Standard Bank

MALAWI IS OUR HOME, WE DRIVE HER

GROWTH

2024 ANNUAL RESULTS PRESENTATION

STANDARD BANK PLC
19 MARCH 2025

Agenda

1.0
2024 Backdrop and progress

2.0
2024 Financial performance and outlook

3.0
Strategy - 2025 and beyond

#WeBelieveInMalawi

SB Plc overview | FY24, FY25 and beyond

1.0

FY24 franchise performance – continued strong franchise momentum

- Our purpose, strategy and targets are unchanged
- The global and local macroeconomic backdrop was challenging
- We have a large and growing client base that is doing more with us
- We managed costs and risk effectively
- We have delivered strong earnings growth and returns over time and have made good progress towards our 2025 targets

2.0

FY24 financial performance and FY25 outlook – growth and returns driven by our diversified portfolio

- Strong organic growth underpinned by our resilient and growing franchise
- Diversified portfolio across 3 businesses and 27 points of representation
- We delivered a double-digit earnings growth
- Tracking ahead of plan and remain confident we will continue to deliver on our ambitious targets

3.0

Beyond 2025 – scale, diversity, resilience

- We have a well diversified business with scale and are positioned to win
- Our strategic priorities remain unchanged and we are focused on execution
- We are well positioned to capture Malawi's growth opportunities
- We are confident we can deliver continued attractive growth and increased returns

2024
Backdrop and progress

1.0

Our purpose, strategy and targets are unchanged

OUR PURPOSE:
Why we exist

MALAWI IS OUR HOME, WE DRIVE HER GROWTH

OUR VISION:
What we aspire

To be the leading and undisputed number 1 financial services provider in, for, and across Malawi

OUR STRATEGIC PRIORITIES:
What we needed to do to deliver our purpose

OUR FINANCIAL TARGETS:
What we committed to deliver

Transform Client Experience	Execute With Excellence	Drive Sustainable Growth And Value
Revenue growth >30%	Cost to Income Ratio ~45%	Return on Equity ~40%

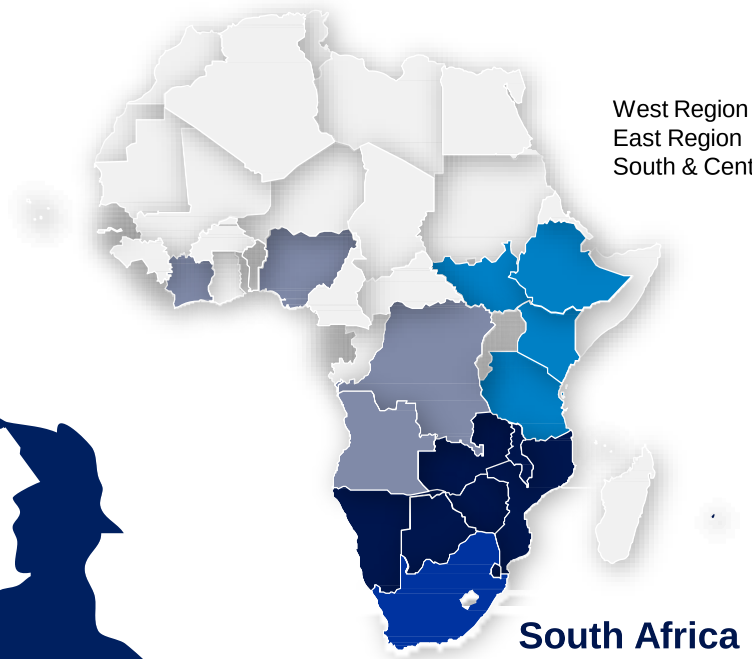
In 2024, the global macroeconomic backdrop was challenging, but Africa's fundamentals were favourable except for Malawi

Global

- Uncertain geopolitics and conflicts
- Elections brought about change
- Inflation and interest rates moderated
- Real GDP growth remained strong

Malawi

- Turbulent and uncertain operating environment
- FX liquidity challenges persisted, despite a better tobacco season
- Headline inflation closed at 32.2%
- GDP growth remained subdued at 1.8%, slightly lower from 1.9% for 2023, and lower than the initial forecast of 2.8%.
- Interest rates remained relatively high, with Policy rate maintained at 26.0% throughout the year
- High public debt levels persisted – GDP to debt ratio >80%
- Uncertainty loomed around the IMF ECF program



South Africa

- Formation of the GNU led to an improvement in consumer and business confidence
- Structural reform and fiscal consolidation agendas retained
- Inflation and interest rates moderated
- Currency was stable against USD and GBP on average
- Real GDP growth remained subdued at 0.6%

Africa Regions

West Region[3]

- Inflation and interest rates high
- Currencies devalued
- Real GDP growth accelerated to 4.4%[1]

East Region[4]

- Inflation and interest rates low/declining
- Currencies stable/strengthened
- Local protests and regional conflicts
- Real GDP growth remained robust at 5.7%[1]

South & Central Region[5]

- Inflation, interest rates and currencies were mixed
- Weather-related impacts constrained Malawi and Zambia
- Real GDP growth moderated to 2.1%[1]

[1] Weighted average based on SBG portfolio, [2] The impact of currency movements relative to the ZAR on the portfolio headline earnings in 2024 , [3] Angola, DRC, Ghana, Côte d'Ivoire, Nigeria, [4] Kenya, South Sudan, Tanzania, Uganda, [5] Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia, Zimbabwe

We managed costs and risk effectively - Technology enabled our operational efficiency

Targeted investments enabled our competitiveness and resilience, and ensured the delivery of excellent client experience

INNOVATION

ALWAYS ON

ALWAYS SECURE

SIMPLIFICATION & LOCALIZATION

DATA & AI

COST EFFICIENCY

Executing with excellence

Managing risk and cost effectively – improved efficiency

- **Effective risk, cost, capital, and liquidity management to fund distribution to shareholders**

37% Cost-to-income ratio

+9% Jaws

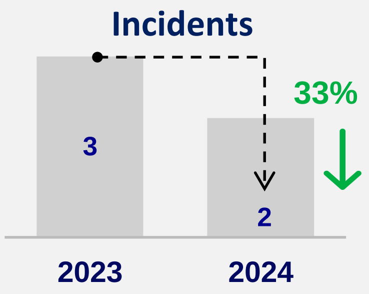
234bps Credit loss ratio

21.9% Tier 1 Capital ratio

33.2% Return on equity

Building trust through stability and security

- Focused on **reducing system downtime**
  - **>99.5%** Applications Uptime
  - **>99.9%** Network Uptime
  - **0** Cyber Security incidents
- Leading to **reduction in number of High Impact incidents**



Deploying enhanced client service offerings and experiences

Improved client experience scores on digital channels

41 *Internet Banking NPS score*

+13 *Value Added Services*

47 *Smart-App NPS score*

↑47% *Digitally Active Clients*

↑ 8.0pts

Pay Day Loans – Offering max 30-day loans

Deduct at Source – Civil Servant loans

Extracting value while modernising our technology

- **Automation and Robotics** of services

16 BOTS Deployed into Production

36 APIs Internal APIs in Production

10 Integrations Partnerships with Third parties

Localization – Core Banking

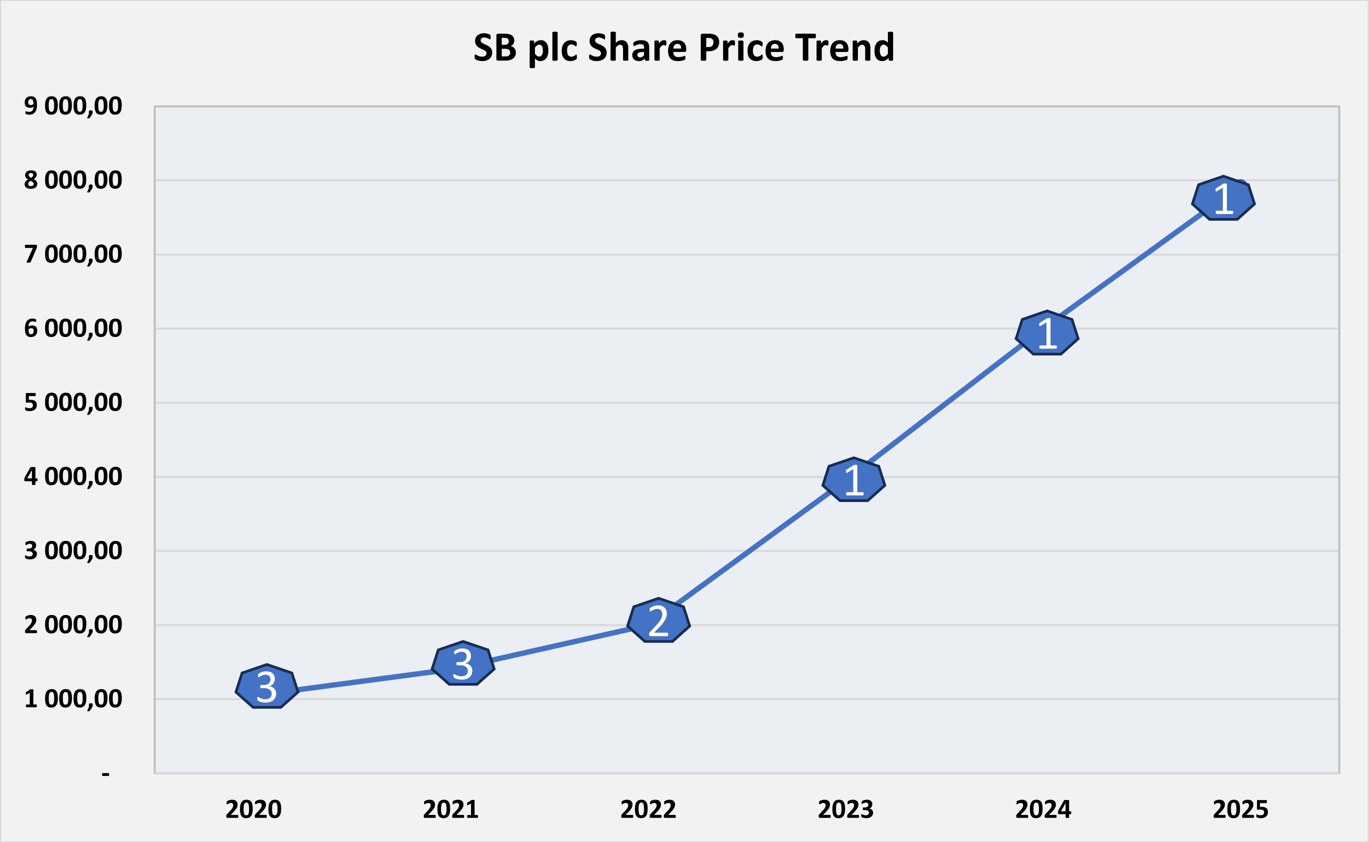
- Localization of Finacle Core Banking and Peripheral applications in Malawi

September 2024! ✓

Our share performance on MSE | a business in good health that has proved resilient over time

Delivering exceptional shareholder returns

Drive sustainable growth and value



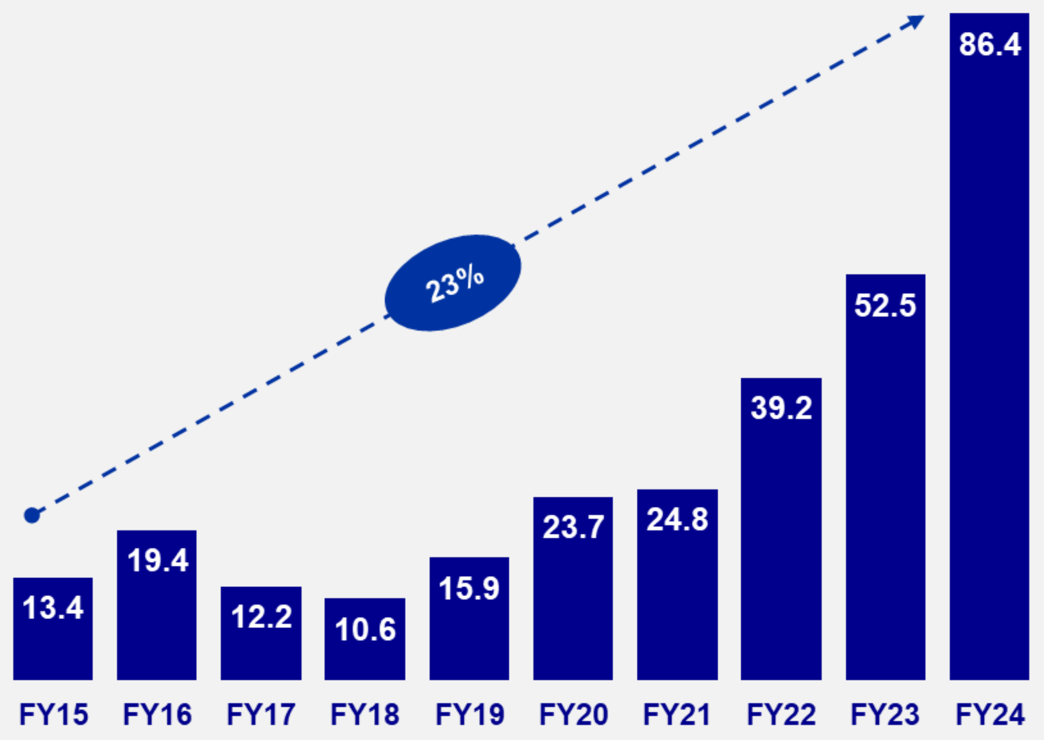
Year	Share Price MWK	Price in US$	Position
2020	1 046,39	1,35	3
2023	1 400,00	1,71	3
2022	2 000,16	1,93	2
2023	3 950,00	2,33	1
2024	6 000,00	3,05	1
2025	7 930,00	4,53	1

