

Full Year 2024 Results and Strategy Update



19 March 2025



Kariuki Ngari

Managing Director and
Chief Executive Officer



Chemutai Murgor
Chief Financial Officer

Excellent execution of strategy confirmed by a strong set of results

1

Strategy update

- Continued strong execution of strategic priorities.
- Clear focus on chosen segments and corridors.
- Continued sharpening of strategy to focus on our strengths.

2

Financial results

- Record financial performance.
- Robust management of loan book, leading to single digit NPL.
- Record growth in shareholder returns.

3

Outlook

- Normalising macro-economic conditions of stable currency, reducing interest rates and low inflation.
- Trump 2.0

Our strategy

We are

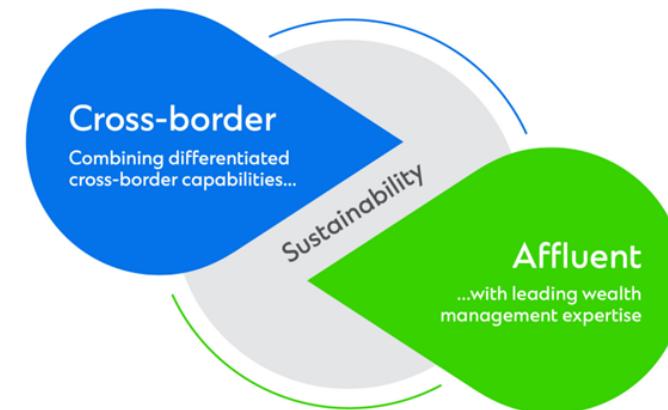
A global bank connecting corporate, institutional and affluent clients to a network that offers unique access to sustainable growth opportunities across Asia, Africa and the Middle East

Our strategy

... delivers our purpose

... supports our stands

... and underpins our brand promise



To drive commerce and prosperity through our unique diversity

Resetting
globalisation



Accelerating
zero



Lifting
participation



Here for good



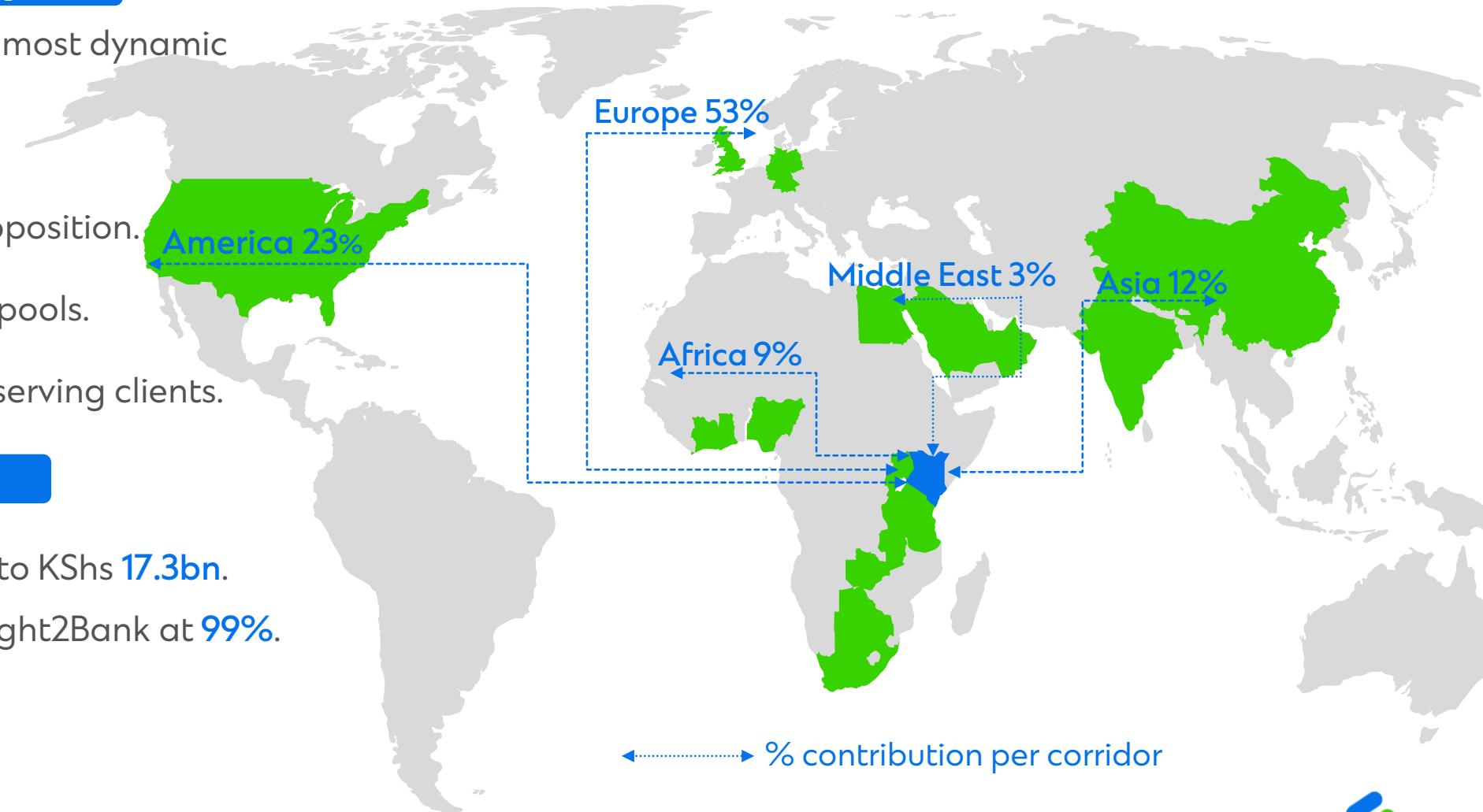
Corporate and Investment Banking

Differentiated cross-border opportunities to clients

Our Strategic Advantages

- Network presence in the most dynamic markets.
- Digital capabilities.
- Strong trade product proposition.
- Access to global capital pools.
- Local and global teams serving clients.

