



Letshego Holdings Limited

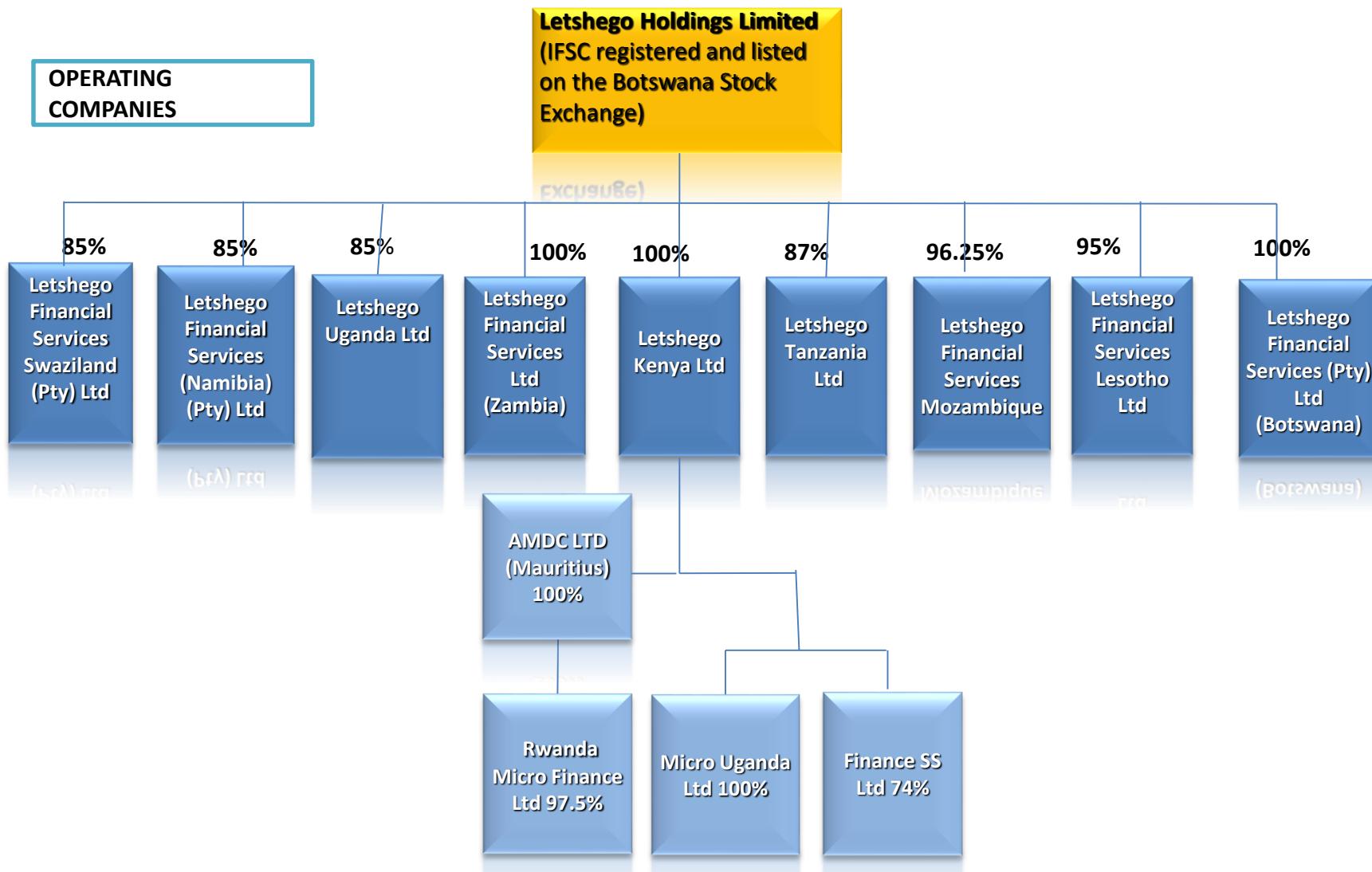
Results Presentation
For The Year Ended 31st January 2013

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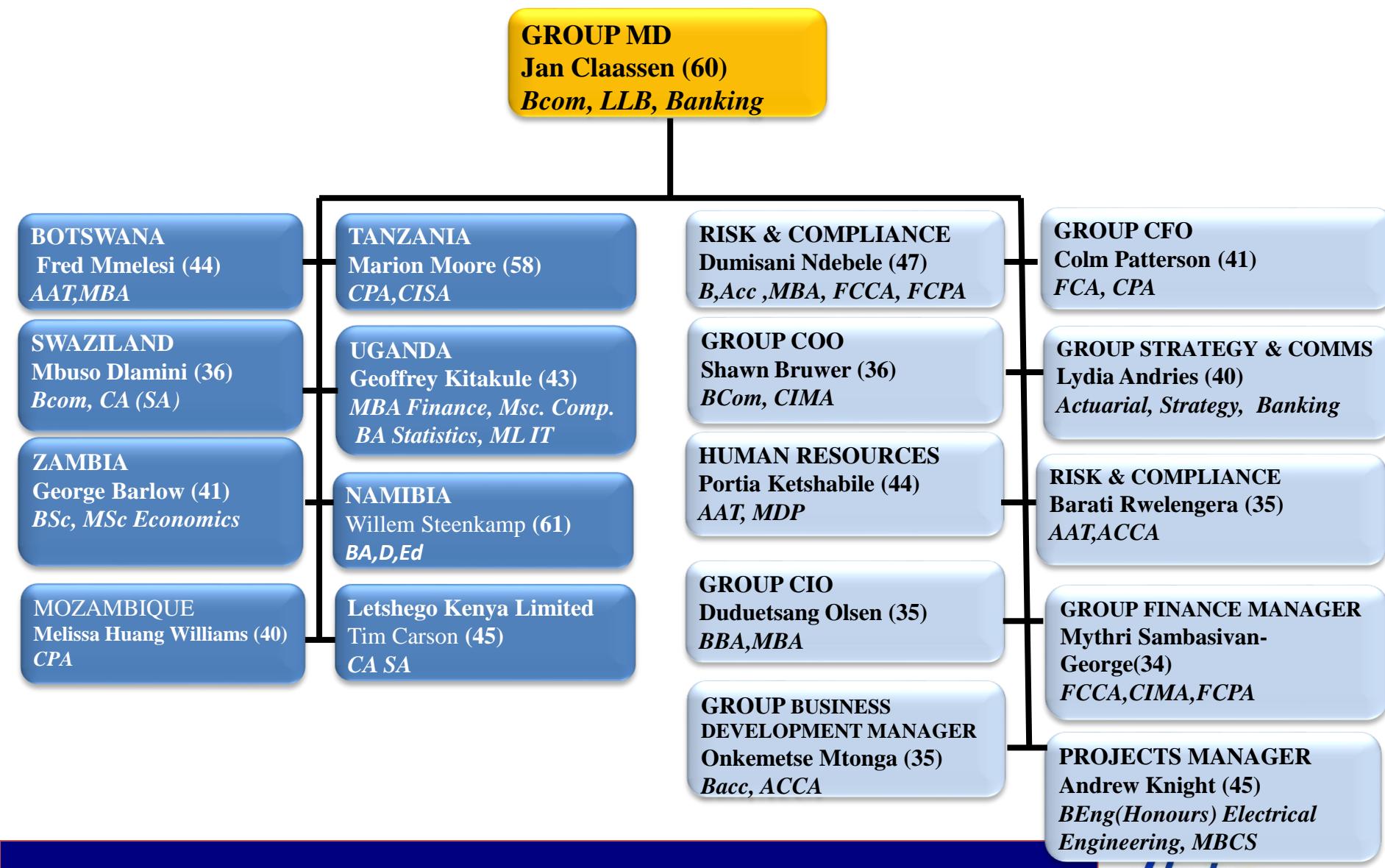
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- Q&A**

