FY24 Results presentation

13 March 2025

Sim Tshabalala – Chief Executive Officer

Good morning, everyone.

On behalf of the board and management of the Standard Bank Group, it's my great pleasure to welcome you to the presentation of our financial results for 2024.

SBG overview – FY24 and Beyond

As is customary, I begin by placing our strategic achievements and rapid franchise growth in their broader context. Our Chief Financial Officer, Dr Arno Daehnke, will then take us through the results in detail and will then provide our 2025 guidance. I will conclude by discussing our strategy and medium-term outlook.

This slide summarises the main points we will be covering this morning. We have a large and growing client base that is doing more with us. We managed costs and risks effectively. Our diversified portfolio of operations in 26 countries has achieved strong growth in constant currency throughout our banking, insurance and asset management businesses.

We are delivering on our promises. We are doing what we said we would do to the end of 2025. We are completely confident that we will reach our 2025 targets. We are very well positioned to capture Africa's growth opportunities. Today, therefore, we are setting new – and higher – targets to 2028.

Our purpose, strategy and targets are unchanged

As always, our purpose remains constant: Africa is our home, we drive her growth. The main themes of our strategy also remain the same: transform client experience, execute with excellence and drive sustainable growth and value. I will shortly describe the progress we have made over the year on each of these strategic priorities. Our strategy continues to evolve within these broad parameters, and I will say more about that in the concluding section.

In 2024, the global macroeconomic backdrop was challenging, but Africa's fundamentals were favourable

Geopolitics remained uncertain during 2024, but the global economy grew reasonably well, and inflation and interest rates moderated. Turning to our Africa Regions businesses, rapid economic growth continued in both West and East Africa, with moderate growth in the Southern region. The strong performance of these economies is reflected in the excellent constant currency performance of these businesses – unfortunately dampened in our income

statement by weaker African currencies compared to the South African Rand. To be precise, weaker African currencies – particularly the Nigerian Naira and the Angolan Kwanza – reduced Rand earnings by 9%.

South Africa's politics surprised on the upside, delivering a new government that is committed to accelerated structural reform. Growth remained subdued, but the underlying signals were positive and bode well for 2025 and beyond. I draw your attention to the grey box in the centre of the slide, which illustrates the weighted average inflation, interest rate, GDP growth and currency impact felt by the Group. To reiterate, the weaker African currencies did no favours to our headline earnings, but our franchise and Africa's fundamentals both remained very strong.

We have a large and growing client base that is doing more with us

Looking first at our priority to transform client experience.

Starting on the left, our Corporate and Investment Banking business achieved revenues of R65 billion. We made excellent progress towards meeting our sustainable finance targets, mobilising R74 billion for Africa's energy transition and for socially inclusive infrastructure during the year.

Two highlights of Business and Commercial Banking's year were disbursing R52 billion in loans to clients and facilitating R150 billion in intra-African trade.

Personal and Private Banking grew its active client base to a remarkable 16 million. PPB's digital performance was particularly pleasing, with digital revenues up 36%. Our clients in South Africa voted us Number One for Customer Experience in Consumer Banking, according to the University of Pretoria's Customer Experience Index. In the same survey, clients also voted us first in the categories of: banking app, contact centre, branch, credit card, and home loans.

Insurance and Asset Management ended the year with more than 3 million embedded policies and R1.5 trillion of assets under management. Our asset manager STANLIB received R14 billion of net cash inflows from clients. New business value was up 14%.

Our juggernaut sales force consists of more than 11 thousand branch and call centre staff, financial consultants and tied agents. Close collaboration between Personal and Private Banking and Insurance and Asset Management generated 19% growth in the flexi funeral insurance book and also a 19% increase in Flexi funeral collection rates. Standard Bank Insurance Brokers wrote R10 billion of premiums for PPB clients.

We managed costs and risk effectively

Turning to our priority to execute with excellence.

We continued to run our business efficiently, with our cost-to-income ratio improving to almost 50%. Over the past five years, we have greatly improved the stability and performance of our systems. We did one and a half times as many upgrades to our systems in 2024 compared to 2020. This did not affect stability. To the contrary, material incidents of instability are down 95% since 2020. As Arno will discuss in more detail, we continued to manage our credit risk effectively, with our credit loss ratio remaining well within our target range.

