



Stanbic

STANBIC HOLDINGS PLC

Financial Results

Presentation

For The Year Ended

31 December 2024

Stanbic Bank Kenya Limited is licensed and regulated by the Central Bank of Kenya



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Chairman, Stanbic Holdings Plc

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Chief Executive, Stanbic Holdings Plc

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Chief Financial and Value Officer

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01

Opening Remarks

Joseph Muganda

Chairman, Stanbic Holdings Plc



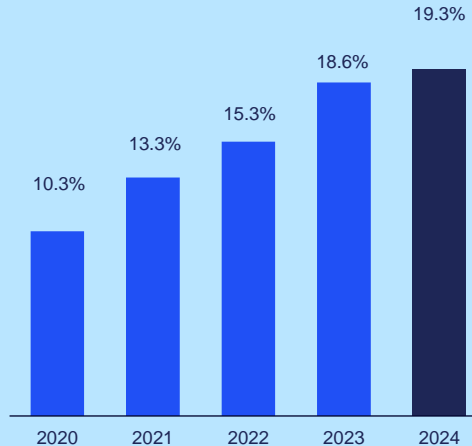


Driving Sustainable Returns

Dividend per Share Evolution



Return on Equity Evolution



Total dividend
per share

KES

20.74

2023: KES 15.35 ▲ 35.1%





02

Operating Environment
& Strategy Execution

Patrick Mweheire

Chief Executive, Stanbic Holdings Plc





Who We Are



Our Purpose

Kenya/South Sudan is our home, we drive her growth



Our Vision

To be a leading financial services organization in Kenya and South Sudan, delivering exceptional client experiences and superior value.



STANBIC HOLDINGS PLC

Banking Subsidiary

Non-Banking Subsidiaries

 Stanbic Bank Kenya Ltd

SBG Securities Ltd

 Stanbic Bank Kenya, (South Sudan Branch)

