



PROFIT BEFORE TAX	RETURN ON ASSETS	RETURN ON EQUITY	LOAN TO DEPOSIT	EXPECTED CREDIT LOSS CHARGE TO LOANS	INTEREST INCOME TO TOTAL INCOME
2018 M92 Million	5%	32%	64%	1%	82%
2017 M54 Million	3%	28%	62%	2%	77%

Financial Position

- Growth of balance sheet

Customer deposits took a moderate growth which was attributable to sluggish local and global economic growth. This state of affairs resulted into very minimal excess funds available to the Bank’s customers to save/ invest and for transacting purposes. Customer deposits were M1.1 billion as at 31st December 2018 recording a 9% year-on-year increase and these were converted into credit extension to the Bank’s customers.

- Capital Expenditure

Capital expenditure for the year under review was incurred mainly on business growth, external and internal controls, strategic positioning, innovation and compliance. The main focus was on issues such as, offering affordable credit, financial inclusion and banking solutions to enhance accessibility (mobile banking, internet banking, agency banking and e-wallet). These outlays were pursuant to improving internal efficiencies, extending the outreach and increasing the Bank’s footprint in the best interest of its customers.

- Liquidity

The bank recorded healthy liquidity levels despite high expenditure on capital projects undertaken during the year in pursuit of growth and broader outreach. Funds were invested diligently for the increased profitability and regulatory compliance.

Financial Performance

- Net Interest and Non-Interest Income

Total income for the year was M199 million registering a 39% upturn. Interest income was exceptionally strong to record a growth of 48% which resulted from increased investment in loans issued in support of small businesses and retail customers. For non-interest income, a hike of 11% was achieved as a result of introduction of other distribution channels to allow customers to access banking services in a convenient manner.

- Operating expenses

Operating expenses increased in proportion with business growth. These included, inter alia, implementation of IFRS 9 related costs, licence fees and other operating expenses. However, cost containment measures implemented became key drivers to ensure that the Bank’s costs were within the allocated budget. It is important to highlight that despite the cost containment strategy, key activities like CSI projects and financial inclusion initiatives were not compromised.

- Profit Before Tax

Profit before tax (PBT) for the year was M91.7 million compared to M53.7million registered in 2017. This growth is due to maximization of income through extension of loans and cost containment strategy. This performance enables the Bank to continue as a good corporate citizen by contributing to the economic growth of the country through paying sizable corporate tax.

Acknowledgements

We wish to register our profound appreciation to all our customers for their loyalty and continued support, to the shareholder for the unwavering financial and business support, the Board members for their wise direction and guidance, management and staff for their commitment and dedication. We will continue to uphold our motto of being affordable, accessible, anytime.

Boemo ba Lichelete

- Kholo Libukeng tsa Lichelete

Chelete e keneng e nyolohetse ho M1.1 bilone ho fihlela la 31 Tšitoe 2018, sena ke kholo ea linoko tse robong lekholong (9%) papisong le ngoahola, ‘me kholo ena e thesemelitsoe mokotleng oa mekitlane bakeng sa bareki ba rona.

- Chelete ea Lintlafatso

Chelete ea lintlafatso e kenyelletse ho kenya tšebetsong marang-rang (Tšebeliso ea banka ka mohala oa thekeng, banka ka marang-rang, makala a banka le tšebeliso ea chelete ka mohala oa thekeng). Mekutu ena e entsoe ho ntlafatsa kholo ea banka mafapheng a fapafapaneng joalo ka bonono, ho beha meoloane e hlokoang ke banka e kholo tsamaisong ea libanka (Central Bank of Lesotho). Tsena tsohle li entsoe ho nanabetsa litšebeletso tsa banka mafapheng oohle a sechaba.

- Maemo a Moruo

Banka e bile le boemo bo botle ba ho setlela moruong ho sa natsehe sekhahla se bileng holimo sa chelete mererong ea ntlafatso selemong sena e le ho akofisa kholo le ho thusa sechaba. Matlotlo a ile a tseteloa ka hloko ho akofisa sekhahla sa tsoala le ho ikamahanya le melao.