Our share price has been growing impressively over the past 4 - 5 years. The Standard Bank counter currently has the highest share price on the Malawi Stock Exchange

We achieved robust headline earnings growth and enhanced ROE

Profit after tax

10-year CAGR, 23%

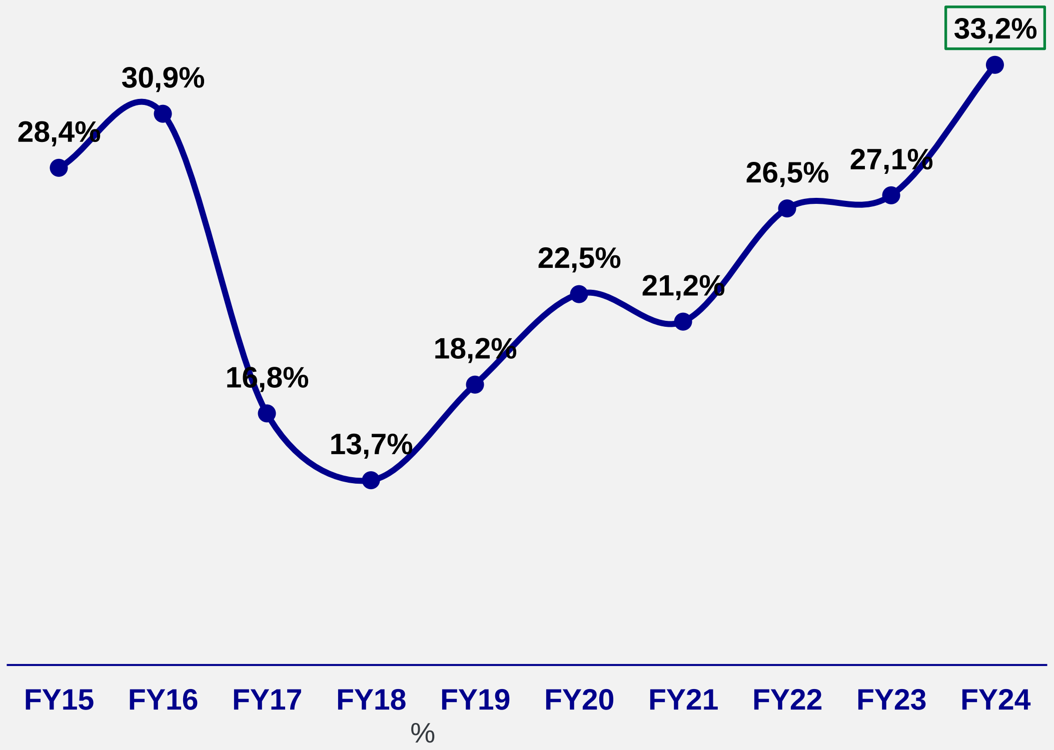


MK'b

ROE

Now sustainably higher than 10-year average of 23.9%

Target ROE, 32% - 40%

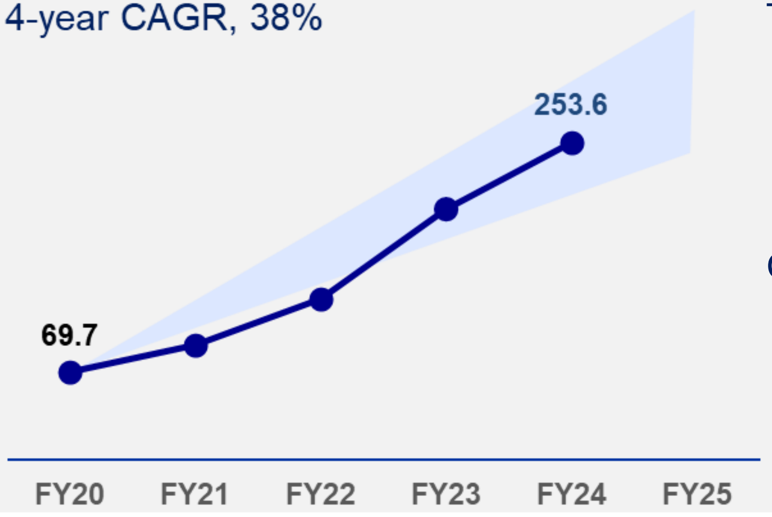


[1] *Including unappropriated profits*

We continued to make good progress towards our targets

Revenue, MK'b

4-year CAGR, 38%

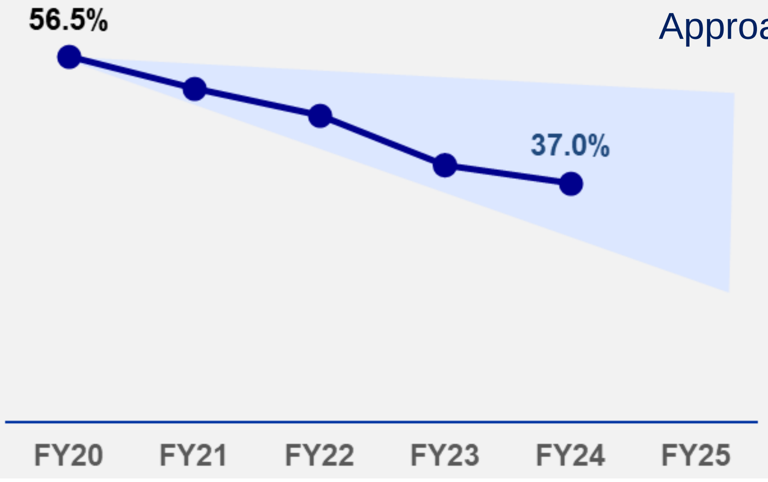


Target:

35% to 37%

CAGR

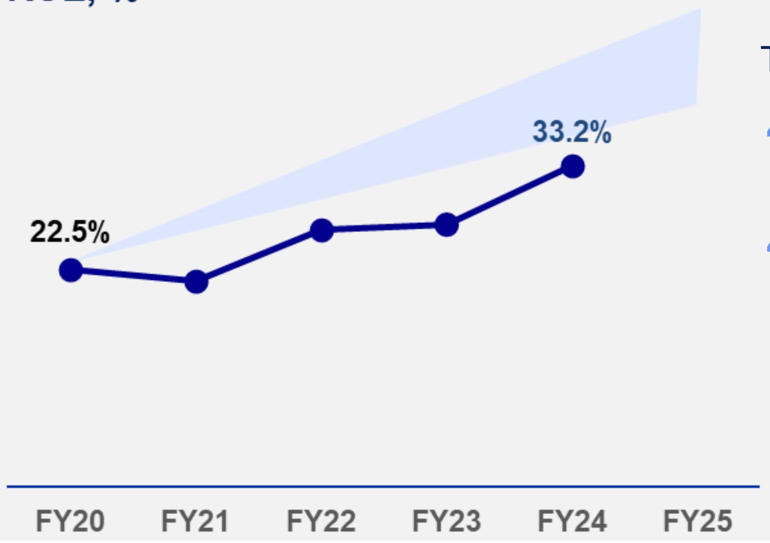
Cost-to-income ratio, %



Target: Approaching

35%

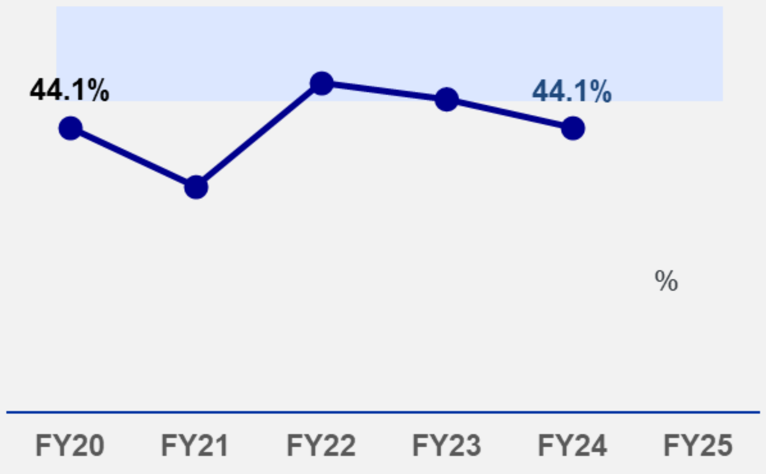
ROE, %



Target:

40% to 45%

Dividend payout ratio, %



> Confident we can navigate uncertainties and deliver on our key targets

We executed on our strategic priorities and were recognised for the extraordinary 2024 performance

FINACLE IS NOW PAKWATHU!!

2024 financial performance and outlook

2.0

Strong performance across all key metrics

Record profit performance on strong diversified income growth, prudent cost management and resilient balance sheet growth

Profit After Tax

FY24: **MK86.4bn**

FY23: **MK52.5bn**

↑**64%**

Customer Deposits

FY24: **MK928.0bn**

FY23: **MK790.6bn**

↑**17%**

Customer loans & advances

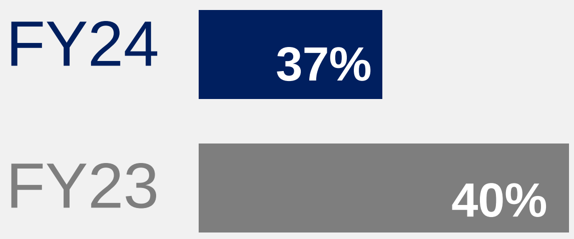
FY24: **MK378.3bn**

FY23: **MK294.3bn**

↑**29%**

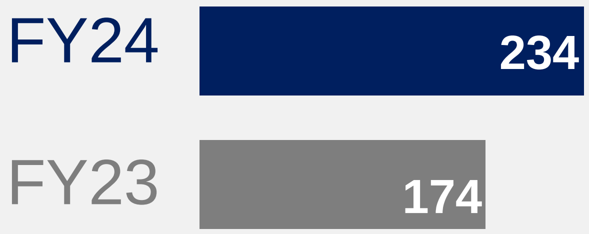
Return on Equity (%)

Cost-to-Income Ratio (%)



+9% Jaws

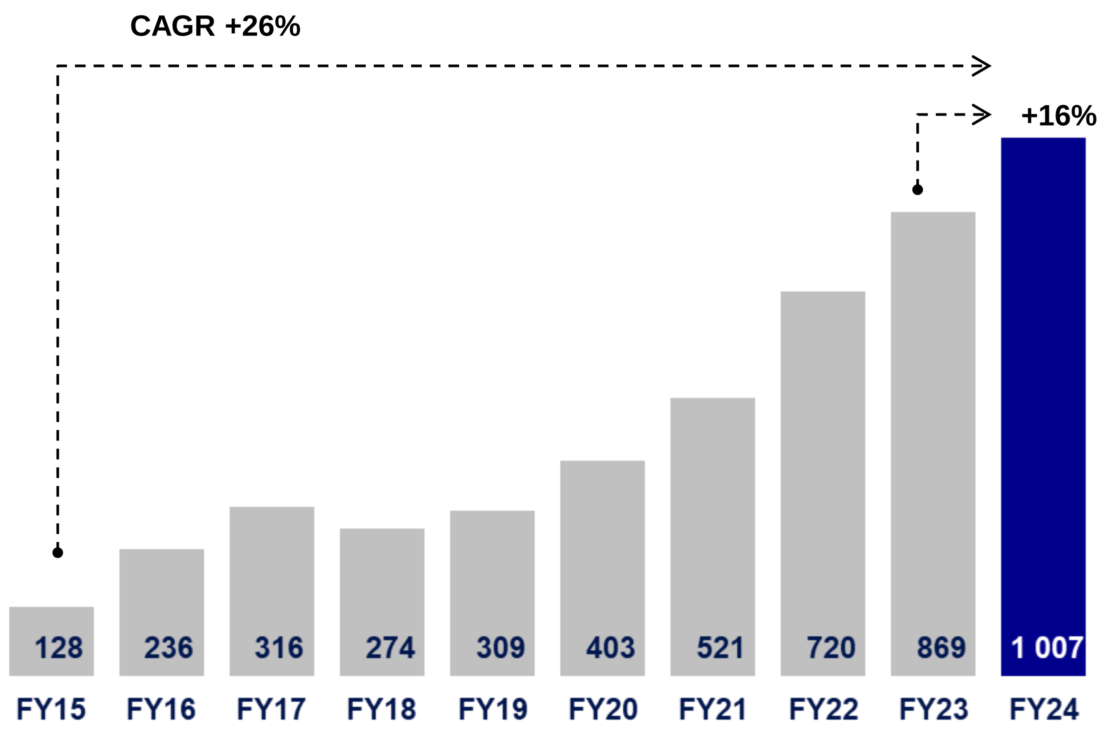
Credit Loss Ratio (bps)



