



STANDARD BANK GROUP ACQUISITION OF LIBERTY MINORITIES

INVESTOR PRESENTATION

15 July 2021

Transaction highlights



1	Transaction	<ul style="list-style-type: none">• SBG to acquire all remaining ordinary shares in Liberty, not held by SBG, Liberty incentive schemes or as treasury shares, through a share and cash transaction. Cash portion comprises i) cash paid by SBG to Liberty minority shareholders and ii) cash distributed by Liberty to all shareholders. The distribution is only available if the transaction completes. In addition, SBG has offered to acquire all listed Liberty preference shares
2	Transaction structure	<ul style="list-style-type: none">• The transaction will be implemented via i) a scheme of arrangement for the ordinary shares and ii) a separate scheme of arrangement for the preference shares in terms of the South African Companies Act and Takeover Regulations
3	Financial terms	<ul style="list-style-type: none">• Purchase price per ordinary share: ZAR90.81 per share comprising 0.5 SBG shares per Liberty share (equivalent to ZAR7.6 billion based on SBG 30-day VWAP of R130.62 to 14 July 2021), ZAR14.40 in cash per share from SBG and ZAR11.10 in cash per share through a Liberty distribution (paid to all Liberty shareholders) representing a 40% premium to Liberty's 30-day VWAP up to 14 July 2021• Purchase price per preference share: cash offer at R1.50 per preference share, representing a 36% premium to last traded preference share price• Implied valuation of all shares to be acquired: R 10.5 billion
4	Financial highlights	<ul style="list-style-type: none">• Share issue: 58 million new SBG shares issued (Liberty minority shareholders will hold circa 3.5% of SBG's shares post the completion of the transaction)• Total distribution: R3.0 billion distribution to all shareholders to be undertaken by Liberty• Capital impact: Negligible impact on SBG CET1 ratio and other capital ratios• Earnings impact: EPS accretive by year 2 after completion• Unlocking shareholder value: value will be created through full strategic alignment, a better, more integrated client proposition and the simplification of the group structure post complete integration – with R0.6 billion synergies p.a. expected after 2 years
5	Required approvals and governance	<ul style="list-style-type: none">• Governance: No SBG shareholder approvals required. Liberty approvals include shareholder approval of 75% present and voting ordinary and preference shareholders (excluding SBG). Liberty maintained robust independent governance and transaction is recommended by the Liberty board• Regulators: South African Reserve Bank approval required for Scheme and subsequent delisting of Liberty, anti-trust and other regulatory approvals required in Botswana and Tanzania with notification to regulators in Eswatini, Mozambique, Kenya and Uganda
6	Timing	<ul style="list-style-type: none">• Scheme Meetings: October 2021• Scheme Operative Date: 1Q 2022 (subject to regulatory approvals)

Strategic rationale

Full integration of Liberty products and services will promote efficiency and facilitate the delivery of the group's strategic priorities



Aligned to SBG's purpose - driving Africa's growth

- Aligned to our strategic priorities – client experience, execution excellence and sustainable growth and value
- Position the group to benefit from medium- to long-term African trends - demographics, urbanisation, financial deepening, digitisation
- Respond to the changing operating environment - regulatory landscape, customer expectations and competitive threats

Aligned to SBG's strategy - integrated services provider

- Leverages existing African capabilities and footprint
- Provide an integrated set of solutions, seamlessly and conveniently, via a single client platform to a larger combined customer base
- Own and manage the solutions that are core to our client proposition – banking, insurance and investments
- Support an open-architecture approach to enable partnering with third parties
- Capture the network effect of a single client platform
- Capture and grow capital-light revenue streams to enhance returns

Simplify the group

- Improve flexibility and streamline governance – Liberty listing not necessary
- Align sales and distribution – omnichannel across digital and in-person (tied, independent, branch)
- Formal bancassurance agreement not necessary in a wholly owned construct – historically beneficial for both parties, but inefficient going forward as not aligned with SBG's strategy to provide an integrated client platform

Deliver sustainable growth and value

- Deliver value to both sets of shareholders over time – value will be created through the scaling of a competitive, integrated client proposition, increased volumes and lower cost to serve – delivering R0.6bn pre-tax synergies p.a. expected after two years
- Simplification of the group structure to deliver synergies
- Build a larger, stronger business capable of driving sustainable and inclusive growth



