


Standard Lesotho Bank Annual financial results for the year ended 31 December 2015



Headline earnings +8% 
M275 million
2014: M254million

Return on equity 
42.2%
2014: 45.1%

Dividends per share +25% 
1 212 cents
2014: 970 cents

Cost-to-income ratio
40.3%
2014: 41.0%

Overall, the operating environment for the 2015 financial year was characterised by very tough conditions emanating from a global and regional economic slowdown of which the Mountain Kingdom was not immune, coupled with local political instability that watered down business confidence, which exacerbated sluggishness of the country's economic performance. However, there were still pockets of economic sectors that positively performed well to jerk local GDP such as the mining sector, which played a critical role in presenting business opportunities for the bank.

Notwithstanding the increasingly challenging economic and regulatory environment, Standard Lesotho Bank has posted yet another strong set of financial results for the year ended 31st December 2015. Profit after tax for the year was M344 million, 8% up on the previous year. Total income registered 8% growth year on year (yoy), outpacing total operating expenses yoy growth of 6% which translated into a positive 2% jaws ratio. Financial position remained strong and improved by 17% on the previous year to close 2015 at M8,215 million. Lending showed moderate growth of 3% from M3,485 million to M3,584 million as at end of December 2015 which evidenced that clients were impacted by subdued and uncertain economy prospects.

Headline earnings per share shore up 8% to 1 669 cents and net asset value per share improved by 9% to 4 030 cents.

Appreciation

We wish to convey our wholehearted gratitude to our staff for their continuous commitment and focus in contributing to the sustainable financial performance of the Bank and attaining strategic goals even in the midst of economic turbulences. We are also obliged to deeply thank and indeed express our greatest appreciation to our customers for their sustained confidence and unrelenting, loyal support during this challenging year, we have remained stronger to grow Lesotho, our home in partnership with them. Our shareholders remained committed to grow the franchise with continued capital investment and we truly thank them. We furthermore acknowledge and highly appreciate the guidance and support of our Regulators. The Board of Directors of Standard Lesotho Bank wishes to extend its gratitude to all stakeholders for their continued support.



Joseph Teboho Moiloa Moiloa
Chairman



Mpho Vumbukani
Chief Executive

Statement of financial position

at 31 December 2015

	2015 M'000	2014 M'000
Assets		
Cash and balances with central banks	531 684	503 813
Derivative assets	9 978	9 128
Trading assets	597 746	585 627
Financial investments	387 114	343 410
Loans and advances	6 412 697	5 279 294
Loans and advances to banks	2 961 535	1 914 586
Loans and advances to customers	3 451 161	3 364 708
Deferred tax assets	77 087	51 012
Other assets	74 563	121 653
Property and equipment	124 063	101 183
Total assets	8 214 930	6 995 120

Equity and liabilities

Equity

	2015 M'000	2014 M'000
Equity attributable to ordinary shareholders	831 113	763 775
Ordinary share capital	20 625	20 625
Reserves	77 138	104 059
Retained earnings	733 351	639 091

Liabilities

	2015 M'000	2014 M'000
Derivative liabilities	87 772	25 303
Deposit and current accounts	7 032 867	6 007 184
Deposits from banks	1 231 090	1 094 542
Deposits from customers	5 801 777	4 912 642
Subordinated debts	50 417	-
Current tax liabilities	33 806	37 206
Other liabilities	178 955	161 652

Total equity and liabilities 8 214 930 6 995 120

Income statement

for the year ended 31 December 2015

	2015 M'000	2014 M'000
Income		
Net interest income	571 001	532 476
Interest income	749 498	706 403
Interest expense	178 497	173 927
Non-interest revenue	333 714	302 552
Fee and commission revenue	286 424	250 127
Fee and commission expense	303 140	257 929
Trading revenue	16 715	7 803
Other revenue	45 931	51 272
	1 358	1 154

Total income 904 715 835 029

Credit impairment charges 64 381 53 584

Income after credit impairment charges 840 333 781 445

Operating expenses 364 885 342 141

Staff costs 189 229 173 634

Other operating expenses 175 579 168 507

Profit before indirect taxation 475 526 439 304

Indirect taxation 15 919 15 383

Profit before direct taxation 459 607 423 921

Direct taxation 115 347 106 168

Profit for the year 344 260 317 753

Attributable to non-controlling interests 68 852 63 551

Attributable to ordinary shareholders 275 408 254 202

Basic earnings per ordinary share (cents) 1 669 1 541

Standard Lesotho Bank Moving Forward™