THE STANDARD BANK OF SOUTH AFRICA LIMITED

(Incorporated with limited liability on 13 March 1962 under Registration Number1962/000738/06 in the Republic of South Africa)

as **Issuer**

RISK FACTOR & OTHER DISCLOSURES 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 Risk Factor and Other Disclosures Schedule (the "**Risk Factor and Other Disclosures Schedule**") relating to The Standard Bank of South Africa Limited ("**SBSA**" or the "**Issuer**") USD 2,000,000,000 Structured Note Programme (the "**Programme**"), and is applicable to all Notes issued under the Programme pursuant to the Programme Memorandum, dated 8 September 2026 (the "**Programme Memorandum**").*

This Risk Factor and Other Disclosures Schedule is dated as of 8 September 2026 and contains all information pertaining to:

- *the risk factors which outlines the factors the Issuer believes may affect its ability to fulfil its obligations under the Notes as well as the factors which are material for the purpose of assessing the market risks associated with the Notes;*
- *South African Exchange Control;*
- *South African Taxation;*
- *Subscription and Sale; and*
- *Banking and Prudential Regulation in South Africa.*

This Risk Factor and Other Disclosures Schedule supersedes and replaces the Risk Factor and Other Disclosures Schedule relating to The Standard Bank of South Africa Limited USD 2,000,000,000 Structured Note Programme dated as of 9 September 2025.

*Capitalised terms used in this Risk Factor and Other Disclosures Schedule are defined in the section of the Programme Memorandum headed "Terms and Conditions of the Notes" (the "**Terms and Conditions**"), unless separately defined or clearly inappropriate from the context.*

RISK FACTORS

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

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

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

*Prospective investors should also read the detailed information set out elsewhere in the Programme Memorandum (as read together with this Risk Factor and Other Disclosures Schedule and the Issuer Disclosure Schedule (as defined below), collectively the "**Disclosure Schedules**") to reach their own views prior to making any investment decision. The information given below is as at the date of this Risk Factor and Other Disclosures Schedule.*

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

*References in this section to a "**Condition**" are to a Condition in the Terms and Conditions.*

INDEPENDENT REVIEW AND ADVICE

Each purchaser of and investor in the Notes is fully responsible for making its own investment decisions as to whether the Notes (i) are fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and conditions, (ii) comply and are fully consistent with all investment policies, guidelines and restrictions applicable to it (or its beneficiary) and (iii) are a fit, proper and suitable investment for it (or its beneficiary).

Purchasers of and investors in Notes are deemed to have sufficient knowledge, experience and professional advice to make their own investment decisions, including, without limitation, their own legal, financial, tax, accounting, credit, regulatory and other business evaluation of the risks and merits of or associated with investments in the Notes.

Purchasers of and investors in Notes should ensure that they fully understand the risks of or associated with investments of this nature which are intended to be sold only to sophisticated investors having such knowledge, appreciation and understanding.

Purchasers of and investors in Credit Linked Notes or Equity Linked Notes are solely responsible for making their own independent appraisal of an investigation into the business, financial condition, prospects, creditworthiness, status and affairs of any Reference Entity and its Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations or Share Company and its Shares.

Purchasers of and investors in FX Linked Notes are solely responsible for making their own independent appraisal of, and investigation into, the credit risk of the FX Deliverable Obligations and the obligor(s) in respect of the FX Deliverable Obligations, including, but not limited to, general economic conditions, the condition of relevant financial markets, relevant political events and developments or trends in any relevant industries.

Purchasers of and investors in Credit Linked Notes, Equity Linked Notes or FX Linked Notes should be aware that none of the Programme Parties has any duty to conduct or accepts any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any Reference Entity and its Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations, Deliverable Obligations, Share Company and its Shares or FX Deliverable Obligation as applicable.

Purchasers of and investors in the Notes may not rely on the views, opinions or advice of the Issuer for any information in relation to any person other than the Issuer itself.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Risks relating to the Issuer

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

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

In addition, the Group is an African focused universal financial services group with operations in twenty countries in Africa (excluding South Africa) (the "**Africa Regions**"), and satellite offices in four key financial centres and two offshore hubs. As a result, SBG's performance is also affected by its operations in Africa Regions. Africa Regions contributed 40 per cent. to SBG's headline earnings for the year ended 31 December 2025, and total assets for Africa Regions represented 18 per cent. of SBG's total assets at 31 December 2025. Economic and political conditions in the Africa Regions in which it operates therefore also have an impact on SBG's business and results.

The global economy in 2025 proved resilient in the face of the significant uncertainty and economic damage caused by the imposition of U.S. tariffs. The International Monetary Fund ("**IMF**") has estimated global real gross domestic product ("**GDP**") growth at 3.5 per cent. and sub-Saharan Africa ("**SSA**") GDP growth at 4.5 per cent. in each case for the year ended 31 December 2025, compared with 3.5 per cent and 4.2 per cent in the prior year (*source: IMF July 2026 Report*). South Africa's real GDP grew at 1.1 per cent. in 2025, compared with 0.5 per cent. for the prior year (*source: Statistics South Africa*).

This resilience is expected to be tested again in 2026 by the surge in energy prices resulting from the war in Iran. The Issuer expects inflation to be higher and growth lower as a consequence of the energy price shock. The Issuer further expects that central banks that had previously hinted at a bias to cut policy rates will likely hold off rate cuts until late in 2026, or 2027 as they assess the inflationary impact of the rise in energy prices. Some could hike rates but these are expected be reversed in time as the early rise in inflation from the energy shock gives way to longer-term economic growth concerns. The IMF expects global real GDP growth to be 3.0 per cent. in 2026 (*source: IMF July 2026 Report*).

The IMF expects real GDP growth in SSA to be 4.3 per cent. in 2026 (*source: IMF July 2026 Report*). The U.S./Israel-Iran conflict is now a key near-term source of downside risk to the Africa Regions' economic outlook, via higher oil prices, wider shipping and insurance costs, and the risk of broader disruption to trade routes. The spillovers will be felt through inflation, foreign exchange rate movements and funding conditions in a number of markets, while the impact of U.S. policy (aid and tariff-related policy shifts) also lingers. Africa Regions will also not be spared from domestic political risks and climate change, with more frequent and severe weather shocks. Each of these factors could negatively affect Africa Regions' business, financial condition, and results of operations.

Economic growth across the Group's various markets of operation is dependent on many factors beyond the Group's control, including geopolitical developments, monetary and fiscal policies and domestic and international economic and political conditions in general. Additionally, should the general global economic environment deteriorate during the course of 2026, this could negatively impact the economies in Africa.

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

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

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

In South Africa, the election outcome in 2024 resulted in the formation of the Government of National Unity ("**GNU**"). Since the formation of the GNU in 2024, consumer and business sentiment has improved (*source: Bureau for Economic Research*). There are also growing expectations that the domestic political and policy setting will become more benign in support of higher trend growth. The implementation of several structural reforms has been gaining momentum. The effects of these reforms are starting to show. Electricity loadshedding is largely eradicated, rail volumes have stabilised and ports are improving their performance (*source: National Treasury*). South Africa's real GDP grew at 1.1 per cent. in 2025, compared with 0.5 per cent. for the prior year (*source: Statistics South Africa*). The acceleration in GDP growth was despite the negative impact from U.S. tariff increases which superseded the usual duty-free access that South African exporters to the U.S. enjoyed under the African Growth and Opportunity Act ("**AGOA**"). The IMF expects South Africa's real GDP to grow by 1.1 per cent in 2026 (*source: IMF July 2026 Report*).

Low inflation and rising export commodity prices supported the South African economy in 2025 but are expected to be less supportive in 2026. As at the date of the Risk Factor and Other Disclosures Schedule, the support from low inflation has already declined, and the increase in fuel prices and, in turn inflation, is expected to weigh negatively on discretionary spending. Previous interest rate cuts by the South African Reserve Bank ("**SARB**"), between September 2024 and November 2025, which took the policy rate down from 8.75 per cent. to 6.75 per cent., provided some relief, but the SARB increased the policy rate to 7.00 per cent. in May 2026 and there is a risk of a further interest rate hike should the Iran war be protracted.

Domestic economic growth may accelerate if infrastructure constraints ease further, confidence continues, and interest rates resume their decline. However, policy reforms will likely remain incremental, and the Group's capacity to expand is constrained by the uncertainty of the longer-term political landscape and persistent growth impediments. These factors may also limit South Africa's growth rate trend.

Several unfavourable global market conditions and risks, notably protracted wars with the potential to impact the global economy and uncertainty about policy changes that will be implemented by the U.S. administration, weigh on South Africa's economic growth prognosis and financial markets. Uncertainty will likely remain high throughout 2026. In this regard, the Issuer is of the view that the Iran war may provide a downside risk to GDP growth in South Africa. A recovery in trend growth to above 2 per cent. requires not only ongoing reforms but also a more benign global setting.

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

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

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

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

Geopolitical tensions and conflicts, particularly in the Middle East, could have a significant negative impact on the economies of Africa Regions, given the region's structural sensitivity to energy, shipping and imported-price shocks. A sustained rise in oil prices could lift freight, fertiliser and transport costs and keep headline inflation higher for longer, while disruptions to key shipping routes, energy supply chains and global trade flows could amplify price volatility, lengthen delivery times and raise insurance premia. These shocks could tighten monetary conditions across frontier markets, or delay easing cycles, and increase foreign exchange pressure as fuel import bills rise.

Net oil importers face the most immediate deterioration in external balances and inflation dynamics. In Ghana, higher pump prices risk slowing disinflation and complicating the policy-easing path as transport and food costs rise. Uganda faces a wider current account deficit, with limited short-term mitigation, given reliance on refined fuel imports. Namibia is exposed to fuel and fertiliser pass-through and a weaker trade balance, while Botswana's oil shock could erode foreign exchange reserves if diamond earnings remain soft. For Zambia, the oil shock becomes materially more inflationary if the terms of trade worsen (if the copper price underperforms the oil price by a wider margin), putting downward pressure on the kwacha and lifting the local cost of fuel and other imports, which then feeds through into food prices. In Kenya, higher fuel costs would add to inflation risks and cost-of-living pressures and could increase fiscal strain. In Mozambique, higher fuel costs would add to existing pressure on foreign exchange liquidity and widen the external deficit as the fuel import bill rises. Oil exporters such as Nigeria and Angola may see near-term fiscal and foreign exchange benefits from higher crude prices, but the net benefit is uncertain and can be diluted by production constraints, fuel-pricing policies and second-round inflation. More broadly, escalation in geopolitical tensions could increase the probability of a sharper global risk-off episode, weaker portfolio inflows into Africa Regions, and higher refinancing costs, even for countries that would otherwise benefit from higher commodity prices.

Several Africa Regions economies remain dependent on a narrow range of commodity exports. A sustained decline in key export prices, including copper, diamonds, cocoa and oil, could reduce fiscal revenues, weaken foreign exchange earnings, increase external financing pressures and weigh on economic growth. Commodity price volatility could also amplify exchange-rate pressures and increase fiscal and external vulnerabilities in commodity-dependent economies.

In addition, supply-chain disruption (including longer lead times, higher input costs, intermittent shortages and precautionary inventory build-ups) could transmit into weaker industrial production and investment, particularly in import-dependent sectors. In combination with higher energy and transport costs, these effects raise the risk of a stagflation mix, slower growth alongside more persistent inflation, more quickly than baseline assumptions imply.

Changing priorities among development partners and fiscal constraints in advanced economies could reduce the availability of concessional financing, grants and development assistance. This may exacerbate fiscal and external financing pressures in some Africa Regions economies, increase borrowing costs and slow the implementation of infrastructure and economic reform programmes that underpin macro-stability and investor confidence.

Africa Regions will be impacted by climate change, which is already increasing weather variability and the frequency of extreme events. More severe and recurrent droughts, heatwaves and irregular rainfall patterns weigh on agricultural yields, intensify food insecurity and raise the risk of food-price inflation and social pressure. At the same time, heavier-than-normal rainfall and flooding can damage transport networks, housing and public infrastructure, disrupt trade logistics and raise contingent fiscal liabilities. Climate shocks also raise energy-supply risks in hydro-dependent systems, while increasing displacement and public-health burdens, thereby compounding macroeconomic fragilities and weakening medium-term growth prospects.

The broader global economic environment is uncertain. Oil-price volatility linked to the U.S./Israel-Iran conflict, alongside renewed expectations of sticky inflation in the U.S. and policy uncertainty related to trade, may keep global interest rates higher for longer and increase financial market volatility. For Africa Regions, this elevates refinancing risk, raises Eurobond yields, and can weaken portfolio flows and risk appetite, especially in markets with wide fiscal deficits, large external funding needs and high debt-service burdens.

Political risks within Africa Regions are elevated even as growth improves in parts of the region, as higher living costs, unemployment and inequality drive public dissatisfaction. This creates a more challenging operating environment through a higher probability of protests, strikes and episodic unrest, as well as rising pressure for populist measures that can weaken fiscal discipline and delay reform implementation. These dynamics may also weigh on investor confidence where policy predictability is already fragile. The elections in 2026 could encourage pre-election overspending, create uncertainty and delays in policy decisions, and raise the risk of social tension, particularly if external shocks keep fuel and food prices elevated.

Africa Regions' fiscal challenges remain pressing, with many economies struggling to manage high debt service costs, rigid recurrent spending lines and constrained revenue generation. In Kenya, for example, revenue underperformance and higher recurrent and development allocations are widening the FY2025/26 deficit to around 6.8 per cent. of GDP (*source: The National Treasury Supplementary Appropriations Bill*), reinforcing rollover and market-confidence risks amid higher global oil prices. Mozambique faces entrenched foreign exchange liquidity pressure and a wider external deficit as higher oil prices lift the fuel import bill, while domestic constraints and weak buffers heighten the risk of further fiscal and funding stress. Across the region, these fiscal pressures, combined with higher-for-longer global rates, tariff uncertainty and oil-market volatility, raise the risk of pro-cyclical tightening, reduced policy space and renewed foreign exchange and inflation pressures.

Given the above, no assurance can be given that the Group would be able to sustain its current performance levels if African Region macroeconomic conditions were to materially worsen from levels given at the date of the Programme Memorandum.

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

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

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

Credit impairment charges for the Group decreased by 5 per cent. from R15,152 million for the year ended 31 December 2024 to R14,321 million for the year ended 31 December 2025 driven mainly by the retail and business portfolios benefitting from an improved macroeconomic environment, optimised collection strategies, remediation efforts and enhanced early-intervention strategies. Credit impairment charges in the Corporate and Investment Banking ("**CIB**") business unit increased from R1,568 million for the year ended 31 December 2024 to R2,065 million for the year ended 31 December 2025 due to elevated non-performing loans charges in comparison to the prior year which benefitted from significant recoveries from restructures and cures. Credit impairment charges on financial investments increased from R712 million for the year ended 31 December 2024 to R1,354 million for the year ended 31 December 2025, driven by deteriorating sovereign credit risk in the South and Central Africa regions, primarily Malawi and Mozambique. The Group's credit loss ratio improved to 0.73 per cent. in the year ended 31 December 2025 from 0.83 per cent. for the year ended 31 December 2024.

The Group's Personal and Private Banking ("**PPB**") business unit reported a decrease in credit impairment charges of 6 per cent. from R10,532 million for the year ended 31 December 2024, to R9,882 million for the year ended 31 December 2025, due to proactive client engagement, improved collections and reduced forward-looking provisions in a stabilising economic environment. The PPB credit loss ratio to customers improved to 1.41 per cent. for the year ended 31 December 2025, from 1.54 per cent. for the year ended 31 December 2024. Credit performance in the PPB South Africa portfolio improved in 2025 with credit impairment charges decreasing by 6 per cent. from R9,574 million for the year ended 31 December 2024 to R9,034 million for the year ended 31 December 2025, and the credit loss ratio to customers improving from 1.57 per cent. for the year ended 31 December 2024 to 1.46 per cent. for the year ended 31 December 2025.

The Business and Commercial Banking ("**BCB**") business recorded a decline in credit impairment charges of 22 per cent. for the year ended 31 December 2025 at R2,369 million, compared to R3,038 million for the year ended 31 December 2024, due to prior year refinements in risk appetite, alongside broader industry and sector-specific risk appetite reviews to support improved portfolio resilience. The BCB credit loss ratio improved to 1.08 per cent. for the year ended 31 December 2025 from 1.40 per cent. for the year ended 31 December 2024.

The CIB business unit recorded an increase in credit impairment charges driven primarily by the deterioration in sovereign credit risk in South and Central Africa, which adversely affected the financial investment portfolio (which includes exposure to the sovereign per regulatory requirements). The business continued to manage its client portfolio well within risk appetite with the credit loss ratio to customers increasing to 0.14 per cent. for the year ended 31 December 2025 from 0.08 per cent. for the year ended 31 December 2024.

