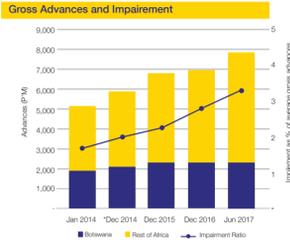
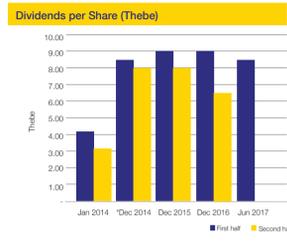
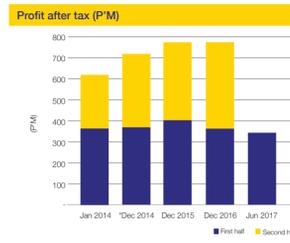


LETSHEGO HOLDINGS LIMITED GROUP HALF YEAR RESULTS ANNOUNCEMENT

The Board of Directors of Letshego Holdings Limited ("the Group") is pleased to present an extract of the reviewed consolidated results for the six months period ended 30th June 2017

HIGHLIGHTS



*Dec 2014 was an eleven month period

CONTINUED PROGRESS ON DELIVERY OF THE STRATEGIC AGENDA

GROWTH, PERFORMANCE AND RETURNS INCREASES ARE FIRST HALF YEAR VERSUS FIRST HALF YEAR 2016

- Net loans and advances to customers increased by 19%
- Total revenues exceeded P1.2 billion - a 15% increase
- Interest income increased by 17%
- Cost of borrowings remained stable at 10.9%; however, borrowings increased by 45% resulting in a 20% increase in interest expense
- Staff and operational expenses increased by 21%
- This resulted in a cost to income ratio increasing to 40%
- Cost of credit risk was 3.3% and higher than target levels of 3%
- Profit before tax was P188m - a 2% increase
- Return on Assets was 3%
- Return of Equity was 18%
- A dividend of 8.5 thebe per share will be paid, retaining a 50% dividend pay-out ratio

NON-FINANCIAL HIGHLIGHTS:

- Total borrowing customers increased to 345,000 (2016: 300,000)
- Total savings customers increased to 120,000 (2016: 92,000)
- Customers were serviced through 307 customer access points (2016:278)
- P1.4 billion (2016: P1.1 billion) was disbursed in new or top up loans
- The Group employed 1,891 (2016: 1,640) full time employees supplemented by an additional 1,403 (2016: 1,164) commission-based sales agents

TARGETED INVESTMENT SUPPORTS LETSHEGO'S STRATEGIC AGENDA

Letshego is committed to its strategic intent of creating Africa's leading inclusive finance group. The Group is focused on consumer lending, micro finance banking and savings solutions for our customers. These results include Ghana for the first time following the 100% acquisition of AFS Ghana during March 2017. Since this latest acquisition, Letshego's regional footprint now comprises eleven markets, six of which have deposit licenses.

STRATEGIC AGENDA HIGHLIGHTS: JANUARY TO JUNE 2017

EMBRACING FINANCIAL INCLUSION: The Group is progressing its inclusive finance agenda by piloting educational, affordable housing as well as environmental lending solutions within our existing footprint. Initial market response has been positive, in line with our market assessment and internal forecast on the potential for sustainable commercial returns in the longer term.

Plotted educational solutions in both Tanzania and Nigeria include payment, borrowing and savings options, with the aim of benefiting the complete educational 'eco-system', which includes school bodies, educators, learners and other associated partners. Further to this, Letshego's agency delivery channel in Mozambique and Tanzania is expanding our reach by using a number of different business models, while providing our customers with enhanced access to managing their money. Home improvement and affordable housing loans now make up 5% of the Group's total loan portfolio. The consumer lending segment is now 88% of the overall loan portfolio with MSE at 12%.

GROWING THE FRANCHISE: In addition to the expansion of our network through acquisitions, including Afs Ghana in March 2017, Letshego also understands the value of strategic partnerships in increasing access and impact in all our markets. Rwanda and Ghana are the latest markets to forge partnerships with large mobile operators. These pilots introduced Letshego to over 30,000 new customers in our emerging informal segment. If successful, it is intended to expand this digital solution into other Letshego countries, and to introduce a mobile savings, financial wellness and relationship based models to complement the micro loans offering.

