Standard Bank

AFRICA IS OUR HOME, WE DRIVE HER

GROWTH

INVESTOR BRIEFING

STANDARD BANK GROUP
MARCH 2025

CONTENTS

1.0

FY24 Financial performance highlights and outlook

SBG overview – FY24, FY25 and beyond

1.0

FY24 franchise performance – continued strong franchise momentum

- Our purpose, strategy and targets are unchanged
- The global macroeconomic backdrop was challenging, but Africa's fundamentals were favourable
- We have a large and growing client base that is doing more with us
- We managed costs and risk effectively
- We have delivered strong earnings growth and returns over time and have made good progress towards our 2025 targets

2.0

FY24 financial performance and FY25 outlook – growth and returns driven by our diversified portfolio

- Strong organic growth underpinned by our resilient and growing franchise
- Diversified portfolio across 4 businesses and 26 countries
- South Africa delivered double-digit earnings growth
- Tracking ahead of plan and remain confident we will deliver on our 2025 targets

3.0

Beyond 2025 – scale, diversity, resilience

- We have a well-diversified business with scale and are positioned to win
- Our strategic priorities remain unchanged and we are focused on execution
- We are well positioned to capture Africa's growth opportunities
- We are confident we can deliver continued attractive growth and increased returns

Performance highlights – continued good operational performance with progress across key metrics

Group headline earnings

FY24: **R44.5bn**
FY23: R42.9bn

↑ **4%** ZAR

↑ **14%** CCY

Net interest income[1]

FY24: **R100.8bn**
FY23: R97.5bn

↑ **3%** ZAR

↑ **14%** CCY

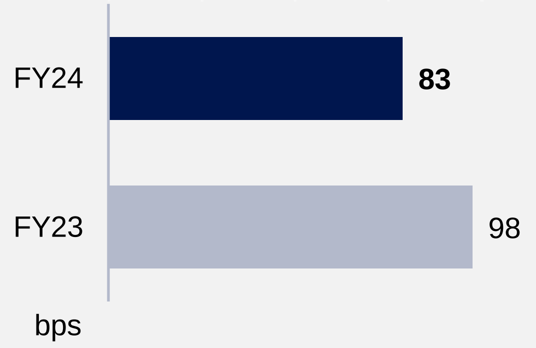
Non-interest revenue[1]

FY24: **R57.8bn**
FY23: R57.9bn

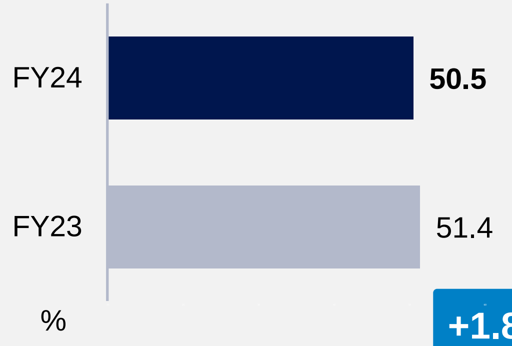
↓ **0%** ZAR

↑ **10%** CCY

Credit loss ratio[1]



Cost-to-income ratio[1]



+1.8% Jaws[1]

Group return on equity

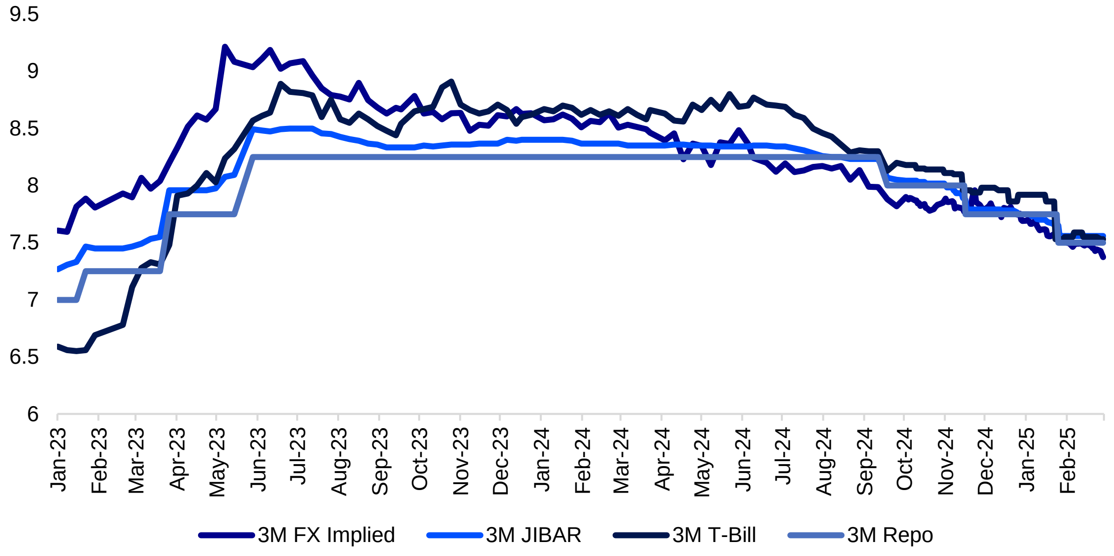
[1] *Based on Banking Franchise*

2.0

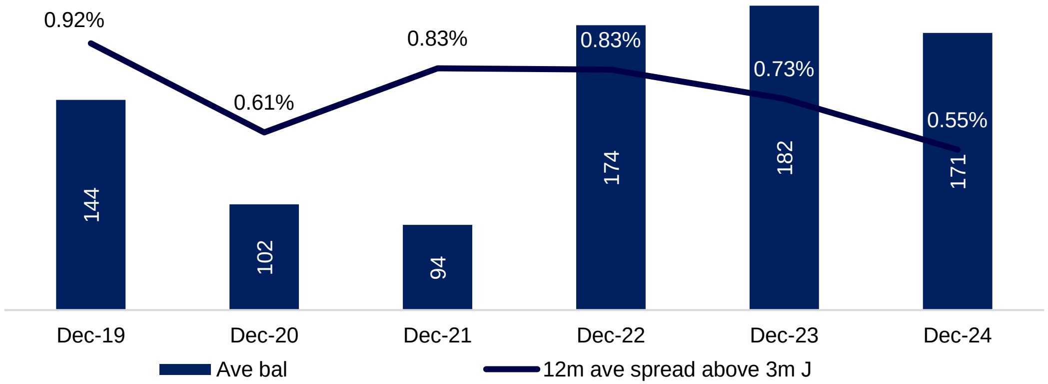
Market update

Market update

Short term rates (%)



NCD pricing levels and issuances (Rbn)



US election and SA budget outcomes

- President Trump's tariffs policy, if fully enforced, is expected to keep inflation high and drive global growth lower
- Uncertainty and market volatility has reversed interest rate cut expectations previously priced into the market
- SA's budget outcome indicates a commitment to remain on course with fiscal consolidation
- GNU members' plans to use parliamentary processes to oppose budget outcomes, in general, is being seen as a strong signal on the GNUs effectiveness. However, uncertainty remains, leading to possible market volatility

FX basis and Short dated T-bill yields

- Short end FX basis has remained in negative territory for the latter part of 2024 and into 2025, largely attributed to the impact of MPIF and GFECRA monetisation
- Short dated T-bill yields have similarly compressed

