Letshego

2025 Integrated Annual Report

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Letshego

List of Acronyms and Abbreviations

AFS	Annual Financial Statements
AGM	Annual General Meeting
ALM	Asset and Liability Management
AML	Anti-Money Laundering
APS	Avril Payment Solutions
ARC	Audit and Risk Committee
B2P	Business-to-Person
BID	Banking Institutions Determination
BoN	Bank of Namibia
CA(NAM)	Chartered Accountant (Namibia)
CAMS	Certified Anti-Money Laundering Specialist
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFT	Combating the Financing of Terrorism
CIC	Credit and Investment Committee
CMC	Country Management Committee
CPF	Countering Proliferation Financing
CPD	Continuing Professional Development
CSR	Corporate Social Responsibility
DAS	Deduction at Source
ED	Executive Director

ERMF	Enterprise-wide Risk Management Framework
ESG	Environmental, Social, and Governance
FIC	Financial Intelligence Centre
FNB	First National Bank
GIA	Group Internal Audit
HIA	Head of Internal Audit
HRIS	Human Resource Information System
IAR	Integrated Annual Report
ICT	Information and Communication Technology
IIA	Institute of Internal Auditors
IMF	International Monetary Fund
INED	Independent Non-Executive Director
IPP	Instant Payment Platform
IPS	Instant Payment System
IR Framework	International Integrated Reporting Framework
ISSB	International Sustainability Standards Board
IT	Information Technology
ITCG	Information Technology and Cyber Governance Committee
KPI	Key Performance Indicator
LBN	Letshego Bank Namibia
LHN	Letshego Holdings (Namibia) Limited
LMFSN	Letshego Micro-Financial Services Namibia
MIS	Management Information Systems
MRC	Management Risk Committee
MSME	Micro, Small, and Medium Enterprise
NAMFISA	Namibia Financial Institutions Supervisory Authority
NED	Non-Executive Director
NIFA	Namibia Investment and Finance Academy
NOMCO	Nomination Committee
NSX	Namibia Securities Exchange
OKRs	Objectives and Key Results
PAN	Payment Association of Namibia
RACI	Responsible, Accountable, Consulted, and Informed
REMCO	Remuneration Committee
SES	Social, Ethics and Sustainability Committee
SDG	Sustainable Development Goal
SSI	Strategic and Social Investment
TCFD	Task Force on Climate-related Financial Disclosures
USSD	Unstructured Supplementary Service Data

About Our Report

About The Report

Letshego Holdings (Namibia) Limited (Letshego or the Group or LHN) has a clear mandate and is dedicated to improving lives and promoting financial inclusion through a diverse range of financial services. The Letshego Integrated Annual Report (IAR) provides a balanced assessment of the strategic initiatives and financial performance for the period from 1 January 2025 to 31 December 2025 for our stakeholders.

This report provides information relevant to all our primary stakeholder groups, enabling them to evaluate Letshego's capacity to generate value over time. Our main stakeholder groups include our customers, employees, investors and founders, strategic partners, governments and regulators, and members of the communities where we operate.

Reporting Suite and Frameworks

This IAR is complemented by our Consolidated Annual Financial Statements (AFS) and Notice of Annual General Meeting (AGM). We apply the International Financial Reporting Standards (IFRS®), the International Integrated Reporting Framework (January 2021) (the International <IR> Framework), the Corporate Governance Code for Namibia (NamCode) (2014), the Companies Act, No. 28 of 2004, the Banking Institutions Act, No. 13 of 2023, the Microlending Act, No. 7 of 2018, and the Namibia Securities Exchange (NSX) listing requirements. We track developments under the International Sustainability Standards Board (ISSB), including the transition from the Task Force on Climate-related Financial Disclosures (TCFD) framework to International Financial Reporting Standards - Sustainability Disclosure Standards S1 and S2 (IFRS S1/S2).

We continue to assess our reports to enhance the usability and usefulness of the information we provide to our stakeholders as a suite. This report is therefore split into three sections:

01 **Integrated Report**

02 **Shareholder Information**

03 **Consolidated Annual Financial Statements**

Scope and Boundary

The report covers all operating subsidiaries in Namibia, including Letshego Bank Namibia (the Bank) and Letshego Micro-Financial Services Namibia (Micro-Financial Services). It also addresses the risks, opportunities, and outcomes associated with our operating context, industry, and stakeholders.

Disclosures

This integrated report provides balanced reporting by disclosing material constraints in our strategy and business model. Granular employee or general operational management details are omitted, while fully affirming compliance with statutory executive disclosure mandates. This report also contains information on the value outcomes for the period under review and forward-looking information. Unless otherwise specified, all monetary values used in this report are denominated in Namibia Dollar (N$).

Forward-looking Statements

Certain statements in our report are forward-looking. These beliefs and assumptions are based on the information currently available to Letshego's Board of Directors (the Board) and management. Forward-looking statements are subject to certain risks, uncertainties and assumptions, particularly in terms of general market conditions, our ability to manage growth, future performance, and changes in the regulatory environment, among others. There can be no assurance that these statements will be accurate, and actual results could differ materially from those anticipated in such statements. The words 'believe', 'anticipate', 'estimate', 'expect', 'intend', and similar expressions identify forward-looking statements. Letshego Namibia undertakes no obligation to update forward-looking statements to reflect subsequent events or circumstances, or to reflect unanticipated events or developments.

Integrated Thinking

Letshego's mandate is to provide inclusive financial services and products to individuals and corporates. This mandate guides our strategy, underpins our purpose to improve lives, and informs the decisions and actions that will enable us to attain a sustainable competitive advantage and long-term shareholder returns.

Integrated thinking is central to formulating our strategy and identifying the strategic initiatives needed to deliver it. The execution of our strategy is supported by strong corporate governance structures, processes, and controls developed in line with global best practice, regularly reviewed to achieve continual improvement.

Our Sustainability Framework, including our environmental, social, and governance (ESG) strategy, continues to mature. While still in the early stages of implementation, it is set to become a fully integrated capability and a key differentiator in how we operate and create long-term value.

Materiality

This report prioritises the matters, opportunities, and challenges most likely to influence our strategic intent and our ability to create value for stakeholders over the short, medium, and long term. Materiality underpins our reporting process, guiding us in presenting the information most relevant and significant to our stakeholders.

In 2025, the two most material themes were:

1. Defend and grow market share in lending and deposits;
2. Enhance operational efficiency and controls to strengthen customer experience and brand.

Strategic Outlook (Horizon Plan)

Our strategic outlook is informed by the material matters that shape our ability to create sustainable value. These matters guide our actions across three horizons:

Short Term

(One year — 2026)

The year in which we deliver ongoing progress against our strategic intent

Medium Term

(Two to five years — 2027 to 2031)

The period in which our new strategic intent is undertaken to achieve our purpose and improve lives

Long Term

(Over five years to beyond 2031)

We will continue to drive positive impacts that contribute to the United Nations Sustainable Development Goals (UN SDGs)

Preparation and Assurance

Our cross-functional teams prepared this Integrated Annual Report (IAR) in accordance with a documented Responsible, Accountable, Consulted and Informed (RACI) framework, and Ernst & Young Namibia provided independent external assurance on the Annual Financial Statements (AFS). Sustainability disclosures are management-asserted in this cycle. External assurance will be considered for priority Key Performance Indicators (KPIs) in 2026.

Approval

The Board is ultimately responsible for maintaining the integrity, accuracy, method, and completeness of this report.

It has appropriately assessed the accuracy and completeness of the material matters, as well as the reliability of all data and information presented in this report and has approved the consolidated Annual Financial Statements for the year ending 31 December 2025.

The report has been prepared in accordance with the International <IR> Framework and adheres to governance best practice.

On behalf of the Board:

Maria Nakale

Group Chairperson

FEEDBACK ON THIS REPORT

We welcome feedback on this report.

Please email your comments to the Communications Manager, Ongame Mutorwa, at **OngameM@letshego.com**

This report is published on our website:

www.letshego.com.na

Integrated Report

Our Business

WHO WE ARE

Letshego Namibia's story is rooted in a powerful belief that when people gain access to the right financial tools, their livelihoods and the communities around them can transform. This belief guides our purpose. We exist to unlock opportunities for individuals by offering financial solutions that are accessible, affordable, and designed to support personal and business growth. Whether a customer is taking their first step into formal banking, expanding a micro-enterprise, or seeking sophisticated financial products for savings purposes, we meet them where they are and empower them to move forward with confidence.

As a retail financial services group, operating through Letshego Bank Namibia (the Bank) and Letshego Micro-Financial Services Namibia (Micro-Financial Services), we serve a broad and diverse customer base across the country. Our purpose extends beyond the provision of financial products. It is anchored in the principles of Ubuntu, diversity, ownership, and forward-thinking innovation. These values influence our decisions, shape how we serve our customers, and define our contribution to the communities in which we operate. Our commitment to responsible growth remains strong, supported by social development initiatives and governance practices that promote resilience, accountability, and sustainable value creation for both shareholders and stakeholders.

2025 at a Glance

CUSTOMERS (+7% YOY)

69,087

BRANCHES

06 deposit-taking

10 non-deposit

CUSTOMER DEPOSITS (+24% YOY)

N$1.62bn

DSAs

70

Our Culture

In 2024, Letshego introduced a new values framework designed to redefine how we work and collaborate. Now in its second year, this framework is becoming firmly embedded across the organisation, evolving from a conceptual guide to an integral part of how we lead, operate, and deliver impact. Our values are:

Ubuntu: We honour our shared humanity by uplifting one another.

We thrive because of diversity: We embrace different perspectives and experiences to foster innovation and improved outcomes.

Take full ownership: We act with accountability and follow through on our commitments.

Be curious and forward-thinking: We pursue continuous learning, challenge convention, and prepare proactively for the future.

To ensure consistent and enhanced customer experience, our service delivery philosophy is guided by three core mantras that shape how we operate and execute:

Simplicity: Designing products and processes that are intuitive, transparent, and easy to navigate.

Focus: Prioritising initiatives that deliver the greatest impact for customers, employees, and stakeholders.

Discipline: Maintaining strong governance, accountability, and consistent execution to drive sustainable results.

At Letshego, we will continue integrating our values and service philosophy into the leadership, culture, and operational fabric of the organisation, ensuring a purpose-led, customer-focused, and transformational approach across all areas of our business.

Our Milestones

Building on our 24-year journey reported in 2024, Letshego achieved significant milestones in 2025 that strengthened business sustainability and reinforced our commitment to long-term growth. During the year under review, Letshego advanced its transformation and diversification agenda by enhancing digital capabilities, expanding inclusive retail banking access, aligning with regulatory developments, and investing in community upliftment, reaffirming our role as a responsible financial services partner in Namibia.

Digital Banking

Card management upgrades (limits, cancellation), mini statement improvements, and transaction limit adjustments

Partnership Innovation

Taamba Maris instant loan via MTC Maris, first-to-market mobile wallet lending

Footprint

Opened Oshakati deposit-taking branch

Product Shift

Launched Debit Order Personal Loan for government employees in line with Ministry of Finance directives

Social Impact

N$1.58 million invested across 39 initiatives

Recognition

Bank named among the Top 50 Emerging Businesses in Africa 2025 by Leaders Without Borders, and CEO Dr Ester Kali received a Global Excellence Award

2025 Milestones

Our Physical Footprint

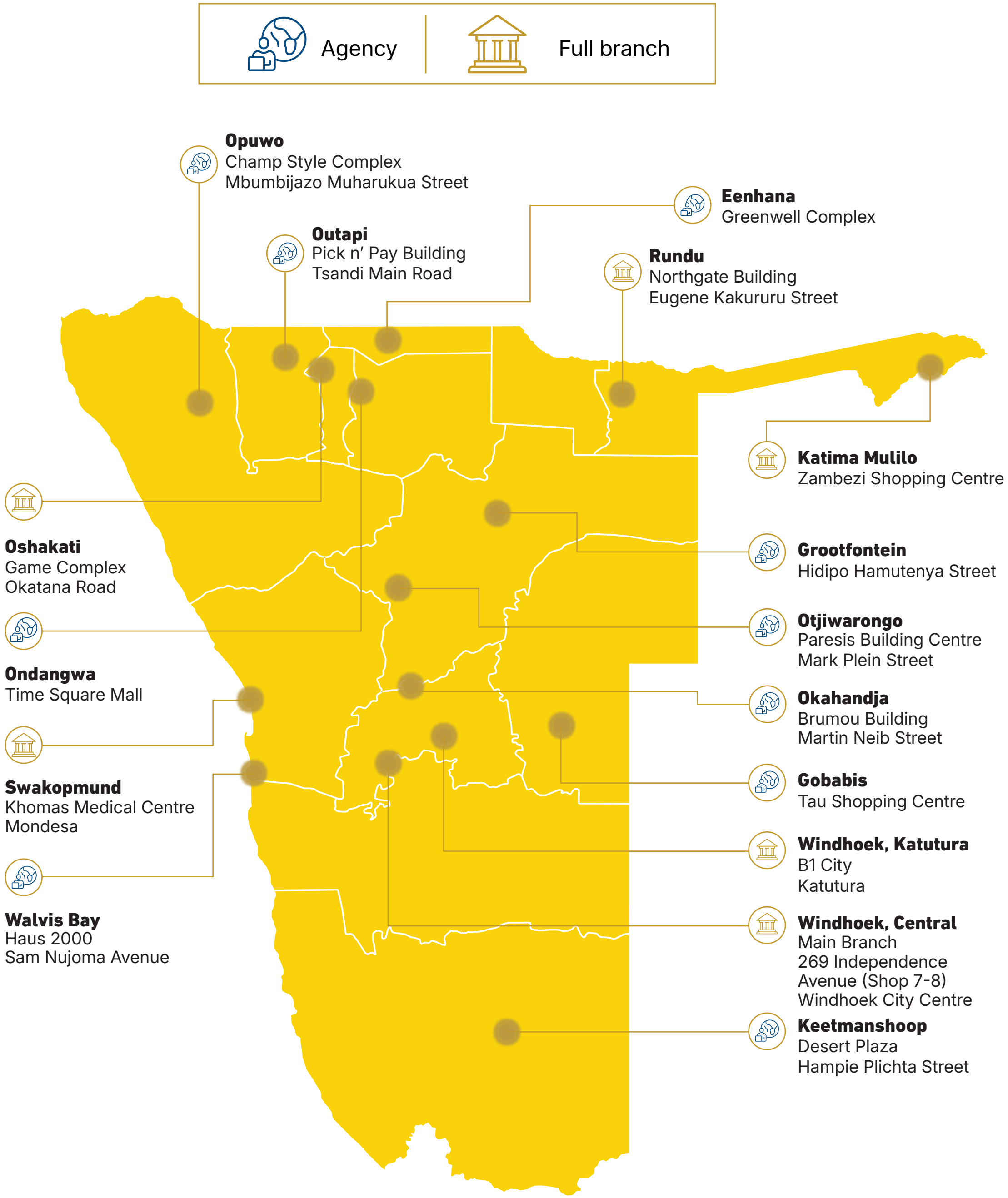
Across Namibia, our physical network is designed to bring financial access closer to customers in both urban and rural communities. Through the Bank and Micro-Financial Services, we deliver integrated banking and micro-lending services in ways that are simple, accessible, and responsive to customer needs.

Our footprint includes six fully integrated branches that provide the full suite of banking services, including cash deposits, withdrawals, and micro-lending solutions. These branches serve as central access points for customers seeking comprehensive financial support.

They are complemented by ten non-deposit-taking branches, strategically positioned to expand reach into underserved areas. While these branches, referred to as agencies, do not process cash transactions, they offer essential banking services and microlending support, ensuring continuity of service across diverse customer segments.

To further extend our reach, our branch network is supported by a team of 70 mobile Direct Sales Agents (DSAs), who engage customers directly in their communities, workplaces, and business locations. This mobility helps us meet customers where they are, strengthening our commitment to inclusion and convenience. Please refer to the appendix (page 146) for a consolidated list of all DSAs.

Together, our branches and mobile teams form a connected, customer-centred ecosystem, ensuring that financial empowerment remains within reach for every Namibian we serve.



Digital Channels

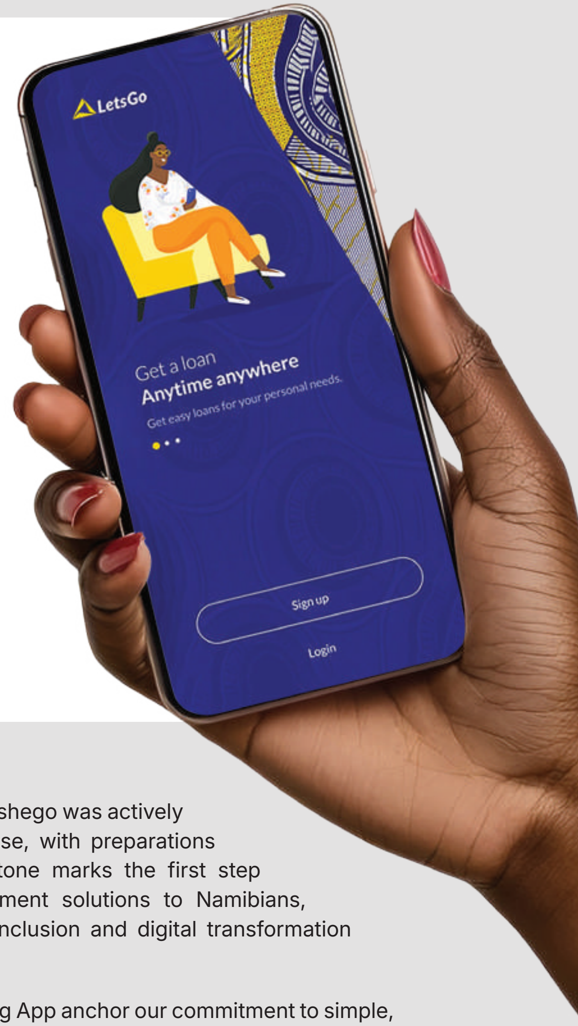
Instant Payment System (IPS) integration into the Letshego Digital Banking App

In 2025, Letshego embarked on the journey of introducing and integrating the Instant Payment Platform (IPP) into our digital ecosystem, as mandated by the Bank of Namibia (BoN). The strategic rollout will begin with seven high-priority use cases, carefully selected to ensure that both individuals and businesses, whether operating formally or informally, experience tangible, everyday benefits from instant payments. Collectively, these use cases lay the foundation for broader adoption across all market segments.

The initial IPS use cases include:

Government-to-Person (G2P)	Secure, direct disbursement of social grants and other government payments to beneficiaries nationwide
Person-to-Person (P2P)	Instant, low-cost transfers between individuals, supporting everyday needs such as family remittances, debt settlements, or one-time service payments (e.g., paying a plumber, gardener, or local vendor)
Person-to-Business (P2B)	Direct consumer payments to businesses for goods and services, enhancing convenience and efficiency
Business-to-Person (B2P)	Real-time disbursements from businesses to individuals, including salaries, freelance or gig worker compensation, and expense reimbursements
Cash-In at Merchant	Deposit of physical cash into a digital store of value (mobile wallet or linked bank account) through participating merchants
Cash-Out at Merchant	Withdrawal of physical cash from a digital wallet or account at participating merchants
ATM Withdrawal	Seamless access to cash via ATMs directly from a user's digital store of value, bridging traditional banking channels with digital wallets

At the heart of our digital ecosystem are two core platforms: **Cellphone Banking USSD** and the **Letshego Digital Banking App**, accessible via mobile or the web.



At the time of publication of this Annual Report, Letshego was actively piloting the Government-to-Person (G2P) use case, with preparations well underway for its public launch. This milestone marks the first step in delivering instant, secure, and inclusive payment solutions to Namibians, reinforcing our commitment to driving financial inclusion and digital transformation across the country.

Together, Cellphone Banking and the Digital Banking App anchor our commitment to simple, secure, and always-on financial access. Our App, which is the flagship digital channel, unlocks seamless everyday banking by generating Wi-Codes that enable customers to withdraw or deposit funds at Woermann Brock Supermarkets nationwide. This smart partnership expands our reach far beyond traditional branch networks, bringing banking services closer to customers.

Our Company Structure

Letshego Africa Holdings Limited
78.5%

Kumwe Holdings
12%

Retail and Institutional Investors
9.5%

Letshego Holdings (Namibia) Limited

Letshego Micro-Financial Services Namibia (Proprietary) Limited
100%

Letshego Bank Namibia Limited
100%

OUR BUSINESS MODEL

Our value proposition remains simple and relevant, centred on meeting the financial needs of Namibians. Through disciplined execution, responsible risk management, and continuous innovation, we generate sustainable value for our customers, shareholders, employees, and society. Our business model is anchored in five interdependent capitals, which we deploy responsibly to deliver financial solutions, strengthen stakeholder relationships, and support inclusive economic growth.

The interdependent capitals are as follows:

RESOURCES	INPUTS	OUTPUTS		OUTCOMES	CONSTRAINTS
Financial Capital Financial capital comprises shareholder funds, retained earnings, customer deposits, and wholesale funding. These resources enable us to deliver retail banking, lending, and broader financial services in a sustainable and well-capitalised manner.	**Equity capital** **2025: N$2.8 billion** (2024: N$2.8 billion) **Debt** **2025: N$2.6 billion** (2024: N$2.9 billion) **Customer deposits** **2025: N$1.62 billion** (2024: N$1.3 billion)	**Net interest income** **2025: N$724 million** (2024: N$549 million) **Profit before tax** **2025: N$578 million** (2024: N$465 million) **Operating expenditure 2025: N$335 million** (2024: N$292 million)	**Profit after tax** **2025: N$506 million** (2024: N$419 million) **Dividends distributed 2025: N$455 million** (2024: N$381 million)	Strengthened banking platform through investment in systems and control enhancements Expanded physical infrastructure, including upgrades to existing branches and extending services to Oshakati	Macroeconomic volatility and evolving partnership arrangements Rising operating costs impacting efficiency and cost-to-serve
Human Capital Our people are central to the successful execution of our strategy. We remain committed to attracting, developing, and retaining talent that is aligned with our values while fostering a culture of accountability, collaboration, and continuous improvement.	**Permanent employees** **2025: 195** (2024: 185) **Part-time employees** **2025: 18** (2024: 30) **Direct Sales Agents** **2025: 70** (2024: 57) **Investment in employee training** **2025: N$993k** (2024: N$641k)	**Women in senior management** **2025: 50%** (2024: 36%) **Salaries and benefits** **2025: N$120 million** **(2024: N$116 million)** **Women employees** **2025: 60%** **(2024: 60%)**	**Employee turnover** **2025: 9%** (2024: 6%) **Employee engagement score** **2025: 70%** (2024: 64%)	Enhanced leadership capability through successful completion of Management Development and Master's programmes Strengthened sales capability through customer-centric training to support responsible financial guidance	Increased staff turnover driven by industry competition for skilled talent Talent attraction and retention remain key challenges in a highly competitive financial sector
Social and Relationship Capital We nurture trusted, long-term relationships with customers, employees, regulators, partners, and communities. Our commitment to transparency, responsible lending, and ethical conduct supports improved financial well-being and stakeholder trust.	Implementation of a Stakeholder Engagement Framework and Strategy, enabling entity-specific engagement plans and more targeted interactions Effective roll-out of corporate social responsibility initiatives supporting community upliftment and stakeholder well-being	Strengthened relationships with key stakeholders, including government and regulators Enhanced brand equity through targeted financial education initiatives and proactive reputation management **CSR investment:** **2025: N$1.5 million** (2024: N$1 million)		Proactive stakeholder engagement supporting long-term value creation Sustainable community impact through continued investment in social development	Ensuring consistent engagement across diverse stakeholder groups Increased regulatory and compliance requirements demanding additional administrative capacity Economic pressures affecting customers and communities

RESOURCES	INPUTS	OUTPUTS	OUTCOMES	CONSTRAINTS
Intellectual Capital Our intellectual capital includes proprietary systems, digital platforms, core banking integrations, data analytics capabilities, cybersecurity frameworks, and operational expertise. These assets enable us to deliver secure, efficient, and customer-centric solutions that support innovation and regulatory compliance.	» Continuous investment in security controls, governance, and enhanced payment and transaction capabilities » Product and service enhancements designed to meet evolving customer needs » Process improvements, automation, and advanced monitoring tools to improve efficiency and reduce operational costs	» A more stable and upgraded Digital Banking App platform enabling secure disbursements, repayments, and self-service functionality » Enhanced automation leading to reduced manual intervention, faster turnaround times, and improved cost management » Strengthened governance and oversight frameworks supporting service quality and operational control	» Improved customer experience through more reliable digital channels and faster service delivery » Enhanced operational resilience and regulatory compliance » Increased organisational efficiency supporting sustainable, disciplined growth	» Growing regulatory requirements relating to cybersecurity and payments modernisation » Shortages of specialised digital and technical skills » Macroeconomic pressures limiting investment capacity
Manufactured Capital Manufactured capital encompasses the physical and digital infrastructure that enables the Group to deliver accessible and efficient financial services. Our branch network, agency channels, digital platforms, call centre, and retail-based service points support service accessibility across urban and rural Namibia.	» Physical and technological infrastructure enabling service delivery » Six deposit-taking branches offering full banking services » Ten agency branches extending reach into underserved communities » Retail partnerships enabling cash-in and cash-out services » A 24/7 call centre supporting nationwide customer service » Cellphone Banking (USSD) services for customers with basic mobile devices » Digital Banking App accessible via mobile and web	» Upgraded customer environments in Oshikango, Walvis Bay, and Grootfontein » Expansion of Oshakati agency into a full banking branch » Enhanced Digital Banking App functionality, stability, and user experience	» Improved access to financial services across urban, peri-urban, and rural communities » Increased customer satisfaction through modernised branches and enhanced digital channels » Better operational efficiency through integrated infrastructure and reduced manual processes » Strengthened financial inclusion via expanded touchpoints	» Rising infrastructure maintenance and operating costs » Dependence on third-party infrastructure affecting service reliability » Ongoing need for continuous digital and physical upgrades » Economic pressures impacting transaction volumes and channel utilisation

OUR BUSINESS ACTIVITIES

Through the Bank and Micro-Financial Services, Letshego delivers accessible, inclusive, and digitally-enabled financial solutions that support customers across all income segments. Our offerings are designed to improve financial well-being, resilience, and enable long-term value creation for individuals, families, and communities.

Lending

We provide responsible and affordable lending solutions tailored to the needs of both government and private-sector employees. Our personal loans are conveniently repaid through payroll deductions or debit orders, ensuring simplicity, predictability, and reduced risk of over-indebtedness.

Our home loan offering provides customers with meaningful long-term security, including a complimentary home ownership cover for the first three years.

Payments and Transactional Banking

Our transactional ecosystem combines convenience, national reach, and digital enablement. Customers can open a basic or current account and transact seamlessly using their Letshego debit card at any ATM or point-of-sale device across Namibia.

This is supported by our growing suite of digital channels, including the Letshego Digital Banking App and Cellphone Banking (USSD). Our omnichannel model ensures that customers have access to financial services whether online, on their mobile device, or in person.

Letshego

Savings

We offer a range of short-, long- and fixed-term savings products that enable individual and corporate customers to build financial resilience, whether saving for emergencies or specific goals. These accounts deliver competitive interest rates and a guaranteed return.

Insurance

Through a partnership underwritten by Sanlam Namibia, we provide an affordable digital life-cover solution accessible directly through the Letshego Digital Banking App. This offering enables customers to protect their families at a competitive rate.

OPERATING ENVIRONMENT

In 2025, Namibia's operating landscape was shaped by a complex mix of monetary policy shifts, inflationary pressures, global macroeconomic volatility, and sector-specific disruptions. These dynamics influenced household affordability, credit appetite, and the operational context for financial service providers such as Letshego Namibia.

Monetary Policy and Inflation Dynamics

BoN implemented a series of accommodative monetary measures, including a fourth consecutive repo rate cut in February 2025, reducing the rate to 6.75%, its lowest level since early 2023. The rate was then held steady throughout the second and third quarters to support currency stability and maintain the Namibia Dollar's peg to the South African Rand.

During the year, inflation was revised upward to 4.2%, driven primarily by rising food, alcohol, tobacco, and transport costs, coupled with expectations of a weaker exchange rate. These pressures eroded household purchasing power and influenced credit affordability. Private-sector credit grew modestly at 3.9%, supported by business borrowing, while consumer credit remained subdued amid broader economic uncertainty.

Sectoral Risks and Structural Pressures

Both BoN and the International Monetary Fund (IMF) highlighted significant downside risks during the year. These included declining earnings from diamond exports amid weaker global demand; rising competition from lab-grown diamonds and new trade tariffs; persistent global protectionism and weakening external trade conditions; and rising debt sustainability concerns that may necessitate fiscal consolidation.

Despite these pressures, medium-term sentiment improved slightly, supported by emerging prospects in agriculture, mining, oil and gas, and green hydrogen, signalling future growth potential for the Namibian economy.

Regulatory and Operational Landscape for Letshego Namibia

Letshego Namibia operates in a tightly regulated environment mainly shaped by BoN, the Namibia Financial Institutions Supervisory Authority (NAMFISA) and the Financial Intelligence Centre (FIC), with increasing expectations around operational resilience, technology risk management, and fair customer outcomes. Regulators continue to prioritise system availability, secure digital channels, responsible lending and strengthened consumer protection practices.

At the same time, customer behaviour is shifting rapidly toward digital-first engagement. Clients expect faster turnaround times, seamless self-service options, and uninterrupted access to financial services. These dynamics require Letshego to continue modernising core systems, enhancing cybersecurity controls, and reducing manual processes to support sustainable, compliant, and customer-centric growth.

Significant Operational Disruptions in Quarter 4 2025

In the final quarter of 2025, Namibia experienced a significant operational shift when the Ministry of Finance introduced a suspension on the renewal of Deduction at Source (DAS) codes processed through the Avril Payment Solutions (APS) platform. This policy change removed a longstanding safeguard that enabled reliable, salary-based repayment collections.

For Letshego Namibia, the suspension:

- Introduced complexity in loan servicing
- Increased the need for enhanced collections capability
- Prompted operational redesign in certain portfolios

This disruption also presented opportunities to evolve toward a more market-driven repayment model, and to strengthen the Bank's long-term operating resilience.
Letshego also engaged the Office of the Prime Minister to address operational limitations affecting home loan performance. Despite these challenges, Letshego maintained a moderate credit risk profile, supported by prudent underwriting and scenario-based monitoring.

Strategic Response and Organisational Priorities

Amid the external shifts experienced during the reporting period, Letshego Namibia remained proactive and deliberate in its transformation efforts, focusing on resilience, customer value, and digital enablement.

Key strategic priorities included:

1 Enhancing Digital Channels and Customer Experience

Investment in the Letshego Digital Mall continued to elevate system security, access control, and customer experience. These upgrades form a critical foundation for scaling digital lending, improving turnaround times, and supporting customers through self-service journeys.

2 Deepening Systems Integration

Improved integration across front-end, credit, and back-office platforms reduced operational friction and strengthened process consistency. These enhancements support higher volumes, improve transaction visibility, and reduce manual interventions in high-transaction environments.

3 Expanding Product Diversification

To serve a broader segment of financially underserved customers, Letshego advanced its product diversification agenda, ensuring offerings remain relevant across income groups, employer types, and evolving repayment landscapes.

Toward the end of the year, the Bank relaunched its improved Personal Loan offering for government employees, shifting repayments to debit order arrangements to align with the evolving regulatory framework. While adjustments were required on the government employee segment, Letshego continued to offer Deduction-at-Source (DAS) loans for private-sector employees, ensuring continuity for a key customer base.

4 Reinforcing Technology Governance and Cybersecurity

Letshego continued to enhance cybersecurity controls, payments infrastructure, and technology governance, aligned with rising regulatory expectations around operational resilience, digital security, and customer protection.

5 Investing in Social Development

The Group continues to deepen its commitment to social impact by directing community investments toward initiatives that advance financial inclusion, promote education, and strengthen the well-being of the communities we serve. Letshego's social investment agenda remains a core enabler of our purpose to improve lives.

Looking Ahead: Strengthening Resilience and Enabling Inclusive Finance

Future growth will require disciplined execution, ongoing digital investment, and cost optimisation to safeguard operational resilience. Despite the Q4 disruptions, Letshego Namibia remains well-positioned to deepen financial inclusion and deliver accessible, technology-enabled financial solutions that support individuals, households, and communities across the country.

KEY RELATIONSHIPS

Effective stakeholder engagement remains essential to Letshego Namibia's ability to deliver sustainable performance and long-term value. Through structured engagement programmes, we actively consider stakeholder expectations and integrate their insights into decision-making, enabling us to refine our offerings, enhance operational resilience, and support revenue growth. Our approach is anchored in transparency, collaboration, and purpose-driven engagement.

Government, Regulators, and Industry Bodies

Relationships with key government ministries, regulators, and industry associations remain central to our operating model. Engagements with these stakeholders focus on:

- Aligning regulatory expectations and compliance priorities
- Supporting national initiatives in payments modernisation, cybersecurity, and financial inclusion
- Coordinating on regulatory projects affecting customers, including responsible lending and consumer protection

This focus ensures that we retain skilled talent and cultivate a workforce capable of delivering sustainable growth.

Sustainable and Strategic Commercial Partnerships

Our ecosystem of technology providers, payment processors, and integration partners forms the backbone of our digital delivery model. Through these partnerships, we strengthen:

- The Digital Mall platform and supporting digital channels
- Core banking and payment system integration
- Platform stability, transaction security, and service availability

Clear accountability frameworks underpin partner performance, ensuring that customer experience and operational reliability remain uncompromised.

Employees

Our people remain a critical enabler of our strategic ambitions. Collaboration across teams has supported the enhancement of banking and microlending processes, driving improved customer experience. To ensure our workforce is equipped for a rapidly evolving regulatory and digital environment, Letshego:

- Invested in training to build regulatory, operational, and leadership capabilities
- Embedded a culture of learning, accountability, and personal growth
- Strengthened employee value proposition through increased medical-aid and pension contributions

This focus ensures that we retain skilled talent and cultivate a workforce capable of delivering sustainable growth.

Media

Media engagement is integral in promoting transparency and strengthening public trust. In 2025, Letshego Namibia broadened its media outreach through:

- Press releases and interviews
- Two focused one-on-one media breakfast sessions with selected news outlets
- A mid-year media engagement event involving multiple media houses

These platforms fostered stronger relationships, improved understanding of our strategic direction, and enhanced brand visibility.

Investors

As a company listed on the NSX, Letshego maintains robust engagement with its shareholders. During the year, communication channels included:

- The Annual General Meeting
- Market announcements via the NSX News Service
- The Integrated Annual Report 2024

These engagements ensure that investors receive timely, relevant, and transparent information that supports informed decision-making.

Customers

Our customer base includes individual clients accessing lending, transactional, and insurance products, as well as corporate clients investing significant funds with Letshego Bank. We manage these relationships through:

- Direct engagement at branch level
- One-on-one interactions with an account manager
- Support from our 24/7 call centre
- SMS communication and digital self-service channels
- Brand perception research

Customer insights continue to shape product design, service quality, and broader digital-transformation priorities.

Communities

Letshego remains committed to improving lives through targeted social investment initiatives. We engage communities through sponsorships, donations, and social impact programmes focused on education, financial inclusion, and well-being.

- Refer to pages 45 – 46 for the detailed social investment report

OUTLOOK 2026

The temporary suspension of Deductions at Source (DAS) from the end of September 2025 introduced short-term disruption to our operations. However, it also served as an inflexion point, accelerating the modernisation of our systems and enabling a deliberate shift towards a more resilient, debit order-driven repayment model, while strengthening our ability to support and integrate other segments across our offering.

Letshego Holdings Namibia enters 2026 with a strengthened foundation, transitioning from a predominantly lending-led model to a community banking model anchored in payments, deposits, and enhanced customer experiences. This strategic evolution is aligned with the Group's broader transformation agenda and reflects structural shifts in the operating environment, including the expansion of the informal economy, changing customer behaviours, and intensified regulatory and competitive dynamics.

The Group's repositioning is underpinned by a continued focus on robust governance, strengthened risk and control frameworks, and a more diversified, deposit-led funding base, reinforcing long-term resilience and regulatory alignment. This approach is consistent with Letshego's commitment to ethical leadership, integrated thinking, and sustainable value creation.

Looking ahead, Letshego will prioritise disciplined execution, operational resilience, and customer-centric innovation, supported by ongoing investment in digital platforms, payments modernisation, and technology governance.

As digital adoption accelerates and real-time payments infrastructure becomes increasingly embedded in the financial ecosystem, the Group is well-positioned to deepen daily customer engagement and expand financial inclusion.

While lending will continue to underpin profitability, its sustainability and growth will increasingly depend on a balanced ecosystem of payments, deposits, and data-driven customer engagement, supported by strong governance oversight and stakeholder alignment.

Through this strategic transition, Letshego aims to build a resilient, inclusive, and deposit-funded financial institution, delivering sustainable returns to stakeholders while advancing its purpose of improving lives and contributing to long-term economic participation in Namibia.

Insights from Leadership

GROUP CHAIRPERSON'S REFLECTIONS

The 2025 financial year marked a period of disciplined execution and continued transformation for Letshego Holdings Namibia. Despite a challenging operating landscape characterised by modest economic growth and pressures across key sectors, Letshego remained focused on strengthening operational efficiency, enhancing governance, and advancing strategic renewal. The new LASER Strategy, our focused and disciplined roadmap to strengthen the core business, broaden our customer offering, and build sustainable long-term competitiveness, together with the Execution Roadmap, which structures delivery into three horizons (short term to strengthen the core, medium term to expand our product offering, and long term to build a fully digital and innovative institution), has provided clear direction. Together, these frameworks enable the organisation to reinforce its foundations while progressing toward a more digitally-enabled future. These efforts reflect the resilience of our business and the commitment of the Board to ethical leadership, transparency, and long-term value creation for all stakeholders.

Operating Environment

Namibia's economy presented a softer growth trajectory in 2025, with Gross Domestic Product (GDP) estimated to moderate to 3.5%, compared to 3.7% in 2024, largely due to contractions in primary industries affected by drought, weak global demand, and sectoral headwinds. Broader regional and global developments also influenced domestic conditions. Sub-Saharan Africa maintained steady growth at 4.0%, while global growth slowed to 3.0%, driven by geopolitical uncertainty and tighter financial conditions.

