

Standard Bank Group

FINANCIAL RESULTS PRESENTATION

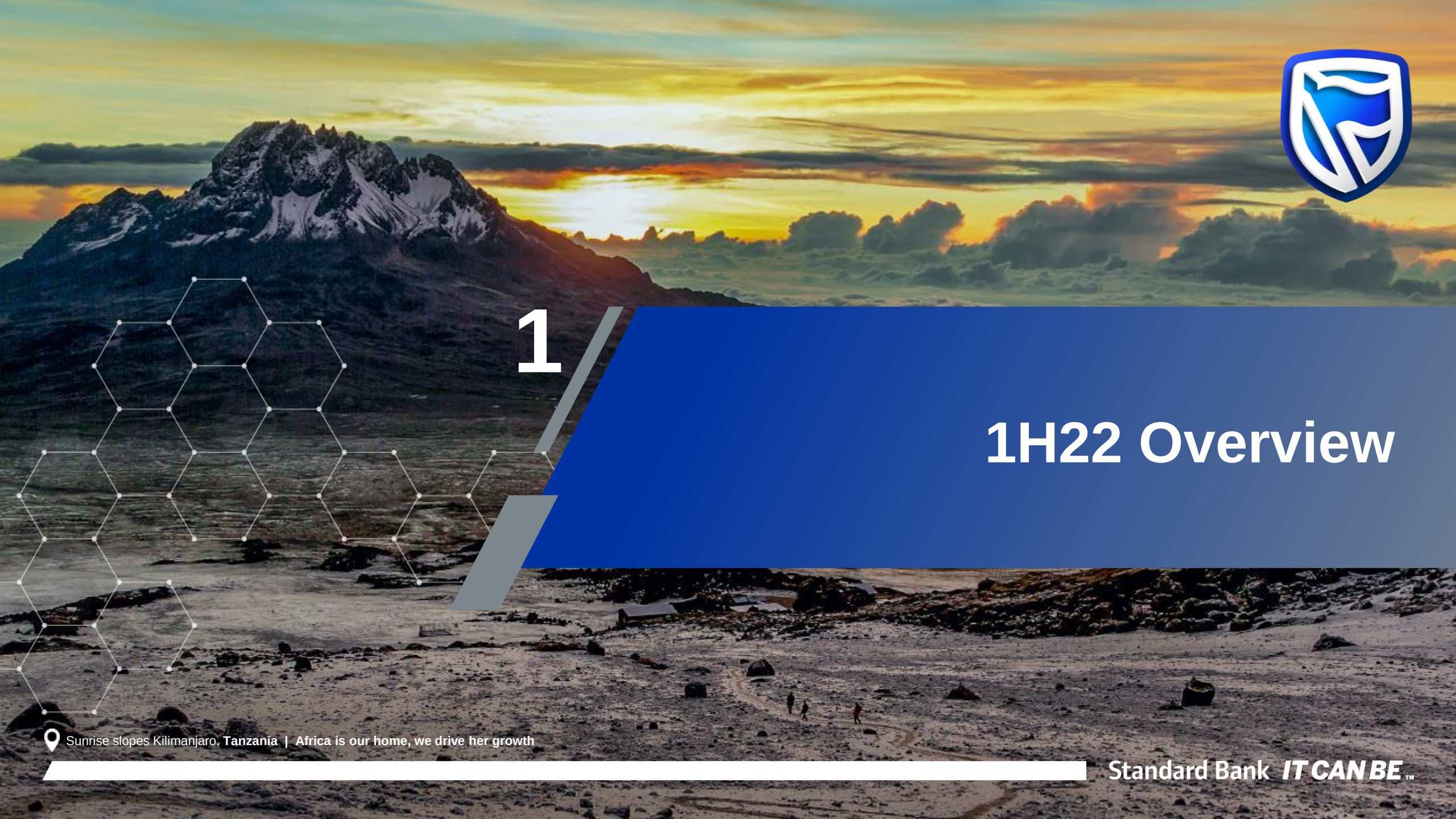
For the six months ended 30 June 2022

19 August 2022

Sunbeams break through clouds and hit a valley with a lake and snow-capped mountains, **South Africa | Africa is our home, we drive her growth**

Standard Bank IT CAN BE

Also trading as Stanbic Bank



1

1H22 Overview

Sunrise slopes Kilimanjaro, **Tanzania** | **Africa is our home, we drive her growth**

1H22 operating environment

Complex backdrop – geopolitical tensions, election preparations and increasing social challenges



Globally

- Geopolitical tensions increased – Russia/Ukraine conflict and China/US relations
- Macro-economic environment deteriorated, and inflation spiked
- In response, Central Banks increased interest rates faster than previously expected
- The complex backdrop and uncertain outlook drove market volatility
- Funding costs increased and risky asset prices fell



Sub-Saharan Africa (SSA)

- The impact of the global turmoil differed across our SSA countries
  - Higher commodity prices supported exporters
  - Food and fuel importers bore the brunt of higher prices and inflation
- Interest rates increased in almost all our countries of operation
- Various countries preparing for elections in 2H22 and 2023



South Africa (SA)

- SA was shielded by high commodity prices, strong terms of trade and a resilient ZAR
- Repo rate increases[1], while faster than expected, were measured and rates remain low relative to pre-pandemic levels
- Consumer balance sheets are healthier than in previous crises
- 1Q22 real GDP growth was stronger than expected but 2Q22 expected to be negatively impacted by the KwaZulu-Natal flooding and renewed electricity disruptions
- Slow growth and inflation pressures driving increasing social challenges

[1] *South African Reserve Bank increased rates by 100 bps in 1H22 and 75 bps in July 2022*

1H22 highlights

Record performance driven by franchise strength and continued momentum

01

Strategic progress

- Progressing well on path to deliver our 2025 targets
- Optimising our capital allocation
- Liberty integration underway

02

Headline earnings grew to R15.3bn, +33%

Underpinned by continued balance sheet and franchise growth, strong trading and well managed costs and risk

03

Returns exceeded COE, ROE of 15.3%

Supported by improved returns across all three client segments, in SBSA and Africa Regions, and Liberty's return to profitability

04

Interim dividend of 515 cents per share, +43%

Supported by net asset value per share growth of 11% and a CET 1 ratio[1] of 13.7%

[1] *Common equity tier 1 ratio*

Consumer & High Net Worth clients

Growing traditional financial services, while innovating to offer a broader range of solutions and client value

We finance more homes than anyone else[1]



Leveraging our #1 position to deliver more value to clients

R25.4bn, +9%
Revenue

R3.4bn, +28%
Headline Earnings

Continued momentum

- **>16m** active clients, **+8%**
- **>2.5m** platform clients[2], **+18%**
- **>250k** new Flexi-Funeral policies sold

+ Activity-based recovery

- **>240m** digital transactions, **+25%**
- **>R150bn** card issuing turnover[3], +**17%**
- **>R7.9bn** net fee and commission revenue, **+7%**

+ Optimising distribution

- Reduced branch floorspace by ~**24 000 sqm**[2]
- Grew kiosks and expanded ATM functionality
- Arranged alternative cash access points

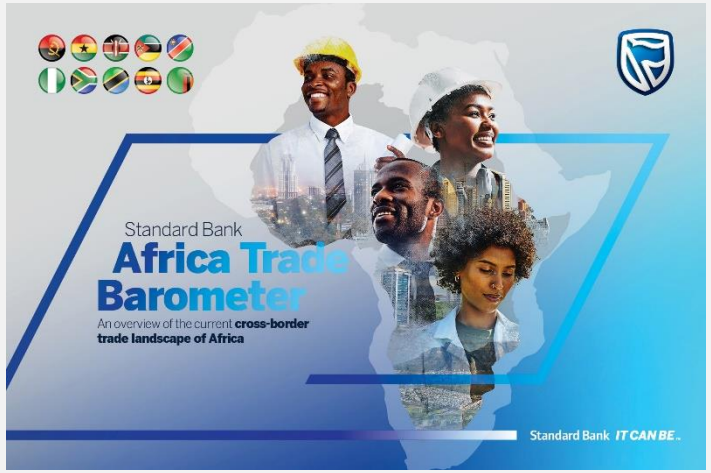
[1] In South Africa, based on finance provided, [2] Includes Instant Money in SA and Unayo, PayPulse, @Ease, and Flexipay in Africa Regions, [3] In South Africa

Business & Commercial clients

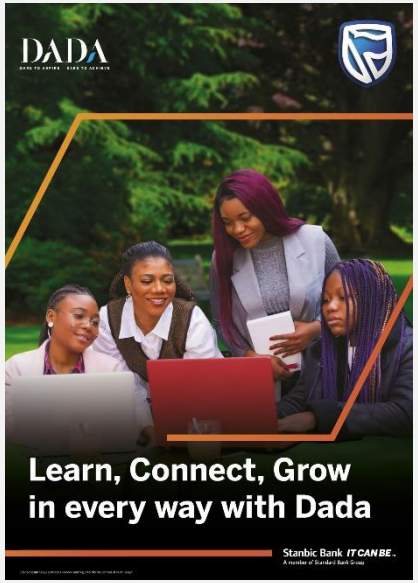
Strong relationships, underpinned by a deep understanding of our clients' businesses and their growth opportunities

We provide access to networks – Intra-Africa, Africa/China, Global

Platform providing leading trade-related insights



Value proposition specifically for Women (Kenya)



Leveraging our networks to help our clients' businesses grow

R14.8bn, +17%
Revenue

R3.3bn, +59%
Headline Earnings

Attractive proposition that resonates with our clients

- **>785k** active clients, **+4%**
- **~50%** of active clients are digitally active
- **~72m** digital transactions, **+8%**

+ Supporting business' recovery and investment

- Strong increase in trade volumes, **+21%**
- Merchant acquiring turnover, **+21%**
- Mobile transaction volumes,**+25%**

+ Focus on solving client problems

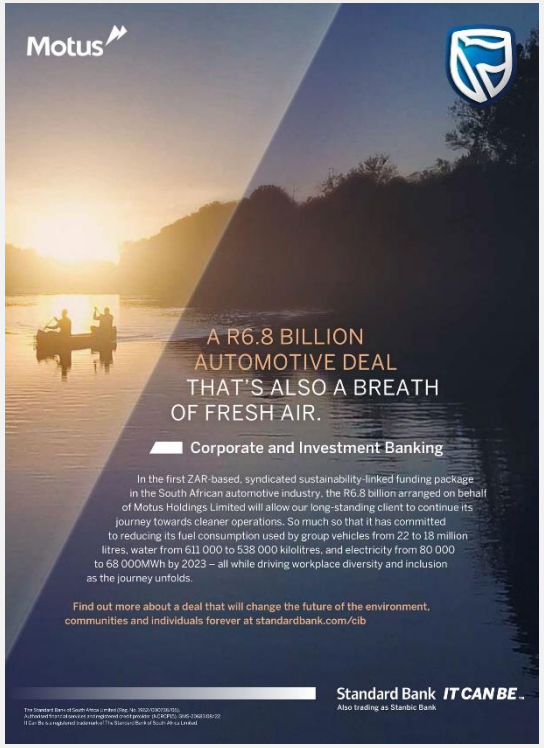
- Digitising commoditised products
- Entrenching relationships
- Developing and deploying platform solutions, with a focus on payments and trade

Corporate & Investment Banking clients

Long history and on-the-ground experience enabling us to drive growth and development across the continent

We are a leading African franchise with diverse sector expertise





Leveraging our expertise to deliver tailored solutions to our clients

R22.7bn, +20%
Revenue

R7.4bn, +16%
Headline Earnings

Record revenues

- Driven by client franchise revenue growth, **+24%**[1]
- **~60%** revenue from MNCs[2], **+17%**
- **~40%** revenue from local corporates, **+35%**

+ Diversified businesses all delivering results[3]

- Investment Banking, **+6%**
- Transactional Products and Services, **+22%**
- Global Markets, **+28%**

+ Leading franchise on the continent

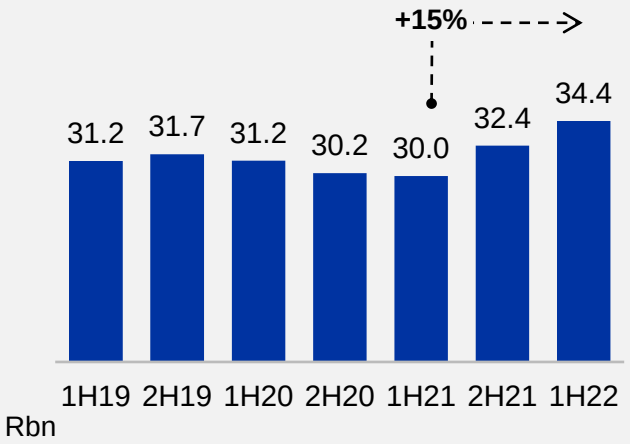
- On-the-ground presence in 20 African countries
- Deep understanding of local markets and ability to deliver specialist solutions for our clients
- Award-winning sustainable finance team who have partnered clients on numerous market firsts

[1] Growth 1H22 vs 1H21, [2] Multi-national corporates, [3] Based on revenue

Delivering record revenues and operational leverage

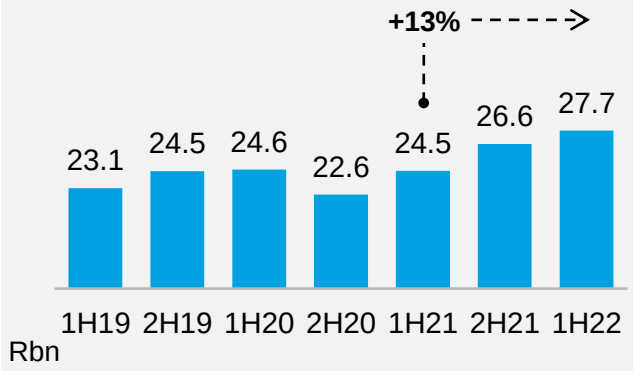
Another record performance across NII, NIR and PPOP in 1H22