Network presence



Progress

- Network revenue up **6%** to KShs **17.3bn**.
- Digital initiation on Straight2Bank at **99%**.



Wealth and Retail Banking

Leading wealth management expertise

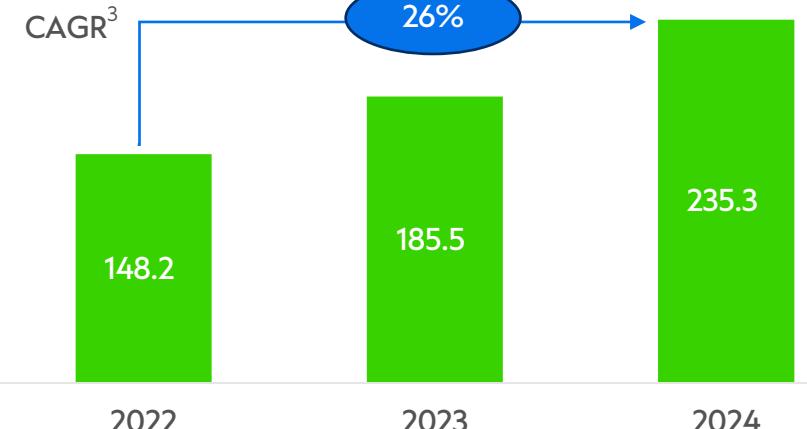
Our Strategic Advantages

- Strong wealth management expertise.
- Diversified investment options – both local and foreign.
- Access to international wealth hubs.
- Well trained relationship managers and certified investment advisors.
- Digital capability.

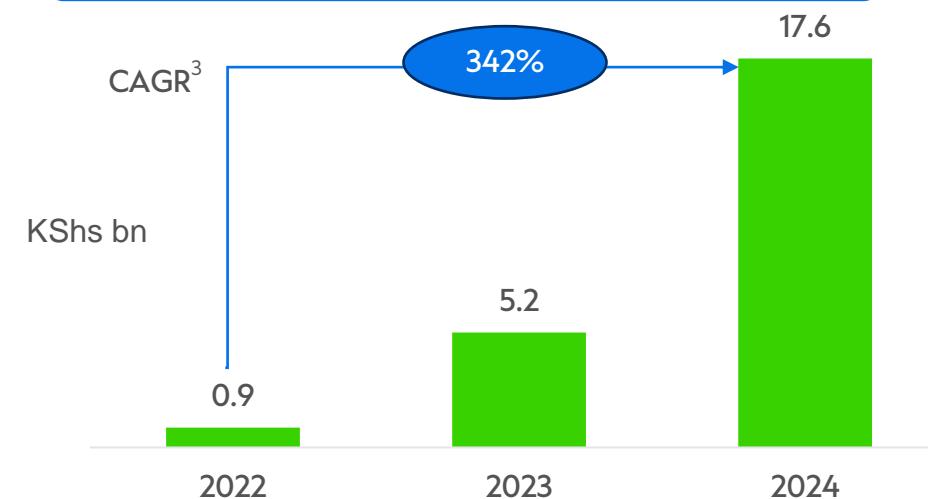
Progress

- **27%** growth in AUMs¹ from 2023.
- **97%** of all retail transactions processed digitally.
- Continued investment in upskilling frontline colleagues with **65%** (2023: 58%) CISI² certified.

Progress – wealth AUMs¹ (KShs bn)



SC Shilingi-fastest growing solution in wealth AUMs¹



¹AUMs – Assets Under Management

²CISI – Chartered Institute of Securities and Investment

³CAGR – Compounded Annual Growth Rate



Sustainability

A key differentiator for us

Sustainable Finance

- Sustainable finance revenue up to **KShs 3.0bn** from **KShs 1.27bn**.



Responsible Company

- 79%** reduction in carbon emissions from 2023.
- 54%** reduction in energy usage from 2017-2024.
- 97%** waste recycled in Head Office, Treasury Square and Kenyatta Branch.
- True Zero Waste Certification.
- EDGE⁴ green building certification.
- Solar car port with **177Kwh** capacity.

Inclusive Communities

- 616,000** trees planted in 2024 hitting the 3-year target to plant 1 million trees.
- 10,452** beneficiaries reached through Futuremakers program.
- KShs 48m** (2023: KShs 44m) raised towards the Futuremakers program during the 21st edition of Standard Chartered Nairobi marathon.
- 82%** employee volunteering participation.

