

LETSHEGO HOLDINGS (NAMIBIA) LIMITED
(Incorporated in the Republic of Namibia)

Registration number: 2016/0145

ISIN: NA000A2DVV41

SHARE CODE (NSX): LHN

REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2021

LETSHEGO HOLDINGS (NAMIBIA) LIMITED
REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2021

Registration number:	2016/0145
Registered address:	18 Schwerinsburg Street P. O. Box 11600 Windhoek Namibia
Company Secretary:	Chriszelda Gontes Letshego Holdings Namibia 18 Schwerinsburg Street Windhoek Namibia
Auditor:	Ernst & Young Namibia P. O. Box 1857 Windhoek, Namibia
Sponsoring Broker:	IJG Securities (Pty) Limited P. O. Box 186 Windhoek, Namibia
Transfer Secretary:	Transfer Secretaries (Pty) Limited P. O. Box 2401 Windhoek, Namibia

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LETSHEGO HOLDINGS (NAMIBIA) LIMITED
REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
DIRECTORS' RESPONSIBILITY STATEMENT
for the year ended 31 December 2021

The directors are responsible for the preparation and fair presentation of the condensed consolidated financial statements of Letshego Holdings (Namibia) Limited ('LHN') ('the Group'), comprising the condensed statement of financial position at 31 December 2021, and the related condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed consolidated statement of cash flows for the year then ended, and the notes to the financial statements.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Group to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

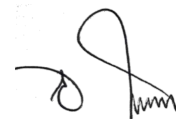
The external auditor, Ernst & Young Namibia, have reviewed the condensed consolidated financial statements. The review has been conducted in accordance with the International Standard on Review Engagements 2410. A copy of the unqualified review report is available for inspection at the registered office of the Company.

Approval of the condensed annual financial statements

The condensed consolidated financial statements of Letshego Holdings (Namibia) Limited, as identified in the first paragraph, set out on pages 3 to 18, were approved by the directors on 25 February 2022 and signed on their behalf by:



Maryvonne Palanduz
Chairperson



Ester Kali
Chief Executive Officer

Release date: 3 March 2022

LETSHEGO HOLDINGS (NAMIBIA) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Notes	31 December 2021 (Reviewed) N\$ '000	31 December 2020 (Audited) N\$ '000
ASSETS			
Cash and cash equivalents	1	287,048	468,253
Government and other securities	2	500,004	-
Other receivables	3	352,305	202,703
Advances to customers	4	4,278,481	3,608,616
Current taxation	8.4	81,736	80,653
Property, equipment and right-of-use assets	5	18,375	22,244
Deferred tax assets	8.3	3,488	3,803
Total assets		5,521,437	4,386,272
LIABILITIES AND EQUITY			
Liabilities			
Deposits due to customers	11	386,069	187,893
Trade and other payables	6	238,750	149,440
Lease liabilities	7	7,639	11,162
Borrowings	9	1,980,798	842,465
Amounts due to parent company	10	191,728	587,411
Deferred tax liabilities	8.3	6,882	9,367
Total liabilities		2,811,866	1,787,738
SHAREHOLDERS' EQUITY			
Share capital	12	100	100
Retained earnings		1,790,986	1,680,057
Capital reorganisation reserve		701,024	701,024
Equity settled share based payment reserve	13	2,376	2,268
		2,494,486	2,383,449
Non-controlling interest		215,085	215,085
Total equity		2,709,571	2,598,534
Total liabilities and equity		5,521,437	4,386,272

LETSHEGO HOLDINGS (NAMIBIA) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021

	Notes	31 December 2021 (Reviewed) N\$'000	31 December 2020 (Audited) N\$'000
Interest income	17	588,524	625,704
Interest expense	17	(121,232)	(98,750)
Net interest income		467,292	526,954
Credit impairment reversal/(charge)	4	16,520	(43,652)
Net interest income after impairment		483,812	483,302
Fee income	18	23,906	6,797
Other operating income	19, 25	213,535	148,568
Employee benefits	15	(80,985)	(70,429)
Other operating expenses	16	(284,465)	(164,291)
Operating profit before taxation	14	355,803	403,947
Taxation	8.1, 25	(52,574)	(83,058)
Profit for the year		303,229	320,889
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		303,229	320,889
Basic earnings per share (cents)		61	64
Fully diluted earnings per share (cents)		61	64