ENHANCING CUSTOMER EXPERIENCE: Our award-winning 'Blue Box' agency concept encapsulates simplicity and accessibility for customers to access Letshego loans and savings in Mozambique, wherever they may be located. The interoperability of the agency access channel is seamless, linking directly into local bank and mobile network infrastructure to ensure end-to-end processing and security. Using Blue Box's built-in solar powered energy source and mobile network, Letshego agents can manage and make their own software connectivity, even in the most rural locations. This initiative received grants in excess of US\$1 million from the MasterCard Foundation, GIZ and FSD Mozambique.

We embedded our brand-enhancing "improving Life" customer engagement campaign across eight of our countries, rewarding customers for productive and responsible financial behavior. USSD-driven customer onboarding, borrowing and savings solutions have been embedded in pilots in Ghana, Mozambique, Namibia and Rwanda, enhancing our customers' ability to access simple and appropriate financial services.

EMBEDDING FUTURE CAPABILITY: Letshego's core banking platform is now supporting operations across nine countries, ensuring consistency in processing, tracking and reporting. Also our Enterprise Risk Management Framework has been implemented in all eleven markets, enhancing identification, mitigation, tracking and management of business risks as well as offering comprehensive customer solutions across our footprint.

ANALYSIS OF THE RESULTS FOR THE PERIOD

This period's results show good growth in a challenging environment.

Loan growth was 19% in BWP terms (14% excluding Ghana) and 16% in constant local currency terms. The quality of the loan book remains at targeted levels with the exception of Rwanda where we have taken additional provisions on a specific segment of the loan portfolio. The loan loss ratio was 3.3% - this is higher than targeted levels; however, if the referenced Rwanda portfolio is removed the loan loss ratio was 2.4%. Our coverage ratios remained stable and we are well positioned for the introduction of IFRS 9 in 2016.

Customer deposits grew marginally and the impact of our customer savings solutions is expected to come through in subsequent reporting periods. New funding lines were introduced resulting in a 45% increase in borrowings; the Group has a strong funding pipeline in place to support the business growth going forward.

Profit before tax of BWP498 million was marginally higher period on period. Operating income increased by 14% (13% excluding Ghana) - this reflected the underlying growth in advances to customers and was supported by stable interest margins and cost of funding.

Costs increased by 21% (19% excluding Ghana) and are normalising after a period of investment in the business; this trend is expected to continue going forward. A higher effective tax rate of 27% resulted in a 6% reduction in profit after tax for the period.

LETSHEGO NAMIBIA

We have obtained approval from the Namibian Stock Exchange (NSX) to list Letshego Holdings Namibia Limited (Letshego Namibia) on the NSX. 20% of the shares in the Company are being offered for sale as part of the licensing requirements of the Bank of Namibia to increase the level of Namibian ownership of Letshego Namibia. Should the listing be successful, this would raise approximately NS\$70 million (BWP285 million) for the portion of the shares that Letshego Holdings Limited is selling (17%). The public offer opened on 25 August 2017 and will close on 22 September 2017 with an intended listing date of 28 September 2017.

Letshego Namibia is a registered bank and micro finance group and its business activities are similar to the overall Letshego Group. The net asset value of Letshego Namibia was N\$1.6bn at 30 June 2017 and the targeted market capitalisation on listing is N\$2.35bn. At 30 June 2017, the total assets of Letshego Namibia represented 24% of the Group's total assets and Letshego Namibia contributed 40% of the Group pre-tax profit and 44% of the profit after tax.

The impact of the listing to the Group results will be to increase the profit attributable to non-controlling interests. Upon successful listing of Letshego Namibia, the Board will consider whether the listing proceeds will be distributed to Shareholders or whether the cash should be deployed in the business. Further guidance will be given at the time of publication of the full year results.

SHARE BUY BACK

During the period to 30 June 2017 the Group did not exercise the mandate from Shareholders to repurchase any of its shares. However, subject to the necessary funding being available, the Company will re-enter the market to buy back shares and is targeting to repurchase up to 5% of the shares in issue. This will be dependent on the liquidity in the market as well as funding lines being available as already mentioned.

This share buy-back programme is intended to generate returns for shareholder over and above the existing dividend policy. Since Letshego listed on the Botswana Stock Exchange in 2002 it has raised BWP646 million from Shareholders. In the same period, it has returned BWP1.9 billion to Shareholders by way of dividends and share buy-backs. Of this, BWP1.2 billion has been returned since 2014.

