



SBC Limited and Subsidiaries

Group Results

for the year ended 31 December 2024

(Incorporated in the Kingdom of Eswatini
Reg. No. 473 of 2011)
ISIN Code: SZE000331031 Share Code: SBC
Listed on the Eswatini Stock Exchange

HIGHLIGHTS OVER THE YEAR

Gross loan book growth of
3.9% ▲

Group revenue growth of
2.04% ▲

Earnings per share decrease of
113.3% ▼

Residential occupancy
7.7% ▲

Figures in Emalangeni	12 months to 31 December 2024 Audited	12 months to 31 December 2023 Audited
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Income	442 800 028	433 954 911
Operating expenses	(200 444 231)	(197 645 342)
Impairment loss on loan and advances	(6 119 368)	(1 450 088)
Operating profit	236 236 429	234 859 481
Investment income	75 734 444	88 501 813
Finance costs	(303 505 172)	(273 339 037)
Profit before taxation	8 465 701	50 022 257
Taxation	(12 257 889)	(21 078 199)
(Loss)/profit for the year	(3 792 188)	28 944 058
TOTAL COMPREHENSIVE (LOSS)/INCOME	(3 792 188)	28 944 058
Earnings per share (cents)	(4)	30

Figures in Emalangeni	12 months to 31 December 2024 Audited	12 months to 31 December 2023 Audited
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4 639 489	3 971 469
Right-of-use assets	2 973 877	3 757 455
Investment property	347 157 525	347 085 871
Goodwill	209 448 253	209 448 253
Intangible assets	3 932 655	4 796 778
Investments in joint ventures	2 500 000	-
Amounts owing by related parties	63 000 000	64 282 560
Other financial assets	261 351 414	261 351 414
Loans and advances	1 049 510 601	1 045 091 545
Deferred tax asset	53 484 597	40 596 748
Work in progress	9 780 990	1 952 388
	2 007 779 401	1 982 334 481
CURRENT ASSETS		
Amounts owing by related parties	591 974 034	472 703 667
Trade and other receivables	31 495 266	60 265 254
Loans and advances	365 704 013	319 527 682
Current tax receivable	3 634 070	6 182 708
Loan to contractor	12 337 935	11 430 648
Cash and cash equivalents	127 028 326	91 275 966
	1 132 173 104	961 385 925
	3 139 952 505	2 943 720 406
EQUITY AND LIABILITIES		
EQUITY		
Equity Attributable to Equity Holders of Parent		
Share capital	348 329 629	348 329 629
Retained earnings	85 517 121	122 531 071
	433 846 750	470 860 700
LIABILITIES		
NON-CURRENT LIABILITIES		
Amounts owing to related parties	243 519 956	288 296 093
Other financial liabilities	886 146 528	1 048 979 006
Lease liabilities	1 810 460	2 323 026
Deferred income*	17 256 560	-
	1 148 733 504	1 339 598 125
CURRENT LIABILITIES		
Trade and other payables	4 318 522	28 129 479
Amounts owing to related parties	765 745 218	412 636 973
Other financial liabilities	780 001 622	690 716 716
Lease liabilities	1 554 702	1 778 413
Deferred income*	5 752 187	-
	1 557 372 251	1 133 261 581
	2 706 105 755	2 472 859 706
	3 139 952 505	2 943 720 406

Figures in Emalangeni	12 months to 31 December 2024 Audited	12 months to 31 December 2023 Audited
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		
SHARE CAPITAL		
Balance at the beginning of the year	9 649	9 649
SHARE PREMIUM	348 319 980	348 319 980
Balance at the beginning of the year	348 319 980	348 319 980
RETAINED EARNINGS	85 517 121	122 531 071
Balance at the beginning of the year	122 531 071	143 587 013
Opening balance adjustment*	(23 221 762)	-
(Loss)/profit for the year	(3 792 188)	28 944 058
Dividends declared	(10 000 000)	(50 000 000)
NON-CONTROLLING INTEREST		
Balance at the beginning of the year	-	40 485
Movement for the year	-	(40 485)
	433 846 750	470 860 700

Figures in Emalangeni	12 months to 31 December 2024 Audited	12 months to 31 December 2023 Audited
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	90 167 589	45 062 067
Interest income	4 878 629	88 501 813
Finance costs	(178 839 449)	(180 436 655)
Tax paid	(22 597 100)	(37 337 098)
Net cash from operating activities	(106 390 331)	(84 209 873)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2 702 328)	(1 796 749)
Proceeds from sale of property, plant and equipment	29 184	68 983
Purchases of investment property	(7 900 256)	(2 124 010)
Purchases of intangible assets	(1 743 816)	(2 876 191)
Purchases of joint arrangements	(2 500 000)	-
Net cash from investing activities	(14 817 216)	(6 727 967)
Repayments of loans from group and related party companies	(232 075 754)	(97 669 509)
Proceeds of loans from group and related party companies	496 984 044	135 200 000
Repayments of other financial liabilities	(255 111 998)	(242 574 610)
Proceeds from other financial liabilities	159 545 539	280 103 109
Repayments of lease liabilities	(2 381 924)	(1 926 121)
Dividends paid	(10 000 000)	(50 000 000)
Net cash from financing activities	156 959 907	23 132 867