LETSHEGO HOLDINGS (NAMIBIA) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Share capital N\$'000	Equity settled share based payment reserve N\$'000	Retained earnings N\$'000	Capital reorganisation reserve N\$'000	Ordinary shareholders' reserve N\$'000	Non- controlling interest ¹ N\$'000	Total equity N\$'000
As at 1st January 2021	100	2,268	1,680,057	701,024	2,383,449	215,085	2,598,534
Total comprehensive income for the period							
Profit and total comprehensive income for the year	-	-	303,229	-	303,229	-	303,229
Transactions with equity holders, recorded directly in equity							
Ordinary share dividend paid	-	-	(192,300)	-	(192,300)	-	(192,300)
Share based payment transactions	-	108	-	-	108	-	108
As at 31 December 2021	100	2,376	1,790,986	701,024	2,494,486	215,085	2,709,571
Restated as at 1st January 2020	100	2,144	1,471,668	701,024	2,174,936	215,085	2,390,021
Total comprehensive income for the period							
Profit and total comprehensive income for the year	-	-	320,889	-	320,889	-	320,889
Transactions with equity holders, recorded directly in equity							
Ordinary share dividend paid	-	-	(112,500)	-	(112,500)	-	(112,500)
Share based payment transactions	-	124	-	-	124	-	124
As at 31 December 2020	100	2,268	1,680,057	701,024	2,383,449	215,085	2,598,534

¹ The Non-controlling interest relates to the preference share holders who do not share in the profit. As at 31 December 2021, the balance is made up of N\$215,084,843 irredeemable, non cumulative preference shares (2020: N\$215,084,843).

LETSHEGO HOLDINGS (NAMIBIA) LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

	Notes	31 December 2021 N\$'000	31 December 2020 N\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before taxation		355,803	403,947
<u>Adjusted for:</u>			
- Net interest income	17	(467,292)	(526,954)
- Depreciation	5	15,451	15,108
- Impairment allowance on advances	4	(24,343)	42,926
- Equity settled share based payment transactions		108	124
Movement in government and other securities	2	(500,004)	13,979
Movement in advances to customers	4	(645,522)	(716,201)
Movement in other receivables	3	(149,602)	(294)
Movement in trade and other payables	6	89,310	97,931
Movement in customer deposits	11	198,176	144,532
		<u>(1,127,915)</u>	<u>(524,902)</u>
Interest received	17	588,524	625,704
Interest paid - customer deposits	17	(13,357)	(4,766)
Interest paid - Borrowings	17	(107,804)	(92,281)
Tax paid	8.4	(55,827)	(82,068)
Net cash flow from operating activities		<u>(716,379)</u>	<u>(78,313)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment (excluding to right-of-use assets)	5	(8,821)	(2,952)
Net cash used in investing activities		<u>(8,821)</u>	<u>(2,952)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Ordinary share dividend paid		(192,300)	(112,500)
Borrowings received	9	1,667,465	601,694
Borrowings repaid	9	(529,132)	(50,000)
Interest paid - lease liabilities	17	(71)	(1,703)
Repayment of Amounts due to parent company		(395,683)	(29,786)
Principal element of lease payments		(6,284)	(5,773)
Net cash generated from financing activities		<u>543,995</u>	<u>401,932</u>
Net movement in cash and cash equivalents		<u>(181,205)</u>	<u>320,667</u>
Movement in cash and cash equivalents			
At the beginning of the year		468,253	147,586
Movement during the year		(181,205)	320,667
At the end of the year		<u>287,048</u>	<u>468,253</u>

LETSHEGO HOLDINGS (NAMIBIA) LIMITED

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	31 December 2021 N\$ '000	31 December 2020 N\$ '000
1. Cash and cash equivalents		
Cash and balances with banks	147,552	402,518
Money market placements	100,809	1
Balances with the central bank other than mandatory reserve deposits Included in cash and cash equivalents	25,483	58,879
Mandatory reserve deposits with the central bank : Restricted cash	13,204	6,855
	287,048	468,253

Money market placements constitute amounts held in money market unit trust with external financial institutions on a short-term basis. These placements are highly liquid, readily convertible and have an insignificant risk of change in value.

