

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 year ended 31 December 2025

KEY HIGHLIGHTS

HEADLINE EARNINGS	OPERATING INCOME AFTER IMPAIRMENTS	NET INTEREST INCOME	NON-INTEREST REVENUE	EFFICIENCY RATIO	NIR TO EXPENSES	ROE	CLR
▲ 5%	▲ 4.2%	▲ 6.6%	▲ 15.7%	▼ 0.7%	▲ 4.4%	▲ 50bps	▲ 70bps
2025 2024	2025 2024	2025 2024	2025 2024	2025 2024	2025 2024	2025 2024	2025 2024
E 212.1m E 202.0m	E 655.1m E 628.7m	E 462.2m E 433.4m	E 254.1m E 219.6m	52.3% 53.0%	67.8% 63.4%	18.79% 18.30%	1.31% 0.61%

Financial Performance for the year ended 31 December 2025

Economic overview

Eswatini's economy remained resilient in 2025, despite global geopolitical uncertainties and benign regional economic growth. The local economy is expected to maintain a positive growth trajectory in the short to medium term, aided by large public and private sector capital projects, rising consumer demand, and an accommodative monetary policy stance.

For the year ended 31 December 2025, Nedbank Eswatini Limited recorded headline earnings of E212.1 million (2024: E202.0 million) reflecting an increase attributable to growth in total revenue of 9.7%. Loans and advances to customers grew by 13.0% to E4.5 billion (2024: E4.0 billion), driven by increased lending activity, while customer deposits increased by 22.3% to E6.1 billion (2024: E5.0 billion), reflecting sustained confidence in the bank.

Net Interest Income

Growth in the Bank's asset base, supported by increased lending activity and the availability of excess funding from customer deposits, resulted in net interest income of E462.2 million (2024: E433.4 million), representing growth of 6.6%.

Impairment of Loans and Advances

The impairment charge for the period was E61.1 million (2024: E24.4 million). The significant adverse rise in impairments reflects increased financial stress experienced by certain customer segments in a high-interest rate environment. The Bank continues to strengthen its credit risk management and collection strategies to mitigate future credit losses.

Non-Interest Revenue

Non-interest revenue grew by 15.7% to E254.1m (2024: E220.0 million). The non-interest revenue to expenses ratio improved to 67.8% (2024: 63.4%). This performance was supported by improved transactional volumes as the Bank continued to prioritize the onboarding of new customers and increasing client numbers and transaction volumes on its digital platforms to enhance client experience and transactability.

Operating Expenses

Operating expenses increased by 8.3% to E375.0 million (2024: E346.3 million), largely driven by inflationary pressures and continued investment in technology and operational improvements. The efficiency ratio remained relatively stable at 52.3% (2024: 53.0%).

Capital Adequacy

The Bank maintained a strong capital position, with a capital adequacy ratio of 15.2% (2024: 17.8%), well above the regulatory requirement of 8.0%. Capital and reserves totaled E1 110 million (2024: E1 153 million). The Bank's capital adequacy ratio has been computed according to Basel II reporting principles as adopted by the Central Bank of Eswatini.

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

Prospects

The Bank's strategic focus for the coming financial year is to consistently deliver superior client experience, underpinned by service excellence, disciplined risk management and innovative banking solutions aimed at sustainable growth.

Dividend Declaration

Notice is hereby given that a dividend of 710 cents per share is declared, totaling E175 million for the financial year ended 31 December 2025 payable to shareholders registered in the books of the company at the close of business on 8 May 2026. The dividend will be paid to the shareholders on 31 May 2026 and in declaring the dividend, all liquidity, solvency and capital requirements were adhered to.

Annual General Meeting

The Annual General Meeting will be held on 29 May 2026 and a final notification, together with the related reports will be sent to shareholders not later than 27 April 2026.

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. M Maziya (independent non-executive - retired 28 May 2025), Dr. M D Mthembu (non-executive - retired 29 August 2025), Mr. Z 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

To the shareholders of Nedbank Eswatini Limited.

Opinion

The accompanying abridged financial statements of Nedbank Eswatini Limited, which comprise the abridged statement of financial position as at 31 December 2025, and the related abridged statement of comprehensive income, abridged statement of changes in equity and abridged statement of cash flows for the year then ended, are derived from the financial statements of Nedbank Eswatini Limited for the year ended 31 December 2025.

