



**The Standard Bank of South Africa Limited**  
*(Incorporated with limited liability under Registration Number 1962/000738/06  
in the Republic of South Africa)*

**Issue of ZAR1,400,000,000 Senior Unsecured Floating Rate Sustainability-Linked Notes  
due 08 August 2026  
Under its ZAR110,000,000,000 Domestic Medium Term Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “Terms and Conditions”) set forth in the Programme Memorandum dated 8 December 2022 (the “Programme Memorandum”), as updated and amended from time to time. This Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

**DESCRIPTION OF THE NOTES**

1	Issuer	The Standard Bank of South Africa Limited
2	Debt Officer	Arno Daehnke, Chief Finance and Value Management Officer of Standard Bank Group Limited
3	Status of the Notes	Senior Unsecured
4	(a) Series Number	1
	(b) Tranche Number	1
5	Aggregate Nominal Amount	
	a) Series Number	ZAR1,400,000,000
	b) Tranche Number	ZAR1,400,000,000
6	Redemption/Payment Basis	Not Applicable
7	Type of Notes	Floating Rate Notes
8	Interest Payment Basis	Floating Rate
9	Form of Notes	Registered Notes
10	Automatic/Optional Conversion from one Interest/Payment Basis to another	Not Applicable
11	Issue Date	08 August 2023
12	Business Centre	Johannesburg
13	Additional Business Centre	Not Applicable
14	Specified Denomination	ZAR1,000,000
15	Calculation Amount	ZAR1,000,000
16	Issue Price	100%
17	Interest Commencement Date	08 August 2023
18	Maturity Date	08 August 2026

19	Maturity Period	Not Applicable
20	Specified Currency	ZAR
21	Applicable Business Day Convention	Following Business Day
22	Calculation Agent	The Standard Bank of South Africa Limited
23	Paying Agent	The Standard Bank of South Africa Limited
24	Transfer Agent	The Standard Bank of South Africa Limited
25	Settlement Agent	The Standard Bank of South Africa Limited
26	Specified Office of the Calculation Agent, Paying Agent and Transfer Agent	30 Baker Street, Rosebank, 2196
27	Specified office of the Settlement Agent	30 Baker Street, Rosebank, 2196
28	Final Redemption Amount	Aggregate Nominal Amount
	<b>PARTLY PAID NOTES</b>	Not Applicable

**INSTALMENT NOTES** Not Applicable

**FIXED RATE NOTES** Not Applicable

**FLOATING RATE NOTES** Applicable

29	(a)	Interest Payment Date(s)	Each 08 February, 08 May, 08 August, and 08 November of each year until the Maturity Date, with the first Interest Payment Date being 08 November 2023 (each Interest Payment Date adjusted in accordance with the Applicable Business Day Convention (as specified in this Applicable Pricing Supplement))
	(b)	Interest Period(s)	Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment Date and the last Interest Period will commence on (and include) the Interest Payment Date immediately preceding the Maturity Date and end on (but exclude) the Maturity Date
	(c)	Definitions of Business Day (if different from that set out in Condition Error! Reference source not found. (Error! Reference source not found.))	Not Applicable
	(d)	Interest Rate(s)	The Reference Rate plus the Margin
	(e)	Minimum Interest Rate	Not Applicable
	(f)	Maximum Interest Rate	Not Applicable
	(g)	Day Count Fraction	Actual/365
	(h)	Other terms relating to the method of calculating interest (e.g. rounding up	Not Applicable

provision, if different from Condition **Error! Reference source not found.** (*Error! Reference source not found.*)

30	Manner in which the Interest Rate is to be determined	Screen Rate Determination
31	Margin	105 basis points (the “ <b>Base Margin</b> ”) (as adjusted in accordance with paragraph 0 ( <i>Margin Adjustment</i> ) of Appendix 1 ( <i>Sustainability-Linked Terms and Conditions</i> )) to be added to the relevant Reference Rate
32	If ISDA Determination:	
	(a) Floating Rate	Not Applicable
	(b) Floating Rate Option	Not Applicable
	(c) Designated Maturity	Not Applicable
	(d) Reset Date(s)	Not Applicable
33	If Screen Rate Determination:	
	(a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	3 month ZAR-JIBAR-SAFEX
	(b) Interest Determination Date(s)	Each of 08 February, 08 May, 08 August, and 08 November from the Issue Date to the Maturity Date with the first Interest Determination Date being 03 August 2023
	(c) Relevant Screen Page	Reuters page SAFEY MNY MKT code 0#SFXMM: or any successor page
	(d) Relevant Time	11h00
	(e) Reference Banks	The Standard Bank of South Africa Limited, FirstRand Bank Limited, Nedbank Limited and Investec Bank Limited, and each of their successors
34	If Interest Rate to be calculated otherwise than by reference to 32 or 33 above	
	(a) Margin	Not Applicable
	(b) Minimum Interest Rate	Not Applicable
	(c) Maximum Interest Rate	Not Applicable
	(d) Business Day Convention	Not Applicable
	(e) Day Count Fraction	Not Applicable
	(f) Default Rate	Not Applicable
	(g) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes	Not Applicable
35	If different from the Calculation Agent, agent responsible for calculating amount of principal and interest	Not Applicable
	<b>MIXED RATE NOTES</b>	Not Applicable

**ZERO COUPON NOTES** Not Applicable

**INDEXED NOTES** Not Applicable

**EXCHANGEABLE NOTES** Not Applicable

**OTHER NOTES** Not Applicable

**PROVISIONS REGARDING  
REDEMPTION/MATURITY**

36 Redemption at the Option of the Issuer (Call Option): Not Applicable

37 Redemption at the option of the Noteholders of Senior Notes (Put Option): Not Applicable

38 Early Redemption Amount(s) payable on redemption pursuant to the provisions of Conditions **Error! Reference source not found. (Error! Reference source not found.)** or Condition **Error! Reference source not found. (Error! Reference source not found.)** and/or the method of calculating same (if required or if different from that set out in Condition **Error! Reference source not found. (Error! Reference source not found.)**) 100% of the Aggregate Nominal Amount