The financial sector continued to navigate muted credit growth, as Namibia's private-sector credit-to-GDP ratio remained in decline, reflecting subdued household and business borrowing and a growing shift toward public sector credit allocation. These dynamics reinforced the need for operational resilience, risk discipline, and accelerated digital adoption.

Against this backdrop, Letshego advanced its transformation agenda, maintaining focus on efficiency, customer experience, and digital expansion despite market pressures.

Ethics and Governance

Strong governance remained the cornerstone of the Board's oversight in 2025. The Group operated under a robust corporate governance framework aligned with the NamCode, the Companies Act, No. 28 of 2004, Banking Institutions Act, No. 13 of 2023, and NSX Listings Requirements. During the year, the Board reviewed and approved several updated frameworks and policies, strengthening risk management, compliance, and governance practices across the organisation.

The Board also invested in continuous director development, with training covering emerging areas such as artificial intelligence governance and BID-34 (a determination on outsourcing) regulatory obligations. Annual evaluations confirmed the effectiveness of the Board and its committees, while identifying opportunities to further enhance independence, succession planning, and meeting efficiency.

Our continued emphasis on transparency, accountability, ethical conduct, and integrated decision-making remains foundational to our long-term sustainability.

Leadership Transitions

The year was marked by important leadership changes at Board and Executive Committee level. We welcomed new Independent Directors, Ms Lipalesa Makepe, Mr Nabot Uushona, and Mr Christoffer Chipeio. In addition, we appointed Mr Willem Pretorius as the new Chief Financial Officer (CFO) and Executive Director. These appointments strengthened the organisation's leadership capacity.

We also noted the departure of several directors, including Mr Sven von Blottnitz, who completed his tenure as an Independent Director, as well as the resignations of Mr Jaco Esterhuyse, Mr Jerome Mutumba, and Chief Financial Officer Karl-Stefan Altmann. We thank them for their dedicated service and contributions to the Group.

The Company Secretariat transitioned from Ms Mignon Klein to Ms Evast Kalumbu, strengthening governance support across the organisation. In addition, committee structures were reinforced, including the establishment of the Credit and Investment Committee. These transitions reflect proactive succession management and a commitment to leadership diversity and continuity.

Strategic Performance

In 2025, the organisation demonstrated clear momentum in translating strategy into tangible outcomes. The Board observed meaningful progress in strengthening the core business, enhancing customer engagement, and improving the efficiency of key processes. Improved value propositions, better segmentation, and refined route-to-market approaches contributed to encouraging traction in deposits and lending, vital to long-term balance sheet strength.

Customer experience improved through disciplined digitisation, with key journeys such as DAS loans and savings becoming more seamless and efficient. These improvements signalled a broader shift toward a more agile, customer-centric culture. Letshego Holdings Namibia also made progress in diversifying its financial services offering, including early-stage development of sector-focused solutions in housing, payments, and insurance. While still evolving, these initiatives lay a solid foundation for future revenue growth.

Operational and technology enhancements further strengthened the business. The Digital Mall saw improvements in security and stability, and the organisation advanced preparations for integration into the national IPP, aligning with Namibia's financial inclusion agenda. Automation and process optimisation continued to reduce complexity and enhance turnaround times.

Financial Resilience and Adaptability

The Group's resilience was reinforced by a strengthened risk culture and disciplined balance sheet management. Enhancements to the Enterprise-Wide Risk Management Framework (ERMF), such as incorporating Outsourcing and Cloud Computing Security Risks, updating risk appetite metrics, and improving data and cyber risk monitoring, ensured alignment with regulatory expectations and supported a more resilient operating posture.

Liquidity, capital adequacy, and funding were managed prudently through established Asset and Liability Management (ALM) practices. In a financial sector characterised by subdued credit demand and macroeconomic uncertainty, the Group's diversified strategy and disciplined cost approach remained essential to sustaining stability and positioning the business for long-term growth.

Prospects

Looking ahead, Namibia's economy is expected to gradually regain momentum, with GDP projected to rise to 3.9% in 2026, supported by improvements in agriculture, construction, and mineral production. Emerging renewable energy investments and the expansion of digital financial ecosystems present additional medium-term opportunities for financial services growth.

With a strengthened organisational foundation and a clear digital transformation pathway, Letshego enters the next horizon with confidence. We will continue to enhance multi-channel digital delivery, broaden customer access through inclusive financial solutions, modernise operational processes, and deepen our commitment to ESG-driven value creation.

Our ambition remains unwavering: to be a leading, inclusive, digitally-enabled financial services partner improving lives across Namibia.

Acknowledgements

On behalf of the Board, I extend sincere appreciation to:

- Our customers, for their trust and continued partnership
- Our employees, whose dedication and resilience drove progress in a transformative year
- Our regulators, BoN, NAMFISA, the FIC, and the NSX, for their guidance and oversight
- Our shareholders, for their confidence and support
- My fellow directors, for their steadfast leadership and commitment to robust governance

Together, we reinforce Letshego Holdings Namibia's commitment to responsible growth, ethical leadership, and sustainable value creation for all stakeholders.

Maria Nakale

Group Chairperson

INDEPENDENT NON-EXECUTIVE DIRECTORS

MARIA NAKALE
Chairperson
Independent Non-Executive Director

Gender: Female
Age: 55
Nationality: Namibia

Date of Appointment:
31 August 2021
(Letshego Bank & LHN)

Qualifications

- Master of Corporate Financial Management, University of Cape Town
- Master of Business Administration, University of Stellenbosch
- Certificate in Project Management, University of Stellenbosch
- Bachelor of Commerce in Accounting and Economics, University of South Africa

Experience

Ms Nakale has over 20 years' experience in the financial sector with specialisation in investment management and financial sector supervision. She possesses extensive knowledge of corporate governance, strategy formulation and implementation, investment management, and a strong ability to interpret legislative instruments.

She has held several directorships in both the private and public sectors over the past 17 years, including Chairperson of the NamPower Board (former Chairperson), Guinas Investments (Pty) Ltd, Fides Bank, and Namport. Currently, Ms Nakale serves as a board member of the Central Procurement Board of Namibia.

Other positions held in the past include:

- CEO – First Capital Treasury Solutions (2016 — 2017)
- General Manager – Provident Institutions: NAMFISA (2011 — 2016)
- Manager – Corporate Finance: Social Security Commission (2006 — 2011)

KUDZAI CHIGIJI
Independent Non-Executive Director

Gender: Female
Age: 38
Nationality: Zimbabwe

Date of Appointment:
4 April 2024 (Letshego Bank) and 22 October 2021 (LHN)

Qualifications

- Master of Business Administration, University of Oxford
- Master of Commerce in Development Finance (with distinction), University of Cape Town
- Bachelor of Science (Honours), University of Cape Town
- Bachelor of Science in Actuarial Science and Statistical Sciences, University of Cape Town
- Fellow of the Actuarial Society of South Africa and Chartered Fellow of the Institute and Faculty of Actuaries (UK)

Experience

Ms Chigiji is a seasoned Actuary and investor with experience spanning banking, insurance, healthcare, and impact investing. She has worked with clients and corporates across Southern Africa, as well as several clients in Europe and Asia. She is the Managing Partner of Ishe Ventures (Africa), focussing on investments in early- and growth-stage businesses with a climate and gender impact lens. Her previous executive experience includes serving as Chief Operating Officer of a technology-driven employee benefits platform, leading a digital banking team in South Africa, and as a Consulting Actuary advising multinational organisations, regulators, and financial institutions on strategy, risk, and product development. She also serves as a non-executive director on the board of the Institute and Faculty of Actuaries in the United Kingdom.

Some of her additional certifications include Climate Risk and Sustainability (Institute and Faculty of Actuaries), Certified Director (Institute of Directors South Africa), Angel Investing Training (African Angel Academy), Venture Capital Lab (Founders Institute), Private Equity Training Programme (SAVCA WEMI), and Product Management (Product Dive).

INDEPENDENT NON-EXECUTIVE DIRECTORS

LIPALESA MAKEPE
Independent Non-Executive Director

Gender: Female
Age: 56
Nationality: Botswana

Date of Appointment:
21 October 2025 (Letshego Bank)

Qualifications

- Fellow Chartered Certified Accountant (FCCA – UK)
- Chartered Accountant (CA – Botswana), Botswana Institute of Chartered Accountants
- Master of Science in Professional Accountancy (ongoing), University of London

Experience

Ms Makepe is a finance executive with over 20 years of professional experience in the financial services industry, including 13 years in senior roles within Barclays Bank of Botswana and Barclays Africa Group (now Absa).

She currently serves as Chief Financial Officer at Okavango Diamond Company. Her prior roles include Head of Financial Control for Barclays Africa's Rest of Africa region and Finance Director at Barclays Bank of Botswana.

Her early career includes roles as Financial Controller, Finance and Administration Manager/CEO at Capital Securities, Audit Manager at KPMG, and Internal Auditor/Accountant at Botswana Ash. Ms Makepe chairs the audit and fiscal committees and serves as Audit Committee Chairperson for the Bank of Botswana, among other non-executive roles.

NABOT UUSHONA
Independent Non-Executive Director

Gender: Male
Age: 49
Nationality: Namibia

Date of Appointment:
1 December 2025 (Letshego Bank)

Qualifications

- Master of Science in Electronics (Specialising in IT), University of Pretoria
- Bachelor of Science, University of Namibia

Experience

Mr Uushona is an ICT executive with over 13 years of senior leadership experience across major Namibian institutions, having served as Chief Technology Officer at the Namibia Institute of Pathology, Chief Information Officer at the Namibia Students Financial Assistance Fund, and IT Director at the University of Namibia.

CHRISTOFFER CHIPEIO
Independent Non-Executive Director

Gender: Male
Age: 40
Nationality: Namibia

Date of Appointment:
4 February 2026 (LHN)

Qualifications

- LLB (Bachelor of Laws), University of Stellenbosch, South Africa
- Management Development Programme, Africa
- Diploma in Compliance Management, University of Johannesburg, South Africa
- Certificates in Money Laundering Control, Corporate Governance, Compliance Management, and Interpretation of Statutes
- Certificate: Accredited Trustee, Johannesburg School of Finance, South Africa

Experience

Mr Chipeio is an admitted legal practitioner with extensive experience in legal practice, compliance, governance, and executive management across the banking, telecommunications, and legal consulting sectors.

His background includes significant roles in both private practice and corporate environments, with a strong track record in legal drafting, negotiation, policy formulation, and regulatory compliance.

EXECUTIVE DIRECTORS

ESTER KALI
Executive Director

Gender: Female
Age: 58
Nationality: Namibia

Date of Appointment:
2 February 2015 (Letshego Bank) and 24 February 2016 (LHN)

Qualifications

- Honorary Doctorate of Philosophy, Trinity International University of Ambassadors, USA
- Honorary Doctorate of Financial Management, University of South Africa
- Master of Business Administration, Maastricht School of Business, Holland
- Financial Services Advanced Diploma in Credit, Institute of Bankers South Africa
- FNB Leadership Development Programme

Experience

Dr Kali has extensive experience in the retail banking and small and medium enterprise (SME) space and worked with First National Bank (FNB) from March 1987 to October 2014. During her tenure at FNB, she served in various management roles of which the last position was in top management as Executive: Retail and Business Banking.

She was instrumental in setting up the Payment Association of Namibia (PAN), a payment system management body, and was appointed as its first Chairperson, a position she held from 2006 until 2008. She previously served on the board of Namibia Clearing House.

WILLEM PRETORIUS
Executive Director

Gender: Male
Age: 40
Nationality: Namibia

Date of Appointment:
25 November 2025 (Letshego Bank & LHN)

Qualifications

- Chartered Accountant (Nam) [CA(NAM)]
- Bachelor of Commerce (Hons) in Financial Accounting, Northwest University
- Bachelor of Commerce (Hons) CTA, University of South Africa
- Bachelor of Commerce in Chartered Accountancy, Northwest University
- Management Development Programme, University of Stellenbosch Business School

Experience

Mr Pretorius CA(NAM) has over 15 years of experience in the banking and financial services industry. He has served in various roles at the Bank, including Acting Chief Financial Officer, Head of Treasury, and Finance Controller.

NON-EXECUTIVE DIRECTOR

RICHARD OCHIENG
Non-Executive Director (Non-Independent)

Gender: Male
Age: 51
Nationality: Kenya

Date of Appointment:
26 June 2024
(Letshego Bank & LHN)

Qualifications

- Corporate Financial Risk Management Certificate, Professional Risk Managers International Association
- Enterprise Risk Management Certified Professional (ERMCO), Enterprise Risk Management Academy, Singapore
- Bachelor of Education Science (Mathematics and Physics), Kenyatta University

Experience

Mr Ochieng currently serves as the Group Chief Risk and Compliance Officer at Letshego Africa Holdings Limited. Before joining Letshego, he held several senior positions at Standard Chartered Bank, including Country Chief Risk Officer for Botswana, Cluster Credit Head for Southern Africa – Retail Banking, Africa Credit Initiation Head, Head of Retail Credit for East Africa, and Cluster Head of Credit for Retail Segments in East Africa.

Insights from Leadership

GROUP CHIEF EXECUTIVE OVERVIEW

The 2025 financial year required significant agility, resilience, and disciplined execution from Letshego Holdings Namibia. Operating conditions remained constrained, marked by subdued credit demand, rising operating pressures, the unexpected temporary suspension of Deduction at Source loans, and heightened regulatory expectations, while competition across the financial services sector intensified. In response, we sharpened our operational focus, strengthened customer engagement, and accelerated our digital transformation to enhance efficiency and service delivery.

These efforts translated into a robust performance, with the Group achieving double-digit growth across key financial indicators, including a 24.3% increase in operating profit and a 20.8% rise in profit after tax for the year. This outcome demonstrates our ability to grow sustainably while managing risk effectively. It also reflects the capability and commitment of our people, the growing resilience of our operating model, and the trust we continue to build with customers across Namibia.

Operating Environment

Namibia's financial services landscape continues to evolve rapidly, shaped by rising regulatory expectations and shifting customer behaviour. In 2025, regulators intensified their focus on operational resilience, payments modernisation, cybersecurity, data protection, customer protection, and market conduct. BoN's emphasis on system stability and secure digital channels required deeper investment in technology and process governance, particularly for high-volume financial institutions like ours.

At the same time, customer behaviour continued to shift meaningfully, with a growing preference for self-service and digital onboarding, rising demand for real-time transactions, and a need for simple, transparent, and accessible financial solutions.

These dynamics placed pressure on legacy systems across the industry but also created significant opportunities for institutions equipped to modernise at pace. Throughout the year, Letshego responded decisively by strengthening the Digital Mall platform, deepening system integration, and improving transactional stability. These investments have enhanced our operational resilience, supported rising digital volumes with greater reliability, and reinforced end-to-end digital processing as a core competitive differentiator.

Strategic Performance

The 2025 financial year was marked by meaningful and tangible progress across our transformation priorities:

Strengthening Core Operations

We redesigned and simplified key customer journeys, most notably our DAS loan and savings processes, resulting in faster turnaround times, reduced manual work, and more consistent service delivery. Enhanced monitoring and automation across back-end systems further reduced operational bottlenecks and strengthened our ability to scale efficiently.

Deepening Digital Capability

Targeted enhancements to the Digital Mall significantly improved platform security, tightened access controls, and strengthened transaction monitoring. These upgrades bring us closer to achieving straight-through processing, reducing errors, lowering operational costs, and improving customer convenience.

Payments Modernisation

A major milestone this year was advancing readiness for the IPP. This included building necessary controls, enhancing settlement integrity, and ensuring full compliance with national payment standards. IPP will expand our reach and allow us to provide real-time, low-cost payments that support financial inclusion and everyday customer needs.

People and Culture as a Competitive Advantage

People and Culture remained a central driver of our organisational progress in 2025, with the People First Strategy gaining strong momentum across the business. The deployment of HRIS (SeamlessHR) improved transparency and strengthened data-driven performance management, enabling more consistent goal-setting, real-time insights, and enhanced accountability.

Our transition to Udemy, an online training platform, broadened access to digital learning and accelerated capability building across the organisation, equipping employees with the skills required to support our transformation agenda. Increased leadership visibility and structured engagement further strengthened trust, morale, and alignment.

Employee engagement initiatives also delivered the desired outcome, with engagement scores improving from 64.8% to 70%, positively impacting the organisation by reinforcing commitment, collaboration, and overall morale.

Collectively, these initiatives reinforced a performance-driven culture and highlighted a simple truth: our people are the engine of our transformation, and their contribution is evident in the quality, pace, and consistency of delivery throughout the year.

Financial Resilience and Highlights

The Group delivered a strong financial performance, supported by disciplined risk management, a diversified income base, and continued operational efficiencies.

Key financial highlights for the year ended 31 December 2025

Operating profit increased 24% to	**N$577.9 million**
Profit after tax grew 21% to	**N$505.8 million**
Net interest income rose 32% to	**N$724 million** driven by advances growth and loan repricing
Total revenue increased	**14%** supported by stronger customer advances
Impairment charges remained low at	**N$5 million** (loan loss ratio: 0.25%), reflecting stable credit quality
Cost-to-income ratio improved to	**45%** (2024: 47%)
NPL ratio remained stable at	**5%** (2024: 5%)
Return on equity improved to	**18%** (2024: 15%)
Return on assets increased to	**7%** (2024: 6%)
Bank remains well-capitalised, with capital adequacy ratio of	**28%**
Dividend distributed of	**N$454,500 million**
Customer deposits grew	**24%** from N$1.3 billion to N$1.6 billion, strengthening deposit-led funding strategy
	N$461 million raised through bonds on NSX, reducing reliance on intercompany funding and diversifying funding base

Our financial results affirm that our business is becoming stronger, more diversified, and more resilient. Our disciplined execution, strengthened operational governance, and customer-centric strategy are translating into sustainable financial performance.

Prospects

We enter 2026 with confidence and clarity. Namibia's economy is expected to strengthen, supported by renewed mining activity, improved agricultural output, and transformative energy projects. At the same time, digital adoption across financial services is accelerating, creating opportunities to deepen our role in customers' daily financial lives.

Our strategic priorities remain focused on:

- Expanding digital financial services and multi-channel delivery
- Accelerating payments innovation through IPP and value-added services
- Strengthening deposit mobilisation to support sustainable, low-cost funding
- Enhancing customer insights and product innovation
- Driving operatioanal excellence and cybersecurity maturity
- Embedding ESG principles across our decisions, operations, and culture

Our transformation is gaining momentum, and our business has never been better positioned to deliver financial inclusion at scale.

Acknowledgements

I extend my heartfelt appreciation to our customers for their trust and loyalty; to our employees, whose skill and dedication remain the engine of our success; to our regulators for their oversight and partnership; to our partners and suppliers for enabling our operational strength; and to our Board for their guidance, stewardship, and support.

Together, we are building a more inclusive, digital, and resilient Letshego, committed to improving lives and creating opportunities across Namibia.

Ester Kali

Group Chief Executive Officer

COUNTRY MANAGEMENT COMMITTEE (CMC)

ESTER KALI
Chief Executive Officer – Letshego Holdings (Namibia) Limited

Nationality: Namibia

Qualifications

- Honorary Doctorate of Philosophy, Trinity International University of Ambassadors, USA
- Honorary Doctorate of Financial Management, University of South Africa
- Master of Business Administration, Maastricht School of Business, Holland
- Financial Services Advanced Diploma in Credit, Institute of Bankers South Africa

Development Programmes

- FNB Leadership Development Programme
- Haggai Leader Experience through Haggai International Institute for Advanced Leadership, USA

BAREND KRUGER
Acting Chief Executive Officer – Letshego Micro-Financial Services Namibia

Nationality: Namibia

Qualifications

- **Bachelor's Degree in Electronic Engineering from University of Pretoria**

Development Programmes

- Graduate Development Programme from ISO Swedish Management Group
- Leadership Development Programme from GIBS (Gordon Institute of Business Science) / University of Pretoria

WILLEM PRETORIUS
Chief Financial Officer

Nationality: Namibia

Qualifications

- Chartered Accountant (Nam) [CA(NAM)]
- Bachelor of Commerce (Hons) in Financial Accounting, Northwest University
- Bachelor of Commerce (Hons) CTA, University of South Africa
- Bachelor of Commerce in Chartered Accountancy, Northwest University

Development Programme

- Management Development Programme, University of Stellenbosch Business School

RICHARD ERIC BASTIAANS
Acting Chief Operating Officer

Nationality: Namibia

Qualifications

- Postgraduate Diploma in Business Analytics, Cambridge International
- Executive Master of Business Administration (MBA), Eaton Business School/Guglielmo Marconi University (in progress)

Professional Certifications & Memberships

- Management Development Programme (MDP), USB Executive Development (USB-ED)
- New Management Development Programme (MDP), USB Executive Development (USB-ED)
- COBIT 5 – ISACA
- ITIL – Pearson VUE
- Institute of Directors South Africa (IoDSA)
- CompTIA Security+ CE
- VMware VCP4 & VCP5
- Microsoft Certifications (MCSA, MCSE, MCITP)

KINGSLEY GUISEB
Head: People and Culture

Nationality: Namibia

Qualifications

- Master of Business Leadership, University of South Africa
- Postgraduate Diploma in Law (Labour Law), University of Namibia
- Bachelor of Human Resources Management, Namibia University of Science and Technology
- Certified Balanced Scorecard Professional, Institute of Balanced Scorecard (IBSC), USA
- Accredited/Certified Master Human Resources Practitioner (MHRP), Institute of People Management (IPM), Namibia

EVAST KALUMBU
Head: Legal and Company Secretary

Nationality: Namibia

Qualifications

- Admitted Legal Practitioner of the High Court of Namibia
- Bachelor of Laws (LLB) [Hons]
- Bachelor of Jurisprudence (B.Juris), University of Namibia

Development Programme

- Management Development Programme, University of Stellenbosch

NAMEVA NDZANA
Head: Governance and Compliance

Nationality: Namibia

Qualifications

- Master of Philosophy in Development Finance, University of Stellenbosch Business School, SA
- Certified Anti-Money Laundering Specialist (CAMS), ACAMS, USA
- Environmental Social Governance (ESG) Specialist, CFI, USA
- Post Graduate Diploma in Internal Audit, Nelson Mandela University, SA
- Honours in Accounting, University of Namibia, NA
- Various certifications in Policy Development, Risk Management and Human Capital Management

Development Programmes

- Deloitte Management Development Programme
- ALI Executive Leadership Programme
- Corporate Governance Certificate, CFI, USA
- Professional Ethics Certificate, CFI, USA

KGOMOTSO HOCHOBEB
Head: Internal Audit

Nationality: Namibia

Qualifications

- Bachelor of Accounting Science, University of South Africa
- Certificate in Risk-Based Internal Auditing, University of South Africa

Professional Certifications & Memberships

- Completed Accounting Articles
- Public Accountants and Auditors Board of Namibia (PAAB) Accredited

ALETTA K. SHIFOTOKA
Chief Risk Officer

Nationality: Namibia

Qualifications

- Master of Business Administration (Cum laude), University of Stellenbosch
- Chartered/Certified Internal Auditor (CIA), Global Institute of Internal Auditors (IIA), South Africa
- Bachelor of Commerce in Accounting and Business Management, University of Namibia

Development Programmes

- Leadership Development Programme (LDP), Gordon Institute of Business Science, University of Pretoria
- Advanced Auditing and Taxation for Non-degree Purposes, University of South Africa

HERWIN TSOWASEB
Head: Credit

Nationality: Namibia

Qualifications

- Master of Philosophy in Development Finance, University of Stellenbosch Business School
- Postgraduate Diploma in Risk Management, University of South Africa
- Bachelor of Commerce in Financial Management (Honours), University of Pretoria
- Bachelor of Commerce in Accounting, University of Pretoria

Our Strategic Performance

OUR STRATEGY

In 2025, Letshego Holdings Namibia began executing our new LASER Strategy, providing a clear framework of how we will achieve our strategic goals over three defined periods, namely six months, two years, and five years.

Short Term (One year – 2026): Strengthen the Core

In the short term, we aim to reinforce our foundation by optimising existing strengths and extending proven solutions to new markets. Key priorities include:

- Strengthening our core business and rolling out existing products to additional geographies
- Identifying customer needs across all segments and developing focused customer-acquisition strategies
- Building compelling value propositions through targeted campaigns and strategic partnerships
- Leveraging capabilities from core products and markets to accelerate growth in deposits and micro to small enterprises lending across key markets
- Developing an end-to-end digital strategy and digitalising the personal loan and savings customer journeys

Strategic intent: Leverage existing product and segment strengths to protect and expand our core business.

Medium Term (Two to five years – 2027 to 2031): Expand Our Product Offering

Over the medium term, we aim to grow into a full-scale retail financial services provider by broadening our product portfolio and deepening customer engagement. Our focus areas include:

- Scaling product-specific solutions (e.g., low-cost housing) and segment-specific offerings (e.g., agriculture loans) to address the needs of each customer group
- Introducing payments and insurance products in our core markets
- Digitising most customer journeys and automating manual processes to improve efficiency and customer experience

Strategic intent: Expand our portfolio and grow the customer base through innovative, digitally-enabled solutions.

Long Term (Over five years to beyond 2031): Build a Fully Digital, Innovative Institution

In the long term, we aim to transform into a fully digitised financial institution that continuously innovates and adapts to customer needs. Our long-term ambitions include:

- Becoming a fully digitised bank with a complete end-to-end digital product offering supported by a modern, scalable IT architecture
- Scaling all business offerings across all customer segments and major markets
- Creating customer-centric ecosystems and marketplaces around key assets such as housing and vehicles to offer an integrated financial and lifestyle experience

Strategic intent: Grow our digital ecosystem and deliver seamless, end-to-end solutions to every customer segment.

Our Strategic Progress

Our progress under the LASER Strategy is driven by a sustainability agenda that aligns with the United Nations Sustainable Development Goals (SDGs).

OUR SUSTAINABILITY AGENDA

Enabling Inclusive Finance, Responsible Lending, and Sustainable Development in Namibia

Letshego's Sustainability Strategy in 2025 reflects a strengthened commitment to responsible finance, inclusive economic participation, and sustainable value creation. Our approach is grounded in the belief that financial services, when responsibly delivered, play a catalytic role in poverty reduction, social mobility, and community resilience. This aligns our operating model with national development priorities and the UN SDGs, particularly those related to poverty reduction, financial inclusion, gender equality, livelihoods, food security, affordable housing, and decent work.

Responsible Financing and Social Purpose

Responsible lending continued to anchor our business model in 2025. Our credit practices ensure products remain affordable, transparent, and aligned with customer needs, preventing over-indebtedness while expanding access to essential services.

The 2025 loan portfolio demonstrates this purpose-led approach. Of the N$5.44 billion loan book, productive lending accounted for 47% (N$2.58 billion), supporting agriculture, high-impact Micro, Small, and Medium Enterprises (MSMEs), education, healthcare, housing, and income-generating activities. Consumptive lending represented 38% (N$2.06 billion), while the remainder was unclassified. This portfolio composition illustrates the Group's strategic transition toward lending that improves household resilience and economic participation.

Our Sustainability Approach

At Letshego Namibia, our sustainability strategy is grounded in responsible financing, inclusive growth, and sound governance. We uphold ethical practices and strong oversight to ensure transparency and accountability, while delivering financial solutions that serve underserved communities without contributing to over-indebtedness. We also maintain strict compliance with regulatory pricing, ensuring our products remain affordable and accessible to all.

In 2025:

- **81% of customers earned below N$30,000 per month**
- **The largest segment was the N$7,501 – N$15,000 bracket, with 33,642 loans**
- **Ultra-low-income customers (<N$7,500) held N$406 million in loans, indicating deep outreach to financially vulnerable groups**

These outcomes directly support Namibia's national objectives of expanding productive capital, improving employment opportunities, and stimulating grassroots economic activity.

Our sustainability agenda therefore focuses on:

- **Expanding access to essential services (healthcare, education, housing)**
- **Supporting the resilience of small businesses and MSME owners**
- **Promoting responsible consumption and customer protection**
- **Advancing financial inclusion for women, youth, and rural communities**

ESG Framework and Governance

Throughout 2025, we strengthened ESG governance and integrated ESG considerations into core decision-making. Our ESG Manual, adapted to the Namibian context, remains fully embedded across credit, operational risk, compliance, and legal systems.

Key commitments include:

- Developing structures, policies, and performance targets to manage employees and operational ESG metrics
- Incorporating governance and social criteria into risk assessments and credit decisioning
- Aligning practices with international sustainability and customer-protection standards

This embedded model ensures that ESG is managed as part of our ERMF, rather than as a parallel process.

Operationalising ESG in 2025

We integrate ESG principles into our operations through the adoption of our Social Financing Framework, which influences our credit risk models and product development. Our ESG roadmap ensured that we could continue to deliver value to our customers, shareholders, and society, building a resilient and inclusive financial future for Namibia.

The ESG roadmap focused on four priority areas:

1. Risk Management

We adopted the enhanced Letshego Group's ESG Framework and began aligning ESG metrics to credit pricing models and product development. Productive lending, representing the majority of loan value, provided clearer pathways for tracking social impact in key areas.

2. Market Intelligence and Social Impact Insight

Using data analytics and loan-level tagging, we deepened our understanding of customer segments and social-impact outcomes.

2025 insights show that productive loans financed the following:

Agribusiness	**1,619 loans**
Affordable Housing	**3,338 loans**
Access to Essential Services	**3,975 loans**
Socioeconomic Empowerment	**646 loans**
Education and Healthcare Finance	**combined smaller but meaningful flows**

These insights inform product enhancement, risk calibration, and value-added services such as financial literacy.

3. Governance and Reporting

We advanced our reporting maturity by strengthening impact measurement, standardising ESG disclosures, and aligning to global frameworks relevant to financial inclusion. ESG insights were also incorporated into stakeholder engagement, literacy campaigns, and educational initiatives.

4. Funding and Partnerships

Data captured through customer insights, impact tagging, and social loan classifications support future social-bond issuances and ESG-linked funding. As of 2025, Letshego had deployed N$1.578 billion in qualifying social loans, with 2% directed to women-owned MSMEs, a key empowerment milestone.

Our SDG Contributions

SDG 1: No Poverty | Access to Finance for the Underserved

The portfolio demonstrates meaningful outreach to financially excluded groups. Over 15,000 loans were held by ultra-low-income customers (<N$7,500), and 49,000 loans were held by low-income groups (<N$15,000). These loans supported housing, essential services, and income-generating activities.

SDG 2: Zero Hunger | Agribusiness Finance

Agribusiness lending supported 1,619 customers, enabling small-scale farmers to improve production and income security.

SDG 3: Good Health and Well-being | Healthcare and Essential Services

Healthcare and essential-service loans supported over 3,975 female customers alone, with comparable male participation, demonstrating strong social reach in healthcare access.

SDG 4: Quality Education | Education Finance

Education finance, though a smaller portion, continued to support low- and middle-income households in breaking cycles of vulnerability.

SDG 5: Gender Equality | Empowering Women

Women represented 43% of the loan portfolio and maintained strong representation in productive categories such as affordable housing (3,338 loans) and access to essential services (3,975 loans). Women in teaching, healthcare, and retail dominated social-impact segments.

SDG 8: Decent Work and Economic Growth | MSME and Employment Generation

Productive loans enabled employment creation and supported MSMEs across Namibia, including 278 MSME loans to women and 278 to men, driving economic participation across all regions.

SDG 11: Sustainable Cities and Communities | Affordable Housing

Affordable housing remained one of the largest productive loan categories, with 3,338 loans supporting secure living conditions, asset ownership, and community stability.

Implementation Approach for Social Impact

Our methodology for delivering measurable social impact in 2025 included:

- Social impact tagging down to loan-purpose level
- Incentivising productive loan use through appropriate pricing and repayment structures
- Expanding access for underserved population groups and women-owned MSMEs
- Integrating ESG indicators into scorecards, risk processes, and reporting
- Strengthening outreach via literacy programmes and partnerships

ESG as a Driver of Sustainable Value

The 2025 ESG performance demonstrates that Letshego is not only extending access to finance but doing so in a way that strengthens livelihoods, improves resilience, and supports inclusive economic development. Anchored in robust data, governance, and social intent, our sustainability strategy ensures that financial inclusion evolves into measurable social progress for individuals, households, and communities across Namibia.

IMPLEMENTATION OF THE LASER STRATEGY

Protecting the Core, Scaling Deposits, and Sharpening Execution

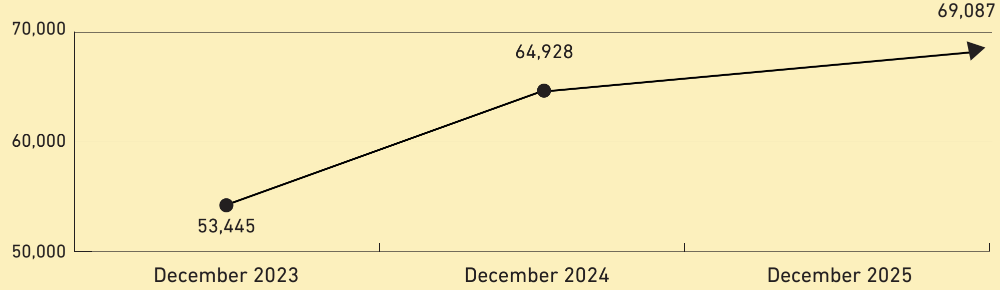
The initial six months of 2025 focused on leveraging established strengths in lending, payroll-based products, and targeted customer segments. The year unfolded against a backdrop of tightened regulatory expectations, rising operational costs, and evolving customer demands for digital, instant services.

Despite these pressures, Letshego delivered resilient and quality earnings performance, reinforced by operational discipline, digital capability enhancements, and strengthened governance structures. The Group also advanced the transition to a deposit-led, community-embedded operating model, supported by modernised payments infrastructure and improved customer experience.

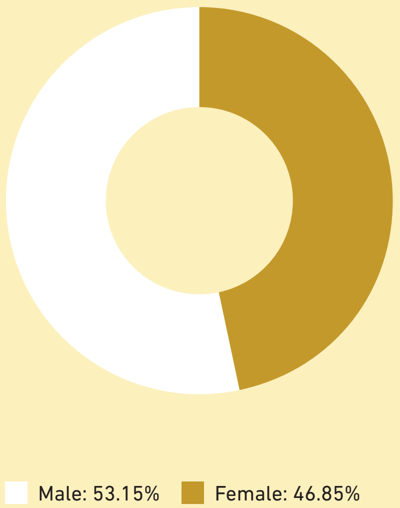
Performance Highlights

7% GROWTH

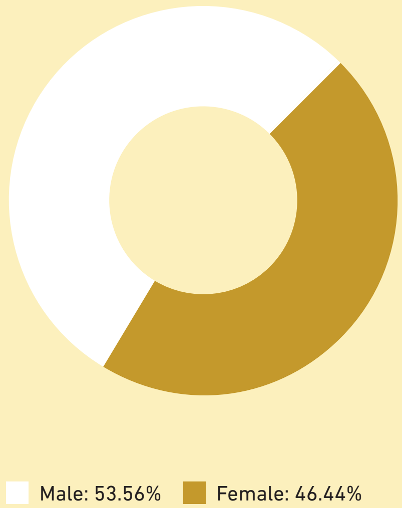
Total Number of Customers



2024 Customer Demographics



2025 Customer Demographics



PERFORMANCE HIGHLIGHTS

Total Affordable Home Loan Accounts

Number of Accounts

December 2024: 201

38% ^

December 2025: 277

Value of Accounts (N$ ‘000)

December 2024: N$158,658

40% ^

December 2025: N$222,238

Profit After Tax (N$ '000)
Year-on-Year % Growth

21%

December 2024: N$418,841

December 2025: N$505,815

Net Advances (N$ '000)
Year-on-Year % Growth

1%

December 2024: N$5,385,539

December 2025: N$5,438,448

Revenue Growth (%)
Year-on-Year Growth

14%

Cost to Income Ratio (%)
Year-on-Year % Growth

2%

December 2024: 47%

December 2025: 45%

Capital Adequacy Ratio (%)

40%

Return on Equity (%)
Year-on-Year % Growth

3%

December 2024: 15%

December 2025: 18%

Earnings per Share (N$ Cents)
Year-on-Year % Growth

20%

December 2024: N$0.84

December 2025: N$1.01

Deposits Savings (N$ '000)
Year-on-Year % Growth

24%

December 2024: N$1,302,113

December 2025: N$1,620,517

Borrowings (N$ '000)

N$2,619,798

December 2024: N$2,899,467

December 2025

Return on Assets (%)
Year-on-Year % Growth

1%

December 2024: 6%

December 2025: 7%

Dividends Distributed (N$ '000)

N$454,500

December 2024: N$381,350

December 2025

PERFORMANCE PILLARS

Pillar 1 | Improving Operational Efficiency

Responding to a Demanding Operating Environment

Letshego operated in a financial services environment marked by heightened regulatory scrutiny, particularly in areas such as cybersecurity, operational resilience, outsourcing and cloud-related risk, data protection, and payments governance. BoN's increasing emphasis on IPP readiness, secure digital channels, and enhanced customer protection further shaped the Group's operational priorities. In response, Letshego proactively strengthened its technology and control environment by improving system availability and ICT governance, enhancing the Digital Mall's security architecture, including monitoring tools, access controls, and deeper core-banking integration, and advancing process automation to reduce manual interventions and improve turnaround times.

Efficiency Gains Despite Cost Inflation

Revenue growth and strict cost discipline drove the improvement in the cost-to-income ratio from 47% to 45%, despite industry-wide inflationary pressures. Automation initiatives and back-end monitoring tools supported increased throughput and more reliable operations.

Quality of Earnings

Net interest income increased 32% to N$724 million, driven by improved lending margins and continued stability in interest expense through a shift toward lower-cost local funding. The decline in interest expense to N$382.9 million (from N$404.9 million) demonstrated progress in reshaping the funding mix toward lower-cost, local sources.

Stable Credit Outcomes

The non-performing loan ratio remained contained at 5.33% (2024: 5.10%), and impairments were stable at N$5 million, translating into a loan-loss ratio of 0.25%. This reflects consistent underwriting discipline, effective portfolio monitoring, and risk-aligned collections activity.

