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Capital Markets Day

Technology, AI & payments: Margaret Nienaber – Chief Operating Officer

Thank you Adam. Good day, and thank you for joining us.

Pioneering

Today, I will share how we are pioneering the next phase of growth through our leading Technology platform, AI evolution at scale and Payments value creation. Importantly, much of what we will discuss today is not just aspirational— we are already delivering tangible outcomes across our businesses.

One operating model

Our 4 business units are integrated through common and aligned capabilities at scale. At the foundation: our single, modern technology platform. This platform drives unified solutions around key capabilities like Cloud, Simplification, Cyber, Culture and Data Platforms, whilst enabling automation and straight-through processing of our operations.

Our unified brand strategy has earned us the number 1 position on net reputation sentiment. Trust is built over time, and for a group that is 163 years young, it remains a competitive advantage that we are known for and proud of. All of this drives simplicity, speed and scale.

The next phase

As we look ahead, our next phase of growth is built on three pillars:

A leading technology platform that underpins AI at scale and together powers the future of Payments. These pillars reinforce each other and are already delivering measurable impact. In the s that follow, we outline the key strategic actions underway to scale each one.

Technology

First, Technology - the foundation for our focus on AI & Payments

We've delivered

Over the past five years, we have step changed the key measures of technology execution, including Cost, Speed and Reliability. As can be seen in the top graph, Revenue per unit of technology spend has improved materially, unlocking structural operating leverage above peer levels.

The bottom graph shows that our technology spend as a % of Opex was historically above peers as we invested early in our core technology capabilities. Competitors have increased

spend, whilst we have unlocked efficiencies, and we are now in line with the peer average. This supported an improvement in our Group Cost to Income ratio from 59,1% to 50,2%, helping drive ROE to 19.3%.

We achieved this by:

- now having 71% of our migratable compute in the cloud
- 88% of legacy servers decommissioned
- We increased feature delivery by 35% since 2020, with over 37k changes delivered last year alone. Despite this faster pace, we reduced outages by 98%.
- Our 5000 strong technology team now comprises 73% technical specialists.

Our significant 2025 Total Technology Spend of R23.5bn, reflects our ongoing commitment to building a strong technology platform. We will continue to apply our well established save-to-invest strategy, as we did by absorbing cloud investment over the past five years. We have unlocked structural cost efficiencies, and amortisation has been trending down due to our disciplined approach. Our software capitalisation rate has improved from 13% in 2020 to 3% in 2025.

This has freed up capacity to continue investing in cloud and AI, as well as current strategic initiatives like card modernisation and client platforms across our business units, as also referenced by Yuresh. Total tech spend as a % of opex, currently at 27.7%, is expected to remain at this run rate.

Priorities to 2028

Looking to 2028, we will continue to focus on modernising our technology platform. But transformation is not just about systems, it is also about people. We are proud of our people, their strong integration with business teams, disciplined execution, collaboration with ICBC, consistently high employee satisfaction scores and several CIO awards.

Modern cloud-enabled systems and highly capable engineers.

Artificial Intelligence

This takes us to the 2nd pillar - Unlocking Value Through Artificial Intelligence and the business transformation it enables.

Using the iceberg analogy:

- The visible 10% is what most people see—chat interfaces, copilots and client-facing tools.
- Below the surface is the technology foundation that we just discussed.
- And the hardest part to get right is people: driving a culture of adoption and shifting from AI tools to AI-enabled work, underpinned by strong governance and controls.

AI is not optional — it is going to touch every part of our business. In a rapidly changing world, our leadership approach and posture is evolving too — to drive purposeful innovation and enable decisive, deliberate action, building our long-term competitive advantage.

Foundational progress to scale AI

Our AI strategy is built on scaled foundations:

- Cloud infrastructure
- Modernised data platforms, providing data ready to scale AI
- A strengthened bench of engineers

We have been building Traditional AI and machine learning capabilities for several years, and that foundation is now enabling us to scale newer and evolving areas such as Gen AI and Agentic AI. We are already seeing tangible outcomes using traditional AI across our Business Units, as evidenced in this block. In PPB, our mobile app conversational AI now handles 65% of digital queries, improving client experience whilst reducing operational demand.

In GenAI and Agentic AI, more than 20,000 employees actively use these tools today, and employee enthusiasm has been strong, with teams incorporating AI into how work gets done. This is supported by AI training and gamification, and a well-developed prompt library. Engineering Productivity was already up more than 20% last year.

Agentic AI, with a human in the loop, is forcing us to consider how we approach and manage risk, and is starting to show early results – for example in Commercial Asset Finance in BCB reducing the loan documentation processing time from around an hour to roughly a minute.

We have more than 50 GenAI model-approved use cases currently being scaled across the Group.

Priorities to 2028/ SBG AI Blueprint

Our AI blueprint is deliberately simple and focuses on three areas:

Firstly, Clients, where the focus is on more relevant and personalised client experiences - with four priorities, 1) Relationship Manager productivity, 2) Personalised offers and nudges, 3) conversational servicing and Contact Centre assist, and 4) Payments automation.

Secondly, People and Culture. Driving a culture of adoption is key to what we do and our competitive advantage. Just as important is allowing for experimentation within controlled guardrails. AI is a CEO-owned agenda driven by Sim, also a keen user himself. We have a Chief AI Officer supported by cross-functional specialists embedded in the business units.

The real divide will not necessarily be between humans and AI, but between those who learn how to use AI and those who do not. Our responsibility is to make sure we support our teams on this journey. We will reinvest freed-up capacity into higher-value work, for

example enabling Relationship Managers to spend more time with clients on what matters to them.

