“Creating Wealth For You”

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

ANNUAL REPORT

for the 9-month period ended 31 December 2025

MISSION

Empowering our people and customers to building lasting wealth through accessible differentiated and prudent product and services.

VISION

To be a bank of choice, driven by simplicity, innovation and affordability.

"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the 9-month period ended 31 December 2025

Pages

"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the First Annual General Meeting of SBS Bank Eswatini Limited, formerly operating as Swaziland Building Society ("SBS"), will be held at Royal Villas Hotel, Hhohho, on 4th September 2026 at 9:00 a.m.

The business to be transacted at the meeting shall be as follows:

1. To approve the minutes of the Annual General Meeting held on 31st July 2025.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the period ended 31st December 2025, together with the reports of the Directors and the Auditors thereon.

3. To approve the remuneration of the Auditors for the past financial year and to appoint Auditors for the ensuing year, PricewaterhouseCoopers being eligible and offering themselves for re-appointment.

4. To receive a conversion update.

5. To consider and, if deemed fit, approve by special resolution the Shareholders' Agreement relating to SBS Bank Eswatini Limited and its Ordinary Shareholders and to authorise the Board of Directors and/or the Board Secretary to do all such things and sign all such documents as may be necessary to give effect thereto.

6. To note and confirm the retirement or resignation of the initial Directors of the Company in terms of the Articles of the Company and elect and appoint the persons who have been nominated as Directors whose names are tabled at the meeting as Directors of the SBS Bank Eswatini Limited, who are;

6.1 Dr Bongiwe P. Dlamini – Mazibuko
6.2 Mr Samuel S. Shongwe
6.3 Ms Theodore Jabulile Lukhele
6.4 Mr Simanga Zibuse Simelane
6.5 Mr Mduduzi Dlamini
6.6 Mr S'thofeni Ginindza
6.7 Professor Patricia Joubert
6.8 Mr Jonathan Magongo

7. To transact any other business that may properly be transacted at an Annual General Meeting.

Dated at Mbabane this 12th day of August 2026.

SBS BANK
Mbabane
Eswatini

By Order of the Board
V W Dlamini
Board Secretary

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his or her stead. A proxy need not be a member of the Company.

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SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

for the 9-month period ended 31 December 2025

The directors are responsible for the preparation, integrity and fair presentation of the consolidated and separate financial statements of Swaziland Building Society and its subsidiary. The consolidated and separate financial statements presented on pages 12 to 74 have been prepared in accordance with IFRS® Accounting Standards and the requirements of the Building Societies Act, 1962 and include amounts based on judgements and estimates made by management. The directors also prepared the other information included in the consolidated and separate financial statements and are responsible for both its accuracy and its consistency with the consolidated and separate financial statements.

The directors are also responsible for the Group and Society's system of internal financial control. These are designed to provide reasonable, but not absolute assurance, as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and system has occurred during the year under review.

The going concern basis has been adopted in preparing the consolidated and separate financial statements. The directors have no reason to believe that the Group and Society will not be a going concern in the foreseeable future based on forecasts and available cash resources. These consolidated and separate financial statements support the viability of the Group and Society.

The consolidated and separate financial statements have been audited by the independent auditor, PricewaterhouseCoopers, who were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during their audit are valid and appropriate. The audit report of PricewaterhouseCoopers is presented on pages 7-9.

The Directors confirm that the consolidated and separate financial statements set out on pages 12 to 74 were approved and authorised for issue by the Board of Directors and are signed on its behalf by:

Jethro Ndlangamandla
(Chairman)

20 August 2026

Date

Mbali P Sibanyoni
(Managing Director)

20 August 2026

Date

"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

CHAIRMAN'S REPORT

for the 9-month period ended 31 December 2025

Financial results

On behalf of the Swaziland Building Society's (SBS) Board of Directors, below is a presentation of our consolidated and separate financial statements for the 9-month period ended 31 December 2025, with the previous or comparable period being a 12-month period.

These financial statements present the financial performance and cash flows of the Group and Society for the 9-month period ended 31 December 2025, with the comparative figures provided for the 12-month period ended 31 March 2025. In June 2025, the Swaziland Building Society (SBS) submitted its application to Central Bank of Eswatini for a banking licence after satisfying the conversion conditions as stipulated by the Tripartite (Minister of Finance, CBE and FSRA) in 2022. The Swaziland Building Society was then granted a provisional licence in October 2025 by The Central Bank of Eswatini, making SBS a bank in organization, and assumed the name SBS Bank Eswatini Limited (SBSBE).

In December 2025 SBS Bank Eswatini Limited (the Company) was registered, thus resulting in the retirement of SBS effective 31 December 2025. It is for that reason that these financial statements are for a nine-month period, which is the period SBS existed in the current period.

The total income from SBS activities for the nine-month period amounted to E260 million, with pre-provision income amounting to E179 million. Net impairment loss on loans and advances amounted to E9.7 million as a result of an increase in non-performing loans and net impairment gain from financial investments (sovereign) amounted to E2.3 million. Profit before tax for the 9-month period amounted to E46.5 million, which is an impressive performance considering the short period.

Operating Context

The discount rate was reduced by 25 basis points in May 2025 in line with our financial budget assumptions. This has had an adverse impact on the interest income generated from loans, however, there was a benefit on interest expense as interest rates on deposits were also reduced subsequently. There was no significant impact on investment securities since most of these assets are longer term and they only re-price at maturity.

The US President implemented global trade tariffs across all jurisdictions to eliminate trade deficits that countries run against the US. These tariffs heightened geopolitical tension with certain countries implementing retaliatory measures such as reciprocal tariffs. The net impact to the global economy was a slowdown in economic growth and a growth in inflation. The IMF revised growth forecasts for 2025 and 2026 to 3.2% and 3.1% respectively, which is lower than the 3.3% level recorded in 2024. Eswatini was subjected to a baseline tariff of 10% for imports to the US which was the lowest level of tariffs implemented by the US. These tariffs were eventually nullified in February 2026 by the US Supreme Court.

Despite the economic headwinds, Eswatini's real Gross Domestic Product (GDP) accelerated by 5.8 per cent year-on-year (seasonally adjusted), in the third quarter of 2025, relative to the revised 4.3 per cent growth observed in the previous quarter. Growth was broad based across all the three sectors of the economy, anchored by a robust recovery in the primary sector, as well as the sustained momentum in the secondary and tertiary sectors

Strong SACU inflows significantly improved the fiscal balance, allowing the government to narrow its fiscal deficit and maintain sustainable public debt levels. In turn, this manifested in improvements in the liquidity of the banking sector.

CHAIRMAN'S REPORT (continued)
for the 9-month period ended 31 December 2025

Operating Context (continued)

Amidst the above economic conditions, SBS continued to offer competitive products and services to EmaSwati during the year under review. Key systems such as the core banking system were upgraded during the year to enable new products and to enhance service delivery in preparation for the imminent conversion to a commercial bank. The Central Bank of Eswatini (CBE) granted SBS a provisional banking license enabling transformation to SBS Bank Eswatini which allows for the full integration into the commercial banking sector.

To increase SBS footprint in Eswatini and ensuring convenient accessibility, SBS established the Hlathikhulu Branch and expanded the ATM network in strategic locations across the country during the financial year. This strategic initiative was informed by the need to expand SBS banking services in alignment with the objectives of conversion and to grow and retain our customer base.

Governance and Compliance

The Board is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards, and the requirements of the Building Societies Act, 1962 and for internal controls that the board may deem necessary to enable the preparation of consolidated and separate financial statements.

In preparing the consolidated and separate financial statements, the Board is responsible for assessing SBS's ability to continue as a going concern, disclosing matters - as applicable - related to concerns based on accounting (unless the Board either intends to liquidate the Group and/or SBS or to cease operations, or have no realistic alternative but to do so.)

The Board establishes broad corporate policies for SBS and its controlled entities, sets the strategic direction for the Group and oversees Management performance, effective internal controls, setting an effective internal culture, managing risk and the execution of the five-year growth strategy - with a focus on enhancing the interests of members.

The Board of Directors discharged its duties in managing compliance risk and notes that there have not been any deficiencies in the Society's compliance with regulatory requirements that may impact the operations of the Society.

The composition of the Board is six non-executive directors and one executive director. According to the Building Society Act No.1 of 1962, the Board shall be eligible to renew their term of office every two years at the annual general meeting of the SBS members. The Board is also responsible for the corporate governance of SBS and for overseeing management's identification and management of risks. The Board reviews SBS's long-term strategic plan at least annually and monitors the execution of the strategic plan throughout the year.

The Board has a Charter in place as the backbone document that governs the principles, roles responsibilities and functions of the Board members in fulfilling their duties and carrying out their mandate as members of the Board. The Board Charter outlines the board composition, duties of the Board, the extent of the authority of the board and the processes and procedures the board is expected to follow in the discharge of its duties.
The Board of the SBS comprises of four committees:

- Audit and Risk Committee;
- Credit Committee;
- Human Resources and Remunerations Committee; and
- Information Technology Governance Committee.

CHAIRMAN'S REPORT (continued)
for the 9-month period ended 31 December 2025

Governance and Compliance (continued)

The Board conducts a periodic self-assessment exercise and an independent assessment of its effectiveness. There are other initiatives that have been approved to further entrench good governance, and these initiatives include continuous board training.

Social Responsibility

At Swaziland Building Society (SBS), we support many groups and organisations in our communities. As a member-owned financial institution, we know it is important to stand up for our members and the people we serve. We believe that building a strong society is key to our long-term success, so we focus on health, education, the environment, and sports.

Before starting any new activities, we ensure each one aligns with our values and business goals. Even with the current economic challenges, we stay involved in important social events. Our main wellness and sports programs include Mahamba Gorge Hiking, Sibebe Survivor, Mbabane Marathon, and the Brave the Breast Cancer Walk. We also took part in the first golf tournament to raise awareness for children with autism.

Our esteemed beneficiaries include Baphalali Red Cross Eswatini, Cheshire Homes, Hope House, Hospice at Home, the Eswatini Action Group Against Abuse, Ekwetsembeni Special School, the Salvation Army, Autism Eswatini, JA Eswatini, and the UNESWA Foundation. Additional to our annual financial sponsorships, we actively engaged in grassroots community welfare and health outreach initiatives, notably partnering in the Mbabane Rotary Club Bhalekani Dental Outreach to bring essential medical care to underserved areas. By continuously upgrading to cutting-edge technology, fostering comprehensive staff development, and modernizing our infrastructure, we ensure an elevated, seamless customer experience that honours the trust our clients place in our brand.

We are confident that these initiatives will secure a greater share of the market, foster enduring customer loyalty, and empower us to seize emerging opportunities within the industry.

Future Outlook

As the transition journey to a Commercial Bank continued, SBS has embarked on a Payments System Integration Project. This project will enable SBS to fully participate and compete effectively in the local, regional and international payments ecosystem. The project involves integrating our core banking system with key payment platforms including domestic platforms (Eswatini Payment Switch, Eswatini Clearing House and Domestic Real-Time Gross Settlement), Cross-Border (Transactions Clearing on an Immediate Basis and Southern African Development Community RTGS), International (Society for Worldwide Interbank Financial Telecommunications and Remittance Platform- Western Union) ad Regulatory Reporting (Balane of Payments, FinServ, Anti Money Laundering etc).

The Society signed a landmark Partnership Agreement with the International Finance Corporation (IFC) for the provision of advisory services to establish a Small and Medium Enterprises (SME) Unit and digital transformation strategies. The partnership pertains to strengthening support to SMEs and advancing digital capability. This is expected to build a strong, inclusive, and future-ready financial institution with the focus of this partnership being on strengthening support to Small and Medium Enterprises and advancing digital capability.

The SBS vision is to embark on a transformative journey to transition from a Building Society to a fully-fledged commercial bank, aligning with our vision to be a leading provider of cutting-edge financial services. This transformation is essential for growth, innovation, and meeting evolving customer needs in a competitive financial landscape. The conversion to a commercial bank has several benefits which include elimination of limitations, enhanced product offering, access to capital markets and strengthened competitiveness.

CHAIRMAN'S REPORT (continued)
for the 9-month period ended 31 December 2025

Future Outlook (continued)

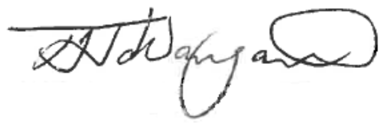
With more than 63 years of experience in operating as a Building Society and contributing to the country's wealth, the conversion will not only improve the performance of the Society but will see another 63 years of exceptional financial services provision, by promoting responsible borrowing and lending practices through innovative products and services. We are grateful for management's selflessness that they have demonstrated in leading to the continued growth of SBS. Conversion is complex and involves a lot of stakeholders. A great deal has been achieved yet so much remains to be done to ensure the success of the conversion. We look forward to the day SBS obtains her banking license.

Appreciation

On behalf of the Board of Directors, I wish to thank staff and management, for their commitment during the financial year. I would also like to thank the outgoing Chairman for the wealth of knowledge and guidance he has provided to the Society. We continue to remain indebted to our customers who continue to afford SBS loyalty and confidence by using its products and services and demanding higher standards and service delivery.

We would also like to thank our various stakeholders, service providers and partners who, with their support, have enabled SBS to effectively and efficiently deliver its financial solutions to its customers.

Lastly, our Regulators continue to ensure that SBS complies with regulations and prudential standards. They are always readily available to provide support and guidance whilst ensuring that SBS's operations remain sound and safeguard the interests of the public. Their support is highly appreciated.



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Jethro Ndlangamandla
Chairman

Independent auditor's report

To the Members of Swaziland Building Society

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Swaziland Building Society (the Society) and its subsidiary (together the Group) as at 31 December 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with IFRS Accounting Standards.

What we have audited

Swaziland Building Society's consolidated and separate financial statements set out on pages 12 to 74 comprise:

- the consolidated and separate statements of financial position as at 31 December 2025;
- the consolidated and separate statements of profit or loss and other comprehensive income for the period then ended;
- the consolidated and separate statements of changes in equity for the period then ended;
- the consolidated and separate statements of cash flows for the period then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the International Ethics Standards Board for Accountants, as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in Eswatini. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Eswatini.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document(s) titled "SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS for the 9-month period ended 31 December 2025". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report (continued)

To the Members of Swaziland Building Society

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Society's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Society to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial

Independent auditor's report (continued)

To the Members of Swaziland Building Society

statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

PricewaterhouseCoopers
Partner: Makhosazana Mhlanga
Registered Auditor
P.O. Box 569
Mbabane
20 August 2026

"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

DIRECTORS' REPORT

for the 9-month period ended 31 December 2025

The Directors have pleasure in submitting their report which forms part of the financial statements of the Group and Society for the 9-month period ended 31 December 2025, which were authorised for issue by the Board of Directors on 23 June 2026.

Reporting Period

These financial statements present the financial performance and cash flows of the Group and Society for the 9-month period ended 31 December 2025, with the comparative figures provided for the 12-month period ended 31 March 2025. The current reporting period of 9 months was adopted due to transition of Swaziland Building Society from being a Building Society into a Commercial Bank, being SBS Bank Eswatini Limited effective 01 January 2026. Consequently, the amounts presented in the consolidated and separate statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable.

Nature of business

The nature of the business of the Society, which is mainly the provision of mortgage finance for urban and rural property acquisition and development, together with the acceptance of savings and investment deposits, remained unchanged during the year.

