THE STANDARD BANK OF SOUTH AFRICA LIMITED

(Incorporated with limited liability on 13 March 1962 under Registration Number 1962/000738/06 in the Republic of South Africa)

as **Issuer**

ISSUER DISCLOSURE SCHEDULE RELATING TO THE STANDARD BANK OF SOUTH AFRICA LIMITED USD 2,000,000,000 STRUCTURED NOTE PROGRAMME

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*This is the Issuer Disclosure Schedule (“**The Issuer Disclosure Schedule**”) relating to The Standard Bank of South Africa Limited USD 2,000,000,000 Structured Note Programme (the “**Programme**”) applicable to all Notes issued under the Programme pursuant to the Programme Memorandum dated as of 9 September 2025 (the “**Programme Memorandum**”).*

This Issuer Disclosure Schedule dated as of 9 September 2025 contains all information pertaining to the description of the Issuer, including, but not limited to, its business, management, directors and corporate governance disclosure

This Issuer Disclosure Schedule relating to The Standard Bank of South Africa Limited supersedes and replaces the Issuer Disclosure Schedule relating to The Standard Bank of South Africa Limited dated as of 11 September 2024.

Capitalised terms used in this Issuer Disclosure Schedule are defined in the section of the Programme headed “Terms and Conditions of the Notes”, unless separately defined or clearly inappropriate from the context.

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 the "**Group**" are to SBG and its subsidiaries. All references herein to the "**SBSA Group**" are to SBSA 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 2024, 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.

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 ("**C&O**"), 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. PPB SA's products and services include home loans, vehicle and asset finance ("**VAF**"), 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 banking solutions that include: VAF, 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 to 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.

For further information, see Annexure A "*Subsidiaries, Consolidated and Unconsolidated Structured Entities*" to the SBSA 2024 Annual Financial Statements.

STRATEGY

SBSA's strategy is aligned with and reflects SBG's strategic focus areas. SBG expresses its corporate purposes 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 through consistently high quality, relevant, competitive and innovative solutions;
- 'execute with excellence' by (1) delivering financial services solutions with maximum efficiency and total integrity, (2) ensuring that its governance and risk-management processes are robust, and (3) building and maintaining the Group's digital 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.

In particular, SBSA is focused on defending its position in key markets and products, while simultaneously pursuing growth and taking advantages of opportunities within a highly competitive landscape. SBSA's ambition is to be the leading private bank in South Africa and to continue to play a key role in South Africa's energy transition.

SBSA has identified the following medium term focus areas:

- Continue growing its balance sheet to position SBSA well for future opportunities.
- Focus on diversifying income streams, to enable SBSA to develop new opportunities for stable growth.
- Attracting and retaining a skilled workforce.
- Defend and strengthen SBSA's competitive position in key markets.
- Drive growth in key sectoral developments, through energy transition objectives and taking advantage of infrastructure opportunities.
- Utilise data and artificial intelligence in order to transform client experience and modernising the SBSA Group's capabilities.
- Proactive risk management and cost efficiency, supporting operational resilience.

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 of South Africa Limited – Overview*" above.

Guided by the Group, each of SBSA'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 SBSA's client engagement platforms.

Value Drivers

In alignment with the Group, SBSA has identified six "value drivers" which it uses to measure its progress in delivering on its strategy and to focus on the delivery of its strategy. These value drivers are aligned to the value which the Group aspires to create for all of its stakeholders in order to achieve the Group's corporate purpose and make a positive impact. These value drivers are: client focus, employee engagement, risk and conduct, operational excellence, financial outcome and positive impact. Client focus and employee engagement support the Group's strategy to transform client experience; risk and conduct and operational excellence support the Group's strategy to execute with excellence; and financial outcome and positive impact support the Group strategy to drive sustainable growth and value.

Client Focus

By offering relevant, competitive and innovative solutions to clients though its digital products and services, responding to changing client expectations and delivering fair outcomes for its clients, SBSA seeks to provide consistently high quality client experiences.

Employee Engagement

SBSA strives to provide a work environment in which all of its employees feel a strong sense of belonging, are enabled to realise their full potential and can be authentic. SBSA respects the rights of its employees and endeavours to offer a safe and fair work environment.

Risk and Conduct

SBSA seeks to operate with integrity and holds itself to high ethical standards. SBSA maintains robust policies and processes to manage the risks and opportunities in its business. SBSA seeks to ensure the security of its information and that of its clients and to protect itself from cyber threats.

Operational Excellence

SBSA's physical presence is complemented by its modernised digital capabilities, increasingly simplified systems architecture and investment in system security in order to improve efficiency and lower its cost to serve.

Financial Outcome

As a major component of the Group, SBSA seeks to deliver sustainable earnings growth and to contribute to generating attractive returns for the Group's shareholders.

Positive Impact

SBSA seeks to achieve positive impact by understanding the needs and challenges of South Africa's people and delivering solutions to address these needs. In addition, SBSA seeks to balance social, economic and environmental considerations to drive sustainable growth.