Net interest income



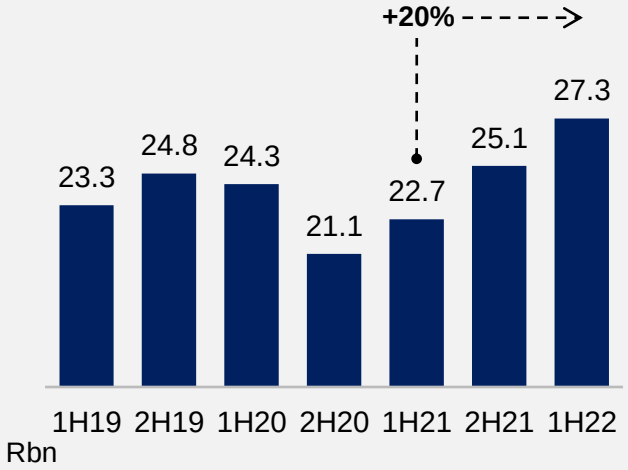
- Continued franchise momentum
- Strong average balance sheet growth
- Strong margin expansion – endowment tailwinds and favourable mix

Non-interest income



- Double-digit fee revenue growth
- Insurance recovery underway
- Market volatility supported client activity – trading revenue underpinned by client flows

Pre-provision operating profit



- Double-digit revenue growth
- Cost growth below inflation
- Strong positive jaws

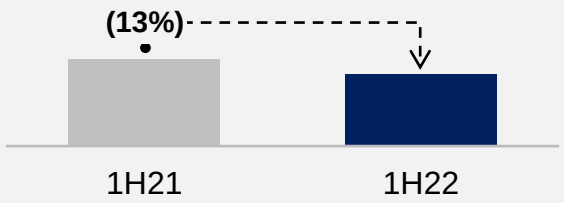
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Delivering savings to fund targeted investment

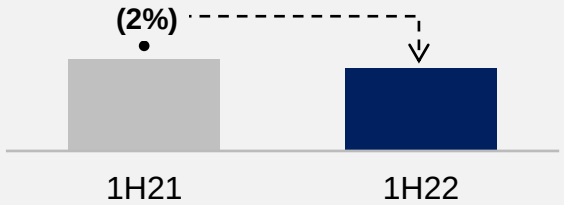
Structured programmes to deliver savings, while continuing to invest

Savings

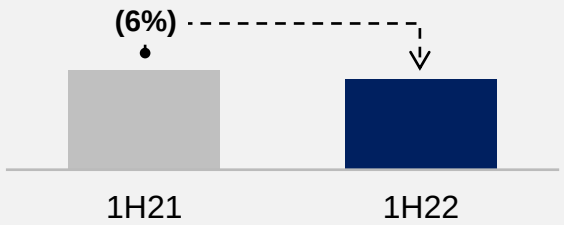
Hardware maintenance, Rm



IT consultant costs, Rm

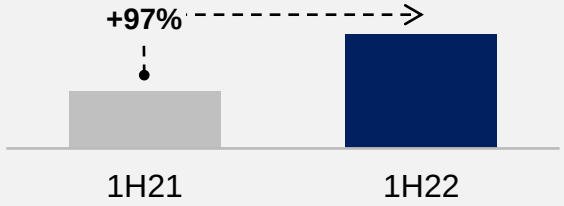


Ops rationalisation, # headcount

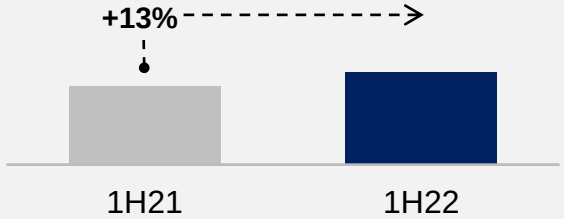


Investment

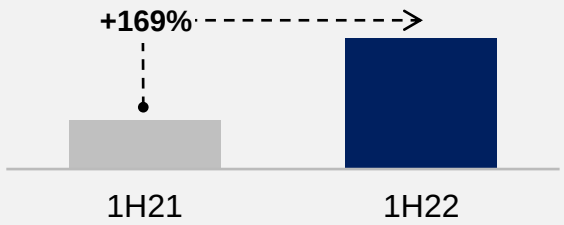
Cloud subscription costs, Rm



Software, Rm



Automating tasks,



Benefits

Improved agility

38% increase in changes deployed in 1H22 vs 1H21 (in SA)

Improved resilience

Reduction in critical (▼ 25%) and major (▼ 57%) incidents

Simplified IT landscape

Continued savings from decommissioning of legacy systems

Expanding pool of scarce IT skills

>1 500 certified cloud engineers

Revenue attributed to data

~R2bn revenue attributed to data in 1H22

Delivering positive impact

Finding solutions for our own and our clients' environmental and social risks and opportunities

Innovative solutions

1st

- Sustainability Linked Loan in the Automotive sector
- Syndicated Sustainability Linked Loan in the Consumer-packaged Goods sector
- Sustainability Linked Working Capital Facility in South Africa
- Social Loan in the REIT sector in South Africa

External recognition

Environmental Finance Bond Awards

- Social Bond of the Year – Corporate: SA Taxi

EMEA Finance Achievement Awards

- Best ESG Bond House
- Best Syndicated Green Loan House
- Best Financial Institution Green Bond in EMEA – Standard Bank's Tier 2 Issuance
- Best Sustainability Linked Loan – Woolworths' Debut Sustainability Linked Loan
- Best Sustainable Refinancing in Africa – Greenlight Planet Kenya's Sustainability Linked Loan
- Best Sustainable Refinancing in EMEA – Equites Property Fund's Multi-currency Bond and Loan Facilities

Global Finance Sustainable Finance Awards

- Outstanding Leadership in Sustainable Finance
- Outstanding Leadership in Social Bonds

>R250bn

sustainable finance commitment by end of 2026[1]

>R50bn

commitment to financing renewable energy by end 2024[2]

Net zero

emissions commitment by 2050

[1] SBG will mobilise a cumulative amount of >R250bn for sustainable finance, [2] Included in the target of >R250bn is R50bn of financing for renewable energy



2

Group financial performance

Huge Sibebe monolith rock, **Eswatini** | **Africa is our home, we drive her growth**

1H22 financial performance

Record 1H headline earnings supported higher interim dividend, improvement across all key metrics

Pre-provision operating profit

1H22: **R27.3bn**

1H21: R22.7bn

↑ **20%**

Group headline earnings

1H22: **R15.3bn**

1H21: R11.5bn

↑ **33%**

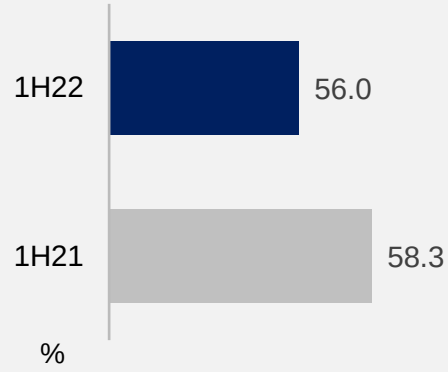
Dividend per share

1H22: **515cps**

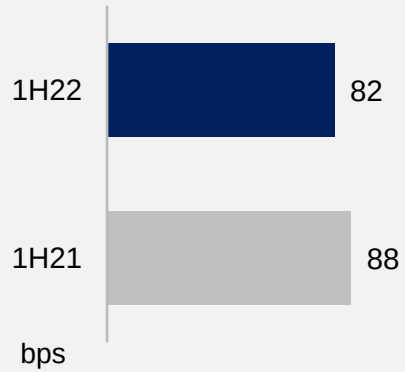
1H21: 360cps

↑ **43%**

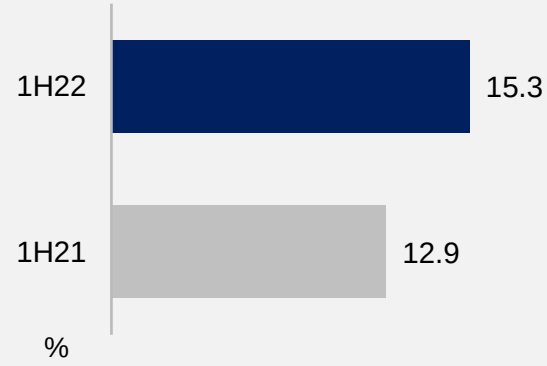
Cost-to-income ratio



Credit loss ratio



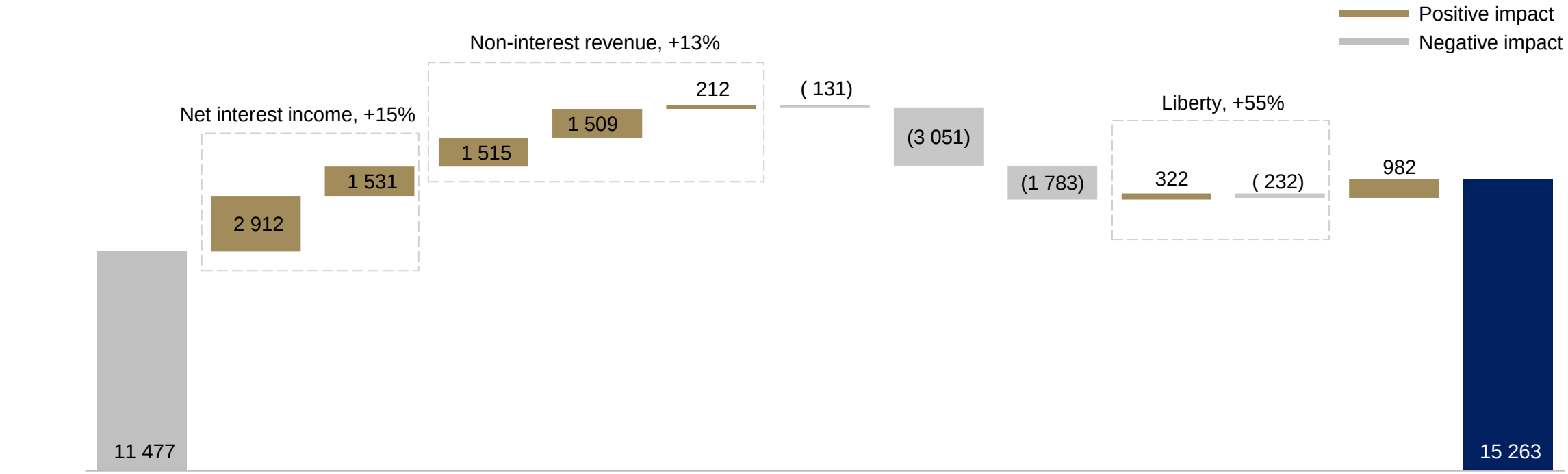
Return on equity



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Group headline earnings analysis

Robust revenue, below-inflation cost growth and muted credit charges drove strong growth in earnings



Rm	1H21	NII growth	Endowment	Net fee & commission	Trading revenue	Other revenue	Credit impairments	Operating expenses	Tax & other	SBG share of Liberty earnings	Treasury shares	ICBCS (40% stake)	1H22
Var. %		+10%[2]	+5%[2]	+10%	+21%	+8%	+2%	+10%	+30%	+>100%	(>100%)	+>100%	+33%
CCY[1] Var. %		+13%		+11%	+17%	+8%	+2%	+9%	+25%	+>100%	(>100%)	+>100%	+31%

[1] *Constant currency,* [2] *Relative to net interest income in 1H21*

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Income statement

Strong balance sheet growth, improved client activity and muted growth in credit impairment charges

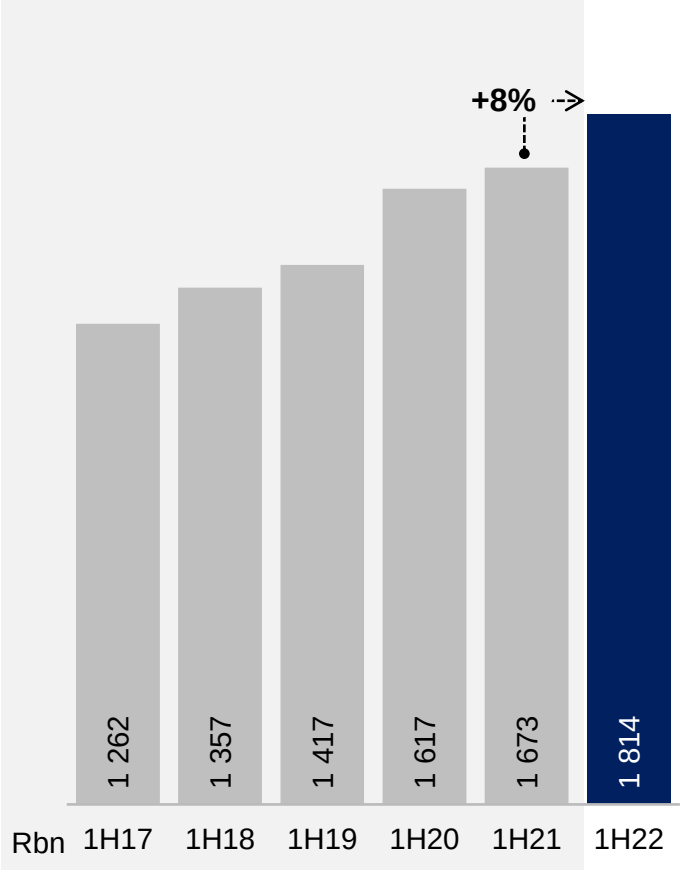
	1H22 Rbn	1H21 Rbn	Change %	Change CCY %
Net interest income	34.4	30.0	15	13
Non-interest revenue	27.7	24.5	13	12
Total income	**62.1**	**54.5**	**14**	**13**
Operating expenses	(34.8)	(31.8)	10	9
Pre-provision profit	**27.3**	**22.7**	**20**	**18**
Credit impairment charges	(5.9)	(5.8)	2	2
Standard Bank Activities headline earnings	**13.6**	**10.9**	**25**	**23**
SBG share of Liberty earnings[1]	0.5	0.1	>100	>100
Treasury shares (Liberty adjustment)	(0.2)	0.0	(>100)	(>100)
ICBCS (40% stake)	1.4	0.4	>100	>100
SBG headline earnings	**15.3**	**11.5**	**33**	**31**
Net interest margin, bps	383	361		
Credit loss ratio, bps	82	88		
Jaws, bps	450	(328)		
ROE, %	15.3	12.9		