Results for the year

The Directors report an operating income before income tax expense for the 9-month period ended 31 December 2025 of E46.5 million (Mar 2025: E49.1 million). Loans and advances increased to E2.672 billion (Mar 2025: E2.483 billion), whilst total assets increased slightly to E3.6 billion (Mar 2025: E3.5 billion). Reserves totalled E1.584 billion (Mar 2025: E1.612 billion). Dividends declared were E45.1 million, with no special dividend declared (Mar 2025: E68.1 million) based on the value of shares.

Directors

J Ndlangamandla	- Chairperson (appointed April 2025)
M Mamba	- Deputy Chairperson
M P Sibanyoni	- Managing Director
A Sigudla	- Member
M Matimela	- Member
S Shongwe	- Member
Dr B Mazibuko	- Member

Secretary

V W Dlamini

Contracts

There were no contracts entered into during the year in which Directors or officers of the Society had interest in.

DIRECTORS' REPORT (continued)
for the 9-month period ended 31 December 2025

Rules of the Society

The rules of the Society are available for inspection by members of the public during the normal business hours of the Society.

Registered office

SBS House
Corner Dzeliwe and Mdada Street
P.O. Box 300
Mbabane, Eswatini
The Society is registered in terms of the Building Societies Act of 1962.

Subsidiary

The Society owns 100% of the issued share capital of Relief Financial Services (Pty) Ltd.

Ownership

The Society is owned by its members, with no ultimate holding company. Holders of permanent shares with more than 5% holding are Public Service Pension Fund ("PSPF") and Eswatini Royal Insurance Corporation ("ESRIC").

Lawyers

Robinson Bertram
Cloete Henwood Associates
S V Mdladla and Associates
Magagula and Hlophe
Waring Attorneys
CJ Littler

Financial Institutions

First National Bank of Eswatini
Standard Bank Eswatini Limited
Nedbank Swaziland Limited

Head office administration

M P Sibanyoni	-	Managing Director
L Dlamini	-	General Manager
V W Dlamini	-	Manager Legal/ Board Secretary
J N Msibi	-	Chief Financial Officer
S M Bhembe	-	Designate Chief Information Officer
T L Thwala	-	Head of Credit
N N Sibanyoni	-	Manager Human Resources

Swaziland Building Society
"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

DIRECTORS' REPORT
for the 9-month period ended 31 December 2025

D N Nxumalo	-	Manager Strategic Support
W Groening	-	Head of Distribution Channels
Vacant	-	Chief Risk Officer

Branches

Mbabane	-	Asakhe House, Mdada Street
Swazi Plaza	-	Shop S15 Sales House Building
Manzini Sikhulile	-	Sikhulile House, Nkoseluhlaza Street
Manzini One	-	SBS House, Ngwane Street
Nhlangano	-	SBS House, 4th Street
Siteki	-	SBS House, Queensway Avenue
Matsapha	-	SBS House, 161 MR3, Matsapha,
Pigg's Peak	-	Evelyn Baring Street, Pigg's Peak
Matata	-	Matata Shopping Complex
Ezulwini	-	Gables Shopping Complex
Buhleni	-	Buhleni Shopping Complex
Micro Branch	-	KaShali, Ngwane Park
Hlathikhulu Branch	-	Hlathikhulu Complex

Meetings held during the year

The directors met nine times during the 9-month period ended 31 December 2025. The board of directors executed all their duties and responsibilities during the period in accordance with the Swaziland Building Society Act 1962, Rules of the Society and Board Charter.

Director	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
J. Ndlangamandla	✓	✓	✓	✓	✓	✓	✓	✓	×
M. Mamba	✓	✓	✓	✓	✓	✓	✓	✓	✓
S. Shongwe	✓	✓	✓	✓	×	✓	✓	✓	✓
A.M. Sigudla	✓	✓	✓	✓	✓	×	✓	✓	✓
Dr. B. Dlamini	✓	✓	✓	✓	✓	×	✓	✓	✓
M. Matimela	✓	✓	✓	✓	✓	✓	✓	✓	✓

Auditor

PricewaterhouseCoopers
Rhus Office Park, Kal Grant Street, Mbabane, Eswatini
PricewaterhouseCoopers was appointed as the auditor of the Society in terms of Rule 29.3 of the Society Rules.

Subsequent events

Subsequent to the reporting period, the Swaziland Building Society registered a company with the Registrar of Companies as a Commercial Bank, with a new legal name being SBS Bank Eswatini Limited. The Society officially ceased from being a Building Society and became a Commercial bank. Consequently, the SBS Bank Eswatini transitioned its owners, permanent shareholders, to Ordinary shareholders based on the election of the former on whether they opted out or elected Ordinary shares. This transition did not result in any changes to the Groups historical financial statements.

"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the 9-month period ended 31 December 2025

		Group		Society	
	Notes	**Dec 2025 E'000**	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
Interest and similar income	4	**249 838**	319 603	**249 838**	319 603
Interest expense and similar charges	5	**(70 464)**	(95 096)	**(71 429)**	(96 423)
Net interest income before impairment losses		**179 374**	224 507	**178 409**	223 180
Impairment gain on financial assets	20	**2 203**	1 247	**2 203**	1 247
Impairment loss on loans and advances to customers	12.4	**(9 771)**	(797)	**(9 771)**	(797)
Net interest income after impairment losses		**171 806**	224 957	**170 841**	223 630
Fee and commission income	6	**88 696**	109 084	**88 696**	109 084
Other operating income	7	**252**	462	**252**	462
Total income		**260 754**	334 503	**259 789**	333 176
Salary and employee benefits	8	**(98 243)**	(132 152)	**(98 243)**	(132 152)
Depreciation – property, plant and equipment	14.1	**(10 215)**	(14 773)	**(10 210)**	(14 768)
Depreciation – right-of-use asset	14.3	**(4 509)**	(5 761)	**(4 509)**	(5 761)
Amortisation	28	**(7 405)**	(10 250)	**(7 405)**	(10 250)
Other operating expenses	3	**(93 812)**	(122 381)	**(93 787)**	(122 361)
Total expenses		**(214 184)**	(285 317)	**(214 154)**	(285 292)
Operating profit before taxation		**46 570**	49 186	**45 635**	47 884
Income tax expense	9	**(11 899)**	(17 988)	**(11 665)**	(17 630)
Net profit for the year		**34 671**	31 198	**33 970**	30 254
Other Comprehensive income					
Items that may not be subsequently reclassified to profit or loss:					
Gain from revaluation of property	14.2	**-**	-	**-**	-
Total comprehensive income for the year		**34 671**	31 198	**33 970**	30 254

"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

as at 31 December 2025

		Group		Society	
	Notes	**Dec 2025**	Mar 2025	**Dec 2025**	Mar 2025
		E'000	E'000	**E'000**	E'000
Assets					
Property, plant and equipment and right-of-use asset	14	**368 097**	319 371	**368 097**	319 366
Intangible assets	28	**56 524**	61 487	**56 524**	61 487
Investment in subsidiary	13	**-**	-	**8 000**	8 000
Deferred income tax assets	15	**41 331**	41 698	**41 331**	41 698
Loans and advances to customers	12	**2 672 244**	2 483 870	**2 672 244**	2 483 870
Financial investments	20	**323 147**	474 292	**323 147**	474 292
Other assets	11	**42 572**	28 696	**47 027**	32 824
Current income tax asset	23	**2 685**	2 685	**2 685**	2 685
Cash and cash equivalents	10	**104 519**	108 407	**104 511**	108 399
Total assets		**3 611 119**	3 520 506	**3 623 566**	3 532 621
Equity					
Capital and reserves					
Permanent shares	16	**1 029 162**	1 056 683	**1 029 162**	1 056 683
Asset revaluation reserve	17	**84 313**	85 228	**84 313**	85 228
Statutory reserve	17	**44 525**	44 636	**43 932**	44 113
Other reserve	17	**399 630**	400 626	**393 614**	395 242
General credit risk reserve	17	**26 722**	24 839	**26 722**	24 839
Total reserves		**1 584 352**	1 612 012	**1 577 743**	1 606 105
Liabilities					
Fixed and savings deposits	18	**1 856 969**	1 770 301	**1 874 466**	1 787 580
Subscription shares	19	**49 722**	45 270	**49 722**	45 270
Other liabilities and accruals	21	**97 994**	69 682	**99 583**	70 548
Lease liabilities	29	**13 668**	15 721	**13 668**	15 721
Provisions	22	**8 384**	7 397	**8 384**	7 397
Current income tax payable	23	**30**	123	**-**	-
Total liabilities		**2 026 767**	1 908 494	**2 045 823**	1 926 516
Total liabilities and reserves		**3 611 119**	3 520 506	**3 623 566**	3 532 621

"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
for the 9-month period ended 31 December 2025

Group	Permanent Shares E'000	Retained Earnings E'000	Other Reserve E'000	General Credit risk Reserve E'000	Asset revaluation reserve E'000	Statutory reserve E'000	Total E'000
Balance at 31 March 2025	**1 056 683**	**-**	**400 626**	**24 839**	**85 228**	**44 636**	**1 612 012**
Comprehensive income							
Profit for the year	**-**	**34 672**	**-**	**-**	**-**	**-**	**34 672**
Reversal of revaluation reserve	**-**	**-**	**-**	**-**	**(915)**	**-**	**(915)**
Transfer to statutory reserve *	**-**	**111**	**-**	**-**	**-**	**(111)**	**-**
Transfer to other reserve	**-**	**996**	**(996)**	**-**	**-**	**-**	**-**
Total other comprehensive income	**-**	**1 107**	**(996)**	**-**	**(915)**	**(111)**	**(915)**
Total comprehensive income	**-**	**35 779**	**(996)**	**-**	**(915)**	**(111)**	**33 757**
Transactions with owners:							
Proceeds from shares issued	**9 105**	**-**	**-**	**-**	**-**	**-**	**9 105**
Redemption of shares	**(81 820)**	**-**	**-**	**-**	**-**	**-**	**(81 820)**
Transfer to general risk reserve provision	**-**	**(1 883)**	**-**	**1 883**	**-**	**-**	**-**
Dividends declared	**45 194**	**(45 194)**	**-**	**-**	**-**	**-**	**-**
Tax benefit of dividends declared	**-**	**11 298**	**-**	**-**	**-**	**-**	**11 298**
Total transactions with owners	**(27 521)**	**(35 779)**	**-**	**1 883**	**-**	**-**	**(61 417)**
Balance at 31 December 2025	**1 029 162**	**-**	**399 630**	**26 722**	**84 313**	**44 525**	**1 584 352**
Notes	16		17	17	17	17	
Balance at 31 March 2024	1 083 400	-	418 012	23 743	85 228	46 568	1 656 951
Comprehensive income:							
Profit for the year:	-	31 198	-	-	-	-	31 198
Other comprehensive income:	-	-	-	-	-	-	-
Transfer to statutory reserve *	-	1 932	-	-	-	(1 932)	-
Transfer to other reserve	-	17 386	(17 386)	-	-	-	-
Total other comprehensive income	-	19 318	(17 386)	-	-	(1 932)	-
Total comprehensive income	-	50 516	(17 386)	-	-	(1 932)	31 198
Transactions with owners:							
Proceeds from shares issued	20 038	-	-	-	-	-	20 038
Redemption of shares	(114 921)	-	-	-	-	-	(114 921)
Transfer to general risk reserve provision	-	(1 096)	-	1 096	-	-	-
Dividends declared	68 166	(68 166)	-	-	-	-	-
Tax benefit of dividends declared	-	18 746	-	-	-	-	18 746
Total transactions with owners	(26 717)	(50 516)	-	1 096	-	-	(76 137)
Balance at 31 March 2025	1 056 683	-	400 626	24 839	85 228	44 636	1 612 012
Notes	16		17	17	17	17	

**Provided under section 39 of the Building Societies Act of 1962.*

"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY (continued)

for the 9-month period ended 31 December 2025

Society	Permanent Shares	Retained Earnings	Other Reserve	General Credit risk Reserve	Asset revaluation reserve	Statutory Reserve	Total
	E'000	E'000	E'000	E'000	E'000	E'000	E'000
Balance at 31 March 2025	**1 056 683**	**-**	**395 242**	**24 839**	**85 228**	**44 113**	**1 606 105**
Comprehensive income:							
Profit for the year	**-**	**33 970**	**-**	**-**	**-**	**-**	**33 970**
Reversal of revaluation reserve	**-**	**-**	**-**	**-**	**(915)**	**-**	**(915)**
Transfer to statutory reserve *	**-**	**181**	**-**	**-**	**-**	**(181)**	**-**
Transfer to other reserve	**-**	**1 628**	**(1 628)**	**-**	**-**	**-**	**-**
Total other comprehensive income	**-**	**1 809**	**(1 628)**	**-**	**(915)**	**(181)**	**(915)**
Total comprehensive income	**-**	**35 779**	**(1 628)**	**-**	**(915)**	**(181)**	**33 055**
Transactions with owners:							
Proceeds from shares issued	**9 105**	**-**	**-**	**-**	**-**	**-**	**9 105**
Redemption of shares	**(81 820)**	**-**	**-**	**-**	**-**	**-**	**(81 820)**
Transfer to general risk reserve provision	**-**	**(1 883)**	**-**	**1 883**	**-**	**-**	**-**
Dividends declared	**45 194**	**(45 194)**	**-**	**-**	**-**	**-**	**-**
Tax benefit of dividends declared	**-**	**11 298**	**-**	**-**	**-**	**-**	**11 298**
Total transactions with owners	**(27 521)**	**(35 779)**	**-**	**1 883**	**-**	**-**	**(61 417)**
Balance at 31 December 2025	**1 029 162**	**-**	**393 614**	**26 722**	**84 313**	**43 932**	**1 577 743**
Notes	16		17	17	17	17	
Balance at 31 March 2024	1 083 400	-	413 478	23 743	85 228	46 139	1 651 988
Comprehensive income:							
Profit for the year	-	30 254	-	-	-	-	30 254
Other comprehensive income	-	-	-	-	-	-	-
Transfer to statutory reserve *	-	2 026	-	-	-	(2 026)	-
Transfer to other reserve	-	18 236	(18 236)	-	-	-	-
Total other comprehensive income	-	20 262	(18 236)	-	-	(2 026)	-
Total comprehensive income	-	50 516	(18 236)	-	-	(2 026)	30 254
Transactions with owners:							
Proceeds from shares issued	20 038	-	-	-	-	-	20 038
Redemption of shares	(114 921)	-	-	-	-	-	(114 921)
Transfer to general risk reserve provision	-	(1 096)	-	1 096	-	-	-
Dividends declared	68 166	(68 166)	-	-	-	-	-
Tax benefit of dividends declared	-	18 746	-	-	-	-	18 746
Total transactions with owners	(26 717)	(50 516)	-	1 096	-	-	(76 137)
Balance at 31 March 2025	1 056 683	-	395 242	24 839	85 228	44 113	1 606 105
Notes	16		17	17	17	17	

**Provided under section 39 of the Building Societies Act of 1962.*

"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

for the 9-month period ended 31 December 2025

		Group		Society	
	Notes	**Dec 2025 E'000**	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
Cash flows from operating activities					
Interest and commission received	30.2	**344 505**	386 852	**344 505**	386 852
Interest paid	30.3	**(67 879)**	(93 557)	**(68 097)**	(94 849)
Other income (paid)/ received	30.4	**(13 776)**	2 404	**(14 103)**	2 028
Cash payments to employees, suppliers and owners	30.5	**(164 240)**	(260 116)	**(164 240)**	(260 116)
		98 610	35 583	**98 065**	33 915
(Decrease)/ increase in operating assets:					
Loans and advances to customers		**(198 145)**	2 751	**(198 145)**	2 751
Increase in operating liabilities:					
Fixed and savings deposits		**86 668**	140 663	**86 886**	141 956
Subscription shares		**4 452**	5 546	**4 452**	5 546
Net cash generated from operating liabilities		**91 120**	146 209	**91 338**	147 502
Income tax refund received	23	**-**	2 938	**-**	2 938
Income tax paid	23	**(327)**	(375)	**-**	-
Net cash flow (used in)/from operating activities		**(8 742)**	187 106	**(8 742)**	187 106
Cash flows from investing activities					
Acquisitions of financial investments	20.3	**(210 000)**	(552 280)	**(210 000)**	(552 280)
Disinvestments of financial investments	20.3	**357 293**	502 727	**357 293**	502 727
Proceeds from disposal of property, plant and equipment	5	**2 435**	286	**2 435**	286
Purchase of property, plant and equipment	30.1	**(66 712)**	(40 509)	**(66 712)**	(40 509)
Net cash flow from/ (used in) investing activities		**83 016**	(89 776)	**83 016**	(89 776)
Cash flows from financing activities					
Proceeds from permanent shares issued	16	**9 105**	20 038	**9 105**	20 038
Payment of lease liabilities	29	**(5 447)**	(6 720)	**(5 447)**	(6 720)
Payment on redemption of permanent shares	16	**(81 820)**	(114 921)	**(81 820)**	(114 921)
Net cash flow used in financing activities		**(78 162)**	(101 603)	**(78 162)**	(101 603)
Net decrease in cash and cash equivalents		**(3 888)**	(4 273)	**(3 888)**	(4 273)
Cash and cash equivalents at the beginning of the year		**108 407**	112 680	**108 399**	112 672
Cash and cash equivalents at the end of the year	10	**104 519**	108 407	**104 511**	108 399

NOTES TO THE FINANCIAL STATEMENTS

for the 9-month period ended 31 December 2025

1. General information

Swaziland Building Society ("the Society") provides mortgage finance for urban property acquisition and development, together with the acceptance of savings and investment deposits.

