



THE STANDARD BANK OF SOUTH AFRICA LIMITED

(Registration Number 1962/000738/06)

(incorporated with limited liability in The Republic of South Africa)

as **Issuer**

and

STANDARD BANK GROUP LIMITED

(Registration Number 1969/017128/06)

(incorporated with limited liability in The Republic of South Africa)

as **Issuer**

U.S.\$4,000,000,000

Euro Medium Term Note Programme

This Base Prospectus has been approved by the Financial Conduct Authority (the "FCA") as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom (the "UK") by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA") (the "UK Prospectus Regulation"). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of The Standard Bank of South Africa Limited and/or Standard Bank Group Limited or of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. This Base Prospectus is issued in compliance with the UK Prospectus Regulation for the purpose of giving information with regard to the issue of notes ("Notes") issued under the Euro Medium Term Note Programme (the "Programme") described in this Base Prospectus by The Standard Bank of South Africa Limited or Standard Bank Group Limited (as specified in the applicable Final Terms or Pricing Supplement (as defined below)) during the period of twelve months after the date hereof. This Base Prospectus is valid for a period of twelve months from the date of its approval. Applications have been made for such Notes (other than Exempt Notes (as defined below)) to be admitted during the period of twelve months after the date hereof to listing on the Official List (the "Official List") of the FCA and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's Main Market (the "Market"), which is a regulated market for the purposes of Regulation (EU) No 600/2014 on Markets in Financial Instruments as it forms part of domestic law of the UK by virtue of the EUWA (as amended, "UK MiFIR"). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuers (as defined below). The requirement to publish a prospectus under the FSMA only applies to Notes which are admitted to trading on a UK regulated market as defined in UK MiFIR and/or offered to the public in the United Kingdom other than in circumstances where an exemption is available under section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA"). References in this Base Prospectus to "Exempt Notes" are to Notes for which no prospectus is required to be published under FSMA. The FCA has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes and the Exempt Notes do not form part of this Base Prospectus as so approved.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET - The Final Terms (as defined below) in respect of any Notes and any drawdown prospectus may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "EU MiFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the EU MiFID II Product Governance rules under EU Delegated Directive 2017/593 (the "EU MiFID II Product Governance Rules"), any Dealer (as defined herein) subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) (the "Arranger") nor the Dealers nor any of their respective affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act (as defined below)) will be a manufacturer for the purpose of the EU MiFID II Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET - The Final Terms in respect of any Notes and any drawdown prospectus may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in Article 2 Regulation (EU) 2017/1129 (the "EU Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as

amended, the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE (the "SFA") – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PROHIBITION OF SALES TO CANADIAN INVESTORS - The Notes to be issued under the Programme may be sold only to purchasers in Canada purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes to be issued under the Programme must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws in Canada. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any issuance of Notes under this Programme.

Notes to be issued under the Programme may comprise (i) unsubordinated Notes (the "**Unsubordinated Notes**"), or (ii) Notes which are subordinated to the unsubordinated Notes (the "**Subordinated Notes**"). The rating of the Notes is to be specified in the Final Terms or, in the case of Exempt Notes, a Pricing Supplement. Subordinated Notes may be issued as either Tier 2 Notes (as defined herein) or Subordinated Notes that are not intended to qualify as Tier 2 Capital (as defined herein).

The Standard Bank of South Africa Limited has been rated BB- (long-term, foreign currency, issuer default rating) by Fitch Ratings Limited ("**Fitch**") and Baa3 (long-term, foreign currency deposit rating) by Moody's Investors Service, Inc. ("**Moody's**"). Standard Bank Group Limited has been rated BB- (long-term, foreign currency, issuer default rating) by Fitch and Ba2 (long-term, foreign currency deposit rating) by Moody's. Fitch is established in the United Kingdom and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**"). The ratings Fitch has assigned to the Issuers are endorsed by Fitch Ratings Ireland which is established in the EEA and is registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). Moody's is established in the EEA and is registered under the EU CRA Regulation. The ratings Moody's has assigned to the Issuers are endorsed by Moody's Investor Services Limited which is established in the UK and is registered in accordance with the UK CRA Regulation.

As at the date of this Base Prospectus, the prior approval of the Financial Surveillance Department ("**FSD**") of the South African Reserve Bank ("**SARB**") is required for the issuance of each Tranche (as defined herein) of Notes under the Programme. In addition, and in respect of a Tranche of Notes which are Tier 2 Notes, the prior approval of the Prudential Authority is required.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of each Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

Arranger

The Standard Bank of South Africa Limited
(acting through its Corporate and Investment Banking Division)

Dealers

BofA Securities	BNP PARIBAS	Citigroup
Deutsche Bank	HSBC	ICBC International
ING	J.P. Morgan	Mizuho
NatWest Markets	SMBC Nikko	Standard Bank
Standard Chartered Bank		UBS Investment Bank

27 June 2024

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IMPORTANT NOTICES

References to the "**SBG Base Prospectus**" mean this document with the exception of (a) the information contained in the section headed "*Description of The Standard Bank of South Africa Limited*" on pages 192 to 210, (b) the information relating to The Standard Bank of South Africa Limited ("**SBSA**") incorporated by reference into this document as set out in the section headed "*Information Incorporated by Reference*" on page 39 and (c) the information in paragraph 2(b) under the heading "*Significant/Material Change*" relating to the Standard Bank of South Africa Limited on page 233. The SBG Base Prospectus comprises a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation. Standard Bank Group Limited ("**SBG**") accepts responsibility for the information contained in the SBG Base Prospectus, to the best of its knowledge, the information contained in the SBG Base Prospectus is in accordance with the facts and the SBG Base Prospectus contains no omission likely to affect its import.

References to the "**SBSA Base Prospectus**" mean this document with the exception of (a) the information contained in the section headed "*Description of Standard Bank Group Limited*" on pages 153 to 191 (excluding the information contained in the sub-section headed "*Corporate Structure*" on pages 154 to 155 of the section headed "*Description of Standard Bank Group Limited*", which forms part of the SBSA Base Prospectus), (b) the information relating to SBG incorporated by reference into this document as set out in the section headed "*Information Incorporated by Reference*" on page 39 and (c) the information in paragraph 2(a) under the heading "*Significant/Material Change*" relating to SBG on page 233. The SBSA Base Prospectus comprises a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation. SBSA accepts responsibility for the information contained in the SBSA Base Prospectus (together with the SBG Base Prospectus, the "**Base Prospectus**"), to the best of its knowledge, the information contained in the SBSA Base Prospectus is in accordance with the facts and the SBSA Base Prospectus contains no omission likely to affect its import.

References in this Base Prospectus to the "**relevant Issuer**" or the "Issuer" shall, in relation to any issue or proposed issue of Notes, be references to whichever of SBSA and/or SBG is the issuer or proposed issuer of such Notes and references in this Base Prospectus to the "Issuers" are to SBSA and SBG as issuers of Notes under this Programme.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by the final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") or, in the case of Exempt Notes, a pricing supplement (the "**Pricing Supplement**"). In the case of Exempt Notes, any reference in this Base Prospectus to "**Final Terms**" shall be deemed to be a reference to "**Pricing Supplement**" unless the context requires otherwise. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

Each Issuer has confirmed to the Dealers that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuers or such other information as is in the public domain and, if given or

made, such information or representation should not be relied upon as having been authorised by the Issuers or any Dealer.

Neither the Arranger nor any of the Dealers makes any representation as to the suitability of any Notes issued as Green Bonds, Social Bonds or Sustainable Bonds (as indicated in the applicable Final Terms), including the listing or admission to trading thereof on any dedicated Environmental, Social and Governance (ESG) or other equivalently-labelled segment of any stock exchange or securities market, to fulfil any "environmental", "social", "sustainable", "governance" or "green" criteria required by any prospective investors. The Arranger and the Dealers have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for Green Projects, Social Projects or Sustainable Projects, as applicable (each, as defined herein), any verification of whether the Green Projects, Social Projects or Sustainable Projects, as applicable, meet such criteria or the monitoring of the use of proceeds of any Green Bonds, Social Bonds or Sustainable Bonds (or amounts equal thereto). Investors should refer to the Sustainable Finance Framework (as defined herein) and any further green finance framework which the Group may publish from time to time, the Sustainability second party opinion and any further second party opinion delivered in respect of a green finance framework and any public reporting by or on behalf of the Group in respect of the application of the proceeds of any issue of Green Bonds, Social Bonds or Sustainable Bonds for further information. Any such green finance framework and/or second party opinion and/or public reporting will not be incorporated by reference into this Base Prospectus and neither the Arranger nor any of the Dealers makes any representation as to the suitability or contents thereof. No assurance is given by the Issuers, the Arranger, the Dealers or any other person that the use of the proceeds of issue of any Green Bonds, Social Bonds or Sustainable Bonds will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which any investor or its investments are required to comply.

Neither the Dealers nor any of their respective affiliates (as defined under Rule 501(b) of Regulation D of the U.S. Securities Act of 1933 (as amended) (the "**Securities Act**") have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for any acts or omissions of either Issuer or any other person in connection with the Base Prospectus or the issue and offering of Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of any Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the Securities Act and Bearer Notes (as defined in the Conditions) are subject to tax law requirements in the United States of America (the "**U.S.**"). Subject to certain exceptions, Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the U.S. or to U.S. persons (as defined in Regulation S under the Securities Act).

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State (as defined below) of the EEA or in the United Kingdom will be made pursuant to an exemption under the EU Prospectus Regulation and the UK Prospectus Regulation, as applicable, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in the relevant Member State, or in the United Kingdom, of Notes which are the subject of an offering contemplated in this Base

Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to the EU Prospectus Regulation and the UK Prospectus Regulation, as applicable, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation or Article 23 of the UK Prospectus Regulation, as applicable, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuers, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.\$4,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement (as defined herein))). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

Certain information included herein relating to the banking industry has been extracted from information published by the SARB. In addition, certain information relating to the South African economy, including statistical information, has been obtained from Statistics South Africa. Each Issuer confirms that such third-party information has been accurately reproduced and, as far as each Issuer is aware, and is able to ascertain from the information published by such sources, no facts have been omitted which would render the reproduced inaccurate or misleading. However, the information has not been independently verified by the Issuers or any other party and prospective investors should not place undue reliance upon such data as included in this Base Prospectus.

UK BENCHMARKS REGULATION: Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 as it forms part of domestic law of the UK by virtue of EUWA (the "**UK Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the applicable Final Terms or Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmark Regulation. Not every reference rate will fall within the scope of the UK Benchmark Regulation. The registration status of any administrator under the UK Benchmark Regulation is a matter of public record and, save where required by applicable law, neither SBSA nor SBG intend to update the relevant Final Terms or Pricing Supplement to reflect any change in the registration status of the administrator.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the EEA, reference to the "**UK**" are to the United Kingdom, references to "**South Africa**" are references to the Republic of South Africa, references to "**U.S.\$**", "**U.S. dollars**" are to United States dollars, references to "**EUR**" or "**euro**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to "**ZAR**", "**R**" or "**Rand**" are to South African rand and references to "**Renminbi**",

"CNY" and "RMB" are to the lawful currency of the People's Republic of China (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) ("PRC").

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

Certain statements included in this Base Prospectus may constitute "forward-looking statements". Forward-looking statements provide the Issuers' current expectations or forecasts of future events. Forward-looking statements include statements about the Issuers' expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Certain words including "anticipate", "believe", "continue", "estimate", "expect", "intend", "may", "on-going", "plan", "potential", "predict", "project", "will", "schedule", and similar words or expressions, or the negatives of those words or phrases, may identify forward-looking statements. However, the absence of those words or phrases does not necessarily mean that a statement is not forward-looking.

In addition, all statements other than statements of historical facts included in this Base Prospectus, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Issuers and the plans and objectives of the Issuers for their future operations (including development plans and objectives relating to the Issuers' operations), are forward-looking statements.

Forward-looking statements appear in a number of places in this Base Prospectus, including, without limitation, in the "*Risk Factors*", "*Description of Standard Bank Group Limited*", and "*Description of The Standard Bank of South Africa Limited*" sections of this Base Prospectus.

Investors are cautioned that forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Issuers to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous estimates and assumptions regarding the Issuers' present and future business strategies and the environment in which the Issuers will operate in the future. Any forward-looking statements in this Base Prospectus speak only as of the date of this Base Prospectus, reflect the Issuers' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Issuers' operations, results of operations, growth strategy and liquidity. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, those described in "*Risk Factors*". All of the forward-looking statements made in this Base Prospectus are qualified by these cautionary statements.

None of the Issuers or any employees and agents of the Issuers assumes: (i) any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuers' expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based or (ii) any liability in the event that any of the forward-looking statements does not materialise or turns out to be incorrect. All subsequent written and forward-looking statements attributable to the Issuers or persons acting on their behalf are expressly qualified in their entirety by such cautionary statements.

RISK FACTORS

Each of the Issuers believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

Each of the Issuers believes that the factors described below represent the principal risks inherent in investing in the Notes, but either Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which it may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus to reach their own views prior to making any investment decision. The information given below is as at the date of this Base Prospectus.

Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in "Terms and Conditions of the Notes".

References in this section to the "Group" are to SBG and its subsidiaries and therefore include SBSA and its subsidiaries. Investors should note that SBG is not a guarantor of, and will not guarantee, any Notes issued by SBSA under the Programme. Investors sole recourse in respect of any Notes issued by SBSA is to SBSA.

Factors that may affect the Issuers' ability to fulfil their obligations under Notes issued under the Programme

Risks relating to the Issuers

The investments, business, profitability and results of operations of the Group may be adversely affected by difficult conditions in the global, South African and, with respect to SBG, sub-Saharan financial markets

The Group's business has significant holdings in South Africa, through SBSA and its subsidiaries, with the majority of the Issuers' revenues derived from operations in South Africa. Therefore, the Issuers' businesses and results of operations are primarily affected by economic and political conditions in South Africa and, because of their impact on the South African economy, global economic conditions.

In addition, the Group is an Africa focused universal financial services group with operations in nineteen countries in sub-Saharan Africa ("**SSA**") outside of South Africa (the "**Africa Regions**") and satellite offices in four key financial centres and two offshore hubs. As a result, SBG's performance is also affected by its operations in SSA. Africa Regions contributed 42 per cent. to SBG's headline earnings for the year ended 31 December 2023, and total assets for Africa Regions represented 18 per cent. of SBG's total assets at 31 December 2023. Economic and political conditions in the Africa Regions in which it operates therefore also have an impact on SBG's business and results.

In 2023, uncertainty relating to economic and geopolitical conditions remained elevated globally. In the six months to 30 June 2023, inflation remained elevated and interest rates continued to rise. In the second six months to 31 December 2023, central banks paused further increases in interest rates whilst monitoring inflation trends and developing geopolitical risks. Across most markets, inflation remained higher than forecast and interest rate cuts were delayed. The International Monetary Fund ("**IMF**") estimates global real gross domestic product ("**GDP**") growth at 3.2 per cent. in 2023. (Source: *IMF April 2024 Report*). SSA also experienced inflationary pressures and monetary policy tightening. Higher debt costs increased fiscal pressures and sovereign risks in certain countries, which in turn, drove currency weakness. There was progress on Ghana's debt restructure, Kenya's funding outlook improved, and Nigeria took steps to liberalise the Naira. While currency movements were mixed across the Africa Regions in which the Group operates, they were weaker on average by the end of 2023. In South Africa, inflation peaked in March 2023 at 7.1 per cent., and then declined to end the year at 5.1 per cent. in December 2023. The South African Reserve Bank ("**SARB**") increased interest rates from January 2023 by a cumulative 125 basis points by the end of May 2023 and then paused. The South African repo rate closed the year at 8.25 per cent. While electricity disruptions and logistics constraints placed pressure on businesses and corporates, and in turn on the

economy, progress was made during the year, particularly in the last quarter, towards delivering sustained improvements on both fronts. South Africa's real GDP grew at 0.6 per cent. in 2023 (*source: Statistics South Africa*).

In 2024, while global risks are expected to persist, the Issuers currently expect inflation to continue to fall providing scope for interest rate cuts. The IMF expects global real GDP growth to be 3.2 per cent. in 2024, in line with 2023. Real GDP growth in SSA is expected by the IMF to accelerate from 3.4 per cent. to 3.8 per cent. as higher levels of growth in East Africa more than offsets lower growth in South Africa and Nigeria. (*Source: IMF April 2024 Report*). The interest rate outlook is mixed. While some markets may still see interest rate increases in the first half of 2024 (including Angola, Kenya, Nigeria and Zambia), most markets are expected to start cutting interest rates in the second half of 2024. Overall, the growth outlook is positive, but the region remains at risk of global shocks and climate events. In addition, 13 countries in SSA will hold or have held elections in 2024, including six where the Group operates, namely Botswana, Ghana, Mauritius, Mozambique, Namibia and South Africa. In South Africa, inflation is expected to decline to 5.0 per cent. on average in 2024 (*source: Standard Bank Research*), supported by a lack of demand-driven inflation, a lack of wage pressure and favourable base effects. The SARB repo rate is expected to decline to 7.75 per cent. by year end (*source: Standard Bank Research*). The electricity shortfall in South Africa is expected to ease notably, relative to that experienced in 2023, driven by an increase in Eskom supply and the ongoing expansion of private sector generation capacity. Actions to ease the logistics constraints are also expected to gather pace. Together, this should support an improvement in real GDP growth to 1.1 per cent. in 2024 (*source: Standard Bank Research*). The South African election outcome is not expected to drive a change in policy direction. Accordingly, the continued gradual policy reform should be growth-supportive over time. Any acceleration in resolving the electricity, road, rail, and port constraints would aid this further.

Economic growth across the Group's various markets of operation is dependent on many factors beyond the Group's control, including geopolitical developments, monetary and fiscal policies and domestic and international economic and political conditions in general. Additionally, should the general global economic environment deteriorate during the course of 2024, this could negatively impact the economies of SSA.

Any deterioration in global and SSA political and economic conditions may negatively affect the Group's business, financial condition, and results of operations. This could result in lower customer demand, including lower demand for borrowing from creditworthy customers, and/or a reduction in the value of related collateral and/or an increase of the Group's default rates, delinquencies, write-offs, and impairment charges, which in turn could adversely affect the Group's performance and prospects. A deterioration in economic conditions could also impact the ability of the Group to raise funding from external investors.

A deterioration in the South African economy may adversely affect the Group's business and results of operations in a manner that may be difficult to predict

The Group's business and results of operations may be impacted by a number of South African macroeconomic conditions, including subdued economic growth, high unemployment, increases in inflation and/or interest rates and adverse foreign exchange rate movements.

Prior to the outbreak of the COVID-19 pandemic in January 2020, the South African economy had shown signs of weakness (including, for example, rising unemployment, a decrease in real income levels, depressed consumer confidence and an unreliable electricity supply) and had been in a downturn phase / period of declining momentum in economic activity since July 2019. While the South African economy has recovered from the 6.4 per cent. decrease in GDP in 2020 (*source: Statistics South Africa*), as a result of COVID-19, and has been in an upward phase since May 2020, post-recovery growth has been weak. Economic growth and consumption have been weighed down by supply-side constraints (including, for example, unreliable electricity supply and inefficient rail and port infrastructure), high inflation and restrictive interest rates, a high level of long-term unemployment, pressure on income levels and persistent depressed consumer and business confidence. The economic recovery within South Africa has been uneven across income groups.

The South African economy grew at 0.6 per cent. in 2023 (*source: Statistics South Africa*). Uncertainty around the availability of electricity supply weighed notably on economic activity in 2023 with a record

number of load shedding days. The SARB estimates that electricity shortages shaved 1.5 percentage points off GDP growth in 2023. The SARB expects load shedding to ease somewhat in 2024 and estimates that the negative impact on growth will moderate to 0.6 percentage points in 2024 and 0.2 percentage points in 2025. The decrease in the level of load shedding by several stages in the first quarter of 2024 came on the back of a combination of factors, including an increase in the imports of lithium-ion batteries and solar panels in 2023, which supports the view that private-sector electricity storage and self-generation capacity is growing rapidly. The return to service of several generating units have also aided in reducing the level of load shedding. The Issuers anticipate that there will likely be cyclical support for consumers from lower inflation and interest rates this year, while there should also be some support from the employment recovery recorded in the second half of 2023. The recovery in private sector fixed investment is being constrained by weak business confidence notwithstanding support from investment in electricity self-generation as well as ongoing, albeit softer, growth in company profits. National Treasury is forecasting positive, albeit notably softer, growth in public sector infrastructure spending. The SARB projects GDP to increase by 1.2 per cent. in 2024. The risks to the growth outlook in South Africa are assessed by SARB to be balanced. While the adverse growth impact from the electricity shortfall should ease given the expected increase in Eskom's electricity supply as well as the ongoing expansion of private sector electricity generation capacity, material progress in the logistics sector, however, will probably prove more protracted. The Issuers expect that gradual policy reform in South Africa to address supply-side constraints would be growth-supportive over time.

The South African banking sector is widely regarded as one of the country's key pillars of economic strength. The South African banking remains exposed to South Africa's general macroeconomic conditions and stability.

No assurance can be given that the Group would be able to sustain its current performance levels if the current South African macroeconomic conditions were to persist or materially worsen from levels at the date of this Base Prospectus.

A deterioration in the economies of the Africa Regions may adversely affect the Group's business and results of operations in a manner that may be difficult to predict

SBG's performance is impacted by its operations in its Africa Regions, which consist of nineteen countries in SSA outside of South Africa. Economic and political conditions in the Africa Regions in which it operates therefore also have an impact on SBG's business and results.

The IMF expects GDP growth in SSA to rebound to around 3.8 per cent. year-on-year in 2024, from an expected 3.4 per cent. year-on-year in 2023 (*source: IMF April 2023 Report*). The growth outlook for 2024 was revised lower by the IMF, from 4.0 per cent. year-on-year in their October 2023 outlook. Economic growth across the Group's various markets of operation is dependent on many factors beyond the Group's control, including, climate change, geopolitical developments, government monetary and fiscal policies and domestic and international economic and political conditions in general.

Unfavourable weather concerns, geopolitical risks and ongoing debt sustainability challenges constraining the fiscal capacity to spur growth, are the primary downside risks for economic growth in SSA for 2024.

El Niño is having a varied impact on growth across Africa. Countries in the East Africa region, such as Kenya, Uganda and Tanzania, are experiencing above-normal rainfall, while countries towards the southern parts, such as Malawi, Zambia, Zimbabwe and Mozambique, are experiencing drier weather. As a result, a state of disaster has been declared in certain countries including Malawi, Zambia and Zimbabwe in the districts impacted by El Niño conditions. This will have an impact not only on GDP growth, but also on inflation, as evidenced in Malawi and Zambia.

In addition, there is also a risk that goods-related price pressures rise again if supply-chain tensions return. Pressure on shipping routes through the Red Sea from terror attacks, and more general incentives to 'reshore' or 'friend-shore' in order to secure supply, have the potential to lift price pressures. Indicators of supply strains have reversed from the substantial easing of pressure experienced in 2022 and the first half of 2023. However, even if supply-chain headwinds do not resurface, it appears likely that the swift decline in inflation in 2023 will not be repeated in 2024. Moreover, the risk of tensions escalating in the Middle East, could pose

notable risks to the global risk environment, global supply chains, inflation and interest rates in the African Regions.

Investors face higher-than-expected inflation outcomes, keeping policy rates in advanced countries higher for longer, which might result in financial market repricing and increased volatility.

There is a notable political stability risk this year with around 60 elections across the globe in 2024 with key votes in the US and UK. The political calendar will be unusually busy in 2024 with 13 countries expected to hold elections across SSA, with Botswana, Mauritius, Mozambique, Ghana and Namibia among them.

Changes in the credit quality of counterparties could impact the recoverability and value of assets, which may have an adverse impact on the Group's profitability

The Group's lending and trading businesses are subject to inherent risks relating to the credit quality of their counterparties, which may impact the recoverability of loans and advances due from these counterparties. Changes in the credit quality of the Group's lending and trading counterparties, or arising from systemic risk in the financial sector, could reduce the value of the Issuers' assets and require increased provisions for bad and doubtful debts.

In addition, the Group is exposed to credit concentration risk, which is the risk of loss arising from an excessive concentration of exposure to a single counterparty, an industry, a market or segment of a market, a product, a financial instrument or type of security, a country or geography, or a maturity. The Group's credit portfolio also includes exposure concentrations to sovereign counterparties in the regions in which it operates, by way of prudential requirements for investment in Government securities and through direct lending. The Group manages this exposure within a clearly defined risk appetite framework and stress tests portfolios against weaknesses and sovereign downgrades.

The Group's gross loans and advances grew by 7 per cent. to R1.7 trillion at 31 December 2023 from the prior year's level of R1.6 trillion. Despite subdued growth across the retail portfolios and a decline in business lending, this was offset by strong growth in the corporate and Sovereign lending portfolio.

Credit impairment charges for 2022 were restated from R12,064 million to R13,343 million due to an amendment in the calculation of interest income on Stage 3 loans and advances in the Issuers' non-performing portfolio. Previously interest income was calculated on a portfolio approach. Going forward it will be calculated on a loan-by-loan outstanding balance approach. This restatement impacts the business unit impairment charges calculation as well as the credit loss ratio measurements for 2024 and 2023. Credit impairment charges for the Group increased by 22 per cent. from the restated amount of R13,343 million in 2022 to R16,261 million in 2023 driven mainly by higher charges in South Africa due to client strain linked to the elevated interest and inflation environment, particularly in the home services, vehicle and asset finance, and card portfolios. The Group's credit loss ratio increased to 0.98 per cent. in 2023 from 0.83 per cent. for the 2022 financial year.

The Group's Personal and Private Banking ("**PPB**") business unit reported headline earnings of R10,721 million for 2023, up from R8,474 million in 2022. Credit impairment charges increased by 26 per cent. from R8,824 million in 2022 (restated due to the measurement approach change) to R11,128 million in 2023, due to the challenging economic environment and strain on client affordability. The PPB credit loss ratio to customers increased to 1.65 per cent. in 2023 from 1.36 per cent. in 2022. Credit performance in the PPB South Africa portfolio regressed in 2023 with credit impairment charges up 32 per cent. from R7,565 million in 2022 to R9,976 million in 2023, and the credit loss ratio increasing from 1.32 per cent. in 2022 to 1.67 per cent. in 2023. The pressure on consumers from the difficult economic and operating conditions, characterised by elevated interest and inflation rates, is reflected in the higher Stage 3 loan balances for home services (R41,188 million in 2023, up from R30,621 million in 2022), vehicle and asset finance (R10,092 million in 2023, up from R7,989 million in 2022) and card (R4,046 million in 2023, up from R3,157 million in 2022).

The Business and Commercial Banking ("**BCB**") business unit recorded a 2 per cent. decrease in 2023 in gross loans and advances to customers from R203,490 million in 2022 to R199,275 million in 2023, driven by lower client demand, affordability constraints and declining business confidence, as well as a stronger

ZAR against Africa Regions currencies. Credit impairment charges for BCB were 41 per cent. higher in 2023 at R3,454 million, compared to R2,450 million in the previous year, driven by the challenging macroeconomic conditions and adverse currency impacts. The BCB credit loss ratio deteriorated to 1.56 per cent. in 2023 from 1.17 per cent. in 2022.

The Corporate and Investment Banking ("**CIB**") business unit generated a 30 per cent. increase in headline earnings, from R15,193 million in 2022 to R19,780 million in 2023 driven by a 26 per cent. increase in net interest income and a 13 per cent. increase in non-interest revenue with trading revenues making up 63 per cent. of total non-interest revenue. CIB's credit impairment charges for 2023 reflected a net release of provisions of R1,662 million, compared to the release of R2,530 million for 2022, following restructuring of the Ghana government debt during the year. This release was offset by higher provisions in South Africa related to increased client distress.

SBSA's credit portfolio contains a concentration of exposure to the Government through prudential requirements and direct lending. SBSA manages this exposure within a clearly defined risk appetite framework and also stress tests the portfolio against weaknesses and sovereign downgrades.

Mortgage loans (also referred to as home services) amount to 32 per cent. of SBSA's gross loans and advances at 31 December 2023, down from 34 per cent. at 31 December 2022, but still a material credit concentration in SBSA's portfolio. SBSA manages this exposure within a clearly defined risk appetite framework that includes portfolio limits in the PPB business unit where mortgage loans are originated and managed. SBSA also regularly stress tests the portfolio against various weaknesses in the economy, such as a sovereign ratings downgrade, which could negatively affect consumer creditworthiness and the repayment of home loans.

Operating again in a challenging economic environment in South Africa characterised by persistent electricity outages, disrupted rail and port infrastructure performance and low business and consumer confidence levels, SBSA's credit loss ratio increased to 0.98 per cent. in 2023 from 0.79 per cent. (restated) in 2022.

Many factors affect the ability of the Group's customers to repay their loans. Some of these factors, including adverse changes in consumer confidence levels due to local, national and global factors, consumer spending, bankruptcy rates, and increased market volatility, might be difficult to anticipate and are outside of the Issuers' control. The Issuers conduct annual credit risk type scenario and sensitivity stress testing on their respective portfolios to assess the impact on their respective risk profiles and to inform changes to forward-looking risk appetite and strategy.

The Group continues to apply appropriate and responsible lending criteria and to manage credit risk through maintaining a culture of responsible lending and a robust risk policy and control framework, in line with anticipated economic conditions and forward-looking risk appetite. Despite this, if macroeconomic conditions in South Africa and globally remain unstable, this could lead to variable demand for credit and may result in an increase in the level of the Issuers' non-performing loans and credit impairments. This, in turn, could have an adverse effect on the Issuers' financial condition or results of operations.

South African political uncertainty may impact the South African economy, which in turn could have a negative effect upon the Group's operations and its financial condition, in a manner that may be difficult to predict

Historically, the South African political environment has been characterised by a high level of uncertainty and concerns about the strength and independence of the country's institutions.

In 2024, the political outlook has been dominated by the national and provincial elections, which were held on 29 May. In the elections, the African National Congress's (the "**ANC**") share of the vote fell from 57.5 per cent. to 40.2 per cent., necessitating coalitions at the national level for the first time in the democratic era. In response, the ANC has invited opposition parties to form a Government of National Unity ("**GNU**"). This invitation has been accepted by a variety of parties, including the Democratic Alliance (DA) and the Inkatha Freedom Party (IFP), both of which are broadly centrist and Constitutionalist in their orientation.

This same GNU coalition framework has been used in both Gauteng and KwaZulu-Natal, offering a degree of stability to these provinces despite the ANC's loss of majority. Further areas of political uncertainty include ongoing interventions to resolve the electricity and logistics crises and problems in the water and sanitation sector. In 2023, water cuts – or 'water shedding' – was as prominent a driver of major service delivery action as electricity load shedding as measured by Municipal IQ (a South African data and intelligence service which monitors and assesses South Africa's municipalities).

In addition to the above, the reform focus will rest on the Government's interventions to resolve rising levels of crime, and particularly organised crime; deteriorating service delivery at the local government level; and efforts to further bolster the country's anti-corruption and broader governance reform drive.

Rising costs of living, coupled with breakdowns in service delivery across many of the country's financially and operationally troubled municipalities, continue to constitute a risk to the outlook. In 2023, there were 198 'major service delivery protests' as measured by Municipal IQ across the country, up from 121 in 2021 (though still lower than a 2018 peak of 237).

In addition to this, there will be a continued focus on the political pressures facing the South African National Treasury as it seeks to consolidate public finances over the medium-term. These pressures could accumulate if the GNU breaks apart and the ANC is then forced to consider an alliance with either the Economic Freedom Fighters (EFF) or uMkhonto weSizwe (referred to as the MK Party).

From a governance perspective, the focus in 2024 will rest on the National Prosecuting Authority's capacity to deliver accountability in the various "state capture" cases that it has enrolled in court through its Investigative Directorate ("**ID**"). Prior to the elections, President Ramaphosa signed the National Prosecuting Authority Amendment Bill into law, which, amongst other factors, aims to make the ID a permanent entity. This is seen as an important step in the agency's ability to tackle high-level corruption in the country. To this point, focus will also rest in 2024 on South Africa's bid to exit the Financial Action Task Force ("**FATF**") 'grey list' at the next review, a key component of which is the need to make visible progress on delivering accountability for financial and State Capture crimes.

If political uncertainty impacts the South African economy, including as a result of potentially unstable national and/or provincial coalitions, levels of crime and the rising cost of living, this may result in an increase in the level of the Issuers' non-performing loans and credit impairments, and/or a contraction in the growth of loans and advances. This, in turn, could have an adverse effect on the Issuers' financial condition or results of operations.

The Issuers face risk from the impact of climate change

The Issuers' activities may give rise to climate-related risks, as a result of their own operations and, more significantly, in respect of financed emissions across their client portfolios. The Issuers are exposed to physical and transition risks arising from climate change.

Physical risks from climate change relate to specific weather-related events such as heatwaves, droughts, floods and storms, and longer-term shifts in climate resulting in changes to mean temperatures and precipitation patterns, rising sea levels and coastal erosion. Acute physical risks such as more frequent and more intense extreme weather events pose a risk to the Issuers' own operations and those of their customers, especially in vulnerable sectors. Chronic physical risks such as rising average temperatures and changing precipitation patterns over the medium to long term, that lead to heat stress, droughts, higher wildfire risks and water shortages, may impact the Issuers' clients in sectors including mining, industrial, manufacturing and agriculture through water shortages, reduced labour productivity, reduced economic output and increased occupational health risks, which could impact performance of clients and in turn have an adverse impact on the Issuers' businesses. The nature and timing of extreme weather events are uncertain but they are increasing in frequency and their impact on the economies in which the Group operates is expected to be more acute in the future. Potential economic impacts include, but are not limited to, lower GDP growth, higher unemployment and significant changes in asset prices and the profitability of industries. Damage to client's properties and operations could impair asset values and impact the creditworthiness of clients leading to increased default rates, delinquencies, write-offs and impairment charges in the Issuers' portfolios and

financial losses for the Issuers. In addition, the Issuers' own premises and resilience may suffer physical damage due to weather events leading to increased costs for the Issuers.

Transition risks, including policy risk, market risk and reputational risk, arise from the process of adjustment towards a low-carbon economy. As economies transition toward low-carbon economies, financial institutions, including the Issuers, may face significant and rapid developments in policy, law and regulation, technology and sentiment, which could lead to the increased risk of stranded assets of the Issuers or their clients, an impairment in value of clients' operating assets which would have an adverse impact on the Issuers' financials and increased risk in the probabilities of client default. As sentiment towards climate change shifts and societal preferences change, the Issuers may face greater scrutiny of the types of business they conduct, adverse media coverage and reputational damage from a failure to meet changing societal, customer, or investor demands as well as failure to comply with governmental and regulatory requirements. This may in turn impact customer demand for the Issuers' products, returns on certain business activities, costs of funding and the value of certain assets resulting in impairment charges.

If the Issuers do not adequately embed risks associated with climate change into their risk frameworks to appropriately measure, manage and disclose the various financial and operational risks they face as a result of climate change, or fail to adapt their strategies and business models to changing regulatory requirements and market expectations on a timely basis, this may have a material and adverse impact on the Issuers' business, financial condition, results of operations, prospects and reputation.

Uncertainty in the timing and volume of future cash outflows resulting from obligations under insurance contracts could adversely impact SBG's liquidity and business operations, which could further impact SBG's operations and its financial condition, in a manner that may be difficult to predict

Insurance risk arises due to uncertainty regarding the timing and amount of future cash flows from insurance contracts. This may be due to variations in mortality, morbidity, customer behaviour or expense experience in the case of life products, and claims incidence, claim severity or expense experience in the case of non-life insurance products.

Insurance risk operations are housed within Liberty Holdings Limited ("**Liberty**") and Standard Insurance Limited ("**SIL**"). Both these businesses operate within the Insurance and Asset Management ("**IAM**") business unit within SBG. As at February 2024, SIL formed part of Liberty. The Group's share of IAM's headline earnings for the year ended 31 December 2023 was R2,820 million (net of the inter-business unit attribution (insurance) of R2,363 million transferred to SBG in respect of the embedded bancassurance business), which equates to 6.6 per cent. of SBG's total headline earnings.

In respect of SBG's life business, although the risk of COVID-19 has largely abated, IAM continues to be exposed to pandemic risks. In respect of SBG's non-life business there is elevated risk due to increased frequency and severity of natural disasters likely attributable to climate change. The annual review of non-life premiums will take the expected impacts of climate change into account.

In addition, if the socio-economic environment in which the IAM business operates continues to remain strained or deteriorate, this could negatively impact customer behaviour and new business volumes.

Noteholders recourse to assets and/or cash flows of SBG may be subordinated to the rights of investors and funders to the assets and/or cash flows of the subsidiaries

SBG is a holding company and its ability to make payments in respect of the Notes issued by it under the Programme depends partially on the results of its operating subsidiaries and its ability to receive distributions and repayments from such subsidiaries

SBG is the ultimate holding company for the Group's interests and conducts its business through operating subsidiaries. SBG's ability to meet its financial obligations, including payments under Notes issued by it, depends partially on receipt of interest and principal payments on loans made by it to its operating subsidiaries (including, for example, any loans which may be made with the issue proceeds of Notes issued

by SBG) and/or distributions of earnings and capital from its operating subsidiaries in the form of dividends, distributions or other advances and payments.

Certain of SBG's subsidiaries have incurred or may in the future incur indebtedness pursuant to loan agreements, indentures or other financial instruments that rank senior to SBG's loans to its subsidiaries. Furthermore, such subsidiaries are, or may in the future be, subject to restrictions contained in loan agreements or indentures which prohibit or limit their ability to transfer funds to SBG and/or require that any existing or new indebtedness of such subsidiaries to SBG be subordinated to the indebtedness under such loan agreements or indentures. SBG's subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due under Notes issued by SBG (or SBSA) or to make any funds available therefore, whether in the form of dividends or otherwise. Any right that SBG may have to receive assets of any such subsidiary upon its insolvency, and the consequent right of the holders of Notes to benefit from the distribution of proceeds from those assets, will be effectively subordinated to the claims of creditors of such subsidiaries, including tax authorities, employees, trade creditors and lenders.

As well as the risk of losses in the event of a subsidiary of SBG's insolvency, SBG may suffer losses if any of its loans to, or investments in, such subsidiary are subject to write-down, write-off and conversion by statutory power or regulatory direction or if the subsidiary is otherwise subject to resolution proceedings. In particular, the Financial Sector Regulation Act, No. 9 of 2017 ("**FSR Act**") specifies that the resolution powers should be applied in a manner such that losses are transferred to shareholders and creditors in an order which reflects the hierarchy prescribed in the relevant financial sector law and which otherwise respects the hierarchy of claims in an ordinary insolvency. In general terms, the more junior the investments in, and loans made to, any Group subsidiary are, relative to third-party investors, the greater the losses likely to be suffered by SBG in the event that any Group subsidiary enters into resolution proceedings or is subject to write-down, write-off or conversion of its regulatory capital instruments or other liabilities. See "*Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail, including the exercise by the Resolution Authority of a variety of resolution powers, could materially adversely affect the value of the Notes*" below. If any of the Group subsidiaries were subject to resolution proceedings (i) the Noteholders would have no direct recourse against such subsidiary, and (ii) the Noteholders themselves may also be exposed to losses pursuant to the exercise by the Resolution Authority of the resolution powers conferred by statutory bail-in powers or regulatory bail-in see "*Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail, including the exercise by the Resolution Authority of a variety of resolution powers, could materially adversely affect the value of the Notes*" below.

The investments, business, profitability and results of operations of the Issuers may be adversely affected by risks relating to the Group's internal processes and operations

Fraudulent activity may result in financial losses which may have an adverse effect on the operations of the Group

The Group faces the risk of reputational damage and financial losses due to fraud, crime and misconduct. As the Group evolves in its digital transformation, it maintains fraud risk as a key risk and continuously invests in skilled resources, operational efficiencies, systems and enriched data to combat fraud. The evolution and sophistication of banking fraud has been significant, driven by technological advancements, the increasing complexity of financial systems, and society's increasing dependence on digital technology and services. Banking fraud has transformed from simple scams to complex schemes that exploit both technological vulnerabilities and human psychology. Efforts to combat banking fraud have also evolved, incorporating advanced cybersecurity measures, behavioural analytics, machine learning models for anomaly detection, evolving regulatory frameworks and constant client awareness and education aimed at reducing the ever-evolving threat. Efforts in this area are ongoing as innovation by financial institutions intended to secure banking and financial transactions presents new opportunities for exploitation by criminals. The future of banking fraud prevention will also likely include more sophisticated uses of Artificial Intelligence ("**AI**") by both fraudsters and financial institutions, increased collaboration between financial institutions and governments, and greater emphasis on consumer education to mitigate risks.

In addition, the Group continues to monitor for market abuse, market manipulation, rogue trading and trends of syndicate or collusive behaviour where staff may be complicit particularly during economic downturns, as these activities may result in financial losses.

As the Group grows its digital offerings and footprint, the risk of impersonation and breaches of logical access management, which could result in reputational damage or financial loss, is heightened.

Should the Group fall victim to fraudulent activities, or be unable to detect or mitigate fraudulent activities, this may have an adverse effect on the business, financial condition and results of Group operations.

Cyber-crime may result in losses which negatively impact the Group's business, financial condition and/or results of operations

Protecting the Group, its clients and partners from cyber risk is crucial as the Group continues to advance its digital capabilities. The Group's businesses are subject to their ability to quickly adapt to disruptions while maintaining continuous business operations.

Financial services remain the most targeted economic sector from a cyber-threat perspective. The key sources of concern include the escalating sophistication of threats, increased volumes of cyber-attacks in the world at large, and an ever-expanding cyber-attack surface. Leveraging trends like cloud, mobile and big data are essential for the Group's business and operations to survive and thrive in new markets, however they increase the risk of cybercrime.

Successful cyber-attacks have far-reaching consequences which could result in fraud, material losses of client or customer information, cyber extortion, sabotage, damage of computer systems, reputational damage and may lead to regulatory penalties or financial losses; but ultimately, serve to damage the consumer's trust in the banking system.

The Issuers may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose the Issuers to additional liability

The Issuers are required to comply with applicable anti-money laundering, counter terrorist financing and bribery and corruption reporting laws in South Africa; see the sections titled "*Description of Standard Bank Group Limited - Regulation - Anti-money laundering regulatory requirements*" on page 190 and "*Description of the Standard Bank of South Africa - Regulation - Anti-money laundering regulatory requirements*" on page 209. Additionally, regulators across Africa require financial institutions to adopt the risk-based approach to managing risks associated with money laundering, proliferation financing and the financing of terrorism, as espoused by the Financial Action Task Force Recommendations. Regulators expect financial institutions to conduct due diligence on all their clients, and also require technologically driven transaction monitoring and reporting mechanisms in all countries in which the Group operates. While the Issuers have adopted policies and procedures aimed at detecting and preventing the use of their banking network for money laundering and terrorist financing activity, such policies and procedures may not completely eliminate instances in which the Issuers may be used by other parties to engage in money laundering, or other illegal or improper activities. To the extent that the Issuers may fail to fully comply with applicable laws and regulations, various regulatory authorities that are responsible for supervision of compliance with anti-money laundering and counter terrorist financing legislation have the authority to impose fines and other penalties. In addition, the Issuers could suffer reputational harm if clients are found to have used their products or services for money laundering, terrorist financing or other illegal purposes, and this could adversely affect their financial condition and results of operations.

A failure or interruption in or breach of the Group's information technology systems could have an adverse effect on the Issuers' business, financial condition and/or results of operations

Technology risk refers to the risk associated with the use, ownership, operation, involvement, influence, and adoption of technology by the Group. The Group's strategic focus to effectively adopt and use technology to achieve competitive business objectives is an integral consideration in evaluating technology risk.

The Group's main technology risks include the failure or interruption of critical systems, cybercrime, unauthorised access to systems, failure and/or exposure of a third-party service provider (manifested through potential events such as technology changes, updates, alterations, digital services, and cloud computing).

The Group regards its technology systems and operations infrastructure as critical to improving productivity and maintaining the Group's competitive advantage. The Group continues to encourage and introduce fully digital solutions for transactional banking (internet banking, mobile phone banking via text message, and smartphone banking via the app) in many of the countries in which it operates (with the intention of moving away from physical channels).

Any failure, interruption, or breach in security of these systems could result in failures or interruptions in its risk management, general ledger, deposit servicing, loan servicing, debt recovery, payment custody and/or other important systems could have a material adverse effect on the Group's business, results of operations, financial condition, and prospects.

The Group plans to transform client experiences using digital technologies. This entails building a platform business and growing its partner network that extends beyond banking services. The chosen strategic position and execution plans face a number of risks that may result in an adverse impact on the Group's business and prospects.

There are inherent risks which arise out of the Group's execution of its digital first and platform business strategy. Such risks include fraud, cyber-crime, interruption to information technology systems and reputational and financial loss or damage. Investing in digital capabilities that improve client experience and operational efficiency and solidify its competitive advantages in the long term, may impact the Group's stakeholder relationships and job descriptions in the short term.

In addition, a lack of appropriate change management and leadership skills, the shift towards business unit's determining their own individual platform strategies, funding, organisational processes, technology, and operating skills as well as the volume of change resulting from the implementation of the Group's digital first and platform business strategy may hinder, delay, or prevent roll out of the platform business. These risks increase operating and governance costs.

Legal risks also exist in relation to possible trademark infringement that may result in financial losses, which may have an adverse effect on the financial condition of the Group. Compliance risks may also arise with regards to non-adherence to the fair treatment of customers, non-adherence to relevant privacy legislation and/or regulation in relation to use of customer information for use in the platform businesses personalization strategy.

The Group's strategy to partner with third parties to deliver solutions on the platform, either financial or beyond financial, may raise the risk of anti-competitive behaviour as well as third party risk which may result in the Group suffering reputational or financial damage.

If the Group does not successfully execute on its platform strategy, it runs the risk of losing clients and market share. Continued expansion in the financial services sector landscape by BigTech, fintech and incumbent banks which offer simple, efficient and affordable banking and other financial services significantly increase competitive pressure in the sector. These are competitors who may have limited or no regulations restricting their innovation speed. The Group's innovations might not be fast enough to market, resulting in failure to capture more customers or grow revenue in line with expectations, which could lead to a material adverse effect on the Group's business, results of operations, financial condition, and prospects. The rise of AI raises additional risks such as the impact on security and the workforce, AI cyber-attacks, misinformation and disinformation and the increased risk of fraud.

Employee misconduct may result in financial losses which may have an adverse effect on the operations of the Group

The Group is exposed to risk from potential non-compliance with Group policies and regulations (such as the Group's Code of Ethics and Conduct) and related behaviour and employee misconduct such as fraud, negligence or non-financial misconduct, all of which could result in regulatory sanctions and fines and serious reputational or financial harm to the Group. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of rogue employees. It is not always possible to deter employee misconduct, and the precautions the Group takes to prevent and detect this activity may not always be effective. The Group maintains a Code of Ethics and Conduct which informs the Group's policies, standards and risk management code and is supported by a comprehensive approach to risk management. Conduct risk within the Group is governed by conduct oversight committees within the Group's client segments and corporate functions.

Employee misconduct or regulatory sanctions if a regulator deems the Group's actions to deter such activity to be insufficient, could have a material adverse effect on the Group's business, financial condition, results of Group operations, prospects and reputation.

The Group may suffer reputational or financial damage as a result of third party risk exposure

Third party risk is the potential risk that arises when the Group enters into a relationship with third parties and relies on third parties to perform services or activities on behalf of the Group. Third parties are engaged to form collaborative, mutually beneficial relationships and partnerships whilst ensuring effective customer delivery in line with the Group's strategic objectives. The Group relies on a large number of third parties to deliver critical services to customers. This includes customer interfacing services such as sales agents, brokers, digital banking products and core banking systems.

Non-performance by the Group's third parties may impact service delivery to customers and can potentially expose the Group to non-compliance with regulatory requirements, and consequently penalties, fines and/or reputational damage.

The Group is further exposed to concentration risk and business disruption arising from relationships with key material service providers which provide critical IT systems and services to the Group. Supply chain disruption may be further elevated due to geopolitical tensions, insufficient energy resources and adverse weather conditions, whereby essential third parties, concentrated in high risk geographic areas, could themselves experience pressure which in turn could negatively impact service delivery and the continuation of essential services to customers.

Competition and Market Risk

An evolving competitive landscape may have an adverse effect on the Group's financial condition and results of operations

The Group is subject to significant competition from other major banks operating in its markets, including competitors such as international banks that may have greater financial and other resources, particularly in the corporate and investment banking market. Many of these banks compete for substantially the same customers as the Issuers and/or other members of the Group. The Group faces growing competition from new entrants in the South African retail banking market, and from strong competitors in most of the other African retail markets in which it competes. Some of these competitors may be able to use AI and other new technologies to provide a superior client experience and/or to make more accurate credit decisions than the Group, either of which would reduce the Group's market share and revenues. The Group also faces competition from other non-bank entities that increasingly provide similar services to those offered by banks, including entities such as retailers, mobile telephone companies and other technology companies, including entities in the shadow banking industry. The shadow banking industry is large and inconsistently regulated in some of the Group's markets, which creates additional competition and may in future cause heightened systemic risk. Increased competition from non-bank entities in the money markets and capital markets could impact the Issuers' ability to attract funding. The Group's retail businesses may in future face increasing

competition from Central Bank Digital Currencies ("CBDCs") such as Nigeria's eNaira. To date, however, consumer adoption of CBDCs has been very limited and this risk remains latent.

Adverse movements in market variables such as equity, bond and commodity prices, currency exchange and interest rates, credit spreads, recovery rates and correlations, could impact the market value of the Group's financial instruments

Market risk is the risk of a change in the market value, actual or effective earnings, or future cash flows of a portfolio of financial instruments, including commodities, which is caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of these variables. The Group's key market risks are trading book market risk, interest rate risk in the banking book, equity risk in the banking book, foreign currency risk, own equity-linked transactions and post-employment obligation risk. Should the Group be unable to manage its market risk this could have a negative impact upon the value of its securities. At the Group level for the year ended 31 December 2023, market risk consumed R1,779 million, or 0.9 per cent. of Group Economic Capital. Interest rate risk in the banking book for the year ended 31 December 2023 consumed R8.6 billion, or 4.4 per cent. of Group Economic Capital.

Trading book market risk is represented by financial instruments, including commodities, held in various entities in the Group's trading books arising out of normal global market's trading activity. Banking book-related market risk exposure principally involves managing the potential adverse effect of interest rate movements on banking book earnings (net interest income and banking book mark-to-market profit or loss) and the economic value of equity.

Equity risk is defined as the risk of loss arising from a decline in the value of equity or an equity-type instrument held in the banking book, whether caused by deterioration in the underlying operating asset performance, net asset value, enterprise value of the issuing entity, or by a decline in the market price of the equity or instrument itself. Equity risk for the year ended 31 December 2023 consumed R15.8 billion, or 8 per cent. of Group Economic Capital.

The Group's primary non-trading related exposures to foreign currency risk arise as a result of the translation effect on their respective net assets in foreign operations, intragroup foreign-denominated debt and foreign-denominated cash exposures and accruals.

The Issuers have exposure to changes in SBG's share price arising from the equity-linked remuneration contractual commitments and post-employment obligation risk through the requirement to contribute as an employer to an underfunded defined benefit plan. Total expenses recognised in SBSA staff costs for own equity-linked transactions for the year ended 31 December 2023 was R4,179 million and the total liability recognised in other liabilities for own equity-linked transactions as at 31 December 2023 was R4,016 million. Total expenses recognised in SBG staff costs for own equity-linked transactions for the year ended 31 December 2023 was R4,609 million and the total liability recognised in other liabilities for own equity-linked transactions as at 31 December 2023 was R848 million. The amount recognised as an asset in SBG's Statement of Financial Position as at 31 December 2023 for pension and other post-employment benefits was R1,628 million. The amount of pension and other post-employment benefits recognised as a liability in SBG's Statement of Financial Position as at 31 December 2023 was R1,077 million.

In addition, SBG, primarily through its shareholding in Liberty, is exposed to insurance risk. The Group's share of IAM's headline earnings for the year ended 31 December 2023 was R2,820 million, which equates to 6.6 per cent. of SBG's total headline earnings. The Group's Liberty business unit provides life insurance products and services through Liberty Group Limited, a subsidiary of Liberty. Market risk within the Group's life insurance business is split into three categories:

- market risks to which Liberty wishes to maintain exposure on a long-term strategic basis;
- market risks to which Liberty does not wish to maintain exposure on a long-term strategic basis as they are not expected to provide an adequate return on economic capital over time; and

- market risks to which Liberty does not wish to maintain exposure but where Liberty is unable to economically mitigate these risks through hedging.

A reduction in the value of the financial instruments that the Group invests in may also have a material adverse effect on its business, growth prospects, results of operations and/or financial condition.

The Issuers' business and profitability may be adversely affected by liquidity and funding risks

Volatility in capital or credit markets may impact the Group's ability to access liquidity and funding

The Group's primary funding sources are in the form of deposits across a spectrum of consumer and high net worth, business and commercial and corporate and investment banking clients, as well as long-term capital and loan markets.

In respect of South Africa, the banking sector is characterised by certain structural features, such as a low discretionary savings rate in general and a high percentage of these are captured by institutions such as pension funds, provident funds and providers of asset management services. A portion of these savings translate into institutional funding for the banking system that comprises wholesale funding from financial institutions across a range of deposits, loans and financial instruments. These deposits have a different liquidity profile to retail deposits. As a result, the Issuers, along with other banking groups in South Africa, have a higher reliance on wholesale funding than retail deposits. As at 31 December 2023, retail deposits comprised 22.1 per cent. of the total funding-related liabilities of SBSA and 26.4 per cent. of the total funding-related liabilities of SBG.

Wholesale funding sourced by members of the Group is usually of a short-to-medium term and entered into on a contractual basis. Wholesale funding is more expensive than retail deposits, and is sourced from a small number of depositors, principally, fund managers. As at 31 December 2023, 86 per cent. of the SBSA's deposits and debt funding (including subordinated debt) had a contractual maturity date of 12 months or less or were repayable on demand. As at 31 December 2023, SBSA's largest single depositor accounted for 4.0 per cent. of total funding related liabilities and the top 10 depositors accounted for 10.3 per cent. of total funding related liabilities, well within SBSA's risk appetite of 10 per cent. and 20 per cent. respectively. As at 31 December 2023, 89 per cent. of SBG's deposits and debt funding had a contractual maturity date of 12 months or less or were repayable on demand. As at 31 December 2023, the largest single depositor accounted for 3.1 per cent. of total funding related liabilities and the top 10 depositors accounted for 7.8 per cent. of total funding related liabilities, well within the Group's risk appetite of 10 per cent. and 20 per cent. respectively.

If a substantial portion of the depositors withdraw their demand deposits or do not roll over their term deposits upon maturity, the Issuers may need to seek more expensive sources of funding to meet their funding requirements and no assurance can be made that additional funding will be obtained on commercially reasonable terms as and when required, or at all. Any inability to refinance or replace such deposits with alternative funding could adversely affect the liquidity and financial condition of the Issuers.

Disruptions, uncertainty or volatility in the capital and credit markets may limit the Issuers' ability to refinance maturing liabilities with long-term funding and may increase the cost of such funding. The availability to the Issuers of any additional financing they may need will depend upon a variety of factors, such as market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, and the Issuers' financial condition, credit ratings and credit capacity. The possibility that customers or lenders could develop a negative perception of the Issuers' financial prospects if, for example, an Issuer incurs large losses, experiences significant deposit outflows or if the level of an Issuers' business activity decreases, could also affect the availability of any additional financing.

