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 8 September 2026 (the “**Programme Memorandum**”).*

This Issuer Disclosure Schedule dated as of 8 September 2026 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 9 September 2025.

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 2025, 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: Corporate & Investment Banking ("**CIB SA**"), Business & Commercial Banking ("**BCB SA**") and Personal & Private Banking ("**PPB 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.

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.

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.

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.

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. Standard Bank of British South Africa Limited commenced operations in Port Elizabeth in 1863 and gradually expanded its geographic area of operation to include the whole of South Africa. In 1962, SBSA was formed and registered as a South African company, operating as a subsidiary of Standard Bank in London (subsequently to become Standard Chartered Bank plc).

SBSA is a wholly-owned subsidiary of SBG, formerly known as Standard Bank Investment Corporation Limited, which was established in 1969 as the holding company for SBSA. SBG continued as a member of Standard Chartered until 1987 when Standard Chartered plc sold its 39 per cent. ownership of SBG to Liberty Group Limited, transferring complete ownership of the holding company to local South African ownership.

CORPORATE STRUCTURE

The Group and relationship with SBSA

SBSA is both a strong domestic bank, which leverages the advantages of its size and scope, and a cross-border bank, fully integrated with the rest of the Group.

SBG is the ultimate holding company of the Group, which is South Africa's largest banking group by assets. SBG is a leading African integrated financial services group offering a full range of banking, investment and insurance and related financial services. SBG's strategic focus is on Africa, and SBG currently operates in 20 countries in sub-Saharan Africa (including South Africa).

The Group's competitive positioning as an African banking group which operates in a number of African countries gives the SBSA Group access to revenue opportunities beyond the borders of South Africa. It also provides commercial opportunities, experience, expertise, and intellectual capital from other SBG entities which both enhances the offering to clients and enables SBSA to better manage risk.

Investors should note that SBG is not a guarantor of, and will not guarantee, any Notes issued by SBSA under the Programme. Investors' sole recourse in respect of any Notes issued by SBSA is to SBSA.

For further information, see Annexure A "*Subsidiaries, Consolidated and Unconsolidated Structured Entities*" to the SBSA 2025 Annual Financial Statements.

STRATEGY

SBSA's strategy is aligned with and reflects SBG's strategic focus areas. SBG expresses its corporate purpose as "Africa is our home, we drive her growth".

SBSA's strategic priorities, which are fully aligned to SBG's priorities, are to:

- provide clients with an 'excellent experience' with a comprehensive set of solutions that meet client needs led by the business units;
- 'focused execution' through its strong brand, employees and partnerships by (1) delivering financial services solutions with maximum efficiency and total integrity, (2) ensuring that its governance and risk-management processes are robust, (3) building and maintaining the SBSA's digital services and using modern and secure technology; and
- 'maximise value' by having a positive impact on society and the planet, diligent capital allocation, effective risk management and delivering attractive investor 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 ambitions are to continue to play a key role in South Africa's energy transition, to provide trade and currency solutions for South African businesses of all sizes; to grow its top-rated private bank through its strong market propositions which are tailored to clients' banking, insurance and investment needs, strong distribution capabilities, differentiated client experience, and reputation as a trusted and aspirational brand; and to offer an integrated and well-priced insurance and savings proposition, attractive to the South African market.

In pursuit of these ambitions, SBSA is focusing on the following:

- Growing its balance sheet to position SBSA well for future opportunities.
- Diversifying income streams, to enable SBSA to develop new opportunities for stable growth.
- Attracting and retaining a skilled workforce.
- Defending and strengthening SBSA's competitive position in key markets.
- Utilising data and artificial intelligence in order to transform client experience and modernise the SBSA Group's capabilities.
- Proactively managing risks 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 provide clients with an excellent experience; risk and conduct and operational excellence support the Group's strategy to of focused execution; and financial outcome and positive impact support the Group's strategy to maximise 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 aims to provide a work environment in which all of its employees believe in the Group's purpose and their role in achieving it, ensuring employees are productive, motivated and engaged, and that they feel valued and respected. SBSA aims to ensure employees reflect the diversity of the communities they work in, and supports employees to learn, grow and adapt to the changing world of work.

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 aims to ensure that its systems are reliable, resilient and trusted, as well as available to clients when needed, with a focus on the availability and security of digital channels.

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 investors.

