Standard Bank

PROUD LEAD SPONSOR B20 SOUTH AFRICA 2025

AFRICA IS OUR HOME, WE DRIVE HER

# GROWTH

STANDARD BANK GROUP

## 2025 INTERIM RESULTS

14 August 2025

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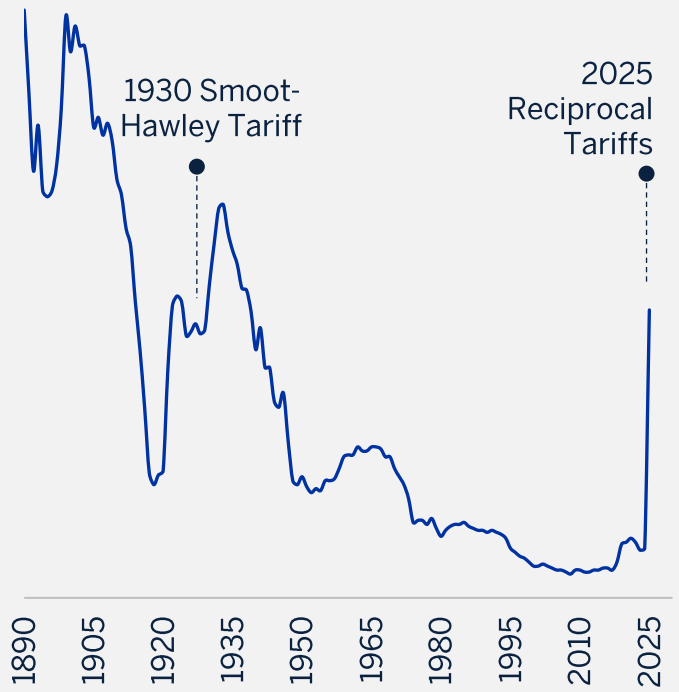
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# 1.0

1H25 highlights

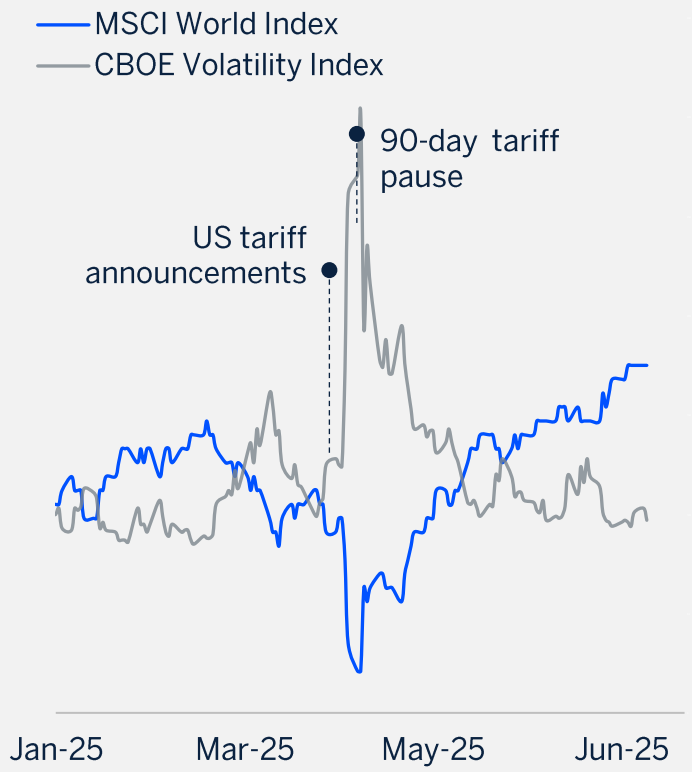
# **Macroeconomic environment** – US policy shifts drove uncertainty and volatility

## Average tariff rate on US imports




*Source: Economist Intelligence Unit*

## Volatility and equity markets




*Source: Refinitiv*

## 1H25 macro developments

- US tariffs expected to settle at highest levels since 1930s
- US policy shifts drove volatility
- In sub-Saharan Africa
  - Inflation eased, allowing most central banks to hold or decrease interest rates
- In South Africa
  - Inflation was lower than expected and interest rates declined by 50 bps in the period
  - Global uncertainty and political tensions dented confidence, lowering growth expectations as the period progressed

# **1H25 highlights** – strong performance underpinned by growing client franchise revenue and active capital management

## Growing earnings

**+12%**
Net fees & commissions

**+22%**
CIB trading revenue

**+8%**
Headline earnings

**+10%**
Headline earnings per share

## Robust balance sheet

**+11%**
Total assets R3.4trn

**R69bn**
Provisions

**+8%**
Equity R303bn

**13.2%**
CET1 ratio

## Improving returns

**49.4%**
Cost-to-income ratio

**69%**
Earnings distributed[1]

**R5.5bn**
SVA[2] generated, +49%

**19.1%**
Group ROE

*[1]Dividends and share buybacks as a percentage of group earnings, [2]Shareholder value added, calculated as earnings minus cost of capital, is up 49% period on period*

# **Franchise momentum** – scale and diversity of client franchise supported growth

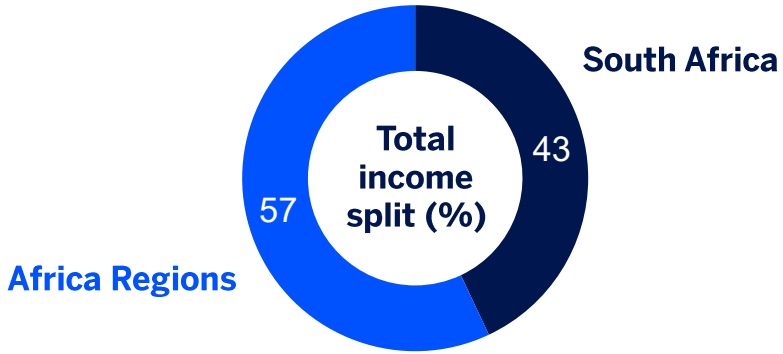
## Corporate and Investment Banking (CIB)

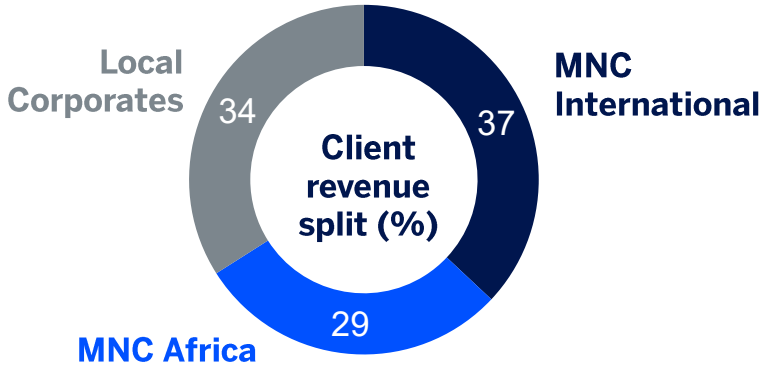
**R123bn**
IB origination
a record, from across a range of sectors, in particular Energy & Infrastructure

**R11.9bn**
Trading revenue +22%
from client and market making activity aided by volatility

**R53bn**
Sustainable finance
mobilised in 1H25

**R5.2bn**
Fee and commission revenue +24%
from record origination and increased deal activity



# **Franchise momentum** – focus on innovative solutions and competitive products

## Business and Commercial Banking (BCB)

**>65k**
New clients
through deliberate local market growth strategies

**>R500bn**
Client deposits
enabled by competitive client offerings supported by personalised offers

**+19%**
New merchants
supported by the innovation and capability of the SimplyBLU platform

**+9%**
Card acquiring turnover
driven by more merchants and more POS devices

**+44%**
Disbursements to clients[1]
driven by digital scoring and innovative loan products

**+10%**
International payments
enabling clients to send and receive cross-border payments via telegraphic transfers

[1] *In South Africa*

# **Franchise momentum** – competitive franchise with accelerating momentum

## Personal and Private Banking (PPB)

**>16m**
Active clients
growing and increasingly engaged

**+11%**
Retail net fees and commissions[1]
from a growing number of engaged clients

**+7%**
Digitally active clients[1]
driving increased digital volumes

**+24%**
VAS revenue[1]
R28bn customer spend

**+17%**
Private banking clients[2]
in line with our ambition to build Africa's best private bank

**R23bn**
Mortgages disbursed[1]
market leader in mortgage lending

*[1] In South Africa, [2] In Africa Regions*

# **Franchise momentum** – strong strategic progress and positive NBV and GWP outcomes

## Insurance and Asset Management (IAM)

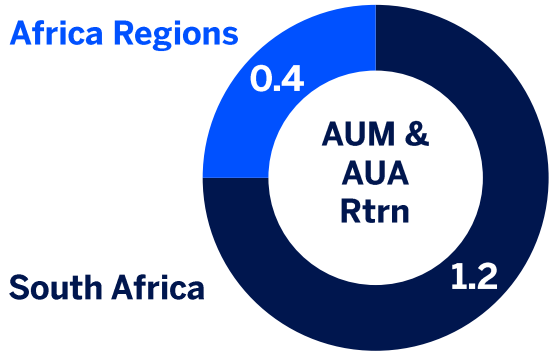
### Insurance

**R1.8bn**
New business value +11%
driven by short term insurance and embedded risk book

**+10%**
Short-term insurance, GWP[1]
excluding the impact of strategic exits of unprofitable businesses and channels[2]

**3.4m**
Embedded credit life and funeral policies
funeral book is growing faster than the market

### Investment




**R1.6trn**
**AUM & AUA[3]**
**+10%**

**+>100%**
STANLIB Unit Trust NCCF[4]
driven by market-leading investment proposition

*[1] Gross written premium, [2] Unadjusted growth is +4% in South Africa and -8% in Africa Regions, [3] Assets under management and assets under administration, [4] Net customer cash flow excluding Money Market, 1H25 per Morningstar™*

# **Collaboration** – competitive products and large omni-channel distribution capability

## Leveraging the might of PPB and IAM collaboration

### Uniquely positioned with end-to-end insurance and investment solutions to meet client needs

| Simple frictionless and affordable **funeral and life solutions**[1] and **savings** products | Extensive **life, disability, critical illness and income protection** solutions[2] and multiple **investment options** | **Comprehensive advice-led** options for **large life covers**[3] and **specialised investments** |
|---|---|---|
| **Market leading lapse management** capability | Simplified **digital and tele-based underwriting** and personalised pricing | Complex **advice-led solutions** for individuals and businesses |
| Funeral GWP up **>20%** | Award winning DFM[4] | SBFC[5] risk index premium up **>10%** |
| Flexible Life sales up **>50%** | Local and offshore platforms | **>85%** core discretionary and MM[6] funds outperform peers |
| | **>2 500** agents driving high advice sales between Liberty and SBFC[5] | |

*[1] Cover of up to R500 000, [2] Cover of up to R10m, [3] Cover amounts as high as R300m, [4] Discretionary Fund Manager, [5] Standard Bank Financial Consultancy, [6] Multi-Manager*

# **Technology**– enhancing client experience through innovation, system resilience and agility




## Innovation

**Innovating to deliver excellent client experience and solutions**

**Conversational AI**
60% of client queries resolved in mobile app[1]

**Virtual credit card**
available via the app provides fraud protection

**Powered by data and analytics**
280 million direct and banker driven engagements executed across diverse client channels

## System resilience

**Market-leading stability and system resilience fostering trust with clients**

**Leading in stability[1]**
based on # of outages, measured by *DownDetector*

**Zero material cyber incidents**
since 2018

**Fraud detection**
AI assisting with early detection of suspicious transaction patterns

**Cyber detection**
AI bot helps to detect and prevent network attacks

**No serious outages in 26 consecutive months**

## Agility

**Leveraging cloud to drive agility and efficiencies**

**57%**
of computing in the public cloud (up from 34% two years ago)

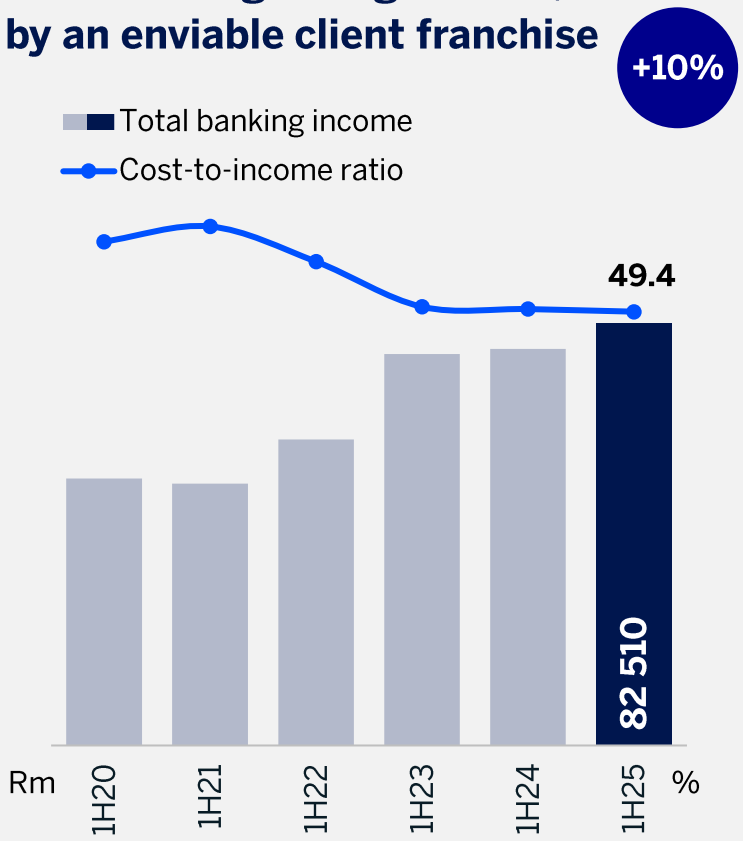
**Client channels**
predominantly hosted in the cloud

**GenAI boosts engineering productivity by >20%** as it assists developers with coding, testing and troubleshooting

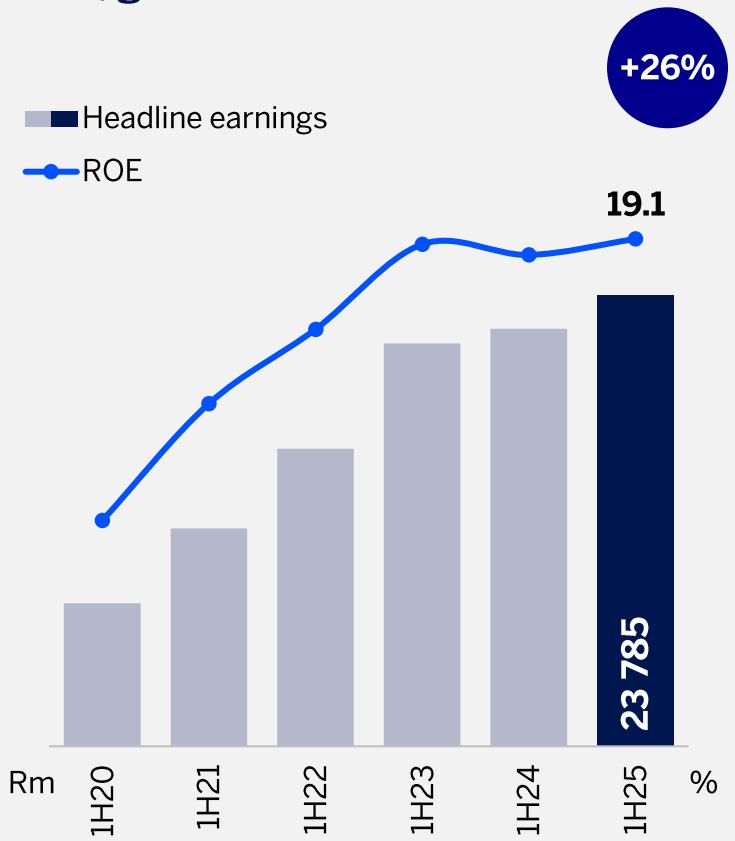
[1] *In South Africa*

# **SBG 5-year performance** – consistent growth supported by our large and well diversified portfolio

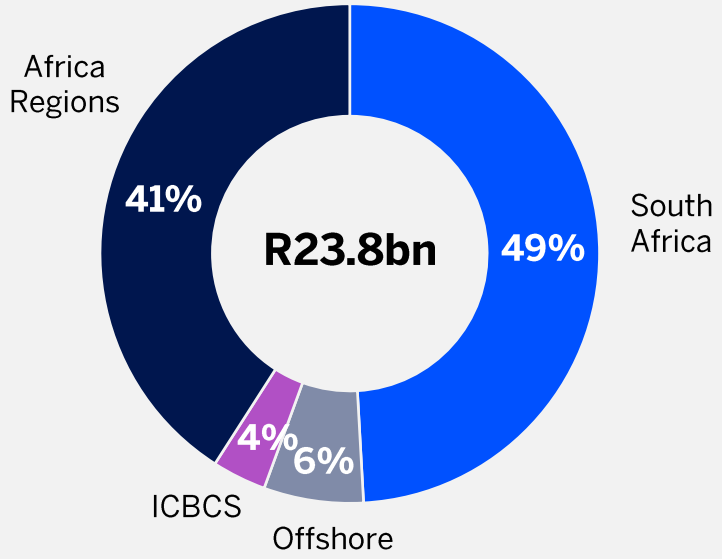
## Sizable and growing income, driven by an enviable client franchise




## Scale, growth and attractive returns




## Well diversified across 3 core regions




5-year CAGR

# 2.0

1H25 financial performance and FY25 outlook

# **Performance highlights** – strong performance across all key metrics

### Group headline earnings

1H25: **R23.8bn**
1H24: R22.0bn

↑ **8%** ZAR
↑ **11%** CCY

### Headline earnings per share

1H25: **1 458c**
1H24: 1 329c

↑ **10%**

### Tangible NAV per share

1H25: **15 187c**
1H24: 13 846c

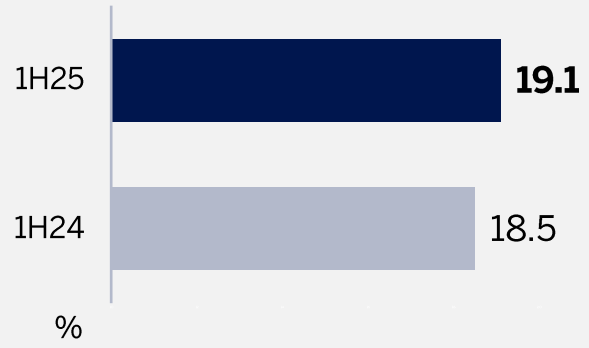
↑ **10%**

### Dividend per share

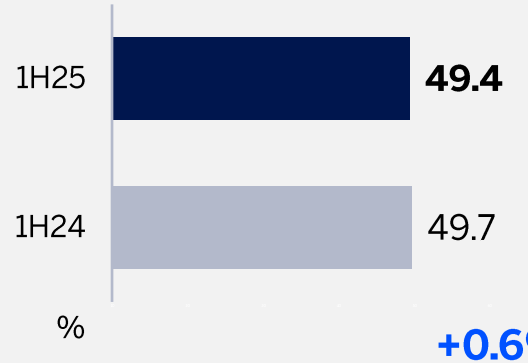
1H25: **817c**
1H24: 744c

↑ **10%**

### Group return on equity

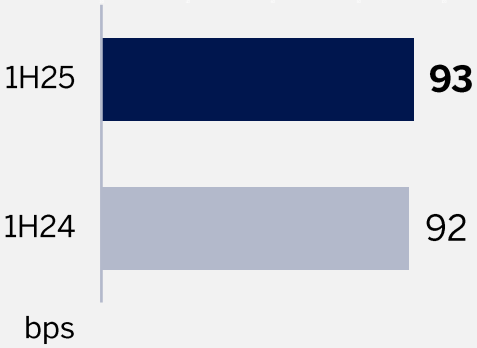



### Cost-to-income ratio[1]




**+0.6% Jaws[1]**

### Credit loss ratio[1]




[1] *Based on Banking performance*

# **SBG income statement** – performance underpinned by continued robust franchise momentum

| | 1H25 Rm | 1H24 Rm | Change % | Change CCY % |
|---|---|---|---|---|
| Net interest income | 51 402 | 50 425 | 2 | 4 |
| Non-interest revenue | 31 108 | 26 995 | 15 | 17 |
| **Total income** | **82 510** | **77 420** | **7** | **9** |
| Operating expenses | (40 781) | (38 484) | 6 | 7 |
| **Pre-provision profit** | **41 729** | **38 936** | **7** | **10** |
| Credit impairment charges | (8 134) | (7 979) | 2 | 2 |
| Taxation | (9 302) | (8 323) | 12 | 15 |
| **Banking headline earnings** | **21 145** | **19 785** | **7** | **9** |
| Insurance & Asset Mngt headline earnings | 1 806 | 1 625 | 11 | 13 |
| **SBG Franchise earnings** | **22 951** | **21 410** | **7** | **10** |
| ICBCS attributable earnings | 834 | 596 | 40 | 43 |
| **Standard Bank Group headline earnings** | **23 785** | **22 006** | **8** | **11** |