39 Optional Redemption for Subordinated Notes upon a Change in Law Not Applicable

40 Date for payment of Early Redemption Amount(s) payable on redemption pursuant to the provisions of Condition **Error! Reference source not found. (Error! Reference source not found.)** Date specified in announcement published by the Issuer on SENS, in accordance with the timetable set out in paragraph 3 of Schedule 4, Form A4 of the Debt Listings Requirements, which date will be on or before the day which is five Business Days after the date of receipt by the Issuer of the notice referred to in Condition **Error! Reference source not found. (Error! Reference source not found.)**

**GENERAL**

41 Material Changes As at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its Subsidiaries since the date of the Issuer's latest audited annual financial statements, dated 31 December 2022. As at the date of this Applicable Pricing Supplement, there has been no involvement by KPMG or PwC, the auditors of the Issuer, in making the aforementioned statement.

42 Other terms or special conditions Not Applicable

43 Date of Board approval for issuance of Notes obtained Not Applicable

44 Additional selling restrictions Not Applicable

	(a)	International Securities Identification Number (ISIN)	ZAG000197856
	(b)	Stock Code	SBSL01
45	(a)	Financial Exchange	JSE Limited
	(b)	Relevant sub-market of the Financial Exchange	Interest Rate Market
	(c)	Clearing System	Strate Proprietary Limited
46		If syndicated, names of managers	Not Applicable
47		Receipts attached? If yes, number of Receipts attached	No
48		Coupons attached? If yes, number of Coupons attached	No
49		Credit Rating assigned to the Issuer	<p>Fitch:</p> <p>Issuer Local: Long term BB-</p> <p>Issuer Foreign: Short term B</p> <p>Long term BB-</p> <p>Issuer National: Short term F1+(zaf)</p> <p>Long term AA+(zaf)</p> <p>Moody's</p> <p>Issuer Rating Local: Long term Ba2</p> <p>Issuer Rating Foreign: Long term Ba2</p> <p>Issuer National: Short term P-1.za</p> <p>Long term Aa1.za</p>
50		Date of issue of Credit Rating and date of next review	<p>On 25 November 2022, Fitch affirmed the sovereign rating of the Republic of South Africa ("RSA") at BB- for the long-term foreign and local currency ratings respectively and the outlook remains stable. On 11 October 2022, Fitch affirmed the long-term Issuer Default Ratings for Standard Bank Group Limited ("SBG") and the Issuer and the outlook remains stable. Review expected annually with the next review anticipated in November 2023.</p> <p>On 1 April 2022, Moody's affirmed RSA's sovereign rating at Ba2 but revised the outlook on the long-term local and foreign currency Issuer Ratings to stable from negative. On 5 April 2022, Moody's affirmed the Ba2 long-term Deposit Rating of the Issuer and the Ba3 long-term Issuer Rating of SBG and revised the outlook for both entities to stable from negative. Moody's completed portfolio reviews for the Issuer and SBG in May 2023 and the ratings remained unchanged. Review expected annually with the next review anticipated in May 2024.</p>
51		Stripping of Receipts and/or Coupons prohibited as provided in Condition Error! Reference source not found. (Error! Reference source not found.)?	No

52	Governing law (if the laws of South Africa are not applicable)	Not Applicable
53	Other Banking Jurisdiction	Not Applicable
54	Last Day to Register, which shall mean that the "books closed period" (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption	17h00 on 28 January, 27 April, 28 July and 28 October of each year commencing on 28 October 2023, or if such day is not a Business Day, the Business Day before each Books Closed Period until the Maturity Date.
55	Books Closed Period	The Register will be closed from 29 January to 07 February, from 28 April to 07 May, from 29 July to 07 August and from 29 October to 07 November (all dates inclusive) in each year until the Maturity Date.
56	Stabilisation Manager (if any)	Not Applicable
57	Method of distribution	Dutch Auction
58	Total Notes in issue (including current issue)	ZAR57,637,000,000  The Issuer confirms that aggregate Nominal Amount of all Notes Outstanding under this Programme is within the Programme Amount.
59	Rights of cancellation	The Notes will be delivered to investors on the Issue Date through the settlement system of the Central Depository, provided that:  (i) no event occurs prior to the settlement process being finalised on the Issue Date which the Dealers (in their sole discretion) consider to be a <i>force majeure</i> event; or  (ii) no event occurs which the Dealers (in their sole discretion) consider may prejudice the issue, the Issuer, the Notes or the Dealers,  (each a " <b>Withdrawal Event</b> ").  If the Issuer decides to terminate this transaction due to the occurrence of a Withdrawal Event, this transaction shall terminate and no party hereto shall have any claim against any other party as a result of such termination. In such event, the Notes, if listed, will immediately be de-listed.
60	Responsibility statement	The Issuer certifies that to the best of its knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, as well as that the Programme Memorandum as read together with this Applicable Pricing Supplement contains all information required by Applicable Laws and the Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum as read together with the annual financial statements and this Applicable Pricing Supplement and the annual reports and any amendments or any supplements to the aforementioned documents, except as otherwise stated therein or herein.

The JSE takes no responsibility for the contents of the information contained in the Programme Memorandum as read together with this Applicable Pricing Supplement, and the annual financial statements, and any amendments or any supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, this Applicable Pricing Supplement and any amendments or any supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits or the Issuer or of any of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever. The Issuer further confirms that the authorised amount of the Programme of ZAR110,000,000,000 has not been exceeded.