**ALIGNED TO
PURPOSE**

The transaction aligns with our purpose

We will implement a single set of strategic priorities across the group to better deliver on our purpose



Our purpose:
Why we exist

Africa is our home, we drive her growth

Our strategic priorities:

What we need to do to deliver our purpose

Transform client experience

Execute with excellence

Drive sustainable growth and value

Transaction impact:

What the transaction delivers

Simple, relevant and complete solutions through client's preferred channel

Agile, integrated platform to present comprehensive services and solutions

Synergies of R600m p.a.¹

¹. Pre-tax

The transaction better positions SBG to benefit from key trends

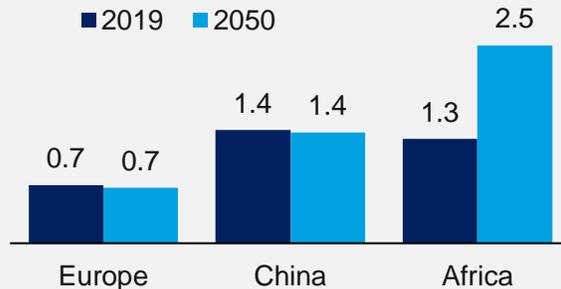


Demographic, urbanisation, financial deepening and digitisation trends all bode well for rapid growth in insurance and investment solutions in sub-Saharan Africa

Attractive Demographics

Africa's population is expected to almost double by 2050, compared to Europe and China which are expected to remain broadly flat

Population, bn



SBG's response

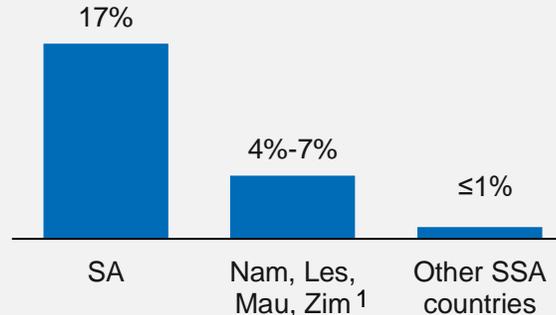


Africa-focused strategy
Increasingly allocate capital to higher growth clients, sectors and countries

Financial Deepening

As economies develop there will be an increasing need for a broader range of financial service solutions, tailored to the African context

Insurance penetration, %



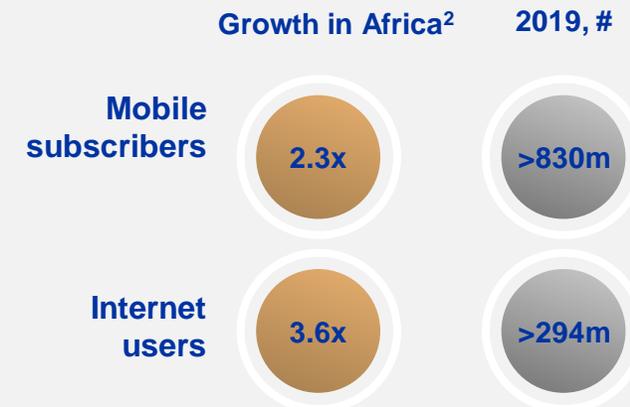
SBG's response



Deliver locally-relevant banking, investment and insurance solutions on the continent

Technology Adoption

Africa's population is expected to almost double by 2050, compared to Europe and China which are expected to remain broadly flat



SBG's response



Leverage digital platforms
Deliver exceptional client and advisor experience aided by digital solutions

1. Moderate penetration in Namibia, Lesotho, Mauritius, Zimbabwe
2. Growth from 2010 to 2019

The transaction is a response to a changing environment

We need to be agile and responsive to the changing landscape



Customer expectations

Customers' digital expectations evolving quickly, mostly driven by high standards of digital services and products provided by tech companies



SBG's response

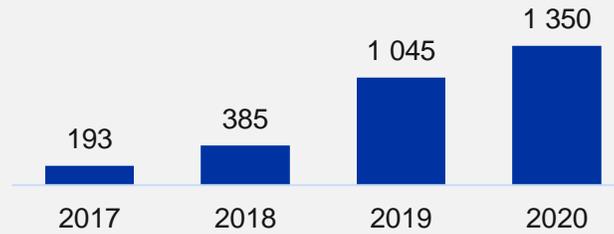


Ongoing innovation to meet client expectations
Seamlessly deliver relevant and valuable client solutions through an integrated platform