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 2025, SBSA's market share in mortgage loans, other loans and advances, deposits 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 2025 and 31 December 2024 (according to the SARB BA 900 Filings):

	31 December	
	2025	**2024**
	(%)	*(%)*
mortgage lending	32.5	33.4
vehicle and asset financing	18.7	19.0
card debtors	20.5	20.9
other loans and advances	24.5	23.6
deposits	23.3	22.3
corporate deposits	24.8	23.8
household deposits	18.6	18.7
household deposits (cheque savings, on-demand and 1 to 30 day accounts)	21.2	21.4

(*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 optimised physical distribution network and digital platforms. SBSA has invested significantly in technology and digital capabilities to improve client experience and operational efficiency to enhance its competitive advantage.

SBSA is able to generate revenue from sources that are well-diversified across clients, sectors, and product groups, which provides SBSA with a level of protection in times of volatility.

Robust capital and liquidity position

SBSA's strong and liquid balance sheet provides flexibility to manage uncertainty, change, innovation and growth. SBSA has access to diverse and sophisticated liquidity sources for senior funding and capital requirements.

Experienced management team

SBSA operates within strong corporate governance and assessment frameworks, and within a sophisticated, Basel III compliant regulatory framework. SBSA's senior management has experience both at SBSA and at other institutions throughout the banking industry. SBSA's 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 delivering improved client experience, stability and productivity

SBSA has made targeted investments in technology to improve client experience, reinforce its competitive position, increase the resilience and stability 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, CIB SA, BCB SA and PPB 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 2025, the global economy was characterised by geopolitical change, rising tension and shifting power dynamics which reshaped global flows of trade, capital and policy influence. Despite this turbulence, the South African economy grew by 1.2 per cent. in the year ended 31 December 2025 (compared to 0.6 per cent. in the year ended 31 December 2024), benefitting from the formation of the Government of National Unity and the acceleration of structural reforms. A moderation in average consumer price inflation for the year ended 31 December 2025 to 3.2 per cent. (compared to 4.4 per cent. for the year ended 31 December 2024) enabled the SARB to reduce interest rates by 100bps to 6.75 per cent. over the course of 2025 which improved client affordability and increased disposable income. An upgrade to South Africa's sovereign credit rating by Standard and Poor's (to BB from BB-) in November 2025, together with the removal from both the Financial Action Task Force grey list and the EU High-Risk jurisdictions list, contributed to improved investor and business confidence. This was further supported by hosting the G20 and B20 summits, reflecting South Africa's growing global influence, with the SBSA Group playing a central role in the B20 to help shape the G20 narrative and reinforce Africa's investment potential.Against this backdrop, during the year ended 31 December 2025, SBSA delivered growth of 7 per cent. to R19,910 million (compared to R18,545 million for the year ended 31 December 2024) with a return on equity ("**ROE**") of 15.6 per cent. (compared to 15.3 per cent. for the year ended 31 December 2024). SBSA contributed 40 per cent. towards SBG's headline earnings for the year ended 31 December 2025 (compared to 42 per cent. for the year ended 31 December 2024).

For the year ended 31 December 2025, all capital and liquidity ratios were above regulatory minimum requirements and board-approved thresholds. SBSA continues to maintain a strong capital position, with a common equity tier 1 ("**CET1**") ratio of 12.3 per cent.. A robust liquidity profile reflected in a liquidity coverage ratio of 137 per cent. and a net stable funding ratio of 103 per cent.. SBSA's management is focused on optimising capital supply and improving allocation efficiency to enhance ROE, together with considering the adequacy of stress buffers and anticipated regulatory developments. Contingent liquidity buffers met internal and stress-testing requirements in the year ended 31 December 2025, while diversified sources of funding provided competitive rates to support client lending growth.

Gross loans and advances to customers increased by 7 per cent. to R1,338 billion for the year ended 31 December 2025 (compared to R1,254 billion for the year ended 31 December 2024), led by double-digit corporate loan growth from strong origination across multiple sectors, particularly in Energy & Infrastructure, Diversified Industries and Telecommunications & Media sectors. The loan book also benefitted from moderate growth in the retail and lending portfolios, with strong growth particularly in the second half of 2025, reflecting increased client demand for credit facilities in an improving macroeconomic environment.

Deposits from customers increased by 11 per cent. to R1,653 billion for the year ended 31 December 2025 (compared to R1,494 billion for the year ended 31 December 2024), underpinned by competitive product offerings across the portfolio, continued focus on client engagement and retention strategies, as well as a higher active client base. This translated into strong growth in longer-term deposits to match the demand for longer-term secured lending. Growth in current and savings accounts moderated in the year ended 31 December 2025, reflecting higher customer spend during the year.

