

Standard Bank Group Limited

Registration number 1969/017128/06

Incorporated in the Republic of South Africa

Website: www.standardbank.com/reporting

Share codes

JSE and A2X share code: SBK

ISIN: ZAE000109815

NSX share code: SNB

SBKP ZAE000038881 (First preference shares)

SBPP ZAE000056339 (Second preference shares)

JSE bond code: SBKI

("Standard Bank Group" or "the group")

Voluntary trading update for the ten months to 31 October 2023

FY23 guidance

We confirm that the group's guidance for the twelve-month period to 31 December 2023 (FY23 or the year) remains intact. In summary:

- Banking revenue growth year on year is expected to be robust, underpinned by strong momentum across the franchise;
- Banking cost growth is expected to remain elevated, but the group expects to deliver strong positive jaws;
- Credit impairment charge growth is expected to moderate in the six months to 31 December 2023 (2H23) and the group's credit loss ratio for FY23 is expected to remain within the group's through-the-cycle target range of 70 basis points to 100 basis points, albeit above the mid-point; and
- Return on equity is expected to remain well anchored in the group's 2025 target range of 17% to 20%.

10M23 update

Unless noted otherwise, the following commentary refers to the ten months to 31 October 2023 (10M23 or the period), relative to the ten months to 31 October 2022 (10M22).

Banking revenue growth has slowed but remained above 20% period on period, driven by continued strong net interest income and non-interest revenue growth.

While higher average interest rates continued to support net interest margin, net interest margin expansion has slowed in recent months given that the interest rate increases seen in 2H22 are now embedded in the base. Lower demand, reduced affordability, and competitive pricing pressure (particularly in mortgages in South Africa), resulted in lower disbursements to retail and business clients and a slowdown in growth in the related loan portfolios.

Corporate origination remained strong, driven by energy-related opportunities.

Non-interest revenue growth was low-to-mid teens period on period, supported by ongoing client acquisition, higher transaction volumes, annual price increases, and continued volatility which supported trading revenues.

Cost growth remained elevated but was slower than that reported in 1H23 (1H23: 16%). The group continued to record strong positive jaws.

Credit impairment charges growth also slowed but remained elevated due to a combination of balance sheet growth, client strain linked to the rapid interest rate increases, sovereign

risk migrations in Africa Regions, and provisions linked to specific corporates in South Africa. The group's credit loss ratio for 10M23 remained below the top of the group's through-the-cycle target range. Relative to levels as at 30 June 2023, balance sheet provisions remain high, and coverage remains strong. Both are deemed appropriate at this stage of the cycle. IFRS9-related macro-economic assumptions will be reviewed as part of the year-end reporting process.

Africa Regions continued to perform very well and delivered strong earnings growth period on period in both reported and constant currency. Africa Regions' contribution to group headline earnings for 10M23 was 44%.

All other trends were as reported in the group's announcement dated 17 October 2023.

The group will provide guidance for 2024 when it reports its financial results for FY23 on 14 March 2024.

Investor call

Standard Bank will host an investor call at 17h00 (South Africa time) on 27 November 2023. To register for the call please use the link below:

[Standard Bank Group Pre-close call registration](#)

Alternatively, the call registration details are available on the Standard Bank Group Investor Relations website - <https://reporting.standardbank.com/>

A replay will be available on the Investor Relations website shortly after the end of the call. Shareholders are advised that the information contained in this announcement has not been reviewed or reported on by the group's external auditors.

Queries:

Investor Relations

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Johannesburg

27 November 2023

JSE sponsor

The Standard Bank of South Africa Limited

Namibian sponsor

Simonis Storm Securities (Proprietary) Limited