Standard Bank Group

FINANCIAL RESULTS PRESENTATION

FY21

11 March 2022

01

FY21 OVERVIEW

2021 operating environment

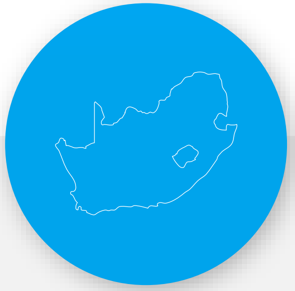
A recovery year – pandemic-related restrictions were rolled back, activity recovered, and demand drove growth

Globally

- Global recovery, +5.9% real GDP growth[1]
- Recovery growth rates differed – impacted by differing levels of stimulus and vaccination rates
- Increased demand, combined with supply disruptions, drove up inflation
- The threat of policy tightening drove volatility
- Climate change agenda was amplified

Sub-Saharan Africa

- SSA recovery, +4.0% real GDP growth[1]
- Vaccine rollout has been slow, and further Covid-19 outbreaks disrupted the recovery across the region
- Commodity-exporting economies benefited from high prices driven by strong demand and supply disruptions
- Interest rates increased in Ghana, Mozambique, South Africa and Zambia
- Increased focus on the region's transition to sustainable growth



South Africa

- SA real GDP growth was upgraded to 4.9%[1], but fiscal risks remain
- Successive infection waves disrupted the recovery, but less so than in 2020
- Social grants provided support
- Individuals have capacity for credit
- Electricity disruptions and social unrest (July 21) impacted confidence
- Commodity exports supported tax collections and the trade account

[1] *Global and sub-Saharan Africa's growth based in International Monetary Fund, January 2022, South Africa based on Statistics South Africa, March 2022*

FY21 Highlights

A strong rebound in earnings driven by continued franchise growth, 2025 targets on track

Financial highlights – weathered the pandemic and the group's recovery is well underway

- Record pre-provision operating profit in 2H21
- Headline earnings reflecting a strong recovery, **R25.0bn**, **+57%**
- Return on equity improved to **13.5%**
- Net asset value increased **13%**
- Robust CET1 ratio, **13.8%**
- Final dividend of **511 cents per share**, 60% payout in 2H21 enabled by strong capital generation

Strategic progress – delivering what we set out to do

1. **Core franchise growth** – across all client segments and solutions underpinned by an expanded digital offering and excellent service
2. **New business opportunities** – focus on scaling digital payments, platforms and partnerships
3. **Diligent resource prioritisation** – simplifying the group, tight cost management and targeted investment

We are on track to deliver our 2025 targets

Client franchise growth

Strong client acquisition, strong market share positions and improving client experience ratings

Client franchise

CHNW +8%

16m active customers

BCC +5%

761k active customers

CIB +6%

Client revenue, CCY

- Attracting clients through our holistic, relevant and personalised solutions
- Driving primacy and retention through engagement
- Driving digital adoption for client convenience and to lower cost

Market positions

- **#1 in mortgages, card, deposits** in SA
- **#1 CIB franchise** in Africa, by revenue and assets, FX, ZAR debt and DCM, Investor services/ custody[1]
- **#3 Asset manager** in Africa, R1.4trn AUM[2]
- **#1 Pension Fund manager** in Nigeria
- **Raging Bull** – Best Offshore Manager[3]
- **EMEA Finance** – Best African Inv. Bank[4]
- **Efma** - Best SME bank in South Africa[5]
- **Brand Finance** - most valuable Bank Brand in Africa

- Leveraging our strengths, e.g. mortgages in SA, GM in Africa, and our sizeable insurance and investment businesses
- Defend and grow through deliberate risk appetite and resource allocation

Client satisfaction[6]

CHNW Net promoter score

SA ↑ AR ↑

BCC Net promoter score

SA ↑ AR ↑

CIB Client satisfaction score

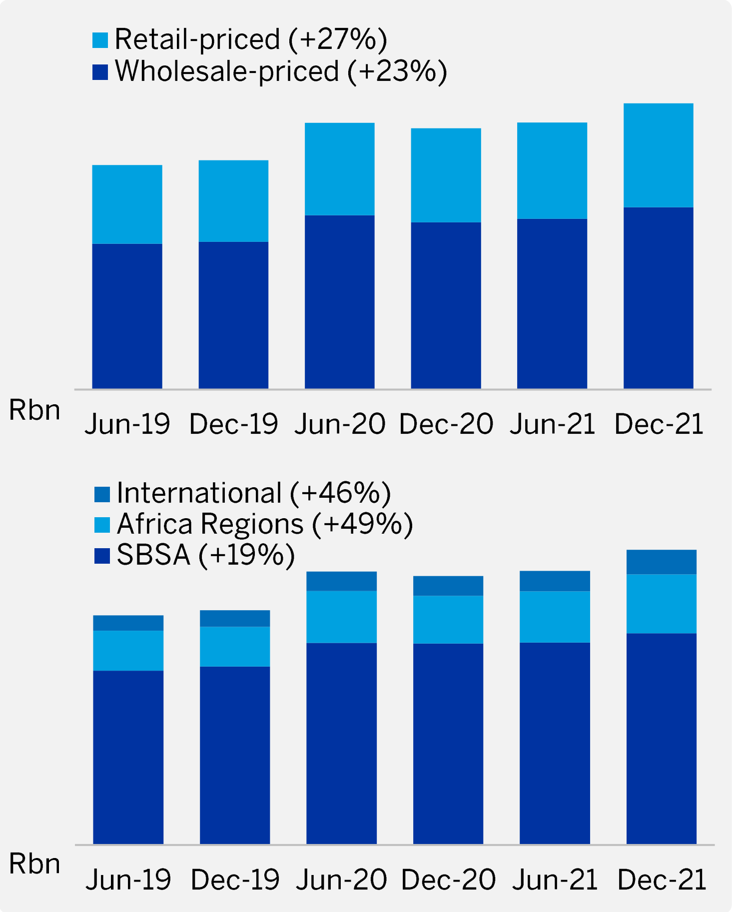
8.2 remained high and above avg in Ghana, Mauritius & Tanzania

[1] #1 in FX market share in most presence countries, #1 in ZAR debt and DCM in South Africa, #1 in Investor services/ custody, [2] Based on assets under management/ under administration and offshore deposits, [3] Melville Douglas Raging Bull Offshore Manager of the year Award, [4] EMEA Finance 2021 African Banking Awards, recognised as best investment bank in 8 countries as well as Pan-Africa, [5] Silver award for best SME bank and gold award for best SME banker, [6] Stanbic IBTC Retail & SME was ranked #1 in KPMG Nigeria Banking Industry customer experience survey, up from 9th in 2020

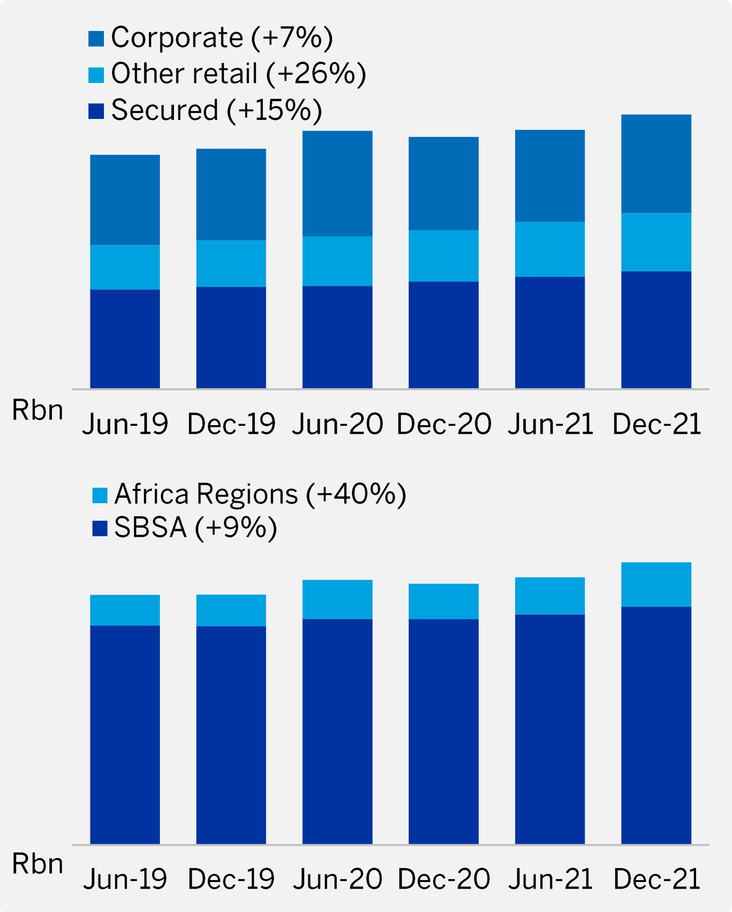
Client-driven balance sheet growth

We have consciously managed our risk appetite in order to continue to support our clients through the pandemic

Customer deposits, Rbn[1]



Gross customer loans, Rbn[1]



[1] *All percentage changes are from 31 December 2019 to 31 December 2021*

Key takeouts

Customer deposits, +25%[1]

- Strong growth in retail-priced deposits
- Wholesale funding managed in line with demand and cost
- Robust growth across all three regions; Africa Regions and International up significantly

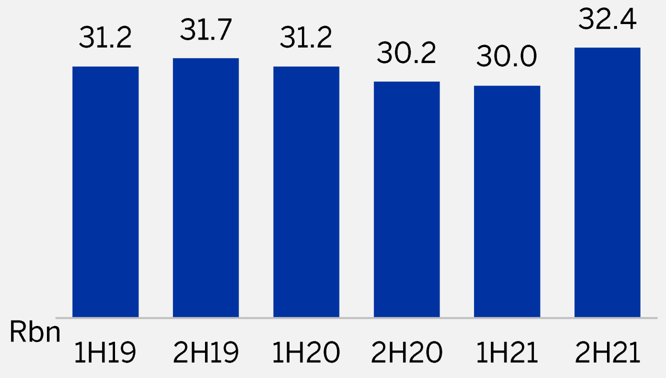
Customer loans, +14%[1]

- Retail book growth outstripped corporate; other retail boosted by business lending in Africa Regions
- SBSA growth dampened by low growth in the corporate book on the back of a subdued investment environment
- Strong growth in the Africa Regions loan book, in line with capital allocation strategy

Franchise momentum driving top line growth

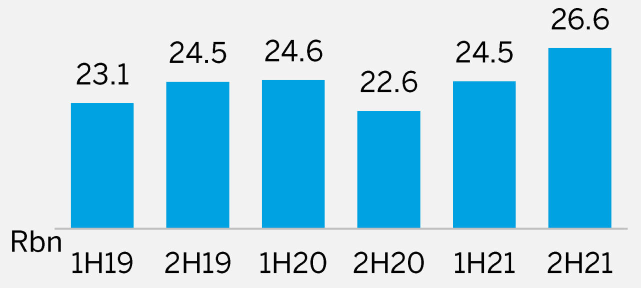
Record performance across NII, NIR and PPOP in 2H21

Net interest income, Rbn



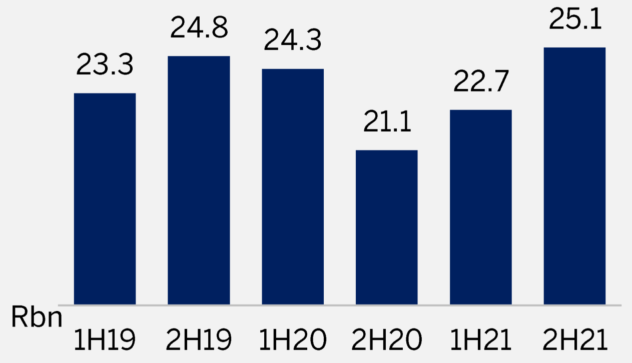
- Consistent credit appetite providing a strong average asset base
- Margin expansion, driven by favourable loan and deposit mix
- Record NII despite R9bn of net negative endowment[1]

Non-interest revenue, Rbn



- Recovery in client spend and transaction activity
- Continued growth in Insurance and Investment businesses[2]
- Boosted by a strong trading performance

Pre-provision operating profit, Rbn



- Strong recovery in revenue, FY21 exceeding FY19 levels
- Costs well managed, +4% in FY21 including ongoing investment in our digital solutions and execution capability

[1] *Cumulative net endowment impact*
[2] *Diversified revenue streams above pre-covid levels; insurance revenue growth underpinned by strong growth in policies and gross written premium more than offsetting higher claims*

Expanding payments & partnerships

Well placed to benefit as payments evolves and partnering to deliver market-leading solutions

Modernising and digitising payments

- **We are a significant player** in payments on the continent – we facilitate the full range of transactions from large corporate payments, bulk settlements to individual wallet transfers
- **Payments is evolving**, driven by regulation and competition; including rapid payments
- **We are well placed to drive change** and benefit from the opportunities presented, for example higher liabilities from de-cashing

INSTANT MONEY
Powered by Standard Bank

Expanding our partnership network

- Strategic partnerships with **34 FinTechs** to enable accelerated delivery of innovation across a range of solutions; both front-end and back-end
- Building out our capabilities and skills base with **AWS, Microsoft,** and **Salesforce**
- Leveraging our **Founders Factory Africa** initiative to find and incubate African start-ups
- Most recently, we added **Flutterwave** to our list of partners to enhance the digital payment experiences of our individual, business and institutional clients in 8 African countries

Flutterwave

FOUNDERS FACTORY AFRICA

R100m
commitment to fund, incubate and scale…

100
African FinTechs over…

5
years

Diligent resource prioritisation

Focused on operational excellence, including simplification, cost management and targeted resource re-allocation

Simplifying the group

- Continued progress on increasing process automation, AI and cloud migration
- Liberty buyout completed, next step integration
- ICBCS's improved performance provides the basis for exit discussions

Tight cost management

- Staff reward based on contribution
- IT costs contained
- Reigned in professional fees as strategic projects came to an end
- Delivered positive jaws

Targeted investment

- Employee resilience - wellness and skills development
- System resilience leveraging cloud and cyber security
- Digital origination and fulfilment
- Data-driven decision making[1]

[1] *Data-driven decision making – personalised offers, sales and activity tracking, risk management and forecasting*

Delivering what we set out to do

1. **Core franchise growth**

   Across all client segments and solutions underpinned by an expanded digital offering and excellent service

2. **New business opportunities**

   Focused on scaling digital payments, platforms and partnerships

3. **Diligent resource prioritisation**

   Simplifying the group, tight cost management and targeted investment

02

GROUP FINANCIAL PERFORMANCE

FY21 financial performance

Strong rebound in earnings driven by continued franchise growth, recovery in activity and a decline in credit charges

