REVIEWED FINANCIAL RESULTS 2017

Published 12 March 2018
We are present in

11 AFRICAN COUNTRIES

Botswana | Ghana | Kenya | Lesotho
Mozambique | Namibia | Nigeria
Rwanda | Swaziland | Tanzania | Uganda

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 Eduloan 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%)

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

2017
Acquisition of afb Ghana
Ghana launches Savings and LetsGo
Letshego Namibia IPO listing
Tanzania and Mozambique agency launch

Published 12 March 2018
LETSHEGO HOLDINGS LIMITED
FULL YEAR 2017 REVIEWED RESULTS

The Board of Directors of Letshego Holdings Limited ("the Group") is pleased to present an extract of the reissued reviewed consolidated results for the year ended 31 December 2017.

On the 5th March 2018 LHL published an extract of the reviewed consolidated results for the year ended 31 December 2017. These results included a disclosure around an uncertain tax treatment. The Board has now received further advice relating to this tax treatment and has amended the 2017 financial statements (and relevant prior years) to include a specific provision for any potential liability that may arise.

The result is that the consolidated net asset value of Letshego has reduced by 4.1%. The revised Profit After Tax for the year ended 31 December 2017 is 8.6% lower than as published on the 5th March 2018; however, in the increase in Profit After tax from the restated 2016 results is a 12% increase. There is no change to the year-end dividend of 9.0 thebe per share payable to Shareholders registered on the 29th March 2018 and the special dividend of 1.4 thebe per share that is being returned to Shareholders from the proceeds of the IPO of Letshego Namibia.

More details are included in this reissued reviewed consolidated results dated 9 March 2018.

CONTINUED PROGRESS ON DELIVERY OF THE STRATEGIC AGENDA

*11 month period following the change in year end.

**Special dividend of 4.1 thebe per share - proceeds from the Namibia IPO.

GROUP STRUCTURE

The Group has introduced an interconnected family structure in Malawi and over the next few years Group subsidiaries will be expected to move to this configuration. The Group's strategy is to align the subsidiaries to allow for a more tax efficient movement of dividends within the Group.

PRIOR YEAR ADJUSTMENT

Details regarding the prior year adjustments are included in Note 10 of the reviewed consolidated results. The most significant change is an increase in the current year's tax charge of P24m and a corresponding increase of P14m in the prior year tax charge.

GROUP OPERATIONS

The Group comprises of "Lethego Rolled-up (HR)" and "Group operations". Group operations includes all the Group's operating subsidiaries and businesses.

The Group's operations are grouped into the following key business areas:

1. Lethego Rolled-up (HR)
2. Group operations

LETSHEGO ROLLED-UP (HR)

LETSHEGO ROLLED-UP (HR) continues to drive its financial inclusion strategy and strength of our operations through investment in technology and products as well as through strategic partnerships. This year, we have focused more on expanding our presence and footprint, particularly in markets where it is active and where significant expansion has occurred as we seek to accelerate our strategies for delivering financial services.

LETSHEGO ROLLED-UP (HR) has made significant strides in the fast growing digital footprint market. The advanced mobile footprint is not only a platform for delivering financial services but also allows us to make a direct and personal impact by providing support and resources for important social causes.

GABORONE, Friday 09 March 2018

E Banda

Group Chairman
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

RATIOS

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2017</th>
<th>31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>(Reviewed)</td>
<td>(Restated)</td>
</tr>
<tr>
<td><strong>Return on average assets (%)</strong></td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Return on average equity (%)</strong></td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Cost to income ratio (%)</strong></td>
<td>40%</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Debt to equity ratio (%)</strong></td>
<td>93%</td>
<td>67%</td>
</tr>
</tbody>
</table>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2017</th>
<th>31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>(Reviewed)</td>
<td>(Restated)</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>492,367</td>
<td>529,476</td>
</tr>
<tr>
<td>Advances to customers</td>
<td>7,769,904</td>
<td>6,669,740</td>
</tr>
<tr>
<td>Other receivables</td>
<td>201,605</td>
<td>166,717</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>92,081</td>
<td>76,034</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>55,940</td>
<td>52,699</td>
</tr>
<tr>
<td>Goodwill</td>
<td>122,280</td>
<td>129,408</td>
</tr>
<tr>
<td>Available-for-sale financial asset</td>
<td>53,591</td>
<td>53,591</td>
</tr>
<tr>
<td>Income tax receivable</td>
<td>17,967</td>
<td>17,270</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>156,655</td>
<td>106,961</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>8,960,770</td>
<td>7,821,786</td>
</tr>
</tbody>
</table>