For the purpose of the statement of cash flows, the year-end cash and cash equivalents comprise the following:

Bank balances	279,527	457,590
Cash on hand	7,521	10,663
	287,048	468,253

Due to the short term nature of cash and cash equivalents as well as historical experience, these balances measured at amortised cost are regarded as having a low probability of default and the ECL in respect of these is considered immaterial.

At year-end, the carrying amounts of cash and cash equivalents approximate their fair values due to the short-term maturities of these assets. There are no restrictions or pledges on cash and cash equivalents as at the reporting date.

2. Government and other securities

Treasury bills	19,987	-
Investment in RSA Government Security Bonds	480,017	-
Gross financial assets at amortised cost	500,004	-
Less expected credit loss allowance	-	-
Net financial assets at amortised cost	500,004	-
Current	19,987	-
Non-current	480,017	-
Gross financial assets at amortised cost	500,004	-

Due to the nature of these financial assets at amortised cost as well as historical experience, these assets measured at amortised cost are regarded as having a low probability of default and the ECL in respect of these is considered immaterial.

There is no exposure to price risk as the investment will be held to maturity.

3. Receivables

Other receivables

Financial Instrument		
- Profit share receivable from cell captive	295,966	168,498
- Deposits	12,328	6,817
- Sundry receivables	5,428	6,405
- Deferred fees	26,027	12,205
- Prepayments	12,556	8,778
	352,305	202,703

At year end, the carrying amounts of accounts receivable approximate closely to their fair values due to the short-term maturities of these assets.

Due to the short term nature of other receivables as well as historical experience, these assets measured at amortised cost are regarded as having a low probability of default and the ECL in respect of these is considered immaterial.

LETSHEGO HOLDINGS (NAMIBIA) LIMITED

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	31 December 2021 N\$ '000	31 December 2020 N\$ '000
4. Advances to customers		
Gross advances to customers	4,325,142	3,679,620
Less: Impairment allowance on advances	(46,661)	(71,004)
Net advances to customers	<u>4,278,481</u>	<u>3,608,616</u>
Impairment allowance on advances		
Balance at the beginning of the period	71,004	28,078
Impairment adjustment - (decrease)/increase for the period	(24,343)	42,926
Balance at the end of the period	<u>46,661</u>	<u>71,004</u>
The balance at the end of the period consists of the following:		
Stage 1 impairment	12,863	24,604
Stage 2 - 3 impairment	33,798	46,400
	<u>46,661</u>	<u>71,004</u>
Charges in the profit or loss		
Amounts written off	75,760	107,332
Impairment adjustment	(24,343)	42,926
Recoveries during the period	(67,937)	(106,606)
	<u>(16,520)</u>	<u>43,652</u>
Exposure to credit risk		
Net advances to customers	4,278,481	3,608,616
Maximum exposure to credit risk	<u>4,278,481</u>	<u>3,608,616</u>

Advances are measured at amortised cost using the effective interest method as they are held to collect contractual cash flows which are solely payments of principle and interest.

The Group performed a detailed assessment of the provision of the impairment allowance during the year. Actual historic write-off losses and wider credit risk associated with lending to public sector employees were considered and the credit impairment adjusted accordingly.

5. Property, equipment and right-of-use assets

	Furniture and fittings N\$ '000	Office equipment N\$ '000	Computer equipment N\$ '000	Motor vehicles N\$ '000	Leasehold Improvements N\$ '000	Right-of-use asset - Buildings N\$ '000	Total N\$ '000
At 31 December 2021							
Cost	5,322	8,094	39,349	482	8,249	23,257	84,753
Accumulated depreciation	(4,749)	(6,157)	(33,271)	(482)	(4,122)	(17,597)	(66,378)
Carrying amount	<u>573</u>	<u>1,937</u>	<u>6,078</u>	<u>-</u>	<u>4,127</u>	<u>5,660</u>	<u>18,375</u>
At 31 December 2021							
Opening carrying amount at 1 January 2021	829	1,370	9,013	64	1,662	9,306	22,244
Additions	197	1,194	4,098	-	3,332	2,761	11,582
Depreciation charge	(453)	(627)	(7,033)	(64)	(867)	(6,407)	(15,451)
Carrying amount	<u>573</u>	<u>1,937</u>	<u>6,078</u>	<u>-</u>	<u>4,127</u>	<u>5,660</u>	<u>18,375</u>
At 31 December 2020							
Cost	5,125	6,900	35,251	482	4,917	20,496	73,171
Accumulated depreciation	(4,296)	(5,530)	(26,238)	(418)	(3,255)	(11,190)	(50,927)
Carrying amount	<u>829</u>	<u>1,370</u>	<u>9,013</u>	<u>64</u>	<u>1,662</u>	<u>9,306</u>	<u>22,244</u>
At 31 December 2020							
Opening carrying amount at 1 January 2020	1,203	1,612	14,009	149	1,534	13,165	31,672
Additions	40	509	1,622	-	781	2,728	5,680
Depreciation charge	(414)	(751)	(6,618)	(85)	(653)	(6,587)	(15,108)
Carrying amount	<u>829</u>	<u>1,370</u>	<u>9,013</u>	<u>64</u>	<u>1,662</u>	<u>9,306</u>	<u>22,244</u>