- **Net interest income** growth was dampened by margin compression
- **Non-interest revenue** growth was driven by double-digit growth in fees, trading and other revenue as well as continued growth in bancassurance-related revenues
- **Operating expenses** were diligently controlled and total income growth exceeded cost growth
- **Credit impairment charges** growth was muted
- **Taxation** movement was mainly driven by a reduction in non-taxable earnings in Africa Regions
- **Insurance & Asset Management** delivered a continued upward trajectory in earnings and returns
- **ICBCS** performance was driven by increased client activity in volatile markets



# 2.1

Banking

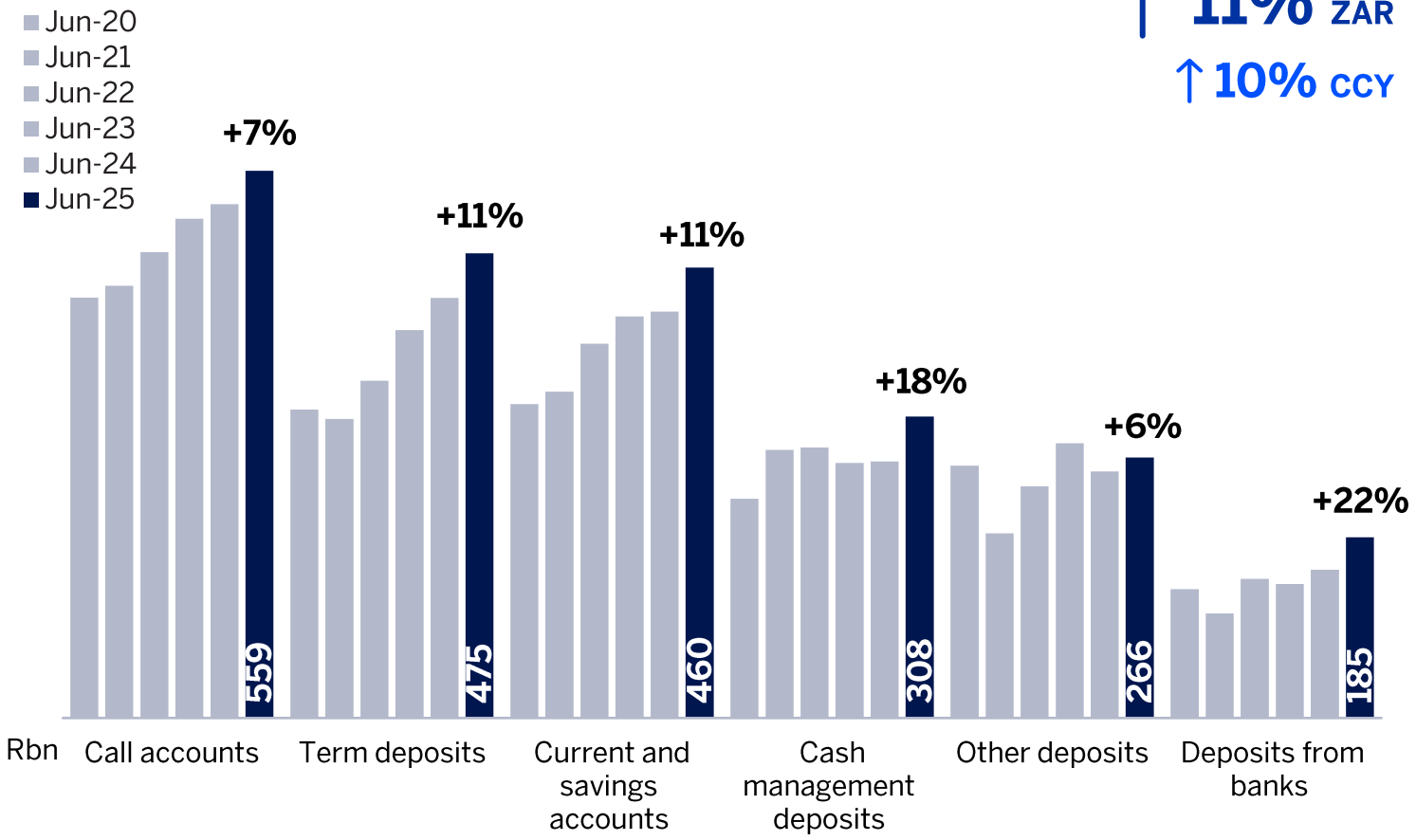
# **Deposits** – growth driven by strategic client acquisition, retention and entrenchment initiatives

## Deposits and debt funding by product, R2.3trn

HoH % change (Jun-24 to Jun-25)

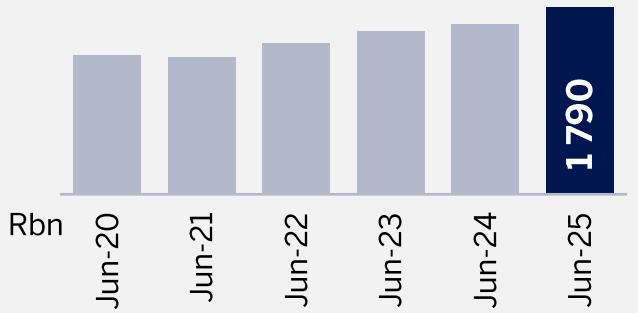
↑ 11% ZAR

↑ 10% CCY




## South Africa

HoH % change (Jun-24 to Jun-25) ↑ 10%

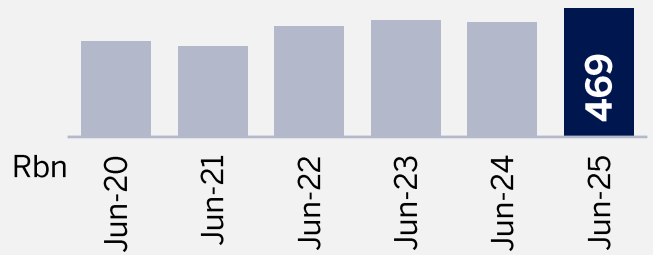



## Africa Regions

HoH % change (Jun-24 to Jun-25)

↑ 13% ZAR

↑ 12% CCY



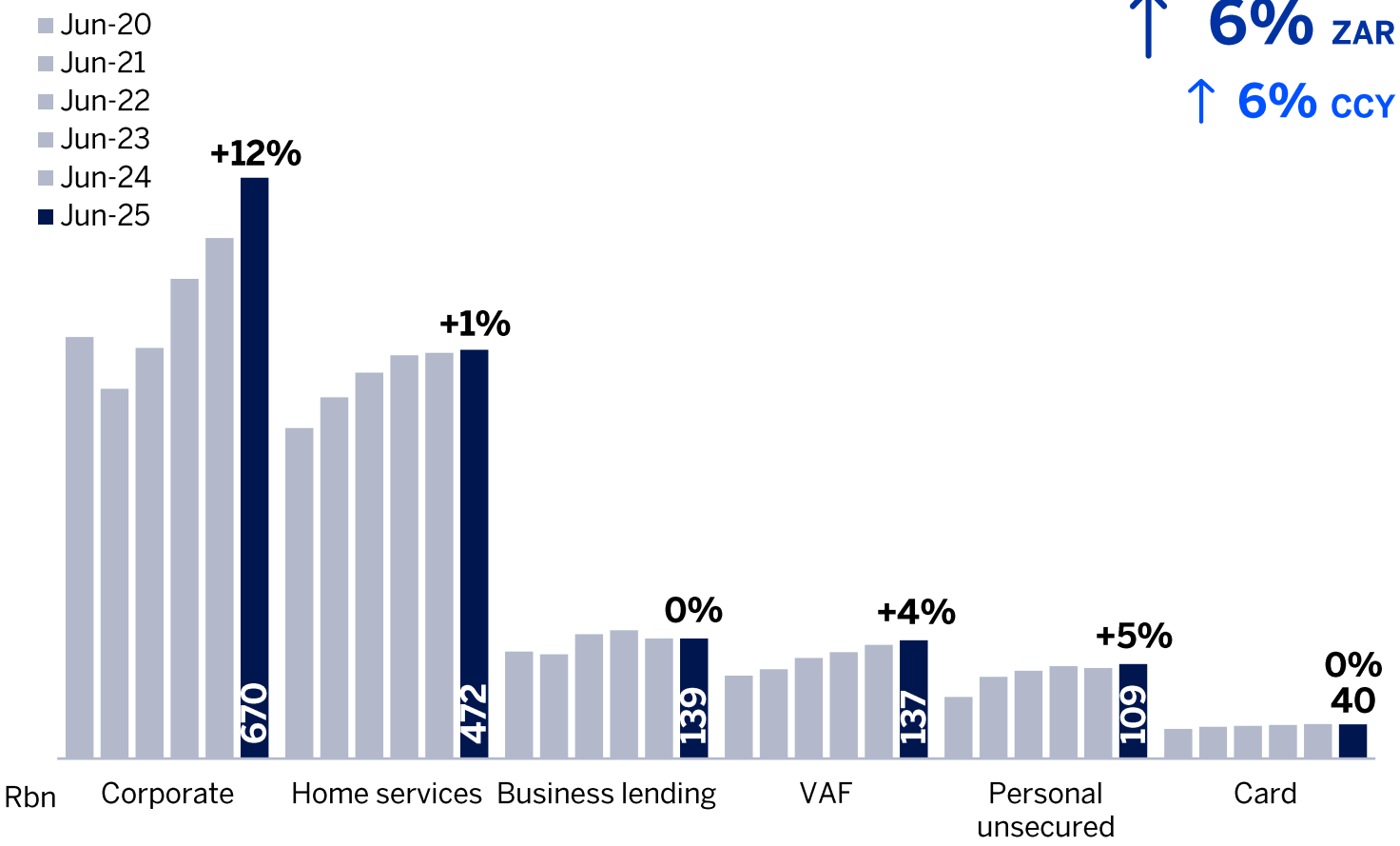
# **Gross loans and advances** – growth driven by strong investment banking origination

## Gross loans and advances to customers by product, R1.6trn

HoH % change (Jun-24 to Jun-25)

↑ 6% ZAR

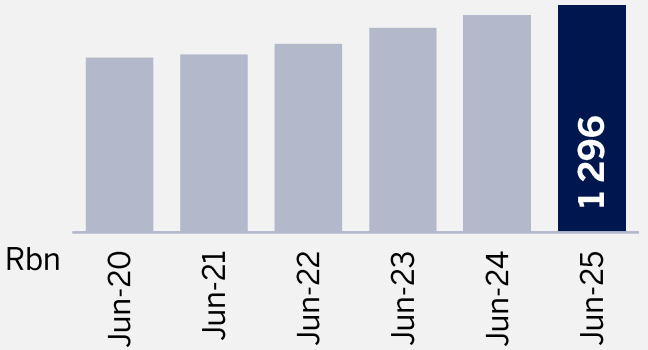
↑ 6% CCY




## South Africa

HoH % change (Jun-24 to Jun-25)

↑ 5%

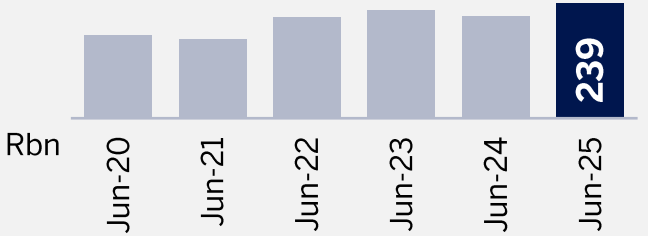



## Africa Regions

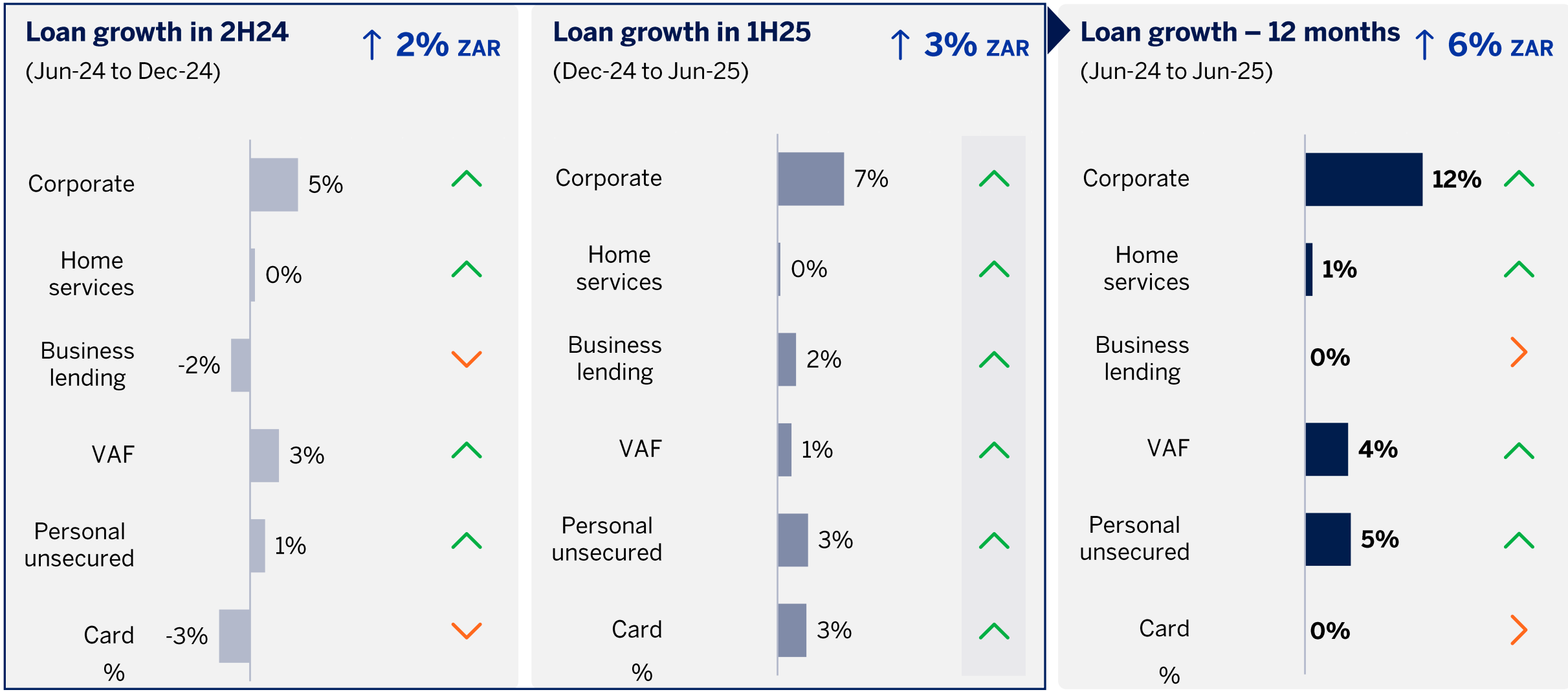
HoH % change (Jun-24 to Jun-25)

↑ 13% ZAR

↑ 13% CCY

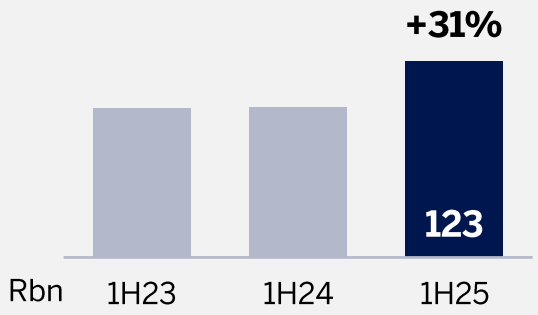


# **Loan growth** – momentum improved in 1H25

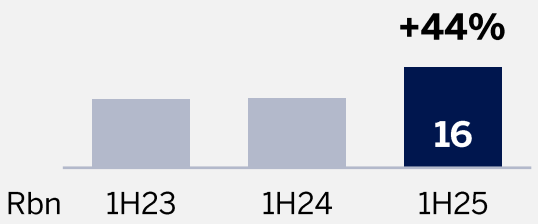


# **Disbursements** – strong growth reflective of underlying activity

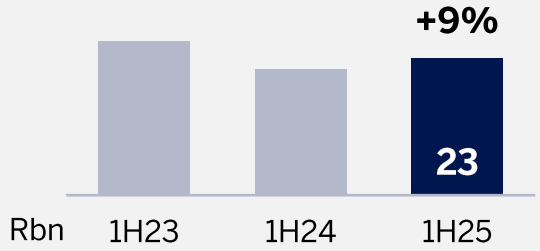
## Investment banking origination
HoH % change (Jun-24 to Jun-25)



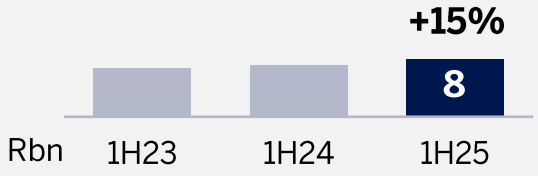

## Business lending disbursements
(South Africa)



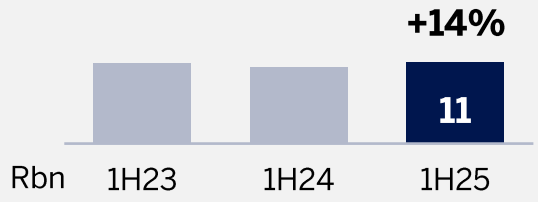

## Home services disbursements
(South Africa)



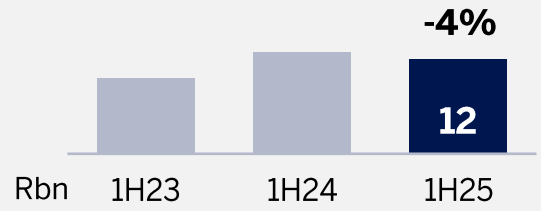

## Personal unsecured loan disbursements (South Africa)




## BCB VAF disbursements
(South Africa)

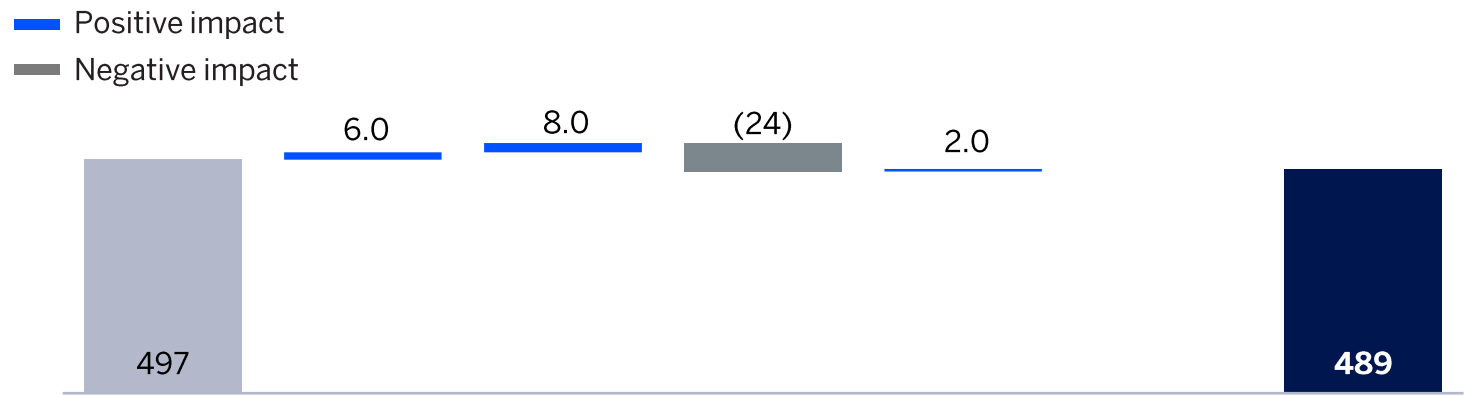



## PPB VAF disbursements
(South Africa)



# **Net interest income** – increase driven by a larger balance sheet, partially offset by lower interest rates

## Net interest margin, down 8bps




| | | | | | | |
|---|---|---|---|---|---|---|
| NII, Rbn | 50.4 | 0.6 | 0.8 | (2.6) | 0.2 | 2.0 | 51.4 |

| | 1H20 | 1H21 | 1H22 | 1H23 | 1H24 | 1H25 |
|---|---|---|---|---|---|---|
| Net interest margin, bps | 387 | 364 | 390 | 487 | 497 | **489** |
| AIEA[2], Rbn | 1 617 | 1 673 | 1 771 | 1 945 | 2 039 | **2 119** |