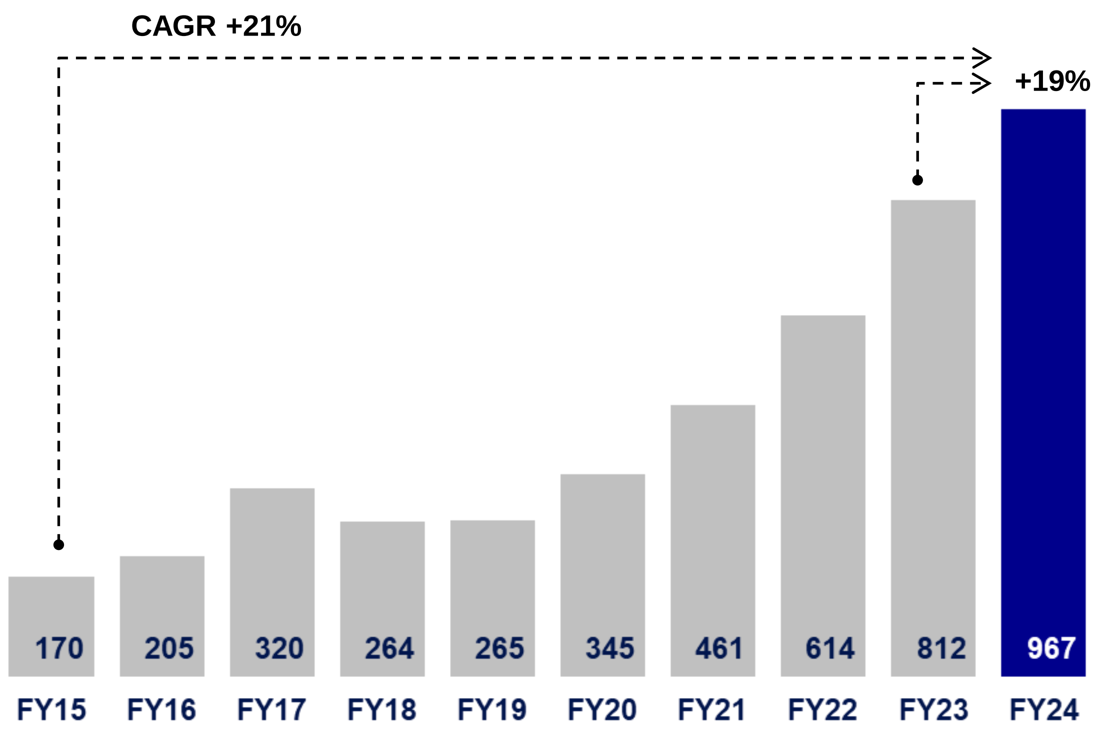
Strong balance sheet momentum continued

Strong loan book growth in key growth sectors; funding & liquidity remains very healthy, with current and savings accounts deposits growing by 27%

Interest earning assets (MK'b)

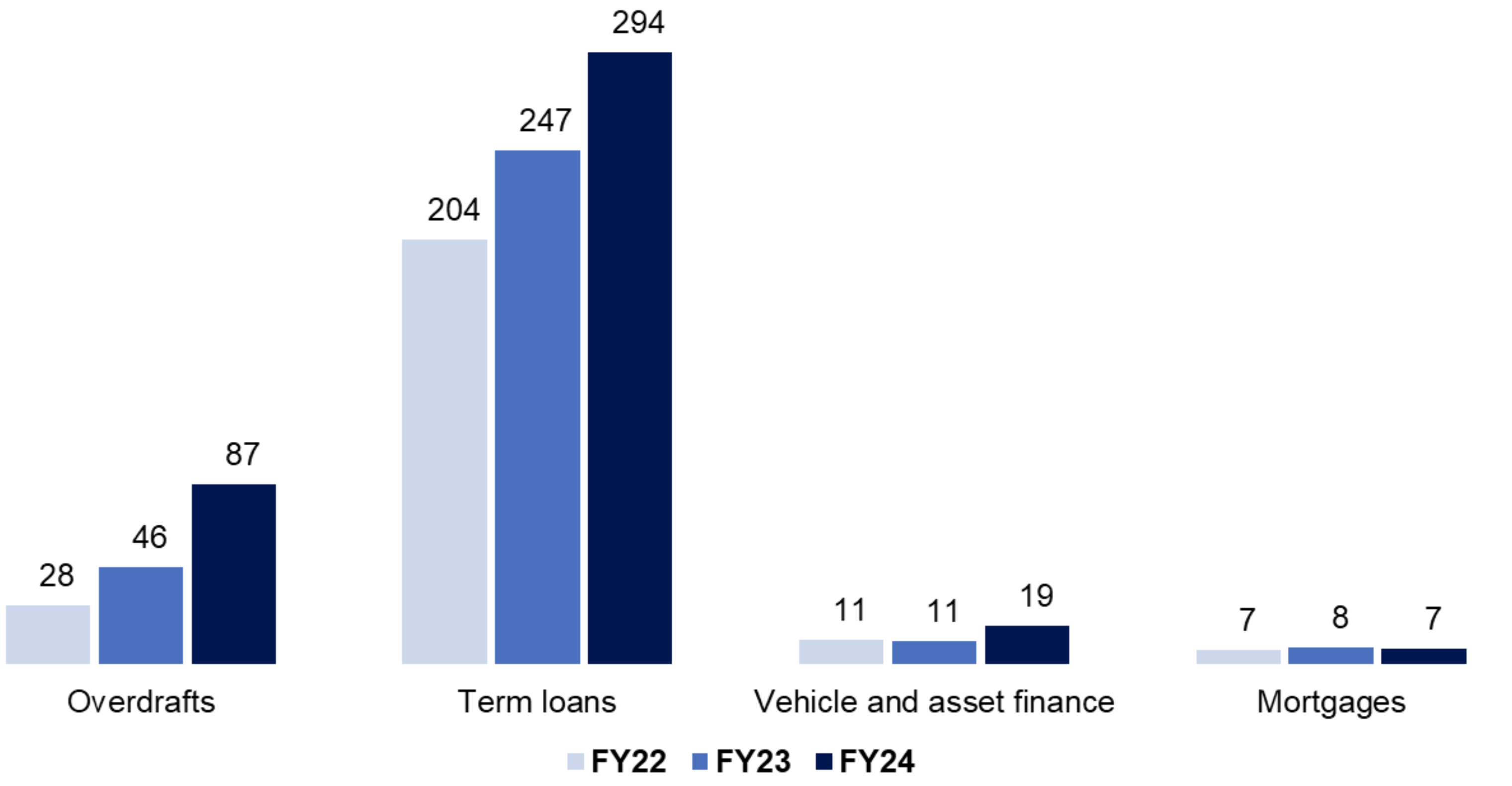


Interest bearing liabilities (MK'b)

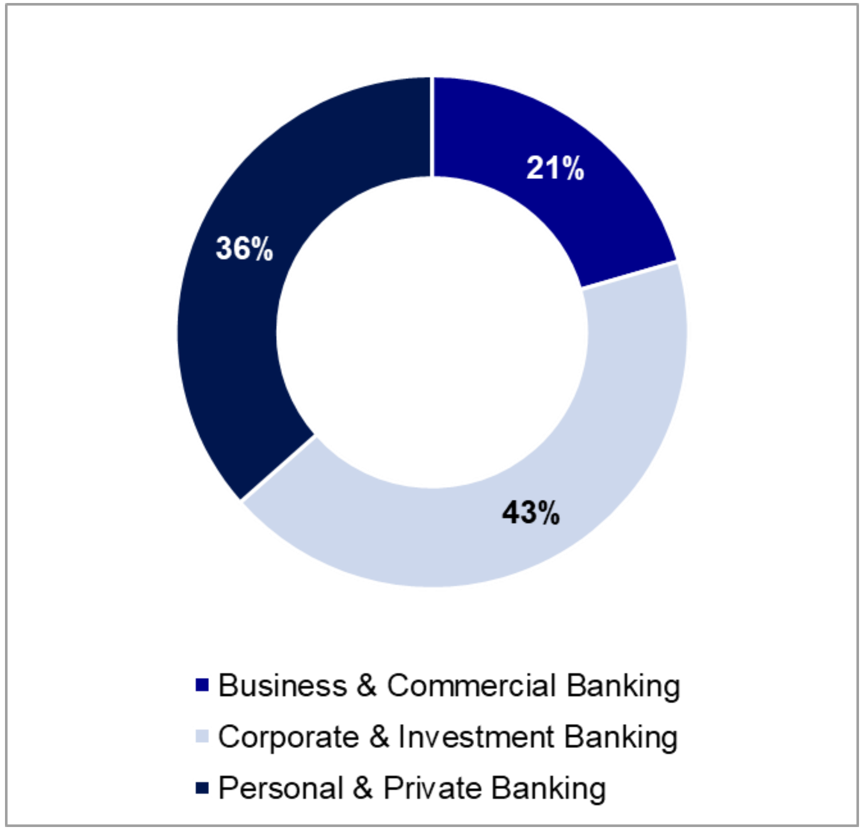


Continued focused growth in secured and corporate lending

Gross Loans & Advances to customers (MK'b), +30%

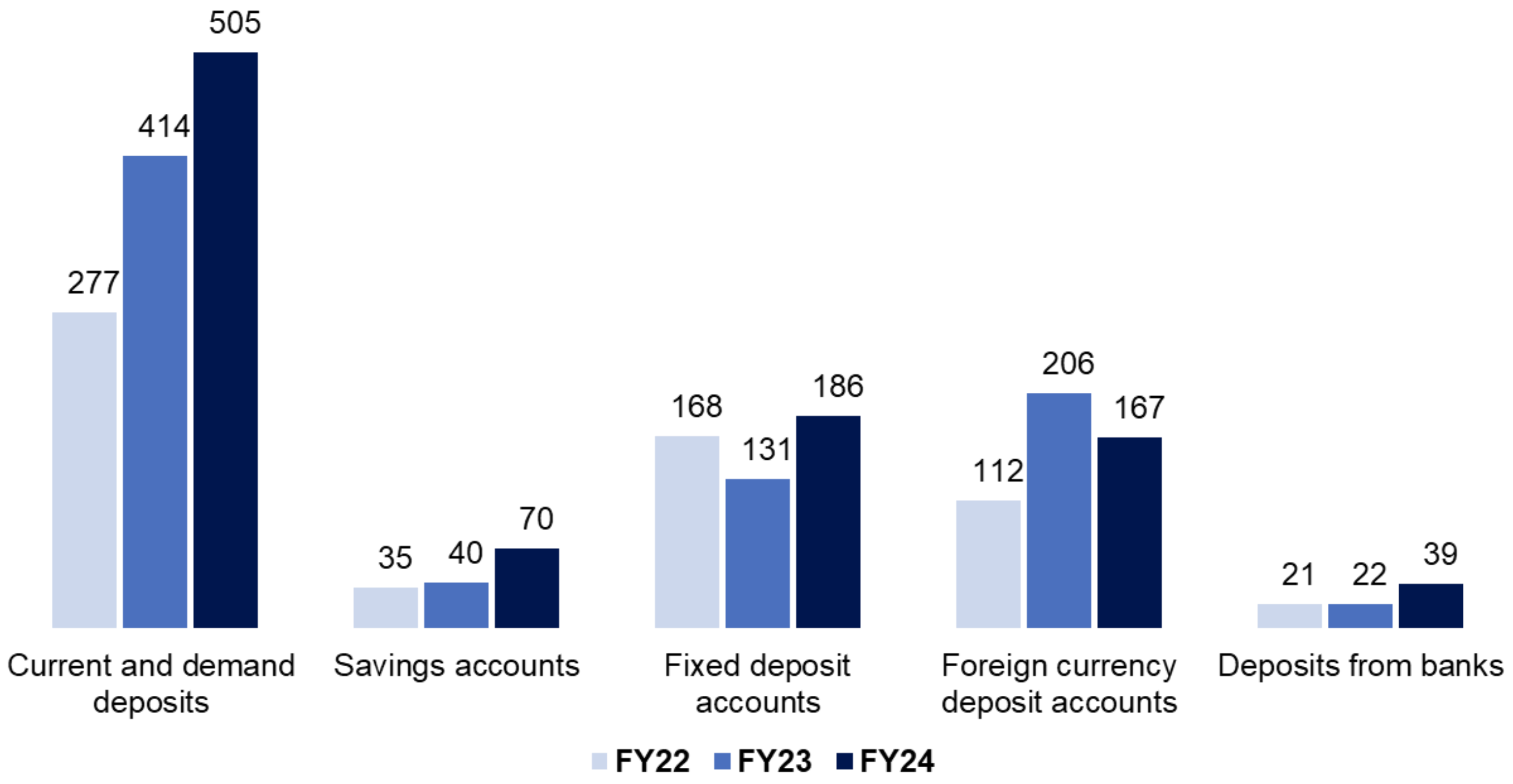


Gross Loans & Advances to customers (%), by segments (FY24)