LETSHEGO HOLDINGS (NAMIBIA) LIMITED

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021

	31 December 2021 N\$ '000	31 December 2020 N\$ '000
6. Trade and other payables		
Financial Instrument		
- Trade payables	80,880	55,855
- Accruals	2,724	478
- Other payables	5,822	4,101
- Dividend payable	129,069	71,312
Non-financial Instrument		
- Audit fee provision	1,870	1,173
- Personnel related	13,261	12,738
- Value Added Taxation	1,827	113
- Withholding Tax	3,297	3,670
	238,750	149,440

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

7. Lease liabilities

Amounts recognised in the statement of financial position

Current lease liabilities	4,006	6,512
Non-current lease liabilities	3,633	4,650
	7,639	11,162

Reconciliation of lease liabilities

Opening balance	11,162	14,207
Additions/modification	3,141	2,728
Interest expense	71	1,703
Payments	(6,735)	(7,476)
Closing balance	7,639	11,162

The Group leases various office buildings. Rental contracts are typically made for fixed periods of 2 years to 5 years but may have extension options. There were additions of N\$3,141 (2020: N\$2,728) to right-of-use assets during the 2021 financial year.

The group measures the lease liabilities at the present value of the lease payments discounted by using the incremental borrowing rate of 7.5% p.a.

Amounts recognised in the statement of comprehensive income

Depreciation charge on right-of-use assets - Buildings	6,407	6,587
Interest expense on lease liabilities	71	1,703
Expense relating to leases of low value assets	734	962
Expense relating to short-term leases	-	80
	7,212	9,332

LETSHEGO HOLDINGS (NAMIBIA) LIMITED
NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021

	31 December 2021 N\$ '000	31 December 2020 N\$ '000
8. Taxation		
8.1 Income tax expense		
Current tax expense ¹	54,744	78,628
Deferred tax (income)/expense :		
- Origination and reversal of temporary differences	(2,170)	4,430
Total Income tax expense	52,574	83,058
8.2 Reconciliation of current taxation		
Profit before taxation	355,803	403,947
Tax calculated at standard rate - 32%	113,857	129,263
Income not subject to tax - dividends	(93,791)	(50,004)
Non-deductible expenses	32,508	3,799
	52,574	83,058
Effective tax rate	15%	21%
¹ The cell captive dividends were incorrectly recorded gross of tax paid in the 2020 financial year. As a result of this, the tax paid was overstated by the tax that was paid by the insurance provider on the cell captive dividends prior to distribution to Lesthego. As such, the comparative has been restated to correct this presentation disclosure by decreasing the other operating income (and consequently profit before tax) and decreasing the tax paid amount by N\$19,176. The total profit after tax and net cashflows from operating activities remain unchanged.		
8.3 Deferred taxation		
The Group has disclosed the deferred tax assets and the deferred tax liabilities separately, inline with disclosure at company level. Comparatives have been restated to align with this treatment.		
Deferred tax assets		
<i>The balance comprises:</i>		
- Provisions	11,251	14,166
- Share based payments	760	784
- Assessed loss	538	
- Income received in advance	-	622
	12,549	15,572
<i>Deferred tax assets reconciliation</i>		
Deferred tax assets balance at the beginning of the year	15,572	17 826
Originating temporary differences for the year - Provisions	(2,915)	(1 124)
Originating temporary differences for the year - Share based payments	(24)	98
Originating temporary differences for the year - Income received in advance	(622)	(1 228)
Originating temporary differences for the year - Assessed loss	538	-
Deferred tax assets balance at the end of the year	12,549	15,572
Deferred tax liabilities		
<i>The balance comprises:</i>		
- Property, equipment and right-of-use assets	(3,625)	(4,615)
- Prepayments and deferred expenses	(5,434)	(3,715)
- Effective Interest Rate (EIR) adjustment	(5,476)	(12,107)
- Deferred Direct Sales commission	(1,408)	(699)
	(15,943)	(21,136)
<i>Deferred tax liabilities reconciliation</i>		
Deferred tax liabilities balance at the beginning of the year	(21,136)	(18,959)
Originating temporary differences for the year - Property, equipment and right-of-use assets	990	1,577
Originating temporary differences for the year - Prepayments and deferred expenses	(1,719)	(472)
Originating temporary differences for the year - EIR adjustment	6,631	(2,583)
Originating temporary differences for the year - Deferred arrangement fees	(709)	(699)
Deferred tax liabilities balance at the end of the year	(15,943)	(21,136)
As presented on the Statement of Financial Position		
Deferred tax asset	3,488	3,803
Deferred tax liability	(6,882)	(9,367)
	(3,394)	(5,564)