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 2024, SBSA's market share in mortgage loans, other loans and advances and corporate priced deposits are the largest of the four major South African banks.

The table below presents the SBSA Group's market share in key product areas for the years ended 31 December 2024 and 31 December 2023 (according to the SARB BA 900 Filings):

	31 December	
	2024	2023
	(%)	*(%)*
mortgage lending	33.4	34.1
vehicle and asset financing	19.0	19.2
card debtors	20.9	22.8
other loans and advances	23.6	22.1
deposits	22.3	22.5
corporate deposits	23.8	23.7
household deposits	18.7	18.8
household deposits (cheque savings, on-demand and 1 to 30 day accounts)	21.4	21.3

(*Source: SARB BA 900 Filings*)

A universal financial services company with a strong fit-for-purpose business, a modern digital core and diverse client base, service offering and revenue sources

SBSA's 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.

Strong 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 strong position in the market has allowed it to attract top managers from across the industry. 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

Introduction

SBSA is a universal bank providing retail, corporate, commercial and investment banking services to individuals and companies across South Africa. SBSA has a broad business 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, C&O, provides support functions to these business units.

SBSA's balance sheet is an important resource for the Group. In certain instances, and subject to appropriate compliance and risk assessments, foreign currency transactions that are too large to be booked solely on the Group's Africa Region subsidiaries balance sheets, are partially 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.

Overview of SBSA Group results

In 2024, the global macroeconomic environment was subject to ongoing uncertainty and geopolitical tensions. Despite these conditions, SBSA believes that the formation of South Africa's Government of National Unity following South Africa's general elections improved business confidence and optimism, which resulted in positive investor sentiment. Electricity supply in South Africa improved, progress was made in addressing logistic constraints, and structural reforms supported by the private sector continued to advance. Average consumer price inflation for the year ended 31 December 2024 moderated to 4.4 per cent. (compared to 5.9 per cent. for the year ended 31 December 2023), the lowest levels experienced since the Covid-19 pandemic and the SARB reduced interest rates by 50bps to 7.75 per cent. in the last quarter of 2024.

Against this backdrop, during the year ended 31 December 2024, SBSA delivered headline earnings of R18,545 million, an increase of 11 per cent. compared to R16,756 million for the year ended 31 December 2023 with an improved return on equity ("**ROE**") of 15.3 per cent. (compared to 14.6 per cent. for the year ended 31 December 2023), which is higher than the cost of equity. SBSA contributed 42 per cent. towards SBG's headline earnings for the year ended 31 December 2024 (compared to 39 per cent. for the year ended 31 December 2023).

Headline earnings growth was supported by net interest income ("**NII**") growth, improved fee generation activity and lower credit impairment charges for the year. For the year ended 31 December 2024, focused cost management resulted in a below inflation increase in operating expenses of 2.1 per cent. Income growth of 3.2 per cent. exceeded cost growth, which resulted in positive jaws of 1.1 per cent. and a cost-to-income ratio of 59.9 per cent. for the year ended 31 December 2024 (compared to 60.4 per cent. for the year ended 31 December 2023).

SBSA remains well capitalised, with a common equity tier 1 ("**CET1**") capital ratio of 11.8 per cent., liquidity coverage ratio of 123 per cent. and net stable funding ratio of 108 per cent., all above the regulatory minimum requirements and board-approved targets. For the year ended 31 December 2024, capital initiatives focused on a combination of optimising capital supply and efficient allocation to improve ROE (after considering the appropriateness of stress buffers and future changes in regulations). Contingent liquidity buffers remained adequate in catering for internal as well as regulatory stress testing requirements. Enhanced deposit diversification across the South African rand ("**ZAR**") and foreign currency funding base continued to provide competitively priced funding to support client lending growth in 2024.

Gross loans and advances to customers increased by 4 per cent. to R1,253.79 billion for the year ended 31 December 2024, underpinned by corporate loan growth, particularly in the Energy & Infrastructure and Consumer sectors. This was moderated by slower growth in the retail and business lending portfolios as disbursements and pay-outs were hampered by consumer pressure linked to higher average interest rates.

Deposits and debt funding from customers increased by 6 per cent. to R1,490.15 billion for the year ended 31 December 2024 (compared to R1,401.38 billion for the year ended 31 December 2023), mainly due to competitive long-term product offerings across the portfolio which led to growth in call and term deposits of 10 per cent. and 17 per cent. respectively. This was partially offset by a decrease in cash management deposits as corporate clients experienced a decline in balances.

For the year ended 31 December 2024, NII grew by 6 per cent. to R57,583 million compared to R54,555 for the year ended 31 December 2023. This NII growth was supported by average interest-earning assets of 6 per cent., positive endowment in a higher average interest rate environment, and a change in methodology in managing liquid assets. Competitive pressures continued, most notably in home services and corporate lending which dampened growth. The introduction of depositor insurance from April 2024, further impacted growth.