Strengthening the Risk and Control Environment

The Group continued to embed a proactive, enterprise-wide risk culture aligned to the Board-approved ERMF, reinforcing governance and strengthening operational continuity during the strategic transition. In line with evolving regulatory expectations and the changing risk landscape, the ERMF was enhanced to include Outsourcing Risk and Cloud Computing Security Risk as new primary risk categories, ensuring greater oversight of third-party dependencies and cloud-based operations. Compliance risk ratings were updated to reflect improved control maturity, while cyber governance and broader operational risk controls were strengthened to safeguard systems, data, and customer transactions. These enhancements were supported by sustained efforts to embed risk awareness across all levels of the organisation, ensuring that employees understand their roles in maintaining a resilient and well-controlled operating environment. Operational efficiency gains and a strengthened control environment expanded margins and safeguarded earnings quality, creating capacity for future investment while protecting capital adequacy.

Pillar 2 | Defending and Acquiring Market Share in Lending

Letshego's lending business remained resilient in 2025, with net advances increasing to N$5.44 billion (2024: N$5.39 billion), reflecting stability in its core portfolio. Although growth was modest, the quality and pricing of the book improved meaningfully, with stronger lending margins contributing significantly to the 32% uplift in net interest income. Credit performance remained robust, supported by prudent risk management, a contained Non-Performing Loan (NPL) ratio of 5.33%, and minimal impairments of N$5 million, demonstrating consistent discipline in underwriting and collections.

During the year, the Group strengthened its credit governance framework through the establishment of the Credit and Investment Committee (CIC), enhanced oversight of credit policies, provisioning practices, and exposure limits, and continued alignment with regulatory standards such as BID-2, which focuses on asset classification, suspension of interest and provisioning. Collectively, these measures ensured disciplined portfolio management, protected asset quality, and positioned the lending business for sustainable, cycle-resilient growth.

Pillar 3 | Aggressively Growing Deposits

In 2025, Letshego made strong progress in shifting toward a more diversified, deposit-led funding model, with customer deposits increasing 24.5% to N$1.6 billion, supported by stronger customer trust, expanded deposit-taking capability, and a broader physical and digital distribution footprint. The Group further strengthened its funding mix by increasing local funding to N$2.6 billion and successfully raising N$461 million in listed bonds on the NSX, significantly reducing reliance on intercompany and equity funding.

These efforts, combined with a reduction in external borrowings to N$2.62 billion, enhanced liquidity, improved tenor management, and reinforced overall balance sheet resilience. During the year, Letshego also advanced its readiness for Namibia's IPP, a key enabler for real-time, low-cost transactions that will deepen financial inclusion, improve customer convenience, and support the evolution toward a fully payments-enabled, deposit-led operating model. Collectively, these developments lowered structural funding risk, reduced long-term cost of funds, and positioned the Group for scalable, sustainable growth, directly supporting ongoing Return on Equity (ROE) expansion.

Pillar 4 | Investing in Our People

Building Capability and a High-Performance Culture

In 2025, Letshego strengthened its people capability as a core enabler of the LASER Strategy execution. The organisation continued to embed a high-performance culture grounded in accountability, customer-centricity, proactive risk management, and Letshego's core values, Ubuntu, Thrive Because of Diversity, Be Curious and Forward Thinking, and Take Full Ownership. This cultural foundation was supported by stronger cross-functional collaboration, enabling faster problem-solving and more integrated delivery across the business. Governance support was further enhanced through the appointment of a new Chief Financial Officer, Head of Compliance (a new position within the structure), and Company Secretary, ensuring improved strategic alignment and leadership oversight.

Board Capability and Leadership Oversight

Governance maturity advanced through targeted development of the Board and senior leadership. Directors received specialised training on emerging governance topics, including AI governance and BID-34 outsourcing compliance, strengthening oversight of technology, risk, and regulatory changes. Continuous professional development, formal board evaluations, and improved committee structures, covering risk, IT governance, remuneration, sustainability, and credit, further reinforced the Board's ability to guide the organisation's transformation while upholding strong ethical leadership.

People and Culture Strategic Pillars

People and Culture delivered its strategy through five integrated pillars that support long-term organisational sustainability:

- Employee Engagement and Experience
- Talent Attraction, Learning, Development, and Retention
- High Performance, Digital Enablement, and Innovation
- Safety, Well-being, and Organisational Health
- Diversity, Inclusion, and Ethical Employment

FOCUS AREA	KEY INPUTS	OUTCOMES
Employee Engagement and Experience	» Revitalised engagement programmes based on prior insights » Expanded recognition initiatives aligned with Ubuntu and Taking Full Ownership » Increased leadership visibility and structured communication forums	» Improved engagement levels and participation » Strengthened morale, motivation, and discretionary effort » Greater alignment with organisational values
Talent Attraction, Learning, Development, and Retention	» Migrated to Udemy for flexible, self-driven learning » Expanded leadership, technical, digital, and regulatory training pathways » Enhanced succession planning and internal mobility » Refined reward and recognition practices	» Increased participation in learning across all levels » Improved skills agility and readiness » Stronger retention of high-performing and critical talent
High Performance, Digital Enablement, and Innovation	» Migrated from VIP HRIS to SeamlessHR across all markets » Implemented Performance, OKRs, Learning, and Workforce modules » Embedded continuous performance and real-time feedback » Encouraged cross-functional collaboration and innovation	» Data-driven decision-making » Greater consistency and transparency across processes » Stronger accountability and alignment » Enhanced analytics capability
Strategic Alignment and Culture Enablement	» Ongoing communication of strategy and priorities » Alignment of goals via digital platforms » Activation of core values through leadership and performance systems	» More connected, purpose-driven workforce » Improved clarity of individual contribution » Stronger cultural alignment
Safety, Well-being, and Organisational Health	» Rolled out holistic wellness strategy » Strengthened safety awareness » Increased participation in wellness programmes	» Higher resilience and well-being » Reduced risks and absenteeism » Improved trust and loyalty
Diversity, Inclusion, and Ethical Employment	» Maintained A-grade Affirmative Action compliance » Embedded inclusive practices across talent lifecycle » Rolled out inclusive leadership training	» More representative workforce » Improved collaboration and decision-making » Strengthened governance and compliance

SeamlessHR improved access to real-time insights on:

- Workforce demographics
- Performance distribution
- Learning participation
- Turnover, absenteeism, and retention trends

2025 WORKFORCE PROFILE

Employee Composition

Permanent Employees
195

Part-time Employees
18

Direct Sales Agents (DSAs)
70

Total Workforce (including Agents)
283

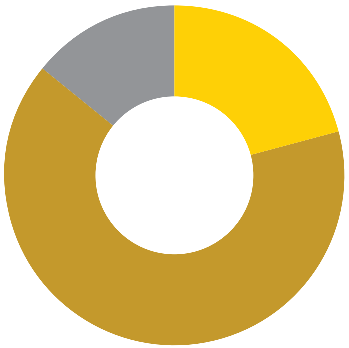
Seniority Profile

10% Senior Management

23% Middle Management

67% General Employees

Age Profile



Under 29: 21%
Ages 30–49: 65%
Over 50: 14%

Gender Profile

Female: 112 (53%) **Male:** 83 (47%)

People and Culture strengthened its role as a strategic enabler of organisational performance and transformation during the year, supported by continued investment in learning, digital enablement, and enhanced analytics maturity. These advancements deepened workforce capability across the organisation. Guided by Letshego's core values, People and Culture remains committed to building a resilient, capable, and inclusive workforce that drives long-term value creation and supports the Group's strategic growth ambitions.

Pillar 5 | Investing in Community Development

In 2025, Letshego Holdings Namibia deepened its contribution to national development by scaling investment in social programmes that uplift communities, expand opportunities, and support vulnerable groups across Namibia. Our approach is aligned with the UN SDGs and grounded in the belief that shared prosperity fuels sustainable national progress.

Letshego's Strategic and Social Investment (SSI) framework is structured around four pillars:

- **Health:** Advancing wellness and access to essential healthcare
- **Education:** Enhancing academic performance, digital literacy, and lifelong learning
- **Livelihoods:** Building financial capability, entrepreneurship, and income-generation capacity
- **Vulnerable Communities:** Supporting inclusion, dignity, and resilience for marginalised groups

In 2025, Letshego invested N$1.58 million in 39 community initiatives, a significant increase from N$1 million in 2024. Our interventions reached communities across the Central, Southern, Omaheke, North-East, Erongo, and North-West regions, with programmes designed to address the distinct needs of both rural and urban areas.

These investments contributed to stronger social safety nets, improved learning environments, and greater economic participation, particularly in underserved communities. Our support enhanced educational access, promoted youth development, stimulated local economic activity, and strengthened community resilience. Collectively, these outcomes advanced long-term, inclusive growth, directly supporting Letshego's purpose of improving lives through impactful, community-centred development.

Regional Impact Overview

1. Central, Omaheke, and Southern Regions

Investment: N$1,229,892 in 25 initiatives

This region received Letshego's largest investment, with programmes focused on strengthening education, empowering youth, protecting vulnerable families, and promoting financial capability.

KEY IMPACT AREAS

SDGs 1, 10, 11	Supported vulnerable children and families through: » Omaheke Hope for All Foundation » Tee Di Helping Hands » The Office of the Mayor
SDGs 4, 5, 10	Strengthened education systems through support to: » NeuroNexus Academy » Namibia National Teachers Union (NANTU) » Namibia Securities Exchange experiential dealers' programme » Ministry of Education Grade 12 Awards » Theo Katjimune Cluster » NUST High School Competition
SDGs 1, 8, 10	Promoted entrepreneurship and financial inclusion through: » One Economy Foundation » Alliance for Financial Inclusion » Leaders Without Borders » Financial Literacy Initiative
SDGs 3, 4, 11	Expanded youth development and well-being through support to the DS Football Academy and community development initiatives

2. North-East and Erongo Regions

Investment: N$166,777.40 in eight initiatives

KEY IMPACT AREAS	
SDG 4	Improved learning environments at Coblenz Primary School, Sikosinyana Secondary School, and Kavango-West Regional Council (Ncamagoro Circuit)
SDGs 3, 10	Promoted psychosocial support and inclusion for vulnerable groups through IKIGAI
SDG 8	Strengthened regional commerce by supporting the Rundu Trade Fair, Outjo Municipality, and Copper Festival
SDG 17	Supported community-led education initiatives through the Arandis Town Council

3. North-West Region

Investment: N$193,927.43 in seven initiatives

KEY IMPACT AREAS	
SDG 4	Enhanced rural education at: » Ombuumbu Secondary School » Hanghome Primary School » Oshana Regional Council » Anamulenge Circuit (Omusati)
SDG 8	Provided relief and psychosocial support to vulnerable families through K'Negongo and the Hope and Learning Foundation
SDG 8	Supported regional economic development through sponsorship of the Ongwediva Annual Trade Fair

Letshego's 2025 social investment programme demonstrates a deep and deliberate commitment to building resilient, inclusive, and thriving communities across Namibia. By aligning our initiatives with the UN SDGs, we ensure that our efforts contribute not only to local social outcomes but also to global development priorities. Our work across these initiatives advances long-term value for Namibia and its people.

Capital Returns and Outlook

A final dividend of 54.14 cents per share, payable on 24 April 2026, reflects strong earnings quality and disciplined capital management.

Looking ahead, Letshego Namibia will continue advancing the LASER Strategy by deepening its deposit-led operating model, enhancing payments and digital capabilities, strengthening risk management frameworks, and investing in operational resilience, customer experience, and community impact.

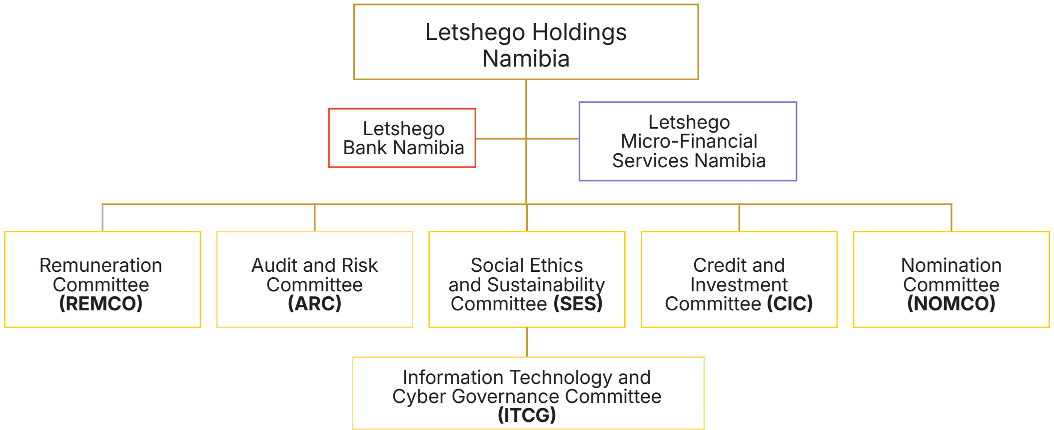
With a strong balance sheet, expanding deposit base, and reinforced execution capability, Letshego enters 2026 well-positioned to scale a payments-enabled, deposit-led franchise that supports sustained return on equity improvement and long-term value creation.

Letshego's 2025 social investment programme demonstrates a deep and deliberate commitment to building resilient, inclusive, and thriving communities across Namibia.

Stakeholder Information

CORPORATE GOVERNANCE REPORT

The Corporate Governance Framework is established through statute and adopted by the Board, with NamCode and the Companies Act, No. 28 of 2004 providing the foundational baseline for the Group's governance framework and development. Letshego Holdings Namibia and its subsidiaries are committed to good corporate governance principles, including compliance with applicable legislation.



The Board takes an active role in setting the ethical standards for the Group. The Board is committed to developing the highest standard of corporate governance and takes cognisance of the ESG impact of its decisions.

The Board is responsible for ensuring that the ethical standards it has set are implemented by executive directors and senior management. The Board considers various ways to connect with stakeholders.

The Board's primary role and responsibilities are to:

- Act as the custodian of corporate governance
- Appreciate that strategy, risk, performance, and sustainability are inseparable
- Provide effective leadership based on an ethical foundation
- Ensure that the company is, and is seen to be, a responsible corporate citizen
- Ensure that the company's ethics are managed effectively
- Oversee the governance of risk, including information technology (IT) risk
- Appreciate that stakeholders' perceptions affect the company's reputation
- Ensure that there is an effective risk-based internal audit and report on the effectiveness of the company's system and internal control
- Act in the best interest of the company

The Board sets and steers strategic direction regarding the Group's strategy and how specific governance and regulatory areas are to be approached, taking the various risks into consideration. The Group's risk appetite is determined and considered with every decision and guided by the policies the Board adopted.

Letshego maintains a simple corporate governance structure, with established Board committees supporting the Board in the execution of its duties. Ultimately the Board remains responsible and accountable to all its stakeholders. Each committee has been delegated responsibilities to enable effective control while preserving the accountability of the Board.

PERFORMANCE PILLARS

The Board reviewed, approved and implemented the following Terms of Reference (ToR) and charters:

- Letshego Holdings Namibia Board Charter
- Letshego Bank Namibia Board Charter
- LMFSN Board Charter
- Remuneration Committee Terms of Reference
- Social, Ethics and Sustainability Committee Terms of Reference
- Information Technology and Cyber Governance Charter

In addition, the Board approved the establishment of the Credit and Investment Committee (CIC) as a sub-committee, together with its Terms of Reference, and implemented the following frameworks and policies:

1. Enterprise Risk Management (ERM) Framework
2. Operational Risk Management Framework
3. Operational Risk Management Policy
4. Outsourcing Risk Policy
5. Home Loans Credit Policy
6. Write-off Policy
7. Individual Loans Credit Policy
8. Credit Risk Policy
9. Compliance, Legal, and Governance Risk Framework
10. Gifts and Entertainment Policy
11. Anti-Money Laundering, Counter-Terrorist Financing, and Counter-Proliferation Financing Policy
12. Sanctions Policy
13. PEP/PIP High Risk Onboard Policy
14. LHN Incident Management Policy
15. LHN Access Control Policy
16. LHN Threat and Vulnerability Risk Management Policy
17. LHN Asset Management Policy
18. LHN Physical and Environmental Security Policy
19. LHN Secure Development and Secure Coding Policy
20. LHN Security Awareness and Training Policy
21. LHN Password Policy
22. LHN Email and Electronic Messaging Policy
23. LHN Mobile Device Management and BYOD Policy
24. LHN Network Security Management Policy
25. LHN Change and Configuration Management Policy
26. LHN Cloud Security and Governance Policy
27. Board Diversity, Equity, and Inclusion Policy
28. Remote Work Policy
29. Remuneration Policy
30. Country Risk Policy
31. Delegation of Authority Policy
32. Treasury Risk Framework Policy
33. Related Party Transactions Policy
34. Reputational and Sustainability Risk Policy
35. Strategic Social Investment Policy
36. Stakeholder Engagement Framework and Strategy

Director Training and Induction

Upon appointment, all directors participate in an induction programme designed to enhance their understanding of the Group, its operating environment, and the markets in which it operates. The programme includes the provision of background information, and meetings with senior management. Board members are expected to remain informed about significant economic, political, social, and legal developments affecting the Group. Where relevant, material developments requiring the Board's attention are communicated through the established governance structures and processes.

The secretariat provides the Board with constant updates and training materials to keep members up to date on the latest statutes and regulations. During 2025, the Board received formal training on the following pertinent topics:

1. Artificial Intelligence (AI) training was presented to the Board by the Namibia Investment and Finance Academy (NIFA) in July 2025. The training was conducted to equip the Board with the governance, ethical, strategic, and risk-management knowledge required to oversee AI adoption, support digital transformation, and strengthen decision-making in alignment with Letshego's governance frameworks and emerging regulatory expectations.

2. BID-34 refresher training was presented to the Board by EMCON Consulting in November 2025. BID-34 is a regulatory directive on outsourcing and cloud computing within a banking institution. The training was aimed at providing the Board with an understanding of the requirements relating to outsourcing and the responsibilities of the Board. It covered key issues that financial institutions need to consider when outsourcing material business activities and functions.

Changes to the Board

During the reporting period, the following changes to the Board were made:

- Mr Sven von Blottnitz completed his tenure as an independent non-executive director of Letshego Namibia and its subsidiaries on 6 March 2025.
- Mr Jaco Esterhuyse resigned as an independent director from Letshego Holdings Namibia and its subsidiaries, effective 29 April 2025.
- Mr Jerome Mutumba resigned as an independent director from Letshego Holdings Namibia and its subsidiaries, effective 1 October 2025.
- Mr Karl-Stefan Altmann resigned as CFO and as an executive director from Letshego Holdings Namibia and its subsidiaries, effective 30 June 2025. Mr Altmann took up a new position within Letshego Africa Holdings Limited.
- Ms Lipalesa Makepe was appointed as an independent director of Letshego Bank, effective 21 October 2025.
- Mr Willem Pretorius was appointed as CFO and subsequently as an executive director of Letshego Holdings Namibia and Letshego Bank, effective 25 November 2025.
- Mr Nabot Uushona was appointed as an independent director of Letshego Bank, effective 1 December 2025.
- Mr Christoffer Chipeio was appointed to the LHN Board on 4 February 2026 and subsequently appointed to the LMFSN Board on 17 February 2026. He is currently the chairperson of LMFSN.

Changes to Board Committees

During the reporting period, the following changes to Board committees were made:

- Audit and Risk Committee: Ms Kudzai Chigiji was appointed as interim chairperson on 22 May 2025 until January 2026. Mr Jerome Mutumba was appointed as an interim member on 22 May 2025 until 1 October 2025. Ms Lipalesa Makepe was appointed as a member of ARC effective 21 October 2025, and subsequently as chairperson, a role she holds to date.
- Credit Committee: Mr Jerome Mutumba was appointed as chairperson as of Q2 2025, while Ms Maria Nakale was appointed as a member of the committee as of Q2 2025.
- Remuneration Committee: Ms Kudzai Chigiji assumed the position of chairperson from Q4 2025, taking over the helm from Mr Jerome Mutumba, with Ms Maria Nakale and Mr Richard Ochieng completing the composition of the committee.

Board Assessment

The Board conducted an evaluation of its own performance, the chairperson, individual Board members, the CEO, the CFO, and the Company Secretariat. The evaluations were conducted internally and through a formal process.

The Board's self-assessment survey reflects strong performance across several key areas, including strategy and planning, stakeholder engagement, risk management, and Board conduct. The results demonstrate its commitment to ethical leadership, transparency, and effective communication. While the assessment highlighted opportunities to further strengthen the balance of independence within the Board's composition and to optimise the conduct of meetings to allow adequate time for significant matters, these are viewed as areas for continued enhancement rather than deficiencies.

Overall, the Board agrees that the assessment process was valuable in reinforcing its effectiveness and will continue to use the insights gained to guide ongoing improvement.

Independent and Unfettered Advice

The Board is encouraged to obtain independent professional advice, at the company's expense, whenever such support is necessary to enable directors to discharge their fiduciary duties effectively. During the period under review, the Board engaged IJG to conduct an independent review of the dual-licensing matter, ensuring that its decisions were guided by objective analysis and specialist insight.

Directors' Independence

The Board carries out the review of director independence annually and, as at the end of the reporting period, consisted of two executive directors, four independent non-executive directors and one non-executive (non-independent) director. The four independent non-executive directors meet the requirements for the test of independence, and thus the majority of the directors are classified as independent non-executive directors. The composition of the Board remains compliant with the company's Articles of Association and legislation and in line with good corporate governance.

NamCode indicators were used to assess each director's independence for categorisation purposes. The Board has conducted an assessment and has concluded that the independent non-executive members exercise objective judgement and there is no interest, position, association or relationship that, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

Board Composition, Diversity, and Structures

Directors are appointed through a formal process involving the whole Board, subject to regulatory approval. Appointments to the Board are made based on the appropriate balance of experience, knowledge, skills, and diversity.

There is a clear division of responsibilities, with non-executive Board members rotated and appointed in line with their specific expertise to the various Board committees. The size of the Board is indicated by the company's Articles of Association, being a minimum of five and a maximum of seven directors.

Executive Directors, Non-Executive Directors, and Independent Non-Executive Directors

Category	Count	%
Executive Directors	2	25%
Non-Executive Director (Non-Independent)	1	12.5%
Independent Non-Executive Directors	5	62.5%

Tenure Band	Count	%
0–5 years	7	87.5%
5–9 years	0	0%
9+ years	1	12.5%

Age Band	Count	%
30–40	3	37.5%
41–50	1	12.5%
51–60	4	50%
61–70	0	0%

Gender	Count	%
Female	4	50%
Male	4	50%

The LHN Board reflects strong diversity across gender, experience, and independence. The Board demonstrates notable gender balance, comprising 50% female and 50% male members, and spans a wide age range, though predominantly within the 51–60 age bracket (50%), indicating mature leadership supported by younger directors in the 30–40 and 41–50 age bands. Tenure diversity shows a largely new-to-mid-tenured Board, with 87.5% of directors having served less than five years, and one long-serving director nearing ten years, contributing to institutional continuity.

Succession Planning

Succession planning remains a priority for the Board, although its full implementation has been affected by recent turnover. During the reporting period, the Board undertook a thorough review to identify succession gaps and ensure that any potential risks are appropriately mitigated.

Chief Executive Officer (CEO)

The CEO is responsible for the day-to-day management of Letshego and executes the Board's decisions, strategy, and policies. The CEO acts as the key communication point between the Board and senior management. The current CEO is a full-time employee and has no other professional commitments or directorships of governing bodies outside that of the company, other than what was disclosed in terms of the company's policies for the reporting period. The functions of the chairperson of the Board and the CEO are clearly separated in the Board Charter.

Chairperson

The independence of the chairperson was reviewed and evaluated, and she was found to be independent. The chairperson of the Board is not a member of ARC, but a member of the Remuneration Committee (REMCO), and the Credit and Investment Committee (CIC). In addition, she is the chairperson of the Nomination Committee (NOMCO).

Chief Financial Officer (CFO)

During the period under review, Mr Karl-Stefan Altmann served as the Chief Financial Officer until his resignation in June 2025. Following his departure, Mr Willem Pretorius assumed the CFO role. The Audit and Risk Committee (ARC) is satisfied that both Mr Altmann and Mr Pretorius possessed the requisite expertise, experience, and professional competence necessary to fulfil the responsibilities of the office during their respective periods of service.

Company Secretary

Ms Mignon Klein resigned from the company, effective 31 January 2025. In April, Ms Evast Kalumbu assumed the role of Company Secretary. Ms Kalumbu served in the role for most of the reporting period, providing secretarial support to all entities within the Group and acting as an advisor to the Board. The Company Secretary delivers professional corporate governance services to the Board and its committees. The Company Secretary is readily available to support directors by providing guidance and information on governance and corporate administration matters, as required.

Non-Executive and Executive Directors Attending the AGM

The Annual General Meeting (AGM) for the Group was held on 26 June 2025 and was attended by all independent non-executive directors, non-executive directors, executive directors, and Letshego's Country Management Committee by invitation. The external auditor attended the AGM as scrutineer.

Annual General Meeting

Attendees	26 Jun 2025
Maria Nakale	Yes
Jerome Mutumba	Yes
Kudzai Chigiji	Yes
Richard Ochieng	Yes
Ester Kali	Yes
Karl-Stefan Altmann	Yes

Board Meetings Attendance

Attendees	26 Feb 25 (Special)	27 Mar 25 (Ordinary)	22 May 25 (Special)	25 Jun 25 (Ordinary)	01 Aug 25 (Special)	10 Sep 25 (Ordinary)	19 Sep 25 (Special)	27 Nov 25 (Special)
Maria Nakale	✓	✓	✓	✓	✓	✓	✓	✓
Sven von Blottnitz	✓	End of Tenure	-	-	-	-	-	-
Kudzai Chigiji	✓	✓	✓	✓	✓	✓	✓	✓
Jaco Esterhuyse	✓	✓	Resigned	-	-	-	-	-
Richard Ochieng	✓	✓	✓	✓	✓	✓	✓	✓
Jerome Mutumba	✓	✓	✓	✓	✓	✓	✓	Resigned
Ester Kali	✓	✓	✓	✓	✓	✓	✓	✓
Karl-Stefan Altmann	✓	✓	✓	✓	Resigned	-	-	-
Willem Pretorius	-	-	-	-	-	-	-	Appointed

Board Committees

The Board established and operated an Audit and Risk Committee (ARC); an Information Technology and Cyber Governance Committee (ITCG); the Remuneration Committee (REMCO), a subcommittee of the ARC; a Social, Ethics and Sustainability Committee (SES); a Credit and Investment Committee (CIC); and a Nomination Committee (NOMCO), to which certain functions were delegated. The chairpersons of the individual committees are non-executive independent directors. All the members of these standing committees are also non-executive directors.

The Audit and Risk Committee (ARC)

The ARC provides independent oversight on the effectiveness of the Group's internal audit and risk management processes and is responsible for the appointment of the external auditor and overseeing the external audit process. The ARC must ensure that the appropriate financial reporting procedures and accounting policies exist.

The ARC confirmed that appropriate financial reporting procedures exist, are applied, maintained and functioning effectively. The external auditor is invited to attend the ARC meetings and has access to the chairperson of the ARC. The ARC is well informed of the responsibilities and duties of the external auditors and is satisfied that the external auditors are independent of the company. The ARC reviewed the financial statements of the company and is satisfied that the statements comply with IFRS and the Companies Act, No. 28 of 2004.

The members of the ARC have the necessary financial literacy, skills, and experience and have executed their functions satisfactorily.

ARC Mandate

The duties of the ARC include those assigned to it by the Board and those which are documented in its charter. The ARC has, in the period under review, fulfilled its mandate and:

- Ensured the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial statements and reporting in compliance with all applicable legal requirements and accounting standards.
- Ensured corporate accountability and management of the associated risk in terms of management, combined assurance and integrated reporting. The Committee reviewed and assessed the integrity of the risk control systems and ensured that the risk policies and strategies continued to be effectively managed.
- Ensured the continued adherence to the Risk Management Framework which includes the identification, measurement, and monitoring of strategic and operational risks against an agreed risk appetite statement.
- Monitored and reviewed external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts.

ARC Meeting Attendance

The committee held four meetings during the reporting period.

Attendees	25 Mar 2025	24 Jun 2025	08 Sep 2025	24 Nov 2025
Jaco Esterhuyse	✓	Resigned	-	-
Kudzai Chigiji	✓	✓	✓	✓
Richard Ochieng	✓	✓	✓	✓
Jerome Mutumba	-	✓	✓	Resigned
Lipalesa Makepe	-	-	-	✓

Remuneration Committee (REMCO) and Nomination Committee (NOMCO)

The Remuneration Committee (REMCO) reviews benefits and performance incentive schemes after considering the Group strategy and objectives to create stakeholder value while maintaining incentives and retaining essential skills. The REMCO comprises of non-executive directors, the majority of whom are independent. The REMCO assists the Board in setting and monitoring the remuneration policies and makes recommendations to ensure the company remunerates fairly.

The Nomination Committee (NOMCO) oversees Board composition, director appointments, succession planning for Board and Executive leadership, and governance around Board membership.

REMCO Mandate

The duties of the REMCO include those assigned to it by the Board and those which have been documented in its charter. The REMCO has fulfilled its mandate which includes *inter alia:*

- Reviewed the parameters which shall be applied for identifying those remuneration packages of individual employees over which it had discretion.
- Reviewed remuneration packages for employees over which it has discretion.
- Reviewed the remuneration, bonus and share incentive schemes policies and practices adopted in Letshego Namibia during the reporting period.

REMCO Meeting Attendance

The committee held four meetings during the reporting period.

Attendees	11 Feb 2025	24 Mar 2025	23 Jun 2025	04 Sep 2025
Jerome Mutumba	✓	✓	✓	✓
Maria Nakale	✓	✓	✓	✓
Richard Ochieng	✓	✓	✓	✓
Kudzai Chigiji	-	✓	-	-

NOMCO Mandate

The duties of the NOMCO include those assigned to it by the Board and those which have been documented in its charter. The NOMCO has fulfilled its mandate which includes *inter alia:*

- Identifying and participating in selecting Board members.
- Overseeing a formal succession plan for the Board members, CEO, and senior management appointments, such as the CFO.
- Recommending eligible members to the Board for approval (while considering past performance, contribution, the objective of business judgement calls and succession planning).
- Setting out the procedure for the appointment of directors.
- Investigating the directors' backgrounds along the lines of the approach required for listed entities.
- Ensuring directors are not disqualified to act as a director in terms of the Companies Act, No. 28 of 2004.
- Determining and evaluating the independence of the Board members.
- Evaluating the performance of the Board, CEO, and senior management appointments.
- Considering the composition of the Board, taking into consideration the balance of skill, broader diversity, knowledge, and expertise.

NOMCO Meeting Attendance

The committee held two meetings during the reporting period.

Attendees	17 Jan 2025	16 May 2025
Maria Nakale	✓	✓
Jaco Esterhuyse	✓	Resigned
Jerome Mutumba	✓	✓

Social, Ethics and Sustainability Committee (SES)

The SES Committee ensures compliance with applicable laws and codes of conduct after considering the Group strategy and objectives to create stakeholder value and maintain effective stakeholder relationships.

SES Mandate

The duties of the SES include those assigned to it by the Board and those which have been documented in its charter. The SES has, in the period under review, fulfilled its mandate in:

- Assisting the Board in fulfilling its oversight responsibilities relating to ESG risks and opportunities, integrity in reporting compliance, social and ethics oversight and to establish sustainable stakeholder relationships as a responsible corporate citizen.
- Providing a forum for reviewing and discussing social and ethics issues and developing recommendations for the Board's consideration and approval.

SES Meeting Attendance

The committee held four meetings during the reporting period.

Attendees	24 Mar 2025	23 Jun 2025	08 Sep 2025	24 Nov 2025
Kudzai Chigiji	✓	✓	✓	✓
Richard Ochieng	✓	✓	✓	✓
Jerome Mutumba	✓	✓	✓	Resigned

Credit and Investment Committee (CIC)

The CIC serves as a critical governance mechanism that ensures the Group's credit, investment, and treasury activities are conducted prudently, responsibly, and in full compliance with regulatory standards. It safeguards the Group's financial stability by monitoring risk, approving or recommending key credit and investment decisions, and ensuring alignment with the Group's strategy and risk appetite.

CIC Mandate

The Committee's mandate is broad and encompasses the following core areas:

- Oversee credit risk management by reviewing credit frameworks, policies, portfolio performance, classifications, provisioning, and ensuring compliance with BID-2 and regulatory requirements.
- Review and approve credit facilities within delegated authority and recommend significant exposures or exceptions to policy to the Board for approval.
- Lead investment and treasury oversight by evaluating investment proposals, monitoring investment performance, reviewing funding, liquidity, capital structure, and asset–liability management strategies.
- Support the Board's governance responsibilities through reporting, policy compliance oversight, documentation of decisions, and ensuring sound credit, investment, and risk practices across the Group.

Credit and Investment Committee Meeting Attendance

The committee held four meetings during the reporting period.

Attendees	24 Mar 2025	23 Jun 2025	08 Sep 2025	24 Nov 2025
Jerome Mutumba	✓	✓	✓	Resigned
Maria Nakale	✓	✓	✓	✓
Lipalesa Makepe	-	-	-	Appointed

Information Technology and Cyber Governance (ITCG) Committee

The ITCG Committee provides the ARC and subsequently the Board with independent oversight on the effectiveness of the Group's management of IT and cyber risks and reports to the ARC on a quarterly basis. The ITCG is chaired by an independent non-executive director and ARC member.

ITCG Mandate

The duties of the ITCG include those assigned to it by the Board and ARC and those which have been documented in its charter. The ITCG has fulfilled its mandate which includes *inter alia:*

- Introducing, managing and upholding Information Technology and Cybersecurity standards and protocols within the company's operating environment.
- Aiding the company in creating and deriving optimal value from IT investments through maintaining a balance between realising benefits, managing risk and optimising resource use.
- Ensuring that stakeholder needs, conditions and options are evaluated to determine balanced agreed-upon enterprise objectives; setting direction through prioritisation and decision-making and monitoring performance and compliance against agreed-upon direction and objectives.
- Assisting the Board in the implementation of cyber objectives and ensuring compliance with required regulations relevant to information technology and cybersecurity.
- Reviewing the company's cyber maturity, through ongoing evaluations and risk management to ensure continued protection of the business and its customers.

The committee believes that the assessment process improved the performance and effectiveness of the committee and will continue to identify areas deemed necessary for improvement.

ITCG Meeting Attendance

The committee held four meetings during the reporting period.

Attendees	25 Mar 2025	24 Jun 2025	08 Sep 2025	24 Nov 2025
Kudzai Chigiji	✓	✓	✓	✓

Compliance Statements

The company's primary listing on the NSX means it is subject to the NSX listing requirements. The Board satisfied itself, save as disclosed in this integrated report, that the company has complied with all NSX listing requirements during the reporting period. The annual compliance certificate regarding the company's compliance with the NSX listing requirements was completed and submitted to the NSX.

Any trading in the securities of Letshego is performed in compliance with the NSX listing requirements and is regulated by the Company Secretariat. No director dealings occurred during a closed period.

Sponsor

IJG remained the company's NSX sponsor.

GOVERNANCE ENABLERS

IT Governance

The Group continues to enhance its IT governance framework as the Group's operations and sustainability are critically dependent on IT. In addition, digitalisation is one of Letshego Namibia's strategic focus areas. Letshego Namibia continues to capacitate this function in line with the revised organisational design and global IT standards and best practice. Specifically, IT supports the Group's innovation and technological competitive advantage, the management of IT-related risks, and increased requirements for control over information security. The framework addresses the following:

- The IT activities and functions of the organisation are aligned to enable and support the priorities of the Group
- IT delivers the envisioned benefits against strategy, costs are optimised, relevant best practices are incorporated, and the value created for the Group by its IT investment is maximised
- The optimal investment is made in IT, and critical IT resources are responsibly, effectively, and efficiently managed and employed
- Compliance requirements are understood and there is an awareness of risk, allowing the organisation's risk appetite to be managed
- Performance is optimally tracked and measured, and the envisioned benefits are realised, including implementation of strategic initiatives, resource use, and the delivery of IT services
- Synergies between IT initiatives are enabled and where applicable, IT choices are made in the best interest of the Group as a whole

Compliance

The Board holds ultimate responsibility for ensuring the organisation's compliance with all applicable legislation, regulatory requirements, codes of conduct, and industry standards across its operating jurisdictions. The Board has delegated oversight of governance, risk, legal, and compliance frameworks to the ARC, in accordance with NamCode principles.

Compliance Frameworks

- Reviewed annually and updated where necessary
- Reflect legislative changes and best practices

Training and Awareness

- **Mandatory programmes: Code of Conduct and AML / CFT / CPF**
- **Conducted annually across the organisation**
- **Refresher training provided when regulations change**

Regulatory Compliance

- **Operating within a dynamic regulatory environment**
- **Regulated by BoN, NAMFISA, and FIC**
- **Reports submitted accurately and within prescribed timelines**

Asset and Liability Management (ALM)

ALM is the responsibility of the Group Management Committee. ALM deals with the management of capital adequacy, foreign currency, maturity, liquidity, interest rate and markets, and credit risks, ensuring that the regulatory prudential ratios are maintained.

Legal Compliance

The Board has ultimate responsibility for overseeing compliance with laws, rules, codes, and standards in terms of the NamCode. The Board has delegated responsibility to management for the implementation of an effective Corporate Governance Framework and processes, as envisaged by NamCode. Through the Governance and Compliance function, Letshego remains resolute in implementing and embedding the Compliance and Corporate Governance Frameworks premised on the following enablers:

- Corporate Governance Framework for the holding company and its subsidiary Boards
- Relevant organisation-wide policies
- Group-wide Code of Ethical Conduct and whistleblowing facility
- Commitment to the corporate strategy and brand promise

Combined Assurance Forum

As per NamCode guidelines, the Combined Assurance Forum consists of three lines of defence, with the first line of defence comprising management, the second line of defence comprising the Risk Management, Legal, and Compliance functions, and the third line of defence comprising Internal Audit. These functions are essential to the entity's governance processes, by conducting a risk-based approach to identify risks and determine whether controls are effective in managing the risks that arise from the strategic direction of the company. The standalone Compliance function (previously combined with the Risk function until June 2022), under the management of the Head: Governance and Compliance, continues to oversee the Bank's overall compliance to regulatory and legislative provisions applicable to the Bank. The Combined Assurance Framework was approved by the Board during June 2024.