Group Business Structures

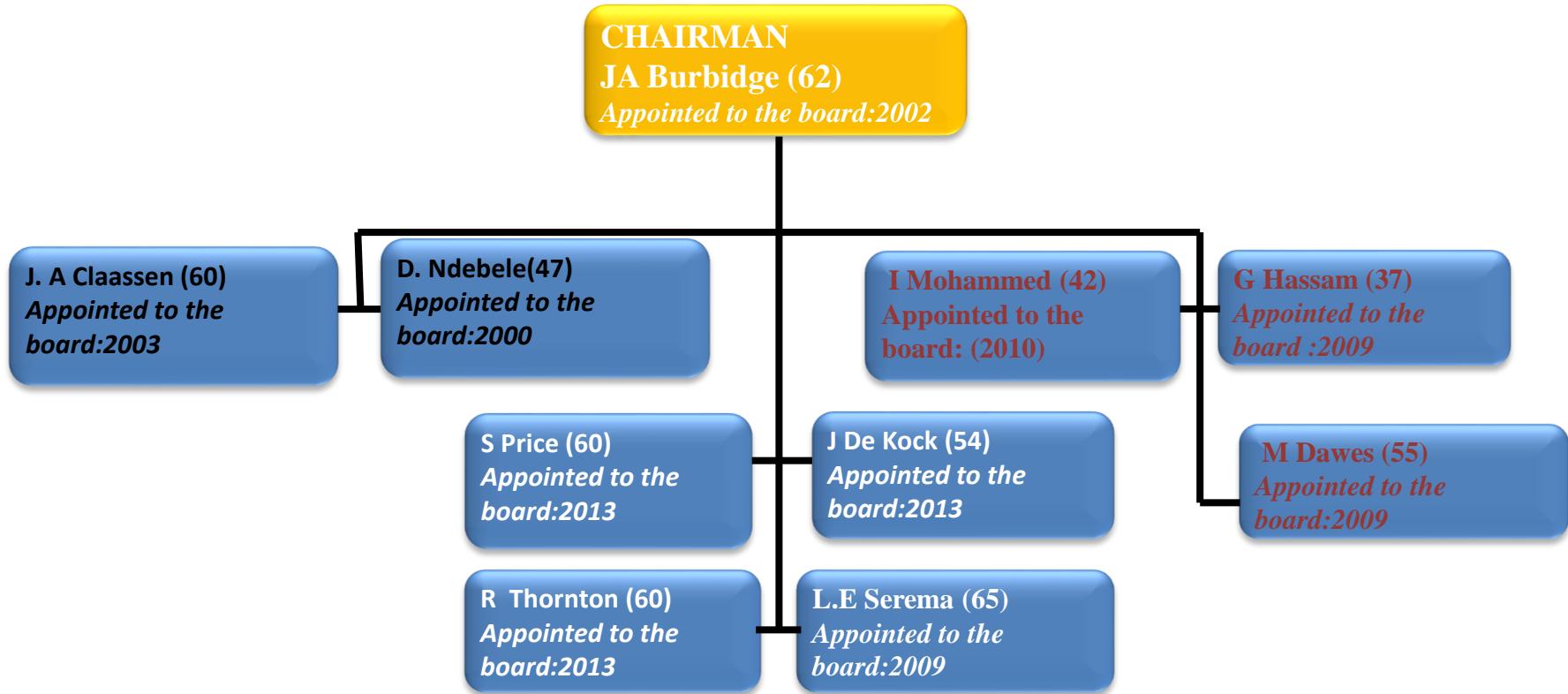
Group Corporate Structure



Organisation Structure



Board of Directors



Executive directors

Independent non-Executive directors

Non-independent non-executive directors



Developments During Financial Year Ended 31 January 2013

Main Events During The Year

- **ZAR 700 million raised from the maiden issue of the JSE listed Letshego's medium term note program in December 2012**
- **MTN program also listed on the BSE**
- **Micro Africa Limited ("MAL") acquisition completed and contributed P6.7 million to profit before tax for the seven months since acquisition of a 62.52% stake**
- **Letshego Lesotho commenced operations during September 2012**
- **Letshego Mozambique has established offices in all states across the country**
- **Letshego now has operations in 11 countries, with 235,017 customers, 1,012 members of staff and 204 branches**

Main Events During The Year (cont)

- Good progress made in the implementation of a new retail banking platform*
- Phased roll out is expected to start during Q3 in the current financial year*
- Letshego Mozambique has obtained Central Bank approval to commence deposit taking – this scheduled for Q3 in the current financial year*
- Banking license applications in certain territories under way and at different levels of progress*
- Letshego Zambia operations scaled down –focus on collections*
- Dividend payout of 25% of PAT. Total dividends paid and declared during the year of P170 million – giving a dividend yield of 3%*



Financial Review

31 January 2013



Performance Highlights

- Profit before tax  by 18% to P841.4 million (2012: P711.2 million)
- Basic EPS  by 12% to 33.1 thebe a share (2012: 29.6 thebe per share)
- 40% of Group PBT generated outside of Botswana (2012: 35%)
- Cost to income ratio of 26% (2012: 24%)
- Impairment charges of 1.3% on the average advances book (2012: 1.6%)



Performance Highlights (conti.)

- Advances  by 10% to P3.3 billion from P3.0 billion in the previous year
- Non-Botswana countries now makes up more than 50% of overall advances to customers
- Significant cash resources
- Debt to equity ratio of 46% (2012: 27%) *

* 32% post conversion of loan from ADP 1 Holdings 2



AT 31 JANUARY

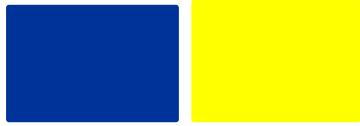
Group Statement Of Financial Position

	2013 (Audited) P'000	2012 (Audited) P'000	Change %
ASSETS			
Cash and cash equivalents	807,254	73,612	
Advances to customers	3,336,204	3,034,639	10
Other receivables	12,143	18,730	
Short term investments	26,206	24,187	
Long term receivables	11,468	11,120	
Plant and equipment	14,559	9,513	
Intangible assets	12,457	3,291	
Goodwill	49,948	27,824	
Deferred taxation	8,939	9,809	
Total assets	4,279,178	3,212,725	33
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	78,828	70,732	
Cash collateral	34,185	-	
Income tax	28,327	14,275	
Borrowings	1,277,395	802,864	59
Total liabilities	1,418,735	887,871	
Shareholders' equity			
Stated capital	689,243	669,876	
Foreign currency translation reserve	(45,982)	(32,522)	
Share based payment reserve	19,173	15,654	
Retained earnings	2,112,485	1,617,970	
Total equity attributable to equity holders of the parent company	2,774,919	2,270,978	22
Minority interest	85,524	53,876	
Total shareholders' equity	2,860,443	2,324,854	
Total liabilities and equity	4,279,178	3,212,725	33

Group Income Statement

YEAR ENDED 31 JANUARY

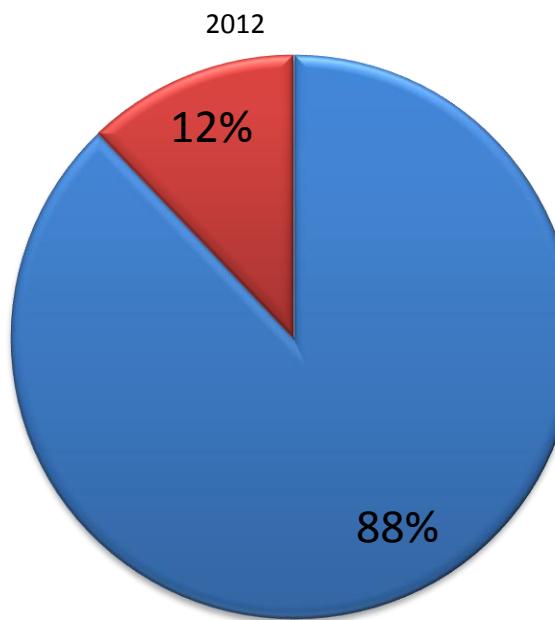
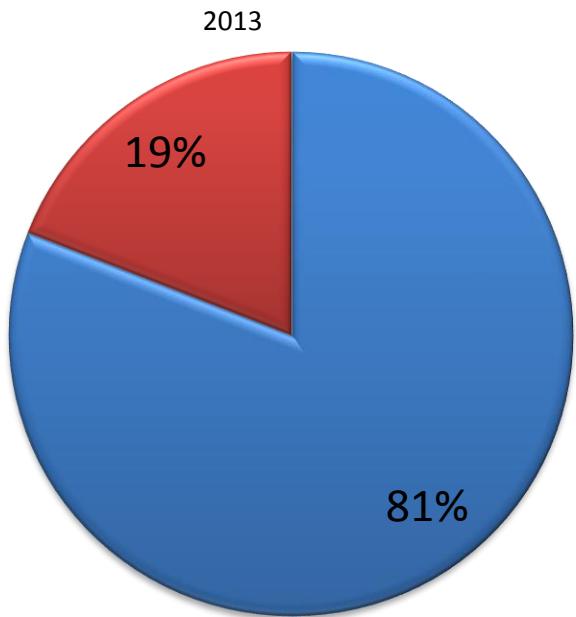
	2013 (Audited) P'000	2012 (Audited) P'000	Change %
Interest income	1,074,822	900,515	19
Interest expense	(108,807)	(65,395)	66
Net interest income	966,015	835,120	16
Premium income	86,992	64,243	
Insurance fees	(8,008)	(5,708)	
Net interest and insurance income	1,044,999	893,655	
Fee and commission income	127,646	87,198	
Other operating income	11,479	10,107	
Operating income	1,184,124	990,960	19
Employee benefits	(123,086)	(100,298)	23
Other operating expenses	(157,395)	(113,368)	39
Claims expense	(25,853)	(21,268)	
Insurance claim mitigation reserve	(1,306)	(686)	
Net income before impairment and taxation	876,484	755,342	16
Impairment of advances	(35,097)	(44,109)	(20)
Profit before taxation for the year before once off item	841,387	711,232	18
Income tax	(181,750)	(133,433)	
Profit for the year	659,637	577,799	14
Attributable to :			
Equity holders of the parent company	628,084	555,543	
Minority interest	31,553	22,256	
Profit for the year	659,637	577,799	



