



Standard Bank

FINANCIAL OUTLOOK

ARNO DAEHNKE

CHIEF FINANCE AND VALUE MANAGEMENT OFFICER
STANDARD BANK GROUP





AGENDA

01

SBG 2025

02

SBG 2028

03

CAPITAL ALLOCATION

04

KEY TAKEAWAYS



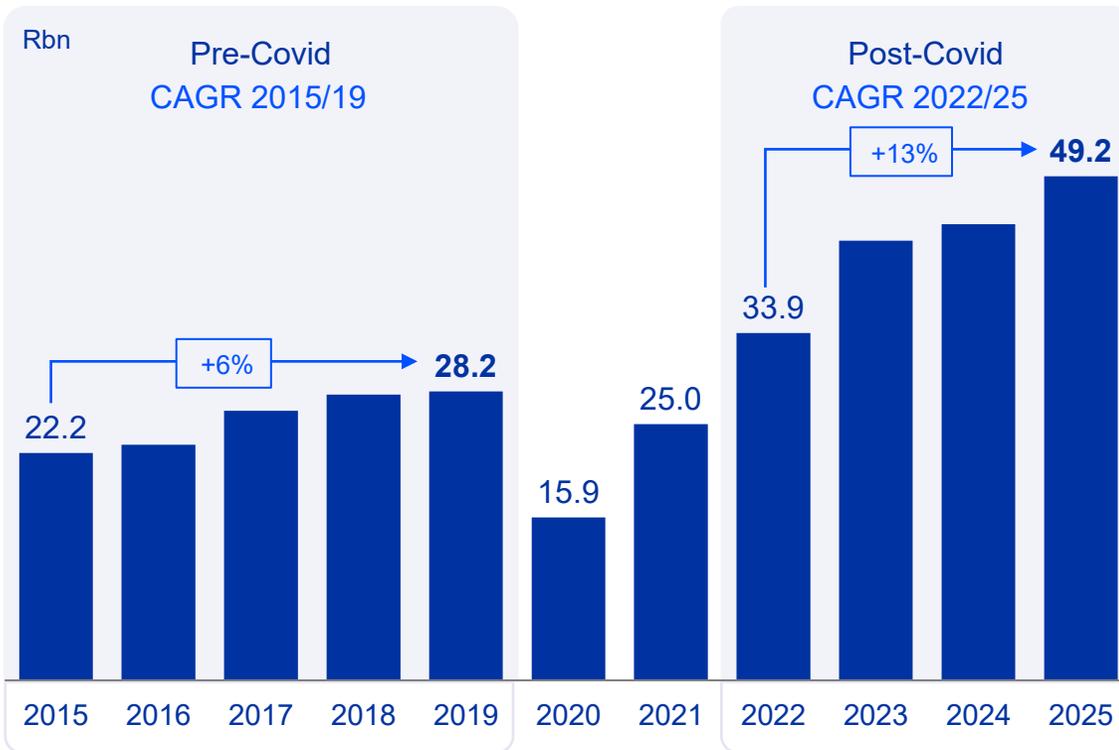
SBG 2025

—

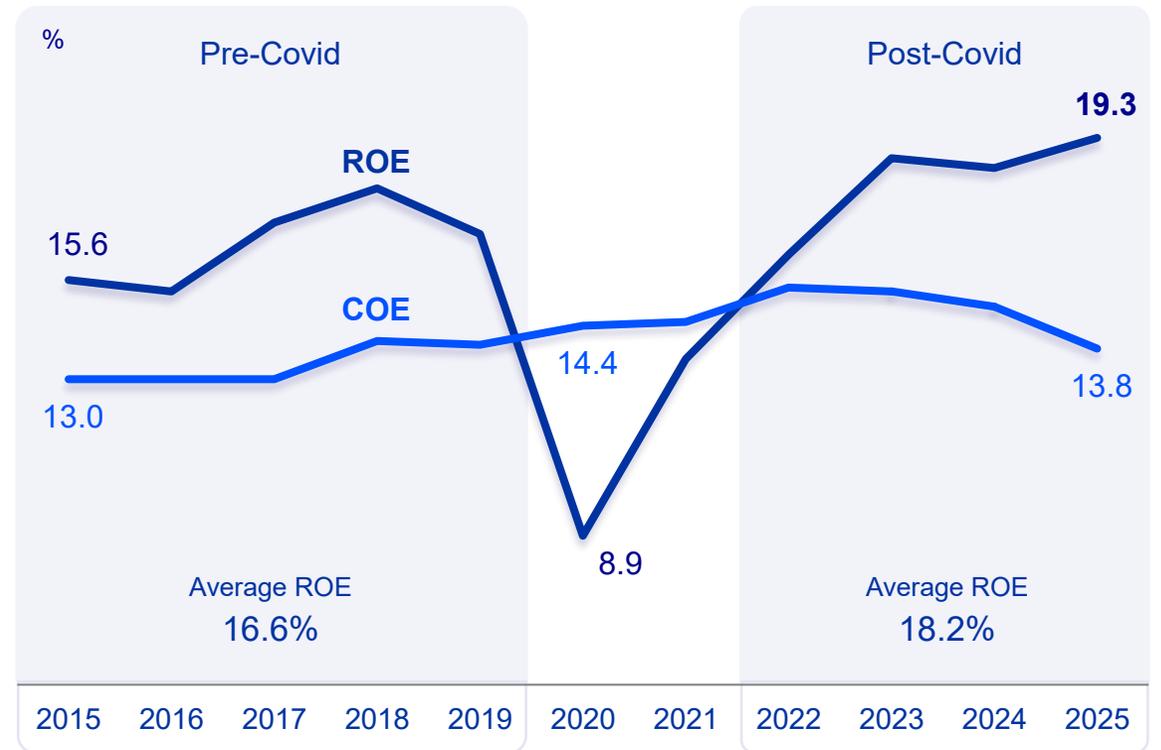


SBG 2025 | Robust headline earnings growth and ROE at the top end of target range

Headline earnings



Return on equity



SBG 2025 target:
17% - 20% ROE range



SBG 2025 | Delivered strong and diversified revenue growth, improved efficiency and maintained disciplined risk management