The said functions present strategic action plans to the Board for approval at the beginning of the year, with the ARC and Board reviewing the progress thereof through management submissions on a quarterly basis. These submissions ensure that the Board has full oversight of material risks, control effectiveness, and possible mitigating actions. Monthly reports from functions are also submitted and reviewed by the CMC at its meetings. The Combined Assurance Forum meets on a quarterly basis.

Enterprise-wide Risk Management Framework (ERMF)

The ERMF facilitates a consistent approach to risk management through the adoption of international best practice and local requirements. The framework provides minimum requirements for sound risk management practices with the main aim of having an integrated approach to managing risk that adequately identifies, measures, monitors, and controls risk. It is underpinned by the following key elements:

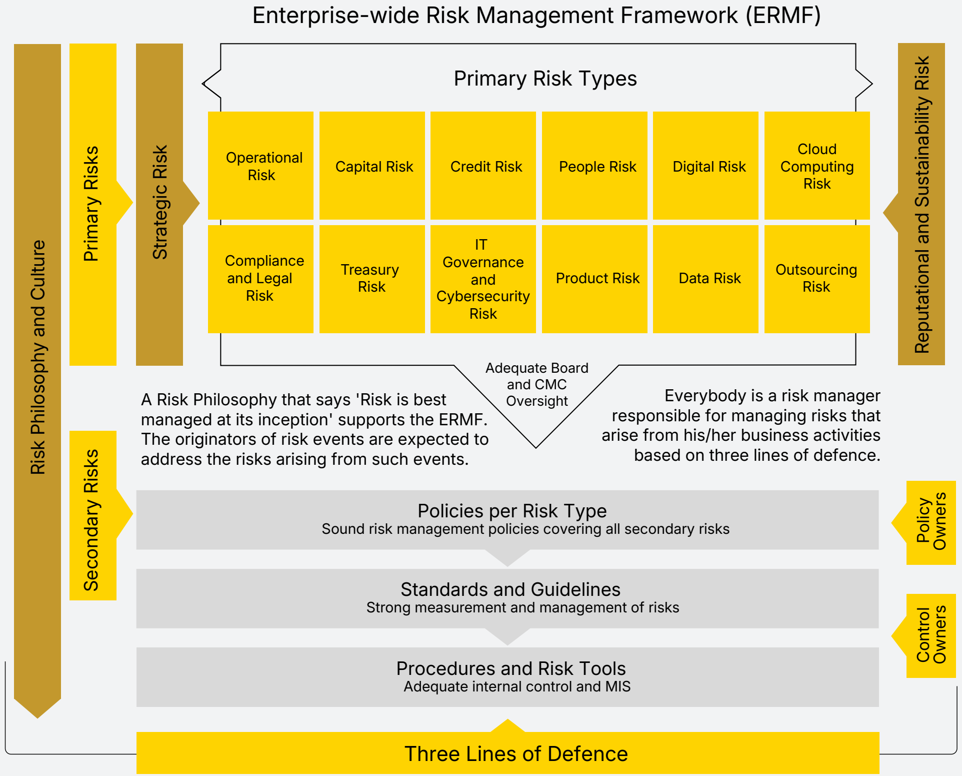
- Adequate Board oversight
- Adequate senior management oversight
- Sound risk management policies and operating procedures (including risk appetite)
- Strong risk measurement, monitoring, and control capabilities
- Adequate internal controls and Management Information Systems (MIS)

The Board continues to be responsible for reviewing and approving the ERMF, with assurance provided by the Risk and Compliance functions and by External and Internal Audit from second- and third-line-of-defence perspectives, respectively. The CEO is the owner of the ERMF and is assisted by the CRO to have oversight on all risk matters.

Being a regulated institution, the Group has an opportunity to ensure that its ERMF consistently aligns with regulatory requirements and its ever-changing operating environment. The following key changes were made to the 2025 ERMF and approved by the Board in line with the Bank's transformation strategy:

- Incorporation of Outsourcing Risk and Cloud Computing Security Risk as primary risks in line with BID-34 and BID-19 requirements, respectively
- Inclusion of Outsourcing Risk and Cloud Computing Security Risk in the Risk Appetite Statement and tracker
- Amendment of Compliance Risk's preferred residual risk rating from 'Moderate' to 'Low' to align with the Compliance Risk Framework
- Split of the roles of Head Governance and Compliance and Legal Affairs and Company Secretariat in line with the recently amended executive management structure

The addition of two primary risks (highlighted in the first bullet point above) increased the total number of primary risks managed in line with the ERMF from twelve to fourteen. The ERMF is underpinned by an integrated framework of responsibilities and functions, driven from Board level down to operational levels, covering all aspects of risk. All key primary risks and frameworks are therefore accompanied by detailed Board-approved policies to provide guidance to the business on how they should be managed and in turn support the ERMF.



Internal Audit

Internal Audit (IA) provides independent and objective assurance to the Audit and Risk Committee (ARC), and where mandated, to the CIC, in accordance with the Global Internal Audit Standards issued by the Institute of Internal Auditors (IIA) and in line with the Group Internal Audit (GIA) audit methodology.

The Internal Audit function reports functionally to the ARC and administratively to the Chief Executive Officer. The Head of Internal Audit has unrestricted access to, and communicates and interacts directly with, the ARC Chairperson and the ARC, including private meetings without management's presence.

The ARC is responsible for reviewing and recommending for Board approval the Internal Audit charter, strategy, annual internal audit plan, and resourcing and financial plans of the Internal Audit department.

NamCode Compliance

Letshego Namibia applies the principles of NamCode across the organisation. The principles of King IV are fully contained within NamCode, which therefore extends our compliance to the principles of King IV. The Board is satisfied with the manner in which Letshego Namibia applies the principles of NamCode. What follows is a summary of our evaluation of where we are compliant, and if not, an explanation:

Reference	NamCode Principle	2025	Commentary
1. Ethical Leadership and Corporate Citizenship			
1.1	The Board should provide effective leadership based on an ethical foundation.	Applied	The Board Charter clearly outlines the responsibility for effective leadership based on an ethical foundation. The Board's performance with respect to this requirement is evaluated on an annual basis.
1.2	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	Applied	Letshego Holdings (Namibia) Limited has a Strategic and Social Investment (SSI) Policy approved by the Board and remains committed to sustainable development and improvement of lives in the communities within which Letshego Holdings (Namibia) Limited operates. Further, this policy ensures that Letshego Holdings (Namibia) Limited is a socially responsible corporate citizen and occupies a positive and impactful role in its subsidiaries and communities.
1.3	The Board should ensure that the Company's ethics are managed effectively.	Applied	Letshego Holdings (Namibia) Limited has a Code of Conduct approved by the Board, and the responsibility to oversee the performance against the principles is delegated to the SES Committee. Section 7 of the committee charter stipulates that the Board should determine and set the ethical tone of the Company values, including the framework of the code for ethical conduct, ethical business principles and practices, and requirements for responsible corporate citizenship.
2. Boards and Directors			
2.1	The Board should act as the focal point for and custodian of corporate governance.	Applied	The Board Charter clearly sets out the Board responsibilities, and the Board meets at least four times per year. According to section 5.2.2 of the Charter, the Board must satisfy itself that the Company and subsidiary companies are governed effectively in accordance with corporate governance best practices, including risk management, legal compliance management, appropriate and relevant nonbinding industry rules, codes, and standards.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	Applied	The principle is recognised in the Board Charter, and it is part of the Board's responsibility to determine the strategies and strategic objectives of the Company and ensure that the strategy, risk, performance, and sustainability considerations are effectively integrated and appropriately balanced. Strategy, risk, performance, and sustainability are standing agenda items for Board meetings.
2.3	The Board should provide effective leadership based on an ethical foundation.	Applied	Refer to principle 1.1 above.
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	Applied	Refer to principle 1.2 above.
2.5	The Board should ensure that the Company's ethics are managed effectively.	Applied	Refer to principle 1.3 above.

Reference	NamCode Principle	2025	Commentary
2.6	The Board should ensure that the Company has an effective and independent Audit Committee.	Applied	An independent Board Audit and Risk Committee (ARC) is in place and its main objectives are outlined in the section: 'Composition of the Board and Its Subcommittees'. The committee's Terms of Reference outline the roles, powers, responsibilities, and membership. The majority of members of the ARC are independent.
2.7	The Board should be responsible for the governance of risk.	Applied	The ARC assists the Board in executing its responsibility in terms of the governance of risk. The committee meets on a quarterly basis and top risks are considered during the meetings and reported to the Board.
2.8	The Board should be responsible for IT governance.	Applied	The Board Charter requires the Board to assume responsibility for IT governance. The Board has delegated responsibility to the Information Technology and Cyber Governance Committee for oversight and to ensure effective IT governance. The Board has further commissioned the IT Governance Committee to support Letshego's digitalisation strategy.
2.9	The Board should ensure that the Company complies with applicable laws and considers adherence to nonbinding rules, codes and standards.	Applied	The ARC assists the Board in ensuring that the Company's Governance, Risk, IT and Compliance Frameworks are maintained and that compliance with applicable laws and regulations are effectively monitored. Further, the Management Risk Committee (MRC) at management level will meet quarterly to consider the level of adherence of the Company to rules, codes and appropriate standards.
2.10	The Board should ensure that there is an effective risk-based internal audit.	Applied	In line with NamCode, the Internal Audit function reports directly to the ARC, which approves a risk-based internal audit plan each year and ensures that the Internal Audit function has adequate resources, budget standing, and authority to enable it to discharge its functions.
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation.	Applied	The potential impact of stakeholders' perceptions on the reputation of Letshego Namibia is recognised and highlighted in the Board Charter. According to the Charter, only individuals with sound ethical reputations will be considered for appointment to the Board. Part of the Board's mandate in the Charter is to safeguard the human capital, assets, and reputation of the entity.
2.12	The Board should ensure the integrity of the Company's integrated report.	Applied	This IAR is approved by the Board after satisfying itself with respect to the accuracy and integrity of the report based on the recommendation from the ARC.
2.13	The Board should report on the effectiveness of the Company's system of internal controls.	Applied	The Board's opinion on the effectiveness of the system of internal controls is expressed in the statement of the Board of Directors forming part of the Annual Financial Statements. This opinion is based on the recommendation of the ARC that reviews and satisfies itself with the adequacy of the controls in place.
2.14	The Board and its Directors should act in the best interests of the Company.	Applied	The Board makes decisions giving due regard to its fiduciary duties and duty of care with an independence of mind. Further, Directors are required to declare their direct and indirect interests at each Board meeting.

Reference	NamCode Principle	2025	Commentary
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined in the Act.	Applied	The Board considers the Company's going concern status at its interim and full year meetings. The Board continuously monitors the solvency and liquidity of the Company on a regular basis. This enables the Board to consider business rescue should the Company become financially distressed. Further, the deposit taking subsidiary (LBN) has developed a Liquidity Contingency Plan.
2.16	The Board should elect a Chairperson of the Board who is an Independent Non-Executive Director. The MD/CEO of the Company should not also fulfil the role of Chairperson of the Board.	Applied	The Board is chaired by an Independent Non-Executive Director, as covered under the section on the composition of the Board and its committees. The roles of the CEO and Chairperson are separate, in line with NamCode.
2.17	The Board should appoint the Company CEO and establish a framework for the delegation of authority.	Applied	According to the Board Charter, the CEO is appointed by the Board. The Executive Management operates within the defined framework for the delegation of authority from the Board via the CEO. The delegation of authority is reviewed regularly to ensure that it is commensurate with the level of maturity of the Company.
2.18	The Board should comprise a balance of power, with a majority of Non-Executive Directors. The majority of Non-Executive Directors should be independent.	Applied	As at end of 2025, Board membership is comprised of eight Directors, of which five are Independent Non-Executive Directors (INEDs), one is a Non-Executive Director (NED), and two are Executive Directors (EXDs), namely the CEO and CFO.
2.19	Directors should be appointed through a formal process.	Applied	The Board Charter acknowledges and sets out the Directors' appointment process. In considering whether the potential candidates are suitable for appointment, decisions are made by the Board in accordance with the criteria clearly stipulated in the Board Charter. All Non-Executive Director appointments are voted on by shareholders at AGMs by either ratification of appointments made by the Board or by voting on the re-election of Directors who retire by rotation
2.20	The induction of and ongoing training and development of Directors should be conducted through formal processes.	Applied	The role of the Chairperson includes the need to ensure that all Directors are appropriately made aware of their responsibilities through a tailored induction programme, ensuring that a formal programme of continuing professional education is adopted at Board level. While an induction programme is in place and training is provided in specific areas to the Directors, ongoing training and development of Directors is conducted through a formal online process as well as in person.
2.21	The Board should be assisted by a competent, suitably qualified and experienced Company Secretary.	Applied	The decision to appoint or remove the Company Secretary is a Board decision. The Board ensures that a competent, suitably qualified and experienced person is appointed as Company Secretary.
2.22	The evaluation of the Board, its Committees, and the individual Directors should be performed every year.	Applied	The Board effectiveness assessment for the reporting period was conducted in-house.
2.23	The Board should delegate certain functions to well-structured Committees but without abdicating its own responsibilities.	Applied	According to the Board Charter, the Board has the power to appoint Committees and to delegate its duties to such Committees as may have been set up, having regard to what is appropriate for the Company. These committees review and recommend matters to the Board for final approval. The Board has created the following Committees with clearly defined Terms of Reference: » SES » ARC » REMCO » NOMCO » CIC » ITCG
2.24	A governance framework should be agreed between the Company and its subsidiary Boards.	Applied	Letshego Holdings (Namibia) Limited and its subsidiaries have a governance framework approved by the Board and supported by respective charters. The governance charter is currently under review at LHL level, in consultation with independent parties. The frameworks and charters are reviewed annually to ensure continued alignment with regulatory changes.
2.25	The Company should remunerate Directors and Executives fairly and responsibly.	Applied	The Board is responsible for setting and overseeing the remuneration of Directors and Executives, while shareholders consider and approve Directors' remuneration at each AGM. The Board has adopted a Remuneration Policy that supports the Company's growth, performance, and returns strategy. The Policy provides for appropriate oversight of remuneration matters and includes processes through which remuneration is reviewed and recommended to the Board for approval.
2.26	The Company should disclose the remuneration of each individual Director and Prescribed Officer.	Applied	Full disclosure is included in this IAR under the Remuneration Policy section.
2.27	Shareholders should approve the Company's remuneration policy.	Applied	At each AGM, shareholders have a non-binding vote on the remuneration of Directors, including the basis for this remuneration.
3. Audit Committee			
3.1	The Board should ensure that the Company has an effective and Independent Audit Committee.	Applied	The Board has an independent and effective ARC in place. All members of the Committee are suitably qualified and experienced, with the majority being Independent Non-Executive Directors.

Reference	NamCode Principle	2025	Commentary
3.2	Audit Committee members should be suitably skilled and experienced Independent Non-Executive Directors.	Applied	Refer to principle 3.1 above.
3.3	The Audit Committee should be chaired by an Independent Non-Executive Director.	Applied	The ARC is chaired by an Independent Non-Executive Director.
3.4	The Audit Committee should oversee integrated reporting.	Applied	The ARC Charter requires the Committee to oversee and take responsibility for the integrity of the IAR.
3.5	The Audit Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	Applied	In line with the ARC Charter, the Committee ensures that the combined assurance received from the external and internal auditors is appropriate to address all the significant risks facing the Company.
3.6	The Audit Committee should satisfy itself of the expertise, resources, and experience of the Company's finance function.	Applied	The ARC Charter requires the Committee to annually review the appropriateness of the expertise and adequacy of the resources of the finance function and the experience of the senior members of management responsible for the finance function.
3.7	The Audit Committee should be responsible for overseeing internal audit.	Applied	The ARC monitors and supervises the effectiveness of the Internal Audit function and ensures that the roles and functions of the External Audit and Internal Audit are sufficiently clarified and coordinated to provide an objective overview of the operational effectiveness of the Company's systems of internal control and reporting.
3.8	The Audit Committee should be an integral component of the risk management process.	Applied	The ARC Charter requires the committee to oversee the Company's risk management process.
3.9	The Audit Committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	Applied	The ARC recommends to the Board which firm(s) should be appointed in the event of change of external auditor(s), their reappointment and removal. In addition, the Committee evaluates the performance of the external auditor(s) and the engagement partner is rotated at least every five years or such other frequency deemed to be appropriate based on the external audit firm rules to enhance actual and perceived independence.

Reference	NamCode Principle	2025	Commentary
3.10	The Audit Committee should report to the Board and shareholders on how it has discharged its duties.	Applied	The Chairperson of the ARC reports to the Board at all its meetings and minutes of the Committee's meetings are provided to the Board. The Chairperson of the Committee attends the AGM to answer questions concerning matters falling within the ambit of the Committee and appropriate disclosures are made in the IAR.
4. The Governance of Risks			
4.1	The Board should be responsible for the governance of risk.	Applied	The Board Charter confirms the Board's responsibility for the governance of risk and has delegated this to the ARC. The Committee is responsible for the development and implementation of the ERMF, including the policies, systems and processes, induction programmes, and appropriate training to ensure effective governance of risk.
4.2	The Board should determine the levels of risk tolerance.	Applied	The ARC assists the Board in discharging its duties relating to the setting of Letshego Namibia's risk tolerance levels. The risk appetite and tolerance levels contained in the ERMF were approved by the Board. The Board reviews and approves recommendations to amend the risk appetite and tolerance levels by management committees.
4.3	The Risk Committee or Audit Committee should assist the Board in carrying out its risk responsibilities.	Applied	The Board Charter established the Board's responsibility for risk governance and delegated Letshego Namibia's risk management responsibilities to the ARC.
4.4	The Board should delegate to management the responsibility to design, implement, and monitor the risk management plan.	Applied	The ARC assists the Board in discharging its duties relating to the responsibility to design, implement, and monitor the risk management plan. The Committee approves the risk policies, strategies, and plans for the effective management of risk, including the establishment of risk management committees and the delegation of matters to those committees.
4.5	The Board should ensure that risk assessments are performed on a continual basis.	Applied	The ERMF requires risk assessments to be performed on a continual basis across functions, subsidiaries, access channels, projects, and new solutions.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	Applied	Letshego Holdings (Namibia) Limited's Governance Framework, ERMF, Legal, Compliance and AML Framework, and IT Governance Framework are approved by the Board for the effective management of risks across Letshego Namibia and its subsidiaries. The Board is updated quarterly on the level of embedding the risk frameworks, assessment of new or emerging risks, and the tolerable level of residual risk, amongst others.
4.7	The Board should ensure that management considers and implements appropriate risk responses.	Applied	The ARC ensures that management develops adequate risk responses and that the Committee considers and evaluates such responses. Risks are identified, assessed, and monitored in line with the ERMF and reported to the Committee on a quarterly basis.

Reference	NamCode Principle	2025	Commentary
4.8	The Board should ensure continual risk monitoring by management.	Applied	The ARC approves the risk strategy and plans on an annual basis for effective implementation by management. The Country Management Committee and other management committees such as the Asset Liability Management Committee, Management Credit Committee, and Procurement Committee, meet monthly and quarterly to review the risk reports, with quarterly reviews being conducted by the ARC.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process.	Applied	The Board receives risk assurance reports from the ARC on a quarterly basis after the Committee reviews the report submitted by Management.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate, and accessible risk disclosure to stakeholders.	Applied	A detailed risk management report forms part of the IAR to provide stakeholders with both adequate and accurate information on the risk management processes of Letshego and the effectiveness thereof. Furthermore, management provides assurance to the Board on a quarterly basis that the risk management plans are integrated in the daily activities of Letshego Namibia.
5. The Governance of IT			
5.1	The Board should be responsible for IT governance.	Applied	The Board Charter recognises the Board's responsibility for IT governance and the ARC ensures that an IT governance charter and policies are established and implemented. This is supported by the Information Technology and Cyber Governance Committee at management level.
5.2	IT should be aligned with the performance and sustainability objectives of the Company.	Applied	Letshego Holdings (Namibia) Limited's IT strategy is integrated with the business strategy and business processes. The ARC is responsible for the management of performance and sustainability objectives of Letshego Namibia, and ensures that IT is aligned to these objectives.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework.	Applied	The ARC ensures that management is responsible for the implementation of the structures, processes, and mechanisms for the IT governance framework. This is supported by the Information Technology and Cyber Governance Committee and the Board-commissioned IT Governance Committee.
5.4	IT should form an integral part of the Company's risk management.	Applied	The IT Governance Framework and the Enterprise Risk Management framework of Letshego Namibia include the assessment and management of all significant IT risks. IT risk management includes disaster recovery planning, cybersecurity, implementation of systems, operational controls and policies, IT legal risks, and compliance with laws, rules, codes, and standards that are an integral part of Letshego Namibia's risk management.

Reference	NamCode Principle	2025	Commentary
5.5	The Board should ensure that information assets are managed effectively.	Applied	It is the responsibility of the ARC to ensure that Letshego Namibia has systems in place for the management of information that include the protection of privacy of personal information and the continual monitoring thereof, irrespective of whether this information is at rest, in transmission, or at the disposal of IT assets.
5.6	A Risk Committee and Audit Committee should assist the Board in carrying out its IT responsibilities.	Applied	The ARC Charter requires the Committee to ensure that IT risks are adequately addressed, and that assurance is given to confirm that adequate controls are in place. The ARC reviews IT risks and controls, adequacy of business continuity management (including disaster recovery plans for IT), information security, privacy, and authorised access.
6. Compliance with Laws, Rules, Codes, and Standards			
6.1	The Board should ensure that the Company complies with applicable laws and considers adherence to nonbinding rules, codes, and standards.	Applied	Through the ARC, the Board is able to address legal and compliance requirements of the institution, governed by a Legal, Compliance, and AML Framework. The Legal and Compliance update is a standing item in the Risk and Compliance report in which the Board is appraised on legal and compliance risk and deliberates over the applicable legislation and the approach to the stated laws.
6.2	The Board and each individual Director should have a working understanding of the effect of the applicable laws, rules, codes, and standards on the Company and its business.	Applied	Applicable laws are reported to the Board by the Legal and Compliance function. Any new legislation or rules which impact Letshego Namibia and its subsidiaries are communicated to the Board, which is advised on the legal requirement applicability and how the same is being disseminated to the applicable areas of business which are impacted.
6.3	Compliance risk should form an integral part of the Company's risk management process.	Applied	The Compliance and AML Framework is a sub-set of the Enterprise Risk Management Framework. The Compliance risk and AML tools that include the Compliance Risk Monitoring Plans, Compliance Risk Monitoring Reviews, and AML monitoring system are applied across all the head office functions and branch networks.
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes.	Applied	A Legal, Compliance and AML framework has been approved by the Board, which addresses the implementation of compliance controls and processes. The framework enhances and complements the ERMF. Both documents delegate to management the effective ways the Company tackles compliance risks.

Reference	NamCode Principle	2025	Commentary
7. Internal Audit			
7.1	The Board should ensure that there is an effective risk-based internal audit.	Applied	An independent Internal Audit function is in place, governed by an approved Internal Audit Charter, and reports functionally to the ARC. The Board approves the Internal Audit Plan during the first quarter of the year preceding implementation.
7.2	Internal Audit should follow a risk-based approach to its plan.	Applied	The Internal Audit function follows a risk-based approach in its annual audit planning that is considered and approved by the ARC. The risk-based planning directs time and effort toward the risks that most affect Letshego Namibia's ability to implement strategy and achieve goals. The plan is reviewed quarterly in response to changes in Letshego Namibia's business drivers, significant risks, operational programmes, and systems.
7.3	Internal Audit should provide a written assessment of the effectiveness of the Company's system of internal controls and risk management.	Applied	Internal Audit reports quarterly to the ARC on its assessment of internal controls and overall control consciousness of Letshego Namibia. The trend analysis of Internal Audit ratings from engagements completed over the past three years is used to assess improvement in the control environment. Management also issues an Annual Statement on Internal Controls to the ARC, which includes its commitment to resolve Letshego Namibia's Internal Audit findings.
7.4	The Audit Committee should be responsible for overseeing internal audit.	Applied	The ARC approves the Internal Audit charter, the annual internal audit plan, the budget and the resource plan of the function. The Committee also receives communication on Internal Audit's performance and significant findings. The Committee approves the appointment, removal, and remuneration of the Head of Internal Audit.
7.5	Internal Audit should be strategically positioned to achieve its objectives.	Applied	The Internal Audit function is independent and reports to the ARC. The Head of Internal Audit is a permanent invitee to the Country Management Committee, has the respect and cooperation of both the Board and management and has unrestricted access to the ARC Chairperson and members, including private meetings without management (executive sessions).
8. Governing Stakeholder Relationships			
8.1	The Board should appreciate that stakeholders' perceptions affect a Company's reputation.	Applied	The Board Charter recognises the Board's responsibility to manage stakeholder relations and perceptions considering the potential risk to Letshego Namibia's reputation. The Board has put measures in place through the Committee and the Country Management Committee to promote a culture that focuses on a unique customer experience, innovation, risk anticipation, people commitment, and stakeholder engagement to protect Letshego Namibia's reputation.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships.	Applied	The Board has delegated the effective management of stakeholder relationships to the SES Committee and the Country Management Committee. To this end, the following policies were approved by the Board for implementation by management and staff: » Reputational Risk Policy » External Communication Policy » Sustainability and ESG Policy » Strategic Social Investment Policy

Reference	NamCode Principle	2025	Commentary
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	Applied	The Board strives to achieve an appropriate balance between the interests of various stakeholders in its decision-making. The Country Management Committee assists the Board in achieving this objective.
8.4	The Company should ensure the equitable treatment of shareholders.	Applied	In line with the Companies Act, No. 28 of 2004 and the NSX listings requirements regarding the treatment of shareholders, the Board is aware of its duty to ensure that all shareholders are treated equally and equitably.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Applied	Letshego Holdings (Namibia) Limited strives to provide complete, timely, relevant, accurate, honest, and accessible information to its stakeholders, while having regard for legal and strategic considerations. Independent consultants are engaged periodically to assess the level of stakeholder engagement in Letshego Holdings (Namibia) Limited and its subsidiaries.
8.6	The Board should ensure that disputes are resolved as effectively, efficiently, and expeditiously as possible.	Applied	The Board Charter clearly addresses the issue of dispute resolution and the Board's approach in this regard. It is a policy of the Company to ensure that internal and external disputes are resolved as effectively and expeditiously as possible. To this end, consideration is given to whether settlement, litigation, arbitration, mediation, or other forms of alternative dispute resolution would be the most effective mechanism for resolving each dispute in the best interests of the Company.
9. Integrated Reporting and Disclosure			
9.1	The Board should ensure the integrity of the Company's integrated report.	Applied	The Board is ultimately responsible for this IAR and has put in place adequate measures through the ARC to enable it to verify and safeguard the integrity of the report. The ARC reviews and considers the financial statements and any other information in the IAR for Board approval prior to publishing.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	Applied	In addition to Letshego Namibia's financial reporting, sustainability reporting is treated as part of the Strategic Social Investment initiatives in the IAR. Ethics and sustainability reporting is a standing agenda at Board meetings.
9.3	Sustainability reporting and disclosure should be independently assured.	Not applied	The Board does not have a formal process in place to obtain independent assurance over the sustainability reporting and disclosure in this IAR.

Letshego Namibia acknowledges the issuance of King V (2025) and will endeavour to comply with its implementation requirements to the extent that they are applicable.

REMUNERATION REPORT

The Group's remuneration framework continues to follow industry best practice, ensuring transparency, fairness, and alignment with governance standards. The remuneration of non-executive directors (NEDs) remains structured around fixed fees, set for a two-year cycle, to provide predictability and consistency.

Directors of LHN and its subsidiaries are compensated through a combination of an annual retainer and meeting attendance fees. In line with governance principles, NEDs do not receive performance-linked rewards and do not participate in share-based incentive schemes. This approach safeguards their independence and ensures that oversight responsibilities are carried out objectively.

The Board's composition and operating structure are designed to maintain an appropriate balance of power, preventing any single director from exerting undue influence over deliberations or strategic decisions. Clear distinctions between the roles of the Group Chairperson, the CEO, and the NEDs are outlined in the Board Charter, supporting accountability, role clarity, and effective leadership across the Group.

Directors' Remuneration as at 31 December 2025

Directors	Status	Retainer (N$)	Main Boards (LHN & LBN) (N$)	LMFSN Board (N$)	ARC (N$)	REMCO (N$)	SES (N$)	NOMCO (N$)	ITCG (N$)	CIC (N$)	Total (N$)
Maria Nakale	INED	181,280	284,853	-	-	46,668	-	12,726	-	42,426	567,953
Sven von Blottnitz	INED	73,000	8,484	-	-	-	-	-	-	-	81,484
Kudzai Chigiji	INED	146,000	208,487	-	123,035	-	90,508	-	84,852	-	652,883
Jerome Mutumba	INED	109,500	156,417	89,093	42,425	72,123	42,426	12,726	-	45,254	569,965
Jaco Esterhuyse	INED	90,640	50,909	33,940	33,940	-	-	9,898	-	-	219,328
Lipalesa Makepe	INED	24,333	3,535	-	21,213	-	-	-	-	22,627	71,708
Total		**624,753**	**712,686**	**123,034**	**220,614**	**118,791**	**132,934**	**35,350**	**84,852**	**110,307**	**2,163,322**

LEGEND

INED
Independent Non-Executive Director

NED
Non-Executive Director

ED
Executive Director

Executive Remuneration

The Group's executive remuneration framework is structured to reinforce performance, accountability, and long-term value creation. Our compensation and incentive programmes are intentionally designed to ensure that the remuneration of executives and senior management is directly linked to the achievement of the Group's strategic priorities and the sustainable growth of shareholder value.

In 2025, the remuneration approach continued to emphasise a balanced mix of fixed and performance-based components. This structure ensured that reward outcomes reflect both operational delivery and leadership contributions to the Group's long-term success. By aligning incentives with Key Performance Indicators and long-term strategic objectives, the Group ensures that executives remain focused on driving financial resilience, operational excellence, and responsible leadership across all business areas.

Top Three Country Management Earners as at 31 December 2025

Employee #	Annual Income (N$)
Employee 1	3,464,862
Employee 2	2,857,100
Employee 3	2,484,743

Executive Directors' Renumeration and Emoluments

Name	Title	Total (N$)	Notes
Karl-Stefan Altmann	CFO	2,182,124	Resigned 30 June 2025
Willem Pretorius	CFO	401,117	Appointed 25 November 2025
Ester Kali	CEO	4,128,615	

NOTICE TO SHAREHOLDERS OF THE 10TH ANNUAL GENERAL MEETING (AGM)

Notice is hereby given to all shareholders of Letshego Holdings Namibia Limited ("the Company") in respect of the Annual General Meeting ("AGM") in respect of the financial year which ended 31 December 2025, which will be held on the 1st floor of Letshego Bank Namibia Limited, 269, BPI House, Independence Avenue, Windhoek.

The AGM will be accessible to shareholders through electronic communication via Microsoft Teams on Friday, 26 June 2026 at 12h00 (with registration to commence at 11h00), to deal with the business as stated in the AGM Notice, and to consider and if deemed fit, to pass the resolutions set out hereunder in the manner set out in the Namibian Companies Act, together with the Namibian Listings Requirements ("NSX LR") and the provisions of the Company's statutory documentation. The Microsoft Teams link will be circulated to Shareholders 5 (five) days before the meeting.

Shareholders are advised that the audited Annual Financial Statements, containing all information required for the purposes of the AGM, are available on the Company's website at https://www.letshego.com.na/investor-relations/annual-reports as at the date of this notice. There have been no changes to the Annual Financial Statements since they were first published on 10 March 2026.

A Shareholder is entitled to appoint a proxy to attend, speak and vote in his/her stead. The person so appointed need not be a shareholder. Proxy forms should be deposited at the office of the NSX Financial Market Services (Pty) Ltd (FMS), previously known as Transfer Secretaries (Pty) Ltd, at 4 Robert Mugabe Avenue (entrance from Dr Theo-Ben Gurirab Street) or emailed to Carol-Ann Meintjies at carol-annm@nsx.com.na not less than 48 hours before the meeting.

The meeting will be convened for the following purposes:

ORDINARY BUSINESS – ORDINARY RESOLUTIONS

To consider and pass the following resolutions:

1. **Resolution 1: Annual Financial Statements**

   To receive, consider and adopt the Annual Financial Statements for the financial year which ended 31 December 2025, together with the Directors' and Independent External Auditors' reports thereon.

2. **Resolution 2: Dividend Declaration**

   To ratify the dividends declared and paid since the previous Annual General Meeting:

   2.1 An interim dividend of 47.02 cents (N$0.4702) per share was paid to shareholders in November 2025.

   2.2 A final dividend of 54.14 cents (N$0.5414) per share was paid to shareholders on 24 April 2026.

3. **Resolution 3**

   To re-elect by separate resolution the independent non-executive director who retires in terms of Article 63 of the Company's Articles of Association, and in accordance with the provisions of the Companies Act, and the NSX LR:

   3.1 To approve that Ms. Kudzai Chigiji, who retires by rotation, will be available for re-election.

   Ms Kudzai Chigiji is a seasoned Actuary and investor with extensive experience spanning banking, insurance, healthcare, and impact investing. She has worked with clients and corporates across Southern Africa, as well as several clients in Europe and Asia. She is the Managing Partner of Ishe Ventures, focusing on investments in early- and growth-stage businesses with a climate and gender impact lens. Her previous experience includes serving as Chief Operating Officer of a technology-driven employee benefits platform, leading a digital banking team in South Africa, and working as a Consulting Actuary advising multinational organizations, regulators, and financial institutions on strategy, risk management, and innovative product development. She also serves as a Non-Executive Director on the board of the Institute and Faculty of Actuaries in the United Kingdom.

   Ms Chigiji holds an MBA from the University of Oxford, a Master of Commerce in Development Finance from the University of Cape Town, two Actuarial Science degrees from University of Cape Town, and is a Fellow of both the Institute and Faculty of Actuaries (UK) and the Actuarial Society of South Africa. Additionally, she has formal certifications in governance, climate risk management, product development, and private equity and venture capital investing.

4. **Resolution 4**

   To re-elect by separate resolutions the directors who were appointed to the Board of Directors since the previous Annual General Meeting.

   4.1 To approve that Mr Christoffer Chipeio be appointed as Non-Executive Director to the Board.

   Mr Christoffer Chipeio has been appointed as a non-executive director of the company effective 4 February 2026. Mr Chipeio is a seasoned Namibian legal practitioner with extensive expertise in compliance, legal, corporate governance and regulatory advisory. He brings over a decade of experience gained across various senior and executive roles within the financial services and corporate sectors. His professional background spans both the banking industry and legal practice, equipping him with a well-rounded understanding of governance, risk, and regulatory frameworks.

5. **Resolution 5**

   5.1 To approve the remuneration of the independent non-executive Directors for the financial year which ended 31 December 2025 as disclosed in note 26.2 of the Annual Financial Statements.

   5.2 To approve the remuneration of the independent non-executive Directors for the financial year which ended 31 December 2025 to remain unchanged.

6. **Resolution 6**

   6.1 To confirm the appointment of Ernst and Young Namibia ("EY Namibia") and the auditing partner Ms Fadzai M. Madzamba as the Company's independent external auditor for the following financial year, subject to Bank of Namibia approval.

   6.2 To authorise the Directors to determine the terms of engagement and the fees of the independent external auditor for the next financial year, which will end 31 December 2026.

7. **Resolution 7**

The adoption of the aforementioned resolutions will authorise any director of the Company to execute all documentation and do all such further acts as he/she may in his/her discretion deem appropriate to implement and give effect to the resolutions mentioned above.

To transact other business which may be transacted at the Annual General Meeting

Voting will be by proxy only. The exact voting process is set out in the proxy form accompanying this document. Proxy forms can be downloaded from the website https://www.letshego.com.na/investor-relations/annual-reports. Shareholders are required to submit their votes by proxy to the Transfer Secretaries of the Company, who will submit their votes at the Annual General Meeting on their behalf. The holders of the ordinary shares will each be entitled to one vote for every ordinary share held.

By order of the Board
Evast Kalumbu
Company Secretary

Registered Office
18 Schwerinsburg Street
Windhoek
18 May 2026

Sponsor
IJG Securities (Pty) Ltd
Member of the NSX
4th Floor, 1@Steps, C/O Grove & Chasie Street
P. O. Box 186, Windhoek, Namibia
Registration No. 95/505

NOTES TO THE FORM OF PROXY

Each Shareholder is entitled to appoint one or more proxies (who need not be Member/s of the Company) to attend, speak and vote in place of that shareholder at the Annual General Meeting.

Please read the notes hereof.

NOTES

1. A Shareholder may insert the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairperson of the Annual General Meeting". The person whose name appears first on the form of proxy, and whose name has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.

2. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the Annual General Meeting as he/she deems fit in respect of the Shareholder's votes exercisable thereat, but where the proxy is the Chairperson, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.

3. Proxy forms should be deposited at the office of the NSX Financial Market Services (Pty) Ltd (FMS) previously known as Transfer Secretaries (Pty) Ltd at 4 Robert Mugabe Avenue (entrance from Dr Theo-Ben Gurirab Street) or emailed to Carol-Ann Meintjies at carol-annm@nsx.com.na not less than 48 hours before the meeting.

4. The completion and lodging of this form will not preclude the relevant Shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such Shareholder wish to do so.

5. The Chairperson of the Annual General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he is satisfied as to the manner which the Shareholder concerned wishes to vote.

6. An instrument of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.

7. A vote given in accordance with the terms of a proxy shall be valid, notwithstanding the previous death or insanity of the Shareholder, or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the Ordinary Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company not less than one hour before the commencement of the Annual General Meeting or adjourned Annual General Meeting at which the proxy is to be used.

8. At a meeting of Shareholders, a poll may be demanded by:

    a) Not less than five shareholders having the right to vote at the meeting or

    b) a Shareholder or shareholders representing not less than 10% of the total voting rights of all Shareholders having the right to vote at the meeting;

    c) a Shareholder or Shareholders holding shares in the Company that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10% of the total.

9. The authority of a person signing the form of proxy under a power of attorney or on behalf of a company must be attached to the form of proxy, unless the authority or full power of attorney has already been registered by the Company or the Transfer Secretaries.