Competition

Competition in the market is fierce both from incumbents and new entrants in the form of BigTech, FinTech & InsurTech firms

Fintech investment into Africa is booming and is expected to continue (USDm)



Source: Catalyst Fund, Briter Bridges

SBG's response



Partner and invest where necessary to broaden our offering

Regulatory landscape

Significant regulatory requirements and associated costs contribute to an increasingly complex operating environment



Evolving Basel and SAM capital requirements



Introduction of common supervision of banks, insurers and financial conglomerate

SBG's response



Fully integrate to optimise capital
Leverage regulatory understanding/ skills



**INTEGRATED
SERVICES
PROVIDER**

Standard Bank ***ITCANBE***™

Accelerate creation of unique client engagement capabilities



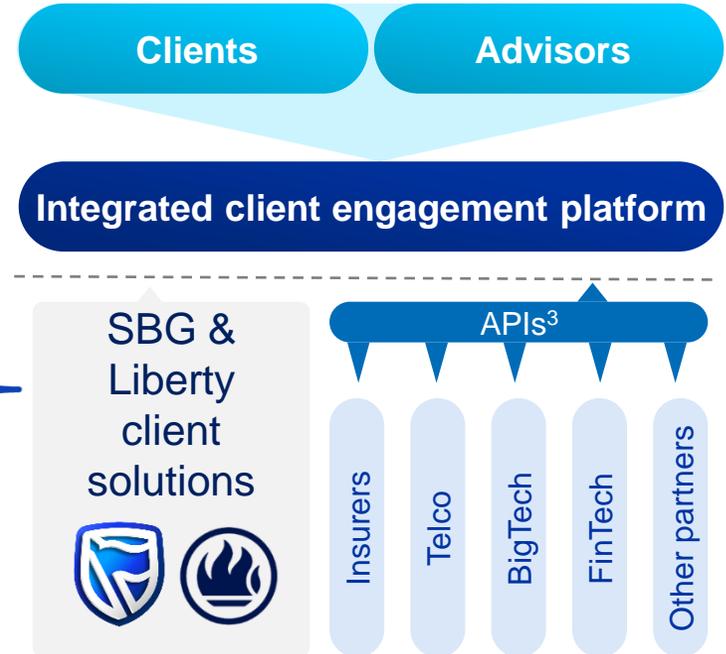
We will deliver an integrated set of financial and other services via an integrated client platform

We will leverage our existing African franchise to scale insurance and investment businesses across the continent



Largest financial services platform in Africa

Presence Countries in Africa	<ul style="list-style-type: none"> 20 countries¹ 	<ul style="list-style-type: none"> 12 countries (overlapping with SBG in all 12)² 	<ul style="list-style-type: none"> 20 countries, with active bancassurance partnerships in 14 countries in Africa
Services Provided	<ul style="list-style-type: none"> Banking, investment and fund management (in Nigeria) services 	<ul style="list-style-type: none"> Insurance, health and asset management services 	<ul style="list-style-type: none"> Full suite of financial services
Distribution Capability	<ul style="list-style-type: none"> Branch staff > 14 000 Call centre agents > 1 500 Financial advisers > 600 	<ul style="list-style-type: none"> Tied advisers > 3 400 Brokers > 8 000 Franchises > 40 	<ul style="list-style-type: none"> >27 000 people to serve our customers
Customer Base	<ul style="list-style-type: none"> 14.8m active clients 	<ul style="list-style-type: none"> 2.3m retail policies and 1.4m credit life policies in-force (SA) 	<ul style="list-style-type: none"> 14.8m active clients and 4.3m policies
Assets	<ul style="list-style-type: none"> R1.3trn net client loans R477bn Assets and Funds under management (AUM) 	<ul style="list-style-type: none"> R763bn AUM 	<ul style="list-style-type: none"> R1.3trn net client loans R1.2trn AUM (including R24bn through 1invest JV)



1. SBG operates through a branch in South Sudan and a representative office in Ethiopia

2. Present in 12 African countries (provides health services in 27 African countries)

3. APIs (Application Programming Interface) enable the Group to provide products and services through internal and external partners digitally