Although the Issuers believe that their level of access to domestic and international inter-bank and capital markets and their liquidity risk management policies allow and will continue to allow the Issuers to meet their short-term and long-term liquidity needs, any maturity mismatches may have an adverse impact on their financial condition and results of operations. Furthermore, there can be no assurance that the Issuers will be successful in obtaining additional sources of funds on acceptable terms or at all.

A downgrade in the Issuers' credit ratings or the credit rating of South Africa could have an adverse effect on the Issuers' access to liquidity sources and funding costs

As of the date of this Base Prospectus, SBSA's short and long-term foreign currency deposit rating was assessed by Moody's Investors Service, Inc ("**Moody's**") as P-3 and Baa3, respectively, with a stable outlook and SBSA's short and long-term foreign currency issuer default rating was assessed by Fitch Ratings Limited ("**Fitch**") as B and BB-, respectively, with a stable outlook.

As of the date of this Base Prospectus, SBG's long-term Issuer rating was assessed by Moody's as Ba2 with a stable outlook and SBG's short and long-term foreign currency issuer default rating was assessed by Fitch as B and BB-, respectively, with a stable outlook.

A downgrade of the Issuers' credit ratings may increase their cost of borrowing, limit their ability to raise capital and adversely affect their results of operations.

The banks' ratings are highly influenced by the rating agencies assessment of South Africa's operating environment and the banks' capitalisation and leverage, which are highly sensitive to adverse changes in the sovereign's credit profile. Both Fitch and Moody's have indicated that factors that could lead to a downgrade of the Issuers' ratings include a deterioration in the South African governments credit profile, a decline in the Issuers' respective credit profiles, and negative changes in key metrics that the respective agencies monitor.

The Issuers planning processes include consideration of the potential implications of South African sovereign credit rating agency downgrades.

There can also be no assurance that the rating agencies will maintain the Issuers' current ratings or outlooks or those of South Africa. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation. Each rating should be evaluated independently of any other rating.

The Issuers are subject to prescribed regulatory capital and liquidity requirements that could affect their operations. A failure to adhere to these requirements may result in constrained asset growth and restrictions being placed on distributions

The Issuers are subject to capital adequacy requirements specified by the Prudential Authority (the "**PA**"), which provide for a minimum common equity tier 1, tier 1 and total capital adequacy ratio.

The amended Regulations relating to Banks (as amended) (as defined in the Conditions) effective 1 January 2013 are based on the Basel III framework ("**Basel III**") introduced by the Basel Committee on Banking Supervision ("**BCBS**") and provide the minimum risk based capital ratios. The PA adopted the Basel III framework, subject to certain phase-in provisions as provided by the BCBS from 1 January 2013. From 1 January 2019 the requirements that were subject to phase-in provisions have been fully implemented.

South African minimum Basel III capital requirements were 8.5 per cent. for CET 1, 10.8 per cent. for tier 1 and 14.0 per cent. for total capital adequacy in 2023. These minimums exclude the countercyclical buffer, which was not announced as a requirement for South Africa for the 2023 financial year, and confidential bank-specific pillar 2B capital requirements but include the maximum potential domestic systemically important bank ("**D-SIB**") requirement of 2.5 per cent. South African banks were required to disclose their D-SIB capital requirements from 1 September 2020. The Group's and SBSA's D-SIB buffer requirements amount to 1.5 per cent. as at 31 December 2023 of which 1 per cent. is required to be held in CET 1. The PA has announced its intention, subject to industry comment, to introduce a positive cycle neutral countercyclical buffer of 1 per cent. effective from 1 January 2026 with phase-in requirements from 1 January 2025.

The Basel III capital buffers continue to make it more challenging for banks and bank holding companies to comply with minimum capital ratios. Failure by the Issuers to meet certain of these buffers, for example the capital conservation and countercyclical buffers, could result in restrictions being placed on distributions, including dividends and discretionary payments, and any failure by the Issuers to maintain their capital ratios may result in action taken in respect of the Issuers.

In addition, Basel III prescribes two minimum liquidity standards for funding liquidity. The first is the liquidity coverage ratio ("**LCR**") which became effective on 1 January 2015 and aims to ensure that banks maintain an adequate level of high-quality liquid assets to meet liquidity needs for a 30 calendar day period under a severe stress scenario. The second is the net stable funding ratio ("**NSFR**"), which became effective on 1 January 2018, and which aims to promote medium and long-term funding of banks' assets and activities.

SBSA reported a LCR of 127.4 per cent. as at 31 December 2023 based on a simple average of 92 days of daily observations over the quarter ended 31 December 2023, exceeding the SARB's minimum requirement of 100 per cent. SBG reported a LCR of 129.1 per cent. as at 31 December 2023 based on a simple average of 92 days of daily observations over the quarter ended 31 December 2023 for the majority of SBG's balance sheet and a simple average of the three month-end data points for certain Africa Regions' banking entities which are not yet reported daily, exceeding the SARB's minimum requirement of 100 per cent.

The Issuers maintained NSFR compliance for 2023, with SBSA reporting a NSFR of 107.0 per cent. as at 31 December 2023 in excess of the 100.0 per cent. regulatory requirement, and SBG reporting a NSFR of 121.2 per cent. as at 31 December 2023 in excess of the 100.0 per cent. regulatory requirement, as well as specified internal risk appetite requirements.

Failure by the Issuers to meet the minimum liquidity standards for funding liquidity (LCR and NSFR), could limit their ability to support planned lending activities, and any failure by the Issuers to maintain their liquidity ratios may result in the enforcement and execution of the contingent funding plan.

Regulatory risks relating to the Issuers

The impact of any future change in law or regulation on the Issuers' business is uncertain

The Issuers are subject to the laws, regulations, administrative actions and policies of South Africa and each other jurisdiction in which they operate, and the Issuers' activities may be constrained by applicable legal and regulatory requirements. Changes in regulation and supervision, particularly in South Africa, could materially affect the Issuers' business, the products or services offered, the value of their assets and their financial condition. Although the Issuers work closely with their regulators and continuously monitor the situation, future changes in regulation, fiscal or other policies cannot be predicted and are beyond the control of the Issuers. The Issuers may incur reputational damage and financial losses if they are unable to anticipate or prepare for future changes to law or regulation.

Changes in Government policy, legislation or regulatory interpretation applying to the financial services industry in the markets in which the Group operates may adversely affect the Issuers' product range, distribution channels, capital requirements and, consequently, reported results and financing requirements. In particular, any change in regulation to increase the requirements for capital adequacy or liquidity, or a change in accounting standards, could have a material adverse impact on the Group's business, results, financial condition or prospects.

The impact of new laws or regulations to be issued and any future changes in laws or regulations on the Issuers' businesses is uncertain and may have a material and adverse impact on the Issuers' business, financial condition, results of operations and prospects.

Risks relating to Emerging Markets

Investors in emerging markets should be aware that these markets may be subject to greater risk than more developed markets, which may adversely affect the value or liquidity of Notes issued by the Issuers under the Programme

South Africa and the economies of the Africa Regions are generally considered by international investors to be emerging markets. SBSA and its subsidiaries are fully integrated with the rest of the Group and therefore also play a key role in positioning the Group to capitalise on the growth in emerging markets in the rest of Africa. Investors in emerging markets such as South Africa and SSA should be aware that these markets may be subject to greater risk than more developed markets. These risks include economic instability as well as, in some cases, significant legal and political risks.

Economic and financial market volatility in South Africa, SSA and other emerging markets has been caused by many different factors. Due to its liquidity and use as a proxy for emerging market trades, the Rand is particularly exposed to changes in investor sentiment and resulting periods of volatility. In addition to this, economic instability in South Africa, SSA and in other emerging market countries is caused by many different factors, including the following:

- electricity supply instability;
- a deteriorating fiscal outlook;
- policy uncertainty and rising populism;
- currency volatility and high inflation;
- constrained commodity prices;
- capital outflows; and
- a decline in domestic demand.

Any of these factors, amongst others, as well as volatility in the markets for securities similar to the Notes, may adversely affect the value or liquidity of the Notes.

Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved, and prospective investors are urged to consult with their own legal and financial advisors before making an investment in the Notes.

Investors should also note that developing markets, such as those in African countries, are subject to rapid change.

Exchange Control regulations may impact the Group's operations in the relevant countries in which they operate

There has been a gradual relaxation in exchange controls in South Africa since 1995. The extent to which the Government may further relax such exchange controls cannot be predicted with certainty, although the Government has committed itself to a gradual approach of further relaxation. Further relaxation or the abolition of exchange controls may precipitate a change in the capital flows to and from South Africa. If the net result of this were to cause large capital outflows, this could adversely affect the Group's business and financial condition as a whole.

Further to the above and consistent with the relaxations of the exchange control framework, the Government continues with its commitment to modernise South Africa's capital flows management framework as announced in 2020. The main objective of the new capital flow management framework is to introduce a positive bias framework where all cross-border transactions will be allowed, except those that are subject to capital flow management measures and/or pose a high risk of illicit cross-border financial flows. There are ongoing changes to the current regulations that will give effect to the implementation of the new framework in due course.

In the context of the Africa Regions, the introduction of exchange controls, or changes to existing exchange control regulations, may similarly impact the Group's business and financial condition in the relevant country in which the exchange controls are introduced or changed, as applicable.

Risks relating to the Notes

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes

are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer. Although applications have been, or will be, made for the Notes issued under the Programme to be admitted to listing on the Official List of the FCA and to trading on the Main Market of the London Stock Exchange, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the relevant Issuer has or will be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, the relevant Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the relevant Issuer's option in certain other circumstances, the relevant Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes. Any redemption of Subordinated Notes prior to their Maturity Date (as defined herein) (if any) requires the prior written approval of the PA.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfers, payments and communications with the Issuers

Notes issued under the Programme may be represented by one or more Global Notes (as defined herein). Such Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Each of Euroclear and Clearstream, Luxembourg (each as defined herein) and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Notes held through it. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the relevant Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg and its participants to receive payments under the relevant Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the relevant Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the relevant Deed of Covenant (as defined herein).

Credit Rating

Tranches of Notes issued under the Programme may be rated or unrated. If a rating is assigned to any issue of Notes, the rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at

any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Exchange rate risks

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the Final Terms). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Similarly, the relevant Issuer may be exposed to potential losses if the Specified Currency were to depreciate against key currencies in which the relevant Issuer's revenues are based, which may have an adverse effect on its financial condition and results of operations.

The Notes may be de-listed, which may materially affect an investor's ability to resell

Any Notes that are listed on the London Stock Exchange or any other listing authority, stock exchange or quotation system may be de-listed. If any Notes are delisted, the relevant Issuer is obliged to endeavour promptly to obtain an alternative listing. Although no assurance is made as to the liquidity of the Notes as a result of listing on the London Stock Exchange or any other listing authority, stock exchange or quotation system, delisting the Notes may have a material adverse effect on a Noteholder's ability to resell the Notes in the secondary market.

Risks related to the structure of the particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the relevant Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Modification and waivers and substitution

The Conditions of the Notes contain provisions for calling meetings (including by way of conference call using an audio or video conference platform) of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Change in law

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law, save that the provisions of Conditions 4(b) (*Status of the Subordinated Notes that are not Tier 2 Notes*), 4(c) (*Status of Tier 2 Notes*), 4(d) (*Loss Absorption Following A Non-Viability Event*), 4(e) (*Disapplication of Non-Viability Loss Absorption*), 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*), 14.2 (*Events of Default relating to the Subordinated Notes*) and 24 (*Recognition of RSA Bail-in Powers*) are governed by, and will be construed in accordance with, South African law. No assurance can be given as to the impact of any possible judicial decision or change to English or South African law or administrative practice in either such jurisdiction after the date of this Base Prospectus.

Denominations

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination (as defined in the Conditions) of EUR100,000 (or its equivalent) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of EUR100,000 (or its equivalent) that are not integral multiples of EUR100,000 (or its equivalent). In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a definitive note in respect of such holding (should definitive notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. Definitive notes will only be issued if (a) Euroclear or Clearstream, Luxembourg (or other relevant clearing system) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

The reset of the rate of interest with respect to the Reset Notes on each Reset Date could affect the market value of an investment in such Notes

As set out in Condition 9 (*Reset Note Provisions*), Reset Notes will initially bear interest at the relevant Initial Rate of Interest which will be reset on the first Reset Date (and if applicable, Subsequent Reset Dates) (each such interest rate, a "**Subsequent Reset Rate of Interest**"). The Subsequent Reset Rate of Interest for any relevant Reset Period could be less than the relevant Initial Rate of Interest or the relevant Subsequent Reset Rate of Interest for prior Reset Periods, which could affect the market value of an investment in the relevant Notes.

Reset Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on such Notes may be less favourable than the prevailing spreads on comparable floating rate Notes tied to the same reference rate.

The value of and return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such "benchmark".

Regulation (EU 2016/1011) (the "**EU Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU

supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "relevant benchmark" are changed in order to comply with the requirements of the EU Benchmark Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "relevant benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain "benchmarks": (i) discouraging market participants from continuing to administer or contribute to the "benchmark"; (ii) triggering changes in the rules or methodologies used in the "benchmark"; and/or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a "benchmark".

The Conditions provide for certain fallback arrangements in the event that a published benchmark, including an inter-bank offered rate such as EURIBOR or other relevant reference rates, ceases to be published or a Benchmark Event as defined in Condition 7(o) otherwise occurs, including the possibility that the rate of interest or other amounts payable under the Notes could be set by reference to a Successor Rate or an Alternative Rate, which may perform differently to the benchmark such rate is replacing, and that such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders or Couponholders arising out of the replacement of the relevant benchmark, and may include amendments to the Conditions of the Notes and the Agency Agreement (without the consent of the Noteholders) to follow market practice or to ensure the proper operation of the Successor Rate or Alternative Rate and, in either case, an adjustment spread.

The Conditions do not permit the relevant Issuer to determine a Successor Rate or Alternative Rate to be used in place of EURIBOR or any other benchmark, in circumstances where the relevant Issuer is unable to appoint an experienced Independent Adviser of international repute. In the event of a permanent discontinuation of EURIBOR or any other benchmark, the relevant Issuer may be unable to appoint an Independent Adviser in a timely manner, or at all, in which case it will be unable to determine a Successor Rate or Alternative Rate. In these circumstances, where EURIBOR or any other benchmark has been discontinued, the Rate of Interest will revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before EURIBOR or the relevant benchmark was discontinued, and such Rate of Interest will continue to apply until maturity. Furthermore, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the relevant Issuer,

the same could reasonably be expected to prejudice the qualification of the relevant Series of Subordinated Notes as Tier 2 Capital. Any of the foregoing may result in the effective application of a fixed rate for the relevant Series of Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmark Regulation and/or UK Benchmark Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

The market continues to develop in relation to SONIA, SOFR and Term SOFR as reference rates for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to SONIA, SOFR and Term SOFR as reference rates in the capital markets and their adoption as alternatives to interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on SONIA, SOFR and Term SOFR, including term SONIA, SOFR and Term SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA, SOFR or Term SOFR rate over a designated term). The development of SONIA, SOFR and Term SOFR rates as interest reference rates for the Eurobond markets, as well as continued development of SONIA, SOFR and Term SOFR based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

The use of SONIA, SOFR and Term SOFR as reference rates for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA, SOFR and Term SOFR. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked notes issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Conditions, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SONIA, SOFR or Term SOFR that differs significantly from that set out in the Conditions as applicable to the Notes. Furthermore, the Issuer may in future issue Notes referencing SONIA, SOFR or Term SOFR that differ materially in terms of interest determination when compared with the Notes. In addition, the manner of adoption or application of SONIA, SOFR or Term SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA, SOFR or Term SOFR in other markets, such as the derivatives and loan markets. Noteholders should carefully consider how any mismatch between the adoption of SONIA, SOFR or Term SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA, SOFR or Term SOFR.

SONIA and SOFR differ from interbank offered rates in a number of material respects and have a limited history

SONIA and SOFR differ from interbank offered rates in a number of material respects, including that SONIA and SOFR are backwards-looking, risk-free overnight rates, whereas interbank offered rates are expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that SONIA or SOFR may behave materially differently as interest reference rates for the Notes, compared to interbank offered rates. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to unsecured rates.

The future performance of SONIA and SOFR may be difficult to predict based on the limited historical performance. The level of SONIA and SOFR during the term of the Notes may bear little or no relation to the historical level of SONIA or SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SONIA and SOFR such as correlations, may change in the future.

Furthermore, the Rate of Interest is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without

changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, if the Notes become due and payable under Condition 8, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

The administrator of SONIA, SOFR or Term SOFR may make changes that could change the value of SONIA, SOFR or Term SOFR or discontinue SONIA, SOFR or Term SOFR

The Bank of England, The New York Federal Reserve or CME Group Benchmark Administration Limited (or their respective successors), as administrator of SONIA, SOFR and Term SOFR, respectively, may make methodological or other changes that could change the value of SONIA, SOFR or Term SOFR (as applicable), including changes related to the method by which SONIA, SOFR or Term SOFR (as applicable) is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or Term SOFR (as applicable), or timing related to the publication of SONIA, SOFR or Term SOFR (as applicable). In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or Term SOFR (as applicable) (in which case a fallback method of determining the interest rate on the Notes will apply). The relevant administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA, SOFR or Term SOFR (as applicable).

In respect of any Notes issued as Green Bonds, Social Bonds or Sustainable Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

The Final Terms relating to any specific Tranche of Notes may provide that it will be the relevant Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that (i) promote climate-friendly and other environmental purposes ("**Green Projects**"), (ii) are aimed at reducing economic and social inequality ("**Social Projects**"), or (iii) have both a positive environmental and social impact ("**Sustainable Projects**"). Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the relevant Issuer, the Arranger, any of the Dealers or any other person that the use of such proceeds for any Green Projects, Social Projects or Sustainable Projects, as applicable, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, social or sustainability impact of any projects or uses, the subject of or related to, any Green Projects, Social Projects or Sustainable Projects, as applicable. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given by the relevant Issuer, the Arranger, the Dealers or any other person to investors that any projects or uses the subject of, or related to, any Green Projects, Social Projects or Sustainable Projects, as applicable, will meet any or all investor expectations regarding such "green", "social" or "sustainable" or other equivalently-labelled performance objectives (including under Regulation (EU) 2020/852 (the "**Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy**"), as it forms part of UK domestic law by virtue of the EUWA) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects, Social Projects or Sustainable Projects, as applicable.

The EU Taxonomy in particular is subject to further implementation by the European Commission by way of delegated regulations containing technical screening criteria for the environmental objectives set out in the Taxonomy Regulation. On 21 April 2021, the European Commission approved in principle the first delegated act (the "**EU Taxonomy Climate Delegated Act**") aimed at supporting sustainable investment by

making it clearer which economic activities most contribute to meeting the EU's environmental objectives. The EU Taxonomy Climate Delegated Act sets out criteria for economic activities in the sectors that are most relevant for achieving climate neutrality and delivering on climate change adaptation. This includes sectors such as energy, forestry, manufacturing, transport and buildings. Criteria for other environmental objectives will follow in a later delegated act, in line with the mandates in the Taxonomy Regulation.

In June 2021, the UK Government appointed a new Green Taxonomy Advisory Group, an independent expert group established to oversee, and provide non-binding advice to the UK Government on, the delivery of a comparable 'Green Taxonomy' in the UK context (the "**UK Taxonomy**"). Like the EU Taxonomy, the objective of the UK Taxonomy will be, once implemented, to provide investors with greater clarity as to how individual firms impact the environment.

Until all criteria for such objectives on both a UK and EU level have been developed and disclosed, it is not known whether any Green Projects, Social Projects or Sustainable Projects will satisfy those respective criteria. Accordingly, alignment with the EU Taxonomy and/or any UK Taxonomy, once all criteria are established, is not certain. Each prospective investor should therefore have regard to the factors described in the relevant Final Terms and in any green, social or sustainable finance framework prepared by the Group subsequent to the date of this Base Prospectus, and seek advice from their independent financial adviser or other professional adviser as to the relevance of the information contained in this Base Prospectus and the relevant Final Terms before deciding to invest.

No assurance or representation is given by the Issuers, the Arranger, the Dealers or any other person as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the relevant Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects, Social Projects or Sustainable Projects, as applicable, to fulfil any environmental, social, sustainability and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the relevant Issuer, the Arranger, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the relevant Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, social or sustainability impact of any projects or uses, the subject of or related to, any Green Projects, Social Projects or Sustainable Projects, as applicable. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the relevant Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the relevant Issuer to apply the proceeds of any Notes so specified for Green Projects, Social Projects or Sustainable Projects, as applicable, in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Green Projects, Social Projects or Sustainable Projects, as applicable, will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Green Projects, Social Projects or

Sustainable Projects, as applicable. Nor can there be any assurance that such Green Projects, Social Projects or Sustainable Projects, as applicable, will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the relevant Issuer. Any such event or failure by the relevant Issuer will not constitute an Event of Default under the Notes and Noteholders will have no recourse against the relevant Issuer, the Arranger or any Dealer following any such event or failure.

Any such event or failure to apply the proceeds of any issue of Notes for any Green Projects, Social Projects or Sustainable Projects, as applicable, as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the relevant Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects, Social Projects or Sustainable Projects, as applicable, and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Investors should refer to the Standard Bank Group's Sustainable Finance Framework (as further described in "Use of Proceeds", below) for further information. Neither the Arranger nor any of the Dealers will verify or monitor the proposed use of proceeds of the Notes under the Programme.

Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail, including the exercise by the Resolution Authority of a variety of resolution powers, could materially adversely affect the value of the Notes

The Issuers and the Group are subject to substantial resolution powers

Under the FSR Act, substantial powers are granted to the Resolution Authority, in consultation with the Minister of Finance, as part of resolution powers. These powers enable the Resolution Authority to implement various resolution measures and stabilisation options (including, but not limited to, the bail-in tool) with respect to a South African registered bank or investment firm and certain of its affiliates (as at the date of this Base Prospectus, including the Issuers) (each a "**designated institution**") in circumstances in which the Resolution Authority is satisfied that the relevant resolution conditions are met. Each member of the Group would be subject to the exercise by the Resolution Authority of its resolution powers unless specifically excluded in terms of section 29A(2) of the FSR Act.

The resolution powers consists of, amongst other things: (a) the transfer of assets and liabilities of the designated institution; (b) an amalgamation or merger, or a scheme of arrangement of a kind contemplated in the Companies Act that involves, the designated institution; (c) transfer of some or all of shares in the designated institution to a "bridge company" established by the SARB; (d) the statutory bail-in powers (as described below); and (e) temporary ownership of shares in the designated institution by the Resolution Authority.

The FSR Act also provides for additional insolvency and administration procedures for designated institutions and for certain ancillary powers, such as the power to modify contractual arrangements in certain circumstances (which could, without limitation, include a variation of the terms of the Notes), powers to impose temporary suspension of payments, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers. Noteholders should assume that, in a resolution situation, financial public support will only be available to a designated institution as a last resort after the relevant resolution authorities have assessed and used, to the maximum extent practicable, the resolution tools, including the statutory bail-in powers. The exercise of any resolution power or any suggestion of any such exercise could materially adversely affect the value of any Notes and could lead to Noteholders losing some or all of the value of their investment in the Notes.

Resolution powers triggered prior to insolvency may not be anticipated and Noteholders may have only limited rights to challenge them

The resolution powers conferred on the Resolution Authority are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated. The purpose of the resolution powers is to address the situation where all or part of a business of a designated institution has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Although the FSR Act provides specific conditions to the exercise of any resolution powers, it is uncertain how the Resolution Authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuers and/or other members of the Group and in deciding whether to exercise a resolution power. The Resolution Authority is also not required to provide any advance notice to Noteholders of its decision to exercise any resolution power. Therefore, Noteholders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuers, the Group and the Notes. Furthermore, Noteholders may have only limited rights to challenge and/or seek a suspension of any decision of the Resolution Authority to exercise its resolution powers (including the statutory bail-in powers) or to have that decision reviewed by a judicial or administrative process or otherwise.

The Resolution Authority may exercise statutory bail-in powers in respect of Issuers and the Notes, which may result in Noteholders losing some or all of their investment

Where the relevant statutory conditions for use of statutory bail-in powers have been met, the Resolution Authority would be expected to exercise these powers without the consent of the Noteholders. Any such exercise of statutory bail-in powers in respect of the Issuers and the Notes may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of the Notes into shares or other Notes or other obligations of the Issuers or another person, or any other modification or variation to the terms of the Notes. The exercise of statutory bail-in powers in respect of the Issuers and the Notes or any suggestion of any such exercise could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuers to satisfy their respective obligations under the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes.

The provisions of the FSR Act contain an express safeguard (known as 'no creditor worse off') with the aim that shareholders and creditors do not receive a less favourable treatment than they would have received in ordinary insolvency proceedings. However, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

Noteholders agree to be bound by the exercise of any RSA Bail-in Power by the Resolution Authority

In recognition of the resolution powers granted by law to the Resolution Authority, by acquiring any Notes of any Series, each Noteholder acknowledges and accepts that the Amounts Due (as defined in the Conditions) arising under the Notes may be subject to the exercise of the RSA Bail-in Power (as defined in the Conditions) and acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of any RSA Bail-in Power by the Resolution Authority, that may result in (i) the reduction or write-off of all, or a portion, of the Amounts Due; (ii) the conversion of all, or a portion, of the Amounts Due into ordinary shares or other securities or other obligations of the Issuers or another person (or the issue to or conferral on the Noteholder of such shares, securities or obligations); (iii) the cancellation of the Notes; (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the dates on which interest becomes payable, including by suspending payment for any period contemplated in the RSA Bail-in Power.

Each Noteholder further acknowledges, accepts, consents and agrees to be bound by the variation of the terms of the Notes, if necessary, to give effect to the exercise of the RSA Bail-in Power by the Resolution Authority. Accordingly, the RSA Bail-in Power may be exercised in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security from the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Resolution Authority may

exercise the RSA Bail-in Power without providing any advance notice to, or requiring the consent of, the Noteholders. In addition, under the Conditions, the exercise of the RSA Bail-in Power by the Resolution Authority with respect to the Notes is not an Event of Default or a default or breach of the Conditions for any purpose. See also "Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail, including the exercise by the Resolution Authority of a variety of resolution powers, could materially adversely affect the value of the Notes" above.

Noteholders will have limited remedies

The exercise of the RSA Bail-in Power by the Resolution Authority with respect to the Issuers and/or the Notes does not constitute an Event of Default or a default or breach of the Conditions for any purpose nor will it give rise to any acceleration rights for the Noteholders.

Risks relating to Subordinated Notes

Substitution or Variation of Tier 2 Notes upon the occurrence of a Capital Disqualification Event, Tax Event (Gross Up), Tax Event (Deductibility) or a Change in Law

Upon the occurrence and continuation of a Capital Disqualification Event, Tax Event (Gross Up), Tax Event (Deductibility) or, if specified in the Final Terms, a Change in Law (each as defined in Condition 2 (*Interpretation*)), the relevant Issuer may, subject as provided in Condition 10(k) (*Substitution or Variation*) and without the need for any consent of the Noteholders or Couponholders, substitute all (but not some only) of any Series of Tier 2 Notes, or vary the terms of all (but not only some) such Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities (as defined in Condition 2 (*Interpretation*)). While the relevant Issuer cannot make changes to the terms of Tier 2 Notes that are materially less favourable to the holders of the relevant Tier 2 Notes, no assurance can be given as to whether any of these changes will negatively affect any particular Holder. In addition, the tax consequences of holding such substituted or varied Tier 2 Notes could be different for some categories of Holders from the tax consequences for them of holding the Tier 2 Notes prior to such substitution or variation.

Early Redemption of Subordinated Notes upon the occurrence of a Capital Disqualification Event (in relation to Tier 2 Notes only), Tax Event (Gross Up), Tax Event (Deductibility) or a Change in Law

Upon the occurrence and continuation of a Capital Disqualification Event (in relation to Tier 2 Notes only), Tax Event (Gross up), Tax Event (Deductibility) or, if specified in the Final Terms, a Change in Law (each as defined in Condition 2 (*Interpretation*)), but (other than in respect of a Capital Disqualification Event) subject to Condition 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*), the relevant Issuer may, at its option, redeem all (but not some only) of the Subordinated Notes at the Early Redemption Amount as specified in, or determined in the manner specified in, the applicable Final Terms or Pricing Supplement. Noteholders will not receive a make-whole amount or any other compensation in the event of any early redemption of Notes.

There can be no assurance that holders of Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

The relevant Issuer's obligations under Tier 2 Notes are subordinated and Tier 2 Noteholders will have no right of set-off

The relevant Issuer's obligations under Tier 2 Notes will be unsecured and subordinated and will, in the event that the relevant Issuer is placed into liquidation or is wound-up, be subordinated to the claims of Senior Creditors (as defined in Condition 2 (*Interpretation*)) of the relevant Issuer.

If the relevant Issuer is wound-up or put into liquidation, voluntarily or involuntarily, Tier 2 Noteholders (as defined in the Conditions) will not be entitled to any payments of principal or interest in respect of the Tier 2 Notes until the claims of Senior Creditors which are admissible in any such winding-up or liquidation have been paid or discharged in full. If the relevant Issuer does not have sufficient assets at the time of winding-up or liquidation to satisfy the claims of the Senior Creditors, then Tier 2 Noteholders will not receive any payment in respect of their Tier 2 Notes.

In addition, the rights of Tier 2 Noteholders are limited in certain respects. In particular, if the relevant Issuer defaults on a payment of any amount due on a Tier 2 Note for a period of 7 (seven) days or more, such Tier 2 Noteholder may only institute proceedings for the winding-up of the relevant Issuer (and/or prove a claim in any winding-up of the relevant Issuer) but take no other action in respect of that default. Only if an order of court is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the relevant Issuer (other than pursuant to a Solvent Reconstruction (as defined in Condition 2 (*Interpretation*))) shall Tier 2 Noteholders be able to declare (upon written notice) such Tier 2 Note immediately due and payable.

Subject to Applicable Law, in accordance with the Conditions no Tier 2 Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the relevant Issuer under or in connection with the Tier 2 Notes and each Tier 2 Noteholder shall, by virtue of being the holder of any Tier 2 Note, be deemed to have waived all such rights of set-off, compensation and retention.

Accordingly, although Tier 2 Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Tier 2 Notes will lose all or some of its investment should the relevant Issuer become insolvent.

Subordinated Notes that are not Tier 2 Notes will be subordinated to most of the relevant Issuer's liabilities

The payment obligations of the relevant Issuer under Subordinated Notes that are not Tier 2 Notes will rank behind Unsubordinated Notes. Subordinated Notes that are not Tier 2 Notes constitute direct, unsecured and subordinated obligations of the relevant Issuer and rank *pari passu* among themselves and at least *pari passu* with all Other Subordinated Securities (as defined in Condition 2 (*Interpretation*)) but in priority to Tier 2 Capital.

With regard to any Subordinated Notes that are not Tier 2 Notes, if the relevant Issuer is declared insolvent and a winding up is initiated, the relevant Issuer will be required to pay the holders of unsubordinated debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of Other Subordinated Securities and Other Tier 2 Securities) in full before it can make any payments on Subordinated Notes that are not Tier 2 Notes. If this occurs, the relevant Issuer may not have enough assets remaining after these payments to pay amounts due under such Subordinated Notes that are not Tier 2 Notes.

The relevant Issuer is not prohibited from issuing further debt which may rank pari passu with or senior to the Subordinated Notes

There is no restriction on the amount of securities or indebtedness that the relevant Issuer may issue or incur which ranks senior to, or *pari passu* with, Subordinated Notes. The issue of any such securities or indebtedness may reduce the amount recoverable by holders of Subordinated Notes on a winding-up, liquidation or curatorship of the relevant Issuer.

Statutory Loss Absorption at the Point of Non-Viability of the relevant Issuer

Basel III requires the implementation of certain non-viability requirements as set out in the press release dated 13 January 2011 of the BCBS entitled "*Minimum requirements to ensure loss absorbency at the point of non-viability*" (the "**Basel III Non-Viability Requirements**"). The Basel III Non-Viability Requirements represent part of the broader package of guidance issued by the BCBS on 16 December 2010 and 13 January 2011 in relation to Basel III.

Under the Basel III Non-Viability Requirements, the terms and conditions of all Additional Tier 1 and Tier 2 instruments (as defined below) issued by an internationally-active bank must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into common equity upon the occurrence of a trigger event (described below) unless:

- (a) the governing jurisdiction of the bank has in place laws that (i) require such Tier 1 and Tier 2 instruments to be written off upon such event, or (ii) otherwise require such instruments to fully absorb losses before tax-payers are exposed to loss (a "**Statutory Loss Absorption Regime**" or "**SLAR**");

- (b) a peer group review confirms that the jurisdiction conforms with paragraph (a) above; and
- (c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under paragraph (a) above.

The trigger event is the earlier of: (1) a decision that a write-off, without which the issuing bank would become non-viable, is necessary, as determined by the relevant authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the issuing bank would have become non-viable, as determined by the relevant authority (the "**Point of Non-Viability**" or "**PONV**").

Regulation 38(12) of the Regulations Relating to Banks refers to the need for the Basel III Non-Viability Requirements to be reflected in the terms and conditions of a Tier 2 capital instrument ("**Tier 2 instrument**") unless a duly enforceable SLAR is in place.

The SARB has provided clarity on the loss absorbency requirements contemplated in the Regulations Relating to Banks in Guidance Note 2 of 2012 (*Matters related to the implementation of Basel III*) and Guidance Note 6 of 2017 (*Loss absorbency requirements for Additional Tier 1 and Tier 2 capital instruments*) ("**Guidance Note 6**"), Circular 6 of 2013 (*Matters related to conditions for the issue of instruments or shares, the proceeds of which rank as Tier 2 capital*) and Circular 6 of 2014 (*Interpretation of specified conditions for the issuing of instruments or shares which rank as additional tier 1 capital and tier 2 capital*). Additionally, on 26 March 2024 the Prudential Authority published, for public comment, the revised proposed directive on loss absorbency requirements for banks, bank controlling companies and branches of foreign institutions under reference 15/8/13 (the "Proposed Directive") dealing with loss absorbency requirements for Additional Tier 1 and Tier 2 capital instruments. Once finalised, the Proposed Directive will repeal and replace Guidance Note 6.

The Financial Sector Laws Amendment Act, No. 23 of 2021 (the "**FSLAA**") which came into effect fully from 1 April 2024 does not address a SLAR as was initially expected but it does amend a number of pieces of legislation including the Insolvency Act, No. 24 of 1936 (the "**Insolvency Act**"), the Banks Act, the Companies Act, No. 71 of 2008 (the "**Companies Act**") and the FSR Act and amends the creditor hierarchy, by including preferring deposits covered by the proposed deposit insurance scheme to unsecured creditors and the creation of a new subordinated class of loss-absorbing instruments ("**FLAC instruments**") to facilitate the implementation of the resolution framework for "designated institutions" which includes a statutory bail-in power for the SARB as the "resolution authority" and the creation of a privately funded deposit insurance scheme. Note that other than the above changes the creditor hierarchy remains unchanged from the Insolvency Act.

The Relevant Regulator currently has the power to trigger contractual write-off or conversion of Additional Tier 1 instruments and Tier 2 instruments at the PONV, i.e. where the Relevant Regulator determines it necessary to prevent the institution from becoming non-viable or when public sector support would be required to prevent failure; such "regulatory bail-in" is executed outside resolution.

In terms of the provisions of the FSLAA, a "designated institution" can be placed into resolution by the Minister of Finance on the recommendation of the Resolution Authority to the extent that the Resolution Authority is of the opinion that the "designated institution" is, or will likely be, unable to meet its obligations, irrespective of whether or not the "designated institution" is insolvent, and the resolution of the "designated institution" is necessary to maintain financial stability or to protect the depositors of a bank.

The FSLAA thus introduces a power for the SARB that will subject most types of debt to bail-in, in accordance with their creditor hierarchy and provided resolution is invoked ("**statutory bail-in**"). As a result, losses for investors may differ depending on whether regulatory bail-in, statutory bail-in or both powers are applied and the sequence in which they are applied.

The terms of the Proposed Directive indicate that regulatory bail-in and statutory bail-in will coexist since it is not intended that the statutory requirements relating to statutory bail-in will replace regulatory bail-in.

Guidance Note 6 requires banks to indicate, in the contractual terms and conditions of any Tier 2 instruments issued, whether such instruments would be either written-off or converted into the most subordinated form

of equity of the bank and/or its controlling company (such conversion, "**Conversion**") at the occurrence of a trigger event determined in the Relevant Regulator's discretion, as envisaged in Regulation 38(12)(a)(i) of the Regulations Relating to Banks. In accordance with Guidance Note 6, the terms and conditions of Tier 2 Notes issued under this Programme accordingly provide for the Write-off (as defined in Condition 2 (*Interpretation*)) of such Tier 2 Notes at the discretion of the Relevant Regulator upon the occurrence of a Non-Viability Event (see Condition 4(d) (*Loss Absorption Following A Non-Viability Event*)) (subject to Condition 4(e) (*Disapplication of Non-Viability Loss Absorption*)).

In addition, paragraph 6.3 of Guidance Note 6 provides that banks have the option to elect, upon the commencement of the SLAR, to have the existing contractual write-off/Conversion provisions of any Tier 2 instruments issued prior to the implementation of the SLAR replaced with the write-off/Conversion provisions in the legislation and/or regulations which implement(s) the SLAR (see Condition 4(e) (*Disapplication of Non-Viability Loss Absorption*)). Where the relevant Issuer elects to have the Non-Viability Loss Absorption Condition continue to apply to Tier 2 Notes issued subject to such Non-Viability Loss Absorption Condition, rather than subjecting such Tier 2 Notes to the SLAR (on commencement of the legislation and/or regulations which implement(s) the SLAR), such Tier 2 Notes will be subject to such minimum requirements of the Statutory Loss Absorption Regime required to ensure that the Tier 2 Notes continue to qualify as Tier 2 Capital.

Whether in terms of the contractual write-off/Conversion provisions or the write-off/Conversion provisions in the legislation and/or regulations which implement(s) the SLAR, the possibility of write-off means that Tier 2 Noteholders may lose some or all of their investment. The exercise of any such power by the Relevant Regulator or the SARB or any suggestion of such exercise could materially adversely affect the price or value of a Tier 2 Noteholder's investment in Tier 2 Notes and/or the ability of the relevant Issuer to satisfy its obligations under such Tier 2 Notes.

Payment of any amounts of principal and interest in respect of Tier 2 Notes will be cancelled or written-off upon the occurrence of a Non-Viability Event

Upon the occurrence of a Non-Viability Event (as defined in Condition 2 (*Interpretation*)), Tier 2 Notes will be cancelled (in the case of a Write-off in whole) or written-off in part on a pro rata basis (in the case of a Write-off in part) in accordance with the Capital Rules (as defined in Condition 2 (*Interpretation*)). Further to such cancellation or Write-off, Tier 2 Noteholders will no longer have any rights against the relevant Issuer with respect to any amounts cancelled or written off and the relevant Issuer shall not be obliged to pay compensation in any form to Tier 2 Noteholders. Furthermore, any such cancellation or Write-off will not constitute an Event of Default (as defined in the Conditions) or any other breach of the relevant Issuer's obligations under the Conditions of any Tier 2 Notes.

A Non-Viability Event will occur when the relevant regulator has notified the relevant Issuer that it has determined that a "trigger event" as specified in the Capital Rules has occurred. A trigger event in relation to Tier 2 instruments in the Capital Rules is described as being, at a minimum, the earlier of:

- (a) a decision that a write-off, without which the relevant Issuer would become non-viable, is necessary, as determined and notified by the relevant regulator; or
- (b) a decision to make a public sector injection of capital, or equivalent support, without which the relevant Issuer would have become non-viable, as determined and notified by the relevant regulator.

The occurrence of a Non-Viability Event is therefore inherently unpredictable and depends on a number of factors, many of which are outside of the relevant Issuer's control.

The investment in, and disposal or write-off of, Tier 2 Notes may have tax consequences in the hands of Tier 2 Noteholders, the relevant Issuer or both

The investment in, and disposal or write-off upon the occurrence a Non-Viability Event in respect of, Tier 2 Notes may have tax consequences in the hands of Tier 2 Noteholders, the relevant Issuer or both. As any such potential consequence depends on various factors, prospective investors in Tier 2 Notes are strongly

advised to consult their own professional advisers as to the tax consequence of investing in Tier 2 Notes, and particularly as to whether a disposal or write-off of Tier 2 Notes will result in a tax liability.

Risks relating to Notes denominated in Renminbi

A description of risks which may be relevant to an investor in Notes denominated in Renminbi ("**Renminbi Notes**") are set out below.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are being developed.

Although the People's Bank of China ("**PBoC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the crossborder remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the relevant Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBoC has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC. The Renminbi Clearing Banks have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no

assurance that new PRC regulations will not be promulgated, or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the relevant Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all. If certain events occur (such as Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Conditions)) which result in the relevant Issuer being unable, or which would render it impracticable for the relevant Issuer, to make payments in Renminbi, the relevant Issuer's obligation to make such payments in Renminbi under the terms of the Renminbi Notes is replaced by an obligation to make such payments in U.S. dollars pursuant to the "*Terms and Conditions of the Notes*".

Investment in the Renminbi Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. In August 2015, PBoC implemented changes to the way it calculates the mid-point against the U.S. dollar to take into account the previous day's closing rate and market-maker quotes before announcing the daily mid-point. This change, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. The relevant Issuer will make all payments of interest and principal with respect to the Renminbi Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in U.S. dollars or other applicable foreign currency will decline.

Investment in the Renminbi Notes is subject to currency risk

If the relevant Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Conditions), the relevant Issuer shall be entitled, on giving not less than five or more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in U.S. dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

Investment in the Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by global certificates held with the common depositary for Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement, (ii) for so long as the Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing clearing systems rules and procedures or (iii) for so long as the Renminbi Notes are in definitive form, by transfer to

a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement in accordance with prevailing rules and regulations. The relevant Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the gains derived by such non-PRC resident enterprise from the transfer of Renminbi Notes but its implementation rules have reduced the enterprise income tax rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident or individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual resident holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

Remittance of proceeds in Renminbi into or out of the PRC

In the event that the relevant Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC Government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC Government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the relevant Issuer does remit some or all of the proceeds into the PRC in Renminbi and the relevant Issuer subsequently is not able to repatriate funds out of the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. the annual financial statements (including the auditors' report thereon, notes and annexures thereto) of SBSA in respect of the years ended 31 December 2023 and 31 December 2022 (set out on pages 2 to 190 and pages 50 to 239, respectively, of the 2023 and 2022 annual financial statements of SBSA) (the "**SBSA 2023 Annual Financial Statements**" and "**SBSA 2022 Annual Financial Statements**");
2. the annual financial statements (including the auditors' report thereon, notes and annexures thereto) of SBG in respect of the years ended 31 December 2023 and 31 December 2022 (set out on pages 2 to 336 and 2 to 260, respectively, in the 2023 and 2022 annual financial statements of SBG) (the "**SBG 2023 Annual Financial Statements**" and "**SBG 2022 Annual Financial Statements**");
3. the risk and capital management report of SBG in respect of the year ended 31 December 2023 (the "**SBG 2023 Risk and Capital Management Report**"). The information contained in the SBG 2023 Risk and Capital Management Report is unaudited unless stated as audited; and
4. the terms and conditions set out on pages 53 to 94 of the base prospectus dated 10 May 2019 relating to the Programme under the heading "Terms and Conditions of the Notes".

The 2023 annual report of SBSA containing the annual financial statements of SBSA in respect of the year ended 31 December 2023 and the 2022 annual report of SBSA containing the annual financial statements of SBSA in respect of the year ended 31 December 2022 can be inspected at <http://www.standardbank.co.za> and the terms and conditions referred to in paragraph 4 above can be inspected at 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg, PO Box 7725, Johannesburg 2000, South Africa and <https://reporting.standardbank.com/debt-centre-confidentiality-and-disclaimer/>. The 2023 annual financial statements of SBG containing the annual financial statements of SBG in respect of the year ended 31 December 2023, the SBG 2023 Risk and Capital Management Report and the 2022 annual financial statements of SBG containing the annual financial statements of SBG in respect of the year ended 31 December 2022 can be inspected at <http://www.standardbank.co.za>.

Any information contained in any of the documents or the website specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus. Where reference is made to other websites within this Base Prospectus, the contents of those websites do not form part of this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

PRESENTATION OF FINANCIAL INFORMATION

The financial information relating to SBSA set out in this Base Prospectus is consolidated financial information in respect of SBSA and its subsidiaries (the "**SBSA Group**") and has, unless otherwise indicated, been extracted from its audited consolidated financial statements as at and for the year ended 31 December 2023 and prepared in accordance with International Financial Reporting Standards® ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") (hereinafter the "IFRS Accounting Standards").

The financial information relating to SBG set out in this Base Prospectus is consolidated financial information in respect of SBG and its subsidiaries (the "**Group**") and has, unless otherwise indicated, been extracted from its audited consolidated financial statements as at and for the year ended 31 December 2023, prepared in accordance with IFRS Accounting Standards.

The information relating to SBSA's largest single depositor and top 10 depositors set out in the section headed "*Risk Factors – The Issuers' business and profitability may be adversely affected by liquidity and funding risks - Volatility in capital or credit markets may impact the Group's ability to access liquidity and funding*" has been extracted from the SBG 2023 Risk and Capital Management and is unaudited.

The information contained in the SBG 2023 Risk and Capital Management Report is unaudited unless stated as audited.

The information relating to SBG's largest single depositor and top 10 depositors set out in the section headed "*Risk Factors - The Issuers' business and profitability may be adversely affected by liquidity and funding risks - Volatility in capital or credit markets may impact the Group's ability to access liquidity and funding*" has been extracted from the SBG 2023 Risk and Capital Management Report and is unaudited.

Unless otherwise indicated, market share data included in this Base Prospectus has been estimated. All such estimates have been made by SBSA or SBG using its own information and other market information which is publicly available.

Unless otherwise indicated, the financial information relating to SBSA for the year ended and as at 31 December 2023 contained in this Base Prospectus has been extracted from the SBSA 2023 Annual Financial Statements.

Unless otherwise indicated, the financial information relating to SBG for the year ended and as at 31 December 2023 contained in this Base Prospectus has been extracted from the SBG 2023 Annual Financial Statements.

Figures, measures, ratios, balances and results presented in this Base Prospectus in relation to the Issuers are for the year ended or as at 31 December 2023, as applicable, unless stated otherwise. Any movements (increases, decreases etc.) in such figures, measures, ratios, balances and results presented below are movements in relation thereto between the years ended 31 December 2022 and 31 December 2023, unless stated otherwise.

In this Base Prospectus, where reporting responsibility for individual cost centres and divisions within business units changed or has been restated, the comparative figures for the year ended 31 December 2022 have been restated accordingly and have been extracted from the SBG 2023 Annual Financial Statements or the SBSA 2023 Annual Financial Statements (as applicable).

Alternative Performance Measures

The Base Prospectus includes certain data which the Issuers consider to constitute alternative performance measures ("**APMs**") for the purposes of the ESMA 'Guidelines on Alternative Performance Measures'. The Base Prospectus contains APMs relating to both SBG and SBSA.

These APMs are not defined by, or presented in accordance with, IFRS Accounting Standards. Other companies in the industry may calculate similarly titled measures differently, such that disclosure of similarly titled measures by other companies may not be directly comparable with the APMs included

in the Base Prospectus. In addition, the APMs are not measurements of SBG's and SBSA's operating performance or financial condition under IFRS Accounting Standards and should not be considered as alternatives to any measures of performance under IFRS Accounting Standards or as measures of SBG's and SBSA's liquidity.

APM	Definition
Headline earnings	<p>In relation to SBSA, determined in accordance with the relevant circular issued by the South Africa Institute of Chartered Accountants at the request of the Johannesburg Stock Exchange, by excluding from reported earnings specific separately identifiable re-measurements net of related tax and non-controlling interests. Please see Note 37 to the SBSA 2023 Annual Financial Statements.</p> <p>In relation to SBG, determined in accordance with the relevant circular issued by the South Africa Institute of Chartered Accountants at the request of the Johannesburg Stock Exchange, by excluding from reported earnings specific separately identifiable re-measurements net of related tax and non-controlling interests. Please see Note 44 to the SBG 2023 Annual Financial Statements.</p> <p>Used as a performance measure.</p>
Cost-to-income ratio	<p>Calculated as operating expenses as a percentage of total income after revenue sharing agreements with Group companies but before credit impairments.</p> <p>Used as a performance measure.</p>
Loans -to- deposit ratio	<p>Calculated as net loans and advances as a percentage of deposits and debt funding.</p> <p>Used as a performance measure.</p>
Liquidity Coverage Ratio (" LCR ")	<p>Calculated by dividing high quality liquid assets by net cash outflows.</p> <p>Used as a performance of liquidity.</p>
Net Stable Funding Ratio (" NSFR ")	<p>Calculated by dividing available stable funding by required stable funding.</p> <p>Used as a performance of liquidity.</p>
Return On Equity (" ROE ")	<p>Calculated as headline earnings as a percentage of monthly average ordinary shareholders' equity. Monthly average ordinary shareholders' equity is calculated as the arithmetic mean between the opening and closing balances of ordinary shareholders' equity.</p> <p>Used as a performance measure.</p>
Stage 3 loans ratio	<p>Calculated as the percentage of gross loans and advances to customers with recognised impairments over total gross loans and advances to customers.</p> <p>Used as an indicator of the quality of the relevant loan book. The lower the indicator the higher the quality of the loan book.</p> <p>Used as an asset quality measure.</p>
Gross stage 3 loans impairment coverage ratio	<p>Calculated as a percentage of balance sheet impairments for credit impaired loans and off-balance sheet credit impaired exposures (including interest in</p>

	<p>suspense), over total gross non-performing loans and advances (including interest in suspense).</p> <p>Used as an indicator of the quality of the relevant loan book. The lower the indicator the higher the quality of the loan book. Used as an asset quality measure.</p>
Stage 3 exposures ratio	<p>Calculated, in respect of financial information for each Issuer relating to the year ended, as gross loans and advances with recognised impairments as a percentage of gross loans and advances.</p> <p>Used as an asset quality measure.</p>
Credit loss ratio ("CLR")	<p>Calculated as total impairment charges on loans and advances as a percentage of average daily and monthly gross loans and advances, excluding interest in suspense.</p> <p>Used as an asset quality measure.</p>
Jaws	<p>Calculated as the ratio of total income growth to operating expenses growth.</p> <p>Used as a performance measure.</p>

Each of the Issuers believes that the above measures provide useful information to investors for the purposes of evaluating the financial condition and results of operations of such Issuer, the quality of its assets and the fundamentals of its business, and allow for comparisons with other banks, over different periods of time and between such Issuer and the average industry standards.

KEY FEATURES OF THE PROGRAMME

The following overview of key features of the Programme does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview of the key features of the Programme.

Issuers:	The Standard Bank of South Africa Limited Standard Bank Group Limited
SBSA Legal Entity Identifier Number:	QFC8ZCW3Q5PRXU1XTM60
SBG Legal Entity Identifier Number:	2549003PEZXUT7MDBU41
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the relevant Issuer to fulfil its obligations under the Notes are discussed under " <i>Risk Factors</i> " above.
Arranger:	The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division).
Dealers:	BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, ICBC International Securities Limited, ING Bank N.V., J.P. Morgan Securities plc, Merrill Lynch International, Mizuho International plc, Standard Chartered Bank, SMBC Nikko Capital Markets Limited, NatWest Markets Plc, The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division), UBS AG London Branch and any other Dealer appointed from time to time by the Issuers either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent:	The Bank of New York Mellon, London Branch.
Registrar:	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Conditions as completed to the extent described in the relevant Final Terms or, as the case may be the relevant Drawdown Prospectus.
Listing and Trading:	Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FCA and to trading on the Main Market of the London Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may

be agreed with the relevant Issuer, subject in all cases to the relevant Issuer obtaining the necessary consents from FSD and (in the case of Tier 2 Notes) the PA.

Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	Up to U.S.\$4,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
FSD Approval:	As at the date of the Base Prospectus, the prior approval of the FSD (or an authorised dealer, on its behalf) is required by SBSA or SBG, as the case may be, for the issuance of each Tranche of Notes under the Programme.
PA Approval:	As at the date of the Base Prospectus, the prior approval of the PA is required for the issuance of each Tranche of Tier 2 Notes under the Programme.
Commercial Paper Regulations:	The Commercial Paper Regulations comprise an exemption to <i>"the business of a bank"</i> as defined in the Banks Act. The question of whether SBG, in the issue and placing of a Tranche of Notes, conducts <i>"the business of a bank"</i> as defined in the Banks Act is a question of fact. If SBG, in relation to the issue and placing of a Tranche of Notes, is obliged (or is not obliged but nevertheless elects) to comply with the Commercial Paper Regulations, SBG will procure that Annexure "A" to the Final Terms or the Pricing Supplement, as the case may be, relating to that Tranche of Notes is completed and attached to those Final Terms or that Pricing Supplement, as the case may be.
Forms of Notes:	<p>Notes may be issued in bearer form or in registered form.</p> <p>Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note (each defined in the section <i>"Forms of the Notes"</i>), in each case as specified in the relevant Final Terms. Each Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in</p>

respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be in the form of either individual Note Certificates ("**Individual Note Certificates**") or a Global Registered Note Certificate (a "**Global Registered Note Certificate**"), in each case as specified in the relevant Final Terms. Each Global Registered Note Certificate will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary. Persons holding beneficial interests in the Global Registered Note Certificate will be entitled or required, as the case may be, to receive physical delivery of Individual Note Certificates.

Interests in a Global Registered Note Certificate will be exchangeable (free of charge), in whole but not in part, for Individual Note Certificates without receipts, interest coupons or talons attached only in the limited circumstances described under "*Summary of Provisions Relating to the Notes While in Global Form*".

Currencies:	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Status of the Notes:	Notes may be issued on a subordinated or unsubordinated basis, as specified in the relevant Final Terms.
Status of the Unsubordinated Notes:	The Unsubordinated Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (<i>Negative Pledge</i>)) unsecured obligations of the relevant Issuer, all as described in Condition 4(a) (<i>Status of the Unsubordinated Notes</i>).
Status of Subordinated Notes that are Tier 2 Notes:	Tier 2 Notes will constitute direct, unsecured and subordinated obligations of the relevant Issuer, all as described in Condition 4(c) (<i>Status of Tier 2 Notes</i>).
Status of Subordinated Notes that are not Tier 2 Notes:	Subordinated Notes that are not Tier 2 Notes will constitute direct, unsecured and subordinated obligations of the relevant Issuer, all as described in Condition 4(b) (<i>Status of the Subordinated Notes that are not Tier 2 Notes</i>).
Issue Price:	Notes may be issued at any price as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Maturities:	Any maturity, subject, in relation to Tier 2 Notes, to such minimum maturities as may be required from time to time by the applicable Capital Rules and in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the relevant Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the relevant Issuer.

Redemption and Purchase: For so long as the applicable Capital Rules so require, Tier 2 Notes may be redeemed or purchased only if (i) the relevant Issuer has notified the Relevant Regulator of, and the Relevant Regulator has consented in writing to, such redemption, subject to such conditions (if any) as the Relevant Regulator may deem appropriate and (ii) the redemption of the Tier 2 Notes is not prohibited by the Capital Rules as described in Condition 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*).