- 61 Use of proceeds
- 62 Other provisions

General corporate purposes

#### **Sustainability-Linked Notes**

The Notes are “*sustainability-linked debt securities*” as contemplated by, and as defined in, the Debt Listings Requirements in force as at the Issue Date (“**Sustainability-Linked Notes**”). The Sustainability-Linked Terms and Conditions set out in Appendix 1 (*Sustainability-Linked Terms and Conditions*) to this Applicable Pricing Supplement shall apply to the Notes and be incorporated by reference into each Note.

#### **Independent External Reviewer**

The Issuer appointed an “*independent external reviewer*” (as defined in the Debt Listings Requirements) to provide a second party opinion in connection with the issuance and listing of the Notes on the Financial Exchange as required by paragraphs 3.17 and 3.18 of the Debt Listings Requirements (the “**Second Party Opinion**”).

The full name, address and contact details of the “*independent external reviewer*” are as follows:

IBIS Environmental Social Governance Consulting Africa Proprietary Limited (“**IBIS**”)

1st Floor, Acacia House  
The Avenues Office Park  
45 Homestead Road  
Rivonia  
Johannesburg  
2191

Tel: +27 10 020 7343

Email: [petrus.gildenhuis@ibisconsulting.com](mailto:petrus.gildenhuis@ibisconsulting.com)

Attention: Director - IBIS ESG

Consulting Africa Proprietary Limited

IBIS is independent of the Issuer, its directors, senior management and advisers as required by the Debt Listings Requirements.

### **Second Party Opinion**

As required by paragraph 4.23(d) of the Debt Listings Requirements, the Second Party Opinion verifies the alignment of the Notes with the 2023 Sustainability-Linked Bond Principles (the “**2023 SLB Principles**”) published by the International Capital Market Association (“**ICMA**”). The 2023 SLB Principles are the applicable “*sustainability-linked standards*” (as defined in the Debt Listings Requirements) as at the Issue Date.

The Second Party Opinion is available on the Standard Bank Group Limited’s website at <https://reporting.standardbank.com/debt-investors/debt-securities/debt-securities/>.

### **Disclosures**

The Notes:

- (a) incorporate forward-looking ESG outcomes pursuant to the sustainability-linked standards; and
- (b) are aligned with the core components pursuant to the sustainability-linked standards as more fully disclosed in Appendix 4 (Description of the Issuer’s Sustainability Linked Features) to this Applicable Pricing Supplement.

### **Additional Risk Factors**

In addition to the factors set out in the separate document entitled “*Risk Factors & Other Disclosures Schedule relating to The Standard Bank of South Africa Limited ZAR110,000,000,000 Domestic Medium Term Note Programme*” dated 08 December 2022 (incorporated by reference into the Programme Memorandum), as contemplated by the section of the Programme Memorandum headed “*Risk Factors*”, the attention of prospective investors is drawn to the additional factors relating to Notes issued as Sustainability-Linked Notes set out in Appendix 3 (*Additional Risk Factors*) to this Applicable Pricing Supplement which the Issuer believes represent the principal risks inherent in investing in Notes issued as Sustainability-Linked Notes.

Prospective investors should make their own independent evaluations of all risk factors and ensure that they (a) fully understand the nature of the Notes and the extent of their exposure to risks, and (b) consider the suitability of the Notes as an investment in the light of their own circumstances and financial position.

### **Description of Sustainability Performance Targets**



A description of the Sustainability Performance Targets (as defined in the Sustainability Linked Terms and Conditions) is set out in Appendix 4 to this Applicable Pricing Supplement as well as in the Second Party Opinion.

Application is hereby made to list this issue of Notes on 08 August 2023. The Programme was registered with the JSE on 8 December 2022.

SIGNED at Rosebank on this 03 day of August 2023.

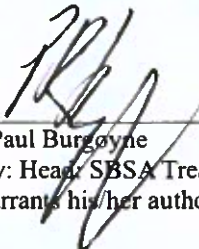
For and on behalf of  
**THE STANDARD BANK OF SOUTH AFRICA LIMITED**  
Issuer



\_\_\_\_\_  
Name: Marc Hearn  
Capacity: Head: Strategic Funding  
Who warrants his/her authority hereto

SIGNED at Rosebank on this 03 day of August 2023.

For and on behalf of  
**THE STANDARD BANK OF SOUTH AFRICA LIMITED**  
Issuer



\_\_\_\_\_  
Name: Paul Burgoyne  
Capacity: Head: SBSA Treasury and Money Markets  
Who warrants his/her authority hereto

## APPENDIX 1

### SUSTAINABILITY-LINKED TERMS AND CONDITIONS

The following are the additional terms and conditions (the “**Sustainability-Linked Terms and Conditions**”) which shall apply to the Notes and be incorporated by reference into each Note. The Sustainability-Linked Terms and Conditions supplement, and shall be deemed to be incorporated in and form part of, the Terms and Conditions as set out in the Programme Memorandum. Save as otherwise defined herein, terms defined in the Terms and Conditions have the same meaning when used in the Sustainability-Linked Terms and Conditions.