For the year ended 31 December 2025, NII increased by 2 per cent. to R58,912 million (compared to R57,583 million for the year ended 31 December 2024). This NII growth was moderated by a combination of negative endowment in a lower average interest rate environment and competitive pricing pressures, most notably in Home services, VAF and corporate lending.

Net fee and commission revenue increased by 10 per cent. to R25,371 million for the year ended 31 December 2025 (compared to R23,154 million for the year ended 31 December 2024). PPB SA maintained its momentum throughout the year to deliver 10 per cent. growth compared to the prior year, mainly due to a larger active client base, growth in transactional activity, with revenue from value-added services including lifestyle options, sending money within South Africa, and SB Connect, which provides voice and data plans as well as device financing ("**VAS**") revenue up by 33 per cent., annual price increases and improved client entrenchment. Double-digit fee income growth in the corporate portfolio benefitted from strong loan origination in investment banking and higher demand for trade services. This was partially offset by higher fee expenses linked to increased transaction volumes.

For the year ended 31 December 2025, trading revenue increased by 21 per cent. to R11,729 million (compared to R9,667 million for the year ended 31 December 2024), primarily due to favourable market conditions driving client flows and increased demand for credit linked notes, structured hedging and financing solutions across multiple sectors. Favourable commodity prices and uncertain equity market conditions further contributed to elevated client trading activity, together with the non-recurrence of prior year losses on trading positions.

Other revenue grew by 6 per cent. to R6,246 million for the year ended 31 December 2025 (compared to R5,916 million for the year ended 31 December 2024), driven by strong growth in the insurance book supported by competitive client propositions, particularly within the funeral insurance book. The strengthened partnership between PPB SA and IAM continued to deepen the insurance offering to clients, which supported further growth in the funeral insurance business.

For the year ended 31 December 2025, other gains and losses on financial instruments declined by 25 per cent. to R574 million (compared to R761 million for the year ended 31 December 2024) as a result of revaluation losses from an asset in the corporate equity portfolio. This was partially offset by higher fair value gains in the business banking BizFlex (a digital short-term unsecured lending solution with a pay-as-you-earn repayment structure) offering due to increased originations.

Operating expenses grew by 7 per cent. to R61,578 million for the year ended 31 December 2025 (compared to R57,601 million for the year ended 31 December 2024), largely due to annual salary increases, incentive-linked performance bonuses and ongoing investment in technology-related strategic initiatives aimed at enhancing client experience and solutions. In addition, increased business volume variable costs linked to higher business activity further contributed to growth.

Total net income grew by 6 per cent. in the year ended 31 December 2025, which was below cost growth of 7 per cent. resulting in negative jaws of 98 bps and a higher cost-to-income ratio of 60.4 per cent. (compared to 59.9 per cent. in the year ended 31 December 2024). SBSA achieved positive credit results by enhancing robust risk management practices and a sustainable collections strategy. Credit impairment charges of R10,928 million for the year ended 31 December 2025 were 6 per cent. lower compared to R11,624 million for the year ended 31 December 2024. This decrease in credit impairment charges is due to reduced flows into non-performing loans in PPB SA, the non-recurrence of prior year Stage 3 provisions in BCB SA and releases in CIB SA's bank lending portfolio due to increased collateral, as well as further releases on the financial investments portfolio driven by repayments. SBSA's credit loss ratio improved to 76 bps for the year ended 31 December 2025 (compared to 84 bps for the year ended 31 December 2024) and remained within the portfolio’s through-the-cycle target range of 70 – 100 bps.

The following table sets out selected financial information for the SBSA Group as at, and for the years ended, 31 December 2025 and 31 December 2024:

	31 December	
	2025	**2024**
Income statement		
Total net income (Rm)	102,832	97,081
Headline earnings (Rm)	19,910	18,545
Profit for the year attributable to ordinary shareholders (Rm)	19,868	18,205
Statement of financial position		
Gross loans and advances (Rm)	1,541,395	1,438,641
Total assets (Rm)	2,328,787	2,094,722
Total liabilities (Rm)	2,171,339	1,952,903
Stage 3 loans[1] (Rm)	87,042	88,134
Stage 1 and 2 credit impairment charge[2]/(release) (Rm)	(927)	(1,621)
Stage 3 credit impairment charge (Rm)	11,845	13,063
Credit loss ratio (per cent.)	0.76	0.84
Non-performing exposures ratio (per cent.)	5.7	6.1
Return on equity (per cent.)	15.6	15.3
Loans-to-deposit ratio (per cent.)	76.4	80.7
Cost-to-income ratio (per cent.)	60.4	59.9