⁴EDGE – Excellence in Design for Greater Efficiencies



Excellent execution of strategy delivers record financial performance

Chemutai Murgor
Chief Financial Officer

Record performance: Profit Before Tax up 43% vs 2023

Income Statement (KShs bn)	FY'24	FY'23	YoY
Net interest income	33.3	29.3	13%
Non-interest income	17.4	12.4	40%
Operating income	50.7	41.7	21%
Operating expenses	(20.1)	(18.7)	(8%)
Pre-provision operating profit	30.6	23.0	33%
Net impairment charge	(2.4)	(3.4)	30%
Profit before taxation	28.2	19.6	43%
Profit after taxation	20.1	13.8	45%
Earnings per share (EPS)	52.6	36.2	46%
Key Indicators			
Cost income ratio (%)	39.6	44.8	520bps
Cost of Risk (%)	1.0	2.0	100bps

Performance highlights

- 13% growth in net interest income from client assets, increased investments in money markets, and improved margins.
- Non-interest income up 40% driven by strong transaction services, markets, wealth solutions supported by a well positioned trading book.
- Expenses up 8% YoY to fund business growth and continued investments in digital capabilities.
- Impairment losses on loans and advances reduced 30% driven by recoveries in CIB and partially offset by reduced recoveries in WRB.



Well optimised and diversified balance sheet

Balance Sheet (highlights KShs bn)	FY'24	FY'23	YoY
Assets			
Balances due from CBK	28.2	38.9	(28%)
Government & other securities	98.8	69.6	42%
Group balances	78.6	129.3	(39%)
Loans and advances-LCY	115.2	112.8	2%
Loans and advances-FCY	36.4	50.4	(28%)
Net Loans & Advances to customers	151.6	163.2	(7%)
Total Assets	384.6	429.0	(10%)
Liabilities			
Customer deposits-LCY	178.0	186.4	(5%)
Customer deposits-FCY	117.7	156.5	(25%)
Customer deposits	295.7	342.9	(14%)
Balances due to banks	0.3	4.3	(93%)
Shareholders' funds	71.8	61.5	17%
Total liabilities and shareholders' funds	384.6	429.0	(10%)
Key ratios (%)			
LCY Asset Deposit ratio	64.7%	60.5%	420bps
FCY Assets Deposit ratio	30.9%	32.2%	(130bps)
Liquidity ratio	67.6%	66.3%	130bps
NPL Ratio	7.4%	9.7%	230bps

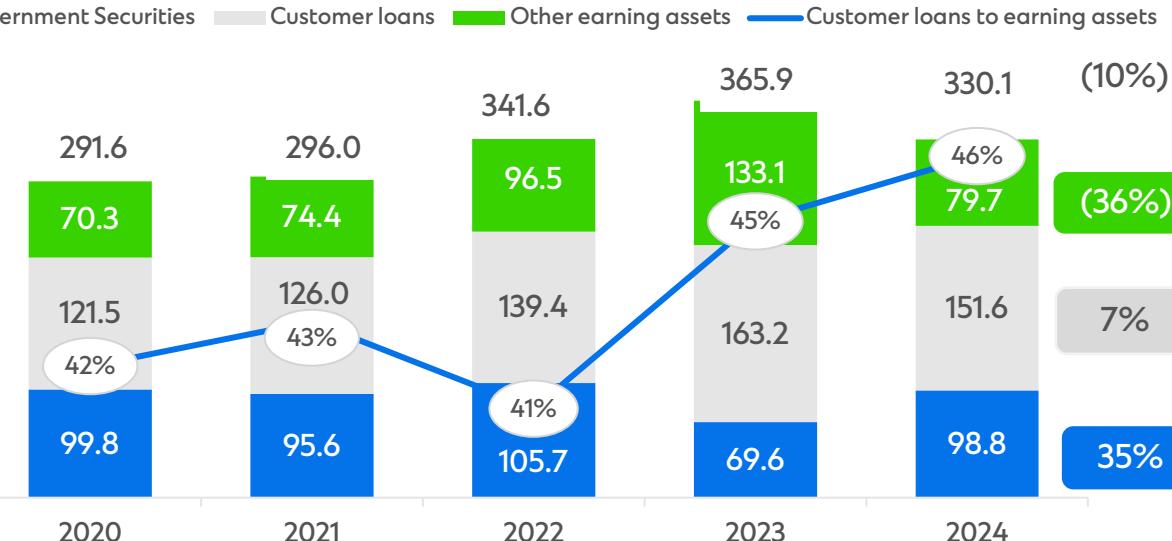
Performance highlights

- Local currency client assets increased **2%** despite slowed credit growth in the industry. Foreign currency loans decreased **28%** on reduced utilisation and appreciation of KShs versus USD.
- Robust management of loan book, leading to improvement of NPL Ratio by **230bps** to **7.4%**. Non-performing assets reduced by **29%** to **KShs 12bn**.
- Our total exposure to CBK and government and other securities stood at **KShs 127.0bn** compared to KShs 108.5bn in 2023, an increase of **17%** on strong performance.