Net fee and commission revenue increased by 7 per cent. to R23,154 million for the year ended 31 December 2024 (compared to R21,637 million for the year ended 31 December 2023). PPB SA maintained its momentum throughout the year to deliver 12 per cent. growth compared to the prior year, mainly due to a larger active client base, growth in transactional activity, annual price increases and improved client experience. In addition, higher fees were generated from corporates in line with increased deal activity across the portfolio, led by the Energy & Infrastructure sector. This was partially offset by higher card processing costs due to higher volumes and the impact of USD-denominated costs.

For the year ended 31 December 2024, trading revenue declined by 2 per cent. to R9,667 million (compared to R9,847 million for the year ended 31 December 2023), due to reduced client activity in foreign exchange and lower equity investment appetite which limited trading opportunities. This was partially offset by an increase in credit-linked note client activity and improved market making opportunities amid policy uncertainty in the interest rate portfolio, together with increased market making and structured credit product growth in response to clients' investment and financing needs.

Other revenue increased by 6 per cent. to R5,916 million for the year ended 31 December 2024 (compared to R5,588 million for the year ended 31 December 2023), mainly driven by bancassurance revenue growth in the sale of funeral policies and from the partnership between the Banking and IAM businesses which yielded positive results. This was further supported by higher volumes on long-term rentals which led to an increase in VAF fleet rental income.

For the year ended 31 December 2024, other gains and losses on financial instruments declined by 69 per cent. to R761 million (compared to R2,463 million for the year ended 31 December 2023) as positions held in the fair value portfolio reduced due to the implementation of hedge accounting on liquid assets. These assets were reinvested and classified as amortised cost, as a result the related income was recorded in NII in 2024.

SBSA's approach to managing risk appetite coupled with collection optimisation strategies continued to result in positive outcomes. Credit impairment charges decreased by 12 per cent. to R11,624 million for the year ended 31 December 2024 (compared to R13,256 million for the year ended 31 December 2023). This decline was mainly due to Stage 3 recoveries linked to a legacy client in the corporate portfolio, a slowdown in retail early arrears and non-performing loans as well as improved forward-looking macroeconomic assumptions. SBSA's credit loss ratio of 84bps for the year ended 31 December 2024 (compared to 98bps for the year ended 31 December 2023) remained within the portfolio's through-the-cycle target range of 70 – 100bps.

Operating expenses grew by 2 per cent. to R57,601 million for the year ended 31 December 2024 (compared to R56,392 million for the year ended 31 December 2023), below average inflation, due to deliberate cost management initiatives. Continued investment in digital capabilities was partially offset by lower incentive provisioning and a decline in discretionary spend.

The following table shows selected ratios for SBSA Group as at, and for the years ended, 31 December 2024 and 31 December 2023:

	31 December	
	2024	**2023**
Income statement		
Total net income (Rm)	97,081	94,090
Headline earnings (Rm)	18,545	16,756
Profit for the year attributable to ordinary shareholders (Rm)	18,205	16,779
Statement of financial position		
Gross loans and advances (Rm)	1,438,641	1,397,103
Total assets (Rm)	2,094,850	1,946,540
Total liabilities (Rm)	1,953,031	1,806,010
Stage 3 loans[1] (Rm)	88,134	85,007
Stage 1 and 2 credit impairment /charge[2]/(release) (Rm)	(1,621)	1,331
Stage 3 credit impairment charge (Rm)	13,063	11,782
Credit loss ratio (per cent.)	0.84	0.98
Non-performing exposures ratio (per cent.)	6.1	6.1
Return on equity (per cent.)	15.3	14.6
Loans-to-deposit ratio (per cent.)	80.7	84.4
Cost-to-income ratio (per cent.)	59.9	60.4

[1] 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.

[2] 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 2024 and 31 December 2023:

	31 December	
	2024	2023
	(Rm)	*(Rm)*
Net interest income	57,583	54,555
Non-interest revenue	39,498	39,535
Net fee and commission revenue	23,154	21,637
Trading revenue	9,667	9,847
Other revenue	5,916	5,588
Other gains and losses on financial instruments[1,2]	761	2,463
Total net income	**97,081**	**94,090**

[1] For further information on Other gains and losses on financial instruments, refer to page 129 of SBSA's Annual Financial Statements.

[2] In 2023, gains and losses on liquid assets, held at fair value, were recorded in other gains and losses on financial instruments. These liquid assets matured and the proceeds were reinvested in new liquid assets which were classified as amortised cost and the related income was recorded in NII in 2024.

SBSA's Business Units – overview of results

The SBSA Group's operating model is client led and structured around its business units, which are responsible for designing and executing the client value proposition.