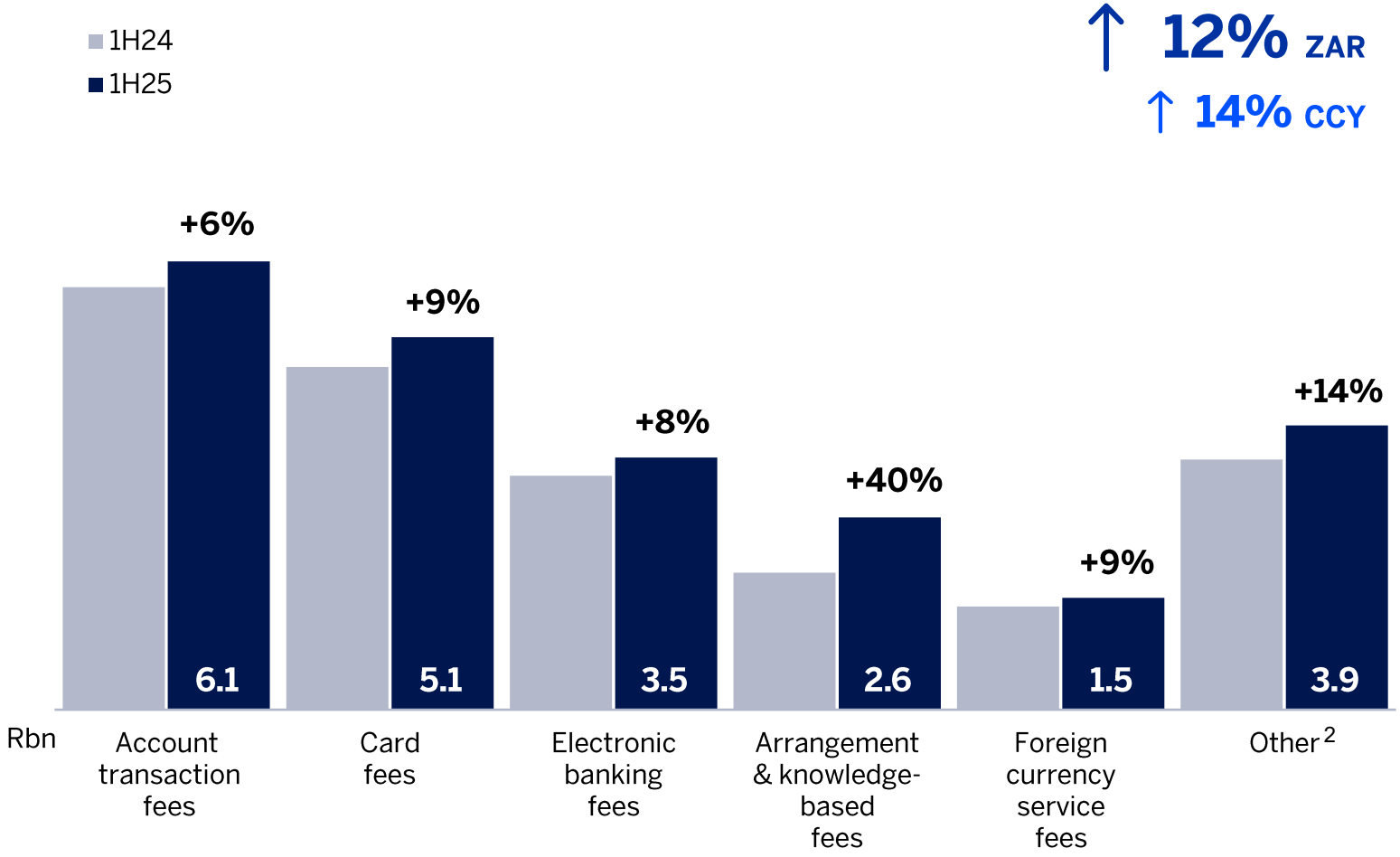
**Net interest income increased by 2%** due to:

- **Asset pricing and mix**
  - Negative pricing primarily due to the competitive environment in South Africa and as corporate loans grew faster than other portfolios
  - Positive mix as Africa Regions grew faster than South Africa and Offshore declined and as local currency lending grew faster than foreign currency lending in Africa Regions
- **Deposit pricing and mix**
  - Pricing was flat and mix was positive as Africa Regions grew faster than South Africa
- **Endowment impact** was negative following interest rate cuts across most of our markets in 2H24 and 1H25
- **Balance sheet management and other** is net of R0.6bn positive impact of endowment hedge (5 bps). The hedge provided protection in a rate cutting cycle

*[1]Balance sheet management, [2]Average interest-earning assets*

# **Net fee and commission** – strong growth supported by a larger active client base, broader offerings and higher transactional activity

## Net fee and commission revenue, R17.1bn[1]




**Net fee and commission** supported by:

- **Account transaction fees** increase supported by higher retail transactional activity, larger client base and deepening client relationships
- **Card fees** growth driven by increased client spend in both card issuing and acquiring
- **Electronic banking fees** increased as clients continue to adopt digital solutions, including value-added services
- **Arrangement and knowledge-based fee** increase due to improved fee generation linked to ongoing deal origination and higher client advisory activity
- **Foreign currency service fees** grew due to an increase in client trade flows and cross-border volumes in South Africa and West Africa
- **Other** increase linked to higher assets under custody and client activity in debt capital markets

**Net fee and commission growth**

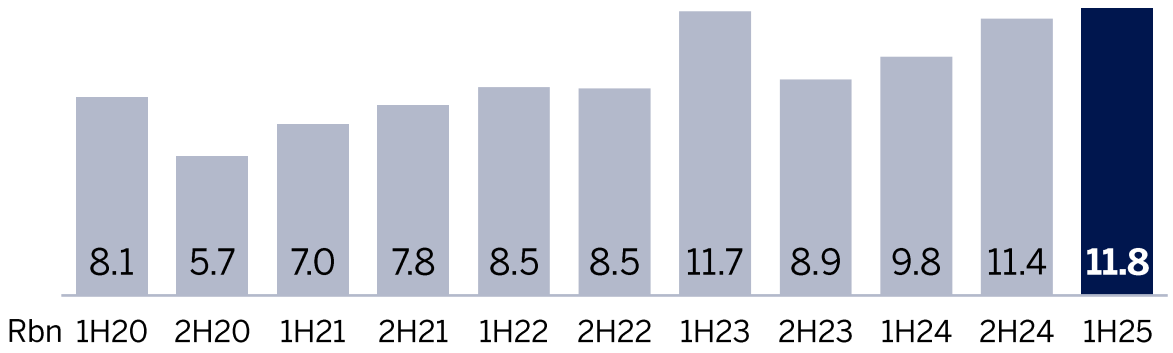
**+11%** PPB SA **+12%** SBSA **+18%**[3] Africa Regions

*[1] Net fee and commission revenue is for banking operations and is net of fee and commission expense, [2] Other includes documentation and administration fees and other fee and commission revenue, [3] Constant currency*

# **Trading revenue** – benefitted from increased client activity and heightened market uncertainty

## Trading revenue, R11.8bn

5-year CAGR, 8%

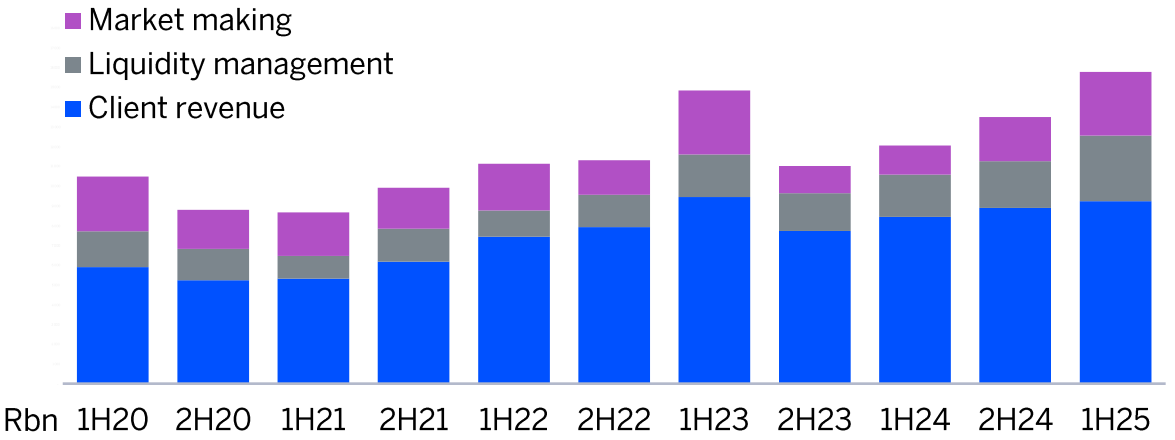



↑ **20%** ZAR

↑ **23%** CCY

Jun-24 to Jun-25

## Global Markets revenue[1]




**80%**

of GM revenue is client franchise related

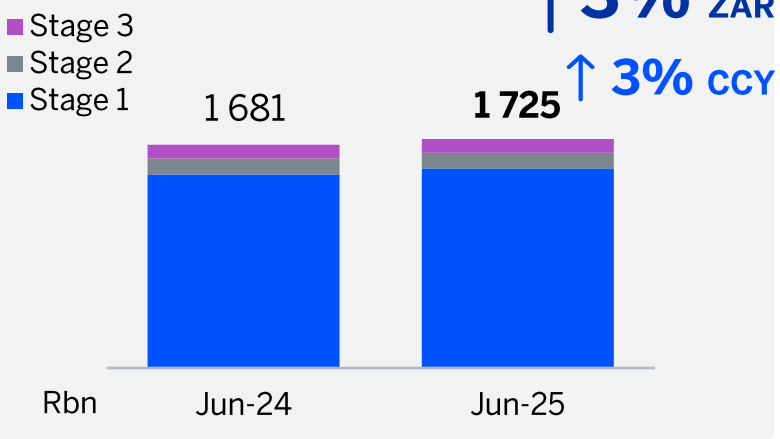
**Trading revenue** increased due to:

- **Fixed income and currencies** growth driven by client demand for credit-linked notes, structured hedging and financing solutions in South Africa and for foreign exchange solutions in West Africa
- **Commodities revenue** increased as market fluctuations resulted in increased opportunities to provide client hedging solutions
- **Equity revenue** growth was driven by improved investment appetite and liquidity, coupled with market uncertainty which increased client activity and trading opportunities

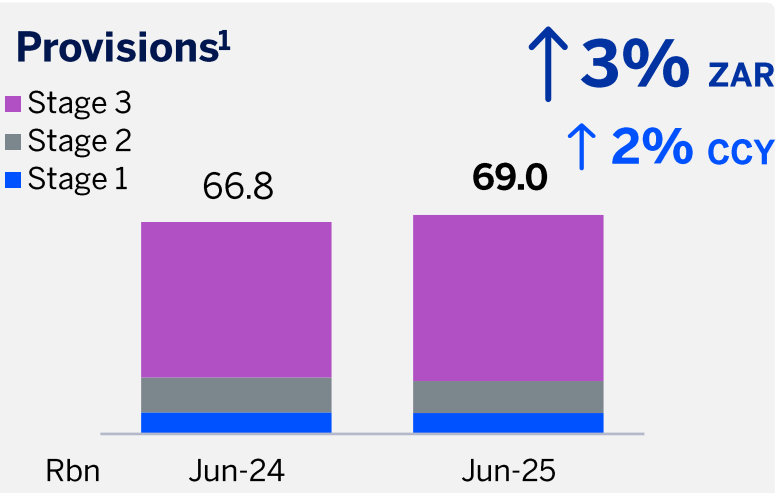
[1] *Market making revenue – represents the residual revenue earned in excess of client revenue when managing current and anticipated client flow in expectation of market movements, within assigned market risk limits; liquidity management – revenue earned on the management of excess client liquidity on behalf of the banking entity; client revenue – earned on client transactions in excess of funding and hedging costs*

# **Credit provisions** – increased in line with total book growth and total coverage remained robust

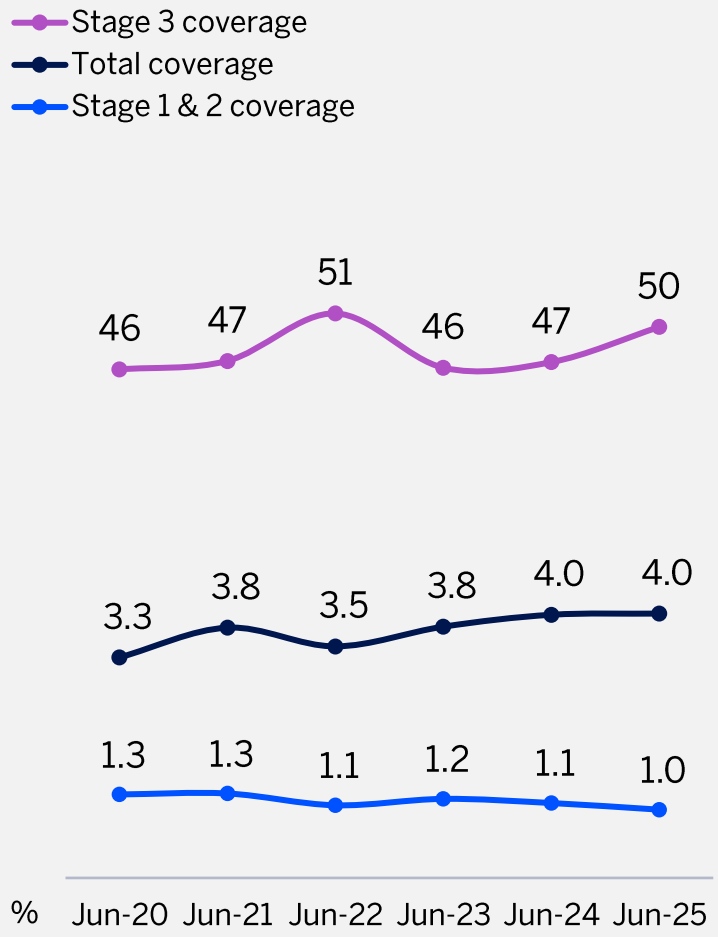
## Gross loans & advances[1]




## Provisions[1]




## Coverage




**Provisions growth in line with gross loans and advances:**

- Loan staging remained relatively consistent
- Within stage 3 loans, home loans increased while corporate loans decreased
- Increase in stage 3 provisions was partially offset by a decrease in stage 1 and 2
- Increase in stage 3 provisions continues to be driven by the lengthy legal processes in home loans

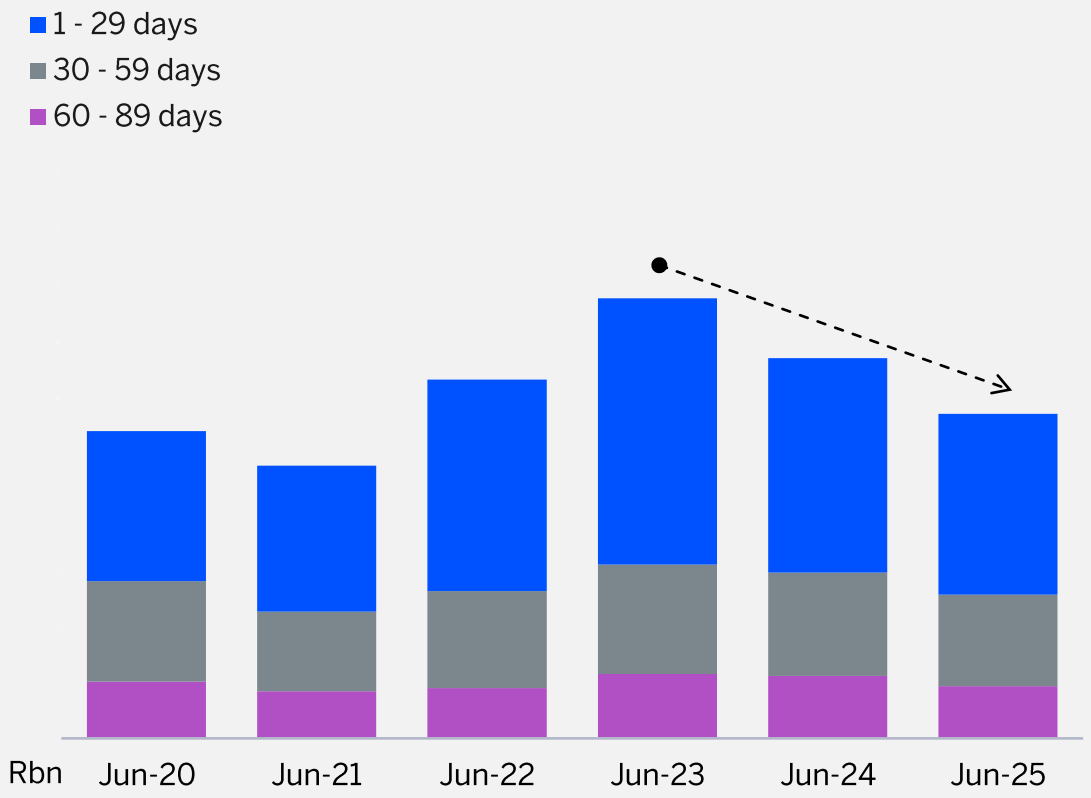
**Total coverage remained robust**

- Unchanged as provision growth was in line with loan growth

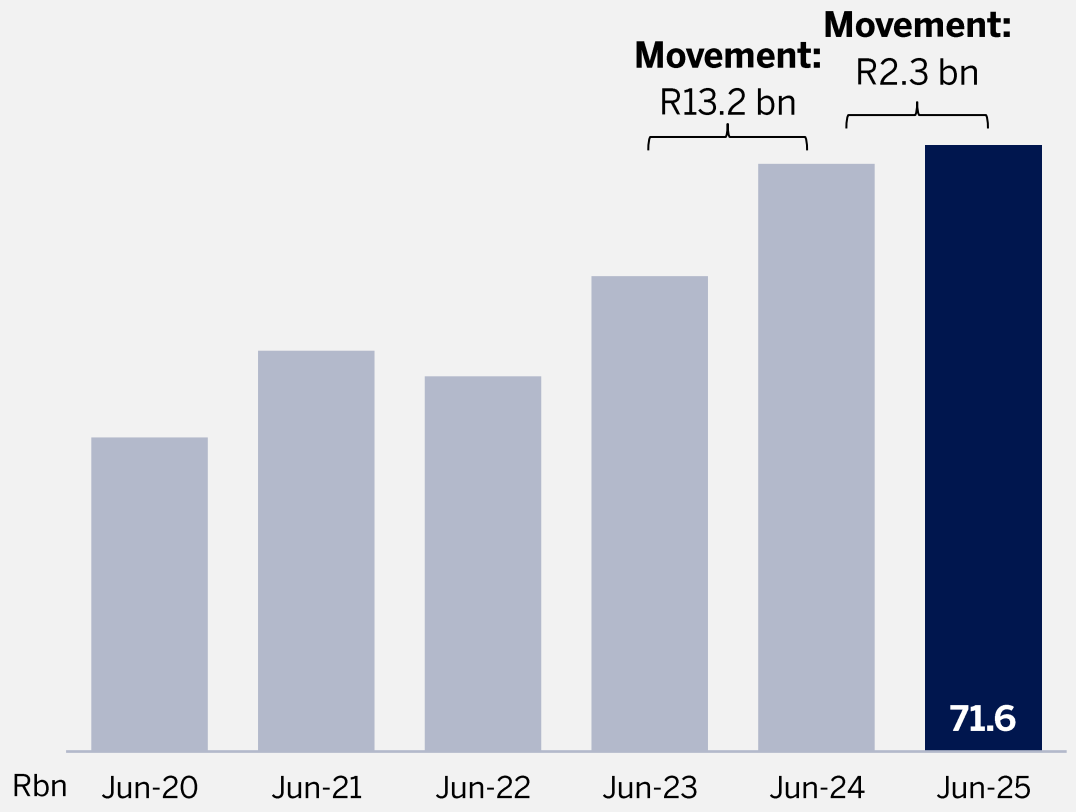
[1]*Based on gross loans and advances and provisions per pages 66-71 of the Financial Analysis Booklet*