Revenue growth



SBG 2025 target:
7% - 9% revenue CAGR

Cost-to-income ratio



SBG 2025 target:
Approaching 50% cost-to-income ratio

Credit loss ratio



SBG 2025 target:
70bps - 100bps CLR TTC¹ range

¹ Through-the-cycle



SBG 2028

—



SBG 2028 | Focus on growth, while further increasing ROE

Core financial targets

8% – 12%
HEPS growth¹

18% – 22%
ROE target range²

Underpinned by disciplined execution

Growth-led strategy with clear revenue and efficiency targets

7% – 10%
Banking revenue CAGR¹

Sustainably <50%
cost-to-income ratio



Disciplined risk appetite

70bps – 100bps
Through-the-cycle credit loss ratio

Disciplined capital allocation delivering compounding shareholder value

>12.5%
CET1 ratio

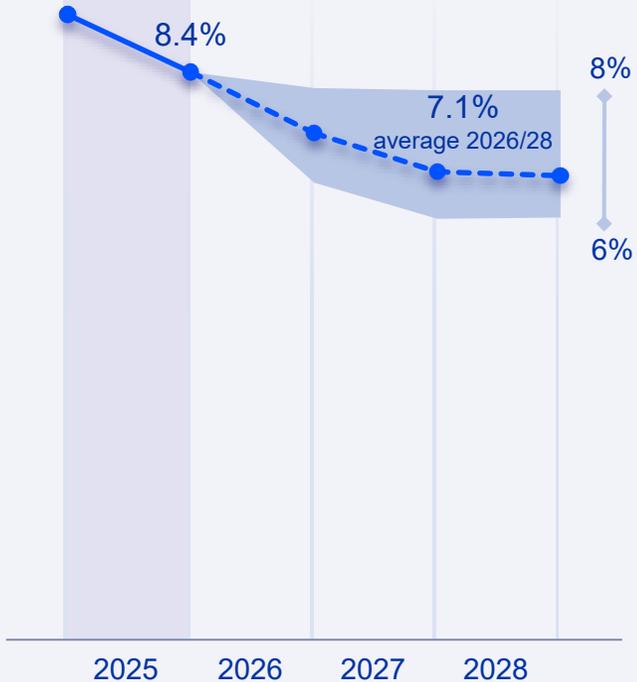
45% – 60%
Dividend payout ratio

¹ CAGR 2025/28, ² During the period 2026 to 2028

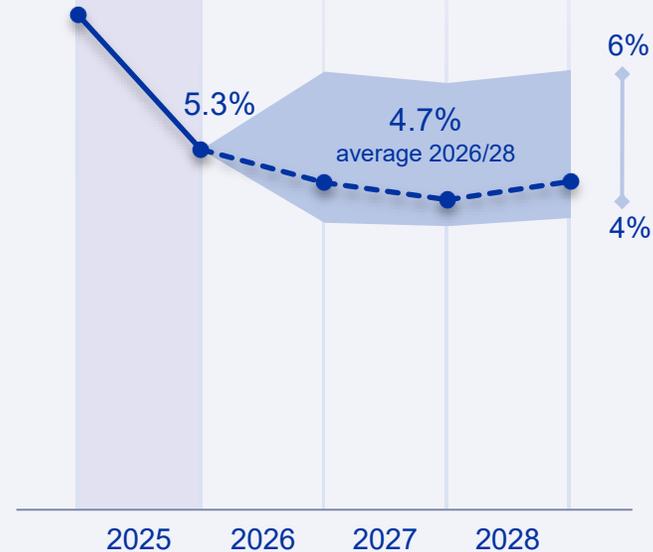


Macroeconomic Outlook | Supportive and growth is expected to remain resilient, a key underpin of the group's growth outlook

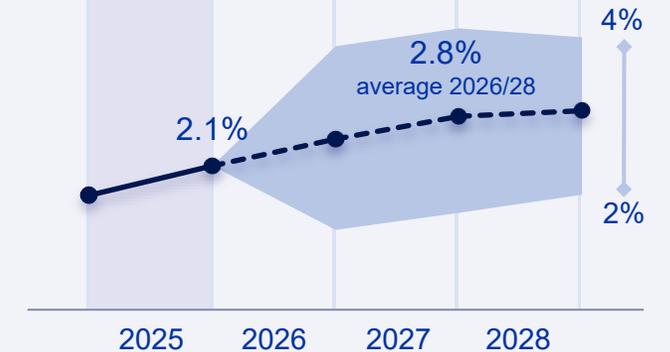
Lower average interest rates¹



Lower average inflation¹



Higher average real GDP growth¹



Source: Company financial and SB research, ¹ Weighted average across our markets of operation



Sovereign Risk | Expected to decline across our portfolio

Debt-to-GDP ratios moderate



Credit Ratings set to improve



Bond yields decline



Source: Standard Bank Research, Bloomberg, Economist Intelligence Unit (EIU)