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

Mortgage loans (also referred to as home services) amount to 29 per cent. of SBSA's gross loans and advances at 31 December 2025, down from 31 per cent. at 31 December 2024, but still a material credit concentration in SBSA's portfolio. SBSA manages this exposure within a clearly defined risk appetite framework that includes portfolio limits in the PPB business unit where mortgage loans are originated and managed. SBSA also regularly stress tests the portfolio against various weaknesses in the economy, such as a sovereign ratings downgrade, which could negatively affect consumer creditworthiness and the repayment of home loans.

Credit impairment charges for SBSA decreased by 6 per cent. from R11,624 million for the year ended 31 December 2024 to R10,928 million for the year ended 31 December 2025, due to reduced flows into non-performing loans in PPB, the non-recurrence of prior year Stage 3 (as defined below) provisions in BCB and releases in CIB's Bank lending portfolio due to increased collateral, as well as further releases on the financial investments portfolio driven by repayments. The credit loss ratio improved to 0.76 per cent. for the year ended 31 December 2025 from 0.84 per cent. for the year ended 31 December 2024.
Many factors affect the ability of the Group's customers to repay their loans. Some of these factors, including adverse changes in consumer confidence levels due to local, national and global factors, consumer spending, bankruptcy rates, and increased market volatility, might be difficult to anticipate and

are outside of the Issuer's control. The Issuer conducts annual credit risk type scenario and sensitivity stress testing on their respective portfolios to assess the impact on their respective risk profiles and to inform changes to forward-looking risk appetite and strategy.

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

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

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

In 2026, the Issuer considers three primary themes to dominate the political outlook.

The first is the durability of the GNU, which was established after the 2024 elections. The GNU is comprised of 10 political parties, including the African National Congress ("**ANC**"), the Democratic Alliance ("**DA**"), and the Inkatha Freedom Party ("**IFP**"). The GNU's formation has been well-received by the local and international investor community, offering the opportunity for business and investor confidence to lift in South Africa, which would support the ongoing economic recovery. However, there are strains between key GNU partners, particularly between the ANC and the DA, which threaten to disrupt and even possibly collapse the coalition. Disagreements over foreign policy matters, particularly given the uncertain geopolitical environment, present ongoing concerns in this regard.

The second theme relates to broader geopolitical risks, particularly in light of U.S. President Donald Trump's executive priorities. Risks for South Africa relate both to the broader geopolitical environment, included in which are concerns about the U.S.-Iran conflict, as well as the specific concerns relating to the U.S.-South Africa diplomatic relationship.

The third theme relates to the economic reform programme. The South African Government's reform priorities relate mostly to logistics, water, local government, and security sectors. The joint Presidency and National Treasury reform coordination unit (which is known as Operation Vulindlela) has entered its second phase, focusing on these, and other, reform interventions. The South African Government is seeking greater private sector support in driving the reform programme, which to some extent rests on the stability of the GNU.

From a governance perspective, the focus in 2026 will rest on the National Prosecuting Authority's capacity to deliver accountability in the various "state capture" cases that it has enrolled in court through its Investigative Directorate Against Corruption ("**IDAC**"). In this regard, there are concerns regarding the immediate resignation of the IDAC head following testimony at the Madlanga Commission and the impact this could have on some of IDAC's most high-profile cases. Progress in delivering such high-level accountability will also be important for South Africa to avoid returning to the 'grey list' at the next Financial Action Task Force ("**FATF**") review. The "state capture" era (2009-2018) saw the systemic subversion of public institutions away from constitutional purpose toward serving narrow private or factional interests, undermining governance, credibility, and long-term economic performance. More pointedly, the Madlanga Commission of Inquiry (pivotal institutional mechanism to re-assert constitutional accountability, reinforce the rule of law, and restore limits on the exercise of public power where governance failure has been systemic in the security cluster) is expected to conclude this year, offering the basis for potentially sweeping police and wider criminal justice reform.

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

The Issuer faces risk from the impact of climate change

The Issuer may face potential risk arising from climate change

The Issuer's activities may give rise to climate-related risks, as a result of its own operations and, more significantly, from exposures to clients whose activities generate financed emissions These risks are inherently uncertain, may evolve over time, and may manifest differently across the jurisdictions in which the Group operates. The extent to which climate-related factors could affect the Issuer's business, financial condition or prospects depends on a range of external conditions, including policy developments, economic trends, technological progress, data availability and client-level responses.

Physical climate risks

Physical risks may arise from acute weather-related events (such as floods, storms, droughts and heatwaves) or from chronic shifts in climatic conditions (including gradual increases in average temperatures, long-term changes in precipitation patterns and rising sea levels). These events or conditions may, under certain circumstances, affect the operations of the Issuer or its clients, potentially influencing client revenues, asset values, collateral recoveries, insurance availability, and broader economic conditions in affected regions.

The Issuer's clients operating in sectors sensitive to physical hazards (including, for example, agriculture, mining, industrial activities and real estate) may experience operational disruption or higher costs, which could in turn influence their creditworthiness. Damage to client assets, or to infrastructure on which they depend, may result in higher defaults, increased impairment charges or reduced collateral values. The timing, severity and location of physical climate impacts remain uncertain and may vary significantly across geographies.

Transition climate risks

Transition risks may arise from policy, legal, regulatory, market, technological or reputational developments associated with the adjustment towards lower-carbon economies. These developments could, depending on their nature and timing, affect clients' business models, production costs, access to markets, demand for their products, or the value of certain assets. Changes in societal expectations and the preferences of investors, regulators or customers may also influence client activities.

Rapid or uneven policy changes, or shifts in energy or commodity markets, could increase the risk of asset-stranding or impairments for certain clients. Where such developments materially affect the creditworthiness or performance of clients, the Issuer's financial exposures could be impacted. Reputational risks may also arise if the Issuer is perceived as not adequately addressing climate-related considerations in their business activities or disclosures.

Risk management considerations

The Issuer continues to evolve its approach to identifying, assessing and managing potential climate-related risks. Integration of climate considerations into risk-management frameworks remains subject to data availability, modelling limitations and ongoing methodological development. Scenario analysis and other forward-looking tools provide directional insight but are subject to significant uncertainty and should not be interpreted as predictions. As practices continue to mature across the financial sector, the Issuer's internal processes, methodologies and disclosures may be refined.

If the Issuer does not adequately consider potential climate related risks within its risk frameworks or do not adapt its strategies and business models in line with relevant regulatory requirements or industry practice, this could, depending on levels of materiality and on potential future climate-related outcomes over the short, medium and long term, have an adverse effect on its business, financial condition, results of operations, prospects or reputation.

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

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

From a Group perspective, insurance risk operations are housed within Liberty Holdings Limited ("**Liberty**") and Standard Insurance Limited ("**SIL**"). Both these businesses operate within the Insurance and Asset Management ("**IAM**") business unit within SBG. The Group's share of IAM's headline earnings for the year ended 31 December 2025 was R4,112 million (net of the inter-business unit attribution (insurance) of R2,682 million transferred to SBG in respect of the embedded bancassurance business), which equates to 8.4 per cent. of SBG's total headline earnings.

Risk selection capabilities continue to be invested in across the Group as it is recognised that this is a key core capability required to ensure premium rates remain competitive and insurance contracts can be written on profitable terms. The underwriting margin was broadly in line with expectations over the course of 2025. Within life insurance, mortality margin across older assured lives and annuitants remains somewhat elevated compared to assumptions for 2025. The South African general insurance business' underwriting margin in 2025 has been better than budgeted expectation.
If the socio-economic environment in which the IAM business operates continues to remain strained or deteriorate, this could negatively impact customer behaviour and new business volumes.

No assurance can be given as to whether and the extent to which any of these risks may arise in the future and, accordingly, any losses which the Group may suffer as a result may have a material and adverse impact on the Issuer's business, financial condition, results of operations, prospects and reputation.

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

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

Fraud risk is a material and evolving threat to the Group as criminal syndicates increasingly deploy organised, technology-enabled and highly coordinated methods. The Group believes that the nature of fraudulent incidents has shifted decisively from isolated incidents to complex schemes that combine advanced digital capabilities, behavioural manipulation and the exploitation of trusted relationships. A key driver of this evolution is the growing use of artificial intelligence and synthetic media to facilitate impersonation and social engineering, including the creation of highly realistic voice, image and video content that significantly increases the effectiveness of fraudulent communications. At the same time, the continued expansion of digital banking and real-time payment services has reshaped the Group's fraud risk profile. Fraud activity is increasingly associated with transactions that appear legitimate and customer-authorised, often arising from account compromise or customer manipulation rather than traditional transactional anomalies. While these innovations support the customer experience, they also constrain the Group's traditional recovery mechanisms and elevate the importance of early prevention, intelligence-led detection and the ability to identify behavioural indicators of coercion or deception. As a result, fraud risk management increasingly depends on anticipating customer harm rather than reacting solely to post-transaction loss events.

Alongside external fraud threats, the Group maintains heightened vigilance over internal fraud risks, including market abuse, rogue trading and collusive or syndicate behaviour, which historically intensify during periods of economic stress.

Across the banking sector, there is an increased incidence of fraud such as the use of "mule" accounts and attempts to exploit privileged or trusted access. These risks are recognised as inherent to complex financial institutions operating at scale and the Group seeks to actively address through preventative design, monitoring and governance.

In line with this, the Group seeks to maintain a strong focus on deterrence, early identification and containment, supported by robust audit trails, clear segregation of duties, effective whistleblowing mechanisms and structured cooperation with law enforcement and regulatory authorities.

Notwithstanding the Group's enhancement of controls, governance and oversight fraud remains a dynamic and adaptive risk across the banking industry. Sustained effectiveness therefore depends on ongoing investment in advanced analytics and intelligence capabilities, deeper collaboration with external stakeholders, and continued focus on preventative controls and awareness initiatives to protect the Group's financial position, operational resilience and reputation.

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

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

Managing the risk of cyber-crime for the Group, its clients, and partners is crucial as the Group continues to advance its digital ambitions. Successful cyber-attacks have far-reaching consequences which could result in material losses of Group and client information, damage and/or failure of computer systems, reputational damage and may lead to regulatory penalties or financial losses; but ultimately, serve to damage the consumer's trust in the banking system.

The Group's main cyber risks include malware attack, cyber extortion attempts, and malicious disruption of services.

Financial services remain the most targeted economic sector from a cyber-threat perspective. The key sources of concern include the escalating sophistication and velocity of threats (especially given the advances in the weaponisation of artificial intelligence), increased volumes of cyber-attacks globally, and an ever-expanding cyber-attack surface (an increasing number of potential entry points for cyber-attacks). Leveraging technologies like cloud, mobile, "big data", and AI are essential for the Group's business and operations to remain competitive, however they increase the risk of cyber-attack.

Any failure by the Group to adequately maintain its systems or continue to find innovative ways to counteract the ever-changing nature of cyber-crime could have an adverse effect on the Group's financial condition and results of operations.

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

The Issuer is required to comply with applicable anti-money laundering, counter terrorist financing and bribery and anti-corruption laws in South Africa; see the section titled "*Description of the Standard Bank of South Africa - Regulation - Anti-money laundering regulatory requirements*" of the Issuer Disclosure Schedule relating to The Standard Bank of South Africa Limited dated 8 September 2026 (the "**Issuer Disclosure Schedule**") on pages 24 to 25.

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

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

Technology risk is the risk associated with system (including hardware, software, networks) failure and/or outage, as well as failures in technology ownership, operation, adoption, IT practices, partner delivery and execution of IT changes, which has the potential for operational loss, reputational damage, regulatory sanctions, and reduced competitiveness.

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

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

Any failure, interruption or breach in security of these systems could result in unavailability or limited availability of critical business services such as payment processing (corporate and retail), clearing and settlements, liquidity management, capital markets activities, trade finance and mortgage lending, potentially resulting in material adverse effects to the Group's reputation, client experience, operational outcomes, and financial position.

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

The Group's strategy to transform client experiences through a digital-first, platform-based business model and an expanded partner ecosystem introduces inherent strategic, operational, technological, legal, compliance and reputational risks. If not appropriately managed, these risks could adversely affect the Group's business, financial performance and future prospects.

Execution of the digital and platform strategy increases exposure to information technology and cyber risks, including fraud, cyber-crime, data breaches, system failures, service interruptions and increased reliance on complex, inter-connected digital infrastructure. Any extended outage, security incident or failure of critical systems could result in client detriment, regulatory scrutiny, reputational damage and financial loss.

A platform strategy gives rise to legal, regulatory and compliance risks, including non-compliance with treating customers fairly, relevant privacy legislation and/or regulation in relation to use of customer information for use in the platform businesses personalisation strategy. There is also risk of trademark, copyright or intellectual property infringement, particularly in relation to digital brands, third-party content and AI-generated outputs, which could result in financial loss and reputational damage.

The Group's reliance on third party partners to deliver solutions on the platform, either financial or beyond financial, may raise the risk of actual or perceived anti-competitive behaviour which may result in the Group suffering reputational or financial damage.

The increased deployment of artificial intelligence technologies, including generative AI and agentic AI across client channels, operations and decision-making processes, introduces additional and evolving risks. These include model risk, data quality and bias risk, lack of model transparency and explainability, unintended or unauthorised autonomous actions by AI agents, flawed customer outcomes, and over-reliance on automated decisioning. Generative AI also heightens exposure to misinformation, hallucinations, intellectual property infringement, copyright and data leakage risks, while agentic AI may amplify operational, conduct and control risks if guardrails, escalation mechanisms and human-in-the-loop oversight are insufficient. AI-enabled cyber-attacks, fraud and social engineering further increase the threat landscape.

Failure to successfully execute the platform and ecosystem strategy may result in loss of clients, market share and revenue opportunities. Competitive pressure continues to intensify from fintechs, BigTech firms and incumbent banks offering simplified, low-cost and digitally enabled services, many of which face fewer regulatory constraints and can innovate at greater speed. If the Group's innovations, including AI-enabled offerings, are not delivered to market effectively, securely and at scale, the Group may be unable to meet customer expectations or achieve anticipated growth, leading to a material adverse impact on its business, results of operations and long-term prospects.

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

The Group is exposed to the risk of losses arising from actual or alleged non-compliance with applicable laws, regulations and internal policies (including the Group's Code of Ethics and Conduct), as well as from employee misconduct, including fraud, negligence, ethical breaches or other non-financial misconduct. Such events could result in regulatory investigations, sanctions or fines, litigation, and significant reputational or financial harm to the Group.

The financial services industry has experienced instances where misconduct by individual employees or groups of employees, including those acting in collusion with external parties, has resulted in material losses. While the Group has implemented policies, controls and governance structures designed to prevent, detect and respond to misconduct and conduct risk, these measures may not always be effective, particularly where misconduct involves deliberate circumvention of controls or collusion with third parties.

Conduct risk within the Group is governed through established oversight structures, including conduct oversight committees operating within the Group's client segments and corporate functions, supported by the Group's Code of Ethics and Conduct and broader risk management framework.

If the Group experiences significant employee misconduct, failures in conduct risk management, or if regulators determine that the Group's controls and remediation measures are inadequate, this could materially and adversely affect the Group's business, financial condition, results of operations, prospects and reputation. In addition, the Group may suffer financial or reputational harm arising from misconduct, failures or deficiencies at third parties with whom it does business.

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

The Group's ability to operate reliably may be affected by rising geopolitical uncertainty and related energy shortages which can disrupt key service providers and supplier relationships. Escalating geopolitical tensions, regulatory fragmentation, trade restrictions, energy constraints, and regional instability may impair performance of third- and fourth-party providers, particularly those supporting critical IT, cloud, payments, and core banking services. Such disruption or degradation in performance can increase costs, resilience and recoverability of the Group's critical services.

Concentration risk is present where essential services are provided by a limited number of strategically significant third-parties or hyperscalers. Disruption affecting any of these providers—whether arising from cyber incidents, financial distress, regulatory intervention, or geopolitical developments—could have disproportionate and systemic impacts on the Group's service continuity, recovery capabilities, and customer outcomes.

In addition, the Group's exposure to indirect dependencies on fourth parties reduces transparency and limits direct control over upstream supply chain risks. Weaknesses or failures within these extended supply chains may propagate and amplify operational disruption and failures across interconnected services.

The Group maintains a rigorous third-party risk management framework designed to identify, monitor, and mitigate these risks. This includes robust due diligence, contractual safeguards, contingency planning, and regulatory compliance oversight. While the Group actively manages these risks through enhanced third-party governance, concentration oversight, and resilience planning, the evolving external risk environment and depth of supplier relationships mean that residual risk persists and requires continued executive oversight.

