for sale in this wide range of market for agro-inputs within Lira.



We were able to assist Mrs Alele with improving hers, and her family's lives productively, through investment into her existing agri-business. Letshego has managed to secure her financial and business success through simple, appropriate, accessible solutions.



Improving my Life

I am an employee of the Tax Authority, in Xai-Xai District, Gaza Province, in southern Mozambique.

I benefited from a loan from Banco Letshego to complete my home, with a view to offering better living conditions for my family. After the house was finished, I decided to start a business to support my family. I started to produce boards for houses under construction, all with the support of Banco Letshego. With the growth of my business, I managed to see an improvement in my life and those of my family members.



Sr. Azarias Salomao Chilengue
MOZAMBIQUE



BUSINESS

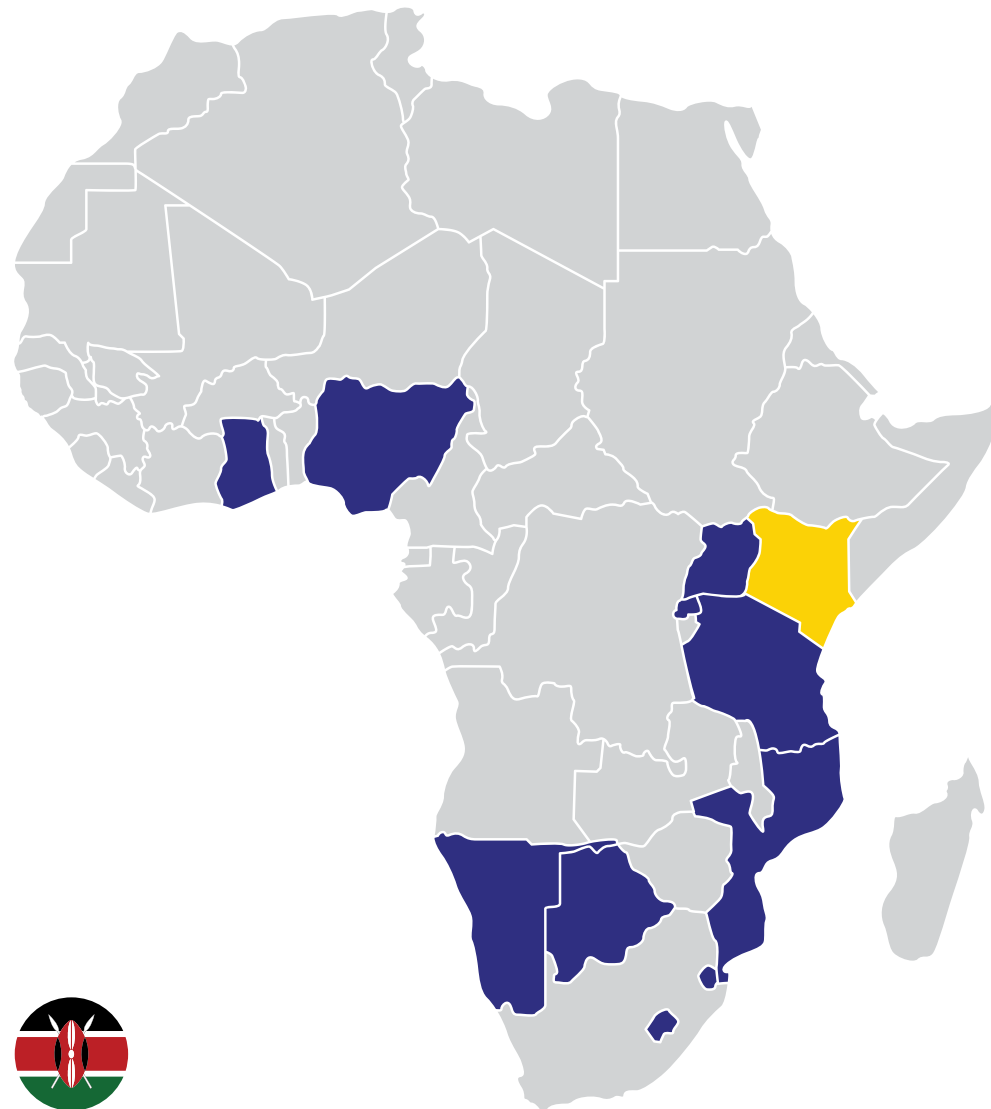


HOUSING



Sr. Chilengue notes how a tailor-made loan from Letshego improved his family's living conditions and overall well-being.

KENYA



Kenya remains important for Letshego given our status as the largest credit-only microfinance institution, as well as Kenya's potential in the disruptive financial services sector of the economy. We enhanced our existing broad-based MSE solutions (around affordable incremental enterprise housing, clean energy financing and general business loans) while deepening our penetration into formal sector (mostly Government) deduction at source lending. Looking ahead, we are studying Tanzanian and Ugandan pilots in education and agri-business ecosystem financing respectively for adoption in Kenya. The Central Bank of Kenya introduced interest rate caps for commercial banks in August 2016; this generally dampened banking sector growth but we believe consolidation in this sector is good for the market. The Group's core operating systems were successfully implemented in November, which required significant team effort and focus - we are now capacitated to work off one integrated platform and build out our capability model.

Increased impairments driven by more conservative impairment methodologies resulted in a reduction of PBT from 2015, however the loan book did close slightly higher than in 2015.

"The group's core operating systems were successfully implemented in November, which required significant team effort and focus..."

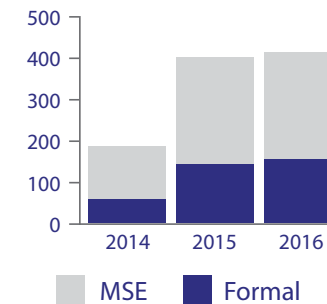


CUSTOMERS & COMMUNITIES

Number of customers ('000):

2014	2015	2016
16	36	28

Loan book split by business segment (BWP'm):



Over 95% of our customers are classified as low to middle income* and earn less than BWP11,000 per month, with over 40% of our customers earning less than BWP3,600 per month.

* Source (World Bank Analytical Classifications)

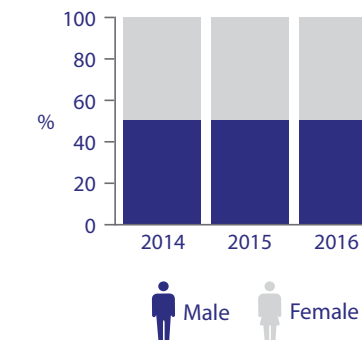


OUR PEOPLE

Number of FTEs:

2014	2015	2016
185	218	222

FTE gender split:



Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

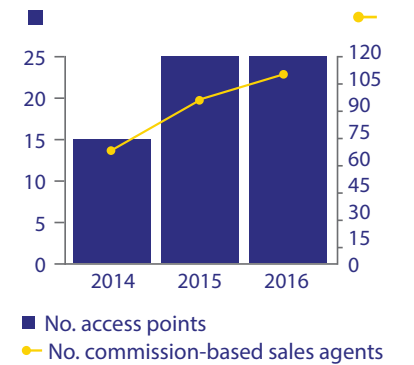
0.91

Training Spend per FTE (BWP)

4,105



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
3	6	0.4

%Female customers:

2014	2015	2016
50%	51%	51%



BUSINESS



Improving my Life

I borrowed SZL18,000 (BWP14,000) from Letshego in 2013. I used SZL5,000 (BWP4,000) to install electricity at home in Siphofaneni, the balance I used to finish off my house which had stopped mid development due to lack of funds at the time.

In 2016 I bought a gumtree forest in Bulembu, which needed SZL20,000 (BWP15,000) as deposit to purchase. I approached Letshego and borrowed SZL17,000 (BWP13,000) to pay the deposit required. My gumtree business is currently running successfully with customers as far as Nhlanguano and Richards Bay. It is through the Letshego loan that my dream to run my own business has been realised.



Mr Doctor Dlamini
SWAZILAND



Mr Dlamini's life improved through the loans he received from Letshego. He managed to expand his house and grow his business with a Letshego loan.



Improving my Life

I always look to Letshego for all my needs because of the good service I receive. To me, Letshego has been a great support system that was always there to help overcome challenges and realise many of my goals.

Through Letshego loans, I have built a three bedroomed house in Kopong, a village 30 kilometres north-west of Botswana’s capital city, Gaborone. This is my first home, a home that I was able to afford due to the tailored solutions Letshego is well-reputed for. Due to its non-urban municipal location, Kopong and villages similar to it do not receive commercial or retail bank financial support for such developments.