Pre-provision operating profit

FY21: **R47.8bn**

FY20: R45.4bn

↑**5%**

Group headline earnings

FY21: **R25.0bn**

FY20: R15.9bn

↑**57%**

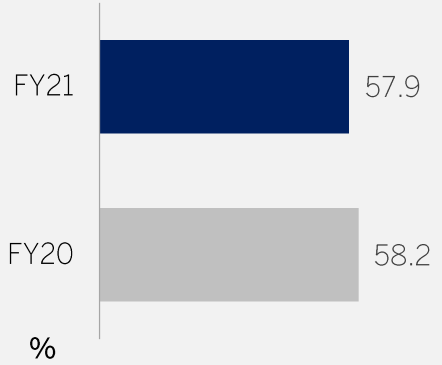
Dividend per share

FY21: **871cps**

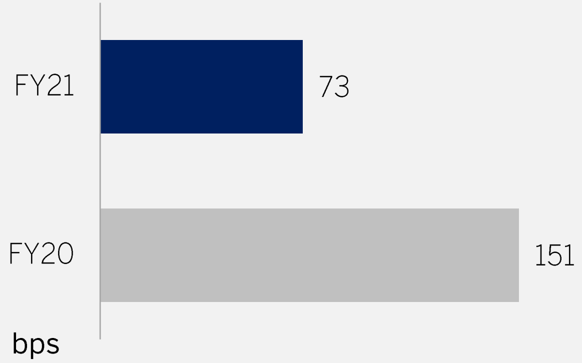
FY20: 240cps

55%
payout

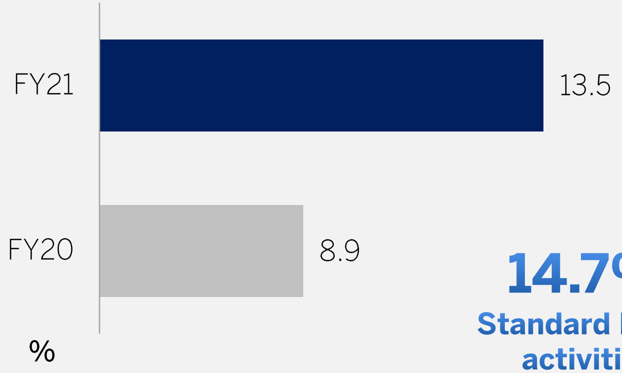
Cost-to-income ratio



Credit loss ratio



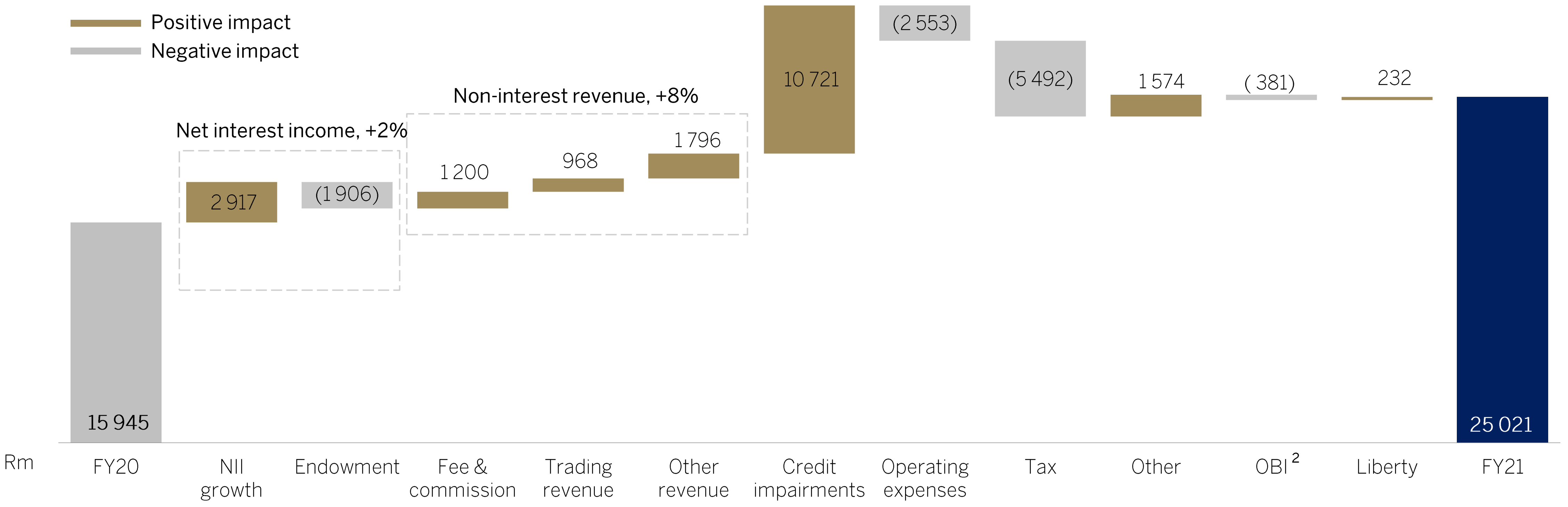
Return on equity



14.7%
Standard Bank activities

Group headline earnings analysis

Balance sheet growth and a recovery in client activity drove higher revenues, credit impairment charges were lower



	FY20	NII growth	Endowment	Fee & commission	Trading revenue	Other revenue	Credit impairments	Operating expenses	Tax	Other	OBI[2]	Liberty	FY21
Var. %		+5%	(3%)	+4%	+7%	+46%	(52%)	+4%	+112%	+38%	(43%)	+36%	+57%
CCY[1] Var. %		+6%		+9%	+18%	+59%	(51%)	+9%	+155%	+31%	(33%)	+41%	+70%

[1] Constant currency, [2] Other banking interests

Standard Bank IT CAN BE

Income statement

Revenues above 2019 levels despite considerable endowment drag, robust growth in 2H21 reflective of underlying franchise momentum

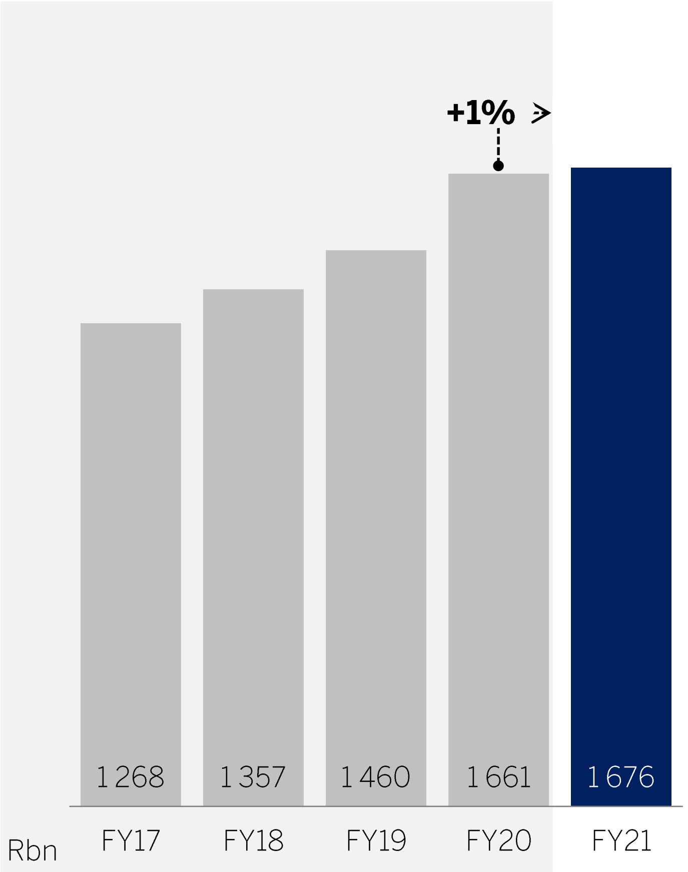
	FY21 Rbn	FY20 Rbn	Change %	Change CCY %	FY19 Rbn	Change %[1]
Net interest income	62.4	61.4	2	6	62.9	(1)
Non-interest revenue	51.1	47.2	8	16	47.5	8
Total income	**113.5**	**108.6**	**5**	**10**	**110.4**	3
Operating expenses	(65.7)	(63.2)	4	9	(62.3)	5
Pre-provision profit	**47.8**	**45.4**	**5**	**13**	**48.1**	(1)
Credit impairment charges	(9.9)	(20.6)	(52)	(51)	(8.0)	24
Standard Bank Activities headline earnings	**24.9**	**15.7**	**59**	**71**	**27.2**	(8)
Other banking interests	0.5	0.9	(43)	(33)	(0.9)	>100
Liberty	(0.4)	(0.7)	36	41	1.9	(>100)
SBG headline earnings	**25.0**	**15.9**	**57**	**70**	**28.2**	(11)
Net interest margin, bps	373	370			431	
Credit loss ratio, bps	73	151			68	
Cost-to-income ratio, %	57.9	58.2			56.4	
Jaws, bps	54	(306)			113	
ROE, %	13.5	8.9			16.8	

[1] *FY21 vs FY19*

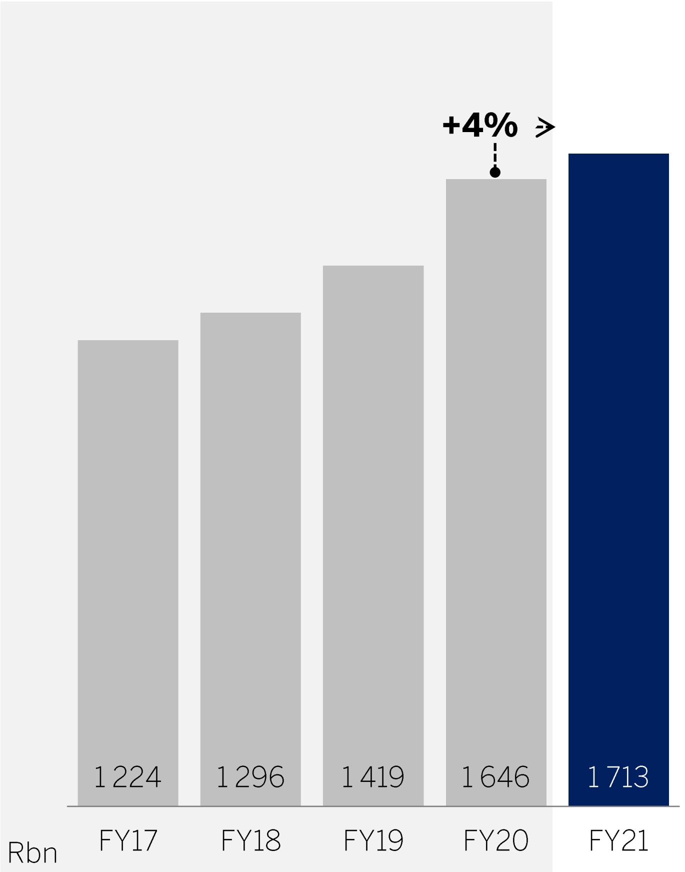
Average balance sheet

Strong growth in average retail and business portfolios largely offset by lower average corporate book; targeted growth in cheaper retail liabilities

Average interest-earning assets



Average interest-bearing liabilities



Key takeouts

Average interest-earning assets increased in FY21:

- Strong growth in average retail and business portfolios, +9%
- A decline in the average corporate book and other loans, -11%

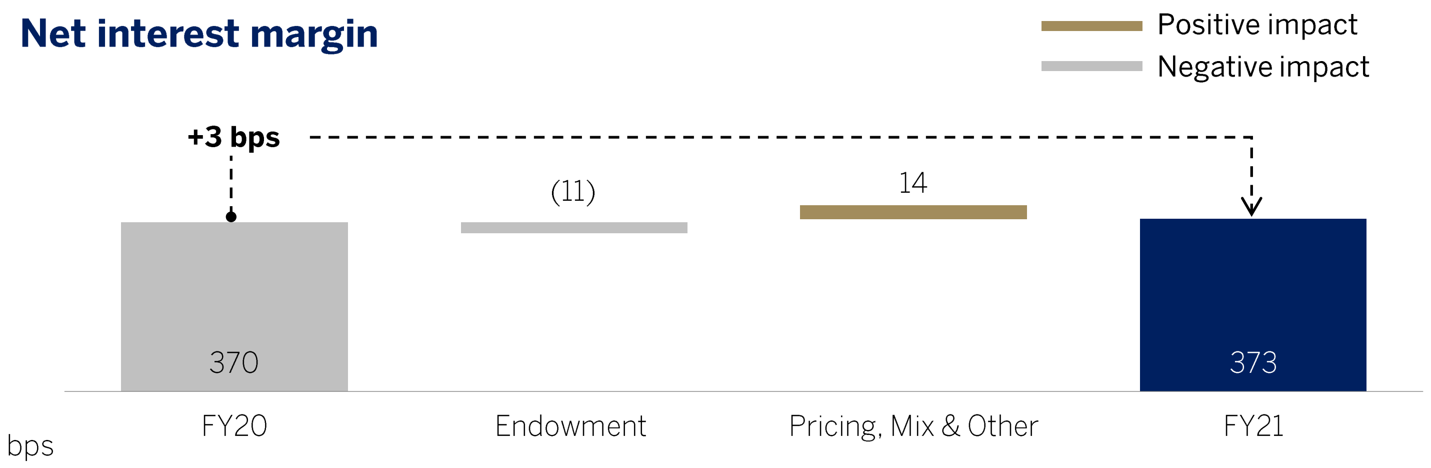
Average interest-bearing liabilities increased in FY21:

- Strong average growth in cheaper current and savings accounts and cash management and call deposits
- Slow growth in average deposits from banks, and a decline in more expensive market funding i.e. NCDs and subordinated debt

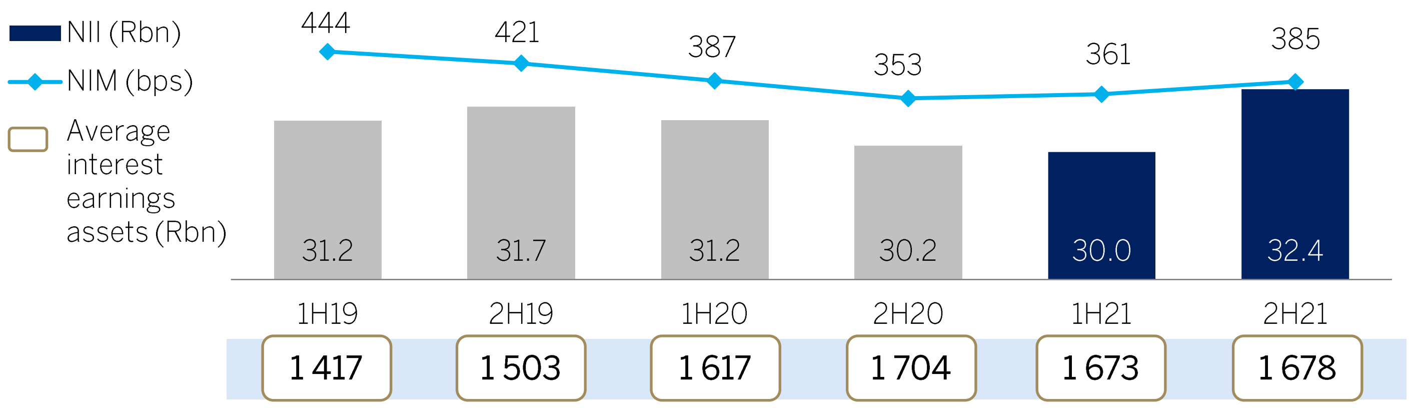
Net interest income

Margin recovery from a low point in 2H20, driven by interest rate increases and mix benefits

Net interest margin



NIM trend HOH[1]



[1] *Implied based on simple average*

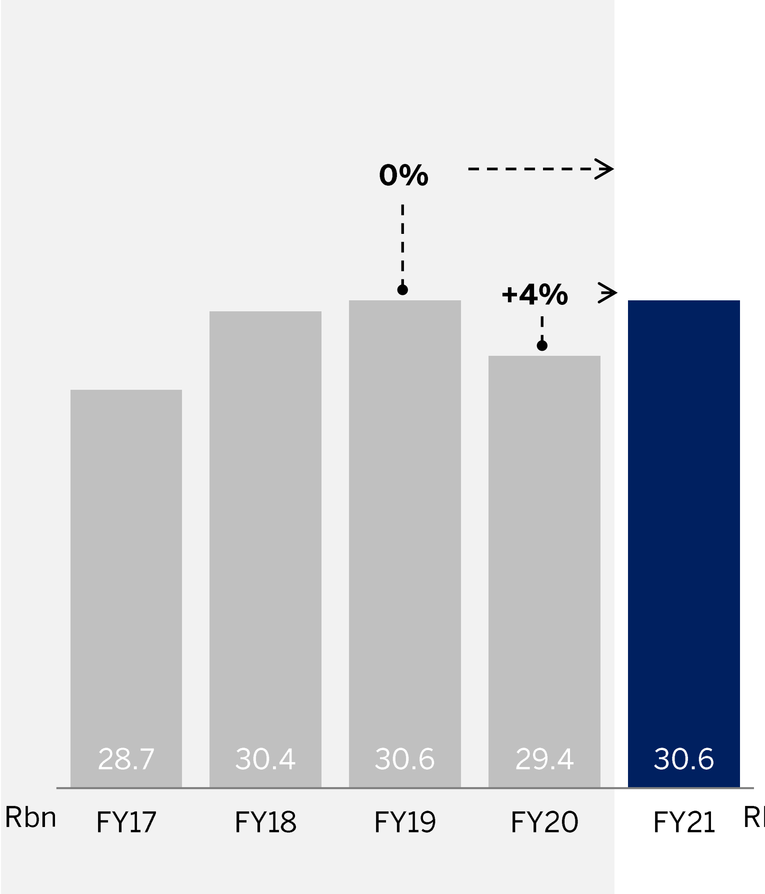
Key takeouts

- **Negative endowment impact** much less in FY21 than in FY20 as lower interest rates now in the base
- **Margin pressure** in our International Client Solutions business due to reductions in the USD and GBP interest rates and re-allocation of funds from SBSA post the SA downgrade
- **Positive mix impact** as Africa Regions loans grew faster than South Africa, the retail book grew faster than the corporate book and cost of funding declined more than asset margin