The Society was formed and registered in terms of the Building Societies Act of 1962 and is incorporated and domiciled in Eswatini. It is not listed on any stock exchange.

The consolidated financial statements consist of the Society and its subsidiary (together, the "group").

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Swaziland Building Society have been prepared in accordance with IFRS® Accounting Standards ("IFRS"), IFRS Interpretations Committee ("IFRIC ® Interpretations") Interpretations and the Building Societies Act of 1962. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and financial assets and financial liabilities (including derivative instruments) measured at fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the society's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.2.

These consolidated financial statements are presented in Eswatini Lilangeni ("E") which is the Group and Society's functional currency. All amounts have been rounded to the nearest one thousand Emalangeni, unless otherwise indicated.

2.1.1 Changes in accounting policy and disclosures

(a) Adoption of new and amended standards effective for the current financial period

New standards and interpretations not yet adopted

The following new standards, and amendments are not yet effective for the 9-month period ended 31 December 2025 and have not been applied in preparing these financial statements.

Title: IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)

Effective date: deferred the effective date for these amendments indefinitely

The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be applied prospectively and are not expected to have a material impact on the group's financial statements.

2.1.1 Changes in accounting policy and disclosures

***(a) Adoption of new and amended standards effective for the current financial period*New standards and interpretations not yet adopted**

Title: IFRS 9 Financial Instruments (IFRS 9) and IFRS 7 Financial Instruments: Disclosure (amendments)

Effective date: 1 January 2026

The IASB issued amendments to the classification and measurement requirements of financial instruments in response to feedback received as part of the post implementation review of IFRS 9. The amendments include a new requirement to permit an entity to deem a financial liability that is settled using an electronic payment system to be discharged before the settlement date if specified criteria are met; and provide clarifications regarding assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features, financial assets with non-recourse features and investments in contractually linked instruments. The IASB also amended the disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be applied prospectively. The impact on the annual financial statements is currently being assessed and not expected to have a material impact on the group's results.

Title: Annual Improvements to IFRS Accounting Standards - Volume 11

Effective date: 1 January 2026

The IASB has issued various amendments and clarifications to existing IFRS, none of which is expected to have a material impact on the group's annual financial statements.

Title: IFRS 18 Presentation and Disclosures in Financial Statements (IFRS 18)

Effective date: 1 January 2027

In April 2024, the IASB issued a new IFRS Accounting Standard to improve reporting of financial performance by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information. IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 is effective from 1 January 2027 with earlier application permitted.

Title: IFRS 19 Subsidiaries without Public Accountability: Disclosure (IFRS 19)

Effective date: 1 January 2027

In May 2024, the IASB issued IFRS 19 that permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. When a parent company prepares consolidated financial statements that comply with IFRS Accounting Standards, its subsidiaries are required to report to the parent using IFRS Accounting Standards. However, for their own financial statements, subsidiaries are permitted to use IFRS Accounting Standards, the IFRS for SMEs Accounting Standard or national accounting standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders. The group is in the planning phase of determining the impact on the annual financial statements of its qualifying subsidiaries.

2. Summary of significant accounting policies (continued)

2.2 Critical accounting estimates and judgements

In preparing the financial statements, estimates and assumptions are made that could materially affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on factors such as historical experience and current best estimates of future events. No material changes to assumptions have occurred during the year. The following represents the most material key management assumptions applied in preparing these financial statements.

(a) *Expected credit loss ("ECL") on financial assets - IFRS 9 drivers*

For the purpose of determining the ECL:

The portfolios are based on the product categories or subsets of the product categories, with tailored ECL models per portfolio. The IFRS 9 impairment provision calculation excludes post write off recoveries (PWOR) from the loss given default (LGD) in calculating the expected credit loss. This LGD parameter has been aligned to emerging market practice.

ECL measurement period

The ECL measurement period for stage 1 exposures is 12-months (or the remaining tenor of the financial asset if the remaining lifetime is less than 12 months).

A loss allowance over the full lifetime of the financial asset is required if the credit risk of that financial instrument has increased significantly since initial recognition (stage 2).

A lifetime measurement period is applied to all credit impaired (stage 3) exposures.
Lifetimes include consideration for multiple default events, i.e. Where defaulted exposures cure and then subsequently re-default. This consideration increases the lifetime and the potential ECL. The measurement periods for unutilized loan commitments utilize the same approach as on-balance sheet exposures.

Significant increase in credit risk (SICR)

In accordance with IFRS 9, all exposures are assessed to determine whether there has been SICR at the reporting date, in which case an impairment provision equivalent to the lifetime expected loss is recognised.

2. Summary of significant accounting policies (continued)

2.2 Critical accounting estimates and judgements (continued)

The group also determines an appropriate transfer rate of exposures from stage 1 to stage 2 by taking into account the expected levels of arrears status for similar exposures. Historical levels of delinquency are applied in determining whether there has been SICR. For all exposures, IFRS 9's rebuttable presumption of 30 days past due as well as exposures classified as either debt review or as 'watch-list' are used to classify exposures within stage 2.

Incorporation of forward-looking information ("FLI") in ECL measurement

The Group includes a forward-looking forecast impact of macro-economic factors on the expected credit loss. The Group's FLI model uses the GDP growth as the macroeconomic factor in the model and these forward-looking economic expectations are included in the ECL using models that correlate other parameters with these macroeconomic variables.

The average monthly default rates over the period February 2015 to December 2024 and the historical Eswatini GDP growth rates and Eswatini CPI inflation rates were used in a Vasicek model in order to calculate the FLI scaling factors. The FLI scaling factors were then calculated by comparing the forecasted default rates to the observed long-run average default rate.

Default
The definition of default, which triggers the credit impaired classification (stage 3), is generally compliant to the Basel definition of default, and generally determined as occurring at the earlier of:

- where, in the Group's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security; or
- when the counterparty is past due for more than 90 days (or, in the case of overdraft facilities in excess of the current limit).

The Group has not rebutted IFRS 9's 90 days past due rebuttable presumption.

Write off policy
An impaired loan is written off once all reasonable attempts at collection have been made and there is no material economic benefit expected from attempting to recover the balance outstanding. The following criteria must be met before a financial asset can be written off:

- the financial asset has been in default for the period which is deemed sufficient to determine whether the entity is able to receive any further economic benefit from the impaired loan; and
- at the point of write-off, the financial asset is fully impaired (i.e., 100% allowance) with no reasonable expectations of recovery of the asset, or a portion thereof.

As an exception to the above requirements, where the exposure is secured, the impaired loan can only be written off once the collateral has been realised. Post realisation of the collateral, the shortfall amount can be written off if it meets the second requirement listed above. The shortfall amount does not need to meet the first requirement to be written off.

(b) Current and deferred tax

The Group and Society is subject to income taxes in terms of the tax laws of Eswatini. Significant judgement is required in determining the provision for income taxes in terms of these laws. There are many transactions and calculations for which the ultimate tax determination may not be certain. The Society recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The most significant management assumption is the forecasts that are used to support the probability assessment that sufficient taxable profits will be generated by the entities in the Group in order to utilise the deferred tax assets. The entity offsets deferred tax assets and liabilities as they relate to the same tax authority.

2. Summary of significant accounting policies (continued)

2.2 Critical accounting estimates and judgements (continued)

(c) *Useful lives of property, plant and equipment*

Estimation is used in approximating the useful lives and residual values of property, plant and equipment. These assessments are made on an annual basis and use historical evidence and current economic factors to estimate the values. Depreciation is not provided for on buildings as the directors consider their residual value will not be materially different from book value.

2.3.1 Consolidation

(a) *Subsidiaries*

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity; and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies

2.3.1 Consolidation (continued)

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3.2 Properties in possession

Properties in possession are those properties bought in by the Society following default by the mortgagors. Where the Society is unable to obtain the pre-set sale amount, the Society will continue to hold the asset while actively marketing it to ensure an appropriate value is obtained. Properties in possession are carried at the lower of cost and net realisable value. Cost is the reserve price set by the Society. Properties in possession are disclosed under Other Assets in the Statement of financial position. Income from property in possession is recognised as other income.

2.3.3 Property, plant and equipment

Land and buildings are initially recognised at cost. Subsequently land and buildings are carried at a revalued, which is the fair value at the date of the revaluation as determined from market-based evidence. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. No provision is made for depreciation of land and buildings as, in the opinion of the Directors, their residual value will not be materially different from book value.

Any revaluation surplus is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss, in which case the increase is recognised in profit and loss. A revaluation deficit is recognised in profit and loss, except that a deficit directly offsetting a previous surplus on the same asset is directly off-set against the surplus in the asset revaluation reserve. The revaluation surpluses are transferred directly to retained earnings in the statement of changes in equity when the related assets are derecognised.

Other items of property, plant and equipment are initially recognised at cost. Subsequently they are carried at cost, less accumulated depreciation and accumulated impairment losses. Assets under construction are stated at cost.

Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

2. Summary of significant accounting policies (continued)

2.3.3 Property, plant and equipment

Depreciation is based on a straight-line basis estimated to write each asset down to estimated residual value over the term of its useful life at the following rates:

Items	*Useful life*
Furniture and fixtures	15 years
Motor vehicles	7 years
Office equipment	10 years
Computer equipment	5 to 20 years
Machinery	10 years
Freehold land and buildings	Indefinite (not depreciated)
Leasehold	10 years
Assets under construction	Depreciated when asset is available for use

Items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Impairment losses are recognised as an expense immediately.

Residual values, useful lives and impairment are assessed annually and adjusted as appropriate.

Expenditure on repairs or maintenance of property, plant and equipment incurred to restore or maintain future economic benefits expected from the assets is recognised as an expense when incurred.

Impairment of non-financial assets

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2. Summary of significant accounting policies (continued)

2.3.4 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The group has offset its deferred tax asset and deferred tax liability.

2.3.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with financial institutions including Central Bank and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Refer to the policy on financial assets relating to recognition and subsequent measurement.

2.3.6 Permanent shares

Permanent shares are classified as equity. They are Increment costs directly attributable to the issue of new permanent shares are shown in equity as a deduction, net of tax, from proceeds.

2.3.7 Statutory reserve

In terms of Section 39 of the Building Societies Act of 1962, every Building Society is required to establish a statutory reserve fund. At the end of each financial year, the Building Society is required to transfer into the statutory reserve fund an amount which shall not be less than ten per cent of its ascertained net profits. Net profits used are after dividends and transfer to the general credit risk reserve.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

2. Summary of significant accounting policies (continued)

2.3.8 General credit risk reserve

A general reserve is maintained to provide against risks to which the Society is exposed. This is a provision calculated for regulatory purposes in accordance with circular 8, which states that the Society has to transfer to non-distributable reserves 1% of the balance of loans and advances.

2.3.9 Other general reserve

Whatever remains from net profit after dividends, transfer to statutory reserve (note 17) and the transfer to general credit risk reserve (note 17) is transferred to other general reserve.

2.3.10 Subscription shares, fixed and savings deposits

All subscription shares and customer deposits are initially recognised at fair value of the consideration received. Subsequent to initial recognition, these deposits are measured at amortised cost, which includes any service / handling charges associated with the servicing of the deposits, together with interest earned and paid to the customer, using the effective interest rate method.

2.3.11 Other liabilities and accruals

Other liabilities and accruals are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Interest and dividends are accrued on daily basis from the date of the last payment until such time as interest and dividends are next paid to customers and members in respect of Swaziland Building Society shares, fixed and savings deposits.

2.3.12 Revenue

Revenue comprises interest, fees, commission and rental income.

Interest income

Interest income on financial assets held at amortised cost is measured using the effective interest rate method. The effective interest rate method is a method of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument.

Specifically, for mortgage loans, the effect of this is to spread the impact of arrangement fees and costs directly attributable and incremental to setting up the loan over the expected life of the mortgage.

When loans and advances become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount. Interest is payable on a monthly basis in areas.

2. Summary of significant accounting policies (continued)

2.3.12 Revenue (continued)

Fees and commission income

Fees and commissions are generally recognised on an accrual basis as the service is provided. The entity is obligated to provide theses services to its customers who hold accounts (loans and advances and deposits) on an ongoing basis. Once service is provided to the customer (i.e. utilisation of the entity's banking platforms), the entity fulfils its performance obligation and recognises revenue. Customers pay as the service is provided, with no significant financing component.

Rental income

Rental income is accounted for on an accrual basis. Tenants are required to pay for rental income in advance. There is no significant financing component.

2.3.13 Interest expense

Interest expense on financial liabilities held at amortised cost is measured using the effective interest rate method. The effective interest rate method is a method of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument.

2.3.14 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognized during the period in which the employee renders the related service. The provision for employee entitlements to salaries and annual leave represent the amount that the group has a present obligation to pay, as a result of employees' services provided up to the statement of financial position date. The provision has been calculated at undiscounted amounts based on current salary rates.

Pension obligations

The group operates a defined contribution plan. Contributions into the plan are accounted for in the accounting period when service is rendered by employees as part of salaries and employee benefit expenses. All eligible employees are members of the Swaziland Building Society Employees Defined Contribution Pension Fund.

