



# LESOTHO POSTBANK LIMITED

## AUDITED ANNUAL FINANCIAL RESULTS

### FOR THE YEAR ENDED 31 DECEMBER 2021



#### Key Highlights

Despite the legacy of gruesome and unstable economic environment due to COVID-19, the Bank has maintained a resilient performance and registered a pre-tax profit of M74 million in 2021. The performance is 21% better than 2020 results and was resultant from better management of our operating expenses and cost containment measures put in place.

The Bank managed to maintain a sound financial position with a balance sheet value of M2 billion in 2021, which was 12% higher year-on-year. The hike was due to upsurge in deposit mobilization which was converted into loan book within the approved thresholds. Growth in customer deposits is a reflection of how the Bank's valued customers' support and allegiance have contributed to the Bank's growth.

The trust level that the customers placed with the Bank has resulted in the deposit growth of 10% to M1.5 billion amidst harsh economic conditions.

Loans and advances at M1.1 billion improved by 26% year-on-year. The Bank increased access to affordable credit and held pricing unchanged in order to relieve our customers on the prevailing economic hardships. The Bank continued with credit extension to small businesses to help them recover from the economic meltdown.

The Bank's liquidity remains healthy in line with the strategic objective of managing liquidity risk. Funds were invested diligently for the increased profitability and robust regulatory compliance.

#### Corporate Social Investment (CSI)

The Bank has continued to assist the communities within which it operates through its corporate social investment and responsibility initiatives. We supported such initiatives as relieving impoverished families through food parcels, street vendors' umbrellas, wheelchairs, animal medicines, assisting SMMEs with access to capital and credit.

#### Caution

We hold our customers in high esteem and do not want to lose any through the Corona Virus pandemic or any other ailment, for that matter. We, therefore, advise our valued customers to vaccinate and continue observing COVID-19 protocols and protect themselves and their loved ones.

#### Acknowledgements

We wish to express appreciation to all our customers for their loyalty and continued support, to the Shareholder for the unwavering business support, the Regulator for the direction provided, the Board members for their oversight and, lastly, management and staff for their commitment and dedication.

#### Lintlha Tse Ka Sehloohong

Ho sa natshehe maemo a moruo o tetemang ka lebaka la seoa sa COVID-19, Banka e bolokile maemo a tšebetso a babatsehlang 'me e atlehile ho itšematlela ka ho etsa phaello ea M74 milone pele ho ntšoa lekhetho. Tšebetso ena e ntlafetse ka 21% papisong le selemo sa 2020. Sena ke litholoana tsa tsamaiso e ntlafalitsoeng licheleteng tsa Banka 'moho le paballo ea litjeo tse ileng tsa kenngoa tšebetsong.

Banka e atlehile ho setlela ka maemo a utloahalang a chelete e kaalo ka M2 bilone ka 2021, 'me palo ena e bile holimo ka 12% papisong le ea selemo se fetileng. Nyollo e bakiloe ke ho phahama hoa chelete e koalooang bankeng eo re ileng ra e fetolela ho buka ea mekoloto nakong eo. Kholo ea chelete e koalooang ke basebelisi ba Banka e bontša tšebetso ea bona e matla le ho tšepa banka 'me tseo li bile le seabo kholong ea Banka.

Tšepo eo basebelisi ba nang le eona ho rona e entse hore chelete eo ba e koalooang e phahame ka 10% ho ea ho M1.5 bilone ho sa natshehe maemo a thata a renang a moruo.

Mekitlane ea M1.1 bilone e ntlafala selemo le selemo ka 26%. Banka e ntlafalitse le ho bebofatsa phumantšho ea mekitlane hape ka ho se nyolle litjeo e le ho imolla basebelisi mathateng a boima a moruo ao ba khasang hara 'ona. Banka e tsoetse-pele ho nanabetsa letsoho ho bahoebi ba banyenyane ka ho ba phallela ka manyane e le ho ba qaolla seretseng sa moruo o putlameng.

Maemo a thepa ea rona ho fetohela ho chelete a eme hantle haholo ho ea ka meralo ea rona ea ho laola kotsi e ka hlaleng boemo ba lichelete. Lichelete li ile tsa tseteloa ka makhetho bakeng sa nyollo ea phaello le ho ikobela melaoana ea tsamaiso.