In addition to building my first house, I was able to take my daughters to University, paying for their tuition and boarding fees at the University of Botswana. Additionally, I bought about 20 heads of cattle, each valued at about BWP4 000 on average. This is a significant source of capital and income for many Batswana given beef accounts for Botswana’s third largest source of GDP.

Speaking of how my life has improved with Letshego, I would say, I’m now able to save at least BWP500 per month as I borrow only from Letshego and not from metshelo (group savings scheme). Metshelo have very high interest rates. Letshego has truly been supportive in my life, living up to the meaning of its Setswana name, support.



Letshego was able to offer Mrs Marumoagae our unique customer experience through simple and appropriate assistance which turned her dreams for her family into reality.



AGRI
BUSINESS



EDUCATION



HOUSING





AGRI
BUSINESS



HOUSING



Improving my Life

I'm a primary school teacher at Kikandwa Primary school in Nakaseke District in Luweero. I realised that my salary was not enough to support me; I then decided to apply for a loan of UGX3 412 200 (BWP10 340) from Letshego to start up a business.

With the loan acquired, I bought a plot of land and built houses to be rented out and later applied for a top up loan to complete the houses. I use the money from the rentals to pay for my sister's school fees.

I have plans of obtaining another loan which will be used to buy another plot and seeds. The produce from the farm will be sold to generate a profit.



Ms Joyce Nabalaba
UGANDA



To be financially included through Letshego, meant that Joyce Nabalaba was able to make bigger plans for her life and improve her and her sister's life.

LESOTHO



One of the younger operations in the Group, our Lesotho business performed well in 2016 with customer advances growing by 63% from 2015 levels to close at BWP409mn.

This was attributable to numerous media campaigns held in country along with the brand refresh both of which increased Letshego's visibility and attracted new customers.

We continue to work with key local partners to ensure we are offering simple, appropriate and accessible solutions for our growing customer base within the affordable housing, agri-business, education and general business sectors of the economy.

Subject to Central Bank approval, we look forward to announcing some of these initiatives from 2017 onwards.

“One of the younger operations in the Group, our Lesotho business performed well in 2016 with customer advances growing by 63% from 2015 levels to close at BWP409mn.”

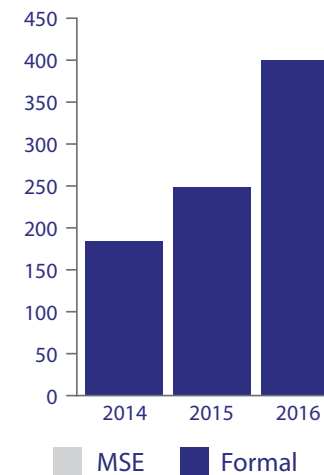


CUSTOMERS & COMMUNITIES

Number of customers ('000):

2014	2015	2016
6	7	8

Loan book split by business segment (BWP'm):



Over 85% of our customers are classified as low to middle income* and earn less than BWP11,000 per month, with over 5% of our customers earning less than BWP3,600 per month.

* Source (World Bank Analytical Classifications)

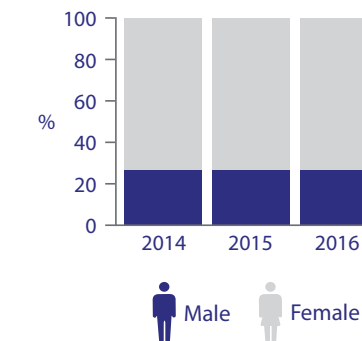


OUR PEOPLE

Number of FTEs:

2014	2015	2016
32	32	37

FTE gender split:



Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

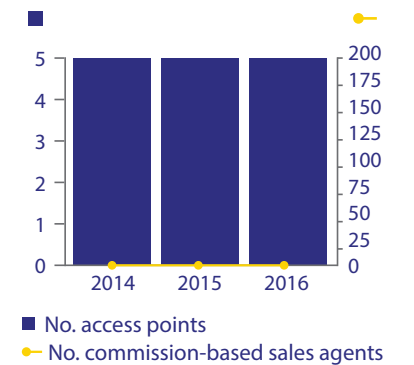
0.26

Training Spend per FTE (BWP)

7,077



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
31	6	2

%Female customers:

2014	2015	2016
48%	48%	50%



Improving my Life

Letshego has really improved my life. I was able to build myself a house, buy some cattle and goats over the years which have allowed me to farm and earn enough money for school fees for my children up until they reached university.

 **Mrs Nancy Omponye**
BOTSWANA



The Omponye family will experience the benefits of a Letshego loan for many years to come.



HOUSING



BUSINESS



Mrs Anne Wangui
KENYA



Improving my Life

I am a mother of 4 and married with a permanent residence in Kidfarmaco estate, Kikuyu town. I have been in the teaching profession for more than 10 years with great achievements in my career.

I began my entrepreneurial journey 10 years ago while still a teacher, venturing into the rental business. I started by constructing a flat with 3 floors. The flats provided me with income of KSH168 345 (BWP16 646) per month.

Together with my spouse, we decided we wanted to increase our income and registered Quality Logistics Africa Limited. Our vision was to offer the local farmers quality Animal feed supplements to improve their livestock production. Some of our brands include Magic plus, Epsum, Calcium etc.

I started the whole investment as a joke, after a year the business grew and I hired 3 workers and started supplying my stock around Kiambu County.



Letshego was able to partner with Mrs Wangui and offer her the most appropriate solution in order to make her business dreams a reality.



Improving my Life

I used my loan from Letshego to build residential houses. I managed to build eight (8) two (2) room houses which I am planning to rent out. To complete the project and make the houses more habitable for future tenants, I will install electricity.

I would like to thank Letshego for improving my life.



Ms Mpolokeng E Motsabi
LESOTHO



HOUSING

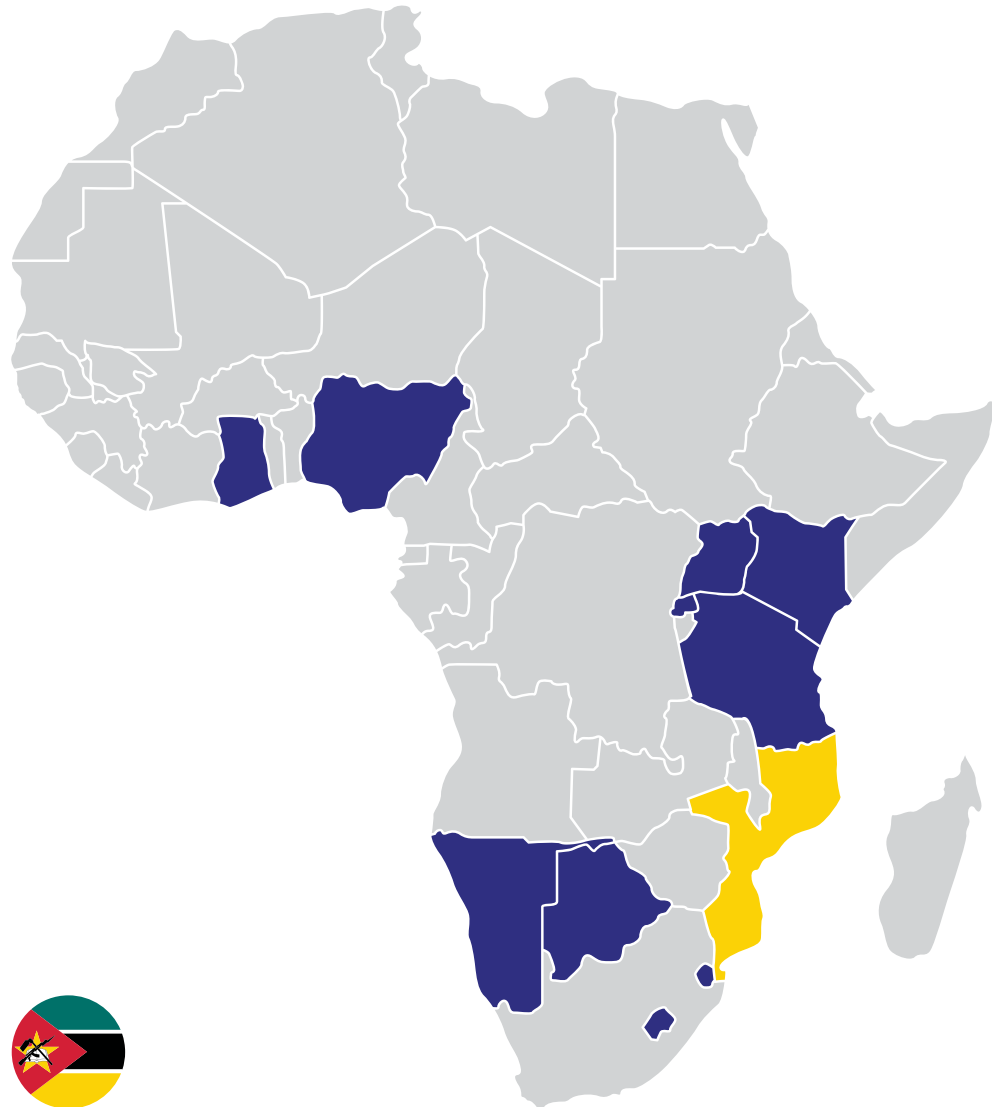


BUSINESS



Ms Motsabi was able to invest in her future with the help of an appropriate solution that suited her needs.