Our balance sheet remains as fortress-like as ever, ensuring our soundness and enabling good distributions to our shareholders. Our capacity for effective execution was very well illustrated this year by the completion of our programme to integrate Liberty fully into the Standard Bank group. This has been achieved, yielding R13 billion in cumulative distributions to the Group and annual synergies of more than R620 million achieved in 2024, more than we said we would achieve when we announced the transaction.

We have delivered strong headline earnings growth and ROE has improved

Now looking at our priority to drive sustainable growth and value. Our capacity to get things done and to keep our promises is well illustrated by taking a ten-year view of our headline earnings and return on equity. As shown on the left-hand side of this slide, the steady growth of our headline earnings was only briefly interrupted by the shock of the pandemic – and has accelerated markedly since then. Our headline earnings have grown at an annual rate of 10% over the period.

As the chart on the right-hand side shows, we have lifted our return on equity into a higher range, precisely as we said we would do in 2021. Our ROE is now sustainably higher than the ten-year average of 15.9%.

We made continued good progress towards our 2025 targets

As the charts on this slide illustrate, we have grown our revenue since 2020 by a compound annual growth rate of 12%; our cost to income ratio has improved by 8.6 percentage points; our return on equity is firmly within our target range; and our dividend payout ratio remains at the upper end of the target band. The progress we have made over the past several years, and in 2024 itself, gives us a great deal of confidence that we will reach the targets that we set for the end of this year.

I now had over to Arno for the more detailed financial discussion**.**

Arno Daehnke – Chief Financial Officer

FY24 financial performance drivers

Thank you, Sim and good morning everyone. I am now going to cover section 2 of the presentation which analyses the group's 2024 results in detail and outlines our expectations for 2025.

FY24 performance highlights – continued good operational performance with progress across key metrics

In the twelve months ended 31 December 2024, Standard Bank Group recorded headline earnings of R45 billion, up 4% on the prior year. In constant currency terms, group earnings grew by 14%. Dividends declared for the year of R15.07 per share were 6% higher and tangible net asset value per share grew by 8%. The group delivered a return on equity of 18.5% for the year.

After two years of excellent earnings growth of 35% in 2022 and 27% in 2023, this year's growth is a more moderate 4%. This growth was delivered through revenue growth outpacing cost growth, leading to a lower cost-to-income ratio of 50.5%, and an improved credit loss ratio of 83 basis points.

The group's capital position remains strong with a common equity tier 1 ratio of 13.5%.

SBG income statement - robust performance amid currency challenges

A summarised group income statement is shown on slide 13.

It is evident here that currency movements have had a meaningful impact on all lines in our income statement. As anticipated and as flagged to the market, the basket of currencies in which we transact in our subsidiaries, devalued by 9% on a weighted average basis, relative to our reporting currency, the Rand. As mentioned on the previous slide, headline earnings growth of 4% was 14% in constant currency terms. The biggest currency devaluation impacts arose in West Africa as noted by Sim. The constant currency growth rates shown here reflect the continued excellent momentum we see in our subsidiaries in local currency. The devaluation impact seen in 2024 is not expected to repeat in 2025 and I will come back to this in the outlook section.

Net interest income growth of 3% and a repeat of 2023's bumper non-interest revenue print delivered a 2% growth in total income. Operating expenses were held flat year on year to deliver another period of positive jaws.

Credit impairment charges reduced in 2024 due to favourable macros and enhanced collection strategies.

Tax charges increased due to a combination of increased withholdings taxes on higher dividends received from our subsidiaries, a windfall tax levy imposed in Nigeria and the introduction of Pillar 2 global minimum tax in South Africa, which resulted in additional tax to be paid mainly due to our operations in the Channel Islands and in Mauritius.

These movements combined resulted in headline earnings of R40 billion for our Banking business unit, which is 3% higher than the prior year.

Our insurance and asset management business unit grew earnings strongly to R3.3 billion to drive the SBG franchise growth to 4%.

ICBC Standard Bank Plc, via the group's 40% stake, contributed just over R1 billion to group earnings, an 18% decline off a high base for this entity in 2023.

Banking

The slides that follow cover our banking business results. I will then cover Insurance & Asset Management, followed by some reflections on the group's business unit and regional performances.