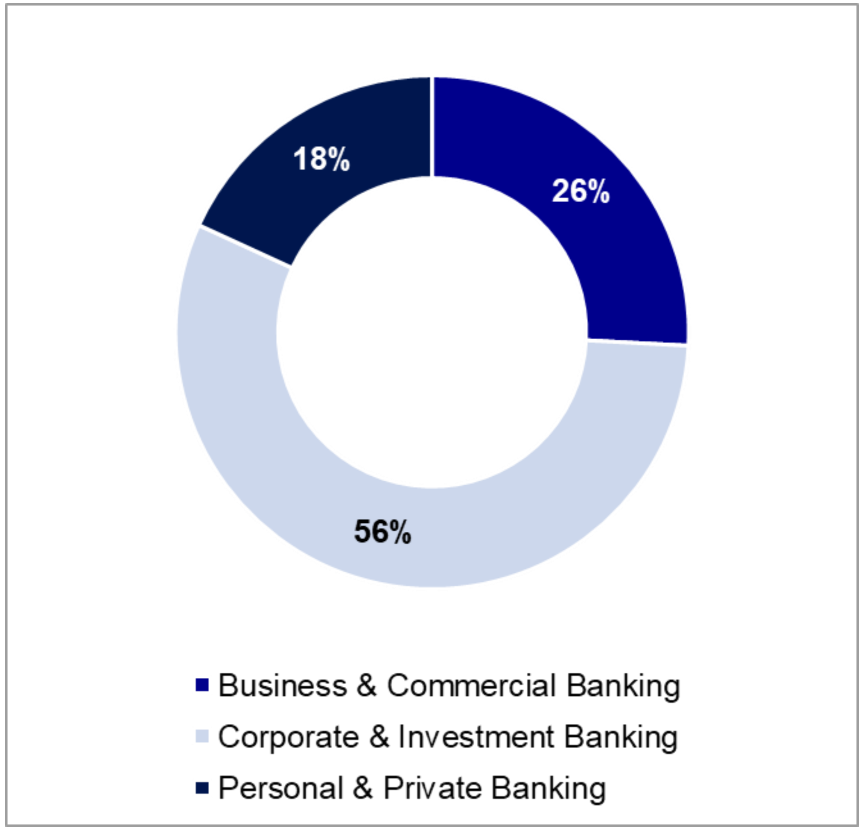


Continued focus on client acquisition and retention strategies

Deposits[1] (MK'b), +19%



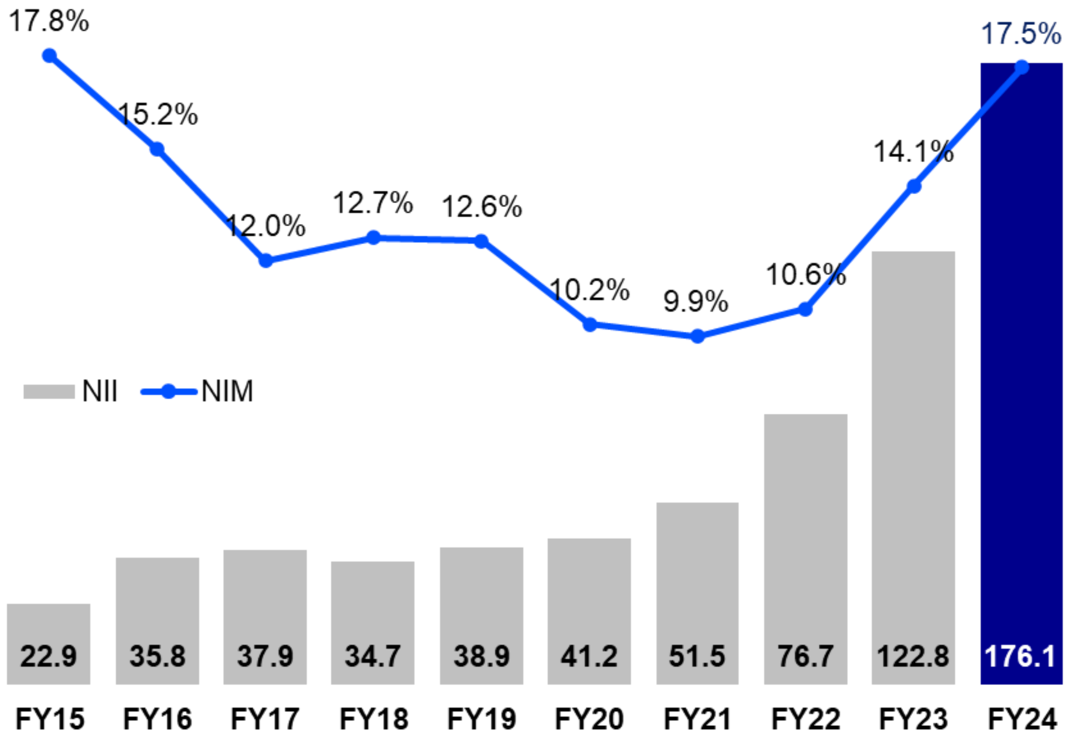
Deposits[1] (%), by segments



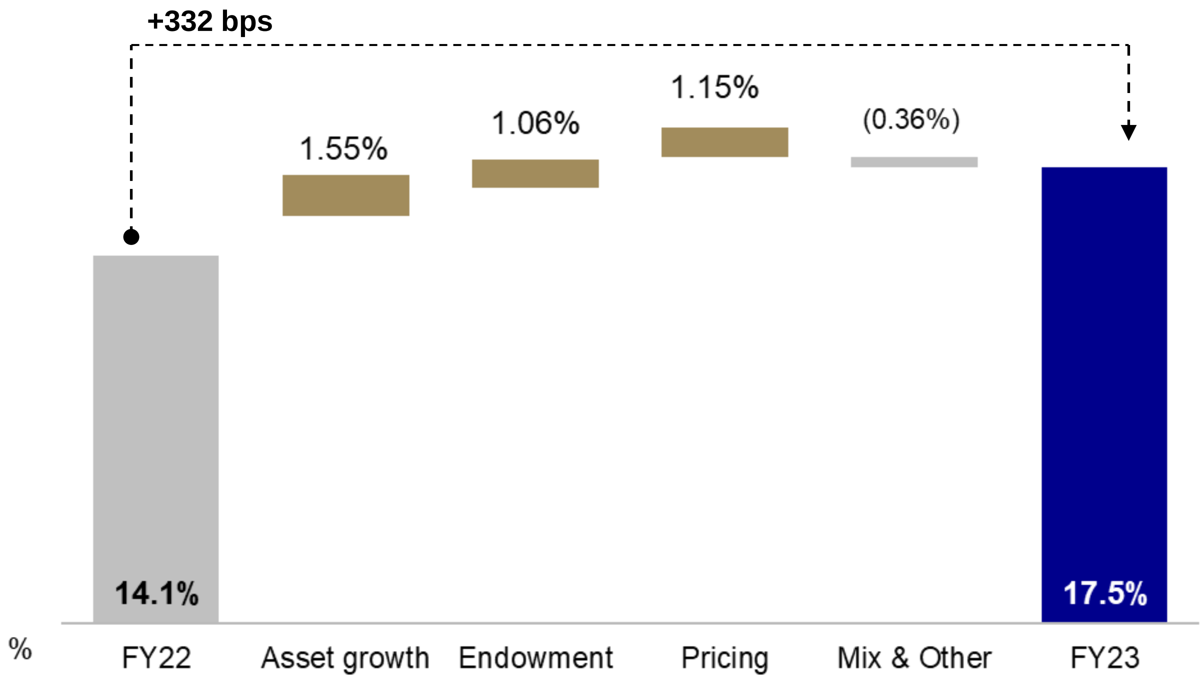
[1] *Includes both Deposits from customers and deposits from customers*

Net interest income up by 43%

Growth in interest earning assets (IEA) and wider margins from increased reference rates drove a surge in net interest income earnings



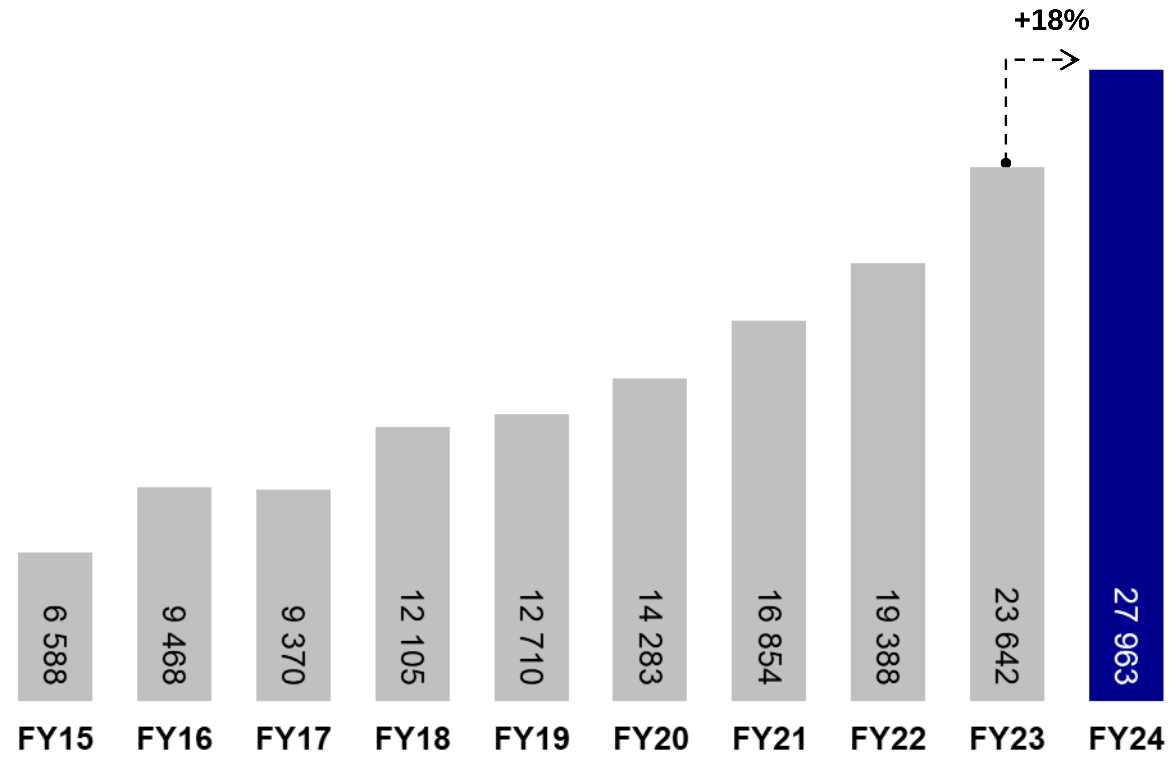
IEA[1]	128	236	316	274	309	403	521	720	869	1007



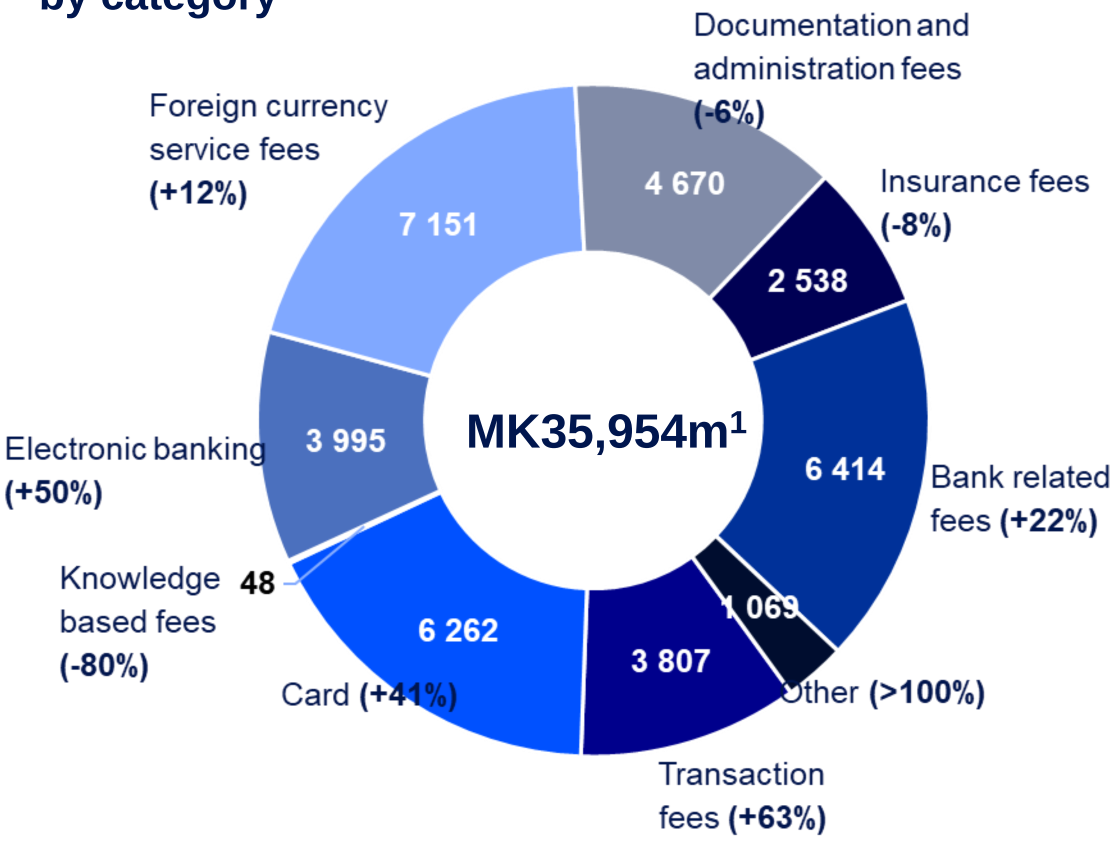
[1] *IEA stands for interest earning assets*

Fees and commissions growth stemmed from strong client franchise performance across all segments, even amidst economic challenges.

