

THE DIRECTORS HEREBY PRESENT THE RESULTS OF BOTSWANA INSURANCE HOLDINGS LIMITED (BIHL) FOR THE YEAR ENDED 31 DECEMBER 2015

REVENUE	ASSETS UNDER MANAGEMENT	EARNINGS	SOLVENCY	EMBEDDED VALUE	DIVIDENDS
Net premium income increased by 25% to P 2.5 billion	Assets under management decreased by 28% to P20.9 billion	Operating profit increased by 31% to P 386.1 million	Business is well capitalized, required capital for the life business covered 8.8 times (December 2014: 11.29 times)	Embedded value increased by 13% to P4.3 billion	P 281.1 million paid as dividends during the year (2014: P216.4 million)
Fee income decreased by 20% to P88.4 million		Core earnings increased by 31% to P420 million		Return on Group Embedded value 21.9% (2014:23.9%)	Final normal dividend proposed of P188.3 million (gross of tax)
Value of new business increased by 15% to P170.5 million		Profit attributable to equity holders increased by 19% to P595 million			

Group Consolidated Income Statement

	Year to 31 December 2015 P'000	Year to 31 December 2014 P'000	
Continuing operations			
Revenue			
Net insurance premium income	2,487,265	1,986,683	25%
Gross premiums - recurring	1,078,940	990,628	
- single	1,427,340	1,018,374	
Premiums ceded to reinsurers	(19,015)	(22,319)	
Investment income	1,868,060	906,593	106%
Fee revenue	88,447	110,915	
Investment income	684,327	972,569	
Net fair value loss on sale of subsidiary	-	(15,878)	
Net gains on financial assets held at fair value through profit or loss and investment properties	1,095,286	(161,013)	
Total revenue	4,355,325	2,893,276	51%
Net insurance and investment contract benefits and claims	(3,173,297)	(1,944,801)	63%
Gross benefits and claims paid	(1,307,020)	(1,202,383)	
Reinsurance claims	9,736	9,988	
Change in liabilities under investment contracts	(674,663)	(205,052)	
Change in policyholder liabilities under insurance contracts	(1,201,350)	(547,354)	
Expenses	(647,127)	(575,135)	13%
Selling expenses	(323,517)	(258,899)	
Administration expenses	(323,610)	(316,236)	
Profit before share of profit of associates and joint venture	534,901	373,340	43%
Share of profit of associates and joint venture	186,728	253,618	(26%)
Profit before tax from continuing operations	721,629	626,958	15%
Tax expense	(123,945)	(107,495)	16%
Profit from continuing operations	597,684	519,463	15%
Discontinued operations			
Loss after tax for the period from discontinued operations	-	(14,750)	
Profit on sale of short - term insurance business	-	932	
Profit for the year	597,684	505,645	18%
Profit attributable to:			
- Equity holders of the parent from continuing operations	595,057	513,355	
- Equity holders of the parent from discontinued operations	-	(13,818)	
- Non-controlling interests from continuing operations	2,627	6,108	
	597,684	505,645	18%
Earnings per share (thebe) (attributable to ordinary equity holders of the parent)			
- Basic	218	183	19%
- Diluted	215	181	22%
Earnings per share (thebe) for continuing operations			
- Basic	218	188	16%
- Diluted	215	186	19%
Number of shares in issue	281,070,652	281,070,652	

Group Consolidated Statement of Comprehensive Income

	Year to 31 December 2015 P'000	Year to 31 December 2014 P'000
Profit for the year	597,684	505,645
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)		
Exchange differences on translating foreign operations	(50,831)	(3,195)
Total comprehensive income for the year	546,853	502,450
Total comprehensive income attributable to:		
- Equity holders of the parent	544,226	510,160
- Equity holders of the parent from discontinuing operations	-	(13,818)
- Non-controlling interests	2,627	6,108
	546,853	502,450