10. Where ordinary shares are held jointly, all joint Shareholders must sign.

11. A minor must be assisted by his/her guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company.

FORM OF PROXY

ORDINARY BUSINESS

For completion by holders of ordinary shares

(PLEASE READ THE NOTES OVERLEAF BEFORE COMPLETING THIS FORM)

The 10th Annual General Meeting of the Shareholders of Letshego Holdings Namibia Limited ('the Company') will be held in electronic form / virtually via Conference Call on Friday, 26 June 2026 at 12h00. Registration commences at 11h00.

I/We (name/s in block letters) ____________________

of (address) ____________________ being

a member of Letshego Holdings Namibia Limited hereby appoint (see note 2) below

1 or failing him/her,

2. or failing him/her,

3. The Chairperson of the meeting,

as my/our proxy to act for me/us at the Annual General Meeting which will be held for the purpose of considering, and if deemed fit, passing with or without modification, the resolutions to be proposed thereat and at each adjournment thereof, and to vote for or against the resolutions and/or abstain from voting in respect of the Ordinary Shares registered in my/our name in accordance with the following instructions (see note 2):

	For	Against	Abstain
Ordinary resolution number 1: Annual Financial Statements			
Ordinary resolution number 2.1: Interim Dividend			
Ordinary resolution number 2.2: Final Dividend			
Ordinary resolution number 3: Directors Rotation			
Ordinary resolution number 4.1: Directors Appointment			
Ordinary resolution number 5.1: Directors fees for 2025			
Ordinary resolution number 5.2: Directors fees for 2026			
Ordinary resolution number 6.1: Appointment of Auditors			
Ordinary resolution number 6.2: Board to determine terms of engagement and auditors' fees			
Ordinary resolution number 7: Authority of Directors			

Signed at __________ on this day of __________ 2026

Signature ____________________

Assisted by (where applicable) ____________________

Consolidated Annual Financial Statements

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COMPANY INFORMATION

Registration number:	2016/0145
Registered address:	18 Schwerinsburg Street P. O. Box 11600 Windhoek, Namibia
Company secretary:	Evast Kalumbu 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:	NSX Financial Market Services (Proprietary) Limited P. O. Box 2401 Windhoek, Namibia

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of Letshego Holdings (Namibia) Limited, comprising the statements of financial position as at 31 December 2025, the statements of comprehensive income, the statements of changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policy information, other explanatory notes, and the directors' report, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act of Namibia.

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 Company and 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 auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with IFRS® Accounting Standards, and in the manner required by the Namibian Companies Act.

Approval of the Annual Financial Statements

The annual financial statements of Letshego Holdings (Namibia) Limited, as identified in the first paragraph, set out on pages 79 to 143, were approved by the directors on 25 March 2026 and signed on their behalf by:

Maria Nakale
Director

Ester Kali
Chief Executive Officer

EY
Shape the future with confidence

Ernst & Young Namibia
Cnr Otto Nitzsche and Maritz Streets
P. O. Box 1857
Windhoek, 10005
Namibia

Tel: +264 61 289 1100
Fax: +264 61 234991
www.ey.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LETSHEGO HOLDINGS (NAMIBIA) LIMITED

Opinion

We have audited the consolidated and separate annual financial statements of Letshego Holdings (Namibia) Limited ("the company") and its subsidiaries ("the group") set out on pages 79 to 143, which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements, including a summary of material accounting policy information and the directors' report.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards and the requirements of the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements" section of our report. We are independent of the group and company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing the audits of financial statements of public interest entities in Namibia. We have also fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate annual financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters apply only to the audit of the Consolidated Annual Financial Statements.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Expected credit losses on advances to customers

The disclosure associated with expected credit losses on advances to customers is set out in the consolidated annual financial statements in the following notes:
Note 3 (f) (i) 2 - Material accounting policy information – Impairment
Note 5.1.1 - Credit risk
Note 10 - Advances to customers</td></tr>
<tr><td>Expected credit losses on advances to customers

We identified the audit of expected credit losses (ECL) on advances to customers as a key audit matter which required significant audit effort and the support of our specialists when considering the following:

» The Group's advances to customers represents 75.75% of the Group's total assets;
» There is a high degree of estimation uncertainty, and significant judgements and assumptions are applied in estimating the ECL model on advances to customers;
» Economic scenario forecasts used to estimate the ECL on advances to customers require subjective management judgement to reflect the current macroeconomic environment.</td><td>The following audit procedures, amongst others, were executed with the involvement of our internal quantitative specialists:

» We obtained an understanding of management's process over credit origination, credit monitoring and credit remediation and tested the relevant controls identified within these processes.

In particular we have focused on the following areas of significant judgement and estimation which required the use of specialists:</td></tr>
</table>

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Key Audit Matter	How the matter was addressed in the audit
1. Modelled ECL impairment loss » The ECL is calculated on a modelled basis which incorporates observable data, assumptions and estimations. The development and execution of these model requires significant management judgement, including estimation of the probability of default (PD); exposure at default (EAD) and loss given default (LGD) model parameters.	**Modelled ECL impairment loss** » We assessed the design and implementation of the ECL model, including assessing the significant assumptions applied with reference to the requirements of IFRS 9, Financial instruments and have tested the operating effectiveness of management's ECL modelling controls around the assumptions used in determining the probability of default (PD), exposure at default (EAD) and loss given default (LGD) parameters included in the model. » As part of our challenger model testing approach, we reperformed the model calculations using assumptions as per the model documentation, and recalculated the PD, EAD and LGD parameters, to test the accuracy of the ECL calculations. » We compared the reperformed ECL impairments to the Company's ECL impairments per stage. » We tested the completeness and accuracy of data inputs into the model by tracing a sample of data inputs back to information sourced by management from internal systems
2. Estimation and incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation » We assessed the appropriateness of the macroeconomic scenario forecasts and probability weightings by benchmarking these against external evidence and economic data. » We performed independent review of the methodology on economic forecasts, which incorporated the estimated economic impacts to assess if the macroeconomic scenario forecasts were correctly incorporated in deriving the LGD.	**Estimation and incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation** » We assessed the design and implementation and tested the operating effectiveness of controls over the approval of macroeconomic forecasts used within the model. » We assessed the appropriateness of the macroeconomic scenario forecasts and probability weightings by benchmarking these against external evidence and economic data. » We performed an independent review of the methodology on economic forecasts, which incorporated the estimated economic impacts to assess if the macroeconomic scenario forecasts were correctly incorporated in deriving the LGD.

Other Information

The directors are responsible for the other information. The other information comprises the company information, the contents and the directors' responsibility statement, which we obtained prior to the date of this auditor's report, and the Letshego Holdings Namibia Integrated Annual Report 2025, which is expected to be made available to us after the date of this report. The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.
In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Annual Financial Statements

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the directors either intend to liquidate the group and company and/or to cease operations or have no realistic alternative but to do so.

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company and/or to cease operations or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young.

Ernst & Young Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Fadzai M. Madzamba, Partner
Windhoek Namibia
30 April 2026

DIRECTORS' REPORT

The directors present their report to the members, together with the audited consolidated and separate annual financial statements of Letshego Holdings (Namibia) Limited ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 December 2025.

1. Reporting entity

Letshego Holdings (Namibia) Limited ("LHN") was incorporated in the Republic of Namibia on 24 February 2016.

2. Nature of business

- Letshego Holdings (Namibia) Limited is a listed public company, which operates within the Republic of Namibia. Its main business is holding investment in its subsidiaries, namely Letshego Bank Namibia Limited ("LBN") and Letshego Micro-Financial Services Namibia (Pty) Ltd ("LMFSN"). LHN holds 99.99% of the issued share capital in LBN and 100% of the issued share capital in LMFSN. The Group provides banking and other financial services to Namibian residents.

3. Share capital

There was no change in the authorised and issued share capital of the Group or Company during the year under review.

4. Dividends

- A final ordinary dividend of N$219.4 million (43.88 cents per share) (2024: N$181.9 million, 36.38 cents per share) in respect of the year ended 31 December 2024 was paid in June 2025.
- An interim ordinary dividend of N$235.1 million (47.02 cents per share) (2024: N$199.5 million, 39.89 cents per share) in respect of the year ended 31 December 2025 was declared and paid in November 2025.
- A preference share coupon dividend of N$13.4 million (2024: N$0) was paid during the year under review to the preference shareholders.

5. Directors and secretary

The following persons were directors during the year under review:

Maria Nakale**	Independent Non-Executive
Ester Kali**	Executive
Karl-Stefan Altmann**	Executive Director (resigned 30 June 2025)
Sven von Blottnitz^*	Independent Non-Executive (resigned 06 March 2025)
Kudzai Chigiji*^	Independent Non-Executive
Richard Ochieng*^*	Non-Executive Director
Jerome Mutumba**	Independent Non-Executive Director (resigned 01 October 2025)
Jaco Esterhuyse**	Independent Non-Executive Director (resigned 29 April 2025)
Willem Pretorius**	Executive Director (appointed 25 November 2025)
Christoffer Chipeio**	Independent Non-Executive Director (appointed 02 February 2026)

** Namibian ^^ Motswana ^* German *^Zimbabwean Kenyan*^*

The secretary of the company is Evast Kalumbu.

Business address:	**Postal address:**
18 Schwerinsburg Street	P. O. Box 11600
Windhoek	Windhoek
Namibia	Namibia

6. Holding company

As at year-end, Letshego Africa Holdings Limited (incorporated in the Republic of Botswana) holds 78.46% of the issued share capital, while Kumwe Investment Holdings Limited holds 12% of the issued share capital. The rest of the issued share capital is held by members of the public (retail investors) as well as corporate entities.

7. Financial results

The financial results of the Company and the Group are set out in these financial statements.

8. Borrowing powers

In terms of the Memorandum and Articles of Incorporation, the Company has limited borrowing powers.

The total borrowings of the Group at 31 December 2025 are N$2 637 million (2024: N$2 927 million). Full details of the borrowings are shown in notes 15 and 16 of the consolidated and separate annual financial statements.

9. Major capital expenditures

The Group made additions to its capital assets of N$25.9 million (2024: N$9.0 million) excluding the right-of-use assets during the financial year.

10. Going concern

The directors have satisfied themselves that the Group and the separate Company are in sound financial position and that sufficient borrowing facilities are accessible in order to enable the Group and Company to meet their foreseeable cash requirements. In addition, there has been no material change in the markets in which the Group and the separate Company operates and they have the necessary skills to continue operations. On this basis the directors consider that the Group and the separate Company have adequate resources to continue operating for the foreseeable future and therefore deem it appropriate to adopt the going concern basis in preparing the Group's and Company's financial statements for this reporting year.

11. Investment in subsidiaries

Subsidiaries of Letshego Holdings (Namibia) Limited	Number of shares held	Issued ordinary share capital and premium (N$'000)	Effective holding	
			2025 (%)	2024 (%)
Letshego Bank (Namibia) Limited	999,994	100	99.9	99.9
Letshego Micro-Financial Services (Namibia) (Pty) Ltd	1,000,000	140,100	100	100

Subsidiaries	Aggregate income before tax		Total investment	
	2025 (N$'000)	2024 (N$'000)	2025 (N$'000)	2024 (N$'000)
Letshego Bank (Namibia) Limited	120,324	119,896	1,344,154	1,344,154
Letshego Micro-Financial Services (Namibia) (Pty) Ltd	270,406	144,964	570,200	570,200

12. Compliance with BID-2

The Group's annual financial statements comply with the Bank of Namibia's Determination on Asset Classification, Suspension of Interest and Provisioning (BID-2).

13. Material post reporting date events

A final dividend of 54.14 cents per ordinary share has been declared since the end of the reporting period.

Please refer to note 35 for details of other events which are material to the financial affairs of the Group and Company that have occurred between year-end and the date of approval of the consolidated and separate Annual Financial Statements.

14. Auditors

Ernst & Young Namibia was appointed as external auditor for 2025 with the approval of the shareholders in accordance with the Namibian Companies Act.

STATEMENT OF FINANCIAL POSITION

	Notes	GROUP 31 December 2025 Audited (N$ '000)	GROUP 31 December 2024 Audited (N$ '000)	COMPANY 31 December 2025 Audited (N$ '000)	COMPANY 31 December 2024 Audited (N$ '000)
ASSETS					
Cash and cash equivalents	7	986,380	750,565	1,945	1,891
Government and other securities	8	325,027	601,556	-	-
Other receivables	9.1	61,180	57,668	2,352	2,799
Net insurance contract assets	6	188,133	165,896	122,663	122,507
Intercompany receivable	9.2	130,113	130,401	443,181	439,372
Advances to customers	10	5,438,448	5,385,539	-	-
Current taxation	14.4	-	-	1	-
Investment in subsidiaries	28	-	-	1,914,354	1,914,354
Property, equipment and right-of-use assets	11	43,029	22,151	-	-
Deferred tax assets	14.3	6,697	4,169	-	-
Total assets		**7,179,007**	**7,117,945**	**2,484,496**	**2,480,923**
LIABILITIES AND EQUITY					
Liabilities					
Deposits due to customers	17	1,620,517	1,302,113	-	-
Trade and other payables	12	77,559	88,353	1,903	3,698
Lease liabilities	13	14,834	9,885	-	-
Borrowings	15	2,619,798	2,899,467	463,180	463,527
Amounts due to parent company	16	17,546	27,517	-	-
Current taxation	14.4	3,295	2,860	-	898
Deferred tax liabilities	14.3	6,998	6,692	318	269
Total Liabilities		**4,360,547**	**4,336,887**	**465,401**	**468,392**
SHAREHOLDERS' EQUITY					
Share capital	18	100	100	100	100
Retained earnings		1,736,173	1,720,194	674,841	668,277
Capital reorganisation reserve	27	701,024	701,024	1,344,154	1,344,154
Statutory credit risk reserve		164,436	142,543	-	-
Equity settled share based payment reserve	19	1,642	2,112	-	-
Total equity attributable to parent		2,603,375	2,565,973	2,019,095	2,012,531
Non-controlling interest	18	215,085	215,085	-	-
Total equity		**2,818,460**	**2,781,058**	**2,019,095**	**2,012,531**
Total liabilities and equity		**7,179,007**	**7,117,945**	**2,484,496**	**2,480,923**

STATEMENT OF COMPREHENSIVE INCOME

	Notes	GROUP		COMPANY	
		31 December 2025 Audited (N$ '000)	31 December 2024 Audited (N$ '000)	31 December 2025 Audited (N$ '000)	31 December 2024 Audited (N$ '000)
Interest income calculated using the effective interest method	23	1,106,853	954,227	53,738	59,382
Interest expense calculated using the effective interest method	23	(382,940)	(404,940)	(46,232)	(50,799)
Net interest income	**23**	**723,913**	**549,287**	**7,506**	**8,583**
Credit impairment (charge)/recoveries	10	(5,065)	12,148	-	-
Net interest income after impairment		**718,848**	**561,435**	**7,506**	**8,583**
Insurance revenue	6.3	428,499	433,603	259,326	280,203
Insurance expense	6.3	(118,042)	(159,480)	(73,724)	(86,177)
Net insurance result		**310,457**	**274,123**	**185,602**	**194,026**
Dividend income	25	-	-	276,085	179,509
Fee income	24	30,505	37,390	-	-
Other income	25	46	65	866	761
Employee benefits	21	(146,969)	(116,230)	(38)	(73)
Other operating expenses	22	(334,974)	(291,960)	(6,759)	(7,685)
Profit before taxation	**20**	**577,913**	**464,823**	**463,262**	**375,121**
Taxation	14	(72,098)	(45,982)	(2,198)	(2,459)
Profit for the year		**505,815**	**418,841**	**461,064**	**372,662**
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		**505,815**	**418,841**	**461,064**	**372,662**
Earnings per ordinary share					
Basic earnings per share (cents)	32	101	84	92	75
Fully diluted earnings per share (cents)	32	101	84	92	75

STATEMENT OF CHANGES IN EQUITY

	Share capital N$ '000	Equity settled share based payment reserve N$ '000	Statutory credit risk 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
GROUP								
As at 1 January 2025	**100**	**2,112**	**142,543**	**1,720,194**	**701,024**	**2,565,973**	**215,085**	**2,781,058**
Total comprehensive income for the year								
Profit for the year	-	-	-	505,815	-	505,815	-	505,815
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with equity holders, recorded directly in equity								
Ordinary share dividend declared and paid	-	-	-	(454,500)	-	(454,500)	-	(454,500)
Preference share coupon declared and paid	-	-	-	(13,443)	-	(13,443)	-	(13,443)
Transfer between reserves			21,893	(21,893)		-		-
Share based payment transactions	-	(470)	-	-	-	(470)	-	(470)
As at 31 December 2025	**100**	**1,642**	**164,436**	**1,736,173**	**701,024**	**2,603,375**	**215,085**	**2,818,460**
As at 1 January 2024	**100**	**2,079**	**110,341**	**1,714,905**	**701,024**	**2,528,449**	**215,085**	**2,743,534**
Total comprehensive income for the year								
Profit for the year	-	-	-	418,841	-	418,841	-	418,841
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with equity holders, recorded directly in equity								
Ordinary share dividend declared and paid	-	-	-	(381,350)	-	(381,350)	-	(381,350)
Transfer between reserves	-	-	32,202	(32,202)	-	-	-	-
Share based payment transactions	-	33	-	-	-	33	-	33
As at 31 December 2024	**100**	**2,112**	**142,543**	**1,720,194**	**701,024**	**2,565,973**	**215,085**	**2,781,058**
COMPANY								
As at 1 January 2025	**100**	**-**	**-**	**668,277**	**1,344,154**	**2,012,531**	**-**	**2,012,531**
Total comprehensive income for the year								
Profit for the year	-	-	-	461,064	-	461,064		461,064
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with equity holders, recorded directly in equity								
Ordinary share dividend declared and paid	-	-	-	(454,500)	-	(454,500)	-	(454,500)
As at 31 December 2025	**100**	**-**	**-**	**674,841**	**1,344,154**	**2,019,095**	**-**	**2,019,095**
As at 1 January 2024	**100**	**-**	**-**	**676,965**	**1,344,154**	**2,021,219**	**-**	**2,021,219**
Total comprehensive income for the year								
Profit for the year	-	-	-	372,662	-	372,662	-	372,662
Other comprehensive income for the year	-	-	-	-	-		-	-
Transactions with equity holders, recorded directly in equity								
Ordinary share dividend declared and paid	-	-	-	(381,350)	-	(381,350)	-	(381,350)
As at 31 December 2024	**100**	**-**	**-**	**668,277**	**1,344,154**	**2,012,531**	**-**	**2,012,531**
Notes	18	19			27			

[1] The Non-controlling interest relates to the preference shareholders who do not share in the profit. As at 31 December 2025, the balance is made up of N$215,084,843 irredeemable, non cumulative preference shares (2024: N$215,084,843).

STATEMENT OF CASH FLOWS

	Notes	GROUP		COMPANY	
		31 December 2025 Audited (N$ '000)	31 December 2024 Audited (N$ '000)	31 December 2025 Audited (N$ '000)	31 December 2024 Audited (N$ '000)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		577,913	464,823	463,262	375,121
Adjusted for:					
- Net interest income		(723,913)	(549,287)	(7,506)	(8,583)
- Dividend income	25	-	-	(276,085)	(179,509)
- Depreciation	11	16,485	12,310	-	-
- Impairment allowance on advances		(5,073)	(24,585)	-	-
- Unrealised foreign exchange (gain)/loss	22	(145)	574	-	-
- Equity settled share based payment transactions	19	(470)	33	-	-
Movement in advances to customers		(47,836)	(620,647)	-	-
Movement in other receivables		(3,512)	(1,605)	447	(1,601)
Movement in Net insurance contract assets		(22,237)	(21,899)	(156)	(23,267)
Movement in trade and other payables		(10,794)	18,026	(1,795)	1,395
Movement in customer deposits	17	318,404	474,135	-	-
		98,822	(248,122)	178,167	163,556
Interest received		1,025,307	827,929	44	349
Interest paid - customer deposits		(87,310)	(71,707)	-	-
Tax (paid)/refund	14.4	(73,886)	18,178	(3,048)	(1,200)
Net cash flow from operating activities		**962,933**	**526,278**	**175,163**	**162,705**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property and equipment (excluding to right-of-use assets)	11	(25,888)	(8,973)	-	-
Interest received on loans to related parties		17,291	18,600	17,291	18,600
Interest received - government and other securities		66,557	91,452	-	-
Amounts received from intercompany receivable		-	-	186,580	490,022
Amounts advanced from intercompany receivable		-	-	(153,986)	(421,822)
Amounts received from parent company		-	74,167	-	74,167
Amounts advanced to parent company		-	(100,000)	-	(100,000)
Purchase of investment in securities		(265,208)	(262,159)	-	-
Redemption of investment in securities		262,159	322,871	-	-
Dividend received		-	-	276,085	179,509
Net cash generated in investing activities		**54,911**	**135,958**	**325,970**	**240,476**

STATEMENT OF CASH FLOWS (CONTINUED)

	Notes	GROUP		COMPANY	
		31 December 2025 Audited (N$ '000)	31 December 2024 Audited (N$ '000)	31 December 2025 Audited (N$ '000)	31 December 2024 Audited (N$ '000)
CASH FLOWS FROM FINANCING ACTIVITIES					
Ordinary share dividend paid		(454,500)	(381,350)	(454,500)	(381,350)
Preference share coupon paid		(13,443)	-	-	-
Borrowings received	33	461,000	710,000	200,000	260,000
Borrowings repaid	33	(721,910)	(906,403)	(200,000)	(231,000)
Amounts received from assets held to hedge long-term borrowings	33	244,466	238,012	-	-
Interest received on assets held to hedge long-term borrowings	33	9,432	25,071	-	-
Interest paid - borrowings	23	(289,375)	(344,650)	(46,579)	(50,850)
Interest paid - lease liabilities	13, 23	(1,150)	(757)	-	-
Amounts received from parent company	33	-	3,754	-	-
Repayment of amounts due to parent company	33	(9,971)	-	-	-
Principal element of lease payments	33	(6,578)	(6,197)	-	-
Net cash utilised in financing activities		**(782,029)**	**(662,520)**	**(501,079)**	**(403,200)**
Net movement in cash and cash equivalents		**235,815**	**(284)**	**54**	**(19)**
Movement in cash and cash equivalents					
At the beginning of the year		750,565	750,849	1,891	1,910
Movement during the year		235,815	(284)	54	(19)
At the end of the year		**986,380**	**750,565**	**1,945**	**1,891**

MATERIAL ACCOUNTING POLICIES AND NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Reporting entity

Letshego Holdings (Namibia) Limited is a company domiciled in Namibia. The address of the Company's registered office is 18 Schwerinsburg Street, Windhoek, Namibia. The consolidated and separate annual financial statements of Letshego Holdings Namibia Limited as at and for the year ended 31 December 2025 comprise the Company and the interest in its two subsidiaries, namely, Letshego Bank (Namibia) Limited and Letshego Micro-Financial Services (Namibia) (Pty) Ltd. The Group is primarily engaged in the provision of banking and other financial services to members of the public.

2. Basis of preparation

a) The consolidated and separate annual financial statements have been prepared on a historical cost basis. The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These policies have been consistently applied to all the periods presented. New accounting policies were adopted in the current year; please see note 4 for more details.

b) Statement of compliance

The annual financial statements have been prepared in accordance, and comply in all material respects, with IFRS Accounting Standards and the requirements of the Namibian Companies Act.

c) Functional and presentation currency

These financial statements are presented in Namibia Dollar, which is the Group's and Company's functional currency and are rounded to the nearest 1,000 Namibia Dollar.

d) Going concern

As stated in the directors' responsibility section, the annual financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

e) Key assumptions and critical judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods.

Impairment of advances to customers

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 5.1.1, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in note 5.1.1.

Current and deferred taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation in which the Group and Company operate. The Group and Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Effective Interest Rate (EIR) method

The Group's EIR methodology, as explained in note 3.f), recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to the base rate and other fee income/expense that are integral parts of the instrument.

Insurance contracts

The Group has cell captive insurance arrangements. Cash flows arising from insurance contracts usually involve a high degree of uncertainty regarding the timing and amount of a claim. In addition, there may be changes to the assumptions made about the insurance business as a result of changes in policyholder behaviour. The Group relies on the expertise of its insurers, who manage the cell captive entities, to determine the present value of insurance cash flows and ultimate cost of outstanding claims through the use of a range of standard actuarial techniques. The insurance experts apply judgements in determining the inputs used in the methodology employed to determine expected future cash flows, discount rates and risk premiums (where applicable) and resultant insurance contra assets and liabilities relating to the cell captive arrangements. The Group and Company apply the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. Refer to note 6 for the carrying amount of the Group's insurance contracts at the end of the reporting period.

3. Material accounting policy information

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

a) Basis of consolidation

Interest in subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its investment with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The acquisition method of accounting is used to account for all business combinations meeting the definition of a business. A business is defined as an integrated set of activities and assets that are capable of being conducted and managed for the purpose of providing a return. It is presumed that a business exists if goodwill is present in the acquired set of assets and activities. Evidence to the contrary would need to overcome this presumption. The consideration transferred for the acquisition comprises the:

- fair values of the assets transferred
- liabilities incurred to or assumed from the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Contingent consideration is classified either as equity, financial asset or a financial liability. Such amounts classified as a financial assets or financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

The excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquired entity, and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase (negative goodwill).

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

If the business combination is achieved in stages, the acquisition date carrying amount of the acquirer's previously held equity interest in the acquisition is re-measured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Capital re-organisation reserve accounting

In a capital reorganisation, the new company's consolidated financial statements include the existing entity's full results (including comparatives), even though the reorganisation may have occurred part of the way through the year. This reflects the view that the transaction involves two entities controlled by the same controlling party – the financial statements reflect the numbers from the perspective of that party and they reflect the period over which that party has had control.

b) Foreign currency transactions

Transactions in foreign currencies are translated to Namibia Dollar at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Namibia Dollar at the foreign exchange rate applicable for settlement as at that date. The foreign currency gain or loss on the monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period, and the amortised cost in the foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Namibia Dollar at the foreign exchange rate ruling at the date of transaction.

3. Material accounting policy information (continued)

b) Foreign currency transactions (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Namibia Dollar at foreign exchange rates ruling at the dates the fair values were determined. Differences arising on settlement or translation of monetary items are recognised in profit or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c) Revenue recognition

Revenue comprises interest income and non-interest income.

i) Interest income
Interest income is recognised in profit or loss at amortised cost using the effective interest method.

Administration fees on loans granted and commission paid to sales agents

Administration fees on loans granted and commission paid to sales agents are charged upfront and capitalised into the loan. These fees are primarily based on the cost of granting the loan to the individual. In accordance with IFRS 9, these administration fees on loans granted and commission paid to sales agents are considered an integral part of the loan agreement and are therefore recognised as an integral part of the effective interest rate and are accounted for over the shorter of the original contractual term and the actual term of the loan using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group and Company estimate cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and administration charges paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset or a collection of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the original effective interest rate to discount the future cash flows for the purpose of measuring the impairment loss.

Interest income from cash and cash equivalents is earned on the effective interest method at the agreed interest rate with the respective financial institution.

ii) Fee income
Fees are measured based on consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. Fees are recognised on an accrual basis when the service has been rendered / control over a good or service has been transferred to the customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Retail banking and microlending services	The Group provides banking services to retail and corporate customers, including account management, provision of overdraft facilities and servicing fees. Where applicable, fees for ongoing account management are charged to the customer's account on a monthly basis. The Group sets the rates on an annual basis. Transaction-based fees for interchange and overdrafts are charged to the customer's account when the transaction takes place. Where applicable, servicing fees are charged on a monthly basis and are based on fixed rates reviewed annually by the Group. There is no financing component.	Revenue from account service and servicing fees is recognised over time as the service is provided. Revenue related to transactions is recognised at the point in time when the transaction takes place. Non-refundable up-front fees are recognised as revenue over the period for which a customer is expected to continue receiving the service or utilising the facility.

iii) Dividend income
Dividends are recognised in profit in the period in which they are declared. Any dividends declared after the end of the reporting period and before the consolidated financial statements are authorised for issue, are disclosed in the subsequent events note.

iv) Sundry income
Sundry income is recognised in profit and loss as and when it is earned. Included in sundry income are items such as gain on disposal of fixed assets and other miscellaneous income.

d) Leases

Group and Company acting as a lessee

The Group leases various office buildings. Rental contracts are typically made for fixed periods of 3 years to 6 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group and Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

3. Material accounting policy information (continued)

d) Leases (continued)

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

* Buildings	3 to 6 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the right-of-use assets are also subject to impairment.

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in note 13

iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of property, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

e) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

i) Current taxation
Current taxation is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Taxable income is determined by adjusting the profit before taxation for items which are non-taxable or disallowed in terms of tax legislation.

Current tax is charged or credited to profit or loss, except to the extent that it relates to items charged or credited directly to the statement of changes in equity, in which case the tax is also dealt with in equity.

ii) Deferred taxation
Deferred taxation is provided using the statement of financial position liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date

The principal temporary differences arise from depreciation on property, equipment and right-of-use assets, allowances provisions for originated loans, deferred fees on borrowings, provisions for the equity settled share based payments scheme, prepayments, deferred expenses, lease liabilities, assessed losses, leave pay provision, bonus provision, other payroll related provisions and EIR adjustment. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis and their tax assets and liabilities will be realised simultaneously.

3. Material accounting policy information (continued)

f) Financial assets and liabilities (continued)

Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired (see definition on note 6.1.1) at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

(a) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

(b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'Stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss in the Statement of Comprehensive Income (SCI).

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

i) Financial assets

1. Classification and subsequent measurement

The Group and Company classify their financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

The classification of financial assets and financial liabilities depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

(i) the Group's and Company's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Group and Company classify their debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 5.1.1. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

Debt instruments

Business model: the business model reflects how the Group and Company manage the assets in order to generate cash flows. That is, whether the Group's and Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the

3. Material accounting policy information (continued)

f) Financial assets and liabilities (continued)

Measurement methods

i) Financial assets (continued)

sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group and Company in determining the business model of a group of assets include past experience on how the cash

flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the Group's business model for the advances book is to hold to collect contractual cash flows, with no intention to sell these loans under securitisation or similar arrangements.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group and Company assess whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group and Company subsequently measure all equity investments at fair value through profit or loss, except where the Group and Company management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's and Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's and Company's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'other operating income' line in the statement of profit or loss.

2. Impairment

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 5.1.1 provides more detail of how the expected credit loss allowance is measured.

Write-off

The Group and Company write off a loan or an investment in debt securities, partially or fully, and any related provision for impairment loss, when it is determined that there is no realistic prospect for recovery. This is generally the case when the Group and Company determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

The Group writes off loan balances, and any related allowances for impairment losses, when there is determination that the loan is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation or that proceeds from collateral will not be sufficient to pay back the entire exposure. All workable written off accounts are fully followed up for recovery through internal debt collection and third party collection partners. The Group writes off an account 90 days after 12 payments in arrears. Write off point analysis was done in view of write off being a derecognition under IFRS 9 and this resulted in no change in policy.

3. Modification of loans

When the Group renegotiates or otherwise modifies the contractual cash flows of loans to customers, the Group and Company assess whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including

3. Material accounting policy information (continued)

f) Financial assets and liabilities (continued)

Measurement methods (continued)
i) Financial assets (continued)

3. Modification of loans (continued)

for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or in other gains and losses on financial instruments within other operating income (for all other modifications).

4. Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group and Company transfer substantially all the risks and rewards of ownership, or (ii) the Group and Company neither transfer nor retain substantially all the risks and rewards of ownership and the Group has not retained control.

The Group may enter into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group and Company:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;

(ii) Is prohibited from selling or pledging the assets; and

(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group and Company retain substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

When the contractual rights to receive the cash flows from the assets have been transferred, and the Group and Company neither transfers nor retain substantially all the risks and rewards of ownership, and the Group has retained control of the transferred assets, the Group applies continuing involvement approach.

Under this approach, the Group continues to recognise the transferred asset to the extent of its continuing involvement and recognises the associated liability, to reflect the rights and obligations retained by the Group. The net carrying amount of the transferred asset and associated liability is: (a) the amortised cost of the rights and obligations retained by the Group, if the transferred asset is measured at amortised cost; or (b) equal to the fair value of the rights and obligations retained by the Group when measured on a stand-alone basis, if the transferred asset is measured at fair value.

ii) Financial liabilities

1. Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or when the continuing involvement approach applies. When the transfer of financial assets did not qualify for derecognition, a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; when continuing involvement approach applies, see note 5; and
- Financial guarantee contracts and loan commitments.

2. Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flow under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss

3. Material accounting policy information (continued)

f) Financial assets and liabilities (continued)

Measurement methods (continued)

(ii) Financial liabilities (continued)

on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

iii) Offsetting

Financial assets and financial liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group and Company have a legal right to set off the recognised amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

iv) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, restricted balances held with the Central Bank and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject.

to an insignificant risk of change in their fair value, and are used by the Group and Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

v) Other receivables

Financial instruments

Other receivables comprise prepayments, deposits and sundry debtors which arise during the normal course of business. Other receivables are classified as current assets when the Group and Company obtains control of a resource as a result of past events and from which future economic benefits are expected to flow to the Group and Company within the financial year.

Other receivables are initially measured at fair value, which include transaction costs. Subsequent to initial recognition, other receivables are measured at amortised cost using the effective interest method, less accumulated impairment losses.

Non-financial instruments

Non-financial other receivables comprise of prepayments. Non-financial other receivables are recognised at cost.

vi) Trade and other payables

Trade and other payables are initially recognised at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier. Subsequently these are carried at amortised cost. Trade and other payables that are of a short-term nature are not discounted due to the insignificance of the amortisation charge. Trade and other payables are expected to be settled within twelve months.

g) Property, equipment and right-of-use assets

Property and equipment are measured at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of equipment is capitalised as part of equipment.

If the significant parts of an item of property, equipment and right-of-use assets have different useful lives, these items are accounted for as a separate item of property, equipment and right-of-use assets.

Gains and losses on disposal are calculated by the difference between the net disposal proceeds and the carrying amount of the item determined by comparing the revenue obtained with the carrying amount and are recognised within other income in net profit or loss.

Subsequent costs are capitalised only when it is probable that the future economic benefits of expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as they are incurred.

The leasehold improvements are depreciated over the shorter of the lease contract term and their useful lives. The leasehold improvements relate to the improvements that are made in leased properties.

Depreciation is calculated to write-down the cost of items of property, equipment and right-of-use assets, less their estimated residual values, using the straight-line method over the estimated useful life, and it is generally recognised in profit or loss. Qualifying leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful life of significant items of property, equipment and right-of-use assets are as follows:

Computer equipment	3 years
Furniture and fittings	4 years
Office equipment	5 years
Leasehold improvements	Shorter of useful life or lease term
Motor vehicles	4 years
Right-of-use assets - Buildings	Shorter of useful life or lease term

Depreciation methods, useful lives and residual values are reassessed at each financial year end and adjusted if appropriate.

h) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying value for its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is its fair value less cost to sell. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the assets is considered impaired and is written down to its recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

3. Material accounting policy information (continued)

i) Employee benefit costs

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the entity pays fixed contributions into a separately managed and owned pension fund and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due in respect of service rendered before the end of the reporting period.

Leave days

Employee entitlements to annual leave are recognised when they accrue to employees. A liability is recognised for the estimated obligation for annual leave as a result of services rendered by employees up to the reporting date.

Employee incentives and bonus schemes

The Group and Company also operate an employee incentive and bonus scheme. The provision for employee bonus incentives is based on a predetermined Group and Company policy and is recognised in trade and other payables. The accrual for employee bonus incentives is expected to be settled within twelve months.

Short-term benefits

The employees' short-term benefits are expensed as the related service is provided. A liability is recognised by the expected value to be paid if the Group has a current legal or constructive obligation to pay this amount on the basis of past service provided by the employee and if the obligation can be estimated reliably.

j) Share based payment transactions

The Group and Company operate an equity-settled conditional Long Term Incentive Plan (LTIP). Conditional share awards are granted to management and key employees. The number of vesting share awards is subject to achievements of certain non-market conditions. The grant date fair value of share awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become conditionally entitled to the share awards.

k) Provisions

Provisions represent liabilities of uncertain timing or amount and are measured at the expenditure or cash outflow required to settle the present obligation.

A provision is recognised if, as a result of a past event, the Group and Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

l) Equity

Equity is the residual interest in the assets of the Group after deducting all liabilities of the Group.

All transactions relating to the acquisition and sale or issue of shares in the Group, together with their associated costs, are accounted for in equity.

m) Share capital and reserves

Share capital is recognised at the fair value of the consideration received and any excess amount over the nominal value of shares issued is treated as share premium. Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

n) Statutory credit risk reserve

The statutory credit risk reserve represents the amount which Bank of Namibia requires in addition to the IFRS impairment provision. Changes in this reserve are accounted for as transfers to and from retained earnings as appropriate.

o) Dividends

Dividends on ordinary shares are recognised as a liability in the period in which they are declared and are accounted for as a movement in reserves in the statement of changes in equity. Dividends declared after the statement of financial position date are not recognised as a liability in the statement of financial position.

p) Contingent liabilities

The Group and Company recognise a contingent liability where it has a possible obligation from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain events not wholly within the control of the Group and Company, or it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

q) Related parties

Related parties comprise directors and key management personnel of the Group and Company and companies with common ownership and/or directors.

3. Material accounting policy information (continued)

r) Investment in subsidiaries

In the Company, investments in subsidiaries are accounted for at cost less impairment.

s) Insurance arrangements

The Group and Company have cell captive insurance arrangements, under which they accept significant insurance risk from its policyholders. These arrangements offer credit life and credit default protection over the Group's loan portfolios. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

A cell captive structure represents an agreement between an insurance entity and the Group to facilitate the writing of insurance business. The Group has entered into agreement with insurance providers under which the insurance provider set up an insurance cell within its legal entity, for example a corporate entity subscribes for a separate class of share. The arrangement provides that all claims arising from insurance contracts written by cell are paid out of the cell's assets, with any profit after deduction of the insurers' fees, allocation taxes and other costs payable to the Group.

Level of aggregation

Based on how the Group and the Company manage their cell captive insurance arrangements, they disaggregate information to provide disclosure in respect of credit life insurance and credit default insurance.