Subject as described in "Maturities" above, Notes may be redeemable at par or at such other Redemption Amount as may be specified in the Final Terms.

Optional Redemption: Subject as described in "*Redemption and Purchase*" above, Notes may be redeemed before their stated maturity at the option of the relevant Issuer (either in whole or in part) in accordance with the Conditions to the extent (if at all) specified in the relevant Final Terms.

Tax Redemption and redemption if a Change in Law occurs: Subject as described in "*Redemption and Purchase*" above, early redemption will only be permitted for tax reasons as described in Condition 10(b) (*Redemption for tax reasons*). Unsubordinated Notes may be redeemed at the option of the relevant Issuer if a Tax Event (Gross up) occurs. Subordinated Notes may be redeemed if a Tax Event (Gross up), a Tax Event (Deductibility) or a Change in Law occurs.

Redemption for Regulatory Reasons: Subject as described in "*Redemption and Purchase*" above, early redemption of the Tier 2 Notes in whole (but not in part) is permitted at the option of the relevant Issuer if a Capital Disqualification Event occurs and is continuing as described in Condition 10(f) (*Early Redemption following the occurrence of a Capital Disqualification Event*).

Interest: Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

- Reset Notes:** Reset Notes will have reset provisions pursuant to which the relevant Notes will, in respect of an initial period, bear interest at an initial fixed rate of interest specified in the applicable Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) to the applicable Reset Reference Rate for the relevant Specified Currency or an applicable floating rate plus the applicable reset margin, in each case as may be specified in the applicable Final Terms.
- Denominations:** No Notes may be issued under the Programme (a) where such Notes are to be admitted to trading on a regulated market within the EEA and/or the United Kingdom or offered to the public in circumstances which require the publication of a prospectus under the EU Prospectus Regulation or UK Prospectus Regulation, as applicable, with a minimum denomination of less than EUR100,000 (or its equivalent in another currency at the Issue Date of such Notes), or (b) which carry the right to acquire shares (or transferable securities equivalent to shares) issued by the relevant Issuer or by any entity to whose group the relevant Issuer belongs. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. See also "*Maturities*" above.
- Negative Pledge:** Unsubordinated Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).
- Taxation:** All payments in respect of Notes will be made free and clear of withholding taxes of South Africa, unless the withholding is required by law. In that event, the relevant Issuer will (subject as provided in Condition 13 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
- Governing Law:** The Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by English law save that the provisions of Conditions 4(b) (*Status of the Subordinated Notes that are not Tier 2 Notes*), 4(c) (*Status of Tier 2 Notes*), 4(d) (*Loss Absorption Following A Non-Viability Event*), 4(e) (*Disapplication of Non-Viability Loss Absorption*), 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*), 14.2 (*Events of Default relating to Subordinated Notes*) and 24 (*Recognition of RSA Bail-in Powers*) are governed by, and shall be construed in accordance with, South African law.
- Recognition of RSA Bail-in Powers:** Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a beneficial interest in the Notes), each Noteholder acknowledges and accepts that any Amounts Due arising under the Notes may be subject to the exercise of any RSA Bail-in Power by the Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by the exercise of any RSA Bail-in Power by the Resolution

**Enforcement of Notes in
Global Form:**

Authority, all in accordance with, and as more fully described in, Condition 24 (*Recognition of RSA Bail-in Powers*).

In the case of Global Registered Note Certificates, individual investors' rights against each Issuer will be governed by a Deed of Covenant (in respect of SBG, the "**SBG Deed of Covenant**" and in respect of SBSA, the "**SBSA Deed of Covenant**" (together, the "**Deeds of Covenant**")) each dated 5 May 2022, copies of which will be available for inspection at the specified office of the Fiscal Agent.

Ratings:

Each Tranche of Notes may be rated or unrated. Where applicable, the ratings of the Notes will be specified in the relevant Final Terms.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the EEA, the United Kingdom, South Africa, Australia, Japan, Indonesia, the People's Republic of China, the Republic of China, Singapore, Switzerland, Belgium and the Kingdom of Thailand. See "*Subscription and Sale*" below.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuers have endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms or a Pricing Supplement (as the case may be), are the Conditions as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus (or, in the case of Exempt Notes only, a Pricing Supplement) will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus or Pricing Supplement (as the case may be). In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus or Pricing Supplement (as the case may be), each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the relevant Issuer and the relevant Notes or (2) by a registration document (the "**Registration Document**") containing the necessary information relating to the relevant Issuer, a securities note (the "**Securities Note**") containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or material inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Notes will be included in the Securities Note.

SUPPLEMENT TO THIS BASE PROSPECTUS

If at any time during the duration of the Programme a significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus arises or is noted which is capable of affecting the assessment of any Notes which may be issued under the Programme whose inclusion is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuers and the rights attaching to the Notes, the Issuers will prepare a supplement to this Base Prospectus.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership **provided, however, that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further

rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deeds of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

- (a) on the expiry of such period of notice as may be specified in the Final Terms; or
- (b) at any time, if so specified in the Final Terms; or
- (c) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deeds of Covenant).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-

U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deeds of Covenant).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon

has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deeds of Covenant).

In relation to any issue of Notes which are specified in the Final Terms as Global Notes exchangeable for Definitive Notes in circumstances other than in the limited circumstances specified in the relevant Global Note, such Notes may only be issued in denominations equal to, or greater than, EUR100,000 (or equivalent) and multiples thereof.

Rights under Deeds of Covenant

Under the Deeds of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificate in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note Certificate**"), in each case as specified in the relevant Final Terms. Each Global Registered Note Certificate will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note Certificate exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global

Registered Note Certificate which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note Certificate", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Global Registered Note Certificate is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note Certificate; or
- (b) any of the Notes represented by a Global Registered Note Certificate (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note Certificate in accordance with the terms of the Global Registered Note Certificate on the due date for payment,

then the Global Registered Note Certificate (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note Certificate will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note Certificate or others may have under the Deeds of Covenant. Under the Deeds of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note Certificate will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note Certificate became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Interests in a Global Registered Note Certificate will be exchangeable (free of charge), in whole but not in part, for Individual Note Certificates without receipts, interest coupons or talons attached only in the limited circumstances described under "*Summary of Provisions Relating to the Notes While in Global Form*".

Payments of principal, interest and any other amount in respect of the Global Registered Note Certificates will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 2(a) (*Definitions*)) as the registered holder of the Global Registered Note Certificate. None of the Issuers, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Registered Note Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Individual Note Certificates will, in the absence or provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 12(f) (*Record Date*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Global Registered Note Certificate will be exchangeable (free of charge), in whole but not in part, for Individual Note Certificates without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 20 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Registered Note Certificate) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

In relation to any issue of Notes which are specified in the Final Terms as Global Registered Note Certificates exchangeable for individual Note Certificates in circumstances other than in the limited circumstances specified in the relevant Global Registered Note Certificate, such Notes may only be issued in denominations equal to, or greater than, EUR100,000 (or equivalent) and multiples thereof.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note Certificate will differ from those terms and conditions which would apply to the Note were it in individual form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Write-off

For so long as any Tier 2 Notes are Global Notes or Global Registered Note Certificates, any Write-off (as defined in the Conditions) will be effected in Euroclear and Clearstream, Luxembourg in accordance with their operating procedures by way of a reduction in the pool factor.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

- (a) *Programme*: The Standard Bank of South Africa Limited ("**SBSA**") and Standard Bank Group Limited ("**SBG**", together with SBSA, the "**Issuers**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.\$4,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Final Terms*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a written final terms (the "**Final Terms**") or, in the case of Exempt Notes (as defined below) only, a pricing supplement (a "**Pricing Supplement**") which completes these terms and conditions (the "**Conditions**"). In the case of Exempt Notes, any other reference in these Conditions to "Final Terms" shall be deemed to be a reference to the relevant Pricing Supplement. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail. References in these terms and conditions to "**Exempt Notes**" are to Notes for which no prospectus is required to be published under the UK Prospectus Regulation.
- (c) *Deeds of Covenant*: The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant in respect of each Issuer (in respect of SBG, the "**SBG Deed of Covenant**" and in respect of SBSA, the "**SBSA Deed of Covenant**" (together, the "**Deeds of Covenant**")) each dated 5 May 2022.
- (d) *Agency Agreement*: The Notes are the subject of an amended and restated issue and paying agency agreement dated 1 June 2023 as amended and supplemented from time to time (the "**Agency Agreement**") between the Issuers, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), The Bank of New York Mellon, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). References herein to the "**Agents**" are to the Registrar, the Fiscal Agent and the Paying Agents and any reference to an "**Agent**" is to any one of them.
- (e) *The Notes*: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at, and copies may be obtained from, the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.
- (f) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement and the Deeds of Covenant and are subject to their detailed provisions. The Noteholders (as defined below) and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deeds of Covenant applicable to them. Copies of the Agency Agreement and the Deeds of Covenant are available for inspection by Noteholders during normal

business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

- (g) *Issuer*: References in these Conditions to "Issuer" are to the entity specified as such in the relevant Final Terms.

2. Interpretation

- (a) *Definitions*: In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Conditions**" means in relation to any issue of Notes, the proceeds of which are intended by the Issuer to qualify as Tier 2 Capital, such conditions, in addition to the conditions specified in the applicable Capital Rules, as may be prescribed by the Relevant Regulator for the proceeds of the issue of such Notes to qualify as Tier 2 Capital, pursuant to the approval granted by the Relevant Regulator for the issue of such Notes, as specified in a supplement to the Base Prospectus or a drawdown prospectus;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Tier 1 Capital**" means "additional tier 1 capital" as defined in section 1(1) of the Banks Act;

"**Additional Tier 1 Capital Securities**" means any obligations or securities of the Issuer which upon issue qualified (or were intended to qualify) as Additional Tier 1 Capital;

"**Amounts Due**" shall bear the meaning ascribed thereto in Condition 24 (*Recognition of RSA Bail-in Powers*);

"**Applicable Laws**" means in relation to a Person, means all and any:

- (i) statutes and subordinate legislation and common law;
- (ii) regulations;
- (iii) ordinances and by-laws;
- (iv) directives, codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, or any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- (v) other similar provisions,

from time to time, compliance with which is mandatory for that Person;

"**Banks Act**" means the South African Banks Act, No. 94 of 1990, as amended or replaced from time to time;

"**BBSW**" means, in respect of any Specified Currency and any Specified Period, the rate for prime bank eligible securities which is designated as the "AVG MID" on the Reuters Screen BBSW Page (or any successor page);

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day, save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Capital Disqualification Event" means an event which will be deemed to have occurred with respect to the Tier 2 Notes of any Series if, as a result of a Regulatory Change, the Tier 2 Notes of that Series are fully, or to the extent permitted by the Capital Rules, partially, excluded from Tier 2 Capital of the Issuer on a solo and/or consolidated basis (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital and any amortisation of recognition as Tier 2 Capital under the Capital Rules in the final five years prior to maturity);

"Capital Rules" means at any time, any capital adequacy rules, legislation, regulations, requirements, guidance notes and policies relating to capital adequacy then in effect in South Africa in relation to banks, licensed to conduct the business of a bank in South Africa and bank holding companies, in each case registered under the Banks Act (and where relevant, the rules applicable specifically to the Issuer) as applied by the Relevant Regulator, or, if the Issuer becomes domiciled in a jurisdiction other than South Africa, any capital adequacy rules, legislation, regulations, requirements, guidance notes and policies relating to capital adequacy then in effect in such other jurisdiction in relation to bank and bank holding companies registered and licensed in such other jurisdiction (and where relevant, the rules applicable specifically to the Issuer) as applied by the Relevant Regulator;

"Change in Law" means on, or after the Issue Date of the first Tranche of Subordinated Notes in any Series of Notes, (a) due to the adoption of or any change in any Applicable Law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any Applicable Law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that it will incur a materially increased cost in performing its obligations under such Subordinated Notes (including, without limitation, due to any tax liability, decrease in tax benefit or other adverse effect on its tax position);

"Common Equity Tier 1 Capital" means common equity tier 1 capital as defined in section 1(1) of the Banks Act;

"Common Equity Tier 1 Capital Securities" means securities of the Issuer which qualify (or were intended to qualify at issue) as Common Equity Tier 1 Capital;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) where the Calculation Period is longer than one Regular Period, the sum of:
 - (a) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days

in such Regular Period and (2) the number of Regular Periods in any year;

- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30 day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30 day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 day month)); and
- (iv) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30 day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 day month);

"Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and in New York City;

"Determination Date" means the day which is two Determination Business Days before the due date for any payment of the relevant amount under these Conditions;

"Early Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"EEA" means the European Economic Area;

"EURIBOR" means, in respect of any Specified Currency and any Specified Period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a

panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

"Event of Default" means an event of default by the Issuer as set out in Condition 14 (*Events of Default*);

"Exchange" means any existing or future exchange or exchanges on which any Notes may be listed and which is referred to in the relevant Final Terms;

"Extraordinary Resolution" has the meaning given in the Agency Agreement;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Financial Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days; and
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"Guarantee" means, in relation to any Financial Indebtedness of any Person, any obligation of another Person to pay such Financial Indebtedness including (without limitation):

- (i) any obligation to purchase such Financial Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Financial Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and
- (iv) any other agreement to be responsible for such Financial Indebtedness;

"Holder" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and **"Noteholders"** shall be construed accordingly;

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC;

"Illiquidity" means where the general Renminbi exchange market in Hong Kong becomes illiquid and, as a result of which, the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation (if practicable) with two Renminbi Dealers;

"Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the date of the relevant Final Terms and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"Indebtedness" includes any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.;

"Issue Date" has the meaning given in the relevant Final Terms;

"Junior Securities" means, in relation to the Tier 2 Notes:

- (i) any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Common Equity Tier 1 Capital;

- (ii) any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Additional Tier 1 Capital; and
- (iii) any securities issued by, or any other obligations of the Issuer which rank, or are expressed to rank, junior to the Tier 2 Notes on liquidation, winding-up or bankruptcy of such Issuer;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Market**" means the London Stock Exchange's Regulated Market;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the date of the relevant Final Terms and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-Viability Event**" shall bear the meaning ascribed thereto in Condition 4(d)(ii) (*Loss Absorption Following A Non-Viability Event*);

"**Non-Viability Event Notice**" shall bear the meaning ascribed thereto in Condition 4(d)(iii) (*Loss Absorption Following A Non-Viability Event*);

"**Non-Viability Loss Absorption Condition**" shall bear the meaning ascribed thereto in Condition 4(d)(i) (*Loss Absorption Following A Non-Viability Event*);

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Title to Registered Notes*);

"**Official List**" means the official list of the United Kingdom Financial Conduct Authority;

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Other Subordinated Securities**" means in relation to a Series of Subordinated Notes (other than Tier 2 Notes), any obligations or securities of the Issuer which rank or are expressed to rank on a liquidation, bankruptcy or winding-up of the Issuer *pari passu* with the Subordinated Notes of that Series;

"Other Tier 2 Securities" means any obligations or securities of the Issuer (other than the Tier 2 Notes):

- (i) which upon issue qualified (or were intended to qualify) as Tier 2 Capital; or
- (ii) which otherwise rank or are expressed to rank on a liquidation, bankruptcy or winding-up of the Issuer *pari passu* with the Tier 2 Notes or with other obligations or securities falling within paragraph (i) above;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Permitted Security Interest" means any Security Interest arising out of statutory preferences or by operation of law, any Security Interest on or with respect to the receivables of the Issuer which is created pursuant to any securitisation scheme or like arrangement or any Security Interest created over any asset acquired, developed or constructed by the Issuer **provided that** the Relevant Debt so secured shall not exceed the bona fide arm's length market value of such asset or the cost of such acquisition, development or construction (including all interest and other finance charges, any adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or cost both apply, the higher of the two;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"PRC" means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Issuer;

- (ii) in relation to Australian dollars, it means either Sydney or Melbourne;
- (iii) in relation to New Zealand dollars, it means either Wellington or Auckland; and
- (iv) in any other case any financial centre that is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Issuer;

"Principal Subsidiary" means a Subsidiary of the Issuer whose (a) total profits before tax and extraordinary items represent in excess of 10 per cent. of the consolidated total profits before tax and extraordinary items of the Issuer and its Subsidiaries, or (b) total value of net assets represent in excess of 10 per cent. of the total value of all consolidated net assets owned by the Issuer and its Subsidiaries in each case calculated by reference to the latest audited financial statements of each Subsidiary and the latest audited consolidated financial statements of the Issuer and its Subsidiaries but if a Subsidiary has been acquired or sold since the date as at which the latest audited consolidated financial statements of the Issuer and its Subsidiaries were prepared, the financial statements shall be adjusted in order to take into account the acquisition or sale of that Subsidiary (that adjustment being certified by the Issuer and its Subsidiaries' auditors as representing an accurate reflection of the revised consolidated profits before interest and tax or turnover of the Issuer and its Subsidiaries). A report by the directors of the Issuer, reviewed by its auditors, that a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Noteholders;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem an Unsubordinated Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Qualifying Tier 2 Securities" means securities issued directly by the Issuer that:

- (i) have terms not materially less favourable to an investor than the terms of the Notes being substituted or varied in accordance with Condition 10(k) (*Substitution or Variation*) (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer), and provided that a certification to such effect of two authorised officers shall have been delivered to the Fiscal Agent prior to the issue or, as appropriate, variation of the relevant securities), and, subject thereto, which (1) contain terms which comply with the then current minimum requirements of the Relevant Regulator in relation to Tier 2 Capital, required to ensure that such Qualifying Tier 2 Securities qualify as Tier 2 Capital (2) include terms which provide for the same Interest Rate or rate of return from time to time applying to the Notes, and preserve the Interest Payment Dates; (3) rank senior to, or *pari passu* with, the ranking of the Notes; (4) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been paid; (5) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; and (6) have a solicited published rating ascribed to them or expected to be ascribed to them if the Notes had a solicited published rating from a rating agency immediately prior to such substitution or variation; and
- (ii) if the Notes are listed on the Official List and admitted to trading on the Market (a) are listed on the Official List and admitted to trading on the Market or (b) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms and includes the Initial Rate of Interest, First Reset Rate of Interest and the Subsequent Reset Rate of Interest, as applicable;

"Recognised Stock Exchange" means a recognised stock exchange as defined in Section 1005 of the Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" means BBSW, EURIBOR, SONIA, SOFR or Term SOFR as specified in the relevant Final Terms;

"Register" means the register maintained by the Registrar in respect of the Notes in accordance with the Agency Agreement;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Regulations Relating to Banks" means the Regulations Relating to Banks published under Government Notice R1029 in Government Gazette 35950 of 12 December 2012, issued under section 90 of the Banks Act, as such regulations may be amended, supplemented or replaced from time to time;

"Regulatory Change" means a change in, or amendment to, the Capital Rules or any change in the application of or official or generally published guidance or interpretation of the Capital Rules, which change or amendment becomes, or would become, effective on or after the Issue Date of the first Tranche of Notes of the relevant Series;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Debt" means any present or future indebtedness of the Issuer in the form of, or represented by any bond, note or debenture issued by the Issuer and listed on a financial or stock exchange but excluding any option or warrant in respect of any share or index or any written acknowledgement of indebtedness issued by the Issuer to SARB;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"Relevant Regulator" means the Prudential Authority (the "PA") in terms of the Banks Act and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Renminbi" means the lawful currency of the PRC;

"Renminbi Dealer" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

"Reserved Matter" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"Resolution Authority" shall bear the meaning ascribed thereto in Condition 24 (*Recognition of RSA Bail-in Powers*);

"RSA Bail-in Power" shall bear the meaning ascribed thereto in Condition 24 (*Recognition of RSA Bail-in Powers*);

"SARB" means the South African Reserve Bank;

"SB Group" means Standard Bank Group Limited and any of its subsidiaries;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Senior Claims" shall bear the meaning ascribed thereto in Condition 4(b) (*Status of the Subordinated Notes that are not Tier 2 Notes*);

"Senior Creditors" means creditors of the Issuer:

- (i) who are unsubordinated creditors of the Issuer; or
- (ii) (other than the holders of Additional Tier 1 Capital Securities or Tier 2 Capital Securities) whose claims are, or are expressed to be, subordinated (whether only in the event of a dissolution, liquidation or winding-up of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer;

"Solvent Reconstruction" means an event where an order is made or an effective resolution is passed for the winding up of the Issuer under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency, where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving bankruptcy or insolvency is implemented;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms, save that the minimum denomination of (i) any Note to be admitted to trading on a regulated market within the EEA or offered to the public in circumstances which require the publication of a prospectus under Regulation (EU) 2017/1129, as amended, will be EUR100,000 (or its equivalent in another currency at the Issue Date of such Notes) or (ii) any Note to be admitted to trading on a regulated market within the United Kingdom or offered to the public in circumstances which require the publication of a prospectus under Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, will be EUR100,000 (or its equivalent in another currency at the Issue Date of such Notes);

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Final Terms;

"Spot Rate" means the spot CNY/U.S. Dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over the counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. Dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate;

"Statutory Loss Absorption Regime" means any legal, statutory or regulatory regime or requirement implemented in South Africa which provides the Relevant Regulator with the power to implement principal loss absorption measures in respect of capital instruments (such as Additional Tier 1 Capital and Tier 2 Capital), including, but not limited to, any such regime or requirement which is implemented pursuant to Basel III;

"Subordinated Notes" means (i) any Notes issued with the status and characteristics set out in Condition 4(c) (*Status of Tier 2 Notes*) and specified as Tier 2 Notes in the relevant Final Terms or (ii) any Notes issued with the status and characteristics set out in Condition 4(b) (*Status of the Subordinated Notes that are not Tier 2 Notes*) as specified in the relevant Final Terms;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise;

"Talon" means a talon for further Coupons;

"T2" means the real time gross settlement system operated by the Eurosystem, or any successor or replacement for that system;

"TARGET Settlement Day" means any day on which T2 is open for the settlement of payments in Euro;

"Tax Event (Deductibility)" means an event where, as a result of a Tax Law Change, in respect of the Issuer's obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is in the opinion of the Issuer, materially reduced, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense);

"Tax Event (Gross up)" means an event where, as a result of a Tax Law Change, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 13 (*Taxation*);

"Tax Law Change" means a change or proposed change in, or amendment or proposed amendment to, the tax laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such tax laws or regulations (including a holding by a court of competent jurisdiction) whether or not having retrospective effect, which actual or proposed change or amendment becomes effective on or after the Issue Date of the first Tranche of Notes of the relevant Series;

"Term SOFR" means the forward-looking term rate the Secured Overnight Financing Rate provided by the Term SOFR Administrator (expressed as a percentage rate per annum) for the stated tenor which appears on the Relevant Screen Page at or about 6.00 a.m. New York City time) on the Term SOFR Determination Date;

"Term SOFR Administrator" means CME Group Benchmark Administration Limited as administrator of Term SOFR (or a successor administrator);

"Term SOFR Determination Date" means, in respect of Term SOFR and an Interest Determination Date, the day that is two U.S. Government Securities Business Days preceding the first day of that Interest Period (or any amended publication day for Term SOFR, as specified by the Term SOFR Administrator), or as otherwise specified in the Final Terms;

"Tier 2 Capital" means *"tier 2 capital"* as defined in section 1(1) of the Banks Act;

"**Tier 2 Capital Rules**" means Regulation 38(12) of the Regulations Relating to Banks promulgated under the Banks Act and such other provisions of the Capital Rules with which Tier 2 Notes must comply in order for the proceeds of the issue of such Notes to qualify as Tier 2 Capital;

"**Tier 2 Capital Securities**" means any obligations or securities of the Issuer which upon issue qualified (or were intended to qualify) as Tier 2 Capital;

"**Tier 2 Noteholder**" means a holder of a Tier 2 Note;

"**Tier 2 Notes**" means Notes specified as such in the relevant Final Terms and complying with the Tier 2 Capital Rules;

"**Treaty**" means the Treaty on the Functioning of the European Union;

"**Unsubordinated Notes**" means Notes issued with the status and characteristics set out in Condition 4(a) (*Status of the Unsubordinated Notes*) as specified in the relevant Final Terms;

"**U.S.**" means the United States of America;

"**U.S. dollars**" means United States dollars;

"**U.S. Dollar Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date;

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in U.S. government securities;

"**Write-off**" means, in respect of Tier 2 Notes:

- (i) the Tier 2 Notes shall be cancelled (in the case of a Write-off in whole) or written-off in part on a pro rata basis (in the case of a Write-off in part), in accordance with the Capital Rules and as, and to the extent, determined by the Relevant Regulator; and
- (ii) all rights of any Tier 2 Noteholder for payment of any amounts under or in respect of the Tier 2 Notes (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) shall, as the case may be, be cancelled or written-off pro rata among the Tier 2 Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Event Notice and even if the Non-Viability Event has ceased; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

- (iii) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;
- (iv) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes; and
- (v) any reference to the Agency Agreement or each Deed of Covenant shall be construed as a reference to the Agency Agreement or each Deed of Covenant, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.
- (vi) Any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. **Form, Denomination, Title and Transfer**

- (a) *Bearer Notes*: Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes*: Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes*: Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes*: The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership*: The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes*: Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar, together with such evidence as the Registrar may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Notes held by a Holder are being

transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status**

(a) **Status of the Unsubordinated Notes:**

- (i) *Application:* This Condition 4(a) applies only to Unsubordinated Notes.
- (ii) *Status of the Unsubordinated Notes:* The Unsubordinated Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* without preference or priority among themselves and (subject to the provisions of Condition 5 (*Negative Pledge*)) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) **Status of the Subordinated Notes that are not Tier 2 Notes:**

- (i) *Application:* This Condition 4(b) applies only to Subordinated Notes that are not Tier 2 Notes.
- (ii) *Status of the Subordinated Notes that are not Tier 2 Notes:* Subordinated Notes that are not Tier 2 Notes constitute direct, unsecured and, in accordance with Condition 4(b)(iii) (*Subordination*) below, subordinated obligations of the Issuer and rank *pari passu* among themselves and (save for the claims of those creditors that have been accorded preferential rights by law):
 - (A) *pari passu* with Other Subordinated Securities;

- (B) senior to the claims of holders of Additional Tier 1 Capital and Tier 2 Capital; and
 - (C) junior to the present and/or future claims of Senior Creditors (the "**Senior Claims**") in relation to which such claims of the holders of such Subordinated Notes are (or are expressed to be) subordinated in the event of the dissolution, liquidation or winding-up of the Issuer as provided in the Final Terms or the Pricing Supplement (as applicable).
- (iii) *Subordination*: Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up, the claims of the Holders of Subordinated Notes that are not Tier 2 Notes shall be subordinated to Senior Claims to the extent that in any such event, (i) no Holder of such Subordinated Notes that are not Tier 2 Notes shall be entitled to prove or tender to prove a claim in respect of the Subordinated Notes and (ii) no amount due under such Subordinated Notes shall be eligible for set off, counterclaim, abatement or other similar remedy which a Holder of such Subordinated Notes might otherwise have under the laws of any jurisdiction in respect of such Subordinated Notes nor shall any amount due under such Subordinated Notes be payable to the Holders of such Subordinated Notes in respect of the obligations of the Issuer thereunder until all Senior Claims which are admissible in any such dissolution, insolvency or winding up have been paid or discharged in full.
- (c) **Status of Tier 2 Notes**
- (i) *Application*: This Condition 4(c) applies only to Tier 2 Notes.
 - (ii) *Status of the Tier 2 Notes*: The Tier 2 Notes constitute direct, unsecured and, in accordance with Condition 4(c)(iii) (*Subordination*) below, subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for the claims of those creditors that have been accorded preferential rights by law):
 - (A) *pari passu* with Other Tier 2 Securities;
 - (B) senior to Common Equity Tier 1 Capital Securities and the obligations of the Issuer under any Junior Securities; and
 - (C) junior to the present and/or future claims of Senior Creditors.
 - (iii) *Subordination*: The claims of Tier 2 Noteholders entitled to be paid amounts due in respect of the Tier 2 Notes are subordinated to the present and/or future claims of Senior Creditors and, accordingly, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or is wound-up (in each case other than pursuant to a Solvent Reconstruction):
 - (A) notwithstanding that any Tier 2 Noteholder shall have proved a claim for any amount in respect of the Tier 2 Notes in the event of the dissolution, liquidation or winding-up of the Issuer, no such amount shall be paid to that Tier 2 Noteholder until the claims of Senior Creditors have been fully satisfied; and
 - (B) no amount due under the Tier 2 Notes shall be eligible for set-off, counterclaim, abatement or other similar remedy which a Tier 2 Noteholder might otherwise have under the laws of any jurisdiction in respect of the Tier 2 Notes nor shall any amount due under the Tier 2 Notes be payable to any Tier 2 Noteholder, until the claims of all Senior Creditors which are admissible in any such dissolution, liquidation or winding-up have been paid or discharged in full.

(iv) *Set-off:*

- (A) Subject to Applicable Law, no Tier 2 Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer under or in connection with the Tier 2 Notes and each Tier 2 Noteholder shall, by virtue of being the holder of any Tier 2 Note, be deemed to have waived all such rights of set-off, compensation and retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Tier 2 Noteholder by the Issuer is discharged by set-off (whether by operation of law or otherwise) such Tier 2 Noteholder shall, unless such payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding-up or orderly resolution or analogous proceedings, the liquidator or resolution practitioner or similar officer, as appropriate, of the Issuer for payment to the Senior Creditors in respect of amounts owing to them by the Issuer, and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer, or the liquidator or orderly resolution or analogous proceedings, as appropriate, of the Issuer (as the case may be), for payment to the Senior Creditors in respect of amounts owing to them by the Issuer and accordingly any such discharge shall be deemed not to have taken place.
- (B) As used in this Condition 4(c)(iv), the expression "*obligations*" includes any direct or indirect obligations of the Issuer and whether by way of guarantee, indemnity, other contractual support arrangement or otherwise and regardless of name or designation.

(d) **Loss Absorption Following A Non-Viability Event**

Condition 4(d) applies only to Tier 2 Notes and is referred to as the "**Non-Viability Loss Absorption Condition**" in these Conditions.

- (i) a "**Non-Viability Event**" shall occur when a "trigger event" specified in writing by the Relevant Regulator in accordance with the Capital Rules has occurred; provided that, as a minimum, the aforesaid "trigger event" shall be the earlier of:
 - (A) a decision that a write-off, without which the Issuer (on a consolidated basis or as required by the Capital Rules) would become non-viable, is necessary as determined by the Relevant Regulator; or
 - (B) the decision to make a public sector injection of capital, or equivalent support, without which the Issuer (on a consolidated basis or as required by the Capital Rules) would have become non-viable, as determined by the Relevant Regulator.

Upon the occurrence of a Non-Viability Event, the Issuer will notify Tier 2 Noteholders (a "**Non-Viability Event Notice**") in accordance with Condition 20 (*Notices*) and subsequently Write-off the Tier 2 Notes, in accordance with the Capital Rules.

For the avoidance of doubt, following any Write-off of the Tier 2 Notes (in accordance with these terms) the Issuer shall not be obliged to pay compensation in any form to the Tier 2 Noteholders.

Any Write-off of the Tier 2 Notes upon the occurrence of a Non-Viability Event will not constitute an Event of Default or any other breach of the Issuer's obligations under the Conditions.

(e) **Disapplication of Non-Viability Loss Absorption**

This Condition 4(e) applies only to Tier 2 Notes.

If a Statutory Loss Absorption Regime is implemented in South Africa and the Tier 2 Notes are subject to such Statutory Loss Absorption Regime upon the occurrence of a Non-Viability Event, then the Issuer, if so specified in the Final Terms, shall have the option at any time by written notice (the "**Amendment Notice**") to the Tier 2 Noteholders in accordance with Condition 20 (*Notices*), to elect that the Non-Viability Loss Absorption Condition shall cease to apply and that the Statutory Loss Absorption Regime will apply to the Tier 2 Notes from the date specified in the Amendment Notice (the "**Amendment Date**"), being a date no earlier than the date on which the Statutory Loss Absorption Regime takes effect (the "**Amendment Option**"). If the Issuer exercises the Amendment Option, the Non-Viability Loss Absorption Condition will cease to apply and the Tier 2 Notes will be subject to such minimum requirements of the Statutory Loss Absorption Regime required to ensure that the Tier 2 Notes continue to qualify as Tier 2 Capital with effect from the Amendment Date. If the Amendment Option is not specified in the Final Terms or if the Amendment Option is specified in the Final Terms but is not exercised by the Issuer, then the Tier 2 Notes will not be subject to the Statutory Loss Absorption Regime and the Non-Viability Loss Absorption Condition will continue to apply to the Tier 2 Notes.

For the avoidance of doubt, if a Non-Viability Event occurs on or after such date on which the Non-Viability Loss Absorption Condition referred to in Condition 4(d) is disapplied, the Relevant Regulator or the Resolution Authority, as the case may be, or the Issuer following instructions from the Relevant Regulator or the Resolution Authority, as the case may be, may take such action in respect of the Tier 2 Notes as is required or permitted by such Statutory Loss Absorption Regime.

Notwithstanding and to the exclusion of any other term of the Tier 2 Notes or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 4(e)(iv), includes each holder of a beneficial interest in the Tier 2 Notes), by its acquisition of the Tier 2 Notes, each Holder acknowledges and accepts that any liability arising under the Tier 2 Notes may be subject to the exercise of Statutory Loss Absorption Powers by the Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (A) the effect of the exercise of any Statutory Loss Absorption Powers by the Resolution Authority; and
- (B) the variation of the terms of the Tier 2 Notes, as deemed necessary by the Resolution Authority, to give effect to the exercise of any Statutory Loss Absorption Powers by the Resolution Authority.

For the purposes of this Condition:

"Statutory Loss Absorption Powers" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with the Statutory Loss Absorption Regime, as amended or replaced from time to time and pursuant to which any obligation of the Issuer can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period).

(f) **Capital Rules and Additional Conditions**

In order for the proceeds of the issuance of any Tranche of Notes to qualify as Tier 2 Capital, Subordinated Notes must comply with the applicable Capital Rules (including the Additional Conditions (if any) prescribed by the Relevant Regulator in respect of a particular Tranche of Tier 2 Notes). The Issuer will specify in the Final Terms whether any issue of Notes is an issue of Tier

2 Notes, the proceeds of which are intended to qualify as Tier 2 Capital. The Additional Conditions (if any) prescribed by the Relevant Regulator in respect of Tier 2 Notes will be specified in a supplement to the Base Prospectus or a drawdown prospectus.

(g) **No Liability of Agents**

None of the Agents shall have any responsibility for, or liability or obligation in respect of, any loss, claim or demand incurred as a result of or in connection with a Non-Viability Event, the Non-Viability Loss Absorption Condition (or its disapplication) or any consequent Write-off and cancellation of any Tier 2 Notes or any claims in respect thereof, and none of the Agents shall be responsible for any calculation or determination or the verification of any calculation or determination in connection with the foregoing.

5. **Negative Pledge**

This Condition 5 only applies to Unsubordinated Notes.

For so long as any Unsubordinated Note remains outstanding, the Issuer undertakes not to create or permit the creation of any Security Interest (other than a Permitted Security Interest) over any of its present or future assets or revenues to secure any present or future Relevant Debt without at the same time securing all Unsubordinated Notes equally and rateably with such Relevant Debt or providing such other security as may be approved by an Extraordinary Resolution of the holders of those Unsubordinated Notes, unless the provision of any such security is waived by an Extraordinary Resolution of the holders of those Unsubordinated Notes.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments – Bearer Notes*) or Condition 12 (*Payments – Registered Notes*) as applicable. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub unit of the Specified Currency (half a sub unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose, a "**sub unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

- (a) *Application*: This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest*: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments – Bearer Notes*) or Condition 12 (*Payments – Registered Notes*) as applicable. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination (other than Floating Rate Notes which reference SONIA, SOFR or Term SOFR)*: If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the Reference Rate is not SONIA or SOFR (each as defined in Condition 7(d)) or Term SOFR, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer, in consultation with an independent adviser appointed by the Issuer and acting in good faith and in a commercially reasonable manner as an expert in its reasonable discretion, determines appropriate. As used in this Condition 7(c)(ii)(B), "*independent adviser*" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense;
 - (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (iv) subject to Condition 7(o) (*Benchmark Event*), if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
- (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *Screen Rate Determination for Floating Rate Notes which reference SONIA or SOFR (excluding Term SOFR)*: Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is SONIA or SOFR (but not Term SOFR):

- (i) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded Daily", the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent, where:

"**Compounded Daily Reference Rate**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{r_{i-DD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

"Business Day" or **"BD"**, in this Condition means: (i) where "SONIA" is specified as the Reference Rate, a London Business Day and (ii) where "SOFR" is specified as the Reference Rate, a U.S. Government Securities Business Day;

"D" is the number specified in the applicable Final Terms;

"d" is, in relation to any Interest Accrual Period, the number of calendar days in such Interest Accrual Period;

"do" is, in relation to any Interest Accrual Period, the number of Business Days in such Interest Accrual Period;

"i" is, in relation to any Interest Accrual Period, a series of whole numbers from one to do, each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Interest Accrual Period;

"Interest Accrual Period" means in relation to any Interest Period:

- a. where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms, such Interest Period;
- b. where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the Observation Period relating to such Interest Period;

"Lock-out Period" means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

"London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London;

"New York Fed's Website" means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, any successor website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

"ni", for any Business Day "i" in the relevant Interest Accrual Period, means the number of calendar days from and including such Business Day "i" up to but excluding the following Business Day;

"Observation Period" means, in respect of any Interest Period, the period from and including the date falling "p" Business Days prior to the first day of such Interest Period and ending on, but excluding, the date which is "p" Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"p" means, for any Interest Period:

- a. where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified five Business Days);
- b. where "Lock-out" is specified as the Observation Method in the applicable Final Terms, zero; and
- c. where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation

Look-back Period specified in the applicable Final Terms (or, if no such number is specified five Business Days);

"**r**" means:

- a. where in the applicable Final Terms "SONIA" is specified as the Reference Rate and "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day;
- b. where in the applicable Final Terms "SOFR" is specified as the Reference Rate and "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day;
- c. where in the applicable Final Terms "SONIA" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
 1. in respect of any Business Day "i" that is a Reference Day, the SONIA rate in respect of the Business Day immediately preceding such Reference Day, and
 2. in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SONIA rate in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date); and
- a. where in the applicable Final Terms "SOFR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
 1. in respect of any Business Day "i" that is a Reference Day, the SOFR in respect of the Business Day immediately preceding such Reference Day, and
 2. in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SOFR in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date);

"**Reference Day**" means each Business Day in the relevant Interest Period, other than any Business Day in the Lock-out Period;

"**Relevant Decimal Place**" shall be the number of decimal places specified in the applicable Final Terms and will be rounded up or down, if necessary (with half of the highest decimal place being rounded upwards) (or, if no such number is specified, it shall be five);

"**r_{i-pBD}**" means, in relation to any Interest Accrual Period, the applicable Reference Rate as set out in the definition of "r" above for, where "Lag" is specified as the Observation Method in the applicable Final Terms, the Business Day (being a Business Day falling in the relevant Observation Period) falling "p" Business Days prior to the relevant Business Day "i" or, where "Lock-out" or "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Business Day "i";

"**SOFR**" means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the

administrator of such rate (or any successor administrator of such rate) on the New York Fed's Website, in each case on or about 5:00 p.m. (New York City Time) on the Business Day immediately following such Business Day;

"**SONIA**" means, in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average rate for such Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors in each case on the Business Day immediately following such Business Day; and

- (ii) Where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Weighted Average", the Rate of Interest for each Interest Period will, subject to as provided below, be the Weighted Average Reference Rate (as defined below) plus or minus (as indicated in the applicable Final Terms) the Margin and will be calculated by the Calculation Agent on the relevant Interest Determination Date and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place, where:

"**Business Day**" has the meaning set out in paragraph (i) above;

"**Lock-out Period**" has the meaning set out in paragraph (i) above;

"**Observation Period**" has the meaning set out in paragraph (i) above;

"**Reference Day**" has the meaning set out in paragraph (i) above;

"**Relevant Decimal Place**" has the meaning set out in paragraph (i) above; and

"**Weighted Average Reference Rate**" means:

- a. where "Lag" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day; and
- b. where "Lock-out" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, provided however that for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day.

- (iii) Where "Index Determination" is specified as the Calculation Method in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left(\frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{D}{d}$$

and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place, plus or minus (as indicated in the applicable Final Terms) the Margin and will be calculated by the Calculation Agent on the relevant Interest Determination Date where:

"**Compounded Index**" shall mean either SONIA Compounded Index or SOFR Compounded Index, as specified in the applicable Final Terms;

"**D**" is the number specified in the applicable Final Terms;

"**d**" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

"**End**" means in relation to any Interest Period, the relevant Compounded Index value on the day falling "p" Business Days (as defined in paragraph (i) above) prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"**p**" is the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified, five);

"**Relevant Decimal Place**" shall be the number of decimal places specified in the applicable Final Terms and will be rounded up or down, if necessary (with half of the highest decimal place being rounded upwards) (or, if no such number is specified, if the SONIA Compounded Index is applicable, it shall be five, and, if the SOFR Compounded Index is applicable, it shall be seven);

"**SOFR Compounded Index**" means the Compounded Daily SOFR rate as published at 3.00 p.m. (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

"**SONIA Compounded Index**" means the Compounded Daily SONIA rate as published at 10.00 a.m. (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source; and

"**Start**" means, in relation to any Interest Period, the relevant Compounded Index value on the day falling "p" Business Days (as defined in paragraph (i) above) prior to the first day of such Interest Period.

Subject to Condition 7(o), if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if "Index Determination" was not specified as the Calculation Method in the applicable Final Terms and as if "Compounded Daily" was specified instead as the Calculation Method in the

applicable Final Terms and where "Observation Shift" was specified as the Observation Method.

- (iv) Where "SONIA" is specified as the Reference Rate in the applicable Final Terms, if, in respect of any Business Day, SONIA (as defined in paragraph (i) above) is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such Reference Rate shall be:
- (1) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant Business Day; plus (ii) the mean of the spread of SONIA to the Bank Rate over the previous five days on which SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
 - (2) subject to Condition 7(o), if such Bank Rate is not available, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors),
- and in each case, "r" shall be interpreted accordingly.
- (v) Where "SOFR" is specified as the Reference Rate in the applicable Final Terms, if, in respect of any Business Day (as defined in paragraph (i) above), the Reference Rate is not available, subject to Condition 7(o), such Reference Rate shall be the SOFR (as defined in paragraph (i) above) for the first preceding Business Day on which the SOFR was published on the New York Fed's Website (as defined in paragraph (i) above) and "r" shall be interpreted accordingly.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 7(o), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period). If the relevant Series of Notes become due and payable in accordance with Condition 10 (*Redemption, purchase, substitution and variation*) or Condition 14 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

- (e) *Screen Rate Determination for Floating Rate Notes which reference Term SOFR:* Where Term SOFR is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as at Condition 7(o), be the rate for Term SOFR for the tenor specified in the applicable Final Terms that is provided by the Term SOFR Administrator and published by distributors of Term SOFR at 6:00 a.m. New York City time (or any amended

publication time for Term SOFR, as specified by the Term SOFR Administrator) on the Term SOFR Determination Date for any Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent, where:

- (i) if, in respect of any Interest Period the Reference Rate is not available by either the Term SOFR Determination Date or such other date on which Term SOFR is required then, subject to Condition 7(o), such Reference Rate shall be the Interpolated Term SOFR for a period equal in length to that Interest Period; and
- (ii) if paragraph (i) above applies but it is not possible to calculate the Interpolated Term SOFR, then the Rate of Interest for that Interest Period will be the last provided Term SOFR provided by the Term SOFR Administrator for the tenor specified in the applicable Final Terms;
- (iii) "**Interpolated Term SOFR**" means, in relation to any Note, the rate which results from interpolating on a linear basis between:
 - (A) either:
 - (1) the applicable Term SOFR for the longest period (for which Term SOFR is available) which is less than the Interest Period of that Note; or
 - (2) if no such Term SOFR is available for a period which is less than the Interest Period of that Note, SOFR for the day which is two US Government Securities Business Days before the Term SOFR Determination Date; and
 - (B) the applicable Term SOFR for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Note.
- (f) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity is a period specified in the relevant Final Terms;
 - (iii) the relevant Reset Date is either (A) if the relevant Floating Rate Option is based on the EURIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms;
 - (iv) if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the relevant Final Terms:
 - (A) Compounding with Lookback;
 - (B) Compounding with Observation Period Shift; or
 - (C) Compounding with Lockout;

- (v) if the Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method is Compounded Index Method with Observation Period Shift, as specified in the applicable Final Terms.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purpose in the applicable Final Terms.

For the purposes of this subparagraph (e), Floating Rate, Floating Rate Option, Designated Maturity, Reset Date, Overnight Floating Rate Option, Overnight Rate Compounding Method, Compounding with Lookback, Compounding with Observation Period Shift, Compounding with Lockout, Compounded Index Floating Rate Option, Index Method and Compounded Index Method with Observation Period Shift have the meanings given to those terms in the ISDA Definitions.

- (g) *Linear Interpolation*: If Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

- (i) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Periods; and
- (ii) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate.

- (h) *Maximum or Minimum Rate of Interest*: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.
- (i) *Calculation of Interest Amount*: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount and multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose, a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (j) *Calculation of other amounts*: If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (k) *Publication*: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the

Paying Agents, and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time (in the case of each Rate of Interest, Interest Amount and Interest Payment Date), or (ii) in all other cases, the fourth Business Day after such determination. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

- (l) *Notifications etc.:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers and duties for such purposes.
- (m) *Receipt by Calculation Agent of Information:* If the Calculation Agent at any time has not been provided with the requisite information to make any determination or calculation or take any action that it is required to pursuant to this Condition 7, it shall be released from its obligations to make such calculation. The Calculation Agent shall notify the Issuer as soon as practicable on any Interest Determination Date if it lacks sufficient information to make a calculation. The Calculation Agent shall be obliged only to perform the duties expressed to be performed by it hereunder. If the Calculation Agent at any material time does not or is unable to make any determination or calculation or take any action that it is required to do pursuant to this Condition 7, it shall forthwith notify the Issuer and the Issuer shall appoint a replacement Calculation Agent for the purposes of providing such determination and calculation.
- (n) *Liability of Calculation Agent:* For the avoidance of doubt, the Calculation Agent shall not be responsible to the Issuer, the Noteholders or to any third-party as a result of the Calculation Agent having relied on any quotation, ratio or other information provided to it by any person for the purposes of providing any determination or calculation hereunder, which subsequently may be found to be incorrect or inaccurate in any way.
- (o) *Benchmark Event*

(1) *Notes not linked to SOFR or Term SOFR*

Notwithstanding the provisions of this Condition 7 (*Floating Rate Note Provisions*) above but subject, in the case of Notes linked to SONIA, to Condition 7(d)(iv)(1) above taking precedence, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply (other than to Notes linked to SOFR or Term SOFR):

- (i) the Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser (as defined below), as soon as reasonably practicable, to determine (without any requirement for the consent or approval of the Noteholders) a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread (if any) and any Benchmark Amendments (each as defined and as further described below);

- (ii) an Independent Adviser appointed pursuant to this Condition 7(o) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer, and (in the absence of bad faith, fraud or negligence) shall have no liability whatsoever to the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 7(o).
- (iii) If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(o) prior to the date which is ten Business Days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(o).
- (iv) **Successor Rate or Alternative Rate**

If the Independent Adviser determines and notifies the Fiscal Agent prior to the date which is ten Business Days prior to the next Interest Determination Date in its discretion that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(o)(v)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 7(o)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(o)(v)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 7(o)).

- (v) *Adjustment Spread*

If the Independent Adviser determines and notifies the Fiscal Agent prior to the date which is ten Business Days prior to the next Interest Determination Date (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be); and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining such Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.

- (vi) *Benchmark Amendments*

If any Successor Rate or Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(o) and the Independent Adviser determines (i) that

amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7(o)(vii), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice (provided, however, that the Fiscal Agent shall not be obliged to agree to any such Benchmark Amendments if the same would, in the sole opinion of the Fiscal Agent, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it in any document to which it is a party).

In connection with any such variation in accordance with this Condition 7(o)(vi), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(vii) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(o) will be notified promptly (but in any event no later than the relevant Interest Determination Date) by the Issuer to the Calculation Agent, the Paying Agents and, in accordance with Condition 20, the Noteholders. Such notice shall be irrevocable and shall specify the effective date, which shall not be less than ten Business Days prior to the next Interest Determination Date, of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, which shall not be less than ten Business Days prior to the next Interest Determination Date, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Authorised Signatories of the Issuer:

- (A) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate and, (b) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(o); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Calculation Agent's or the Paying Agent's ability to rely on such certificate) be binding on the Issuer, the Calculation Agent, the Paying Agents and the Noteholders.

(viii) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under this Condition 7(o), the Original Reference Rate and the fallback provisions provided for in Conditions 7(c) and 9(c) will continue to apply unless and until a Benchmark Event has occurred and only then once the Fiscal Agent has been notified of the Successor Rate or the Alternative Rate (as the case

may be) and any Adjustment Spread (if applicable) and Benchmark Amendments (if applicable) in accordance with paragraph (vi) above. Notwithstanding any other provision of this Condition 7, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Subordinated Notes as Tier 2 Capital.

(2) *Notes linked to SOFR*

In the case of Notes linked to SOFR (but not Term SOFR):

- (i) If the Issuer (in consultation, to the extent practicable, with an Independent Adviser) determines that a Benchmark Event and the relevant SOFR Index Cessation Date have both occurred, when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), the Mid-Swap Floating Leg Benchmark Rate or the Reference Rate (as applicable) shall be the rate that was recommended as the replacement for the SOFR by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the SOFR (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads) or, if no such rate has been recommended within one Business Day (as defined in Condition 7(d)(i)) of the SOFR Index Cessation Date, the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) shall be the Overnight Bank Funding Rate (published on the New York Fed's Website at or around 5:00 p.m. (New York time) on the relevant New York City Banking Day) for any SOFR Reset Date falling on or after the SOFR Index Cessation Date (it being understood that the Overnight Bank Funding Rate for any such SOFR Reset Date will be for trades made on the related SOFR Determination Date); or
- (ii) if the Calculation Agent is required to use the Overnight Bank Funding Rate in paragraph (i) above and an OBFR Index Cessation Event and an OBFR Index Cessation Date have both occurred, then for any SOFR Reset Date falling on or after the later of the SOFR Index Cessation Date and the OBFR Index Cessation Date, the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) shall be the short-term interest rate target set by the Federal Open Market Committee, as published on the New York Fed's Website and as prevailing on such SOFR Reset Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the New York Fed's Website and as prevailing on such SOFR Reset Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range),

and in each case "r" shall be interpreted accordingly.

(3) *Effect of Benchmark Transition Event*

Where "SOFR" or "Term SOFR" is specified as the Reference Rate and where "ARRC Fallbacks" are specified as applicable in the applicable Final Terms:

- (i) notwithstanding any other provision to the contrary in these Conditions, if the Issuer or, at the Issuer's request, an Independent Adviser, determines on or prior to the Relevant Time, that a Benchmark Transition Event and its related Benchmark Replacement Date (each, as

defined below) have occurred with respect to the then current SOFR Benchmark, or Term SOFR Benchmark (as applicable) then the provisions set forth in this Condition 7(o)(3) (the "**Benchmark Transition Provisions**"), will thereafter apply to all terms of the Notes relevant in respect of such SOFR Benchmark or Term SOFR Benchmark (as applicable), including without limitation, the determination of any Rate of Interest. In accordance with the Benchmark Transition Provisions, after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, any such Rate of Interest in respect of an Interest Period will be determined by reference to the relevant Benchmark Replacement;

- (ii) if the Issuer or, at the Issuer's request, an Independent Adviser, determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Relevant Time in respect of any determination of the SOFR Benchmark or Term SOFR Benchmark (as applicable) on any date, the Benchmark Replacement will replace the then-current SOFR Benchmark or Term SOFR Benchmark (as applicable) for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates. In no event shall the Calculation Agent be responsible for determining any substitute for SOFR or Term SOFR (as applicable), or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer, or at the Issuer's request, an Independent Adviser, and will have no liability for such actions taken at the direction of the Issuer, or at the Issuer's request, an Independent Adviser;
- (iii) in connection with the implementation of a Benchmark Replacement, the Issuer, or at the Issuer's request, an Independent Adviser, will have the right to make Benchmark Replacement Conforming Changes from time to time;
- (iv) subject as provided in the Agency Agreement, the Fiscal Agent shall, at the direction and expense of the Issuer and without any requirement for the consent or approval of the Noteholders or the Couponholders, be obliged to concur with the Issuer to effect such Benchmark Replacement Conforming Changes (including, inter alia, by the execution of an agreement supplemental to/amending the Agency Agreement) and the Fiscal Agent shall not be liable to any party for any consequences thereof (provided, however, that the Fiscal Agent shall not be obliged to agree to any such Benchmark Replacement Conforming Changes if the same would, in the sole opinion of the Fiscal Agent, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it in any document to which it is a party);
- (v) the Issuer shall, prior to the taking effect of any Benchmark Replacement Conforming Changes, give notice thereof to the Calculation Agent, the Fiscal Agent and the Noteholders;
- (vi) any determination, decision or election that may be made by the Issuer or an Independent Adviser pursuant to this Condition 7(o)(3), including any determination with respect to a tenor, rate, adjustment, occurrence or non-occurrence of an event, circumstance or date or any decision to take or refrain from taking any action or any selection:
 - (A) will be conclusive and binding absent manifest error;
 - (B) if made by the Issuer, will be made in the Issuer's sole discretion;

- (C) if made by an Independent Adviser, will be made after consultation with the Issuer, and the Independent Adviser will not make any such determination, decision or election to which the Issuer reasonably objects; and
 - (D) notwithstanding anything to the contrary in these Conditions, the Agency Agreement or the Notes, shall become effective without consent from the Noteholders or the Couponholders or any other party; and
- (vii) if an Independent Adviser does not make any determination, decision or election that it is required to make pursuant to this Condition 7(o)(3), then the Issuer will make that determination, decision or election on the same basis as described above.

None of the Fiscal Agent, the Calculation Agent, the Registrar or the Paying Agents will have any liability for any determination made by or on behalf of Issuer or the Independent Adviser in connection with a Benchmark Transition Event or a Benchmark Replacement.

(vii) *Definitions:*

As used in this Condition 7(o):

"Adjustment Spread" means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in either case, which the Issuer or the Independent Adviser determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (B) the Issuer or the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate;
- (C) the Issuer or the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) the Issuer or the Independent Adviser determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer or the Independent Adviser determines in accordance with Condition 7(o)(iii) is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes, or, if the Issuer or the Independent Adviser determines there is no such rate, such other rate as the Issuer or the Independent Adviser acting in good faith and a commercially reasonable manner determines is most comparable to the Original Reference Rate.

"Benchmark Amendments" has the meaning given to it in Condition 7(o)(v).

"Benchmark Event" means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate announcing that the use of Original Reference Rate will be subject to restrictions or adverse consequences, either generally or in respect of the Notes, in each case within the following six months; or
- (vi) a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative; or
- (vii) it has become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that in the case of paragraphs (ii) to (v) above, the Benchmark Event shall occur on:

- (A) in the case of (ii) above, the date of the cessation of the publication of the Original Reference Rate;
- (B) in the case of (iii) above, the discontinuation of the Original Reference Rate;
- (C) in the case of (iv) above, the date on which the Original Reference Rate is prohibited from being used; or
- (D) in the case of (v) above, the date on which the Original Reference Rate becomes subject to restrictions or adverse consequences,

and not (in any such case) the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date in (A), (B), (C) or (D) above, as applicable).

