CONTINUED PROGRESS ON DELIVERY OF THE STRATEGIC AGENDA

The 2017 financial year was characterised by a challenging operating environment which saw a decline in credit demand across several sectors. Nonetheless, the Group has achieved a number of milestones in its transformation agenda towards achieving Africa’s leading inclusive financial group, and is making progress in its investment in technology, delivery platforms.

FINANCIAL HIGHLIGHTS:
- Total revenue increased by 14%, underscoring growth by Advances in Customers of 14%.
- Cost to income ratio increased to 24% from 23% in 2016 on account of initiatives associated with the banking operations.
- The Group saw an impairment charge release of NAD50.5m, owing to the high collection and recovery rates which improved the quality of the advances book.
- Profit before tax was NAD329m, which is a 37% increase from 2016.
- Non-performing loans decreased from 4.6% to 3.3%.
- Return on equity was 23% (2016: 20%) and Return on assets was 15% (2016: 13%).
- Earnings per share of 77 cents (2016: 65 cents) were achieved, an increase of 17%.

Non financial highlights:
- Number of Access Points: 10,000 (2016: 10,000)
- NB1 Card base doubled (2016: NB 7818)
- Number of employees: 881 (2016: 38)

KEY HIGHLIGHTS OF PROGRESS WITH DELIVERY OF STRATEGIC AGENDA DURING THE YEAR INCLUDE:

- Embrace financial inclusion: We believe that closing our inclusive financial agenda in the context to achieving broad based economic development and poverty eradication and therefore financial inclusion forms an integral part of our strategy. We launched a value proposition to our Windhoek based customers, made significant strides towards our channel implementation and invested in financial literacy initiatives to our key stakeholders.

- Grow the franchise: During September 2017, LHN listed on the Namibian Stock Exchange. We adopted the first-of-its-kind approach to launching a financially inclusive Initial Public Offer (IPO) in the emerging market. Selling shares to ordinary customers, and diversification into informal segments have contributed to growth in our micro-loans business.

- Enhance customer experience: We have launched a new application throughout our 15 access points nationwide. Our continuous investments in technology development and systems has strengthened our operational platforms and channels available to our customers. We endeavour to deliver an exceptional level of customer experience, through identifying opportunities to grow our market share and enhancing customer experiences we live through our Letshego, all in one, financial solution.

- Embed the future capability model: We are confident that disruptive digital technologies will transform traditional approaches to accessing financial solutions and have therefore positioned our capabilities to align to changing trends in the market. A strengthened governance and compliance framework have been implemented.

BOARD

During the year under review, Mr. Maryvonne Board, was appointed as an independent Non-Executive Director. Post these appointments the Board comprises of seven Directors - four independent non-executive Directors and one executive Director. The Board Chairman, Eugene Shepherd, has indicated his intention to step down later this year following the successful listing of LCN on the Namibian Stock Exchange. A search for his replacement has commenced.

GROUP STRUCTURE

Post year end, the majority shareholder, Lethego Holdings Limited, divested, changed to Lethego Mauritius, following obtaining all regulatory approvals.

PROSPECTS

Through investment in people and technology, while leveraging on strategic relationships, LCN continues to drive its inclusive finance strategy. Although the economic climate has remained depressed, current indications point to modest economic growth for 2018 on the back of mining and agriculture recovery. The Board is confident that the Group is well positioned to contribute towards improving the lives of communities while creating value for its stakeholders.

REVISED RESULTS - AUDITOR’S REVIEW CONCLUSION

The revised consolidated financial statements for the year ended 31 December 2017 have been reviewed by PriceWaterhouseCoopers, who expressed an unmodified review conclusion therein. The review was conducted in accordance with SRE 2410 ‘Review of Interim Financial Information’ performed by the Independent Auditors of the Entity. A copy of the auditors’ review report is available for inspection at the company’s registered office together with the consolidated financial statements referred to in the auditors’ review report.

SAS IN BASIS OF PRESENTATION

The reviewed consolidated financial statements of Lethego Holdings Limited for the year ended 31 December 2017 have been prepared in accordance with International Accounting Standards (IAS) 34: Year-end Financial Reporting and the requirements of the Companies Act of Namibia. This results announcement is the responsibility of the directors, as extracted from the reviewed consolidated financial statements, but is not self reviewed or audited. The group’s principal accounting policies comply with IFRS and have been prepared on the accruals basis, except for certain material aspects with the previous financial years.

DIVIDEND NOTICE

Notice is hereby given that the Board has declared a final dividend (made dividend) of 10.2 cents per share for the year ended 31 December 2017. Details of the declaration date, payable date and dividend per share are as follows:

- Dividend declaration date: 26 February 2018
- Last date to trade cum dividend: 05 April 2018
- Last date to trade ex dividend: 04 April 2018
- Last date to register: 13 April 2018
- Dividend payment date: 30 April 2018

For and on behalf of the Board of Directors:

J E Shepherd
Chairman

E Kuli
Chief Executive Officer

PROFIT AFTER TAX (NAD‘M)

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<tr>
<th>Year Ended</th>
<th>Profit after Tax (NAD‘M)</th>
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<td>19.2c</td>
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<tr>
<td>31 Dec 2016</td>
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Net Advances (NAD‘M)

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Basis Earnings per Share (cents)

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FINANCIAL TABLES

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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<th>Change</th>
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<tr>
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<td>31 Dec 2016</td>
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Lethego Financial Results 2017