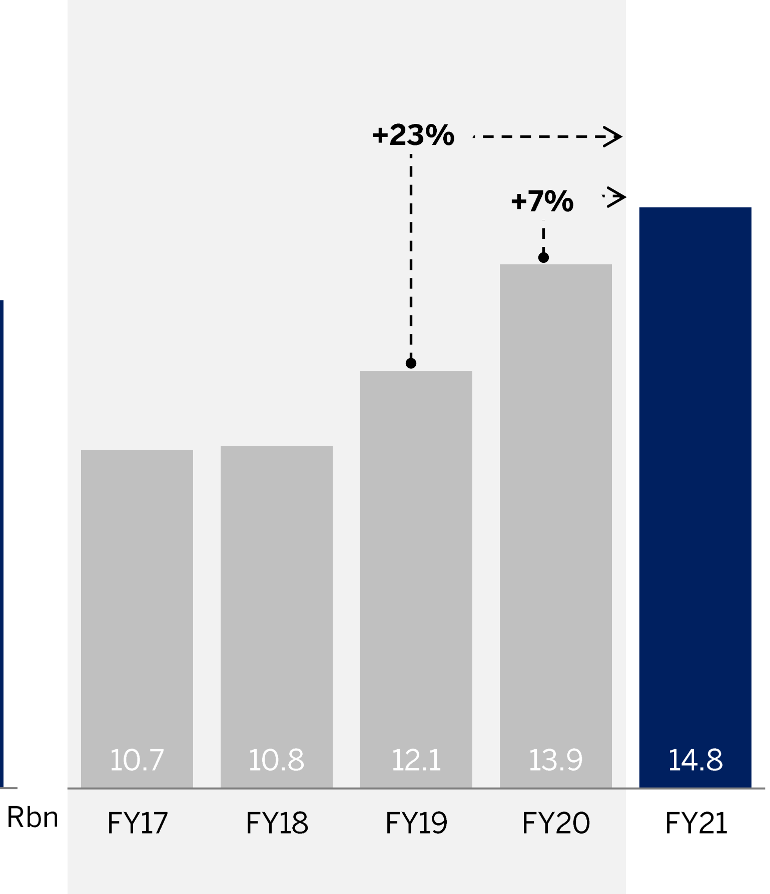
Non-interest revenue

Growth in client franchise, sales and digital activity more than offset downward pricing adjustments; strong South Africa trading performance

Net fee and commission revenue



Trading revenue



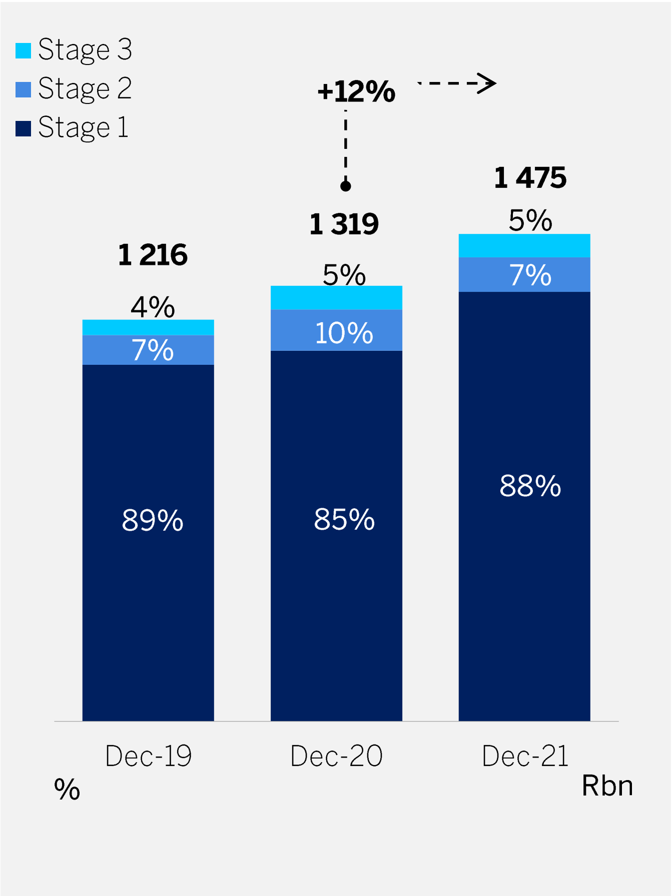
Key takeouts

- **Net fee and commission revenue** recovered to FY19 levels as transactional activity and values recovered, mainly in Card (debit and credit) and digital, FX and insurance fees grew double digits. Deliberate pricing adjustments to drive digital were a drag on transaction fees
- **Trading revenue** supported by a strong performance in South Africa, more than offsetting a more normalised performance in Africa Regions in line with lower volatility and fewer client trading opportunities
- **Other revenue** increased as the strong recovery in investment-related revenues was partially offset by the higher credit life and short-term claims
- **Other gains and losses** more than doubled due to valuation gains on the equity investment portfolio vs write-downs in FY20

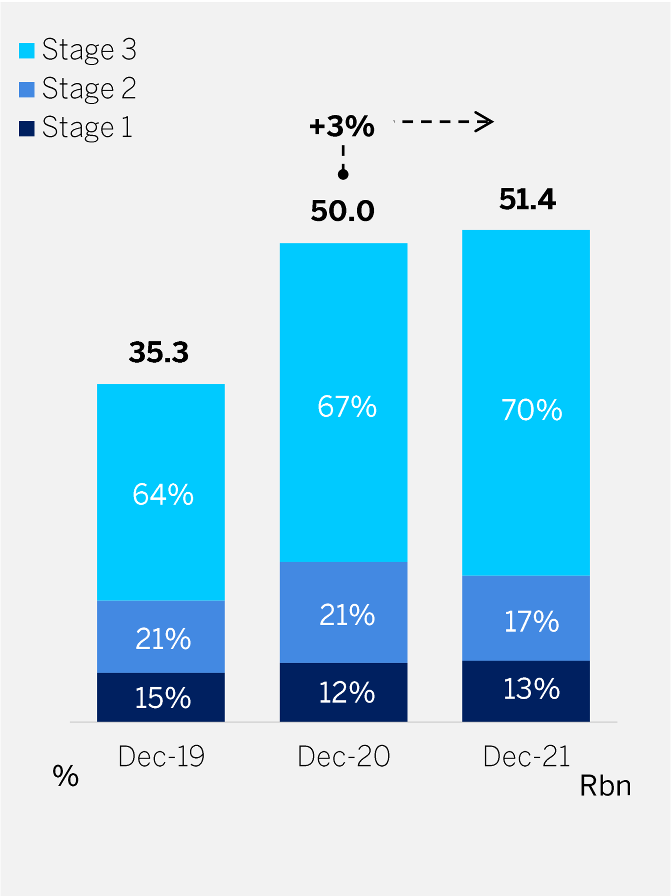
Gross loans and provisions

Total coverage and stage 3 ratio declined, but still elevated relative to pre-pandemic levels, stage 3 coverage increased as mix changed

Gross loans and advances[1]



Provisions



Key takeouts

Relative to 31 December 2020:

- **Stage 3 ratio** declined as loans previously classified as Stage 3 moved to Stage 1 or 2 or were repaid - the payment holiday portfolios moved to performing, collections strategies implemented, and no new CIB NPLs while others were restructured or repaid
- **Stage 3 coverage** increased as a result of a mix change (increase in credit card and business lending) and higher coverage on remaining Stage 3 loans

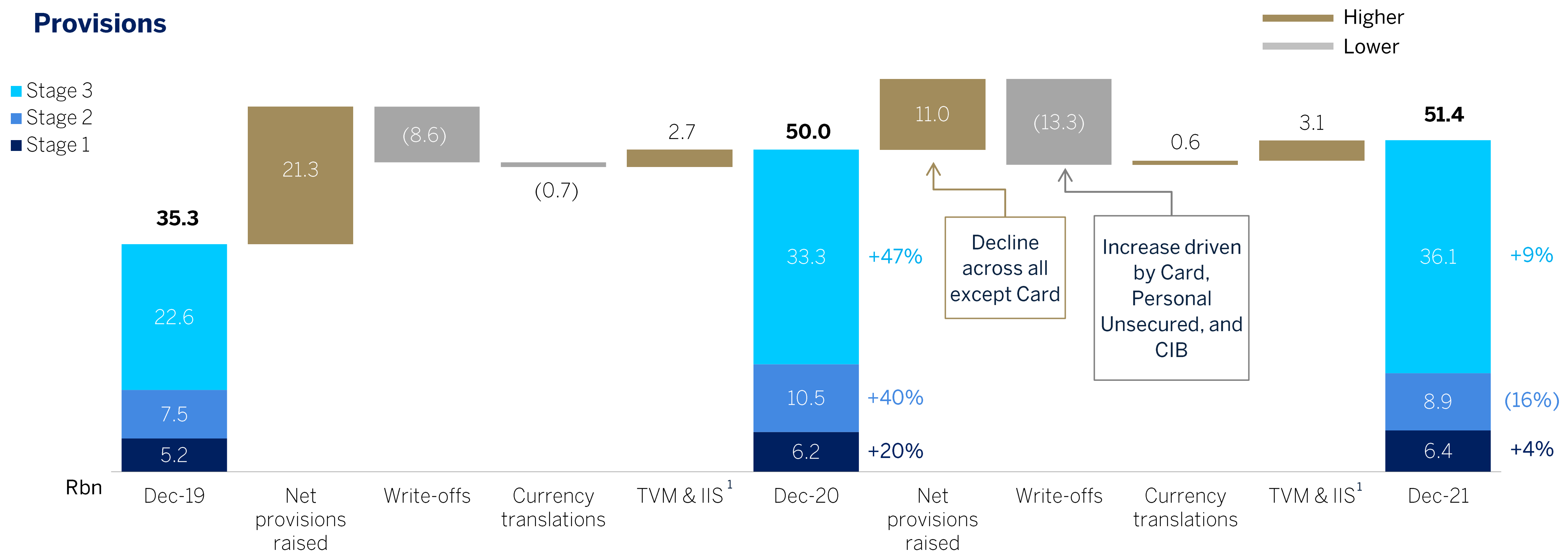
	FY19	FY20	**FY21**
Total coverage	2.9%	3.8%	**3.5%**
Stage 3 ratio	3.9%	5.5%	**4.7%**
Stage 3 coverage	48%	46%	**52%**

[1] *Based on gross loans and advances and provisions per page 60-65 of the FY21 financial analysis booklet. Group net of interdivisional balances.*

Balance sheet provisions

Significant decline in net provisions raised, the write off of legacy exposures and accelerated portfolio sales resulted in increased write offs

Provisions



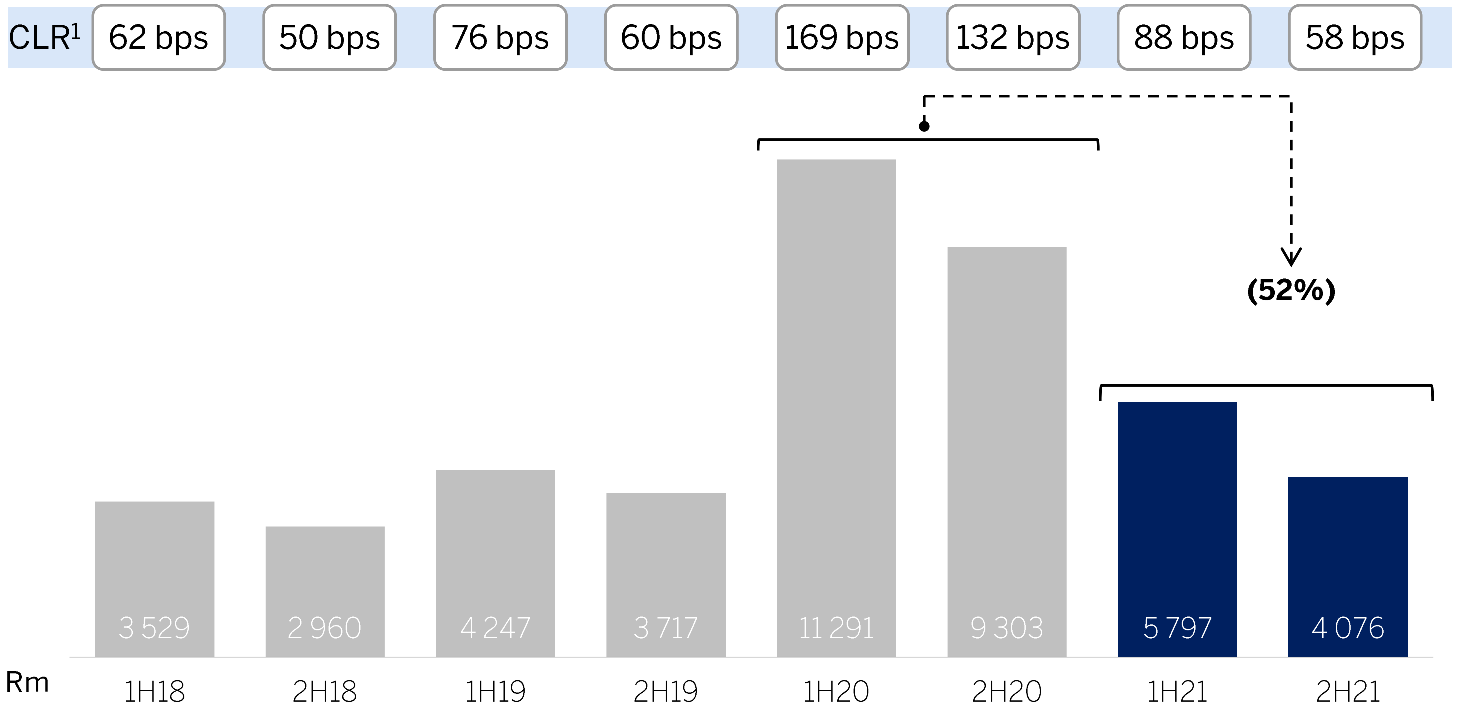
	Dec-19	Dec-20	Dec-21
Loans[2], Rbn	1 216	1 319	1 475
Total coverage, %	2.9	3.8	3.5

[1] Time value of money and interest in suspense, [2] Gross loans and advances at amortised cost

Credit impairment charges – Group

Continued downward trend

Credit impairment charges



Key takeouts

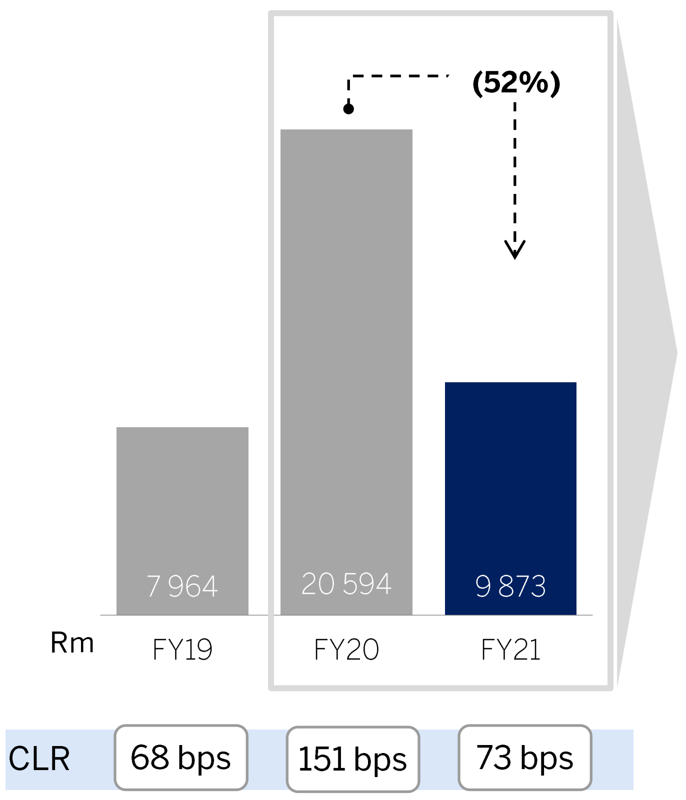
- **Credit impairment charges** declined significantly relative to those incurred in FY20, but remained above pre-pandemic levels
- **Charge drivers** included book growth and higher provisioning on the VAF and card portfolios, in particular the card payment holiday portfolio
- **Forward-looking provisions** were lower due to the improved economic outlook
- **Repayments and recoveries** in the investment banking portfolio led to net credit in the CIB portfolio