8. SEGMENTAL ANALYSIS	Consumer lending split by geographic region				Segmental reporting by product group					
	Eswatini Consumer Lending		Lesotho Consumer Lending		Total Consumer Lending		Eswatini Property		Group	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
Revenue	233 226 384	229 103 270	190 763 561	188 632 820	423 989 945	417 736 090	18 810 083	16 218 821	442 800 028	433 954 911
(Loss)/profit before taxation	(6 651 042)	37 324 572	62 934 385	58 091 016	56 283 343	95 415 588	(47 817 642)	(45 393 331)	8 465 701	50 022 257
Taxation	(10 479 037)	(17 594 444)	(10 072 242)	(15 509 688)	(20 551 279)	(33 104 132)	8 293 390	12 025 933	(12 257 889)	(21 078 199)
(Loss)/profit for the year	(17 130 079)	19 730 128	52 862 143	42 581 328	35 732 064	62 311 456	(39 524 252)	(33 367 398)	(3 792 188)	28 944 058
Gross loans	815 246 436	778 023 405	642 804 610	624 837 119	1 458 051 046	1 402 860 524	-	-	1 458 051 046	1 402 860 524
Impairment provisions	(28 226 766)	(24 857 371)	(14 609 666)	(13 383 926)	(42 836 432)	(38 241 297)	-	-	(42 836 432)	(38 241 297)
Net advances	787 019 670	753 166 034	628 194 944	611 453 193	1 415 214 614	1 364 619 227	-	-	1 415 214 614	1 364 619 227
Total segment assets	2 541 591 539	2 304 165 202	640 734 807	640 734 807	3 182 326 346	2 944 900 009	424 295 190	402 592 366	3 139 952 505	2 943 720 406
Borrowings	2 254 741 327	1 979 725 200	352 272 817	390 233 978	2 607 014 144	2 369 959 178	535 068 211	474 441 579	2 675 413 324	2 440 628 788
Total segment liabilities	2 255 645 080	1 970 656 727	379 030 055	429 092 373	2 634 675 135	2 399 749 100	538 099 651	476 882 575	2 706 105 755	2 472 859 706
Equity	285 946 459	333 508 475	264 704 752	211 642 434	547 661 211	545 150 909	(113 814 461)	(74 290 209)	433 846 750	470 860 700

* During the current year an adjustment to opening retained earnings was made that referred to a prior year adjustment to income and deferred income. In SBC's prior year financial statements, the change not affected, was immaterial.

Figures in Emalangeni	12 months to 31 December 2024 Audited	12 months to 31 December 2023 Audited
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS cont.		
Total cash movement for the year	35 752 360	(67 804 971)
Cash and cash equivalents at the beginning of the year	91 275 966	159 080 937
Cash and cash equivalents at the end of the year	127 028 326	91 275 966

NOTES

1. STATEMENT OF COMPLIANCE

The consolidated annual financial statements have been prepared in accordance with IFRS® Accounting Standards and the requirements of the Companies Act.

The accounting policies and methods of compilation applied in these financial results are consistent with those applied in the preparation of the annual financial statements for the year ended 31 December 2024 other than in relation to the following accounting policy changes which became mandatory in the current year.

During the year, the Group and the Company have adopted the following standards, amendments and interpretations:

- Supplier finance arrangements - amendments to IAS 7 and IFRS 7
- Non-current liabilities with covenants - amendments to IAS 1

The accounting policy changes did not have a significant impact on the Group Results.

The financial results have been prepared under the supervision of the Select Group Chief Financial Officer, Mr S Leas CA (SA).

2. EARNINGS PER SHARE

2.1 EARNINGS PER SHARE (CENTS)

Earnings per share (cents)	(4)	30
Headline earnings per share (cents)	(4)	30

2.2 NUMBER OF ORDINARY SHARES OF E0.0001 EACH IN ISSUE

Actual	96 490 000	96 490 000
Weighted average	96 490 000	96 490 000
Diluted	96 490 000	96 490 000

3. LOANS AND ADVANCES

Advances	1 458 051 046	1 402 860 524
Impairment for credit losses of loans and advances	(42 836 432)	(38 241 297)
	1 415 214 614	1 364 619 227

4. CASH AND CASH EQUIVALENTS

	127 028 326	91 275 966
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5. OTHER FINANCIAL LIABILITIES

5.1 HELD AT AMORTISED COST

Medium term notes	940 027 021	853 256 743
Term loans	116 572 066	341 344 174
Promissory notes	609 549 063	545 094 805
	1 666 148 150	1 739 695 722

5.2 MEDIUM TERM NOTE PROGRAMME

The Group raises funds through Promissory Notes and Medium Term Note Programmes (MTNs). The MTNs are listed on the Eswatini Stock Exchange in the name of Select Limited, a subsidiary of SBC Limited, and had an available facility of E 47 633 168 as at 31 December 2024 (2023: E 816 778 789).

