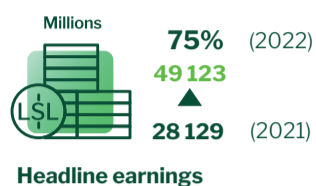


# Nedbank Lesotho Limited

# Annual Financial Results

For the year ended 31 December 2022



## Performance Overview

The Lesotho operating environment remains challenging owing to increased inflationary pressures and sluggish economic growth. Nonetheless, Nedbank Lesotho has remained resilient and shown improved profitability, backed by proactive impairments management, a strong balance sheet and solid capital and liquidity position. Nedbank Lesotho profits after tax excluding comprehensive income propelled by **75% from M28.1m** in the prior year to **M49.1m** in 2022. Both our top lines have shown considerable growth, with a **15%** increase in NII being driven by both an increase in our customer balances as well as changes in the prime lending rate. NIR growth of **1%** was backed by increased transactional revenue aligned to our strategic intention to leverage off our digital channels. Our impairments have further added to the improved profits as we benefited from high clawbacks from provisions raised in the prior year. Loans and advances improved marginally by **1%** from **M1.360 billion** in 2021 to **M1.377 billion** in 2022, driven by higher disbursements and lower impairments. Customer deposits dropped by a marginal **1%**.

## Corporate social responsibility (CSI)

In alignment with a recovering planet, 2022 was an era where things were going back to normal from a COVID-19 perspective, our ability to live our promise of doing good for society was enabled significantly more following the two-year hiatus. We were delighted to reinstate the Nedbank Mohokare Golf Classic, a national calendar event. The fun and networking platform is a purpose-driven one whose proceeds support the Lesotho Breast Cancer Network (LBCN). Consistent with SDG 4, Nedbank Lesotho is committed supporting initiative that drive inclusive and equitable quality education and promote lifelong learning opportunities for all, including the girl child from vulnerable backgrounds. It remains befitting, therefore, to support the Hlokomela Banana foundation whose mandate is the preservation of dignity for girls of school-going age who may have challenges related to sanitary hygiene solutions. This natural phenomenon cannot be allowed to be a reason for Basotho girls to miss school days. Participation in different sporting codes is close to our DNA as a brand operating across different markets. We shared some exciting moments with football lovers in the A-Division through the Nedbank Lesotho 8 and Championship tournaments.

## Appreciation

The Board of Directors, and Management of Nedbank Lesotho Limited wish to thank all Clients, Staff, Shareholders, Regulators, Business Partners, and the Community at large for their invaluable and continued support. The positive reception of our financial inclusion proposition, the Nedbank Mobi Money, is testament of our dedicated focus to support the Central Bank of Lesotho's mandate of ensuring that many Basotho are serviced and carried along the digital evolution. We also wish to extend our gratitude to clients for the appreciation of our digital solutions which was demonstrated by the attainment of two 2022 Global Banking & Finance Awards, being the Most Innovative Retail Banking App in Lesotho award, and the Best App for Digital Banking Services in Lesotho award.

## Nedbank Lesotho Limited Financial Results – 2022

Statement of Financial Position At 31 December 2022

## Statement of Profit or Loss and Other Comprehensive Income

for the period ended 31 December 2022

	2022 M'000	2021 M'000
<b>Assets</b>		
Cash and cash equivalents	1 757 341	2 965 522
Non-Pledged trading assets	305 695	117 793
Loans and advances	1 377 243	1 360 402
Current tax asset	-	11 653
Deferred tax asset	30 002	26 200
Other assets	188 164	11 876
Property, Plant and Equipment	63 397	54 752
Right of Use Asset	9 616	16 911
Intangible assets	470	472
<b>Total assets</b>	<b>3 731 928</b>	<b>4 565 581</b>
<b>Liabilities and equity</b>		
Deposits from banks	235 793	1 068 067
Deposits from customers	2 652 587	2 686 067
Current tax liability	118	-
Deferred revenue	16 824	18 178
Other liabilities	159 796	169 758
Lease obligations	11 533	19 394
<b>Total Liabilities</b>	<b>3 076 651</b>	<b>3 961 464</b>
Share capital	20 000	20 000
Reserves	54 579	47 454
Retained earnings	580 698	536 663
<b>Total equity</b>	<b>655 277</b>	<b>604 117</b>
<b>Total liabilities and equity</b>	<b>3 731 928</b>	<b>4 565 581</b>

	2022 M'000	2021 M'000
Interest Revenue	286 598	244 975
Interest Expense	(89 907)	(72 566)
<b>Net Interest Income</b>	<b>196 691</b>	<b>172 409</b>
Non-Interest Revenue	108 086	107 128
Impairment of Loans and Advances	(8 540)	(26 780)
Staff Costs	(92 781)	(83 018)
Depreciation and Amortisation	(16 554)	(17 174)
Other operating expenses	(129 330)	(118 509)
<b>Profit before taxation</b>	<b>57 572</b>	<b>34 056</b>
Taxation	(8 449)	(5 927)
<b>Profit for the year</b>	<b>49 123</b>	<b>28 129</b>
<b>Other comprehensive income</b>		
Re-measurements on net defined benefit liability/asset	(5 088)	(4 138)
Gains on property revaluation	7 125	-
<b>Other comprehensive income for the year net of taxation</b>	<b>2 037</b>	<b>(4 138)</b>
<b>Total comprehensive income for the year</b>	<b>51 160</b>	<b>23 991</b>

  
Nkai Matete  
Managing Director  
Nedbank Lesotho Limited

  
Director Sebehela Selepe  
Chairman of Audit Committee  
Nedbank Lesotho Limited

see money differently



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Nedbank Lesotho Limited Reg No 192/191. Authorised financial institution and credit provider.