Stanbic Bancassurance Intermediary Ltd

Stanbic Kenya Foundation



CUSTOMERS
291k
2023: 266k



BRANCHES
30
2023: 28



ATMs
53
2023: 52

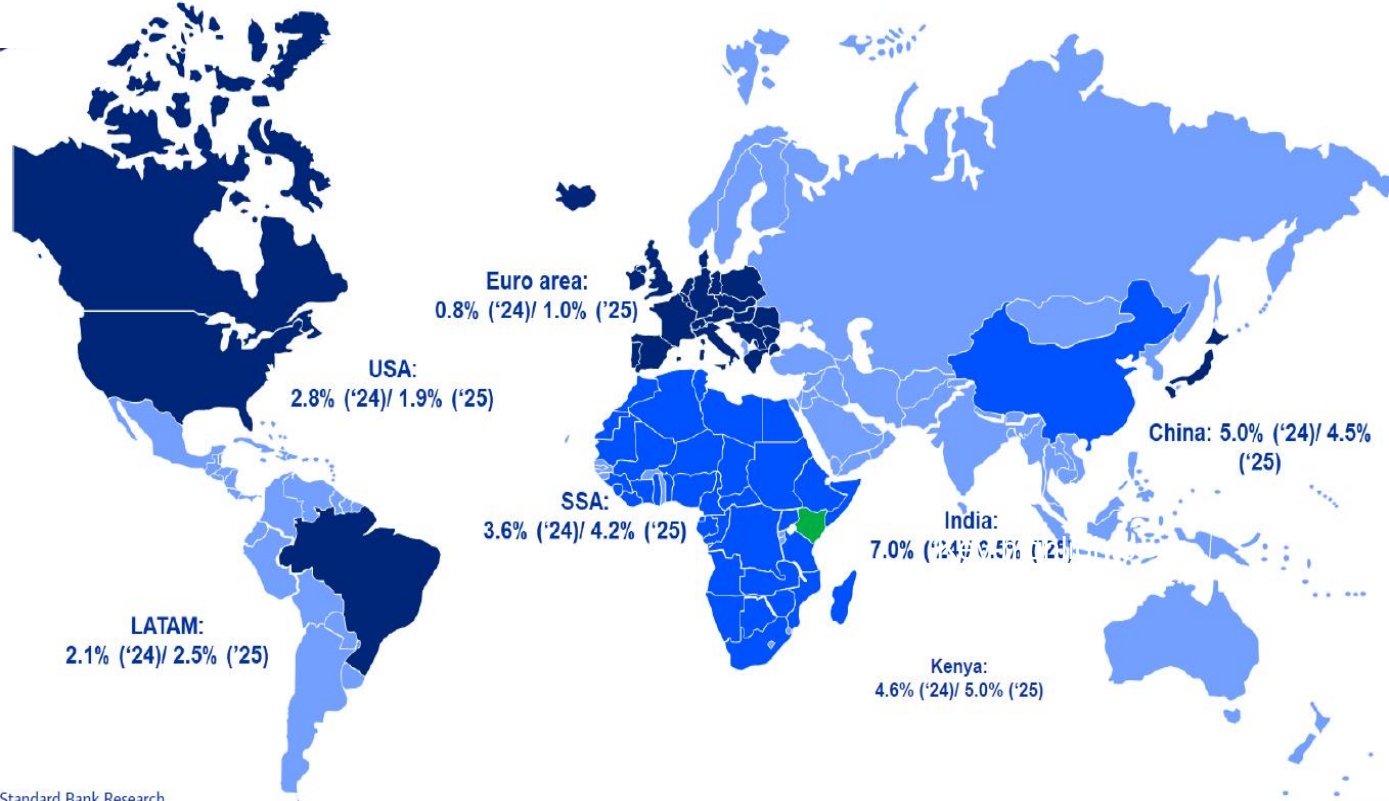


CDMs
76
2023: 70



AGENT OUTLETS
747
2023: 740

Global Macro Economic Outlook: Modestly optimistic, 3% growth, supported by strong growth in US



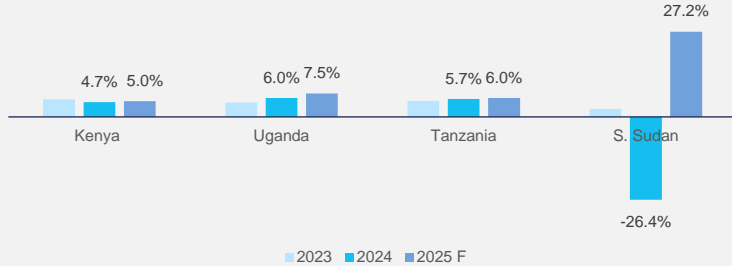
Key highlights

- Geo-political tension, trade wars and ongoing conflicts
- Climate related risks / extreme weather events
- AI Tech Opportunity
- Population growth dividend