And lastly, our Technology Platform. As you've heard earlier, we are building a reusable, cloud-enabled AI platform with responsible AI by design. Through our cloud journey, we have established deep relationships with our hyperscaler partners, whilst standardising data capabilities and improving access to quality data. AI is not a short-term margin lever - it is a long-term competitive capability and a necessity across each business unit.

Taking you back to the iceberg analogy: We are driving a culture of adoption, building the technology foundations, and focusing each Business Unit on the use cases that matter most to remain competitive.

What we know today has been incorporated into our 2028 targets and Sim is holding his leadership team accountable for delivery

Human-led and curious to learn, enabling AI evolution at scale.

Payments

Let me now turn to the breadth of our Payments landscape, spanning personal, business, commercial and corporate clients, with meaningful synergies across our footprint

Payments are at the heart of every banking relationship

Payments are at the heart of every banking relationship, with strategic relevance across all 4 of our business units

- They anchor client experience
- Are capital-light and drive liquidity, therefore enhancing ROE
- And very importantly generate behavioral data to support deeper relationships and cross-sell, most notably Value-Added-Services and Insurance

Competition is intensifying, not only from banks, but also from fintechs – accelerated by the pace of technological advancements.

Our payments strategy stretches across both traditional payment rails on the left, and emerging modern rails on the right. Digital asset-based payments are driving efficiency on the new payments frontier improving speed, reducing cost and simplifying domestic & cross-border payments.

Our response is an integrated payments strategy that runs across multiple rails, supported by purposeful advocacy, ensuring that as regulatory, and importantly, geopolitical dynamics evolve, we respond as one coordinated, resilient organisation.

In 2025, over R164trn of payments

Last year, we processed more than R164tn of payments across our 20m clients and correspondent banking relationships. I asked Claude to give context to this number, and it said this means every minute over R300m moves across our infrastructure. That is nearly \$10tn a year - larger than the GDP of major European economies. At this scale, payments create access to data as a competitive advantage.

Payments is expected to remain one of the fastest-growing domains in Africa, growing faster than GDP, and the value lies not in the transaction alone, but in the flywheel it creates.

Payments driving ROE

We think about this in three layers:

First is the primary layer – core to our client engagement. In 2025 we processed 2.3 billion payments.

Second is the ancillary layer, which evolves as we deepen our client relationships and enable cross-sell. Cross-border payments grew 12%, with a 31% market share in SA and 17% across our markets. Our transactional franchise remains the largest on the continent, driving liquidity. We hold over R2tn in deposits with Current and Savings Accounts contributing 1/3.

Third is the halo layer – long-term strategic value unlocked through client primacy and, as pointed out by Funeka, adjacent solutions like VAS, where PPB SA VAS income grew 33%. R28bn was disbursed to clients in insurance claims in 2025 – all facilitated through Payments.

The shift away from certain rails may put some pressure on fee and commission, but our focus remains on the larger value pools above the rails in the integrated client offering and not just product profitability, as pointed out by Luvuyo.

Priorities to 2028

Looking at our-priorities for 2028, our Payments capabilities are built on a solid foundation - scaling intra-Africa and Africa-to-the-world connectivity.

First, domestic payments. Winning the day-to-day transactional relationship remains critical. We are scaling immediate payments, expanding merchant acquiring, and deepening wallet and agency banking to grow volumes, primacy and liquidity. We are also using AI to automate payment processes and improve the speed of payments.

- In Uganda, FlexiPay accelerated our mobile-money footprint – up 99% with R7bn in transaction value, reinforcing our position as one of the region’s fastest-growing digital financial services providers
- As pointed out by Bill, Merchant acquiring anchors client flows across our footprint, and SimplyBlu grew 19% in new merchant sales
- We will continue to focus on areas like Payshap, where our market share is improving but where there remains room to strengthen our position

Second, cross-border diversification.

- We are the first African bank to connect clients into the Africa-Asia payments corridor via the Cross Border Interbank Payments System (CIPS), processing R9,5bn since launch late last year. This is all about offering our clients choice, without taking away from the importance of existing traditional rails.
- We also launched a global remittances platform in 2025, enabling partners to seamlessly disburse funds into African markets, with Standard Bank providing trusted, secure last-mile distribution across the continent.
- Blue-to-Blue, offering real-time cross-border B2B settlement within the Standard Bank network, remains a focus area for 2026.

Third, digital assets. Our focus spans tokenised deposits, stablecoins, custody and investment solutions - within a controlled regulatory framework. We are building secure on- and off-ramps that act as the regulated gateway into these new rails, enabling clients to access them safely while keeping flows anchored to the bank and protecting our deposit franchise. This has already resulted in multiple partnerships, with more in the pipeline.

- We recently supported the launch of ZARU, a rand-denominated stablecoin
- Over the past 5 years we have strengthened our blockchain capabilities, and Crossborder- flows through CIB's Aroko blockchain-enabled rails have surpassed R1 trillion since inception-.

Multiple rails, one orchestration layer.

Key takeaways

Let me close by reinforcing the integrated nature of this strategy:

- We have built a simplified, modern, resilient and cloud-based leading technology platform
- We are scaling AI deeply and responsibly
- We are advancing Payments as a strategic enabler across the Group

Together, these three pillars drive structural operating leverage, capital-light revenue growth and better client outcomes, underpinning delivery of our 2028 revenue, cost-to-income and ROE targets, as you will hear from Arno.

From our humble beginnings financing the wool trade in the Eastern Cape, to being ranked the most valuable and most admired banking brand in Africa. This is a story of trust. A story of resilience. A story of Growth.

Thank you. I will now hand over to Dr Arno Daehnke

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