Net Advances to Customers

■ Southern Africa

■ East Africa

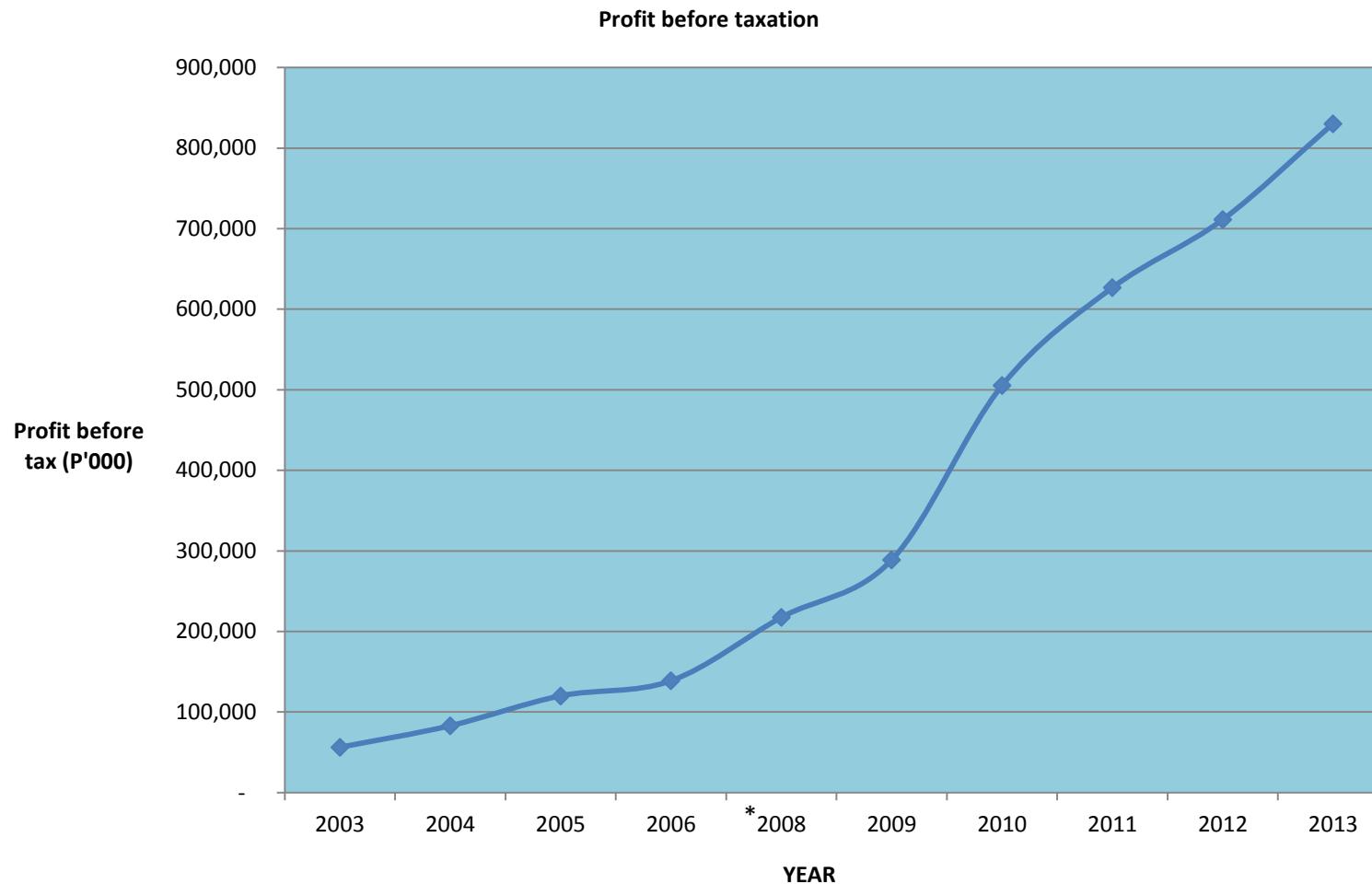


■ Southern Africa

■ East Africa

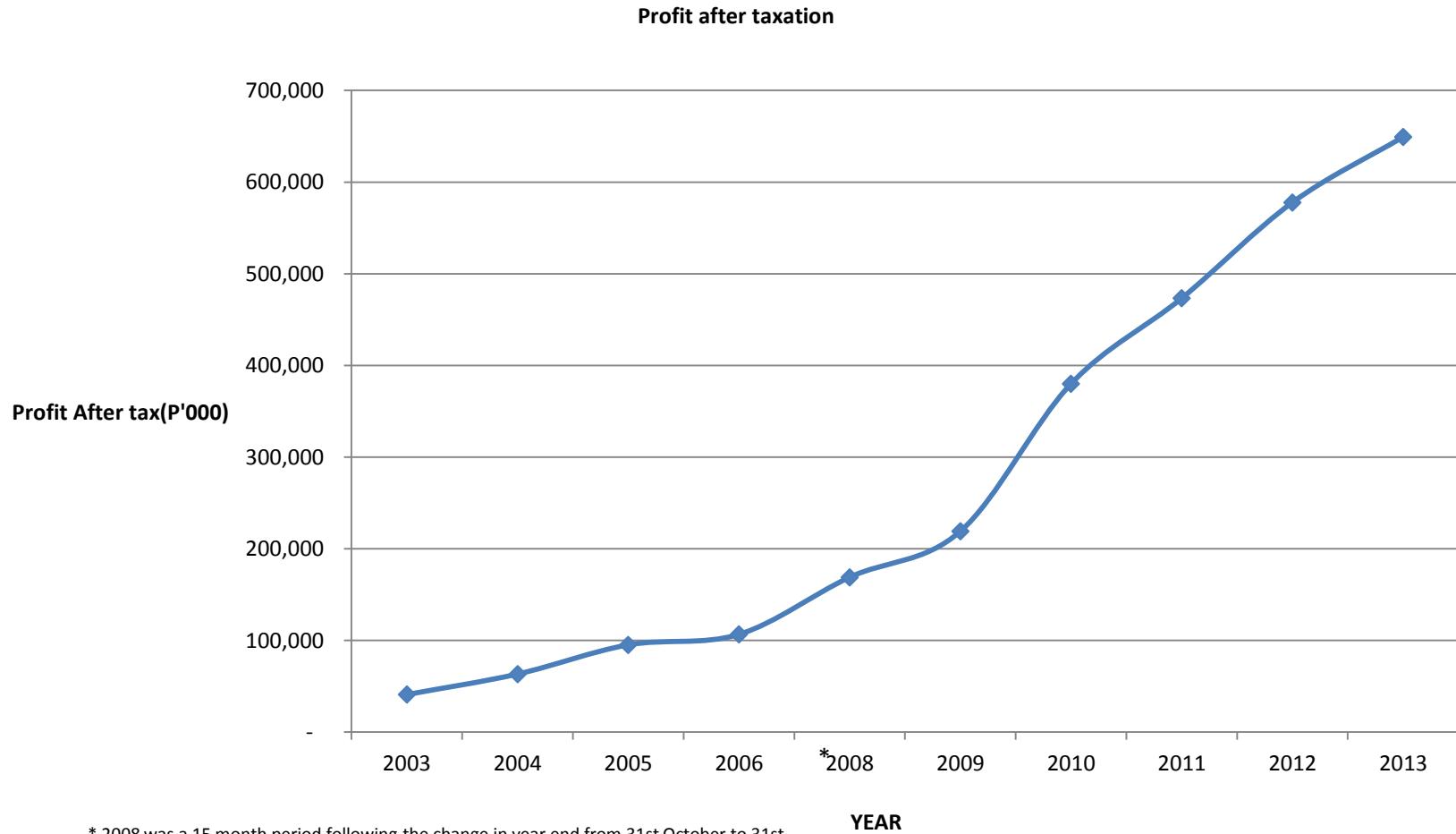
- Southern Africa: Botswana, Lesotho, Mozambique, Namibia, Swaziland and Zambia
- East Africa: Kenya, Rwanda, South Sudan, Tanzania and Uganda

Earnings Growth Reflects Strong Operational Performance



* 2008 was a 15 month period following the change in year end from 31st October to 31st