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

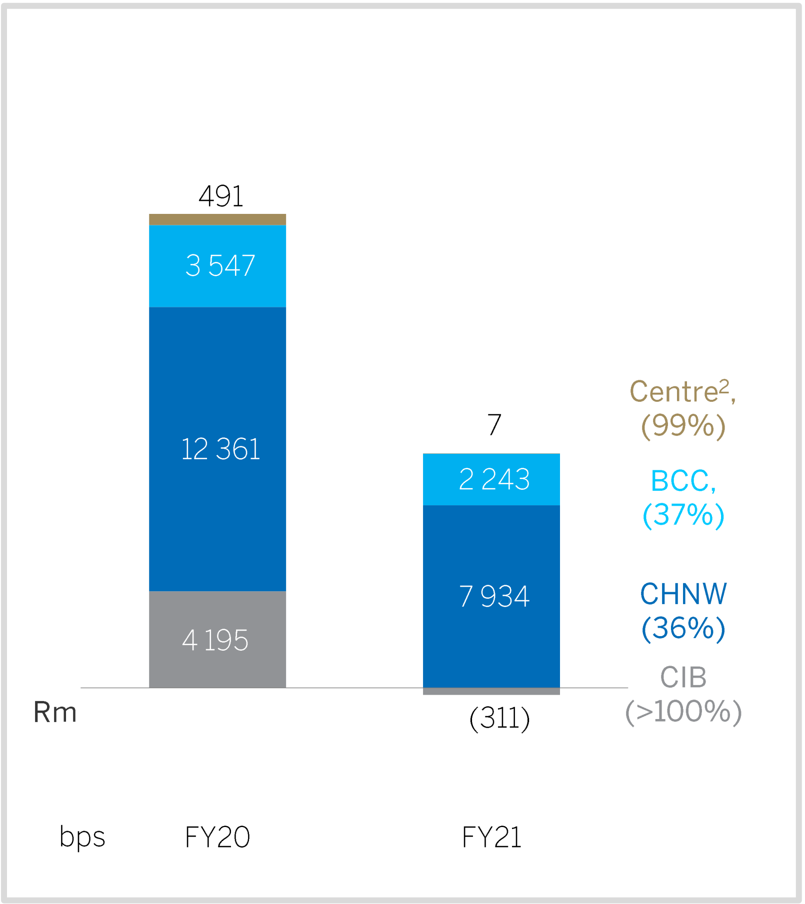
Credit impairment charges – Group

Declines across all 3 client segments

Credit impairment charges



Credit impairment charges, by segment[1]



Key takeouts

Consumer & High Net Worth clients

- Decline driven by a strong performance in the payment holiday portfolio
- Partially offset by higher charges in card

Business & Commercial clients

- Decline driven by lower charges in South Africa; partially offset by more normalised charges in Africa Regions

Corporate & Investment Banking clients

- No new large NPLs in the period
- Restructures drove recoveries and repayments

Centre

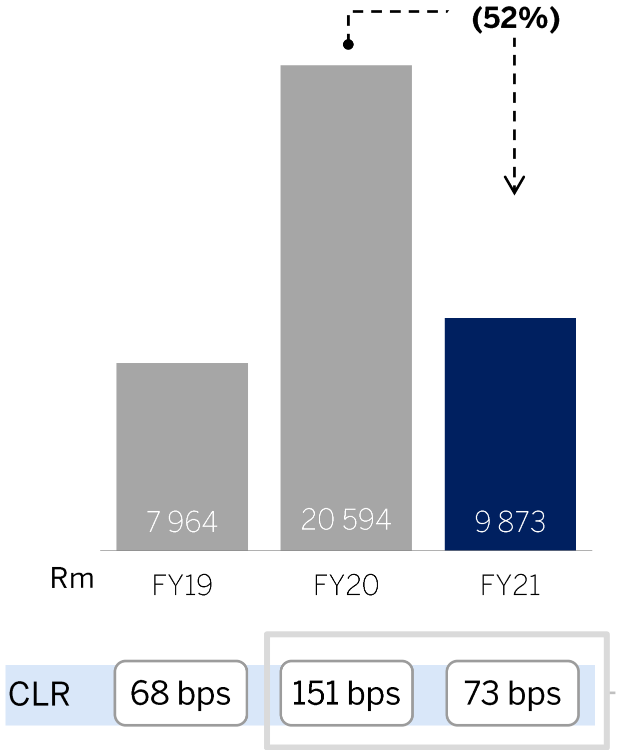
- Provision raised in FY20 retained due to continued uncertainty

[1] As per financial analysis booklet pages 24 and 25, [2] In FY20, Centre includes R500m credit impairment overlay on loans and advances less R9m relating to financial investments

Credit impairment charges – Group

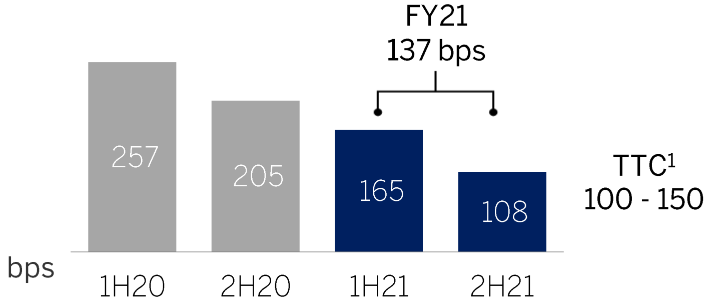
Credit loss ratio at the lower end of the group's through-the-cycle range (70-100bps), aided by a CIB net recovery

Credit impairment charges

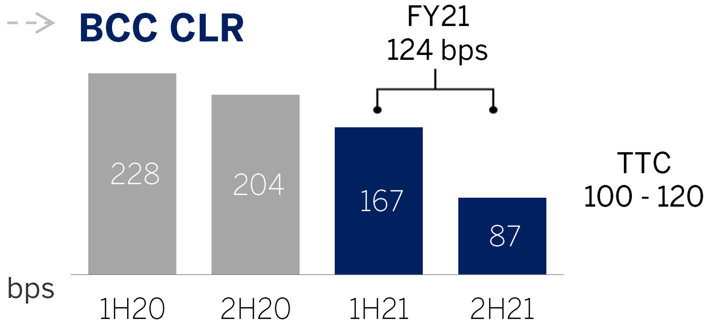


[1] Through-the-cycle credit loss ratio range

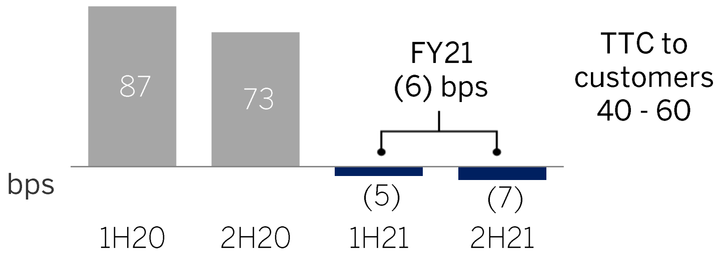
CHNW CLR



BCC CLR



CIB CLR to customers



Key takeouts

Consumer & High Net Worth clients

- CLR improved to within the CHNW TTC[1] range supported by the improved macro environment, focus on credit strategies to improve collections and proactive risk assessment

Business & Commercial clients

- CLR declined to close to the top of the BCC TTC[1] range driven by the non-recurrence of Covid-19 related provisions raised in FY20

Corporate & Investment Banking clients

- Net recovery as a result of no new material defaults and adequate provision made for existing stage 3 exposures in FY20

Operating expenses

Continued focus on rationalising, cost to fund expansion and investment in key development areas

	FY21 Rbn	FY20 Rbn	change %	CCY %
Staff costs	**36.6**	**34.4**	**7**	**11**
Other operating expenses	**29.1**	**28.8**	**1**	**6**
IT	9.7	9.5	3	5
Amortisation of intangibles	2.7	2.6	5	6
Depreciation	4.2	4.5	(6)	(2)
Marketing	2.0	1.8	12	15
Premises	1.9	2.0	(3)	1
Professional fees	1.9	2.1	(9)	(7)
Other	6.6	6.4	3	18
Total operating expenses	**65.7**	**63.2**	**4**	**9**

Key takeouts

Staff costs

- Annual salary increases
- Higher performance-related incentives in line with performance

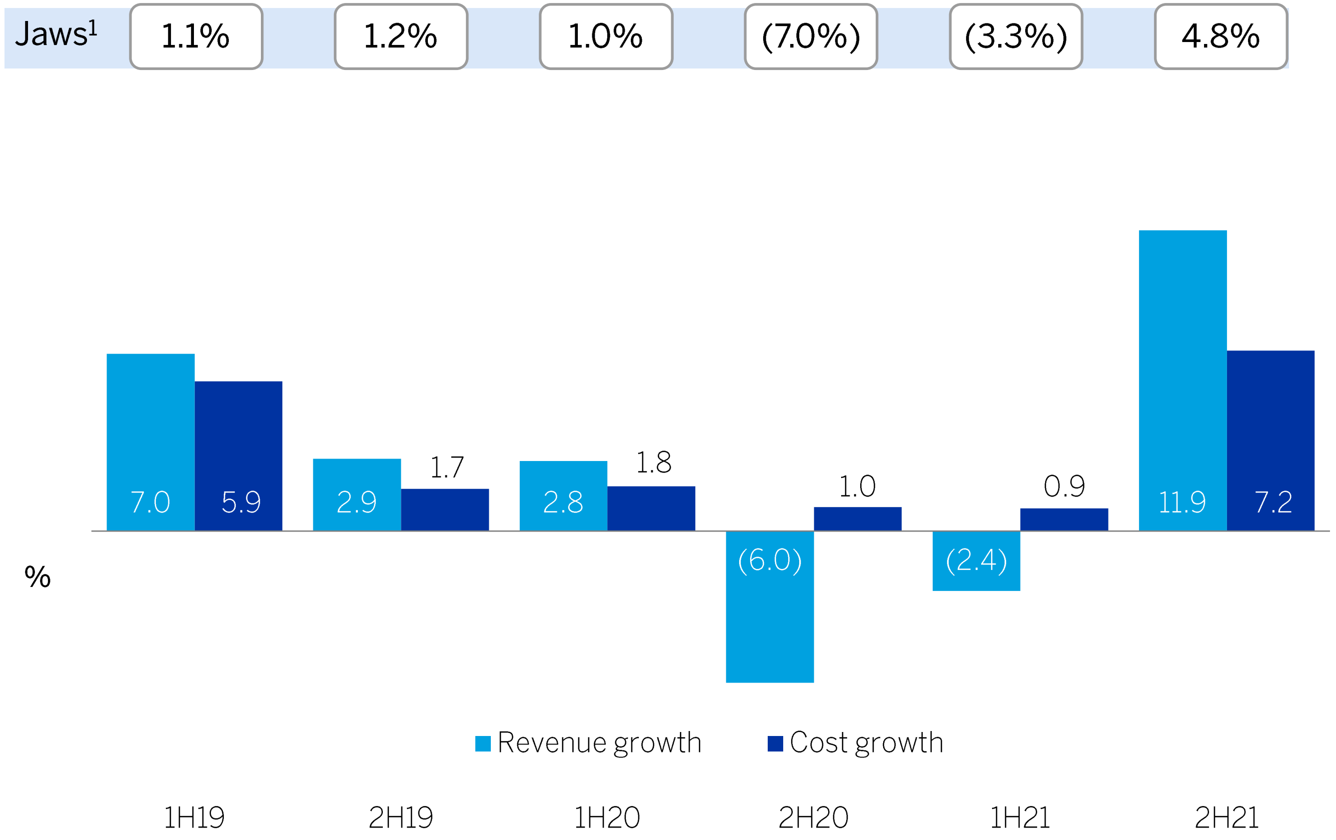
Other expenses

- Continued investment in digital client solutions, digitising processes, cloud migration and data capabilities partially offset by a decline in consultants and decommissioning of legacy systems in line with our "save to invest" approach
- Marketing increased (from a low in FY20) to drive client acquisition and engagement
- Decrease in premises as footprint rationalised (down 77k sqm)

Operational leverage

In 2H21, a strong recovery in revenue more than offset adjusted costs, delivering strong positive jaws

Income and cost growth and jaws



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

Key takeouts

- **Pre-pandemic** - we achieved positive jaws in the three six-month periods preceding the pandemic
- **Pandemic impact** - the significant decline in activity and declining interest rates placed strain on revenue in 2H20 and 1H21; despite rigorous cost management, including a decrease in incentives, we recorded negative jaws for two consecutive periods
- **Recovery** - in 2H21, activity and revenues rebounded, costs grew reflecting base effects of prior year adjustments, including on incentives, and cost growth remained below revenue growth resulting in strong positive jaws

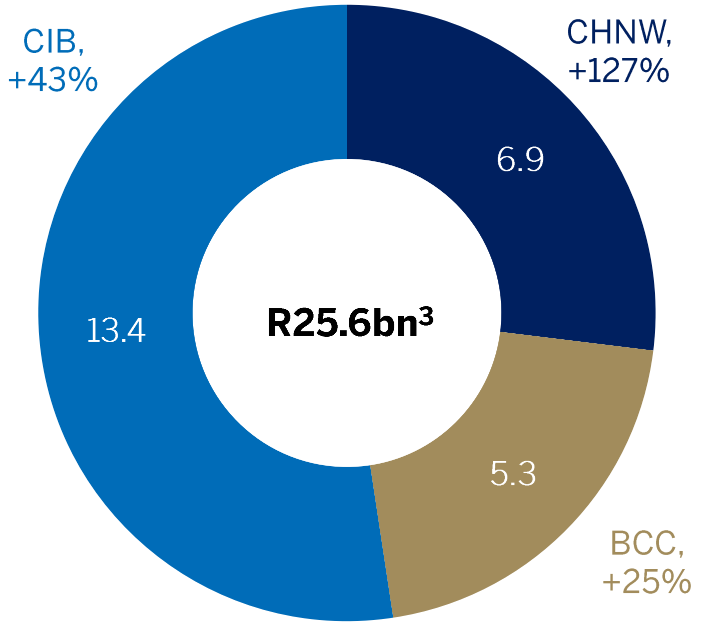
2.1

CLIENT SEGMENT, SOLUTION AND REGIONAL RESULTS

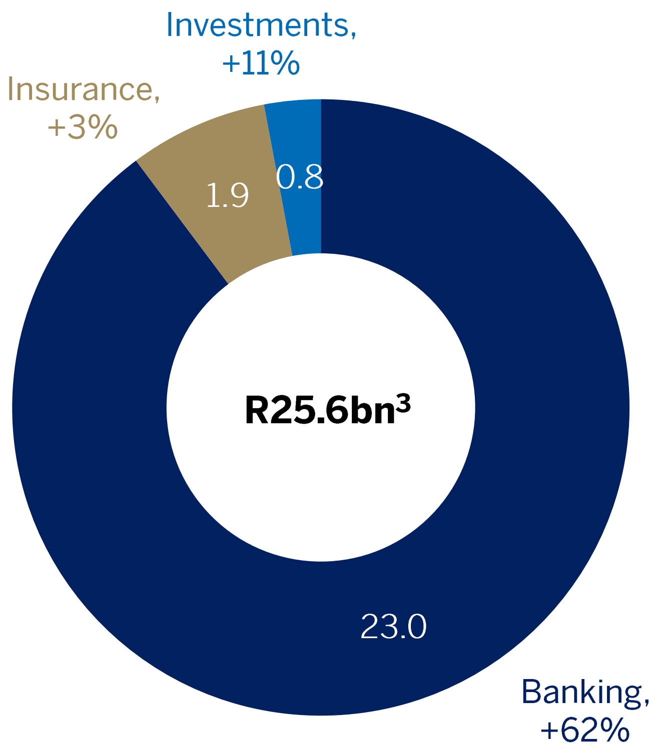
Standard Bank activities[1] earnings

The strength of our franchise and resilience of our earnings is underpinned by our diversification