Competition and Market Risk

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

The Group is subject to significant competition from other major banks operating in its markets. Many of these banks compete for substantially the same customers as the Issuer and/or other members of the Group. The Group faces competition from international banks that may have greater financial and other resources – particularly in the corporate and investment banking market. The Group also faces competition from strong local incumbents in South Africa and in the African markets in which it operates, as well as growing competition from new entrants in the South African retail banking market. Competition from non-bank entities that provide similar services to those offered by banks – including entities such as retailers, mobile telephone companies and neo-banks which offer digital-only banking services – is increasing. Some of these competitors may be able to use technology and artificial intelligence to provide a superior and more personalised client experience and/or to make more accurate credit decisions than the Group, either of which would reduce the Group's market share and revenues. Increased competition from non-bank entities in money markets and capital markets could impact the Issuer's ability to attract funding. An increase in non-bank financial intermediation – an industry which is large and inconsistently regulated in some of the Group's markets – creates additional competition and could in future cause heightened systemic risk, if a significant share of lending is shifted away from regulated credit providers. Any failure by the Group to maintain its competitive position could have an adverse effect on the Group's financial condition and results of operations.

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

Market risk is the risk of a change in the market value, actual or effective earnings, or future cash flows of a portfolio of financial instruments, including commodities, which is caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of these variables. The Group's key market risks are trading book market risk, interest rate risk in the banking book, equity risk in the banking book, foreign currency risk, own equity-linked transactions and post-employment obligation risk. Should the Group be unable to manage its market risk this could have a negative impact upon the value of its securities. At the Group level for the year ended 31 December 2025, market risk consumed R2.575 billion, or 1.1 per cent. of Group Economic Capital (compared to R3.16 billion or 1.4 per cent. of Group Economic Capital for the year ended 31 December 2024). Interest rate risk in the banking book for the year ended 31 December 2025 consumed R2.63 billion, or 1.2 per cent. of Group Economic Capital (compared to R8.8 billion or 4.0 per cent. of Group Economic Capital for the year ended 31 December 2024).

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

Equity risk is defined as the risk of loss arising from a decline in the value of equity or an equity-type instrument held in the banking book, whether caused by deterioration in the underlying operating asset performance, net asset value, enterprise value of the issuing entity, or by a decline in the market price of the equity or instrument itself. Equity risk for the year ended 31 December 2025 consumed R18,63 billion, or 8.5 per cent. of Group Economic Capital (compared to R15.5 billion or 7.1 per cent. of Group Economic Capital for the year ended 31 December 2024).

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

The Issuer has exposure to changes in SBG's share price arising from the equity-linked remuneration contractual commitments and post-employment obligation risk through the requirement to contribute as an employer to an underfunded defined benefit plan. Total expenses recognised in SBSA staff costs for own equity-linked transactions for the year ended 31 December 2025 was R4,922 million compared to R3,806 million for the year ended 31 December 2024 (each excluding gains and losses from hedges in terms of IFRS) and the total liability recognised in other non-financial liabilities for own equity-linked transactions as at 31 December 2025 was R4,473 million (compared to R3,971 million for the year ended 31 December 2024). Total expenses recognised in SBG staff costs for own equity-linked transactions for the year ended 31 December 2025 was R4,261 million (compared to R4,247 million for the year ended 31 December 2024) and the total liability recognised in other liabilities for own equity-linked transactions as at 31 December 2025 was R1,02 billion (compared to R922 million for the year ended 31 December 2024). The amount recognised as an asset in SBG's Statement of Financial Position as at 31 December 2024 for pension and other post-employment benefits was R2,197 million (compared to R1,880 million for the year ended 31 December 2024). The amount of pension and other post-employment benefits recognised as a liability in SBG's Statement of Financial Position as at 31 December 2025 was R1,171 million (compared to R1,082 million for the year ended 31 December 2024).

In addition, SBG, primarily through its shareholding in Liberty, is exposed to insurance risk. The Group's share of IAM's headline earnings for the year ended 31 December 2025 was R4,112 million (compared to R3,270 million for the year ended 31 December 2024), which equates to 8.4 per cent. of SBG's total headline earnings (compared to 7.3 per cent. for the year ended 31 December 2024). The Group's Liberty business unit provides life insurance products and services through Liberty Group Limited, a subsidiary of Liberty. Market risk within the Group's life insurance business is split into three categories:

- market risks to which Liberty wishes to maintain exposure on a long-term strategic basis;
- market risks to which Liberty does not wish to maintain exposure on a long-term strategic basis as they are not expected to provide an adequate return on economic capital over time; and
- market risks to which Liberty does not wish to maintain exposure but where Liberty is unable to economically mitigate these risks through hedging.

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

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

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

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

In respect of South Africa, the banking sector is characterised by certain structural features, such as a low discretionary savings rate in general and a high percentage of these are captured by institutions such as pension funds, provident funds and providers of asset management services. A portion of these savings translate into institutional funding for the banking system that comprises wholesale funding from financial institutions across a range of deposits, loans and financial instruments. These deposits have a different liquidity profile to retail deposits. As a result, the Issuer, along with other banking groups in South Africa, has a higher reliance on wholesale funding than retail deposits. As at 31 December 2025, retail deposits comprised 19.6 per cent. of the total funding-related liabilities of SBSA and 22.9 per cent. of the total funding-related liabilities of SBG.

Wholesale funding sourced by members of the Group is usually of a short-to-medium term and entered into on a contractual basis. Wholesale funding is more expensive than retail deposits, and is sourced from a small number of depositors, principally, fund managers. As at 31 December 2025, 84 per cent. of the SBSA's deposits and debt funding (including subordinated debt) had a contractual maturity date of 12 months or less or were repayable on demand. As at 31 December 2025, SBSA's largest single depositor accounted for 2.7 per cent. of total funding related liabilities and the top 10 depositors accounted for 11.1 per cent. of total funding related liabilities, well within SBSA's risk appetite of 10 per cent. and 20 per cent. respectively. As at 31 December 2025, 87 per cent. of SBG's deposits and debt funding had a contractual maturity date of 12 months or less or were repayable on demand. As at 31 December 2025, the largest single depositor accounted for 2.2 per cent. of total funding related liabilities and the top 10 depositors accounted for 8.7 per cent. of total funding related liabilities, well within the Group's risk appetite of 10 per cent. and 20 per cent. respectively.

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

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

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

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

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

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

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

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

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

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

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

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

The amended Regulations relating to Banks (as amended) (as defined herein) effective 1 January 2013 are based on the Basel III framework ("**Basel III**") introduced by the Basel Committee on Banking Supervision ("**BCBS**") and provide the minimum risk based capital ratios. The Prudential Authority 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 9.5 per cent. for CET 1, 11.8 per cent. for tier 1 and 15.0 per cent. for total capital adequacy in 2025. These minimums include the 1 per cent positive cycle neutral countercyclical buffer, which was fully implemented from 1 January 2026, as well as the maximum potential domestic systemically important bank ("**D-SIB**") requirement of 2.5 per cent., but exclude the confidential bank-specific pillar 2B capital requirements. South African banks were required to disclose their D-SIB capital requirements from 1 September 2020. The Group's and SBSA's D-SIB buffer requirements amount to 1.5 per cent. as at 31 December 2025 of which 1 per cent. is required to be held in CET 1.

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

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

SBSA reported a LCR of 136.7 per cent. as at 31 December 2025 based on a simple average of 92 days of daily observations over the quarter ended 31 December 2025, exceeding the SARB's minimum requirement of 100 per cent. SBG reported a LCR of 141.6 per cent. as at 31 December 2025 based on a simple average of 92 days of daily observations over the quarter ended 31 December 2025 for the majority of SBG's balance sheet and a simple average of the three month-end data points for certain Africa Regions' banking entities which are not yet reported daily, exceeding the SARB's minimum requirement of 100 per cent.

The Issuer maintained NSFR compliance for 2025, with SBSA reporting a NSFR of 103.2 per cent. as at 31 December 2025 in excess of the 100.0 per cent. regulatory requirement, and SBG reporting a NSFR of 114.7 per cent. as at 31 December 2025 in excess of the 100.0 per cent. regulatory requirement, as well as specified internal risk appetite requirements.

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

Regulatory risks relating to the Issuer

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

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

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

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

Risks relating to Emerging Markets

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

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

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

- electricity supply instability;

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

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

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

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

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

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

Further to the above and consistent with the relaxations of the exchange control framework, the Government continues with its commitment to modernise South Africa's capital flows management framework as announced in 2020.

The main objective of the new capital flow management framework is to introduce a positive bias framework where all cross-border transactions will be allowed, except those that are subject to capital flow management measures and/or pose a high risk of illicit cross-border financial flows. There are ongoing regulatory changes being implemented through the issuance of circulars by the SARB, which gives effect to the phased introduction of the new framework.

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

Risks relating to the Notes

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been, or will be, made for the Notes issued under the Programme to be listed on the Luxembourg Stock Exchange's Euro MTF or such other Financial Exchange, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the relevant Applicable Pricing Supplement specifies otherwise, in the event that, as a result of a change or proposed change in, or amendment or proposed amendment to the tax laws or regulations of South Africa, or any political subdivision thereof or any authority therein or thereof having power to tax, or any change in the application or official interpretation of such tax laws or regulations, (a) the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts in respect of the Notes; or (b) in respect of the Issuer's obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

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

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

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for

Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg and its participants to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

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

Credit Rating

Tranches of Notes issued under the Programme may be rated or unrated. If a rating is assigned to any issue of Notes, the rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Exchange rate risks

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

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

Any Notes that are listed on the Luxembourg Stock Exchange's Euro MTF or any other listing authority, stock exchange or quotation system may be de-listed. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Euro MTF or any other listing authority, stock exchange or quotation system, delisting the Notes may have a material adverse effect on a Noteholder's ability to resell the Notes in the secondary market.

Risks related to the structure of the particular issue of Notes

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

Notes subject to optional redemption by the Issuer

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

Equity Linked, Index Linked and FX Linked Notes

The Issuer may issue Notes, the terms of which provide for interest or principal payable in respect of such Note to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**") or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Please also see the risk factors headed "Credit Linked Notes" on pages 34 – 36, "Equity Linked Notes" on pages 36 – 39 and "FX Linked Notes" on pages 39 – 42.

Partly Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Notes issued at a substantial discount or premium

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

Change in law

This Programme Memorandum, the Notes and the applicable Terms and Conditions are governed by, and will be construed in accordance with, the laws of England and Wales save that the provisions of Condition 23 (*Recognition of RSA Bail-in Powers*) are governed by, and will be construed in accordance with, South African law. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England and Wales or South African law or administrative practice in either such jurisdiction after the date of the Programme Memorandum.

U.S Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly known as FATCA) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to any non-U.S. financial institution (a foreign financial institution, or FFI (as defined by FATCA)). The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthrough payments" (a term not yet defined) no earlier than two years after the date on which final regulations defining foreign passthrough payments are published in the U.S. Federal Register.

An FFI will be exempt from applying the 30 per cent. withholding tax if it becomes (i) a "registered deemed-compliant FFI" following the conclusion of an intergovernmental agreement to facilitate the implementation of FATCA (an "**IGA**") between the United States and that FFI's jurisdiction or (ii) a "Participating FFI", to the extent that recipients of payments of US source income have provided the Participating FFI with the necessary documentation, and are not deemed to be recalcitrant or non-participating FFI's, by entering into a direct agreement with the U.S. Internal Revenue Service (the **IRS**) to provide the IRS with certain information in respect of its account holders and investors.

On 9 June 2014, the United States and South Africa formally concluded "The Agreement between the Government of South Africa and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA" (the "**SA/US IGA**"), which has been given force and effect in South African Tax Law, in terms of which FFIs in South Africa will report information about their U.S. account holders to the South African Revenue Service who will in turn relay that information by means of automatic exchange of information to the IRS under the Double Taxation Convention in force between the United States and South Africa.

The Issuer is registered as a "registered deemed-compliant FFI" on the IRS FATCA website. Provided that South Africa complies with its information and reporting obligations under Articles 2 and 3 of the SA/US IGA, the Issuer will be treated as complying with, and not subject to withholding under, section 1471 of the U.S. Internal Revenue Code. The Issuer is however obliged to comply with certain due diligence procedures and reporting requirements applicable to it as a "**Reporting FFI**" or "registered deemed-compliant FFI".

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* (together, the "**ICSD**s"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once it has paid the common depositary for the ICSDs (as bearer/registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries and will not gross up for any withholding for or on account of FATCA.

Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

Emerging market currencies

Where the Notes are denominated in an emerging market currency, have an emerging market currency as the Payment Currency (as defined in the Applicable Pricing Supplement) in which that Issuer will pay principal and interest on the Notes, or are linked to one or more emerging market currencies, the value of such Notes may be significantly more volatile and subject to less certainty as to future rates than if the Notes were linked to currencies of more developed markets. For example, emerging markets' currencies are highly exposed to the risk of a currency crisis happening in the future.

In particular, policies or actions of the governments of the jurisdictions of the Subject Currencies and Base Currencies (the "**Currency Jurisdictions**") could adversely affect the relevant exchange rate(s) (such as through market interventions of their central banks or equivalent bodies; governmental action which changes or interferes with currency valuations or currency fluctuations that would otherwise occur in response to economic forces; and restrictions on foreign investment and currency convertibility or movement across borders). Non-governmental action may also directly or indirectly adversely affect the relevant exchange rates (such as through speculation, weak overall growth and performance of each applicable Currency Jurisdiction's economy and stock exchanges; political, economic and social uncertainty, including risks of nationalisation and expropriation of assets and natural disasters; or wars which affect any Currency Jurisdiction directly or indirectly). In addition, the policies or actions of the governments of the jurisdictions of a Payment Currency or non-governmental action could adversely affect the Issuer's ability to make payments of principal and interest on the Notes including preventing any payment of principal and interest.

Investors should note that the risk of occurrence and the severity of consequence of the matters described above may be greater with respect to any emerging market jurisdiction than they otherwise would be in relation to more developed countries. Economies in emerging markets are generally more heavily dependent upon international trade, and accordingly, may be affected adversely by trade barriers, foreign exchange controls (including taxes), managed adjustments in relative currency values and other protectionist measures imposed or negotiated with countries with which they trade.

The occurrence of any of the above circumstances may have an adverse effect on the value of the Notes and amounts due or assets deliverable, or the date for payment thereunder.

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

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

Regulation (EU 2016/1011) (the "**EU Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the "**UK Benchmarks Regulation**"), among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

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

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

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

The Conditions provide for certain fallback arrangements in the event that a published benchmark, including an inter-bank offered rate such as EURIBOR or other relevant reference rates, ceases to be published or a Benchmark Event as defined in Condition 6.2.7 otherwise occurs, including the possibility that the rate of interest or other amounts payable under the Notes could be set by reference to a Successor Rate or an Alternative Rate, which may perform differently to the benchmark such rate is replacing, and that such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders or Couponholders arising out of the replacement of the relevant benchmark, and may include amendments to the Conditions of the Notes and the Agency Agreement (without the consent of the Noteholders) to follow market practice or to ensure the proper operation of the Successor Rate or Alternative Rate and, in either case, an adjustment spread.

The Conditions do not permit the Issuer to determine a Successor Rate or Alternative Rate to be used in place of EURIBOR or any other benchmark, in circumstances where the Issuer is unable to appoint an experienced Independent Adviser of international repute. In the event of a permanent discontinuation of EURIBOR or any other benchmark, the Issuer may be unable to appoint an Independent Adviser in a timely manner, or at all, in which case it will be unable to determine a Successor Rate or Alternative Rate. In these circumstances, where EURIBOR or any other benchmark has been discontinued, the Rate of Interest will revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before EURIBOR or the relevant benchmark was discontinued, and such Rate of Interest will continue to apply until maturity.

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

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

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

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

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

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

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

Furthermore, the Rate of Interest is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, if the Notes become due and payable under Condition 7 or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

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

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

Regulatory action in the event the Issuer or any other member of the Group which is a Designated Institution is failing or likely to fail, including the exercise by the Resolution Authority of the RSA Bail-in Powers or the taking of Resolution Actions, could materially adversely affect the value of the Notes

The Issuer and any other member of the Group which is a Designated Institution are subject to substantial Resolution powers

Chapter 12A of the Financial Sector Regulation Act, 2017 of South Africa (the "**Financial Sector Regulation Act**") sets out a framework (the "**Resolution Framework**") for the resolution of "*designated institutions*" ("**Designated Institutions**") in South Africa. The Resolution Framework came into effect in South Africa on 1 June 2023. The Resolution Framework applies to Designated Institutions (which includes South African banks, holding companies of South African banks and, if a South African bank is a member of a "*financial conglomerate*" designated as such by the Prudential Authority under section 160(1) of the Financial Sector Regulation Act, each member of such "*financial conglomerate*" (unless the Governor of the SARB has determined that a member of a "financial conglomerate" is not a Designated Institution under section 29A(2) of the Financial Sector Regulation Act)).