Banking Revenue | Focus on growing capital-light revenues

Banking revenue by type

By type
Rbn

CAGR 2025/28

7% - 10%

8% - 12%

6% - 8%

Capital-light NIR
to grow faster than NII

169

2025

NII

NIR

2028

Banking revenue by region

By region
Rbn

Africa Regions
to grow faster than
South Africa

169

2025

2028

Offshore

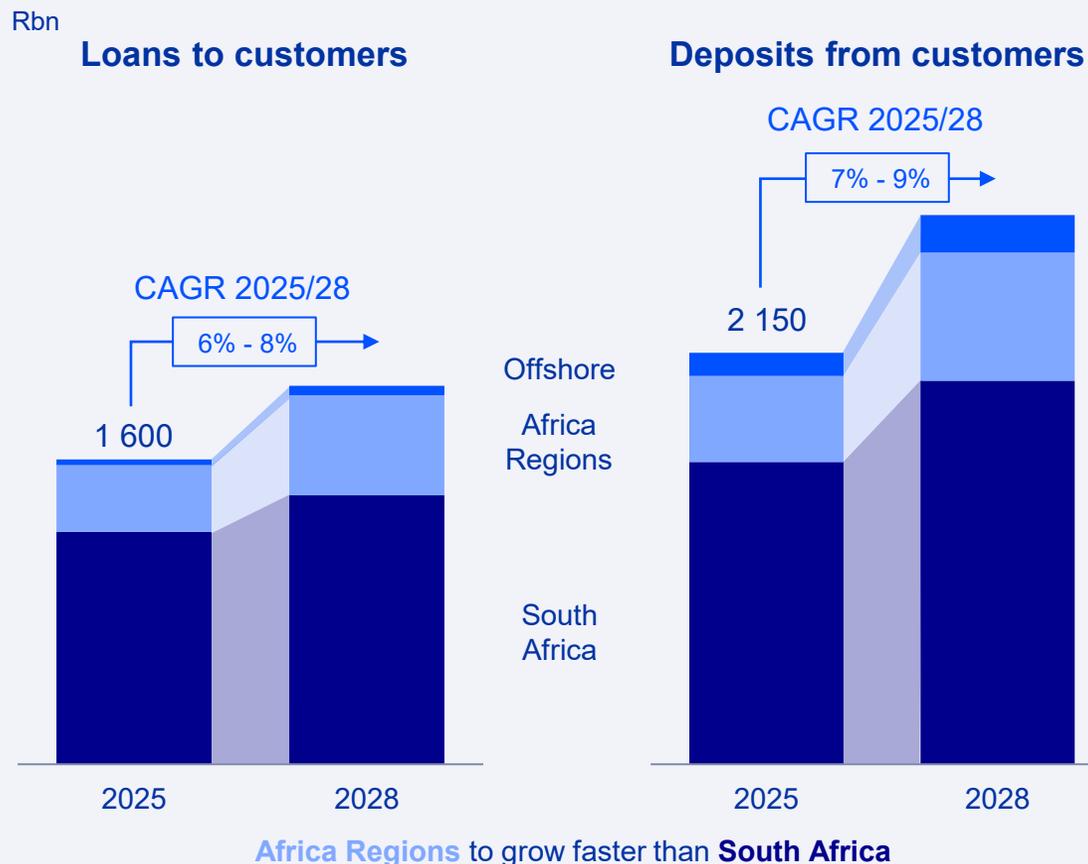
Africa
Regions

South
Africa

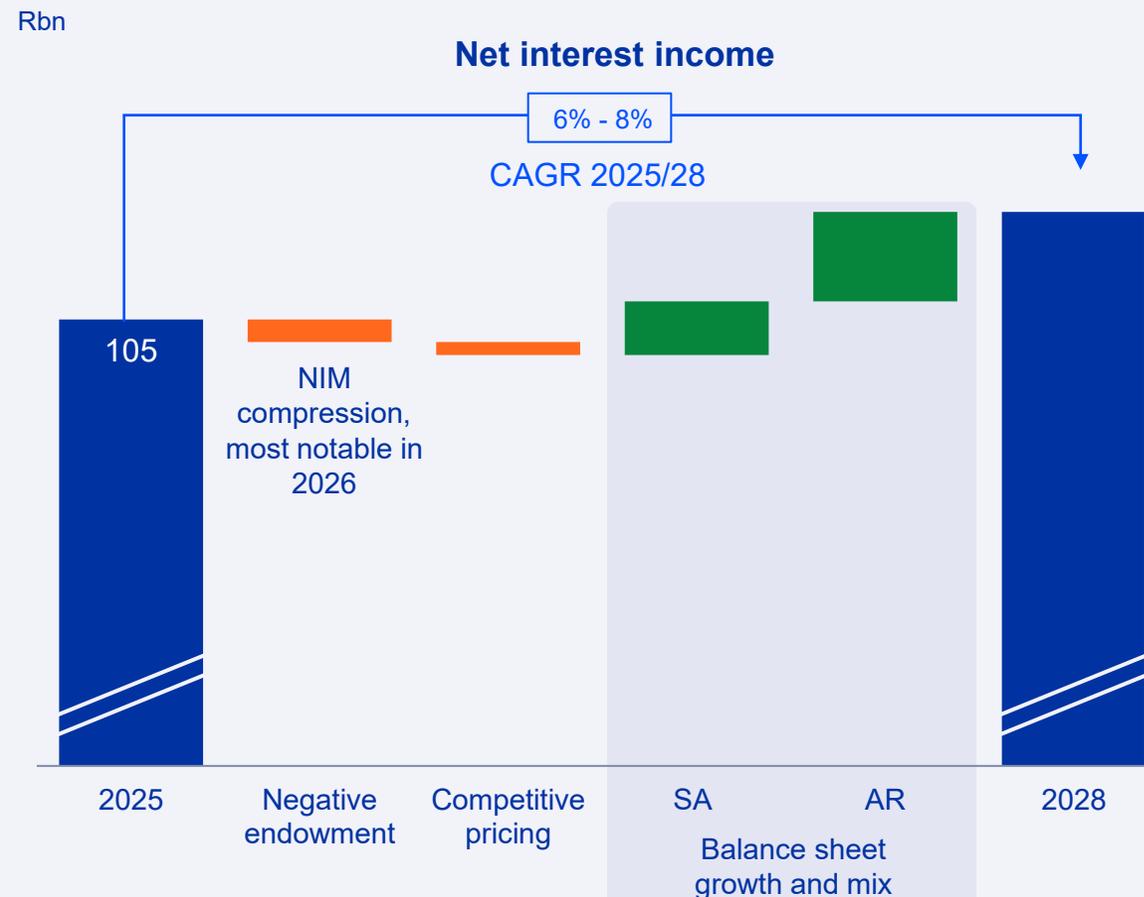


Net Interest Income | Driven by robust balance sheet growth, particularly deposits

Deposits growing faster than loans



NII growth boosted by fast growing and high margin business in Africa Regions



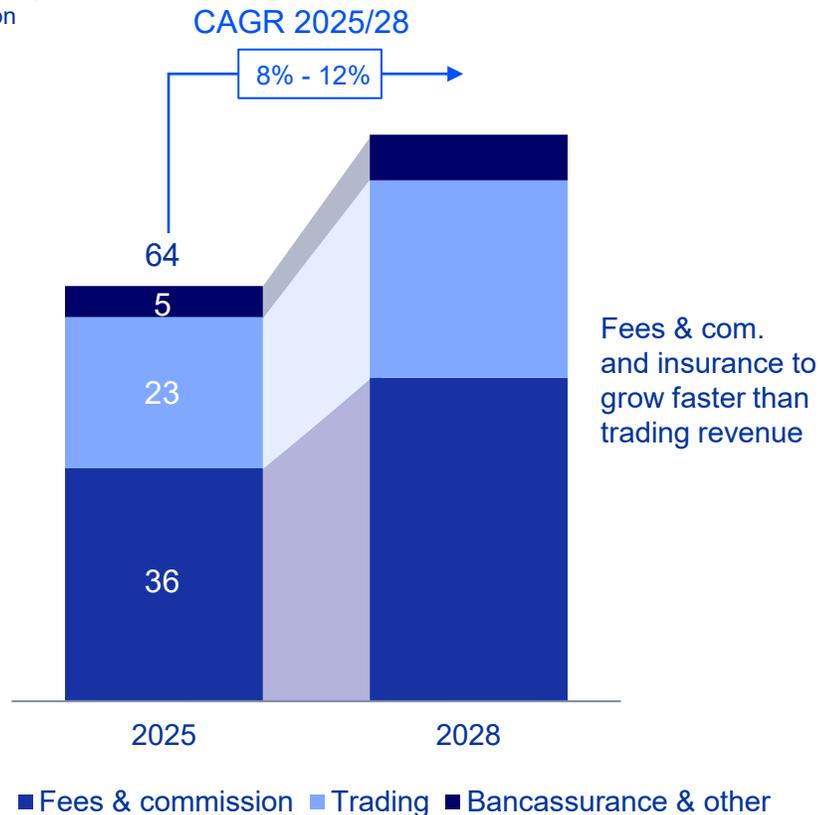


Non-Interest Revenue | Growth of diversified capital-light NIR streams

NIR composition

By type

Rbn



NIR drivers

Fees & commission

- Client primacy and entrenchment to drive volume-related fees
- Expanded set of adjacent products (Value Added Services)
- Roll-out of new innovative solutions and competitive products
- Grow faster in Africa Regions, where fees are higher

Trading

- Sustainability underpinned by scale and breadth of network and client base
- >80% Global Markets revenues are driven by recurring client activities
- Leverage strong risk management and execution capabilities

Bancassurance & other

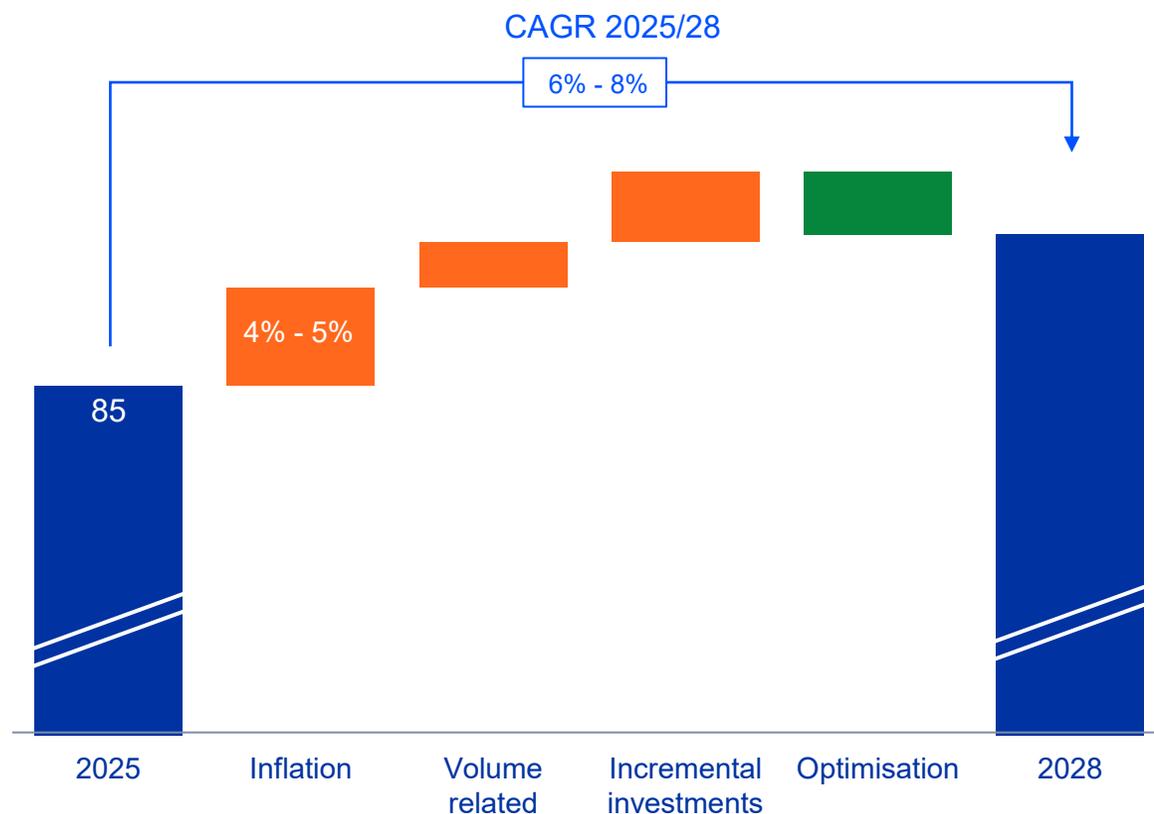
- Relationship manager and advisor collaboration to drive sales of complex products
- Increase gross written premium through increased simple insurance sales and competitive pricing
- PPB and IAM collaboration targeting growth in Gross Written Premiums of >10% CAGR to R13.5bn by 2028