# **PPB South Africa credit provisions** – early delinquencies continued to decline and NPL formation slowed

## Early delinquency (1 – 89 days past due)

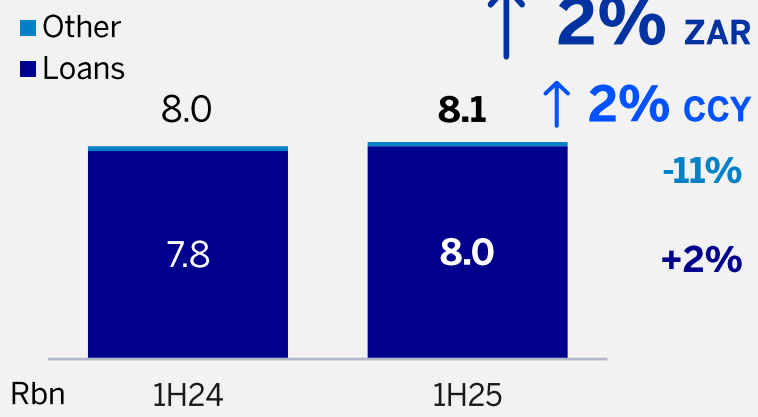



## Non-performing loans

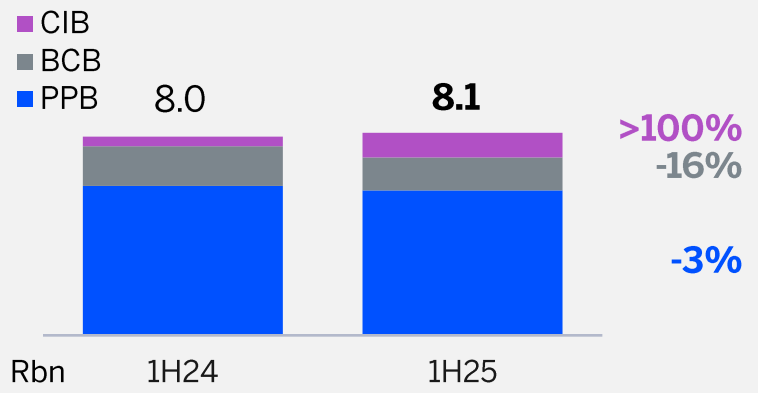


# **Credit impairment charges** – well managed due to diligent collections strategies

## Credit impairment

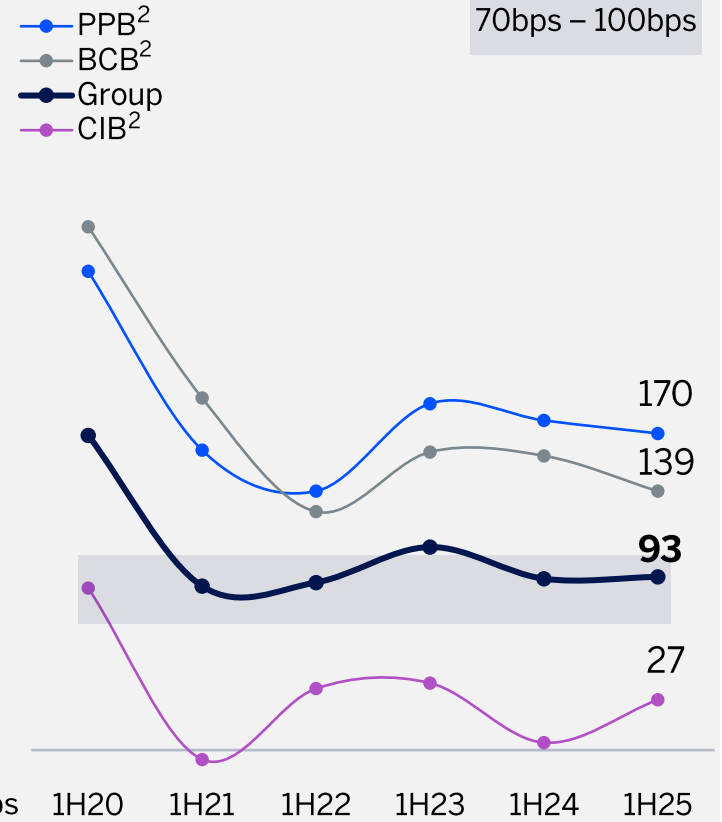



## Credit impairment by business[1]




## Credit loss ratio

TTC CLR range
70bps – 100bps




| Group, bps | 1H20 | 1H21 | 1H22 | 1H23 | 1H24 | 1H25 |
|---|---|---|---|---|---|---|
| | 169 | 88 | 90 | 109 | 92 | **93** |

**Credit impairment**:

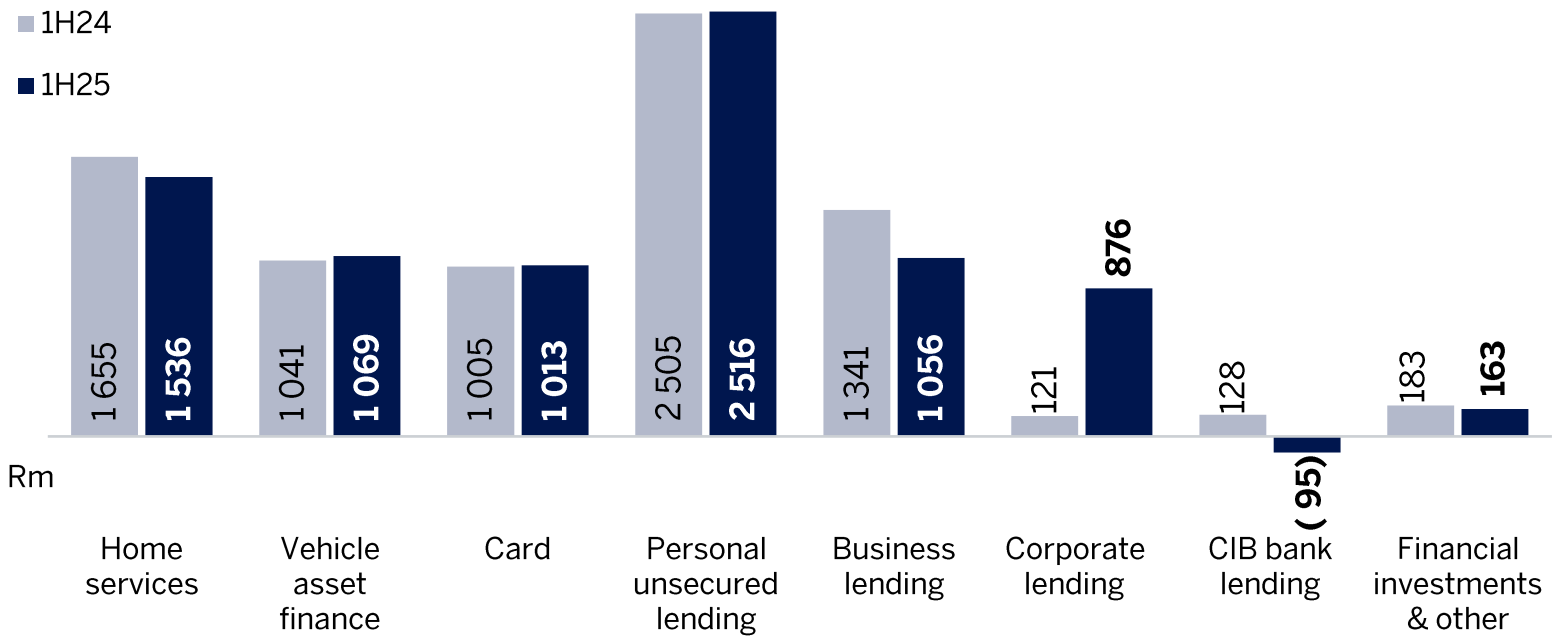
- **PPB and BCB** charges decreased on the back of robust collection strategies, increased restructures and reduced flows into non-performing loans
- **CIB** charges normalised off a low base in the prior period linked to recoveries in 1H24

| CLR | 1H24 bps | 1H25 bps | |
|---|---|---|---|
| **PPB[2]** | **177** | **170** | ⌄ |
| South Africa | 180 | **174** | ⌄ |
| Africa Regions | 185 | **146** | ⌄ |
| Offshore | 10 | **84** | ⌃ |
| **BCB[2]** | **158** | **139** | ⌄ |
| South Africa | 129 | **100** | ⌄ |
| Africa Regions | 308 | **240** | ⌄ |
| Offshore | 73 | **196** | ⌃ |

*[1]Credit impairment charges for loans and advances including financial investments and letters of credit and guarantees per pages 28-29 of the Financial Analysis Booklet, [2]CLR to customers*

# **Credit impairment charges** – flat or down across all portfolios except corporate which normalised off a low base in 1H24

## Credit impairment charges, R8.1bn




| | Home services | Vehicle asset finance | Card | Personal unsecured lending | Business lending | Corporate lending | CIB bank lending | Financial investments & other |
|---|---|---|---|---|---|---|---|---|
| 1H24 CLR, bps | 71 | 164 | 514 | 477 | 194 | 4 | | |
| 1H25 CLR, bps | 66 | 161 | 518 | 462 | 156 | 27 | | |

**Credit impairment charges** driven by:

- **Home services** charges decreased due a slowdown of inflows into early arrears and non-performing loans due to enhanced collection strategies
- **Business lending** charges decreased due to early interventions for distressed clients
- **Vehicle asset finance, card and personal unsecured lending** charges were broadly flat
- **Corporate lending** charges normalised from a low base in the prior period due to significant recoveries from restructures and cures in that period

# **Operating expenses** – well controlled, delivering positive jaws and a lower cost-to-income ratio

| | 1H25 Rm | 1H24 Rm | Change % | Change CCY % |
|---|---|---|---|---|
| **Staff costs** | **23 813** | **22 366** | **6** | **7** |
| **Other operating expenses** | **16 968** | **16 118** | **5** | **7** |
| Software, cloud and technology-related costs | 6 738 | 6 318 | 7 | 8 |
| Depreciation | 2 057 | 2 042 | 1 | 2 |
| Amortisation of intangible assets | 1 136 | 1 228 | (7) | (7) |
| Marketing and advertising | 1 133 | 1 029 | 10 | 11 |
| Premises expense | 1 104 | 1 044 | 6 | 7 |
| Professional fees | 1 017 | 956 | 6 | 8 |
| Communication | 586 | 580 | 1 | 2 |
| Other | 3 197 | 2 921 | 9 | 16 |
| **Total operating expenses[1]** | **40 781** | **38 484** | **6** | **7** |
| | | | | |
| **Efficiency** | | | | |
| Jaws, % | **0.6** | 0.5 | | |
| Cost-to-income, % | **49.4** | 49.7 | | |

**Operating expenses** driven by:

- **Staff costs** grew due to annual salary increases, a shift in headcount composition to specialist skills and incentive payments in line with business performance
- **Software, cloud and technology-related costs** increase was due to continued investment in software services and strategic initiatives aimed at enhancing client experience and solutions, higher spend on system security, stability and infrastructure resilience and higher cloud subscription costs
- **Marketing and advertising** increased due to focused client campaigns, expanded digital marketing efforts and sponsorships
- **Other expenses** growth driven by increased client activity and higher depositor insurance in West Africa and AMCON[2] costs linked to balance sheet growth

*[1]Banking operating expenses grew by 7% in constant currency vs weighted average inflation rate of 6%, [2]Asset Management Corporation of Nigeria*

# **Operating expenses** – continued infrastructure optimisation aligned to change in client behaviour

## Optimising cash in branch by enabling alternative channels

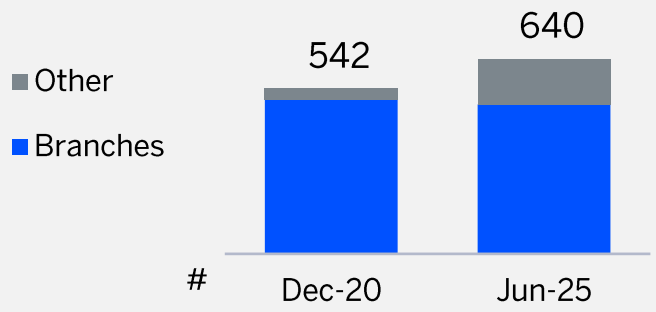
- Effectively transitioned cash from branch to alternative channels, in particular ATMs
- 84% of cash deposits received via alternative channels i.e. non-branch
- 97% of cash withdrawals made through alternative channels

## Infrastructure optimisation outcomes (1H20 – 1H25)[1]

- The branch and ATM optimisation programme has delivered sufficient savings to contain the growth in distribution costs to 1% CAGR over 5 years

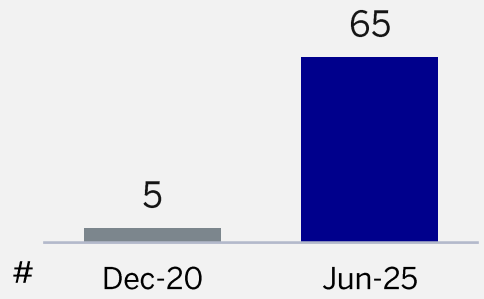
## Increased points of representation[1]

(Dec-20 to Jun-25, +18%)



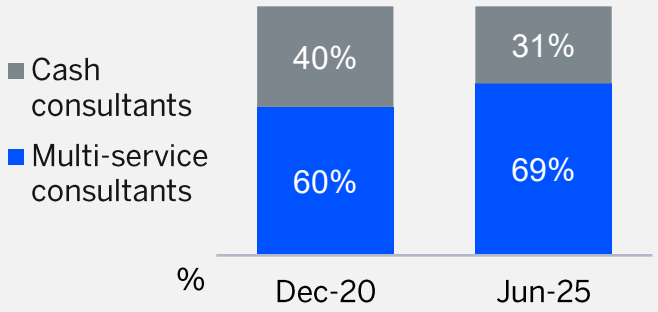

## Cashless branches rolled out[1]

(Dec-20 to Jun-25, >100%)



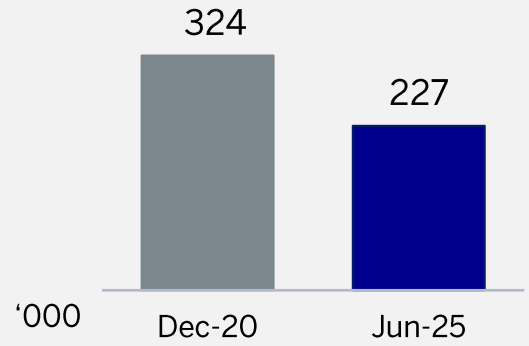

## Branch staff mix evolved[1]

(Dec-20 to Jun-25)




## Branch sqm declined[1]

(Dec-20 to Jun-25, -30%)




[1] *In South Africa*

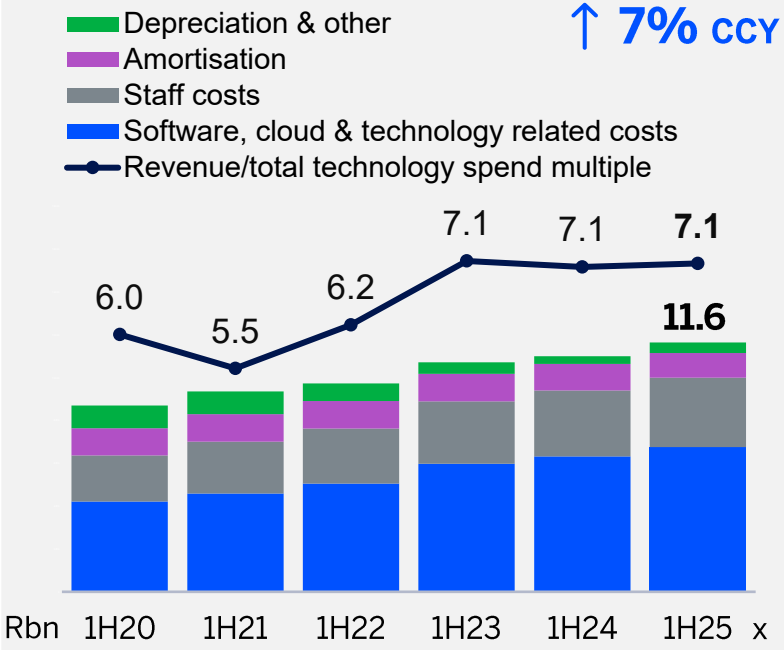
# **IT spend** – driving efficiencies to fund our businesses' growth

## Total technology spend

5-year CAGR 7%

↑ **6%** ZAR

↑ **7%** CCY



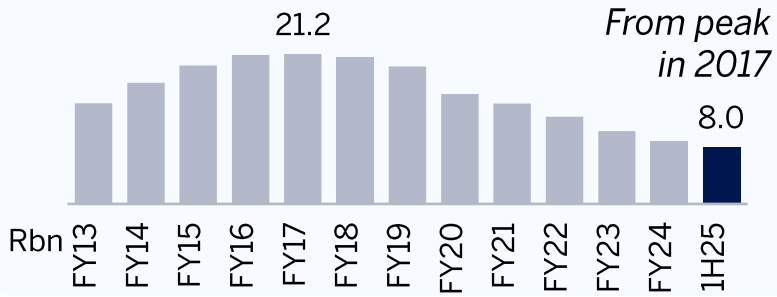

## Save

- On-prem depreciation down 60% since 2020, driven by cloud migration
- Diligent decommissioning of legacy: 53% reduction in SA physical server footprint since 2020
- Core banking amortisation rolling off

