

Standard Bank posts 34% jump in interim profit

Africa's biggest lender by assets Standard Bank said on Thursday, 17 August, its interim profit jumped by more than a third as high interest rates helped offset rising bad loans.



Source: Reuters.

The lender posted a headline earnings per share of R12.8 for the six months ended 30 June, up from R9.55 a year earlier.

South African banks are among the largest on the continent and are known for their well-capitalised balance sheets, conservative lending practices and strong retail customer base.

But local daily power blackouts and a rapid rise in interest rates - by 350 basis points in the last 12 months - have put retail and small business customers of banks under extreme pressure, leading to a spike in bad loans.

Standard Bank said its credit loss ratio, a measure of bad loans as a percentage of total loans, stood at 97 basis points (bps), close to the upper range of its target of 100 bps or 1.0%.

The lender said it would hover at this level for the rest of the year.

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