Standard Bank

STANDARD BANK GROUP

1H23 RESULTS PRESENTATION

17 August 2023

Agenda

01
1H23 highlights

02
1H23 financial performance and 2023 outlook

03
Delivering against our 2025 targets

Standard Bank

01

1H23 highlights

1H23 highlights – continued strong earnings growth, higher returns, and increased dividend per share

01

Strategic progress – delivering on what we set out to do

- *Competitiveness sharpened* – reflected in our growing franchise and higher transaction volumes
- *Strong momentum in our sustainable finance business* – partnered clients to deliver several market-leading deals in 1H23
- *Capital optimised and Liberty integrated* – all insurance and asset management businesses grouped together in a new business unit (IAM)

02

Financial performance – in line with our 2025 targets

- Strong revenue growth driven by client activity, endowment tailwinds, and market volatility
- Moderated by higher credit charges as we bolstered existing provisions, and elevated cost growth linked to business activity and inflation
- Positive jaws of >11% resulted in a significant decline in cost-to-income ratio to 50.5%

03

Shareholder returns – delivering increasing shareholder value

- Headline earnings grew by 35% to over R21 billion
- Returns improved to 18.9%, inside our 2025 target range of 17% to 20%
- Maintained our robust capital position, with a CET 1 ratio of 13.4%
- Declared an interim dividend of 690 cents per share, a 34% increase

A difficult geopolitical and macroeconomic backdrop

Global

- Elevated geopolitical tensions, linked to the war in Ukraine and tensions between the US and China, though reducing towards the end of the half
- Banking sector vulnerabilities emerged in certain markets
- Policy rates continued to increase
- Global inflation moderated, particularly in the US where inflation dropped to 3% in July (July 2022: 9%)

Sub-Saharan Africa

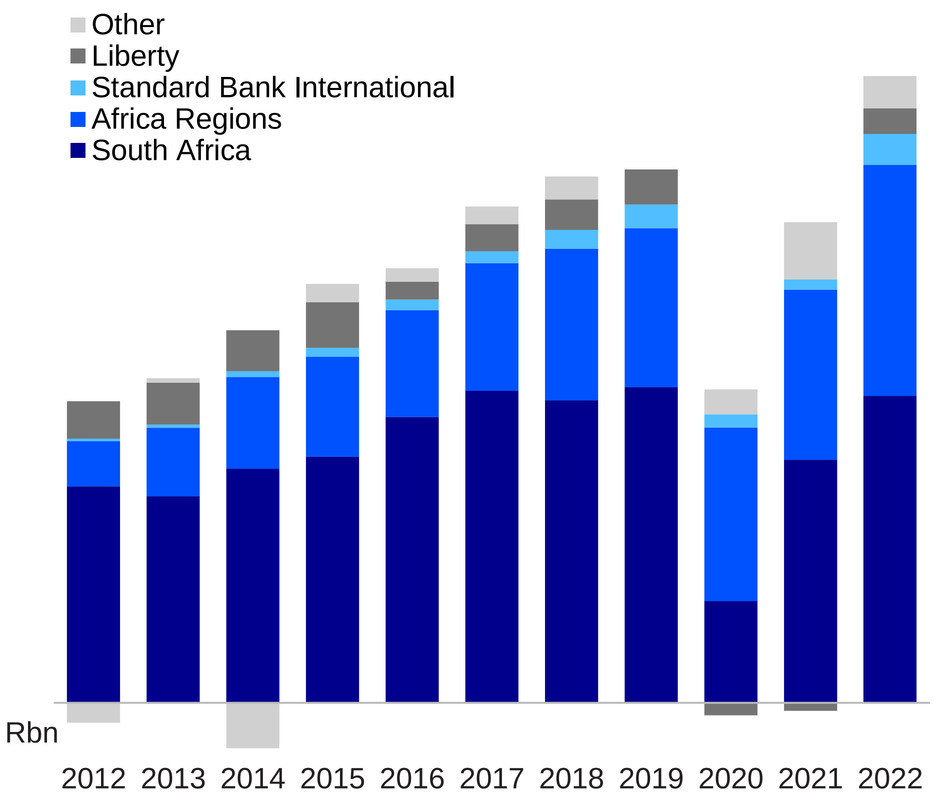
- Public debt continued to increase, while public aid decreased
- Inflation and interest rates remained high
- Trade and growth still relatively strong
- Normalisation of sovereign risk
- Currencies remained under pressure – relative to the USD, NGN and AOA devalued significantly in the period

South Africa

- Energy supply remained unreliable and logistics-related constraints weighed on sentiment, but progress made in diversifying the electricity supply and on logistics
- Foreign policy stance of active non-alignment and support for peaceful resolution of conflicts considerably clarified
- Inflation remained high over the period, but appears to have peaked
- 125 bps increase in repo rate since beginning of 2023 (450 bps increase since the start of 2022)

All our regions delivered robust growth

Headline earnings[1], 10 year trend



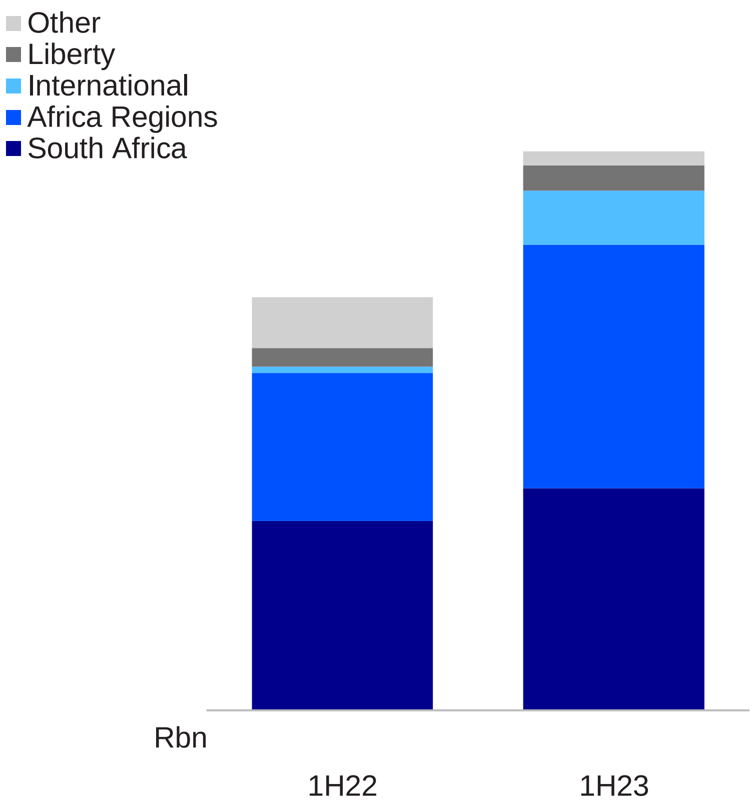
10 year CAGR
(2011-2022)

SBG
↑ **9%**

Africa Regions
↑ **18%**

South Africa
↑ **4%**

Headline earnings[1], HOH trend



HOH % change
(1H22-1H23)

SBG
↑ **35%**

International
↑ **>100%**

Africa Regions
↑ **65%**

South Africa
↑ **17%**

[1] *Headline earnings by legal entity*

Reorganised into four business units

Standard Bank Group[1]

Banking (Personal & Private Banking; Business & Commercial Banking; Corporate & Investment Banking)

	Personal & Private Banking	Business & Commercial Banking	Corporate & Investment Banking	Insurance & Asset Management
Clients	Individual clients, from personal to private clients, as well as wealth and investment	Small and medium-sized businesses, as well as large commercial enterprises	Large companies (multinational, regional and domestic), governments, parastatals and institutional clients	Individual customers to corporate and institutional clients who want to build and protect their wealth and lifestyle
Offering	Tailored and comprehensive banking and beyond financial services solutions	Broad-based client solutions that deliver advisory, networking and sustainability support required by our clients	In-depth sector and regional expertise, specialist capabilities and access to global capital markets for advisory, transactional, risk management and funding support	Solutions to fulfil clients' long and short-term insurance, health, investment, and asset management needs

[1] *Standard Bank Group = Standard Bank Group franchise + ICBC Standard Bank (Plc)*

Our client franchise continued to grow driven by attractive offerings and excellent service

Personal & Private Banking

15.4m active clients ↑ 9%

>R40bn Disbursed to clients in South Africa[1]

>277m *Digital transactional volumes* ↑15%

POS volumes ↑12%

R5.8bn *Transactional Products NIR* ↑16%

Business & Commercial Banking

819k active clients ↑ 5%

>R24bn Disbursed to clients in the year[2]

>76m *Digital banking volumes* ↑ 9%

>R154bn *Card acquiring turnover* ↑13%

Corporate & Investment Banking

R33bn revenue ↑ 32%

R28bn Sustainable finance mobilised in 1H23

>R11bn *TxB revenue* ↑36%

>R14bn *GM revenue* ↑34%

>R6bn *IB revenue* ↑24%

Insurance & Asset Management

>7.5m Insurance policies

>R1.4trn Assets under management

>R1.4bn *New business value* ↑32%

>R5.6bn *Long-term indexed new business* ↑7%

[1] Includes home services, retail vehicle and asset finance, and personal lending in South Africa, [2] Includes vehicle and asset finance and business lending

We supported our clients and created inclusive value…

Safeguarding and growing clients' assets

R1.8trn
Deposits kept safe
as at 30 June 2023

R45bn
Interest paid to clients
↑70%

R1.4trn
Assets managed
as at 30 June 2023

>R11bn
Annuity payments and death and disability pay outs made[1]

Enabling our clients to realise their aspirations

R1.4trn
Loans extended
as at 30 June 2023

R22bn
Loans to SME clients

R1.4bn
New affordable housing loans registered[1]
>98 000 clients

>20 000
Clients proactively assisted with debt affordability solutions[1]

Enabling clients to manage their money

>R8trn
Domestic payments processed[1]

>R4trn
Cross border payments processed

>R41bn
International remittances enabled

Contributing to Africa's economies

R36bn
Total taxes contributed in FY22

[1] *South Africa only*

… with a particular focus on sustainable finance

Cumulative sustainable finance solutions mobilised

R83bn
Sustainable finance solutions[1]

R21bn
Sustainable finance treasury transactions

Supporting individuals in their sustainability transition

>R450m

Disbursed to individuals to install solar solutions or purchase ‘green-aligned’[2] homes[3]

Supporting SMEs and large commercial businesses

R1.1bn

Disbursed for business installations and to support solar solutions providers

Renewable energy and infrastructure AUM

>R13bn

Assets managed in STANLIB Infrastructure fund

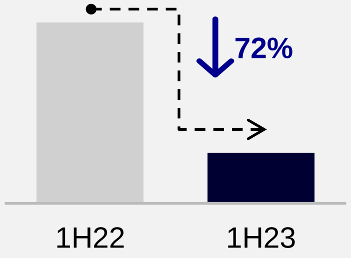
[1] Target of >R250bn by the end of 2026 as per Standard Bank Group Climate policy, March 2022, [2] Green-aligned homes are designed and built in a manner that intentionally use solutions that create less negative/ favourable impact on the environment, and make use of building, energy or water efficient technologies that aligns with EDGE Certification methodologies, [3] South Africa only

We prioritise our technology investment to deliver

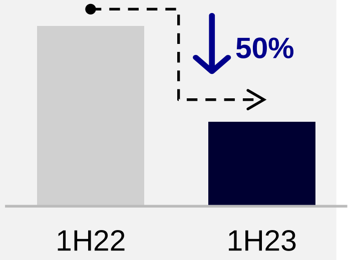
Building trust through stability and security

- Focused on **reducing system downtime**
  - **>98%** ATM uptime
  - **>99%** SBG mobile app uptime

System downtime



Time to repair



Deploying enhanced client service offerings and experiences

- **Continued development and deployment** of product and customer features and updates

+14k system updates

- **Leading to improved client experience scores on digital channels in SA**

57.4 *Mobile app NPS score* **↑5.2pts**

34.7 *Internet banking NPS score* **↑4.5pts**

Extracting value while modernising our technology

- **Right-sizing infrastructure** as clients move to digital channels

8% decline in branch square meterage in South Africa

25% reduction in physical infrastructure footprint[1]

- **Executing on cloud migration** programme to move to the cloud

34% of planned migration to the cloud completed[2]

[1] Reduction in number of physical servers in our data centres, [2] Percentage completion of items which have been identified as necessary to move to the cloud

We continued to execute on the strategy outlined in August 2021

Our purpose: *Why we exist*

Africa is our home, we drive her growth

Transform client experience

7% - 9%
Revenue growth CAGR[1]

Execute with excellence

~50%
Cost-to-income ratio[2]

Drive sustainable growth and value

17% - 20%
Return on equity

Our 2025 financial targets: *What we have committed to deliver*

[1] Compound annual growth rate from 2020 to 2025, [2] Approaching 50%

Standard Bank

02

1H23 financial performance and 2023 outlook

Standard Bank

2.1

1H23 Group financial performance

Strong performance and progress across all key group metrics[1]

Group headline earnings

1H23: **R21.2bn**
1H22: R15.7bn

↑35%

Banking headline earnings

1H23: **R18.7bn**
1H22: R13.2bn

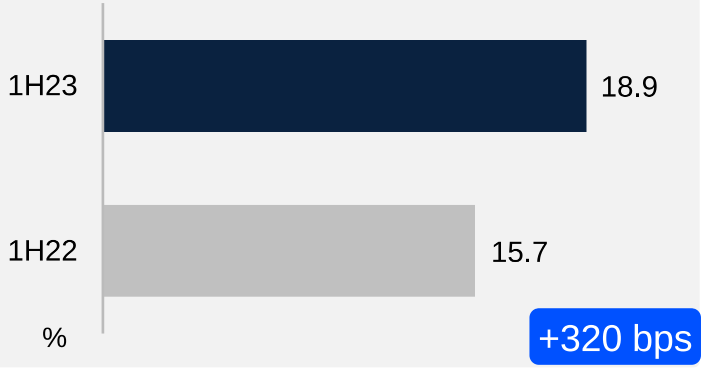
↑42%

Insurance & Asset Management HE[2]

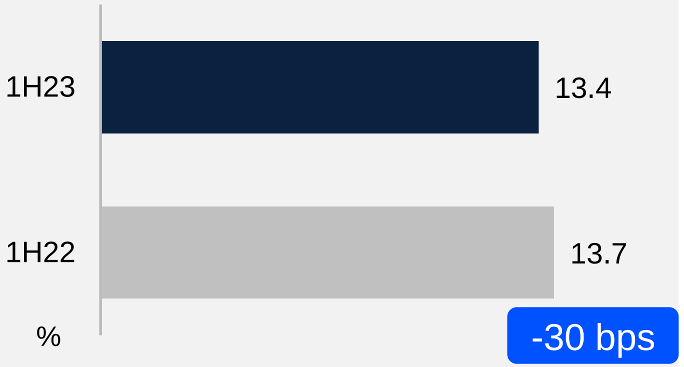
1H23: **R1.4bn**
1H22: R1.1bn

↑23%

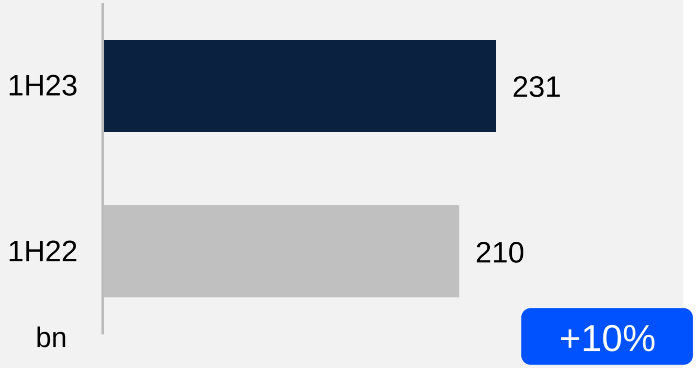
Group return on equity



Group CET1 ratio



Group net asset value



[1] 1H22 and FY22 numbers restated following the implementation of IFRS17, effective 1 January 2022, and the reallocation of insurance and asset management activities from the banking business units to the new Insurance and Asset Management business unit, [2] Headline earnings

2.2 Banking

Standard Bank

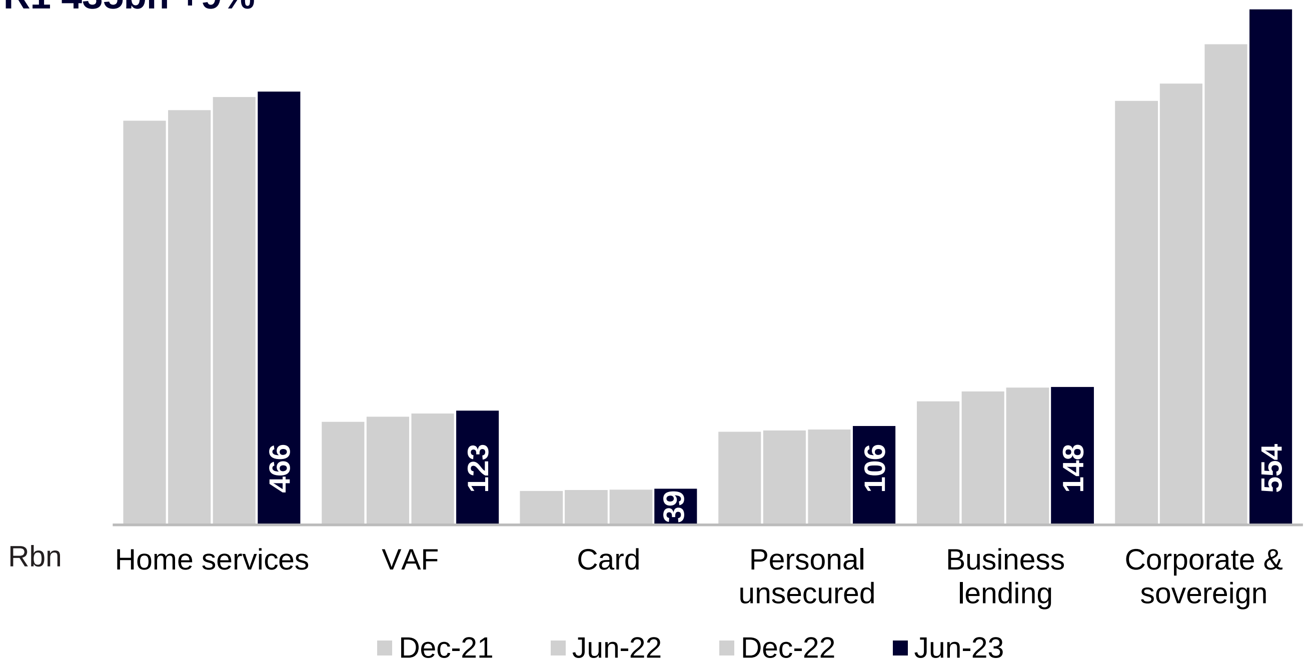
Banking performance strong despite higher credit charges and costs

