

STANDARD BANK GROUP

March 2024

Who we are

4 businesses

Banking

- PERSONAL & PRIVATE BANKING
- BUSINESS & COMMERCIAL BANKING
- CORPORATE & INVESTMENT BANKING

- INSURANCE & ASSET MANAGEMENT

26 countries



Offshore hubs
Isle of Man
Jersey

Global centres
London
New York
Dubai
Beijing

#1 on the continent[1]

R3.1trn
Assets

R2.0trn
Deposits

R1.5trn
Assets under management[2]

R178bn
Revenues[3]

R43bn
Headline earnings

Attractive investment proposition

- Recognised and trusted brand
- Growing and engaged client franchise
- Well diversified business with scale
- Targeted technology investment bearing fruit[4]
- Strong growth prospects and attractive medium term targets
- Well placed to capture opportunities linked to Africa's energy transition

Well-defined strategic plan

PURPOSE DRIVEN

Africa is our home, we drive her growth

CLEARLY DEFINED PLAN

2025 strategic priorities

- Transform client experience
- Execute with excellence
- Drive sustainable growth and value

CLEAR COMMITMENTS

2025 financial targets

7% – 9%
Revenue growth CAGR[5]

~50%
Cost-to-income ratio[6]

17% – 20%
Return on equity

1 Largest bank based on total assets.
2 Assets under management and assets under administration.
3 Banking and IAM revenues.
4 Delivering improvements in client experience, stability, security and productivity.
5 Compound annual growth rate from 2020 to 2025.
6 Approaching 50%.

Diversified and resilient business

Strong franchise momentum, delivering across all key metrics.

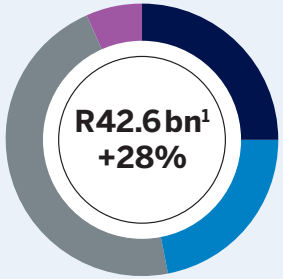
	Revenue	Efficiency	Returns
	Total income	Cost-to-income ratio	Return on equity
Banking – PPB	R57bn +18%	53.7%	22.4%
Banking – BCB	R38bn +18%	56.1%	37.0%
Banking – CIB	R64bn +19%	45.6%	22.3%
IAM	R22bn +15%		13.1%
Group	R178bn +20%		18.8%

1 Headline earnings by business unit excluding Centre and ICBCS.
2 Headline earnings by legal entity, South Africa is Standard Bank of South Africa, Offshore is Standard Bank Offshore Group, and Other includes other group entities and ICBCS.
3 Angola CAGR based on 2014 to 2022.
4 2023 not split as Africa Regions subsidiaries have not yet reported.

CIB – Corporate & Investment Banking • BCB – Business & Commercial Banking
PPB – Personal & Private Banking • IAM – Insurance & Asset Management

