Letshego Holdings Limited

Group Interim Results 2021

Andrew F Okai
Group Chief Executive

AGENDA

GROUP INTERIM RESULTS 2021

H1 Headlines & Achievements

- Headlines
- 6-2-5 roadmap
- Plan 2 progress

Financial Highlights

- Financial Performance
- Credit Overview
- Funding & Liquidity

STRATEGIC OUTLOOK

Plan 2 and beyond

- Economic and business outlook
- Foundation for the future - LetsGO Mall
- 2025 Targets

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Headline themes: H1 2021

Letshego

Strong Performance	Strong loan growth underpinning significant uplift in PBT and PAT (in excess of 20%)
Shareholder Value	50% dividend payout ratio combined with 17% dividend yield driving higher returns
Digital First	Accelerating digitalisation - LetsGO digital platform now live in 10 markets
End-2-End Automation	Leveraging emerging technologies (RPA) and Data to enhance productivity and efficiency. First 'Bots' deployed
Business Transformation	Digital Quotient (DQ) improves from 25% to 51% driven by strides in Enterprise Agility
Improving Lives	Programmatic lending to accelerate social impact. BWP400 million boosting reach
People First	Continued commitment to prioritising lives and livelihoods of our people, customers and communities. Building a culture of digital leadership, through enhanced knowledge and skills 97% uptake of digital learning solutions

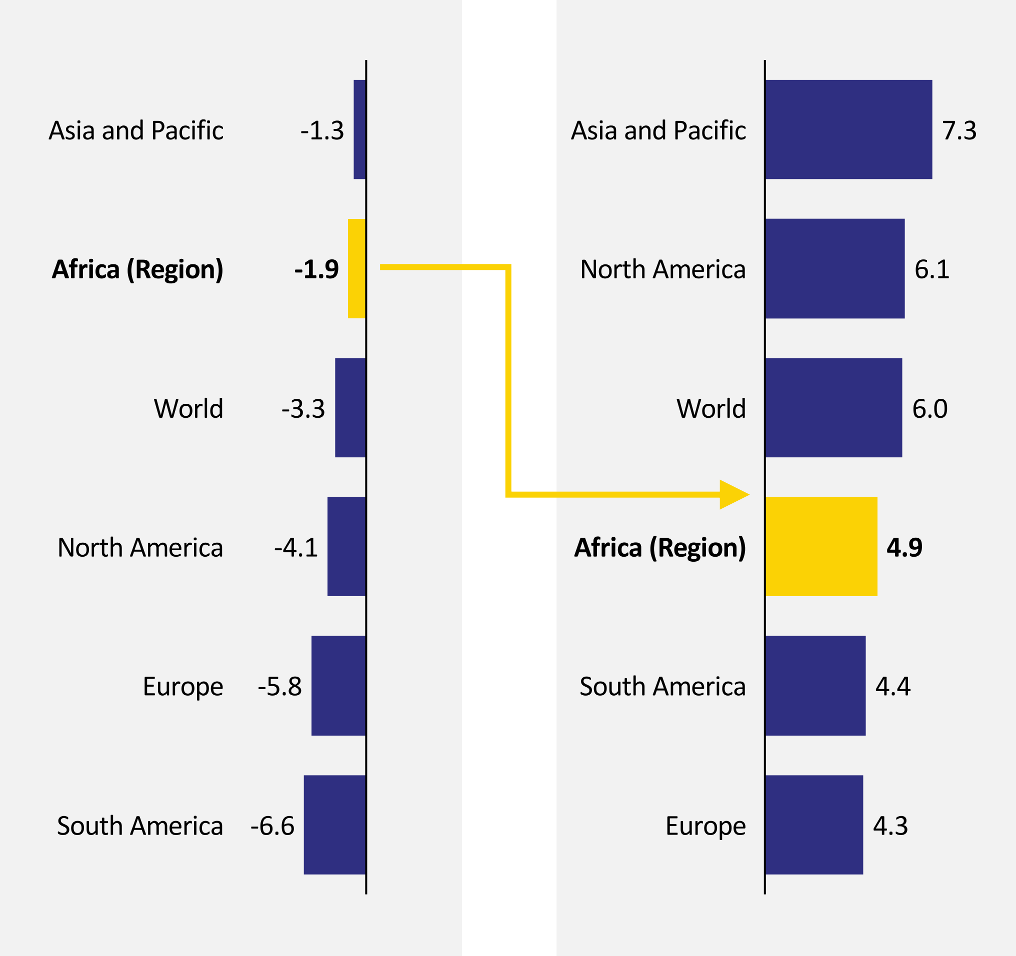
Business environment has been challenging…

IMF GDP Projections (August 2021)

Global GDP outlook

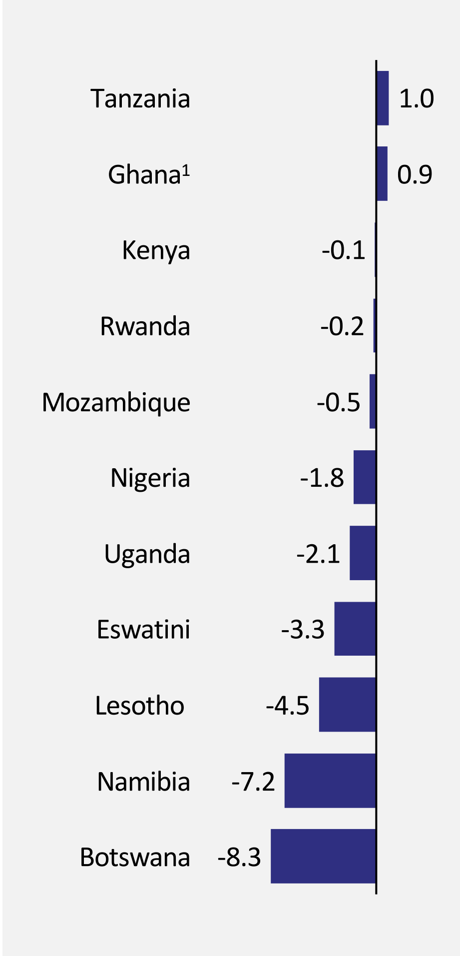
Real 2020 GDP growth
Annual percent change, %

Real 2021 GDP growth
Annual percent change, %

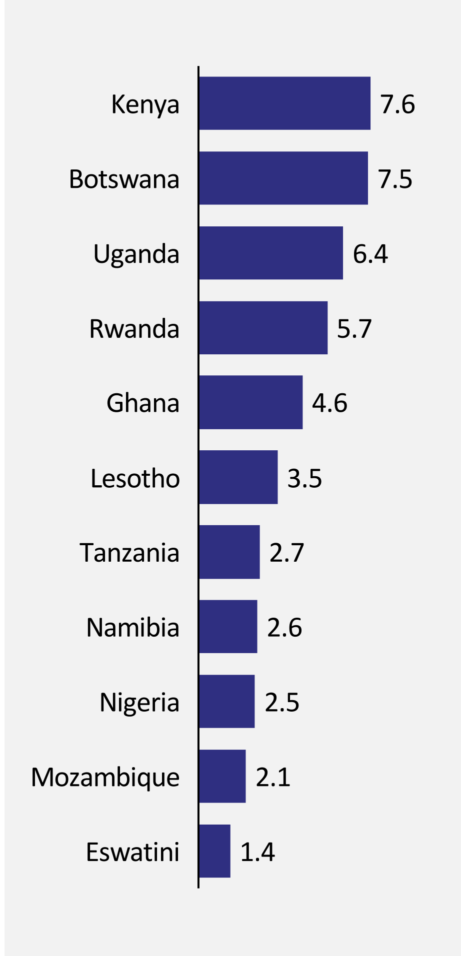


Africa's economic outlook

Real 2020 GDP growth
Annual percent change, %



Real 2021 GDP growth
Annual percent change, %



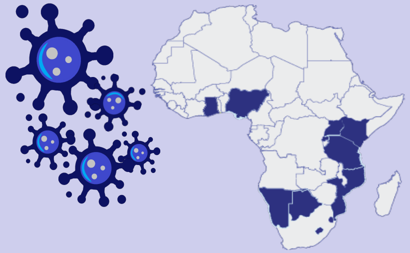
1. Ghana's own estimate per budget statement is 0.2%

Source: IMF GDP Forecast (August 2021)

Third wave COVID (Delta variant) impacting regional markets and likely to influence economic environment into 2022

Letshego

Accumulative COVID-19 stats across Letshego footprint



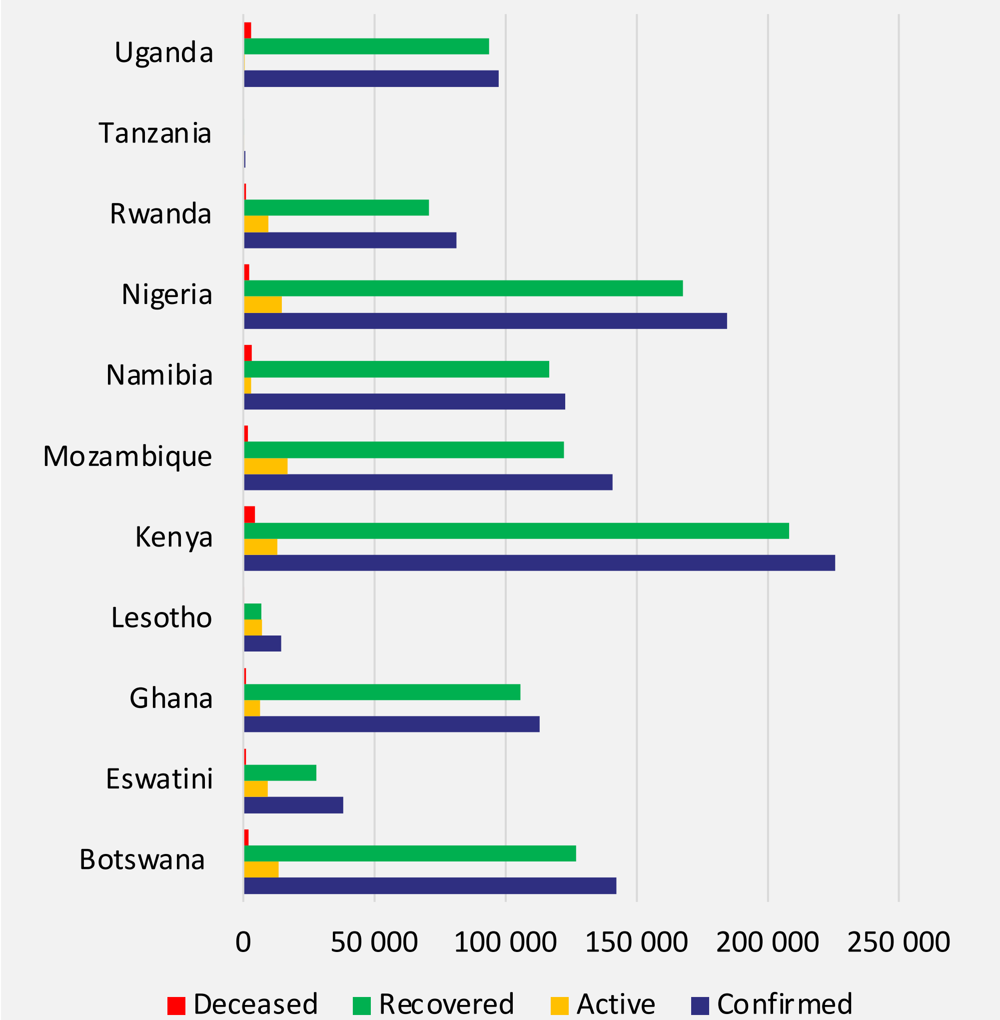
1,156,655	Confirmed
9474	Active
19,940	Deaths

Impact on Letshego Employees Jan to June 2021

16% infections
95% recovery rate
1 deceased

Most of Letshego countries are under partial Lockdown, with curfews in some. No country is on full lockdown albeit some occasional regional movement restrictions within the countries.

COVID-19 impact in Letshego Markets



@June 2021

Our 6-2-5 Plan: 'Return to growth'

Letshego

Creating a world class Retail Financial services organisation

Short term: Leverage on our strengths to deepen impact

Medium /Long term : Customer ; Talent, Innovation and technology

STRENGTHEN our foundation

- Build on core business, DAS
- Key digital channels to improve DAS productivity
- Diversify solutions & Funding

BECOME customer led

- Invest in Customer Experience
- Leverage on emerging transformative technologies
- Customer led, speed to market
- Enterprise Agility as a methodology .