Operating Expenses | Invest and optimise

Operating expenses growth

Operating expenses
Rbn



Operating expenses growth to support key investments to grow the client franchise

Incremental investments

- Customer acquisition capacity and capability across physical and digital channels
- Strategic capabilities, including payments and AI, to stay ahead of rising competition

Optimisation

- Reduce customer acquisition costs using digital platforms
- Optimise technology spend and distribution network
- Focus on efficiency and leverage emerging technology to improve how we solution for clients

Maintain a rigorous cost discipline with focus on productivity to support revenue aspirations

Cost-to-income ratio sustainably
<50%



Credit Impairments | Receding sovereign risk and CLR to be in the lower half of TTC¹ range

Drivers

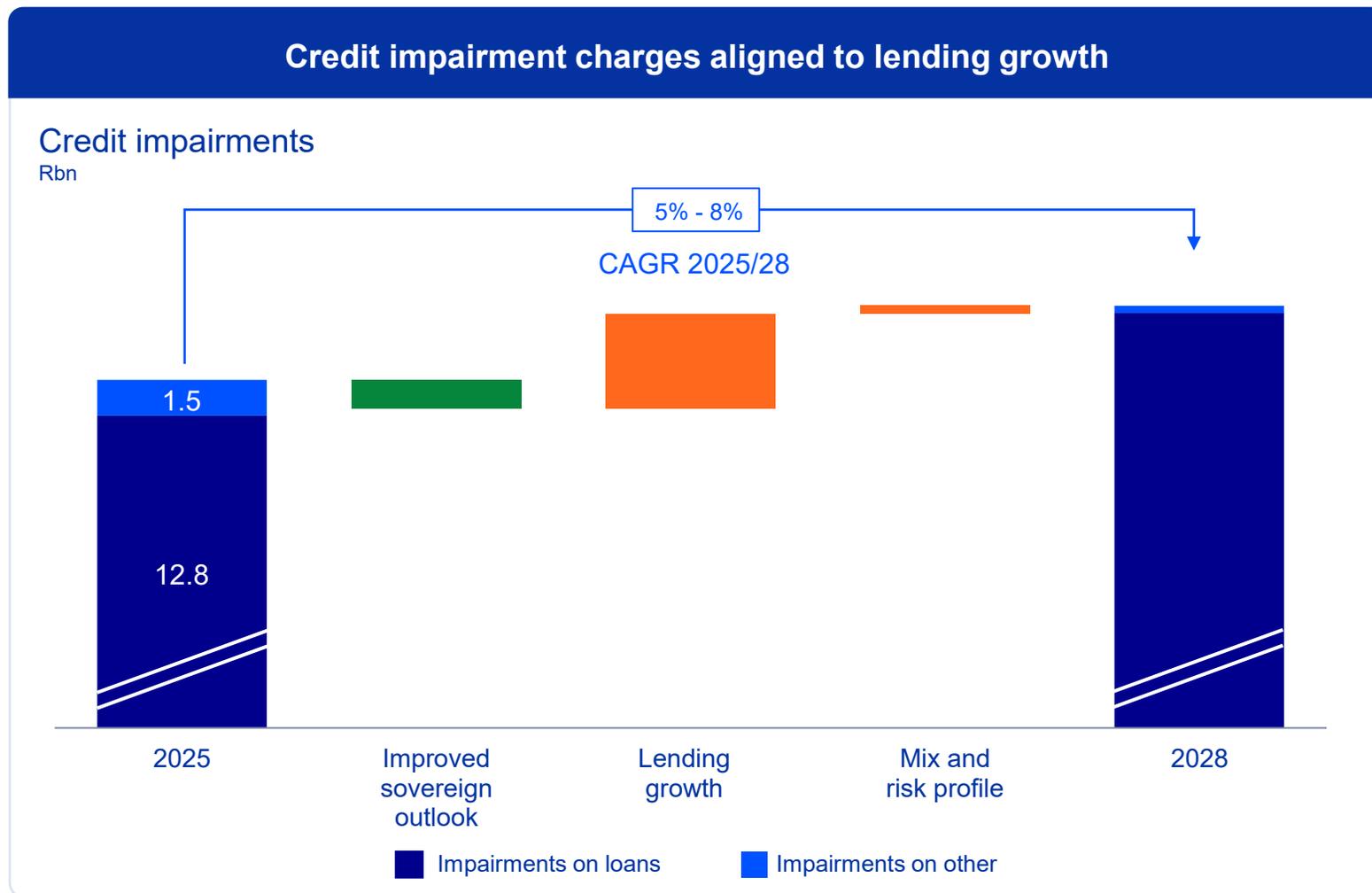
Credit impairments

- Financial investment-related charges are subject to sovereign developments
- Disciplined risk appetite with growth in impairments on loans aligned to growth in customer lending
- Diligent collection strategies