Net fees & commissions (MK’m)

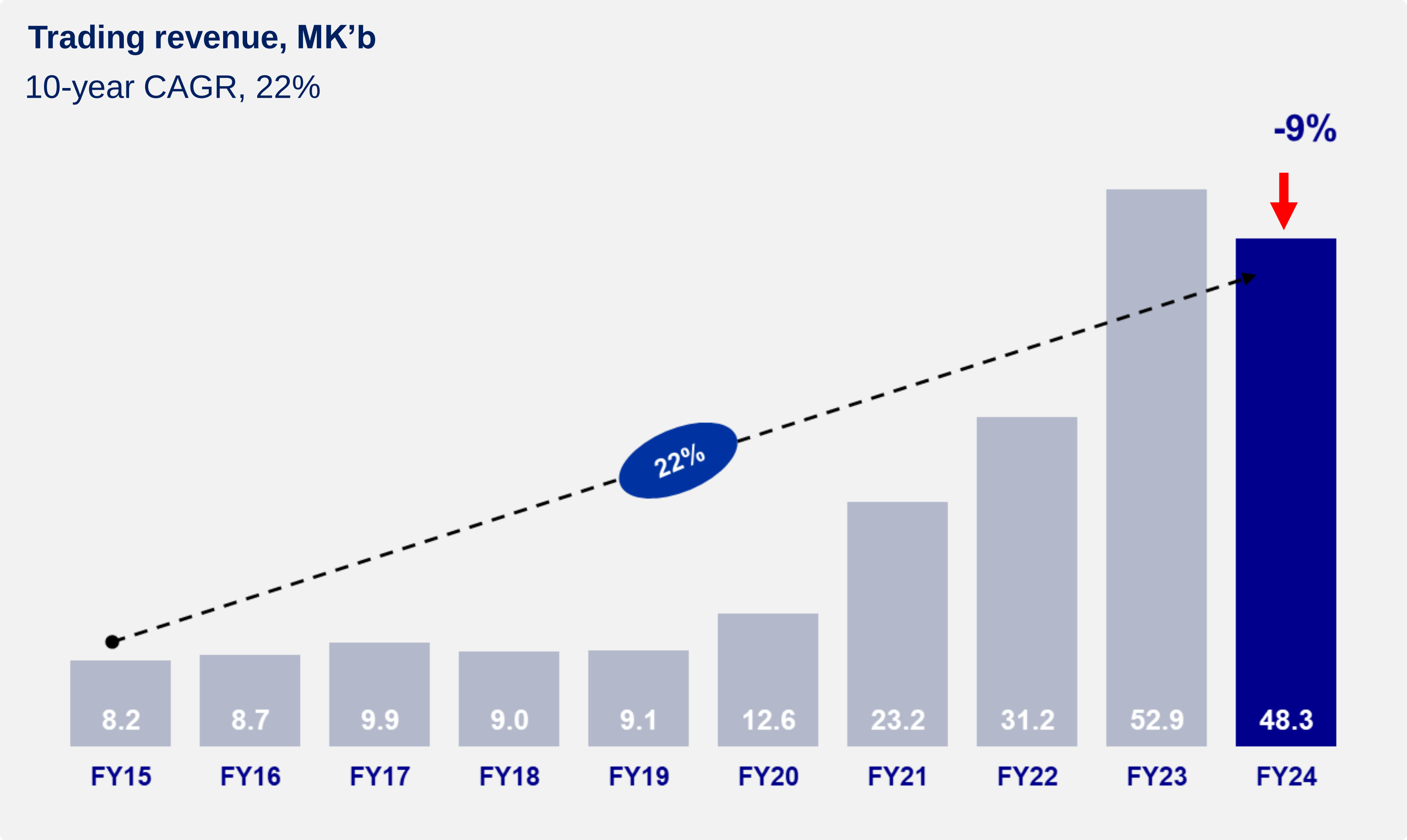


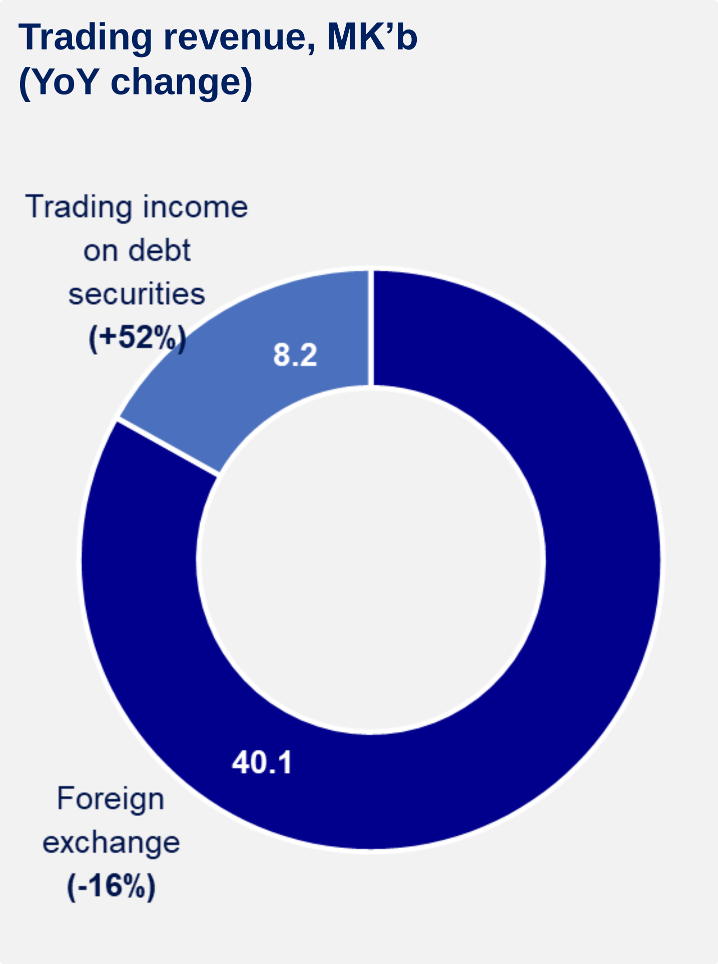
Fees & commissions (MK’m, growth rates), by category



[1] *Fees and commission expenses amounted to MK7,991m, up 46%*

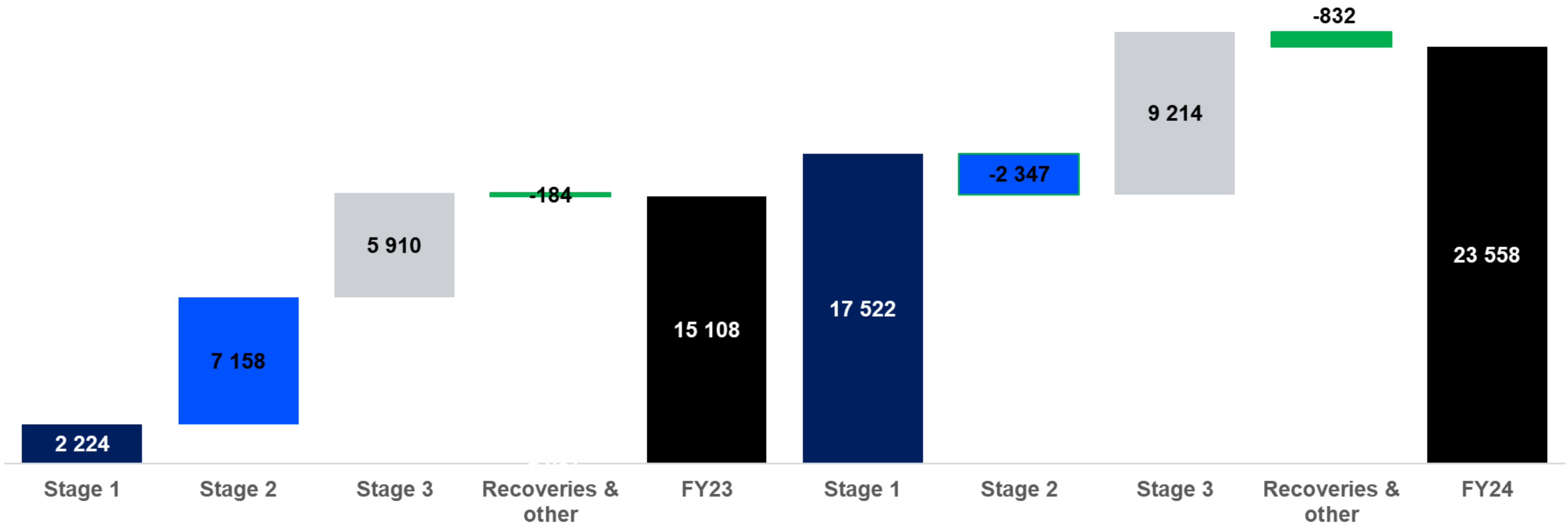
Trading revenue – Improved interest risk management could not offset the decline in forex sales induced by foreign currency shortage





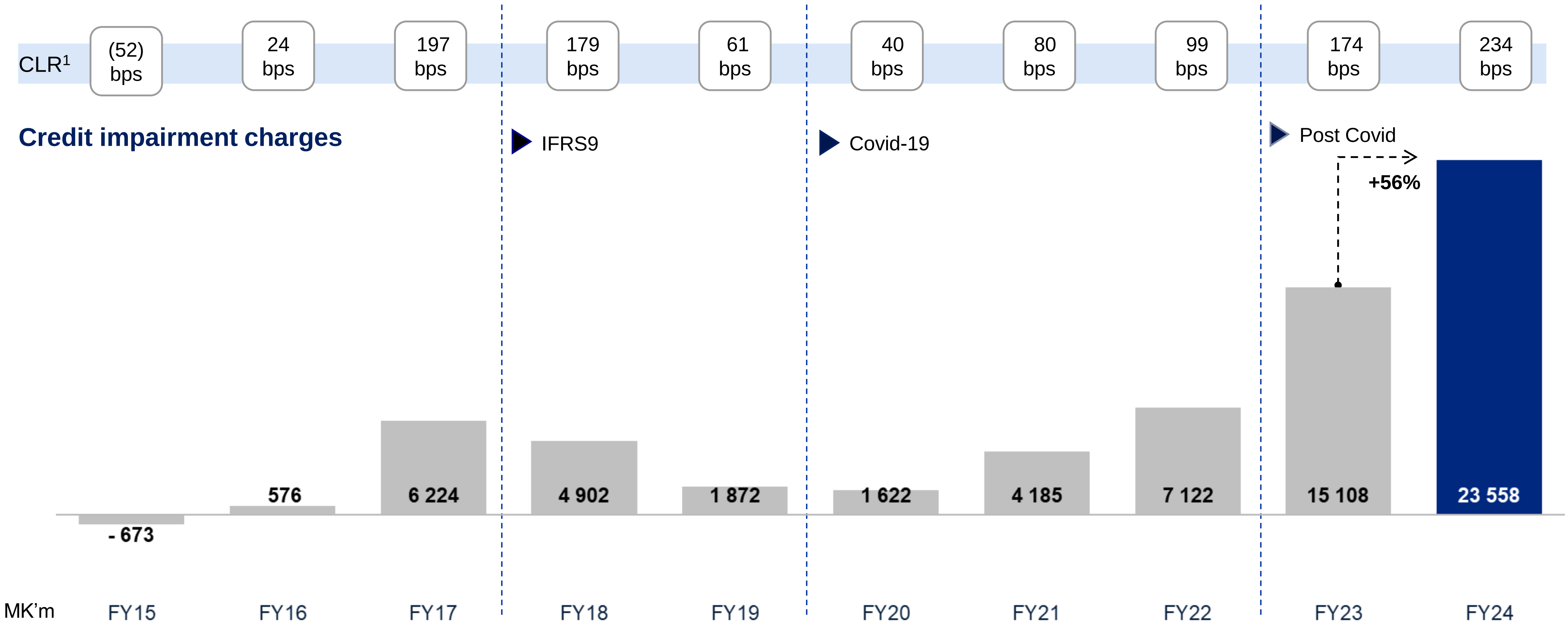
Credit impairment charges up by 56%

The surge in Stage 1 provisions underscores the challenging economic conditions and a cautious approach to managing credit risk from the growing loan portfolio.



Credit impairment charges

Concerns around worsening macroeconomic outlook and increased client downgrades continue to create pressure on forward-looking credit impairments.

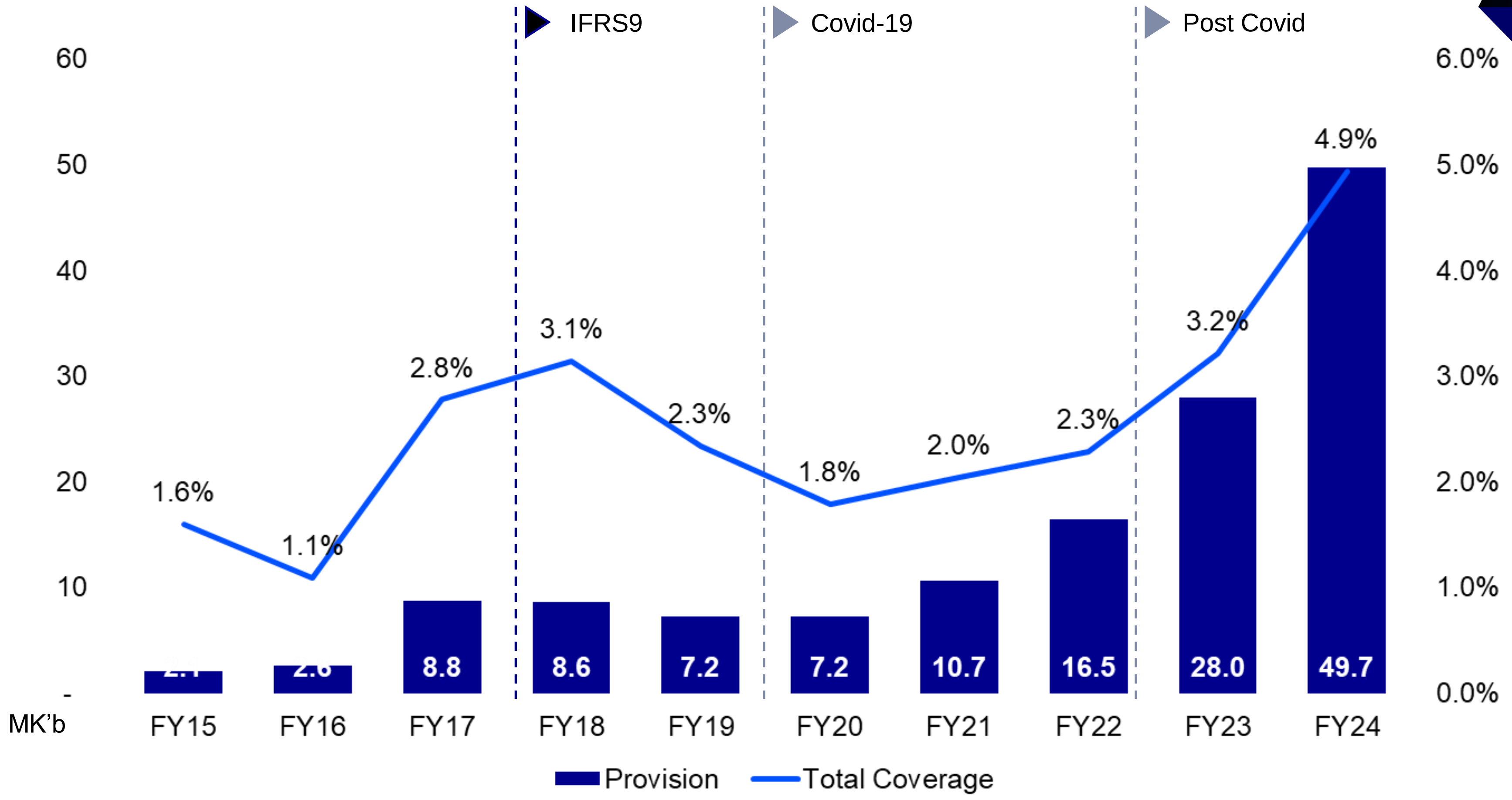


[1] *Credit loss ratio based on credit impairment charges on loans and advances & financial investments*