Deferred income taxes for the Company and Group are calculated on all the temporary timing differences under the comprehensive method using a tax rate of 32% (2020: 32%) except where the initial recognition exemption applies. The profit or loss debits/credits are the result of timing differences between the accounting and tax treatments of items recognised in the statement of financial position.

LETSHEGO HOLDINGS (NAMIBIA) LIMITED

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021

	31 December 2021 N\$ '000	31 December 2020 N\$ '000
8. Taxation (continue)		
8.3 Deferred taxation		
Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. A deferred tax asset is recognised based on the assumption that the company will continue producing a taxable income in the foreseeable future against which it can be set off.		
8.4 Current taxation		
Opening balance (asset)	(80,653)	(77,213)
Charge to profit or loss	54,744	78,628
Payments made during the period	(59,483)	(82,068)
Refund received	3 656	
Taxation (asset)	(81,736)	(80,653)
9. Borrowings		
Commercial Bank 1		
Facility 1	150,000	330,000
Facility 2	250,000	-
Facility 3	250,000	-
	650,000	330,000
Commercial Bank 1 are secured revolving credit facilities guaranteed by Letshego Holdings Limited and bear interest at Namibia Prime less 0.14% (facility 1), Namibia Prime less 0.32% (facility 2) and Namibia Prime less 0.52% (facility 3). Interest on the loan are repayable quarterly and the loans mature on 31 December 2022, 15 December 2024 and 15 December 2023 respectively. The Group has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.		
Commercial Bank 2		
Loan 1	83,731	10,000
Loan 2	75,947	502,465
Loan 3	458,780	-
	618,457	512,465
Commercial Bank 2 are secured term loans guaranteed by Letshego Holdings Limited and bear interest at Namibia Prime less 0.25% (loan 1), Namibia Prime less 0.3% (loan 2) and 3 month JIBAR plus 2.6% (loan 3) repayable in bi-annual instalments and mature on 7 June 2024, 31 January 2025 and 15 November 2022 respectively. The Group has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.		
Development Finance loan	479,329	-
Development Finance loan is a secured term loan guaranteed by Letshego Holdings Limited and bears interest at LIBOR plus 3.75%. Interest on the loan is repayable quarterly and the loan matures on 15 June 2026. The Company has complied with the financial covenants of its borrowing facilities during the 2021 reporting period.		
Listed Bond Programme	233,012	-
Bond note is a medium term loan guaranteed by Letshego Micro Financial Services (Namibia) (Pty) Ltd and bears interest at 3 month ZAR-JIBAR-SAFEX plus 3.55%. Interest on the loan is repayable quarterly and the loan matures on 17 May 2024. The Company has complied with the financial covenants of its borrowing facilities during the 2021 reporting period.		
Total borrowings	1,980,798	842,465
- Current	608,780	512,465
- Non-current	1,372,018	330,000
	1,980,798	842,465

LETSHEGO HOLDINGS (NAMIBIA) LIMITED
NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021