The Issuer and each other member of the Group has been designated as a "*financial conglomerate*" by the Prudential Authority. The Issuer and each other member of the Group are therefore each a Designated Institution and subject to the Resolution Framework. Under the Resolution Framework substantial powers are granted to the SARB, in its capacity as the Resolution Authority under the Financial Sector Regulation Act, (the "**Resolution Authority**") to implement various Resolution measures and stabilisation options (including, but not limited to, exercising the RSA Bail-in Powers) with respect to Designated Institutions which have been put into Resolution.

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

The Financial Sector Regulation Act, No. 9 of 2017 (the "**FSR Act**") also provides for additional insolvency and administration procedures for Designated Institutions and for certain ancillary powers, such as the power to modify contractual arrangements in certain circumstances (which could include a variation of the terms of the Notes), powers to impose temporary suspension of payments, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the Resolution powers. Noteholders should assume that, in a Resolution situation, financial public support (if any at all) will only be available to a Designated Institution as a last resort after the Resolution Authority has assessed and used, to the maximum extent practicable, the Resolution tools, including the RSA Bail-in Power.

The exercise of any Resolution power in relation to the Issuer or any other member of the Group or any suggestion of any such exercise could materially impact the Issuer's ability to fulfil its obligations under the Notes and adversely affect the value of any Notes and could lead to Noteholders losing some or all of their investment in the Notes.

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

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

The Resolution Authority may exercise the RSA Bail-in Power in respect of the Issuer and the Notes, which may result in Noteholders losing some or all of their investment

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

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

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

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

Each Noteholder further acknowledges, accepts, consents and agrees to be bound by the variation of the terms of the Notes, if necessary, to give effect to the exercise of the RSA Bail-in Power by the Resolution Authority. Accordingly, the RSA Bail-in Power may be exercised in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security from the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Resolution Authority may exercise the RSA Bail-in Power without providing any advance notice to, or requiring the consent of, the Noteholders. In addition, under the Conditions, the exercise of the RSA Bail-in Power by the Resolution Authority with respect to the Notes is not an Event of Default or a default or breach of the Conditions for any purpose. See also "*Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail, including the exercise by the Resolution Authority of a variety of resolution powers, could materially adversely affect the value of the Notes*" above.

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

Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a beneficial interest in the Notes) or (if applicable) any Couponholder, in recognition of the Resolution powers granted by South African law to the Resolution Authority, by acquiring the Notes, each Noteholder and (if applicable) Couponholder will be deemed to acknowledge, accept and agree that, upon the occurrence of the Resolution Event in relation to the Issuer, any Amounts Due arising under the Notes may be subject to the exercise of the RSA Bail-in Powers and acknowledges, accepts, consents to and agrees to be bound by the effect of the exercise of any RSA Bail-in Powers by the Resolution Authority, or determination under the Resolution Framework, which may include and result in any of the following Resolution Actions, or some combination thereof: (i) the reduction or write-off of all, or a portion, of the Amounts Due, including on a permanent basis; (ii) the conversion of all, or a portion, of the Amounts Due into ordinary shares or other securities or other obligations of the Issuer or another person (or the issue to or conferring on the Noteholder or (if applicable) Couponholder of such shares, securities or obligations) including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder or (if applicable) Couponholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person; (iii) the cancellation of the Notes; (iv) the replacement or substitution of the Issuer; (v) transfer of the Notes; (vi) the amendment or alteration of the maturity of the Notes, or the amendment of the amount of interest, and any Additional Amounts (if any), due or payable on the Notes, or the dates on which interest, and any Additional Amounts (if any), becomes payable, including by suspending payment for any period contemplated in the Resolution Framework; and/or (vii) the variation of the terms of the Notes, as determined by the Resolution Authority, to give effect to the exercise of the RSA Bail-in Power by the Resolution Authority.

Each Noteholder and (if applicable) Couponholder further acknowledges, consents, agrees and accepts that the rights of the Noteholders and (if applicable) Couponholders are subject to, and may, without the consent of Noteholders or (if applicable) Couponholders be varied, if necessary, to give effect to, the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority. Accordingly, the RSA Bail-in Powers may be exercised, and Resolution Actions may be taken, in such a manner as to result in Noteholders or (if applicable) Couponholders losing all or a part of the value of their investment in the Notes or receiving a different security from the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Resolution Authority may exercise the RSA Bail-in Powers, or take any Resolution Action, without providing any advance notice to, or requiring the consent of, the Noteholders or (if applicable) Couponholders. In addition, under the applicable Conditions, the exercise of the RSA Bail-in Powers, or the taking of any Resolution Action, by the Resolution Authority with respect to the Notes or the Issuer is not a default or breach of the applicable Conditions for any purpose nor will it give rise to any acceleration rights for the Noteholders or (if applicable) Couponholders.

Credit Linked Notes

Credit Exposure to Reference Entities

The amount payable under Credit Linked Notes will be dependent in part upon whether or not a Credit Event has occurred. A Credit Event may occur in respect of one or more entities or governmental or other authorities (each a "**Reference Entity**") specified in the Applicable Pricing Supplement. If a Credit Event occurs in relation to any Credit Linked Notes, the Issuer will, subject to certain conditions, redeem those Notes by payment of money (in an amount equal to the Cash Settlement Amount) or, if so provided, by the Delivery of Deliverable Obligations comprising the Entitlement or, if so provided, partly in money and partly in Deliverable Obligations. The Cash Settlement Amount or the value of the Deliverable Obligations comprising the Entitlement may be less than the Nominal Amount of the Notes or zero. Accordingly, the Noteholders may be exposed to the credit of the Reference Entities up to the full extent of their investment in the Notes.

Prospective investors in the Credit Linked Notes should be aware that, depending on the terms of the Credit Linked Notes, if a Credit Event occurs, the Notes will cease to bear interest (if any) from (and including) the Interest Period in which the Credit Event Determination Date falls and, as stated above, the amount received or the value of the assets delivered on redemption of the Notes may be materially less than the original investment and in certain circumstances may be zero. This timing for payment of any such amounts or delivery of any such assets, as applicable, may occur at a different time than expected.

The market price of the Credit Linked Notes may be volatile and will be affected by various factors including, but not limited to, the time remaining to the maturity date of the Note, prevailing credit spreads in the market and the creditworthiness of the Reference Entity, which in turn may be affected by the economic, financial, political and other events in one or more jurisdictions.

Prospective investors in the Credit Linked Notes should conduct their own investigation and analysis, including, where applicable, obtaining independent expert advice, with respect to the credit risk of the Reference Entity and the factors that may assist in determining the likelihood of the occurrence of a Credit Event with respect to the Reference Entity, including, but not limited to, general economic conditions, the condition of relevant financial markets, relevant political events and developments or trends in any relevant industries. All such analysis should be conducted in both a South African and foreign context.

Non-Transferability of Deliverable Obligations

The Issuer may in certain circumstances be precluded from transferring Deliverable Obligations to a Noteholder of Credit Linked Notes as a result *inter alia* of the Exchange Control Regulations, 1961 made pursuant to the Currency and Exchanges Act, 1933 of South Africa (the "**Exchange Control Regulations**").

A Credit Event may occur prior to the Trade Date

Noteholders may suffer a loss of some or all of their principal if a Credit Event occurs prior to the Trade Date or the Issue Date. Neither the Calculation Agent nor the Issuer nor any of their Affiliates has any responsibility to inform any Noteholder, or avoid or mitigate the effects of a Credit Event that has taken place prior to the Trade Date or the Issue Date.

Role of the Credit Derivatives Determinations Committee

Credit Derivative Determinations Committees were established pursuant to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 12 March 2009) to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. In respect of a Credit Event relating to a Credit Linked Note, prospective investors should note that the Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Credit Event has occurred, which obligations are to be valued and whether an auction should take place in accordance with, and as more fully described in the Credit Derivatives Determinations Committees Rules, as published by DC Administration Services, Inc on behalf of ISDA, on its website at www.cdsdeterminationscommittees.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof. Consequently, the payments on the Notes and the timing of any such payments may be affected by any such relevant decisions if Auction Settlement is specified as the applicable Settlement Method for a series of Notes in the Applicable Pricing Supplement.

Auction Settlement- Auction Final Price

If Auction Settlement is the applicable Settlement Method, the Cash Settlement Amount payable in respect of the Credit Linked Notes will be calculated by reference to the Auction Final Price. The Auction Final Price will be determined according to the auction procedure set out in the applicable Transaction Auction Settlement Terms. The Issuer, the Calculation Agent or one of their Affiliates may act as a participating bidder in any such auction, and shall be under no obligation to consider the interests of the Noteholders when deciding whether or not to take action. Such participation may have an adverse effect on the Auction Final Price, and the Auction Final Price determined pursuant to an auction (whether or not the Issuer, the Calculation Agent or one of their Affiliates chooses to participate) may be less than the market value that would otherwise have been determined in respect of the relevant Reference Obligation.

Auction Settlement – Local Market Variation

If Auction Settlement is the applicable Settlement Method and Local Market Variation is specified as applicable in the Applicable Pricing Supplement, the terms of the Credit Linked Notes will be different to the standard terms used by the Credit Derivatives Determinations Committee to determine whether or not a Credit Event has occurred. Therefore, the Calculation Agent may determine that a Credit Event has occurred under the terms of the Credit Linked Notes in circumstances where the Credit Derivatives Determinations Committee has not determined that a Credit Event has occurred or has made a DC No Credit Event Announcement (as defined in the Credit Linked Conditions).

In these circumstances, as no auction will be held, the Credit Linked Notes will be settled in accordance with the Fallback Settlement Method specified in the Applicable Pricing Supplement.

Physical Settlement – Obligations of the Noteholder

If Physical Settlement is the applicable Settlement Method, the occurrence of a Credit Event may result in the redemption of a Credit Linked Note in whole or in part by the Delivery of Deliverable Obligations. The Issuer's obligation to Deliver the Deliverable Obligations comprising the Entitlement to the Noteholder is subject to various conditions, including the delivery by the Noteholder to the Principal Paying Agent of a Credit Asset Transfer Notice and, in certain circumstances, the payment to the Issuer of the Delivery Expenses within the prescribed time limit. If the Noteholder fails to so deliver a Credit Asset Transfer Notice, the Issuer may be discharged from its obligations under the Note. Where applicable, if a Noteholder fails to so pay Delivery Expenses, the Deliverable Obligations comprising the Entitlement deliverable to such Noteholder will be reduced to reflect such Delivery Expenses.

Physical Settlement – Undeliverable Obligations

If, on the scheduled date for physical delivery of the Entitlement, the Calculation Agent determines that any Deliverable Obligations comprising the Entitlement are Undeliverable Obligations, settlement in respect of the Credit Linked Notes may be delayed until such time as the Issuer can procure the Delivery of the Undeliverable Obligations and, in certain circumstances, the Issuer's obligations to Deliver the Undeliverable Obligations may be replaced by an obligation to pay a cash amount. In each case, the value of the Credit Linked Notes may be affected.

Equity Linked Notes

Amounts payable in respect of Share Linked Notes and Share Basket Linked Notes

The Issuer may issue Equity Linked Notes where the amounts payable under such Notes, including any interim amounts, are dependent upon the price of or changes in the price of a Share or some or all of the Shares comprising a Basket of Shares or where, depending on the price of or change in the price of a Share or some or all of the Shares comprising a Basket of Shares, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Share Linked Notes and Share Basket Linked Notes may bear similar market and credit risks to a direct investment in Shares or the Shares comprising a Basket of Shares and investors must seek professional investment advice accordingly. An investment in Equity Linked Notes entails significant risks in addition to those associated with an investment in a conventional debt security.

Amounts payable in respect of Equity Index Linked Notes and Equity Index Basket Linked Notes

The return payable on Equity Linked Notes that reference an Equity Index of a Basket of Equity Indices may not be the same as the return you would realise if you actually owned the relevant assets comprising the components of the Equity Index. For example, if the components of the Equity Index are shares, Noteholders of Equity Linked Notes will not receive any dividends paid on those shares and will not participate in the return on those dividends, save where the relevant Equity Index takes such dividends into account for purposes of calculating the relevant level of such Equity Index. Similarly, Noteholders of Equity Index Linked Notes and Equity Index Basket Linked Notes will not have any voting rights in the underlying shares or any other assets which may comprise the components of the relevant Equity Index. Accordingly, you may receive a lower return on Equity Linked Notes linked to Equity Indices than you would have received if you had invested in the components of such Equity Indices directly.

Share Companies

Share Linked Notes and Share Basket Linked Notes are associated with particular risks beyond the Issuer's control, such as the risk that a relevant Share Company will become insolvent, be nationalised or the subject of a Merger Event or Tender Offer and the risk that the Share Closing Price will fluctuate. The value of the Shares depends to a significant extent on developments in the capital markets and the markets in which the relevant Share Company operates, which in turn depends on the general global economic situation and more specific economic and political conditions. Investors must seek professional investment advice in this regard.

No dividends

Noteholders of Share Linked Notes and Share Basket Linked Notes, unlike investors which directly invest in Shares, do not receive dividends or other distributions payable to the holders of such Shares.

Features of Share Linked Notes and Share Basket Linked Notes

Equity Linked Notes may, if specified in the Applicable Pricing Supplement, include any of the following features:

- "Knock-in", being the occurrence of a specified event when the price of the relevant Share or Basket of Shares reaches or breaches a pre-defined barrier on a specified Observation Date(s) during an Observation Period, which results in certain specified pay-out(s) occurring;

- "Knock-out", being the occurrence of a specified event when the price of the relevant Share or Basket of Shares reaches or breaches a pre-defined barrier on a specified Observation Date(s) during an Observation Period, which results in certain specified pay-out(s) payment not occurring; and

- "Best/Worst Performance", being, in relation to Equity Linked Notes referencing more than one Share, that one or more pay-out(s) can be determined by reference to the Share or Basket of Shares giving the highest performance or lowest performance on specified Observation Date(s).

In such circumstances, the market value of such Equity Linked Notes may be more volatile than for securities that do not include such features and the timing of changes to the price of the Share or Basket of Shares may affect the return on such Equity Linked Notes even if the price is generally consistent with an investor's expectations.

Adjustments to Share Linked Notes and Share Basket Linked Notes

If the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time in respect of any Equity Linked Notes, any such determination may have an effect on the timing of valuation and consequently the value of such Equity Linked Notes and/or may delay settlement in respect of such Equity Linked Notes. Prospective purchasers of Equity Linked Notes should conduct their own investigation and analysis, including how such provisions apply to such Equity Linked Notes. Following the declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any of the terms of the Equity Linked Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Equity Linked Notes.

If a Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency occurs in relation to any Share, the Issuer in its sole and absolute discretion may take the action described in paragraph (i), (ii) or (iii) below:

(i) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any of the terms of the Equity Linked Notes to account for the Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency and determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Equity Linked Notes;

(ii) redeem or cancel part (in the case of Equity Linked Notes relating to a Basket of Shares) or all (in any other case) of the Notes. Following such redemption or cancellation an investor generally may not be able to reinvest the redemption or cancellation proceeds on the same terms as the Equity Linked Notes being redeemed or cancelled and may only be able to do so at significantly worse terms. Prospective investors in Equity Linked Notes should consider reinvestment risk in light of other investments available at that time; and

(iii) if the Applicable Pricing Supplement in respect of Equity Linked Notes linked to a Basket of Shares provides that "Share Substitution" is applicable, require the Calculation Agent to adjust the Basket of Shares to include a share selected by it in accordance with the criteria for share selection set out in the Applicable Pricing Supplement in place of the Share(s) in the basket which are affected by such Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency and the substituted shares will be deemed to be "Shares" and the relevant issuer of such shares, a "Share Company" for the purposes of the affected Equity Linked Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Equity Linked Notes as the Calculation Agent determines appropriate.

A change in the composition or discontinuance of an Equity Index could adversely affect the market value of the Equity Linked Notes

The sponsor of any Equity Index may add, delete or substitute the components of such Equity Index or make other methodological changes that could change the level of one or more components. The changing of components of any Equity Index may affect the level of such Equity Index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the Issuer to you under the Equity Index Linked Notes or the Equity Index Basket Linked Notes. The sponsor of any such Equity Index may also alter, discontinue or suspend calculation or dissemination of such Equity Index. The sponsor of an Equity Index will have no involvement in the offer and sale of the Equity Linked Notes and will have no obligation to any Noteholder of Equity Linked Notes. The sponsor of an Equity Index may take any actions in respect of such Equity Index without regard to the interests of the Noteholders of Equity Linked Notes, and any of these actions could adversely affect the return on the Equity Linked Notes.

Miscellaneous risks associated with Share Linked Notes and Share Basket Linked Notes

The market price of Equity Linked Notes may be volatile and may be affected by the time remaining to the redemption or exercise date, the volatility of the Share or the Shares comprising the Basket of Shares, the dividend rate (if any) and the financial results and prospects of the relevant Share Company or Share Companies as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such Share or Shares may be traded.