Group Consolidated Statement of Financial Position

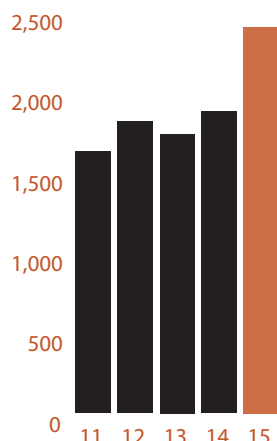
	As at 31 December 2015 P'000	As at 31 December 2014 P'000
ASSETS		
Property and equipment	155,504	20,138
Intangible assets	122,708	122,410
Long term reinsurance assets	3,042	3,728
Investment property	110,073	106,365
Investments in associates and joint ventures	1,741,680	1,647,451
Financial assets at fair value through profit or loss	10,931,578	12,094,905
- Bonds (Government, public authority, listed and unlisted corporates)	6,362,935	5,427,365
- Investments in property funds and companies	156,557	121,493
- Equity investments (Local and foreign)	3,911,528	6,013,539
- Policy loans and other loan advances	408,433	421,517
- Money market instruments	92,126	110,991
Deferred tax asset	41	495
Short term insurance receivables	-	1,788
Trade and other receivables	219,894	197,741
Tax receivable	1,070	1,500
Cash, deposits and similar securities	1,055,086	658,468
Total assets	14,340,676	14,854,989
EQUITY AND LIABILITIES		
Equity attributable to equity holders of parent		
Stated capital	130,821	130,821
Non distributable reserves	484,681	547,772
Retained earnings	2,307,103	2,007,474
Total equity attributable to equity holders of parent	2,922,605	2,686,067
Non-controlling interests	18,473	18,569
Total equity	2,941,077	2,704,636
Liabilities		
Policyholder liabilities under:	10,933,113	11,641,698
- Insurance contracts	8,555,331	7,354,668
- Investment contracts	2,377,782	4,287,030
Deferred tax liability	18,360	33,209
Short term insurance payables and provisions	5,815	6,983
Tax payable	9,138	18,403
Related party balances	2,140	4
Trade and other payables	431,033	450,056
Total equity and liabilities	14,340,676	14,854,989

Group Consolidated Statement of Changes in Equity

	Stated capital P'000	Non distributable reserves P'000	Retained earnings P'000	Total Equity attributable to equity holders of parent P'000	Non- controlling interests P'000	Total Equity P'000
For the year ended 31 December 2015						
As at 1 January 2015	130,821	547,772	2,007,474	2,686,067	18,569	2,704,636
Opening balances	-	-	595,057	595,057	2,627	597,684
Profit for the year	-	(50,831)	-	(50,831)	-	(50,831)
Foreign currency translation reserve movement	-	-	(281,070)	(281,070)	(2,722)	(283,792)
Dividend paid	-	-	(2,700)	-	-	-
Transfers to retained earnings from non-distributable reserves	-	(14,960)	(11,658)	(26,618)	-	(26,618)
Other movements in reserves	-	-	-	-	-	-
Balances at 31 December 2015	130,821	484,681	2,307,103	2,922,605	18,474	2,941,079
For the year ended 31 December 2014						
As at 1 January 2014	130,821	745,694	1,528,886	2,405,401	34,912	2,440,313
Opening balances	-	-	499,537	499,537	6,108	505,645
Profit for the year	-	(596)	-	(596)	(2,599)	(3,195)
Foreign currency translation reserve movement	-	-	(216,425)	(216,425)	(1,983)	(218,408)
Dividend paid	-	-	-	-	(17,869)	(17,869)
Sale of minority interest	-	-	-	-	-	-
Transfers from retained earnings to non-distributable reserves	-	(209,795)	209,795	-	-	-
Other movements in reserves	-	12,469	(14,319)	(1,850)	-	(1,850)
Balances at 31 December 2014	130,821	547,772	2,007,474	2,686,067	18,569	2,704,636