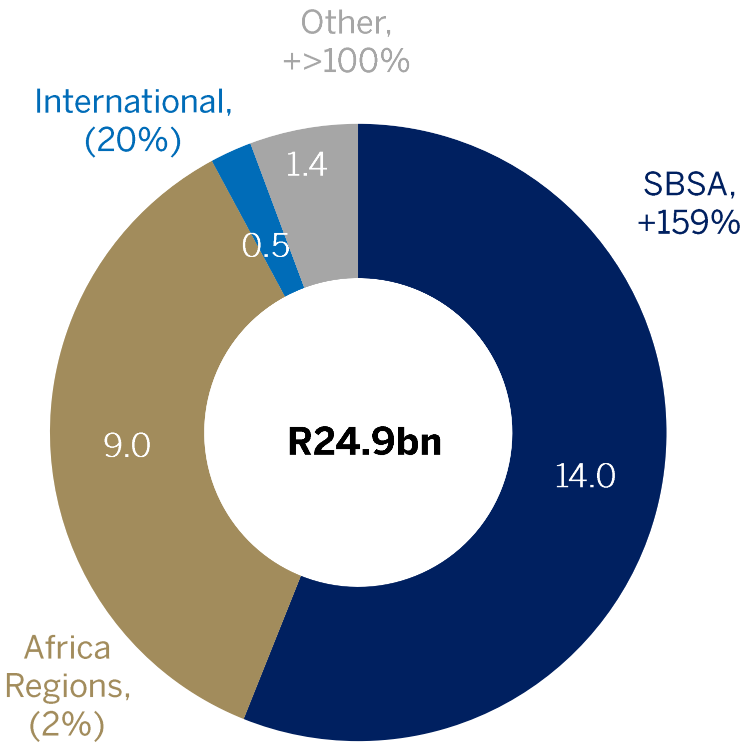
Client segment split, Rbn



Client solution split, Rbn



Regional split, Rbn[2]



[1] Standard Bank Activities excludes Liberty and ICBCS, [2] Regional split based on legal entity, SBSA group as consolidated, [3] Excludes R631m Centre segment costs

Performance by Client Segment

Strong performances by all 3 segments, delivering positive pre-provision operating profit

	CHNW FY21 Rbn	Change %	BCC FY21 Rbn	Change %	CIB FY21 Rbn	Change %
Net interest income	28.6	6	15.5	3	18.7	(4)
Non-interest revenue	19.6	5	10.8	3	21.7	13
Total income	**48.2**	**5**	**26.3**	**3**	**40.4**	**5**
Operating expenses	(29.6)	4	(16.7)	3	(21.5)	3
Pre-provision profit	**18.6**	6	**9.6**	2	**18.9**	**7**
Credit impairment charges	(7.9)	(36)	(2.2)	(37)	0.3	(>100)
Headline earnings	**6.9**	**>100**	**5.3**	**25**	**13.4**	**43**
Credit loss ratio, bps	137		124		(4)	
Cost-to-income ratio, %	61.5		63.5		53.3	
Jaws, bps	79		(27)		212	
ROE, %	13.9		24.5		19.6	

Performance by Client Solution

Strong recovery in Banking, continued positive performance in Insurance and Investments

	Banking FY21 Rbn	Change %	Insurance[1] FY21 Rbn	Change %	Investments[1] FY21 Rbn	Change %
Net interest income	62.5	2	0.1	(9)	0.2	(6)
Non-interest revenue	44.4	8	4.3	6	3.4	2
Total income	**106.9**	**5**	**4.4**	**5**	**3.6**	**2**
Operating expenses	(63.7)	4	(2.2)	2	(1.9)	2
Pre-provision profit	**43.2**	**6**	**2.2**	**8**	**1.7**	**2**
Credit impairment charges	(9.9)	(51)	(0)	-	(0)	-
Headline earnings	**23.0**	**62**	**1.9**	**3**	**0.8**	**11**
Cost-to-income ratio, %	59.6		50.0		53.2	
Jaws, bps	92		254		19	
ROE, %	17.2		54.5		27.3	

[1] *Excluding Liberty*

Performance by Region[1]

Strong performance by SBSA, Africa Regions robust revenue growth dampened by inflation and a stronger ZAR

	SBSA FY21 Rbn	Change %	Africa Regions FY21 Rbn	Change %	Change CCY %
Net interest income	40.8	3	20.6	1	16
Non-interest revenue	32.2	19	17.4	(5)	12
Total income	**73.0**	**10**	**37.9**	**(2)**	**14**
Operating expenses	(45.2)	8	(19.9)	1	18
Pre-provision profit	**27.9**	**13**	**18.0**	**(5)**	**9**
Credit impairment charges	(7.8)	(54)	(2.1)	(30)	(14)
Headline earnings	**12.9**	**>100**	**9.0**	**(2)**	**6**
Credit loss ratio, bps	68		75		
Cost-to-income ratio, %	62.2		52.6		
Jaws, bps	198		(291)		
ROE, %	12.5		18.2		

Key takeouts

SBSA

- Revenue growth driven by continued momentum in disbursements, higher transactional activity and strong trading revenue
- Credit impairment charges lower driven by lower forward-looking charges, repayments and effective collections strategies
- Continued investment in digital client solutions resulted in an increase in operating expenses

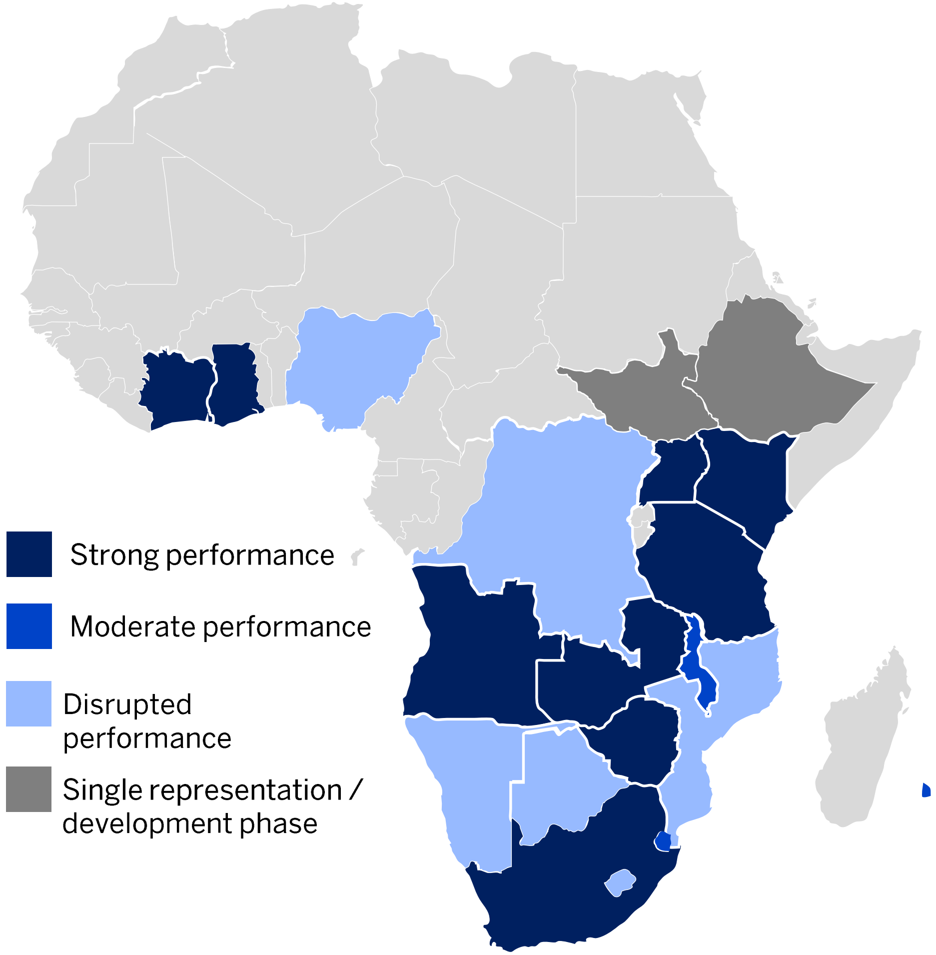
Africa Regions (CCY)

- Continued Covid-19 challenges impacted currencies
- Revenue growth reflects strong franchise and balance sheet growth
- Operating expenses impacted by high inflationary environment

[1] *Regional split based on legal entity excluding international, SBSA group, pre consolidation adjustments*

Africa Regions performance

Remains well above 2019 levels as the South & Central and East Regions offset a softer performance from the West Region, off a high base



Headline earnings

	FY21 Rbn	FY20 Rbn	Change %	Change CCY %	FY19 Rbn
Africa Regions	**9.0**	**9.2**	**(2)**	**6**	**8.4**
East Africa[1]	1.7	1.6	10	22	1.6
South and Central Africa[2]	4.1	3.6	12	8	3.6
West Africa[3]	3.2	4.0	(20)	(3)	3.3

Return on equity

	FY21 %	FY20 %	FY19 %
Africa Regions	**18.2**	**18.8**	**20.7**
East Africa[1]	14.7	14.2	17.0
South and Central Africa[2]	20.1	14.0	20.7
West Africa[3]	18.3	23.0	23.1

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

2.2 LIBERTY AND ICBCS

Liberty

Strong rebound in normalised operating earnings (pre-pandemic impacts) driven by South Africa Insurance operations

Insurance indexed new business

FY21: **R9 232m**
FY20: R7 302m
↑26%

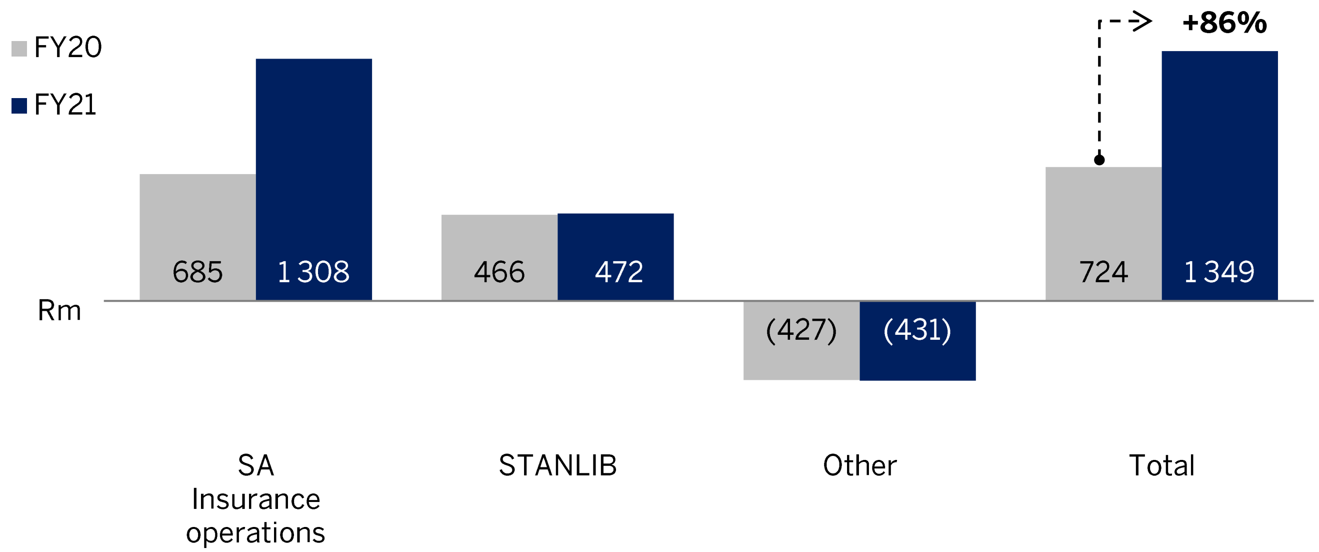
Assets under management

FY21: **R888bn**
FY20: R776bn
↑14%

Solvency coverage ratio[1]

FY21: **1.72x covered**
Target: 1.5x – 2.0x

Normalised operating earnings



[1] *Liberty Group Limited*

Key takeouts

Strategic progress in terms of:

- Significantly enhancing client and adviser experience
- Delivering transparent and intuitive risk and investment solutions
- Aggressively simplifying the organisation
- Soft launch of Liberty Investment Platform and Adviser Workbench

Normalised operating earnings

- Strong growth in SA Insurance Operations earnings driven by improved persistency and assumption/ modelling changes in SA Retail and an improved LibFin Markets result on the back of less volatile markets
- Other includes R368m post-tax spend on Liberty strategic initiatives

Liberty

Improved business performance overshadowed by additional pandemic-related charges

	FY21 Rm	FY20 Rm	Change %
South African Insurance Operations	1 308	685	91
STANLIB South Africa	472	466	1
Africa Regions	(74)	41	(>100)
Other	(357)	(468)	24
Normalised operating earnings	**1 349**	**724**	**86**
Covid-19 pandemic reserve	(1 751)	(2 227)	21
Excess claims	(1 208)	(96)	(>100)
Shareholder Investment Portfolio (SIP)	1 554	27	>100
Normalised headline loss	**(56)**	**(1 572)**	**96**
IFRS adjustments	(56)	33	(>100)
IFRS headline loss	**(112)**	**(1 539)**	**93**
SBG share of IFRS headline loss	(64)	(880)	93
Treasury share adjustment[1]	(355)	229	(>100)
Headline loss attributable to SBG	**(419)**	**(651)**	**36**

[1] *Driven by change in SBK share price and number of shares. Share price as at 31 December 2020, R127.08, and as at 31 December 2021, R140.01*

Key takeouts

Covid-19 pandemic impact

- The 2nd and 3rd waves of infection were worse than expected, resulting in excess death claims
- This drove top ups of the pandemic reserve (R1.8bn) and excess pandemic-related risk claims (R1.2bn)

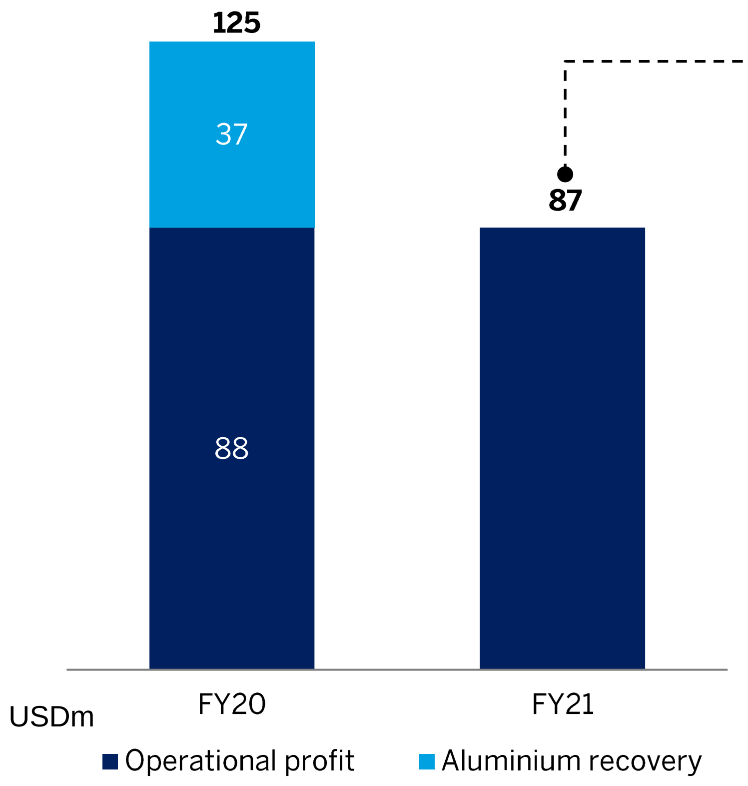
Shareholder Investment Portfolio

- Performance improved significantly supported by improved SA and global financial market conditions

ICBC Standard Bank plc

Resilient performance, driven by increased client activity and favourable market conditions

ICBCS FY21 performance, USDm



SBG's share of earnings

	FY21	FY20
ICBCS earnings, USDm	**87**	**125**
@ % stake	*40%*	*40%*
SBG attributable earnings, USDm	**35**	**50**
ZAR/USD[1]	14.4	17.6
SBG attributable earnings, Rm	**500**	**881**

Key takeouts

- **Franchise performance** - increased client financing and activity volumes led to improved operational performance
- **FY20 insurance recovery** - in the prior period, ICBCS received an insurance pay-out in relation to a legacy base metal claim
- **Currency impact** - SBG's attributable earnings was dampened on translation by the stronger ZAR period on period
- **FY22 insurance recovery** - ICBCS received an insurance settlement equating to USD200m in January 2022; SBK's share equates to approximately R1.2bn
- **Russia/Ukraine impact** – due to the uncertainties and fluid nature of the situation, it is not possible to assess the direct or indirect impact at this stage

