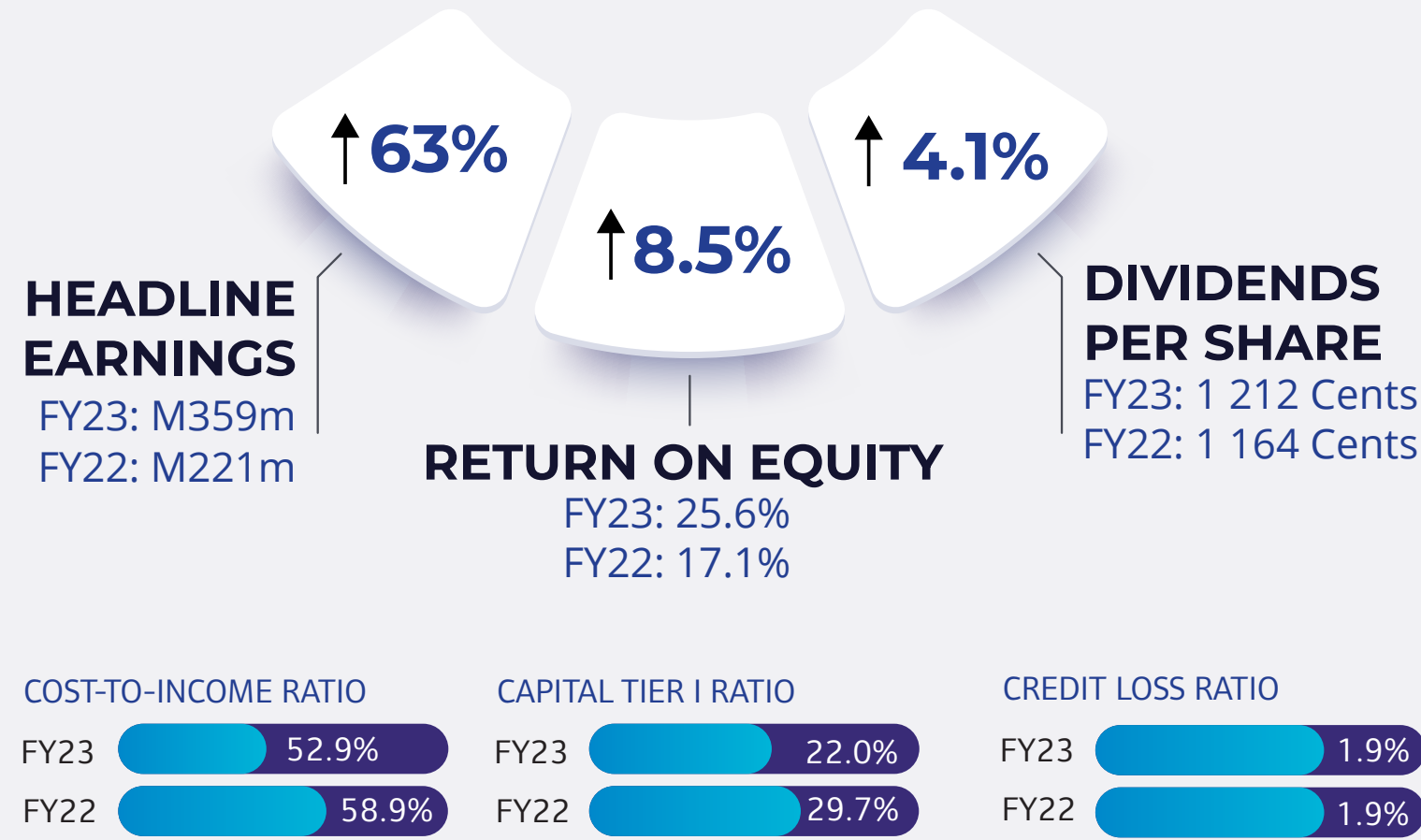




STANDARD LESOTHO BANK ANNUAL FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2023

FY 2023 HIGHLIGHTS



RESULTS OVERVIEW

Standard Lesotho Bank posted exceptional financial performance for the year 2023, underpinned by a robust and resilient business franchise albeit against turbulent macroeconomic and geopolitical conditions.

