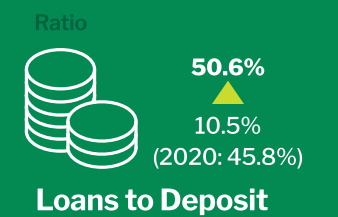
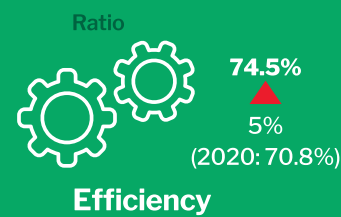
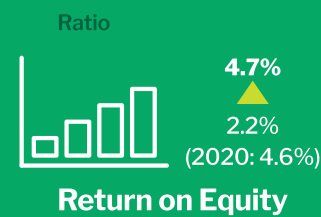


Financial results

For year ended 31 December 2021.



Performance overview

Nedbank Lesotho profits after tax excluding other comprehensive income grew by 5% from M26.670 million to M28.129 million year on year. Growth was supported by recovery in the Non-Interest Revenue as transactional activity improved. NIR growth is in line with our deliberate strategy to grow transactional income. The performance was however adversely impacted by high impairments attributable to default of a major client, this is despite the total impairments being lower than the previous year at height of Covid 19.

Net Interest Income dropped by 10% as a result of slow credit and deposits growth. Non-Interest Revenue on the other hand, increased by 14% owed to improved trading conditions attributed to relaxation of lockdown restrictions.

Loans and advances declined marginally by 0.6%, from M1.368 billion to M1.360 billion year on year, mainly as result of subdued demand for corporate credit and high impairments. Customer deposits also dropped by 10% to M2.686 billion from M2.986 billion as Corporates opted to utilize their excess cash owed to the difficult economic environment.



Corporate Social Investment (CSI)

Part of the Nedbank purpose is to do good for the communities that the bank is operating in, to achieve this purpose, the bank partnered with Limomonane Trust in a tree planting initiative in the district of Mafeteng. This noble initiative is aligned with the United Nations Sustainable Development Goal (SDG13 – Climate Action). As a green bank, it's befitting to take part in fighting climate change and greening our land through planting trees that will serve future generations. The bank also extended a helping hand to the Lesotho Mountain Police Service in an effort to help fight COVID-19 which was still having a major impact in our country at the time.



Appreciation

The Board and Management of Nedbank Lesotho Limited wish to thank all customers, staff, shareholders, regulators, business partners and the community at large for their valuable and continued support.

Statement of Financial Position At 31 December 2021

	2021 M'000	2020 M'000
Assets		
Cash and cash equivalents	2 745 852	2 363 749
Amounts due from other banks	219 670	502 052
Non-Pledged trading assets	117 793	16 126
Derivative Assets	-	9 412
Loans and advances	1 360 402	1 368 707
Current Tax Asset	11 653	19 945
Deferred Tax Asset	26 200	25 548
Other Assets	11 876	22 597
Property, Plant and Equipment	54 752	60 779
Right of Use Asset	16 911	22 807
Intangible assets	472	492
Total assets	4 565 581	4 412 214
Liabilities and equity		
Deposits from banks	1 068 067	666 014
Deposits from Customers	2 686 067	2 986 398
Derivative Liabilities	-	8 442
Deferred Revenue	18 178	15 180
Other liabilities	169 758	131 080
Lease Obligations	19 394	24 974
Total Liabilities	3 961 464	3 832 088
Share capital	20 000	20 000
Reserves	47 454	47 454
Retained earnings	536 663	512 672
Total equity	604 117	580 126
Total liabilities and equity	4 565 581	4 412 214

Statement of profit or loss and other comprehensive income For the period ended 31 December 2021

	2021 M'000	2020 M'000
Interest Revenue	244 975	304 276
Interest Expense	(72 566)	(112 244)
Net Interest Income	172 409	192 032
Non-Interest Revenue	107 128	94 088
Impairment of Loans and Advances	(26 780)	(35 364)
Staff Costs	(83 018)	(80 893)
Depreciation and Amortisation	(17 174)	(17 559)
Other operating expenses	(118 509)	(116 959)
Profit before taxation	34 056	35 345
Taxation	(5 927)	(8 675)
Profit for the year	28 129	26 670
Other comprehensive income		
Re-measurements on net defined benefit liability/asset	(4 138)	(772)
Deferred Tax	-	216
Other comprehensive income for the year net of taxation	(4 138)	(556)
Total comprehensive income for the year	23 991	26 114

Nkau Matete
Managing Director
Nedbank Lesotho Limited

Matholoana Mokhali
Chief Financial Officer
Nedbank Lesotho Limited