R186 bond nearing maturity

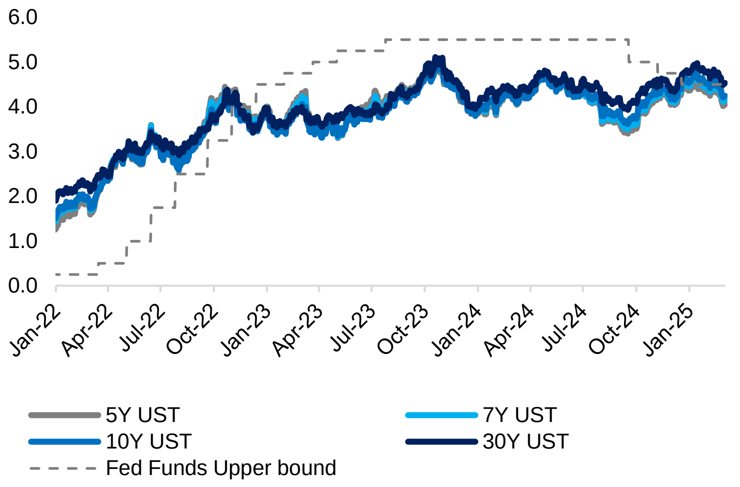
- The R186 bond will be split into three equal tranches (Dec'25, Dec'26 and Dec'27)
  - The Dec'25 will be settled in cash while the 2026 and 2027 will be issued as new instruments
  - This is likely to increase market liquidity into end of 2025

NCD pricing levels and issuance

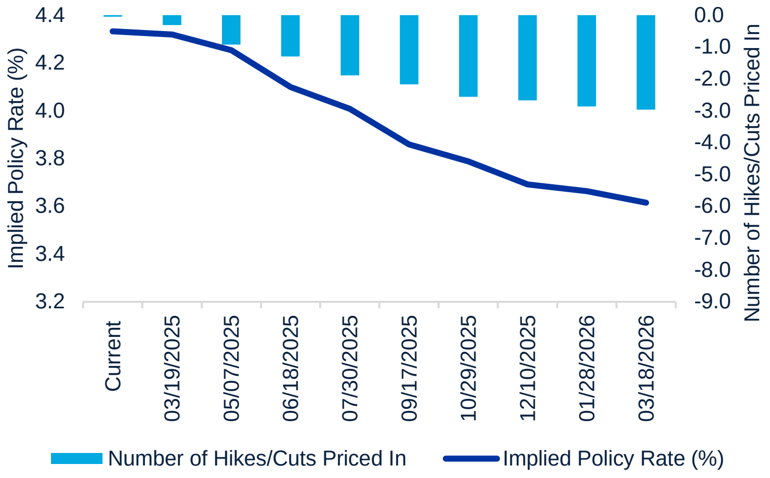
- Contraction in wholesale funding spreads continued into year-end and into 2025, primarily driven by lower funding demand and healthy liquidity ratios and the 35% ASF phase-out
- Pricing measured based on 12 months NCD levels have reduced by 5bps in 2025 year to date

Market update continued

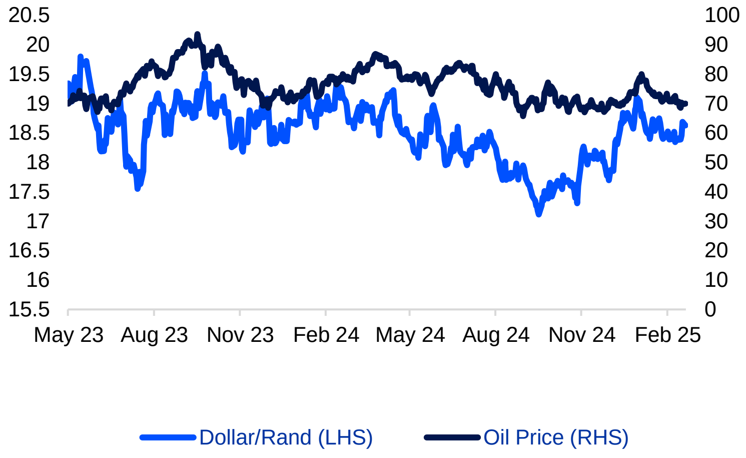
US treasuries (%)



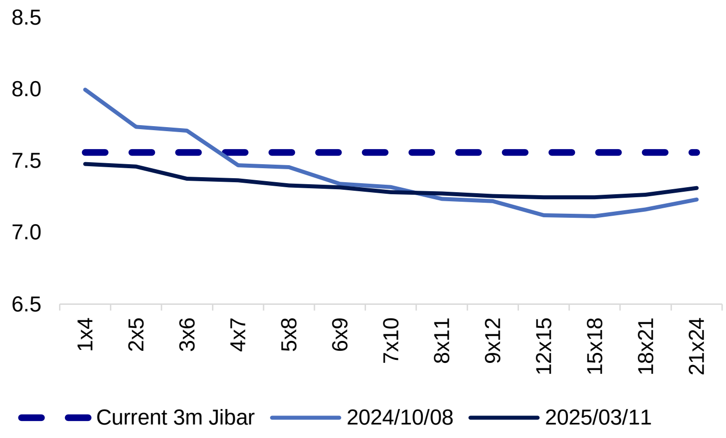
Implied fed policy rate



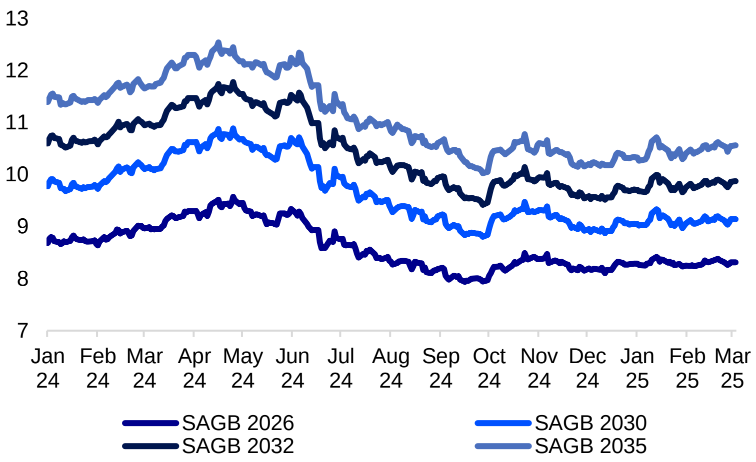
Oil and currency movement



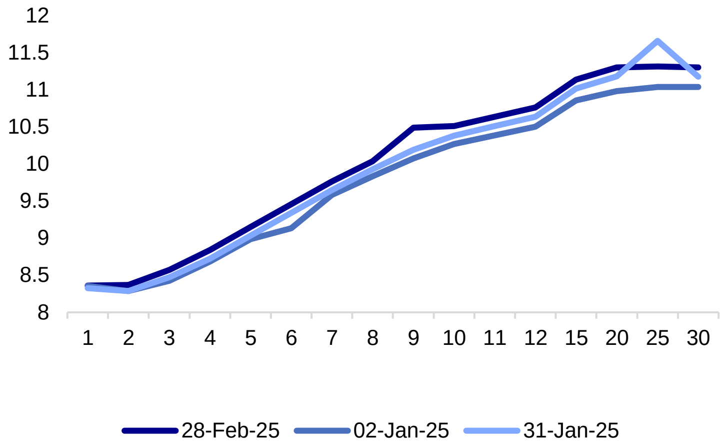
SA FRA curve (%)



SAGB yields (%)