[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 2025 and 31 December 2024:

	31 December	
	2025	2024
	(Rm)	*(Rm)*
Net interest income	58,912	57,583
Non-interest revenue	43,920	39,498
Net fee and commission revenue	25,371	23,154
Trading revenue	11,729	9,667
Other revenue	6,246	5,916
Other gains and losses on financial instruments[1]	574	761
Total net income	**102,832**	**97,081**

[1] For further information on Other gains and losses on financial instruments, refer to page 84 of SBSA's Annual Financial Statements

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 the SBSA Group:

	Corporate & Investment Banking SA[1]		Business & Commercial Banking SA[1]		Personal & Private Banking SA[1]		C&O	
	31 December		31 December		31 December		31 December	
	2025	2024	2025	2024	2025	2024	2025	2024
								(Rm)
Total assets	1,571,765	1,332,862	139,757	131,605	603,307	593,943	13,958	36,312
Headline Earnings	9,125	7,299	5,919	6,077	7,439	6,710	(2,573)	(1,541)

[1] Where reporting responsibility for individual cost centres and divisions within business units change, the segmental analyses' comparative figures are classified accordingly.

CIB SA – overview of results

CIB SA delivered a strong financial performance in the year ended 31 December 2025, with headline earnings increasing by 25 per cent. to R9.1 billion (compared to R7.3 billion for the year ended 31 December 2024), driven by 15 per cent. revenue growth, strong momentum in global markets, sustained strength in investment banking and resilient transaction banking results in 2025.

CIB SA's credit impairments were marginally lower at R909 million in the year ended 31 December 2025 (compared to R965 million in the year ended 31 December 2024), reflecting a well-diversified portfolio mix to actively manage overall risk, while operating expenses grew to R20.6 billion in the year ended 31 December 2025 (compared to R18.4 billion in the year ended 31 December 2024), primarily attributable to performance-related investment, continued technology spend and higher variable costs supporting income generation.

Disciplined execution and client engagement translated into materially increased client interactions, successful execution of landmark transactions, and a record client satisfaction index score of 8.6.

BCB SA – overview of results

BCB SA delivered a resilient performance despite competitive market pressures, lower interest rates, and ongoing margin compression. Headline earnings declined by 2.6 per cent. to R5.9 billion for the year ended 31 December 2025 (compared to R6.1 billion for the year ended 31 December 2024). Client acquisition was robust, assisted by dedicated relationship teams and client value propositions, and the deliberate expansion in transactional and merchant client bases supported significantly increased lending activity.

In the year ended 31 December 2025, NII for BCB SA grew modestly by 0.5 per cent. to R14.9 billion (compared to R14.8 billion for the year ended 31 December 2024), constrained by negative endowment effects due to the declining interest rate environment and continued margin pressure. This was partially offset by the endowment hedges benefit.

NIR increased by 3 per cent. in the year ended 31 December 2025 to R8.9 billion (compared to R8.7 billion in the year ended 31 December 2024), underpinned by electronic payment volumes, increased international payments, and the continued digital migration away from cash transactions. BizFlex, the cashflow-based repayment loan, continued to perform strongly. Merchant acquiring turnover expanded in 2025, though revenue growth was tempered by shifts in card mix and higher card scheme costs.

In the year ended 31 December 2025, credit impairment charges remained stable at R1.1 billion, reflecting strengthened client support processes, earlier identification of distress, and the resolution of legacy non-performing loans.

Operating expenses grew by 3 per cent. to R14.1 billion in the year ended 31 December 2025 (compared to R13.6 billion in the year ended 31 December 2024), driven by inflationary remuneration adjustments, higher amortisation and depreciation linked to an increased customer rollout of the Cash Secure product and point of sale devices, as well as continued investment in marketing initiatives.

BCB SA remains well positioned with a strengthened client portfolio, disciplined balance sheet management, and continued traction in growth-oriented lending and transactional solutions. BCB SA will continue to focus on onboarding, transaction capability and servicing to simplify client journeys and interactions. BCB SA also invests in digital channels, personalised engagement models, AI and data to enhance ease of access, system availability and strong advisory support.