CREATE the future organisation

- Talent mobility
- Relentless Innovation culture
- Digital delivery – Innovation hubs / Platform/Ecosystem thinking

Productivity of Solutions	Transformative Technologies	Platform Thinking
6 Months	2 Years	5 Years

We have rolled out the DIGITAL MALL to 10 Letshego markets (DAS-focused)

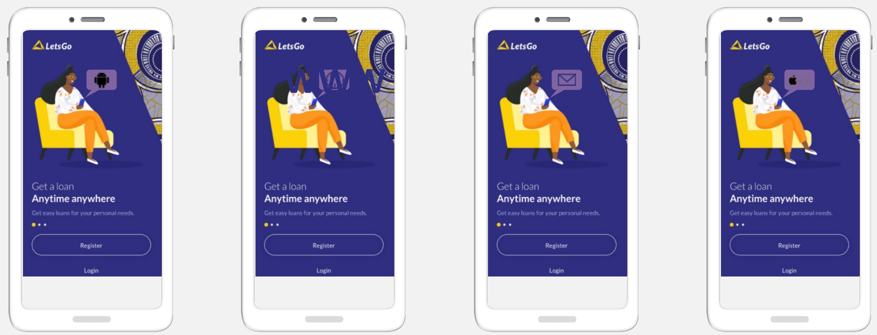
74%
Digital adoption

Key Insights from the Digital Mall Rollout

> 20 000	Customers Registered
77%	Customers New to Letshego

All channels available

Android	Web	USSD	iOS



Strong traction in strategy execution

Letshego

PBT 23%

PAT 28%

D/E: 119%

49%

CIR

13%

ROE

50%

Dividend Ratio

LLR <2%

Strong funding base

LetsGo insure

LetsgoINSURE partnership with SANLAM

LetsGo Pay Digital Account - Panamax USA

Affordable Housing Namibia

DIGITAL MALL live in 10 markets

DIGITAL QUOTIENT

ROBOTIC PROCESS AUTOMATION (RPA)

ARCHITECTURE REFRESH

collectsmart

decisionsmart

SAFE

SAFe Trained 180 employees

OKR Rating Platform : Digitising employee performance

New skills recruitment – #futurefit

20 Squads

97% staff registration

coursera

Uganda realigned structure

East & West PBT Growth 23% yoy

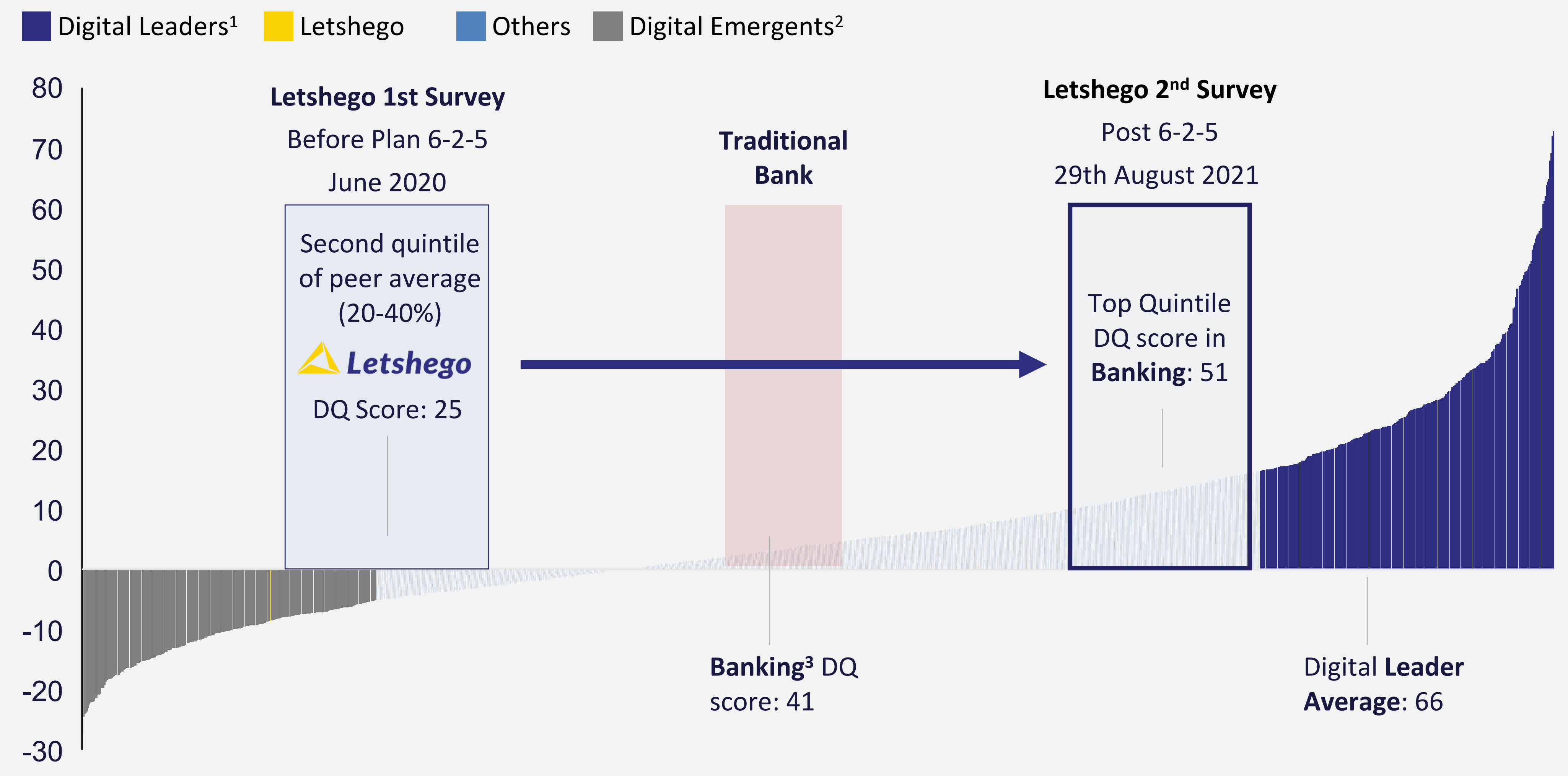
Kenya more than doubled PBT

Nigeria accelerating digital

Ghana loan book growth 62%

Digital Quotient our measure of our Digital maturity

Distribution of DQ score (DQ Scores Out of 100)



Source: McKinsey Digital Quotient
1. Digital Leaders are defined as the top quintile companies in the DQ database
2. Digital Emergents are defined as the bottom quintile companies in the DQ database
3. Banking average includes 182 Banking players across the Globe

H1 2021 Performance: Take aways

Strong financial performance

Our business remains resilient

Accelerating our digitalisation agenda

Culture and Enterprise Agility integral to our transformation

Generating long term shareholder value remains our priority

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Income Statement Highlights H1 2021

Net Interest Income

H1 2021: **P1.02 bn**

H1 201: P910 mn

12%

Impairment Charge

H1 2021: **P76 mn**

H1 2020: P 71 mn

7%

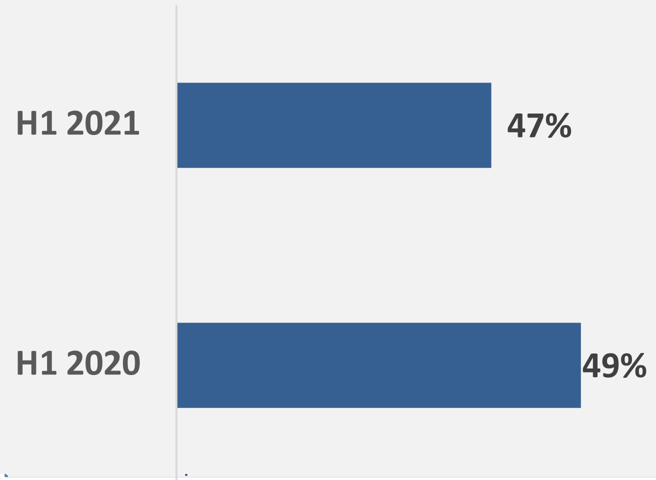
Profit before Tax

H1 2021: **P544 mn**

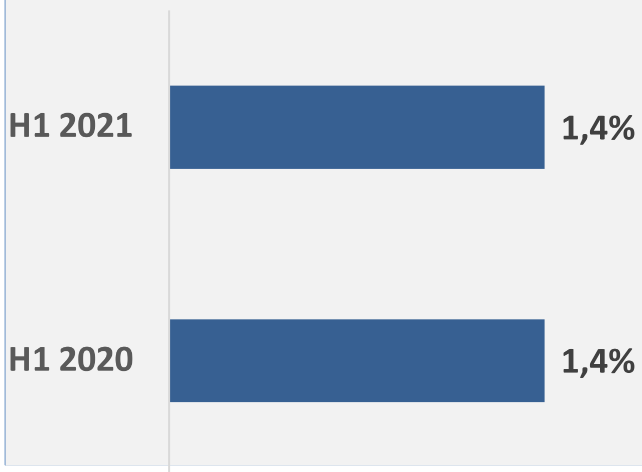
H1 2020: P 443 mn

23%

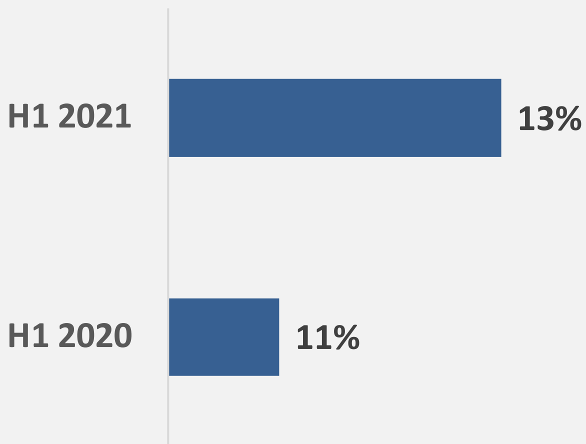
Cost to income



Loan loss ratio



Return on equity



Income Statement Commentary

	H1 2021	H1 2020	Change %
Net interest income	1,019	910	12%
Non funded income	150	113	33%
Operating income	**1,169**	**1,023**	**14%**
Operating costs	(549)	(509)	(8%)
Pre - provision profits	**620**	**514**	**21%**
Expected credit losses	(76)	(71)	(7%)
Profit before tax	**544**	**443**	**23%**
Tax charge	(230)	(198)	(16%)
Profit after tax	**314**	**245**	**28%**
Basic Earnings per Share (thebe)	**13.4**	**10.7**	**25%**

Key Messages

Net interest up 12% from prior period on the back of net loan book growth of 20% mainly in Namibia, Ghana and Mozambique

NFI increased by 33% as the insurance structures in Namibia were set up in the latter part of 2020. **Increased transactional activities** expected in H2 .

Operating expenditure up 8% . This is in line with continued investment on future capability on robotics, data analytics and process automation.

Credit impairment charge. LRR was 1.4%, same as last year. Asset quality has remained strong, despite impact of Covid -19 on MSE portfolio

ETR at 42% and down 3% from prior year. This was driven by a 23% increase in the Group's profit which was propelled by the increase in non-funded income (mainly insurance arrangements).

Despite severe headwinds across our markets, Business is on an upward trajectory path as Plan 2 is implemented

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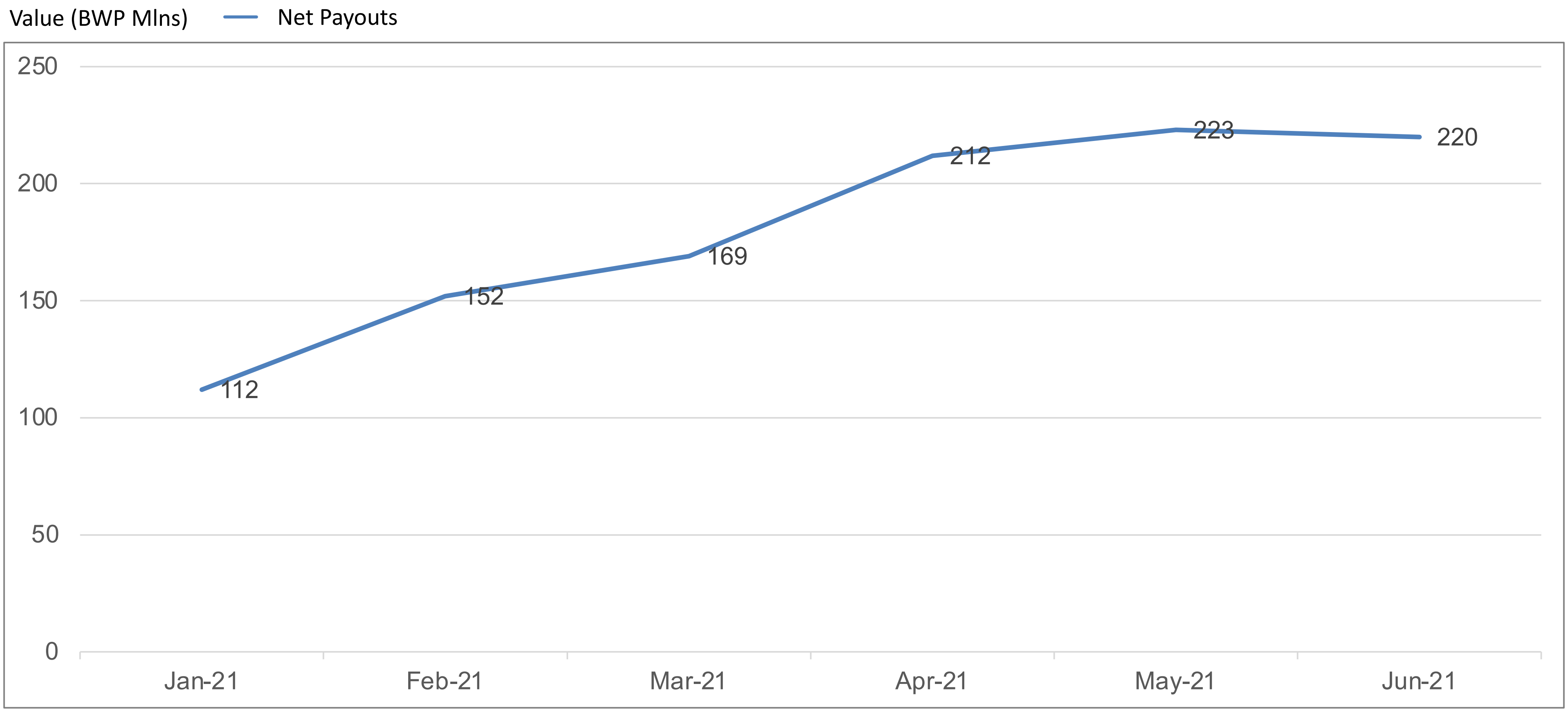
Overall DAS Performance