### Intangible net book value

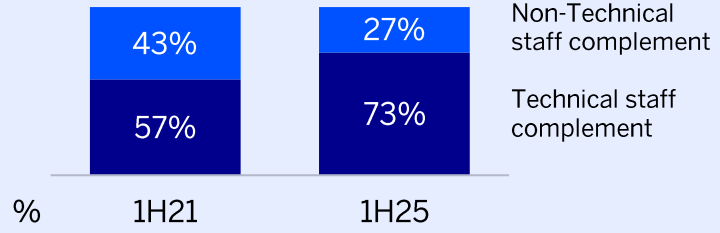
↓ **62%**

*From peak in 2017*




## Invest

- Cloud spend up 10x[1]
- Software spend up 2x[1]
- >180 data scientist leveraging AI
- Improving digital customer experiences – expanding Mobile Apps and Web functionality
- Investment in technical skills – attracting talent in key areas and improved mix of experience vs new hires




## Highlights

**14%**
IT spend as % of banking revenue

**7%**
IT spend 5-year CAGR

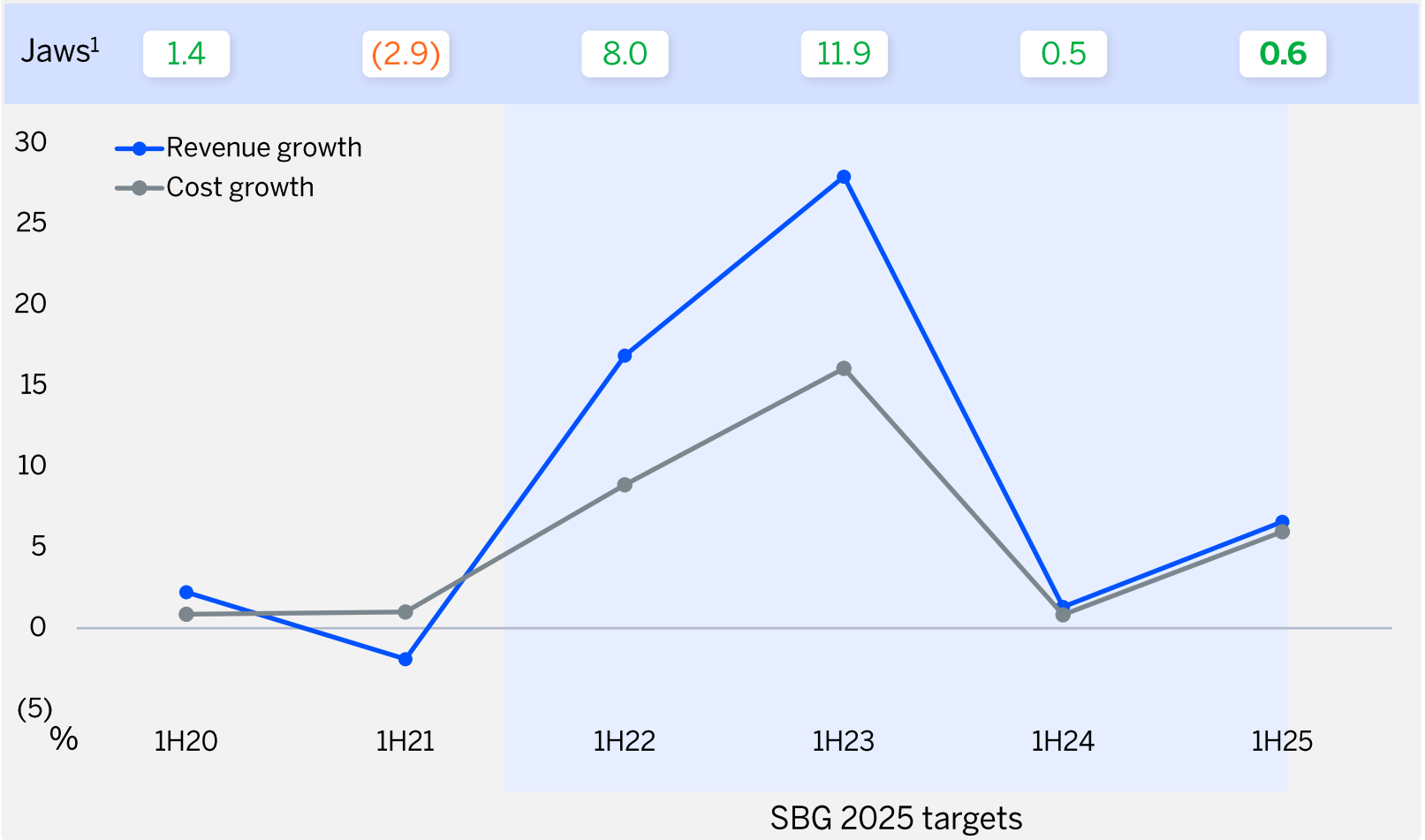
**20%**
GenAI coding productivity enhancements

**10x**
Cloud spend change since 2020

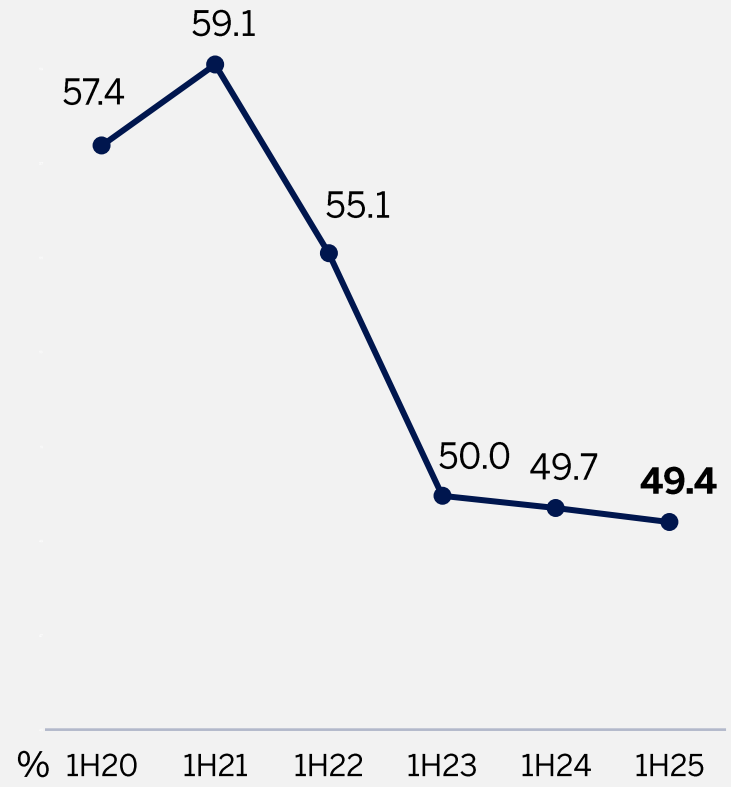
[1] *Since 2020*

# **Operating expenses** – driving continued positive operating leverage

## Income vs cost growth and jaws




## Cost-to-income ratio




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

# 2.2

Insurance & Asset Management

# IAM performance – continued upward trajectory in earnings and ROE

| | 1H25 Rm | 1H24 Rm | Change % |
|---|---|---|---|
| **Insurance operations** | **2 541** | **2 103** | **21** |
| South Africa | 2 544 | 2 187 | 16 |
| Africa Regions | (3) | (84) | 96 |
| **Asset Management operations** | **489** | 469 | **4** |
| South Africa | 199 | 174 | 14 |
| Africa Regions and Offshore | 290 | 295 | (2) |
| Central, sundry income and other | (166) | (24) | >100 |
| **Total operating earnings** | **2 864** | **2 548** | **12** |
| Shareholder portfolio | 120 | 195 | (38) |
| **Gross earnings before inter-BU attribution** | **2 984** | **2 743** | **9** |
| Inter-BU attribution headline earnings[1] | (1 178) | (1 118) | 5 |
| **Headline earnings** | **1 806** | **1 625** | **11** |
| | | | |
| **ROE (%) – pre inter-BU attribution** | **31.4** | 25.7 | |
| **ROE (%)** | **19.7** | 15.6 | |

- **Insurance operations**
  - **South Africa** strong growth supported by higher underwriting margins in the short term business as a result of risk selection re-pricing and lower weather-related claims
  - **Africa Regions** losses were lower as in Liberty Health continues to undergo an orderly market exit
- **Asset Management operations**
  - **South Africa** earnings growth attributed to positive market movements and net cash inflows during the period
  - **Africa Regions** earnings robust in constant currency terms but were negatively impacted by Naira devaluation

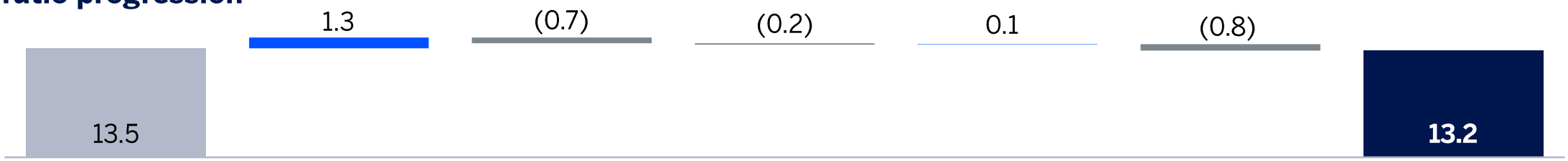
[1] *Headline earnings which are attributed to PPB and BCB*

# 2.3

Capital and returns

# **CET1 ratio** – remains robust despite higher distributions and RWA growth

## CET1 ratio progression[1]




| | | | | | | | |
|---|---|---|---|---|---|---|---|
| CET1, Rbn | 240 | 24 | (13) | (3) | 1 | - | 249 |
| RWA, Rbn | 1 773 | | | | | 118 | 1 891 |

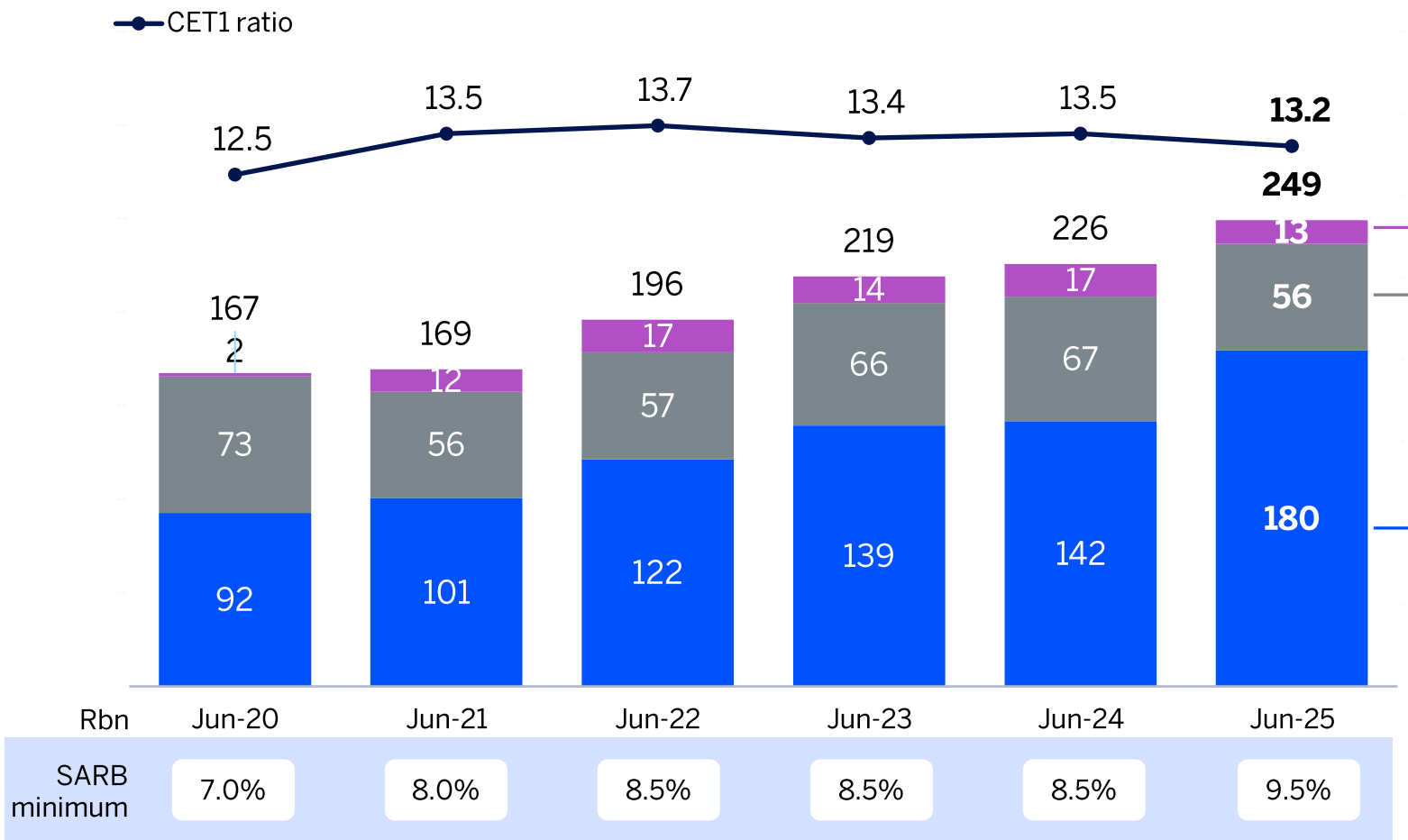
## Capital progression

| | Dec-23 | Jun-24 | Dec-24 | Jun-25 |
|---|---|---|---|---|
| CET1 capital[1], Rbn | 221 | 226 | 240 | 249 |
| Risk weighted assets, Rbn | 1 609 | 1 667 | 1 773 | 1 891 |
| CET1 ratio[1], % | 13.7 | 13.5 | 13.5 | 13.2 |
| Net stable funding ratio, % | 121 | 121 | 123 | 125 |
| Liquidity coverage ratio, % | 129 | 133 | 136 | 132 |

*[1] Including unappropriated profits, [2] Dividend paid related to FY24 final dividend payment*

# **Capital** – sufficient capital and flexibility to buffer downside risks and take advantage of growth opportunities

## CET1 capital[1]




## Capital available:

**Expansion, dividends and share buybacks**
*Provides optionality and distributions to shareholders*

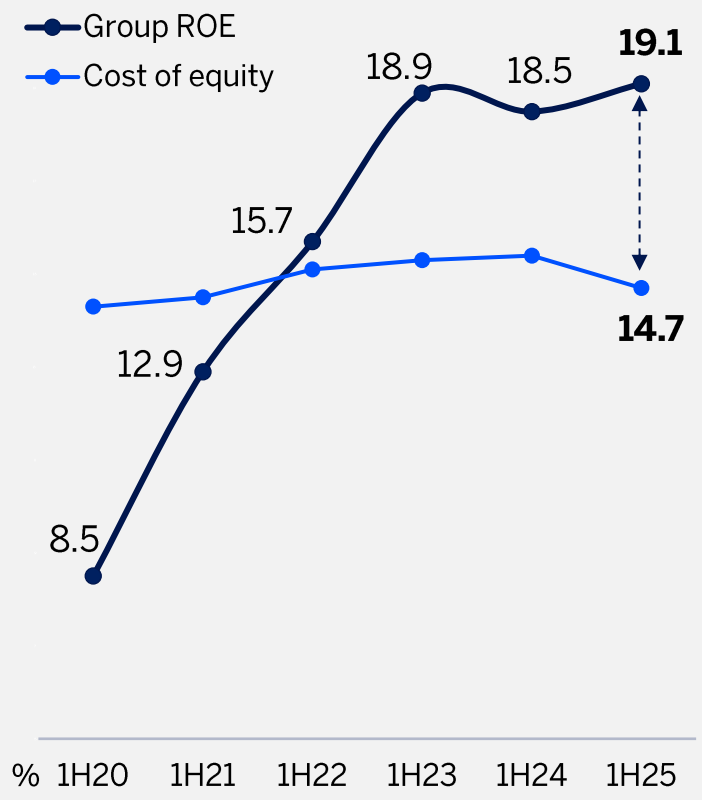
**Buffer for macro-economic uncertainty[2]**
*Ensuring resilience to buffer risks*

**Capital generated to fund RWA growth[3]**
*Supporting organic client growth*

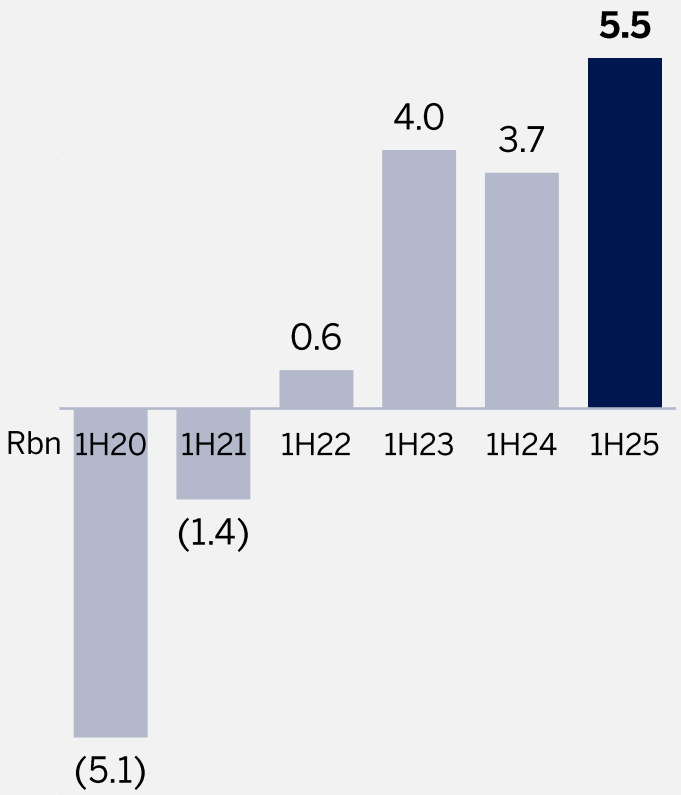
*[1]Including unappropriated profits, [2] Prior periods adjusted to reflect 12.5% SBG target ratio, [3] SARB minimum regulatory requirement of 9.5% includes the 1% CET1 requirement for the fully phased-in Positive Cycle Neutral Countercyclical Buffer requirement in South Africa from June 2025*

