

Nedbank Eswatini Limited

Incorporated in the Kingdom of Eswatini
Registration Number: CB39/1974
Listed on the Eswatini Stock Exchange (ESE)
ISIN Code: SZ0005797904
ESE Share Code: NEDBANK



Commentary on the Bank's Financial Performance for the six-month period ended 30 June 2026

KEY HIGHLIGHTS

HEADLINE EARNINGS	OPERATING INCOME AFTER IMPAIRMENTS	NET INTEREST INCOME	NON-INTEREST REVENUE	EFFICIENCY RATIO	NIR TO EXPENSES	ROE	CLR
▲ 16.6%	▲ 18.4%	▲ 8.3%	▲ 16.3%	▲ 4.2%	▼ 1.4%	▲ 160bps	▲ 60bps
2026 E 73.7m 2025 E 63.2m	2026 E 335.8m 2025 E 283.7m	2026 E 241.8m 2025 E 223.3m	2026 E 136.6m 2025 E 117.4m	2026 62.8% 2025 58.5%	2026 57.5% 2025 58.9%	2026 14.6% 2025 11.4%	2026 1.44% 2025 1.31%

► Financial Performance for the six-month period ended 30 June 2026

Economic overview

Eswatini's economy has been impacted by the supply-chain disruptions posed by the ongoing geopolitical crisis. Although GDP grew by 6.1% in the 1st quarter of 2026, year on year on a seasonally adjusted basis, the figure for Q2 is expected to be marginally lower. The growth momentum has been supported by a rebound in the secondary sector, while the primary and tertiary sectors remained resilient. Headline inflation decelerated to 2.6% in June 2026, from 2.7% in May 2026. The Central Bank of Eswatini has since revised down its short-term inflation outlook to 3% (from 3.3%) due to the moderation in food inflation and the moderation in oil prices.

For the six-month period ended 30 June 2026, Nedbank Eswatini Limited delivered headline earnings of E73.7 million, representing a strong improvement from E63.2 million recorded in the corresponding period in 2025. Total income increased by 11.1% to E378.4 million, compared with E340.7 million in the prior year, reflecting continued growth in the Bank's income-generating activities.

Loans and advances to customers increased by 7.6% to E4.9 billion, compared with E4.5 billion in 2025, supported by growth in lending activity during the period. Customer deposits also grew by 3.5% to E6.4 billion, from E6.1 billion in 2025, demonstrating continued customer confidence in the Bank and supporting its funding position.

Net Interest Income

Net interest income increased by 8.3% to E241.8 million, compared with E223.3 million in 2025. The growth was supported by the expansion of the Bank's asset base, higher lending activity and the effective utilization of excess funding from customer deposits.

Impairment of Loans and Advances

The impairment charge decreased to E42.6 million for the period, compared with E57.0 million in 2025. The reduction reflects the positive impact of effective credit risk management practices and strengthened collection strategies implemented during the period.

Non-Interest Revenue

Non-interest revenue increased by 16.3% to E136.6 million, compared with E117.4 million in 2025. The non-interest revenue to expenses ratio declined marginally to 57.5%, from 58.9% in 2025, mainly due to the 19.1% increase in operating expenses during the period. The Bank remains focused on accelerating customer adoption of digital platforms, enabling clients to access a seamless, convenient and efficient banking experience.

Operating Expenses

Operating expenses increased by 19.1% to E237.5 million, compared with E199.4 million in 2025, mainly driven by increased operating activities supporting the business growth. Cost containment remains a key priority for the business, with additional expenditure to be directed primarily towards initiatives that support revenue generation and sustainable growth. As a result of the increase in operating expenses, the efficiency ratio rose to 62.8%, compared with 58.5% in 2025.

Capital Adequacy

The Bank maintained a capital adequacy ratio of 13.07%, compared with 15.2% in 2025, remaining comfortably above the regulatory minimum requirement of 8.0%. Capital and reserves amounted to E1 009 million, compared with E1 110 million in 2025. The capital adequacy ratio has been calculated in accordance with Basel II reporting principles as adopted by the Central Bank of Eswatini.

The Board of Directors is satisfied that the Bank's capital is adequate and meets regulatory requirements.

Prospects

For the remainder of the year, the Bank's strategic focus will remain anchored on delivering consistently superior client experience, supported by service excellence, disciplined risk management and innovative banking solutions. The Bank will continue to deepen client relationships, accelerate the adoption of digital channels and enhance operational efficiencies to ensure that customers are served in a seamless, convenient and responsive manner. At the same time, management will maintain a prudent approach to credit risk, cost management and capital preservation, while pursuing opportunities that support revenue growth and long-term sustainability.

