



First National Bank of Eswatini Limited

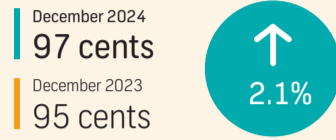
Incorporated in the Kingdom of Eswatini
 Registration Number: 24/1988
 Listed on the Eswatini Stock Exchange (ESE)
 ISIN Code: SZE000331064
 ESE Share Code: FNBE

Abridged Interim Financial Results for the Six Months Ended 31 December 2024

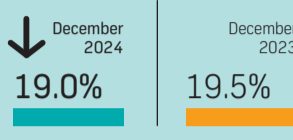
Profit Before Tax



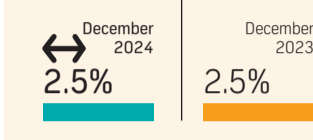
Basic and diluted earnings per share (cents)



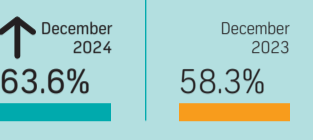
Return on Equity



Return on Assets



Cost to Income



Abridged Statement of Comprehensive Income for the interim period ended 31 December 2024

	6 months ended 31 December 2024 E'000	6 months ended 31 December 2023 E'000
Interest and similar income	489 269	409 544
Interest expense and similar charges	(216 752)	(171 153)
Net interest income before impairment of advances	272 517	238 391
Gains on investment activities	6 409	1 987
Impairment of advances	(18 228)	(12 268)
Net interest income after impairment of advances	260 698	228 110
Non interest revenue	291 515	262 534
Income from operations	552 213	490 644
Operating and administration expenses	(358 608)	(293 002)
Income before tax	193 605	197 642
Indirect tax	(23 044)	(22 743)
Profit before income tax	170 561	174 899
Income tax expense	(41 979)	(48 160)
Profit for the period	128 582	126 739
Total comprehensive income	128 582	126 739
Basic & diluted earnings per share	0.97	0.95

Abridged Statement of Financial Position as at 31 December 2024

	31 December 2024 E'000	30 June 2024 E'000	31 December 2023 E'000
ASSETS			
Cash and cash equivalents	1 537 489	1 111 598	2 069 648
Derivative financial instruments	834	16 935	29 015
Investment securities and other investments	1 497 573	1 297 020	1 212 658
Advances	4 202 936	4 150 240	3 743 198
Gross advances	4 357 381	4 283 238	3 914 248
Impairment of advances	(154 445)	(132 998)	(171 050)
Accounts receivable	61 783	80 577	52 667
Amounts due from related parties	2 723 229	2 666 602	2 598 999
Current income tax asset	7 138	5 932	-
Property and equipment	338 433	339 055	322 393
Deferred income tax asset	40 515	40 515	47 284
Total assets	10 409 930	9 708 474	10 075 862
EQUITY			
<i>Capital and reserves attributable to equity holders of the parent</i>			
Share capital	26 600	26 600	27 642
Share premium	2 686	2 686	2 686
Other reserves	353 315	339 715	300 011
Retained earnings	1 010 156	989 885	965 554
Total equity	1 392 757	1 358 886	1 295 893
LIABILITIES			
Derivative financial instruments	3 355	13 633	28 816
Accounts payable	110 471	158 882	81 237
Current income tax liability	-	-	901
Deposits	6 913 741	6 300 557	6 862 963
Lease liability	10 812	12 700	8 916
Provision for other liabilities and charges	19 567	43 092	28 881
Amounts due to related parties	1 959 227	1 820 724	1 759 342
Defined benefit post-employment liability	-	-	8 913
Total liabilities	9 017 173	8 349 588	8 779 969
Total equity and liabilities	10 409 930	9 708 474	10 075 862

Abridged Statement of Changes in Equity for the interim period ended 31 December 2024

	6 months ended 31 December 2024 E'000	12 months ended 30 June 2024 E'000	6 months ended 31 December 2023 E'000
Balance at the beginning of the period	1 358 886	1 169 154	1 169 154
Profit for the period	128 582	268 804	126 739
Other comprehensive income	-	6 462	-
Repurchase of non-redeemable preference shares	-	(1 042)	-
Dividends paid	(94 711)	(84 492)	-
Balance at the end of the period	1 392 757	1 358 886	1 295 893

Independent Auditor's Review Report on Interim Financial Statements

These abridged interim financial results are extracted from the reviewed condensed interim financial statements but is not itself reviewed. The condensed interim financial statements were reviewed by PricewaterhouseCoopers, who expressed an unmodified review conclusion thereon. The reviewed condensed interim financial statements and the auditor's report thereon are available for inspection at the company's registered office.

The directors take full responsibility for the preparation of the abridged interim financial results and that the financial information has been correctly extracted from the underlying condensed interim financial statements.

Commentary on Interim Financial Statements

Operating Environment

During the review period, annual average inflation has remained steady, however increases in transport and housing inflation has been noted. The forecast suggests that inflation will remain stable, with no immediate indicators of significant increases. However, global geopolitical uncertainty and climate change pose risks to short- and medium-term projections.

GDP projections have been revised upwards, driven by better-than-expected performance in the primary sector. Large infrastructure and energy projects planned for the medium term are expected to support economic growth. Credit extended to the private sector has increased year-on-year, driven by growth in mining, manufacturing, tourism, and real estate. There are indications that credit to SMEs and large enterprises has risen. Credit to households has experienced subdued growth, supported by motor vehicle and housing loans, while unsecured lending has decreased.