[1] *SBG share of Liberty earnings was ~57% until 31 January 2022, and 100% thereafter*

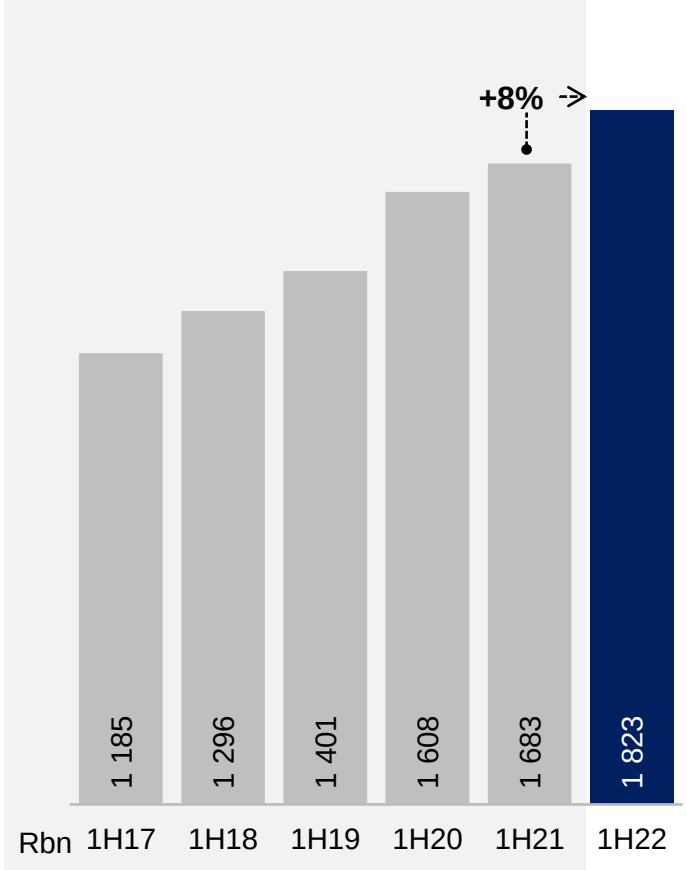
Average balance sheet

Growth underpinned by strong growth in loans and deposits, particularly in 2H21

Average interest-earning assets



Average interest-bearing liabilities



Key takeouts

Average interest-earning assets:

- Supported by strong disbursements, particularly in CHNW in 2H21
- Increased demand for trade facilities as lockdown restrictions were lifted and economic activity resumed
- Corporate loan growth supported by higher working capital requirements

Average interest-bearing liabilities:

- Growth in the active client base supported growth in current and call deposits
- Growth in longer-term deposits as clients sought higher yields

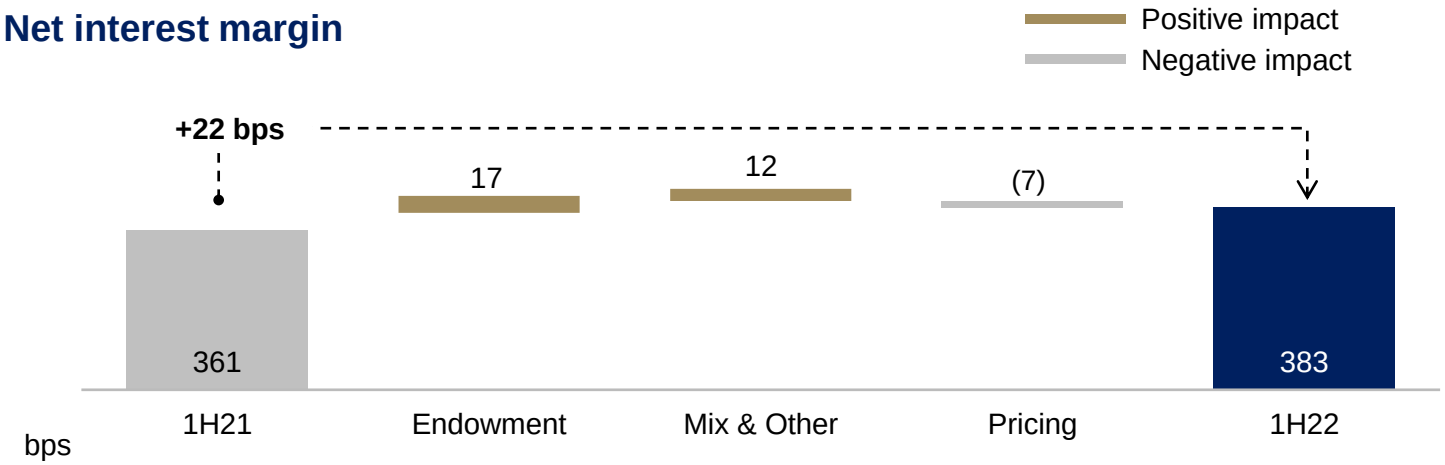
Favourable mix:

- Africa Regions growth > South Africa
- Retail-priced deposit growth > wholesale-priced deposits

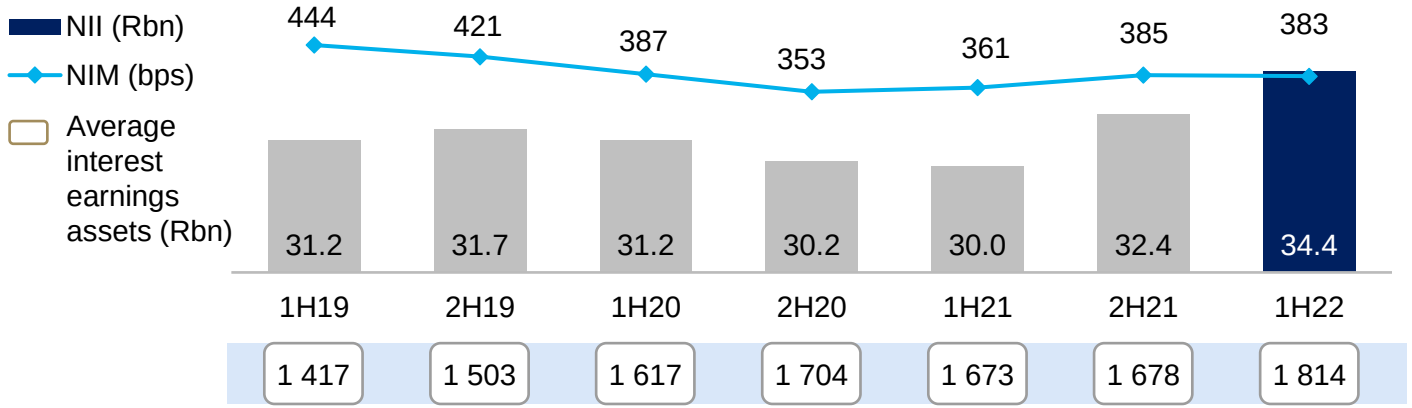
Net interest income

Higher average interest rates and favourable change in mix drove margin expansion, NII up 15%

Net interest margin



NIM trend HOH[1]



Key takeouts

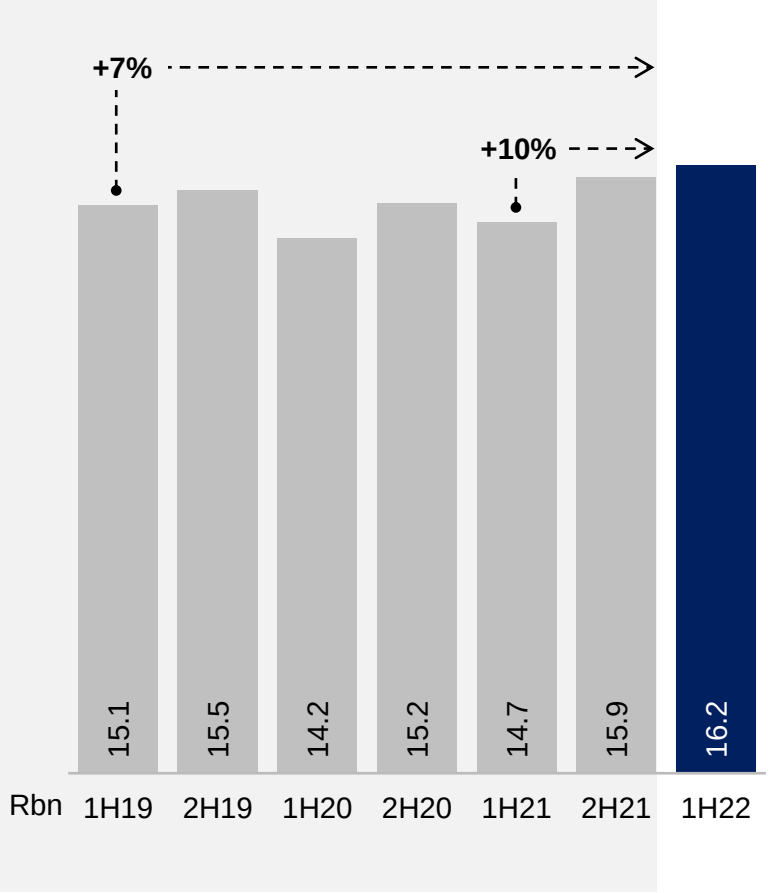
- Increase in financial investments and loans to banks supported margin expansion
- Good balance sheet growth supported net interest income growth
- Positive endowment due to the increase in interest rates across almost all of our countries of operations
- Excluding endowment, net interest income grew by 10%
- Change in balance sheet mix as the higher yielding Africa Regions book growth outpaced growth in South Africa

[1] *Implied based on simple average*

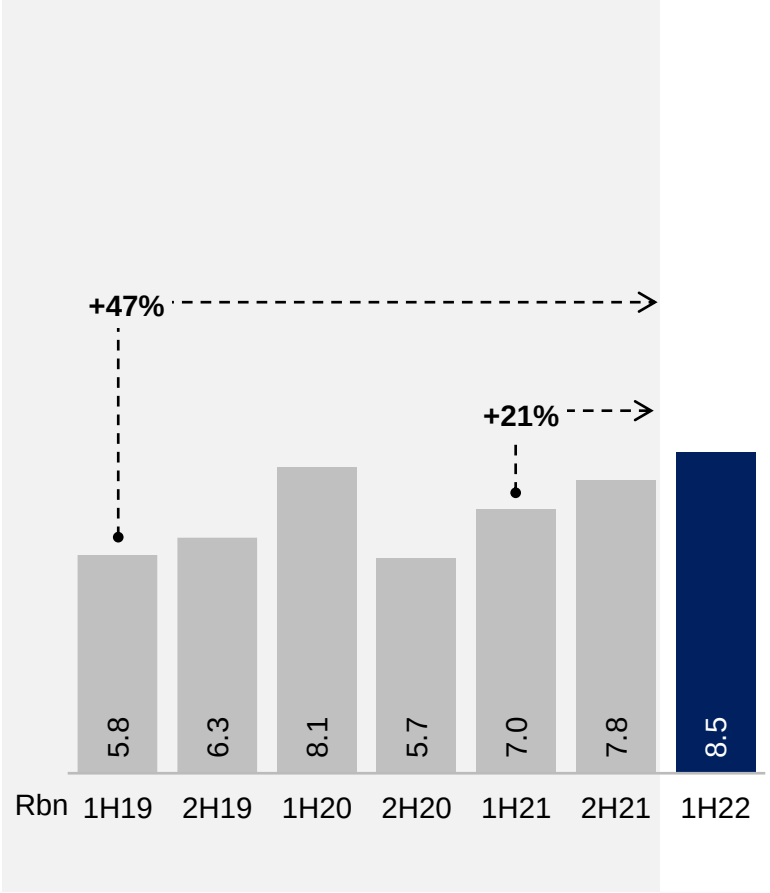
Non-interest revenue

Improved client activity and client trading flows supported non-interest revenue growth, +13%