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. Some products issued by different entities within the Group are considered as being managed at the issuing entity level. This is because the management of the solvency capital management, which supports the issuance of these contracts, is ring fenced within these entities.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Group segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability weighted basis. The Group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Group applies significant judgement in determining at what level of granularity the Group has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Group assesses each contract individually.

The composition of groups established at initial recognition is not subsequently reassessed.

For credit life and credit default insurance contracts accounted for applying the PAA, the Group determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Group assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Group performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model. If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

Recognition

The Group assesses its lending products to determine whether they contain distinct components which must be accounted for under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) lending contract. Currently, the Group's lending products do not include any distinct components that require separation.

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The Group and Company add new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or

3. Material accounting policy information (continued)

s) Insurance arrangements (continued)

- both of the following criteria are satisfied:
  - **the entity has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and**
  - **the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.**

Insurance contracts – initial measurement

The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues under its cell captive arrangements, since:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition,
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows, and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses.

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group chooses to expense insurance acquisition cash flows as they occur.

Insurance contracts – subsequent measurement

The Group measures the carrying amount of the asset or liability for remaining coverage at the end of each reporting period as the asset or liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group.

Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant asset or liability for remaining coverage.

Allocation of cash flows between LRC and LIC

The in-substance reinsurance contract cash flows are received on a net basis. This inflow is grossed up and allocated to the net assets for remaining coverage and the liability for incurred claims. The allocation is done in such a way that the liability for incurred claim balance aligns with the balance within the cell capital.

Presentation

The Group and Company presents separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets and portfolios of insurance contracts issued that are liabilities.

The Group and Company disaggregate the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense. The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group and Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.

4. New standards and amendments to standards

a) New standards and interpretations and amendments effective for the first time for 31 December 2025 year-end

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standard/Interpretation	Effective Date	Executive Summary
Lack of exchangeability - Amendments to IAS 21	Annual periods beginning on or after 1 January 2025	The amendment aims to outline how to assess whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. An entity is required to determine a functional currency, based on the primary economic environment in which it operates using the spot conversion rate on the transaction date. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date.

Impact assessments

Effects of changes in Foreign Exchange Rates - Amendments to IAS 21

The amendments did not have a significant impact on the Group and Company financial statements.

b) New standards and interpretations and amendments issued but not effective for 31 December 2025 year-end

Standard/Interpretation	Effective Date	Executive Summary
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	Annual reporting periods beginning on or after 1 January 2026	The amendments aim to provide clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. The amendment introduces a disclosure for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income.
Power Purchase Agreements - Amendments to IFRS 9 and IFRS 7	Annual reporting periods beginning on or after 1 January 2026	The amendments aim to clarify the application of the 'own-use' requirements, the permittance of hedge accounting if these contracts are used as hedging instruments and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.
Changes in Presentation and Disclosure in Financial Statements - Amendments to IFRS 18	Annual periods beginning on or after 1 January 2027	The amendment aims to replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. An entity will be required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.
Subsidiaries without Public Accountability: Disclosures - IFRS 19	Annual periods beginning on or after 1 January 2027	The amendment aims to allow eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.
Annual Improvements to IFRS Accounting Standards - Volume 11	Annual periods beginning on or after 1 January 2026	The summary aims to improve IFRS accounting standards relating to hedge accounting by a first-time adopter, gain or loss on derecognition, clarity on the introductory guidance on implementing IFRS 7, disclosure of deferred difference between fair value and transaction price, credit risk disclosures, lessee derecognition of lease liabilities, replacement of transaction price as defined by IFRS 15, determination of a 'De Facto Agent' and the replacement of the term cost method in the statement of cash flows.

Impact assessments

The Group and Company do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

Effects of changes in Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

The amendment is not expected to have a significant impact on the annual financial statements of the Group and Company.

Effects of changes in Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendment is not expected to have a significant impact on the annual financial statements of the Group and Company.

Effects of changes in Presentation and Disclosure in Financial Statements - Amendments to IFRS 18

The impact of IFRS 18 is still being assessed by the Group and Company to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Effects of changes in Subsidiaries without Public Accountability - Disclosures - IFRS 19

The amendment is not expected to have a significant impact on the annual financial statements of the Group and Company.

Effects of Annual Improvements to IFRS Accounting Standards - Volume 11

The amendment is not expected to have a significant impact on the annual financial statements of the Group and Company.

5. Financial risk management

The Group is exposed to market risks (interest rate risks and currency risks), credit risks and liquidity risks. The Board of Directors is responsible for the overall process of risk management, as well as forming an opinion on the effectiveness of the risk management process. Management is accountable to the Board of Directors for designing, implementing and monitoring the process of risk management.

5.1 Financial risk factors

5.1.1 Credit risk

Credit risk is the risk that a borrower or counterparty will fail to meet obligations in accordance with agreed terms. The Group is exposed to credit risk from the Group's loans and advances to customers and other banks, and investment debt securities.

Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. 'Settlement risk' is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transaction, the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Acceptance of settlement risk on free-settlement trades requires transaction-specific or counterparty-specific approvals from the Board of Directors.

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to its Credit Committee. A separate Credit department, reporting to the Board Credit Committee, is responsible for managing the Group's credit risk, including the following:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by the Board Credit Committee, or the Board of Directors, as appropriate.
- Reviewing and assessing credit risk: The Credit function assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances, financial guarantees and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities).
- Developing and maintaining the Group's risk gradings to categorise exposures according to the degree of risk of default. The current risk grading framework consists of 7 grades reflecting varying degrees of risk of default. The responsibility for setting risk grades lies with the final approving executive committee, as appropriate. Risk grades are subject to regular reviews by the Risk function.
- Developing and maintaining the Group's processes for measuring incurred credit losses (ICL): This includes processes for:
  – initial approval, regular validation and back-testing of the models used; and
  – incorporation of forward-looking information.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Group Credit, which may require appropriate corrective action to be taken. These include reports containing estimates of ECL allowances.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

Each business unit is required to implement Group credit policies and procedures, with credit approval authorities delegated from the Group Credit Committee.

Regular audits of business units and Group Credit processes are undertaken by Internal Audit.

To mitigate credit risk, loans are covered under a cell captive insurance arrangement between Letshego Holdings (Namibia) Limited and the cell insurers, Hollard Alternative Risk Transfer (Pty) Limited and Sanlam Namibia Limited that covers credit default and credit life.

Credit risk measurement – Loans and advances

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9. Refer to the "Expected credit loss" section below for more details.

Credit risk grading

The Group uses an internal CS ("Collectability Status") classification for the purposes of reflecting its assessment of the probability of default of individual counterparties. The CS is defined as the number of days that an account is in arrears. The credit grades are calibrated such that the risk of default increases exponentially as the credit grades deteriorate. After initial recognition, the payment behaviour of the borrower is monitored on a periodic basis in order to derive the CS.

The Group's rating method comprises 7 rating levels. The rating methods are subject to an annual validation and recalibration so that they reflect the latest projections in the light of actually observed defaults. The Group's internal rating scale is set out below:

Collectability Status	No of Days Overdue	Rating
01	Current	Minimal risk
02	Current	Low risk
03	31 – 60 days	Medium risk

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.1 Credit risk (continued)
Credit risk grading (continued)

Collectability Status	No of Days Overdue	Rating
04	61 – 90 days	Medium risk
05	91 – 180 days	Special monitoring
06	181 - 360 days	Doubtful
07	> 360 days	Doubtful

Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model also referred to as the 'general model' for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to the "Significant increase in credit risk" section below for a description of how the Group determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to the "Definition of default and credit-impaired assets" section below for a description of how the Group defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to the "Measuring ECL – Explanation of inputs, assumptions and estimation techniques" section below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. The "Forward-looking information incorporated in the ECL models" section below includes an explanation of how the Group has incorporated this in its ECL models.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.
- The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Expected Credit Loss (ECL) is categorised as either 'Performing - Stage 1', 'Underperforming - Stage 2', or 'Non-Performing - Stage 3'.

Stage 1: Performing
- when a significant increase in credit risk since initial recognition has not occurred, a 12-month ECL is recognised for all Stage 1 financial assets.

Stage 2 : Underperforming
- when a significant increase in credit risk since initial recognition has occurred, a lifetime ECL is recognised.

Stage 3: Non-Performing / Credit Impaired
- when objective evidence exists that an asset is credit impaired, a lifetime ECL is recognised. The Banks's definition of default is 90 days past due ("DPD") which is similar to the rebuttable presumption under IFRS 9.

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

Determining a significant increase in credit risk since initial recognition (SICR)
IFRS 9 requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (Stage 1), and lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3). The Company will assess when a significant increase in credit risk has occurred based on quantitative and qualitative assessments.

Indicators of SICR include any of the following:

- 30 days past due rebuttable presumption;
- historical delinquency behaviour of accounts that are up to date and accounts in 1-30 days category
- significant adverse changes in business, financial and/or economic conditions in which the client operates, including for example retrenchment of the customer, closure of the sponsoring employer, etc.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.1 Credit risk (continued)
Expected credit loss measurement (continued)

Two types of PDs are considered under IFRS 9:

- Twelve-month PDs – This is the estimated probability of a default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECL, which is applicable to Stage 1 financial instruments.
- Lifetime PDs – This is the estimated probability of a default occurring over the remaining life of the financial instrument which is applicable to Stages 2 and 3.

Exposures will move back to Stage 1 once they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met. This is subject to all payments being up to date and the customer evidencing ability and willingness to maintain future payments.

Definition of default

Default is not defined under IFRS 9. The Company is responsible for defining this for itself and it should be based upon its own definition used in the Company's internal risk management. Careful consideration of how default is defined is important as the definition impacts the calculation of PDs, LGDs and EADs, hence impacting the ECL results.

The simplest definition is that of failure to meet a scheduled payment of principal or interest, however, that definition has modifications depending upon the loan product. The definition of default has to be consistent with that used for internal credit risk management purposes for the relevant financial instrument and has to consider qualitative indicators, e.g. breaches of covenants, when appropriate. Inability to pay may also be considered in making the qualitative assessment of default.

Indications of inability to pay include:

- the credit obligation is placed on non-accrued status;
- the Company makes a specific provision or charge-off due to a determination that the obligor's credit quality has declined (subsequent to taking on the exposure);
- the Company sells the credit obligation or receivable at a material credit related economic loss;
- the Company agrees to a distressed restructuring resulting in a material credit related diminished asset stemming from such actions as material forgiveness or postponement of payments or repayments of amount owing;
- the Company has filed for the obligor's bankruptcy in connection with the credit obligations; and
- the obligor has sought or been placed in bankruptcy resulting in the delay or avoidance of the credit obligation's repayment.

There is a rebuttable presumption within IFRS 9 that default does occur once a loan is more than 90 days past due. The Group has adopted this presumption.

Definition of credit impaired

Advances are considered credit-impaired if they meet the definition of default.

Write-off policy

The Group writes off loan balances, and any related allowances for impairment losses, when there is determination that the loan is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation or that proceeds from collateral will not be sufficient to pay back the entire exposure. All workable written off accounts are fully followed up for recovery through internal debt collection and third party collection partners. The Group writes off an account when in contractual delinquency 12 (CD12) i.e. 12 payments in arrears.

Discounting

Expected credit losses are discounted at the effective interest rate (EIR) at initial recognition or an approximation thereof and consistent with income recognition. For loan commitments the EIR is that rate that is expected to apply when the loan is drawn down and a financial asset is recognised.

Modelling techniques

Expected credit losses (ECL) are calculated by multiplying three main components, being the PD, LGD and the EAD, discounted at the original effective interest rate.

For the IFRS 9 impairment assessment, company impairment models are used to determine the PD, LGD and EAD. For Stage 2 and 3, the Company applies lifetime PDs but uses 12-month PDs for Stage 1. The ECL drivers of PD, EAD and LGD are modelled at an account level which considers vintage, among other credit factors. Also, the assessment of significant increase in credit risk is based on the initial lifetime PD curve, which accounts for the different credit risk underwritten over time.

Renegotiated loans treatment

Both performing and non-performing restructured assets are classified as Stage 3 except where it is established that the concession granted has not resulted in diminished financial obligation and that no other regulatory definitions of default criteria has been triggered, in which case the asset is classified as Stage 2. The minimum probationary period is 6 months to move to cure state (Stage 1).

Forward-looking information

The IFRS 9 measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. IFRS 9 requires the use of forward-looking factors, or predictive indicators, in the calculation of ECL, including the staging assessment.

Forward-looking information inherently involves management judgement in determining key inputs such as macroeconomic factors that affect PD, LGD and Exposure at Default (EAD) risk factors of a loan, rating category or portfolio, as the case may be, as well as the forecasted values of those risk factors in one, two or more years forward (depending on the expected life of the portfolio).

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.1 Credit risk (continued)
Expected credit loss measurement (continued)

Source of the forward-looking information and all macro economic factors used will be approved at high level by the Credit Committee. This is also based on the correlation exercises done.

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- Unemployment rates
- Consumer Price Index
- Gross Domestic Product (GDP)

The working Company approved the three core factors as the starting point for all subsidiary regression calculations. Management overlays on macroeconomic variables will only apply in cases where the above three variables have no statistical significance and an alternative variable with a good correlation will then be applied. There were no overlays in the current year.

The forward looking economic expectations are updated on an annual basis or more regularly when deemed appropriate.

Resilience against external operational pressures

The Government Deduction at Source (DAS) portfolio is the largest portfolio and constitutes more than 95% of the total loan portfolio. The Group's Deduction at Source portfolio remained resilient with public sector jobs largely unaffected despite challenging external operational pressures. Affordable housing constitutes 4% of the portfolio and is expected to grow in 2026.

In an effort to mitigate risks associated with unpredictable pandemic environments, the Company is prudent in curtailing new loan growth in higher risk segments and geographies, while prioritising portfolio remediation and collection efforts.

Macroeconomic analysis

Inflation represents the rate at which the general price level of goods and services increases over time and is commonly used as an indicator of changes in the cost of living within an economy.

During periods of elevated inflation, the prices of essential goods and services may rise faster than wage growth, reducing borrowers' real disposable income and weakening their capacity to service debt obligations. This erosion of purchasing power may contribute to higher levels of delinquency and default.

Inflation is therefore considered a key forward-looking macroeconomic variable expected to influence the measurement of expected credit losses (ECL) within the retail portfolio.

Unemployment Rate - The unemployment rate measures the proportion of the labour force that is without work but actively seeking employment and serves as a primary indicator of labour market conditions and income stability.

An increase in unemployment typically results in reduced or uncertain household income, which may impair borrowers' ability to meet repayment obligations and increase the likelihood of default. Conversely, stable or declining unemployment generally supports repayment capacity and credit performance.

The unemployment rate is therefore considered a significant forward-looking variable expected to influence the estimation of ECL for the retail portfolio.

Gross Domestic Product (GDP) Growth - GDP growth reflects the rate of expansion or contraction in overall economic activity and provides a broad measure of economic health. Strong economic growth is generally associated with improved employment prospects, higher income levels, and enhanced borrower repayment capacity, while economic slowdowns or contractions may lead to reduced income generation, business stress, and elevated credit risk.

GDP growth is therefore considered a core forward-looking macroeconomic variable expected to influence the assessment of ECL within the retail portfolio.

The following table shows the main macroeconomic factors used to estimate the expected credit loss allowance on loans.

Macroeconomic factors	Namibia CPI (%)	Namibia GDP (% p.a)	Namibia Unemployment Rate (%)
2026 applied for 2025	3.8	3.8	19.2
2025 applied for 2024	3.7	4.1	19.6

Stress testing and sensitivity analysis of IFRS 9 ECL

Letshego Namibia, which operates primarily through a Government Deduction-at-Source (DAS) retail model, has remained resilient within the current macroeconomic outlook. Portfolio performance continues to benefit from the relative stability of government employment and supportive public-sector policies, which sustain borrower affordability and moderate credit risk despite residual global economic uncertainty. Letshego Namibia has strengthened underwriting standards, affordability monitoring, and collection processes to support continued performance in a potential post-DAS environment.

Model recalibrations are performed every six months. In addition, macroeconomic inputs and forecasts are reviewed and updated on a monthly basis with forecasts from reputable sources such as the Bank of Namibia.

Loss Given Default (LGD)

Given the relatively low base loss given default (LGD), scenario sensitivities for upside and downside conditions are incorporated through the application of scalar multipliers to the modelled LGD. These multipliers are subject to periodic review and refinement in line with emerging portfolio performance and forward-looking information.

The LGD model is based on the Runoff Triangle Approach, enabling granular analysis of loss emergence and recovery patterns over time. Recovery rates applied in the expected credit loss (ECL) measurement are derived from recent observed performance using an appropriate historical averaging period.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.1 Credit risk (continued)
Expected credit loss measurement (continued)

Probability of default (PD)

Under the Runoff Triangle Approach used to model probabilities of default (PDs), marginal PDs are estimated across individual arrears buckets, enabling a granular calibration of the PD profile. In applying forward-looking shocks and scenario sensitivities, scalar multipliers are applied to the marginal PDs within each arrears bucket to reflect the impact of stressed conditions on portfolio credit risk.

The Government Deduction at Source (DAS) portfolio is the largest portfolio and constitutes more than 95% of the total loan portfolio.

Influence of economic outlook on estimate of ECL

Macroeconomic forward-looking factors, including inflation, Gross Domestic Product (GDP) growth, and the unemployment rate, were incorporated within a structured scenario framework. Base expected credit loss (ECL) estimates were calibrated using central macroeconomic projections that inform probability of default (PD) assumptions under baseline conditions.

Under IFRS 9, probability-weighted expected credit losses (PWECL) represent an unbiased estimate of credit losses that incorporates multiple forward-looking macroeconomic scenarios and their associated probabilities. PWECL is subject to monthly review, with scenario probabilities calibrated to reflect current macroeconomic expectations and prevailing portfolio operating conditions. As at December 2025, the probability weighting was base-heavy.

Expected credit losses: Forward looking

Probability-weighted expected credit losses (PWECL) are determined by applying scenario probability weightings to the base, upside, and downside macroeconomic scenarios, based on forward-looking assessments. For the Deduction-at-Source retail portfolio, which exhibits relatively low credit risk characteristics, the December 2025 scenario allocation reflected a continued base-centred outlook, with weightings of 50% to the base scenario, 30% to the upside scenario, and 20% to the downside scenario.

N$'000 31-Dec-25	Base case	Upside	Impact	Downside	Impact	Probability Weighted ECL	Weighted Impact
ECL	13,113	6,768	(6,345)	19,778	6,665	13,135	22

The total weighted impact is N$22 thousand for the Group based on the above scenarios.

N$'000 31-Dec-24	Base case	Upside	Impact	Downside	Impact	Probability Weighted ECL	Weighted Impact
ECL	14,738	11,671	(3,067)	18,051	3,313	18,570	3,832

The total weighted impact is N$3.8 million for the Group based on the above scenarios.

Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes. The delinquency status is used to determine the groupings.

Credit risk exposure

Maximum exposure to credit risk – Financial instruments subject to impairment
The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	Advances to Customers			
	2025			
	ECL Staging			
Credit grade	**Stage 1 12-month ECL N$'000**	**Stage 2 Lifetime ECL N$'000**	**Stage 3 Lifetime ECL N$'000**	**Total N$'000**
Minimal risk	5,087,206	–	–	5,087,206
Medium risk	–	75,027	–	75,027
Special monitoring	–	–	289,712	289,712
Gross carrying amount	**5,087,206**	**75,027**	**289,712**	**5,451,945**
Loss allowance	(2,238)	(1,627)	(9,632)	(13,497)
Carrying amount	**5,084,968**	**73,400**	**280,080**	**5,438,448**

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
Management of credit risk (continued)
Credit risk exposure (continued)

	Advances to Customers			
	2024			
	ECL Staging			
Credit grade	**Stage 1 12-month ECL N$'000**	**Stage 2 Lifetime ECL N$'000**	**Stage 3 Lifetime ECL N$'000**	**Total N$'000**
Minimal risk	5,035,783	–	–	5,035,783
Medium risk	–	93,180	–	93,180
Special monitoring	–	–	275,146	275,146
Gross carrying amount	**5,035,783**	**93,180**	**275,146**	**5,404,109**
Loss allowance	(1,871)	(1,643)	(15,056)	(18,570)
Carrying amount	**5,033,912**	**91,537**	**260,090**	**5,385,539**

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and I.GDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retrauslations for assets denominated in foreign currencies and other movements, and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period [see Note 5.f)i)].

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Advances to Customers	**Stage 1 12-month ECL N$'000**	**Stage 1 Lifetime ECL N$'000**	**Stage 1 Lifetime ECL N$'000**	**Total N$'000**
Loss allowance as at 1 January 2025	1,871	1,643	15,056	18,570
Transfers between stages				
Transfer from Stage 1 to Stage 2	(427)	427	–	–
Transfer from Stage 1 to Stage 3	(3,916)	–	3,916	–
Transfer from Stage 2 to Stage 3	–	(1,179)	1,179	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	4	(4)	–
Transfer from Stage 2 to Stage 1	186	(186)	–	–
New assets originated or purchased	796	801	1,401	2,998
Payments and assets derecognised	3,805	112	123,016	126,933
Changes to PD and LGD rates	(77)	5	69	(3)
Impaired accounts written off	–	–	(135,001)	(135,001)
Loss allowance as at 31 December 2025	**2,238**	**1,627**	**9,632**	**13,497**

Advances to Customers	**Stage 1 12-month ECL N$'000**	**Stage 1 Lifetime ECL N$'000**	**Stage 1 Lifetime ECL N$'000**	**Total N$'000**
Loss allowance as at 1 January 2024	7,066	1,633	34,456	43,155
Transfers between stages				
Transfer from Stage 1 to Stage 2	(307)	307	–	–
Transfer from Stage 1 to Stage 3	(1,124)	–	1,124	–
Transfer from Stage 2 to Stage 3	–	(583)	583	–
Transfer from Stage 3 to Stage 1	1	–	(1)	–
Transfer from Stage 3 to Stage 2	–	10	(10)	–
Transfer from Stage 2 to Stage 1	14	(14)	–	–
New assets originated or purchased	1,505	1,451	170	3,126
Payments and assets derecognised	(1,574)	(683)	124,381	122,124
Changes to PD and LGD rates	(3,710)	(478)	(11,567)	(15,755)
Impaired accounts written off	–	–	(134,080)	(134,080)
Loss allowance as at 31 December 2024	**1,871**	**1,643**	**15,056**	**18,570**

Significant changes in the gross carrying amount of financial assets that contributed to changes in the loss allowance were as follows:

- The write-off of loans with a total gross carrying amount of N$135.0 million (2024: N$134.1 million) which resulted in the reduction of the Stage 3 loss allowance by the same amount.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.1 Credit risk (continued)
Management of credit risk (continued)

The following table further explains changes in the gross carrying amount of the advances portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Advances to Customers	Stage 1 12-month ECL N$'000	Stage 1 Lifetime ECL N$'000	Stage 1 Lifetime ECL N$'000	Total N$'000
Gross carrying amount as at 1 January 2025	5,035,783	93,180	275,146	5,404,109
Transfers:				
Transfer from Stage 1 to Stage 2	(32,529)	32,529	–	–
Transfer from Stage 1 to Stage 3	(81,301)	–	81,301	–
Transfer from Stage 2 to Stage 3	–	(26,394)	26,394	–
Transfer from Stage 3 to Stage 1	820	–	(820)	–
Transfer from Stage 3 to Stage 2	–	1,256	(1,256)	–
Transfer from Stage 2 to Stage 1	25,281	(25,281)	–	–
New assets originated or purchased	2,751,307	29,980	131,881	2,913,168
Payments and assets derecognised*	(2,612,154)	(30,244)	(87,933)	(2,730,331)
Write-offs	–	–	(135,001)	(135,001)
Loss allowance as at 31 December 2025	**5,087,207**	**75,026**	**289,712**	**5,451,945**

Advances to Customers	Stage 1 12-month ECL N$'000	Stage 1 Lifetime ECL N$'000	Stage 1 Lifetime ECL N$'000	Total N$'000
Gross carrying amount as at 1 January 2024	4,373,580	107,281	302,601	4,783,462
Transfers:				
Transfer from Stage 1 to Stage 2	(39,853)	39,853	–	–
Transfer from Stage 1 to Stage 3	(69,463)	–	69,463	–
Transfer from Stage 2 to Stage 3	–	(33,135)	33,135	–
Transfer from Stage 3 to Stage 1	2,559	–	(2,559)	–
Transfer from Stage 3 to Stage 2	–	2,520	(2,520)	–
Transfer from Stage 2 to Stage 1	22,673	(22,673)	–	–
New assets originated or purchased	3,056,580	41,894	12,409	3,110,883
Payments and assets derecognised*	(2,310,293)	(42,560)	(3,303)	(2,356,156)
Write-offs	–	–	(134,080)	(134,080)
Loss allowance as at 31 December 2024	**5,035,783**	**93,180**	**275,146**	**5,404,109**

*The financial assets were derecognised at a value that approximates its carrying amount; there were therefore no gains or losses.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.1 Credit risk (continued)
Management of credit risk (continued)

The Group's exposure to credit risk can be divided into two categories

- Advances
- Financial assets other than advances

Balances with the central bank are regarded as having a low probability of default and the ECL in respect of these is considered immaterial due to the rigorous regulatory requirements of these transactions and its link to the underlying entity's ability to operate as a bank. These amounts represent deposits placed in legal tender as issued by the central bank.

Due to historical experience, intercompany receivables measured at amortised cost are regarded as a low probability of default and the ECL in respect of these is considered immaterial.

Due to the short-term nature of cash and cash equivalents and 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 due to the nature of Government and other securities 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.

Advances

The Group's principle business is to provide loans to individuals in both the formal and informal sector. Customers are assessed in full every time they apply for credit to determine if their credit profile remains acceptable in terms of the credit policies of the Group. All of the Group's business is conducted in the Republic of Namibia. The demographic credit characteristics of the customer base expose the Group to systemic credit risk. The Group mitigates this risk by applying the Group's application scorecard, a set of business rules and affordability assessments.

The nature of the loan book is such that it is made up of smaller sized loans across a spectrum of economic sectors and provinces. Loans granted at origination range from a minimum of N$1,000 to a maximum of N$300,000 and repayment periods ranging from a minimum of 6 months to a maximum of 60 months. By its nature, the carrying amount at year end for unsecured loans represents the Group's maximum exposure to credit risk. The Group does have insurance cover to credit events arising from the death of customers; permanent and temporary disability and retrenchments.

Credit philosophy

The credit philosophy of the Group is to pay primary emphasis of the credit decision on the borrower's ability to service the loan. It is therefore critical to establish the customer's ability to service their loan instalments.
The assessment of the customer affordability is done in two parts, the first ensuring compliance with the regulatory guidelines, and second the Group employs its own credit risk model affordability calculation, based on a repayment to income ratio model. A minimum of the affordability assessment and the credit risk model is used to determine the maximum instalment the customer can be offered, limited to the product maximum limits.

Credit risk assessment

The Group calculates credit scores for applicants and further groups these scores into risk groups (which have similar risk expectations). The credit scoring engine is configured with the credit policy parameters and is embedded in the system, preventing human intervention which can result in breach of policy. The verification and inputs into the credit score system include:

- Physical identification of the customer via their identification document and proof of address;
- The customer's 3 month income, monthly living expenses, declaration of financial obligations, wage frequency, employer and bank details are captured;
- Electronic Credit Bureau data obtained;
- The captured details, the customer's bureau record, and the customer's historical performance on existing loans is used by the Application Scorecard to determine the customer's risk;
- The customer is then assessed against the business rules; and
- To mitigate against fraud, compliance and credit risk, the customer's completed application flows to the Quality Control Department.

Credit monitoring

The Group utilises various reporting and monitoring tools to engage in and control ongoing credit risk within the credit life-cycle. These include the following:

- Real time monitoring on application volumes, approval rates and processing quality;
- Credit efficiency reports;
- Vintage collection reports to establish the initial recovery process efficiency;
- Credit aging reports to manage and control loan delinquency and provisioning;
- Active payment, collection and integrity trend analysis to control and manage underlying risks and movement within the day-to-day operational procedures.

The Group's credit management team reviews exception reports produced by the reporting and monitoring tools on a daily, weekly and monthly basis, depending on the type of exception report produced by the credit monitoring system and acts as early warning indicators which the credit management team actively manages. The respective credit management team members report directly to the senior credit executive. Trends and early warning indicators identified are discussed at Risk Committee meetings and where necessary preventative action is initiated, if not done so already by the senior credit executive.

Collection and restructures

The collections function within the Group relates to the effective collections of any monies due and payable by the customer. Core to the collection function is the monitoring of the payment patterns of accounts and to encourage customers to pay their accounts timeously and pay their arrears in the shortest timeframe possible. Deduction mandates are obtained from customers in their loan contracts and are made from their primary bank account (where the customer's salary is deposited). Where collection is unsuccessful, arrears follow-up is performed initially through the call centre.

The Group operates two types of restructures – namely, informal indulgences and formal restructures. Informal indulgences are where customers request a lower repayment/instalment amount referred to as a promise to pay. Formal restructures relate to debt counselling, administration orders and court orders.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.1 Credit risk (continued)
Management of credit risk (continued)

Collateral

The Group has insurance cover against credit events arising from death, permanent or temporary disability, retrenchment and credit default of customers through a cell captive arrangement. Majority of Stage 3 loans are fully covered by this insurance arrangement. The Group does not have any financial instruments for which the bank did not recognise a loss allowance because of collateral in the current year.

The contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity is N$0 (2024: N$0).

External recovery

The Transfer Policy prescribes when an account will move into the Legal Collections division. Once an account has been transferred into Legal Collections, the account will be allocated to a department either in In-house or Outsourced Collections based on current internal business rules.

Credit quality

	GROUP	
Analysis of credit quality	**31 December 2025 Advances N$'000**	**31 December 2024 Advances N$'000**
Financial assets that have minimal to low risk		
Stage 1	5,087,206	5,035,783
Financial assets that have medium risk		
Stage 2	75,027	93,180
Financial assets that require special monitoring		
Stage 3	289,712	275,146
Total credit exposure	**5,451,945**	**5,404,109**
Total impairments		
Stage 1	(2,238)	(1,871)
Stage 2	(1,627)	(1,643)
Stage 3	(9,632)	(15,056)
Net advances	**5,438,448**	**5,385,539**
Impairment as a % of gross advances per respective stage		
Stage 1	0.04%	0.04%
Stage 2	2.17%	1.76%
Stage 3	3.32%	5.47%
Total impairment as a % of total gross advances	0.25%	0.34%

	GROUP	
Analysis of credit quality	**31 December 2025 Advances N$'000**	**31 December 2024 Advances N$'000**
Reconciliation of allowance account		
Balance at the beginning of the year	18,570	43,155
Impairment provision raised	129,928	109,495
Impairment provision released upon write-offs of underlying exposure (note 10)	(135,001)	(134,080)
Balance at the end of the year	**13,497**	**18,570**

Credit risk impacts

Credit quality of advances neither past due nor impaired:

For public sector employee loans, the only credit risk being faced by loans in the group is default of the Namibian government and termination of employment on a voluntary basis or dismissal that cannot be seen as retrenchment. Insurance would cover losses in the event of death, permanent disability, involuntary retirement or retrenchment. The performing book (i.e. no instalments in arrears) is not further segmented into risk categories.

Concentration risk

Credit concentration risk is the risk of loss to the Group arising from an excessive concentration of exposure to a single counterparty, industry, market, product, region or maturity. This concentration typically exits when a number of counterparties are engaged in similar activities and have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic and other conditions.

Although the Group is exposed to unsecured personal loans, the Group's credit risk portfolio is well diversified across individuals who are geographically spread across the country's regions. The following table breaks down the Group's credit exposure at carrying amount as categorised by loan size and original loan advanced.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.1 Credit risk (continued)
Management of credit risk (continued)

Average loan value (at inception)	GROUP					
	Number of loans	% of total number of loans	Gross carrying amount (N$'000)	ECL (N$'000)	Carrying amount (N$'000)	% of total carrying amount
2025						
< 5,000	2,283	2.19%	6,754	25	6,729	0.13%
5,000 – 10,000	11,425	10.89%	62,075	36	62,039	1.14%
10,000 – 20,000	15,703	14.97%	171,496	71	171,425	3.15%
20,000 – 50,000	28,282	26.97%	712,010	374	711,636	13.09%
50,000 – 100,000	26,241	25.02%	1,500,940	1,218	1,499,722	27.58%
> 100,000	20,937	19.96%	2,998,670	11,773	2,986,897	54.91%
Total	**104,871**	**100.00%**	**5,451,945**	**13,497**	**5,438,448**	**100.00%**

Average loan value (at inception)	GROUP					
	Number of loans	% of total number of loans	Gross carrying amount (N$'000)	ECL (N$'000)	Carrying amount (N$'000)	% of total carrying amount
2024						
< 5,000	3,161	2.85%	10,530	9	10,521	0.21%
5,000 – 10,000	14,969	13.43%	91,142	59	91,083	1.69%
10,000 – 20,000	16,928	15.19%	197,104	236	196,868	3.66%
20,000 – 50,000	29,874	26.81%	796,590	1,638	794,952	14.76%
50,000 – 100,000	26,998	24.23%	1,585,386	4,688	1,580,698	29.35%
> 100,000	19,500	17.50%	2,723,357	11,940	2,711,417	50.35%
Total	**111,430**	**100.00%**	**5,404,109**	**18,570**	**5,385,539**	**100.00%**

The concentration risk per employer is as follows:
- Public sector 95% (2024: 95%)
- Other employers 5% (2024: 5%)

Financial assets other than advances

All financial assets other than advances are made up of cash and cash equivalents, statutory assets, derivative assets and trade receivables. All financial assets other than advances, excluding trade receivables and loans to affiliate companies are placed with reputable counterparties.

The Group maintains cash and cash equivalents and short-term investments with various financial institutions and in this regard it is the Group's policy to limit its exposure to any one financial institution. Cash deposits are placed only with banks which have an approved credit limit, as recommended by the ALCO and approved by the Board Audit and Risk Committee.

Trade receivables are evaluated on an entity-by-entity basis. The Group limits the tenure and size of the debt to ensure that it does not pose a material risk to the Group. For further information refer to note 9.1. At balance sheet date, the international long-term credit rating, using Moody's ratings was as follows for cash and cash equivalents:

	GROUP					
	Total carrying amount (N$'000)	Single largest exposure (N$'000)	Aaa to A3 (N$'000)	Baa1 to Baa3 (N$'000)	Below Baa3 (N$'000)	Not rated (N$'000)
2025						
Cash and cash equivalents	845,791	212,119	845,791	–	–	–
Deposits with Bank of Namibia	126,440	126,440	126,440	–	–	–
Government and other securities	325,027	325,027	325,027	–	–	–
Other receivables	47,479	4,026	–	–	–	47,479
Intercompany receivable	130,113	130,113	–	–	–	130,113
Total	**1,474,850**	**797,725**	**1,297,258**	**–**	**–**	**177,592**
2024						
Cash and cash equivalents	655,157	182,237	655,157	–	–	–
Deposits with Bank of Namibia	87,436	87,436	87,436	–	–	–
Government and other securities	601,556	277,963	601,556	–	–	–
Other receivables	45,907	4,026	–	–	–	45,907
Intercompany receivable	130,401	130,401	–	–	–	130,401
Total	**1,520,457**	**682,063**	**1,344,149**	**–**	**–**	**176,308**

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.1 Credit risk (continued)
Management of credit risk (continued)

	COMPANY					
	Total carrying amount (N$'000)	Single largest exposure (N$'000)	Aaa to A3 (N$'000)	Baa1 to Baa3 (N$'000)	Below Baa3 (N$'000)	Not rated (N$'000)
2025						
Cash and cash equivalents	1,945	1,945	1,945	–	–	–
Other receivables	2,352	1,417	–	–	–	2,352
Intercompany receivable	443,181	313,059	–	–	–	443,181
Total	**447,478**	**316,421**	**1,945**	**–**	**–**	**445,533**
2024						
Cash and cash equivalents	1,891	1,891	1,891	–	–	–
Other receivables	2,799	1,977	–	–	–	2,799
Intercompany receivable	439,372	308,971	–	–	–	439,372
Total	**444,062**	**312,839**	**1,891**	**–**	**–**	**442,171**

5.1.2 Market risk

Market risk is the risk that changes in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) – will affect the Group's income or the value of its holdings of financial instruments. Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Group's solvency while optimising the return on risk.

5.1.2.1 Interest rate risk management

The Group separates its exposure to market risks between trading and non-trading portfolios. Trading portfolios include positions arising from market making, together with financial assets and financial liabilities that are managed on a fair value basis. Currently, the Group only has a non-trading portfolio.

Interest rate risk for the purposes of IFRS is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has interest rate risk arising in its financial assets and from its holdings in cash and cash equivalents. However the Group's most significant financial asset is its fixed rate advances portfolio.

For the purposes of IFRS 7, the Group is not exposed to interest rate risk on the fixed rate advance portfolio, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates. The Group seeks to achieve funding that is at a similarly fixed rate as that of the advances portfolio.

It is not always feasible to raise fixed rate funding and therefore the Group may have a mix of fixed and variable rate funding instruments. Variable rate funding instruments expose the Group to interest rate risk for the purposes of IFRS. Currently, the Group's funding is mainly from the variable interest rate loans.

Risk measurement and management

Overall authority for market risk is vested in the Asset and Liability Committee (ALCO). ALCO sets up limits for each type of risk in aggregate and for portfolios, with market and liquidity risks being primary factors in determining the level of limits set for trading portfolios.

ALCO is the monitoring body for compliance with these limits and is assisted by Management in its day-to-day monitoring activities. These day-to-day activities include monitoring changes in the Group's interest rate exposures, which include the impact of the Group's outstanding or forecast debt obligations.

ALCO is responsible for setting the overall hedging strategy of the Group. Management is responsible for implementing that strategy by putting in place the individual hedge arrangements.

The ALCO views interest rate in the banking book to comprise of the following:
- Re-pricing risk (mismatch risk), being the timing difference in the maturity (for fixed) and re-pricing (for floating rate) of the Group's assets and liabilities; and
- Yield curve risk, which includes the changes in the shape and slope of the yield curve.