No Share Company will have participated in the preparation of the Applicable Pricing Supplement or in establishing the terms of the Equity Linked Notes and none of the Issuer nor the Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such Share Company contained in such Applicable Pricing Supplement or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant Issue Date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Applicable Pricing Supplement) that would affect the trading price of any relevant Share will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning a relevant Share Company could affect the trading price of the relevant Share and therefore the trading price of the relevant Equity Linked Notes.

Issuer's ability to vary settlement

If indicated in the Applicable Pricing Supplement, the Issuer has an option to vary settlement in respect of the Equity Linked Notes and elect not to pay the relevant Noteholders the Final Redemption Amount but, in lieu thereof, to deliver or procure delivery of the Shares or Basket of Shares on the Maturity Date. Notification of any such election will be given to Noteholders in accordance with General Condition 13 and the particulars of the physical settlement process will be specified in the applicable Pricing Supplement. Exercise of such option may affect the value of the relevant Equity Linked Notes.

FX Linked Notes

General

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the Notes are denominated ("**FX Linked Notes**"). Accordingly, an investment in FX Linked Notes may bear similar market risks to a direct foreign exchange investment and potential investors should take advice accordingly.

Potential investors in any such Notes should be aware that, depending on the terms of the FX Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time or in a different currency than expected, (iii) the FX Linked Notes may be redeemed by Delivery of, or at a redemption amount calculated by reference to the fair market value of, selected FX Deliverable Obligations, rather than at the redemption amount expected, and (iv) they may lose a substantial portion or all of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in currency exchange rates, the greater the effect on yield.

The foreign exchange rate(s) to which the Notes are linked will affect the nature and value of the investment return on the Notes. The performance of foreign exchange rates are dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency. Where the Notes are linked to the currency of an emerging market jurisdiction, such risks may be magnified – see also risk factor "*Emerging market currencies*" above.

Effect of Leverage

If the amount of principal and/or interest payable in respect of the FX Linked Notes are dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on principal or interest payable will be magnified.

Disruption Events

Payments of principal and interest or other obligations of the Issuer in respect of any FX Linked Notes may be restricted or varied upon the occurrence of certain Disruption Events applicable to the FX Linked Notes. A relevant Disruption Event for a currency may relate to an inability to obtain a rate of exchange from the applicable price source(s), illiquidity, the split of any relevant exchange rate relating to the relevant currency into a dual exchange rate, inconvertibility, non-transferability, a material change in circumstances in the jurisdiction of the Subject Currency that makes it impossible to fulfil certain hedging arrangements, a nationalisation, the occurrence of default related events in relation to specified Benchmark Obligation(s) or relevant governmental authority obligation(s) or variations in the prices quoted for the exchange of the relevant currency on different sources being greater than a specified percentage threshold (or not quoted for by members of a survey used to determine such source) if specified for that currency in the terms and conditions of the FX Linked Notes and/or the Applicable Pricing Supplement.

Following a relevant Disruption Event:

- the applicable valuation date for the applicable exchange rate may be postponed so long as the relevant Disruption Event continues;
- the Calculation Agent may determine the applicable exchange rate;
- the Notes may be redeemed early (or on the originally designated date) by payment of an alternative redemption amount (calculated by reference to their fair market value or, if FX Deliverable Obligations are specified in the Applicable Pricing Supplement, the fair market

value of selected FX Deliverable Obligations (see also "*FX Deliverable Obligations*" below)), rather than any amount that would have otherwise been calculated in respect of and due on the relevant date;

- if FX Deliverable Obligations are specified in the Applicable Pricing Supplement, the Notes may be redeemed early by delivery of selected FX Deliverable Obligations (see also "*FX Deliverable Obligations*" and "*Physical Delivery*" below), rather than by payment of any amount that would have otherwise been calculated in respect of and due on the relevant date;

- the related date for payment may be deferred so long as the relevant Disruption Event continues; or

- a fallback reference price source or sources may be used to calculate the applicable exchange rate instead of the originally designated price source.

Potential investors in any FX Linked Notes should ensure that they have read and understood the terms and conditions of such Notes to understand which Disruption Events apply (and the consequences thereof) and should ensure that they are willing to accept the related risks prior to investing in the Notes, which risks include an adverse effect on (i) the value of, and/or amounts or assets due in respect of, the Notes due to the occurrence of any Disruption Event and application of the related disruption fallback(s); or (ii) an investor's investment schedule, timetable or plans if any due date for payment under the Notes is postponed as a consequence of a Disruption Event.

FX Deliverable Obligations

In respect of FX Linked Notes for which FX Deliverable Obligations are specified in the Applicable Pricing Supplement, prospective purchasers should conduct their own investigation and analysis, including, where applicable, obtaining independent advice, with respect to the credit risk of the FX Deliverable Obligations and the obligor(s) in respect of the FX Deliverable Obligations, including, but not limited to, general economic conditions, the condition of relevant financial markets, relevant political events and developments or trends in any relevant industries. All such analysis should be conducted in both a South African and foreign context. If FX Deliverable Obligations are delivered or valued for the purposes of the redemption of FX Linked Notes following a Disruption Event, their value may be significantly lower than at the time of the purchase of the FX Linked Notes, or the time when the Disruption Event arose and/or the Calculation Agent determined the related action to be taken under the FX Linked Notes (and/or lower than the price paid for the FX Linked Notes). In these circumstances, investors will be exposed to the risks that are associated with an investment in the FX Deliverable Obligations. Further, prospective purchasers should not assume that they will be able to sell any FX Deliverable Obligations delivered for a specific price.

Physical Delivery

If FX Linked Notes are to be redeemed by delivery of FX Deliverable Obligations following a Disruption Event, the Issuer's obligation to deliver the FX Deliverable Obligations comprising the FX Entitlement to the Noteholder is subject to various conditions, including the delivery by the Noteholder to the Principal Paying Agent of an FX Asset Transfer Notice and, in certain circumstances, the payment to the Issuer of the FX Delivery Expenses within the prescribed time limit. If the Noteholder fails to so deliver an FX Asset Transfer Notice, the Issuer may be discharged from its obligations under the FX Linked

Note. Where applicable, if a Noteholder fails to so pay FX Delivery Expenses (or if they have not been calculated within the relevant time), the FX Deliverable Obligations comprising the FX Entitlement deliverable to such Noteholder will be reduced to reflect such FX Delivery Expenses.

If, on the scheduled date for physical delivery of the FX Entitlement, the Calculation Agent determines that any FX Deliverable Obligations comprising the FX Entitlement are FX Undeliverable Obligations, settlement in respect of the FX Linked Notes may be delayed for up to five Business Days until the Issuer can procure the delivery of the FX Undeliverable Obligations. Where any FX Deliverable Obligations are still FX Undeliverable Obligations on that fifth Business Day, the Calculation Agent will determine the action to be taken under the Notes, including whether or not the Issuer will continue to attempt to deliver the FX Undeliverable Obligations, and the future terms applicable to the Notes. In each case, the value of the FX Linked Notes may be affected.

BANKING AND PRUDENTIAL REGULATION IN SOUTH AFRICA

This section contains selected information on certain aspects of banking regulation and supervision in South Africa. The information in this section is intended to provide a brief overview of banking regulation and supervision in South Africa to which the Issuer and the Group are subject and is not intended to provide a comprehensive or complete description of banking regulation and supervision in South Africa.

Introduction

The South African banking sector is well developed, comprising a central bank, the SARB, several large, financially strong banks and investment institutions, and a number of smaller banks. As at the date of this Risk Factor and Other Disclosures Schedule, there were 11 registered banks, 4 mutual banks, 3 foreign controlled banks, 11 local branches of foreign banks and 30 representative offices of foreign banks in South Africa (*source: SARB website*). In addition, as at 31 May 2026, the South African banking sector had total assets of approximately ZAR9.079 trillion according to statistics published by the SARB (*source: SARB monthly trends publication, 31 May 2026*). The five largest banks by assets (*source: BA900 Economic Returns, 31 May 2026*) were The Standard Bank of South Africa Limited, FirstRand Bank Limited, Absa Bank Limited, Nedbank Limited and Investec Bank Limited.

The South African banking sector is governed by a robust and well established regulatory framework designed to promote financial stability, consumer and depositor protection, and the integrity of the financial system. South Africa, through the SARB, is a member of key international standard-setting bodies including the Basel Committee on Banking Supervision (the "**BCBS**"), the Financial Stability Board (the "**FSB**") and the Committee on Payments and Market Infrastructures (the "**CPMI**"). Accordingly, the South African banking regulatory and supervisory framework is closely aligned with international standards and is designed and maintained with explicit reference to such international standards and global best practice, while addressing local market dynamics. South Africa is also a member country of the IMF and World Bank. The South African banking regulatory and supervisory framework has been subject to assessments under the IMF's and the World Bank's respective Financial Sector Assessment Programs, which have noted alignment with international standards and best practices.

South Africa is undergoing major payments reforms through its Payments Ecosystem Modernisation framework to increase competition, innovation, and financial inclusion by opening its National Payment System to non-bank firms like fintechs. Key aspects include creating a public payments utility, allowing direct access to settlement systems for fintechs, and developing a new rapid payment program, PayShap. The reforms, driven by SARB, aim to make digital payments faster, cheaper, and more convenient while still preserving the option to use cash.

Primary Regulators of the Banking Sector

The primary regulators of the South African banking sector are:

(a) **South African Reserve Bank**: The SARB is established under the South African Reserve Bank Act, 1989. The SARB is the central bank of South Africa responsible for protecting the value of the currency of South Africa and protecting and maintaining financial stability as envisaged in the Financial Sector Regulation Act, 2017 (the "**Financial Sector Regulation Act**"). The SARB oversees the banking system's macroprudential regulation, sets high-level policies, designates domestic systemically important banks ("**D-SIBs**"), and acts as the resolution authority for failing banks under the Financial Sector Regulation Act. The SARB aims to ensure alignment with global standards, such as those of the BCBS and the FSB.

(b) **Prudential Authority**: The Prudential Authority (the "**Prudential Authority**") is established as a juristic person under the Financial Sector Regulation Act. The Prudential Authority operates within the SARB's administration although it is operationally independent. The Prudential Authority is responsible for prudential regulation and supervision of financial institutions that provide financial products or securities services (including banks) and market infrastructures. The Prudential Authority's objectives are to promote and enhance the safety and soundness of financial institutions that provide financial products and securities services and market infrastructures, protect financial customers against the risk that those financial institutions may fail to meet their obligations and assist in maintaining financial stability.

(c) **Financial Sector Conduct Authority**: The Financial Sector Conduct Authority (the "**FSCA**") is established as a juristic person under the Financial Sector Regulation Act. The FSCA regulates market conduct to protect consumers and ensure market integrity. The FSCA oversees the fair treatment of customers by financial institutions (including banks), transparency in product offerings, and compliance with the Treating Customers Fairly ("**TCF**") framework set by the FSCA. The FSCA also administers the Financial Advisory and Intermediary Services Act, 2002 (the "**FAIS Act**"), which regulates the provision of advice and intermediary services in relation to financial products, including deposits. Banks must be authorised under the FAIS Act to market deposits or other financial products in South Africa, and compliance with the FAIS Act is overseen by the FSCA.

(d) **National Credit Regulator**: The National Credit Regulator (the "**NCR**") is established as a juristic person under the National Credit Act, 2005 (the "**NCA**"). The NCR regulates provision of credit to consumers, ensuring responsible lending, affordability assessments and transparent disclosures to protect borrowers.

(e) **Financial Intelligence Centre**: The Financial Intelligence Centre (the "**FIC**") is established as a juristic person under the Financial Intelligence Centre Act, 2001 (the "**FIC Act**"). The FIC is responsible for administering the FIC Act and for monitoring and enforcing compliance by accountable institutions (including banks) with applicable anti-money laundering ("**AML**"), counter-terrorism financing ("**CTF**") and counter proliferation financing ("**CPF**") measures (including customer due diligence and suspicious transaction reporting). The FIC also plays a role in the implementation of financial sanctions in South Africa pursuant to resolutions adopted by the Security Council of the United Nations, under Chapter VII of the Charter of the United Nations.

(f) **Information Regulator**: The Information Regulator (the "**Information Regulator**") is established as a juristic person under the Protection of Personal Information Act, 2013. The Information Regulator regulates compliance by public and private bodies (including banks) with data protection and personal information protection rules in South Africa.

Twin Peaks Model of Financial Regulation

South Africa has adopted a "*twin peaks*" model of financial regulation, in line with international best practice, separating prudential regulation from market conduct regulation. The "*twin peaks*" model of financial regulation was introduced in South Africa with effect from 1 April 2018 through the enactment of the Financial Sector Regulation Act, which establishes the Prudential Authority as the body responsible for prudential regulation and the FSCA as the body responsible for market conduct regulation. The functions of both the Prudential Authority and the FSCA are carried out to protect consumers, maintain and enhance financial stability and promote financial inclusion. In this context, the proposed Conduct of Financial Institutions Act ("**COFI**") is intended, once enacted and implemented, to give further effect to the market conduct objectives of the twin peaks framework by consolidating and replacing the existing sector specific market conduct legislation administered by the FSCA with a single, comprehensive and outcomes based legislative framework governing the conduct of financial institutions in South Africa. The Conduct of Financial Institutions Bill, 2026 has been approved by Cabinet and formally introduced in the National Assembly, and is currently progressing through the parliamentary legislative process. The final content, enactment date, commencement date and any transitional arrangements under COFI remain subject to parliamentary approval and Presidential assent, and its phased implementation is expected to materially influence the regulatory and compliance environment applicable to financial institutions operating in South Africa. The Financial Sector Regulation Act further regulates co-operation among the Prudential Authority, the FSCA, the SARB, the Financial Stability Oversight Committee (established in terms of the Financial Sector Regulation Act), the NCR and the FIC.

Banking Regulation

Licensing and Authorisation to Conduct the Business of a Bank

The commercial and retail banking sector in South Africa is primarily regulated through the Banks Act. Conducting "*the business of a bank*" may only be undertaken by a public company (incorporated under the Companies Act) that is registered and licensed as a bank under the Banks Act or a branch of a foreign bank registered under Section 18A of the Banks Act. Possession of a registration certificate entitles the bank or branch of a foreign bank to conduct the business of a bank in South Africa – in particular to solicit for and conduct deposit-taking activities and to use deposits to grant loans, for investment or to finance business activities. A foreign bank can alternatively register a representative office, but a representative office cannot conduct the business of a bank. Licences to conduct "*the business of a bank*" are granted by the Prudential Authority under the Banks Act. Registered banks must renew their licences annually. "*[T]he business of a bank*" is defined in the Banks Act. The definition excludes, *inter alia*, certain activities designated by the Prudential Authority, with the approval of the Minister of Finance of South Africa (the "**MoF**"), by notice in the Government Gazette, where such activities are performed in accordance with such conditions determined in such notice.

Regulation of the Activities of a Bank

The activities that may be undertaken by banks are highly regulated. The Banks Act prohibits undesirable conduct by imposing certain restrictions on the activities of banks. Generally, the assets of a bank must be held in its own name, unless the assets are hypothecated in good faith to secure an actual or potential liability, where such assets have either been exempted by the Prudential Authority in writing or have been designated as exempted by notice in the Government Gazette. Investments by a bank in immovable property or shares, and loans made to subsidiaries of the bank with the primary object of acquiring and holding or developing immovable property, are restricted.

Corporate Governance

The Banks Act requires that a bank's board of directors and executive officers must establish and maintain an adequate and effective process of corporate governance aimed at achieving the bank's strategic and business objectives efficiently, effectively, ethically and equitably within acceptable risk parameters. The board and officers must also ensure compliance with all applicable laws and corporate behaviour that is universally recognised as correct and proper. The board and officers must establish mechanisms and procedures to minimise potential conflicts of interest between the bank and the personal interests of directors and officers. The board must retain control over the strategic and business direction of the bank, while allowing executives to manage operations and achievement of objectives.

The Regulations relating to Banks, 2012 (promulgated in terms of the Banks Act) (the "**Regulations Relating to Banks**") additionally make the board of directors responsible for ensuring that governance includes the maintenance of effective risk management and capital management. The maintenance process must be consistent with the nature, complexity and risk inherent in the bank's on-balance sheet and off-balance sheet activities, and the board must ensure that the bank's risk management and capital management are able to respond to changes in the bank's environment and conditions. The board can appoint supporting committees.

Each chief executive officer, director and executive officer of a bank owes towards the bank the duties set out in the Banks Act (including to act *bona fide* for the benefit of the bank and to avoid conflicts of interest) and the Companies Act.

The majority of the directors of a bank must be non-executive directors who are not employees of the bank, its subsidiary or its controlling company. Directors who are employees must not together be entitled to exercise more than 49% of the total vote on the board of the bank.

Directors, the chief executive officer and the executive officers of a bank owe a duty to the bank to act *bona fide* for the benefit of the bank, avoid conflicts of interest, possess and maintain the knowledge and skill reasonably expected of a person holding a similar role, and exercise care in the carrying out of functions as may reasonably be expected of a diligent person holding the same appointment.