MOZAMBIQUE



Our Mozambique operation, Banco Letshego, is one of our 6 deposit-licensed countries, and follows Botswana and Namibia operations in asset size and profitability. Although the Mozambique economy suffered a number of setbacks in 2016, not least of which were the Government debt obligations coupled with currency weakening (of approximately 60%) and resultant inflationary pressure, progress was reported in the development of the natural gas industry with a positive outlook anticipated in 2017 and onwards.

On the back of the above, the industry benchmark lending rate was increased; we filtered this through to our own pricing. In spite of external factors, in local currency the loan book closed approximately 10% higher than in the previous financial year, signalling underlying growth.

Our LetsGo agency banking concept, the “BlueBox” was tested in 2016, including being approved by the Central Bank, and is now in early stages of pilot roll-out across select rural areas in 2017. Further, we will augment this with additional Government sector growth, and new business origination in the agri sector.

“Our LetsGo agency banking concept, the “BlueBox” was tested in 2016, including being approved by the Central Bank, and is now in early stages of pilot roll-out across select rural areas in 2017.”



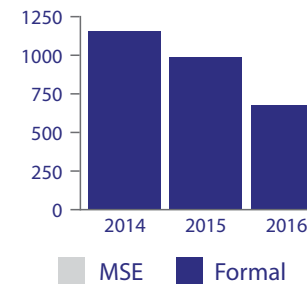
CUSTOMERS & COMMUNITIES

Number of customers ('000):

Borrowers		
2014	2015	2016
52	59	67

Savers		
2014	2015	2016
-	-	3

Loan book split by business segment (BWP'm):



SSI Spend (BWP'000):

2014	2015	2016
92	-	-

Over 95% of our customers are classified as low to middle income* and earn less than BWP11,000 per month, with over 80% of our customers earning less than BWP3,600 per month.

* Source (World Bank Analytical Classifications)

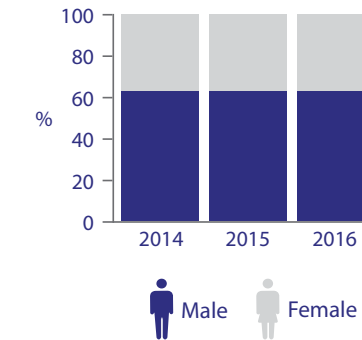


OUR PEOPLE

Number of FTEs:

2014	2015	2016
102	144	158

FTE gender split:



Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

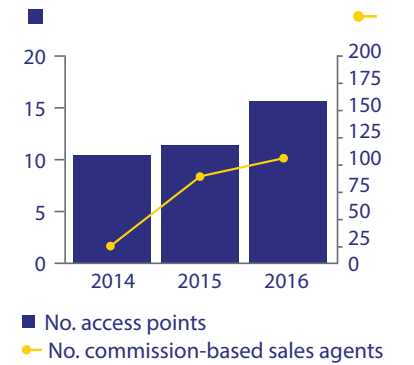
0.2

Training Spend per FTE (BWP)

1,371



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
44	56	38

%Female customers:

2014	2015	2016
32%	34%	28%



AGRI
BUSINESS



EDUCATION



HOUSING



BUSINESS



Improving my Life

In 2013, I joined Letshego and applied for a loan that would help me pay for my four children's school fees, two of which had joined the Uganda College of Commerce, one joined the police force as a cadet and the other works at the same company with me.

I was also able to clear the balance of my wife's bride price and that of my brother who had also gotten married with some of the money from the loan.

I later purchased a grinding mill which I rent out to people in my village to grind their maize and cassava. With this, I get some income which adds to my savings. On top of that, I also have a kiosk which I use to help my village members to charge their phones at a cost and buy airtime.

I also used my Letshego loan to install DSTv at Robe Trading Centre where interested parties go to watch football and both African and international movies. With my top up loan, I bought a plot where I plant cassava which I sell as flour to those in my home area.

I plan on constructing a residential home for my family so that we stop renting and also send my remaining children to school.



Mr Drani Majid
UGANDA



As a customer, Mr Majid had diverse needs and Letshego could support all of these through our broad offering in education, business, housing and agriculture.



Improving my Life

Before I was introduced to Letshego, my husband and I did not have sufficient income. We were struggling to make ends meet. I didn't have enough capital or income against which to take a loan. Therefore, I was unable to provide for my family.

However, Letshego discovered that I owned property in a good location and therefore they were able to assist me, financially. Letshego offered me a loan against that property and I became a customer at Letshego Kenya under a group called Lowata Self Help Group. All my loans have been advanced through the group model even though my security was land.

At the start of my journey with Letshego, my property was worth KSH3 000 000 (BWP300

000). I took 6 cycles of loans valued between KSH140 000 (BWP14 000) and KSH300 000 (BWP30 000) to renovate my shop, buy a car and construct our home. I then followed this with a loan of KSH2 200 000 (BWP220 000), which I used to build low cost houses that I currently rent out for KSH180 000 (BWP18 000) every month.

Most recently I took a loan of KSH200 000 (BWP20 000) which I am using to construct a sewer line to ensure a sanitary environment for my family and tenants.

My husband and I now have a reliable income stream which provides for our entire family. Our property is now valued at KSH10 000 000 (BWP1 000 000).



Mrs Kamau was able to enjoy the benefits of being financially included with our simple and appropriate financial solutions.





Improving my Life

I'm a cleaner at a school in a village near Ondangwa. I could not make ends meet with the salary I was receiving, so I decided to get a loan from Letshego and bought myself wambo chickens (traditional, free range chicken).

I started raising them and now have more than 70 chickens. I sell these chickens in my village and assist during village events preparations to generate extra income. I use the earnings from my small business to buy food in bulk to sustain my family for long periods and to avoid travelling long distances to reach Ondangwa or Oshikango to restock on our basic needs.

My chicken business is well known in my village and I would like to increase production in order for it to become self-sustainable and continue improving my life.