SA SWAP curve



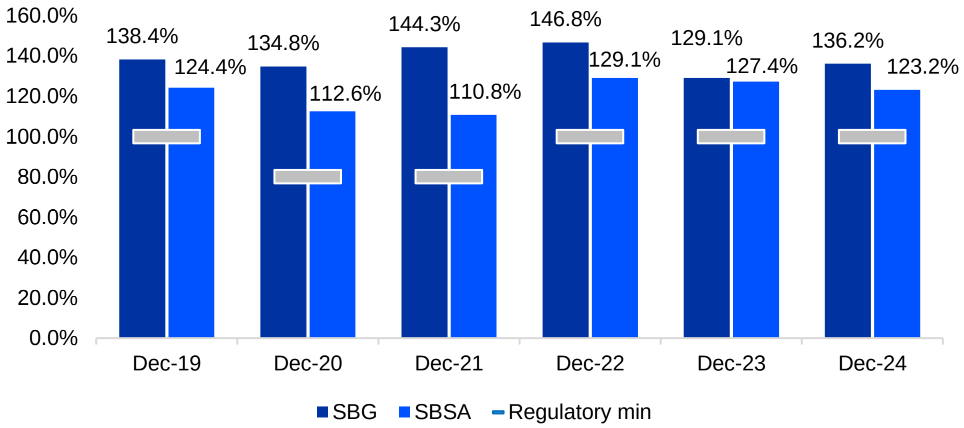
Sources: Bloomberg, Standard Bank Research

3.0

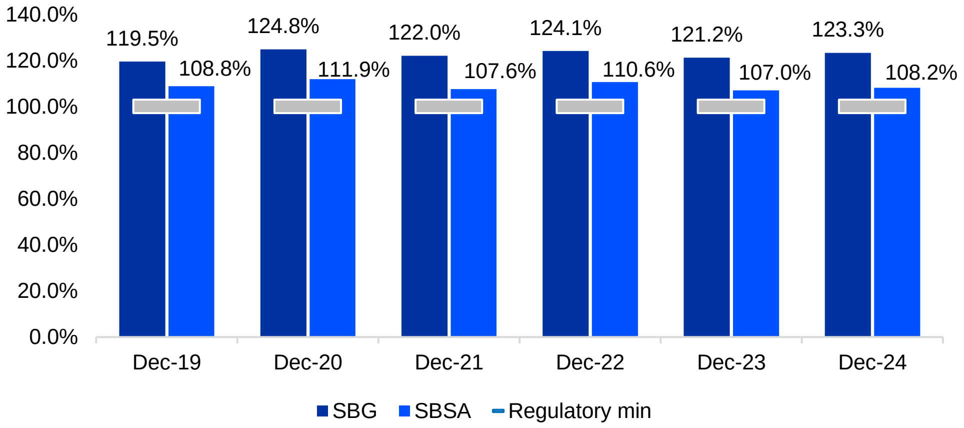
Funding & liquidity

Strong liquidity position

Basel III Liquidity Coverage Ratio (3-month simple avg.[1])



Basel III Net Stable Funding Ratio (month end)



Liquidity Coverage Ratio (LCR)

- The group maintained LCR compliance throughout 2024 in excess of the 100% regulatory requirement

Net Stable Funding Ratio (NSFR)

- NSFR compliance consistently maintained in excess of the 100% regulatory requirement throughout 2024
- The ASF applied on ZAR NBFI term deposits with a residual maturity of less than 6 months, reduced to 10% from 1 Jan'25
- The next ASF phase out is on 1 Jan’28 where it will reduce to 0%

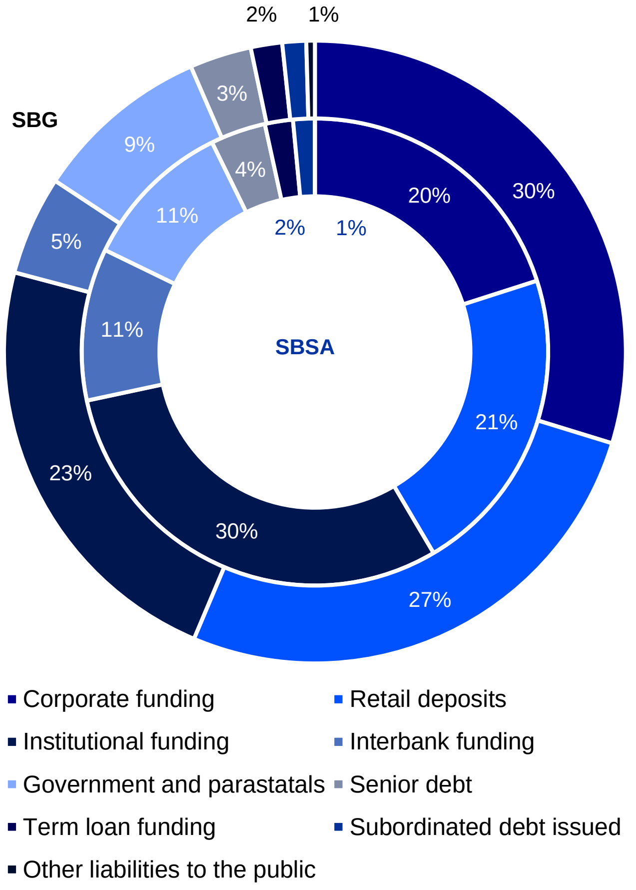
Period	ASF Percentage
1 June’23 to 31 Dec’23	30%
1 Jan’24 to 31 Dec’24	20%
1 Jan’25 to 31 Dec’27	**10%**
1 Jan’28 onwards	0%

1 Simple average of daily observations over the respective quarters for SBSA, SBSA Isle of Man branch, Stanbic Bank Ghana, Stanbic Bank Uganda, Stanbic IBTC Bank Nigeria, Standard Bank Namibia, Standard Bank Isle of Man Limited and Standard Bank Jersey Limited and the simple average of three month-end data points for the respective quarters for the other Africa Regions banking entities

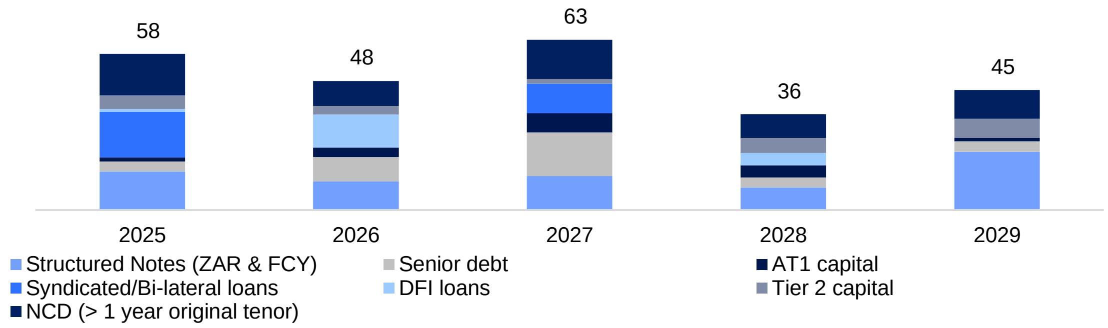
Funding sources and redemption profile

Diversified sources of liquidity, prudent redemption profile

SBG and SBSA's funding sources[3]



Standard Bank redemption profile (ZARbn)