Balance sheet provisions and coverage

Provisions and coverage remain significantly above 5-year levels

Provisions[1]



Key takeouts

- Provisions and coverage increased post the introduction of IFRS9
- Increased further as a result of Covid-19-induced provisions
- Post Covid-19 concerns around rising public debt intensified pressure on sovereign risk
- FY24 provision levels increased further and remain significantly above historical average because of challenging macro economic environment

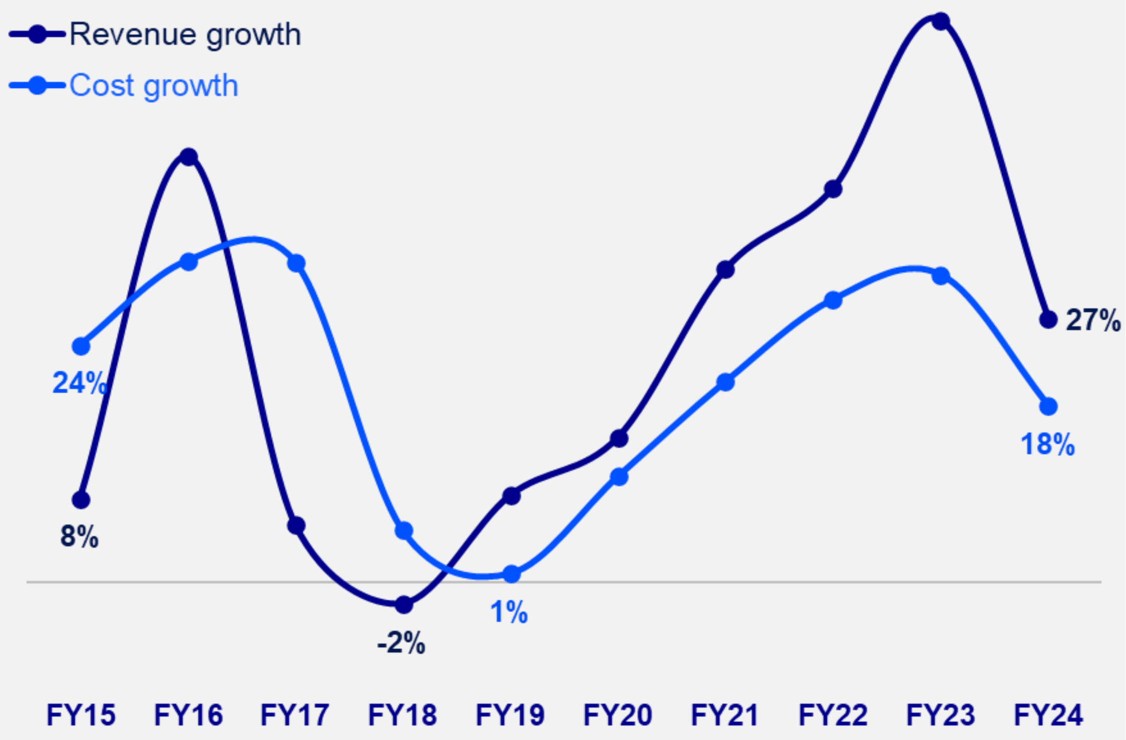
Average	Provisions[1] MK'm	Coverage %
FY15 – FY17	4 467	1.8
FY18 – FY19	7 924	2.7
FY20 – FY22	11 460	2.0
FY23 – FY24	38 855	4.1

[1] *Based on average of year end/ period end provisions for on-balance sheet exposures*

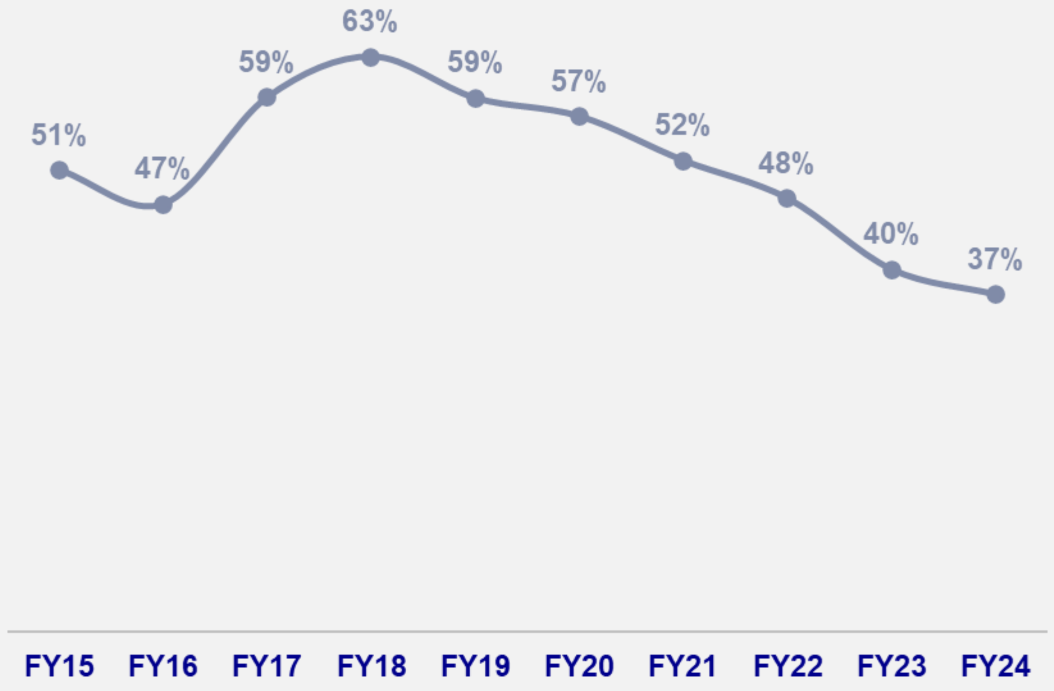
Operating expenses – sustained positive jaws has driven the cost-to-income ratio down since peak in 2018

Income vs cost growth and jaws

Jaws[1]	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
	(16%)	11%	(26)%	(7%)	8%	4%	11%	11%	26%	9%



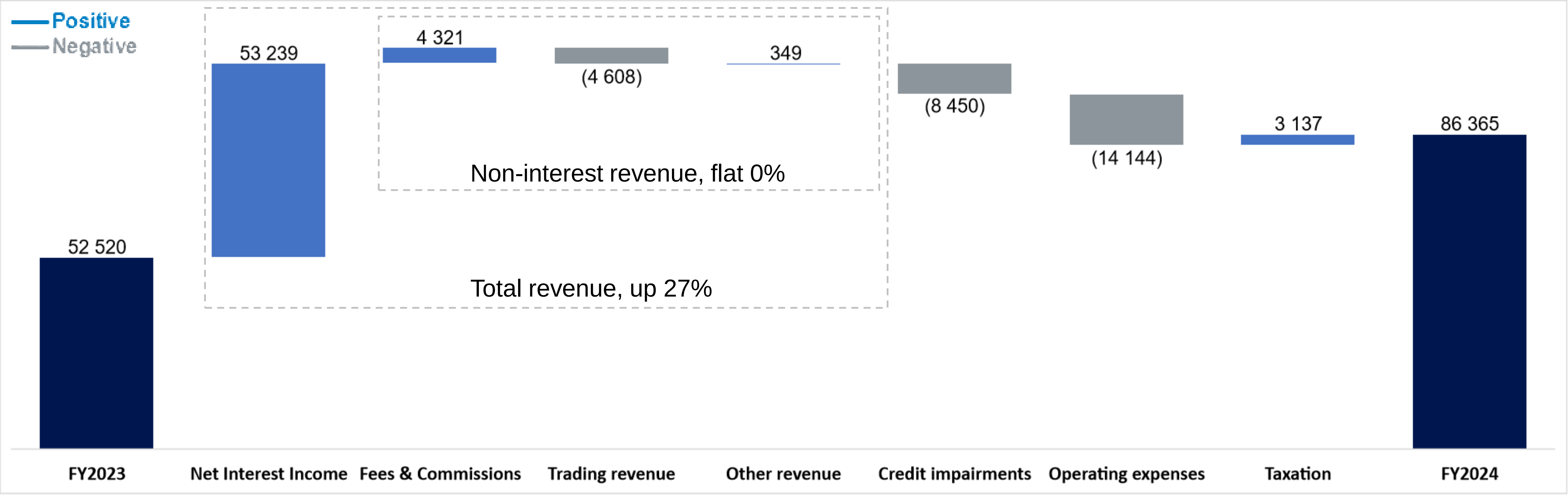
Cost-to-income ratio



[1] *Jaws calculated as revenue growth less cost growth*

Group profit after tax analysis

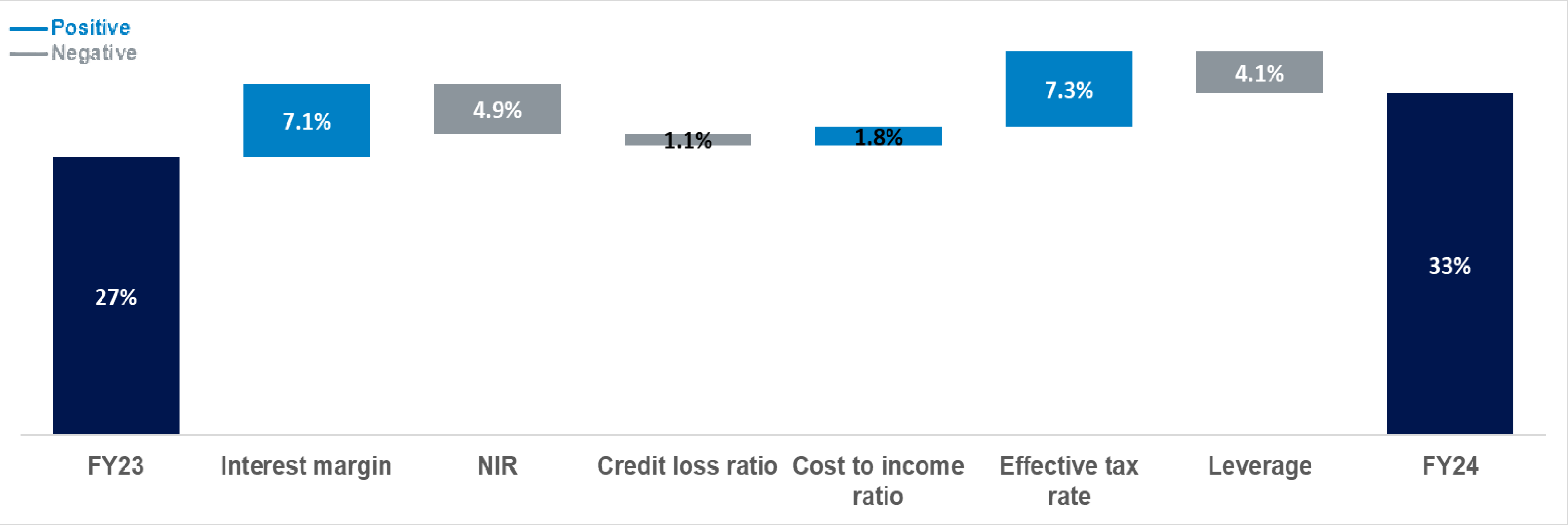
Strong net interest income performance and cost discipline overcame rising credit charges and high inflation, boosting earnings.



VAR. %	**+43%**	**+18%**	**-9%**	**+20%**	**+56%**	**+18%**	**-6%**	**+64%**

Group Return on Equity analysis

The return on equity (ROE) surge was driven by widening interest rate margins and cost optimisation which countered weak NIR performance and excess liquidity.



