



Standard Bank

AFRICA IS OUR HOME, WE DRIVE HER

GROWTH

STANDARD BANK GROUP

**ANNUAL
FINANCIAL
STATEMENTS**

for the year ended 31 December 2024



Click to enter

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2024

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Our reporting suite

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¹ International Financial Reporting Standards (IFRS®)

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How to navigate our reports

The following icons refer readers to information within this report and across our suite of reports.



Refers readers to information elsewhere in this report.



Refers readers to information in other reports online.

OUR REPORTING SUITE

Our suite of reports caters for the diverse needs of our stakeholders.

INTEGRATED REPORTING

Annual integrated report



Sets out our value story and what we want to achieve for our stakeholders and the Standard Bank Group (SBG or the group) and assesses our ability to deliver sustainable growth and value in the short, medium and long term. It draws information from our supplementary reports which provide more detailed disclosure.

Shareholder reporting



THIS REPORT

Annual financial statements (this report)

Sets out the group's full audited annual financial statements, including the report of the group audit committee.

Risk and capital management report

Sets out the group's approach to risk management and Pillar III disclosures of the Basel Framework.

Governance report

Discusses the group's governance approach and priorities aligned to the principles of King IV Report on Corporate Governance for South Africa 2016.

Remuneration report

Sets out the group's remuneration policy and implementation report and includes a background statement from the remuneration committee chair.

Sustainability reporting



Sustainability disclosure report (SDR)

An overview of how we manage environmental, social and governance (ESG) risk.

Report to society (RTS)

An overview of our impact on society, the economy and the environment, focusing on the areas in which we have the most significant impact, and a brief description of our corporate social investment activities.

Climate-related financial disclosures report

Discusses how the group is managing the risks and responding to the opportunities presented by climate change.

Our reporting portal

All our reports, latest results presentations, booklets, SENS announcements and a glossary of financial terms, other definitions, acronyms and abbreviations used in our reports are available at

 www.standardbank.com/sbg/standard-bank-group/investor-relations/results-and-reports/

Shareholder information

The invitation to the annual general meeting (AGM) and notice of resolutions to be tabled at the AGM are sent to shareholders separately.

Preparation of this report

The preparation of the Standard Bank Group Limited consolidated and separate annual financial statements was supervised by the Chief Finance & Value Management Officer, Arno Daehnke, BSc, MSc, PhD, MBA, AMP.

Subsidiary annual reports

Our subsidiaries account to their stakeholders through their own annual and/or other reports and information, available on their respective websites, accessible from

 www.standardbank.com/sbg/standard-bank-group/investor-relations/results-and-reports/subsidiaries

Assurance on this report

The consolidated and separate annual financial statements were audited in terms of the South African Companies Act 71 of 2008, as amended (Companies Act).

Release date

These results, together with a summary thereof, were made publicly available on 13 March 2025.



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ANNUAL FINANCIAL STATEMENTS

CHIEF EXECUTIVE AND FINANCIAL DIRECTOR'S RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that the annual financial statements set out on pages 18 to 323, fairly present in all material respects the financial position, financial performance and cash flows of the Standard Bank Group Limited in terms of IFRS, and that to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading. Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer, the internal financial controls are adequate and effective and can be relied on in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies and we are not aware of any fraud involving directors.



Arno Daehnke
Chief finance & value management officer

12 March 2025



Sim Tshabalala
Group chief executive officer

12 March 2025

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

In accordance with the Companies Act, the directors are responsible for the preparation of the annual financial statements. These annual financial statements conform to IFRS as issued by the International Accounting Standards Board (IASB®), the South African Institute of Chartered Accountants' (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Limited (JSE) Listings Requirements, Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act and fairly present the affairs of the Standard Bank Group Limited (SBGL or the company) and the Standard Bank Group (SBG or the group) as at 31 December 2024, and the net income and cash flows for the year then ended.

The directors are ultimately responsible for the internal controls of the company and the group. Management enables the directors to meet these responsibilities. Standards and systems of internal controls are designed, implemented and monitored by management to provide reasonable assurance of the integrity and reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability for shareholder investments as well as company and group assets. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties. It is the responsibility of the independent auditors to report on the fair presentation of the annual financial statements. Based on the information and explanations provided by management and the group's internal auditors, the directors are of the opinion that the internal financial controls are adequate and that the financial records may be relied upon for preparing the annual financial statements in accordance with IFRS and to maintain accountability for the company and the group's assets and liabilities. Nothing has come to the attention of the directors to indicate that a breakdown in the functioning of these controls, resulting in a material loss to the company and the group, has occurred during the year and up to the date of this report.

The board of directors has executed their responsibility in line with its evaluation processes, in relation to the evaluation of the performance of the board of directors of the Issuer, its committees, its chairman and its individual directors.

The controls over the maintenance and integrity of the SBGL website, for the purpose of establishing and controlling the process for electronically distributing the annual financial statements and other financial information to shareholders have been put in place, are adequate and effective and can be relied upon.

The directors have a reasonable expectation that the company and the group will have adequate resources to continue in operational existence and as a going concern in the financial year ahead. The 2024 annual financial statements, which appear on pages 18 to 323, were approved by the board of directors of SBGL (the board) on 12 March 2025 and signed on its behalf by:



Nonkululeko Nyembezi
Chairman

12 March 2025



Sim Tshabalala
Group chief executive officer

12 March 2025

GROUP SECRETARY'S CERTIFICATION

Compliance with the Companies Act

In terms of the Companies Act and for the year ended 31 December 2024, I certify that Standard Bank Group Limited has filed all returns and notices required by the Companies Act with the Companies and Intellectual Property Commission and that all such returns and notices are true, correct and up to date.



Kobus Froneman
Group secretary

12 March 2025

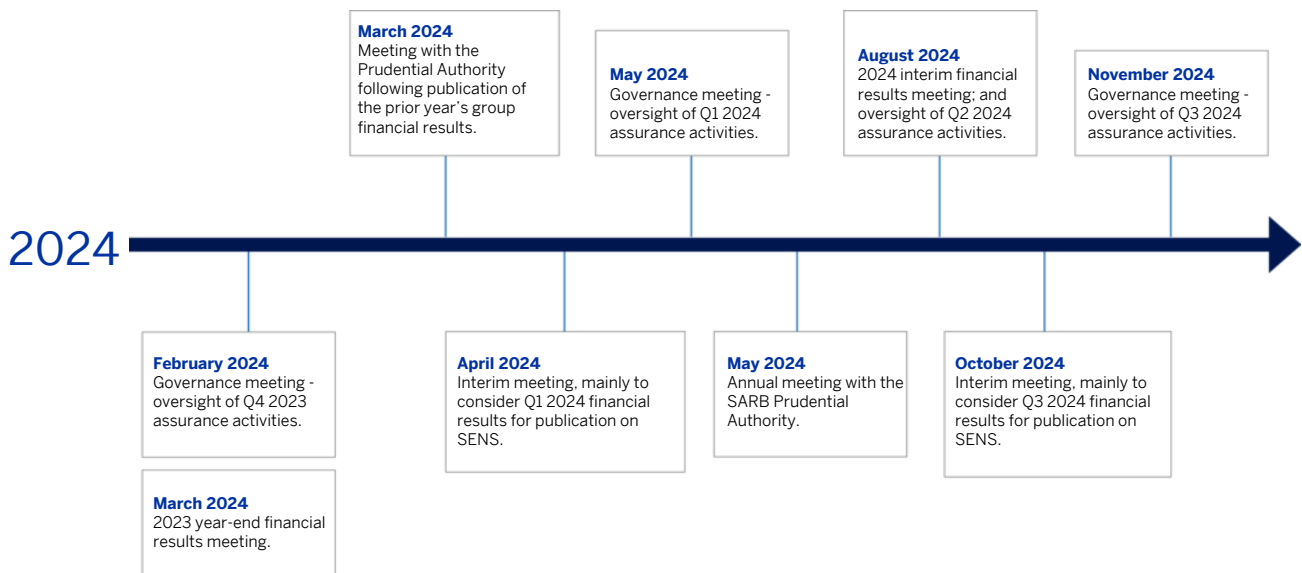
REPORT OF THE GROUP AUDIT COMMITTEE

This report is provided by the audit committee in respect of the 2024 financial year of Standard Bank Group Limited (SBG), in compliance with section 94 of the Companies Act, as amended from time to time, and in terms of the JSE Listings Requirements. The committee's operation is guided by a detailed mandate that is informed by the Companies Act, the Banks Act, the JSE Listings Requirements and the King IV Code on Corporate Governance and is approved by the board. Section 94(2) of the Companies Act determines that, at each annual general meeting, a public company must elect an audit committee comprising at least three members. In terms of 94(1), the bank is exempted from complying with section 94(2). Accordingly, the appointment of its members was approved annually by the board. However, in line with governance best practice, with effect from 2022, the appointment of members to the group audit committee is presented to shareholders for approval at the annual general meeting.

At the end of December 2024, the committee comprised four independent non-executive directors, all of whom have the necessary financial literacy, skills and experience to execute their duties effectively. To ensure that risk-related matters relevant to the audit committee are considered, the chairman is a member of and attended the group risk and capital management committee meetings held during the financial year. Through the chairman and other audit committee members' membership on the risk and capital management committee, group information technology committee and group remuneration committee, collective and integrated oversight of key matters in the respective committees' deliberations was ensured.

The committee met nine times during 2024. This included two meetings to consider quarterly financial results for publication on SENS, a meeting with the SARB Prudential Authority following the publication of the group's annual financial results, and the annual trilateral meeting with the SARB Prudential Authority to provide feedback on key external and internal audit findings. All members were present for all meetings held during 2024.

MEETINGS HELD DURING THE YEAR



Information on the committee's role and responsibilities; its composition, including members' qualifications and experience; the date of members' appointment to the committee; the number of meetings held during the year and attendance at those meetings; as well as key areas of focus during the reporting period is provided in greater detail in the group's governance report available at www.standardbank.com/sbg/standard-bank-group/investor-relations

Execution of functions

The audit committee has executed its duties and responsibilities during the 2024 financial year in accordance with its mandate as it relates to the group's accounting, internal and external auditing, compliance, tax, internal control and financial reporting practices.

During the year under review, the committee, among others, considered the following:

In respect of subsidiary assurance oversight:

- considered key matters raised at subsidiary board audit committee meetings, notably those entities that are designated members of SBG as the holding company of the financial conglomerate.
- considered reports from management on the activities of subsidiary entities.

In respect of the external auditors and the external audit:

- approved the final audit fees for the prior financial year ended 31 December 2023.
- considered and recommended the reappointment of PricewaterhouseCoopers Inc. and the appointment of Ernst & Young Incorporated (EY) as joint external auditors for the financial year ended 31 December 2024, in accordance with all applicable legal requirements.
- approved the audit plan and budgeted audit fees for the financial year ending 31 December 2024 of R551 million. This budgeted fee comprised R257 million for EY, R274 million for PwC and other amounting to R20 million.
- reviewed and considered the draft engagement letter at the meeting held in August 2024, and mandated the group chief finance and value management officer to sign the final letter.
- reviewed the audit process and evaluated the effectiveness of the audit, taking into consideration the group finance function's assessment of the audit and the respective audit firms.
- reviewed the Independent Regulatory Board for Auditors' (IRBA's) firm inspection reports of both the group's external auditors, as it pertained to engagement inspections conducted by IRBA.
- assessed and obtained assurance from the external auditors that their independence was not impaired.
- approved amendments to the non-audit services policy, which governs the use of the group's external auditors for non-audit services.
- approved pre-approved proposed contracts with external auditors to provide non-audit services above an agreed-upon threshold.
- considered the nature and extent of all non-audit services provided by the external auditors.
- monitored that the non-audit service fees, which included audit related fees, for the year ended 31 December 2024 comprised R7.9 million for EY and R29.7 million for PwC and were within the threshold the group audit committee set for such engagements.
- reviewed the non-audit services requested by the future potential group auditors during the financial year ended 31 December 2024 and noted that no instances of non-compliance with the policy had been identified.
- confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act 26 of 2005.

In respect of the financial statements:

- confirmed the going concern basis for the preparation of the interim and annual financial statements.
- examined and reviewed the interim and annual financial statements prior to submission to and approval by the board.
- reviewed external audit's report on the adequacy of credit provisions and impairment tests with respect to assets and considered feedback from the external auditors.
- ensured that the annual financial statements fairly present the financial position of the company and of the group as at the end of the financial year and the results of operations and cash flows for the financial year.
- ensured that the interim and annual financial statements conform with IFRS, the requirements of the JSE Listings Requirements, the Companies Act and all other applicable accounting guides and pronouncements.
- considered accounting treatments, significant transactions, and accounting judgements.
- considered the appropriateness of the accounting policies adopted and changes to it.
- considered and made recommendations to the board on the interim and final dividend payments to shareholders, with due consideration of
 - the results of solvency and liquidity assessment; and
 - the ability of the company to continue as a going concern.
- noted that no material adverse reports were received concerning accounting practices, internal audit, internal financial controls, content of annual financial statements, internal controls and related matters.
- reviewed any significant legal and tax matters that could have a material impact on the financial statements.
- reviewed the content of the JSE's annual proactive monitoring report, including specific considerations in the preparation of financial statements.
- reviewed and discussed the independent auditors' report.

As part of the audit committee's responsibilities, notably its review of financial results, reports from internal and external audit, finance and internal financial control reports, the group's accounting policies, and the annual financial statements, the audit committee took cognisance of the key audit matters as reported in the independent auditors' report. In addition, the audit committee reviewed management's judgements on significant accounting and external reporting issues and confirmed external audit's agreement with the treatment thereof.

In respect of financial accounting and reporting developments:

- reviewed management's process and progress with respect to new financial accounting and reporting developments.
- noted that two IFRS sustainability disclosures standards on sustainability-related financial information (IFRS 1) and climate-related disclosures (IFRS 2) were issued by the International Sustainability Standards Board. These standards were not yet mandated in South Africa and were not yet effective for any jurisdiction in which the group operated.

In respect of external reporting:

- recommended the annual reporting suite to the board for approval.
- evaluated management's judgements and reporting decisions regarding the annual integrated report and ensured that all material disclosures had been included.
- reviewed both financial and non-financial information, forward-looking statements, and sustainability information.

In respect of internal control and internal audit:

- reviewed and approved the internal audit charter and audit plan and evaluated the independence, effectiveness and performance of the internal audit department and compliance with its charter.
- considered reports of the internal and external auditors on the group's systems of internal control, including internal financial controls, and maintenance of effective internal control systems.
- reviewed significant issues raised by the internal audit processes and the adequacy of corrective action taken in response to such findings.
- noted that there were no significant differences of opinion between the internal audit function and management.
- assessed the independence and effectiveness of the chief audit officer and the adequacy of the available internal audit resources and found them to be satisfactory.
- considered the outcome of the group's external auditors' annual assessment of internal audit against the requirements of International Standards on Auditing (ISA) 601, which confirmed that the external auditors could place reliance on internal audit's work for the purpose of external audit engagements.
- reviewed internal audit's annual report which summarised the results and themes observed as part of internal audit's activities for the financial year under review and noted internal audit's assurance statement that the control environment was effective to ensure that the degree of risk taken by the group was at an acceptable level and that internal financial controls were adequate and effective in ensuring the integrity of material financial information.
- based on the above, the committee formed the opinion that, at the date of this report, there were no material breakdowns in internal control, including internal financial controls, resulting in any material loss to the group.
- regularly met with the group chief audit officer, the group chief compliance officer, the head of anti-financial crime, the group chief financial and value management officer, management, and the external auditors.
- considered quarterly reports from the group's internal financial control committee.

In respect of legal, regulatory and compliance requirements:

- reviewed and approved the compliance mandate and compliance plan.
- reviewed, with management, matters that could have a material impact on the group.
- monitored compliance with the Companies Act, the Banks Act, JSE Listings Requirements, King IV and other applicable legislation and regulation, and reviewed reports from internal audit, compliance, and external audit.
- reviewed quarterly compliance and group anti-financial crime reports.
- noted that no complaints were received through the ethics and fraud hotline concerning accounting matters, internal audit, internal financial controls, contents of financial statements, and questionable accounting or auditing matters.

In respect of risk management and information technology:

- through the chairman and other audit committee members on the group risk and capital management committee, as well as interaction with the chairman of the group risk and capital management committee, considered risks as they pertained to the control environment, financial reporting and the going concern assessment.
- considered updates on key internal and external audit findings in relation to the technology control environment and intangible assets.

In respect of the coordination of assurance activities:

- reviewed the plans and work outputs of the external and internal auditors, as well as compliance and the internal financial control function, and concluded that these were adequately robust to place reliance on the combined assurance outcomes underlying the statements made in external reports.
- considered the expertise, resources and experience of the finance function and senior members of management responsible for this function and concluded that these were appropriate.
- considered the appropriateness of the experience and expertise of the group finance and value management officer and concluded that these were appropriate.

Independence, skills and expertise of the external auditors:

The audit committee is satisfied that PricewaterhouseCoopers Inc. and Ernst & Young Incorporated (EY) are independent of the group and that PricewaterhouseCoopers Inc. and Ernst & Young Incorporated (EY) and the partners responsible for signing the group's financial statements have the requisite skills and expertise. This conclusion was arrived at, inter alia, after considering the following factors:

- the representations made by PricewaterhouseCoopers Inc. and Ernst & Young Incorporated (EY) to the audit committee.
- the auditors do not, except as external auditors or in rendering permitted non-audit services, receive any remuneration or other benefits from the group.
- the auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditors.
- the auditors' independence was not prejudiced as a result of any previous appointments as auditors.
- the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies were met.

Following a comprehensive tender process, in October 2023, the audit committee confirmed the group's intent to recommend the appointment of Deloitte as the joint auditor for the financial year ending 31 December 2026. Deloitte's appointment is subject to approval by the South African Reserve Bank's Prudential Authority and recommendation to the ordinary shareholders for approval at the relevant annual general meeting.

In conclusion, the audit committee is satisfied that it has fulfilled its responsibilities and complied with the legal, regulatory, and governance responsibilities set out in its mandate.

On behalf of the group audit committee:



Trix Kennealy

Group audit committee chairman

DIRECTORS' REPORT

for the year ended 31 December 2024

Nature of business

Standard Bank Group Limited is the holding company for the interests of the group, which is an African financial services organisation with South African roots. The group is Africa's largest financial services group by assets and currently operates in 20 countries in sub-Saharan Africa. Our strategic position enables us to connect Africa to other selected emerging markets and pools of capital in developed markets.

Headquartered in Johannesburg, South Africa, the group's primary listing is on the JSE, with secondary listings on A2X Markets and the Namibian Stock Exchange (NSX). Subsidiary entities are listed on exchanges in Kenya, Malawi, Namibia, Nigeria and Uganda.



Refer to annexure A for a simplified group organogram with principal subsidiaries.

Group results

Group headline earnings and headline earnings per share increased by 4% to R44 503 million (2023: R42 948 million) and 4% to 2 691.0 cents (2023: 2 590.4 cents) respectively.

Net asset value per share increased to 15 281 cents (2023: 14 269 cents) and group return on equity (ROE) decreased to 18.5% (2023: 18.8%). Total dividends declared for the year is 1 507 cents per share (2023: 1 423 cents per share), an increase of 6%.

Share capital and other equity instruments

Ordinary shares

During 2024, the group allotted 317 896 shares (2023: 239 847) in terms of the group's share incentive schemes, notably the Equity Growth Scheme (EGS) and Group Share Incentive Scheme (GSIS).

Effective from 2017, the group no longer issues EGS and GSIS awards. Awards are now provided in terms of the group's other share schemes, the Deferred Bonus Scheme (DBS) and the Share Appreciation Rights Plan (SARP), both of which are settled by the group to employees with shares that the group purchases from open market participants, and the Cash-Settled Deferred Bonus Scheme (CSDBS), which is settled in cash. At the end of the year, the group would need to issue 264 174 (2023: 529 364) SBG ordinary shares to settle the outstanding GSIS options and EGS rights that were awarded to participants in previous years. The shares issued to date for the EGS and GSIS together with the expected number of shares to settle the outstanding options and rights as a percentage of the total number of shares in issue is 2.1% (2023: 2.0%).



Refer to annexure D for details on the group's share incentive schemes.

Preference shares

During 2024 and 2023, no first preference or second preference shares were issued or redeemed.

Additional tier 1 capital bonds

The group issued R1.5 billion (2023: R4.5 billion) and redeemed R1.9 billion (2023: Rnil) Basel III compliant additional tier 1 (AT1) capital bonds that qualify as tier 1 capital.

Analysis of shareholders

Shareholders at the close of the financial year, holding beneficial interests in excess of 5% of the company's issued share capital, determined from the share register and investigations conducted on the group's behalf, were as follows:

	% held	
	2024	2023
Ordinary shares		
Industrial and Commercial Bank of China Limited (ICBC)	19.6	19.4
Government Employees Pension Fund (PIC)	14.5	14.5
6.5% preference shares		
AP Macdonald	24.3	14.9
MT Goulding		12.9
L Lombard	12.2	12.2
Old Sillery Proprietary Limited	9.1	9.1
JS Castle	14.4	10.8
DJ Saks		7.5
A Saks	7.5	
Non-cumulative preference shares		
Prescient Inc. Provider Fund	8.3	8.3

Directors' and prescribed officers' changes and interest in shares

At the date of this report, no directors or prescribed officers changed their holding in, directly and indirectly, interests in the company's ordinary issued share capital or preference share capital.



Refer to note 15 for share capital and related disclosures.

Directors' and prescribed officers' emoluments and share incentives

Directors' and prescribed officers' emoluments, as well as information relating to the determination of their share incentive allocations and related matters are contained in annexure E.



Refer to annexure E for details relating to directors' and prescribed officers' emoluments and share incentives.

Group secretary and registered office

The group secretary is Kobus Froneman. The address of the group secretary is that of the registered office: 9th floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg, 2001.

Insurance

The group protects itself against all financial loss by maintaining banker's comprehensive crime and professional indemnity cover. The insurance terms and conditions are reviewed by the group insurance committee annually to ensure they are 'fit-for-purpose' against the group's risk exposures.

Change in group directorate

The following changes in directorate took place during the year ended 31 December 2024 and up to 13 March 2025:

Appointments		
Sola David-Borha ¹	As non-executive director	13 March 2024
Fenglin Tian	As non-executive director and senior deputy chairman	1 September 2024
Rose Ogega	As independent non-executive director	1 January 2025
Retirements		
Xuenqing Guan	As non-executive director	10 June 2024
Atedo Peterside CON	As non-executive director	10 June 2024

¹ The board appointed Sola David-Borha as non-executive director of the group with effect from 13 March 2024 and the director was subsequently reclassified as an independent non-executive director on 23 May 2024.

Dividends and coupons

Ordinary share capital and preference share capital

DIVIDENDS AT 31 DECEMBER 2024

	Ordinary shares	6.5% cumulative preference shares (first preference shares)	Non-redeemable, non-cumulative, non-participating preference shares (second preference shares)
JSE Limited (JSE)			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000109815	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000109815		
2024			
Interim			
Dividend number	109	110	40
Gross dividend per share (cents)	744	3.25	451.13562
Record date in respect of the cash dividend	Friday, 13 September 2024	Friday, 6 September 2024	Friday, 6 September 2024
CSDP ¹ /broker account credited/updated (payment date)	Monday, 16 September 2024	Monday, 9 September 2024	Monday, 9 September 2024
Final			
Dividend number	110	111	41
Gross dividend per share (cents)	763	3.25	448.55112
Record date in respect of the cash dividend	Friday, 11 April 2025	Friday, 4 April 2025	Friday, 4 April 2025
CSDP ¹ /broker account credited/updated (payment date)	Monday, 14 April 2025	Monday, 7 April 2025	Monday, 7 April 2025
2023			
Interim			
Gross dividend per share (cents)	690	3.25	422.60421
Final			
Gross dividend per share (cents)	733	3.25	456.09315

¹ Central Securities Depository Participant.

Additional tier 1 capital bonds

During 2024, coupons to the value of R2 205 million (2023: R1 841 million) were paid to AT1 capital bondholders. Current tax of R595 million (2023: R497 million) relating to the AT1 capital bonds was recognised directly in equity resulting in an aggregate net equity impact of R1 610 million (2023: R1 344 million). The AT1 capital bonds have been recognised within other equity instruments in the statement of financial position.



Refer to note 44 for dividend disclosures.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF STANDARD BANK GROUP LIMITED

Report on the audit of the consolidated and separate financial statements

Our opinion

We have audited the consolidated and separate financial statements of Standard Bank Group Limited and its subsidiaries (the Group and Company) set out on pages 18 to 313 which comprise:

- the statements of financial position as at 31 December 2024;
- the income statements for the year then ended;
- the statement of other comprehensive income for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statements of changes in equity for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policies (Annexure F), accounting policy elections and restatements, key management assumptions and Annexures A to E, excluding the section marked as "unaudited" in Annexure C.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Standard Bank Group Limited as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Reporting in terms of the IRBA Rule on Enhanced Auditor Reporting

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

The amount we set as final materiality represents a quantitative threshold used to evaluate the effects of misstatements to the consolidated and separate financial statements as a whole based on our professional judgement. Qualitative factors are also considered in making final determinations regarding what is material to the consolidated and separate financial statements.

	Consolidated financial statements	Separate financial statements
Final materiality	R3 385 million	R719 million
How we determined it	5% of consolidated profit before direct taxation	0.5% of total assets
Rationale for the materiality benchmark applied	<p>We have identified consolidated profit before direct taxation as the most appropriate basis because, in our view, it is the measure against which the performance of the Group is most commonly measured by users of the consolidated financial statements and is a generally accepted materiality benchmark for similar entities.</p> <p>We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies.</p>	<p>We have identified total assets as the most appropriate basis because, in our view, it is the measurement against which the financial position of the holding Company is most commonly measured by users of the separate financial statements and is a generally accepted materiality benchmark for similar entities.</p> <p>We chose 0.5% which is consistent with quantitative materiality thresholds used for holding companies in this sector.</p>

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We considered the Group's organisational, legal, consolidation structures and its financial reporting processes when identifying components for purposes of planning and performing audit procedures. For purposes of our Group audit scope, we considered a component to be a single reporting unit within the Group being consolidated.

In establishing the Group audit scope, based on our Group risk assessment we determined the type of work that needed to be undertaken on the financial information of the components. In selecting components, we performed risk assessment procedures across the Group and its components to identify risks of material misstatement. We then identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response. We have identified 8 components which were considered to be significant.

Based on our scoping procedures described above, we have scoped in the 8 significant components for full scope audits. For other components, analytical procedures and (where appropriate) testing of common controls implemented over components, including entity level controls and, where applicable, component audits performed for statutory, regulatory or other reasons, were performed. Based on our risk assessment

procedures, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information not subject to further audit procedures.

We determined the type of work that was needed to be performed by us, as the joint auditors of the Group, or component auditors from other network firms of the joint Group auditors or other firms operating under our instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	How the matter was addressed in our audit
Expected credit losses on Corporate & Investment Banking (CIB) loans and advances <i>Refer to the key management assumptions section, note 8 – loans and advances, note 38 – credit impairment charges and the credit risk section of Annexure C – IFRS risk and capital management disclosures in the financial statements.</i>	
<p>We considered the expected credit losses ("ECL") assessment of CIB loans and advances ("CIB exposures") to be a matter of most significance to our current year audit due to:</p> <ul style="list-style-type: none"> the level of significant judgement applied by management in determining the ECL on CIB exposures and the related disclosures; the magnitude of CIB exposures in relation to the consolidated financial statements; and the effect that the ECL on CIB exposures has on the Group's credit risk management processes and operations. <p>The ECL of the Group's CIB exposures is estimated for each exposure. For these exposures, the key areas of significant management judgement include:</p> <ul style="list-style-type: none"> The selection and application of IFRS 9 – <i>Financial Instruments</i> (IFRS 9) accounting definitions and policy choices; Evaluation of Significant Increase in Credit Risk ("SICR"); Incorporation and assessment of macro-economic inputs and forward-looking information ("FLI") into the SICR assessment and ECL measurement; Assessment of ECL recognised for Stage 3 exposures; Assessment of the input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") within the ECL measurement; and Disclosures related to ECL of CIB exposures. 	<p>The selection and application of IFRS 9 accounting definitions and policy choices</p> <p>We have assessed the application of these accounting definitions and policy choices for alignment with the requirements of IFRS 9 and have assessed the impact of these policies, where applicable, on the audit responses described below.</p> <p>With the assistance of our internal expertise in the fields of economics, credit and actuarial models, as well as our data and IT specialists we performed the following procedures:</p> <p>Evaluation of SICR</p> <p>We selected a sample of counterparties and assessed their assigned credit ratings by:</p> <ul style="list-style-type: none"> Testing the inputs into the credit rating systems against the counterparty's financial information and the Group's 25-point master rating scale; and Assessing management's assumptions made during the credit risk rating process for reasonability, by obtaining an understanding of the counterparty and industry factors, performing an independent assessment of the counterparty and comparing the results to those used by management. <p>We selected a sample of Stage 1 and Stage 2 exposures and assessed whether the stage classification at the reporting date of these exposures were appropriate in terms of the Group's accounting policy for SICR.</p> <p>We performed a sensitivity analysis of the SICR and ECL impacts for counterparties to defined migration threshold as per the credit policy.</p>

Key audit matter	How the matter was addressed in our audit
<p>Expected credit losses on Corporate & Investment Banking (CIB) loans and advances continued</p> <p><i>Refer to the key management assumptions section, note 8 – loans and advances, note 38 – credit impairment charges and the credit risk section of Annexure C – IFRS risk and capital management disclosures in the financial statements.</i></p> <p>The selection and application of IFRS 9 accounting definitions and policy choices</p> <p>IFRS 9 requires the selection and application of definitions and policies which require management judgement. These choices impact on the measurement and recognition of ECL.</p> <p>Evaluation of SICR</p> <p>For the CIB exposures, SICR is evaluated by comparing the movement in a client's credit risk grade at the reporting date to the credit risk grade assigned at the origination date. Where the change in credit risk grade exceeds the pre-defined ratings migration thresholds, these exposures are classified within Stage 2.</p> <p>The Group applies judgement in determining the pre-defined ratings migration thresholds which is based on historical default experience (which indicates that higher rated risk exposures are more sensitive to SICR than lower risk exposures).</p> <p>Incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement</p> <p>Macro-economic expectations are incorporated in management's CIB counterparty ratings to reflect the Group's expectation of future economic and business conditions.</p> <p>In addition to forward-looking macro-economic information, other types of FLI, such as specific event risks and industry data, are taken into account in ECL estimates when required.</p> <p>Assessment of ECL raised for Stage 3 exposures</p> <p>Management applies judgement in its internal credit risk management approach and definitions to determine the recoverable amounts (including collateral, where applicable) and timing of the future cash flows for Stage 3 exposures at a facility level (per counterparty).</p> <p>Input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement</p> <p>Input assumptions applied to estimate the PD, EAD and LGD as inputs into the ECL measurement are subject to management judgement and are determined at a facility level (per counterparty).</p> <p>Disclosures related to ECL of CIB exposures</p> <p>The disclosure associated with the ECL on CIB exposures rely on material data inputs and explain management judgements, estimates and assumptions used in determining the ECL.</p>	
<p>Incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement</p> <p>We assessed the design and implementation of key controls focusing on:</p> <ul style="list-style-type: none"> ■ Generation and approval of the base case economic scenario; ■ Generation and approval of the methodology and output of alternative scenarios, including the probability weights assigned to the scenarios; and ■ Production and approval of models used to calculate the ECL impact of the scenarios. <p>We also considered the governance processes established by the Group to review and approve the economic scenarios used in the determination of the forward-looking impact.</p> <p>We assessed the reasonableness of management's multiple probability weighted scenarios.</p> <p>We independently assessed the forecasted macro-economic factors, based on the generated scenarios, and compared it to independent industry data. This was used to derive independent macro-economic adjustments by industry which were totalled and compared to management's rating-based impact.</p> <p>For a sample of counterparties, we evaluated the impact of rating movements in management's ECL to assess whether the macro-economic inputs and forward-looking information are appropriately incorporated into the ECL models.</p> <p>Assessment of ECL raised for Stage 3 exposures</p> <p>Where ECL has been raised for Stage 3 exposures, we assessed the impairment indicators, uncertainties and assumptions applied by management in their assessment of the recoverability of the exposure. For a sample of Stage 3 exposures, we independently recalculated the ECL based on our assessment of the expected cash flows and recoverability of collateral at an individual counterparty level.</p> <p>For collateral held (related to the sample selected above), we inspected legal agreements or other supporting documentation to confirm the Group's legal right to the collateral.</p> <p>The collateral valuation techniques applied by management were assessed against the Group's valuation guidelines.</p> <p>Input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement</p> <p>We assessed the input assumptions applied within the PD, EAD and LGD models (including FLI) for compliance with the requirements of IFRS 9. In addition, our procedures included assessing the appropriateness of the models through reperformance and validation procedures.</p> <p>We obtained an understanding and tested the relevant internal controls relating to the approval of credit facilities, subsequent monitoring and remediation of exposures, key system reconciliations and collateral management.</p> <p>Based on our understanding and knowledge, we performed an overall stand-back assessment to assess the reasonability of the ECL provisions.</p> <p>Disclosures related to ECL of CIB exposures</p> <p>We assessed the appropriateness of the ECL related disclosures for CIB exposures in the consolidated financial statements in accordance with IFRS.</p> <p>We evaluated whether the credit risk disclosures are consistent with the ECL information tested which included the ECL data, models, estimates and macro-economic forecasts.</p> <p>Observations – ECL on CIB loans and advances</p> <p>Based on the procedures performed over ECL on CIB loans and advances, no material misstatements were noted.</p>	

Key audit matter	How the matter was addressed in our audit
<p>Expected credit losses on Personal & Private Banking (PPB) and Business & Commercial Banking (BCB) loans and advances</p> <p><i>Refer to the key management assumptions section, note 8 – loans and advances, note 38 – credit impairment charges and the credit risk section of Annexure C – IFRS risk and capital management disclosures in the financial statements.</i></p> <p>We considered the ECL assessment of PPB and BCB loans and advances (“PPB and BCB exposures”) to be a matter of most significance to our current year audit due to:</p> <ul style="list-style-type: none"> the magnitude of PPB and BCB exposures in relation to the consolidated financial statements; the level of significant judgements applied by management in determining the ECL on PPB and BCB exposures and related disclosures; and the effect that the ECL on PPB and BCB exposures has on the Group’s credit risk management processes and operations. <p>A significant portion of the ECL on PPB and BCB exposures is calculated on a portfolio basis. For Stage 3 exposures in certain BCB portfolios, management assesses the recoverability of those exposures individually. The ECL on PPB and BCB exposures also include in and out-of-model management adjustments where certain aspects of the ECL are not fully reflected in the model. Management adjustments may be calculated and assessed based on statistical techniques or management’s judgement depending on the nature of the underlying ECL model and the risks being addressed.</p> <p>For PPB and BCB exposures, the key areas of significant management judgement within the ECL assessment include:</p> <ul style="list-style-type: none"> The selection and application of IFRS 9 accounting definitions and policy choices; Evaluation of SICR; Incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement; Application of out-of-model management adjustments into the ECL measurement; Assessment of the ECL raised for individual exposures; Assessment of the ECL model assumptions applied to estimate the PD, EAD and LGD within the ECL measurement process; and Disclosures related to ECL related for PPB and BCB exposures. <p>The selection and application of IFRS 9 accounting definitions and policy choices</p> <p>IFRS 9 requires the selection and application of definitions and policies which require management judgement. These choices impact on the measurement and recognition of ECL.</p> <p>Evaluation of SICR</p> <p>Management determines SICR based on:</p> <ul style="list-style-type: none"> The application of a 30 days past due (“DPD”) backstop; Modelled SICR thresholds based on transfer rates of exposures that are less than 30 DPD; and For BCB, exposures are assessed on an individual basis as exhibiting SICR. <p>Incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement</p> <p>Management incorporates the Group’s macro-economic outlook into the estimation of modelled ECL through the application of probability weighted, forward-looking macro-economic scenarios into FLI models which correlate model parameters with macro-economic variables. Where modelled relationships are not sufficiently robust, judgemental out-of-model ECL adjustments are applied to incorporate the Group’s forward-looking views.</p>	<p>The selection and application of IFRS 9 accounting definitions and policy choices</p> <p>We have assessed the application of these accounting definitions and policy choices for alignment with the requirements of IFRS 9 and have assessed the impact of these policies, where applicable, on the audit responses described below.</p> <p>Evaluation of SICR</p> <p>Management provided us with quantitative assessments of modelled SICR at a portfolio level, including the related ECL impacts. With the assistance of our internal expertise in the fields of credit models and IT, we tested management’s key assumptions and calculations applied in the staging process, including:</p> <ul style="list-style-type: none"> The reasonableness of the modelled thresholds applied for transferring exposures to Stage 2. Arrears statuses of exposures, including the application of the 30 DPD backstop. Renegotiated and cured loans to assess whether the curing policies were appropriately applied. <p>We independently recalculated the staging for a sample of portfolios, including the modelled ECL impacts, and compared this to management’s results to confirm the accuracy of the staging outcome.</p> <p>For staging assessed on an individual basis, we assessed management’s process for identifying and reporting SICR for alignment with the Group’s SICR thresholds and the requirements of IFRS 9. We independently tested the staging of a sample of individual exposures against these requirements.</p> <p>Incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement</p> <p>We considered the governance processes established by the Group to review and approve the economic scenarios, parameter forecasts and scenario weightings used in the determination of the forward-looking ECL impact.</p> <p>We assessed the design and implementation of certain controls for the development and approval of the FLI models used to calculate the ECL impact of the scenarios.</p> <p>With the assistance of our internal economic expertise, we assessed both the base case and alternative scenarios (bear and bull) generated, including the probability weights applied. We evaluated the appropriateness of forward-looking economic expectations included in the ECL by comparing to independent industry data.</p> <p>We evaluated management’s FLI models to assess whether the macro-economic parameter inputs applied are appropriate in determining estimated expected future credit losses. With the support of our modelling expertise, we tested the FLI models and independently recalculated the related ECL quantifications for a sample of portfolios and compared this to management’s results to confirm the accuracy of the ECL quantification outcome.</p> <p>Application of out-of-model management adjustments into the ECL measurement</p> <p>We evaluated the reasonableness of a sample of out-of-model adjustments through:</p> <ul style="list-style-type: none"> assessment of key assumptions; inspecting the methodology of calculating the out-of-model adjustments; tracing a sample of out-of-model adjustments to source data; compared managements out-of-model adjustments to our independent recalculations; and confirming that the Group’s internal governance and approval processes were followed.

Key audit matter	How the matter was addressed in our audit
<p>Expected credit losses on Personal & Private Banking (PPB) and Business & Commercial Banking (BCB) loans and advances continued</p>	
<p><i>Refer to the key management assumptions section, note 8 – loans and advances, note 38 – credit impairment charges and the credit risk section of Annexure C – IFRS risk and capital management disclosures in the financial statements.</i></p>	
<p>Application of out-of-model management adjustments into the ECL measurement</p>	<p>Assessment of ECL raised for individual exposures</p>
<p>Where management has identified that the ECL models may not fully reflect underlying risk factors or loan portfolio behaviour, management adjustments are applied to adjust the ECL for these factors. These adjustments require the application of subjective management judgements.</p>	<p>Where ECL was raised for individual exposures, we considered the impairment indicators, judgements and assumptions made by management in their assessment of the recoverability of the exposure. For a sample of Stage 3 exposures, we independently recalculated the impairment losses based on our assessment of the expected cash flows and recoverability of collateral, where applicable, at an individual exposure level.</p>
<p>Assessment of ECL raised for individual exposures</p>	<p>For collateral held, we inspected legal agreements and other relevant documentation to confirm the legal right to the collateral. With the support of our valuation expertise, we assessed the appropriateness of the collateral valuations applied.</p>
<p>Within certain BCB portfolios, ECL is assessed on an individual exposure basis for credit impaired exposures which exceed predetermined value thresholds, rather than on a portfolio basis. This requires the application of management judgement in determining the value of expected future cash-flows from the underlying loan collateral and collection processes.</p>	<p>ECL model assumptions applied to estimate the PD, EAD and LGD within the ECL measurement</p>
<p>ECL model assumptions applied to estimate the PD, EAD and LGD within the ECL measurement</p>	<p>We utilised our economics, modelling and IT expertise to assess:</p>
<p>Modelled ECL is calculated using statistical models which incorporate data on historical default and loss experience, as well as recent arrears, default and behavioural trends to estimate future ECL. This requires management to exercise judgement as to the application of appropriate modelling techniques, assumptions and relationships.</p>	<ul style="list-style-type: none"> ■ trends in the modelled ECL against a range of internal and publicly available external reference points; ■ the design and implementation of certain controls for the development and approval of the ECL models; ■ the accurate implementation of the models through independent reperformance of a sample of model parameters; ■ the reasonability of assumptions relating to historical default and recovery experience and recent exposure behaviour in estimating the PD, EAD, and LGD model parameters; ■ the appropriateness of the statistical models by reperformance and validation procedures; and ■ the accuracy of data used in the models on a sample basis.
<p>Disclosures related to ECL of PPB and BCB exposures</p>	<p>Based on our understanding and knowledge, we performed an overall stand-back assessment to assess the reasonability of the ECL provisions.</p>
<p>The disclosures associated with the ECL on PPB and BCB exposures rely on data from multiple sources and processes, including the ECL models, out-of-model adjustments, macro-economic forecasts, ECL raised on individual exposures as captured on the underlying IT systems. These disclosures explain the management judgements, estimates and assumptions used in determining the ECL.</p>	<p>Disclosures related to ECL of PBB and BCB exposures</p>
	<p>We assessed the appropriateness of the ECL related disclosures for PPB and BCB portfolios in the consolidated financial statements in accordance with IFRS.</p>
	<p>We evaluated whether the credit risk disclosures are consistent with the ECL information tested which included the ECL data, models, estimates, and macro-economic forecasts.</p>
	<p>Observations – ECL on PPB and BCB loans and advances</p>
	<p>Based on the procedures performed over ECL on PPB and BCB loans and advances, no material misstatements were noted.</p>

Key audit matter	How the matter was addressed in our audit
<p>Valuation of level 3 financial instruments <i>Refer to the key management assumptions section, note 2 – derivative instruments, note 3 – trading assets, note 6 – financial investments, note 16 – trading liabilities, and the market risk section of Annexure C – IFRS risk and capital management disclosures in the financial statements.</i></p> <p>We considered the fair value of level 3 financial instruments to be a matter of most significance to our current year audit due to:</p> <ul style="list-style-type: none"> the inherent subjectivity and judgement involved in estimating the fair values of level 3 financial instruments; the various sources of external and internal data and the sophisticated modelling techniques used to value the financial instruments; and the material nature of level 3 financial instruments in relation to the consolidated financial statements. <p>The valuation of level 3 financial instruments inherently contains elements of estimation uncertainty due to being illiquid and unobservable in nature. These financial instruments include unlisted equity investments, trading assets and liabilities and various derivative financial instruments.</p> <p>Significant judgement is required in respect of evolving valuation methodologies on level 3 financial instruments, due to the impact of funding costs, counterparty credit risk, idiosyncratic risk and liquidity, as well as related fair value disclosures. Valuation methodologies are constantly changing in line with developing market practices and trends.</p> <p>Furthermore, significant judgement is exercised by management due to the absence of observable third-party information to determine key inputs in the valuation models. Some unobservable key inputs include:</p> <ul style="list-style-type: none"> discount rates; credit spreads; correlation factors; funding spreads; market volatilities; and valuation multiples and adjustments to these multiples. <p>In respect of level 3 unlisted equity investment valuations management uses a variety of valuation techniques and unobservable inputs such as valuation multiples. These multiples are adjusted to cater for specific risk factors such as liquidity and size of ownership of the investments.</p> <p>The fair value of financial instruments significantly affects the measurement of the Group's profit or loss for the year and the related disclosures of financial risks in the consolidated financial statements.</p>	<p>Our audit procedures in respect of the valuation of level 3 financial instruments included the following procedures which were performed with the assistance of our valuation expertise:</p> <ul style="list-style-type: none"> We tested the design, implementation and operating effectiveness of the relevant controls for level 3 financial instruments to assess whether there is appropriate governance over the development of the valuation models and methodology policies, assumptions applied, data used, model change controls, model validations and the monthly independent price verification process. For a sample of level 3 financial instruments, we performed the valuation using independent models, and compared the fair value results to management's valuation to assess the reasonableness of management's model methodology and the output of model calculations. We assessed the appropriateness and sensitivity of a sample of inputs into the models that have the most significant impact on the valuations – these include: <ul style="list-style-type: none"> discount rates of the underlying instrument; credit spreads; correlation factors; funding spreads; market volatilities; and valuation multiples and adjustments to these multiples with reference to independent market information. We evaluated the technical appropriateness and accuracy of valuation methodologies which involves the assessment of key assumptions made, modelling approaches and contractual obligations applied by management with reference to market practice. We also considered practical constraints on the ability to apply the methodologies to the instruments being valued and consistency with valuation methodologies Where independent market information was not available, we generated theoretical inputs based on other sources, incorporating assumptions that include proxy pricing transactions in the market as well as historical data, correlations and regressions, and compared to management's assumptions. We considered the completeness and accuracy of management's assessment of valuation adjustments required in terms of financial instrument valuation theory, market practice and the requirements of IFRS impacting the valuation and disclosure of the level 3 financial instrument portfolio. In relation to level 3 unlisted equity investments, we assessed the appropriateness of valuation techniques used and the reasonableness of unobservable inputs and adjustments to these inputs used in the determination of fair value through independently challenging whether the valuation fell within an acceptable range based on industry knowledge and available market information. We assessed the appropriateness of the disclosures in the consolidated financial statements in accordance with IFRS. <p>Observations – Valuation of level 3 financial instruments Based on the procedures performed over the valuation of level 3 financial instruments, no material misstatements were noted.</p>

Key audit matter	How the matter was addressed in our audit
<p>Valuation of IFRS 17 insurance contract assets, insurance contract liabilities and reinsurance contract assets</p> <p><i>Refer to the key management assumptions section, note 9 – reinsurance and insurance contract assets and liabilities and section 12 of Annexure F – material accounting policies</i></p>	
<p>We considered the valuation of insurance contract assets, insurance contract liabilities and reinsurance contract assets in terms of IFRS 17 – <i>Insurance Contracts</i> to be a matter of most significance to our current year's audit due to complexity associated with the following:</p> <ul style="list-style-type: none"> ■ Unobserved assumptions applied, in particular non-economic assumptions including persistency, expenses, mortality and morbidity and the related high degree of estimation uncertainty relating to expected cashflows that are driven by these assumptions. ■ Actuarial methodology applied in the calculation of the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC), including techniques for measuring the Risk Adjustment (RA) for non-financial risk. <p>The valuation of insurance contract assets, insurance contract liabilities and reinsurance contract assets is a key audit matter due to the complexity and the significant judgements and assumptions applied requiring specialist actuarial skills, which resulted in significant auditor attention.</p>	<p>We utilised our internal actuarial expertise to assist in performing the following audit procedures which included, amongst others:</p> <ul style="list-style-type: none"> ■ We understood and assessed the design and implementation of management's controls over significant estimated and assumptions used in the valuation of insurance contracts assets, insurance contract liabilities and reinsurance contract assets, including model data inputs. <p>Assumptions:</p> <ul style="list-style-type: none"> ■ We evaluated and assessed whether the assumptions applied are appropriate based on our knowledge of the Group, along with industry standards, regulatory requirements and the requirements of IFRS 17. ■ We reviewed and evaluated the results of management's experience analysis, including mortality, morbidity and persistency, to assess whether this analysis justified the adopted assumptions. ■ We assessed the expense assumptions adopted by management with reference to the Group's underlying expense base and the relevant functional cost analysis, including the split of attributable and non-attributable expenses required by IFRS 17. <p>Actuarial methodology:</p> <ul style="list-style-type: none"> ■ We obtained an understanding of management's process for developments to the core actuarial models and tested the design and operating effectiveness of key controls over that process and reviewed the governance process around model changes. ■ We assessed the results of model reviews utilising our internal actuarial expertise as part of our independent model validation. ■ We evaluated the methodology, inputs and assumptions applied by management to model changes made during the year to determine that any model changes implemented over the year reflect correctly in the year-end balances and roll-forwards. ■ We performed an independent assessment of the level of aggregation across material portfolios including an assessment of onerous groups. ■ We stratified the components of reserves modelled outside the core actuarial system and focused our assessment on those that present a higher risk of material misstatement. <p>In terms of the year-end valuation results we:</p> <ul style="list-style-type: none"> ■ Assessed the reasonableness of the roll-forwards of different liability components (Best Estimate Liability (BEL), RA and Contractual Service Margin (CSM), based on our understanding of the Group and other supporting information, including an assessment of year-on-year movements and the impact of valuation basis changes. ■ Reviewed the actuarial methodology and calibration of the RA, including the expected release and changes at year-end. ■ Independently recalculated the CSM, Loss Component (LC) and Loss Recovery Component (LoRC) required roll forwards as disclosed in the financial statements with reference to the Group's data model and IFRS 17 policy and methodology decisions. <p>Observations – Valuation of IFRS 17 insurance contract assets, insurance contract liabilities and reinsurance contract assets</p> <p>Based on the procedures performed over the valuation of IFRS 17 insurance contract assets, insurance contract liabilities and reinsurance contract assets, no material misstatements were noted.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*Standard Bank Group Annual financial statements for the year ended 31 December 2024*", which includes the Group secretary's certification, Report of the group audit committee and the Directors' report as required by the Companies Act of South Africa, which we obtained prior to the date of this auditors' report, and the document titled "*Standard Bank Group Annual Integrated Report 2024*", which is expected to be made available to us after that date. The other information does not include the

consolidated or the separate financial statements and our auditors' report thereon (but includes the sections marked as 'unaudited' in Annexure C).

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether

the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst and Young Incorporated and PricewaterhouseCoopers Incorporated have been the joint auditors of Standard Bank Group Limited for 1 year and 62 years respectively.

Ernst & Young Inc *PricewaterhouseCoopers Za*

Ernst & Young Inc.

Director: Ranesh P Hariparsad
Chartered Accountant (SA)
Registered Auditor
12 March 2025

102 Rivonia Road
Sandton
Johannesburg
2196
South Africa

PricewaterhouseCoopers Inc.

Director: Johannes Grosskopf
Chartered Accountant (SA)
Registered Auditor
12 March 2025

4 Lisbon Lane
Waterfall City
Jukskei View
2090
South Africa

STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

		Group		
	Note	2024 Rm	2023 Restated ¹ Rm	1 January 2023 Restated ¹ Rm
Assets				
Cash and balances with central banks	1	136 172	137 787	114 483
Derivative assets ¹	2	63 157	77 379	74 410
Trading assets ¹	3	427 596	318 632	317 622
Pledged assets	4	16 883	20 210	19 308
Disposal group assets held for sale	5	5 088	235	555
Financial investments ¹	6	842 460	756 659	719 790
Receivables and other assets	7	38 074	33 482	39 647
Current tax assets		1 003	783	757
Loans and advances	8	1 651 555	1 608 846	1 504 940
Reinsurance contract assets	9	5 768	5 422	5 522
Insurance contract assets	9	1 271	1 631	1 830
Interests in associates and joint ventures	10	12 732	12 173	9 956
Investment property	11	26 489	30 444	29 289
Property, equipment and right of use assets	12	20 261	20 298	20 340
Goodwill and other intangible assets	13	11 286	12 723	15 120
Deferred tax assets	14	9 583	9 001	8 828
Total assets		3 269 378	3 045 705	2 882 397
Equity and liabilities				
Equity		292 656	276 920	258 866
Equity attributable to ordinary shareholders		250 655	236 445	218 197
Ordinary share capital	15	166	168	168
Ordinary share premium	15	23 043	26 938	27 341
Reserves		227 446	209 339	190 688
Equity attributable to other equity instrument holders		23 725	24 167	19 667
Preference share capital and premium	15	5 503	5 503	5 503
Additional tier 1 capital	15	18 222	18 664	14 164
Equity attributable to non-controlling interests		18 276	16 308	21 002
Liabilities		2 976 722	2 768 785	2 623 531
Derivative liabilities ¹	2	76 663	83 333	85 049
Trading liabilities	16	106 574	94 468	109 928
Provisions and other liabilities	17	164 574	144 594	129 887
Current tax liabilities		9 191	8 063	7 842
Deposits and debt funding	18	2 138 856	2 001 646	1 889 099
Financial liabilities under investment contracts	9	168 993	151 035	136 309
Insurance contract liabilities	9	273 720	251 389	231 849
Subordinated debt	19	34 783	32 227	31 744
Deferred tax liabilities	14	3 368	2 030	1 824
Total equity and liabilities		3 269 378	3 045 705	2 882 397

¹ Restated. Refer to page 28 for further detail.

INCOME STATEMENT

for the year ended 31 December 2024

	Note	Group	
		2024 Rm	2023 Rm
Net interest income		101 253	98 188
Interest income	25	207 985	193 290
Interest expense	25	(106 732)	(95 102)
Non-interest revenue		61 090	62 003
Net fee and commission revenue		35 616	35 187
Fee and commission revenue	26	46 338	44 849
Fee and commission expense	26	(10 722)	(9 662)
Trading revenue	27	21 159	20 617
Other revenue	28	3 279	3 464
Other gains and losses on financial instruments	29	1 036	2 735
Net insurance loss		(22 418)	(17 753)
Insurance service result		9 584	8 216
Net insurance service result before reinsurance contracts held		10 776	8 964
Insurance revenue	30	39 872	38 778
Insurance service expense	31	(29 096)	(29 814)
Net expense from reinsurance contracts held	32	(1 192)	(748)
Net insurance finance expenses		(32 002)	(25 969)
Net finance expenses from insurance contracts issued	33	(32 359)	(26 280)
Net finance income from reinsurance contracts held	34	357	311
Non-insurance revenue		41 804	35 178
Investment and other income	35	8 549	8 517
Interest income on financial assets using the effective interest method	36	3 379	2 967
Fair value adjustments to financial assets, investment contract liabilities and third-party mutual funds	37	29 876	23 694
Total net income		181 729	177 616
Credit impairment charges	38	(15 152)	(16 261)
Net income before operating expenses		166 577	161 355
Operating expenses	39	(95 174)	(94 749)
Net income before capital items and equity accounted earnings		71 403	66 606
Non-trading and capital related items	40	(971)	1 487
Share of post tax profit from associates and joint ventures	10	1 484	1 648
Profit before indirect taxation		71 916	69 741
Indirect taxation	41	(4 212)	(3 373)
Profit before direct taxation		67 704	66 368
Direct taxation	41	(17 520)	(16 065)
Profit for the year		50 184	50 303
Attributable to ordinary shareholders		43 727	44 211
Attributable to other equity instrument holders		2 091	1 762
Attributable to non-controlling interests		4 366	4 330
Earnings per share			
Basic earnings per ordinary share (cents)	42	2 644.1	2 666.6
Diluted earnings per ordinary share (cents)	42	2 617.9	2 635.0

STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Note	Group	
		2024 Rm	2023 Rm
Profit for the year		50 184	50 303
Other comprehensive (loss) after taxation for the year¹		(1 149)	(8 165)
Items that may be subsequently reclassified to profit or loss		(1 298)	(8 266)
Exchange differences on translating foreign operations ²		(2 455)	(9 302)
Foreign currency hedge of net investment reserve	2	(28)	5
Movement in the total hedge reserve	2	556	802
Net change in fair value of cash flow hedges		1 290	407
Realised fair value adjustments transferred to profit or loss		(734)	395
Net change in fair value of debt financial assets measured at fair value through other comprehensive income (FVOCI)	21	629	229
Net change in expected credit loss (ECL)		259	142
Net change in fair value		326	70
Realised fair value adjustments transferred to profit or loss		44	17
Items that may not be subsequently reclassified to profit or loss		149	101
Defined benefit fund remeasurement		131	(37)
Change in own credit risk recognised on financial liabilities designated at fair value through profit or loss (FVTPL)		10	22
Net change in fair value of equity financial assets measured at FVOCI	21	8	30
Other			86
Total comprehensive income for the year		49 035	42 138
Attributable to ordinary shareholders		43 329	39 873
Attributable to other equity instrument holders		2 091	1 762
Attributable to non-controlling interests		3 615	503

¹ Income tax relating to each component of other comprehensive income (OCI) is disclosed in note 41.

² Most significant contributors for 2024 comprises Africa Regions operations and International operations. Refer to annexure A for more detail.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Note	Group	
		2024 Rm	2023 Restated ¹ Rm
Net cash flows from operating activities¹		59 351	69 005
Cash flows from operations¹		93 307	125 944
Interest receipts ²		206 073	190 398
Interest payments		(106 999)	(94 183)
Non-interest and premium receipts ²		160 148	162 526
Recoveries on loans previously written off	38	583	821
Cash payments to suppliers, policyholders and employees	45	(166 498)	(133 618)
Net movement in operating assets and liabilities¹		(20 804)	(43 437)
Increase in operating assets ¹	45	(207 833)	(181 246)
Increase in operating liabilities	45	187 029	137 809
Dividends received		2 906	2 389
Direct taxation paid		(16 058)	(15 891)
Net cash flows used in investing activities		(4 140)	(6 051)
Capital expenditure on property and equipment		(3 851)	(5 522)
Proceeds from sale of property, equipment and non-current asset held for sale		677	438
Capital expenditure on intangible assets		(1 022)	(817)
Proceeds from sale of intangible asset		195	114
Acquisition of associates and joint ventures		(142)	(346)
Proceeds from sale of associates and joint ventures		3	82
Net cash flows used in financing activities		(32 762)	(26 796)
Issuance of ordinary share capital		74	40
Redemption of ordinary share capital		(3 971)	(443)
Issuance of other equity instruments		1 500	4 500
Redemption of other equity instruments		(1 942)	
Equity transactions with non-controlling interests		(193)	(1 223)
Issuance of subordinated debt	45	12 388	5 639
Redemption of subordinated debt	45	(10 154)	(5 900)
Principal lease repayments	17	(1 532)	(1 517)
Dividends paid ^{3,4}		(28 932)	(27 892)
Effect of exchange rate changes on cash and cash equivalents		(11 270)	(16 903)
Net increase in cash and cash equivalents¹		11 179	19 255
Cash and cash equivalents at the beginning of the year ¹	45	200 622	181 367
Cash and cash equivalents at the end of the year¹	45	211 801	200 622

¹ Restated. Refer to page 28 for further detail.² Interest, commission and premium receipts has been disaggregated to interest receipts and non-interest and premium receipts to provide a more appropriate analysis of cash flows from operations considering the nature and characteristics thereof. This disaggregation had no impact on the statement of cash flows.³ Cash flows to non-controlling interests primarily comprise dividends paid to non-controlling interests of subsidiaries.⁴ For details on dividends paid to AT1 capital bondholders and the impact on equity and tax paid, refer to note 15.


STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

GROUP	Note	Ordinary share capital and premium Rm	Treasury shares Rm	Foreign currency translation reserve Rm	Foreign currency hedge of net investment reserve Rm	Total hedge reserve ¹ Rm	Regulatory statutory credit risk reserve Rm	Fair value through OCI reserve ² Rm	Own credit risk reserve Rm	Share-based payment reserve Rm	Other reserves Rm	Retained earnings Rm	Ordinary share-holders' equity Rm	Other equity instrument holders ³ Rm	Non-controlling interests Rm	Total equity Rm
Balance at 1 January 2024		27 106	(2 982)	(10 122)	(945)	892	6 948	485	(1)	3 222	151	211 691	236 445	24 167	16 308	276 920
Total comprehensive income for the year				(1 728)	(28)	556		617	10			43 902	43 329	2 091	3 615	49 035
Profit for the year												43 727	43 727	2 091	4 366	50 184
Other comprehensive (loss)/ income for the year				(1 728)	(28)	556		617	10			175	(398)		(751)	(1 149)
Increase in statutory credit risk reserve							782					(782)				
Unincorporated property partnerships capital reductions and distributions ⁴															(133)	(133)
Transactions with shareholders and non-controlling interests recorded directly in equity		(3 897)	(601)							294		(24 915)	(29 119)	(2 533)	(1 514)	(33 166)
Equity-settled share-based payment transactions										2 810		(3 575)	(765)			(765)
Transfer of vested equity options										(2 516)		2 516				
Issue of share capital and share premium and other equity instruments	15	74											74	1 500		1 574
Repurchase of share capital and share premium and other equity instruments	15	(3 971)											(3 971)	(1 942)		(5 913)
Deferred tax on share-based payment transactions												278	278			278
Net (increase)/decrease in treasury shares			(601)									598	(3)			(3)
Dividends paid to equity holders	44											(24 732)	(24 732)	(2 091)	(1 514)	(28 337)
Balance at 31 December 2024		23 209	(3 583)	(11 850)	(973)	1 448	7 730	1 102	9	3 516	151	229 896	250 655	23 725	18 276	292 656

¹ The total hedge reserve includes cash flow hedges as well as the foreign currency basis spread and forward element. Refer to note 2.3.6 for more detail.
² The FVOCI reserve comprises of the FVOCI reserve for debt and equity financial investment. Refer to note 21 for more detail.
³ Other equity holders are holders of preference share capital and AT1 capital. For details on dividends paid to other equity holders refer to note 44.
⁴ Where the group owns a majority interest in certain property partnerships and controls the management of those properties, including the power over all significant decisions relating to the use and maintenance of those properties, they are classified as businesses and the group consolidates its interest in those property partnerships.


All balances are stated net of tax, where applicable.

 Details relating to each reserve are provided in the accounting policies detailed in annexure F.

GROUP	Note	Ordinary share capital and premium Rm	Treasury shares Rm	Foreign currency translation reserve Rm	Foreign currency hedge of net investment reserve Rm	Total hedge reserve ¹ Rm	Regulatory statutory credit risk reserve Rm	Fair value through OCI reserve ² Rm	Own credit risk reserve Rm	Share-based payment reserve Rm	Other reserves Rm	Retained earnings Rm	Ordinary share-holders' equity Rm	Other equity instrument holders ³ Rm	Non-controlling interests Rm	Total equity Rm
Balance at 1 January 2023		27 509	(3 461)	(4 716)	(950)	90	6 153	226	(23)	2 636	151	190 582	218 197	19 667	21 002	258 866
Total comprehensive income for the year				(5 406)	5	802		259	22			44 191	39 873	1 762	503	42 138
Profit for the year												44 211	44 211	1 762	4 330	50 303
Other comprehensive (loss)/ income for the year				(5 406)	5	802		259	22			(20)	(4 338)		(3 827)	(8 165)
Increase in statutory credit risk reserve							795					(795)				
Unincorporated property partnerships capital reductions and distributions ⁴															(201)	(201)
Transactions with shareholders and non-controlling interests recorded directly in equity		(403)	479							586		(22 287)	(21 625)	2 738	(4 996)	(23 883)
Equity-settled share-based payment transactions										2 559		(2 347)	212			212
Transfer of vested equity options										(1 973)		1 973				
Issue of share capital and share premium and other equity instruments	15	40											40	4 500		4 540
Repurchase of share capital and share premium and other equity instruments	15	(443)											(443)			(443)
Deferred tax on share-based payment transactions												309	309			309
Transactions with non-controlling interests												484	484		(2 525)	(2 041)
Net decrease/(increase) in treasury shares			479									(186)	293			293
Hyperinflation adjustments												641	641		1	642
Net dividends paid												(23 161)	(23 161)	(1 762)	(2 472)	(27 395)
Dividends paid to equity holders	44											(23 161)	(23 161)	(1 762)	(2 295)	(27 218)
Dividends received from Tutuwa initiative															(177)	(177)
Balance at 31 December 2023		27 106	(2 982)	(10 122)	(945)	892	6 948	485	(1)	3 222	151	211 691	236 445	24 167	16 308	276 920

¹ The total hedge reserve includes cash flow hedges as well as the foreign currency basis spread and forward element. Refer to note 2.3.6.
² The FVOCI reserve comprises of the FVOCI reserve for debt and equity financial investment. Refer to note 21 for more detail.
³ Other equity holders are holders of preference share capital and AT1 capital. For details on dividends paid to other equity holders refer to note 44.
⁴ Where the group owns a majority interest in certain property partnerships and controls the management of those properties, including the power over all significant decisions relating to the use and maintenance of those properties, they are classified as businesses and the group consolidates its interest in those property partnerships.

All balances are stated net of tax, where applicable.

 Details relating to each reserve are provided in the accounting policies detailed in annexure F.

ACCOUNTING POLICY ELECTIONS AND RESTATEMENTS

The material accounting policies applied in the presentation of the group and company's annual financial statements are set out below. The accounting policy elections below apply to the group and company, unless otherwise stated.

Basis of preparation

The group's consolidated and company's separate annual financial statements are prepared in accordance with the IFRS Accounting Standards as issued by the IASB (IFRS Accounting Standards), the IFRS Interpretations Committee (IFRIC®) interpretations as issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, and the South African Companies Act. The annual financial statements have been approved by the board on 12 March 2025.

The annual financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Financial assets classified at FVOCI, financial assets and liabilities classified at FVTPL and liabilities for cash-settled share-based payment arrangements.
- Post-employment benefit obligations that are measured in terms of the projected unit credit method.
- Investment property is measured using the fair value model.
- Insurance contract assets and insurance contract liabilities as well as its related reinsurance contract assets and reinsurance contract liabilities are measured in terms of the General Measurement Model (GMM) or Variable Fee Approach (VFA) or Premium Allocation Approach (PAA) as set out in accounting policy 12 – Insurance Contracts.
- Investments in associates and joint ventures are equity accounted. Private equity and venture capital investments, including mutual funds, that are associates, are either designated on initial recognition at FVTPL or are equity accounted.

The following material accounting policy elections in terms of IFRS have been made, with reference to the detailed accounting policies shown in brackets:

- Investments in subsidiaries are accounted for at cost less accumulated impairment losses, where applicable, in the separate financial statements (accounting policy 1).
- Investments in associates and joint ventures are initially measured at cost and subsequently accounted for using the equity method (accounting policy 2).
- Private equity and venture capital investments, including mutual funds, that are associates, are either designated on initial recognition at FVTPL or are equity accounted (accounting policy 2). Purchases and sales of financial assets under a contract whose terms require delivery of the asset within the time frame generally established by regulation or convention in the marketplace concerned are recognised and derecognised using trade date accounting (accounting policy 3).
- Commodities acquired principally for the purpose of selling in the near future or generating a profit from fluctuation in price or broker-traders' margin are measured at fair value less cost to sell (accounting policy 3).
- The portfolio exception is applied to measure the fair value of certain groups of financial assets and financial liabilities on a net basis (accounting policy 4).
- Intangible assets and property, equipment and right of use assets are accounted for at cost less accumulated amortisation/depreciation and impairment (accounting policy 6).
- Where the group has owner-occupied properties that back policyholder liabilities, these properties are measured using the fair value model, in line with its investment properties accounting policy (accounting policy 6).

- Investment property is accounted for using the fair value model (accounting policy 6).
- Cohorts — the group has elected to combine insurance contracts in the same annual calendar year at initial recognition (accounting policy 12).
- Use of the PAA — the group has elected to apply the simplified model for insurance contracts and reinsurance contracts held where the coverage period is one year or less. On inception of a group of contracts where the coverage period is over one year, and the group meets the eligibility criteria, the group may choose to apply the PAA. For the periods under review, the group has elected to apply the PAA where coverage is one year or less, or where the group meets the required eligibility criteria. The group applies both a qualitative and quantitative assessment to determine the eligibility (accounting policy 12).
- For contracts measured under the PAA, the group has elected (accounting policy 12):
 - To defer the recognition of the acquisition costs over the coverage period, however disclosure will be included where the group elects to expense insurance acquisition cash flows as incurred. The election is made for a group of insurance contracts.
 - To not adjust the carrying amount of the liability for remaining coverage (LRC) to reflect the time value of money (TVM) and the effect of financial risk for those contracts where the coverage period is less than one year, or where there is no significant financing component for contracts longer than one year, if at initial recognition the group expects that the time between providing each part of the coverage and the related premium due date is no more than one year.
 - Where claims incurred are expected to be paid within a year of the date that the claim is incurred, to not adjust future cash flows for the TVM and the effect of financial risk.
- Presentation and disclosure in the income statement of insurance finance income or expense (accounting policy 12):
 - Regarding the choice of recognition of insurance finance income or expense for the reporting period in profit or loss on a portfolio basis, or to recognise a portion of that in OCI, the group has elected not to disaggregate amounts in OCI for both those contracts with and those contracts without direct participation features.
 - The group has elected to present the income or expenses from a group of reinsurance contracts held, other than insurance finance income or expense, as a single amount on the face of the income statement rather than presenting separately the amounts recovered from the reinsurer and an allocation of the premiums paid that together give a net amount equal to that single amount.
 - The group has elected to disaggregate the risk adjustment for non-financial risk between insurance service result and insurance finance income and expense.
- Contract boundary choice on the treatment of insurance risk consequent to an incurred claim on an income protection policy: The accounting policy choices are for the in-claim payments to be treated as a liability for incurred claims (LIC) (i.e. there is one contract and once a policyholder claims, it becomes an LIC and long-dated fulfilment cash flows (FCF) are modelled) or the in-claim payments are treated as a LRC (i.e. there is one contract pre-claim and another contract for the in-payment liability). The latter would reflect the group's obligation to pay claims in the uncertain event of the policyholder remaining disabled and eligible to claim. The group has elected that the in-claim payments are treated as an LIC (i.e. there is one contract and once a policyholder claims, it becomes an LIC and long-dated fulfilment cash flows are modelled) (accounting policy 12).

- Application of IFRS 17 *Insurance Contracts* (IFRS 17) and IAS® 21 *The Effects of Changes in Foreign Exchange Rates* (IAS 21): A group of insurance contracts may generate cash flows in more than one currency. The group considers all risks, including currency exchange rate risks, when identifying portfolios of insurance contracts in order to develop an accounting policy to determine on initial recognition the currency or currencies in which the group of insurance contracts, including the contractual service margin (CSM), is denominated. Two approaches for measuring multi-currency groups of contracts are permitted, i.e. measuring the group as denominated either in a single currency, or in the multiple currencies of the cash flows in the group. The group has elected to measure the group of insurance contracts (including the CSM if applicable) as all denominated in a single currency. Where that currency is a foreign currency to the reporting entity, the group applies IAS 21 and translates the balance into its reporting currency at reporting dates (accounting policy 12).
- Risk mitigation — the group has elected to apply risk mitigation (to avoid unintended mismatches in profit or loss) for the VFA measured contracts post transition. The risk mitigation option allows for hedged financial risk changes that otherwise would impact the CSM, to not be recognised against the CSM. Certain limited risk mitigation has been applied to the group's restated earnings upon transition (accounting policy 12).
- Measurement of the non-distinct investment component (NDIC) within the scope of IFRS 17: The NDIC is the amount repayable to the policyholder in all circumstances. Receipts and repayments of such amounts do not relate to the provision of insurance services and are excluded from insurance revenue and insurance service expense. IFRS 17 does not prescribe what value to use as the NDIC (either unit value or surrender value). The group has elected to use the unit value as the amount representing the NDIC (accounting policy 12).
- Application of IFRS 17 to fixed fee service contracts on a contract-by-contract basis (accounting policy 12).



Refer to annexure F for detailed accounting policies.

Functional and presentation currency

The annual financial statements are presented in South African rand, which is the presentation currency of the group and the functional and presentation currency of the company. All amounts are stated in millions of rand (Rm), unless indicated otherwise.

Changes in accounting policies and adoption of new standards effective for the current financial year

The accounting policies applied in the preparation of the results are consistent with those reported in the previous year, apart from the items mentioned in this section.

The following updates to the accounting policies have been applied in the preparation of these results:

- IAS 1 *Presentation of Financial Statements* (amendments) clarified how to classify debt and other liabilities as current or non-current and introduced a requirement to classify debt as non-current only if an entity can avoid settling the debt in the 12 months after the reporting period. The amendments specified that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements. The amendments were retrospectively applied and had no material impact on the group's results.
- IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* (amendments) added requirements for an entity to provide additional disclosures about its supplier finance arrangements. The new requirements provide users of financial statements with information to assess how supplier finance arrangements affect an entity's liabilities, cash flows, the effect thereof on its exposure to liquidity risk and how an entity might be affected if the arrangements were no longer available to it. The amendments were retrospectively applied and had no material impact on the group's results.
- IFRS 16 *Leases* (IFRS 16) (narrow scope amendments) added requirements explaining how an entity accounts for a sale and leaseback after the date of the transaction. The amendments added to the existing sale and leaseback requirements in IFRS 16 and did not change the accounting for leases, other than those arising in a sale and leaseback transaction. The amendments were retrospectively applied and had no material impact on the group's results.



Refer to annexure F for detailed accounting policies.

Restatements

Derivative assets and derivative liabilities

During 2024, the group identified that a portfolio of forward derivative contracts had been erroneously presented on a gross fair value basis in the statement of financial position, rather than on a net fair value basis. Specifically, the two components of a single bond forward contract were separately presented as derivative assets and derivative liabilities, rather than being accounted for and presented on a net fair value basis. The group has restated for this impact.

This restatement has no impact on the profit for the year, headline earnings, or the statement of cash flows for the group and company. Furthermore, the error did not affect the 2022 statement of financial position, as the derivative portfolio had been correctly accounted for and presented on a net fair value basis. The restatement had the following impact on the primary financial statements within these results:

GROUP	2023		
	As previously reported Rm	Restatement Rm	Restated Rm
Derivative assets	97 419	(20 040)	77 379
Derivative liabilities	103 373	(20 040)	83 333

Trading assets and financial investments

Securities sold under linked repurchase agreements are reclassified as pledged assets in the statement of financial position according to the group's accounting policies. During 2024, the group identified that these securities were erroneously reclassified from trading assets instead of financial investments. The group has restated for this impact.

This restatement has no impact on the profit for the year, headline earnings, or the statement of cash flows for the group and company. The restatement had the following impact on the primary financial statements within these results:

GROUP	2023			1 January 2023		
	As previously reported Rm	Restatement Rm	Restated Rm	As previously reported Rm	Restatement Rm	Restated Rm
Trading assets	316 515	2 117	318 632	314 918	2 704	317 622
Financial investments	758 776	(2 117)	756 659	722 494	(2 704)	719 790

Cash and cash equivalents within the statement of cash flows

During 2024, the group performed an analysis to validate the classification of cash and cash equivalents after identifying that certain jurisdictions impose restrictions on portions of cash balances held with central banks. These restricted balances were erroneously classified as cash and cash equivalents. This resulted in the restricted balances being reclassified from the group's cash and cash equivalents and classified as part of the group's net movement in operating assets.

Additionally, amounts erroneously classified within the increase in operating assets which meet the criteria of being on-demand and the definition of cash and cash equivalents, have been reclassified in the group's cash and cash equivalents.

The group has restated the statement of cash flows and related notes for these classification errors. These restatements have no impact on the group's statement of financial position or any key ratios.

The above restatements had the following impact on the statement of cash flows:

GROUP	2023		
	As previously reported Rm	Restatement Rm	Restated Rm
Net cash flows from operating activities	48 698	20 307	69 005
Net movement in operating assets and liabilities	(63 744)	20 307	(43 437)
Increase in operating assets	(201 553)	20 307	(181 246)
Net movement in cash and cash equivalents	(1 052)	20 307	19 255
Cash and cash equivalents in the beginning of the year	206 241	(24 874)	181 367
Cash and cash equivalents at the end of the year	205 189	(4 567)	200 622

KEY MANAGEMENT ASSUMPTIONS

In preparing the financial statements, estimates and assumptions are made that could materially affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements, collectively referred to as key management assumptions, are continually evaluated and are based on factors such as historical experience and current best estimates of future events. The estimates and judgements below have remained unchanged unless otherwise stated. The following represents the most material key management assumptions applied in preparing these financial statements. The key management assumptions below apply to the group and company, unless otherwise stated.

Expected credit loss (ECL)

During the current reporting period, models have been enhanced, but, no material changes to assumptions have occurred. As such, the below significant increase in credit risk (SICR) and default assumptions, thresholds and/or triggers were not amended.

ECL on financial assets – drivers

For the purpose of determining the ECL:

- The home services, vehicle and asset finance (VAF), card and payments, personal unsecured lending, business lending and other products portfolios are based on the product categories or subsets of the product categories, with tailored ECL models per portfolio. The impairment provision calculation excludes post write-off recoveries (PWOR) from the loss given default (LGD) in calculating the ECL.
- Corporate, sovereign and bank exposures are calculated separately based on rating models for each of the asset classes.

ECL measurement period

The ECL measurement period for stage 1 exposures is 12 months (or the remaining tenor of the financial asset relating to corporate, sovereign and bank exposures, if the remaining lifetime is less than 12 months).

- A loss allowance over the full lifetime of the financial asset is required if the credit risk of that financial instrument has increased significantly since initial recognition (stage 2).
- A lifetime measurement period is applied to all credit impaired (stage 3) exposures.
- Lifetime includes consideration for dependent multiple default events, i.e. where defaulted exposures cure and then subsequently re-default. This consideration increases the lifetime and the potential ECL.
- The measurement period for unutilised loan commitments utilises the same approach as on-balance sheet exposures.

Significant increase in credit risk and low credit risk

Home services, vehicle and asset finance, card and payments, personal unsecured lending, business lending and other products

All exposures are assessed to determine whether there has been SICR at the reporting date, in which case an impairment provision equivalent to the lifetime expected loss is recognised. SICR thresholds, which are behaviour score based, are derived for each portfolio vintage of exposures with similar credit risk and are calibrated over time to determine which exposures reflect deterioration relative to the originated population and consequently reflect an increase in credit risk. Behaviour scorecards are based on a combination of factors which include the information relating to customers, transactions and delinquency behaviour (including the backstop when contractual payments are more than 30 days past due (DPD)) to provide a quantitative assessment (score), and more specifically, a ranking of customer creditworthiness. The creditworthiness of a customer is summarised by a score, with high scores

corresponding to low-risk customers, and conversely, low scores corresponding to high-risk customers. These scores are often taken into account in determining the probability of default (PD) including relative changes in PD. Credit risk has increased since initial recognition when these criteria are met.

The group determines the SICR threshold by utilising an appropriate transfer rate of exposures that are less than 30 DPD to stage 2. This transfer rate is such that the proportion of the 0-29 DPD book transferred into stage 2 is no less than the observed 12-month roll rate of 0-29 day accounts into 30 or more days in arrears. The SICR thresholds are reviewed regularly to ensure that they are appropriately calibrated to identify SICR by portfolio vintage and to consequently facilitate appropriate impairment coverage.

Where behaviour scores are not available, historical levels of delinquency are applied in determining whether there has been SICR. For all exposures, the rebuttable presumption of 30 DPD as well as exposures classified as either debt review or as 'watch-list' are used to classify exposures within stage 2.

Corporate and bank products, including certain business banking exposures

The group uses a 25-point master rating scale to quantify the credit risk for each exposure. On origination, each client is assigned a credit risk grade within the group's 25-point master rating scale. Ratings are mapped to PDs by means of calibration formulae that use historical default rates and other data for the applicable portfolio. These credit ratings are evaluated at least annually or more frequently as appropriate.

All exposures are evaluated for SICR by comparing the credit risk grade at the reporting date to the origination credit risk grade. Where the relative change in the credit risk grade exceeds certain pre-defined ratings' migration thresholds or, when a contractual payment becomes more than 30 DPD (IFRS 9's rebuttable presumption), the exposure is classified within stage 2. These pre-defined ratings' migration thresholds have been determined based on historic default experience which indicate that higher rated risk exposures are more sensitive to SICR than lower risk exposures. Based on an analysis of historic default experience, exposures that are classified by the group's master rating scale as investment grade (within credit risk grade 1 – 12 of the group's 25-point master rating scale) are assessed for SICR at each reporting date but are considered to be of low credit risk. To determine whether a client's credit risk has increased significantly since origination, the group would need to determine the extent of the change in credit risk using the table that follows:

Group master rating scale band	SICR trigger (from origination)
SB 1 – 12	Low credit risk
SB 13 – 20	3 ratings or more
SB 21 – 25	1 rating or more

Incorporation of forward-looking information (FLI) in ECL measurement

The group determines the macroeconomic outlook, over a planning horizon of at least three years, for each country based on the group's global outlook and its view of commodities, interest rates, exchange rates and other relevant parameters.

For home services, VAF, card and payments, personal unsecured lending, business lending and other products, these forward-looking economic expectations are included in the ECL where adjustments are made based on the group's macroeconomic outlook, using models that correlate these parameters with macroeconomic variables. Where modelled correlations are not viable or predictive, adjustments are based on expert judgement to predict the outcomes based on the group's macroeconomic outlook expectations. In addition to forward-looking macroeconomic information, other types of FLI, such as specific event risks and industry data, have been taken into account in ECL estimates when required, through the application of out-of-model adjustments. These out-of-model adjustments are subject to group credit governance committee oversight.

The group's macroeconomic outlooks are incorporated in corporate, sovereign and bank products' client rating and include specific forward-looking economic considerations for the individual client. The client rating thus reflects the expected client risk for the group's expectation of future economic and business conditions. Further adjustments, based on point-in-time market data, are made to the PDs assigned to each risk grade to produce PDs and ECL representative of market conditions.

Default

The definition of default, which triggers the credit impaired classification (stage 3), is based on the group's internal credit risk management approach and definitions. While the specific determination of default varies according to the nature of the product, it is compliant with the Basel definition of default at entry point, and generally determined as occurring at the earlier of:

- where, in the group's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security. This includes the classification of distressed restructures (including debt review exposures) as default for minimum of six months, while observing payment behaviour or
- when the counterparty is past due for more than 90 days (or, in the case of overdraft facilities, in excess of the current limit).

The group has not rebutted the 90 DPD rebuttable presumption.

Write-off policy

An impaired loan is written off once all reasonable attempts at collection have been made and there is no material economic benefit expected from attempting to recover the balance outstanding (i.e. no reasonable expectation of recovery). This assessment considers both qualitative and quantitative information, such as past performance, behaviour and recoveries. The group assesses whether there is a reasonable expectation of recovery at an exposure level. As such, once the criteria that follow are met at an exposure level, the exposure is written off.

The following criteria must be met before a financial asset can be written off:

- the financial asset has been in default for the period defined for the specific product (i.e. home services, VAF etc.) which is deemed sufficient to determine whether the group is able to receive any further economic benefit from the impaired loan. The period defined for unsecured products is determined with reference to post-default payment behaviour such as cumulative delinquency, as well as an analysis of post write-off recoveries. Factors that are within the group's control are assessed and considered in the determination of the period defined for each product. The post-default payment period is generally once the rehabilitation probability (repayment of instalments) is considered low to zero, and a period between 180 to 360 days in arrears; and
- at the point of write-off, the financial asset is fully impaired (i.e. 100% ECL allowance) with no reasonable expectation of recovery of the asset, or a portion thereof.

As an exception to the above requirements:

- Where the exposure is secured (or for collateralised structures), the impaired exposure can only be written off once the collateral has been realised. Post-realisation of the collateral, the shortfall amount can be written off if it meets the second requirement listed above.
- For corporate, sovereign and bank products, write-off is assessed on a case-by-case basis and approved by the Corporate & Investment Banking (CIB) credit governance committee based on the individual facts and circumstances.
- For unsecured exposures, post write-off collection and enforcement activities include outsourcing to external debt collection agents as well as collection/settlement arrangements to assist clients to settle their outstanding debt.

The group continuously monitors and reviews when exposures are written off, the levels of post write-off recoveries as well as the key factors causing post write-off recoveries, which ensure that the group's point of write-off remains appropriate and that post write-off recoveries are within expectable levels after time.