The transaction is aligned to refreshed organisational structure

Organisational structure will improve product and service delivery



← • Client Segments • →



CLIENT SOLUTIONS

ENGINEERING

INNOVATION



**SIMPLIFY THE
GROUP**



The transaction simplifies SBG's structure

We have greatly simplified the group structure since the global financial crisis

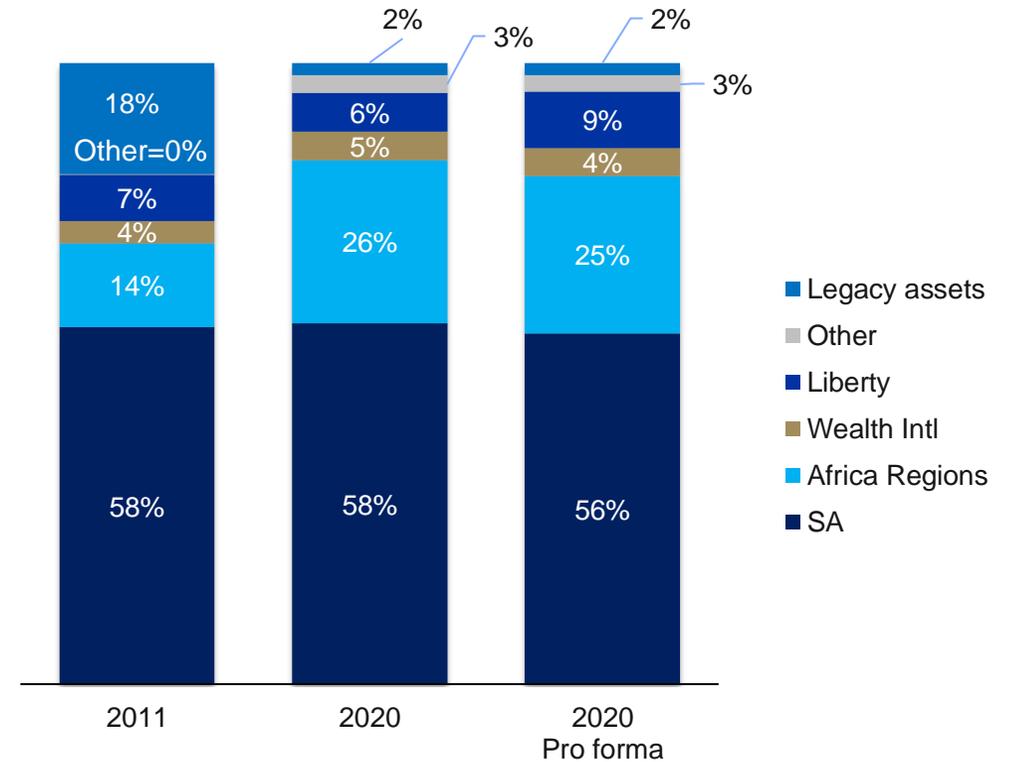
We have executed structural changes to refocus investment in Africa

The transaction further optimises and simplifies group structure



- Since 2011 shifted from Emerging Markets strategy to become Africa-focused
 - Exited Russia, Turkey, Argentina, Brazil and ICBCS* and closed offices in Japan, Hong Kong, Singapore, Taiwan, Malaysia, Taiwan and Ukraine
 - Remaining operations outside Africa are fit-for-purpose,
- Increased capital invested in Africa Regions over this period which supported Group headline earnings during the COVID 19 crisis
 - Africa Regions contributed 58% in FY20
- **Next step – complete the integration of Liberty products and services**

Net asset value



*SBG completed the sale of 60% of ICBCS in 2015

The transaction builds on a successful bancassurance partnership

The bancassurance agreement between SBG and Liberty has been historically beneficial for both parties
The integration of Liberty products and services into SBG will allow better capture of future market opportunities



Now: Successful bancassurance partnership

- Longest standing highly successful bancassurance agreement in Africa since 1991
- Significant value to both partners since inception generating in excess of ZAR13bn earnings in the last ten years
- In FY20, Liberty generated c.ZAR3.4bn, over 50%, of its new recurring premiums of long-term insurance business through the bancassurance channel



Evolving environment

- Regulatory landscape
- Customer expectations
- Competition

SBG's response: integration of Liberty products and services

- Drive agility and quicker decision-making
- Provide a more integrated customer offering
- Enable open architecture and partnerships to provide customers with enhanced choice