25% YOY Growth Net Payouts

16% YOY Growth Net Advances

37% New Customers

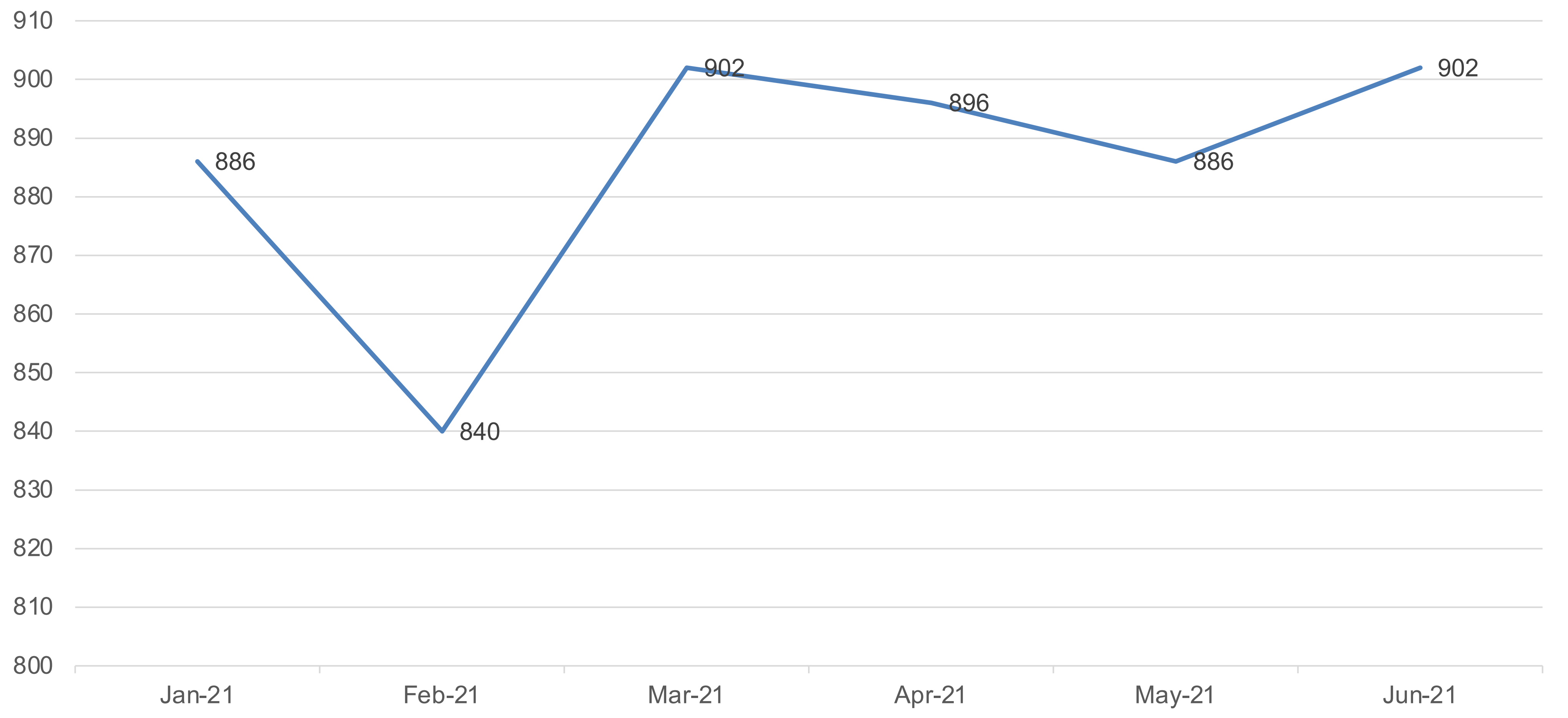
98% Collection Rate (2020: 92%)

31% YOY PBT Growth

Challenging year for MSE in 2020, marked recovery in H1 2021

Whilst retaining growth in Disbursements and PBT, our Programmatic Approach is geared to drive Customer and Loan Book growth in the Medium to Long

MSE Net Loan Book Growth Jan 2020 to June 2021 (BWP 'M)



15% YOY Decline in # of Customers

45% YOY Growth in Disbursements

6% YOY Net Loan Book Growth

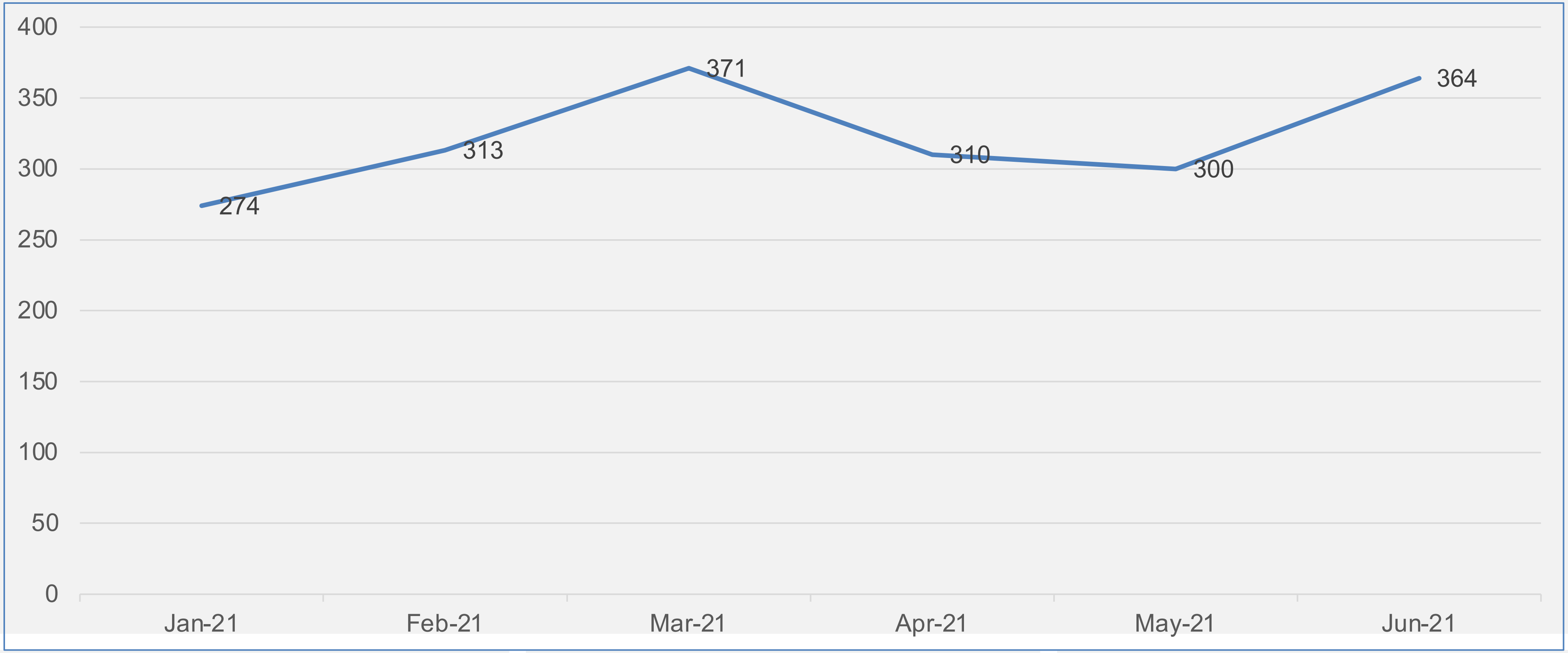
77% Collection Rate (2020: 80%)