	31 December 2021 N\$ '000	31 December 2020 N\$ '000		
10. Amounts due to parent company				
10.1 Amounts due to parent company - Letshego Holdings Limited	191,210	585,750		
Reconciliation of Amounts due to parent company:				
Opening balance	585,750	614,295		
Movement in the current year	(394,540)	(28,545)		
Closing balance	191,210	585,750		
The loan from Letshego Holdings Limited is unsecured and interest is calculated monthly in arrears at a variable rate of Namibia prime plus 2%. The loan is repayable in variable instalments and matures on 10 May 2024.				
10.2 Intercompany payable - Erf 8585 (Pty) Ltd	518	1,661		
The intercompany loan with Erf 8585 (Pty) Ltd is unsecured and currently does not bear interest and has no fixed repayment terms. At year end, the carrying amount of the intercompany payable approximates closely to its fair value due to the short-term nature of the balance.				
Total amounts due to parent company	191,728	587,411		
11. Deposits due to customers				
Current accounts	22,721	102,609		
Term deposits	363,348	85,284		
Total deposits due to customers	386,069	187,893		
12. Share capital				
<i>Authorised share capital</i>				
500 000 000 ordinary shares of 0.02 cents each (2020: 500 000 000 ordinary shares of 0.02 cents each)	100	100		
<i>Issued share capital</i>				
500 000 000 ordinary shares of 0.02 cents each (2020: 500 000 000 ordinary shares of 0.02 cents each)	100	100		
13. Equity settled share based payment reserve				
Under the conditional Long Term Incentive Plan (LTIP), conditional share awards are granted to management and key employees. The number of vesting share awards (currently outstanding) is subject to certain non-market conditions. Shares are issued and settled in the holding company, Letshego Holdings Limited, which is listed on the Botswana Stock Exchange. The fair value of the shares is valued according to the listed price on the Botswana Stock Exchange at grant date. Letshego Holdings Limited is liable to fulfil the obligation to the employees on the awards granted.				
Shares granted in terms of the plan may not exceed 10% of the issued ordinary shares of the holding company, Letshego Holdings Limited. The maximum number of shares which can be allocated to any individual participant under the scheme is 1% of the issued ordinary shares of the holding company.				
The allocation of share awards under the plan relating to management of Letshego Bank (Namibia) Limited was made in 2019, 2020 and 2021 respectively. The vesting period of the share awards from grant date is three periods.				
	Group			
	Group and Company			
	December		December	
	2021		2020	
	Number of share awards	Exercise price	Number of share awards	Exercise price
Granted during prior periods	3,918	NAD2.56/2.24/0.97	2,653	NAD3.40./2.90/2.56
Granted in current period	2,141	NAD 0.99	1,979	NAD 0.97
Exercised during the period	(478)	NAD 2.50	(393)	NAD 2.90
Forfeited during the period	(391)	NAD 2.50	(321)	NAD 2.90
Exercisable and outstanding at the end of the period	5,190	NAD2.56/2.24/0.99	3,918	NAD2.56/2.24/0.97
Fair value of awards exercisable and outstanding at the end of the period	2,376		2,268	

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	31 December 2021 N\$ '000	31 December 2020 N\$ '000
14. Operating profit before taxation		
The following items have been recognised in arriving at operating profit before taxation:		
Advertising and promotions	2,486	2,130
Auditors' remuneration	2,437	2,279
Consultancy costs - professional services	16,601	10,196
Computer services costs	1,533	3,349
Depreciation	15,451	15,108
Directors' emoluments		
- for services as director	1,409	1,585
- for management services	4,841	4,322
Rental - low value and short-term leases	2,523	2,602
Employee benefit expense (excluding directors' remuneration - for management service)	<u>76,144</u>	<u>66,107</u>
15. Employee benefit expense		
Salaries	46,484	43,783
Key management personnel	11,230	9,557
Pension fund contributions	5,175	4,788
Medical aid contributions	3,482	3,228
Social security	170	154
Incentive bonuses	14,304	8,913
Staff training and welfare	140	6
	<u>80,985</u>	<u>70,429</u>
16. Operating expenses by nature		
Sales related expense	9,752	10,056
Auditors remuneration - audit services	2,437	2,279
Collection fees	31,933	29,103
Consulting and secretarial	16,601	10,196
Management fees	56,444	35,263
Depreciation (Note 5)	15,451	15,108
Directors' remuneration - for services as directors	1,409	1,585
Computer related expenses	1,533	3,349
Office rental	2,523	2,602
Travel and accommodation	1,203	1,473
Social responsibility projects	1,032	1,347
Telephone & Fax	4,715	3,650
Guarantee fees	7,631	8,096
Subscriptions	12,334	11,057
VAT expense	14,631	7,510
Security costs	2,982	2,055
Insurance	73,784	9,329
Bank charges	11,198	2,380
Other operational expenses	16,650	7,328
Withholding Tax - Management Fees	222	525
	<u>284,465</u>	<u>164,291</u>