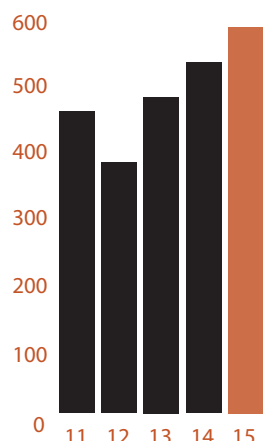
PREMIUM INCOME

Pula million



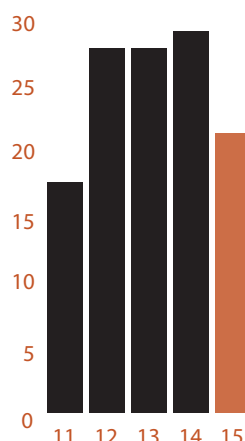
PROFIT AFTER TAX

Pula million



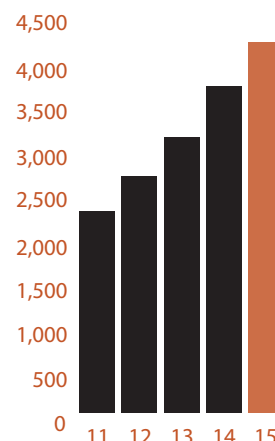
ASSETS UNDER MANAGEMENT

Pula billion



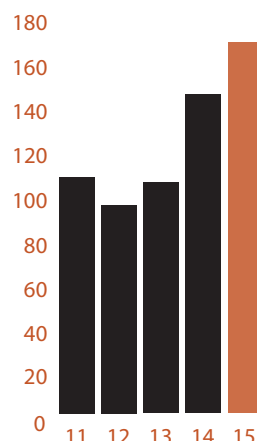
EMBEDDED VALUE

Pula million



VALUE OF NEW BUSINESS

Pula million



Group Consolidated Statement of Cash Flows

	Year to 31 December 2015 P'000	Year to 31 December 2014 P'000
Cash flows (utilised in)/from operating activities	(1,550,626)	643,019
Cash flows from/(utilised in) investing activities	1,947,244	(565,225)
Net increase in cash and cash equivalents	396,618	77,794
Cash and cash equivalents at the beginning of the year	658,468	580,674
Cash and cash equivalents at the end of the year	1,055,086	658,468
Represented by:		
Cash deposits and similar securities	166,048	101,391
Funds on deposit	889,038	557,077
	1,055,086	658,468

Group Embedded Value

The embedded value represents an estimate of the value of the Group, excluding the value attributable to minority interests and goodwill attributable to future new business. The embedded value comprises:

* the value of the shareholders' net assets; and

* the value of the in-force business adjusted for the cost of required capital to support this business.

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

	Year to 31 December 2015 P'000	Year to 31 December 2014 P'000
Embedded value results		
Shareholders' net assets after fair value adjustments	3,028,158	2,848,931
Shareholders' net assets, excluding goodwill	2,828,708	2,601,978
Fair value adjustments	199,450	246,953
Value of in-force	1,274,293	974,758
Value before cost of capital	1,287,672	1,137,117
Fair value adjustments	107,624	(83,211)
Cost of capital	(121,003)	(79,148)
Embedded value at end of year	4,302,451	3,823,689
Embedded value per share (Pula)	15.74	14.00
Embedded value earnings		
Embedded value at end of year	4,302,451	3,823,689
Embedded value at beginning of year	3,823,689	3,260,161
Change in embedded value	478,762	563,528
Movement in treasury shares	77,502	-
Dividends paid	281,070	216,425
Embedded value earnings	837,334	779,953
Return on Embedded value	21.9%	23.9%
These earnings can be analysed as follows:		
Expected return on life business in force	111,760	81,451
Value of new business	170,446	148,249
Value at point of sale	163,640	142,405
Expected return to end of year	6,806	5,844

Group Embedded Value

	Year to 31 December 2015 P'000	Year to 31 December 2014 P'000
Operating experience variances	80,280	95,947
Mortality/Morbidity	50,839	82,597
Persistency	3,174	2,562
Expenses	(23,707)	(5,310)
Other	49,974	16,098
Operating assumption changes	89,720	96,487
Mortality/morbidity	48,209	(14,029)
Persistency	16,858	50,816
Expenses	(53,930)	(8,343)
Other	78,583	68,043
Embedded value earnings from operations	452,207	422,134
Investment variances		
Economic assumption changes	21,159	26,708
Inflation	-	4,501
Risk discount rate	-	18,321
Embedded value earnings from covered business	473,366	471,664
Return on shareholders assets	239,133	257,822
Investment Returns	119,139	125,330
Net profit non-life operations	119,994	132,492
Change in shareholders' fund adjustments	124,835	50,467
Changes in treasury share adjustments	11,841	4,011
Movement in fair value of incentive scheme shares	1,927	1,940
Movement in present value of holding company expenses	(18,165)	(25,033)
Movement in other net worth adjustments	129,232	69,549
Embedded value earnings	837,334	779,953
a) Value of new business		
Value of new business at calculation date	170,446	148,249
Value before cost of capital	181,173	156,452
Recurring premium	64,116	64,181
Single premium	117,057	92,271
Cost of capital	(17,533)	(14,047)
Expected return to end of year	6,806	5,844
b) Fair value adjustments		
Staff share scheme	(50,629)	6,120
Non-life operations write-up to fair value	137,493	172,055
Non-life operations write-up to fair value (VIF)	209,000	-
Group holding expenses	(101,376)	(83,211)
Reversal of cross holding adjustment	112,586	68,778
Total	307,074	163,742
Consisting of:		
Net Asset Value adjustments	199,450	246,953
Value of In Force adjustments	107,624	(83,211)
c) Assumptions		
The main assumptions used are as follows:		
1. Economic assumptions	% p.a	% p.a
Risk discount rate	11.00	11.00
Overall investment return (before taxation)	8.58	8.58
Expense inflation rate	4.50	4.50
2. Other assumptions		
The assumptions for future mortality, persistency and premium escalation were based on recent experience adjusted for anticipated future trends.		