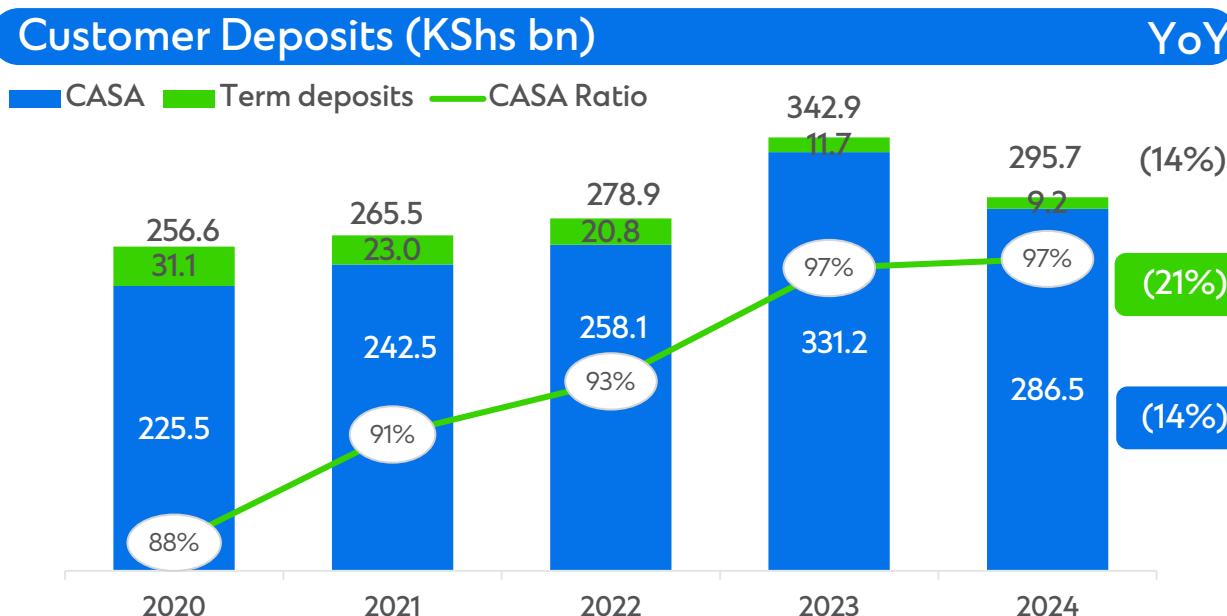


Robust balance sheet: Stable high-quality funding

Earning assets (KShs bn)



Customer Deposits (KShs bn)



Performance highlights

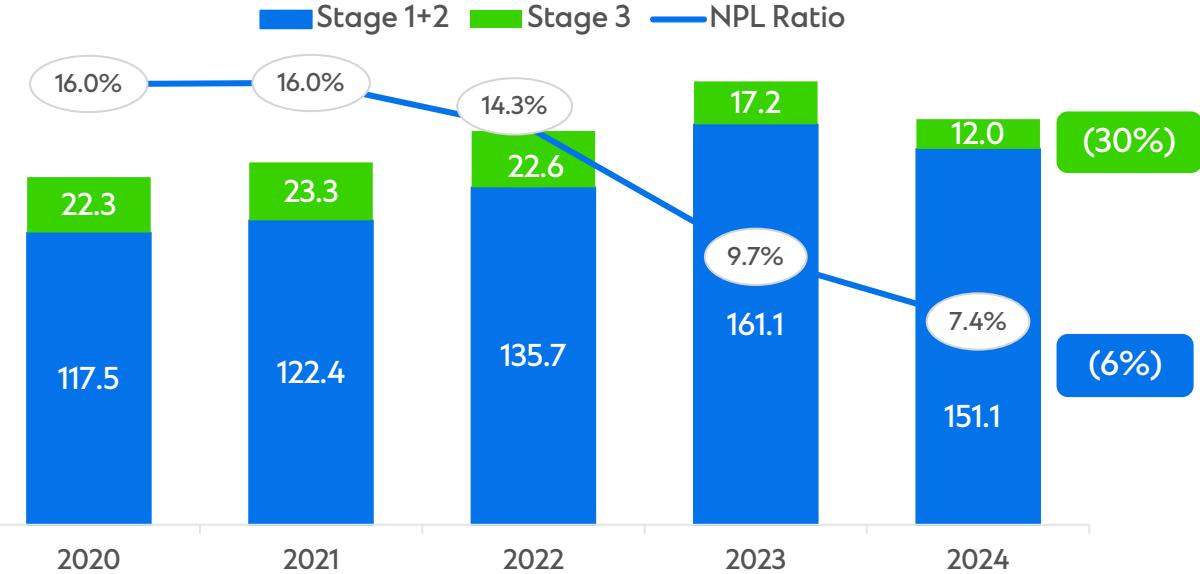
- Customer loans to total earning assets up to **46%** (highest in the last 5 years).
- Deposits reduced **14%** largely from impact of KShs appreciation vs USD on FCY deposits and clients opting for alternative investments in wealth.
- Stable high quality funding base with **97%** CASA⁵ to total deposit ratio.
- Well diversified customer deposit base providing opportunity for growth.