GROUP STRUCTURE

The Group has introduced an intermediate holding company structure in Mauritius and over time, the Group subsidiary companies are expected to be moved to that ownership structure. This will result in any change in the ultimate ownership of the subsidiaries but will allow for a more tax efficient movement of dividends within the Group.

BOARD OF DIRECTORS

The Board comprises of twelve Directors - seven independent non-executive Directors, three non-executive Directors and two executive Directors. Of the three non-executive Directors, two represent Botswana Insurance Holdings Limited (BIHL) and one represents African Development Partners (ADP). Both BIHL and ADP have material shareholdings in Letshego Holdings Limited. Due to internal changes in these organisations, Catherine Lesetedi will replace Gaffar Hassan as one of the BIHL representatives and Runa Alam will replace Idris Mohammed as the ADP representative. The Board thanks Gaffar and Idris for their contribution to the Group during their period on the Board and welcomes Catherine and Runa and looks forward to their contribution. The changes will become effective once all regulatory approvals have been obtained.

AUDITORS' REVIEW

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

PROSPECTS

Letshego continues to drive its inclusive financial services strategy and to strengthen its operations through investment in people, technology and strategic partnerships. The Board of Directors is confident that the Group is well positioned to benefit from the growing markets in which it is active and views inorganic expansion via strategic acquisitions as important to the acceleration of Letshego's strategy. As such, it will continue to seek and review relevant opportunities for the Group to pursue.

Notice is hereby given that the Board has declared an interim dividend of 8.5 thebe per share for the period ended 30 June 2017, in terms of the Botswana Income Tax Act (Cap:50:01) as amended, withholding tax at the rate of 7.5% or any other currently enacted tax rate will be deducted from the interim gross dividend for the period ended 30 June 2017.

Important dates pertaining to this dividend are:

- Declaration date, 31 August 2017
- Last date to register, 15 September 2017
- Dividend payment date on or about, 22 September 2017

For and on behalf of the Board of Directors:

[Signature] **E Banda**
Group Chairman

[Signature] **A C M Low**
Group Managing Director

GABORONE, Thursday 31 August, 2017



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	6 months ended		Change	12 months ended	
		30 June 2017 (Reviewed) P'000	30 June 2016 (Reviewed) P'000		31 Dec 2016 (Audited) P'000	31 Dec 2015 (Audited) P'000
Interest income	13	1,112,293	952,284	17	1,983,129	
Interest expense	14	(214,581)	(178,167)	20	(352,362)	
Net interest income		897,712	774,117	16	1,630,767	
Cash (used in) / generated from operations		(153,396)	224,635		25,239	
Taxation paid		(86,307)	(176,068)		(262,375)	
Net cash (utilised in) / generated from operating activities		(239,703)	148,579		(237,136)	
OPERATING ACTIVITIES		125,668	103,628	19	1,845,108	
Payment for acquisition of / investment in subsidiary / financial asset		(90,719)	-	-	(30,016)	
Net cash acquired from acquisitions		25,864	-	-	-	
Other investing activities		(17,158)	(8,312)		(19,441)	
Net cash flows used in investing activities		(82,013)	(8,312)		(73,032)	
FINANCING ACTIVITIES		125,668	103,628	19	1,845,108	
Dividends paid to equity holders and subsidiary minorities		(139,363)	(174,809)		(314,172)	
Grant to bank		(119,278)	-	-	-	
Net receipts on borrowings		405,576	57,869		737,274	
Other financing activities		(299,213)	(116,838)		(396,319)	
Net movement in cash and cash equivalents		(33,971)	(68,701)		(96,200)	
Cash and cash equivalents at the beginning of the period		529,476	526,230		526,230	
Effect of exchange rate changes on cash and cash equivalents		(4,269)	(72,293)		(66,134)	
Cash and cash equivalents at the end of the period	1	491,236	385,236		529,476	

	30 June 2017 (Reviewed) P'000	30 June 2016 (Reviewed) P'000	31 Dec 2016 (Audited) P'000	31 Dec 2015 (Audited) P'000
Attributable to:				
Equity holders of the parent company	349,378	369,304	627,809	627,809
Non-controlling interests	13,898	18,654	41,925	41,925
Profit for the period	363,276	387,958	(6)	669,734
Other comprehensive income, net of tax				
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation differences arising from foreign operations	5,208	(297,851)	(377,917)	(377,917)
Total comprehensive income for the period	368,484	90,107	(291,817)	291,817