Rbn	2025	2026	2027	2028	2029
Senior debt cumulative maturities	8	13	29	34	42

Redemption profile

- International bond and syndicated loan markets are open and accessible for issuances
- Funding diversification maintained across products, sectors, geographic regions and counterparties
- Diversified use of platforms across various jurisdictions:
  - Local listed bonds
  - Foreign currency loans, bonds: Eurobond, MTN, niche markets
  - Local and offshore structured notes[2]
- Debt strategy designed to manage maturity profile and reduce refinancing risk

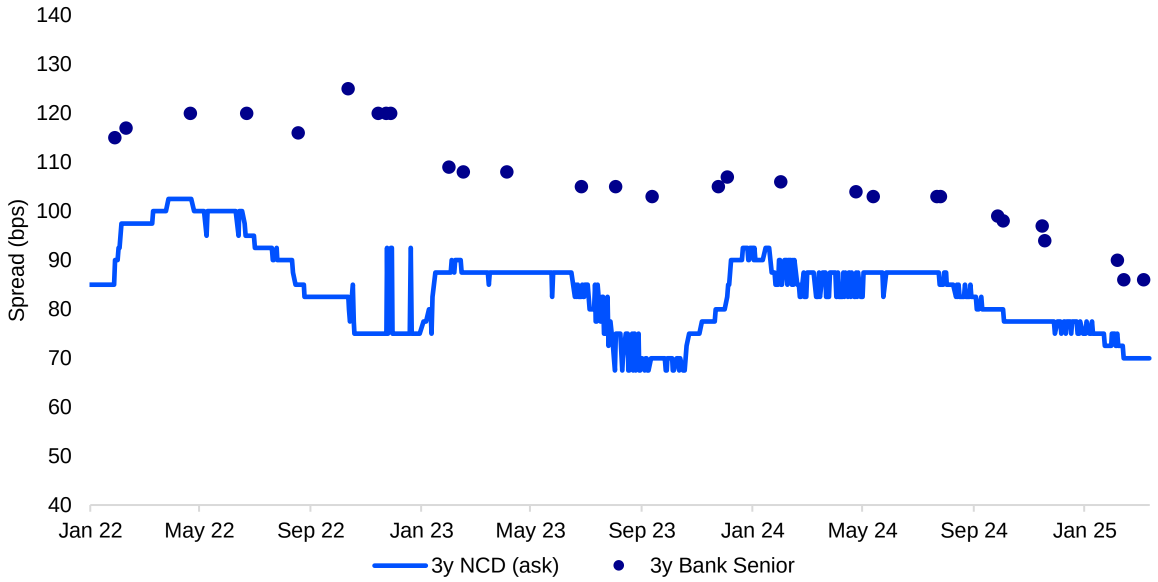
Senior debt and Flac

- Final Flac standard has been published. Implementation effective from 1 Jan'26. Accelerated phase in with 60% required after year three (end 2028)
- By end of 2028, R34bn of senior debt is likely to be replaced by Flac style instruments, with additional issuance required to meet accelerated phase-in

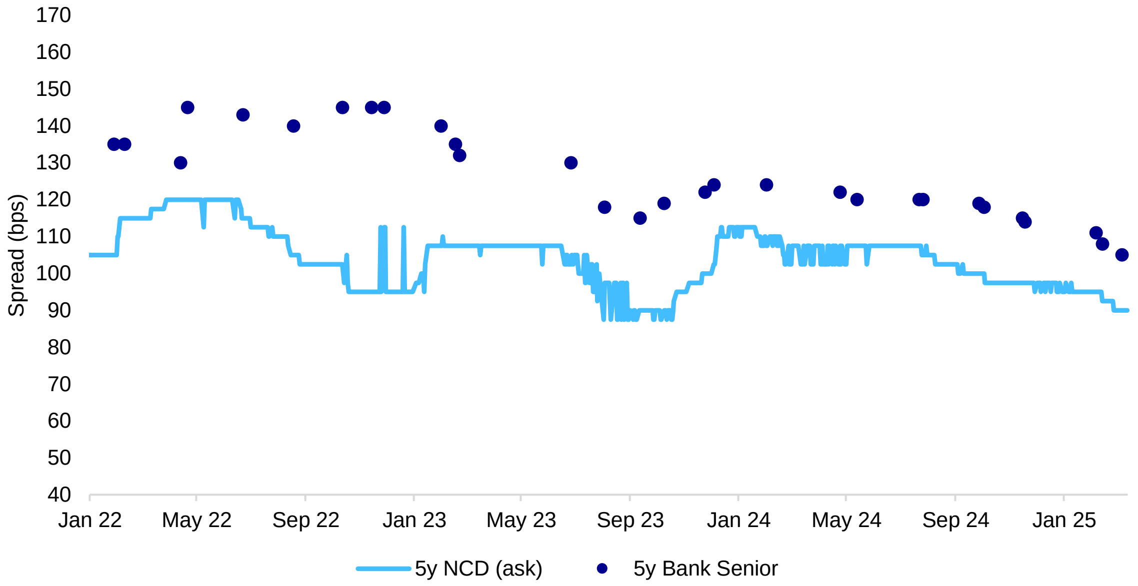
1 Redemption profile represents contractual maturity or first call dates in the case of callable instruments. Maturity profile relates to SBG Limited (subordinated debt) and SBSA (debt issuances)
2 Luxembourg listed programme launched 2017
3 As at 31 December 2024

Bank senior vs NCD pricing levels

3-Year



5-Year



- At issue spreads of bank senior paper have compressed by 8bps and 6bps for 3 and 5 year tenors respectively from Nov'24 to Feb'25
- Compression in short term NCD spreads could, in part, be driven by the continued phase out of the 35% ASF applied to ZAR NBFI deposits for NSFR compliance, and low supply of issuances by banks
- Robust appetite for bank credit risk remains with Flac implementation period starting on 1 Jan'26
- Primary issuance auctions remain oversubscribed and have been clearing near bottom-end of price guidance

4.0

Capital management

Capital adequacy

Robust capital position, materially above regulatory requirements

SBG and SBSA meet the PA's Basel III aligned requirements

Target capital adequacy ratios

- SBG: CET1: >12.5% | Tier 1: >13.5% | Total Capital: >15.5%
- SBSA: CET1: >11.0% | Tier 1: >13.0% | Total Capital: >15.25%

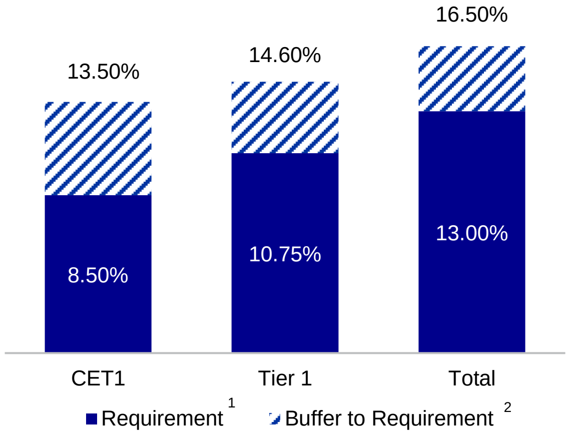
Minimum capital requirements and Basel III finalisation

- Positive cycle-neutral countercyclical capital buffer (PCN CCyB) of 1% effective from 1 Jan'26
  - 12-month phase-in period commencing on 1 Jan'25
  - Increased minimum requirements accommodated within SBG and SBSA's current capital structure
- Basel III finalisation not expected to have a material impact on capital adequacy[3]

