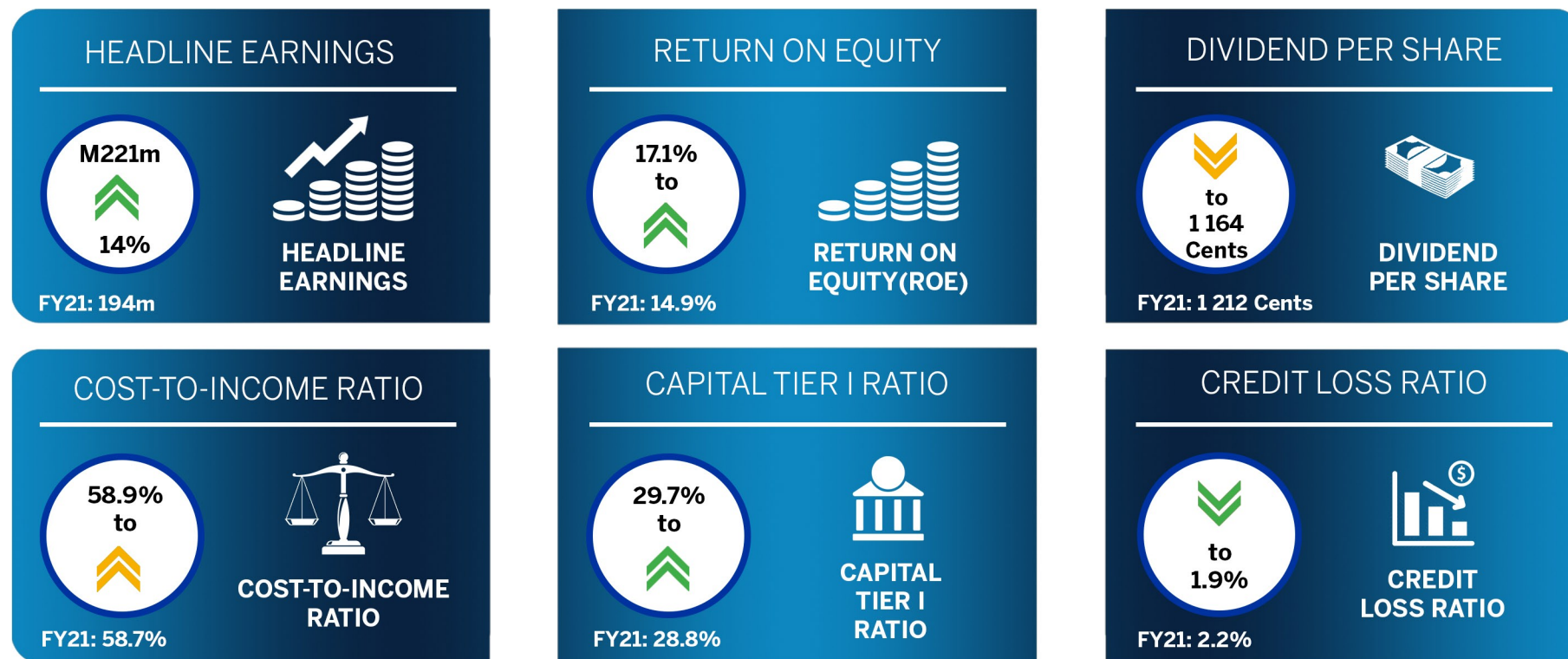


# STANDARD LESOTHO BANK ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022



Standard Lesotho Bank **IT CAN BE™**

## FINANCIAL HIGHLIGHTS



## RESULTS OVERVIEW

Against the backdrop of a very tough operating environment that was predominantly characterised by high inflationary pressures and tightening monetary policy, the Bank remained resilient to produce another set of good financial results for the financial year ended **31 December 2022**. The Bank's Profit After Tax (PAT) showed strong rebound of **14%** to **M276million**, underpinned by recovery in clients' accounts base and activities, coupled with a series of interest rate hikes and successful implementation of our future-ready transformation strategy. Higher profits and capital optimisation supported Return on Equity (ROE) improvement to **17.1%** (2021:14.9%). However, dividend per share marginally declined from **1 212cents** to **1 164cents**.