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or an Independent Adviser as of the Benchmark Replacement Date:

- (A) the sum of: (1) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark or Term SOFR Benchmark (as applicable) and (2) the Benchmark Replacement Adjustment;
- (B) the sum of: (1) the ISDA Fallback Rate and (2) the Benchmark Replacement Adjustment; or
- (C) the sum of: (1) the alternate rate of interest that has been selected by the Issuer or an Independent Adviser as the replacement for the then-current SOFR Benchmark or Term SOFR Benchmark (as applicable) giving due consideration to any industry-accepted rate of interest as a replacement for the then-current SOFR Benchmark or Term SOFR Benchmark (as applicable) for U.S. dollar-denominated floating rate notes at such time and (2) the Benchmark Replacement Adjustment.

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer or an Independent Adviser as of the Benchmark Replacement Date: (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement; (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or an Independent Adviser giving due consideration to any industry-accepted spread adjustments, or method for calculating or determining such spread adjustment, for the replacement of the then-current SOFR Benchmark or Term SOFR Benchmark, as the case may be, with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or an Independent Adviser decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or an Independent Adviser decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or an Independent Adviser determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or an Independent Adviser determines is reasonably necessary).

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current SOFR Benchmark or Term SOFR Benchmark, as applicable, (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event", the later of (1) the date of the public statement or publication of information referenced therein and (2) the date on which the administrator of the SOFR Benchmark or Term SOFR Benchmark (as applicable) permanently or indefinitely ceases to provide the SOFR Benchmark or Term SOFR Benchmark (as applicable) (or such component); or

- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein,

and, for the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Relevant Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Relevant Time for such determination.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current SOFR Benchmark or Term SOFR Benchmark (as applicable) (including the daily published component used in the calculation thereof): (i) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark or Term SOFR Benchmark (as applicable) (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark or Term SOFR Benchmark (as applicable) (or such component); or (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark or Term SOFR Benchmark (as applicable) (or such component), the central bank for the currency of the SOFR Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the SOFR Benchmark or Term SOFR Benchmark (as applicable) (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark or Term SOFR Benchmark (as applicable), which states that the administrator of the SOFR Benchmark or Term SOFR Benchmark (as applicable) (or such component) has ceased or will cease to provide the SOFR Benchmark or Term SOFR Benchmark (as applicable) (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component); or (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark or Term SOFR Benchmark (as applicable) announcing that the SOFR Benchmark or Term SOFR Benchmark (as applicable) is no longer representative.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case selected and appointed by the Issuer at its own expense under Condition 7(o). In no event shall the Calculation Agent, the Fiscal Agent, the Registrar or the Paying Agents be appointed as the Independent Adviser unless otherwise agreed upon in writing.

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the SOFR Benchmark for the applicable tenor.

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the SOFR Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"New York Fed's Website" means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, any successor website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source.

"New York City Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City.

"OBFR Index Cessation Date" means, in respect of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used.

"OBFR Index Cessation Event" means the occurrence of one or more of the following events:

- (i) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased, or will cease, to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide an Overnight Bank Funding Rate;
- (ii) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) has ceased, or will cease, to provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or
- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes, or any Alternative Rate or Successor Rate currently being used.

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screenrate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screenrate (as applicable) ; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

"SOFR Benchmark" means SOFR provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-

current SOFR Benchmark, then "SOFR Benchmark" means the applicable Benchmark Replacement.

"SOFR Determination Date" means, with respect to any SOFR Reset Date and with respect to (x) the Secured Overnight Financing Rate and (y) the Overnight Bank Funding Rate: (i) in the case of (x), the first Business Day immediately preceding such SOFR Reset Date; and (ii) in the case of (y), the first New York City Banking Day immediately preceding such SOFR Reset Date.

"SOFR Index Cessation Date" means, in respect of a Benchmark Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used.

"SOFR Reset Date" means each Business Day during the relevant Interest Period, provided however that if both a Benchmark Event and a SOFR Index Cessation Date have occurred, it shall mean: (i) in respect of the period from, and including, the first day of the Interest Period in which the SOFR Index Cessation Date falls (such Interest Period, the **"Affected Interest Period"**) to, but excluding, the SOFR Index Cessation Date (such period, the **"Partial SOFR Period"**), each Business Day during the Partial SOFR Period; (ii) in respect of the period from, and including, the SOFR Index Cessation Date to, but excluding, the Interest Payment Date in respect of the Affected Interest Period (such period, the **"Partial Fallback Period"**), each New York City Banking Day during the Partial Fallback Period; and (iii) in respect of each Interest Period subsequent to the Affected Interest Period, each New York City Banking Day during the relevant Interest Period.

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"Term SOFR Benchmark" means Term SOFR provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Term SOFR Benchmark, then "Term SOFR Benchmark" means the applicable Benchmark Replacement.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has

received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Reset Note Provisions**

(a) *Application:* This Condition 9 is applicable to the Notes only if the Reset Note Provisions are specified in the relevant Final Terms as being applicable. For the avoidance of doubt, Condition 7(o) (*Benchmark Event*) will apply to Notes where the Reset Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Rates of Interest and Interest Payment Dates:* Each Reset Note bears interest:

- (i) from (and including) the Interest Commencement Date specified in the applicable Final Terms to (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (ii) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (iii) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each a "**Subsequent Reset Period**") at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments – Bearer Notes*) or Condition 12 (*Payments – Registered Notes*), as applicable. If specified in the Final Terms, Floating Rate Reset Provisions shall be applicable from (and including) the Reset Date specified in such Final Terms.

The Rate of Interest and Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 6 (*Fixed Rate Note Provisions*) and, in respect of any period for which Floating Rate Reset Provisions are applicable, Condition 7 (*Floating Rate Note Provisions*).

Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 9 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fallbacks*

Subject to Condition 7(o) (*Benchmark Event*), this Condition 9(c) applies in respect of each Interest Period other than any Interest Period in respect of which Floating Rate Reset Provisions are applicable.

Where the Mid-Swap Rate is specified in the applicable Final Terms as the Reset Reference Rate, if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap

Rate does not appear on the Relevant Screen Page, the Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum (converted as set out in the definition of such term above) of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be the sum (converted as set out in the definition of such term above) of (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotation and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the same as the rate used in the prior Reset period.

The Calculation Agent shall not be responsible to the Issuer, the Noteholders or to any third-party as a result of the Calculation Agent having relied on any quotation, ratio or other information provided to it by any person, which subsequently may be found to be incorrect or inaccurate in any way.

(d) *Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount*

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified, inter alios, to the Issuer, the Fiscal Agent and, on behalf of the Issuer, to any stock exchange on which the relevant Reset Notes are for the time being listed and notice thereof to be published, at the expense of the Issuer (if applicable), in accordance with Condition 20 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter.

Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment). Any such amendment will be promptly notified to each stock exchange on which the relevant Reset Notes are for the time being listed and to the Noteholders in accordance with Condition 20 (*Notices*). For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(e) *Receipt by Calculation Agent of Information*

If the Calculation Agent at any time has not been provided with the requisite information to make any determination or calculation or take any action that it is required to pursuant to this Condition 9, it shall be released from its obligations to make such calculation. The Calculation Agent shall notify the Issuer as soon as practicable on any Reset Determination Date if it lacks sufficient information to make a calculation. The Calculation Agent shall be obliged only to perform the duties expressed to be performed by it hereunder. If the Calculation Agent at any material time

does not or is unable to make any determination or calculation or take any action that it is required to do pursuant to this Condition 9, it shall forthwith notify the Issuer and the Issuer shall appoint a replacement Calculation Agent for the purposes of providing such determination and calculation.

(f) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9(e) shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers and duties pursuant to such provisions.

In this Condition 9 (*Reset Note Provisions*):

"First Margin" means the margin specified as such in the applicable Final Terms;

"First Reset Date" means the date specified in the applicable Final Terms;

"First Reset Period" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date;

"First Reset Rate of Interest" means, in respect of the First Reset Period, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date on the following basis:

- (i) if Reset Reference Rate is specified in the Final Terms, as the sum of (A) the relevant Reset Reference Rate and (B) the First Margin, adjusted if necessary in accordance with market convention in the manner determined by the Calculation Agent; or
- (ii) if Floating Rate Reset Note Provisions is specified in the Final Terms, as the sum of (A) the Reset Note Floating Rate and (B) the First Margin;

"Initial Rate of Interest" has the meaning specified in the applicable Final Terms;

"Mid-Market Swap Rate" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Mid-Swap Rate Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

"Mid-Market Swap Rate Quotation" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"Mid-Swap Floating Leg Benchmark Rate" means EURIBOR if the Specified Currency is euro;

"Mid-Swap Rate" means, in relation to a Reset Determination Date and subject to Condition 9(c) (*Fallbacks*), either:

- (i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page or such replacement page on that service which displays the information; or
- (ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page or such replacement page on that service which displays the information, in either case, as at approximately the Reset Determination Time on such Reset Determination Date, all as determined by the Calculation Agent;

"Non-Sterling Reference Bond Rate" means, with respect to any Reset Period and related Reset Determination Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

"Original Mid-Swap Rate Basis" means the basis specified in the applicable final terms being either annual, semi-annual, quarterly or monthly;

"Reference Banks" means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute;

"Reference Government Bond Dealer" means each of five banks selected by the Issuer (following, where practicable, consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent), or the affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average (as determined by the Calculation Agent), of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time on such Reset Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

"Reset Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the applicable Final Terms;

"Reset Date" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

"Reset Determination Date" means, in respect of the First Reset Period, the second Reset Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Reset Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

"Reset Determination Time" means the Reset Determination Time specified in the applicable Final Terms on the relevant Reset Determination Date.

"Reset Note Floating Rate" means the Rate of Interest determined in accordance with the provisions for determining rates of interest in Condition 7 (*Floating Rate Note Provisions*) provided that references to:

- (i) Margin shall be deemed to be the First Margin or the Subsequent Margin, as applicable;
- (ii) Interest Commencement Date shall be deemed to be the First Reset Date;

"Reset Period" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"Reset Reference Bond" means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer (after consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent) as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

"Reset Reference Bond Price" means, with respect to any Reset Determination Date:

- (i) (the arithmetic average (as determined by the Calculation Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or
- (ii) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of all such quotations; or
- (iii) if only one Reference Government Bond Dealer Quotation is received, such quotation; or
- (iv) if no Reference Government Bond Dealer Quotations are received when U.S. Treasury Rate does not apply, in the case of the First Reset Rate of Interest, the Initial Reference Rate and, in the case of any Subsequent Reset Rate of Interest, the Reset Reference Rate as at the last preceding Reset Date, or when U.S. Treasury Rate does apply, the U.S. Treasury Rate shall be determined in accordance with the second paragraph in the definition of U.S. Treasury Rate;

"Reset Reference Rate" means one of (i) the Mid-Swap Rate, (ii) the Sterling Reference Bond Rate, (iii) the Non-Sterling Reference Bond Rate or (iv) the U.S. Treasury Rate, as specified in the applicable Final Terms;

"Sterling Reference Bond Rate" means, with respect to any Reset Period and related Reset Determination Date, the gross redemption yield in respect of the Reset Reference Bond expressed as a percentage and calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 5, Section One: Price/Yield Formulae "Conventional Gilts; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such basis is no longer in customary market usage at such time, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent), on an annual or semi-annual (as the case may be) compounding basis (rounded up (if necessary) to four decimal places) of the Reset Reference Bond in respect of that Reset Period, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

"Second Reset Date" means the date specified in the applicable Final Terms;

"Subsequent Margin" means the margin specified as such in the applicable Final Terms;

"Subsequent Reset Date" means the date or dates specified in the applicable Final Terms; and

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period and subject to Condition 9(b) (*Rates of Interest and Interest Payment Dates*) (if applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date on the following basis:

- (i) if Reset Reference Rate is specified in the Final Terms as the sum of (A) the relevant Reset Reference Rate and (B) the relevant Subsequent Margin, adjusted if necessary in accordance with market convention in the manner determined by the Calculation Agent; or
- (ii) if Floating Rate Reset Note Provisions is specified in the Final Terms, as the sum of (A) the Reset Note Floating Rate and (B) the Subsequent Margin; and

"U.S. Treasury Rate" means, with respect to any Reset Period and related Reset Determination Date, the rate per annum calculated by the Calculation Agent equal to: (1) the average of the yields on actively traded U.S. Treasury securities adjusted to constant maturity, for a maturity comparable with the Reset Period, for the five business days immediately prior to the Reset Determination Date and appearing under the caption "Treasury constant maturities" at the Reset Determination Time on the Reset Determination Date in the applicable most recently published statistical release designated "H.15 Daily Update", or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption "Treasury Constant Maturities", for a maturity comparable with the Reset Period; or (2) if such release (or any successor release) is not published during the week immediately prior to the Reset Determination Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Reset Reference Bond, calculated using a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

If the U.S. Treasury Rate cannot be determined, for whatever reason, as described under (1) or (2) above, "U.S. Treasury Rate" means the rate in percentage per annum as notified by the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity comparable

with the Reset Period as set forth in the most recently published statistical release designated "H.15 Daily Update" under the caption "Treasury constant maturities" (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity comparable with the Reset Period) and as at the Reset Determination Time on the last available date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

10. **Redemption, Purchase, Substitution and Variation**

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date (if any), subject as provided in Condition 12 (*Payments – Registered Notes*).

(b) *Redemption for tax reasons or Change in Law*: Unsubordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, if a Tax Event (Gross up) occurs and Subordinated Notes may be redeemed (subject to Condition 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*) in respect of Tier 2 Notes only) at the option of the Issuer in whole, but not in part, if a Tax Event (Gross up) or a Tax Event (Deductibility) occurs and, if specified in the Final Terms, upon the occurrence of a Change in Law:

- (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, **provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or would be entitled (as such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities, as applicable.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that a Tax Event (Gross up), Tax Event (Deductibility), or if applicable, a Change in Law has occurred. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed (subject to Condition 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*)) in respect of Tier 2 Notes only) at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) upon the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date). In respect of Tier 2 Notes, no Optional Redemption Date (Call) shall fall earlier than the date being 5 (five) years and 1 (one) day after the Issue Date.
- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Redemption at the option of Noteholders:* This Condition 10(e) applies only to Unsubordinated Notes. If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 11(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

- (f) *Early Redemption following the occurrence of a Capital Disqualification Event*: This Condition 10(f) (*Early Redemption following the occurrence of a Capital Disqualification Event*) applies only to Tier 2 Notes.

The Issuer may redeem any Tranche of Tier 2 Notes in whole, but not in part:

- (a) at any time (if the Floating Rate Note provisions are not specified in the relevant Final Terms as being applicable or, if they are, such provisions are not applicable at the time of redemption); or
- (b) on any Interest Payment Date (if the Floating Rate Note are specified in the relevant Final Terms as being applicable and are applicable at the time of redemption),

on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders (which notice shall be irrevocable, at their Early Redemption Amount together with interest (if any) accrued to such date, following the occurrence of a Capital Disqualification Event).

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) unless the Relevant Regulator has confirmed to the Issuer that a Capital Disqualification Event applies to the relevant Notes, an opinion of independent legal advisers of recognised standing to the effect that a Capital Disqualification Event applies. Upon the expiry of any such notice as is referred to in this Condition 10(f) (*Early Redemption following the occurrence of a Capital Disqualification Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(f) (*Early Redemption following the occurrence of a Capital Disqualification Event*).

- (g) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (f) above.
- (h) *Early redemption of Zero Coupon Notes*: Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) *Purchase*: Subject, in the case of Tier 2 Notes, to Condition 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*), the Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (j) *Cancellation*: All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them may, at its option, be cancelled and may, if cancelled, not be reissued or resold.

(k) *Substitution or Variation*: Where Substitution or Variation is specified in the Final Terms in respect of Tier 2 Notes as being applicable, and a Tax Event (Gross up), Tax Event (Deductibility) or a Capital Disqualification Event and, if specified in the Final Terms, a Change in Law has occurred and is continuing, then the Issuer may, subject to Condition 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*) and/or as directed or approved by the Relevant Regulator and having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 20 (*Notices*), the Fiscal Agent and the Registrar (which notice shall be irrevocable) but without any requirement for the consent or approval of the Holders, at any time (whether before or following the First Reset Date) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities. Upon the expiry of such notice, the Issuer shall either vary the terms of or substitute the Notes in accordance with this Condition 10(k) (*Substitution or Variation*), as the case may be.

(l) *Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*:

Notwithstanding the foregoing provisions of this Condition or Condition 18 (*Meetings of Noteholders; Modification*) and subject to sub-paragraph (ii) below, for so long as the applicable Capital Rules so require, Tier 2 Notes may be redeemed, purchased (in whole or in part), modified, substituted or varied prior to the Maturity Date, only at the option of the Issuer, and only if:

- (A) the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has consented in writing to, such redemption, purchase, modification, substitution or variation (as applicable), subject to such conditions (if any) as the Relevant Regulator may deem appropriate (in any case, only if and to the extent such a notification or consent is required by the Capital Rules (including any prescribed notice periods with which the Issuer may need to comply, if any, in such Capital Rules));
- (B) the redemption, purchase, modification, substitution or variation of the Tier 2 Notes is not prohibited by the Capital Rules; and
- (C) prior to the publication of any notice of redemption, substitution or variation or redemption pursuant to this Condition 10 (*Redemption, Purchase, Substitution and Variation*), the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised officers stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied and, in the case of a substitution or variation, that the relevant Qualifying Tier 2 Securities have terms not materially less favourable to an investor than the terms of the Notes and will as from the date of such substitution or variation otherwise comply with the requirements of the definition thereof in Condition 2 (*Interpretation*).

This Condition 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*) does not apply in respect of a redemption in whole, but not in part, of Tier 2 Notes upon a Capital Disqualification Event in accordance with Condition 10(f) (*Early Redemption following the occurrence of a Capital Disqualification Event*).

11. **Payments – Bearer Notes**

This Condition 11 is only applicable to Bearer Notes.

- (a) *Principal*: Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the U.S. by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which

euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the U.S. in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the U.S. with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable U.S. law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 13 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which

the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*) Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the U.S. (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.
- (k) *Payment of U.S. Dollar Equivalent:* Notwithstanding the foregoing, if by reason of Inconvertibility, Non transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi in Hong Kong, the Issuer may, on giving not less than five or more than 30 calendar days' irrevocable notice to the Holders prior to the due date for payment, settle any such payment in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi-denominated amount.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 11(k) (*Payment of U.S. Dollar Equivalent*) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents and all Holders.

- (l) *Payment of Renminbi:* Notwithstanding the foregoing, all payments in Renminbi will be made solely by credit to a Renminbi account maintained by the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

12. **Payments – Registered Notes**

This Condition 12 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 13 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the Payment Business Day immediately preceding the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 12(d) arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address

shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

- (g) *Payment of U.S. Dollar Equivalent:* Notwithstanding the foregoing, if by reason of Inconvertibility, Non transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi in Hong Kong, the Issuer may, on giving not less than five or more than 30 calendar days' irrevocable notice to the Holders prior to the due date for payment, settle any such payment in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi-denominated amount.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 12(g) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents and all Holders.

- (h) *Payment of Renminbi:* Notwithstanding the foregoing, all payments in Renminbi will be made solely by credit to a Renminbi account maintained by the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

13. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of South Africa or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such Taxes is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (A) presented for payment by, or on behalf of, or held by, a Holder which is liable to such Taxes in respect of such Note or Coupon by reason of its having some connection with South Africa other than the mere holding of such Note or Coupon; or
- (B) where (in the case of a payment of principal or interest on redemption) the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate on the last day of such period of 30 days; or
- (C) presented for payment by or on behalf of, or held by, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements in force at the present time or in the future by making a declaration of non-residence or other claim or filing for exemption to which it is entitled to the relevant tax authority or the Paying Agent.

- (b) *FATCA withholding:* Notwithstanding any other provision in these Conditions, the Issuer, and the Paying Agents, shall be permitted to withhold or deduct any amounts required by the rules of the Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue

Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

- (c) *Taxing jurisdiction*: If the Issuer becomes subject at any time to any taxing jurisdiction other than South Africa, references in these Conditions to South Africa shall be construed as references to South Africa and/or such other jurisdiction.

14. **Events of Default**

14.1 Events of Default relating to Unsubordinated Notes

This Condition 14.1 only applies to Unsubordinated Notes.

An Event of Default in relation to Unsubordinated Notes shall arise if any one or more of the following events shall have occurred and be continuing:

- (a) *Non-payment*: the failure by the Issuer to pay within 7 days from the due date any amount due in respect of any of the Notes; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Deed of Covenant and such default remains unremedied for 30 days after written notice thereof has been delivered by any Noteholder to the Issuer or to the Specified Office of the Fiscal Agent (addressed to the Issuer); or
- (c) *Cross default of the Issuer or Principal Subsidiary*:
- (i) any Financial Indebtedness of the Issuer or any of its Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Financial Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Principal Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Financial Indebtedness; or
 - (iii) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Financial Indebtedness;

provided that the amount of Financial Indebtedness referred to in sub paragraph (i) and/or sub paragraph (ii) above and/or the amount payable under any Guarantee referred to in subparagraph (iii) above individually or in the aggregate exceeds U.S.\$55,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) from which no further appeal is permissible under applicable law for the payment of any amount in excess of U.S.\$55,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Principal Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: any present or future Security Interest created by the Issuer or any Principal Subsidiary over all or a substantial part of its undertaking, assets and revenues for an amount at the relevant time in excess of U.S.\$55,000,000 (or its equivalent in any other currency or currencies) becomes enforceable and any step is taken to enforce it (including, but not limited to, the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar

person or analogous event) unless such enforcement is discharged within 45 days or the Issuer or Principal Subsidiary (as the case may be) is contesting such enforcement in good faith; or

- (f) *Insolvency, winding-up, etc.:* the granting of an order by any competent court or authority for the liquidation, winding-up, dissolution or (in relation to a Principal Subsidiary only) commencement of business rescue proceedings of the Issuer or any Principal Subsidiary, whether provisionally (and not dismissed or withdrawn within 30 days of the granting of such order) or finally, or the placing of the Issuer or any Principal Subsidiary under voluntary liquidation, **provided that** no liquidation, winding-up, dissolution or commencement of business rescue proceedings shall constitute an Event of Default if the liquidation, winding-up, dissolution or commencement of business rescue proceedings is: (i) for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement of a Principal Subsidiary within the SB Group, (ii) in the case of the Issuer, in respect of a Solvent Reconstruction, or (iii) for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement, the terms of which were approved by Extraordinary Resolution of Noteholders before the date of the liquidation, winding-up or dissolution; or
- (g) *Failure to take action etc.:* any action, condition or thing (including the obtaining of any consent, licence, approval or authorisation) now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme for the issuance of the Notes is not taken, fulfilled or done, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes, the Coupons or the Programme for the issuance of the Notes; or
- (h) *Unlawfulness:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Covenant.

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders and, in respect of listed Notes, shall forthwith notify the London Stock Exchange plc or such other Exchange upon which such Notes are listed, as the case may be.

Upon the happening of an Event of Default, any Holder of Unsubordinated Notes may, by written notice to the Issuer at its registered office, effective upon the date of receipt thereof by the Issuer, declare the Unsubordinated Notes held by such Noteholder to be forthwith due and payable. Upon receipt of that notice, such Unsubordinated Notes shall become forthwith due and payable at the Early Termination Amount, together with accrued interest (if any) to the date of payment.

14.2 Events of Default relating to Subordinated Notes

This Condition 14.2 applies only to Subordinated Notes.

An Event of Default in relation to Subordinated Notes shall arise if any of the following events occurs and is continuing:

- (a) *Non-payment:* The failure by the Issuer to pay within 7 days from the due date any amount due in respect of any of the Subordinated Notes; or
- (b) *Insolvency, winding-up, etc.:* the granting of an order by any competent court or authority for the liquidation, winding-up or dissolution of the Issuer, whether provisionally (and not dismissed or withdrawn within 30 days of the granting of such order) or finally, or the placing of the Issuer under voluntary liquidation (**provided that** no liquidation, winding-up or dissolution shall constitute an Event of Default if the liquidation, winding-up or dissolution is: (i) for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the SB Group, (ii) in

the case of the Issuer, in respect of a Solvent Reconstruction, or (iii) for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement, the terms of which were approved by Extraordinary Resolution of Noteholders before the date of the liquidation, winding-up or dissolution).

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders and, in respect of listed Notes, shall forthwith notify the London Stock Exchange plc or such other Exchange upon which such Notes are listed, as the case may be.

Upon the happening of an Event of Default referred to in Condition 14.2.(a) (*Non-payment*), any Holder of Subordinated Notes may, subject to Condition 4(c)(iii) (*Subordination*) and the Capital Rules in the case of Tier 2 Notes or Condition 4(b)(iii) (*Winding up of the Issuer*) in the case of other Subordinated Notes, and subject as provided below, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer and/or prove in any winding-up of the Issuer, but take no other action in respect of that default.

Upon the occurrence of an Event of Default referred to in Condition 14.2(b) (*Insolvency, winding up etc*), any Holder of Subordinated Notes may, by written notice from the Holder to the Issuer at its registered office, effective upon the date of receipt thereof by the Issuer, declare the Subordinated Notes held by such Noteholder to be forthwith due and payable. Upon receipt of that notice, such Subordinated Notes shall, subject to Condition 4(c)(iii) (*Subordination*) and the Capital Rules in the case of Tier 2 Notes or Condition 4(b)(iii) (*Winding up of the Issuer*) in the case of other Subordinated Notes, become forthwith due and payable at the Early Termination Amount, together with accrued interest (if any) to the date of payment.

Without prejudice to the preceding Conditions, if the Issuer breaches any of its obligations under the Subordinated Notes (other than any obligation in respect of the payment of principal or interest on such Notes), then any holder of Subordinated Notes of the Series may, at its discretion and without further notice, bring such proceedings as it may think fit to enforce the obligation in question, provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Subordinated Notes sooner than the same would otherwise have been payable by it.

15. **Prescription**

Claims for principal in respect of Bearer Notes and/or Coupons, as the case may be, shall become void unless the relevant Bearer Notes and/or Coupons, as the case may be, are presented for payment within ten years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

16. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

17. **Agents and Registrar**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar, fiscal agent or Calculation Agent and additional or successor paying agents and transfer agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a fiscal agent and a registrar; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent and/or registrar in any particular place, the Issuer shall maintain a paying agent and/or a registrar each with a Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or the Registrar or in their Specified Offices shall promptly be given to the Noteholders.

18. **Meetings of Noteholders; Modification**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings (including by way of conference call using an audio or video conference platform) of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three quarters or, at any adjourned meeting, one-quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions and the Deeds of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal,

minor or technical nature, is made to correct a manifest error or is, in its sole opinion, not materially prejudicial to the interests of the Noteholders.

The consent or approval of the Noteholders shall not be required in the case of amendments to the Conditions pursuant to Condition 7(o) (*Benchmark Event*) to vary the method basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in Condition 7(o) (*Benchmark Event*), where the Issuer has otherwise complied with the requirements set out in the same Condition.

Any modification of the Tier 2 Notes in accordance with this Condition 18 (*Meetings of Noteholders; Modifications*) is subject to the Issuer obtaining the consent of the Relevant Regulator (if and to the extent that such consent is required by the Capital Rules) pursuant to Condition 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*).

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

20. **Notices**

- (a) *Bearer Notes*: Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes*: Notices to the Holders of Registered Notes will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. In addition, notices to Noteholders will be published on the date of such mailing in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe.

21. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all U.S. dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by English law save that the provisions of Conditions 4(b) (*Status of the Subordinated Notes that are not Tier 2 Notes*), 4(c) (*Status of Tier 2 Notes*), 4(d) (*Loss Absorption Following A Non-Viability Event*), 4(e) (*Disapplication of Non-Viability Loss Absorption*), 10(l) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation of Tier 2 Notes*), 14.2 (*Events of Default relating to the Subordinated Notes*) and 24 (*Recognition of RSA Bail-in Power*) are governed by, and shall be construed in accordance with, South African law.
- (b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Condition 23(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 23 (*Governing law and jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Standard Advisory London Limited (Attention: Head of Legal) at 20, Gresham Street, London, EC2V 7JE, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the Specified Office of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

24. **Recognition of RSA Bail-in Powers**

- (a) *Application:* Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understanding between the Issuer and any Noteholder (including each holder of a beneficial interest in the Notes), each Noteholder acknowledges and accepts that any Amounts Due arising under the Notes may be subject to the exercise of any RSA Bail-in Power by the Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by the exercise of any RSA Bail-in Power by the Resolution Authority which may result in:
- (i) the reduction or write-off of all, or a portion of, the Amounts Due;
 - (ii) the conversion of all, or a portion, of the Amounts Due into ordinary shares or other securities or other obligations of the Issuer or another person (or the issue to or conferral on the Noteholder of such shares, securities or obligations);
 - (iii) the cancellation of the Notes; and/or
 - (iv) the amendment or alteration of the maturity of the Notes, or the amendment of the amount of interest due on the Notes, or the dates on which interest becomes payable, including by suspending payment for any period contemplated in the RSA Bail-in Power,

which such RSA Bail-in Power may be exercised by means of amendment, modification or variation of the terms of the Notes to give effect to any exercise of any RSA Bail-in Power by the Resolution Authority.

- (b) *Variation of Rights:* Each Noteholder further acknowledges and agrees that the rights of the Noteholders are subject to, and will, without the consent of Noteholders be varied, if necessary, solely to give effect to, the exercise of any RSA Bail-in Power by the Resolution Authority.
- (c) *Payments of Amounts Due:* No Amounts Due in relation to the Notes will become due and payable or be paid after the exercise of any RSA Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, written-down, written-off, converted, cancelled, amended or altered as a result of such exercise, unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations of South Africa applicable to the Issuer.
- (d) *Rescission of Redemption:* If the Issuer has elected to redeem the Notes but prior to the payment of the Redemption Amount with respect to such redemption the Resolution Authority exercises any RSA Bail-in Power with respect to the Notes, the relevant redemption notices shall be automatically rescinded and shall be of no force and effect, and no payment of the Redemption Amount (or any other amount that would otherwise be payable as a result of such redemption) will be due and payable.
- (e) *No Event of Default:* None of a reduction, write-off, write-down or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of any RSA Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of any RSA Bail-in Power by the Resolution Authority with respect to the Notes, will constitute an Event of Default or a default or breach of these Terms and Conditions for any purpose.
- (f) *Notice:* Upon the exercise of any RSA Bail-in Power by the Resolution Authority with respect to any Notes, the Issuer shall provide a written notice to the Fiscal Agent as soon as practicable regarding the exercise of such RSA Bail-in Power and give notice of the same to the Noteholders in accordance with Condition 20 (*Notices*). Any delay or failure by the Issuer in delivering any such notice shall not affect the validity and/or enforceability of exercise of any RSA Bail-in Power.

(g) *Interpretation:* For the purposes of this Condition 24:

"**Amounts Due**" means the principal amount of, and any accrued but unpaid interest on, the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any RSA Bail-in Power by the Resolution Authority;

"**Resolution Authority**" means the SARB or any successor or replacement thereto and/or such other authority in South Africa with the ability to exercise the RSA Bail-in Powers; and

"**RSA Bail-in Power**" means any write-down, write-off, conversion, transfer, modification, suspension or similar or related power existing from time to time under any laws, regulations, rules, directives, standards or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in South Africa in effect and applicable in South Africa to the Issuer or other members of the SB Group, including but not limited to any such laws, regulations, rules, directives, standards or requirements which are implemented, adopted or enacted within the context of the South African resolution regime under the Financial Sector Regulation Act, 2017, as the same may be amended or replaced from time to time (whether pursuant to secondary legislation or otherwise), pursuant to which any obligation of a bank, banking group company, credit institution and/or investment firm or any of its affiliates can be reduced, written-off, cancelled, modified, transferred and/or converted into shares, other securities or other obligations of the obligor or any other person (or suspended for a temporary period) or pursuant to which any right in a contract governing such obligation may be deemed to have been exercised.

FORM OF FINAL TERMS

Final Terms dated [•]

[EU MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**EU MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**") / distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "**EU MiFID II**") / EU MiFID II]; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the [United Kingdom (the "**UK**") / UK]. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the [European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") / EUWA]; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise

making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE (the "SFA") – [In connection with Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes [are]/[are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.)¹

[CONFIRMATION REQUIRED BY PARAGRAPH 3(5)(j) OF THE COMMERCIAL PAPER REGULATIONS - [specify], being one of the Issuer's auditors as at the Issue Date of this Tranche of Notes, have confirmed in writing that nothing has come to their attention which causes them to believe that the issue of this Tranche of Notes under the Programme, pursuant to the Base Prospectus [, the supplement to the Base Prospectus dated [●]]² (as read with these Final Terms) will not comply in all material respects with the provisions of the Commercial Paper Regulations.]³

[THE STANDARD BANK OF SOUTH AFRICA LIMITED
(Registration Number 1962/000738/06)

Legal Entity Identifier:
QFC8ZCW3Q5PRXU1XTM60]*

[STANDARD BANK GROUP LIMITED
(Registration Number 1969/017128/06)

Legal Entity Identifier:
2549003PEZXUT7MDBU41]*

*Delete as applicable

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$4,000,000,000
Euro Medium Term Note Programme

The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the EEA or the United Kingdom will be made pursuant to an exemption under the EU Prospectus Regulation and the UK Prospectus Regulation, as applicable, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in the relevant Member State or in the United Kingdom of the Notes may only do so in circumstances in which no obligation arises for any Issuer or any Dealer to publish a prospectus pursuant to the EU Prospectus Regulation or UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended), and the term "**UK Prospectus Regulation**" means the Prospectus Regulation as it

¹ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

² To be deleted if no supplement to the Base Prospectus has been published or specify date of supplement, as applicable.

³ To be deleted where SBSA is the relevant Issuer. To be completed where SBG is the relevant Issuer and Notes are offered in South Africa. Delete if Notes are not offered in South Africa.

forms part of domestic law of the UK by virtue of the [European Union (Withdrawal) Act 2018 (as amended, "EUWA") / EUWA]

PART A CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 27 June 2024 [and the supplement to the base prospectus dated [•] which [together] constitute[s] a base prospectus] (the "**Base Prospectus**") for the purposes of the UK Prospectus Regulation. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 8 of the UK Prospectus Regulation. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at [[*address*] [and] [www.londonstockexchange.com]] and copies may be obtained from [address].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [*original date*]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the base prospectus dated 27 June 2024 [and the supplemental base prospectus dated [*date*]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the as amended, "EUWA") (the "**UK Prospectus Regulation**") / the UK Prospectus Regulation], save in respect of the Conditions which are extracted from the base prospectus dated [*original date*] and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 8 of the UK Prospectus Regulation.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is]/[are] available for viewing at [www.londonstockexchange.com]

1. **Issuer:** [The Standard Bank of South Africa Limited]
[Standard Bank Group Limited]
2. (i) [Series Number: [•]]
- (ii) [Tranche Number: [•]]
- (iii) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [•] on [the Issue Date] [the exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below.]/[Not applicable].]
3. **Specified Currency or Currencies:** [•]
4. **Aggregate Nominal Amount:**
 - (i) Series: [•]
 - (ii) Tranche: [•]

5. **Issue Price:** [•] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [*insert date*]]
6. (i) Specified Denominations: [•]
(ii) Calculation Amount [•]
7. (i) Issue Date: [•]
(ii) Interest Commencement Date: [•]
8. **Maturity Date:** [•]
9. **Interest Basis:** [[•] per cent. Fixed Rate]

[EURIBOR]/[BBSW]/[SONIA]/[SOFR]/[Term SOFR] +/- [•] per cent. Floating Rate

[Reset Notes]

[Zero Coupon]
10. **Redemption/Payment Basis:** [Redemption at [par] [[•] per cent.]]
11. **Put/Call Options:** [Investor Put]

[Issuer Call]

[Reset Notes]
12. **Status of the Notes:** [Unsubordinated Notes]

[Subordinated Notes that are not Tier 2 Notes – Condition 4(b) applies]

[Tier 2 Notes – Condition 4(c) applies]
13. **Method of distribution:** [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [•]/Not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•]

- (v) Day Count Fraction: [Actual/Actual (ICMA)]/[Actual/365]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]
- (vi) Determination Dates: [•] in each year
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Specified Period: [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) Business Day Convention: [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[No Adjustment]
- (iv) Additional Business Centre(s): [•] [Not Applicable]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [•]
- (vii) Screen Rate Determination:
- Reference Rate: [EURIBOR]/[BBSW]/[SONIA]/[SOFR]/[Term SOFR]
 - Interest Determination Date(s): [•]⁴
 - Relevant Screen Page: [EURIBOR01]/[Reuters Screen BBSW Page] [•]
 - Relevant Time: [•]
 - Relevant Financial Centre: [•]
 - Linear Interpolation: [Applicable]/[Not Applicable]

⁴ To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Fiscal Agent. In the case of Term SOFR, to be the day that is two U.S. Government Securities Business Days preceding the first day of the relevant Interest Period (or any amended publication day for Term SOFR, as specified by the Term SOFR Administrator).

- Calculation Method: [Weighted Average/Compounded Daily/Index Determination]
 - Compounded Index: [SONIA Compounded Index/SOFR Compounded Index/Not Applicable]
 - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
 - Observation Look-back Period: [[•]/Not Applicable]⁵
 - ARRC Fallbacks: [Applicable/Not Applicable]
 - D: [365/360/[•]]
 - Relevant Decimal Place: [Five/Seven/[•]]
 - [Tenor for Term SOFR [3/6/12 months]]
- (viii) ISDA Determination:
- ISDA Definitions [[2006] / [2021] ISDA Definitions]
 - Floating Rate Option: [•]/[Overnight Floating Rate Option]/[Compounded Index Floating Rate Option]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - Linear Interpolation [Applicable]/[Not Applicable]
 - Overnight Rate Compounding Method [Not Applicable]/[Compounding with Lookback/Compounding with Observation Period Shift/Compounding with Lockout]
 - Index Method [Not Applicable]/[Compounded Index Method with Observation Period Shift]
- (ix) Margin(s): [+/-][•] per cent. per annum
- (x) Minimum Rate of Interest: [•] per cent. per annum
- (xi) Maximum Rate of Interest: [•] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual (ICMA)]/[Actual/365]/[Actual/Actual (ISDA)]/[Actual/365]

⁵ The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise select "Not Applicable".

		(Fixed)/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
	(i) Accrual Yield:	[•] per cent. per annum
	(ii) Reference Price:	[•]
17.	Reset Note Provisions	[Applicable/Not Applicable]
		(If not applicable, delete the remaining subparagraphs of this paragraph)
	(i) Initial Rate of Interest:	[] per cent. per annum payable in arrear on each Interest Payment Date
	(ii) First Margin:	[+/-][] per cent. per annum
	(iii) Subsequent Margin:	[[+/-][] per cent. per annum] [Not Applicable]
	(iv) Interest Payment Date(s):	[[] in each year up to and including the Maturity Date/[specify date] [adjusted in accordance with paragraphs 17 (xv) and (xvi) below]]
	(v) Fixed Coupon Amount to (but excluding) the First Reset Date: <i>(Applicable to Notes in definitive form)</i>	[] per Calculation Amount
	(vi) First Reset Date:	[]
	(vii) Second Reset Date:	[]/[Not applicable]
	(viii) Subsequent Reset Date(s):	[] [and []] [Not applicable]
	(ix) Reset Reference Rate:	[Mid-Swap Rate/Sterling Reference Bond Rate/Non-Sterling Reference Bond Rate/U.S. Treasury Rate]
	(x) Initial Reference Rate:	[[]/Not applicable]
	(xi) Reset Determination Time:	[]
	(xii) Relevant Screen Page:	[[]/Not applicable]
	(xiii) Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate/Not Applicable]]
	(xiv) Mid-Swap Maturity:	[]/Not Applicable]

- (xv) Original Mid-Swap Rate Basis: [annual/semi-annual/quarterly/monthly]/Not Applicable]
- (xvi) Day Count Fraction: [30/360 or 360/360 or Actual/Actual (ICMA)]
- (xvii) Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon).
- (xviii) Business Day Convention: [Not Applicable/Following Business Day Convention/Preceding Business Day Convention/Modified Following Business Day Convention]
- (xix) Business Centre(s): []/[Not Applicable]
- (xx) Calculation Agent: []
18. **Floating Rate Reset Note Provisions** [Applicable/Not Applicable]
- (i) Date on which Floating Rate Reset Note Provisions Apply: [First Reset Date]/[Second Reset Date]
- (ii) Specified Period: [•]
- (iii) Specified Interest Payment Dates: [•]
- (iv) Business Day Convention: [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[No Adjustment]
- (v) Additional Business Centre(s): [•] [Not Applicable]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [•]
- Screen Rate Determination:

- Reference Rate: [EURIBOR]/[BBSW]/[SOFR]/[SONIA]/[Term SOFR]
 - Interest Determination Date(s): [•]⁶
 - Relevant Screen Page: [•]
 - Relevant Time: [•]
 - Relevant Financial Centre: [•]
 - Linear Interpolation: [Applicable]/[Not Applicable]
 - Calculation Method [Weighted Average/Compounded Daily/Index Determination]
 - Compounded Index [SONIA Compounded Index/SOFR Compounded Index/Not applicable]
 - Observation Method [Lag/Lock-out/Observation Shift/Not Applicable]
 - Observation Look-back Period: [[•]/Not Applicable]⁷
 - ARRC Fallbacks: [Applicable]/[Not Applicable]
 - D: [365/360/[•]]
 - Relevant Decimal Place: [Five/Seven/[•]]
- (viii) ISDA Determination:
- ISDA Definitions [2006] / [2021] ISDA Definitions]
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]
19. **Linear Interpolation:** [Applicable]/[Not Applicable]
- (i) Margin(s): [+/-][•] per cent. Per annum
 - (ii) Minimum Rate of Interest: [•] per cent. Per annum
 - (iii) Maximum Rate of Interest: [•] per cent. Per annum

⁶ To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Fiscal Agent.

⁷ The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise select "Not Applicable".

- (iv) Day Count Fraction: [Actual/Actual
(ICMA)]/[Actual/365]/[Actual/Actual
(ISDA)]/[Actual/365
(Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond
Basis]

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
21. **Put Option** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•]
- (iii) Optional redemption for Subordinated Notes upon a Change in Law: [Applicable]/[Not Applicable]
22. **Optional Redemption for Subordinated Notes upon a Change in Law:** [Applicable]/[Not Applicable]
23. **Final Redemption Amount of each Note** [•] per Calculation Amount
24. **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount: [•]

- | | | |
|-----|--|--|
| 25. | Early Termination Amount | [•]

Early Termination Amount per Calculation Amount |
| 26. | Substitution and Variation for Tier 2 Notes: | [Applicable/Not Applicable] |
| 27. | Substitution and Variation for Tier 2 Notes upon a Change in Law: | [Applicable/Not Applicable] |
| 28. | Option to disapply Non-viability Loss Absorption Condition for Tier 2 Notes pursuant to Condition 4(e): | [Applicable/Not Applicable] |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|--|---|
| 29. | Form of Notes: | <p>Bearer Notes:</p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]</p> <p>[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]</p> <p>Registered Notes:</p> <p>Global Registered Note Certificate exchangeable for individual Note Certificates on [•] days' notice/at any time/in the limited circumstances specified in the Global Registered Note Certificate</p> |
| 30. | Additional Financial Centre(s): | [•] |
| 31. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes] [No.] |
| 32. | Commercial Paper Regulations | [Not Applicable]/[Applicable – see Part B (<i>Other Information</i>) to these Final Terms] |

DISTRIBUTION

33. (i) If syndicated, names of Managers: [•]
- (ii) Date of Subscription Agreement [•]
34. **If non-syndicated, name and address of Dealer:** [•]
35. **Stabilising Manager(s):** [•]
36. **U.S. Selling Restrictions:** [Reg. S Compliance Category 2]/[TEFRA C]/[TEFRA D/TEFRA not applicable]
37. **Total commission and concession:** [•] per cent. of the Aggregate Nominal Amount

[ADMISSION TO TRADING]

These Final Terms comprise the final terms required for the Notes described herein to be admitted to trading on the [Main Market of the London Stock Exchange pursuant to the U.S.\$4,000,000,000 Euro Medium Term Note Programme of The Standard Bank of South Africa Limited and Standard Bank Group Limited.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B OTHER INFORMATION

1. LISTING

- (i) Listing: London
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the Main Market of the London Stock Exchange with effect from [•].
- (iii) Estimate of total expenses [•]
related to admission to trading:

2. RATING

Ratings: The Notes to be issued have been rated:

[Moody's*: [•]]

[Fitch*: [•]]

[[Fitch] is established in the United Kingdom and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**"). The rating Fitch has assigned is endorsed by [Fitch Ratings Ireland] which is established in the EEA and is registered under Regulation (EU) No 1060/2009 (the "**EU CRA Regulation**").]

[Moody's] is established in the EEA and is registered under [the EU CRA Regulation] [Regulation (EU) No 1060/2009, as amended]. The rating Moody's has assigned is endorsed by [Moody's Investor Services Limited] which is established in the UK and is registered in accordance with [the UK CRA Regulation] [Regulation (EC) No. 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA].]

3. USE OF PROCEEDS

[General corporate purposes]/[The Notes are issued as [Green Bonds]/[Social Bonds]/[Sustainable Bonds], [further particulars (including investment category and eligibility criteria) to be provided]]

4. YIELD

Indication of yield: [•]

5. **[DISCLOSURES REQUIRED UNDER THE COMMERCIAL PAPER REGULATIONS PARAGRAPHS - 3(5)(A) TO 3(5)(J)]⁸**

Aggregate amount of commercial paper (as defined in the Commercial Paper Regulations) issued by the Issuer prior to the Issue Date: [•]

To the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue during the Issuer's current financial year "commercial paper" (as defined in the Commercial Paper Regulations) in the following aggregate amount (excluding this Tranche of Notes): [•]

6. **OPERATIONAL INFORMATION**

Trade Date [•]

ISIN: [•]

Common Code: [•]

CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")

Any clearing system(s) other than Euroclear Bank SA/NV and [Not Applicable/[•]]

⁸ To be deleted where SBSA is the relevant Issuer. To be completed where SBG is the relevant Issuer and Notes are offered in South Africa. Delete if Notes are not offered in South Africa.

Clearstream Banking, S.A. and the relevant identification number(s):

Delivery:

Delivery [against/free of] payment

Names and addresses of additional [•]

Paying Agent(s) if any:

Relevant Benchmark[s]:

[[*specify benchmark*] is provided by [*administrator legal name*]]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/[As far as the Bank is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmark Regulation/the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence)]/[Not Applicable]

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [•]

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129, AS AMENDED AND AS IT FORMS PART OF DOMESTIC LAW OF THE UK BY VIRTUE OF THE [EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "EUWA") / [EUWA] IN CONNECTION WITH THIS ISSUE OF NOTES. THE UNITED KINGDOM FINANCIAL CONDUCT AUTHORITY HAS NEITHER REVIEWED NOR APPROVED THE INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT

[EU MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**EU MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**") / distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "**EU MiFID II**") / EU MiFID II]; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the [United Kingdom (the "**UK**") / UK]. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the [European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") / EUWA]; (ii) a customer within the meaning of the provisions of the Financial

Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE (the "SFA") – [In connection with Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes [are]/[are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.)⁹

[THE STANDARD BANK OF SOUTH AFRICA LIMITED
(Registration Number 1962/000738/06)

Legal Entity Identifier: QFC8ZCW3Q5PRXU1XTM60]*

[STANDARD BANK GROUP LIMITED
(Registration Number 1969/017128/06)

Legal Entity Identifier: 2549003PEZXUT7MDBU41]*

* Delete as applicable

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$4,000,000,000
Euro Medium Term Note Programme

PART A CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 27 June 2024 [and the supplement to the base prospectus dated [●] which [together] constitute[s] a base prospectus] (the "**Base Prospectus**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus is available for viewing at [[*address*] [and] [www.londonstockexchange.com]] and copies may be obtained from [address].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.

⁹ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [*original date*]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the base prospectus dated 27 June 2024 [and the supplemental Base Prospectus dated [*date*]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") save in respect of the Conditions which are extracted from the base prospectus dated [*original date*] and are incorporated by reference in the Base Prospectus.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is]/[are] available for viewing at [address].]

1. Issuer: [The Standard Bank of South Africa Limited]
[Standard Bank Group Limited]
2. (i) [Series Number: [•]]
(ii) [Tranche Number: [•]]
(iii) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [•] on [the Issue Date] [the exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below.]/[Not applicable].]
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount:
(i) Series: [•]
(ii) Tranche: [•]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]]
6. (i) Specified Denominations: [•]
(ii) Calculation Amount [•]
7. (i) Issue Date: [•]
(ii) Interest Commencement Date: [•]
8. Maturity Date: [•]
9. Interest Basis: [[•] per cent. Fixed Rate]
[EURIBOR]/[BBSW]/[SONIA]/[SOFR]/[Term SOFR]/[Other] +/- [•] per cent. Floating Rate]
[Reset Notes]
[Zero Coupon]
[Other]
10. Redemption/Payment Basis: [Redemption at par]
11. Put/Call Options: [Investor Put]
[Issuer Call]

- [Other]
- [Reset Notes]
12. Status of the Notes: [Unsubordinated Notes]
- [Subordinated Notes that are not Tier 2 Notes – Condition 4(b) applies]
- [Tier 2 Notes – Condition 4(c) applies]
13. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions: [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [•]/Not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•]
- (v) Day Count Fraction: [Actual/Actual (ICMA)]/[Actual/365]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[Other]
- (vi) Determination Dates: [•] in each year
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (i) Specified Period: [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) Business Day Convention: [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[No Adjustment]/[Other]
- (iv) Additional Business Centre(s): [•] [Not Applicable]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]/[Other]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [•]
- (vii) Screen Rate Determination:

Reference Rate:	[EURIBOR]/[BBSW]/[SONIA]/[SOFR]/[Term SOFR]/[Other]
Interest Determination Date(s):	[•] ¹⁰
Relevant Screen Page:	[EURIBOR01]/[Reuters Screen BBSW Page] [•]
Relevant Time:	[•]
Relevant Financial Centre:	[•]
Linear Interpolation:	[Applicable]/[Not Applicable]
Calculation Method	[Weighted Average/Compounded Daily/Index Determination]
Compounded Index	[SONIA Compounded Index/SOFR Compounded Index/Not applicable]
Observation Method	[Lag/Lock-out/Observation Shift/Not Applicable]
Observation Look-back Period:	[[•]/Not Applicable] ¹¹
ARRC Fallbacks:	[Applicable]/[Not Applicable]
D:	[365/360/[•]]
Relevant Decimal Place:	[Five/Seven/[•]]
(viii) ISDA Determination:	
ISDA Definitions	[[2006] / [2021] ISDA Definitions]
Floating Rate Option:	[•]/[Overnight Floating Rate Option]/[Compounded Index Floating Rate Option]
Designated Maturity:	[•]
Reset Date:	[•]
Linear Interpolation:	[Applicable]/[Not Applicable]
Overnight Rate Compounding Method	[Not Applicable]/[Compounding with Lookback/Compounding with Observation Period Shift/Compounding with Lockout]
Index Method	[Not Applicable]/[Compounded Index Method with Observation Period Shift]
(ix) Margin(s):	[+/-][•] per cent. per annum
(x) Minimum Rate of Interest:	[•] per cent. per annum
(xi) Maximum Rate of Interest:	[•] per cent. per annum
(xii) Day Count Fraction:	[Actual/Actual (ICMA)]/[Actual/365]/[Actual/Actual]

¹⁰ To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Fiscal Agent.

¹¹ The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise select "Not Applicable".

		(ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
	(i) Accrual Yield:	[•] per cent. per annum
	(ii) Reference Price:	[•]
17.	Reset Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(i) Initial Rate of Interest:	[] per cent. per annum payable in arrear on each Interest Payment Date
	(ii) First Margin:	[+/-][] per cent. per annum
	(iii) Subsequent Margin:	[[+/-][] per cent. per annum] [Not Applicable]
	(iv) Interest Payment Date(s):	[[] in each year up to and including the Maturity Date/[specify date] [adjusted in accordance with paragraphs 17 (xv) and (xvi) below]]
	(v) Fixed Coupon Amount to (but excluding) the First Reset Date: <i>(Applicable to Notes in definitive form)</i>	[] per Calculation Amount
	(vi) First Reset Date:	[]
	(vii) Second Reset Date:	[]/[Not applicable]
	(viii) Subsequent Reset Date(s):	[] [and []] [Not applicable]
	(ix) Reset Reference Rate:	[Mid-Swap Rate/Sterling Reference Bond Rate/Non-Sterling Reference Bond Rate/U.S. Treasury Rate]
	(x) Initial Reference Rate:	[[]/Not applicable]
	(xi) Reset Determination Time:	[]
	(xii) Relevant Screen Page:	[]/Not Applicable
	(xiii) Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate/Not Applicable]
	(xiv) Mid-Swap Maturity:	[]/Not Applicable
	(xv) Original Mid-Swap Rate Basis:	[annual/semi-annual/quarterly/monthly]/Not Applicable
	(xvi) Day Count Fraction:	[30/360 or 360/360 or Actual/Actual (ICMA)]
	(xvii) Determination Date(s):	[[] in each year][Not Applicable]

(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon).

- (xviii) Business Day Convention: [Not Applicable/Following Business Day Convention/Preceding Business Day Convention/Modified Following Business Day Convention]
- (xix) Business Centre(s): []/[Not Applicable]
- (xx) Calculation Agent: []
18. Floating Rate Reset Note Provisions [Applicable/Not Applicable]
- (i) Date on which Floating Rate Reset Note Provisions apply: [First Reset Date]/[Second Reset Date]/[Other]
- (ii) Specified Period: [•]
- (iii) Specified Interest Payment Dates: [•]
- (iv) Business Day Convention: [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[No adjustment]/[Other]
- (v) Additional Business Centre(s): [•] [Not Applicable]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]/[Other]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [•]
- (viii) Screen Rate Determination:
- Reference Rate: [EURIBOR]/[BBSW]/[SONIA]/[SOFR]/Term SOFR]
- Interest Determination Date(s): [•]¹²
- Relevant Screen Page: [•]
- Relevant Time: [•]
- Relevant Financial Centre: [•]
- Linear Interpolation: [Applicable]/[Not Applicable]
- Calculation Method [Weighted Average/Compounded Daily/Index Determination]

¹² To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Fiscal Agent.

	Compounded Index	[SONIA Compounded Index/SOFR Compounded Index/Not applicable]
	Observation Method	[Lag/Lock-out/Observation Shift/Not Applicable]
	Observation Look-back Period:	[[•]/Not Applicable] ¹³
	ARRC Fallbacks:	[Applicable]/[Not Applicable]
	D:	[365/360/[•]]
	Relevant Decimal Place:	[Five/Seven/[•]]
(ix)	ISDA Determination:	
	ISDA Definitions	[[2006] / [2021] ISDA Definitions]
	Floating Rate Option:	[•]
	Designated Maturity:	[•]
	Reset Date:	[•]
19.	Linear Interpolation:	[Applicable]/[Not Applicable]
(i)	Margin(s):	[+/-][•] per cent. per annum
(ii)	Minimum Rate of Interest:	[•] per cent. per annum
(iii)	Maximum Rate of Interest:	[•] per cent. per annum
(iv)	Day Count Fraction:	[Actual/Actual (ICMA)]/[Actual/365]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobo nd Basis]

PROVISIONS RELATING TO REDEMPTION

20.	Call Option	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[•]
(ii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
(iii)	If redeemable in part:	
(a)	Minimum Redemption Amount:	[•] per Calculation Amount
(b)	Maximum Redemption Amount:	[•] per Calculation Amount
21.	Put Option	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[•]

¹³ The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise select "Not Applicable".

- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•]
- (iii) Optional redemption for Subordinated Notes upon a Change in Law: [Applicable]/[Not Applicable]
22. Optional Redemption for Subordinated Notes upon a Change in Law: [Applicable]/[Not Applicable]
23. Final Redemption Amount of each Note [•] per Calculation Amount
24. Early Redemption Amount
Early Redemption Amount(s) per Calculation Amount: [•]
25. Early Termination Amount [•]
Early Termination Amount per Calculation Amount
26. Substitution and Variation for Tier 2 Notes: [Applicable/Not Applicable]
27. Substitution and Variation for Tier 2 Notes upon a Change in Law: [Applicable/Not Applicable]
28. Option to disapply Non-viability Loss Absorption Condition for Tier 2 Notes pursuant to Condition 4(e): [Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29. Form of Notes: Bearer Notes:
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
 [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]
 [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- Registered Notes:
 Global Registered Note Certificate exchangeable for individual Note Certificates on [•] days' notice/at any time/in the limited circumstances specified in the Global Registered Note Certificate
30. Additional Financial Centre(s): [•]

31. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes] [No.]
32. Commercial Paper Regulations [Not applicable]/[Applicable – see Annexure "A" (*Commercial Paper Regulations*) to the Pricing Supplement]

DISTRIBUTION

33. (i) If syndicated, names of Managers: [•]
- (ii) Date of Subscription Agreement [•]
34. If non-syndicated, name and address of Dealer: [•]
35. U.S. Selling Restrictions: [Reg. S Compliance Category 2]/[TEFRA C]/[TEFRA D/TEFRA not applicable]
36. Stabilising Manager(s): [•]
37. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
38. Additional Terms and Conditions: [•]

[ADMISSION TO TRADING

This Pricing Supplement comprises the final terms required for the Notes described herein to be admitted to trading on the [•] pursuant to the U.S.\$4,000,000,000 Euro Medium Term Note Programme of The Standard Bank of South Africa Limited and Standard Bank Group Limited.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B OTHER INFORMATION

1. LISTING

- (i) Listing: [•]
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on [•] with effect from [•]. [Not Applicable]
- (iii) Estimate of total expenses related to admission to trading: [•]

2. RATING

- Ratings: The Notes to be issued have been rated:
- [Moody's*: [•]]
- [Fitch*: [•]]
- [[Fitch] is established in the United Kingdom and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA. [Moody's] is established in the EEA and is registered under Regulation (EU) No 1060/2009, as amended.]

3. USE OF PROCEEDS

[General corporate purposes]/[The Notes are issued as [Green Bonds]/[Social Bonds]/[Sustainable Bonds], [further particulars (including investment category and eligibility criteria) to be provided]]

4. YIELD

- Indication of yield: [•]

5. OPERATIONAL INFORMATION

- Trade Date [•]
- ISIN: [•]
- Common Code: [•]
- CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/[*]]

Delivery: Delivery [against/free of] payment

Relevant Benchmark[s]: [[*specify benchmark*] is provided by [*administrator legal name*]]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/[As far as the Bank is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmark Regulation/the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence)]/[Not Applicable]

ANNEXURE "A" TO THE PRICING SUPPLEMENT
COMMERCIAL PAPER REGULATIONS

promulgated in terms of the Banks Act under Government Notice number 2172 published in Government Gazette number 16167, dated 14 December 1994

Disclosure requirements in terms of paragraph 3(5) of the Commercial Paper Regulations

The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out in this Annexure "A" (except where such information is disclosed in the Base Prospectus and/or the Pricing Supplement):

1. **Issuer and Ultimate Borrower** (paragraph 3(5)(a) of the Commercial Paper Regulations)

The Issuer of the relevant Tranche of Notes is Standard Bank Group Limited (incorporated with limited liability under registration number 1969/017128/06 in South Africa).

The "*ultimate borrower*" is [the Issuer] [specify other].
2. **Going concern** (paragraph 3(5)(b) of the Commercial Paper Regulations)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer.
3. **Auditor** (paragraph 3(5)(c) of the Commercial Paper Regulations)

The auditors of the Issuer as at the Issue Date are [●] and [●].

[●] and [●] have acted as the auditors of the Issuer's latest audited financial statements.
4. **Total amount of Commercial Paper** (paragraph 3(5)(d) of the Commercial Paper Regulations)
 - (a) [The Issuer has not, prior to the Issue Date, issued any "*commercial paper*" (as defined in the Commercial Paper Regulations).]

[The Issuer has, prior to the Issue Date, issued "*commercial paper*" (as defined in the Commercial Paper Regulations) in an aggregate amount of U.S.\$[●].]
 - (b) [As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will not issue any "*commercial paper*" (as defined in the Commercial Paper Regulations) during the Issuer's current financial year (excluding this Tranche of Notes).]

[As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue "*commercial paper*" (as defined in the Commercial Paper Regulations) in an aggregate amount of U.S.\$[●] during the Issuer's current financial year (excluding this Tranche of Notes).]
5. **Other information** (paragraph 3(5)(e) of the Commercial Paper Regulations)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in this Tranche of Notes is contained in the Base Prospectus and the Pricing Supplement.
6. **Material adverse change** (paragraph 3(5)(f) of the Commercial Paper Regulations)

Save as disclosed in the Base Prospectus [and as set out below], there has been no material adverse change in the Issuer's financial position since the date of the Issuer's last audited financial statements.

[give details, if applicable]

7. **Listing** (paragraph 3(5)(g) of the Commercial Paper Regulations)
This Tranche of Notes will be [unlisted] [listed on [the Main Market of the London Stock Exchange] [*specify other*]].
8. **Use of proceeds** (paragraph 3(5)(h) of the Commercial Paper Regulations)
[The proceeds of the issue of this Tranche of Notes will be used by the Issuer for its general corporate purposes] [*specify other*]
9. **Security** (paragraph 3(5)(i) of the Commercial Paper Regulations)
This Tranche of Notes is [secured] [unsecured].
10. **Auditors confirmation** (paragraph 3(5)(j) of the Commercial Paper Regulations)
[•], being one of the Issuer's auditors as at the Issue Date, have confirmed in writing that nothing has come to their attention which causes them to believe that the issue of this Tranche of Notes under the Programme, pursuant to the Base Prospectus (as read with the Pricing Supplement) will not comply in all material respects with the provisions of the Commercial Paper Regulations.
11. **Audited financial statements** (paragraphs 3(5)(j)(i) and (j)(ii) of the Commercial Paper Regulations)
Where, in relation to the issue and placing of this Tranche of Notes, the Base Prospectus and/or the Pricing Supplement is distributed and/or made available for inspection in South Africa, a copy of the Issuer's latest audited annual financial statements will at all times separately accompany (either by electronic delivery or by physical delivery) the Base Prospectus and/or the Pricing Supplement, as required by the Commercial Paper Regulations.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer or registered form. Consequently, in relation to any Tranche of Notes represented by a Global Registered Note Certificate, references in the Conditions to "Noteholders" are references to the registered holder of the relevant Global Registered Note Certificate which, for so long as the Global Registered Note Certificate is registered in the name of a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depository or common depository. In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Conditions to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depository or a common depository will be that depository or common depository.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note Certificate (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Issuer to the holder of such Global Note or Global Registered Note Certificate and in relation to all other rights arising under such Global Note or Global Registered Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note Certificate, Accountholders shall have no claim directly against the relevant Issuer in respect of payments due under the Notes and such obligations of the relevant Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note Certificate.

Conditions applicable to Global Notes and Global Registered Note Certificates

Each Global Note and Global Registered Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note Certificate which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day: In the case of a Global Note, or a Global Registered Note Certificate, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note Certificate is being held is open for business. Where payment in respect of a Global Registered Note Certificate is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

Exercise of put option: In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note Certificate and put option notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 10(d) (*Redemption at the option of the relevant Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note Certificate may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg.

Notices: Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note Certificate and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note Certificate, is deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be applied by the relevant Issuer for its general corporate purposes, unless specified otherwise in the applicable Final Terms or Pricing Supplement.

In particular, if so specified in the "Use of Proceeds" section of the applicable Final Terms or Pricing Supplement, the relevant Issuer intends to apply the net proceeds (or an equivalent amount) of an issue of Notes specifically to finance or refinance, in whole or in part, (i) Green Projects, (ii) Social Projects, or (iii) Sustainable Projects, as set out in the Standard Bank Group's Sustainable Finance Framework of October 2023 (the "**Sustainable Finance Framework**"), which is available to view on the website of Standard Bank Group. Any Notes issued in accordance with the terms of the Sustainable Finance Framework may also be referred to as, respectively, "**Green Bonds**", "**Social Bonds**" and "**Sustainable Bonds**".

To be eligible as Green Bond, Social Bond or Sustainable Bond proceeds, targeted Green Projects, Social Projects or Sustainable Projects must meet the applicable eligibility criteria set out in the Sustainable Finance Framework.

The Sustainable Finance Framework is aligned with the 2021 version of the Sustainability Bond Guidelines published by the International Capital Market Association (ICMA), the ICMA Green Bond Principles 2021, the ICMA Social Bond Principles 2021, the Green Loan Principles 2023 administered by the Loan Market Association, the Asia Pacific Loan Market Association and Loan Syndications & Trading Association ("**LSTA**") and the LSTA Social Loan Principles 2023.

The Sustainable Finance Framework and Sustainalytics second party opinion are published on the website of SBG at <http://www.standardbank.com>.

Standard Bank Group may amend or update the Sustainable Finance Framework in the future. Any amendments, updates or changes to the Sustainable Finance Framework will be publicly announced on the website of Standard Bank Group.

For the avoidance of doubt, the Sustainable Finance Framework and Sustainalytics second party opinion are not incorporated by reference into, and do not form part of, this Base Prospectus.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuers) which may be made available in connection with the issue of any Notes to fulfil any environmental, sustainability, social and/or other criteria. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the relevant Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as at the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. See further information under the risk factor above headed, "*Risk Factors – In respect of any Notes issued as Green Bonds, Social Bonds or Sustainable Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*".

DESCRIPTION OF STANDARD BANK GROUP LIMITED

Overview

Standard Bank Group Limited ("**SBG**") and its subsidiaries (together the "**Group**") is the largest financial services group in Africa (measured by assets) as at 31 December 2023. SBG is the Group's listed holding company and holds the entire issued share capital of the Group's primary banking entity, The Standard Bank of South Africa Limited ("**SBSA**"), as well as other banking and financial services entities. SBG has been listed on the Johannesburg Stock Exchange, operated by JSE Limited (the "**JSE**") since 1970, with secondary listings on A2X Markets in South Africa and the Namibian Stock Exchange.

SBG is an Africa focused, client led and digitally enabled organisation providing comprehensive and integrated financial and related solutions to its clients and driving inclusive growth and sustainable development. The Group was founded in 1862 and has, since the late 1980's, been focusing on positioning itself as a leading financial services organisation in South Africa, with an operational footprint in an additional 19 African countries ("**Africa Regions**"). The Group also has a presence in four major international markets (Beijing, Dubai, London and New York) and offers international financial services through its operations in the Isle of Man and Jersey. As at 31 December 2023, the Group had 50,451 permanent employees, and a market capitalisation of approximately R345 billion. Since 3 March 2008, it has been in a strategic partnership with Industrial and Commercial Bank of China Limited ("**ICBC**"), the world's largest bank, which owns a 19.4 per cent. share of SBG.

During 2023, the Group carried out structural changes to better serve its clients. The Group's operating model is client led and structured around its primary business units, namely: Personal & Private Banking ("**PPB**"), Business & Commercial Banking ("**BCB**"), Corporate & Investment Banking ("**CIB**") and Insurance & Asset Management ("**IAM**"). The Group has a central support area, Central and Other ("**C&O**"), which provides support functions to its business units, such as hedging activities, unallocated capital, liquidity earnings and central costs. PPB, BCB, CIB and C&O together form the Group's "Banking" operations.

As a result of these structural changes and the completion of the Group's acquisition of the remaining non-controlling ordinary shares in Liberty Holdings Limited through a scheme of arrangement during 2022, the Group's financial statements now report at the level of the aggregated Group, Banking and/or IAM, as applicable.

Personal & Private Banking: The PPB business unit offers tailored and comprehensive financial services solutions to individual clients across Africa ranging from wealth and investment, to private and personal banking markets. PPB's products and services include home financing solutions, vehicle and asset finance, lending products, credit card facilities, cash management, trade finance, and trading and risk management solutions.

Business & Commercial Banking: The BCB business unit provides broad based client solutions for a wide spectrum of small-and-medium-sized businesses as well as large commercial enterprises across a wide range of industries and sectors. BCB provides the following banking solutions: vehicle and asset finance, card and payment facilities, transactional products, lending products, and trading and risk management solutions.

Corporate & Investment Banking: The CIB business unit serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally providing clients with sector and regional expertise, specialist capabilities and access to global capital markets for advisory, transactional, risk management and funding support.

Insurance & Asset Management: The IAM business unit offers a wide range of solutions to meet clients' long and short-term insurance, health, investment, and asset management needs, through its tied distribution force, third party distribution network, as well as in partnership with the SBG banking sales channels. Its clients range from individual customers to corporate and institutional clients.

In addition to its business units, the Group has a 40 per cent. equity investment in ICBC Standard Bank Plc ("**ICBCS**"). The terms of the strategic co-operation agreement with ICBC include an undertaking to complete the sale of SBG's 40 per cent. of ICBCS to ICBC.

The Group has a strong presence across key geographies on the African continent and continues to support sustainable economic growth by facilitating enhanced trade financing, transactional banking, risk management and investment opportunities.

Africa Regions is split into East Africa (incorporating Ethiopia, Kenya, South Sudan, Tanzania and Uganda), South & Central Africa (incorporating Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia and Zimbabwe) and West Africa (incorporating Angola, Cote d'Ivoire, Democratic Republic of the Congo, Ghana and Nigeria). The Africa Regions' contribution to SBG's headline earnings increased to 42 per cent. in 2023 (compared to 36 per cent. in 2022).

SBG is incorporated in South Africa as a limited liability company and operates under South African law. SBG's registered address is 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg, PO Box 7725, Johannesburg 2000, South Africa (telephone number: + 27 11 636 9111).

History

SBG is one of the oldest banks in South Africa having been established as The Standard Bank of British South Africa Limited in 1862. The word "British" was dropped from its name in 1883. SBSA commenced operations in Port Elizabeth in 1863 and gradually expanded its geographic area of operation to include the whole of South Africa.

In 1962, the shareholders of SBSA voted in favour of splitting the company into a South African subsidiary company which retained the name SBSA, and a parent company, The Standard Bank Limited, operating in London (subsequently to become Standard Chartered Bank plc).

In 1969, Standard Bank Investment Corporation Limited (subsequently, SBG) was established as the holding company for SBSA. SBG continued as a member of the Standard Chartered group until 1987 when Standard Chartered divested of its remaining 39 per cent. ownership in SBG. Following this change, the Union Bank of Swaziland Limited, in which SBG had a major shareholding, became an operational commercial bank in July 1988. In November 1992, SBG acquired the operations of ANZ Grindlays Bank in eight African countries (Zimbabwe, Zambia, Kenya, Botswana, Uganda, DRC and minority interests in Nigeria and Ghana), which set the Group on a path of African expansion.

In 2007, SBG merged its Nigerian interests with those of IBTC Chartered Bank Plc, securing a controlling interest in the merged entity Stanbic IBTC Bank Plc. In 2008, SBG also acquired a controlling interest in Cfc Bank in Kenya through a merger transaction with SBG's existing operations in Kenya, Stanbic Bank Kenya Limited.

The Group completed its scheme to acquire the remaining non-controlling ordinary shares of Liberty Holdings Limited ("**Liberty**") in 2022 through a scheme of arrangement and Liberty has been integrated into the Group and is now included in the IAM business unit.

Corporate Structure

SBG's sole function is to act as the ultimate holding company of the Group. Its revenues, therefore, are derived solely from dividends and loan repayments received from its subsidiaries and associates.

As at 31 December 2023 and 31 December 2022, SBG's authorised share capital comprised of the following:

- 2,000,000,000 ordinary shares with a par value of 10 cents;
- 8,000,000 cumulative, non-redeemable preference shares of R1 each; and
- 1,000,000,000 non-redeemable, non-cumulative, non-participating preference shares of 1 cent.

As SBG's largest business entity, SBSA's balance sheet is an important resource for the Group. For the year ended 31 December 2023, SBSA contributed 39 per cent. of Group headline earnings (compared to 48 per cent. for the year ended 31 December 2022) with the Group benefiting from its Africa-focused strategy.

See "Annexure A – Subsidiaries, Consolidated and Unconsolidated Structured Entities" in the SBG 2023 Annual Financial Statements which sets out a summary of the Group's corporate structure as at 31 December 2023, which is incorporated by reference into this Base Prospectus.

As at 31 December 2023, the ten largest shareholders in SBG beneficially held 44.2 per cent. of SBG's ordinary shares. The following table sets out the ten largest shareholders as at 31 December 2023 and 31 December 2022.

	2023		2022	
	(million)	(% holding)	(million)	(% holding)
Industrial and Commercial Bank of China Limited	325.0	19.4	325.0	19.4
Government Employees Pension Fund (PIC)	243.8	14.5	243.9	14.5
Old Mutual Life Assurance Company	30.8	1.8	30.4	1.8
Alexander Forbes Investments	27.2	1.6	22.5	1.3
GIC Asset Management Pte Limited	24.0	1.4	28.6	1.7
Allan Gray Balanced Fund	20.7	1.2	17.8	1.1
Vanguard Total International Stock Index Fund	19.4	1.2	18.8	1.1
Vanguard Emerging Markets Stock Index Fund	18.1	1.1	18.3	1.1
Eskom Pension Fund	17.7	1.1	17.1	1.0
M&G Equity Fund	15.3	0.9	17.3	1.0
	742.0	44.2	739.7	44.0

Source: The shareholdings in the table are determined from the share register and investigations conducted on SBG's behalf in terms of section 56 of the Companies Act.

For selected financial information and certain ratios as at and for the years ended 2022 and 2023, see tables in the section headed "*Business of SBG - Introduction*" below and Note 49 of SBG's Annual Financial Statements, which is incorporated by reference into the Base Prospectus.

Strategy

SBG has a significant presence and deep capabilities across 20 African countries and it seeks to maintain its strong market position in South Africa and grow rapidly throughout Africa. SBG expresses its corporate purposes as "Africa is our home, we drive her growth". To achieve this purpose, SBG's strategic priorities are to transform client experience, to execute with excellence and to drive sustainable growth and value. SBG defines these priorities as follows:

- 'transform client experience' using digital technology and human skill to understand its clients as deeply and empathetically as possible; to help them meet their needs and achieve their goals; and to defend its current client franchise and market position whilst also focusing on expanding its range of services in several "ecosystems" of co-ordinated networks of participants and devices including the provision of home services (previously referred to as mortgages), trade facilitation, and renewable energy;
- 'execute with excellence' by (1) delivering traditional financial services solutions with maximum efficiency and total integrity, (2) developing new solutions, (3) building and maintaining the Group's digital services, and (4) forming partnerships with selected other businesses to provide a range of new services; and
- 'drive sustainable growth and value', where 'sustainable' is understood to mean both 'long-term' and 'environmentally and socially sustainable' and be purposeful in having a positive impact, diligent in allocating resources and delivering attractive shareholder returns.

SBG has identified the following as important areas of focus in 2024:

- to continue to grow the Group's client base by offering a comprehensive range of products and services and through its unrivalled network;
- to focus within each business unit on defending its strong market positions, growing market share in markets where they are sub-scale and optimising operations to create the capacity to make investments where needed;
- to manage risk effectively while supporting clients;
- to focus strongly on costs whilst continuing to invest for the future; and
- to allocate resources diligently to support continued underlying franchise growth and returns.

SBG's clients are at the core of its business. Over recent years the Group has made significant changes to its operating model aimed at improving client focus, delivering more digitally enabled products and services, and reducing costs. See "*Description of The Standard Bank Group Limited – Overview*" above.

Each of SBG's business units are responsible for designing and executing their client value proposition. Each business unit owns the client relationship and creates products and services which are distributed through SBG's client engagement platforms.

Competitive Strengths

Strong market position in key products with African focused capabilities and international presence via global centres and offshore hubs.

SBG is the largest bank in Africa measured by assets as at 31 December 2023, with strong market shares across a range of retail, commercial and investment banking products in the markets in which it operates.

SBG's on-the-ground presence and scale on the African continent provides significant opportunities for growth. As a regional bank, SBG has a deep understanding of the local context in markets across Africa. SBG's capabilities enable it to leverage its full suite of financial products and solutions to meet clients' changing needs.

SBG's offshore presence in Jersey and the Isle of Man and its global centres in Beijing, Dubai, London and New York provides its clients with an opportunity to diversify their portfolios. This is an important further differentiator and strengthens SBG's client value proposition by linking Africa to the major global financial centres.

A universal financial services group with a strong fit-for-purpose franchise, a modern digital core and diverse client base, service offering and revenue sources

SBG's franchise strength is underpinned by its strong, recognised and trusted brand, its strong, long-standing client relationships, the calibre of its employees and a fit-for-purpose physical distribution network and digital platforms. SBG has invested significantly in technology and digital capabilities to improve client experience and operational efficiency in order to enhance its competitive advantage.

SBG is able to generate revenue from sources that are well-diversified across clients, sectors, product groups and geographies, which provides SBG with a level of protection in times of volatility.

Robust capital and liquidity position

SBG's strong and liquid balance sheet provides flexibility to manage uncertainty, change, innovation and growth. SBG has access to diverse and sophisticated liquidity sources for senior funding and capital requirements.

Experienced management team

SBG operates within strong corporate governance and assessment frameworks, and within a sophisticated, Basel III compliant regulatory framework. Its senior management has experience both at SBG and at other institutions throughout the banking industry. SBG's position in the market has allowed it to attract top managers from across the industry, both domestically and abroad. A compensation structure that includes both short and long-term incentive plans assists in retaining key managers, leads to continuity in business operations and aligns management and investor interests.

Strategic partnership with ICBC

SBG's strategic partnership with ICBC, places it in a strong position to facilitate trade and investment in the Africa-China corridor, while simultaneously offering access to opportunities in one of the fastest growing emerging market economies. SBG and ICBC have worked together over the past decade to support and deepen the economic links between Africa and China, including through the provision of joint funding of major infrastructure projects, support for Africa-China trade, and renminbi internationalisation.

Strong growth prospects

SBG's prospects for future growth are driven by strong regional economic fundamentals in sub-Saharan Africa and including in many of the markets in which it operates. These trends have the potential to increase demand for financial services, which should provide SBG with opportunities to grow its client base and increase revenues.

Appetite to invest and partner

SBG has the resources and appetite to expand organically and also utilises partnerships, alliances and acquisitions to enhance its offering and networks.

Targeted technology investments enabling competitiveness and resilience

SBG has made targeted investments in technology to reinforce its competitive position, increase the resilience of its systems and increase productivity. For example, as a result of business unit led investment in client systems, there has been a 95 per cent. decline in the time taken to process cross-border payments for corporate clients in South Africa and there has been more than 100 million SBG Mobile logins per month on average in South Africa. System stability and security improved significantly in the 12 months ending 31 December 2023, resulting in more than a 60 per cent. decline in system outages and more than a 40 per cent. reduction in time to repair issues.

Business of SBG

SBG is an Africa focused, client led and digitally enabled organisation providing comprehensive and integrated financial and related solutions to its clients. SBG's operating model is structured around its business units, PPB, BCB, CIB and IAM.

The Group's products and services are grouped into (i) Banking (which includes PPB, BCB, and CIB) and (ii) IAM.

A central support area, C&O, provides support functions to the Banking and IAM franchises.

ICBCS comprises the Group's remaining 40 per cent. equity investments ICBCS.

Overview of Group Results

For the year ended 31 December 2023 the Group recorded headline earnings of R42.9 billion, an increase of 27 per cent. (compared to the year ended 31 December 2022) and delivered a return on equity ("**ROE**") of 18.8 per cent. (compared to 16.3 per cent. for the year ended 31 December 2022). This strong performance was underpinned by the Group's robust and growing franchise and reflective of the good momentum in its business. As at 31 December 2023, SBG's Africa Regions franchise contributed 42 per cent. to the Group's headline earnings. The top eight contributors to Africa Regions' headline earnings were Ghana, Kenya, Mauritius, Mozambique, Nigeria, Uganda, Zambia and Zimbabwe.

During the year ended 31 December 2023, the Group effectively defended and grew its banking franchise and improved banking earnings and returns. Client franchise health showed improvements across a number of metrics. Active customers grew by 6 per cent. to 18.8 million, with growth recorded in both South Africa and Africa Regions. In addition, digital retail clients in South Africa increased by 8 per cent. as more clients transitioned to the Group's convenient digital channels. For the year ended 31 December 2023, the Group recorded over 2.8 billion digital transactions for retail clients, an increase of 30 per cent. year on year, and distributed over R41.1 billion on behalf of its South African clients via its digital wallet platform. Client satisfaction scores improved across various channels, particularly digital in South Africa.

IAM recorded an improved insurance performance and growth in its assets under management ("**AUM**") year on year. During the year ended 31 December 2023, the Group successfully bought out the minority shareholders in of Liberty2Degrees which holds an attractive portfolio of commercial properties.

The Group ended the year ended 31 December 2023 with a common equity tier 1 ratio of 13.7 per cent. (compared to 13.4 per cent. for the year ended 31 December 2022). This positions the Group well to reward shareholders and continue to grow. The SBG board approved a final dividend of 733 cents per share which, when combined with the interim dividend, equates to a dividend payout ratio of 55 per cent. for the year ended 31 December 2023.

During the year ended 31 December 2023, the Group raised over R50 billion of sustainable finance for corporate clients and provided over R2 billion in loans to SMEs to help business owners access affordable and reliable alternative energy products. In addition, the Group disbursed over R145 million to homeowners and over R840 million to businesses for solar installations in South Africa.

Banking

Banking headline earnings reflected a strong performance for the year ended 31 December 2023, an increase of 31 per cent. (compared to the year ended 31 December 2022). Banking ROE increased from 16.4 per cent. in the year ended 31 December 2022 to 19.5 per cent. in the year ended 31 December 2023.

Loans and advances

During the year ended 31 December 2023, gross loans and advances grew by 6 per cent. (compared to the year ended 31 December 2022) to R1.5 trillion. Subdued growth across the Group's retail portfolios together with a decline in business lending was more than offset by strong growth in SBG's Corporate and Sovereign lending portfolio. Higher interest rates negatively impacted demand and affordability and resulted in a slowdown across mortgages, card and personal unsecured lending in the second half of the year ended 31 December 2023. In South Africa, personal unsecured loan applications increased but approvals declined. SBG's business lending portfolio declined by 5 per cent. for the year ended 31 December 2023 (compared to the previous year) due to lower client demand linked to elevated rates, reduced appetite to invest, and higher early repayments. Renewable-energy deals and higher demand for trade facilities supported the corporate portfolio. The Africa Regions' loans and advances to customers grew by 20 per cent. (compared to the previous year) in constant currency but was broadly flat in South African Rands ("**ZAR**").

During the year ended 31 December 2023, total provisions increased by 15 per cent. (compared to the year ended 31 December 2022) to R64 billion. Total coverage increased from 3.6 per cent. at 31 December 2022 to 3.8 per cent. at 31 December 2023 driven by an increase in stage 3 loans and related provisions. Stage 3 coverage decreased marginally from 50 per cent. at 31 December 2022 to 47 per cent. at 31 December 2023 driven by the increase in the proportion of early stage non-performing ("**Stage 3**") loans which attract lower coverage.

Deposits and funding

For the year ended 31 December 2023, deposits and debt funding increased by 7 per cent. (compared to the year ended 31 December 2022) to R2.0 trillion, driven by ongoing underlying client franchise growth. During the year ended 31 December 2023, wholesale-priced deposits grew by 7 per cent. and retail-priced deposits grew by 4 per cent. (each compared to the year ended 31 December 2022). Deposits from banks

decreased by 4 per cent. during the year ended 31 December 2023 compared to the prior year. Current and savings balances growth slowed as clients increased spending and/or moved their funds to term products to take advantage of more attractive interest rates. Term deposits grew by 12 per cent. during the year ended 31 December 2023.

Revenue

Total net income grew by 21 per cent. for the year ended 31 December 2023, driven by net interest income ("**NII**") growth of 25 per cent. and non-interest revenue ("**NIR**") growth of 14 per cent compared to the year ended 31 December 2022.

The Group has amended its methodology for recognising interest on Stage 3 loans. This change resulted in an increase in NII and an equal and opposite increase in credit impairment charges. The change also resulted in a 7bps increase in the Group's net interest margin to 432bps and an 8bps increase in the Group's credit loss ratio to 83bps (in each case compared to the year ended 31 December 2022).

NII growth was driven by strong average balance sheet growth (average gross loans to customers grew by 11 per cent. during the year ended 31 December 2023 compared with the year ended 31 December 2022) and higher margins. The net interest margin increased by 62bps to 494bps during the year ended 31 December 2023. Strong margin expansion, driven by higher average interest rates across South Africa, Africa Regions and International (i.e. positive endowment), was moderated by pricing pressure in South Africa linked to increased competition in home loans, vehicle and asset finance, and corporate lending. Positive endowment contributed the equivalent of R10.8 billion increase in NII in the year ended 31 December 2023 compared to year ended 31 December 2022 (showing an increase of 55bps).

A larger, increasingly engaged client base and annual price increases, combined with higher client trade and transactional activity resulted in 10 per cent. growth in net fee and commission revenues for the year ended 31 December 2023. Increased client card spend and travel supported healthy growth in card and foreign exchange related fees.

Trading revenue increased by 20 per cent. to R20.5 billion during the year ended 31 December 2023, driven by increased client-backed trades as well as market-specific opportunities linked to market dislocations which occurred during the year.

Growth in other gains on financial instruments was driven by an increase in the fair value financial investment portfolio and higher mark-to-market gains.

Credit impairment charges

Credit impairment charges increased by 22 per cent. during the year ended 31 December 2023 to R16.3 billion. The increase in charges was driven by new loan origination, client strain driving partial payments, negative sovereign risk migration, and new defaults in the Industrial sector and legacy exposures in the Consumer sector. In South Africa, credit impairment charges increased across all portfolios, compounded by the non-recurrence of credit recoveries on the payment holiday portfolio in the year ended 31 December 2023 (R500 million). In Africa Regions, balance sheet growth, client-specific provisions, and risk migrations led to higher credit charges for the year ended 31 December 2023. The Group's credit loss ratio increased from 83bps for the year ended 31 December 2022 to 98bps for the year ended 31 December 2023, at the top of the Group's through-the-cycle credit loss ratio target range of 70 to 100bps.

Operating expenses

In the year ended 31 December 2023, the SBG invested in its franchise and its client propositions. SBG hired over 1,000 people, increased its points of representation in South Africa, launched several new products (including SBG's solar loan) and expanded its digital offerings and functionality. Operating expenses increased by 15 per cent. during the year ended 31 December 2023 to R79.7 billion, impacted by inflationary pressures, particularly in Africa Regions. Staff costs grew by 17 per cent. in the year ended 31 December 2023 driven by a larger staff complement, annual increases, and higher performance-linked

incentives. For the year ended 31 December 2023, other operating costs (including amortisation and depreciation) grew by 12 per cent. driven by higher business activity related spend.

Software, cloud, and technology-related costs increased by 14 per cent. during the year ended 31 December 2023 due to higher spend on cloud migration and software licenses as well as personalisation and other focused AI-driven projects. System stability and availability was very good throughout the year ended 31 December 2023 and amortisation declined by 4 per cent. as the Group's large historic IT programs started to roll off.

During the year ended 31 December 2023, growth in premises-related costs was well contained at 10 per cent. and increased municipal charges and higher fuel costs linked to electricity disruptions in South Africa were offset by savings from continued infrastructure optimisation. In South Africa, continued rationalisation of SBG's footprint led to a reduction in its branch square meterage (a decrease of 4 per cent. in the year ended 31 December 2023 compared to the year ended 31 December 2022) and its ATM network (a decrease of 6 per cent. in the year ended 31 December 2023 compared to the year ended 31 December 2022). Professional fees increased for the year ended 31 December 2023 due to higher audit fees and higher legal fees related to collection initiatives. In addition, travel and entertainment costs increased as business-related activity continued to recover off a low base. For the year ended 31 December 2023, total income growth exceeded cost growth, resulting in strong positive jaws of 5.7 per cent. and a decline in the cost-to-income ratio to 51.4 per cent. (compared to 53.9 per cent. for the year ended 31 December 2022).

Central and Other

C&O includes costs associated with corporate functions and the Group's treasury and capital requirements that have not been otherwise allocated to SBG's business units. In the year ended 31 December 2023, the central headline loss amounted to R1.0 billion (compared to a loss of R1.4 billion for the year ended 31 December 2022). The loss decreased due to an increase in NII driven by higher average interest rates and a higher level of capital within C&O.

Insurance & Asset Management

Following the completion of the Liberty minority buyout in 2022, Liberty has been integrated into the Group and is now included, with other related businesses, in the IAM business unit.

The insurance operations new business value increased by 13 per cent. to R3.0 billion for the year ended 31 December 2023 (compared to the year ended 31 December 2022) mainly due to an improved claims experience and increased sales. During the year ended 31 December 2023, insurance headline earnings grew by 23 per cent. (compared to the year ended 31 December 2022) to R3.9 billion supported by the South African insurance business which increased headline earnings by 27 per cent. (compared to the year ended 31 December 2022) to R3.9 billion.

AUM in the South African asset management businesses increased by 8 per cent. to R1.0 billion during the year ended 31 December 2023 (compared to the year ended 31 December 2022). This growth was attributed to the STANLIB South Africa business given positive local and offshore investment market movements during 2023. Asset management headline earnings decreased by 20 per cent. during the year ended 31 December 2023 (compared to the year ended 31 December 2022) to R928 million, largely as a result of higher planned operating expenditure in STANLIB.

Overall, IAM headline earnings grew by 22 per cent. to R2.8 billion in the year ended 31 December 2023 and delivered an ROE of 13.1 per cent. (compared to 10.5 per cent. in the year ended 31 December 2022). The capital coverage of the key legal entities within IAM remained robust.

ICBC Standard Bank Plc

ICBCS recorded a strong operational performance in the year ended 31 December 2023 driven by increased client activity linked to market volatility. ICBCS (via the Group's 40 per cent. stake) contributed R1.3 billion to Group headline earnings (compared to R1.9 billion in the year ended 31 December 2022, of which

R1.2 billion thereof related to the insurance settlement received in 2022 relating to a loss event in the prior periods and R0.7 billion thereof related to ICBCS' operational performance).

Profit attributable

The Group's profit attributable to ordinary shareholders increased by 29 per cent. during the year ended 31 December 2023 to R44.2 billion. The primary driver of the difference between the Group's headline earnings and profit attributable was fair value gains on investment property in Zimbabwe.

Capital and liquidity

The Group's common equity tier 1 ratio (including unappropriated profits) was 13.7 per cent. as at 31 December 2023 (compared to 13.4 per cent. as at 31 December 2022). The Group's Basel III liquidity coverage ratio and net stable funding ratio both remained well above the 100 per cent. regulatory requirements.

The following table shows selected financial information and ratios for SBG as at, and for the years ended, 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022¹
Income statement		
Total net income (Rm)	177,616	148,117
Headline earnings (Rm)	42,948	33,853
Profit for the year attributable to ordinary shareholders (Rm)	44,211	34,243
Statement of financial position		
Gross loans and advances (Rm)	1,672,841	1,560,768
Total assets (Rm)	3,065,745	2,882,397
Total liabilities (Rm)	2,788,825	2,623,531
Financial performance		
Banking activities		
Stage 3 ² loans (Rm)	97,700	77,440
Stage 3 credit impairment charge (Rm)	14,841	10,668
Stage 1 & 2 ³ credit impairment(release)/ charge (Rm)	1,398	1,921
Credit loss ratio ((per cent.))	0.98	0.83
Non-performing exposures (per cent.)	5.8	5.0
Return on equity (per cent.)	19.5	16.4
Loans-to-deposit ratio (per cent.)	78.9	78.6
Cost-to-income ratio (per cent.)	51.4	53.9

¹ Restated, refer to the SBG annual financial statements, page 30 to page 39, for details around restatements and the IFRS 17 *Insurance Contracts* (IFRS 17) transition impact.

² Stage 3: SBG uses a 25-point master rating scale to quantify each borrower's credit risk (corporate asset classes) or facility (specialised lending and retail asset classes). Exposures which are in default are not considered in the 1 to 25-point master rating scale.

³ Stage 1 & 2: SBG uses a 25-point master rating scale to quantify each borrower's credit risk (corporate asset classes) or facility (specialised lending and retail asset classes). Exposures within Stage 1 and 2 are rated between 1 to 25 in terms of SBG's master rating scale.

The following table shows selected performance indicators of the business units as at, and for the years ended, 31 December 2023 and 31 December 2022:

	Personal & Private Banking		Business & Commercial Banking		Corporate & Investment Banking		Central and other ¹	
	31 December		31 December		31 December		31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
	<i>(Rm)</i>							
Total assets	743,825	727,104	254,342	255,036	1,545,259	1,404,454	3,995	8,602
Profit for the year attributable to ordinary shareholders	11,138	8,624	9,732	7,512	20,238	15,344	(970)	(1,381)
Headline earnings	10,721	8,474	9,334	7,360	19,780	15,193	(993)	(1,411)

¹Where reporting responsibility for individual cost centres and divisions within segments change, the segmental analyses' comparative figures are classified accordingly.

The following table shows the contribution of the different business lines within SBG as at, and for the years ended 31 December 2023 and 31 December 2022:

	Banking		ICBCS		Insurance & Asset Management		SBG Total	
	31 December		31 December		31 December		31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
	<i>(Rm)</i>							
Total assets	2,547,421	2,395,196	8,652	6,657	509,672	480,544	3,065,745	2,882,397
Profit for the year attributable to ordinary shareholders	40,138	30,099	1,286	1,917	2,787	2,227	44,211	34,243
Headline earnings	38,842	29,616	1,286	1,917	2,820	2,320	42,948	33,853

Standard Bank Group Franchise – Business Units

Personal & Private Banking

PPB has a large and diverse customer base and offers tailored and comprehensive banking, investment and insurance solutions for individual clients in main markets, affluent and high net worth segments across sub-Saharan Africa. It is present in 15 African countries, London, the Isle of Man, Jersey and Mauritius. PPB aims to provide a single and complete connection with, and a personalised banking, insurance and asset management service for, every personal client. PPB provides its clients with both banking and non-banking services through digital and physical channels. As at 31 December 2023, it operated 998 branches, including 208 in-store kiosks and other points of access and loan centres and 6014 ATMs across South Africa and Africa Regions. PPB also provides mobile phone and internet banking services which are an important part of providing convenient access to integrated financial solutions.

PPB's banking products and services include home financing solutions, vehicle and asset financing, unsecured personal loans, credit card facilities, transactional banking services and foreign exchange services.

PPB – overview of results

PPB delivered headline earnings growth of 27 per cent. to R10,721 million for the year ended 31 December 2023, with an ROE of 22.4 per cent. compared to 17.7 per cent. for the year ended 31 December 2022. This growth was underpinned by the strength of its client franchise and the implementation of key initiatives to engage, attract and retain the client base as SBG navigated through a challenging operating environment.

During 2023, elevated interest and inflation rates curbed credit demand as client affordability reduced and consumer confidence declined. On the back of lower demand, disbursements reduced against the prior year

albeit off a high base. PPB financed a cumulative R3 billion in green-aligned funding for homes and R148 million for solar installations in South Africa during 2023. Overall, net loans and advances growth was muted at 2 per cent. for the year ended 31 December 2023, however, the deposits and current accounts from customers grew by 7 per cent. compared to the year ended 31 December 2022, driven by a higher active client base and continued focus on client engagement and retention strategies. This balance sheet performance, together with positive endowment in a higher average interest rate environment, supported NII growth of 19 per cent. for the year ended 31 December 2023 to R39,128 million.

PPB's focus on client engagement, acquisition and retention strategies led to a 6 per cent. growth in the active client base to 15.6 million (although previously PPB reported over 17 million clients; due to the operating model change in 2023, 2.1 million clients now reside in the IAM portfolio) and saw higher transactional activity across the portfolio. PPB continues to enhance its digital capabilities to align to client needs and optimise the cost to serve.

During the year ended 31 December 2023, digital transactional volumes increased by 30 per cent. with a decline in branch transactional volumes of 9 per cent. compared to the year ended 31 December 2022 as clients continued to prefer online solutions. Overall, this delivered a 14 per cent. growth for the year ended 31 December 2023 in net fee and commission revenue to R13,512 million. PPB's partnership with the IAM business continued to yield good returns with inter-business unit revenue attribution increasing by 7 per cent. for the year ended 31 December 2023 to R3,344 million mainly due to an increased Flexi Funeral policy base and an improved claims experience. NIR of R17,985 million, grew by 16 per cent. for the year ended 31 December 2023 compared to the year ended 31 December 2022. Credit impairment charges increased by 26 per cent. to R11,128 million for the year ended 31 December 2022, mainly due to the challenging macroeconomic environment and strain on client affordability. The credit loss ratio to customers amounted to 165bps with a higher coverage ratio of 6.1 per cent. compared to 5.4 per cent. for the year ended 31 December 2022.

Operating expenses increased by 12 per cent. for the year ended 31 December 2023 to R30,663 million, mainly due to the elevated inflationary environment, continued investment in digital capabilities to transform client experience, depreciation of local currencies against USD costs and increased business activity across the portfolio.

For the year ended 31 December 2023, total net income growth of 17.8 per cent. exceeded operating expense growth of 12.1 per cent. which resulted in positive jaws of 5.7 per cent. and an improved cost-to-income ratio of 53.7 per cent. (compared to 56.4 per cent. for the year ended 31 December 2022).

PPB – South Africa

For the year ended 31 December 2023, PPB's business in South Africa reported headline earnings of R7,093 million, 6 per cent. lower than 2022 with an ROE of 19.1 per cent. compared to 20.0 per cent. for the year ended 31 December 2022.

Customer loan growth was muted at 1 per cent. for the year ended 31 December 2023 due to prudent and selective origination strategies and client affordability constraints considering the macroeconomic pressures. Deposits from customers grew by 8 per cent. in 2023 and there was a change in the mix of the portfolio due to a combination of clients shifting funds to higher yielding solutions and deleveraging their portfolios. Balance sheet growth, together with the positive endowment impact in a higher average interest rate environment, supported NII growth of 9 per cent. to R27,603 million for the year ended 31 December 2023. This was partially offset by pricing pressure linked to increased competition, particularly in Home services (mortgage loans). Elevated non-performing loans and higher funding costs further moderated growth in 2023.

During the year ended 31 December 2023, NIR of R12,406 million grew by 10 per cent. against the year ended 31 December 2022, mainly due to a larger active client base, growth in transactional activity, higher card interchange and inter-business-unit insurance attribution revenues. Card turnover volumes improved by 9 per cent. for the year ended 31 December 2023 with the Standard Bank Instant Money service turnover

increasing by 24 per cent. Branch volumes continued to decline on the back of ongoing efforts to migrate clients to digital platforms by providing alternate devices for cash transactions and increasing digitisation of branch activities. The SBG Mobile App saw a 13 per cent. increase in number of clients and greater than 150 million logins in the month of December 2023. System stability remained a top priority, with focus on improving infrastructure resilience and monitoring capabilities which led to increased system availability and an improved client Net Promoter Score.

For the year ended 31 December 2023, credit impairment charges increased by 32 per cent. to R9,976 million, largely due to consumer strain linked to the elevated interest and inflationary environment, increased non-performing loans and the non-recurrence of prior year's recoveries in the payment holiday portfolio. PBB remains committed to keeping its clients in their homes through heightened client engagement with relevant solutions. Robust risk appetite management and collection optimisation strategies yielded effective outcomes. Total coverage increased from 5.4 per cent. to 6.1 per cent., whilst coverage on non-performing loans improved due to book mix changes.

Operating expenses grew by 9 per cent. for the year ended 31 December 2023 to R20,171 million, mainly due to investment in relationship management capabilities, annual salary increases, and strategic technology initiatives to support enhanced client experience through strengthening fraud detection and monitoring capabilities. The optimisation of the distribution network continues to be an important lever in reducing the cost to serve clients with a 4 per cent. reduction in branch square meterage in the year ended 31 December 2023 against the year ended 31 December 2022, while increasing points of representation by 5 per cent. to 652 through the rollout of low-cost kiosks.

For the year ended 31 December 2023, total net income growth of 9.1 per cent. grew faster than operating expenses growth of 8.9 per cent. which resulted in positive jaws of 0.2 per cent. and a slightly lower cost-to-income ratio of 50.4 per cent. compared to 50.5 per cent. for the year ended 31 December 2022.

PPB – Africa Regions

PPB's business in the Africa Regions delivered record headline earnings of R1,477 million in the year ended 31 December 2023, increasing by more than 100 per cent. with an ROE of 19.9 per cent. compared to 2.9 per cent. for the year ended 31 December 2022.

For the year ended 31 December 2023, NII grew by 28 per cent. (constant currency ("CCY"): 44 per cent.) to R8,341 million supported by good balance sheet growth and margin expansion due to positive endowment in a higher average interest rate environment. Growth in deposits and current accounts from customers of 4 per cent. (CCY: 23 per cent.) for the year ended 31 December 2023 was supported by an increase in the active client base and continued efforts on client engagement and retention. Net loans and advances to customers growth of 6 per cent. (CCY) for the year ended 31 December 2023, was supported by improved digital lending capabilities, which enabled the Group to limit increases and redraws for customers within risk appetite. This was partially offset by higher funding costs.

NIR of R4,982 million increased by 31 per cent. (CCY: 55 per cent.) for the year ended 31 December 2023 driven by higher transactional activity on the back of an increasingly active client base, increased retention and engagement. This was partially offset by a combination of higher USD-based card processing costs following the depreciation of local currencies against the USD, as well as lower retail forex revenues driven by lower client volumes.

Credit impairment charges decreased by 9 per cent. (CCY: 0 per cent.) to R1,126 million for the year ended 31 December 2023 compared to the year ended 31 December 2022 mainly due to enhancements in collection strategies. This was partially offset by higher forward-looking requirements linked to the adverse macroeconomic environment. For the year ended 31 December 2023, the credit loss ratio amounted to 179bps, an improvement when compared to 205bps for the year ended 31 December 2022.

For the year ended 31 December 2023, operating expenses increased by 13 per cent. (CCY: 25 per cent) to R9,139 million against the year ended 31 December 2022, driven by the higher inflationary environment, annual salary increases, cost of living adjustments following currency devaluations, technology investments

in strengthening resilience and stability of systems and a general increase in business activity across the portfolio.

For the year ended 31 December 2023, total income growth of 29 per cent. outpaced operating expenses growth of 13 per cent., resulting in positive jaws of 16.3 per cent. and an improved cost-to-income ratio of 68.6 per cent. compared to 78.5 per cent. for the year ended 31 December 2022.

PPB – Standard Bank Offshore ("SBO")

PPB's SBO services PBB clients from the Group's operations in Jersey and Isle of Man. The business services PPB clients who seek offshore services, trust and fiduciary services.

NII grew more than 100 per cent. for the year ended 31 December 2023, supported by positive endowment in a higher average interest rate environment, together with higher yields earned on loan placements with the Standard Bank of South Africa. NIR growth of 24 per cent. (CCY) in the year ended 31 December 2023 was underpinned by an increase in revenue earned from fiduciary services, in the Trust portfolio, on the back of improved client value propositions and the strengthening of the relationship management capability. Operating expenses grew by 59 per cent. (CCY) during the year ended 31 December 2023, largely driven by the investment in technology capabilities to improve client experience and relationship management, and higher performance-linked variable remuneration. Income growth of over 100 per cent. for the year ended 31 December 2023 outpaced cost growth, resulting in positive jaws and an improved cost-to-income ratio of 35.8 per cent. compared to 48.7 per cent. for the year ended 31 December 2022.

Headline earnings grew by more than 100 per cent. to R2,151 million, with an ROE of 65.7 per cent. compared to 24.6 per cent. for the year ended 31 December 2023. PPB continues to focus on strengthening its offshore proposition for clients across Africa and scaling it across growth markets.

The following table presents a summary of PPB's main performance indicators for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(Rm)</i>	<i>(Rm)</i>
Net interest income	39,128	33,002
Non-interest revenue	17,985	15,501
Total net income	57,113	48,503
Credit impairment charges	(11,128)	(8,824)
Net income before operating expenses	45,985	39,679
Operating expenses	(30,663)	(27,361)
Staff costs	(15,584)	(13,701)
Other operating expenses ₁	(15,079)	(13,660)
Profit for the year attributable to ordinary shareholders	11,138	8,624
Headline earnings	10,721	8,474
Gross loans and advances	703,178	686,581
Total assets	743,825	727,104
Total liabilities	688,749	675,535

₁This amount comprises other operating expenses, amortisation and depreciation

The following table presents selected ratios for PPB for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(per cent.)</i>	<i>(per cent.)</i>
Credit loss ratio	1.59	1.31
ROE	22.4	17.7

Business & Commercial Banking

BCB provides broad based client solutions for a wide spectrum of small and medium-sized businesses as well as large commercial enterprises, with revenues up to USD 100 million per year. BCB's client coverage support extends across a wide range of industries, sectors and solutions that deliver the necessary advisory, networking and sustainability support required by its clients to enable their growth.

BCB – overview of results

BCB achieved a 27 per cent. increase in headline earnings to R9,334 million, with an ROE of 37.0 per cent. for the year ended 31 December 2023 compared to 30.2 per cent. for the year ended 31 December 2022. This performance was supported by continued client franchise growth in a challenging operating environment which was marked by high interest rates, inflation, and currency fluctuations. Deliberate execution of the client-led relationship strategy resulted in good client franchise growth and increased transactional activity which formed the base of performance.

In 2023, BCB focused on leaner and more cost-effective embedded products and enablement capability to deliver holistic client solutions and support growth which drove an improvement in client experience. This was further enhanced by process efficiency specifically related to call centres, merchant operations and vehicle asset finance processes, as well as enhanced digital onboarding and lending processes which led to faster turnaround times. BCB continued to develop its renewable energy solutions to help business owners access affordable and reliable alternative energy products, providing more than R2 billion in funding to small and medium-sized enterprises.

For the year ended 31 December 2023, higher deposits and current accounts from customers of 6 per cent., together with positive endowment in a higher average interest rate environment, supported NII growth of 26 per cent. to R25,476 million. Net loans and advances reduced by 2 per cent. (CCY: flat) due to lower client demand, affordability constraints and confidence, as well as a stronger ZAR against Africa Regions currencies. Vehicle and asset financing loans and advances grew by a moderate 2 per cent. to R26.6 billion, mostly driven by the Africa Regions portfolio. Business lending disbursements in South Africa softened to R23.2 billion, and in BCB SBO, prepayment levels were elevated and, combined with the reduced client demand for further offshore property investment, led to negative growth in loans and advances.

For the year ended 31 December 2023, NIR increased by 5 per cent. to R12,604 million, driven by higher transactional activity and strong growth in vehicle and asset finance fleet rental income of 29 per cent. Double-digit turnover growth in card acquiring and commercial card further supported NIR growth, although this was tempered by compression in the net merchant discount, as well as elevated costs on USD based fee expenses.

Credit impairment charges increased by 41 per cent. in the year ended 31 December 2023 to R3,454 million, influenced by a challenging global macroeconomic environment, and adverse currency impacts leading to an elevated credit loss ratio of 156bps.

Operating expenses increased by 14 per cent. to R21,362 million for the year ended 31 December 2023, this is due to the higher inflationary environments, continued investment in digital capabilities and increased business activities across the portfolio. This was exacerbated by the negative impact of currency conversion on USD expenditure.

For the year ended 31 December 2023, total net income growth of 18 per cent. outpaced operating expenses growth of 14 per cent., which resulted in positive jaws of 4.2 per cent. and a lower cost-to-income ratio of 56.1 per cent. compared to 58.1 per cent. for the year ended 31 December 2022.

BCB – South Africa

BCB's business in South Africa delivered headline earnings of R6,439 million for the year ended 31 December 2023, an increase of 21 per cent. with an improved ROE of 45.9 per cent. compared to 39.4 per cent. for the year ended 31 December 2022. Dedicated relationship teams and client value propositions assisted clients to continue operating and achieve growth despite a challenging economic environment.

For the year ended 31 December 2023, NII grew by 20 per cent. to R14,825 million. This growth was driven by a 7 per cent. increase in deposits from customers and positive endowment in a higher average interest rate environment. This was partially offset by a 1 per cent. decline in net loans and advances to customers due to customer affordability constraints, and competitive pricing pressures which placed strain on lending margins.

For the year ended 31 December 2023, NIR grew by 4 per cent. to R7,978 million, driven by increased client activity and strong growth in vehicle and asset finance fleet rental income. This growth was supported by a strategic focus on customer acquisition and sector value propositions, alongside increased transactional activity. The launch of SBG's digital client onboarding process has successfully originated fully digitised, self-service transactional accounts tailored for small businesses.

This, in conjunction with the introduction of SBG's digitally originated Point of Sale device, underpins its commitment to facilitating seamless and efficient transactions. These initiatives supporting the ongoing migration to more affordable digital network resulted in a 7 per cent. growth in digital volumes for the year ended 31 December 2023, while physical volumes continue to decline by 6 per cent. against the prior year.

Operating expenses increased by 12 per cent. for the year ended 31 December 2023 to R12,131 million, reflective of a higher inflationary environment, ongoing investment in digital capabilities, system modernisation and increased marketing presence. Despite these challenges, prudent financial management resulted in total income growth of 14 per cent. for the year ended 31 December 2023 which outpaced operating expenses growth of 12 per cent. resulting in positive jaws of 2.2 per cent. and a lower cost-to-income ratio of 53.2 per cent. compared to 54.3 per cent. for the year ended 31 December 2022.

BCB – Africa Regions

BCB's Africa Regions franchise achieved headline earnings of R1,094 million for the year ended 31 December 2023, a decrease of 6 per cent. (CCY: 30 per cent.) compared to the year ended 31 December 2022. The ZAR performance was dampened by the strengthening of the ZAR in relation to the local currencies. ROE decreased to 16.0 per cent. compared to 17.6 per cent. for the year ended 31 December 2022, with most markets delivering ROE above the Group's cost of equity.

For the year ended 31 December 2023, NII grew by 21 per cent. (CCY: 38 per cent.) to R8,200 million. This performance was supported by an 8 per cent. growth in deposits and current accounts from customers (CCY: 27 per cent.) for the year ended 31 December 2023, positive endowment and margin expansion in a higher average interest rate environment. For the year ended 31 December 2023, net loans and advances to customers declined by 9 per cent. (CCY: increase of 13 per cent.) due to a stronger ZAR against local currencies.