The pension fund is managed by the appointed Trustees of the fund. It is the responsibility of the Directors of the Society to ensure that the contributions are paid to the fund. No provision has been made for statutory termination obligations in terms of the Employment Act, 1980, which may arise on retirement of employees. It is considered that the Society's contributions to the pension fund, which can be recovered against such statutory obligation, will adequately cover any such liability.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated due to end of contract. The Society recognizes termination benefits on a month on month basis up to the date where the employees contract comes to an end, at which it is then paid to the employee. Should the contract be terminated before the end of the contract, the employee forfeits the termination benefit.

2. Summary of significant accounting policies (continued)

2.3.14 Employee benefits (continued)

Bonus

A liability for employee benefits in the form of bonus is recognised in current provisions when there is no alternative but to settle the liability, and at least one of the following conditions is met;

- there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or
- past practice has created a valid expectation by employees that they will receive a bonus and the amount can be determined before the time of issuing the financial statements.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2.3.15 Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to one item included in the class may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

2.3.16 Leases

At inception of contract, the Society assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Society uses the definition of a lease in IFRS 16.

Society acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Society allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of branches and office premises the Society has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Society recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises. Subsequently it is measured at cost less accumulated depreciation and accumulated impairment losses. The right of use asset is depreciated over the shorter of the lease term or useful life of the leased asset.

2. Summary of significant accounting policies (continued)

2.3.16 Leases (continued)

Society acting as a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term over the lease term. The useful life of RoU ranges from 1 year to 5 years. In addition, the right-of-use asset is periodically reduced by losses, if any, and adjusted for certain remeasurements of the lease liability. The Society leases a number of premises to house ATMs and branches.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Society's incremental borrowing rate. Generally, the Society uses its incremental borrowing rate as the discount rate. The Society has no borrowings and uses prime rate as its borrowing rate.

The Society determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.
Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Society is reasonably certain to exercise;
- lease payments in an optional renewal period if the Society is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Society is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Society's estimate of the amount expected to be payable under a residual value guarantee, if the Society changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
The Society presents right-of-use assets in 'property and equipment' and lease liabilities in other liabilities' in the statement of financial position.

Short-term leases and leases of low value assets
The Society has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Society recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Society acting as a lessor

The Society leases out a portion of its owner-occupied property consisting of buildings. All leases are classified as operating leases from a lessor perspective.

When the Society acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Society makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Society considers certain indicators such as whether the lease is for a major part of the economic life of the asset.
The Society recognises lease payments received under operating leases as income on an accrual as part of 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

2. Summary of significant accounting policies (continued)

2.3.17 Dividend distribution

Dividend distribution to the group's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the group's Board.

2.3.18 Financial Instruments

Financial Assets

i) Recognition and initial measurement

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the Group commits to purchase (sell) the instruments (trade date accounting).

ii) Classification and subsequent measurement

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value through profit and loss.

Amortised cost
An instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):

- held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are amortised using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit or loss.

Fair through profit and loss (FVTPL)

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Society may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.
This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered volatile and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss - default. Net gains and losses, including any interest or dividend income are recognised in profit and loss.

iii) Impairment

ECL is recognised on debt financial assets classified as at either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide a loan at a below market interest rate. As at year end, the Group did not have financial assets classified as at fair value through OCI.

2. Summary of significant accounting policies (continued)

2.3.18 Financial Instruments (continued)

Financial Assets (continued)

iii) Impairment (continued)

The measurement basis of the ECL of a financial asset includes assessing whether there has been a SICR at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL is measured as the unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward-looking information.

Stage 1
A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR.

Stage 2
A lifetime ECL allowance is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.

Stage 3 (credit impaired assets)
A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired:

- default;
- significant financial difficulty of borrower and/or modification; and
- probability of bankruptcy or financial reorganisation disappearance of an active market due to financial difficulties.

The key components of the impairment methodology are described as follows:
Significant increase in credit risk
At each reporting date the Group assesses whether the credit risk of its exposures has increased significantly since initial recognition by considering the change in the risk of default occurring over the expected life of the financial asset. Historical levels of delinquency are applied in determining whether there has been SICR. For all exposures, IFRS 9's rebuttable presumption of 30 days past due as well as exposures classified as either debt review or as 'watch-list' are used to classify exposures within stage 2.

Low credit risk
Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions may not necessarily reduce the exposure's ability to fulfil its contractual obligations.

Default
A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:

- significant financial difficulty of borrower and/or modification (i.e., known cash flow difficulties experienced by the borrower);
- a breach of contract, such as default or delinquency in interest and/or principal payments;
- disappearance of active market due to financial difficulties;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

2. Summary of significant accounting policies (continued)

2.3.18 Financial Instruments (continued)

Financial Assets (continued)

- where the Group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the Group would not otherwise consider; and
- exposures which are overdue for more than 90 days are also considered to be in default.

Forward-looking information
Forward-looking information is incorporated into the Group's impairment methodology calculations and in the Group's assessment of SICR. The Group includes all forward-looking information which is reasonable and available without undue cost or effort. The information will typically include expected macro-economic conditions and factors that are expected to impact portfolios or individual counterparty exposures.

Write-off
Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to enforcement activities, including auctioning of property in order to settle loan amount.

iv) Reclassification
Reclassifications of debt financial assets are permitted when, and only when, the Group changes its business model or managing financial assets, in which case all affected financial assets are reclassified. Reclassifications are accounted for
prospectively from the date of reclassification as follows:

- Financial assets that are reclassified from amortised cost to fair value are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in other gains and losses on financial instruments.
- The fair value of a financial asset that is reclassified from fair value to amortised cost becomes the financial asset's new carrying value.
- Financial assets that are reclassified from amortised cost to fair value through OCI are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in OCI.
- The fair value of a financial asset that is reclassified from fair value through OCI to amortised cost becomes the financial asset's new carrying value with the cumulative fair value adjustment recognised in OCI being recognised against the new carrying value.
- The carrying value of financial assets that are reclassified from fair value through profit or loss to fair value through OCI remains at fair value.
- The carrying value of financial assets that are reclassified from fair value through OCI to fair value through profit or loss remains at fair value, with the cumulative fair value adjustment in OCI being recognised in the income statement at the date of reclassification.

Financial liabilities

i) *Initial classification*

Amortised cost
All financial liabilities of the Society are held in this category.

ii) *Subsequent measurement*

Amortised cost
Amortised cost using the effective interest method recognised in interest expense.

2. Summary of significant accounting policies (continued)

2.3.18 Financial Instruments (continued)

Derecognition and modification of financial assets and liabilities

Financial assets

Financial assets - Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in the transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets, recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements. When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction, similar to repurchase transactions.

In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost.

The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial assets - Modification

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within other income. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes.

If the terms are not substantially different for financial assets or financial liabilities, the Group recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or in other gains and losses on financial instruments within other income (for all other modifications).

Financial liabilities

Financial liabilities – Derecognition

Financial liabilities are derecognised when the financial liabilities' obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

2. Summary of significant accounting policies (continued)

2.3.19 Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Society are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software -product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development costs.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives which does not exceed 20 years and have no residual values.

Intangible assets are initially recognised at cost. Subsequently intangible assets are carried at costs less accumulated amortisation and accumulated impairment losses.

Amortisation is based on a straight-line method over its useful life, being the period which the Society expects the intangible asset to be available for use.

2.3.20 Investment in subsidiary

Investment in a subsidiary is recognised when the Society has control of an entity. The Society controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements are included on the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investment in a subsidiary is measured at cost and subsequently measured at cost less accumulated impairments.

2.3.21 Prepayments

Prepayments comprise payments made in advance of receiving goods or services, where the related economic benefits are expected to flow to the Society in future reporting periods. They are initially recognised as an asset at cost when payment is made and the Society obtains control of the future economic benefits, provided the amount can be measured reliably. They are subsequently measurement cost less accumulated amortisation and any impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the period in which the goods or services are consumed, typically not exceeding 12 months.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

2. Summary of significant accounting policies (continued)

2.3.22 Inventories

Inventories comprise stationery, promotional merchandise and other consumables held for sale or use in operations. They are measured at cost, which includes the purchase price and any directly attributable costs (import duties, non-refundable taxes, transport, handling), net of trade discounts, rebates and recoverable VAT. They are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The costs of individual items of inventory are determined using weighted average costs. At each reporting date, the carrying amount is reviewed for indicators that net realisable value has fallen below cost. Write-downs to net realisable value and any subsequent reversals are recognised in profit or loss.

2.3.23 Other assets

Other assets are carried at the lower of historical cost less accumulated amortization/depreciation, or their recoverable amount. Management reviews these assets at least annually to determine if there is any permanent impairment in value. If an asset's carrying amount exceeds its recoverable amount, it is written down immediately.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
3. Operating profit				
Operating profit has been arrived at after charging the following:				
Advertising costs	**5 593**	7 708	**5 593**	7 708
ATM expenses	**4 415**	6 337	**4 415**	6 337
Auditor's remuneration	**1 598**	1 622	**1 573**	1 602
Bank charges	**2 160**	2 418	**2 160**	2 418
Cash in transit costs	**2 379**	2 761	**2 379**	2 761
Cleaning expenses and material cost	**1 539**	1 621	**1 539**	1 621
Consultancies	**4 537**	13 228	**4 537**	13 228
Defalcations	**1 576**	1 008	**1 576**	1 008
Directors' fees	**1 000**	1 116	**1 000**	1 116
Donations and sponsorships	**1 013**	1 041	**1 013**	1 041
Insurance costs	**5 421**	7 818	**5 421**	7 818
Leased lines*	**5 073**	4 731	**5 073**	4 731
Legal expenses	**754**	1 335	**754**	1 335
Licenses	**27 399**	30 400	**27 399**	30 400
Maintenance	**4 687**	6 951	**4 687**	6 951
Miscellaneous	**2 405**	1 846	**2 405**	1 846
Printing and stationery	**1 470**	2 023	**1 470**	2 023
Rates	**436**	615	**436**	615
Security	**2 736**	3 315	**2 736**	3 315
Staff expenses	**6 420**	5 492	**6 420**	5 492
Subscriptions	**1 541**	2 756	**1 541**	2 756
Telephone and courier	**3 686**	4 641	**3 686**	4 641
Training costs	**1 380**	2 055	**1 380**	2 055
Utilities	**3 068**	4 308	**3 068**	4 308
UPI processing and currency conversion fees	**1 526**	5 235	**1 526**	5 235
	93 812	122 381	**93 787**	122 361

*No lease period and line can be terminated at any point.

	Group		Society	
4. Interest and similar income				
Advances secured by mortgages	**140 726**	184 094	**140 726**	184 094
Advances secured by pledge of investments, pension funds and employer guarantee and insurance policies	**77 044**	92 641	**77 044**	92 641
Investments and liquid funds	**32 068**	42 868	**32 068**	42 868
	249 838	319 603	**249 838**	319 603

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

	Group		Society	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	E'000	E'000	**E'000**	E'000
5. Interest expense and similar charges				
Call deposits	**8 790**	10 729	**8 790**	10 729
Fixed deposits	**33 442**	47 085	**33 442**	47 085
Savings deposits	**26 060**	34 114	**27 025**	35 441
Lease liability	**1 099**	1 588	**1 099**	1 588
Subscription share deposits	**1 073**	1 580	**1 073**	1 580
	70 464	95 096	**71 429**	96 423
6. Fee and commission income				
ATM commissions	**19 339**	24 632	**19 339**	24 632
Foreign exchange commission	**399**	387	**399**	387
Mortgage related fees	**2 028**	3 809	**2 028**	3 809
Service charges	**66 930**	80 256	**66 930**	80 256
	88 696	109 084	**88 696**	109 084

Disaggregation of fee and commission income

Fees and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by the major type of service and is measured based on the consideration specified in a contract with a customer. The Society recognises revenue when it transfers control over a service to a customer. The table below provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers including significant payment terms and the related revenue recognition policies.

Performance obligations and revenue recognition policies

Type of service	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition under IFRS 15**
Retail and corporate services	The Society provides services to retail and corporate customers including account management, foreign currency transactions and servicing fees. Fees for ongoing account management are charged to the customer's account on a monthly basis. The Society sets the rates separately for retail and corporate customers on an annual basis. Transactions based fees for interchange and foreign currency transactions are charged to the customers' account when the transaction takes place. Servicing fees are charged on a monthly basis and are based on fixed rates reviewed annually by the Society.	Revenue from account service and servicing fees is recognised over time as the services are provided. Revenue related to fees and commission transactions is recognised at the point in time when the transactions take place.

Swaziland Building Society
"Creating Wealth For You"

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
7. Other operating income				
Profit on disposal of assets	**152**	230	**152**	230
Rental/ lease income	**100**	232	**100**	232
	252	462	**252**	462

The entity leases out office and residential space to third parties. Rentals are payable in advance to manage the risk of non-payment from tenants.

8. Salary and employee benefits				
Salaries	**85 955**	115 050	**85 955**	115 050
Provident fund and medical aid	**6 878**	9 290	**6 878**	9 290
Pension costs	**5 410**	7 812	**5 410**	7 812
	98 243	132 152	**98 243**	132 152
Staff complement				
The number of persons employed at year end was as follows:	**275**	271	**275**	271
9. Income tax expense				
9.1 Income tax charge per the statement of comprehensive income				
Current income tax	**11 532**	19 104	**11 298**	18 746
Deferred income tax (note 15)	**367**	(1 116)	**367**	(1 116)
	11 899	17 988	**11 665**	17 630
9.2 Tax rate reconciliation				
Net profit before tax	**46 570**	49 186	**45 635**	47 884
Tax calculated at local company tax rate of 25% (Mar 2025:27.5%)	**11 643**	13 526	**11 409**	13 168
Non-deductible expenses	**256**	292	**256**	292
Rate change effect on deferred tax -CY	**-**	481	**-**	481
Rate change effect on deferred tax -CY	**-**	3 689	**-**	3 689
Tax charge	**11 899**	17 988	**11 665**	17 630

On 01 July 2024 the corporate tax rate was reduced from 27.5% to 25% for the tax year of assessment ending on or after 30 June 2025. The new rate was therefore applied in computation of Dec 2025 tax charge..

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

9. Income tax expense (continued)

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
9.3 Income tax charged directly to equity during the year				
Current tax:				
Tax benefit of dividends on permanent shares	**11 298**	18 746	**11 298**	18 746
	11 298	18 746	**11 298**	18 746
9.4 Eswatini tax rate reconciliation				
Statutory tax rate	**25.00%**	27.50%	**25.00%**	27.50%
Permanent differences	**0.53%**	0.59%	**0.57%**	0.61%
Rate change effect on deferred tax	**-**	8.48%	**-**	8.71%
Effective tax rate	**25.53%**	36.57%	**25.57%**	36.82%

10. Cash and cash equivalents

	Group Dec 2025	Group Mar 2025	Society Dec 2025	Society Mar 2025
Cash on hand	**47 645**	35 908	**48 981**	35 908
Central Bank of Eswatini	**14 094**	7 243	**14 094**	7 243
Call and current accounts with financial institutions	**42 780**	65 256	**41 436**	65 248
	104 519	108 407	**104 511**	108 399

The fair values of cash held with the Central Bank of Eswatini, other financial institutions and on hand approximate their carrying amount.