#### 1. Definitions

In these Sustainability-Linked Terms and Conditions:

“**Achieved Sustainability Performance Target**” means, in relation to a Sustainability Performance Target for a Key Performance Indicator, that the Realised Score achieved is equal to or greater than the relevant Sustainability Performance Target;

“**Base Margin**” means the “*Base Margin*” as defined in paragraph 31 (*Margin*) of the Applicable Pricing Supplement;

“**Calculation Methodology**” means:

- (a) in relation to KPI 1 and SPT 1, a calculation which includes the cumulative aggregate value of the SB Group’s committed financing for Eligible Renewable Energy Power Projects during the KPI 1 Target Observation Period, and calculated as at the Target Observation Date; and
- (b) in relation to KPI 2 and SPT 2, a calculation which includes the aggregate value of the SB Group’s committed financing for Eligible Social Projects and committed corporate facilities provided to clients or borrowers of the SB Group that derive at least 90% of their revenues from Eligible Social Projects during the KPI 2 Target Observation Period, and calculated as at the Target Observation Date;

“**Eligible Social Projects**” means any project or projects relating to:

- (a) affordable basic infrastructure, including clean drinking water, sewers, sanitation, transport, energy;
- (b) access to essential services, including health, education and vocational training, healthcare, financing and financial services;
- (c) affordable housing;
- (d) employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of Small Medium Enterprise financing and microfinance;
- (e) food security and sustainable food systems, including:
  - (i) physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements;
  - (ii) resilient agricultural practices; reduction of food loss and waste; and
  - (iii) improved productivity of small-scale producers; and

- (f) socioeconomic advancement and empowerment, including equitable access to and control over assets, services, resources, and opportunities; equitable participation and integration into the market and society, including reduction of income inequality;

**“Eligible Renewable Energy Power Projects”** means projects for the construction of new renewable energy power generation plants, including, without limitation, the following forms of renewable energy:

- (a) wind power;
- (b) photovoltaic solar or concentrated solar power/solar thermal power;
- (c) ocean power;
- (d) hydropower;
- (e) biogas or biomass power from waste materials or certified sustainable crops; and
- (f) geothermal power projects (emit  $\leq 100$  gCO<sub>2</sub>e/kWh);

**“Extended Reporting Date”** has the meaning given to that term in paragraph 4.3(b) below;

**“External Verifier”** means an independent accounting or appraisal firm or other independent expert of internationally recognised standing appointed by the Issuer, in each case with the expertise necessary to perform the functions required to be performed by the External Verifier under these Sustainability-Linked Conditions, as determined by the Issuer, and the Issuer shall be entitled at any time before delivery of the Verification Assurance Report to vary or terminate the appointment of the External Verifier and to replace the External Verifier (by appointing a successor External Verifier);

**“Financial Year”** means the annual accounting period of SBG or the Issuer (as applicable), in each case ending on or about 31 December in each year;

**“Key Performance Indicators”** or **“KPIs”** means each of KPI 1 and KPI 2;

**“KPI 1”** means the aggregate value of the SB Group’s financing commitments for Eligible Renewable Energy Power Projects;

**“KPI 1 Target Observation Period”** means the period commencing on (and including) 1 January 2022 and ending on (and including) the Target Observation Date;

**“KPI 2”** means the aggregate value of the SB Group’s financing commitments for Eligible Social Projects and committed corporate facilities provided to clients or borrowers of the SB Group that derive at least 90% of their revenues from Eligible Social Projects;

**“KPI 2 Target Observation Period”** means the period commencing on (and including) 1 January 2024 and ending on (and including) the Target Observation Date;

**“KPI Change”** means the Issuer determines that (a) as a result of an exceptional event a Key Performance Indicator (including any Sustainability Performance Target relating thereto) is no longer available, cannot be calculated, or is no longer appropriate with respect to the SB Group, (b) there is a regulatory change or a change to the structure of the SB Group which materially affects (i) the calculation of any Sustainability Performance Target in relation to any Key Performance Indicator, or (ii) the definition of any Key Performance Indicator, or (c) there is a change outside of the reasonable control of the Issuer that materially affects the Issuer’s, SBG’s or the SB Group’s ability to meet a Sustainability Performance Target;

**“Margin Adjustment Date”** has the meaning given to that term in paragraph 2.1 below;

**“Margin Adjustment Notice”** has the meaning given to that term in paragraph 3.1(a) below;

**“Realised Score”** means, in relation to any Key Performance Indicator included in any Sustainability Certificate, the actual value assigned to that Key Performance Indicator in that Sustainability Certificate and supported by the verification of that value contained in the Sustainability Assurance Report;

**“SBG”** means Standard Bank Group Limited, a public company incorporated under the laws of South Africa with registration number 1969/017128/06 and which is the holding company of the Issuer;

**“Second Party Opinion”** has the meaning given to that term in paragraph 62 (*Other provisions*) of this Applicable Pricing Supplement;

**“SPT 1”** means the aggregate value of the SB Group’s financing commitments for Eligible Renewable Energy Power Projects being equal to or exceeding an amount of ZAR65,000,000,000 by the Target Observation Date, as calculated in accordance with the relevant Calculation Methodology;

**“SPT 2”** means the aggregate value of the SB Group’s financing commitments for Eligible Social Projects and committed corporate facilities provided to clients or borrowers of the SB Group that derive at least 90% of their revenues from Eligible Social Projects being equal to or exceeding an amount of ZAR7,500,000,000 by the Target Observation Date, as calculated in accordance with the relevant Calculation Methodology;

**“Step Down Event”** means the event specified in paragraph 2.1(b)(i) below;

**“Step Down Margin”** means the margin specified in paragraph 2.1(b)(i) below;

**“Step Up Event”** means each event specified in paragraph 2.1(a) below or paragraph 2.1(b)(iii) below;

**“Step Up Margin”** means each margin specified in paragraph 2.1(a) below or paragraph 2.1(b)(iii) below;

**“Sustainability Assurance Report”** has the meaning given to that term in paragraph 3.1(b) below;

**“Sustainability Certificate”** means a certificate substantially in the form set out in Appendix 2 (*Form of Sustainability Certificate*) to this Applicable Pricing Supplement;

**“Sustainability Performance Targets”** or **“SPTs”** means each of SPT 1 and SPT 2;

**“Sustainability Report”** has the meaning given to that term in paragraph 4.1(a) below;

**“Sustainability Reporting Date”** means the date which is no later than four (4) calendar months after the Target Observation Date;

**“Target Observation Date”** means the last day of the Financial Year of the Issuer or SBG (as applicable) ending on 31 December 2024; and

**“Target Observation Period”** means the KPI 1 Target Observation Period or the KPI 2 Target Observation Period (as applicable).