PPB SA – overview of results

For the year ended 31 December 2025, PPB SA delivered strong financial performance in a moderating interest rate environment, delivering headline earnings of R7.4 billion, an 11 per cent. increase (compared to R6.7 billion for the year ended 31 December 2024).

For the year ended 31 December 2025, PPB SA's active client base grew by 2 per cent. to 12.1 million clients. SBSA successfully facilitated the migration of clients to digital platforms, resulting in PPB SA's digitally active clients increasing by 9 per cent. to 4.7 million clients and a 33 per cent. increase in digital sales in the year ended 31 December 2025. The SBG mobile app saw a 15 per cent. increase in the number of clients using the app and more than 150 million logins on average per month during 2025, driving a 15 per cent. increase in digital revenue from transactional services.

In 2025, PPB SA's strategic initiatives to enhance the client experience resulted in a positive shift in its overall client satisfaction measures. PPB SA maintained a strong net promoter score ("**NPS**") while also leading the University of Pretoria Customer Experience Index for the first three quarters of 2025.

PPB SA recorded a 10 per cent. growth in net fee and commission revenue, mainly due to continued momentum from a larger active client base, higher transactional activity, and 33 per cent. growth in VAS revenue. The partnership with the IAM business yielded good returns with PPB SA's insurance attribution up 11 per cent., for the year ended 31 December 2025 compared to the year ended 31 December 2024, mainly due to continued growth in funeral offerings with an 18 per cent. increase in gross written premiums against 2024.

Lower credit impairment charges reflected continued improvements in early delinquencies and reduced inflows into non-performing loans during the year ended 31 December 2025. PPB SA maintained robust risk management practices and a balanced and sustainable collections strategy in 2025.

Operating expenses growth of 4 per cent. for the year ended 31 December 2025 (compared to the year ended 31 December 2024) was mainly a result of strategic technology investment and continued cloud migration as well as investment in fraud risk prevention and monitoring. The optimisation of the distribution network continued to reduce the cost to serve, balancing branch square meterage with growing points of representation for clients.

System stability remains a priority for SBSA, with efforts to improve infrastructure resilience and monitoring capabilities leading to increased system availability.

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, real estate and business services.

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 2025 and 31 December 2024:

	31 December	
	2025	2024
	(Rm)	*(Rm)*
Loans and advances measured at fair value[1]	**5,962**	**823**
Net loans and advances measured at amortised cost	**1,482,620**	**1,384,391**
Gross loans and advances measured at amortised cost	**1,535,433**	**1,437,818**
Home services	452,232	447,872
Vehicle and asset finance	126,364	121,106
Card and payments	39,976	37,950
Personal and unsecured lending	61,057	58,275
Business lending and other	84,884	81,153
Corporate and sovereign and other	567,071	506,305
Bank[2]	203,849	185,157
ECL	**(52,813)**	**(53,427)**
Net loans and advances	**1,488,582**	**1,385,214**
Comprising:		
Gross loans and advances	1,541,395	1,438,641
Less: ECL	(52,813)	(53,427)

1 Includes ECL of R24 million on loans and advances measured at FVOCI. Refer to Note 20 to the SBSA 2025 Annual Financial Statements for the reconciliation of FVOCI reserve for debt financial assets.

2 Included in Bank is an amount of R9,446 million (compared to R7,418 million in the year ended 31 December 2024) relating to on demand gross loans and advances to banks that qualifies as cash and cash equivalents for group and company.

Loan portfolio by industry sector

The following table sets out the composition of SBSA's advances by industry sector as at 31 December 2025 and 31 December 2024:

	31 December	
	2025	2024
	(Rm)	*(Rm)*
Segmental analysis – industry		
Agriculture	24,850	29,084
Construction	10,028	9,404
Electricity	62,465	51,922
Finance, real estate and other business services	503,824	443,654
Individuals[1]	623,023	602,298
Manufacturing	99,409	92,198
Mining	54,996	42,734
Other services	29,764	43,066
Transport	56,603	48,592
Wholesale	76,433	75,689
Gross loans and advances	**1,541,395**	**1,438,641**

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 2025 and 31 December 2024:

	31 December	
	2025	**2024**
	(Rm)	*(Rm)*
Segmental analysis by geographic area		
South Africa	1,242,699	1,148,152
Africa Regions	121,021	115,683
International	177,675	174,806
Gross loans and advances	**1,541,395**	**1,438,641**