Gross loans and advances to customers - modest growth supported by corporate lending

Slide 15 looks at trends in loan growth since 2019. Our steadily growing lending portfolios added another 3% in 2024. This growth represents a slow down when compared to prior periods. Client demand for credit was subdued as interest rates remained higher for longer than expected which impacted affordability. Some pick up in demand was evident in the second half of the year.

Corporate lending grew by 5%, driven by demand for energy and infrastructure financing.

On the right-hand side, we show loan growth in South Africa at 4% and in Africa Regions at 9% in constant currency.

South Africa disbursements – improved momentum in 2H24 in investment banking, business lending, home services, and BCB VAF

On this slide we show disbursements in South Africa for various products half on half to illustrate the pick up in lending in the second half of the year. After the election outcome and

some certainty around rate cuts, we saw client demand for lending increase across many products.

In investment banking we leveraged opportunities in energy, sustainable finance, and infrastructure investment. CIB SA originated over R160bn in the second half of the year. In business lending we saw client confidence and demand pick up, driving disbursements 25% higher. Home services disbursements were down 5% year on year, but you can see activity levels picked up in the second half, as demonstrated. The mortgage market remains competitive in South Africa and we continue to focus on writing good quality business that is adequately priced and in line with our loan-to-value parameters, to optimise profitability through the cycle. Clients appreciate our support through the cycle which remains consistent and we remain the lender of choice for mortgages in South Africa. In PPB, VAF disbursements slowed in the second half as we adjusted our strategy to focus on existing clients and we made scorecard changes to reflect our changed origination strategy and risk appetite.

Deposits – strong growth impacted by currency

Deposit growth momentum has been good over the last 5 years and deposits grew by a further 6%. This growth was driven across many of our valuable client deposit franchises including call accounts, term deposits and current and savings accounts. Once again, the impact of weaker exchange rates dampened growth in Rands and Africa Regions continued to show good deposit growth of 14% measured in constant currency terms.

Net interest income – growth despite competitive landscape

Net interest income grew by 3% to R101 billion. Relatively subdued lending growth compared to prior years and slightly lower margins combined to deliver this result.

The net interest margin of 490 basis points was positively impacted by endowment but offset by pricing pressures across home services, commercial asset financing and corporate lending. The positive endowment impact contributed a R1.9 billion uplift in net interest income. As rates decline, the positive impact of endowment is expected to fade. The group continues to hedge endowment risk. In South Africa, the sensitivity to a 100-basis point interest rate cut has reduced from R1.4 billion last year to around R900 million in 2024. Our overall programme, including tactical hedges in Africa Regions and in Offshore operations, contributed positively to NII in 2024. These hedges are expected to preserve NII growth in 2025 and have been included in the 2025 guidance that I will take you through later in the presentation.

Net fee and commission – supported by client franchise growth and increased activity

Within banking non-interest revenue, net fee and commission revenue increased by 4% to R32 billion. This growth was supported by growth in our client base, higher transactional volumes and annual price increases. The personal and private banking business in South Africa recorded a noteworthy growth of 12% in net fee and commission revenue, as client retention and entrenchment strategies continued to bear fruit. Account transaction fees were up a pleasing 9% and increased card spend supported healthy growth in card fees. Our customers' preferences for digital channels continues to be evident in good growth in electronic banking fees.

Trading revenue – continued growth off a high base with strong momentum in 2H24

Trading revenue increased year on year by 3% to R21 billion, off a very high base in 2023. This result was supported by a strong finish to the year. The impact of reduced demand for commodity hedging and lower equity trading volumes was more than offset by strong growth in fixed income and currency trading.

Within CIB global markets revenue, client franchise related revenues continue to make up more than 80% of revenues.

Provisions – growth muted in line with loans, and total coverage flat

On slide 21 we turn to credit provisions and start by looking at our balance sheet positions at year end.

Starting on the top left, gross loans increased by 2%.

Similarly, as shown on the bottom left, total provisions for credit impairments increased by 2% year on year to R65 billion. Accordingly, the group's total coverage ratio remained flat.

Within the loan book we saw stage 3 loans as a percentage of the book, increase marginally and we increased coverage ratios to result in R49 billion of balance sheet provisions held against stage 3 loans.