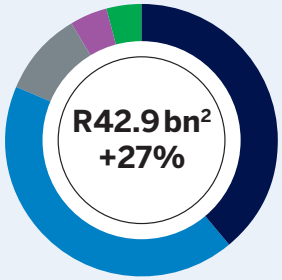
Headline earnings by business

	Rbn	% Change
PPB	10.7	+27%
BCB	9.3	+27%
CIB	19.8	+30%
IAM	2.8	+22%

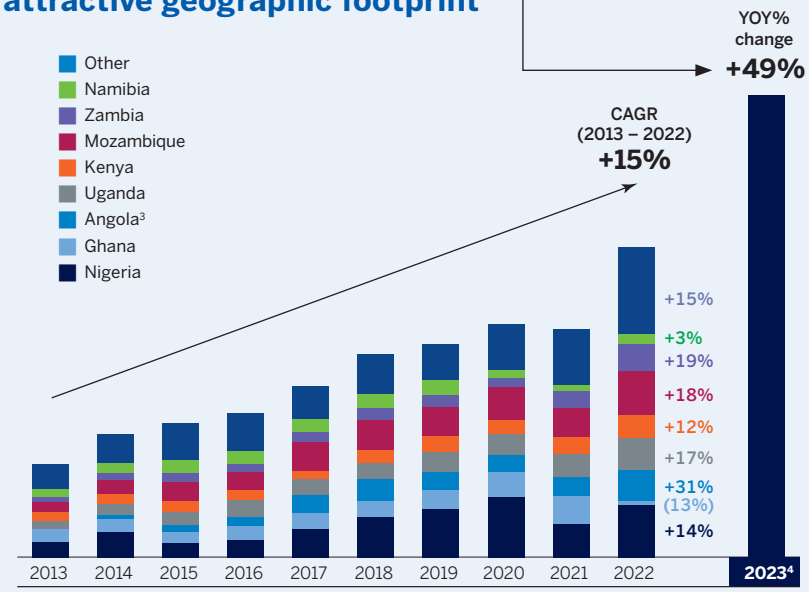


Headline earnings by region

	Rbn	% Change
SOUTH AFRICA	16.8	+3%
AFRICA REGIONS	18.2	+49%
OFFSHORE	4.3	+>100%
LIBERTY	2.0	+46%
OTHER	1.6	-30%

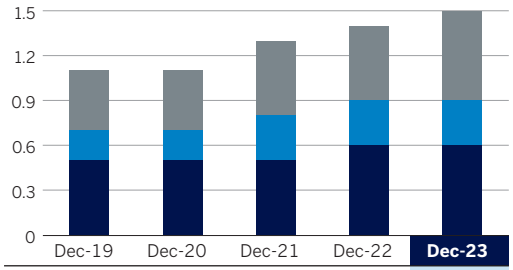


An attractive geographic footprint



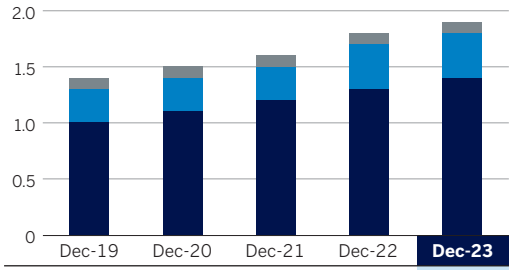
FY23 – Robust revenue growth, positive jaws and improved ROE

Gross customer loans (Rtrn)



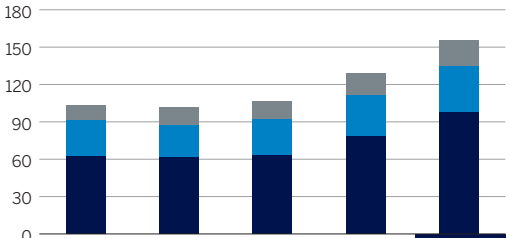
	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23
Mortgages & VAF (+2%)	0.5	0.5	0.5	0.6	**0.6**
Other retail and business (-1%)	0.2	0.2	0.3	0.3	**0.3**
Corporate & Sovereign (+16%)	0.4	0.4	0.5	0.5	**0.6**

Customer deposits (Rtrn)



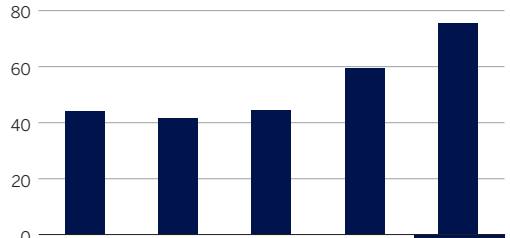
	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23
SBSA (+7%)	1.0	1.1	1.2	1.3	**1.4**
Africa Regions (+4%)	0.3	0.3	0.3	0.4	**0.4**
International (+7%)	0.1	0.1	0.1	0.1	**0.1**

Total income (Banking) (Rbn)



	FY19	FY20	FY21	FY22	FY23
Net interest income	62.4	61.1	62.8	78.0	**97.5**
Non-interest revenue	29.0	26.4	29.1	33.6	**37.2**
Trading revenue	12.1	13.9	14.8	17.0	**20.5**

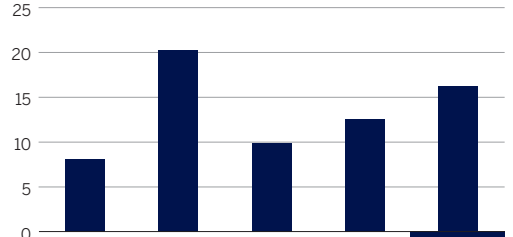
Pre-provision operating profit (Rbn)



	FY19	FY20	FY21	FY22	FY23
	44.1	41.5	44.5	59.3	**75.5**

Credit impairment charges (Rbn)

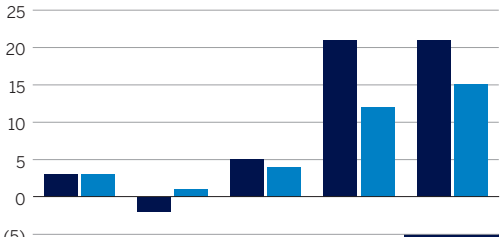
68 bps	151 bps	73 bps	83 bps	**98 bps** ←CLR



	FY19	FY20	FY21	FY22	FY23
	8.1	20.2	9.9	12.6	**16.2**

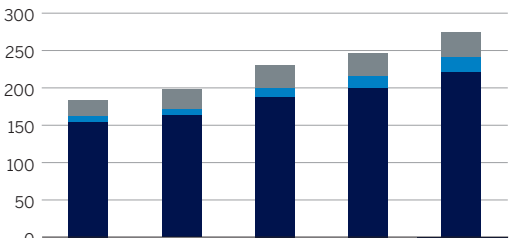
Income and cost growth (%)