Curing

Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e. stage 3) still exist. Distressed restructured financial assets (including debt review exposures) remain within stage 3 for a minimum period of six months (i.e. an average of six full monthly payments per the terms and conditions). In the case of financial assets with quarterly or longer dated repayment terms, the classification of a financial asset out of stage 3 may be made subsequent to an evaluation by the group's CIB or home services, VAF, card and payments, personal unsecured lending, business lending and other products credit governance committees (as appropriate), such evaluation will take into account qualitative factors in addition to compliance with payment terms and conditions of the agreement. Qualitative factors include compliance with covenants and with existing financial asset terms and conditions.

Where it has been determined that a financial asset no longer meets the criteria for SICR, the financial asset will be moved from stage 2 (lifetime ECL model) back to stage 1 (12-month ECL model) prospectively.

Forward-looking economic expectations

A range of scenarios have been determined for base, bear and bull forward-looking economic expectations, as at 31 December 2024, for inclusion in the group's forward-looking process and ECL calculation.

Base scenario

Africa Regions

Sub-Saharan Africa is projected to achieve about 4.0% growth in 2025, showcasing its resilience despite various global and regional challenges. This growth is primarily driven by robust domestic consumption. However, domestic factors, such as prolonged weather shocks, stringent monetary policy responses to economic overheating, and persistent political disruptions, are likely to exert a more significant and lasting negative influence on economic growth than external demand shocks.

In 2024, severe El Niño drought conditions adversely affected gross domestic product (GDP) growth in Zimbabwe, Zambia and Malawi, while heavy rainfall impacted Kenya and Uganda. Weather experts anticipate a shift toward La Niña conditions, which could reverse the earlier weather patterns. East Africa is likely to encounter drier conditions, while regions in southern Africa, including Zambia and Malawi, may experience increased rainfall. However, the intensity of La Niña is likely to be milder than previously expected.

Many economies in sub-Saharan Africa are heavily reliant on exports to China. Examples include Angola, the Democratic Republic of the Congo (DRC) and Zambia, where China accounts for 45%, 48%, and 29% respectively of total exports for these countries. They may face growth risks if US tariffs adversely impact Chinese economic activity. Oil-exporting nations like Nigeria are vulnerable to a Chinese economic slowdown, especially if it coincides with declining international oil prices. This will exacerbate external positions, affecting non-oil sector growth due to previous liquidity challenges.

Angola's economy is projected to stabilise, as oil prices remain steady and fiscal reforms progress, although dependence on oil exports present ongoing vulnerabilities. Nigeria's growth will benefit from increased oil production, improved foreign exchange liquidity, and the operationalisation of the Dangote refinery, which will support downstream activity.

Botswana's GDP growth will be driven by domestic stimulus and stabilising diamond prices. Côte d'Ivoire's growth is bolstered by increases in cocoa production and mining investments, despite potential election-related uncertainties. Zambia is forecast to achieve a robust growth rate, aided by a 10.3% increase in copper production and recovery from prior drought impacts. Ghana is projected to sustain its robust GDP growth in 2025 as new gold mines enhance output.

In Kenya, overall GDP recovery is expected although La Niña-induced drier conditions may still impact agricultural production. Personal consumption expenditure may remain sluggish due to elevated taxes and statutory deductions, although declining interest rates could stimulate private sector credit lending.

Monetary policy across sub-Saharan Africa will be accommodative, with most countries expected to lower rates. However, Angola may maintain a cautious stance, and Zambia raise rates in response to external factors. Inflation is anticipated to ease slightly but remain elevated in certain countries, like Nigeria, where structural inefficiencies contribute to persistent price pressures.

Debt sustainability pose significant challenges, with Zambia and Ghana nearing completion of debt restructures, while Mozambique faces increased risks of domestic defaults due to rising repayment obligations.

Despite external challenges, sub-Saharan Africa continues to demonstrate resilience, with several countries nearing or surpassing pre-pandemic growth levels. This highlights the region's capacity to leverage opportunities in critical minerals while managing climate and fiscal risks, which are crucial for sustained recovery and long-term growth.

South Africa

The global backdrop remains fragile amid ongoing geopolitical tension and uncertainty about US policy changes, as well as the magnitude and composition of China policy stimulus. South Africa (SA) economic growth is expected to accelerate, albeit from a particularly weak base, as the easing of infrastructure constraints, higher confidence levels and the cyclical support of declining interest rates drive an acceleration in household consumption expenditure and a recovery in private sector fixed investment. Policy continuity, including fiscal consolidation and further focus on structural reforms to lift SA's trend growth under the Government of National Unity (GNU) is, however, key for the improvements foreseen. Positive sovereign credit rating action, premised on traction with growth-supportive policy reforms and fiscal consolidation, is likely, as is SA being removed from the Financial Action Task Force's (FATF's) list of countries under increased monitoring.

Notwithstanding recent losses against the US dollar, the rand is supported by better domestic fundamentals, including improving growth and fiscal trajectories. SA government bonds have benefitted from the improved political and policy backdrop, although they are still discounting a moderate idiosyncratic risk premium consistent with investor concerns about government's ability to engineer higher trend growth and fiscal consolidation. US yields declining, as widely expected, will provide more upside potential for local bonds.

Inflation will remain well contained, with the lack of demand-driven and wage pressure counteracting the inflationary risks from weakness in the rand exchange rate, commodity price pressures or other global inflation triggers. Headline consumer price index (CPI) inflation is expected to increase to 4.5%, the mid-point of the current inflation target range, from the low of 2.9% reached in the fourth quarter of 2024. The South African Reserve Bank (SARB) cut the repo rate by a cumulative 75bps since September 2024 in 25bps increments, reducing the level of restrictiveness of monetary policy. The SARB intends to reduce the repo rate to a neutral level, a potential further 25bps to a prime rate of 10.75%, although there may be a pause along the way.

Bear scenario

Africa Regions

In a bear case scenario, Africa's economic outlook deteriorates under mounting external and internal pressures. Geopolitical tensions disrupt the global economy, reducing demand for African exports. This decline erodes government revenues, hindering the ability to fund critical services and infrastructure. Poor climate conditions exacerbate food insecurity in agriculture-dependent regions, with crop failures placing further strain on fragile economies. Rising unemployment and declining living standards fuel social unrest and political instability. Meanwhile, slow progress on structural reforms results in a stagnant private sector, and subdued foreign direct investment (FDI). Education systems remain underfunded, leaving many young people ill-equipped for the labour market. Sub-Saharan Africa's growth stagnates at 2% to 3%, with the external shock of a global economic slowdown or weak Chinese demand suppressing export revenues in Angola, Zambia and the DRC. Nigeria's oil production falters due to subdued global demand, inefficiencies and security issues. Political instability in Côte d'Ivoire disrupts economic activity, undermining investor confidence. Poor weather conditions in Malawi and Zambia reduce agricultural yields and hydropower generation, driving food inflation and trade imbalances. Mozambique faces escalating domestic debt challenges, resulting into a domestic debt default. Inflation could remain in double digits in Angola, Malawi, Nigeria and Zambia, eroding incomes and stifling consumption. Fiscal reforms in Kenya, Ghana, Mozambique and Zambia may falter under political resistance, exacerbating debt burdens and delaying critical infrastructure development. Tightened monetary policies to contain rising inflation would raise borrowing costs, constraining growth.

South Africa

Global and local factors combine in this case, placing the SA economy under severe pressure. Internationally, geopolitical tensions escalate, creating the potential for a surge in energy prices and impacting adversely on supply chains. This, together with increasingly inward-looking policies, re-accelerates a rise in global inflation and forces most central banks to maintain restrictive policy rates. In a more polarised world, SA might see the loss of certain trade advantages.

Locally, key policy disagreements increase tensions within the GNU where parties revert to a 'confidence and supply' agreement, weakening the implementation of growth-enhancing reforms and triggering a decline in business confidence. This keeps SA's supply-side constraints acute and caps potential growth. Social unrest episodes are more likely where growth and employment outcomes are noticeably weaker. Political will to continue the implementation of the FATF's requirements might be weaker in the bear case, with SA remaining under increased monitoring for an extended period. Bonds are expected to be under pressure both from higher global long-term interest rates and a higher SA risk premium. Higher long-term interest rates, lower growth and fiscal slippage see key fiscal ratios weaken and debt stabilisation is unlikely to materialise. Fears of cycling debt in a debt trap intensify, prompting further negative sovereign ratings action.

A higher SA risk premium and a stronger US dollar due to an increase in global risk aversion weigh on the rand exchange rate. Lower export commodity prices from weaker global growth increase the external funding needed amid tighter global financing conditions. The rand remains weaker, with continued pressure on net capital inflows. Rand weakness is inflationary, further affecting the growth trajectory adversely by forcing interest rate increases instead of further interest rate relief as

foreseen in the base case. With the SARB aggressively raising the policy rate to contain second-round effects, the policy rate is 175bps higher than the base case at its peak. As pressures ease, rate increases could be partially reversed, containing the policy rate as 75bps higher than in the base case.

Bull scenario

Africa Regions

In a bullish scenario, robust economic growth emerges, fuelled by significant investments and a supportive global economic landscape. FDI surges into vital sectors like renewable energy and infrastructure, catalysing swift development. The global shift towards clean energy offers a pivotal opportunity for sub-Saharan Africa's critical minerals sector. With rising demand for minerals like copper, cobalt, and nickel which are essential for electric vehicles, solar energy, and battery technology, countries like Zambia and the DRC become key suppliers. The DRC holds 70% of the world's cobalt reserves, while Zambia has extensive copper deposits, positioning both for substantial gains. Infrastructure initiatives, including the Lobito Corridor and Tanzania-Zambia Railway Authority (TAZARA) rail line, aid in resolving logistical challenges, benefiting Angola and Tanzania, lowering transportation costs, and enhancing mining profitability. The African Continental Free Trade Area (AfCFTA) further strengthens regional trade, fostering economic integration and job creation. Under this scenario, sub-Saharan Africa growth could surpass 5%, driven by favourable external conditions, effective domestic reforms, and heightened global commodity demand. Angola and Nigeria benefit from raising oil prices, enhancing fiscal revenues and external accounts. Meanwhile, Ghana's economy expects gains from increased gold production and fiscal revenues, while Côte d'Ivoire's cocoa and mining sectors thrive amid improved weather and investor sentiment. As inflation moderates, central banks can reduce interest rates, stimulating private sector growth and attracting foreign investment, ultimately securing long-term prosperity through diversified exports and increased infrastructure spending.

South Africa

In this case, local structural reform momentum gathers speed with increased private sector participation, seeing logistical and other infrastructure constraints (such as water supply issues) being addressed faster. This cycle of improved confidence, higher fixed investment and faster growth not only sees SA's potential growth rate improve in the near term but also sustains faster-paced growth over the medium term. A more conducive global economic backdrop, with lower global inflation trajectories allowing aggressive policy rate cuts and higher global growth rates, further supports sustained higher growth.

Fiscal consolidation continues and structural reforms further support economic growth. SA's risk premium compresses further as more upgrades to SA's sovereign credit ratings follow. Combined with support for SA's terms of trade from higher mining commodity prices and more robust global demand, the rand exchange rate is stronger. External financing needs will increase as the current account deficit widens over the medium term but should remain well-contained, supported by the more conducive financial conditions globally.

Inflation drifts closer to 3.0%. In line with key global central banks, the SARB can unwind tight monetary policy further than assumed in the base case, with inflation decelerating and the risks to the inflation outlook dissipating. This sees the policy rate reaching a terminal level of 6.25%, maintaining the prime interest rate at 9.75%, which is 100bps lower than in the base case.

Main macroeconomic factors

The probability weightings of each scenario, namely, base, bear and bull, for inclusion in the group's 2024 FLI process and ECL calculation are weighted as follows, where multiple jurisdictions are considered, weighted averages are used:

- Africa Regions: base at 56%, bear at 28% and bull at 16% (2023: base at 55%, bear at 28% and bull at 17%). The scenario weighting has been revised due to the changes in the macroeconomic factors, together with changes in the weighting applied across multiple jurisdictions.
- South Africa: base at 60%, bear at 20% and bull at 20% (2023: base at 50%, bear at 30% and bull at 20%). The scenario weighting has been adjusted due to changes in macroeconomic factors, with probabilities now more weighted towards the base case.

The table that follows shows the main macroeconomic factors, as at 31 December 2024, used to estimate the forward-looking impact on the ECL provision on financial assets and presented for each identified time period.

	Base scenario			Bear scenario		Bull scenario	
	1 January 2024 to 31 December 2024 ¹	1 January 2025 to 31 December 2025	1 January 2026 to 31 December 2028	1 January 2025 to 31 December 2025	1 January 2026 to 31 December 2028	1 January 2025 to 31 December 2025	1 January 2026 to 31 December 2028
Macroeconomic factors - 2024							
Africa Regions							
Inflation (%) (weighted average)	13.49	11.40	9.68	14.21	12.26	8.30	5.95
Policy rate (%) (weighted average)	14.27	13.04	12.22	13.80	12.39	11.52	9.28
3m Tbill rate (%) (average)	10.98	11.65	10.26	12.96	12.34	8.32	6.94
6m Tbill rate (%) (average)	11.85	12.21	10.78	13.86	13.11	9.10	7.18
Real GDP (%) (weighted average)	3.81	4.50	4.59	2.59	2.75	6.07	6.27
South Africa							
Inflation (%) (average)*	4.43	4.04	4.36	4.77	5.17	3.87	3.80
Prime (%) (period end)*	11.25	10.75	10.75	11.75	11.50	10.25	9.75
Real GDP ² (%) (average)*	0.60	1.80	2.26	0.19	0.65	3.02	3.21
Household credit (%) (average)*	3.42	6.52	6.91	5.18	5.10	7.21	8.42
Exchange rate USD/ZAR (period end)*	18.75	17.75	18.74	19.32	20.78	16.54	17.62

¹ Revised as at 31 December 2024. The 1 January 2024 to 31 December 2024 view disclosed as at 31 December 2023, has been revised due to the changes in the macroeconomic factors.

² Gross domestic product.

* Actual rates for 2024.

		Base scenario		Bear scenario		Bull scenario	
	1 January 2023 to 31 December 2023 ¹	1 January 2024 to 31 December 2024	1 January 2025 to 31 December 2027	1 January 2024 to 31 December 2024	1 January 2025 to 31 December 2027	1 January 2024 to 31 December 2024	1 January 2025 to 31 December 2027
Macroeconomic factors – 2023							
Africa Regions ²							
Policy rate (%) (weighted average)	19.60	18.00	12.12	20.21	15.36	11.15	9.02
3m Tbill rate (%) (average)	10.79	11.41	9.94	13.68	12.31	9.76	7.58
6m Tbill rate (%) (average)	11.16	11.90	10.10	13.77	12.19	10.08	7.69
Real GDP (%) (weighted average)	3.95	4.57	4.62	2.68	2.54	5.93	6.17
South Africa							
Inflation (%) (average)*	5.90	5.13	4.47	6.40	5.94	4.74	3.91
Prime (%) (period end)*	11.75	10.75	10.50	12.50	11.50	10.50	10.00
Real GDP ² (%) (average)*	0.60	1.43	1.81	(0.43)	0.70	2.09	2.49
Household credit (%) (average)*	5.93	5.72	6.38	5.02	5.35	6.58	7.69
Exchange rate USD/ZAR (period end)*	18.52	18.10	18.07	21.49	19.49	17.02	16.94

¹ Revised as at 31 December 2023. The 1 January 2023 to 31 December 2023 view disclosed as at 31 December 2022, has been revised due to the changes in the macroeconomic factors.

² During 2023, the Stanbic Bank Zimbabwe outlook was denominated in ZWL and during 2024 the Stanbic Bank Zimbabwe impact is denominated in USD.

³ During 2024, the group reevaluated the inclusion of the UK macroeconomic factors in key management assumptions relating to forward-looking expectations. It was determined that the impact of these factors on ECL are immaterial, leading to the exclusion for the current and prior years.

* Actual rates for 2023.

Sensitivity analysis of the forward-looking impact on the total ECL provision on all financial instruments relating to corporate, sovereign and bank products

The ECL methodology for corporate, sovereign and bank products is based primarily on client specific risk metrics. As such the forward-looking macroeconomic information is one of the components and/or drivers of the total reported ECL. Rating reviews of each client are performed at least annually, and entails credit analysts completing a credit scorecard and incorporating FLI at a client level. The weighting is reflected in both the determination of SICR as well as the measurement of the resulting ECL for the individual client. Therefore the impact of forward-looking economic conditions is embedded into the total ECL for each client. Therefore the below sensitivity analysis of the total ECL provision relating to the CIB client franchise excludes the impact of losses directly attributable to distress experienced on sovereign exposures, held primarily for prudential or liquidity management purposes.

	2024		2023	
	Total income statement charge Rm	Total ECL provision Rm	Total income statement charge Rm	Total ECL provision Rm
As reported	1 569	10 276	1 662	10 373
Scenarios				
Base	1 565	10 272	1 595	10 306
Bear	1 816	10 523	1 902	10 613
Bull	1 334	10 041	1 474	10 185

Sensitivity analysis of the forward-looking impact on loans and advances ECL provision relating to home services, VAF, card and payments, personal unsecured lending, business lending and other products

The forward-looking impact on the total ECL provision has shown improvement in 2024, attributed to the positive macroeconomic outlook. The sensitivity analysis of this forward-looking impact has been revised to provide more comprehensive disclosure. Instead of presenting the incremental forward-looking impact as previously done, the total income statement charge and total ECL provision for each scenario is provided. This change is intended to offer more useful and relevant information for analysis.

The following table shows a comparison of the forward-looking impact on the provision as at 31 December 2024, based on the probability weightings of the above three scenarios resulting from recalculating each of the scenarios using a 100% weighting of the above factors.

	2024		2023	
	Total income statement charge Rm	Total ECL provision Rm	Total income statement charge Rm	Total ECL provision Rm
As reported	13 376	54 777	14 581	52 857
Scenarios				
Base	12 917	54 318	14 881	53 157
Bear	15 339	56 740	16 161	54 437
Bull	11 655	53 056	14 503	52 779

Management judgemental adjustments

As mentioned in the sections above in determining the forward-looking impact, from an IFRS 9 perspective, the group has forecast three possible future macroeconomic scenarios, being the base, bear and bull scenarios, and attributed weightings to these three scenarios. Determining these scenarios and the assumptions underlying them are complex.

Management judgemental adjustments are required in terms of IFRS 9 to take into account factors that do not form part of the normal modelling process and/or the above mentioned macroeconomic scenarios. These factors are incorporated as part of management judgemental adjustments. These factors may result from model or data limitations, recent events or expert credit judgement and are applied at a segment, industry or client level. These management judgemental adjustments are reviewed as part of the governance process surrounding credit risk and ECL.

Management judgemental adjustments incorporated in the calculation of ECL and included in the statements of financial position are set out below:

	2024 Rm	2023 Rm
Home services, VAF, card and payments, personal unsecured lending, business lending and other products industry and macroeconomic adjustments ¹	1 572	951
Sovereign adjustment ²	400	400
Total	1 972	1 351

¹ The increase in the additional impairments held is as a result of incorporating the impact of industries experiencing continued and increased risk and macroeconomic factors which were not included in the underlying modelling influencing the assumptions applied in determining ECL as discussed above.

² Additional impairments held to incorporate the credit risk relating to sovereigns. These adjustments are included in corporate in note 8.



Refer to note 8 for the carrying amounts of loans and advances and to annexure C for the group's assessment of the risk of loss arising out of the failure of counterparties to meet their financial or contractual obligations when due.

Unit of account

The group applies judgement when assessing whether several financial instruments should be accounted for as a separate single unit of account. In performing the assessment, consideration is given to, *inter alia*:

- The financial instruments being entered into simultaneously and in contemplation of one another.
- The financial instruments being entered into with the same counterparty.
- The risk profile of the financial instruments being similar.
- The economic purpose for structuring the financial instruments separately.
- The financial instruments can be transferred or settled separately or exist independently of each other.
- The offsetting criteria per IAS 32 *Financial Instruments: Presentation*.
- The ability to understand the economic effect of the financial instruments without reference to the series of financial instruments.
- The IFRS risk and rewards criteria.

Fair value

Financial instruments

In terms of IFRS, the group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value, being the price that would, respectively, be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities. Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the entity is a going concern and that fair value is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. Information obtained from the valuation of financial instruments is used to assess the performance of the group and, in particular, provides assurance that the risk and return measures that the group has taken are accurate and complete.

Valuation process

The group's valuation control framework governs internal control standards, methodologies and procedures over its valuation processes, which include the following.

Prices quoted in an active market

The existence of quoted prices in an active market represents the best evidence of fair value. Where such prices exist, they are used in determining the fair value of financial assets and financial liabilities.

Valuation techniques

Where quoted market prices are unavailable, the group establishes fair value using valuation techniques that incorporate observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices, for such assets and liabilities. Parameter inputs are obtained directly from the market, consensus pricing services or recent transactions in active markets, whenever possible. Where such inputs are not available, the group makes use of theoretical inputs in establishing fair value (unobservable inputs). Such inputs are based on other relevant input sources of information and incorporate assumptions that include prices for similar transactions, historic data, economic fundamentals, and research information, with appropriate adjustments to reflect the terms of the actual instrument being valued and current market conditions. Changes in these assumptions would affect the reported fair values of these financial instruments. Valuation techniques used for financial instruments include the use of financial models that are populated using market parameters that are corroborated by reference to independent market data, where possible, or alternative sources, such as, third-party quotes, recent transaction prices or suitable proxies. The fair value of certain financial instruments is determined using industry standard models such as, discounted cash flow analysis and standard option pricing models. These models are generally used to estimate future cash flows and discount these back to the valuation date. For complex or unique instruments, more sophisticated modelling techniques may be required, which require assumptions or more complex parameters such as correlations, prepayment spreads, default rates and loss severity.

Valuation adjustments

Valuation adjustments are an integral part of the valuation process. Adjustments include, but are not limited to:

- credit spreads on illiquid issuers
- implied volatilities on thinly traded instruments
- correlation between risk factors
- prepayment rates
- other illiquid risk drivers.

In making appropriate valuation adjustments, the group applies methodologies that consider factors such as bid-offer spreads, liquidity, counterparty and own credit risk. Exposure to such illiquid risk drivers is typically managed by:

- using bid-offer spreads that are due to the relatively low liquidity of the underlying risk driver
- raising day one profit or loss provisions in accordance with IFRS (refer to note 2.4 and note 3.1)
- quantifying and reporting the sensitivity to each risk driver
- limiting exposure to such risk drivers and analysing exposure on a regular basis.

Validation and control

All financial instruments carried at fair value, regardless of classification, and for which there are no quoted market prices for that instrument, are fair valued using models that conform to international best practice and established financial theory. These models are validated independently by the group's model validation unit and formally reviewed and approved by the market risk methodologies committee. This control applies to both off-the-shelf models, as well as those developed internally by the group. Further, all inputs into the valuation models are subject to independent price validation procedures carried out by the group's market risk unit. Such price validation is performed on at least a monthly basis, but daily where possible given the availability of the underlying price inputs. Independent valuation comparisons are also performed and any significant variances noted are appropriately investigated. Less liquid risk drivers, which are typically used to mark level 3 assets and liabilities to model, are carefully validated and tabled at the monthly price validation forum to ensure that these are reasonable and used consistently across all entities in the group. Sensitivities arising from exposures to such drivers are similarly scrutinised, together with movements in level 3 fair values. They are also disclosed on a monthly basis at the market risk and asset and liability committees.

Portfolio exception

The group has, on meeting certain qualifying criteria, elected the portfolio exception which allows an entity to measure the fair value of certain groups of financial assets and financial liabilities on a net basis similar to how market participants would price the net risk exposure at the measurement date. The total amount of the change in fair value estimated using valuation techniques not based on observable market data that was recognised in profit or loss for 2024 was a net loss of R4 314 million (2023: R2 799 million net loss). Other financial instruments, not at level 3, are utilised to mitigate the risk of these changes in fair value.



Refer to note 21 for the fair value disclosures.

Investment property valuations

Independent external valuers are appointed to conduct interim and year-end valuations of investment properties. Among other inputs, the independent valuers applied current market-related assumptions to risks in rental streams of properties. The key assumptions in the determination of the fair value are the exit capitalisation rates and discount rates. Other inputs considered relate to expense growth, rent reversion factors, rental growth, existing tenant terms, location, vacancy levels and restrictions, if any, on the sale or use of the asset.

The group applies judgement regarding the unit of account, i.e. whether it should be valued as a stand-alone property or as a group of properties. Determination of fair value also considers the current use of the property in terms of its highest and best use, taking into account the use of the asset that is physically possible, legally permissible and financially feasible. Management derived discount rates are risk adjusted to factor in liquidity and asset class risk.

The fair values of the investment properties at 31 December 2024 have been revised in consultation with external valuers, considering the current economic environment and the estimated impact on all the valuation inputs. There have been no changes applied to the unit of account and derived use.



Refer to note 11 for investment property disclosures and note 21 for fair value disclosures.

Consolidation of entities

The group controls and consolidates an entity (investee) where the group has power over the entity's relevant activities; is exposed to variable returns from its involvement with the investee; and has the ability to affect the returns through its power over the entity, including structured entities (SEs). Determining whether the group controls another entity requires judgement by identifying an entity's relevant activities, being those activities that significantly affect the investee's returns, and whether the group controls those relevant activities by considering the rights attached to both current and potential voting rights, de facto control and other contractual rights including whether such rights are substantive.

Interests in unconsolidated SEs that are not considered to be a typical customer-supplier relationship are required to be identified and disclosed. The group regards interest to be a typical customer-supplier relationship where the level of risk inherent in that interest in the SE exposes the group to a similar risk profile to that found in standard market-related transactions. The group sponsors an SE where it provides financial support to the SE when not contractually required to do so. Financial support may be provided by the group to an SE for events such as litigation, tax and operational difficulties.



Refer to annexure A for detail on subsidiaries, consolidated and unconsolidated structured entities within the group.

Significant influence – investment funds

The group accounts for its interests in investment funds as associates where the group is the fund manager, for which there is an irrevocable fund management agreement, and the group has a monetary interest in the particular fund. Such associates are equity accounted unless designated to be measured at FVTPL.



Refer to annexure B for detail on associates and joint ventures.

Goodwill impairment

In terms of IFRS, the group is required to, on an annual basis and when indicators of impairment are present, test its recognised goodwill for impairment. The impairment tests are performed by comparing the cash-generating units' (CGU) recoverable amounts to the carrying amounts in the functional currency of the CGU being assessed for impairment. The recoverable amount is defined as the higher of the entity's fair value less costs of disposal and its value in use.

The review and testing of goodwill for impairment inherently requires significant management judgement as management needs to estimate the identified CGU's future cash flows. The principal assumptions considered in determining an entity's value in use have been reassessed at 31 December 2024 and include:

- Future cash flows: the forecast periods adopted reflect a set of cash flows which, based on management's judgement, external data sources and expected market conditions, could be sustainably generated over such a period. A forecast period of greater than five years has been used in order to take into account the level of development and anticipated growth rates relative to those markets and allow forecasts to normalise for macroeconomic and industry factors. The cash flows from the final discrete cash flow period are extrapolated into perpetuity to reflect the long-term plans for the entity. It is common valuation methodology to avoid placing too high a proportion of the total value on the perpetuity value.
- Discount rates: the cost of equity (COE) discount rates utilised in the equity pricing models are deemed appropriate based on the entities under review. The risk-free rate used to determine the COE has been derived from appropriate long dated government bonds adjusted for inflation differential and country risk yield. The future cash flows are discounted using the COE assigned to the appropriate CGUs and by nature can have a significant impact on their valuations. No additional goodwill impairment loss has been raised for the year ended 31 December 2024.

The following table summarises the impairment test methodology applied and the key inputs used in testing the group's goodwill relating to Stanbic IBTC Holdings PLC and Stanbic Holdings PLC.

	Stanbic IBTC Holdings PLC (Nigeria)		Stanbic Holdings PLC (Kenya)	
	2024	2023	2024	2023
Discounted cash flow				
Discount rate (nominal, post-tax) (%)	32.2	30.4	22.8	21.7
Terminal growth rate (nominal, post-tax) (%)	11.2	8.2	8.1	7.3
Forecast period (years) ¹	9	10	9	10

¹ In the instance where the group values subsidiaries where the long-term strategy is to hold and grow the investment, the preferred approach is to value FCFs over a longer period in order to take account of periods of non-linear and linear growth and avoid a situation where too great a proportion of the value is derived from the terminal cash flow period.

No goodwill impairment has been recognised during 2024 or 2023.



Note 13 summarises the group's impairment test results and the main components of goodwill.

Computer software intangible assets

The group reviews its assets under construction and assets brought into use for impairment at each reporting date and tests the carrying amount for impairment whenever events or changes in circumstances indicate that the carrying amount (or components of the carrying amount) may not be recoverable. These circumstances include, but are not limited to, new technological developments, obsolescence, changes in the manner in which the software is used or is expected to be used, changes in discount rates, significant changes in macroeconomic circumstances or changes in estimates of related future cash benefits. The impairment tests are performed by comparing an asset's recoverable amount to its carrying amount.

During 2024, two components of the group's computer software intangible assets' were impaired as the carrying amount exceeded the recoverable amount. An impairment loss of R186 million was recognised (2023: Rnil). Impairment losses are excluded from the group headline earnings.

The recoverable amount is determined as the higher of an asset's fair value less cost of disposal and its value in use. The value in use is calculated by estimating future cash benefits that will result for each asset and discounting those cash benefits at an appropriate discount rate.

The review and testing of assets for impairment inherently require significant management judgement as it requires management to derive the estimates of the identified assets' future cash flows in order to derive the asset's recoverable amount.



Refer to note 13 for intangible asset disclosure, as well as annexure F for more detail on the accounting policy relating to computer software, the capitalisation thereof, as well as amortisation and impairment policies.

Provisions

The principal assumptions taken into account in determining the value at which provisions are recorded, include determining whether there is an obligation, as well as assumptions about the probability of the outflow of resources and the estimate of the amount and timing for the settlement of the obligation. For legal provisions, management assesses the probability of the outflow of resources by taking into account historical data and the status of the claim in consultation with the group's legal counsel.

In determining the amount and timing of the obligation once it has been assessed to exist, management exercises its judgement by taking into account all available information, including information arising after the reporting date and up to the date of the approval of the financial results.



Refer to note 17 for provisions and other liabilities disclosures.

Current and deferred taxation

The group is subject to direct and indirect taxation in a number of jurisdictions. There may be requirements which are determined with reference to transactions and calculations for which the ultimate tax determination has an element of uncertainty in the ordinary course of business. The group recognises provisions for tax based on objective estimates of the amount of taxes that may be due. Where the final tax determination is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions, disclosed in note 14 and note 41, respectively, in the period in which such determination is made.

Uncertain tax positions are provided for in accordance with the criteria defined within IAS 12 *Income Taxes* (IAS 12) and IFRIC® 23 *Uncertainty over Income Tax Treatments* (IFRIC 23). Deferred tax assets are only recognised to the extent that sufficient taxable profits will be generated in order to realise the tax benefit. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The most significant management assumption is the forecasts that are used to support the probability assessment that sufficient taxable profits will be generated by the entities in the group in order to utilise the deferred tax assets.

Post-employment benefits

The group's post-employment benefits consist of both post-employment retirement funds and healthcare benefits for South African operations which have been deemed to be most material. The measurement of the group's obligations to fund these benefits is derived from actuarial valuations performed by the appointed actuaries taking into account various assumptions. The funds are subject to a statutory financial review by the group's independent actuaries at intervals of not more than three years.

The principal assumptions used in the determination of the group's obligations include the following:

	Retirement fund		Post-employment medical aid fund	
	2024	2023	2024	2023
Discount rate	Nominal government bond curve	Nominal government bond curve	Nominal government bond curve	Nominal government bond curve
Return on investments (discount rate of term equal to discounted mean term of liabilities)	Between 10.19% and 12.14%	Between 10.87% and 13.28%	Nominal government bond curve	Unfunded liability and therefore there is no asset-backing portfolio
Salary/benefit inflation	Inflation curve adjusted upwards by 1% p.a	Inflation curve adjusted upwards by 1% p.a	Not applicable to fund	Not applicable to fund
Medical cost inflation (applicable to members who retired before 1 January 2013) ¹	Not applicable to fund	Not applicable to fund	Inflation curve adjusted upwards by 1% p.a	Inflation curve adjusted upwards by 1% p.a
Medical cost inflation (applicable to all other members)	Not applicable to fund	Not applicable to fund	Difference between the nominal and index-linked bond yield curve	Difference between the nominal and index-linked bond yield curve
CPI inflation	Difference between nominal and index linked bond yield curves	Difference between nominal and index linked bond yield curves	Difference between the nominal and indexed linked bond yield curve	Difference between the nominal and indexed linked bond yield curve
Pension increase in allowance	100% of the inflation rate	100% of the inflation rate	Not applicable to fund	Not applicable to fund
Remaining service life of employees (years)	6 years 8 months and 7 years 4 months	7 years 3 months and 7 years 9 months	2 years and 11 months	3 years and 2 months
Mortality assumption – pre-retirement	Based on the SA98 Tables (Ultimate Rates) with allowance for mortality improvements	Based on the SA98 Tables (Ultimate Rates) with allowance for mortality improvements	Based on the SA98 Tables (Ultimate Rates) with allowance for mortality improvements	Based on the SA98 Tables (Ultimate Rates) with allowance for mortality improvements
Mortality assumption – post-retirement	Based on the PA(90)-2 and SA98 Tables (Ultimate Rates) with allowance for mortality improvements	Based on the PA(90)-2 and SA98 Tables (Ultimate Rates) with allowance for mortality improvements	Based on the PA(90)-2 and SA98 Tables (Ultimate Rates) with allowance for mortality improvements	Based on the PA(90)-2 and SA98 Tables (Ultimate Rates) with allowance for mortality improvements

¹ This relates to members within the employment of Liberty Group Limited or The Standard Bank of South Africa Limited (SBSA).



Refer to note 47 for further details regarding the group's post-employment benefits.

Insurance contracts

Process used to decide on assumptions and changes in assumptions

The measurement of insurance contract balances includes the use of significant assumptions or estimates. The section below provides details on certain significant assumptions regarding, among others, future cash flows, discount rates, risk adjustment for non-financial risk and confidence level. Assumptions used to develop estimates about future cash flows are reassessed each reporting period and adjusted where necessary. The approach applied is consistent to that applied in the previous reporting period.

Future cash flows

The current estimate of future cash flows depends on the assessment of the contract boundary term for the specific contracts and the determination of expenses that relate directly to the fulfilment of the contract. The estimates are based on a probability-weighted mean of derived expected future experience. The determination of the future experience estimates is based on the appropriate statistical techniques applied to historical experience. In addition, the relevancy of these estimate outcomes is assessed and in exceptional circumstances (where it is highly probable that future experience is likely to deviate from the historical experience) judgement is applied to adjust these future cash flows.

Mortality and morbidity

An appropriate base table of standard mortality or morbidity is chosen depending on the type of contract and class of business. Industry standard tables are used for smaller classes of business. Company specific tables, based on graduated industry standard tables modified to reflect the company specific experience, are used for larger classes. Investigations into mortality and morbidity experience are performed at least once a year for all classes of business. The period of investigation extends over at least the latest prior three full years. Assumptions are set as the best estimate taking into account all relevant information. The results of the investigation are an input used to set the valuation assumptions, which are applied as an adjustment to the respective base table. Regarding longevity, for contracts insuring survivorship, an allowance is made for future mortality improvements based on expected future trends. These future trends assume that South African mortality converges to the mortality of developed economies over a specified period and is based on research into the link of mortality and the development of economies.



Refer to annexure C for a summary on insurance risk sensitivities regarding which assumptions are relevant to the respective reportable groups.

Withdrawal

The withdrawal assumptions are based on the most recent withdrawal investigations taking into account past as well as expected future trends. The withdrawal investigations are performed at least once a year for all classes of business. The period of investigation extends over at least the latest prior three full years. Assumptions are set as the best estimate taking into account all relevant information. The withdrawal rates are analysed by product type and policy duration as rates vary considerably by these two factors. The surrender values assumed are as per the terms and conditions and any other applicable regulatory restrictions in place at the statement of financial position date.

Risk adjustment (RA) for non-financial risk and confidence level

The RA for non-financial risk is the compensation the group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks, such as lapse risk and expense risk. In estimating the risk adjustment, the group mainly uses the Cost of Capital (COC) method. The COC method assesses the cost of holding capital that would be sufficient to cover all non-financial risks over the lifetime of the insurance contracts. It leverages off the risk margin approach in Solvency Assessment and Management (SAM). Given the COC method does not rely on a pre-specified confidence level for its calculation, the implied confidence level is derived pragmatically by fitting a normal distribution over a one-year period based off the SAM 99.5% stress impact and solving for the confidence level that corresponds to the quantum of the RA.

The RA confidence level for the COC for contracts measured under GMM and VFA, as well as some claims in-payment liabilities, has been derived at approximately 90%. For short-contract boundary-type business measured under the PAA, a bootstrapping methodology is utilised which targets a confidence level of approximately 75%, given that the uncertainty around non-financial risks is less than what would exist for more complex, longer-dated contracts.

Expense modelling interpretation for future cash flows

Fulfilment cash flows applicable to GMM and VFA contracts, comprise estimates of future cash flows, an adjustment to reflect the TVM and a risk adjustment for non-financial risk. Estimates of future cash flows includes identifying all sets of cash flows within the contract boundary that are directly related to the fulfilment of a group of contracts. The following cash flows are assessed with regards to directly attributable expenses (DAE): acquisition costs (for example, commissions paid to advisors or intermediaries on entering into new contracts), claims handling costs, policy administration and maintenance costs, fixed and variable overheads, costs that the group incurs in providing investment related services, and any other costs specifically chargeable under the insurance contract. The group applies judgement to determine which expenses meet the definition of DAE and which acquisition costs are considered incremental to each portfolio. Expenses that cannot be directly attributed to a portfolio of insurance contracts, such as some product development and training costs, sales branch infrastructure costs, general sales conferences and sales executive team remuneration, are all expensed to profit or loss as incurred.

The group applies consistent judgement to associated costs related to applicable portfolios. The group applies the allocation model based on the nature of the activity between activities supporting acquisition and those supporting fulfilment and other activities. For modelling purposes, a cost per policy proxy approach is used where the expense base is converted to a per policy loading, based on an analysis of the contracts being assessed as either complex, simple or basic. The group has adopted an overhead loading factor as a rational and systematic method of allocating directly attributable overheads to groups of contracts. This approach calculates a loading factor based on the ratio of GMM and VFA fulfilment costs to the total fulfilment costs of all policyholder contracts (IFRS 9 and IFRS 17). This ratio is then applied to the total qualifying overhead and indirect support costs to determine the overhead loading factor.

In terms of indirect costs, the group has excluded any costs related to brand and media, corporate finance activities, generic product development and strategy related costs from DAE.

Discount rates and expense inflation

Cash flows are discounted using discount curves that reflect TVM, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts. Under IFRS 17, the discount rates to be applied depend on the nature of the cash flows.

For pure risk, life annuity, disability in payment and guaranteed endowment business, best estimate discount rates are set at risk free rates consistent with the duration and nature of the cash flows allowing for an average illiquidity premium on the backing assets where applicable.

For contracts with cash flows which do not vary with the underlying, e.g. guaranteed annuities, guaranteed investment plans, life risk under GMM, the group has elected to use the top-down approach where the discount rates are derived off the actual backing assets as the reference portfolio of assets. These backing assets reflect a mix of swap and bond-based assets and hence some tranches of contracts are valued off a bond curve and some off a swap curve.

Under the top-down approach, a risk-free discount rate curve is derived by bootstrapping and extrapolating the applicable yield curve that reflects the expected return on the backing assets and making required adjustments to remove credit risk. Given the illiquid nature of guaranteed annuities and guaranteed investment plans and corresponding reference portfolios which contain illiquid assets, the derived discount rates used in the measurement of these liabilities is expected to include an illiquidity premium.

For contracts with cash flows that vary with the underlying, e.g. unit-linked direct participating contracts, as well as for embedded derivatives, the group uses risk-neutral modelling, with the swap curve being used as the discount curve. These contracts are by nature typically highly liquid contracts from which policyholders can easily withdraw and hence no illiquidity premium is expected to be applicable when valuing them.

The table below shows the rate used to discount cash flows at the various terms, shown separately for the bond and swap curves.

	One year		Five years		10 years		20 years	
	2024	2023	2024	2023	2024	2023	2024	2023
Contracts with cash flows that vary with the underlying	7.65	8.36	8.03	8.32	9.46	9.82	10.56	10.69
Contracts with cash flows that do not vary with the underlying with a swap-based reference asset portfolio	7.65	8.36	8.03	8.32	9.46	9.82	10.56	10.69
Contracts with cash flows that do not vary with the underlying with a bond-based reference asset portfolio	8.15	9.00	9.30	9.69	11.05	12.08	12.65	14.61

The table below shows the inflation rates used at various terms for the projection of inflation linked cash flows, i.e. the difference between the market related nominal rate and the market related real rate. The inflation curve is constructed using the same principles as described above, for the discount rates, noting that certain liability portfolios are referenced to the bond curve and the remaining portfolios are referenced to the swap curve.

	One year		Five years		10 years		20 years	
	2024	2023	2024	2023	2024	2023	2024	2023
Bond curve	4.17	4.38	4.36	5.38	5.79	6.87	7.14	8.82
Swap curve	4.20	4.40	4.40	5.01	5.67	6.16	6.70	6.95

These assumptions are used for the modelling of inflation linked cash flows, including expenses.

The expense inflation is determined by comparing the results of the internal bottom-up budgeting process to determine if any adjustment is needed to market implied inflation. The group manages its budget in order that its costs per policy are increasing in line with the market inflation rate, therefore no adjustment to the above inflation rates is required.

The resultant inflation curve is then applied to the cost per policy assumptions to determine the expenses within the expected fulfilment cash flows.

For General insurance measured under the PAA, the discount rate is determined by a bottom-up approach, starting with the risk-free rates from the Prudential Authority plus an illiquidity premium obtained from a suitable representative portfolio of investment assets.

Taxation

The group deems income minus expense (I-E) taxes, as determined under section 29A of the South African income tax, as specifically chargeable to the policyholder and therefore includes these in the measurement of FCF. Assumptions as to the amount and timing of future income tax and capital gains tax (CGT) payments are based upon the applicable tax law and rates effective as at the reporting date and as set out in the Income Tax Act. Allowance is also made for dividends withholding tax at the rate applicable at the reporting date.

Correlations

The risk adjustment determined under the COC approach leverages off the SAM risk margin. As part of this a Gaussian approach is used which requires correlation assumptions to determine the liabilities at a 90% confidence interval. For this, the correlation assumptions prescribed by the Financial Soundness Standards as issued by the Prudential Authority is used.

Contribution increases

The take-up rate of voluntary premium increases is based on the most recent investigations analysis of past experience.

Key judgements applied in transition methods used

The group used a combination of all three available transition approaches.

Fair value approach

The fair value approach is used to determine the transition CSM or loss component (LC) through an assessment of the probable trading price for a similar group of insurance contracts in a simulated deep and liquid market in terms of IFRS 13. IFRS 13 defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. The group assumes that the principal market would be other registered insurers in the insurance industry in each applicable territory. Due to regulatory restrictions, international markets for insurance contracts are uncommon for the territories in which the group operates. The group has used an income approach, using a discounted cash flow method, which is based on future expected cash flows or income and expenses, that are discounted to a single current amount. The income approach reflects the market expectations about those future amounts at date of valuation.

The group has assumed that the purchaser of a group of insurance contracts would be required to hold additional regulatory capital to support these contracts, therefore included a price adjustment for COC required, using an ROE assumption of 20%. The ROE approach assumes that the acquirer’s view of the FCF modelled under IFRS 17 will not be different to that estimated by the group.

For contracts inception within South Africa, regulatory capital is referenced to the SAM framework. A point-in-time valuation was performed as at 1 January 2022 and the CSM was derived as the difference between the fair value in terms of IFRS 13 and the IFRS 17 current value of FCF (including a risk adjustment for non-financial risk). The CSM also includes an allowance for unhedged market risk and operational risk, both of which are required under the SAM framework. The group calculated the risk adjustment by adjusting the SAM risk margin, which utilises COC approach. The group used the SAM risk-free yield curve published by the Prudential Authority as at 31 December 2021 in the fair value calculation.

The group calculated the fair value and derived the CSM for the applicable reinsurance contracts applying the same methodology.

Modified retrospective approach

For the modified retrospective approach, the group maximised the use of information that would have been used to apply the full retrospective approach.

The group applied modifications in the following areas:

- The group classified the contracts into homogenous portfolios, and, in general, determined which groups of contracts should be included in the annual cohort groups. Cash flows that could be sourced without undue cost or effort and at the level of granularity required to perform the calculation were used in the assessment of the contracts. Alternatively, the group applied the modification permitted to combine groups of contracts issued more than one year apart.
- Due to impracticability, undue cost and effort to determine the profitability criterion for each individual contract, the group applied the modification where the CSM group under the modified retrospective approach was only classified by product and cohort period and not by profitability criteria.
- If groups of insurance contracts, based on portfolio and cohort period, were profitable or onerous, then either a CSM or LC was recognised for that group of insurance contracts at the first retrospective restatement date.

- Where a discount rate could not be applied at the date of initial recognition, the group determined a discount rate using an observable yield curve which approximated the curve used by the group for at least three years before the transition date. If an observable yield curve did not exist or was not available without undue cost and effort, the group estimated the yield curve using an average spread over three years between the group’s curve and another observable curve that is readily available.
- The group applied the risk adjustment at the earliest application date, adjusting for the expected risk release. The expected release of risk was determined with reference to the release of risk for similar contracts issued.

The modified retrospective approach enables an approximate value at inception to be calculated for future FCF and risk adjustment at inception to determine the CSM. The CSM is projected to the transition date using coverage units.

Key judgements applied on the application of IFRS 17

Contracts scoped under IFRS 17 measurement

Definition and classification of contracts

The group assesses whether it accepts significant insurance risk within the scope of IFRS 17 for each individual contract issued. Insurance risk is significant if an insured event could cause the group to incur additional costs that are significant in any single scenario, excluding scenarios that have no commercial substance, i.e. no discernible effect on the economics of the transaction. The possibility of a loss is measured on a present value basis.

The group applies judgement as to whether there is significant insurance risk under the terms of contracts issued. For example, certain retirement annuities and endowment contracts issued by the group meet the definition of significant insurance risk where the group guarantees a return of contributions as the minimum death benefit, i.e. the higher of the policyholder’s original contribution or the unit value. These contracts in certain circumstances can expose Liberty to significant insurance risk as, following a period of poor investment returns, the death benefit of the minimum return of contributions may be significantly higher than the value of the investment account. This therefore creates the risk of paying significant additional amounts to the investment value on death. The group also exercises judgement in determining whether any contracts should be classified as investment contracts with Discretionary Participation Features (DPFs). This therefore creates the risk of paying significant additional amounts to the investment value on death. An assessment is made as to whether the investor would receive, as a supplement to the amount not subject to the discretion of the issuer, additional amounts that are expected to be a significant portion of the total contractual benefits. Where it is concluded that there is significant discretion contractually given to the issuer; considering policyholders’ reasonable benefit expectations, past practice by the group, industry practice, as well as representations made to policyholders, these contracts are classified as investment contracts with DPFs.

Application of the VFA

In addition to investment contracts with DPFs, insurance contracts with a significant investment component are required to be measured under the variable fee measurement approach. Judgement is applied to the following criteria to assess whether an insurance contract has a significant investment component with direct participating features:

- Investment returns are referenced to defined investment portfolios or indices.
- The entity expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying referenced investments.
- A substantial proportion of any change in the amounts to be paid to the policyholder vary with the change in the fair value of the underlying items.

These criteria are assessed on a contract-by-contract basis at contract inception and internally developed guidelines and value thresholds are applied consistently across all applicable contracts. If the guidelines are not met, the insurance contracts are measured under the GMM.

Investment-related service contracts measured in terms of IFRS 17 due to, for example, the inclusion of a return of contribution on death benefit and meet the substantial criteria of investment-related services due to a significant portion of the total policy benefits arising from investment-related services. The group determines significance by comparing benefits derived from an investment return based on underlying items, i.e. investment-related benefits, to the total policy benefits on a present value probability-weighted average basis at inception of the contract. Additional facts and circumstances such as the intent of the contract when it was priced and sold to customers as well as the policyholder expectations created at the inception of the contract through the marketing material are also taken into account in determining significant investment-related benefits. In addition, the group assesses whether it expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying referenced investments, where it is assessed that at least 70% of the total policy benefits would need to be regarded as investment related benefits on a present value probability weighted average basis at inception of the contract.

For contracts where the investment benefit is expected to be lower than 70%, further analysis of the facts and circumstances, e.g. the intent of the contract when it was priced and sold to customers as well as the policyholder expectations created at the inception of the contract through the marketing material, pertaining to that particular contract is assessed as to whether these contracts should also be regarded as substantially investment-related.

Application of the PAA measurement approach

For certain insurance contracts with a coverage period of more than one year, the group has elected to apply the PAA at inception of the group of contracts. This election is dependent on a reasonable expectation that the PAA will provide an LRC measurement that would not differ materially from the application of the GMM. The group has developed internal guidelines which include the use of projection models which provide outcomes that satisfy pre-defined eligibility range comparisons.

Use of measuring a combination of contracts

The group applies judgement to measure certain products with a related annuity and life cover contractual benefit as one combined contract. While each benefit, e.g. life annuity and death, can be sold as a separate contract, the group assesses whether the product is sold and priced as one coupled contract, without any policyholder choice of cancelling either benefit separately.

Initial contract assessment

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. Contracts are initially allocated into profitability groups, being onerous contracts, groups with no significant possibility of becoming onerous, and groups of other contracts. The group assumes a higher risk adjustment level at initial recognition and measurement to determine the likelihood of contracts that are expected to be profitable and that may in the future become onerous.

If a contract is still profitable under the higher risk adjustment level, it is deemed to be unlikely to become onerous. Otherwise, contracts default into 'groups of other contracts'. For contracts measured using the VFA, market risk is also considered in determining the threshold to differentiate between the profitability groups.

Contracts with a continuation option

Certain contracts allow a policyholder an option to extend some or all benefits. Where such option is subject to a repricing, i.e. current pricing determination at the date of continuation, the group deems the continuation option as a separate contract, if elected.

Contracts that bestow annuity benefits that are triggered through an insured event

Where an insured event establishes a claim liability, even if the liability is subject to unknown claim eligibility time periods, such as ill health, the group recognises in-claim payments as a LIC and not as a separate annuity contract.

Coverage units to be utilised for release of the CSM

For insurance contracts without DPFs and measured under the GMM, coverage units are mainly referenced to the expected sum assured for lump sum risk products, expected total benefits for Income Protection Plan (IPP) type products and the benefit in-period for IPP-type products. For annuity-type contracts, coverage units are the expected recurring annuity payments in-force in each period. For insurance contracts with DPFs measured under the VFA, the coverage units are generally referenced to the maximum benefit, i.e. death benefit, unit value or surrender value, as this incorporates the insurance contract service provided, comprising insurance coverage and investment-related service. The group elected to discount the future coverage units expected to be provided by the inflation rate, thereby capturing the services being provided and the buying power of those services.

Coverage units

Coverage units are the mechanism by which the CSM is released into profit or loss over time and conceptually reflects services provided within a time interval. The CSM represent the unrecognised profit for long contract boundary business.

The group has elected to discount using inflation to capture both the service provided and the buying power of those services.

Investment component

The group reviews all contracts within the scope of IFRS 17 to determine whether they include an investment component and to assess whether such a component would be non-distinct. The group determines the investment component in an insurance contract, being amounts that the group is required to pay to a policyholder in all circumstances, as the defined unit value within the policyholder account. This typically references the policy investment value at a point in time. Any additional payments represent the insurance benefits payable if an insured event occurs. The unit value is the total amount an investment reflects, including the net capital invested (policyholder deposits less withdrawals and surrenders), adjusted for related investment returns, capital appreciation and/or income earned to date, and reduced by annual charges for asset and fund management. Surrender values are not used as surrenders of policies are contingent on policyholder behaviour and are not at the contractual option of the group, i.e. the investment component is based on a gross of surrender value charges, being unit value or proxy thereof.



Refer to note 9 for insurance contract assets and liabilities disclosures.

NOTES TO THE FINANCIAL STATEMENTS

1. Cash and balances with central banks

	2024 Rm	2023 Rm
Coins and bank notes	18 179	22 322
Balances with central banks ^{1,2}	117 993	115 465
Total	136 172	137 787

¹ Included in this balance is R89 824 million (2023: R91 250 million) that primarily comprises reserving requirements held with central banks within the countries of operation. This includes R21 576 million (2023: R28 978 million) of balances not readily available to the group, while the remainder is readily available for use by the group, subject to certain criteria levied by the central banks within the respective countries, these balances have been excluded from cash and cash equivalents in the statement of cash flows, refer to note 45.5.

² The carrying value of balances with central banks measured at amortised cost approximates their fair value.

2. Derivative instruments

All derivatives are classified either as held-for-trading or held-for-hedging. A summary of the total derivative assets and liabilities is shown in the table below.

	Fair value of assets		Fair value of liabilities	
	2024 Rm	2023 Restated ¹ Rm	2024 Rm	2023 Restated ¹ Rm
Held-for-trading ¹	57 920	73 919	(74 061)	(80 819)
Held-for-hedging	5 234	3 448	(2 602)	(2 514)
Held-for-hedging of a net investment	3	12		
Total	63 157	77 379	(76 663)	(83 333)

¹ Restated. Refer to page 28 for further detail.

2.1 Use and measurement of derivative instruments

The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations.

In the normal course of business, the group enters into a variety of foreign exchange, interest rate, commodity, credit and equity derivative transactions in accordance with the group's risk management policies and practices. Derivative instruments used by the group are held for both trading and hedging purposes and include swaps, options, forwards, futures and other similar types of instruments based on foreign exchange rates, interest rates, credit risk, the prices of commodities and equities. A summary of the total derivative assets and derivative liabilities are shown in the tables in note 2.2, 2.3.1, 2.3.3 and 2.3.8.

2.2 Derivatives held-for-trading

The group transacts derivative contracts to address client demand, both as a market maker in the wholesale market and in structuring tailored derivatives for clients. The group also takes proprietary positions for its own account. Trading derivative products include the following:

	Fair value of assets		Fair value of liabilities	
	2024 Rm	2023 Restated ¹ Rm	2024 Rm	2023 Restated ¹ Rm
Foreign exchange derivatives	23 252	20 374	(22 136)	(15 680)
Interest rate derivatives ¹	24 596	34 101	(37 886)	(44 176)
Commodity derivatives	465	392	(360)	(158)
Credit derivatives	841	602	(5 328)	(3 123)
Equity derivatives	8 766	18 450	(8 351)	(17 682)
Total	57 920	73 919	(74 061)	(80 819)

¹ Restated. Refer to page 28 for further detail.

2.3 Derivatives and other financial instruments held-for-hedging

Where all relevant criteria are met, derivatives are classified as derivatives held-for-hedging and hedge accounting is applied to remove the accounting mismatch between the derivative (hedging instrument) and the underlying instruments (hedged item). All qualifying hedging relationships are designated as either fair value or cash flow hedges for recognised assets or liabilities and highly probable forecast transactions. The group applies hedge accounting in respect of foreign currency risk, equity risk and interest rate risk.



Refer to annexure F for more information on these hedging strategies.

2. Derivative instruments continued

2.3 Derivatives and other financial instruments held-for-hedging continued

2.3.1 Derivatives designated as hedging instruments in fair value hedging relationships

	Fair value			Maturity				Contract/ notional amount ¹ Rm	Fair value (loss)/ gain Rm
	Assets Rm	Liabilities Rm	Net fair value Rm	Less than one year Rm	Between one to five years Rm	Over five years Rm			
2024									
Interest rate risk fair value hedging relationships									
	2 820	(2 040)	780	84	(424)	1 120	377 296		(533)
Interest rate swaps	2 820	(2 040)	780	84	(424)	1 120	377 296		(533)
Total	2 820	(2 040)	780	84	(424)	1 120	377 296		(533)
2023									
Interest rate risk fair value hedging relationships									
	2 340	(1 729)	611	(214)	(509)	1 334	427 869		(264)
Interest rate swaps	2 340	(1 728)	612	(214)	(508)	1 334	427 684		(263)
Cross currency interest rate swaps		(1)	(1)		(1)		185		(1)
Total	2 340	(1 729)	611	(214)	(509)	1 334	427 869		(264)

¹ The notional amount is the sum of the absolute value of all contracts for both derivative assets and liabilities. The amount cannot be used to assess the market risk associated with the positions held and should be used only as a means of assessing the group's participation in derivative markets.

2.3.2 Hedged items classified as fair value hedges

	Fair value		Accumulated fair value (loss)/gain at 31 December Rm	Fair value gain/(loss) used to test hedge ineffectiveness Rm	Fair value hedge adjustments for the year Rm
	Assets Rm	Liabilities Rm			
2024					
Interest rate risk fair value hedging relationships					
Financial investments	62 377		383	1 066	1 066
Loans and advances	54 547		654	610	610
Deposits and debt funding		(179 375)	(83)	(983)	(983)
Subordinated debt				(99)	(99)
Total	116 924	(179 375)	954	594	594
2023					
Interest rate risk fair value hedging relationships					
Financial investments	51 469		(723)	411	411
Loans and advances	56 154		55	1 266	1 266
Deposits and debt funding		(209 608)	898	(1 230)	(1 230)
Subordinated debt		(7 347)	99	(158)	(158)
Total	107 623	(216 955)	329	289	289

2.3.3 Hedging instruments in cash flow hedging relationships

	Fair value of assets Rm	Fair value of liabilities Rm	Net fair value Rm	Maturity analysis			Contract/notional amount ¹ Rm	Fair value (loss)/gain Rm
				Less than one year Rm	Between one to five years Rm	Over five years Rm		
2024								
Foreign currency risk cash flow hedging relationships	2 811	(553)	2 258	2 728	66	(536)	11 411	698
Cash ²	2 392		2 392	2 392			2 392	148
Currency forwards	419	(285)	134	336	66	(268)	8 828	758
Currency swaps		(268)	(268)			(268)	191	(208)
Equity price risk cash flow hedging relationships	47	(9)	38	26	12		332	56
Equity forwards	47	(9)	38	26	12		332	56
Interest rate risk cash flow relationships	1 948		1 948	1	1 947		77 500	1 019
Interest rate swaps	1 948		1 948	1	1 947		77 500	1 019
Total	4 806	(562)	4 244	2 755	2 025	(536)	89 243	1 773
2023								
Foreign currency risk cash flow hedging relationships	2 681	(764)	1 917	2 498	9	(590)	12 642	(446)
Cash ²	2 523		2 523	2 523			2 523	46
Currency forwards	158	(469)	(311)	(25)	9	(295)	9 928	(363)
Currency swaps		(295)	(295)			(295)	191	(129)
Equity price risk cash flow hedging relationships	61	(21)	40	40			440	31
Equity forwards	61	(21)	40	40			440	31
Interest rate risk cash flow relationships	889		889	(17)	883	23	47 150	938
Interest rate swaps	889		889	(17)	883	23	47 150	938
Total	3 631	(785)	2 846	2 521	892	(567)	60 232	523

¹ The notional amount is the sum of the absolute value for both derivatives assets and liabilities. The amount cannot be used to assess the market risk associated with the positions held and should be used only as a means of assessing the group's participation in derivative contracts.

² The group has executed a hedge using cash as the hedging instrument. The cash is presented within loans and advances on the statement of financial position.

2. Derivative instruments continued**2.3 Derivatives and other financial instruments held-for-hedging** continued**2.3.4 Hedge items classified as cash flow hedges**

	2024 Rm	2023 Rm
Fair value gain/(loss) used to test hedge ineffectiveness		
Financial investments	(689)	621
Foreign currency risk cash flow hedging relationships	(689)	621
Loans and advances	(1 249)	(711)
Foreign currency risk cash flow hedging relationships	(161)	220
Interest rate risk cash flow hedging relationships	(1 088)	(931)
Share scheme liabilities (excludes equity-settled share schemes)	(56)	(31)
Equity price risk cash flow hedging relationships	(56)	(31)
Other operating expenses	(148)	(46)
Foreign currency risk cash flow hedging relationships	(148)	(46)
Net interest income	18	(199)
Foreign currency risk cash flow hedging relationships	18	(199)
Total	(2 124)	(366)

2.3.5 Hedge ineffectiveness recognised in profit or loss

Hedge ineffectiveness in qualifying hedge relationships arises predominantly due to the presence of costs contained within hedging instruments. This ineffectiveness was recognised in profit or loss together with the gains and losses on the underlying hedged item according to the nature of the risk being hedged as follows:

	Trading revenue Rm	Net interest income Rm	Total Rm
2024			
Fair value hedges		61	61
Interest rate risk fair value hedging relationships		61	61
Cash flow hedges¹	(247)		(247)
Foreign currency risk cash flow hedging relationships	(282)		(282)
Interest rate risk cash flow hedging relationships	35		35
Total	(247)	61	(186)
2023			
Fair value hedges		25	25
Interest rate risk fair value hedging relationships		25	25
Cash flow hedges¹	157		157
Foreign currency risk cash flow hedging relationships	150		150
Interest rate risk cash flow hedging relationships	7		7
Total	157	25	182

¹ Ineffectiveness relating to highly probable forecast transactions no longer expected to occur and basis in relation to foreign currency hedging relationships was Rnil during both 2024 and 2023.

2.3.6 Reconciliation of movements in the total hedge reserve

	Foreign currency risk Rm	Equity price risk Rm	Interest rate risk Rm	Cost of hedging ¹ Rm	Total Rm
Balance at 1 January 2023	151	(22)	(29)	(10)	90
Amounts recognised directly in OCI before tax ²	(469)	31	932	26	520
Amounts released to profit or loss before tax	575	14	(10)	(39)	540
Interest income				(39)	(39)
Interest expense	231				231
Trading revenue	422		(10)		412
Other operating expenses	(78)	14			(64)
Taxation	(7)	(6)	(248)	3	(258)
Transactions with non-controlling interests					
Balance as at 31 December 2023	250	17	645	(20)	892
Balance at 1 January 2024	250	17	645	(20)	892
Amounts recognised directly in OCI before tax ²	626	92	1 052	81	1 851
Amounts released to profit or loss before tax	(798)	(84)	(47)	(69)	(998)
Interest income	(53)		(67)	(69)	(189)
Interest expense	126		20		146
Trading revenue	(795)				(795)
Other operating expenses	(76)	(84)			(160)
Taxation	(20)	(1)	(273)	(3)	(297)
Balance at 31 December 2024	58	24	1 377	(11)	1 448

¹ The cost of hedging includes foreign currency basis risk of R10 million (2023: R13 million) and forward element of R5 million (2023: R6 million) which have been specifically excluded from the hedge relationships.

² Includes dividends received on equity forwards during the year.

2.3.7 Hedges classified as cash flow hedges

The forecasted timing of the release of the net cash flows from the total hedge reserve into profit or loss at 31 December is as follows:

	Three months or less Rm	After three months but within one year Rm	After one year but within five years Rm	More than five years Rm	Total Rm
2024					
Net cash inflow/(outflow)	34	102	1 389	(77)	1 448
2023					
Net cash inflow/(outflow)	103	221	637	(69)	892

2. Derivative instruments continued**2.3 Derivatives and other financial instruments held-for-hedging** continued**2.3.8 Derivatives designated as hedging instruments in a hedge of a net investment**

	Fair value		Maturity		Contract/ notional amount ¹ Rm	Fair value gain ² Rm
	Assets Rm	Liabilities Rm	Net fair value Rm	Less than one year Rm		
2024						
Foreign currency risk fair value hedging relationships	3		3	3	56	35
Currency forwards	3		3	3	56	35
Total	3		3	3	56	35
2023						
Foreign currency risk fair value hedging relationships	12		12	11	143	7
Currency forwards	12		12	11	143	7
Total	12		12	11	143	7

¹ The notional amount is the sum of the absolute value of all contracts for both derivative assets and liabilities. The amount cannot be used to assess the market risk associated with the positions held and should be used only as a means of assessing the group's participation in derivative markets.

² This fair value gain has been used to test effectiveness of the net investment hedge. The fair value loss on the hedged item is equal and opposite to the fair value gain on the hedging instrument and did not result in material ineffectiveness for the net investment hedge.

2.4 Day one profit or loss

The table below sets out the aggregate net day one profit or loss yet to be recognised in profit or loss at the beginning and end of the year with a reconciliation of changes in the balances during the year.

	2024 Rm	2023 Rm
Unrecognised net profit at the beginning of the year	616	787
Additional net profit on new transactions ¹	143	195
Recognised in trading revenue during the year	(110)	(366)
Unrecognised net profit at the end of the year	649	616

¹ Transaction price was not the best evidence of fair value due to trade-related market factors that were deemed unobservable in the principal market of the underlying trades.

3. Trading assets

	2024 Rm	2023 Restated ¹ Rm
Collateral and other	3 836	7 857
Corporate bonds and floating rate notes	37 005	28 049
Government, municipality and utility bonds	109 704	110 356
Equities	107 214	76 698
Reverse repurchase and other collateralised agreements	166 463	79 969
Debt securities	3 374	15 703
Total	427 596	318 632

¹ Restated. Refer to page 28 for further detail

3.1 Day one profit or loss

The table below sets out the aggregate net day one profit or loss yet to be recognised in profit or loss at the beginning and end of the year with a reconciliation of changes in the balances during the year.

	2024 Rm	2023 Rm
Unrecognised net profit at the beginning of the year	1 259	471
Additional net profit on new transactions ¹	2 643	1 603
Recognised in trading revenue during the year	(630)	(815)
Unrecognised net profit at the end of the year	3 272	1 259

¹ Transaction price was not the best evidence of fair value due to trade-related market factors that were deemed unobservable in the principal market of the underlying trades.

4. Pledged assets

The following table presents details of other financial assets which have been sold or otherwise transferred, but which have not been derecognised in their entirety or which were partially derecognised together with their associated liabilities. This table does not disclose the total risk exposure in terms of these transactions, instead it provides disclosures as required by IFRS.

	Carrying amount		Fair value		Net fair value ² Rm
	Transferred assets Rm	Associated liabilities ¹ Rm	Transferred assets ² Rm	Associated liabilities ² Rm	
2024					
Bonds	16 630	(16 532)	16 569	(16 533)	36
Equities	253		253		253
Total	16 883	(16 532)	16 822	(16 533)	289
2023					
Bonds	19 037	(16 029)	19 038	(16 029)	3 009
Equities	1 173		1 173		1 173
Total	20 210	(16 029)	20 211	(16 029)	4 182

¹ Materially comprises of reverse repo liabilities, which form part of the deposits and debt funding line within the statement of financial position.

² Where the counterparty has recourse to the transferred asset.

The assets pledged by the group are strictly for the purpose of providing collateral to the counterparty. To the extent that the counterparty is permitted to sell or repledge the assets in the absence of default, they are classified in the statement of financial position as pledged assets. These transactions are conducted under terms that are customary to standard repurchase agreements and securities borrowing activities.

The majority of other financial investments that do not qualify for derecognition include debt securities held by counterparties as collateral under repurchase agreements, listed equities held as collateral under scrip lending transactions and financial assets leased out to third parties. Risks the group remains exposed to include credit and interest rate risks.

During the current financial year, there were no instances of financial assets that were sold or otherwise transferred, but which were partially derecognised. Further, there were no instances of financial assets transferred and derecognised for which the group had continuing involvement.

4.1 Collateral accepted as security for assets

As part of the reverse repurchase and securities borrowing agreements, the group has received securities which are not recorded in the statement of financial position that it is allowed to sell or repledge in the absence of default. The fair value of the financial assets accepted as collateral that the group is permitted to sell or repledge in the absence of default is R277 250 million (2023: R208 017 million).

The fair value of financial assets accepted as collateral and commodities received through commodity leases that have been sold, repledged or leased in terms of repurchase agreements or leasing transactions is R38 356 million (2023: R30 300 million).

These transactions are conducted under terms that are usual and customary to reverse repurchase and securities borrowing activities.

4.2 Assets transferred not derecognised

During 2024 and 2023, there were no securitised financial assets that did not qualify for derecognition.

5. Disposal group assets and liabilities held for sale

	2024			2023		
	Gross Rm	Remeas-urement Rm	Net Rm	Gross Rm	Remeas-urement Rm	Net Rm
Total assets classified as held for sale	5 185	(97)	5 088	254	(19)	235
Property, equipment and right of use assets	124		124	254	(19)	235
Investment property - Insurance & Asset Management	5 061	(97)	4 964			

2024

Investment property held for sale

During 2024, investment property valued at R5 061 million and owner-occupied property with a fair value of R122 million met the criteria for classification as held for sale under IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* (IFRS 5). The investment property was remeasured to the latest offer price of R4 964 million, resulting in a remeasurement loss of R97 million being recognised. The investment property is held within the Insurance & Asset Management (IAM) segment and is available for immediate sale, and management is actively seeking a buyer. The requirements of IFRS 5 were fulfilled in May 2024, and the underlying asset has been separately disclosed.

Disposal group assets and liabilities

During 2024, sales were completed for a group of owner-occupied properties with a fair value of R235 million, which had previously been classified as held for sale.

2023

Disposal group assets and liabilities

A group of owner-occupied properties of R254 million, before remeasurement, remained subject to a conditional agreement of sale and therefore remained classified as non-current assets held for sale and measurement is referenced to the conditional offer. During 2023, the property was remeasured to the latest offer price of R235 million, resulting in a remeasurement loss of R19 million being recognised. In addition, certain investment properties in Kenya amounting to R16 million that were classified as held for sale at 31 December 2021 have subsequently been sold at the measured value. The appropriate level of management is committed to a plan to sell the owner-occupied properties. The transaction was concluded during 2024.

The potential sales were not discontinued operations as defined under IFRS 5 as they are not disposals of separate major lines of business or geographical areas of operation. Profit or loss from cash generating units (CGUs) within disposal groups have consequently not been separately identified in the income statement.

6. Financial investments

	2024 Rm	2023 Restated ¹ Rm
Corporate ¹	67 719	58 767
Sovereign ¹	416 220	346 365
Bank ²	46 359	66 588
Mutual funds and unit-linked investments	188 833	170 501
Listed equities	93 429	87 020
Unlisted equities	7 035	3 189
Interest in associates held at fair value (annexure B)	22 258	21 441
Other instruments	607	2 788
Total	842 460	756 659
Net financial investments measured at amortised cost	284 356	281 503
Gross financial investments measured at amortised cost ²	285 190	281 916
ECL for financial investments measured at amortised cost ³	(834)	(413)
Financial investments measured at fair value	558 104	475 156
Financial investments measured at FVTPL ²	472 482	405 242
Debt financial investments measured at FVOCI ^{4,5}	83 989	68 322
Equity financial investments measured at FVOCI ⁵	1 633	1 592

¹ Restated. Refer to page 28 for further detail on the restatement.

² Included in bank is an amount of R13 250 million (2023: R14 809 million) relating to cash balances with banks that qualify as cash equivalents (note 45.5). During 2024, it was noted that this balance was erroneously included in financial investments measured at FVTPL instead of gross financial investments measured at amortised cost. The restatement has no impact on the statement of financial position.

³ Refer to note 38 for the credit impairment charge for the current year of R452 million (2023: R359 million release) on financial investments measured at amortised cost.

⁴ Refer to note 38 for the credit impairment charge for the current year of R261 million (2023: R200 million charge) on debt financial investments measured at FVOCI.

⁵ Refer to note 21.5.1 for the reconciliation of FVOCI reserve for equity financial investments and note 21.5.2 for the reconciliation of FVOCI reserve for debt financial investments.

7. Receivables and other assets

	2024 Rm	2023 Restated ⁴ Rm
Financial assets	22 529	17 013
Depositor insurance scheme ³	3 694	
Investment receivables ¹	101	569
Trade settlement assets ^{1,4}	13 418	14 508
Operating leases – accrued income (note 11)	586	564
Other financial assets ^{1,4}	4 730	1 372
Non-financial assets	15 545	16 469
Deferred acquisition costs	470	520
Items in the course of collection	2 090	3 375
Prepayments ⁴	10 070	9 629
Pension and post-employment benefits (note 47) ²	1 880	1 628
Properties in possession	179	493
Other non-financial assets	856	824
Total	38 074	33 482

¹ Refer to note 38 for the credit impairment charge for the current year of R224 million (2023: R50 million) on receivables and other assets measured at amortised cost.

² Restated. During 2024, it was noted that pension and post employment benefits were erroneously classified under financial assets instead of non-financial assets. This restatement had no impact on the group's statement of financial position.

³ The Depositor Insurance Scheme was introduced in South Africa during 2024. As a participant of the scheme, SBSA issued a loan to the Corporation for Deposit Insurance (CoDI) at the prevailing repo rate, on which interest is payable monthly. This loan does not have fixed repayment terms and is held in a business model to collect the contractual cash flows comprising solely payments of principal and interest. Therefore, the loan is measured at amortised cost. Due to the nature of the scheme, the CoDI is regarded as having a low probability of default. Therefore ECL has been assessed to be insignificant on the loan.

⁴ Restated. During 2024, it was noted that R5 304 million was erroneously included in trade settlement assets. This resulted in other financial assets and prepayments being understated by R1 202 million and R4 102 million respectively. The restatement had no impact on the group's statement of financial position.

8. Loans and advances

	2024 Rm	2023 Rm
Loans and advances – IAM ¹	3 600	898
Loans and advances – Banking	1 647 955	1 607 948
Loans and advances measured at fair value	823	715
Net loans and advances measured at amortised cost	1 647 132	1 607 233
Gross loans and advances measured at amortised cost	1 712 132	1 671 228
Home services	470 738	466 734
Vehicle and asset finance	134 902	126 754
Card and payments	38 592	38 934
Personal unsecured lending	106 120	104 741
Business lending and other	135 311	140 604
Corporate	629 172	597 373
Bank ²	197 297	196 088
ECL on loans and advances (note 8.1)	(65 000)	(63 995)
Total	1 651 555	1 608 846

¹ Due to the nature of loans and advances within IAM, they are regarded as having a low PD. Therefore, ECL has been assessed to be insignificant on these balances. Refer to note 48 for details relating to business unit reporting

² Included in bank is an amount of R83 955 million (2023: R77 004 million) relating to on-demand gross loans and advances to banks that qualify as cash equivalents (note 45.5).

8.1 Reconciliation of ECL for loans and advances at amortised cost

	2024				2023			
	Stage 1 Rm	Stage 2 Rm	Stage 3 (including IIS) Rm	Total Rm	Stage 1 Rm	Stage 2 Rm	Stage 3 (including IIS) Rm	Total Rm
Opening ECL	6 917	11 140	45 938	63 995	6 836	10 351	38 641	55 828
Transfers between stages ¹	1 894	(1 186)	(708)		80	(828)	748	
Net impairments (released)/ raised	(2 134)	(58)	16 347	14 155	177	1 687	14 556	16 420
ECL on new exposure raised ²	2 481	2 593	2 273	7 347	2 200	1 406	2 443	6 049
Subsequent changes in ECL	(4 023)	(2 333)	14 917	8 561	(1 175)	615	13 275	12 715
Change in ECL due to derecognition	(592)	(318)	(843)	(1 753)	(848)	(334)	(1 162)	(2 344)
Impaired accounts written off ³			(17 309)	(17 309)			(11 632)	(11 632)
Exchange and other movements ⁴	(65)	(136)	4 360	4 159	(176)	(70)	3 625	3 379
Closing ECL	6 612	9 761	48 627	65 000	6 917	11 140	45 938	63 995

¹ The group's policy is to transfer opening balances based on the ECL stage at the end of the reporting period. Therefore exposures can appear to be transferred directly from stage 3 to stage 1 as the curing requirements would have been satisfied during the reporting period.

² The ECL recognised on new exposures originated during the reporting period (which are not included in opening balances) are included within the row 'ECL on new exposures raised' based on the exposures' ECL stage as at the end of the reporting period. Furthermore, the ECL recognised on new exposures originated during the reporting period (which are not included in opening balances) are included within the column 'ECL on new exposure raised' based on the exposures' ECL stage as at the end of the reporting period. It is therefore possible to disclose new/originated exposures in stage 2 and 3.

³ The contractual amount outstanding on loans and advances that were written off during the year that are still subject to enforcement activities is R7.8 billion (2023: R5.8 billion).

⁴ Exchange and other movements includes the net interest in suspense (IIS), TVM unwind, raised and released during the year.

8. Loans and advances continued**8.1 Reconciliation of ECL for loans and advances at amortised cost** continued**8.1.1 Reconciliation of the ECL for loans and advances at amortised cost, by product**

	Opening ECL Rm	Transfer between stages			Total Rm	Net impairments raised/ (released) Rm	Impaired accounts written off Rm	TVM unwind and IIS movements Rm	Exchange and other movements Rm	Closing ECL Rm
		(To)/from stage 1 Rm	From/(to) stage 2 Rm	From/(to) stage 3 Rm						
2024										
Home services	18 816	(837)	429	408		2 442	(1 788)	1 554	186	21 210
Stage 1	1 081		685	152	837	(1 144)			(2)	772
Stage 2	3 353	(685)		256	(429)	49			3	2 976
Stage 3 (including IIS)	14 382	(152)	(256)		(408)	3 537	(1 788)	1 554	185	17 462
Vehicle and asset finance	7 489	338	302	(640)		1 803	(1 955)	824	186	8 347
Stage 1	635		(28)	(310)	(338)	192			(13)	476
Stage 2	1 634	28		(330)	(302)	(75)			(10)	1 247
Stage 3 (including IIS)	5 220	310	330		640	1 686	(1 955)	824	209	6 624
Card and payments	4 438	(227)	254	(27)		1 630	(2 326)	361	15	4 118
Stage 1	700		241	(14)	227	(250)				677
Stage 2	1 108	(241)		(13)	(254)	150			(7)	997
Stage 3 (including IIS)	2 630	14	13		27	1 730	(2 326)	361	22	2 444
Personal unsecured lending	12 619	(799)	710	89		4 477	(7 252)	1 385	(342)	10 887
Stage 1	1 637		850	(51)	799	(860)			38	1 614
Stage 2	2 448	(850)		140	(710)	504			129	2 371
Stage 3 (including IIS)	8 534	51	(140)		(89)	4 833	(7 252)	1 385	(509)	6 902
Business lending and other	9 500	(298)	492	(194)		3 024	(2 355)	426	(380)	10 215
Stage 1	766		263	35	298	(258)			(78)	728
Stage 2	1 690	(263)		(229)	(492)	331			(184)	1 345
Stage 3 (including IIS)	7 044	(35)	229		194	2 951	(2 355)	426	(118)	8 142
Corporate	10 979	(70)	(1 002)	1 072		584	(1 633)	311	(392)	9 849
Stage 1	2 005		101	(31)	70	(13)			(34)	2 028
Stage 2	846	(101)		1 103	1 002	(1 011)			(69)	768
Stage 3 (including IIS)	8 128	31	(1 103)		(1 072)	1 608	(1 633)	311	(289)	7 053
Bank	155	(1)	1			195			24	374
Stage 1	93		1		1	199			24	317
Stage 2	62	(1)			(1)	(6)			2	57
Stage 3						2			(2)	
Total	63 995	(1 894)	1 186	708		14 155	(17 309)	4 861	(702)	65 000
Stage 1	6 917		2 113	(219)	1 894	(2 134)			(65)	6 612
Stage 2	11 140	(2 113)		927	(1 186)	(58)			(136)	9 761
Stage 3 (including IIS)	45 938	219	(927)		(708)	16 347	(17 309)	4 861	(501)	48 627

8. Loans and advances continued

8.1 Reconciliation of ECL for loans and advances at amortised cost continued

8.1.1 Reconciliation of the ECL for loans and advances at amortised cost, by product continued

	Opening ECL Rm	Transfers			Total Rm	Net impairments raised/ (released) Rm	Impaired accounts written off Rm	TVM unwind and IIS movements Rm	Exchange and other movement Rm	Closing ECL Rm
		(From)/to stage 1 Rm	(From)/to stage 2 Rm	(From)/to stage 3 Rm						
2023										
Home services	16 429	(185)	100	85		3 014	(1 512)	1 315	(430)	18 816
Stage 1	925		100	85	185	(41)			12	1 081
Stage 2	2 707	(100)			(100)	846			(100)	3 353
Stage 3 (including IIS)	12 797	(85)			(85)	2 209	(1 512)	1 315	(342)	14 382
Vehicle and asset finance	7 381	(133)	289	(156)		1 827	(1 598)	364	(485)	7 489
Stage 1	810		110	23	133	(202)			(106)	635
Stage 2	1 933	(110)		(179)	(289)	203			(213)	1 634
Stage 3 (including IIS)	4 638	(23)	179		156	1 826	(1 598)	364	(166)	5 220
Card and payments	3 825	(80)	146	(66)		2 200	(1 859)	299	(27)	4 438
Stage 1	724		98	(18)	80	(109)			5	700
Stage 2	1 139	(98)		(48)	(146)	122			(7)	1 108
Stage 3 (including IIS)	1 962	18	48		66	2 187	(1 859)	299	(25)	2 630
Personal unsecured lending	10 662	136	50	(186)		4 199	(3 615)	1 088	285	12 619
Stage 1	1 480		9	(145)	(136)	226			67	1 637
Stage 2	2 424	(9)		(41)	(50)	226			(152)	2 448
Stage 3 (including IIS)	6 758	145	41		186	3 747	(3 615)	1 088	370	8 534
Business lending and other	8 060	183	242	(425)		3 260	(1 928)	413	(305)	9 500
Stage 1	830		112	(295)	(183)	240			(121)	766
Stage 2	1 236	(112)		(130)	(242)	271			425	1 690
Stage 3 (including IIS)	5 994	295	130		425	2 749	(1 928)	413	(609)	7 044
Corporate	9 324	(1)	1			1 928	(1 120)	902	(55)	10 979
Stage 1	1 961		11	(10)	1	92			(49)	2 005
Stage 2	871	(11)		10	(1)	(2)			(22)	846
Stage 3 (including IIS)	6 492	10	(10)			1 838	(1 120)	902	16	8 128
Bank	147					(8)			16	155
Stage 1	106					(29)			16	93
Stage 2	41					21				62
Total	55 828	(80)	828	(748)		16 420	(11 632)	4 381	(1 002)	63 995
Stage 1	6 836		440	(360)	80	177			(176)	6 917
Stage 2	10 351	(440)		(388)	(828)	1 687			(70)	11 140
Stage 3 (including IIS)	38 641	360	388		748	14 556	(11 632)	4 381	(756)	45 938

8. Loans and advances continued

8.1 Reconciliation of ECL for loans and advances at amortised cost continued

8.1.1 Reconciliation of the ECL for loans and advances at amortised cost, by product continued

Changes in gross exposures relating to changes in ECL

The below is an explanation of significant changes in the gross carrying amount on loans and advances used to determine the above changes in ECL:

- The ECL on new exposures raised of R7.3 billion (2023: R6.1 billion) primarily relates to the growth in the gross carrying amount from new exposures originated of:
 - Home services of R50 billion (2023: R52 billion)
 - Vehicle and asset finance of R28 billion (2023: R43 billion)
 - Personal unsecured lending of R58 billion (2023: R8 billion)
 - Business lending and other of R51 billion (2023: R46 billion)
 - Corporate of R49 billion (2023: R60 billion)
- The decrease in ECL due to impaired accounts written off of R17.3 billion (2023: R11.6 billion) resulted in an equal decrease to the gross carrying amount of loans and advances as exposures are 100% provided for before being written off.

The group's policy is to transfer between stages using opening ECL balances based on the exposures' ECL stage at the end of the reporting period.