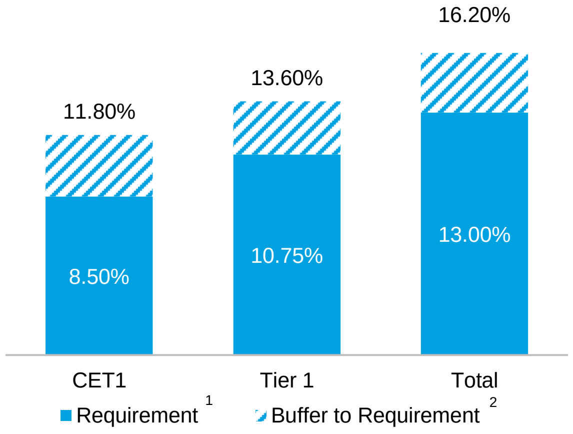
Leverage ratio[2]

- Minimum requirement increased from 4% to 4.5% from 1 Jan'25

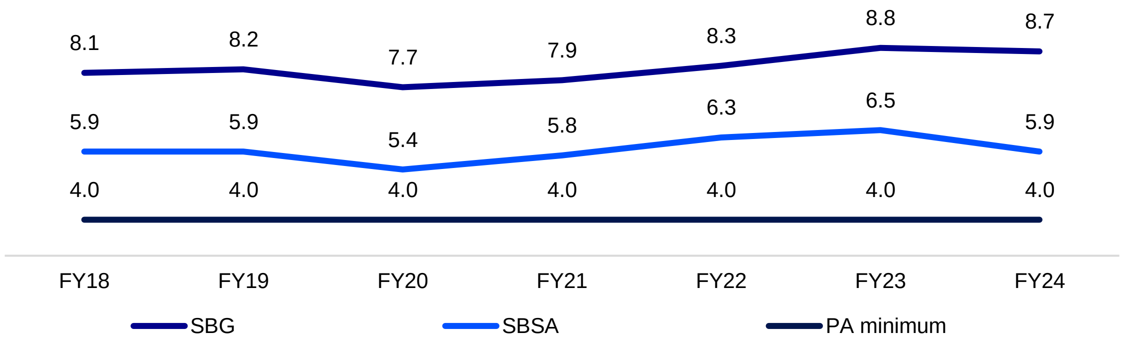
SBG capital adequacy



SBSA capital adequacy



SBG and SBSA leverage ratio (%)[2]



1 Requirements *are PA minimums excluding countercyclical buffer and Pillar 2B;* **2** *Capital and leverage ratios inclusive of unappropriated profits;* **3** *Based on Quantitative Impact Studies submitted to the PA.*

Capital adequacy

Capital adequacy and RWA history

Loss absorption provisions on debt capital instruments

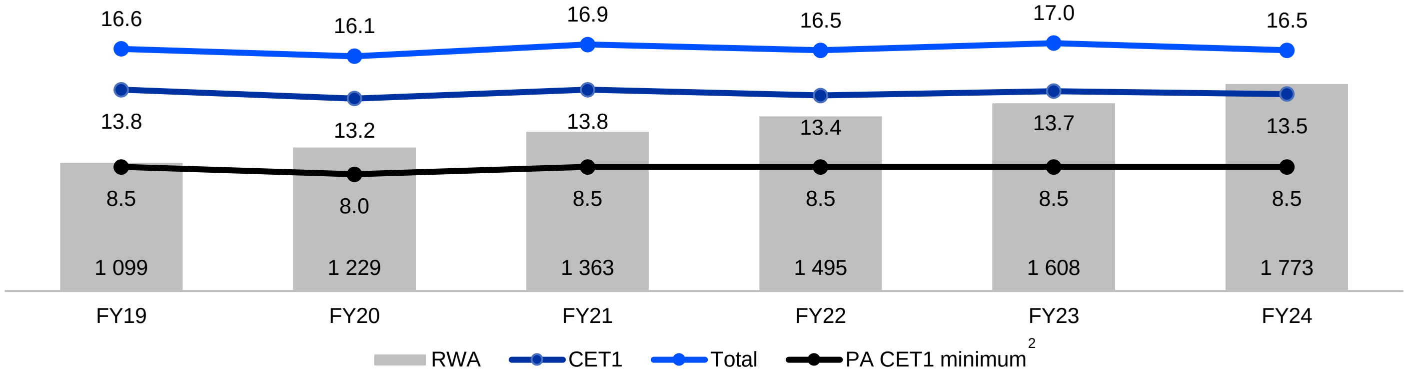
- Contractual PONV loss absorption provisions required to remain in place following implementation of the statutory resolution regime
  - Disapplication of non-viability loss absorption condition retained in AT1 and Tier 2 terms in case the statutory regime addresses PONV requirements in future, as determined by the PA
- PA not permitted to initiate the contractual PONV trigger without the concurrence of the Resolution Authority
  - SARB noted that contractual loss absorption at PONV for systemically significant banks is unlikely to be a successful recovery option[3]
  - Statutory bail-in deemed appropriate for banks with an open resolution plan (i.e. systemically significant banks) and therefore at PONV these banks are likely to enter resolution instead (i.e. POR may occur concurrently with PONV)

Capital management

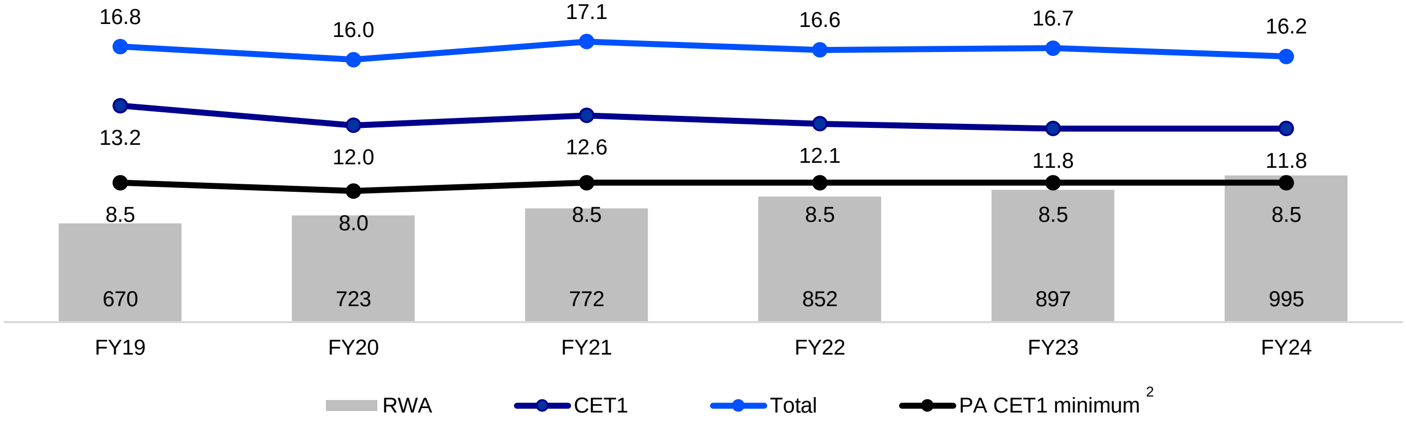
- Capital ratios consistently above requirements at both SBG and SBSA levels
- Capital resilience enhanced by:
  - Underlying profitability of operating activities
  - Geographic diversification
- Array of management actions available to manage capital position

3 July 2019 SARB paper "Ending too big to fail: South Africa's intended approach to bank resolution"

SBG capital adequacy (%) & RWA history (ZARbn)[1]



SBSA capital adequacy (%) and RWA history (ZARbn)[1]