Credit loss ratio

- Credit loss ratio expected to remain in the bottom half of TTC¹ range

Credit loss ratio
70bps - 100bps
 TTC¹ range



¹ Through-the-cycle

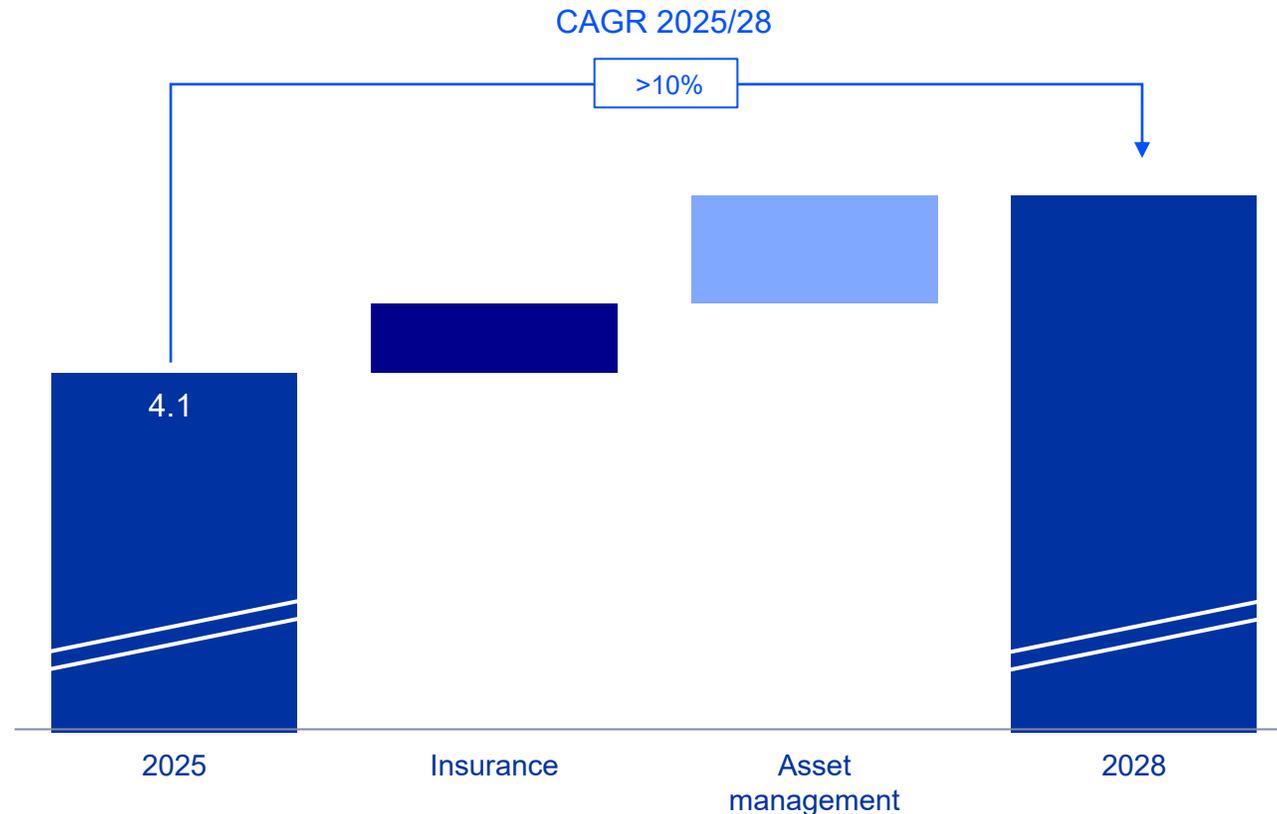


Insurance & Asset Management | Continued upward earnings trajectory

Earnings growth in excess of 10% p.a.

IAM Headline Earnings

Rbn



Drivers

Closer collaboration with banking

- Leverage lower acquisition costs to price competitively
- Improve the entrenchment of short-term insurance and investment solutions
- Grow Africa Regions in priority countries

Grow in the open market

- Increase distribution capacity and productivity
- Deliver integrated solutions consisting of banking, insurance and investment offering
- Scale investment platforms
- Grow adviser value proposition

Grow Asset Management and improve margin

- Leverage distribution footprint
- Enhance client experience
- Defend and expand institutional AUM