Maemo a Tšebetso a Lichelete

- Kuno ea Tsoala

Kuno ea tsoala e bile le sekhahla se matla sa kholo ea M199 million selemong se felang sa lichelete, sena se bontša kholo ea linoko tse mashome a mararo a metso e robong lekholong (39%), ‘me sena ke litholoana nyollong ea matsete a mekitlane ho bareki ba banka, tšebetso ea likhoebo tse nyenyane, le baitšukuli.

- Litšenyehelo tsa tšebetso

Litšenyehelo tsa tšebetso li nyolohile ka lebaka la keketseho ea maemo a tšebetso. Tsena li kenyelletse, hara tse ling, ho kenngoa tšebetsong ha litšenyehelo tse amanang le melaoana ea phatlalatso ea libuka tsa lichelete (International Financial Reporting Standards) ha holo-holo molaoana oa borobong (IFRS 9), litefo tsa lilakesense le litšenyehelo tse ling tsa tšebetso. Litšenyehelo li ile tsa behoa taolong, empa le ha hole joalo tse amanang le khutlisetso sechabeng, banka e ile ea li kenya tšebetsong.

- Tsoala Pele ho Lekhetho

Tsoala pele ho lekhetho e bile M91.7 milone selemong sa 2018 papisong le M53.7 milone ka 2017, pokello ena e tla tlisa kholo moruong ka tefo ea lekhetho (Lekhetho la Lik’hamphani).


Liteboho

Re lakatsa ho isa liteboho tse khethehileng ho bareki bohle ba rona, bakeng sa ho ema le banka le tšebetso ea kamehla. Liteboho hape li leba ho ‘Muso oa Lesotho ka tšebetso e sa thekeseleng ea lichelete, litho tsa Boto bakeng sa tataiso e hloahloa, botsamaisi ‘moho le basebetsi ka boitelo ba bona. Rele Banka, re itlama hore re tla tšepahalla lepetjo la rona: “Litjeo tse Bobebe, Tse fihlelehang, Nako eohle”.

Lesotho PostBank Audited Annual Financial Statements for the year ended 31 December 2018

Statement of Financial Position as at 31 December 2018			Statement Of Profit and Loss and Other Comprehensive Income For the year ended 31 December 2018		
	2018 M'000	2017 M'000		2018 M'000	2017 M'000
Assets			Income		
Cash and cash equivalents	358 886	370 295	Net interest income	152 580	101 628
Inventories	770	538	Interest income	173 346	116 920
Treasury bills and bonds	212 690	146 223	Interest expense	(20 766)	(15 292)
Investments	49 586	48 109	Non-Interest income	46 675	42 036
Trade and other receivables	12 407	16 841	Capital grant income	11 610	6 979
Loans and advances	701 296	623 259	Other income	1 003	753
Deferred tax	9 142	8 595	Total Income	211 869	151 396
Property, plant and equipment	42 205	47 978	Expected Credit Loss	(6 633)	(14 699)
Intangible assets	65 174	47 988	Income after expected credit loss	205 235	136 697
Total assets	1 452 456	1 309 826	Depreciation and amortization	(10 638)	(5 449)
Total equity	208 781	147 744	Employee costs	(51 538)	(38 173)
Share capital	37 000	37 000	Other operating expenses	(51 322)	(39 3 7)
Reserves	36 734	40 034	Profit/(loss) before taxation	91 737	53 738
Accumulated profit	135 047	70 710	Taxation	(24 170)	(12 534)
Total Liabilities	1 243 675	1 162 082	Profit for the year	67 567	41 204
Deposits	1 102 035	1 008 116	Other comprehensive income:		
Deferred tax liability	7 387	3 125	Items that will not be reclassified to profit or loss:		
Trade and other payables	23 549	20 817	Fair value adjustment on Norsad Investment	(6 530)	2 439
Deferred income	103 074	114 683	Other comprehensive income:	(6 530)	2 439
Corporate tax liability Deposits	7 630	15 340	Total comprehensive income for the year	61 037	43 643
Total Equity and Liabilities	1 452 456	1 309 826			


L. Mokotjo (Chairman)


M. Leqhaoe (Managing Director)