**LIABILITIES AND EQUITY**

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2017</th>
<th>31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>(Reviewed)</td>
<td>(Restated)</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stated capital</td>
<td>11</td>
<td>849,845</td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td>(680,417)</td>
<td>(634,293)</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>39,607</td>
<td>32,189</td>
</tr>
<tr>
<td>Share based payment reserve</td>
<td>38,840</td>
<td>35,835</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>3,709,368</td>
<td>3,883,983</td>
</tr>
<tr>
<td><strong>Total equity attributable to equity holders of the parent company</strong></td>
<td>3,957,183</td>
<td>3,693,353</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>313,309</td>
<td>192,799</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>4,270,492</td>
<td>3,886,152</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,690,278</td>
<td>3,935,634</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>8,960,770</td>
<td>7,821,786</td>
</tr>
</tbody>
</table>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 Dec 2017</th>
<th>Year ended 31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>(Reviewed)</td>
<td>(Restated)</td>
</tr>
<tr>
<td>Interest income</td>
<td>12</td>
<td>2,252,636</td>
</tr>
<tr>
<td>Interest expense</td>
<td>13</td>
<td>(470,030)</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>1,782,606</td>
<td>1,782,606</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>14</td>
<td>38,595</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>209,724</td>
<td>209,724</td>
</tr>
<tr>
<td>Operating income</td>
<td>15</td>
<td>2,054,771</td>
</tr>
<tr>
<td>Employee costs</td>
<td>16</td>
<td>(367,057)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>17</td>
<td>(44,952)</td>
</tr>
<tr>
<td><strong>Net income before impairment and taxation</strong></td>
<td>1,240,762</td>
<td>1,240,762</td>
</tr>
<tr>
<td>Impairment of advances</td>
<td>18</td>
<td>(237,149)</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>1,003,613</td>
<td>1,003,613</td>
</tr>
<tr>
<td>Taxation</td>
<td>19</td>
<td>947,570</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>6</td>
<td>947,570</td>
</tr>
</tbody>
</table>

**Attributable to:**

- Equity holders of the parent company | 3,974,402 |
- Non-controlling interests | 170,686 |

**Profit for the year** | 4,145,088 |

**Other comprehensive income, net of tax:**

- Foreign currency translation differences arising from foreign operations | (39,163) |
- Other items that may be subsequently reclassified to profit or loss | 12 |

**Total comprehensive income for the year** | 642,083 |

**Attributable to:**

- Equity holders of the parent company | 591,539 |
- Non-controlling interests | 60,544 |

**Profit for the year** | 652,083 |

**Fully diluted earnings per share (thebe)** | 31.2 | 27.6 |

NOTE: The diluted EPS has been calculated inclusive of share that may vest in terms of the Group’s long term share incentive scheme.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Effect of exchange rate changes on cash and cash equivalents              (11,062)          (95,134)
Cash and cash equivalents at the beginning of the year              529,476          526,290
Net movement in cash and cash equivalents              (26,047)             98,320
Net cash generated from financing activities              149,014           266,319
Proceeds from sale of interest in a subsidiary                87,478         -
Dividends paid to equity holders and non-controlling interest            (322,432)        (371,685)
Financing activities
Net cash flows used in investing activities            (105,240)            (73,032)
Other investing activities              (40,385)          (19,441)
Net cash acquired from acquisitions                                                                                                                                                                    25,864      -
Net cash utilised in operating activities              (69,821)           (94,967)
Taxation paid             (290,590)         (341,460)
Movement in working capital and other changes         (1,192,553)          (988,396)
Impairment and write off              376,909          259,180
Add : Amortisation and depreciation                 32,800            28,139
Profit before taxation           1,003,613           947,570
Operating activities
Profit before taxation              - 637,663 - - 43,583 681,246
Other comprehensive income, net of income tax
Foreign currency translation reserve - - (46,124) - 6,961 (39,163)
Transactions with owners, recorded directly in equity
Allocation to legal reserve - (7,418) - - (10,011) -
Allocation to share based payment reserve - 21,562 - - - -
New shares issued from long term incentive scheme 5,422 - (5,422) - - -
Share buy back - shares cancelled (119,270) - (119,270) - - -
Dividends paid to equity holders - (371,685) - - - -
Balance at 31 December 2016 - Restated 875,639 3,383,983 35,835 (634,293) 22,187 184,791 4,126,026

Total comprehensive income for the year
Profit for the year - Restated - 637,663 - - 43,583 681,246
Other comprehensive income, net of income tax
Foreign currency translation reserve - - (46,124) - 6,961 (39,163)
Transactions with owners, recorded directly in equity
Allocation to legal reserve - (7,418) - - (10,011) -
Allocation to share based payment reserve - 21,562 - - - -
New shares issued from long term incentive scheme 5,422 - (5,422) - - -
Share buy back - shares cancelled (119,270) - (119,270) - - -
Dividends paid to equity holders - (371,685) - - - -

