Standard Bank

SBN HOLDINGS LIMITED

RESULTS ANNOUNCEMENT

for the year ended 31 December 2024

Namibia
Kunene River

Profit for the year	Headline earnings growth	Cost to income ratio	Credit loss ratio	Total capital adequacy ratio	Return on equity	Final dividend per ordinary share
N$1 053m	**35.1%**	**56.4%**	**0.37%**	**18.0%**	**20.0%**	**70 cents**
2023: N$770m	2023: 25.9%	2023: 60.7%	2023: 0.59%	2023: 20.7%	2023: 15.6%	2023: 58 cents
▲ 36.8%		▼ 430bps	▼ 22bps	▼ 270bps	▲ 440bps	▲ 20.7%

"The year 2024 saw the group delivering an exceptional and historical set of results as we surpassed the N$1 billion headline earnings mark for the first time in our 109 years of existence."

Erwin Tjipuka, Chief Executive

Income statement

	Change %	2024 N$'000	2023 N$'000
Net interest income	14.8	**2 067 311**	1 800 015
Non-interest revenue	15.3	**1 677 624**	1 455 093
Net fee and commission revenue	9.2	**1 040 280**	952 929
Trading revenue	11.7	**221 668**	198 510
Other revenue	31.7	**262 537**	199 312
Other gains and losses on financial instruments	46.8	**153 139**	104 342
Total net income	15.0	**3 744 935**	3 255 108
Credit impairments	(35.1)	**(106 103)**	(163 411)
Income before operating expenses	17.7	**3 638 832**	3 091 697
Operating expenses	6.9	**(2 113 374)**	(1 976 192)
Net income before tax	36.8	**1 525 458**	1 115 505
Taxation (indirect and direct)	36.7	**(472 844)**	(345 792)
Profit for the year	36.8	**1 052 614**	769 713

Statement of financial position

	Change %	2024 N$'000	2023 N$'000
Cash, financial investments and other assets	31.1	**15 359 905**	11 715 700
Loans and advances to banks	(2.5)	**5 292 869**	5 429 848
Loans and advances to customers	3.8	**22 340 071**	21 524 042
Total assets	11.2	**42 992 845**	38 669 590
Deposits and current accounts from customers	10.9	**33 239 449**	29 982 379
Deposits from banks	>100.0	**763 908**	227 038
Other liabilities	3.7	**3 498 255**	3 372 382
Equity	7.9	**5 491 233**	5 087 791
Total equity and liabilities	11.2	**42 922 845**	38 669 590

Group results

The group finds itself at a historic milestone as it celebrates a momentous achievement of delivering a N$1 billion headline earnings for the first time in its 109 years of driving Namibia's growth. This achievement did not only demonstrate the impact of our deliberate strategic choices but exemplified our disciplined strategy execution and dynamism in the face of a tough trading and macro-economic environment. Refer below for the key financial highlights, the factors that contributed to our success, and how we have positioned ourselves for continued growth in an ever-evolving economic landscape.

Net interest income surged to N$2.067 billion, a 14.8% increase from prior year. This growth was underpinned by strong average balance sheet growth and higher margins resulting from funding optimisation strategies. Net interest margin increased by 40 basis points to 5.6% in the current year.

Non-interest revenue increased by 15.3% to N$1.678 billion from prior year, underscored by increases in: net fee and commission revenue of 9%, trading revenue of 11.7%, other revenue of 31.7% and other gains and losses on financial instruments of 46.8%. The main driver for the increase in net fee and commission revenue was the growth in transactional volumes. Trading volumes, expanded client propositions, foreign exchange and commodity volatilities underpinned the growth in trading revenue. Other revenue growth was driven by the increase in insurance related revenue which grew by 7.9% from prior year and profits earned on the disposal of Spearmint Investments (Pty) Ltd related entities. Increase in other gains and losses on financial instruments is largely due to a 57.2% growth in distributions from financial investments driven by higher investments resulting from excess funds held during the year.

Credit impairments decreased by 35.1% year on year, as a result of the regularisation of group scheme home loan accounts which were previously impaired due to technical challenges, the realisation of our non-performing loan (NPL) strategy in the current year and the improved quality of the book. The credit loss ratio (CLR) decreased to 0.37% compared to 0.59% in prior year. The CLR improved due to the decrease in credit impairment charges and the growth in loans and advances. The group is prudent in its provisioning and closely monitors and reassesses its strategic NPL initiatives to ensure they are fit for purpose.

Operating expenses growth decreased by 10.8% from prior year to 6.9% which tracked closer to the average inflation for the year of 4.3%. The main driver of the increase in expenses were:

- Staff costs which went up by 10.2%, underpinned by annual salary increases of 7% , filling of vacant positions, engagement of temporary IT employees to support key regulatory projects such as PSD 9, and higher variable remuneration aligned with group performance.
- Other operating expenses grew by 4.5%, which is in line with average annual inflation of 4.3%.

The group's cost-to-income (CTI) ratio has decreased to 56% from 61% in 2024.

Loans and advances to customers increased by 3.8% year on year, in contrast to the negative growth of 2.8% experienced in prior year. The franchise portfolio increased as follows: CIB by 9.8% driven by the growth experienced in medium term loans and BCB and PPB portfolios by 1.7% underpinned by growth in vehicle and asset finance and unsecured lending as a result of the digital lending introduced in the current year. Although home loans grew negatively by 1.8% mainly due the run down on the book, the new business written was 66% higher than in the prior year.