2024

- Home services with a gross carrying amount of R3.2 billion that was in stage 2 was transferred to stage 1.
- Home services with a gross carrying amount of R3.1 billion that was in stage 3 was transferred to stage 2.
- Vehicle and asset finance with a gross carrying amount of R1.6 billion that was in stage 2 was transferred to stage 1.
- Card and payments with a gross carrying amount of R0.3 billion that was in stage 2 was transferred to stage 1.
- Personal unsecured lending with a gross carrying amount of R2.4 billion that was in stage 2 was transferred to stage 1.
- Personal unsecured lending with a gross carrying amount of R5.3 billion that was in stage 3 was transferred to stage 1.
- Personal unsecured lending with a gross carrying amount of R3.5 billion that was in stage 3 was transferred to stage 2.
- Business lending and other with a gross carrying amount of R4 billion that was in stage 2 was transferred to stage 1.
- Corporate with a gross carrying amount of R1.9 billion that was in stage 2 was transferred to stage 1.

2023

- Home services with a gross carrying amount of R13.5 billion that was in stage 2 was transferred to stage 1.
- Vehicle and asset finance with a gross carrying amount of R1.4 billion that was in stage 2 was transferred to stage 1.
- Vehicle and asset finance with a gross carrying amount of R7 billion that was in stage 3 was transferred to stage 1.
- Card and payments with a gross carrying amount of R0.8 billion that was in stage 2 was transferred to stage 1.
- Personal unsecured lending with a gross carrying amount of R2.1 billion that was in stage 1 was transferred to stage 3.
- Business lending and other with a gross carrying amount of R1.4 billion that was in stage 1 was transferred to stage 3.
- Business lending and other with a gross carrying amount of R2.5 billion that was in stage 2 was transferred to stage 1.
- Business lending and other with a gross carrying amount of R1.5 billion that was in stage 2 was transferred to stage 3.

8.2 Modifications on loans and advances measured at amortised cost

	Stage 2		Stage 3	
	Gross amortised cost before modification Rm	Net modification loss Rm	Gross amortised cost before modification Rm	Net modification loss Rm
2024				
Home services	6 840	73	3 038	134
Vehicle and asset finance	1 032	52	491	103
Card and payments	716	7	566	69
Personal unsecured lending	770	34	867	124
Total	9 358	166	4 962	430
2023				
Home services	5 844	47	3 710	76
Vehicle and asset finance	897	34	493	124
Card and payments	823	29	382	34
Personal unsecured lending	1 261	157	1 355	126
Business lending and other	993	14	55	(1)
Corporate*	180		57	
Total	9 998	281	6 052	359

* The modification gains and losses on the corporate restructures in stage 2 and stage 3 have netted off resulting in an insignificant net gain or loss amount.

In addition to the gross carrying amounts and related modification gains/(losses) disclosed above, modifications during the reporting period that resulted in no economic gain or loss (i.e. no net modification gain or loss), comprised of gross carrying amounts of R38 billion (2023: R75 billion).

9. Reinsurance and insurance contract assets and liabilities**9.1. Reinsurance contract assets**

SUMMARY OF REINSURANCE CONTRACT ASSETS

	2024 Rm	2023 Rm
Life insurance contracts measured under GMM (note 9.1.1)	2 287	2 288
Life insurance contracts measured under PAA (note 9.1.2)	2 541	2 177
General insurance measured under PAA (note 9.1.3)	940	957
Net reinsurance contract assets	5 768	5 422
Current portion	2 997	2 826
Non-current portion	2 771	2 596

9.1.1 Life insurance contracts measured under GMM

RECONCILIATION OF THE ASSET FOR REMAINING COVERAGE (ARC) AND THE ASSET RECOVERABLE ON INCURRED CLAIMS (ARIC)

	2024					2023				
	ARC					ARC				
	Excluding loss recovery component Rm	Loss recovery component Rm	Total Rm	ARIC Rm	Total Rm	Excluding loss recovery component Rm	Loss recovery component Rm	Total Rm	ARIC Rm	Total Rm
Net balance at 1 January	311	146	457	1 831	2 288	438	128	566	1 848	2 414
Opening reinsurance contract assets	311	146	457	1 831	2 288	438	128	566	1 848	2 414
Total recognised in the income statement	(1 574)	56	(1 518)	1 366	(152)	(1 500)	18	(1 482)	1 409	(73)
Net (expenses)/income from reinsurance contracts held (note 32)	(1 686)	56	(1 630)	1 337	(293)	(1 629)	18	(1 611)	1 387	(224)
Expenses from reinsurance contracts	(1 686)		(1 686)		(1 686)	(1 629)		(1 629)		(1 629)
Claims recovered				1 294	1 294				1 358	1 358
Other income		56	56	43	99		18	18	29	47
Net finance income from reinsurance contracts held	112		112	29	141	129		129	22	151
Total cash flows	1 349		1 349	(1 200)	149	1 373		1 373	(1 426)	(53)
Premiums paid net of ceding commissions	1 349		1 349		1 349	1 373		1 373		1 373
Recoveries from reinsurance				(1 200)	(1 200)				(1 426)	(1 426)
Foreign currency translation and other movements		2	2		2					
Net balance at 31 December	86	204	290	1 997	2 287	311	146	457	1 831	2 288
Closing reinsurance contract assets	86	204	290	1 997	2 287	311	146	457	1 831	2 288

9. Reinsurance and insurance contract assets and liabilities continued

9.1 Reinsurance contract assets continued

9.1.1 Life insurance contracts measured under GMM continued

RECONCILIATION OF MEASUREMENT COMPONENTS OF REINSURANCE CONTRACT BALANCES

	2024				2023			
	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	CSM Rm	Total Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM Rm	Total Rm
Net balance at 1 January	86	604	1 598	2 288	282	538	1 594	2 414
Opening reinsurance contract assets	86	604	1 598	2 288	282	538	1 594	2 414
Total recognised in the income statement	(479)	208	119	(152)	(143)	66	4	(73)
Net income/(expenses) from reinsurance contracts held	(352)	79	(20)	(293)	(55)	(45)	(124)	(224)
Changes that relate to current service	(59)	(94)	(249)	(402)	63	(79)	(264)	(280)
CSM recognised in profit or loss for services received			(249)	(249)			(264)	(264)
Risk adjustment for risk expired (non-financial risk)		(94)		(94)		(79)		(79)
Experience adjustments relating to incurred claims and other incurred directly attributable expenses recovery	(59)			(59)	63			63
Changes that relate to future service	(336)	173	229	66	(147)	34	140	27
Changes in estimates that adjust the CSM	(314)	139	175		379	(17)	(362)	
Contracts initially recognised in the period	(40)	19	55	34	(459)	54	451	46
Changes to loss recovery component on subsequent measurement of onerous underlying contracts	18	15	(1)	32	(67)	(3)	51	(19)
Changes that relate to past service	43			43	29			29
Adjustments to assets recoverable on incurred claims	43			43	29			29
Net finance (expenses)/income from reinsurance contracts held	(127)	129	139	141	(88)	111	128	151
Total cash flows	149			149	(53)			(53)
Premiums paid net of ceding commissions	1 349			1 349	1 373			1 373
Recoveries from reinsurance	(1 200)			(1 200)	(1 426)			(1 426)
Foreign currency translation and other movements	2			2				
Net balance at 31 December	(242)	812	1 717	2 287	86	604	1 598	2 288
Closing reinsurance contract assets	(242)	812	1 717	2 287	86	604	1 598	2 288

9. Reinsurance and insurance contract assets and liabilities continued**9.1 Reinsurance contract assets** continued**9.1.1 Life insurance contracts measured under GMM** continued

IMPACT OF CONTRACTS RECOGNISED DURING THE YEAR

	2024			2023		
	Contracts originated in a net cost	Contracts originated in a net gain	Total	Contracts originated in a net cost	Contracts originated in a net gain	Total
	Rm	Rm	Rm	Rm	Rm	Rm
Estimates of the present value of future cash outflows	(359)	(166)	(525)	(2 484)	(162)	(2 646)
Estimates of the present value of future cash inflows	297	188	485	2 013	174	2 187
Risk adjustments for non-financial risk	10	9	19	21	33	54
CSM	82	(27)	55	488	(37)	451
Contracts initially recognised in the period	30	4	34	38	8	46

CSM BY TRANSITION METHOD

	2024			2023		
	Contracts measured under the full retrospective approach at transition and subsequent measurement	Contracts measured under the fair value approach	Total	Contracts measured under the full retrospective approach at transition and subsequent measurement	Contracts measured under the fair value approach	Total
	Rm	Rm	Rm	Rm	Rm	Rm
CSM balance at the beginning of the year	789	809	1 598	302	1 292	1 594
Changes that relate to current service	(72)	(177)	(249)	(52)	(212)	(264)
CSM recognised in profit or loss for services received	(72)	(177)	(249)	(52)	(212)	(264)
Changes that relate to future service	10	219	229	502	(362)	140
Changes in estimates that adjust the CSM	(44)	219	175		(362)	(362)
Changes in estimates that result in onerous contract losses	(1)		(1)			
Changes to loss recovery component on subsequent measurement on onerous underlying contracts				51		51
Contracts initially recognised in the period	55		55	451		451
Net finance income from reinsurance contracts held	68	71	139	37	91	128
CSM balance at the end of the year	795	922	1 717	789	809	1 598

For details on the methods and assumptions applied in the modified retrospective and fair value approaches on transition refer to the key management assumptions section.

9. Reinsurance and insurance contract assets and liabilities continued
9.1 Reinsurance contract assets continued
9.1.2 Life insurance contracts measured under PAA

RECONCILIATION OF THE ARC AND THE ARIC

	2024							2023						
	ARC			ARIC										
	Excluding loss recovery component	Loss recovery component	Total ARC for contracts under the PAA	Present value of future cash flows	Risk adjustment for non- financial risk	Total ARIC for contracts under the PAA	Total	ARC		ARIC				Total
								Excluding loss recovery component	Loss recovery component	Total ARC for contracts under the PAA	Present value of future cash flows	Risk adjustment for non- financial risk	Total ARIC for contracts under the PAA	
Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Net balance at 1 January	(787)	9	(778)	2 907	48	2 955	2 177	(1 144)	7	(1 137)	3 274	51	3 325	2 188
Opening reinsurance contract assets	(787)	9	(778)	2 907	48	2 955	2 177	(1 144)	7	(1 137)	3 274	51	3 325	2 188
Total recognised in the income statement	(1 116)	(1)	(1 117)	1 087	(1)	1 086	(31)	(1 182)	2	(1 180)	991	(3)	988	(192)
Net income/(expenses) from reinsurance contracts held (note 32)	(1 116)	(1)	(1 117)	869	(4)	865	(252)	(1 182)	2	(1 180)	827	(5)	822	(358)
Expenses from reinsurance contracts	(1 116)		(1 116)			(1 116)	(1 116)	(1 182)		(1 182)				(1 182)
Claims recovered				963	(4)	959	959				850	(5)	845	845
Other income/(expenses)		(1)	(1)	(94)		(94)	(95)		2	2	(23)		(23)	(21)
Net finance income/(expenses) from reinsurance contracts held				218	3	221	221				164	2	166	166
Total cash flows	1 147		1 147	(765)		(765)	382	1 545		1 545	(1 352)		(1 352)	193
Premiums paid net of ceding commissions	1 147		1 147				1 147	1 545		1 545				1 545
Recoveries from reinsurance				(765)		(765)	(765)				(1 352)		(1 352)	(1 352)
Foreign currency translation and other movements	11		11	2		2	13	(6)		(6)	(6)		(6)	(12)
Net balance at 31 December	(745)	8	(737)	3 231	47	3 278	2 541	(787)	9	(778)	2 907	48	2 955	2 177
Closing reinsurance contract assets	(745)	8	(737)	3 231	47	3 278	2 541	(787)	9	(778)	2 907	48	2 955	2 177

9. Reinsurance and insurance contract assets and liabilities continued**9.1 Reinsurance contract assets** continued**9.1.3 General insurance measured under PAA**

RECONCILIATION OF ARC AND ARIC

	2024							2023						
	ARC			ARIC			Total	ARC			ARIC			Total
	Excluding loss recovery component Rm	Loss recovery component Rm	Total ARC for contracts under the PAA Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total ARIC for contracts under the PAA Rm		Excluding loss recovery component Rm	Loss recovery component Rm	Total ARC for contracts under the PAA Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total ARIC for contracts under the PAA Rm	
Net balance at 1 January	116	3	119	808	30	838	957	122	3	125	762	33	795	920
Opening reinsurance contract assets	116	3	119	808	30	838	957	122	3	125	762	33	795	920
Total recognised in the income statement	(996)	(2)	(998)	361	(15)	346	(652)	(843)		(843)	673	(2)	671	(172)
Net income/(expenses) from reinsurance contracts held (note 32)	(996)	(2)	(998)	366	(15)	351	(647)	(843)		(843)	680	(3)	677	(166)
Expenses from reinsurance contracts	(996)		(996)				(996)	(843)		(843)				(843)
Claims recovered				436	(15)	421	421				249	3	252	252
Other (expenses)/income		(2)	(2)	(70)		(70)	(72)				431	(6)	425	425
Net finance income/(expenses) from reinsurance contracts held				(5)		(5)	(5)				(7)	1	(6)	(6)
Total cash flows	1006		1 006	(480)		(480)	526	856		856	(576)		(576)	280
Premiums paid net of ceding commissions	1006		1 006				1 006	856		856				856
Recoveries from reinsurance				(480)		(480)	(480)				(576)		(576)	(576)
Foreign currency translation and other movements	48	4	52	57		57	109	(19)		(19)	(51)	(1)	(52)	(71)
Net balance at 31 December	174	5	179	746	15	761	940	116	3	119	808	30	838	957
Closing reinsurance contract assets	174	5	179	746	15	761	940	116	3	119	808	30	838	957

9. Reinsurance and insurance contract assets and liabilities continued

9.1 Reinsurance contract assets continued

9.1.4 Reinsurance contract balances

EXPECTED RECOGNITION OF THE CSM

	Life insurance contracts measured under GMM	
	2024 Rm	2023 Rm
CSM recognised in the income statement within ten years	619	664
Within one year	299	278
One to five years	1 041	945
Five to ten years	1 336	1 193
Effect of interest accreted on the CSM for zero to ten years	(2 057)	(1 752)
Combined CSM and interest accreted on CSM beyond ten years	1 098	934
Total (note 9.1.1)	1 717	1 598

9.2 Insurance contract assets and liabilities

Restatement of reportable groups

During 2024, the group performed benchmarking and internal investigations to reassess the group’s key judgement relating to the level of disaggregation (reportable groups) of IFRS 17 disclosures. During this investigation the following have been identified as industry best practice and have resulted in the following voluntary restatement, changes to accounting presentation policies and related disclosures within the IAM segment:

- The group has refined its policy to disaggregate its IFRS 17 measured policyholder contracts:
 - Per type of the regulated insurance license they are contracted from, i.e. life and general, to include geographical information, where applicable.
 - Based on whether the underlying contracts are substantially risk or investment type contracts.
- The group’s revised reportable groups are summarised in key management assumptions within the group’s annual financial statements.
- Specific updated accounting policies, refer to section 12 in annexure F, as well as related note disclosures within the group’s annual financial statements, have been updated for the impact of the revised reportable groups.

The group has redefined and renamed the reportable groups to represent the revised disaggregation per the table below:

As previously reported	Revised reportable groups
Life risk measured under GMM	Life insurance contracts measured under GMM
Annuities and Guaranteed investment plans	The insurance contracts in this category have been reclassified to either life insurance contracts measured under GMM or life participating contracts measured under VFA.
Life risk measured under PAA	Life insurance contracts measured under PAA
Participating contracts	Life participating contracts measured under VFA
Non-life risk measured under PAA	General insurance measured under PAA
Reinsurance- life risk measured under GMM	Reinsurance - life insurance contracts measured under GMM
Reinsurance- life risk measured under PAA	Reinsurance - life insurance contracts measured under PAA
Reinsurance - non-life risk measured under PAA	Reinsurance - general insurance contracts measured under PAA

The above changes had no impact on the group’s statement of financial position, income statement, statement of cash flows, net asset value, reported profits and comprehensive income or any ratios presented. Refer to notes 9.2.1 to 9.2.6 below and notes 31 to 33 for the restated 2023 impact.

9. Reinsurance and insurance contract assets and liabilities continued**9.2 Insurance contract assets and liabilities** continued

SUMMARY OF INSURANCE CONTRACT ASSETS AND LIABILITIES

	2024			2023 - Restated		
	Insurance contract assets Rm	Insurance contract liabilities Rm	Net insurance contract (assets)/liabilities Rm	Insurance contract assets Rm	Insurance contract liabilities Rm	Net insurance contract liability Rm
Life insurance contracts measured under GMM (note 9.2.1)	(1 059)	88 836	87 777	(1 123)	75 937	74 814
Life insurance contracts measured under PAA (note 9.2.2)		9 055	9 055	(80)	8 742	8 662
Life participating contracts measured under VFA (note 9.2.3)		173 421	173 421		164 467	164 467
General insurance measured under PAA (note 9.2.4)	(212)	2 408	2 196	(428)	2 243	1 815
Total	(1 271)	273 720	272 449	(1 631)	251 389	249 758
Current portion	(380)	44 077	43 697	(760)	42 939	42 179
Non-current portion	(891)	229 643	228 752	(871)	208 450	207 579

9.2.1 Life insurance contracts measured under GMM

RECONCILIATION OF THE LRC AND THE LIC

	2024					2023 - Restated				
	LRC					LRC				
	Excluding loss component Rm	Loss component Rm	Total LRC Rm	LIC Rm	Total Rm	Excluding loss component Rm	Loss component Rm	Total Rm	LIC Rm	Total liability Rm
Net balance at 1 January	66 523	2 128	68 651	6 163	74 814	57 219	1 765	58 984	5 313	64 297
Opening insurance contract assets	(3 121)		(3 121)	1 998	(1 123)	(1 109)		(1 109)	86	(1 023)
Opening insurance contract liabilities	69 644	2 128	71 772	4 165	75 937	58 328	1 765	60 093	5 227	65 320
Total recognised in the income statement	(5 812)	296	(5 516)	14 852	9 336	(10 857)	378	(10 479)	13 758	3 279
Insurance service result	(16 796)	318	(16 478)	14 589	(1 889)	(16 151)	409	(15 742)	13 491	(2 251)
Insurance revenue	(18 386)		(18 386)		(18 386)	(17 581)		(17 581)		(17 581)
Insurance service expense	1 590	318	1 908	14 589	16 497	1 430	409	1 839	13 491	15 330
Incurred claims				13 522	13 522				12 275	12 275
Directly attributable expenses ¹				1 119	1 119				1 123	1 123
Other expenses/(income) (note 31)		318	318	(52)	266		409	409	93	502
Amortisation of insurance acquisition cash flows	1 590		1 590		1 590	1 430		1 430		1 430
Net finance expense/(income) from insurance contracts	10 984	(22)	10 962	263	11 225	5 294	(31)	5 263	267	5 530
Investment components	(4 050)		(4 050)	4 050		(5 289)		(5 289)	5 289	
Total cash flows	22 646		22 646	(18 812)	3 834	25 827		25 827	(18 197)	7 630
Premiums received	25 150		25 150		25 150	28 360		28 360		28 360
Claims paid				(17 705)	(17 705)				(17 072)	(17 072)
Other attributable expenses paid	(5)		(5)	(1 107)	(1 112)	(1)		(1)	(1 125)	(1 126)
Insurance acquisition cash flows	(2 499)		(2 499)		(2 499)	(2 532)		(2 532)		(2 532)
Foreign currency translation and other movements	(224)	17	(207)		(207)	(377)	(15)	(392)		(392)
Net balance at 31 December	79 083	2 441	81 524	6 253	87 777	66 523	2 128	68 651	6 163	74 814
Closing insurance contract assets	(1 227)		(1 227)	168	(1 059)	(3 121)		(3 121)	1 998	(1 123)
Closing insurance contract liabilities	80 310	2 441	82 751	6 085	88 836	69 644	2 128	71 772	4 165	75 937

¹ Directly attributable expenses reported under the LIC includes claims handling, policyholder service and policy administration costs.

9. Reinsurance and insurance contract assets and liabilities continued**9.2 Insurance contract assets and liabilities** continued**9.2.1 Life insurance contracts measured under GMM** continued

RECONCILIATION OF THE MEASUREMENT COMPONENTS OF INSURANCE CONTRACT BALANCES

	2024				2023 - Restated			
	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	CSM Rm	Total Rm	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	CSM Rm	Total Rm
Net balance at 1 January	54 347	5 331	15 136	74 814	44 972	5 284	14 041	64 297
Opening insurance contract assets	(14 739)	4 553	9 063	(1 123)	(2 127)	330	774	(1 023)
Opening insurance contract liabilities	69 086	778	6 073	75 937	47 099	4 954	13 267	65 320
Total recognised in the income statement	7 812	821	703	9 336	2 104	50	1 125	3 279
Insurance service result	(999)	(262)	(628)	(1 889)	(2 123)	(192)	64	(2 251)
Changes that relate to current service	636	(885)	(2 232)	(2 481)	(146)	(831)	(2 022)	(2 999)
CSM recognised in profit or loss for services provided			(2 232)	(2 232)			(2 022)	(2 022)
Risk adjustment for risk expired (non-financial risk)		(884)		(884)		(855)		(855)
Experience adjustments	636	(1)		635	(146)	24		(122)
Changes that relate to future service	(1 583)	623	1 604	644	(2 070)	639	2 086	655
Changes in estimates that adjust the CSM	(646)	245	401		(942)	259	683	
Changes to loss component on subsequent measurement	67	86		153	120	(11)	22	131
Contracts initially recognised in the period	(1 004)	292	1 203	491	(1 248)	391	1 381	524
Changes that relate to past service - Adjustments to liabilities for incurred claims	(52)			(52)	93			93
Net finance income/(expenses) from insurance contracts issues	8 811	1 083	1 331	11 225	4 227	242	1 061	5 530
Total cash flows	3 834			3 834	7 630			7 630
Premiums received	25 150			25 150	28 360			28 360
Claims paid	(17 705)			(17 705)	(17 072)			(17 072)
Directly attributable expenses paid	(1 112)			(1 112)	(1 126)			(1 126)
Insurance acquisition cash flows	(2 499)			(2 499)	(2 532)			(2 532)
Foreign currency translation and other movements	(203)	4	(8)	(207)	(359)	(3)	(30)	(392)
Net balance at 31 December	65 790	6 156	15 831	87 777	54 347	5 331	15 136	74 814
Closing insurance contract assets	(1 897)	294	544	(1 059)	(14 739)	4 553	9 063	(1 123)
Closing insurance contract liabilities	67 687	5 862	15 287	88 836	69 086	778	6 073	75 937

9. Reinsurance and insurance contract assets and liabilities continued**9.2 Insurance contract assets and liabilities** continued**9.2.1 Life insurance contracts measured under GMM** continued

IMPACT OF CONTRACTS RECOGNISED DURING THE YEAR

	2024			2023 - Restated		
	Profitable contracts	Onerous contracts originated	Total	Profitable contracts	Onerous contracts originated	Total
	Rm	Rm	Rm	Rm	Rm	Rm
Estimates of the present value of future cash outflows	13 188	2 139	15 327	15 727	2 623	18 350
Insurance acquisition cash flows	1 072	932	2 004	1 099	946	2 045
Claims and other directly attributable expenses	12 116	1 207	13 323	14 628	1 677	16 305
Estimates of the present value of future cash inflows	(14 574)	(1 757)	(16 331)	(17 332)	(2 266)	(19 598)
Risk adjustments for non-financial risk	183	109	292	224	167	391
CSM	1 203		1 203	1 381		1 381
Contracts initially recognised in the period		491	491		524	524

CSM BY TRANSITION METHOD

	2024				2023 - Restated			
	Contracts measured under full retrospective at transition and subsequent measurement	Modified retrospective approach	Contracts measured under the fair value approach	Total	Contracts measured under full retrospective at transition and subsequent measurement	Modified retrospective approach	Contracts measured under the fair value approach	Total
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Insurance revenue (note 30)	8 749	281	9 356	18 386	8 092	281	9 208	17 581
CSM balance at the beginning of the year	4 995	485	9 656	15 136	3 975	459	9 607	14 041
Changes that relate to current service	(861)	(59)	(1 312)	(2 232)	(765)	(55)	(1 202)	(2 022)
CSM recognised in profit or loss for services provided	(861)	(59)	(1 312)	(2 232)	(765)	(55)	(1 202)	(2 022)
Changes that relate to future service	869	27	708	1 604	1 441	36	609	2 086
Changes in estimates that adjust the CSM	(334)	27	708	401	31	36	616	683
Changes in estimates that result in onerous contract losses					29		(7)	22
Contracts initially recognised in the period	1 203			1 203	1 381			1 381
Net finance expenses/(income) from reinsurance contracts	511	46	774	1 331	374	44	643	1 061
Foreign currency translation	(10)		2	(8)	(30)	1	(1)	(30)
CSM balance at the end of the year	5 504	499	9 828	15 831	4 995	485	9 656	15 136

9. Reinsurance and insurance contract assets and liabilities continued**9.2 Insurance contract assets and liabilities** continued**9.2.2 Life insurance contracts measured under PAA**

RECONCILIATION OF THE LRC AND LIC

	LRC			LIC			Total
	Excluding loss component Rm	Loss component Rm	Total LRC Rm	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	Total LIC for contracts under the PAA Rm	
2024							
Net balance at 1 January	15	27	42	8 421	199	8 620	8 662
Opening insurance contract assets	(80)		(80)	(1)	1		(80)
Opening insurance contract liabilities	95	27	122	8 422	198	8 620	8 742
Total recognised in the income statement	(10 189)	(15)	(10 204)	5 673	(14)	5 659	(4 545)
Insurance service result	(10 197)	(15)	(10 212)	5 102	(20)	5 082	(5 130)
Insurance revenue	(10 672)		(10 672)				(10 672)
Insurance service expense	475	(15)	460	5 102	(20)	5 082	5 542
Incurred claims				4 773	(18)	4 755	4 755
Directly attributable expenses ¹	412		412	521		521	933
Other (income)/expenses (note 31)		(15)	(15)	(192)	(2)	(194)	(209)
Amortisation of insurance acquisition cash flows	63		63				63
Net finance expense from insurance contracts	8		8	571	6	577	585
Total cash flows	10 250		10 250	(5 320)		(5 320)	4 930
Premiums received	10 822		10 822				10 822
Claims paid				(4 905)		(4 905)	(4 905)
Other directly attributable expenses paid				(415)		(415)	(415)
Insurance acquisition cash flows	(572)		(572)				(572)
Foreign currency translation and other movements	5		5	2	1	3	8
Net balance at 31 December	81	12	93	8 776	186	8 962	9 055
Closing insurance contract liabilities	81	12	93	8 776	186	8 962	9 055

¹ Directly attributable expenses reported under the LRC represents the acquisition costs expensed including amortisation for the period. Directly attributable expenses reported under the LIC includes claims handling, policyholder service and policy administration costs.

9. Reinsurance and insurance contract assets and liabilities continued
9.2 Insurance contract assets and liabilities continued
9.2.2 Life insurance contracts measured under PAA continued

RECONCILIATION OF THE LRC AND LIC continued

	LRC			LIC			
	Excluding loss component	Loss component	Total LRC	Present value of future cash flows	Risk adjustment for non- financial risk	Total LIC for contracts under the PAA	Total
	Rm	Rm	Rm	Rm	Rm	Rm	Rm
2023							
Net balance at 1 January	(29)	22	(7)	7 161	213	7 374	7 367
Opening insurance contract assets	(64)		(64)	(548)	3	(545)	(609)
Opening insurance contract liabilities	35	22	57	7 709	210	7 919	7 976
Total recognised in the income statement	(9 458)	4	(9 454)	6 032	(12)	6 020	(3 434)
Insurance service result	(9 460)	4	(9 456)	5 569	(13)	5 556	(3 900)
Insurance revenue	(10 414)		(10 414)				(10 414)
Insurance service expense	954	4	958	5 569	(13)	5 556	6 514
Incurred claims				4 968	(17)	4 951	4 951
Directly attributable expenses ¹	914		914	633	(1)	632	1 546
Other expenses/(income) (note 31)		4	4	(32)	5	(27)	(23)
Amortisation of insurance acquisition cash flows	40		40				40
Net finance expense from insurance contracts	2		2	463	1	464	466
Total cash flows	9 532		9 532	(4 759)		(4 759)	4 773
Premiums received	10 498		10 498				10 498
Claims paid				(4 127)		(4 127)	(4 127)
Other directly attributable expenses paid				(632)		(632)	(632)
Insurance acquisition cash flows	(966)		(966)				(966)
Foreign currency translation and other movements	(30)	1	(29)	(13)	(2)	(15)	(44)
Net balance at 31 December	15	27	42	8 421	199	8 620	8 662
Closing insurance contract assets	(80)		(80)	(1)	1		(80)
Closing insurance contract liabilities	95	27	122	8 422	198	8 620	8 742

¹ Directly attributable expenses reported under the LRC represents the acquisition costs expensed including amortisation for the period and reported under the LIC includes claims handling, policyholder service and policy administration costs.

9. Reinsurance and insurance contract assets and liabilities continued
9.2 Insurance contract assets and liabilities continued
9.2.3 Life participating contracts measured under VFA

RECONCILIATION OF THE LRC AND LIC

	2024					2023 - Restated				
	LRC					LRC				
	Excluding loss component Rm	Loss component Rm	Total LRC Rm	LIC Rm	Total liability Rm	Excluding loss component Rm	Loss component Rm	Total LRC Rm	LIC Rm	Total liability Rm
Net balance at 1 January	155 553	1 454	157 007	7 460	164 467	148 037	1 126	149 163	7 179	156 342
Opening insurance contract liabilities	155 553	1 454	157 007	7 460	164 467	148 037	1 126	149 163	7 179	156 342
Total recognised in the income statement	15 540	102	15 642	2 643	18 285	14 889	337	15 226	2 965	18 191
Insurance service result	(4 111)	33	(4 078)	1 884	(2 194)	(4 179)	302	(3 877)	1 809	(2 068)
Insurance revenue	(4 999)		(4 999)		(4 999)	(4 998)		(4 998)		(4 998)
Insurance service expense	888	33	921	1 884	2 805	819	302	1 121	1 809	2 930
Incurred claims				182	182				576	576
Directly attributable expenses ¹				1 254	1 254				1 202	1 202
Other expenses (note 31)		33	33	448	481		302	302	31	333
Amortisation of insurance acquisition cash flows	888		888		888	819		819		819
Net finance expense from insurance contracts	19 651	69	19 720	759	20 479	19 068	35	19 103	1 156	20 259
Investment components	(24 485)		(24 485)	24 485		(22 790)		(22 790)	22 790	
Total cash flows	17 102		17 102	(26 692)	(9 590)	15 604		15 604	(25 482)	(9 878)
Premiums received	18 270		18 270		18 270	16 751		16 751		16 751
Claims paid				(25 324)	(25 324)				(24 172)	(24 172)
Directly attributable expenses				(1 368)	(1 368)				(1 310)	(1 310)
Insurance acquisition cash flows	(1 168)		(1 168)		(1 168)	(1 147)		(1 147)		(1 147)
Foreign currency translation and other movements	254	14	268	(9)	259	(187)	(9)	(196)	8	(188)
Net balance at 31 December	163 964	1 570	165 534	7 887	173 421	155 553	1 454	157 007	7 460	164 467
Closing insurance contract liabilities	163 964	1 570	165 534	7 887	173 421	155 553	1 454	157 007	7 460	164 467

¹ Directly attributable expenses reported under the LIC includes claims handling, policyholder service and policy administration costs.

9. Reinsurance and insurance contract assets and liabilities continued**9.2 Insurance contract assets and liabilities** continued**9.2.3 Life participating contracts measured under VFA** continued

RECONCILIATION OF THE MEASUREMENT COMPONENTS OF INSURANCE CONTRACT BALANCES

	2024				2023- Restated			
	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	CSM Rm	Total Rm	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	CSM Rm	Total Rm
Net balance at 1 January	157 607	778	6 082	164 467	149 160	867	6 315	156 342
Opening insurance contract liabilities	157 607	778	6 082	164 467	149 160	867	6 315	156 342
Total recognised in the income statement	18 227	19	39	18 285	18 502	(87)	(224)	18 191
Insurance service result	(1 626)	(48)	(520)	(2 194)	(1 274)	(195)	(599)	(2 068)
Changes that relate to current service	(1 621)	(187)	(1 017)	(2 825)	(1 249)	(196)	(1 026)	(2 471)
CSM recognised in profit or loss for services provided			(1 017)	(1 017)			(1 026)	(1 026)
Risk adjustment for risk expired (non-financial risk)		(182)		(182)		(206)		(206)
Experience adjustments	(1 621)	(5)		(1 626)	(1 249)	10		(1 239)
Changes that relate to future service	(453)	139	497	183	(56)	1	427	372
Changes in estimates that adjust the CSM	(271)	73	198		83	(15)	(68)	
Changes to loss component on subsequent measurement	(191)	23	(2)	(170)	(16)	(58)	107	33
Contracts initially recognised in the period	9	43	301	353	(123)	74	388	339
Changes that relate to past service	448			448	31			31
Adjustments to liabilities for incurred claims	448			448	31			31
Net finance expense/(income) from insurance contracts	19 853	67	559	20 479	19 776	108	375	20 259
Total cash flows	(9 590)			(9 590)	(9 878)			(9 878)
Premiums received	18 270			18 270	16 751			16 751
Claims paid	(25 324)			(25 324)	(24 172)			(24 172)
Other directly attributable expenses paid	(1 368)			(1 368)	(1 310)			(1 310)
Insurance acquisition cash flows	(1 168)			(1 168)	(1 147)			(1 147)
Foreign currency translation and other movements	244	2	13	259	(177)	(2)	(9)	(188)
Net balance at 31 December	166 488	799	6 134	173 421	157 607	778	6 082	164 467
Closing insurance contract liabilities	166 488	799	6 134	173 421	157 607	778	6 082	164 467

9. Reinsurance and insurance contract assets and liabilities continued**9.2 Insurance contract assets and liabilities** continued**9.2.3 Life participating contracts measured under VFA** continued

IMPACT OF CONTRACTS RECOGNISED DURING THE YEAR

	2024			2023 - Restated		
	Profitable contracts	Onerous contracts originated	Total	Profitable groups	Onerous contracts originated	Total
	Rm	Rm	Rm	Rm	Rm	Rm
Estimates of the present value of future cash outflows	9 235	2 777	12 012	7 645	2 241	9 886
Insurance acquisition cash flows	434	525	959	407	469	876
Claims and directly attributable expenses	8 801	2 252	11 053	7 238	1 772	9 010
Estimates of the present value of future cash inflows	(9 566)	(2 437)	(12 003)	(8 064)	(1 945)	(10 009)
Risk adjustments for non-financial risk	30	13	43	31	43	74
CSM	301		301	388		388
Contracts initially recognised in the period		353	353		339	339

CSM BY TRANSITION METHOD

	2024				2023- Restated			
	Contracts measured under full retrospective at transition and subsequent measurement	Contracts measured under the modified retrospective approach	Contracts measured under the fair value approach	Total	Contracts measured under full retrospective at transition and subsequent measurement	Contracts measured under the modified retrospective approach	Contracts measured under the fair value approach	Total
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Insurance revenue (note 30)	3 451	1 048	502	5 001	3 180	1 115	703	4 998
Opening balance at the beginning of the year	1 720	1 934	2 428	6 082	1 618	2 271	2 426	6 315
Changes that relate to current service	(290)	(244)	(483)	(1 017)	(295)	(262)	(469)	(1 026)
CSM recognised in profit or loss for services provided	(290)	(244)	(483)	(1 017)	(295)	(262)	(469)	(1 026)
Changes that relate to future service	126	(129)	500	497	471	39	(83)	427
Changes in estimates that adjust the CSM	(173)	(129)	500	198	(5)	39	(102)	(68)
Changes in estimates that results in onerous contract losses	(2)			(2)	88		19	107
Contracts initially recognised in the period	301			301	388			388
Net finance expense/(income) from insurance contracts	135	247	177	559	(68)	(114)	557	375
Foreign currency translation	9		4	13	(6)		(3)	(9)
CSM balance at the end of the year (note 9.2.3)	1 700	1 808	2 626	6 134	1 720	1 934	2 428	6 082

For details on the methods and assumptions applied in the modified retrospective and fair value approaches on transition refer to the key management assumptions section.

9. Reinsurance and insurance contract assets and liabilities continued

9.2 Insurance contract assets and liabilities continued

9.2.3 Life participating contracts measured under VFA continued

COMPOSITION OF UNDERLYING ITEMS

Policyholder contracts that have been recognised as participating contracts (measured under the variable fee approach) and that are designated as one reportable group, have a significant investment component. This investment component is recorded as a "unit value", being the contractual share of the fair value of referenced asset portfolios in the contract's terms at the date of reporting.

These asset portfolios "reference portfolios" are representative of the obligation under the policy but do not necessarily represent the physical asset held by Liberty. As described in the market risk section of the risk management section of this report, an asset liability matching capability undertakes activities to determine the optimal physical asset holdings, with consideration of contractual obligations, liquidity and market risks as well as required regulatory capital.

The reference portfolios are made up of:

- mutual funds that are accessible to the public (have quoted fund values),
- listed equities (quoted prices),
- cash and debt instruments that can be reliably measured at fair value,
- properties that are fair valued regularly,
- derivatives or investment structures that provide returns linked to quoted investment indices e.g. JSE top 40 index trackers.

The reference portfolios are updated daily to calculate the fair value of each asset portfolio and are the basis of determining any investment transaction value under the policy. The table below reflects the "look through" approach to the aggregated unit fair values of the participating contracts reportable group at the respective reporting dates. In other words, they reflect the characteristic of the underlying investments that is determining the investment return to the policyholders.

	2024	2023 - Restated
	Rm	Rm
Equities	77 478	76 108
Debt instruments	36 024	34 065
Cash	21 391	22 364
Properties	9 503	9 175
Index trackers	28 971	22 285
Total underlying items comprise the non-distinct investment component	173 367	163 997
Total present value of future cash flows	166 488	157 607
Adjusted for future cash flows that are not included in the non-distinct investment component	6 879	6 390

9. Reinsurance and insurance contract assets and liabilities continued**9.2 Insurance contract assets and liabilities** continued**9.2.4 General insurance measured under PAA**

RECONCILIATION OF THE LRC AND LIC

	LIC							
	Excluding loss component Rm	Loss component Rm	Total LRC Rm	Present value of future cash flows Rm	Risk adjustment for non- financial risk Rm	Total LIC for contracts under the PAA Rm	Asset for insurance acquisition cash flows Rm	Total Rm
2024								
Net balance at 1 January	129	45	174	1 719	71	1 790	(149)	1 815
Opening insurance contract assets	(359)	3	(356)	70	7	77	(149)	(428)
Opening insurance contract liabilities	488	42	530	1 649	64	1 713		2 243
Total recognised in the income statement	(4 833)	1	(4 832)	3 353	(14)	3 339		(1 493)
Insurance service result	(4 860)	1	(4 859)	3 310	(14)	3 296		(1 563)
Insurance revenue	(5 815)		(5 815)					(5 815)
Insurance service expense	955	1	956	3 310	(14)	3 296		4 252
Incurred claims				3 013	(9)	3 004		3 004
Directly attributable expenses ¹	212		212	245		245		457
Other expenses (note 31)		1	1	52	(5)	47		48
Changes that relate to past service - adjustments to the LIC				52	(5)	47		47
Losses on onerous contracts at initial recognition		43	43					43
Change to loss component on subsequent measurement		(14)	(14)					(14)
Amortisation of loss component		(28)	(28)					(28)
Amortisation of insurance acquisition cash flows	743		743					743
Net finance expense/(income) from insurance contracts	27		27	43		43		70
Insurance acquisition cash flows: amounts derecognised on initial recognition of groups of insurance contracts							25	25
Total cash flows	4 974		4 974	(3 424)		(3 424)		1 550
Premiums received	5 986		5 986					5 986
Claims paid				(3 164)		(3 164)		(3 164)
Other directly attributable expenses paid ¹				(260)		(260)		(260)
Insurance acquisition cash flows	(1 012)		(1 012)					(1 012)
Foreign currency translation and other movements	73	3	76	134	3	137	86	299
Net balance at 31 December	343	49	392	1 782	60	1 842	(38)	2 196
Closing insurance contract assets	(234)	8	(226)	50	2	52	(38)	(212)
Closing insurance contract liabilities	577	41	618	1 732	58	1 790		2 408

¹ Directly attributable expenses reported under the LRC represents the acquisition costs expensed including amortisation for the period. Directly attributable expenses reported under the LIC includes claims handling, policyholder service and policy administration costs.

9. Reinsurance and insurance contract assets and liabilities continued**9.2 Insurance contract assets and liabilities** continued**9.2.4 General insurance measured under PAA** continued

RECONCILIATION OF THE LRC AND LIC continued

	LRC			LIC				Total
	Excluding loss component	Loss component	Total LRC	Present value of future cash flows	Risk adjustment for non- financial risk	Total LIC for contracts under the PAA	Asset for insurance acquisition cash flows	
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
2023								
Net balance at 1 January	212	72	284	1 712	58	1 770	(41)	2 013
Opening insurance contract assets	(243)	3	(240)	79	4	83	(41)	(198)
Opening insurance contract liabilities	455	69	524	1 633	54	1 687		2 211
Total recognised in the income statement	(4 771)	(26)	(4 797)	4 062	15	4 077		(720)
Insurance service result	(4 786)	(27)	(4 813)	4 055	13	4 068		(745)
Insurance revenue	(5 785)		(5 785)					(5 785)
Insurance service expense	999	(27)	972	4 055	13	4 068		5 040
Incurred claims				2 985	23	3 008		3 008
Directly attributable expenses ¹	289		289	737		737		1 026
Other expenses (note 31)		(27)	(27)	333	(10)	323		296
Amortisation of insurance acquisition cash flows	710		710					710
Net finance income from insurance contracts held	15	1	16	7	2	9		25
Insurance acquisition cash flows: amounts derecognised on initial recognition of groups of insurance contracts							21	21
Total cash flows	4 764		4 764	(3 965)		(3 965)	(44)	755
Premiums received	5 759		5 759					5 759
Claims paid				(3 293)		(3 293)		(3 293)
Other directly attributable expenses paid	(268)		(268)	(672)		(672)		(940)
Insurance acquisition cash flows	(727)		(727)				(44)	(771)
Foreign currency translation and other movements	(76)	(1)	(77)	(90)	(2)	(92)	(85)	(254)
Net balance at 31 December	129	45	174	1 719	71	1 790	(149)	1 815
Closing insurance contract assets	(359)	3	(356)	70	7	77	(149)	(428)
Closing insurance contract liabilities	488	42	530	1 649	64	1 713		2 243

¹ Directly attributable expenses reported under the LRC represents the acquisition costs expensed including amortisation for the period and reported under the LIC includes claims handling, policyholder service and policy administration costs.

9. Reinsurance and insurance contract assets and liabilities continued**9.2 Insurance contract assets and liabilities** continued**9.2.5 Insurance contract balances**

EXPECTED RECOGNITION OF THE CSM

	2024			2023 - Restated		
	Life insurance contracts measured under GMM	Life participating contracts measured under VFA	Total	Life insurance contracts measured under GMM	Life participating contracts measured under VFA	Total
	Rm	Rm	Rm	Rm	Rm	Rm
CSM recognised in the income statement within ten years ¹	1 038	5 199	6 237	1 853	5 098	6 951
Within one year	2 276	1 006	3 282	2 132	959	3 091
One to two years	2 244	895	3 139	2 069	873	2 942
Two to three years	2 164	787	2 951	2 015	767	2 782
Three to four years	2 051	649	2 700	1 927	634	2 561
Four to five years	1 888	510	2 398	1 808	504	2 312
Five to ten years	10 938	1 352	12 290	10 178	1 361	11 539
Effect of discounting zero to ten years	(20 523)		(20 523)	(18 276)		(18 276)
Combined CSM and interest accreted on CSM beyond ten years	14 793	935	15 728	13 228	984	14 212
Total	15 831	6 134	21 965	15 081	6 082	21 163

¹ To allow for a better analysis of the CSM recognised in profit or loss within the next ten years, years two to five has been disaggregated.

CHANGES IN CASH FLOWS THAT ADJUST THE CSM

	2024			2023 - Restated		
	Life insurance contracts measured under GMM	Life participating contracts measured under VFA	Total	Life insurance contracts measured under GMM	Life participating contracts measured under VFA	Total
	Rm	Rm	Rm	Rm	Rm	Rm
Changes in estimated cash flows that adjust the CSM (overall decrease in insurance contract liabilities)	(635)	(271)	(906)	(944)	537	(407)

The 2023 comparatives in the table presented have been updated with the change in reportable group as well as refinements to modelling attribution changes for participating contracts to reflect the appropriate financial and non-financial related impacts.

In 2024, improved policyholder behaviour across life participating contracts under VFA allowed for a positive change in estimate to expected future fees. Within the life insurance contracts measured under GMM, mortality and longevity improvement expectations were changed to reflect recent experience. This resulted in an overall net positive change in expected net cash flows.

In 2023, the primary changes in cash flow estimates arise initially from a net strengthening of persistency assumptions, recognising an overall deterioration in withdrawal and lapse experience. This was evidenced across several portfolios and particularly negatively impacted future fee estimates for the participating reportable groups. Improved morbidity experience in certain product portfolios and mortality assumptions being adjusted to reflect a slight overall earlier mortality experience across several age bands within annuities, resulted in a net positive adjustment to cash flow estimates included in life insurance contracts measured under GMM.

EXPECTED TIMING OF INSURANCE ACQUISITION CASH FLOW ASSET

	2024	2023
	General insurance measured under PAA	General insurance measured under PAA
	Rm	Rm
Within one year	30	29
Within two to five years	8	120
Total	38	149

9. Reinsurance and insurance contract assets and liabilities continued
9.2 Insurance contract assets and liabilities continued
9.2.6 Claims development

LIABILITY FOR INCURRED CLAIMS ANALYSIS

The following table splits the liability for incurred claims between insurance products where there is limited uncertainty in claim amount or where the uncertainty is typically resolved within 12 months and insurance products where the nature of the product leads to uncertainty about the amount and timing of claim payments typically extending beyond 12 months. The risk adjustment is included to obtain the aggregate LIC by reportable group.

	Life insurance contracts measured under GMM Rm	Life insurance contracts measured under PAA Rm	General insurance measured under PAA Rm	Life participating contracts measured under VFA Rm	Reinsurance contracts held Rm	Total net of reinsurance Rm
2024						
Amounts excluding risk adjustment component						
General insurance classes - limited uncertainty in claim amount or uncertainty typically resolved within twelve months ¹			1 747		(750)	997
General insurance classes - uncertainty typically extends beyond twelve months			35			35
Life insurance classes - limited uncertainty in claim amount or uncertainty typically resolved within twelve months	4 496	2 745		7 886	(2 597)	12 530
Life insurance classes - uncertainty typically extends beyond twelve months	1 704	5 936		(17)	(2 633)	4 990
- Income disability claims in payment ²	1 246	5 656			(2 633)	4 269
- Educator claims in payment ³	343	218				561
- Other	115	62		(17)		160
Risk adjustment component	72	186	60	18	(59)	277
Total liability for incurred claims / (asset) recoverable on incurred claims	6 272	8 867	1 842	7 887	(6 039)	18 829
2023 - Restated						
Amounts excluding risk adjustment component						
General insurance classes - limited uncertainty in claim amount or uncertainty typically resolved within twelve months ¹			1 571		(772)	799
General insurance classes - uncertainty typically extends beyond twelve months			41		(8)	33
Life insurance classes - limited uncertainty in claim amount or uncertainty typically resolved within twelve months	4 550	2 726		7 445	(2 250)	12 471
Life insurance classes - uncertainty typically extends beyond twelve months	1 547	5 695	101		(2 516)	4 827
- Income disability claims in payment ²	1 076	5 448			(2 486)	4 038
- Educator claims in payment ³	351	184				535
- Other	120	63	101		(30)	254
Risk adjustment component	66	199	77	15	(78)	279
Total liability for incurred claims	6 163	8 620	1 790	7 460	(5 624)	18 409

¹ General insurance policies offered seldom give rise to incurred claim liabilities where uncertainty is not typically resolved within twelve months.
² Income disability benefit policies are offered to employers and individuals. These provide regular payments to claimants during periods of disability lasting longer than the selected waiting period. Claim payments continue until the earliest of recovery, death and selected benefit termination age (collectively referred to as claim termination).
³ Educator policies are provided to employers and individuals. These policies provide benefits designed to cover a life assured's children's education costs in the event of the death and/or disability of that life assured.

9. Reinsurance and insurance contract assets and liabilities continued
9.2 Insurance contract assets and liabilities continued
9.2.6 Claims development continued

INCOME DISABILITY CLAIMS IN PAYMENT

The table below discloses a history of annual claims paid in comparison to the estimate of the claims for that particular year and details of any impacts of assumption changes related to future estimated cash flows. This is included in the annual financial statements for the first time for the year ended 31 December 2024.

	Claim payment year	
	2024 Rm	2023 Rm
Gross of reinsurance		
Claims estimate	1 331	1 216
Claims paid	(1 209)	(1 140)
Claim variances to expected	122	76
Assumption changes to best estimate claim cash flows ¹	114	(43)
Changes that relate to past service - adjustments to the LIC	236	33
Percentage claim variance (%)	9.20	6.30
Percentage impact of assumptions changes to gross claim liability (%)	0.79	(0.30)
Gross cumulative claim liability	14 386	14 307
Effect of discounting	(6 919)	(7 244)
Risk adjustment	100	108
Gross liability for incurred claims	7 567	7 171
Amount included in Life insurance classes – limited uncertainty in claim amount or uncertainty typically resolved within 12 months	619	594
Life insurance classes – uncertainty typically extends beyond 12 months	6 848	6 469
Risk adjustment	100	108

¹ Assumption changes related to morbidity and mortality were revised in 2024 and 2023.

The table above analyses gross (before reinsurance, risk adjustment and discounting) income protection plans claims in payment. These claims are long dated cash flow commitments and are variable to the claimant’s duration of physical impairment that qualified for the benefit. Estimates are applied to forecast the duration of these cash flows. The table provides actual claims compared to the modelled estimate by financial reporting year. In addition, the impact of any changes to prior estimates is also provided. This disclosure is an alternative and more relevant depiction of the reliability of claim estimation (as claims uncertainty beyond twelve months) to a claim development table by claim year.

9. Reinsurance and insurance contract assets and liabilities continued**9.2 Insurance contract assets and liabilities** continued**9.2.6 Claims development** continued

LIABILITY FOR INCURRED CLAIMS ANALYSIS - INCOME DISABILITY CLAIMS

Expected future payments by year have been shown below for income disability claims in payment as this is the main product for which uncertainty typically extends beyond twelve months. Typically, the group is informed about income disability claims either during the waiting period or soon after. The primary uncertainty with this class of business is the future claim termination experience. Hence rather than show claims development triangles based on historical data, undiscounted future expected cash-flows are shown based on best estimate claims termination assumptions. Stressed cash flows are also shown to indicate the impact of claim termination experience being eight percent lower than expected.

	Expected gross of reinsurance claim payments Rm	Expected net of reinsurance claim payments Rm	Stressed gross of reinsurance claim payments Rm	Stressed net of reinsurance claim payments Rm
2024				
Within one year	2 109	1 263	2 118	1 159
One – two years	1 089	671	1 104	680
Two – three years	985	609	1 004	620
Three – four years	898	554	920	567
Four – five years	816	504	839	518
Over five years	8 489	5 479	9 139	5 902
Gross cumulative claim liability	14 386	9 080	15 124	9 446
Effect of discounting cash flows	(6 919)	(4 477)	(7 463)	(4 836)
Total income disability liability for incurred claims (excluding risk adjustment component)	7 467	4 603	7 661	4 610
Amount included in Life insurance classes – limited uncertainty in claim amount or uncertainty typically resolved within 12 months	619	364		
Life insurance classes – uncertainty typically extends beyond 12 months	6 848	4 239		
2023 - Restated				
Within one year ¹	2 038	1 213	2 045	1 155
One – two years	1 029	632	1 044	641
Two – three years	939	579	957	590
Three – four years	862	534	884	546
Four – five years	800	496	824	510
Over five years	8 639	5 561	9 298	5 986
Gross cumulative claim liability	14 307	9 015	15 052	9 428
Effect of discounting cash flows	(7 244)	(4 678)	(7 807)	(5 043)
Total income disability liability for incurred claims (excluding risk adjustment component)	7 063	4 337	7 245	4 385
Amount included in Life insurance classes – limited uncertainty in claim amount or uncertainty typically resolved within 12 months	594	328		
Life insurance classes – uncertainty typically extends beyond 12 months	6 469	4 009		

¹ The above 2023 table has been restated to include amounts that are included in the "limited uncertainty in claim amount" into the "Within 1 year" balance

9. Reinsurance and insurance contract assets and liabilities continued
9.2 Insurance contract assets and liabilities continued
9.2.6 Claims development continued

INCOME DISABILITY LIABILITY FOR INCURRED CLAIMS INCLUDED IN EITHER GMM OR PAA MEASUREMENT

	Present value of future cash flows Rm	Risk adjustment for non-financial risk Rm	Total LIC Rm
Balance at the beginning of year	7 063	108	7 171
Insurance service expense	918	(18)	900
Incurred claims	1 139	(16)	1 123
Directly attributable expenses	15		15
Changes that relate to past service - adjustments to the LIC	(236)	(2)	(238)
Net finance expense from insurance contracts issued	710	10	720
Total recognised in the income statement	1 628	(8)	1 620
Cash flows	(1 224)		(1 224)
Claims paid	(1 209)		(1 209)
Directly attributable expenses paid	(15)		(15)
Balance at the end of the year	7 467	100	7 567
Balance at the beginning of year	6 555	131	6 686
Insurance service expense	1 164	(31)	1 133
Incurred claims	1 114	(30)	1 084
Directly attributable expenses	17		17
Changes that relate to past service - adjustments to the LIC	33	(1)	32
Net finance expense from insurance contracts issued	498	8	506
Total recognised in the income statement	1 662	(23)	1 639
Cash flows	(1 154)		(1 154)
Claims paid	(1 140)		(1 140)
Directly attributable expenses paid	(14)		(14)
Balance at the end of the year	7 063	108	7 171

The table above is presented for the first time in the annual financial statements for the year ended 31 December 2024, with comparatives included for 2023. The objective of this table is to provide more insight into the income protection plan claims in payment.

9.3 Financial liabilities under investment contracts

	2024 Rm	2023 Rm
Balance at beginning of the period	151 035	136 309
Fund inflows from investment contracts (contributions received)	23 874	22 412
Fair value adjustment (investment return from underlying assets)	20 324	18 169
Fund outflows under investment contracts (benefits paid)	(24 299)	(23 814)
Service fee income (asset management fees charged)	(2 164)	(1 909)
Foreign currency translation	223	(132)
Balance at end of the period	168 993	151 035

The timing of settlement of financial liabilities under investment contracts depends on policyholder behaviour. Contractually, policyholders have the right to disinvest on demand.

10. Interests in associates and joint ventures

	2024 Rm	2023 Rm
Equity accounted associates and joint ventures		
Carrying value at the beginning of the year	12 173	9 956
Share of post-tax profits for the year	1 484	1 648
Impairments of associates and joint ventures (note 40 and note 43) ¹	(257)	(62)
Acquisitions	142	346
Disposals and derecognition	(3)	(21)
Share of OCI movements	(76)	707
Foreign currency translation reserve	130	709
Other	(206)	(2)
Distributions received	(731)	(401)
Carrying value at the end of the year	12 732	12 173

¹ During 2024, a subset of the equity accounted associates with a carrying value of R566 million (2023: R462 million) was impaired by R257 million (2023: R62 million) to its recoverable amount of R309 million (2023: R400 million) mainly due to a significant decline in market factors and operational factors that impacted the performance of these entities within the CIB and BCB segments. The recoverable amount is based on the investments' fair value less costs of disposal and is included in level 3 of the fair value hierarchy. The group utilises multiple valuation techniques including the market approach, cost approach and income approach to determine a reasonable valuation. Where relevant, the group applied an average discount rate of 15% based on either internal hurdle rates or the weighted average cost of capital and a forecast period of between one to eight years. These impairment losses are excluded from the group's headline earnings, refer to note 43.

There are no significant restrictions on the ability of associates or joint ventures to transfer funds to the group in the form of cash dividends or in the repayment of loans or advances.



Refer to annexure B for further information on associates and joint ventures.

11. Investment property

	2024 Rm	2023 Rm
Fair value at the beginning of the year	30 444	29 289
Revaluations net of lease straight-lining	273	2 606
Revaluations	295	2 623
Net movement on straight-lining operating leases	(22)	(17)
Additions – capitalised subsequent expenditure and acquisitions	807	348
Transfers from owner-occupied properties (note 12)	6	18
Exchange movements	20	(1 817)
Transfer of group assets classified as held for sale	(5 061)	
Fair value at the end of the year	26 489	30 444
Investment property and related operating lease balances comprise the following		
Investment properties at fair value	26 489	30 444
Operating leases – accrued income (note 7)	586	564
Total investment property	27 075	31 008
Amount recognised in profit or loss		
Rental income earned	3 396	3 344
Direct operating expenses	1 330	1 504

11.1 Minimum lease payments receivable from investment properties

	2024 Rm	2023 Rm
Maturity analysis of undiscounted rental income from investment properties		
Up to one year	1 502	1 762
Between one and two years	1 249	1 356
Between two and three years	962	1 042
Between three and four years	714	696
Between four and five years	319	503
Over five years	371	1 477
Total	5 117	6 836

11.2 Basis of valuation

The valuation of the South African properties is prepared in accordance with the guidelines of and in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors, adapted for South African law and conditions. The full portfolio of South African located properties was independently valued as at 31 December 2024 by registered professional valuers, registered in terms of the Property Valuers Professional Act, No. 47 of 2000 and are registered with the Royal Institution of Chartered Surveyors. The Africa Regions located properties were independently valued as at 31 December 2024 by various registered professional valuers in each territory.

The basis of value is "fair value" which is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

The properties have been valued using the discounted cash flow methodology based on significant unobservable inputs and whereby the forecasted net cash flow and residual value of the asset at the end of the forecasted cash flow period are discounted back to the valuation date, resulting in a present value of the asset. The residual value is calculated by capitalising the net income forecasted for the twelve month period immediately following the final year of the cash flow at the exit capitalisation rate.



Refer to the key management assumptions for details regarding the valuation of investment property.

12. Property, equipment and right of use assets

	Property		Equipment				Right of use assets ¹			Total Rm
	Freehold Rm	Leasehold Rm	Computer equipment Rm	Furniture and fittings Rm	Office equipment Rm	Motor vehicles Rm	Buildings Rm	Branches Rm	ATM spacing and other Rm	
Net book value at 1 January 2023	7 801	1 124	3 425	2 424	569	1 634	1 693	1 303	367	20 340
Cost	9 687	3 191	11 764	6 620	1 577	2 329	3 615	4 358	950	44 091
Accumulated depreciation and impairment	(1 886)	(2 067)	(8 339)	(4 196)	(1 008)	(695)	(1 922)	(3 055)	(583)	(23 751)
Movement	(844)	(162)	544	233	(37)	288	17	83	(164)	(42)
Additions and modifications ²	1 033	229	2 242	854	158	964	465	1 105	249	7 299
Disposals and terminations	(110)	(4)	(34)	(29)	(3)	(275)	(27)	(237)	(131)	(850)
Depreciation	(247)	(354)	(1 603)	(548)	(148)	(344)	(641)	(788)	(137)	(4 810)
Transfer to investment property (note 11)	(18)									(18)
Exchange and other movements	(1 502)	(33)	(61)	(44)	(44)	(57)	220	3	(145)	(1 663)
Net book value at 31 December 2023	6 957	962	3 969	2 657	532	1 922	1 710	1 386	203	20 298
Cost	8 836	3 155	12 950	7 057	1 569	2 787	4 094	4 928	798	46 174
Accumulated depreciation and impairment	(1 879)	(2 193)	(8 981)	(4 400)	(1 037)	(865)	(2 384)	(3 542)	(595)	(25 876)
Movement	(453)	64	167	34	8	(28)	256	(106)	21	(37)
Additions and modifications ²	721	294	1 780	743	182	558	474	729	160	5 641
Disposals and terminations	(49)	(5)	(32)	(38)	(9)	(206)	(288)	(256)	(52)	(935)
Depreciation	(187)	(248)	(1 613)	(550)	(149)	(349)	(590)	(690)	(125)	(4 501)
Disposal group assets held for sale (note 5)	(122)									(122)
Impairment (note 40 and note 43)	(21)			(2)						(23)
Exchange and other movements	(789)	23	32	(119)	(16)	(31)	660	111	38	(91)
Transfer to investment property (note 11)	(6)									(6)
Net book value at 31 December 2024	6 504	1 026	4 136	2 691	540	1 894	1 966	1 280	224	20 261
Cost	8 490	2 920	13 311	6 790	1 608	2 892	4 445	4 911	816	46 183
Accumulated depreciation and impairment	(1 986)	(1 894)	(9 175)	(4 099)	(1 068)	(998)	(2 479)	(3 631)	(592)	(25 922)

¹ Refer to note 17.3 for more detail relating to leasing activities.

² Modifications relate to IFRS 16 right of use assets only. Included are modifications which relate to right of use assets of R830 million (2023: R1 031 million) and additions for property, equipment and right of use assets of R4 811 million (2023: R6 268 million).

Property and equipment include work in progress of R1 355 million (2023: R1 929 million) for which depreciation has not yet commenced (refer to note 23.2 for details regarding capital commitments).

12. Property, equipment and right of use assets continued

12.1 Valuation

The fair value of completed freehold property, based on valuations undertaken for the period 2021 to 2024 was estimated at R8 795 million (2023: R8 731 million).

Registers of freehold property are available for inspection at the registered office of the company and its subsidiaries. Valuations were generally in terms of the investment method whereby net income is capitalised having regard to tenancy, location and the physical nature of the property.

12.2 Motor vehicles under operating leases future undiscounted lease instalments

	Within the first year Rm	Within the second year Rm	Within the third year Rm	Within the fourth year Rm	Within the fifth year Rm	After five years Rm	Total Rm
2024							
Motor vehicles	246	292	336	256	321	92	1 543
Total	246	292	336	256	321	92	1 543
2023							
Motor vehicles	144	261	292	312	230	308	1 547
Total	144	261	292	312	230	308	1 547

13. Goodwill and other intangible assets

	Goodwill Rm	Computer software ¹ Rm	Other intangible assets Rm	Total Rm
Net book value at 1 January 2023	2 231	12 882	7	15 120
Cost	4 159	42 164	78	46 401
Accumulated amortisation and impairment	(1 928)	(29 282)	(71)	(31 281)
Movements	(622)	(1 773)	(2)	(2 397)
Additions	6	993		999
Disposals	(35)	(79)		(114)
Amortisation (note 39)		(2 491)	(2)	(2 493)
Exchange movements	(593)	(196)		(789)
Net book value at 31 December 2023	1 609	11 109	5	12 723
Cost	3 016	41 575	10	44 601
Accumulated amortisation and impairment	(1 407)	(30 466)	(5)	(31 878)
Movements	47	(1 481)	(2)	(1 436)
Additions		1 373	13	1 386
Disposals		(195)		(195)
Amortisation (note 39)		(2 479)	(2)	(2 481)
Exchange movements	53	6	(13)	46
Impairments (note 40 and note 43) ²	(6)	(186)		(192)
Net book value at 31 December 2024	1 656	9 627	3	11 286
Cost	3 066	43 941	10	47 017
Accumulated amortisation and impairment	(1 410)	(34 314)	(7)	(35 731)

¹ Computer software materially comprises of the SAP Core Banking system with a net book value of R4 504 million (2023: R5 728 million) with a remaining amortisation period of four years and seven months as at 31 December 2024.

² During 2024, the goodwill recognised from the acquisition of FireID Payments Proprietary Limited, with a carrying value of R6 million, was impaired in full.

Borrowing costs of R192 million (2023: R182 million) were capitalised to computer software. Borrowing costs are capitalised using an average rate of 11.7% (2023: 11.5%). Intangible assets include work in progress of R2 552 million (2023: R2 472 million) for which amortisation has not yet commenced.

13.1 Goodwill

	2024			2023		
	Gross goodwill Rm	Accumulated impairment Rm	Net goodwill Rm	Gross goodwill Rm	Accumulated impairment Rm	Net goodwill Rm
Stanbic IBTC Holdings PLC	644	(340)	304	1 099	(580)	519
Stanbic Holdings PLC (Kenya)	1 076		1 076	875		875
Other	1 346	(1 070)	276	1 042	(827)	215
Total	3 066	(1 410)	1 656	3 016	(1 407)	1 609

Movements in accumulated impairment relates to foreign currency movements of previous impairments.

Stanbic IBTC Holdings PLC

Based on the impairment test performed, no impairment was recognised for 2024 or 2023.

Stanbic Holdings PLC (Kenya)

Based on the impairment test performed, no impairment was recognised for 2024 or 2023.

Goodwill relating to other entities

The remaining aggregated carrying amount of the goodwill of R276 million (2023: R215 million) has been allocated to CGUs that are not considered to be individually significant. During 2024, the goodwill recognised from the acquisition of FireID Payments Proprietary Limited, with a carrying value of R6 million, was impaired by the full amount, reducing its carrying value to Rnil.

13.2 Impairment of computer software**2024**

During 2024, an annual impairment assessment was performed on the SAP Core Banking system within Business & Commercial Banking (BCB). This assessment revealed that certain components of the system were no longer suitable for the evolving requirements of the business. Consequently, these components were written off, resulting in the recognition of an impairment loss of R154 million in the financial period, bringing the carrying amount to Rnil.

The remainder of the group's computer software assets' recoverable values were determined to be lower than their carrying values and were impaired by a total amount of R32 million.

14. Deferred taxation

14.1 Deferred tax analysis

	2024 Rm	2023 Rm
Accrued interest receivable	78	140
Assessed losses ¹	(603)	(528)
Leased assets included in loans and advances ²	17	61
Capital gains tax	2 732	2 084
Credit impairment charges	(6 534)	(6 284)
Right of use assets ²	698	706
Lease liability ²	(808)	(798)
Property and equipment ²	701	1 183
Derivatives and financial instruments	134	(40)
Fair value adjustments on financial instruments	1 616	1 209
Policyholder change in valuation basis	(400)	(509)
Post-employment benefits	245	229
Share-based payments	(1 080)	(1 074)
Special transfer to policyholder tax fund	(1 048)	(1 260)
Provisions and other items ²	(1 963)	(2 090)
Deferred tax closing balance	(6 215)	(6 971)
Deferred tax liabilities	3 368	2 030
Deferred tax assets	(9 583)	(9 001)

¹ The group has estimated tax losses of R2 113 million (2023: R1 786 million) which are available for set-off against future taxable income. These tax losses have arisen from the group entities incurring operational tax losses. This asset is anticipated to be recovered as financial projections indicate these entities are likely to produce sufficient taxable income in the near future. These deferred tax asset balances were offset against deferred tax liabilities, refer to annexure F for detailed accounting policies.

² The deferred tax analysis related to right of use assets and lease liabilities have been disaggregated to provide a more appropriate analysis of the deferred tax movement considering the nature and characteristics thereof. This disaggregation had no impact on the total deferred tax closing balance and the statement of financial position for 2024 and 2023.

14.2 Deferred tax reconciliation

	2024 Rm	2023 Rm
Deferred tax at the beginning of the year	(6 971)	(7 004)
Total temporary differences for the year	756	33
Accrued interest receivable	(62)	53
Assessed losses	(75)	72
Leased assets included in loans and advances ¹	(44)	(7)
Capital gains tax	648	531
Credit impairment charges	(250)	(430)
Right of use assets ¹	(8)	72
Lease liability ¹	(10)	(83)
Depreciation ¹	(482)	233
Derivatives and financial instruments	174	(60)
Fair value adjustments on financial instruments	407	686
Policyholder change in valuation basis	109	(343)
Post-employment benefits	16	53
Share-based payments	(6)	(303)
Special transfer to life fund	212	293
Provisions and other differences ¹	127	(734)
Deferred tax at the end of the year	(6 215)	(6 971)
Recognised in OCI	431	304
Fair value adjustments on financial instruments	398	239
Defined benefit fund remeasurements	13	59
Other	20	6
Recognised in equity – deferred tax on share-based payments	(278)	(309)
Recognised in equity-transaction between owners		130
Recognised in the income statement	908	(303)
Exchange differences²	(305)	211
Recognised in OCI	(20)	(27)
Recognised in the income statement	(285)	238
Total temporary differences	756	33

¹ The deferred tax reconciliation related to right of use assets and lease liabilities has been disaggregated to provide a more appropriate analysis of the deferred tax movement considering the nature and characteristics thereof. This disaggregation had no impact on the total deferred tax closing balance in the statement of financial position for 2024 and 2023.

² Refer to annexure A for more details relating to foreign currency translation.

15. Share capital

15.1 Authorised

	2024 Rm	2023 Rm
2 billion ordinary shares (2023: 2 billion) ¹	200	200
8 million first preference shares (2023: 8 million) ²	8	8
1 billion second preference shares (2023: 1 billion) ³	10	10
Total	218	218

¹ Ordinary shares comprise shares of 10 cents each traded on the JSE and A2X Markets under the symbol SBK, and on the NSX under the symbol SNB.

² First preference shares comprise 6.5% first cumulative preference shares of R1 each traded on the JSE under the symbol SBKP.

³ Second preference shares comprise non-redeemable, non-cumulative, non-participating preference shares of 1 cent each traded on the JSE under the symbol SBPP. The non-redeemable, non-cumulative, non-participating preference shares are entitled to an annual dividend, if declared, payable in two semi-annual instalments of not less than 77% of the prime interest rate multiplied by the subscription price of R100 per share.

15.2 Issued

	2024 Rm	2023 Rm
Equity attributable to ordinary shareholders	23 209	27 106
Ordinary share capital	166	168
Ordinary share premium	23 043	26 938
Equity attributable to other equity instrument holders	23 725	24 167
Preference share capital and premium	5 503	5 503
First preference share capital	8	8
Second preference share capital	1	1
Second preference share premium	5 494	5 494
Additional tier 1 capital (note 15.8)	18 222	18 664
Total	46 934	51 273

Holders of ordinary share capital hold one vote per ordinary share at the group's AGM.

First preference shareholders and second preference shareholders are not entitled to voting rights unless:

- the fixed preference dividend payable is in arrears for more than six months, or
- a resolution to be tabled at the shareholders' meeting varies or cancels any of the special rights attached to that preference share or for the reduction of its capital.

In the event that a resolution is tabled at the AGM to authorise, if circumstances are correct, the repurchase of second preference shares, the shareholders will be permitted to vote on the resolution at the AGM. In terms of paragraph 8.3.9 of the memorandum of incorporation, at this meeting the preference shareholders will be entitled to the portion of the total votes which the aggregate amount of the nominal value of the shares held bears to the aggregate amount of the nominal value of all the shares held.

AT 1 capital holders have no voting rights.

RECONCILIATION OF ORDINARY SHARES IN ISSUE

	Number of shares
Shares in issue at 1 January 2023	1 678 324 623
Shares issued during 2023 in terms of the group's equity compensation plans	239 847
Shares repurchased during 2023	(2 789 239)
Shares in issue at 31 December 2023	1 675 775 231
Treasury shares held by entities within the group	18 701 110
Shares held by other shareholders	1 657 074 121
Shares issued during 2024 in terms of the group's equity compensation plans	317 896
Shares repurchased during 2024	(17 172 005)
Shares in issue at 31 December 2024	1 658 921 122
Treasury shares held by entities within the group	18 658 262
Shares held by other shareholders	1 640 262 860

All issued shares are fully paid up. There has been no movement in the first and second preference shares during the year. The number of shares in issue for first and second preference shares are 8 000 000 and 52 982 248 respectively.

15.3 Unissued shares

	2024 Number of shares	2023 Number of shares
Ordinary unissued shares¹	219 335 626	202 163 621
Ordinary shares reserved to meet the requirements of EGS and GSIS²	121 743 252	122 061 148
Ordinary shares reserved in terms of the rules of EGS and GSIS as approved by members' resolution dated 27 May 2010	155 825 715	155 825 715
Less: issued to date of the above resolution for the EGS and GSIS schemes	(34 082 463)	(33 764 567)
Unissued ordinary shares	341 078 878	324 224 769
Unissued second preference shares	947 017 752	947 017 752

¹ During 2024, 17 172 005 shares were repurchased by Standard Bank Group Limited and have reverted back to authorised unissued shares. The average price paid for the repurchase was R235.17 per share.

² During the year, 317 896 (2023: 239 847) ordinary shares were issued in terms of the group's equity compensation plans, notably the EGS and GSIS. No surplus capital was used to purchase ordinary shares in 2024 (2023: no shares) to counteract the dilutive impact of the shares issued under the equity compensation plans. Effective from 2017, the group no longer issues EGS and GSIS awards. The last awards in GSIS were issued in 2011 and for the EGS, the last award was made in 2016. Awards are now provided in terms of the group's other share schemes, the DBS, PRP and the SARP, all of which are settled by the group to employees with shares that the group purchases from external market participants, and the CSDBS, which is settled in cash (refer to annexure D for further information). At the end of the year, the group would need to issue 264 174 (2023: 529 364) SBG ordinary shares to settle the outstanding GSIS options and EGS rights that were awarded to participants in previous years. The shares issued to date for the EGS and GSIS together with the expected number of shares to settle the outstanding options and rights as a percentage of the total number of shares in issue is 2.1% (2023: 2.0%).

15.4 Interest of directors in the capital of the company

	Direct beneficial ¹		Indirect beneficial ¹	
	2024 Number of shares	2023 Number of shares	2024 Number of shares	2023 Number of shares
Ordinary shares⁴	1 140 004	1 074 029	114 675	114 675
Lwazi Bam	2 000	900		
Arno Daehnke	185 117	142 040		
Geraldine Fraser-Moleketi	1 890	1 890	14 675	14 675
Ben Kruger	200 000	200 000		
Jacko Maree	115 262	163 109		
Kgomotso Moroka ²		44 939		
Atedo Peterside CON ³			100 000	100 000
Sim Tshabalala	635 735	521 151		
Second preference shares⁵	37 122	37 122		
Ben Kruger	26 791	26 791		
Jacko Maree	10 331	10 331		

¹ As per JSE Listings Requirements.

² Retired as a director on 12 June 2023. 2023 balances are reflected as at 12 June 2023.

³ Retired as a director on 10 June 2024. 2024 balances are reflected as at 10 June 2024.

⁴ Shares held by directors under share incentive schemes total 1 041 892 (2023: 1 495 096).

⁵ Restated, it was noted that the number of preference shares held by Ben Kruger in the prior year were erroneously disclosed as held by Jacko Maree and vice versa. This has been corrected for the current year.

There have been no changes to directors' interests in the group's share capital between 1 January 2025 and 13 March 2025.

15.5 General authority of directors to issue shares¹

	2024 Number of shares	2023 Number of shares
Ordinary shares	41 426 853	41 958 115
Second preference shares	1 324 556	1 324 556

¹ The general authority expires at the AGM on 9 June 2025.

15. Share capital continued**15.6 Treasury shares**

	2024 Number of shares	2023 Number of shares
Purchased during the year ¹	287 265 796	225 575 692
Total treasury shares held at the end of year ²	18 658 262	18 701 110

¹ Total number of ordinary shares purchased during the year to facilitate client trading activities as well as any share buy-backs to mitigate the dilutive impact as a result of the group's share incentive schemes (refer to note 15.3 for further detail).

² Total number of ordinary shares held at the end of the year by the group's banking activities in terms of the transactions mentioned above.

Cash flows relating to transactions involving shares of the group executed on behalf of clients in respect of brokered transactions are not included within the group's financing activities on the statement of cash flows.

15.7 Shareholder analysis

	2024		2023	
	Number of shares (million)	% holding	Number of shares (million)	% holding
Spread of ordinary shareholders				
Public¹	1 079.6	65.1	1 091.7	65.1
Non-public¹	579.4	34.9	584.1	34.9
Directors, associates of directors and prescribed officers of SBG, and its subsidiaries ²	1.8	0.1	1.6	0.2
ICBC	325.0	19.6	325.0	19.4
Government Employees Pension Fund (investment managed by PIC)	241.3	14.5	243.8	14.5
SBG retirement funds	2.0	0.1	2.2	0.1
Restricted from trading for longer than six months	0.3		2.4	0.1
Tutuwa participants ³	9.0	0.5	9.0	0.6
Associates of directors			0.1	
Total	1 659.0	100.0	1 675.8	100.0
	2024		2023	
	Number of shares	% holding	Number of shares	% holding
Spread of first preference shareholders				
Public¹	8 000 000	100	8 000 000	100
Spread of second preference shareholders	52 982 248		52 982 248	
Public¹	52 945 126	100	52 945 126	100
Non-public¹	37 122		37 122	
Directors, associates of directors and prescribed officers of SBG, and its subsidiaries ²	37 122		37 122	
Total	52 982 248	100	52 982 248	100

¹ As per the JSE Listings Requirements.

² Excludes indirect holdings of strategic partners, which are included in Tutuwa participants.

³ Includes Tutuwa Community Trust, Tutuwa Strategic Holdings 1 and 2, and Tutuwa Managers' Trusts.

15.8 Additional tier 1 capital

Bond	Date issued	First callable date	Notional and carrying value	
			2024 Rm	2023 Rm
SBT103	20 February 2019	31 March 2024		1 942
SBT104	29 September 2020	30 September 2025	1 539	1 539
SBT105	29 March 2021	31 March 2026	1 800	1 800
SBT106	12 October 2021	31 December 2026	1 724	1 724
SBT107	4 April 2022	8 April 2027	1 559	1 559
SBT108	12 July 2022	13 July 2027	2 000	2 000
SBT109	28 November 2022	31 December 2027	3 600	3 600
SBT110	1 June 2023	30 June 2028	2 500	2 500
SBT111	16 November 2023	31 December 2028	2 000	2 000
SBT112	23 May 2024	30 June 2029	1 500	
Total			18 222	18 664

During 2024, the group issued additional Basel III compliant AT1 capital bonds amounting to R1 500 million (2023: R4 500 million) and redeemed R1 942 million (2023: Rnil million). The AT1 capital bonds are perpetual, non-cumulative with an issuer call option after a minimum period of five years and one day and on every coupon payment date thereafter.

Coupons to the value of R2 205 million (2023: R1 841 million) were paid to AT1 capital bondholders. Current tax of R595 million (2023: R497 million) relating to the AT1 capital bonds was recognised directly in equity resulting in an aggregate net equity impact of R1 610 million (2023: R1 344 million).

The terms of the Basel III compliant AT1 capital bonds include a regulatory requirement which provides for the write-off, in whole or in part, on the earlier of a decision by the SARB that a write-off without which the issuer would have become non-viable is necessary, or a decision to make a public sector injection of capital or equivalent support, without which the issuer would have become non-viable.

The AT1 capital bonds do not have a contractual obligation to pay cash, hence they have been recognised within equity attributable to other equity instrument holders on the statement of financial position. Holders of AT1 capital do not have voting rights at the group's AGM.

16. Trading liabilities

	2024 Rm	2023 Rm
Collateral	11 262	4 925
Corporate bonds ¹	4 655	3 054
Credit-linked notes	889	1 658
Government, municipality and utility bonds	5 279	1 624
Equities	35 614	41 596
Repurchase and other collateralised agreements	32 531	32 085
Other instruments ¹	16 344	9 526
Total	106 574	94 468

¹ Corporate bonds has been disaggregated from other instruments during 2024 for better analysis of trading liabilities. The prior year has been updated for this disaggregation. The aggregation had no impact on the groups' statement of financial position.

17. Provisions and other liabilities

	2024 Rm	2023 Rm
Financial liabilities	125 548	108 466
Cash-settled share-based payment liability (annexure D)	922	848
Collateral deposit liabilities and repurchase agreements within IAM	6 458	6 212
ECL for off-balance sheet exposure (note 17.2)	475	444
Accounts payable ²	7 727	6 341
Lease liabilities (note 17.3)	3 872	3 714
Third-party liabilities arising on consolidation of mutual funds (note 17.1)	87 504	69 717
Trading settlement liabilities	11 030	9 148
Other financial liabilities ²	7 560	12 042
Non-financial liabilities	39 026	36 128
Deferred revenue liability	233	242
Items in the course of transmission	12 486	9 350
Post-employment benefits (note 47)	1 082	1 077
Staff-related accruals	19 751	19 376
Other non-financial liabilities ¹	5 474	6 083
Total	164 574	144 594

¹ Included in other non-financial liabilities are liabilities of a short-term nature such as accrued expenses and sundry provisions. Sundry provisions' opening balance is R3 032 million (2023: R3 007 million) and closing balance is R2 346 million (2023: R3 032 million), resulting in a net release of R686 million (2023: net charge R25 million).

² Accounts payable has been disaggregated from other financial liabilities for 2024 and 2023, to provide a more appropriate analysis of financial liabilities considering the nature and characteristics thereof. This disaggregation had no impact on the total provisions and other liabilities nor the statement of financial position for either 2024 or 2023.

17.1 Third-party liabilities arising on consolidation of mutual funds

	2024 Rm	2023 Rm
Balance at the beginning of the year	69 717	62 058
Additional mutual funds classified as subsidiaries	3 286	5 256
Distributions	(2 380)	(2 148)
Fair value adjustments	12 291	13 526
Mutual funds no longer classified as subsidiaries	(5 632)	(1 537)
Net capital(repayment)/contribution or change in effective ownership	10 222	(7 438)
Balance at the end of the year	87 504	69 717

The group has classified certain mutual funds as investments in subsidiaries. Consequently, fund interest not held by the group is classified by the group as third-party liabilities as they represent demand deposit liabilities measured at fair value.

17.2 Reconciliation of ECL for off-balance sheet exposure

	Opening balance Rm	Net ECL raised/ (released) Rm	Exchange and other movements Rm	Closing balance Rm
Letters of credit, bank acceptances and guarantees				
2024				
Stage 1	276	59	(23)	312
Stage 2	140	(18)	7	129
Stage 3	28	6		34
Total	444	47	(16)	475
2023				
Stage 1	213	81	(18)	276
Stage 2	88	44	8	140
Stage 3	93	6	(71)	28
Total	394	131	(81)	444

17.3 Reconciliation of lease liabilities

	Balance at 1 January Rm	Additions/ modification Rm	Terminations and/or cancellations Rm	Interest expense ¹ Rm	Payments ² Rm	Exchange and other movements Rm	Balance at 31 December Rm
2024							
Buildings	2 116	538	(14)	122	(760)	192	2 194
Branches	1 365	836	(75)	115	(879)	(8)	1 354
ATM spacing and other	233	176	(12)	22	(149)	54	324
Total	3 714	1 550	(101)	259	(1 788)	238	3 872
2023							
Buildings	2 349	354	(27)	121	(685)	4	2 116
Branches	1 269	995	(77)	99	(913)	(8)	1 365
ATM spacing and other	255	138	(13)	17	(156)	(8)	233
Total	3 873	1 487	(117)	237	(1 754)	(12)	3 714

¹ As at 31 December 2024, R236 million (2023: R212 million) of this interest expense is included in net interest income and R23 million (2023: R25 million) is included in non-insurance revenue.

² These amounts include the principal lease payments as disclosed in the statements of cash flows of R1 532 million (2023: R1 517 million). The remainder represents interest expense paid during the year.

The group leases various buildings for offices, branches and ATMs. Rental contracts are typically entered into for fixed average periods of between three to ten years but may have extension options. Lease terms are negotiated on an individual basis and contain various terms and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are considered in the lease term when there is reasonable certainty that those options will be exercised. The assessment of reasonable certainty is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. The additions/modifications during 2024 primarily comprise of new leases entered into and renewals of various building for offices, branch and ATM space leases. The maturity analysis for the undiscounted lease liability is as follows: R1 202 million within one year (2023: R2 751 million) and R2 190 million within one to five years (2023: R1 018 million).