	1H23 Rm	1H22[1] Rm	Change %	Change CCY %
Net interest income	46 004	34 222	34	35
Non-interest revenue	29 307	24 901	18	20
Total income	**75 311**	**59 123**	**27**	**29**
Operating expenses	(38 067)	(32 787)	16	18
Pre-provision profit	**37 224**	**26 336**	**41**	**43**
Credit impairment charges	(8 445)	(5 928)	42	44
Banking headline earnings	**18 705**	**13 170**	**42**	**43**
Net interest margin, bps	477	390		
Credit loss ratio, bps	97	82		
Cost-to-income ratio, %	50.5	55.5		
Jaws, %	11.3	5.8		
ROE, %	19.0	15.3		

[1] Prior year numbers restated following the implementation of IFRS17, effective 1 January 2022, and the reallocation of insurance and asset management activities from the banking business units to the new IAM business unit

Strong loan growth driven by CIB

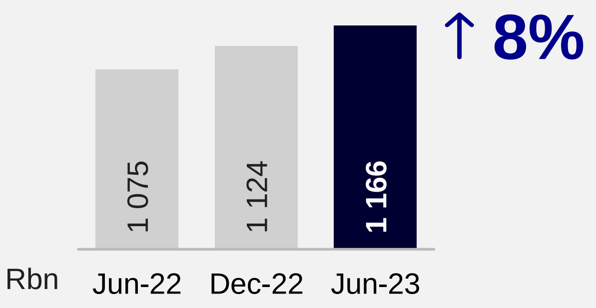
Gross loans & advances to customers by product[1], R1 435bn +9%



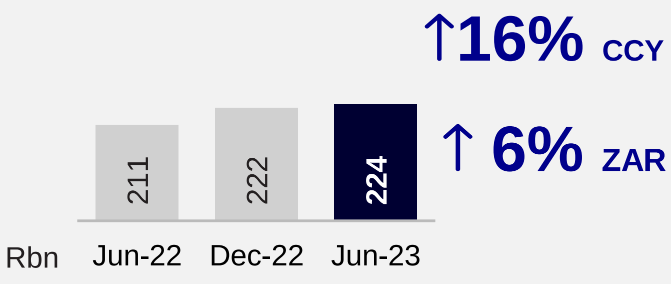
Jun-22 to Jun-23	+5%	+6%	+3%	+5%	+3%	+17%
Dec-22 to Jun-23	+1%	+2%	+2%	+4%	+0%	+7%

South Africa

HOH % change (1H22-1H23)



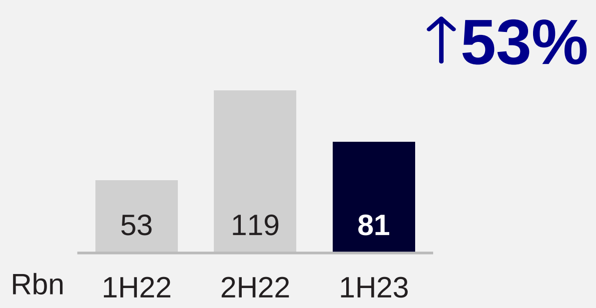
Africa Regions



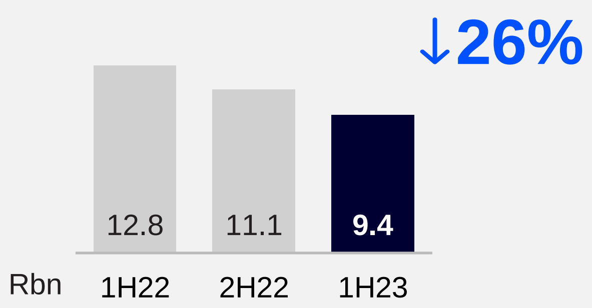
[1] *As per loans and advances on page 52 of the 1H23 Financial Analysis Booklet, gross loans to banks declined by 12% to R192bn*

In South Africa disbursements slowed

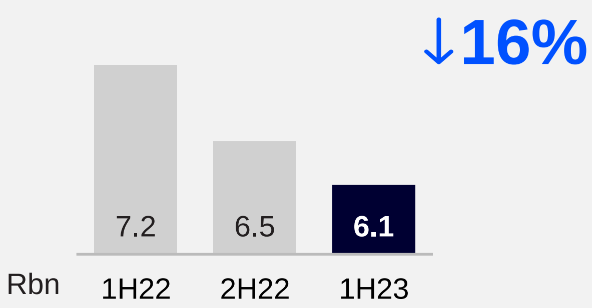
Investment banking origination



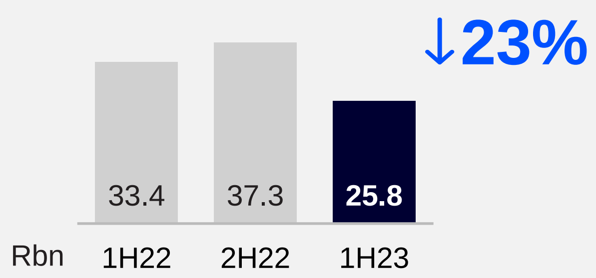
VAF - PPB



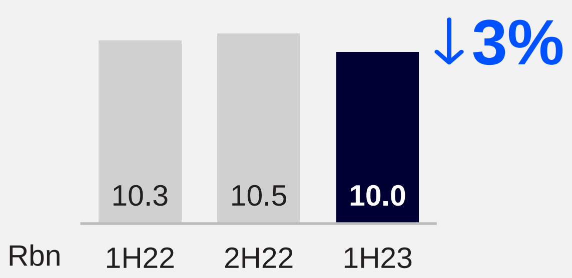
Personal unsecured loans



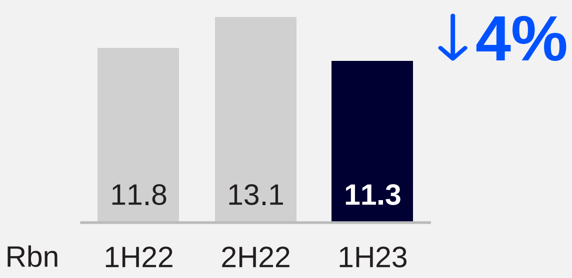
Home services



VAF - BCB



Business lending

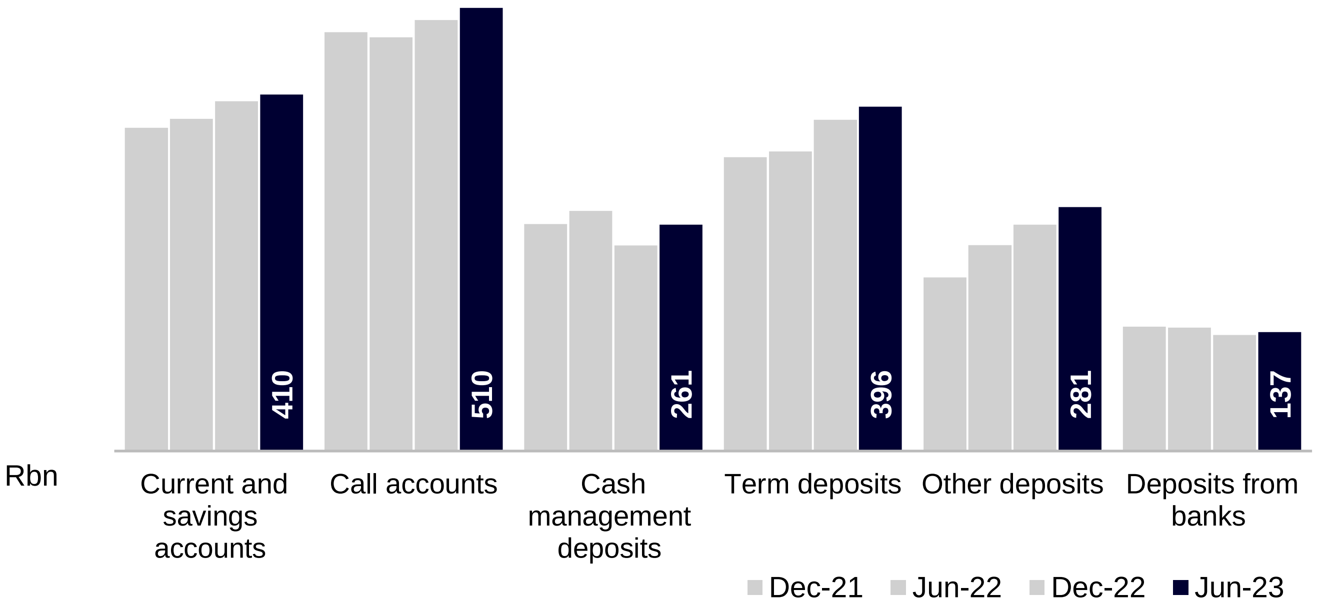


% change, 1H23 vs 1H22

Deposit growth across both SA and Africa Regions

Deposits and debt funding by product,

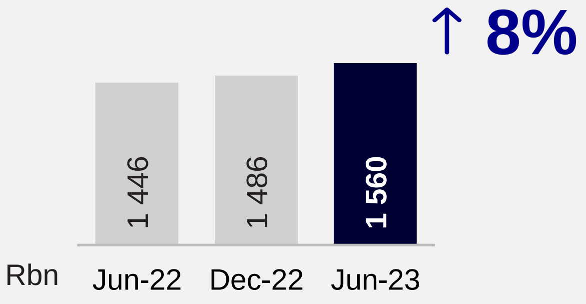
R1 996bn +7%



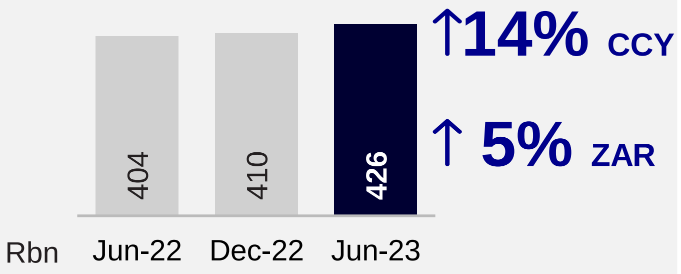
	Current and savings accounts	Call accounts	Cash management deposits	Term deposits	Other deposits	Deposits from banks
Jun-23 vs Jun-22	**+7%**	**+7%**	**-6%**	**+15%**	**+18%**	**-4%**
Jun-23 vs Dec-22	**+2%**	**+3%**	**+10%**	**+4%**	**+8%**	**+2%**

South Africa

HOH % change (1H22-1H23)