Increased coverage ratios on Stage 3 loans were necessary in secured asset lending in South Africa to account for the increased length of time which loans are spending in Stage 3 without resolution. Continued client strain with interest rates higher for longer and delays in the legal processes in mortgages specifically have contributed to the increased milling. The group continues to proactively engage clients who are showing signs of distress, and we remain committed to keep clients in their homes where possible.

Our total coverage ratio, at 3.8%, remains high and we are confident that we are well positioned at this point in the cycle.

PPB South Africa provisions – continued reduction in early delinquencies and non-performing loans from peak in June 2024

PPB South Africa makes up two thirds of non-performing loans, so we thought it would be worthwhile spending some time on the trends in this portfolio specifically. Consumers in South Africa remain under pressure, navigating high inflation and interest rates and low economic growth. Across the industry, customers in debt review have grown and this industry-wide portfolio is now around R90 billion. Our customer base continues to demonstrate resilience with consumers proactively trying to find means to protect their assets and credit records.

We are pleased to note that inflows into early delinquencies (shown in the left-hand graph) have slowed and overall balances have been reducing since mid 2023. As expected, interest rate reductions in the second half of 2024 helped lending demand and affordability improved; both of which have assisted us in working through the stock of non-performing loans. We are encouraged that these balances appear to have peaked and have now started to slowly decline. We will continue to work through the resolution of these loans in 2025.

Credit impairment charges – decline driven by enhanced collection strategies, improved macroeconomic outlook and recoveries in CIB

The overall charge for credit impairments in the income statement decreased by 7% year on year. Within this, credit impairments on lending activities decreased by 13% and credit impairments on financial investments increased substantially. Credit impairments were raised against financial investments to account for sovereign credit risk deterioration in Malawi and Mozambique. In 2023 we released a provision for sovereign credit risk in Ghana. I remind you that impairments on financial investments are not included in the credit loss ratio.

Lower credit impairment charges on lending were driven largely by the slowdown in early arrears and reducing inflows into non-performing loans in PPB and BCB, down 6% and 11% respectively. Forward looking provision releases also contributed to lower income statement charges. In Africa Regions, credit impairments increased in local currency in PPB and in BCB. Within CIB, successful restructuring and cures of long outstanding Stage 3 corporate loans resulted in a very low charge when impairments for sovereign risk are excluded, and this is reflected in the loss ratio for CIB of only 8 basis points. The relatively slow loan growth,

combined with 13% lower credit impairment charges, resulted in a 15 basis point decline in the credit loss ratio to 83 basis points.

Credit impairment charges – notable reductions recorded in 2H24

On this slide 24 we have illustrated the change in credit impairment charges by product year-on-year on the left-hand side, and half-on-half in the middle of the slide. For the retail and business portfolios, the momentum in the slowdown in impairments is evident in the second half and this bodes well for credit impairments in South Africa in 2025. In CIB the charges are more idiosyncratic and subject to client developments.

Operating expenses – costs well managed

Turning now to expenses on slide 25.

Continued focus on cost management, combined with the favourable currency translation impact, led to total operating expenses remaining flat year on year. In constant currency terms, costs were up 8%. Staff costs were marginally higher as the impact of annual wage increases was largely offset by lower performance-related incentives. A decline in professional fees, as well as reduced communication, depreciation and marketing expenses provided scope for continued investment in software and technology.

IT spend – leveraging our 'save-to-invest' strategy to extract continued benefits

Slide 26 shows total IT spend, including IT staff costs, up 2% year on year and comprising 28% of total costs. Within this cost, software, cloud and technology-related costs increased by 3% as investments to improve platform stability, cyber resilience, and digital client features continue.

We continue to increase our use of computer processing in the public cloud, which now stands at 44%. Being in the cloud as you know, enhances our agility, and resilience and core system availability throughout 2024 is testament to this. IT intangible amortisation was flat year on year as the group's large historic IT programs roll off.

Operating expenses – sustained positive jaws has driven the cost-to-income ratio down since peak in 2020

Over the last 4 years since the pandemic, our focus on cost management and maintaining cost growth below revenue growth has paid off; we have delivered consistently positive operating leverage. The cost-to-income ratio has now reduced to just over 50%.

IAM

I am now turning to Insurance and Asset Management.