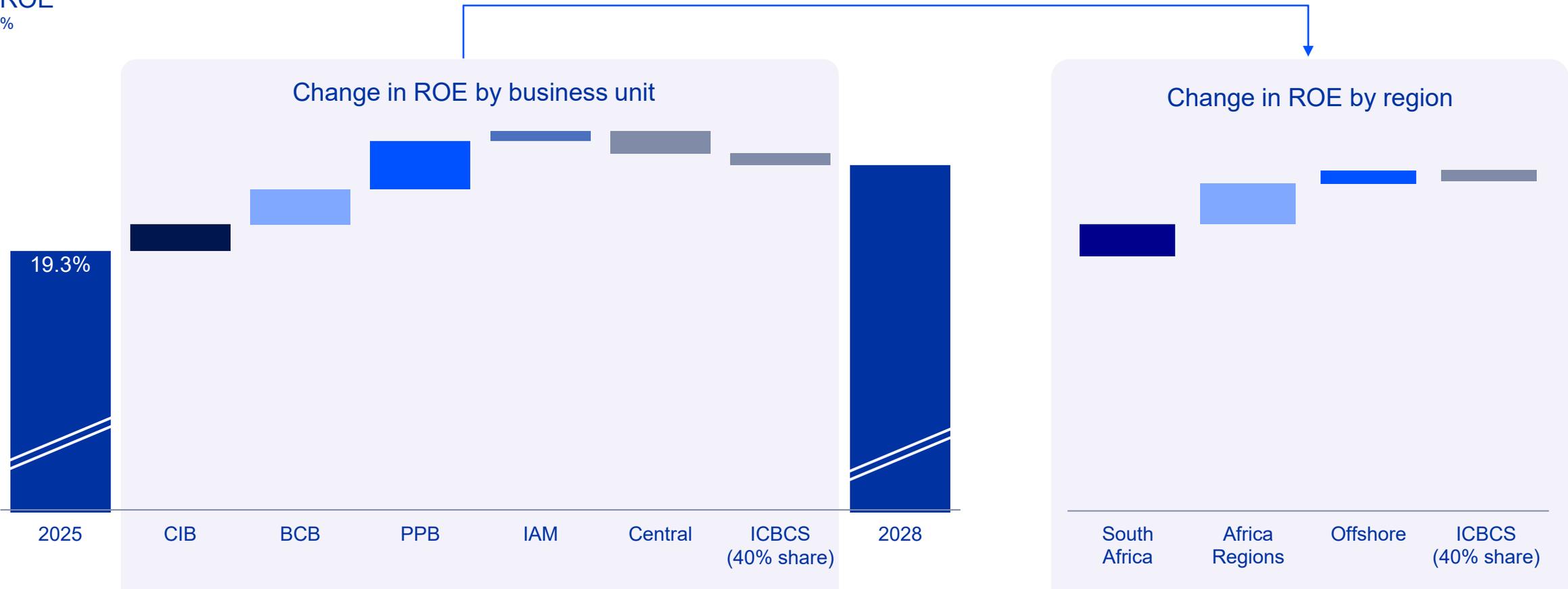


SBG ROE | Firmly in the 18% - 22% range

All businesses deliver positive contributions, capital buffers held centrally

Positive ROE momentum in all regions

ROE %





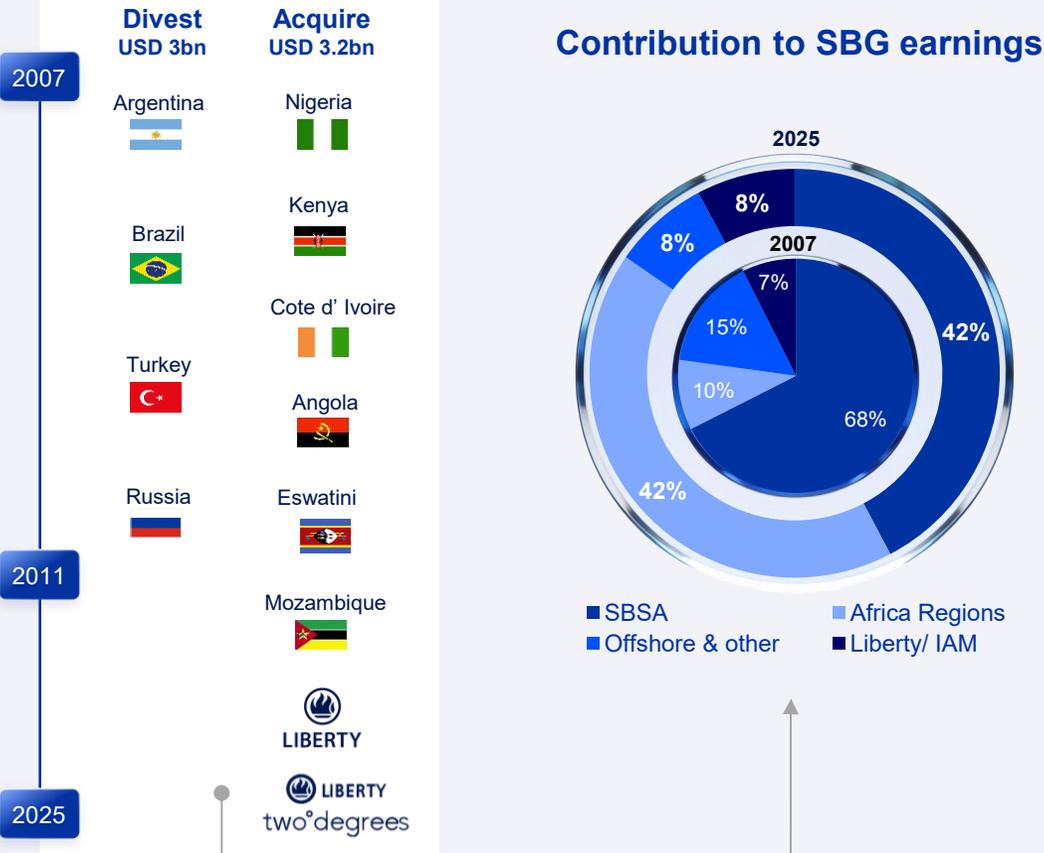
CAPITAL ALLOCATION



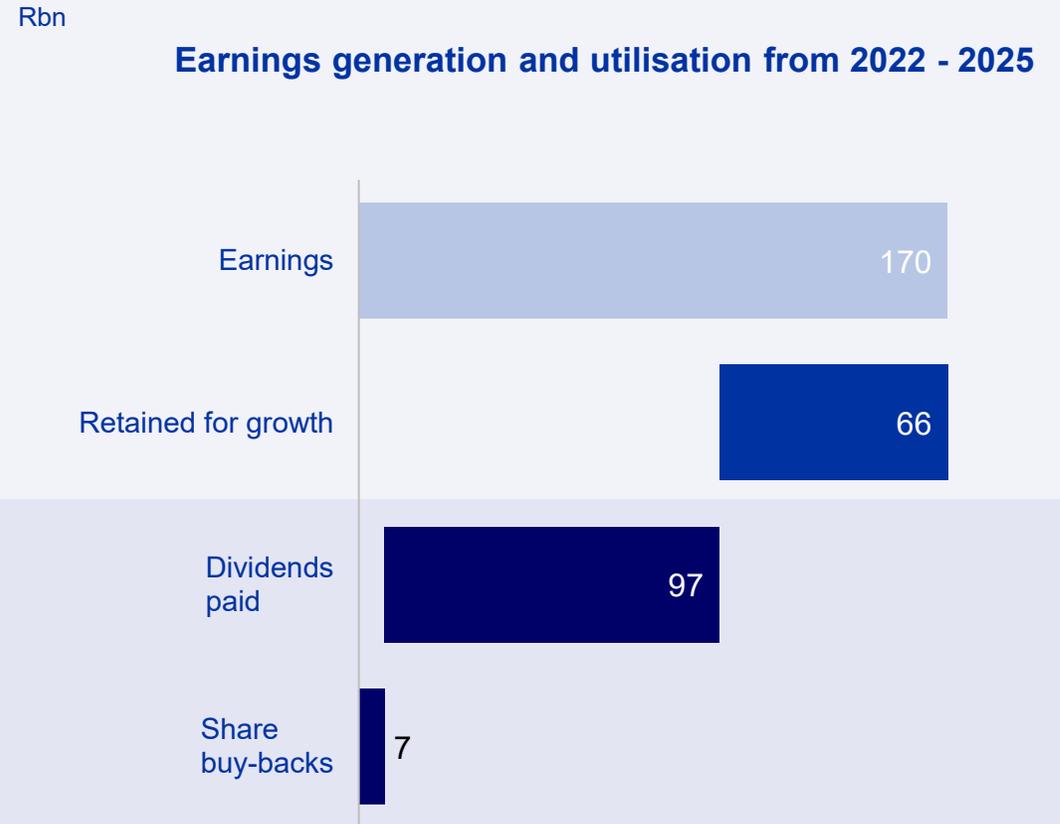


Investing in Africa | History of active capital management

Disciplined capital allocation into Africa that supports growth, returns and diversification



A combined distribution strategy that balances growth with delivering returns for shareholders





Growth and Distributions | Maintain balance to drive shareholder value

1

Earnings

Continue to focus on scaling and diversifying capital-efficient earnings

2

Capital for growth

Capital retained for **organic growth** across core franchises

Deliberate focus on growth in addition to capital efficient returns

Capital retained for **inorganic growth** via M&A

Scaling in existing markets – top 3

Opportunities in new markets

- Organic growth to deliver incremental improvements to returns
- Inorganic growth, subject to due diligence, price and synergies

3

Distributions

Dividend payout
45% - 60%

Share buybacks provide flexibility
subject to valuation

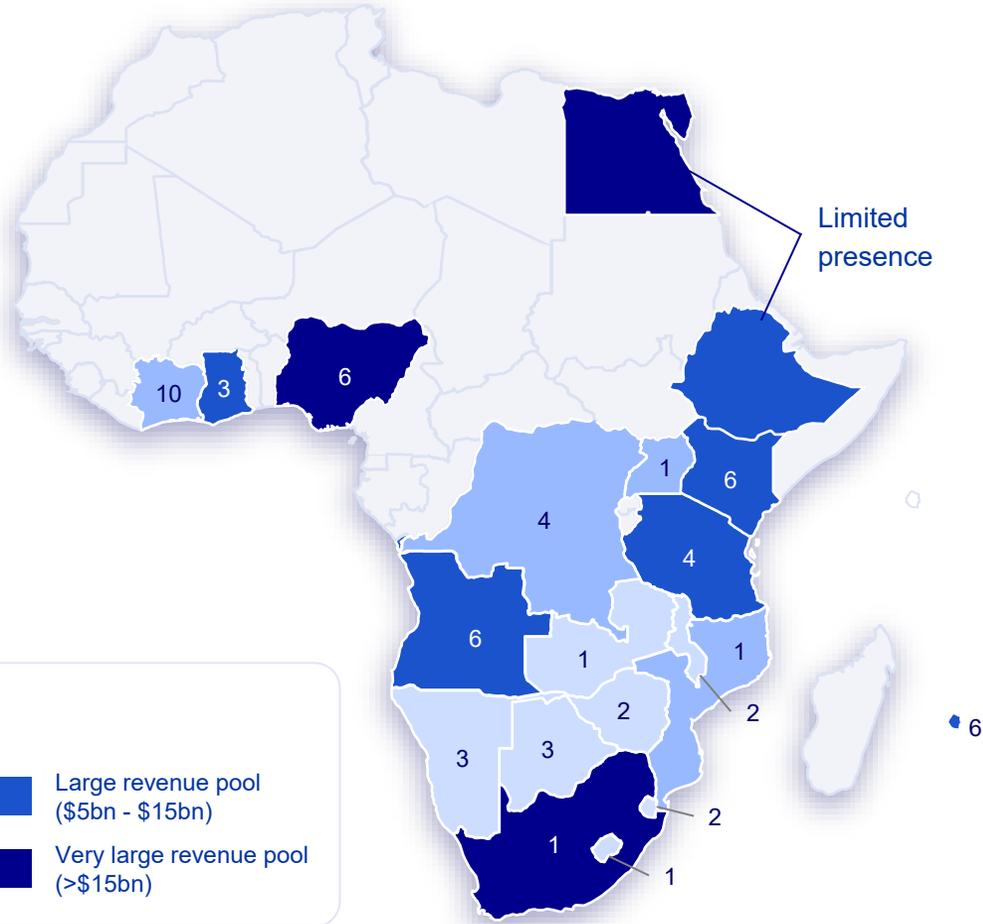
Optimised to maintain CET1 within target: >12.5%