271% PBT Growth YOY

Mobile Mass Business: Strength and resilience

Overall Mass Mobile Performance

Net Advances P' Millions



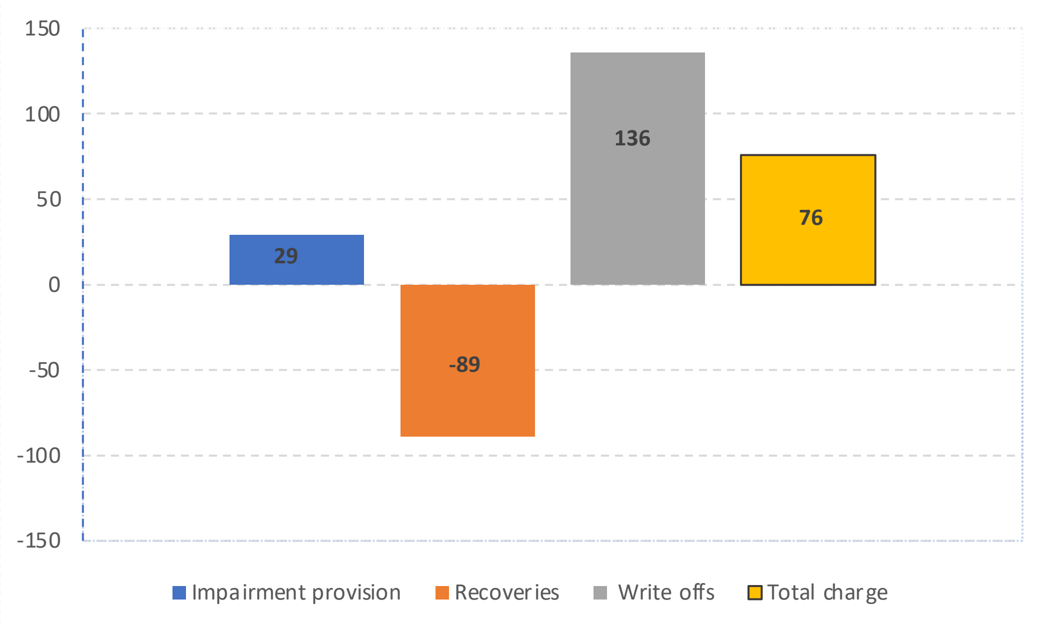
218% YOY growth Net Advances

>30% Active Customer Usage grows by 1,5 Million

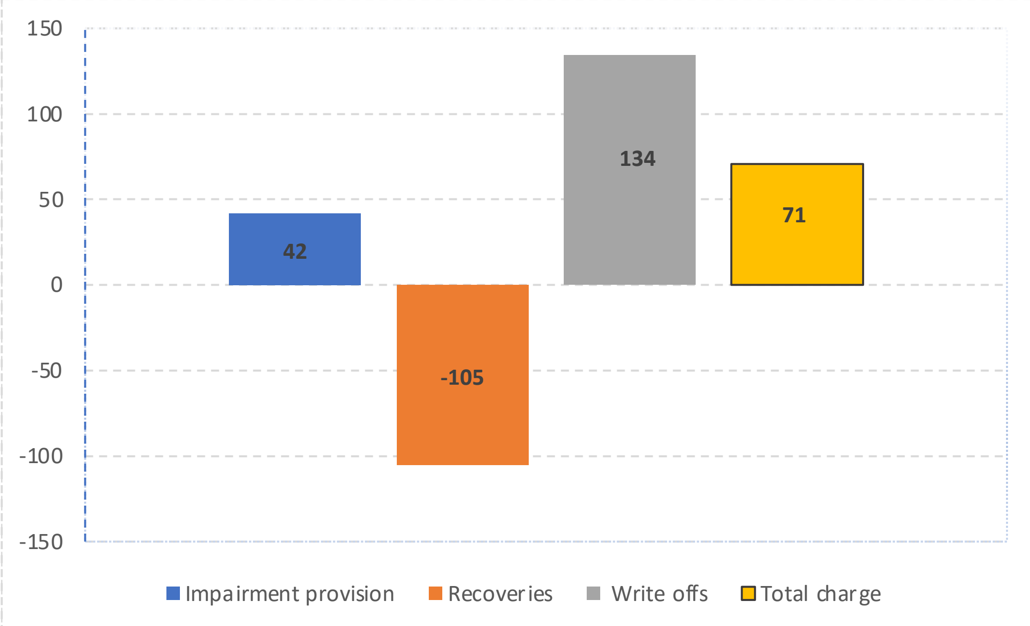
20% YOY PBT increase

Income Statement: Impairment Charge Trends

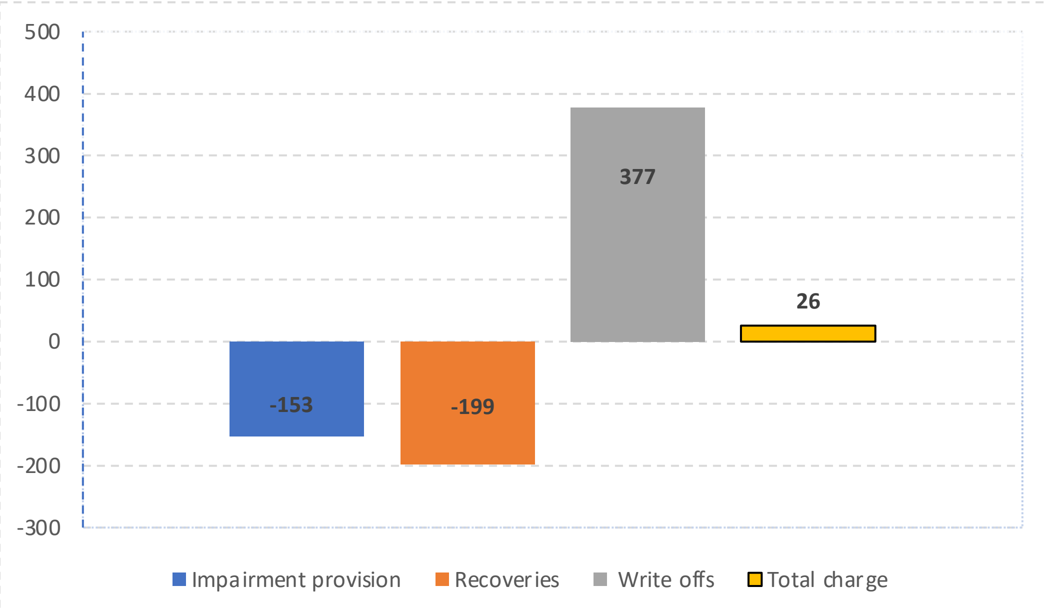
HY2021



HY2020



FY2020



June 2021 Impairment Charge is unfavorable by **7%** in comparison to same time last year (Jun21: P75.7m ,Jun20 :P70.9m)

Turnaround strategy in mobile lending resulted in Ghana Qwikloans impairment charge reducing by 97% last year .

Annualised loan loss rate (LLR) for June 2021 is 1.4% compared to 1.4% same period last year .

Covid-19 provisions – Stress testing led to staging amendments and therefore additional provision of P13.2m

Forward Looking Provisions – All macro economic outlook variables stretched to downside in our ECL models . These include CPI, unemployment rate ,GDP and Inflation ..

Expected Credit Losses (ECL): Stable Impairment Coverage; ECL increase in downside macroeconomic environment

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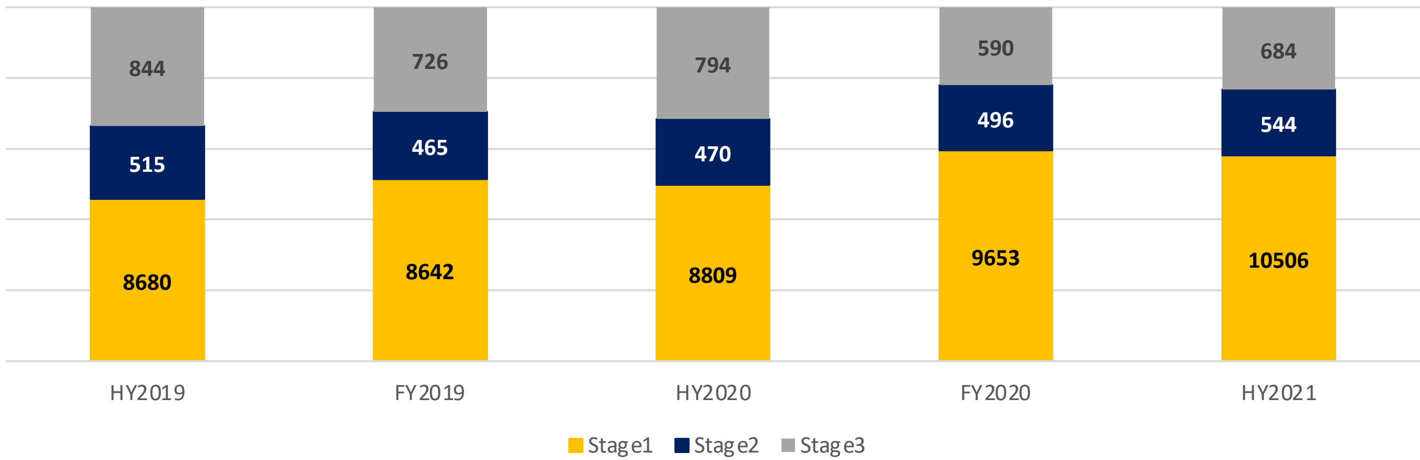
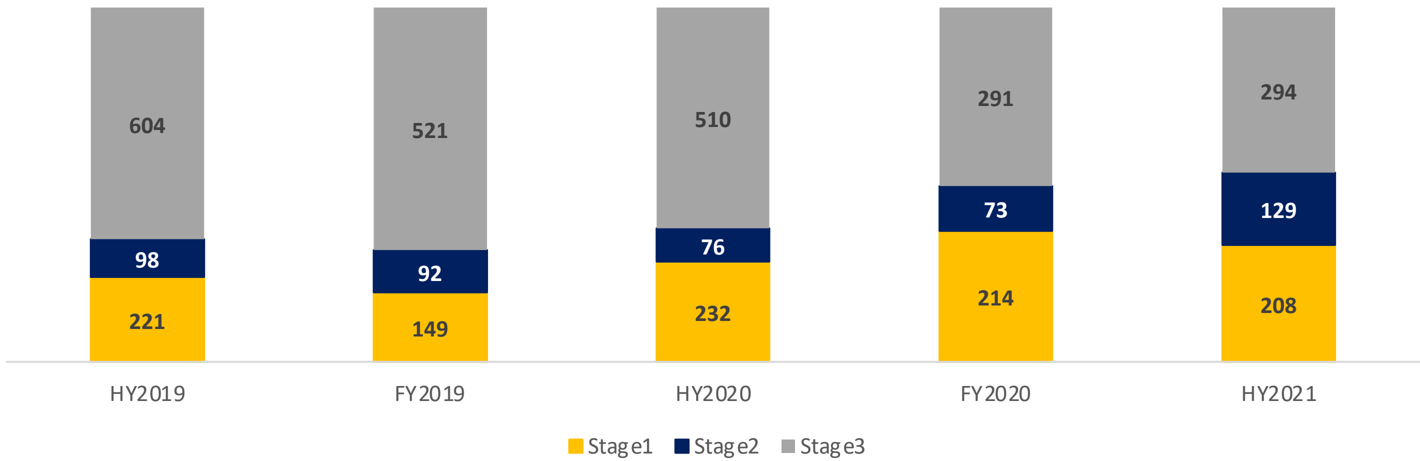
Coverages	HY 2019	FY2019	HY2020	FY2020	HY2021
Total Impairment Coverage	9.2%	7.7%	8.1%	5.4%	5.4%
Stage 3 coverage	109%	105%	103%	98%	92%

Gross Advances to customers in BWPm



Expected Credit Losses (Provisions) in BWPm



Key Highlights

- Overall impairment coverage remained stable at 5.4% in June 2021 (5.4% in Dec2020)
- Loan loss rate moving to 1.4% from 0.3% full year 2020, with increase in Gross advances that increased from P10.74 billion in 2020 to P11.7billion at June 2021
- **Stage 1 -** Growth in DAS portfolios at the back digitization strategy
- **Stage 2-** Increase in accounts having significant increase in credit risk at the back of sectoral risk in MSE portfolio
- **Stage 3 –** Increase driven by increased impact of 3rd wave on MSE portfolio . Investments in Collections and recoveries continue.

Effective tax rate improves to 42% for the first half of 2021

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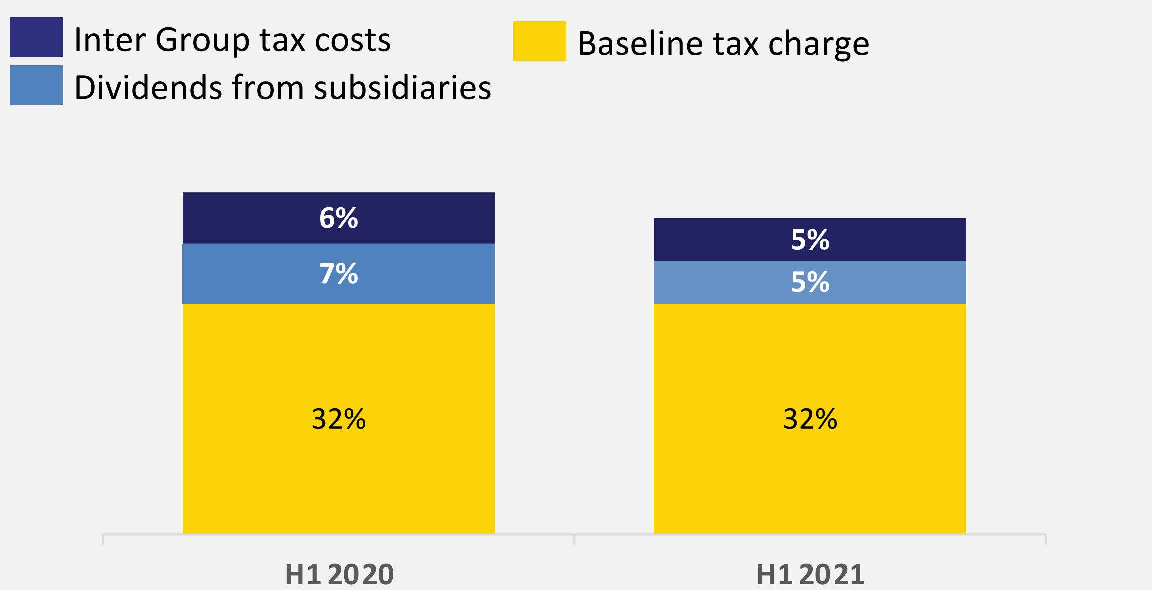
Key drivers and tax components

Effective tax rate 42% (H1 2020: 45%)

- Operating income 23% higher than prior period
- Increased dividend extraction expected from subsidiaries going forward
- Continuous improvement in ETR towards 2025 target range <40%



Group Tax optimisation

With specialist tax team now in place, tax rate optimisation continues, with a focus on:

- Streamlining of processes
- Tax compliance and reporting
- Tax audit management
- Transfer pricing regulations
- Inter-Group tax costs