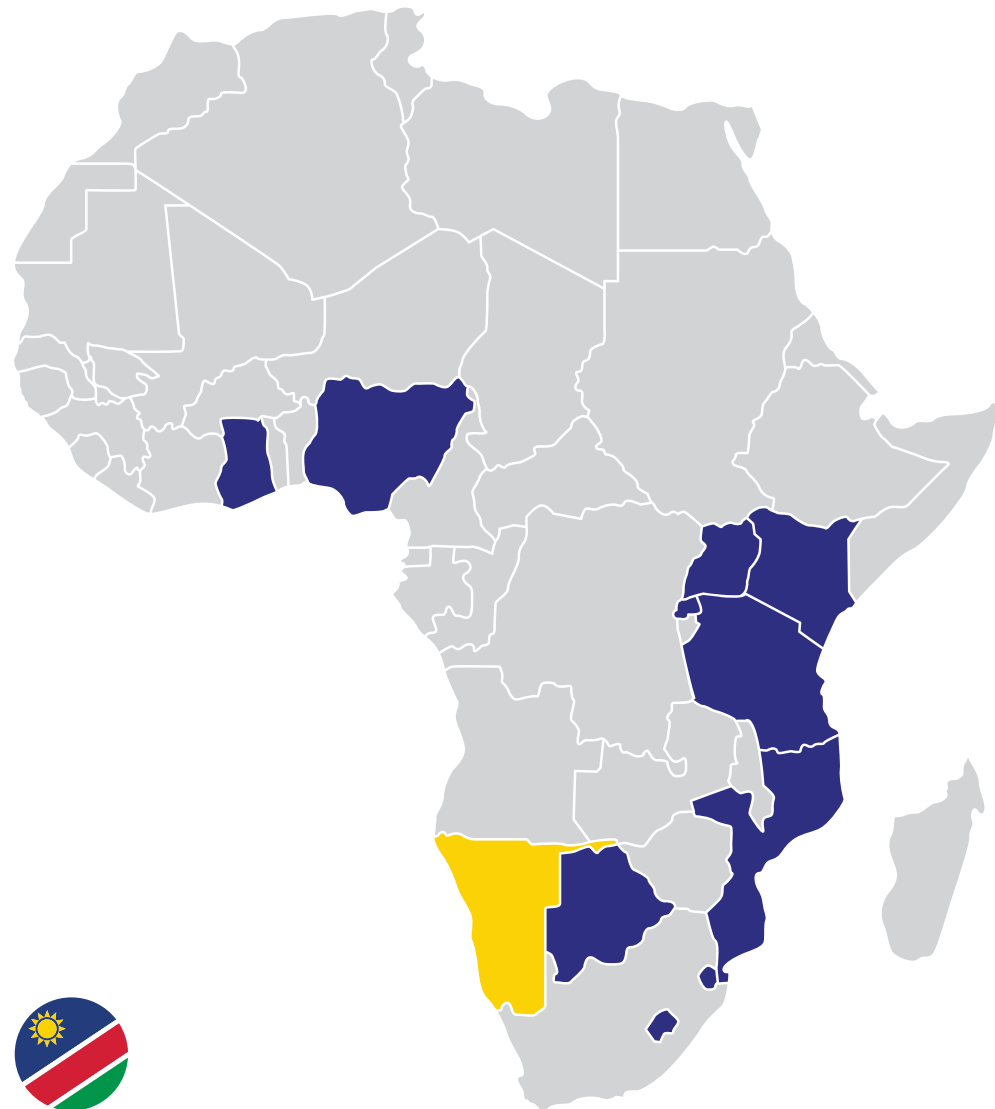


Ms Veronica Nghishiitende
NAMIBIA



Ms Nghishiitende needed a financial partner that would understand her needs and give her access to an improved life. Letshego was that partner.

NAMIBIA



A key highlight in 2016 was the approval of the banking licence; this now enables us to accelerate our inclusive finance offering to a broader-base of the under-served population in Namibia. Subsequent to this we successfully integrated into the domestic payments system through Namibia Clearing House (Namclear), as well as inclusion in the SWIFT production environment and the Namibia Interbank Settlement System (NISS).

Additionally, the continued sales efforts from the team on the formal segment, combined with the brand-aligned Improving Life campaign, saw loan portfolio growth of 18% from 2015 levels to BWP1.7bn. We also achieved growth in PBMT of 11% to BWP351m.

We feel confident that the significant investment of time and resources into our banking readiness will position us well for our launch in 2017. We believe our efforts enhance our ability to offer more inclusive offerings to the formal, informal and MSE segments of Namibia.

“We feel confident that the significant investment of time and resources into our banking readiness will position us well for our launch in 2017.”

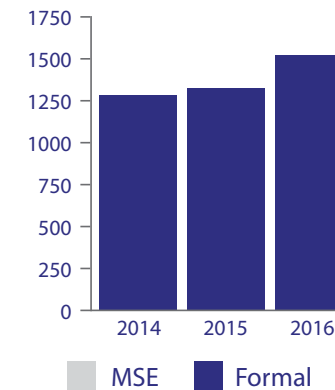


CUSTOMERS & COMMUNITIES

Number of customers ('000):

2014	2015	2016
50	56	51

Loan book split by business segment (BWP'm):



SSI Spend (BWP'000):

2014	2015	2016
324	725	398

Over 70% of our customers are classified as low to middle income* and earn less than BWP11,000 per month, with 10% of our customers earning less than BWP3,600 per month.

* Source (World Bank Analytical Classifications)

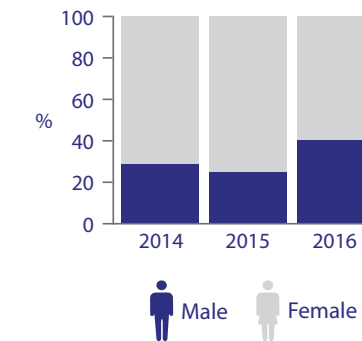


OUR PEOPLE

Number of FTEs:

2014	2015	2016
44	66	86

FTE gender split:



Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

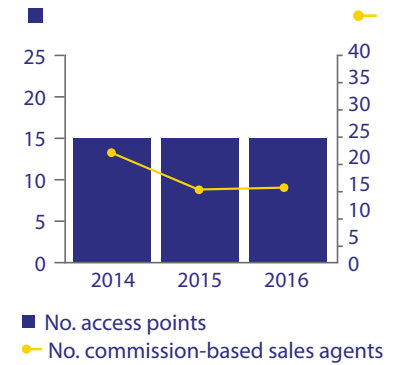
0.3

Training Spend per FTE (BWP)

3,827



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
32	67	78

%Female customers:

2014	2015	2016
39%	39%	40%



Improving my Life

I have been getting loans from Letshego for a couple of years now, and in that time I built myself a three bedroomed home and have a grocery shop in Mpofu.

Also, I have been able to send my children to better schools and so far two have completed their studies and have found employment. This is something I could not have achieved nor have been able to afford with the income I was earning from my employer. I was able to better take care of my family with the assistance of Letshego as the only breadwinner.

My grocery shop is the only shop in Mpofu unit 6, the shop is called Mncedisi Grocery named after my last born. The shop is the biggest in the area and almost everybody in the area buys their groceries there. This was achieved through the funds sourced from Letshego and I'm grateful for their assistance. I have a dream to grow my business and I believe it is attainable through the assistance of Letshego.



Mr Victor Mandla Mamba
SWAZILAND



The financial strain of being the only income earner for his family, was eased by Letshego's customised financial solutions. He was able to give his children a good education and generate a stable income for himself.



BUSINESS



EDUCATION



HOUSING



BUSINESS



Mrs Francisca Kendi Thiuri
KENYA



Improving my Life

As a hardworking business lady in Mwiki and married with one child, I am so thankful to the Almighty God that He led me to Letshego during the most financially straining point in my business.

I was previously employed by a local supermarket, but in 2008 I pursued my dream of starting a company. My company is known as Superbake Enterprise, it deals with baking products which I supply to supermarkets and boarding schools in my area. I have been in business for eight years now and the business has tremendously grown since then.

I sell to wholesalers and provide repackaging for products like baking powder and caramel. I run my business from a double roomed house I have rented out in Mwiki estate, Nairobi

County. Production is done twice per week and delivery of the products to my customers is on a daily basis.

Before I partnered with Letshego I was in need of polyglycerol polyricinoleate (PGPR) but did not have the funds to purchase it, I got a business loan of KSH360 000 (BWP36 000) from Letshego Kenya which assisted me with purchasing the ingredient and production. Currently, I have many orders and able to supply daily because of the financing received from Letshego.

I am looking forward to applying for another business loan from Letshego early next year to invest in rental units as a way to grow my income. Letshego Kenya is my partner of choice.



Letshego was able to assist Mrs Thiuri in diversifying her investment by offering her an appropriate financial solution. This resulted in her growing her business.



Improving my Life

I had always wanted to start a catering business but I was not sure where to get funding as there are a few competing financial institutions. One day I decided to call Letshego to find out about the services they provide as I had heard about them before. I called to check their loan application requirements. I got my loan approved and bought the equipment I needed for my catering business. Right now I can make extra money to sustain my family.



Ms Kesolofetse Njirayafa
BOTSWANA



Letshego was able to turn Ms Njirayafa's passion for catering into a business through positive customer experience that resulted in her realising her dream.



BUSINESS

LETSHEGO MFB NIGERIA



2016 was a challenging year in Nigeria due to the limited liquidity and reduced oil revenues caused by the reduction in global oil prices. Further to this the Naira devalued significantly, losing half of its value in relation to the US Dollar.

Focus in 2016 remained on integration through creating operational platforms and efficiencies that drove significant once-off costs; these efforts, once complete, are intended to result in a more robust operating model with which to take our inclusive finance strategy forward. Additionally, we invested throughout the year in creating skills and capacity across the organisation.

The result of the above factors was that the loan book reduced by 4% in NGN, and by 27% in BWP.

2017 will see more investment, integration and alignment as we continue to build up our human capital for key management positions; also, we will commence the exercise on converting the existing technology platform to the Group's core banking and reporting systems (TCS B@NCS with Oracle).