Net fee and commission revenue



Trading revenue



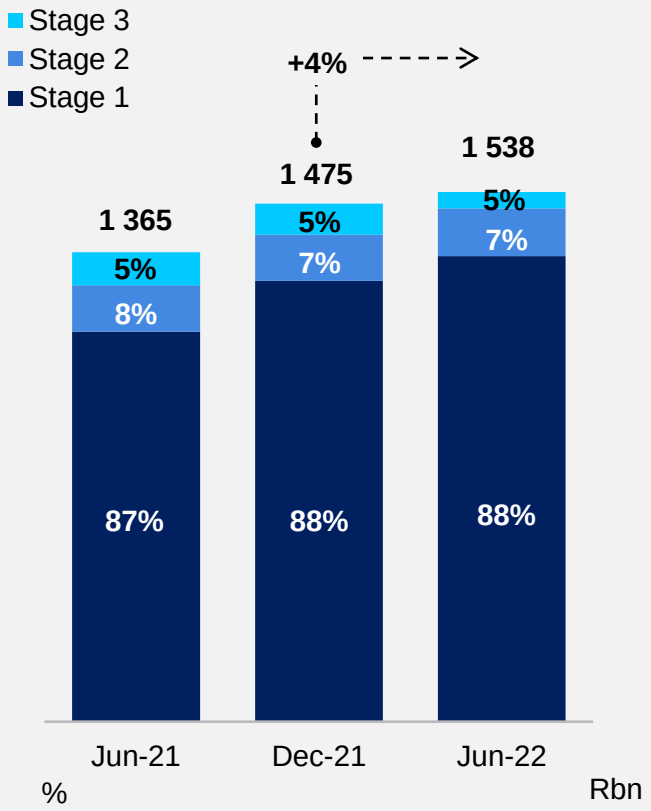
Key takeouts

- **Net fee and commission revenue** growth due to price increases, higher transactional activity as lockdown restrictions eased, and higher card turnover
- **Trading revenue** increase driven by:
  - Strong FX flows in West Africa and South Africa as client demand and FX volatility increased
  - Strong demand for commodity hedging on the back of high commodity prices
  - Increased corporate client trading activity in the equities market because of market volatility
- **Other revenue** growth driven by higher insurance income, due to lower credit life claims compared to 1H21
- **Other gains on financial instruments** growth driven by higher asset valuations in the Investment Banking equity portfolio

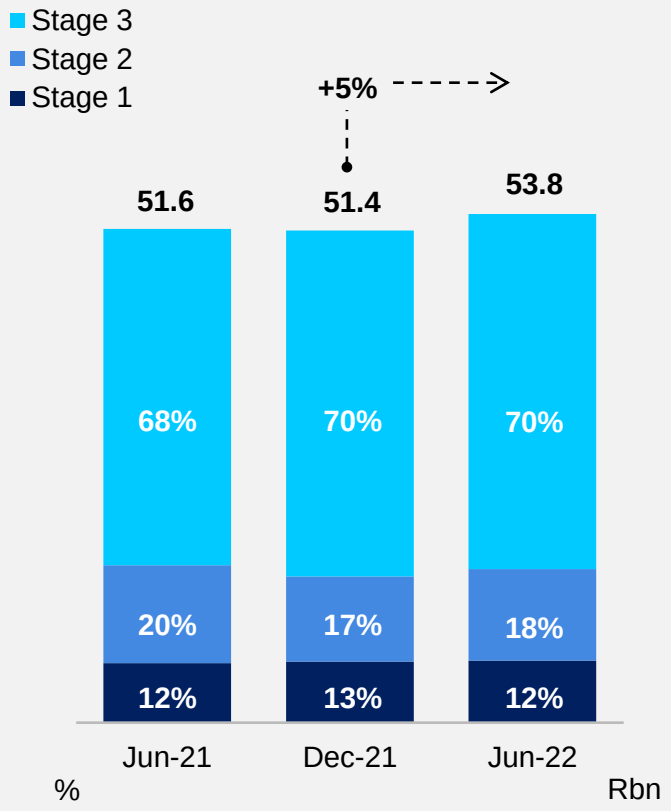
Gross loans and provisions

Provisions increased broadly in line with loans, coverage remained robust

Gross loans and advances[1]



Provisions[1]



Key takeouts

Dec-21 to Jun-22:

- **Gross loans and advances** – portfolio growth was moderate, and staging remained consistent
- **Provisions** – increases were largely in line with gross loans, and staging remained consistent
- **Coverage** – broadly unchanged from Dec-21

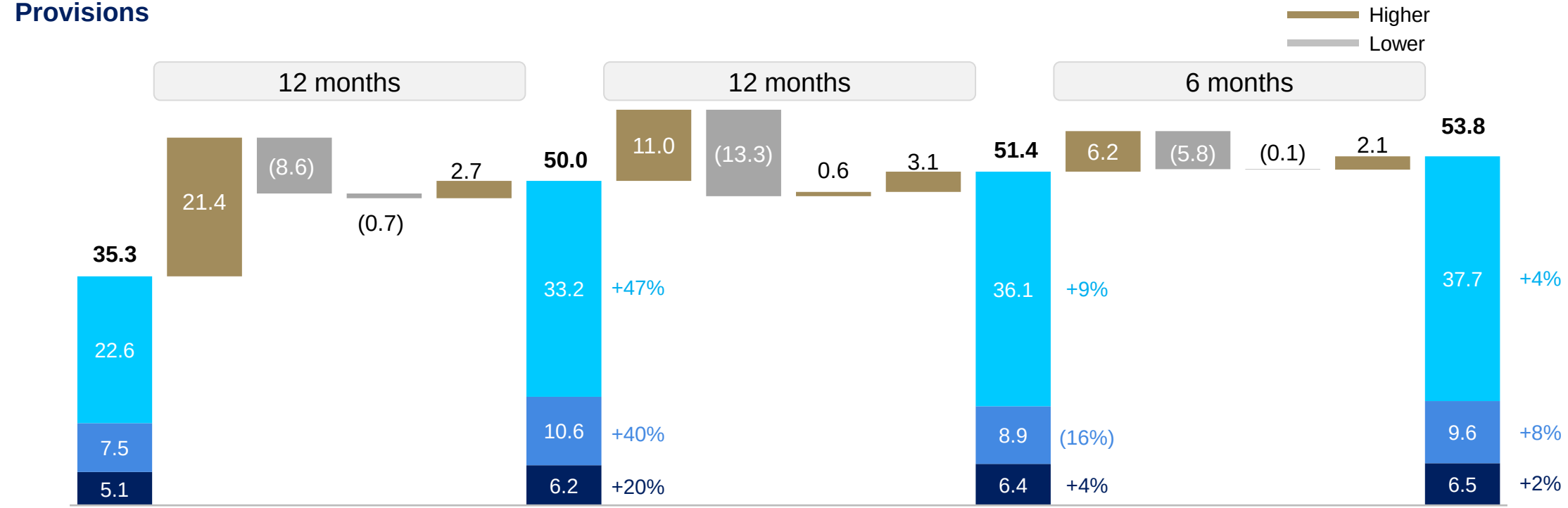
	Jun-21	Dec-21	**Jun-22**
Total coverage	3.8%	3.5%	**3.5%**
Stage 3 ratio	5.5%	4.7%	**4.8%**
Stage 3 coverage	47%	52%	**51%**

[1] *Based on gross loans and advances and provisions per pages 72 – 77 of the 1H22 financial analysis booklet. Group net of interdivisional balances.*

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Balance sheet provisions

Provisions



Loans, Rbn	1 216	1 319	1 475	1 538
Total coverage, %	2.9	3.8	3.5	3.5

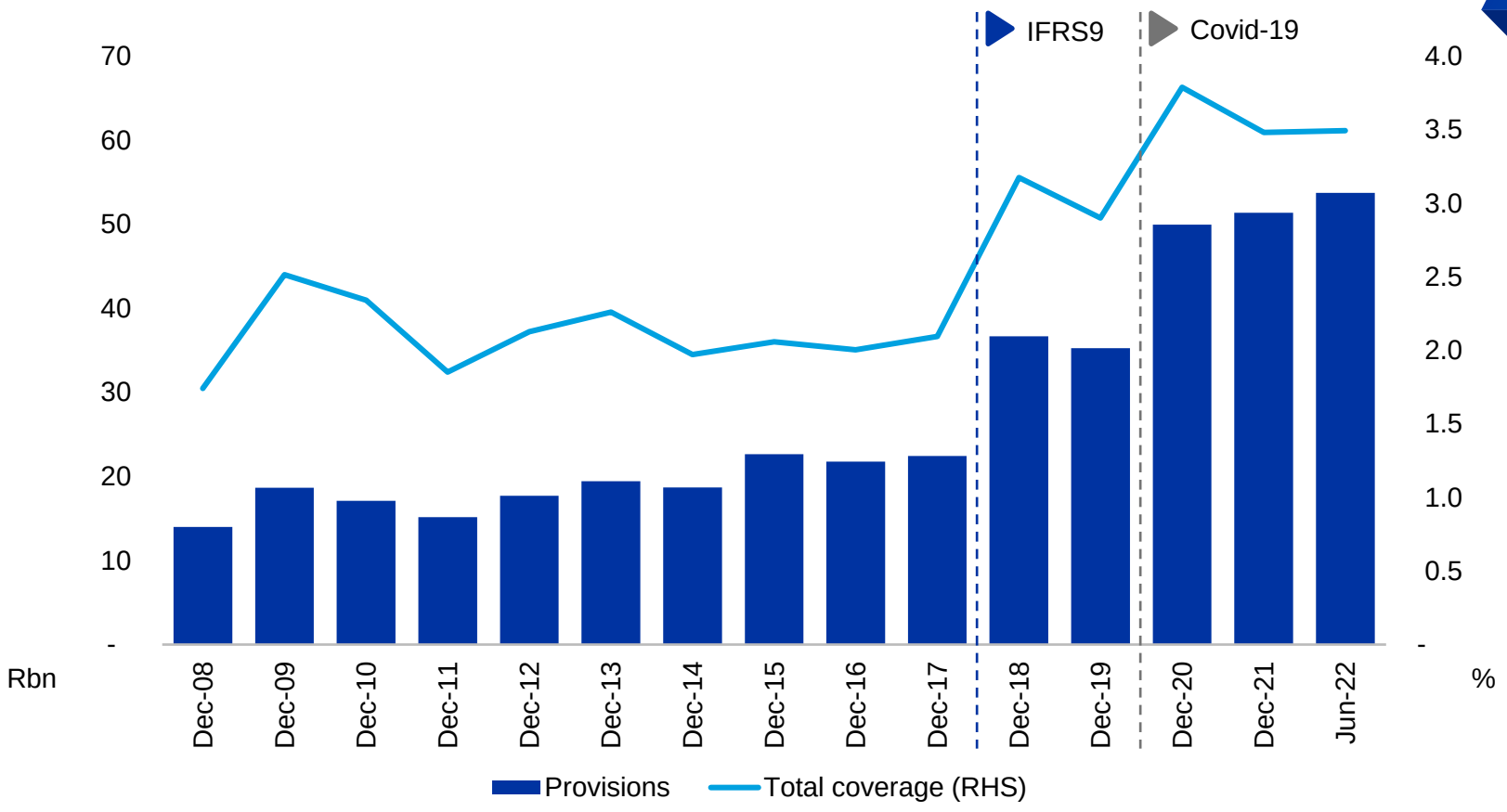
[1] *Time value of money and interest in suspense*

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Balance sheet provisions and coverage

Provisions and coverage remain significantly above historic levels

Provisions



Key takeouts

- Provisions and coverage increased post the introduction of IFRS9 in FY18
- Increased further in FY20 as a result of Covid-19-related provisions, particularly due to treatment of the payment holiday portfolio
- Pandemic-related impact faded in FY22
- Jun-22 provision levels increased further and remain significantly above historical average as well as IFRS9 levels

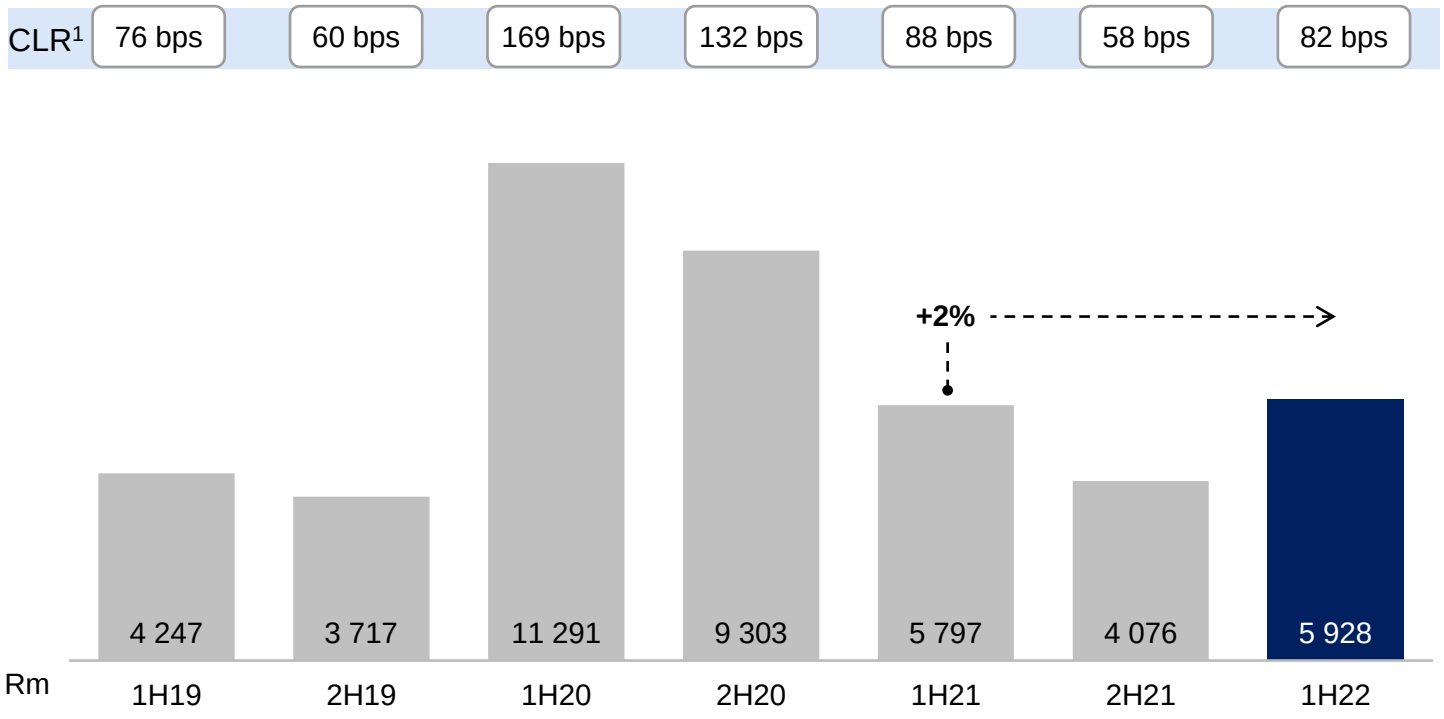
Average	Provisions[1] Rm	Coverage %
FY08 – FY17	18 772	2.1
FY18 – FY19	35 982	3.0
FY20 – 1H22	51 712	3.6