The Banks Act requires a bank's board of directors to establish a remuneration committee consisting only of non-executive directors. It must assist the board to, *inter alia*:

- oversee the compensation system's design;
- exercise independent judgement on compensation policies and incentives created for managing risk, capital and liquidity;
- ensure that the system complies with the Regulations Relating to Banks;
- conduct an annual review of the compensation system; and
- consult with shareholders.

In addition, the Regulations Relating to Banks require that the board must ensure effective governance with respect to remuneration policies by actively overseeing the design of such policies. The board must monitor the operation of the policies and ensure the policies are aligned with the board approved tolerance for risk. In particular, the board must ensure that:

- compensation outcomes are in line with risk outcomes;
- remuneration payout schedules are sensitive to time horizons of risk;
- risk and reward related to all relevant transactions concluded by executive directors and officers are considered;

- the remuneration policies support and promote the bank's other policies and the long-term safety of the bank; and
- the remuneration policies are subject to appropriate audit.

Ownership and Control of Banks and Bank Controlling Companies

The Banks Act prohibits any person (other than the bank's controlling company) from acquiring shares in a bank or the bank's controlling company (including with concert parties and associates) amounting to more than 15% of the total value or voting rights of the bank's issued shares without the prior approval of the Prudential Authority or the MoF, as applicable depending on the level of shareholding sought. Authorisation will only be granted where the proposed acquisition is not contrary to the interests of the public, the bank, its depositors or its controlling company.

The Banks Act further prohibits any person other than a registered bank controlling company, a bank or an institution approved by the Prudential Authority and conducting a business similar to that of a bank outside South Africa, from exercising control over a bank.

Significant Ownership

"*Significant owners*" (which generally involves holding at least a 15% stake or having 15% control) in a bank are subject to various fitness and propriety requirements that have been determined by the FSCA and the Prudential Authority and published in Joint Standard 1 of 2020 (*Fitness, Propriety and other Matters Related to Significant Owners*) (the "**Fitness Joint Standard**"). The Fitness Joint Standard lists a number of circumstances that may indicate that a natural or juristic significant owner is not fit and proper, such as, *inter alia*, conviction for a financial crime, being the subject of a civil judgment for theft, fraud, forgery or other acts of dishonesty, removal from an office of trust, or sequestration or liquidation. A significant owner and the relevant bank are obliged to notify the FSCA and the Prudential Authority of the occurrence of any such circumstances.

Prudential Regulation

In December 2010, the BCBS published its report entitled "*A Global Regulatory Framework for More Resilient Banks and Banking Systems*" (as revised in June 2011) ("**Basel III**"). Basel III comprises three main pillars, namely: (i) the minimum capital requirements (Pillar 1); (ii) supervisory review (Pillar 2); and (iii) market disclosure and discipline (Pillar 3). Basel III has been incorporated into South African law and implemented on a phased basis through the Regulations Relating to Banks promulgated under the Banks Act on 12 December 2012 (as amended from time to time thereafter)) with key components of Basel III effective from 1 January 2013 with the remainder of the Basel III being phased in between 2013 and 2019. The Prudential Authority has since published and continues to publish directives pertaining to the implementation of Basel III. In addition, (a) the Basel III reforms, colloquially known as Basel IV, finalised by the BCBS in 2017 have been incorporated into the Regulations Relating to Banks with effect from 1 July 2025, and (b) the Fundamental Review of the Trading Book Framework finalised by the BCBS in 2019 has been implemented in South Africa with effect from 1 July 2025.

The key changes introduced by the implementation of the Basel III framework (including the Basel III reforms) and the Fundamental Review of the Trading Book:

Capital Adequacy

The quality, consistency and transparency of the capital base levels have increased. In the framework, the regulatory deductions should mainly be applied to the common equity component of the capital base. Further, to be eligible as tier 1 and tier 2 capital, instruments need to meet more stringent requirements than were applied under Basel II.

The Basel III framework introduces a capital conservation buffer of 2.5% of RWA in addition to these minimum thresholds. If a bank does not meet this buffer, constraints will be imposed on the bank's capital distribution, such as dividends. A positive cycle neutral countercyclical buffer ("**PCN CCyB**") of 1% became effective from 1 January 2026. The PCN CCyB serves as a macroprudential tool that can be released in the event of sudden shocks, including those unrelated to the credit cycle.

Leverage Ratio

The BCBS required the risk-sensitive capital framework to be supplemented with a non-risk-based measure, the leverage ratio (the "**Leverage Ratio**"). The Leverage Ratio is calculated as the tier 1 capital divided by the exposure measure (being on and off-balance sheet exposures, with certain adjustments for selected items such as derivatives). In June 2025, the Prudential Authority published Directive 3/2025 indicating that a bank or controlling company is to maintain a leverage ratio buffer equal to 50% of their higher loss absorbency requirement imposed on common equity tier 1 (CET1) capital, where such a bank or controlling company is designated as a D-SIB. Directive 3/2025 also directs a bank or controlling company to apply capital distributions constraints when the leverage ratio declines below the minimum specified requirement. The Group's leverage ratio buffer amounts to 0.5%, which together with the minimum leverage ratio of 4%, results in a total leverage ratio requirements of 4.5%.

The effective date for the minimum leverage ratio buffer requirements, together with the capital distributions constraints was 1 July 2025.

Another key component of the Basel III framework is the introduction of increased regulations for liquidity risks. The objective of the liquidity reform is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thereby reducing the risk of spillover from the financial sector to the real economy.

The BCBS developed two quantitative liquidity standards as part of the Basel III framework; namely the liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**"). The LCR's objective is to measure a bank's ability to manage short-term liquidity stress and ensure the appropriate holding of surplus qualifying liquid assets. The NSFR's objective is to measure long-term structural funding stability in order to address the structural liquidity mismatch inherent in banking operations.

The BCBS has also put a more stringent regulatory framework into place for the monitoring of intraday liquidity risk. Management of intraday liquidity risk forms a key element of a bank's overall liquidity risk management framework. The mandatory tools introduced by the BCBS are for monitoring purposes, and only international active banks will be required to apply them. National regulators will determine the extent to which the tools apply to banks that only operate domestically within their jurisdictions. Monthly reporting on the monitoring tools commenced on 1 January 2015.

Risk Weighting

On 7 December 2017, the BCBS published the Basel III finalised reforms for the calculation of RWA and a capital floor. The BCBS date of implementation for these reforms was 1 January 2023. The Prudential Authority proposed an implementation date of 1 January 2024 in South Africa which was subsequently adjusted to 1 July 2025. The accompanying transitional arrangements for the output floor will extend until 1 January 2028 for South Africa in line with the BCBS timelines. These reforms are the completion of work that the BCBS has been undertaking since 2012 to address inefficiencies that emerged from the financial crisis in 2008 and impacts both standardised and advanced internal models.

Reducing Variation in the Internal Rating-Based ("IRB") Approach for Credit Risk

The advanced internal rating-based (“**AIRB**”) approach allows banks to estimate the probability of default (“**PD**”), loss given default (“**LGD**”), exposure at default (“**EAD**”) and maturity to calculate risk weighted assets. The finalised reforms constrain the use of the AIRB approach and will no longer be used for exposures to large corporates, banks and other financial institutions, securities firms, local government, municipalities and public-sector entities. The Group's relevant legal entities are, since 1 July 2025, applying the foundation internal ratings-based (“**FIRB**”) approach for these exposures.

The BCBS agreed on various additional enhancements to the IRB approaches to further reduce unwarranted RWA variability, including providing greater specification of the practices that banks may use to estimate their model parameters as well as PD, LGD and EAD floors for the IRB approaches. Given the enhancements to the IRB framework and the introduction of an aggregate output floor, the BCBS has removed the 1.06 scaling factor that is currently applied to RWAs determined by the IRB approach to credit risk.

The Group has received approval from the Prudential Authority to apply the AIRB approach for credit risk across its portfolios in South Africa (subject to eligibility under the Basel III finalised reforms). These AIRB methodologies are also used internally for risk management and strategic decision-making wherever feasible.

The Group applies the New Standardised Approach for operational risk, in alignment with the Basel III finalised reforms. The Fundamental Review of the Trading Book applies for all banking entities in the Group.

Standardised Approach for Credit Risk

The revisions to the standardised approach for credit risk enhances the regulatory framework by improving its granularity and risk sensitivity. It provides: a more granular approach for unrated exposures to banks; a recalibration of risk weighting for rated exposures; a more risk-sensitive approach for real estate exposures based on their loan to value; separate treatment for covered bonds; specialised lending; exposures to small and medium enterprises; a more granular risk weight treatment for subordinated debt and equity exposures; and a recalibration of credit conversion factors for off balance sheet exposures.

CVA Risk Capital Charge

The initial phase of Basel III reforms introduced a capital charge for potential mark-to-market losses of derivative instruments as a result of the deterioration in the creditworthiness of a counterparty.

The final reforms introduce two new approaches for the calculation of the credit valuation adjustments ("**CVA**") risk capital charge which are a basic approach (a full version including CVA hedges, or reduced version) and a standardised approach based on the fundamental review of the trading book market risk standardised approach with minimum requirements regarding sensitivity calculations.

These changes were implemented with effect from 1 July 2025.

Operational Risk

The BCBS has streamlined the operational risk framework through the introduction of the new standardised approach for calculating operational risk capital requirements. The new approach has replaced the standardised approaches and the advanced measurement approach ("**AMA**"), which is based on a bank's internal models. The new standardised measurement approach aims to enhance the consistency of operational risk capital calculations by adopting a single risk-sensitive standardised approach to be used by all banks.

The new standardised measurement approach for operational risk, determines a bank's operational risk capital requirements based on two components comprising a measure of a bank's income and a measure of historical losses experienced by the bank. Conceptually, it assumes that operational risk increases at an increasing rate with a bank's income and banks which have experienced greater operational risk losses historically are assumed to be more likely to experience operational risk losses in the future.

The Group has transitioned from its current Pillar 1 Operational Risk regulatory capital calculation approach (the AMA in South Africa and standardised approach in other jurisdictions) to the new standardised measurement approach with effect from 1 July 2025.

Output Floor

The Basel III reforms replace the existing Basel II floor with a floor based on the revised Basel III standardised approaches. Consistent with the original floor, the revised floor places a limit on the regulatory capital benefits that a bank using internal models can derive relative to the standardised approaches. In effect, the output floor provides a risk-based backstop that limits the extent to which banks can lower their capital requirements relative to the standardised approaches.

This helps to maintain a level playing field between banks using internal models and those on the standardised approaches. It also supports the credibility of banks' risk weighted calculations and improves comparability via the related disclosures.

Under the revised output floor banks' risk weighted assets must be calculated as the higher of total RWA calculated using the approaches that the bank has supervisory approval to use in accordance with the Basel capital framework (including both standardised and internal model- based approaches) and a specified percentage of the total RWA calculated using only the standardised approaches, and will be phased in over a specified period, as follows:

- from 1 July 2025: 60%;
- from 1 January 2026: 65%;
- from 1 January 2027: 70%; and
- from 1 January 2028: 72.5%.

Securitisation Framework

The BCBS has finalised revisions to the Basel securitisation framework, which were implemented in South Africa with effect from 1 October 2022. The revised framework introduces updated approaches for determining the regulatory capital requirements in relation to securitisation exposures with the following aims: reducing mechanistic reliance on external ratings; increasing risk weights for highly rated securitisation exposures; reducing risk weights for low-rated securitisation exposures; reducing cliff effects (where small changes in the quality of an underlying pool of securitised exposures quickly leads to significant increases in capital requirements); and making the framework more risk-sensitive.

Fundamental Review of the Trading Book

The Fundamental Review of the Trading Book framework to improve market risk was published by the BCBS on 14 January 2016 and subsequently revised on 14 January 2019 to address issues identified by the BCBS during its monitoring of the framework's implementation and impact. In South Africa, the Prudential Standard on Market Risk (commonly referred to as the Fundamental Review of the Trading Book) was finalised and published by the Prudential Authority on 30 June 2025, with an effective date of 1 July 2025 for both capital and reporting requirements. Banks were expected to ensure operational readiness, model validation (where applicable), and proactive regulatory engagement to meet these milestones.

Large Exposure Framework

The BCBS published the final standard that sets out a supervisory framework for measuring and controlling large exposures. The large exposure framework was implemented in South Africa on 1 April 2022. The large exposure framework protects banks from significant losses caused by the sudden default of an individual counterparty or a group of connected counterparties. The framework was designed so that the maximum possible loss a bank could incur if such a default were to occur would not endanger the bank's survival as a going concern. In cases where the bank's counterparty is another bank, large exposure limits will directly contribute towards the reduction of system-wide contagion risk. A large exposure is defined as an exposure that is equal to or above 10% of a bank's eligible capital base. Eligible capital base is defined as tier 1 capital as defined under the Basel III framework. The sum of all the exposure values of a bank to a single counterparty or to a group of connected counterparties should not be higher than 25% of the bank's available eligible tier 1 capital base. A tighter limit of 15% of tier 1 capital will apply to inter-globally systemically important banks ("**G-SIBs**") exposures and the local regulator may apply this limit to inter-D-SIB exposures. A limit of 15% of tier 1 capital may also be applied by the local regulator for exposures between a smaller bank and a G-SIB.

In South Africa, the Prudential Authority has stipulated that inter-D-SIB exposure and D-SIB to G-SIB exposure is limited to a monthly average of 15% of the sum of the bank or controlling company's qualifying tier 1 capital with a maximum of 18% of the sum of the bank or controlling company's qualifying tier 1 capital during the month. Exposure between a smaller bank and a G-SIB is limited to a maximum of 25%. The Prudential Authority has also introduced limits for intra-group exposures.

Interest Rate Risk in the Banking Book

The BCBS issued standards for the Interest Rate Risk in the Banking Book ("**IRRBB**") (the "**Revised Standards**") in April 2016. The Revised Standards revise the BCBS' 2004 "*Principles for the management and supervision of interest rate risk*", which set out supervisory expectations for banks' identification, measurement, monitoring and control of IRRBB, as well as its supervision. The Revised Standards also introduced a strengthened Pillar 2 approach. The Revised Standards for IRRBB cover the enhanced requirements over 12 principles. Nine principles are directed to banks including identification of IRRBB, sound methodologies, risk appetite and limits, internal reporting, external disclosures, data, controls and model risk management. Three principles are directed to supervisors and focus on review of the soundness of banks' IRRBB management, collaboration among supervisors and identification of outlier banks.

The implementation date for South Africa of the Revised Standards for IRRBB was 1 January 2023. Following the implementation date, the Prudential Authority published Pillar 3 disclosure requirements relating to IRRBB.

Systemically Important Financial Institutions

The guidance developed by the BCBS and the Financial Stability Board form the basis for the requirements of domestic systemically important banks in South Africa. South African banks have developed their recovery plans in line with global standards. The specific D-SIB capital requirements have been applied to the relevant banks from 1 January 2016.

Recovery plans focus on plausible management or recovery actions that can be taken to reduce risk and conserve capital during times of severe stress. Resolution plans are typically developed by the supervisor with the objective of ensuring that systemically important financial institutions ("**SIFIs**") are resolvable and will not become a burden to tax-payers.

Pillar 3 Disclosures

Pillar 3 of the Basel framework seeks to promote market discipline through regulatory disclosure requirements. The BCBS published a series of revisions to the Pillar 3 disclosure framework, including significant updates in 2015, 2017 and 2018, which together reflect the Basel III post-crisis regulatory reforms. The revisions enhance disclosure requirements across key risk areas, including credit risk, operational risk, the leverage ratio and CVA risk as well as RWAs under both the bank's internal models and standardised approaches and prudential metrics.

The implementation timeline for certain of these disclosure requirements was subsequently revised, with the BCBS deferring the effective date of the Basel III post-crisis disclosure reforms to 1 January 2023.

In South Africa, the Prudential Authority published Directive 10 of 2025 in August 2025, which consolidates Pillar 3 disclosure requirements previously contained in Regulation 43 of the Regulations relating to Banks. The Group will comply with the directive in accordance with the specified requirements.

Resolution Framework

A framework for resolution of banks became law in South Africa on 1 June 2023, implementing the FSB's "*Key Attributes of Effective Resolution Regimes for Financial Institutions*" through the incorporation of Chapter 12A into the Financial Sector Regulation Act (the "**Resolution Framework**"). The Resolution Framework requires the SARB, based on a risk analysis, to plan for the potential need for the orderly resolution of designated institutions (including banks and bank controlling companies).

The Resolution Framework creates a point of resolution, which is deemed to be the point when a designated institution is or will probably be unable to meet its obligations (including regulatory requirements) and it is necessary to trigger resolution to protect depositors or maintain financial stability. The SARB is the resolution authority; it can recommend to the MoF that a bank enters resolution if the triggers have been met and the SARB believes that recovery actions have failed or will not be successful. If the MoF agrees, the resolution process and resolution powers will be invoked.