18. Deposits and debt funding

	2024 Rm	2023 Rm
Deposits and debt funding from banks	150 492	128 590
Deposits and debt funding from customers	1 988 364	1 873 056
Current accounts	387 636	363 162
Cash management deposits	263 221	267 419
Call deposits	547 576	498 692
Savings accounts	50 720	46 923
Term deposits	479 456	426 640
Negotiable certificates of deposit	170 001	172 804
Foreign currency funding	77 226	85 837
Other funding	12 528	11 579
Total	2 138 856	2 001 646

19. Subordinated debt

			Notional value ¹	Carrying value ¹	
	Redeemable/ repayable date	First callable date	Million	2024 Rm	2023 Rm
Subordinated debt qualifying as SARB regulatory banking capital ²					
Standard Bank Group Limited				28 394	25 813
SBT204	16 April 2029	16 April 2024	ZAR1 000		1 023
SBT205	31 May 2029	31 May 2024	USD400		7 346
SBT206	31 January 2030	31 January 2025	ZAR2 000	2 035	1 949
SBT207	25 June 2030	25 June 2025	ZAR3 500	3 505	3 495
SBT208	28 November 2030	28 November 2025	ZAR1 500	1 515	1 436
SBT209	29 June 2031	29 June 2026	ZAR1 722	1 723	1 723
SBT210	18 October 2033	18 October 2028	ZAR3 639	3 713	3 717
SST201	8 December 2031	8 December 2026	ZAR1 444	1 453	1 454
SST202	31 August 2032	31 August 2027	ZAR1 639	1 652	1 654
SST203	3 March 2033	3 March 2028	ZAR2 000	2 015	2 016
SST204	20 March 2034	20 March 2029	ZAR1 512	1 517	
SST205	12 October 2034	10 March 2030	ZAR3 600	3 620	
Tier 2 subordinated loan	25 September 2034	26 March 2029	USD300	5 646	
Total subordinated debt qualifying as SARB regulatory banking capital				28 394	25 813
Africa Regions' subordinated debt not qualifying as SARB regulatory banking capital				1 203	1 216
Stanbic Bank Kenya	25 October 2034	25 October 2029	USD20	391	387
Stanbic Bank Botswana	2032-2034	2027-2029	BWP516	708	724
Standard Bank Eswatini	25 August 2034	29 Aug 2029	E100	104	105
Total				29 597	27 029
Qualifying as regulatory insurance capital				5 186	5 198
LGL 09	28 August 2024		ZAR1 100		1 121
LGL 10	8 October 2025		ZAR1 000	1 007	1 006
LGL 11	9 September 2026		ZAR1 500	1 544	1 554
LGL 12	4 October 2027		ZAR1 500	1 514	1 517
LGL 13	29 November 2029		ZAR1 100	1 121	
Total				34 783	32 227

¹ The difference between the carrying and notional value represents foreign exchange movements, transaction costs included in the initial carrying amounts, accrued interest and the unamortised fair value adjustments relating to bonds, where applicable, hedged for interest rate risk.

² Basel III compliant tier 2 instruments which contain a contractual non-viability write-off feature.

20. Classification of assets and liabilities
Accounting classifications and fair values of assets and liabilities

All financial assets and liabilities have been classified according to their measurement category as per IFRS 9 with disclosure of the fair value being provided for those items.

		Fair value through profit or loss			Fair value through other comprehensive income		Total assets and liabilities measured at fair value Rm	Amortised cost Rm ¹	Other non-financial assets/liabilities Rm	Total carrying amount Rm	Fair value ² Rm
		Held-for-trading Rm	Designated at fair value Rm	Default Rm	Debt instruments Rm	Equity instruments Rm					
Note											
2024											
Assets											
Cash and balances with central banks	1			121 218			121 218	14 954		136 172	136 172
Derivative assets	2	63 157					63 157			63 157	63 157
Trading assets	3	427 596					427 596			427 596	427 596
Pledged assets	4	3 659		4 396		3 413	11 468	5 415		16 883	16 883
Disposal group assets held for sale	5			5 088			5 088			5 088	5 088
Financial investments	6		14 847	454 238		83 977	554 695	287 765		842 460	840 826
Other financial assets ³	7							22 529		22 529	
Loans and advances	8			823			823	1 650 732		1 651 555	1 659 304
Reinsurance contract assets	9								5 768	5 768	
Insurance contract assets	9								1 271	1 271	
Interests in associates and joint ventures	10								12 732	12 732	
Investment property	11								26 489	26 489	26 489
Other non-financial assets									57 678	57 678	
Total assets		494 412	14 847	585 763		87 390	1 184 045	1 981 395	103 938	3 269 378	
Liabilities											
Derivative liabilities	2	76 663					76 663			76 663	76 663
Trading liabilities	16	106 574					106 574			106 574	106 574
Other financial liabilities ³	17		106 937				106 937	18 612		125 549	
Deposits and debt funding	18		1 512				1 512	2 137 344		2 138 856	2 138 476
Financial liabilities under investment contracts	9		168 993				168 993			168 993	168 993
Insurance contract liabilities	9								273 720	273 720	
Subordinated debt	19		5 186				5 186	29 597		34 783	34 783
Other non-financial liabilities									51 584	51 584	
Total liabilities		183 237	282 628				465 865	2 185 553	325 304	2 976 722	

¹ Includes financial assets and financial liabilities for which the carrying value has been adjusted for changes in fair value due to designated hedged risks.
² Carrying value has been used where it closely approximates fair values, excluding non-financial assets and liabilities. Refer to the fair value section in accounting policy 4 – Fair value in annexure F and key management assumptions for a description on how fair values are determined.
³ The fair value of other financial assets and liabilities measured at amortised cost approximates the carrying value due to their short-term nature. Refer to note 7 for detail on the depositor insurance scheme included in receivable and other assets.

20. Classification of assets and liabilities continued
Accounting classifications and fair values of assets and liabilities continued

All financial assets and liabilities have been classified according to their measurement category as per IFRS 9 with disclosure of the fair value being provided for those items.

	Note	Fair value through profit or loss			Fair value through other comprehensive income		Total assets and liabilities measured at fair value Rm	Amortised cost Rm ¹	Other non-financial assets/liabilities Rm	Total carrying amount Rm	Fair value ² Rm
		Held-for-trading Rm	Designated at fair value Rm	Default Rm	Debt instruments Rm	Equity instruments Rm					
2023											
Assets											
Cash and balances with central banks	1			122 718			122 718	15 069		137 787	137 787
Derivative assets ⁵	2	77 379					77 379			77 379	77 379
Trading assets ⁵	3	318 632					318 632			318 632	318 632
Pledged assets	4	8 059		4 119	5 105		17 283	2 927		20 210	20 210
Disposal group assets held for sale	5			235			235			235	235
Financial investments ^{5,6}	6		8 757	396 485	68 322	1 592	475 156	281 503		756 659	759 456
Other financial assets ^{3,4}	7							17 013		17 013	
Loans and advances	8			715			715	1 608 131		1 608 846	1 610 314
Reinsurance contract assets	9								5 422	5 422	
Insurance contract assets	9								1 631	1 631	
Interest in associates and joint ventures	10								12 173	12 173	
Investment property	11								30 444	30 444	30 444
Other non-financial assets ⁴									59 274	59 274	
Total assets		404 070	8 757	524 272	73 427	1 592	1 012 118	1 924 643	108 944	3 045 705	
Liabilities											
Derivative liabilities ⁵	2	83 333					83 333			83 333	83 333
Trading liabilities	16	94 468					94 468			94 468	94 468
Other financial liabilities ³	17		71 733				71 733	36 733		108 466	
Deposits and debt funding	18		3 219				3 219	1 998 427		2 001 646	2 008 412
Financial liabilities under investment contracts	9		151 035				151 035			151 035	151 035
Insurance contract liabilities	9								251 389	251 389	
Subordinated debt	19		5 198				5 198	27 029		32 227	32 227
Other non-financial liabilities									46 221	46 221	
Total liabilities		177 801	231 185				408 986	2 062 189	297 610	2 768 785	

¹ Includes financial assets and financial liabilities for which the carrying value has been adjusted for changes in fair value due to designated hedged risks.
² Carrying value has been used where it closely approximates fair values, excluding non-financial assets and liabilities.
³ The fair value of the other financial assets and liabilities approximates the carrying value due to their short-term nature. Refer to the fair value section in accounting policy 4 – Fair value in annexure F and key management assumptions for a description on how fair values are determined.
⁴ Restated. Refer to note 7 for further detail.
⁵ Restated. Refer to page 28 for further detail.
⁶ During 2024, it was noted that cash balances of R13 250 million (2023: R14 809 million) balance was erroneously included in financial investments measured at FVTPL instead of gross financial investments measured at amortised cost. The restatement has no impact on the statement of financial position. Refer to note 6 for further details.

21. Fair value disclosures

21.1 Assets and liabilities measured at fair value – measured on a recurring basis¹

	2024				2023 Restated			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets								
Cash and balances with central bank	121 213	5		121 218	122 701	17		122 718
Derivative assets ⁴	1 844	58 394	2 919	63 157	754	73 965	2 660	77 379
Trading assets ⁴	188 532	169 730	69 334	427 596	179 893	116 874	21 865	318 632
Pledged assets	6 552	4 916		11 468	17 260	23		17 283
Disposal group assets held for sale ²			5 088	5 088			235	235
Financial investments ^{4,5}	283 379	264 923	6 393	554 695	223 431	245 430	6 295	475 156
Loans and advances			823	823			715	715
Investment property			26 489	26 489			30 444	30 444
Total	601 520	497 968	111 046	1 210 534	544 039	436 309	62 214	1 042 562
Financial liabilities								
Derivative liabilities ⁴	1 647	65 594	9 422	76 663	166	76 246	6 921	83 333
Trading liabilities	42 028	64 248	298	106 574	44 633	48 302	1 533	94 468
Deposits and debt funding		1 512		1 512		3 219		3 219
Financial liabilities under investment contracts		168 993		168 993		151 035		151 035
Other financial liabilities ³		106 937		106 937		71 733		71 733
Subordinated debt		5 186		5 186		5 198		5 198
Total	43 675	412 470	9 720	465 865	44 799	355 733	8 454	408 986

¹ Recurring fair value measurements of assets or liabilities are those assets and liabilities that IFRS requires or permits to be measured at fair value in the statement of financial position at the end of each reporting period.

² The disposal group is measured on a non-recurring basis.

³ Restated. During 2024, it was noted that an amount of R2 016 million related to other financial liabilities measured at fair value were erroneously classified as level 3 instead of level 2. This restatement has no impact on the statement of financial position.

⁴ Restated. Refer to page 28 for further details.

⁵ Restated. During 2024, it was noted that cash balances of R14 809 million was erroneously included in financial investments measured at FVTPL instead of gross financial investments measured at amortised cost. The restatement has no impact on the statement of financial position. Refer to note 6 for further details.

Assets and liabilities transferred between level 1 and level 2

During the current year, there were no assets and liabilities transferred between level 1 and level 2. During 2023, cash and balances with the central bank was transferred from level 2 to level 1 due to the improved observability of non-performance risk.

Level 3 assets and liabilities**Reconciliation of level 3 assets**

The following table provides a reconciliation of the opening to closing balance for all assets that are measured at fair value and incorporate inputs that are not based on observable market data (level 3).

	Derivative assets Rm	Trading assets Rm	Financial investments Rm	Investment property Rm	Loans and advances Rm	Total Rm
Balance at 1 January 2023	1 442	14 358	14 990	29 289	640	60 719
Total gains/(losses) included in profit or loss	(91)	1 591	757	2 606	(214)	4 649
Trading revenue	(91)	1 591				1 500
Other revenue			742		(214)	528
Investment losses			15	2 606		2 621
Total gains included in OCI			170			170
Issuances and purchases	2 583	21 106	1 337	366	1 818	27 210
Sales and settlements	(415)	(11 213)	(10 525)		(1 529)	(23 682)
Transfers into level 3 ¹		149				149
Transfers out of level 3 ²	(70)	(4 126)				(4 196)
Exchange and other movements	(789)		(434)	(1 817)		(3 040)
Balance at 31 December 2023	2 660	21 865	6 295	30 444	715	61 979
Balance at 1 January 2024	2 660	21 865	6 295	30 444	715	61 979
Total (losses)/gains included in profit or loss	149	2 667	553	295	(77)	3 587
Trading revenue	149	2 667				2 816
Other revenue			204		(77)	127
Investment gains			349	295		644
Total gains included in OCI			23			23
Issuances and purchases	1 979	64 829	1 615	807	2 277	71 507
Sales and settlements	(1 243)	(21 176)	(2 071)		(2 092)	(26 582)
Transfers into level 3 ¹	47	1 470				1 517
Transfers out of level 3 ²	(205)	(321)				(526)
Exchange and other movements ³	(468)		(22)	(5 057)		(5 547)
Balance at 31 December 2024	2 919	69 334	6 393	26 489	823	105 958

¹ Transfers of financial assets between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. During the year, the valuation inputs of certain financial assets became unobservable. The fair value of these assets was transferred into level 3.

² During the year, the valuation inputs of certain level 3 financial assets became observable. The fair value of these financial assets was transferred into level 2.

³ During 2024, R5 061 million of investment property was reclassified as held for sale.

21. Fair value disclosures continued**21.1 Assets and liabilities measured at fair value – measured on a recurring basis continued**
Unrealised gains/(losses) recognised in profit or loss on assets measured at level 3 fair value

	Derivative assets Rm	Trading assets Rm	Financial investments Rm	Investment property Rm	Loans and advances Rm	Total Rm
2024						
Trading revenue	149	2 654				2 803
Other revenue			197		289	486
Investment gains			375	295		670
Total	149	2 654	572	295	289	3 959
2023						
Trading revenue	(188)	12 586				12 398
Other revenue			267		(228)	39
Investment gains			19	2 606		2 625
Total	(188)	12 586	286	2 606	(228)	15 062

Reconciliation of level 3 liabilities

The following table provides a reconciliation of the opening to closing balance for all liabilities that are measured at fair value based on the inputs that are not based on observable market data (level 3).

	Derivative liabilities Rm	Trading liabilities Rm	Total Rm
Balance at 1 January 2023	4 525	4 763	9 288
Trading revenue in profit or loss	1 966	(116)	1 850
Issuances and purchases	763	1 258	2 021
Sales and settlements	(144)	(4 423)	(4 567)
Transfers out of level 3 ¹	(189)		(189)
Transfers into level 3 ²		51	51
Balance at 31 December 2023	6 921	1 533	8 454
Balance at 1 January 2024	6 921	1 533	8 454
Trading revenue in profit or loss	634	93	727
Issuances and purchases	2 171		2 171
Sales and settlements	(302)	(1 345)	(1 647)
Transfers out of level 3 ¹	(247)		(247)
Transfers into level 3 ²		17	17
Exchange and other movements	245		245
Balance at 31 December 2024	9 422	298	9 720

¹ Transfers of financial liabilities between the levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. During the year, the valuation inputs of certain financial liabilities became observable. The fair value of these liabilities was transferred into level 2.

² The valuation inputs of certain financial liabilities became unobservable during the year. The fair value of these financial liabilities was transferred into level 3.

Unrealised losses/(gains) recognised in profit or loss on financial liabilities measured at level 3 fair value

	Derivative liabilities Rm	Trading liabilities Rm	Total Rm
2024			
Trading revenue	673	(14)	659
2023			
Trading revenue	2 329	(797)	1 532

Sensitivity and interrelationships of inputs

The behaviour of the unobservable parameters used to determine fair value level 3 assets and liabilities is not necessarily independent, and may often hold a relationship with other observable and unobservable market parameters. Where material and possible, such relationships are captured in the valuation by way of correlation factors, though these factors are, themselves, frequently unobservable. In such instances, the range of possible and reasonable fair value estimates is taken into account when determining appropriate model adjustments.

The table that follows indicates the sensitivity of valuation techniques used in the determination of the fair value of the level 3 assets and liabilities measured and disclosed at fair value. The table further indicates the effect that a significant change in one or more of the inputs to a reasonably possible alternative assumption would have on profit or loss at the reporting date (where the change in the unobservable input would change the fair value of the asset or liability significantly). The interrelationship between these significant unobservable inputs (which mainly include discount rates, spot prices of the underlying, correlation factors, volatilities, dividend yields, earning yields and valuation multiplies) and the fair value measurement could be favourable/(unfavourable), if these inputs were higher/(lower). The changes in the inputs that have been used in the analysis have been determined taking into account several considerations such as the nature of the asset or liability and the market within which the asset or liability is transacted.

Financial asset or liability	Significant unobservable inputs applied ¹
Derivative instruments	Discounted cash flow model, Black-Scholes model, combination technique models
Financial investments and Trading assets	Discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility and other risks, combination techniques such as earnings and dividend yields of the underlying entity
Loans and advances	Discounted cash flow model
Trading liabilities	Discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility and other risks, combination techniques such as earnings and dividend yields of the underlying entity

¹ For more detail of the nature of significant unobservable inputs applied in the valuation of financial assets and liabilities, refer to accounting policy 4 in annexure F.

21. Fair value disclosures continued**21.1 Financial assets and liabilities measured at fair value on a recurring basis** continued**Sensitivity and interrelationships of inputs** continued

	Change in significant unobservable input	Effect on profit or loss	
		Favourable Rm	(Unfavourable) Rm
2024			
Derivative instruments	From (1%) to 1%	781	(781)
Financial investments	From (1%) to 1%	22	(22)
Trading assets	From (1%) to 1%	150	(150)
Loans and advances	From (1%) to 1%	32	(31)
Trading liabilities	From (1%) to 1%	3	(3)
Total		988	(987)
2023			
Derivative instruments	From (1%) to 1%	233	(234)
Financial investments	From (1%) to 1%	45	(46)
Trading assets	From (1%) to 1%	142	(142)
Loans and advances	From (1%) to 1%	6	(6)
Trading liabilities	From (1%) to 1%	2	(2)
Total		428	(430)

Financial investments classified as FVOCI

The measurement of financial investments classified as FVOCI would result in a R22 million favourable (2023: R79 million) and R20 million unfavourable (2023: R43 million) impact on OCI applying a 1% change (both favourable and unfavourable) of the significant unobservable inputs, listed above, used to determine the fair value. For the nature of significant unobservable inputs applied in the valuation of financial investments classified as FVOCI refer to accounting policy 4 in annexure F.

Investment property

Investment properties' fair values were obtained from independent valuers who derived the values by determining sustainable net rental income to which an appropriate exit capitalisation rate is applied. Exit capitalisation rates are adjusted for occupancy levels, age of the building, location and expected future benefit of recent alterations.

Certain properties are largely linked to policyholder benefits and consortium non-controlling interests, which limit the impact to group ordinary shareholder comprehensive income or equity for any changes in the fair value measurement.

The sensitivities of aggregate market values for 1% changes in exit capitalisation rates are as follows. A 1% increase in the exit capitalisation rate would result in a decrease in fair value of R2 708 million (2023: R2 583 million). A 1% decrease in the exit capitalisation rate would result in an increase in the fair value of R3 527 million (2023: R3 232 million).



Refer to key management assumptions and detailed accounting policies in annexure F for more information on valuation techniques used.

21. Fair value disclosures continued**21.2 Assets and liabilities not measured at fair value for which fair value is disclosed**

	2024				2023			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets								
Cash and balances with central banks	14 408	546		14 954	14 472	597		15 069
Pledged assets	4 914	501		5 415	2 561	366		2 927
Financial investments ^{1,2}	232 231	51 078	2 822	286 131	226 730	53 059	2 394	282 183
Loans and advances	23 731	319 754	1 314 996	1 658 481	51 557	362 466	1 195 576	1 609 599
Total assets	275 284	371 879	1 317 818	1 964 981	295 320	416 488	1 197 970	1 909 778
Liabilities								
Deposits and debt funding	1 134 115	996 771	6 078	2 136 964	1 146 431	835 459	17 987	1 999 877
Subordinated debt		1 203	28 394	29 597		1 216	25 813	27 029
Total liabilities	1 134 115	997 974	34 472	2 166 561	1 146 431	836 675	43 800	2 026 906

¹ Restated. During 2024, it was noted that corporate bonds of R7 679 million was erroneously included in level 1 instead of level 2 during 2023. The amount has been restated. The restatement had no impact on the statement of financial position.

² Restated. During 2024, it was noted that cash balances of R14 809 million was erroneously included in financial investments measured at FVTPL instead of gross financial investments measured at amortised cost. The restatement has no impact on the statement of financial position. Refer to note 6 for further details.

21.3 Third-party credit enhancements

There were no significant liabilities measured at fair value that existed during the year which had been issued with inseparable third-party credit enhancements.

21.4 Financial assets and financial liabilities designated at FVTPL

	Maximum exposure to credit risk ¹ Rm	Current year loss on changes in fair value attributable to changes in credit risk Rm	Cumulative loss on changes in fair value attributable to changes in credit risk Rm
Financial assets ²			
2024			
Financial investments	2 593	14	102
2023			
Financial investments	2 379	61	88

¹ The maximum exposure to credit risk for the sovereign exposures is deemed to be insignificant, thus this balance primarily relates to corporate and bank exposures. Refer to annexure C for additional information on maximum exposure to credit risk by credit quality.

² During 2024 and 2023 the value for current year changes in fair value attributable to related credit derivatives as well as exposure mitigated was Rnil.

The changes in the fair value of the designated financial assets attributable to changes in credit risk are calculated by reference to the implied credit spread derived from the changes in the observable market values of the relevant instruments.

21. Fair value disclosures continued**21.4 Financial assets and financial liabilities designated at FVTPL continued**

	Current year (loss)/gain on changes in fair value attributable to changes in credit risk Rm	Cumulative gain/(loss) on changes in fair value attributable to changes in credit risk ¹ Rm	Contractual payment required at maturity Rm	Carrying amount Rm	Difference between carrying amount and contractual payment Rm
Financial liabilities					
Credit risk recognised in OCI					
2024					
Other financial liabilities			106 937	106 937	
Deposits and debt funding		14	1 461	1 508	47
Financial liabilities under investment contracts			168 993	168 993	
Subordinated debt	12	79	5 100	5 186	86
Total	12	93	282 491	282 624	133
2023					
Other financial liabilities			71 733	71 733	
Deposits and debt funding	(2)	14	3 224	3 263	39
Financial liabilities under investment contracts			151 035	151 035	
Subordinated debt	31	67	8 400	8 895	495
Total	29	81	234 392	234 926	534

¹ Gross of taxation. Refer to note 41.2 for detail on tax relating to the above.

The changes in the fair value of the designated financial liabilities attributable to changes in credit risk are calculated by reference to the change in the credit risk implicit in the market value of the group's senior notes.

21.5 Reconciliation of FVOCI reserve movements**21.5.1 Equity financial investments**

	Revaluation		
	Balance at the beginning of the year Rm	Gains/ (losses) Rm	Balance at the end of the year Rm
2024			
Visa shares	800	198	998
STRATE Limited	272	112	384
Other	(848)	(302)	(1 150)
Total	224	8	232
2023			
Visa shares	638	162	800
STRATE Limited	132	140	272
Other	(576)	(272)	(848)
Total	194	30	224

Strategic equity investments are designated at FVOCI on initial recognition. No gains and losses were transferred to retained earnings during the year. No dividends were received during the year. Amounts are net of taxation.

21. Fair value disclosures continued**21.5 Reconciliation of FVOCI reserve movements** continued**21.5.2 Debt financial investments**

	Balance at the beginning of the year Rm	Net change in fair value Rm	Realised fair value adjustments and reversal to profit or loss Rm	Net ECL raised during the period Rm	Balance at the end of the year Rm
2024					
Sovereign	261	326	44	259	890
Total	261	326	44	259	890
2023					
Sovereign	32	70	17	142	261
Total	32	70	17	142	261

21.5.3 Total reconciliation of the FVOCI reserve

	Balance at the beginning of the year Rm	Net movement Rm	Non-controlling interests Rm	Balance at the end of the year Rm
2024				
Total	485	637	(20)	1 102
2023				
Total	226	259		485

22. Financial instruments subject to offsetting, enforceable master netting arrangements or similar agreements

IFRS requires a financial asset and a financial liability to be offset and the net amount presented in the statement of financial position when, and only when, the group has a current legally enforceable right to set off recognised amounts, as well as the intention to settle on a net basis or to realise the asset and settle the liability simultaneously. There are no other instances apart from the cash management accounts, where the group has a current legally enforceable right to offset as well as the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

This disclosure sets out the impact of offset, as well as the required disclosures for financial assets and financial liabilities that are subject to an enforceable master netting arrangements or similar agreements, irrespective of whether they have been offset in accordance with IFRS. It should be noted that the information below is not intended to represent the group and company's actual credit exposure, nor will it agree to that presented in the statement of financial position.

	Gross amount of recognised financial assets Rm	Financial liabilities set off in the statement of financial position Rm	Net amount of financial assets subject to netting agreements Rm	Financial and cash collateral received Rm	Net amount Rm
Assets					
2024					
Derivative assets	43 754		43 754	(38 666)	5 088
Trading assets	117 871		117 871	(117 871)	
Loans and advances ¹	129 604	(20 028)	109 576	(106 773)	2 803
Total	291 229	(20 028)	271 201	(263 310)	7 891
2023					
Derivative assets ²	78 171		78 171	(57 681)	20 490
Trading assets	53 174		53 174	(53 174)	
Loans and advances ¹	135 865	(21 221)	114 644	(111 778)	2 866
Total	267 210	(21 221)	245 989	(222 633)	23 356

¹ The primary offsets relate to cash management accounts, which allow holding companies (or central treasury functions) to manage group cash flows by linking current accounts of various legal entities in a group. This enables netting of cash balances across the group. Additionally, reverse repurchase agreements under enforceable netting arrangements are included.

² Restated. Refer to page 28 for further detail.

Collateral received could include financial collateral (whether recognised or unrecognised), cash collateral as well as exposures that are available to the group to be offset in the event of default. In most cases the group and company is allowed to sell or repledge collateral received.

Liabilities	Gross amount of recognised financial liabilities Rm	Financial assets set off in the statement of financial position Rm	Net amounts of financial liabilities subject to netting agreements Rm	Collateral pledged Rm	Net amount Rm
2024					
Derivative liabilities	53 012		53 012	(39 788)	13 224
Trading liabilities	33 665		33 665	(33 665)	
Deposits and debt funding ¹	40 993	(20 028)	20 965		20 965
Total	127 670	(20 028)	107 642	(73 453)	34 189
2023					
Derivative liabilities ²	71 589		71 589	(58 304)	13 285
Trading liabilities	31 648		31 648	(31 648)	
Deposits and debt funding ¹	26 347	(21 221)	5 126		5 126
Total	129 584	(21 221)	108 363	(89 952)	18 411

¹ The primary offsets relate to cash management accounts, which allow holding companies (or central treasury functions) to manage group cash flows by linking current accounts of various legal entities in a group. This enables netting of cash balances across the group. Additionally, repurchase agreements under enforceable netting arrangements are included.

² Restated. Refer to page 28 for further detail.

In most instances, the counterparty may not sell or repledge collateral pledged by the group.

The table below sets out the nature of agreements and the types of rights relating to items which do not qualify for offset but that are subject to a master netting arrangement or similar agreement.

	Nature of agreement	Related rights
Derivative assets and liabilities	International swaps and derivatives association agreement	The agreement allows for offset in the event of default.
Trading assets and liabilities	Global master repurchase agreement	The agreement allows for offset in the event of default.
Loans and advances	Customer agreement and Banks Act	In the event of liquidation or bankruptcy, offset shall be enforceable subject to all applicable laws and regulations.
Deposits and debt funding	Customer agreement and Banks Act	In the event of liquidation or bankruptcy, offset shall be enforceable subject to all applicable laws and regulations.

23. Contingent liabilities and commitments

23.1 Contingent liabilities

	2024 Rm	2023 Rm
Letters of credit and bankers' acceptances	21 746	26 990
Guarantees	138 577	95 730
Total	160 323	122 720

23.2 Commitments

	2024 Rm	2023 Rm
Facility commitments within IAM ¹	1 973	2 037
Loan commitments within Banking ²	125 714	105 265
Investment property	769	1 087
Property and equipment ³	8 846	445
Other intangible assets ³	140	223
Total	137 442	109 057

¹ These facilities were granted subject to compliance with objective and substantive conditions. Risk management processes are included within the IAM related risk sections in annexure C.

² These loan commitments are either irrevocable over the life of the facility or revocable only in response to material adverse changes and are included within the banking funding and liquidity risks section in annexure C.

³ The expenditure will be funded from the group's internal resources.

23.3 Lease commitments

FUTURE MINIMUM PAYMENTS PAYABLE UNDER LOW-VALUE ASSETS AND SHORT TERM LEASES

	Within one year Rm	Between one and five years Rm	After five years Rm	Total Rm
2024				
Low-value assets and short-term leases	129	99	76	304
Total	129	99	76	304
2023				
Low-value assets and short-term leases ¹	15	15		30
Total	15	15		30

¹ Additional short-term lease contracts relate to committed storage leases for 2024.

Low-value assets comprise IT equipment and small items of office furniture.

23.4 Legal proceedings defended

In the ordinary course of business, the group is involved as a defendant in litigation, lawsuits and other proceedings. Management recognises the inherent difficulty of predicting the outcome of defended legal proceedings. Nevertheless, based on management's knowledge from investigation, analysis and after consulting with legal counsel, management believes that there are no individual legal proceedings that are currently assessed as being 'likely to succeed and material' or 'unlikely to succeed but material should they succeed'. The group is also the defendant in some legal cases for which the group is fully indemnified by external third parties, none of which are individually material. Management is accordingly satisfied that the legal proceedings currently pending against the group should not have a material adverse effect on the group's consolidated financial position and the directors are satisfied that the group has adequate insurance programmes and, where required in terms of IFRS for claims that are probable, provisions are in place to meet claims that may succeed.

Competition Commission – trading of foreign currency

On 15 February 2017, South Africa's Competition Commission lodged five complaints with the Competition Tribunal (Tribunal) against 18 institutions, including one against SBSA and two against a former subsidiary of the group, Standard New York Securities Inc (SNYS), in which it alleged unlawful collusion between those institutions in the trading of USD/ZAR. The group conducted its own internal investigations with the help of external counsel and found no evidence to support the complaints. Various litigation processes took place, with the Competition Commission being ordered to file a new complaint affidavit, which was done on 1 June 2020. The new complaint affidavit added further respondents, bringing the total to 25, including Standard Americas. In the group's view, the new complaint affidavit (and several supplementary affidavits) filed by the Competition Commission, continued to contain multiple procedural and substantive deficiencies. Further litigation processes ensued.

On 8 January 2024 the Competition Appeal Court (CAC) (a bench of three judges) upheld SBSA's appeal against the Tribunal's decision not to dismiss the complaint referred pre-trial and dismissed the Competition Commission's complaint in its entirety. The CAC also dismissed the complaint referred against SNYS and upheld the appeal of Standard Americas against the order that it be joined belatedly as a respondent. The court found that neither SBSA nor SNYS should have been included in the referral of the complaint as no prima facie case had been made out against either and that the Tribunal should not have allowed the joinder of Standard Americas after lodging of the referral at the Tribunal. The Competition Commission delivered a notice of application for leave to appeal to the Constitutional Court, which excluded SNYS. SBSA and Standard Americas are opposing this notice. Our legal advice is that there is no obvious constitutional point to be raised in relation to SBSA and Standard Americas. A date for the Constitutional Court hearing is yet to be announced.

Indemnities granted following disposal of Standard Bank Plc

Under the terms of the disposal of Standard Bank Plc on 1 February 2015, the group provided ICBC with certain indemnities to be paid in cash to ICBC or, at ICBC's direction, to any Standard Bank Plc, now ICBC Standard Bank Plc (ICBCS), group company, a sum equal to the amount of losses suffered or incurred by ICBC arising from certain circumstances. Where an indemnity payment is required to be made by the group to the ICBCS group, such payment would be grossed up from ICBC's shareholding at the time in ICBCS to 100%. These payments may, inter alia, arise as a result of an enforcement action, the cause of which occurred prior to the date of disposal. Enforcement actions include actions taken by regulatory or governmental authorities to enforce the relevant laws in any jurisdiction. While there have been no material claims relating to these indemnification provisions during the reporting period, the indemnities provided are uncapped and of unlimited duration as they reflect that the pre-completion regulatory risks attaching to the disposed-of business remain with the group post-completion.

24. Maturity analysis

The group assesses the maturity of its assets and liabilities at 31 December each year. This gives an indication of the remaining life of these assets at that point in time. The following table illustrates the maturities based on a contractual discounted basis. For the maturity analysis of financial liabilities on a contractual undiscounted basis, refer to the funding and liquidity risk section within annexure C.

24.1 Financial assets and liabilities

	Note	Redeem- able on demand ¹ Rm	Within one year Rm	Within one to five years Rm	After five years Rm	Undated ² Rm	Total Rm
2024							
Cash and balances with central banks ³	1	18 179				117 993	136 172
Trading assets	3	2 719	136 776	86 069	146 423	55 609	427 596
Pledged assets	4		10 122	4 827	1 934		16 883
Gross financial investments	6	224 693	240 717	129 765	147 955	100 164	843 294
Other financial assets	7	11 607	6 337	853	38	3 694	22 529
Gross loans and advances	8	218 435	383 900	569 105	463 201	81 914	1 716 555
Net derivative (liability)/asset	2	(3 711)	(4 161)	(3 256)	(2 378)		(13 506)
Trading liabilities	16	(4 140)	(60 823)	(5 535)	(35 561)	(515)	(106 574)
Other financial liabilities	17	(100 128)	(22 299)	(2 980)	(130)	(11)	(125 548)
Deposits and debt funding	18	(1 309 787)	(550 327)	(198 777)	(79 965)		(2 138 856)
Subordinated debt ⁴	19		(8 220)	(21 842)	(4 721)		(34 783)
2023							
Cash and balances with central banks ³	1	22 322				115 465	137 787
Trading assets ⁴	3	1 115	88 706	46 065	111 841	70 905	318 632
Pledged assets	4		12 370	6 694	1 146		20 210
Gross financial investments ⁴	6	9 075	235 990	123 411	115 057	273 539	757 072
Other financial assets	7	9 640	6 225	593	22	533	17 013
Gross loans and advances	8	186 388	406 713	542 567	456 249	80 924	1 672 841
Net derivative (liability)/asset	2	(2 128)	3 212	(2 819)	(4 219)		(5 954)
Trading liabilities	16	(6 055)	(36 526)	(13 379)	(38 429)	(79)	(94 468)
Other financial liabilities	17	(6 485)	(28 050)	(1 982)	(299)	(71 650)	(108 466)
Deposits and debt funding	18	(1 316 868)	(468 532)	(158 907)	(57 339)		(2 001 646)
Subordinated debt ⁵	19		(10 580)	(21 647)			(32 227)

¹ On-demand includes next-day-maturity instruments.

² Undated maturity category comprises of regulatory or indeterminate maturity, including any item or position in respect of which no right or obligation in respect of maturity exists.

³ On-demand cash and balances with central banks include notes and coins.

⁴ Restated. Refer to page 28 for further detail.

⁵ The maturity analysis for subordinated debt has been determined as the earlier of the contractual repayment date or the option by the issuer to redeem the debt.

24.2 Non-financial assets and liabilities

	Note	Less than 12 months after reporting period Rm	More than 12 months after reporting period Rm	Total Rm
2024				
Disposal group assets held for sale	5	5 088		5 088
Other non-financial assets	7	7 495	8 050	15 545
Interest in associates and joint ventures	10		12 732	12 732
Investment property	11		26 489	26 489
Property, equipment and right of use assets	12	3 812	16 449	20 261
Goodwill and other intangible assets	13		11 286	11 286
Other non-financial liabilities	17	(20 758)	(18 268)	(39 026)
Current and deferred tax assets	14	*	*	10 586
Current and deferred tax liabilities	14	*	*	(12 559)
2023				
Disposal group assets held for sale	5	235		235
Other non-financial assets	7	12 854	3 615	16 469
Interest in associates and joint ventures	10		12 173	12 173
Investment property	11		30 444	30 444
Property, equipment and right of use assets	12	471	19 827	20 298
Goodwill and other intangible assets	13		12 723	12 723
Other non-financial liabilities	17	(28 087)	(8 041)	(36 128)
Current and deferred tax assets	14	*	*	9 784
Current and deferred tax liabilities	14	*	*	(10 093)

* Undated.

25. Interest**25.1 Interest income**

	2024 Rm	2023 Rm
Effective interest rate interest income on:		
Loans and advances ¹	174 917	166 552
Financial investments ¹	28 500	21 437
Interest income on credit impaired financial assets	4 568	5 301
Total	207 985	193 290
Interest income on items measured at amortised cost	203 225	188 018
Interest income on debt instruments measured at FVOCI ¹	4 760	5 272

¹ Restated. During 2023, interest income of R11 820 million was erroneously classified in financial investment instead of loans and advances. Furthermore, an amount of R1 358 million was erroneously disclosed as interest income on debt instruments measured at FVOCI instead of interest income on items measured at amortised cost. These restatements have no impact on total interest income.

25.2 Interest expense

	2024 Rm	2023 Rm
Interest expense on deposits and debt funding	103 748	92 525
Interest expense on lease liabilities (note 17.3)	236	212
Interest expense on subordinated debt	2 748	2 365
Total	106 732	95 102
Interest expense on items measured at amortised cost	106 496	94 890
Interest expense on lease liabilities	236	212

26. Fee and commission

26.1 Fee and commission revenue

	2024 Rm	2023 Rm
Account transaction fees	11 994	11 026
Card-based commission	9 893	9 350
Documentation and administration fees	2 762	2 681
Electronic banking fees	6 696	6 114
Foreign currency service fees	2 900	3 418
Insurance fees and commission	2 443	2 366
Knowledge-based fees and commission	1 861	1 755
Other ¹	7 789	8 139
Total	46 338	44 849

¹ Other primarily comprises of fee and commission revenue earned on sundry services such as arrangement, agency and asset management fees as well as guarantee and commitment commissions.

All fee and commission revenue reported above relate to financial assets or liabilities not carried at FVTPL.

26.2 Fee and commission expense

	2024 Rm	2023 Rm
Account transaction fees	1 532	1 481
Card-based commission	5 297	4 644
Documentation and administration fees	562	412
Electronic banking fees	703	608
Insurance fees and commission	763	718
Customer loyalty expense	949	999
Other	916	800
Total	10 722	9 662

All fee and commission expenses reported above relates to financial assets or liabilities not carried at FVTPL.

27. Trading revenue

	2024 Rm	2023 Rm
Commodities	49	213
Equities	4 162	4 736
Fixed income and currencies	16 948	15 668
Total	21 159	20 617

28. Other revenue

	2024 Rm	2023 Rm
Banking and other	772	1 270
Dividend related income	2 175	2 005
Property related income	332	189
Total	3 279	3 464

29. Other gains and losses on financial instruments

	2024 Rm	2023 Rm
Derecognition losses on financial assets measured at amortised cost	(71)	(4)
Fair value gains on debt financial assets measured at FVTPL – default	247	439
(Losses)/gains on realisation of debt financial assets measured at FVOCI	(9)	37
Fair value gains on financial instruments designated at FVTPL	697	2 239
Fair value gains on equity instruments measured at FVTPL	172	24
Total	1 036	2 735

30. Insurance revenue

	Life insurance contracts measured under GMM Rm	Life insurance contracts measured under PAA Rm	Life participating contracts measured under VFA Rm	General insurance measured under PAA Rm	Total Rm
2024					
Contracts not measured under the PAA	18 386		4 999		23 385
Amounts relating to changes in liabilities for remaining coverage	16 895		2 855		19 750
Expected claims and directly attributable expense	14 279		1 906		16 185
Other amounts including experience adjustments for premium receipts	(174)		(100)		(274)
Change in risk adjustment for non-financial risk for risk expired	884		(150)		734
Allocation to loss component	(326)		182		(144)
CSM recognised in profit or loss for services provided	2 232		1 017		3 249
Income taxes chargeable to the policyholder	(104)		1 256		1 152
Recovery of insurance acquisition cash flows	1 595		888		2 483
Contracts measured under the PAA		10 672		5 815	16 487
Total	18 386	10 672	4 999	5 815	39 872
2023 – restated¹					
Contracts not measured under the PAA	17 581		4 998		22 579
Amounts relating to changes in liabilities for remaining coverage	16 348		3 014		19 362
Expected claims and directly attributable expense	13 623		1 878		15 501
Other amounts, including experience adjustments for premium receipts	94		(26)		68
Change in risk adjustment for non-financial risk for risk expired	855		206		1 061
Allocation to loss component	(246)		(70)		(316)
CSM recognised in profit or loss for services provided	2 022		1 026		3 048
Income taxes chargeable to the policyholder	(197)		1 165		968
Recovery of insurance acquisition cash flows	1 430		819		2 249
Contracts measured under the PAA		10 414		5 785	16 199
Total	17 581	10 414	4 998	5 785	38 778
Note	9.2.1	9.2.2	9.2.3	9.2.4	

¹ Restated, refer to page 71 for details

31. Insurance service expense

	Life insurance contracts measured under GMM Rm	Life insurance contracts measured under PAA Rm	Life participating contracts measured under VFA Rm	General insurance measured under PAA Rm	Total Rm
2024					
Incurring claims	13 522	4 755	182	3 004	21 463
Directly attributable expenses	1 119	933	1 254	457	3 763
Other expenses	266	(209)	481	48	586
Changes that relate to past service – adjustments to the LIC	(52)	(194)	448	47	249
Changes to loss component on subsequent measurement	153	(2)	(170)	(14)	(33)
Contracts initially recognised in the period	491	22	353	43	909
Amortisation of loss component	(326)	(35)	(150)	(28)	(539)
Amortisation of insurance acquisition cash flows	1 590	63	888	743	3 284
Total	16 497	5 542	2 805	4 252	29 096
2023 - Restated¹					
Incurring claims	12 276	4 951	576	3 008	20 811
Directly attributable expenses	1 122	1 546	1 202	1 026	4 896
Other expenses	502	(23)	333	296	1 108
Changes that relate to past service – adjustments to the LIC	93	(27)	31	323	420
Changes to loss component on subsequent measurement	131		33	(30)	134
Contracts initially recognised in the period	524	62	339	34	959
Amortisation of loss component	(246)	(58)	(70)	(31)	(405)
Amortisation of insurance acquisition cash flows	1 430	40	819	710	2 999
Total	15 330	6 514	2 930	5 040	29 814
Note	9.2.1	9.2.2	9.2.3	9.2.4	

¹ Restated, refer to page 71 for details

32. Net expense/(income) from reinsurance contracts held

	Life insurance measured under GMM Rm	Life insurance measured under PAA Rm	General insurance measured under PAA Rm	Total Rm
2024				
Contracts not measured under the PAA	1 686			1 686
Amounts relating to changes in liabilities for remaining coverage	1 686			1 686
Expected recovery for insurance service expenses incurred in the period	1 296			1 296
Reinsurance premium variance	57			57
Change in risk adjustment for non-financial risk for risk expired	94			94
Allocation to loss recovery component	(10)			(10)
CSM recognised in profit or loss for services provided	249			249
Contracts measured under the PAA		1 116	996	2 112
Reinsurance expense before recoveries	1 686	1 116	996	3 798
Claims recovered	(1 294)	(959)	(421)	(2 674)
Other (income)/expenses	(99)	95	72	68
Income on initial recognition of onerous underlying contracts	(34)	(7)	(6)	(47)
Changes to loss recovery on subsequent measurement from onerous underlying contract	(32)	8		(24)
Amortisation of loss recovery component	10		8	18
Changes that relate to past service — adjustments to incurred claims	(43)	94	70	121
Total	293	252	647	1 192
2023				
Contracts not measured under the PAA	1 629			1 629
Amounts relating to changes in liabilities for remaining coverage	1 629			1 629
Expected recovery for insurance service expenses incurred in the period	1 263			1 263
Change in risk adjustment for non-financial risk for risk expired	79			79
CSM recognised in profit or loss for services provided	264			264
Reinsurance premium variance	32			32
Allocation to loss recovery component	(9)			(9)
Contracts measured under the PAA		1 182	843	2 025
Reinsurance expense before recoveries	1 629	1 182	843	3 654
Effect of changes in the risk of reinsurers non-performance			(5)	(5)
Claims recovered	(1 358)	(845)	(252)	(2 455)
Other (income)/expenses	(47)	21	(420)	(446)
Income on initial recognition of onerous underlying contracts	(46)	(27)	(9)	(82)
Changes to loss recovery on subsequent measurement from underlying onerous contract	19	24		43
Amortisation of loss recovery component	9		9	18
Changes that relate to past service — adjustments to incurred claims	(29)	24	(420)	(425)
Total	224	358	166	748

33. Net finance expense from insurance contracts issued

	Life risk measured under GMM Rm	Life risk measured under PAA Rm	Life participating contracts measured under VFA Rm	General insurance measured under PAA Rm	Total Rm
2024					
Changes in fair value of referenced underlying assets			18 899	10	18 909
Interest accreted on fulfilment cash flows and impact of changes in financial assumptions	9 944	585	19 655	39	30 223
Interest accreted on the CSM	1 331		(18 075)	8	(16 736)
Effect of changes in interest rates and other financial assumptions	(50)				(50)
Foreign exchange gains or losses				13	13
Total	11 225	585	20 479	70	32 359
2023 — restated¹					
Changes in fair value of referenced underlying assets	(6)		18 053		18 047
Interest accreted on fulfilment cash flows and impact of changes in financial assumptions	4 682	466	19 606	(42)	24 712
Interest accreted on the CSM	888		(17 401)		(16 513)
Effect of changes in interest rates and other financial assumptions	(33)			41	8
Foreign exchange gains or losses	(1)		1	26	26
Total	5 530	466	20 259	25	26 280
Note	9.2.1	9.2.2	9.2.3	9.2.4	

¹ Restated, refer to page 71 for details**34. Net finance income from reinsurance contracts held**

	Life insurance contracts measured under GMM	Life insurance contracts measured under PAA	General insurance measured under PAA Rm	Total Rm
2024				
Interest accreted on fulfilment cash flows and impact of changes in financial assumptions	1	221	(5)	217
Interest accreted on the CSM	140			140
Total	141	221	(5)	357
2023				
Interest accreted on fulfilment cash flows and impact of changes in financial assumptions	24	167	(6)	185
Interest accreted on the CSM	127			127
Foreign exchange gains or losses		(1)		(1)
Total	151	166	(6)	311
Note	9.1.1	9.1.2	9.1.4	

35. Investment and other income

	2024 Rm	2023 Rm
Service fee income from long-term financial investment contracts	2 173	1 916
Fee revenue	2 846	2 544
Management fees on assets under management	2 511	2 239
Health administration fees and other fee revenue	335	305
Investment management and service fee income and gain	3 530	4 057
Scrip lending and sundry income	152	228
Rental income from investment property	3 362	3 324
Other revenue	16	505
Total	8 549	8 517

The above revenue is recognised over time. Service fee income from investment contracts comprises of both administration and asset management services and is recognised over time as services are rendered, with reference to the contract terms (agreed fee and service). These fees are generally recognised on a daily basis as these services are rendered consistently over the contract period and include utilisation of skilled professionals' time and applicable support services, including IT systems. Management fees on assets under management are recognised (with reference to agreed fee terms) as these services are rendered. This is generally on a daily basis over the duration of the contract as these services (being the utilisation of professional asset management skills, supported by IT systems and services) are consistently applied over the contract term.

36. Interest income on financial assets using the effective interest method

	2024 Rm	2023 Rm
Financial assets classified at FVOCI		
Interest income from long-term policyholder investment contracts: Term deposits	2 228	2 205
Financial assets classified at amortised cost		
Loans receivable – interest income	111	16
Interest income on cash and cash equivalents	1 040	746
Total	3 379	2 967

37. Fair value adjustments to financial assets, investment management liabilities and third-party mutual funds

	2024 Rm	2023 Rm
Fair value adjustments to long-term financial liabilities under investment contracts	(20 324)	(18 169)
Fair value adjustments to third-party mutual fund interests	(12 291)	(13 526)
Investment properties	781	338
Owner occupied properties at fair value through profit or loss	5	(4)
Property debtors at FVTPL	(35)	(21)
Financial assets at fair value through profit or loss – default	65 157	58 014
Financial instruments at FVTPL	62 976	57 624
Financial instruments held for hedging and for trading	2 181	390
Financial assets designated at FVTPL	13	10
Fair value of financial liabilities	(3 297)	(3 029)
Other	(133)	81
Total	29 876	23 694

38. Credit impairment charges

	2024 Rm	2023 Rm
Net ECL raised/(released)	15 139	16 442
Financial investments (note 6)	713	(159)
Loans and advances (note 8.1)	14 155	16 420
Letters of credit and guarantees (note 17.2)	47	131
Receivables and other assets (note 7)	224	50
Recoveries on loans and advances previously written off	(583)	(821)
Modification losses on distressed financial assets	596	640
Total	15 152	16 261

39. Operating expenses

	2024 Rm	2023 Rm
Acquisition costs	5 153	4 515
Amortisation – intangible assets (note 13)	2 481	2 493
Audit fees	727	542
Audit fees – current year	700	529
Fees for other services ¹	27	13
Communication related expenses	1 238	1 294
Depreciation (note 12)	4 501	4 810
Cloud, software and technology	12 993	12 749
Marketing and advertising ²	5 804	5 075
Operating lease charges	392	331
Premises and office costs	8 722	7 465
Professional fees	2 468	2 070
Staff costs	54 304	53 465
Equity-linked transactions (annexure D)	4 247	4 609
Pension and other post-employment benefit costs (note 47.1)	1 754	1 461
Salaries and wages	48 303	47 395
Other expenses ²	5 933	10 884
Total	104 716	105 693
Reallocated to insurance service expense	9 542	10 944
Operating expenses as per the income statement	95 174	94 749

¹ All fees for services paid to the group's auditors were considered and approved by the group's audit committee in terms of its non-audit services policy. Refer to the report of the group audit committee for further information.

² Marketing and advertising has been disaggregated for better analysis of operating expenses.

40. Non-trading and capital related items

	2024 Rm	2023 Rm
(Loss)/gain on sale of properties and equipment	(12)	25
Compensation from third parties for assets that were previously impaired	27	23
Loss on disposal of subsidiary	(23)	
Fair value gain on investment property within Banking ¹	(491)	1 482
Impairment of associates (note 10)	(257)	(62)
Impairment of goodwill (note 13)	(6)	
Impairment of property and equipment (note 12)	(23)	
Impairment of intangible assets (note 13)	(186)	
Gain on disposal of business		38
Remeasurement of non-current asset held for sale (note 5)		(19)
Total	(971)	1 487

¹ During 2024, the losses recognised within Zimbabwe on investment properties primarily arose from the valuing of these properties during the current period in USD, rather than a translated ZWL valuation as in prior periods. This reduction is due to the change in functional currency and the illiquidity in the ZWL currency when valuing properties in 2023. This resulted in a reduction of R527 million, the remainder of the movement relates to revaluations done within business as usual processes.

41. Direct and indirect taxation**41.1 Indirect taxation**

	2024 Rm	2023 Rm
Value added tax (VAT) ¹	(3 641)	(2 951)
Other indirect taxes and levies	(571)	(422)
Total	(4 212)	(3 373)

¹ The group earns certain amounts of income exempt from VAT which result in these amounts of VAT input not being able to be claimed from the revenue authorities.

41.2 Direct taxation

	2024 Rm	2023 Rm
South African normal taxation	(15 463)	(14 472)
Current	(15 874)	(14 828)
Prior year	411	356
Deferred taxation	(109)	498
Current	(77)	728
Prior year	(32)	(230)
CGT, foreign normal and withholding tax – current year	(2 085)	(2 186)
Current	(1 438)	(1 655)
Deferred	(647)	(531)
Total direct taxation	(17 657)	(16 160)
Total total tax charge recognised in OCI ¹	(415)	(274)
Deferred tax credit recognised directly in equity	278	179
Direct taxation per the income statement	(17 520)	(16 065)

¹ Comprises of a deferred tax charge of R411 million and a current tax charge of R4 million (2023: deferred tax charge of R277 million and a current tax credit of R3 million).

41. Direct and indirect taxation continued**41.2 Direct taxation continued****Income tax recognised in OCI**

The table below sets out the amount of income tax relating to each component within OCI:

	2024 Rm	2023 Rm
Items that may be subsequently reclassified to profit or loss		
Movement in total hedge reserve¹	(297)	(258)
Net change in fair value of cash flow hedges	(561)	(113)
Realised fair value adjustments of cash flow hedges transferred to profit or loss	264	(145)
Net change in fair value of debt financial assets measured at FVOCI	(90)	36
Net change in fair value	(87)	33
Realised fair value adjustments transferred to profit or loss	(3)	3
Movement in net investment hedge reserve	8	1
Items that may not be subsequently reclassified to profit or loss		
Defined benefit fund adjustments	(13)	(59)
Change in own credit risk recognised on financial liabilities designated at FVTPL	(2)	(7)
Net change in fair value of equity financial investments measured at FVOCI	(1)	19
Other	(20)	(6)
Total OCI tax charge	(415)	(274)

¹ Comprises of a deferred tax charge of R411 million and a current tax charge of R4 million (2023: deferred tax charge of R277 million and a current tax credit of R3 million).

Tax rate reconciliation

	2024 %	2023 %
Direct taxation – statutory rate	27.0	27.0
Prior year tax	(0.6)	(0.2)
Direct taxation – current year	26.4	26.8
Capital gains tax	1.6	1.5
Foreign tax and withholding tax	4.4	3.8
Direct taxation – current year – normal	32.4	32.1
Permanent differences	(6.5)	(7.9)
Non-taxable income – capital profit	(0.2)	
Dividends received	(3.2)	(3.1)
Other non-taxable income – interest ¹	(4.7)	(4.5)
Assessed loss not subject to deferred tax ²	0.4	(0.8)
Non-deductible expenses ³	1.9	1.5
Effects of profits taxed in different jurisdictions	(0.7)	(1.0)
Direct effective tax rate⁴	25.9	24.2

¹ Relates to interest income earned from certain governments in Africa Regions which is exempt from tax.

² The group's assessed losses of R887 million (2023: R1 929 million) would result in a deferred tax asset of R240 million (2023: R521 million).

³ IAS 12 (amendments) introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar II income taxes and targeted disclosure requirements for entities affected by GloBE (global anti-base erosion) model rules. The related legislation was substantively enacted and effective in South Africa as at 1 January 2024. The amendments resulted in the group recognising a current tax expense in profit or loss (within tax expense) amounting to R200 million. This expense is mainly attributable to the group's earnings within regions (Africa and International) with effective tax rate lower than 15%.

⁴ Expressed as a percentage of profit before direct taxation.

42. Earnings per ordinary share

The calculations of basic earnings per ordinary share and diluted earnings per ordinary share are as follows:

	Number of units	
	2024 ('000)	2023 ('000)
Earnings attributable to ordinary shareholders (Rm)	43 727	44 211
Weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares in issue before adjustments	1 673 000	1 676 549
Adjusted for deemed treasury shares held by entities within the group ¹	(19 250)	(18 576)
Weighted average number of ordinary shares in issue	1 653 750	1 657 973
Basic earnings per ordinary share (cents)	2 644.1	2 666.6
Diluted earnings per ordinary share		
Weighted average number of ordinary shares in issue	1 653 750	1 657 973
Potential dilution from share incentive schemes	16 587	19 888
Standard Bank EGS	264	511
Deferred Bonus Scheme	9 276	9 854
Performance Reward Plan	5 957	7 096
Share Appreciation Rights Scheme	744	439
Hybrid share appreciation rights scheme	346	1 988
Diluted weighted average number of ordinary shares in issue	1 670 337	1 677 860
Diluted earnings per ordinary share (cents)	2 617.9	2 635.0

¹ The number of shares held by entities within the group are deemed to be treasury shares for IFRS purposes.

Dilutive impact of shares issued during the year

Deferred Bonus Scheme

11 842 208 (2023: 10 243 715) units were issued during the year to employees domiciled in SA. The dilutive impact of these units are included in the calculation of diluted earnings per ordinary share.

At the end of the reporting period the group had 13 944 224 (2023: 12 640 294) units hedged, which results in no dilutive shares being issued by the group, during the current and prior reporting period.

Performance Reward Plan

3 175 053 (2023: 3 785 840) units were issued during the year to employees domiciled in SA. The dilutive impact of these units are included in the calculation of diluted earnings per ordinary share.

At the end of the reporting period 2 912 266 (2023: 3 520 022) units were hedged, which results in no dilutive shares being issued by the group for 2024 and 2023.

Share Appreciation Rights Scheme

No rights were issued during the year (2023: 1 271 387) in terms of the Standard Bank SARP to employees domiciled in SA. The outstanding SARP units are convertible into 912 516 (2023: 1 169 525) ordinary shares. The dilutive impact of these units are included in the calculation of diluted earnings per ordinary share.



Refer to annexure D for further details on the group's share incentive schemes.

43. Headline earnings

	Gross Rm	Direct tax Rm	Attributable to NCI and other ¹ Rm	Profit attributable to ordinary shareholders Rm
2024				
Profit for the year	67 704	(17 520)	(6 457)	43 727
Headline adjustable items added	971	(204)	9	776
IAS 16 – Loss on sale of property and equipment	12	(3)	9	18
IAS 16 – Compensation from third parties for assets that were impaired ²	(27)	7		(20)
IAS 16/IAS 36 – Impairment of property and equipment	23	(6)		17
IAS 27/IAS 28 – Loss on disposal of subsidiary	23			23
IAS 28/IAS 36 – Impairment of associate	257	(56)		201
IAS 36 – Impairment of intangible assets	186	(50)		136
IAS 36 – Impairment of goodwill	6	(1)		5
IAS 40 – Fair value loss on investment property ³	491	(95)		396
Standard Bank Group headline earnings	68 675	(17 724)	(6 448)	44 503
2023				
Profit for the year	66 368	(16 065)	(6 092)	44 211
Headline adjustable items added	(1 487)	217	7	(1 263)
IAS 16 – Gain on sale of property and equipment	(25)	6	7	(12)
IAS 16 – Compensation from third parties for assets that were impaired ⁴	(23)	6		(17)
IAS 27/IAS 28 – Gain on disposal of business	(38)	8		(30)
IAS 28/IAS 36 – Impairment of associate	62	(17)		45
IAS 40 – Fair value gain on investment property ⁵	(1 482)	218		(1 264)
IFRS 5 – Reversal of remeasurement of disposal group assets held for sale	19	(4)		15
Standard Bank Group headline earnings	64 881	(15 848)	(6 085)	42 948

¹ Non-controlling interests and other equity instrument holders.

² During 2024, assets with a net book value of R23 million were written off as a result of a fire at the Constantia Valley Office Park, after which compensation of R27 million, gross of tax, was received from third parties.

³ During 2024, the losses recognised within Zimbabwe on investment properties primarily arose from the valuing of these properties during the current period in USD, rather than a translated ZWL valuation as in prior periods. This reduction is due to the change in functional currency and the illiquidity in the ZWL currency when valuing properties in 2023. This resulted in a reduction of R527 million, the remainder of the movement relates to revaluations done within business as usual processes.

⁴ During 2023, compensation of R22 million, gross of tax, was received from third parties for assets that were written off as a result of the floods that occurred in KwaZulu-Natal in 2022.

⁵ During 2023, the fair value gain on investment property during 2022 relates to USD denominated properties within Stanbic Bank Zimbabwe (SBZ) as well as the deterioration of the Zimbabwe RTGS dollar to the USD.

	2024 Cents	2023 Cents
Headline earnings per ordinary share	2 691.0	2 590.4
Diluted headline earnings per ordinary share	2 664.3	2 559.7

Headline earnings is calculated in accordance with the circular titled Headline Earnings issued by SAICA, as amended from time to time.

44. Dividends

	2024 Rm	2023 Rm
Ordinary shares	24 732	23 161
Final		
733 cents per share declared on 14 March 2024 (2023: 691 cents per share declared on 9 March 2023)	12 284	11 598
Interim		
744 cents per share declared on 14 August 2024 (2023: 690 cents per share were declared on 17 August 2023)	12 448	11 563
Second preference shares	481	418
Final		
456 cents per share declared on 14 March 2024 (2023: 368 cents per share declared on 9 March 2023)	242	195
Interim		
451 cents per share declared on 14 August 2024 (2023: 423 cents per share declared on 17 August 2023)	239	223
AT1 capital (note 44.1)	1 610	1 344
Total dividends	26 823	24 923

Final gross cash dividend No. 110 of 763 cents per share declared on 13 March 2025 (2023: 733 cents per share) payable on Monday, 14 April 2025 to all shareholders registered on Friday, 11 April 2025.

6.5% first cumulative preference shares dividend No.111 of 3.25 cents per share (2023: 3.25 cents) payable on Monday, 7 April 2025 to all shareholders registered on Friday, 4 April 2025.

Non-redeemable, non-cumulative, non-participating preference shares dividend No. 41 of 448.55112 cents per share (2023: 456.09315 cents), payable on Monday, 7 April 2025 to all shareholders registered on Friday, 4 April 2025.

44.1 AT1 capital

	2024 Rm	2023 Rm
31 December		
SBT 103		45
SBT 104	36	36
SBT 105	41	41
SBT 106	38	39
SBT 109	77	77
SBT 110	53	53
SBT 111	40	
SBT 112	30	
31 October		
SBT 107	35	35
SBT 108	44	45
30 September		
SBT 103		45
SBT 104	37	37
SBT 105	42	42
SBT 106	39	39
SBT109	80	78
SBT 110	55	72
SBT 111	42	
SBT 112	44	
28 July		
SBT 107	34	33
SBT108	44	42
30 June		
SBT 103		44
SBT 104	37	35
SBT 105	42	40
SBT 106	39	37
SBT 109	79	74
SBT 110	54	
SBT 111	42	
30 April		
SBT107	34	32
SBT108	44	39
31 March		
SBT 103	45	41
SBT 104	36	33
SBT 105	41	38
SBT 106	38	35
SBT 109	77	71
SBT 110	53	
SBT 111	60	
31 January		
SBT107	34	29
SBT108	45	37
Total	1 610	1 344

JIBAR plus 440bps (SBT 103), JIBAR plus 452bps (SBT 104), JIBAR plus 423bps (SBT105), JIBAR plus 391bps (SBT 106), JIBAR plus 379bps (SBT 107), JIBAR plus 370bps (SBT 108), JIBAR plus 350bps (SBT 109), JIBAR plus 338bps (SBT110) and JIBAR plus 290bps (SBT111). Interest is payable quarterly. For more information on AT1 capital, refer to note 15.8.

45. Statement of cash flows notes

45.1 (Decrease)/Increase in operating assets

	2024 Rm	2023 Restated ¹ Rm
Restricted balances with central banks ¹	7 402	(4 103)
Net derivative assets	5 190	(4 462)
Trading assets	(116 466)	(5 564)
Pledged assets	2 919	(4 891)
Financial investments	(34 171)	(32 061)
Receivables and other assets	(5 247)	4 012
Loans and advances ¹	(66 777)	(134 540)
Reinsurance contract assets	144	(170)
Investment property	(827)	533
Total	(207 833)	(181 246)

¹ Restated. Refer to page 28 for further detail.

45.2 Increase/(Decrease) in operating liabilities

	2024 Rm	2023 Rm
Trading liabilities	21 621	(9 758)
Provisions and other liabilities	(4 869)	8 334
Deposits and debt funding	172 866	142 544
Financial liabilities under investment contracts	(2 589)	(3 311)
Total	187 029	137 809

45.3 Cash payments to suppliers and employees

	2024 Rm	2023 Rm
Cash flows to suppliers and policyholders ¹	114 844	82 561
Cash flows to employees	51 654	51 057
Total	166 498	133 618

¹ Cash flows to suppliers include cash flows to suppliers of insurance contracts.

45.4 Reconciliation of subordinated debt

	2024 Rm	2023 Rm
Balance at the beginning of the year	32 227	31 744
Subordinated debt issued	12 388	5 639
Subordinated debt redeemed	(10 154)	(5 900)
Exchange movements	322	1 054
Decrease/(increase) in subordinated bonds issued to group companies		(34)
Other movements		(276)
Balance at the end of the year (note 19)	34 783	32 227

45. Statement of cash flows notes continued**45.5 Cash and cash equivalents**

	2024 Rm	2023 Restated ¹ Rm
Cash and balances with central banks (note 1)	136 172	137 787
Restricted balances with central banks ¹	(21 576)	(28 978)
On-demand gross loans and advances to banks (note 8) ¹	83 955	77 004
Cash balances with banks included in financial investments (note 6)	13 250	14 809
Balance at the end of the year	211 801	200 622

¹ Restated. On-demand gross loans and advances to banks was increased by R24 411 million from the previously reported amount of R52 593. Restricted balances with central banks was previously excluded as an adjustment to cash and cash equivalents. Refer to page 28 for further detail.

46. Related party transactions**46.1 Key management personnel**

Key management personnel include: the members of the SBG board of directors and prescribed officers active for 2024 and 2023. Non-executive directors are included in the definition of key management personnel as required by IFRS. Prescribed officers are defined by the Companies Act. The definition of key management includes the close family members of key management personnel and any entity over which key management exercises control or joint control. Close family members are those family members who may be expected to influence, or be influenced by, that person in their dealings with SBG. They may include the person's domestic partner and children, the children of the person's domestic partner, and dependants of the person or the person's domestic partner.

	2024 Rm	2023 Rm
Key management compensation		
Salaries and other short-term benefits paid	219	214
Post-employment benefits	6	6
Value of share options, rights and units expensed	397	408
Total	622	628
Loans and advances¹		
Loans outstanding at the beginning of the year	13	20
Change in key management structures	3	1
Net change in loans during the year	(4)	(8)
Loans outstanding at the end of the year	12	13
Interest income	1	1
Deposit and debt funding²		
Deposits outstanding at the beginning of the year	169	232
Change in key management structures	16	(19)
Net change in deposits during the year	7	(44)
Deposits outstanding at the end of the year	192	169
Net interest income	7	9
Investment products and third-party funds under management³		
Balance at the beginning of the year	2 114	2 010
Change in key management structures	395	(453)
Net change in investments during the year	(155)	557
Balance at the end of the year	2 354	2 114
Net investment return to key management personnel	121	(55)
Shares and share options held⁴		
Shares beneficially owned (number)	1 241 992	1 764 501
Share options held (number)	3 761 665	4 231 108

¹ Loans include home loans, VAF and card. All loans and advances in respect of loans granted to key management in the current or prior year follow the normal ECL processes of the group. The home and VAF loans are secured by the underlying assets. All other loans are unsecured.

² Deposits and debt funding include cheque, current and savings accounts.

³ Due to the similar nature of investment products and third-party funds under management, the two products have been aggregated into one table.

⁴ Aggregate details of SBG shares and share options held by key management personnel.

46. Related party transactions continued

46.2 Balances and transactions with ICBCS

Transactions with ICBCS are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other third parties. These transactions also did not involve more than the normal risk of collectability or present other unfavourable features. There were no significant credit impairments related to balances and transactions with ICBCS. The following significant balances were entered into between the group and ICBCS, an associate of the group:

Amounts included in the group's statement of financial position	2024 Rm	2023 Rm
Derivative assets	4 077	5 915
Receivables and other assets	102	26
Loans and advances	18 016	11 636
Derivative liabilities	(4 689)	(6 333)
Other liabilities	(80)	(179)
Deposits and debt funding	(7 466)	(10 030)

Significant transactions with ICBCS during the reporting period comprise primarily of net interest income of R721 million (2023: R329 million) and non-interest revenue of R692 million (2023: R622 million).

Services

The group entered into certain transitional service level arrangements with ICBCS in order to manage the orderly separation of ICBCS from the group post the sale of 60% of Standard Bank Plc. In terms of these arrangements, services are delivered and received from ICBCS for the account of each respective party. As at 31 December 2024, the expense recognised in respect of these arrangements amounted to R343 million (2023: R320 million).

46.3 Balances and transactions with ICBC

The group has several business relationships with ICBC, a 19.6% shareholder of the group. Transactions with ICBC are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other third parties. These transactions also did not involve more than the normal risk of collectability or present other unfavourable features. There were no significant credit impairments that related to balances and transactions with ICBC. The following significant balances were entered into between the group and ICBC, excluding those with ICBCS.

Amounts included in the group's statement of financial position	2024 Rm	2023 Rm
Loans and advances ¹	574	1 092
Trading assets	69	136
Deposits and debt funding	(10 020)	(4 201)

¹ Restated. During 2024, it was noted that an amount of R5 464 million with a different counterparty was erroneously included in the 2023 loans and advances balance with ICBC as the counterparty. The restatement does not impact the group or company's statement of financial position.

Letters of credit

The group has off-balance sheet letters of credit exposure issued to ICBC as at 31 December 2024 of R7 593 million (2023: R4 447 million).

46. Related party transactions continued

46.4 Mutual funds

The group invests in various mutual funds that are managed by Liberty. Where the group has assessed that it has control (as defined by IFRS) over these mutual funds, it accounts for these mutual funds as subsidiaries. Where the group has assessed that it does not have control over these mutual funds, but has significant influence, it accounts for them as associates. The following significant balances and transactions were entered into between the group and the mutual funds which the group does not control:

Amounts included in the group's statement of financial position and income statement	2024 Rm	2023 Rm
Deposits and debt funding	(28 279)	(29 558)
Trading liabilities	(1 560)	(200)
Interest expense	(2 239)	(954)

46.5 Post-employment benefit plans

Material balances with SBG and transactions between SBG and the group's post-employment benefit plans are listed below:

Amounts included in the group's statement of financial position	2024 Rm	2023 Rm
Financial investments (held in bonds and money market)	770	789

In addition to the above:

- the group manages R15 959 million (2023: R13 464 million) of the post-employment benefit plans' assets.
- the post-employment benefit plans hold SBG ordinary shares to the value of R886 million (2023: R489 million).



Refer to annexure A for more details on subsidiaries and annexure B for more details on associates and joint ventures.

47. Pensions and other post-employment benefits

	2024 Rm	2023 Rm
Amount recognised as receivables and other assets in the statement of financial position (note 7)	1 880	1 628
Amounts recognised as provisions and other liabilities in the statement of financial position (note 17)	1 082	1 077

The total amount recognised as an expense for the defined contribution plans operated by the group amounted to R906 million (2023: R1 648 million).

For a summary of key estimates and judgements applied, refer to the key management assumptions section for further detail.

47.1 Retirement funds

The majority of members of the group's defined benefit schemes reside in South Africa. The South African defined benefit schemes are regulated by the Pension Funds Act 24 of 1956 (Pension Funds Act), as well as the Financial Services Board.

The fund is subject to a statutory financial review by actuaries at an interval of not more than three years. A full actuarial valuation was performed at 31 December 2024 where, in the opinion of the actuary, the fund was considered to be financially sound. The next actuarial valuation will be performed on 31 December 2027.

The majority of employees in South Africa who are not members of the Standard Bank Group Retirement Fund are members of two other funds designed for their occupational groups. Employees in territories beyond South African jurisdiction are members of either defined contribution or defined benefit plans governed by legislation in their respective countries.

Description of risks

Post-retirement obligation risk is the risk to the group's comprehensive income that arises from the requirement to contribute as an employer to an under-funded defined benefit plan. The group operates both defined contribution plans and defined benefit plans, with the majority of its employees participating in defined contribution plans. The defined benefit pension and healthcare schemes (note 47.2) for past and certain current employees, create post-retirement obligations. The group mitigates these risks through independent asset managers and independent asset and liability management advisors for material funds. Potential residual risks which may impact the group are managed within the group asset and liability management process.

47. Pensions and other post-employment benefits continued**47.1 Retirement funds** continued

	2024 Rm	2023 Rm
The amounts recognised in the statement of financial position in respect of the retirement funds are determined as follows		
Present value of funded obligations	(54 846)	(49 148)
Fair value of plan assets	57 063	51 081
Surplus	2 217	1 933
Asset ceiling	(337)	(305)
Included in receivables and other assets in the statement of financial position (note 7)	1 880	1 628
Movement in the present value of funded obligations		
Balance at the beginning of the year	49 148	43 942
Current service cost	1 639	1 501
Interest cost	5 298	4 971
Employee contributions	1 178	1 300
Actuarial losses	952	545
Exchange movements	16	73
Benefits paid	(3 385)	(3 184)
Balance at the end of the year	54 846	49 148
Movement in the fair value of plan assets		
Balance at the beginning of the year	51 081	45 598
Interest income	5 312	5 137
Contributions received	2 783	2 769
Net return on assets	1 274	674
Exchange movements	(2)	87
Benefits paid	(3 385)	(3 184)
Balance at the end of the year	57 063	51 081
Cash	859	921
Equities	23 049	20 282
Bonds	13 442	12 556
Property and other	19 713	17 322

Plan assets do not include property occupied by the group.

The group expects to pay R1 719 million in contributions to the Standard Bank retirement funds in 2025 (2024: R1 648 million).

47. Pensions and other post-employment benefits continued

47.1 Retirement funds continued

	2024 Rm	2023 Rm
The amounts recognised in profit or loss are determined as follows:		
Current service cost	1 639	1 501
Net interest income	(14)	(166)
Included in staff costs	1 625	1 335
The expected long-term rate of return is based on the expected long-term returns on equities, cash and bonds. The split between the individual asset categories is considered in setting these assumptions. Adjustments were made to reflect the effect of expenses.		
Components of statement of other OCI		
Actuarial gain under asset management	1 274	674
Actuarial (loss)	(952)	(545)
Gain/(loss) from changes in demographic assumptions	31	(1)
(Loss) from changes in financial assumptions	(1 044)	(654)
Gain from changes in experience adjustments	62	110
Asset ceiling	(32)	(49)
Remeasurements recognised in OCI	290	80
Reconciliation of net defined benefit asset		
Net defined benefit asset at the beginning of the year	1 628	1 400
Net expense recognised	(1 625)	(1 335)
Amounts recognised in OCI	290	80
Company contributions	1 605	1 469
Foreign exchange movements	(18)	14
Net defined benefit asset at the end of the year	1 880	1 628

Sensitivity analysis for post-retirement fund

Assumed inflation rates, discount rates and mortality improvements have a significant effect on the amounts recognised in profit or loss. A change in these would have the following effects on amounts recognised:

	Change applied	2024		2023	
		Increase Rm	Decrease Rm	Increase Rm	Decrease Rm
Inflation rate					
Effect on the defined benefit obligation	1%	268	(211)	296	(239)
Discount rate					
Effect on the defined benefit obligation	1%	(204)	262	(229)	288
Mortality improvements					
Effect on the defined benefit obligation	10%	(40)	43	(41)	45
Mortality improvements					
Effect on the defined benefit obligation	One year	(44)	42	(29)	28

47.2 Post-employment healthcare benefits

The group provides the following post-employment healthcare benefits to its employees. The largest portion of this liability represents a South African post-employment healthcare benefit scheme that covers employees that retired before 1 March 2000. The liability is unfunded and is valued every year using the projected unit credit method. The latest full actuarial valuation was performed at 31 December 2024. The next actuarial valuation is to be performed on 31 December 2025.

	2024 Rm	2023 Rm
Amounts recognised in the statement of financial position in respect of post-employment healthcare benefits are determined as follows		
Present value of unfunded defined benefit obligations (note 17)	1 082	1 077
Movement in the present value of defined benefit obligations		
Balance at the beginning of the year	1 077	1 081
Net expense recognised	129	126
Benefits paid	(96)	(94)
Amounts recognised in OCI	(28)	(39)
Foreign exchange movements		3
Balance at the end of the year	1 082	1 077
	2024 Rm	2023 Rm
Amounts recognised in profit or loss are determined as follows		
Current service cost	7	7
Net interest cost	122	119
Included in staff costs	129	126
Components of statement of other comprehensive income		
Actuarial loss/(gain) arising from changes in financial assumptions	2	(18)
Actuarial (gain) arising from experience adjustments	(30)	(21)
Remeasurements recognised in OCI	(28)	(39)

Sensitivity analysis for post-employment medical aid fund

Assumed medical inflation rates have a significant effect on the amounts recognised in profit or loss. The aggregate current service cost and interest cost is R129 million (2023: R126 million) and the defined benefit obligation is R1 082 million (2023: R1 077 million). A one percentage point change in the medical inflation rate would have the following effects on the amounts recognised:

	Change applied	2024		2023	
		Increase Rm	Decrease Rm	Increase Rm	Decrease Rm
Effect on the aggregate of the current service cost and interest cost	1%	16	(14)	15	(13)
Effect on the defined benefit obligation	1%	62	(48)	98	(83)

48. Business unit reporting

SBG structure of business units

Our operating model is client led and structured around our business units as follows:

**SBG**

BUSINESS UNITS

The business units are responsible for designing and executing the client value proposition. Business units own the client relationship and create multi-product client experiences distributed through our client engagement network.

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48. Business unit reporting continued
48.2 Business unit statement of financial position

	PPB		BCB		CIB		Central and other		Banking		IAM		SBG Franchise		ICBCS		Standard Bank Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Assets																		
Cash and balances with central banks ²	8 949	9 097	3 608	6 423	122 680	119 845	884	2 378	136 121	137 743	51	44	136 172	137 787			136 172	137 787
Trading assets ²					430 547	318 234	(4 152)	(2 874)	426 395	317 477	1 201	1 155	427 596	318 632			427 596	318 632
Financial investments ²	51 573	45 930	40 127	35 774	234 903	213 998	16 058	14 713	342 661	310 415	499 799	446 244	842 460	756 659			842 460	756 659
Receivables and other assets ²	25 722	27 257	6 008	6 749	74 838	88 716	37 395	30 265	143 963	152 987	51 291	55 089	195 254	208 076	9 302	8 652	204 556	216 728
Net loans and advances	667 982	661 911	200 873	205 270	827 673	782 641	(48 573)	(41 874)	1 647 955	1 607 948	3 600	898	1 651 555	1 608 846			1 651 555	1 608 846
Loans and advances to banks	21 390	24 686	15 760	17 585	208 350	196 105	(42 198)	(37 786)	203 302	200 590	1 899	1 888	205 201	202 478			205 201	202 478
Net loans and advances to customers	646 592	637 225	185 113	187 685	619 323	586 536	(6 375)	(4 088)	1 444 653	1 407 358	1 701	(990)	1 446 354	1 406 368			1 446 354	1 406 368
Gross loans and advances to customers	688 860	678 630	197 626	199 137	629 172	597 515	(6 381)	(4 084)	1 509 277	1 471 198	1 701	(990)	1 510 978	1 470 208			1 510 978	1 470 208
Home services	470 738	466 734							470 738	466 734			470 738	466 734			470 738	466 734
Vehicle and asset finance	76 262	71 177	58 640	55 577					134 902	126 754			134 902	126 754			134 902	126 754
Card and payments	35 740	35 978	2 852	2 956					38 592	38 934			38 592	38 934			38 592	38 934
Personal unsecured lending	106 120	104 741							106 120	104 741			106 120	104 741			106 120	104 741
Business lending			136 134	140 604					136 134	140 604			136 134	140 604			136 134	140 604
Corporate					629 172	597 515			629 172	597 515			629 172	597 515			629 172	597 515
Centre and other							(6 381)	(4 084)	(6 381)	(4 084)	1 701	(990)	(4 680)	(5 074)			(4 680)	(5 074)
Credit impairments	(42 268)	(41 405)	(12 513)	(11 452)	(9 849)	(10 979)	6	(4)	(64 624)	(63 840)			(64 624)	(63 840)			(64 624)	(63 840)
Reinsurance contract assets ³											5 768	5 422	5 768	5 422			5 768	5 422
Insurance contract assets ³											1 271	1 631	1 271	1 631			1 271	1 631
Total assets	754 226	744 195	250 616	254 216	1 690 641	1 523 434	1 612	2 608	2 697 095	2 526 570	562 981	510 483	3 260 076	3 037 053	9 302	8 652	3 269 378	3 045 705
Equity and liabilities																		
Equity	53 966	55 356	28 161	28 391	112 497	100 028	65 538	57 150	260 162	240 925	23 192	27 343	283 354	268 268	9 302	8 652	292 656	276 920
Liabilities	700 260	688 839	222 455	225 825	1 578 144	1 425 523	(63 926)	(54 542)	2 436 933	2 285 645	539 789	483 140	2 976 722	2 768 785			2 976 722	2 768 785
Trading liabilities			(2)		106 576	95 976		(74)	106 574	95 902		(1 434)	106 574	94 468			106 574	94 468
Deposits and debt funding	431 124	423 731	500 028	478 478	1 292 585	1 180 079	(73 372)	(56 693)	2 150 365	2 025 595	(11 509)	(23 949)	2 138 856	2 001 646			2 138 856	2 001 646
Deposits from banks	947	6 659	3 298	4 921	194 105	159 690	(56 265)	(43 159)	142 085	128 111	8 407	479	150 492	128 590			150 492	128 590
Deposits and current accounts from customers	430 177	417 072	496 730	473 557	1 098 480	1 020 389	(17 107)	(13 534)	2 008 280	1 897 484	(19 916)	(24 428)	1 988 364	1 873 056			1 988 364	1 873 056
Current accounts	81 077	79 489	152 357	143 250	157 566	140 949	(3 363)	(526)	387 637	363 162			387 637	363 162			387 637	363 162
Cash management deposits	39	62	65 048	59 500	198 133	207 824	1	33	263 221	267 419			263 221	267 419			263 221	267 419
Call deposits	204 758	198 263	201 084	194 770	154 746	135 883	12 338	(5 786)	572 926	523 130	(25 350)	(24 438)	547 576	498 692			547 576	498 692
Savings accounts	43 996	41 082	6 621	5 732	96	59	(1)	1	50 712	46 874	8	49	50 720	46 923			50 720	46 923
Term deposits	96 828	94 622	69 924	65 517	319 512	268 606	(12 168)	(2 093)	474 096	426 652	5 361	(11)	479 457	426 641			479 457	426 641
Negotiable certificates of deposit	189	45	2	2	170 023	172 756	(213)	1	170 001	172 804			170 001	172 804			170 001	172 804
Other deposits	3 290	3 509	1 694	4 786	98 404	94 312	(13 701)	(5 164)	89 687	97 443	65	(28)	89 752	97 415			89 752	97 415
Provision and other liabilities ^{1,2}	269 136	265 108	(277 571)	(252 653)	178 983	149 468	9 446	2 225	179 994	164 148	108 585	106 099	288 579	270 247			288 579	270 247
Financial liabilities under investment contracts											168 993	151 035	168 993	151 035			168 993	151 035
Insurance contract liabilities											273 720	251 389	273 720	251 389			273 720	251 389
Total equity and liabilities	754 226	744 195	250 616	254 216	1 690 641	1 525 551	1 612	2 608	2 697 095	2 526 570	562 981	510 483	3 260 076	3 037 053	9 302	8 652	3 269 378	3 045 705

¹ Other liabilities include inter-divisional funding which fluctuates in line with asset growth

² Restated. Refer to page 28 for further detail.

³ Restated. During 2024 it was noted that insurance contract assets were erroneously included in reinsurance contract assets and vice versa. The restatement had no impact on total assets.

Where reporting responsibility for individual cost centres and divisions within business units' change, the segmental analysis comparative figures have been reclassified accordingly.