Earnings Growth Reflects Strong Operational Performance



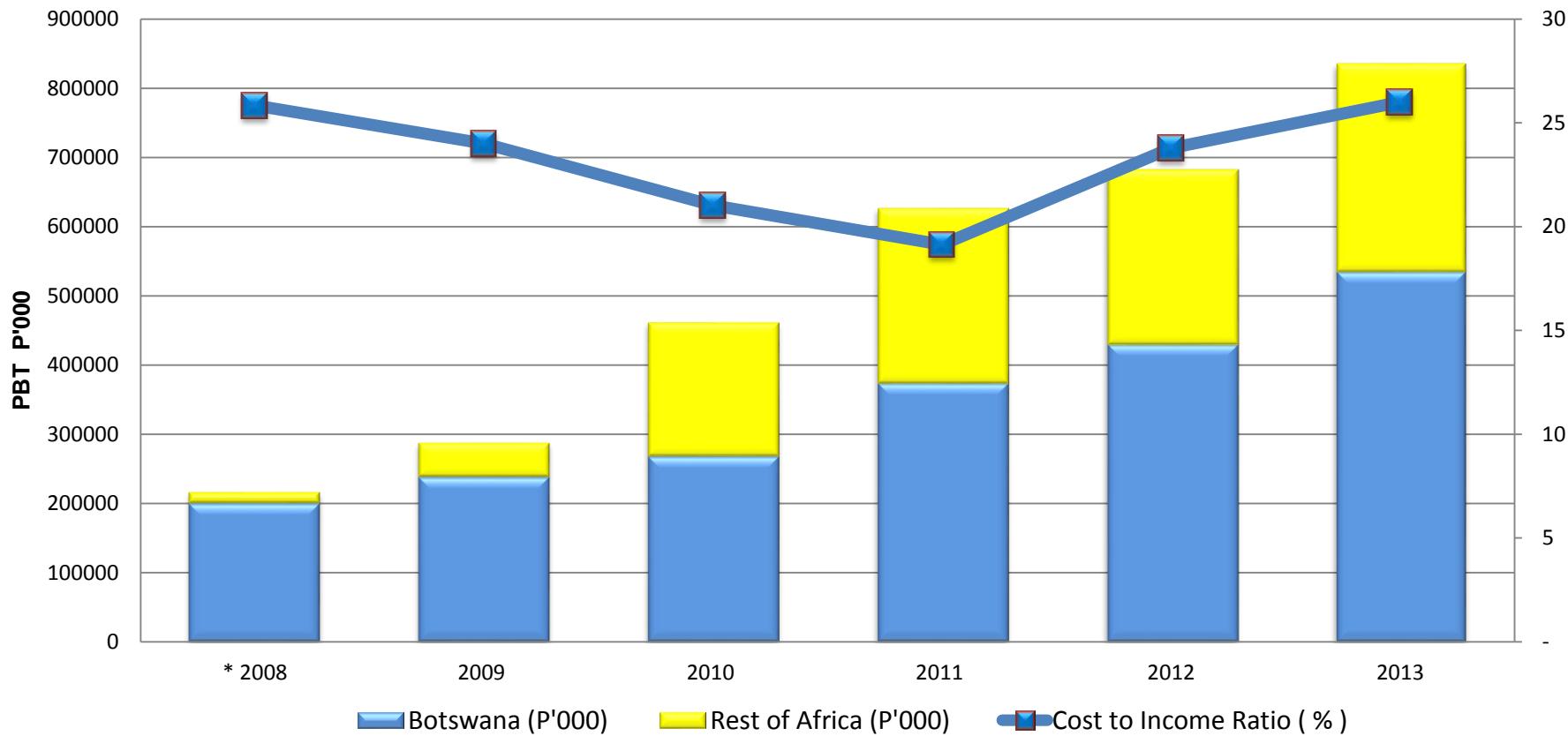
Advances Growth Consistent

Advances vs Impairment to gross advances



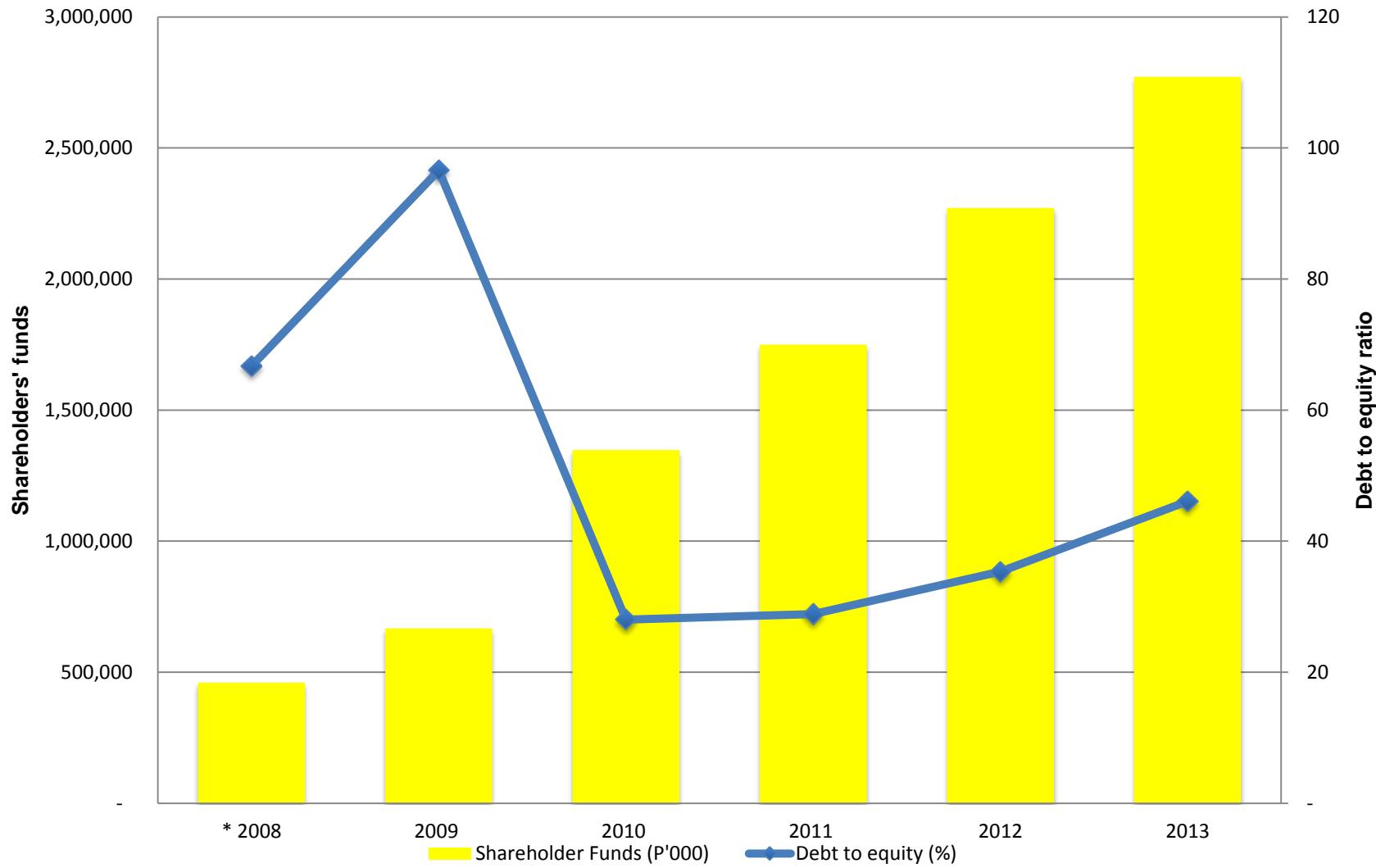
Cost to Income Ratio Consistent

Geographic Diversification of PBT to Cost to Income ratio



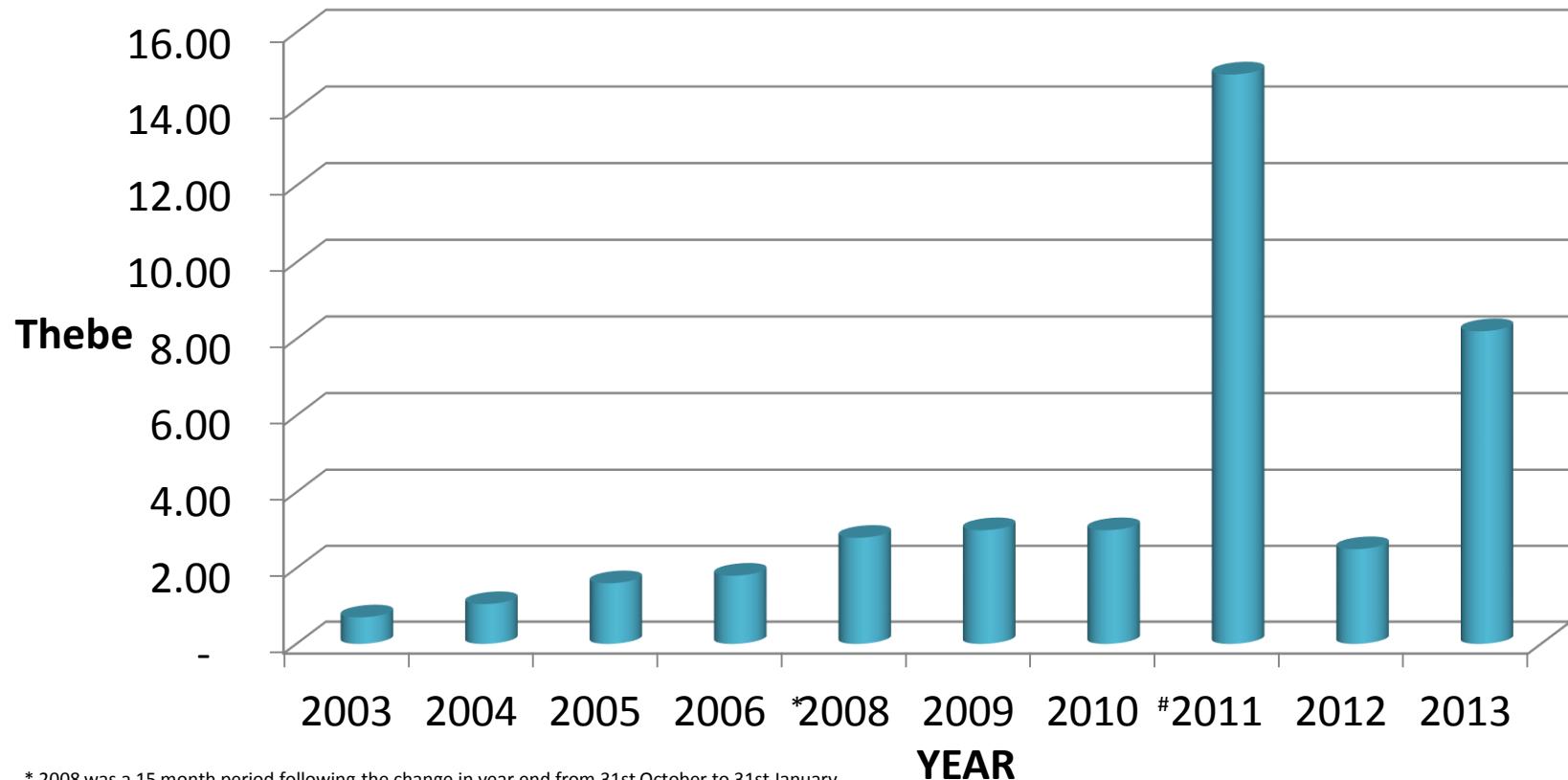
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Shareholders' Funds : Debt To Equity



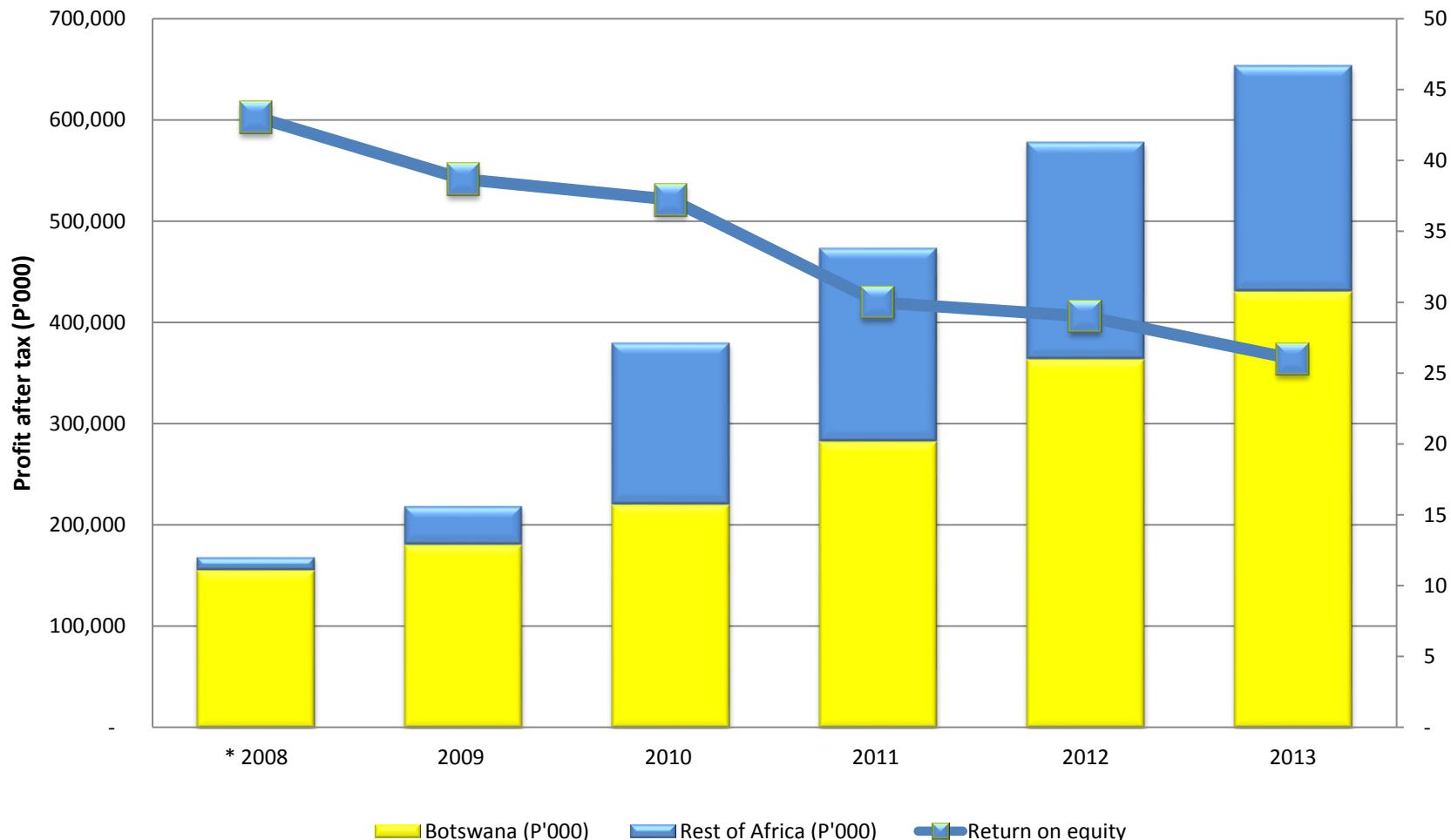
Dividends Per Share (Thebe)