“Focus in 2016 remained on integration through creating operational platforms and efficiencies that drove significant once-off costs...”



CUSTOMERS & COMMUNITIES

Number of customers ('000):

Borrowers		
2014	2015	2016
n/a	12	5

Savers		
2014	2015	2016
n/a	70	56

Loan book split by business segment (BWP'm):

2016	
Loan Book Balance (BWP'm)	51
Deposits Balance (BWP'm)	36

Average loan deposit values (P'000):

2015 Average value of deposits	1
2016 Average value of deposits	1
2015 Average value of loans	6
2016 Average value of loans	10



OUR PEOPLE

Number of FTEs:

2014	2015	2016
n/a	315	237

Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

3.6*

Training Spend per FTE (BWP)

18,392

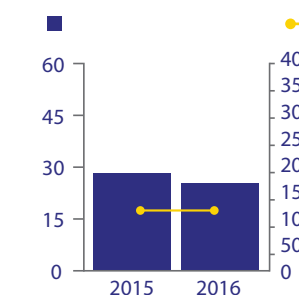
Training activities conducted:

- Own the Rhythm, Set the Pace (OTRSTP)
- Live the Rhythm, Own the Pace (LTROTP)
Champions Training
- Transformational Leadership
Development Centre
- Leadership Conference

* Training activity conducted related to capacity building of the team around loan origination to collection processes, MSE business development, formal sector business origination strategies as well as risk management principles and application.



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



■ No. access points
— Customer facing team

Tax paid (BWP'm):

2014	2015	2016
n/a	-	-

%Female customers:

2014	2015	2016
n/a	45%	48%



HOUSING



BUSINESS



Improving my Life

Letshego has really been the pillar of my family. When I came to Letshego I had nothing but now I can proudly say I am who I am because of this company. I got my first loan a few years ago after receiving an offer for a plot sale. I rushed to Letshego as I heard about their short turn-around time. They immediately assisted me and in less than 3 days I received the funds I applied for and purchased the plot. Currently, I have a small house which I have rented out and use the rent for my children's school fees.



Mrs Tshenolo Kwafela
BOTSWANA



Responsive and accessible customer service resulted in Mrs Kwafela becoming a happy Letshego customer.



Improving my Life

I have been a Letshego customer since June 2014 and in the 18 months since, I built multi-residential houses, with five self-contained apartments, in the bustling village of Kanye. Just 40 kilometres off the hilly town of Lobatse and 70 kilometres from Botswana's capital, Gaborone. Kanye's economic activity is driven by its proximity to both these major towns / cities.

I'm currently laying pavement around the plot grounds and, once this is complete, I will rent out the units - in total I estimate a monthly rental income of BWP16,000 which I will put towards completing a house (debt-free) in the nearby village of Moshupa.

After building my home, I plan to use part of the cumulative rental income earned to build a second set of apartments. Further to this, I'm looking to use the income generated from these apartments to provide for my family including paying school fees for my children private schools that I previously could not afford.

Letshego is number 1 to me, and I never take loans anywhere else. I believe in Letshego because they understand and help everyone unlike other institutions. I will continue being a Letshego customer because they treat me very well.



Through our simple and appropriate solutions, Mr Lekgoa was able to improve his business and his life. The experience has resulted in him being a loyal Letshego customer.





AGRI
BUSINESS



HOUSING



BUSINESS



Improving my Life

After having land disputes with my family, I applied for a loan of UGX2,500,000 (BWP7 210) which I used to buy a piece of land strategically located in Abuga village near St Mary's Hospital Lacor to construct a house.

I later got a loan worth UGX2,000,000 (BWP5 768) and added some savings to purchase a motorbike for transport.

From the piece of land I acquired, I started crop production and a piggery project from which I am getting income to support my family. I plan to take another loan to establish rental structures which will be an investment that can help improve the lives of my family and generate monthly income in the future.



Mr Geoffrey Albert Opira
UGANDA



Mr Opira partnered with Letshego and used his loan wisely by planning for his future and spending his loans productively on his land, house and business. By doing this, Letshego has become a catalyst for change in his life.

RWANDA



The Rwanda economy performed well in 2016, with GDP growth of around 6%. This was attributable to the policies implemented by the Government to achieve the goals of middle income status and transformation into a knowledge based economy. Agriculture remains the main source of employment in Rwanda; however other non-farming opportunities are being created to ensure that the majority of the newly available workforce can obtain structured and consistent employment.

As with a number of Letshego's other subsidiaries, one of the key themes for the Rwanda business in 2016 was integration of Group policies, procedures and systems - embedding a future capability model that would enable our Rwanda operations to take advantage of the positive economic conditions. The Group's core operating and reporting systems (TCS B@NCS with Oracle) were successfully implemented in Q4, along with capability for USSD-based loans and savings that will enable us to offer mobile micro loans and savings in 2017.

Driven mostly by the internal capacitation and transformational activities taking place in 2016, sales and the resulting advances book remained flat in 2016.

"The Rwanda economy performed well in 2016, with GDP growth of around 6%. This was attributable to the policies implemented by the Government to achieve the goals of middle income status and transformation into a knowledge based economy."



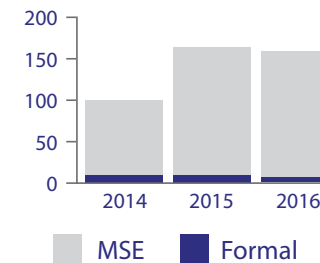
CUSTOMERS & COMMUNITIES

Number of customers ('000):

Borrowers		
2014	2015	2016
2	3	4

Savers		
2014	2015	2016
-	6	10

Loan book split by business segment (BWP'm):



SSI Spend (BWP'000):

2014	2015	2016
-	-	41

Over 75% of our customers are classified as low to middle income* and earn less than BWP11,000 per month, with 30% of our customers earning less than BWP3,600 per month.

* Source (World Bank Analytical Classifications)

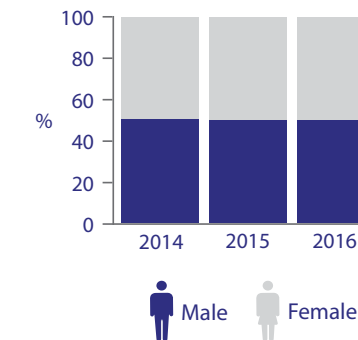


OUR PEOPLE

Number of FTEs:

2014	2015	2016
82	94	89

FTE gender split:



Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

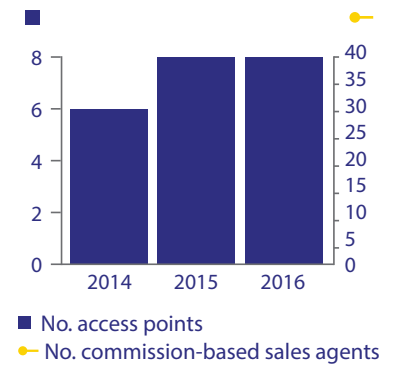
0.5

Training Spend per FTE (BWP)

6,156



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
3	5	-

%Female customers:

2014	2015	2016
22%	24%	25%



Improving my Life

I am an employee of Serviço Distrital da Educação, Juventude e Tecnologia (Education, Youth and Technology) of the Manhiça District, Maputo Province, capital of Mozambique.

I took a loan from Letshego in September 2015 to overcome some financial difficulties and to start studying. After paying my tuition fees, I decided to start a business selling second hand women's clothing.

Although I faced many difficulties in the beginning, I am starting to see a return on investment and I can see the improvements in the life of my family.



Sr. Júnior Francisco Malunga
MOZAMBIQUE



BUSINESS



EDUCATION



Letshego's financial solutions can be used in many ways to improve life. Sr. Malunga benefited from our product offering for education as well as business.



BUSINESS



EDUCATION



HOUSING



Ms Fiona Nakabira
UGANDA



Improving my Life

I am a business woman who runs a hotel and an outside catering business called Munamasaka restaurant.

I received my first loan in 2015 of UGX2.5m (BWP7 205) for the purpose of growing my business. I bought plates, food warmers, trays and bowls for serving food to customers, with this I managed to start an outside catering business which serves over 200 guests.

I later borrowed UGX4m (BWP11 528) and purchased four big saucepans, tables and more plates. This was a turning point for me because I was able to expand my business and started servicing nearby institutions. I employed more people to work with me and in just three months I started to record profits.