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	31 December 2021 N\$ '000	31 December 2020 N\$ '000
17. Net interest income		
Interest income calculated using the effective interest income method - Advances to customers	582,345	620,240
<i>Other interest income:</i>		
- Interest received on short term bank deposits	3,836	5,464
- Interest received on bonds	2,343	-
Total interest income calculated using the effective interest income method	588,524	625,704
<i>Interest paid:</i>	(121,232)	(98,750)
- Borrowings	(61,215)	(32,556)
- Deposits due to customers	(13,357)	(4,766)
- Lease liabilities	(71)	(1,703)
- Shareholder's loan - LHL	(46,589)	(59,725)
Net interest income	<u>467,292</u>	<u>526,954</u>
18. Fee income		
Postage fees	127	145
Fees and commission earned from services to customers	23,779	6,652
	<u>23,906</u>	<u>6,797</u>
19. Other operating income		
Dividend income - cell captive	204,568	148,568
Sundry Income	8,963	-
Profit on disposal of plant and equipment	4	-
	<u>213,535</u>	<u>148,568</u>
20. Related party balances		
Loan accounts - Owing to related parties		
Letshego Holdings Limited - loan	191,210	585,750
Erf 8585 (Pty) Ltd	518	1,661
Total related party balances	<u>191,728</u>	<u>587,411</u>
The loan from Letshego Holdings Limited is unsecured and interest is calculated monthly in arrears at a variable rate of Namibia prime plus 2%. The loan has no fixed repayment terms.		
The intercompany loan with Erf 8585 (Pty) Ltd is unsecured and currently does not bear interest and has no fixed repayment terms.		
Advances		
Advances to key management personnel	<u>1,412</u>	<u>237</u>
No impairment has been recognised in respect of loans granted to key management personnel in the current or prior year.		
Deposits		
Deposits from key management personnel and directors	<u>205</u>	<u>-</u>
Deposits include current and savings accounts.		

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	31 December 2021 N\$ '000	31 December 2020 N\$ '000
21. Related party transactions		
Interest paid to related parties		
Letshego Holdings Limited	<u>46,589</u>	<u>59,725</u>
Interest received from related parties		
Key management personnel	<u>50</u>	<u>-</u>
Rent paid to related parties		
Erf 8585 (Pty) Ltd	<u>2,335</u>	<u>2,670</u>
Guarantee fees paid to related parties		
Letshego Holdings Limited	<u>7,631</u>	<u>8,096</u>
Management fees paid to related parties		
Letshego Holdings Limited	<u>56,444</u>	<u>35,263</u>
The amount classified as management fees is made up as follows:		
Fees payable to Letshego Holdings Limited	<u>50,800</u>	<u>31,737</u>
Withholding tax paid on imported management services	<u>5,644</u>	<u>3,526</u>
	<u>56,444</u>	<u>35,263</u>
Compensation paid to key management personnel		
Salaries and short-term benefits	<u>11,230</u>	<u>9,557</u>
Compensation paid to directors		
Sitting fees paid to non-executive directors	<u>1,409</u>	<u>1,585</u>

22. Segment information

The Group considers its banking and other financial services operations as one operating segment. There are no other components. This is in a manner consistent with the internal reporting provided to the chief operating decision-maker, identified as the Chief Executive Officer of the Group. The chief operating decision-maker is the person that allocates resources to and assesses the performance of the operating segment(s) of an entity.

In assessing the performance of the banking and other financial services operation, the Chief Executive Officer reviews the various aggregated revenue streams, the total costs and the assets and liabilities related to the banking activity, which have been disclosed in the various notes to the consolidated financial statements.

22.1 Entity-wide disclosures

22.1.1 Products and Services

Operating segment

- Banking operations

Brand

- Letshego

Description

- Regulated financial services provider, focusing on the low to middle income earners in Namibia.