48. Business unit reporting continued

48.3 Business unit income statement

	PPB		BCB		CIB		Central and other			Banking		IAM		SBG Franchise		ICBCS		Standard Bank Group	
	2024	2023	2024	2023	2024	2023	2024	2023		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm		Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Net interest income	39 383	39 145	25 494	25 445	33 431	30 705	2 503	2 196		100 811	97 491	442	697	101 253	98 188			101 253	98 188
Non-interest revenue	19 619	18 109	12 588	12 608	31 272	32 743	(5 631)	(5 533)		57 849	57 927	3 241	4 076	61 090	62 003			61 090	62 003
Net fee and commission revenue	14 732	13 695	8 823	9 012	9 057	8 552	(446)	(250)		32 166	31 009	3 450	4 178	35 616	35 187			35 616	35 187
Trading revenue	508	483	405	231	20 605	20 598	(364)	(779)		21 154	20 533	5	84	21 159	20 617			21 159	20 617
Other revenue	1 035	717	780	678	826	1 084	(1 665)	(1 178)		977	1 301	2 302	2 163	3 279	3 464			3 279	3 464
Other gains and losses on financial instruments	(43)		300	222	784	2 509	(5)	(3)		1 036	2 728		7	1 036	2 735			1 036	2 735
Inter-BU attribution	3 387	3 214	2 280	2 465			(3 151)	(3 323)		2 516	2 356	(2 516)	(2 356)						
Foreign exchange attribution	906	908	2 245	2 415			(3 151)	(3 323)											
Insurance attribution	2 481	2 306	35	50						2 516	2 356	(2 516)	(2 356)						
Net income from Insurance & Asset Management												19 386	17 425	19 386	17 425			19 386	17 425
Total net income	59 002	57 254	38 082	38 053	64 703	63 448	(3 128)	(3 337)		158 660	155 418	23 069	22 198	181 729	177 616			181 729	177 616
Credit impairment charges	(10 510)	(11 130)	(3 061)	(3 451)	(1 568)	(1 662)	(9)	(19)		(15 148)	(16 262)	(4)	1	(15 152)	(16 261)			(15 152)	(16 261)
Net income before operating expenses	48 492	46 124	35 021	34 602	63 135	61 786	(3 137)	(3 356)		143 512	139 156	23 065	22 199	166 577	161 355			166 577	161 355
Operating expenses	(31 946)	(31 111)	(21 269)	(21 322)	(28 920)	(29 214)	1 976	1 690		(80 159)	(79 957)	(15 015)	(14 792)	(95 174)	(79 957)			(95 174)	(94 749)
Staff costs	(16 606)	(16 045)	(7 140)	(7 089)	(12 987)	(12 643)	(10 413)	(10 313)		(47 146)	(46 090)			(47 146)	(46 090)			(47 146)	(46 090)
Software, cloud and technology ¹	(5 991)	(5 685)	(899)	(976)	(3 347)	(3 251)	(2 488)	(2 480)		(12 725)	(12 392)			(12 725)	(12 392)			(12 725)	(12 392)
Amortisation and depreciation	(4 338)	(4 570)	(562)	(529)	(638)	(656)	(1 045)	(1 104)		(6 583)	(6 859)			(6 583)	(6 859)			(6 583)	(6 859)
Other ¹	(5 011)	(4 811)	(12 668)	(12 728)	(11 948)	(12 664)	15 922	15 587		(13 705)	(14 616)			(13 705)	(14 616)			(13 705)	(14 616)
Operating expenses from insurance and asset management												(15 015)	(14 792)	(15 015)	(14 792)			(15 015)	(14 792)
Inter-BU attribution expense					(3 151)	(3 323)	3 151	3 323											
Net income before capital items and equity accounted earnings	16 546	15 013	13 752	13 280	31 064	29 249	1 990	1 657		63 353	59 199	8 050	7 407	71 403	81 398			71 403	66 606
Non-trading and capital related items	(270)	493	(308)	464	(387)	523	49	41		(916)	1 521	(55)	(34)	(971)	1 487			(971)	1 487
Share of post-tax profit from associates and joint ventures	345	329	(1)	14	40	(19)	14	14		398	338	32	24	430	362	1 054	1 286	1 484	1 648
Profit before indirect taxation	16 621	15 835	13 443	13 758	30 717	29 753	2 053	1 712		62 835	61 058	8 027	7 397	70 862	83 247	1 054	1 286	71 916	69 741
Indirect taxation	(1 419)	(1 358)	(273)	(323)	(747)	(682)	(832)	(604)		(3 271)	(2 967)	(941)	(406)	(4 212)	(3 373)			(4 212)	(3 373)
Profit before direct taxation	15 202	14 477	13 170	13 435	29 970	29 071	1 221	1 108		59 564	58 091	7 086	6 991	66 650	79 874	1 054	1 286	67 704	66 368
Direct taxation	(3 325)	(2 955)	(3 590)	(3 242)	(6 329)	(5 742)	(1 180)	(777)		(14 424)	(12 716)	(3 096)	(3 349)	(17 520)	(16 065)			(17 520)	(16 065)
Profit for the period	11 877	11 522	9 580	10 193	23 641	23 329	41	331		45 140	45 375	3 990	3 642	49 130	63 809	1 054	1 286	50 184	50 303
Attributable to preference shareholders							(481)	(419)		(481)	(419)			(481)	(419)			(481)	(419)
Attributable to additional tier 1 capital noteholders	(407)	(335)	(176)	(138)	(724)	(578)	(301)	(291)		(1 608)	(1 342)	(2)	(1)	(1 610)	(1 343)			(1 610)	(1 343)
Attributable to non-controlling interests	(381)	(306)	(345)	(300)	(2 718)	(2 701)	(186)	(169)		(3 631)	(3 476)	(735)	(854)	(4 366)	(4 330)			(4 366)	(4 330)
Attributable to ordinary shareholders	11 089	10 881	9 059	9 755	20 199	20 050	(927)	(548)		39 420	40 138	3 253	2 787	42 673	57 717	1 054	1 286	43 727	44 211
Headline adjustable items	212	(418)	245	(399)	308	(444)	(36)	(35)		729	(1 296)	47	33	776	(1 263)			776	(1 263)
Headline earnings	11 301	10 463	9 304	9 356	20 507	19 606	(963)	(583)		40 149	38 842	3 300	2 820	43 449	41 662	1 054	1 286	44 503	42 948

¹ The business unit income statements have been further disaggregated to better align to how management analyses and reviews the business units. The prior year comparative disclosures have also been restated in line with this change. This update had no impact on the group or business unit statements of financial position/restated.

Where reporting responsibility for individual cost centres and divisions within business units' change, the segmental analysis comparative figures have been reclassified accordingly.

48. Business unit reporting continued

48.4 Geographic information

	South Africa Rm	Africa Regions and International Rm	Eliminations ¹ Rm	Standard Bank Group Rm
2024				
Total net income²	110 080	72 662	(1 013)	181 729
Banking	89 663	70 393	(1 396)	158 660
IAM	20 417	2 269	383	23 069
Total headline earnings	22 023	22 668	(188)	44 503
Banking	19 179	21 156	(186)	40 149
ICBCS		1 054		1 054
IAM	2 844	458	(2)	3 300
Total assets	2 523 772	919 898	(174 292)	3 269 378
Banking	1 964 783	906 595	(174 283)	2 697 095
ICBCS		9 302		9 302
IAM	558 989	4 001	(9)	562 981
2023				
Total net income²	103 770	73 986	(140)	177 616
Banking	84 779	70 779	(140)	155 418
IAM	18 991	3 207		22 198
Total headline earnings	19 567	23 393	(12)	42 948
Banking	17 334	21 521	(13)	38 842
ICBCS		1 286		1 286
IAM	2 233	586	1	2 820
Total assets³	2 465 192	877 056	(296 543)	3 045 705
Banking	1 960 775	862 329	(296 534)	2 526 570
ICBCS		8 652		8 652
IAM	504 417	6 075	(9)	510 483

¹ Eliminations include intersegmental transactions and balances and also includes central funding and other.

² Total net income is attributable based on where the operations are located.

³ Restated: refer to page 28 for further detail.

49. Interest rate benchmarks and reference interest rate reform

In 2014, the Financial Stability Board initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. The review sought to replace existing Interbank Offered Rates (IBORs) with Alternative Risk-free Rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The transition of USD LIBOR was completed in September 2024 when synthetic USD LIBOR ceased to be published, and focus has now shifted to the Interest Rate Benchmark Reform in South Africa.

During 2020, the SARB indicated its intention to move away from JIBAR and subsequently identified a potential successor rate in the form of the South African Rand Overnight Index Average Rate (ZARONIA), with the rate selection being based on the successful outcome of back testing over a five-year period. The new ZARONIA rate was published for observation during 2022 and was formally endorsed as the successor rate in 2023. Based on current industry timelines, cessation of JIBAR as a reference rate is expected by the end of 2026, with an official announcement being made in 2025.

The Market Practitioner Group (MPG) is a joint public and private sector body established by the SARB to manage the Interest Rate Benchmark Reform in South Africa. The body has established a series of workstreams, through which specific industry issues can be addressed and key decisions made, and has agreed to specific milestones to support the transition. Standard Bank is a member of MPG and has launched an internal project with workstreams that align to the scope and timelines of the industry initiative.

Establishing ZARONIA liquidity in the market is a prerequisite for a successful transition. It is expected that new ZARONIA based derivatives contracts will be traded from April 2025, subject to industry readiness, with cash and money market products following from June 2025 onwards. The industry guidelines recommend no new JIBAR-linked contracts from Q3 2026. From this date onwards, new exposures will be booked using ZARONIA or other suitable rates such as the central bank policy rate.

Existing JIBAR-linked contracts maturing after the formal cessation date will form part of each banks' transition plan. The different calculation basis for JIBAR and ZARONIA may necessitate adjustments to contracts that are subject to transition to ensure economic equivalence.

The Credit Adjustment Spread (CAS) is the term used for the adjustment between two different rates to reduce or eliminate the economic value transfer between the lender and the borrower. Following multiple industry consultations, the MPG has recommended the adoption of the standard ISDA fallback methodology for calculating the industry CAS in respect of the index change from JIBAR to ZARONIA for existing JIBAR-linked contracts. Once the cessation date has been announced, CAS will be fixed for all JIBAR tenors, providing market participants with the exact fallback rates that will be used as part of the transition process.

The group has established a Rand Rate Reform Steering Committee (Steering Committee) to oversee the transition to ZARONIA with ultimate oversight from the SGB Board. The Steering Committee is accountable for the direction and adequate resourcing of the various internal workstreams that will enable the group's successful transition in addition to managing the associated risks. The Steering Committee will work closely with business units to ensure a seamless transition for the group and its clients.

To ensure the orderly transition of existing JIBAR-linked derivative contracts to ZARONIA, the International Swaps and Derivatives Association (ISDA) has agreed to update the 2021 ISDA Definitions and the ISDA IBOR Fallbacks Protocol to include ISDA JIBAR fallback language, which will automatically be incorporated into JIBAR-linked contracts, provided that certain requirements are met. On the JIBAR cessation date, JIBAR will immediately be replaced by an adjusted ZARONIA reference rate, in accordance with the ISDA JIBAR fallback language.

Alternatively, counterparties can bilaterally agree to manually amend JIBAR-linked derivative contracts if such counterparties determine that the ISDA JIBAR fallbacks are not suitable and therefore cannot be applied to a particular transaction. In these cases, the group will engage with the impacted clients well in advance of the cessation date to start the repapering process to facilitate a smooth transition.

The transition introduces a number of risks to the group including, but not limited to:

- Market risk – risk of not aligning to market regulations such as ISDA, not meeting the market transition timelines and liquidity risk associated with the ARR.
- Model risk – risk of the valuation models used within the group not being able to cater for the changes in the intended manner.
- Legal risk – risk of being non-compliant to the agreements previously agreed with clients.
- Operational risk – risk of the group's systems not being able to accommodate the changes to the interest rates as agreed with the clients.
- Financial risk – risk of not appropriately pricing the deals which will result in a transfer of value between the group and clients.
- Compliance/regulatory risk – risk that the group is exposed to regulatory sanctions due to failing to meet the regulatory expectations in relation to the transition.
- Reputational risk – the risk to the group's reputation from failing to adequately prepare for the transition.
- Conduct risk – risk that arises when transitioning existing contracts linked to JIBAR as value-transfer may occur, clients may be transitioned to inferior rates or on unfair contractual terms, or in circumstances where clients do not fully appreciate the impact of the transition or the alternatives available to them.

49. Interest rate benchmarks and reference interest rate reform continued

The Steering Committee has set up a risk management transition plan which details the transition process for each product and system in the relevant business unit to manage and mitigate the above risks. Pricing is being managed centrally by Treasury using the recommendations from the main industry bodies, namely ISDA for derivatives, Loan Market Association for Loans and International Capital Market Association (ICMA) for Bonds Markets. The Steering Committee is also tracking updates and incorporating best practice recommendations emanating from the MPG workstreams.

Changes to all impacted systems are being implemented and will be ready to accommodate the transition smoothly and effectively. Internal and external communications and client engagements were successfully initiated and will continue via multiple platforms in anticipation of the official transition earmarked for 2026.

FINANCIAL INSTRUMENTS IMPACTED BY THE REFORM WHICH ARE YET TO TRANSITION

	2024		2023
	ZAR JIBAR Rm	USD LIBOR Rm	USD LIBOR Rm
Derivative assets ¹	2 279 651		
Financial investments	57 004		17
Loans and advances ²	265 022	239	2 426
Trading assets	76 223		4
Derivative liabilities ¹	(2 968 143)		
Deposits and debt funding	(224 886)		
Subordinated debt			448
Trading liabilities	(4 182)		
Off-balance sheet items	24 929		

¹ These balances represent the notional amount directly impacted by the IBOR reform. Where the derivatives have both pay and receive legs with exposure to the benchmark reform such as cross-currency swaps, the notional amount is disclosed for both legs.

² Gross carrying amount excluding allowances for ECL.

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STANDARD BANK GROUP LIMITED COMPANY

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Note	Company	
		2024 Rm	2023 Rm
Assets			
Financial investments	50	20	25
Interest in subsidiaries ¹	51	132 715	128 847
Investment in shares		100 898	101 165
Indebtedness to the company by group subsidiaries		31 817	27 682
Interest in associates	52	10 984	10 351
Deferred tax asset			3
Total assets		143 719	139 226
Equity and liabilities			
Equity		114 648	112 658
Share capital and premium	15	23 209	27 106
Equity attributable to other equity instrument holders	15	23 725	24 167
Reserves		67 714	61 385
Liabilities		29 071	26 568
Derivative liabilities		15	
Other liabilities		218	83
Current tax liabilities		216	1
Indebtedness by the company to group subsidiaries	51	225	395
Subordinated debt	53	28 393	26 089
Deferred tax liabilities		4	
Total equity and liabilities		143 719	139 226

¹ Interest in subsidiaries has been disaggregated to include a breakdown between Investment in shares and Indebtedness to the company by group subsidiaries to provide a more appropriate analysis of the interest in subsidiaries balance considering the nature and characteristics thereof. The prior year comparative disclosures have also been updated in line with this change. This disaggregation had no impact on the total assets of the company.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Note	Company	
		2024 Rm	2023 Rm
Interest income		2 817	2 365
Interest expense		(2 629)	(2 265)
Other losses	54	(121)	(214)
Dividends from subsidiaries		32 756	24 853
Total net income		32 823	24 739
Operating expenses		(38)	(31)
Net income before impairments of investment		32 785	24 708
Reversal in impairment of subsidiaries	51	136	248
Impairment of subsidiaries	51		(28)
Net income before share of profits from associate		32 921	24 928
Share of post tax profits from associates	52	1 405	1 632
Profit before direct taxation		34 326	26 560
Direct taxation	55	(1 096)	(695)
Profit for the year		33 230	25 865
Other comprehensive income after tax for the year		(28)	709
Items that may not be reclassified to profit or loss		(151)	100
Net change in FVOCI on financial assets	52	15	9
Share of associates cash flow hedge adjustment	52	(166)	91
Items that may be reclassified to profit or loss		123	609
Exchange differences on translating foreign associate operations	52	123	609
Total comprehensive income		33 202	26 574
Attributable to the ordinary shareholders		31 111	24 812
Attributable to other equity instrument holders		2 091	1 762

STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Note	Company	
		2024 Rm	2023 Restated ¹ Rm
Net cash flows from operating activities		32 472	23 440
Interest receipts ²		2 835	2 300
Interest payments		(2 652)	(2 205)
Commission and premium receipts ²		10	6
Recoveries on loans previously written off			57
Cash payments to suppliers and employees	56	(38)	(31)
Net movement in working capital		124	(20)
Increase/(decrease) in operating liabilities	56	124	(20)
Dividends received		33 075	24 028
Direct taxation paid		(882)	(695)
Net cash flows used in investing activities¹		(1 603)	(4 645)
Increase in investment in subsidiaries ¹	56	(2 307)	(4 970)
Distributions from investments in associates	52	704	325
Net cash flows used in financing activities		(28 647)	(20 187)
Proceeds from issue of share capital		74	40
Repurchase of share capital		(3 971)	(443)
Issuance of other equity instruments	15	1 500	4 500
Redemption of other equity instruments	15	(1 942)	
Issuance of subordinated debt	56	10 737	5 639
Redemption of subordinated debt	56	(8 222)	(5 000)
Dividends paid	44	(26 823)	(24 923)
Net increase/(decrease) in cash and cash equivalents¹		2 222	(1 392)
Cash and cash equivalents at the beginning of the year ¹		10	1 402
Cash and cash equivalents at the end of the year¹		2 232	10

¹ Restated. Refer to note 56 for further detail.² Interest, commission and premium receipts has been disaggregated to interest receipts and commission and premium receipts to provide a more appropriate analysis of cash flows from operations considering the nature and characteristics thereof. This disaggregation had no impact on the statement of cash flows.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

COMPANY	Note	Share capital and premium Rm	Revaluation reserve Rm	Cash flow hedging reserve Rm	Foreign currency translation reserve Rm	Fair value through OCI reserve Rm	Retained earnings Rm	Ordinary share-holders' equity Rm	Other equity instrument holders Rm	Total Rm
Balance at 1 January 2023		27 509	3 100	969	539	(81)	55 207	87 243	19 667	106 910
Issue of share capital and share premium and other equity instruments	15	40						40	4 500	4 540
Repurchase of share capital and share premium and other equity instruments	15	(443)						(443)		(443)
Total comprehensive income					609	9	24 194	24 812	1 762	26 574
Other comprehensive income ¹					609	9	91	709		709
Profit for the year							24 103	24 103	1 762	25 865
Dividends paid							(23 161)	(23 161)	(1 762)	(24 923)
Balance at 31 December 2023		27 106	3 100	969	1 148	(72)	56 240	88 491	24 167	112 658
Balance at 1 January 2024		27 106	3 100	969	1 148	(72)	56 240	88 491	24 167	112 658
Issue of share capital and share premium and other equity instruments	15	74						74	1 500	1 574
Repurchase of share capital and share premium and other equity instruments	15	(3 971)						(3 971)	(1 942)	(5 913)
Other ²						60	(110)	(50)		(50)
Total comprehensive income					123	15	30 973	31 111	2 091	33 202
Other comprehensive income ¹					123	15	(166)	(28)		(28)
Profit for the year							31 139	31 139	2 091	33 230
Dividends paid							(24 732)	(24 732)	(2 091)	(26 823)
Balance at 31 December 2024		23 209	3 100	969	1 271	3	62 371	90 923	23 725	114 648

¹ Movements in other comprehensive income relate to the movement in the reserves of ICBGS at 40%.
² Other primarily relates to the recycling of the FVOCI reserve to retained earnings and an IFRS 17 transition adjustment by the company's associates.

50. Financial investments

Company	2024 Rm	2023 Rm
Financial investments held in banking – unlisted equities	20	25
Financial investment measured at FVTPL closing balance	20	25
Opening balance	25	28
Fair value adjustments	(5)	(3)

Financial investments comprise of Business Partners Limited measured at FVTPL. The investment is classified as level 3 in the fair value hierarchy.

51. Interest in subsidiaries

Company	2024 Rm	2023 Rm
Shares at cost	100 898	101 165
Indebtedness to the company by group subsidiaries(annexure A) ¹	31 817	27 682
Total before indebtedness by the company	132 715	128 847
Indebtedness by the company to group subsidiaries (annexure A)	(225)	(395)
Total	132 490	128 452

¹ Indebtedness to the company includes cash balances held with Standard Bank of South Africa, a Standard Bank Group subsidiary, of R2,232m (2023: R10m).



Principal subsidiaries and the related investments and indebtedness are listed in annexure A.

Indebtedness to the company are all current assets that are not impaired and have been classified as loans and advances which are measured on an amortised cost basis. These lending exposure are to entities that forms part of the group's risk management framework as such the ECL has been assessed to be insignificant. This is on the basis that the group has governance and oversight of the risk inherent in these entities and ensures that entities operate within the group's risk appetite as approved by the group risk and capital management committee (GRCMC). Changes in the indebtedness during the year include repayments, new loans, interest accruals and exchange rate differences.

Indebtedness by the company are all liabilities repayable on demand and are measured at amortised cost. The carrying value approximates fair value and is classified as level 3 in the fair value hierarchy. Changes in the indebtedness during the year include repayments.

The company's investments in subsidiaries (measured at cost) are reviewed annually for impairment with reference to impairment indicators that include the following:

- Dividends declared by subsidiaries in excess of the subsidiaries' total comprehensive income earned in the reporting period.
- The carrying value of the investment exceeds the subsidiary's net asset value of the subsidiary, including any associated goodwill.

When impairment indicators exist the recoverable amount of the company's investment in the subsidiary is determined as the higher of the value in use and fair value less costs of disposal. An impairment loss is recognised in profit or loss if the carrying value exceeds the recoverable amount. A reversal of an impairment loss is recognised in profit or loss if the recoverable amount has subsequently been determined to be higher than the carrying value.

During 2024, the company's investments in subsidiaries recoverable value was determined to be higher than its carrying amount and as a result an impairment reversal to a total amount of R136 million was recognised. Details of the impairment reversal are detailed below. Through the performance of the impairment test, the following investment has been identified for an impairment reversal:

- A previous impairment loss of R136 million on Standard Bank Group International (SBGI) was reversed, mainly due to an increase in operational factors that impacted its performance (2023: R248 million).

No impairment losses were recognised in 2024 (2023: R28 million other investments).

For each of the entities listed above, the net asset value approximates its fair value less costs of disposal. The recoverable amount for each entity has therefore been determined as its fair value less costs of disposal.

52. Interest in associates

Company	2024 Rm	2023 Rm
Carrying value at the beginning of the year	10 351	8 335
Share of OCI movements	15	9
Share of cash flow hedge adjustment	(166)	91
Share of profit	1 405	1 632
Dividend received	(701)	(325)
Currency translation and other	80	609
Carrying value at the end of the year	10 984	10 351

The company's investments in associates include South African Home Loans (Proprietary) Limited (SAHL) and ICBCS.



Refer to annexure B for further detail.

53. Subordinated debt

Company	Redeemable/payable date	First callable date	Nominal value ¹ Million	Carrying value ¹	
				2024 Rm	2023 Rm
SBT204	16 April 2029	16 April 2024	ZAR1 000		1 023
SBT205	31 May 2029	31 May 2024	USD400		7 445
SBT206	31 January 2030	31 January 2025	ZAR2 000	2 035	2 036
SBT207	25 June 2030	25 June 2025	ZAR3 500	3 506	3 506
SBT208	28 November 2030	28 November 2025	ZAR1 500	1 515	1 515
SBT209	29 June 2031	29 June 2026	ZAR1 722	1 723	1 723
SBT210	18 October 2033	18 October 2028	ZAR3 639	3 713	3 717
SST201	8 December 2031	8 December 2026	ZAR1 444	1 453	1 454
SST202	31 August 2032	31 August 2027	ZAR1 639	1 652	1 654
SST203	03 March 2033	03 March 2028	ZAR2 000	2 015	2016
SST204	20 March 2029	20 March 2029	ZAR1 512	1 517	
SST205	11 March 2030	10 March 2030	ZAR3 600	3 620	
Tier 2 subordinated loan	25 September 2034	26 March 2029	USD300	5 644	
Total				28 393	26 089

¹ The difference between the carrying amount and nominal value represents accrued interest.

For the group, these subordinated bonds are hedged accounted. However, for the company these bonds do not qualify for hedge accounting as the company does not hold derivative instruments.

Subordinated debt is measured on an amortised cost basis and is classified as level 2 in the fair value hierarchy, with a fair value of R30.3 billion (2023: R27.1 billion).

53. Subordinated debt continued**53.1 Maturity analysis**

	2024				2023		
	Within one year ¹	Within one to five years ¹	More than five years	Total	Within one year ¹	Within one to five years ¹	Total
Company	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Subordinated debt – discounted	7 056	17 717	3 620	28 393	8 468	17 621	26 089
Subordinated debt – undiscounted	9 285	23 132	3 683	36 100	10 475	20 956	31 431

¹ The maturity analysis for subordinated debt has been determined as the earlier of the contractual repayment date or the option by the issuer to redeem the debt.

54. Other (losses)/gains

Company	2024 Rm	2023 Rm
Foreign exchange movements	(125)	(275)
Other	4	61
Total	(121)	(214)

55. Direct taxation

Company	2024 Rm	2023 Rm
Current year		
South African current tax excluding Pillar II income taxes	746	534
Current tax related to Pillar II ¹	200	
Deferred tax charge	(1)	(1)
Foreign and withholding taxes	151	162
Total direct taxation recognised in statement of comprehensive income	1 096	695
South African tax rate reconciliation (%)		
Direct tax – statutory rate	27.0	27.0
Direct tax – current year	27.0	27.0
Withholding tax	0.4	0.6
Direct tax – current year – normal	27.4	27.6
Permanent differences	(24.2)	(25.2)
(Reversal of impairment)/impairment of investments	(0.1)	(0.2)
Non-deductible cost	0.7	0.5
Non-taxable income	(0.3)	(0.2)
Dividends received	(24.0)	(23.4)
Equity accounted earnings	(1.1)	(1.7)
Pillar II tax	0.6	
Direct effective tax rate²	3.2	2.6

¹ IAS 12 (amendments) introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar II income taxes and targeted disclosure requirements for entities affected by GloBE (global anti-base erosion) model rules. The related legislation was substantively enacted and effective in South Africa as at 1 January 2024. The amendments resulted in the group recognising a current tax expense in profit or loss (within tax expense) amounting to R200 million. This expense is mainly attributable to the group's earnings within regions (Africa and International) with effective tax rate lower than 15%.

² Expressed as a percentage of profit before direct tax.

56. Statement of cash flow notes**Restatement of cash and cash equivalents within the company statement of cash flows**

During 2024, the company performed an analysis of the classification of cash held with SBSA and determined that the balance meets the definition of cash and cash equivalents. The balance, included in indebtedness to the company by group subsidiaries on the statement of financial position, was erroneously presented as part of the increase in investment in subsidiaries within the statement of cash flows. Consequently, this balance is being reclassified from increase in investment in subsidiaries within investing activities to cash and cash equivalents at the beginning and end of the year.

The above restatements had the following impact on the statement of cash flows:

	2023		
	As previously reported Rm	Restatement Rm	Restated Rm
COMPANY			
Net cash flows used in investing activities	(3 253)	(1 392)	(4 645)
Increase in investment in subsidiaries	(3 578)	(1 392)	(4 970)
Net increase/(decrease) in cash and cash equivalents		(1 392)	(1 392)
Cash and cash equivalents at the beginning of the year		1 402	1 402
Cash and cash equivalents at the end of the year		10	10

56.1 Increase/(decrease) in operating liabilities

	2024 Rm	2023 Rm
Company		
Other liabilities	124	(20)

56.2 Cash payments to suppliers and employees

	2024 Rm	2023 Rm
Company		
Operating expenses	(38)	(31)

56.3 Increase in investment in subsidiaries

	2024 Rm	2023 Rm
Company		
Increase in investment in subsidiaries	403	(4 601)
Movement in indebtedness	(2 710)	(369)
Total	(2 307)	(4 970)

56.4 Reconciliation of subordinated debt

	2024 Rm	2023 Rm
Company		
Balance at the beginning of the year	26 089	24 772
Subordinated debt issued	10 737	5 639
Subordinated debt redeemed	(8 222)	(5 000)
Foreign exchange movement	(188)	618
Interest accrued	(23)	60
Balance at the end of the year	28 393	26 089

57. Liquidity, credit and market risk information

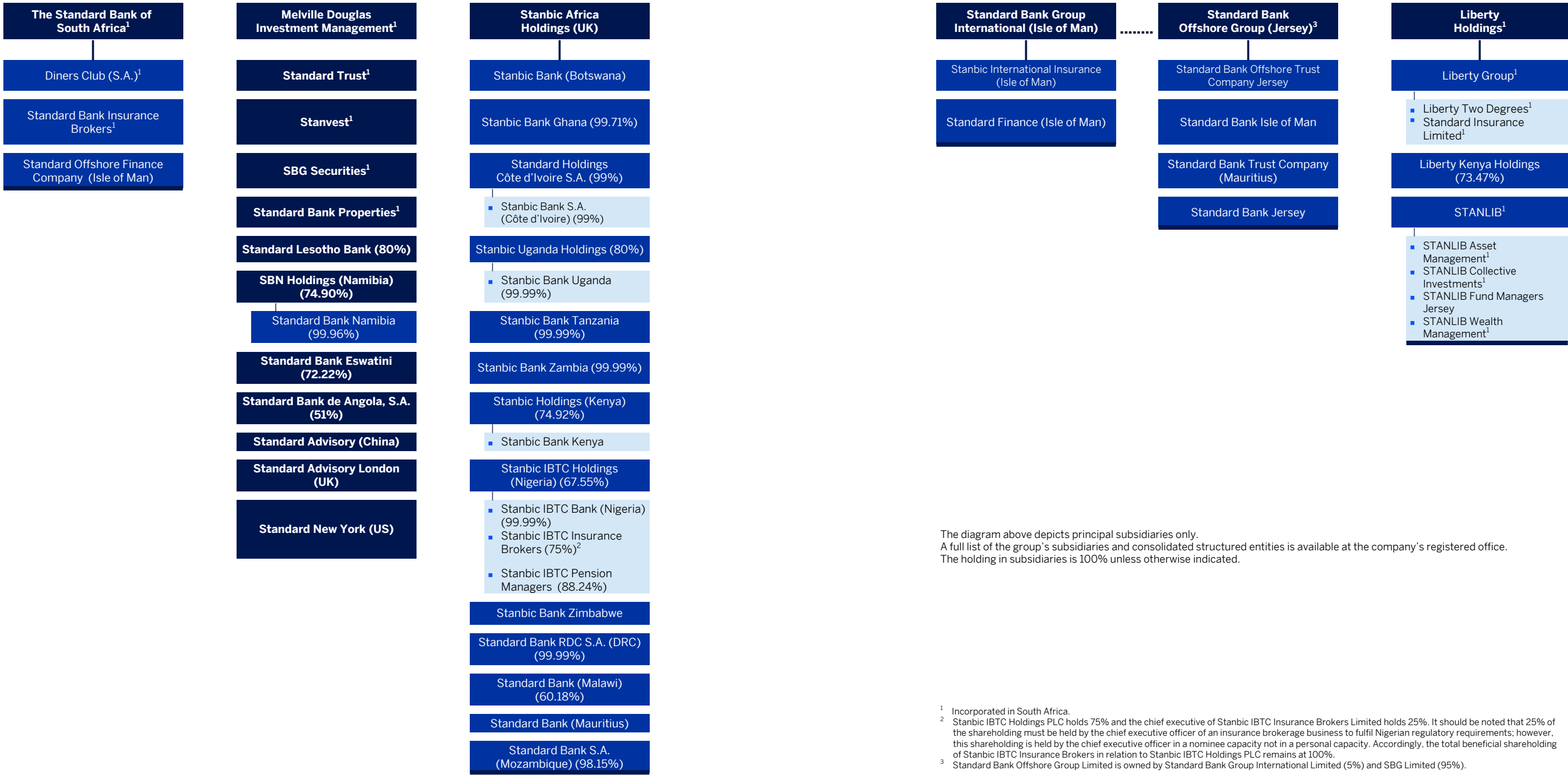
Other assets and liabilities consist mainly of non-financial assets and liabilities which are not subject to liquidity, credit and market risk. The company is exposed to interest rate risk and liquidity risk on subordinated debt. For more detail on the group's approach to risk management, which also applies to the company, refer to annexure C.



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ANNEXURES TO
THE ANNUAL
FINANCIAL
STATEMENTS

ANNEXURE A – SUBSIDIARIES, CONSOLIDATED
AND UNCONSOLIDATED STRUCTURED ENTITIES



¹ Incorporated in South Africa.
² Stanbic IBTC Holdings PLC holds 75% and the chief executive of Stanbic IBTC Insurance Brokers Limited holds 25%. It should be noted that 25% of the shareholding must be held by the chief executive officer of an insurance brokerage business to fulfil Nigerian regulatory requirements; however, this shareholding is held by the chief executive officer in a nominee capacity not in a personal capacity. Accordingly, the total beneficial shareholding of Stanbic IBTC Insurance Brokers in relation to Stanbic IBTC Holdings PLC remains at 100%.
³ Standard Bank Offshore Group Limited is owned by Standard Bank Group International Limited (5%) and SBG Limited (95%).

Nature of operation	Nominal issued share capital Rm	Effective holding ²		Non-controlling interests		Book value of shares		Net indebtedness	
		2024 %	2023 %	2024 %	2023 %	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Banking subsidiaries									
Stanbic Bank (Botswana) Limited (Botswana) ^{1#}	Commercial bank	420	100						
Stanbic Bank Ghana Limited (Ghana) ^{1.3#}	Commercial bank	630	99	1	1				
Stanbic Bank Kenya Limited (Kenya) ^{1#}	Commercial bank	423	75	25	25				
Stanbic Bank S.A. (Côte d'Ivoire) ^{1#}	Commercial bank	974	99	1	1				
Stanbic Bank Tanzania Limited (Tanzania) ^{1.3#}	Commercial bank	50	100						
Stanbic Bank Zambia Limited (Zambia) ^{1.3#}	Commercial bank	660	100						
Stanbic Bank Zimbabwe Limited (Zimbabwe) ^{#*}	Commercial bank	2	100			136	136	412	14
Stanbic Bank Uganda Limited (Uganda) ^{1#}	Commercial bank	227	80	20	20				
Stanbic IBTC Bank Limited (Nigeria) ^{1#}	Commercial bank	331	68	32	32				
Standard Bank de Angola S.A (Angola) [#]	Commercial bank	768	51	49	49	359	359	18	409
Standard Bank Isle of Man Limited (Isle of Man) ^{1#}	Commercial bank	25	100						
Standard Bank Jersey Limited (Jersey) ^{1#}	Commercial bank	454	100						
Standard Bank PLC (Malawi) ^{1.4#}	Commercial bank	23	60	40	40				
Standard Bank (Mauritius) Limited (Mauritius) ^{1#}	Commercial bank	342	100						
Standard Bank Namibia Limited (Namibia) ^{1.5#}	Commercial bank	2	75	25	25				
Standard Bank RDC S.A. (DRC) ^{1.3#}	Commercial bank	944	100						
Standard Bank S.A. (Mozambique) ^{1#}	Commercial bank	309	98	2	2				
Standard Bank Eswatini Limited (Eswatini) [#]	Commercial bank	15	72	28	28	94	94		
Standard Lesotho Bank Limited (Lesotho) [#]	Commercial bank	21	80	20	20	13	13		
The Standard Bank of South Africa Limited (SBSA) ^{#5}	Commercial bank	60	100			68 259	68 701	31 115	26 119
Total banking subsidiaries						68 861	69 303	31 545	26 528

Refer to footnotes on the following page.
* Refer to the further details on subsidiaries section within annexure A for further detail.

	Nature of operation	Nominal share capital issued Rm	Effective holding		Non-controlling interests		Book value of shares		Net indebtedness	
			2024 %	2023 %	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Non-banking subsidiaries										
Ecentric Payment Systems Proprietary Limited ¹	Development and marketing transactions – switching software and services	*	54	54	46	46				
Liberty Group Limited ¹	Insurance company	29	100	100						
Liberty Holdings Limited	Insurance holding company	24	100	100			19 115	19 085		
Liberty Two Degrees Limited ¹	Real Estate Investment trust		100	100						
Melville Douglas Investment Management Proprietary Limited [#]	Asset and portfolio management		100	100			53	53		
SBG Securities Proprietary Limited [#]	Stockbroker		100	100			323	323		
SBN Holdings Limited (Namibia) ⁴	Bank holding company	1	75	75	25	25	348	348		
Stanbic Africa Holdings Limited (UK)	Investment holding company	1 494	100	100			10 572	10 572	22	92
Stanbic Holdings Ghana Limited (Ghana)	Investment holding company	182	100	100						
Stanbic Holdings PLC (Kenya) ^{1,4}	Bank holding company	232	75	75	25	25				
Stanbic IBTC Holdings PLC (Nigeria) ^{1,4}	Bank holding company	331	68	68	32	32				
Stanbic Uganda Holdings Limited (Uganda) ^{1,4}	Bank holding company	227	80	80	20	20				
Standard Advisory (China) Limited (China)	Trading company	8	100	100			10	10		
Standard Advisory London Limited (UK)	Arranging and advisory company	1	100	100			557	557		
Standard Bank Group International Limited (Isle of Man)	Investment holding company		100	100			691	555		
Standard Bank London Holdings Limited (UK)	Investment holding company		100	100						
Standard Bank Offshore Group Limited (Jersey) ²	Investment holding company	17	100	100			49	49		
Standard Bank Offshore Trust Company Jersey Limited (Jersey) ^{1#}	Trust company	6	100	100						
Standard Bank Trust Company (Mauritius) Limited (Mauritius) ^{1#}	Trust company		100	100						
Standard Holdings Angola S.A. ⁵	Investment holding company	78	100	100			78	39		
SML Limited (Isle of Man)	Investment holding company	73	100	100			47	47		
Standard Insurance Limited ^{1,6}	Short-term insurance		100	100				30		
Standard New York, Inc (US)	Securities broker/dealer	55	100	100			55	55		
Standard Trust Limited [#]	Trust company		100	100			100	100		
STANLIB Limited ¹	Wealth and asset management		100	100						
Miscellaneous	Finance companies						39	39	26	653
Total non-banking subsidiaries							32 037	31 862	47	745
Total							100 898	101 165	31 592	27 287

¹ Held indirectly, no book value in Standard Bank Group Limited.
² Effective holding company, comprises direct and indirect holdings.
³ Minorities or nominee shareholders hold 0.5% or less.
⁴ Listed on a stock exchange.
⁵ Standard Bank Group Limited recapitalised its 100% owned subsidiary, Standard Holdings Angola (S.A.) by R38.8 million, utilising unremitted dividends. The recapitalisation aimed to enable Standard Holdings Angola (S.A.) to inject additional capital into its wholly-owned subsidiary, to facilitate ongoing operations.
⁶ During 2023, Standard Bank Group Limited revised its operating model and set up the IAM business unit. As part of the revised operating model during 2024, Standard Bank Group Limited sold its shareholding in Standard Insurance Limited to Liberty, in return for additional shares in Liberty Holdings Limited.
[#] Standard Bank Group Limited will ensure that the capital adequacy of its subsidiaries denoted by # will meet the requirements of home and host regulators, as required by section 70(A) of the South African Banks Act.

Further detail on subsidiaries

Overview

The nominal share capital issued of foreign subsidiaries has been stated in the preceding tables at their rand equivalents at the rates of exchange ruling on the dates of the provision of capital.

The country of incorporation of subsidiaries is South Africa, unless otherwise indicated.

While a full list of the group's subsidiaries and consolidated SEs is available at the company's registered office, these disclosures include subsidiaries for which either of the following is present:

- SBGL has provided a capital adequacy statement (denoted by #).
- There is a non-controlling interest. Refer to page 184-185 for further detail on the change in holding.
- There is a net book value as recorded in Standard Bank Group Limited's financial statements.
- There is net indebtedness to/from Standard Bank Group Limited.

No significant restrictions exist on the transfer of funds and capital within the group, subject to compliance with the corporate laws of relevant jurisdictions and appropriate motivation to, and approval by, exchange control authorities.

Foreign currency translation

Rates in the table below are key rates used in calculation of the group's foreign currency translation reserve (FCTR) when converting to the group reporting currency. The main contributors of currency depreciation include Nigeria and Ghana which were offset by currency appreciation within Kenya.

In certain countries in which the group operates there are dual exchange rates. In most countries the difference between these dual exchange rates is insignificant.

In assessing which is the most appropriate exchange rate to translate foreign exchange balances and the net investment the following individual facts and circumstances have been considered:

- The group's legal ability to convert currency or to settle transactions using a specific rate.
- Its intention to use a particular foreign currency exchange, including whether the rate available through that exchange is published or readily determinable.
- Whether the supply of the reporting entity's currency is available and sufficient to cover the amount outstanding for immediate delivery.

KEY EXCHANGE RATES USED WHEN TRANSLATING THE GROUP'S FOREIGN OPERATIONS

	Average			Closing		
	Change %	2024	2023	Change %	2024	2023
USD/ZAR	(1)	18.218	18.451	1	18.748	18.520
GBP/ZAR		23.031	22.950		23.535	23.529
AOA/ZAR	(9)	0.020	0.022	(5)	0.021	0.022
GHS/ZAR	(22)	1.215	1.553	(21)	1.231	1.552
KES/ZAR	18	0.141	0.120	22	0.145	0.119
MZN/ZAR	(2)	0.285	0.292	1	0.294	0.290
MWK/ZAR	(9)	0.010	0.011		0.011	0.011
NGN/ZAR	(45)	0.012	0.022	(43)	0.012	0.021
UGX/ZAR		0.005	0.005		0.005	0.005
ZMW/ZAR	(12)	0.659	0.749	(7)	0.675	0.722
ZWL/ZAR			0.003			0.003

The direct method of exchange rates have been disclosed to better analyse the conversion of FCTR.

Banking subsidiaries

Stanbic Bank Zimbabwe (SBZ) functional currency

During the 2023 financial year-end, the continued increased use of the United States Dollar (USD) by SBZ triggered an ongoing functional currency assessment as prescribed by IAS 21. As at 1 January 2024 there was sufficient evidence supporting SBZ's change in functional currency from the Zimbabwe Dollar (ZWL) to USD. The change in functional currency from ZWL to USD was effective from 1 January 2024. The change in functional currency was performed using the official exchange rate as at 1 January 2024 which was USD1:ZWL6 104.72. The inflation adjusted balances as at 1 January 2024 were converted into USD using this official exchange rate.

The hyperinflation indicators per IAS 29 *Financial Reporting in Hyperinflationary Economies* (IAS 29) are not met when assessed against the USD. As a result, the group no longer applies hyperinflation accounting for SBZ post the change in functional currency to USD.

In April 2024 a new domestic currency was issued for Zimbabwe and the domestic currency changed from ZWL to Zimbabwe Gold (ZWG), as such the group will continue to assess the functional currency of SBZ.

As at 31 December 2024, the FCTR gain for SBZ is R115 million due to change in functional currency. An FCTR loss of R2.1 billion was noted at 31 December 2023 due to the deterioration between the ZWL and USD rate from 684.33 RTGS:1USD as at 31 December 2022 to 6 104.72 RTGS:1USD, after the hyperinflation adjustment translation adjustment per IAS 21.

Insurance & Asset Management

Buy-out of non-controlling interests in Liberty Two Degrees Limited

On 27 July 2023, Liberty Group Limited (Liberty) and Liberty Two Degrees Limited (L2D) announced Liberty's intention to buyout the non-controlling shareholders in L2D, in terms of a scheme of arrangements and subsequently delist L2D from the JSE. All scheme conditions were met, with the required approvals in place which finalised the acquisition of L2D non-controlling shares by Liberty at R5.55 per share and resulted in the delisting of L2D on the JSE on 14 November 2023.

Effective 14 November 2023, LGL acquired the remaining non-controlling interest in L2D. A cash consideration of R1 896 million was paid for the share of the net asset value of R2 525 million, resulting in an increase in ordinary shareholder net asset value on purchase of R629 million. As a consequence of the transaction, deferred tax of R130 million (refer note 14) was recognised, reflecting a net increase in ordinary shareholder net asset value of R487 million. This acquisition was accounted for as a transaction between owners.

Consolidated structured entities

Banking

Name of the entity	Nature of the operations	Amount of support provided as at ^{1,2,3}		Type of support ⁴		Terms of contractual arrangements that require the group to provide financial support to the SE	Events/circumstances that could expose the group to a loss as a result of the contractual arrangement
		2024 Rm	2023 Rm	2024	2023		
Blue Granite Investments No.2 (RF) Proprietary Limited (BG2)	Facilitates mortgage backed securitisations. The group is the primary liquidity facility provider to BG2.	28	28	Subordinated loan	Subordinated loan	The loan does not have a fixed term or repayment date. Payment of interest will be determined on interest payment date at the lower of cash available or an amount calculated such that the rate will be equal to prime plus 5% or an amount equal to the notional net income as reflected in the management accounts, after taking into account all income and expenses.	Should BG 2's customers be unable to meet their contractual obligations under the mortgage loan agreement and the loans are classified as non-performing.
Blue Granite Investments No.3 (RF) Proprietary Limited (BG3) ⁵	Facilitates mortgage backed securitisations. The group is the primary liquidity facility provider to BG3.		58	Subordinated loan	Subordinated loan	The loan does not have a fixed term or repayment date. The loan incurs interest at a rate of prime plus 5% per annum and is only payable when BG3 has sufficient cash reserves.	Should BG 3's customers be unable to meet their contractual obligations under the mortgage loan agreement and the loans are classified as non-performing.
Rapvest Investments Proprietary Limited	Facilitates finance deals for other group companies and third parties through preference share investments and loans to clients.	1 093	693	Loan	Loan	The loan is repayable on demand and no interest is charged on the loan.	In the event that the underlying assets are classified as non-performing loans.
DAF Financial Services (RF) Proprietary Limited (DFS)	This SPV facilitates vendor financing for small- to medium-sized enterprises (SMEs).	59	132	Loan	Loan	The loans bear interest at a rate of prime plus 1%. The maturity date of the loan is 30 November 2026.	SBSA is exposed to the first-loss risk in the structure as well as potential losses that may be incurred on the receivables as a result of residual asset value risk. The residual asset value risk is, however, limited due to a put option that is in place.
Main Street 367 Proprietary Limited (Mainstreet)	Facilitates funding to BG2, BG3 and Siyakha. SB Debtors (a subsidiary of Standard Bank Group) provides the funding to Mainstreet to originate the loans.	354	340	Subordinated loan	Subordinated loan	The loan is only repayable to the extent that Mainstreet receives payment from BG2 and BG3. The interest is charged at the higher of JIBAR plus 10% and the cash available in terms of Mainstreet's priority of payments less R15000.	In the event that customers of BG2 and BG3 are unable to meet their contractual obligations under the mortgage loan agreement and their loans are classified as non-performing.
Energy Fund Silo (RF) ⁶	The Energy Fund Silo was set up in 2023 and invests in energy loans. SBSA and Liberty are the main funders.		3 008	Noteholder	Noteholder	The tenor of the note was one year and paid interest of JIBAR plus 2.2% margin. The note has matured during 2024.	During 2023, while the notes were held, in the event that one of the underlying loans defaults. For the reporting period of 2024, the group is no longer exposed to any potential losses.

The following entities have been excluded from the above disclosure as no support has been provided during 2024 or 2023: Blue Banner Securitisation Vehicle RC1 Pty Ltd, Blue Shield Investments 01 (RF) Ltd, Blue Shield Investments 02 (RF) Ltd, Blue Titanium Conduit Ltd, and Siyakha Fund (RF) Pty Ltd.

See the footnotes below the consolidated structured entities of IAM on the next page.

Consolidated structured entities continued
Insurance & Asset Management

Name of the entity	Nature of the operations	Amount of support provided as at ^{1,2,3}		Type of support ⁴		Terms of contractual arrangements that require the group to provide financial support to the SE	Events/circumstances that could expose the group to a loss as a result of the contractual arrangement
		2024 Rm	2023 Rm	2024	2023		
Passives Funding (RF) Proprietary Limited	Acquire or invest in credit assets, derivative instruments, preference share instruments, participatory interests in collective investment schemes and listed equity instruments and the related security with regard to such credit assets, derivative instruments, preference share instruments and listed equity instruments with funds raised directly or indirectly through the issue of notes.	202	(259)	Equity-linked notes (ELN) and equity derivatives	ELN and equity derivatives	As at 31 December 2024, R35.28 million (2023: R94.07 million) of ELNs had been issued to LGL. LGL also owns R1.41 billion (2023: R1.39 billion) preference shares in Passives Funding. LGL provided a R1.5 billion liquidity facility to Passives Funding. Passives Funding will pay interest to LGL on drawn down amounts calculated on a market related basis as the SAFEX overnight deposit rate +1.65%. A commitment fee is calculated at 0.4% per annum of the amount of the available facility. The commitment fees due to LGL in 2024 was R7 million (2023: R7 million).	Exposure to contingent credit risk of the underlying assets held in Passives Funding (RF).
		1 411	1 389	Preference share investment	Preference share investment		
		(110)	339	Collateral deposits and interest rate derivatives	Collateral deposits and interest rate derivatives		
LibFin Note Issuer 1 (RF) Proprietary Limited	Acquire or invest in credit assets, derivative instruments, preference share instruments, participatory interests in collective investment schemes and listed equity instruments and the related security with regard to such credit assets, derivative instruments, preference share instruments and listed equity instruments with funds raised directly or indirectly through the issue of notes.	1 601	1 341	Preference share investment	Preference share investment	As at 31 December 2024, LGL owns R1.60 billion (2023: R1.34 billion) preference shares in LibFin Note Issuer 1. LGL has provided a R1.5 billion liquidity facility to LibFin Note Issuer 1. LibFin Note Issuer 1 will pay interest to LGL on drawn down amounts calculated at the SAFEX overnight deposit rate +1.65%. A commitment fee is calculated at 0.4% per annum of the amount of the available facility. The commitment fee due to LGL in 2024 was R6.9 million (2023: R6.9 million).	Exposure to contingent credit risk of the underlying assets held in LibFin Issuer 1 (RF).
			1		Collateral deposit and interest rate derivatives		
Vineyard Road Investments (RF) Limited ⁷	Vineyard Road Investments (RF) Ltd was incorporated in South Africa and the principal activity of the company is to issue notes and other debt instruments to acquire the rights, title and interests in any assets. The company may enter into guarantees in relation to the obligations of the borrowers and or issuers. The company may directly or indirectly grant security for its obligations to investors in respect of the notes and or debt instruments issued by it and enter into derivative contracts to manage risks and hedge exposures.	110	105	Preference share investment	Preference share investment	LGL owns R110 million (2023: R105 million) in preference shares in Vineyard Road as well as ELNs of R10 million for 2023. LGL has provided a liquidity facility to which the total amount of the facility is the nominal value of the notes issued by Vineyard Road and is governed by internal credit risk limits. As 31 December 2024, this amount was R2.5 billion (2023: R2.9 billion). Vineyard Road will pay interest to LGL on drawn down amounts calculated at the SAFEX overnight deposit rate +1.60%. A commitment fee is calculated at 0.4% per annum of the amount of the available facility. The commitment fee due to LGL in 2024 was R11.66 million (2023: R13.31 million).	Exposure to contingent credit risk of the underlying assets held in Vineyard Road.
			10		ELN		
Blue Diamond Investments No.3 (RF) Limited (BD3)	The company is engaged in and mandated to issue debt instruments to investors. The credit-linked notes is a replicating portfolio comprising of a Standard Bank bond and a credit default swap on Transnet.	178	174	Credit-linked notes	Credit-linked notes	The group holds the notes issued by BD3. The group settles BD3’s operating expenses as and when necessary, typically in the event that BD3 has liquidity constraints. Any payment for such amounts is to be refunded by BD3 to the group.	In the event of a credit event, the group will suffer a loss.

¹ The amount of support provided includes loans and advances and drawn down credit facilities provided to SEs by the group.
² During the reporting period, the group did not provide any financial or other support to any subsidiary without having a contractual obligation to do so.
³ This is the amount as reported on the balance sheet as at 31 December 2024 and 2023, respectively.
⁴ In addition to the financial support provided to the SEs, the group enters into other transactions with SEs in the ordinary course of business. These transactions include loans and advances, deposits and current accounts and derivatives.
⁵ During 2024 the subordination loan provided by the group to BG3 has been settled, as BG3 is in the process of liquidation.
⁶ During the reporting period, the note held in the Energy Fund Silo (RF) matured. Due to the maturity, the group no longer demonstrates control over the Energy Fund Silo (RF).
⁷ The Vineyard Road Investments RF Limited has been disaggregated between preference share investment and ELN to provide a more appropriate analysis of the investment in the structured entity considering the nature and characteristics thereof.

The following represents Insurance & Asset Management’s interest in consolidated structured entities, classified into products.

	2024 Rm	2023 Rm
Unlisted preference shares	3 121	2 835
Listed term deposits	200	207
Unlisted term deposits	13	62
Interest rate derivative liability	(65)	(382)
Collateral deposits receivable	122	379
Total	3 391	3 101

Unconsolidated structured entities

The group has an interest in the following unconsolidated structured entities:

Banking

Name of the entity	Nature and purpose of entity	Principal nature of funding	Principal nature of assets	Terms of contractual arrangements		Events/circumstances that could expose the group to a loss	Types of income received by the group
Blue Diamond Investments No.1 (RF) Ltd (BD1)	This structure has been designed to provide third-party investors indirect exposure to corporate names. The group obtains credit protection from BD1 in the form of issuing credit-linked notes on single or multiple corporate names. BD1 then obtains credit protection from third-party investors by issuing notes to third-party investors on single or multiple corporate names.	Credit-linked notes issued to third-party investors.	Credit-linked notes issued by the group	Five years	The group settles BD1’s operating expenses as and when necessary, typically in the event that BD1 has liquidity constraints. Any payment for such amounts is to be refunded by BD1 to the group.	In the event of a credit event, the third-party investors will suffer a loss. The group is only exposed to the risk of loss should it be unable to recover any unexpected operating expenses from BD1.	Once-off fee and commission income earned for structuring the SE.
Blue Diamond X Investments (RF) Limited	Loans purchased from SBSA and the issuance of notes to third-party investors.	Commercial paper issued to third-party investors.	Loans and advances to various counterparties	Sixteen years	SBSA acts as the administrator and identifies and invests in suitable financial assets and facilitates the execution and settlement of trades.	None	Administration fee and upfront fees for originating the assets.
Invest ETF Issuer (RF) Limited offering the following: <ul style="list-style-type: none">InvestPalladium ETF (JSE code: ETFPLD)InvestPlatinum ETF (JSE code: ETFPLT)InvestGold ETF (JSE code: ETFGLD)InvestRhodium ETF (JSE code: ETFRHO)	The palladium, platinum, gold and rhodium exchange traded funds (ETFs) have been established for investors to participate in changes in the spot price of underlying commodities. The ETFs issue debentures to investors with each debenture backed by the respective physical commodity. On issuance each debenture is based on 1/100th of a troy ounce of the respective commodity. The physical commodities are stored at recognised custodian storage vaults in London. The ETFs are denominated in rands and are classified as domestic assets. The ETFs are regulated by the Financial Markets Act (2012) and the JSE Listings Requirements.	The unconsolidated structured entity is funded by the issue of non-interest bearing debentures that are 100% backed by the underlying physical commodity.	Physical commodities (palladium, platinum, gold and rhodium)	Undated	The group established these structured entities to accommodate client requirements to hold investments in specific commodity assets. The group manages the ETFs and also provides liquidity to the ETFs by acting as a committed market maker.	The maximum exposure to loss is limited to the on-balance sheet position held by the group through acting as a committed market maker for the ETFs. This exposes the group to the commodity price risk associated with the underlying commodity and is managed in accordance with the group’s market risk management policy.	The group earns fees net of related expenses for managing the ETFs. These fees are recognised within non-interest revenue. Interest income is recognised on any funding provided to the SEs. Any trading revenue, as a result of transactions with the SEs is recognised in trading revenue.

The following represents the group’s interests in unconsolidated structured entities

	2024 Rm	2023 Rm
Statement of financial position		
Unconsolidated structured entities		
Trading assets	87	54
Financial investments	303	751
Deposits and debt funding accounts from customers	(3 215)	(5 883)
Total	(2 825)	(5 078)

Unconsolidated structured entities continued
Insurance & Asset Management

Name of the entity	Nature and purpose of entity	Principal nature of assets	Principal activity of entity	Principal nature of funding
Calibre Mortgage Fund Proprietary Limited*	Special purpose vehicle (SPV) set up by SAHL into which it originates home loans. The SPV is funded by debt provided by Liberty and equity provided by SAHL.	Senior, secured loan	SPV set up by SAHL as a funding vehicle into which Liberty can lend on a secured basis, with the equity provided by SAHL.	LGL as debt provider
Merchant West Asset Rentals	Merchant West provides asset – based financing to corporates and individuals. Equipment based securitisation vehicle.	Listed, rated, asset-backed note	Raising funding in the securitisation market to fund vehicles.	Debt funders in the securitisation market
SA Securitisation Programme (RF) Limited	SASP provides asset - based financing to corporates and individuals. Equipment based securitisation vehicle.	Listed, rated, asset-backed note	Raising funding in the securitisation market.	Debt funders in the securitisation market
SA Taxi Finance Solutions Proprietary Limited	SPV set up by SA Taxi to raise debt funding which it in turn uses to originate taxi loans.	Senior, unrated debentures secured by underlying assets	SPV set up by SA Taxi to raise funding in the securitisation market which in turn uses the funding to originate taxi loans.	Debt funders in the securitisation market
Superdrive Investments (RF) Limited	SPV set up by BMW Financial Services South Africa (Pty) Ltd, the main purpose of which is to acquire the rights, title and interest in vehicle instalment sale agreements, pursuant to a securitisation scheme.	Vehicle loan backed assets	Funds of the securitisation scheme are raised directly or indirectly by the issue of debt instruments in order to manage the assets so acquired.	Debt funders in the securitisation market
Bayport Securitisation	Bayport securitisation vehicle.	Private placement, secured loan	Bayport securitisation vehicle that focuses its unsecured personal loan products at the low- to middle-income segments.	LGL as debt provider
Capital Harvest (RF) Proprietary Limited	The issuer, Capital Harvest Finance (RF) Pty Ltd has been established as an SPV issuing term notes to investors ranging between three and five years in the agricultural sector.	Listed, rated, asset-backed note	The SPV raises funding in the securitisation market which in turn uses the funding to originate new loans. The proceeds from these notes will be used to purchase eligible assets from a short-term warehouse facility that was established by Capital Harvest in April 2021 and from the Originator, Capital Harvest (Pty) Ltd.	Debt funders in the securitisation market
NBC Finance (RF) Proprietary Limited	NBC Pension Backed Lending Pty Ltd (NBC) provides home loans to members of registered retirement funds for their primary housing requirements including purchase, extension and alteration. The members' retirement fund savings are used as the security for the loan with the retirement fund providing a guarantee.	Pension backed lending	SPV set up by NBC as a funding vehicle into which Liberty can lend on a secured basis.	LGL as debt provider
Transflow RF Proprietary Limited	Transaction Capital Ltd securitisation vehicle.	Asset-backed lending	The senior facility agreement is guaranteed by the security SPV where the company issues an indemnity in favour of the security SPV indemnifying it against all claims arising pursuant to the guarantee.	Debt funders in the securitisation market

Name of the entity	Nature and purpose of entity	Principal nature of assets	Principal activity of entity	Principal nature of funding
The Thekwini Fund series*	SAHL securitisation vehicles	Residential mortgage backed securitisations	SPV is set up by SAHL to raise funding in the securitisation market which it in turn uses to originate home loans.	Debt funders in the securitisation market
The Thekwini Fund 16 (RF) Limited The Thekwini Fund 17 (RF) Limited				
Transsec 3 (RF) Limited	SA Taxi securitisation vehicles (taxi loans).	Listed, rated, asset-backed note	Raising funding in the securitisation market to fund taxi loans.	Debt funders in the securitisation market
Richefond Circle (RF) Limited	Commercial mortgage-backed securitisation issued off Investec's commercial property portfolio.	Notes secured by commercial mortgage-backed assets	SPV set up by Investec as a funding vehicle into which investors can lend on a secured basis, with the equity provided by Investec. Different classes of notes issued to facilitate different risk appetites while allowing Investec to free up credit lines and continue supporting their clients.	Debt funders in the securitisation market
Exeo Finance (RF) Limited	Exeo Finance (RF) Ltd is an Issuer SPV established in 2023 for the purpose of issuing Notes to investors where the proceeds of the Notes are used to acquire instalment sale and operating rental agreements from the originator and servicer, Centrafin Proprietary Limited.	Instalment sale and operating rental agreement backed note	The SPV raises funding to acquire instalment sale and operating rental agreements from the Originator under a master sale agreement and/or to settle existing lenders in the securitisation.	Debt funders in the securitisation market
BNP Paribas Issuance B.V. ³	The SPV issues secured or unsecured certificates, notes or warrants. The issued securities can be listed on regulated or unregulated markets.	Credit linked notes	It is a wholly-owned subsidiary of BNP Paribas S.A. (the Parent) and is fully guaranteed in respect of all its obligations by BNP Paribas S.A. The Company issues secured or unsecured certificates, notes or warrants.	Liberty as investor in credit linked notes
Inguza Investments (RF) Limited ³	Notes / Green Bonds	Inguza is a pass-through vehicle that allows for the efficient transfer of South African corporate credit exposure to capital market investors.	Acquire loans from FirstRand and issue commercial paper and other debt instruments to investors.	Liberty as debt provider
GFB 2015 (RF) Proprietary Limited ³	Exim Guaranteed facility	Houses the Transnet Bonds	Exim guaranteed	Liberty as debt provider
Nimble Credit Facility 2 Proprietary Limited ³	Senior loans	Nimble is a bankruptcy remote vehicle	Nimble is a ring-fenced fund that invests in distressed corporate and consumer portfolios	Debt funder in a bankruptcy remote vehicle
DMC Evolution Proprietary Limited ³	Senior secured notes	DMC is a bankruptcy remote vehicle	DMC Evolution (RF) (Pty) Ltd, ('DMC' or 'The Borrower'), is a bankruptcy remote special purpose entity, which was established for the purpose of loan receivables securitisation transactions.	Debt funder in a bankruptcy remote vehicle

Name of the entity	Nature and purpose of entity	Principal nature of assets	Principal activity of entity	Principal nature of funding
Overberg SPV (RF) Proprietary Limited ³	Senior and Mezz asset backed facility	The Issuer has been established by Overberg Agri as a special purpose funding SPV issuing term notes to investors in the agricultural sector.	The SPV raises 1 year funding in the market which in turn uses the funding to originate new loans in the Agri sector - principally in Western Cape Region	Liberty as debt provider
Capital Harvest Warehouse (RF) Proprietary Limited	Listed, rated, asset-backed note.	The Issuer, Capital Harvest Warehouse (RF), has been established as a special purpose funding SPV issuing term notes to investors ranging between 3 years and 5 years in the agricultural sector.	The SPV raises funding in the securitisation market which in turn uses the funding to originate new loans. The proceeds from these notes will be used to purchase eligible assets from a short-term warehouse facility that was established by Capital Harvest in April 2021 and from the Originator, Capital Harvest (Pty) Ltd.	Debt funders in the securitisation market.
Corsair Finance Jersey Limited ³	Multi-issuance, multi-jurisdictional repackaging platform	Credit linked notes	An SPV set up by JP Morgan, formed for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness and for acquisition purposes.	Liberty as investor in Credit Linked Notes
Exeo Finance 02 (RF) Limited	Exeo Finance 02 (RF) Ltd is an Issuer SPV for VS Agri Pty Ltd. To note that each debtor is insured by Coface insurance.	Senior asset backed facility	The SPV raises funding in the market which in turn uses the funding to originate new loans in the Agri sector - principally in the KZN/Free State region	Liberty as debt provider
Obaro Agrifin SPV (RF) Proprietary Limited	Agri securitisation vehicle for Obaro. To note that each debtor is insured by CGIC insurance.	Asset-backed note	The SPV raises funding in the market and in turn uses the funding to originate shorter term production loans (c.12months) in the Agri sector — principally in Mpumalanga/North West regions	Debt funders in the securitisation market
Obaro SPV (RF) Proprietary Limited ³	The Issuer has been established as a special purpose funding SPV issuing term notes to investors in the agricultural sector.	Senior asset backed facility	The SPV raises longer term funding in the market which in turn uses the funding to originate new loans in the Agri sector — principally in Mpumalanga/North West regions	Liberty as debt provider
Agri Harvest Investments (RF) Limited	Agri Harvest securitisation vehicle.	Private Placement, secured loan	The SPV raises funding in the securitisation market which in turn uses the funding to originate new loans in the Agri sector – principally in the Northern Cape region.	LGL as debt provider

The following represents the group’s interests in unconsolidated structured entities

	2024 Rm	2023 Rm
Unconsolidated structured entities		
Statement of financial position		
Carrying value ^{1,3}	11 593	10 736
Income statement		
Income received ²	1 015	972

1 The carrying value disclosed represents the maximum loss the group would be exposed to, and there are no ongoing capital commitments for any of the above entities at the end of the reporting period.
2 Income received comprises interest income and investment gains/(losses)
3 These unconsolidated structured entities were inadvertently omitted from the above disclosure in the prior year, this resulted in the carrying value and income received being understated by R4 151 million and R444 million respectively. The restatement has no impact on the statement of financial position and the income statement.
* Refer to page 184-185 for details on material non-controlling interests' percentage holding.

Details of group companies with material non-controlling interests

Africa Regions ¹	2024 Rm	2023 Rm
Non-controlling interests (%)	*	*
Summarised financial information on an IFRS basis before intercompany eliminations		
Total assets	381 142	404 086
Total liabilities	332 684	345 971
Total income	38 357	38 793
Profit/(loss) for the year	15 986	16 320
Change in cash balances	(8 231)	13 320
Profit/(loss) attributable to non-controlling interests after intercompany eliminations	(3 953)	3 903
Non-controlling interest within the statement of financial position	13 941	12 599
Dividends paid to non-controlling interests	1 514	2 294

¹ All balances, except total assets and total liabilities (translated using the closing exchange rate), have been translated using cumulative exchange rates.
* Refer to page 184-185 for details on material non-controlling interests' percentage holding.

ANNEXURE B – ASSOCIATES AND JOINT VENTURES

	South African Home Loans Investment Holdings Proprietary Limited		ICBC Standard Bank Plc		Other equity accounted Joint ventures and associates	Total equity accounted associates and joint ventures		
Ownership structure	Associate		Associate		Associates and joint ventures	Associates and joint ventures		
Nature of business	Finance		Banking		Various	Various		
Principal place of business and country of incorporation	South Africa		London, UK		Various	Various		
Year end	February		December		Various	Various		
Accounting treatment	Equity accounted		Equity accounted		Equity accounted	Equity accounted		
Date to which equity accounted	31 December 2024		31 December 2024		31 December 2024	31 December 2024		
	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Effective holding (%)	50	50	40	40	Various	Various	Various	Various
Income statement								
Total profit	700	692	2 635	3 197				
Total profit attributed to equity holders of the investment ¹	350	346	1 054	1 286	80	16	1 484	1 648
Distributions received	(325)	(325)	(365)		(41)	(76)	(731)	(401)
Statement of financial position ²								
Non-current assets	35 214	35 248	230 471	177 148				
Current assets	5 107	5 141	268 231	252 258				
Non-current liabilities	(25 394)	(36 811)	(107 131)	(98 459)				
Current liabilities	(11 844)	(464)	(355 168)	(296 328)				
Net asset value attributed to equity holders of the investment	3 083	3 114	36 403	34 619				
Proportion of net asset value based on effective holding	1 542	1 557	14 561	13 848				
Accumulated Impairment			(2 418)	(2 418)				
Other	142	142	(2 843)	(2 778)				
Carrying value ³ (note 10)	1 684	1 699	9 300	8 652	1 748	1 822	12 732	12 173
Share of profits	350	346	1 054	1 286	80	16	1 484	1 648

¹ Includes FCTR as reported by the associate or joint venture. Excludes FCTR that originates at a group level as a result of inclusions of the associates and joint ventures in the group's results.

² Summarised financial information is provided based on the latest available management accounts received.

³ Includes FCTR that originates at a group level as a result of accounting for foreign-denominated associates in group's results.

	STANLIB Income Fund	STANLIB Balanced Cautious Fund	STANLIB Money Market Fund	STANLIB Corporate Money Market Fund	STANLIB Bond Fund	Agri-Vie Fund II (Pty) Ltd	STANLIB ALSI 40 Fund	Phembani ²	Other fair value accounted associates	Total fair value accounted associates
Ownership structure	Associate	Associate	Associate	Associate	Associate	Associate	Associate	Associate	Associate	Associates
Nature of business	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Financial Company	Various	Various
Principal place of business	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	Various	Various
Year end	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024	Various	Various
Accounting treatment	Fair value accounted	Fair value accounted	Fair value accounted	Fair value accounted	Fair value accounted	Fair value accounted	Fair value accounted	Fair value accounted	Fair value accounted	Fair value accounted

	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Effective holding (%)	19	18	29	28	7	7	2	3	19	20	36	36	22	25		35	Various	Various	Various	Various
Fair value	11 208	9 546	2 744	2 612	1 732	1 711	1 903	2 196	1 259	1 194	849	776	700	613		665	1 863	2 128	22 258	21 441
Income statement																				
Revenue	5 669	5 067	526	482	2 138	1 966	6 674	6 486	673	574	31	13	105							
Total profit for the year	5 258	4 606	433	374	2 010	1 841	6 532	6 348	653	550	217	191	97	81						
Total comprehensive income	5 258	4 606	433	374	2 010	1 841	6 532	6 348	653	550	217	191	97	75						
Dividend received from associates	843	683	59	43	12	3	143	11	118	53	6	1	23							
Statement of financial position ¹																				
Non-current assets	59 302	53 042	9 396	8 981	22 877	23 143	58 458	55 321	6 533	5 913	2 193	2 053	3 100	2 421		5 748				
Current assets	787	1 433	248	158	299	248	10 192	9 558	4	19	63	39	34	29		88				
Non-current liabilities																(2 756)				
Current liabilities	(37)	(31)	(8)	(7)	(11)	(37)	(12)	(11)	(2)	(2)	(29)	(2)	(3)	(1)						
Net asset value	60 052	54 444	9 636	9 132	23 165	23 354	68 638	64 868	6 535	5 930	2 227	2 090	3 131	2 449		3 080				
Total carrying value including loans measured at fair value (note 6)	11 208	9 546	2 744	2 612	1 732	1 711	1 903	2 196	1 259	1 194	849	776	700	613		665	1 863	2 128	22 258	21 441

¹ Summarised financial information of the associates is provided based on the latest available management accounts received.
² The Phembani investment was part of the group's venture capital business and thus classified and measured at fair value, and was not headline earnings adjustable, in terms of the circular titled Headline Earnings issued by SAICA. The 2023 fair value could not be directly calculated as a function of the percentage holding as at 31 December 2023 and the net asset value as reflected is an exit price at the measurement date. During 2024, the group lost significant influence in Phembani. From this date, fair value movements are included in other gains and losses on financial instruments in the income statement.

Equity accounted private equity/venture capital associates¹

	2024 Rm	2023 Rm
Cost	145	148
Carrying value	691	627
Statement of financial position ²		
Non-current assets	2 635	2 469
Current assets	108	
Current liabilities		
Income statement		
Attributable income before impairment	79	57
Fair value		
Equity accounted interest in associates	691	627
Fair value	691	627

¹ Included in note 10 associates and joint ventures.
² Summarised financial information of the associates is provided based on the latest available management accounts received.

ANNEXURE C – IFRS RISK AND CAPITAL MANAGEMENT DISCLOSURES

Overview

Capital management

The group's capital management function is designed to ensure that regulatory requirements are met at all times and that the group and its principal subsidiaries are capitalised in line with the group's risk appetite and target ranges, both of which are approved by the board.

It further aims to facilitate the allocation and use of capital, such that it generates a return that appropriately compensates shareholders for the risks incurred. Capital adequacy is actively managed and forms a key component of the group's forecasting process. The capital plan is tested under a range of stress scenarios as part of the group's annual Internal Capital Adequacy and Assessment Process (ICAAP) and recovery plan.

The capital management function is governed primarily by management-level subcommittees that oversee the risks associated with capital management, namely the group asset and liability committee (ALCO) and one of its subcommittees, the group capital management committee. The principal governance documents are the capital management governance framework and the model risk governance framework.

Risk management

The group's activities give rise to various financial as well as insurance risks. Financial risks are categorised into credit, funding and liquidity and market risk.

The group's approach to managing risk and capital is set out in the group's risk, compliance and capital management (RCCM) governance framework approved by the group risk and capital management committee (GRCCM).

The risk management disclosure that follows, separately discloses the group's banking operations and investment management and life insurance activities as the group's investment management and life insurance risk is primarily managed within the Liberty group of companies which houses the group's material long-term insurance operations.

Climate-related financial risks

The group recognises that climate-related risks arise both in respect of its own activities and operations, but more materially through the transmission of climate risk drivers into credit, market, liquidity and other financial risk exposures from lending to, investing in and otherwise transacting with clients.

Climate-related financial risk originates in all presence countries and operations, with varying levels of materiality and intensity. Physical climate risk includes the risk of financial loss arising through increasing severity and frequency of weather events such as storms, floods, fires, and other physical hazards, all of which are evident in the group's countries of operation. Physical climate risk also includes chronic longer-term changes in climate, such as changing precipitation patterns, rising sea levels and average temperature rises.

Transition risk includes the risk of financial loss arising through changes associated with microeconomic (individual and corporate level) and macroeconomic (economy and country level) adjustments made in transitioning to a lower carbon emissions economy and business operating model. Such drivers include changes in policies, legislation, and regulations to reduce emissions and support decarbonisation, changes due to technology improvements that support the transition to a lower carbon economy, changes in market demand for products and services that support or delay the transition, and reputational risks associated with changing customer preferences. The current and future expected costs, including for possible stranded assets that do not deliver an economic return because of changes associated with a transition to a lower carbon economy, are higher for clients of the group that operate in sectors that are more vulnerable to these transition risk drivers.

Governance

The group Climate Policy guides both the management of exposures to businesses in sectors that are vulnerable to climate-related risks and the direction of finance towards qualifying transactions that seek to address Africa's energy poverty, achieve fair employment opportunities, and support the just transition to net zero. The board and its committees are responsible for overseeing both the implementation of the group's climate policy and supporting sector-specific strategies for driving sustainable and transition finance, and the management of climate-related financial risks associated with the group's lending and investing activities. Specifically, the board and its supporting committees are responsible for:

- Overseeing implementation of the climate policy including monitoring of progress made to meet targets and commitments and ensuring alignment between group strategy and climate commitments.
- Reviewing outputs of internal scenario analysis and regulatory climate risk stress tests, as well as other related risk matters.
- Assessing executive performance in relation to climate policy commitments and targets.

The group risk oversight committee (GROC), chaired by the group chief risk & corporate affairs officer, oversees financial and non-financial-related risks, including climate-related risks.

GROC is responsible for overseeing the embedment of climate-related risk-identification, classification, analysis, monitoring and reporting in the enterprise-wide risk management system.

The group portfolio risk management committee (GPRMC) assesses the composition of the group's portfolio including for lending to sectors more vulnerable to climate-related risks, the implications thereon of climate change-stressed scenarios and sets concentration limits or thresholds of portfolios and risk appetite indicator guidelines for the group. The refinement of quantified limits and thresholds for exposures to climate-related risks is ongoing across impacted portfolios.

Strategy

The group supports a just energy transition that prioritises environmental sustainability in a manner that creates work opportunities and social inclusion, addresses Africa's energy poverty and acknowledges Africa's limited contribution to global emissions. As part of the efforts to achieve this transition, the group has committed to reducing its financed emissions while responsibly managing its exposure to fossil fuels, specifically where there is a national level energy transition roadmap that supports cleaner fuels.

The group has adopted a phased approach to setting sector-specific strategies and targets to reduce exposure to climate-related risks and maximise opportunities. Strategic interventions include the mobilisation of sustainable finance, the introduction of new products and services to support climate risk mitigation and adaptation, the exercise of exclusions and restrictions on lending and investing in specific high-emissions sectors, and the setting of targets to decrease exposure to financed emissions over the short, medium, and long term.

Risk management

Climate-related financial risks are identified through transaction, client and portfolio-level screening of the lending and investing portfolios for climate risk drivers. These drivers include location-specific potential vulnerabilities to chronic and acute physical risks such as floods, droughts, wildfires and other hazards. This screening is supplemented with internal sector-specific expert knowledge on the inherent risks in impacted sectors, including for example in high Greenhouse Gas (GHG) emissions sectors that are exposed to material levels of transition risk. A portfolio level heatmap approach that rates sectors for their vulnerability to climate-related risks is also used to generate a qualitative assessment of the relative differences between sectors and their sensitivities to climate risk. The group's capacity to enhance this risk identification process with an assessment of potential future transition pathways for sector decarbonisation and using more forward-looking scenario analysis and stress testing, has improved over the year.

The integration of climate-related risk measurement and management into existing credit risk systems, models and frameworks has been enhanced with the onboarding of climate risk analytics technology across the group. This technology is supporting the measurement of both location-specific physical risk impacts associated with credit exposures to, for example, properties and infrastructure that is exposed to weather-related conditions and events that may be exacerbated over time by climate change. The technology also supports the modelling of GHG emissions associated with credit exposures where such data is not available from clients. This emissions data is a driver for a transition risk score and together with the physical risk impact score, the ability to translate this to climate-adjusted credit measures including probabilities of default and loss given default, has been enhanced. These baseline measures for current vulnerability to climate-related credit risk can be stressed under different future climate scenarios, both for regulatory purposes as well as for internal capital adequacy and risk assessment objectives.

The group's climate risk data programme supports the enhancement of the modelling framework for estimating credit and other financial risks. The programme is focused on sourcing a range of data, including but not limited to, sourcing direct GHG emissions from clients and external vendors, location data on clients' operations and assets, and emissions factors associated with the operating activities of the group's clients that are needed for financed emissions measurement.

Metrics

The group measures and reports aggregate exposures to sectors that are materially exposed to climate risk. These metrics are an aggregate of all loans and advances extended to entities that operate in the identified impacted sectors, except where a loan or facility is clearly used to finance an activity outside that to which the entity's sector code relates, such as funding for independent renewable power generation by a mine. The total fossil fuels exposure is not moderated for and does not consider the extent to which firms in this sector may be transitioning their business models towards more low-carbon energy sources or taking action to decarbonise energy production. This type of detail forms part of scenario analysis work where risk estimates between counterparties in the same sector but with differing transition pathways are differentiated. The exposure measures are not weighted by the differences in risk measures associated with the different types of finance extended to the group's counterparties and the different risk profiles of the activities which they fund. Lending to support emerging renewables technology has a different risk profile to lending for more mature non-renewables facilities. As the data and modelling capabilities of the group improve, these metrics will evolve to be framed in more climate-related terms, including for example credit concentrations to sectors and locations rated as elevated for physical and transition risks. This will inform the group's setting of a climate risk appetite that is aligned to strategic imperatives and reflects forward-looking scenario-driven estimates of climate-related risk.

Credit risk

Banking

Approach to managing and measuring credit risk

The group's credit risk is a function of its business model and arises from corporate, business and retail loans and advances, underwriting and guarantee commitments, as well as from the counterparty credit risk (CCR) arising from derivative and securities financing contracts entered into with our customers and trading counterparties. To the extent that equity risk is held on the banking book, it is managed according to the same general principles and governance standards as would otherwise apply to credit risk, except in so far as approval authority rests with the group equity risk committee (ERC).

Credit risk is managed through:

- maintaining a culture of responsible lending and a robust risk policy and control framework.
- identifying, assessing and measuring credit risk across the group, from an individual facility level through to an aggregate portfolio level.
- defining, implementing and continually re-evaluating risk appetite under actual and stressed conditions.
- monitoring the group's credit risk exposure relative to approved limits.
- ensuring that there is expert scrutiny and approval of credit risk and its mitigation independently of the business functions.

A group's guideline for credit limits and concentration is embedded within the group's enterprise-wide risk management process. Within the group's overall risk appetite disciplines, the credit metrics and concentrations framework includes key credit ratios and counterparty, sector and country concentration guidelines. These in turn are cascaded to client segment and legal entity level where they are monitored against approved appetite thresholds.

The group distinguishes between through-the-cycle PDs measures and point-in-time PDs, and utilises both measures in decision-making. To determine point-in-time PDs for IFRS 9 measurement, through-the-cycle PDs are used as a starting point and adjusted to determine appropriate point-in-time PDs. PDs are used to assign credit ratings to counterparties which in turn are used in pricing decisions regulatory capital calculations, and expected loss and impairments measurements.

A credit portfolio limit framework has been defined to monitor and control the credit risk profile within our approved risk appetite. All primary lending credit limits are set and exposures measured on the basis of risk weighting in order to best estimate exposure at default (EAD).

Pre-settlement CCR inherent in trading book exposures is measured on a potential future exposure (PFE) basis, modelled at a defined level of confidence using approved methodologies and models, and controlled within explicit approved limits for the counterparties concerned.

Credit risk mitigation

Wherever warranted, the group seeks to mitigate credit risk, including for CCR, to any counterparty, transaction, sector, or geographic region, so as to achieve the optimal balance between risk, cost, capital utilisation and reward. Risk mitigation may include the use of collateral, the imposition of financial or behavioural covenants, the acceptance of guarantees from parents or third parties, the recognition of parental support where that is legally enforceable, and the distribution of risk.

Collateral, parental guarantees, credit derivatives and on- and off-balance sheet netting are widely used to mitigate credit risk. Credit risk management policies and procedures ensure that risk mitigation techniques are acceptable, used consistently, valued appropriately and regularly, and meet the risk requirements of operational management for legal, practical and timely enforcement. Detailed processes and procedures are in place to guide each type of mitigation used.

In the case of collateral where the group has an unassailable legal title, the group's policy requires collateral to meet certain criteria for recognition in LGD modelling, including but not limited to:

- being readily marketable and liquid.
- being legally perfected and enforceable.
- having a low valuation volatility.
- being readily realisable at minimum expense.
- having no material correlation to the obligor credit quality.
- having an active secondary market for resale.

The main types of collateral obtained for the group's banking book exposures include:

- mortgage bonds over residential, commercial and industrial properties.
- cession of book debts.
- pledge and cession of financial assets.
- bonds over plant and equipment.
- the underlying movable assets financed under leases and instalment sales.

Reverse repurchase agreements and commodity leases to customers are collateralised by the underlying assets.

Guarantees and related legal contracts are often required, particularly in support of credit extension to groups of companies and weaker obligors. Guarantors include banks, parent companies, shareholders and associated obligors. Creditworthiness is established for the guarantor as is set for other obligor credit approvals.

For trading and derivative transactions where collateral support is considered necessary, the group typically uses recognised and enforceable ISDA agreements, with a credit support annexure.

Netting agreements, such as collateral under the credit support annexure of an ISDA agreement, are obtained only where the group firstly have a legally enforceable right to offset credit risk by way of such an agreement, and secondly where we have the intention of utilising such agreement to settle on a net basis.

ECL is provided even if the exposure is fully covered by collateral.

There have not been any changes to the group's collateral policies in the current reporting period.

Other credit protection terms may be stipulated, such as limitations on the amount of unsecured credit exposure acceptable, collateralisation if the mark-to-market credit exposure exceeds acceptable limits, and termination of the contract if certain credit events occur, for example, downgrade of the counterparty's public credit rating.

Wrong-way risk arises in transactions where the likelihood of default (as measured by the PD) by a counterparty and the size of credit exposure (as measured by EAD) to that counterparty tend to increase at the same time. This risk is managed both at an individual counterparty level and at an aggregate portfolio level by limiting exposure to such transactions, taking adverse correlation into account in the measurement and mitigation of credit exposure and increasing oversight and approval levels. We have no appetite for wrong-way risk arising where the correlation between EAD and PD is due to a legal, economic, strategic or similar relationship (specific wrong-way risk). General wrong-way risk, which arises when the EAD and PD for the counterparty is

correlated due to macro factors, is closely managed within existing risk frameworks.

To manage actual or potential portfolio risk concentrations in areas of higher credit risk and credit portfolio growth, we implement hedging and other strategies from time to time. This is done at individual counterparty, sub-portfolio and portfolio levels through the use of syndication, distribution and sale of assets, asset and portfolio limit management, credit derivatives and credit protection.