⁵CASA – Current Accounts and Savings Accounts

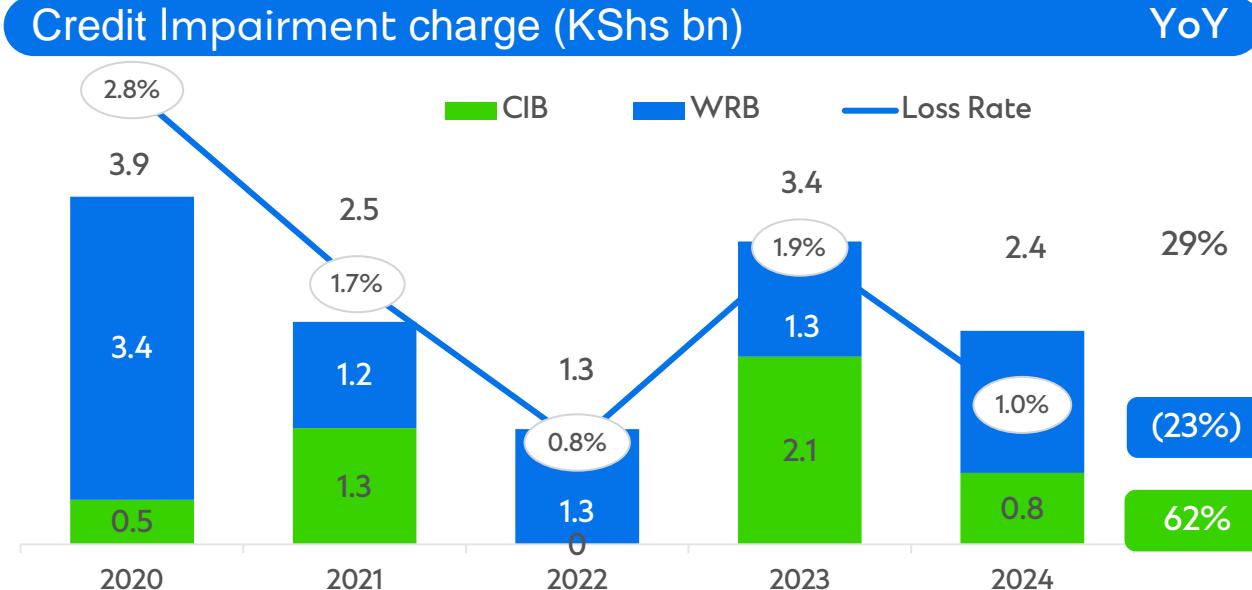


Robust management of loan book, single digit NPL

Credit Quality (KShs bn)



Credit Impairment charge (KShs bn)



Performance highlights

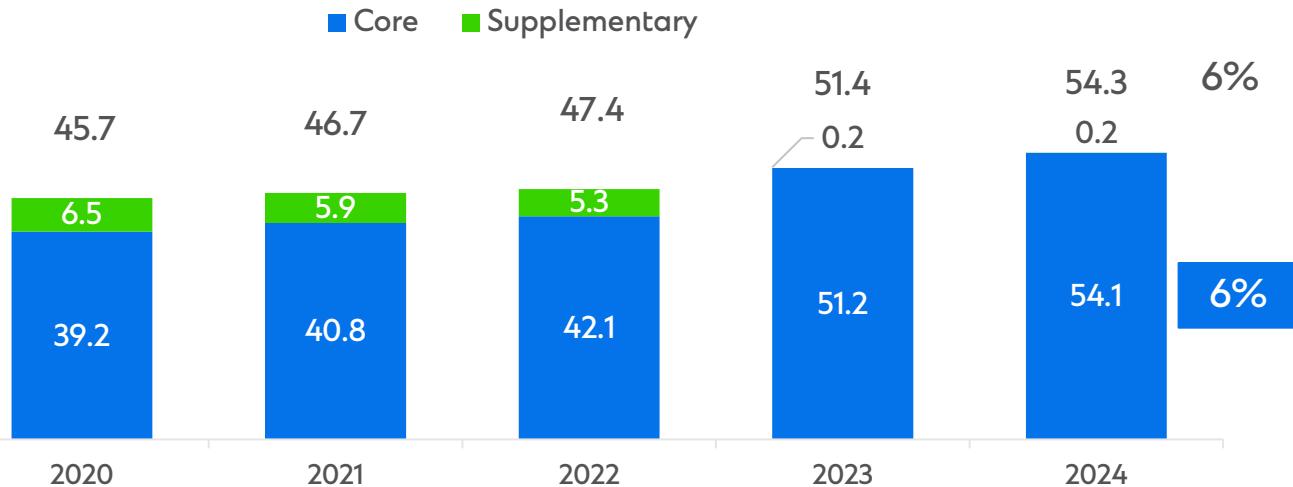
- Impairment losses on loans and advances decreased by **KShs 1bn** reflecting continued improvement of the portfolio.
- Robust management of loan book, leading to improvement of NPL Ratio by 230bps to **7.4%**. Non-performing/stage 3 assets reduced by **30%** to KShs 12bn.
- Loss rate improved by **88bps** to **1.0%** driven by recoveries in CIB partially offset by reduced recoveries in WRB.
- Strong cover ratio of **79.3%** from 76.2% in 2023.
- Cover ratio higher than industry average. NPL ratio lower than industry average (16.4% December 2024⁶)

⁶CBK monetary policy statement



Strong capital ratios to support balance sheet growth

Capital (KShs bn)