Products and services

- Letshego conducts business as a registered bank and provides micro-lending services.

22.1.2 Geographical segments

There are no segment operations outside Namibia as the group operates within the borders of Namibia.

22.1.3 Major customers

Segment reporting requires the disclosure of an entity's reliance on its major customers, if revenue from transactions with a single customer is ten percent or more of the entity's revenue. The group does not have customers that contribute ten percent or more to its revenue and is therefore not reliant on a single major customer.

23. Events occurring after the reporting date

No material events occurred after the reporting date to report for the period under review.

Dividend

A dividend of 29.52 cents per ordinary share has been declared subsequent to the reporting date and will be paid 03 June 2022.

Important dates pertaining to the dividends are:

Last date to trade cum dividend - Friday 13 May 2022

First date to trade ex-dividend - Monday 16 May 2022

Last date to register - Friday 20 May 2022

Dividend payment date - Friday 03 June 2022

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24. Fair value measurement of financial instruments

The fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the group determines fair values using other valuation techniques.

- Level 1 fair value measurements are those derived from quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total	Carrying amount
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
2021					
Financial assets					
Net advances	-	-	4,278,481	4,278,481	4,278,481
Government and other securities	-	500,004	-	500,004	500,004
Total			4,278,481	4,778,485	4,778,485
Financial liabilities					
Borrowings	-	-	1,980,798	1,980,798	1,980,798
Amounts due to parent company	-	-	191,728	191,728	191,728
Total			2,172,526	2,172,526	2,172,526
2020					
Financial assets					
Net advances	-	-	3,608,616	3,608,616	3,608,616
Government and other securities	-	-	-	-	-
Total			3,608,616	3,608,616	3,608,616
Financial liabilities					
Borrowings	-	-	842,465	842,465	842,465
Amounts due to parent company	-	-	587,411	587,411	587,411
Total			1,429,876	1,429,876	1,429,876

25. Prior Year Restatement

The cell captive dividends were incorrectly recorded gross of tax paid in the 2020 financial year. As a result of this, the tax paid was overstated by the tax that was paid by the insurance provider on the cell captive dividends prior to distribution to Lesthego. As such, the comparative has been restated to correct this presentation disclosure by decreasing the other operating income (and consequently profit before tax) and decreasing the tax paid amount by N\$19,176. The total profit after tax and net cashflows from operating activities remain unchanged.

	At 31 December 2020		At 31 December 2020
	Audited - (as previously stated)	Restatement	Restated
Statement of profit or loss and other comprehensive income - extract			
Other operating income	167,744	(19,176)	148,568
Profit before taxation	423,123	(19,176)	403,947
Taxation	(102,234)	19,176	(83,058)
Profit for the year	320,889	-	320,889

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26. Significant changes in the current reporting period

Although the local economic conditions and coronavirus (COVID-19) have affected market confidence and consumer spending patterns, the group remains well placed to grow revenues through ongoing innovation and pursuit of its inclusive finance strategy. The Group continues to monitor the effects of COVID-19 and implement measures to mitigate risks. There were no new activities, events or transactions that are significant to an understanding of the changes in the financial position and performance of the entity since the last annual reporting date.

27. Dividends

A dividend of N\$192.3 million (2020: N\$112.5 million) was paid by the group during the year under review to the ordinary shareholders of Letshego Holdings (Namibia) Limited.

28. Basis of preparation

The condensed consolidated financial report for the year ended 31 December 2021 has been prepared in accordance with Accounting Standard IAS 34 'Interim Financial Reporting.'

The accounting policies adopted are consistent with those of the previous financial year. The condensed consolidated financial report for the year ended 31 December 2021 does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any announcements made by Letshego Holdings (Namibia) Ltd during the reporting period.

New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period. However, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

29. Governance

Kamogelo Chiusiwa	Independent Non-Executive Director (appointed 12 July 2021)
Sheikh Jobe	Independent Non-Executive Director (resigned 23 August 2021)
Mansueta-Maria Nakale	Independent Non-Executive Director (appointed 31 August 2021)
Karl-Stefan Altmann	Executive Director (appointed 17 August 2021)
Chriszelda Gontes	Company Secretary (resigned 31 January 2022)
Kudzai Chigiji	Independent Non-Executive Director (appointed 1 February 2022)