[1] *Based on average of year end/ period end provisions*

Credit impairment charges

Small increase in total credit impairment charges, but masks underlying movements

Credit impairment charges



Key takeouts

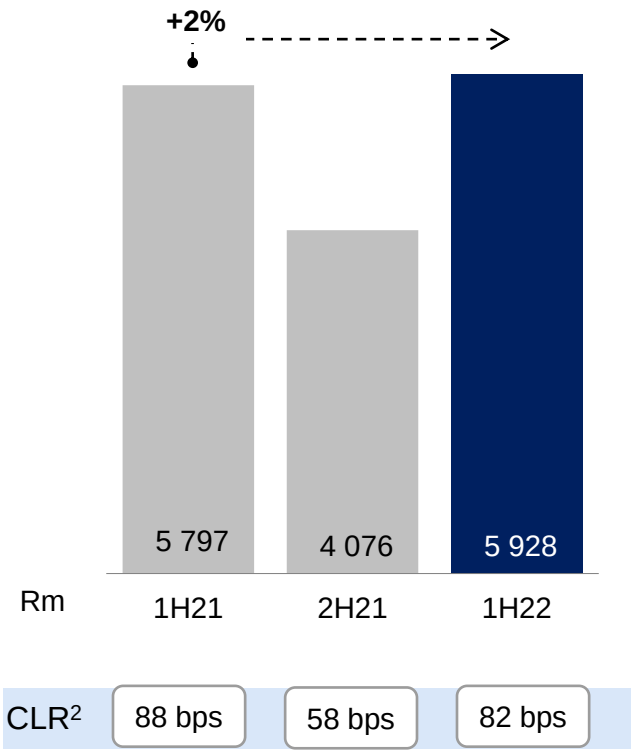
- Book growth, restructures and higher CIB credit charges (compared to a net recovery in prior year) drove an increase in credit impairment charges period on period
- This was partially offset by a decline in charges related to improved collections and improved risk profiles as customers resumed payments across CHNW, as well as lower charges in BCC on Covid-guarantee loans
- Released R151m of R500m Covid-19 related overlay held at the Centre
- CLR within the group's through-the-cycle target range of 70 to 100 basis points

[1] *Credit loss ratio based on credit impairment charges on loans and advances*

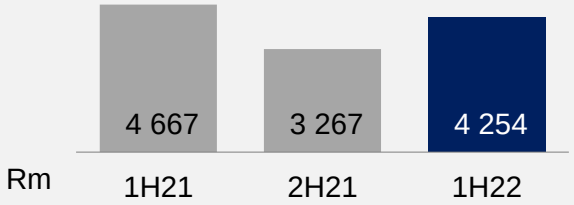
Credit impairment charges

CHNW and BCC declined while CIB returned to a net charge

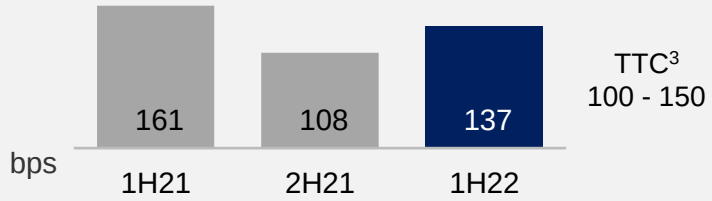
Credit impairment charges[1]



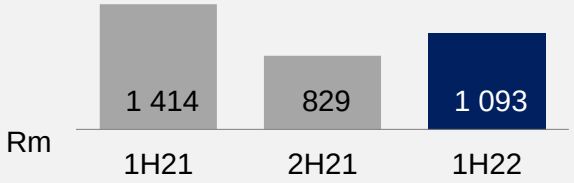
CHNW[1]



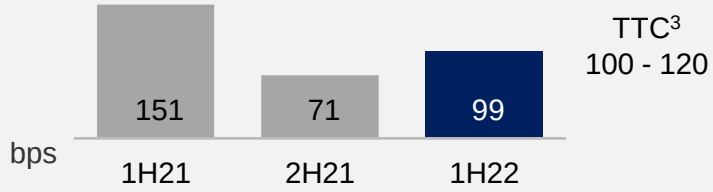
CHNW CLR[1]



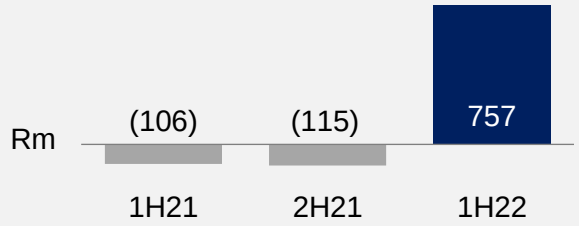
BCC[1]



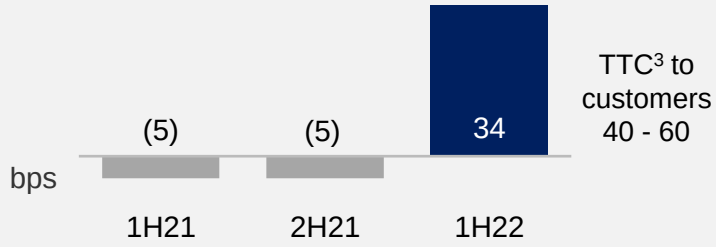
BCC CLR[1]



CIB[4]



CIB CLR to customers[4]



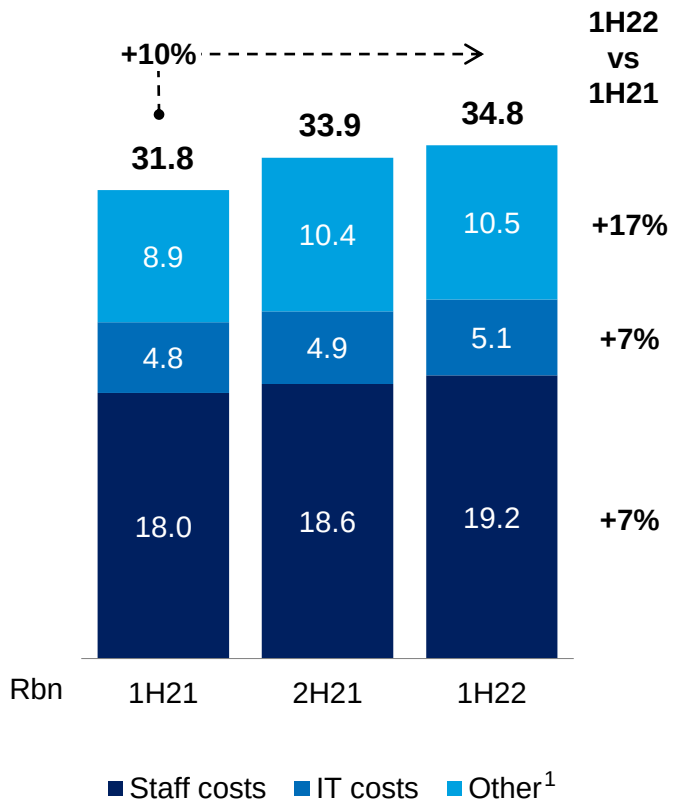
[1] As per financial analysis booklet pages 24-25 , [2] CLR on an annualised basis, [3] Through-the-cycle range, [4] Based on corporate and sovereign lending on pages 70- 71 of the financial analysis booklet

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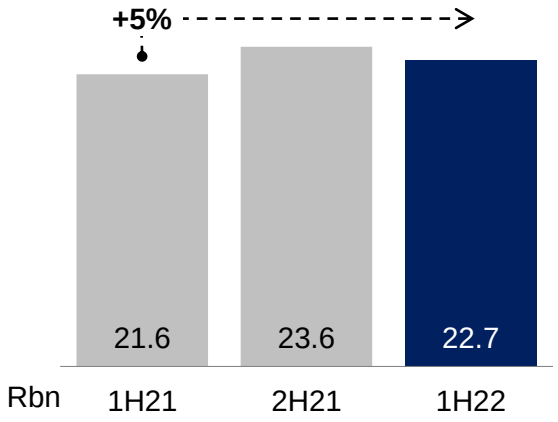
Operating expenses

Cost growth below average inflation of 11%

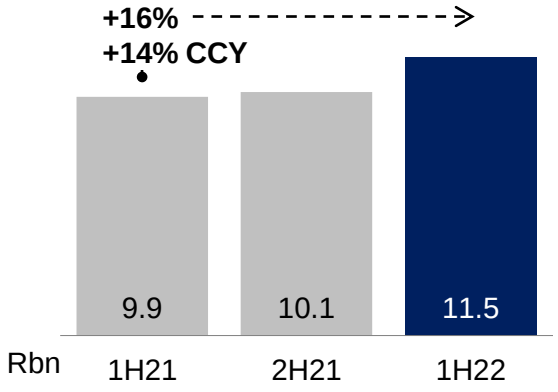
Operating expenses



South Africa



Africa Regions



Key takeouts

- **Staff costs** increases driven by annual salary increases and higher variable remuneration; headcount tightly managed
- **IT costs** well contained as increases from data, cloud and platform spend were offset by savings in more traditional areas
- **Other expenses** impacted by:
  - Higher activity-related spend: depositor insurance, derivative clearing fees, card processing fees
  - Post pandemic normalisation, e.g. travel and entertainment
  - Prior period impacted favourably by lower marketing costs and an insurance recovery[1]
  - Low growth of professional fees and premises cost, while amortisation and depreciation was largely flat

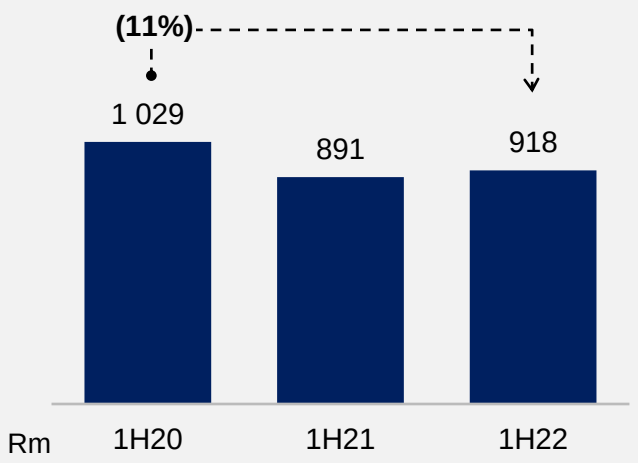
[1] *Other expenses includes R233m insurance recovery in 1H21 related to the Japan card fraud in 2016. Excluding the recovery operating expense growth was 9%*

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Operating expenses

Continuing to service our clients by providing a range of alternative options while containing costs

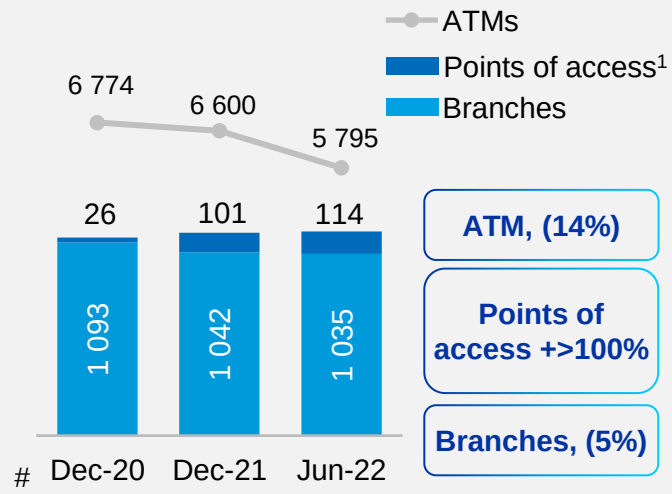
Premises costs, Rm



Premises-related costs contained:

- Saved R66m from reduced footprint
- Higher utility costs and investment in Africa Regions

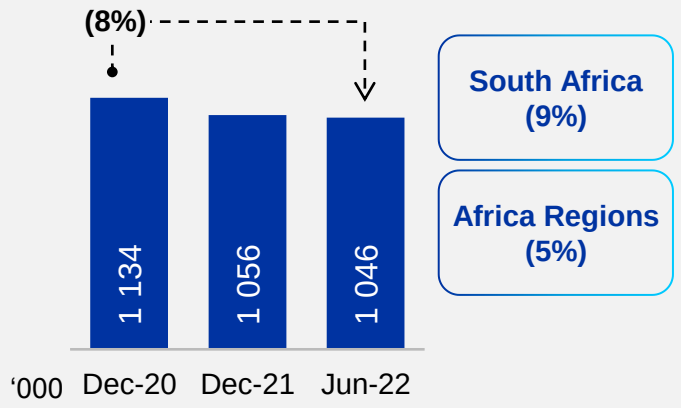
Points of representation,



Cash deposit volumes redirected[2]

- Branch volumes down 71%
- # of ATMs down, but volumes up 22%
- 3rd party cash centre volumes up 11%
- 3rd party cash points >50 000