Commentary

Economic environment

Global growth still remains fragile and remains at the forefront. The European Central Bank introduced a considerable quantitative easing programme in January 2015 as Europe was still in the doldrums, the impact was generally positive on European Union economic stability. Towards the end of the year, the Federal Reserve Bank implemented its well anticipated tightening by raising the Fed fund rate, triggering widespread return of funds from emerging economies. Closer to home, the Rand plummeted by 9 percent in December 2015. The downgrade of South Africa debt to a notch above junk status by Fitch could introduce more volatility in the South African bond market. A further downgrade of the debt could introduce forced selling of bonds where Investors (funds) are not allowed to hold below investment grade bonds.

As a significant highlight of the year 2015 for the domestic capital market, Government issued a new 25-year bond, the longest tenor since issuance of Government bonds started in early 2000s. The issuance extended the risk free yield curve and was widely welcomed by capital markets. The issuance further facilitated the pricing of various financial instruments.

In Botswana inflation closed the year at 3.1 percent, well within the target range of 3 to 6 percent of the monetary authorities. Of note also is the gradual downward move of inflation over the past 5 years. The Bank rate closed the year at 6 percent, the lowest in recent years. The Bank rate was reduced twice during the year; 100 bps early in the year and a further 50 bps in August 2015 on the back of a favorable inflation outlook and weaker domestic economic conditions, with a threat of economic recession in the last half of the year 2015. For the external sector, the rate of crawl of the Pula exchange was revised up to 0.38 percent from zero percent, to maintain a stable real effective exchange rate. In April, the commercial banks' Primary reserve requirement decreased from 10 percent to 5 percent, releasing some P2.3 billion liquidity in the banking sector.

Accounting policies and presentation

The accounting policies adopted for the period comply in all material respects with International Financial Reporting Standards (IFRS) and are presented in the manner required by the Botswana Insurance Industry Act (Cap 46:01) and the Companies Act of Botswana (Companies Act, 2003). These policies are consistent with those applied for the year ended 31 December 2014.

Financial overview

	Year to 31 December 2015 P'000	Year to 31 December 2014 P'000	% Change
Analysis of earnings			
Operating profit	385,884	287,199	34%
Investment income on shareholders' assets	34,078	32,448	5%
Core earnings	419,962	319,647	31%
Fair value adjustments on sale of subsidiary	-	(15,878)	
Profit on sale of short term insurance business	-	932	
Share of profit of associates and joint venture net of tax	186,728	253,618	(26%)
Investment surpluses on shareholders' assets	114,939	54,821	110%
Profit before tax	721,629	613,140	18%
Tax expense	(123,945)	(107,495)	16%
Profit after tax	597,684	505,645	18%
Minority shareholders' interest	(2,627)	(6,108)	
Profit attributable to ordinary shareholders	595,057	499,537	19%

Operating profit for the life business increased by 23 percent due to good operational earnings from all the business lines. The asset management result was adversely affected by the reduction in assets under management while the general insurance business has shown a marked improvement in profitability. The share of profits from associates experienced a decrease of 26 percent due to lower levels of accounted earnings pertaining to certain investments.