11. Other assets

	Group Dec 2025	Group Mar 2025	Society Dec 2025	Society Mar 2025
UPI deposits	**4 904**	5 454	**4 904**	5 454
Inventory/stationery	**3 797**	3 842	**3 797**	3 842
Prepayments	**14 451**	4 334	**14 451**	4 334
Other real estate owned	**10 487**	10 487	**10 487**	10 487
CBE collateral	**-**	1 000	**-**	1 000
Other assets	**8 933**	3 579	**8 933**	3 579
Receivables from related party (note 25d)	**-**	-	**4 455**	4 128
	42 572	28 696	**47 027**	32 824
Inventories recognised as an expense during the year	**1 470**	2 023	**1 470**	2 023

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the 9-month period ended 31 December 2025

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
12. Loans and advances to customers				
Gross loans and advances held at amortised cost				
Secured by mortgages	**1 912 511**	1 951 538	**1 912 511**	1 951 538
Due by related parties(note 25b)	**27 387**	20 981	**27 387**	20 981
Secured by pledge of investments, pension funds, employer guarantees and insurance policies	**797 376**	571 170	**797 376**	571 170
	2 737 274	2 543 689	**2 737 274**	2 543 689
Total credit impairment on loans and advances (IFRS 9) (note 12.4)	**(65 030)**	(59 819)	**(65 030)**	(59 819)
Net Loans and advances	**2 672 244**	2 483 870	**2 672 244**	2 483 870

12.1 Maturity and interest rates

The advances are based on terms ranging between 1 and 25 years and are repaid by equal monthly repayments of capital and interest during the repayment term of the advances. Interest rates are not fixed; they were ranging from 5% to 14.25% for residential properties, 6.25% to 14% for commercial properties and loans secured by pledge of investments and 8.4% to 25% for loans guaranteed by employers, during the year.

12.2 Maturity analysis

	Group Dec 2025	Group Mar 2025	Society Dec 2025	Society Mar 2025
Demand to 6 months	**11 796**	43 558	**11 796**	43 558
Between 6 months and 1 year	**20 649**	24 741	**20 649**	24 741
Between 1 year to 5 years	**473 646**	571 117	**473 646**	571 117
More than 5 years	**2 231 183**	1 904 273	**2 231 183**	1 904 273
	2 737 274	2 543 689	**2 737 274**	2 543 689

12.3 Segment analysis

	Group Dec 2025	Group Mar 2025	Society Dec 2025	Society Mar 2025
Agriculture	**48 969**	45 536	**48 969**	45 536
Financial services and other businesses	**1 469 516**	1 014 477	**1 469 516**	1 014 477
Construction	**40 946**	29 304	**40 946**	29 304
Individuals	**121 563**	433 277	**121 563**	433 277
Manufacturing	**50 353**	40 150	**50 353**	40 150
Other services	**967 559**	954 337	**967 559**	954 337
Transport	**38 368**	26 608	**38 368**	26 608
	2 737 274	2 543 689	**2 737 274**	2 543 689

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NOTES TO THE FINANCIAL STATEMENTS (continued)

for the 9-month period ended 31 December 2025

12. Loans and advances to customers (continued)

	Group		Society	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	E'000	E'000	**E'000**	E'000
12.4 Allowance for impairment of advances – IFRS 9				
Stage 1 and 2	**19 586**	17 510	**19 586**	17 510
Stage 3	**72 166**	67 148	**72 166**	67 148
Less: Credit Risk Reserve	**(26 722)**	(24 839)	**(26 722)**	(24 839)
	65 030	59 819	**65 030**	59 819
Impairment gain per statement of comprehensive income:				
Impairment loss for the year	**9 771**	797	**9 771**	797
Impairment loss to statement of comprehensive income	**9 771**	797	**9 771**	797

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the 9-month period ended 31 December 2025

12. Loans and advances to customers (continued)

12.5 Expected credit loss analysis (Group and Society)

	Opening ECL 1 April 2025	Total transfers between stages	New exposures raised	Subsequent changes in ECL	Net impairments raised	Written off loans	Interest in suspense	Other movements	Closing ECL 31 Dec 2025
	E'000	E'000	E'000	E'000	E'000	E'000	E'000	E'000	E'000
Residential Mortgage loans	52 390	-	2 363	(5 090)	(2 727)	(32)	523	926	51 080
Stage 1	1 311	4 746	367	(4 995)	118	-	-	-	1 429
Stage 2	9 295	(962)	608	(138)	(492)	-	-	-	8 803
Stage 3	41 784	(3 784)	1 388	43	(2 353)	(32)	523	926	40 848
Commercial Mortgage loans	19 516	-	157	4 312	4 469	-	-	-	23 985
Stage 1	2 085	691	56	(1 053)	(306)	-	-	-	1 779
Stage 2	2 106	(125)	101	1 750	1 726	-	-	-	3 832
Stage 3	15 325	(566)	-	3 615	3 049	-	-	-	18 374
Home Plan Loans	3 872	-	61	261	322	(767)	-	-	3 427
Stage 1	66	227	18	(267)	(22)	-	-	-	44
Stage 2	46	(4)	43	127	166	-	-	-	212
Stage 3	3 760	(223)	-	401	178	(767)	-	-	3 171
Personal Unsecured Loans	7 710	-	825	7 702	8 527	(4 249)	-	-	11 988
Stage 1	380	184	268	(207)	245	-	-	-	625
Stage 2	1 255	(733)	473	605	345	-	-	-	1 600
Stage 3	6 075	549	84	7 304	7 937	(4 249)	-	-	9 763
Short Loans	870	-	554	(565)	(11)	(26)	-	-	833
Stage 1	671	-	554	(405)	149	-	-	-	820
Stage 2	4	-	-	(1)	(1)	-	-	-	3
Stage 3	195	-	-	(159)	(159)	(26)	-	-	10
Motor Vehicle Loans	300	-	243	(95)	148	(9)	-	-	439
Stage 1	291	(1)	243	(94)	148	-	-	-	439
Stage 2	0	1	-	(1)	-	-	-	-	-
Stage 3	9	-	-	-	-	(9)	-	-	-
Total	84 658	-	4 203	6 525	10 728	(5 083)	523	926	91 752
Less Credit Risk Reserve	(24 839)	-	-	-	-	-	-	(1 883)	(26 722)
	59 819	-	4 203	6 525	10 728	(5 083)	523	(957)	65 030

Note that assets written off are subject to enforcement activity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the 9-month period ended 31 December 2025

12. Loans and advances to customers (continued)

12.5 Expected credit loss analysis (Group and Society)

	Opening ECL 1 April 2024	Total transfers between stages	New exposures raised	Subsequent changes in ECL	Net impairments raised	Written off loans	Interest in suspense	Other movements	Closing ECL 31 March 2025
	E'000	E'000	E'000	E'000	E'000	E'000	E'000	E'000	E'000
Residential Mortgage loans	71 884	-	868	3 272	4 140	(4 603)	4 997	(24 028)	52 390
Stage 1	1 300	(81)	262	7 091	7 272	-	-	(7 261)	1 311
Stage 2	4 183	46	155	(3 819)	(3 618)	-	-	8 730	9 295
Stage 3	66 401	35	451	-	486	(4 603)	4 997	(25 497)	41 784
Commercial Mortgage loans	48 524	-	2 975	(4 880)	(1 905)	(26 716)	5 421	(5 808)	19 516
Stage 1	(5 333)	(25)	352	12 870	13 197	-	-	(5 779)	2 085
Stage 2	7 857	13	2	(7 405)	(7 390)	-	-	1 639	2 106
Stage 3	46 000	12	2 621	(10 345)	(7 712)	(26 716)	5 421	(1 668)	15 325
Home Plan Loans	7 561	-	42	-	42	(2 441)	(237)	(1 053)	3 872
Stage 1	803	-	35	-	35	-	-	(772)	66
Stage 2	640	-	7	-	7	-	-	(601)	46
Stage 3	6 118	-	-	-	-	(2 441)	(237)	320	3 760
Personal Unsecured Loans	29 083	-	4 960	(5 671)	(711)	(44 407)	1 734	22 011	7 710
Stage 1	1 184	(223)	4 275	-	4 052	-	-	(4 856)	380
Stage 2	1 349	97	100	1	198	-	-	(292)	1 255
Stage 3	26 550	126	585	(5 672)	(4 961)	(44 407)	1 734	27 159	6 075
Short Loans	4 273	-	-	(1 111)	(1 111)	(12 531)	104	10 135	870
Stage 1	1 780	(1)	-	(1 108)	(1 109)	-	-	-	671
Stage 2	8	1	-	(5)	(4)	-	-	-	4
Stage 3	2 485	-	-	2	2	(12 531)	104	10 135	195
Motor Vehicle Loans	474	-	(79)	421	342	(356)	1	(161)	300
Stage 1	472	-	(79)	-	(79)	-	-	(102)	291
Stage 2	60	-	-	-	-	-	-	(60)	0
Stage 3	(58)	-	-	421	421	(356)	1	1	9
Total	161 799	-	8 766	(7 969)	797	(91 054)	12 020	1 096	84 658
Less Credit Risk Reserve	(23 743)	-	-	-	-	-	-	(1 096)	(24 839)
	138 056	-	8 766	(7 969)	797	(91 054)	12 020	-	59 819

Note that assets written off are subject to enforcement activity.

13. Investment in Subsidiary

On 2 December 2011 the Society acquired 100% shareholding in Relief Financial Services domiciled in Eswatini, for the administration of a micro-lending business. There was no goodwill which arose from the acquisition of the wholly owned subsidiary, as the consideration made for the investment was equal to the share capital required to see off the business. A cash consideration of E8 million was paid for the investment.

14. Property, plant and equipment and right-of-use asset

Group	**Dec 2025**			Mar 2025			Mar 2024		
	Cost/ Revaluation E'000	**Accumulated Depreciation E'000**	**Net Book Value E'000**	Cost/ Revaluation E'000	Accumulated Depreciation E'000	Net Book Value E'000	Cost/ Revaluation E'000	Accumulated Depreciation E'000	Net Book Value E'000
Freehold land and buildings	**187 160**	**-**	**187 160**	189 482	-	189 482	189 482	-	189 482
Computer equipment	**97 190**	**(61 593)**	**35 597**	83 539	(55 791)	27 748	76 810	(46 766)	30 044
Motor vehicles	**11 960**	**(5 001)**	**6 959**	8 651	(4 210)	4 441	7 522	(3 635)	3 887
Office equipment, furniture and fittings	**48 917**	**(20 123)**	**28 794**	46 428	(17 764)	28 664	42 796	(14 722)	28 074
Leasehold Improvements	**21 846**	**(11 909)**	**9 937**	21 817	(10 728)	11 089	19 400	(9 121)	10 279
Right-of-use asset (note 14.3)	**31 762**	**(20 001)**	**11 761**	29 467	(15 493)	13 974	22 088	(9 732)	12 356
Assets under construction	**87 889**	**-**	**87 889**	43 973	-	43 973	21 376	-	21 376
Total	**486 724**	**(118 627)**	**368 097**	423 357	(103 986)	319 371	379 474	(83 976)	295 498

14. Property, plant and equipment and right-of-use asset (continued)

Society	Dec 2025			Mar 2025			Mar 2024		
	Cost/ Revaluation	**Accumulated Depreciation**	**Net Book Value**	Cost/ Revaluation	Accumulated Depreciation	Net Book Value	Cost/ Revaluation	Accumulated Depreciation	Net Book Value
	E'000	**E'000**	**E'000**	E'000	E'000	E'000	E'000	E'000	E'000
Freehold land and buildings	**187 160**	**-**	**187 160**	189 482	-	189 482	189 482	-	189 482
Computer equipment	**97 190**	**(61 593)**	**35 597**	83 539	(55 791)	27 748	76 810	(46 766)	30 044
Motor vehicles	**11 960**	**(5 001)**	**6 959**	8 651	(4 210)	4 441	7 522	(3 635)	3 887
Office equipment, furniture, and fittings	**48 917**	**(20 123)**	**28 794**	46 346	(17 687)	28 659	42 745	(14 680)	28 065
Leasehold Improvements	**21 846**	**(11 909)**	**9 937**	21 817	(10 728)	11 089	19 400	(9 121)	10 279
Right-of-use asset (note 14.3)	**31 762**	**(20 001)**	**11 761**	29 467	(15 493)	13 974	22 088	(9 732)	12 356
Assets under construction	**87 889**	**-**	**87 889**	43 973	-	43 973	21 376	-	21 376
Total	**486 724**	**(118 627)**	**368 097**	423 275	(103 909)	319 366	379 423	(83 934)	295 489

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

14. Property, plant and equipment and right-of-use asset (continued)

14.1 Movement in property, plant and equipment for 31 December 2025 excluding right-of-use asset

Group	Net Book Value Mar 2025	Transfer/ Disposal	Additions	Depreciation	Net Book Value Dec 2025
	E'000	E'000	E'000	E'000	E'000
Freehold land and buildings	189 482	(3 115)	793	-	187 160
Computer equipment	27 748	-	13 651	(5 802)	35 597
Motor vehicles	4 441	-	3 309	(791)	6 959
Office equipment, furniture and fittings	28 664	-	2 571	(2 441)	28 794
Leasehold Improvements	11 089	-	29	(1 181)	9 937
Assets under construction	43 973	-	43 916	-	87 889
Total	**305 397**	**(3 115)**	**64 269**	**(10 215)**	**356 336**

Society					
Freehold land and buildings ehold land and buildings	189 482	(3 115)	793	-	187 160
Computer equipment	27 748	-	13 651	(5 802)	35 597
Motor vehicles	4 441	-	3 309	(791)	6 959
Office equipment, furniture and fittings	28 659	-	2 571	(2 436)	28 794
Leasehold Improvements	11 089	-	29	(1 181)	9 937
Assets under construction	43 973	-	43 916	-	87 889
Total	**305 392**	**(3 115)**	**64 269**	**(10 210)**	**356 336**

***Only relates to capitalised assets from assets under construction.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

14. Property, plant and equipment and right-of-use asset (continued)

14.1 Movement in property, plant and equipment for 31 March 2025 excluding right-of-use asset

Group	Net Book Value 2024	Transfer/ Disposal	Additions	Depreciation	Net Book Value 2025
	E'000	E'000	E'000	E'000	E'000
Freehold land and buildings ehold land and buildings	189 482	-	-	-	189 482
Computer equipment	30 044	(23)	6 686	(8 959)	27 748
Motor vehicles	3 887	(33)	1 679	(1 092)	4 441
Office equipment, furniture and Fittings	28 074	-	3 704	(3 115)	28 663
Leasehold Improvements	10 279	-	2 417	(1 607)	11 089
Assets under construction	21 376	(3 568)*	26 165	-	43 973
Total	283 142	(3 624)	40 651	(14 773)	305 396
Society					
Freehold land and buildings ehold land and buildings	189 482	-	-	-	189 482
Computer equipment	30 044	(23)	6 686	(8 959)	27 748
Motor vehicles	3 887	(33)	1 679	(1 092)	4 441
Office equipment, furniture and fittings	28 065	-	3 704	(3 110)	28 659
Leasehold Improvements	10 279	-	2 417	(1 607)	11 089
Assets under construction	21 376	(3 568)*	26 165	-	43 973
Total	283 133	(3 624)	40 651	(14 768)	305 392

***Only relates to capitalised assets from assets under construction.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

14. Property, plant and equipment and right-of-use asset (continued)

All assets are owned by the Society and none are restricted.