For the year ended 31 December 2023, NIR grew by 6 per cent. (CCY: 26 per cent.) to R4,278 million. Enhanced client experience through simple, convenient solutions led to a 4 per cent. growth in the active client base for the year ended 31 December 2023 which drove higher transactional volumes. This, together with improved trade activity, were the main contributors to NIR growth.

Elevated credit impairment charges of R1,758 million for the year ended 31 December 2023, which increased 70 per cent. (CCY: 80 per cent.) compared to the prior year, were primarily due to higher Stage 3 provisions linked to several exposures specifically identified in East Africa and West Africa.

Operating expenses grew by 15 per cent. (CCY: 30 per cent.) for the year ended 31 December 2023, attributed to the high inflationary environment, ongoing technology investments, the impact of US-denominated costs, and higher staff costs. This growth was further impacted by increased depositor insurance costs in response to an 8 per cent. (CCY: 27 per cent.) growth in the deposit base.

Operating expenses growth of 15 per cent. was greater than total income growth for the year ended 31 December 2023 which resulted in negative jaws of 0.4 per cent. and a higher cost-to-income ratio of 69.5 per cent. compared to 69.2 per cent. for the year ended 31 December 2022.

BCB - SBO

BCB's SBO business demonstrated exceptional financial performance, achieving strong growth in headline earnings of more than 100 per cent. to R1,801 million for the year ended 31 December 2023, with an ROE of 41.2 per cent. compared to 20.5 per cent. for the year ended 31 December 2022.

Robust total income growth of more than 100 per cent. to R2,799 million for the year ended 31 December 2023 was primarily driven by positive endowment due to higher average interest rates. Credit impairment charges of R229 million resulted from an increase in the Stage 3 book. Operating expenses grew by 45 per cent. (CCY of 29 per cent.), driven by increased staff costs and the impact of a weaker South African Rand on GBP expenditure. Despite this substantial growth in expenses, total income growth outpaced operating expenses growth for the year ended 31 December 2023 which resulted in positive jaws of 54 per cent. and an improved cost-to-income ratio of 20.2 per cent. compared to 27.7 per cent. for the year ended 31 December 2022.

BCB's SBO business continues to identify opportunities to support clients and aligns with SBG's commitment to provide comprehensive financial solutions across the geographies in which the Group operates.

The following table presents a summary of BCB's main performance indicators for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	(Rm)	(Rm)
	2023	2022
Net interest income	25,476	20,206
Non-interest revenue	12,604	12,025
Total net income	38,080	32,231
Credit impairment charges	(3,454)	(2,450)
Net income before operating expenses	34,626	29,781
Operating expenses	(21,362)	(18,741)
Staff costs	(7,331)	(6,080)
Other operating expenses ¹	(14,031)	(12,661)
Profit for the year attributable to ordinary shareholders	9,732	7,512
Headline earnings	9,334	7,360
Gross loans and advances	216,860	220,492
Total assets	254,342	255,036
Total liabilities	226,007	227,198

¹ This amount comprises other operating expenses, amortisation and depreciation

The following table presents selected ratios for BCB for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	(per cent.)	(per cent.)
Credit loss ratio	1.56	1.17
ROE	37.0	30.2

Corporate & Investment Banking

CIB serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally. Clients leverage CIB's in-depth sector and regional expertise in Africa's key growth sectors (including mining and metals, power and infrastructure, oil and gas, consumer goods, financial services, telecommunications, public sector, and diversified industrials), and its access to global capital markets for advisory, transactional, trading and funding support.

SBG's presence in four key financial centres around the world provides clients with access to international pools of capital, supporting its ability to facilitate growth and development in Africa. SBG is well positioned to drive and facilitate inter-regional trade and investment flows across Africa to assist the economic growth of African countries and the expansion of multinationals into Africa. SBG's strategic partnership with ICBC assists in serving the needs of clients operating within the China-Africa corridor, which includes a specific focus on developing and supporting renminbi-denominated cross-border capabilities.

CIB – overview of results

For the year ended 31 December 2023, CIB generated headline earnings growth of 30 per cent. to R19,780 million, with an ROE of 22.3 per cent. compared to 19.6 per cent. for the year ended 31 December 2022. This performance was driven by total net income growth of 19 per cent. to R63,558 million supported by good client franchise activity. Heightened geopolitical tensions across the globe remained a key theme in 2023, resulting in continued high inflation and interest rates as well as exchange rate volatility. Despite these challenges, CIB produced a strong performance as CIB made significant strides against its priorities by deliberately growing and defending its diversified client franchise.

CIB continued its focus on defending its multinational client base which was supported by strong local corporate client revenue growth across the continent. Particularly strong performances were noted in the Energy & Infrastructure, Telecommunication, Media & Technology, as well as the Diversified Industries sectors.

Gross loans and advances to customers increased by 16 per cent. in the year ended 31 December 2023. The theme of Africa's energy transition and sustainable finance was key to strong loan origination in 2023, alongside good asset growth in the Telecommunication, Media & Technology and Mining & Metals sectors. For the year ended 31 December 2023, deposits and current accounts from customers grew by 7 per cent., due to increased client deposits in the CIB's Transaction banking South African business. This performance, as well as positive endowment in a higher average interest rate environment, resulted in NII growth of 26 per cent. for the year ended 31 December 2023. NIR increased by 13 per cent. in the year ended 31 December 2023 mainly due to strong trading revenues, particularly in the first half of 2023 with increased client activity and liquidity management opportunities in volatile markets.

For the year ended 31 December 2023, credit impairment charges were muted relative to 2022, mainly as a result of the restructuring of Ghana government debt during 2023, which resulted in a significant release of provisions raised in the prior year. This was offset by increased provisions due to client strain in the South African franchise, strong book growth which led to higher performing portfolio charges, and negative sovereign credit risk migration in certain markets.

Operating expenses increased by 16 per cent. to R28,974 million for the year ended 31 December 2023. Staff costs were impacted by higher inflationary salary increases and performance linked variable remuneration as the Group continues to invest in attracting and retaining talent, and strategic skills. Investments in signature programmes to improve system stability and client experience further impacted cost growth. Total net income growth of 19 per cent. exceeded operating expenses growth resulting in positive jaws of 2.9 per cent. and an improved cost-to-income ratio of 45.6 per cent. compared to 46.7 per cent. for the year ended 31 December 2023.

CIB – Global Markets

Global Markets comprises trading and risk management solutions across financial markets, including foreign exchange, money markets, interest rates, equities, credit and commodities.

Global Markets total income grew by 16 per cent. to R25,975 million in 2023. Client revenue continued to be the biggest contributor to Global Markets' revenues and increased by 11 per cent. in the year ended 31 December 2023 against the prior year, mainly due to heightened client activity in volatile markets. This was complemented by increased liquidity management revenues.

For the year ended 31 December 2023, Africa Regions revenue base grew by 23 per cent., benefitting from increased client activity, with the South African business increasing by 6 per cent. Headline earnings also grew by 33 per cent. to R7,705 million in the year ended 31 December 2023.

The Global Market's business remains a key differentiator for the CIB franchise and will continue to build its sustainable client revenue base as it leverages its client, sector and geographic diversity and scale.

CIB - Investment banking

Investment banking provides a full suite of advisory and financing solutions, from term lending to structured and specialised products, across equity and debt capital markets.

Investment banking delivered strong total income of R13,128 million in 2023, 19 per cent. higher than 2022. For the year ended 31 December 2023, NII growth of 22 per cent. was supported by record loan origination of R217 billion, up by 7 per cent., and increased drawdowns on existing committed facilities. NII further benefitted from margin expansion in a higher average interest rate environment. Fee and commission income, within NCIR, generated good growth in commitment fees on the back of strong origination. This growth was softened by muted advisory and knowledge-based fees given the difficult economic conditions and lower client activity.

Revenue growth remains well diversified across the Investment banking client franchise with all but one sector reporting double digit growth. Energy & Infrastructure remains the largest sector driven by Africa's energy transition.

Regionally, Africa Regions total income increased by 28 per cent. for the year ended 31 December 2023, with the South African franchise (SBSA) up by 9 per cent., which was mainly driven by average asset growth of 20 per cent. and 7 per cent. respectively. Margin expansion on the back of higher average interest rates further supported growth.

Strong revenue growth resulted in positive jaws of 2.6 per cent. and a cost-to-income ratio of 50.7 per cent. for the year ended 31 December 2023, compared to 51.8 per cent. for the year ended 31 December 2022. Headline earnings also grew by 18 per cent. to R4,562 million in the year ended 31 December 2023.

CIB - Transaction banking

Transaction banking achieved total income growth of 23 per cent. to R24,455 million in the year ended 31 December 2023. NII growth of 26 per cent. for the year ended 31 December 2023 benefitted from positive endowment on the back of a higher average interest rate environment and increased average deposit balances in Africa Regions. NIR grew by 16 per cent. for the year ended 31 December 2023, supported by higher client activity and increased transactional volumes across the continent. This was partially offset by currency devaluations in some key markets.

Regionally, the CIB's South African franchise generated 12 per cent. growth in revenue in the year ended 31 December 2023. The Africa Regions franchise achieved robust revenue growth of 29 per cent. mainly driven by margin expansion in the deposit book and double digit increase in asset balances, as a result of heightened utilisation of trade loans and higher drawdowns in working capital.

Strong revenue growth for the year ended 31 December 2023 resulted in positive jaws of 6.1 per cent. and a cost-to-income ratio of 49.8 per cent. compared to 52.9 per cent. for the year ended 31 December 2022. Headline earnings also grew by 35 per cent. to R7,513 million in the year ended 31 December 2023.

The table below presents a summary of CIB's main performance indicators for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(Rm)</i>	<i>(Rm)</i>
Net interest income	30,781	24,366
Non-interest revenue	32,777	29,000
Total net income	63,558	53,366
Credit impairment charges	(1,662)	(2,530)
Net income before operating expenses	61,896	50,836
Operating expenses	(28,974)	(24,927)
Staff costs	(12,485)	(10,359)
Other operating expenses ¹	(16,489)	(14,568)
Profit for the year attributable to ordinary shareholders	20,238	15,344
Headline earnings	19,780	15,193
Gross loans and advances	793,775	684,633
Total assets	1,545,259	1,404,454
Total liabilities	1,445,398	1,321,218

¹ This amount comprises other operating expenses, amortisation and depreciation

The following table presents selected ratios for CIB for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(per cent.)</i>	<i>(per cent.)</i>
Credit loss ratio	0.22	0.27
ROE	22.3	19.6

The following table presents selected financial information for CIB's products for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(per cent.)</i>	<i>(per cent.)</i>
Stage 3 exposures ratios (per cent.):		
Corporate and sovereign lending	2.6	2.6
Credit loss ratios (per cent.):		
Corporate and sovereign lending	0.30	0.37
Bank lending	0.00	0.01
Gross loans and advances at amortised cost (Rm):		
Corporate and sovereign lending	597,373	516,211
Bank lending	196,260	168,422

For further information, see Note 8 and 49 to the SBG 2023 Annual Financial Statements, which is incorporated by reference into the Base Prospectus.

Insurance & Asset Management

Following changes to the Group's operating model in early 2023, SBG established a new business unit, IAM, which sits alongside the three existing banking business units. This business unit includes the insurance, investment, and asset management businesses within the Group. Consolidating these offerings allows for more efficient scaling of the businesses while also improving client value propositions and specialised risk management, all contributing to enhanced value for clients, advisers, and shareholders. Various legal entities reside within IAM, most notably Liberty Holdings Limited ("**LHL**"), including STANLIB and Liberty Group Limited ("**LGL**"), Standard Insurance Limited ("**SIL**"), Melville Douglas,

Liberty Kenya Holdings Plc and Stanbic IBTC Pension Managers. The IAM business unit operates principally in South Africa with the more material Africa Regions businesses residing in Kenya and Nigeria.

IAM offers a wide range of solutions to fulfil clients' long and short-term insurance, health, investment, and asset management needs, and its clients range from individuals to corporate and institutional clients across the countries in which the Group has a presence. Within IAM, there are specialised insurance and asset management skills as well as advice-led distribution capabilities that enable the Group to deliver holistic client value propositions.

Solutions are distributed through the Group's various distribution networks, including the large advisory partner and third-party distribution channels.

IAM – overview of results

IAM's headline earnings grew by 22 per cent. to R2,820 million for the year ended 31 December 2023, with an ROE of 13.1 per cent. (compared to 10.5 per cent. for the year ended 31 December 2022) in a challenging macroeconomic and business environment.

The significant impact of IFRS 17 prompted a change to the composition of the assets and exposures that previously resided within the Shareholder Investment Portfolio which has been renamed to the Shareholder Assets and Exposures portfolio. This portfolio consists of certain asset holdings and certain exposures derived off the long-term insurance liability book. The Shareholder Assets and Exposures portfolio is particularly sensitive to interest rate movements (both from interest rate sensitive exposures as well as the cash holdings) and unlisted property valuations.

Total operating earnings of R4,532 million for the year ended 31 December 2023 were ahead of the year ended 31 December 2022 at R4,252 million. The Shareholder Assets and Exposures portfolio produced a profit of R418 million in the year ended 31 December 2023 (an increase of 29 per cent. relative to the year ended 31 December 2022).

Insurance operations

SBG's insurance operations are divided into three principal areas (i) life and health insurance; (ii) corporate benefits; and (iii) short term insurance.

Life and health insurance

SBG's life and health insurance solution involves the development, sourcing and management of life and health insurance and contractual savings propositions distributed via advice-led, third party and banking distribution channels. Propositions include health insurance, long-term insurance products such as life, critical illness, disability, funeral cover, and various insurance plans sold in conjunction with related banking products.

Corporate benefits

SBG's corporate benefits solution involves the provision of intermediated corporate benefits advice on competitive employee benefit solutions through the Group's advice-led and third party distribution networks. The proposition consists of investment and risk solutions mainly through SBG's umbrella offering as well as consulting services.

Short-term insurance

SBG's short-term insurance solution involves the development and management of short-term insurance solutions to protect against loss or damage of assets. Propositions are distributed by banking and brokerage networks and include homeowners' insurance, household contents, vehicle insurance and commercial all risk insurance.

Insurance – overview of results

Insurance headline earnings grew by 23 per cent. to R3,883 million for the year ended 31 December 2023, with South African insurance headline earnings increasing by 27 per cent. to R3,948 million. This, coupled with continued capital efficiency initiatives, has seen the ROE increase to 13.1 per cent. for the year ended 31 December 2023 compared to 10.5 per cent. for the year ended 31 December 2022.

In IAM's long-term insurance businesses in South Africa, underwriting risk largely stabilised to pre-pandemic levels with retail mortality experience broadly within expectation, although client persistency deteriorated on certain books, particularly on regular premium investment propositions and certain risk propositions. Claims normalised during 2023, post the impact of the pandemic and certain natural disaster events in 2022.

Insurance operations new business value of R3,000 million increased by 13 per cent. in the year ended 31 December 2023 compared to the prior year mainly due to an improved claims experience and increased sales.

The solvency capital requirement cover of LGL for the year ended 31 December 2023 remained robust at 1.81 times compared to 1.76 times for the year ended 31 December 2022, and was above the target range of 1.3 to 1.7 times. The solvency capital requirement cover of SIL for 2023 settled at 2.65 times and was above the target of 2.0 times compared to 2.68 times for the year ended 31 December 2022. These coverage ratios were prior to the payment of dividends relating to the 2023 results.

Long-term insurance indexed new business in South Africa increased by 8 per cent. for the year ended 31 December 2023 to R11,550 million. This result was supported by strong sales of guaranteed investment plans and annuities. Focus remains on sales efforts and new business volumes in the prevailing tough consumer environment in South Africa. Gross written premiums, in short-term insurance operations in South Africa, increased by 7 per cent. for the year ended 31 December 2023 to R3,509 million in a highly competitive market.

Mortality experience in the long-term insurance businesses in Africa Regions largely returned to pre-pandemic levels. For the year ended 31 December 2023, Africa Regions long-term insurance indexed new business increased by 16 per cent. to R578 million. Group life assurance and Group credit life sales in Kenya, as well as personal loan protection sales in Uganda and Lesotho, contributed positively to this result. Gross written premiums in Africa Regions short-term insurance businesses grew by 12 per cent. for the year ended 31 December 2023 to R1,646 million. Good client retention rates in all businesses, coupled with an improvement in the productivity of brokers and agents, resulted in increased premiums recorded across most business lines.

Asset Management

SBG's Asset Management operations are divided into two principal areas (i) Investment Management; and (ii) Asset Management.

Investment management

SBG's investment management solutions include the development and maintenance of local and offshore investment propositions. These include discretionary asset management, stockbroking, investment platform and discretionary fund management services, and traditional life company products.

Asset management

SBG's Asset management solutions include the development and maintenance of asset management propositions for institutional and wholesale clients. Propositions include collective investment schemes and pension fund administration.

Asset Management – overview of results

Asset management headline earnings decreased by 20 per cent. for the year ended 31 December 2023 to R928 million. South African asset management headline earnings decreased by 54 per cent. to R237 million, for the year ended 31 December 2023 largely as a result of higher planned operating expenditure on certain initiatives in STANLIB to enhance its ability to continue to produce consistently high-quality investment performance. For the year ended 31 December 2023, net fee income was marginally ahead of 2022, with net external third-party customer inflows reflecting a number of mandates secured in the final quarter of 2023. Africa Regions and International asset management headline earnings grew by 7 per cent. for the year ended 31 December 2023 compared to the prior year, driven by increased fee income which benefited from exchange rate gains on USD denominated management fees, and higher AUM and administration. The Africa Regions operations results started exhibiting the strain of exchange rate weaknesses across certain key markets in the second half of 2023.

AUM in the South African asset management businesses increased by 8 per cent. to R1,007 billion for the year ended 31 December 2023. This growth was attributed to the STANLIB South Africa business given positive local and offshore investment market movements during 2023.

The following table presents a summary of IAM's main performance indicators and selected ratios for the years ended 31 December 2023 and 31 December 2022:

		Change %	2023 Rm	2022 Rm
Insurance operations				
New business value	Rm	13	3,000	2,656
South Africa insurance				
Long-term insurance operations				
Indexed new business	Rm	8	11,550	10,728
Solvency capital requirement cover of Liberty Group Limited	Times		1.81	1.76
Short-term insurance operations				
Gross written premiums	Rm	8	3,509	3,257
Solvency capital requirement cover of Standard Insurance Limited	Times		2.65	2.78
Africa Regions insurance				
Long-term insurance operations				
Indexed new business	Rm	16	578	498
Short-term insurance operations				
Gross written premiums	Rm	12	1,646	1,471
Asset management				
Assets Under Management	Rbn	7	1,480	1,382
South Africa	Rbn	8	1,007	934
Africa Regions	Rbn	6	473	448

The following table presents selected financial information for IAM's products for the years ended 31 December 2023 and 31 December 2022:

	Change %	2023 Rm	2022 Rm
Insurance operations	23	3,883	3,152
South Africa	27	3,948	3,113
Africa Regions	(>100)	(65)	39
Asset management	(20)	928	1,155
South Africa	(54)	237	511
Africa Regions and International	7	691	644
Central costs, sundry income and other adjustments	>100	(208)	(62)
Total operating earnings (pre IFRS 17 restatement impact)	8	4,603	4,245
Shareholder Asset and Exposures 1	29	418	323
Total gross earnings before inter-BU attribution and IFRS 17 restatement impact	10	5,021	4,568
IFRS 17 restatement impact	(100)		(487)
Reversal of accounting mismatch arising on consolidation of L2D	(>100)	(71)	7
Covid-19 impact, net of taxation and non-controlling interests' share	(100)	0	165
Inter-BU attribution headline earnings	10	(2,130)	(1,933)
Insurance South Africa	10	(1,986)	(1,798)
Insurance Africa Regions	7	(144)	(135)
Total Insurance & Asset Management headline earnings	22	2,820	2,320
ROE (%) – gross earnings		21.9	18.5
ROE (%) – net of inter-BU attribution		13.1	10.5

Central and Other

A central support area, C&O, provides support functions to the Group franchise (which comprises the Banking and IAM franchises). C&O includes costs associated with corporate functions and the Group's treasury and capital requirements that have not been otherwise allocated to the business units. In the year ended 31 December 2023, the C&O headline loss amounted to R1.0 billion compared to a loss of R1.4 billion for the year ended 31 December 2022. The loss decreased due to an increase in NII driven by higher average interest rates and a higher level of capital held within C&O.

Principal sources of SBG revenue from Banking

The table below presents the Group's sources of income for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(Rm)</i>	
Net interest income	97,495	77,953
Non-interest revenue	57,689	50,603
Net fee and commission revenue	30,825	27,993
Trading revenue	20,532	17,046
Other revenue	1,241	1,006
Other gains and losses on financial instruments ¹	2,728	2,435
Insurance inter BU attribution	2,363	2,123
Total income from banking activities	155,184	128,556

¹ For further information on other gains and losses on financial instruments, refer to page 95 of the SBG 2023 Annual Financial Statements.

For further information, see Note 49 to the SBG 2023 Annual Financial Statements, which is incorporated by reference into the Base Prospectus.

Loan Portfolio

Introduction

SBG extends advances to the personal, commercial and corporate sectors as well as to the public sector. Advances to individuals are mostly in the form of home services (previously referred to as mortgages), vehicle and asset finance, card and payments and overdrafts. A significant portion of SBG's advances to commercial and corporate borrowers consist of advances made to companies engaged in manufacturing, finance and service industries.

Loan portfolio by category of loans and advances

The following table sets out the composition of SBG's advances by category of loan or advance as at 31 December 2023 and 31 December 2022.

	31 December	
	2023	2022
	<i>(Rm)</i>	
Loans and advances – IAM ¹	898	2,362
Loans and advances – Banking	1,607,948	1,502,578
Loans and advances measured at fair value	715	665
Net loans and advances measured at amortised cost ¹	1,607,233	1,501,913
Gross loans and advances measured at amortised cost	1,671,228	1,557,741
Home services	466,734	459,647
Vehicle and asset finance	126,754	119,859
Card and payments	38,934	38,063
Personal unsecured lending	104,741	102,579
Business lending and other	140,604	147,712
Corporate and sovereign	597,373	516,211
Bank ²	196,088	173,670
Expected credit losses ("ECL") on loans and advances	(63,995)	(55,828)
Total loans and advances	1,608 846	1,504,940
Comprising:		
Gross loans and advances measured at amortised cost	1,671,228	1,557,741
Less: Expected credit losses	(63,995)	(55,828)

¹ Loans and advances attributable to the IAM business unit has been disaggregated for a better analysis of the amounts. Due to the nature of these loans and advances, the loans and advances within IAM are regarded as having a low probability of default. Therefore, ECL has been assessed to be insignificant on these balances. Refer to note 49 of the 2023 of the SBG Annual Financial Statements for details relating to business unit reporting.

² Included in bank is an amount of R52,593 million (2022: R77,481 million) relating to on-demand gross loans and advances to banks that qualify as cash equivalents (see note 46.5 of the 2023 of the SBG Annual Financial Statements).

Loan portfolio by industry sector

The following table sets out the composition of SBG's advances by industry sector as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(Rm)</i>	
Segmental analysis – industry		
Agriculture	45,222	42,906
Construction	19,838	18,570
Electricity	42,078	31,818
Finance, real estate and other business services	504,102	430,392
Individuals	651,782	645,127
Manufacturing	105,547	98,283
Mining	57,709	56,372
Transport	58,015	64,359
Wholesale	106,159	97,864
Other services	81,491	72,715
Gross loans and advances	1,671,943	1,558,406

Geographical concentration of loans

The following table sets out the distribution of SBG's loans and advances by geographic area where the loans are recorded as at 31 December 2023 and 31 December 2022.

	31 December	
	2023	2022
	<i>(Rm)</i>	
Segmental analysis by geographic area		
South Africa	1,086,185	1,000,758
Africa Regions	366,721	343,454
International	219,037	214,194
Gross loans and advances	1,671,943	1,558,406

Credit impairments for loan and advances

The tables below present a reconciliation of the credit impairments for loans and advances for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(Rm)</i>	
Opening Expected Credit Losses ("ECL")-- 1 January	55,828	51,398
Net impairments raised and released	16,420	13,260
Impaired accounts written off	(11,632)	(11,534)
Exchange and other movements ²	3,379	2,704
Closing ECL-- 31 December	63,995	55,828
Comprising:		
Stage 1 ECL	6,917	6,836
Stage 2 ECL	11,140	10,351
Stage 3 ECL	45,938	38,641
Total	63,995	55,828

²Exchange and other movements includes the net interest in suspense (IIS), time value of money (TVM) unwind, raised and released during the year.

The table below sets out a segmental analysis of Stage 3 expected credit losses on loans and advances by industry as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(Rm)</i>	
Segmental analysis of specific impairments by industry		
Agriculture	1,784	1,508
Construction	1,256	970
Electricity	761	588
Finance, real estate and other business services	4,300	3,600
Individuals	28,432	24,596
Manufacturing	2,069	1,773
Mining	570	276
Transport	1,429	1,418
Wholesale	3,436	1,940
Other services	1,900	1,972
Credit impairment on non-performing loans	45,937	38,641

The table below sets out a segmental analysis of Stage 3 expected credit losses loans and advances by geographic area as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(Rm)</i>	
Segmental analysis by geographic area		
South Africa	38,120	31,058
Africa Regions	7,225	7,291
International	592	292
Credit impairment on non-performing loans	45,937	38,641

The following table presents the non-performing exposures ratios for SBG's products for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(per cent.)</i>	
Stage 3 exposures ratios:		
Home services	9.4	7.2
Vehicle and asset finance	8.4	7.1
Card and payments	10.5	8.4
Personal unsecured lending	11.3	9.5
Business lending and other	8.5	6.5
Corporate and sovereign	2.6	2.6
Bank		
Central and other services		
Gross carrying amount of loans and advances at amortised cost	5.8	5.0

Credit portfolio characteristics and metrics

For further information on SBG's approach to managing and measuring credit risk and SBG's credit portfolio characteristics and metrics, see "Annexure C – IFRS Risk and Capital Management Disclosures" in the SBG 2023 Annual Financial Statements, which is incorporated by reference into the Base Prospectus.

Key Legal Entities

Headline earnings by key legal entity

	31 December	
	2023	2022
	(Rm)	(Rm)
SBSA Group as consolidated into SBG	16,756	16,256
Africa Regions legal entities	18,209	12,229
Liberty Holdings Group	1,978	1,358
Standard Bank International	4,329	1,628
Other group entities	390	465
Standard Insurance Limited	461	310
SBG Securities	22	264
Standard Advisory London	81	85
Other	(174)	(194)
Standard Bank Group Franchise	41,662	31,936
ICBCS	1,286	1,917
Standard Bank Group	42,948	33,853

Net asset value (equity attributable to ordinary shareholders) by key legal entity

	31 December	
	2023	2022
	(Rm)	(Rm)
SBSA Group	121,715	111,081
Africa Regions legal entities	64,623	61,293
Liberty Holdings Group	16,630	17,186
Standard Bank International	15,530	10,675
Other group entities	9,295	11,305
Standard Insurance Limited	2,777	2,316
SBG Securities	2,487	2,856
Standard Advisory London	918	732
Other	3,113	5,401
Standard Bank Group Franchise	227,793	211,540
ICBCS	8,652	6,657
Standard Bank Group	236,445	218,197

South Africa

SBSA is both a strong domestic bank, which leverages the advantages of its size and scope, and a cross-border bank, fully integrated with the rest of the Group. For more information on SBSA, see "*Description of The Standard Bank of South Africa Limited*".

Africa Regions

The Africa Regions business has a strong presence across 19 countries that continues to support sustainable economic growth by facilitating enhanced trade financing, transactional banking, risk management and investment opportunities.

Africa Regions are split into East Africa (incorporating Kenya, Ethiopia, South Sudan, Tanzania and Uganda), South & Central Africa (incorporating Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia and Zimbabwe) and West Africa (incorporating Angola, Democratic Republic of the Congo, Ghana, Cote d'Ivoire and Nigeria).

SBG holds its Africa Regions investments, either directly, in the case of its Common Monetary Area-based subsidiaries and Stanbic Bank de Angola, or indirectly via Stanbic Africa Holdings UK ("**SAHL**"), a wholly-owned subsidiary of SBG. SAHL is an intermediate holding company of the Group's Africa Regions investments and acts as an investment holding company. The Group manages its subsidiaries, across all geographies, on a legal entity basis in compliance with host country regulatory requirements.

Five of SBG's Africa Regions subsidiaries are themselves listed entities: Stanbic Holdings Plc in Kenya, Stanbic IBTC Holdings PLC in Nigeria, Standard Bank (Malawi) Limited, Standard Bank Namibia Holdings Limited and Stanbic Bank Uganda.

Africa Regions – overview of results

Global economic conditions continued to be challenging in 2023 marked by effects of global geopolitical tensions including the multiple conflicts across Africa, which resulted in sustained high inflation rates, weaker local currencies and elevated interest rates that continued to weigh on developing economies. High debt service costs continued to place pressure on highly indebted sovereigns with elevated default risk remaining a concern across the continent. Africa Regions countries with high exposure to dollar-denominated economic activity were impacted by the USD appreciation and as a result exchange rate volatility persisted, with significant local currency devaluations, predominantly in Nigeria, Angola and Malawi. The Group continued to support its clients and sovereigns as they navigated through these challenges.

Strong portfolio diversification resulted in Africa Regions' contribution to SBG's headline earnings increasing to 42 per cent. for the year ended 31 December 2023 compared to 36 per cent. for the year ended 31 December 2022. For the year ended 31 December 2023, Africa Regions' produced headline earnings of R18,209 million, an increase of 49 per cent., with an ROE of 28.1 per cent. compared to 21 per cent. for the year ended 31 December 2022. Total income growth of 24 per cent. for the year ended 31 December 2023 outpaced operating expenses growth of 15 per cent. resulting in positive jaws of 9.0 per cent. and an improved cost-to-income ratio of 45.4 per cent. compared to 49 per cent. for the year ended 31 December 2022.

Due to the volatility in currency across the continent, the commentary which follows is based on constant currency movements. Balance sheet growth was supported by an increase in gross loans and advances to customers of 20 per cent. (CCY) driven by ongoing momentum in corporate loan origination particularly in the Mining & Metals, Power & Infrastructure, and Telecommunication & Media sectors, as well as demand for trade facilities particularly in West Africa. This, together with employee scheme lending initiatives, as well as strong asset pipeline conversion and increased levels of disbursements in business lending further supported growth. Steady progress was made on the diversification of funding sources across the region.

NII grew by 47 per cent. (CCY) for the year ended 31 December 2023, due to good balance sheet growth and positive endowment in a higher average interest rate environment.

For the year ended 31 December 2023, net fee and commission revenue was up by 37 per cent. (CCY), driven by increased transactional activity linked to client acquisition, the impact of annual price increases, increased fees earned in the pension fund business driven by growth in the client base and associated AUM, as well as increased deal origination and trade activity.

Trading revenue increased by 32 per cent. (CCY) for the year ended 31 December 2023, benefitting from increased client demand and volatility resulting in strong foreign currency (forex) flows in West Africa, higher client forex sales in East and West Africa driven by USD demand following local currency devaluation in these regions, and a release of a credit valuation adjustment provision on the maturing and settlement of a derivative transaction raised in the second half of 2022.

Credit impairment charges reduced by 23 per cent. (CCY) for the year ended 31 December 2023, mainly driven by a post restructure release of material impairments raised following the sovereign distress experienced in Ghana in 2022. Excluding this, elevated sovereign risk resulted in higher provisions in South & Central Africa, as well as increased Stage 3 credit impairment charges for existing exposures in East and West Africa in Business banking and in the Consumer, Telecommunication & Media and Real Estate sectors in the corporate portfolio. These movements resulted in the credit loss ratio decreasing to 83bps for the year ended 31 December 2023 (compared to 93bps for the year ended 31 December 2022) and remained within risk appetite.

Operating expenses grew by 33 per cent. (CCY) for the year ended 31 December 2023, due to the heightened inflationary environments across the region, annual salary increases, an increase in skilled employees, higher depositor insurance costs, and Asset Management Corporation of Nigeria expenses in West Africa on the back of balance sheet growth. In addition, cost growth was further impacted by higher technology spend driven by continued software and cloud related expenses to support digital capabilities, and the impact of local currency devaluation on foreign currency denominated costs.

East Africa

East Africa headline earnings increased by 37 per cent. (CCY) to R3,513 million for the year ended 31 December 2023 with an ROE of 21.2 per cent. compared to 17.3 per cent. for the year ended 31 December 2022.

NII growth of 31 per cent. (CCY) for the year ended 31 December 2023, supported by loan origination in the Sovereign, Power & Infrastructure, and Telecommunication & Media sectors, higher client demand for lending and trade facilities, and the positive endowment impact in a higher average interest rate environment.

For the year ended 31 December 2023, NIR grew by 19 per cent. (CCY), driven by a combination of higher trading revenue from improved foreign exchange margins, increased client activity, US dollar liquidity scarcity, higher advisory fees earned in Investment banking and improved transactional card-based activity.

Credit impairment charges increased by 19 per cent. (CCY) for the year ended 31 December 2023, due to additional charges for existing non-performing loans in the Business segment and Consumer, Telecommunication & Media and Real Estate Sector in the corporate loan portfolio. This was partly offset by the improved credit risk profiling and collection capabilities, as well as post write off recoveries.

Operating expenses increased by 21 per cent. (CCY) for the year ended 31 December 2023, due to annual salary increases, an increase in skilled employees, continued software, cloud and technology related spend to support digital initiatives, coupled with higher legal fees.

South & Central Africa

South & Central Africa's headline earnings grew by 52 per cent. (CCY) to R8,445 million for the year ended 31 December 2023 with an ROE of 28.5 per cent. compared to 25.4 per cent. for the year ended 31 December 2022.

NII increased by 53 per cent. (CCY) for the year ended 31 December 2023, supported by strong lending and loan origination, higher demand for trade facilities, increased financial investment placements across most markets and positive endowment from higher average interest rates, particularly in Zimbabwe, Malawi, Mauritius, and Zambia.

For the year ended 31 December 2023, net fee and commission revenue increased by 68 per cent. (CCY), mainly due to the onboarding of new corporate clients in Transaction banking and related transactional fees, together with higher transactional volumes following the roll out of USD ATMs in certain markets. Growth was further supported by continued demand for foreign currency and annual price increases.

Trading revenue grew by 15 per cent. (CCY) for the year ended 31 December 2023, due to increased client activity on the back of volatile foreign exchange markets.

Credit impairment charges increased by 48 per cent. (CCY) for the year ended 31 December 2023, due to higher sovereign credit risk migration in Malawi, regulatory-related growth in financial investment placements, together with the nonrecurrence of recoveries received in Business banking in 2022.

Operating expenses increased by 41 per cent. (CCY) for the year ended 31 December 2023, driven by persistent inflation and the hyperinflationary environment in Zimbabwe, continued investment in digitisation initiatives to support revenue and client growth, the impact of local currency devaluation on USD denominated costs, and increased travel and entertainment costs as normal business activity resumed. Cost containment measures continue to remain a key focus area for management in the region.

West Africa

West Africa's headline earnings, more than doubled to R6,251 million for the year ended 31 December 2023 with an ROE of 33.7 per cent. compared to 18.2 per cent. for the year ended 31 December 2022.

NII grew by 51 per cent. (CCY) for the year ended 31 December 2023, due to higher trade related lending, good loan origination and solid deposit growth. In addition, higher average interest rates particularly in Ghana and Nigeria resulted in positive endowment which further supported growth.

For the year ended 31 December 2023, net fee and commission revenue increased by 19 per cent. (CCY), due to a combination of higher transactional activity related to card and trade services, fees generated from increased loan origination and higher fees earned commensurate with growth in AUM which surpassed the R32.0 billion mark in AUM.

Trading revenue grew by 70 per cent. (CCY) for the year ended 31 December 2023, driven by increased client activity related to foreign exchange and structured solutions to manage risk in a challenging environment, together with mark-to-market gains.

Credit impairment charges declined by 73 per cent. (CCY) for the year ended 31 December 2023, following a partial release of Ghana's sovereign provisions raised in the second half of 2022 post the government debt restructure. This was partially moderated by additional provisions for existing Stage 3 matters in BCB which reflected client strain in the region.

Operating expenses grew by 30 per cent. (CCY) for the year ended 31 December 2023, due to the heightened inflationary environment, increased depositor insurance costs related to the continued growth in the deposit base, increased investment in digitisation and technology initiatives, and the impact of local currency devaluation on USD denominated technology contracts.

The table below presents a summary of the main performance indicators of the legal entities within the Africa Regions for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
Net interest income (Rm)	36,701	28,598
Non-interest revenue (Rm)	24,406	20,662
Total income (Rm)	61,107	49,260
Credit impairment charges (Rm)	(2,758)	(3,851)
Income before operating expenses (Rm)	58,349	45,409
Operating expenses (Rm)	(27,757)	(24,130)
Staff costs (Rm)	(13,011)	(11,322)
Other operating expenses (Rm)	(14,746)	(12,808)
Net income before non-trading and capital related items, and equity accounted earnings (Rm)	30,592	21,279
Non-trading and capital related items (Rm)	1,500	726
Profit before indirect taxation (Rm)	32,092	22,005
Indirect taxation (Rm)	(1,167)	(934)
Profit before direct taxation (Rm)	30,925	21,071
Direct taxation (Rm)	(7,538)	(4,754)
Attributable to non-controlling interest (Rm)	(3,902)	(3,461)
Profit for the year attributable to ordinary shareholders (Rm)	19,485	12,856
Headline earnings (Rm)	18,209	12,229
Net loans and advances (Rm)	325,349	322,463
Total assets (Rm)	560,320	541,433
Total liabilities (Rm)	483,438	465,707
Credit loss ratio (bps)	83.0	93.0
Cost-to-income ratio (per cent.)	45.4	49.0
Jaws (bps)	1,346.0	882.0
ROE (per cent.)	28.0	21.0

The following table presents select performance indicators of the Africa Regions, on a geographical basis, for the years ended 31 December 2023 and 31 December 2022:

	East Africa		South & Central Africa		West Africa		Africa Regions legal entities	
	31 December		31 December		31 December		31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rm)		(Rm)		(Rm)		(Rm)	
Profit attributable to ordinary shareholders	3,516	2,436	9,706	6,828	6,263	3,592	19,485	12,856
headline earnings	3,513	2,431	8,445	6,209	6,251	3,589	18,209	12,229
ROE (per cent.)	21.3	17.3	28.2	25.4	33.7	18.2	28.0	21.0

The top eight contributors to Africa Regions' headline earnings were Ghana, Kenya, Mauritius, Mozambique, Nigeria, Uganda, Zambia and Zimbabwe.

For more information, see "*Description of The Standard Bank Group Limited - Standard Bank Franchise – Business Units*" above and "*Annexure A – Subsidiaries, Consolidated and Unconsolidated Structured Entities*" in the SBG 2023 Annual Financial Statements.

Employees

For the year ended 31 December 2023, the Group had 54,176 employees (50,451 permanent employees and 3,725 non-permanent employees), compared to 53,143 employees (49,345 permanent employees and 3,798 non-permanent employees), for the year ended 31 December 2022.

SBG's Employee Net Promoter Score for the year ended 31 December 2023 was 48, an increase compared to 42 for the year ended 31 December 2022.

Governance

The Group operates within a clearly defined governance framework. This governance framework enables the board of directors of SBG (the "**SBG Board**") to balance its role of providing risk oversight and strategic counsel with ensuring adherence to regulatory requirements and risk tolerance. The SBG Board-approved framework outlines mechanisms for the Group to implement robust governance practices and provides clear direction for decision-making across all disciplines. Through this framework the SBG Board has delegated the day-to-day management of the Group, in writing, to SBG's chief executive without abdicating the SBG Board's responsibility.

The SBG Board is ultimately responsible for governance. The chairman is an independent non-executive and the roles of chairman and chief executive are separate. This board composition ensures there is a balance of power on the SBG Board, so no individual or group can dominate the SBG Board's processes or decision making and stimulates robust challenge and debate. In discharging its responsibilities, the SBG Board delegates authority to relevant SBG Board committees and individuals with clearly-defined mandates and delegated authorities, although the SBG Board retains its responsibilities. Each committee has a mandate, which the SBG Board reviews at least once a year. Mandates for each committee set out its role, responsibilities, scope of authority, composition, terms of reference and procedures. The SBG Board's committees include the directors' affairs committee, audit committee, risk and capital management committee, the social, ethics and sustainability committee, information technology committee, model approval committee, remuneration committee and large exposure credit committee. The Group Leadership Council supports the chief executive in the day-to-day management of the affairs of the Group, subject to statutory parameters and matters reserved for the SBG Board.

The Group's board-approved governance framework is embedded in all the Group's operations and is designed to provide clear direction for responsive decision-making and to support responsible behaviour.

The King IV Report on Corporate Governance for South Africa 2016 forms the cornerstone of the Group's governance approach. The Group's application of its principles is embedded throughout its governance

framework, allowing the Group to achieve the good governance principles of ethical culture, good performance, effective control and legitimacy. The Group implements its framework principles to:

- ensure the pursuit of strategic opportunities within the board-approved risk appetite, supporting a prudent balance of risk and return;
- provide controls that are effective in avoiding financial loss or reputational damage due to misconduct or unethical behaviour;
- embed the principle of doing the right business, the right way and ensuring ethical business practices are embedded within and across the Group's markets; and
- support the Group's legitimacy as a responsible corporate citizen, enhancing the resources and relationships it relies on today for the future benefit of the Group, its clients, employees, stakeholders and society.

The Group's ability to anticipate and respond effectively to change underpins its governance philosophy and supports the acceleration of the Group's strategy, including how the board provides counsel and oversight.

The Group's philosophy supports the digital enablement of governance, allowing the Group to adequately introduce new operating models, understand the opportunities and risks associated with accelerating the strategy and managing constraints, and effectively allocating its resources in an ever-changing world to deliver and protect sustainable shared value.

Board of Directors

The SBG Board is constituted in accordance with SBG's Memorandum of Incorporation. The SBG Board is a unitary board and is considered effective and of an appropriate size for the Group.

The current members of the SBG Board are listed below (effective 28 June 2024):

Name	Title	Year Joined SBG Board
Sim Tshabalala	Chief executive officer, executive director	2013
Arno Daehnke	Chief finance and value management officer, executive director	2016
Nonkululeko Nyembezi	Chairman, independent, non-executive director	2020
Jacko Maree	Deputy chairman, independent non-executive director	2016
Trix Kennealy	Lead independent director	2016
Martin Oduor – Otieno	Independent, non-executive director	2016
Geraldine Fraser-Moleketi	Independent, non-executive director	2016
Nomgando Matyumza	Independent, non-executive director	2016
Paul Cook	Independent, non-executive director	2021
Ben Kruger	Independent, non-executive director	2022
Lwazi Bam	Independent, non-executive director	2022
Sola David-Borha	Independent non-executive director	2024
Li Li	Non-executive director	2021

Changes to the SBG's Board

Two non-executive directors, Kgomotso Moroka and John Vice, retired from the SBG Board at the Group's annual general meeting ("AGM") held in June 2023. Myles Ruck retired from the SBG Board effective 31 December 2022. This resulted in the appointment of new board chairman for the Group social, ethics and sustainability committee ("GSESC"), the Group risk and capital management committee ("GRCCM"), the large exposure credit committee ("LECC") as well as the Group information technology committee ("GITC").

The SBG board appointed Sola David-Borha as non-executive director of SBG with effect from 13 March 2024 and she was reclassified as an independent director from 23 May 2024.

Atedo Peterside and Dr Xueqing Guan retired from the SBG Board at the conclusion of the Group's AGM on 10 June 2024.

SBG Board succession planning continued to receive much focus in 2023. In line with the Group's corporate governance arrangements, the SBG Board regularly reviews its composition to ensure its effectiveness and the appropriateness of its skillset, experience, tenure and diversity. A comprehensive succession plan is in place, tailored to the essential skills required for an effective board. The plan aims to maximise the value of a high-performing board, comprising directors with diverse expertise across multiple disciplines.

Conflicts of Interest

In accordance with paragraph 7.4, 7.5 and 7.6 of the JSE Debt Listings Requirements and in addition to the requirements of Section 75 of the Companies Act 71 of 2008, SBG and SBSA directors' interests are disclosed quarterly at the start of SBG and SBSA board and board committee meetings. These disclosures include a register of all personal financial interests as well as any declarations of interest in matters on the agenda and in board and board committee papers that may constitute, or be perceived to constitute, a potential conflict of interest. Where conflicts have been identified, directors recuse themselves from the meeting when the SBG Board considers any matters in which they may be conflicted. The Group Secretary maintains a register of directors' interests, which is tabled at each board and committee meeting and any changes are submitted to the SBG Board as they occur. All conflicts of interest are considered and managed by the SBG Board/SBG Board committees in terms of the Management of Conflicts of Interests Policy as published on the Group's website.

Capital Adequacy

The Group's capital management function is designed to ensure that regulatory requirements are met at all times and that the Group and its principal subsidiaries are capitalised in line with the Group's risk appetite and target ranges, both of which are approved by the SBG Board. It further aims to facilitate the optimised allocation and use of capital, such that it generates a return that appropriately compensates shareholders for the risks incurred. Capital adequacy is actively managed and forms a key component of the Group's forecasting process. The capital plan is tested under a range of stress scenarios.

The Prudential Authority ("**PA**") adopted the Basel III framework, subject to certain phase-in provisions as provided by the Basel Committee for Banking Supervision ("**BCBS**") from 1 January 2013. From 1 January 2019 the requirements that were subject to phase-in provisions have been fully implemented.

South African minimum Basel III capital requirements were 8.5 per cent. for CET 1, 10.75 per cent. for tier 1 and 14.0 per cent. for total capital adequacy in 2023. These minimums exclude the countercyclical buffer, which was not announced as a requirement for South Africa for the 2023 financial year, and confidential bank-specific pillar 2b capital requirements, but include the maximum potential domestic systemically important banks ("**D-SIB**") requirement of 2.5 per cent. The PA has announced its intention, subject to industry comment, to introduce a positive cycle neutral countercyclical buffer of 1 per cent. effective from 1 January 2026 with phase-in requirements from 1 January 2025.

The PA announced a further delay in implementation of the Basel III finalisation rules to 1 July 2025 from 1 January 2024. SBG continues to analyse the potential impact of these rules on the capital adequacy ratios, systems and processes while engaging with the PA on areas of national discretion specified by the BCBS together with items requiring further clarification.

The Group manages its capital levels to support business growth, maintain depositor and creditor confidence, create value for shareholders, and ensure regulatory compliance. The main regulatory requirements to be complied with are those specified in the Banks Act and related applicable regulations, which are aligned with Basel III.

Regulatory capital adequacy is measured through three risk-based ratios, namely common equity tier 1, tier 1 and total capital adequacy ratios which are calculated on the following bases:

- Common equity tier 1: ordinary share capital, share premium, retained earnings, other reserves and qualifying non-controlling interest less impairments divided by total risk weighted assets ("**RWA**").

- Tier 1: common equity tier 1 and other qualifying non-controlling interest plus perpetual, non-cumulative instruments with either contractual or statutory principal loss absorption features that comply with the Basel III rules divided by total RWA.
- Total capital adequacy: tier 1 plus other items such as general credit impairments and subordinated debt with either contractual or statutory principal loss absorption features that comply with the Basel III rules divided by total RWA. RWA are calculated in terms of the Banks Act and related regulations, which are aligned with Basel III.

The SARB adopted the leverage framework that was issued by the BCBS in January 2014 with the minimum leverage ratio being set at 4 per cent. During 2023, the PA proposed a leverage ratio buffer requirement for D-SIB banks in South Africa equal to 50 per cent. of higher loss absorbency requirements imposed on a D-SIB's CET 1 ratio, effective from 1 January 2025. This will increase the Group's minimum leverage ratio requirement to 4.5 per cent. effective from 1 January 2025.

The non-risk-based leverage measure is designed to complement the Basel III risk-based capital framework. The Group's leverage ratio inclusive of unappropriated profit was 8.8 per cent. as at 31 December 2023 (compared to 8.2 per cent. as at 31 December 2022).

For further information, see the SBG 2023 Risk and Capital Management Report which is incorporated by reference into the Base Prospectus.

The following table sets out the Group's CET1, Tier 1 and Tier 2 capital excluding unappropriated profit for the years ended 31 December 2023 and 31 December 2022.

Basel III qualifying capital excluding unappropriated profits

	31 December	
	2023	2022
	<i>(Rm)</i>	<i>(Rm)</i>
Ordinary shareholder's equity	236,445	218,197
Qualifying non-controlling interest	7,144	9,086
Less: regulatory adjustments	(22,783)	(26,822)
Goodwill	(1,609)	(2,258)
Other intangible assets	(8,914)	(10,916)
Investments in financial entities	(11,354)	(12,322)
Other adjustments	(906)	(1,316)
Total common equity tier 1 capital (including unappropriated)	220,806	200,461
Unappropriated profits	(19,738)	(18,477)
CET 1 capital	201,068	181,984
Qualifying other equity instruments	18,661	14,098
Qualifying non-controlling interest	1,092	1,284
Tier 1 capital	220,821	197,366
Qualifying Tier 2 subordinated debt	25,682	24,594
General allowance for credit impairments	7,144	6,339
Tier 2 capital	32,826	30,933
Total regulatory capital	253,647	228,299

Source: This information has been extracted from SBG's FY2023 Investor Booklet

The following table sets out the Group's risk-weighted assets and associated capital requirements for the years ended 31 December 2023 and 31 December 2022:

Basel III risk-weighted assets and associated capital requirements

	RWA		Minimum capital requirements²
	2023	2022¹	2023
	<i>(Rm)</i>	<i>(Rm)</i>	<i>(Rm)</i>
Credit risk (excluding counterparty credit risk (CCR))	1,160,804	1,079,547	150,904
Of which: standardised approach ³	563,164	519,234	73,211
Of which: internal rating-based (IRB) approach	597,640	560,313	77,693
CCR	50,458	45,502	6,559
Of which: standardised approach for CCR	49,293	44,550	6,408
Of which: other CCR	1,165	952	151
CVA	10,930	15,786	1,421
Equity positions in banking book under market-based approach	9,675	10,225	1,258
Equity investments in funds-- look through approach	5,441	4,846	707
Equity investments in funds-- mandate-based approach	4,650	3,145	605
Equity investments in funds-- fall-back approach	204	252	27
Securitisation exposures in banking book	1,315	905	171
Of which: Internal Ratings-Based Approach (SEC-IRBA)	792	534	103
Of which: External Ratings-Based Approach (SEC-ERBA)	523	371	68
Market risk	79,736	79,086	10,366
Of which: standardised approach	51,527	59,322	6,699
Of which: internal model approach (IMA)	28,209	19,764	3,667
Operational risk	209,974	187,907	27,297
Of which: standardised approach	124,977	103,351	16,247
Of which: advanced measurement approach (AMA)	84,997	84,556	11,050
Amounts below the thresholds for deduction (subject to 250 per cent. risk weight)	75,400	68,244	9,802
Total	1,608,587	1,495,445	207,696

¹ Restated due to adoption of new accounting standards, refer to pages 115 of the Group's Financial Results for the year ended 31 December 2023 for further detail.

² Measured at 13 per cent. and excludes confidential bank-specific capital requirements. The Group's D-SIB buffer requirement amounts to 1.5 per cent. of which 1.0 per cent. is required to be held in CET1. There is currently no requirement for the countercyclical buffer add-on in South Africa or in other jurisdictions in which the Group has significant exposures.

³ Portfolios on the standardised approach relate to the Africa Regions, SBO, and portfolios for which application to adopt the internal model approach has not been submitted, or for which an approval has not yet been granted.

Source: This information has been extracted from SBG's 2023 Risk and Capital Management Report

The following table details the Group's capital adequacy ratios for the years ended 31 December 2023 and 31 December 2022 on a Basel III basis.

Capital Adequacy Ratios

	Internal target ranges ¹	SARB minimum regulatory requirement ²	Excluding unappropriated profits		Including unappropriated profits	
			2023	2022³	2023	2022³
	<i>(per cent.)</i>	<i>(per cent.)</i>	<i>(per cent.)</i>	<i>(per cent.)</i>	<i>(per cent.)</i>	<i>(per cent.)</i>
CET 1 capital adequacy ratio	>11.0	8.5	12.5	12.2	13.7	13.4
Tier 1 capital adequacy ratio	>12.0	10.75	13.7	13.2	15.0	14.4
Total capital adequacy ratio	>15.0	13.0	15.8	15.3	17.0	16.5

¹ Including unappropriated profit

² Excluding confidential bank specific requirements.

³ Restated due to adoption of new accounting standards, refer to page 111 – 114 of SBG's FY2023 Investor Booklet

Source: This information has been extracted from SBG's FY2023 Investor Booklet

For further information, see "*Annexure C – Risk and Capital Management – IFRS disclosures*" set out in SBG 2023 Annual Financial Statements and SBG's 2023 Risk and Capital Management Report, each of which are incorporated by reference into this Base Prospectus.

Climate Policy

The Group is committed to supporting the reduction of greenhouse gas emissions while enabling a just transition that balances access to electricity, energy security, food security, economic growth and human development with the decarbonisation required to mitigate the impacts of climate change.

The Group's climate policy, published in March 2022, applies to all its business units and subsidiaries. The climate policy commits the Group to achieving net zero carbon emissions from its own operations for newly built facilities by 2030, for existing facilities by 2040 and from its portfolio of financed emissions by 2050. The Group interprets "net zero" to mean that greenhouse gas emissions produced are balanced by absorbing or removing an equivalent amount from the atmosphere. To achieve a just transition toward net zero, the Group applies several complementary approaches including:

- setting targets to increase mobilisation of sustainable finance solutions, including for mitigation of and adaptation to climate change;
- setting limits for loans and advances to high emitting sectors (thermal coal, upstream oil, coal-fired power plants, oil-generated power plants and standalone gas-fired power plants) as a percentage of total group loans and advances;
- developing methodologies to measure its financed emissions in specific sectors, in order to set appropriate targets for reduction of financed emissions in due course;
- engaging with clients, requiring clients in high emitting sectors to provide emissions reduction strategies in advance of financing, and supporting clients in their climate transition commitments; and
- monitoring clients' commitments as part of their transition.

Meeting the goal of net zero by 2050 will entail both reducing financed emissions and simultaneously scaling up the financing of renewables, reforestation, climate-smart agriculture, decarbonisation and transition technologies, and credible carbon offset programmes.

In 2022, the Group set initial climate targets and commitments, expressed in terms of lending exposure, for sustainable finance, renewable energy, gas, oil and thermal coal and coal-fired power generation. Commitments and targets were published for additional sectors in 2023, namely residential real estate and personal lending, commercial real estate, and short-term insurance. Commitments and targets for additional sectors will be published over the next two years.

The Group seeks to engage with clients to support their transition toward net zero through a variety of sustainable finance solutions including the use of proceeds and sustainability-linked instruments. The Group's five-year target is to mobilise a cumulative amount of more than R250 billion in sustainable finance by the end of 2026. This includes R50 billion of financing for renewable energy power plants and to underwrite the financing of a further R15 billion of renewable energy power plants over the same period.