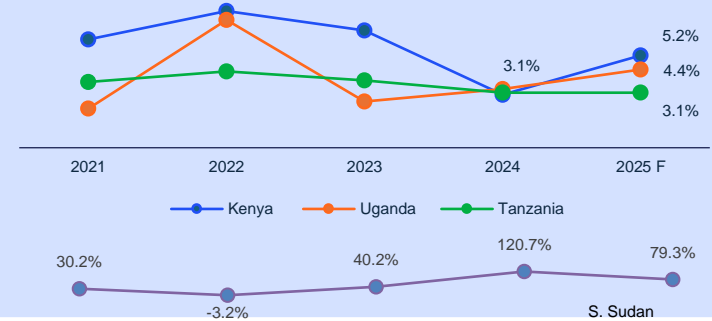


Regional Economic Growth: Modest Optimism Subdued by Regional Conflicts

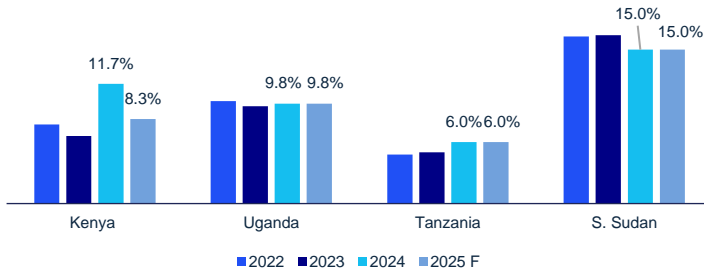
GDP Growth



Inflation



Central Bank Rate



Key highlights

- **Economic growth:** East Africa is expected to be Africa's fastest growing
- **Geo-political** – Tanzania and Uganda expected to hold elections in 2025 and 2026 respectively and the regional conflict in Congo and Sudan
- **Climatic Conditions:** Region expected to experience elevated temperatures and widespread dryness,
- **South Sudan:** Expected resumption of Oil exports later in the year to mitigate raising inflation and revive economic activities.



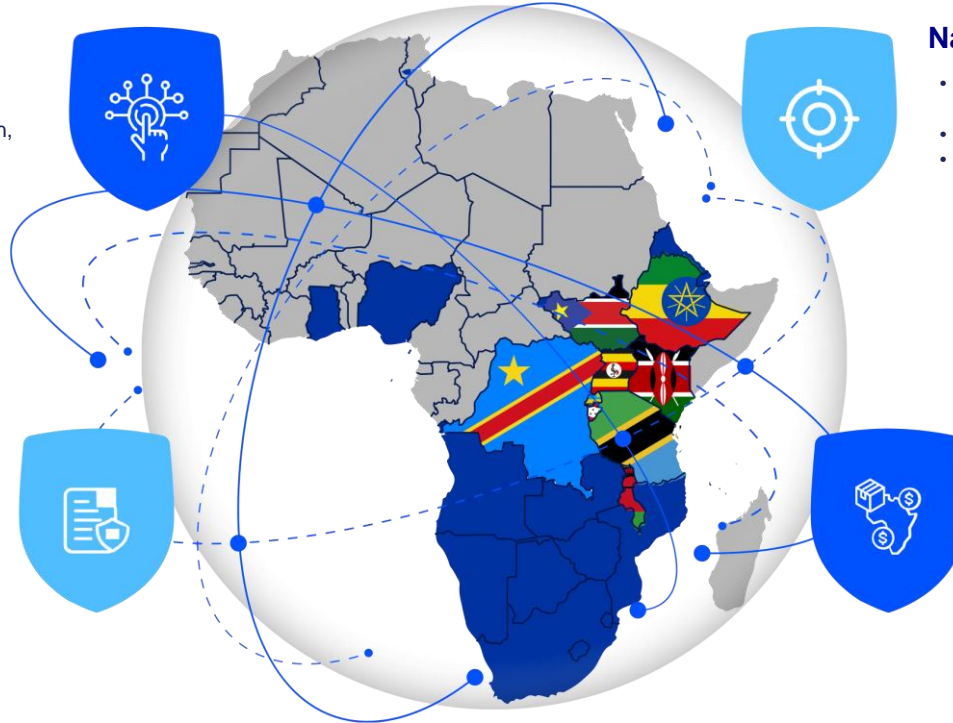
Themes and Trends Shaping Regional Business

Population

- >400m people
- Youthful population, 80% below 35yrs

GDP

- CAGR of 5.4%
- Fastest growing region in Africa



Natural Resources

- >\$24tr worth of untapped resources in DRC
- \$13tr in Gold deposits in Uganda
- 6.3bn barrels of Proven Oil reserves

Regional Trade

- EAC's move towards a single market.
- EA trade estimated at >US\$ 66bn

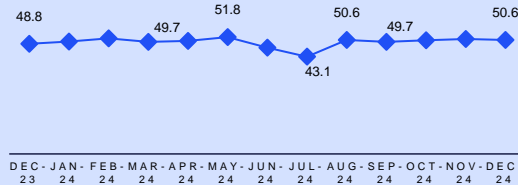


Operating Environment - Kenya Macros

Kenyan Economy in 2024

- Kenya's economic growth estimated to be **4.6%**, from an initial 5.2%.
- Agriculture and Service sectors were the pillar of the economy.
- Construction, mining and industrial sectors contracted.