Dividend per share



Profit After Tax

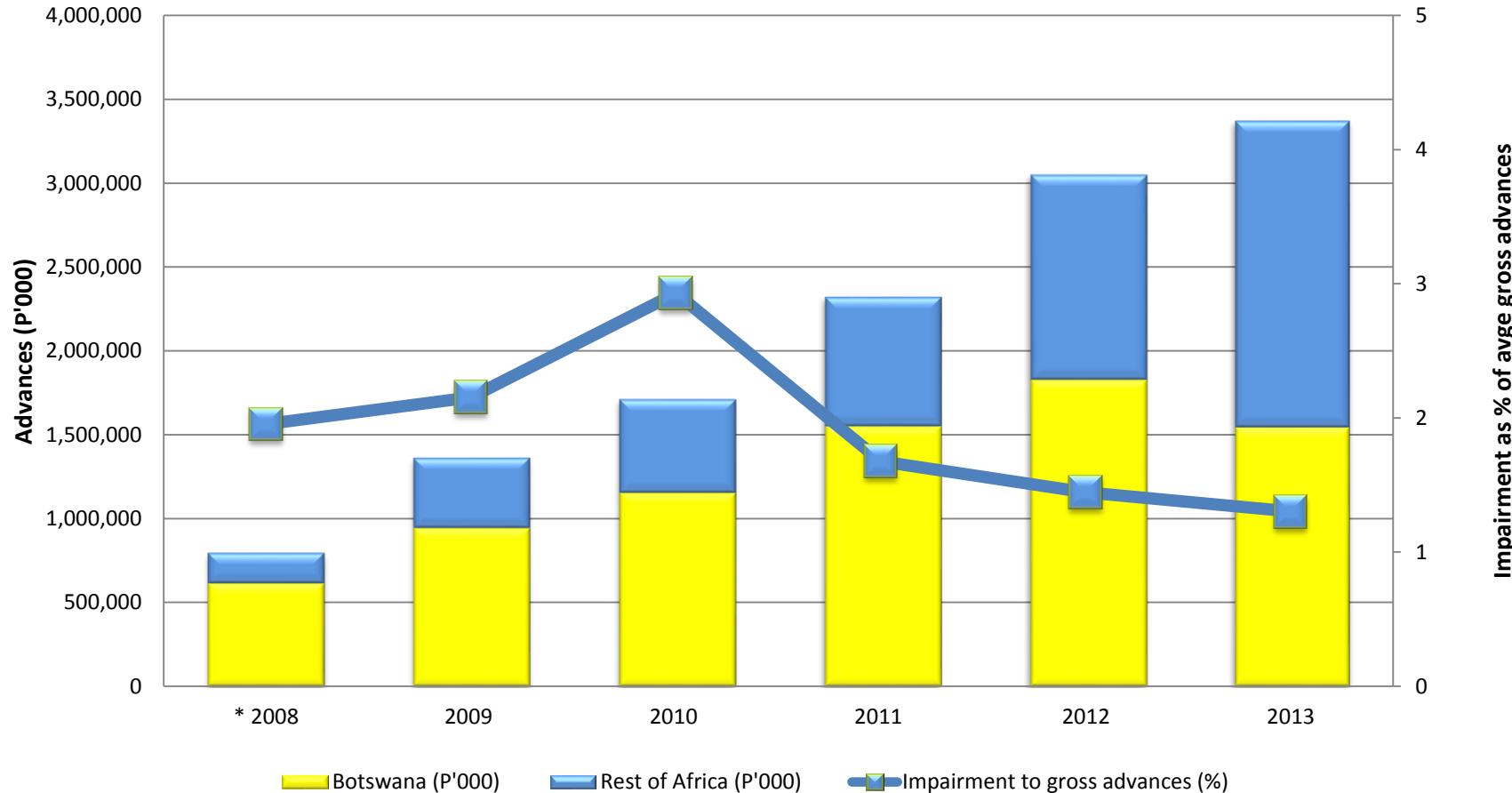
Profit After Tax to ROE



* 2008 was a 15 month period following the change in year end from 31st October to 31st January