Footprint, sqm



Continued infrastructure rationalisation

- Cumulative reduction of 88k sqm since Jan-21 (8% of YE20 footprint)
- Rationalisation, repositioning and reshaping branches so fit-for-purpose, i.e. based on people traffic and sales

[1] Instore kiosks and other points of access, [2] In South Africa

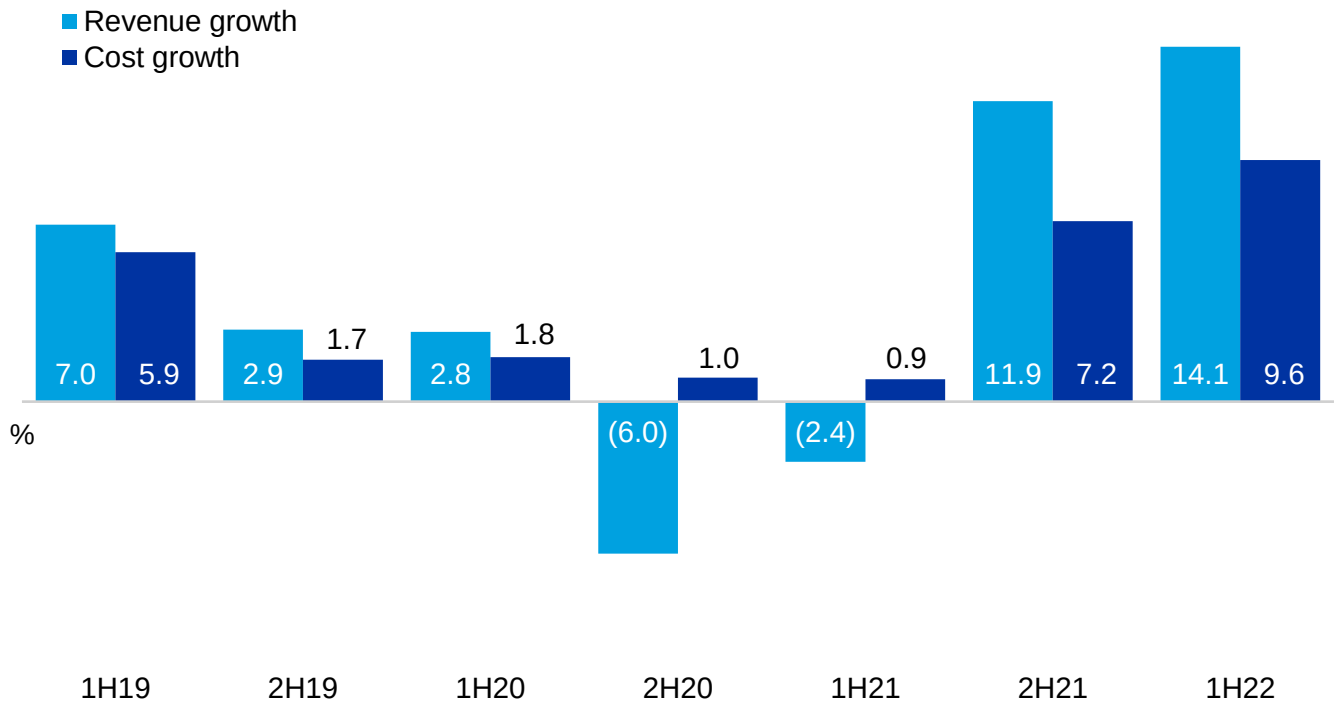
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Operational leverage

Continued revenue growth momentum and below-inflationary cost growth delivered strong positive jaws

Income and cost growth and jaws

Jaws[1]	1.1%	1.2%	1.0%	(7.0%)	(3.3%)	4.8%	4.5%



Key takeouts

- **Pre-pandemic** – achieved positive jaws in 1H19, 2H19 and 1H20
- **Pandemic impact** – the significant decline in activity and the decline in interest rates placed strain on revenue; despite rigorous cost management, including a decrease in incentives, jaws was negative in 2H20 and 1H21
- **Recovery** – in 2H21 and 1H22 revenue recovered as client activity rebounded strongly and costs were maintained below inflation. This resulted in positive jaws well above pre-pandemic levels

[1] *Jaws calculated as revenue growth less cost growth*



2.1

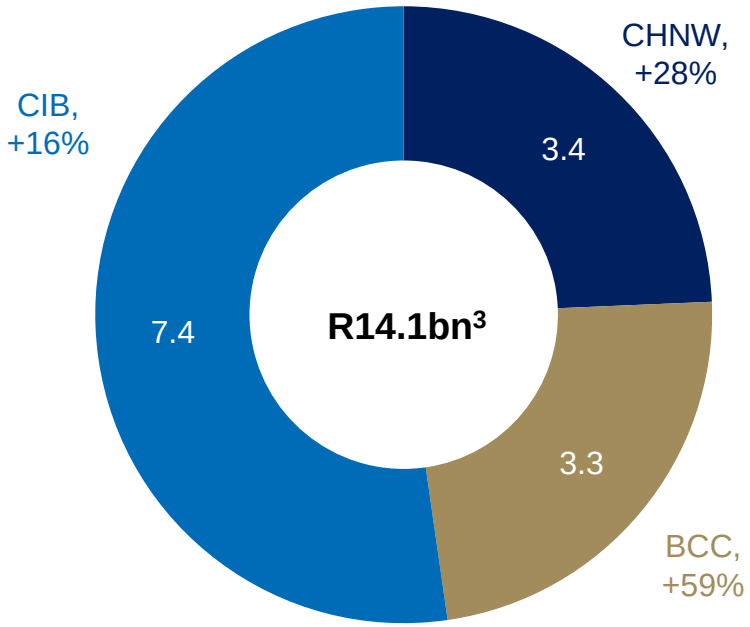
Segmental disclosures

Birds eye view of Victoria Falls, **Zambia | Africa is our home, we drive her growth**

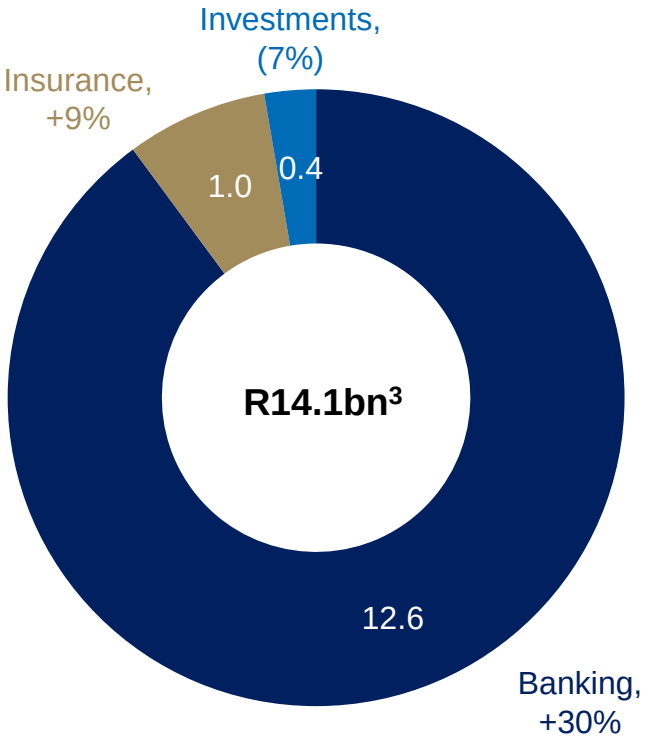
Standard Bank Activities[1] earnings

Strong rebound across segments, solutions and regions

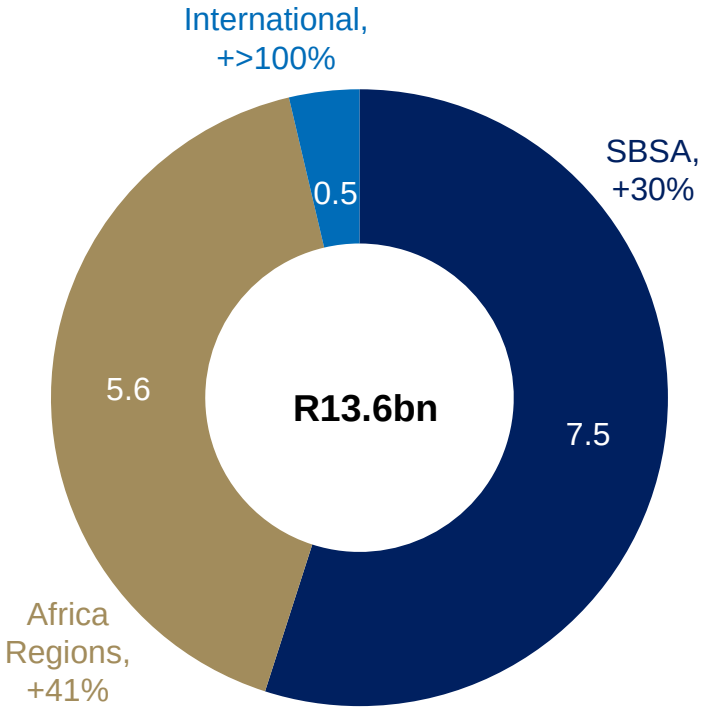
Client segment split, Rbn



Client solution split, Rbn



Regional split, Rbn[2]



[1] *Standard Bank Activities excludes Liberty and ICBCS,* [2] *Regional split based on legal entity,* [3] *Excludes R456m Centre segment costs*

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Performance by Client Segment

Strong performance across all 3 segments

	CHNW 1H22 Rbn	Change %	BCC 1H22 Rbn	Change %	CIB 1H22 Rbn	Change %
Net interest income	15.2	10	9.0	20	10.4	18
Non-interest revenue	10.3	7	5.9	13	12.3	21
Total income	**25.5**	**9**	**14.9**	**17**	**22.7**	**20**
Operating expenses	(15.8)	8	(9.1)	9	(11.2)	11
Pre-provision profit	**9.7**	9	**5.8**	34	**11.5**	**30**
Credit impairment charges	(4.3)	(9)	(1.1)	(23)	(0.7)	>100
Headline earnings	**3.4**	**28**	**3.3**	**59**	**7.4**	**16**
Credit loss ratio, bps	137		99		33[1]	
Cost-to-income ratio, %	62.1		61.3		49.5	
Jaws, bps	11		870		921	
ROE, %	13.6		28.2		20.2	

[1] *CLR to customers*

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Performance by Client Solution

Banking performance strong, Insurance impacted by weather claims, and Investments impacted by market performance and the non-recurrence of prior year cost recoveries

	Banking 1H22 Rbn	Change %	Insurance[1, 2] 1H22 Rbn	Change %	Investments[1,3] 1H22 Rbn	Change %
Net interest income	34.3	15	0.1	39	0.1	44
Non-interest revenue	24.6	16	2.3	5	1.6	5
Total income	**58.9**	**15**	**2.4**	**6**	**1.7**	**7**
Operating expenses	(34.1)	9	(1.2)	10	(0.9)	20
Pre-provision profit	**24.8**	**25**	**1.2**	**2**	**0.8**	**(5)**
Credit impairment charges	(6.1)	5	-		-	
Headline earnings	**12.6**	**30**	**1.0**	**9**	**0.4**	**(7)**
Cost-to-income ratio, %	57.8		50.3		51.5	
Jaws, bps	621		(428)		(1 348)	
ROE, %	17.9		66.5		34.3	

[1] Excluding Liberty, [2] Insurance gross written premiums grew by 9% driven by short-term and funeral premium growth, [3] Assets under management/ administration grew by 8% to R501bn

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Performance by Region

Strong revenue growth drove positive jaws and higher ROEs

	SBSA 1H22 Rbn	Change %	Africa Regions 1H22 Rbn	Change %	Change CCY %
Net interest income	21.2	5	12.2	31	25
Non-interest revenue	17.7	15	10.1	20	17
Total income	**38.9**	**10**	**22.3**	**26**	**21**
Operating expenses	(22.7)	5	(11.5)	16	14
Pre-provision profit	**16.2**	**16**	**10.8**	**38**	**30**
Credit impairment charges	(5.0)	(1)	(1.1)	34	30
Headline earnings	**7.5**	**30**	**5.6**	**41**	**35**
Credit loss ratio, bps	81		73		
Cost-to-income ratio, %	58.5		51.4		
Jaws, bps	440		943		
ROE, %	14.2		20.4		