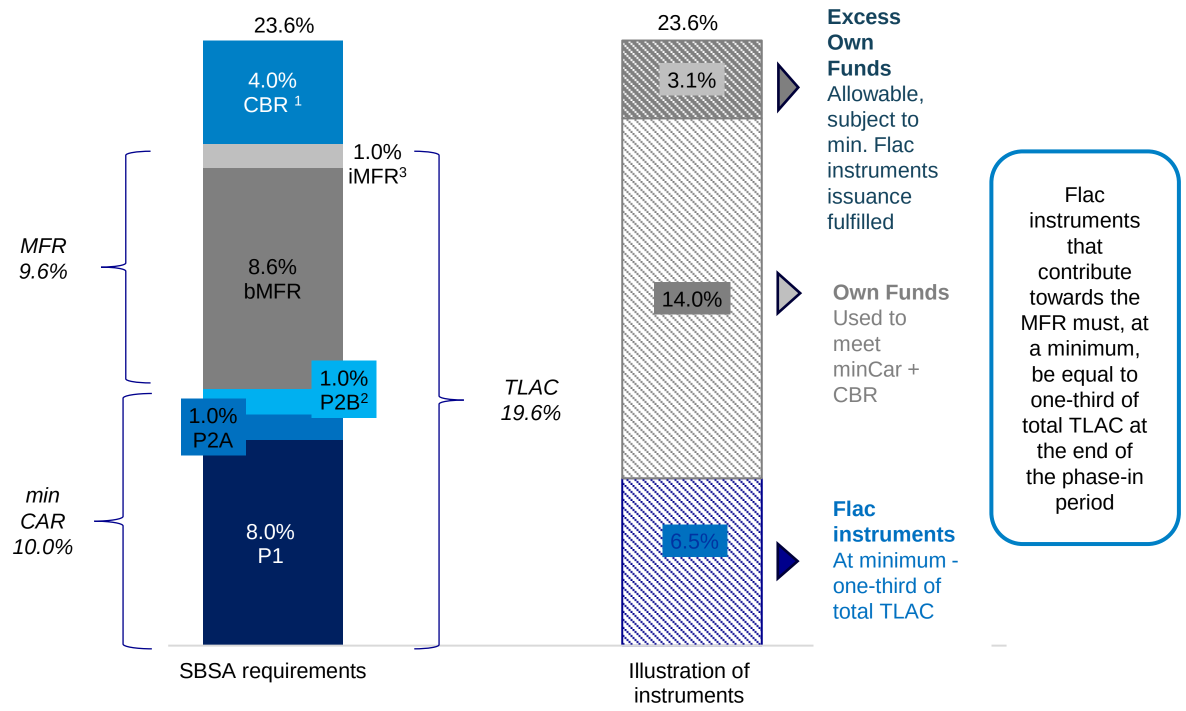


1 IFRS9 impact fully phased-in from Jan'21. All results reflected on a fully loaded basis; 2 Excludes countercyclical buffer and confidential Pillar 2B requirement. Combined buffers fully phased-in from Jan'19. Pillar 2A temporarily removed in 2020 due to Covid-19, re-instated in Jan'22. FY21 minimum shown inclusive of P2A;

Flac requirements and issuance strategy

Illustration of rules

Total Loss Absorbing Capacity ("TLAC") = Minimum Capital Adequacy Requirement ("minCAR ") + Minimum Flac Requirement (MFR)
The Combined Buffer Requirement ("CBR") stacks above TLAC



Transition Schedule				
Effective Date - 01 January 2026				
Effective Date	End of year 3	End of year 4	End of year 5	End of year 6
Phasing in of bMFR				
0%	60%	80%	90%	100%
Phasing in of minimum Flac issuances that contribute towards bMFR				
0%	20%	27%	30%	33%

- Flac standard approved by Parliament
  - Commencement of phase-in period delayed to 1 Jan'26
  - Issuance strategy being developed, with Flac terms having been submitted to the SARB for approval
- Base Minimum Flac requirement (bMFR) of approximately R85bn as at 31 Dec'24
- Bank specific requirement (iMFR) considering Market Premium, Resolution Rebate and Pillar 2B buffer
  - Market Premium and Resolution Rebate to be determined following conclusion of a resolvability assessment by the SARB. Phase-in period to be announced
  - Market Premium and Resolution Rebate assumed at 0%. Pillar 2B set at 1% for illustration purposes

__1__ Combined Buffer Requirement comprise of 2.5% Capital Conservation Buffer and 1.5% D-SIB buffer (of which 1.0% in CET1). The PA announced a minimum Countercyclical Buffer of 1% effective 1 Jan'26 with a phase-in period from 1 Jan'25;
__2__ Bank specific confidential buffer set to 1% for illustration purposes; __3__ Assuming P2B requirement of 1% for illustration purposes

Flac instruments

Eligibility criteria

Loss absorption

Statutory loss absorption – achieved through “recognition of RSA Bail-in power” clause

Issuer

External Flac issued by an ultimate holding company

Internal Flac issued by a designated institution to its holding company

Tenor

Minimum initial maturity of 24 months, minimum remaining maturity of 12 months

Status / ranking

In accordance with the ranking set out in section 166W(2) of the Financial Sector Regulation Act

Legal

External Flac issuances under non-SA governing law allowed, resolution and bail-in provisions under SA law

Not subject to set-off or netting arrangements

Acceleration clauses not allowed

Other features

Derivative-linked features not allowed

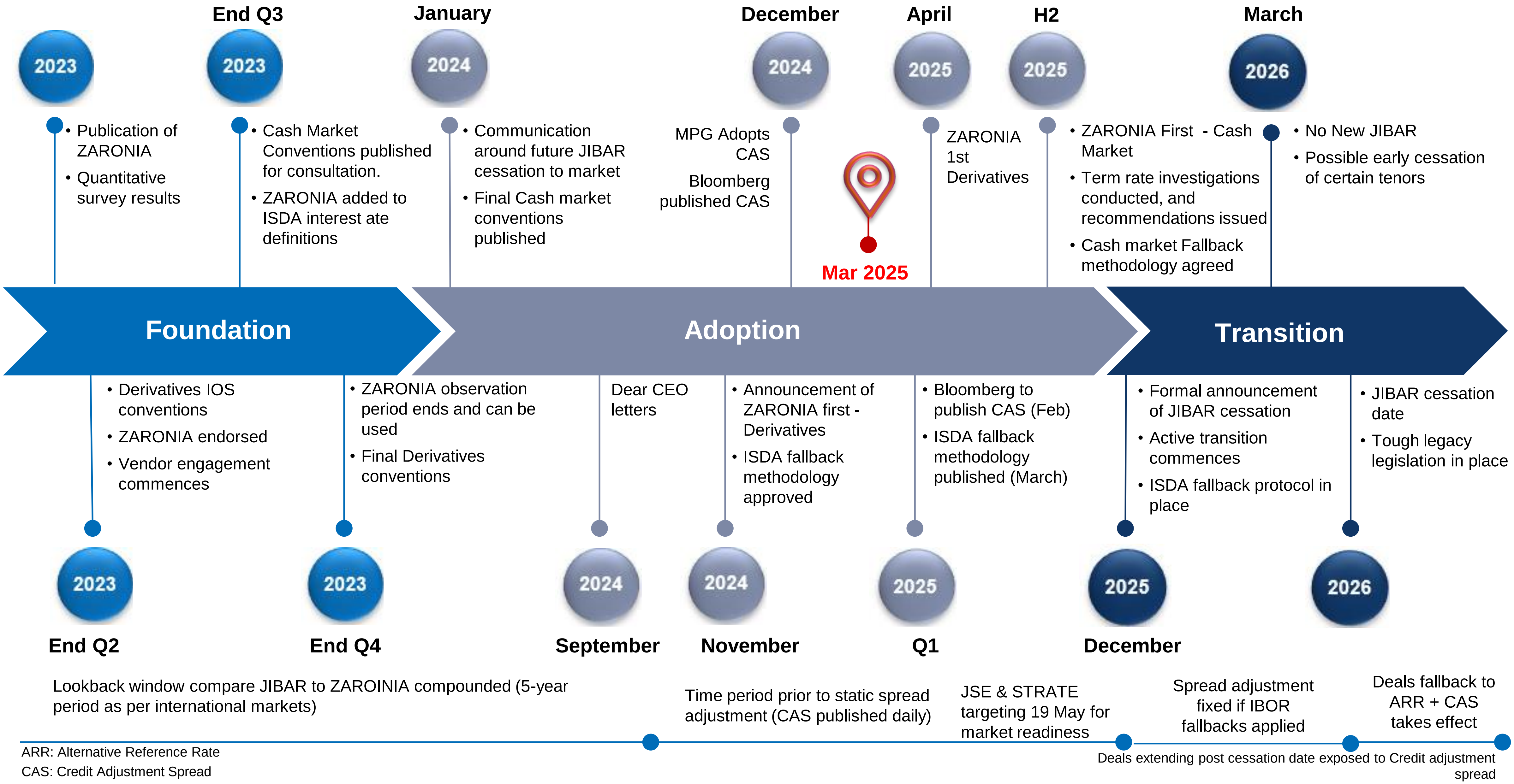
Early redemption permitted only if instrument ceases to qualify as Flac or following prior written approval from the SARB