#### Ho Khutlisetsa Sechabeng

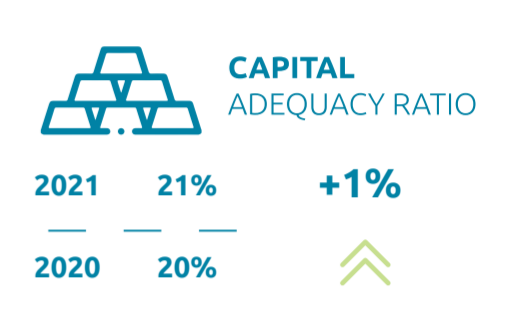
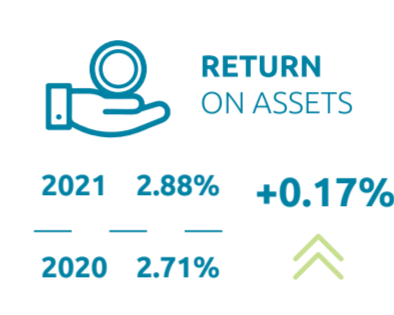
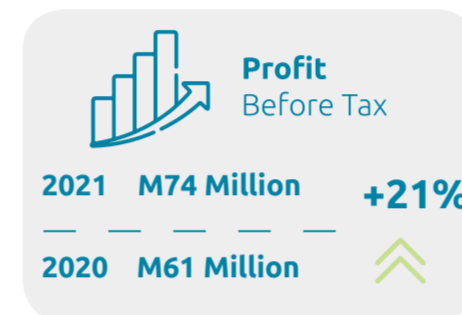
Banka e tsoetse-pele ho thusa sechaba moo e sebetsang teng ka letsete la eona la ho khutlisetsa sechabeng. Re tšehelitse sechaba ka ho rekela malapa lijo, ra rekela baitšokoli ba seteratang likhele, ra fana ka likoloeana tse mabili, meriana ea liphofolo ekasitana le ho thusa bahoebi ba banyenyane ho fumana mekitlane e le hore ba iqalle likhoebo.

#### Tlhokomeliso

Re tsotella basebelisi ba rona ka tsela e ikhethileng 'me ha re batle ho lahleloa ke bona ka lebaka la seoa sa COVID-19 kapa boloetse bofe kapa bofe. Ka lebaka lena, re khothaletsa basebelisi ba khabane ho entela COVID-19 hape ba ikobele liphelelo tsa COVID-19; ba itšireletse le ba malapa a bona.

#### Liteboho

Re rata ho isa liteboho tse khethileng ho basebelisi bohle ba khabane ka botšepahi le tšebetso ea bona ea kamehla. Re leboha balekane le rona ba nang le liabo ka tšebetso le tšupa-tsela, batsamaisi ka ho ba lebofe la rona, litho tsa Boto ka boeletsu ba bohlale, bookameli le basebeletsu ka boitelo le boithukhubetso ba bona tšebetsong.



Statement of Financial Position as at 31 December 2021		
	2021 M'000	2020 M'000
<b>Assets</b>		
Property, Plant and Equipment	52 528	42 335
Right of Use Assets	4 855	6 583
Intangible assets	80 914	76 928
Deferred tax asset	20 618	13 286
Financial assets at amortised cost	192 267	246 073
Inventories	890	859
Trade and other receivables	15 686	11 447
Financial assets at fair value through other comprehensive income	59 137	52 627
Loans and advances	1 083 162	859 652
Cash and cash equivalents	502 945	502 662
<b>Total Assets</b>	<b>2 013 001</b>	<b>1 812 453</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	37 000	37 000
Reserves	42 141	40 256
Retained income	305 678	247 622
<b>Total Equity</b>	<b>384 819</b>	<b>324 878</b>
<b>Liabilities</b>		
Deferred tax liability	-	238
Lease liability	6 242	7 434
Trade and other payables	41 105	27 060
Deferred income	67 494	78 308
Corporate tax liability	8 966	2 034
Deposits	1 504 374	1 372 501
<b>Total Liabilities</b>	<b>1 628 181</b>	<b>1 487 575</b>
<b>Total Equity and Liabilities</b>	<b>2 013 001</b>	<b>1 812 453</b>

Statement of Profit and Loss and other Comprehensive Income for the year ended 31 December 2021		
	2021 M'000	2020 M'000
Capital grant income	10 814	11 332
Fees and commission	81 655	63 524
Other income	7 661	3 327
<b>Net Interest Income</b>	<b>157 395</b>	<b>145 558</b>
Gross interest income	184 852	170 926
Finance costs	(27 467)	(25 368)
<b>Total Income</b>	<b>257 526</b>	<b>223 740</b>
Depreciation and amortisation	(16 767)	(15 997)
Impairment of loans and advances	(15 515)	(5 468)
Employee costs	(78 852)	(68 597)
Other operating expenses	(72 605)	(72 699)
<b>Profit Before Taxation</b>	<b>73 787</b>	<b>60 980</b>
Taxation	(15 730)	(11 810)
<b>Profit For The Year</b>	<b>58 057</b>	<b>49 170</b>
<b>Other Comprehensive Income</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Fair value adjustment on Norsad investment before tax	1 885	(82)
Income tax relating to items that will not be reclassified	-	-
Other comprehensive income for the year net of taxation	1 885	(82)
<b>Total Comprehensive Income For The Year</b>	<b>59 941</b>	<b>49 088</b>

M. Leqhae (Managing Director)

L. Mokotjo (Chairman)