Key takeouts

SBSA

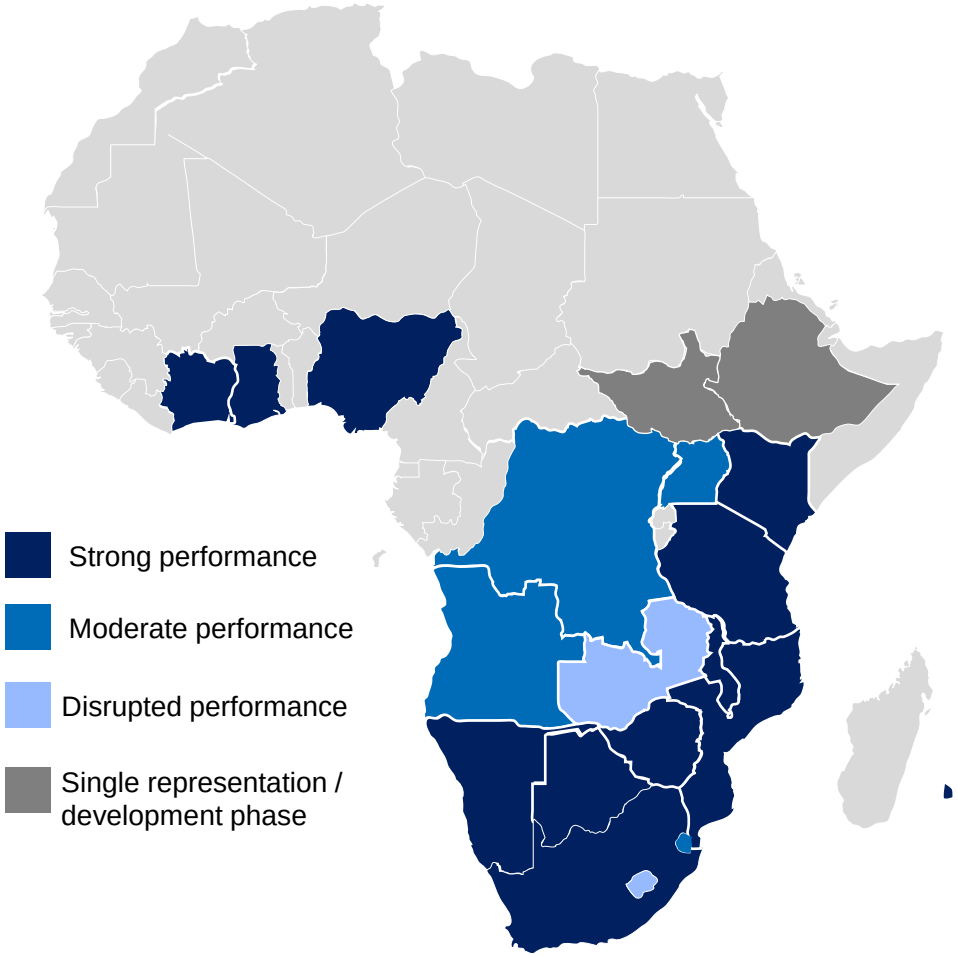
- **NII** grew as a result of good balance sheet growth and higher average interest rates
- **NIR** increase driven by higher transactional activity as lockdown restrictions eased and strong growth in trading revenues
- **Credit impairment charges** decreased due to increased collections, improved risk profiles and higher cures as customers resumed payments

Africa Regions

- **Revenue** growth was robust driven by strong balance sheet growth, higher interest rates, stronger foreign exchange flows in West Africa, and improved transactional activity
- **Credit impairment charges** increased, driven by book growth and the non-recurrence of prior period recoveries

Africa Regions performance

Robust client activity growth and higher average interest rates supported earnings growth



Headline earnings

	1H22 Rbn	1H21 Rbn	Change %	Change CCY %
Africa Regions	**5.6**	**4.0**	**41**	**35**
East Africa[1]	1.2	0.8	46	41
South and Central Africa[2]	2.5	1.8	36	33
West Africa[3]	1.9	1.4	45	33

Return on equity

	1H22 %	1H21 %
Africa Regions	**20.4**	**17.1**
East Africa[1]	17.8	14.7
South and Central Africa[2]	21.9	19.2
West Africa[3]	20.3	16.3

[1] Kenya, South Sudan, Tanzania, Uganda, [2] Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia, Zimbabwe, [3] Angola, DRC, Ghana, Côte d'Ivoire, Nigeria

Liberty

Improvement in SA insurance operational performance, offset by declines Africa Regions and Other

Insurance indexed new business

1H22: **R4 547m**
1H21: R4 281m

↑ 6%

Normalised operating earnings[1]

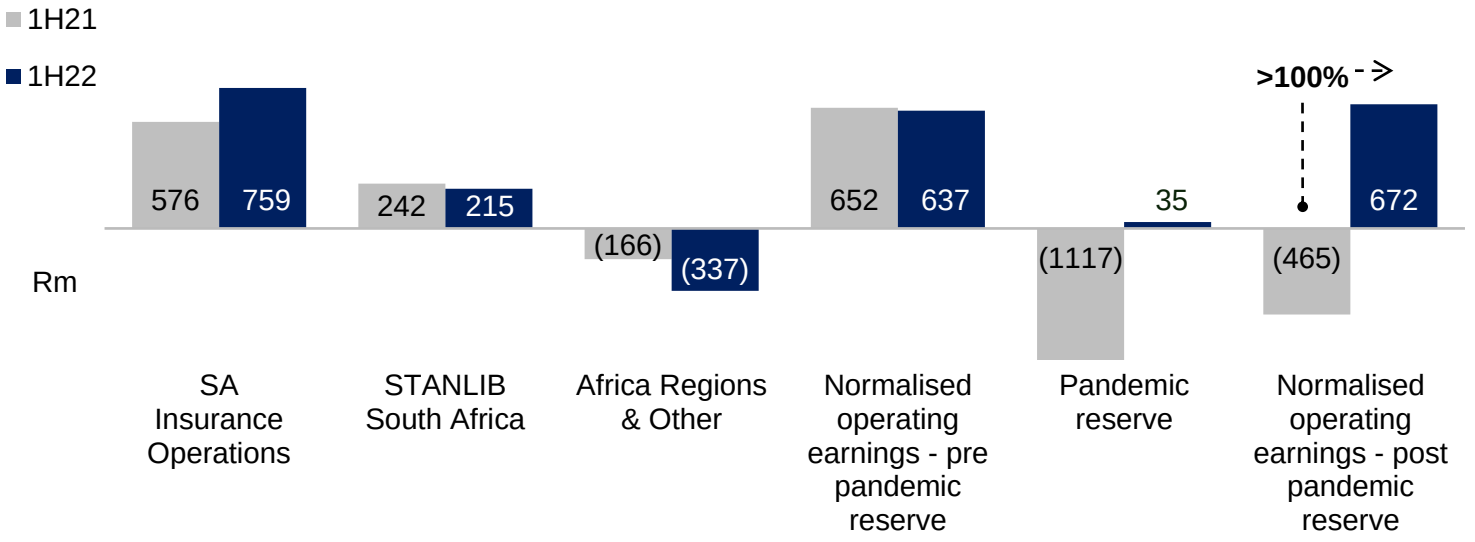
1H22: **R672m**
1H21: (R465m)

↑ >100%

Solvency coverage ratio[2]

Jun-22: **1.79x**
Dec-21: 1.72x

Normalised operating earnings



Key takeouts

- **SA Insurance Operations** result driven by higher new business sales, Liberty Corporate returning to profitability, lower death and disability claims, and an improved performance in LibFin Markets
- **STANLIB's** AUM and earnings impacted by a significant deterioration in local and offshore investment markets
- **Africa Regions & Other** includes Africa insurance and health, as well as investments in group strategic projects
- **Pandemic reserve** reflects a small release in the period; uncertainty remains regarding future Covid-19 developments
- Liberty Group Limited (LGL) maintained a strong capital position, with a solvency capital requirement cover ratio of 1.79x

[1] Post the pandemic reserve, [2] Liberty Group Limited (LGL), multiple of times covered

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Liberty

Rebound in normalised earnings tempered by Shareholder Investment Portfolio performance

	1H22 Rm	1H21 Rm	Change %
Normalised operating earnings (post Covid-19 pandemic reserve)	**672**	**(465)**	**>100**
Shareholder Investment Portfolio	(265)	753	(>100)
Normalised headline earnings	**407**	**288**	**41**
IFRS adjustments	78	(66)	>100
IFRS headline earnings	**485**	**222**	**>100**
Effective stake	*93%*	*57%*	
SBG share of Liberty IFRS headline earnings	**450**	**128**	**>100**

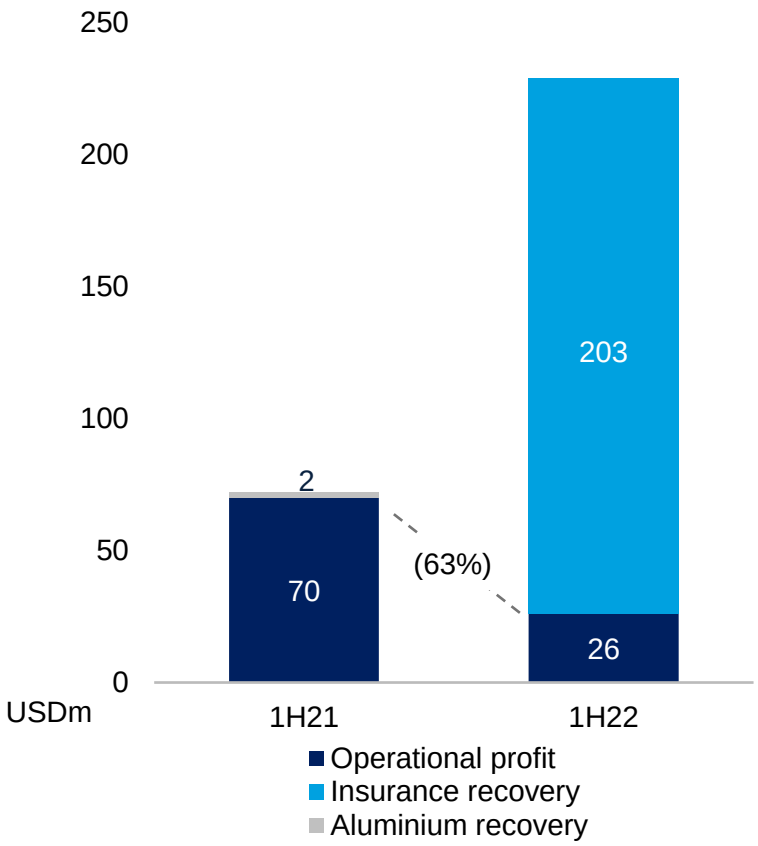
Key takeouts

- Shareholder Investment Portfolio returns were impacted by market declines across equities and bonds
- SBG's share of Liberty IFRS earnings was 57% until 31 January 2022 and 100% thereafter

ICBC Standard Bank plc

Performance supported by insurance settlement

ICBCS 1H22 performance, USDm



SBG's share of earnings

	1H22	1H21
ICBCS earnings, USDm	**229**	**72**
@ % stake	*40%*	*40%*
SBG attributable earnings, USDm	**92**	**29**
ZAR/USD[1]	15.3	14.6
SBG attributable earnings, Rm	**1 402**	**420**

Key takeouts

- ICBCS performance boosted by the receipt of a net insurance settlement of USD 203 million (post tax) relating to a previous client-related loss
- Operational performance was impacted by the Emerging Markets developments in the period
- Good risk management and appropriate positioning enabled the business to take advantage of emerging market opportunities arising from the Russia/Ukraine conflict

[1] *Represents the effective exchange rate from converting monthly ICBCS results to ZAR*

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2.2

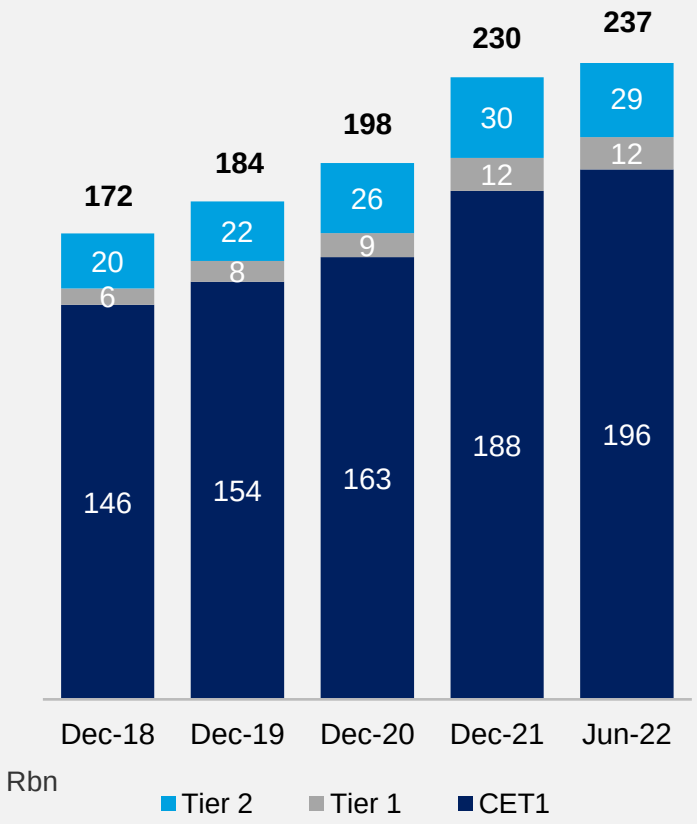
Capital and returns

Beautiful blue sky and river around Adomi Bridge, **Ghana | Africa is our home, we drive her growth**

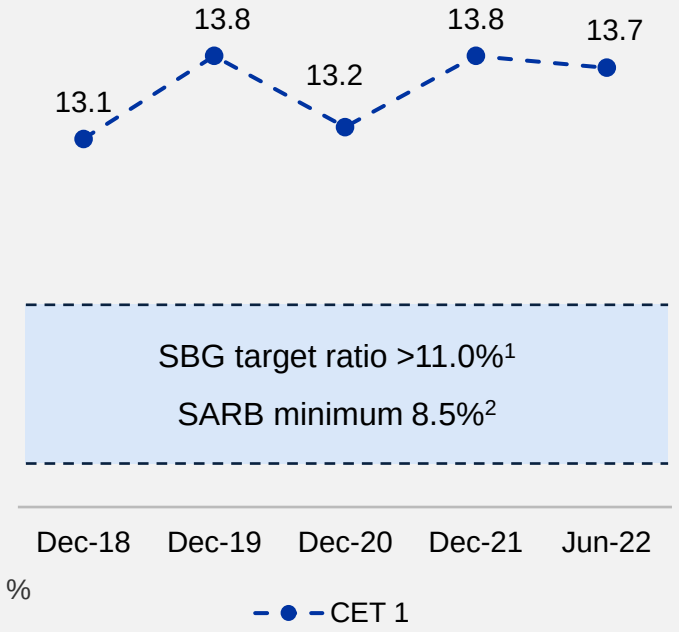
Capital and liquidity

Robust capital and liquidity positions

Capital[1]