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 2025 and 31 December 2024:

	31 December	
	2025	**2024**
	(Rm)	*(Rm)*
Opening ECL - 1 January	**53,427**	**53,305**
Net ECL raised and released	10,102	10,823
Impaired accounts written off	(14,254)	(14,687)
Exchange and other movements	3,538	3,986
Closing ECL - 31 December	**52,813**	**53,427**
Comprising:		
Stage 1 ECL	4,256	4,571
Stage 2 ECL	6,512	7,628
Stage 3 ECL	42,045	41,228
Closing ECL – 31 December	**52,813**	**53,427**

The table below sets out a segmental analysis of ECL on Stage 3 loans and advances by industry as at 31 December 2025 and 31 December 2024:

	31 December	
	2025	**2024**
	(Rm)	*(Rm)*
Segmental analysis of Stage 3 ECL by industry		
Agriculture	827	914
Construction	650	803
Electricity	129	76
Finance, real estate and other business services	4,140	4,212
Individuals	31,740	29,159
Manufacturing	761	2,315
Mining	300	312
Other services	1,179	1,137
Transport	389	654
Wholesale	1,930	1,646
Credit impairment on non-performing loans	**42,045**	**41,228**

The table below sets out a segmental analysis of Stage 3 ECL on loans and advances by geographic area as at 31 December 2025 and 31 December 2024:

	31 December	
	2025	**2024**
	(Rm)	*(Rm)*
Segmental analysis by geographic area		
South Africa	41,593	39,715
Africa Regions	347	1,392
International	105	121
Credit impairment on non-performing loans	**42,045**	**41,228**

The following table presents the Stage 3 exposures ratios for SBSA's products for the years ended 31 December 2025 and 31 December 2024:

	31 December	
	2025	**2024**
Stage 3 exposures ratios:	*(per cent.)*	*(per cent.)*
Home services	10.5	10.5
Vehicle and asset finance	7.2	9.0
Card payments	13.7	11.0
Personal unsecured lending	15.7	15.0
Business lending and other	5.9	8.2
Corporate	1.8	2.1
Bank		
C&O		
Stage 3 exposures ratio	**5.7**	**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 2025 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.

King V 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 30 June 2026):

Name	Title	Year Joined SBSA Board
David Hodnett	Chief executive officer, executive director, SBSA	2025
Sim Tshabalala	Executive director	2013
Arno Daehnke	Executive director	2016
Nonkululeko Nyembezi	Chairman, independent, non-executive director	2020
Heather Berrange	Independent, non-executive director	2025
Paul Cook	Independent, non-executive director	2021

Sola David-Borha	Independent non-executive director	2024
Trix Kennealy	Independent, non-executive director	2016
Ben Kruger	Independent, non-executive director	2022
Li Li	Non-executive director	2021
Rose Ogega	Independent, non-executive director	2025
Fenglin Tian	Non-executive director	2024

Changes to the SBSA's Board

David Hodnett was appointed as executive director and chief executive officer of SBSA in October 2025.

Two non-executive directors, Rose Ogega, and Heather Berrange, were appointed to the SBSA Board in January 2025 and August 2025 respectively.

The tenure provision states that the Board has the discretion, on a case-by-case basis, to extend the term of a director who has reached their nine-year tenure if it determines that the director's continued service is in the best interest of the Group and to ensure continuity and retain key skills and diversity. The Board approved the extension of Trix Kennealy's tenure as a non-executive director initially for a 12-month period until the 2027 AGM, subject to further review and extension.

In line with the PA Directive 1 of 2026, which came into effect in February 2026, paragraph 7.1.2.8 (a) stipulates that in exceptional cases, at the sole discretion of the PA, and after considering factors such as the adequacy of mechanisms in place to strengthen board independence, the board's relevant skills, experience, composition and any other material factors, the PA may approve an extension to the nine-year period. The PA formally approved the reinstatement of Trix Kennealy's independence classification for a period of 24 months, subject to the boards' annual review and confirmation of her classification as an independent non-executive director. This was with effect from 24 April 2026.

Having served on the SBSA Board for nine years**,** Jacko Maree, Geraldine Fraser-Moleketi and Nomgando Matyumza retired from the board at the conclusion of the SBSA annual general meeting ("**AGM**") held in May 2026. Lwazi Bam resigned from the board at the conclusion of the 2026 AGM.