SARB approval of initial terms and any amendments thereto

5.0

Rate reform

High level MPG industry timeline



ARR: Alternative Reference Rate
CAS: Credit Adjustment Spread

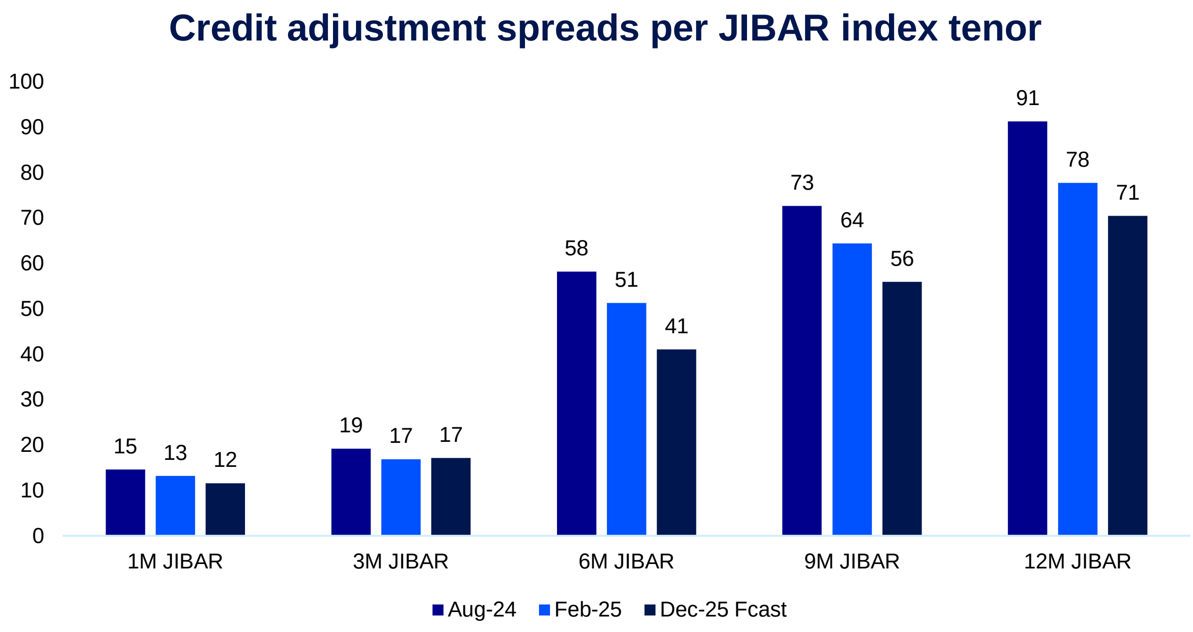
Transition approach

Transition considerations for the markets and products

	Derivative Markets	Money Markets	Bond Markets	Loan Markets	Retail Markets
Timing for transition	Market participants should be guided by MPG transitioning timelines as well setting internal milestones. Aim to reduce significant JIBAR exposure prior to JIBAR cessation date				
Active or Passive transition	Passive transition is achievable where fallback provisions have been included in legal agreements				
Pricing Adjustments	ZARONIA + Credit Adjustment Spread (applicable for the JIBAR index being replaced) Viability of forward-looking term ZARONIA currently being investigated				
Legal Considerations	ISDA fallback protocol	Fallback provisions	Noteholder consent	Fallback provisions	Safe harbor provisions
Tough Legacy contracts	Unlikely	Likely	Unlikely	Likely	Highly likely

Credit adjustment spreads

SARB MPG recommended methodology aligns to the ISDA fallback methodology. Credit adjustment calculation methodology based on the 5-year historical median difference of ZARONIA and JIBAR



Source : SBSA quantitative analysis

- Considering 31 Dec'25 as the cessation announcement or trigger date, the start of a five-year look back period would be 1 Oct'20
- Data set considers impact of COVID stress period and adoption of MPIF framework phased in from Jun'22
- Dec'25 forecast considers impact of interest rate cycles as measured by derivative interest rate swap markets
- Bloomberg is expected to begin publishing the credit adjustment spreads before end of Q1'25