## **2. Margin Adjustment**

- 2.1 From, and including, the first day of the Interest Period immediately following the Interest Period in which the Sustainability Reporting Date falls (the **“Margin Adjustment Date”**), if the Issuer:

- (a) fails to publish a Sustainability Certificate on or prior to the Sustainability Reporting Date or the Extended Reporting Date, as applicable, in accordance with paragraph 4 (*Reporting in relation to the Sustainability Performance Targets*) below, the Base Margin will increase by an adjustment of 5 basis points; or
  - (b) publishes a Sustainability Certificate on or prior to the Sustainability Reporting Date or the Extended Reporting Date, as applicable, in accordance with paragraph 4 (*Reporting in relation to the Sustainability Performance Targets*) below, and that Sustainability Certificate certifies (based on the Sustainability Progress Report and the Sustainability Assurance Report published in accordance with paragraph 4 (*Reporting in relation to the Sustainability Performance Targets*) below) that:
    - (i) the number of Achieved Sustainability Performance Targets is 2, the Base Margin will decrease by an adjustment of 5 basis points;
    - (ii) the number of Achieved Sustainability Performance Targets is 1, the Base Margin will not be increased or decreased; or
    - (iii) the number of Achieved Sustainability Performance Targets is 0, the Base Margin will increase by an adjustment of 5 basis points.
- 2.2 Any increase or decrease of the Base Margin pursuant to paragraph 2.1 above will take effect on (and including) the Margin Adjustment Date and will apply for the Interest Period commencing on the Margin Adjustment Date and each Interest Period thereafter until redemption in full of the Notes, whether at maturity or by early redemption in accordance with the provisions of Condition 9 (*Redemption and Purchase*), but subject to the provisions of Condition 7.6 (*Accrual of Interest*).
- 2.3 The maximum increase or decrease (as applicable) of the Base Margin pursuant to paragraph 2.1 above will be 5 basis points.
- 3. Notification of Step Up Margin or Step Down Margin**
- 3.1 The Issuer shall give notice (a “**Margin Adjustment Notice**”) of a Step Up Event or Step Down Event (as applicable) and the applicable Step Up Margin (in the case of a Step Up Event) or the applicable Step Down Margin (in the case of a Step Down Event) to the Paying Agent and the Calculation Agent, and, in accordance with Condition 18 (*Notices*), to the Noteholders as soon as reasonably practicable after the Margin Adjustment Date and in no event later than the date falling fifteen (15) Business Days prior to the Interest Payment Date immediately following the Margin Adjustment Date.
- 3.2 Neither the Paying Agent nor the Calculation Agent shall be obliged to monitor or enquire as to whether a Step Up Event or a Step Down Event has occurred, or whether a Step Up Margin or Step Down Margin will apply, or have any liability in respect thereof. The Paying Agent and the Calculation Agent shall be entitled to rely absolutely on any Margin Adjustment Notice given to it by the Issuer pursuant to this paragraph 3 without further enquiry or liability.
- 4. Reporting in relation to the Sustainability Performance Targets**
- 4.1 Unless the Notes have been redeemed in full prior the Sustainability Reporting Date, the Issuer shall publish, and always make available (while any Notes are outstanding after the Sustainability Reporting Date), on its website:
- (a) a report (which may be included in a separate section of the SB Group’s Annual Report or in any ESG report or disclosure document prepared by the Issuer or SBG) (i) setting out the Issuer’s or SBG’s (as applicable) sustainability-related information for each KPI for the relevant Target Observation Period in sufficient detail to assess whether the SPTs have been met during that Target Observation Period, (ii) reporting on the Issuer’s or SBG’s performance (in accordance with the relevant Calculation Methodology) in respect of each

SPT for each KPI for the relevant Target Observation Period, together with the relevant calculations, and (iii) setting out any recalculation or resetting of, or any amendment to any KPI and/or SPT pursuant to the occurrence of a KPI Change (the “**Sustainability Report**”);

- (b) a verification assurance report (which is a limited assurance report) issued by the External Verifier:
  - (i) reporting on the performance of the Key Performance Indicators against the related Sustainability Performance Targets during the relevant Target Observation Period; and
  - (ii) verifying the Issuer’s or SBG’s performance (in accordance with the relevant Calculation Methodology) in respect of each SPT for each KPI for the relevant Target Observation Period,

in each case as at the Target Observation Date (the “**Sustainability Assurance Report**”); and

- (c) a duly completed Sustainability Certificate in the form set out in Appendix 2 (*Form of Sustainability Certificate*) to this Applicable Pricing Supplement signed by two authorised signatories of the Issuer with respect to the Key Performance Indicators as at the Target Observation Date. Each Sustainability Certificate must be verified by, with limited assurance from, an External Verifier.

4.2 The Sustainability Report, the Sustainability Assurance Report and the Sustainability Certificate shall be published and made available by the Issuer on its website in accordance with paragraph 4.1 above by no later than the Sustainability Reporting Date; *provided that* to the extent the Issuer reasonably determines that additional time is required to complete the Sustainability Report, the Sustainability Assurance Report and/or the Sustainability Certificate, then the Sustainability Report, the Sustainability Assurance Report and/or the Sustainability Certificate, as the case may be, may be published and made available as soon as reasonably practicable after the Sustainability Reporting Date, but, in any case not later than thirty (30) days prior to the Interest Payment Date immediately following the Margin Adjustment Date.