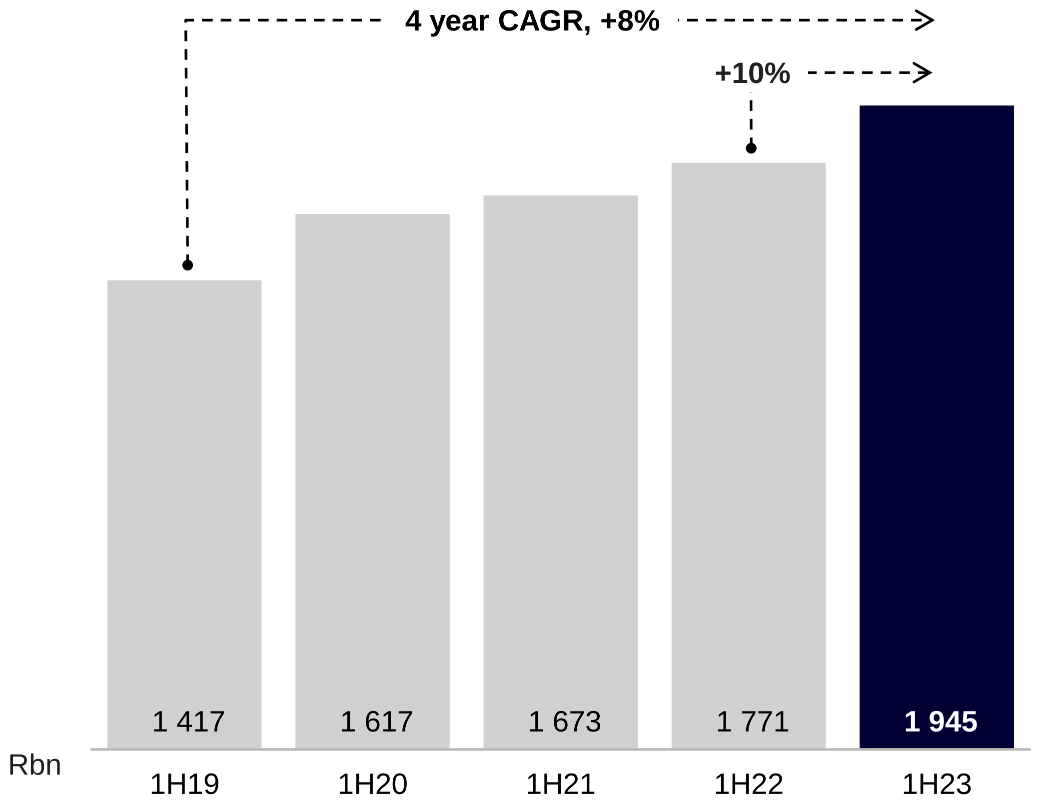


Africa Regions

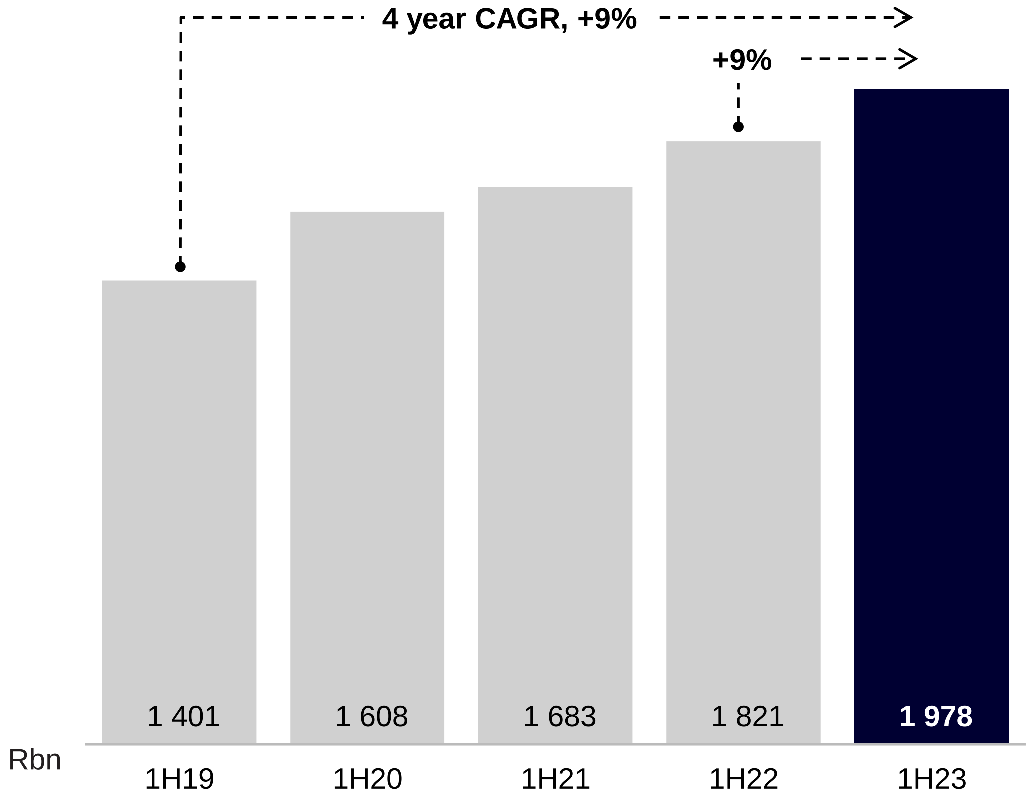


Strong balance sheet momentum continued

Average interest-earning assets

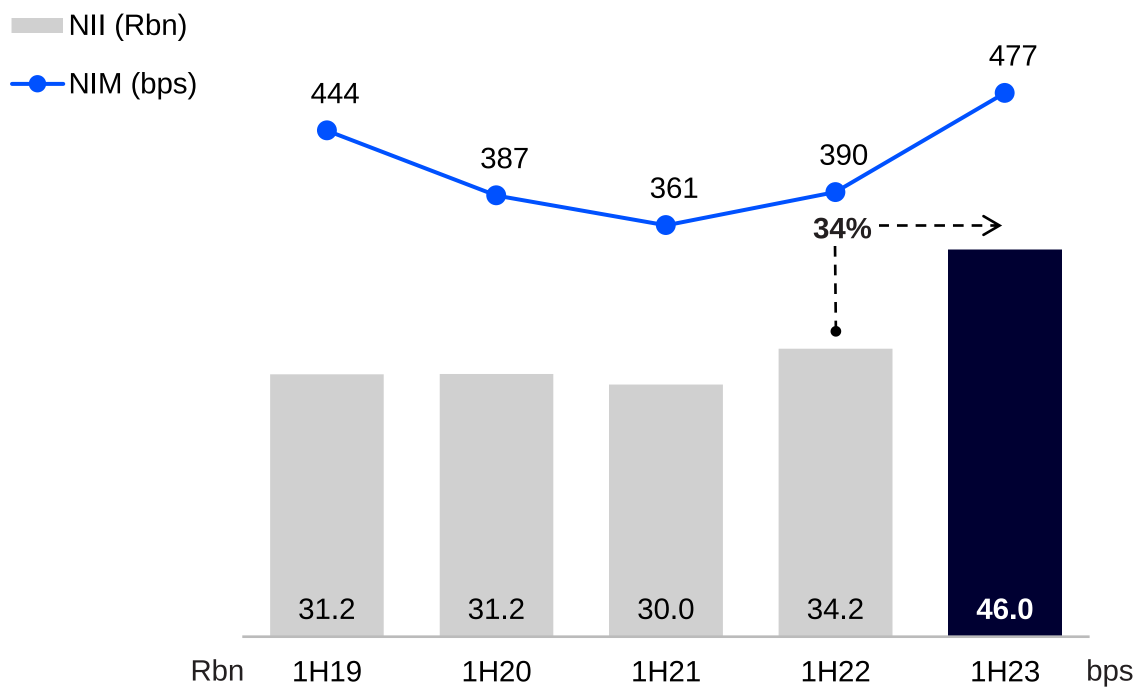


Average interest-bearing liabilities

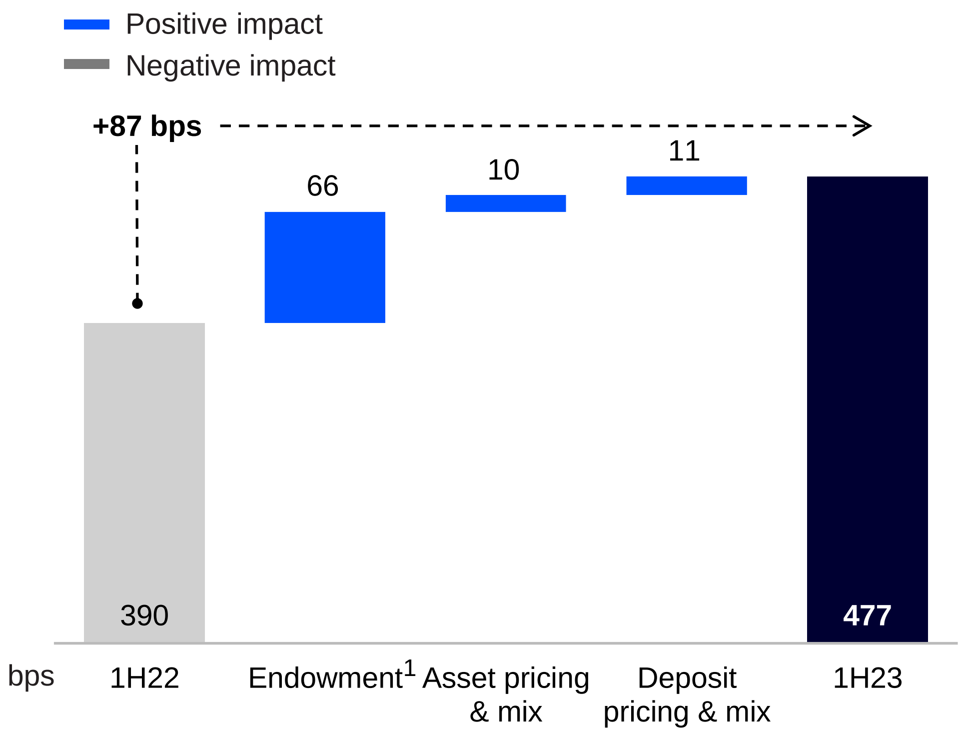


Bigger balances and margin expansion drove a 34% increase in net interest income

NII and NIM trend



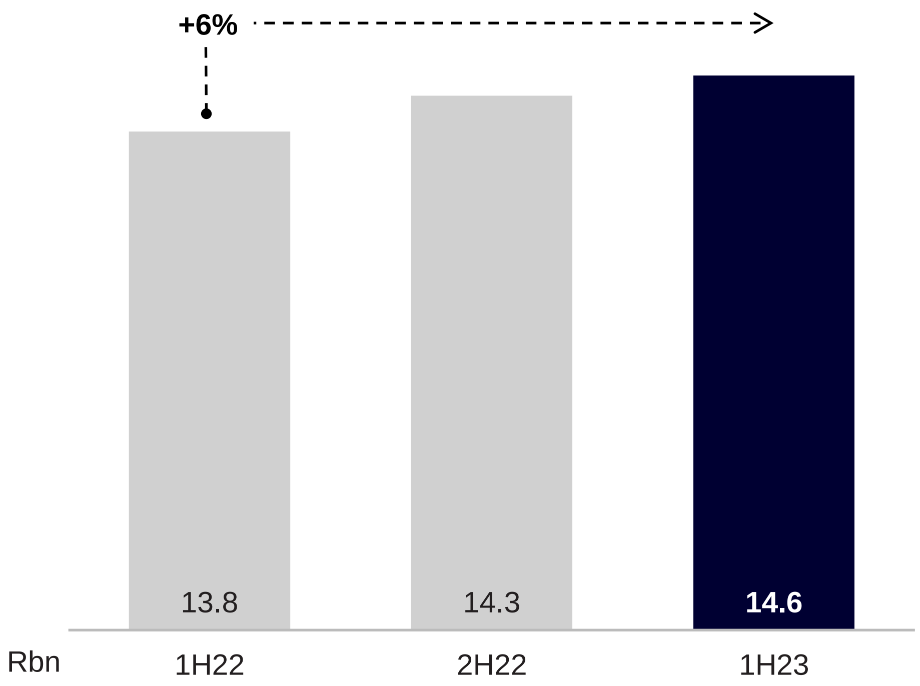
Net interest margin



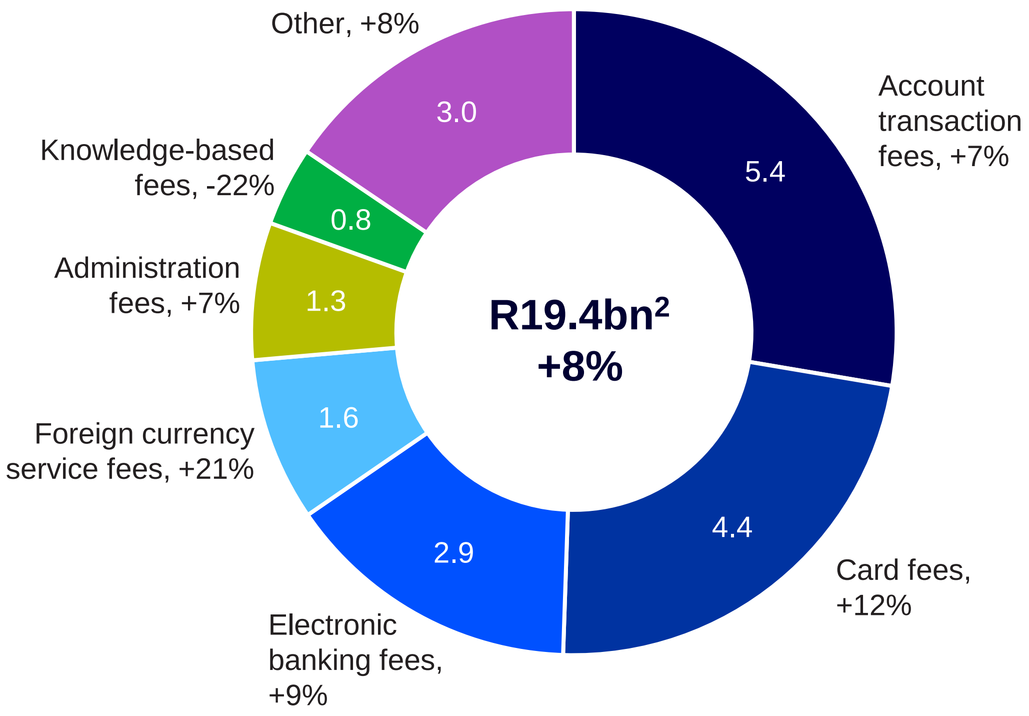
[1] *Endowment in 1H23 was R6.5bn, interest rate sensitivity for 100 basis point decrease in the repo rate South Africa is R1.2bn (FY22, R1.4bn), for sensitivity to other currencies see page 147 of the 1H23 Financial Analysis Booklet*

A growing client franchise, higher trade, transactional and FX-related activity

Net fee and commission revenue[1]



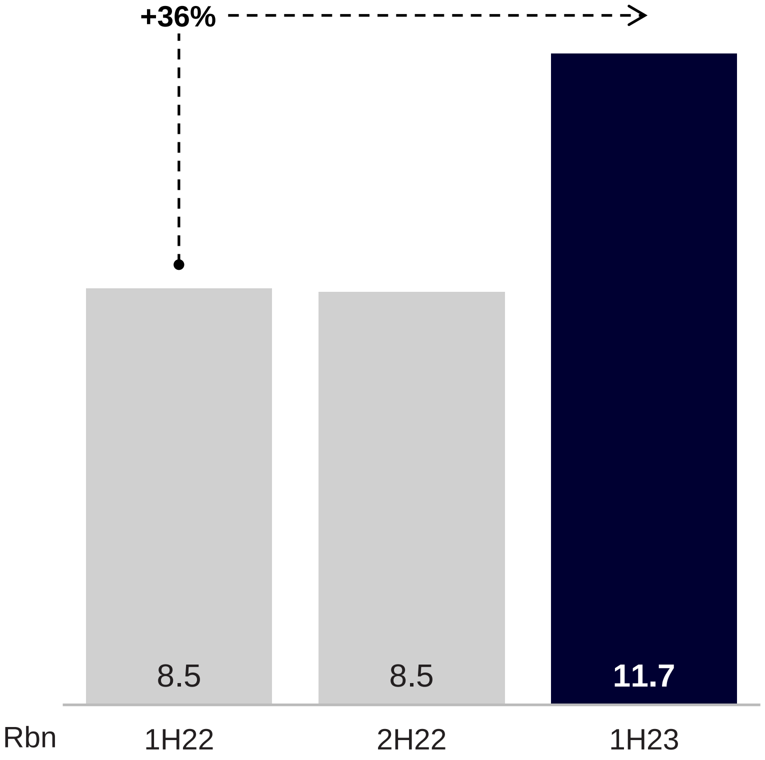
Fee and commission revenue, by category



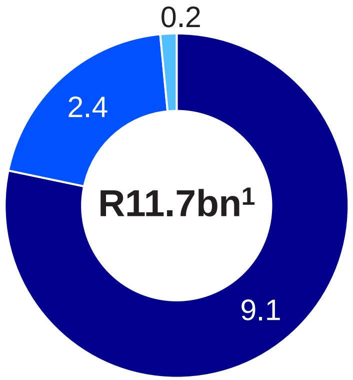
[1] Net fee and commission revenue is for banking operations, insurance and asset management related revenues have been moved from banking and are now included in IAM, [2] Fee and commission expenses amounted to R4.7bn, up 13%

Continued strong client flows drove trading revenue growth

Trading revenue

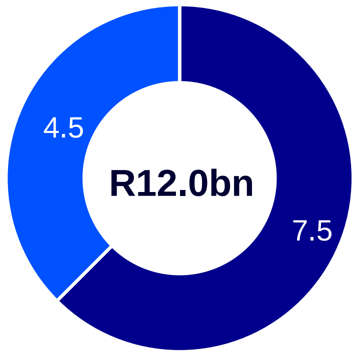


Trading revenue by product



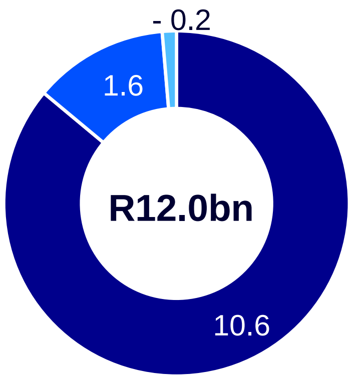
- Fixed income & currencies, +39%
- Equities, +48%
- Commodities, -54%

CIB trading revenue by type



- Client revenues, +27%
- Market making, +49%

CIB trading revenue by solution

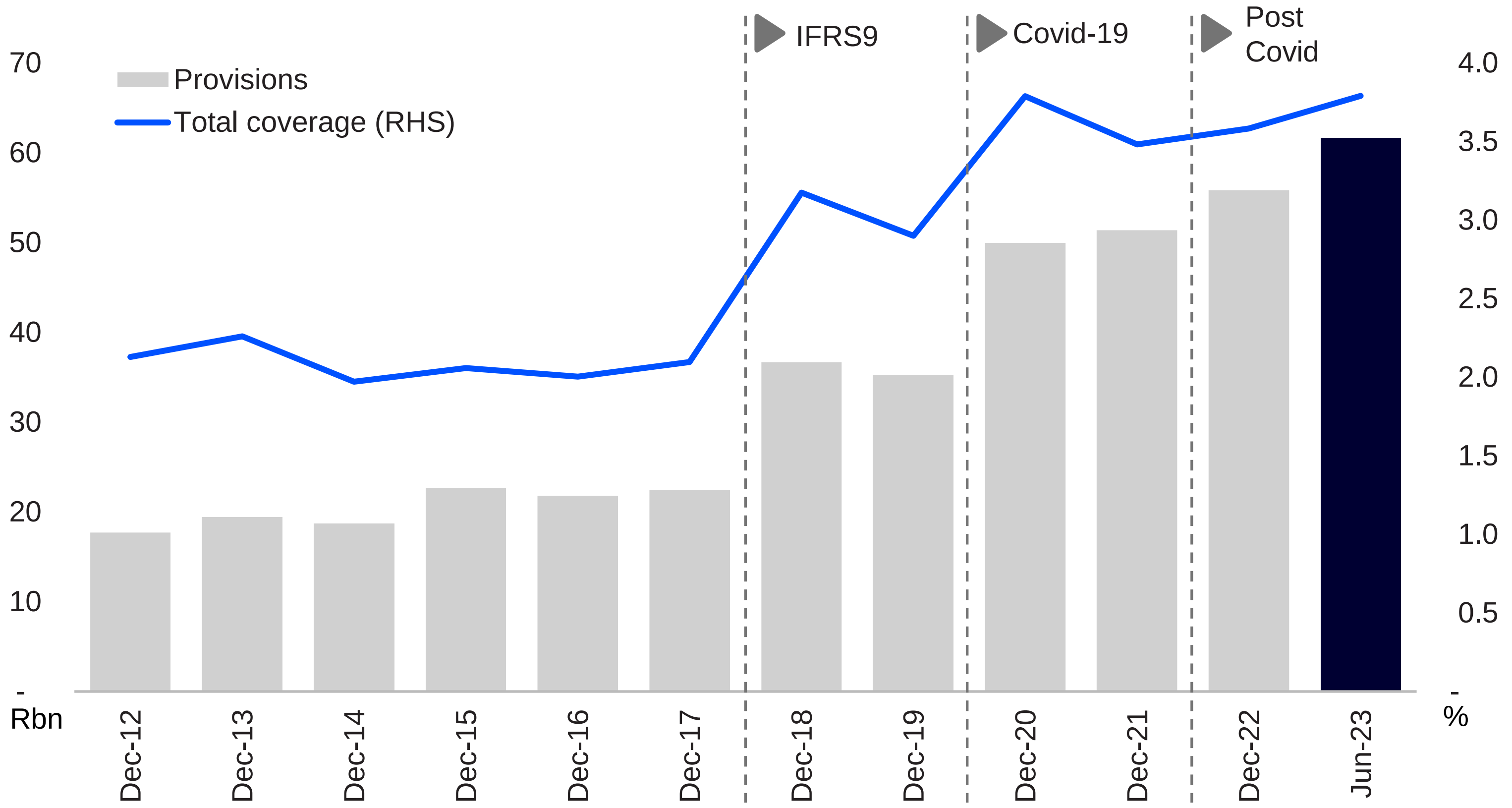


- Global Markets, +33%
- Investment banking, +41%
- Transactional banking, +4%

[1] *Banking trading revenue includes revenue from CIB (R12.0bn), PPB (R0.3bn), BCB (R0.1bn) and a Centre adjustment (-R0.7bn)*

Provisions and total coverage bolstered further

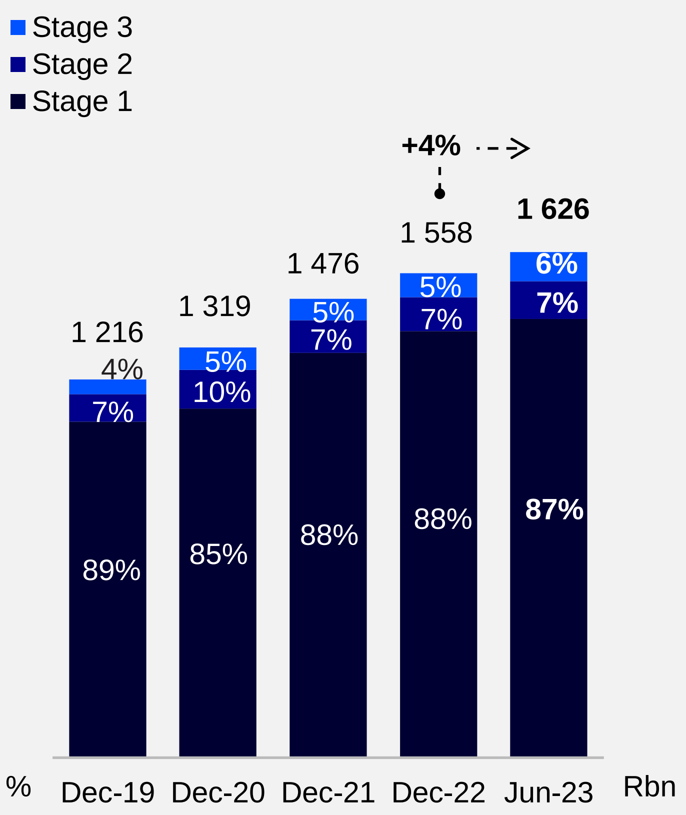
Balance sheet provisions



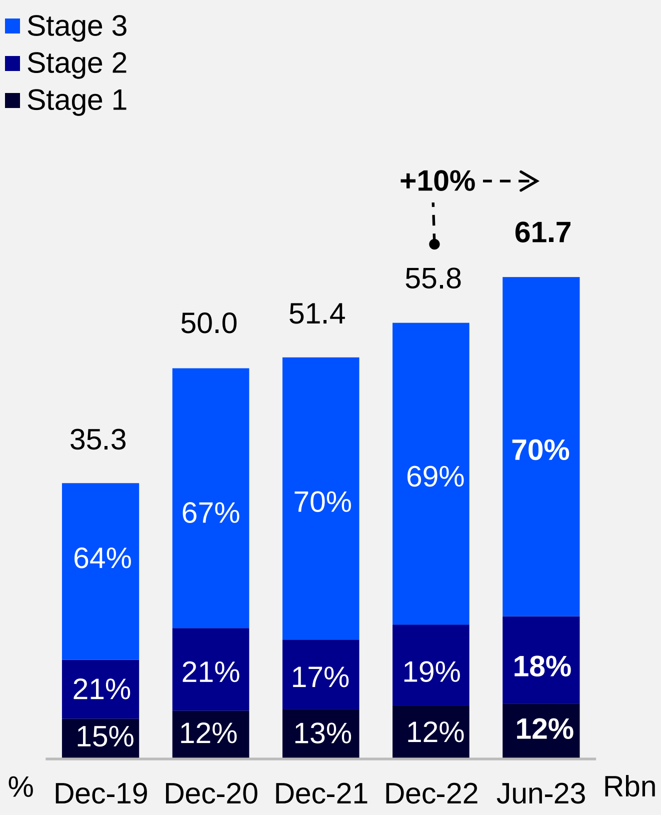
Average	Provisions Rbn	Coverage %
FY08 – FY17	18.8	2.1
FY18 – FY19	36.0	3.0
FY20 – FY21	52.4	3.6
FY22	55.8	3.6
1H23	**61.7**	**3.8**

Total coverage increased as increase in provisions outpaced balance sheet growth

Gross loans and advances[1]



Provisions[1]



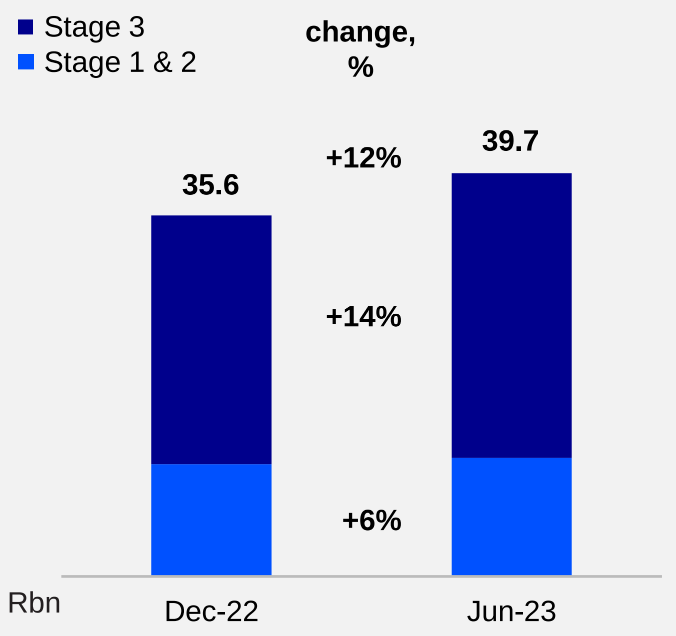
Coverage

	Dec-21	Dec-22	**Jun-23**
Total coverage	3.5%	3.6%	**3.8%**
Stage 3 ratio	4.7%	5.0%	**5.8%**
Stage 3 coverage	52%	50%	**46%**

