

# 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 2024

### KEY HIGHLIGHTS

HEADLINE EARNINGS	OPERATING INCOME	NET INTEREST INCOME	NON-INTEREST REVENUE	EFFICIENCY RATIO	NIR TO EXPENSES	CLR	ROE
▲ 13.5%	▲ 11.4%	▲ 5.7%	▲ 9.3%	▲ 130 bps	▼ 30 bps	▼ 55 bps	▲ 70 bps
2024 E202.0m 2023 E178.0m	2024 E628.7m 2023 E564.2m	2024 E433.4m 2023 E410.0m	2024 E219.6m 2023 E200.9m	2024 53.0% 2023 51.7%	2024 63.4% 2023 63.7%	2024 0.62% 2023 1.17%	2024 17.5% 2023 16.8%

### ► Year ended 31 December 2024 Commentary

#### Economic overview

The Eswatini economy maintained a moderate growth trajectory in 2024. Local economic activity was bolstered by a significant increase in Southern African Customs Union (SACU) receipts. Global and local inflation remained at elevated levels with most central banks maintaining a restrictive monetary policy stance for most of the year. Interest rates began to decrease in the last quarter of 2024 as central banks sought to stimulate economic growth amid easing inflation pressures. Local Interest rates reduced by a total of 50 basis points in 2024.

In 2024, Nedbank Eswatini achieved headline earnings of E202.0 million (2023: E178.0 million).

Loans and advances from customers grew by 8.9% to E4 015 million (2023: E3 686 million), reflecting increased lending activity. Deposits from customers also increased by 3.5% to E5 019 million (2023: E4 851 million), improving availability of funding for the bank.

#### Net Interest Income

The growth in client assets driven by increased lending activity, improved net interest income to E433.4 million (2023: E410.0 million), reflecting a growth of 5.7%. However, there was an increase in the cost of funding due to the growth in deposits from customers.

#### Impairment of Loans and Advances

Impairment charge was E24.4 million (2023: E46.7 million), 47.8% lower due to the bank's increased collection drive focussing on financially stressed customers, mainly on SMEs and Corporate. The credit loss ratio was 0.62% (2023: 1.17%)

#### Non-Interest Revenue

The bank's revenues from commissions and fees increased by 9.3% to E219.6 million (2023: E201.0 million). This increase is due to improved transactional volumes as the bank is geared to focus on onboarding customers onto the digital platforms to boost client transactability experiences with Nedbank. The non-interest revenue to expenses ratio slipped to 63.4% (2023: 63.7%).

#### Operating Expenses

Operational expenditure was E346.3 million (2023: E315.7 million), increased by 9.7% due to inflation and the investment in innovation to improve operational efficiencies. The efficiency ratio was 53.0% (2023: 51.7%).

#### Capital Adequacy

Capital adequacy ratio was 17.9% (2023: 18.4%) which is above the regulatory requirement of 8%. Capital and reserves totaled E1 153 million (2023: E1 060 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 is satisfied that the Bank's capital is adequate and meets regulatory requirements.

#### Prospects

Nedbank's focus to drive growth in 2025 will be centered on client acquisition to increase the number of primary banked clients, as well as revenue growth through higher utilization of the Bank's transactional capabilities.

#### Dividend Declaration

Notice is hereby given that a dividend of 787 cents per share is declared, totaling E193 million for the financial year ended 31 December 2024 payable to shareholders registered in the books of the company at the close of business on 9 May 2025. The dividend will be paid to the shareholders on 31 May 2025 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 28 May 2025 and a final notification, together with the annual report will be sent to shareholders not later than 28 April 2025.

#### Corporate Governance Statement

The Directors and Management of Nedbank Eswatini Limited confirm their commitment to the principles of good 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. Nkonzo Hlatshwayo (Chairperson), Ms. Fikile Nkosi (Managing Director), Mr. Ashley Sutton-Pryce (independent non-executive) (retired 31 May 2024), Mr. Muhawu Maziya (independent non-executive), Dr. Mduduzi Mthembu (independent non-executive), Mr. Zama Kunene (independent non-executive), Mrs. Susan Nkumane (independent non-executive), Mr. Gavin Payne (independent non-executive), Ms. Patricia Maqetuka (independent non-executive), Mrs. Ayn Brown (independent non-executive).

#### Independent Auditors' report on Abridged Bank Financial Statements

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 2024, 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 2024.