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]		C&O	
	31 December		31 December		31 December		31 December	
	2024	2023	2024	2023	2024	2023	2024	2023
								(Rm)
Total assets	593,815	587,258	131,724	130,168	1,332,991	1,208,993	36,320	20,121
Headline Earnings	6,897	6,071	5,786	5,677	7,368	7,194	(1,506)	(2,186)

1 Where 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

For the year ended 31 December 2024, PPB SA achieved headline earnings of R6.9 billion, a 14 per cent. increase (compared to R6.1 billion for the year ended 31 December 2023). PPB SA recorded a 12 per cent. growth in net fee and commission revenue, mainly due to a larger active client base, growth in transactional activity, as well as higher card interchange and insurance revenues in the year ended 31 December 2024 (compared to R9,235 million for the year ended 31 December 2023). PPB SA maintained robust risk management practices and a balanced and sustainable collections strategy in 2024. This all resulted in lower credit impairment charges as early delinquency and non-performing loans slowed down during the year ended 31 December 2024.

Costs growth of 4 per cent. for the year ended 31 December 2024 (compared to the year ended 31 December 2023) was mainly a result of strategic technology investment and continued cloud migration as well as investment in fraud risk prevention and detection tools to help manage elevated risk of fraud. The optimisation of the distribution network remains an important lever in reducing the cost to serve. In the year ended 31 December 2024, PPB SA has reduced branch square meterage by 7 per cent. (compared to the year ended 31 December 2023), while maintaining points of representation through the rollout of low-cost kiosks.

For the year ended 31 December 2024, PPB SA's active client base grew by 4 per cent. to 11.9 million clients (compared to 11.4 million for the year ended 31 December 2023), and there has been a successful transition of clients to digital platforms as PPB SA's digitally active clients increased by 6 per cent. to 4.3 million clients in the year ended 31 December 2024 (compared 4.1 million for the year ended 31 December 2023).

In 2024, PPB SA's strategic initiatives to enhance the client experience resulted in a positive shift in its overall client satisfaction measures. PPB SA increased its net promoter score ("**NPS**") to 79 (compared to 77 for the year ended 31 December 2023) and the NPS for the SBSA brand has improved to 72. PPB SA digital client experience and social media sentiment improved significantly resulting in both its Android and iOS apps achieving a 4.7 rating out of a 5. PPB SA seeks to enhance its digital solutions to be "always on" (available to its customers) and "always secure" (through managing the risk of unauthorised security breaches), driving personalised offerings to clients and fostering deeper engagements with its clients.

BCB SA – overview of results

BCB SA achieved headline earnings of R5.8 billion for the year ended 31 December 2024 (compared to R5.6 billion for the year ended 31 December 2023), an increase of 2 per cent. compared to the prior year.

In the year ended 31 December 2024, NII for BCB SA was flat at R14.8 billion. While constrained client affordability limited growth in customer loans and advances to 1 per cent., deposits and current accounts from customers grew by 6 per cent. in the year ended 31 December 2024 (compared to the year ended 31 December 2024). Marginally higher average interest rates resulted in positive endowment, which was largely offset by a combination of competitive pricing pressure, clients moving to higher interest-yielding deposit offerings and the cost of depositor insurance, implemented during the year ended 31 December 2024.

For the year ended 31 December 2024, non-interest revenue increased by 1 per cent. to R8,292 million (compared to R8,235 million for the year ended 31 December 2023), driven by clients' preference for real-time payments, increased cashflow lending, as well as increased rental income for VAF fleet and cash secure devices. This was partially offset by ongoing client behavioural shifts to more affordable alternative digital channels, a decline in net merchant discounts and higher USD-denominated scheme costs.

BCB SA has made good progress in optimising its operating model to drive integrated and efficient delivery across the client value chain while influencing client experience through technology, process enhancements and data-based insights. BCB SA has sought to create an effective risk platform for its business by establishing effective and clearly defined risk management processes. Credit impairment charges declined by 26 per cent. to R1.1 billion for the year ended 31 December 2024 (compared to R1.5 billion for the year ended 31 December 2023) largely due to enhanced collections strategies, including early identification of distressed clients and remedial actions. In addition, the improved economic outlook and reduction in interest rates led to a moderation in forward-looking provisions.

BCB SA has invested in technology and data capabilities to drive increasingly personalised customer engagement and risk management. This has led to increased client conversations with substantially higher conversion rates. BCB SA will further optimise its technology capability to enable its differentiated digital, relationship and advisory model. BCB SA also supports the delivery of low cost, multi-platform solutions enabled by technology and the modernisation of core systems to deliver “always on”, “always secure”, personalised services and efficient support.

CIB SA – overview of results

CIB SA achieved headline earnings of R7.4 billion for the year ended 31 December 2024 (compared to R7.2 billion for the year ended 31 December 2023), an increase of 2.4 per cent. Cost discipline in the face of declining revenue, as well as a low customer credit loss ratio contributed to positive earnings growth. CIB SA maintained a strong client engagement strategy, achieving an increase in client interactions and recorded its highest client satisfaction index score of 8.4 based on client feedback.