- Combination of buffers and proactive management to cater for macro stress events and regulatory developments



Active Capital Allocation | Leverage growth and investment opportunities

Our market position¹



- Market position¹

 Small revenue pool (\$0bn - \$2bn)	 Large revenue pool (\$5bn - \$15bn)
 Medium revenue pool (\$2bn - \$5bn)	 Very large revenue pool (>\$15bn)

Key takeaways

Comprehensive, **client-led market analysis** to identify **growth and investment opportunities** to inform capital allocations that will deliver fast-growing, high-quality earnings

Preserve the strong capital base in South Africa while continuing to drive diversification, growth and returns through **increased capital allocations to Africa Regions**

Direct incremental capital toward **East and West Africa**, where medium-term fundamentals are strengthening

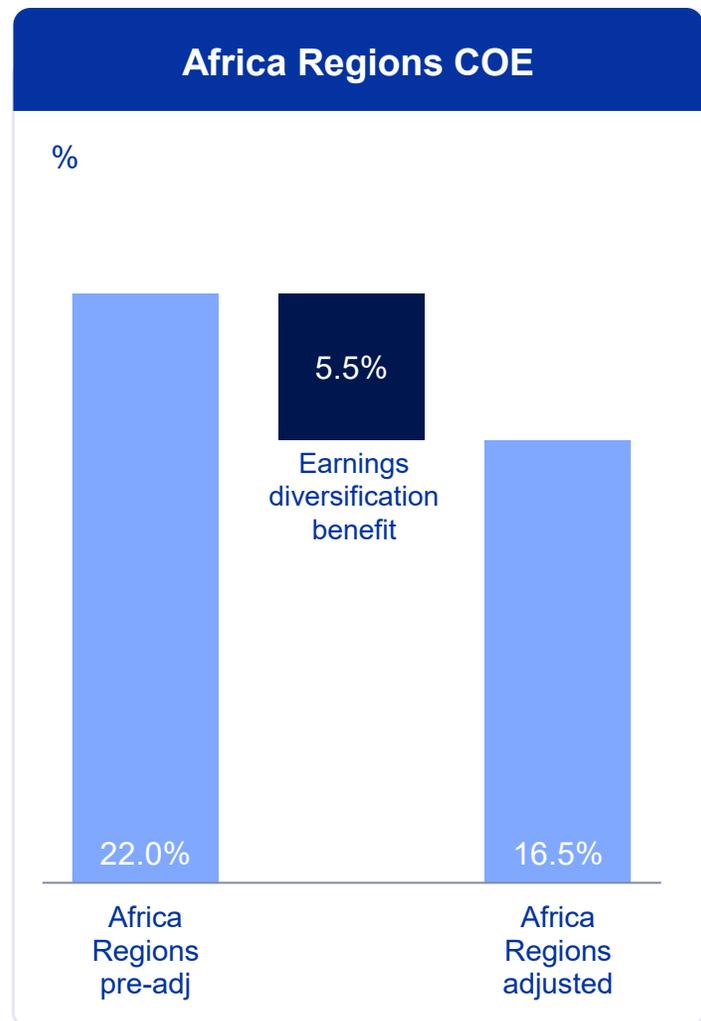
Prioritise capital deployment in markets where we can sustain or achieve a **top-three market position**

Maintain **strict capital and return discipline** to support the Group's ROE trajectory

¹ Market position calculated by net profit after tax; Source: Standard Bank Research, BankFocus



Group Cost of Equity | Reflective of a diversified portfolio

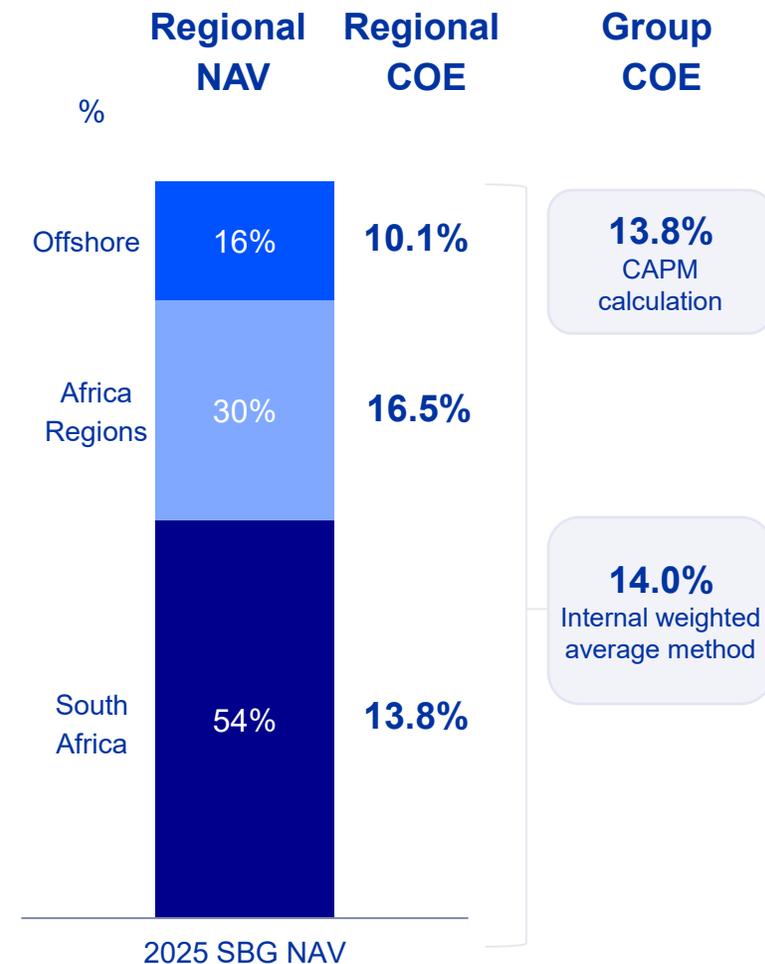


Africa Regions has delivered **strong and sustainable growth in ZAR earnings over time**, demonstrating the quantifiable benefit of maintaining a diversified portfolio.

Diversification benefits, based on correlation between Africa Regions and South Africa ZAR earnings, reduce the weighted-average portfolio COE by 5.5%, resulting in a **diversified COE of 16.5% for Africa Regions**.