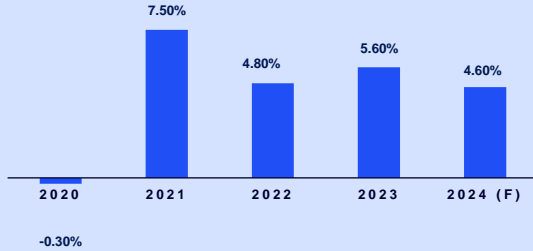
Stanbic Bank Kenya PMI



Economic Prospects for 2025

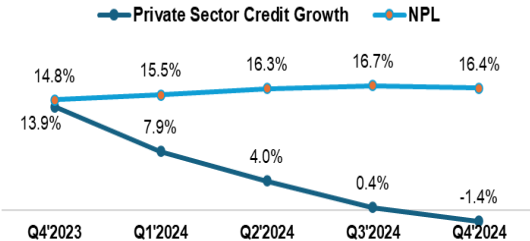
- Real GDP growth projected at **5.4%** (CBK).
- Moody's rating upgraded Kenya's outlook from 'negative' to 'positive' pointing towards a positive outlook in 2025.

GDP Growth



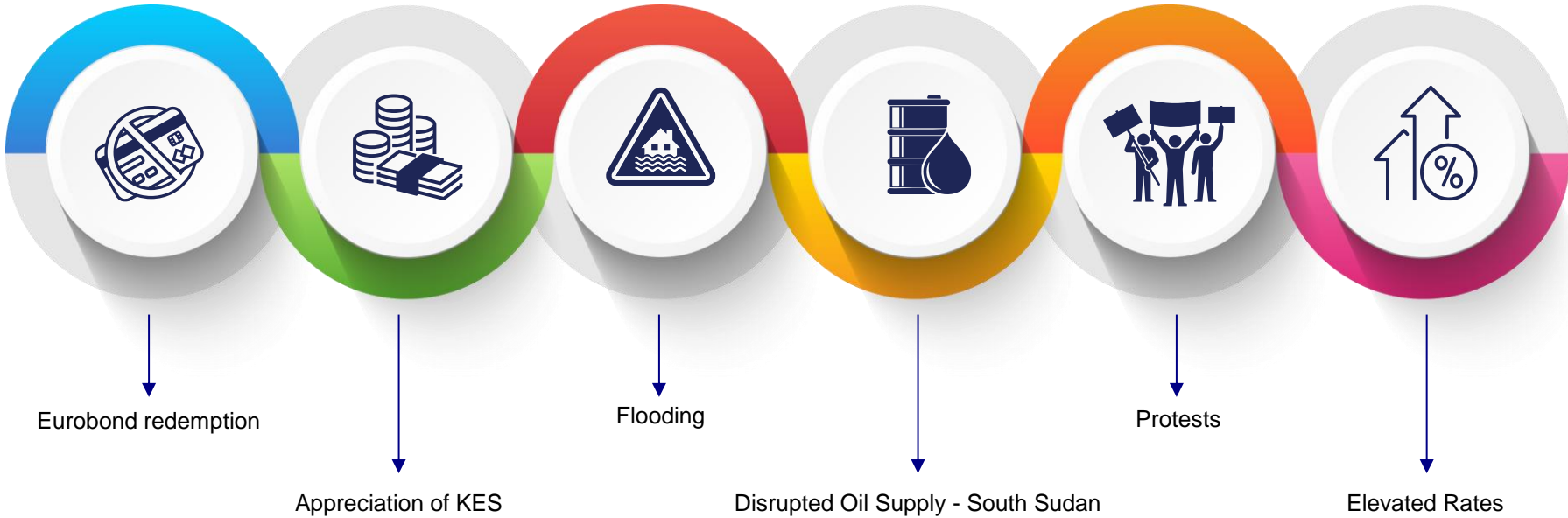
PMI & Private Sector Credit Growth

- The Stanbic PMI at end of year was at 50.6, rebounding from a low of 43.1 in July, indicating a rise in demand
- NPLs rose to 16.4% in December 2024, up from 14.8% during the same period the previous year.