The Bank remains committed to pursue its purpose of growing Lesotho's economy and in 2022, loans and advances offered to customers grew by **6%** to **M4.8billion**. The Bank has also invested over M2million in a number of corporate social investment initiatives in the areas of youth entrepreneurship, the agricultural sector and tree planting to make a difference in the communities.

## APPRECIATION

Notwithstanding the operating environment that continued to be challenging, mainly attributable to subdued economic growth, it is however satisfying that the Bank remained resolute as a going concern and will continue contributing to the economic development and growth of Lesotho.

We were successful in embedding our revised segment and business structures in 2022 that were primarily focused to better serve our customers, hence we saw a pleasing improvement in the results of our customer satisfaction index and net promoter score. We would like therefore, to extend our profound gratitude to our customers for their loyalty and unwavering support during the year.

We are also truly appreciative of the incredible contribution of all our employees in transforming our clients' experience and achievement of the Bank's strategy. Together we have succeeded to win as a team against a plethora of global, regional and local turbulences.

We also wish to express our gratitude to the Central Bank of Lesotho as our Regulator for the continued guidance and support. The Board of Directors and Management of Standard Lesotho Bank, wishes to further extend its gratitude to all our stakeholders for their continued support.

Mannete Ramaili  
Board Chairperson  
23 March 2023

Anton Nicolaisen  
Chief Executive  
23 March 2023

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## STATEMENT OF FINANCIAL POSITION as at 31 December 2022

	2022 M'000	2021 M'000
<b>Assets</b>		
Cash and balances with central bank	952 890	782 960
Derivative assets	42 820	4 360
Trading securities	955 091	1 622 893
Financial investments	2 800 223	2 466 654
<b>Loans and advances</b>	<b>5 332 284</b>	<b>6 275 458</b>
Loans and advances to customers	4 630 462	4 351 241
Loans and advances to banks	701 822	1 924 217
Deferred taxation	67 365	82 058
Current Tax Asset	20 925	-
Other assets	273 653	215 190
Property, equipment and right of use assets	181 269	165 183
Intangible assets	247 959	274 432
<b>Total Assets</b>	<b>10 874 478</b>	<b>11 889 188</b>

## STATEMENT OF FINANCIAL POSITION as at 31 December 2022

<b>Equity and liabilities</b>		
<b>Equity</b>	<b>1 700 647</b>	<b>1 657 438</b>
Ordinary share capital	20 625	20 625
Reserves	152 364	145 081
Retained income	1 527 658	1 491 733
<b>Liabilities</b>		
Derivative liabilities	19 370	80 898
<b>Deposits and debt funding</b>	<b>8 657 314</b>	<b>9 608 064</b>
Deposits from customers	8 315 992	8 757 094
Deposits from banks	341 322	850 970
Current tax liabilities	2 346	93 922
Provisions and other liabilities	494 801	448 865
<b>Total liabilities</b>	<b>9 173 831</b>	<b>10 231 750</b>
<b>Total equity and liabilities</b>	<b>10 874 478</b>	<b>11 889 188</b>

## INCOME STATEMENT for the year ended 31 December 2022

	2022 M'000	2021 M'000	2022 M'000	2021 M'000
<b>Net interest income</b>	<b>671 315</b>	<b>599 599</b>	<b>Total income</b>	<b>1 240 391</b>
Interest income	875 375	773 545	Credit impairment charges	(89 273)
Interest expense	(204 060)	(173 947)	<b>Income before operating expenses</b>	<b>1 151 118</b>
<b>Non-interest revenue</b>	<b>569 076</b>	<b>538 006</b>	Operating expenses	(730 991)
Net Fee and commission revenue	377 818	376 170	<b>Net income before capital items and equity accounted earnings</b>	<b>420 128</b>
Fee and commission revenue	464 594	445 962	Non-trading and capital items	165
Fee and commission expense	(86 777)	(69 792)	<b>Net income before indirect taxation</b>	<b>420 292</b>
Trading revenue	93 754	74 692	Indirect tax	(49 502)
Other revenue	12 746	15 472	<b>Profit before direct taxation</b>	<b>370 790</b>
Other gains on financial instruments	84 758	71 672	Direct tax	(94 864)
			<b>Profit for the year</b>	<b>275 927</b>
			<b>Earnings per share</b>	
			Basic earnings per ordinary share (cents)	1 338
				1 178