The Resolution Framework introduces a number of powers to support an orderly resolution of designated institutions. The most significant of these powers is statutory bail-in, under which the SARB is empowered to take one or more of the following actions in relation to a designated institution in resolution:

- write down or issue new shares in the designated institution;
- write down, subject to exclusions, liabilities of the designated institution; and/or
- convert debt instruments into equity.

Statutory bail-in enables the SARB to recapitalise a designated institution at the point of entry into resolution. Banks must maintain a specified level of liabilities that are designated for bail-in in resolution, enabling the SARB to assign first losses to shareholders and creditors with sufficient capacity to restore the capital of a bank in resolution.

Statutory bail-in can only be applied in resolution and must strictly follow the statutory credit hierarchy and safeguards set out in the relevant provisions of the Resolution Framework.

Additionally, the SARB as resolution authority can transfer assets and liabilities of a bank in resolution, establish a bridge institution, institute temporary moratoria on certain proceedings and the exercise of early termination rights, and suspend obligations of the bank or bank controlling company in resolution.

Provisions in certain contracts that provide for acceleration and early termination on entry into resolution or the taking of resolution action are not effective in respect of a bank in resolution. The Prudential Authority has mandated a contractual recognition approach in this regard, requiring amendments to banks' agreements that are governed by foreign law.

Creditors are protected by implementation of the "no creditor worse off" rule and the requirement that claims follow the insolvency hierarchy of claims, while allowing for some flexibility.

Flac Instrument Requirements

The Financial Sector Regulation Act introduces a new class of unsecured loss absorbing debt instruments known as "*flac instruments*" ("**Flac Instruments**"). Banks and bank controlling companies will, with effect from 1 January 2026, be required to issue Flac Instruments to ensure sufficient loss-absorbing and recapitalisation capacity in resolution. The requirements applicable to Flac Instruments were published by the Prudential Authority on 11 December 2024 in terms of Prudential Standard RA03: Flac Instrument Requirements for Designated Institutions (the "**Flac Standard**"), which sets out (i) the qualifying criteria for Flac Instruments, and (ii) the quantum of Flac Instruments that banks and controlling companies are required to issue. The Flac Standard provides for a phasing in of the minimum required quantum of Flac Instruments to be issued with 60% minimum requirement to be met by 31 December 2028 and full implementation required by 31 December 2031.

Flac Instruments are designed to be written off or written down or converted into equity (i.e., bailed in) in Resolution (as defined in the relevant Conditions of the Notes) in order to absorb losses and recapitalise a designated institution, thereby reducing reliance on taxpayer funded bailouts. Flac Instruments are integral to the SARB's Resolution powers under the Resolution Framework.

Deposit Insurance Scheme and Depositor Preference

The Financial Sector Regulation Act makes provision for the establishment of a deposit insurance scheme ("**DIS**") for banks, which includes a Corporation for Deposit Insurance (the "**CODI**") and Deposit Insurance Fund (the "**DIF**"). A bank is a member of the CODI from the date it is licensed or registered in terms of the relevant financial sector law that allows it to hold "*covered deposits*". Where a bank is in resolution, the CODI must apply the DIF in a manner specified in section 166AA of the Financial Sector Regulation Act to ensure that depositors of the bank have reasonable access to their "*covered deposits*".

On 6 March 2024, the Prudential Authority published Prudential Standard CODI 1 – Fund Liquidity, which provides for the (i) minimum amount to be maintained by members of the CODI in the account of the DIF, (ii) transfer and maintenance of the bank's liquidity fund contribution, and (iii) procedures applicable in the event that the DIF is applied to reimburse covered deposits or provide non-payout resolution support to banks. Directive 3 of 2024, published on 16 April 2024 ("**D3/2024**"), informs banks of the minimum regulatory requirements relating to covered deposits and their fund liquidity contributions to the CODI. Fund liquidity contributions are interest-bearing loans to the CODI, guaranteed by the SARB, which expose banks to credit risk. D3/2024 deals with the calculation of the minimum required capital and reserve funds related to such credit risk exposure to the CODI.

The procedural and administrative matters necessary for the effective operation of the CODI and DIF are captured in the Deposit Insurance Regulations (the "**DI Regulations**"). The maximum amount that the CODI may apply from the DIF in respect of a "*qualifying depositor*" of a bank in resolution for their "*qualifying deposit balance*" (each defined in the DI Regulations) is ZAR100,000. The DI Regulations set out (i) the coverage rules applicable to the CODI, (ii) the manner in which the DIF must be applied when reimbursing covered deposits, (iii) governance and oversight requirements applicable to banks in respect of the DIS, and (iv) reporting requirements. In this regard, the Prudential Authority published the Requirements for Monthly Data Submissions to the Corporation for Deposit Insurance.

The Financial Sector Regulation Act empowers the CODI to charge members deposit insurance levies and deposit insurance premiums. The imposition of financial sector levies on supervised entities such as banks, including (with effect from 1 April 2024) the deposit insurance levy, is provided for in the Financial Sector and Deposit Insurance Levies Act, 2002.

The Financial Sector Regulation Act also contains a simple depositor preference regime, which applies only to "*covered deposits*" and any bank in respect of which insolvency proceedings are commenced. The regime requires that in insolvency, "*covered deposits*" should be paid out of the estate of an institution in resolution before concurrent claims, regulatory capital instruments and shareholders. The Financial Sector Regulation Act provides that "*covered deposits*", together with interest thereon, must be paid after payment of any preferred creditors (including secured creditors, the South African Revenue Services, the salaries and wages of employees, costs of liquidation, costs of execution and special notarial bonds) provided for in the Insolvency Act, 1936, but before payment of any other unsecured creditors.

Anti-Money Laundering, Counter Terror Financing, Counter Proliferation Financing and Sanctions Regulation

South Africa has a well established AML, CTF, CPF and sanctions regulatory framework. Banks are obliged to comply with AML, CTF, CPF and sanctions legislation such as the Banks Act, the FIC Act, the Prevention of Organised Crime Act, 1998 (the “**POC Act**”), the Prevention and Combating of Corrupt Activities Act, 2004, the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (the "**POCDATARA Act**") and the Directive for Conduct within the National Payment System in respect of the FATF Recommendations for Electronic Fund Transfers ("**D1/2022**"). In this regard:

(a) The POC Act creates three general money-laundering offences, being: the substantive money-laundering offence; assistance of another in laundering the proceeds of unlawful activities; or acquiring, using or possessing the proceeds of unlawful activities.

(b) The FIC Act seeks to combat money laundering through the creation of the FIC, which is responsible for identifying the proceeds of unlawful activities. The FIC Act imposes extensive obligations on accountable institutions, including banks, such as "*know-your-customer*" requirements, in terms of which accountable institutions must establish and verify the identity of prospective clients. Banks are also required to report cash transactions and international electronic transfers above a prescribed limit, as well as "*suspicious and unusual*" transactions, to the FIC.

(c) Regulation 50(1) of the Regulations Relating to Banks requires banks to establish policies and processes to protect themselves from being used for financial crimes such as money laundering.

(d) D1/2022 was issued to regulate the conduct of accountable institutions relating to electronic fund transfers ("**EFTs**") as prescribed by FATF recommendations.

(e) Section 31 of the FIC Act requires that accountable institutions authorised to conduct international funds transfer transactions report transactions above a prescribed limit to the FIC by way of an international funds transfer report ("**IFTR**"). According to Guidance Note 9 on International Funds Transfer Reporting in terms of section 31 of the FIC Act, issued by the FIC on 17 November 2023 ("**Guidance Note 9**"), the threshold is currently R19,999. Guidance Note 9 deals with the period for reporting an IFTR, methods for submission of an IFTR, and practical implementation of such reporting.

D1/2022 applies to accountable institutions that facilitate or enable the origination or receipt of both domestic and cross-border EFTs, and/or act as an intermediary in receiving or transmitting EFTs. The Directive sets out the responsibilities of ordering, intermediary and beneficiary financial institutions. The ordering financial institution must, inter alia, include as part of an EFT certain information concerning the originator of the EFT, including the originator's name, account number, identity/passport number and address. The ordering financial institution is also required to include certain information of the beneficiary.

South Africa's targeted financial sanctions regime is implemented by way of the FIC Act and the POCDATARA Act. In terms of the FIC Act, the financing of a person or entity that is the subject of targeted financial sanctions, which sanctions have been imposed by way of a resolution of the United Nations Security Council under Chapter VII of the Charter of the United Nations, is prohibited. The Director of the FIC is required to give notice of such persons or entities "*by appropriate means of publication*". Furthermore, section 4 of the POCDATARA Act provides that the culpable financing and facilitation of the activities of an entity that is the subject of targeted financial sanctions, not only by accountable institutions but by "any person", either "directly or indirectly", constitutes an offence. The person in question must intend that the assistance be used for the benefit of that entity, or must know or ought reasonably to have known or suspected that the assistance would be used for the benefit of that entity.

Banks must take a risk-based approach to their AML policies and adjust their procedures to assess and mitigate specific risks. Recently, the FIC imposed new requirements to screen employees in high-risk roles for competence and integrity prior to their appointment and at least annually during employment. Such screening involves, inter alia, checking for criminal records, particularly in relation to crimes of dishonesty, and past AML/CFT failures while the employee was in a senior decision-making role, and screening for domestic or foreign politically exposed persons.

In October 2021, the FATF published the Mutual Evaluation Report (the "**Report**") for South Africa, summarising the findings in relation to the adequacy of AML/CFT measures in place in South Africa, competent authorities' level of compliance with the FATF 40 Recommendations and the level of effectiveness of South Africa's AML/CFT/CPF and sanctions framework.

Some of the key findings from the Report can best be summarised as follows:

- some money laundering risks are being mitigated but some significant risks remain to be addressed, and terrorist financing risks are not adequately addressed;
- South Africa suffered from a sustained period of "state capture", which undermined key agencies with roles to combat such activity;
- South Africa has had some good results pursuing corruption cases and recovering proceeds of corruption, but has been less successful addressing such issues resulting from "state capture"; and
- larger banks are more developed at understanding their money laundering risks and implementing mitigation measures commensurate with those risks, notwithstanding, overall, the risk-based approach is inadequately implemented.

Following engagements with FATF over progress made by South Africa since the publication of the Report, the FATF assessed that the country needed to make further and sustained progress in addressing eight areas of strategic deficiencies related to the effective implementation of South Africa's AML/CFT laws as set out. Consequently, on 24 February 2023, FATF made a decision to list South Africa as a "jurisdiction under increased monitoring" (commonly referred to as FATF's "*grey list*").

The key areas of strategic deficiencies identified by the FATF that are relevant to the business of the Group and the Issuers require South Africa to:

- ensure that competent authorities have timely access to accurate and up-to-date beneficial ownership information on legal persons and arrangements and applying sanctions for breaches of violation by legal persons to beneficial ownership obligations;
- demonstrate a sustained increase in law enforcement agencies' requests for financial intelligence from the Financial Intelligence Centre for its money laundering/terrorist financing investigations;
- update its terrorist financing risk assessment to inform the implementation of a comprehensive national counter financing of terrorism strategy; and
- ensure the effective implementation of targeted financial sanctions and demonstrating an effective mechanism to identify individuals and entities that meet the criteria for domestic designation.

As a response to the shortcomings that were identified in the Report, the Government enacted, the General Laws (Anti-Money Laundering and Combatting Terrorism Financing) Amendment Act, 2022 and the Protection of Constitutional Democracy Against Terrorist and Related Activities Amendment Act, 2022. The Government has indicated that these amendments address most of the legislative deficiencies identified.

Since February 2023, South Africa has taken steps towards improving its AML, CFT, CPF and sanctions regime including by demonstrating a sustained increase in outbound mutual legal assistance agreement requests, strengthening its AML, CFT, CPF and sanctions supervisory capacity by improving the risk-based supervision, enhancing its identification, seizure and confiscation of proceeds and instrumentalities of a wider range of predicate crimes, in line with its risk profile, updating and implementing its terrorism financing ("**TF**") strategy and increasing relevant authorities' TF capabilities on the basis of an understanding of its TF risks, as well as ensuring the effective implementation of targeted financial sanctions.

South Africa continues to work on implementing its action plan to address its remaining strategic deficiencies, including by: (1) demonstrating that all AML, CFT, CPF and sanctions supervisors apply effective, proportionate and effective sanctions for non-compliance; (2) ensuring that competent authorities have timely access to accurate and up-to-date beneficial ownership information on legal persons and arrangements and applying sanctions for breaches of violation by legal persons to beneficial ownership obligations; (3) demonstrating a sustained increase in investigations and prosecutions of serious and complex money laundering and the full range of TF activities in line with its risk profile.

As part of the FATF monitoring process, South Africa was required to report periodically on its progress in implementing an agreed action plan. Following the substantial completion of the action plan and a subsequent on-site assessment, South Africa was removed from the list of jurisdictions under increased monitoring in October 2025.

Rules Governing Banks' Relationships with Customers

The Consumer Protection Act, 2008 (the "**CP Act**") applies to a wide range of transactions occurring within South Africa, subject to certain exemptions provided for in section 5 of the CP Act applies. "*Service*", as used in the definition of a "*transaction*", is, in turn, defined as including "*any banking services, or related or similar financial services*", subject to specified exceptions. The CP Act aims to "*promote and advance the social and economic welfare of consumers in South Africa*" by establishing national norms and standards regulating interactions with consumers and prohibiting certain unfair practices.

The Home Loan and Mortgage Disclosure Act, 2000 promotes "*fair lending practices, which require disclosure by financial institutions of information regarding the provision of home loans*" in their annual financial statements. Information that must be disclosed includes the total number and amount in South African Rand of home loan applications received, declined, closed and disbursed, and approved during a financial year in respect of which financial statements have been prepared.

The NCA aims to "*promote a fair and non-discriminatory marketplace for access to consumer credit and for that purpose to provide for the general regulation of consumer credit and improved standards of consumer information*". A lender is required to be registered as a credit provider in terms of the NCA "*if the total principal debt owed to that credit provider under all outstanding credit agreements, other than incidental credit agreements*" exceeds a prescribed threshold. Absent such registration, a lender is not permitted to offer, make available or extend credit, enter into a credit agreement, or agree to do any of the aforementioned activities. The NCA applies to credit agreements between parties on an arm's-length basis, made within or having an effect within South Africa, subject to the exceptions provided for in section 4 of the NCA.

TCF forms part of the market conduct framework implemented by the FSCA. The TCF consumer protection framework (the "**TCF Framework**") is applicable to all South African regulated financial institutions, including banks. The TCF Framework is built on principles that help drive a financial institutions business conduct towards a set of six outcomes, termed "*TCF outcomes*". All financial institutions must demonstrate that they adhere to the TCF principles and treat their customers fairly. The TCF outcomes require financial institutions to embed fairness in their culture, design products for customer needs, provide clear and timely information, offer suitable advice, ensure products perform as expected, and remove unreasonable barriers to post-sale service.

Climate Related Risks and Disclosure

In May 2024, the Prudential Authority published Guidance Note 2 of 2024 "Guidance on climate-related governance and risk practices for banks" ("**G2/2024**") and Guidance Note 3 of 2024 "Guidance on climate-related disclosures for banks" ("**G3/2024**"), which provide guidance to banks regarding the integration of climate risks into their governance and risk management frameworks, and climate-related disclosures, respectively.

G2/2024 requires the bank's board of directors to oversee and manage climate-related risks ("**CRRs**") continuously. Material CRRs must be identified, integrated into the bank's established risk framework, and considered in the bank's internal capital adequacy assessment process. A bank should develop key risk indicators and metrics to quantify exposures to climate-related risks and be able to identify relevant climate-related risk drivers that may materially impair financial conditions. Stress-testing and scenario analysis can be used to assist with risk identification, monitoring and assessment. A bank's internal capital adequacy assessment process should explain, *inter alia*:

- methodologies used to identify, assess, monitor and report climate-related risks;
- climate-related risks identified including their transmission channels and correlation among risks;
- potential impact of climate-related risks on the determination of total internal capital;
- type and nature of scenario analyses and stress tests adopted by the bank; and
- risk management and mitigation strategies, as well as contingency plans.

Banks' internal policies must be adapted, and training programmes implemented, to ensure that the impact of CRRs on the bank's risk profile is properly understood.