Double digit Balance Sheet growth achieved in H1 2021

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Total Assets

H1 2021: **P13.3 bn**

H1 201: P10.6 bn

25%

Net Advances

H1 2021: **P11.1 bn**

H1 2020: P 9.3 bn

20%

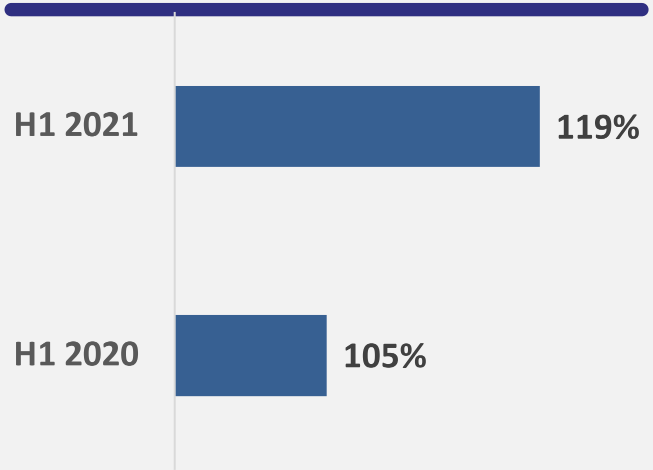
Customer deposits

H1 2021: **P989 mn**

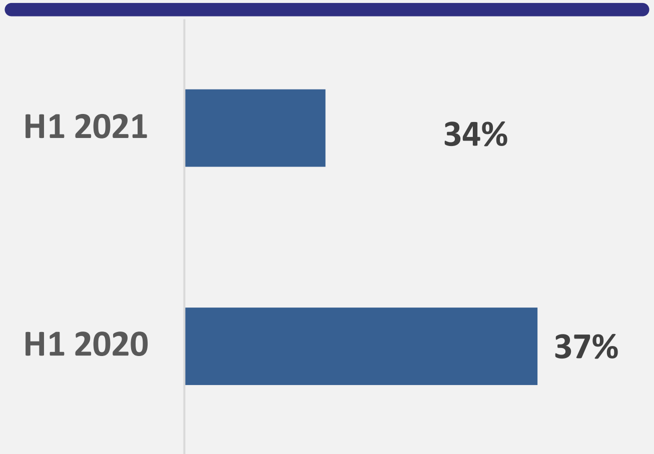
H1 2020: P499 mn

98%

Debt to Equity



Capital Adequacy



Shareholder return

7.3t H1 2021 interim dividend

3.9t H1 2020 interim dividend

Balance Sheet Commentary

	H1 2021	H2 2020	Change %
Cash and cash equivalent	**1,006**	624	61%
Net advances to customers	**11,103**	**9,256**	**20%**
Other Assets	1,230	767	60%
Total Assets	**13,339**	**10,648**	**25%**
Customer deposits	989	499	98%
Borrowings	5,858	4,809	**22%**
Other Liabilities	1,334	768	**74%**
Shareholders funds	**4,722**	**4,219**	**12%**
Non controlling interest	436	352	24%
Total Liabilities & Equity	**13,339**	**10,648**	**25%**
Return of assets	**5%**	**5%**	-

Key Messages

Strong Cash and cash equivalents up 61% year on year depicting healthy cash flow and liquidity position

Net Advances to customers up 20% year on year driven by a 44% increase in net disbursements.

Customer deposits growth of 98% . Growth was triggered by strengthening partnerships at institutional levels, providing easier access to funds, and linking savings to loan solutions.

Borrowings up 22% with strong pipeline and continued focus on changing the deposit mix and sourcing long term funding.

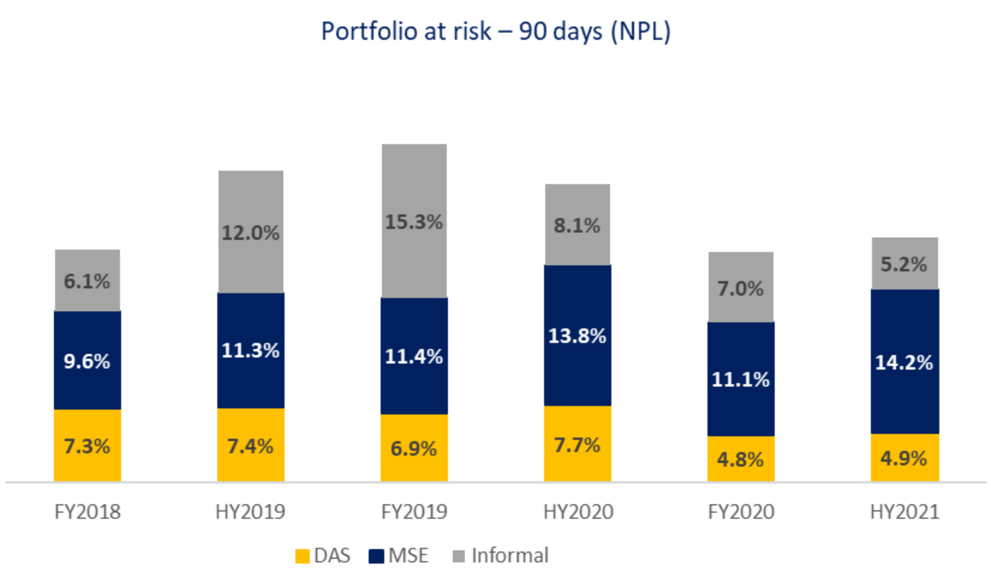
Shareholder funds strong at P4.7 billion and up 12% year on year.

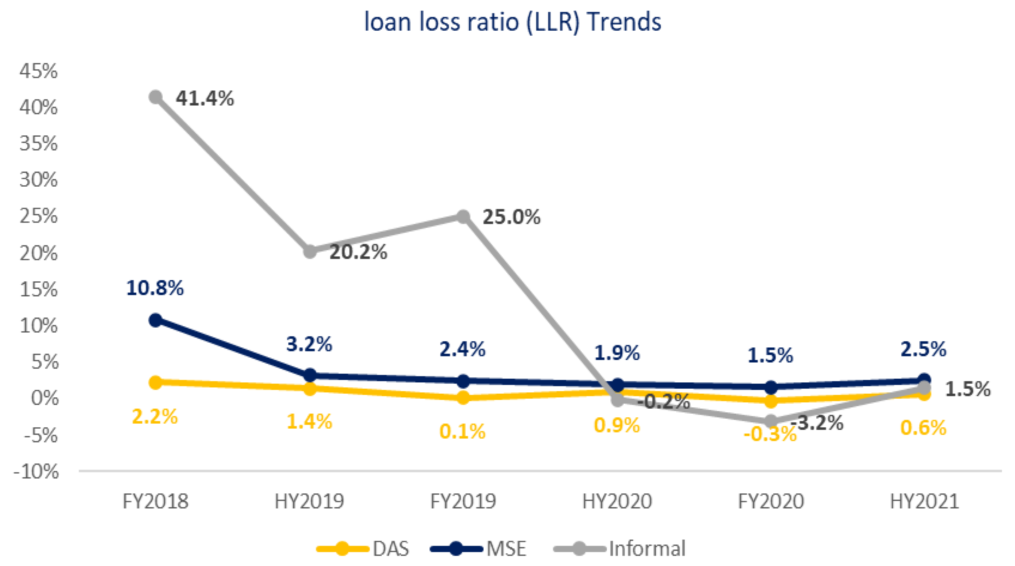
Asset Quality and Provisioning: Business remains resilient during C-19

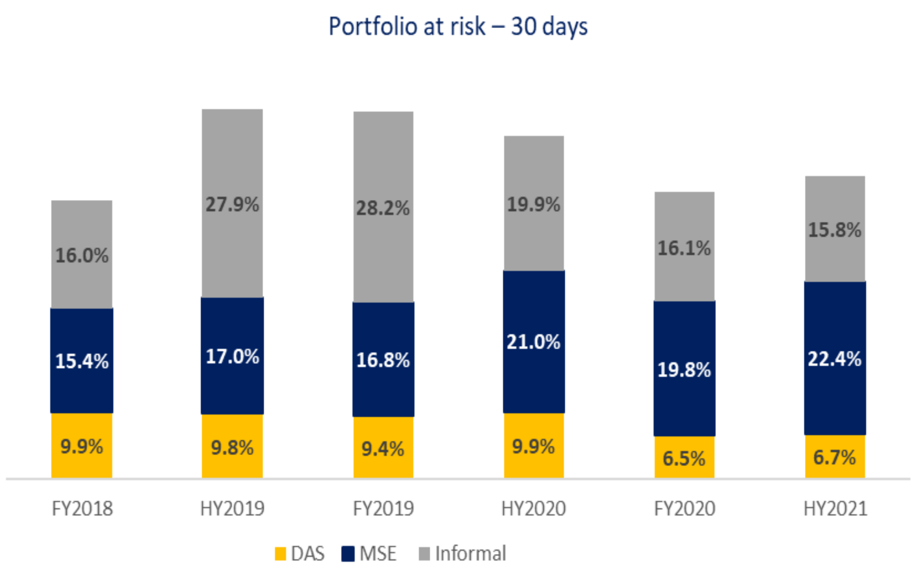
Asset quality	HY2021	FY2020	HY2020	FY2019	HY2019	FY2018	FY2017
Portfolio at risk – 90 days (NPL)	5.6%	5.3%	7.9%	6.9%	7.3%	7.1%	6.8%
Portfolio at risk – 30 days	8.7%	8.3%	11.2%	10.0%	10.6%	10.4%	9.9%
Non-performing loan coverage ratio	92.0%	98.0%	103.0%	112.0%	109.0%	115.0%	70.0%
Loan loss rate – actual	1.4%	0.3%	1.4%	1.7%	2.5%	4.1%	3.1%
Loan loss rate – excluding once-off items	1.9%	1.8%	1.4%	1.7%	2.5%	2.0%	2.5%

- Underlying asset quality remains resilient despite impact of 3rd wave on African economies
- June 2021 impairment loan loss rate remains stable at 1.4% (Budget at 1.9%)with all Consumer Finance businesses now within 1% to 3% benchmark .
- We continue to make investments to strengthen and improve collection and recoveries bench strength and strategy.
- The Group PAR>90(Non Performing loans) have improved to 5.6% from 7.9% in June2020
- YTD impairment charge deteriorated slightly by 7% YOY .June20 at P70.9m verses June 21 at P75.7m.
- Recoveries remain strong despite of impact of the 3rd covid wave on our subsidiaries and some countries invoking lockdowns therefore affecting our ability to collect on the MSE portfolio
- Once off recoveries on mobile book leading to a write back of P105m in 2020 resulted in a loan loss rate of 0.3%. Normalized LLR at 1.8%
- We Continue to automate credit decision and collection and recoveries processes.

Asset Quality (Segmental) :
Our portfolios are holding strong against C-19 Headwinds







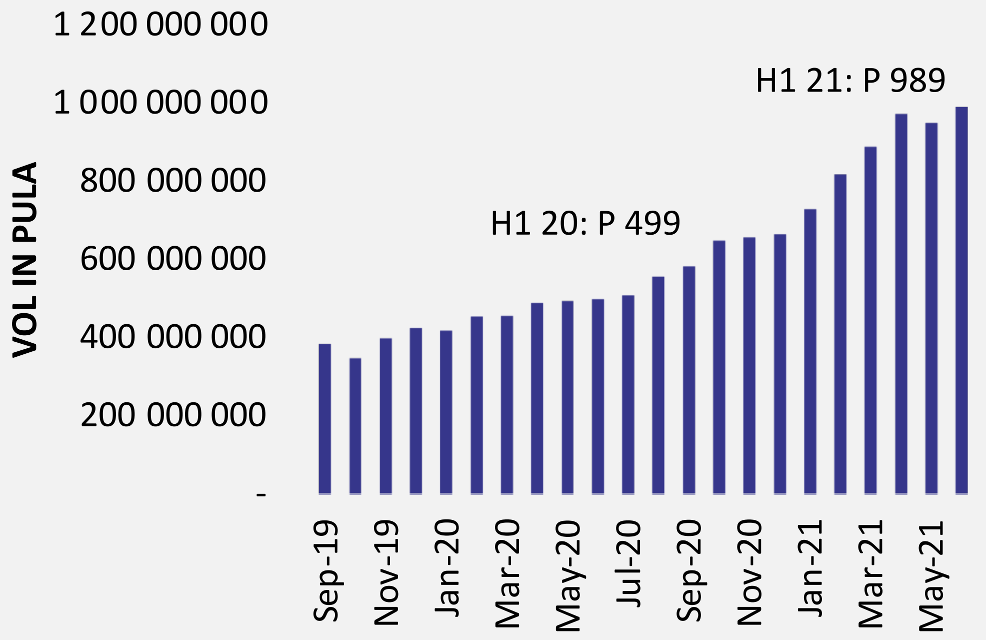
- Group PAR 30 / PAR 90 remain around the benchmarks of 10% and 5% respectively notwithstanding restrictions to collections and recoveries related activities occasioned by Covid.
- MSE portfolio still recovering from impact of 3rd wave and sectoral initiatives being taken to curb any further deterioration.
- Portfolio adequately covered for future losses
- Portfolio remains resilient
- Increased Investments & focus on Collection & recoveries

