

Restated

2015

NEDBANK LESOTHO LIMITED

FINANCIAL RESULTS

2016

FOR YEAR ENDED 31ST DECEMBER 2016

COMMENTS ON THE RESULTS

The domestic economic activity remained subdued in 2016, impacted by slow economic growth and reduced government spending. At the back of this, Nedbank Lesotho Limited business faced a challenging year which saw the Bank's profitability contracting year on year. Despite the difficult economic environment, the Bank's operating income continued to increase but the overall performance was adversely affected by additional provision for employee benefits and as well as an increase in regulatory

general provision requirement from 1% to 2% of the loan book during the year. The profit after tax before other comprehensive income fell by 14% from M49.066 million to M42.169 million.

The Bank continued to grow its lending book to foster long term relationships with our clients and for national economic growth. We also continued to play our role in social upliftment through Corporate Social Investment (CSI) initiatives.

2015

The bank is in a healthy and sound financial position which is attributed to strong capital base and good risk management as well as growth and support from our clients.

The Board and Management of Nedbank Lesotho Limited wish to thank all customers, staff, shareholders, regulators and the community at large for their valuable and continued support during 2016 and the years to come.

2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

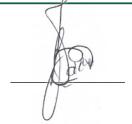
FOR THE YEAR ENDED 31 DECEMBER 2016

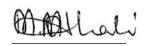
	M'000	M'000
INCOME		
Interest income	294 839	264 986
Interest expense	(153 263)	(128 231)
Net interest income	141 576	136 755
Non -interest revenue	113 490	104 744
Revenue	255 066	241 499
EXPENSES		
Impairment of loans and advances	(19 480)	(21 757)
Staff costs	(85 635)	(77 209)
Depreciation & amortisations	(10 538)	(9 082)
Other operating expenses	(84 920)	(69 284)
Total expenses	(200 573)	(177 332)
PROFIT BEFORE TAX	54 493	64 167
Income tax expense	(12 324)	(15 101)
PROFIT AFTER TAX	42 169	49 066
Other comprehensive income		
Items that will not be classified to profit or loss		
Re-measurements of defined benefit liability	5 511	-
Related tax	(1 378)	-
Items that are or may be reclassified subsequently to	profit or loss	
Gain on revaluation reserve	-	7 214
Related tax	-	(1804)
Other comprehensive income for the year	4 133	5 410
Total comprehensive income for the year	46 302	54 476

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	M'000	M'000
ASSETS		
Cash and cash equivalents	2 406 316	2 450 867
Non-pledged trading assets	100 274	127 110
Loans and advances	1 037 706	1006 252
Amounts due from banks	94 680	85 716
Other assets	50 826	3 524
Property and equipment	76 416	77 493
Intangible assets	57	306
Current tax assets	19 725	19 470
Deferred tax asset	3 830	4 041
Total assets	3 789 830	3 774 779
LIABILITIES AND EQUITY		
Deposits from customers	2 222 440	2 193 526
Deposits from banks	1 059 525	1106 729
Current tax liabilities	1377	14 428
Other liabilities	72 420	56 576
Total liabilities	2 255 742	2 274 250
lotai liabilities	3 355 762	3 371 259
Share capital	20 000	20 000
Retained earnings	369 199	338 651
Reserves	44 869	44 869
Total equity	434 068	403 520





Total liabilities and equity

3 789 830 3 774 779