CIB SA’s credit impairments were lower in the year ended 31 December 2024 when compared to 2023, primarily due to write backs of prior period impairment provisions raised. Operating expenses grew by 2.4 per cent. in the year ended 31 December 2024 (compared to the year ended 31 December 2023) due to the successful execution of strategic cost management initiatives, despite continued investment in strategic programmes.

Central and Other

C&O 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, VAF, 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 2024 and 31 December 2023:

	31 December	
	2024	2023
	(Rm)	*(Rm)*
Loans and advances measured at fair value	**823**	**715**
Net loans and advances measured at amortised cost	**1,384,391**	**1,343,083**
Gross loans and advances measured at amortised cost	**1,437,818**	**1,396,388**
Home services	447,872	444,438
Vehicle and asset finance	121,106	114,123
Card and payments	37,950	38,285
Personal and unsecured lending	58,275	58,512
Business lending and other	81,153	82,738
Corporate and sovereign	506,305	472,066
Bank[1]	185,157	186,226
ECL	**(53,427)**	**(53,305)**
Net loans and advances	**1,385,214**	**1,343,798**
Comprising:		
Gross loans and advances	1,438,641	1,397,103
Less: ECL	(53,427)	(53,305)

Loan portfolio by industry sector

The following table sets out the composition of SBSA's advances by industry sector as at 31 December 2024 and 31 December 2023:

	31 December	
	2024	2023
	(Rm)	*(Rm)*
Segmental analysis – industry		
Agriculture	29,084	32,269
Construction	9,404	8,619
Electricity	51,922	38,005
Finance, real estate and other business services	443,654	438,216
Individuals[1]	602,298	598,590
Manufacturing	92,198	73,524
Mining	42,734	38,458
Transport	48,592	43,331
Wholesale	75,689	81,023
Other services	43,066	45,068
Gross loans and advances	**1,438,641**	**1,397,103**

[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 2024 and 31 December 2023:

	31 December	
	2024	2023
	(Rm)	*(Rm)*
Segmental analysis by geographic area		
South Africa	1,148,152	1,104,661
Africa Regions	115,683	106,434
International	174,806	186,008
Gross loans and advances	**1,438,641**	**1,397,103**

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 2024 and 31 December 2023:

	31 December	
	2024	2023
	(Rm)	*(Rm)*
Opening ECL - 1 January	**53,305**	**45,203**
Net ECL raised and released	10,823	12,635
Impaired accounts written off	(14,687)	(8,077)
Exchange and other movements	3,986	3,544
Closing ECL - 31 December	**53,427**	**53,305**
Comprising:		
Stage 1 ECL	4,571	4,962
Stage 2 ECL	7,628	9,013
Stage 3 ECL	41,228	39,330
Closing ECL – 31 December 2023	**53,427**	**53,305**

The table below sets out a segmental analysis of ECL on Stage 3 loans and advances by industry as at 31 December 2024 and 31 December 2023:

	31 December	
	2024	2023
	(Rm)	*(Rm)*
Segmental analysis of Stage 3 ECL by industry		
Agriculture	914	944
Construction	803	945
Electricity	76	829
Finance, real estate and other business services	4,212	4,218
Individuals	29,159	27,142
Manufacturing	2,315	1,906
Mining	312	202
Transport	654	745
Wholesale	1,646	1,486
Other services	1,137	913
Credit impairment on non-performing loans	**41,228**	**39,330**

The table below sets out a segmental analysis of Stage 3 ECL on loans and advances by geographic area as at 31 December 2024 and 31 December 2023:

	31 December	
	2024	2023
	(Rm)	*(Rm)*
Segmental analysis by geographic area		
South Africa	39,715	37,216
Africa Regions	1,392	1,765
International	121	349
Credit impairment on non-performing loans	**41,228**	**39,330**

The following table presents the Stage 3 exposures ratios for SBSA's products for the years ended 31 December 2024 and 31 December 2023:

	31 December	
	2024	2023
Stage 3 exposures ratios:	*(per cent.)*	*(per cent.)*
Home services	10.5	9.3
Vehicle and asset finance	9.0	8.8
Card payments	11.0	10.6
Personal unsecured lending	15.0	17.6
Business lending and other	8.2	8.0
Corporate	2.1	2.7
Bank		
C&O		
Stage 3 exposures ratio	**6.1**	**6.1**

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 **"**A*nnexure C – IFRS Risk and Capital Management Disclosures***"** in the SBSA 2024 Annual Financial Statements.