Corporate Governance Statement

The Directors and Management of Nedbank Eswatini Limited reaffirm their commitment to the principles of sound corporate governance as articulated in the King IV Report and the Corporate Governance Guidelines issued by the Central Bank of Eswatini.

Directors

The composition of the Board in the reporting period was as follows: Mr. N A Hlatshwayo (Chairman), Ms. F Nkosi (Managing Director), Mr. Zama Kunene (independent non-executive), Mr. G. Payne (non-executive), Ms. P. Maqetuka (non-executive), Mrs. S. Nkumane (independent non-executive) and Mrs. Ayn Brown (independent non-executive).

Independent Review

The financial results have not been audited but reviewed by SNG Grant Thornton Chartered Accountants (Eswatini).

Auditors

24 March 2026
SNG Grant Thornton Chartered Accountants (Eswatini)
Umkhiwa House
Lot 195 Kal Grant Street
Mbabane
Eswatini

Auditors:
SNG Grant Thornton Chartered
Accountants Eswatini
Umkhiwa House, Kal Grant Street
Mbabane



Sponsoring Broker:
1st Floor, Matsapha Link, Portion
3 of 582, Along College Road and
Lihawu Street, Matsapha Eswatini

Transfer Secretaries:
PwC
Rhus Office Park
Kal Grant Street, Mbabane

► Statement of Comprehensive Income

	Half year ended 30 June 2026	Half year ended 30 June 2025
SZL	SZL	
Interest income	384 619 063	362 396 914
Interest expense	(142 838 575)	(139 133 208)
Net interest income	241 780 488	223 263 705
Non-interest revenue	136 576 371	117 441 921
Total income	378 356 859	340 705 626
Impairment of advances	(42 587 435)	(57 012 902)
Net income	335 769 424	283 692 724
Expenses	(237 487 568)	(199 417 589)
Net income before tax	98 281 856	84 275 136
Taxation	(24 570 464)	(21 068 784)
Net income after taxation	73 711 392	63 206 352
Basic and diluted earnings per share (cents)	299	257
ROE (%)	15%	11%

► Statement of Financial Position

	30 June 2026	31 December 2025
Assets		
Cash and cash equivalents	1 222 942 703	1 202 619 857
Government and public sector securities	1 265 493 185	1 583 726 474
Derivative assets held for risk management	2 186 973	12 777 256
Loans and advances to customers	4 877 621 136	4 534 059 721
Investments	17 486 324	17 486 324
Other assets	124 426 406	89 086 430
Deferred taxation asset	96 145 211	96 145 211
Current tax asset	971 561	633 679
Property and equipment	114 112 885	107 007 430
Intangible assets	4 551 591	5 571 399
Total assets	7 725 937 975	7 649 113 781

Equity and Liabilities

Equity		
Share capital	12 305 277	12 305 277
Reserves	996 807 827	1 098 107 796
Total equity and reserves attributable to equity holders of the bank	1 009 113 104	1 110 413 074
Liabilities		
Funding from other banks	86 209 125	161 728 491
Derivative liabilities	2 246 521	12 183 949
Deposits from banks	8 088 537	3 753 341
Deposits from customers	6 351 204 671	6 135 929 995
Other liabilities	258 039 993	214 068 908
Deferred tax liabilities	11 036 024	11 036 024
Total equity and liabilities	7 725 937 975	7 649 113 781
Guarantees, letters of credit, un-utilized facilities and contingent liabilities	91 316 038	101 068 356

► Abridged Statement of Changes In Equity

Shareholders' equity - at beginning of period	1 110 413 073	1 152 642 074
Prior year's final dividend paid	(175 011 361)	(243 948 151)
Net income after tax for the period	73 711 392	212 144 593
Re-measurement of defined benefit liability - net	-	(12 114 539)
Revaluation gain	-	1 689 096
Shareholders' equity - at end of period	1 009 113 104	1 110 413 073

► Abridged Statement of Cashflows

	30 June 2026	31 December 2025
Cash generated by operating activities	238 140 520	427 177 716
Taxation paid	(29 736 235)	(76 028 052)
Cash utilized by investment activities	(1 417 597)	(51 914 396)
Cash utilized by financing activities	(186 663 842)	(261 372 939)
Net cash generated	20 322 846	37 862 329
Cash and cash equivalents at beginning of period	1 202 619 857	1 164 757 528
Cash and cash equivalents at end of period	1 222 942 703	1 202 619 857

For and on behalf of the Board
Mr. N. A. Hlatshwayo
(Chairman)

24 March 2026

Ms. F. Nkosi
(Managing Director)



see money differently

Nedbank Eswatini Ltd Reg No CB39/1974/TIN1002300000. Authorised financial services provider.