During quarter one of 2025, management concluded on the following new MTN listings to ensure sufficient supply for future investment demand within the SBC Group:

- SBC Limited: E130m
- Select Limited: E1b
- Lesana Lesotho Limited: E200m

6. RELATED PARTY TRANSACTIONS

Transactions with African Alliance and Select Group holding companies and fellow subsidiaries

Administration and management fees	(59 898 543)	(57 057 716)
IT infrastructure	(3 910 089)	(3 379 307)
Consulting fees	(11 500 000)	-
Rental income	4 460 635	4 456 406
Net interest (expense)/income	(33 215 646)	19 765 147

During June 2024, SBC Limited ("the guarantor") provided an irrevocable guarantee of E 47.0m in favour of Nedbank Limited ("the lender") for a period of 24 months, maturing on June 2026. This guarantee is over a facility loan issued by the lender to Osmaza SA Properties Proprietary Limited ("the borrower"). The borrower is considered a related party to SBC Limited due to common shareholder control.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties during the year.

7. CASH GENERATED FROM OPERATIONS

Profit before taxation	8 465 701	50 022 257
Adjustments for:		
Depreciation, amortisation, impairments and reversals of impairments	12 834 628	7 563 486
Gains on sale of assets and liabilities	(29 184)	(98 434)
Gains on exchange differences	1 686 677	(11 061)
Bad debts	17 838 125	15 636 184
Interest income	(75 734 444)	(88 501 813)
Finance costs	303 505 172	273 339 037
Changes in working capital:		
Decrease/(increase) in trade and other receivables	27 863 241	(34 306 656)
Increase in loan and advances	(74 552 880)	(111 591 620)
(Decrease)/increase in trade and other payables	(28 129 479)	8 061 254
Increase in deferred income	23 008 747	-
Movement from other financial and related party loans	(60 280 324)	(75 050 567)
	156 475 980	45 062 067

Total segment assets, borrowings and Total segment liabilities are after the elimination of cross holdings between the segments. The segments are aligned with management's approach to the business. As a result of the increased investment in housing, it is now appropriate to identify Property as a distinct segment from the existing consumer lending business.

COMMENTARY

INTRODUCTION

SBC Limited is listed on the Eswatini Stock Exchange and is the wholly owned shareholder of Select Limited and Lesana Lesotho Limited since June 2023.

From a management perspective:

- The Eswatini consumer lending business is housed in Select Limited.
- The Lesotho consumer lending business is housed in Lesana Lesotho Limited.
- Pine Acres (Pty) Limited houses the property development business in Eswatini and is also reported on separately.

OPERATIONAL REVIEW

SBC Limited's financial results for the year ending 31 December 2024 denotes a challenging market environment impeding on the potential growth of the Group. The high-interest rate cycle in the market had a significant impact on our financial results. Although a decrease in the interest rate cycle has been noted, the full benefit will only be experienced in the next financial years 2025/26.

Our Eswatini loan book demonstrated stability with disbursements performing per expectations, we did however encounter higher-than-expected settlements offsetting the growth potential of the payroll loan book. Well worth noting is the excellent growth experienced of 42% in our higher yielding shorter term product book. This was one of management's key objectives during the 2024 year and it is expected that this positive trend will continue. As a result of the growth achieved in the short-term products, the overall provision for credit losses on loans and advances increased, due to a higher ECL provision coupled to this product grouping. An ECL provision of slightly below 10% on these product grouping is however still market related and deemed as appropriate.

In Lesana Lesotho, the competitive market led to higher-than-expected inbound settlements, offsetting the full growth potential in this market. Despite this, Lesana's profit before-tax grew by a strong 8.34% compared to the comparable period, far surpassing the IMF's projected 2.7% economic growth for 2024. This success indicates strong potential for both Lesana and the SBC Group's future growth. Management has started rolling out a higher yielding shorter-term product in Lesana, similar to Select, during the 2024 period. Management is anticipating aggressive growth in this product for the next 24 months.

The Group's residential retail portfolio, comprising 147 units and 8 Embassy Units, has experienced a consistent increase in occupancy rates, rising by 8% since December 202