ALCO monitors and manages these risks in adherence to the Group's risk appetite and meets on a monthly basis to analyse the impact of interest rate risk on the Group and reports directly to the Board Audit and Risk Committee on a quarterly basis. The techniques used to measure and control interest rate risk by the ALCO includes re-pricing profiles, sensitivity/scenario analysis and stress testing.

In the context of re-pricing profiles, instruments are allocated to time periods with reference to the earlier of the next contractual interest rate re-pricing date and the maturity date. Instruments which have no explicit contractual re-pricing or maturity dates are placed in time buckets based on the most likely re-pricing behaviour.

Sensitivity and stress testing consists of a combination of stress scenarios and historical stress movements.
Given the extent of the risk and the current risk mitigants, a more sophisticated (e.g. value-at-risk) analysis is not considered necessary.

Interest rate sensitivity analysis

Two separate interest rate sensitivity analyses for the Group are set out in the table below, namely the re-pricing profile and the potential effect of changes in the market interest rate on earnings for floating rate instruments.

i) Re-pricing profile
The tables below summarise the re-pricing exposure to interest rate risk through grouping assets and liabilities into re-pricing categories, determined to be the earlier of the contractual re-pricing or maturity date, using the carrying amount of such assets and liabilities at balance sheet date.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.2 Market risk (continued)
5.1.2.1 Interest rate risk management (continued)

	GROUP							
	Demand and up to 1 month N$ '000	Greater than 1 month up to 3 months N$ '000	Greater than 3months up to 12 months N$ '000	Greater than 12 months up to 24 months N$ '000	Greater than 24 months N$ '000	Non-interest sensitive items N$ '000	Non-financial instruments N$ '000	Total N$ '000
2025								
ASSETS								
Cash and cash equivalents	986,380	–	–	–	–	–	–	986,380
Government and other securities	–	98,721	226,306	–	–	–	–	325,027
Other receivables	–	–	–	–	–	47,479	13,701	61,180
Net insurance contract assets	–	–	–	–	–	188,133	–	188,133
Intercompany receivable	130,113	–	–	–	–	–	–	130,113
Net advances	428,243	326,071	1,472,255	988,439	2,223,440	–	–	5,438,448
Property, equipment and right-of-use assets	–	–	–	–	–	–	43,029	43,029
Deferred tax assets	–	–	–	–	–	–	6,697	6,697
Total assets	**1,544,736**	**424,792**	**1,698,561**	**988,439**	**2,223,440**	**235,612**	**63,427**	**7,179,007**
LIABILITIES AND EQUITY								
Deposits due to customers	225,788	185,372	1,209,357	–	–	–	–	1,620,517
Trade and other payables	–	–	–	–	–	37,586	39,973	77,559
Lease liabilities	545	1,555	4,023	7,984	727	–	–	14,834
Borrowings	833,397	1,239,187	87,214	260,000	200,000	–	–	2,619,798
Intercompany payables	–	–	–	–	–	17,546	–	17,546
Current taxation	–	–	–	–	–	–	3,295	3,295
Deferred tax liabilities	–	–	–	–	–	–	6,998	6,998
Ordinary shareholders' equity	–	–	–	–	–	–	2,818,460	2,818,460
Total liabilities and equity	**1,059,730**	**1,426,114**	**1,300,594**	**267,984**	**200,727**	**55,132**	**2,868,726**	**7,179,007**
On balance sheet interest sensitivity	**485,006**	**(1,001,322)**	**397,967**	**720,455**	**2,022,713**			

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.2 Market risk (continued)
5.1.2.1 Interest rate risk management (continued)

	GROUP							
	Demand and up to 1 month N$ '000	Greater than 1 month up to 3 months N$ '000	Greater than 3 months up to 12 months	Greater than 12 months up to 24 months N$ '000	Greater than 24 months N$ '000	Non-interest sensitive N$ '000	Non-financial instruments N$ '000	Total N$ '000
2024 - GROUP								
ASSETS								
Cash and cash equivalents	750,565	–	–	–	–	–	–	750,565
Government and other securities	–	98,544	316,305	97,455	89,252	–	–	601,556
Other receivables	–	–	–	–	–	45,907	11,761	57,668
Net insurance contract assets	–	–	–	–	–	165,896	–	165,896
Intercompany receivable	130,401	–	–	–	–	–	–	130,401
Net advances	317,214	581,064	2,514,251	1,549,176	423,834	–	–	5,385,539
Current taxation	–	–	–	–	–	–	–	–
Property, equipment and right-of-use assets	–	–	–	–	–	–	22,151	22,151
Deferred tax assets	–	–	–	–	–	–	4,169	4,169
Total assets	**1,198,180**	**679,608**	**2,830,556**	**1,646,631**	**513,086**	**211,803**	**38,081**	**7,117,945**
LIABILITIES AND EQUITY								
Deposits due to customers	474,791	284,198	543,124	–	–	–	–	1,302,113
Trade and other payables	–	–	–	–	–	58,727	29,626	88,353
Lease liabilities	565	1,614	2,548	2,971	2,187	–	–	9,885
Borrowings	1,293,783	1,322,139	283,545	–	–	–	–	2,899,467
Intercompany payables	–	–	–	–	–	27,517	–	27,517
Current taxation	–	–	–	–	–	–	2,860	2,860
Deferred tax liabilities	–	–	–	–	–	–	6,692	6,692
Ordinary shareholders' equity	–	–	–	–	–	–	2,781,058	2,781,058
Total liabilities and equity	**1,769,139**	**1,607,951**	**829,217**	**2,971**	**2,187**	**86,244**	**2,820,236**	**7,117,945**
On balance sheet interest sensitivity	**(570,959)**	**(928,343)**	**2,001,339**	**1,643,660**	**510,899**			

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.2 Market risk (continued)
5.1.2.1 Interest rate risk management (continued)

	COMPANY							
	Demand and up to 1 month N$ '000	Greater than 1 month up to 3 months N$ '000	Greater than 3 months up to 12 months	Greater than 12 months up to 24 months N$ '000	Greater than 24 months N$ '000	Non-interest sensitive N$ '000	Non-financial instruments N$ '000	Total N$ '000
2025 - COMPANY								
ASSETS								
Cash and cash equivalents	1,945	–	–	–	–	–	–	1,945
Other receivables	–	–	–	–	–	2,352	–	2,352
Net insurance contract assets	–	–	–	–	–	122,663	–	122,663
Intercompany receivable	–	443,181	–	–	–	–	–	443,181
Current taxation	–	–	–	–	–	–	1	1
Investment in subsidiaries	–	–	–	–	–	–	1,914,354	1,914,354
Total assets	**1,945**	**443,181**	**–**	**–**	**–**	**125,015**	**1,914,355**	**2,484,496**
LIABILITIES AND EQUITY								
Trade and other payables	–	–	–	–	–	1,589	314	1,903
Borrowings	–	463,180	–	–	–	–	–	463,180
Current taxation	–	–	–	–	–	–	–	–
Deferred tax liabilities	–	–	–	–	–	–	318	318
Ordinary shareholders' equity	–	–	–	–	–	–	2,019,095	2,019,095
Total liabilities and equity	–	**463,180**	–	–	–	**1,589**	**2,019,727**	**2,484,496**
On balance sheet interest sensitivity	**1,945**	**(19,999)**	**–**	**–**	**–**			

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.2 Market risk (continued)
5.1.2.1 Interest rate risk management (continued)

	COMPANY							
	Demand and up to 1 month N$ '000	Greater than 1 month up to 3 months N$ '000	Greater than 3 months up to 12 months N$ '000	Greater than 12 months up to 24 months N$ '000	Greater than 24 months N$ '000	Non-interest sensitive N$ '000	Non-financial instruments N$ '000	Total N$ '000
2024								
ASSETS								
Cash and cash equivalents	1,891	–	–	–	–	–	–	1,891
Other receivables	–	–	–	–	–	2,799	–	2,799
Net insurance contract assets	–	–	–	–	–	122,507	–	122,507
Intercompany receivable	–	439,372	–	–	–	–	–	439,372
Investment in subsidiaries	–	–	–	–	–	–	1,914,354	1,914,354
Total assets	**1,891**	**439,372**	**–**	**–**	**–**	**125,306**	**1,914,354**	**2,480,923**
LIABILITIES AND EQUITY								
Trade and other payables	–	–	–	–	–	3,309	389	3,698
Borrowings	–	463,527	–	–	–	–	–	463,527
Current taxation	–	–	–	–	–	–	898	898
Deferred tax liabilities	–	–	–	–	–	–	269	269
Ordinary shareholders' equity	–	–	–	–	–	–	2,012,531	2,012,531
Total liabilities and equity	**–**	**463,527**	**–**	**–**	**–**	**3,309**	**2,014,087**	**2,480,923**
On balance sheet interest sensitivity	**1,891**	**(24,155)**	**–**	**–**	**–**			

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.2 Market risk(continued)
5.1.2.1 Interest rate risk management (continued)

(ii) Potential effect of changes in the market interest rate on earnings for floating rate instruments

Sensitivity analysis based on a 100 basis point increase in interest rates

The sensitivity analyses have been determined based on the exposure to interest rates for financial instruments at the statement of financial position date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at statement of financial position date was outstanding for the whole year. A 100 basis point movement for Namibia Dollar exposures is used when reporting interest rate risk internally and represents management's assessment of the reasonably possible change in interest rates.

The sensitivity analysis below is based on an increase in rates. Given the structure of the Group's portfolio, a 100 basis point increase in interest rates would result in a corresponding decrease of N$28.5 million (2024: N$27.5 million) net income (before tax). A decrease in the interest rates by 100 basis points will have an equal but opposite effect on the Group.

	GROUP			
	Carrying amount N$'000	Amount exposed to market risk N$'000	Index to which interest rate is linked	Profit or loss impact (pre-tax) N$'000
2025				
FINANCIAL ASSETS				
Cash and cash equivalents	986,380	953,487	Namibia Prime	9,535
Government and other securities	325,027	325,027	Market rate*	3,250
Intercompany receivable	130,113	130,113	JIBAR	1,301
Advances	5,438,448	–	Namibia Prime **	–
Total	6,879,968	1,408,627		14,086
FINANCIAL LIABILITIES				
Amounts due to parent company	17,546	17,736	Namibia Prime	(177)
Borrowings	2,619,798	2,619,798	Namibia Prime, JIBAR and SOFR	(26,198)
Deposits	1,620,517	1,620,517	Namibia Prime	(16,205)
Total	4,257,861	4,258,051		(42,580)
Net effect on the statement of total comprehensive income				**(28,494)**

	GROUP			
	Carrying amount N$'000	Amount exposed to market risk N$'000	Index to which interest rate is linked	Profit or loss impact (pre-tax) N$'000
2024				
FINANCIAL ASSETS				
Cash and cash equivalents	750,565	718,152	Namibia Prime	7,182
Government and other securities	601,556	601,556	Market rate*	6,016
Intercompany receivable	130,401	130,401	JIBAR	1,304
Advances	5,385,539	–	Namibia Prime **	–
Total	6,868,061	1,450,109		14,502
FINANCIAL LIABILITIES				
Amounts due to parent company	27,517	27,837	Namibia Prime	(278)
Borrowings	2,899,467	2,899,467	Namibia Prime, JIBAR and SOFR	(28,995)
Deposits	1,302,113	1,302,113	Namibia Prime	(13,021)
Total	4,229,097	4,229,417		(42,294)
Net effect on the statement of total comprehensive income				**(27,792)**

	COMPANY			
	Carrying amount N$'000	Amount exposed to market risk N$'000	Index to which interest rate is linked	Profit or loss impact (pre-tax) N$'000
2025				
FINANCIAL ASSETS				
Cash and cash equivalents	1,945	1,945	Namibia Prime	19
Intercompany receivable	443,181	443,181	Namibia Prime	4,432
Total	445,126	445,126		4,451
FINANCIAL LIABILITIES				
Borrowings	463,180	463,180	JIBAR	(4,632)
Total	463,180	463,180		(4,632)
Net effect on the statement of total comprehensive income				**(181)**

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.2 Market risk (continued)
5.1.2.1 Interest rate risk management (continued)

	COMPANY			
	Carrying amount N$'000	Amount exposed to market risk N$'000	Index to which interest rate is linked	Profit or loss impact (pre-tax) N$'000
2024				
FINANCIAL ASSETS				
Cash and cash equivalents	1,891	1,891	Namibia Prime	19
Intercompany receivable	439,372	439,372	Namibia Prime	4,394
Total	441,263	441,263		4,413
FINANCIAL LIABILITIES				
Borrowings	463,527	463,527	JIBAR	(9,271)
Total	463,527	463,527		(9,271)
Net effect on the statement of total comprehensive income				**(4,858)**

* The market rate is based on the auction process. The index to which interest rate is linked for prior year has been changed from fixed to market rate for better presentation.

** Interest on advances are based on Namibia prime rate; however, they remain fixed for the duration of the
loan even when the prime rate changes. Therefore, there is no interest rate risk exposure.

Interest rate transition

Overview

The Group has borrowings that reference to SOFR and JIBAR. The Group uses SOFR for its borrowings, however may also use any reference rate for the borrowings as deemed appropriate for its funding model and customer needs.

Exposures at year end

On 03 December 2025 the South African Reserve Bank (SARB) announced that the Johannesburg Interbank Average (JIBAR) will be permanently discontinued immediately after its final publication on 31 December 2026. All JIBAR tenors will cease to be provided and will be considered non-representative as of that date. The SARB and the Market Practitioners Group (MPG) designated the South African Rand Overnight Index Average (ZARONIA) as the preferred successor rate to JIBAR. Letshego supports this transition and is actively reviewing and updating its contracts to accommodate the move to ZARONIA. No material impact on financial instruments quoted at JIBAR rates is expected.

The following table summarises the significant non-derivative exposures impacted by interest rate:

	JIBAR N$'000
As at 31 December 2025	
Non-derivative financial liabilities	1,756,227
Borrowings	**1,756,227**

	JIBAR N$'000
As at 31 December 2024	
Non-derivative financial liabilities	1,960,736
Borrowings	**1,960,736**

The table above represents the exposures to interest rate by balance sheet account. The exposure disclosed is for positions with contractual maturities after 31 December. Balances reported at amortised cost are disclosed at their gross carrying value, prior to any expected credit losses that may be held against them.

5.1.2.2 Foreign currency risk management

Foreign currency risk is the risk of financial loss resulting from adverse movements in foreign currency exchange rates. Currency risk in the Group arises as a result of holding foreign currency denominated borrowings and foreign currency in cash.

The Group's primary risk objective is to protect the net earnings against the impact of adverse exchange rate movements. ALCO is mandated to manage this risk by application of appropriate foreign currency derivatives, exposure limits and other appropriate strategies to ensure adherence to the Group's risk appetite.

Net foreign exchange gain for the year ended 31 December 2025 was N$145 thousand (2024: N$574 thousand loss).

5.1.2.3 Other price risk management

The Group has a low market risk appetite. For this reason, the Group does not typically trade in any marketable securities and holds any required marketable securities until maturity and is therefore is not exposed to price risk associated with these marketable securities.

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

5.1.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations as they fall due. These payment obligations could result from a mismatch in the timing and/or magnitude of cashflows associated with assets and liabilities, depositor withdrawals, lower than expected receipts from customers, higher than expected pay-out to customers, higher than expected operational, tax or dividend flows, or the inability to roll over maturing debt. Another form of liquidity risk is that in a stressed liquidity event, the Group would be unable to sell assets, without incurring an unacceptable loss, in order to generate cash required to meet payment obligations.

The Board of Directors sets the Group's strategy for managing liquidity risk and delegates responsibility for oversight of the implementation of this policy to ALCO. Management manages the Group's liquidity position on a day-to-day basis and reviews reports covering the liquidity position of the Group. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO. ALCO monitors and controls adherence to the risk appetite and regulatory requirements.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The key elements of the Group's liquidity strategy are as follows:

- Maintaining a diversified funding base consisting of customer deposits (both retail and corporate) and wholesale market deposits and maintaining contingency facilities.
- Carrying a portfolio of highly liquid assets, diversified by currency and maturity.
- Simulating future cash flow projections.
- Monitoring liquidity ratios, maturity mismatches, behavioural characteristics of the Group's financial assets and financial liabilities, and the extent to which the Group's assets are encumbered and so not available as potential collateral for obtaining funding.
- Stress testing of the Group's liquidity position. Liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The scenarios are developed taking into account both Group-specific events (e.g. a rating downgrade) and market-related events (e.g. prolonged market illiquidity).

The following tables analyse the Group's and Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The total ties back to the balance sheet.

The matching and controlled mismatching of the maturities and interest rates of financial assets and liabilities are fundamental to the management of risk within the Group. It is unusual for the Group ever to be completely matched since the business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

The maturities of financial assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.3 Liquidity risk (continued)

Assets and liabilities maturities as at 31 December 2025

	GROUP						
	Demand and up to 1 month N$ '000	Greater than 1 month up to 3 months N$ '000	Greater than 3 months up to 12 months	Greater than 12 months up to 24 months N$ '000	Greater than 24 months N$ '000	Non-financial instruments N$ '000	Total N$ '000
2025							
ASSETS							
Cash and cash equivalents	986,380	–	–	–	–	–	986,380
Government and other securities	–	98,721	226,306	–	–	–	325,027
Other receivables	–	47,479	–	–	–	13,701	61,180
Net insurance contract assets	–	–	188,133	–	–	–	188,133
Intercompany receivable	–	–	130,113	–	–	–	130,113
Net advances	113,787	218,203	955,711	1,173,767	2,976,980	–	5,438,448
Property, plant and equipment and right-of-use assets	–	–	–	–	–	43,029	43,029
Deferred tax assets	–	–	–	–	–	6,697	6,697
Total assets	**1,100,167**	**364,403**	**1,500,263**	**1,173,767**	**2,976,980**	**63,427**	**7,179,007**
LIABILITIES AND EQUITY							
Deposits due to customers	225,788	185,372	1,209,357	–	–	–	1,620,517
Trade and other payables	37,586	–	–	–	–	39,973	77,559
Lease liabilities	545	1,555	4,023	7,984	727	–	14,834
Borrowings	–	472,800	310,498	735,333	1,101,167	–	2,619,798
Amounts due to parent company	–	–	17,546	–	–	–	17,546
Current taxation	–	–	–	–	–	3,295	3,295
Deferred tax liability	–	–	–	–	–	6,998	6,998
Ordinary shareholders' equity	–	–	–	–	–	2,818,460	2,818,460
Total liabilities and equity	**263,919**	**659,727**	**1,541,424**	**743,317**	**1,101,894**	**2,868,726**	**7,179,007**
Financial guarantee contract[1]	**–**	**–**	**–**	**–**	**107,042**	**–**	**107,042**
Net liquidity gap	**836,248**	**(295,324)**	**(41,161)**	**430,450**	**1,768,044**	**–**	**–**

[1] Refer to note 18 and 35 for the details on the financial guarantee contract.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.3 Liquidity risk (continued)

Assets and liabilities maturities as at 31 December 2024

	GROUP						
	Demand and up to 1 month N$ '000	Greater than 1 month up to 3 months N$ '000	Greater than 3 months up to 12 months	Greater than 12 months up to 24 months N$ '000	Greater than 24 months N$ '000	Non-financial instruments N$ '000	Total N$ '000
2024							
ASSETS							
Cash and cash equivalents	750,565	–	–	–	–	–	750,565
Government and other securities	–	98,544	316,305	148,333	38,374	–	601,556
Other receivables	–	45,907	–	–	–	11,761	57,668
Net insurance contract assets	–	–	165,896	–	–	–	165,896
Intercompany receivable	–	23,804	63,958	42,639	–	–	130,401
Net advances	121,637	213,355	928,355	2,889,549	1,232,643	–	5,385,539
Property, plant and equipment and right-of-use assets	–	–	–	–	–	22,151	22,151
Deferred tax assets	–	–	–	–	–	4,169	4,169
Total assets	**872,202**	**381,610**	**1,474,514**	**3,080,521**	**1,271,017**	**38,081**	**7,117,945**
LIABILITIES AND EQUITY							
Deposits due to customers	474,791	284,198	543,124	–	–	–	1,302,113
Trade and other payables	58,727	–	–	–	–	29,626	88,353
Lease liabilities	565	1,614	2,548	2,971	2,187	–	9,885
Borrowings	–	190,879	705,703	852,385	1,150,500	–	2,899,467
Amounts due to parent company	–	–	27,517	–	–	–	27,517
Current taxation	–	–	–	–	–	2,860	2,860
Deferred tax liability	–	–	–	–	–	6,692	6,692
Ordinary shareholders' equity	–	–	–	–	–	2,781,058	2,781,058
Total liabilities and equity	**534,083**	**476,691**	**1,278,892**	**855,356**	**1,152,687**	**2,820,236**	**7,117,945**
Net liquidity gap	**338,119**	**(95,081)**	**195,622**	**2,225,165**	**118,330**	**–**	**–**

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.3 Liquidity risk (continued)

Assets and liabilities maturities as at 31 December 2025

	COMPANY						
	Demand and up to 1 month N$ '000	Greater than 1 month up to 3 months N$ '000	Greater than 3 months up to 12 months N$ '000	Greater than 12 months up to 24 months N$ '000	Greater than 24 months N$ '000	Non-financial instruments N$ '000	Total N$ '000
2025							
ASSETS							
Cash and cash equivalents	1,945	–	–	–	–	–	1,945
Other receivables	–	2,352	–	–	–	–	2,352
Net insurance contract assets	–	–	122,663	–	–	–	122,663
Intercompany receivable	–	–	443,181	–	–	–	443,181
Current taxation	–	–	–	–	–	1	1
Investment in subsidiaries	–	–	–	–	–	1,914,354	1,914,354
Total assets	**1,945**	**2,352**	**565,844**	**–**	**–**	**1,914,355**	**2,484,496**
LIABILITIES AND EQUITY							
Trade and other payables	1,589	–	–	–	–	314	1,903
Borrowings	–	3,180	–	260,000	200,000	–	463,180
Deferred tax liabilities	–	–	–	–	–	318	318
Ordinary shareholders' equity	–	–	–	–	–	2,019,095	2,019,095
Total liabilities and equity	**1,589**	**3,180**	**–**	**260,000**	**200,000**	**2,019,727**	**2,484,496**
On balance sheet interest sensitivity	**356**	**(828)**	**565,844**	**(260,000)**	**–**	**–**	**–**

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

5.1.3 Liquidity risk (continued)

Assets and liabilities maturities as at 31 December 2024

	COMPANY						
	Demand and up to 1 month N$ '000	Greater than 1 month up to 3 months N$ '000	Greater than 3 months up to 12 months N$ '000	Greater than 12 months up to 24 months N$ '000	Greater than 24 months N$ '000	Non-financial instruments N$ '000	Total N$ '000
2024							
ASSETS							
Cash and cash equivalents	1,891	–	–	–	–	–	1,891
Other receivables	–	2,799	–	–	–	–	2,799
Net insurance contract assets	–	–	122,507	–	–	–	122,507
Intercompany receivable	–	23,804	372,929	42,639	–	–	439,372
Investment in subsidiaries	–	–	–	–	–	1,914,354	1,914,354
Total assets	**1,891**	**26,603**	**495,436**	**42,639**	**–**	**1,914,354**	**2,480,923**
LIABILITIES AND EQUITY							
Trade and other payables	3,309	–	–	–	–	389	3,698
Borrowings	–	3,527	200,000	–	260,000	–	463,527
Current taxation	–	–	–	–	–	898	898
Deferred tax liabilities	–	–	–	–	–	269	269
Ordinary shareholders' equity	–	–	–	–	–	2,012,531	2,012,531
Total liabilities and equity	**3,309**	**3,527**	**200,000**	**–**	**260,000**	**2,014,087**	**2,480,923**
Net liquidity gap	**(1,418)**	**23,076**	**295,436**	**42,639**	**–**	**–**	**–**

The Group is in an overall positive liquidity position; however, has a negative liquidity short-term gap (within 12 months), which represents a worst-case scenario and is therefore not representative of business as usual. There are policies and procedures in place to mitigate the liquidity risk. The Group has undrawn credit facilities that can be accessed to effectively mitigate liquidity risk in worst-case scenario.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)
5.1.3 Liquidity risk (continued)

The following table represents the Group's undiscounted cash flows of liabilities per remaining maturity and includes all cash flows related to the principal amounts as well as future payments. The analysis is based on the earliest date on which the Group can be required to pay and is not necessarily the date at which the Group is expected to pay.

	GROUP							
	Carrying amount N$'000	Up to 1 month N$'000	Greater than 1 month up to 6 months N$'000	Greater than 6 months up to 12 months N$'000	Greater than 1 year up to 2 years N$'000	Greater than 2 years up to 5 years N$'000	Greater than 5 years N$'000	Total N$'000
2025								
FINANCIAL LIABILITIES								
Lease liabilities	14,834	640	1,807	4,566	8,019	760	-	15,792
Borrowings	2,619,798	-	218,525	647,787	1,523,303	593,540	-	2,983,155
Amounts due to parent company	17,546	-	17,546	-	-	-	-	17,546
Deposits due to customers	1,620,517	226,729	190,006	1,269,825	-	-	-	1,686,560
Trade and other payables	37,586	37,586	-	-	-	-	-	37,586
Financial guarantee contract[1]	-	-	-	-	-	107,042	-	107,042
Total	**4,310,281**	**264,955**	**427,884**	**1,922,178**	**1,531,322**	**701,342**	**-**	**4,847,681**

	GROUP							
	Carrying amount N$'000	Up to 1 month N$'000	Greater than 1 month up to 6 months N$'000	Greater than 6 months up to 12 months N$'000	Greater than 1 year up to 2 years N$'000	Greater than 2 years up to 5 years N$'000	Greater than 5 years N$'000	Total N$'000
2024								
FINANCIAL LIABILITIES								
Lease liabilities	9,885	630	1,779	2,888	3,258	2,269	-	10,824
Borrowings	2,899,467	-	46,713	782,442	1,434,130	1,078,143	-	3,341,428
Amounts due to parent company	27,517	-	27,517	-	-	-	-	27,517
Deposits due to customers	1,302,113	476,769	291,303	570,280	-	-	-	1,338,352
Trade and other payables	58,727	58,727	-	-	-	-	-	58,727
Total	**4,297,709**	**536,126**	**367,312**	**1,355,610**	**1,437,388**	**1,080,412**	**-**	**4,776,848**

[1] Refer to note 18 and 35 for the details on the financial guarantee contract.

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

5.1.3 Liquidity risk (continued)

The following table represents the Group's undiscounted cash flows of liabilities per remaining maturity and includes all cash flows related to the principal amounts as well as future payments. The analysis is based on the earliest date on which the Group can be required to pay and is not necessarily the date at which the Group is expected to pay.

	COMPANY							
	Carrying amount N$'000	Up to 1 month N$'000	Greater than 1 month up to 6 months N$'000	Greater than 6 months up to 12 months N$'000	Greater than 1 year up to 2 years N$'000	Greater than 2 years up to 5 years N$'000	Greater than 5 years N$'000	Total N$'000
2025								
FINANCIAL LIABILITIES								
Borrowings	463,180	-	3,180	-	295,194	243,216	-	541,590
Trade and other payables	1,589	1,589	-	-	-	-	-	1,589
Total	**464,769**	**1,589**	**3,180**	**-**	**295,194**	**243,216**	**-**	**543,179**

	COMPANY							
	Carrying amount N$'000	Up to 1 month N$'000	Greater than 1 month up to 6 months N$'000	Greater than 6 months up to 12 months N$'000	Greater than 1 year up to 2 years N$'000	Greater than 2 years up to 5 years N$'000	Greater than 5 years N$'000	Total N$'000
2024								
FINANCIAL LIABILITIES								
Borrowings	463,527	-	217,755	-	-	327,212	-	544,967
Trade and other payables	3,309	3,309	-	-	-	-	-	3,309
Total	**466,836**	**3,309**	**217,755**	**-**	**-**	**327,212**	**-**	**548,276**

5. Financial risk management (continued)
5.1 Financial risk factors (continued)

5.1.4 Assets and liabilities measured at fair value or for which fair values are disclosed

5.1.4.1 Valuation models

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.

The Group and Company measure fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- 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).

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discounting rates, foreign currency exchange rates, bond and equity prices, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Fair value for disclosure

For instruments measured and presented at amortised cost, in determining the fair value for disclosure purposes, the Group uses its own valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include advances and certain funding loans for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and selection of appropriate discount rate.

Fair value estimates obtained from models include adjustments to take account of the credit risk of the Group and Company and the counterparty where appropriate.

General

Model inputs and values are calibrated against historical data and published forecasts and, where possible, against current or recent observed transactions and experiences. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair values, and management judgement is required to select the most appropriate point in the range.

Financial assets and financial liabilities are measured at amortised cost. The principal accounting policies describe how the class of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognised.

The following tables analyse the financial assets and financial liabilities in the balance sheet per class and category of financial instrument to which they are assigned.

	GROUP	
	Amortised cost N$ '000	Total N$ '000
2025		
FINANCIAL ASSETS		
Cash and cash equivalents	986,380	986,380
Government and other securities	325,027	325,027
Other receivables	47,479	47,479
Advances to customers	5,438,448	5,438,448
Intercompany receivable	130,113	130,113
Total financial assets	**6,927,447**	**6,927,447**
FINANCIAL LIABILITIES		
Deposits due to customers	1,620,517	1,620,517
Lease liabilities	14,834	14,834
Trade and other payables	37,586	37,586
Borrowings	2,619,798	2,619,798
Amounts due to parent company	17,546	17,546
Total financial liabilities	**4,310,281**	**4,310,281**

5. Financial risk management (continued)
5.1 Financial risk factors (continued)

5.1.4 Assets and liabilities measured at fair value or for which fair values are disclosed (continued)

5.1.4.1 Valuation models (continued)

	GROUP	
	Amortised cost N$ '000	Total N$ '000
2024		
FINANCIAL ASSETS		
Cash and cash equivalents	750,565	750,565
Government and other securities	601,556	601,556
Other receivables	45,907	45,907
Advances to customers	5,385,539	5,385,539
Intercompany receivable	130,401	130,401
Total financial assets	**6,913,968**	**6,913,968**
FINANCIAL LIABILITIES		
Deposits due to customers	1,302,113	1,302,113
Lease liabilities	9,885	9,885
Trade and other payables	58,727	58,727
Borrowings	2,899,467	2,899,467
Amounts due to parent company	27,517	27,517
Total financial liabilities	**4,297,709**	**4,297,709**

	COMPANY	
	Amortised cost N$ '000	Total N$ '000
2025		
FINANCIAL ASSETS		
Cash and cash equivalents	1,945	1,945
Other receivables	2,352	2,352
Intercompany receivable	443,181	443,181
Total financial assets	**447,478**	**447,478**
FINANCIAL LIABILITIES		
Trade and other payables	1,589	1,589
Borrowings	463,180	463,180
Total financial liabilities	**464,769**	**464,769**

	COMPANY	
	Amortised cost N$ '000	Total N$ '000
2024		
FINANCIAL ASSETS		
Cash and cash equivalents	1,891	1,891
Other receivables	2,799	2,799
Intercompany receivable	439,372	439,372
Total financial assets	**444,062**	**444,062**
FINANCIAL LIABILITIES		
Trade and other payables	3,309	3,309
Borrowings	463,527	463,527
Total financial liabilities	**466,836**	**466,836**

At year-end, the carrying amounts of financial assets and liabilities approximate their fair values.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)

5.1.5 Insurance risk

Insurance risk is defined as risk, other than financial risk, that is transferred from the policyholder to the issuer of a contract. The Group uses cell insurance arrangements in order to mitigate against credit life and credit default risk over its loan portfolios in the jurisdiction. Credit life insurance is designed to cover both borrowers and lenders against the default of loan repayment because of death, permanent disability, critical illness or job loss of the borrower, whilst credit default insurance indemnifies the lender against a loss occurring as a result of the failure of the borrower to repay a loan for any other reason whatsoever. Refer to note 6 for additional information on the Group's insurance contract arrangements. The coverage periods for the Group's insurance contract arrangements are less than one year and the insurance contract asset recognised on the statement of financial position is realisable within 6 months.

5.1.6 Capital management

Capital adequacy risk is the risk that the Group will not have sufficient reserves to meet materially adverse market conditions beyond that which has already been assumed within the impairment provisions and reserves.

The Group and Company strive to maintain a strong capital base. Managed capital comprises of share capital, share premium, share based payment reserve, none-controlling interest/irredeemable preference shares and retained earnings. The Group's and Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's and Company's strategic focus is to maintain an optimal mix of available financial resources, while continuing to generate sufficient capital to support the growth of the Group's and Company's operations within the parameters of the risk appetite set by the Board. It is the Group's objective to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

External regulatory capital management - Banking Operations

Regulatory capital adequacy is measured by expressing available qualifying capital as a percentage of risk-weighted assets. The Banking Institutions Act (No 2 of 1998) and supporting regulations, read together with specific requirements for the banking operations, specify the minimum capital required to be held in relation to risk weighted assets. Ancillary regulatory requirements include the Basel II leverage ratio.

The banking operations regulatory capital is divided into two tiers:

- Tier 1 capital: Share capital, share premium, share based payment reserve, retained earnings and reserves created by appropriations of retained earnings.
- Tier 2 capital: Qualifying subordinated loan capital, general loan loss provisions and current unappropriated profits.

The Bank of Namibia requires each bank or banking group to maintain the following capital adequacy ratios:

- Tier 1 capital to total assets, at a minimum of 6%, referred to as the leverage capital ratio;
- Tier 1 capital to the risk-weighted assets at the minimum of 7%, referred to as Tier 1 risk-based capital ratio; and
- The total regulatory capital to risk-weighted assets as a minimum of 10%, referred to as total risk-based capital ratio.

In addition to the above minimum capital requirements, the Bank of Namibia requires the bank to perform an internal capital adequacy and assessment process (ICAAP) in terms of Pillar II of Basel II, which has been documented and approved by the Board. The process results in:

- The identification of all significant risk exposures to the banking group;
- The quantification of risk appetites for the major risks identified; and
- Control measures to mitigate the major risks.

ALCO is mandated to monitor and manage capital, which includes:

- meeting minimum Basel II regulatory requirements and additional capital add-ons and floors as specified by the Bank of Namibia ("BoN");
- ensure adequate capital buffers above the aforementioned criteria to ensure sustainability in both a systemic and idiosyncratic stress event as set out by the Group's risk appetite;
- test the Group's strategy against risk appetite and required capital levels;
- on an annual basis to review and sign-off the Group's Internal Capital Adequacy Assessment Process, prior to the submission to the Audit and Risk Committee, the Board and BoN; and
- to ensure compliance with other prudential regulatory requirements in respect of non-banking entities within the Group, most notably the capital requirements of these non-banking entities.

The debt covenant requirements attached to the Group's borrowings in note 15 are:

- Bad Debts Ratio does not exceed 10%
- Cash Collection Ratio exceeds 85%
- Capitalisation ratio exceeds 30%

The Group and Company have complied with these covenants throughout the reporting year.

5. Financial risk management (continued)
5.1 Financial risk factors (continued)

5.1.6 Capital management (continued)

Regulatory capital

	GROUP		LETSHEGO BANK (NAMIBIA) LIMITED	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
TIER 1 CAPITAL				
Ordinary share and premium	100	100	59,624	59,624
Non-controlling interest/preference shares *	215,085	215,085	215,085	215,085
Retained earnings	1,736,173	1,720,194	663,678	654,445
Ordinary shareholders' reserves	702,666	703,136	1,825	2,295
Total tier 1 capital	**2,654,024**	**2,638,515**	**940,212**	**931,449**
TIER 2 CAPITAL				
Current unappropriated profits	37,868	37,491	-	-
General allowance for credit impairments	32,563	32,023	32,286	31,820
	70,431	**69,514**	**32,286**	**31,820**
Total qualifying capital	**2,724,455**	**2,708,029**	**972,498**	**963,269**
Risk-weighted assets				
Credit risk	5,262,884	5,134,926	2,797,557	2,766,683
Market risk	83	3,732	83	3,743
Operational risk	1,524,298	1,330,028	729,615	581,922
Total risk-weighted assets	**6,787,265**	**6,468,686**	**3,527,255**	**3,352,348**

Capital adequacy ratios

	Minimum regulatory requirement %	Internal limit %	31 December 2025 %	31 December 2024 %
GROUP				
Total capital adequacy ratio	10%	15%	40%	41%
Tier 1 capital adequacy ratio	7%	9%	39%	40%
Tier 1 leverage ratio	6%	8%	36%	35%
BANK				
Total capital adequacy ratio	10%	15%	28%	30%
Tier 1 capital adequacy ratio	7%	9%	27%	28%
Tier 1 leverage ratio	6%	8%	22%	21%

*The balance relates to preference shares issued by the bank that are accounted for as non-controlling interest at Group level.

6. Insurance Contracts

6.1 Net insurance contract assets

Based on how the Group and Company manages its cell captive insurance arrangements, it disaggregates information to provide disclosure in respect of credit life insurance and credit default insurance. The breakdown of the Group's and Company's insurance contracts issued that are in an asset position is set out in the table below:

	31 December 2025 N$ '000	31 December 2024 N$ '000
GROUP		
Credit life insurance	139,412	119,487
Credit default insurance	48,721	46,409
Total	**188,133**	**165,896**
BANK		
Credit life insurance	90,651	83,070
Credit default insurance	32,012	39,437
Total	**122,663**	**122,507**

6.2 Roll-forward for net asset for insurance contracts issued

The roll-forward of the net asset for insurance contracts issued, also showing the liability for incurred claims for the insurance arrangements, is disclosed in the table below:

	Net Assets for remaining NS$ '000	Liabilities for incurred claims N$ '000	Total N$ '000
GROUP			
At 1 January 2024	**167,193**	**(23,196)**	**143,997**
Insurance revenue	433,603	–	433,603
Insurance expense	–	(159,480)	(159,480)
Deemed premiums received	(403,850)	–	(403,850)
Deemed claims paid	–	151,626	151,626
At 31 December 2024	**196,946**	**(31,050)**	**165,896**
Insurance revenue	428,499	–	428,499
Insurance expense	–	(118,042)	(118,042)
Deemed premiums received	(417,317)	–	(417,317)
Deemed claims paid	–	129,097	129,097
At 31 December 2025	**208,128**	**(19,995)**	**188,133**

	Net Assets for remaining NS$ '000	Liabilities for incurred claims N$ '000	Total N$ '000
COMPANY			
At 1 January 2024	**113,571**	**(14,331)**	**99,240**
Insurance revenue	280,203	–	280,203
Insurance expense	–	(86,177)	(86,177)
Deemed premiums received	(250,548)	–	(250,548)
Deemed claims paid	–	79,789	79,789
At 31 December 2024	**143,226**	**(20,719)**	**122,507**
Insurance revenue	259,326	–	259,326
Insurance expense	–	(73,724)	(73,724)
Deemed premiums received	(281,951)	–	(281,951)
Deemed claims paid	–	96,505	96,505
At 31 December 2025	**120,601**	**2,062**	**122,663**

There is no risk adjustment.