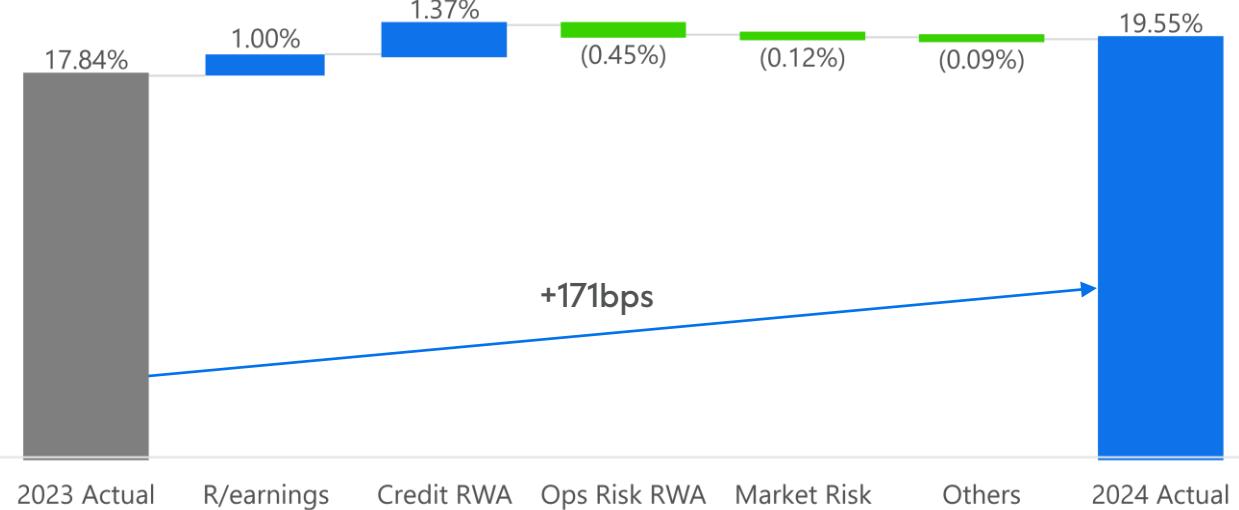


YoY

Performance highlights

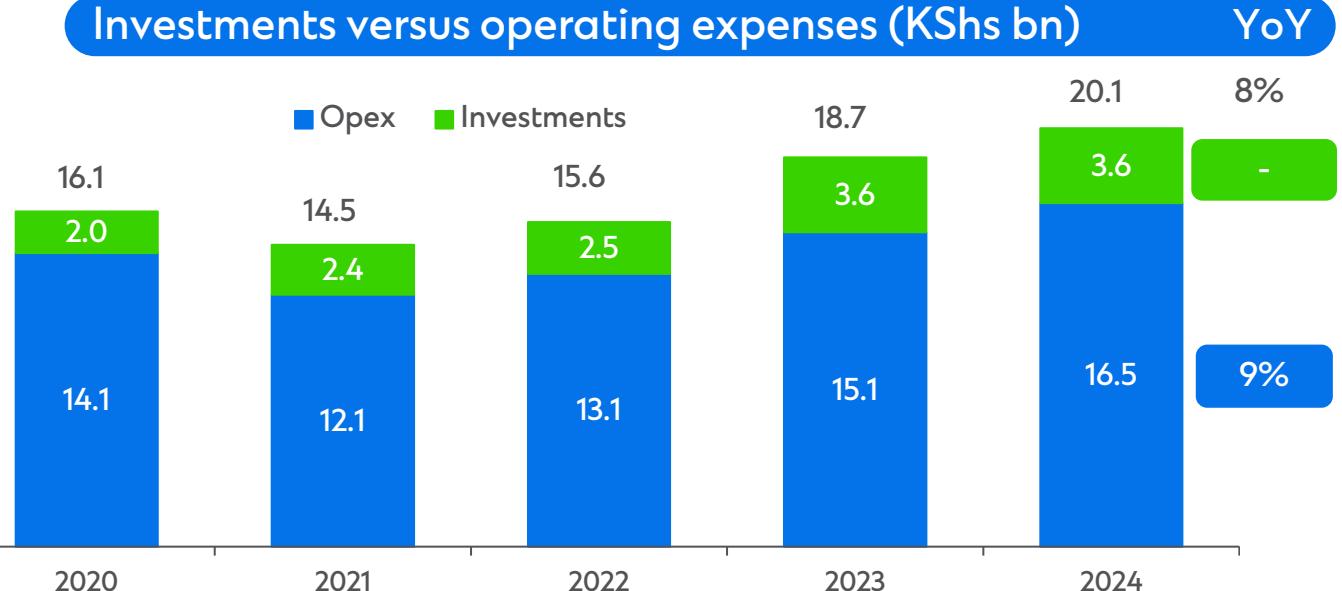
- Robust capital position supporting growth in risk weighted assets whilst sustainably generating higher shareholder returns.
- Capacity to support growth whilst managing regulatory requirements.
- Guided by our capital risk appetite framework.

Capital Adequacy Ratio (CAR)