Our headline earnings recorded a significant 63% growth compared to prior year, buoyed by the performance of the Lesotho Highlands Water Project (LHWP) Phase II coupled with series of interest rate increases and growth in clients' account base and activities.

This translated into sustainable Return on Equity (ROE) of 25.6% (2022: 17.1%) and improved dividend per share from 1 164 cents in 2022 to 1 212 in 2023.

In pursuit of our vision to unlock Lesotho's prosperity through innovative financial solutions, the Bank was able to further extend loans and advances to its customers from M4.8billion by end of 2022 to M5.3billion by end of 2023.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023 M'000	2022 M'000
Assets		
Cash and balances with Central Bank	696 998	952 890
Derivative assets	7 635	42 820
Trading securities	38 935	955 091
Financial investments	4 038 718	2 800 223
Loans and advances	9 656 193	5 332 284
Loans and advances to customers	5 107 591	4 630 462
Loans and advances to banks	4 548 602	701 822
Deferred taxation	84 886	67 365
Current Tax Asset	-	20 925
Other assets	348 606	273 653
Property, equipment and right of use assets	192 612	181 269
Intangible assets	219 987	247 959
Total Assets	15 284 571	10 874 478

Equity and liabilities

	2023 M'000	2022 M'000
Equity	1 911 024	1 700 647
Ordinary share capital	20 625	20 625
Reserves	162 899	152 364
Retained Income	1 727 500	1 527 658
Liabilities		
Derivative liabilities	1 225	19 370
Deposits and debt funding	12 389 240	8 657 314
Deposits from customers	11 105 979	8 315 992
Deposits from banks	1 283 261	341 322
Current tax liabilities	109 391	2 346
Provisions and other liabilities	873 691	494 801
Total liabilities	13 373 547	9 173 831
Total equity and liabilities	15 284 571	10 874 478

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 M'000	2022 M'000
Net interest income	796 454	671 315
Interest income	1 147 507	875 375
Interest expense	(351 043)	(204 060)
Non-interest revenue	768 143	569 076
Net Fee and commission revenue	412 228	377 818
Fee and commission revenue	517 937	464 594
Fee and commission expense	(105 709)	(86 777)
Trading revenue	106 804	93 754
Other revenue	18 471	12 746
Other gains on financial instruments	230 640	84 758
Total income	1 564 597	1 240 391
Credit impairment charges	(98 045)	(89 273)
Income before operating expenses	1 466 552	1 151 118
Operating expenses	(827 000)	(730 991)
Net income before capital items	639 552	420 128
Non-trading and capital related items	494	165
Net income before indirect taxation	640 046	420 292
Indirect tax	(52 408)	(49 502)
Profit before direct taxation	587 638	370 790
Direct tax	(137 795)	(94 864)
Profit for the year	449 842	275 927
Earnings per share		
Basic earnings per ordinary share(cents)	2 181	1 338

APPRECIATION

Notwithstanding the challenging and somewhat fragile operating environment, mainly due to volatile economic dynamics, the Bank was resilient to remain a healthy going concern and in good standing to pursue a sustainable growth strategy.

Our growth strategy is backed by the confidence of our clients, who continue to consider us as their trusted financial services provider. It is thus fitting to extend our sincere gratitude and to thank them most heartily for their understanding, support, and loyalty during the year.

We also wish to express immeasurable gratitude to the leadership and the entire staff of the Bank for ensuring that the Bank pulled in one direction to navigate through the tough trading environment. We are optimistic that we have built the necessary resilience that without any doubt, has helped Lesotho to grow its economy going into the future.

We were also privileged for the Central Bank of Lesotho as our Regulator for their valuable guidance and continued support as we implement the Bank's strategy. We are truly thankful. The Board of Directors of Standard Lesotho Bank wishes to further extend its gratitude to all stakeholders for their unwavering partnership and support in making the Standard Lesotho Bank brand, the most preferred in our country and beyond.

Dr. Mohlalefi Sefika
Interim Board Chairperson
14 March 2024

Mr. Anton Nicolaisen
Chief Executive
14 March 2024