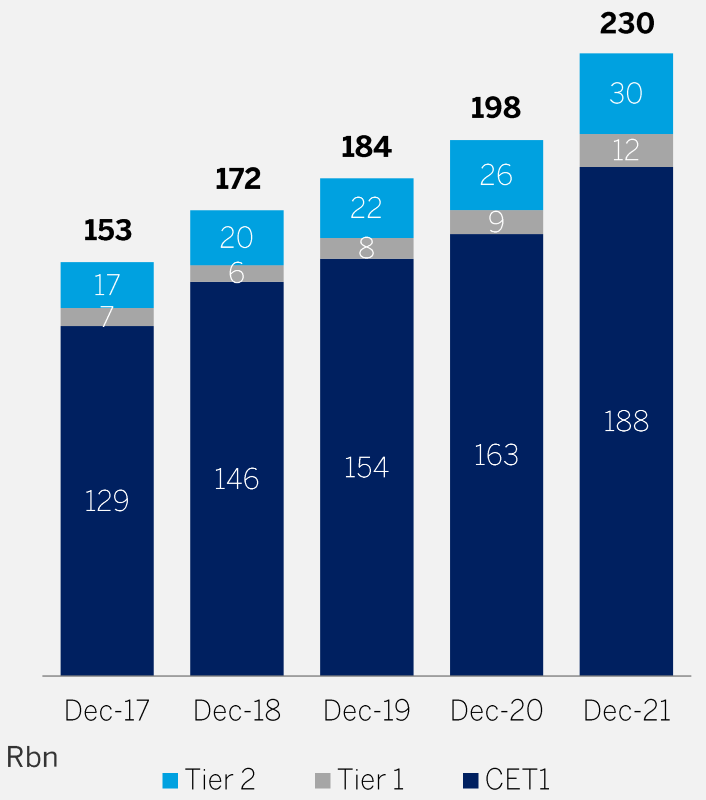
[1] *Represents the effective exchange rate from converting monthly ICBCS results to ZAR*

2.3 CAPITAL & RETURNS

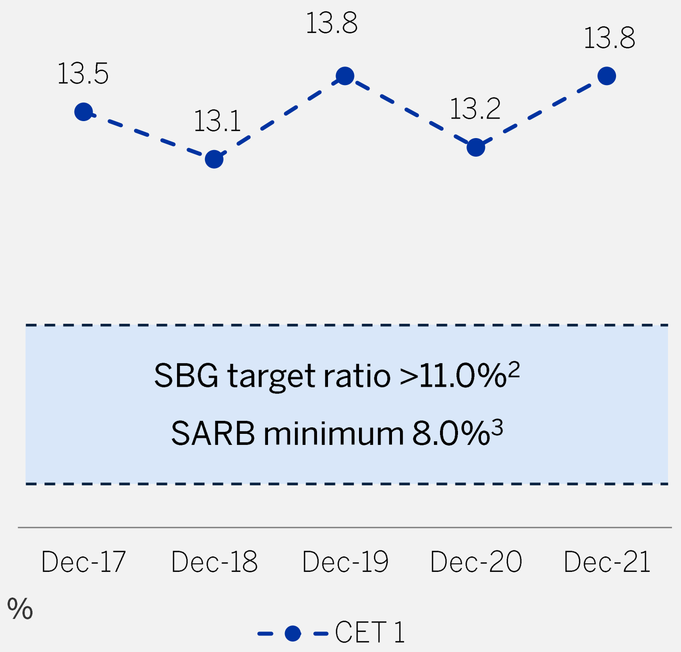
Capital and liquidity

Strong capital generation, supported by a 13% increased in NAV, increasing AT1 and Tier II contribution, and robust liquidity position

Capital[1]



Capital adequacy[1]



Liquidity

Net stable funding ratio

122%

(FY20: 125%)

Basel III minimum

100%

Liquidity coverage ratio

144%

(FY20: 135%)

Basel III minimum[4]

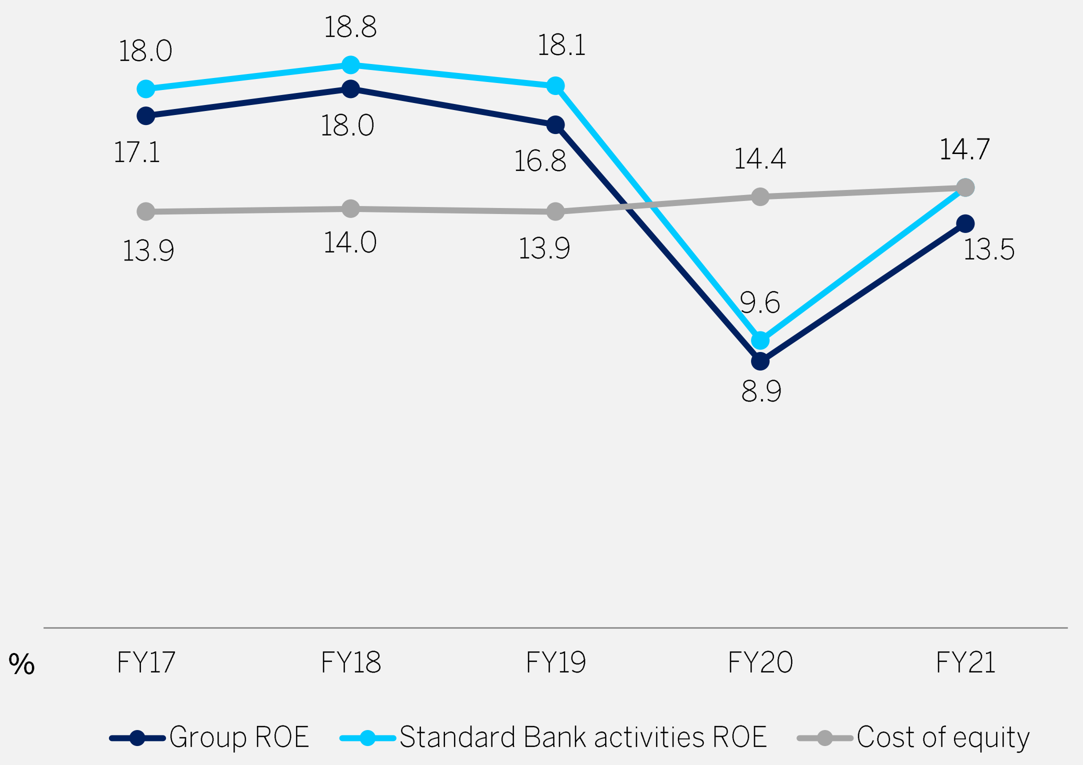
80%

[1] Including unappropriated profits and on a fully-loaded basis from 2018, [2] Recalibrated, inclusive of Pillar 2A requirements that will be reinstated by the Prudential Authority from 1 January 2022, [3] Pillar 2A buffer requirements temporarily removed in response to the Covid-19 pandemic, [4] Based on temporarily revised SARB requirement; increased to 90% from 1 January 2022

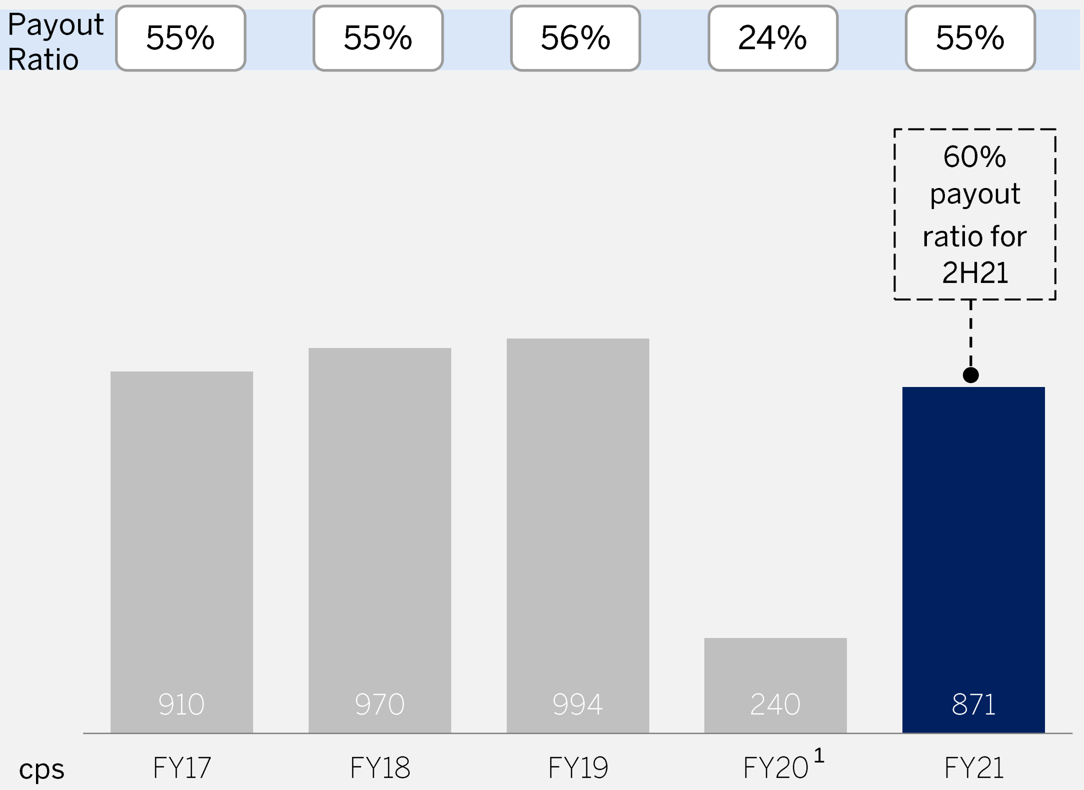
Returns and dividends

ROE recovering and dividend payout was restored to pre-pandemic levels

Return on equity and cost of equity



Dividend per share



[1] No 1H20 interim dividend paid as directed by the SARB. Resumed dividends post the lifting of the restrictions, paid a final FY20 dividend in April 2021

03

LOOKING FORWARD

2022 – Macro outlook

The beginning of the end of the pandemic and pent-up consumer demand provide a positive backdrop, however geopolitical developments are a risk

Global growth to remain above trend, financing conditions to tighten and inflation to fade[1]

- Global growth 4.4%, sub-Saharan Africa 3.7% and South Africa 2.0%[2]

Sub-Saharan Africa

- Debt levels are high, need to balance fighting inflation and supporting the economic recovery
- Broad hawkish bias for monetary policy - tightening expected in Botswana, Eswatini, Ghana, Lesotho, Mauritius, Namibia, South Africa, Uganda and Zambia and Angola

South Africa

- Tentative cyclical recovery, subject to the external environment
- Real GDP growth of 2.0% in 2022 and 1.8% in 2023
- Inflation expected to moderate over the year, averaging 5.2% and 4.4% in 2022 and 2023 respectively
- Gradual rate hike cycle +25bps in Jan-22, expect a further 3 x 25bps in 2022 and 2 x 25bps in 2023
- A commitment to fiscal prudence, but require institutional and structural reforms to accelerate growth

[1] Subject to developments in Russia and Ukraine and the broader implications of actions taken, [2] IMF (January 2022) and Standard Bank Research, (31 January 2022)

FY22 – SBG guidance

Growing franchise, rising interest rates and normalising credit impairment charges all positive

Key drivers	FY22	SBG 2025
Net interest margin	Endowment tailwind[1]	+40bps – 60bps, relative to FY20 NIM
Efficiency	Positive jaws	Consistently positive jaws, supporting a CTI ratio approaching 50%
Credit loss ratio	Lower end of our TTC[2] range 70bps – 100bps	Within our TTC[2] range 70bps – 100bps
ROE	Above COE	17% - 20%
CET1 ratio	>11.0%	>11.0%
Dividend payout ratio	45% - 60%	45% - 60%

[1] SBSA, 25bps increase equates to approximately R390m NII annualised, [2] Through-the-cycle

04

DRIVING SUSTAINABLE GROWTH AND VALUE

Africa is our home we drive her growth

Driving sustainable growth and value

Driving impactful innovation in Africa

Incubating new disruptive business solutions to solve local problems

OUT OF THE BLUE

Enabling a just transition for Africa

Purposefully responding to the opportunities presented by climate change, while managing the associated risks

UNEP FINANCE INITIATIVE

SUSTAINABLE DEVELOPMENT GOALS

Net Zero emissions by 2050

Creating value for all our stakeholders

Delivering value to clients, employees, suppliers, regulators & tax authorities, communities and shareholders

Delivering a positive impact

A commercial imperative, embedded in our strategy, and key to delivering long-term value

[1] *Based on Standard Bank Group income less credit impairments and benefits due to policyholders*

Lots to be proud of and build on in 2022

2021 strategic progress	2022 focus areas
1 Core franchise growth	1 Delivery against our 2025 targets
2 Scaling of new business opportunities	2 Liberty integration
3 Diligent resource prioritisation	3 Leverage and capital optimisation

YOU DON’T
JUST BECOME

AFRICA’S MOST VALUABLE BANK BRAND.

You earn it.

*Based on Brand Finance Top 500 Most Valuable Brands 2022.

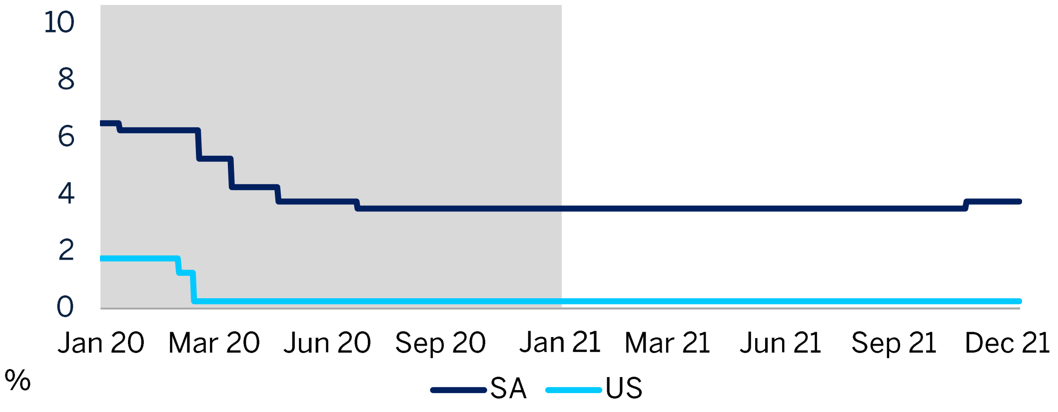
Standard Bank **IT CAN BE**™

A1 APPENDIX

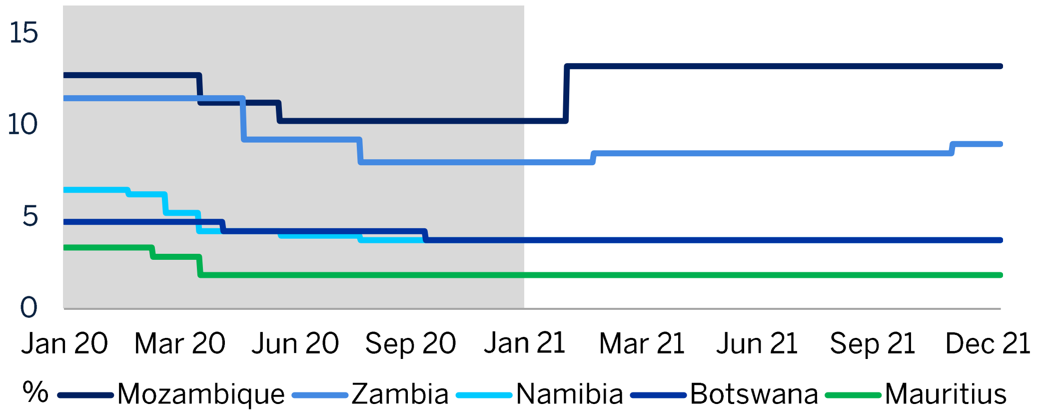
Interest rates

Higher interest rates in SA, Mozambique and Zambia, lower interest rates in Uganda