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 SBSA 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 8 April 2025):

Name	Title	Year Joined SBSA Board
Sim Tshabalala	Chief Executive, SBSA and executive director, SBG and SBSA	2013
Arno Daehnke	Executive director, SBG and SBSA	2016
Nonkululeko Nyembezi	Chairman, independent, non-executive director, SBG and SBSA	2020
Lwazi Bam	Independent, non-executive director	2022

Paul Cook	Independent, non-executive director	2021
Sola David-Borha	Independent non-executive director	2024
Geraldine Fraser-Moleketi	Independent, non-executive director	2016
Trix Kennealy	Independent, non-executive director	2016
Ben Kruger	Independent, non-executive director	2022
Jacko Maree	Independent, non-executive director	2016
Nomgando Matyumza	Independent, non-executive director	2016
Rose Ogega	Independent, non-executive director	2025
Martin Oduor – Otieno	Non-executive director	2016
Li Li	Non-executive director	2021
Fenglin Tian	Non-executive director	2024

Changes to the SBSA's Board

Having served on the SBSA Board for nine years, Martin Oduor-Otieno will retire from the SBSA Board at the conclusion of the 2025 AGM. Kenny Fihla was appointed as Deputy Chief Executive of Standard Bank Group and Chief Executive of SBSA on 1 September 2024. He tendered his resignation on 17 March 2025, with his last day of office being 13 June 2025 and, on 8 April 2025, Sim Tshabalala was appointed as Chief Executive, SBSA.

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.

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 2024, the SBSA Group had 28,476 permanent employees (compared to 28,813 permanent employees for the year ended 31 December 2023).

COMPETITION

Competitors

As at 31 December 2024, there were 13 locally controlled banks, 3 foreign controlled banks, 4 mutual banks, 12 local branches of foreign banks and 30 foreign banks with approved representative offices in South Africa. According to the SARB BA 900 report for 31 December 2024, the banking sector in South Africa had total assets of R8.2trillion as at 31 December 2024. 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 2024:

	Total Assets	Capital and reserves
	(Rm)	*(Rm)*
Absa Bank Limited	1,670,487	113,018
FirstRand Bank Limited	1,819,914	118,376
Nedbank Limited	1,302,580	81,046
The Standard Bank of South Africa Limited	2,011,454	122,428

Source: BA 900 filings – SARB, 31 December 2024

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, while aligning the capitalisation of SBSA with its risk appetite and target ranges, both of which are approved by the SBSA Board. It further aims to optimise capital allocation and usage, generating returns that appropriately compensate shareholders for the risks incurred. Capital adequacy is actively managed and is 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 2024. These minimums exclude the countercyclical buffer, which was not announced as a requirement for South Africa for the 2024 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 announced the implementation of a positive cycle-neutral countercyclical capital buffer. The minimum South African capital requirements are set to increase to 9.5 per cent., 11.75 per cent. and 15.0 per cent. respectively by 1 January 2026 following the implementation of the 1 per cent. positive cycle-neutral countercyclical capital buffer in 2025.

The planned implementation date of the Basel III finalisation rules is 1 July 2025. SBSA continues to assess the potential impact of these rules on the capital adequacy ratios, systems and processes of the bank. 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 South African Banks Act No. 94 of 1990, as amended or replaced from time to time (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:

- CET 1: ordinary share capital, share premium, retained earnings, other reserves and qualifying non-controlling interest less regulatory adjustments divided by total RWA.
- Tier 1: CET 1 and other qualifying non-controlling interest plus perpetual, non-cumulative instruments 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 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. The PA has also 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. from 4 per cent.

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 Programme Memorandum.

Basel III qualifying capital excluding unappropriated profits

The following table sets out SBSA's Tier 1 and Tier 2 capital excluding unappropriated profit for the years ended 31 December 2024 and 31 December 2023:

	31 December	
	2024	2023
	(Rm)	*(Rm)*
Ordinary shareholders' equity	123,829	121,715
Regulatory adjustments	**(6,784)**	**(7,451)**
Goodwill	(42)	(48)
Other intangible assets	(5,662)	(6,520)
Other adjustments	(1,080)	(883)
Unappropriated profits	(9,179)	(7,974)
CET 1 capital	**107,866**	**106,290**
Qualifying other equity instruments	18,217	18,661
Tier 1 capital	**126,083**	**124,951**
Qualifying Tier 2 subordinated debt	28,180	25,682
General allowance for credit impairments	1,095	3,594
Less: regulatory adjustments - investment in Tier 2 instruments in other banks	(3,344)	(3,862)
Tier 2 capital	**25,931**	**25,414**
Total regulatory capital	**152,014**	**150,365**

Source: Extracted from SBSA 2024 Annual Financial Statements

Basel III risk-weighted assets and associated capital requirements

The following table details SBSA's capital adequacy ratios for the years ended 31 December 2024 and 31 December 2023 on a Basel III basis.

