ABRIDGED AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(Published in terms of Section 35 of the Financial Institutions Act, 2005)

STATEMENT OF FINANCIAL POSITION
at 31 March 2026

	2026 E'000	2025 E'000
ASSETS		
Cash and cash balances with Central bank	313 007	239 687
Amounts due from other banks	131 145	73 264
Other assets	56 720	58 212
Loans and advances to customers	1 940 339	2 036 466
Investment securities	375 998	318 082
Investment in associate	43 647	27 056
Property, equipment and right of use asset	288 395	256 977
Intangible assets	69 069	59 569
Total assets	3 218 320	3 069 313
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders		
Share capital	54 800	54 800
Capital grant	135 000	135 000
Other reserves	149 346	126 758
Statutory reserve	49 073	49 073
Retained earnings	45 504	141 797
Total equity	433 723	507 428
Liabilities		
Customers' deposits and current accounts	2 263 397	1 911 550
Employee liabilities	3 495	1 630
Other liabilities	363 930	402 966
Borrowings	153 775	245 739
Total liabilities	2 784 597	2 561 885
Total equity and liabilities	3 218 320	3 069 313

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2026

	2026 E'000	2025 E'000
Interest income	294 478	308 700
Interest expense	(137 649)	(147 018)
Net interest income before impairment losses on loans and advances	156 829	161 682
Impairment losses raised on loans and advances to customers	(45 567)	(7 144)
Recoveries of previously written-off loans and advances	2 267	1 071
Net interest income after impairment losses and recoveries on loans and advances	113 529	155 609
Fee and commission revenue	144 250	134 783
Impairment (loss)/gain on other financial instruments	(1 122)	3 986
Other operating revenue	1 904	3 326
Income from operations before operating and administrative expenses	258 561	297 704
Operating and administrative expenses	(372 601)	(351 480)
Operating loss	(114 040)	(53 776)
Share of profit of equity-accounted investees, net of tax	17 747	7 830
Loss for the year	(96 293)	(45 946)
Other comprehensive income		
Revaluation surplus on land and buildings	22 588	-
Total comprehensive loss for the year	(73 705)	(45 946)

STATEMENT OF CASH FLOWS
for the year ended 31 March 2026

	2026 E'000	2025 E'000
Cash flows from operating activities		
Interest received	294 946	308 700
Interest paid	(135 606)	(147 018)
Fee and commission received	144 250	134 783
Cash from other operating income	1 904	3 326
Recoveries of previously written off loans and advances	2 267	1 071
Cash payments to employees and suppliers	(341 562)	(323 404)
Operating loss before changes in operating assets	(33 801)	(22 542)
Change in operating assets	313 633	117 247
Net cash inflow from operating activities	279 832	94 705
Cash flows from investing activities		
Acquisition of property and equipment	(33 112)	(23 858)
Acquisition of intangible assets	(7 028)	(13 412)
Acquisition of investment securities	(224 382)	(57 540)
Dividend received	1 156	3 303
Redemption of investment securities	150 840	90 000
Net cash outflow from investing activities	(112 526)	(1 507)
Cash flows from financing activities		
Repayment of borrowings	(87 500)	(75 000)
Lease repayments	(7 882)	(10 370)
Net cash outflow from financing activities	(95 382)	(85 370)
Net increase in cash balances and balances with Central Bank	71 924	7 828
Cash balances and balances with Central Bank at the beginning of the year	239 687	232 399
Effect of exchange rate fluctuations on cash balances	1 396	(540)
Cash balances and balances with Central Bank at the end of the year	313 007	239 687

Audit opinion

The accompanying abridged financial statements of Eswatini Development and Savings Bank ("the Bank") which comprise the abridged statement of financial position as at 31 March 2026 and the related abridged statement of profit or loss and other comprehensive income and the abridged statement of cash flows for the year then ended, are derived from the financial statements of Eswatini Development and Savings Bank for the year ended 31 March 2026, which have been audited by SNG Grant Thornton Chartered Accountants (Eswatini).

An unmodified audit opinion has been issued on the audited financial statements of the Bank, for the year then ended. The auditor's report includes an emphasis of matter on going concern due to a net loss of E73.705 million for the year ended 31 March 2026 (2025: E45.946 million).