Core Impairment Trend

Advances vs Impairment to gross advances

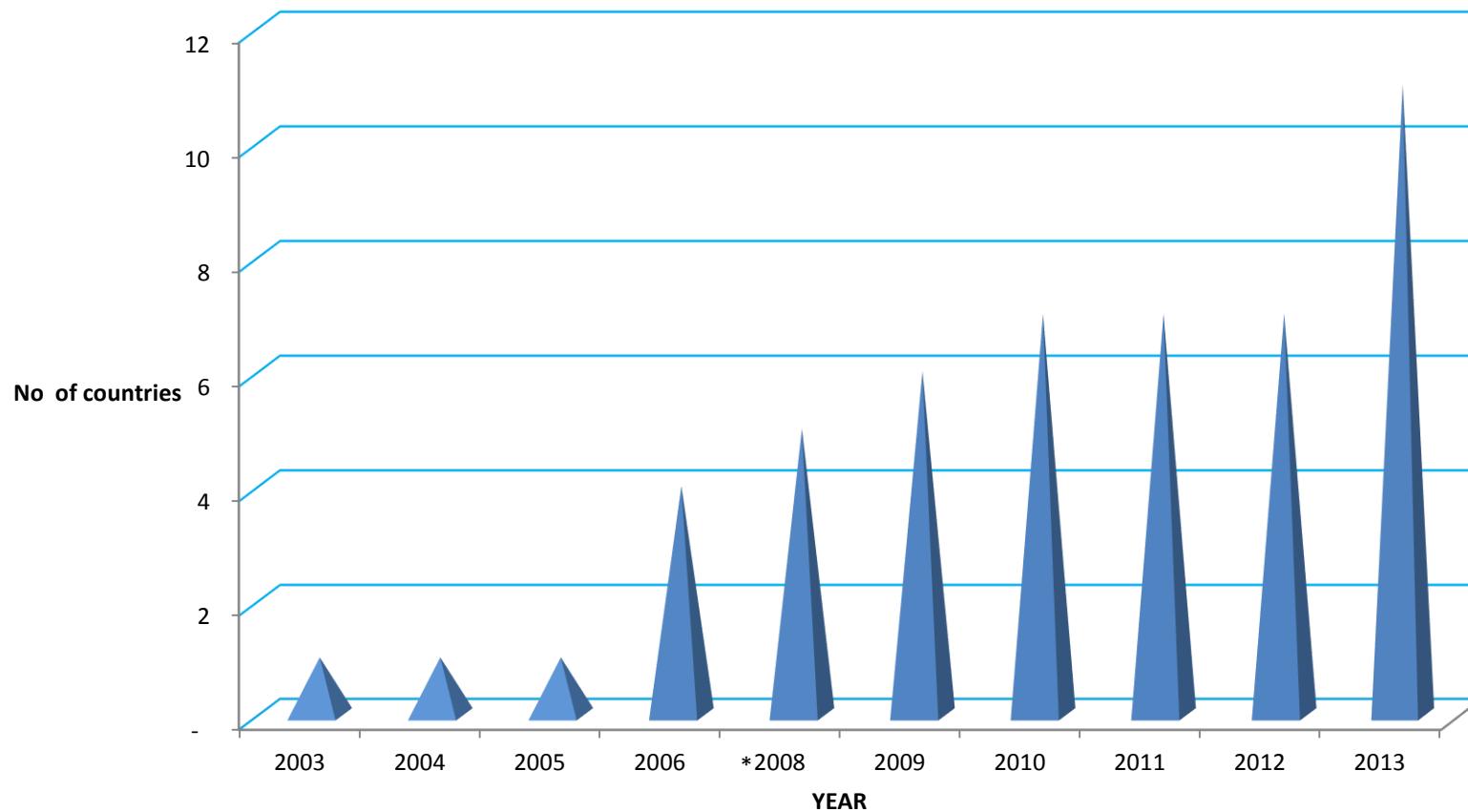


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African Footprint

Diversification Requires Patience

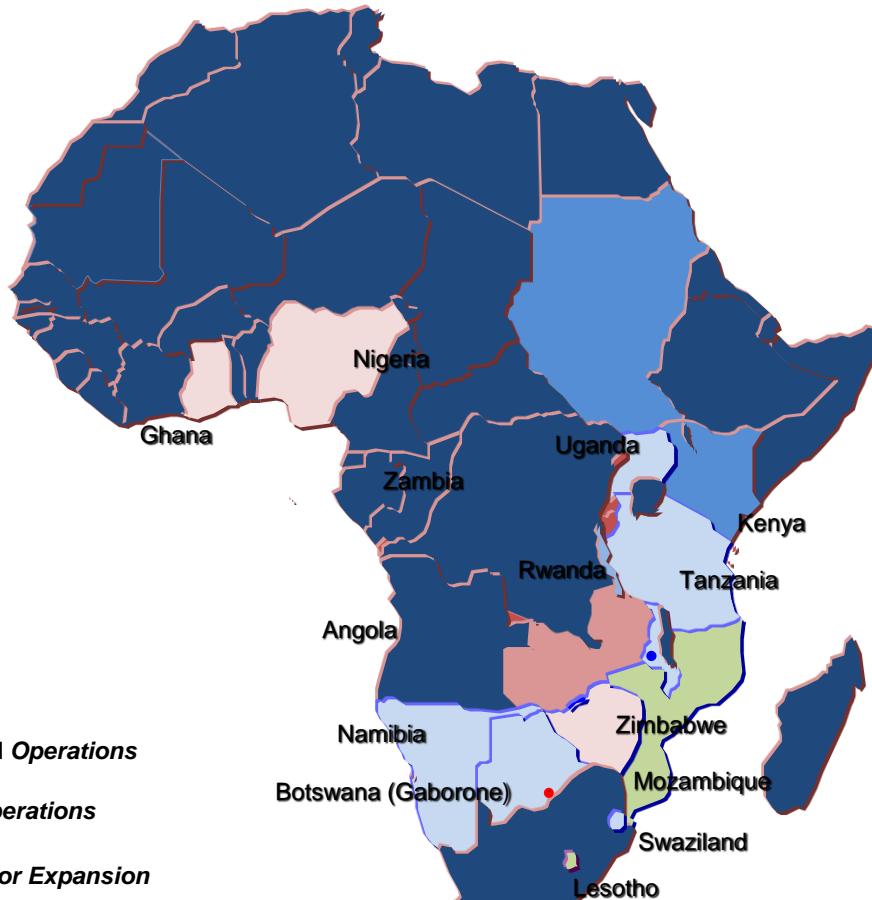
Country Footprint



* 2008 was a 15 month period following the change in year end from 31st October to 31st January

African Footprint

Platforms outside Botswana
remain a key focus area



Established Subsidiaries

- Botswana
- Namibia
- Swaziland
- Tanzania
- Uganda

Growing Subsidiaries

- Lesotho
- Mozambique
- Kenya
- South Sudan
- Rwanda

Scale-Down to Collection operations

- Zambia

African Footprint And Market Profiles Where

Letshego Operates - 31 January 2013

Botswana

Swaziland

Tanzania

Uganda

Zambia

Namibia

Description

	1998	2006	2006	2005	2007	2008
Population	1,978,000	1,202,000	45,040,000	33,796,000	13,257,000	2,212,000
Formally employed	539,000	100,000	3,870,000	555,900	500,000	300,000
Government employees	133,000	35,358	573,000	250,000	150,000	80,000
Regulator	NBIFIRA	CBS	No	No	CBZ	NAMFISA
Central Registry in place	Yes	Yes	No	Yes	No	Yes
Number of customers	34,436	6,035	53,579	32,125	1,165	46,225
Average value of loans	P44.4k	P21.5k	P6.3k	P4.7k	P5.5k	P13.2k
Ave collection rate in review period	97%	99%	97%	83%	96%	99%
% of book on payroll deduction	99%	99%	100%	100%	100%	100%
Number of branches	4	2	16	13	1	11
Number of satellite offices	7	0	90	23	0	1
Permanent Staff	91	13	83	48	8	35
Commission based staff	20	0	256	133	0	0
Credit insurance in place	Yes	Yes	No	No	Yes	Yes

African Footprint And Market Profiles Where Letshego Operates - 31 January 2013

Description	Kenya	Rwanda	South Sudan	Uganda MAL	Mozambique	Lesotho
Year established	2000	2004	2006	2001	2011	2012
Population	41,608,000	10,942,950	10,314,021	33,796,000	24,100,000	2,193,843
Formally employed	2,127,000	4,900,000	505,518	555,900	10,100,000	539,000
Government employees	580,000		153,372	250,000	247,725	43,000
Regulator	No	BNR	BSS	No	CBM	CBL
Central Registry in place	No	Yes	No	Yes	No	No
Number of customers	11,933	6,337	4,771	15,328	21,411	1,173
Average value of loans	P5.1k	P6.4k	P4.6k	P2.3k	P19.9k	P19.2k
Average collection rate in review period	89%	88%	93%	88%	98%	100%
Percentage of book on payroll deduction model	14%	0%	0%	0%	100%	100%
Number of branches	11	5	7	6	10	1
Number of satellite offices	0	0	0	0	0	0
Permanent Staff	119	84	65	99	61	9
Commission based staff	13	0	10	0	0	0
Credit insurance in place	Yes	Yes	No	Yes	Yes	Yes

African Footprint And Market Profiles Where Letshego Operates - 31 January 2013

Kenya



Rwanda



South Sudan



Uganda MAL



Description

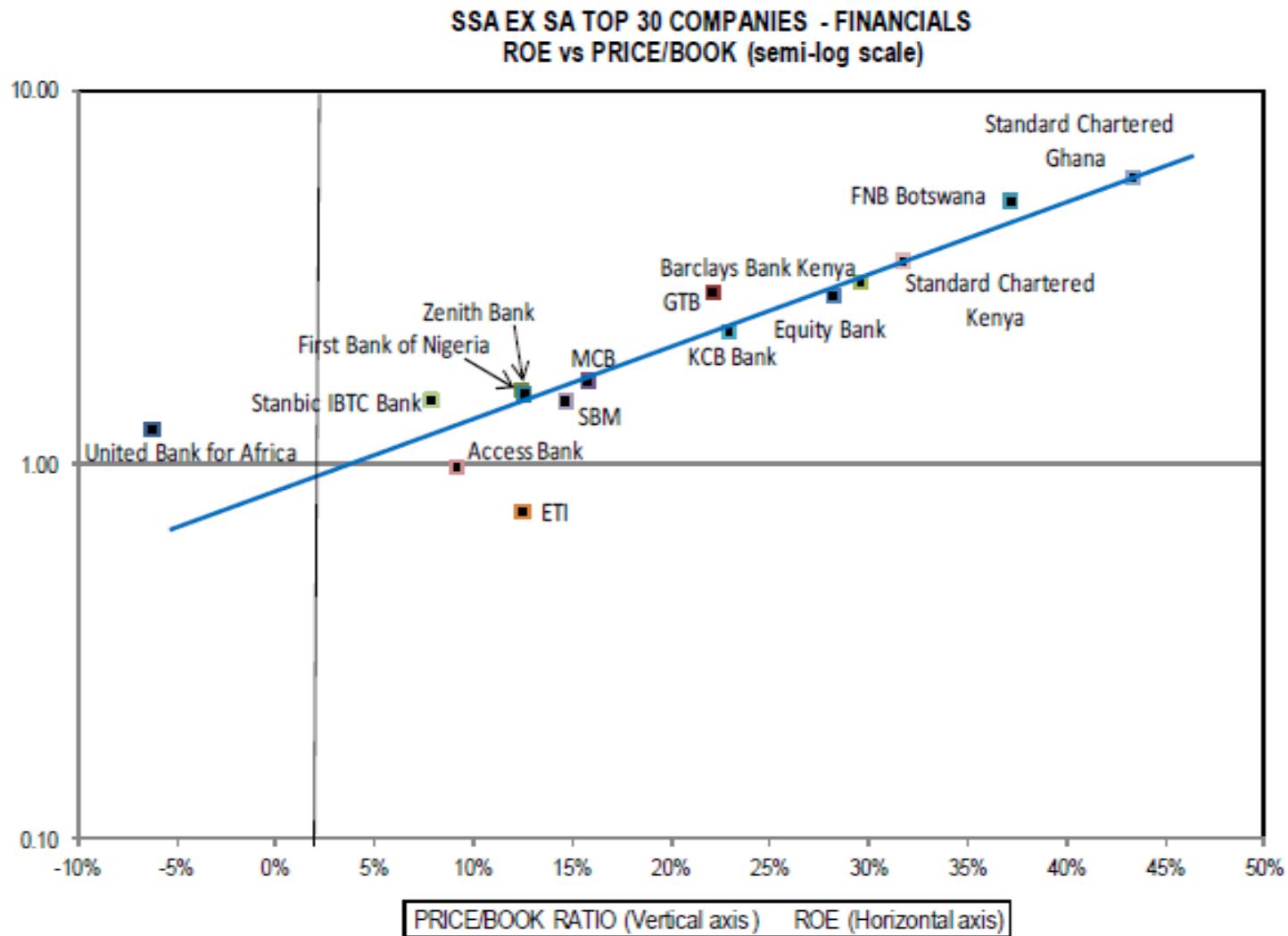
Loan products as a percentage of total loans	Kenya	Rwanda	South Sudan	Uganda MAL
• Salary Loans	12%	11%	15%	14%
• Group Loans	46%	47%	37%	59%
• SME Loans	25%	29%	48%	24%
• Government Payroll	14%	9%	-	1%
• Housing Micro Finance	3%	4%	-	2%