G3/2024 sets out the requirements for the disclosure of CRRs and opportunities, taking into consideration recommendations of the Task Force on Climate-Related Financial Disclosures and the International Sustainability Standards Board, under the four thematic areas of governance, strategy, risk management, and metrics and targets. Banks must ensure that their CRR disclosure reports are relevant, complete, objective, accurate, clear, balanced, understandable, consistent and timely. The manner in which CRRs and opportunities impact on the bank's business model, strategy and decision-making must be disclosed. Banks are expected to produce climate-related disclosures and reports that, at a minimum, fulfil the following principles:

- completeness of information – limitations of the data, assumptions and estimations should be declared;
- being clear, balanced, and understandable to a wide audience;
- comparability between sectors, industries or portfolios and institution reporting periods;

- comparability of methodologies and approaches;
- consistency over time, with descriptions of changes in approach;
- focus on relevant material issues;
- reliability and objectivity; and
- timeliness – disclosure should supply information relevant to current decisions and be future-focused.

Additionally, the board of directors should ensure that a bank annually discloses, inter alia, its practices in maintaining oversight and the role of senior management in relation to climate-related risks and opportunities. From a strategic point of view, a bank should disclose annually the current and expected impacts of climate-related risks and opportunities on the bank's business, strategy and financial planning. A bank should describe its risk management policies, processes and controls for identifying, assessing and managing climate-related risks, and incorporating these risks into the bank's overall risk management. A bank should disclose metrics and targets that enable stakeholders to evaluate the bank's exposure to, and measurement and management of, climate-related risk.

There are no hard deadlines for disclosures prescribed in G3/2024, but the Prudential Authority expects banks to be proactive and not be compliance driven. Mandatory disclosure will rather be determined by, inter alia, non-financial sector disclosure requirements and international standard-setting bodies.

Cyber Security

On 17 May 2024, the Prudential Authority and the FSCA published Joint Standard 2 of 2024: Cybersecurity and Cyber Resilience Requirements ("**Joint Standard 2**"), which came into effect on 1 June 2025. Joint Standard 2 requires banks to (i) establish, implement and maintain a "*sound and robust*" cybersecurity strategy and framework, (ii) co-operate with stakeholders to enable cyber resilience, and (iii) clearly define the cybersecurity roles and responsibilities of relevant management functions, committees and third-party service providers. Joint Standard 2 deals in detail with "*cybersecurity and cyber resilience fundamentals*" and "*cybersecurity hygiene practices*". Banks must notify the responsible authority should any "*cyber incident*" or "*information security compromise*" be classified as a "*material incident*" (each as defined in Joint Standard 2).

Under the Joint Standard 2, banks must, inter alia:

- maintain and keep updated a cybersecurity strategy;
- implement appropriate practices to prevent the impact of potential cyber threats;
- develop data loss prevention policies and measures;
- maintain effective cyber resilience capabilities to monitor, detect, respond to and recover from cyberattacks; and
- notify responsible authorities of material incidents involving cyber and information security.

Benchmark Reform and Transition to ZARONIA

As part of the ongoing global benchmark rate reforms driven by the FSB, the SARB has deemed it appropriate to plan for the discontinuation of the Johannesburg Interbank Average Rate ("**JIBAR**"), which will be replaced by the South African Overnight Index Average ("**ZARONIA**"), which is a risk-free rate. The date of discontinuation of JIBAR has been announced by the SARB as 31 December 2026. In addition, the SARB set the date from which no new JIBAR linked transactions will be permitted as 1 May 2026. The Prudential Authority and the FSCA on 11 September 2024 published Joint Communication 6 of 2024 requiring banks to take appropriate action ahead of the discontinuation of JIBAR to facilitate the transition to alternative rates. Banks are required to identify their JIBAR-related exposure and establish an "*enterprise-wide JIBAR transition programme*", develop a product strategy including creating or adopting ZARONIA-based products, and develop a plan to address technological changes required for the transition.

SOUTH AFRICAN EXCHANGE CONTROL

Capitalised terms used in this section headed "South African Exchange Control" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.

The information below is intended as a general guide to the position under the Exchange Control Regulations as at the date of this Risk Factor and Other Disclosures Schedule. The contents of this section headed "South African Exchange Control" do not constitute legal advice and it does not purport to describe all of the considerations that may be relevant to a prospective purchaser of any Notes. Prospective purchasers who are non-South African residents or emigrants from the Common Monetary Area (defined below) are urged to seek further professional advice in regard to the purchase of Notes.

Exchange controls restrict the export of capital from South Africa, Namibia and the Kingdoms of Eswatini and Lesotho (collectively the "**Common Monetary Area**"). These exchange controls are administered by the FSD and regulate transactions involving South African residents. The purpose of exchange controls is to mitigate the decline of foreign capital reserves in South Africa. The Issuer expects that South African exchange controls will continue to operate for the foreseeable future. The Government has, however, committed itself to gradually relaxing exchange controls and significant relaxation has occurred in recent years. It is the stated objective of the South African authorities to introduce a new capital flow management framework in terms of which all cross-border transactions will be allowed other than those that are subject to capital flow management measures or pose a high risk of illegitimate cross-border financial flows. The implementation of the proposed capital flow management system will require the introduction of specific legislation to give effect to the framework. Until then, the existing exchange control system remains in place pursuant to the South African Exchange Control Regulations, 1961, which are promulgated under the Currency and Exchanges Act 1933, and the policies, directives and rules of the SARB (the "**South African Exchange Control Regulations**"). In April 2026, the National Treasury published draft Capital Flow Management Regulations, 2026, for public comment. The draft regulations are intended, once finalised and implemented, to replace the South African Exchange Control Regulations and modernise the framework for the regulation of cross border capital flows. However, the draft regulations have not yet been finalised or brought into force and, accordingly, the South African Exchange Control Regulations remain in full force and effect.

Programme Memorandum

The Programme Memorandum (as read together with the Disclosure Schedules) requires the prior approval of the Financial Surveillance Department of the South African Reserve Bank (the "**Exchange Control Authorities**") in terms of the Exchange Control Regulations, such approval is obtained by the Issuer on an annual basis.

Issue of Notes

As at the date of the Programme Memorandum, the prior written approval of the Exchange Control Authorities is required for the issuance of the Notes issued under the Programme. The Issuer will, if applicable at that time, obtain the prior written approval of the Exchange Control Authorities for the issuance of Notes under the Programme. An Applicable Pricing Supplement will, if applicable at that time, be required to contain a statement that the requisite the Exchange Control Authorities approval has been obtained for that issuance.

In addition, no South African residents and/or their offshore subsidiaries may subscribe for or purchase any Note or beneficially hold or own any Note other than in strict compliance with the South African exchange control regulations in effect from time to time.

SOUTH AFRICAN TAXATION

Capitalised terms used in this section headed "South African Taxation" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in that country or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Risk Factor and Other Disclosures Schedule and is subject to any change in law that may take effect after such date. It relates only to the position of Noteholders who are the absolute beneficial owners of the Notes.

Withholding Tax

Under current taxation law in South Africa, all payments made under the Notes to South African tax-resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in South Africa. A withholding tax on South African sourced interest (see the section headed "*Income Tax*" below) paid to or for the benefit of a "*foreign person*" (being any person that is not a South African tax-resident) applies at a rate of 15 per cent. of the amount of interest in terms of section 50A-50H of the Income Tax Act, 1962 (the "**Income Tax Act**"). The withholding tax could be reduced by the application of relevant double taxation treaties. The legislation exempts, inter alia, from the withholding tax on interest any amount of interest paid by a "bank" (as defined in the Banks Act), to a foreign person. It is envisaged that this exemption would apply to the interest payments made to foreign Noteholders. The withholding tax legislation also provides an exemption for interest paid to a foreign person in respect of any debt listed on a "*recognised exchange*" as defined in paragraph 1 of the eighth schedule of the Income Tax Act. A foreign person will also be exempt from the withholding tax on interest if:

(a) that foreign person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the interest is paid; or

(b) the debt claim in respect of which that interest is paid is effectively connected with a permanent establishment of that foreign person in South Africa, if that foreign person is registered as a taxpayer in South Africa.

Foreign persons are subject to normal South African income tax on interest sourced in South Africa unless exempted under Section 10(1)(h) of the Income Tax Act (see the section headed "*Income Tax*" below).

Securities Transfer Tax ("STT")

No STT is payable on the issue or transfer of Notes (bonds) under the Securities Transfer Tax Act, No

25 of 2007, because they do not constitute securities (as defined) for the purposes of that Act.

Value-Added Tax ("VAT")

No VAT is payable on the issue or transfer of Notes. Notes (bonds) constitute "*debt securities*" as defined in section 2(2)(iii) of the South African Value-Added Tax Act, No. 89 of 1991 (the "**VAT Act**"). The issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security is a financial service, which is exempt from VAT in terms of section 12(a) read together with section 2(1)(c) of the VAT Act.

Commissions, fees or similar charges raised for the facilitation, issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes (bonds) that constitute "debt securities" will however be subject to VAT at the applicable prevailing rate, except where the recipient is a non-resident as contemplated below.

Services (including exempt financial services) rendered to non-residents who are not in South Africa when the services are rendered, may be subject to VAT at the zero rate in terms of section 11(2)(l) of the VAT Act subject to compliance with section 11(3) of the VAT Act.

Income Tax

Under current taxation law effective in South Africa, a "*resident*" (as defined in section 1 of the Income Tax Act) is subject to income tax on his/her worldwide income. Accordingly, all Noteholders who are "*residents*" of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any interest earned pursuant to the Notes. Non-residents of South Africa are subject to income tax on all income derived from a source, or deemed to be from a source, within South Africa (subject to domestic exemptions or relief in terms of an applicable double taxation treaty).

Interest income is deemed to be from a South African source if that amount:

(a) is incurred by a South African tax resident, unless the interest is attributable to a permanent establishment which is situated outside of South Africa; or

(b) is received or accrues in respect of the utilisation or application in South Africa by any person of any funds or credit obtained in terms of any form of "*interest-bearing arrangement*".

The Issuer is a South African tax-resident and the Notes will constitute an "*interest-bearing arrangement*". Accordingly, the interest paid to the Noteholders will be from a South African source and subject to South African income tax unless such interest is exempt from income tax under section 10(1)(h) of the Income Tax Act (see below).

Under section 10(1)(h) of the Income Tax Act, interest received by or accruing to a Noteholder who, or which, is not a resident of South Africa during any year of assessment is exempt from income tax, unless:

(a) that person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the interest is received or accrued by or to that person; or

(b) the debt from which the interest arises is effectively connected to a permanent establishment of that person in South Africa.

Interest as defined in section 24J of the Income Tax Act (including the premium or discount) may qualify for the exemption under section 10(1)(h) of the Income Tax Act. If a Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, exemption from, or reduction of any South African income tax liability may be available under an applicable double taxation treaty.

Purchasers are advised to consult their own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable double taxation treaty.

Under section 24J of the Income Tax Act, broadly speaking, any discount or premium to the Nominal Amount of a Note is treated as part of the interest income on the Note. Section 24J of the Income Tax Act deems interest income to accrue to a Noteholder on a day-to-day basis until that Noteholder disposes of the Note. The day-to-day basis accrual is determined by calculating the yield to maturity and applying this rate to the capital involved for the relevant tax period.

Section 24JB of the Income Tax Act contains specific provisions relating to the fair value taxation of financial instruments for "*covered persons*" (as defined in section 24JB of the Income Tax Act). Noteholders should seek advice as to whether this provision may apply to them.

Purchasers of Notes are advised to consult their own professional advisors to ascertain whether the abovementioned provisions may apply to them.

Capital Gains Tax

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to capital gains tax, unless the Notes are purchased for re-sale in the short term as part of a scheme of profit making, in which case the proceeds will be subject to income tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. If the Notes are disposed of or redeemed prior to or on maturity, an "adjusted gain on transfer or redemption of an instrument", or an "adjusted loss on transfer or redemption of an instrument", as contemplated in section 24J of the Act, must be calculated. Any such adjusted gain or adjusted loss is deemed to have been incurred or to have accrued in the year of assessment in which the transfer or redemption occurred. The calculation of the adjusted gain or adjusted loss will take into account, *inter alia*, all interest which has already been deemed to accrue to the Noteholder over the term that the Note has been held by the Noteholder. Under section 24J(4A) of the Income Tax Act, where an adjusted loss on transfer or redemption of an instrument realised by a holder of a Note includes any amount representing interest that has previously been included in the income of the holder, that amount will qualify as a deduction from the income of the holder during the year of assessment in which the transfer or redemption takes place and will not give rise to a capital loss.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that person in South Africa.

To the extent that a Noteholder constitutes a "*covered person*" (as defined in section 24JB of the Income

Tax Act) and section 24JB applies to the Notes, the Noteholder will be taxed in accordance with the provisions of section 24JB of the Act and the capital gains tax provisions would not apply.

Purchasers are advised to consult their own professional advisers as to whether a disposal of Notes will result in capital gains tax consequences.

Definition of Interest

The references to "*interest*" above mean "*interest*" as understood in South African tax law. The statements above do not take any account of any different definitions of "*interest*" or "*principal*" which may prevail under any other law or which may be created by the relevant Terms and Conditions of the Notes or any related documentation.

U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including South Africa) have entered into, or have agreed in substance to, intergovernmental agreements with the U.S. to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Capitalised terms used in this section headed "Subscription and Sale" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.

Selling restrictions

South Africa

The Dealer has represented and agreed that it (i) will not offer Notes for subscription, (ii) will not solicit any offers for subscription for or sale of the Notes, and (iii) will itself not sell or offer the Notes in South Africa in contravention of the Companies Act, Banks Act, Exchange Control Regulations and/or any other Applicable Laws and regulations of South Africa in force from time to time.

Prior to the issue of any Tranche of Notes under the Programme, the Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that it will not make an "*offer to the public*" (as such expression is defined in the Companies Act, and which expression includes any section of the public) of Notes (whether for subscription, purchase or sale) in South Africa.

This Programme Memorandum does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act.

Offers not deemed to be offers to the public

Offers for subscription for, or sale of, Notes are not deemed to be an offer to the public if:

(i) to certain investors contemplated in section 96(1)(a) of the Companies Act; or

(ii) the total contemplated acquisition cost of Notes, for any single addressee acting as principal, is equal to or greater than ZAR1,000,000, or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the Companies Act.

Information made available in this Programme Memorandum should not be considered as "*advice*" as defined in the Financial Advisory and Intermediary Services Act, No. 37 of 2002.

The issue of Notes may require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section of this Programme Memorandum headed "*South African Exchange Control*").

The Dealer is entitled in certain circumstances to be released and discharged from their obligations prior to the closing of the issue of the relevant Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the relevant Issue Date. In this situation, the issuance of the relevant Notes may not be completed. Investors will have no rights against the Issuer or Dealer in respect of any expense incurred or loss suffered in these circumstances.

United States of America

Regulation S Category 2 TEFRA D, unless TEFRA C is specified as applicable or TEFRA is specified as not applicable in the relevant Pricing Supplement.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Dealer has agreed that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by the Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one dealer, by each of such dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such dealer when all such dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and the Dealer and its affiliates will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

The Dealer has represented and agreed, and each new dealer appointed under the Programme will be required to represent and agree, that:

(i) ***No deposit taking***: in relation to any Notes having a maturity of less than one year:

  (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

  (b) it has not offered or sold and will not offer or sell any Notes other than to persons:

    (1) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

    (2) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

  where the issue of the Notes would otherwise constitute a contravention of Section 19 of the

Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;

(ii) ***Financial promotion***: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;

(iii) ***Public offers***: it has not made or caused to be made and will not make or cause to be made an offer of Notes to the public in the United Kingdom within the meaning of the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**"), except in circumstances such offer is specified in Part 1 of Schedule 1 to the POATRs; and

(iv) ***General compliance***: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

EU Prospectus Regulation and UK Prospectus Regulation

The Programme Memorandum has been prepared on the basis that:

(a) any offer of Securities in any Member State of the EEA will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. The expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended. Accordingly any person making or intending to make an offer in that Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer; and

(b) any offer of Notes in the United Kingdom will be one or more kinds of offer specified in Part 1 of Schedule 1 to the POATRs. The expression "**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024. Accordingly any person making or intending to make an offer in the United Kingdom of the Notes may only do so where such offer is one or more of the kinds of offer specified in Part 1 of Schedule 1 to the POATRs.

Prohibition of Sales to EEA Investors

The Dealer has represented and agreed, and each further dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Programme Memorandum as completed by the Applicable Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II;

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II, as amended or superseded; or

(iii) not a qualified investor as defined in the EU Prospectus Regulation; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prohibition of sales to UK Retail Investors

The Dealer has represented and agreed, and each further dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Programme Memorandum as completed by the Applicable Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or both) of the following:

(i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014as it forms part of domestic law of the UK by virtue of the EUWA; or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

General

Prior to the issue of any Tranche of Notes under the Programme, the Dealer who has (or will have) agreed to place that Tranche of Notes will be required to agree that:

(a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures the subscription for, offers or sells Notes in that Tranche or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of any Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscription, offers or sales; and

(b) it will comply with such other or additional restrictions as the Issuer and the Dealer agree and as are set out in the Applicable Pricing Supplement relating to the relevant Tranche of Notes.

Neither the Issuer nor the Dealer represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such subscription or sale.

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