FNB Eswatini's Strategic Investment in Payments Platform

In response to significant changes in the regional and domestic payments landscape, FNB Eswatini has prioritized investment in its platforms to ensure a seamless customer experience and to build long-term capabilities. These changes stem from the migration of cross-border transactions within the Common Monetary Area (CMA), which includes South Africa, Eswatini, Namibia, and Lesotho, from EFT channels to SWIFT. Additionally, the implementation of new modules on the Eswatini Payments Switch (EPS), as introduced by the Central Bank of Eswatini.

The full implementation of the EPS is expected to require considerable investment from FNB Eswatini and industry participants with the financial impact expected to be felt over the foreseeable future. In the short term, these efforts have influenced FNB Eswatini's financial performance, with Profit Before Tax dropping by 2.5% to E170.6 million (2023: E174.9 million). The bank's Cost-to-Income ratio has also risen to 63.3% (2023: 57.0%), though the Return on Assets has remained unchanged at 2.5% year on year, reflecting sustained efficiencies from scale.

Resilient Revenue Growth Despite Challenges

Despite the challenging environment, FNB Eswatini has experienced strong revenue growth. Net Interest Revenue increased by 14%, driven by core advances and the placement of excess liquidity in higher-yield financial instruments. Non-Interest Revenue grew by 11%, reflecting the success of the bank's customer acquisition strategies and increased transactional volumes.

Robust Credit Extension and Diversification of Deposits

The bank's gross advances rose by 11%, reaching E4.357 billion (2023: E3.914 billion). This growth reflects solid origination strategies, particularly in key sectors, and is evident in the increased use of overdrafts and term loan drawdowns. The credit impairment ratio remained low at 0.4%, consistent with 2023, despite some pressure in the retail book. FNB Eswatini's deposit base remained stable at E6.914 billion (2023: E6.863 billion), with improvements in the funding mix, including a rise in fixed deposits.

Focus on customer experience

To minimize disruptions to customer's ability to transact during this transitory period, FNB Eswatini has devoted dedicated resources to enable self service solutions and improve the branch banking experience. This includes the bolstering of the Customer Support Centre capacity in order to attend to the increased number of forex relates queries and support remote account opening. The bank has also rolled out digital solutions onto the FNB App including the bank confirmation letter.

Prospects

The bank will continue to invest significantly in its platforms to comply with regulatory changes and enhance the customer experience, which will increase costs in the medium term. Management has implemented initiatives to address cost growth and improve operational efficiencies by eliminating manual processes and leveraging automation. There will be a greater focus on optimizing channels and encouraging customers to use the bank's self-service options. Talent Management is a key enabler to high performance and as such, people matters remain a principal focus for management particularly the development of critical skills to meet business needs.

The bank remains well capitalized with total equity growing to E1.392 billion (2023: E1.296 billion). This will support growth prospects while being well above regulatory requirements. The bank expects steady performance for rest of the financial year incorporating its sustainability and shared value prosperity principles into its plans.

Abridged Statement of Cash Flows for the interim period ended 31 December 2024

	6 months ended 31 December 2024 E'000	12 months ended 30 June 2024 E'000
Profit before tax with non-cash adjustments	165 972	369 282
Cash received from customers	737 603	1 326 730
Cash paid to customers, suppliers and employees	(571 631)	(957 448)
Income tax paid	(43 185)	(107 078)
Net cash flow from operating activities before changes in operating assets and liabilities	122 787	262 204
Net cash inflow from changes in operating assets and liabilities	573 597	80 780
Net cash inflow from operating activities	696 384	342 984
Net cash outflow from investing activities	(169 614)	(180 053)
Net cash outflow from financing activities	(100 879)	(180 873)
Net increase / (decrease) in cash and short-term funds	425 891	(17 942)
Cash and cash equivalents at beginning of the period	1 111 598	1 129 540
Cash and cash equivalents at end of the period	1 537 489	1 111 598

The interim abridged financial statements have been approved by the Board of Directors on the 03rd March 2025 and are signed on its behalf by:

Thokozani Dlamini
Chief Executive Officer

Njabulo Dlamini
Chief Financial Officer

Directors: JV Ndlangamandla (Chairman), TH Dlamini (CEO), DE Wright, SL Balsdon, EB Arden, JM Gule, LJ Haynes, S Gumbi, VJ Monadjem

Company Secretary: H Msibi

Registered office

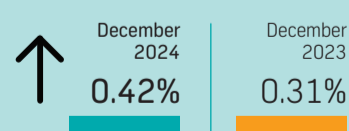
First National Bank of Eswatini Limited
The Offices Complex
Corner, MR103 Road & Swaki Street
Ezulwini, Eswatini

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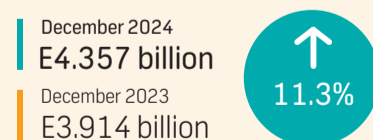
Loans to Deposit Ratio



Credit Loss Ratio



Loans to Customers Before Provisions



Customer Deposits



Auditor

PricewaterhouseCoopers
Rhus Office Park
Karl Grant Street
Mbabane

Sponsoring Broker

Alphsz Securities Limited
1st Floor
Office Suite 101
New Mall
Dr Sishayi Road
Mbabane
Eswatini

Transfer Secretaries

SNG Grant Thornton
SNG Grant Thornton Eswatini
Proprietary Limited
Umkhiwa House
Lot 195
Karl Grant Street
Mbabane
Eswatini