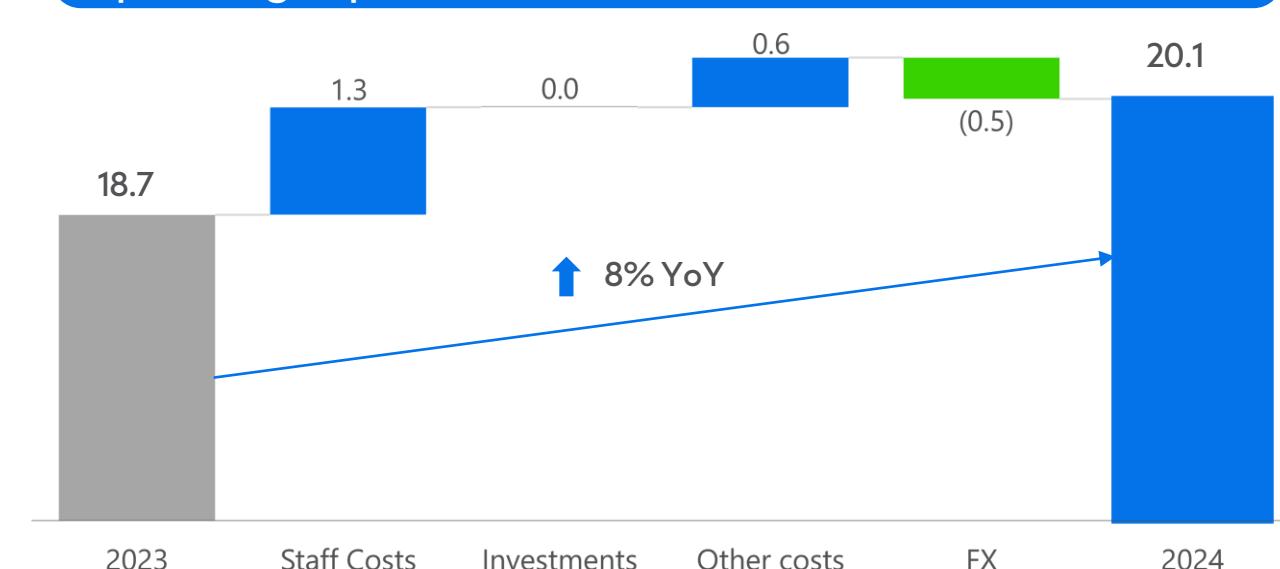


Increased investments anchoring our digital strategy: CIR at 39.6%

Investments versus operating expenses (KShs bn)



Operating expenses (KShs bn)



Performance highlights

- Expenses up **8% YoY** to fund business growth and continued investments in digital capabilities.
- **KShs 14.1bn** cumulative investments in digital capability in the last five years.
- Investments to total expenses up from 12% to **18%** over the period.
- Improved cost income jaws of **13%** (2023: 3%). Cost income ratio improved by **520bps** to **39.6%**.



Strong and resilient performance across segments

Segment	CIB			WRB			C&O		
(KShs bn)	FY'24	FY'23	ΔYoY	FY'24	FY'23	ΔYoY	FY'24	FY'23	ΔYoY
Net interest income	13.5	11.2	21%	16.6	13.8	20%	3.2	4.3	(26%)
Non interest income	12.1	8.2	48%	6.5	6.7	(3.0%)	(1.2)	(2.5)	(52%)
Operating income	25.6	19.4	32%	23.1	20.5	13%	2.0	1.8	11%
Operating expenses	(8.5)	(7.8)	(9%)	(11.0)	(9.6)	(15%)	(0.6)	(1.3)	54%
Impairment charge	(0.8)	(2.1)	62%	(1.6)	(1.3)	(23%)	0.0	-	-
Profit before tax	16.3	9.5	72%	10.5	9.6	9%	1.4	0.5	180%
Customer loans	84.9	90.7	(6%)	66.7	72.5	(8%)			
Customer deposits	149.7	175.4	(15%)	146.0	167.5	(13%)			
Assets to deposits	57%	52%	500bps	46%	43%	300bps			
Contribution:									
Revenue	50%	47%	300bps	46%	49%	(300bps)	4%	4%	-
PBT	58%	48%	1000bps	37%	49%	(1200bps)	5%	3%	200bps

Performance highlights

Corporate and Institutional Banking (CIB)

- Strong performance in transaction services, securities services revenue, strong own account momentum and recoveries on credit impairment.

Wealth and Retail Banking (WRB)

- Performance driven by wealth solutions and improved margins. Credit impairment charge driven by reduction in recoveries.

- Wealth AUMs were up **27%** to KShs **235.3 bn**.