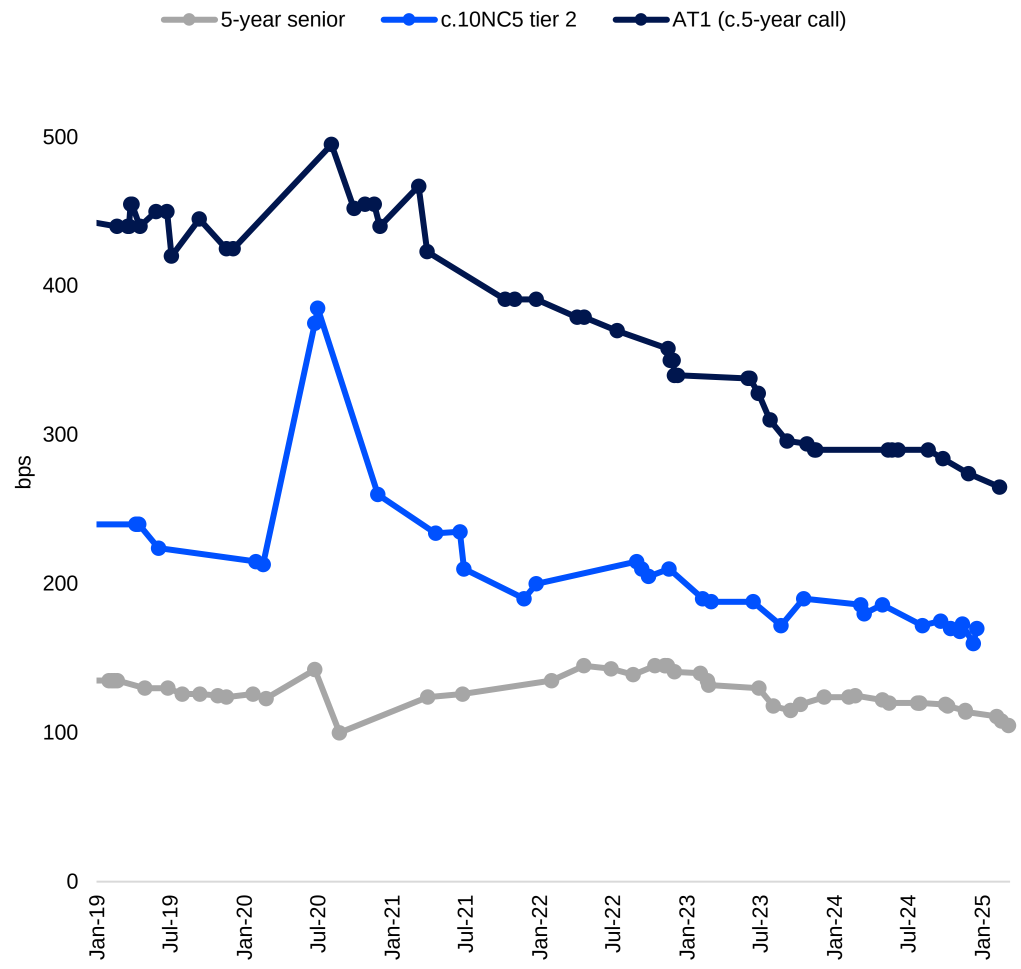
Credit Adjustment spreads will only become fixed once JIBAR cessation has been formally announced

6.0

Tier 2 transaction & pricing considerations

Bank pricing trends – big 4 banks

Issue date	Senior spread (c.5-year FRN)	Spread pickup (Tier 2 - senior) (bps)	Spread ratio Tier 2/senior (x)	Tier 2 spread c.10NC5	Commentary
Mar-25	105				At-issue spread
Feb-25	108				At-issue spread
Dec-24	114	56 / 46	1.49 / 1.40	170 / 160	At-issue spread/estimate*
Nov-24	114	59 / 54	1.52 / 1.47	173 / 168	At-issue spread
Sep/Oct-24	118	52 / 57	1.44 /1.48	170 / 175	At-issue spread
Jul/Aug-24	120	52	1.43	172	At-issue spread
Apr-24	122	64	1.52	186	At-issue spread
Feb/Mar-24	125	55	1.44	180	At-issue spread
Nov/Dec-23	124				At-issue spread
Oct-23	119	71	1.60	190	At-issue spread
Aug/Sep-23	115	57	1.50	172	At-issue spread
Jul/Aug-23	118				At-issue spread
Jun/Jul-23	130	58	1.45	188	At-issue spread
Feb-23	132	56	1.42	188	At-issue spread
Jan-23	140	50	1.36	190	At-issue spread
Sep-Dec-22	145	60	1,41	205	At-issue spread
Aug-22	138	77	1,56	215	At-issue spread
Apr-22	145				At-issue spread
Nov-21/Dec-21*	124	66	1,53	200	At-issue spread/estimate*
Jun-21	126	84	1,67	210	At-issue spread
Apr-21*	121	113	1,93	234	At-issue spread/estimate*
Mar-21	124				At-issue spread
Dec-20*	109				At-issue spread/estimate*
Nov-20*	97	163	2,68	260	At-issue spread/estimate*
Sep-20*	92				At-issue spread/estimate*
Aug-20	100				At-issue spread
Jun-20	143	232	2,62	375	At-issue spread
Feb-20	123	90	1,73	213	At-issue spread



Source for all charts: Standard Bank Research; JSE
** 5-year senior estimate based on avg 60-month offer NCD spread plus a pickup of c.20 – 30 bps*

Salient Transaction Details (Tier 2)

Proposed term sheet

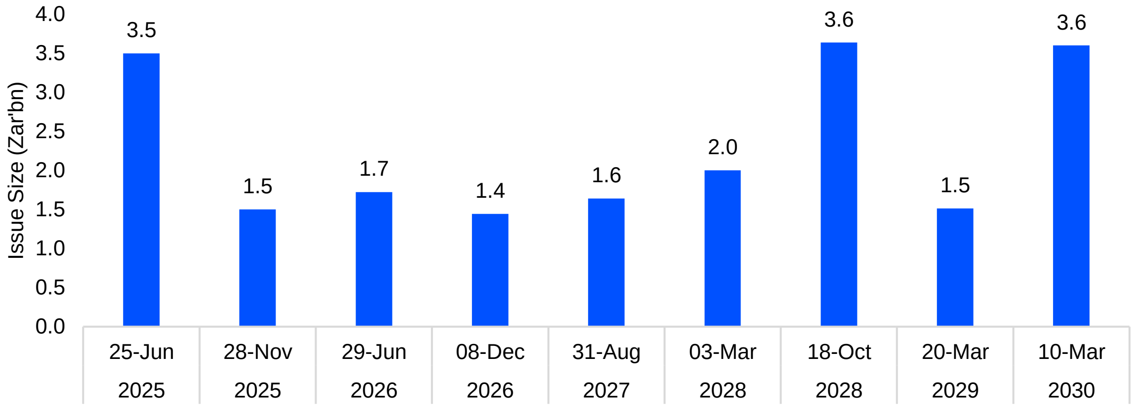
	DMTN PROGRAMME
Issuer	**Standard Bank Group Limited**
Issuer Long Term Rating	Moody's – Global: Ba2 Fitch – Global: BB-, National: AA+(zaf)
DMTN Programme Size	R50bn listed on the Interest Rate Market of the JSE
	KEY TERMS
Issuance	Tier II Capital Note
Auction Date	[9 April 2025]
Settlement Date	[14 April 2025]
Target Size	[ZAR1.5bn with the option to upsize to ZAR2.0bn]
Maturity Profile	10 Non-Call 5 years
Stock Code	SBT211
Instrument	Floating Rate Note
Pricing Benchmark	3m Jibar
Price Guidance	TBC
First Optional Redemption Date	15 April 2030 (and every coupon payment date thereafter)
Auction Time	09h00 to 11h00
Auction Methodology	Dutch Auction (no feedback)

Previous tier 2 outcomes

Issuer	Bond code	Nominal issued (ZARm)	Spread at Issue (bps)	Placement Method	Issue/Tap settlement	Tenor
Firstrand	FRB40	1,298	170	PP	19-Dec-24	11NC6
Standard Bank	SST205	3,600	160	PP	10-Dec-24	10NC5
Firstrand	FRB43	2,500	173	Auction	13-Nov-24	11NC6
Nedbank	NGL03G	2,007	168	Auction	07-Nov-24	10NC5
ABSA	AGL05	500	170	PP	15-Oct-24	PNC5
ABSA	AGL04	2,019	175	Auction	20-Sep-24	PNC5
ABSA	AGLS01	1,000	172	PP	06-Aug-24	PNC5
Nedbank	NGL12	1,739	186	PP	29-Apr-24	10NC5
Standard Bank	SST204	1,512	180	Auction	19-Mar-24	10NC5
Firstrand	FRB40	1,548	186	Auction	11-Mar-24	11NC6

PP : Private Placement

SBG tier 2 maturity profile



7.0

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