Deposit growth of 98% yoy contributing to lower cost of funds

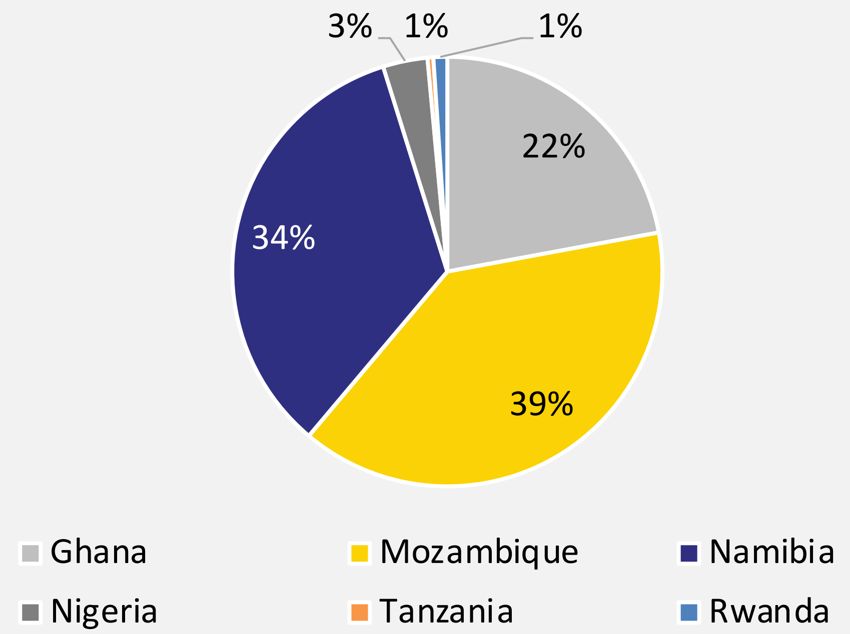
Letshego

Deposit values doubled to P989million in the first half (H1 2020; P499m)

Growing Deposits trends in P ' millions



Country contribution to P 989 P' millions



Grow Deposits

Deposit value growth YOY

98%

Lower cost of customer deposits

Costs decrease YOY

2 percentage points

Grow the franchise

YOY 19%

694 273

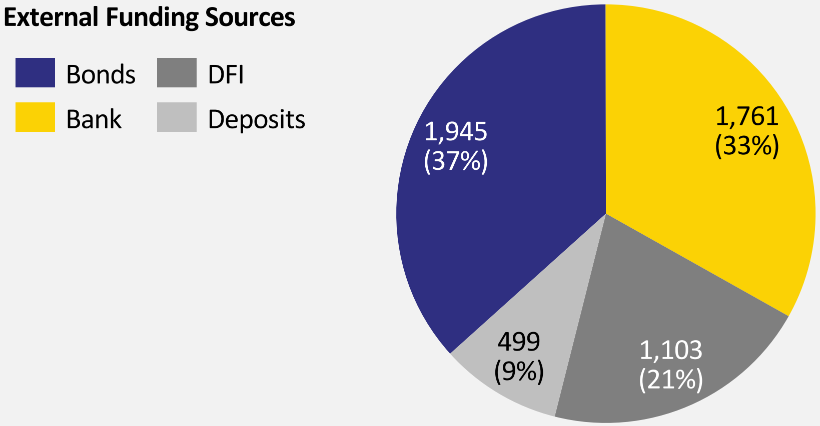
108 504 New Customers

Our balance sheet profile is strengthening

Letshego

June 2020

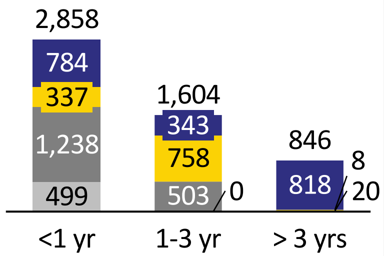
External Funding Sources



Debt Profile

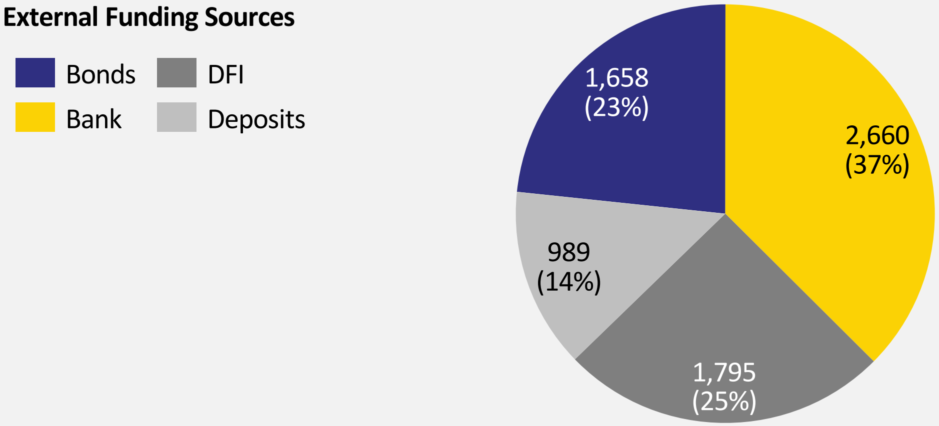
Security	P'm
Secured (34%)	1,843
Unsecured (66%)	3,465
Total	**5,308**

Interest Profile	P'm
Fixed (41%)	2,067
Floating (59%)	3,241
Total	**5,308**



June 2021

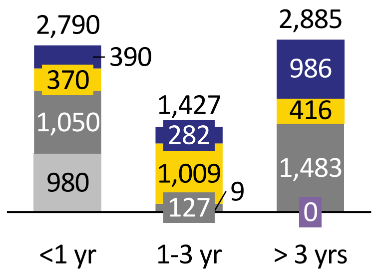
External Funding Sources



Debt Profile

Security	P'm
Secured (19%)	1,331
Unsecured (81%)	5,771
Total	**7,102**

Interest Profile	P'm
Fixed (23%)	1,627
Floating (77%)	5,475
Total	**7,102**



Funding

- Concluded P1.7bn of rollovers and new facilities
- Significant progress in long term debt funding
- Cash reserves on hand P1bn

Deposit Mobilisation

- Retail deposits increased by 37%
- Corporate deposits increased by 172%
- Deposit customers increased by 19%

Credit Rating

- Ba3 (stable) outlook issuer rating affirmed by Moody's
- Ba2 Corporate Family Rating (CFR) assigned

Maintaining strong capital levels

Letshego

Regulated Entities Capital Position as at June 2021

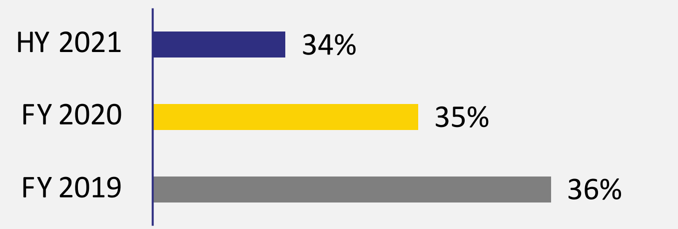
	Capital Adequacy ratio		Tier 1 Capital ratio		Min. Core Capital	
Country	***Regulatory Limit***	***Actual June 2021***	***Regulatory Limit***	***Actual***	***Regulatory Limit (LCY'm)***	***Actual***
Ghana	10%	12%	8%	12%	15	30.5
Mozambique	12%	46.31%	80%*	85%	1,700	1,700
Namibia	10%	63%	7%	60%	Min 6%	55%
Nigeria	10%	58%	10%	12%	2,000	3,698
Rwanda	15%	37%			300	1,117
Tanzania	14.5%	50%			15,000	15,096

- All entities are within regulatory limits for Capital Adequacy.
- All entities comply with Tier 1 Capital Ratios.
- Minimum core capital within the subsidiaries are above limits.

Group Capital Position

- Group maintains a CAR which is higher than minimum regulatory capital requirements
- Subsidiaries adequately capitalised

Capital Adequacy Ratio

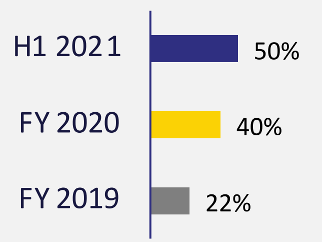


Capital allocation and Optimisation

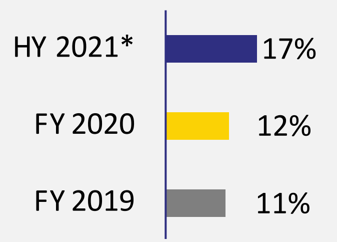
- Capital Allocation project concluded
- Outcomes to be communicated as appropriate

Dividend Policy

Dividend payout



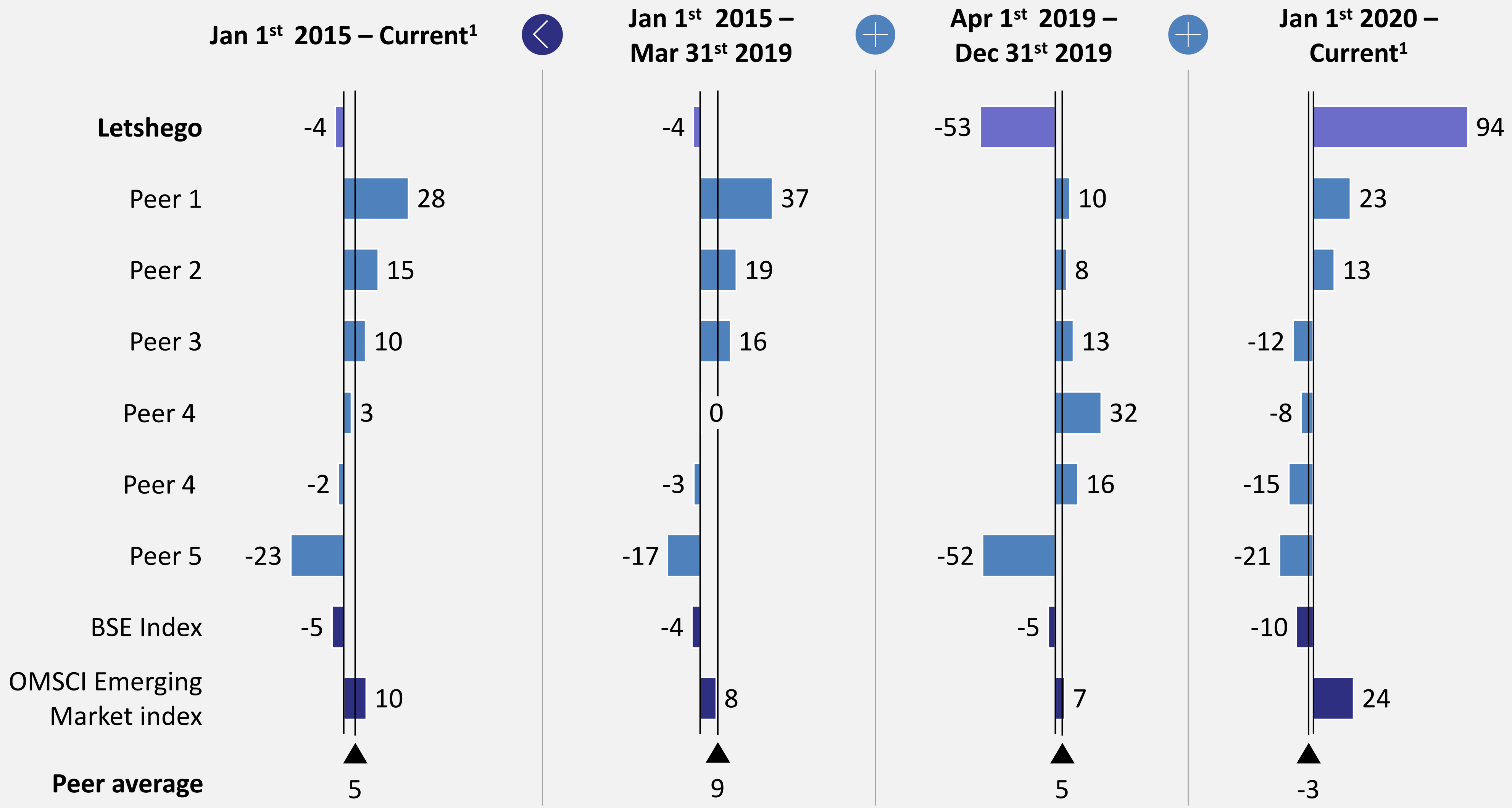
Dividend yield



* - annualised

Letshego's returns since 2020 lead peers

TRS (% change in share price + dividends) CAGR, in BWP, Percent CAGR



1. As of Aug 16, 2021.CAGR for all periods greater than 1 year else actual returns used

Source: Capital IQ, Analyst reports

AGENDA

GROUP INTERIM RESULTS 2021

H1 Headlines & Achievements

- Headlines
- 6-2-5 roadmap
- Plan 2 progress

Financial Highlights

- Financial Performance
- Credit Overview
- Funding & Liquidity

STRATEGIC OUTLOOK

Plan 2 and beyond...