	RWA		Minimum capital requirements[1]
	2024	2023	2024
	(Rm)	*(Rm)*	*(Rm)*
Credit risk (excluding counterparty credit risk (CCR))	**704,582**	**653,053**	**91,595**
Of which: standardised approach[2]	57,987	51,649	7,538
Of which: internal rating-based (IRB) approach	646,595	601,404	84,057
CCR	**57,006**	**35,469**	**7,410**
Of which: standardised approach for CCR	55,633	34,304	7,232
Of which: other CCR	1,373	1,165	178
CVA	10,476	9,746	1,362
Equity positions in banking book under market-based approach	**1,573**	**2,951**	**204**
Equity investment in funds - look through approach	**886**	**712**	**115**
Equity investment in funds - mandate-based approach	**7,167**	**4,650**	**932**
Equity investment in funds - fall-back approach	**160**	**204**	**21**
Securitisation exposures in banking book	**1,085**	1,315	**141**
Of which: Internal Ratings-Based Approach (SEC-IRBA)	**661**	**792**	**86**
Of which: External Ratings-Based Approach (SEC-ERBA)	**424**	**523**	**55**
Market risk	**64,650**	**53,344**	**8,405**
Of which: standardised approach	30,105	25,135	3,914
Of which: internal model approach (IMA)	34,545	28,209	4,491
Operational risk	**128,978**	**117,122**	**16,767**
Of which: standardised approach	44,457	32,125	5,779
Of which: advanced measurement approach (AMA)	84,521	84,997	10,988
Amounts below the thresholds for deduction (subject to 250 per cent. risk	18,852	20,128	2,451
Total	**995,415**	**898,694**	**129,403**

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.

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 2024 Risk and Capital Management Report

Capital Adequacy Ratios

The following table details SBSA's capital adequacy ratios for the years ended 31 December 2024 and 31 December 2023 on a Basel III basis:

	Internal target ranges [1]	**SARB minimum regulatory requirement** [2]	**Excluding unappropriated profits**		**Including unappropriated profits**	
			2024	**2023**	**2024**	**2023**
	(per cent.)	*(per cent.)*	*(per cent.)*	*(per cent.)*	*(per cent.)*	*(per cent.)*
CET 1 capital adequacy ratio	>11.0	8.5	10.8	11.8	11.8	12.7
Tier 1 capital adequacy ratio	>13.0	10.75	12.7	13.9	13.6	14.8
Total capital adequacy ratio	>15.25	13.0	15.3	16.7	16.2	17.6

[1] Including unappropriated profits.

[2] Excluding confidential bank specific requirements.

Source: This information has been extracted from the SBG 2024 Annual Results Booklet

For further information, see "*Annexure C – Risk and Capital Management – IFRS disclosures*" set out in SBSA 2024 Annual Report.

Climate Policy

SBSA has adopted SBG's climate policy. As an African bank, with a deep understanding of Africa's economic and developmental challenges, SBG takes a considered and responsible approach to decarbonisation. Guided by the need for a just energy transition, and the Paris Agreement's principle of 'common but differentiated responsibilities', SBG recognises that while there is a duty on all countries to take climate action, the types of action they take will depend on their national circumstances. Many African economies depend on non-renewable exports for government revenues, economic stability, and public services. Transitioning away from these resources requires careful planning to avoid economic disruptions and ensure a just transition. Rapid disinvestment in coal, oil and gas production is neither practical nor responsible in African economies with a heavy reliance on these fuels. While the Group supports the transition to lower-carbon energy sources, it believes that energy security and economic growth still require substantial non-renewable inputs. An integrated approach that considers renewable energy, battery storage, and some capacity from carbon-based fuels, is prudent to ensure energy reliability, access and efficiency in harmony with preserving the environment and climate. In this context, the Group will continue to support the development of affordable, reliable and sustainable energy infrastructure for Africa's people, while ensuring that all projects are designed and implemented with robust environmental and social impact and risk controls, as part of clients' transition strategies, and within the parameters of the Group's climate policy and targets.

Climate risk mitigation and adaptation is one of the Group's four impact areas and is recognised as a material risk and opportunity by the Group. As set out in the Group's March 2025 Climate Policy, the Group has adopted complementary mechanisms to achieve its net zero ambitions, including:

- Active portfolio management, as it works toward reducing the physical intensity of its financed emissions, inclusive of certain exclusions and restrictions on lending and investing in specific high-emissions sectors, and targets to decrease the physical intensity of its financed emissions in high carbon emitting sectors such as oil and gas;
- Mobilisation of sustainable finance, including green finance, and active pursuit of a low-carbon energy mix, with a target to increase the Group's lending and investment in sustainable, gas and low-carbon energy technologies;
- Robust due diligence and responsible client selection, together with ongoing client engagement regarding sector transition pathways and the potential for technological developments to support and accelerate Africa's clean energy transition; and
- Advocacy for supportive policy and regulatory frameworks at national and regional level.

The Group's efforts to maximise positive climate action are reflected in its targets for the mobilisation of sustainable finance, including green finance.

The Group has set financed emissions reduction targets for its upstream oil and gas portfolio, and plans to set reduction targets for other priority sectors. The Group believes that its reductions targets must be considered in the context of its presence in a number of countries that are currently pursuing the growth of energy infrastructure, its role as a major financier of African infrastructure projects, and the need to continue to provide services to state-owned electricity companies, some of which are heavily dependent on carbon-based fuels, to maintain energy security and the stability of national grids.