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 2025, the SBSA Group had 29,040 permanent employees (compared to 28,743 permanent employees for the year ended 31 December 2024) and 788 non-permanent employees (compared to 923 non-permanent employees for the year ended 31 December 2024).

COMPETITION

Competitors

As at 31 December 2025, there were 12 locally controlled banks, 3 foreign controlled banks, 4 mutual banks, 11 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 2025, the banking sector in South Africa had total assets of R9.0trillion as at 31 December 2025. 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 2025:

	Total Assets	**Capital and reserves**
	(Rm)	*(Rm)*
Absa Bank Limited	1,821,996	116,483
FirstRand Bank Limited	1,940,800	134,652
Nedbank Limited	1,442,717	85,024
The Standard Bank of South Africa Limited	2,253,272	133,106

Source: BA 900 filings – SARB, 31 December 2025

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 continuous compliance with regulatory requirements, 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 processes. 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 2025. These minimums exclude the countercyclical buffer, which was not announced as a requirement for South Africa for the 2025 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 Prudential Authority announced the implementation of a positive cycle-neutral countercyclical capital buffer. The minimum South African capital requirements increased to 9.5 per cent., 11.75 per cent. and 15.0 per cent. respectively on 1 January 2026 following the implementation of the 1 per cent. positive cycle-neutral countercyclical capital buffer in 2025. These minimums include the countercyclical capital buffer, as well as the maximum potential D-SIB requirement of 2.5 per cent., but exclude the confidential bank-specific pillar 2b capital requirements.

The Basel III finalisation rules were successfully implemented on 1 July 2025 as required by the Prudential Authority. Adoption of these rules has not had a material impact on the Group's capital adequacy.

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 CET 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 the total risk weighted assets ("**RWA**").
- Tier 1: CET 1 and other qualifying non-controlling interest plus additional tier 1 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 Prudential Authority adopted the leverage framework that was issued by the BCBS in January 2014. 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 became effective from 1 January 2025, increasing the Group's minimum leverage ratio requirement to 4.5 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 5.9 per cent. as at 31 December 2025 (compared to 5.9 per cent. as at 31 December 2024).

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 2025 and 31 December 2024:

	31 December	
	2025	**2024**
	(Rm)	*(Rm)*
Ordinary shareholders' equity	135,323	123,829
Regulatory adjustments	**(6,391)**	**(6,784)**
Goodwill	(42)	(42)
Other intangible assets	(4,800)	(5,662)
Other adjustments	(1,549)	(1,080)
Unappropriated profits	(5,040)	(9,179)
CET 1 capital	**123,892**	**107,866**
Qualifying other equity instruments	22,359	18,217
Tier 1 capital	**146,251**	**126,083**
Qualifying Tier 2 subordinated debt	26,777	28,180
General allowance for credit impairments	297	1,095
Less: regulatory adjustments - investment in Tier 2 instruments in other banks	(2,990)	(3,344)
Tier 2 capital	**24,084**	**25,931**
Total regulatory capital	**170,335**	**152,014**

Source: Extracted from SBSA 2025 Annual Financial Statements

Basel III RWA and associated capital requirements

The following table details SBSA's capital adequacy ratios for the years ended 31 December 2025 and 31 December 2024 on a Basel III basis:

	RWA		Minimum capital requirements[1]
	2025	2024	2025
	(Rm)	*(Rm)*	*(Rm)*
Credit risk (excluding counterparty credit risk (CCR))	**732,525**	704,582	**102,554**
Of which: standardised approach[2]	**65,301**	57,987	**9,142**
Of which: foundation internal ratings-based (F-IRB) approach	**206,669**		**28,934**
Of which: advanced internal ratings-based (A-IRB) approach	**460,555**	646,595	**64,478**
CCR	**57,113**	57,006	**7,996**
Of which: standardised approach for CCR	**56,507**	55,633	7,911
Of which: other CCR	**606**	1,373	85
CVA	**24,005**	10,476	**3,361**
Equity positions under the simple risk weight approach[3]		1,573	
Equity investment in funds - look through approach	**821**	886	**115**
Equity investment in funds - mandate-based approach	**10,108**	7,167	**1,415**
Equity investment in funds - fall-back approach	**144**	160	**20**
Securitisation exposures in banking book	**842**	1,085	**118**
Of which: Internal Ratings-Based Approach (SEC-IRBA)	**485**	661	**20**
Of which: External Ratings-Based Approach (SEC-ERBA)	**357**	424	**118**
Market risk	**58,706**	64,650	**8,219**
Of which: standardised approach	**58,706**	30,105	**8,219**
Of which: internal model approach (IMA)		34,545	
Operational risk	**149,646**	128,978	**20,950**
Amounts below the thresholds for deduction (subject to 250 per cent. risk weight)	**14,807**	18,852	**2,073**
Output floor applied			
Floor adjustment (before application of transitional cap)			
Floor adjustment (after application of transitional cap)			
Total	**1,048,717**	995,415	**146,821**

[1] Measured at 14.0 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.