I was able to purchase a piece of land in Mbale Namabasa. I went back to Letshego and

applied for another loan in 2016 worth UGX7m (BWP20 189) and opened up another business in Moroto where I was able to supply food to MTN staff in Mbale and Moroto. Furthermore, I hired 8 people and got another contract to supply food to lecturers of Mbale school for Nursing.

With profits from both contracts, I was able to pay school fees for my two children in time and also buy another piece of land where I started construction of my permanent house which is currently at beam level. My business has also provided employment to my relatives and other members of the community.

I plan to get another loan that will help me to purchase a service van that will enable me to transport food to the various client locations.



Ms. Nakabira joined Letshego, she already owned a business we were able to provide loans against this to enable substantial growth for her. She is now in a position to sustain her finances for a long time.



Improving my Life

I had a big field which needed to be ploughed so I came to Letshego for a loan to start my project. I applied for a loan which was approved. With this loan I managed to buy seeds and equipment. I had a tractor which needed to be fixed which I took for service and thereafter managed to plough as many hectares as I wanted. This has really helped me and my family. We now have a small business from selling produce of what we have ploughed.

 **Mrs Rosemary Botho**
BOTSWANA



The journey to an improved business started with a Letshego loan. Mrs Botho had big plans which she was able to turn into a profitable business with the help of Letshego.

SWAZILAND



Along with other sub-Saharan African countries that experienced droughts over the past few years, Swaziland was severely affected and experienced an overall increase in food insecurity. This, combined with reduced SACU revenues, meant that real GDP growth for 2016 was forecasted at 1.3%.

Despite this, the Swaziland business was a success story in 2016, due to strong sales performance by the Letshego Swaziland team. Swaziland was the first country to complete the Improving Life campaign and this, combined with sales team effectiveness, generated momentum that led to the advances book closing 58% higher than in 2015. Looking to 2017, initiatives to diversify our core deduction at source service to non-Government segments are underway, and further growth is anticipated in 2017.

“Swaziland was the first country to complete the Improving Life campaign and this, combined with sales team effectiveness, generated momentum that led to the advances book closing 58% higher than in 2015.”

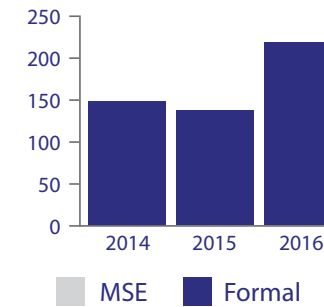


CUSTOMERS & COMMUNITIES

Number of customers ('000):

2014	2015	2016
6	5	6

Loan book split by business segment (BWP'm):



SSI Spend (BWP'000):

2014	2015	2016
-	4	17

Over 70% of our customers are classified as low to middle income* and earn less than BWP11,000 per month, with 5% of our customers earning less than BWP3,600 per month.

* Source (World Bank Analytical Classifications)

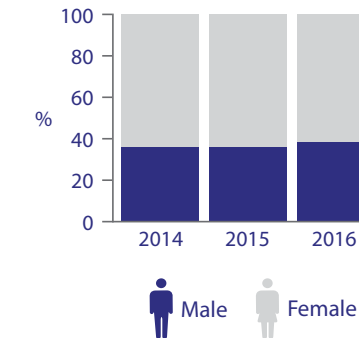


OUR PEOPLE

Number of FTEs:

2014	2015	2016
20	20	23

FTE gender split:



Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

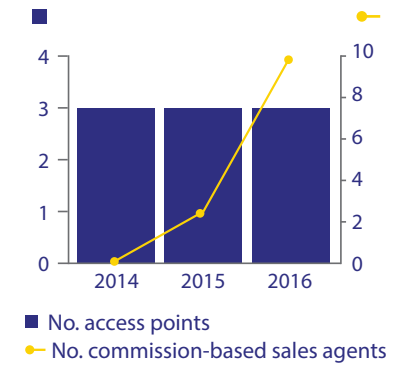
0.3

Training Spend per FTE (BWP)

12,264



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
4	4	1

%Female customers:

2014	2015	2016
30%	32%	33%



AGRI
BUSINESS



HOUSING



Improving my Life

I am a teacher at Kirema Primary School and joined Letshego after I received a message sent to my phone. Though I did not have financial problems at the time, I still kept the message for reference.

I later decided to get a loan worth UGX1,100,000 (BWP3 172) and with this I bought bricks, cement and sand and started construction on a plot which I had acquired with my salary and savings.

With my second loan amounting to UGX680,000 (BWP1 961), I managed to purchase 150 broilers, chicken feed and medicine to be used to treat the broilers and started a poultry business.

Today, I run a successful piggery.



Mr Patrick Tumwesigye
UGANDA



Mr Tumwesigye saw an opportunity to grow his wealth while still maintaining a salary from his job. Letshego was able to support him in building his house but also offer a unique customer experience tailored to his specific needs.



Improving my Life

I am an employee of Malangatana High School in Boane District, Maputo Province, capital of Mozambique.

I had lived for four years in a rented house with my family when I first heard about Banco Letshego and decided to apply for a loan in 2013 that I was immediately given. The good experience made me believe in my dreams and I have been a customer of the bank since then.

With the support of Banco Letshego, I managed to build a house of my own, where I now

live with my family. After building a house, I decided to start a self-sustaining business for my family. I started with the sale of construction material in the area where I live. With the prosperity of my business, I then requested a top-up to expand it and respond to the needs and demands of my customers. With a thriving business and a home of my own, I can happily say that Banco Letshego was very important for the improvement of the lives of my family.



Sr. Cossa attributes his thriving business to the positive experience he received from Letshego. He is a loyal Letshego customer and will continue to make use of the simple, appropriate and accessible solutions available to him.



BUSINESS



HOUSING





AGRI
BUSINESS



EDUCATION



HOUSING



Improving my Life

I first borrowed UGX2.6m (BWP7 498) and used it to pay school fees for my late sister's two children who are under my care and buying everything they required until they finished their secondary education.

With that loan, I also took care of my wife who had fallen sick and was undergoing treatment for some serious chronic health problems. Today, she is doing much better than she was before.

I went back to Letshego for a top up of UGX2.6m (BWP7 498) and paid fees for my biological children who are seven in total. I was able to provide all the basic needs such as mattresses, scholastic materials, suitcases among others.

In 2016, I invested in buying groundnut seeds, hired oxen and started ploughing. Through this, my first harvest yielded seven bags which enabled me to feed my family and sell some produce for profit.



Mr Mongo Moses
UGANDA



Mr Moses was able to access a loan in a simple and appropriate way so that he could take care of his family's needs. He has now begun a journey towards sustainable growth and Letshego will be by his side to support him.

FAIDIKA TANZANIA



The Faidika business performed relatively well in 2016, taking advantage of the relationship with Letshego Bank Tanzania (LBT) and selling to employees of the MSE customers held by LBT. As a result, the loan book grew by 13% from 2015, closing at BWP391m, with profit before management fees and tax growing by 5% on 2015 to BWP100m.

Faidika has built strong brand equity during its decade of existence, serving over 95% of government districts - our focus in 2016 was therefore to ensure that we leveraged this brand equity in building out Letshego Bank Tanzania's customer reach.

We are pleased to report that these efforts generated market buy-in, leading to growth in customers as a result. Our investment in our people was built around ensuring synergies and a unified team ethos between Faidika and LBT. This focus will continue into 2017.

"Faidika has built strong brand equity during its decade of existence, serving over 95% of government districts - our focus in 2016 was therefore to ensure that we leveraged this brand equity in building out Letshego Bank Tanzania's customer reach."

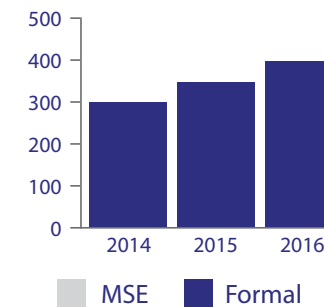


CUSTOMERS & COMMUNITIES

Number of customers ('000):

2014	2015	2016
43	44	47

Loan book split by business segment (BWP'm):



SSI Spend (BWP'000):

2014	2015	2016
14	20	112

Over 95% of our customers are classified as low to middle income* and earn less than BWP11,000 per month, with 50% of our customers earning less than BWP3,600 per month.