**DELIVER
SUSTAINABLE
GROWTH AND
VALUE**

The transaction will deliver sustainable growth & value



Both sets of shareholders will benefit from transaction synergies

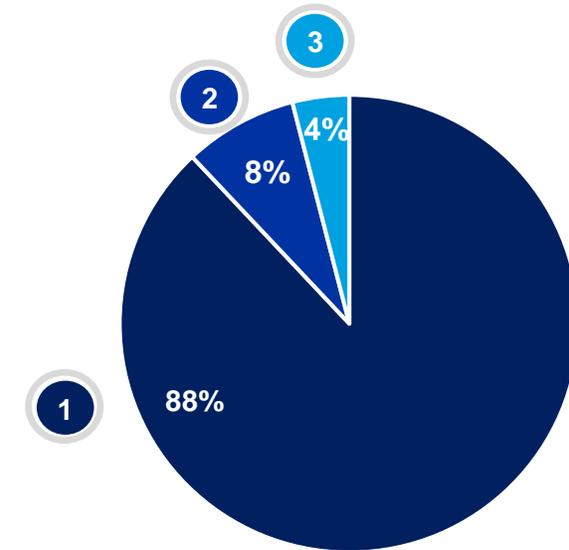
Synergies of R600m p.a. expected to be generated at a steady rate after 2 years



Transaction imperatives



R600m p.a synergies¹ – Business Case Drivers



To note:

- Total integration costs of c.R650m estimated to be incurred in the first two years

¹ Pre-tax



CONCLUSION



The transaction is aligned to our purpose

- The ordinary share transaction is executed through a scheme of arrangement at a premium
- Scheme meetings to be held in Oct 2021 and Liberty is expected to be delisted by 1Q22
- The transaction is fully aligned with SBG's purpose and strategic priorities
- The transaction accelerates SBG creation of unique client engagement capabilities
- Next logical step of simplifying the Group's structure
- Deliver sustainable growth and value to all shareholders
 - For **SBG ordinary shareholders** – neutral capital impact, limited dilution and opportunity to participate in future synergies
 - For **LBH ordinary shareholders** – offer valued at a 40% premium to LBH 30-day VWAP and opportunity to participate in future synergies
 - For **LBH preference shareholders** – 36% premium to current trading price, exit from illiquid share