Investment income on shareholder assets which comprise dividend income and interest income remained flat due to the prevailing low interest rate environment. Investment surpluses for shareholders increased due to satisfactory capital gains, this income line remains susceptible to market volatilities.

Embedded value

The Group's embedded value has increased by an impressive 13 percent to P4.3 billion. The embedded value was positively affected by good operating earnings, especially the life business, and improved market value for the non-life operations. The embedded value allows for P281.1 million dividends paid during the year.

Value of new life business

The value of new life business (VNB) grew by 15 percent to P170.5 million as a result of significant growth in most of the business lines and changes in mortality assumptions. Improved persistency levels have also contributed to the positive earnings.

Overview of operations

For management purposes, the Group is organised into four principal business areas based on their products and services and these make up the three reportable operating segments as follows:

- The life insurance segment which provides life insurance services to its customers through Botswana Life Insurance Limited, a full subsidiary of the Group
- The asset management segment which provides asset management services to its customers through Botswana Insurance Fund Management Limited, a full subsidiary of the Group
- The general insurance segment which provides legal insurance to its customers through BIHL Insurance Company Limited, a full subsidiary of the Group
- BIHL also has associate holdings of 23 percent in Letshego Holdings Limited (LHL), 35 percent in Funeral Services Group (FSG) and 25.1 percent in Nico Holdings Limited.

Inter-segment transactions that occurred during 2015 and 2014 between business segments are set on an arm's length basis in a manner similar to transaction with third parties. Segmental income, segment expense and segment results will then include those transfers between business segments, which will then be eliminated on consolidation.

The source of revenue for segments included in other segments is Unit Trust business, Holding Company and the Corporate Social Investment Trust.

Segment results

For the year ended 31 December 2015

	Life Business P'000	Asset Management P'000	General Insurance P'000	Associates P'000	Other P'000	Inter Segmental P'000	Consolidated Total P'000
Premium revenue	2,442,588	-	44,677	-	-	-	2,487,265
Fee revenue	-	-	-	-	-	-	-
- Internal	-	4,983	-	-	-	(4,983)	-
- External	-	100,147	158	-	5,625	(17,483)	88,447
Investment income	569,508	195,881	719	-	653,820	(735,601)	684,327
Fair value gains	564,311	528,037	-	-	-	2,938	1,095,286
Total net income	3,576,407	829,048	45,554	-	659,445	(755,129)	4,355,325
Policyholder benefits paid	(1,283,488)	-	(13,796)	-	-	-	(1,297,284)
Change in liabilities under investment contracts	-	(674,663)	-	-	-	-	(674,663)
Change in policyholder liabilities under insurance contracts	(1,201,350)	-	-	-	-	-	(1,201,350)
Administration expenses	(203,089)	(56,680)	(25,587)	-	(41,722)	3,468	(323,610)
Selling expenses	(320,569)	-	(2,948)	-	-	-	(323,517)
Profit before share of profit of associates and joint venture	567,911	97,705	3,223	-	617,723	(751,661)	534,901
Share of profit of associates and joint venture	-	30,494	-	156,234	-	-	186,728
Tax expense	(94,546)	(14,331)	(391)	-	(34,267)	19,590	(123,945)
Profit/(loss) for the year	473,365	113,868	2,832	156,234	583,456	(732,071)	597,684

For the year ended 31 December 2014

	Life Business P'000	Asset Management P'000	General Insurance P'000	Associates P'000	Other P'000	Inter Segmental P'000	Consolidated Total P'000
Continuing operations							
Premium revenue	1,948,073	-	38,610	-	-	-	1,986,683
Fee revenue	-	-	-	-	-	-	-
- Internal	-	5,548	-	-	-	(5,548)	-
- External	-	107,062	697	-	3,156	-	110,915
Investment income	452,176	535,799	769	-	462,598	(478,773)	972,569
Fair value losses on sale of short term insurance division	-	(15,878)	-	-	-	-	(15,878)
Fair value gains and losses	150,298	(311,311)	-	-	-	-	(161,013)
Total net income	2,550,547	321,220	40,076	-	465,754	(484,321)	2,893,276
Policyholder benefits paid	(1,173,806)	-	(18,589)	-	-	-	(1,192,395)
Change in liabilities under investment contracts	-	(205,052)	-	-	-	-	(205,052)
Change in policyholder liabilities under insurance contracts	(547,354)	-	-	-	-	-	(547,354)
Impairment of goodwill	-	-	-	-	-	(20,160)	(20,160)
Administration expenses	(171,278)	(63,458)	(32,396)	-	(94,987)	66,042	(296,076)
Selling expenses	(257,735)	-	(1,164)	-	-	-	(258,899)
Profit before share of profit of associates and joint venture	400,374	52,710	(12,073)	-	370,767	(438,439)	373,340
Share of profit of associates and joint venture	-	62,671	-	190,947	-	-	253,618
Tax expense	(84,000)	(23,660)	878	-	(16,945)	16,232	(107,495)
Profit after tax from continuing operations	316,374	91,721	(11,195)	190,947	353,822	(422,207)	519,463
Discontinued operations							
Loss after tax for the year from discontinued operations	-	-	(14,750)	-	-	-	(14,750)
Profit on sale of short-term insurance business	-	-	932	-	-	-	932
Profit/(loss) for the year	316,374	91,721	(25,945)	190,947	353,822	(422,207)	505,645