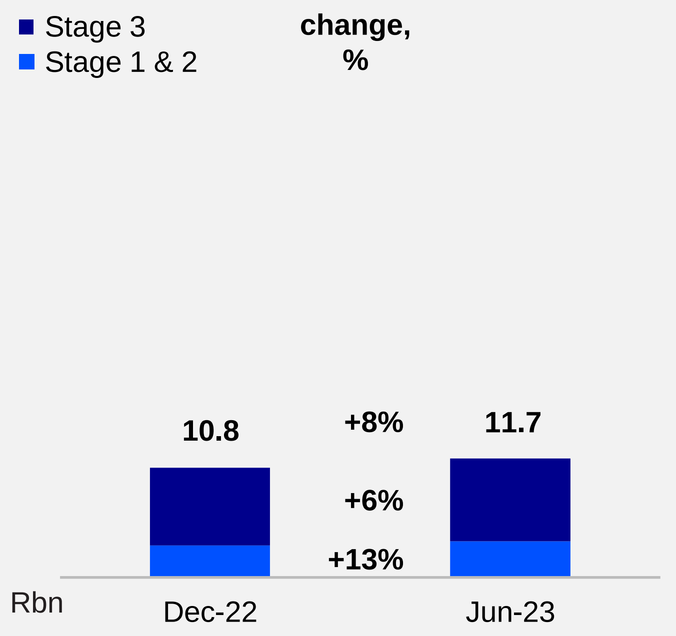
[1] *Based on gross loans and advances and provisions per pages 60-65 of the 1H23 Financial Analysis Booklet*

Provisions increased in all business units

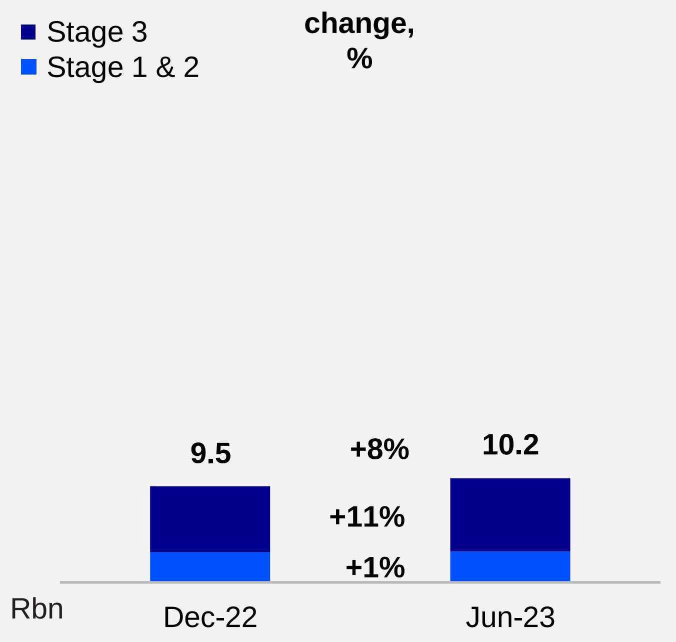
Personal & Private Banking (PPB)



Business & Commercial Banking (BCB)



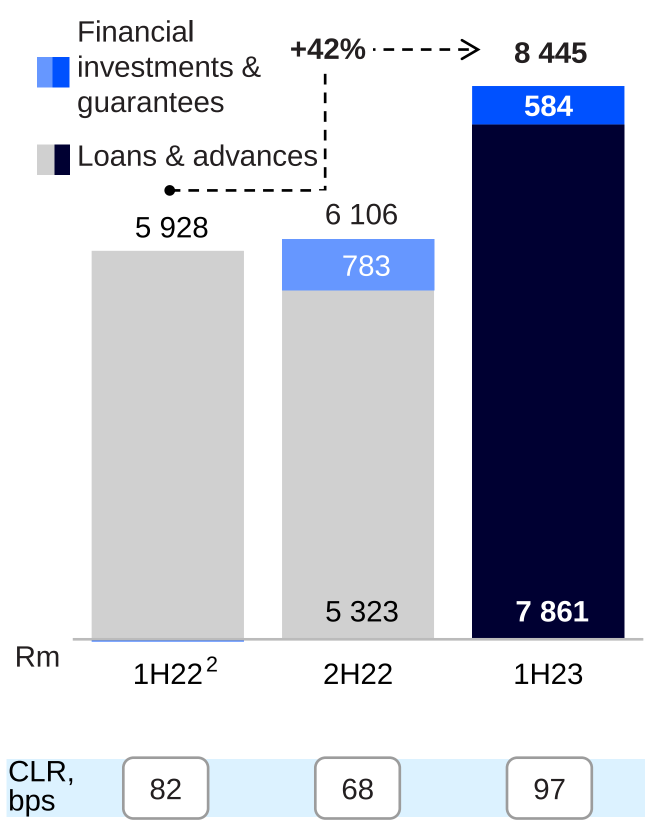
Corporate & Investment Banking (CIB)

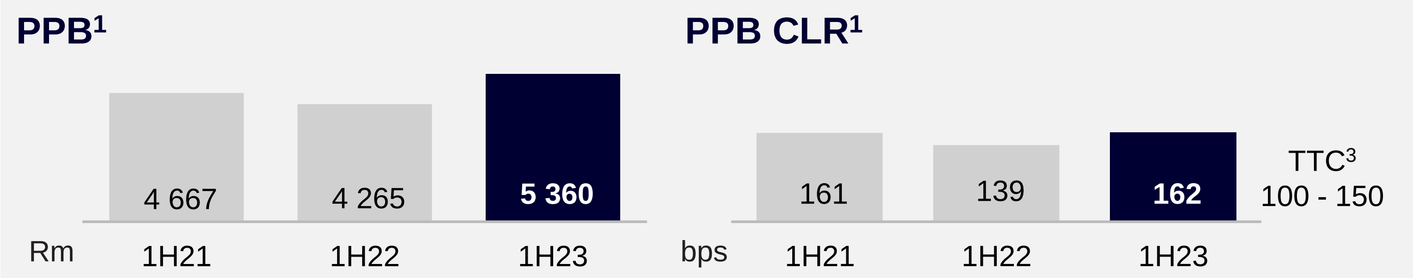


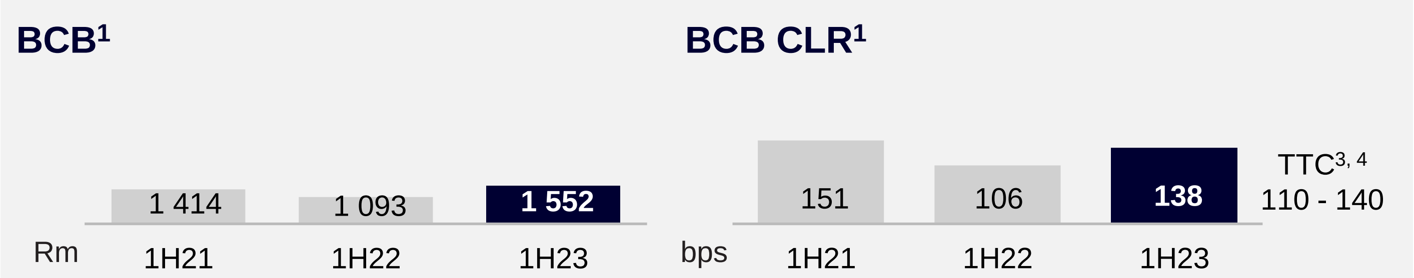
	PPB Dec-22	PPB Jun-23	BCB Dec-22	BCB Jun-23	CIB Dec-22	CIB Jun-23
Total coverage	5.4%	5.9%	5.3%	5.7%	1.8%	1.8%
Stage 3 coverage	48%	47%	60%	57%	49%	37%

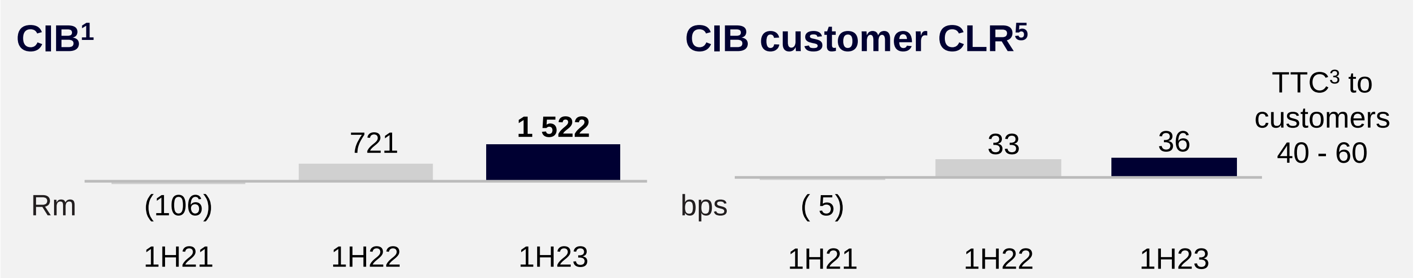
Credit charges up across the board

Credit impairment charges





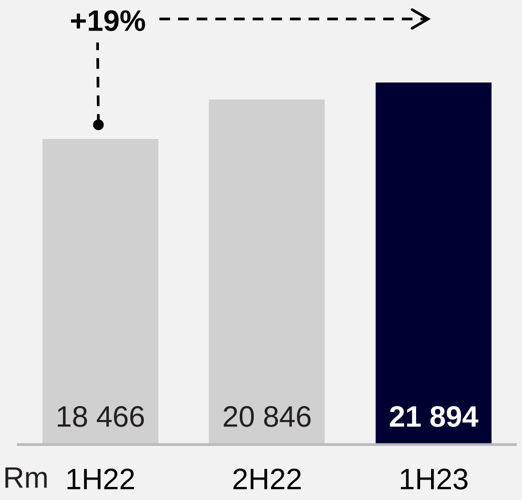




[1] As per Financial Analysis Booklet page 26 and 27, 1H21 not restated, [2] In 1H22, credit charges for FIs and letters of credit were a net R59m release, [3] Through-the-cycle range, [4] Through-the-cycle range revised following the move of mortgage book portfolio to PPB, [5] Based on Corporate and Investment Banking on page 45 of the Financial Analysis Booklet

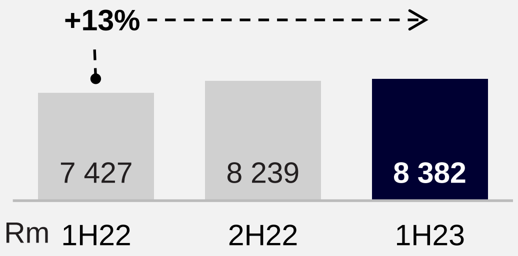
Operating expense growth elevated due to inflation[1]

Staff costs



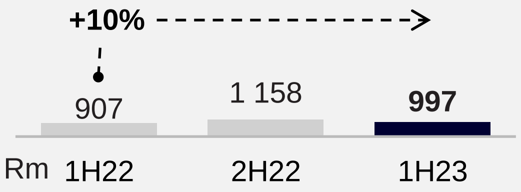
- Annual inflationary staff increases
- Additional headcount to drive growth in banking business units, bolster risk, and digital capabilities
- Variable remuneration in line with business performance and prior year award vesting criteria

Software, cloud and technology related costs, amortisation and IT depreciation[2]



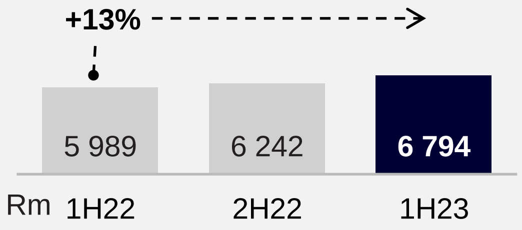
- Continued investment in software, cloud and digital capabilities (see next slide)
- Offset by slowdown in amortisation

Premises



- Higher municipal, fuel, and cash security costs
- Offset by a reduction in physical infrastructure footprint

Other expenses

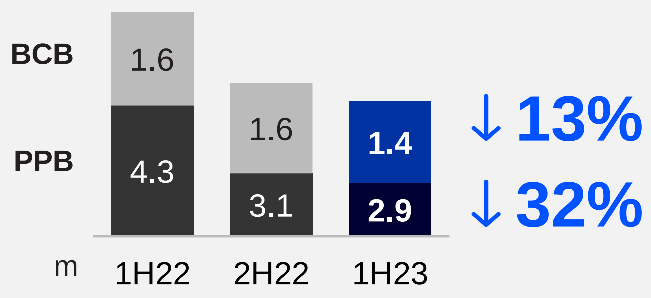


- Higher depositor insurance and AMCON fees
- Relatively lower marketing and communication costs due to the non-recurrence of specific campaigns run in 1H22

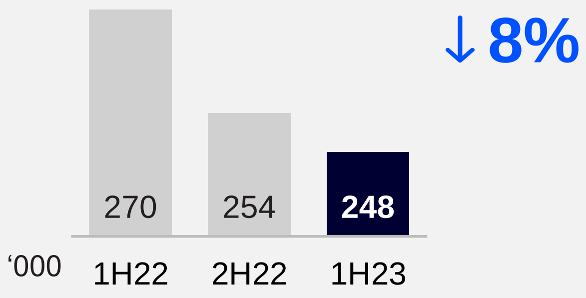
[1] Banking operating expenses grew by 16% vs weighted average inflation rate of 12.5%, [2] Includes all IT spend excluding staff costs per page 67 of the 1H23 Financial Analysis Booklet

South Africa – continue to optimise our infrastructure based on client activity

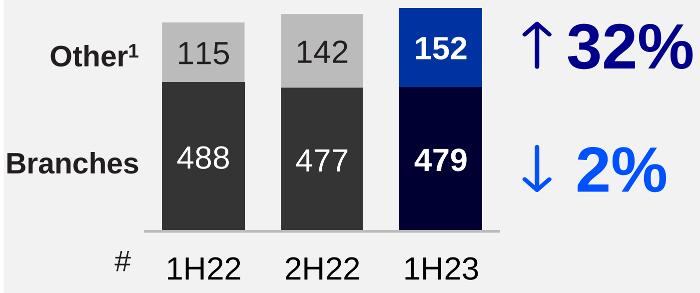
Branch transaction volumes



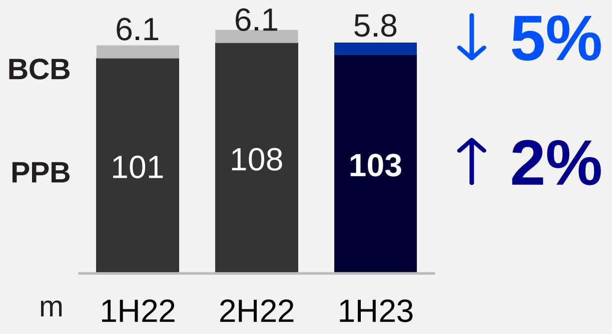
Branch, sqm



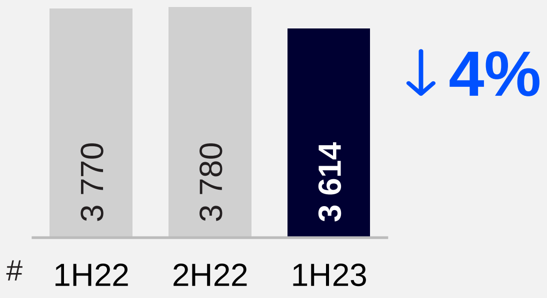
Branches & other points of representation



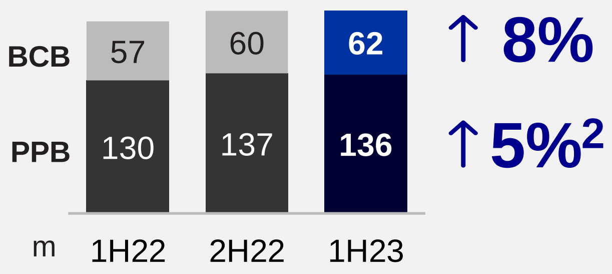
ATM transaction volumes



ATMs



Digital transaction volumes

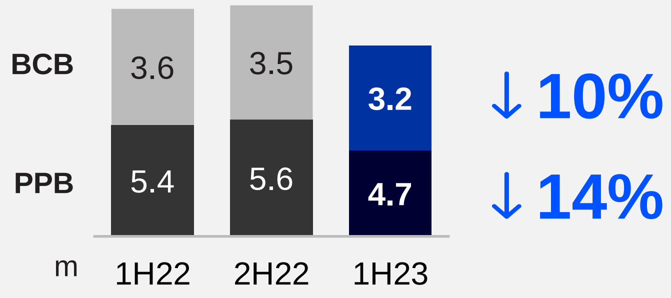


[1] Other includes in-store kiosks and other points of representation, generally smaller and cheaper to run than typical branches, [2] Total digital volumes including non-fee generating transactions up 23%

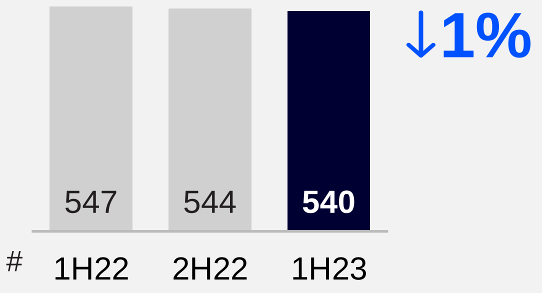
% change, 1H23 vs 1H22

Africa Regions – fit-for-purpose footprint and driving digital adoption

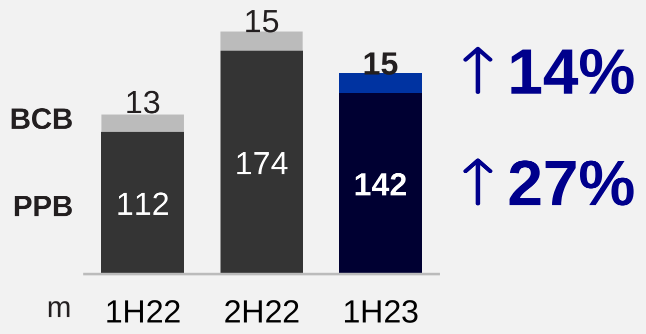
Branch transaction volumes



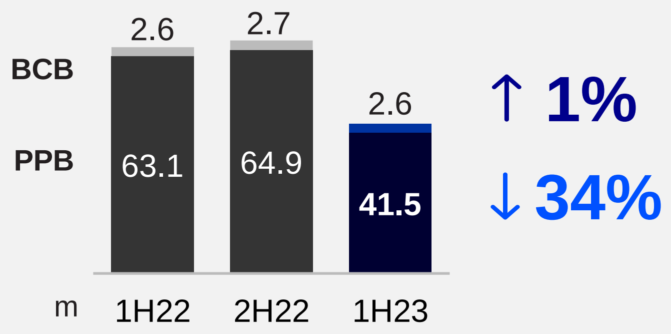
Branches



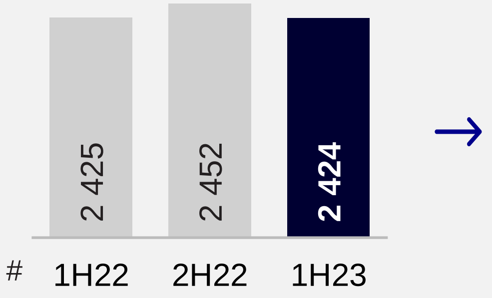
Digital transaction volumes



ATM transaction volumes[1]