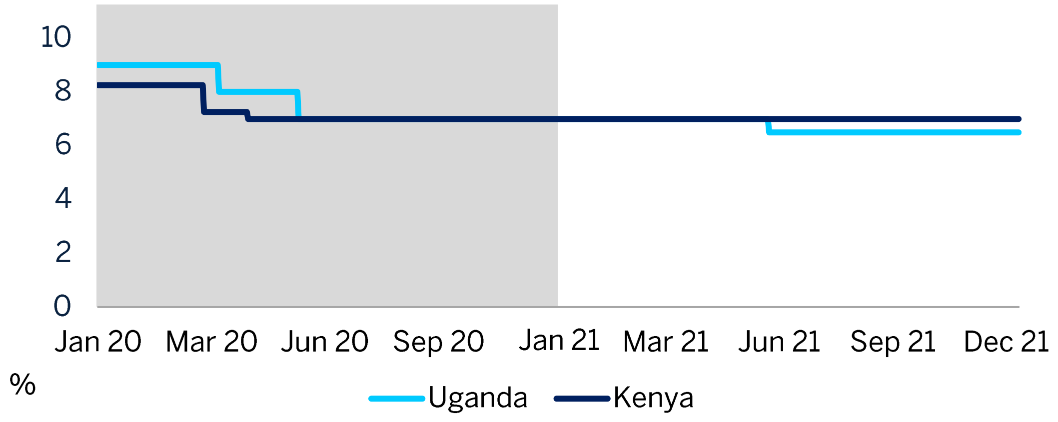
South Africa and International[1]



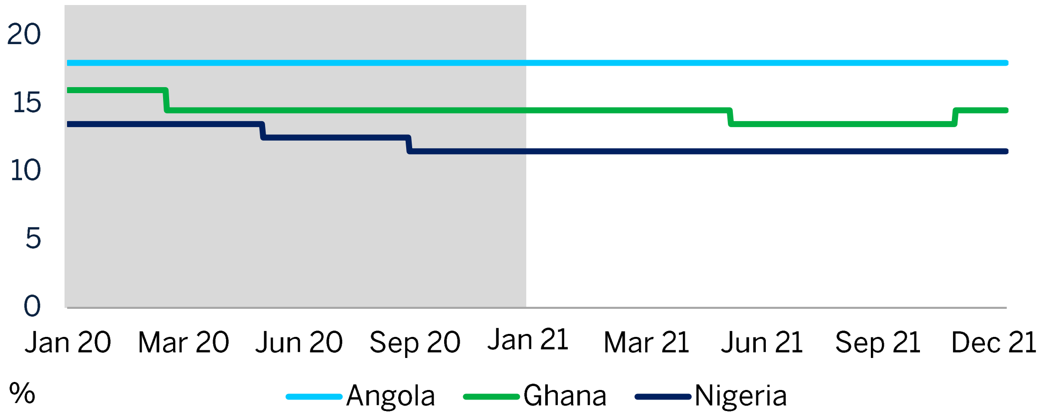
South and Central Africa



East Africa



West Africa

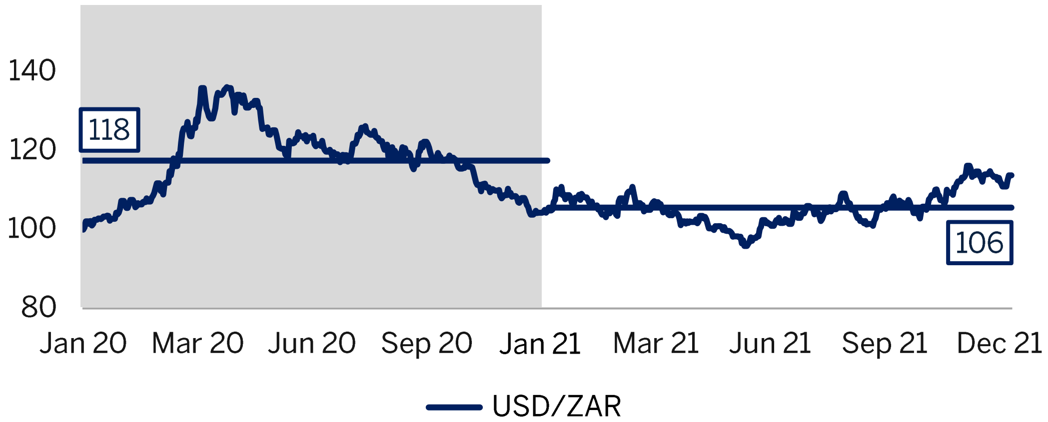


[1] Represents the US Federal Funds Target Rate, Source: Bloomberg

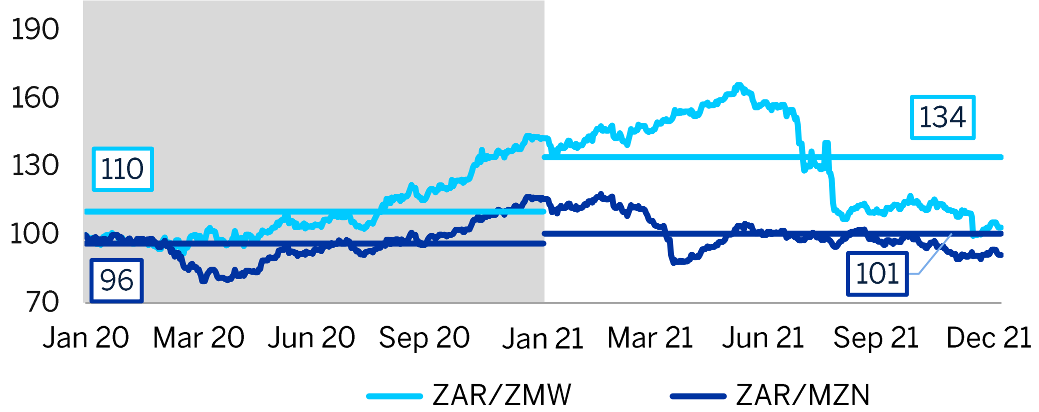
Currencies

ZAR stronger on average, compared to prior year. All other currencies weaker relative to the ZAR

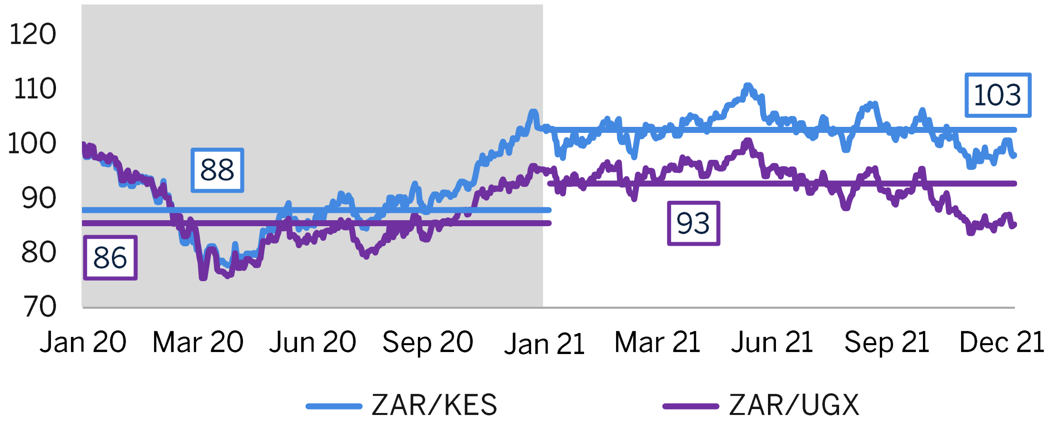
South Africa and International



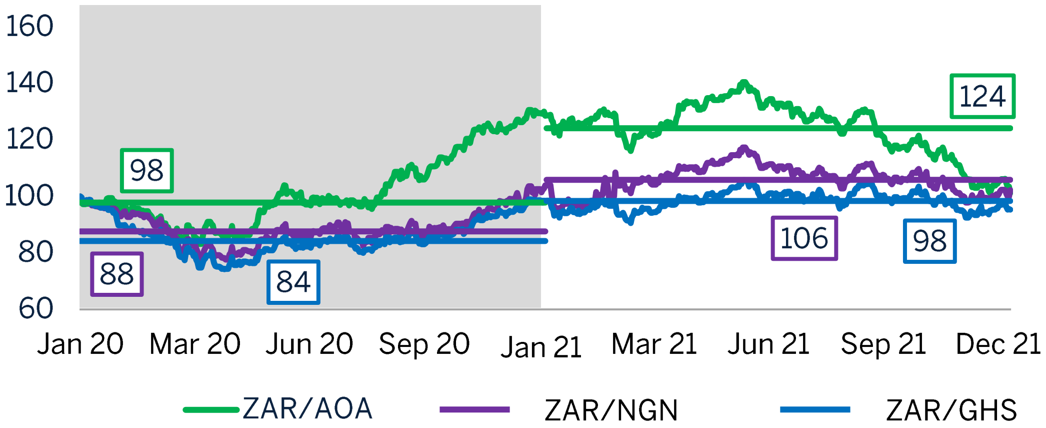
South and Central Africa



East Africa



West Africa

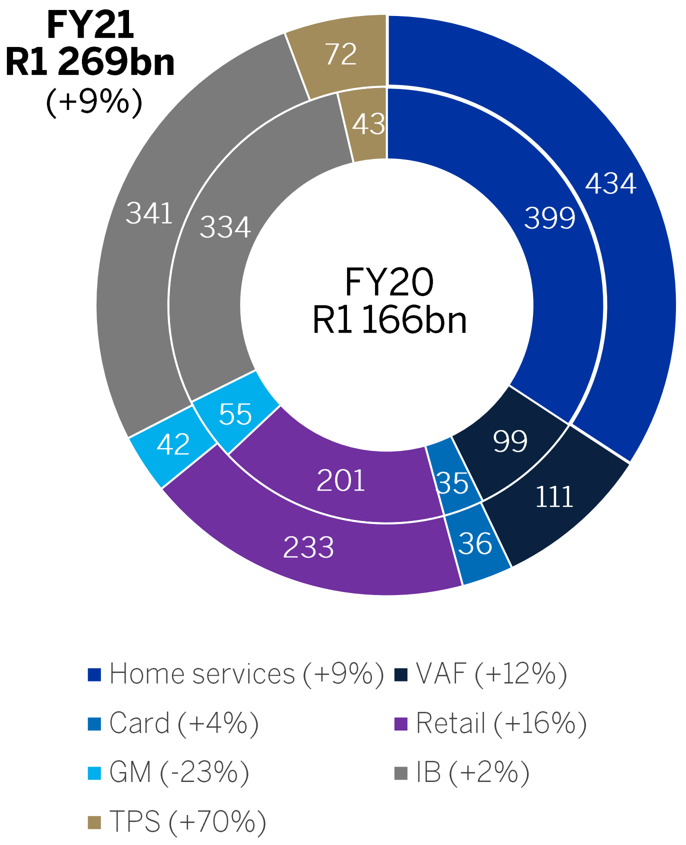


Source: Bloomberg, rates have been rebased to reflect movement from 01 January 2020

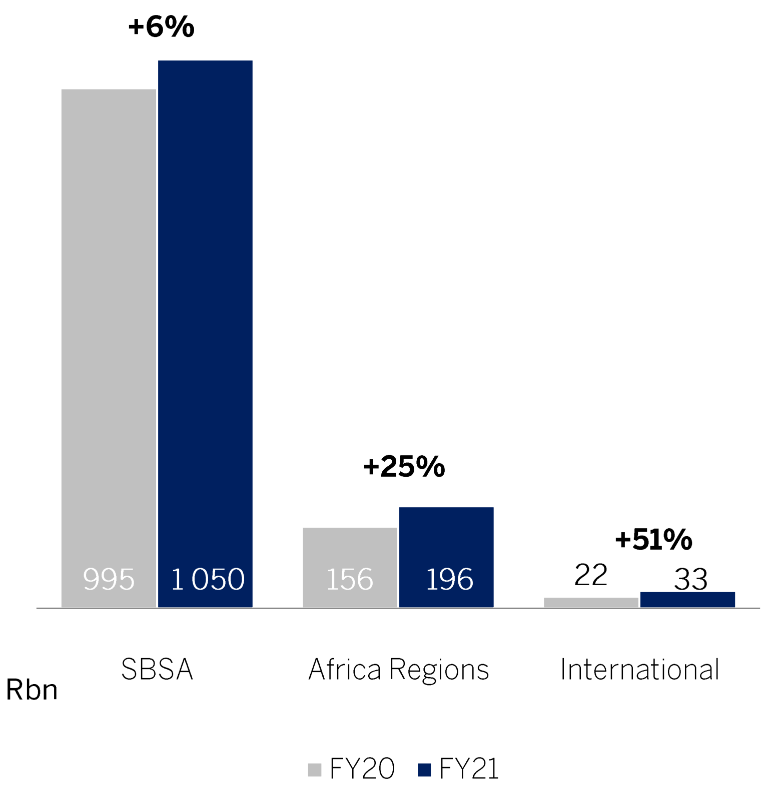
Gross loans and advances

Strong growth in CHNW and BCC driven by improved sentiment and low interest rates

Gross loans to clients by product[1]



Gross loans to clients by geography[2]



Key takeouts

Products

- Mortgages, the largest book, grew by R35bn; VAF and retail lending grew double-digits driven by an improving macroeconomic backdrop and low interest rates
- Card portfolio growth was muted in line with risk appetite
- Investment Banking ended the year flat as repayments in 1H21 were offset by strong origination in 2H21

Geographies

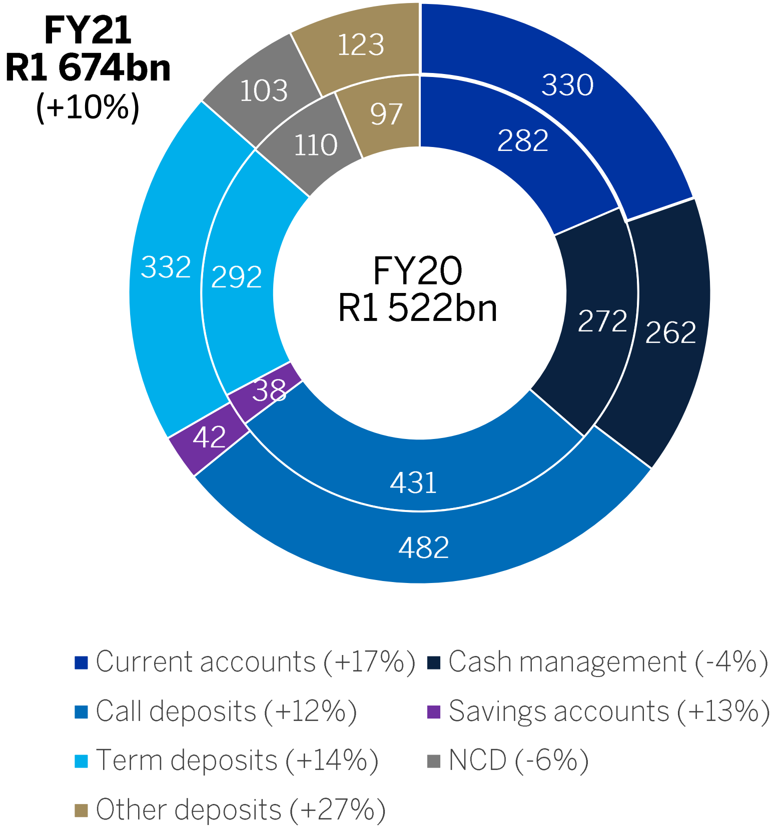
- In South Africa, market shares grew in mortgages (ranked #1), VAF (#4) and card (#1)
- In Africa Regions, loan growth was strong (CCY: +17%), supported by strong growth in personal unsecured and business lending

[1] Excludes centre, [2] Based on legal entity view

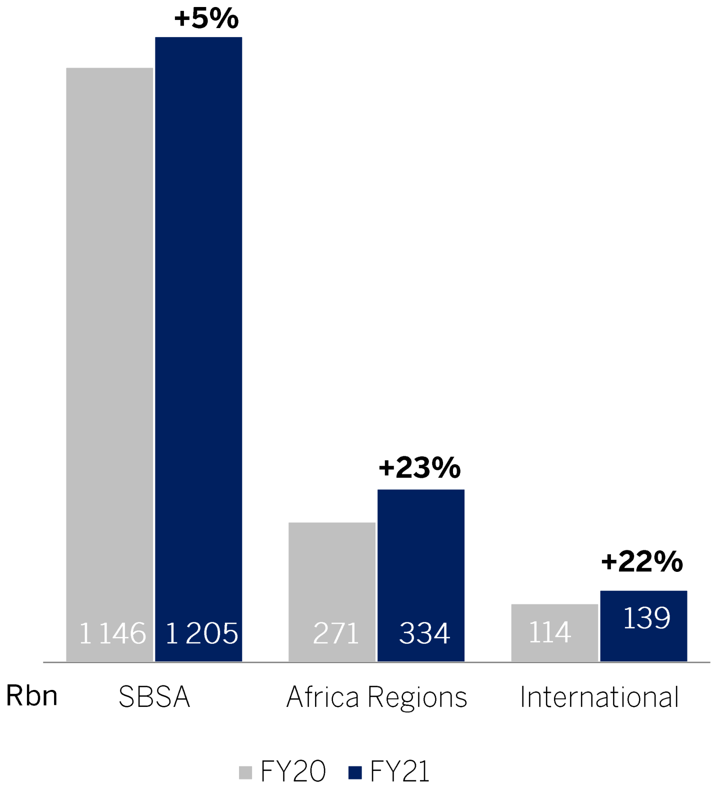
Deposits from customers

Growth in deposits driven by growth in the underlying client franchise

Deposits from customers by product[1]