Included in the entity's property, plant and equipment are assets with zero net book values which are still being used by the entity. Summarised details of these assets are as follows:

	Group		Society	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	E'000	E'000	E'000	E'000
Cost	**61 539**	45 985	**61 539**	45 783
Accumulated depreciation	**(61 539)**	(45 985)	**(61 539)**	(45 783)
	-	-	**-**	-

For land and building at revalued amounts, the carrying amount that would have been recognised had the assets been carried under the cost mode; would have been as follows:

	Group Dec 2025	Group Mar 2025	Society Dec 2025	Society Mar 2025
Cost	**102 240**	102 240	**102 240**	102 240
Accumulated depreciation	**-**	-	**-**	-
	102 240	102 240	**102 240**	102 240

The following table shows the valuation technique used in measuring level 3 fair values as well as the significant unobservable inputs used:

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Buildings	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the buildings in the form of rental income per square metre. The cash flows are adjusted using the discount/yield rate.	Discount/yield rate.	The estimated fair value would increase (decrease) if: -the estimated rental income was higher (lower); -the discount rate we lower (higher).

The last valuation was done by an independent valuer, Goldstone Property Consultants (Pty) Ltd as at 31 March 2024. The Group performs valuations after 3 years.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

14. Property, plant and equipment and right-of-use asset (continued)

14.2 Revaluation of property (land and buildings)

	Group		Society	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	E’000	E’000	E’000	E’000
Opening net book value at 1 April	**189 482**	189 482	**189 482**	189 482
Disposals for the year	**(3 115)**	-	**(3 115)**	-
Additions for the year	**793**	-	**793**	-
Closing revalued amount	**187 160**	189 482	**187 160**	189 482

14.3 Right-of-use asset

Right-of-use assets relates to properties leased by the Society with a contract term of between three to five years, with an option to renew after the end of the lease term. Leased assets are not subject to any restrictions. Right-of-use assets are depreciated over the lease term.

	Group		Society	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	E’000	E’000	**E’000**	E’000
Right-of-use asset cost and accumulated depreciation				
Cost	**31 762**	29 467	**31 762**	29 467
Accumulated depreciation	**(20 001)**	(15 493)	**(20 001)**	(15 493)
Net book value	**11 761**	13 974	**11 761**	13 974
Movement in right-of-use asset				
Opening net book value at 1 April	**13 974**	12 356	**13 974**	12 356
Additions for the year	**2 296**	7 707	**2 296**	7 707
Disposals	**-**	(328)	**-**	(328)
Re-allocation adjustment	**-**	-	**-**	-
Depreciation charge for the year	**(4 509)**	(5 761)	**(4 509)**	(5 761)
Closing net book value at 31 March	**11 761**	13 974	**11 761**	13 974

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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

15. Deferred income tax

On 01 July 2024 the corporate tax rate was reduced from 27.5% to 25% for the next tax year of assessment ending on or after 30 June 2024. The new rate will therefore be applied to deferred tax in 2025 and current tax in 2026. Deferred tax assets and liabilities are offset as there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

	Group		**Society**	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	E'000	E'000	E'000	E'000
The movement on the net deferred income tax account is as follows:				
At the beginning of the year	**41 698**	40 582	**41 698**	40 582
Effect of rate change	**-**	(3 689)	**-**	(3 689)
Restated opening balance	**41 698**	36 893	**41 698**	36 893
Effect of change in tax rate		3 689		3 689
Provisions	**1 025**	(24 003)	**1 025**	(24 003)
Right-of-use asset	**553**	(96)	**553**	(96)
Lease liability	**(512)**	226	**(512)**	226
Prepayments	**1 097**	606	**1 097**	606
Tax loss	**(2 530)**	24 383	**(2 530)**	24 383
Income tax credit /(charge) (note 9)	**(367)**	1 116	**(367)**	1 116
At the end of year	**41 331**	41 698	**41 331**	41 698
The analysis of the above amounts is as follows:				
Provisions	**18 741**	17 716	**18 741**	17 716
Right-of-use asset	**(2 941)**	(3 494)	**(2 941)**	(3 494)
Lease liability	**3 417**	3 929	**3 417**	3 929
Prepayments	**(3 613)**	(1 083)	**(3 613)**	(1 083)
Tax loss	**25 727**	24 630	**25 727**	24 630
At the end of year	**41 331**	41 698	**41 331**	41 698

16. Permanent shares

Balance 01 April	**1 056 683**	1 083 400	**1 056 683**	1 083 400
Redemptions	**(81 820)**	(114 921)	**(81 820)**	(114 921)
Additions	**9 105**	20 038	**9 105**	20 038
Dividends declared	**45 194**	68 166	**45 194**	68 166
Balance	**1 029 162**	1 056 683	**1 029 162**	1 056 683

These shares are issued from time to time at the discretion of the Society's Board of Directors.

Redemption of the shares, at their cumulative value including dividends earned, is at the discretion of the Society's Board of Directors. The holder of permanent shares may only request that shares be redeemed after the expiry of 30 months from the date of issue and this redemption is subject to a further six months' notice.

Holders of permanent shares with more than 5% holding are Public Service Pension Fund ("PSPF") and Eswatini Royal Insurance Corporation ("ESRIC").

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025** E'000	Mar 2025 E'000
17. Reserves				
Asset revaluation reserve (17.1)	**84 313**	85 228	**84 313**	85 228
Statutory reserve (17.2)	**44 525**	44 636	**43 932**	44 113
Other reserve (17.3)	**399 630**	400 626	**393 614**	395 242
General credit risk reserve (17.4)	**26 722**	24 839	**26 722**	24 839
Total reserves	**555 190**	555 329	**548 581**	549 422

17.1 Asset revaluation reserve

The asset revaluation reserve resulted from the revaluation of land and buildings by an independent valuator, Goldstone Property Consultants at 31 March 2025.

	Group Dec 2025	Group Mar 2025	Society Dec 2025	Society Mar 2025
Balance at the beginning of the year	**85 228**	85 228	**85 228**	85 228
Reversal of revaluations reserve on disposals	**(915)**	-	**(915)**	-
Balance at end of the year	**84 313**	85 228	**84 313**	85 228

This reserve will be transferred directly to retained earnings in equity when the related assets are disposed.

17.2 Statutory reserve

At the end of each financial year, the Society is required in terms of Section 39 of the Building Societies Act of 1962 to transfer an amount of not less than 10% of the net profit into the statutory reserve fund.

	Group Dec 2025	Group Mar 2025	Society Dec 2025	Society Mar 2025
Reconciliation of opening and closing value				
At the beginning of the year	**44 636**	46 568	**44 113**	46 139
Movement in statutory reserve	**(111)**	(1 932)	**(181)**	(2 026)
At the end of the year	**44 525**	44 636	**43 932**	44 113
Movement in statutory reserve can be analysed as follows:				
Net profit for the year	**34 671**	31 198	**33 970**	30 254
Dividends declared (net of tax)	**(33 896)**	(49 420)	**(33 896)**	(49 420)
Transfer to general credit risk reserve	**(1 883)**	(1 096)	**(1 883)**	(1 096)
	(1 108)	(19 318)	**(1 809)**	(20 262)
Transfer from statutory reserve (at 10%)	**(111)**	(1 932)	**(181)**	(2 026)
Total	**(111)**	(1 932)	**(181)**	(2 026)

17. Reserves (continued)

	Group		Society	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	E'000	E'000	**E'000**	E'000

17.3 Other reserve

At the end of each financial year, the amount of retained income remaining after effecting the transfer to statutory reserve and transfer to general credit risk reserve is transferred to other reserve to provide against risks the Society may be exposed to.

Reconciliation of opening and closing value	Group Dec 2025 E'000	Group Mar 2025 E'000	Society Dec 2025 E'000	Society Mar 2025 E'000
At the beginning of the year	**400 626**	418 012	**395 242**	413 478
Movement in other reserve	**(996)**	(17 386)	**(1 628)**	(18 236)
At the end of the year	**399 630**	400 626	**393 614**	395 242

17.4 General credit risk reserve

This is a provision calculated for regulatory purposes in accordance with circular 8, which states that the Society has to transfer to non-distributable reserves 1% of the balance of loans and advances**.**

Reconciliation of open and closing value	Group Dec 2025 E'000	Group Mar 2025 E'000	Society Dec 2025 E'000	Society Mar 2025 E'000
At the beginning of the year	**24 839**	23 743	**24 839**	23 743
Movement in general credit risk reserve	**1 883**	1 096	**1 883**	1 096
	26 722	24 839	**26 722**	24 839

The general credit risk reserve has been created and maintained to eliminate the possible short fall in impairment provision/ losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

	Group		Society	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	E'000	E'000	E'000	E'000
18. Fixed and savings deposits				
Call deposits	**207 245**	180 098	**207 245**	180 098
Fixed deposits	**476 493**	507 454	**476 493**	507 454
Savings deposits	**1 173 231**	1 082 749	**1 190 728**	1 100 028
	1 856 969	1 770 301	**1 874 466**	1 787 580

18.1 Maturity and interest rates

Fixed deposits

The deposit period ranges from three months to two years, with fixed interest rates ranging from 3.25% - 10.75% (Mar 2025: 3.75% - 10.75%) during the year.

Savings deposits

Savings deposits are repayable on demand, with interest rates varying per product ranging between 2.50% - 5.85% (Mar 2025: 2.75% - 6.10%) during the year.

Call deposits

Call deposits are repayable on demand.
Interest rates are linked to prime rate.

18.2 Maturity analysis

	Group		Society	
Demand to 6 months	**1 393 145**	1 684 554	**1 410 642**	1 701 833
Between 6 months and 1 year	**443 824**	65 747	**443 824**	65 747
Between 1 and 5 years	**20 000**	20 000	**20 000**	20 000
	1 856 969	1 770 301	**1 874 466**	1 787 580

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

	Group		Society	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	E'000	E'000	**E'000**	E'000
19. Subscription shares				
Subscription shares	**49 722**	45 270	**49 722**	45 270

19.1 Maturity and interest rates

The investment period ranges from 1 to 3 years.

The interest rates on the subscription shares are variable. The interest rates ranged from Dec 2025: 2.75% -3.50% (Mar 2025: 3% - 3.75%) during the year.

19.2 Maturity analysis

	Group Dec 2025 E'000	Group Mar 2025 E'000	Society Dec 2025 E'000	Society Mar 2025 E'000
Demand to 6 months	**37 717**	31 736	**37 717**	31 736
Between 6 months and 1 year	**8 302**	3 724	**8 302**	3 724
Between 1 year to 5 years	**3 703**	9 810	**3 703**	9 810
	49 722	45 270	**49 722**	45 270

20. Financial investments

	Group Dec 2025 E'000	Group Mar 2025 E'000	Society Dec 2025 E'000	Society Mar 2025 E'000
Sovereign	**164 551**	170 125	**164 551**	170 125
Mutual funds and unit linked investments	**160 040**	307 814	**160 040**	307 814
Total financial investments	**324 591**	477 939	**324 591**	477 939
Expected credit loss on sovereign	**(1 444)**	(3 647)	**(1 444)**	(3 647)
	323 147	474 292	**323 147**	474 292
Impairment gain per statement of comprehensive income:				
Impairment gain for the year	**2 203**	1 247	**2 203**	1 247
Impairment gain to statement of comprehensive income	**2 203**	1 247	**2 203**	1 247

20. Financial Investments (continued)

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
20.1 Maturity and interest rate				
The investment period is between 9 months and 3 years. The interest rate on bonds ranges from 9.56 % - 12.25%.				
20.2 Maturity analysis				
Demand to 6 months	**191 995**	227 815	**191 995**	227 815
Between 6 months and 1 year	**2 596**	170 124	**2 596**	170 124
Between 1 year to 5 years	**130 000**	80 000	**130 000**	80 000
	324 591	477 939	**324 591**	477 939
20.3 Investments reconciliation				
Opening balance	**474 292**	381 657	**474 292**	381 657
Net movement	**(153 348)**	91 388	**(153 348)**	91 388
Additions in investments	**210 000**	552 280	**210 000**	552 280
Disposals of investments	**(357293)**	(502 727)	**(357293)**	(502 727)
Movement in interest	**(6 044)**	41 835	**(6 044)**	41 835
Management fees	**-**	-	**-**	-
Movement in ECL (stage 1)	**2 203**	1 247	**2 203**	1 247
Closing balance	**323 147**	474 292	**323 147**	474 292
20.4 Expected credit loss analysis				
Opening balance	**3 647**	4 894	**3 647**	4 894
Impairments loss reversed	**(2 203)**	(1 247)	**(2 203)**	(1 247)
Closing balance	**1 444**	3 647	**1 444**	3 647

21. Other liabilities and accruals

	Group Dec 2025	Group Mar 2025	Society Dec 2025	Society Mar 2025
Accrued interest	**23 872**	22 386	**25 626**	23 393
Accrued dividends	**29 504**	15 650	**29 504**	15 649
Other creditors	**44 618**	31 646	**44 453**	31 506
	97 994	69 682	**99 583**	70 548

22. Provisions

	Group Dec 2025	Group Mar 2025	Society Dec 2025	Society Mar 2025
Provision for leave pay (note 22.1)	**3 994**	1 611	**3 994**	1 611
Provision for annual bonus (note 22.2)	**-**	2 231	**-**	2 231
Provision for gratuity (note 22.3)	**4 390**	3 555	**4 390**	3 555
	8 384	7 397	**8 384**	7 397

22. Provisions (continued)

22.1 Provision for leave pay

The leave pay provision relates to vested leave pay to which employees are entitled. The provision arises as employees render services that increase their entitlement to future compensated leave. The provision is utilised when employees, who are entitled to leave pay, leave the employment of the Society or when earned entitlement is utilised or leave is encashed. It is expected to be used within a period of 12 months.

22.2 Provision for annual bonus

Annual bonus is paid at the discretion of the Board of Directors in December each year. No assumptions are used in calculating the bonus provision. Outflow is expected within a period of 12 months.

22.3 Provision for gratuity

Gratuity is paid at the expiration of contracts of employees on fixed term employment basis or released on termination of contract. Provision is expected to be utilised on expiration of contract or termination of contract, whichever comes first. At the end of the financial year, the release or outflow of the provision was uncertain as a prediction on termination of contracts could not be reliably made.

22.4 Analysis of provisions

Group and Society

31 March 2025

	Provision for leave pay E'000	Provision for annual bonus E'000	Provision gratuity E'000	Total E'000
Balance at 01 April 2025	**1 611**	**2 231**	**3 555**	**7 397**
Provisions raised during the year	**2 555**	**7 152**	**1 728**	**11 435**
Provisions used during the year	**(172)**	**(9 383)**	**(893)**	**(10 448)**
Balance 31 December 2025	**3 994**	**-**	**4 390**	**8 384**
Balance at 01 April 2024	1 639	2 079	5 037	8 755
Provisions raised during the year	1 187	8 896	2 280	12 363
Provisions used during the year	(1 215)	(8 744)	(3 762)	(13 721)
Balance 31 March 2025	1 611	2 231	3 555	7 397

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
23. Current income tax				
Opening balance tax (asset)/liability	**(2 562)**	(5 482)	**(2 685)**	(5 623)
Income tax charge for the year	**234**	357	**-**	-
Tax refund received	**-**	2 938	**-**	2 938
Closing balance tax asset	**2 685**	2 685	**2 685**	2 685
Closing balance tax liability	**(30)**	(123)	**-**	-
Tax paid	**327**	375	**-**	-
24. Contingent liabilities and other commitments				
Commitment on mortgage advances approved but not paid out	**39 241**	28 735	**39 241**	28 735

Any expenditure is normally financed from cash generated from normal business operations.

25. Related party disclosures

The following transactions were carried out with and balances due to related parties:

a) Key management compensation

Key management includes directors (executive and non-executive) and members of the executive committee.