IAM – improved overall sales, margins and efficiencies drove uplift in new business value, with positive net client cash flow and market returns increasing AUM & AUA

Starting at the top left of this slide, our Insurance business had an excellent year with improved overall sales, margins and efficiencies which drove an uplift in new business value of 14%. In the top middle graph, our short term insurance business gross written premiums were up by 5%. In Asset Management, STANLIB has recorded steady improvements in performance in recent years, and a number of STANLIB funds are now recognised as top quartile. Positive third-party customer inflows and good market returns increased assets under management and administration by 13% in South Africa and by 25% in Africa Regions in constant currency.

IAM performance – double-digit earnings growth and capital actions drove ROE higher

The Insurance & Asset Management business unit headline earnings grew by 17% to R3.3 billion and ROE improved substantially to 16.7%. A combination of improved retail persistency experience and lower new business strain supported insurance earnings growth of 3%. Asset management operating earnings increased by 10% to R1.0 billion, driven primarily by increased earnings from STANLIB in South Africa. Returns on the shareholder portfolio more than doubled due to favourable investment markets and increased property valuations.

Concluding on the Liberty transaction – in the three years since the buyout we have delivered ahead of expectations

It has now been three years since the Liberty minority buyout. In that time, the business has been integrated into the group and close collaboration across the banking, insurance and asset management businesses is now well entrenched.

The corporate structure has been simplified, and this has enabled considerable capital efficiencies and distributions. The cumulative distributions made, since the Liberty transaction was announced, amount to R13 billion, more than the minority consideration on the announcement of the transaction. Integration costs were much less than expected and over R620 million of annual pre-tax synergies were realised in 2024. We are looking forward to ongoing revenue synergies arising from an integrated customer offering.

Capital and returns

Capital – robust capital and liquidity position

The group's robust capital and liquidity positions shown on slide 33, enable both our continued support of client growth and distributions to shareholders.

The group's common equity tier 1 ratio was 13.5% and the group's liquidity ratios remain well above the 100% regulatory requirements.

ROE & dividends – strong capital generation supported returns and distributions

The group's return on equity was 18.5% for the year. This is within our target range of 17-20% and significantly above cost of equity of 14.9%. The graph in the middle of the slide illustrates shareholder value added over time, and for 2024 the group's earnings exceeded its cost of capital by R8.7 billion. Taking into account the group's strong capital generation, R30 billion of the R45 billion headline earnings generated was distributed: you can see here,R26 billion was distributed as dividends and R4 billion as share buybacks. Ordinary dividends declared for 2024 amount to R15.07 per share, an increase of 6% and a payout ratio of 56%.

FY24 business and regional performance overview

I will now discuss the performance of our business units and regions.

SBG portfolio – well-diversified and resilient earnings

On slide 36 we have represented the group's headline earnings by business unit on the left, product in the middle and legal entity or geography on the right.

These charts demonstrate the diversity and breadth of our client franchise.

In this period of volatility, our mainstay retail banking business demonstrated its importance to the stability of the group. In a difficult operating environment, this franchise grew earnings by a solid 8%. CIB demonstrated remarkable resilience to absorb currency impacts to grow earnings by 5% year on year.

Through a product lens, Investment Banking had a standout year due to excellent deal origination.

From a legal entity perspective, our offshore operations in Jersey and the Isle of Man were negatively impacted by the endowment impact of declining interest rates but nevertheless delivered R4 billion in earnings at an ROE of 28%. Africa Regions contribution to the group's earnings remained above 40%.

Business units – three sizeable banking businesses and a growing insurance and asset management franchise

The waterfall chart on slide 37 illustrates contributions to the group's earnings and shows the sizeable contributions from our three banking businesses and a growing insurance and asset management business.

- CIB generated R20.5 billion in earnings, up 5% year on year, and this is on a large base set in 2023. On a constant currency basis, CIB grew by an impressive 21%.
- PPB grew headline earnings to R11.3 billion, up 8% and generated an ROE of 23.3%.
- BCB improved ROE to an excellent 38.0%. Earnings of R9.3 billion were delivered but growth was subdued at 2% in constant currency and down 1% in Rands for the BCB business unit.
- IAM delivered strong growth and ROE improved materially to 16.7%.
- ICBCS recorded a strong operational performance and our share thereof in Rands was just over R1 billion.