- Economic and business outlook
- Foundation for the future - LetsGO Mall
- 2025 Targets

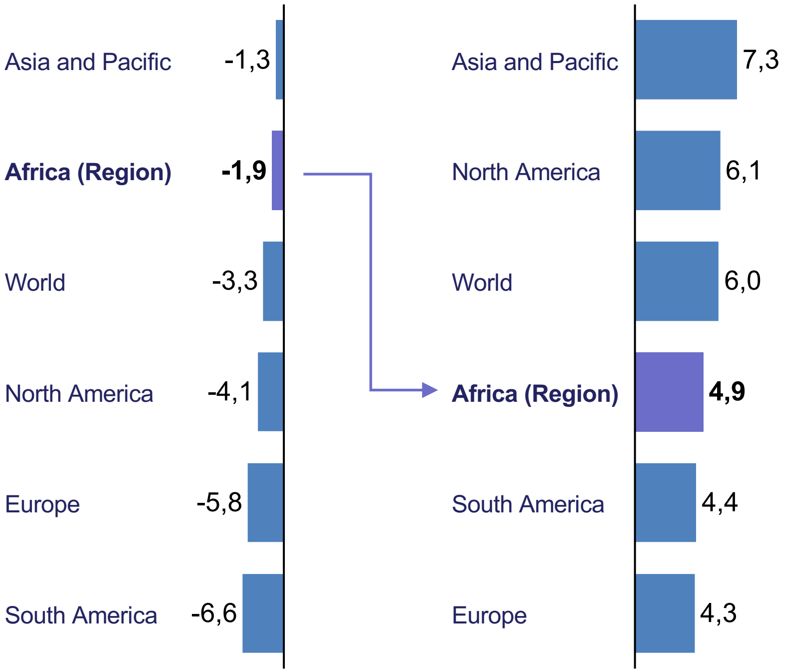
Business environment to remain challenging but expected to rebound

IMF GDP Projections (August 2021)

Global GDP outlook

Real 2020 GDP growth
Annual percent change, %

Real 2021 GDP growth
Annual percent change, %

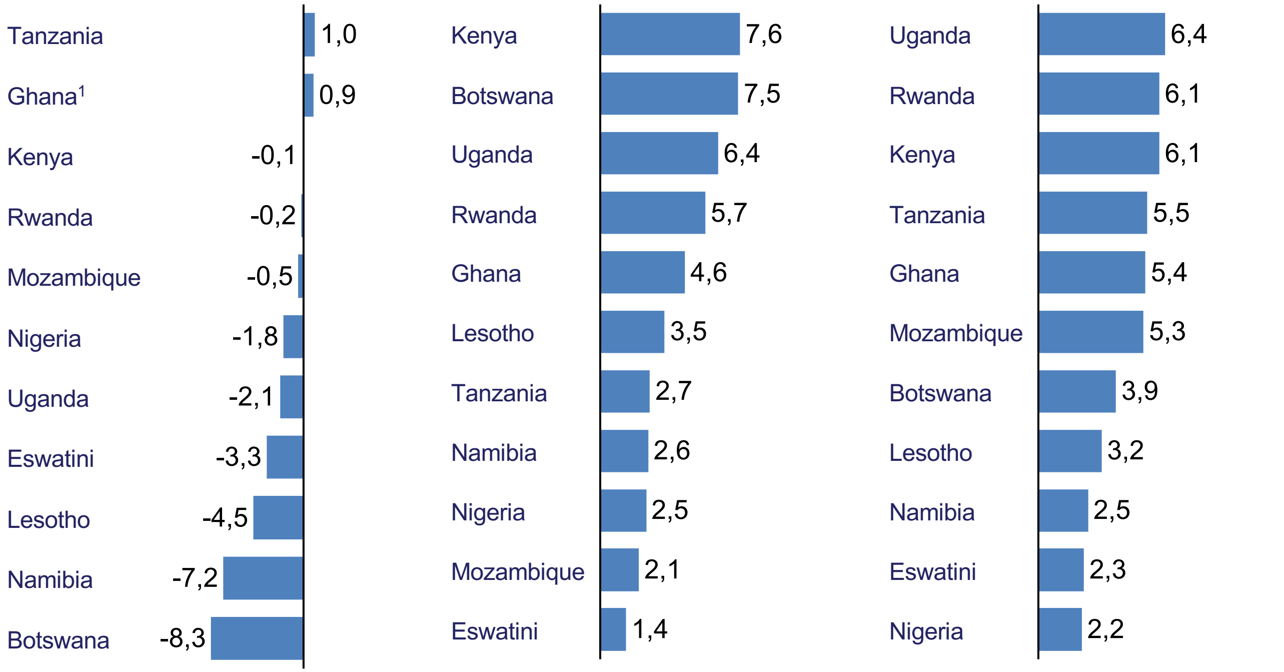


Africa's economic outlook

Real 2020 GDP growth
Annual percent change, %

Real 2021 GDP growth
Annual percent change, %

Forecasted 2026 GDP growth
Annual percent change, %

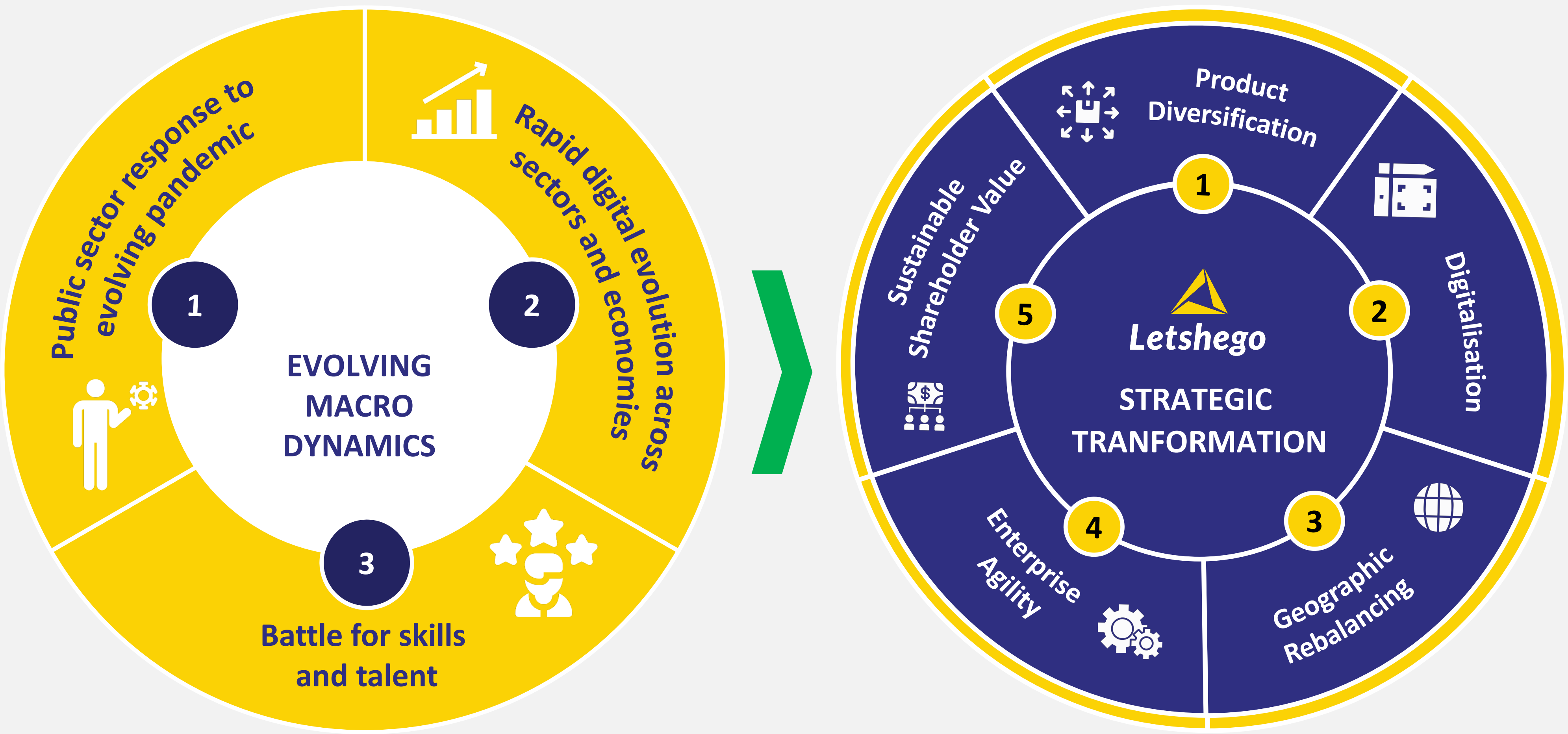


1. Ghana's own estimate per budget statement is 0.2%

Source: IMF GDP Forecast (August 2021)

Navigating external factors and environments

Responding to emerging environment through our 5 Conversations



LETSGO MALL …….LetsGo FAST

(Frictionless; Agile ; Simple & Timely)™

BaaP
API Based Stacks; HaaS;
(Digital Eagles App)

Digital Services

API Market Place
Ecommerce; Merchants;
Beyond Banking

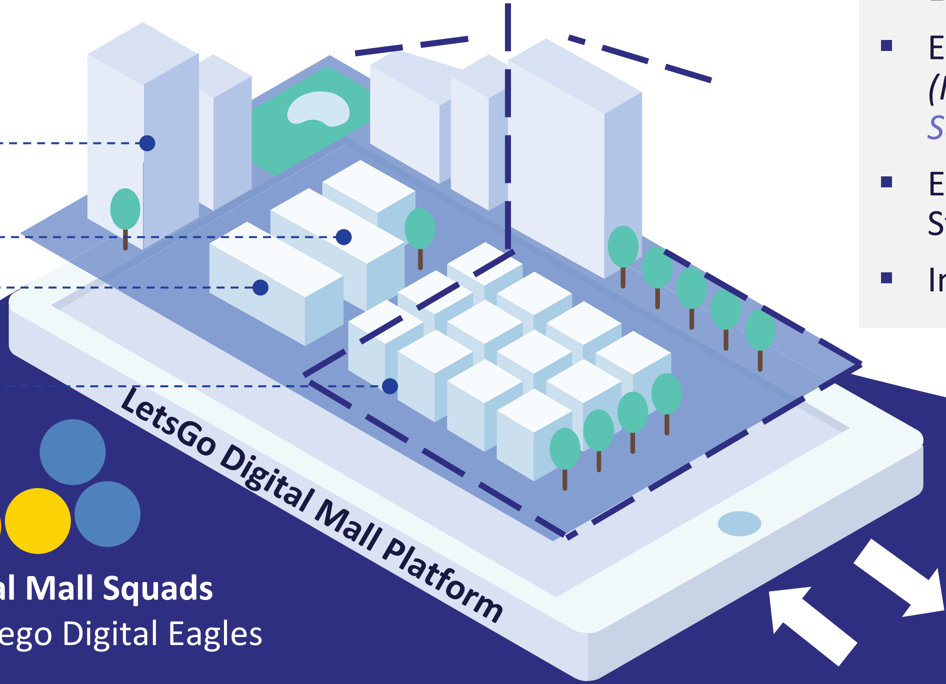
FinTech Solutions
Banking & Beyond
Banking

One API layer

Customer Journey

- **Lending** – LetsGo borrow
- **Saving** – LetsGo save
- **Payments** – LetsGo pay
- **Insurance** – LetsGo insure

Beyond Banking Ecosystem approach (Big Tech and FinTech)



Customer Experience

- Easy to Join
- Easy to 1st Product *(Instant Wallet; Loans; Saving; insurance)*
- Easy to use & Fantastic to Stay *Instant Rewards*
- Improving Lives