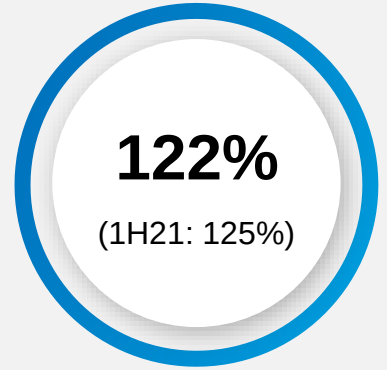


Capital adequacy[1]



Liquidity

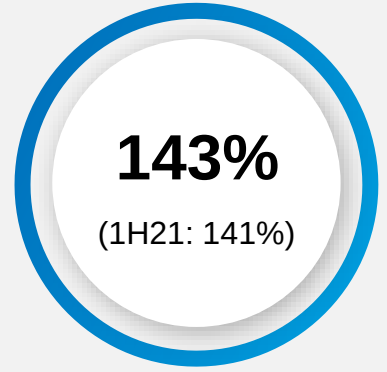
Net stable funding ratio



Basel III minimum

100%

Liquidity coverage ratio



Basel III minimum

100%

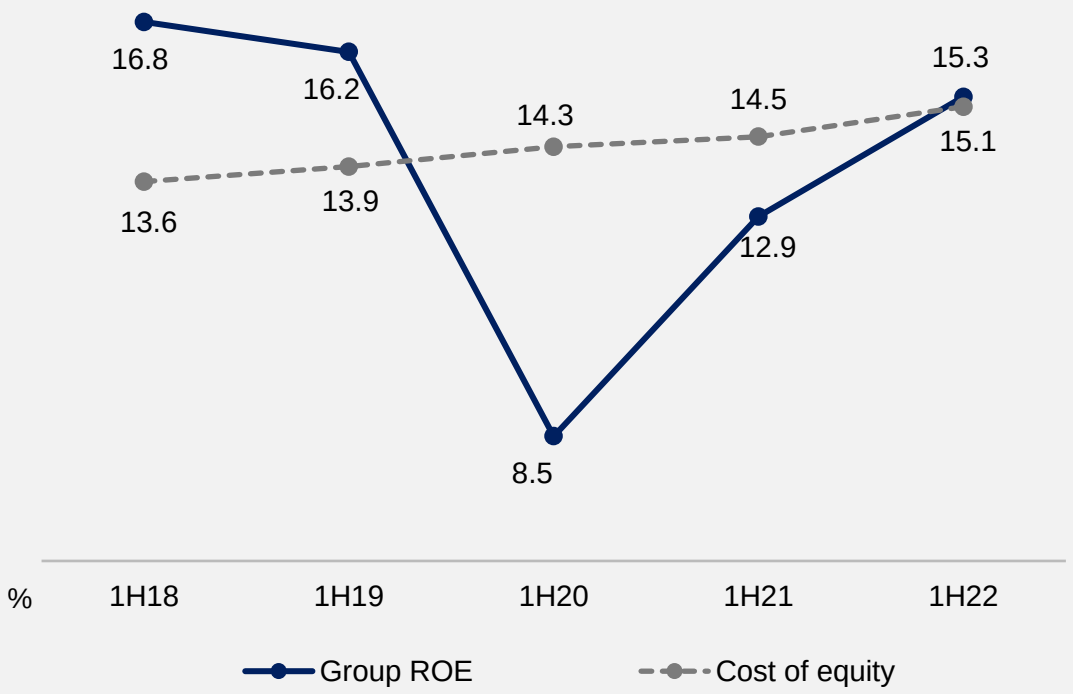
[1] Including unappropriated profits, [2] Recalibrated, inclusive of Pillar 2A requirements that were reinstated by the Prudential Authority from 1 January 2022

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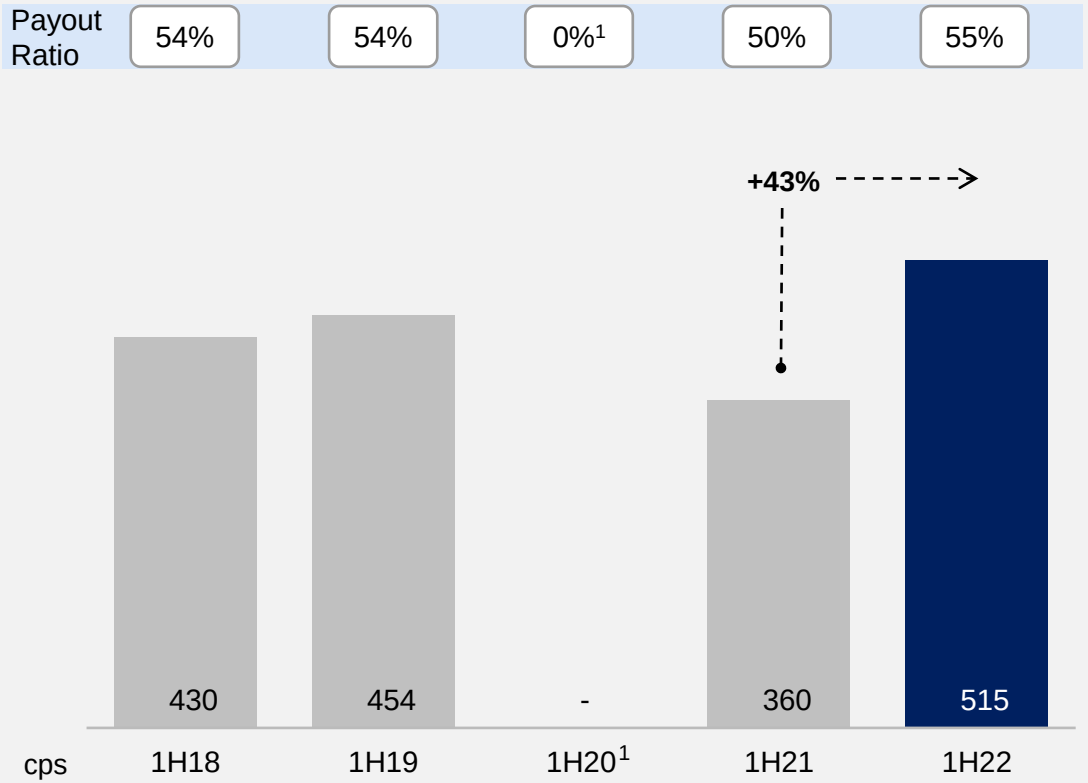
Returns and dividends

Group ROE recovered to above cost of equity, significant increase in dividend

Return on equity and cost of equity



Dividend per share



[1] *No 1H20 interim dividend paid as guided by the South African Reserve Bank*

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3

Looking forward

Lone tree in Savannah during sunrise Masai Mara, **Kenya | Africa is our home, we drive her growth**

2H22 – Macro outlook

Subdued growth as the impact of policy actions filter through, demand slows, and the geopolitical landscape remains unclear

Global

- Growth to slow as inflation and tighter financing conditions bite. Inflationary pressures expected to fade[1]
- 2022 expectation[2]: Global real GDP growth 3.2%, sub-Saharan Africa 3.8% and South Africa 2.3%

Sub-Saharan Africa

- High sovereign debt levels a constraint
- Inflationary pressure likely to continue, further monetary tightening expected

South Africa[3]

- Further monetary tightening expected to negatively impact confidence and demand, and constrain real GDP growth in the short term
- Inflation expected to peak in 2H22, averaging 6.5% and 4.8% in 2022 and 2023 respectively
- Expect additional pre-emptive interest rate hikes in 2H22 (+75 bps in addition to 75 bps in July), followed by a pause in 2023
- Real GDP growth of 2.3% in 2022 and 2.1% in 2023; subject to electricity supply and structural reforms

[1] Subject to central banks raising interest rates in line with expectations and energy prices declining, [2] IMF (July 2022), [3] Standard Bank Research, (15 August 2022)

FY22 guidance - updated

Updated to reflect changes in the environment since we provided guidance in March 2022

Key drivers	FY22 guidance (Aug-22)	Key drivers
Net interest income	Low double-digit growth	• Supported by balance sheet growth and endowment tailwinds[1]
Non-interest revenue	High-single digit growth	• Supported by a larger franchise • Slower growth in activity-related fees as the pandemic unwind fades • Trading revenue growth for FY22 slower than 1H22
Efficiency	Positive jaws	• Continue to manage our costs judiciously • Focused on delivering below-inflation cost growth
Credit loss ratio	Bottom half of our TTC[2] range of 70 bps – 100 bps	• Subject to the macro-economic developments, including the speed and size of further interest rate increases in 2H22
ROE	Above COE[3]	• Focus on optimisation of capital deployed
Dividend payout ratio	45% - 60%	• Supported by strong capital generation

[1] SBSA, 100bps increase equates to approximately R1.3bn NII annualised, [2] Through-the-cycle, [3] Standard Bank Group cost of equity was 15.1% in 1H22



4

Driving sustainable growth and value

Aerial view of elephants in the Okavango Delta, **Botswana | Africa is our home, we drive her growth**

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SBG 2025

Our medium-term direction is underpinned by our purpose and execution is fully aligned to our strategic priorities

Our purpose:
Why we exist

Africa is our home, we drive her growth

Our strategic priorities:
What we need to do to deliver our purpose

Our financial targets:
What we have committed to deliver

Transform client experience	Execute with excellence	Drive sustainable growth and value
7% - 9%	**~50%[1]**	**17% - 20%**
Revenue growth CAGR	Cost-to-income ratio	Return on equity

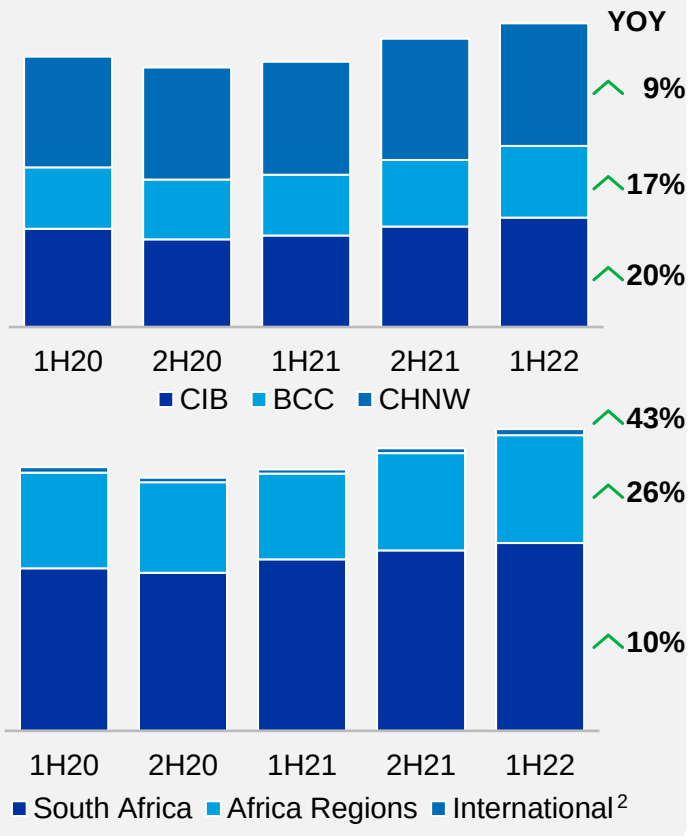
Focused on execution, on track to deliver

[1] *Approaching 50%*

SBG 2025 – well positioned to deliver

Franchise strength underpinned by our enviable client franchise, expanding solution set and exceptional people

Diversity underpins resilience[1]

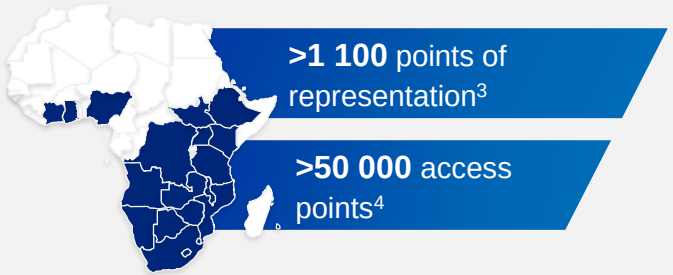


Scale and reach enables growth

Scale

>R2.8trn	>R1.8trn	>R1.4trn
Assets	Deposits	AUM

+ Reach



+ Growth[5]

8%	4%	
16.2m	785k	+24%
CHNW active clients	BCC active clients	CIB client revenues

Focus on delivering client value-add

- **Consistent client support** – through the cycle
- **Beyond financial services** – provide solutions beyond traditional financial services
- **Convenient digital platforms** – provide an expanding set of solutions and network of vetted providers
- **Sustainability solutions** – an expanding range of funding and investment solutions e.g. ESG bonds and Global Impact ETF
- **Digital and in-person** – digitising commoditised products to free capacity to deliver strategic value to clients

[1] Based on Standard Bank Activities revenue, [2] CHNW and BCC International, 3 Includes branches, in-store kiosks and other points of access, [4] In South Africa alone, [5] Relative to 1H21

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In conclusion

Committed to delivering positive impact and attractive shareholder returns

1H22

1. Made good strategic progress
2. Continued to grow our client franchise and balance sheet
3. Delivered a second consecutive record performance

2H22

1. Facing an uncertain environment and increased competition
2. Strong capital position and record balance sheet provisions
3. Well positioned to compete and determined to win

AFRICAN BANKER AWARDS 2022

Standard Bank Group

WINNER
AFRICAN BANK OF THE YEAR

Disclaimer – 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 are risks 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.

Q&A

