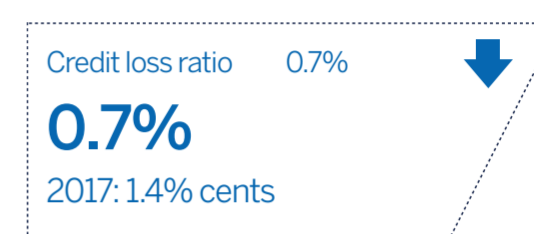
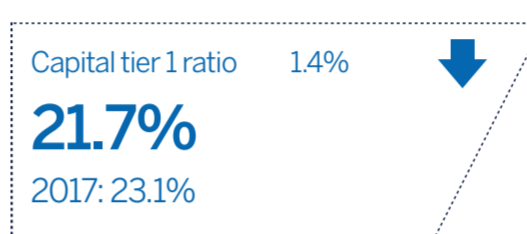
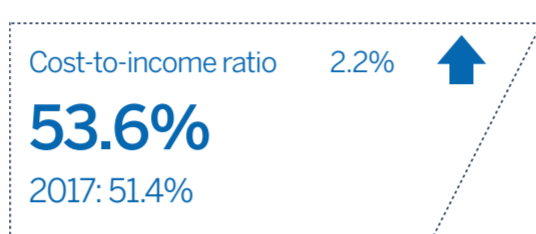
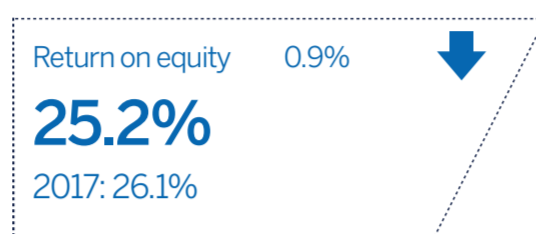
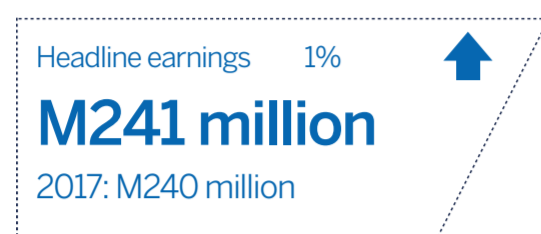


Standard Lesotho Bank Annual financial results for the year ended 31 December 2018

Financial highlights



For the full year ended 31st December 2018, the Bank delivered sustainable earnings of M241 million, up 1% on previous period. The Bank's capital position remained strong with a Tier I capital adequacy ratio (CAR) of 21.7% (2017: 23.1%). Accordingly, shareholders declared full year dividends of 1 212 cents per share, an uplift of 100% from the prior year. However, return on equity dropped to 25.2% from 26.1% in 2017.

Non-interest revenue was resilient to record a 7% growth driven by transactional business, albeit through a very tough economic environment and heightened regulatory hurdles. Net interest income growth was moderate at 3%, and credit impairment charges somewhat improved despite a 15% solid growth on loans and advances to business and individuals to M3.8 billion as at end of December 2018.

Appreciation

The Bank was able to sustain and strengthen its financial position within a very tough trading environment that was characterised by very slow economic growth. This resilience was backed by unwavering and highly appreciated support from our customers, we thank them dearly. Our employees held the fort to navigate turbulent headwinds in pursuit of offering valuable propositions to our clients, we thank them most sincerely for their efforts. It is also with a great sense of gratitude that we take this opportunity to thank our Regulators as they continue to guide the Bank to remain solid. The Board of Directors of Standard Lesotho Bank wishes to further extend its appreciation to all stakeholders for their continued support.

Adv. Joseph Teboho Moiloa (KC)
Chairman

Mpho Vumbukani
Chief Executive

Statement of Financial Position

at 31 December 2018

	2018 M'000	2017 M'000
Assets		
Cash and balances with Central Banks	654 471	660 398
Trading assets	919 441	881 968
Financial investments	601 854	373 802
Loans and advances	6 322 953	5 945 406
Loans and advances to banks	2 662 183	2 661 248
Loans and advances to customers	3 660 770	3 284 158
Other assets	247 722	251 570
Non-current assets	506 835	527 439
Total assets	9 253 275	8 640 583
Equity and liabilities		
Equity		
Equity attributable to ordinary shareholders	1 288 514	1 293 634
Liabilities		
Deposit and current accounts	7 964 761	7 346 948
Deposits from banks	7 549 898	7 064 036
Deposits from customers	887 441	981 125
Subordinated debts	6 662 457	6 082 911
Other liabilities	50 998	50 965
	363 865	231 947
Total equity and liabilities	9 253 275	8 640 583

Income Statement

for the year ended 31 December 2018

	2018 M'000	2017 M'000
Income		
Net interest income	638 807	617 353
Non-interest revenue	408 505	381 146
Net fee and commission revenue	340 771	326 138
Trading revenue	51 941	46 619
Other revenue	15 793	8 389
Total income	1 047 312	998 499
Credit impairment charges	(43 007)	(49 043)
Income after credit impairment charges	1 004 305	949 456
Operating expenses	(561 746)	(513 082)
Profit before non-trading and capital items	442 559	436 374
Non trading and capital items	935	(437)
Profit before taxation	443 494	435 937
Tax	(140 970)	(136 361)
Profit for the year	302 523	299 576
Attributable to non-controlling interests	60 505	59 915
Attributable to ordinary shareholders	242 019	239 661
Basic earnings per ordinary share (cents)	1 467	1 452