The Group continues to support transformational developments in the oil and gas sector in Africa. In line with the Group's commitment to supporting a just transition away from carbon-intensive growth, and its recognition of gas as an important transition fuel, it continues to support developments in these sectors as a legitimate and valuable element of Africa's sustainable development.

The Group publishes updates on its progress on the achievement of its climate targets in its annual reporting. The Group will review and update its climate policy, and associated targets and commitments, in 2024, as per its commitment to review the policy at least every three years.

Legal Proceedings

There are no governmental, legal or arbitration proceedings (nor are there any such proceedings which are pending or threatened of which SBG is aware) during the 12 months prior to the date of this Base Prospectus which may have, or have had, in the recent past a significant effect on the financial position or profitability of SBG and/or the Group taken as a whole. SBG and its subsidiaries have sued and are defendants in a number of legal proceedings incidental to their operations. While any litigation has an element of uncertainty, SBG does not expect that the outcome of any such proceeding, either individually or in aggregate, will have a material adverse effect upon SBG's consolidated financial position or results.

SBG Technology Capability

With the significant impact of the digital revolution, consumers and businesses are being forced to change the way they interact. Technology is central to the Group's ability to adapt to a changing world and create sustainable long-term value for the Group's stakeholders. SBG regards technology as a strategic asset which supports, sustains and enables growth and operational excellence within the Group.

The Group's technology strategy is aligned to, and a key enabler of, the Group's strategic vision. The key elements of the Group's technology strategy are focused on embedding a client-centric culture which is aimed at ensuring that the Group's systems are "always on" (available to its customers) and secure (through managing the risk of unauthorised security breaches), systems adopt a platform business view, enabling the digital transformation of the Group, driving the simplification of the Group's systems, and in having the right employees to deliver on the strategy.

The Group placed considerable emphasis in 2023 on managing its third parties as cyber and information risks were trending across the industry. The Group adopted threat profiling, dark web risk mitigation strategies and assessed operational readiness of critical third-parties to mitigate cyber threats and information risks that may emerge. The Group's information technology refined strategy and Business Unit approach has improved system stability and resilience including better recovery time in 2023 when outages did occur. This improvement is directly attributed to the ongoing always-on focus and diligent execution of basic IT practices and processes. Improvements in the cadence and quality of disaster recovery testing, remediation of end-of-life and end-of-support systems, and rigorous IT change management are noteworthy examples of such practices.

The Group sets security, recovery, and business resumption as a key focus area, and regularly tests contingency procedures so that interruptions are minimized. This yielded a 60 per cent. decrease in material system stability incidents in 2023 and 43 per cent. reduction in the average time to resolve incidents. This translated to a 78 per cent. improvement cumulative system downtime for the year ended 31 December 2023 (compared to the prior year). Despite an increasing trend both globally and domestically of increased cyber-attacks including ransomware, malware, distributed denial of service and others, the Group had zero client impacted breaches. The Group appointed an independent reviewer to undertake a quantitative review of our cyber risk and security measures and provide additional insights based on insurance data and expertise.

Technology governance functions provide oversight to ensure that technology contributes to creating sustainable value both in the short and long term. The SBG Board is responsible for ensuring that prudent and reasonable steps have been taken regarding technology governance. The GITC is a subcommittee of the SBG Board which has the authority to review and provide guidance on matters related to the technology strategy, forecasts, operations, policies and controls, the Group's assessment of risks associated with technology, including disaster recovery, business continuity and technology security, as well as oversight of significant technology investments and expenditure.

Regulation

General regulatory requirements

The Issuer is subject to, amongst other pieces of legislation, the Banks Act and the FSR Act and is supervised by the Financial Conglomerate Supervision Department of the Prudential Authority.

Please see the section of this Base Prospectus headed "*Risk Factors - The impact of any future change in law or regulation on the Issuers' business is uncertain*" on page 21.

Anti-money laundering regulatory requirements

SBG is committed to and supports global efforts to combat money laundering ("ML"), terrorist financing ("TF") and proliferation financing ("PF"). Consequently, SBG has drafted and implemented policies and procedures to assist it in complying with its anti-money laundering ("AML"), combating the financing of terrorism and combating the proliferation of weapons of mass destruction regulatory obligations in each jurisdiction in which it operates. Meeting ML, TF and PF control requirements imposes significant obligations in terms of client due diligence, record keeping, staff training and the detection and reporting of suspicious and unusual transactions. The Group Money Laundering Control Policy is implemented as the minimum standard throughout SBG, while particular emphasis is placed on implementing bespoke ML/TF controls which are designed to mitigate the risks identified in country and enterprise-wide business risk assessments. SBG continues to enhance and automate its ML and TF detection measures, and has dedicated AML transaction monitoring teams that are responsible for receiving, evaluating and reporting suspicious or unusual transactions and activities to the appropriate authorities. These teams operate under the guidance of a Financial Crime Management Unit, which also ensures full co-operation with law enforcement agencies from an information sharing perspective (while operating within the parameters defined by legislation).

Anti-bribery and corruption requirements

Anti-bribery and corruption ("ABC") policies are implemented consistently across SBG. All companies in the Group are committed to the highest level of ethical behaviour, and have a zero-tolerance approach towards bribery and corruption. The Group has designed and implemented an anti-bribery management system to ensure compliance with ABC laws in all markets and jurisdictions in which it operates. These laws include (but are not limited to), the South African Prevention and Combating of Corrupt Activities Act No.12 of 2004, the UK Bribery Act and the U.S. Foreign Corrupt Practices Act.

SBG has developed and implemented an ABC compliance programme which is aligned with global best practice (in particular the ABC guidance that has been issued by the Organisation for Economic Co-operation and Development). Programme activities include periodically conducting risk assessments, and regular updates to the ABC policy. The ABC policy is applicable to all employees of the Group, irrespective of location or jurisdiction.

Furthermore, all SBG staff are required to complete ABC general awareness training annually. Regular reviews of the effectiveness of the ABC programme are conducted in the form of a combined assurance approach to monitoring activities.

Risk Management

The Group's risk management approach ensures consistent and effective management of risk and provides for appropriate accountability and oversight. Risk management is enterprise wide, applied to all entity levels and is a crucial element in the execution of the Group's strategy.

The Group's risk universe represents the risks that are core to its financial services business. The Group organises these into strategic, financial and non-financial categories and identifies its top and emerging enterprise risks. These top and emerging risks require focused management attention as they represent potential material implications for the Group's strategy. The Group regularly scans the environment for changes to ensure that its risk universe remains relevant.

The risk universe is managed through the risk process lifecycle from identification to reporting. The Group's assessment process includes rigorous quantification of risks under normal and stressed conditions up to, and including, recovery and resolution. The annual recovery planning process facilitates proactive consideration by senior management and the SBG Board of appropriate actions that could be taken in the event of severe stress. The recovery plan process enhances the Group's ability to make timely, well-informed decisions to mitigate the risk and impact should a severely adverse scenario arise.

Risk exposures are managed through different techniques and are monitored against a risk appetite that supports the Group's strategy. The Group manages and allocates capital efficiently to grow shareholder value while ensuring that regulatory capital requirements are met.

Risk information is subject to strong data and reporting controls. It is integrated into all business reporting and governance structures. The Group's governance structure enables oversight and accountability through appropriately mandated board and management committees. The three lines of defence model is leveraged to maintain a strong risk culture with an emphasis on doing the right business, the right way.

This is all underpinned by a control environment defined in the Group's risk governance and management standards and policies. Through the embedding of the Group's values and ethics policies, compliance training and whistleblowing programmes, the Group's employees are empowered to act with confidence, drive meaningful behavioural changes and place the client at the centre of everything they do.

Risk Governance

The Group's risk management system is governed by appropriately mandated governance committees and fit-for-purpose governance documents.

Risk governance committees

Governance committees are in place at both a SBG Board and management level. These committees have mandates and delegated authorities that are reviewed regularly. Members have the requisite skills and expertise to manage risk.

The SBG Board subcommittees that are responsible for the oversight of the risk management system comprise the GRCCM, the Group Audit Committee, the GITC, the Group Model Approval Committee, the Group Remuneration Committee, the GSESC and the LECC.

The Group Risk Oversight Committee ("**GROC**"), Group Asset and Liability Committee ("**ALCO**") and Social, Ethics and Sustainability Management Committees ("**SESMCO**") are sub-committees of the Group Leadership Council. GROC provides group-level oversight of all risk types and assists the GRCCM in fulfilling its mandate. As is the case with the GRCCM, GROC calls for and evaluates in-depth investigations and reports based on its assessment of the Group's risk profile and impact of external factors. GROC is chaired by the group chief risk and corporate affairs officer. GROC sub-committees are constituted to support it in discharging its responsibilities as set out in its mandate. Together with its sub-committees, group ALCO is responsible for all matters relating to capital, funding, liquidity, interest rate risk in the banking book and market risk for the Group. It is chaired by the chief finance and value management officer. SESMCO assists.

For further information, see "*How we manage Risk*", "*Strategic Risks*" "*Non-Financial Risks*" and "*Financial Risks*" in the SBG 2023 Risk and Capital Management Report and "*Annexure C – Risk and capital management – IFRS disclosures*" in the SBG 2023 Annual Financial Statements, each of which are incorporated by reference into the Base Prospectus.

DESCRIPTION OF THE STANDARD BANK OF SOUTH AFRICA LIMITED

Overview

The Standard Bank of South Africa Limited ("**SBSA**") is a wholly-owned subsidiary of Standard Bank Group Limited ("**SBG**"). SBSA is a universal bank providing retail, corporate, commercial and investment banking services to individuals and companies across South Africa. SBSA considers itself to be both a strong domestic bank, and a cross-border bank, integrated within SBG's operations and business. SBSA plays a fundamental role in positioning the Standard Bank Group to capitalise on the pace of growth in African markets. As SBG's largest operating entity, SBSA provides balance sheet capacity on which to book deals executed in support of SBG's African strategy. All references herein to "**SBSA Group**" are to SBSA and its subsidiaries and all references to "**Group**" are to SBG and its subsidiaries.

Originally founded in 1862, SBSA was a member of Standard Chartered Bank group ("**Standard Chartered**") until 1987. Since that time, SBSA has focused on positioning itself as a premier universal bank in South Africa. SBG, its parent company is a leading African integrated financial services group offering a full range of banking, investment, insurance and related services.

SBG has been listed on the Johannesburg Stock Exchange ("**JSE**"), operated by JSE Limited, since 1970, with secondary listings on the A2X Markets in South Africa and the Namibian Stock Exchange. As at December 2023, SBSA was the largest operating subsidiary by total assets and income within the Group and represents nearly all of the banking activities within SBG's South African operations.

During 2023, SBG and the SBSA Group carried out structural changes to better serve its clients. The SBSA Group's operating model is client led and structured around its business units, previously referred to as segments, namely: Personal & Private Banking ("**PPB SA**"), Business & Commercial Banking ("**BCB SA**") and Corporate & Investment Banking ("**CIB SA**"). SBSA Group has a central support area, Central and Other, which provides support functions to its business units, such as hedging activities, unallocated capital, liquidity earnings, insurance brokerage and central costs.

Personal & Private Banking SA: The PPB SA business unit offers tailored and comprehensive banking financial services solutions to individual clients across Africa ranging from wealth and investment, to private and personal banking markets. PPB SA's products and services include home loans, vehicle and asset finance, unsecured personal loans, credit card, transactional banking, and forex solutions as well as certain insurance and investment offerings.

Business & Commercial Banking SA: The BCB SA business unit provides broad based client solutions for a wide spectrum of small-and-medium-sized businesses as well as large commercial enterprises across a wide range of industries and sectors. BCB SA provides the following banking solutions: vehicle and asset finance, card and payment facilities, transactional products, lending products and forex solutions.

Corporate & Investment Banking SA: The CIB SA business unit serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally providing clients with sector and regional expertise, specialist capabilities and access to global capital markets for advisory, transactional, risk management and funding support.

SBSA is incorporated in South Africa as a limited liability company and operates under South African law. SBSA's registered address is 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg, PO Box 7725, Johannesburg 2000, South Africa (telephone number: + 27 11 636 9111).

History

SBSA is one of the oldest banks in South Africa having originally been incorporated in London as The Standard Bank of British South Africa Limited in 1862. The word "British" was dropped from SBSA's name in 1883. SBSA commenced operations in Port Elizabeth in 1863 and gradually expanded its geographic area of operation to include the whole of South Africa. In 1962, SBSA was formed and registered as a South African company, operating as a subsidiary of Standard Bank in London (subsequently to become Standard Chartered Bank plc).

SBSA is a wholly-owned subsidiary of SBG, formerly known as Standard Bank Investment Corporation Limited, which was established in 1969 as the holding company for SBSA. SBG continued as a member of Standard Chartered until 1987 when Standard Chartered plc sold its 39 per cent. ownership of SBG to Liberty Group Limited, transferring complete ownership of the holding company to local South African ownership.

Corporate Structure

The Group and relationship with SBSA

SBSA is both a strong domestic bank, which leverages the advantages of its size and scope, and a cross-border bank, fully integrated with the rest of the Group.

SBG is the ultimate holding company of the Group, which is South Africa's largest banking group by assets. SBG is a leading African integrated financial services group offering a full range of banking, investment and insurance and related financial services. SBG's strategic focus is on Africa, and SBG currently operates in 20 countries in sub-Saharan Africa (including South Africa).

The Group's competitive positioning as an African banking group which operates in a number of African countries gives the SBSA Group access to revenue opportunities beyond the borders of South Africa. It also provides commercial opportunities, experience, expertise, and intellectual capital from other SBG entities which both enhances the offering to clients and enables SBSA to better manage risk.

Investors should note that SBG is not a guarantor of, and will not guarantee, any Notes issued by SBSA under the Programme. Investors sole recourse in respect of any Notes issued by SBSA is to SBSA.

See "*Description of Standard Bank Group – Overview*" and "*Description of Standard Bank Group – Corporate Structure*" which are set out on pages 153 to 154 and 154 to 155, respectively, (and are incorporated by reference herein) for further information in relation to SBG and the Group. For further information, see Annexure A "*Subsidiaries, Consolidated and Unconsolidated Structured Entities*" to the SBSA 2023 Annual Financial Statements (which are incorporated by reference herein).

Strategy

SBSA's strategy is aligned with and reflects SBG's strategic focus areas. SBG expresses its corporate purpose as "Africa is our home, we drive her growth".

SBSA's strategic priorities, which are fully aligned to SBG's priorities, are to:

- transform client experience using digital technology and human skill to understand its clients as deeply and empathetically as possible; to help them meet their needs and achieve their goals; and to defend its current client franchise and market position whilst also focusing on expanding its range of services in selected markets;
- execute with excellence by (1) delivering traditional financial services solutions with maximum efficiency and total integrity, (2) developing new solutions, (3) building and maintaining the Group's digital services, and (4) forming partnerships with selected businesses to provide a range of new services; and
- drive sustainable growth and value, where 'sustainable' is understood to mean both 'long-term' and 'environmentally and socially sustainable' and be purposeful in having a positive impact, diligent in allocating resources and delivering attractive shareholder returns.

SBSA has identified the following short - medium term and long-term focus areas:

- revenue growth of upper single digits, return on equity above the cost of equity while achieving the desired cost-to-income ratio targets by 2025;
- attracting and retaining a skilled workforce that will ensure that it realises its strategic priorities while serving its clients;
- continuing to mature its risk management;

- driving inclusive and sustainable economic growth and supporting the transformation;
- defending the SBSA Group's strong market position and growing its franchise where it lags behind;
- leveraging data and its digitisation journey to mature its risk management and deliver its strategic ambitions; and
- ensuring a diverse and inclusive work environment that supports a sense of belonging for all employees.

Positive Impact

Achieving positive impact is integral to SBSA's core business activities and is one of the six value drivers against which it assesses its success. SBSA strives to understand the needs and challenges of Africa's people and to deliver solutions to address these challenges. SBSA has identified four core areas of impact, informed by the global priorities identified by the United Nations Sustainable Development Goals, African priorities identified by the African Union's Agenda 2063, priorities identified in development agendas and sustainability frameworks in its countries of operation, and the commitments made in the Paris Climate Agreement.

The four core areas of impact are:

- financial inclusion – which is to be achieved by providing:
 - relevant, accessible, cost-effective financial products and services, including digital products and services accessible without a bank account;
 - access to finance, training, networking and market opportunities for SMEs to promote sustainability and growth;
 - solutions that are tailored to the needs of young people, including student finance and affordable, unsecured student loans;
 - consumer education to support individuals and business owners to effectively manage, save and plan ahead; and
 - affordable mortgage finance and partnerships with government to expand affordable housing stock.
- enterprise growth and job creation – which is to be achieved by providing:
 - support for improved productivity, profitability and food security in the agriculture value chain; and
 - support for game-changing start-ups in the fintech, healthtech, agritech and logistics sectors to launch and/ or scale their businesses.
- infrastructure development and the just energy transition – which is to be achieved by providing:
 - finance for renewable energy infrastructure and being a leading enabler of Africa's energy transition; and
 - finance for developmental infrastructure, including energy, water, transport and telecommunications infrastructure, while ensuring environmental and social risks are appropriately managed and minimised.
- climate change mitigation and resilience – which is to be achieved by providing:
 - sustainability-linked lending and investment solutions for corporate clients;
 - support for agribusiness clients to strengthen climate resilience;
 - solutions for homeowners and business owners to strengthen climate resilience; and

- skills development to enable SBSA's people to support its clients on their transition journeys.

Competitive Strengths

SBSA believes that it has the following competitive strengths:

Market position in key products

SBSA offers a wide range of retail, wealth, commercial and investment banking products and is one of the four major South African banks. According to the SARB BA 900 Filings as at 31 December 2023, SBSA held a market share of 34.1 per cent. of mortgage lending at 31 December 2023 (compared to 34.8 per cent. as at 31 December 2022), 18.9 per cent. of vehicle and asset finance at 31 December 2023 (compared to 19.8 per cent. as at 31 December 2022), 22.8 per cent. of card debtors at 31 December 2023 (compared to 24.8 per cent. as at 31 December 2022), 22.1 per cent. of other loans and advances as at 31 December 2023 (compared to 21.3 per cent. as at 31 December 2022), 22.5 per cent. of deposits at 31 December 2023 (compared to 22.5 per cent. as at 31 December 2022) and 23.7 per cent. of deposits at 31 December 2023 (compared to 24.0 per cent. as at 31 December 2022). According to the SARB BA 900 Filings as at 31 December 2023, SBSA's market share in mortgage loans and corporate priced deposits are the largest of the four major South African banks.

A universal financial services company with a strong fit-for-purpose franchise, a modern digital core and diverse client base, service offering and revenue sources

SBSA's franchise strength is underpinned by its strong, recognised and trusted brand, its strong, long-standing client relationships, the calibre of its employees and a fit-for-purpose physical distribution network and digital platforms. SBSA has invested significantly in technology and digital capabilities to improve client experience and operational efficiency to enhance its competitive advantage.

SBSA is able to generate revenue from sources that are well-diversified across clients, sectors, and product groups, which provides SBSA with a level of protection in times of volatility.

Robust capital and liquidity position

SBSA's strong and liquid balance sheet provides flexibility to manage uncertainty, change, innovation and growth. SBSA has access to diverse and sophisticated liquidity sources for senior funding and capital requirements.

Experienced management team

SBSA operates within strong corporate governance and assessment frameworks, and within a sophisticated, Basel III compliant regulatory framework. SBSA's senior management has experience both at SBSA and at other institutions throughout the banking industry. SBSA's position in the market has allowed it to attract top managers from across the industry, both domestically and abroad. Managers are dedicated to the goals of the institution. A compensation structure that includes both short and long-term incentive plans assists in retaining key managers and leads to continuity in business operations.

Position within Standard Bank Group

SBSA is both a strong domestic bank, which leverages the advantages of its size and scope, and a cross-border bank, fully integrated with the rest of the Group.

The Group's competitive positioning as an African bank which operates in several African countries gives SBSA access to revenue opportunities beyond the borders of South Africa. It also provides commercial opportunities, experience, expertise, and intellectual capital from other Group entities to SBSA which both enhances the offering to clients and enables SBSA to better manage risk.

Appetite to invest and partner

SBSA has the resources and appetite to expand organically through partnerships and alliances.

Targeted technology investments enabling competitiveness and resilience

SBSA has made targeted investments in technology to reinforce its competitive position, increase the resilience of its systems and increase productivity. For more information see "*Description of Standard Bank of South Africa – Strategy*" above.

Business of SBSA

SBSA is a universal bank providing retail, corporate, commercial and investment banking services to individuals and companies across South Africa. SBSA has a broad franchise and is active in almost all banking markets in South Africa. SBSA's operating model is structured around its business units, PPB SA, BCB SA and CIB SA. A central support area, Central and Other provides support functions to these business units.

SBSA's balance sheet is an important resource for the Group. Foreign currency transactions that are too large to be booked solely on the Group's Africa Region subsidiaries balance sheets, are funded by SBSA. This increases capital utilisation in South Africa. SBSA therefore is not directly comparable with some of its domestic competitors as it carries assets from entities outside South Africa on its balance sheet. Additionally, as a result of SBSA constituting SBG's largest operating entity, it bears costs on its income statement that are attributable to SBG as well as related revenues where applicable.

Overview of SBSA Group results

In 2023, the South African operating environment was characterised by persistent challenges including continued loadshedding, underperforming rail and port infrastructure, as well as low business and consumer confidence which weighed on economic growth. Average consumer price inflation for the year ended 31 December 2023 was within the Monetary Policy Committee target range at 5.9 per cent. (compared to 6.9 per cent. for the year ended 31 December 2022) with interest rates increasing by 1.25 per cent. from 7.0 per cent. to 8.25 per cent. Global growth slowdown and rising geopolitical tensions placed further strain on the economy.

Given the strain in the South African operating environment during the year ended 31 December 2023, SBSA's headline earnings grew by 3 per cent. to R16,756 million with a return on equity of 14.6 per cent. (compared to 15.2 per cent. for the year ended 31 December 2022). SBSA contributed 39 per cent. towards SBG's earnings performance (compared to 48 per cent. for the year ended 31 December 2022). Headline earnings were constrained by higher credit impairment charges, as well as higher operating expenses growth. For the year ended 31 December 2023, operating expenses of 16.4 per cent. outpaced total net income growth of 13.4 per cent. which resulted in negative jaws of 2.9 per cent. and a cost-to-income ratio of 60.4 per cent. (compared to 58.8 per cent. for the year ended 31 December 2022).

Balance sheet metrics remained strong for the year ended 31 December 2023, with a CET1 capital ratio of 12.7 per cent., liquidity coverage ratio of 127.4 per cent. and net stable funding ratio of 107.0 per cent., all above the regulatory minimum requirements and board-approved targets. Capital optimisation initiatives focused on a combination of demand and mix of the portfolio after considering the appropriateness of buffers and future changes in regulations. Contingent liquidity buffers remained adequate in catering for internal as well as regulatory stress testing requirements. Deposit diversification across the South African ZAR and foreign currency funding portfolio supported competitive funding costs while sustainably underpinning client lending growth in key sectors.

Gross loans and advances to customers increased by 8 per cent. for the year ended 31 December 2023, supported by strong energy transition and sustainable finance loan origination in the corporate portfolio, together with an increased demand for trade facilities as client activity increased. The higher average interest environment curbed disbursements and pay-outs which resulted in muted loan growth in home services, vehicle and asset finance, and lending solutions albeit off a high base. The SBSA Group continued to support clients in the strained environment through heightened engagement and relevant solutions. Risk appetite was managed robustly, and collection optimisation strategies are yielding effective outcomes.

Deposits and debt funding from customers increased by 7 per cent. for the year ended 31 December 2023, mainly due to targeted client acquisition and retention strategies, as well as pricing of product offerings which led to good growth in call, term and cash management deposits of 10 per cent. Growth in current and savings accounts softened as households increasingly relied on quick access to liquidity due to economic pressures which reduced disposable income.

For the year ended 31 December 2023, net interest income grew by 16 per cent. to R54,555 million, supported by growth in average interest-earning assets and average interest-bearing liabilities, together with positive endowment in a higher average interest rate environment which led to margin expansion. This was partially offset by pricing pressures in a competitive market.

Net fee and commission revenue increased by 6 per cent. to R21,637 million for the year ended 31 December 2023 due to a higher active client base, good growth in transactional volumes linked to travel and e-commerce, and annual price increases. In addition, client acquisitions and new client deals delivered improved cash transaction volumes from corporates in Transaction banking. This was partially offset by higher US dollar Mastercard and Visa expenses in line with increased transactional activity and a weaker ZAR against the USD.

For the year ended 31 December 2023, strong trading revenue growth of 15 per cent. to R9,847 million was achieved on the back of client demand for foreign exchange, increased structured funding and good risk management in a volatile environment. This was partially offset by lower commodities revenue due to the non-recurrence of prior period gains on the back of higher commodity prices.

Other revenue increased by 18 per cent. to R5,588 million for the year ended 31 December 2023, mainly due to a marked increase in vehicle and asset finance fleet rental income on the back of higher volumes on long-term rentals.

For the year ended 31 December 2023, other gains and losses on financial instruments increased by 8 per cent. to R2,463 million in line with asset growth in the fair value portfolio.

Credit impairment charges grew by 34 per cent. to R13,256 million for the year ended 31 December 2023. The key drivers of the increase included an 8 per cent. growth in gross loans and advances to customers, new corporate defaults, provisioning linked to rapid interest rate hikes and the non-recurrence of prior year credit recoveries in the payment holiday portfolio. Notwithstanding the additional provisions raised, the credit loss ratio remained within the portfolio's through-the-cycle target range of 70 – 100bps with the credit loss ratio increasing to 98bps (compared to 79bps for the year ended 31 December 2022).

Operating expenses grew by 16 per cent. to R56,392 million for the year ended 31 December 2023 driven by annual salary increases, an increase in skilled employee complement, as well as higher performance-linked variable remuneration that resulted in higher deferred incentive provisions. Continued investment in technology costs to support client experience, improve business agility by migrating to cloud software, the impact of a weaker ZAR on US dollar contracts, higher fuel and maintenance costs related to electricity shortages. The optimisation of the distribution network continues to be an important lever in reducing the cost to serve clients with a 4 per cent. reduction in branch square meterage in 2023 compared against 2022, while increasing points of representation through the rollout of low-cost kiosks.

SBSA continues to focus on driving sustainable growth in South Africa by utilising its strong balance sheet position to grow market share in selected segments. SBSA will continue to support its clients to navigate through the challenging macroeconomic environment and be a partner for enabling the energy transition in the country.

The following table shows selected ratios for SBSA Group as at, and for the years ended, 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
Income statement		
Total net income (Rm)	94,090	82,950
Headline earnings (Rm)	16,756	16,256
Profit for the year attributable to ordinary shareholders (Rm)	16,779	16,023
Statement of financial position		
Gross loans and advances (Rm)	1,397,103	1,300,172
Total assets (Rm)	1,966,580	1,850,040
Total liabilities (Rm)	1,826,050	1,724,217
Stage 3 loans ³ (Rm)	85,007	66,707
Stage 1 and 2 credit impairment /charge ² /(release) (Rm)	1,331	1,544
Stage 3 credit impairment charge (Rm)	11,782	8,434
Credit loss ratio (per cent.)	0.98	0.79
Non-performing exposures ratio (per cent.)	6.1	5.1
Return on equity (per cent.)	14.6	15.2
Loans-to-deposit ratio (per cent.)	84.4	84.5
Cost-to-income ratio (per cent.)	60.4	58.8

² Stage 1 & 2: SBSA uses a 25-point master rating scale to quantify each borrower's credit risk (corporate asset classes) or facility (specialised lending and retail asset classes). Exposures within Stage 1 and 2 are rated between 1 to 25 in terms of SBSA's master rating scale.

³ Stage 3: SBSA uses a 25-point master rating scale to quantify each borrower's credit risk (corporate asset classes) or facility (specialised lending and retail asset classes). Exposures which are in default are not considered in the 1 to 25-point master rating scale.

The table below presents the SBSA Group's principal sources of income for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(Rm)</i>	<i>(Rm)</i>
Net interest income	54,555	46,911
Non-interest revenue	39,535	36,039
Net fee and commission revenue	21,637	20,416
Trading revenue	9,847	8,590
Other revenue	5,588	4,755
Other gains and losses on financial instruments	2,463	2,278
Total net income	94,090	82,950

¹ For further information on Other gains and losses on financial instruments, refer to page 127 of the SBSA's Annual Financial Statements.

SBSA's Business Units – overview of results

The SBSA Group's operating model is structured around its business units, which are responsible for designing and executing the client value proposition. This enables the SBSA Group to deliver integrated and seamless financial services that meet individual client needs, reducing the time and the costs of serving them and innovating more quickly and efficiently.

The following table shows the contribution of the different business units within SBSA Group:

	Personal & Private Banking SA ₁		Business & Commercial Banking SA ₁		Corporate & Investment Banking SA ₁		Central and Other ₁	
	31 December		31 December		31 December		31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
	<i>(Rm)</i>							
Total assets	587,124	582,665	130,302	131,017	1,228,597	1,119,168	20,557	17,190
Headline Earnings	6,299	6,672	5,643	4,723	7,255	5,943	(2,441)	(1,082)

¹Where reporting responsibility for individual cost centres and divisions within business units change, the segmental analyses' comparative figures are classified accordingly.

PPB SA – overview of results

PPB SA showed great resilience despite the challenging operating environment, as reflected in continued pressure on personal incomes. For the year ended 31 December 2023, the PPB SA franchise grew the active client base by 6 per cent. to 11.4 million and continued to deepen relationships with its customers. Headline earnings of R6,299 million were 6 per cent. lower in 2023 than in 2022. Total income growth of 9 per cent. for the year ended 31 December 2023 was dampened by higher credit impairment charges in 2023 growing 34 per cent. compared to 2022. This was largely due to consumer strain linked to the elevated interest and inflationary environment, increased non-performing loans and the non-recurrence of prior year's recoveries in the payment holiday portfolio.

As its clients continue to face challenges, PPB SA is committed to supporting them by providing the right products and services, while ensuring that a robust risk management and collection strategy is in place. Optimisation of the distribution network continues to be an important lever in reducing SBSA's cost to serve customers, with a 4 per cent. reduction in square meterage for the year ended 31 December 2023 compared to the year ended 31 December 2022, while SBSA increased its points of representation by 10 per cent. to 652 through low-cost kiosks to continue to provide its clients with physical access.

BCB SA – overview of results

BCB SA recorded headline earnings of R5,643 million for the year ended 31 December 2023 (an increase of 19 per cent. compared to for the year ended 31 December 2022), with total income growth of 14 per cent. This performance was underpinned by solid growth in deposits and continued active client growth. Loans and advances recorded muted growth as a result of challenging economic conditions and strain experienced in the agriculture sector. BCB SA's products and services include vehicle and asset financing, unsecured personal loans, credit card facilities, transactional banking services, international trade and foreign exchange services.

CIB SA – overview of results

The CIB SA franchise recorded headline earnings growth of 22 per cent. to R7,255 million for the year ended 31 December 2023. This was mainly supported by strong loan origination driven by the energy transition strategy, and the demand for sustainable finance. Deposits and debt funding from customers grew by 7 per cent. for the year ended 31 December 2023, due to increased client deposits in its Transaction banking SA business. This performance, as well as positive endowment in a higher average interest rate environment resulted in net interest income growth of 25 per cent. for the year ended 31 December 2023. Non-interest revenue increased by 12 per cent. for the year ended 31 December 2023, mainly due to strong trading revenues, particularly in the first half of 2023 with increased client activity and liquidity management opportunities in volatile markets.

Central and Other

Central and Other houses SBSA Group hedging activities, unallocated capital, liquidity earnings, insurance brokerage and central costs.

Loan Portfolio

Introduction

The SBSA Group extends advances to the personal, commercial and corporate sectors as well as to the public sector. Advances to individuals are mostly in the form of mortgages, vehicle and asset finance, card lending and overdrafts. A significant portion of SBSA's advances to commercial and corporate borrowers consist of advances made to companies engaged in manufacturing, finance and service industries.

Loan portfolio by category of loans and advances

The following table sets out the composition of SBSA's advances by category of loan or advance as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	(Rm)	(Rm)
Loans and advances measured at fair value	715	664
Net loans and advances measured at amortised cost	1,343,083	1,254,305
Gross loans and advances measured at amortised cost	1,396,388	1,299,508
Home services	444,438	436,952
Vehicle and asset finance	114,123	108,303
Card and payments	38,285	37,698
Personal and unsecured lending	58,512	51,020
Business lending and other	82,738	95,279
Corporate and sovereign	472,066	399,001
Bank ¹	186,226	171,255
Expected credit losses	(53,305)	(45,203)
Net loans and advances	1,343,798	1,254,969
Comprising:		
Gross loans and advances	1,397,103	1,300,172
Less: Expected credit losses	(53,305)	(45,203)

¹ Included in Bank is an amount of R19,563 (2022: R10,657) relating to on demand gross loans and advances to banks that qualifies as cash and cash equivalents (Note 39.5) for group and company.

Loan portfolio by industry sector

The following table sets out the composition of SBSA's advances by industry sector as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	(Rm)	(Rm)
Segmental analysis – industry		
Agriculture	32,269	29,821
Construction	8,619	10,187
Electricity	38,005	27,264
Finance, real estate and other business services	438,216	364,983
Individuals ¹	598,590	589,477
Manufacturing	73,524	61,055
Mining	38,458	40,890
Transport	43,331	50,175
Wholesale	81,023	76,979
Other services	45,068	49,341
Gross loans and advances	1,397,103	1,300,172

¹ Includes mortgages.

Geographical concentration of loans

The following table sets out the distribution of SBSA's loans and advances by geographic area where the loans are recorded as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022 ¹
	(Rm)	(Rm)
Segmental analysis by geographic area		
South Africa	1,104,661	1,046,801
Africa Regions	106,434	85,254
International	186,008	168,117
Gross loans and advances	1,397,103	1,300,172

Credit impairments for loan and advances

The tables below present a reconciliation of the credit impairments for loans and advances for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	(Rm)	(Rm)
Opening Expected Credit Losses ("ECL") - 1 January	45,203	41,481
Net ECL raised and released	12,635	10,043
Impaired accounts written off	(8,077)	(8,563)
Exchange and other movements	3,544	2,242
Closing ECL - 31 December	53,305	45,203
Comprising:		
Stage 1 ECL	4,962	4,724
Stage 2 ECL	9,013	8,135
Stage 3 ECL	39,330	32,344
Closing ECL – 31 December 2023	53,305	45,203

The table below sets out a segmental analysis of expected credit losses on stage 3 loans and advances by industry as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	(Rm)	(Rm)
Segmental analysis of stage 3 expected credit losses by industry		
Agriculture	944	505
Construction	945	765
Electricity	829	556
Finance, real estate and other business services	4,218	2,810
Individuals	27,142	22,711
Manufacturing	1,906	1,673
Mining	202	96
Transport	745	975
Wholesale	1,486	1,394
Other services	913	859
Credit impairment on non-performing loans	39,330	32,344

The table below sets out a segmental analysis of stage 3 expected credit losses on loans and advances by geographic area as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(Rm)</i>	<i>(Rm)</i>
Segmental analysis by geographic area		
South Africa	37,216	30,770
Africa Regions	1,765	1,282
International	349	292
Credit impairment on non-performing loans	39,330	32,344

The following table presents the stage 3 exposures ratios for SBSA's products for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	<i>(per cent.)</i>	<i>(per cent.)</i>
Stage 3 exposures ratios:		
Home services	9.3	7.0
Vehicle and asset finance	8.8	7.4
Card payments	10.6	8.4
Personal unsecured lending	17.6	14.9
Business lending and other	8.0	7.1
Corporate and sovereign	2.7	2.6
Bank		
Central and Other		
Stage 3 exposures ratio	6.1	5.1

Credit portfolio characteristics and metrics

For further information on SBSA's approach to managing and measuring credit risk and SBSA's credit portfolio characteristics and metrics, see "Annexure C – IFRS Risk and Capital Management Disclosures" in the SBSA 2023 Annual Financial Statements, which is incorporated by reference into the Base Prospectus.

Governance

SBSA's governance framework is derived from SBG's governance framework. This governance framework enables the board of directors of SBSA (the "**SBSA Board**") to balance its role of providing risk oversight and strategic counsel with ensuring adherence to regulatory requirements and risk tolerance.

The SBSA Board is ultimately responsible for governance. The chairman is an independent non-executive and the roles of chairman and chief executive are separate. The SBSA Board composition is both qualitatively and quantitatively balanced in terms of skills, demographics, gender, nationality, experience and tenure. There is a clear division of responsibilities ensuring that no one director has unfettered powers in the decision-making process.

The SBSA Board has delegated certain functions to its committees in line with its governance framework. This enables the SBSA Board to allocate sufficient time to all matters within its sphere, including execution of strategy and forward-looking agenda items. Each committee has a mandate, which the SBSA Board reviews at least once a year. Mandates for each committee set out its role, responsibilities, scope of authority, composition, terms of reference and procedures. The SBSA Board's committees include the directors' affairs committee; audit committee; risk and capital management committee; and SBSA large exposure credit committee. The SBSA Board monitors oversight over compliance through its SBSA Board committees. The SBSA Board has delegated the management of the day-to-day business and affairs of SBSA to the chief executive. The executive committee assists the chief executive, subject to statutory parameters and matters reserved for the SBSA Board.

SBSA 's board-approved governance framework is embedded in all its operations and is designed to provide clear direction for responsive decision-making and to support responsible behaviour.

The King IV Report on Corporate Governance for South Africa 2016 forms the cornerstone of the Group's governance approach. The SBSA Group's application of its principles is embedded throughout its governance framework, allowing the SBSA Group to achieve the good governance principles of ethical culture, good performance, effective control and legitimacy. The SBSA implements its framework principles to:

- ensure the pursuit of strategic opportunities within the board-approved risk appetite, supporting a prudent balance of risk and return;
- provide controls that are effective in avoiding financial loss or reputational damage due to misconduct or unethical behaviour;
- embed the principle of doing the right business, the right way and ensuring ethical business practices are embedded within and across the SBSA Group's markets; and
- support the SBSA Group's legitimacy as a responsible corporate citizen, enhancing the resources and relationships it relies on today for the future benefit of the SBSA Group, its clients, employees, stakeholders and society.

SBSA's ability to anticipate and respond effectively to change underpins its governance philosophy and supports the acceleration of its strategy, including how the board provides counsel and oversight.

SBSA's philosophy supports the digital enablement of governance, allowing it to adequately introduce new operating models, understand the opportunities and risks associated with accelerating the strategy and managing constraints, and effectively allocating its resources in an ever-changing world to deliver and protect sustainable shared value.

Board of Directors

The current members of the SBSA Board are listed below (effective 28 June 2024):

Name	Title	Year Joined SBSA Board
Lungisa Fuzile	Chief executive officer, executive director, SBSA	2018
Sim Tshabalala	Executive director, SBG and SBSA	2008
Arno Daehnke	Executive director, SBG and SBSA	2016
Nonkululeko Nyembezi	Chairman, independent, non-executive director SBG and SBSA	2020
Martin Oduor – Otieno	Independent, non-executive director, SBG and SBSA	2016
Trix Kennealy	Independent, non-executive director, SBG and SBSA	2016
Geraldine Fraser-Moleketi	Independent, non-executive director, SBG and SBSA	2016
Jacko Maree	Independent, non-executive director, SBG and SBSA	2016
Nomgando Matyumza	Independent, non-executive director, SBG and SBSA	2016
Paul Cook	Independent, non-executive director, SBG and SBSA	2021
Ben Kruger	Independent, non-executive director, SBG and SBSA	2022
Lwazi Bam	Independent, non-executive director, SBG and SBSA	2022
Sola David-Borha	Independent, non-executive director, SBG and SBSA	2024
Li Li	Non-executive director, SBG and SBSA	2021

Changes to the SBSA's Board

Two non-executive directors, Kgomotso Moroka and John Vice, retired from the SBSA Board on 25 May 2023.

The SBSA board appointed Sola David-Borha as non-executive director of SBSA with effect from 13 March 2024 and she was reclassified as an independent director from 23 May 2024.

Atedo Peterside and Dr Xueqing Guan retired at the close of the Annual General Meeting held on 23 May 2024.

The business address of the members of the SBSA Board is SBSA's registered address, 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg 2001, PO Box 7725, Johannesburg 2000, South Africa.

The SBSA Board has the same membership as that of SBG, except for Lungisa Fuzile, chief executive, SBSA.

Conflicts of Interest

In accordance with paragraph 7.4, 7.5 and 7.6 of the JSE Debt Listings Requirements and in addition to the requirements of Section 75 of the Companies Act 71 of 2008, SBG and SBSA directors' interests are disclosed quarterly at the start of SBG and SBSA Board and SBSA Board committee meetings. These disclosures include a register of all personal financial interests as well as any declarations of interest in matters on the agenda and in SBSA Board and SBSA Board committee papers that may constitute, or be perceived to constitute, a potential conflict of interest. All conflicts of interest are considered and managed by the SBSA Board/SBSA Board committees in terms of the Management of Conflicts of Interests Policy as published on the Group's website.

Employees

For the year ended 31 December 2023, the SBSA Group had 29,712 permanent employees (compared to 28,871 permanent employees for the year ended 31 December 2022).

Competition

Competitors

As at 31 December 2023, there were 14 locally controlled banks, 4 foreign controlled banks, 4 mutual banks, 11 local branches of foreign banks and 28 foreign banks with approved representative offices in South Africa. According to the SARB BA 900 report for 31 December 2023, the banking sector in South Africa had total assets of R7.6 trillion as at 31 December 2023. SBSA's principal competitors are Absa Bank Limited, FirstRand Bank Limited, and Nedbank Limited. Apart from SBSA, these represent the largest banks in South Africa. The following table sets out total assets and capital and reserves for each as at 31 December 2023.

	Total Assets	Capital and reserves
	<i>(Rm)</i>	<i>(Rm)</i>
Absa Bank Limited	1,533,059	102,732
FirstRand Bank Limited	1,638,745	108,696
Nedbank Limited	1,213,594	78,935
The Standard Bank of South Africa Limited	1,870,751	121,006

Source: BA 900 filings – SARB, 31 December 2023

SBSA operates in a highly competitive environment. The economic pressures experienced in developed economies have caused banks based in those jurisdictions to seek out growth opportunities within South Africa. As banks in developed economies are often able to benefit from lower costs of funding, this has resulted in greater competition for SBSA within South Africa and other emerging markets.

Capital Adequacy

SBSA's capital management function is designed to ensure that regulatory requirements are met at all times and that SBSA is capitalised in line with its risk appetite and target ranges, both of which are approved by the SBSA Board. It further aims to facilitate the optimised allocation and use of capital, such that it generates a return that appropriately compensates shareholders for the risks incurred. Capital adequacy is actively managed and forms a key component of SBSA's planning and forecasting process. The capital plan is tested under a range of stress scenarios.

The PA adopted the Basel III framework, subject to certain phase-in provisions as provided by the BCBS from 1 January 2013. From 1 January 2019 the requirements that were subject to phase-in provisions have been fully implemented.

South African minimum Basel III capital requirements were 8.5 per cent. for CET 1, 10.75 per cent. for tier 1 and 14.0 per cent. for total capital adequacy in 2023. These minimums exclude the countercyclical buffer, which was not announced as a requirement for South Africa for the 2023 financial year, and confidential bank-specific pillar 2b capital requirements but include the maximum potential domestic systemically important bank ("**D-SIB**") requirement of 2.5 per cent. The PA has announced its intention, subject to industry comment, to introduce a positive cycle neutral countercyclical buffer of 1 per cent. effective from 1 January 2026 with phase-in requirements from 1 January 2025.

The PA announced a further delay in implementation of the Finalisation of Post Crisis Reforms to 1 July 2025 from 1 January 2024. SBSA continues to analyse the potential impact of these rules on the capital adequacy ratios, systems and processes of the bank while engaging with the PA on areas of national discretion specified by the BCBS together with items requiring further clarification.

SBSA manages its capital levels to support business growth, maintain depositor and creditor confidence, create value for shareholders, and ensure regulatory compliance. The main regulatory requirements to be complied with are those specified in the Banks Act and related regulations, which are aligned with Basel III.

Regulatory capital adequacy is measured through three risk-based ratios, namely common equity tier 1, tier 1 and total capital adequacy ratios which are calculated on the following basis:

- Common equity tier 1: ordinary share capital, share premium, retained earnings, other reserves and qualifying non-controlling interest less regulatory deductions impairments divided by total RWA.
- Tier 1: common equity tier 1 and other qualifying non-controlling interest plus perpetual, non-cumulative instruments with either contractual or statutory principal loss absorption features that comply with the Basel III rules divided by total RWA.
- Total capital adequacy: tier 1 plus other items such as general credit impairments and subordinated debt with either contractual or statutory principal loss absorption features that comply with the Basel III rules divided by total RWA.

RWA are calculated in terms of the Banks Act and related regulations, which are aligned with Basel III.

The SARB adopted the leverage framework that was issued by the BCBS in January 2014 with the minimum leverage ratio being set at 4 per cent. During 2023, the PA proposed a leverage ratio buffer requirement for D-SIB banks in South Africa equal to 50 per cent. of higher loss absorbency requirements imposed on a D-SIB's CET 1 ratio, effective from 1 January 2025. This will increase SBSA's minimum leverage ratio requirement to 4.5 per cent. effective from 1 January 2025.

The non-risk-based leverage measure is designed to complement the Basel III risk-based capital framework. SBSA's leverage ratio inclusive of unappropriated profit was 6.5 per cent. as at 31 December 2023 (compared to 5.9 per cent. as at 31 December 2022).

For further information, see the SBG 2023 Risk and Capital Management Report which is incorporated by reference into the Base Prospectus.

The following table sets out SBSA's Tier 1 and Tier 2 capital excluding unappropriated profit for the years ended 31 December 2023 and 31 December 2022:

Basel III qualifying capital excluding unappropriated profits

	31 December	
	2023	2022
	(Rm)	(Rm)
Ordinary shareholders' equity	121,715	111,081
Regulatory adjustments	(7,451)	(8,206)
Goodwill	(48)	(42)
Other intangible assets	(6,520)	(7,483)
Other adjustments	(883)	(681)
Unappropriated profits	(7,974)	(9,122)
CET 1 capital	106,290	93,753
Qualifying other equity instruments	18,661	14,098
Tier 1 capital	124,951	107,851
Qualifying Tier 2 subordinated debt	25,682	24,594
General allowance for credit impairments	3,594	2,674
Less: regulatory adjustments - investment in Tier 2 instruments in other banks	(3,862)	(3,125)
Tier 2 capital	25,414	24,143
Total regulatory capital	150,365	131,994

Source: Extracted from page 95 of SBG's FY2023 Investor Booklet

Basel III risk-weighted assets and associated capital requirements

	RWA		Minimum capital
	2023	2022	2023
	(Rm)	(Rm)	(Rm)
Credit risk (excluding counterparty credit risk (CCR))	653,053	619,503	84,897
Of which: standardised approach ²	51,649	55,709	6,714
Of which: internal rating-based (IRB) approach	601,404	563,794	78,183
CCR	35,469	35,939	4,611
Of which: standardised approach for CCR	34,304	34,988	4,460
Of which: other CCR	1,165	951	151
CVA	9,746	14,037	1,267
Equity positions in banking book under market-based approach	2,951	3,419	384
Equity investment in funds - look through approach	712	1,143	93
Equity investment in funds - mandate-based approach	4,650	3,145	605
Equity investment in funds - fall-back approach	204	252	27
Securitisation exposures in banking book	1,315	905	171
Of which: Internal Ratings-Based Approach (SEC-IRBA)	792	534	103
Of which: External Ratings-Based Approach (SEC-ERBA)	523	371	68
Market risk	53,344	50,675	6,935
Of which: standardised approach	25,135	30,911	3,268
Of which: internal model approach (IMA)	28,209	19,764	3,667
Operational risk	117,122	103,860	15,226
Of which: standardised approach	32,125	19,304	4,176
Of which: advanced measurement approach (AMA)	84,997	84,556	11,050
Amounts below the thresholds for deduction (subject to 250 per cent. risk)	20,128	18,633	2,617
Total	898,694	851,511	116,333

¹ Measured at 13.0 per cent. and excludes any bank-specific capital requirements. SBSA's D-SIB buffer requirement amounts to 1.5 per cent., of which 1.0 per cent. is required to be held in CET 1. There is currently no requirement for the countercyclical buffer add-on in South Africa or in other jurisdictions in which SBSA has significant exposures.

² Portfolios on the standardised approach relate to portfolios for which application to adopt the internal model approach has not been submitted, or for which application has been submitted but approval has not been granted.

Source: Extracted from SBG's 2023 Risk and Capital Management Report

The following table details SBSA's capital adequacy ratios for the years ended 31 December 2023 and 31 December 2022 on a Basel III basis:

Capital Adequacy Ratios

	Internal target ranges ¹	SARB minimum regulatory requirement ²	Excluding unappropriated profits		Including unappropriated profits	
			2023	2022	2023	2022
	(per cent.)	(per cent.)	(per cent.)	(per cent.)	(per cent.)	(per cent.)
CET 1 capital adequacy ratio	>11.0	8.5	11.8	11.0	12.7	12.1
Tier 1 capital adequacy ratio	>12.0	10.75	13.9	12.6	14.8	13.7
Total capital adequacy ratio	>15.0	13.0	16.7	15.5	17.6	16.6

¹ Including unappropriated profits.

² Excluding confidential bank specific requirements.

Source: This information has been extracted from the SBG FY 2023 Investor Booklet.

For further information, see "Annexure C – Risk and Capital Management – IFRS disclosures" set out in SBSA 2022 Annual Report which are incorporated by reference into this Base Prospectus.

Climate Policy

The Group is committed to supporting the reduction of greenhouse gas emissions while enabling a just transition that balances access to electricity, energy security, food security, economic growth and human development with the decarbonisation required to mitigate the impacts of climate change.

The Group's climate policy, published in 2022, applies to all its business units and subsidiaries, including SBSA. The climate policy commits the Group to achieving net zero carbon emissions from its own operations for newly built facilities by 2030, for existing facilities by 2040 and from its portfolio of financed emissions by 2050. The Group interprets "net zero" to mean that greenhouse gas emissions produced are balanced by absorbing or removing an equivalent amount from the atmosphere. To achieve a just transition toward net zero, the Group applies several complementary approaches including:

- setting targets to increase mobilisation of sustainable finance solutions, including for mitigation of and adaptation to climate change;
- setting limits for loans and advances to high emitting sectors (thermal coal, upstream oil, coal-fired power plants, oil-generated power plants and standalone gas-fired power plants) as a percentage of total group loans and advances;
- developing methodologies to measure its financed emissions in specific sectors, in order to set appropriate targets for reduction of financed emissions in due course;
- engaging with clients, requiring clients in high emitting sectors to provide emissions reduction strategies in advance of financing, and supporting clients in their climate transition commitments; and
- monitoring clients' commitments as part of their transition.

In 2022, the Group set initial climate targets and commitments, expressed in terms of lending exposure, for sustainable finance, renewable energy, gas, oil and thermal coal and coal-fired power generation. Commitments and targets were published for additional sectors in 2023, namely residential real estate and personal lending, commercial real estate, and short-term insurance. The Group intends to publish commitments and targets for additional sectors in 2024 and 2025.

SBSA seeks to engage with clients to support their transition toward net zero through a variety of sustainable finance solutions including the use of proceeds and sustainability-linked instruments. The Group's five-year target is to mobilise a cumulative amount of over R250 billion in sustainable finance by the end of 2026. This includes R50 billion of financing for renewable energy power plants and to underwrite the financing of a further R15 billion of renewable energy power plants over the same period.

The Group publishes updates on its progress on the achievement of its climate targets in its annual reporting. The Group will review and update its climate policy, and associated targets and commitments, in 2024, as per its commitment to review the policy at least every three years.

Legal Proceedings

There are no governmental, legal or arbitration proceedings (nor are there any such proceedings which are pending or threatened of which SBSA is aware) during the 12 months prior to the date of this Base Prospectus which may have, or have had, in the recent past a significant effect on the financial position or profitability of SBSA and/or the SBSA Group. SBSA and its subsidiaries have sued and are defendants in a number of legal proceedings incidental to their operations. While any litigation has an element of uncertainty, SBSA does not expect that the outcome of any such proceeding, either individually or in aggregate, will have a material adverse effect upon the SBSA Group's consolidated financial position or results.

SBSA Technology Capability

With the significant impact of the digital revolution, consumers and businesses are being forced to change the way they interact. Technology is central to SBSA's ability to adapt to a changing world and create sustainable long-term value for SBSA's stakeholders. SBSA regards technology as a strategic asset which supports, sustains and enables growth and operational excellence.

SBSA's technology strategy is aligned to, and a key enabler of, SBSA's strategic vision. The key elements of SBSA's technology strategy are focused on embedding a client-centric culture which is aimed at ensuring that SBSA's systems are "always on" (available to its customers) and secure (through managing the risk of unauthorised security breaches), systems adopt a platform business view, enabling the digital transformation of SBSA, driving the simplification of SBSA's systems, and in having the right employees to deliver on the strategy.

SBSA placed considerable emphasis in 2023 on managing its third parties as cyber and information risks were trending across the industry. SBSA adopted threat profiling, dark web risk mitigation strategies and assessed operational readiness of critical third-parties to mitigate cyber threats and information risks that may emerge. SBSA's information technology refined strategy and approach focused on its individual business units has improved system stability and resilience including better recovery time in 2023 when outages did occur. SBSA attributes this improvement to its ongoing "always-on" focus and the diligent execution of basic IT practices and processes by SBSA. Further noteworthy examples of SBSA's IT practices include improvements in the cadence and quality of disaster recovery testing, remediation of end-of-life and end-of-support systems, and rigorous IT change management.

SBSA sets security, recovery, and business resumption as a key focus area, and regularly tests contingency procedures so that interruptions are minimized. This yielded a 63 per cent. decrease in material system stability incidents in 2023 and 68 per cent. reduction in the average time to resolve incidents. This translated to an 88 per cent. improvement cumulative system downtime for the year ended 31 December 2023 (compared to the prior year). Despite an increasing trend both globally and domestically of increased cyber-attacks including ransomware, malware, distributed denial of service and others in 2023, SBSA's clients were not impacted. SBSA appointed an independent reviewer to undertake a quantitative review of its cyber risk and security measures and provide additional insights based on insurance data and expertise.

Technology governance functions provide oversight to ensure that technology contributes to creating sustainable value both in the short and long term. The SBSA Board is responsible for ensuring that prudent and reasonable steps have been taken regarding technology governance. The Group Information Technology Committee, an SBG Board committee, has the authority to review and provide guidance on matters related to the Group's (including SBSA's) technology strategy, forecasts, operations, policies and controls, assessment of risks associated with technology, including disaster recovery, business continuity and technology security, as well as oversight of significant technology investments and expenditure.

Regulation

General regulatory requirements

SBSA is subject to, amongst other pieces of legislation, the Banks Act and the FSR Act and is supervised by the Financial Conglomerate Supervision Department of the Prudential Authority.

SBSA holds a full banking licence granted by the SARB. It is an authorised dealer in foreign exchange in terms of the Exchange Control Regulations of the SARB.

Please see "*Risk Factors - The impact of any future change in law or regulation on the Issuers' business is uncertain*" on page 21.