ATMs

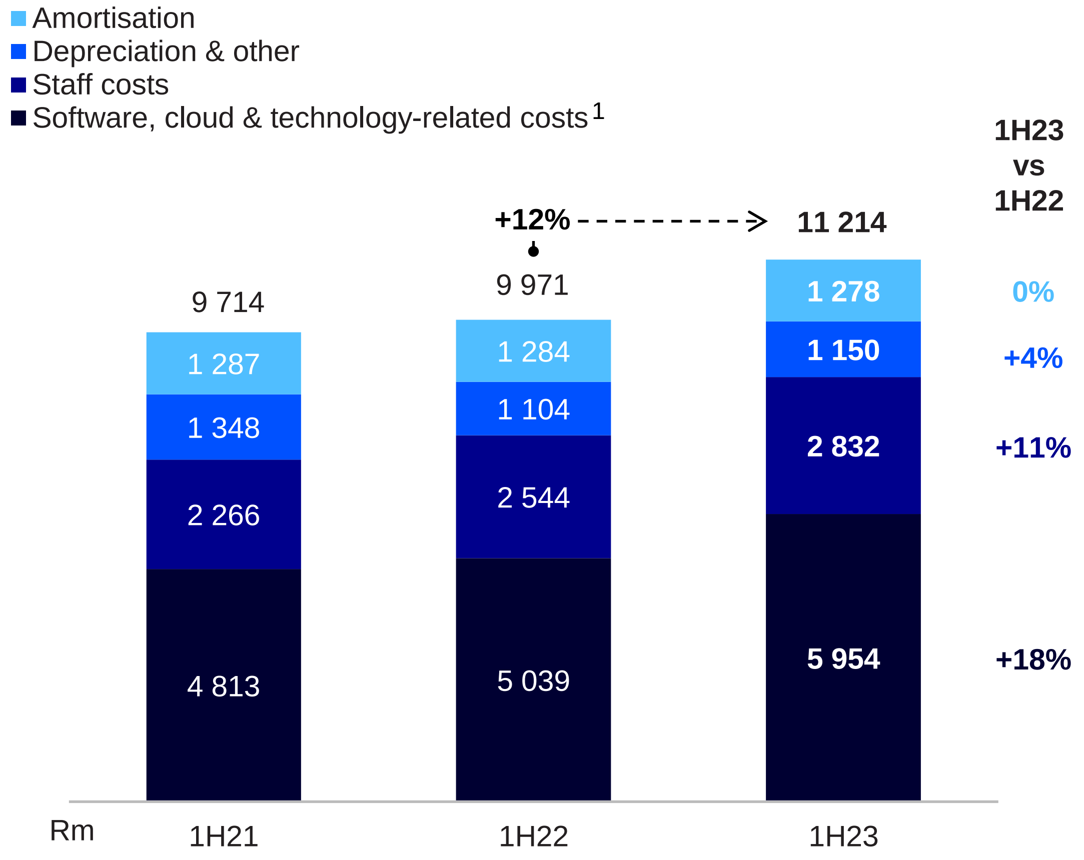


% change 1H23 vs 1H22

[1] *PPB ATM transaction volumes declined in Africa Regions in 1H23 because of declines in Nigeria linked primarily to withdrawal restrictions*

Total IT spend in targeted areas

Total IT spend



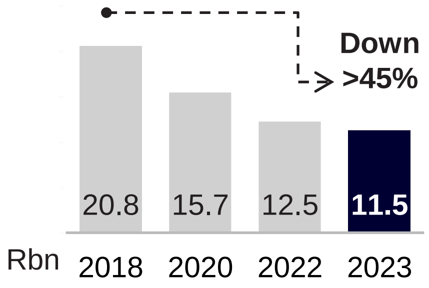
Technology-related initiatives

- Improved **system stability** and **resilience**, and significantly improved response and recovery times
- Continued investment in **digitisation** journey
- Continued **cloud migration** spending to drive business agility and **optimise** hybrid infrastructure
- Investment in **software** to improve client service levels
- Continued **simplification** of IT landscape, including a reduction in legacy systems

34%

of planned migration to the cloud completed[2]

IT intangible asset



[1] Previously referred to as Information technology, [2] Percentage completion of items which have been identified as necessary to move to the cloud

Standard Bank

2.3

Insurance & Asset Management

Insurance & Asset Management (IAM) – Liberty integrated into the group[1]

Pre the buyout of the Liberty minorities

Standard Bank Group
- Short Term Insurance (SA)
- SBG Africa Insurance
- Melville Douglas
- Stanbic IBTC Pension Fund
- Other AM & PF[3] businesses

54%

Liberty
- Liberty Life (SA)[2]
- Liberty Africa Insurance
- STANLIB (SA & Africa)
- Liberty Health
- L2D (60%)[5]

Post the Liberty minority buyout and integration

Insurance & Asset Management business unit

Insurance
- Short Term Insurance (SA)
- SBG Africa Insurance
- Liberty Life (SA)
- Liberty Africa Insurance
- Liberty Health
- L2D (60%)[5]

Insurance anchored in South Africa with growth potential in Africa Regions

Asset Management
- Melville Douglas
- Stanbic IBTC Pension Fund
- Other AM & PF[3] businesses
- STANLIB (SA & Africa)

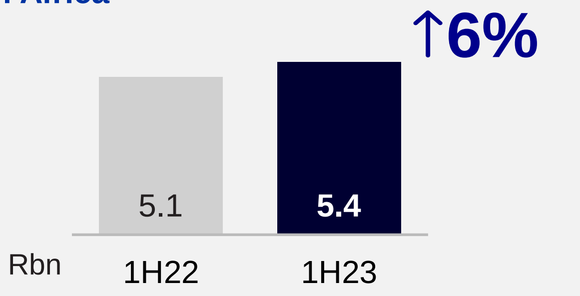
3rd largest asset manager in Africa[4], existing businesses diversified and well established, further growth potential

[1] Illustrative reflecting main businesses that have been grouped together, [2] Liberty Life (SA) includes SA Retail, Corporate, LibFin businesses within Liberty Group Limited [3] Other Asset Management and Pension Fund businesses inside the Standard Bank Group, [4] Based on assets under management and assets under administration, [5] In July 2023, L2D announced that Liberty had offered to buy out its minority shareholders

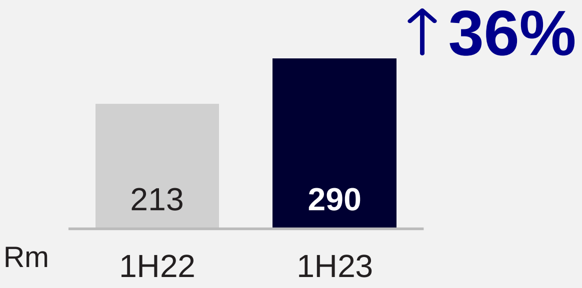
Good underlying growth across insurance and asset management

Life insurance, indexed new business

South Africa

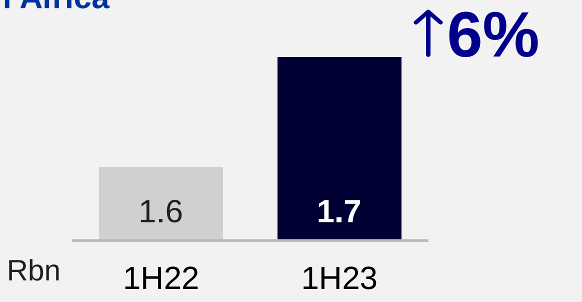


Africa Regions

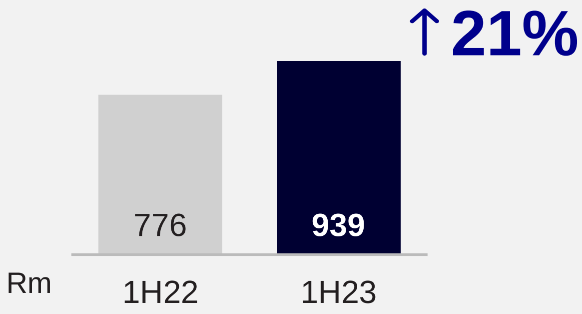


Short-term insurance, GWP[1]

South Africa



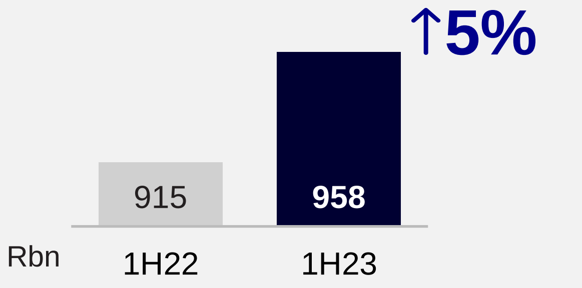
Africa Regions



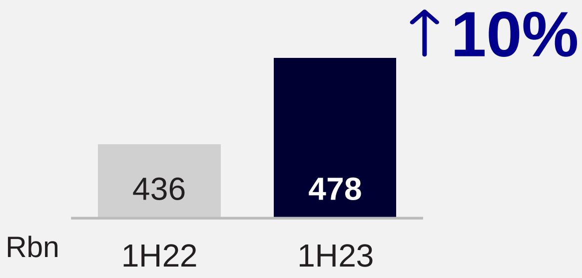
R1.4bn **New business value** **↑32%**

Asset Management, AUM & AUA[2]

South Africa



Africa Regions



[1] Gross written premium, [2] Assets under management and assets under administration

IAM delivered headline earnings growth and improved returns

	1H23 Rm	1H22 Rm	Change %
Insurance operations	**1 824**	**1 450**	**26**
South Africa	**1 825**	1 456	25
Africa Regions	(1)	(6)	83
Asset Management operations	**601**	**576**	**4**
South Africa	**205**	264	(22)
Africa Regions and International	**396**	312	27
Central costs, sundry income and other adjustments	**1**	47	(98)
Total operating earnings (pre IFRS 17 adjustment)	**2 426**	**2 073**	**17**
Shareholder Assets and Exposures[1]	**(14)**	(265)	95
Total gross earnings/(loss) before inter-BU attribution	**2 412**	**1 808**	**33**
IFRS 17 adjustment		231	(100)
Inter-BU attribution headline earnings[2]	**(1 035)**	(920)	(13)
Insurance & Asset Management headline earnings	**1 377**	**1 119**	**23**
ROE (%)	**13.1**	10.2	

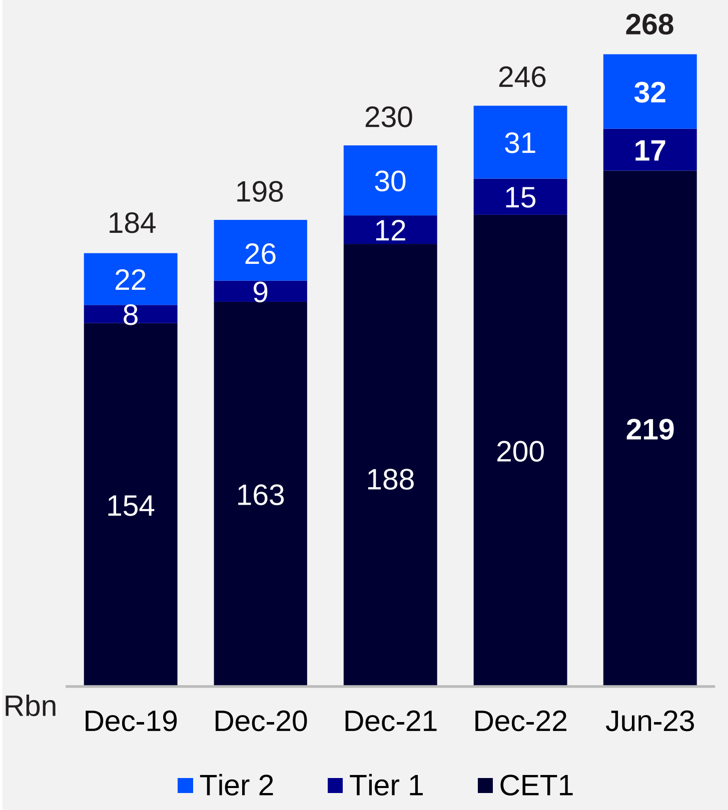
[1] Referred to previously as the Shareholder Investment Portfolio, [2] Headline earnings which are attributed to PPB and BCB

2.4 Capital & returns

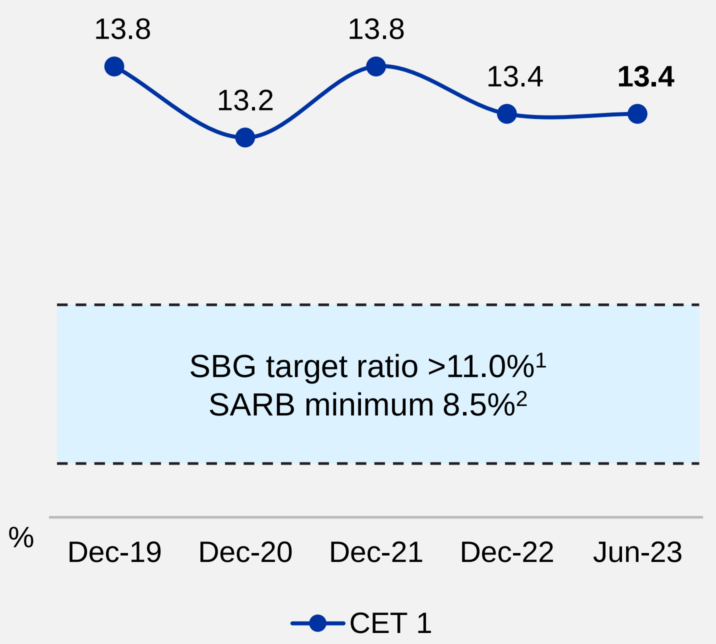
Standard Bank

Continued strong capital and liquidity ratios

Capital[1]



Capital adequacy[1]



Liquidity

Net stable funding ratio

122%
(1H22: 122%)

Basel III minimum 100%

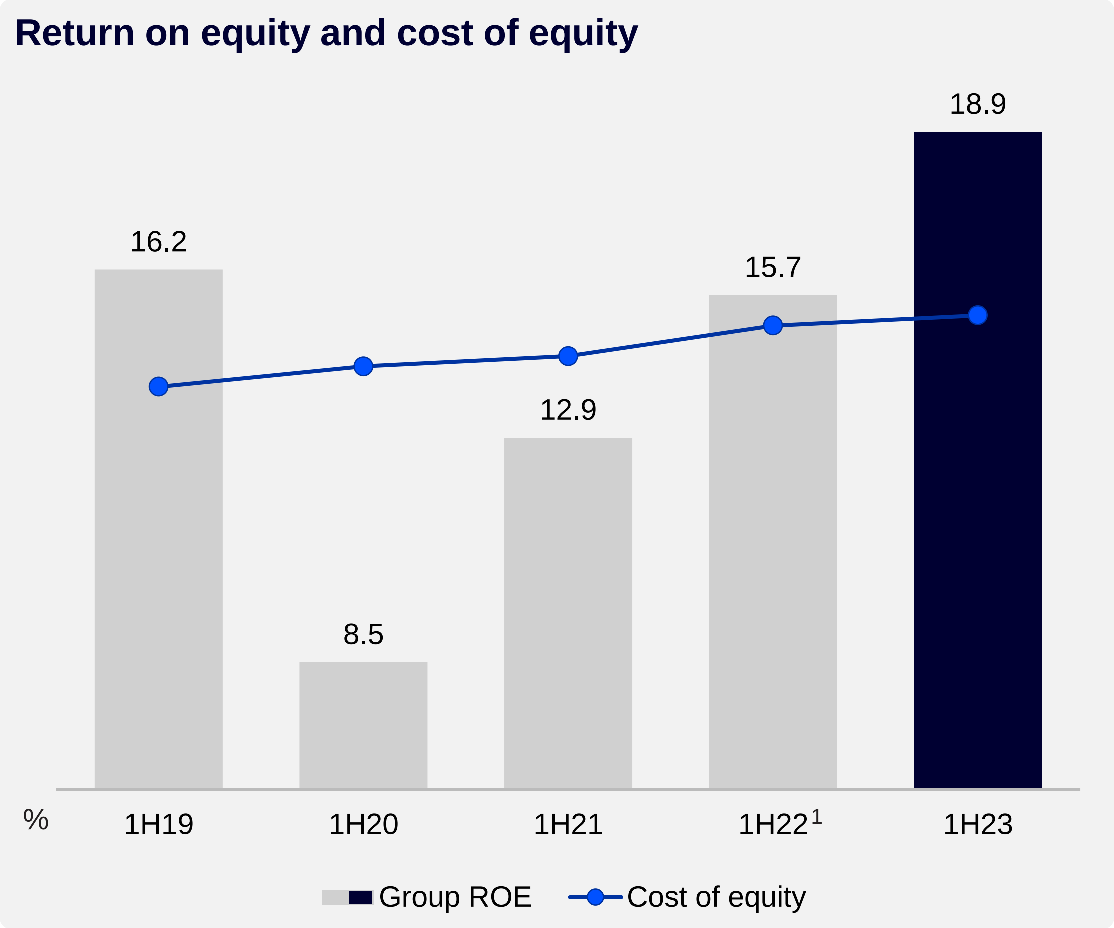
Liquidity coverage ratio

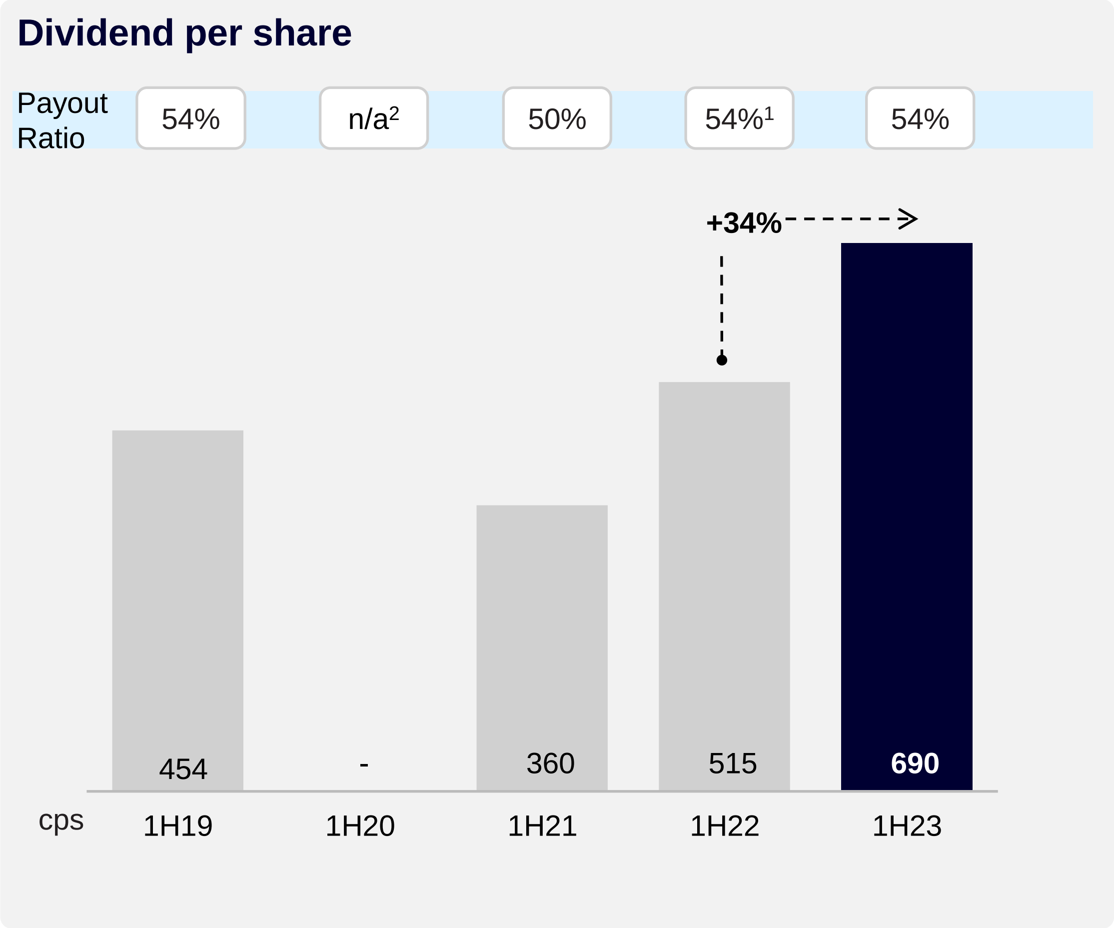
135%
(1H22: 147%)