QUESTIONS



APPENDIX

Key dates

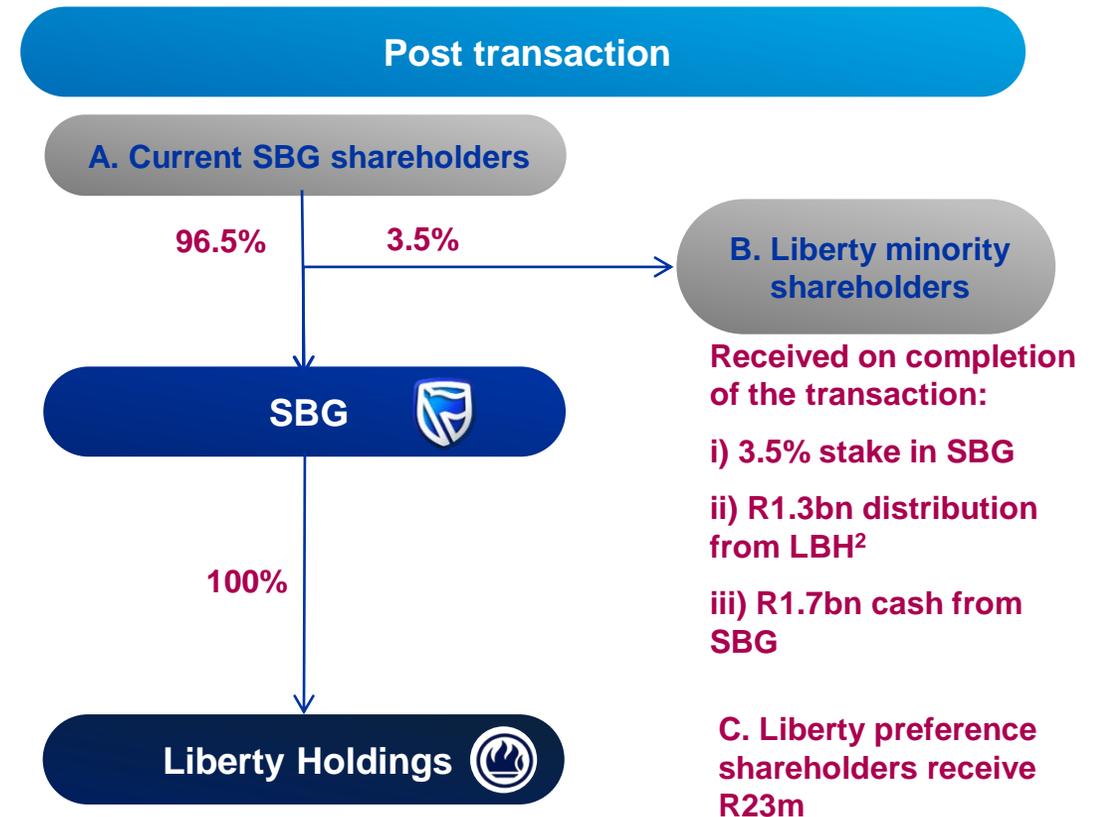
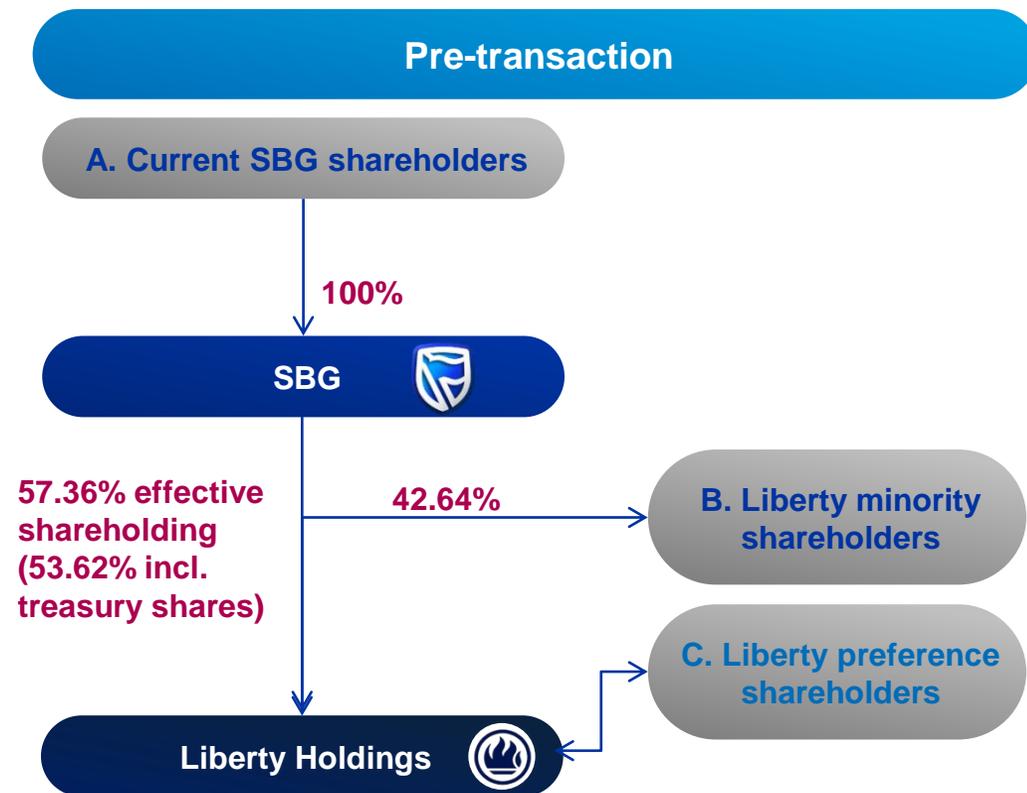


1	Liberty and SBG Firm Intention Announcement	15-Jul-21
2	Regulatory Submissions	July 2021
3	Liberty interim results for the six months to 30 June 2021	05-Aug-21
4	JSE / TRP Submissions and approvals	Mid Aug 2021 - Mid Sep 2021
5	SBG Interim results for the six months to 30 June 2021	19-Aug-21
6	Posting of Joint Ordinary Share Scheme Circular and Joint Preference Share Offer Circular	13-Sep-21
7	Scheme meetings – Liberty ordinary shares and Liberty preference shares	13-Oct-21
8	Finalisation and Completion of Liberty Preference Share Scheme	End November 2021
9	All regulatory approvals received	End January 2022
10	Finalisation and Completion of Liberty Ordinary Share Scheme	Mid-February 2022
11	Delisting of Liberty	Mid-February 2022