• Delivering on our strategy



Record financial performance



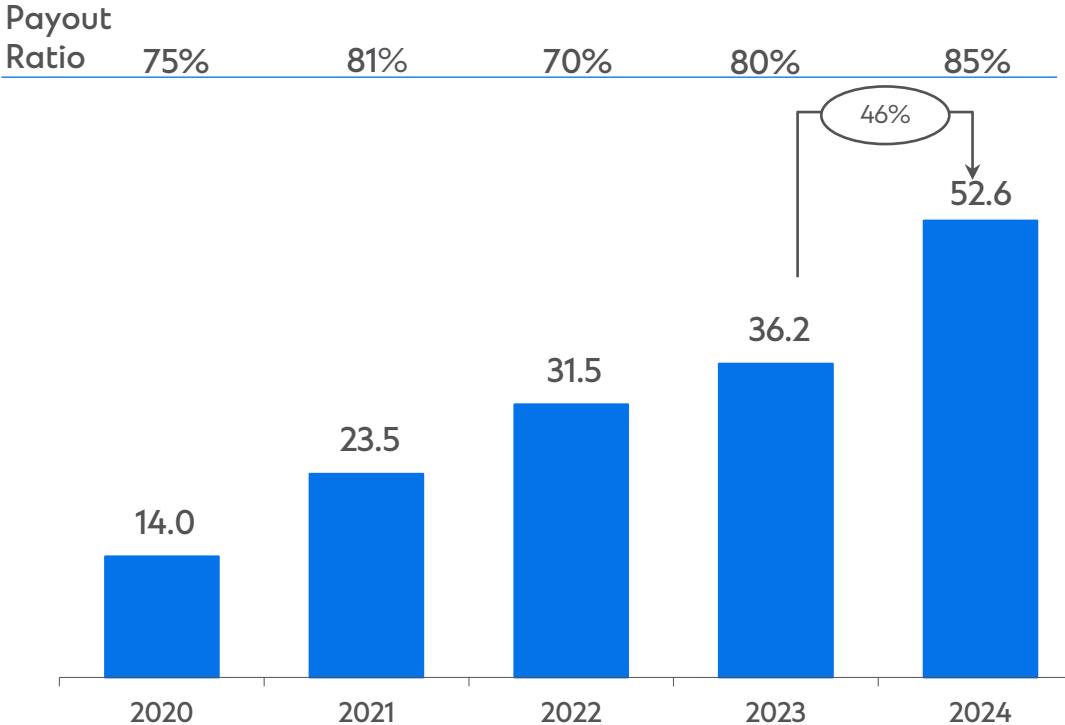
Record growth in shareholder returns

Kariuki Ngari

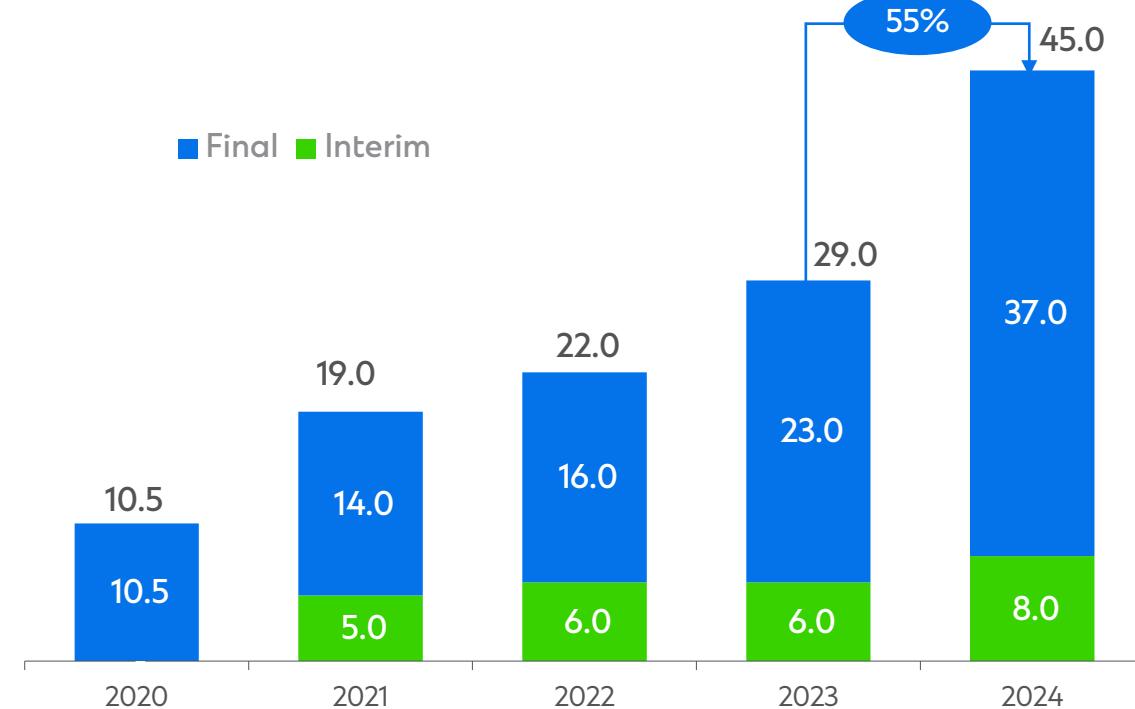
Managing Director and Chief Executive Officer

Delivering record growth in shareholder returns

Earnings Per Share (EPS - KShs)



Dividend Per Share (DPS – KShs)



- The Board will be recommending to the shareholders at the forth coming Annual General Meeting, a final dividend of **KShs 37.00** per ordinary share.
- This is in addition to the interim dividend of KShs 8.00 paid in October 2024, taking the total dividend to **KShs 45.00** per ordinary share (up **55%** with **85%** pay-out ratio).



Financial Performance Summary



KShs 50.7bn

Operating Income

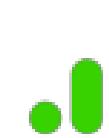
(+21%, FY' 23: KShs 41.7 bn)



KShs 20.1 bn

Operating expenses

(↑8%, CIR 39.6% FY' 23 44.8%)



KShs 28.2bn

Profit Before Tax

(+43%, FY' 23: KShs 19.6 bn)



KShs 52.6

Earnings Per Share

(+46%, FY' 23: KShs 36.2)



KShs 45.0

Dividend per ordinary share

(+55%, FY' 23 KShs 29.0)



KShs 17bn

Total dividend on ordinary shares

(+55%, FY' 23 KShs 10.9 bn)



19.55%

Capital adequacy ratio

(FY' 23: 17.84%)



67.6%

Liquidity ratio

(FY' 23: 66.3%)



2025 and beyond

Outlook

- Normalising macro-economic conditions of stable currency, reducing interest rates and low inflation.
- Trump 2.0
- Enhanced interest into Africa from Middle-East.
- Transformative power of Artificial Intelligence.

Playing to our strengths

- Provision of differentiated cross-border capabilities and personalised wealth solutions to clients with continued focus on sustainability.
- Continued delivery of best-in-class digital proposition with end-to-end self serve capabilities.
- Investment in and upskilling of colleagues.
- Capitalising on growing interest from the Middle-East underpinned by our strong network presence.



Q&A

