How we create value

Income after credit impairments – Expenses = Net profit – Dividends to our shareholders / Taxes to governments = Retained equity which is reinvested to sustain and grow our business

We manage our business activities and associated trade-offs, in a way that connects profitability to socially beneficial outcomes.

1

Lending enables individual customers to create wealth and generate income, helps business clients remain sustainable and supports employment and economic growth in Africa. Regulatory capital requirements and risk appetite limit how much we are able to lend, and deteriorating economic conditions may limit the ability of clients to borrow or service their loans.

2

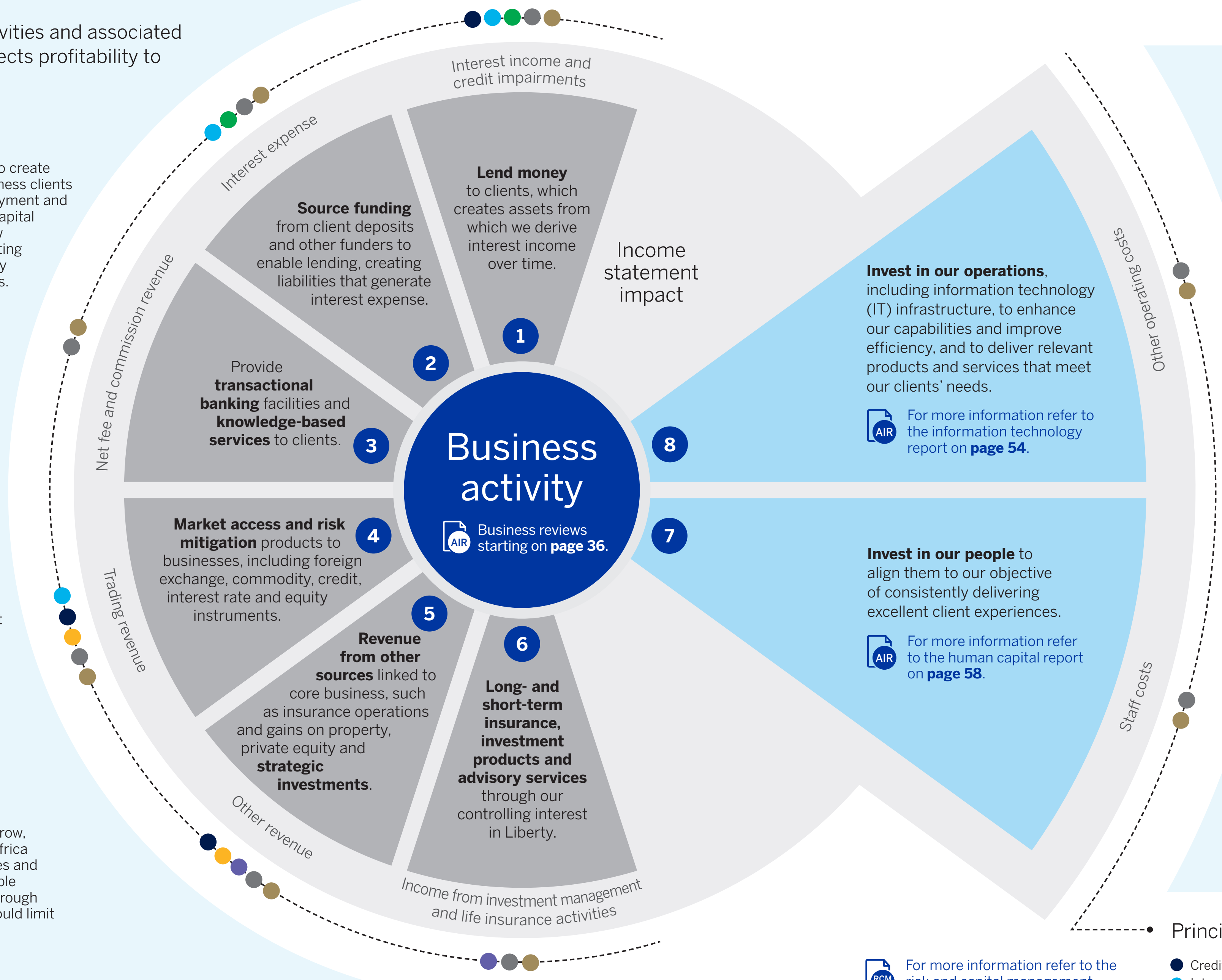
Funding provides our depositors with returns, while mitigating against the erosion of their capital due to inflation. We need to meet capital requirements to protect depositor funds, our own sustainability and that of the broader financial system. Higher interest rates increase the cost of funding.

3

Transactional banking facilitates the movement of money, providing clients with convenient access to their funds. Maintaining low fees requires that we grow transaction volumes to mitigate the loss of revenue. Our **knowledge-based services**, which include corporate advisory and loan structuring services, allow our clients to benefit from our experience and track record on the continent.

4

Market access enables businesses to grow, provides a conduit for investment into Africa and helps economies monetise resources and diversify. **Risk mitigation** products enable financial protection and diversification through risk transfer. Country and market risk could limit our ability to facilitate market access.



5

Strategic investments support economic activity and enable wealth creation. However, regulatory capital and risk appetite limits our ability to invest to ensure we deliver appropriate risk-adjusted returns.

6

Insurance and investment products and advice enable clients to build and protect their wealth and offer protection from loss of income due to illness, retirement and death. Underperforming equity markets impact the performance of equity-linked products and regulation such as the retail distribution review (RDR) could impact the volume of sales of certain products.

7

As a significant **employer** we hire locally wherever possible and through our activities sustain other jobs in local economies. Training and development enhances the level of financial services and related skills in Africa. Digital transformation in banking requires greater investment in people which includes hiring new skills and training interventions for current employees.

8

Investing in our **operations** enables us to continue meeting our clients' needs, contribute positively to host economies and strengthen our competitive position. Although our investment in technology is currently reducing our return on equity (ROE), it will ensure future income-enhancing opportunities as well as access to new markets, thereby supporting our growth and sustainability.

Principal risks arising from this activity

- Credit risk
- Interest rate risk
- Liquidity risk
- Market risk
- Insurance risk
- Business and reputational risk
- Operational risk, including compliance, environmental and/or social risk

For more information refer to the risk and capital management report.