Peer Comparison

Peer Comparison

Companies		 Paraná Banco	 SKS MICROFINANCE empowering the poor	 AFRICAN BANK Investments Limited	 REAL PEOPLE	 International Personal Finance
Items	y/e January 2013	q/e 31 Dec 2012	3rdq/fe 2013	y/e 31 Sep 2012	y/e 31 March 2012	y/e 31 Dec 2012
Listing	BSE	Sao Paulo SE	Mumbai Sensex	JSE	None	LSE
Type of Business	Consumer Finance	Consumer Finance	Micro Finance	Consumer Finance	Consumer Finance	home credit business
Market Capitalisation / Book value – USD Million	USD 511 million	USD 218.70 million	USD 751 million	USD 3.826 billion	N/a – book value of equity US\$126 million	circa USD1.53 billion
P/E Ratio	7.0x	6.40x	33.80X	10.2x	13x (BV)	13.67 x
Dividend yield (%)	3.0%	N/A	N/a	5.6%	2.04%	2.04%
Cost to net interest income ratio (%)	26.0%	61%	97.4%	18.4%	39.2%	55.0%
Loan loss provisions/advances (%)	1.3%	0.78%	46.5%	6.4%	13.85%	29.91%
Loans / total assets (%)	78.4%	57.3%	76.0%	87.6%	63.73%	83%
ROAA (%) p.a.	17.6 %	5.2%	0.2%	4.7%	3.2%	11%
ROAE (%) p.a.	25.4%	17.03%	1.3%	22.9%	12.4%	24%
Credit Rating (Global Scale)	Ba3.za (Moody's)	'BB-/B' (S&P)	"P1+" (CRISIL)	Baa2.za (Moody's)	Baa3.za (Moody's)	

Peer Comparison



Source: SSA EX Top 30 Companies
2013-03

ROE's derived from latest company audited financials

Peer Comparison

SUB-SAHARA AFRICA ex SA - TOP 30 COMPANIES 31-Mar-13
 (Ranked by sector market capitalisation)

	Country listed	L/C Share price	Issued shares million	Market capitalisation US\$ millions	% of total	P/E Trailing 12 months	-- Dividend -- yield	Price cover	to book value
BANKING AND FINANCE									
Guaranty Trust Bank	NIG	26.10	29,431	4,845	6.3%	9.0	4.2%	2.67	2.92
Zenith Bank	NIG	21.30	31,395	4,218	5.5%	7.9	4.5%	2.84	1.60
First Bank of Nigeria	NIG	19.80	32,634	4,075	5.3%	7.3	4.0%	3.38	1.56
United Bank for Africa	NIG	8.00	32,335	1,632	2.1%	5.1	0.0%	n.a.	1.26
MCB	MAU	191.00	250	1,533	2.0%	11.0	3.1%	2.96	1.70
ETI	NIG	14.00	17,212	1,520	2.0%	5.1	4.5%	4.35	0.76
Access Bank	NIG	10.20	13,956	1,472	1.9%	4.9	5.7%	3.54	1.00
Equity Bank	KEN	33.25	3,703	1,440	1.9%	10.2	3.8%	2.61	2.87
KCB Bank	KEN	41.50	2,950	1,432	1.9%	10.0	4.6%	2.18	2.30
Standard Chartered Kenya	KEN	301.00	309	1,088	1.4%	11.1	3.7%	2.47	3.55
Union Bank Nigeria	NIG	10.15	16,936	1,084	1.4%	6.4	0.0%	n.a.	0.82
Barclays Bank Kenya	KEN	17.00	5,432	1,080	1.4%	10.6	5.9%	1.61	3.12
FNB Botswana	BOT	3.35	2,564	1,046	1.4%	13.9	3.9%	1.85	5.13
Standard Chartered Ghana	GHANA	16.01	1,849	955	1.2%	13.7	3.2%	2.30	5.94
SBM	MAU	1.04	25,820	861	1.1%	9.0	3.4%	3.30	1.50
Stanbic IBTC Bank	NIG	13.20	10,000	833	1.1%	16.4	1.4%	4.29	1.51
16 Companies				\$29,113	37.7%	8.8	3.7%	2.64	2.19

Source: SSA EX Top 30 Companies

2013-03

Peer Comparison – Brief Overview



- Letshego - Listed on Botswana SE, operating payroll deduction model in 11 African countries



- Banco Parana - Listed on Brazil's Sao Paulo SE, operating payroll deduction model throughout Brazil



- SKS Microfinance - Listed on Bombay Sensex, operating through India, women-development centered micro-finance



- African Bank Investments Limited – Listed on the Johannesburg SE, unsecured loans to the lower and middle income segments



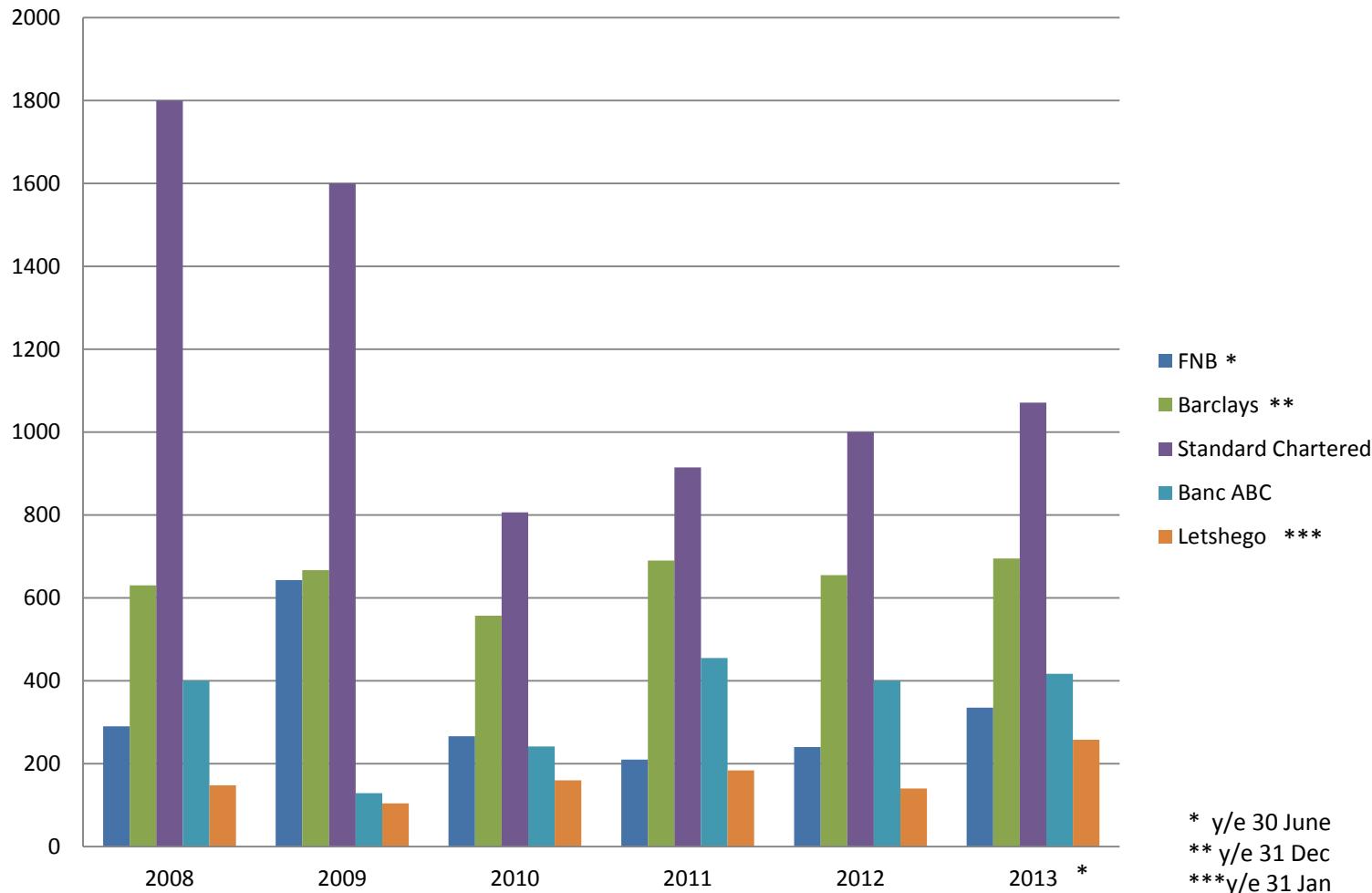
- Real People – Unlisted but operates unsecured consumer lending model with formally employed sector through Southern and Eastern Africa



- IPF offers unsecured lending in Eastern Europe and Mexico and does not use deduction at source model. IPF has a loan book of £560m (US\$800m)