Anti-money laundering regulatory requirements

SBSA is committed to and supports global efforts to combat ML, TF and proliferation financing ("**PF**"). Consequently, SBSA has implemented the Group Money Laundering Control Policy, and approved standards and procedures to ensure compliance with its legislative obligations in respect of AML, CFT and combating the proliferation of weapons of mass destruction requirements. Meeting ML, TF and PF control requirements imposes significant obligations in terms of client due diligence and verification, record keeping, staff training and the detection and reporting of suspicious and unusual transactions. Minimum standards are implemented throughout SBSA, while particular emphasis is placed on implementing bespoke ML/TF controls which are designed to mitigate the risks identified in country and business risk assessments. SBSA continues to enhance and automate its ML, TF and PF detection measures, and has a dedicated AML surveillance team that is responsible for receiving, evaluating and reporting suspicious or unusual transactions and activities to the appropriate authorities. This team has taken the approach of full co-operation with law enforcement agencies from an information sharing perspective, while still ensuring that it operates within the parameters defined by legislation.

Anti-bribery and corruption requirements

ABC policies are implemented across SBSA. SBSA is committed to the highest level of ethical behaviour and has a zero-tolerance approach towards bribery and corruption. SBSA has designed and implemented an anti-bribery management system to ensure compliance with ABC laws. These laws include, but are not limited to, the South African Prevention and Combating of Corrupt Activities Act No.12 of 2004, the UK Bribery Act and the U.S. Foreign Corrupt Practices Act.

SBSA has developed and implemented an ABC compliance programme which is aligned with global best practice (in particular the ABC guidance that has been issued by the Organisation for Economic Co-operation and Development). Programme activities include periodically providing inputs to the Group ABC risk assessment process, and implementing updates to the ABC policy.

Furthermore, all SBSA staff are required to complete ABC general awareness training annually. Regular reviews of the effectiveness of the ABC programme are conducted in the form of a combined assurance approach to monitoring activities.

Risk Management

SBSA's risk management approach ensures consistent and effective management of risk and provides for appropriate accountability and oversight. Risk management is enterprise wide, applied to all entity levels and is a crucial element in the execution of its strategy.

SBSA's risk universe represents the risks that are core to its financial services business. SBSA organises these into strategic, financial and non-financial categories and identifies its top and emerging enterprise risks. These top and emerging risks require focused management attention as they represent potential material implications for SBSA's strategy. SBSA regularly scans the environment for changes to ensure that its risk universe remains relevant.

The risk universe is managed through the risk process lifecycle from identification to reporting. SBSA's assessment process includes rigorous quantification of risks under normal and stressed conditions up to, and

including, recovery and resolution. The annual recovery planning process facilitates proactive consideration by senior management and the SBSA Board of appropriate actions that could be taken in the event of severe stress. The recovery plan process enhances SBSA's ability to make timely, well-informed decisions to mitigate the risk and impact should a severely adverse scenario arise.

Risk exposures are managed through different techniques and are monitored against a risk appetite that supports SBSA's strategy. SBSA manages and allocates capital efficiently to grow shareholder value while ensuring that regulatory capital requirements are met.

Risk information is subject to strong data and reporting controls. It is integrated into all business reporting and governance structures. SBSA's governance structure enables oversight and accountability through appropriately mandated SBSA Board and management committees. The three lines of defence model is leveraged to maintain a strong risk culture with an emphasis on doing the right business, the right way.

This is all underpinned by a control environment defined in the Standard Bank risk governance and management standards and policies. Through the embedding of SBSA's values and ethics policies, compliance training and whistleblowing programmes, its employees are empowered to act with confidence, drive meaningful behavioural changes and place the client at the centre of everything they do.

Risk Governance

SBSA's risk management system is governed by appropriately mandated governance committees and fit-for-purpose governance documents.

SBSA operates under the SBG enterprise risk management governance framework with SBSA-specific policies to address SBSA-specific business and regulatory requirements. SBSA's chief risk officer is accountable to the SBSA Board and SBSA's regulators.

Risk governance committees

The SBSA Board sub-committees responsible for the oversight of risk management comprise the Risk and Capital Management Committee ("**RCMC**"), the Audit Committee and the large exposure credit committee. The information technology committee, the model approval committee, the remuneration committee and the social, ethics and sustainability committee are sub-committees of SBG, but consider matters related to SBSA as part of their mandates.

Executive management oversight for all risk types has been delegated by the SBG Group Leadership Council to the GROC, which considers both SBG and SBSA matters and, in turn, assists the RCMC to fulfil its mandate. As is the case with the RCMC, the GROC calls for and evaluates in-depth investigations and reports based on its assessment of the risk profile and external factors. The GROC is chaired by the chief risk officer and delegates authority to various sub-committees which deal with specific risk types or oversight activities. Matters are escalated to the GROC, based on materiality, through reports or feedback from the sub-committee chairman.

For further information, see "*How we manage Risk*", "*Strategic Risks*" "*Non-Financial Risks*" and "*Financial Risks*" in the SBG 2023 Risk and Capital Management Report which is incorporated by reference into the Base Prospectus. For the purposes of this section, references to "we", "our" and "the group" in the SBG Risk and Capital Management Report should be read as SBSA unless the context indicates otherwise. Please also see "*Annexure C – Risk and capital management – IFRS disclosures*" in the SBSA 2023 Annual Report.

THE BANKING SECTOR IN SOUTH AFRICA AND PRUDENTIAL REGULATION

The South African banking system is well developed and effectively regulated, comprising a central bank, several large, financially strong banks and investment institutions, and a number of smaller banks. Many foreign banks and investment institutions have also established operations in South Africa over the past decade. The South African Government (the "**Government**") is a subscriber to the International Monetary Fund (the "**IMF**") and World Bank regulations and policies. South African banks are regulated by the Prudential Authority (the "**PA**") and the Financial Sector Conduct Authority (the "**FSCA**"). South Africa has implemented the Basel III framework through amendments to the Regulations Relating to Banks (as defined in the Conditions) which became effective on 1 January 2013. South Africa is a member of the International Liaison Group of the Basel Committee on Banking Supervision ("**BCBS**"). The South African banking regulator actively participates in international regulatory and supervisory standard-setting forums at which it is represented and provides input into the continued refinement of the supervisory Basel III framework ("**Basel III**").

The National Payment System Act, No. 78 of 1998 was introduced to bring the South African financial settlement system in line with international practice and systematic risk management procedures. The Payment Association of South Africa, under the supervision of the South African Reserve Bank ("**SARB**"), has facilitated the introduction of payment clearing house agreements. It has also introduced agreements pertaining to settlement, clearing and netting agreements, and rules to create certainty and reduce systemic and other risks in inter-bank settlement. These developments have brought South Africa in line with international inter-bank settlement practice. Electronic banking facilities are extensive, with a nationwide network of automatic teller machines and internet banking being available.

Regulation

Financial sector legislation in South Africa aligns with international best practice through the accords of international bodies such as the Bank of International Settlements ("**BIS**"); the International Organization of Securities Commissions; and the International Association of Insurance Supervisors. Banks in South Africa are governed by various Acts and legislation, most significantly the South African Banks Act, No. 94 of 1990, as amended or replaced from time to time (the "**Banks Act**").

Twin peaks model of financial regulation

The "twin-peaks" approach to financial sector regulation is primarily aimed at the enhancement of systemic stability, improving market conduct regulation, sound micro and macro prudential regulation and the strengthening of the operational independence, governance and accountability of regulators.

The Financial Sector Regulation Act, No. 9 of 2017 (the "**FSR Act**"), which was signed into law on 21 August 2017 and commenced on 1 April 2018, gave effect to the Government's decision to implement the "twin-peaks" model of financial regulation with a view to ensuring that the sector is safer and more effective. The FSR Act covers four policy priorities to reform the financial sector, namely: financial stability; consumer protection and market conduct; expanding access of financial services through inclusion; and combating financial crime.

The FSR Act reflects the Government's undertaking to eliminate lending malpractices, protect customers and reduce systemic risk through increased market conduct regulation. The FSR Act established two financial sector regulators, namely the FSCA, which regulates market conduct with a purview over the full range of financial services related matters (such as the regulation of bank charges) and the PA which is responsible for the oversight of the safety and soundness of banks, insurers, financial conglomerates and market infrastructures. The FSCA is mandated to protect customers of financial services, improve the way in which financial service providers conduct their business, ensure that the integrity and efficiency of the financial markets is maintained, and promote effective financial consumer education.

The objective of the PA is to promote and enhance the safety and soundness of financial institutions that provide financial products, market infrastructures and payment systems to protect financial customers, including depositors, against the risk that those financial institutions may fail to meet their obligations.

The amendments to the FSR Act made pursuant to the provisions of the Financial Sector Laws Amendment Act, No. 23 of 2021 came into effect partially on 1 June 2023 with the balance of the amendments coming into effect on 1 April 2024. These amendments establish a framework for the resolution of "designated institutions" in order to ensure that the impact (or potential impact) of a failure of a designated institution on financial stability is managed appropriately (the "**resolution framework**"). In terms of the resolution framework the SARB will be the sole resolution authority for designated institutions (which includes registered banks and bank holding companies) in South Africa.

The amended FSR Act provides that if, in the opinion of the SARB:

- (a) a designated institution is, or will likely be, unable to meet its obligations, irrespective of whether or not the designated institution is insolvent; and
- (b) it is necessary to ensure the orderly resolution of the designated institution to:
 - (i) maintain financial stability; or,
 - (ii) in the case of a bank or a member of a group of companies of which a bank is a member, to protect depositors of the bank,

the SARB may recommend to the Minister of Finance that the designated institution is placed into resolution. Thus, the trigger for resolution is a qualitative and not quantitative measure determined by the Minister of Finance, acting on the recommendation of the SARB.

The current legislative framework that underpins market conduct and consumer protection includes the following legislation: Financial Advisory and Intermediary Services Act, No. 37 of 2002, the Consumer Protection Act, No. 68 of 2008; the National Credit Act, No 34. of 2005; the National Credit Amendment Act, No. 19 of 2014 and No. 7 of 2019; the Protection of Personal Information Act, No. 4 of 2013 as well as a comprehensive set of principles relating to Treating Customers Fairly (an outcomes based regulatory and supervisory approach designed to ensure that regulated financial institutions deliver specific, clearly set out fairness outcomes for financial customers).

The Government seeks to ensure financial stability through macro prudential regulation in line with international standards and measures including improving the quality of capital; reducing pro-cyclicality; setting leverage and liquidity ratios; and issuing compensation guidelines. Government has commenced with the process of implementing regulations that will eventually be expanded to cover all sources of systemic risk including the regulation of all private pools of capital. In this regard, the Minister of Finance signed into law the Financial Markets Act Regulations (the "**FMA Regulations**") on 9 February 2018. The FMA Regulations provide the framework for regulation of over-the-counter derivative transactions in South Africa and the FSCA conduct standards, published in 2020 in connection with the FMA Regulations, set out the reporting requirements and code of conduct for over-the-counter derivative providers.

Anti-money laundering regulations

The Government has identified combating of money laundering and countering the financing of terrorism and countering the financing of proliferation activities as a policy priority. As a result thereof, South Africa has a well-established anti-money laundering ("**AML**") and combating the financing of terrorism ("**CFT**") legislative framework which includes but is not limited to the Financial Intelligence Centre Act, No 38. of 2001, (the "**FIC Act**"), and the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, No 33. of 2004.

The PA strives to maintain an effective compliance framework and operational capacity to supervise compliance by banks with AML/CFT legislation and regulatory requirements. The PA regularly conducts FIC Act compliance inspections of the accountable institutions that it supervises, and the scope of these visits would include the assessment of compliance with FIC Act guidance notes, directives and circulars. Flowing from these responsibilities, the PA conducts AML/CFT inspections to assess whether all banks in the South

African market have adequate and effective AML/CFT controls in place. As part of its mandate, the SARB PA may and has in the past imposed administrative sanctions and directives to implement remedial action on banks whose AML/CFT frameworks are found to have deficiencies (from the perspective of adequacy or effectiveness).

In October 2021, the Financial Action Task Force (an inter-governmental AML/CFT policymaking and standards setting body) ("**FATF**") published the Mutual Evaluation Report (the "**Report**") for South Africa, summarising the findings in relation to the adequacy of AML/CFT measures in place in South Africa, competent authorities' level of compliance with the FATF 40 Recommendations and the level of effectiveness of South Africa's AML/CFT framework.

Some of the key findings from the Report can best be summarised as follows:

- (a) some money laundering risks are being mitigated but some significant risks remain to be addressed, and terrorist financing risks are not adequately addressed;
- (b) South Africa has suffered from a sustained period of "state capture", which undermined key agencies with roles to combat such activity;
- (c) South Africa has had some good results pursuing corruption cases and recovering proceeds of corruption, but has been less successful addressing such issues resulting from "state capture"; and
- (d) larger banks are more developed at understanding their money laundering risks and implementing mitigation measures commensurate with those risks, notwithstanding, overall, the risk-based approach is inadequately implemented.

Following engagements with FATF over progress made by South Africa since the publication of the Report, the FATF assessed that the country needed to make further and sustained progress in addressing eight areas of strategic deficiencies related to the effective implementation of South Africa's AML/CFT laws as set out. Consequently, on 24 February 2023, FATF made a decision to list South Africa as a "jurisdiction under increased monitoring" (commonly referred to as FATF's "grey list").

The key areas of strategic deficiencies identified by the FATF that are relevant to the businesses of the Issuers require South Africa to:

- (a) ensure that competent authorities have timely access to accurate and up-to-date beneficial ownership information on legal persons and arrangements and applying sanctions for breaches of violation by legal persons to beneficial ownership obligations;
- (b) demonstrate a sustained increase in law enforcement agencies' requests for financial intelligence from the Financial Intelligence Centre for its money laundering/terrorist financing investigations;
- (c) update its terrorist financing risk assessment to inform the implementation of a comprehensive national counter financing of terrorism strategy; and
- (e) ensure the effective implementation of targeted financial sanctions and demonstrating an effective mechanism to identify individuals and entities that meet the criteria for domestic designation.

The Government has announced that it is working closely with FAFT to address the deficiencies identified in the Report and implement an action plan with the FAFT. The items in the action plan include improvements in the Government's capability to deal with financial crimes, including corruption, and the better use of beneficial ownership, digital and other information to assist investigations, asset recoveries and prosecutions.

As a response to the shortcomings that were identified in the Report, the Government enacted, the General Laws (Anti-Money Laundering and Combatting Terrorism Financing) Amendment Act, No. 22 of 2022 and the Protection of Constitutional Democracy Against Terrorist and Related Activities Amendment Act, No 23. of 2022. The Government has indicated that these amendments address most of the legislative deficiencies identified.

The Government provides the FAFT with a report on the progress of its implementation of the action plan every four months. Once all items in the action plan are implemented and the improvements effective, the grey listing of South Africa's grey listing will be reconsidered by FAFT.

SBG and SBSA are committed to complying with all their regulatory requirements, and support global efforts to combat money laundering and terrorist financing. Consequently, SBG and SBSA have established and adopted policies and procedures for compliance with money laundering and terrorist financing control requirements in each jurisdiction in which they operate, to ensure the detection, analysis and reporting of suspicious activity to the relevant authorities. SBG and SBSA also continue to take measures to effect enhancements to their processes, in response to evolving global ML/TF risks.

SARB

SARB is responsible for bank regulation and supervision in South Africa with the purpose of achieving a sound, efficient banking system in the interest of the depositors of banks and the economy as a whole. The SARB holds various international memberships including the G-20, the IMF, the BIS and the Committee of Central Bank Governors in the Southern African Development Community. The SARB serves on various BIS committees including the BCBS and the Committee on Payments and Settlement Systems. The SARB performs its function of bank regulation and supervision through the PA, which issues banking licences to institutions and monitors their activities under the applicable legislation. The PA has extensive regulatory and supervisory powers. Every bank is obliged to furnish certain prescribed returns to the PA in order to enable the banking regulator to monitor compliance with the formal, prudential and other requirements imposed on banks in terms of, inter alia, the Banks Act and the Regulations Relating to Banks. Such regulations may be, and are, amended from time to time in order to provide for amendments and additions to the prescribed returns, and the frequency of submission thereof. The PA acts with relative autonomy in executing its duties, but has to report annually to the Minister of Finance, who in turn has to table this report in the South African Parliament.

In terms of the Banks Act, the PA, among other things, supervises banking groups on a consolidated basis from the bank controlling company downwards. In this regard, controlling companies of banks are required to submit, on a quarterly basis, a consolidated supervision return which includes information on all of the entities within that banking group that potentially constitute a material or significant risk to that banking group. The return covers issues such as group capital adequacy, group concentration risk, intra- group exposures and group currency risk. Moreover, a bank controlling company is also required to furnish the regulator, on a quarterly basis, with bank consolidated and group consolidated information which includes a detailed balance sheet, an off-balance sheet activities return and an income statement.

A banking group is required to satisfy the regulator's requirements in respect of the adequacy and effectiveness of its management systems for monitoring and controlling risks, including those in its offshore operations, and the integrity of its accounting records and systems. Banking groups are required to comply with the provisions of the Banks Act as well as with all financial and prudential requirements, including minimum capital and liquidity requirements, which are actively monitored by the banking regulator. In addition, banking groups have to satisfy the banking regulator's requirements pertaining to issues such as overall financial soundness worldwide, including the quality of its loan assets and the adequacy of its provisioning policy. As part of its supervisory process, the banking regulator undertakes on-site and off-site examinations. The banking supervisor seeks to apply the Core Principles for Effective Banking Supervision as issued by the BCBS.

The Issuers, as part of a banking group, are supportive of the SARB's objectives and endorses improvements in risk management and governance practices as an active participant in the new regulatory landscape. The same approach is also applied in respect of the Issuers' cooperation with other regulatory authorities and much effort and resources are dedicated in a cost-efficient manner in order to reap maximum benefits emanating from the implementation of best practice and the resultant enablement of its global business activities.

Currently the banking industry works within a three-tiered framework:

1. the Banks Act (effecting changes to the Banks Act requires Parliamentary approval);
2. the Regulations Relating to Banks (changes to the Regulations Relating to Banks require the approval of the South African Minister of Finance); and
3. Banks Act circulars, directives and guidance notes.

Circulars may be issued by the PA to furnish banks with guidelines regarding the application and interpretation of the provisions of the Banks Act. Guidance notes may be issued by the PA in respect of market practices or market and industry developments. Directives may be issued by the PA, after consultation with the affected parties, to prescribe certain processes or procedures to be followed by banks with regard to certain processes or procedures necessary in the administration of the Banks Act. It is obligatory for banks to comply with its prescriptions.

The Banks Act and Regulations Relating to Banks, circulars, directives and guidance notes issued by the PA set out the framework governing the formal relationship between South African banks and the PA. Pursuant to this legislation, SBSA and representatives of the PA meet at regular bilateral meetings (between SBSA's board of directors and the PA), annual trilateral meetings (between SBSA's board of directors, the PA and SBSA's auditors) and prudential meetings (which usually include meetings with risk management executives and the heads of each of SBSA's business divisions). SBSA also engages in frequent on-site reviews with the PA's supervisory team which cover a range of topics including an assessment of SBSA's performance against its peer group.

The prudential regulation and supervision of banks furthermore assists the SARB in its pursuit of financial system stability. Similar to other central banks, the SARB is placing increased emphasis on macro-prudential aspects of financial stability.

In response to fundamental weaknesses in international financial markets, revealed by the 2008 global financial crisis, a large volume of regulatory and supervisory standards and requirements were issued by international standard-setting bodies such as the BCBS. The incorporation of the changes and enhancements into the domestic regulatory framework requires an ongoing review of South African banking legislation and regulatory requirements in order to ensure the appropriate alignment of the regulatory framework with international standards. In this regard, both the Banks Act and the Regulations Relating to Banks are amended from time to time.

SBSA and SBG view its relationship with the PA as being of the utmost importance and are committed to fostering sound banking principles for the industry as a whole. In this regard, SBSA is a member of the Banking Association of South Africa (the "**BASA**"), whose role is to establish and maintain the best possible platform on which banking groups can conduct competitive, profitable and responsible banking.

Basel III

Banks in South Africa adopted Basel III with effect from 1 January 2013. Basel III aims to enhance financial stability globally by increasing the quality and level of capital to be held by banks, extending the risk framework coverage, by introducing new liquidity ratios and a non-risk-based leverage ratio. The Bank Supervision Department of the SARB (now referred to as the PA) commenced with its implementation from 1 January 2013 by way of the amended Regulations Relating to Banks as of 20 May 2016, and banks in South Africa have thus adopted the Basel III accord. SBG has approval from the PA to use the advanced internal ratings-based ("**AIRB**") approach for its credit portfolios in SBSA. For internal management purposes, SBG utilises AIRB measures and principles wherever possible. Further, SBG has approval from the PA to adopt the market-based approach for certain equity portfolios in SBSA and has approval for using the advanced measurement approach ("**AMA**") operational risk framework.

SBG also has approval from the PA to use the "internal models approach" for most trading product groups and across most market risk types for SBSA.

In Basel III, the BCBS introduced significant changes to the Basel II framework, including, amongst others:

Capital

The quality, consistency and transparency of the capital base levels have increased. In the framework, the regulatory deductions should mainly be applied to the common equity component of the capital base. Further, to be eligible as Tier 1 and Tier 2 capital, instruments need to meet more stringent requirements than were applied under Basel II.

The Basel III framework introduces a capital conservation buffer of 2.5 per cent. x RWA (as defined below) on top of these minimum thresholds. If a bank does not meet this buffer, constraints will be imposed on the bank's capital distribution, such as dividends. Also, in periods of excess growth, banks will be required to hold an additional countercyclical buffer of up to 2.5 per cent. in order to avoid facing restrictions.

Leverage Ratio

The BCBS required the risk-sensitive capital framework be supplemented with a non-risk-based measure, the leverage ratio (the "**Leverage Ratio**"). The Leverage Ratio is calculated as the Tier 1 capital divided by the exposure (being on and off-balance sheet exposures, with certain adjustments for selected items such as derivatives). The final calibration of the Leverage Ratio, and any further definition amendments were to be implemented by 1 January 2024 in South Africa however the new proposed implementation date is now 1 July 2025.

Liquidity

Another key component of the Basel III framework is the introduction of increased regulations for liquidity risks. The objective of the liquidity reform is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thereby reducing the risk of spillover from the financial sector to the real economy.

The BCBS developed two quantitative liquidity standards as part of the Basel III framework; namely the LCR) and the net stable funding ratio ("**NSFR**"). The LCR's objective is to measure SBG's ability to manage short-term liquidity stress and ensure the appropriate holding of surplus qualifying liquid assets. The NSFR's objective is to measure long-term structural funding stability in order to address the structural liquidity mismatch inherent in banking operations. Both the LCR and NSFR calculations are subject to an observation period prior to implementation such that any unintended consequences can be identified.

The BCBS has also put a more stringent regulatory framework into place for the monitoring of intraday liquidity risk. Management of intraday liquidity risk forms a key element of a bank's overall liquidity risk management framework. The mandatory tools introduced by the BCBS are for monitoring purposes, and only international active banks will be required to apply them. National regulators will determine the extent to which the tools apply to banks that only operate domestically within their jurisdictions. Monthly reporting on the monitoring tools commenced on 1 January 2015.

Risk-Weighting (Finalised Basel III reforms)

On 7 December 2017, the BCBS published the Basel III finalised reforms for the calculation of total risk weighted assets ("**RWA**") and a capital floor. The BCBS date of implementation for these reforms was 1 January 2023. The PA proposed an implementation date of 1 January 2024 in South Africa which has now been adjusted to 1 July 2025. The accompanying transitional arrangements for the output floor will extend until 1 January 2028 for South Africa in line with the BCBS timelines. These reforms are the completion of work that the BCBS has been undertaking since 2012 to address inefficiencies that emerged from the financial crisis in 2008 and impacts both standardised and advanced internal models.

Reducing variation in the internal rating-based ("IRB") approach for credit risk

The revised internal rating-based ("**IRB**") framework constrains the use of the IRB approach which allows banks to estimate the probability of default ("**PD**"), loss given default ("**LGD**"), exposure at default

("EAD") and maturity of an exposure for low default asset classes. These include exposures to large and medium-sized corporates, banks and other financial institutions, securities firms and public-sector entities. The Group's relevant legal entities will now have to use the foundation internal ratings-based ("**FIRB**") approach for these exposures. The FIRB approach is more conservative as it applies fixed values to the LGD and EAD parameters. In addition, all IRB approaches are being removed for exposures to equities.

For the remaining asset classes, the revised IRB framework also introduces minimum "floor" values for bank-estimated IRB parameters which are used as inputs to the calculation of RWA. These include PD floors for both the FIRB and AIRB approaches, and LGD and EAD floors for the AIRB approach. The BCBS agreed on various additional enhancements to the IRB approaches to further reduce unwarranted RWA variability, including providing greater specification of the practices that banks may use to estimate their model parameters.

Given the enhancements to the IRB framework and the introduction of an aggregate output floor, the BCBS has removed the 1.06 scaling factor that is currently applied to RWAs determined by the IRB approach to credit risk.

Standardised approach for credit risk

The revisions to the standardised approach for credit risk, enhances the regulatory framework by improving its granularity and risk sensitivity. It provides: a more granular approach for unrated exposures to banks and corporates; a recalibration of risk weighting for rated exposures; a more risk-sensitive approach for real estate exposures based on their loan to value; separate treatment for covered bonds; specialised lending; exposures to SMEs; a more granular risk weight treatment for subordinated debt and equity exposures; and a recalibration of credit conversion factors for off balance sheet exposures.

CVA risk capital charge

The initial phase of Basel III reforms introduced a capital charge for potential mark-to-market losses of derivative instruments as a result of the deterioration in the creditworthiness of a counterparty.

The final reforms introduce two new approaches for the calculation of the credit valuation adjustments ("**CVA**") risk capital charge which are a basic approach (a full version including CVA hedges, or reduced version) and a standardised approach based on the fundamental review of the trading book market risk standardised approach with minimum requirements regarding sensitivity calculations. The changes also include a €100 billion threshold for a simplified treatment (double counterparty credit risk capital requirement) and new eligibility requirements for CVA hedges.

The PA has advised that the proposed implementation date is 1 July 2025.

Operational risk

The BCBS has streamlined the operational risk framework. The advanced measurement approach ("**AMA**") for calculating operational risk capital requirements (which are based on banks' internal models) and the existing standardised approaches are replaced with a single risk-sensitive standardised approach to be used by all banks.

The new standardised approach for operational risk, determines a bank's operational risk capital requirements based on two components comprising a measure of a bank's income and a measure of historical losses experienced by the bank. Conceptually, it assumes that operational risk increases at an increasing rate with a bank's income and banks which have experienced greater operational risk losses historically are assumed to be more likely to experience operational risk losses in the future.

Output floor

The Basel III reforms replace the existing Basel II floor with a floor based on the revised Basel III standardised approaches. Consistent with the original floor, the revised floor places a limit on the regulatory capital benefits that a bank using internal models can derive relative to the standardised approaches. In effect, the output floor provides a risk-based backstop that limits the extent to which banks can lower their capital requirements relative to the standardised approaches.

This helps to maintain a level playing field between banks using internal models and those on the standardised approaches. It also supports the credibility of banks' risk-weighted calculations and improves comparability via the related disclosures.

Under the revised output floor banks' risk-weighted assets must be calculated as the higher of total RWA calculated using the approaches that the bank has supervisory approval to use in accordance with the Basel capital framework (including both standardised and internal model- based approaches).

A specified percentage of the total RWA calculated using only the standardised approaches will be phased in over a specified period, as follows:

- (a) from 1 July 2025: 60%;
- (b) from 1 January 2026: 65%;
- (c) from 1 January 2027: 70%; and
- (d) from 1 January 2028: 72.5 per cent.

Risk-Weighting (Other Basel III reforms)

Securitisation Framework

The BCBS has finalised changes to the Basel securitisation framework. The new framework was implemented in South Africa on 1 October 2022. The new framework provides a revised set of approaches for determining the regulatory capital requirements in relation to securitisation exposures with the following aims: reducing mechanistic reliance on external ratings; increasing risk weights for highly rated securitisation exposures; reducing risk weights for low-rated securitisation exposures; reducing cliff effects (where small changes in the quality of an underlying pool of securitised exposures quickly leads to significant increases in capital requirements); and making the framework more risk-sensitive.

Fundamental Review of the Trading Book

The new market risk framework ("**Fundamental Review of the Trading Book**") to improve market risk was published on 14 January 2016. The framework was thereafter revised on 14 January 2019 to address issues that the BCBS identified in the course of monitoring the implementation and impact of the framework. The proposed implementation date for South Africa has been revised to 1 January 2024. The PA has advised that the effective date for the capitalisation requirements will be determined in line with other major jurisdictions and trading partners of South Africa and will not be effective earlier than 1 July 2025.

Large Exposure Framework

The BCBS published the final standard that sets out a supervisory framework for measuring and controlling large exposures. The large exposure framework was implemented in South Africa on 1 April 2022. The large exposure framework protects banks from significant losses caused by the sudden default of an individual counterparty or a group of connected counterparties. The framework was designed so that the maximum possible loss a bank could incur if such a default were to occur would not endanger the bank's survival as a going concern. In cases where the bank's counterparty is another bank, large exposure limits will directly contribute towards the reduction of system-wide contagion risk. Large Exposure is defined as an exposure that is equal to or above 10 per cent. of a bank's eligible capital base. Eligible capital base is defined as Tier 1 capital as defined under the Basel III framework. The sum of all the exposure values of a bank to a single counterparty or to a group of connected counterparties should not be higher than 25 per cent. of the bank's available eligible Tier 1 capital base. A tighter limit of 15 per cent. of Tier 1 capital will apply to inter-globally systemically important banks ("**GSIBs**") exposures and the local regulator may apply this limit to inter-DSIBs exposures. A limit of 15 per cent. of Tier 1 capital may also be applied by the local regulator for exposures between a smaller bank and a GSIB.

In South Africa, the PA has stipulated that inter-DSIB exposure and DSIB to GSIB exposure is limited to a monthly average of 15 per cent. of the sum of the bank or controlling company's qualifying tier 1 capital with a maximum of 18 per cent. of the sum of the bank or controlling company's qualifying tier 1 capital during the month. Exposure between a smaller bank and a GSIB is limited to a maximum of 25 per cent. The

PA has allowed for a phase in period for large exposure limits until 1 July 2025. The PA has also introduced limits for intra-group exposures.

Interest Rate Risk in the Banking Book

Arising from the Fundamental Review of the Trading Book, the Bank of International Settlement appointed a team to evaluate and refine the existing Pillar 2 treatment for spread risk in the banking book. The BCBS issued standards for the Interest Rate Risk in the Banking Book ("**IRRBB**") (the "**Revised Standards**"). The Revised Standards revise the BCBS' 2004 "Principles for the management and supervision of interest rate risk", which set out supervisory expectations for banks' identification, measurement, monitoring and control of IRRBB, as well as its supervision. The Revised Standards also introduced a strengthened Pillar 2 approach. The Revised Standards for IRRBB cover the enhanced requirements over 12 principles. Nine principles are directed to banks including identification of IRRBB, sound methodologies, risk appetite and limits, internal reporting, external disclosures, data, controls and model risk management. Three principles are directed to supervisors and focus on review of the soundness of banks' IRRBB management, collaboration among supervisors and identification of outlier banks.

The implementation date for South Africa of the Revised Standards for IRRBB was 1 January 2023. Following the implementation date, the PA published directive D1/2024 wherein the Pillar 3 disclosure requirements relating to the IRRBB are set out.

Systemically important financial institutions

The guidance developed by the BCBS and the Financial Stability Board form the basis for the requirements of domestic systemically important banks in South Africa. South African banks have developed their recovery plans in line with global standards. The specific D-SIB capital requirements have been applied to the relevant banks from 1 January 2016.

Recovery plans focus on plausible management or recovery actions that can be taken to reduce risk and conserve capital during times of severe stress. Resolution plans are typically developed by the supervisor with the objective of ensuring that systemically important financial institutions ("**SIFIs**") are resolvable and will not become a burden to tax-payers.

Although the Basel III phase-in approach affords SBG a period of time before full compliance is required, SBG maintains a strong focus on achieving these liquidity and capital requirements within the specified timelines. Specific areas of focus include optimising capital and liquidity allocation between product lines, trading desks, industry sectors and legal entities, such that financial resources can be allocated in a manner that enhances the overall Group's economic profit and return on equity, embedding risk-adjusted performance measures into the performance measurement and reporting processes of the Group; and ensuring that the Group is adequately positioned to respond to changing regulatory rules under Basel III.

Pillar 3 disclosures

Pillar 3 of the Basel framework seeks to promote market discipline through regulatory disclosure requirements. The BCBS released the updated Pillar 3 disclosure requirements on 11 December 2018. These requirements, together with the updates published in January 2015 and March 2017, complete the Pillar 3 framework. The updated Pillar 3 disclosure requirements released on 11 December 2018 reflects the BCBS's December 2017 Basel III post-crisis regulatory reforms and pertains to the following areas:

- (i) credit risk, operational risk, the leverage ratio and CVA risk;
- (ii) RWAs as calculated by the bank's internal models and according to the standardised approaches; and
- (iii) an overview of risk management, RWAs and key prudential metrics.

The implementation date for the disclosure requirements related to the December 2017 Basel III post-crisis regulatory reforms was revised by the BCBS on 27 March 2020, to 1 January 2023, a year later than what was initially proposed.

The BCBS also released a consultative paper on 14 November 2019 on revisions to market risk disclosure requirements, that set out adjustments to the Pillar 3 templates to reflect the changes introduced in the minimum capital requirements for market risk published in January 2019. The BCBS thereafter released final revisions to market risk disclosure requirements on 11 November 2021.

The implementation date for the updated Pillar 3 disclosure requirements was expected to be 1 January 2024 in South Africa, in line with South Africa's implementation date of the finalised Basel III reforms. This has not yet occurred. However, the PA in September of 2023 published the proposed directives on matters related to Pillar 3 disclosure requirements for public comment. Once finalised the proposed directive will replace the existing directive of 2019 on Pillar 3 disclosure requirements.

The Group has a formal program in place for the implementation of these requirements.

Current Environment

As at the date of this Base Prospectus, there were 17 registered banks, 5 mutual banks, 4 foreign controlled banks, 11 local branches of foreign banks, 30 representative offices of foreign banks in South Africa and 3 banks in liquidation (*source: SARB website*). In addition, as at December 2023, the South African banking sector had total assets of approximately ZAR7,5 trillion according to statistics published by the SARB (*source: SARB monthly trends publication, December 2023*). The five largest banks by assets (*source: BA900 Economic Returns, 31 December 2023*) were The Standard Bank of South Africa Limited, FirstRand Bank Limited, Absa Bank Limited, Nedbank Limited and Investec Bank Limited.

EXCHANGE CONTROL

The information below is not intended as legal advice and it does not purport to describe all of the considerations that may be relevant to a prospective purchaser of Notes. Prospective purchasers of Notes who are non-South African residents or emigrants from the Common Monetary Area (defined below) are urged to seek further professional advice in regard to the purchase of Notes.

Exchange controls restrict the export of capital from South Africa, Namibia and the Kingdoms of Eswatini and Lesotho (collectively the "**Common Monetary Area**"). These exchange controls are administered by the FSD and regulate transactions involving South African residents. The purpose of exchange controls is to mitigate the decline of foreign capital reserves in South Africa. SBSA and SBG expect that South African exchange controls will continue to operate for the foreseeable future. The Government has, however, committed itself to gradually relaxing exchange controls and significant relaxation has occurred in recent years. It is the stated objective of the South African authorities to introduce a new capital flow management framework in terms of which all cross-border transactions will be allowed other than those that are subject to capital flow management measures or pose a high risk of illegitimate cross-border financial flows. The implementation of the proposed capital flow management system will require the introduction of specific legislation to give effect to the framework. Until then, the existing exchange control system remains in place pursuant to the South African Exchange Control Regulations, 1961, which are promulgated under the Currency and Exchanges Act, No. 9 of 1933, and the policies, directives and rules of the SARB (the "**South African Exchange Control Regulations**").

As at the date of this Base Prospectus, the prior written approval of the FSD (or an authorised dealer, on its behalf) is required by SBSA or SBG, as the case may be, for the issuance of each Tranche of Notes issued under the Programme. SBSA and/or SBG will, if applicable at that time, obtain the prior written approval of the FSD (or an authorised dealer, on its behalf) for the issuance of each Tranche of the Notes under the Programme. The Final Terms or Pricing Supplement, as the case may be, applicable to each Tranche of Notes issued under the Programme will, if applicable at that time, be required to contain a statement that the requisite FSD approval (or approval of the authorised dealer) has been obtained for that issuance.

In addition, no South African residents and/or their offshore subsidiaries may subscribe for or purchase any Note or beneficially hold or own any Note other than in strict compliance with the South African exchange control regulations in effect from time to time.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in that country or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. It relates only to the position of Noteholders who are the absolute beneficial owners of the Notes.

Withholding Tax

Under current taxation law in South Africa, all payments made under the Notes to South African tax-resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in South Africa. A withholding tax on South African sourced interest (see the section headed "*Income Tax*" below) paid to or for the benefit of a "foreign person" (being any person that is not a South African tax-resident) applies at a rate of 15 per cent. of the amount of interest in terms of section 50A-50H of the Income Tax Act, No 58 of 1962 (the "**Income Tax Act**"). The withholding tax could be reduced by the application of relevant double taxation treaties. The legislation exempts, inter alia, from the withholding tax on interest any amount of interest paid by a bank as defined in the Banks Act, to a foreign person. It is envisaged that this exemption would apply to the interest payments made to foreign Noteholders where SBSA is the Issuer of the Notes. The withholding tax legislation also provides an exemption for interest paid to a foreign person in respect of any debt listed on a "recognised exchange" as defined in paragraph 1 of the eighth schedule of the Income Tax Act. The Main Market of the London Stock Exchange would qualify as such an exchange, and therefore, subject to any legislative changes, the interest paid on the Notes listed on the London Stock Exchange will be exempt from interest withholding tax under the Income Tax Act. A foreign person will also be exempt from the withholding tax on interest if:

- (a) that foreign person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the interest is paid; or
- (b) the debt claim in respect of which that interest is paid is effectively connected with a permanent establishment of that foreign person in South Africa, if that foreign person is registered as a taxpayer in South Africa.

Foreign persons are subject to normal South African income tax on interest sourced in South Africa unless exempted under Section 10(1)(h) of the Income Tax Act (see the section headed "*Income Tax*" below).

Securities Transfer Tax ("STT")

No STT is payable on the issue or transfer of Notes (bonds) under the Securities Transfer Tax Act, No. 25 of 2007, because they do not constitute securities (as defined) for the purposes of that Act.

Value-Added Tax ("VAT")

No VAT is payable on the issue or transfer of Notes. Notes (bonds) constitute "debt securities" as defined in section 2(2)(iii) of the South African Value-Added Tax Act, No. 89 of 1991 (the "**VAT Act**"). The issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security is a financial service, which is exempt from VAT in terms of section 12(a)) read together with section 2(1)(c) of the VAT Act.

Commissions, fees or similar charges raised for the facilitation, issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes (bonds) that constitute "debt securities" will however be subject to VAT at the applicable prevailing rate, except where the recipient is a non-resident as contemplated below.

Services (including exempt financial services) rendered to non-residents who are not in South Africa when the services are rendered, may be subject to VAT at the zero rate in terms of section 11(2)(l) of the VAT Act subject to compliance with section 11(3) of the VAT Act.

Income Tax

Under current taxation law effective in South Africa a "resident" (as defined in section 1 of the Income Tax Act) is subject to income tax on his/her worldwide income. Accordingly, all Noteholders who are "residents" of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any interest earned pursuant to the Notes.

Non-residents of South Africa are subject to income tax on all income derived from a source, or deemed to be from a source, within South Africa (subject to domestic exemptions or relief in terms of an applicable double taxation treaty).

Interest income is from a South African source if that amount:

- a. is incurred by a South African tax resident, unless the interest is attributable to a permanent establishment which is situated outside of South Africa; or
- b. is received or accrues in respect of the utilisation or application in South Africa by any person of any funds or credit obtained in terms of any form of "interest-bearing arrangement".

Each Issuer is a South African tax resident and the Notes will constitute an "interest-bearing arrangement". Accordingly, the interest paid to the Noteholders will be from a South African source and subject to South African income tax unless such interest is exempt from income tax under section 10(1)(h) of the Income Tax Act (see below).

Under section 10(1)(h) of the Income Tax Act interest received by or accruing to a Noteholder who, or which, is not a resident of South Africa during any year of assessment is exempt from income tax, unless:

- a. that person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the interest is received or accrued by or to that person; or
- b. the debt from which the interest arises is effectively connected to a permanent establishment of that person in South Africa.

Interest as defined in section 24J of the Income Tax Act (including the premium or discount) may qualify for the exemption under section 10(1)(h) of the Income Tax Act. If a Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, exemption from, or reduction of any South African income tax liability may be available under an applicable double taxation treaty.

Purchasers are advised to consult their own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable double taxation treaty.

Under section 24J of the Income Tax Act, broadly speaking, any discount or premium to the nominal amount of a Note is treated as part of the interest income on the Note. Section 24J of the Income Tax Act deems interest income to accrue to a Noteholder on a day-to-day basis until that Noteholder disposes of the Note. The day-to-day basis accrual is determined by calculating the yield to maturity and applying this rate to the capital involved for the relevant tax period.

Section 24JB of the Income Tax Act contains specific provisions relating to the fair value taxation of financial instruments for "covered persons" (as defined in section 24JB of the Income Tax Act). Noteholders should seek advice as to whether this provision may apply to them.

Purchasers of Notes are advised to consult their own professional advisors to ascertain whether the abovementioned provisions may apply to them.

Capital Gains Tax

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to capital gains tax, unless the Notes are purchased for re-sale in the short term as part of a scheme of profit making, in which case the proceeds will be subject to income tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. If the Notes are disposed of or redeemed prior to or on maturity, an "adjusted gain on transfer or redemption of an instrument", or an "adjusted loss on transfer or redemption of an instrument", as contemplated in section 24J of the Act, must be calculated. Any such adjusted gain or adjusted loss is deemed to have been incurred or to have accrued in the year of assessment in which the transfer or redemption occurred. The calculation of the adjusted gain or adjusted loss will take into account, inter alia, all interest which has already been deemed to accrue to the Noteholder over the term that the Note has been held by the Noteholder. Under section 24J(4A) of the Income Tax Act, where an adjusted loss on transfer or redemption of an instrument realised by a holder of a Note includes any amount representing interest that has previously been included in the income of the holder, that amount will qualify as a deduction from the income of the holder during the year of assessment in which the transfer or redemption takes place and will not give rise to a capital loss.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that person in South Africa.

To the extent that a Noteholder constitutes a "covered person" (as defined in section 24JB of the Income Tax Act) and section 24JB applies to the Notes, the Noteholder will be taxed in accordance with the provisions of section 24JB of the Act and the capital gains tax provisions would not apply.

Purchasers are advised to consult their own professional advisers as to whether a disposal of Notes will result in capital gains tax consequences.

Definition of Interest

The references to "interest" above mean "interest" as understood in South African tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Conditions or any related documentation.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. Each Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including South Africa) have entered into, or have agreed in substance to, intergovernmental agreements with the U.S. to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of

the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the relevant Issuer will not be required to pay additional amounts as a result of the withholding.

The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a "**participating Member State**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary' market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, ICBC International Securities Limited, ING Bank N.V., J.P. Morgan Securities plc, Merrill Lynch International, Mizuho International plc, NatWest Markets Plc, Standard Chartered Bank, SMBC Nikko Capital Markets Limited, The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) and UBS AG London Branch (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by any Issuer to, and purchased by, Dealers are set out in an Amended and Restated Dealer Agreement dated 27 June 2024 (the "**Dealer Agreement**") and made between the Issuers and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

The Dealers are entitled in certain circumstances to be released and discharged from their obligations under the Dealer Agreement prior to the closing of the issue of the relevant Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the relevant Issue Date. In this situation, the issuance of the relevant Notes may not be completed. Investors will have no rights against the relevant Issuer or Dealers in respect of any expense incurred or loss suffered in these circumstances.

Certain of the Dealers and their respective affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) may have engaged in transactions with any Issuer in the ordinary course of their banking business and may have performed various investment banking, financial advisory and other services for any Issuer, for which they receive customary fees, and certain of the Dealers and their respective affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) may provide such services in the future.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of any Issuer or its affiliates. Certain of the Dealers or their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) that have a lending relationship with any Issuer routinely hedge their credit exposure to such Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

United States of America

Regulation S Category 2 TEFRA D, unless TEFRA C is specified as applicable in the relevant Final Terms.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer and its affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or both) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II, as amended or superseded.

Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or both) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed, and each new Dealer appointed under the Programme will be required to represent, warrant and agree, that:

No deposit taking: in relation to any Notes having a maturity of less than one year:

- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,
where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

Financial promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer; and

General compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Australia

No Issuer is a bank or an authorised deposit-taking institution which is authorised under the Banking Act 1959 of the Commonwealth of Australia (the "**Banking Act**") to carry on banking business nor is any Issuer subject to prudential or other supervision by the Australian Prudential Regulation Authority ("**APRA**"). The Notes are neither "protected accounts" nor "deposit liabilities" within the meaning of the Banking Act. The obligations of the Issuers are not guaranteed by the Commonwealth of Australia. An investment in Notes is not covered by the depositor protection provisions in section 13A of the Banking Act, and will not entitle holders of Notes to claim under Division 2AA (Financial claims scheme for account-holders with insolvent ADIs) in the Banking Act. Without limiting other restrictions on transfer, each transfer of Notes in the Australian capital markets must comply with Banking exemption No. 1 of 2018 dated 21 March 2018 promulgated under the Banking Act and with any Guidelines published by APRA from time to time.

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Australian Corporations Act**")) in relation to the Programme or any Notes has been, or will be, lodged with, or registered by, the Australian Securities & Investments Commission ("**ASIC**") or any other regulatory authority in Australia or the Australian Stock Exchange ("**ASX**").

Each Dealer has represented and agreed, and each Dealer appointed under the Programme will be required to represent and agree, that it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of, any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive offering memorandum, prospectus or any other offering material or advertisement relating to the Programme or any sale of Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least AUD500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates), the offer is to a professional investor for the purposes of section 708 of the Australian Corporations Act, or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Australian Corporations Act and complies with the terms of any authority granted under the Banking Act 1959 of Australia;

- (ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Australian Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for Notes under the Base Prospectus, each person to whom Notes are issued:

- (a) will be deemed by each Issuer and each of the Dealers to have acknowledged that if any investor offers or on-sells Notes within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Australian Corporations Act) with ASIC unless either:
 - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Australian Corporations Act to whom it is lawful to offer Notes in Australia without a prospectus or other disclosure document lodged with ASIC; or
 - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by each Issuer and each of the Dealers to have undertaken not to sell those Notes in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Notes.

This Base Prospectus is not, and under no circumstances is to be construed as, an advertisement or public offering of any Notes in Australia.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

South Africa

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not and will not offer or solicit any offers for sale or subscription or sell any Notes in South Africa, in each case, except in accordance with the South African Exchange Control Regulations, the Companies Act, the Banks Act and any other applicable laws and regulations of South Africa in force from time to time. In particular, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not 1) make an "*offer to the public*" (as such expression is defined in the Companies Act, and which expression includes any section of the public), whether for subscription, purchase or sale in South Africa or 2) offer Notes for subscription, or otherwise sell any Notes, to any person who, or which, is a Resident (as defined in the South African Exchange Control Regulations) other than in strict compliance with the South African Exchange Control Regulations in effect from time to time, and, without prejudice to the foregoing, that it will take all reasonable measures available to it to ensure that no Note will be purchased by, or sold to, or beneficially held or owned by, any Resident (as defined in the South African Exchange Control Regulations) other than in strict compliance with the South African Exchange Control Regulations in effect from time to time.

This Base Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act.

Information made available in this Base Prospectus should not be considered as "advice" as defined in the Financial Advisory and Intermediary Services Act, No. 37 of 2002.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Indonesia

Each Dealer has represented, warranted and agreed that the Base Prospectus has not been distributed or passed and may not be distributed or passed in the Republic of Indonesia and the Notes have not be offered or sold and will not be offered or sold in the Republic of Indonesia or to Indonesian citizens, corporations or residents wherever they are domiciled, or to Indonesian citizens, corporations or residents, in each case, in a manner which constitutes a public offering under the Indonesian capital markets law and its implementing regulations.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase and it will not offer or sell any Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, and it has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuers have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12:

Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in any Notes. Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**"), unless under an exemption from the duty to publish a prospectus (as provided by FinSA). No application has been or will be made to admit the Notes to trading on any trading venue (SIX Swiss Exchange Ltd. ("**SIX**") or on any other exchange or any multilateral trading facility) in Switzerland.

Neither this Base Prospectus, any Final Terms nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to FinSA or pursuant to the listing rules of SIX or any other trading venue in Switzerland.

Neither this Base Prospectus, any Final Terms nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. No Key Information Document according to FinSA or any document deemed equivalent under FinSA has been prepared in relation to the Notes.

Belgium

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, 2° of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**"), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession, and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any physical or legal person qualifying as a non-professional client in Belgium as set out in article 2, 2° of the Belgian Royal Decree of 25 April 2014 regarding certain information obligations when marketing financial products to non-professional clients (which refers to article 2, 29° of the Law of 2 August 2002 regarding the supervision on the financial sector and services), meaning any client that is not treated as a professional client, i.e. not as a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs and fulfils the criteria as set out in the annex to the Royal Decree of 19 December 2017 laying down detailed rules for the implementation of directive 2014/65/EU on markets in financial instruments (a "**Belgian Non-Professional Client**"). Each Dealer has also represented and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell transfer or deliver, the Notes and that it has not distributed, and will not distribute any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Non-Professional Client to avoid the application of the information obligations as set out in the Belgian Royal Decree of 25 April 2014.

The People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered or sold directly or indirectly within the PRC. This Base Prospectus, the Notes and any material or information contained or incorporated by reference herein in relation to the Notes have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("**CSRC**") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the

PRC. Neither this Base Prospectus nor any material or information contained or incorporated by reference herein constitutes an offer to sell or the solicitation of an offer to buy any securities in the PRC.

The Notes may only be invested by or sold to PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, any which may be required from the State Administration of Foreign Exchange, CSRC, the National Financial Regulatory Administration and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations.

The Republic of China

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of the Republic of China and/or other regulatory authority of the Republic of China pursuant to relevant securities laws and regulations and may not be sold, issued or offered within the Republic of China through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of the Republic of China or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of the Republic of China and/or other regulatory authority of the Republic of China. No person or entity in the Republic of China has been authorised to offer or sell the Notes in the Republic of China.

The Kingdom of Thailand

Each Dealer has represented, warranted and agreed, and each new Dealer appointed under the Programme will be required to represent, warrant and agree, that: (i) it has not offered or sold and will not offer or sell, whether directly or indirectly, any Notes in the Kingdom of Thailand; (ii) it has not made and will not make, whether directly or indirectly, any invitation to subscribe for the Notes in the Kingdom of Thailand; and (iii) it has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus, any Final Terms or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to any persons in the Kingdom of Thailand, except in compliance with the filing requirements of the Securities and Exchange Act B.E. 2535 (1992) (the "**Thai SEC Act**"), as amended and any other applicable rules, notifications and regulations regarding the filing requirements issued thereunder, or in compliance with any other applicable rules, notifications, and regulations issued under the Thai SEC Act.

General

Each Dealer has represented, warranted and agreed that it has, to the best of its knowledge and belief, complied and will comply with all applicable securities laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuers and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuers. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or, in any other cases, in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme was authorised by written resolutions of the Board of Directors of SBSA passed on 6 July 2007. The update of the Programme was authorised on 2 February 2024 by the chief executive of SBSA pursuant to powers delegated on 1 December 2022 by the Chairman of SBSA pursuant to powers delegated by a written resolution of the Board of Directors of SBSA passed on 24 November 2022. SBSA has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

The update of the Programme was authorised on 5 February 2024 by the chief executive of SBG pursuant to powers delegated on 5 December 2022 by the Chairman of SBG pursuant to powers delegated by a resolution of the Board of Directors of SBG passed on 24 November 2022. SBG has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Significant/Material Change

2.
 - (a) There has been no material adverse change in the prospects of SBG or SBG and its Subsidiaries (taken as a whole) nor any significant change in the financial performance or the financial position of SBG or SBG and its Subsidiaries (taken as a whole), since 31 December 2023.
 - (b) There has been no material adverse change in the prospects of SBSA or SBSA and its Subsidiaries (taken as a whole) nor any significant change in the financial performance or the financial position of SBSA or SBSA and its Subsidiaries (taken as a whole), since 31 December 2023.

Auditors

3. The financial statements of each Issuer have been audited without qualification for the years ended 31 December 2023 and 31 December 2022 by KPMG Inc. whose address is KPMG Crescent, 85 Empire Road, Parktown 2193, South Africa and PricewaterhouseCoopers Inc. whose address is 4 Lisbon Lane, Waterfall City, Jukskei View 2090, South Africa. Each Issuer's auditors are members of the Independent Regulatory Board for Auditors, whose address is Building 2, Greenstone Hill Office Park, Emerland Boulevard, Modderfontein, South Africa.

Approvals

4. As at the date of this Base Prospectus, the prior written approval of the FSD (or an authorised dealer, on its behalf) will be obtained by SBSA or SBG, as the case may be, for the issue of each Tranche of Notes under the Programme.

Documents on Display

5. Copies of the following documents may be inspected during normal business hours at the specified offices of the Fiscal Agent and from the registered office of each Issuer for 12 months from the date of this Base Prospectus. In addition, the documents listed at (a), (b), (c), (g) and (h) below will be available for inspection for 12 months from the date of this Base Prospectus at www.standardbank.com/sbg/standard-bank-group/investor-relations/debt-investors:
 - (a) the certificate of incorporation and memorandum of incorporation of each Issuer;

- (b) the annual financial statements of SBSA for the years ended 31 December 2023 and 31 December 2022;
- (c) the annual financial statements of SBG for the years ended 31 December 2023 and 31 December 2022;
- (d) the Agency Agreement;
- (e) The Deeds of Covenant;
- (f) the programme manual (which contains the forms of the Note Certificates in global and individual form) dated 27 June 2024 and signed for the purposes of identification by the Issuers and the Fiscal Agent;
- (g) a copy of this Base Prospectus; and
- (h) any future prospectuses and supplements including Final Terms (save for a Final Terms relating to Notes which are neither admitted to trading on a regulated market in the EEA or the UK nor offered in the EEA or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation) to this Base Prospectus.

Clearing of the Notes

6. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The Legal Entity Identifier for SBSA is QFC8ZCW3Q5PRXU1XTM60.

The Legal Entity Identifier for SBG is 2549003PEZXUT7MDBU41.

Use of Proceeds

7. The net proceeds of the issue of each Tranche of Notes will be applied by the relevant Issuer for its general corporate purposes. Notes may be issued as Green Bonds, Social Bonds or Sustainable Bonds. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Post Issuance Information

8. Other than in relation to Green Bonds, the Issuers do not intend to provide any post issuance information in relation to any Note issues.

Dealers transacting with the Issuers

9. Certain of the Dealers and their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for any Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the relevant Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of any Issuer or its affiliates. Certain of the Dealers or their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) that have a lending relationship with any Issuer routinely hedge their credit exposure to such Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates (as defined under Rule 501(b) of Regulation D of the Securities Act) may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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Waterfall City
Jukskei View 2090
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