Shareholding changes



- SBG shareholders – 1 620m shares in issue
- Liberty shareholders – The purchase price per share is 0.5x SBG shares plus R25.5, which translates to R90.81 per share based on SBG’s 30-day VWAP of R130.62 per share as of 14 July 2021. The 115.9m Liberty shares acquired equates to 58m SBG shares issued to Liberty minority shareholders which constitutes circa. 3.5% shareholding in SBG post issuance of new shares¹



¹ All percentages calculated as of 14/07/2021 (day pre-announcement)

² Paid from Liberty's contributed tax capital

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Additional Information for US Investors The Proposed Transaction relates to the securities of South African public companies and is proposed to be effected by means of two schemes of arrangement and a general offer under South African law. This announcement, the Ordinary Scheme Circular, the Preference Share Offer Circular and certain other documents relating to the Proposed Transaction have been, or will be prepared, in accordance with South African law, the Companies Act and South African disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934, as amended (the “US Exchange Act”). Accordingly, the Proposed Transaction is subject to the disclosure requirements of and practices applicable in South Africa to schemes of arrangement, which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. However, if SBG elects to implement the Preference Share transaction by way of the Standby Offer and determines to extend the offer into the United States, the Standby Offer will be made in compliance with the applicable US tender offer rules. The SBG Consideration Shares to be issued pursuant to the Ordinary Scheme have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “US Securities Act”) or under any laws or with any securities regulatory authority of any state, district or other jurisdiction, of the United States, and may only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable state and other securities laws. There will be no public offer of any securities in the United States.

This announcement does not constitute an offer to sell or solicitation of an offer to buy any of the shares in the United States. Further details of which US and other Ordinary Shareholders are eligible to receive the SBG Consideration Shares, and the procedural steps required to be taken by such persons to so receive such shares, as well as the procedures for those US and other Ordinary Shareholders who do not so qualify to receive the SBG Consideration Shares, will be set forth in the Ordinary Scheme Circular. Neither the U.S. Securities and Exchange Commission (SEC) nor any US state securities commission has approved or disapproved of the SBG Consideration Shares to be issued in connection with the Ordinary Scheme, or determined if this announcement or the Ordinary Scheme Circular is accurate or complete. Any representation to the contrary is a criminal offence in the United States. The SBG Consideration Shares have not been and will not be listed on a U.S. securities exchange or quoted on any inter-dealer quotation system in the United States. Neither SBG nor Liberty intends to take any action to facilitate a market in the SBG Consideration Shares in the United States. Financial statements, and all financial information that is included in this announcement or that may be included in the Ordinary Scheme Circular, the Preference Share Offer Circular or any other documents relating to the Proposed Transaction, have been or will be prepared in accordance with International Financial Reporting Standards (IFRS) or other reporting standards or accounting practice which may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States (US GAAP). The receipt of cash and shares by Ordinary Scheme Participants in the United States (each, a "US Ordinary Holder") as consideration for the transfer of such person's Ordinary Shares pursuant to the Ordinary Scheme, and the receipt of cash by Preference Shareholders in the United States (each, a "US Preference Holder") as consideration for the transfer of such person's Preference Shares pursuant to the Preference Scheme, may each be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Ordinary Scheme Participant (including US Ordinary Holders) and each Preference Shareholder (including US Preference Holders) is urged to consult its independent professional adviser immediately regarding the tax consequences of the Proposed Transaction applicable to them. It may be difficult for US Ordinary Holders and US Preference Holders (collectively, "US Holders") to enforce their rights and claims arising out of the US federal securities laws, since Liberty and SBG are located in countries other than the United States, and the majority or all of their officers and directors are residents of non-US jurisdictions. Judgments of US courts are generally, subject to certain requirements, enforceable in South Africa. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement. In addition, it may be difficult to enforce in South Africa original actions, or actions for the enforcement of judgments of US courts, based on the civil liability provisions of the US federal securities laws. Consistent with Rule 14e-5(b) under the US Exchange Act, SBG, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Preference Shares, other than pursuant to the Proposed Transaction, until the Proposed Transaction with respect to the Preference Shares is completed, lapses or withdrawn (including during any offer period with respect to the Standby Offer). If such purchases or arrangements to purchase were to be made, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including South African law and the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required under South African law.