# **ROE & dividends** – strong returns supported higher dividends and share buybacks

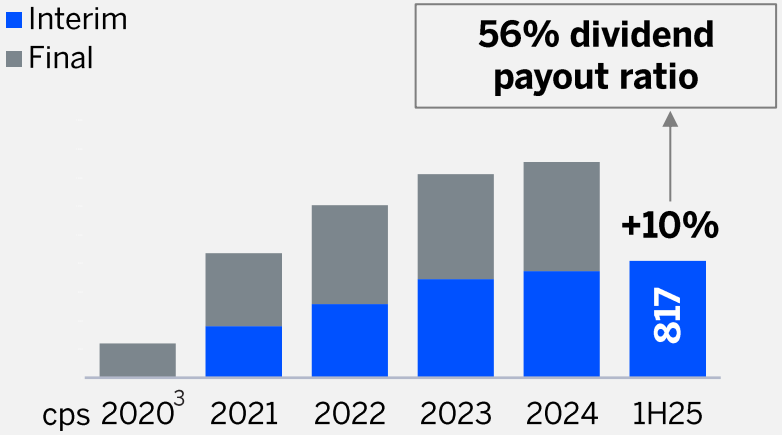
## Return on equity and cost of equity



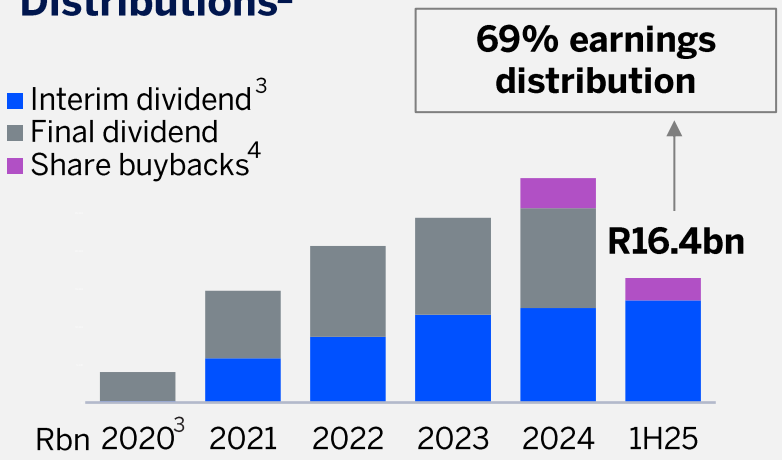

## Shareholder value added[1]




## Ordinary dividend per share




## Distributions[2]



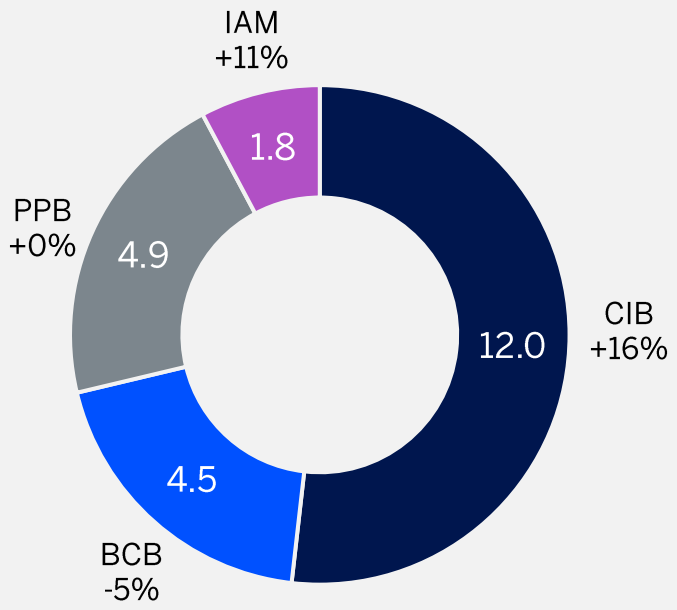

*[1] Shareholder value added calculated as earnings minus cost of capital, [2] Includes preference shares dividends, [3] No 1H20 interim ordinary dividend paid to shareholders as per guidance from the South African Reserve Bank, [4] Relates to the share buybacks executed, R4bn in 2024 and R3bn in 1H25*

# 2.4

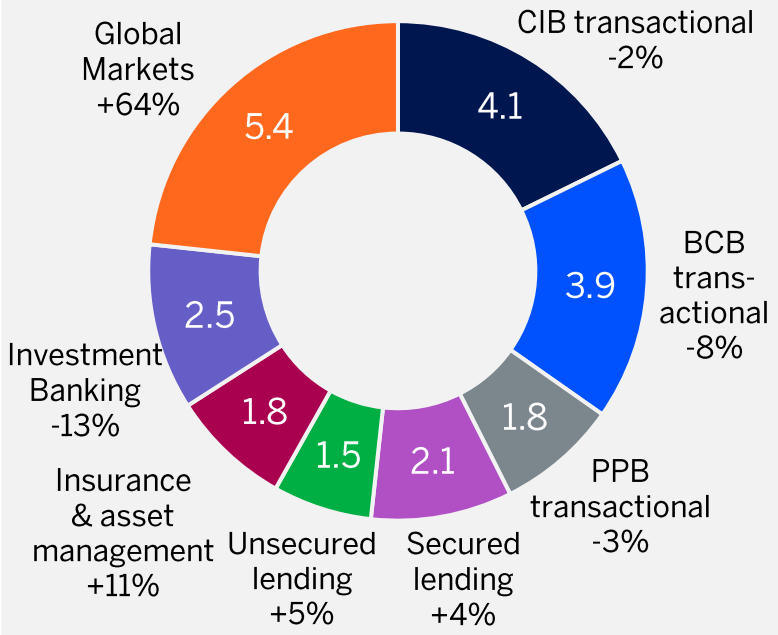
Business and regional performance overview

# **SBG portfolio** – well-diversified earnings

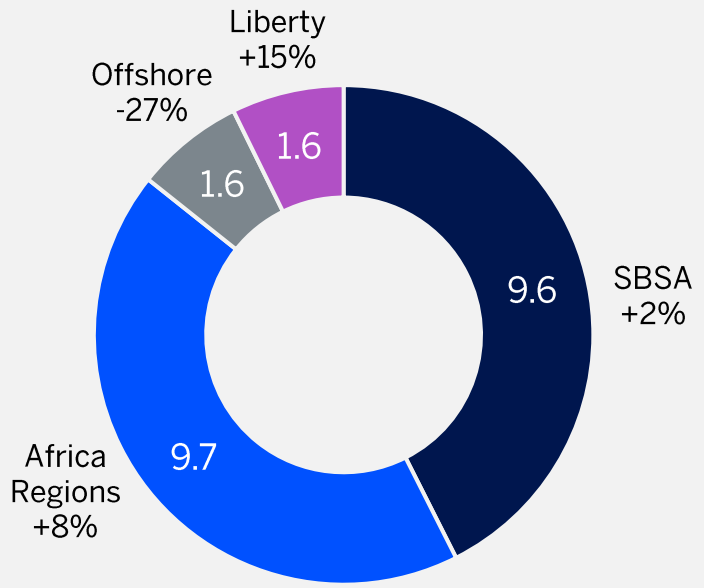
## Business unit headline earnings[1], HoH change




## Product headline earnings[1], HoH change



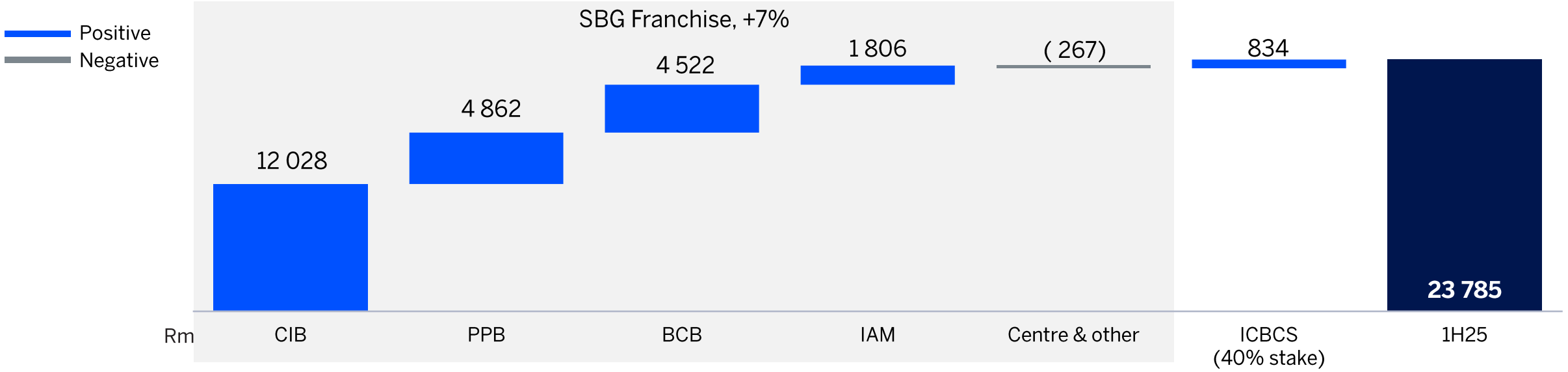

## Legal entity headline earnings[2], HoH change




*[1]Headline earnings by business unit (SBG Franchise) excluding Centre, [2]Headline earnings by legal entity excluding Other*

# **Business units** – all franchise businesses contributing positively to group ROE

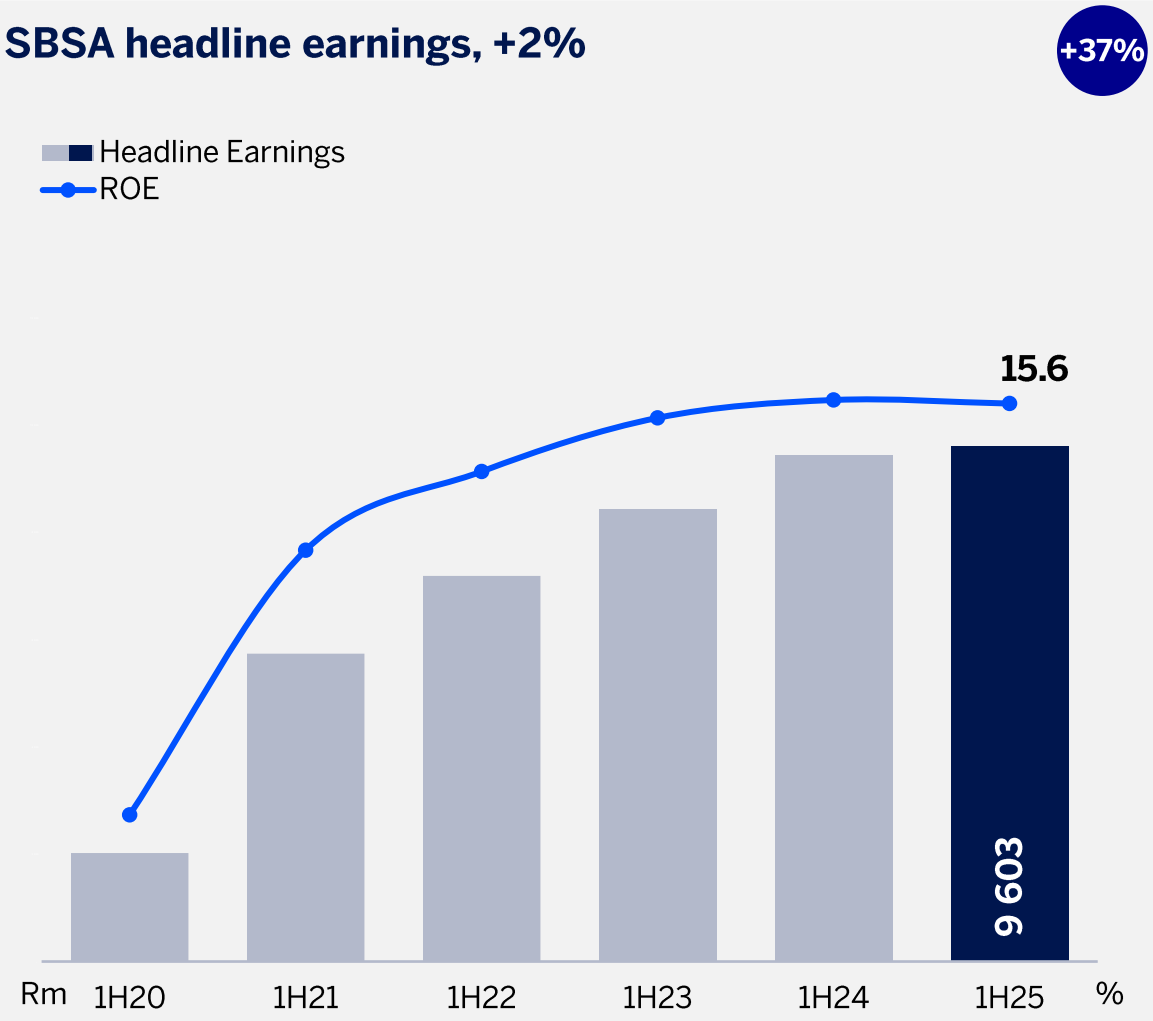
## Headline earnings contribution by business unit



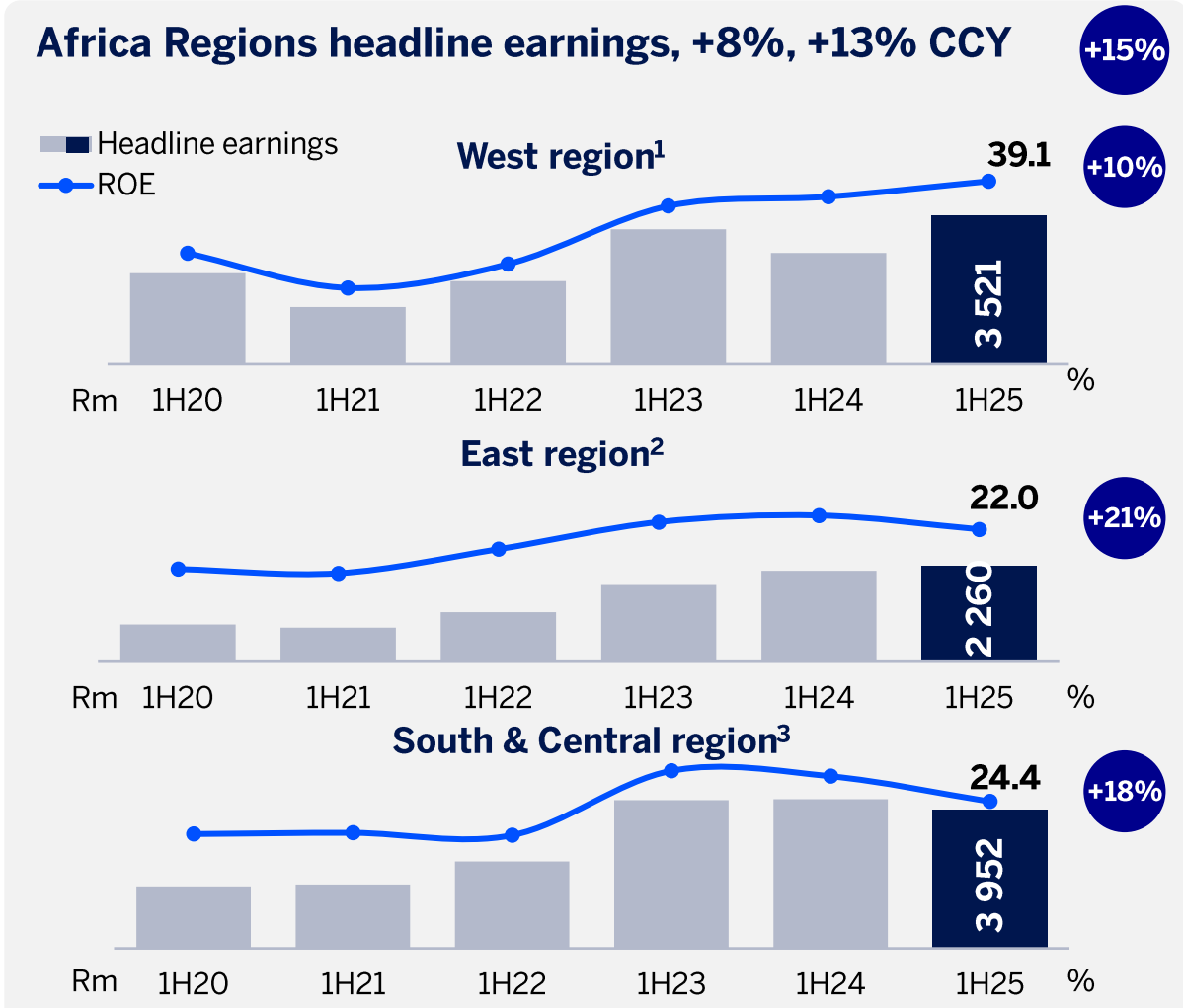

| | CIB | PPB | BCB | IAM | Centre & other | ICBCS (40% stake) | 1H25 |
|---|---|---|---|---|---|---|---|
| HE growth ZAR, % | +16 | +0 | -5 | +11 | +38 | +40 | +8 |
| HE growth CCY, % | +20 | +0 | -4 | +13 | | +43 | +11 |
| ROE, % | 22.9 | 20.0 | 37.2 | 19.7 | | 17.8 | 19.1 |

# **Legal entities performance** – diversified and resilient portfolio over time

## SBSA headline earnings, +2%




## Africa Regions headline earnings, +8%, +13% CCY



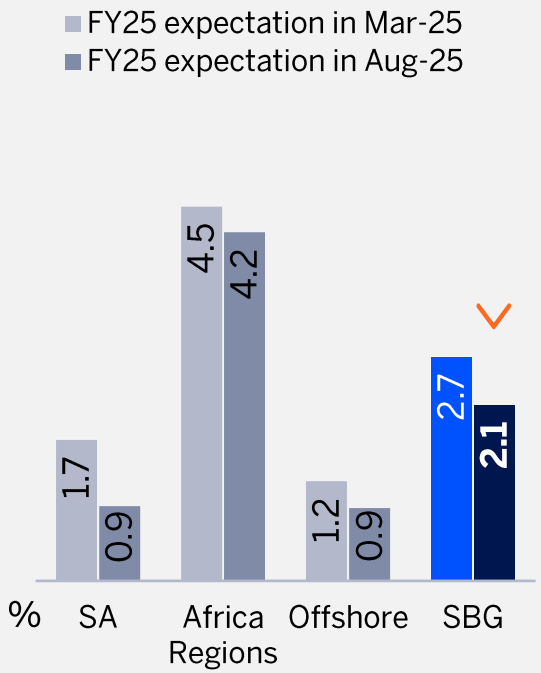

*[1]Angola, DRC, Ghana, Côte d'Ivoire, Nigeria, [2] Kenya, South Sudan, Tanzania, Uganda, [3] Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia, Zimbabwe*

# 2.5

FY25 outlook

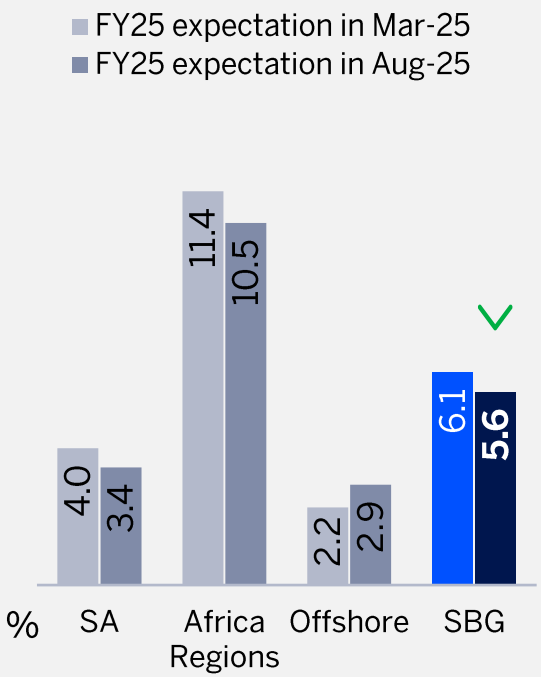
# **FY25 macroeconomic outlook** – growth expectations across our portfolio moderated

## Real GDP growth



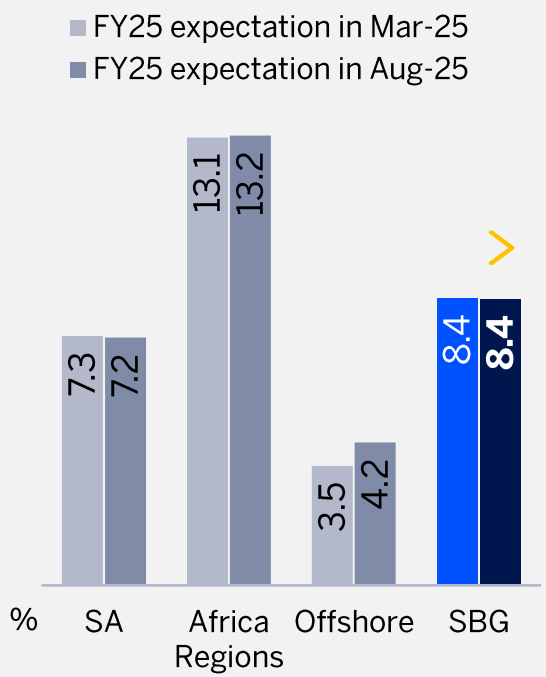

- Real GDP growth expectations have moderated, especially in SA

## Inflation




- In SA and Africa Regions, notably Angola, Malawi and Nigeria, inflation expectations have declined
- In Offshore, inflation ticked up marginally

