

# Nedbank Lesotho Limited Financial Results

## For the year ended 31<sup>st</sup> December 2009

### COMMENTS ON THE RESULTS

Nedbank Lesotho Limited showed resilient financial performance despite the effects of the global financial crisis, economic recession and steep reduction in interest rates. The bank's retained profits for the year nevertheless grew by 8.7% year on year to M46.6million from M42.9million in 2008. Earnings per share increased by 8.9% to 233 cents. Cost to income ratio continued to show signs of improvement at 53.2% for 2009 compared to 54.2% in 2008. The size of the balance sheet also grew from M1.9billion to M2.2billion.

The growth and healthy financial position of the bank was largely attributed to the strong risk control environment, costs containment and growth and support from our valued clients.

The Board and Management of Nedbank Lesotho Limited therefore wish to thank all customers, staff, shareholders, regulators and the community at large for their valuable and continued support during 2009 and years to come.

#### Income Statement

	2009	2008
	M000	M000
<b>INCOME</b>		
Interest income	191,659	186,909
Interest expense	(92,509)	(90,918)
Net interest income	99,150	95,991
Impairment charge on loans and advances	(7,178)	(4,345)
Income from lending activities	91,972	91,646
Other operating income	49,567	38,834
<b>TOTAL INCOME</b>	<b>141,539</b>	<b>130,480</b>
<b>EXPENSES</b>		
Staff costs	38,213	34,295
Other operating expenses	40,891	38,835
<b>TOTAL EXPENSES</b>	<b>79,104</b>	<b>73,130</b>
<b>INCOME BEFORE TAXATION</b>	<b>62,435</b>	<b>57,350</b>
Taxation	(15,809)	(14,455)
<b>RETAINED INCOME FOR THE YEAR</b>	<b>46,626</b>	<b>42,895</b>
<b>EARNINGS PER SHARE</b>	<b>2.33</b>	<b>2.14</b>

#### Balance Sheet

	2009	2008
	M000	M000
<b>ASSETS</b>		
Cash and cash equivalents	1,613,202	1,343,534
Other short-term securities	71,301	144,987
Loans and advances	461,353	325,553
Amounts due from other banks	9,117	8,142
Deferred taxation asset	4,883	3,620
Property and equipment	45,173	32,836
Intangible assets	176	681
Other assets	5,968	8,796
<b>TOTAL ASSETS</b>	<b>2,211,173</b>	<b>1,868,149</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	20,000	20,000
Reserves	205,099	145,164
<b>TOTAL EQUITY</b>	<b>225,099</b>	<b>165,164</b>
<b>LIABILITIES</b>		
Deposits from customers	1,451,463	1,336,252
Deposits from banks	517,260	343,381
Other liabilities	17,351	23,352
<b>TOTAL LIABILITIES</b>	<b>1,986,074</b>	<b>1,702,985</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,211,173</b>	<b>1,868,149</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>124,856</b>	<b>140,472</b>

Mokhejane 'Moleli (Mr)  
Chief Financial Officer

Lazarus Murahwa (Mr)  
Managing Director

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**NEDBANK**

A Member of the OLD MUTUAL Group