Balance at 31 December 2016 - Restated 875,639 3,383,983 35,835 (634,293) 22,187 184,791 4,126,026

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

New shares issued from long term incentive scheme    22,274   -   (22,274)     -     -     -                   -
Allocation to share based payment reserve    -    -  25,279     -     -   -          25,279
Allocation to legal reserve    -     (7,418)     -   -     7,418     -                   -
Sale of non-controlling interest in Letshego Holdings Namibia Limited    -     16,687     -     -   -     70,791           87,478
Other comprehensive income, net of income tax
Profit for the year    -     637,663   -     -     -     43,583        681,246
Total comprehensive income for the year
Balance at 31 December 2016 - Restated 875,639 3,383,983 35,835 (634,293) 22,187 184,791 4,126,026

SEGMENTAL REPORTING

For the year ended 31 December 2017

The Group’s reportable segments are as follows: Botswana, Namibia, Mozambique, Other Southern Africa, Tanzania, Other East Africa, West Africa and Holding company.

- Other Southern Africa includes: Lesotho and Swaziland
- Other East Africa includes: Kenya, Rwanda and Uganda
- West Africa includes: Nigeria and Ghana

Operating Segments 31 December 2017

<table>
<thead>
<tr>
<th>Botswana P'000</th>
<th>Namibia P'000</th>
<th>Mozambique P'000</th>
<th>Other Southern Africa P'000</th>
<th>Tanzania P'000</th>
<th>Other East Africa P'000</th>
<th>West Africa P'000</th>
<th>Holding company or eliminations P'000</th>
<th>Total P'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income 598,626</td>
<td>526,329</td>
<td>166,536</td>
<td>141,547</td>
<td>214,443</td>
<td>257,255</td>
<td>154,648</td>
<td>(6,613)</td>
<td>2,054,771</td>
</tr>
<tr>
<td>Profit before taxation 461,435</td>
<td>435,894</td>
<td>74,963</td>
<td>99,584</td>
<td>48,382</td>
<td>12,259</td>
<td>38,494</td>
<td>(167,398)</td>
<td>1,003,613</td>
</tr>
<tr>
<td>Profit - consolidated 610,246</td>
<td>522,367</td>
<td>371,685</td>
<td>75,727</td>
<td>(31,258)</td>
<td>426,200</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross advances to customers 2,466,433</td>
<td>1,940,065</td>
<td>1,026,944</td>
<td>13,571</td>
<td>(8,914)</td>
<td>240,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment provisions (147,875)</td>
<td>(10,400)</td>
<td>(13,571)</td>
<td>(8,914)</td>
<td>(99,807)</td>
<td>(402,400)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net advances 2,318,558</td>
<td>1,829,665</td>
<td>782,485</td>
<td>782,485</td>
<td>1,026,944</td>
<td>240,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings 546,878</td>
<td>791,365</td>
<td>338,074</td>
<td>512,109</td>
<td>33,781</td>
<td>509,158</td>
<td>218,779</td>
<td>1,034,463</td>
<td>3,964,607</td>
</tr>
</tbody>
</table>

Operating Segments 31 December 2016

<table>
<thead>
<tr>
<th>Botswana P'000</th>
<th>Namibia P'000</th>
<th>Mozambique P'000</th>
<th>Other Southern Africa P'000</th>
<th>Tanzania P'000</th>
<th>Other East Africa P'000</th>
<th>West Africa P'000</th>
<th>Holding company or eliminations P'000</th>
<th>Total P'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income 635,432</td>
<td>427,204</td>
<td>154,441</td>
<td>108,365</td>
<td>194,370</td>
<td>251,632</td>
<td>45,696</td>
<td>27,948</td>
<td>1,845,108</td>
</tr>
<tr>
<td>Profit before taxation 467,153</td>
<td>350,839</td>
<td>106,681</td>
<td>71,941</td>
<td>89,797</td>
<td>42,566</td>
<td>(8,254)</td>
<td>(173,153)</td>
<td>947,570</td>
</tr>
<tr>
<td>Profit - consolidated 522,367</td>
<td>425,500</td>
<td>371,685</td>
<td>75,727</td>
<td>(31,258)</td>
<td>426,200</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross advances to customers 2,368,575</td>
<td>1,668,796</td>
<td>740,420</td>
<td>637,064</td>
<td>532,217</td>
<td>942,673</td>
<td>53,011</td>
<td>-</td>
<td>6,922,956</td>
</tr>
<tr>
<td>Impairment provisions (146,577)</td>
<td>(553)</td>
<td>(5,569)</td>
<td>(12,200)</td>
<td>(44,552)</td>
<td>(2,115)</td>
<td>1,006</td>
<td>-</td>
<td>(273,216)</td>
</tr>
<tr>
<td>Net advances 2,222,006</td>
<td>1,807,343</td>
<td>673,852</td>
<td>525,284</td>
<td>146,715</td>
<td>940,558</td>
<td>51,005</td>
<td>-</td>
<td>6,649,740</td>
</tr>
<tr>
<td>Borrowings 748,907</td>
<td>640,011</td>
<td>178,450</td>
<td>452,413</td>
<td>29,945</td>
<td>664,834</td>
<td>-</td>
<td>678,756</td>
<td>3,394,116</td>
</tr>
</tbody>
</table>
In September 2016, 52,782,546 ordinary shares were repurchased by the company and subsequently held as treasury shares. In October 2017, 24,400,000 ordinary shares were repurchased by the company and these are currently being held as treasury shares.