Use of internal estimates

Our credit risk rating systems and processes differentiate and quantify credit risk across counterparties and asset classes. Internal risk parameters are used extensively in risk management and business processes, including:

- setting risk appetite.
- setting concentration and counterparty limits.
- credit approval and monitoring.

Corporate, sovereign and banking portfolios

Corporate entities include large companies, as well as SMEs that are managed on a relationship basis or have a combined exposure to the group of more than R12.5 million. Corporate exposures also include specialised lending (project, object and commodity finance, as well as income-producing real estate (IPRE)) and public sector entities.

Sovereign and bank borrowers include sovereign government entities, central banks, local and provincial government entities, bank and non-bank financial institutions.

The creditworthiness of corporate (excluding specialised lending), sovereign and bank exposures is assessed based on a detailed individual assessment of the financial strength of the borrower. This quantitative analysis, together with expert judgement and external rating agency ratings, leads to an assignment of an internal rating to the entity.

Specialised lending's creditworthiness is assessed at a transactional level, rather than on the financial strength of the borrower, in so far as the group relies only on repayment from the cash flows generated by the underlying assets financed.

Concentration risk management is performed to ensure that credit exposure concentrations in respect of obligors, countries, sectors and other risk areas are effectively managed. This includes concentrations arising from credit exposure to different entities within an obligor economic group, such as exposure to public sector and other government entities that are related to the same sovereign.

The elevated levels of public debt and persistent fiscal deficits across a number of sub-Saharan Africa countries continues to be a source of close scrutiny and ongoing portfolio alignment, given the group's significant sovereign exposures. High borrowing rates and limited access to international markets, lower tax revenues and local currency weaknesses have all contributed to the crisis. Although the group's exposure to this sector remains material, much of this is non-discretionary in nature, being for regulatory and liquidity management purposes, the risk of further sovereign credit ratings downgrades and migrations is a key indicator and it continues to be closely monitored.

Credit portfolio characteristics and metrics

Maximum exposure to credit risk

Financial assets at amortised cost and FVOCI as well as off-balance sheet exposure subject to ECL are analysed and categorised based on credit quality using the group's master rating scale. Exposures within stage 1 and 2 are rated between 1 to 25 in terms of the group's master rating scale. The group uses a 25-point master rating scale to quantify the credit risk for each borrower (corporate asset classes) or facility (specialised lending and retail asset classes), as illustrated in the table below. These ratings are mapped to PDs by means of calibration formulae that use historical default rates and other data from the applicable home services, vehicle and asset finance, card, personal, business lending and other product portfolios. Exposures which are in default are not considered in the 1 to 25-point master rating scale.

The table includes securities held as collateral for exposures in default.

Default

The internal credit risk management definitions and approaches are aligned to the group's definition of default. While the specific determination of default may vary according to the nature of the product, it is generally determined (aligned to the Basel definition) as occurring at the earlier of:

- where, in the group's view and based on objective evidence, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security; or
- when the counterparty is past due (or in the case of overdraft facilities, is in excess of the current limit) for more than 90 days on any material credit obligation to the group.

The group has not rebutted IFRS 9's 90 days past due rebuttable presumption. Exposures which are overdue for more than 90 days are also considered to be in default.

A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:

- significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower).
- a breach of contract, such as default or delinquency in interest and/or principal payments.
- disappearance of active market due to financial difficulties.
- it becomes probable that the borrower will enter bankruptcy or any other financial reorganisation or insolvency process.
- where the group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the group would not otherwise consider and where this is likely to result in a diminished financial obligation to the group.
- where the group stops accruing income in respect of the counterparty or raises a specific impairment in respect of any exposure to the counterparty.
- where the group sells any exposure to a counterparty at a material credit-related economic loss.

The information disclosed in the tables that follow, in respect of the credit quality of exposures was derived from the credit risk and capital systems of the group. The classification of the loans and advances exposures into asset classes was determined by reference to classifications as per note 8.

IFRS: MAXIMUM EXPOSURE TO CREDIT RISK BY CREDIT QUALITY

	Exposure Rm	SB 1 – 12		SB 13 – 20		SB 21 – 25		Default	Total gross carrying amount of default exposures Rm	Securities and expected recoveries on default exposures Rm	Balance sheet ECL and IIS on stage 3 Rm	Gross default coverage %	Non- performing exposures %
		Stage 1 Rm	Stage 2 Rm	Stage 1 Rm	Stage 2 Rm	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm					
2024													
Loans and advances at amortised cost													
Home services	470 738	83 151	75	274 658	10 767	12 424	39 715	49 948	49 948	32 486	17 462	35	10.6
Vehicle and asset finance	134 902	70 543	2	36 520	9 133	2 450	4 822	11 432	11 432	4 808	6 624	58	8.5
Card and payments	38 592	3 237	1	23 760	607	3 250	3 540	4 197	4 197	1 753	2 444	58	10.9
Personal unsecured lending	106 120	7 317	21	67 227	807	10 927	9 254	10 567	10 567	3 665	6 902	65	10.0
Business lending and other	135 311	36 838	51	73 033	2 645	2 965	7 461	12 318	12 318	4 176	8 142	66	9.1
Corporate	629 172	336 969	2 201	245 259	19 514	10 646	2 014	12 569	12 569	5 516	7 053	56	2.0
Bank	208 724	180 368		21 608	1 751	4 964	33						
Central and other services	(11 427)	(11 427)											
Gross carrying amount of loans and advances at amortised cost	1 712 132	706 996	2 351	742 065	45 224	47 626	66 839	101 031	101 031	52 404	48 627	48	5.9
ECL for loans and advances	(65 000)												
Net carrying amount of loans and advances at amortised cost	1 647 132												
Financial investments at amortised cost													
Corporate	262 502	222 569	2 981	23 215		4 431	6 206	3 100					
Bank	8 715	7 949		765									
Other instruments													
Gross carrying amount of financial investment at amortised cost	271 217	230 518	2 981	23 980		4 431	6 206	3 100					
ECL for financial investments	(834)												
Net carrying amount of financial investment at amortised cost	270 383												
Debt financial investments at FVOCI													
Corporate	51 580	14 298		21 211	16 069	1							
Other instruments	22	22											
Gross carrying amount of financial investments at FVOCI	51 602	14 320		21 211	16 069	1							
Off-balance sheet exposure													
Letters of credit and bankers' acceptances	12 727	8 922		2 309	1	1 284	212						
Guarantees	102 237	82 438	13	14 916	1 363	2 479	977	50					
Unutilised facilities ¹	208 090	180 949	1 673	23 774	1 176	421	84	13					
Total exposure to off-balance sheet credit risk	323 054	272 309	1 686	40 999	2 540	4 184	1 273	63					
ECL for off-balance sheet exposures	(476)												
Net carrying amount of off-balance sheet exposures	322 578												
Total exposure to credit risk on financial assets subject to an expected credit loss	2 291 695												
Exposures not subject to ECL													
Loans and advances at FVTPL	823												
Cash and balances with central banks ²	136 121												
Derivative assets	56 513												
Other financial investments at fair value ³	20 676												
Trading assets ⁴	426 395												
Pledged assets	12 487												
Other financial assets ⁵	17 480												
Total exposure to credit risk	2 962 190												

¹ The ECL on unutilised facilities is included in the total ECL for loans and advances.² Balances with central banks comprise of FVTPL of R121 218 million that are not subject to ECL considerations and amortised cost of R14 954 million, which has a low PD therefore ECL is insignificant. These balances are subject to the rigorous regulatory requirements of these transactions and its link to the underlying entities' ability to operate as a bank. Amount represents deposits placed in currencies as issued by the central banks with which they are stored.³ Other financial investments comprise of FVTPL of R19 043 million and FVOCI of R1 633 million (refer note 6) that are not subject to ECL considerations. These balances include financial investments designated at FVTPL of R2 593 million (refer note 21.4).⁴ Restated. Refer to page 28 for further detail.⁵ Due to the short-term nature of these financial assets and historical experience and available FLI, other financial assets are regarded as having a low PD. Therefore, the ECL has been assessed to be insignificant.

IFRS: MAXIMUM EXPOSURE TO CREDIT RISK BY CREDIT QUALITY CONTINUED

		SB 1 – 12		SB 13 – 20		SB 21 – 25		Default		Securities and expected recoveries on default exposures Rm	Balance sheet expected credit loss and interest in suspense on stage 3 Rm	Gross default coverage %	Non-performing exposures %
	Exposure Rm	Stage 1 Rm	Stage 2 Rm	Stage 1 Rm	Stage 2 Rm	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total gross carrying amount of default exposures Rm				
2023													
Loans and advances at amortised cost													
Home services	466 734	66 742	39	285 250	8 947	11 291	50 675	43 790	43 790	29 409	14 381	33	9.4
Vehicle and asset finance	126 754	42 160		56 493	7 432	4 279	5 806	10 584	10 584	5 364	5 220	49	8.4
Card payments	38 934	2 184		23 807	223	4 097	4 553	4 070	4 070	1 440	2 630	65	10.5
Personal unsecured lending	104 741	7 149	6	64 981	604	10 793	9 385	11 823	11 823	3 288	8 535	72	11.3
Business lending and other	140 604	31 046	272	85 143	1 677	1 111	9 349	12 006	12 006	4 963	7 043	59	8.5
Corporate	597 373	269 406	2 625	279 952	24 023	3 801	2 139	15 427	15 427	7 299	8 128	53	2.6
Bank	196 260	161 823	645	20 677	477	12 120	518						
Central and other service	(172)	(172)											
Gross carrying amount of loans and advances at amortised cost	1 671 228	580 338	3 587	816 303	43 383	47 492	82 425	97 700	97 700	51 763	45 937	47	5.8
ECL for loans and advances	(63 995)												
Net carrying amount of loans and advances at amortised cost	1 607 233												
Financial investments at amortised cost													
Corporate	253 167	217 170	3 179	21 400		2 241	1 570	7 607					
Bank	4 377	4 338		39									
Other instruments	1 107	1 107											
Gross carrying amount of financial investments at amortised cost	258 651	222 615	3 179	21 439		2 241	1 570	7 607					
ECL for financial investments	(413)												
Net carrying amount of financial investments	258 238												
Debt financial investments at FVOCI ³													
Corporate	39 072	16 595		16 247	6 221		9						
Bank	451	227		224									
Other instruments	1 831	1 831											
Gross carrying value of financial investments	41 354	18 653		16 471	6 221		9						
Off-balance sheet exposure													
Letters of credit and bankers' acceptances	13 445	5 437		7 056	35	867	50						
Guarantees	96 757	61 112	42	23 808	6 273	3 862	1 358	302					
Unutilised facilities ¹	200 013	166 097	1 775	29 742	1 450	681	177	91					
Total exposure to off-balance sheet credit risk	310 215	232 646	1 817	60 606	7 758	5 410	1 585	393					
ECL for off-balance sheet exposures	(444)												
Net carrying amount of off-balance sheet	309 771												
Total exposure to credit risk on financial assets subject to an ECL	2 216 596												
Exposures not subject to ECL													
Loans and advances at fair value	715												
Cash and balances with central banks ²	137 719												
Derivative assets ³	67 714												
Other financial investments at fair value ⁴	21 863												
Trading assets ³	317 477												
Pledged assets	16 091												
Other financial assets ⁵	21 181												
Total exposure to credit risk	2 799 356												

² Balances with central banks comprise of FVTPL of R122 718 million that are not subject to ECL considerations and amortised cost of R15 069 million, which has a low probability of default therefore ECL is insignificant. These balances are subject to the rigorous regulatory requirements of these transactions and its link to the underlying entities' ability to operate as a bank. Amount represents deposits placed in currencies as issued by the central banks with which they are stored.

³ Restated. Refer to page 28 for further detail.

⁴ Other financial investments comprise of FVTPL of R13 544 million and FVOCI of R1 592 million (refer note 6) that are not subject to ECL considerations. These balances include financial investments designated at FVTPL of R2 379 million (refer note 21.4)

⁵ Due to the short-term nature of these financial assets and historical experience, other financial assets are regarded as having a low probability of default. Therefore, the ECL has been assessed to be insignificant.

Concentration risk

Concentration risk is the risk of loss arising from an excessive concentration of exposure to a single counterparty, an industry, a product, a geography, maturity, or collateral. The group's credit risk portfolio is well-diversified. The group's management approach relies on the reporting of concentration risk along key dimensions, the setting of portfolio limits and stress testing.

IFRS: INDUSTRY SEGMENTAL ANALYSIS GROSS LOANS AND ADVANCES

	2024 Rm	2023 Rm
Agriculture	46 542	45 222
Construction	19 837	19 838
Electricity	75 784	42 078
Finance, real estate and other business services	499 077	504 102
Individuals	661 303	651 782
Manufacturing	121 367	105 547
Mining	59 428	57 709
Other services	69 512	81 491
Transport	62 671	58 015
Wholesale	97 434	106 159
Gross loans and advances	1 712 955	1 671 943

IFRS: GEOGRAPHIC SEGMENTAL ANALYSIS GROSS LOANS AND ADVANCES

	2024		2023	
	%	Rm	%	Rm
South Africa	66	1 131 746	65	1 086 185
Africa Regions	23	385 949	22	366 721
International	11	195 260	13	219 037
Gross loans and advances	100	1 712 955	100	1 671 943

IFRS: INDUSTRY SEGMENTAL ANALYSIS OF STAGE 3 CREDIT IMPAIRMENT OF LOANS AND ADVANCES

	2024 Rm	2023 Rm
Agriculture	2 498	1 784
Construction	1 013	1 256
Electricity	123	761
Finance, real estate and other business services	5 284	4 300
Individuals	30 166	28 432
Manufacturing	2 579	2 069
Mining	786	570
Other services	1 470	1 900
Transport	1 252	1 429
Wholesale	3 456	3 436
Credit impairment on non-performing loans	48 627	45 937

IFRS: GEOGRAPHIC SEGMENTAL ANALYSIS OF STAGE 3 CREDIT IMPAIRMENT OF LOANS AND ADVANCES

	2024		2023	
	%	Rm	%	Rm
South Africa	81	39 542	83	38 120
Africa Regions	18	8 557	16	7 225
International	1	528	1	592
Credit impairment on non-performing loans	100	48 627	100	45 937

Collateral

The table below shows the financial effect that collateral has on the group's maximum exposure to credit risk. The table is presented according to Basel asset categories and includes collateral that may not be eligible for recognition under Basel but that management takes into consideration in the management of the group's exposures to credit risk. Credit risk management, measurement and mitigation including the use of collateral, are detailed on pages 210 – 211. All on- and off-balance sheet exposures that are exposed to credit risk, and non-performing loans, have been included.

Collateral includes:

- financial securities that have a tradable market, such as shares and other securities
- physical items, such as property, plant and equipment
- financial guarantees, suretyships and intangible assets.

Netting agreements, which do not qualify for offset under IFRS but which are nevertheless enforceable, are included as part of the group's collateral for risk management purposes. All exposures are presented before the effect of any impairment provisions.

The group does not currently trade commodities that could give rise to physical commodity inventory or collateral exposure with the exception of precious metals. In the normal course of its precious metal trading operations the group does not hold allocated physical metal; however, this may occur from time-to-time. Where this does occur, appropriate risk and business approval is required to ensure that the minimum requirements are satisfied, including but not limited to approval of risk limits and insurance cover.

COLLATERAL

	Total exposure Rm	Secured Rm	Netting agreements Rm	Secured exposure after netting Rm
2024				
Corporate ¹	1 378 796	371 435	11 631	359 803
Bank	413 795	225 807	51 691	174 116
Retail lending	776 570	622 568	599	621 969
Retail mortgages	476 690	476 690		476 690
Other retail	299 880	145 878	599	145 280
Total	2 569 161	1 219 810	63 921	1 155 889
Financial assets not exposed to credit risk ²	423 967			
Impairments for loans and advances	(65 000)			
Unrecognised off-balance sheet items	(286 665)			
Total exposure	2 641 463			
Cash and balances with central banks	136 121			
Derivative assets	56 513			
Trading assets	426 395			
Pledged assets	12 487			
Financial investments	342 661			
Other financial assets	19 331			
Loans and advances	1 647 955			
Total	2 641 463			

¹ Includes business lending and other exposures in note 8 loans and advances.

² Includes trading book assets not subject to regulatory credit risk framework.

Collateral

	Total exposure Rm	Secured Rm	Netting agreements Rm	Secured exposure after netting Rm
2023				
Corporate ^{1,2}	1 293 604	334 787	10 315	324 472
Bank ²	325 556	239 845	55 114	184 731
Retail lending	762 657	624 977	290	624 687
Retail mortgages ³	472 287	472 287		472 287
Other retail	290 370	152 690	290	152 400
Total³	2 381 817	1 199 609	65 719	1 133 890
Financial assets not exposed to credit risk ^{2,4}	397 090			
Impairments for loans and advances	(63 995)			
Unrecognised off balance sheet items	(235 685)			
Total exposure	2 479 227			
Cash and balances with central banks	137 719			
Derivative assets ²	67 714			
Trading assets ²	317 477			
Pledged assets	16 091			
Financial investments ²	310 415			
Other financial assets	21 863			
Loans and advances	1 607 948			
Total	2 479 227			

¹ Includes business lending and other exposures in note 8 loans and advances.

² Restated. Refer to page 28 for further detail.

³ Restated. During 2024 it was noted that the secured exposure erroneously exceeded the total exposure for retail mortgages. This restatement had no impact on the group's statement of financial position.

⁴ Includes trading book assets not subject to regulatory credit risk framework.

Insurance & Asset Management

Approach to managing and measuring credit risk

Credit risks are partially a function of the IAM core business activities, but also part of a deliberate decision to add credit risk exposures to diversify the risks on the statement of financial position and to generate attractive risk-adjusted returns. IAM prefers to take credit risk to back its long-dated and relatively illiquid liabilities due to the risk-adjusted returns it is able to achieve.

The IAM balance sheet management committee (IBSMC) oversees the implementation of the IAM credit policy which is aligned to the group policies.

Business areas are responsible for ensuring that the IAM Credit Policy is adopted and that they have adequate systems, policies and procedures to manage credit.

Day-to-day management of credit risk has been mandated to the Libfin Credit Alternatives Franchise which considers and, where appropriate, approves all credit risk taken for directly managed credit opportunities. The investment committee of the Libfin Credit Alternatives Franchise is made up of credit professionals with experience from the banking sector as well as independent members in order to ensure a robust credit process and independent decision-making.

IAM is exposed to listed tradeable liquid credit instruments as well as unlisted and bi-lateral credit lending arrangements. Inter alia IAM also invests in unlisted and structured instruments. The IAM shareholder credit exposure is reasonably diversified and generates attractive returns on capital for the credit risk being taken.

Rating methodology

For the purposes of this report, standard rating classifications used by external ratings agencies have been applied.

Rating scale

Where applicable, internal ratings are mapped to equivalent external rating agencies' (Moody's, Standard and Poor's) rating scales. These external, globally recognisable rating categories are defined as follows.

Investment grade

- A- and above: Strong to extremely strong capacity to meet financial commitments.
- BBB: Adequate capacity to meet financial commitments, but vulnerable to severe adverse economic conditions.
- Investment grade is the equivalent of internal client ratings of SB 1 – 12.

Non-investment grade

- BB: Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.
- Below BB: Vulnerable to adverse business, financial and economic conditions.

The above ratings may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Non-investment grade is the equivalent of internal client ratings of SB 13 – 20.

Not rated

IAM is not restricted to investing purely in rated instruments, or where counterparties are rated, and accordingly invests in assets that offer appropriate returns after an internal assessment of credit risk. For the most material investments in unrated instruments, or through unrated counterparties, internal ratings were undertaken. However, at any time there will always be some unrated exposures, generally entered into through asset managers, where the internal ratings methodology has not been applied. This does not imply that the potential default risk is higher or lower than for rated assets.

Due to the extent of work required to obtain or prepare a credit rating, certain asset holdings (principally related to the consolidation of mutual funds) have assets with underlying ratings, however, they may be classified as not rated for practical reasons.

Exposure to prepayments and other receivables is predominantly not rated due to the large number of counterparties and the short period of credit exposure. This credit exposure is managed by the relevant business areas.

Pooled funds

The group invests in mutual funds through which it is also exposed to the credit risk of the underlying assets in which the mutual funds are invested. IAM's exposure to mutual funds is classified at a fund level and not at the underlying asset level. Although mutual funds are not rated, fund managers are required to invest in credit assets within the defined parameters stipulated in the fund's mandate. These rules limit the extent to which fund managers can invest in unlisted and/or unrated credit assets and generally restrict funds to the acquisition of local currency investment grade assets.

Exposure to credit risk

The table reflects the carrying amounts of credit risk exposure categorised by credit ratings (where available) at 31 December. The carrying amounts represent the maximum exposure to credit risk at 31 December.

	A- and above	BBB+	BBB	BBB-	BB+	BB	BB- and below	Not rated	Pooled funds	Total exposure
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
2024										
Debt instruments	13 866	3 766	1 861	17 690	21 634	107 348	38 397	1 882		206 444
Preference shares	15		1	14		6	2	363		401
Interest-bearing investments	13 851	3 766	1 860	17 676	21 634	107 342	38 395	1 438		205 962
Loans								81		81
Mutual funds - interest-bearing instruments ¹									47 349	47 349
Investment policies								11		11
Reinsurance contract assets	4 724						158	874		5 756
Derivatives and collateral deposits receivable	5 305	3		1 018	5 005	99	318	11		11 759
Prepayments and other receivables	980						47	3 373		4 400
Cash and cash equivalents	5 722	1 283	38	82	7 376	4 529	2 214	1 908		23 152
Total assets bearing credit risk²	30 597	5 052	1 899	18 790	34 015	111 976	41 134	8 059	47 349	298 871
Local	14 139	4 618	1 307	16 441	32 540	105 138	37 079	4 556	34 341	250 159
Foreign	16 458	434	592	2 349	1 475	6 838	4 055	3 503	13 008	48 712
2023										
Debt instruments	11 482	2 059	1 263	17 536	16 017	88 870	33 208	1 182		171 617
Preference shares	6		1	25	55	72	6	90		255
Interest-bearing investments	11 476	2 059	1 262	17 511	15 962	88 798	33 202	1 017		171 287
Loans								75		75
Mutual funds - interest-bearing instruments ¹	327	3			572		2 108		45 298	48 308
Investment policies								21		21
Reinsurance contract assets	4 535						112	767		5 414
Derivatives and collateral deposits	5 680	13		1 032	7 407	977	129	49		15 287
Prepayments and other receivables	971						308	3 645		4 924
Cash and cash equivalents	5 426	1 479	125	291	512	13 554	3 430	748		25 565
Total assets bearing credit risk²	28 421	3 554	1 388	18 859	24 508	103 401	39 295	6 412	45 298	271 136
Local	15 268	2 480	946	16 924	23 228	94 663	37 107	4 395	33 604	228 615
Foreign	13 153	1 074	442	1 935	1 280	8 738	2 188	2 017	11 694	42 521

¹ Mutual funds are categorised into property, equity or interest-bearing instruments based on a minimum of 80% of the underlying asset composition of the fund by value being of a like category. In the event of "no one category meeting this threshold" it is classified as 'mixed asset classes'.

² Due to practical considerations, credit exposure contained in investments in mutual funds that are classified as 'mixed asset classes' is excluded.

MAIN PARTY EXPOSURE TO CREDIT RISK

	2024 Rm	2023 Rm
Policyholders with investment-linked policies, where the group holds matching assets	142 646	121 956
Third parties, where exposure arises on consolidation of mutual funds	17 535	13 761
Shareholder – other credit risk exposure	138 690	131 425
Total assets bearing credit risk¹	298 871	267 142

¹ Due to practical considerations, credit exposure contained in investments in mutual funds that are classified as "mixed asset classes" is excluded. The credit exposure in mixed asset class mutual funds would largely relate to policyholders with investment-linked policies and third party investments.

Funding and liquidity risk

Definition

Liquidity risk is defined as the risk that an entity, although having a solvent statement of financial position, either has insufficient cash resources to meet payment obligations as they fall due, or such resources can only be secured at materially disadvantageous terms.

Approach to managing liquidity risk

The nature of the group's activities gives rise to continuous exposure to liquidity risk. Liquidity risk may arise where counterparties, who provide the group with short-term funding, withdraw or do not roll over that funding, or normally liquid assets become illiquid as a result of a generalised disruption in asset markets.

Our risk management framework supports the measurement and management of liquidity, in all geographies across all sectors to ensure that payment obligations can be met by our legal entities under both normal and stressed conditions within the group's risk appetite framework and that regulatory minimum requirements are always met. This is achieved through a combination of maintaining adequate liquidity buffers, to ensure that cash flow requirements can be met, and ensuring that our statement of financial position is structurally sound and supportive of our strategy. Liquidity risk is managed on a consistent basis across our banking subsidiaries, allowing for local requirements. Liquidity risk management ensures that we have the appropriate amount, diversification and tenor of funding and liquidity to always support the group's asset base.



Refer to the funding and liquidity risk section of the group's risk and capital management report for additional information.

Banking

Maturity analysis of financial liabilities by contractual maturity

The following table analyses cash flows on a contractual, undiscounted basis based on the earliest date on which the group can be required to pay (except for trading liabilities and the majority of derivative liabilities, which are presented as redeemable on demand) and will, therefore, not agree directly to the balances disclosed in the consolidated statement of financial position.

Derivative liabilities are included in the maturity analysis on a contractual, undiscounted basis when contractual maturities are essential for an understanding of the derivatives' future cash flows. Management considers only contractual maturities to be essential for understanding the future cash flows of derivative liabilities that are designated as hedging instruments in effective hedge accounting relationships. All other derivative liabilities, together with trading liabilities, are treated as trading instruments and are included at fair value in the redeemable on demand bucket since these positions are typically held for short periods of time.

The table also includes contractual cash flows with respect to off-balance sheet items. Where cash flows are exchanged simultaneously, the net amounts have been reflected.

	Redeemable on demand Rm	Maturing within one month Rm	Maturing between one to six months Rm	Maturing between six to twelve months Rm	Maturing between one to five years	Maturing greater than five years	Total Rm
2024							
Financial liabilities							
Derivative financial liabilities	68 419			159			68 578
Instruments settled on a net basis	47 184						47 184
Instruments settled on a gross basis	21 235			159			21 394
Trading liabilities	106 574						106 574
Deposits and debt funding	1 309 787	173 038	219 583	174 267	224 743	83 076	2 184 494
Subordinated debt		2 260	4 493	2 636	25 874	3 683	38 946
Other	4 089			11 563	5 585	470	21 707
Total	1 488 869	175 298	224 076	188 625	256 202	87 229	2 420 299
Unrecognised financial liabilities							
Letters of credit and bankers' acceptances	21 746						21 746
Guarantees	138 577						138 577
Irrevocable unutilised facilities	125 714						125 714
Total	286 037						286 037
2023							
Financial liabilities							
Derivative financial liabilities ¹	74 653	32	70	59	20		74 834
Instruments settled on a net basis	53 810	32	70	59	20		53 991
Instruments settled on a gross basis	20 843						20 843
Trading liabilities	95 766						95 766
Deposits and debt funding	1 306 175	133 441	235 423	129 866	181 621	60 083	2 046 609
Subordinated debt		247	8 727	441	17 777		27 192
Other	6 236		19 857	1 018	2 626	2 409	32 146
Total	1 482 830	133 720	264 077	131 384	202 044	62 492	2 276 547
Unrecognised financial liabilities							
Letters of credit and bankers' acceptances	26 990						26 990
Guarantees	95 730						95 730
Irrevocable unutilised facilities	105 265						105 265
Total	227 985						227 985

¹ Restated. Refer to page 28 for further detail

Insurance & Asset Management

Maturity analysis of non-insurance financial liabilities by contractual maturity

The table below summarises the maturity profile of the financial instrument liabilities based on the remaining undiscounted contractual obligation and will, therefore, not agree directly to the balances disclosed in the consolidated statement of financial position, except for short duration liabilities. Derivative liabilities are excluded from this table.

	Zero to three months ¹ Rm	Three to twelve months Rm	One to five years Rm	Five to ten years Rm	Variable ² Rm	Total Rm
2024						
Subordinated debt	125	1 360	4 855			6 340
Commercial paper	1 194					1 194
Preference shares related to SBG bancassurance agreement	219				5	224
Loan facilities						
Financial liabilities under investment contracts	165 240	2 359	1 732	110		169 441
Third-party financial liabilities arising on consolidation of mutual funds	87 504					87 504
Lease liabilities	30	87	150	39		306
Repurchase agreements liabilities	5 273					5 273
Collateral deposits payable	1 185					1 185
Other payables	8 246	288	1			8 535
Total	269 016	4 094	6 738	149	5	280 002
2023						
Subordinated debt	145	1 456	4 792			6 393
Commercial paper	1 603					1 603
Preference shares related to SBG bancassurance agreement	2 088				5	2 093
Loan facilities		913	1 764			2 677
Financial liabilities under investment contracts	146 741	1 341	3 407	147		151 636
Third-party financial liabilities arising on consolidation of mutual funds	69 717					69 717
Lease liabilities	24	68	299			391
Repurchase agreements liabilities	2 996					2 996
Collateral deposits payable	3 216					3 216
Other payables	6 952	156	4			7 112
Total	233 482	3 934	10 266	147	5	247 834

¹ Zero to three months are either due within the time frame or are payable on demand.

² The amount shown under 'Variable' has no fixed maturity date. However, this instrument is redeemable with a two year notice period at the option of the company or the holder.

The table below disaggregates the group's assets according to time to liquidate. In a stressed environment, the market value of these assets is likely to be negatively affected. Derivative assets are excluded from this table.

ASSET LIQUIDITY

	2024		2023	
	%	Rm	%	Rm
Liquid assets (realisable within one month e.g. cash, listed equities, term deposits)	79	455 441	81	418 365
Medium assets (realisable within six months e.g. unlisted equities, certain unlisted term deposits)	15	82 733	13	65 478
Illiquid assets (realisable in excess of six months e.g. investment properties)	6	31 687	6	30 749
Total	100	569 861	100	514 592

Maturity analysis of insurance financial liabilities by contractual maturity

The table below summarises the maturity profile of the liquidity needs in respect of cash flows required to meet obligations arising from insurance contracts.

The table shows the best estimate liability cash flows modelled until the contract boundary. Cash flows allow for future premiums (excluding future non-contractual premium increases), growth, benefit payments and expected policyholder behaviour. Undiscounted cash flows are shown and the effect of discounting is taken into account to reconcile to total liabilities.

An amount payable on demand is disclosed for portfolios of contracts where the policyholder can choose to terminate their contract and receive an immediate payment from the group. LIC components have been excluded from amounts presented as payable on demand. For some Growth Pension policies, included in the Life participating contracts measured under VFA reportable group, the amount payable on any request to terminate is subject to a process of determining the value realised on the sale of the backing assets. Hence, no amount payable on demand is reflected in such cases.

For insurance contracts measured under the premium allocation approach and for the liability for incurred claims the cash flows are largely reflected as within one year except in respect of specific liabilities where the cash flows are modelled for the duration of the claim such as disability income annuities in payment. Whilst future contract renewals are anticipated in periods beyond one year the approach reflects the short coverage nature of the underlying business lines.

	Life insurance contracts measured under GMM Rm	Life insurance contracts measured under PAA Rm	Life participating contracts measured under VFA Rm	General insurance measured under PAA Rm	Reinsurance contracts held Rm	Total Rm
2024						
Within one year	9 011	4 174	23 888	1 688	(2 254)	36 507
One – two years	6 234	960	20 738	316	(449)	27 799
Two – three years	11 162	869	24 601	126	(312)	36 446
Three – four years	14 324	800	32 426	41	(215)	47 376
Four – five years	12 667	721	26 711	40	(183)	39 956
Over five years	195 546	6 681	161 082	56	2 042	365 407
Effect of discounting cash flows	(183 536)	(5 370)	(122 958)	(131)	(1 761)	(313 756)
Net policyholder best estimate liabilities / (assets) and LIC	65 408	8 835	166 488	2 136	(3 132)	239 735
Amounts payable on demand	33 730	77	168 172			201 979
2023 - Restated¹						
Within one year	9 895	4 174	22 376	1 503	(2 212)	35 736
One – two years	4 223	921	19 602	315	(433)	24 628
Two – three years	6 172	836	22 849	59	(249)	29 667
Three – four years	10 889	770	31 735	35	(207)	43 222
Four – five years	13 918	726	25 677	16	(170)	40 167
Over five years	182 616	7 026	157 218	27	197	347 084
Effect of discounting cash flows	(173 886)	(5 853)	(121 849)	(83)	(97)	(301 768)
Net policyholder best estimate liabilities / (assets) and LIC	53 827	8 600	157 608	1 872	(3 171)	218 736
Amounts payable on demand	28 190	88	158 867			187 145

¹ Restated. During 2024, the group performed an assessment on the expected cash flows from insurance contracts and noted that the first time band, i.e. 'Within one year' erroneously excluded the full cash flows which was included in subsequent time bands. These cash flows have been reallocated to the correct time bands and had no impact on the total expected cash flows. Refer to page 71 for further detail on the restatement related to the change in reportable groups.

Market risk

Banking

Definition

Market risk is the risk of a change in the market value, actual or effective earnings, or future cash flows of a portfolio of financial instruments, including commodities, caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of these variables.

The group's key market risks are:

- trading book market risk.
- interest rate in the banking book (IRRBB).
- equity risk in the banking book.
- foreign currency risk.
- own equity-linked transactions.
- IAM market risk.

Trading book market risk

Definition

Trading book market risk is represented by financial instruments, including commodities, held in the trading book, arising out of normal global markets' trading activity.

Approach to managing market risk in the trading book

The group's policy is that all trading activities are undertaken within the group's global markets' operations.

The market risk functions are independent of the group's trading operations and are accountable to the relevant legal entity ALCOs. ALCOs have a reporting line into group ALCO, a subcommittee of Group Leadership Council (GLC).

All value at risk (VaR) and stressed value at risk (SVaR) limits require prior approval from the respective entity ALCOs. The market risk functions have the authority to set these limits at a lower level.

Market risk teams are responsible for identifying, measuring, managing, monitoring and reporting market risk as outlined in the market risk governance standard.

Exposures and excesses are monitored and reported daily. Where breaches in limits and triggers occur, actions are taken by market risk functions to bring exposures back in line with approved market risk appetite, with such breaches being reported to management and entity ALCOs.

VaR and SVaR

The group uses the historical VaR and SVaR approach to quantify market risk under normal and stressed conditions.

For risk management purposes VaR is based on 251 days of unweighted recent historical data updated at least monthly, a holding period of one day and a confidence level of 95%. The historical VaR results are calculated in four steps:

- calculate 250 daily market price movements based on 251 days' historical data. Absolute movements are used for interest rates and volatility movements; relative for spot, equities, credit spreads, and commodity prices.
- calculate hypothetical daily profit or loss for each day using these daily market price movements.
- aggregate all hypothetical profits or losses for day one across all positions, giving daily hypothetical profit or loss, and then repeat for all other days.
- VaR is the 95th percentile selected from the 250 days of daily hypothetical total profit or loss.

Daily losses exceeding the VaR are likely to occur, on average, 13 times in every 250 days.

SVaR uses a similar methodology to VaR, but is based on 251-day period of financial stress which is reviewed quarterly and assumes a ten-day holding period and a worst-case loss.

The ten-day period is based on the average expected time to reduce positions. The period of stress for SBG is currently the 2008/2009 financial crisis while, for other markets, more recent stress periods are used where the group has received internal model approval. The market risk regulatory capital requirements are based on VaR and SVaR, both of which use a confidence level of 99% and a ten-day holding period.

Limitations of historical VaR are acknowledged globally and include:

- the use of historical data as a proxy for estimating future events may not encompass all potential events, particularly those which are extreme in nature.
- the use of a one-day holding period assumes that all positions can be liquidated or the risk offset in one day. This will usually not fully reflect the market risk arising at times of severe illiquidity, when a one-day holding period may be insufficient to liquidate or hedge all positions fully.
- the use of a 95% confidence level, by definition, does not take into account losses that might occur beyond this level of confidence.

VaR is calculated on the basis of exposures outstanding at the close of business and, therefore, does not necessarily reflect intra-day exposures. VaR is unlikely to reflect loss potential on exposures that only arise under significant market movements.

Trading book portfolio characteristics**VaR for the year under review**

Trading book market risk exposures arise mainly from residual exposures from client transactions and limited trading for the group's own account. In general, the group's trading desks have run increased levels of market risk when compared to 2023 aggregate normal VaR and stress VaR.

TRADING BOOK NORMAL VaR ANALYSIS BY MARKET VARIABLE

	Normal VaR			
	Maximum ¹ Rm	Minimum ¹ Rm	Average Rm	Closing Rm
2024				
Commodities risk	8	1	3	1
Foreign exchange risk	88	23	47	40
Equity position risk	28	7	15	15
Debt securities	105	22	45	46
Diversification benefits ²			(37)	(37)
Aggregate	147	38	73	65
2023				
Commodities risk	5	1	3	3
Foreign exchange risk	54	18	32	26
Equity position risk	23	7	11	8
Debt securities	78	22	44	24
Diversification benefits ²			(29)	(20)
Aggregate	109	34	61	41

¹ The maximum and minimum VaR figures reported for each market variable do not necessarily occur on the same day. As a result, the aggregate VaR will not equal the sum of the individual market VaR values, and it is inappropriate to ascribe a diversification effect to VaR when these values may occur on different days.

² Diversification benefit is the benefit of measuring the VaR of the trading portfolio as a whole, that is, the difference between the sum of the individual VaRs and the VaR of the whole trading portfolio.

TRADING BOOK SVaR ANALYSIS BY MARKET VARIABLE

	SVaR			
	Maximum ¹ Rm	Minimum ¹ Rm	Average Rm	Closing Rm
2024				
Commodities risk	89	4	34	5
Foreign exchange risk	705	112	292	244
Equity position risk	223	62	147	169
Debt securities	1 544	202	413	376
Diversification benefits ²			(402)	(417)
Aggregate	1 493	218	484	377
2023				
Commodities risk	54	5	24	32
Foreign exchange risk	518	111	303	209
Equity position risk	255	45	112	109
Debt securities	491	171	287	224
Diversification benefits ²			(278)	(281)
Aggregate	788	224	448	293

¹ The maximum and minimum SVaR figures reported for each market variable do not necessarily occur on the same day. As a result, the aggregate SVaR will not equal the sum of the individual market VaR values, and it is inappropriate to ascribe a diversification effect to SVaR when these values may occur on different days.

² Diversification benefit is the benefit of measuring the SVaR of the trading portfolio as a whole, that is, the difference between the sum of the individual SVaRs and the SVaR of the whole trading portfolio.

Approach to managing IRRBB

Banking book-related market risk exposure principally involves managing the potential adverse effect of interest rate movements on banking book earnings (net interest income and banking book mark-to-market profit or loss) and the economic value of equity.

The group's approach to managing IRRBB is governed by applicable regulations and is influenced by the competitive environment in which the group operates. The treasury and capital management team monitors banking book interest rate risk on a monthly basis operating under the oversight of group ALCO.

Measurement

The analytical techniques used to quantify IRRBB include both earnings and valuation-based measures. The analysis takes into account embedded optionality such as loan prepayments and accounts where the account behaviour differs from the contractual position.

The results obtained from forward-looking dynamic scenario analyses, as well as Monte Carlo simulations, assist in developing optimal hedging strategies on a risk-adjusted return basis.

INTEREST RATE SENSITIVITY ANALYSIS¹

		ZAR	USD	GBP	Euro	Other	Total
2024							
Increase in basis points		100	100	100	100	100	
Sensitivity of annual net interest income	Rm	543	925	391	105	1 044	3 008
Decrease in basis points		100	100	100	100	100	
Sensitivity of annual net interest income	Rm	(556)	(1 076)	(369)	(118)	(1 199)	(3 318)
2023							
Increase in basis points		100	100	100	100	100	
Sensitivity of annual net interest income	Rm	1 370	1 040	317	47	871	3 645
Decrease in basis point		100	100	100	100	100	
Sensitivity of annual net interest income	Rm	(1 387)	(1 226)	(289)	(57)	(932)	(3 891)

¹ Before tax.

Equity risk in the banking book

Definition

Equity risk is defined as the risk of loss arising from a decline in the value of an equity or equity-type instrument held on the banking book, whether caused by deterioration in the underlying operating asset performance, net asset value (NAV), enterprise value of the issuing entity, or by a decline in the market price of the equity or instrument itself.

Though issuer risk in respect of tradable equity instruments constitutes equity risk, such traded issuer risk is managed under the trading book market risk framework.

Approach to managing equity risk in the banking book

Equity risk relates to all transactions and investments subject to approval by the group ERC in terms of that committee's mandate, and includes investments in ordinary equity, debt, quasi-debt and other instruments that are considered to be of an equity nature.

For the avoidance of doubt, equity risk in the banking book excludes strategic investments in the group's subsidiaries, associates and joint ventures deployed in delivering the group's business and service offerings unless the chief finance & value management officer and group chief risk officer deem such investments to be subject to the consideration and approval by the group ERC.

MARKET RISK SENSITIVITY OF NON-TRADING EQUITY INVESTMENTS

	10% reduction in fair value Rm	Fair value Rm	10% increase in fair value Rm
2024			
Equity securities listed and unlisted	6 125	6 805	7 486
Listed			
Unlisted		6 805	
Impact on profit or loss	(517)		517
Impact on OCI	(163)		163
2023			
Equity securities listed and unlisted	2 821	3 134	3 447
Listed		181	
Unlisted		2 953	
Impact on profit or loss	(154)		154
Impact on OCI	(159)		159

Foreign currency risk

Definition

The group's primary non-trading-related exposures to foreign currency risk arise as a result of the translation effect of the group's net assets in foreign operations and foreign-denominated financial assets and liabilities.

Approach to managing foreign currency risk

The group foreign currency management committee, a subcommittee of the group capital management committee, manages the risk according to existing legislation, South African exchange control regulations and accounting parameters. It takes into account naturally offsetting risk positions and manages the group's residual risk by means of forward exchange contracts, currency swaps and option contracts.

Hedging is undertaken in such a way that it does not constrain normal operating activities. In particular, for banking entities outside of the South African common monetary area, the need for capital to fluctuate with risk-weighted assets is taken into account.

The repositioning of the group's NAV by currency, which is managed at a group level, is a controlled process based on underlying economic views and forecasts of the relative strength of currencies, other than foreign operations.

Gains or losses on derivatives that have been designated as either net investment or cash flow hedging relationships in terms of IFRS are reported directly in OCI, with all other gains and losses on derivatives being reported in profit or loss.

Foreign currency risk sensitivity analysis

The table that follows reflects the expected financial impact, in rand equivalent, resulting from a 10% shock to foreign currency risk exposures, against ZAR. The sensitivity analysis is based on net open foreign currency exposures arising from foreign-denominated financial assets and liabilities inclusive of derivative financial instruments, cash balances, and accruals, but excluding net assets in foreign operations. The sensitivity analysis reflects the sensitivity of profit or loss on the group's foreign denominated exposures other than those trading positions for which sensitivity has been included in the trading book VaR analysis.

FOREIGN CURRENCY RISK SENSITIVITY IN ZAR EQUIVALENTS¹

		USD	Euro	GBP	Other	Total
2024						
Total net long/(short) position	Rm	(225)	43	56	50	(76)
Sensitivity (ZAR depreciation) ²	%	10	10	10	10	
Impact on profit or loss/equity	Rm	(23)	4	6	5	(8)
2023						
Total net long/(short) position	Rm	338	(26)	301	406	1 019
Sensitivity (ZAR depreciation) ²	%	10	10	10	10	
Impact on profit or loss/equity	Rm	34	(3)	30	41	102

¹ Before tax

² A 10% appreciation in ZAR will have an equal and opposite impact on profit or loss to the amounts disclosed above.

Insurance & Asset Management

Definition

Market risk is the risk of adverse financial impact resulting, directly or indirectly, from fluctuations in equity prices, interest rates, foreign currency exchange rates, property values and inflation as well as any changes in the implied volatility assumptions associated with these variables.

Ownership and accountability

The group's market risk standard establishes a set of governing principles for the identification, measurement, monitoring, management and reporting of market risk across the group. Therefore, IAM's market risk management policy is aligned to the principles contained in the group's market risk standard.

The IAM ALCO, which is a sub-committee of the IAM balance sheet management committee (IBSMC), is charged with ensuring that market risk remains within approved risk limits. The primary market risk management activities within IAM consist of:

- Assuming outright market risk via activities within the group's shareholder portfolio.
- Regular matching of investment performance related policyholder liabilities with suitable assets; and
- Hedging explicit, or implicit, guarantees and certain modelled cash flows within an Asset Liability Matching (ALM) portfolio.

The asset-liability management (ALM) unit within IAM manages the underlying market risk associated with investment guarantees, matching asset requirements and long-dated cashflows within a comprehensive risk management framework.

The group's asset managers are responsible for managing investment asset portfolios and manage investment risks within their mandates. Oversight of investment performance risk is provided by the Liberty portfolio Oversight Committee through the monitoring of asset managers and the setting of appropriate policyholder fund mandates.

The risk management team provides independent oversight of the adequacy and effectiveness of market risk management processes across the group and reports material risks to ALCO and LRC.

Risk identification, assessment and measurement

In the case of market risks which arise from an insurance/ investment product, identification and measurement requires an evaluation of the product's design, whether it is an existing product or a new product proposal, to ensure a thorough understanding of the market risk implications of the product.

Once identified and measured, an assessment of the risk is performed. Risk assessment classifies the risks into:

- Market risk exposures which the group wishes to retain as part of its capital management program. This includes market risks arising from assets and exposures within the group's shareholder portfolio; and
- Market risk exposures which the group does not wish to retain, but which are an inevitable consequence of other value adding business activities. Where these risks can be mitigated (either through improved product design or through open market hedging activity in the ALM portfolio, on economically sensible terms), such actions are implemented. Where this is not possible, limits are placed on the quantum of the risk that may be taken to ensure that the business continues to be managed within risk appetite.

Market risk management

The group, through its IAM business unit, offers a range of risk, savings and investment products. These products result in market risk exposures due to certain fee revenue being based on values of investment components, underlying investment guarantees granted to policyholders that are embedded within these products, activities of acquiring assets to match benefits in certain contracts, as well as interest rate risk associated with long-dated contracted cashflows.

Under IAM's group approved balance sheet management framework, certain market risk exposures are retained. This is to broadly deliver regulatory capital coverage ratio stability whilst limiting earnings volatility.

IFRS 17 insurance contracts and IFRS 9 financial instruments

The group's policyholder contracts are, from an accounting measurement perspective, measured under either IFRS 17 or IFRS 9 guidance. However, the group does not segregate its hedging and asset liability matching activities depending on which IFRS standard applies and manages market exposures on an aggregate basis across the full financial position, including all policyholder contracts.

Consequently, insurance finance income or expenses derived from IFRS 17 measurement application should be analysed together with IFRS 9 finance income or expense measurement outcomes for policyholder investment contracts. In addition, the net financing return will represent the financial outcome of all shareholder market exposures.

Market exposure

Most of IAM's market risk exposure arises from the LGL group. LGL group's market risk exposures are split between a designated shareholder portfolio and an asset liability matching portfolio.

LGL group's shareholder portfolio consists of:

- Net assets, mainly property and cash, held in excess of assets required to back liabilities (including policyholder liabilities and LGL listed subordinated debt instruments issued through an approved debt programme).
- Retained market risk exposure resulting from unhedged policyholder liabilities to ensure capital coverage stability (mostly interest rate risk associated with certain IFRS 17 GMM insurance contracts and a portion of market risk associated with IFRS 17 participating contracts).

The ALM portfolio managed exposures consists of:

- Assets that hedge liabilities, some of which have explicit, or implicit, guarantees. The assets include equities, debt instruments and derivatives, that are dynamically rebalanced to manage the underlying market risk and aimed at minimising earnings volatility.
- Illiquid credit assets backing long-term liabilities, which enables the group to extract a credit risk margin and illiquidity premium.

The group elected to apply the risk mitigation option in respect of exposures hedged in relation to certain participating contracts measured under the variable fee approach. This is offset through the fair value adjustments on matching derivative positions taken.

As mandated, the net exposure to market risk in the ALM portfolio is managed close to nil through the IAM hedging programme – however the ALM is exposed to extreme market volatility.

Within the ALM credit portfolio, commercial debt instruments are invested in to match policyholder liability cash flow obligations and manage interest rate risk related to these cash flows. These commercial debt instruments also generate a credit margin return to shareholders but introduce credit risk. Refer to the credit risk section for further information.

In respect of territories within IAM where capital markets are less developed, the market and credit exposures are managed at overall balance sheet level through appointed investment committees. In most territories these committees formulate investment mandates which are tasked to approved asset management entities to execute.

Due to the less mature capital markets in the applicable jurisdictions outside of South Africa, it is not feasible to utilise derivative instruments to hedge market risks. Consequently, these risks are managed through a combination of active asset liability matching and conservative product constructs and investment policies. Guaranteed products are kept to a minimum and only offered where the capabilities to manage the risks are mature. Liquidity is a key consideration factor in managing market risk and most assets acquired in jurisdictions outside of South Africa are sovereign debt instruments and bank deposits biased towards shorter durations.

Outside of sovereign default risk, credit risk is insignificant, relative to the overall market and credit risk carried by the group. Credit risk (outside of sovereign) is largely concentrated in cash deposits with tier one and two banking institutions.

Group market sensitivities

Sensitivities indicating the impact of changes in key assumptions have been prepared by applying stresses at the financial position date. These sensitivities have been calibrated to moderately severe (1-in-10 year) stresses. Each of the presented sensitivities is applied in isolation with all other assumptions left unchanged.

Aligned to market exposures being managed through an overall balance sheet approach that aggregates market positions and manages these exposures within overall group risk appetite limits and specific mandates, the sensitivities disclosed have been applied to all financial instruments (IFRS 9), insurance contracts (IFRS 17) and investment properties (IAS 40) where applicable. The sensitivities are presented in totality including applicable taxation to reflect the net impact to ordinary shareholder equity.

For long-dated policyholder contracts, the calculation allows for the change in the fulfilment cash flows (including the risk

adjustment) of the contracts under the stress as well as how much of this impact adjusts the CSM. This is applicable to contracts measured under the variable fee approach. Consistent with the required mechanics of the CSM, the calculation is performed at a CSM group level and considers the impact of risk mitigation under market risk stresses in line with the group's balance sheet management strategy.

For investment contracts, measured under IFRS 9, the expected service fees less expenses over the next twelve months are stressed under each of the applicable stresses. Other than the impact to the one-year future fees charged, there are no other significant impacts from the market risk sensitivities as it is the group's adopted risk mitigation action to mirror (i.e. acquire) actual investments that link closely to the contractually defined referenced assets in the policy. This is to minimise mismatch risk.

In some cases, for example due to embedded options in insurance contracts, changes to certain economic assumptions do not result in linear impacts to policyholder contract liabilities and ordinary shareholders' equity. Sensitivities are therefore generally provided showing both an increase and decrease in the parameters, where the impacts may not be symmetrical.

Instantaneous stresses are applied to both liabilities and assets and their values recalculated due to the change in the market prices. For interest rate yield curve sensitivities, the assumptions used in the measurement of policyholder contract values that are dependent on interest rate curves are also updated. All the assets held by the group, and not just assets backing the policyholder contract values, are stressed to arrive at the expected impact on ordinary shareholders' equity. Given hedging is typically performed based on net market risk exposures aggregated across the life insurance business, it is not practical, and it is not considered relevant or useful, to disaggregate this information into IFRS 17 defined reportable groups or any other product segmentation.

The net of reinsurance impacts on shareholder equity and attributable profit in the table have been presented after allowing for CSM absorption. Due to the impact of market risks on reinsurance contracts being immaterial, the table only shows the net of reinsurance impacts on attributable profit. The impact on the CSM, increase or (decrease) is also included in the table to provide additional insights as to the CSM dynamics and the resultant effective deferral of the impact on attributable profit to future years.

MARKET SENSITIVITY ANALYSIS

	2024			2023	
	Change in variable ^{1,2} %	Impact on ordinary shareholders' equity and attributable profit (net of reinsurance and taxation) Rm	Impact on CSM (net of reinsurance and taxation) Rm	Impact on ordinary shareholders' equity and attributable profit (net of reinsurance and taxation) Rm	Impact on CSM (net of reinsurance and taxation) Rm
Market assumptions					
Interest rate yield curve	1 -1	(896) 944	(4) 4	(742) 786	(12) 13
Property prices	14 -14	1 849 (1 847)	19 (19)	1 590 (1 592)	20 (20)
Equity prices ³	25 -25	911 (751)	419 (420)	503 (417)	409 (428)
Rand exchange rates	21 ⁴ -19 ⁵	751 (689)	188 (176)	727 (637)	191 (181)

¹ The sensitivities reflect 1-in-10 year stresses.

² All changes in variables are applied as a relative stress percentage, except for the yield curve stresses which are 1% up or down absolute stresses.

³ Increase in local and global equity prices.

⁴ Weakening of the rand.

⁵ Strengthening of the rand.

Property market risk

The group is exposed to tenant default, depressed rental markets and vacancies within its investment property portfolio affecting property values and rental income. The managed diversity of the property portfolio and the existence of multi-tenanted buildings significantly reduce the exposure to this risk. At 31 December 2024 the proportion of unlet space in the property portfolio was 7.0% (2023: 5.8%).

The group's direct exposure to property market risk is shown below.

UNOBSERVABLE INPUTS INCLUDED IN VALUATION FOR INVESTMENT PROPERTIES

	Rm	Exit cap rate (%)	Discount rate (%)	Vacancy rate (%)	Rental growth (%)	Expense growth (%)
2024						
Office buildings	17	8.5	14.0	1	2.0 – 4.75	6.5
Retail – super regional and regional	22 876	7.0 – 10.0	11.75 – 14.0	1.0 – 5.0	2.0 – 5.0	6.5
Retail – other	605	7.5 – 8.5	12.25 – 12.5	1.0 – 5.0	2.0 – 5.0	6.5
Hotel	1 902	9.75	14.25			
Specialised ¹	413	10.5	14.0 – 14.25		0.0 – 5.0	6.5
2023						
Office buildings	38	8.5	14.25	1.0	2.0 – 4.75	6.5
Retail – super regional and regional	24 542	7.0 – 7.5	12.0 – 13.25	1.0 – 5.0	4.0 – 6.0	6.5
Retail – other	2 210	8.25 – 8.5	12.5 – 12.75	1.0 – 5.0	2.0 – 5.5	6.5
Hotel	1 531	9.8	14.25			
Specialised ¹	953	8.75 – 10.5	14.25 – 14.75		0.0 – 5.0	6.5

¹ The vacancy rate indicated in the table above refers to the structural vacancy rate applied over and above that which is already used in the cash flow for existing vacancies and void periods on expiry of leases.

Inter-relationship between key unobservable inputs and fair value measurements:

The most significant impact on value is an adjustment on metrics whereby the estimated fair value would increase/decrease if:

- exit capitalisation rate was lower/(higher).
- discount rate was lower/(higher).

Other inputs that impact the value positively (negatively) but are less significant are:

- vacancy and rent-free periods were shorter/(longer).
- expected market rental growth was higher/(lower).
- expected expense growth was lower/(higher).

Insurance risk

Insurance & Asset Management

Insurance risk arises due to uncertainty regarding the timing and amount of future cash flows from insurance contracts. This could be due to variations in mortality, morbidity, retrenchment, policyholder behaviour or expense experience in the case of life products, and claims incidence, claim severity or expense experience in the case of short-term insurance products. These could have adverse impacts on the group's earnings and capital if different from those assumed.

Ownership and accountability

The management and staff in all business areas accepting insurance risk are responsible for the day-to-day identification, analysis, pricing, monitoring and management of insurance risk. It is also management's responsibility to report any material insurance risks, risk events and issues identified to senior management through pre-defined escalation procedures.

The head of the actuarial function and statutory actuaries, where applicable, and group insurance risk department provide independent oversight of compliance with the group's risk management policies and procedures and the effectiveness of the group's insurance risk management processes.

There are a number of management committees in place responsible for managing all aspects of insurance risk. These committees are:

- IAM risk oversight committee (IROC);
- IAM reinsurance, underwriting and claims committee;
- IAM product approval committee; and
- Actuarial control committee.

These committees are sub-committees of the Insurance and asset management strategic committee (IAM Stratco).

Risk identification, assessment, measurement and management

Risk management takes place prior to the acceptance of risks through the product development and pricing processes and at the point of sale. Risks continue to be managed through the measurement, monitoring and treatment of risks once the risks are contracted.

Insurance risk sensitivities

The group's IAM business's earnings and available capital are exposed to insurance risks through its various insurance operations. Assumptions are made in respect of the insurance risks in the measurement of insurance contract liabilities.

Sensitivities indicating the impact of changes in key assumptions related to life insurance risks have been prepared by applying stresses at the financial position date.

The sensitivities chosen have been calibrated to moderately severe (1-in-10 year) stresses. Sensitivities to general insurance risks have not been shown as the impact of one in ten year general insurance stresses on the group's overall performance is immaterial at the reporting date.

Except where the impact of the sensitivity is not linear, single direction sensitivities have been supplied. Each of the presented sensitivities is applied in isolation with all other assumptions left unchanged.

The sensitivities are applied to contracts measured under IFRS 17 and do not apply to policyholder contracts measured under IFRS 9.

For long-dated contracts, the impact on the attributable profit calculation allows for the change in the fulfilment cash flows (including the risk adjustment) of the contracts under the stress net of the impact to the applicable CSM. The calculation differentiates between changes in long-term insurance assumptions which would be accounted for through the CSM, as opposed to stressed in-year cash-flows, such as higher death payments in a mortality epidemic event, which would flow directly to attributable profit. For short-contract boundary life business, measured under the PAA, the impacted cash flows are stressed over the next 12 months. The sensitivities are applied as a level percentage change in future expectation in relation to the relevant variable.

The expense sensitivity is limited to directly attributable expenses used in best estimate cash flow modelling of insurance contracts and will not include the full recurring expense base of the business operations.

Separate sensitivities are provided where the stresses are applied over the contract term, as well as stresses applied only during the next 12 months.

The gross and net of reinsurance impacts on shareholder equity and attributable profit in the table have been presented after allowing for CSM adjustments. The impact on the CSM, increase or (decrease) is also included in the table to provide additional insight as to the CSM dynamics and the resultant effective deferral of the impact on attributable profit to future years.

INSURANCE RISK SENSITIVITIES

	2024				2023		
	Change in variable ¹ %	Impact on ordinary shareholders' equity and attributable profit after taxation		Impact on CSM ² Rm	Impact on ordinary shareholders' equity and attributable profit after taxation		
		Gross of reinsurance Rm	Net of reinsurance Rm		Gross of reinsurance Rm	Net of reinsurance Rm	Impact on CSM ² Rm
Insurance assumptions							
Stress over contract term							
Mortality - insured lives	+4.5	(558)	(444)	(883)	(381)	(316)	(815)
Longevity - annuitants ³	+6.5	13	13	(688)	136	136	(709)
Morbidity	+10	(667)	(447)	(840)	(487)	(344)	(873)
Withdrawals	+10	(181)	(160)	(756)	(122)	(118)	(699)
Expense per policy	-10	194	170	867	125	118	966
	+5.5	(150)	(150)	(327)	(137)	(137)	(306)
Stress over the next 12 months							
Mortality - insured lives	+10	(567)	(449)	(5)	(557)	(448)	(5)
Morbidity	+19	(427)	(300)	(1)	(423)	(301)	(1)
Withdrawals	+21	(91)	(81)	(273)	(80)	(78)	(285)

¹ The sensitivities reflect 1-in-10 year stresses.

² Net of reinsurance and taxation.

³ Annuitant life expectancy increases i.e. annuitant mortality reduces. Profits are expected under the longevity sensitivity due to the CSM absorption of the stress impact calculated at locked-in discount rates exceeding the stress impact calculated at current discount rates.

The following table indicates the relative contribution by reportable group to the aggregate of shareholder equity and CSM by sensitivity. If the impact is not applicable or very low for that reportable group the table has been left blank.

Reportable group	Sensitivity				
	Mortality	Longevity	Morbidity	Withdrawals	Expense per policy
Life insurance contracts measured under GMM (excluding life annuities)	High		High	High	Medium
Life insurance contracts measured under PAA	Medium		Medium	Low	Low
Life annuities measured under GMM		High			Low
Life participating contracts measured under VFA				Medium	Medium

On reportable groups with short-term contract boundaries, particularly PAA contracts, the impact in respect of underwriting, withdrawal and expenses is lower for a given sum assured as the group is able to review prices in the short term. However, in the longer term, high retention rates and control of expenses on short-term boundary contracts are important for the continued competitive viability of these products from a new business perspective.

Insurance exposure by reportable group

The following table provides a measure of insurance exposure by reportable group, with a more detailed split of the Life insurance contracts measured under the GMM reportable group.

	Insurance revenue Rm	Net of reinsurance insurance revenue ¹		
		Total Rm	South Africa Rm	Africa Regions Rm
2024				
Life insurance contracts measured under GMM (excluding annuities and GIP measured under GMM)	11 071	9 385	9 345	40
Life insurance contracts measured under PAA	10 620	9 515	8 379	1 136
Life annuities measured under GMM	5 892	5 892	5 892	
General insurance measured under PAA	5 815	4 819	3 277	1 542
Contracts with material insurance underwriting risk	33 398	29 611	26 893	2 718
Guaranteed investment plans (GIP) measured under GMM	1 349	1 349	1 349	
Life participation contracts measured under VFA	5 001	5 001	4 875	126
Other insurance contracts	6 350	6 350	6 224	126
Total insurance contracts	39 748	35 961	33 117	2 844
2023 Restated²				
Life insurance contracts measured under GMM (excluding annuities and GIP measured under GMM)	10 721	9 092	9 025	67
Life insurance contracts measured under PAA	10 331	9 174	8 139	1 035
Life annuities measured under GMM	5 376	5 376	5 376	
General insurance measured under PAA	5 785	4 943	3 266	1 677
Contracts with material insurance underwriting risk	32 213	28 585	25 806	2 779
Guaranteed investment plans (GIP) measured under GMM	1 370	1 370	1 370	
Life participation contracts measured under VFA	4 998	4 998	4 824	174
Other insurance contracts	6 368	6 368	6 194	174
Total insurance contracts	38 581	34 953	32 000	2 953

¹ Insurance revenue less "Reinsurance expense before recoveries" as per note "Net expense/(income) from reinsurance contracts held".

² Restated. Refer to page 28 for details

Assessment of life insurance concentration risks

The Group's exposure to insurance risk is predominantly concentrated in South Africa, with a geographical split broadly linked to the economic activity and employed population demographics. Sum assureds more than selected retention limits are reinsured, limiting exposure to events leading to large claim sizes. Catastrophe cover limits the group's exposure to single events leading to multiple claims which in aggregate exceed the group's chosen event retention limit. Additional disclosure has been included in the current year's annual financial statements to indicate the group's exposure to concentration risks within the insurance business. This includes 2023 comparatives.

The table below provides separate comments on the four insurance risks. The group has substantial business volumes across each risk category specified.

Risk category	Age profile	Catastrophe cover in place	High exposure per life
Mortality	Spread across age bands	Yes, for sudden events but with pandemic and nuclear exclusions.	Surplus reinsurance is in place that limits sum assured at risk per policy.
Life annuity - longevity	Spread across ages over 55	No	Liberty is exposed to longevity increases in excess of those provided for.
Morbidity	Spread across age bands	Yes, for sudden events with pandemic and nuclear exclusions.	Surplus reinsurance is in place that limits sum assured at risk per policy.
Withdrawals	Spread across age bands	Yes	Not applicable

Mortality sum assured exposure by individual life

The table below includes the mortality exposures from the group's affluent market segment Lifestyle Protector product, its legacy Universal Lifestyle product and from its Corporate Benefits group risk products. These portfolios account for the vast majority of mortality business with large exposures at individual life level in South Africa.

Although the group's Emerging Consumer Market and Embedded Bancassurance mortality exposures are material in total, given the large number of lives covered, they have been excluded above as exposures per individual life are relatively small which limits concentration risk. The individual life sums assured on Credit Life business are typically less than R2 million and on funeral and other life cover are typically less than R0.5 million.

	2024			2023		
	Proportion of total sum assured			Portion of total sum assured		
	Number of lives ¹	Gross of reinsurance (%)	Net of reinsurance (%)	Number of lives ¹	Gross of reinsurance (%)	Net of reinsurance (%)
Sum assured						
Rnil to R2 million	672 860	31	36	727 797	33	38
R2 million to R5 million	147 112	31	35	148 260	31	35
R5 million to R10 million	39 660	19	18	38 532	18	17
R10 million to R15 million	9 160	8	6	8 765	7	6
R15 million to R30 million	5 249	7	4	4 757	7	3
Over R30 million	1 297	4	1	1 145	4	1
Total	875 338	100	100	929 256	100	100

¹ Gross of reinsurance.

Approach to managing insurance risk

Within insurance product pricing and in the measurement of insurance and reinsurance contracts, assumptions are made on underwriting, policyholder behaviour and expenses in determining best-estimate cash flows. Risk adjustments are added to the best estimate liabilities to reflect the level of expected uncertainty in the best estimate assumptions and the required risk adjustment.

For pricing purposes, such risk adjustments are also added to the best estimate liabilities so that the new business value appropriately reflects the expected value to be generated after allowing for an appropriate level of compensation for the risks that are being borne.

The uncertainty in the insurance assumptions is also reflected in the regulatory capital requirements of the insurance entities.

Risk management through product development, pricing and at the point of sale

The product development and pricing process defines the terms and conditions on which the risks will be accepted. Once a policy has been sold, the risk is accepted for the duration of the contract and the terms and conditions of the policy cannot be unilaterally changed except where the policy allows for rate reviews. The product development and approval processes ensure that:

- clients' needs and expectations will be met by the product;
- risks inherent in new products are identified, assessed and measured and stress tests are performed to enhance understanding of the inherent risks and appropriateness of potential mitigating actions;
- pricing is adequate for the risks undertaken;
- product design and pricing takes account of all product features, terms and conditions;
- reinsurance is used to reduce exposures to some insurance risks;
- the controls required to provide the product within risk appetite are identified and established; and
- post-implementation reviews are performed to ensure that intended outcomes are realised and to determine if any further action is required.

Risk management post-implementation of products and of in-force policies

The management of insurance risk is effectively the management of deviations of actual experience from the assumed experience on which products were priced. The risk is that these earnings are less than expected due to adverse actual experience.

Experience investigations are conducted on insurance risks to ascertain the reason for deviations from assumptions and their financial impacts. Adjustments to assumptions are made if considered appropriate to better reflect expected future experience and are used to inform the product development and pricing process.

Insurance risk exposure is monitored against any limits set. Further, insurance risk stresses are assessed and reviewed against risk tolerance limits, risk appetite triggers and risk targets and are included in processes to assess current and future financial conditions. Mitigating actions are developed for any risks that fall outside of management's assessment of risk appetite in order to reduce the level of risk to within the approved tolerance limits. Key risk indicators are used to enhance the monitoring and mitigation of insurance risks and facilitate insurance risk reporting.

Although risk adjustments, capital requirement and risk appetite limits are in place in recognition that the actual experience may differ from expectations, part of ongoing insurance risk management is implementing controls to help ensure the actual experience is financially favourably within the assumptions made.

This ongoing management of insurance risk, once the risk has been contracted, includes the management of costs; premium adjustments where permitted and appropriate; management strategies and training of sales staff to encourage customers to retain their policies; and appropriate claims management. The identification of emerging risk and threats to insurance risks also forms part of this ongoing management.

Feedback from customers is regularly considered to ensure that sales processes are delivering the right results for customers, that the contracts remain appropriate for their

needs in the years after sale and that those customers considering abandoning or surrendering their contracts are fully informed about the consequences of their choice.

Insurance risks are reported to business area executive committees and raised to relevant risk committees that convene quarterly for review and discussion. Major insurance risks identified are escalated to the relevant board or board-sub committees. In addition, the actuarial committee reviews the actuarial methodology and assumptions to support the risk committee.

As part of the risk management system, own risk and solvency assessments are performed as reflected in ORSA reporting to the Prudential Authority.

Underwriting risk

This refers to adverse financial impact caused by future demographic or claims incidence experience exceeding the expected experience. Underwriting risks include, among others, mortality and morbidity risks, longevity risks and general insurance claims incidence and severity insurance risks.

The primary purpose of underwriting is to ensure that an appropriate premium is charged for each risk and that cover is not offered to uninsurable risks.

Underwriting risks are risks that are core to the insurance business. The business continues to monitor and gain insight from its experience to drive appropriate management actions in underwriting, claims and pricing and to react timeously to ensure appropriate risk selection.

The business uses its specialist skills (with assistance from reinsurers when considered necessary) to enhance risk selection for the assessment, pricing and management of these risks to generate favourable shareholder returns. These risks are diversified by exposure across many different lives, geographies, and product types and will generally be retained if they are within risk appetite.

There is a risk that risk selection capabilities fall behind those of competitors. The business continues to maintain specialist skills and to actively drive specific risk selection initiatives to counteract this risk.

The following processes and procedures are in place to manage underwriting risk:

Pricing

Premium rates are differentiated by factors which have been determined to have a significant impact on underwriting claim experience taking into account current market dynamics. Premium rates and product designs are updated when required.

Prior to taking on individual risk policies, appropriate underwriting processes are conducted which influence pricing on the policy prior to acceptance.

Actual claims experience is monitored regularly so that deteriorating experience can be timeously identified. Product pricing and the measurement of insurance contract liabilities are changed if the deteriorating experience is expected to continue and cannot be mitigated. Detailed underwriting risk investigations are conducted at least annually for key products.

Developing insights to improve risk selection will continue so as to manage new business experience appropriately within pricing and long-term expectations where relevant.

Claims management

For mortality, claims are validated against policy terms and conditions.

For morbidity and retrenchment, experienced claims assessors determine the merits of the claim in relation to the policy terms and conditions.

For annuities, claims management ensures that annuitants are still due payment by verifying that annuitants are still alive. In the case of income disability annuitants, claim management ensures the continued eligibility for monthly income and includes interventions that may result in the full or partial medical recovery of the claimant. The actual disability experience is highly dependent on the quality of the claim management.

For general insurance claims, experienced claim assessors are used to assess the validity of claims and claim amounts payable in relation to the policy terms and conditions.

Reinsurance

Reinsurance is used to reduce underwriting risk exposure to: a particular line of business; a particular individual; a single event; and to benefit from the risk management support services and technical expertise offered by reinsurers. Existing life reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance excludes certain events such as epidemics, pandemics and radioactive contamination. Capital is held for these risks.

Within general insurance both proportional and non-proportional arrangements are used with retention levels and catastrophe cover levels varying by line of business.

Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. On insurance risks measured under GMM, given that the proportion of reinsurance is fixed for life at inception of the policy, the overall reinsurance result is heavily influenced by historic reinsurance arrangements. Conversely, on insurance risks measured under PAA where underlying policyholder benefits are typically annually renewable, reinsurance is annually renewable and the reinsurance result reflects the performance of recent arrangements.

Reinsurance credit risk arises where a portion of risk is ceded to another insurer or reinsurer. The management of reinsurance credit risk forms part of broader credit risk management.

Life underwriting risk

Pricing and underwriting revisions are regularly made to reflect the latest outlook in relation to life risks to optimise profitability and maintain competitiveness.

The following classes of life underwriting are covered:

Mortality risk

Adverse financial impact due to actual mortality (death) claims being higher than expected

There is a risk that mortality increases in the long-term from a multitude of factors (e.g. deteriorating health trends, deteriorating health care, climate-change related excess deaths, increase frequency of disease). However, to the extent that the emergence of this risk can be identified early, part of this risk can be mitigated by revising underwriting and pricing terms on new business and through exercising the premium

review options available in policy terms and conditions to mitigate losses on in-force business.

Morbidity risk

Adverse financial impact due to policyholder health related (disablement and dread disease) claims being higher than expected

In the event of the risk of long-term morbidity worsening, as in the case of mortality risk, premiums can be reviewed in line with policy terms and conditions.

Retrenchment risk

Adverse financial impact due to retrenchment related claims exceeding expectation

This risk arises from benefits that provide income or premium waivers on formal retrenchment and on more general loss of income on some product ranges. The benefit is payable for a limited fixed period or until re-employment, if earlier. The exposure to retrenchment business in aggregate is relatively small.

The aggregate level of retrenchment claims has been quite volatile over the years given the correlation of retrenchment levels with the state of the economy.

Longevity risk

Adverse financial impact due to the actual mortality on life annuitants, and actual mortality and recovery on income disability annuitants in payment, being lower than expected, leading to annuity benefits being payable for longer than expected

In the longer term, the risk of adverse financial impacts arising from longevity improvements higher than expectations remains. Such improvements typically arise from better living standards and from medical advances. There is significant uncertainty as to whether the improvements in life expectancy that have been experienced historically will continue in future, with a general slowing down of improvements particularly for the last decade in much of the developed world.

General insurance definitions

Class of business	Definition
Medical expense	Cover for personal medical expenses.
Property	Cover against loss or damage to property due to fire, explosion, storm, flood, business interruption and other occurrences customarily included.
Motor	Cover for losses arising out of the use of motor vehicles, inclusive of third-party risks but exclusive of transit risks.
Personal liability	Provides indemnity for actual or alleged breaches of professional duty arising out of the insured's activities, indemnifies directors and officers of a company against court compensation and legal defence costs, provides indemnity for the insured against damages consequent to a personal injury or property damage.
Personal accident and health	Provides financial compensation for the insured person sustaining bodily injury, solely and directly caused by accidental, violent, visible and external means, and which shall within 12 calendar months result in death, disablement or the incurring of medical expenses.
Other	Classes of business not included under those listed above. These include engineering, workmen's compensation, marine and aviation, theft, agriculture, bonds, goods in transit and glass.

The following table splits the insurance revenue and net of reinsurance insurance revenue, for the main classes of general insurance business as reported in the table on page 238 above.

	Insurance revenue Rm	Net of reinsurance insurance revenue ¹ Rm	Net of reinsurance Insurance revenue - South Africa	Africa Regions Rm
2024				
Medical	1 041	863	45	818
Property	3 018	2 489	2 341	148
Motor	1 110	1 026	682	344
Personal liability, accident and health	322	245	93	152
Other	324	196	117	79
Total	5 815	4 819	3 278	1 541
2023				
Medical	1 123	982	1	981
Property	2 985	2 545	2 404	141
Motor	913	865	527	338
Personal liability, accident and health	430	361	204	157
Other	334	190	130	60
Total	5 785	4 943	3 266	1 677

¹ Insurance revenue less "Reinsurance expense before recoveries" as per note 32.

General insurance risk strategy

The general insurance underwriting strategy seeks diversity to ensure a balanced portfolio across the above insurance classes, with a large number of policyholders covered spread over a large geographical area.

For property classes of business, in areas where there is a significant geographical concentration risk, this risk is materially mitigated through the use of reinsurance.

The risks under each insurance contract are the frequency with which the insured event occurs and the uncertainty of the amount of the resulting claim. For a pool of insurance contracts, the principal risks are that the actual claims and benefit payments exceed the premiums charged for the risks assumed and that the reserve set aside for policyholders' liabilities proves to be insufficient.

Within general insurance underwriting risk, risk management and controls are adapted appropriately to each product class of business. Within each product class of business, the risks arising are usually considered within the following categories:

Premium risk

Premium risk is the risk of fluctuations in the timing, frequency and severity of insured events. It includes the risk that premium provisions turn out to be insufficient to cover claims or that premium provisions need to be increased.

Premium risk relates to insurance policies to be written or renewed during the period, and to unexpired risks on existing policies.

The risk is managed by carefully establishing criteria by which each potential customer is allocated to the appropriate risk category, applying the underwriting rules, and by establishing prices appropriate to each risk category.

Reserving risk

Reserving risk is the risk of fluctuations in the timing and amount of claim settlements relative to what was expected.

For outstanding claims that have been reported, provisions are reviewed at least annually by expert assessors. For incurred claims that have not been reported, provisions are calculated using appropriate techniques and regulatory prescriptions.

Catastrophic risk

Catastrophic risk is the risk of adverse financial impact due to a single event or series of extreme or irregular interrelated events, leading to a significant deviation in actual claims from the total expected claims.

Significant losses may arise from catastrophic events such as flood, storm or earthquake damage, as well as large single risk events. To mitigate this risk, reinsurance is bought across a diversified panel of reinsurers. Reinsurance provides protection for individual large claims, accumulations of claims and catastrophic claims such as hail damage and earthquakes.

Policyholder behaviour risk

Policyholder behaviour risk is the risk that adverse financial impact is caused by actual policyholders' behaviour deviating from expectation.

The primary policyholder behaviour risk is termination risk. This generally arises when policyholders surrender or lapse their policies, or discontinue or reduce contributions, at a rate that is not in line with expectations. This could be due to regulatory and law changes (including taxation), changes in economic conditions, changes in policyholders circumstances and perceptions, policy conditions and practices, selling practices, advisor behaviour, and competitor behaviour.

Policyholder behaviour risk, in particular surrender and lapse risk, remains significant with the experience being volatile and linked in part to the economic cycle. The risk is significant particularly for life risk measured under GMM and participating contracts which are valued on longer-term contract boundaries. However, since it is usually costlier to acquire new annually renewable business than retaining it, the expected renewal experience is considered in product pricing as this affects such business's long-term viability.

The policyholder behaviour risk is managed through frequent monitoring of experience and actively driving targeted retention initiatives. Focusing on being customer centric, including listening to customers to understand the drivers of the experience, enables appropriate actions to be taken.

An increase in terminations generally gives rise to a loss. However, with certain products this general principle does not always apply. For example, for level premium risk products at certain durations an earnings strain results if actual terminations are lower than assumed.

Due to the highly intermediated nature of the insurance and investment markets, experiences, perceptions and behaviour of financial advisors are key determinants of policyholder behaviour. The termination experience of each financial advisor's business is monitored, and appropriate action is taken when required. In addition, opportunities to switch to new generation products are periodically made available to existing policyholders.

The group has entered into reinsurance contracts expected to cover in part the losses incurred under certain catastrophic termination events (i.e. a severe termination event that occurs over a period of 12 months) in respect of South African life insurance termination risk. These arrangements reduce exposures to catastrophic termination events and are also for capital management purposes.

Expense risk

Expense risk is the risk of adverse financial impact due to the timing and/or amount of expenses incurred, differing from those assumed in the calculation of expected financial outcomes (i.e. the actual cost per policy differs from that assumed in the pricing or valuation bases).

Management of expense risk is core to the insurance business. The expenses expected to be incurred on policies are allowed for in product pricing. If such expenses are considerably higher than those of insurers with competing products, the ability to sell business on a profitable basis will be restricted. This does not only have capital implications but can also affect the ability to function as a going concern in the long-term.

Expense risk is managed by:

- regularly monitoring actual expenses against budgeted expenses.
- regularly monitoring new business volumes and mix.
- regularly monitoring withdrawal rates including lapses.
- implementing cost control measures in the event of expenses exceeding budget or of significant unplanned reductions in the number of in-force policies.

New business risk

New business risk is the risk of the new business value deviating from that expected in calculating expected financial outcomes.

This can arise from actual volume, mix and/or quality of new business deviating from that expected.

Own equity-linked transactions

Definition

The group has exposure to changes in its share price arising from its equity-linked remuneration contractual commitments.

Depending on the nature of the group's equity-linked share schemes, the group is exposed to either income statement risk or NAV risk through equity due to changes in its own share price as follows:

- Income statement risk arises as a result of losses being recognised in the group's income statement as a result of increases in the group's share price on cash-settled share schemes above the award grant price
- NAV risk arises as a result of the group settling an equity-linked share incentive scheme at a higher price than the price at which the share incentive was granted to the group's employees.

The following table summarises the group's most material share schemes together with an explanation of which risk (where applicable) the share scheme exposes the group to, and why, and an indication as to whether the share schemes are hedged.

Share scheme	Risk to the group	Explanation	Hedged ¹	Hedged risk
Equity growth scheme	N/A	The EGS is an equity-settled share scheme that is settled through the issuance of new shares. Accordingly, the group does not incur any cash flow in settling the share schemes and hence is not exposed to any risk as a result of changes in its own share price. Since the EGS results in the issuance of new shares and in order to mitigate the dilutionary impact on existing shareholders, the group re-purchases shares from the open market.	No, as there is no cash flow risk	N/A
Equity-settled deferred bonus scheme and performance reward plan	NAV risk	The DBS and PRP awards that are equity-settled, are settled through the purchase of shares from the open market. Accordingly, for these equity-settled share schemes, increases in the group's share price above the grant price will result in losses being recognised in the group's equity.	Yes	SBK share price risk
Cash-settled DBS and PRP	Income statement risk	The DBS and PRP awards that are cash-settled result in losses being recognised in the income statement as a result of increases in the group's share price.	Yes	SBK share price risk
Share appreciation rights scheme – equity settled	NAV risk	SARP awards that are issued to individuals in the employment of a group entity domiciled in South Africa are classified as equity-settled and are settled through the purchase of shares from the open market. Accordingly, changes in the group's share price above the grant price will result in gains and/or losses being recognised directly in the group's equity.	No, given the current low number of awards that have been issued to date. The number of awards are however monitored to evaluate for future hedging considerations.	N/A
Share appreciation rights scheme – cash settled	Income statement risk	Awards made to individuals of a group entity outside of South Africa are settled in cash. Increases in the group's share price will result in losses being recognised in the income statement.	No, given the current low number of awards that have been issued to date. The number of awards are however monitored to evaluate for future hedging considerations.	N/A

¹ The group partially hedges these exposures.

Capital management

Banking

The group manages its capital levels to support business growth, maintain depositor and creditors' confidence, create value for its shareholders and ensure regulatory compliance.

The main regulatory requirements to be complied with are those specified in the Banks Act and related regulations, which are aligned with Basel III.

Regulatory capital adequacy is measured through the following three risk-based ratios:

- Common equity tier 1 (CET 1): ordinary share capital, share premium, retained earnings, other reserves and qualifying non-controlling interest less regulatory adjustments divided by total risk-weighted assets (RWA).
- Tier 1: CET 1 and other qualifying non-controlling interest plus perpetual, non-cumulative instruments with either contractual or statutory principal loss absorption features that comply with the Basel III rules divided by total RWA.
- Total capital adequacy: Tier 1 plus other items such as general credit impairments and subordinated debt with either contractual or statutory principal loss absorption features that comply with the Basel III rules divided by total RWA. Subordinated debt that complies Basel III rules is included in total capital.

BASEL III QUALIFYING CAPITAL EXCLUDING UNAPPROPRIATED PROFITS

	2024 Rm	2023 Rm
Ordinary shareholders' equity[#]	250 655	236 445
Qualifying non-controlling interest [#]	7 286	7 144
Regulatory adjustments	(18 110)	(22 783)
Goodwill	(1 656)	(1 609)
Other intangible assets	(8 350)	(8 914)
Investments in financial entities	(6 676)	(11 354)
Other adjustments	(1 428)	(906)
Total common equity tier 1 capital (including unappropriated profit)	239 831	220 806
Unappropriated profit	(15 741)	(19 738)
Common equity tier 1 capital	224 090	201 068
Qualifying other equity instruments [#]	18 217	18 661
Qualifying non-controlling interests	1 330	1 092
Tier 1 capital	243 637	220 821
Tier 2 capital	33 572	32 826
Qualifying tier 2 subordinated debt [#]	28 180	25 682
General allowance for credit impairments	5 392	7 144
Total regulatory capital	277 209	253 647

The table above is unaudited, except where it is denoted with [#].

Insurance & Asset Management

The capital management strategy is designed to ensure that IAM remains within risk appetite with sufficient capital to meet strategic initiatives, as well as regulatory and working capital requirements. The allocation and use of capital are designed to generate a return that appropriately compensates shareholders for the risks incurred. Capital is deployed to each legal entity within the group, such that the available capital exceeds its applicable regulatory capital requirement. Appropriate buffers allow the group to be managed within its risk appetite.