Resilience in a Tough Operating Environment





2024-26 Strategy On a Page

OUR PURPOSE

Kenya / South Sudan is our home, we drive her growth

OUR VISION

To be a **leading financial services organisation** in Kenya and South Sudan, delivering **exceptional client experiences** and **superior value**

STRATEGIC PRIORITIES

Transform Client Experience

Execute With Excellence

Drive Sustainable Growth and Value

OUTCOMES

14 - 16%
Revenue Growth CAGR

+50
NPS SCORE

41 - 43%
Cost-To-Income Ratio

<9%
NPL RATIO

23 - 25%
Return On Equity

Well Positioned For The Future

Strong Growth Prospects
Healthy balance sheet

Skilled Workforce
Robust Business Model Banking, Insure, Invest and Beyond

Trusted Brand
Sustainable Community Engagement

SUCCESS OUTCOMES





Transforming Client Experience: Client Focus and Employee Engagement



Sovereign Support

Successfully facilitated a \$1.5 billion Eurobond transaction that helped stabilize the Kenyan shilling

Build Middle Markets

30 new workplace banking schemes onboarded



Partnerships

-6 VAF dealerships signed
-1,065 cars worth KES 6.0bn cars financed

Employee engagement



Diversity & Inclusion

- Male : Female – 51%:49%
- Differently abled staff – 0.7%
- Youth employment (under 35 years) – 33%



Empowering our people

- Training hours per employee – 97.2hrs, target 60hrs
- 55.2% of learning spent on future ready skills



Employee engagement

- Regular employee Townhall engagements and internal surveys

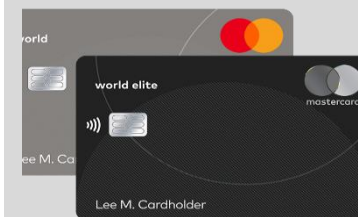
Asset Management business

KES 2.45 Billion AUM in the first 6 months.



Energy Sector

Support oil importation USD 170m loans exposure



Launch of Affluent Business



Executing With Excellence: Operational Excellence and Risk Management

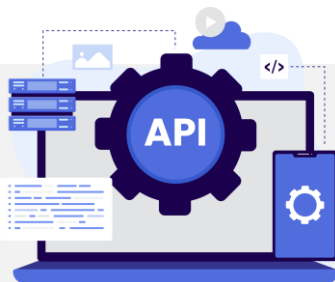
Digital Lending

Digital lending / scoring at customer level



Flexi Protect

First fully digital insurance solution – over 1000 policies



API Integrations

22 API integrations driving collections

Mobile Banking Platform

Remediated our Omni Channel Experience



SBGS APP

Revamped app to facilitate equities and fixed income trading



Core Banking System

Upgraded T24 - core banking system for an improved client experience



TEMENOS

FitchRatings

Fitch Affirmed
Stanbic Bank Kenya at
'B' Outlook Stable

NPL ratio below
market level





Driving Positive Impact: Financial Inclusion and Capacity Building



**Enterprise
Growth and
Job Creation**



9% of loan book in Agric Sector



**Financial
Inclusion**



**KES 63m concessorary
funding to MSMEs**

- **KES 1.8Bn lent under affordable housing**
- **250 new homeowners**



Over 400 jobs created
(Stanbic Foundation USADF grant program)