Group COE declined in 2025 on an equity-weighted average and CAPM basis due to a combination of reducing interest rates¹, lower inflation differentials and improving credit ratings

Group COE expected to remain around 14% or slightly lower for the medium term



¹ The 10-year SA benchmark interest rate reduced by approximately 200 basis points in 2025



KEY TAKEAWAYS



Business Unit Overview | Strong growth, improving operating leverage and higher ROE

2028 Financial Targets	Revenue growth CAGR 2025/28	CTI Target	ROE Target range
CIB	8% – 12%	~40% (2025: 43%)	22% – 24% (2025: 22%)
BCB	7% – 9%	~55% (2025: 58%)	35% – 40% (2025: 38%)
PPB	7% – 9%	<55% (2025: 56%)	26% – 30% (2025: 23%)
	Headline earnings growth CAGR 2025/28		ROE Target range
IAM	>10%		24% – 27% (2025: 22%)



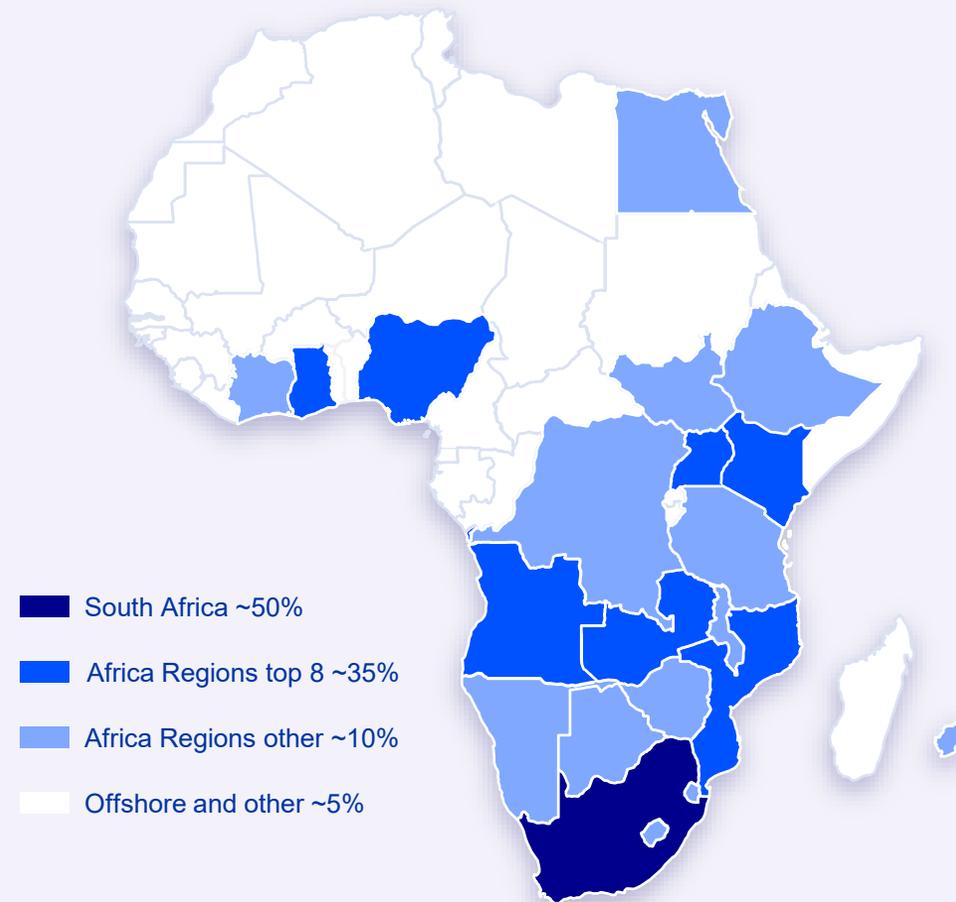
Driving Value | Focus on growth, whilst further improving ROE

Core metrics	2019	2025	2026-2028
HEPS (CAGR)	6% (2015/19)	25% (2020/25)	8% – 12% (2025/28)
ROE	16.8%	19.3%	18% – 22%

Supplementary metrics

Revenue growth (CAGR)	5% (2015/19)	11% (2020/25)	7% – 10% (2025/28)
Cost-to-income ratio	56.4%	50.2%	Sustainably below 50%
Credit loss ratio	68bps	73bps	70bps – 100bps
CET1 ratio	14.0%	13.8%	>12.5%
Dividend payout ratio	56%	56%	45% - 60%

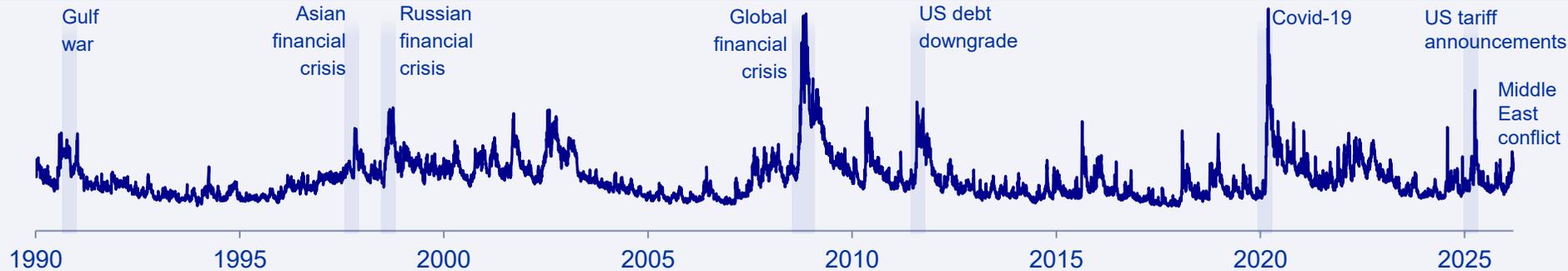
Regional headline earnings contribution by 2028





Shocks and Market Disruptions | We have consistently demonstrated our strength and adaptability in the face of challenges

CBOE Volatility Index® (VIX Index)¹



Continued earnings and dividend growth, notwithstanding market disruptions



Decades of experience and expertise in **managing risk through volatile markets**

Resilience underpinned by strong capital base, active portfolio management and **diversified client franchise**

Standing by our clients in times of need

Ready to capitalise on opportunities during market disruptions

¹ Created by the Chicago Board Options Exchange (now Cboe Global Markets), the VIX index is a leading measure of market expectations of near-term volatility conveyed by the S&P 500 Index option prices



SBG 2028 | Uniquely positioned to capture trends driving Africa's growth



1

Strong track record of delivery despite volatility

High-quality, sustainable and diversified revenue streams and positive operating leverage

2

Drive client-led growth

Strong, active and growing client base, wanting to do more with us

3

Continue to manage capital diligently

Clear capital allocation framework, balancing capital demand for growth with distributions to shareholders

4

Deliver attractive returns and increasing shareholder value add

Underpinned by diversified, recurring and growing revenue streams and diligent capital allocation



Forward-looking statements

The Group may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments and business strategies and have not been reviewed or reported on by the Group's external auditors.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that the predictions, forecasts, projections, and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements

ARNO DAEHNKE

Chief Finance and Value Management Officer
Standard Bank Group

QUALIFICATIONS:

BSc, MSc Engineering (University of Cape Town), PhD (Vienna University of Technology),
MBA (Milpark), AMP (Wharton)

CURRENT ROLE APPOINTMENT:

2016

CAREER HIGHLIGHTS:

- Arno Daehnke joined Standard Bank Group in 2001 as part of the Corporate & Investment Banking, Global Markets division.
- During his tenure with the group, Arno has performed several roles, including Quantitative Analyst and Head of the Money Markets Trading division in Global Markets, as well as Head of the Group's Treasury and Capital Management division.
- He was appointed as Group Financial Director and Executive Director of Standard Bank Group in 2016.
- Prior to joining Standard Bank Group, he was one of South Africa's leading seismologists.

AWARDS:

In 2022 he was awarded the CFO South Africa CFO of the Year title, the Strategy Execution award, and the Moving into Africa award for a second time.