SBSA – double-digit earnings growth supported by a growing client franchise, increased activity, and improved credit performance

This slide covers our largest legal entity, The Standard Bank of South Africa.

NII in this entity grew by 6% on the back of 4% loan growth, and NIR was flat on the prior year. Within NIR, we are pleased that fees grew 7%. This is an excellent representation of our growing and active client base across South Africa. Particularly pleasing was the fact that PPB South Africa grew fees by 12% year on year and 13% in the second half of the year. Excellent cost control and lower credit impairments resulted in 11% headline earnings growth and an improving ROE in SBSA.

Africa Regions – ROE improved, and underlying franchise growth was strong, but earnings was diluted by currency translation headwinds in the West Africa Region

I will now cover Africa Regions legal entities at a high level on slide 39.

The impact of the devaluation of subsidiary currencies against the Rand is very evident here. In West Africa the Naira devalued by more than 100% and the Kwanza and Cedi devalued by, on average, 28% and 27% respectively. As a result, while constant currency earnings are up

37% in West Africa, earnings reported in Rands declined. Despite excellent local currency results, inflation remained high in these markets. Looking forward, we expect inflation to ease in West Africa and are confident that the policy reforms introduced over the past years are stabilising the macro-economic outlook.

In East Africa our operations benefited from growing balance sheets and activity levels driving revenue growth 11% higher in constant currency. A meaningful reduction in credit impairments due to improved book quality and a post write off recovery assisted in delivering good earnings growth in East Africa.

In the South and Central Region, we experienced mixed results. Zimbabwe changed their currency early in 2024 and Mozambique suffered a sovereign downgrade after post-election riots, both of which impacted financial outcomes for these entities.

We are pleased with the overall Africa Regions legal entity results of headline earnings growth of 22% in local currency terms, and this is evidencing very strong franchise momentum. Rand denominated earnings of R18 billion were slightly lower than the prior year. Return on equities improved in all three regions to an overall strong 28.4%.

Africa Regions – the diversified portfolio has delivered double-digit growth in aggregate and across all three sub-regions in ZAR

Over the last 10 years, through many cycles and disruptions, our portfolio of financial services organisations in sub-Saharan Africa has indeed delivered an impressive 14% compound annual growth in headline earnings in Rand terms, with all 3 sub regions growing strongly. On the right hand side of the slide we show a country by country view up until 2023. 2024 is shown as a solid bar as some of our listed entities have not yet reported.

FY25 outlook

FY25 macroeconomic outlook – easing inflation, lower interest rates and GDP acceleration

I will now turn to our outlook for 2025 and discuss macros first. Overall, the macro forecasts are constructive and they bode well for lending and activity growth. On a weighted average portfolio basis, we see inflation reducing further to average around 6%. On interest rates, we forecast approximately a 100 basis point reduction in weighted average rates. We expect real

GDP growth to accelerate to 2.7%, driven mainly by expansion anticipated in South Africa off a low base in 2024, and continued high GDP growth rates of 4.5% in Africa Regions.

As previously mentioned, the 9% currency devaluation impact that we experienced in 2024 is expected to reduce meaningfully in 2025. This means that constant currency and Rand growth rates should be closely aligned in 2025. We anticipate a small further devaluation in local currencies in Angola, Ghana and Nigeria.

SBG FY25 guidance – expect continued growth and currency impact to be minimal

On slide 43, I will take you through our short-term guidance. I remind you that this guidance is shown on a Rand basis.

For the twelve months to December 2025, we expect the following:

- **Net interest income is expected to be up by mid-to-high single digits** year-on-year on the back of stronger loan growth and declining margins, despite endowment hedge benefits.
- **Non-interest revenue is also expected to grow by mid-to-high single digits**. A larger and more active client base will support this growth.
- While we will continue to focus on cost growth, we will equally continue to invest in our business to remain competitive and to grow. **Banking cost growth is expected to be marginally slower than banking revenue growth** and hence we anticipate flat to slightly positive jaws.
- Credit impairment charges are expected to be higher than in 2024 due to a pick-up in loan growth, forward looking provision releases not repeating and CIB charges normalising.
    - The group's credit loss ratio is expected to remain around the middle of the group's through-the-cycle credit loss ratio range of 70 to 100 basis points.
- We are anticipating **Insurance and Asset Management** earnings growth and further improvements in ROE to well within the Group's 17-20% target range
- The group's 2025 **ROE is expected to remain well anchored inside the group's target range of 17% to 20%**.
- Ongoing capital generation will support distributions to shareholders and dividend payouts are expected to remain at the top end of the 45-60% range.