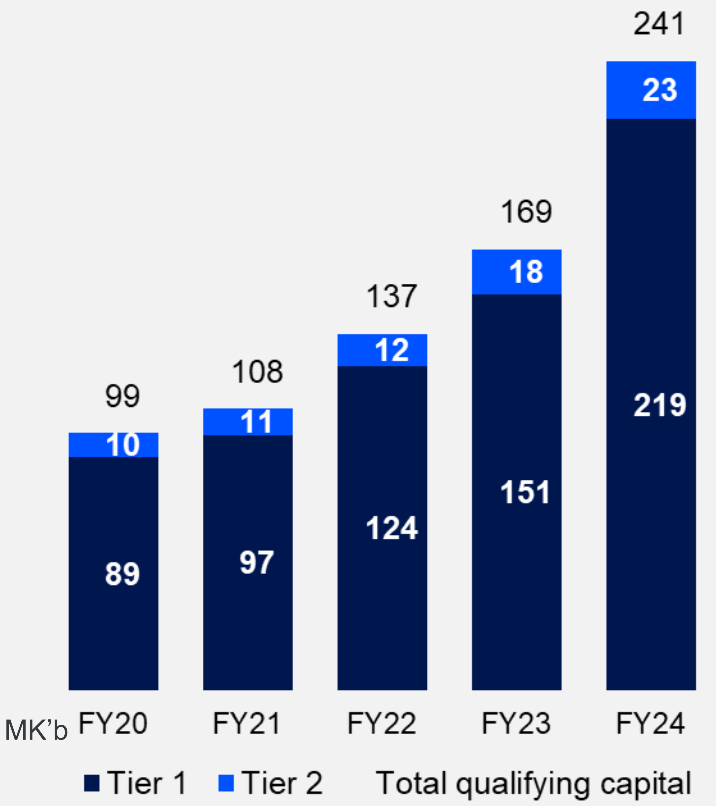
Capital and returns

2.1

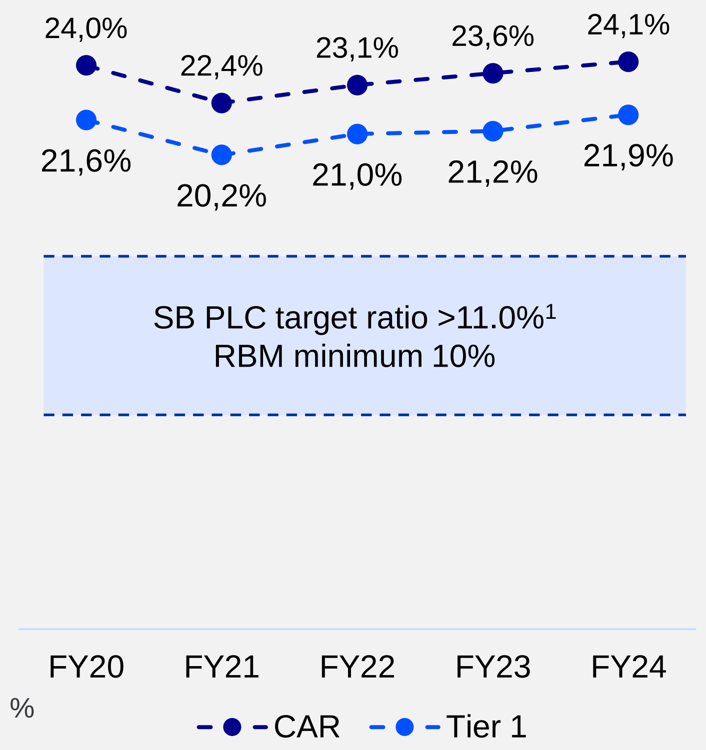
Capital and liquidity

Robust capital and liquidity providing resilience and supporting business growth

Capital[1]

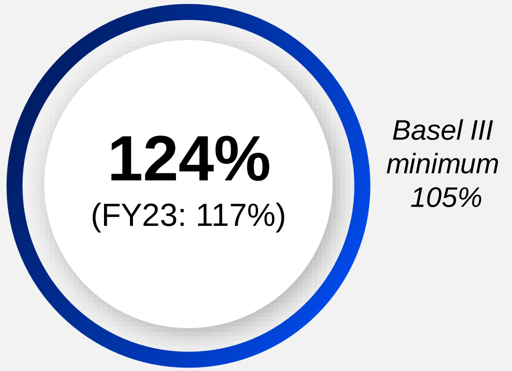


Capital adequacy[1]

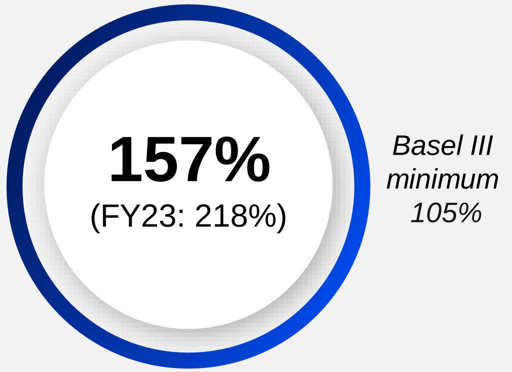


Liquidity

Internal stress ratio - LCY



Internal stress ratio - FCY

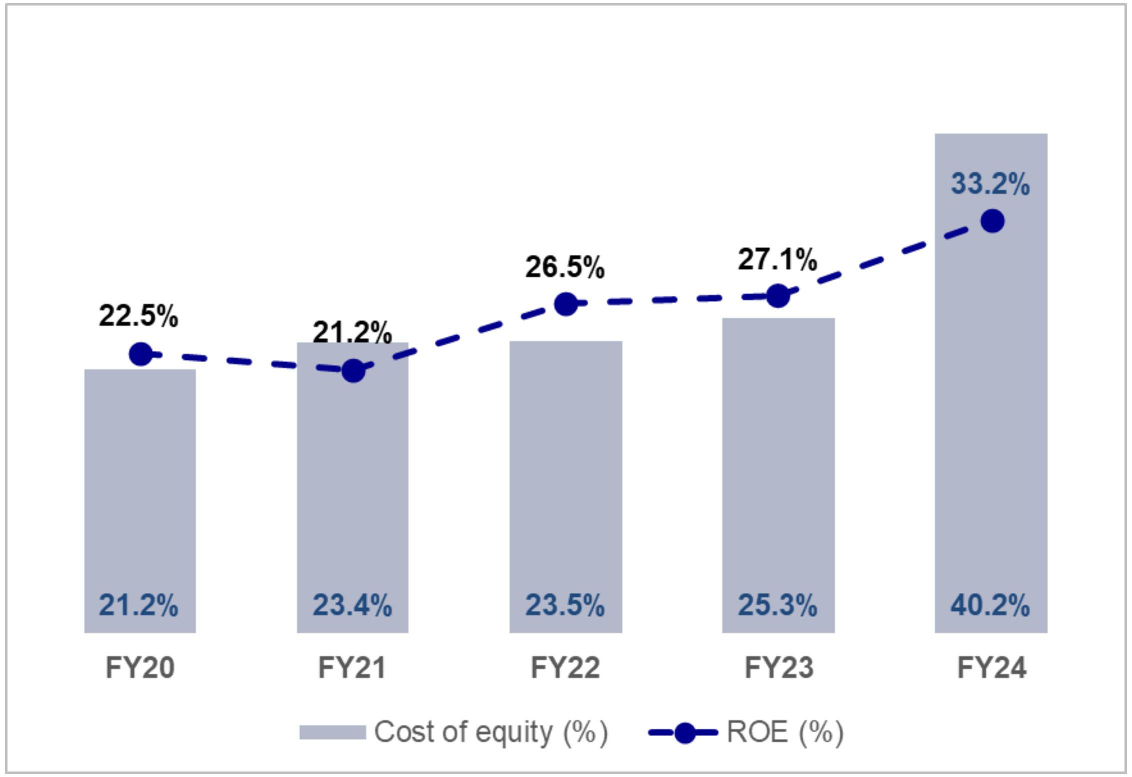


[1] *Including unappropriated profits*

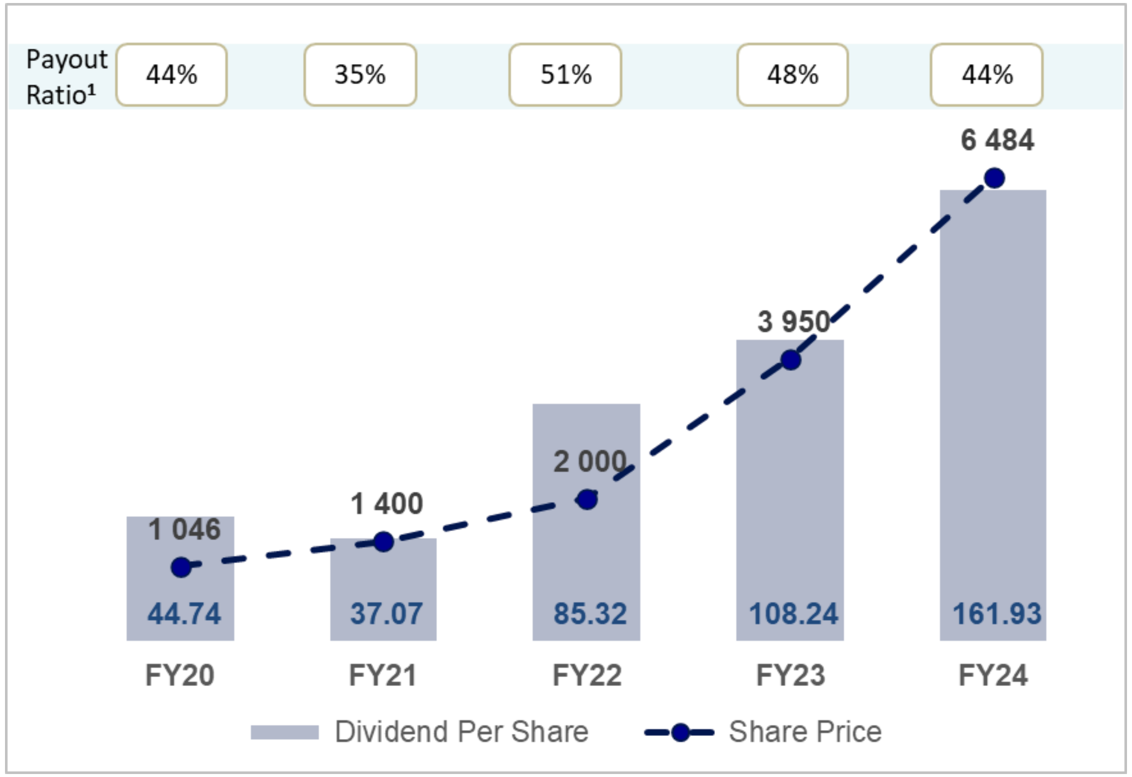
Shareholder value creation

Return on equity (ROE) rallied above FY23 despite closing below the revised cost of equity impacted by worsening macro environment. Share price surged above FY23

ROE & Cost of equity (%)



Dividend per share (tambala)



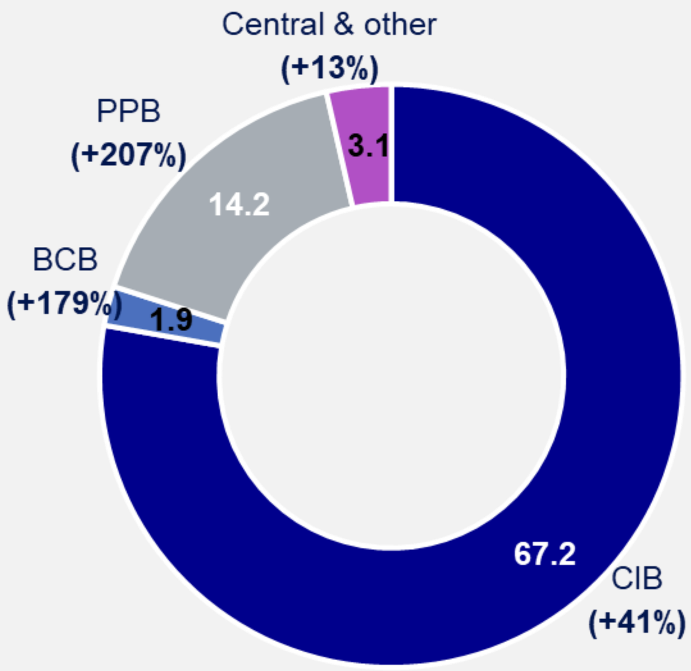
[1] *Payout ratio is based on Group numbers. The 2024 payout ratio based on bank numbers was 45% (2023:50%)*

FY24 business performance overview

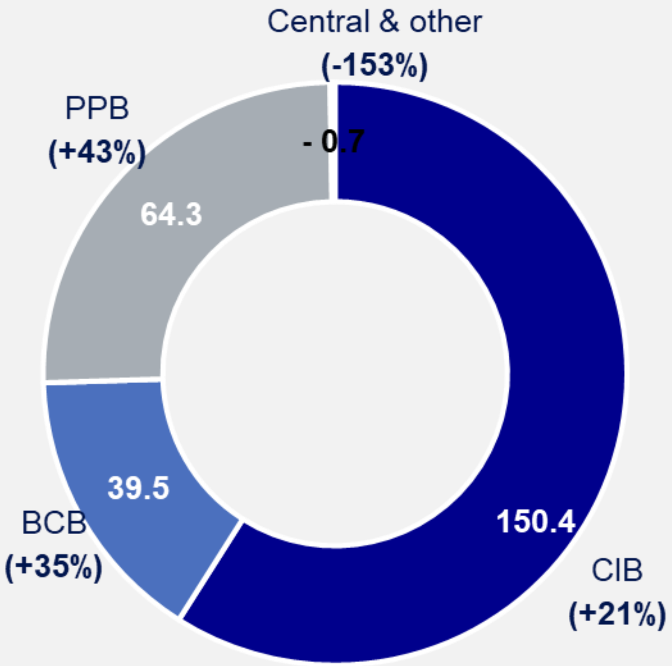
2.2

SB Plc portfolio – well-diversified and resilient earnings

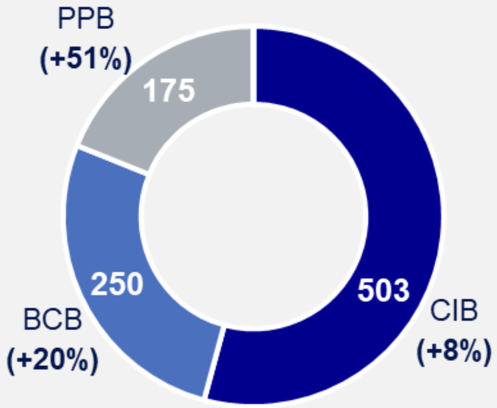
Business unit profit after tax, MK'b (YoY change)



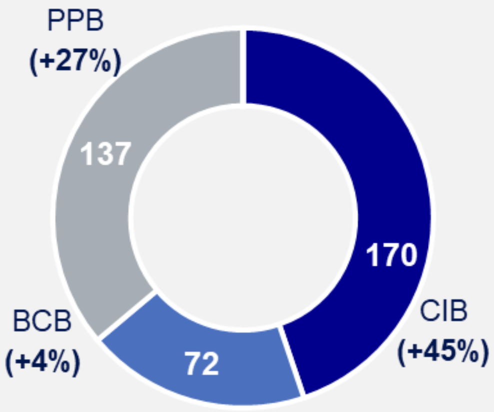
Business unit revenues, MK'b (YoY change)



Customer deposits, MK'b (YoY change)

