

Nedbank's annual profit rises on upbeat revenue

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Nedbank Group, one of the top five lenders in the country, recorded an 11% rise in its annual profit on Tuesday, 5 March 2024, supported by strong revenue and associate income growth.



Source: Payments Afrika

For the year ended 31 December, the bank's headline earnings, a profit measure, grew to R15.7bn (\$823.67m) from R14.1bn a year earlier.

The top five private South African banks - among the continent's biggest - are generally considered well-capitalised, conservative in lending and help drive an otherwise ailing economy.

But inflationary pressures, high interest rates, regular power blackouts and logistical bottlenecks are taking a toll on the banks' most sensitive retail and small business customers, leading to defaults.

Nedbank's credit loss ratio - a measure of bad loans as a percentage of total loans - was at 109 basis points (bps), up from 89 bps posted a year earlier and beyond its target range of 80 bps to 100 bps. But the ratio improved from the first half when it was 121 bps.

The lender's revenue grew by 11% to R69.1bn.

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