KES 76Bn in trade loans



**Over 8k individuals trained on
financial fitness**



**KES 37.8Bn loans
to D.A.D.A since
inception**



Sustainable Development: Sustainable Finance and Climate Resilience



Infrastructure Development and Just Energy Transition



KES 9Bn of Loan book to infrastructure development



Climate Change and Mitigation



8k trees planted



Over Kes 500m solar financing



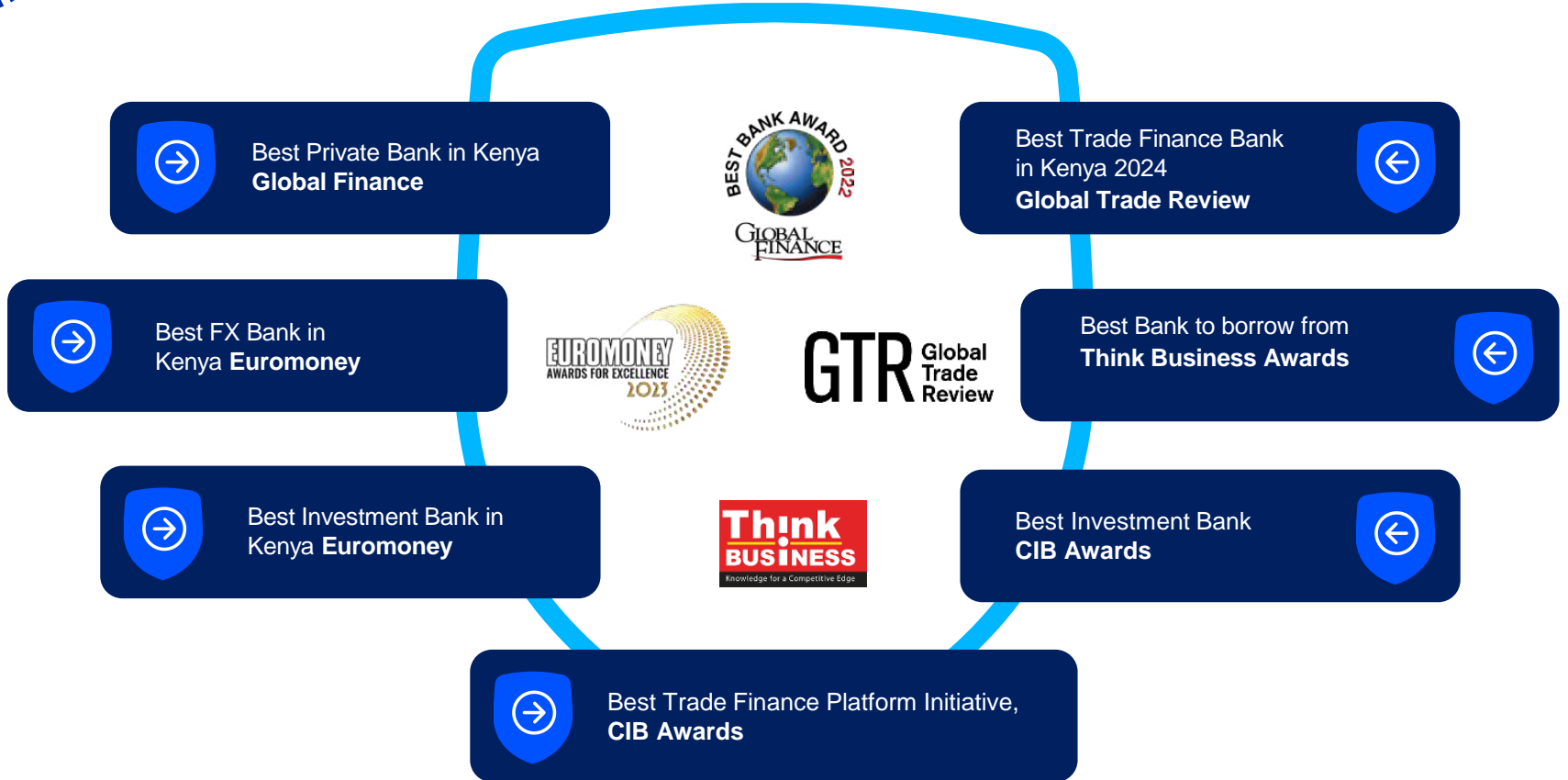
266 customers screened for E&S risks
(Facilities >1m USD)