6.3 Insurance service result and insurance finance income

Included in net insurance result are the following components, arising from cell captive arrangements in the Group and Company:

	Credit life insurance N$ '000	Credit default insurance N$ '000	31 December 2025 N$ '000
GROUP			
Insurance revenue	265,065	163,434	428,499
Insurance expense	(5,934)	(112,108)	(118,042)
Net insurance financial result	**259,131**	**51,326**	**310,457**

	Credit life insurance N$ '000	Credit default insurance N$ '000	31 December 2024 N$ '000
GROUP			
Insurance revenue	277,038	156,565	433,603
Insurance expense	(49,610)	(109,870)	(159,480)
Net insurance financial result	**227,428**	**46,695**	**274,123**

6. Insurance Contracts (continued)

6.3 Insurance service result and insurance finance income (continued)

	Credit life insurance N$ '000	Credit default insurance N$ '000	31 December 2025 N$ '000
COMPANY			
Insurance revenue	171,215	88,111	259,326
Insurance expense	(5,789)	(67,935)	(73,724)
Net insurance financial result	**165,426**	**20,176**	**185,602**

	Credit life insurance N$ '000	Credit default insurance N$ '000	31 December 2024 N$ '000
COMPANY			
Insurance revenue	176,033	104,170	280,203
Insurance expense	(19,064)	(67,113)	(86,177)
Net insurance financial result	**156,969**	**37,057**	**194,026**

7. Cash and cash equivalents

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Cash and balances with banks	145,075	45,971	1,945	1,891
Money market placements	714,865	617,158	-	-
Balances with the central bank other than mandatory reserve deposits	93,547	55,023	-	-
Included in cash and cash equivalents	953,487	718,152	1,945	1,891
Mandatory reserve deposits with the central bank: restricted funds	32,893	32,413	-	-
Total	**986,380**	**750,565**	**1,945**	**1,891**

Money market placements constitute amounts held in money market unit trusts 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.

The deposits with the central bank are not available to finance the Group's day-to-day operations and, therefore, are restricted.

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

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Bank balances	257,366	125,435	1,945	1,891
Money market placements	714,865	617,158	-	-
Cash on hand	14,149	7,972	-	-
Total	**986,380**	**750,565**	**1,945**	**1,891**

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. Cash and cash equivalents to the value of nil (2024: nil) have been pledged as collateral as at the reporting date.

8. Government and other securities

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Treasury bills	274,112	272,715	-	-
Investment in RSA Government Security Bonds	-	277,963	-	-
Investment in Namibian Government Securities	50,915	50,878	-	-
Gross financial assets at amortised cost	325,027	601,556	-	-
Less expected credit loss allowance	-	-	-	-
Net financial assets at amortised cost	325,027	601,556	-	-
Non-current	-	186,707	-	-
Total (Gross financial assets at amortised cost)	**325,027**	**601,556**	**-**	**-**

Due to the nature of these financial assets 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. The decrease in RSA government securities is attributable to the maturity of certain notes as well as the disposal of selected bond holdings during the period.

There is no exposure to price risk as the investments will be held to maturity. The carrying amounts of these financial assets approximate their fair value.

9. Receivables

9.1 Other receivables

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Financial				
- Deposits	8,582	7,291	935	678
- Sundry receivables	11,040	7,732	-	-
- Deferred fees	27,857	30,884	1,417	2,121
Non-financial				
- Prepayments	13,701	11,761	-	-
Total other receivables	**61,180**	**57,668**	**2,352**	**2,799**
Current	61,180	57,668	2,352	2,799
Non-current	-	-	-	-
Total	**61,180**	**57,668**	**2,352**	**2,799**

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.

9. Receivables (continued)

9.2 Intercompany receivable

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Financial				
Intercompany current account – Letshego Bank (Namibia) Ltd	-	-	313,059	308,971
Letshego Africa Holdings Limited	130,113	130,401	130,113	130,401
Erf 8585 (Pty) Ltd	-	-	9	-
Total intercompany receivable	**130,113**	**130,401**	**443,181**	**439,372**
Current	130,113	87,762	443,181	396,733
Non-current	-	42,639	-	42,639
Total	**130,113**	**130,401**	**443,181**	**439,372**

The Letshego Africa Holdings Limited intercompany receivable is unsecured and bears interest at 3 month JIBAR plus 5.55%. The intercompany receivable is repayable on the 11 May 2026. The other intercompany receivables are unsecured and bear interest at Namibian prime rate. These loans are of a short-term nature and are repayable on demand.

Due to historical experience, intercompany receivables measured at amortised cost are regarded as a low probability of default and the ECL in respect of these is considered immaterial. At year-end, the carrying amount of the intercompany receivables approximate their fair values due to the variable nature of the interest on the receivable.

10. Advances to customers

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Gross advances to customers	5,451,945	5,404,109	-	-
Less: Impairment allowance on advances	(13,497)	(18,570)	-	-
Net advances to customers	**5,438,448**	**5,385,539**	**-**	**-**
Impairment allowance on advances				
Balance at the beginning of the year	18,570	43,155	-	-
Bad debts written off	(135,001)	(134,080)	-	-
Impairment adjustment – increase/(decrease) for the year	129,928	109,495	-	-
Balance at the end of the year	**13,497**	**18,570**	**-**	**-**
Stage 1 impairment	2,224	1,870	-	-
Stage 2–3 impairment	11,273	16,700	-	-
Total impairment (closing)	**13,497**	**18,570**	**-**	**-**
(Reversals)/Charges in profit or loss				
Impairment adjustment	129,928	109,495	-	-
Recoveries during the year	(124,863)	(121,643)	-	-
Net charge/(reversal)	**5,065**	**(12,148)**	**-**	**-**
Exposure to credit risk				
Net advances to customers	5,438,448	5,385,539	-	-
Maximum exposure to credit risk	**5,451,945**	**5,404,109**	**-**	**-**

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. Refer to note 5.1.1 for more information on credit risk management, credit quality, credit concentration risk and sensitivity of assumptions and estimates.

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.

No loans have been ceded, pledged, encumbered or restricted in any way.

The carrying amounts of advances approximate closely to their fair values at year end.

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

	GROUP						
	Furniture and fittings N$'000	Office equipment N$'000	Computer equipment N$'000	Motor vehicles N$'000	Leasehold improvements N$'000	Right-of-use assets - Buildings N$'000	Total N$'000
At 31 December 2025							
Cost	5,769	8,454	30,943	1,941	18,928	41,495	107,530
Accumulated depreciation	(2,605)	(4,073)	(19,673)	(968)	(9,499)	(27,683)	(64,501)
Carrying amount	**3,164**	**4,381**	**11,270**	**973**	**9,429**	**13,812**	**43,029**
At 31 December 2025							
Opening net amount at 1 January 2025	594	3,125	4,272	1,337	3,690	9,133	22,151
Additions	3,282	2,512	12,569	-	7,525	11,497	37,385
Disposals	-	-	(22)	-	-	-	(22)
Depreciation charge	(712)	(1,256)	(5,549)	(364)	(1,786)	(6,818)	(16,485)
Carrying amount	**3,164**	**4,381**	**11,270**	**973**	**9,429**	**13,812**	**43,029**
At 31 December 2024							
Cost	5,513	11,654	20,329	1,941	11,403	29,788	80,628
Accumulated depreciation	(4,919)	(8,529)	(16,057)	(604)	(7,713)	(20,655)	(58,477)
Carrying amount	**594**	**3,125**	**4,272**	**1,337**	**3,690**	**9,133**	**22,151**
At 31 December 2024							
Opening net amount at 1 January 2024	331	2,724	5,034	-	2,386	7,383	17,858
Additions	415	1,328	3,358	1,459	2,413	7,630	16,603
Disposals	-	-	-	-	-	-	-
Depreciation charge	(152)	(927)	(4,120)	(122)	(1,109)	(5,880)	(12,310)
Carrying amount	**594**	**3,125**	**4,272**	**1,337**	**3,690**	**9,133**	**22,151**

Property, plant and equipment and right-of-use assets are of a long-term nature (non-current).

COMPANY

The Company does not carry property, plant and equipment and right-of-use assets.

12. Trade and other payables

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Financial				
- Trade payables	28,557	47,620	131	548
- Accruals	2,620	4,045	15	607
- Other payables	6,409	7,062	1,443	2,154
Non-financial				
- Audit fee provision	2,613	3,189	314	389
- Staff provisions	36,298	24,551	-	-
- Value added taxation	902	1,470	-	-
- Withholding tax	160	416	-	-
	77,559	88,353	1,903	3,698
Current	77,559	88,353	1,903	3,698
Non-current	-	-	-	-
	77,559	**88,353**	**1,903**	**3,698**

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.

13. Lease liabilities

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Amounts recognised in the statement of financial position				
Current lease liabilities	7,262	5,287	-	-
Non-current lease liabilities	7,572	4,598	-	-
	14,834	**9,885**	**-**	**-**

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Reconciliation of lease liabilities				
Opening balance	9,885	8,194	-	-
Additions	11,497	7,630	-	-
Modifications	30	258	-	-
Interest expense	1,150	757	-	-
Payments	(7,728)	(6,954)	-	-
Closing balance	**14,834**	**9,885**	**-**	**-**
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.				
Refer to note 3(d)(i) for more information on the accounting policy for leases.				
There were additions of N$11.5 million (2024: N$7.6 million) to right-of-use assets during the 2025 financial year.				
Amounts recognised in the statement of comprehensive income				
Depreciation charge on right-of-use assets - Buildings	6,818	5,880	-	-
Interest expense on lease liabilities	1,150	757	-	-
Expense relating to leases of low value assets	2,102	1,651	-	-
Expense relating to short-term leases	1,671	1,754	-	-
	11,741	10,042	-	-

The total cash outflows relating to leases is N$9.4 million (2024: N$8.7 million)

14. Taxation

		GROUP		COMPANY	
		31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
14.1	**Income tax expense**				
	Current tax expense	74,321	47,997	2,149	2,097
	Origination and reversal of temporary differences	(2,223)	(2,015)	49	362
	Total income tax expense	**72,098**	**45,982**	**2,198**	**2,459**
14.2	**Reconciliation of current taxation**				
	Profit before taxation	577,913	464,823	463,262	375,121
	Tax calculated at standard rate - 30% (2024: 31%)	173,374	144,095	143,611	116,288
	Income not subject to tax - net insurance result (cell captive)	(93,095)	(83,739)	(145,638)	(118,057)
	Income not subject to tax - interest on money market placements	(10,292)	(15,089)	-	-
	Non-deductible expenses*	2,121	883	4,246	4,246
	Effect of change in tax rate	(10)	(168)	(21)	(18)
		72,098	**45,982**	**2,198**	**2,459**
	Effective tax rate	**12.48%**	**9.89%**	**0.47%**	**0.66%**

*Non-deductible expenses relates to income tax apportionment ratio.

		GROUP		COMPANY	
		31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
14.3	**Deferred taxation**				
	The Group has disclosed the deferred tax assets and the deferred tax liabilities separately.				
	Deferred tax asset				
	The balance comprises:				
	- Property, equipment and right-of-use assets	(6,772)	(4,473)	-	-
	- Prepayments	(4,255)	(3,961)	-	-
	- Impairment allowance on advances	865	791	-	-
	- Leave pay, bonus and other provisions	11,862	8,437	-	-
	- Share based payments	547	689	-	-
	- Lease liabilities	4,450	2,965	-	-
	- EIR adjustment	-	(279)	-	-
	- Assessed loss	-	-	-	-
		6,697	**4,169**	**-**	**-**
	Current	-	-	-	-
	Non-current	6,697	4,169	-	-
		6,697	**4,169**	**-**	**-**
	Deferred tax liabilities				
	The balance comprises:				
	- Prepayments and deferred expenses	107	367	(318)	(269)
	- EIR adjustment	(6,490)	(6,336)	-	-
	- Deferred arrangement fees	(615)	(723)	-	-
		(6,998)	**(6,692)**	**(318)**	**(269)**
	Current	-	-	-	-
	Non-current	(6,998)	(6,692)	(318)	(269)
		(6,998)	**(6,692)**	**(318)**	**(269)**

14. Taxation (continued)

14.3 Deferred taxation (continued)

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 30% (2024: 30%) 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.

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.

The applicable tax rate changed to 30% effective 01 January 2025 in terms of the Income Tax Amendment Act, 2024. Income tax for the current year has been calculated at 30%, while Deferred Tax has been calculated at 30% for 2025 and 2024 as it will be realised at 30% in future periods.

		GROUP		COMPANY	
		31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
14.4	**Current taxation**				
	Opening balance	(2,860)	67,950	(898)	(1)
	Charge to profit or loss - Current year	(74,321)	(47,997)	(2,149)	(2,097)
	Payments made during the period	73,886	47,533	3,048	1,200
	Refund received	-	(65,711)	-	-
	Adjustment	-	(4,635)	-	-
	Taxation asset / (Liability)	**(3,295)**	**(2,860)**	**1**	**(898)**
	Current	(3,295)	(2,860)	1	(898)
	Non-current	-	-	-	-
		(3,295)	**(2,860)**	**1**	**(898)**

15. Borrowings

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Commercial Bank 1				
Facility 1	250,064	250,071	-	-
Facility 2	75,020	75,022	-	-
Facility 3	-	165,046	-	-
Facility 4	165,044	165,047	-	-
Facility 5	165,044	-	-	-
	655,172	**655,186**	**-**	**-**
Commercial Bank 1 borrowings are secured revolving credit facilities guaranteed by Letshego Namibia Holdings Limited and bear interest at 3 month JIBAR plus 2.61% (facility 1), at 3 month JIBAR plus 2.81% (facility 2), Namibia Prime less 0.52% (facility 3), Namibia Prime less 0.32% (facility 4) and Namibia Prime less 0.32% (facility 5). Interest on the loans is repayable quarterly and the loans mature on 2 March 2026, 16 December 2027, 10 March 2025, 10 March 2026 and 30 April 2028 respectively. The Group has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 reporting periods.				
Commercial Bank 2				
Loan 1	450,118	450,127	-	-
Loan 2	-	216,956	-	-
Loan 3	50,013	50,014	-	-
	500,131	**717,097**	**-**	**-**
Commercial Bank 2 borrowings are secured term loans guaranteed by Letshego Holdings (Namibia) Limited and bear interest at Namibia Prime less 0.45% (loan 1), 3 month JIBAR plus 2.35% (loan 2) repayable in bi-annual instalments and Namibia Prime less 0.5% (loan 3) and mature on 29 June 2028, 11 December 2025 and 13 September 2027 respectively.				

15. Borrowings (continued)

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
The Group has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 reporting periods.				
Commercial Bank 3	**33,352**	**100,062**	**-**	**-**
Commercial Bank 3 borrowing is a secured revolving credit facility guaranteed by Letshego Holdings (Namibia) Limited and bears interest at 3 month JIBAR plus 3.55%. Interest and capital on the loan is repayable quarterly and the loan matures on 30 June 2026. The Group has complied with the financial covenants of its borrowing facility during the 2025 and 2024 reporting periods.				
Development Finance loan				
Tranche 1	87,213	283,545	-	-
Tranche 2	314,916	377,833	-	-
	402,129	661,378	-	-
Development Finance borrowings are secured term loans guaranteed by Letshego Holdings (Namibia) Limited and bear interest at SOFR plus 0.43% (tranche 1) and 3 month JIBAR plus 3.55% plus a swap rate of 0.80% (tranche 2). Interest on the loans is repayable bi-annually and the loan matures on 15 June 2026 (tranche 1) and quarterly and the loan matures on 15 June 2028 (tranche 2). The Group has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 reporting periods.				
Listed Bond Programme				
Listed Bond 1	-	200,116	-	200,116
Listed Bond 2	263,085	263,411	263,085	263,411
Listed Bond 3	301,993	302,217	-	-
Listed Bond 4	160,723	-	-	-
Listed Bond 5	103,118	-	-	-
Listed Bond 6	200,095	-	200,095	-
	1,029,014	**765,744**	**463,180**	**463,527**
Listed Bond 1 is a medium term loan guaranteed by Letshego Micro-Financial Services (Namibia) (Pty) Ltd and bears interest at 3 month ZAR-JIBAR-SAFEX plus 2.80%. Interest on the loan is repayable quarterly and the loan matures on 30 June 2025. Listed Bond 2 is a medium term loan guaranteed by Letshego Micro-Financial Services (Namibia) (Pty) Ltd and bears interest at 3 month ZAR-JIBAR-SAFEX plus 2.95%. Interest on the loan is repayable quarterly and the loan matures on 17 May 2027. Listed Bond 3 is a medium term loan, bears interest at 3 month ZAR-JIBAR-SAFEX plus 2.20%. Interest on the loan is repayable quarterly and the loan matures on 05 December 2029. Listed Bond 4 is a medium term loan, bears interest at 3 month ZAR-JIBAR-SAFEX plus 1.90%. Interest on the loan is repayable quarterly and the loan matures on 15 May 2028. Listed Bond 5 is a medium term loan, bears interest at 3 month ZAR-JIBAR-SAFEX plus 2.00%. Interest on the loan is repayable quarterly and the loan matures on 15 May 2030. Listed Bond 6 is a medium term loan guaranteed by Letshego Micro-Financial Services (Namibia) (Pty) Ltd and bears interest at 3 month ZAR-JIBAR-SAFEX plus 1.90%. Interest on the loan is repayable quarterly and the loan matures on 30 June 2028. The Group has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 reporting periods.				
Total borrowings	**2,619,798**	**2,899,467**	**463,180**	**463,527**
Current	783,298	896,582	3,180	203,527
Non-current	1,836,500	2,002,885	460,000	260,000
	2,619,798	**2,899,467**	**463,180**	**463,527**

Risk exposures
Details of the Group's and Company's exposure to risks arising from current and non-current borrowings are set out in note 5.

16. Amounts due to parent company

		GROUP		COMPANY	
		31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
16.1	**Amounts due to parent company - Letshego Africa Holdings Limited**	**17,736**	**27,837**	**-**	**-**
	Reconciliation of amounts due to parent company:				
	Opening balance	27,837	23,909	-	-
	Movement in the current year	(10,101)	3,928	-	-
	Closing balance	**17,736**	**27,837**	**-**	**-**
	The intercompany payable with Letshego Africa Holdings Limited is unsecured and currently does not bear interest and is repayable on demand. 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.				
16.2	**Intercompany payable - Erf 8585 (Pty) Ltd**	(190)	(320)	-	-
	The intercompany loan with Erf 8585 (Pty) Ltd is unsecured and currently does not bear interest and is repayable on demand. 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 intercompany payables	**17,546**	**27,517**	**-**	**-**

17. Deposits due to customers

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Current accounts	22,569	50,218	-	-
Term deposits	1,597,948	1,251,895	-	-
Total deposits due to customers	**1,620,517**	**1,302,113**	**-**	**-**
Current	1,620,517	1,302,113	-	-
Non-current	**-**	**-**	**-**	**-**
	1,620,517	**1,302,113**	**-**	**-**

18. Share capital

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Authorised share capital				
500,000,000 ordinary shares of 0.02 cents each (2024: 500,000,000 ordinary shares of 0.02 cents each)	100	100	100	100
Issued share capital				
500,000,000 ordinary shares of 0.02 cents each (2024: 500,000,000 ordinary shares of 0.02 cents each)	100	100	100	100
Preference shares				
215,084,843 preference shares of N$1 each	215,085	215,085	-	-

The preference shares are irredeemable, bear non-cumulative dividend at Namibian prime interest rate plus 2% per annum which can be waived at the option of the preference share issuer.

On 17 November 2025, Letshego Africa Holdings Limited (LAHL) and the Trustees of the IJG Securities Money Market Trust (IJG) entered into a share purchase agreement where the Trust obtained 107,042,421 of the total issued preference shares in the Bank at N$1 per share.

The agreement includes a put option exercisable by IJG from 1 March 2028, whereby LAHL is required to repurchase the preference shares. Should LAHL fail or refuse to repurchase the shares when the option is exercised, the Bank will be required to repurchase the shares. This arrangement creates a financial guarantee contract between the Bank and LAHL. The fair value of this financial guarantee has been assessed to be nil as at year end. Subsequent to year end, an addendum to the contract was signed, removing the obligation from the Bank to repurchase the preference shares (refer to note 35).

19. 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 Africa 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 Africa 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 Africa 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 on 1 January 2023, 2024 and 2025 respectively. The vesting period of the share awards from grant date is three periods.

	GROUP			
	31 December 2025		31 December 2024	
	Number of share awards	Exercise price	Number of share awards	Exercise price
Granted during prior years	3,900	NAD1.01/1.90/1.67	5,252	NAD1.02/1.92/1.71
Granted in current year	1,123	NAD 0.91	789	NAD 1.66
Exercised during the year	-	-	-	-
Forfeited during the period	(1,433)	NAD 0.80	(2,141)	NAD 0.99
Exercisable and outstanding at the end of the year	3,590	NAD0.60/1.12/0.91	3,900	NAD1.01/1.90/1.67
Fair value of awards exercisable and outstanding at the end of the year	1,642		2,112	

20. Profit before taxation

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
The following items have been recognised in arriving at profit before taxation:				
Advertising and promotions	7,580	7,536	1,077	1,707
Auditors' remuneration	3,705	3,483	507	446
Consultancy costs - professional services	24,883	16,617	3,008	3,501
Computer services costs	2,889	1,287	-	-
Depreciation	16,486	12,310	-	-
Directors' emoluments				
- for services as director	2,163	2,817	-	-
- for management services	9,990	8,775	-	-
Rental - low-value and short-term leases	3,773	3,405	-	-
Employee benefit expense (excluding directors' remuneration - for management services)	136,979	107,455	38	73

21. Employee benefit expense

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Salaries	79,625	67,983	38	73
Key management personnel	23,450	22,139	-	-
Pension fund contributions	9,196	8,079	-	-
Medical aid contributions	8,304	6,732	-	-
Social security	233	196	-	-
Share based payment expense	(470)	33	-	-
Incentive bonuses	26,595	10,948	-	-
Staff welfare	36	120	-	-
	146,969	**116,230**	**38**	**73**

22. Operating expenses by nature

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Sales related expense	16,399	10,595	9	-
Advertising and promotions	7,580	7,536	1,077	1,707
Auditors remuneration - audit services	3,705	3,483	507	446
Collection fees	48,132	41,042	-	-
Consulting and secretarial	24,883	16,617	3,008	3,501
Management fees	44,655	43,333	-	-
Depreciation (note 11)	16,486	12,310	-	-
Directors' remuneration - for services as directors	2,163	2,817	-	-
Computer related expenses	2,889	1,287	-	-
Office rental	3,773	3,405	-	-
Travel and accommodation	3,427	3,492	10	-
Social responsibility projects	1,366	723	45	-
Telephone and fax	4,232	4,066	-	-
Subscriptions	28,044	25,105	740	430
VAT expense	12,471	14,013	-	-
Security costs	4,594	3,233	-	-
Insurance	85,891	65,897	-	-
Bank charges	10,410	11,864	1,053	1,396
Repairs and maintenance	436	1,298	-	-
Other operational expenses	13,583	19,270	310	205
Unrealised foreign exchange loss	(145)	574	-	-
	334,974	**291,960**	**6,759**	**7,685**

23. Net interest income

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Interest income calculated using the effective interest income method - Advances to customers	1,025,065	836,961	-	-
Other interest income calculated using the effective interest income method				
- Interest income on short-term bank deposits and money market placements	40,307	58,913	44	349
- Interest income on bonds and treasury bills	24,479	39,281	-	-
- Interest income on loans to related parties	17,002	19,072	53,694	59,033
Total interest income	**1,106,853**	**954,227**	**53,738**	**59,382**
Interest expense calculated using the effective interest rate method	(382,940)	(404,940)	(46,232)	(50,799)
- Borrowings	(288,561)	(318,383)	(46,232)	(50,799)
- Deposits due to customers	(93,229)	(85,800)	-	-
- Lease liabilities	(1,150)	(757)	-	-
Net interest income	**723,913**	**549,287**	**7,506**	**8,583**

24. Fee income

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Postage fees	19	102	-	-
Fees and commission earned from services to customers	30,486	37,288	-	-
	30,505	**37,390**	**-**	**-**

25. Other income

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Dividend income*	-	-	276,085	179,509
Sundry Income	46	65	866	761
	46	**65**	**276,951**	**180,270**

*An ordinary dividend of N$276 million (2024: N$180 million) was earned from Letshego Micro-Financial Services (Namibia) (Pty) Ltd and Letshego Bank (Namibia) during the current year.

26. Related parties

Subsidiaries:	Letshego Micro-Financial Services (Namibia) (Proprietary) Limited Letshego Bank (Namibia) Limited
Lease agreements:	Erf Eight Five Eight Five (Proprietary) Limited (Subsidiary of Ultimate Parent Company)
Management services agreements:	Letshego Africa Holdings Limited (Ultimate Parent Company)
Key management personnel:	Ester Kali (Chief Executive Officer) Melvin Angula (Chief Executive Officer) (LMFSN) (resigned 13 March 2026) Willem Pretorius (Chief Financial Officer) Allvan Farmer (Chief Operating Officer) (resigned 28 February 2026) Herwin Tsowaseb (Head: Credit) Aletta Shifotoka (Chief Risk Officer) Barend Kruger (Head: Consumer Division) Kgomotso Hochobeb (Head: Internal Audit) Kingsley Guiseb (Head: People and Culture) Evast Kalumbu (Head: Legal and Company Secretary) Nameva Ndzana (Head: Governance and Compliance)
Directors:	Maria Nakale Ester Kali Karl-Stefan Altmann (resigned 30 June 2025) Sven von Blottnitz (resigned 06 March 2025) Kudzai Chigiji Richard Ochieng Jerome Mutumba (resigned 01 October 2025) Jaco Esterhuyse (resigned 29 April 2025) Willem Pretorius (appointed 25 November 2025) Christoffer Chipeio (appointed 02 February 2026)

26.1 Related party balances

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Loan accounts - Receivables from related parties				
Letshego Bank (Namibia) Ltd	-	-	313,059	308,971
Letshego Africa Holdings Limited	130,113	130,401	130,113	130,401
	130,113	130,401	443,172	439,372
The above intercompany receivables are unsecured and bear interest at Namibian prime rate. These loans are of a short-term nature and are repayable on demand.				
Amounts due to/(from) related parties				
Letshego Africa Holdings Limited - loan	17,736	27,837	-	-
Erf 8585 (Pty) Ltd	(190)	(320)	-	-
	17,546	**27,517**	**-**	**-**
The intercompany payable with Letshego Africa Holdings Limited is unsecured and currently does not bear interest and is repayable on demand.				
The intercompany balance with Erf 8585 (Pty) Ltd is unsecured and currently does not bear interest and is repayable on demand.				
Advances				
Advances to key management personnel	834	530	-	-
The impairment in respect of loans granted to key management personnel in the current or prior year is considered immaterial.				
Deposits				
Deposits from key management personnel and directors	140	1,076	-	-

Deposits include current and savings accounts.

26. Related parties (continued)
26.2 Related party transactions

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Net interest expense				
Key management personnel and directors	-	(47)	-	-
Interest income				
Letshego Bank (Namibia) Limited	-	-	36,692	30,593
Letshego Micro-Financial Services (Namibia) (Pty) Ltd	-	-	-	9,370
Letshego Africa Holdings Limited	17,002	19,072	17,002	19,070
	17,002	**19,072**	**53,694**	**59,033**
Rent expense				
Erf 8585 (Pty) Ltd	2,685	2,517	-	-
Management fees expense				
Letshego Africa Holdings Limited	44,655	43,333	-	-
Dividend income from related parties				
Letshego Bank (Namibia) Limited	-	-	83,189	41,647
Letshego Micro-Financial Services (Namibia) (Pty) Ltd	-	-	192,896	137,862
	-	**-**	**276,085**	**179,509**
The amount classified as management fees under note 22 is made up as follows:				
Fees payable to Letshego Africa Holdings Limited	40,190	39,000	-	-
Withholding tax paid on imported management services	4,465	4,333	-	-
	44,655	**43,333**	**-**	**-**
Compensation expense to key management personnel				
Short-term benefits	21,634	20,323	-	-
Post employment benefits	1,816	1,816	-	-
	23,450	**22,139**	**-**	**-**

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Compensation expense directors				
Sitting fees expense for non-executive directors	2,163	2,817	-	-
	2,163	**2,817**	**-**	**-**

27. Capital reorganisation reserve

The capital reorganisation reserve arose on 5 July 2016 when Letshego Holdings (Namibia) Limited acquired 99,999% of the issued share capital of Letshego Bank Namibia Limited.

This transaction was a capital re-organisation in the form of a common control combination. As a result, for purposes of consolidation, the transaction was treated as if the combination had taken place at the beginning of the earliest comparative period presented at the time, which was 01 January 2015. Details of the purchase consideration, the net assets acquired and negative goodwill are as follows:

	GROUP	COMPANY
	As at 01 January 2015 N$'000	As at 01 January 2015 N$'000
Cash	48,033	45,762
Other receivables	63,970	112,825
Intercompany receivable	20,517	53,552
Advances to customers	1,607,218	1,932,258
Deferred taxation	3,343	1,251
Current taxation	(14,819)	6,728
Property, plant and equipment	5,904	10,814
Trade and other payables	(53,894)	(32,263)
Intercompany payable	-	(1,198)
Borrowings	(764,064)	(785,476)
Non-controlling interest - Preference shares attributable to ultimate parent company	(215,085)	-
Capital reorganisation reserve	(701,024)	(1,344,154)
Net assets acquired	**100**	**100**

27. Capital reorganisation reserve (continued)

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Capital reorganisation reserve	**701,024**	**701,024**	**1,344,154**	**1,344,154**

28. Investment in subsidiaries

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Investment in Letshego Micro-Financial Services Namibia (Pty) Ltd at cost	-	-	570,200	570,200
Investment in Letshego Bank Namibia Limited at cost	-	-	1,344,154	1,344,154
	-	**-**	**1,914,354**	**1,914,354**

29. Capital commitments

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Authorised but not contracted for	**46,000**	**24,000**	**-**	**-**

30. 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 and separate financial statements.

30.1 Entity-wide disclosures

30.1.1 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 microlending services.

30.1.2 Geographical segments

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

30.1.3 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.

31. Net debt reconciliation

The net debt is made up of cash, borrowings and lease liabilities. Other changes include non-cash movements which will be presented as operating cash flows in the statement of cash flows when paid. At year-end, net debt is constituted as follows:

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Cash and cash equivalents	986,380	750,565	1,945	1,891
Amount due to parent company - repayable within one year	(17,546)	(27,517)	-	-
Borrowings repayable within one year (including lease liabilities)	(790,560)	(901,869)	(3,180)	(203,527)
Borrowings repayable after one year (including lease liabilities)	(1,844,072)	(2,007,483)	(460,000)	(260,000)
Net debt	**(1,665,798)**	**(2,186,304)**	**(461,235)**	**(461,636)**
Cash and cash equivalents	986,380	750,565	1,945	1,891
Gross debt - variable interest rates	(2,652,178)	(2,936,869)	(463,180)	(463,527)
Net debt	**(1,665,798)**	**(2,186,304)**	**(461,235)**	**(461,636)**

32. Earnings and headline earnings per share

Basic earnings per share is calculated by dividing the Group's and Company's profit for the year by the weighted average number of ordinary shares in issue during the year/period, excluding ordinary shares purchased by the Company and held as treasury shares.

Headline earnings per share are calculated by dividing the Group's and Company's profit for the year, after excluding identifiable remeasurements, net of tax, by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	GROUP		COMPANY	
	31 December 2025 N$'000	31 December 2024 N$'000	31 December 2025 N$'000	31 December 2024 N$'000
Earnings				
Profit for the year	505,815	418,841	461,064	372,662
Headline adjustments	-	-	-	-
Headline earnings	505,815	418,841	461,064	372,662
Number of ordinary shares in issue at year end (note 18)	500,000	500,000	500,000	500,000
Weighted average number of ordinary shares in issue during the year	500,000	500,000	500,000	500,000
Diluted weighted average number of ordinary shares in issue during the year	500,000	500,000	500,000	500,000
Earnings per ordinary share (cents)				
Basic	101	84	92	75
Fully diluted	101	84	92	75
Headline earnings per ordinary share (cents)				
Basic	101	84	92	75
Fully diluted	101	84	92	75

33. Changes in cash flows arising from financing activities

The table below details changes in the cash flows arising from the financing activities, including both cash and non-cash changes. Cash flows arising from the financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	GROUP			
	Lease liabilities N$'000	Amount due to parent company N$'000	Interest bearing borrowings N$'000	Assets held to hedge long-term borrowings N$'000
Balance at 01 January 2025	**9,885**	**27,517**	**2,899,467**	**(277,963)**
Cash flows				
Financing cash inflow				
- Capital	-	(9,971)	461,000	244,466
- Interest	-	-	-	9,432
Financing cash outflow				
- Capital	(6,578)	-	(721,910)	-
- Interest	(1,150)	-	(289,375)	-
Non-cash flow changes				
Revaluation of foreign currency borrowing	-	-	(17,945)	14,477
Lease modifications	30	-	-	-
Premium and discount income – Bond	-	-	-	9,588
Interest	1,150	-	288,561	-
Lease additions	11,497	-	-	-
Balance at 31 December 2025	**14,834**	**17,546**	**2,619,798**	**-**

33. Changes in cash flows arising from financing activities (continued)

	GROUP			
	Lease liabilities N$'000	Amount due to parent company N$'000	Interest bearing borrowings N$'000	Assets held to hedge long-term borrowings N$'000
Balance at 01 January 2024	**8,194**	**23,763**	**3,115,860**	**(526,017)**
Cash flows				
Financing cash inflow				
- Capital	-	3,754	710,000	238,012
- Interest	-	-	-	25,071
Financing cash outflow				
- Capital	(6,197)	-	(906,403)	-
- Interest	(757)	-	(344,650)	-
Non-cash flow changes				
Revaluation of foreign currency borrowing	-	-	6,277	(5,535)
Lease modifications	258	-	-	-
Premium and Discount Income – Bond	-	-	-	11,270
Interest	757	-	318,383	(20,764)
Lease additions	7,630	-	-	-
Balance at 31 December 2025	**9,885**	**27,517**	**2,899,467**	**(277,963)**

	COMPANY
	Interest bearing borrowings N$'000
Balance at 01 January 2025	**463,527**
Cash flows	
Financing cash inflow	
- Capital	200,000
- Interest	-
Financing cash outflow	
- Capital	(200,000)
- Interest	(46,579)
Non-cash flow changes	
Movement in accrued interest	46,232
Balance at 31 December 2025	**463,180**

	COMPANY
	Interest bearing borrowings N$'000
Balance at 01 January 2024	**434,578**
Cash flows	
Financing cash inflow	
- Capital	260,000
- Interest	-
Financing cash outflow	
- Capital	(231,000)
- Interest	(50,850)
Non-cash flow changes	
Movement in accrued interest	50,799
Balance at 31 December 2024	**463,527**

34. Analysis of shareholding

Basic earnings per share are calculated by dividing the Group's and Company's profit for the year by the weighted average number of ordinary shares in issue during the year/period, excluding ordinary shares purchased by the Company and held as treasury shares.

Headline earnings per share is calculated by dividing the Group's and Company's profit for the year, after excluding identifiable remeasurements, net of tax, by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

Range of shareholders	Number of shareholders	% of shareholders	Number of shares	% of shares
1 - 99	4	0.11%	129	0.00%
100 - 499	1,991	54.80%	592,440	0.12%
500 - 999	641	17.64%	448,797	0.09%
1000 - 1999	451	12.41%	581,889	0.12%
2000 - 2999	222	6.11%	565,459	0.11%
3000 - 3999	51	1.40%	176,794	0.04%
4000 - 4999	20	0.55%	91,664	0.02%
5000 - 9999	98	2.70%	612,773	0.12%
over 10 000	155	4.28%	496,930,055	99.38%
	3,633	**100%**	**500,000,000**	**100%**
Geographic ownership				
Namibian Resident	3,618	99.59%	107,366,444	21.47%
Non-Resident of Namibia	15	0.41%	392,633,556	78.53%
	3,633	**100%**	**500,000,000**	**100%**
Largest shareholders - more than 5% of share capital				
Letshego Africa Holdings Limited			**392,300,832**	**78.46%**
Kumwe Investment Holding Limited			**59,866,632**	**11.97%**
			452,167,464	**90.43%**

35. Events occurring after the reporting date

A final dividend of N$271 million (54.14 cents per ordinary share) has been declared since the end of the reporting period.

Last date to trade cum dividend - Wednesday 01 April 2026
First date to trade ex-dividend - Thursday 02 April 2026
Last date to register - Friday 10 April 2026
Dividend payment date - Friday 24 April 2026

Christoffer Chipeio was appointed as an Independent Non-Executive Director on the 02 February 2026.

On 17 November 2025, Letshego Africa Holdings Limited (LAHL) and the Trustees of the IJG Securities Money Market Trust (IJG) entered into a share purchase agreement where the Trust obtained 107,042,421 of the total issued preference shares in the Bank at N$1 per share (refer to note 18).

The agreement includes a put option exercisable by IJG, which requires LAHL to repurchase the preference shares from IJG. Should LAHL fail or refuse to repurchase the shares when the option is exercised, the Bank would be required to repurchase the shares.

Post year end, the Regulator raised concerns about the transaction entered into by the Bank as described in note 18. Management then entered into discussions with the Regulator and has initiated a process to amend the share purchase agreement to align with the Regulator's request that the Bank be excluded from this transaction, thereby recusing the Bank from the financial guarantee. This amended agreement has not yet been signed.

Additional Information

APPENDIX – DIRECT SALES AGENTS

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