* Source (World Bank Analytical Classifications)

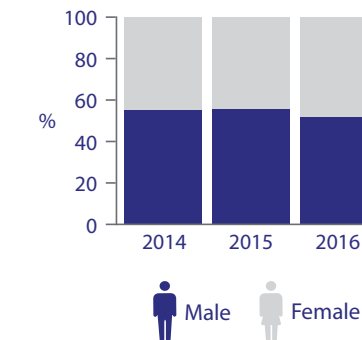


OUR PEOPLE

Number of FTEs:

2014	2015	2016
82	83	75

FTE gender split:



Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

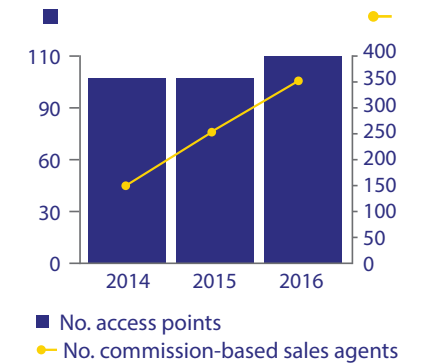
0.6

Training Spend per FTE (BWP)

8,315



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
37	27	26

%Female customers:

2014	2015	2016
33%	34%	37%



Improving my Life

I am an employee of the government of Mozambique. I benefited from a loan from Banco Letshego in December 2016, with which I bought 2 sewing machines to start a business and to secure the financial independence of my family. With the success of my business, I began my studies at the Polytechnic Institute IPET and paid off all expenses of my course.

With the business up and running and a technical degree, I managed to improve the standard of living for my whole family, thank you Banco Letshego for improving my life!



Sr. Dino Freitas Abílio
MOZAMBIQUE



BUSINESS



EDUCATION



Education is an important aspect of improving one's life. Sr Abílio is thankful that the loan he received from Letshego helped generate an income which lead to him furthering his education.



AGRI
BUSINESS



EDUCATION



HOUSING



Mr Tushabomwe Gad
UGANDA



Improving my Life

I wanted to be my own landlord so I decided to take out a loan of UGX1,2M (BWP 3 460) with which have constructed a residential home for my family and now no longer have to rent a home for my family and I.

I later took a top up loan worth UGX900,000 (BWP2 595) and purchased another smaller piece of land where I planted eucalyptus trees. The eucalyptus trees also act as a support system for my other plants in the garden. I sell these to get income to clear daily bills and pay school fees for my children.

I went back to Letshego for a top up loan of UGX4,600,000 (BWP13 267) which I used to purchase a cow in order to increase my livestock; I get milk from the cow for consumption and also to sell for profit. Also, I have managed to pay my tuition after enrolling at the university to finish my studies.

After completing my studies I focused on expanding my livestock farm and acquiring more animals so that I could make more profits.



Through Letshego, Mr Gad was able to take control of his own money and overtime grow what he had into a sustainable income for years to come.



Improving my Life

I am a member of the group Gganda. I applied for my first loan worth UGX300,000 (BWP 864) and bought a camera worth UGX150,000 (BWP 428) and used the balance from my loan to rent a room as a studio. I later employed someone to take care of the studio while I looked for customers.

I later got another loan worth UGX500,000 (BWP1 442) and bought a good quality computer worth UGX300,000 and a photo printing machine worth UGX200,000 (BWP 576). This resulted in some good profits from the quality of photos produced and I used part of the profit to pay for my 3 children's school fees and employees' salaries.

I then applied for a loan of UGX1m (BWP2 856) and used it to buy a video camera which got me employed at Bukedde Television.

As a result of all this I managed to build my father a house and sent my three children to school. I attribute all this success to Letshego for enabling me to have access to financial solutions.



Mr Abubakal Batuusa
UGANDA



Letshego was able to offer this customer the means to build his career in an industry he always dreamed of working in. Where he did not have access to funds before, through Gganda group, Letshego was able to support Mr Batuusa in improving his family's lives.



BUSINESS



EDUCATION



HOUSING

LETSHEGO BANK TANZANIA



2016 was a year of operational streamlining while deriving synergies with our credit-only business, Faidika Tanzania. Therefore, levels of financial, strategic and operational support were high. Key members of the senior management team were recruited, bringing with them a wealth of knowledge and experience to drive the business going forward. In addition there were new Board appointments, with 2 independent local members commencing duties in the current year. Letshego Bank Tanzania performed well in 2016 with the loan book nearly doubling to BWP97m from 2015 levels.

This was attributable to significant uptick in efficiency and access points, in addition to the successful introduction of our Education solutions to MSE. Also, our ATM network and 3rd party agencies (103 from 24 in 2015) channelled the broad-based solutions to a receptive market.

4 new customer access points were opened in 2016, bringing the total branches to 9 in addition to a deeper distribution network. In 2017, we look to launch mobile-led loan, savings and payment solutions to our broadening customer base.

“2016 was a year of operational streamlining while deriving synergies with our credit-only business, Faidika Tanzania. Therefore, levels of financial, strategic and operational support were high.”



CUSTOMERS & COMMUNITIES

Number of customers ('000):

Borrowers		
2014	2015	2016
n/a	7	6

Savers		
2014	2015	2016
n/a	29	38

Average loan deposit values (P'000):

2015 Average value of deposits	1
2016 Average value of deposits	1
2015 Average value of loans	7
2016 Average value of loans	17

Over 95% of our customers are classified as low to middle income* and earn less than BWP11,000 per month, with 40% of our customers earning less than BWP3,600 per month.

* Source (World Bank Analytical Classifications)

Loan book balance vs Deposits balance (BWP'm):

2016	
Loan Book Balance (BWP'm)	97
Deposits Balance (BWP'm)	36

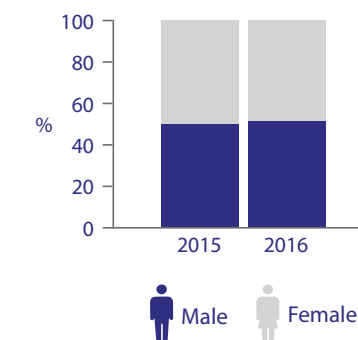


OUR PEOPLE

Number of FTEs:

2014	2015	2016
n/a	202	209

FTE gender split:



Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

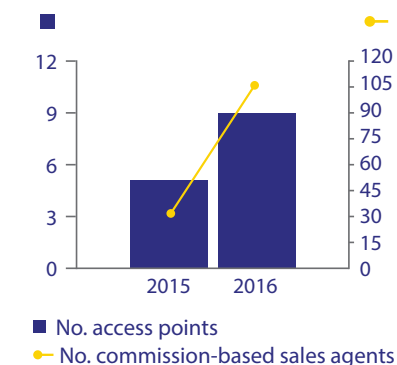
0.9

Training Spend per FTE (BWP)

4,201



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
n/a	-	-

%Female customers:

2014	2015	2016
n/a	40%	40%



AGRI
BUSINESS



HOUSING



Improving my Life

I wanted to renovate my parents' house as there was no electricity at all and it was usually difficult for them to use the electrical appliances which I had bought for them. I decided to gather information about financial services around and finally I learnt about Letshego. I then applied for a loan, which I received within 48 hours. This excited me because I knew I would complete my project as I had always hoped for. I was even able to acquire land through my other loan at Letshego which I will use to start a farming project soon.



Mr Kelefe Rashavha
BOTSWANA



Mr Rashavha looked for a financial institution that would be able to offer him an appropriate solution to his financial needs. Letshego was able to meet his needs and become his chosen financial partner.



Mrs Agnes Male
UGANDA



Improving my Life

I joined Letshego with serious financial struggles. I had defaulted on my children's school fees and my business was not doing well.

I then joined a group called Gganda Makelele after which I applied for a loan worth UGX1m (BWP2 877). I invested in the business and thereafter, my daily sales increased. I used the profits to pay school fees for my children and other home necessities and also purchased a piece of land.

Later, I got another loan of UGX1.4m (BWP4 029) and purchased a popcorn machine worth UGX200,000 (BWP 575) plus a fridge to add to my poultry egg business. With this capital my

sales and profits increased and I managed to pay off other debts. I went on to add two mobile money businesses at UGX300,000 (BWP 864).

I went back to Letshego for a top up loan of UGX4m (BWP11 528) and used it to grow my mobile money business, stocked more soft drinks and currently have one employee who helps me run the business. Further, I also used some of the money from the loan and my savings to start the construction of rental units on the land I bought. I went back to Letshego again for another top up loan worth UGX3M (BWP8 646) and acquired a motorbike and hired someone to use as public means of transportation. I hope to start a poultry business to employ my fellow Ugandans.



Mrs Male is a true testament to how Letshego was able to provide access to funds through group lending which includes customers who are excluded from traditional bank systems.



