Lesotho PostBank

Audited Annual Financial Results for the year ended 31 December 2019

	COMPREHENSIVE INCOME	RETURN ON ASSETS	RETURN ON EQUITY	INTEREST INCOME TO TOTAL INCOME	CREDIT LOSS RATIO	LOAN TO DEPOSITS RATIO
2019	M67 Million +10%	4% -1%	23% -9%	71% +2%	0.6% +0.3%	70% +3%
2018	M61 Million	5%	32%	69%	0.9%	67%

Financial Highlights

The Bank has shown a slight fall in financial performance for the financial year 2019 as opposed to financial year 2018. Our profit after tax was M64 million versus M68 million registered in 2018. This performance was achieved despite the challenging global and domestic economic conditions which the Bank endured during this financial year under review. The Bank continues to build the business sector and has established the agricultural finance unit in order to extend affordable credit to farmers. Furthermore, this initiative has created jobs for sizeable number of people.

Net interest income has slightly declined by 0.5% due to reduction in lending rates following management decision to provide affordable credit to its customers, particularly the lower end of the market.

Non-interest revenue's growth was moderate in order to accommodate around 25 000 of low income earning clients. This was as a result of management strategic decision not to review transactional fees upwards pursuant to financial inclusion.

Customer deposits remained sluggish at M1.0 billion due to tough economic conditions, both locally and internationally. The Bank has remained healthy and demonstrated growth in liquidity despite high expenditure on capital projects undertaken during the financial year in pursuit of growth, broader outreach and robust regulatory compliance. We will continue to invest in capital projects in order to strengthen our regulatory compliance and grow the business.

Corporate Social Investment (CSI)

We are committed to ploughing back to the community by contributing to the disadvantaged societies, financial literacy programmes for customers and projects that are aimed at uplifting the living standard of our communities.
We have engaged with development partners to alleviate poverty, address social development and financial inclusion programmes.

Acknowledgements

We wish to register our profound appreciation to all our customers for their loyalty and continued support, to the shareholder for the unwavering business support, the Board members for the wise direction and guidance, management and staff for their commitment and dedication.

Tse bileng ka sehloohong licheleteng

Banka e thefulehile hanyane selemong sa lichelete sa 2019 papisong le 2018 ntlheng ea kuno. Phaello ea rona kamor'a ho khafisoa e bile M64 milone papisong le M68 milone ea 2018. Re atlehile ho ba le tšebetso ea pokeletso ena tlas'a maemo a boima a khoebo lefatšeng le koano lapeng.
Banka e tsoela-pele ho holisa likhoebo 'me e se e thakhotse lefapha la tšehetso ea lichelete la lihoai e le ho li thusa ka mekitlane e bobebe. Ho feta mona, mohato ona o tlisitse mesebetsi e 'maloa ho batho.

Kuno ea tsoala e thefulehile hanyane ka 0.5% hoba sekepele sa kalimo se fokotsehile kamora qeto ea bookameli ho fana ka mekitlane e bobebe ho basebelisi, haholo ba maemong a tlaase.

Kholo ea chelete e sa tsoaleng ha e ea phahama hakaalo ka lebaka la ho kenyeletsa bareki ba rona ba 25 000 ba kholang meputso e tlaase. Sena se latela qeto ea bookameli ho se hlahlobe litefiso e le ho ba fa monyetla.

Chelete eo basebelisi ba e kentseng bankeng ke e kikitlelang e kaalo ka M1.0 bilone ka lebaka la maemo a boima a moruo lapeng le machabeng. Leha ho le joalo, banka e bontšitse boitšematlelo ka ho sebelisa chelete e ngata merorong ea liporojeke e bileng selemong sena bakeng sa kholo le ho fihlela sechaba.

Re tla tsoelapele ho tsetela liporojekeng e le ho matlafatsa kholo ea khoebo le ho ikobela melao ea tsamaiso.

Botseteli e le ho khutlisetsa sechabeng (CSI)

Re ikemiselitse ho khutlisetsa sechabeng ka ho nanabetsa letsoho ho batho ba kojoana li mahetleng, ho ruta bareki ba rona ka thuto ea tšebeliso ea lichelete le merero e shebaneng le ho phahamisa maemo a bophelo a sechaba.

Re sebetsa 'moho le bo-mphato ba mekhatlo ho fokotsa bofuma, ho thusa ntlafatsong ea sechaba le ho kenya maano a keneletseng a lichelete.

Liteboho

Re lakatsa ho fetisetsa liteboho tsa rona ho bareki bohle ba rona ka ho re tšepa le tšehetso ea kamehla. Re lebohe hape bo-'mphato'a rona ba nang le liabo ho rona, litho tsa Boto ka tataiso e bohlale, bookameli le basebetsi ba rona ka boitelo ba bona tšebetsong.

Lesotho PostBank Limited (Registration number I2004/163) Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Position as at 31 December 2019

	2019 M'000	2018 M'000
Assets		
Property, plant and equipment	48 821	42 505
Intangible assets	67 745	65 174
Deferred tax	10 710	9 142
Treasury bills and bonds	164 513	212 690
Inventories	777	770
Trade and other receivables	10 704	12 407
Investments	51 925	49 586
Loans and advances	707 748	701 296
Cash and cash equivalents	379 163	358 886
Tax refund	139	-
Total Assets	**1 442 246**	**1 452 456**
Equity and Liabilities		
Equity		
Share capital	37 000	37 000
Reserves	40 338	36 734
Retained income	198 452	135 047
	275 790	**208 781**
Liabilities		
Deferred tax liability	1 543	7 387
Lease liability	6 088	-
Trade and other payables	21 851	23 549
Capital Grant	89 640	103 074
Corporate tax liability	-	7 630
Deposits	1 047 335	1 102 035
Total Liabilities	**1 166 457**	**1 243 675**
Total Equity and Liabilities	**1 442 246**	**1 452 456**

Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2019

	2019 M'000	2018 M'000
Capital grant income	13 434	11 610
Non-interest revenue	47 041	46 675
Other revenue	344	9 011
Net interest income	**151 863**	**152 580**
Gross interest income	171 852	173 346
Finance costs	(19 989)	(20 766)
Total Income	**212 682**	**219 877**
Depreciation and amortisation	(11 786)	(10 638)
Impairment of loans and advances	(4 237)	6 633
Employee costs	(59 493)	(51 538)
Other operating expenses	(64 346)	(72 597)
Profit before taxation	**72 821**	**91 737**
Taxation	(9 169)	(24 170)
Profit for the year	**63 651**	**67 568**
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Fair value adjustment on Norsad investment before tax	3 604	(6 530)
Income tax relating to items that will not be reclassified	-	-
Other comprehensive income for the year net of taxation	**3 604**	**(6 530)**
Total comprehensive income for the year	**67 255**	**61 037**

L. Mokotjo (Chairman)

M. Leqhaoe (Managing Director)

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