[3] Equity positions under the simple risk weight approach disclosed as part of Credit Risk – Standardised Approach.

Source: Extracted from SBG's 2025 Risk and Capital Management Report

Capital Adequacy Ratios

The following table sets out SBSA's RWA and associated capital requirements for the years ended 31 December 2025 and 31 December 2024:

	Internal target ranges[1]	SARB minimum regulatory requirement[2]	Excluding unappropriated profits		Including unappropriated profits	
			2025	2024	2025	2024
	(per cent.)	*(per cent.)*	*(per cent.)*	*(per cent.)*	*(per cent.)*	*(per cent.)*
CET 1 capital adequacy ratio	>11.0	9.5	11.8	10.8	12.3	11.8
Tier 1 capital adequacy ratio	>13.0	11.75	13.9	12.7	14.4	13.6
Total capital adequacy ratio	>15.25	14.0	16.2	15.3	16.7	16.2

[1] Including unappropriated profits.

[2] Excluding confidential bank specific requirements. Inclusive of Positive Cycle Neutral Countercyclical Buffer requirement of 1 per cent. effective from 1 January 2026.

Source: This information has been extracted from the SBG 2025 Annual Results Booklet

For further information, see "*Annexure C – Risk and Capital Management – IFRS disclosures*" set out in SBSA 2025 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 a target to reduce physical intensity of financed emissions for upstream oil and gas by 10 per cent. and maintain an average portfolio intensity below 33 kgCO2e/boe for upstream oil and gas production (Scope 1 and 2 client emissions). The Group believes that its climate commitments 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 are enabled by a business unit led model, facilitating 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 2025, 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 2025. 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, and focused disaster recovery testing of critical applications across the domain. 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 to enable AI-driven innovations.

In 2025, the Group made progress in driving the adoption of a variety of AI tools to improve employee productivity while also unlocking automation opportunities through the redesign of core processes and client journeys, within the parameters of the Group's AI frameworks on Responsible Use of AI, and enhanced risk and governance requirements.

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 2025, evidencing prudent cybersecurity measures. However, in March 2026, the Group reported that it had identified an incident involving unauthorised access to select data contained in internal administrative and document filing systems. No operational disruption or financial loss was recorded. Steps have been taken to test and strengthen the control environment including, access control remediation. 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 V principles. Technology and information risks are integrated in the group's risk management frameworks 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 21 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 (*inter alia)* 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 and the guidance contained in the International Standard ISO 37001). Programme activities include periodically conducting risk assessments and due diligence on all associated persons and regular updates to the ABC policy. The ABC policy is approved at board level and 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 is vital to its strategy execution and franchise protection.

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 risk management 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 2025 Annual Report.

ISSUER, ARRANGER AND DEALER

The Standard Bank of South Africa Limited
(Registration Number 1962/000738/06)
9th Floor
Standard Bank Centre
5 Simmonds Street
Johannesburg, 2001
South Africa

PRINCIPAL PAYING AGENT
The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

CALCULATION AGENT
The Standard Bank of South Africa Limited
(Registration Number 1962/000738/06)
9th Floor
Standard Bank Centre
5 Simmonds Street
Johannesburg, 2001
South Africa

REGISTRAR AND LUXEMBOURG PAYING AGENT
The Bank of New York Mellon S.A./N.V., Luxembourg Branch
Vertigo Building, Polaris
2-4 rue Eugène Ruppert, L-2453
Luxembourg

LUXEMBOURG LISTING AGENT
Maples and Calder (Ireland) LLP
75 St Stephen's Green
Dublin 2
Ireland

COMPANY SECRETARY
The Standard Bank of South Africa Limited
(Registration Number 1962/000738/06)
9th Floor, Standard Bank Centre
5 Simmonds Street
Johannesburg, 2001
South Africa
+27 11 631 9106
groupsecretary@standardbank.co.za

LEGAL ADVISERS
As to English Law

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London EC4N 6AF
United Kingdom