99.92% of waste recycled



Accolades





04

Financial Outcomes

Dennis Musau

Chief Financial and Value Officer





Income Statement - Highlights



↓ 3.8%

Revenue
Kes 39.7bn



↓ 0.3%

Net Interest Margin
(NIM) 5.68%



↑ 1.1%

Cost to Income Ratio
(CTI) 44.5%



↓ 1.2%

Credit Loss Ratio
(CLR) 1.16%



↑ 12.8%

Profit After Tax
Kes 13.7bn



↑ 0.7%

Return on Equity
19.3%



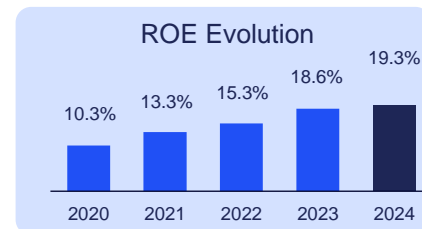
↑ 12.8%

Earnings Per Share
Kes 34.7



↑ 35.1%

Dividend Per Share -
Kes 20.74





Summary Statement of Profit and Loss

	FY 2024	FY 2023	% Change
	KES m	KES m	
Net interest income	24,337	25,648	(5.1)
Non-interest revenue	15,406	15,669	(1.7)
Total income	39,743	41,317	(3.8)
Operating expenses	(17,673)	(17,987)	1.7
Pre-provision profit	22,070	23,330	(5.4)
Credit impairment charges	(3,099)	(6,236)	50.3
Profit before tax	18,971	17,094	11.0
Tax	(5,255)	(4,936)	(6.5)
Profit after tax	13,716	12,158	12.8

Key Highlights

Profit after tax of KES 13.7b;

• **Net Interest Income** – increased cost of funding reflecting the high interest rates environment

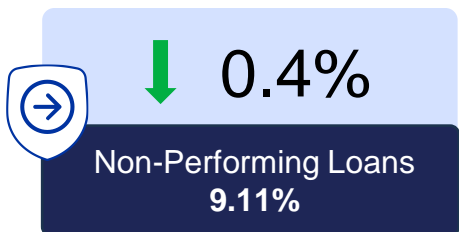
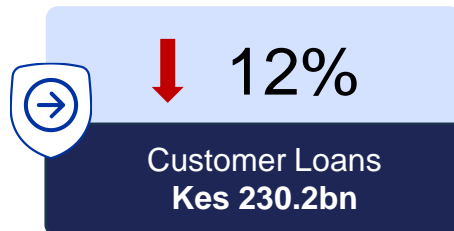
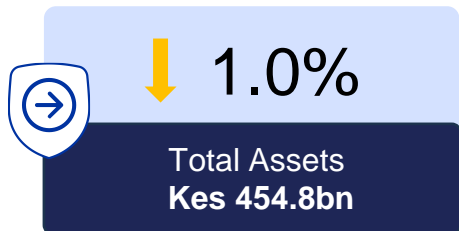
• **Non-Interest Revenue** – lower trading revenue and a one-off significant transaction in 2023, compensated by higher trading and transaction volumes.

• **Credit impairment** - Continuous customer engagements and FX impact benefit

• **Operating Costs** - base effects, currency appreciation and management continued efforts towards operational efficiency



Balance Sheet – Highlights





Summary Statement of Financial Position

KES millions	FY 2024	FY 2023	Change %
Assets			
Financial investments	99,190	45,345	119
Loans and advances to banks	64,486	95,705	(33)
Loans and advances to customers	230,218	260,509	(12)
Other assets	60,940	57,725	6
Total assets	454,834	459,284	(1)
Liabilities			
Deposits from banks	20,819	26,004	(20)
Deposits from customers	318,193	321,234	(1)
Borrowings	10,482	12,713	(18)
Other liabilities	29,940	30,778	(3)
Total liabilities	379,434	390,729	(3)
Equity			
Total equity	75,400	68,554	10
Liabilities and equity	454,834	459,284	(1)

Key Highlights

Total assets - stable through year end dates, but 13.3% up on average

• **Loans and advances** – 12% drop on appreciation of KES and increased trade financing