Despite the difficult macroeconomic environment characterised by prolonged high interest rates, sticky and elevated inflation, our NPL ratio (including interest in suspense) decreased from 4.52% (restated) in 2024 to 3.77% which is below both the industry average of 5.6% as at 31 December 2024 and the regulatory trigger limit of 6%. The decline in the NPL ratio demonstrates our disciplined and prudent approach to credit risk management and is testament to the resilience of our NPL reduction plan. The group remains committed to closely monitoring NPLs to ensure a good quality book.

There was a significant increase in deposits from customers of 10.9%, attributable to an increase in demand deposits, term deposits and a strategic decrease in negotiable certificates of deposits. The aforementioned increase is a result of our efforts to diversify our deposit mix to meet strategic goals. Debt securities decreased by 23.2% following the redemption at maturity of the SBNA24 and SBNO2 facilities with an issuance volume of N$658.5 million during the year. The group's liquidity position remained strong and within approved risk appetite and tolerance limits. The group continuously ensures that it has sufficient marketable assets available in its portfolio to meet the outflow demand in both businesses as usual as well as stress circumstances.

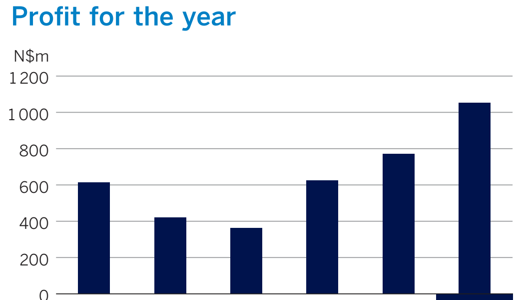
Outlook

Looking ahead, we remain committed to supporting economic growth and delivering sustainable value to our stakeholders. With a solid foundation and a clear strategic vision, the group is well positioned to navigate future opportunities and challenges in a dynamic economic landscape, as we strive to live our purpose, 'Namibia is our home, we drive her growth.'

Appreciation

We would like to express our heartfelt gratitude to our dedicated employees, loyal customers, board of directors, shareholders, regulators and all other valued stakeholders. Together we have navigated the complexities of the past year and laid a sturdy foundation for the future.

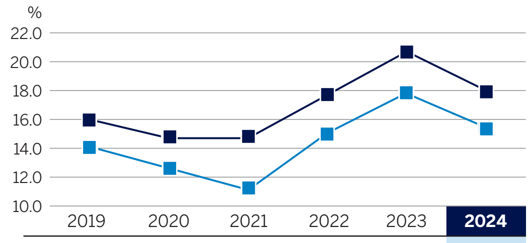
Profit for the year



2019	2020	2021	2022	2023	2024
613	421	364	624	770	**1 053**

*The group's profitability reached a record high in 2024, with profit for the year increasing significantly to **N$1 053 billion**, a substantial improvement from N$770 million in 2023. This impressive growth is directly attributable to a combination of strategic initiatives, funding optimisation, the successful scaling of our digital banking platforms driving increased transactional volumes, enhanced cost efficiency achieved through operational improvements, and a steadfast commitment to disciplined credit risk management. Pre-provision profit increased by 27.6% from N$1.279 billion in the prior year to N$1.631 billion in the current year.*

Capital adequacy ratio



	2019	2020	2021	2022	2023	2024
Total capital adequacy ratio	16.0	14.7	14.7	17.7	20.7	**18.0**
Tier I adequacy ratio	14.7	13.3	11.9	15.6	18.2	**16.0**

*The group maintained its strong capital adequacy ratios with total regulatory capital at **18.0%** (2023: 20.7%) and total tier 1 capital at **16.0%** (2023: 18.2%).*

Dividends declared

On 7 March 2025, the group declared a final cash dividend of 70 cents per ordinary share. Together with the interim dividend of 68 cents per ordinary share, this represents a total dividend of 138 cents per ordinary share (2023: 100 cents). This is a 38.0% increase on the total dividend per share for 2024.

Dividend payment details

Last day to trade cum dividend:	30 April 2025
First day to trade ex-dividend:	2 May 2025
Record date:	9 May 2025
Payment date:	23 May 2025

Postal address: PO Box 3327, Windhoek, Namibia
Registration number: 2006/306
Country of incorporation: Republic of Namibia

Directors: Mr IH Tjombonde (Chairman)*, Mr E Tjipuka*#, Ms S Hornung*, Mr STB Madonsela**, Mr AT Matenda***#, Mr JS Mwatotele*, Mr JG Riedel*, Mr P Schlebusch**, Ms NA Tjipitua*.

* Namibian ** South African *** Zimbabwean # Executive

Company secretary: Adv S Tjijorokisa

SBN Holdings Limited's full announcement containing the annual consolidated financial statements for the year ended 31 December 2024 is available for viewing on the Standard Bank website. The directors of SBN Holdings Limited take full responsibility for the preparation of this announcement and ensuring that the financial information, where applicable, has been correctly extracted from the consolidated annual financial statements. This announcement has not been reviewed by our external auditors. The results discussed in this announcement are consistent with the accounting policies adopted by the group in the audited annual financial statements and are presented on an IFRS® Accounting Standards basis. The financial statements will be presented at the annual general meeting on 29 April 2025.

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