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 the Programme Memorandum which may have, or have had, in the recent past a significant effect on the financial position or profitability of SBSA and/or the Group taken as a whole. 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 Group's consolidated financial position or results.

SBSA Technology Capability

SBSA has adopted the Group's technology strategy. 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 performance 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 security breaches), systems adopt a business unit led 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 management of technology risks remained central to the Group's activities in 2024, driving resilience, efficiency and security. The Group continued to enable improvements in system stability, maintained its mean-time-to-recover targets and kept a defensive posture on cyber-security in the year ended 31 December 2024. The Group achieved this through focused investment in improved risk monitoring and digital assurance programs, and concerted oversight of core technology practices and disciplines. This included improvements of critical systems and infrastructure reaching end-of-life. The Group successfully delivered on the SARB's Operational Resilience Regulatory Directive – D4/2023, with a comprehensive compliant framework. As this directive links critical services to resolution and recovery plans, it has enabled an in depth understanding of operational interdependencies that may trigger critical services, implementation of proactive controls and assessment of the potential cost of such disruptions.

Technology is an important part of the Group's business and is a key driver of the Group's ability to meet evolving client needs. The Group leverages digital channels for 24/7 accessibility, data-driven personalised interactions and AI-driven innovations.

The Group's progress is supported by its focus on resilient and secure technological infrastructure. In 2024, the Group made further improvements to system stability, including sustained month-end uptime and reduced material incidents, leading to a decrease in overall downtime according to the Group's measurements.

Despite an increase in cyber threats, the Group successfully avoided material incidents in 2024, evidencing prudent cybersecurity measures. The Group is dedicated to delivering value to clients and stakeholders by enhancing efficiency, productivity, automation and standardisation across its operations. The Group's modernisation initiatives, such as service and application decoupling, have reduced downtime and the extent and impact of system outages. Investments in cloud infrastructure have enhanced business agility, the ability to release products and features faster, bolstered system resiliency and improved the Group's technology carbon emissions footprint.

The SBG Board believes that information and technology are integral components in executing on the Group's strategic priorities to achieve its commitments and deliver its purpose. The Group Information Technology Committee (**"GITC"**) is a subcommittee of the SBG Board that assists with the oversight of the strategic direction and transformation of the Group's information security, technology, data and analytics capabilities. The GITC ensures that prudent and reasonable steps are taken to govern technology and information in line with the king iv principles. Technology and information risks are integrated in the group's risk management framework and are considered by the Group risk and capital management committee (**"GRCMC"**) as part of its oversight of non-financial risk. The Group audit committee (**"GAC"**) monitors the implementation of remedial actions listed in the internal audit reports.

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 the heading titled "*Risk Factors - The impact of any future change in law or regulation on the Issuer*'*s business is uncertain* " *on page 19 of the document titled* "*Risk Factors and Other Disclosures Schedule relating to The Standard Bank of South Africa Limited USD 2,000,000,000 Structured Note Programme Risk Factors*" available on the website of the Issuer at https://reporting.standardbank.co./debt-investors/debt-securities/.

Anti-money laundering regulatory requirements

SBSA has adopted the Group Money Laundering Control Policy. SBG is committed to and supports global efforts to combat money laundering ("**ML**"), terrorist financing ("**TF**") and proliferation financing ("**PF**"). Consequently, SBG has developed and implemented policies and procedures to promote compliance with its anti-money laundering ("**AML**"), combating the financing of terrorism ("**CFT**") and combating the financing of proliferation of weapons of mass destruction ("**CPF**") regulatory obligations in each jurisdiction in which it operates. Meeting ML, TF, and PF control requirements imposes significant obligations including, amongst other things, client due diligence and verification, 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, with a particular emphasis on implementing bespoke ML/TF controls designed to mitigate risks identified in enterprise-wide and country ML/TF/PF business risk assessments. In relation to suspicious transaction reporting, the Group's expectation is that institutions have implemented an automated transaction monitoring system ("**ATMS**") and additionally provide their staff with mechanisms to report and escalate suspicious transactions as defined by relevant legislation and guidance. SBG continues to enhance its ML and TF detection capabilities across all countries of operation. Dedicated AML transaction monitoring teams 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 ensures full cooperation with law enforcement agencies from an information sharing perspective (while adhering to legislative parameters which guide the circumstances under which such information can be shared).

Anti-bribery and corruption requirements

SBSA has adopted the Group's Anti-bribery and corruption ("**ABC**") compliance programme. The 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.

The SBG anti-bribery management system has been developed and implemented to align 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

SBSA has adopted the Group's risk management approach which 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 suitable.

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

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 Group Risk Oversight Committee ("**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.

Please also see "*Annexure C – Risk and capital management – IFRS disclosures*" in the SBSA 2024 Annual Report.

ISSUER, ARRANGER AND DEALER

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