4.3 The Issuer shall give notice to the Noteholders of:

- (a) the publication of the Sustainability Report, the Sustainability Assurance Report and/or the Sustainability Certificate by not later than the date of such publication; and
- (b) any delay in the publication of the Sustainability Report, the Sustainability Assurance Report and/or the Sustainability Certificate, and the expected date (the “**Extended Reporting Date**”) of publication of the Sustainability Report, the Sustainability Assurance Report and/or the Sustainability Certificate, as the case may be, by not later than the Sustainability Reporting Date,

in each case, in accordance with Condition 18 (*Notices*), and each such notice shall include the location (i.e., URL) on the Issuer’s website where the Sustainability Report, the Sustainability Assurance Report and/or the Sustainability Certificate is located.

## 5. No Event of Default

No failure by the Issuer or SBG to (a) achieve any Sustainability Performance Target and/or (b) make available (i) the Sustainability Report, (ii) the Sustainability Assurance Report, or (iii) the Sustainability Certificate in accordance with paragraph 4 (*Reporting in relation to the Sustainability Performance Targets*), and/or (c) deliver a Margin Adjustment Notice in accordance with paragraph 3 (*Notification of Step Up Margin or Step Down Margin*) above (*provided that*, for the avoidance of doubt, any such failure to deliver that Margin Adjustment

Notice does not result in the non-payment of the interest calculated by reference to the applicable Step Up Margin by the Issuer), and no breach by the Issuer of any of the provisions of the Sustainability-Linked Terms and Conditions, in each case, shall constitute an Event of Default or a breach of the Issuer's obligations under the Notes.

## 6. **Recalculation**

In the event of any one or more KPI Change(s), the KPIs and/or the SPTs may be recalculated, amended and/or adjusted in good faith by the Issuer, without the consent or approval of the Noteholders, to reflect such KPI Change(s); *provided that*:

- (a) in the opinion of the Issuer, such recalculation, amendment and/or adjustment has no material adverse effect on the interests of the Noteholders; and
- (b) an External Verifier has independently confirmed that the proposed recalculation, amendment or adjustment:
  - (i) is consistent with the SB Group's sustainability strategy; and
  - (ii) is in line with the initial level of ambition of the relevant Sustainability Performance Target taking into account the applicable KPI Change(s),

all as described in the Second Party Opinion (the "**KPI Change Verification**").

Any such recalculation, amendment or adjustment shall be notified as soon as reasonably practicable by the Issuer to the Noteholders in accordance with Condition 18 (*Notices*) and each such notice shall include the location (i.e., URL) on the Issuer's website where the KPI Change Verification is located. Any other recalculation, amendment or adjustment may only be made with the prior approval of the Noteholders in accordance with Condition 20 (*Modification*).



## APPENDIX 2

### FORM OF SUSTAINABILITY CERTIFICATE

From: The Standard Bank of South Africa Limited

To: [Noteholders]

Dated: [●]

**The Standard Bank of South Africa Limited - Senior Unsecured Floating Rate Sustainability-Linked Notes due [Maturity Date] (ISIN: [●]; Stock Code: [●]) (the “Notes”)**

- 1 We refer to the Notes. This is a Sustainability Certificate as contemplated in the Applicable Pricing Supplement relating to the Notes dated [●] 2023 (the “APS”). Terms defined in the APS have the same meaning when used in this Sustainability Certificate unless given a different meaning in this Sustainability Certificate.
- 2 We confirm that the Realised Scores for each Key Performance Indicator set out below as at the Target Observation Date, which are taken from the [●] dated [●], are those set out under the heading “*Realised Score*” below.
- 3 We confirm that the adjustment to the Base Margin should be [plus/minus] [●] basis points, and therefore that the Margin should be [●] basis points per annum from the Margin Adjustment Date, being [insert date].

Key Performance Indicator	Target Observation Period	Sustainability Performance Target	Realised Score on Target Observation Date	Sustainability Performance Achieved? (Y/N)	Target
KPI 1	1 January 2022 - 31 December 2024	ZAR65,000,000,000			
KPI 2	1 January 2024 - 31 December 2024	ZAR7,500,000,000			

Yours faithfully

.....  
[Name and Status of Signatory]  
The Standard Bank of South Africa Limited

.....  
[Name and Status of Signatory]  
The Standard Bank of South Africa Limited

Encs.\*

\* certificate to be verified by an External Verifier with a statement of limited assurance

## APPENDIX 3

### ADDITIONAL RISK FACTORS

#### **The Notes may not be suitable investment for all investors seeking exposure to assets with sustainability characteristics**

Although the Base Margin relating to the Notes is subject to upward adjustment in certain circumstances specified in paragraph 0 (*Margin Adjustment*) of the Sustainability-Linked Terms and Conditions, the Notes may not satisfy an investor's requirements or any future legal, quasi-legal or other standards for investment in assets with sustainability characteristics. Furthermore, the Sustainability Performance Targets are uniquely tailored to the SB Group's business, operations and capabilities, and they do not easily lend themselves to benchmarking against similar sustainability performance targets, and the related performance, of other issuers.

In particular, the Notes are not being marketed or issued as "green notes", "social notes" or "sustainability notes" as the net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes. The Issuer does not commit to (i) allocate the net proceeds (or an amount equivalent to such net proceeds) specifically to projects or business activities meeting environmental or sustainability criteria or (ii) be subject to any other limitations or requirements that may be associated with green notes, social notes or sustainability notes in any particular market. In this context, there may be adverse environmental, social and/or other impacts resulting from the SB Group's efforts to achieve the Sustainability Performance Targets or from the use of the net proceeds from the offering of the Notes.