Commentary (continued)

	Life Business P'000	Asset Management P'000	General Insurance P'000	Other P'000	Inter Segmental P'000	Consolidated Total P'000
At 31 December 2015						
Total Assets	10,537,902	6,338,078	30,575	2,770,842	(5,336,723)	14,340,674
Total Liabilities	9,105,931	5,791,780	15,674	1,519,630	(5,033,420)	11,399,595

	Life Business P'000	Asset Management P'000	General Insurance P'000	Other P'000	Inter Segmental P'000	Consolidated Total P'000
At 31 December 2014						
Total Assets	9,318,427	8,084,328	30,374	2,328,822	(4,906,962)	14,854,989
Total Liabilities	7,773,619	7,591,789	28,304	1,499,689	(4,743,048)	12,150,353

Life insurance business

Net Premium Income grew by 25 percent from P 1.95 billion in 2014 to P2.44 billion in 2015, with most income lines contributing positively to the growth. Total New Business written grew 19 percent underpinned by strong single premium income performance. Recurring Premium Income (Net) at P1.015 billion breached the P1 billion mark for the first time in the history of the organization which is in line with the company's strategy of focusing on sustainable growth. The value of new business, which represents the present value of future profits from new business premiums written during the year, also grew by a pleasing 15 percent year on year. Strong operating performance saw a significant growth in operating profit from P317 million to P390 million in 2015, a 23 percent growth year on year.

In keeping with our vision "to create a world where everyone is financially secure" we deepened the penetration to the unbanked channel to give better access and convenience to the largely unserved market and our efforts were rewarded by a sterling growth of 89 percent year-on-year in new business premiums for our micro insurance line.

Following the successful launch of our new and vibrant brand identity, the company continues to lead the market with new and smart ways of doing business. A number of financial and non-financial services are now provided to our clients in the comfort of their homes and offices through our newly revamped Call Centre.

The Liferewards Loyalty program continues to do well. The program is aimed at delivering value to Botswana Life clients through access to significant discounts at merchant partners and providing additional funeral cover to all participating clients. The Loyalty Program is part of the implementation of our five year 2020 strategy which puts the client at the heart of everything we do.

In line with the strategy, despite the global economic headwinds and a highly competitive environment, Management is committed to pursuing sustainable growth through existing and new market segments to deliver real value to all our stakeholders.

Asset management business

BIFM Group attained satisfactory results for the year 2015 remaining buoyant despite a turbulent and challenging market. Operating profit experienced a 20 percent decline year on year, primarily due to the decrease in assets under management as a result of a mandate withdrawal in first half of the year. Consequently, the business embarked and concluded on realignment processes which resulted in once-off restructuring expenditure contributing further to the decline in profits for 2015. The business nonetheless remained profitable, posting operating profit before taxation of P31 million for the year (excluding Zambia), with profit margin steadying at 46 percent versus 48 percent in 2014. Total assets under management stabilized at P20.8 billion (including Zambia's AUM of P3.8 billion). The marked improvement in AUM during the second half of the year was due to greater focus on client retention, significant local currency depreciation which aided the offshore asset returns and excellent performance of local equities and bonds.