	30 June 2017 (Reviewed) P'000	30 June 2016 (Reviewed) P'000	31 Dec 2016 (Audited) P'000	31 Dec 2015 (Audited) P'000
Attributable to:				
Equity holders of the parent company	355,754	74,595	247,809	247,809
Non-controlling interests	12,730	15,512	44,008	44,008
Total comprehensive income for the period	368,484	90,107	291,817	291,817
Weighted average number of shares in issue during the period (millions)	2,138	2,186	2,172	2,172
Dilution effect - number of shares (millions)	5	40	40	40
Number of shares in issue at the end of the period (millions)	2,144	2,186	2,132	2,132
Basic earnings per share (thebe)	17.0	17.7	(4)	30.8
Fully diluted earnings per share (thebe)	16.6	17.4	30.3	30.3

NOTE: The diluted EPS has been calculated based on the assumptions that may vest in terms of the Group's long term staff incentive scheme.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	At 30 June 2017 (Reviewed) P'000		At 30 June 2016 (Reviewed) P'000		Change	At 31 Dec 2016 (Audited) P'000		At 31 Dec 2015 (Audited) P'000
	Retained earnings	Share based payments reserve	Foreign exchange translation reserve	Legal reserve		Non-controlling interest	Total	
Balance at 31 December 2015	989,487	3,256,158	19,705	(254,293)	22,178	148,791	4,182,026	
Total comprehensive income for the period								
Profit for the period	-	369,304	-	-	-	18,654	387,958	
Other comprehensive income, net of income tax								
Foreign currency translation reserve	-	-	-	(294,709)	-	(3,142)	(297,851)	
Transactions with owners, recorded directly in equity								
Allocation to share based payment reserve	-	-	11,966	-	-	11,966	-	
New shares issued from long term incentive scheme	5,422	(5,422)	-	-	-	-	-	
Dividends paid to equity holders	-	(174,809)	-	-	-	-	(174,809)	
Balance at 30 June 2016	994,909	3,450,656	26,249	(549,002)	22,178	164,303	4,108,293	
Total comprehensive income for the period								
Profit for the period	-	258,505	-	-	-	23,271	281,776	
Other comprehensive income, net of income tax								
Foreign currency translation reserve	-	-	-	(85,291)	-	5,225	(80,066)	
Transactions with owners, recorded directly in equity								
Allocation to share based payment reserve	-	-	9,586	-	-	9,586	-	
Allocated to legal reserve	-	(10,011)	-	-	-	10,011	-	
Share buy back	(119,270)	-	-	-	-	-	(119,270)	
Dividends paid to equity holders	-	(196,879)	-	-	-	-	(196,879)	
Balance at 31 December 2016	875,639	3,502,271	35,835	(634,293)	32,189	192,729	4,004,440	

	At 30 June 2017 (Reviewed) P'000		At 30 June 2016 (Reviewed) P'000		Change	At 31 Dec 2016 (Audited) P'000		At 31 Dec 2015 (Audited) P'000
	Retained earnings	Share based payments reserve	Foreign exchange translation reserve	Legal reserve		Non-controlling interest	Total	
Balance at 31 December 2015	989,487	3,256,158	19,705	(254,293)	22,178	148,791	4,182,026	
Total comprehensive income for the period								
Profit for the period	-	369,304	-	-	-	18,654	387,958	
Other comprehensive income, net of income tax								
Foreign currency translation reserve	-	-	-	(294,709)	-	(3,142)	(297,851)	
Transactions with owners, recorded directly in equity								
Allocation to share based payment reserve	-	-	11,966	-	-	11,966	-	
New shares issued from long term incentive scheme	5,422	(5,422)	-	-	-	-	-	
Dividends paid to equity holders	-	(174,809)	-	-	-	-	(174,809)	
Balance at 30 June 2016	994,909	3,450,656	26,249	(549,002)	22,178	164,303	4,108,293	

	At 30 June 2017 (Reviewed) P'000		At 30 June 2016 (Reviewed) P'000		Change	At 31 Dec 2016 (Audited) P'000		At 31 Dec 2015 (Audited) P'000
	Retained earnings	Share based payments reserve	Foreign exchange translation reserve	Legal reserve		Non-controlling interest	Total	
Balance at 31 December 2015	989,487	3,256,158	19,705	(254,293)	22,178	148,791	4,182,026	
Total comprehensive income for the period								
Profit for the period	-	349,378	-	-	-	13,		