Available capital is the amount by which the value of the assets exceeds the value of liabilities, both measured on the prescribed basis. The group ensures that available capital is of suitable quality and is accessible when required, both at an LGL and LHL group level. The capital buffer is the amount by which available capital exceeds the solvency capital requirement, measured at an individual legal entity level. As a whole, the group holds a further capital buffer which is managed to support risk target levels, strategic initiative requirements and the dividend policy of the group. Similarly, individual entities, most notably insurance subsidiaries, maintain buffers in order to ensure their individual compliance to local regulatory requirements.

Solvency capital requirement coverage¹

The following table summarises the available capital (or 'own funds') and the solvency capital requirements:

	2024	2023
Available capital (or own funds) (Rm)	29 414	30 358
SCR (Rm)	17 593	16 802
SCR coverage ratio (times)	1.67	1.81
Target SCR coverage ratio (times)	1.3 - 1.7	1.3 - 1.7

¹ Unaudited

Liberty met all of the Prudential Authority's capital requirements. Regulated entities in South Africa met their regulatory requirements and regulated entities in Africa Regions materially met their regulatory requirements.

ANNEXURE D – GROUP SHARE INCENTIVE SCHEMES

Share-based payments

The group's share incentive schemes enable key management personnel and senior employees to benefit from the performance of the group and group companies' share price. For further detail regarding the share schemes refer to the group's governance and remuneration report.

	2024 Rm	2023 Rm
Expenses recognised in staff cost		
Share Appreciation Rights Scheme	77	60
Deferred Bonus Scheme	2 234	1 731
Performance Reward Plan	1 146	2 021
Cash-Settled Deferred Bonus Scheme	790	682
Liberty Share Incentive Scheme		115
Total expenses recognised in staff costs	4 247	4 609
Summary of liabilities recognised in other liabilities		
Share Appreciation Rights Scheme	30	25
Deferred Bonus Scheme	26	22
Performance Reward Plan	216	270
Cash-Settled Deferred Bonus Scheme	650	531
Total liability recognised in other liabilities	922	848

Equity Growth Scheme

The EGS is an equity-settled scheme and represents appreciation rights allocated to employees. The converted value of the rights is effectively settled by issue of shares equivalent to the value of the rights. The scheme has five different subtypes of vesting categories as illustrated by the table below:

Vesting categories	Year	% vesting	Expiry (Years)
Type A	3,4,5	50,75,100	10 years
Type B	5,6,7	50,75,100	10 years
Type C	2,3,4	50,75,100	10 years
Type D	2,3,4	33,67,100	10 years
Type E	3,4,5	33,67,100	10 years

A reconciliation of the movement of share options is detailed below:

	Number of rights		Average price range (R) 2024
	2024	2023	
Movement summary			
Rights outstanding at beginning of the year	1 587 409	2 594 941	
Exercised	(973 249)	(993 747)	62.39 - 156.96
Lapsed/forfeited	(25 210)	(13 785)	98.80 - 156.96
Rights outstanding at the end of the year	588 950	1 587 409	

During 2024, 317 896 (2023: 221 284) SBG shares were issued to settle the appreciated rights value. At the end of the year, the group would need to issue 264 174 (2023: 529 364) SBG shares to settle the outstanding appreciated rights value. The EGS rights are only awarded to individuals in the employment of a group entity domiciled in South Africa.

The group is required to ensure that employees' tax arising from benefits due in terms of the scheme is paid in accordance with the Fourth Schedule of the Income Tax Act of South Africa. Where employees have elected not to fund the tax from their own resources the tax due is treated as a diminution of the gross benefits due under the scheme. No SBG shares were issued and sold to settle the employees' tax due for both 2024 and 2023. This reduces the liability to the employee in respect of the outstanding appreciated rights value. Share options were exercised regularly throughout the year. The weighted average share price for the year was R209.74 (2023: R177.59).

The following rights granted to employees, including executive directors, had not been exercised at year end:

Option expiry period	2024			2023		
	Number of ordinary shares	Option price range (rand)	Weighted average price (rand)	Number of ordinary shares	Option price range (rand)	Weighted average price (rand)
Year to 31 December 2023				15 292	62.39- 98.80	98.20
Year to 31 December 2024				97 000	126.87	126.87
Year to 31 December 2025	893	156.96	156.96	738 943	156.96	156.96
Year to 31 December 2026	588 057	122.24	122.24	736 174	122.24	122.24
Total	588 950			1 587 409		

Share Appreciation Rights Scheme

The SARP is a long-term scheme and represents appreciation rights awarded to employees and is based on the SBG's share price. Awards that are issued to individuals in the employment of a group entity domiciled in South Africa are classified as equity-settled and awards made to individuals of a group entity outside of South Africa are classified as cash-settled. The SARP has replaced the EGS and hence no further EGS awards will be granted. Share rights were last granted in 2016 under the equity growth scheme. Vesting and expiry of the rights are as follows:

	Year	% vesting	Expiry
Vesting category	2,3,4	33,67,100	4,5,6

The converted value of the rights is settled either by purchasing shares for equity-settled awards on an external market and in cash for cash-settled awards equal to the value of the converted rights.

A reconciliation of the movement of share options is detailed below:

	2024		2023	
	Average price range (rand)	Number of rights	Average price range (rand)	Number of rights
Rights outstanding at the end of the year		6 372 956		6 288 219
Granted ¹			179.82	1 594 939
Exercised		(1 340 440)		(1 217 862)
Lapsed/forfeited		(1 001 026)		(292 340)
Rights outstanding at the end of the year		4 031 490		6 372 956
Outstanding equity-settled units		3 404 705		5 531 174
Outstanding cash-settled units		626 785		841 782

¹ Includes no units that are equity-settled, the balance will be cash-settled (2023: 1 271 387 were equity settled).

During the current year the group purchased 174 742 (2023: 71 844) Standard Bank Group shares from the market to settle the appreciated rights value.

At the end of the year the group would need to purchase 912 516 (2023: 1 169 525) SBG shares to settle the outstanding appreciated rights value.

The following rights granted to employees, including executive directors, had not been exercised as at 31 December 2024:

Option expiry period	2024			2023		
	Number of rights	Option price range (rand)	Weighted average price (rand)	Number of rights	Option price range (rand)	Weighted average price (rand)
Year to 31 December 2023				9 440	155.95	155.95
Year to 31 December 2024				854 791	152.64-220.97	211.71
Year to 31 December 2025	173 457	142.00-182.43	169.62	1 080 655	142.00-182.43	172.36
Year to 31 December 2026	692 447	142.00-160.33	161.92	1 258 743	142.00-160.33	153.78
Year to 31 December 2027	1 531 075	142.00-179.82	161.92	1 532 322	142.00-179.82	161.94
Year to 31 December 2028	1 164 298	160.33-179.82	168.20	1 165 545	160.33-179.82	168.21
Year to 31 December 2029	470 213	179.82	179.82	471 460	179.82	179.82
Total	4 031 490			6 372 956		

No share appreciation rights were granted during the year. Expected volatility is determined using historical SBK share price data available and applied over the expected life of the grant. Each grant was valued separately. The weighted fair value of the options granted per vesting date and the assumptions utilised are as follows:

	2023		
	Tranche 1	Tranche 2	Tranche 3
Number of appreciation rights granted	531 611	531 648	531 680
Weighted average fair value at grant date (rands)	35.88	37.29	37.94
The principal inputs are as follows:			
Weighted average share price (rand)	179.82	179.82	179.82
Weighted average exercise price (rand)	179.82	179.82	179.82
Expected life (years)	4.00	5.00	6.00
Expected volatility (%)	33.76	33.76	33.76
Risk-free interest rate (%)	7.69	7.83	8.07
Dividend yield (%)	7.24	7.50	7.66

Deferred Bonus Scheme

All employees who were granted an annual performance award over a threshold have part of their award deferred. The awards are indexed to the group's share price and accrue notional dividends during the vesting period, which are payable on vesting. Awards vest in three equal amounts at 18 months, 30 months and 42 months from the date of award. The final payout is determined with reference to the group's share price on vesting date. Cash settled awards have been partially hedged through the use of equity forwards.

Awards that are issued to individuals in employment of a group entity domiciled in South Africa are classified as equity-settled and awards that are made to individuals of a group entity outside of South Africa are classified as cash-settled.

	Units	
	2024	2023 ²
Movement summary		
Units outstanding at beginning of the year	18 940 821	17 466 957
Units granted during the year ¹	11 936 957	10 406 776
Exercised	(8 443 077)	(8 315 423)
Lapsed/forfeited	(406 485)	(617 489)
Units outstanding at end of the year	22 028 216	18 940 821
Outstanding equity-settled units	21 813 620	18 733 770
Outstanding cash-settled units	214 596	207 051
Weighted average fair value at grant date (R)	180.18	167.49
Expected life (years)	2.51	2.51

¹ Includes 11 842 208 (2023: 10 243 715) units that are equity-settled, the balance relates to cash-settled rewards.

² Restated 2023 as Liberty's opening units were erroneously not included.

Performance Reward Plan

The PRP is a performance-driven share plan which rewards value delivered against specific targets. The PRP incentivises a group of senior executives to meet the strategic long-term objectives that deliver value to shareholders, to align the interests of those executives with those of shareholders and to act as an attraction and retention mechanism in a highly competitive marketplace for skills. The PRP operates alongside the existing conditional, equity-settled long-term plans, namely the EGS, DBS, and other share incentive schemes.

The awards are indexed to the group's share price and accrues notional dividends during the vesting period, which are payable on vesting. Shares that vest (if any), and that are delivered to the employee, are conditional on the pre-specified performance metrics, set annually by the SBG remuneration committee (refer to the group's remuneration report for further information). These awards have been partially hedged through the use of equity forwards.

Awards that are issued to individuals in employment of a group entity domiciled in South Africa are classified as equity-settled and awards made to individuals of a group entity outside of South Africa are classified as cash-settled.

	Units	
	2024	2023 ¹
Movement summary		
Units outstanding at beginning of the year	15 383 999	15 521 653
Units granted during the year ²	3 578 056	4 306 095
Exercised	(8 072 507)	(4 379 665)
Performance condition uplift/(lapsed) ³	2 960 295	2 412 459
Lapsed/forfeited	(425 945)	(2 476 543)
Units outstanding at the end of the year	13 423 898	15 383 999
Outstanding equity-settled units	12 207 567	13 785 602
Outstanding cash-settled units	1 216 331	1 598 397
Weighted average fair value at grant date (R)	174.99	156.70
Expected life (years)	3.07	3.07

¹ Restated. During 2024 it was noted that Liberty's opening units were erroneously excluded from units granted during the year.

² Includes 3 175 053 (2023: 3 785 840) units that are equity-settled, the balance relates to cash-settled rewards.

³ Restated. During 2024, there was a methodology updated to reflect only approved conditional units, the 2023 value (previously disclosed as 2 857 770 shares) has been aligned to this methodology change.

Cash-Settled Deferred Bonus Scheme

Effective for awards made in 2017, employees granted an annual performance award over a threshold and who are in employment of the group and meet other specific criteria have part of their award deferred.

Awards in rand are indexed to SBG’s share price and accrues notional dividends during the vesting period, which are payable on vesting. Awards vest in three equal amounts at 18, 30 and 42 months from the date of the award. The maturity value is determined with reference to the SBG share price on the vesting date. These awards are classified as cash-settled from a group perspective. Awards in currencies other than rand (being the employee’s host country) are denominated in that currency with the same terms as rand-denominated awards with the value of the awards, in foreign currency, moving in parallel with changes in the SBG share price. These awards have been partially hedged through the use of equity forwards.

Currency	Weighted average fair value at grant date	Expected life at grant date (years)	2024					2023				
			Opening balance	Granted	Exercised	Lapsed	Outstanding	Opening balance	Granted	Exercised	Lapsed	Outstanding
AOA	182.85	2.51	3 451 794	2 388 564	(1 300 456)	(557 645)	3 982 257	2 518 607	2 057 257	(1 124 070)		3 451 794
AED	182.85	2.51	24 209	13 979	(11 722)		26 466	24 451	11 698	(11 940)		24 209
BWP	182.85	2.51	60 225	41 787	(29 955)	(1 754)	70 303	49 494	38 926	(33 744)	5 549	60 225
CDF	182.85	2.51	46 865	1 362 639	(29 712)		1 379 792	128 954		(33 734)	(48 355)	46 865
CNY	182.85	2.51	79 808	48 469	(40 155)		88 122	97 327	41 560	(55 556)	(3 523)	79 808
GBP	182.85	2.51	84 650	54 581	(39 448)	(1 773)	98 010	79 643	46 864	(47 804)	5 947	84 650
GHS	182.85	2.51	24 157	59 823	(13 413)		70 567	51 973	1 465	(19 926)	(9 355)	24 157
KES	182.85	2.51	1 231 078	905 290	(496 768)	(70 996)	1 568 604	950 327	553 650	(446 087)	173 188	1 231 078
LSL	182.85	2.51	7 165	10 710	(2 067)	(1 746)	14 062	11 546	3 841	(3 687)	(4 535)	7 165
MUR	182.85	2.51	96 489	122 236	(40 117)		178 608	54 769	127 974	(27 926)	(58 328)	96 489
MWK	182.85	2.51	2 758 816	2 679 062	(1 114 397)		4 323 481	1 540 936	1 760 519	(632 176)	89 537	2 758 816
MZN	182.85	2.51	262 188	97 020	(147 484)		211 724	249 476	120 396	(93 511)	(14 173)	262 188
NAD	182.85	2.51	28 854	16 539	(13 466)	(2 162)	29 765	38 303	15 163	(18 954)	(5 658)	28 854
NGN	182.85	2.51	16 367 433	10 611 063	(7 493 772)	(232 840)	19 251 884	14 987 299	9 077 409	(6 683 229)	(1 014 046)	16 367 433
SSP								7 821			(7 821)	
SZL	182.85	2.51	69 502	49 205	(30 772)		87 935	50 014	43 433	(19 258)	(4 687)	69 502
TZS	182.85	2.51	2 757 698	2 738 205	(1 359 169)	885 853	5 022 587	1 520 427	3 986 411	(756 570)	(1 992 570)	2 757 698
UGX	182.85	2.51	34 408 716	27 472 269	(14 879 067)	(2 222 965)	44 778 953	28 253 134	26 745 486	(19 601 090)	(988 814)	34 408 716
USD	182.85	2.51	26 621	10 932	(12 661)	(981)	23 911	25 292	17 345	(20 163)	4 147	26 621
XOF	182.85	2.51	946 409	685 888	(472 048)		1 160 249	915 276	472 291	(491 806)	50 648	946 409
ZAR	182.85	2.51	1 299 318	796 505	(635 022)	10 389	1 471 190	1 279 458	734 855	(730 621)	15 626	1 299 318
ZMW	182.85	2.51	94 870	75 831	(40 863)		129 838	71 010	59 415	(28 817)	(6 738)	94 870
ZWL	182.85	2.51						36 609			(36 609)	

ANNEXURE E – EMOLUMENTS AND SHARE INCENTIVES OF DIRECTORS AND PRESCRIBED OFFICERS

Executive directors' and prescribed officers' emoluments

	Sim Tshabalala		Kenny Fihla	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Fixed remuneration	11 879	11 670	9 281	8 790
Salary	10 510	9 979	7 961	7 342
Employer retirement contributions	1 135	1 443	841	972
Other benefits and allowances	234	248	479	476
Short-term Incentive	24 000	24 000	26 000	28 875
Cash incentive ¹	10 800	10 800	11 700	12 987
Deferred incentive ²	13 200	13 200	14 300	15 888
Total remuneration (excluding long-term incentive)	35 879	35 670	35 281	37 665
PRP award vesting ³	45 388	41 620	27 240	28 168
Notional dividend on PRP award vesting ⁴	7 949	6 014	4 771	4 070
Total remuneration (including long-term incentive awards)	89 216	83 304	67 292	69 903

	Arno Daehnke		Funeka Montjane	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Fixed remuneration	9 006	8 483	8 377	7 921
Salary	8 050	7 481	7 644	7 213
Employer retirement contributions	830	918	585	552
Other benefits and allowances	126	84	148	156
Short-term Incentive	22 000	22 000	22 500	22 000
Cash incentive ¹	9 900	9 900	10 150	9 900
Deferred incentive ²	12 100	12 100	12 350	12 100
Total remuneration (excluding long-term incentive)	31 006	30 483	30 877	29 921
PRP award vesting ³	31 786	32 830	29 495	25 804
Notional dividend on PRP award vesting ⁴	5 567	4 744	5 166	3 729
Total remuneration (including long-term incentive awards)	68 359	68 057	65 538	59 454

	Bill Blackie ⁶		Luvuyo Masinda ⁷
	2024 R'000	2023 R'000	2024 R'000
Fixed remuneration	8 369	7 916	2 973
Salary	7 570	7 135	2 468
Employer retirement contributions	752	708	220
Other benefits and allowances	47	73	285
Short-term Incentive	22 000	22 000	6 631
Cash incentive ¹	9 900	9 900	2 984
Deferred incentive ²	12 100	12 100	3 647
Total remuneration (excluding long-term incentive)	30 369	29 916	9 604
PRP award vesting ³	11 347	14 084	2 579
Notional dividend on PRP award vesting ⁴	1 987	2 035	452
Total remuneration (including long-term incentive awards)	43 703	46 035	12 635

	Yuresh Maharaj ⁸		Margaret Nienaber	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Fixed remuneration	8 874	5 404	8 524	8 264
Salary	7 724	4 693	7 525	6 697
Employer retirement contributions	1 032	629	629	808
Other benefits and allowances	118	82	370	759
Short-term Incentive	12 600	8 044	22 000	22 000
Cash incentive ¹	5 650	4 218	9 900	9 900
Deferred incentive ²	6 950	3 826	12 100	12 100
Total remuneration (excluding long-term incentive)	21 474	13 448	30 524	30 264
PRP award vesting ³	17 827	4 674	27 240	25 804
Notional dividend on PRP award vesting ⁴	2 420	675	4 771	3 729
Liberty Equity Growth Scheme (EGS) award ⁵		6 260		
Total remuneration (including long-term incentive awards)	41 721	25 057	62 535	59 797

Former prescribed officers' emoluments

	David Munro ⁹ 2023 R'000
Fixed remuneration	12 784
Salary	2 039
Employer retirement contributions	183
Other benefits and allowances	10 562
Short-term Incentive	
Cash incentive ¹	
Deferred incentive ²	
Total remuneration (excluding long-term incentive)	12 784
PRP award vesting ³	12 810
Notional dividend on PRP award vesting ⁴	1 851
Total remuneration (including long-term incentive awards)	39 751

¹ Performance related short-term incentives payable in cash in March following the financial year under review.

² Performance related deferred short-term incentive awarded in March following the financial year under review. These awards are unitised in terms of the Deferred Bonus Scheme (DBS) and Cash Settled Deferred Bonus Scheme (CS DBS) using the group's closing share price on the day results are announced.

³ PRP units awarded in March 2022 were subject to performance conditions measured over the period 1 January 2022 to 31 December 2024 and will vest in March 2025. The value shown in 2024 for this award is calculated using the group's closing share price of R221.76 at 31 December 2024 and the vesting percentage of 164%, which reflects the achievement of performance conditions over the performance period. The value shown in 2023 relates to the March 2021 PRP award which vested in March 2024 at a vesting percentage of 160% based on performance delivered over the three-year period ending 31 December 2023.

⁴ The PRP notional dividend value reflects the cumulative notional dividend accrued over the vesting period on the vested units.

⁵ As part of the acquisition of the minority shareholding in Liberty Holdings Limited in 2022, Yuresh Maharaj retained his historic Liberty EGS awards granted by the Liberty Remco in 2020. 50% of the award vested on 6 November 2023 and 25% vested on 6 November 2024. The remaining 25% will vest in November 2025 if the employment condition is met. As the performance period ended on 6 November 2023, the value of the full award is shown in 2023.

⁶ Bill Blackie's March 2022 PRP vesting value disclosed for 2024 relates to an award made with respect to his previous role. The award value was therefore lower than subsequent awards made to him in his prescribed officer capacity.

⁷ Luvuyo Masinda was appointed as a prescribed officer on 1 September 2024 and his remuneration is shown from this date. The March 2022 PRP vesting value disclosed for 2024 relates to an award made with respect to his previous role and has been prorated for the portion of the vesting period served as prescribed officer.

⁸ Yuresh Maharaj was appointed as a prescribed officer on 12 May 2023 and his remuneration is shown from this date. The March 2022 PRP vesting value disclosed for 2024 has been prorated for the portion of the vesting period served as prescribed officer.

⁹ David Munro was a prescribed officer from 11 March 2022 until he left the group on 31 March 2023 and his disclosed remuneration relates to this period. Included in David's other benefits and allowances amount is a statutory payment of R10.5m due to him on his exit.

Non-executive directors

	Fixed remuneration			
	Services as directors of Standard Bank Group R'000	Standard Bank Group committee fees R'000	Services as directors of group subsidiaries R'000	Total compensation for the year R'000
2024				
Lwazi Bam	335	1 470	335	2 140
Paul Cook	335	1 025	335	1 695
Sola David-Borha ¹	1 061	513	1 743	3 317
Geraldine Fraser-Moleketi	335	1 059	335	1 729
Trix Kennealy	335	2 295	335	2 965
Ben Kruger	335	2 003	335	2 673
Li Li	335		335	670
Jacko Maree	335	1 834	335	2 504
Nomgando Matyumza	335	1 262	335	1 932
Nonkululeko Nyembezi	8 031			8 031
Martin Oduor-Otieno ²	1 323	861	1 323	3 507
Fenglin Tian ³	440	271	440	1 151
Total	13 535	12 593	6 186	32 314
2023				
Lwazi Bam	318	1 086	318	1 722
Paul Cook	318	811	318	1 447
Geraldine Fraser-Moleketi	318	1 135	318	1 771
Xueqing Guan ⁴	1 268	775	1 268	3 311
Trix Kennealy	318	2 177	318	2 813
Ben Kruger	318	1 900	1 264	3 482
Li Li	318		318	636
Jacko Maree	318	1 708	318	2 344
Nomgando Matyumza	318	1 197	318	1 833
Nonkululeko Nyembezi	7 619			7 619
Martin Oduor-Otieno ²	1 268	819	1 268	3 355
Atedo Peterside con ⁵	1 268	827	1 268	3 363
Total	13 967	12 435	7 294	33 696

¹ Sola David-Borha was appointed to SBG and SBSA boards on 13 March 2024 and to board committees on 1 July 2024. Sola David-Borha's fees for services as a director of group subsidiaries includes fees paid by Stanbic IBTC Holdings.

² Martin Oduor-Otieno resigned as a member of the SBG and SBSA Audit Committees on 31 December 2024.

³ Fenglin Tian was appointed to SBG and SBSA boards on 1 September 2024.

⁴ Xueqing Guan retired from the SBG and SBSA boards on 10 June 2024.

⁵ Atedo Peterside con retired from the SBG and SBSA boards on 10 June 2024.

Fees are disclosed excluding VAT

Former non-executive directors

	Fixed remuneration			Total compensation for the year R'000
	Services as directors of Standard Bank Group R'000	Standard Bank Group committee fees R'000	Services as directors of group subsidiaries R'000	
2024				
Xueqing Guan ⁴	588	363	588	1 539
Atedo Peterside con ⁵	588	305	588	1 481
Total	1 176	668	1 176	3 020
2023				
Adv Kgomotso Moroka	143	326	143	612
John Vice	143	655	143	941
Total	286	981	286	1 553

¹ Sola David-Borha was appointed to SBG and SBSA boards on 13 March 2024 and to board committees on 1 July 2024. Sola David-Borha's fees for services as a director of group subsidiaries includes fees paid by Stanbic IBTC Holdings.

² Martin Oduor-Otieno resigned as a member of the SBG and SBSA Audit Committees on 31 December 2024.

³ Fenglin Tian was appointed to SBG and SBSA boards on 1 September 2024.

⁴ Xueqing Guan retired from the SBG and SBSA boards on 10 June 2024.

⁵ Atedo Peterside con retired from the SBG and SBSA boards on 10 June 2024.

Share-linked schemes

Deferred Bonus Scheme

Deferred short-term incentive awards are made in terms of the Deferred Bonus Scheme (DBS) or Cash Settled Deferred Bonus Scheme (CS DBS). Awards are converted to units by referencing the group share price on award. On vesting, units are either settled in group shares on a one-for-one basis (in terms of the DBS) or in cash (in terms of the CS DBS). DBS settlement takes place through shares purchased in the market to avoid shareholder dilution.

Participants also receive a notional dividend cash payment on vesting. This amount is equal to the dividends that would have accrued over the vesting period on the number of shares which has vested.

Performance reward plan (PRP)

PRP participation is limited to executive directors, prescribed officers and senior executive roles who make a direct contribution to the achievement of the group's long-term strategy.

Awards vest after three years from the award date if, and to the extent, performance conditions are met. The performance conditions include a minimum threshold to start vesting and subsequent targets for vesting up to 200%. The performance period over which performance conditions are measured, is aligned to the group's financial year. Vested units of South African participants are settled in shares purchased in the market to avoid shareholder dilution. The vested awards of participants outside South Africa are cash settled.

On vesting, participants also receive a cash payment equal to the dividends that would have accrued over the vesting period on the number of shares which have vested.

Legacy share-linked schemes

Share appreciation rights plan (SARP)

Previously, employees with deferred STI awards exceeding R1 million (or similar local currency amount) could choose to receive all or part of their deferral in the form of share appreciation rights. To the extent that employees elected SARP awards, they received a premium of 10% of the value of their award, because of the longer vesting period (equally over two, three and four years) and the instrument's inherent risk profile compared to standard DBS awards. South African participants can elect to either receive shares (purchased in the market to avoid shareholder dilution) or the cash equivalent in settlement of their exercised awards. For participants outside of South Africa, exercised awards are settled in cash. The last SARP awards were made in March 2023.

Equity growth scheme (EGS)

EGS awards represented participation rights in the future growth of the group's share price. Certain EGS awards issued prior to March 2014 included performance conditions. The last EGS awards were made in 2016.

Liberty EGS

As part of the acquisition of the minority shareholding in Liberty Holdings Limited in 2022, Liberty EGS participants could retain their historic awards granted by the Liberty Remco in 2020. The scheme was amended at the time to allow for settlement in group shares purchased in the market. Awards represent participation rights in the growth of the group's share price.

The performance period for the awards ended on 6 November 2023 and half of the awards vested on this date. The balance of the awards will vest equally in November 2024 and 2025 if the employment condition is met. Vested awards are exercisable until 6 November 2030.

No further awards will be made under the scheme.

						Units				Value on settlement				Fair value at year end	
						Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2024	Exercise date share price	Award (R'000) ¹	Notional dividend (R'000) ²	Award (R'000) ³	Notional dividend (R'000) ⁴
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date										
Sim Tshabalala															
Deferred bonus schemes															
2020	2021/03/11	142.00	1 183	2024/09/30		8 334		8 334			246.45	2 054	374		
2020*	2021/03/11	142.00	1 200	2024/09/30		8 451		8 451			246.45	2 083	379		
2022*	2023/03/09	179.82	1 850	2024/09/30		10 288		10 288			246.45	2 535	294		
2022*	2023/03/09	179.82	1 850	2025/09/30		10 288			10 288					2 281	294
2022*	2023/03/09	179.82	1 850	2026/09/30		10 289			10 289					2 282	294
2023	2024/03/15	186.11	1 833	2025/09/30			9 851		9 851					2 185	145
2023	2024/03/15	186.11	1 833	2026/09/30			9 851		9 851					2 185	145
2023	2024/03/15	186.11	1 833	2027/09/30			9 851		9 851					2 185	145
2023*	2024/03/15	186.11	2 567	2025/09/30			13 791		13 791					3 058	204
2023*	2024/03/15	186.11	2 567	2026/09/30			13 791		13 791					3 058	204
2023*	2024/03/15	186.11	2 567	2027/09/30			13 792		13 792					3 059	204
Performance reward plan															
2020	2021/03/11	142.00	17 750	2024/03/31		200 000		200 000			185.24	37 048	6 014		
2021 ⁵	2022/03/11	160.33	20 009	2025/03/31		124 800	79 872		204 672					45 388	7 949
2022	2023/03/09	179.82	24 006	2026/03/31		133 500			133 500					29 605	3 815
2023	2024/03/15	186.11	26 000	2027/03/31			139 703		139 703					30 981	2 063
Share appreciation rights plan															
2021	2022/03/11	160.33		2024/03/11	2026/03/11	84 694			84 694					5 203	
2021	2022/03/11	160.33		2025/03/11	2027/03/11	84 695			84 695					5 203	
2021	2022/03/11	160.33		2026/03/11	2028/03/11	84 695			84 695					5 203	
2022	2023/03/09	179.82		2025/03/09	2027/03/09	42 403			42 403					1 778	
2022	2023/03/09	179.82		2026/03/09	2028/03/09	42 404			42 404					1 778	
2022	2023/03/09	179.82		2027/03/09	2029/03/09	42 404			42 404					1 778	
Totals for 2024	108 898											43 720	7 061	147 210	15 462

Refer to footnotes disclosed below the final disclosures of directors' and prescribed officers' share incentives.

						Units				Value on settlement				Fair value at year end	
						Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2024	Exercise date share price	Award (R'000) ¹	Notional dividend (R'000) ²	Award (R'000) ³	Notional dividend (R'000) ⁴
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date										
Kenny Fihla															
Deferred bonus schemes															
2020	2021/03/11	142.00	1 267	2024/09/30		8 921		8 921			246.45	2 199	400		
2020*	2021/03/11	142.00	1 700	2024/09/30		11 972		11 972			246.45	2 950	537		
2021	2022/03/11	160.33	1 500	2024/09/30		9 356		9 356			246.45	2 306	363		
2021	2022/03/11	160.33	1 500	2025/09/30		9 356			9 356					2 075	363
2021*	2022/03/11	160.33	2 533	2024/09/30		15 801		15 801			246.45	3 894	614		
2021*	2022/03/11	160.33	2 533	2025/09/30		15 801			15 801					3 504	614
2022	2023/03/09	179.82	1 867	2024/09/30		10 381		10 381			246.45	2 558	297		
2022	2023/03/09	179.82	1 867	2025/09/30		10 381			10 381					2 302	297
2022	2023/03/09	179.82	1 867	2026/09/30		10 381			10 381					2 302	297
2022*	2023/03/09	179.82	2 717	2024/09/30		15 108		15 108			246.45	3 723	432		
2022*	2023/03/09	179.82	2 717	2025/09/30		15 108			15 108					3 350	432
2022*	2023/03/09	179.82	2 717	2026/09/30		15 108			15 108					3 350	432
2023	2024/03/15	186.11	2 000	2025/09/30			10 746			10 746				2 383	159
2023	2024/03/15	186.11	2 000	2026/09/30			10 746			10 746				2 383	159
2023	2024/03/15	186.11	2 000	2027/09/30			10 747			10 747				2 383	159
2023*	2024/03/15	186.11	3 296	2025/09/30			17 709			17 709				3 927	262
2023*	2024/03/15	186.11	3 296	2026/09/30			17 709			17 709				3 927	262
2023*	2024/03/15	186.11	3 296	2027/09/30			17 710			17 710				3 927	262
Performance reward plan															
2020	2021/03/11	142.00	12 013	2024/03/31		135 360		135 360			185.24	25 074	4 070		
2021 ⁵	2022/03/11	160.33	12 009	2025/03/31		74 900	47 936			122 836				27 240	4 771
2022	2023/03/09	179.82	14 008	2026/03/31		77 900				77 900				17 275	2 226
2023	2024/03/15	186.11	16 000	2027/03/31			85 971			85 971				19 065	1 270
Totals for 2024	94 703											42 704	6 713	99 393	11 965

Refer to footnotes disclosed below the final disclosures of directors' and prescribed officers' share incentives.

						Units				Value on settlement				Fair value at year end	
						Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2024	Exercise date share price	Award (R'000) ¹	Notional dividend (R'000) ²	Award (R'000) ³	Notional dividend (R'000) ⁴
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date										
Arno Daehnke															
Deferred bonus schemes															
2020	2021/03/11	142.00	1 067	2024/09/30		7 512		7 512		246.45	1 851	337			
2020*	2021/03/11	142.00	767	2024/09/30		5 400		5 400		246.45	1 331	242			
2021	2022/03/11	160.33	1 000	2024/09/30		6 237		6 237		246.45	1 537	242			
2021	2022/03/11	160.33	1 000	2025/09/30		6 238			6 238				1 383	242	
2021*	2022/03/11	160.33	1 306	2024/09/30		8 147		8 147		246.45	2 008	316			
2021*	2022/03/11	160.33	1 306	2025/09/30		8 148			8 148				1 807	316	
2022	2023/03/09	179.82	1 225	2024/09/30		6 812		6 812		246.45	1 679	195			
2022	2023/03/09	179.82	1 225	2025/09/30		6 813			6 813				1 511	195	
2022	2023/03/09	179.82	1 225	2026/09/30		6 813			6 813				1 511	195	
2022*	2023/03/09	179.82	1 275	2024/09/30		7 090		7 090		246.45	1 747	203			
2022*	2023/03/09	179.82	1 275	2025/09/30		7 091			7 091				1 573	203	
2022*	2023/03/09	179.82	1 275	2026/09/30		7 091			7 091				1 573	203	
2023	2024/03/15	186.11	1 767	2025/09/30			9 492		9 492				2 105	140	
2023	2024/03/15	186.11	1 767	2026/09/30			9 493		9 493				2 105	140	
2023	2024/03/15	186.11	1 767	2027/09/30			9 493		9 493				2 105	140	
2023*	2024/03/15	186.11	2 267	2025/09/30			12 179		12 179				2 701	180	
2023*	2024/03/15	186.11	2 267	2026/09/30			12 179		12 179				2 701	180	
2023*	2024/03/15	186.11	2 267	2027/09/30			12 180		12 180				2 701	180	
Performance reward plan															
2020	2021/03/11	142.00	14 001	2024/03/31		157 760		157 760		185.24	29 223	4 744			
2021 ⁵	2022/03/11	160.33	14 013	2025/03/31		87 400	55 936		143 336				31 786	5 567	
2022	2023/03/09	179.82	16 004	2026/03/31		89 000			89 000				19 737	2 544	
2023	2024/03/15	186.11	16 000	2027/03/31			85 971		85 971				19 065	1 270	
Equity growth scheme															
2013	2014/03/06	126.87		D	2024/03/06	68 750		68 750		197.79	4 876				
Share appreciation rights plan															
2021	2022/03/11	160.33		2024/03/11	2026/03/11	19 730			19 730				1 212		
2021	2022/03/11	160.33		2025/03/11	2027/03/11	19 730			19 730				1 212		
2021	2022/03/11	160.33		2026/03/11	2028/03/11	19 730			19 730				1 212		
2022	2023/03/09	179.82		2025/03/09	2027/03/09	20 786			20 786				872		
2022	2023/03/09	179.82		2026/03/09	2028/03/09	20 786			20 786				872		
2022	2023/03/09	179.82		2027/03/09	2029/03/09	20 787			20 787				872		
Totals for 2024	86 066										44 252	6 279	100 616	11 695	

Refer to footnotes disclosed below the final disclosures of directors' and prescribed officers' share incentives.

						Units				Value on settlement				Fair value at year end	
						Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2024	Exercise date share price	Award (R'000) ¹	Notional dividend (R'000) ²	Award (R'000) ³	Notional dividend (R'000) ⁴
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date										
Funeka Montjane															
Deferred bonus schemes															
2020	2021/03/11	142.00	767	2024/09/30		5 400		5 400			246.45	1 331	242		
2020*	2021/03/11	142.00	467	2024/09/30		3 287		3 287			246.45	810	147		
2021	2022/03/11	160.33	1 267	2024/09/30		7 901		7 901			246.45	1 947	307		
2021	2022/03/11	160.33	1 267	2025/09/30		7 901			7 901					1 752	307
2021*	2022/03/11	160.33	1 400	2024/09/30		8 732		8 732		246.45		2 152	339		
2021*	2022/03/11	160.33	1 400	2025/09/30		8 732			8 732					1 936	339
2022	2023/03/09	179.82	1 600	2024/09/30		8 898		8 898		246.45		2 193	254		
2022	2023/03/09	179.82	1 600	2025/09/30		8 898			8 898					1 973	254
2022	2023/03/09	179.82	1 600	2026/09/30		8 898			8 898					1 973	254
2022*	2023/03/09	179.82	1 483	2024/09/30		8 249		8 249		246.45		2 033	236		
2022*	2023/03/09	179.82	1 483	2025/09/30		8 249			8 249					1 829	236
2022*	2023/03/09	179.82	1 483	2026/09/30		8 249			8 249					1 829	236
2023	2024/03/15	186.11	1 767	2025/09/30			9 492			9 492				2 105	140
2023	2024/03/15	186.11	1 767	2026/09/30			9 493			9 493				2 105	140
2023	2024/03/15	186.11	1 767	2027/09/30			9 493			9 493				2 105	140
2023*	2024/03/15	186.11	2 267	2025/09/30			12 179			12 179				2 701	180
2023*	2024/03/15	186.11	2 267	2026/09/30			12 179			12 179				2 701	180
2023*	2024/03/15	186.11	2 267	2027/09/30			12 180			12 180				2 701	180
Performance reward plan															
2020	2021/03/11	142.00	11 005	2024/03/31		124 000		124 000			185.24	22 970	3 729		
2021 ⁵	2022/03/11	160.33	13 003	2025/03/31		81 100	51 904			133 004				29 495	5 166
2022	2023/03/09	179.82	14 008	2026/03/31		77 900				77 900				17 275	2 226
2023	2024/03/15	186.11	14 000	2027/03/31			75 225			75 225				16 682	1 111
Totals for 2024			79 935									33 436	5 254	89 162	11 089

Refer to footnotes disclosed below the final disclosures of directors' and prescribed officers' share incentives.

						Units				Value on settlement				Fair value at year end	
						Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2024	Exercise date share price	Value on settlement		Fair value at year end	
Award (R'000) ¹	Notional dividend (R'000) ²	Award (R'000) ³	Notional dividend (R'000) ⁴												
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date										
Bill Blackie															
Deferred bonus schemes															
2020	2021/03/11	142.00	2 606	2024/09/30		18 354		18 354			246.45	4 523	823		
2021	2022/03/11	160.33	1 333	2024/09/30		8 316		8 316			246.45	2 049	323		
2021	2022/03/11	160.33	1 333	2025/09/30		8 317			8 317					1 844	323
2021*	2022/03/11	160.33	3 021	2024/09/30		18 842		18 842			246	4 644	732		
2021*	2022/03/11	160.33	3 021	2025/09/30		18 842			18 842					4 178	732
2022	2023/03/09	179.82	1 633	2024/09/30		9 083		9 083			246	2 239	260		
2022	2023/03/09	179.82	1 633	2025/09/30		9 083			9 083					2 014	260
2022	2023/03/09	179.82	1 633	2026/09/30		9 084			9 084					2 014	260
2022*	2023/03/09	179.82	1 617	2024/09/30		8 990		8 990			246	2 216	257		
2022*	2023/03/09	179.82	1 617	2025/09/30		8 991			8 991					1 994	257
2022*	2023/03/09	179.82	1 617	2026/09/30		8 991			8 991					1 994	257
2023	2024/03/15	186.11	1 767	2025/09/30			9 492			9 492				2 105	140
2023	2024/03/15	186.11	1 767	2026/09/30			9 493			9 493				2 105	140
2023	2024/03/15	186.11	1 767	2027/09/30			9 493			9 493				2 105	140
2023*	2024/03/15	186.11	2 267	2025/09/30			12 179			12 179				2 701	180
2023*	2024/03/15	186.11	2 267	2026/09/30			12 179			12 179				2 701	180
2023*	2024/03/15	186.11	2 267	2027/09/30			12 180			12 180				2 701	180
Performance reward plan															
2020	2021/03/11	142.00	6 007	2024/03/31		67 680		67 680			185.24	12 537	2 035		
2021 ⁵	2022/03/11	160.33	5 002	2025/03/31		31 200	19 968			51 168				11 347	1 987
2022	2023/03/09	179.82	14 008	2026/03/31		77 900				77 900				17 275	2 226
2023	2024/03/15	186.11	14 000	2027/03/31			75 225			75 225				16 682	1 111
Totals for 2024												28 208	4 430	73 760	8 373

Refer to footnotes disclosed below the final disclosures of directors' and prescribed officers' share incentives.

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date	Units				Balance of awards 31 December 2024	Exercise date share price	Value on settlement		Fair value at year end	
						Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year			Award (R'000) ¹	Notional dividend (R'000) ²	Award (R'000) ³	Notional dividend (R'000) ⁴
Luvuyo Masinda															
Deferred bonus schemes															
2020	2021/03/11	142.00	1 425	2024/09/30		10 034		10 034			246.45	2 473	450		
2021	2022/03/11	160.33	2 617	2024/09/30		16 320		16 320			246.45	4 022	634		
2021	2022/03/11	160.33	2 617	2025/09/30		16 322			16 322					3 620	634
2022	2023/03/09	179.82	1 500	2024/09/30		8 342		8 342			246.45	2 056	238		
2022	2023/03/09	179.82	1 500	2025/09/30		8 342			8 342					1 850	238
2022	2023/03/09	179.82	1 500	2026/09/30		8 342			8 342					1 850	238
2022*	2023/03/09	179.82	1 400	2024/09/30		7 785		7 785			246.45	1 919	222		
2022*	2023/03/09	179.82	1 400	2025/09/30		7 786			7 786					1 727	223
2022*	2023/03/09	179.82	1 400	2026/09/30		7 786			7 786					1 727	223
2023	2024/03/15	186.11	1 892	2025/09/30			10 164			10 164				2 254	150
2023	2024/03/15	186.11	1 892	2026/09/30			10 164			10 164				2 254	150
2023	2024/03/15	186.11	1 892	2027/09/30			10 165			10 165				2 254	150
2023*	2024/03/15	186.11	1 817	2025/09/30			9 761			9 761				2 165	144
2023*	2024/03/15	186.11	1 817	2026/09/30			9 761			9 761				2 165	144
2023*	2024/03/15	186.11	1 817	2027/09/30			9 762			9 762				2 165	144
Performance reward plan															
2020	2021/03/11	142.00	6 007	2024/03/31		67 680		67 680			185.24	12 537	2 035		
2021 ⁵	2022/03/11	160.33	6 012	2025/03/31		37 500	24 000			61 500				13 638	2 389
2022	2023/03/09	179.82	6 006	2026/03/31		33 400				33 400				7 407	955
2023	2024/03/15	186.11	6 000	2027/03/31			32 239			32 239				7 149	476
Totals for 2024			50 511									23 007	3 579	52 225	6 258

Refer to footnotes disclosed below the final disclosures of directors' and prescribed officers' share incentives.

						Units				Value on settlement				Fair value at year end	
						Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2024	Exercise date share price	Award (R'000) ¹	Notional dividend (R'000) ²	Award (R'000) ³	Notional dividend (R'000) ⁴
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date										
Yuresh Maharaj															
Deferred bonus schemes															
2021	2022/03/01	159.21	63	2024/09/01		398		398			240.00	96	12		
2021	2022/03/11	160.33	393	2024/09/30		2 449		2 449			246.45	604	95		
2021	2022/03/11	160.33	393	2025/09/30		2 449			2 449					543	95
2021	2022/03/11	160.33	3 000	2025/03/31		18 711			18 711					4 149	727
2022	2023/03/09	179.82	1 450	2024/09/30		8 063		8 063			246.45	1 987	230		
2022	2023/03/09	179.82	1 450	2025/09/30		8 064			8 064					1 788	230
2022	2023/03/09	179.82	1 450	2026/09/30		8 064			8 064					1 788	230
2023	2024/03/15	186.11	992	2025/09/30			5 331		5 331					1 182	79
2023	2024/03/15	186.11	992	2026/09/30			5 331		5 331					1 182	79
2023	2024/03/15	186.11	992	2027/09/30			5 332		5 332					1 182	79
2023	2024/03/15	186.11	1 000	2025/09/30			5 373		5 373					1 192	79
2023	2024/03/15	186.11	1 000	2026/09/30			5 373		5 373					1 192	79
2023	2024/03/15	186.11	1 000	2027/09/30			5 373		5 373					1 192	79
Performance reward plan															
2020	2021/03/11	159.21	7 698	2024/03/31		77 366		77 366			185.24	14 331	1 862		
2021 ⁵	2022/03/11	160.33	6 250	2025/03/31		38 982	24 948		63 930					14 177	2 483
2022	2023/03/09	179.82	10 000	2026/03/31		55 611			55 611					12 332	1 589
2021 ⁵	2023/05/23	156.80	3 912	2025/03/31		24 949	15 967		40 916					9 074	887
2023	2024/03/15	186.11	10 000	2027/03/31			53 732		53 732					11 916	794
Liberty equity growth scheme															
2021	2022/03/01	105.21	6 564	2023/11/06	2030/11/06	133 000		39 900		93 100	232.24	3 878		8 406	
2021	2022/03/01	105.21	3 282	2024/11/06	2030/11/06	66 500		66 500			249.62	7 225			
2021	2022/03/01	105.21	3 282	2025/11/06	2030/11/06	66 500				66 500				6 004	
Totals for 2024	65 163											28 121	2 199	77 299	7 509

Refer to footnotes disclosed below the final disclosures of directors' and prescribed officers' share incentives.

						Units				Value on settlement				Fair value at year end	
						Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year ⁶	Balance of awards 31 December 2024	Exercise date share price	Award (R'000) ¹	Notional dividend (R'000) ²	Award (R'000) ³	Notional dividend (R'000) ⁴
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date										
Margaret Nienaber															
Deferred bonus schemes															
2020	2021/03/11	142.00	1 167	2024/09/30		8 216		8 216			246.45	2 025	368		
2020*	2021/03/11	142.00	1 125	2024/09/30		7 923		7 923			246.45	1 953	355		
2021	2022/03/11	160.33	1 367	2024/09/30		8 524		8 524			246.45	2 101	331		
2021	2022/03/11	160.33	1 367	2025/09/30		8 525			8 525					1 891	331
2021*	2022/03/11	160.33	1 933	2024/09/30		12 059		12 059		246.45	2 972	468			
2021*	2022/03/11	160.33	1 933	2025/09/30		12 059			12 059					2 674	468
2022	2023/03/09	179.82	1 700	2024/09/30		9 454		9 454		246.45	2 330	270			
2022	2023/03/09	179.82	1 700	2025/09/30		9 454			9 454					2 097	270
2022	2023/03/09	179.82	1 700	2026/09/30		9 454			9 454					2 097	270
2022*	2023/03/09	179.82	1 967	2024/09/30		10 937		10 937		246.45	2 695	313			
2022*	2023/03/09	179.82	1 967	2025/09/30		10 937			10 937					2 425	313
2022*	2023/03/09	179.82	1 967	2026/09/30		10 937			10 937					2 425	313
2023	2024/03/15	186.11	1 767	2025/09/30			9 492		9 492					2 105	140
2023	2024/03/15	186.11	1 767	2026/09/30			9 493		9 493					2 105	140
2023	2024/03/15	186.11	1 767	2027/09/30			9 493		9 493					2 105	140
2023*	2024/03/15	186.11	2 267	2025/09/30			12 179		12 179					2 701	180
2023*	2024/03/15	186.11	2 267	2026/09/30			12 179		12 179					2 701	180
2023*	2024/03/15	186.11	2 267	2027/09/30			12 180		12 180					2 701	180
Performance reward plan															
2020	2021/03/11	142.00	11 005	2024/03/31		124 000		124 000		185.24	22 970	3 729			
2021 ⁵	2022/03/11	160.33	12 009	2025/03/31		74 900	47 936		122 836					27 240	4 771
2022	2023/03/09	179.82	14 008	2026/03/31		77 900			77 900					17 275	2 226
2023	2024/03/15	186.11	14 000	2027/03/31			75 225		75 225					16 682	1 111
Totals for 2024			83 017								37 046	5 834		89 224	11 033

* Cash settled Deferred Bonus Scheme.
¹ Value on settlement is calculated with reference to the share price on the settlement date.
² Value is calculated by multiplying the notional dividend per unit with the total number of units vesting.
³ Value of awards which have not yet been settled is calculated with reference to the year end SBK share price of R221.76. The 2022 PRP award due to vest in March 2025 is valued with reference to the actual vesting percentage of 164%. The 2023 and 2024 PRP awards are valued at 100% vesting.
⁴ Value is calculated by multiplying the notional dividend (accumulated from award date to year-end) with the total outstanding units. PRP performance condition outcomes are applied as described in note 3 above. Notional dividends are subject to the vesting conditions.
⁵ The vesting percentage for the 2022 grant has been updated to 164% based on the achievement of performance conditions measured over the 3-year performance period ending 31 December 2024. This uplift has been reflected in the "awards made during the year" column.

The EGS share schemes are disclosed in the following vesting categories:
A: Includes the group leadership council members of Standard Bank Group Limited (for banking only)
B: Includes heads of major business lines.
C: Includes executives whose actions have a material impact on the risk exposure of the group as a whole, based on the ability to:
■ commit significant amount of the group's risk capital;
■ significantly influence the group's overall liquidity position; or
■ significantly influence material risks.
D: Includes all other executives receiving any deferred variable remuneration and for whom the variable remuneration award is linked to personal or business line performance.

ANNEXURE F – MATERIAL ACCOUNTING POLICIES

The following accounting policies were applied in the preparation of the group and company financial statements. All policies apply to the group and company, unless otherwise stated.

1. Basis of consolidation

BASIS OF CONSOLIDATION	
Subsidiaries	Foreign currency translations
Separate financial statements	Group companies
Consolidated financial statements	Transactions and balances

Subsidiaries

Separate financial statements (including mutual funds in which the group has both an irrevocable asset management agreement and a significant investment)

Investments in subsidiaries are accounted for at cost less accumulated impairment losses (where applicable) in the separate financial statements. The carrying amounts of these investments are reviewed annually for impairment indicators and, where an indicator of impairment exists, are impaired to the higher of the investment's fair value less costs of disposal or value in use.

Consolidated financial statements

The accounting policies of subsidiaries that are consolidated by the group conform to the group's accounting policies. Intragroup transactions, balances and unrealised gains/(losses) are eliminated on consolidation. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. The proportion of comprehensive income and changes in equity allocated to the group and non-controlling interest are determined based on the group's present ownership interest in the subsidiary.

Subsidiaries are consolidated from the date on which the group obtains control up to the date that control is lost. Control is assessed on a continuous basis. For mutual funds the group further assesses its control by considering the existence of either voting rights or significant economic power.

Foreign currency translations

Group companies

The results and financial position of foreign operations that have a functional currency that is different from the group's presentation currency are translated into the group's presentation currency as follows:

- assets and liabilities (including goodwill, intangible assets and fair value adjustments arising on acquisition) are translated at the closing rate at the reporting date.
- income and expenses are translated at average exchange rates for each month; and
- all resulting foreign exchange differences are accounted for directly in a separate component of OCI, being the group's FCTR.

Transactions and balances

Foreign currency transactions are translated into the respective group entities' functional currencies at exchange rates prevailing at the date of the transactions (in certain instances a rate that approximates the actual rate at the date of the transaction is utilised, for example, an average rate for a month). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in profit or loss (except when recognised in OCI as part of qualifying cash flow hedges and net investment hedges).

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date, and those measured at fair value are translated at the exchange rate at the date that the fair value was determined. Exchange rate differences on non-monetary items are accounted for based on the classification of the underlying items.

Foreign exchange gains and losses on equities (debt) classified as fair value through OCI are recognised in the fair value through OCI reserve in OCI whereas the exchange differences on equities (debt) that are classified as fair value through profit or loss are reported as part of other revenue (trading revenue) in profit or loss.

Foreign currency gains and losses on intragroup loans are recognised in profit or loss except where the settlement of the loan is neither planned nor likely to occur in the foreseeable future. In these cases the foreign currency gains and losses are recognised in the group's FCTR.

The results, cash flows and financial position of group entities which are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the group are translated into the presentation currency of its parent at the exchange rate at the reporting date. These foreign exchange gains and losses on a hyperinflationary foreign operation are presented in OCI.

1. Basis of consolidation continued

Subsidiaries in hyperinflationary economies

The financial statements of group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit at the end of the reporting period following the historic cost approach.

However, as the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the index in the current year. Differences between these comparative amounts and current year hyperinflation adjusted amounts are recognised directly in equity.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. On initial application of hyperinflation, prior period gains and losses are recognised directly in equity. Gains or losses on the net monetary position are recognised in profit or loss. All items recognised in profit or loss are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

When an economy ceases to be hyperinflationary, the group discontinues hyperinflationary accounting and treats the amounts expressed in the measuring unit at the end of the previous reporting period as the basis for the carrying amounts in subsequent reporting periods.

Results, cash flows and the financial position of the group's subsidiaries which have been classified as hyperinflationary, in the current or previous reporting period, have been expressed in terms of the measuring unit current at the reporting date. For further details, refer to annexure A.

2. Interest in associates and joint arrangements

INTEREST IN ASSOCIATES AND JOINT ARRANGEMENTS

Associates and joint ventures

Private equity and venture capital investments

Associates and joint ventures

Associates and joint ventures are initially measured at cost and subsequently accounted for using the equity method at an amount that reflects the group's share of the net assets of the associate or joint venture (including goodwill). Equity accounting is applied from the date on which the entity becomes an associate or joint venture up to the date on which the group ceases to have significant influence or joint control.

Equity accounting of losses is restricted to the interests in these entities, including unsecured receivables or other commitments, unless the group has an obligation or has made payments on behalf of the associate or joint venture. Additional interests acquired in associates form part of the equity accounted investment to the extent that they give rise to current access to returns associated with an ownership interest.

Unrealised profits from transactions are eliminated in determining the group's share of equity accounted profits. Unrealised losses are eliminated in the same way as unrealised gains (but only to the extent that there is no evidence of impairment).

Where there is an indicator of impairment, the carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying amount. Impairment losses are recognised in non-trading and capital related items. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined, net of equity accounted losses, if no impairment loss had been recognised.

For a disposal of an associate or joint venture, being where the group loses significant influence over an associate or loses control over a joint venture, the difference between the sales proceeds and any retained interest and the carrying value of the equity accounted investment is recognised as a gain or loss in non-trading and capital related items. Any gains or losses in OCI reserves that relate to the associate or joint venture are reclassified to non-trading and capital related items in profit or loss at the time of the disposal.

For a partial disposal of an associate or joint venture, being where there is a reduction in an interest in an associate while retaining significant influence and the reduction of an interest in a joint venture while retaining joint control, the difference between the consideration received and the carrying value of the proportionate share of the investment disposed is accounted for as a gain or loss on disposal and are accounted for in non-trading and capital related items in profit or loss. For the partial disposal of an associate or a joint venture, that includes a foreign operation, the proportionate share of the balance of the FCTR is reclassified to non-trading and capital related items in profit or loss. Any gains or losses in other OCI reserves that relate to the associate or joint venture are reclassified to non-trading and capital related items at the time of the disposal to the extent of the proportionate share disposed of.

The accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies of the group.

2. Interest in associates and joint arrangements continued

Private equity and venture capital investments

Private equity and venture capital investments, including mutual funds held by investment-linked insurance funds that are associates that are either designated on initial recognition at fair value through profit or loss, or are equity accounted. Where the private equity or venture capital investment is designated at fair value through profit or loss, the investment is presented within financial investments in the statement of financial position and the fair value movement is recognised within other gains and losses on financial instruments for banking, and fair value adjustments to investment contract liabilities and third-party mutual funds, included in non-insurance revenue, in profit or loss.

3. Financial instruments

FINANCIAL INSTRUMENTS					
Financial assets	Financial liabilities	Financial guarantee contracts	Derivatives and embedded derivatives	Hedge accounting	Other
Amortised cost	Held-for-trading			Fair value hedges	Sale and repurchase agreements and lending of securities (including commodities)
Fair value through OCI	Designated at fair value through profit or loss			Cash flow hedges	
Held-for-trading	Amortised cost			Net investment hedges	Offsetting
Designated at fair value through profit or loss					
Fair value through profit or loss - default					

Initial measurement

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the group commits to purchase (sell) the instruments (trade date accounting).

3. Financial instruments continued

Financial assets

Nature

Amortised cost	<p>A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):</p> <ul style="list-style-type: none"> ■ Held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and ■ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. <p>This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default.</p>
Fair value through OCI	<p>Includes:</p> <ul style="list-style-type: none"> ■ A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): <ul style="list-style-type: none"> – Held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; and – The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. <p>This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default.</p> <ul style="list-style-type: none"> ■ Equity financial assets which are not held for trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.
Held-for-trading	<p>Those financial assets acquired principally for the purpose of selling in the near term (including all derivative financial assets) and those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.</p> <p>Included are commodities that are acquired principally for the purpose of selling in the near future or generating a profit from fluctuations in price or broker-trader margin.</p>
Designated at fair value through profit or loss	Financial assets are designated to be measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch that would otherwise arise.
Fair value through profit or loss – default	Financial assets that are not classified into one of the above mentioned financial asset categories.

Subsequent measurement

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

Amortised cost	<p>Amortised cost using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges.</p> <p>Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.</p>
Fair value through OCI	<p>Debt instruments: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue. Expected credit impairments losses are recognised as part of credit impairment charges. However, for these FVOCI debt instruments the expected credit loss is recognised in OCI and does not reduce the carrying amount of the financial asset in the statement of financial position. Interest income on a debt financial asset is recognised in interest income in terms of the effective interest method. Dividends received are recognised in interest income within profit or loss.</p> <p>Equity instruments: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained earnings. Dividends received on equity instruments are recognised in other revenue within non-interest revenue.</p>
Held-for-trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.
Designated at fair value through profit or loss	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in profit or loss as part of other gains and losses on financial instruments within non-interest revenue.
Fair value through profit or loss – default	<p>Debt instruments: Fair value gains and losses (including interest and dividends) on the financial asset recognised in profit or loss as part of other gains and losses on financial instruments within non-interest revenue.</p> <p>Equity instruments: Fair value gains and losses on the financial asset are recognised in profit or loss as part of other gains and losses on financial instruments. Dividends received on equity instruments are recognised in other revenue within non-interest revenue.</p>

Impairment

ECL is recognised on debt financial assets classified as either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide a loan at a below market interest rate.

The measurement basis of the ECL of a financial asset includes assessing whether there has been a SICR at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL, which is set out in the table that follows, is measured as the unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward-looking information.

Stage 1	A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR.
Stage 2	A lifetime ECL is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.
Stage 3 (credit-impaired assets)	<p>A lifetime ECL is calculated for financial assets that are assessed to be credit-impaired. The following criteria are used in determining whether the financial asset is impaired:</p> <ul style="list-style-type: none"> ■ default ■ significant financial difficulty of borrower and/or modification ■ probability of bankruptcy or financial reorganisation ■ disappearance of an active market due to financial difficulties.

3. Financial instruments continued

Financial assets continued

The key components of the impairment methodology are described as follows:

Significant increase in credit risk (SICR)	At each reporting date the group assesses whether the credit risk of its exposures has increased significantly since initial recognition by considering the change in the risk of default occurring over the expected life of the financial asset. Credit risk of exposures which are overdue for more than 30 days are also considered to have increased significantly.
Low credit risk	Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions may not necessarily reduce the exposure's ability to fulfil its contractual obligations.
Default	The group's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets: <ul style="list-style-type: none"> ■ significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower). ■ a breach of contract, such as default or delinquency in interest and/or principal payments. ■ disappearance of active market due to financial difficulties. ■ it becomes probable that the borrower will enter bankruptcy or other financial reorganisation. ■ where the group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the group would not otherwise consider. ■ exposures which are overdue for more than 90 days are also considered to be in default.
Forward-looking information	Forward-looking information is incorporated into the group's impairment methodology calculations and in the group's assessment of SICR. The group includes all forward-looking information which is reasonable and available without undue cost or effort. The information will typically include expected macroeconomic conditions and factors that are expected to impact portfolios or individual counterparty exposures.
Write-off	Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to enforcement activities.

ECLs are recognised within the statement of financial position as follows:

Financial assets measured at amortised cost (including loan commitments)	Recognised as a deduction from the gross carrying amount of the asset (group of assets). Where the impairment allowance exceeds the gross carrying amount of the asset (group of assets), the excess is recognised as a provision within other liabilities.
Off-balance sheet exposures (excluding loan commitments)	Recognised as a provision within other liabilities.
Financial assets measured at fair value through OCI	Recognised in the fair value reserve within equity. The carrying value of the financial asset is recognised in the statement of financial position at fair value.

Cash and balances with central banks

Cash and balances with central banks comprise coins and bank notes and balances with central banks. Included in balances with central banks are balances that primarily comprise reserving requirements held with central banks within the countries of operation which are readily convertible to a known amount of cash and available for use by the group within less than three months since initial deposit, subject to certain restrictions and limitations levied by central banks within the respective countries, but are subject to an insignificant risk of changes in value. Cash and balances with central banks become redeemable on demand once specific access is requested from the respective central bank.

Coins and bank notes and balances with central banks comprising reserving requirements are measured at fair value through profit or loss – default. The remainder of balances with central banks are measured at amortised cost and are regarded as having a low probability of default, therefore the ECL is insignificant.

Cash and cash equivalents

Cash and cash equivalents, for the purpose of the statement of cash flows, comprise cash and balances with central banks as well as cash balances with other banks within insurance and asset management (IAM) and on-demand gross loans and advances to banks which are readily convertible to a known amount of cash and available for use by the group within less than three months since initial deposit. These on-demand gross loans and advances to banks are held to meet short-term cash commitments, rather than for investment or other purposes.

Refer to the policy on financial instruments relating to recognition and measurement of loans and advances (i.e. financial assets measured at amortised cost).

Financial liabilities

Nature

Held-for-trading	Those financial liabilities incurred principally for the purpose of repurchasing in the near term (including all derivative financial liabilities) and those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial liabilities are designated to be measured at fair value in the following instances: <ul style="list-style-type: none"> ■ to eliminate or significantly reduce an accounting mismatch that would otherwise arise where the financial liabilities are managed and their performance evaluated and reported on a fair value basis. ■ where the financial liability contains one or more embedded derivatives that significantly modify the financial liability's cash flows.
Amortised cost	All other financial liabilities not included in the above categories.

3. Financial instruments continued

Financial liabilities continued

Subsequent measurement

Subsequent to initial measurement, financial liabilities are classified in their respective categories and measured at either amortised cost or fair value as follows:

Held-for-trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.
Designated at fair value through profit or loss	Fair value, with gains and losses arising from changes in fair value (including interest and dividends but excluding fair value gains and losses attributable to own credit risk) are recognised in the other gains and losses on financial instruments as part of non-interest revenue. Fair value gains and losses attributable to changes in own credit risk are recognised within OCI, unless this would create or enlarge an accounting mismatch in which case the own credit risk changes are recognised within trading revenue.
Amortised cost	Amortised cost using the effective interest method recognised in interest expense.

Derecognition and modification of financial assets and liabilities

Financial assets and liabilities are derecognised/modified in the following instances:

	Derecognition	Modification
Financial assets	<p>Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in the transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.</p> <p>The group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements.</p> <p>When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction, similar to repurchase transactions. In transactions where the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate.</p> <p>In transfers where control over the asset is retained, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.</p>	<p>In determining whether a modification is substantial, for financial assets, qualitative factors are considered. For a financial liability, both qualitative and quantitative factors are considered. Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes.</p> <p>If the terms are not substantially different for financial assets or financial liabilities, the group recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or in other gains and losses on financial instruments within non-interest revenue (for all other modifications).</p>
Financial liabilities	Financial liabilities are derecognised when the financial liabilities' obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.	

3. Financial instruments continued

Financial guarantee contracts and loan commitments below market interest rate

A financial guarantee contract is a contract that requires the group (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A loan commitment is a firm commitment to provide credit under specified terms and conditions. It is a binding promise from a lender that a specified amount of loan or line of credit will be made available to the named borrower at a certain interest rate, during a certain period and, usually, for a certain purpose.

Financial guarantee contracts and loan commitments at a below market interest rate are initially recognised when the group becomes party to the irrevocable commitment at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee/loan commitment. Financial guarantee contracts (that are not designated at fair value through profit or loss) and loan commitments at a below market interest rate, are subsequently measured at the higher of the:

- ECL calculated for the financial guarantee/loan commitment; or
- unamortised premium.

Derivatives and embedded derivatives

In the normal course of business, the group enters into a variety of derivative transactions for both trading and hedging purposes. Derivative financial instruments are entered into for trading purposes and for hedging foreign exchange, interest rate, inflation, credit, commodity and equity exposures. Derivative instruments used by the group in both trading and hedging activities include swaps, options, forwards, futures and other similar types of instruments based on foreign exchange rates, credit risk, inflation risk, interest rates and the prices of commodities and equities.

Derivatives are initially recognised at fair value. Derivatives that are not designated in a qualifying hedge accounting relationship are classified as held-for-trading with all changes in fair value being recognised within trading revenue. This includes forward contracts to purchase or sell commodities, where net settlement occurs or where physical delivery occurs and the commodities are held to settle another derivative contract. All derivative instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Embedded derivatives included in hybrid instruments, where the host is a financial asset, are assessed in terms of the accounting policy on financial assets. In all other instances (being non-financial host contracts and financial liabilities), the embedded derivatives are treated and disclosed as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, the terms of the embedded derivative are the same as those of a stand-alone derivative and the combined contract is not measured at fair value through profit or loss. The host contract is accounted for and measured applying the relevant group accounting policy.

The method of recognising fair value gains and losses on derivatives designated as a hedging instrument depends on the nature of the hedge relationship.

Hedge accounting

The group continues to apply IAS 39 to its portfolio interest rate risk fair value hedges and applies IFRS 9 to all its other hedges.

Derivatives, whether accounted for under IAS 39 or IFRS 9, are designated by the group into the following relationships:

Type of hedge	Nature	Treatment
Fair value hedges	Hedges of the fair value of recognised financial assets, liabilities or firm commitments.	<p>Where a hedging relationship is designated as a fair value hedge, the hedged item is adjusted for the change in fair value in respect of the risk being hedged. Gains or losses on the remeasurement of both the derivative and the hedged item are recognised in profit or loss. Fair value adjustments relating to the hedging instrument are allocated to the same line item in profit or loss as the related hedged item. Any hedge ineffectiveness is recognised in profit or loss.</p> <p>If the derivative expires, is sold, terminated, exercised, no longer meets the criteria for fair value hedge accounting, or the designation is revoked, then hedge accounting is discontinued. The adjustment to the carrying amount of a hedged item measured at amortised cost, for which the effective interest method is used, is amortised to profit or loss as part of the hedged item's recalculated effective interest rate over the period to maturity.</p>
Cash flow hedges	Hedges of highly probable future cash flows attributable to a recognised asset or liability, a forecasted transaction, or a highly probable forecast intragroup transaction.	<p>The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedging reserve.</p> <p>The ineffective part of any changes in fair value is recognised in profit or loss. Amounts recognised in OCI are transferred to profit or loss in the periods in which the hedged forecast cash flows affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the cumulative gains or losses recognised previously in OCI are transferred and included in the initial measurement of the cost of the asset or liability.</p> <p>If the derivative expires, is sold, terminated, exercised, no longer meets the criteria for cash flow hedge accounting, or the designation is revoked, then hedge accounting is discontinued. The cumulative gains or losses recognised in OCI remain in OCI until the forecast transaction is recognised in the case of a non-financial asset or a non-financial liability, or until the forecast transaction affects profit or loss in the case of a financial asset or a financial liability. If the forecast transaction is no longer expected to occur, the cumulative gains and losses recognised in OCI are immediately reclassified to profit or loss.</p>
Net investment hedges	Hedges of net investments in a foreign operation.	The designated component of the hedging instrument that relates to the effective portion of the hedge, is recognised directly in the foreign currency hedge of net investment reserve. The ineffective part of any changes in fair value is recognised in profit or loss. The cumulative gains and losses in OCI are accounted for similarly to cash flow hedges.

Hedge accounting risk management strategy

Hedge accounting is applied when the hedging relationship meets the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Where the above criteria are met, derivatives are classified as derivatives held-for-hedging and hedge accounting is applied to remove the accounting mismatch between the derivative (hedging instrument) and the underlying instruments (hedged item). All qualifying hedging relationships are designated as either fair value or cash flow for recognised financial assets or liabilities, and highly probable forecast transactions. For hedge relationships, where the critical terms of the hedged item and hedging instrument match, a qualitative method is considered appropriate for hedge effectiveness testing. Where the characteristics between the hedged item and hedging instrument are insufficiently correlated, judgement is applied and if required a qualitative and quantitative method is used for hedge effectiveness testing.

The group and company apply hedge accounting in respect of the following risk categories.

3. Financial instruments continued

Hedge accounting risk management strategy

Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk and translation risk. Foreign exchange risk arises from recognised assets and liabilities and future highly probable forecast commercial transactions denominated in a currency that is not the functional currency of the group. The risk is evaluated by measuring and monitoring the net foreign monetary asset value and the forecast highly probable foreign currency income and expenditures of the relevant group entity for each respective currency. Foreign currency risk is hedged with the objective of minimising the earnings volatility associated with assets, liabilities, income and expenditure denominated in a foreign currency.

Translation risk arises on consolidation from recognised assets and liabilities denominated in a currency that is not the reporting currency of the group. The risk is evaluated by measuring and monitoring the net foreign non-monetary asset value of the relevant group entity for each respective currency.

The group uses a combination of currency forwards, swaps and foreign-denominated cash balances to mitigate against the risk of changes in the future cash flows and functional currency value on its foreign-denominated exposures. Under the group's policy, the critical terms of these instruments must align with the foreign currency risk of the hedged item and is hedged on a 1:1 hedge ratio or where currency is managed on a portfolio basis the weighted expected foreign cash flows are aligned.

The group elects for each foreign currency hedging relationship, using either foreign currency forwards and swaps, to either include or exclude the time value or currency forward points (basis) contained in the derivative instrument from the hedging relationship. This election is based on the currency pair involved, the shape of the yield-curve and the direction of the foreign currency hedged risk. Basis is determined using the differential between the contracted forward rate and the spot market exchange rate and is discounted, where material. Where the basis is excluded in the hedging relationship this is recognised as a cost of the hedge and deferred in other comprehensive income (as a separate reserve within equity). Where the hedged item subsequently results in the recognition of a non-financial asset or liability, or a firm commitment for a non-financial asset or liability the group removes the amount from equity and includes it directly in the initial cost or other carrying amount of the asset or the liability and amortises it to profit or loss on a systematic basis (where applicable). In all other cases, the amount is reclassified to profit or loss.

Hedge effectiveness between the hedging instrument and the hedged item is determined at the inception of the hedge relationship and through periodic effectiveness assessments to ensure that an economic relationship exists. For hedges of foreign currency risk, the group and company enter hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group and company use the hypothetical derivative method to assess effectiveness. In hedges of foreign currency risk of highly probable forecast commercial transactions, ineffectiveness may arise if the amount of the forecast transaction changes from what was originally estimated.

Where the basis is included in the hedging relationship this exposes the hedge relationship to hedge ineffectiveness.

Equity price risk

The group operates share incentive schemes that enable key management personnel and senior employees to benefit from the performance of SBG's share price. For further detail regarding the share schemes, refer to annexure D and the group's governance and remuneration report. These share incentive schemes expose the group and company to equity price risk due to volatility in the share price of SBG (SBK:SJ). The group and company have in place appropriate risk management strategies and reporting processes in respect of this risk.

The group uses a combination of equity forwards and options to mitigate against the risk of changes in the future cash flows associated with certain cash-settled schemes on a post-attrition and vesting assumption basis. The following scheme exposures are subject to cash flow hedge accounting at a group level: Deferred Bonus Scheme, Performance Reward Plan and Cash-Settled Deferred Bonus Scheme. Cash flow hedge accounting is applied to align the timing mismatch of the derivative hedging instruments to the vesting period of the underlying awards (hedged items) over the applicable vesting period.

Under the group's policy the critical terms of these instruments must align with equity price risk of the hedged item and is hedged on a 1:1 hedge ratio. The group elects for each hedging relationship, using either equity forwards and/or options, to either include or exclude the time value or the forward points (basis) contained in the derivative instrument from the hedging relationship. Basis is determined using the differential between the contracted forward rate and the spot market exchange rate and is discounted, where material. Where the basis is excluded in the hedging relationship this is recognised as a cost of the hedge and deferred in other comprehensive income (as a separate reserve within equity). Where the hedged item subsequently results in recognition of a non-financial asset or liability, or a firm commitment for a non-financial asset or liability the group removes the amount from equity and includes it directly in the initial cost or other carrying amount of the asset or the liability and amortises it to profit or loss on a systematic basis (where applicable). In all other cases, the amount is reclassified to profit or loss.

Hedge effectiveness between the hedging instrument and the hedged item is determined at the inception of the hedge relationship and through periodic effectiveness assessments to ensure that an economic relationship exists. For hedges of equity price risk, the group and company enter hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group and company use the hypothetical derivative method to assess effectiveness. Refer to note 2.

Where the basis is included in the hedging relationship, this exposes the hedge relationship to hedge ineffectiveness.

3. Financial instruments continued

Hedge accounting risk management strategy continued

Interest rate risk

Banking book-related market risk exposure principally involves managing the potential adverse effect of interest rate movements on banking book earnings (IRRBB) (net interest income and banking book mark-to-market profit or loss) and the economic value of equity. The group's approach to managing IRRBB is governed by applicable regulations and is influenced by the competitive environment in which the group operates.

The group's treasury and capital management team monitors banking book interest rate risk on a monthly basis operating under the oversight of group ALCO. The group and company's interest rate risk management is predominantly controlled by a central treasury department (group treasury) under approved policies. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

In adherence to policies regarding interest rate risk management the group applies fair value hedge accounting in respect of the interest rate risk element only when present within the following exposures:

- Specifically identified long-term fixed interest rate loans and advances, deposits and debt funding, subordinated debt and financial investments. To manage the risk associated with such risk exposures the group uses one or more cash collateralised fixed for floating interest rate swaps that match the critical terms or that exhibit the same duration as the underlying risk exposure.
- Specifically identified long-term interest rate basis risk (CPI versus JIBAR) inherent in loans and advances and financial investments. To manage the basis risk associated with such risk exposures the group uses one or more cash collateralised floating for floating basis interest rate swaps that match the critical terms or that exhibit the same duration as the underlying risk exposure.
- Portfolio interest rate risk present within a designated portfolio of loans and advances and deposits and debt funding. Portfolio interest rate risk hedging is conducted on an aggregate asset and liability portfolio basis. The hedge ratio and rebalancing frequency of portfolio hedges are determined using a dynamic approach reflecting the duration of portfolio exposure in accordance with an exposure bucketing approach. The hedge ratio is monitored on a daily basis and where necessary the portfolio is rebalanced using a dynamic approach.

The group also applies cash flow hedge accounting in respect of the interest rate risk element only, present within the following exposures: The bank manages interest rate volatility borne from rate insensitive liabilities and equity through a managed interest rate hedge. The hedge is accounted for on a cash flow hedging basis using identified term floating interest rate loans and advances. To manage the risk associated with such risk exposures the group uses one or more cash collateralised floating for fixed interest rate swaps that aligns to governed risk appetite tenors. The hedge ratio and rebalancing frequency of portfolio hedges is determined using a dynamic approach reflecting the duration of portfolio exposure in accordance with an exposure bucketing approach. The hedge ratio is monitored on a daily basis and, where necessary, the portfolio is rebalanced using a dynamic approach.

The group observes interest rate risk in respect of these exposures using an unfunded cash collateralised interest rate derivatives discount curve. Hedge effectiveness between the hedging instrument and the hedged item is determined at the inception of the hedge relationship and through periodic effectiveness assessments to ensure that an economic relationship exists using regression analysis between the hedged items and the hedging instruments for sensitivity of changes to changes in interest rate risk only. The group uses a combination of interest rate swaps and interest rate basis swaps to mitigate against the risk of changes in market value of hedged items for changes in interest rates. The group elects for each fair value interest rate risk hedging relationship, using swaps, to include forward points (basis) contained in the derivative instrument in the hedging relationship. Where the basis is included in the hedging relationship this exposes the hedge relationship to hedge ineffectiveness. The extent of hedge ineffectiveness as a result of fair value interest rate risk hedges is disclosed in note 2.3.5.

Other

Sale and repurchase agreements and lending of securities (including commodities)

Securities sold subject to linked repurchase agreements (repurchase agreements) are reclassified in the statement of financial position as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The liability to the counterparty is included under deposits and current accounts or trading liabilities, as appropriate.

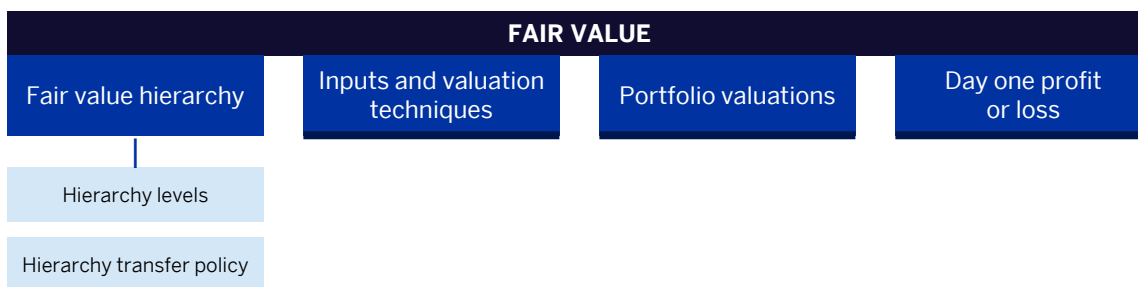
Securities purchased under agreements to resell (reverse repurchase agreements), at either a fixed price or the purchase price plus a lender's rate of return, are recorded as loans and included under trading assets or loans and advances, as appropriate. For repurchase and reverse repurchase agreements measured at amortised cost, the difference between the purchase and sales price is treated as interest and amortised over the expected life using the effective interest method.

Securities lent to counterparties are retained in the annual financial statements. Securities borrowed are not recognised in the annual financial statements unless sold to third parties. In these cases, the obligation to return the securities borrowed is recorded at fair value as a trading liability. Income and expenses arising from the securities borrowing and lending business are recognised over the period of the transactions.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis, or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparties to the transaction.

4. Fair value



In terms of IFRS, the group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions. Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Fair value hierarchy

The group's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by the level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Hierarchy levels

The levels have been defined as follows:

Level 1

Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3

Fair value is determined through valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

Hierarchy transfer policy

Transfers of financial assets and financial liabilities between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

4. Fair value continued

Inputs and valuation techniques

Fair value is measured based on quoted market prices or dealer price quotations for identical assets and liabilities that are traded in active markets, which can be accessed at the measurement date, and where those quoted prices represent fair value. If the market for an asset or liability is not active or the instrument is not quoted in an active market, the fair value is determined using other applicable valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants.

Fair value measurements are categorised into level 1, 2 or 3 within the fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and a market-related discount rate at the reporting date for an asset or liability with similar terms and conditions. If an asset or a liability measured at fair value has both a bid and an ask price, the price within the bid-ask spread that is most representative of fair value is used to measure fair value.

The fair value of the following items included in cash and cash equivalents is the same as the amortised cost value, as amortised cost items are initially measured at fair value: cash and balances with central banks, cash balances with other banks within IAM as well as on-demand gross loans and advances to banks which are readily convertible to a known amount of cash that hasn't been adjusted for expected credit losses. The fair value of these items of cash and cash equivalents as well as deposits and debt funding that are mostly redeemable on demand does not change, as there are no adjustments made to these items subsequent to initial recognition. These items are included in level 1 of the fair value hierarchy.

The group's valuation control framework governs internal control standards, methodologies, and procedures over its valuation processes, which include the following valuation techniques and main inputs and assumptions per type of instrument:

Item and description	Valuation technique	Main inputs and assumptions
Derivative financial instruments Derivative financial instruments comprise foreign exchange, interest rate, commodity, credit and equity derivatives that are either held-for-trading or designated as hedging instruments in hedge relationships.	Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include: <ul style="list-style-type: none"> discounted cash flow model Black-Scholes model combination technique models. 	For level 2 and 3 fair value hierarchy items: <ul style="list-style-type: none"> discount rate* spot prices of the underlying correlation factors volatilities dividend yields earnings yield valuation multiples credit spreads bid-offer spreads.
Trading assets and trading liabilities Trading assets and liabilities comprise instruments which are part of the group's underlying trading activities. These instruments primarily include sovereign and corporate debt, commodities, collateral, collateralised lending agreements and equity securities.	Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date. Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial investment being fair valued.	
Pledged assets Pledged assets comprise instruments that may be sold or repledged by the group's counterparty in the absence of default by the group. Pledged assets include sovereign and corporate debt, equities, commodities pledged in terms of repurchase agreements and commodities that have been leased to third parties.	Where proxies are not available, the fair value is estimated using more complex modelling techniques. These techniques include discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility and other risks.	
Financial investments Financial investments are non-trading financial assets and primarily comprise sovereign and corporate debt, listed and unlisted equity instruments, investments in debentures issued by the SARB, investments in mutual fund investments and unit-linked investments.	Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.	

Item and description	Valuation technique	Main inputs and assumptions
Loans and advances to banks and customers Loans and advances comprise: <ul style="list-style-type: none"> ■ Home services ■ Vehicle and asset finance ■ Card and payments ■ Personal unsecured lending ■ Business lending and other ■ Corporate ■ Bank 	For certain loans, fair value may be determined from the market price of a recently occurring transaction adjusted for changes in risks and information between the transaction and valuation dates. Loans and advances are reviewed for observed and verified changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for interest rate risk, foreign exchange risk, liquidity and credit risk, as appropriate. For credit risk, probability of default and loss given default parameters are determined using credit default swaps (CDS) markets, where available and appropriate, as well as the relevant terms of the loan and loan counterparty such as the industry classification and subordination of the loan.	For level 2 and 3 fair value hierarchy items <ul style="list-style-type: none"> ■ discount rate*
Deposits and debt funding Deposits from banks and customers comprise amounts owed to banks and customers, deposits under repurchase agreements, negotiable certificates of deposit, credit-linked deposits and other deposits.	For certain deposits, fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information between the transaction and valuation dates. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value based on the contractual cash flows related to the instrument. The fair value measurement incorporates all market risk factors, including a measure of the group's credit risk relevant to that financial liability. The market risk parameters are valued consistently to similar instruments held as assets stated in the section above. The credit risk of the reference asset in the embedded CDS in credit-linked deposits is incorporated into the fair value of all credit-linked deposits that are designated to be measured at fair value through profit or loss. For collateralised deposits that are designated to be measured at fair value through profit or loss, such as securities repurchase agreements, the credit enhancement is incorporated into the fair valuation of the liability.	For level 2 and 3 fair value hierarchy items <ul style="list-style-type: none"> ■ discount rate*

4. Fair value continued

Inputs and valuation techniques continued

Item and description	Valuation technique	Main inputs and assumptions
Financial liabilities under investment contracts Financial liabilities under investment contracts comprise unit-linked policies and annuity certain.	<p>Unit-linked policies: assets which are linked to the investment contract liabilities are owned by the group. The investment contract obliges the group to use these assets to settle these liabilities. Therefore, the fair value of investment contract liabilities is determined with reference to the fair value of the underlying assets (i.e. amount payable on surrender of the policies).</p> <p>The fair value of a unit-linked financial liability is determined using the current unit price that reflects the fair values of the financial assets contained within the group's unitised investment funds linked to the financial liability, multiplied by the number of units attributed to the policyholder at the statement of financial position date. If an investment contract is subject to a put or surrender option exercisable at the reporting date, the fair value of the financial liability is never less than the amount payable on the put or surrender option. If a unit-linked investment contract entitles the policyholder to a share of assets over and above the product of the number of units and the unit price, for example a smoothed bonus contract, this entitlement is included in the value of the liability.</p> <p>Annuity certain: discounted cash flow models are used to determine the fair value of the stream of future payments.</p>	For level 2 and 3 fair value hierarchy items <ul style="list-style-type: none"> ■ discount rate* ■ spot price of underlying
Third-party financial liabilities arising on the consolidation of mutual funds (included in provisions and other liabilities) These are liabilities that arise on the consolidation of mutual funds.	The fair values of third-party financial liabilities arising on the consolidation of mutual funds are determined using the quoted put (exit) price provided by the fund manager and discounted for the applicable notice period. The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.	For level 2 and 3 fair value hierarchy items <ul style="list-style-type: none"> ■ discount rate*

* Discount rates, where applicable, include the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty as appropriate), timing of settlement, storage/service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.