While uncertainty is expected to remain elevated, our business is well diversified, growing, and resilient.

SBG 2025 targets – tracking ahead of plan

In August 2021 we set out the targets shown on this slide for 2025. Our strong performance since 2020 and the guidance I have just outlined gives us a high level of confidence that we will deliver on these targets.

I will now hand back to Sim to take you through our strategy and targets beyond 2025.

3.0 Beyond 2025

Thank you ever so much Arno**.**

As you have heard, we think that economic conditions in Africa will be favourable this year, and we have high confidence that we will meet our targets for 2025. However, at the risk of stating the obvious, the world has entered a period of heightened economic uncertainty. Modelling by the International Monetary Fund, by the South African Reserve Bank, and by Standard Bank's own economists, risk managers and front line indicates that a prolonged and serious trade war would be negative for growth. The IMF model, for instance, suggests that the world economy would be 0.3% smaller this year if tariffs were significantly increased. The Reserve Bank's scenario finds that a global trade war could led to a significantly weaker Rand, higher domestic inflation and, therefore, more contractionary monetary policy in South Africa.

Standard Bank agrees that higher tariffs would have a negative effect on GDP in South Africa and in other emerging markets – although we think that this effect will be relatively small. To be specific, Standard Bank's modelling suggests that, in a world with significantly higher tariffs, the South African economy would grow about 0.1 percentage points this year more slowly than if higher tariffs had not been imposed. As these estimates imply, a higher-tariff world will, unfortunately, damage businesses in the most-affected sectors - and therefore place people working in those sectors and their families under more strain.

In summary on trade wars: as we can see

- Firstly, from the data and the modelling
- Secondly, assuming a substantial increase in global tariffs from their current low single digit level to a weighted average tariff of 10% on all goods,

we conclude that overall economic impact of a tariff war scenario is still likely to be quite small for our operations. Our outlook therefore remains positive for Africa, just as Arno has just described.

Having said that, we must also accept that much remains uncertain in the economic outlook. For instance, according to media reports, the relationship between South Africa and the United States has become more. We have analysed the possible scenarios and risks arising from heightened global tensions and from rising populism domestically and internationally. While it is possible that the super-powers could fall into the famous 'Thucydides trap' of armed conflict, we continue to think that this is very unlikely.

We have also analysed possible scenarios arising from changing attitudes towards South Africa by important decisionmakers. This analysis includes a consideration of the state of property rights in South Africa, the risk that they might deteriorate, and the possible causes and consequences of that hypothetical deterioration. In the context of South Africa's gold-standard Constitution and Bill of Rights, and our deeply entrenched rule of law, we have concluded that the Expropriation Act of 2024 does not weaken property rights in South Africa, nor does it weaken the sanctity of contract.

To quote Werksman's – one of South Africa's most authoritative law firms – 'Expropriation Without Compensation as it is set out in the Expropriation Act would only be applicable in very limited circumstances.' Further, any proposed expropriations – with or without compensation – would be subject to judicial review on grounds including Constitutionality, rationality, fairness and the public interest. In summary on land expropriation: it is reasonable to conclude that the new Expropriation Act does not warrant any modifications to our lending policies or risk appetite.

South African banks – including Standard Bank of course – continue to maintain a high levels of compliance with domestic law in all the jurisdictions where we operate, and with international public law including money laundering and related laws and norms. As we understand it - thanks to a successful programme of reforms - and more prosecutions now underway, there is now a high probability that South Africa will leave the FATF grey list in October this year.

Taking a broader and longer view, we continue to be certain that this is the African century. The fundamentals are on our side. As trade barriers rise elsewhere, Africa is getting more united thanks to the African Continental Free Trade Area. In most of the rest of the world, populations are aging – or even shrinking – and growth is slowing. Our working-age population is growing and getting better educated. Further, Africa is abundantly blessed with all the

resources needed to help power the current state of the global economy and to make the transition towards a lower-carbon world.