### 4. Property plant and equipment

- **Motor vehicles**: 1,761, 2,090, 2,662 (152) (1,435) (1,439) 3,477
- **Computer equipment**: 14,292, 15,678, 351 (352) (10,484) (705) 19,290
- **Office furniture and equipment**: 36,571, 10,771, 4,696 (1,581) (11,236) (5,563) 33,660
- **Land and building**: 18,558, - , - (9) (173) 18,387
- **Work in progress**: 4,862, 7,268, - (255) (4,403) 17,269

**Total property, plant and equipment**: 76,024, 35,797, 8,211 (2,340) (23,164) 2,477 92,067

### 6. Goodwill

Goodwill was translated using reporting date exchange rates to reflect the changes in foreign currencies. The Group reassessed the recoverable amount of goodwill, and determined that it was not impaired in respect of all cash generating units noted above.

### 15. Employee costs

- **Salaries and wages**: 268,326, 234,347
- **Staff incentive**: 49,251, 30,971
- **Staff pension fund contribution**: 13,961, 14,811
- **Directors' remuneration – for management services (executive)**: 10,240, 7,355
- **Long term incentive plan**: 25,279, 21,652

### 16. Other operating expenses

- **Audit fees**: 4,148, 3,364
- **Audit services**: 5,289, 4,014
- **Other services**: 1,141, 650

### 17. Impairment on advances

- **Amounts written off**: 247,725, 237,680
- **Recoveries during the year**: (139,760), (76,531)
- **Impairment adjustment**: 129,164, 21,500

### 18. Prior year adjustment

The Botswana Income Tax Act (the "Act") allows LHL to claim these WHT as credits against income tax payable in Botswana arising from such foreign income. The Act restricts such credits to the lesser of the following:

(a) tax payable in the other country; or
(b) tax charged under the Act, on such foreign income.

LHL has claimed these WHT as credits in its income tax returns in Botswana for each of the years up to and including the financial year ended 31 December 2016. For the financial years 2014, 2015 and 2016, the Botswana United Revenue Services (“BURS”) paid refunds to LHL in respect of such credits amounting to P15.5Mn, P10.7Mn and P14.5Mn respectively. A recent review of LHL’s tax position found these WHT claims to be inconsistent with the Act. As a consequence, LHL has adjusted its financial statements. Such adjustments are considered to be correction of errors in accordance with "IAS 8 Accounting policies, change in estimates and errors". Consequently, these are now corrected with retrospective application as illustrated below.
MEASURING OUR SOCIAL IMPACT – Putting our customer at the centre of everything we do

The Letshego Group is committed to measuring our social impact and ensuring we know and understand our customers, as well as deliver on our promise to Improve Lives in all 11 markets where we have a presence. In conducting regular surveys and polls with our customers, not only do we gain a deeper understanding of our customers’ needs, but we also learn more about the personal traits and general behaviour of the individuals that we support.

From our 2017 surveys, we have aggregated the general trends and behavioural characteristics of our customers (diagram below). Letshego continues to set our own challenging benchmarks in continuously improving our social performance, and gaining an ever-deeper understanding of our customers, wherever they may be located.

**LETSHEGO CUSTOMER TRENDS**
(aggredated across 11 African Markets)

- 22% Feel somewhat over-indebted
- 86% Of Letshego customers use their loans for productive purposes
- 26% Welcome greater customer engagement
- 34% Of Letshego customers use more than one Letshego product in the last 12 months
- 40% Require improved knowledge of Ts &Cs
- 95% Have no partner relationship stress
- 58% Familiar with mobile banking
- 67% Of Letshego customers are less than 10 Km from a Letshego access point
- 77% Have formal savings
IMPROVING LIFE Stories

I approached Letshego in March 2016 for a loan of SZL 109,500 (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 Mbekelewele 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 Mkhaliphi
SWAZILAND

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

Published 12 March 2018