0%	(3.0%)	1.4%	9.0%	**5.7%** Jaws



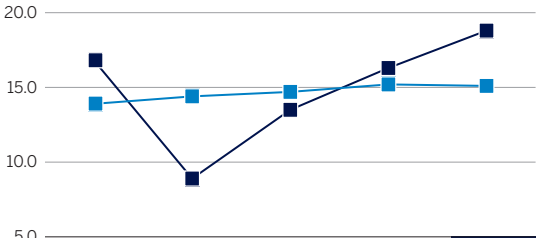
	FY19	FY20	FY21	FY22	FY23
Banking revenue growth	3	(2)	5	21	**21**
Banking cost growth	3	1	4	12	**15**

Capital (Rbn)



	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23
CET 1	154	163	188	200	**221**
Tier 1	8	9	12	15	**20**
Tier 2	22	26	30	31	**33**

Group ROE and cost of equity (%)



	FY19	FY20	FY21	FY22	FY23
Group ROE	16.8	8.9	13.5	16.3	**18.8**
Cost of equity	13.9	14.4	14.7	15.2	**15.1**

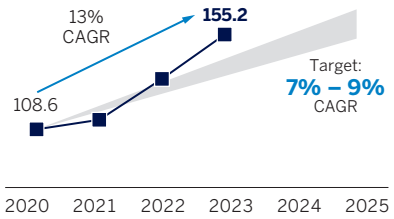
Driving sustainable growth and value

Delivering attractive shareholder returns

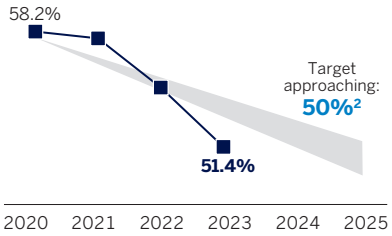
SBG 2025 targets[1]

Actual — 2025 Target

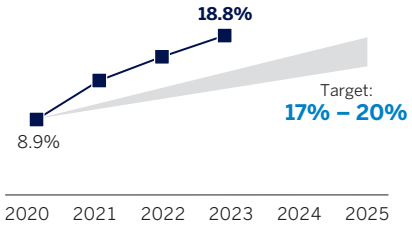
Revenue growth (Rbn)



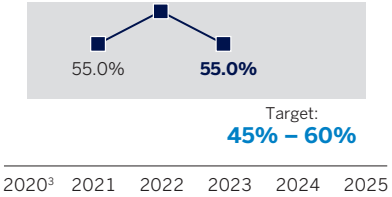
Cost-to-income ratio (%)



ROE (%)



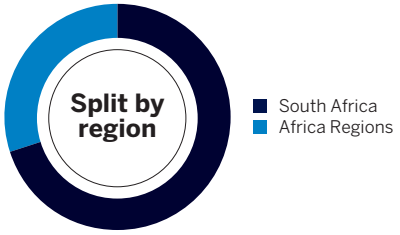
Dividend payout ratio (%)



Delivering positive impact

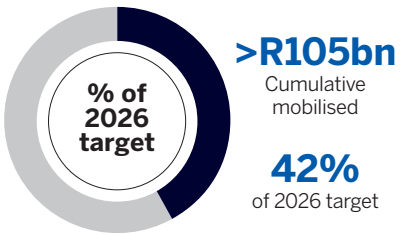
Sustainable finance mobilised

In 2023: >R50bn



Cumulative sustainable finance mobilised

2026 target: >R250bn[4]



>R105bn
Cumulative mobilised

42%
of 2026 target

1 2025 targets are as laid out in our Strategy Day in August 2021, lines are indicative only, reflect straight line from 2020 to 2025.
2 Approaching 50% equates to less than 52%.
3 Dividend payout was 24% in FY20 as no 1H20 interim dividend was paid as per guidance from the South African Reserve Bank.
4 As per Standard Bank Group Climate policy, March 2022.