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
Executive directors and key management:				
Short-term employee benefits	**16 777**	24 831	**16 777**	24 831
Non-executive directors:				
Fees for services as directors	**1 000**	1 116	**1 000**	1 116
Total compensation paid to key management personnel	**17 777**	25 947	**17 777**	25 947
Total gratuity provision due to key management personnel	**4 390**	3 555	**4 390**	3 555
Total leave provision due to key management personnel	**964**	336	**964**	336
Total bonus provision due to key management personnel	**-**	396	**-**	396

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

25. Related party disclosures (continued)

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
b) Loans to related party				
Directors' and key management's loans- secured by mortgages:				
Balances at the end of the year	**27 387**	20 981	**27 387**	20 981

The loans secured by mortgages are based on terms ranging between five and twenty-five years and are repaid by equal monthly repayments of capital and interest. Interest rates are based on normal staff rates.

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
c) Deposits from related parties				
Deposits made with the Society by key management personnel:				
Swaziland Building Society permanent shares	**736**	2 623	**736**	2 623
Fixed and savings deposits	**1 932**	1 721	**1 932**	1 721
	2 668	4 344	**2 668**	4 344

The deposit period ranges from three months to two years, with fixed interest rates ranging from 3.25% - 10.75% (Mar 2025: 3.50% - 4.00%) during the year. Savings deposits are repayable on demand, with interest rates varying per product ranging between 2.50% - 5.85% (Mar 2025: 2.75% - 4.55%) during the year.

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
d) Loans to subsidiary				
Relief Financial Services	**-**	-	**4 455**	4 128
	-	-	**4 455**	4 128

The receivables from related parties arise mainly from payments made by the Society on behalf of its subsidiary. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties. The loan to the subsidiary is included in the other assets. Amount is repayable on demand.

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

26. Classification of Assets and Liabilities

Accounting classifications and fair values of assets and liabilities

All financial assets and liabilities have been classified according to their measurement category as per IFRS 9 with disclosure of the fair value being provided for those items. The carrying amount approximate their fair values.

Group	Amortised cost	Designated at fair value through profit and loss	Designated at fair value through other comprehensive income	Total Carrying amount
	E'000	E'000	E'000	E'000
Dec 2025				
Assets				
Cash and cash equivalents	**104 519**	**-**	**-**	**104 519**
Loans and advances	**2 672 244**	**-**	**-**	**2 672 244**
Other assets	**42 572**	**-**	-	**42 572**
Financial investments	**293 107**	**30 040**	**-**	**323 147**
Total assets	**3 112 442**	**30 040**	**-**	**3 142 482**
Liabilities				
Fixed and savings deposits	**1 856 969**	**-**	**-**	**1 856 969**
Subscription shares	**49 722**	**-**	**-**	**49 722**
Lease liabilities	**13 668**	**-**	**-**	**13 668**
Other liabilities and accruals	**97 994**	**-**	**-**	**97 994**
Total liabilities	**2 018 353**	**-**	**-**	**2 018 353**
Mar 2025				
Assets				
Cash and cash equivalents	108 407	-	-	108 407
Loans and advances	2 483 870	-	-	2 483 870
Other assets	28 696	-	-	28 696
Financial investments	296 477	177 815	-	474 292
Total assets	2 917 450	177 815	-	3 095 265
Liabilities				
Fixed and savings deposits	1 770 301	-	-	1 770 301
Subscription shares	45 270	-	-	45 270
Lease liabilities	15 721	-	-	15 721
Other liabilities and accruals	69 682	-	-	69 682
Total liabilities	1 900 974	-	-	1 900 974

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

26. Classification of assets and liabilities (continued)

Society	Amortised cost E'000	Fair value through profit and loss E'000	Fair value through other comprehensive income E'000	Other non-Financial assets / liabilities E'000	Total Carrying amount E'000
Dec 2025					
Assets					
Cash and cash equivalents	**104 511**	**-**	**-**	**-**	**104 511**
Loans and advances	**2 672 244**	**-**	**-**	**-**	**2 672 244**
Other assets and accrued income	**47 027**	**-**	**-**	**-**	**47 027**
Financial investments	**293 107**	**30 040**	**-**	**-**	**323 147**
Total assets	**3 116 889**	**30 040**	**-**	**-**	**3 146 929**
Liabilities					
Fixed and savings deposits	**1 874 466**	**-**	**-**	**-**	**1 874 466**
Subscription shares	**49 722**	**-**	**-**	**-**	**49 722**
Lease liabilities	**13 668**	**-**	**-**	**-**	**13 668**
Other liabilities and accruals	**99 583**	**-**	**-**	**-**	**99 583**
Total liabilities	**2 037 439**	**-**	**-**	**-**	**2 037 439**
Mar 2025					
Assets					
Cash and cash equivalents	108 399	-	-	-	108 399
Loans and advances	2 483 870	-	-	-	2 483 870
Other assets and accrued income	32 824	-	-	-	32 824
Financial investments	296 477	177 815	-	-	474 292
Total assets	2 921 570	177 815	-	-	3 099 385
Liabilities					
Fixed and savings deposits	1 787 580	-	-	-	1 787 580
Subscription shares	45 270	-	-	-	45 270
Lease liabilities	15 721	-	-	-	15 721
Other liabilities and accruals	70 548	-	-	-	70 548
Total liabilities	1 919 119	-	-	-	1 919 119

The group holds investments in money market funds, with the underlying instruments being equity instruments. The fair value of these investments are categorised as Level 3 because there are no observable arm's length transactions for the underlying equity instruments.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

27. Financial risk management

27.1 Credit risk

Financial assets that potentially subject the Society to concentrations of credit risk consist principally of cash and cash equivalents and loans and advances. Cash is placed with reputable financial institutions.

Credit risk is the risk of loss arising from counterparty default. Credit risk may arise directly from normal lending activities while indirect credit risk may arise from issuing guarantees and similar undertakings.

Some lending of the Swaziland Building Society is conducted by the Board of Directors, through an internal credit committee, which evaluates all applications and supporting motivations, including credit references for applicants. Such a committee has standard requirements to look for in loan applications and approves loans using established limits. Large loans require the approval of the board who also use set criteria to evaluate qualification, viability and conformity with Society lending policies. Debt rescheduling as well as re-advances are subjected to a similar evaluation process before approval.

27.1.1 Credit quality of financial instruments

Exposure to non-performing loans is mitigated by limiting mortgage loans to 95% of the valuation on developed property and 80% of the valuation on undeveloped land. The Society also has schemes where repayments are deducted at source. In addition, customers whose loans are past-due are not granted further loans unless their financial position indicates that there is no further risk of default. Additionally, all applicants for loans are vetted through the ITC.

The Society uses internal ratings for the performance of financial assets. Financial assets that have a rating of 'pass' are performing well. Financial assets that have a 'special mention' rating require attention of management but are not considered to be impaired. This is in line with the Central Bank ratings.

The table below shows the credit quality of the financial assets held by the Society and exposure is limited to these assets.

27. Financial risk management (continued)

27.1 Credit risk (continued)

27.1.1 Credit quality of financial instruments (continued)

Group*	Pass	Special-Mention	Sub Standard	Total performing	Impaired	Total	Security on Impaired Loans	Net Impaired Loans
Dec 2025	E'000	E'000	E'000	E'000	E'000	E'000	E'000	E'000
Financial assets	**323 147**	-	-	**323 147**	-	**323 147**	-	-
Cash and balances with Central Bank	**14 094**	-	-	**14 094**	-	**14 094**	-	-
Balances with financial institutions	**41 434**	-	-	**41 434**	-	**41 434**	-	-
Loans and advances	**2 211 975**	**266 451**	-	**2 478 426**	**258 848**	**2 737 274**	**406 374**	**14 579**
Residential mortgage loans	**722 756**	**186 708**	-	**909 464**	**128 212**	**1 037 676**	**240 757**	-
Commercial mortgage loans	**753 353**	**32 811**	-	**786 164**	**116 057**	**902 221**	**165 617**	-
Non-mortgage loans	**735 866**	**46 932**	-	**782 798**	**14 579**	**797 377**	-	**14 579**
Total recognised financial assets	**2 590 650**	**266 451**	-	**2 857 101**	**258 848**	**3 115 949**	**406 374**	**14 579**
Mar 2025								
Financial assets	477 939	-	-	477 939	-	477 939	-	-
Cash and balances with Central Bank	7 243	-	-	7 243	-	7 243	-	-
Balances with financial institutions	65 256	-	-	65 256	-	65 256	-	-
Loans and advances	2 104 310	206 487	31 338	2 342 135	201 554	2 543 689	347 288	14 235
Residential mortgage loans	707 617	162 455	22 347	892 419	94 031	986 450	193 842	-
Commercial mortgage loans	805 516	22 474	5 887	833 877	93 288	927 165	153 446	-
Non-mortgage loans	591 177	21 558	3 104	615 839	14 235	630 074	-	14 235
Total recognised financial assets	2 654 748	206 487	31 338	2 892 573	201 554	3 094 127	347 288	14 235

* Credit quality classifications are based on the Group's internal credit-risk classification system. Pass generally represents financial assets that are current and are normally classified as Stage 1 for expected credit loss purposes. Special mention generally represents financial assets that are 30–89 days past due and are normally classified as Stage 2. Sub-standard represents financial assets classified as sub-standard under the Group's internal classification system. Impaired represents financial assets that are 90 days or more past due, or otherwise meet the Group's definition of credit-impaired, and are classified as Stage 3 for expected credit loss purposes.

27. Financial risk management (continued)

27.1 Credit risk (continued)

27.1.1 Credit quality of financial instruments (continued)

Society*	**Pass**	**Special-Mention**	**Sub Standard**	**Total performing**	**Impaired**	**Total**	**Security on impaired Loan**	**Net Impaired Loans**
Dec 2025								
	E'000	**E'000**	**E'000**	**E'000**	**E'000**	**E'000**	**E'000**	**E'000**
Financial assets	**323 147**	**-**	**-**	**323 147**	**-**	**323 147**	**-**	**-**
Cash and balances with Central Bank	**14 094**	**-**	**-**	**14 094**	**-**	**14 094**	**-**	**-**
Balances with financial institutions	**41 435**	**-**	**-**	**41 435**	**-**	**41 435**	**-**	**-**
Loans and advances	**2 211 975**	**266 451**	**-**	**2 478 426**	**258 848**	**2 737 274**	**406 374**	**14 579**
Residential mortgage loans	**722 756**	**186 708**	**-**	**909 464**	**128 212**	**1 037 676**	**240 757**	**-**
Commercial mortgage loans	**753 353**	**32 811**	**-**	**786 164**	**116 057**	**902 221**	**165 617**	**-**
Non-mortgage loans	**735 866**	**46 932**	**-**	**782 798**	**14 579**	**797 377**	**-**	**14 579**
Total recognised financial assets	**2 590 635**	**266 451**	**-**	**2 857 102**	**258 848**	**3 115 950**	**406 374**	**14 579**
Mar 2025								
Financial assets	477 939	-	-	477 939	-	477 939	-	-
Cash and balances with Central Bank	7 243	-	-	7 243	-	7 243	-	-
Balances with financial institutions	65 248	-	-	65 248	-	65 248	-	-
Loans and advances	2 104 310	206 487	31 338	2 342 135	201 554	2 543 689	347 288	14 235
Residential mortgage loans	707 617	162 455	22 347	892 419	94 031	986 450	193 842	-
Commercial mortgage loans	805 516	22 474	5 887	833 877	93 288	927 165	153 446	-
Non-mortgage loans	591 177	21 558	3 104	615 839	14 235	630 074	-	14 235
Total recognised financial assets	2 654 740	206 487	31 338	2 892 565	201 554	3 094 119	347 288	14 235

* Credit quality classifications are based on the Society's internal credit-risk classification system. Pass generally represents financial assets that are current and are normally classified as Stage 1 for expected credit loss purposes. Special mention generally represents financial assets that are 30–89 days past due and are normally classified as Stage 2. Sub-standard represents financial assets classified as sub-standard under the Society's internal classification system. Impaired represents financial assets that are 90 days or more past due, or otherwise meet the Society's definition of credit-impaired, and are classified as Stage 3 for expected credit loss purposes.

SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

27. Financial risk management (continued)

27.1 Credit risk (continued)

27.1.2 Age analysis of past due but not impaired financial assets

The table below shows the aging of the past due financial assets which are not considered to be impaired.

Group	**1 – 2 Months E'000**	**2 – 3 Months E'000**	**Total E'000**
Dec 2025			
Loans and advances			
Residential mortgage loans	**722 756**	**186 708**	**909 464**
Commercial mortgage loans	**753 353**	**32 811**	**786 164**
Non-mortgage loans	**735 866**	**46 932**	**782 798**
	2 211 975	**266 451**	**2 478 426**
Mar 2025			
Loans and advances			
Residential mortgage loans	707 617	162 455	870 072
Commercial mortgage loans	805 516	22 474	827 990
Non-mortgage loans	591 177	21 558	612 735
	2 104 310	206 487	2 310 797

Society			
Dec 2025			
Loans and advances			
Residential mortgage loans	**722 756**	**186 708**	**909 464**
Commercial mortgage loans	**753 353**	**32 811**	**786 164**
Non-mortgage loans	**735 866**	**46 932**	**782 798**
	2 211 975	**266 451**	**2 478 426**
Mar 2025			
Loans and advances			
Residential mortgage loans	707 617	162 455	870 072
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Non-mortgage loans	591 177	21 558	612 735
	2 104 310	206 487	2 310 797

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

27. Financial risk management (continued)

27.1 Credit risk (continued)

27.1.3 Concentration of credit risk

The Society, over the years, has introduced more products to its portfolio to ensure that their credit risk is not concentrated on one product type (i.e., mortgage loans).

The table below summarises the concentration of credit risk by product type:

	Group		Society	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	%	%	**%**	%
Residential mortgage loans	**37.91**	40.02	**37.91**	40.02
Commercial mortgage loans	**32.64**	35.36	**32.64**	35.36
Non-mortgage loans	**29.45**	24.62	**29.45**	24.62
Guaranteed loans	**0.02**	0.02	**0.02**	0.02
Staff car loans	**0.31**	0.21	**0.31**	0.21
Staff personal loans	**1.58**	1.39	**1.58**	1.39
Rural home loans	**8.88**	8.90	**8.88**	8.90
Short loans	**0.58**	0.51	**0.58**	0.51
Other	**18.08**	13.59	**18.08**	13.59
Total net loans and advances	**100**	100	**100**	100

27. Financial risk management (continued)

27.2 Liquidity risk

Liquidity risks arises when the group, although having a solvent statement of financial position, either has insufficient cash resources to meet payment obligations as they fall due or such resources can only be secured at materially disadvantageous terms. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Society aims at maintaining flexibility in funding by encouraging customers to place more deposits with the Society through offering competitive interest rates on fixed, savings and share deposits, and the reduction of service charges.

The table below shows the maturities of the Group and Society's financial assets and liabilities and the ability of the Society to cover its financial liabilities as and when they become due and payable.