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

Strong uptick in ROE and dividend growth in line with earnings per share growth





[1] Prior year numbers restated following the implementation of IFRS17, effective 1 January 2022, and the reallocation of insurance and asset management activities from the banking business units to the new IAM business unit, [2] No 1H20 interim dividend paid as per guidance from the South African Reserve Bank

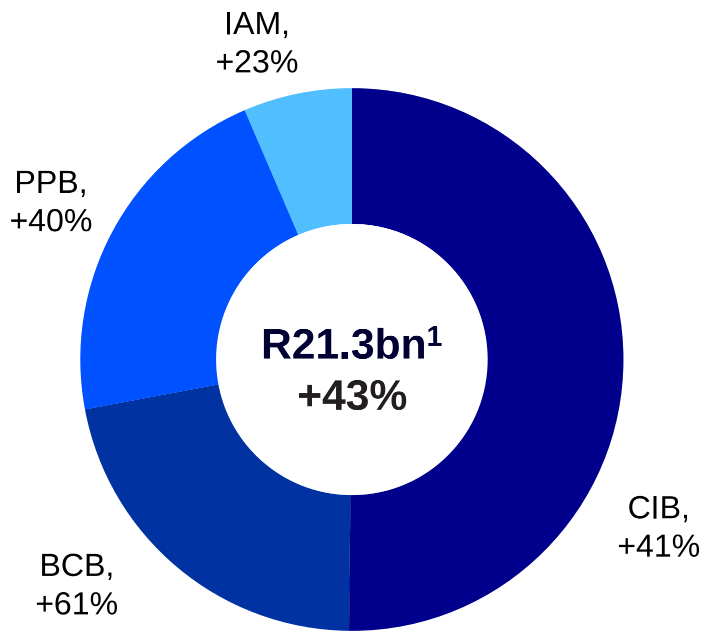
Standard Bank

2.5

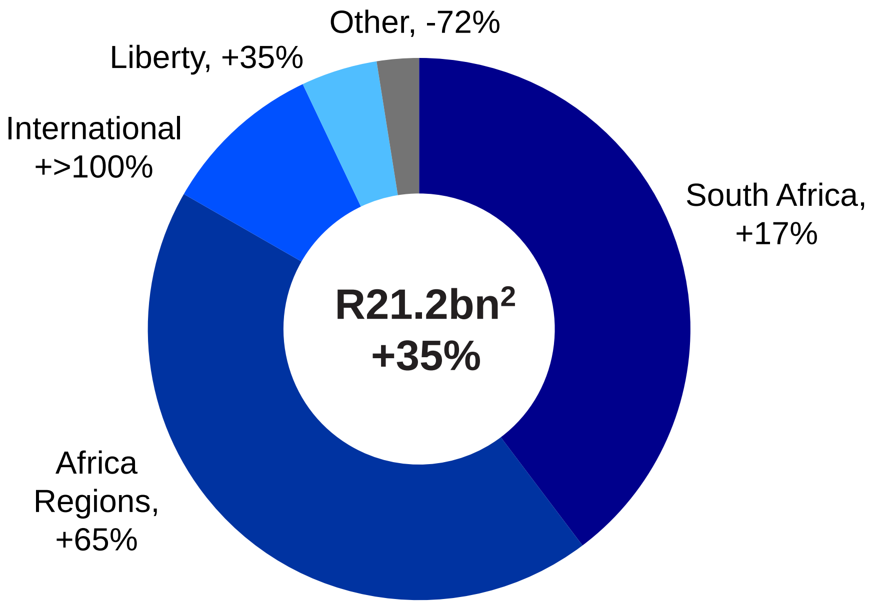
Segmental disclosures

Continued strong earnings growth across our diversified portfolio

Business unit headline earnings, HOH change



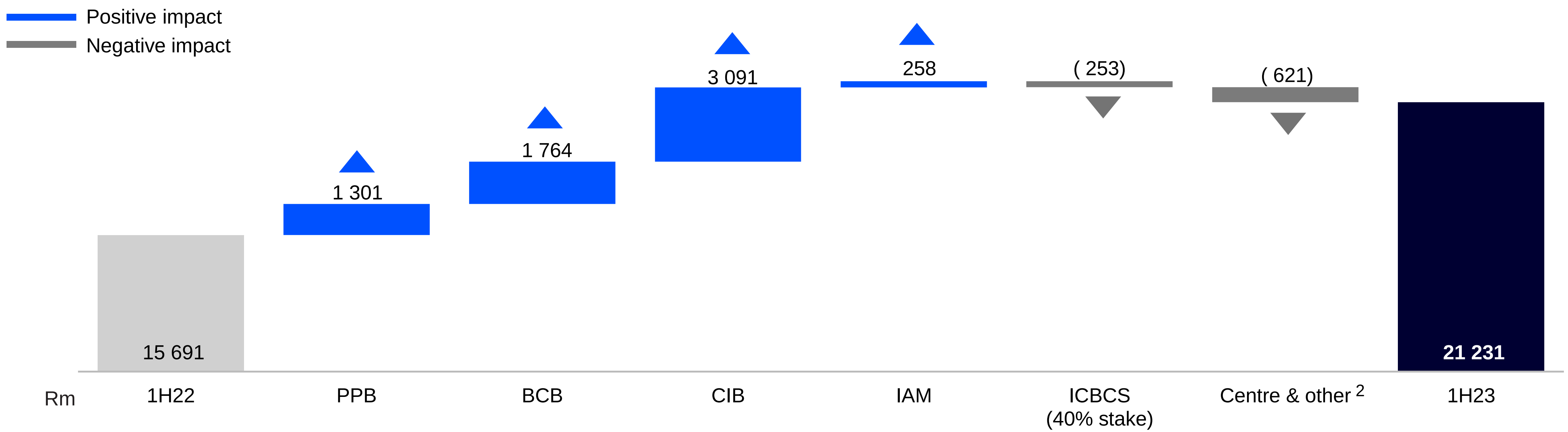
Legal entity headline earnings, HOH change



[1] Headline earnings by business unit excluding Centre and ICBCS, [2] Headline earnings by legal entity, South Africa is Standard Bank of South Africa, International is Standard Bank Offshore Group, and Other includes other group entities and ICBCS

All businesses delivered positive contributions to headline earnings growth[1]

Headline earnings growth drivers by business unit



	1H22	PPB	BCB	CIB	IAM	ICBCS (40% stake)	Centre & other[2]	1H23
HE, Rbn		4.6bn	4.7bn	10.7bn	1.4bn	1.1bn	(1.2bn)	21.2bn
Var. %		+40%	+61%	+41%	+23%	-18%	>100%	+35%
ROE, %		19.4%	37.6%	24.5%	13.1%	31.2%[3]		18.9%

[1] Prior year numbers restated following the implementation of IFRS17, effective 1 January 2022, and the reallocation of insurance and asset management activities from the banking business units to the new IAM business unit, [2] Centre and other includes increased withholding tax on higher dividends received from Africa Regions, [3] Based on ICBCS headline earnings and NAV on page 78 of the 1H23 Financial Analysis Booklet

Our South Africa banking franchise is growing and delivering improving returns

	SBSA 1H23 Rbn	SBSA 1H22 Rbn	Change %
Net interest income	25.2	21.2	18
Non-interest revenue	19.5	17.6	11
Total income	**44.6**	**38.8**	**15**
Operating expenses	(26.1)	(22.9)	14
Pre-provision profit	**18.5**	**15.9**	**16**
Credit impairment charges	(6.3)	(5.0)	27
Headline earnings	**8.4**	**7.2**	**17**
Credit loss ratio, bps	95	81	
Cost-to-income ratio, %	58.9	59.3	
Jaws, %	1.0	2.9	
ROE, %	15.2	13.7	

Highlights

- **Net interest income** grew on the back of loan book growth and higher average interest rates
- **Non-interest revenue** increased due to continued growth in transactional volumes, particularly related to travel and e-commerce spend, annual price increases, trading revenue linked to increased volatility and client demand for FX and structured solutions products
- **Operating expenses** were higher mainly due to the inflationary environment, annual staff cost and incentive cost increases, an increase in skilled staff complement and higher technology costs driven by an increase in cloud migration costs and impact of loadshedding
- **Credit impairment charges** were higher driven by new corporate defaults, a deteriorating economic environment, as well as the non-recurrence of credit recoveries on the payment holiday portfolio recorded in 1H22

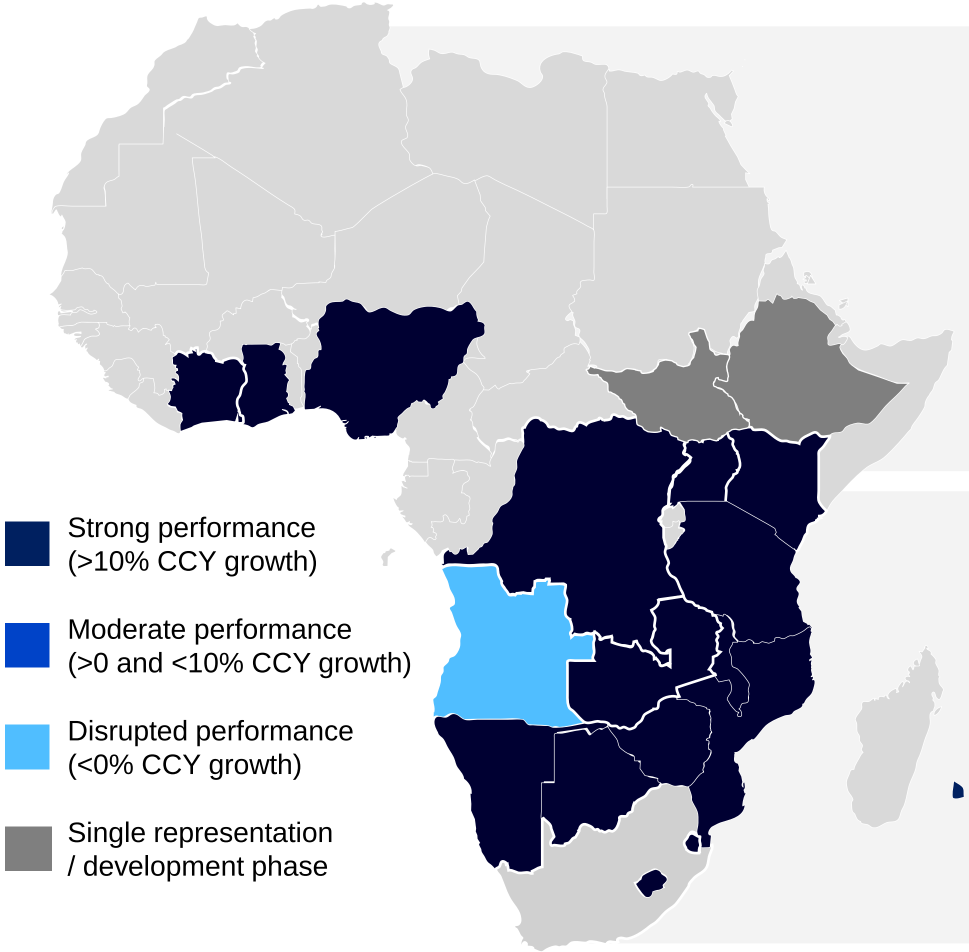
Our Africa Regions portfolio continued to grow and delivered ROE well ahead of COE

	1H23 Rbn	1H22 Rbn	Change %	CCY change %
Net interest income	17.9	12 2	46	52
Non-interest revenue	13.5	10.1	34	39
Total income	**31.4**	**22.4**	**41**	**46**
Operating expenses	(13.8)	(11.5)	20	27
Pre-provision profit	**17.6**	**10.9**	**62**	**65**
Credit impairment charges	(2.1)	(1.1)	88	>100
Headline earnings	**9.3**	**5.6**	**65**	**63**
Credit loss ratio, bps	84	73		
Cost-to-income ratio, %	43.9	51.5		
Jaws, %	20.7	9.4		
ROE, %	28.4	20.4		

Highlights

- **Net interest income** grew due to strong average balance sheet growth and higher average interest rates, particularly in 2H22 in Ghana, Kenya, Malawi, Mauritius, Mozambique, Nigeria and Zimbabwe, which resulted in positive endowment
- **Non-interest revenue** increased due to higher transactional activity supported by client travel, annual price increases, increased assets under management and related fees earned, and higher trading revenue earned from increased client FX activity in Kenya and Nigeria, as well as improved trading activity in Zimbabwe
- **Operating expenses** were higher due to heightened inflationary environments across the region, annual salary increases, increases in skilled staff compliment, higher depositor insurance in Nigeria and Ghana on the back of balance sheet growth, higher technology costs to support the investment in digital capabilities, and higher travel and entertainment costs
- **Credit impairment charges** increased driven by book growth and higher inflows into stage 3 across most countries linked to the deteriorating economic environment, and provisions related to sovereign credit risk migration in certain African markets

Our Africa Regions franchise delivered an outstanding performance across all 3 regions



Headline earnings

	1H23 Rbn	1H22 Rbn	Change %	Change CCY %
Africa Regions	**9.3**	**5.6**	**65**	**63**
East Africa[1]	1.8	1.2	55	41
South & Central Africa[2]	4.2	2.5	71	65
West Africa[3]	3.2	2.0	63	76

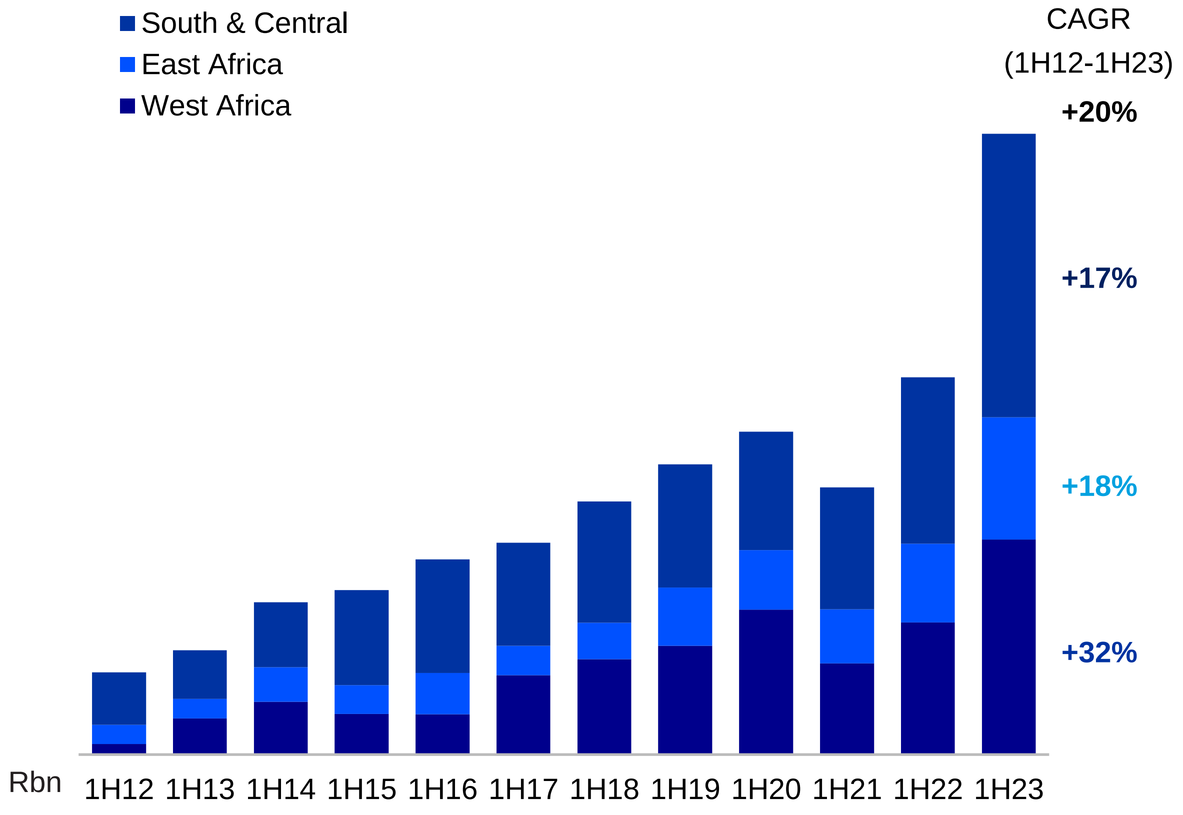
Return on equity

	1H23 %	1H22 %
Africa Regions	**28.4**	**20.4**
East Africa	23.2	18.7
South & Central Africa	29.5	18.8
West Africa	33.8	21.4