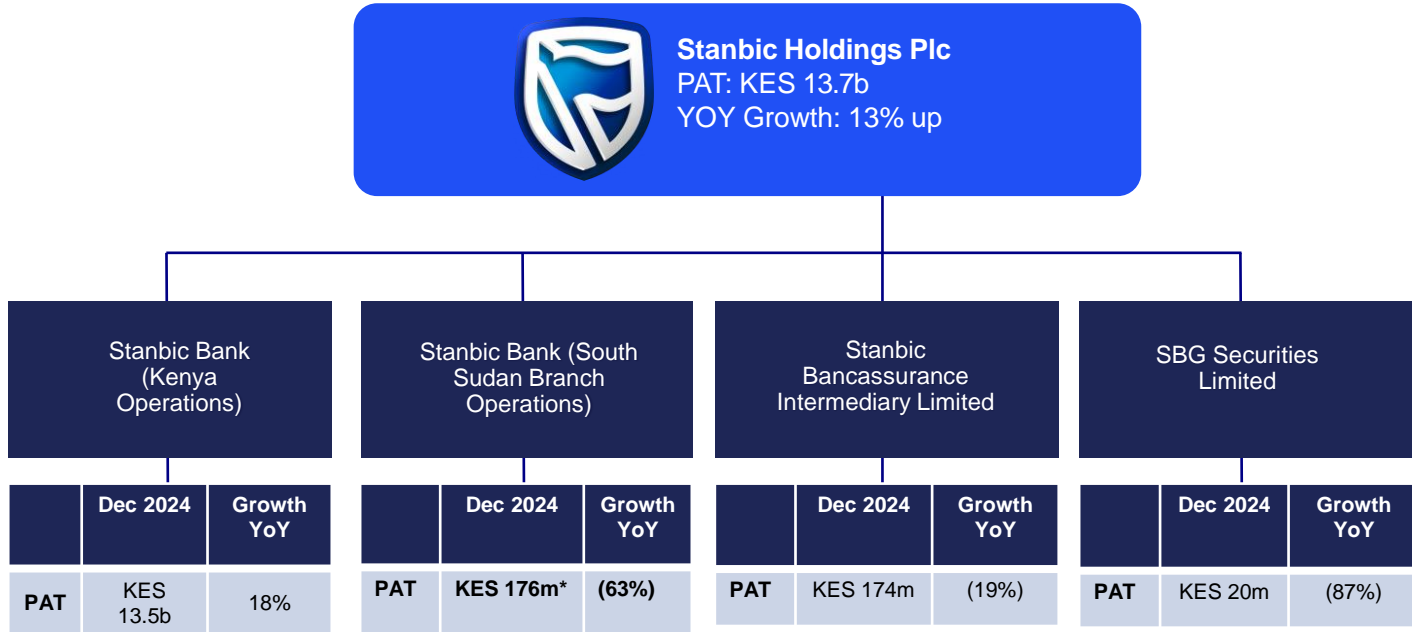
• **Customer Deposits** – Largely stable through the period matching asset demand

• **Government securities** – Transitory investments awaiting redeployment to client franchises

• **Loans and Advances to banks** - decline in placement of excess liquidity with Group entities.



Financial Outcome - Subsidiaries Contribution



*The South Sudan profit reflects the actual business performance excluding the impact of loss in purchasing power of the South Sudan Pound i.e. pre-hyperinflation.



Key Takeaways



CLIENT
FOCUS



EMPLOYEE
ENGAGEMENT



RISK AND
CONDUCT



OPERATIONAL
EXCELLENCE



FINANCIAL
OUTCOME



SEE
IMPACT

- Resilient performance across revenue lines
- Agile balance sheet management

- Operational efficiencies from digital transformation
- Focused risk management amidst challenging economic environment

- Increased shareholder return
- Sustainable community engagement



Q&A



Stanbic Bank

STANBIC HOLDINGS PLC

Financial Results

Presentation

For The Year Ended
31 December 2024