The adjustment of the Base Margin in respect of the Notes depends on the achievement of, or the failure to achieve, the Sustainability Performance Targets and is based, at the date of this Applicable Pricing Supplement, on certain estimates and assumptions made by the Issuer in order to calculate the indicators on which the SPTs are based, which may be inconsistent with or insufficient to satisfy investor requirements or expectations. Moreover, such SPTs are targeted at the SB Group level but acquisitions, demergers or other form of reorganisation may occur after the Issue Date. This may be inconsistent with investor requirements or expectations or other definitions relevant to renewable energy.

Although the Issuer or SBG (as applicable) intend to achieve the Sustainability Performance Targets by the end of 2024, there can be no assurance of the extent to which the Issuer or SBG (as applicable) will be successful in doing so or that any future investments the Issuer, SBG or any member of the SB Group makes in furtherance of these targets will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable laws or regulations or by other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability, green or social impact.

Adverse environmental or social impacts may occur during the design, construction and operation of any investments made by the Issuer, SBG or any member of the SB Group in furtherance of the targets or such investments may become controversial or criticised by activist groups or other stakeholders. Moreover, the Issuer or SBG (as applicable) may determine that it is in its best interests to prioritize other business, social, governance or sustainable investments over the achievement of the Sustainability Performance Targets based on economic, regulatory and social factors, business strategy or pressure from investors, activists or other stakeholders. Any such action or conduct will not be an Event of Default under the Notes nor will the Issuer be obliged to redeem or repurchase the Notes as a result of any such action or conduct.

#### **Risks that may result from the failure to meet the Sustainability Performance Targets**

No failure by the Issuer or SBG to (a) achieve any Sustainability Performance Target and/or (b) make available (i) the Sustainability Report, (ii) the Sustainability Assurance Report, or (iii) the Sustainability Certificate in accordance with paragraph 4 (*Reporting in relation to the Sustainability Performance Targets*) of the Sustainability-Linked Terms and Conditions, and/or (c) deliver a Margin Adjustment

Notice in accordance with paragraph 3 (*Notification of Step Up Margin or Step Down Margin*) of the Sustainability-Linked Terms and Conditions (provided that, for the avoidance of doubt, any such failure to deliver that Margin Adjustment Notice does not result in the non-payment of the interest calculated by reference to the applicable Step Up Margin by the Issuer), and no breach by the Issuer of any of the provisions of the Sustainability-Linked Terms and Conditions, in each case, shall constitute an Event of Default or a breach of the Issuer's obligations under the Notes.

Even if the application of a pre-determined margin has the effect of increasing the yield on the Notes, certain investors may have portfolio mandates or may wish to dispose of their Notes and/or the Notes may be excluded from any ESG-related securities or other equivalently-labelled index upon the application of a pre-determined margin to the rate of interest payable in respect of the Notes upon the failure to achieve any of the Sustainability Performance Targets or to respect a reporting obligation which may have material consequences for the future trading prices of the Notes and/or the liquidity of the Notes.

The failure of the Issuer, SBG or the SB Group to achieve any of the Sustainability Performance Targets (or any such similar sustainability performance targets the Issuer, SBG or the SB Group may choose to include in any future financings) would not only result in the application of pre-determined margin, but could also harm the SB Group's reputation, the consequences of which could, in each case, have a material adverse effect on the SB Group, its business prospects, its financial condition or its results of operations and ultimately its ability to fulfil its payments obligations in respect of the Notes.

**The legal and regulatory framework relating to “sustainability-linked”, “ESG-linked” or other equivalently labelled finance instrument is still evolving**

Although the Issuer has obtained a Second Party Opinion in relation to the alignment of the Notes to the 2023 Sustainability-Linked Bond Principles published by the International Capital Markets Association (“ICMA”) (the “2023 SLB Principles”), the 2023 SLB Principles have been developed as voluntary industry guidelines and no supervisory nor regulatory authority has passed on the content or adequacy of the 2023 SLB Principles. Second party opinion providers are not currently subject to any specific regulatory or other regime or oversight. If laws and regulations evolve, the 2023 SLB Principles and/or the Second Party Opinion may not be sufficient for these purposes, which in turn could have material consequences for the future trading prices of the Notes and/or the liquidity of the Notes and require investors with portfolio mandates to invest in sustainability-linked assets to dispose of the Notes.

**Risks relating to external reviews and opinions**

No assurance or representation is given by the Issuer, SBG, any member of the SB Group or any Dealer as to the suitability or reliability for any purpose whatsoever of any opinion or similar validation of any third party (whether or not solicited by the Issuer) that may be made available in connection with the Notes to fulfil any green, social, sustainability, sustainability-linked and/or other criteria. For the avoidance of doubt, any such opinion or similar validation is not and shall not be deemed to be incorporated into and/or form part of this Applicable Pricing Supplement. Any such opinion or similar validation is not, nor should be deemed to be, a recommendation by the Issuer, SBG, any member of the SB Group or any Dealer, or any other person to buy, sell or hold the Notes. Any such opinion or similar validation is only current as of the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or similar validation and/or the information contained therein and/or the provider of such opinion or similar validation for the purpose of any investment in the Notes. Any withdrawal of any such opinion, similar validation or any additional opinion or statement that the Issuer is not complying in whole or in part with any matters for which such opinion was provided may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with mandates to invest in securities to be used for a particular purpose. Noteholders have no recourse against the Issuer, SBG, any member of the SB Group, any Dealer or the provider of any such opinion, similar validation or any additional opinion or statement for the contents of any such opinion, similar validation or any additional opinion or statement, which is only current as at the date it was initially issued.



## APPENDIX 4

### DESCRIPTION OF THE ISSUER'S SUSTAINABILITY LINKED FEATURES

Save as otherwise defined herein, terms defined in the Terms and Conditions and in Appendix 1 (*Sustainability-Linked Terms and Conditions*) have the same meaning when used in this Appendix 4 (*Description of the Issuer's Sustainability Performance Targets*).