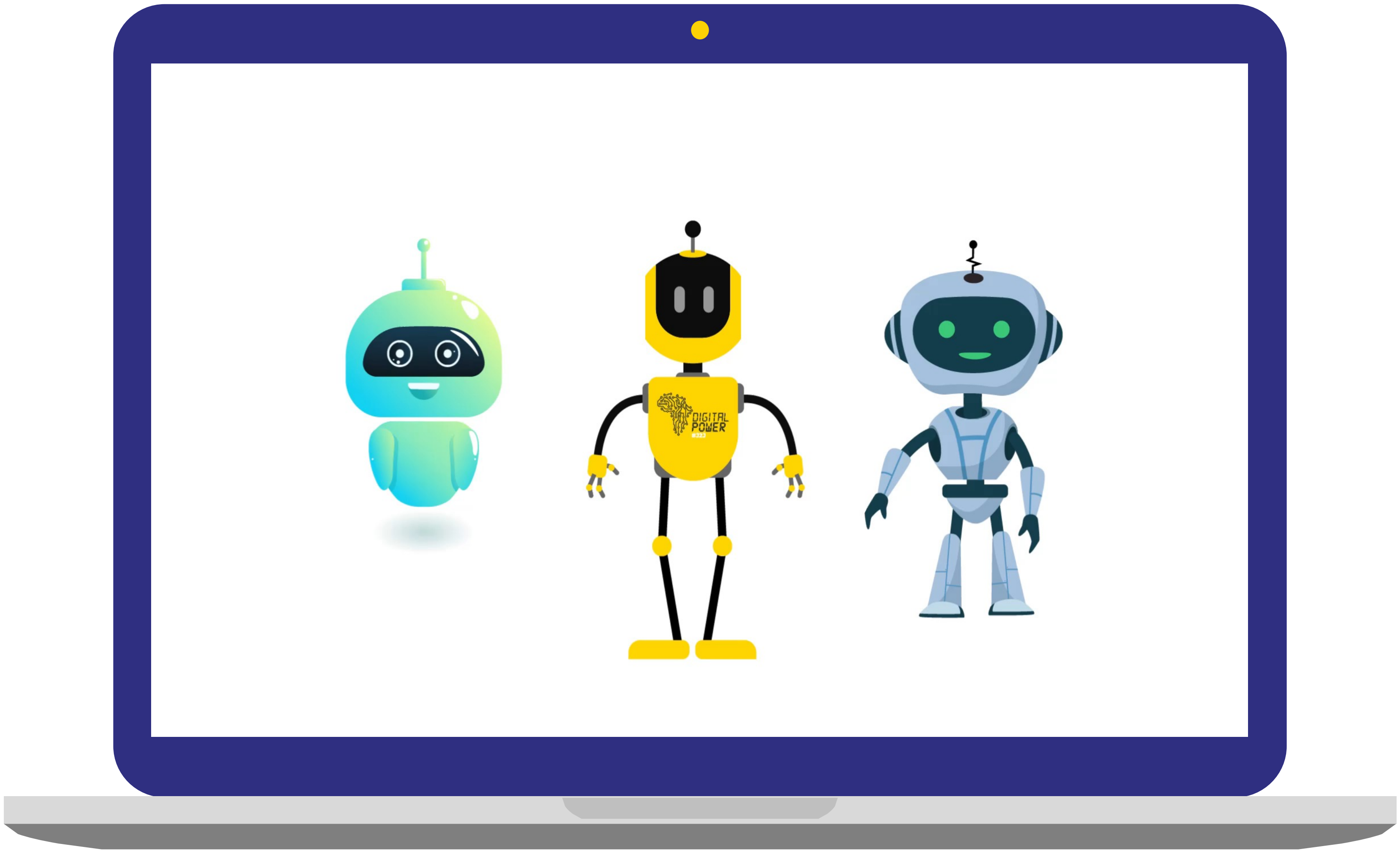
Digital Mall Squads
Letshego Digital Eagles

- One Data Lake
- RPA
- Predictive power
- Customer Data intelligence

Ecosystem Partners ((**MNO** ; Com Com ; Agency)

Robotics and Process Automation (RPAs)

Implemented RPA to enhance LetsGo Mall Customer Expereince



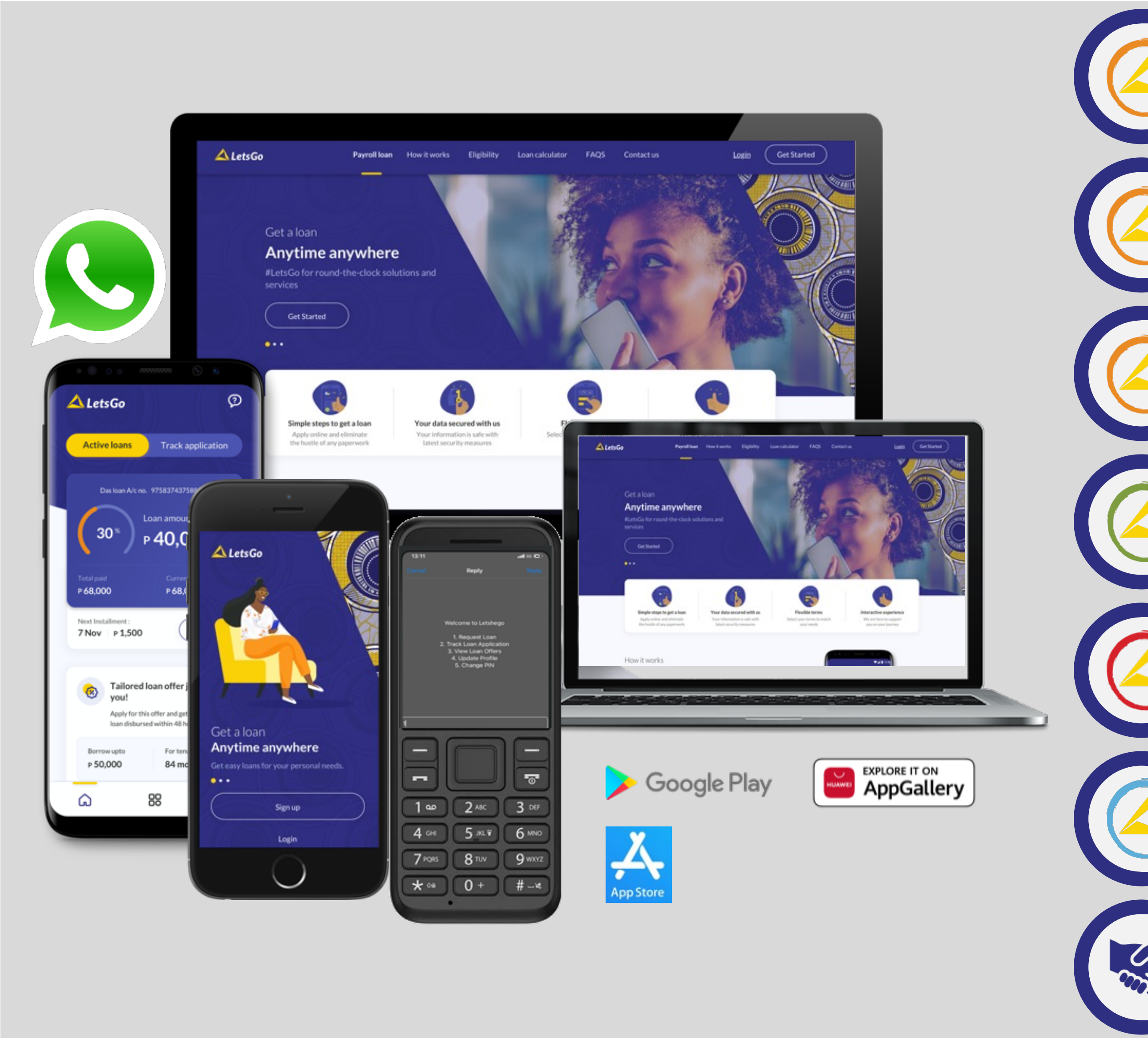
LetsGo Mall Fast Turn around time

Improved Customer satisfaction

Providing *FAST* access to the products on the LetsGo Mall

-Our Vision of the LetsGo Mall is to bring a World Class Retail financial services platform into the Hands of Africa's underserved.

Eg A, farmer in Funhaloro with LetsGoPay buys a machine in China and has it delivered to her, without her leaving the village.

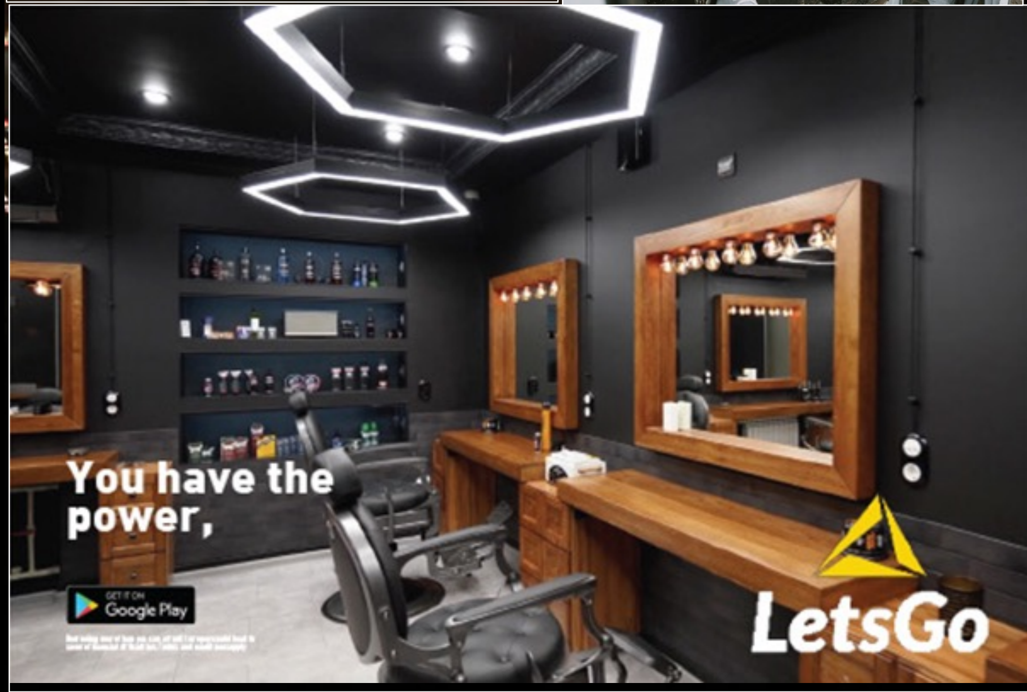


LetsGo borrow	Personal Loans (DAS)
LetsGo borrow	Personal Loans (Non-DAS)
LetsGo borrow	Programmatic Loans
LetsGo insure	Life and Short-term insurance
LetsGo pay	Wallets; Cards and Remittances
LetsGo save	Scale Deposits

Beyond Financial Services: Lifestyle Partnerships

LetsGo

Nation



Register

@letsgodigitalafrica

Building a digital community of African Doers, Shakers, Changers, Believers entrepreneurs (LetsGoprenuers) who are using their common energy to 'get things done FAST' to help 'improve lives' for all.

Insights informing our LetsGo Mall

Letshego

>40% Strong fundamental trend (shift away from cash, digitization...)*

USD 27bn Africa estimated domestic payment size by 2025**

Payment Player growing faster than Bank

77% LetsGo Mall Customer are new

>80% Instant completion of LetsGo Mall registration for West Africa

+30% Improved Operational efficiency (from >70% STP)

Source:
* McKinsey Global Payments Map; Central Bank data, Team analysis
** McKinsey 2020 Global Payments Report

Empowering our people in digital

Letshego

20
squads working on digital platforms

coursera

97% registration

4672 courses

2561 digital

30
new digital skills roles appointed

#futurefit #digitalskills #transformation

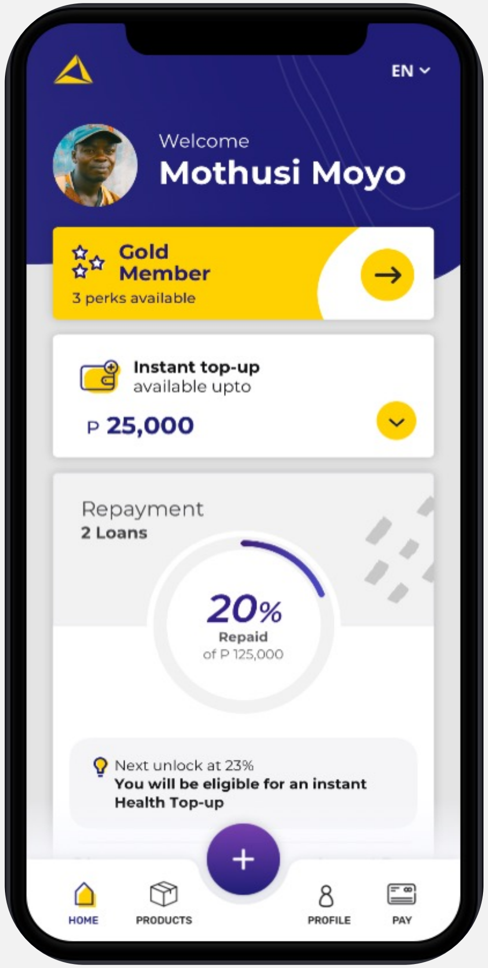
In summary…

- Resilient business driving an uplift in PBT
- Results means higher returns for shareholders
- Digital accelerated, and Business fundamentals are strong
- Robotic deployment to increase operational efficiencies
- Empowering our people to be Future Fit by embedding Agile digital culture and learning
- Improving lives by accelerating high social impact programs

"Digital is not a revolution, Digital is life"

Delivering on this roadmap will mean significantly transforming Letshego Group

Letshego

Digital Mall	... new ways of working	PLAN 2	5 YEAR TARGETS
	Agile ways of working embedded into the organisation	1 million Enterprise Active Customers (EAC) by 2023 On track strategic 80% by 2024	3 million Enterprise Active Customers (EAC) by 2025
	pivot to a Digital First organisation	75% Digitisation On track strategic 80% by 2024	80% Digitisation
	people first culture to sustain change over time	15% Return on Equity On track strategic 20% by 2024	>20% Return on Equity

Thank you

www.letshegoinvestor.com

Queries?

GroupCorporateAffairs@Letshego.com