Short term insurance business

2015 marked the first full year of BIHL Insurance Company Limited operating purely as a legal expenses insurer, "Legal Guard," following the sale of its general insurance business in 2014. Legal Guard is Botswana's first ever legal assistance solutions provider and continues to be the leading legal expenses insurer in the country.

The renewed focus on a single business line was accompanied by the introduction of a three year strategy as a road map to guide the business through recovery, consolidation, and onwards to sustainable profitability. The Legal Guard brand identity was also refreshed to symbolise the rejuvenation of the business.

2015 has been devoted to building-on and entrenching initiatives that began in 2014 that included revitalising the business by introducing greater product diversity, improving customer service and enhancing operational efficiencies.

As a result of these efforts the financial performance of the business has significantly improved as illustrated by the return of the business to profitability with operating profits of P3.1 million for the year, compared to a P25.9 million loss in 2014. This result is especially pleasing in light of the difficult domestic economic conditions experienced during the past financial year.

The business intends to build on lessons learned and to maintain the upward momentum of its performance. The business expects to fully consolidate the gains achieved during its recovery phase by entrenching these into its day to day operations as well as seeking collaborative opportunities both within the Group and externally as it continues to take full advantage of its market position and related competitive advantages.

Capital management and solvency

The Group remains well positioned in terms of capital management and solvency. This was taken into consideration by the board when resolving a final dividend that will result in a significantly higher total dividend paid for 2015 compared to 2014. The board is confident that it is in shareholders' best interest to pay dividends at levels where the group's capital position remains solid and at the same time aligned with future capital requirements across the Group.

New acquisitions

We are excited with two recent investments made: 25.1 percent shareholding in Nico Holdings Limited was acquired at the end of 2015 and 50 percent indirect ownership of Botswana Insurance Company (BIC) was acquired during January 2016. The investments offer further diversification of our financial services portfolio as well as providing an enhanced client offering.

Social Responsibility

BIHL Group remains aware of the social responsibility it has in the communities it operates in and thus the establishment of the BIHL Trust. Established in 2007, the BIHL Trust has an independent board which is governed by a Deed of Trust.

The BIHL Group has been committed to contribute 1 percent of post-tax profits to the BIHL Trust, with the aim to pioneer and support development initiatives across Botswana for Batswana. The Trust's areas of interest remain: poverty alleviation; economic empowerment projects; development of human resources through education and training; social welfare services, including youth development; public health; public recreation including sports; rural development and conservation of the environment.

In 2015, BIHL Trust continued with its commitment of empowerment through education and in this financial year there was an increase in recipients of the prestigious BIHL Trust Thomas Tlou Scholarship to 10, while the donation towards the Maru-a-Pula School OVC Funds grew to over P1 million, the biggest amount given by any establishment.

Through its commitment to create better communities, BIHL Trust has granted over P15 million to worthy causes. BIHL Trust remains committed to aiding Batswana and making meaningful contributions to the country and people who have helped make the business what it is today. For more information, visit www.bihl.co.bw and Facebook search BIHL Trust.

Looking ahead

We continue defending our market share as we continue to offer our clients and customers the highest level of service. Following the significant reduction in the assets under management, the business embarked on a realignment process in response to this. We will focus on diversifying the profit sources through acquisitions in financial services as well as consolidating our new acquisitions in order to derive value for our shareholders. The continued uncertainty in the global markets is expected to continue to affect the results, but despite this, we expect to achieve continued growth for our shareholders. We would like to thank all our Clients, Brokers, Agents, Staff and other Stakeholders for their on-going partnership and support and look forward to serving them in the future.

Changes in directorships

Lieutenant General Tebogo Carter Masire was appointed as director on 21 August 2015.

Dividend Declaration

The Directors have resolved to award a final dividend for the year of 67 thebe per share (gross of tax).

The important dates pertaining to the dividends are:

Declaration date:	17 February 2016
Last day to register for dividend:	01 April 2016
Payment of dividend:	15 April 2016

For and on behalf of the Board

B Dambe-Groth (Chairman)

G Hassam (Group CEO)

02 March 2016

Directors:

Batsho Dambe – Groth (Chairman), Gaffar Hassam (Group CEO)***, Chandra Chauhan, Heinie Werth**, John Hinchliffe*, Mahube Mpugwa, Andre Roux**, Lieutenant General Tebogo Masire, Gerrit van Heerde**

*British **South African ***Malawian

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