## Average interest rates




- In SA and Africa Regions, average interest rate expectations remain in line with our expectations in March 2025
- In Offshore, interest rates expected to be higher

## Currency translation impact

**-3%**

1H25 ZAR vs CCY earnings differential

Currency impact across our portfolio of countries is still expected to be muted in 2025

# SBG FY25 – guidance intact

| Core metrics | FY25 guidance | Key drivers in FY25 |
|---|---|---|
| **Banking revenue growth** | Mid-to-high single digits | • 1H25 loan growth and NII were slower than expected<br>FY25 NII growth expectations moderated to low-to-mid single digits, subject to loan growth<br>• 1H25 trading revenue and NIR were better than expected<br>FY25 NIR growth expectations upgraded to high single digits, subject to market activity |
| **Banking cost-to-income ratio** | Flat-to-down year-on-year | • Banking revenue growth to be marginally ahead of operating expenses growth, resulting in flat to positive jaws[1] |
| **Group ROE** | Inside the 2025 SBG target range of 17% – 20% | • Both Banking ROE and IAM ROE within 2025 SBG target range |
| **Supplementary metrics** | | |
| **Credit loss ratio** | Middle of the TTC[2] range of 70 bps – 100 bps | • Credit impairment charges are expected to be higher than in 2024 due to forward looking provision releases not repeating and CIB charges normalising |
| **CET1 ratio** | >12.5% | • Active capital management to fund organic and inorganic growth as well as distributions |
| **Dividend payout ratio** | At the top end of range 45% – 60% | • Continued focus on dividend extraction from operating entities<br>• Share buybacks subject to available cash resources and share price |

*[1] Jaws for Banking businesses, [2] Through-the-cycle*

# SBG 2025 – firmly on track to deliver against our commitments

| Core metrics | 10 years to 2024[1] | 1H25 | 2025 targets |
|---|---|---|---|
| Revenue growth, CAGR | 10% (2014 – 2024 ) | 10% 1H20 – 1H25 ✓ | 7% – 9% 2020 – 2025 |
| ROE | 15.9% | 19.1% ✓ | 17% - 20% |
| **Supplementary metrics** | | | |
| Cost-to-income ratio | 55.6% | 49.4% ✓ | Approaching 50% |
| Credit loss ratio | 89 bps | 93 bps ✓ | 70 bps – 100 bps |
| CET1 ratio | 13.4% | 13.2% ✓ | >12.5% |
| Dividend payout ratio | 55%[2] | 56% ✓ | 45% - 60% |

*[1] All metrics are based on average, [2] Excluding FY20 dividend due to no interim dividend paid as per guidance from the South African Reserve Bank*

# 3.0

Looking forward

# **SBG franchise** – growing from a position of strength

## 4 businesses

**Banking**

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

- INSURANCE & ASSET MANAGEMENT

## 21 African countries




**Offshore hubs**
Isle of Man
Jersey

**Global centres**
London
New York
Dubai
Beijing

## #1 on the continent[1]

**#1**
Bank Brand in Africa[2]

**19.1%**
ROE

**R303bn**
Total equity

**R3.4trn**
Assets

**R2.2trn**
Deposits

**R1.6trn**
Assets under management[3]

## Attractive investment proposition

1. Recognised and trusted brand
2. Growing and engaged client franchise
3. Well diversified and resilient business with scale
4. Targeted technology investment bearing fruit[4]
5. Deep management bench strength
6. Fortress balance sheet with a proven track record of managing external shocks
7. Strong growth prospects and attractive medium-term targets
8. Well placed to capture Africa's sizable opportunities

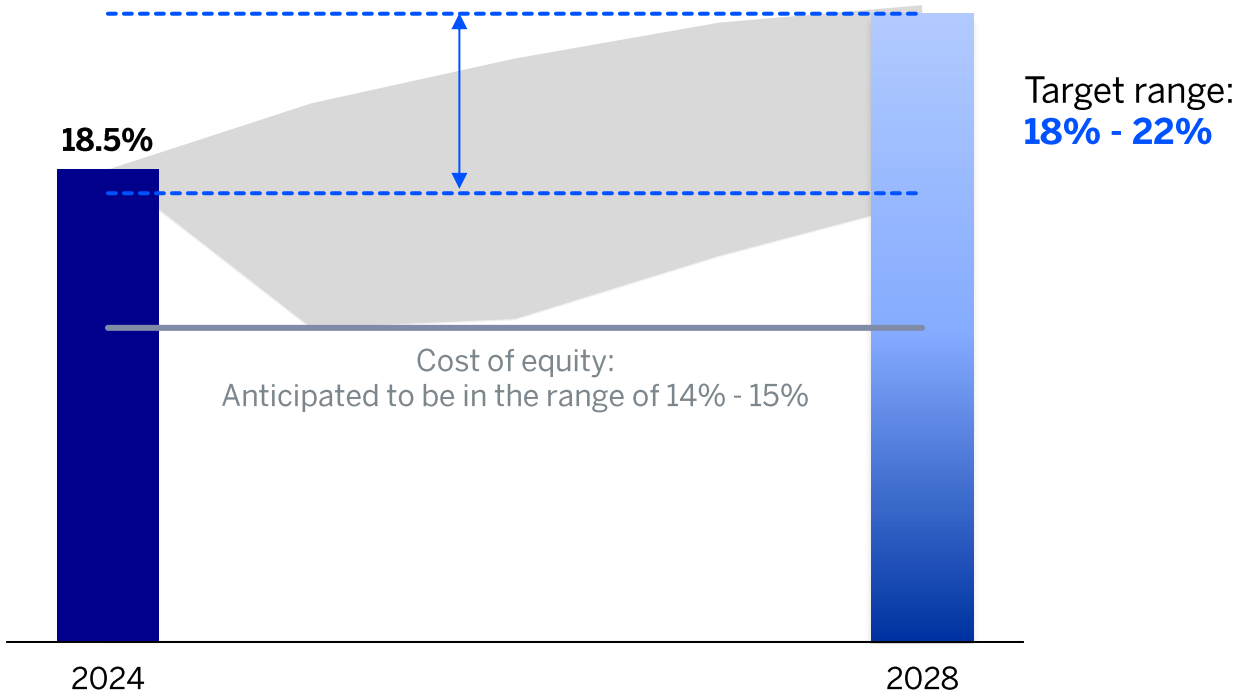
*[1]Largest bank based on total assets, [2] By value, as ranked by Brand Finance in the 2025 report, [3] Assets under management and assets under administration, [4] Delivering improvements in client experience, stability, security and productivity*

# **Managing uncertainty** – despite the risks, we have a resilient business with attractive medium-term prospects

**Known unknowns**

- US policy shifts
- Geopolitics/War
- Sovereign debt
- Climate change
- FX impact
- Regulatory change
- Technology disruption

**Illustrative ROE trajectory**




Target range:
**18% - 22%**

# **SBG 2028** – the opportunities are sizeable

**Our growth ambitions:**
*Where we want to lead*

**Progress measurement:**
*How we will track our progress*

**Key enablers**
*Collaborating to support the group's ambitions*

| Lead Africa's energy & infrastructure development | Build Africa's best private bank | Maximise the value of our diversified portfolio |
|---|---|---|
| • Leading funder of energy and infrastructure in Africa<br>• Sustainable finance mobilisation target, R450bn by 2028 | • Market shares in target markets<br>• Client experience<br>• Cross sell of insurance and investment products | • Focus on high growth markets where we are confident we can win<br>• Diligent capital allocation in line with strategy e.g. greenfield in Egypt |

**Brand** | **Talent** | **Technology** | **Partners**

# **Key takeaways** – strong progress and clear path forward

1. 1H25 – strong earnings growth, robust balance sheet and improving returns

2. SBG 2025 – firmly on track to achieve 2025 targets set out in 2021

3. SBG 2028 – we have the franchise, experience and capabilities to deliver compelling growth and shareholder returns

**SBG 2028 targets:**

**8% - 12%**
HEPS growth

**18% - 22%**
ROE target range

# WE'RE AFRICA'S BEST BANK

2025 EUROMONEY AWARDS

EUROMONEY AWARDS FOR EXCELLENCE 2025
AFRICA
BEST BANK





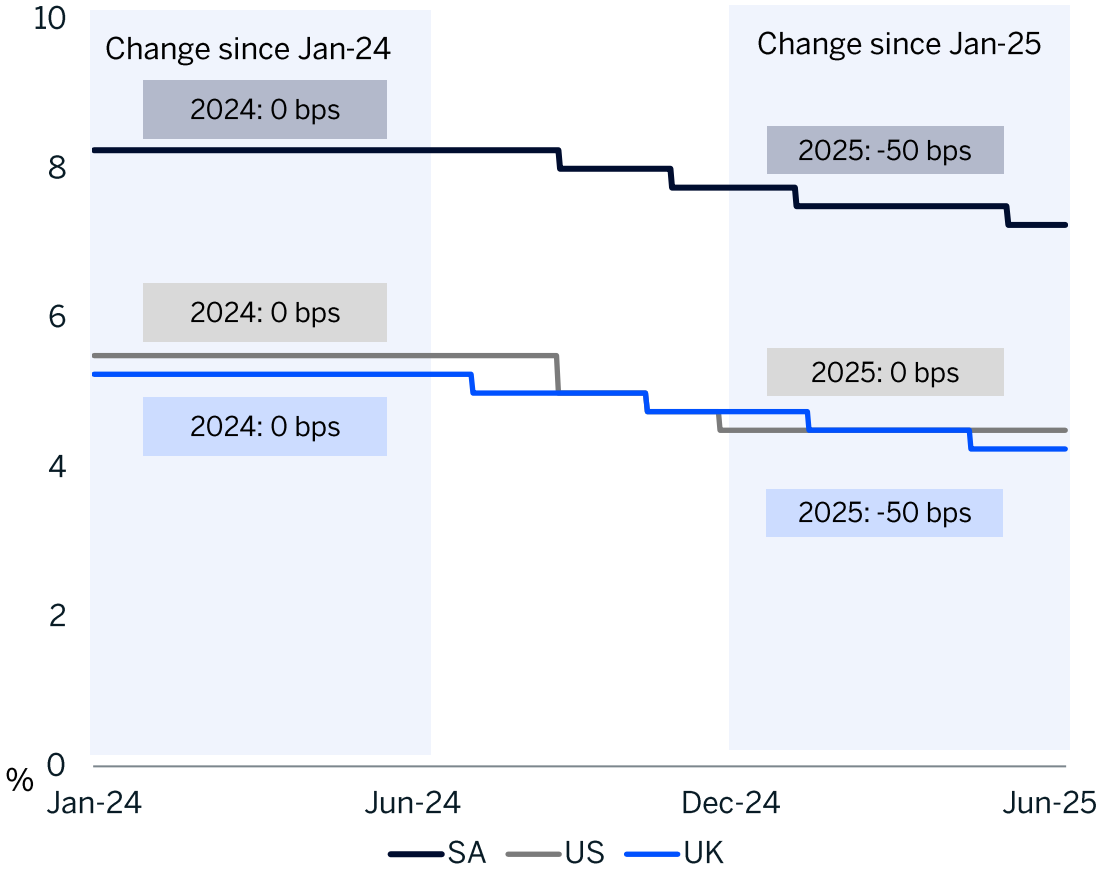
# THANK YOU

# APPENDIX

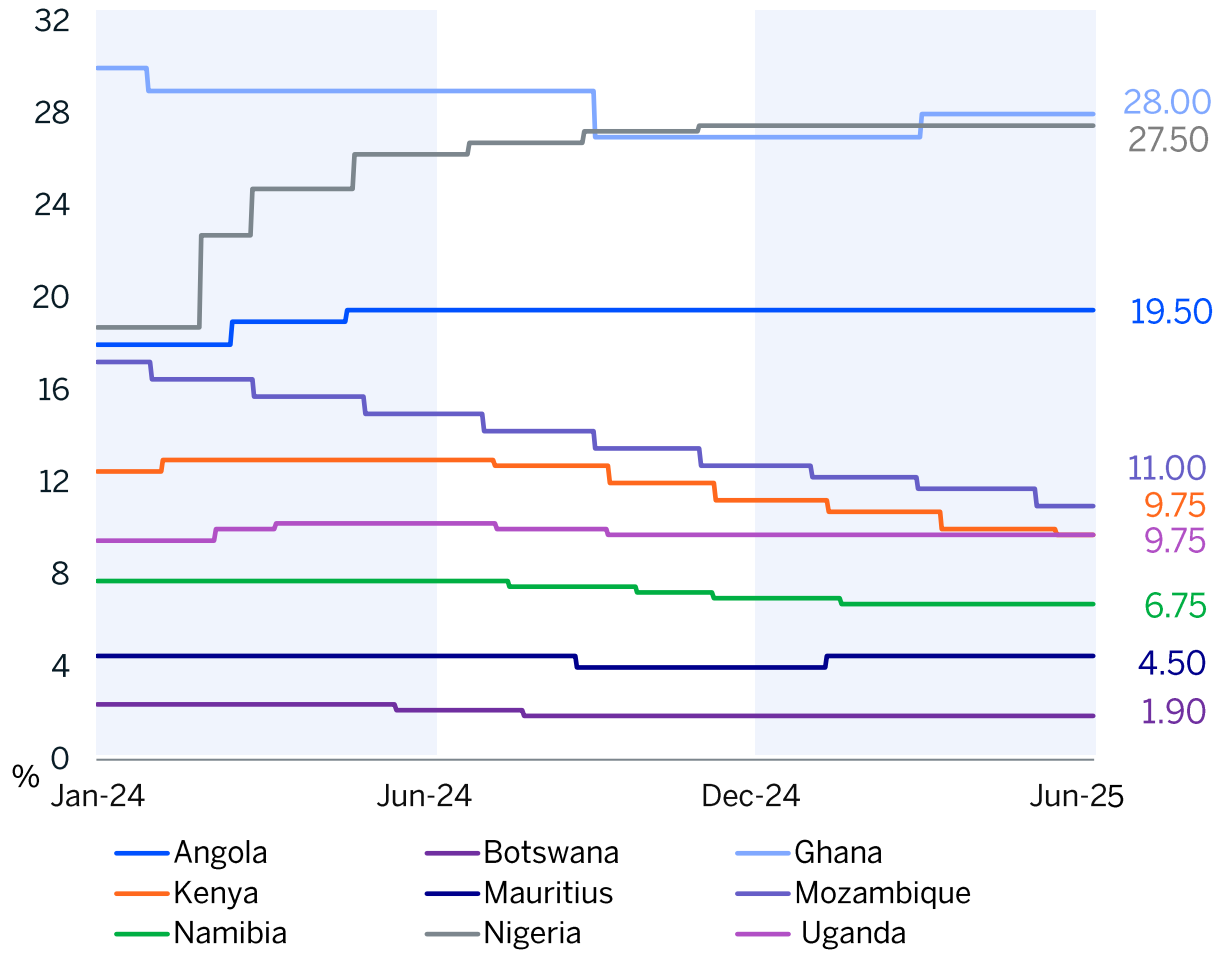
# Appendix – additional macro

# **Interest rates** – most countries cut interest rates in 1H25

## South Africa, UK & USA

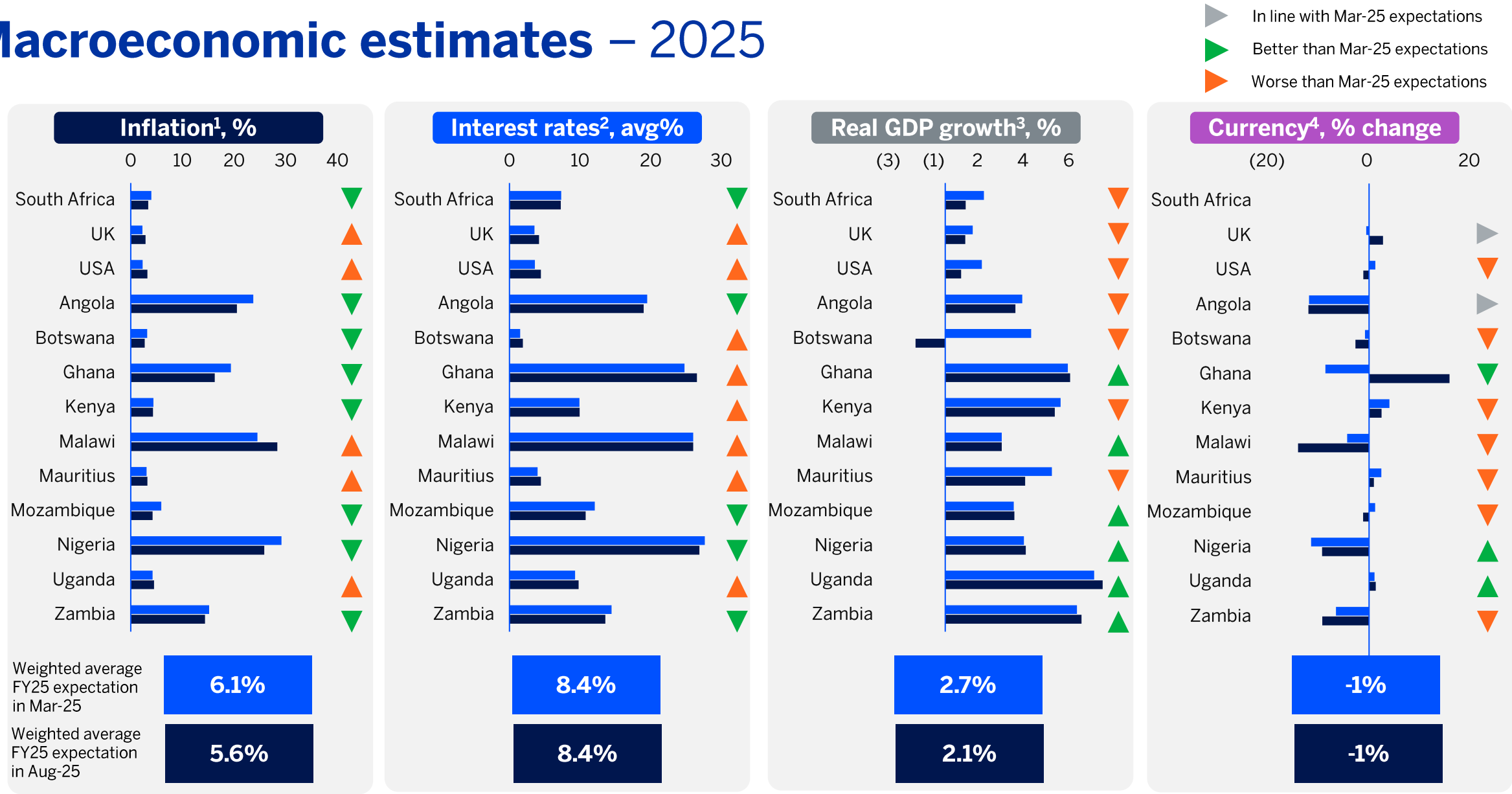



## Africa Regions




*Source: Bloomberg*

# Macroeconomic estimates – 2025




*Source: Company financials and SB research [1] Inflation weighted based on banking costs, [2] Average interest rates weighted based on period end gross loans and advances, [3] Real GDP growth weighted based on banking revenue, [4] Currency change relative to ZAR weighted based on headline earnings*