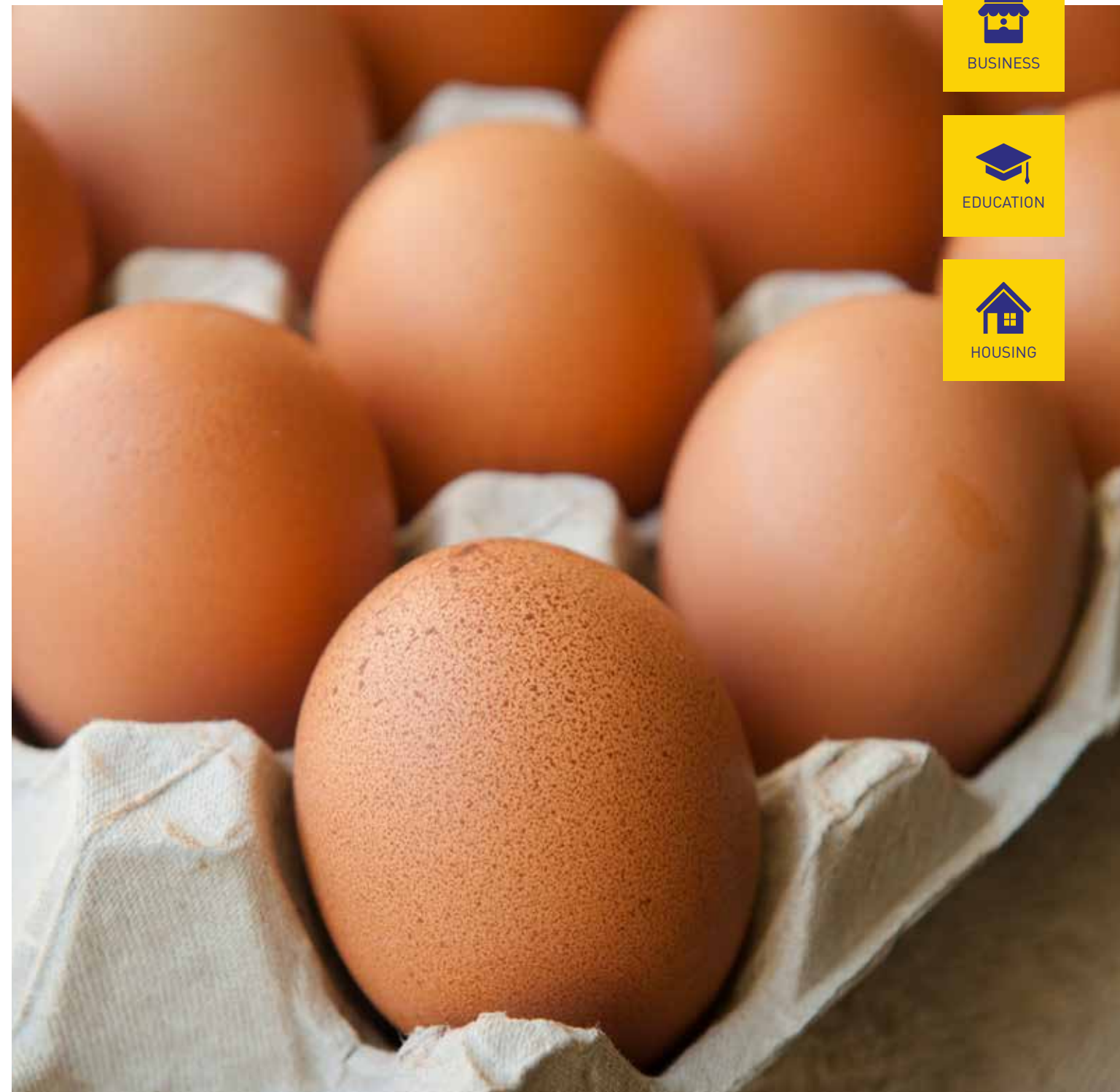
BUSINESS



EDUCATION



HOUSING





AGRI
BUSINESS



EDUCATION



Improving my Life

Letshego has helped to improve my life immensely. With my first loan I sent my son to tertiary school where he pursued a Diploma in Mass Communication. He is currently studying and working part time and for this reason I am grateful for the loan from Letshego.

My second loan from Letshego assisted in my poultry farm and vegetable farming start up projects. Through these projects, I supply my community with fresh eggs every day. Also, I am a proud supplier of beans to local schools and people in my area. I am proud to say Letshego has been my financial partner since my journey started.



Mrs Matanki Nkhabutlane
LESOTHO



The Nkhabutlane family benefited from our financial solutions both for educational and business purposes.

UGANDA



The Uganda business consists of our established formal sector lending portfolio, that absorbed the Ugandan microfinance operations out of the Micro Africa Limited acquisition in 2012. Broadly, these businesses make up 56% and 44% of the total portfolio respectively.

Our pilot diversification into the agri-business sector through supply chain financing yielded positive results in combination with other initiations, with the loan book growing by 9% on the preceding year to close at BWP307m. This growth was aided by the provision of the full range of MSE products in all branches in Uganda.

Along with Kenya and Rwanda, the Group's core operating and reporting systems were successfully implemented for the microfinance business in Q4 to facilitate a consistent base for 2017 and onwards.

“Our pilot diversification into the agri-business sector through supply chain financing yielded positive results in combination with other initiations, with the loan book growing by 9% on the preceding year to close at BWP307m.”

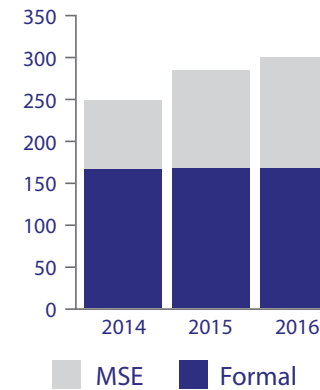


CUSTOMERS & COMMUNITIES

Number of customers ('000):

2014	2015	2016
45	43	40

Loan book split by business segment (BWP'm):



SSI Spend (BWP'000):

2014	2015	2016
307	18	27

Over 95% of our customers are classified as low to middle income* and earn less than BWP11,000 per month, with over 40% of our customers earning less than BWP3,600 per month.

* Source (World Bank Analytical Classifications)

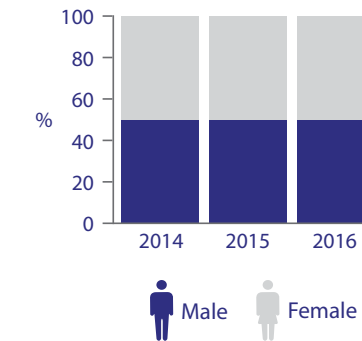


OUR PEOPLE

Number of FTEs:

2014	2015	2016
188	213	246

FTE gender split:



Training undertaken:

Total Training Spend (BWP'm)
*Spend for Letshego Holdings and Letshego Botswana

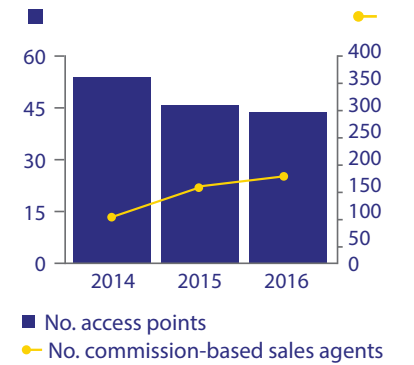
0.8

Training Spend per FTE (BWP)

3,269



ACCESSIBILITY AND ECONOMIC CONTRIBUTION



Tax paid (BWP'm):

2014	2015	2016
11	11	8

%Female customers:

2014	2015	2016
24%	25%	24%

All customer stories have been reproduced with their permission.
Pictures are used for illustration purposes where necessary.

In keeping with our commitment to sustainability, the paper selected for this book is 100% recycled to minimise environmental impact.

COVER Antalis | Environment Desert Storm

100% post-consumer recycled

Made with 100% renewable green energy
Green seal certified

INSIDE PAGES Papersmith & Son | Stephen Smart White

100% post-consumer recycled

Social Responsibility Information:

Papersmith & Son commit to sponsor “Children in the Wilderness” by donating part of the profit made from each order placed for Stephen paper. Children in the Wilderness is a non-profit organisation, facilitating sustainable conservation through leadership development and education of rural children in Africa.

“We have **designed our solutions to be human-centric**, driven by universal needs: affordable housing, food security (agri-business), education and livelihood (MSE business).”