Group	On demand and 6 months E'000	6 – 12 Months E'000	1 – 5 Years E'000	Over 5 years E'000	Non-rate Sensitive E'000	Total E'000
Dec 2025						
Assets						
Cash and cash equivalents	104 519	-	-	-	-	104 519
Loans and advances	11 796	20 649	473 646	2 166 153	-	2 672 244
Intangible assets	-	-	-	-	56 524	56 524
Property, Plant and Equipment	-	-	-	-	368 097	368 097
Deferred income tax asset	-	-	-	-	41 331	41 331
Financial investments	190 551	2 596	130 000	-	-	323 147
Other assets	42 572	-	-	-	-	42 572
Current income tax	2 685	-	-	-	-	2 685
Total assets	352 123	23 245	603 646	2 166 153	465 952	3 611 119
Liabilities						
Subscription shares	37 717	8 302	3 703	-	-	49 722
Permanent shares	1 029 162	-	-	-	-	1 029 162
Asset revaluation reserve	-	-	-	-	84 313	84 313
Statutory reserve	-	-	-	-	44 525	44 525
Other Reserve	-	-	-	-	399 630	399 630
General credit risk reserve	-	-	-	-	26 722	26 722
Fixed and Saving deposits	1 393 145	443 824	20 000	-	-	1 856 969
Other Liabilities and accruals	97 994	-	-	-	-	97 994
Lease liabilities	3 670	3 503	6 495	-	-	13 668
Provisions	8 384	-	-	-	-	8 384
Current income tax liability	30	-	-	-	-	30
Total liabilities	2 570 102	455 629	30 198	-	555 190	3 611 119
Liquidity gap	(2 217 980)	(432 384)	573 448	2 166 453	(89 238)	-
Cumulative liquidity gap analysis	(2 217 980)	(2 650 363)	(2 076 915)	89 238	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

27. Financial risk management (continued)

27.2 Liquidity risk

Group Mar 2025	On demand and 6 months E'000	6 – 12 Months E'000	1 – 5 Years E'000	Over 5 years E'000	Non-rate Sensitive E'000	Total E'000
Assets						
Cash and cash equivalents	108 407	-	-	-	-	108 407
Loans and advances	43 558	24 741	571 117	1 844 454	-	2 483 870
Intangible assets	-	-	-	-	61 487	61 487
Property, Plant and Equipment	-	-	-	-	319 371	319 371
Deferred income tax asset	-	-	-	-	41 698	41 698
Financial investments	227 815	166 477	80 000	-	-	474 292
Other assets	28 696	-	-	-	-	28 696
Current income tax	2 685	-	-	-	-	2 685
Total assets	411 161	191 218	651 117	1 844 454	422 556	3 520 506
Liabilities						
Subscription shares	31 736	3 724	9 810	-	-	45 270
Permanent shares	1 056 683	-	-	-	-	1 056 683
Asset revaluation reserve	-	-	-	-	85 228	85 228
Statutory reserve	-	-	-	-	44 636	44 636
Other Reserve	-	-	-	-	400 626	400 626
General credit risk reserve	-	-	-	-	24 839	24 839
Fixed and Saving deposits	1 684 554	65 747	20 000	-	-	1 770 301
Other Liabilities and accruals	69 682	-	-	-	-	69 682
Lease liabilities	3 320	3 174	9 227	-	-	15 721
Provisions	7 397	-	-	-	-	7 397
Current income tax liability	123	-	-	-	-	123
Total liabilities	2 853 495	72 645	39 037	-	555 329	3 520 506
Liquidity gap	(2 442 334)	118 573	612 080	1 844 454	(132 773)	-
Cumulative liquidity gap analysis	(2 442 334)	(2 323 761)	(1 711 681)	132 773	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the 9-month period ended 31 December 2025

27. Financial risk management (continued)

27.2 Liquidity risk (continued)

Society	On demand and 6 months	6 – 12 Months	1 – 5 Year	Over 5 years	Non-rate Sensitive	Total
	E'000	E'000	E'000	E'000	E'000	E'000
Dec 2025						
Assets						
Cash and cash equivalents	104 511	-	-	-	-	104 511
Loans and advances	11 796	20 649	473 646	2 166 153	-	2 672 244
Intangible assets	-	-	-	-	56 524	56 524
Property, Plant and Equipment	-	-	-	-	368 097	368 097
Deferred income tax asset	-	-	-	-	41 331	41 331
Financial investments	190 551	2 596	130 000	-	-	323 147
Other assets	47 027	-	-	-	-	47 027
Current income tax	2 685	-	-	-	-	2 685
Investment in subsidiary	-	-	-	-	8 000	8 000
Total assets	356 570	23 245	603 646	2 166 153	473 952	3 623 566
Liabilities						
Subscription shares	37 717	8 302	3 703	-	-	49 722
Permanent shares	1 029 162	-	-	-	-	1 029 162
Asset revaluation reserve	-	-	-	-	84 313	84 313
Statutory reserve	-	-	-	-	43 932	43 932
Other Reserve	-	-	-	-	393 614	393 614
General credit risk reserve	-	-	-	-	26 722	26 722
Fixed and Saving deposits	1 410 642	443 824	20 000	-	-	1 874 466
Other liabilities and accruals	99 583	-	-	-	-	99 583
Lease liabilities	3 670	3 503	6 495	-	-	13 668
Provisions	8 384	-	-	-	-	8 384
Total liabilities	2 589 158	455 629	30 198	-	548 581	3 623 566
Liquidity gap	(2 232 589)	(432 384)	573 448	2 166 153	(74 629)	-
Cumulative liquidity gap analysis	(2 232 589)	(2 664 972)	(2 091 524)	74 629	-	-

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SWAZILAND BUILDING SOCIETY AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

27. Financial risk management (continued)

27.2 Liquidity risk (continued)

Society Mar 2025	On demand and 6 months E’000	6 – 12 Months E’000	1 – 5 Year E’000	Over 5 years E’000	Non-rate Sensitive E’000	Total E’000
Assets						
Cash and cash equivalents	108 399	-	-	-	-	108 399
Intangible assets	-	-	-	-	61 487	61 487
Loans and advances	43 558	24 741	571 117	1 844 454	-	2 483 870
Property, Plant and Equipment	-	-	-	-	319 366	319 366
Deferred income tax asset	-	-	-	-	41 698	41 698
Financial investments	227 815	166 477	80 000	-	-	474 292
Other assets	32 824	-	-	-	-	32 824
Current income tax	2 685	-	-	-	-	2 685
Investment in subsidiary	-	-	-	-	8 000	8 000
Total assets	415 281	191 218	651 117	1 844 454	430 551	3 532 621
Liabilities						
Subscription shares	31 736	3 724	9 810	-	-	45 270
Permanent shares	1 056 683	-	-	-	-	1 056 683
Asset revaluation reserve	-	-	-	-	85 228	85 228
Statutory reserve	-	-	-	-	44 113	44 113
Other Reserve	-	-	-	-	395 242	395 242
General credit risk reserve	-	-	-	-	24 839	24 839
Fixed and Saving deposits	1 701 833	65 747	20 000	-	-	1 787 580
Other liabilities and accruals	70 548	-	-	-	-	70 548
Lease liabilities	3 320	3 174	9 227	-	-	15 721
Provisions	7 397	-	-	-	-	7 397
Total liabilities	2 871 517	72 645	39 037	-	549 422	3 532 621
Liquidity gap	(2 456 236)	118 573	612 080	1 844 454	(118 871)	-
Cumulative liquidity gap analysis	(2 456 236)	(2 337 663)	(1 725 583)	118 871	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

27. Financial risk management (continued)

27.3 Foreign exchange risk

The Society operates in Eswatini and therefore has no significant exposure to foreign exchange risk.

27.4 Cash flow interest rate risk

As the Society has significant interest-bearing assets and liabilities, the Society's income and operating cash flows are substantially dependent to changes in market interest rates.

The Society's interest rates risk arises from fixed and savings deposits and Swaziland Building Society share deposits. The fixed and savings deposits, and share deposits issued at variable interest rates expose the Society to the interest rate risk.

The table below shows the effect of a 50 basis points increase or decrease in the interest rates on the Statement of comprehensive income.

	Group				**Society**			
	Dec 2025		Mar 2025		**Dec 2025**		Mar 2025	
	50 basis points increase E'000	**50 basis points decrease E'000**	50 basis points increase E'000	50 basis points decrease E'000	**50 basis points increase E'000**	**50 basis points decrease E'000**	50 basis points increase E'000	50 basis points decrease E'000
Interest income:								
Mortgage lending (loans and advances from customers)	**10 888**	**(10 888)**	9 863	(9 863)	**10 888**	**(10 888)**	9 863	(9 863)
Non-mortgage lending *(loans and advances from customers and financial investments)*	**1 603**	**(1 603)**	5 246	(5 246)	**1 603**	**(1 603)**	5 246	(5 246)
	12 491	**(12 491)**	15 109	(15 109)	**12 491**	**(12 491)**	15 109	(15 109)
Interest expense:								
Fixed and savings deposits	**3 470**	**(3 470)**	8 852	(8 852)	**3 518**	**(3 518)**	8 938	(8 938)
Swaziland Building Society Subscription Share deposits	**54**	**(54)**	226	(226)	**54**	**(54)**	226	(226)
	3 524	**(3 524)**	9 078	(9 078)	**3 572**	**(3 572)**	9 164	(9 164)
Impact on net interest income	**8 967**	**(8 967)**	6 031	(6 031)	**8 919**	**(8 919)**	5 945	(5 945)

27. Financial risk management (continued)

27.5 Capital risk management

The Society's objectives when managing capital are to safeguard the Society's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Capital includes permanent shares.

27.6 Fair value estimation

Effective 1 January 2009, the Society adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

28. Intangible assets

	Group			**Society**		
	Dec 2025	Mar 2025	01 Apr 2025	**Dec 2025**	Mar 2025	01 Apr 2025
	E'000	E'000	E'000	**E'000**	E'000	E'000
Intangible assets comprise computer software and its development costs incurred.						
Cost	**113 976**	111 533	108 108	**113 976**	111 533	108 108
Opening balance	**111 533**	108 107	95 144	**111 533**	108 107	95 144
Additions	**2 443**	3 426	12 964	**2 443**	3 426	12 964
Accumulated from amortisation and impairment losses	**(57 452)**	(50 046)	(39 796)	**(57 452)**	(50 046)	(39 796)
Opening balance	**(50 046)**	(39 796)	(34 813)	**(50 046)**	(39 796)	(34 813)
Charge for the year	**(7 406)**	(10 250)	(4 983)	**(7 406)**	(10 250)	(4 983)
Net book value	**56 524**	61 487	68 312	**56 524**	61 487	68 312

There are no restrictions or encumbrances or pledges over intangible assets as at reporting date. All intangible assets were externally generated and are amortised on a straight-line basis. The intangible asset relates to the core-banking system, with a remaining amortization period of 13 years (Mar 2025: 14 years).

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

29. Lease liabilities

Maturity analysis - contractual undiscounted cash-flows

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
Less than one year	**6 840**	6 777	**6 840**	6 777
One to five years	**7 235**	11 493	**7 235**	11 493
Total undiscounted lease liabilities	**14 075**	18 270	**14 075**	18 270
Lease liabilities included in the statement of financial position				
Current liabilities	**6 033**	6 444	**6 033**	6 444
Non-current liabilities	**7 635**	9 277	**7 635**	9 277
Total lease liabilities	**13 668**	15 721	**13 668**	15 721
Amounts recognised in the statement of comprehensive income				
Interest on lease liabilities	**1 099**	1 588	**1 099**	1 588
Depreciation charge for the year	**4 509**	5 761	**4 509**	5 761
Total	**5 608**	7 349	**5 608**	7 349
Amounts recognised in the statement of cash flows				
Total cash outflow for leases	**5 447**	6 720	**5 447**	6 720

The leases relate to premises occupied by the Society, with a lease term ranging between three and five years, with an option to renew at the end of the lease term. All lease agreements have the option to terminate and option to renew lease agreements once it has expired. There are no restrictions applicable to the leased premises.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the 9-month period ended 31 December 2025

30. Statement of Cashflow notes

30.1 Purchase of property, plant and equipment

	Group		Society	
	Dec 2025 E'000	Mar 2025 E'000	**Dec 2025 E'000**	Mar 2025 E'000
Additions (14.1)	**64 269**	40 651	**64 269**	40 651
Add: intangible assets (28)	**2 443**	3 426	**2 443**	3 426
Less: transfers (14.1)	**-**	(3 568)	**-**	(3 568)
Less: revaluation gain (17.1)	**-**	-	**-**	-
	66 712	40 509	**66 712**	40 509

30.2 Interest and commission received

Interest and similar charges (4)	**249 838**	319 603	**249 838**	319 603
Opening interest receivable	**16 704**	(41 835)	**16 704**	(41 835)
Fees and commission income (6)	**88 696**	109 084	**88 696**	109 084
Closing interest receivable	**(10 733)**	-	**(10 733)**	-
	344 505	386 852	**344 505**	386 852

30.3 Interest paid

Opening accrued interest (21)	**(22 386)**	(22 436)	**(23 393)**	(23 407)
Interest expense & similar charges(5)	**(70 464)**	(95 095)	**(71 429)**	(96 423)
Interest on lease liabilities (29)	**1 099**	1 588	**1 099**	1 588
Closing accrued interest (21)	**23 872**	22 386	**25 626**	23 393
	(67 879)	(93 557)	**(68 097)**	(94 849)

30.4 Other income received

Opening other assets (11)	**28 696**	30 868	**32 824**	34 620
Other operating income (7)	**100**	232	**100**	232
Closing other assets (11)	**(42 572)**	(28 696)	**(47 027)**	(32 824)
	(13 776)	2 404	**(14 103)**	2 028

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the 9-month period ended 31 December 2025

30. Statement of Cashflow notes (continued)

	Group		Society	
	Dec 2025	Mar 2025	**Dec 2025**	Mar 2025
	E'000	E'000	**E'000**	E'000
30.5 Cash payments to employees and suppliers				
Opening other liabilities excluding accrued interest (21)	**(47 296)**	(51 528)	**(47 155)**	(51 407)
Opening provisions (22)	**(7 397)**	(8 755)	**(7 397)**	(8 755)
Operating expenses & salary & employee benefits (8), (3)	**(192 055)**	(254 526)	**(192 030)**	(254 506)
Closing other liabilities excluding accrued interest (21)	**74 124**	47 296	**73 958**	47 155
Closing provisions (22)	**8 384**	7 397	**8 384**	7 397
	(164 240)	(260 116)	**(164 240)**	(260 116)

31. Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Society will be able to meet its obligations as disclosed in the Statement of Financial Position as a Commercial Bank.

32. Events after the reporting period

Subsequent to the reporting period ended 31 December 2025, the Swaziland Building Society officially registered with the Registrar of Companies a company, SBS Bank Eswatini Limited to operate as a Commercial Bank in Eswatini. Effective 01 January 2026, Swaziland Building Society ceased operating as a Building Society. Consequently, to this transition, the SBS Bank Eswatini restructured its ownership framework. Permanent shareholders were transitioned into Ordinary Shareholders based on individual shareholders elections, allowing members to either:

- Purchase Ordinary Shares: Electing to convert their existing permanent shares into Ordinary Shares.
- Opt out; Choosing not to participate in the Commercial Bank equity structure, with the permanent shares being converted into a term deposit.

In accordance with IAS 10 (Events After the Reporting Period), this transition represents a non-adjusting event. It reflects conditions that arose after the balance sheet date and does no result in any changes to the Groups historical financial statements presented for the period ended 31 December 2025. The reclassification from Permanent Shares to Ordinary Shares and Term Deposits for members who opted out will be recognized prospectively in the Statement of Changes in Equity during the 2027 financial year.

NOTES

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NOTES