FY24 outlook

FY24 macro outlook mixed but supportive at a portfolio level

SBG portfolio, weighted average[1]	FY23	FY24	Key drivers
Inflation (%)	9.9%	7.0%	Inflation set to decline across most markets
Interest rates (%)	11.6%	11.4%	Interest rate movements mixed but down marginally in aggregate
Real GDP growth (%)	2.0%	2.2%	GDP growth expected to improve in aggregate
Currency movements vs ZAR, YOY		(5.8%)	Devaluations relative to ZAR will be a drag on reported group earnings (namely AOA, KES, MWK, NGN, ZMW)

SBG FY24 guidance

Key drivers	FY24 guidance (ZAR)	Key drivers
Net interest income	Low-to-mid single digits	▪ Balance sheet growth to remain slow in 1H24 but improve in 2H24 ▪ Average interest rates to be marginally down and pricing to remain competitive
Non-interest revenue	Low single digits	▪ Fees supported by a larger client base, more client activity and higher client spend ▪ Trading revenue to decline off a high base, but subject to market developments and client flows
Jaws	Flat to positive jaws[2]	▪ Heightened focus on costs ▪ Will continue to invest in the business to remain competitive and grow
Credit loss ratio	At the top of the TTC[3] range of 70 bps – 100 bps	▪ Subject to inflation and interest rate developments ▪ Charges expected to peak in 1H24, driven primarily by ongoing strain in PPB
IAM	Earnings growth	▪ ROE expected to continue to improve and move closer to group COE
Group ROE	Inside the 2025 target range of 17% – 20%	▪ Ongoing focus on capital optimisation and returns
Dividend payout ratio	45% – 60%	▪ Capital generation will support distributions

1 Weighted based on headline earnings contribution, all countries in the portfolio included except for Zimbabwe, outcomes are illustrative.
2 Jaws for Banking businesses.
3 Through-the-cycle.

Driving sustainable growth and value

Market data

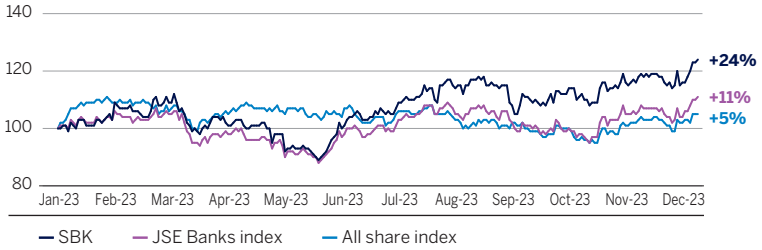
TEN MAJOR SHAREHOLDERS[1]

	FY23		FY22	
	Number of shares (million)	**% holding**	Number of shares (million)	% holding
Industrial and Commercial Bank of China	**325.0**	**19.4**	325.0	19.4
Government Employees Pension Fund (PIC)	**243.8**	**14.5**	243.9	14.5
Old Mutual Life Assurance Company	**30.8**	**1.8**	30.4	1.8
Alexander Forbes Investments	**27.2**	**1.6**	22.5	1.3
GIC Asset Management Pte Ltd	**24.0**	**1.4**	28.6	1.7
Allan Gray Balanced Fund	**20.7**	**1.2**	17.8	1.1
Vanguard Total International Stock Index Fund	**19.4**	**1.2**	18.8	1.1
Vanguard Emerging Markets Stock Index Fund	**18.1**	**1.1**	18.3	1.1
Eskom Pension fund	**17.7**	**1.1**	17.1	1.0
M&G Equity Fund (ZA)	**15.3**	**0.9**	17.3	1.0
	742.0	**44.2**	739.7	44.0

1 Beneficial holdings determined from the share register and investigations conducted on our behalf in terms of section 56 of the Companies Act, 71 of 2008.

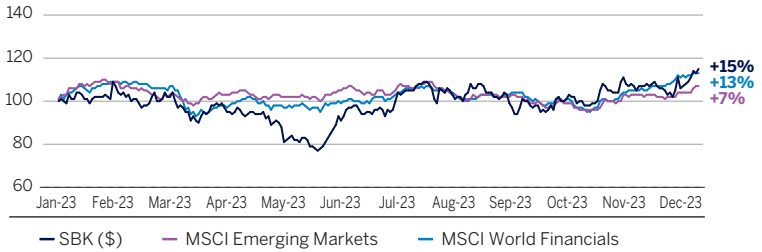
2023 performance (ZAR)

SBK vs JSE Banks and All Share Index (SBK +24%)



2023 performance (USD)

SBG vs MSCI (SBK +15%)



Geographic spread of shareholders (%)



	Dec-23
South Africa	50
China	20
United States	13
Europe	7
Other	10

ESG scores

MSCI **AA**
Stable

FTSE4Good **4.1**
Improved from 3.9 in 2022

SUSTAINALYTICS **18.4**
Improved from 24.7 in 2022

Bloomberg Gender-Equality Index 2023 **67.87**
Improved from 67.78 in 2022

CDP DRIVING SUSTAINABLE ECONOMIES **C**
Stable

Equity information

Listings	JSE (SBK); A2X (SBK) NSE (SNB)
Share price*	ZAR208.10 / USD11.24
Market cap*	R349bn (USD19bn)

For more information

https://www.standardbank.com/sbg/standard-bank-group/investor-relations

Investor Relations

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* As at 31 December 2023.