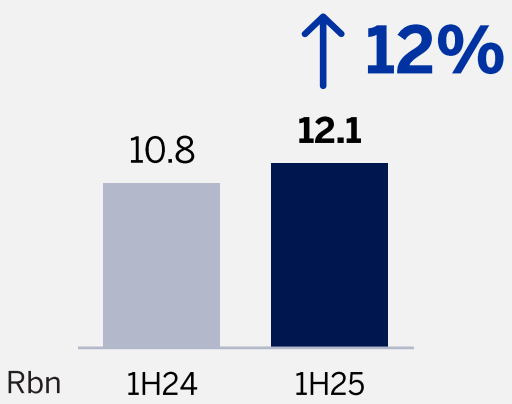
ii

# Appendix – additional business disclosures

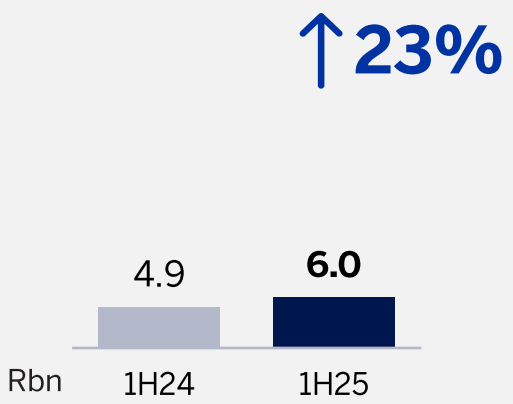
# SBSA – double-digit growth in NIR

| | SBSA 1H25 Rbn | SBSA 1H24 Rbn | Change % |
|---|---|---|---|
| Net interest income | 28.6 | 28.6 | (0) |
| Non-interest revenue | 21.4 | 18.7 | 14 |
| **Total income** | **50.0** | **47.3** | **6** |
| Operating expenses | (28.6) | (26.6) | 8 |
| **Pre-provision profit[1]** | **21.4** | **20.7** | **3** |
| Credit impairment charges | (6.7) | (6.7) | 0 |
| **Headline earnings** | **9.6** | **9.4** | **2** |
| Credit loss ratio, bps | **95** | 97 | |
| Cost-to-income ratio, % | **57.8** | 56.7 | |
| Jaws, % | **(2.1)** | 1.9 | |
| ROE, % | **15.6** | 15.7 | |

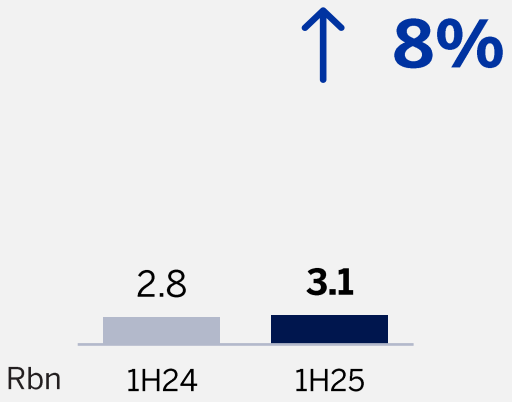
**Net fee and commission**




**Trading revenue**

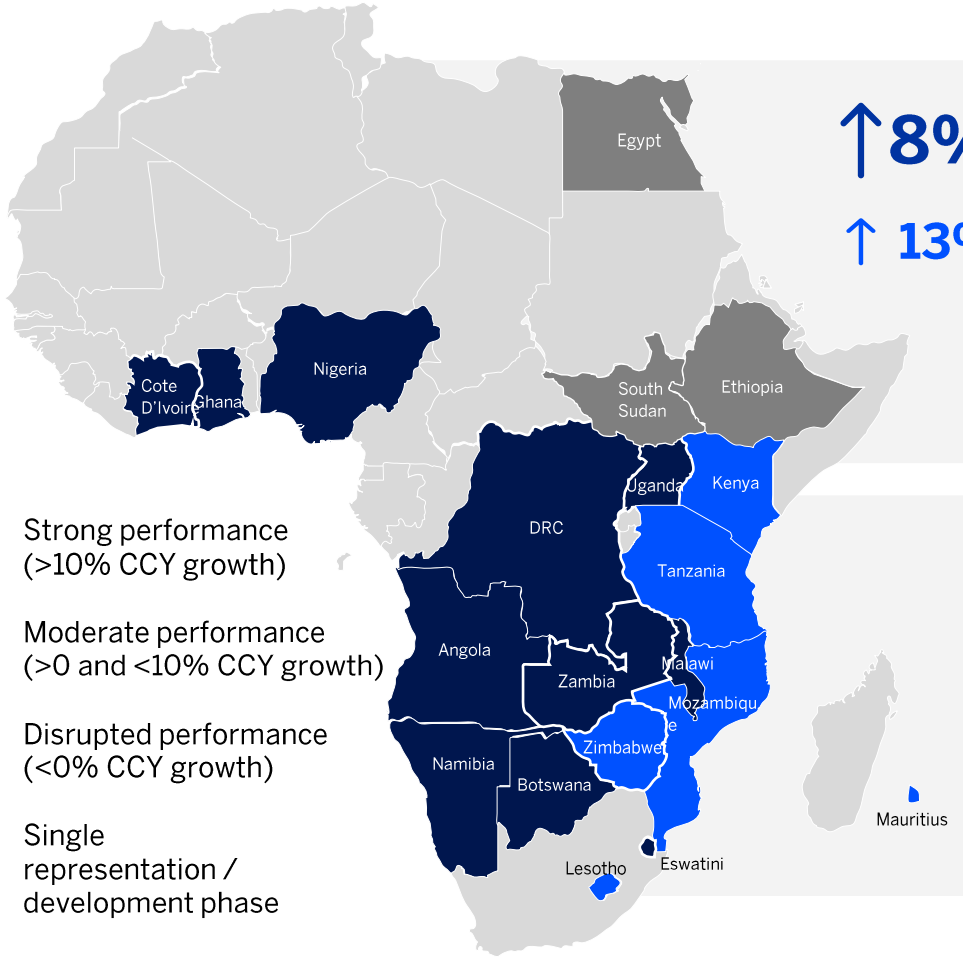



**Other revenue**




[1]*Net of revenue sharing agreement*

# **Africa Regions** – a strong performance in West Africa was partially offset by headwinds in South & Central




↑**8%** ZAR

↑ **13%** CCY

**Headline earnings**

| | 1H25 Rbn | 1H24 Rbn | Change % | CCY % |
|---|---|---|---|---|
| **Africa Regions** | **9.7** | **9.0** | **8** | **13** |
| East Africa[1] | 2.3 | 2.2 | 5 | 3 |
| South & Central Africa[2] | 4.0 | 4.2 | (7) | (4) |
| West Africa[3] | 3.5 | 2.6 | 33 | 49 |

**Return on equity**

| | 1H25 % | 1H24 % |
|---|---|---|
| **Africa Regions** | **27.2** | **29.1** |
| East Africa | 22.0 | 24.3 |
| South & Central Africa | 24.4 | 28.6 |
| West Africa | 39.1 | 35.8 |

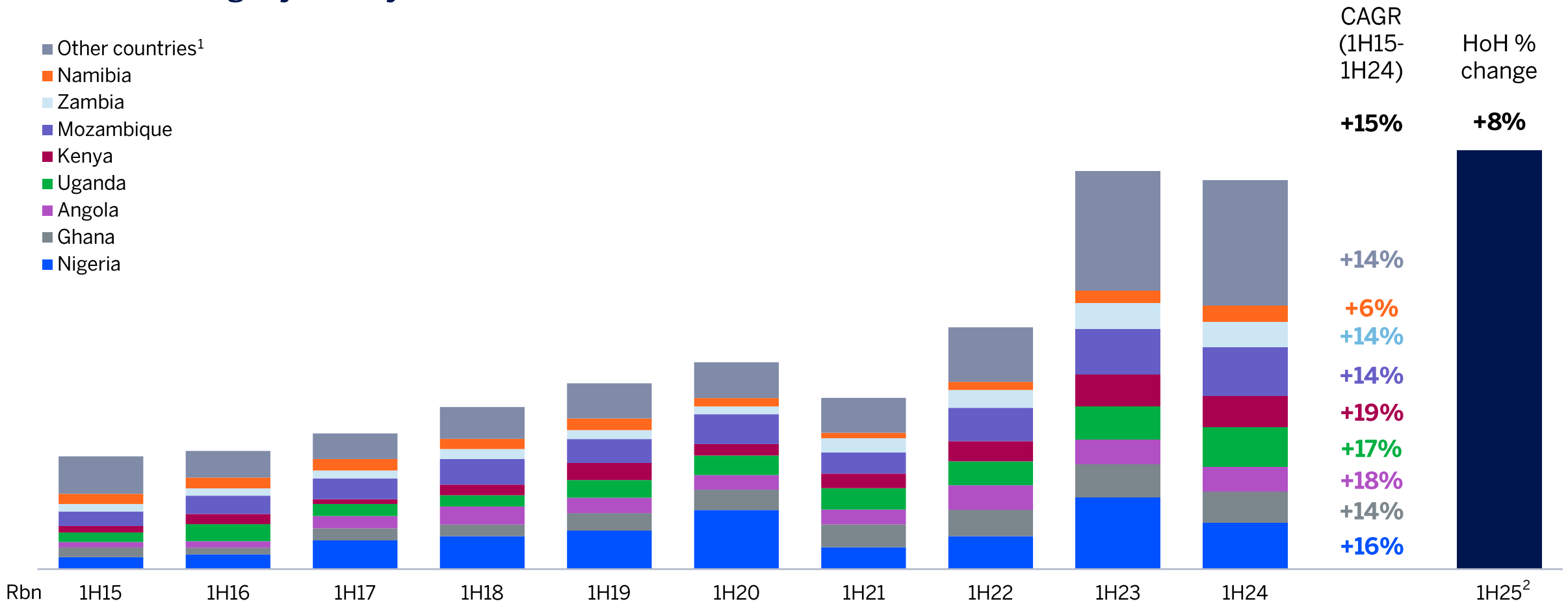
**>40%**

Africa Regions contribution to SBG headline earnings

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

# **Africa Regions** – a well diversified portfolio which has delivered strong growth over time

## Headline earnings by country




[1]*Other includes Botswana, Côte d'Ivoire, DRC, Eswatini, Lesotho, Malawi, Mauritius, Tanzania, Zimbabwe,* [2]*1H25 not split as certain Africa Regions' subsidiaries have not yet reported*

# Personal & Private Banking – key highlights

| | 1H25 Rbn | 1H24 Rbn | Change % | Change CCY % |
|---|---|---|---|---|
| Net interest income | 19.2 | 19.4 | (1) | (1) |
| Non-interest revenue | 9.8 | 9.0 | 9 | 10 |
| **Total income** | **29.0** | 28.4 | **2** | **3** |
| Operating expenses | (16.0) | (15.3) | 4 | 5 |
| **Pre-provision profit** | **13.0** | 13.1 | **(0)** | **0** |
| Credit impairment charges | (5.8) | (6.0) | (3) | (3) |
| **Headline earnings** | **4.9** | **4.9** | **0** | **0** |
| Credit loss ratio[1], bps | **170** | 177 | | |
| Cost-to-income ratio, % | **55.1** | 54.0 | | |
| Jaws, % | **(2.0)** | 0.4 | | |
| ROE, % | **20.0** | 20.1 | | |

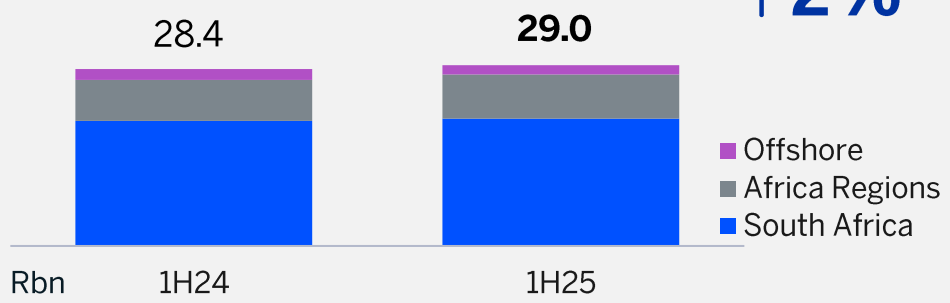
[1] *CLR to customers*

## Key drivers of performance

- **Total income** growth supported by enhancement of digital capabilities leading to increased digital transactional volumes and higher net fee and commission revenue
- **Operating expenses** increased due to continued investment in digital capabilities and increased business activity, offset by disciplined cost management
- **Credit impairments** declined as inflows into early arrears slowed and non-performing loans reduced due to enhanced collection strategies
- **Headline earnings** SA and AR franchises achieved strong earnings growth through strategic client engagement, while lower SBO interest rates dampened overall performance

## Total income by geography

↑ 2%



# Business & Commercial Banking – key highlights

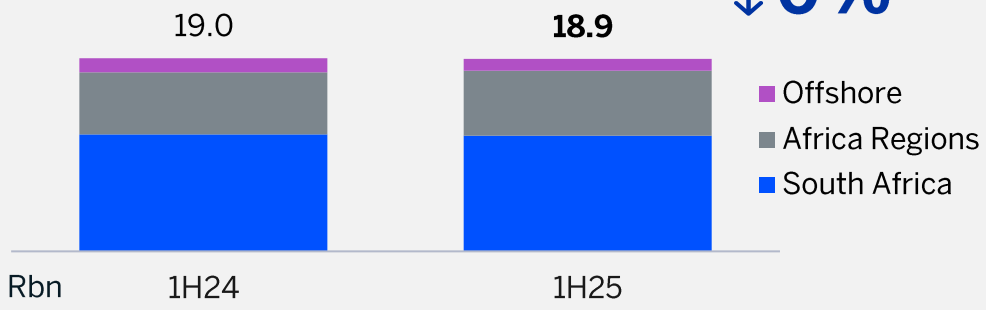
| | 1H25 Rbn | 1H24 Rbn | Change % | Change CCY % |
|---|---|---|---|---|
| Net interest income | 12.4 | 12.7 | (2) | (1) |
| Non-interest revenue | 6.5 | 6.3 | 4 | 5 |
| **Total income** | **18.9** | 19.0 | **(0)** | **1** |
| Operating expenses | (10.9) | (10.5) | 4 | 6 |
| **Pre-provision profit** | **8.0** | 8.5 | **(6)** | **(5)** |
| Credit impairment charges | (1.3) | (1.6) | (16) | (16) |
| **Headline earnings** | **4.5** | **4.8** | **(5)** | **(4)** |
| Credit loss ratio, bps | **130** | 145 | | |
| Cost-to-income ratio, % | **57.8** | 55.2 | | |
| Jaws, % | **(4.7)** | 0.5 | | |
| ROE, % | **37.2** | 38.5 | | |

## Key drivers of performance

- **Total income** impacted by endowment pressures, softened balance sheet growth, and competitive market conditions
- **Operating expenses** were higher due to higher headcount, increased software investment costs and higher depositor insurance costs
- **Credit impairment charges** reduced due to a deliberate consequence of prior period risk appetite refinement and intentional remediation of the lending portfolio supported by early intervention to distressed clients
- **Headline earnings** were impacted by lower interest rates, exchange rate volatility and regulatory changes linked to the heightened geopolitical uncertainty

## Total income by geography

↓ 0%



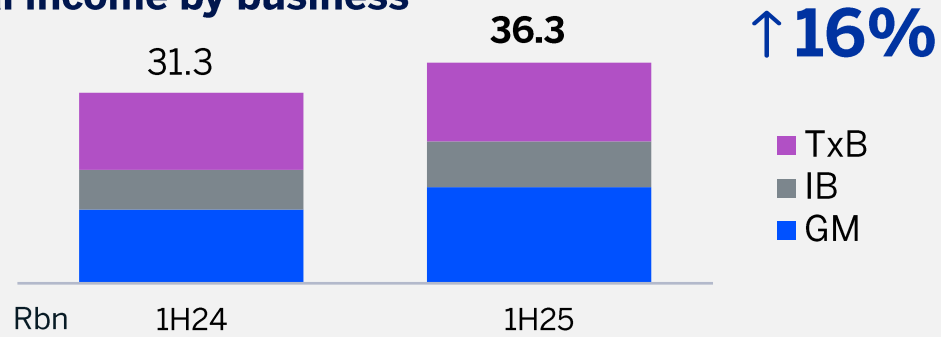
# Corporate & Investment Banking – key highlights

| | 1H25 Rbn | 1H24 Rbn | Change % | Change CCY % |
|---|---|---|---|---|
| Net interest income | 18.6 | 16.7 | 11 | 15 |
| Non-interest revenue | 17.7 | 14.6 | 21 | 24 |
| **Total income** | **36.3** | **31.3** | **16** | **19** |
| Operating expenses | (15.2) | (14.0) | 9 | 11 |
| **Pre-provision profit** | **21.1** | **17.3** | **22** | **26** |
| Credit impairment charges | (1.0) | (0.4) | >100 | >100 |
| **Headline earnings** | **12.0** | **10.4** | **16** | **20** |
| Credit loss ratio[1], bps | **27** | 4 | | |
| Cost-to-income ratio, % | **41.9** | 44.7 | | |
| Jaws, % | **7.2** | (5.6) | | |
| ROE, % | **22.9** | 22.9 | | |

## Key drivers of performance

- **Total income** increased due to a combination of higher demand for energy and infrastructure investments and increased market volatility which led to increased client activity and market making opportunities
- **Operating expenses** mainly driven by the impact of incentive growth commensurate with business performance
- **Credit impairment charges** normalised in the first half of 2025 as prior period included significant recoveries from restructures and cures
- **Headline earnings** growth was supported by Global markets achieving record performance

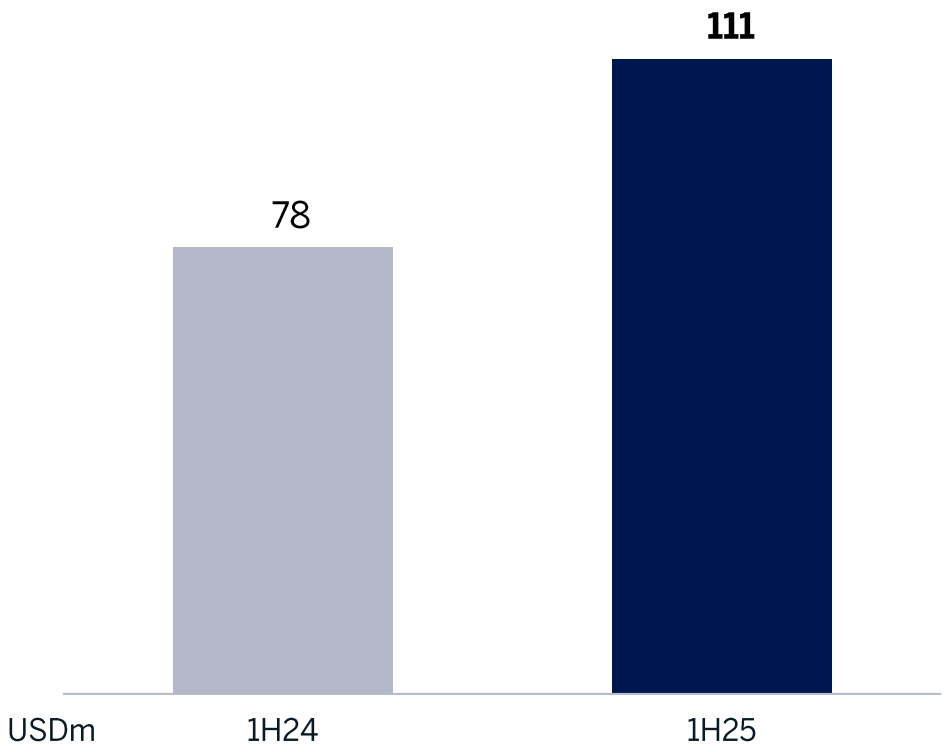
## Total income by business[2]




[1] *CLR to customers,* [2] *TxB – Transaction Banking, IB – Investment Banking, GM – Global Markets*

# **ICBC Standard Bank plc** – driven by higher client activity, higher precious metals prices and fees

## ICBCS performance




## SBG's share of earnings

| | 1H25 | 1H24 |
|---|---|---|
| **ICBCS earnings, USDm** | **111** | 78 |
| *@ % stake* | *40%* | *40%* |
| **SBG attributable earnings, USDm** | **44** | **31** |
| ZAR/USD[1] | 19.0 | 19.2 |
| **SBG attributable earnings, Rm** | **834** | **596** |

[1] *ICBCS attributable earnings converted at an average rate*

# **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.

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