Deposits from customers by geography[2]



Key takeouts

Products

- Strong retail-priced deposit growth supported by a larger client base and targeted deposit-gathering campaigns
- Cash management deposits declined as business activity improved and cash was put to work
- Strong client segment deposit generation led to lower market-funding requirements and a decline in NCDs

Geographies

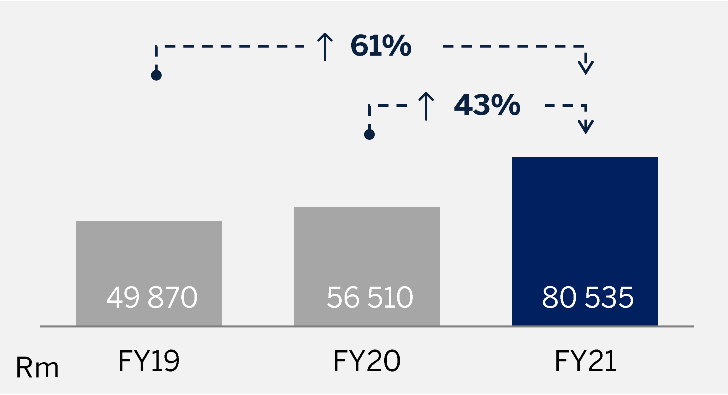
- Retained a leading market share for total deposits in South Africa
- Deposit growth in Africa Regions and International was robust, boosted by year-end currency weakness

[1] Excludes centre, [2] Based on legal entity view

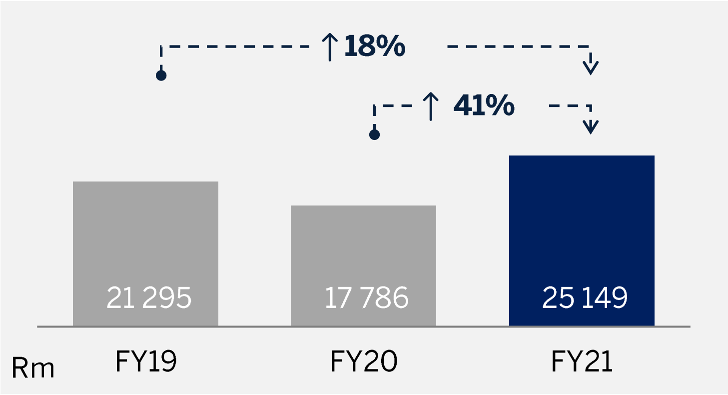
Banking – South Africa disbursement trends

Mortgages, VAF and Business disbursements well above pre-pandemic levels, personal lending in line with 2019

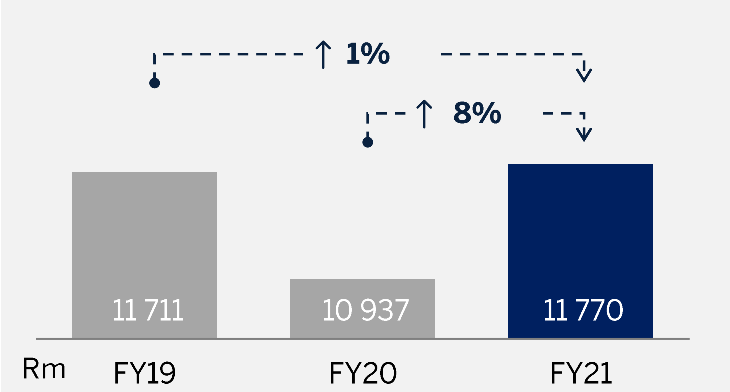
Mortgage disbursements



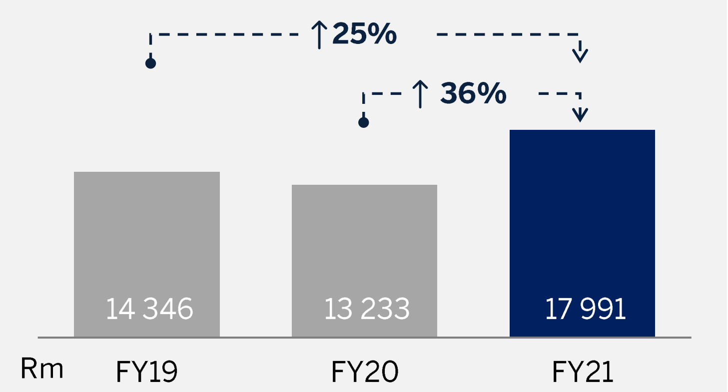
VAF[1] disbursements



Personal lending disbursements



Business lending[2]



Key takeouts

- **Mortgage disbursements** - averaged R6.7bn a month in 2021; considerably above 2019 levels of R4.2bn
- **VAF disbursements** - recovered from FY20 lows; with strong demand in used cars
- **Personal lending disbursements** - grew in 2021, but was constrained by risk appetite adjustments
- **Business lending disbursements** - growth driven by Africa Regions; aided by our digital application and SME scoring capabilities

[1] Vehicle and asset finance for Consumer and High Net Worth Segment, [2] Business lending excluding the SME Government Guarantee Covid Loans

Banking – customer activity[1]

Activity reflects strategy to drive transactions to digital channels, increase use of card and move cash out of branch to ATMs and other partners

CHNW SA	CHNW AR	BCC SA	BCC AR
↑ 22% Digital volumes	↑ 41% Digital volumes	↑ 44% Mobile banking	↑ 98% Mobile banking
↑ 20% Card issuing[2]	↑ 84% Card issuing[2]	↑ 22% Card acquiring	↑ 17% Card acquiring
↓ 5% ATM	↓ 1% ATM	↑ 8% ATM	↓ 10% ATM
↓ 36% Branch	↑ 3% Branch	↓ 40% Branch	↓ 4% Branch

Key takeouts

Digital activity

- Transaction volumes benefited from fewer restrictions in FY21 vs FY20
- Card benefited from the increased in card-not-present and contactless transactions

Branch activity

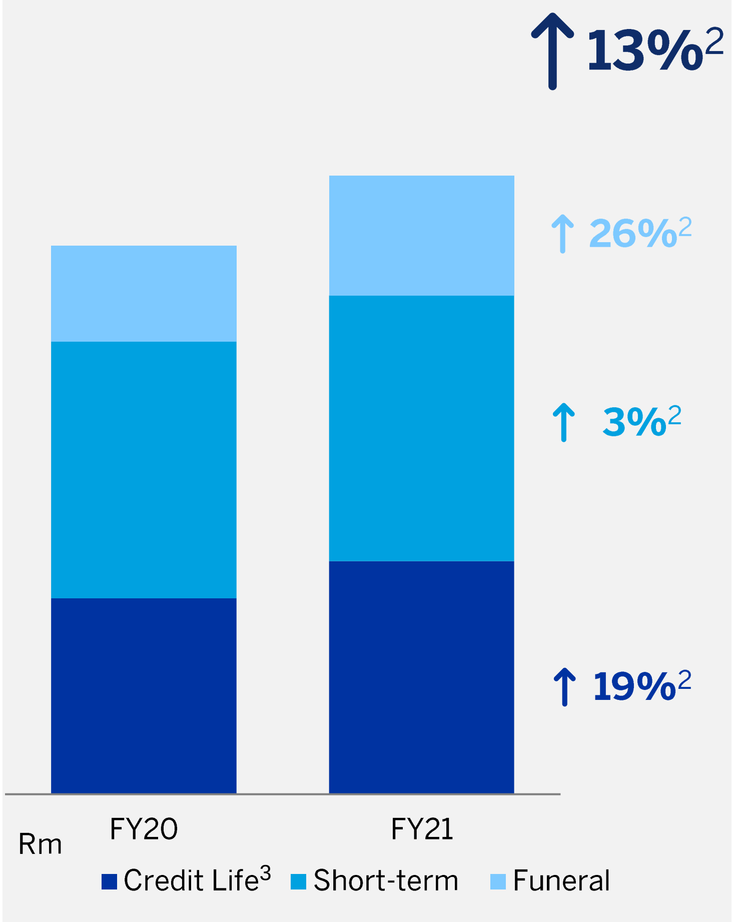
- Ongoing decline in branch activity as clients migrate to digital channels

[1] Transaction volumes year on year, unless indicated otherwise, [2] Turnover

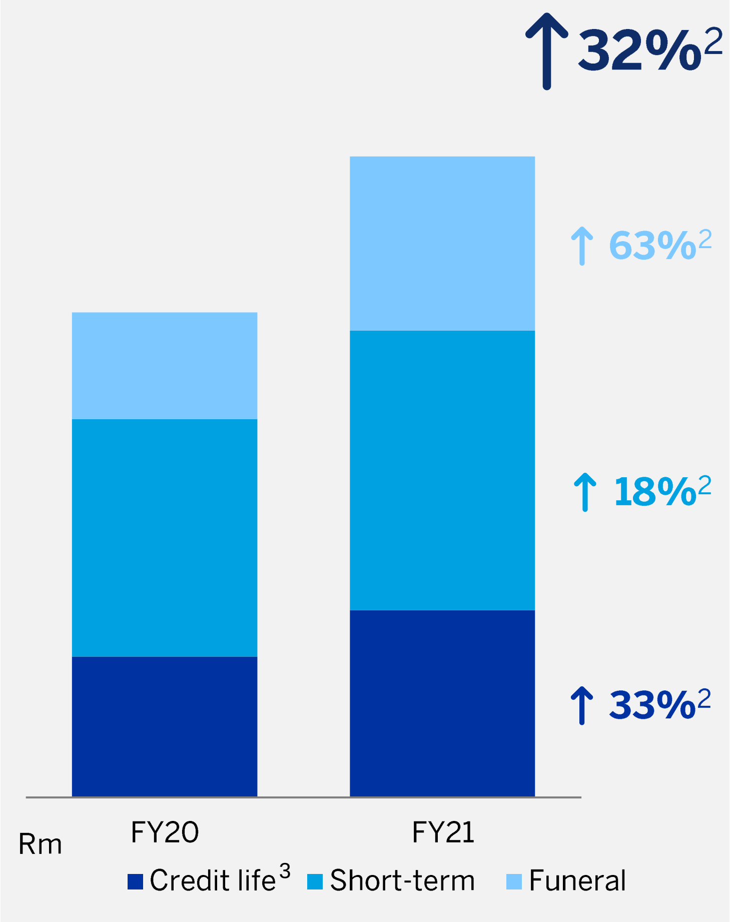
Insurance – South Africa trends[1]

Expanded offering enabled strong GWP growth, claims elevated but remain in line with expectations

Gross written premium (FY21, R8.8bn)



Claims (FY21, R3.2bn)



Key takeouts

Gross written premium (GWP)

- GWP grew double digits, supported by annual price increases and policy base growth
- Credit life and funeral recorded strong growth; the latter driven by our flexible funeral solution

Claims

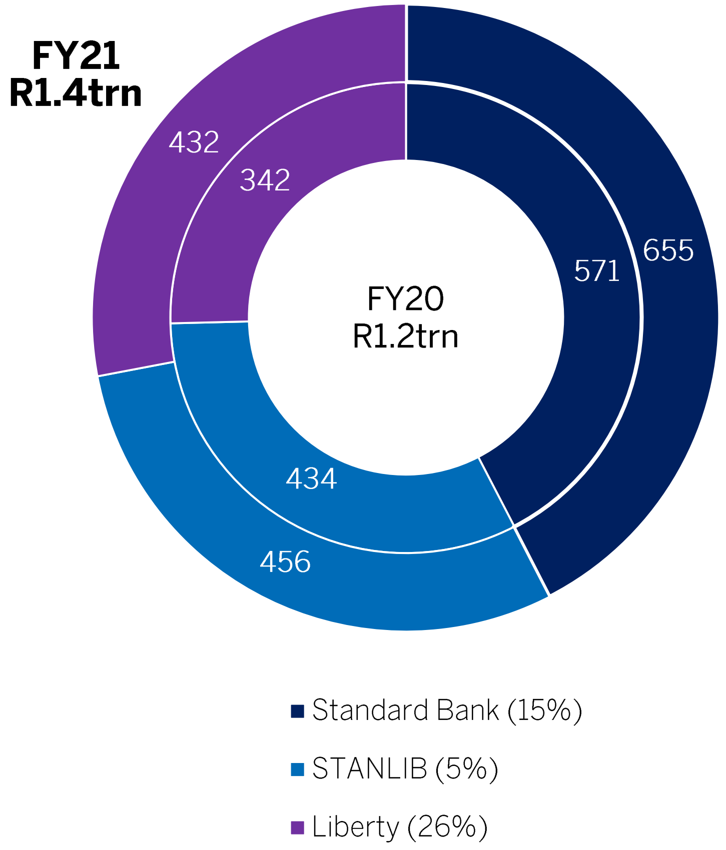
- Claims increased on the back of pandemic-related credit and funeral claims and higher short-term claims driven by increased economic activity and weather-related claims
- Retrenchment claims were down year on year and remained lower than our expectations at the beginning of the pandemic

[1] Excluding Liberty, [2] FY21 vs FY20, [3] Includes long-term accident and health

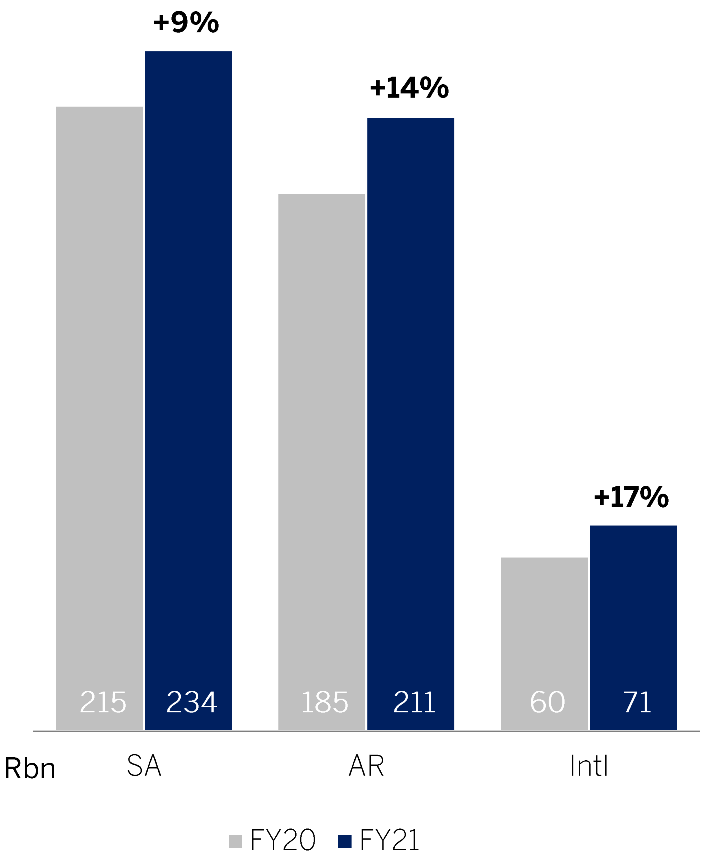
Investments

Continued growth across all three businesses and geographies, rank as a top 3 asset manager on the continent

Standard Bank Group AUM/A by business[1]



Standard Bank AUM/A by geography[2]



Key takeouts

Businesses

- AUM grew across all three businesses, supported by positive market performance and positive net client cashflows

Geographies

- AUM grew across all three regions
- In South Africa, AUM growth was strong on the back of positive market performance and increased sales through our SBFC business
- Obtained a pension license in Mozambique and an asset management license in Uganda
- The Nigeria pension fund business retained its leading market share and the Ghana institutional business continued to record strong net client cash inflows

[1] *Assets under management, Assets under Administration and international deposits; intergroup transactions eliminated,* [2] *Standard Bank only, excluding international deposits*

Standard Bank Group

FINANCIAL RESULTS PRESENTATION

FY21

11 March 2022

Standard Bank IT CAN BE™

Also trading as Stanbic Bank