#### **The Issuer's approach to sustainability**

Standard Bank Group Limited's ("SBG", and together with its subsidiaries the "Group's") stated purpose is "*Africa is our home, we drive her growth*". The Group measures its ability to drive shared value according to six value drivers - client focus, employee engagement, risk and conduct, operational excellence, financial outcome and social, economic and environment impact ("SEE") impact.

Making a positive SEE impact, and effectively managing environmental, social and governance ("ESG") risk defines the Group's approach to sustainability, which is aligned to various frameworks including: UN Principles for Responsible Banking, Paris Agreement, UN Sustainable Development Goals ("SDGs"), Agenda 2063, and Nationally Determined Contributions (NDCs) in countries of operation.

#### **Rationale for selection of the KPIs**

##### *KPI 1*

SBG has committed to a target of mobilizing more than ZAR 250 billion of sustainable finance by 2026 as disclosed within the Group's Climate Policy and Annual ESG Report 2022. SBG has also made a commitment of ZAR 65 billion towards renewable energy power plant financing, a sub-category of sustainable finance.

The Group considers the KPI 1 of committed financing for renewable energy power plants to be core, relevant and material to the Issuer's business activities and strategically significant in meeting its climate commitments.

##### *KPI 2*

The Group's SEE impact focus areas also consider socio-economic outcomes such as basic infrastructure, financial inclusion, job creation, education, and health.

The eligible social project categories, which include affordable basic infrastructure; access to essential services; affordable housing; employment generation, programs that prevent and/or alleviate unemployment including micro, small, and medium enterprises ("MSME") financing and microfinance; food security and sustainable food systems, and socioeconomic advancement and empowerment, are aligned with the social categories as defined within the ICMA Social Bond Principles 2023. KPI 2 facilitates achieving the Group's sustainable finance target with positive social impact, which is a core aspect of its SEE impact framework.

The Group considers KPI 2 to be core, relevant, and material to the Issuer's sustainability strategy as the financing of social projects furthers the achievement of the bank's SEE impact outcomes.

#### **Calibration of Sustainability Performance Targets**

##### *Ambitiousness and baselines*

##### *SPT 1*

For KPI 1, SBG has set its base year at FY 2022 as this is the year in which SBG's Climate Policy (and associated commitments) was published and it is the most recently available reported value for this KPI. The KPI performance of ZAR 18.2 billion for FY 2022 has been externally verified by PwC as noted in the Issuer's ESG report 2022.

The Group financed over ZAR 26 billion of renewable energy projects from 2012 to 2019. The proposed SPT of ZAR 65 billion over the period 2022 to 2024 is considered ambitious.

### SPT 2

The base year for KPI 2 has been selected as FY 2022, being the first year of verified performance, included in the ESG Report 2022.

Historically, the Group has not tracked this KPI and it is a new KPI established in 2022. In FY 2022, the Group financed ZAR 2 billion of Social Projects classified as Sustainable Finance and ZAR4 billion of mortgage lending origination in the affordable housing segment. The SPT of ZAR 7.5 billion is considered ambitious.

### *Alignment with sustainability strategy*

#### SPT 1

The SPT is a subset of the Group's broader sustainable finance targets published within its Climate Policy which supports the Group's SEE impact strategy.

#### SPT 2

The SPT is a subset of its broader sustainable finance targets which supports the Group's SEE impact strategy. With a target of committed financing of ZAR7.5 billion in 2024, this would further reinforce the Group's commitment towards achieving its sustainable finance targets.

### *Strategy to achieve SPTs*

#### SPT 1

SBG has identified the opportunity to participate in the financing of some of the large energy procurement programmes in South Africa such as the Renewable Energy Independent Power Producer Procurement Programme and Risk Mitigation Independent Power Producer Procurement Programme as being a critical strategy for achieving the target. In addition, financing of decentralized energy projects will contribute to the achievement of the target. SBG believes its climate strategy and implementation plan will support the achievement of this SPT.

#### SPT 2

SBG is committed to financing social projects across the continent, including basic infrastructure, and the existence of this target will result in greater focus within its business units which will assist in driving the achievement of the target. SBG remains committed to providing financing for affordable housing home loans. SBSA intends to include the origination of affordable housing home loans in the assured values for this KPI.

### **Specific Characteristics of the Notes**

The financial characteristics of the Notes are linked to the achievement of SPT 1 and SPT 2 (collectively, the "SPTs"). The Notes have a sustainability-linked feature that will result in a step-up/step-down coupon variation structure, termed "margin adjustment", of +/- 2.5 basis points per KPI commensurate with the number of SPTs achieved. The SPTs and margin adjustment are articulated and detailed in the Sustainability-Linked Terms and Conditions set out in Appendix 1 (*Sustainability-Linked Terms and Conditions*).

## **Reporting**

On an annual basis, SBG will publish on its website the performance of KPI 1 and KPI 2 (collectively, the “KPIs”). This reporting will be made publicly available within the Group’s annual ESG report and will include:

- (a) *limited assurance statement confirming its performance against the SPTs and the related impact;*  
*and*
- (b) *any relevant information enabling investors to monitor the progress of the SPTs.*

## **Verification**

The Issuer confirms the following verification:

### *Pre-issuance verification:*

An independent second party opinion provided by Ibis confirms that the Notes conform with the core components of the 2023 SLB Principles.

### *Post-issuance verification*

Annual verification of the performance against the KPIs will be conducted to a limited assurance level by an independent third-party external auditor. The limited assurance statement will be included in SBG’s annual ESG report.

The performance of the KPIs achieved and verification thereof will be reported in the annual ESG report following the target observation date. The margin adjustment will be published in a SENS announcement on the Issuer’s website when the annual ESG report is published.