SBG 2028 – we have a well-diversified business with scale and are positioned to win

As we look forward, we are in a very strong position. We are, for example, the most valuable banking brand in Africa. We are the custodian of R2.1 trillion in deposits plus R1.5 trillion in assets under management. Our total assets now stand at R3.3 trillion – we therefore remain the largest financial institution in Africa by assets. We are very well positioned to win in our markets and to generate attractive returns for our investors. Frankly, there is no other financial services business as well placed in Africa as the Standard Bank Group.

SBG 2028 – our strategic priorities remain unchanged, and we are focused on execution

Our purpose and strategic priorities will remain unchanged until 2028. We intend to achieve our goals in two main ways. First, we will continue to defend and grow our core businesses. These core businesses remain very well positioned to support Africa's short, medium- and longer-term growth. Second, we are actively pursuing new growth opportunities in three areas over the medium-term. Executing on these opportunities will enable us to further elevate our earnings and returns.

SBG 2028 – we are well positioned to capture Africa's growth

Let me say a little more about why we are focusing on these areas and why we are also confident of our ability to win in these markets.

We intend to lead Africa's energy and infrastructure development for two simple reasons.

- First, that there is immense demand for new infrastructure in Africa. It is often said that Africa cannot afford to invest in new infrastructure. This is not accurate. According to the African Development Bank, as things stand, Africa can afford to self-finance roughly $65 billion over the next fifteen years, which is about half the investment required. Our ambition is to mobilise as much of this as is possible – and, at the same time, to attract external funding. We will be doing this in fulfilment of our purpose – Africa is our home, we drive her growth. But equally, this is an immense commercial opportunity.
- Second, we have unmatched capacity in infrastructure and energy finance, thanks to our deep sector expertise, our links to the global financial markets, and our sheer scale.

This, therefore, is an area in which we know we can do well by doing good, and in which we can win.

The case for being Africa's leading private bank is equally clear.

- Africa's strong and steady growth is rapidly creating middle and affluent segments in need of world-class financial services. We estimate that there are around 3 million potential private clients in South Africa, and about 5.5 million potential affluent clients in Africa Regions.
- We are already very good at providing higher-end retail financial services in many markets and through our offshore hubs. In South Africa, we estimate that we have existing relationships with more than half of the people in this segment.
- So, again, this is an area in which we know that there is rapidly growing effective demand – and in which we know we can provide market-leading services.

Our third growth opportunity is optimising our portfolio to respond to client demand in Africa's growing economies. This is an extension of our previous focus on East Africa. We are, of course, still committed to strengthening our position in East Africa, which remains the fastest-growing sub-region. But our ambition has broadened. We will now aim to grow and refine our footprint to better serve our clients throughout Africa and to capture more of Africa's growing trade and investment flows. For example, in 2024, BCB launched its offering in Mauritius to serve the needs of their clients for offshore banking. We are now awaiting the final approval to open a representative office in Egypt. This will enable us to better support our clients who are already active in north and east Africa, who are using Egypt as their base for multinational operations in Africa, and who are trading along the Africa-Gulf Cooperation Council corridor.

I should add, that we remain quite willing to exit markets if capital can be more efficiently deployed elsewhere. And, as always, we will not pay above a fair price for any asset.

Why do we think we can succeed with this broader ambition? Because Africa's macros are supportive, because we have a very strong capital position and because we have a very long track record of successful and disciplined expansion in service of our clients and of Africa's competitiveness and growth.

SBG 2028 – we are confident we can deliver continued attractive growth and better returns

Here are the targets we are now committing to reach over the period from 2026 to 2028.

As can be seen, we are committed:

- To growing headline earnings per share at a compound annual growth rate of between 8 and 12% from 2026 to 2028
- To lifting our Return on Equity to within a new, higher, range of 18 to 22%.

These core metrics will be supported by the supplementary targets listed below, of which a cost-to-income ratio below 50% is probably the most significant.

Let me make the central point of today's presentation even more explicit. We do not arrive at these targets lightly. We are confident we will achieve them. As we have just shown, we are going to meet the targets for 2025. which we set in 2021. Our ten-year record is equally solid. We submit, therefore, that investors have every reason to share our confidence that we will meet our new targets to 2028.

Brand Value slide

Thank you all very much for your interest. That concludes our presentation.