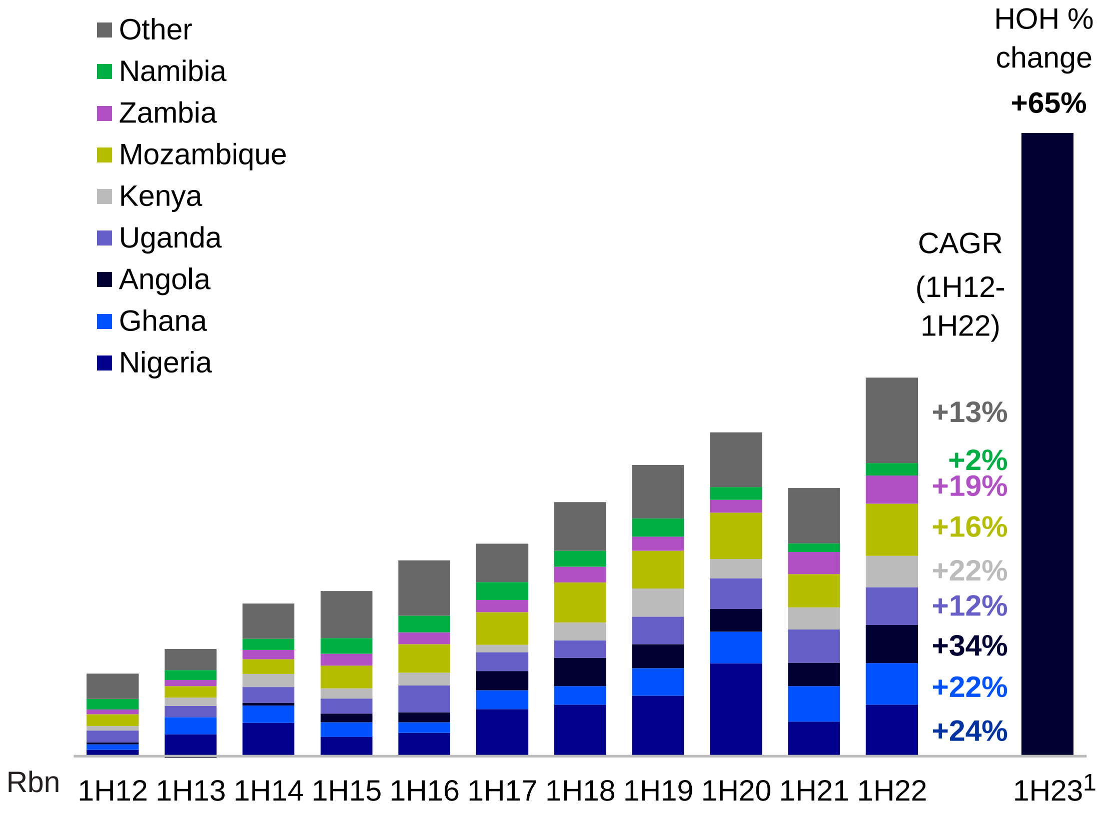
[1] *Kenya, South Sudan, Tanzania, Uganda,* [2] *Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia, Zimbabwe,* [3] *Angola, DRC, Ghana, Côte d'Ivoire, Nigeria*

Our Africa Regions franchise is a well diversified portfolio which supports the sustainability of earnings

Headline earnings by region



Headline earnings by country



[1] *1H23 split not provided as legal entities have yet to publish their accounts for the period*

2.6

FY23 outlook

Standard Bank

2H23 outlook – murky but looking more constructive

1

Global

- Downside risks to global growth remain. Inflation is still expected to decline slower and interest rates are expected to remain higher for longer
- IMF forecasts global real GDP growth of 3.0% for 2023 and 2024[1]

2

Sub-Saharan Africa

- IMF expects sub-Saharan Africa to grow at 3.5% and 4.1% in 2023 and 2024 respectively[1]
- High sovereign debt levels in certain African countries remain a concern, particularly Angola, Malawi and Mozambique

3

South Africa[2]

- Inflation has returned to within the SARB's target range. In July 2023, the SARB kept interest rates flat at 8.25%
- 2023 real GDP growth expected to be 0.8%, with risks to the downside, recovering to closer to 2% in the medium term
- Moderating inflation, interest rate cuts[3], and improved electricity supply should drive an improvement in confidence, demand, and investment in 2024

[1] International Monetary Fund, 25 July 2023, [2] As per Standard Bank research, 14 August 2023, [3] Standard Bank Research expects SARB to cut interest rate by a cumulative 125 basis points in 2024, starting in March 2024

FY23 updated guidance

Revised	FY23 guidance (March)	FY23 guidance (August)	Key drivers in 2H23
Net interest income	Low-teen growth	Low twenties growth[1]	• High interest rates to constrict demand and balance sheet growth • NIM expansion to be small as endowment tailwinds fade in 2H23
Non-interest revenue	Mid-single digit growth	High-single digit growth	• Growing client franchise, but transaction activity may slow • Trading revenues to moderate in 2H23 from elevated levels in 1H23
Unchanged			
Efficiency	Positive jaws[2]		• Cost growth to remain elevated (low teens), impacted by franchise investment and continued inflationary pressures
Credit loss ratio	Above the mid-point of the TTC[3] range of 70 bps – 100 bps		• Difficult macroeconomic conditions will continue to put pressure on clients; credit charge growth to moderate in 2H23
ROE	Inside the 2025 target range of 17% – 20%		• Focus on optimisation of capital deployed
Dividend payout ratio	45% – 60%		• Supported by strong capital generation

[1] Net interest income is expected to grow at mid teens excluding endowment, [2] Jaws for Banking businesses, [3] Through-the-cycle

Towards 2025

1

Maintaining margins in a declining rates environment

- Endowment tailwinds will fade in 2024 as interest rates stabilise and fall
  - SBSA net interest income impact reduced from R1.4bn to R1.2bn per 100 basis points rates reduction, following implementation of partial endowment hedge
- Strong underlying asset and liability growth, particularly in the high-margin Africa Regions businesses, bodes well for net interest income growth going forward

2

Growing trading revenues off a high base

- Once-off trading gains on Africa Regions currency devaluations in 1H23 unlikely to be repeated
- However, our dominant trading franchise continues to provide opportunities in volatile markets
- Underlying and widespread client trading activity remains robust
- Strong track record of sustainably growing trading revenues (10-year CAGR of 17%)

3

Impact of Africa Regions currency devaluations offset by strong business growth and portfolio effect

- Market-set currency valuations are welcomed and positive for investment, economic activity and growth
- Africa Regions ZAR 10-year earnings CAGR of 20% evidences that growth opportunities have consistently exceeded the impact of weaker currencies over time
- Notwithstanding significant devaluation of NGN, AOA and ZWL, 1H23 FCTR NAV impact not material, due to relative strengthening of UGX, MZM, ZMK, USD and GBP
- The diverse Africa Regions portfolio continues to be a key differentiator and has proven to deliver sustainable earnings over time

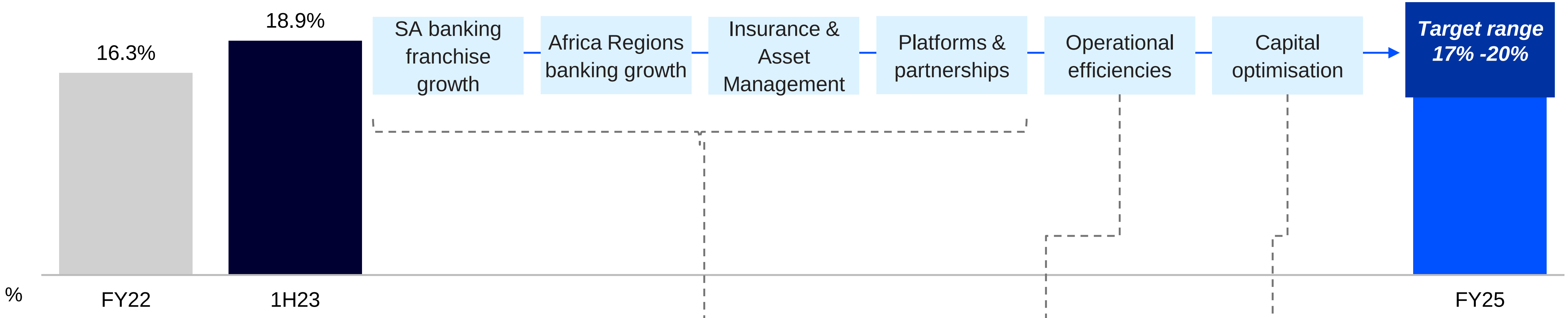
FOCUS

Sustainable revenue growth

Continued operating leverage

Medium-term ROE drivers unchanged

ROE drivers



Link to 2025 targets

Our financial targets:

- **7%-9%** Revenue growth CAGR[1]
- **~50%** Cost-to-income ratio[2]
- **45%-60%** Dividend payout
- **>11%** CET1 ratio

[1] Compound annual growth rate from 2020 to 2025, [2] Approaching 50%

Standard Bank

03

Delivering against our 2025 targets

Our strategy and 2025 targets remain unchanged

Our purpose:
Why we exist

Africa is our home, we drive her growth

	Transform client experience	Execute with excellence	Drive sustainable growth and value
Our 2025 financial targets: *What we have committed to deliver*	**7% - 9%** Revenue growth CAGR[1]	**~50%** Cost-to-income ratio[2]	**17% - 20%** Return on equity

[1] Compound annual growth rate from 2020 to 2025, [2] Approaching 50%

2H23 – focused on continued delivery

1H23 – we delivered

1. Sharpened our competitiveness
2. Captured sustainable finance opportunities in South Africa and Africa Regions, particularly in renewables in South Africa
3. Integrated Liberty into IAM and improved capital efficiency
4. Financial performance in line with 2025 commitments

2H23 – our focus areas

1. Manage costs tightly and credit responsibly
2. Provide consistently excellent service on consistently stable systems
3. Continue to expand our leadership in promoting intra-Africa trade, and in connecting Africa to China, Europe and the US
4. Continue to expand our leadership in sustainable and inclusive finance
5. Remain within our ROE target range

2023

Brand Finance®
Awards

‘Most Valuable Banking Brand - South Africa and Africa’

for 2nd year in a row

Standard Bank

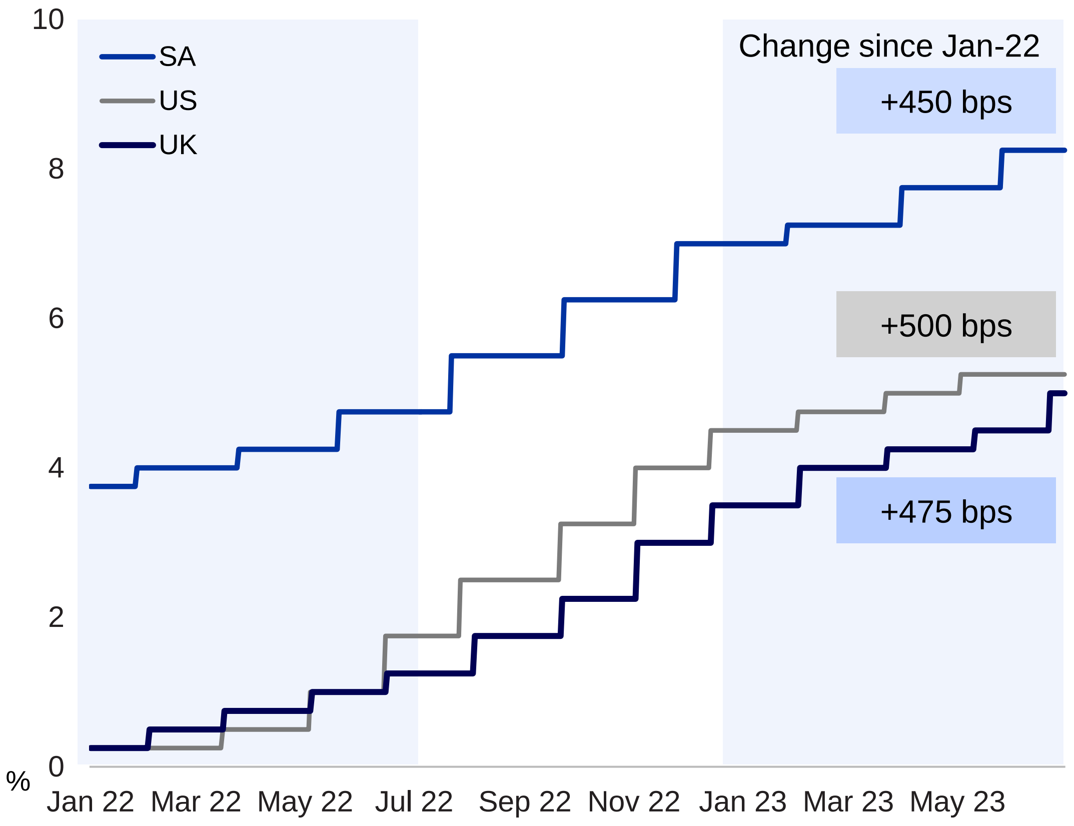
Thank you

Standard Bank

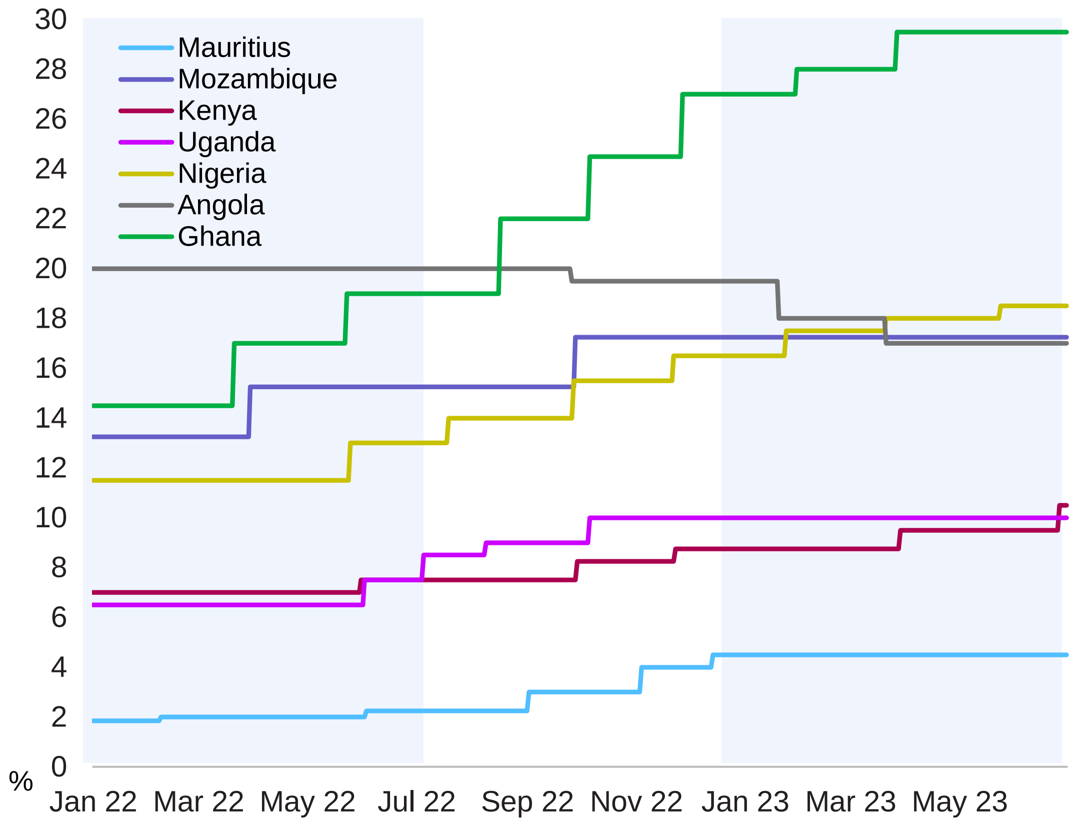
Additional disclosures

Interest rates trended higher, providing a strong tailwind to net interest income

South Africa, UK & USA, %



Africa Regions, %



Source: Trading Economics

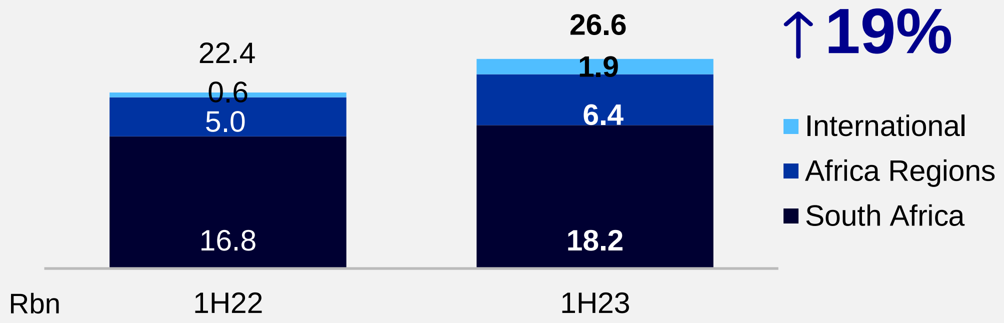
Personal & Private Banking

	1H23 Rbn	1H22[1] Rbn	Change %
Net interest income	18.1	14.9	21
Non-interest revenue	8.5	7.5	14
Total income	**26.6**	**22.4**	**19**
Operating expenses	(14.9)	(13.2)	13
Pre-provision profit	**11.7**	9.2	27
Credit impairment charges	(5.4)	(4.3)	26
Headline earnings	**4.6**	**3.3**	**40**
Credit loss ratio, bps	162	139	
Cost-to-income ratio, %	55.9	58.7	
Jaws, %	5.7	n/a	
ROE, %	19.4	13.9	

Highlights

- **Total income** increased due to loan and deposit growth, higher average interest rates, strong transactional activity, and an increase in the active client base following good client acquisition and focused client entrenchment
- **Operating expenses** were higher driven by the inflationary environment, continued investment in digital capabilities, and increased business activity across the portfolio
- **Credit impairment charges** increased on the back of rapid interest rate hikes and a deteriorating macroeconomic environment
- **Headline earnings** increase underpinned by core franchise growth

Total income by geography, Rbn



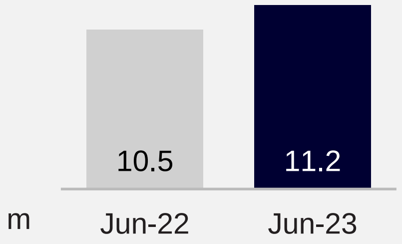
[1] *Prior year numbers restated following the implementation of IFRS17, effective 1 January 2022, and the reallocation of insurance and asset management activities from the banking business units to the new IAM business unit*