In our opinion, the abridged financial statements derived from the audited financial statements of Nedbank Eswatini Limited for the year ended 31 December 2025 are consistent, in all material respects, with the audited financial statements, in accordance with the requirements of the Central Bank of Eswatini and the Eswatini Stock Exchange.

Abridged Financial Statements

The abridged financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited financial statements of Nedbank Eswatini Limited. Reading the abridged Bank's financial statements, therefore, is not a substitute for reading the audited financial statements of Nedbank Eswatini Limited for the year ended 31 December 2025.

The audited Financial Statements and our Report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 24 March 2026.

Directors' responsibility for the abridged financial statements

The directors are responsible for the preparation of the abridged financial statements of Nedbank Eswatini Limited in accordance with the requirements of the Central Bank of Eswatini and the Eswatini Stock Exchange.

Auditors' Responsibility

Our responsibility is to express an opinion on the abridged financial statements derived from the bank's financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing 810, Engagements to Report on Summary Financial Statements.

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

	31 December 2025	31 December 2024
	szl	szl
Interest income	742 940 451	686 499 512
Interest expense	(280 786 032)	(253 085 086)
Net interest income	462 154 419	433 414 426
Non-interest revenue	254 112 785	219 635 240
Total income	716 267 204	653 049 666
Impairment of advances	(61 122 564)	(24 389 006)
Net income	655 144 640	628 660 660
Expenses	(374 930 380)	(346 341 306)
Net income before tax	280 214 260	282 319 354
Taxation	(68 069 667)	(80 270 303)
Net income after taxation	212 144 593	202 049 051
Basic and diluted earnings per share (cents)	861	820
ROE (%)	18.79%	18.30%

Statement of Financial Position

	31 December 2025	31 December 2024
Assets		
Cash and cash equivalents	1 202 619 857	1 164 757 528
Government and public sector securities	1 583 726 474	1 516 970 365
Derivative assets held for risk management	12 777 256	-
Loans and advances to customers	4 534 059 721	4 014 738 384
Investments	17 486 324	16 359 604
Other assets	89 086 430	139 404 421
Deferred taxation asset	96 145 211	92 450 949
Current tax asset	633 679	-
Property and equipment	107 007 430	72 989 556
Intangible assets	5 571 399	340 994
Total assets	7 649 113 781	7 018 011 801
Equity and Liabilities		
Equity		
Share capital	12 305 277	12 305 277
Reserves	1 098 107 796	1 140 336 797
Total equity and reserves attributable to equity holders of the bank	1 110 413 073	1 152 642 074
Liabilities		
Funding from other banks	161 728 491	507 249 295
Derivative liabilities held for risk management	12 183 949	-
Deposits from banks	3 753 341	20 464 579
Deposits from customers	6 135 929 995	5 018 632 482
Current tax liabilities	-	4 567 286
Other liabilities	214 068 908	304 356 903
Deferred tax liabilities	11 036 024	10 099 182
Total equity and liabilities	7 649 113 781	7 018 011 801
Guarantees, letters of credit, un-utilized facilities and contingent liabilities	101 068 356	75 746 944

Abridged Statement of Changes In Equity

Shareholders' equity - at beginning of period	1 152 642 074	1 060 451 932
Prior year's final dividend paid	(243 948 151)	(100 038 944)
Net income after tax for the period	212 144 593	202 049 051
Re-measurement of defined benefit liability - net	(12 114 539)	(9 819 965)
Revaluation gain	1 689 096	-
Shareholders' equity - at end of period	1 110 413 073	1 152 642 074

Abridged Statement of Cashflows

	31 December 2025	31 December 2024
Cash generated by operating activities	427 177 716	172 980 455
Taxation paid	(76 028 052)	(96 210 542)
Cash utilized by investment activities	(51 914 396)	(8 891 054)
Cash utilized by financing activities	(261 372 939)	(121 419 845)
Net cash generated	37 862 329	(53 540 986)
Cash and cash equivalents at beginning of period	1 164 757 528	1 218 298 514
Cash and cash equivalents at end of period	1 202 619 857	1 164 757 528

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.

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