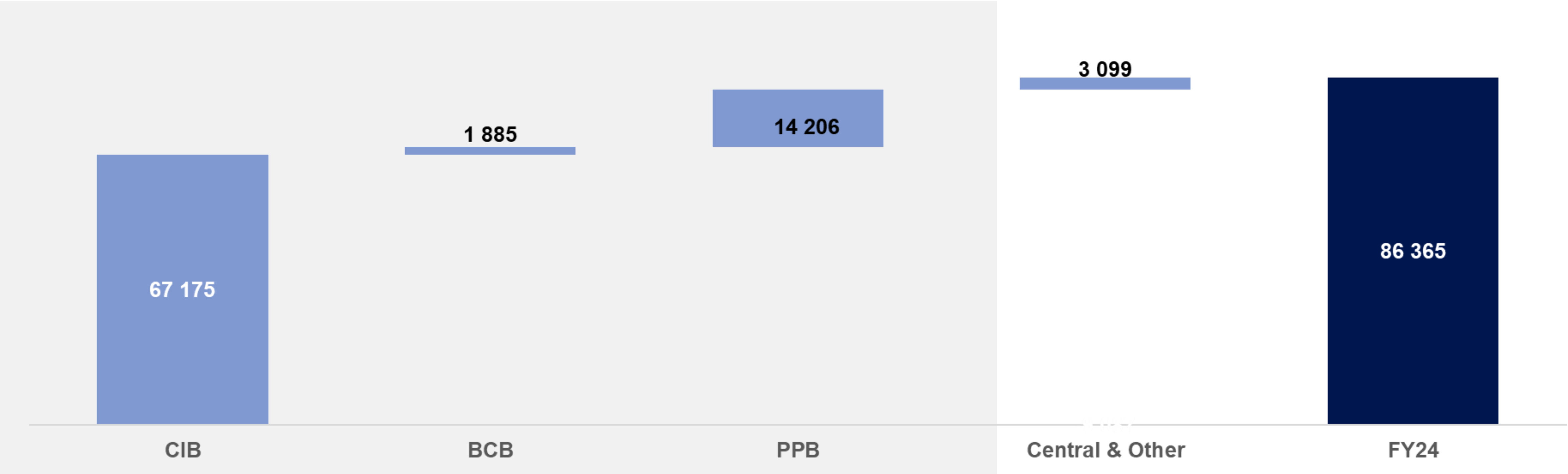


Customer loans & advances, MK'b (YoY change)



Business units – three sizeable banking businesses

All the three business segments achieved above inflation profit after tax growth



PAT, %	+41	+179	+207	+13	+64

FY25 outlook & beyond

2.3

SB PLC FY25 guidance – expect continued growth and currency impact to be minimal

Core metrics	FY25 guidance	Key drivers in FY25
Total income	Above nominal GDP	• NII – above nominal GDP, subject to loan growth and margin pressure • NIR – about inflation rate, subject to market activity and regulation
Cost-to-income ratio	Flat-to-down year on year	• Banking revenue growth to be marginally ahead of operating expenses growth resulting in flat to positive jaws
Group ROE	Inside the 2025 SB target range of 40% – 45%	• Bank ROE within 2025 SB target range
Supplementary metrics		
Credit loss ratio	Middle of the range of 150 bps – 200 bps	• Credit impairment charges are expected to be higher than in 2024 due to a pick up in loan growth, and worsening macro economic environment
CET1 ratio	>17.5%	• Active capital management to fund organic and inorganic growth as well as distributions
Dividend payout ratio	Low-to-Mid range of up to 60%	• Continued focus on business performance

SB Plc 2028 – we are confident we can deliver continued attractive growth and better returns

Core metrics	10 years to 2024	2026 – 2028 targets
Profit after tax CAGR	23%	25% - 30%
ROE	33%	40% - 45%
Supplementary metrics		
Cost-to-income ratio	37%	30% - 35%
Credit loss ratio	234 bps	150 bps – 200 bps
CET1 ratio	21.86%	>17.5%
Dividend payout ratio	44%	

Strategy - 2025 and beyond

3.0

Global economic landscape - Sweeping trends

Outlook remains uncertain

Outlook 2025 & beyond - Malawi the odd one out?

Global

- Geopolitical tensions will take centre stage, creating a mix of new opportunities and uncertainties for Africa
- Inflation expected to slow down
- Average interest rates expected to moderate
- Positive sentiments around GDP growth
- Climate risk management to be of focus for most countries

Sub-Saharan Africa (SSA)

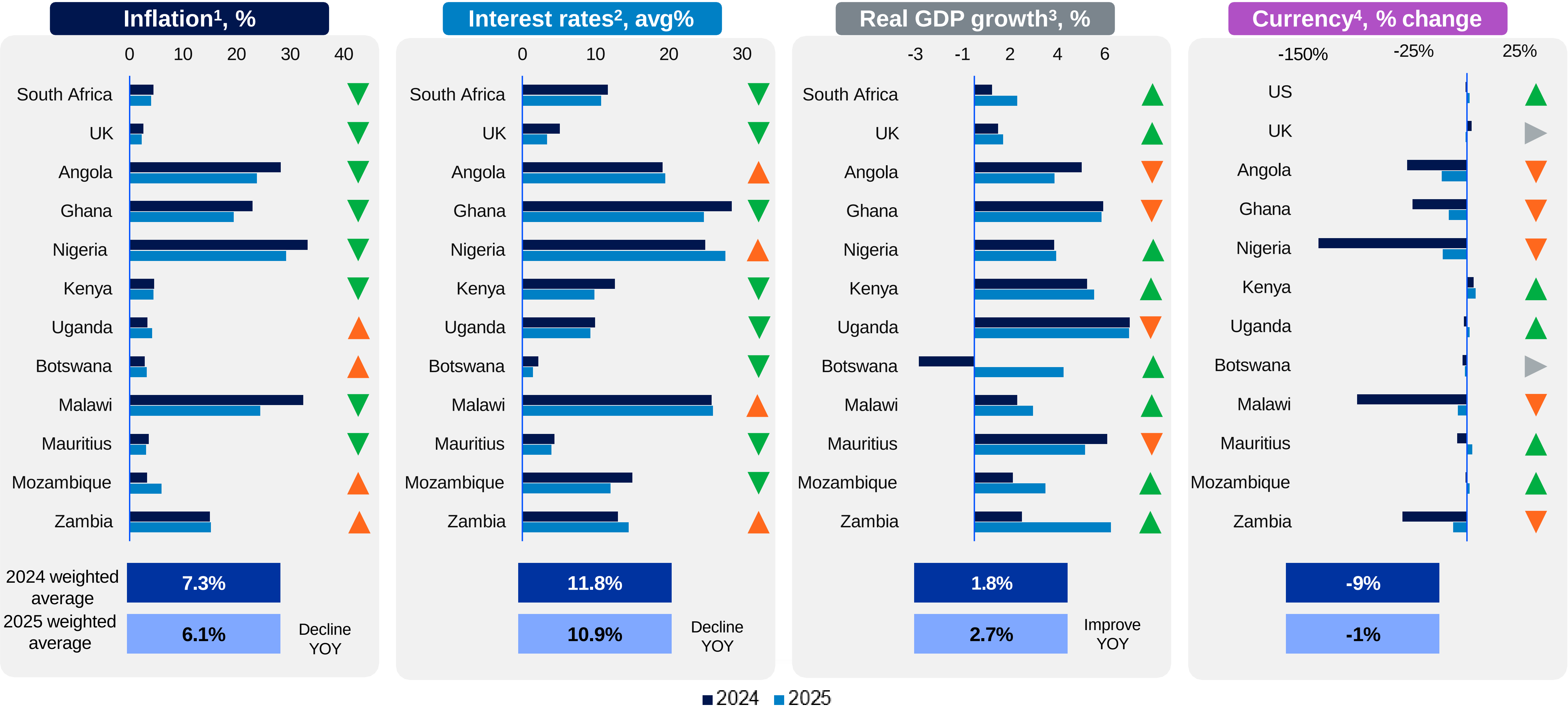
- SSA GDP growth estimated to pick up from 3.2% in 2024 to 4.1% in 2025 and 4.3% in 2026, driven by easing financial conditions and declining inflation
- Inflation and sovereign stress improving in most countries
- Africa will become the fastest growing region in the world by 2030 (currently second-fastest)
- Largest free trade area (AfCFTA) will bring significant benefits. sharply reduced political risk and uncertainty
- Attractive prospects arising from the energy transition; Africa obtaining an increased share of global manufacturing
- Africans are becoming healthier, wealthier, better educated, more urbanised, more digitally connected, and more productive both absolutely and relative to other regions

Malawi

- Malawi's economic recovery remains fragile.
- FX scarcity and pressures expected to continue.
- Inflationary pressures expected to persist, but may ease in the short to medium term on the back of a better agriculture season.
- Interest rates expected to drop in the medium to long term, should inflationary pressures ease.
- Public debt distress expected to persist.
- Real GDP growth is therefore projected at 2.2% in 2025 due to agricultural sector recovery – downside risks may dampen this forecast.
- Continued gradual policy reform and infrastructure development (rail, roads, etc) should be growth-supportive over time.

International Monetary Fund, World Bank MEM 2025 report, SBG

Africa macroeconomic estimates - Malawi amongst few odd ones out?



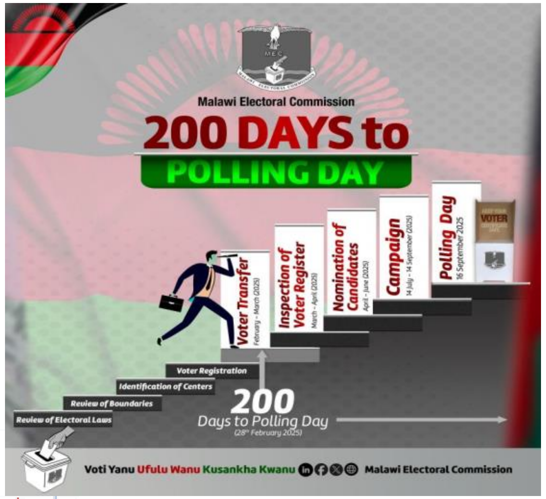
Source: Company financials and SB research [1] Inflation weighted based on banking costs, [2] Interest rates weighted based on period end gross loans and advances, [3] Real GDP growth weighted based on banking revenue, [4] Currency change relative to ZAR weighted based on headline earnings

Malawi macroeconomic environment - Heightened uncertainty

Uncertain macroeconomic environment to persist amid adverse Trumpism & heightened political tensions. Uncertainty looms on the IMF ECF program.

Exchange rate misalignment

FX supply shortages



Public debt distress

Escalating food supply shortages

Inflationary pressures to persist

Fuel shortages

The SBG brand - we have a well-diversified business with scale and are positioned to win

4 businesses

Banking

PERSONAL & PRIVATE BANKING (PPB) [7]

BUSINESS & COMMERCIAL BANKING (BCB)

CORPORATE & INVESTMENT BANKING (CIB)

INSURANCE & ASSET MANAGEMENT [7]

27 point of representations

Top Brand in Malawi

Best Bank in Malawi
- Global Finance, Euromoney

MK378.3bn
Assets

MK928bn
Deposits

#1 Brand on the continent[1]

#1
Bank Brand in Africa[2]

20m
Customers[3]

R400bn
Originated in FY24[4]

R3.3trn
Assets

R2.1trn
Deposits

R1.5trn
Assets under management[5]

Attractive investment proposition

Recognised and trusted brand	Growing and engaged client franchise
Well diversified and resilient business with scale	Targeted technology investment bearing fruit[6]
Deep management bench strength	Fortress balance sheet with a proven track record of managing external shocks
Strong growth prospects and attractive medium term targets	Well placed to capture Africa & Malawi's sizable opportunities

[1] Largest bank in Africa based on total assets, [2] By value, as ranked by Brand Finance in the 2025 report, [3] Active clients +4%, [4] PPB SA, BCB disbursements and Investment Banking origination, [5] Assets under management and assets under administration, [6] Delivering improvements in client experience, stability, security and productivity. [7] for Malawi , Insurance and Asset Management (IAM) is housed in PPB

Our strategy unchanged – our 2025

OUR PURPOSE:
Why we exist

MALAWI IS OUR HOME, WE DRIVE HER GROWTH

OUR VISION:
What we aspire

To be the leading and undisputed number 1 financial services provider in, for, and across Malawi

OUR STRATEGIC PRIORITIES:
What we need to do to deliver our purpose

Transform Client Experience	Execute With Excellence	Drive Sustainable Growth And Value
Revenue growth >30%	Cost to Income Ratio ~40%	Return on Equity ~45%

OUR FINANCIAL TARGETS:
What we have committed to deliver

THE GUIDING PATH (WHAT):
Our chosen Growth Vectors

1. Agriculture
2. Energy & Infrastructure
3. #1 Private Banking, dominate middle market

Driving Growth and Sustainability

SB Plc 2025 & beyond – we are confident we can deliver continued attractive growth and better returns

Core metrics	10 years to 2024	2026 – 2028 targets
Profit after tax CAGR	23%	25% - 30%
ROE	33%	40% - 45%
Supplementary metrics		
Cost-to-income ratio	37%	30% - 35%
Credit loss ratio	234 bps	150 bps – 200 bps
CET1 ratio	21.86%	>17.5%
Dividend payout ratio	44%	

Standard Bank

Africa's Most Valuable Bank Brand.

Year after year.
After year. After year.

BRAND FINANCE
GLOBAL 500 BANKS
SOUTH AFRICA TOP 100
2022 – 2025

Brand Finance®

Standard Bank

… and is recognised as a market leader in Malawi

THE MULTIPLE AWARD-WINNING BANK IN MALAWI!

THANK YOU

Appendix – Additional information

Disclaimer

The Bank may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to the Bank's future prospects, expectations, developments and business strategies and have not been reviewed or reported on by the Bank's external auditors.

By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements may not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, the Bank's actual results may differ materially from those forecasted. The Bank therefore assumes no liability any loss that may be suffered as a result of any reliance that may be placed on the forecasted results.