Personal & Private Banking

South Africa

Active clients

↑ 7%

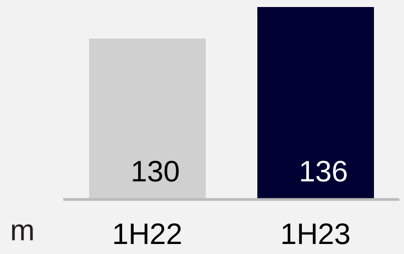


↑ 16%
Private Banking

>1m, up 7%
Youth clients

Digital transactional volumes

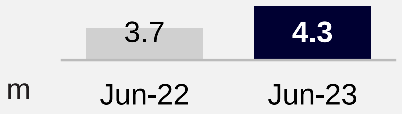
↑ 5%



Africa Regions

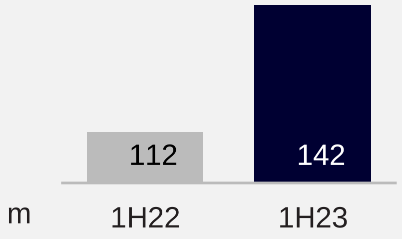
Active clients

↑ 14%



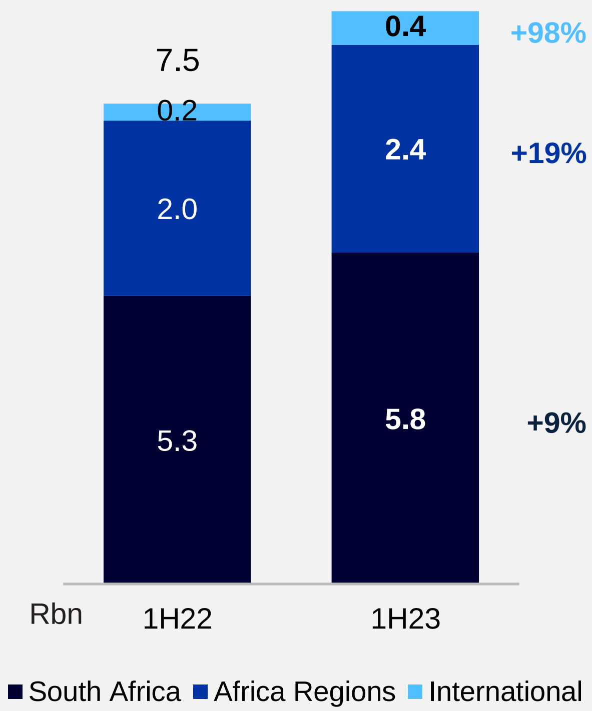
Digital transactional volumes

↑ 27%



NIR by geography, Rbn

↑ 14%



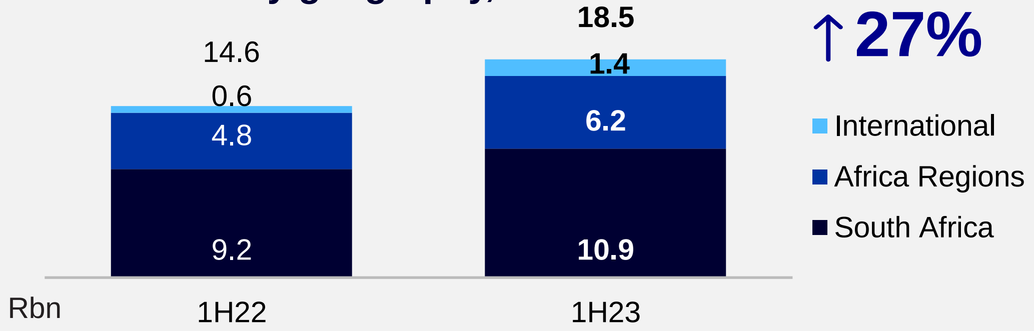
Business & Commercial Banking

	1H23 Rbn	1H22[1] Rbn	Change %
Net interest income	12.4	9.0	38
Non-interest revenue	6.1	5.6	10
Total income	**18.5**	**14.6**	**27**
Operating expenses	(10.3)	(9.1)	14
Pre-provision profit	**8.2**	5.5	50
Credit impairment charges	(1.6)	(1.1)	42
Headline earnings	**4.7**	**2.9**	**61**
Credit loss ratio, bps	**138**	106	
Cost-to-income ratio, %	**55.8**	62.4	
Jaws, bps	**13.0**	n/a	
ROE, %	**37.6**	24.5	

Highlights

- **Total income** increase linked to balance sheet growth, higher average interest rates,increased active clients, higher transactional and forex activities, growth in cross border payment flows and lending facilities
- **Operating expenses** impacted by the elevated inflationary environment, continued investment in technology and marketing initiatives to support client acquisition and experience, alongside increased incentives
- **Credit impairment charges** largely impacted by new non-performing customers, specifically in Africa Regions, an increase in watchlist names and increased forward-looking provisions
- **ROE** improved driven by growth in capital-light, transactional flow led earnings

Total income by geography, Rbn

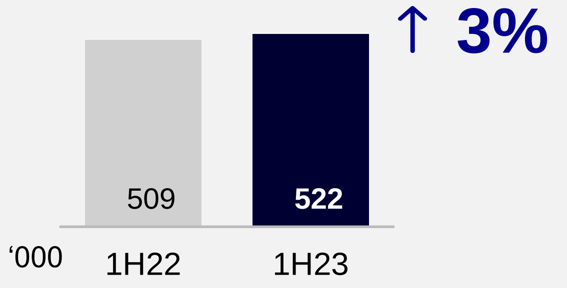


[1] *Prior year numbers restated following the implementation of IFRS17, effective 1 January 2022, and the reallocation of insurance and asset management activities from the banking business units to the new IAM business unit*

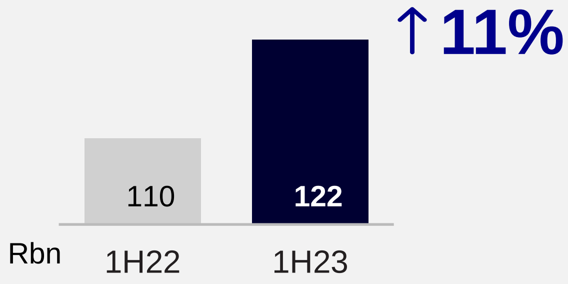
Business & Commercial Banking

South Africa

Active clients

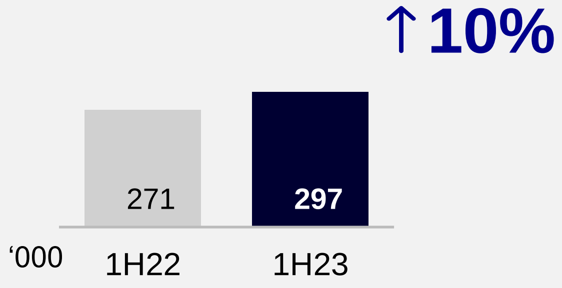


Card acquiring turnover

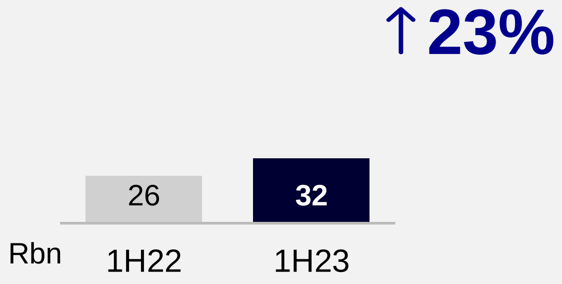


Africa Regions

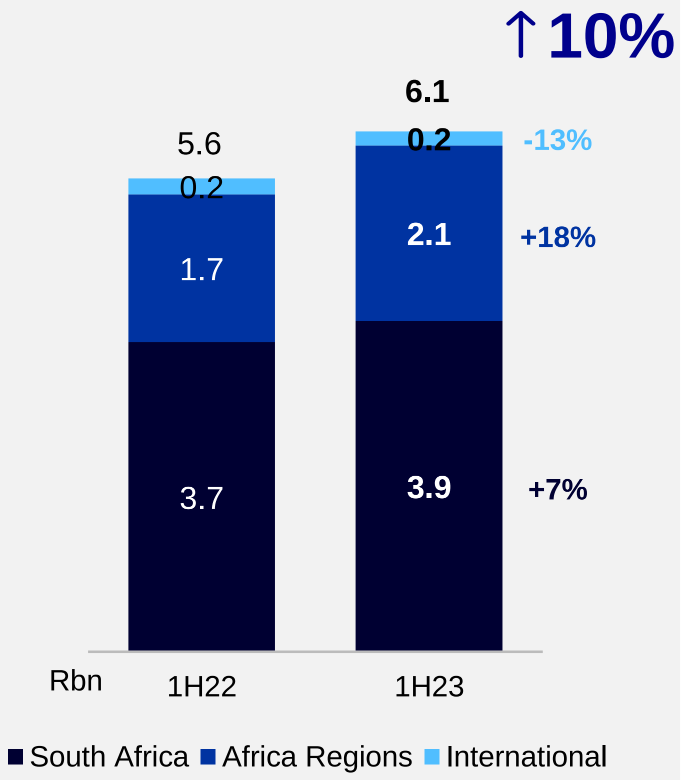
Active clients



Card acquiring turnover



NIR by geography, Rbn



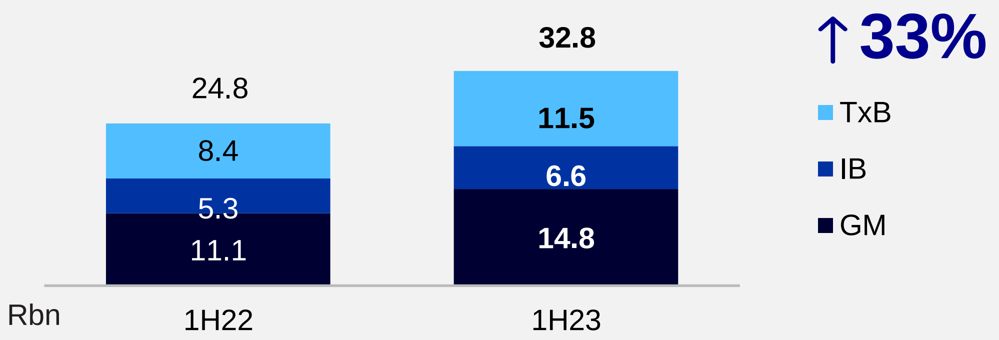
Corporate & Investment Banking

	1H23 Rbn	1H22[1] Rbn	Change %
Net interest income	14.8	10.4	43
Non-interest revenue	18.0	14.4	25
Total income	**32.8**	**24.8**	**32**
Operating expenses	(13.7)	(11.7)	17
Pre-provision profit	**19.1**	**13.1**	**46**
Credit impairment charges	(1.5)	(0.7)	>100
Headline earnings	**10.7**	**7.6**	**41**
Credit loss ratio[2], bps	**36**	33	
Cost-to-income ratio, %	**41.8**	47.2	
Jaws, %	**15.2**	n/a	
ROE, %	**24.5**	20.8	

Highlights

- **Total income** growth driven by balance sheet growth, positive endowment impact of higher interest rates, and increase in trading revenues underpinned by increased client activity and market making revenues
- **Operating expenses** reflective of inflationary pressures and continued investment in technology to support system stability and client experience.
- **Credit impairment charges** increase is due to client strain in a challenging operating environment and elevated sovereign risk in specific Africa Regions markets
- **Headline earnings** growth underpinned by our ability to support client activity and identify sector specific growth opportunities

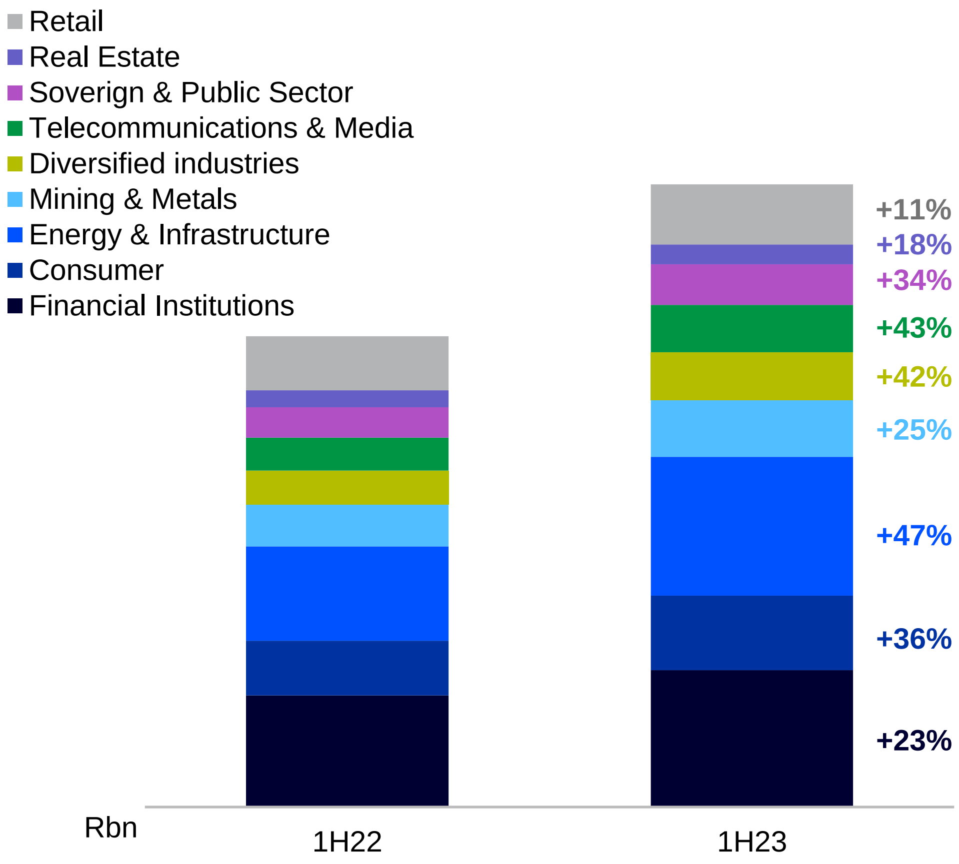
Total income by business[3], Rbn



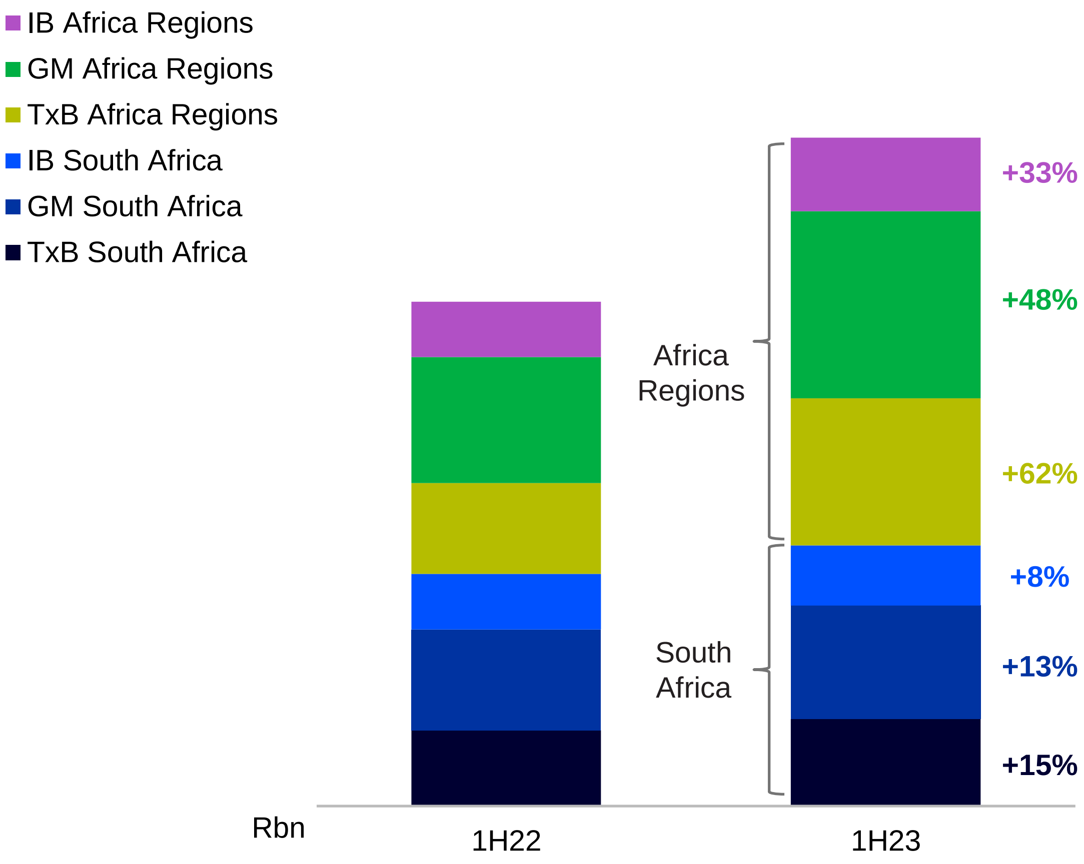
[1] Prior year numbers restated following the implementation of IFRS17, effective 1 January 2022, and the reallocation of insurance and asset management activities from the banking business units to the new IAM business unit, [2] CLR to customers, [3] TxB – Transaction Banking, IB – Investment Banking, GM – Global Markets

CIB client revenue

Client revenue by sector, 32%



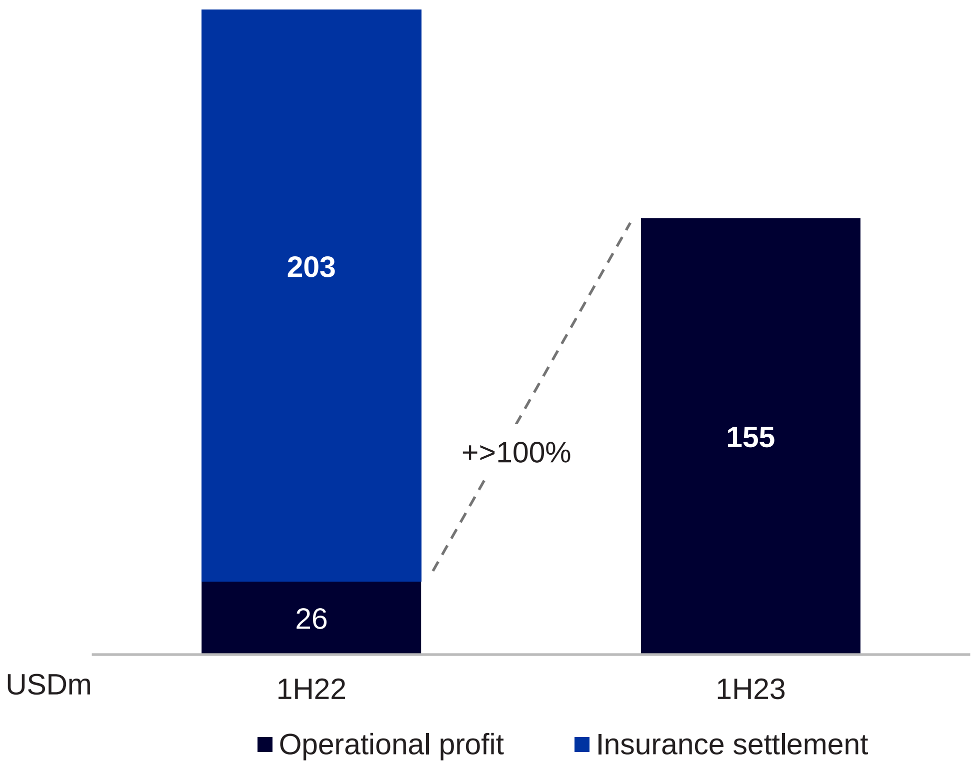
Total income by geography, 33%[1]



[1] *TxB – Transaction Banking, GM – Global Markets, IB – Investment Banking*

ICBC Standard Bank plc

ICBCS performance



SBG's share of earnings

	1H23	1H22
ICBCS earnings, USDm	**155**	**229**
@ % stake	*40%*	*40%*
SBG attributable earnings, USDm	**62**	**92**
ZAR/USD[1]	18.5	**15.2**
SBG attributable earnings, Rm	**1 149**	**1 402**

[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.