Peer Comparison

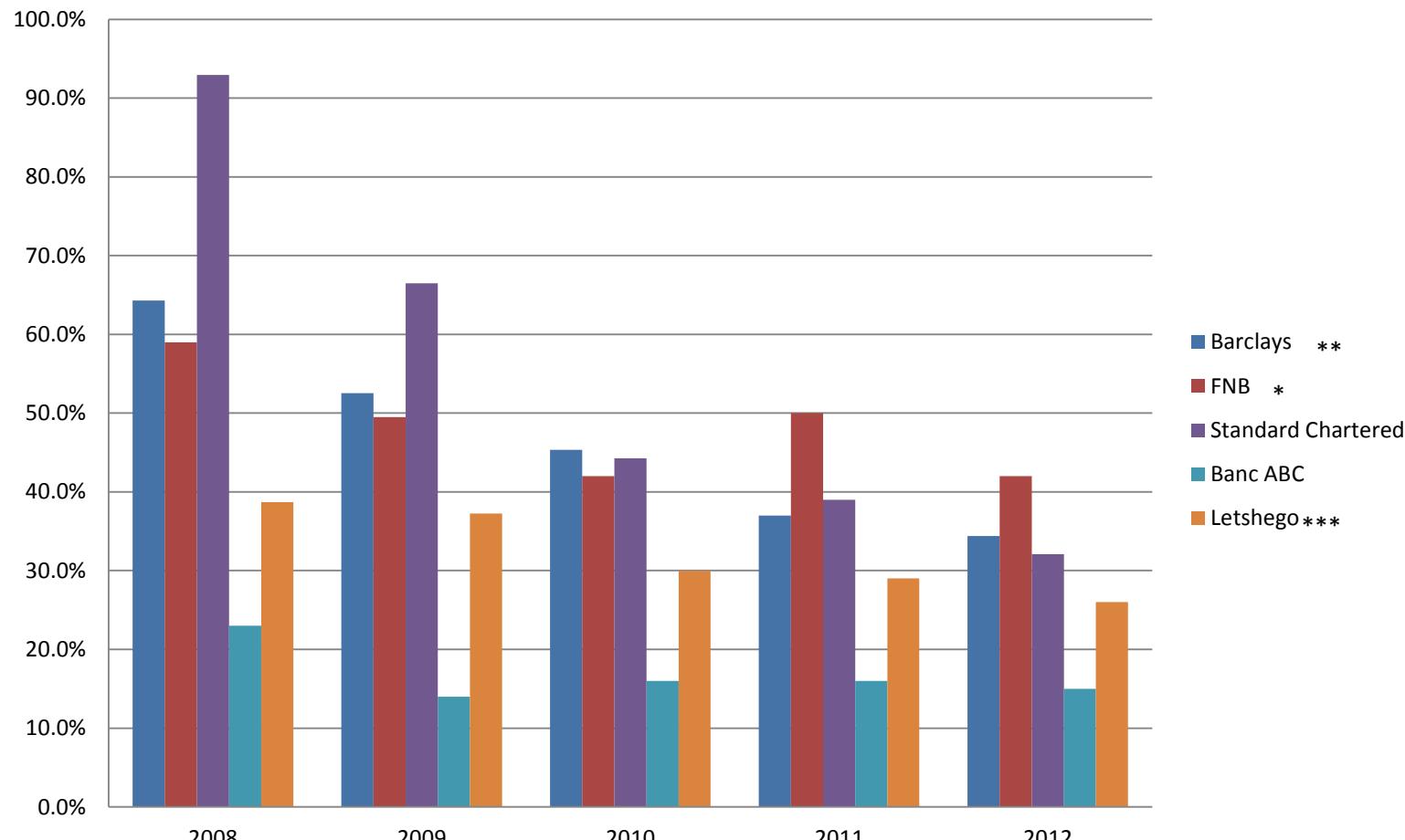
Share Price in thebe



*figures as at 12th April 2013

Peer Comparison

Return on Equity



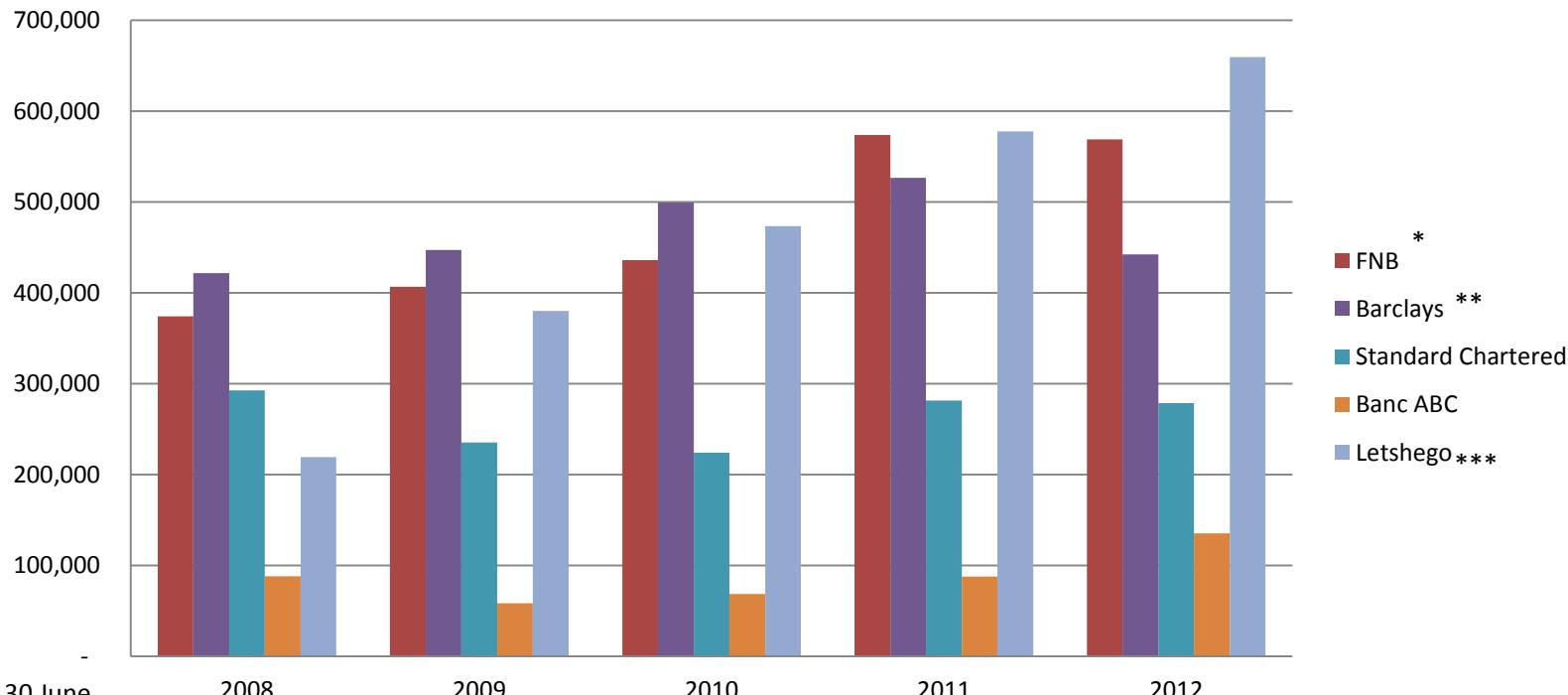
* y/e 30 June

** y/e 31 Dec

***y/e 31 Jan

Peer Comparison

Profit After Tax



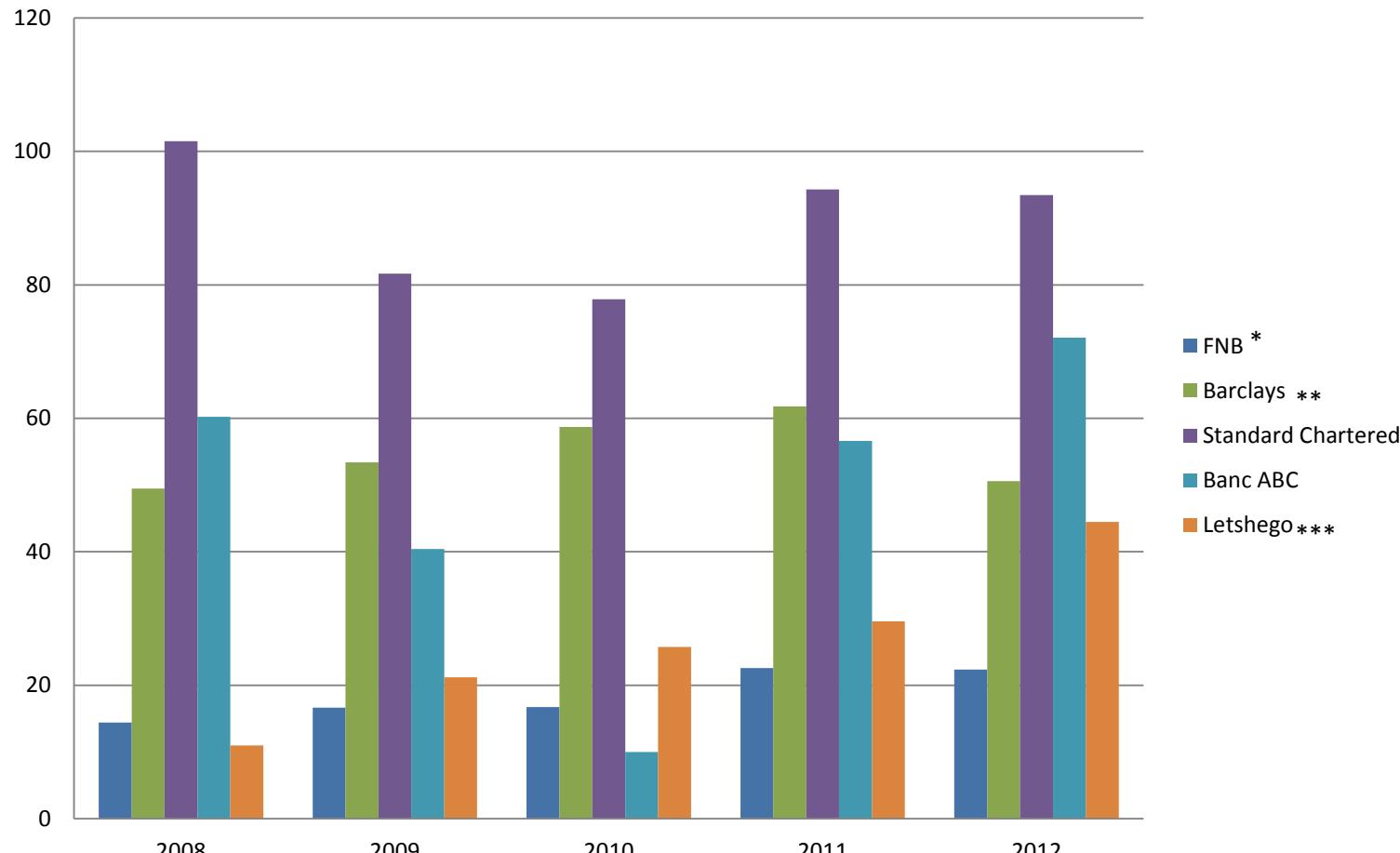
* y/e 30 June

** y/e 31 Dec

***y/e 31 Jan

Peer Comparison

Earnings per Share



* y/e 30 June

** y/e 31 Dec

***y/e 31 Jan



Progress on Growth Strategies



Building on The Current African Footprint

- 100% of Micro Africa acquired post year end**
- Kenya now rebranding to Letshego Kenya with the other countries to follow**
- Group structure within Micro Africa will be reviewed during the coming year starting with the combination of the two Ugandan companies**
- Consideration being given to establishing an East African shared support center for the group**
- Steady results expected in the current financial year**
- Conversion of ADPI HOLDING 2 loan post year end**
- Banking licenses continue to be pursued on a phased basis**
- Exploring new countries to extend the Group's footprint**
- Other opportunities also being considered**

Key Contacts

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Thank You