In our opinion, the abridged financial statements derived from the audited financial statements of Nedbank Eswatini Limited for the year ended 31 December 2024 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 2024.

#### 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

28 March 2025  
SNG Grant Thornton Chartered Accountants (Eswatini)  
Umkhwi House, Lot 195 Kal Grant Street, Mbabane, Eswatini

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

AFRICAN ALLIANCE  
CAPITAL MARKETS

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

	Year ended 31 December 2024	Year ended 31 December 2023
	SZL	SZL
Interest income	686,499,512	643,265,148
Interest expense	(253,085,086)	(233,288,776)
<b>Net interest income</b>	<b>433,414,426</b>	<b>409,976,372</b>
Non-interest revenue	219,635,240	200,948,854
<b>Total income</b>	<b>653,049,666</b>	<b>610,925,226</b>
Impairment of advances	(24,389,006)	(46,717,146)
<b>Net income</b>	<b>628,660,660</b>	<b>564,208,080</b>
Expenses	(346,341,306)	(315,683,339)
<b>Net income before tax</b>	<b>282,319,354</b>	<b>248,524,741</b>
Taxation	(80,270,303)	(70,507,191)
<b>Net income after taxation</b>	<b>202,049,051</b>	<b>178,017,550</b>
<b>Basic and diluted earnings per share (cents)</b>	<b>820</b>	<b>722</b>
<b>ROE (%)</b>	<b>18%</b>	<b>17%</b>

### ► Statement of Financial Position

	Year ended 31 December 2024	Year ended 31 December 2023
<b>Assets</b>		
Cash and cash equivalents	1,164,757,528	1,218,298,514
Government and public sector securities	1,516,970,365	1,331,637,342
Amounts due from other banks	66,175,215	61,153,575
Investments	16,359,604	14,859,680
Loans and advances to customers	4,014,738,384	3,686,133,980
Other receivables	73,229,206	10,002,429
Deferred taxation asset	92,450,949	99,177,305
Property and equipment	72,989,556	69,431,246
Intangible assets	340,994	529,502
<b>Total assets</b>	<b>7,018,011,801</b>	<b>6,491,223,573</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	12,305,277	12,305,277
Share premium and reserves	1,140,336,797	1,048,146,654
<b>Total equity and reserves attributed to equity holders of the bank</b>	<b>1,152,642,074</b>	<b>1,060,451,931</b>
<b>Liabilities</b>		
Funding from other banks	507,249,295	335,411,330
Deposits from banks	20,464,579	9,839,364
Amounts owed to depositors	5,018,632,482	4,850,738,319
Current taxation liabilities	4,567,286	26,666,948
Other liabilities	295,375,878	188,468,541
Provisions	8,981,025	8,981,025
Deferred tax liabilities	10,099,182	10,666,114
<b>Total equity and liabilities</b>	<b>7,018,011,801</b>	<b>6,491,223,574</b>
<b>Guarantees, letters of credit, unutilized facilities and contingent liabilities</b>	<b>75,746,944</b>	<b>82,635,327</b>

### ► Abridged Statement of Changes In Equity

	Year ended 31 December 2024	Year ended 31 December 2023
Shareholders' equity - at beginning of period	1,060,451,932	992,341,326
Prior year's final dividend paid	(100,038,944)	(100,038,944)
Net income after tax for the period	202,049,051	178,017,550
Re-measurement of defined benefit liability - net	(9,819,965)	(9,868,000)
<b>Shareholders' equity - at end of period</b>	<b>1,152,642,074</b>	<b>1,060,451,932</b>

### ► Abridged Statement of Cashflows

	Year ended 31 December 2024	Year ended 31 December 2023
Cash generated/(utilised) by operating activities	179 090 064	219,419,813
Taxation paid	(102,369,965)	(59,893,661)
Cash utilized by investment activities	(8,841,239)	(19,821,194)
Cash utilized by financing activities	(121 419 846)	(110,034,418)
<b>Net cash generated/(utilised)</b>	<b>(53,540,986)</b>	<b>29,670,539</b>
Cash and cash equivalents at beginning of period	1,218,298,514	1,188,627,975
<b>Cash and cash equivalents at end of period</b>	<b>1,164,757,528</b>	<b>1,218,298,514</b>

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

25 March 2025

Ms. F. Nkosi  
(Managing Director)

SNG  
Grant Thornton

see money differently

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

NEDBANK