Furthermore, the Bank's capital adequacy and liquidity ratios, while remaining above the minimum regulatory requirements, have continued to deteriorate. The auditors' opinion is not modified in respect of this matter.

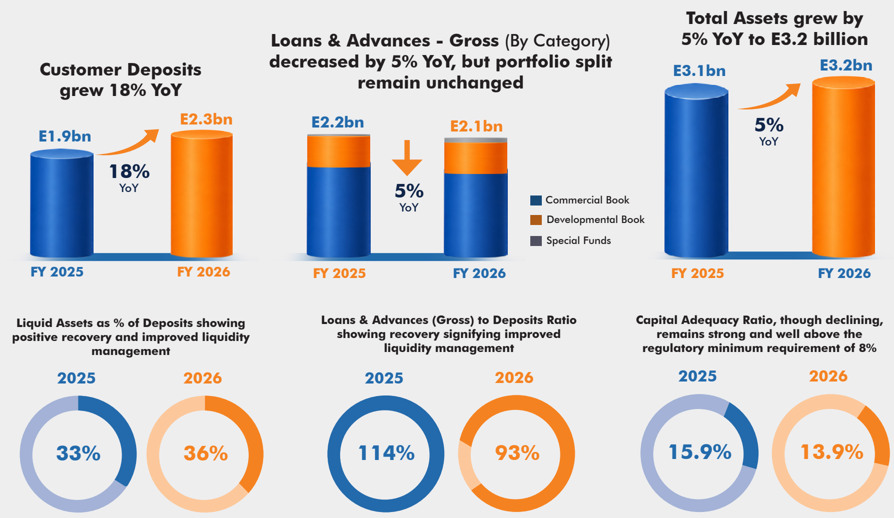
The auditors' report on the financial statements and the full set of the audited financial statements, are available for inspection at the Bank's registered office and the auditors' report has been made available to Management and the Directors of the Bank.

SNG Grant Thornton

SNG Grant Thornton Chartered Accountants (Eswatini)

COMMENTARY ON THE ABRIDGED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

Demonstrating resilience in a challenging environment while positioning for renewed growth and continuing to drive economic development, financial inclusion, and sustainable value creation.



Operating Environment

The Bank operated in a challenging and increasingly competitive environment during the year ended 31 March 2026, characterised by strong, but skewed economic growth and structural shifts in the financial services landscape. Intensifying competition from new entrants and ongoing disruption from fintech innovations continued to reshape customer behaviour and compress traditional revenue streams.

Financial Performance

Against this backdrop, the Bank recorded a net comprehensive loss of E73.7 million (2025: E45.9 million), reflecting a 60% year-on-year (YoY) deterioration. Performance was materially impacted by subdued account activity, selective growth in loans and advances, continued asset quality pressures and a relatively inflexible cost base.

Financial Position

Total assets show resilience and grew by 5% to E3.2 billion (2025: E3.1 billion), underpinned by strong deposit mobilisation. Customer deposits increased by 18% to E2.3 billion, reflecting improved customer confidence and sustained funding diversification efforts. Gross loans and advances remained largely flat at E2.1 billion, declining marginally by 0.2% due to loan repayments during the year, backed by improved credit risk management. However, credit quality weakened, with higher impairments recorded in the agriculture portfolio, affected by climate-related and adverse weather conditions, as well as within the SME and retail segments, impacted by fiscal constraints. Credit loss ratio increased from 6.3% to 8.6%.

Capital Adequacy and Liquidity Position

Despite earnings pressures, the Bank remains well capitalised at 13.9%, maintaining a capital adequacy ratio above minimum regulatory requirement of 8%. This provides resilience against current headwinds and supports ongoing balance sheet stability. Liquidity position improved, driven by robust deposit growth and prudent liquidity management, positioning the Bank to meet its obligations and support future growth.

Strategic Outlook

The Bank remains focused on restoring financial performance through strengthening asset quality, enhancing risk management, continued acceleration of digital transformation efforts, and driving sustainable revenue growth. While near-term conditions remain challenging, decisive actions are underway to stabilise operations and position the Bank for recovery and long-term value creation.

Mr Dumisani Mahlinza
(Board Chairperson)

Ms Nozizwe Mulela
(Managing Director)