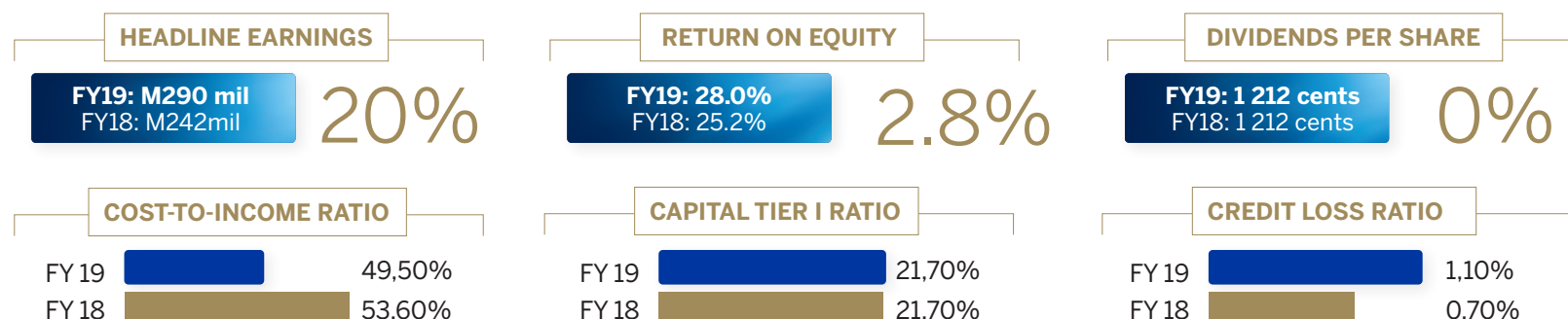


Standard Lesotho Bank Annual Financial Results

for the year ended 31 December 2019



FINANCIAL HIGHLIGHTS



For the year ended 31 December 2019, Standard Lesotho Bank delivered sustainable growth in earnings and improved shareholders' returns despite a tough trading environment. This strong performance was underpinned by the successful implementation of our strategy to deliver client and digital journeys coupled with an efficient management of operating costs. The Bank's profit after tax grew 20% to M363million and return on equity improved by 2.8% to 28.0%. The bank maintained a strong capital position and closed 2019 at Tier I capital adequacy ratio (CAR) of 21.7%. Accordingly, a total dividend of 1 212 cents per share (same as previous year) was declared and paid.

The Bank's vision is "Lesotho is our home we drive her growth". The Bank's achievement to reach M4billion mark on loans and advances extended to businesses and individuals is a testimonial to drive Lesotho's economic growth and to attaining this vision.

APPRECIATION

The bank was resilient in sustaining its financial position despite a very tough macroeconomic environment that was evidenced by low business confidence and very sluggish economic growth. This resilience was underpinned by the unwavering support and loyalty of our clients. We highly appreciate this support and we wish to thank them dearly. Our employees also demonstrated the highest level of commitment to execute the Bank's strategy successfully despite a turbulent business environment, we are very gratified and sincerely thank them. The bank is indebted to its Regulators for their continued guidance and support in ensuring the sustainability of our operations. The Board of Directors of Standard Lesotho Bank wishes to further extend its appreciation to all stakeholders for their continued support.

'Mannete Ramaili
Chairman

Thabiso Tsenki
Acting Chief Executive

Statement of financial position as at 31 December 2019

	2019 M'000	2018 ¹ M'000	1 January 2018 ¹ M'000
Assets			
Cash and balances with central bank	697 194	654 471	660 398
Trading securities	724 821	919 441	881 968
Derivative assets	22 134	4 798	88 211
Financial investments	1 866 763	1 722 635	1 223 802
Loans and advances	4 972 678	5 202 172	5 095 406
Loans and advances to customers	4 079 490	3 660 770	3 284 158
Loans and advances to banks	893 188	1 541 402	1 811 248
Other assets	179 895	171 775	144 506
Current and deferred taxation	52 928	71 149	18 853
Intangible assets	326 364	357 000	382 658
Property, equipment and right of use assets ²	170 040	149 835	144 781
Total Assets	9 012 818	9 253 275	8 640 583
Equity and liabilities			
Equity	1 402 768	1 288 514	1 293 634
Share capital	20 625	20 625	20 625
Reserves	89 606	88 061	145 703
Retained income	1 292 537	1 179 829	1 127 306
Liabilities			
Derivative liabilities	1 598	70 486	4 835
Deposits and debt funding	7 243 408	7 549 898	7 064 037
Deposits from customers	6 593 869	6 662 457	6 082 911
Deposits from banks	649 539	887 441	981 125
Provisions and other liabilities ²	297 160	211 235	198 541
Subordinated debt	50 993	50 998	50 965
Current and deferred tax liabilities	16 891	82 144	28 571
Total liabilities	7 610 050	7 964 761	7 346 949
Total equity and liabilities	9 012 818	9 253 275	8 640 583

Income statement for the year ended 31 December 2019

	2019 M'000	2018 ¹ M'000
Income		
Net interest income	640 289	572 131
Interest income ¹	933 453	849 714
Interest expense	(293 164)	(277 584)
Non-interest revenue	533 083	475 181
Net Fee and commission revenue	357 130	340 771
Fee and commission revenue	407 861	373 992
Fee and commission expense	(50 731)	(33 220)
Trading revenue	72 378	51 941
Other revenue	17 157	15 873
Other gains on financial instruments ¹	86 418	66 596
Total income	1 173 372	1 047 312
Credit impairment charges	(69 432)	(43 007)
Income before operating expenses	1 103 940	1 004 305
Operating expenses ²	(581 045)	(561 746)
Net income before capital items and equity accounted	522 895	442 559
Non-trading and capital items	(137)	935
Net income before indirect taxation	522 758	443 494
Indirect tax	(36 728)	(27 977)
Profit before direct taxation	486 030	415 516
Direct tax	(123 322)	(112 993)
Profit for the year	362 708	302 523
Attributable to non-controlling interests	72 542	60 505
Attributable to ordinary shareholders	290 166	242 019
Earnings per share		
Basic earnings per ordinary share(cents)	1 759	1 452

¹ Restated: Refer to the full annual financial statements for details on the restatement.

² The Bank has, as permitted by IFRS 16 Leases (IFRS 16), elected not to restate its comparative annual financial statements. Therefore, comparability will not be achieved by the fact that the comparative annual financial information has been prepared on an IAS 17 Leases (IAS 17) basis.