Portfolio valuations

The group has elected the portfolio exception to measure the fair value of certain groups of financial assets and financial liabilities. This exception permits the group of financial assets and financial liabilities to be measured at fair value on a net basis, with the net fair value being allocated to the financial assets and financial liabilities.

Day one profit or loss

For financial instruments, where the fair value of the financial instrument differs from the transaction price, the difference is commonly referred to as day one profit or loss. Day one profit or loss is recognised in profit or loss immediately where the fair value of the financial instrument is either evidenced by comparison with other observable current market transactions in the same instrument, or is determined using valuation models with only observable market data as inputs.

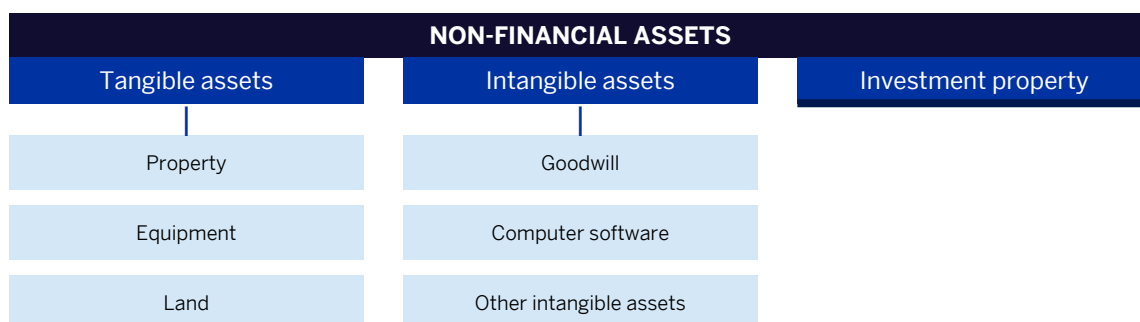
Day one profit or loss is deferred (and recognised together with the instrument it relates to) where the fair value of the financial instrument is not able to be evidenced by comparison with other observable current market transactions in the same instrument, or is determined using valuation models that utilise non-observable market data as inputs.

The timing of the recognition of deferred day one profit or loss is determined individually depending on the nature of the instrument and availability of market observable inputs. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

5. Employee benefits

EMPLOYEE BENEFITS			
Post-employment benefits		Short-term benefits	
Defined contribution plans			
Defined benefit plans			
Type and description	Statement of financial position	Statement of other comprehensive income	Income statement
Defined contributions plans The group operates a number of defined contribution plans. See note 47 for more information.	Accruals are recognised for unpaid contributions.	No direct impact.	Contributions are recognised as an operating expense in the periods during which services are rendered by the employees.
Defined benefit plans The group operates a number of defined benefit retirement and post-employment medical aid plans. Employer companies contribute to the cost of benefits taking account of the recommendations of the actuaries. See note 47 for more information.	Assets or liabilities measured at the present value of the estimated future cash outflows, using interest rates of government bonds denominated in the same currency as the defined benefit plan (corporate bonds are used for currencies for which there is a deep market of high-quality corporate bonds), with maturity dates that approximate the expected maturity of the obligations, less the fair value of plan assets. A net defined benefit asset is only recognised to the extent that economic benefits are available to the group from reductions in future contributions or future refunds from the plan.	Remeasurements of the net defined benefit obligation, including actuarial gains and losses, the return on plan assets (excluding interest calculated) and the effect of any asset ceiling are recognised within OCI.	Net interest income/ (expense) is determined on the defined benefit asset/ (liability) by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit asset/ (liability). Other expenses (including current service costs) related to the defined benefit plans are also recognised in operating expenses. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in operating expenses. The group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.
Short-term benefits Short-term benefits consist of salaries, accumulated leave payments, profit share, bonuses and any non-monetary benefits such as medical aid contributions.	A liability is recognised for the amount expected to be paid under short-term cash bonus plans or accumulated leave if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.	No direct impact.	Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in operating expenses as the related service is provided.

6. Non-financial assets



Type and initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment														
<p>Tangible assets (property, equipment and land)</p> <p>Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Land is measured at cost less accumulated impairment losses.</p> <p>Costs that are subsequently incurred are included in the asset's related carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the group and the cost of the item can be measured reliably. Expenditure, which does not meet these criteria, is recognised in operating expenses as incurred.</p> <p>Where significant parts of an item of property or equipment have different useful lives, they are accounted for as separate major components of property and equipment.</p>	<p>Property and equipment are depreciated on the straight-line basis over estimated useful lives (see below) of the assets to their residual values. Land is not depreciated.</p> <table><tr><td>Significant freehold property</td><td>Ten years</td></tr><tr><td>Buildings</td><td>40 years</td></tr><tr><td>Computer equipment</td><td>Four to five years</td></tr><tr><td>Motor vehicles</td><td>Four to five years</td></tr><tr><td>Office equipment</td><td>Three to ten years</td></tr><tr><td>Furniture and fittings</td><td>Two to 13 years</td></tr><tr><td>Leased assets</td><td>Shorter of useful life or lease term (refer section 9)</td></tr></table> <p>The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial year end.</p>	Significant freehold property	Ten years	Buildings	40 years	Computer equipment	Four to five years	Motor vehicles	Four to five years	Office equipment	Three to ten years	Furniture and fittings	Two to 13 years	Leased assets	Shorter of useful life or lease term (refer section 9)	<p>These assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.</p> <p>An impairment loss is recognised in non-trading and capital related items for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs of disposal and value in use.</p> <p>Fair value less costs of disposal is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset.</p> <p>In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.</p> <p>For the purposes of assessing impairment, assets that cannot be tested individually are grouped at the lowest CGUs.</p> <p>Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. The carrying amount of these other assets may, however, not be reduced below the higher of the CGU's fair value less costs of disposal and its value in use.</p> <p>Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed through non-trading and capital related items only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.</p>
Significant freehold property	Ten years															
Buildings	40 years															
Computer equipment	Four to five years															
Motor vehicles	Four to five years															
Office equipment	Three to ten years															
Furniture and fittings	Two to 13 years															
Leased assets	Shorter of useful life or lease term (refer section 9)															

Type and initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment
<p>Policyholder insurance contracts where the underlying measurement of the policyholder insurance liability depends directly on the fair value of the group's owner-occupied properties</p> <p>The group has elected, where it has owner-occupied properties that back policyholder liabilities, to account for these properties using the fair value model, in line with its investment properties accounting policy below, as the group issues groups of insurances contracts with direct participation features and hold the underlying items. These properties are presented as a separate class within property and equipment.</p>	<p>The fair value is based on valuation information at the reporting date. If the valuation information cannot be reliably determined, the group uses alternative valuation methods such as discounted cash flow projections or recent prices in active markets.</p>	
<p>Goodwill</p> <p>Goodwill represents the excess of the consideration transferred and the acquisition date fair value of any previously held equity interest over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, associate or joint venture at the date of the acquisition. The group's interest in acquired subsidiaries takes into account any non-controlling interest.</p> <p>Goodwill arising on the acquisition of subsidiaries (associates) is reported in the statement of financial position as part of 'Goodwill and other intangible assets' ('Interest in associates and joint ventures').</p>	<p>Not applicable.</p>	<p>The accounting treatment is generally the same as that for tangible assets except as noted below.</p> <p>Goodwill is tested annually for impairment and additionally when an indicator of impairment exists.</p> <p>An impairment loss in respect of goodwill is not reversed.</p>

6. Non-financial assets continued

Type and initial and subsequent measurement	Useful lives, depreciation/amortisation method or fair value basis	Impairment
<p>Computer software Costs associated with developing or maintaining computer software programmes and the acquisition of software licences are generally recognised as an expense as incurred.</p> <p>However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the group and have a probable future economic benefit beyond one year, are recognised as intangible assets.</p> <p>Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use.</p> <p>Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.</p>	<p>Amortisation is recognised in operating expenses on a straight-line basis at rates appropriate to the expected lives of the assets (two to 15 years) from the date that the asset is available for use.</p> <p>Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if necessary.</p>	<p>Intangible assets that have an indefinite useful life are tested annually for impairment and additionally when an indicator of impairment exists.</p> <p>The accounting treatment for computer software and other intangible assets is otherwise the same as for tangible assets.</p>
<p>Other intangible assets The group recognises the costs incurred on internally generated intangible assets such as brands, customer lists, customer contracts and similar rights and assets, in operating expenses as incurred.</p> <p>The group capitalises brands, customer lists, customer contracts, distribution forces and similar rights acquired in business combinations.</p> <p>Capitalised intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.</p>	<p>Amortisation is recognised in operating expenses on a straight-line basis over the estimated useful lives of the intangible assets, not exceeding 20 years, from the date that the asset is available for use.</p> <p>Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if necessary.</p>	
<p>Derecognition Non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.</p>		
<p>Investment property Initially measured at cost, including transaction costs.</p> <p>Subsequently measured at fair value and included as part of investment management and service fee income and gains within the profit or loss.</p>	<p>The fair value is based on valuation information at the reporting date.</p> <p>If the valuation information cannot be reliably determined, the group uses alternative valuation methods such as discounted cash flow projections or recent prices in active markets.</p> <p>Fair value adjustments recognised in investment management and service fee income and gains are adjusted for any double-counting arising from the recognition of lease income on the straight-line basis compared to the accrual basis normally assumed in the fair value determination.</p>	
<p>Derecognition Investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on derecognition is recognised in investment management and service fee income and gains and is determined as the difference between the net disposal proceeds and the carrying amount of the investment property.</p> <p>When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.</p> <p>When the use of a property changes such that it is reclassified from property and equipment to investment property, the difference between the carrying value at date of reclassification and its fair value is recognised in OCI.</p>		

7. Property developments and properties in possession

PROPERTY DEVELOPMENTS AND PROPERTIES IN POSSESSION	
Property developments	Properties in possession

Property developments

Property developments are stated at the lower of cost or net realisable value. Cost is assigned by specific identification and includes the cost of acquisition and where applicable, development and borrowing costs during development.

Properties in possession

Properties in possession are properties acquired by the group which were previously held as collateral for underlying lending arrangements that, subsequent to origination, have defaulted. The properties are initially recognised at cost and are subsequently measured at the lower of cost and its net realisable value. Any subsequent write-down in the value of the acquired properties as well as gains and losses on disposal is recognised as an operating expense. Any subsequent increases in the net realisable value, to the extent that it does not exceed its original cost, are also recognised within operating expenses.

8. Equity-linked transactions

EQUITY COMPENSATION PLANS	
Equity-settled share-based payments	Cash-settled share-based payments

Equity-settled share-based payments

The fair value of the equity-settled share-based payments are determined on grant date and accounted for within operating expenses (staff costs) over the vesting period with a corresponding increase in the group's share-based payment reserve. Non-market vesting conditions, such as the resignation of employees and retrenchment of staff, are not considered in the valuation but are included in the estimate of the number of options expected to vest. At each reporting date, the estimate of the number of options expected to vest is reassessed and adjusted against operating expenses and share-based payment reserve over the remaining vesting period.

On vesting of the equity-settled share-based payments, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer. On exercise of the equity-settled share-based payment, any proceeds received are credited to share capital and premium.

Cash-settled share-based payments

Cash-settled share-based payments are accounted for as liabilities at fair value until the date of settlement. The liability is recognised over the vesting period and is revalued at every reporting date up to and including the date of settlement. All changes in the fair value of the liability are recognised in operating expenses (staff costs). The awards vest over the specified period of service and/or once performance conditions are met.

9. Leases

Leases			
Lessee accounting		Lessor accounting	
Recognition exemptions: <ul style="list-style-type: none">Low value assetsShort term leases.	Lease liability	Termination	Finance leases
	Right of use asset	Reassessments and modifications	Operating leases
		Separating components	Modifications

9. Leases continued

Type and description	Statement of financial position	Income statement
Lessee accounting policies		
<p>Single lessee accounting model All leases are accounted for by recognising a right of use asset and a lease liability except for:</p> <ul style="list-style-type: none"> ■ leases of low value assets and ■ leases with a duration of twelve months or less. 	<p>Lease liabilities: Initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case for the group) this is not readily determinable, in which case the group's incremental borrowing rate (rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment) on commencement of the lease is used. The group's internal funding rate is the base on which the incremental borrowing rate is calculated. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes:</p> <ul style="list-style-type: none"> ■ Amounts expected to be payable under any residual value guarantee. ■ The exercise price of any purchase option granted in favour of the group, should it be reasonably certain that this option will be exercised. ■ Any penalties payable for terminating the lease, should the term of the lease be estimated based on this termination option being exercised. <p>Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.</p>	<p>Interest expense on lease liabilities: A lease finance cost, determined with reference to the interest rate implicit in the lease or the group's incremental borrowing rate, is recognised as interest expense over the lease period. The interest expense portion related to banking is presented within net interest income (NII). The interest expense portion related to IAM is presented within non-insurance revenue.</p>
	<p>Right of use assets: Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:</p> <ul style="list-style-type: none"> ■ lease payments made at or before commencement of the lease; ■ initial direct costs incurred; and ■ the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset. <p>The group applies the cost model (refer section 6) subsequent to the initial measurement of the right of use assets.</p>	<p>Depreciation and impairment on right of use assets: Subsequent to initial measurement, the right of use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term unless ownership of the underlying asset transfers to the group at the end of the lease term, whereby the right of use assets are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of operating expenses.</p> <p>The accounting treatment for impairment of right of use assets is the same as that for tangible assets (refer section 6).</p>
	<p>Termination of leases: When the group or lessor terminates or cancels a lease, the right of use asset and lease liability are derecognised.</p>	<p>Termination of leases: On derecognition of the right of use asset and lease liability, any difference is recognised as a derecognition gain or loss in profit or loss.</p>

Type and description	Statement of financial position	Income statement
Lessee accounting policies continued		
All leases that meet the criteria as either a lease of a low value asset or a short-term lease are accounted for on a straight-line basis over the lease term.	Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised.	Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination occurs.
Reassessment and modification of leases	<p>Reassessment of lease terms and lease modifications that are not accounted for as a separate lease:</p> <p>When the group reassesses the terms of any lease (i.e. it reassesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised.</p> <p>For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right of use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right of use asset is reduced to zero any further reduction in the measurement of the lease liability is recognised in profit or loss.</p> <p>For lease modifications that are not accounted for as a separate lease, an equivalent adjustment is made to the carrying amount of the right of use asset, with the revised carrying amount being depreciated over the revised lease term. However, for lease modifications that decrease the scope of the lease the carrying amount of the right of use asset is decreased to reflect the partial or full termination of the lease, with any resulting difference being recognised in profit or loss as a gain or loss relating to the partial or full termination of the lease.</p> <p>Lease modifications that are accounted for as a separate lease:</p> <p>When the group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the group accounts for these modifications as a separate new lease. This accounting treatment equally applies to leases which the group elected the short-term lease exemption and the lease term is subsequently modified.</p>	
Separating components of a lease contract	The group has elected to apply the practical expedient to not separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component. The practical expedient is applied to each class of underlying asset.	
Lessor accounting policies		
Finance leases Leases, where the group transfers substantially all the risk and rewards incidental to ownership, are classified as finance leases	Finance lease receivable, including initial direct costs and fees, are primarily accounted for as financing transactions in banking, with rentals and instalments receivable, less unearned finance charges.	Finance charges earned within interest income are computed using the effective interest method, which reflects a constant periodic rate of return on the investment in the finance lease. The tax benefits arising from investment allowances on assets leased to clients are accounted for within direct taxation.
Operating leases All leases that do not meet the criteria of a financial lease are classified as operating leases.	The asset underlying the lease continues to be recognised and accounted for in terms of the relevant group accounting policies. Accruals for outstanding lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease income are recognised. At the end of the lease term, these assets are reclassified from tangible assets to other assets and measured at the lower of cost and net realisable value.	Operating lease income net of any incentives given to lessees, is recognised on the straight-line basis, or a more representative basis where applicable, over the lease term and is recognised in operating income. When an operating lease is terminated before the lease period has expired, any payment received/ (paid) by the group by way of a penalty is recognised as income/ (expense) in the period in which termination occurs.

9. Leases continued

Type and description	Statement of financial position	Income statement
Lessor lease modifications		
Finance leases	When the group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the group accounts for these modifications as a separate new lease. All other lease modifications that are not accounted for as a separate lease are accounted for in terms of IFRS 9, unless the classification of the lease would have been accounted for as an operating lease had the modification been in effect at inception of the lease. These lease modifications are accounted for as a separate new lease from the effective date of the modification and the net investment in the lease becomes the carrying amount of the underlying asset.	
Operating leases	Modifications are accounted for as a new lease from the effective date of the modification.	

10. Equity

EQUITY		
Re-acquired equity instruments	Share issue costs	Dividends

Re-acquired equity instruments

Where subsidiaries purchase/(short sell) Standard Bank Group Limited's equity instruments, the consideration paid/(received) is deducted/(added) from/(to) equity attributable to ordinary shareholders as treasury shares on consolidation.

Fair value changes recognised by subsidiaries on these instruments are reversed on consolidation and dividends received are eliminated against dividends paid. Where such shares are subsequently sold or reissued/(re-acquired) outside the group, any consideration received/(paid) is included in equity attributable to ordinary shareholders.

The group elects not to deduct from equity its treasury shares that it issues to subsidiaries that issue insurance contracts with direct participation features while holding the underlying. This election is made on an instrument-by-instrument basis. The group continues to account for these treasury shares as equity and measures it at fair value through profit or loss (Refer to section 3 for the policy on financial instruments measured at fair value through profit or loss).

Share issue costs

Incremental external costs directly attributable to a transaction that increases or decreases equity are deducted from equity, net of related tax. All other share issue costs are expensed.

Dividends

Distributions are recognised in equity in the year in which they are declared. Distributions declared after the reporting date are disclosed in the distributions note to the annual financial statements.

11. Provisions, contingent assets and contingent liabilities

PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES		
Provisions	Contingent assets	Contingent liabilities
Provisions for legal claims		

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The group's provisions typically (when applicable) include the following:

Provisions for legal claims

Provisions for legal claims are recognised on a prudent basis for the estimated cost for all legal claims that have not been settled or reached conclusion at the reporting date. In determining the provision management considers the probability and likely settlement (if any). Reimbursements of expenditure to settle the provision are recognised when and only when it is virtually certain that the reimbursement will be received.

11. Provisions, contingent assets and contingent liabilities continued

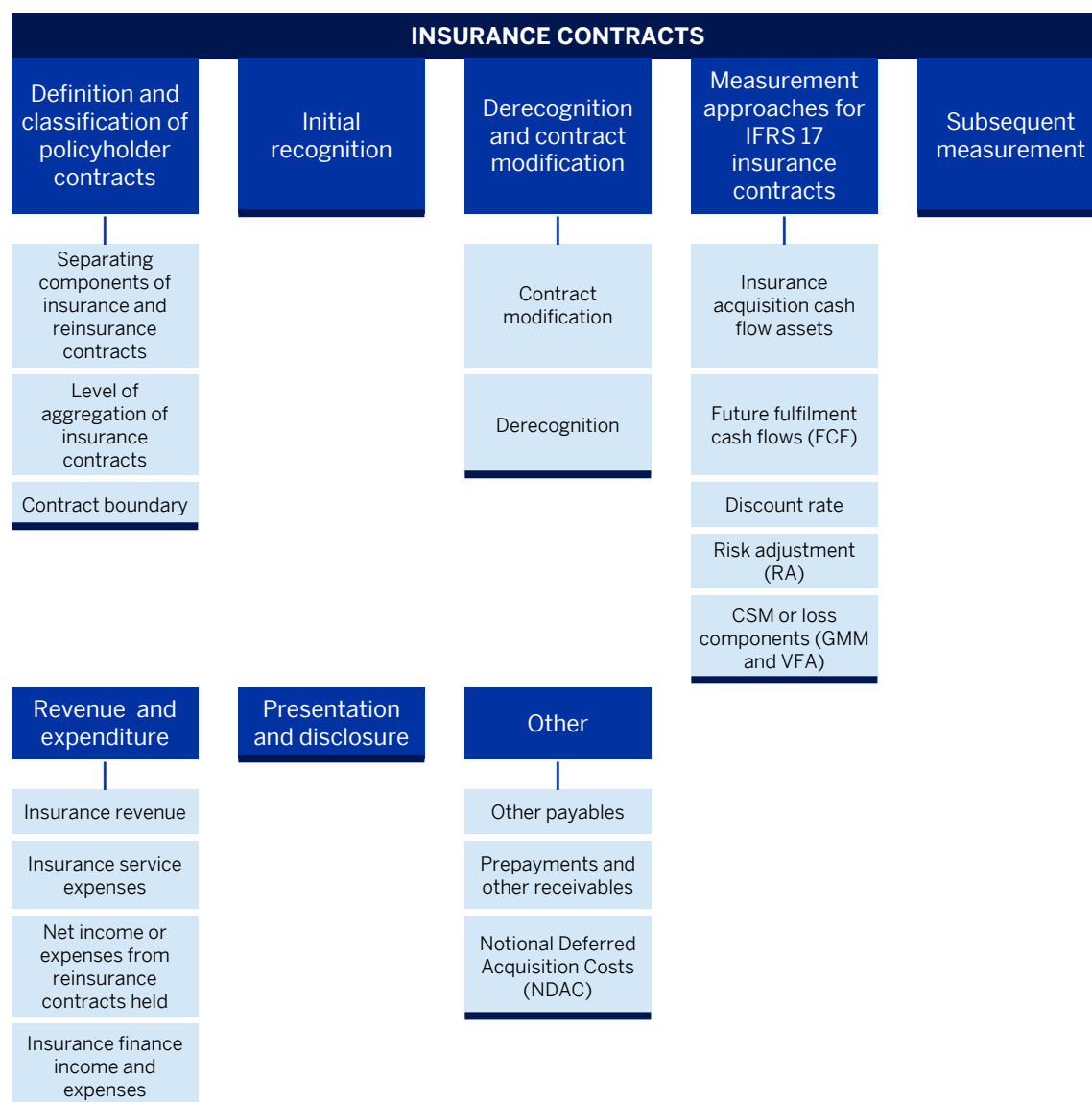
Contingent assets

Contingent assets are not recognised in the annual financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the group, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the group's control.

Contingent liabilities

Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the annual financial statements but are disclosed in the notes to the annual financial statements unless they are considered remote.

12. Insurance contracts



12. Insurance contracts continued

IFRS 17 Insurance Contracts

All references to 'insurance contracts' in the accounting policies include insurance contract assets or liabilities and reinsurance contract assets or liabilities, unless specifically stated otherwise.

Definition and classification of policyholder contracts

Insurance and investment contract classification

The group issues contracts that transfer either insurance risk or financial risk or, in some cases, both of these risk types.

An insurance contract is a contract under which the group (insurer) accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Such contracts may also transfer financial risk.

The group determines insurance risk as significant if, and only if, an insured event could cause the group to pay additional amounts that are significant in any single plausible scenario, excluding scenarios that have no commercial substance, and that possibility of a loss is determined by representing the estimated future cash flows on a present value basis.

Policyholder investment contracts are those contracts that transfer financial risk with no significant inter-related insurance risk. Financial risk is the risk of a possible future change in one or more of the following variables: specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variables, provided in the case of a non-financial variable, that the variable is not specific to a party in the contract. Investment contracts that meet the definition of investment contracts with discretionary participation features (DPF) are measured under IFRS 17, whereas all other policyholder investments contracts are recognised under IFRS 9 and are measured at fair value through profit or loss.

Insurance contracts with direct participating features are contracts for which, at inception, the contractual terms specify that policyholders participate in a share of an identified pool of underlying items; the group expects to pay the policyholder a substantial share of the fair value returns on the underlying items; and the group expects a substantial portion of changes on the amounts to be paid to policyholders to vary with the change in the fair value of the underlying items.

All other insurance contracts are classified as contracts without direct participation features.

Discretionary participation features (DPF)

Insurance and investment contracts could contain a DPF feature specific to investment benefits. This feature entitles the policyholder to receive, as a supplement to guaranteed benefits, additional investment benefits at the discretion of the group. The terms and conditions or practice relating to these contracts are in accordance with the group's published Principles and Practices of Financial Management (PPFM). The PPFM stipulates the principles that a long-term insurer must use in order to manage discretionary participation business through their discretion in managing investments and allocating bonuses. Although a contract that exposes the issuer to financial risk without significant insurance risk is not an insurance contract, and where the issuer of these contracts issues insurance contracts as defined, financial investment contracts with DPFs are included in the scope of IFRS 17's measurement requirements as these contracts are deemed to have similar characteristics to insurance contracts and should be measured on the same basis. All of the group's investment contracts with DPFs are included in the measurement scope of IFRS 17.

An investment contract with DPF is defined as: A financial instrument that provides a particular investor with the contractual right to receive, as a supplement to an amount not subject to the discretion of the issuer, additional amounts:

- that are likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the issuer; and
- that are contractually based on:
 - the performance of a specified pool of contracts or a specified type of contract; and /or
 - realised and/or unrealised investment returns on a specified pool of assets held by the group; or
 - the profit or loss of the entity or fund that issues the contract.

Reinsurance contracts

Reinsurance contracts are insurance contracts issued by a reinsurer to compensate the group for the contracted portion of the claims arising from one or more insurance contracts issued by the group (underlying contracts).

The group enters into reinsurance contracts whereby it cedes insurance risk (e.g. mortality and morbidity risks) to the reinsurer. As the benefit payable under the reinsurance contract is contingent on an uncertain future event that adversely affects the applicable issuers' policyholder, the group is ceding insurance risk to the reinsurer and hence the reinsurance contract falls within the scope of IFRS 17.

12. Insurance contracts continued

Separating components of insurance and reinsurance contracts

An insurance or reinsurance contract may also contain one or more components that would be within the scope of another IFRS Accounting standard if they were separate contracts, that is there may be a distinct non-insurance component that should be separated from the contract and accounted for under a separate IFRS Accounting standard.

The group has assessed all of its insurance and reinsurance contracts to see if there are any distinct investment components, embedded derivatives or any promises to provide distinct goods or services other than insurance contract services that need to be separated from the host contract and accounted for under other standards (for example, IFRS 9 or IFRS 15 *Revenue from Contracts with Customers*).

Whilst distinct investment components and/or embedded derivatives are contained in certain insurance contracts issued by the group, they are deemed to be closely related to the host insurance contract as the distinct investment component and/or embedded derivative and host insurance contracts are so interdependent that they cannot be measured separately from the host insurance contract.

The group, besides non-insurance service components included in the group's Stansure and Home Owners Cover (HOC) products as well as pension fund administration services provided to pension funds (accounted for under IFRS 15) does not provide distinct goods or services other than insurance contract services that need to be separated from the host contract and accounted for under other applicable standards.

Separating investment components for disclosure

Some insurance contracts include cash flows or benefits that meet the definition of a 'non-distinct investment component' (NDIC) under IFRS 17. The NDIC is the amount that an insurance contract requires the group to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. The investment component has been determined as amounts accumulated to the policyholder through deposits that are repaid to the policyholder in all circumstances, either on lapse or maturity of the contract. The NDIC is included in the measurement of insurance contracts on the statement of financial position but is excluded from insurance revenue and insurance service expenses in the statement of comprehensive income when they are paid to the policyholder or beneficiary, as they do not relate to the provision of insurance services. The group does not have any non-distinct investment components on its reinsurance contracts.

Investment contracts with DPF by nature contain significant investment components and the insurance service revenue and expenses from these contracts reflect the value of the investment services provided and related costs respectively.

Separating fixed fee service components

The group's accounting policy choice is to apply IFRS 17 to fixed fee service contracts (i.e. the group will not unbundle services provided for a fee in terms of IFRS 15, but will include the fixed fee in the IFRS 17 recognition and measurement principles for each contract). The accounting policy choice is applied on a contract-by-contract basis, with the choice for each contract being irrevocable.

The group applies this accounting policy as the following conditions are met:

- The group does not reflect an assessment of the risk associated with an individual customer in setting the price of the contract with that customer;
- The contract compensates the customer by providing services, rather than by making cash payments to the customer; and
- The insurance risk transferred by the contract arises primarily from the customer's use of services rather than uncertainty over the cost of those services.

Level of aggregation of insurance contracts

Insurance contracts are allocated to portfolios, which, for the purposes of measurement and disclosure, are then further subdivided into groups of insurance contracts and cohorts (as described below) based on the expected profitability or loss of the contract, and the date of initial recognition.

Portfolios

The group has identified portfolios of insurance contracts and investment contracts with DPF. These portfolios represent those contracts that are subject to similar risks and services and are managed together. The group has generally defined the portfolios by product.

For reinsurance, one reinsurance treaty may cover a range of risks and /or benefits. Although the legal form is one contract, the components can be separated and therefore they are measured at benefit level. Reinsurance contracts within a product line have similar risks and are managed together and hence the portfolio for reinsurance is generally aligned to the underlying product lines.

12. Insurance contracts continued

Groups

For the purposes of the measurement calculation, the portfolios referred to above, are divided into sub-groups as follows:

- a group of contracts that are onerous on initial recognition;
- a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and,
- a group of the remaining contracts in the portfolio, if any.

Groups of contracts are established at initial recognition and not re-assessed once all contracts have been added to the group. For contracts measured under the premium allocation approach (PAA), the group has assumed, in line with what is permitted by IFRS 17, that no contracts are onerous at inception, unless facts and circumstances indicated otherwise.

Regarding reinsurance contracts, the references to onerous contracts are replaced with references to contracts on which there is a net gain on initial recognition.

IFRS 17 introduces the loss recovery component for reinsurance contracts, which brings an allowable offset or adjustment through the income statement at initial recognition of the onerous underlying contracts (group) loss recognition in profit or loss and the reinsurance amount measured on those onerous groups. If at inception, the applicable reinsurance best estimate fulfilment cash flows plus risk adjustment plus the loss recovery component is negative, the reinsurance contract is a net gain to profit or loss. If it is positive, then the reinsurance amount is a further net loss to profit or loss.

Cohorts

In addition to this required grouping above, the group is not permitted to include contracts issued more than one year apart in the same group. The group has elected to combine contracts in the same annual calendar year at initial recognition. The recognition and measurement requirements are then applied to these groups of contracts.

Contract boundary

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the group can compel the policyholder to pay the premiums or has a substantive obligation to provide the policyholder with insurance contract services. The identification of contract boundaries determines which cash flows should be included in the measurement of the insurance contracts.

A substantive obligation ends when the group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or the group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk or investment services of that portfolio; and the pricing of premiums for coverage up to the date when risks are reassessed does not reflect the risks related to periods beyond that reassessment date.

For contracts where premiums before the reassessment date are calculated to fund risks beyond the reassessment date, the boundary on these contracts extends beyond the reassessment date. Thus, for contracts where premiums early on in the contract are designed to be higher relative to the risk while premiums later on are lower relative to the risk, (e.g. for level premium payment patterns), even if premiums are reviewed at a reassessment date, the contract will not end at that point but rather extend beyond the reassessment date.

In assessing the contract boundary for investment contracts with discretionary participation features, cash flows are within the contract boundary if they result from a substantive obligation of the group to deliver cash at a present or future date. The substantive obligation ends when the group reprices the contract so that the new price fully reflects the promise to deliver cash in the future and the related risks.

With the exclusion of embedded bancassurance credit risk cover and corporate group risk (as well as property and casualty insurance business), most of the contracts sold by the group and the corresponding reinsurance have long contract boundaries (i.e. greater than 12 months).

The group does not recognise a liability or an asset for any amounts relating to expected premiums or expected claims outside the boundary of the insurance contract as these amounts relate to future insurance contracts.

For reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the group that exist during the period in which the group is compelled to pay amounts to the reinsurer or in which the group has a substantive right to receive insurance contract services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer has the practical ability to reassess the risks transferred to the reinsurer and can set a price or level of benefits for the contract to fully reflect the reassessed risk.

The contract boundary for reinsurance also takes into account the group's substantive right to stop writing new business with the reinsurer or for the reinsurer to accept business; and the period of time over which the substantive right to receive services and the substantive obligation to pay amounts to the reinsurer for each underlying policy sold exist. Most of the group's reinsurance contracts have a contract boundary of three months, being the notice period for new business, and have a longer coverage period, which is typically in line with that of the underlying contracts issued.

12. Insurance contracts continued

Initial recognition

An assessment of significant insurance risk or investment contracts with DPF is made only once, being at contract inception. If a contract is deemed to be within the scope of IFRS 17, it remains a contract measured under IFRS 17 until all rights and obligations are extinguished (i.e. discharged, cancelled or expired) or until the contract is derecognised because of a qualifying contract modification.

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- a. the beginning of the coverage period of the group of contracts (the period during which the group provides services in respect of any premiums within the boundary of the contract);
- b. the date when the first payment from the policyholder in the group becomes due (or when it is actually received, if there is no due date); and
- c. when the group determines that a group of contracts becomes onerous.

The date of initial recognition for most insurance risk business is when the risk coverage period starts (for example, contracts where the group is on risk from the inception date even when no premium has been received yet). Coverage period is the period during which the group provides coverage for insured events. In limited instances, for example, certain motor warranty products, recognition occurs at the date when the first payment is contractually due, which is earlier than when the coverage period commences.

For investment with DPF contracts that are in scope of IFRS 17, initial recognition is the date when the group becomes a party to the contract and is obliged to provide investment services, which is usually when the first premium is received.

For a group of reinsurance contracts held that cover the losses of separate insurance contracts on a proportionate basis the initial recognition is recognised at the later of:

- a. the beginning of the coverage period of the group of reinsurance contracts held; or
- b. the initial recognition of any underlying insurance contract.

For a group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance), the initial recognition is the earlier of the date of the beginning of the coverage period of that group of reinsurance contracts held and the date that the group recognises an onerous group of underlying insurance contracts.

Contract modification and derecognition

Contract modification

Where the terms of an insurance or investment with DPF contract are significantly modified, the group derecognises the original contract and recognises a new contract, applying IFRS 17 or other applicable standard. In order for it to be treated as a modification, it needs to meet certain conditions, which reference the extent of the substantive nature of the modification. Typically, the modification will require policyholder acceptance. If the change in terms does not meet the modification criteria, any changes on the cash flows caused by changed terms to the existing contract are treated as changes in estimates of fulfilment cash flows and potentially a change to the contract boundary.

Derecognition

An insurance or investment contract with DPF contract is derecognised when and only when, it meets the modification criteria as above, or it is extinguished, that is the obligation specified in the contract expires, discharged or is cancelled.

On derecognition of a contract, from within a group of contracts not measured under the PAA, the group eliminates the present value of fulfilment cash flows and risk adjustment related to the rights and obligations of the insurance contract being derecognised and adjusts any remaining contractual service margin (if applicable), adjusting the number of coverage units in the remaining group to ensure the correct revenue being released going forward.

On derecognition of a contract, from within a group of contracts measured under the PAA, the difference in fulfilment cash flows accounted for, to the net additional cash flows on derecognition, is recognised in profit or loss.

12. Insurance contracts continued

Measurement approaches for IFRS 17 insurance contracts

The measurement approaches refer to the allowed models prescribed in IFRS 17 for valuing the defined insurance and investment with DPF contracts and impact how insurance revenue and expenses are recognised over the duration of the contracts.

For all measurement approaches, the total insurance contract asset or liability is the sum of:

- a. the LRC, the group's estimated obligation to investigate and pay valid claims or provide future investment services under existing contracts for insured events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the insurance coverage). The LRC includes the current value of estimated future cash flows for the period from the reporting date to the expected contract derecognition date. The LRC also includes a risk adjustment (RA) to reflect the possibility of estimated future cash flows being worse than estimated and, where applicable, a contractual service margin (CSM) representing the estimated profit on the group of contracts that is deferred and released over the remaining contract coverage period. The CSM as defined can never be negative.
- b. the LIC, which is the current value of the estimated or determined group's obligation to pay valid claims for insured events that have already occurred, including events that have occurred but have not been reported. An estimate for future directly attributable insurance expenses related to future claims processing is also included. The LIC also includes a risk adjustment to reflect the possibility of estimated future cash flows being worse than estimated.
- c. the asset for deferred insurance acquisition cash flows, which is the portion of directly attributable acquisition costs incurred in establishing product lines incurred by the group prior to a group of insurance contracts being recognised, that is not yet amortised.

All components of the LRC are grouped together in the applicable cohorts for initial and subsequent measurement.

For all reinsurance contracts, the total reinsurance contract asset or liability is the sum of:

- a. the ARC, if the contract is still in the coverage period; and
- b. the ARIC, if the insured event has occurred.

The group measures reinsurance contracts on the same basis as insurance contracts issued (adapted to reflect any different features related to reinsurance contracts).

The measurement approaches used for insurance and reinsurance contracts is appropriate for the terms and conditions and the characteristics of the insurance or reinsurance contract held being measured. Consistent assumptions are used to measure the estimates used in measuring the groups of reinsurance contracts held with those estimates used to measuring the groups of underlying insurance contracts. The allocation of contracts to each measurement approach is dictated by IFRS 17, although there is an element of judgement in certain cases, as well as a permitted simplification if prescribed eligibility criteria are met. Due to the different types of contracts that the group issues, it applies all three measurement approaches described in IFRS 17, being the GMM, the PAA (optional) and the VFA. Once determined, the measurement approach may not change unless there is a contract modification which results in a change.

When applying IAS 21 *The Effects of Changes in Foreign Exchange Rates* to a group of insurance contracts that generate cash flows in a foreign currency, the group treats the group of contracts, including the CSM, as a monetary item.

12. Insurance contracts continued

The table below describes the allowed measurement approaches and key differences between each approach:

Approach	Detail
GMM	<p>Methodology prescribed by IFRS 17 for insurance contracts which are not substantially investment related service contracts i.e. predominantly risk type contracts and annuities. This methodology is also used to measure reinsurance contracts (unless the group applies/elects to apply the PAA measurement approach). On initial recognition, applying the GMM, a group of insurance contracts are measured as the total of</p> <p>a) The fulfilment cash flows which comprises:</p> <ul style="list-style-type: none"> ■ Estimates of future cash flows; ■ An adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and ■ A risk adjustment (RA) for non-financial risk; and ■ The contractual service margin (CSM). <p>b) The group recognises a CSM (where appropriate) which is essentially a provision for unearned profit (where the contract is assessed as profitable) measured on contract inception at a group of contracts level, and which is released over the contract term in line with the level of service provided by the group.</p> <p>If, at inception of a contract, the total fulfilment cash flows result in an expected net outflow, the group of insurance contracts is considered onerous. A loss from the onerous group is recognised immediately in profit or loss, with no CSM recognised on initial recognition. The loss component represents losses and reversal of losses on onerous groups and is consequently excluded from the determination of insurance revenue.</p> <p>The discount rates determined at the date of initial recognition of a group of contracts is termed the 'locked-in' rate as it is the rate that is locked-in for accreting the contractual service margin for insurance contracts without participating features. In order to determine the discount rates at the date of initial recognition of a group of contracts, the group has used a weighted-average discount rate over the period that contracts in the group are issued. All other probability-weighted estimates of cash flows contained in the measurement of insurance assets or liabilities are measured at current discount rates. The discount rate applied in the future fulfilment cash flows reflects the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts, is consistent with observable current market price (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, and excludes the effects of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.</p>
VFA	<p>The VFA applies only to insurance contracts with direct participating features and investment contracts with DPF and is not applicable for the measurement of reinsurance contracts. The approach is used for contracts that are substantially investment-related service contracts but are measured under IFRS 17 as they include an integral insurance benefit, for example a retirement annuity that may include a product benefit of a minimum return of contributions on death. Investment contracts with discretionary participation features are scoped into the IFRS 17 standard, and the group also applies the VFA measurement model to measure such contracts, should such contracts meet the criteria for VFA.</p> <p>Insurance contracts with direct participation features create an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee to the insurer for service. The variable fee is the amount of the group's share of the fair value of the underlying items, less the future cash flows that do not vary based on the returns of the underlying items.</p> <p>The VFA approach also includes the total of fulfilment cash flows (future cash flows) discounted to present the time value of time and financial risks, plus a risk adjustment for non-financial risk, plus a CSM. The main difference between the VFA and the GMM is how the CSM is impacted over time. The group's share of the fair value returns on the underlying items is included in the CSM, and the CSM is updated using current estimates. The group is required to justify the classification into VFA through conditions demonstrating policyholder participation and an analysis of the investment benefits versus the total expected benefits.</p>
PAA	<p>The PAA is a simplification of the GMM approach for contracts with a coverage period of 12 months or less, or where they meet the PAA eligibility criteria (for both insurance, investment with DPF and reinsurance contracts). The eligibility criteria is met if, at inception of the group of contracts, it is expected that the simplification would produce a measurement of the liability for remaining coverage for that group of contracts that would not differ materially from that had the simplified measurement approach not been applied. The key difference therefore is how the liability for remaining coverage is measured, with the PAA. This approach avoids the complexities associated with updating a CSM (as there is no CSM) and estimating future claims.</p> <p>Once a contract is eligible for the PAA, it is the group's choice whether to elect it or not (an accounting policy election at inception of the contract). Although the calculation of the LRC is different to that used for those contracts measured under the GMM measurement approach, the LIC approach is the same for both measurement models.</p>

12. Insurance contracts continued

Insurance acquisition cash flow assets

Acquisition cash flows are defined as cash flows that arise from selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable and incremental in the establishment of the new group of contracts with the applicable portfolio of insurance contracts. Directly attributable cost allocation to groups of contracts is performed on a systematic and rational basis. These costs are recognised as insurance acquisition cash flow assets during the formation or future formation of the related group of insurance contracts. Any deferred acquisition cost asset is subsequently derecognised when the underlying contracts are recognised. The remaining deferred acquisition cost asset is recognised as part of the measurement of the LRC. When the deferred acquisition cost asset is allocated to a group of contracts, it is subsequently amortised to insurance expenses as contract service obligations are provided. Insurance acquisition cash flow assets recognised and not yet allocated to any specific groups are assessed for recoverability and may be impaired if it is not probable that they will be recovered from insurance revenue on related future contracts sold. Reversals of such impairments are permitted, to the extent that the impairment conditions are no longer met, and subsequently increase the carrying value of the deferred acquisition cost asset.

Future fulfilment cash flows (FCF)

Fulfilment cash flows comprise of:

- Estimates of future cash flows;
- An adjustment to reflect the time value of money and financial risks related thereto, to the extent that financial risks are not included in the estimate of future cash flows; and
- A risk adjustment (RA) for non-financial risk.

The current estimate of future cash flows depends on the assessment of the contract boundary term for the specific contracts and the determination of expected future revenue claims and service expenses that relate directly to the fulfilment of the contract. The estimates are based on an unbiased and probability-weighted mean of the full range of possible outcomes, determined from a perspective of the group, provided that where estimates are observable, they are consistent with observable market data. The estimates are always updated for current applicable discount rates at measurement dates. The estimation of future cash flows includes expected premiums, expected claims and benefit payments, an allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs, claims handling costs, policy administration costs, an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts and transaction-based taxes. The group estimates certain future cash flows at the portfolio level or higher and subsequently allocates such estimates to group of contracts.

Reinsurance contracts held - fulfilment cash flows

The measurement of cash flows for reinsurance contracts follows the same principles as for insurance contracts, with the standard requiring consistent assumptions to measure the estimates of the present value of the future cash flows for the group of reinsurance contracts held and the estimates of the present value of the future cash flows for the group(s) of underlying insurance contracts. However, it does include an allowance on a probability-weighted basis for the effect of non-performance by the reinsurer. The reinsurance fulfilment cash flows include reinsurance premiums (including premium discounts), rebates, reinsurance claims, profit sharing and reinsurance expenses related to administering the contract.

Discount rate

The discount rate applied to reflect the time value of money for the FCF reflects the characteristics of the cash flows and the liquidity characteristics of the insurance contracts. The discount rate applied by the group is consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contract in terms of for example, timing currency and liquidity. IFRS 17 allows for two methods to determine discount rates for cash flows of insurance contracts that do not vary based on the returns of the underlying items. The bottom-up approach determines discount rates by adjusting a liquid risk-free yield curve to elect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristic of the insurance contracts. The top-down approach determines the appropriate discount rates for insurance contracts based on a yield curve that reflects the current market rates of return implicit in a fair value measurement for a reference portfolio of assets.

Risk adjustment (RA)

The RA is an explicit, current adjustment to compensate the group for bearing non-financial risk (that is, insurance risk), that is a deferral of margin to cover the risk of negative variation to the estimated cash flows. The risk adjustment is released over the duration of the coverage period in line with reduction of the estimated risk. An explicit risk adjustment for non-financial risk is estimated separately from other estimates. The group has adopted in the main the cost of capital approach to determine the amount of the risk adjustment. Generally longer duration contracts are considered more risky than shorter contracts. For long dated contracts, the risk adjustment is generally modelled on a net exposure basis, but grossed up to determine the allocation between insurance and the underlying reinsurance contracts.

The other methodologies being used by the group to determine the risk adjustment all require a confidence level to be specified upfront. This includes the provision for adverse deviation on contracts measured under the GMM and the VFA.

Risk adjustment – reinsurance

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of adverse risk inherent in the estimated future cash flows that has been transferred to the reinsurer. The reinsurance RA is expected to be negative as the reinsurer will be removing part of the non-financial underwriting risk of the insurer.

12. Insurance contracts continued

CSM or loss components (GMM and VFA)

The CSM at initial recognition is the component of the insurance contract liability or asset representing the unearned profit that the group expects to recognise over the period that it provides insurance cover. The CSM is derived to avoid any profit recognition at inception of the contract or group of contracts.

If, at inception of a contract, the total FCF and RA result in an expected net cash outflow to the insurer, the contracts are considered onerous and the present value of the net cash outflow is immediately recognised in profit or loss. Similar onerous contracts are included in the same group of insurance contracts and a loss component is derived, being the cumulative loss recognised upon recognition of the group. The loss component is created to determine the amounts that are subsequently presented in profit or loss as possible reversals of previous loss estimates on onerous contract groups. The loss components, and any subsequent reversals, are included in insurance expenses and are not included in insurance revenue.

When a loss component exists, the group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- a. expected incurred claims and expenses for the period;
- b. changes in the risk adjustment for non-financial risk for the risk expired; and
- c. finance income or expenses from insurance contracts issued.

The amounts of loss component allocation in a) and b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Possible adjustments in the FCF in subsequent periods may reduce the remaining loss component leading to the reversal of prior losses recognised and possibly create a CSM, if the adjustments result in an expected cash inflow above the FCF and RA, representing the net amount above the reversal of prior period onerous losses.

CSM or loss components – reinsurance

For groups of reinsurance held (applicable to GMM), a CSM is raised regardless of whether it results in a positive or negative value. The CSM represents a net gain or cost that the group will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future. Reinsurance contracts cannot be onerous, which is a key difference between measuring reinsurance and the underlying contracts. The reinsurance CSM is the total of the reinsurance FCF and reinsurance RA at initial recognition. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date.

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Group recognises the cost immediately in profit or loss as an expense.

Subsequent measurements

Subsequent measurement - GMM and VFA

After initial recognition, the carrying value of insurance and investment with DPF contracts is the total of the LRC and LIC, as applicable.

The carrying value of the LRC for GMM and VFA contracts consists of:

- The updated measurement of the FCF;
- The remaining RA for non-financial risk (that is, per groups of contracts, the amount of the RA that has not yet been released over the contract duration in line with reduction of the estimated risk);
- Any remaining CSM if applicable; and
- Any remaining deferred acquisition cash flow asset.

The FCFs are updated for current assumptions at the end of each reporting period, utilising the current market observable interest environment to derive updated discount rates. Changes in estimates related to past service are reflected in profit or loss in the statement of comprehensive income, whereas any changes related to future service are adjusted to the CSM or the loss component, as applicable. Noting that changes to the loss component are reflected in profit or loss until the loss component reduces to nil. Should a previously profitable group of contracts become onerous from these updated assumptions during the reporting period, the group recognises the derived net loss in profit or loss immediately and creates a loss component for future accounting.

For contracts measured under the GMM, the CSM or loss component is adjusted for:

- Experience adjustments arising from premiums received in the period that relate to future service, and related adjustments to future modelled cash flows such as insurance acquisition cash flows and premium-based taxes,
- Changes in estimates of the present value of the future estimated premium, claim and directly attributable expense cash flows in the LRC, except for changes related to the time value of money and the effect of financial risk and changes in financial risk (the latter which do not result in the CSM being adjusted),
- Differences between any investment components expected to become payable in the period and the actual investment component payable in the period,
- Changes in the risk adjustment for non-financial risk that relates to future service.

12. Insurance contracts continued

These adjustments are similar for contracts measured under the VFA, with additional requirements that any fair value changes in the amount of the group's share on the returns of underlying items and changes in the FCF that do not vary based on the returns of the underlying investments are also treated as adjustments that relate to future cash flows and therefore included in the CSM. This effectively means that both in-year variances and future cash flow variations related to the group's share of underlying investments are deferred and recognised over the remaining contract periods (unless the group of contracts has a loss component). This means that in year and future fee adjustments linked to current investment returns are effectively smoothed to reduce the volatility of recognising asset based fees. The standard allows for a voluntary election of what is called the risk mitigation option (RMO). If elected, the RMO allows for the in-year and future fee variances (share of underlying investment returns) to be taken directly to profit or loss. The RMO election is applicable if the group has used derivative instruments to hedge the related investment risk exposure. This option assists in avoiding earnings volatility in that derivative instruments under IFRS 9 are measured at fair value through profit or loss and the impact of the risk hedged under IFRS 17 VFA can now be offset. Without the RMO, the fee revenue impacts would otherwise be deferred in the CSM, thereby creating an unintended mismatch outcome in earnings.

In both reporting periods covered in these annual financial statements, the group has elected the RMO for certain VFA measured contract groups.

The effect of any related foreign currency translation differences are also adjusted to the CSM.

The CSM is always measured at a 'locked-in' rate, for GMM measured contracts, which is the prevailing discount rate at the inception of the contract and not updated for current discount rates, whereas the measurement of the FCF uses a current discount rate. Interest is accreted on the carrying amount of the CSM at the locked in rate from the inception of the contract. IFRS 17 introduces the concept of coverage units, which determines how an insurer allocates the expected profit for providing insurance contract services over the relevant reporting periods. The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period.

Carrying value of the LIC

For those contracts where the insured event is assumed to have occurred, the liability is recognised in the LIC. The LIC comprises the FCF related to past service plus a risk adjustment. The LIC also includes the group's obligation to pay amounts that relate to insurance contract services that have already been provided and for any investment components that are not related to the provision of insurance contract services.

For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is estimated for the measurement of the LIC only.

The LIC includes the modelling of the IBNR reserve, where applicable.

The group's policy is that the LIC is not discounted if the run-off period is 12 months or less. The group's preferred methods to measure IBNR claims are the Bornhuetter Ferguson Method and Chain Ladder Method.

The LIC is adjusted for discounting where payments are expected to be made more than one year after being incurred. The group's elected policy is that the LIC is not discounted for the cash flow run-offs that are 12 months or less.

Subsequent measurement of reinsurance contracts held

On subsequent recognition of reinsurance contracts held (under GMM and PAA), the total reinsurance contract comprises the ARC and the ARIC, where the ARIC relates to past service.

Subsequent changes to reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception that the CSM at the end of reporting period is adjusted for applicable changes to loss recovery components related to underlying onerous contract groups.

The reinsurance RA comprises of the RA at initial recognition / beginning of period, less the release of risk adjustment, plus interest accreted on RA, plus/minus change in estimates, plus/minus change in discount rates.

Where the group has established a loss recovery component, that component is adjusted to reflect changes in the loss component of the onerous group of underlying contracts on a consistent basis, so that the loss recovery component can never exceed the portion of the carrying amount of the loss component on the underlying contracts.

12. Insurance contracts continued

Subsequent measurement - PAA

Included in subsequent measurement is the recognition of a LIC (similar to GMM contracts) as applicable, and re-measurement of any deferred premium and deferred acquisition costs. This therefore derives the revenue recognition reflective of the services provided in the period. Any variation to past service recognition is also taken in full to the profit and loss.

There is no concept of a CSM for PAA measured contracts. The group has elected not to discount PAA estimated cash flows to the extent they are less than twelve months and has also elected to amortise applicable acquisition cash flows over the related term of the contract. If at inception of the contract, the PAA measured group is considered to be onerous, a loss will be recognised in profit or loss and increase the liability for remaining coverage.

For reinsurance contracts measured under the PAA approach, the group uses the same principles as applied for the PAA for insurance contracts issued, however adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued.

Revenue and expenditure

Insurance revenue

Contracts measured under GMM and VFA

Insurance revenue is recognised for the pricing/charge by the group for obligations or service delivered during the period under review. Insurance contract services that the group provides to a policyholder is either: coverage for an insured event; for insurance contracts without direct participation features, the generation of an investment return; or for insurance contracts with direct participation features, the management of underlying items on behalf of the policyholder.

Insurance revenue includes the release of the CSM and the risk adjustment (for risk expired) during the period, as well as the release of expected claims and insurance acquisition cash flows expenses, excluding the financing effect for the time value of money which is included in insurance finance income or expenses. As revenue is recognised, the LRC is reduced for the services that have been provided that are related to that contract. The release of the CSM is discussed in more detail in the key judgements section.

For insurance contracts issued, a portion of the risk adjustment for non-financial risk relating to the LRC is recognised in insurance revenue as the risk is released.

For investment contracts with DPF, the allocation of the CSM is modified as the group recognises the CSM over the duration of the group of contracts in a systematic way that reflects the transfer of investment services under the contract.

Contracts measured under PAA

For contracts measured under the PAA, the revenue earned is the allocation of expected premium receipts on the basis of the passage of time, unless there was judgement applied and the assessment was that the expected pattern of release of risk during the coverage period differs significantly from the passage of time, in which case it will then be on the basis of the expected timing of incurred insurance service expenses. The group generally measures revenue earned over the passage of time.

Insurance service expenses

Insurance service expenses include the following:

- a. incurred claims and benefits excluding investment components;
- b. other incurred directly attributable insurance service expenses;
- c. amortisation of insurance acquisition cash flows;
- d. changes that relate to past service (i.e. changes in the FCF relating to the LIC);
- e. changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components); and
- f. any insurance acquisition cash flow assets impairment.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss. For insurance contracts issued, the portion of the risk adjustment for non-financial risk relating to the LIC is recognised in insurance service expenses.

Net income or expenses from reinsurance contracts held

Reinsurance expenses are recognised on a similar basis to insurance revenue, accounting for the different nature of the contracts. Reinsurance expenses recognised depict the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the group expects to pay in exchange for those services.

Net income or expenses from reinsurance contracts held comprises reinsurance expenses (including broker fees measured under PAA), incurred claims recovery, excluding any investment components, other incurred directly attributable expenses and changes that relate to past service, effects of changes in the risk of reinsurer's non-performance.

Reinsurance expenses incurred for contracts measured under PAA are recognised over the passage of time over the coverage period of the contracts.

12. Insurance contracts continued

Insurance finance income and expenses

Insurance finance income and expenses comprise the change in the carrying value of the group of insurance contracts (for the LRC and the LIC) arising from the effect of the time value of money and the impact of changes in the time value of money; and the effect of financial risk and changes in financial risk.

For contracts measured under the GMM approach, insurance finance income or expenses arise from interest accretion on the FCF and the CSM (CSM at the locked-in inception rate). All other components of the LRC and LIC include accretion of interest at current rates for the reporting period, the effect of changes in interest rates relevant to future periods and other financial assumptions as well as foreign exchange differences, if applicable.

For contracts measured under the VFA approach, the insurance finance income or expenses comprise policyholder investment benefits from investment market returns, and any adjustments for applicable variations resulting from election of the RMO referred above.

For insurance contracts measured under the PAA approach, insurance finance income and expenses arise from interest accreted on the LRC and LIC and the effect of changes in interest rates and other financial assumptions as applicable to cash flows estimated longer than twelve months.

The group has elected, for all current portfolios, to include all insurance finance income or expenses for all measurement approaches, in the reporting period in profit or loss (Refer to the accounting policy elections for the group's current accounting treatment). No components are accounted for as other comprehensive income.

Notional acquisition cash flows - presentation between insurance revenue and insurance service result

The group categorises insurance expenses either into acquisition and renewal expenses and allocates directly attributable expenses to insurance contracts. Excluding contracts that are measured under the PAA, insurance acquisition costs are allocated to existing groups of insurance contracts on a systematic and rational basis. On initial recognition of a group of contracts, such acquisition costs reduce the CSM (as there is less profit to defer over the life of the contract related to these expenses). For contracts that are measured under the PAA, the group recognises an asset for acquisition cash flows at initial recognition and amortises the asset over the group of insurance contracts' coverage period. For presentation purposes, IFRS 17 requires the group to allocate the direct acquisition costs to insurance service expenses in a systematic way, with an equal amount recognised as insurance revenue.

Policyholder taxes

Under the existing tax regulations in South Africa, insurers are obligated to apply and pay taxation on certain investment benefits attributable to policyholders. These are often referred to as I-E policyholder taxes. The group recovers these taxes from reductions in investment values attributable to policyholders. IAS 12 requires these taxation amounts to be presented in the income taxation line in the statement of comprehensive income, despite that in substance and commercially they are effectively a policyholder "expense". For the relevant IFRS 17 measured policyholder contracts, the recovery is reflected in insurance revenue, whereas for IFRS 9 measured policyholder contracts, the recovery is reflected in the fair value adjustment to investment contract liabilities.

Presentation and disclosure

Statement of financial position

The insurance contract liabilities or assets, and reinsurance contract assets or liabilities recognised on the face of the statement of financial position are disaggregated in the notes to the financial statements according to the measurement approach applied, and according to what is included in the liability for remaining coverage and the liability for incurred claims. For reinsurance contract assets or liabilities, this is referred to as the asset for remaining coverage and the asset recoverable on incurred claims. The line items on the face of the statement of financial position include all rights and obligations from a portfolio of insurance contracts. Portfolios that are in an asset position are presented separately from those in a liability position for both insurance and reinsurance.

Income statement

The group reduces the LRC and recognised insurance revenue as it provides insurance and investment services under the respective contracts. Line items presented on the face of the income statement, include the component parts of the insurance service result before reinsurance contracts net revenue or expenses, which is the separate recognition of insurance revenue (that excludes the receipt of any investment component) and insurance service expenses (that excludes the repayment of any investment components).

Net income or expenses from reinsurance contracts held on underlying insurance contracts as well as insurance finance income or expenses are separately presented on the face of the income statement.

Disclosures are further disaggregated into more granular levels if information provided at the level of the measurement model is determined to be too aggregated to be considered useful to the users of the information. The group has defined this level of disclosures as its 'reportable groups'.

12. Insurance contracts continued

A summary of the group's reportable groups with related characteristics and major products included in each reportable group are set out below.

Reportable group	Characteristics of contracts	Major products
Life insurance contracts measured under GMM	Life insurance contracts that provide insurable benefits in the event of death, longevity, sickness or disability, and that are measured using the General Measurement Model. These also include Universal Life contracts that have indirect participating features as well as guaranteed investment plans that have death benefits.	Retail pure risk products, e.g. Lifestyle Protector and funeral plans. Retail and Corporate guaranteed annuities, guaranteed capital bonds.
Life insurance contracts measured under PAA	Life insurance contracts that are issued by long-term insurance licenses that provide insurable risk benefits in the event of death, sickness or disability, and that are measured using the Premium Allocation Approach. These include insurance contracts issued to retail customers and groupings of employees and members.	Home loan protection, personal loan protection, vehicle asset finance, funeral products sold via banking channels, corporate income protection plans, corporate group risk.
Life participating contracts measured under VFA	Insurance contracts for which, at inception the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items and the group expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying items. Investment contracts with discretionary participation features for which substantial proportion of any change in the amounts to be paid to the policyholder vary with the change in the fair value of the underlying items.	Comprises mainly unit-linked retirement annuities and endowments, both of which are in scope of IFRS 17 due to their minimum return of contribution on death feature (e.g. Investment Builder, Evolve), as well as some linked annuities (which either provide minimum guaranteed death benefits or have discretionary participating features) and Corporate Growth Pensions. Also includes Universal Lifestyle contracts that have direct participating features.
General insurance measured under PAA	Short-term insurance offerings including, property, medical expense, fire, personal liability and accident, engineering, workmen's compensation, theft, agriculture.	Products as per characteristics.
Reinsurance life risk measured under GMM	Reinsurance on insurance contracts noted above.	
Reinsurance life risk measured under PAA	Reinsurance on insurance contracts noted above.	
Reinsurance general insurance measured under PAA	Reinsurance on insurance contracts noted above.	

Refer to the accounting policy elections section for more detail on presentation elections made.

Other

Other payables

Included in Other payables are balances associated with certain outstanding claims. Where the benefits have not been claimed by the member or the beneficiary within a 24-month period since the benefit became legally due and payable and under the South African Pensions Fund Act 24 of 1956, these specific obligations have been transferred to a legally ring-fenced unclaimed benefit fund. Once in the unclaimed benefit fund, they meet the definition of an investment contract.

12. Insurance contracts continued

Prepayments and other receivables

Other receivables comprise of premiums related to certain IFRS 17 contracts where intermediaries act as agents for the group and collect premiums on behalf of the group from the policyholders. Where these amounts are still owing to the group at reporting date, they are disclosed as amounts receivable in terms of IFRS 9 and presented within Other Assets on the group's statement of financial position.

Notional deferred acquisition costs (NDAC) (presentation)

Insurance acquisition cash flows are treated in the same way as other cash flows incurred in fulfilling insurance contracts and is reflected in the CSM or loss component for a group of insurance contracts on initial recognition. In line with the standard, the group has created an off-balance sheet notional deferred acquisition cost amount, which is used for presentation purposes to allocate the portion of premiums that relate to the recovery of acquisition cash flows to each reporting period, i.e. increasing insurance revenue and increasing insurance service expenses. On initial recognition, the NDAC is based on the present value of all expected future acquisition cash flows net of expected future clawbacks on acquisition commissions.

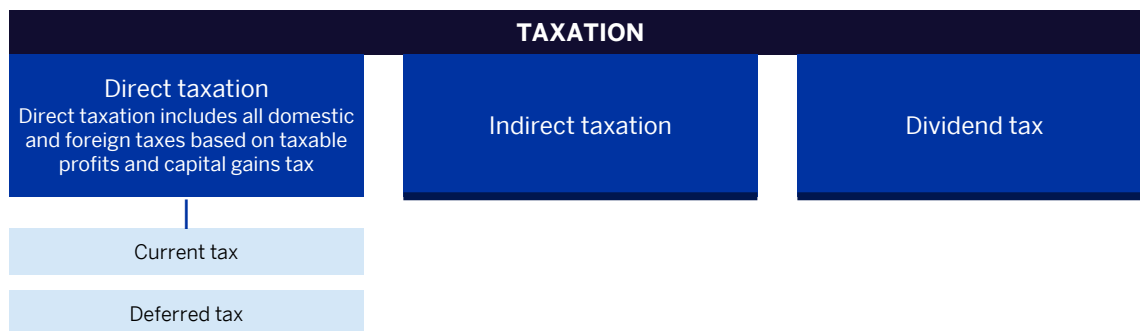
The NDAC is amortised based on the passage of time but the standard is not prescriptive on the methodology to achieve this. For long boundary contracts measured under GMM and VFA, the NDAC will be released by applying the same rate of allocation as for the amortisation of the CSM derived from coverage units. The amortisation of the NDAC in line with coverage units is aligned to service provided and achieves consistency with the CSM.

For contracts without direct participation features, the insurance revenue is made up of expected claims, expected expenses, release of the NDAC and release of the CSM in each period where the Notional DAC and CSM accrete interest at locked-in rates. Consequently, the release of the NDAC and CSM should be adjusted by the 'locked-in' rate when 'adjusting for the financing effect' over the lifetime of the contract.

For contracts with direct participation features, since interest is accreted on the NDAC using current interest rates, the insurance revenue over the lifetime of the contract must be discounted using current interest rates and must be equal to the discounted value of the entity's share of the underlying.

The roll-forward of the expected NDAC is determined at the CSM group level except for the determination of experience variances. The experience variances on the NDAC arising from differences between expected acquisition costs and actual acquisition costs is determined at the reportable group level of aggregations and is disaggregated to groups in proportion to the CSM coverage units for each group relative to the total coverage units at the reportable group level.

13. Taxation



Type	Description, recognition and measurement	Offsetting
Direct taxation: current tax	<p>Current tax is recognised in the direct taxation line in the income statement except to the extent that it relates to a business combination (relating to a measurement period adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly in equity or in OCI.</p> <p>Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. Current tax includes income tax subject to Pillar Two requirements.</p>	Current and deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
Direct taxation: deferred tax	<p>Deferred tax is recognised in direct taxation except to the extent that it relates to a business combination (relating to a measurement period adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly in equity or in OCI.</p> <p>Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws enacted or substantively enacted at the reporting date. Deferred tax is not recognised for the following temporary differences:</p> <ul style="list-style-type: none"> the initial recognition of goodwill; the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses; and investments in subsidiaries, associates and jointly controlled arrangements (excluding mutual funds) where the group controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future. <p>The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted.</p> <p>Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.</p> <p>Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the group is unable to control the reversal of the temporary difference for associates unless there is an agreement in place that gives the group the ability to control the reversal of the temporary difference.</p> <p>Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.</p>	

Type	Description, recognition and measurement	Offsetting
Indirect taxation	Indirect taxes comprising of non-recoverable value added tax (VAT), skills development levies and other duties for banking, are recognised in the indirect taxation line in the income statement.	Not applicable
Dividend tax	Taxes on dividends declared by the group are recognised as part of the dividends paid within equity, as dividend tax represents a tax on the shareholder and not the group. Dividends tax withheld by the group on dividends paid to its shareholders and payable at the reporting date to the South African Revenue Service (where applicable) is included in 'Provisions and other liabilities' in the statement of financial position.	Not applicable

14. Revenue and expenditure

REVENUE AND EXPENDITURE			
Net interest income [#]	Non-interest revenue [#]	Net insurance income [#]	Non-insurance revenue [#]
<ul style="list-style-type: none"> Interest income* Interest expense 	<ul style="list-style-type: none"> Net fee and commission revenue* Fee and commission expense Trading revenue* Other revenue* Other gains/losses on financial instruments* 	<ul style="list-style-type: none"> Insurance service result Net expense from reinsurance contracts held Net insurance finance expense 	<ul style="list-style-type: none"> Investment income* Management fees on assets under management Interest income* Other revenue*

Insurance related revenue and expenditure is included in section 12 of this annexure.

* Gross revenue for the group is defined as the total of interest income, fee and commission revenue, trading revenue, other gains and losses on financial instruments, other revenue, insurance revenue on both insurance contracts issued and reinsurance contracts held, and finance income from both reinsurance contracts held and insurance contracts issue.

[#] Total net income represents the group's net revenue and constitutes the total of net interest income, non-interest revenue, net insurance income and non-insurance revenue.

Description	Recognition and measurement
Net interest income	<p>Interest income and expense (with the exception of borrowing costs that are capitalised on qualifying assets, that is assets that necessarily take a substantial period of time to get ready for their intended use or sale and which are not measured at fair value) are recognised in net interest income using the effective interest method for all interest-bearing financial instruments. In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. Direct incremental transaction costs incurred and origination fees received, including loan commitment fees, as a result of bringing margin-yielding assets or liabilities into the statement of financial position, are capitalised to the carrying amount of financial instruments that are not at fair value through profit or loss and amortised as interest income or expense over the life of the asset or liability as part of the effective interest rate.</p> <p>Where the estimates of payments or receipts on financial assets or financial liabilities are subsequently revised, the carrying amount of the financial asset or financial liability is adjusted to reflect actual and revised estimated cash flows. The carrying amount is calculated by computing the present value of the adjusted cash flows at the financial asset or financial liability's original effective interest rate. Any adjustment to the carrying value is recognised in net interest income.</p> <p>When a financial asset is classified as stage 3 impaired, interest income is calculated on the amortised cost based on the original effective interest rate. The contractual interest income on the gross exposure is suspended and is only recognised in credit impairments when the financial asset is reclassified from (out of) stage 3. Dividends received on preference share investments classified as debt form part of the group's lending activities and are included in interest income, recognised as part of net interest income calculated using the effective interest method.</p> <p>Dividends are recognised in interest income for debt instruments, when the right to receipt is established. Scrip dividends are recognised as dividends received where the dividend declaration allows for a cash alternative.</p> <p>Costs, such as premiums and levies payable, which is based on a percentage of the relevant financial liability recognised in the group's statement of financial position, are presented in interest expense and similar charges. These charges are not calculated using the effective interest method.</p>
Net fee and commission revenue	<p>Fee and commission revenue, including accounting transaction fees, card-based commission, documentation and administration fees, electronic banking fees, foreign currency service fees, insurance-based fees and commissions, and knowledge-based fees and commissions are recognised as the related services are performed. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment period.</p> <p>Loan syndication fees, where the group does not participate in the syndication or participates at the same effective interest rate for comparable risk as other participants, are recognised as revenue when the syndication has been completed. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised to the income statement as interest income. The fair value of issued financial guarantee contracts on initial recognition is amortised as income over the term of the contract.</p> <p>Fee and commission expenses, included in net fee and commission revenue, are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received. Expenditure is presented as fee and commission expenses where the expenditure is linked to the production of fee and commission revenue.</p> <p>The group's banking activities operate a customer loyalty programme in terms of which it undertakes to provide goods and services to certain customers. The reward credits are accounted for as a separately identifiable component of the fee and commission income transactions of which they form a part. The consideration allocated to the reward credits is measured at the fair value of the reward credit and is recognised over the period in which the customer utilises the reward credits. Expenses relating to the provision of the reward credits are recognised in fee and commission expenses as and when they are incurred.</p>

Description	Recognition and measurement
Trading revenue	Trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income, expense and dividends.
Investment income	Investment income for IAM comprises mainly rental income from properties, interest, hotel operations' sales and dividends. Dividends are recognised when the right to receive payment is established and interest income is recognised using the effective interest method.
Management fees on assets under management	<p>Fee income includes management fees on assets under management and administration fees. Management fees on assets under management are recognised over the period for which the services are rendered, in accordance with the substance of the relevant agreements.</p> <p>Administration fees received for the administration of medical schemes are recognised when the services are rendered.</p>
Other gains/losses on financial instruments	<p>Includes:</p> <ul style="list-style-type: none"> ■ Fair value gains and losses on financial assets that are classified at fair value through profit or loss (designated and default). ■ The gain or loss on the derecognition of a debt financial asset classified as at fair value through OCI. ■ Gains and losses arising from the derecognition of financial assets and financial liabilities classified as at amortised cost. ■ Gains and losses arising from the reclassification of a financial asset from amortised cost to fair value. ■ Gains and losses arising from the modification of a financial asset (which is not distressed) and financial liability as at amortised cost. ■ Fair value gains and losses on designated financial liabilities. ■ Fair value gains and losses on private equity or venture capital investments designated at fair value through profit or loss.
Other revenue	<p>Other revenue comprises of revenue that is not included in any of the categories mentioned above. This could include dividends on equity financial assets, property related income, banking and other, commission related to underwriting activities from the group's short-term insurance operations and related insurance activities and re-measurement gains and losses from contingent consideration on disposals and purchases.</p> <p>Dividends are recognised in other revenue for equity instruments when the right to receipt is established. Scrip dividends are recognised as dividends received where the dividend declaration allows for a cash alternative.</p>

Offsetting

Income and expenses are presented on a net basis only when permitted by IFRS, or for gains and losses arising from a group of similar transactions.

15. Non-current assets held for sale and disposal groups

Type and description	Statement of financial position	Statement of other comprehensive income	Income statement
Non-current assets and liabilities held for sale and disposal groups Comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather than continuing use (including regular purchases and sales in the ordinary course of business).	Immediately before classification, the assets (or components of a disposal group) are remeasured in accordance with the group's accounting policies and tested for impairment. Thereafter, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities (or components of a disposal group) are presented separately in the statement of financial position. In presenting the group's non-current assets and liabilities as held for sale, intercompany balances are eliminated in full.	OCI movements are presented separately.	Impairment losses on initial classification as well as subsequent gains and losses on remeasurement of these assets are recognised in profit or loss. Property and equipment and intangible assets are not subsequently depreciated or amortised. Equity accounting thereafter for an interest in an associate is suspended.

16. Other significant accounting policies

OTHER ACCOUNTING POLICIES			
Segment reporting	Fiduciary activities	Statutory credit risk reserve	Non-trading and capital related items

Segment reporting

An operating segment is a component of the group engaged in business activities, whose operating results are reviewed regularly by management in order to make decisions about resources to be allocated to segments and assessing segment performance. The group's identification of segments and the measurement of segment results is based on the group's internal reporting to the chief operating decision makers, comprising of the chief executive and members of the group leadership council.

Fiduciary activities

The group commonly engages in trust or other fiduciary activities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions. These assets and the income arising directly thereon are excluded from these annual financial statements as they are not assets of the group. However, fee income earned and fee expenses incurred by the group relating to the group's responsibilities from fiduciary activities are recognised in profit or loss.

Statutory credit risk reserve

The statutory credit risk reserve represents the amount by which local regulatory authorities within the group's Africa Regions operations require in addition to the impairment provision. Changes in this reserve are accounted for as transfers to and from retained earnings as appropriate.

Non-trading and capital related items

Non-trading and capital related items primarily include the following:

- Gains and losses on disposal of subsidiaries joint ventures and associates (including foreign exchange translation gains and losses).
- Gains and losses on the disposal of property and equipment and intangible assets.
- Impairment and reversals of impairments of joint ventures and associates.
- Impairment of investments in subsidiaries, property and equipment, and intangible assets; and
- Other items of a capital related nature.

17. New standards and amendments not yet adopted

The following new standards, and amendments are not yet effective for the year ended 31 December 2024 and have not been applied in preparing these annual financial statements.

Title: IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)**Effective date: deferred the effective date for these amendments indefinitely**

The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be applied prospectively and are not expected to have a material impact on the group's results.

Title: IAS 21 Exchange Rates (amendments)**Effective date: 1 January 2025**

The IASB issued 'Lack of Exchangeability' to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. These amendments will assist companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. The amendments will be applied retrospectively and the impact on the annual financial statements is currently being assessed.

Title: IFRS 9 Financial Instruments (IFRS 9) and IFRS 7 Financial Instruments: Disclosures (amendments)**Effective date: 1 January 2026**

The IASB issued amendments to the classification and measurement requirements of financial instruments in response to feedback received as part of the post implementation review of IFRS 9. The amendments include a new requirement to permit an entity to deem a financial liability that is settled using an electronic payment system to be discharged before the settlement date if specified criteria are met; and provide clarifications regarding assessing contractual cash flow characteristics of financial assets, including those with ESG-linked features, financial assets with non-recourse features and investments in contractually linked instruments. The IASB also amended the disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be applied prospectively. The impact on the annual financial statements is currently being assessed and not expected to have a material impact on the group's results.

Title: Annual Improvements to IFRS Accounting Standards - Volume 11**Effective date: 1 January 2026**

The IASB has issued various amendments and clarifications to existing IFRS, none of which is expected to have a material impact on the group's annual financial statements.

Title: IFRS 18 Presentation and Disclosures in Financial Statements (IFRS 18)**Effective date: 1 January 2027**

In April 2024, the IASB issued a new IFRS Accounting Standard to improve reporting of financial performance by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information. IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 is effective from 1 January 2027 with earlier application permitted. IFRS 18 will be retrospectively applied. The group is in the planning phase of determining the impact on the group's annual financial statements.

Title: IFRS 19 Subsidiaries without Public Accountability: Disclosure (IFRS 19)**Effective date: 1 January 2027**

In May 2024, the IASB issued IFRS 19 that permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. When a parent company prepares consolidated financial statements that comply with IFRS Accounting Standards, its subsidiaries are required to report to the parent using IFRS Accounting Standards. However, for their own financial statements, subsidiaries are permitted to use IFRS Accounting Standards, the IFRS for SMEs Accounting Standard or national accounting standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders. The group is in the planning phase of determining the impact on the annual financial statements of its qualifying subsidiaries. IFRS 19 will however, not be applicable to the group's annual financial statements.

ANNEXURE G – SIX-YEAR REVIEW

Consolidated statement of financial position – IFRS 17

	2024 USDm*	2024 GBPm*	2024 EURm*	CAGR** %	2024 Rm	2023 -Restated Rm	2022 - Restated Rm	1 January 2022 Rm
Assets								
Cash and balances with central banks	7 263	5 786	6 973	13	136 172	137 787	114 483	91 169
Financial investments, trading and pledged assets	68 645	54 682	65 904	9	1 286 939	1 095 501	1 056 720	1 025 327
Loans and advances	88 094	70 175	84 576	7	1 651 555	1 608 846	1 504 940	1 424 328
Insurance contract assets	308	245	295		1 271	1 631	1 830	1 264
Reinsurance contract assets	68	54	65		5 768	5 422	5 522	5 902
Current and deferred taxation assets	565	450	542	17	10 586	9 784	9 585	7 616
Derivative and receivables and other assets	5 400	4 301	5 184		101 231	110 861	114 057	92 903
Disposal group assets classified as held for sale	271	216	261	14	5 088	235	555	1 025
Interest in associates and joint ventures	679	541	652	19	12 732	12 173	9 956	7 280
Goodwill and other intangible assets	602	480	578	(13)	11 286	12 723	15 120	16 909
Property and equipment	1 081	861	1 038	(2)	20 261	20 298	20 340	20 619
Investment property	1 413	1 126	1 357	(5)	26 489	30 444	29 289	29 985
Total assets	174 389	138 917	167 425		3 269 378	3 045 705	2 882 397	2 724 327
Equity and liabilities								
Equity	15 610	12 435	14 987	7	292 656	276 920	258 866	242 891
Equity attributable to ordinary shareholders	13 370	10 650	12 836	8	250 655	236 445	218 197	198 873
Equity attributable to other equity instrument holders	1 265	1 008	1 215	17	23 725	24 167	19 667	16 052
Non-controlling interests	975	777	936	(8)	18 276	16 308	21 002	27 966
Liabilities	158 779	126 482	152 438	8	2 976 722	2 768 785	2 623 531	2 481 436
Deposit and debt funding	114 087	90 881	109 531	8	2 138 856	2 001 646	1 889 099	1 776 615
Derivative and other liabilities	12 868	10 250	12 354	4	241 237	227 927	214 936	212 640
Trading liabilities	5 685	4 528	5 458	5	106 574	94 468	109 928	81 484
Current and deferred taxation liabilities	670	534	643	7	12 559	10 093	9 666	9 915
Financial liabilities under investment contracts	9 014	7 181	8 654	4	168 993	151 035	136 309	136 622
Insurance contract liabilities	14 600	11 630	14 017	3	273 720	251 389	231 849	233 730
Subordinated debt	1 855	1 478	1 781	4	34 783	32 227	31 744	30 430
Total equity and liabilities	174 389	138 917	167 425	8	3 269 378	3 045 705	2 882 397	2 724 327

* The foreign-denominated results above have been derived from the group’s audited ZAR results by using the closing exchange rates. The foreign-denominated results above have not been audited and have been presented for illustrative purposes only. This illustration would not be equivalent to that which would have resulted had the group presented its results in a currency other than ZAR in terms of IAS 21.

** Compound annual growth rate.

For the above table the CAGR was calculated for those years the line item included in the group’s 2024 statement of financial position, was presented, for example, the CAGR for reinsurance contract assets was calculated between 1 January 2022 to 31 December 2024, whereas the CAGR for cash and balances with central banks was calculated from 2019 to 2024.

Refer to the following table for 2021 - 2019 comparative disclosures.

Consolidated statement of financial position – IFRS 4

	2021 Rm	2020 Rm	2019 Rm
Assets			
Cash and balances with central banks	91 169	87 505	75 288
Financial investments, trading and pledged assets	1 023 898	931 906	819 498
Loans and advances	1 424 328	1 271 255	1 181 067
Current and deferred taxation assets	7 612	7 315	4 868
Derivative and other assets	100 120	154 310	101 308
Disposal group assets classified as held for sale	1 025	220	2 599
Interest in associates	7 280	6 498	5 423
Goodwill and other intangible assets	16 913	18 262	22 323
Property and equipment	20 619	20 702	22 018
Investment property	29 985	29 917	34 180
Policyholders' assets	2 868	5 050	7 017
Total assets	2 725 817	2 532 940	2 275 589
Equity and liabilities			
Equity	242 849	215 272	209 484
Equity attributable to ordinary shareholders	198 832	176 371	171 229
Equity attributable to other equity instrument holders	16 052	12 528	10 989
Non-controlling interests	27 965	26 373	27 266
Liabilities	2 482 968	2 317 668	2 066 105
Deposit and debt funding	1 776 615	1 624 044	1 426 193
Derivative and other liabilities	221 043	249 471	193 599
Trading liabilities	81 484	81 261	83 847
Current and deferred taxation liabilities	10 277	8 302	9 073
Non-current liabilities held for sale	96	92	246
Subordinated debt	30 430	29 306	28 901
Policyholders' liabilities	363 023	325 192	324 246
Total equity and liabilities	2 725 817	2 532 940	2 275 589

Exchange rates (rounded) utilised to convert the 31 December 2022 statement of financial position and exchange rates (closing):

Currency	2024	2023
USD	18.75	18.52
GBP	23.53	23.53
EUR	19.53	20.46

Consolidated income statement – IFRS 17

	2024 USDm*	2024 GBPm*	2024 EURm*	CAGR** %	2024 Rm	2023 - Restated Rm	2022 - Restated Rm
Net interest income	5 401	4 302	5 185	10	101 253	98 188	78 391
Non-interest revenue	3 259	2 596	3 128	5	61 090	62 003	54 965
Net fee and commission revenue	1 900	1 513	1 824	3	35 616	35 187	32 621
Trading revenue	1 129	899	1 084	12	21 159	20 617	17 046
Other revenue	175	139	168	(4)	3 279	3 464	2 860
Other gains and losses on financial instruments	55	44	53	7	1 036	2 735	2 438
Net insurance (loss)/income	(1 196)	(953)	(1 148)	27	(22 418)	(17 753)	3 178
Insurance service result	511	407	491	(16)	9 584	8 216	8 302
Net insurance service result before reinsurance contracts held	575	458	552	10	10 776	8 964	8 071
Insurance revenue	2 127	1 694	2 042	4	39 872	38 778	35 717
Insurance service expense	(1 552)	(1 236)	(1 490)	12	(29 096)	(29 814)	(27 646)
Net expense from reinsurance contracts held	(64)	(51)	(61)	73	(1 192)	(748)	231
Net insurance finance expenses	(1 707)	(1 360)	(1 639)	84	(32 002)	(25 969)	(5 124)
Net finance expenses from insurance contracts issued	(1 726)	(1 375)	(1 657)	84	(32 359)	(26 280)	(5 232)
Net finance income from reinsurance contracts held	19	15	18	49	357	311	108
Non-insurance revenue	2 230	1 776	2 141	67	41 804	35 178	11 583
Investment and other income	456	363	438	(15)	8 549	8 517	7 516
Interest income	180	144	173	17	3 379	2 967	2 105
Fair value adjustments to investment contract liabilities and third-party mutual funds	1 594	1 269	1 530	148	29 876	23 694	1 962
Total net income	9 693	7 722	9 306	6	181 729	177 616	148 117
Credit impairment charges	(808)	(644)	(776)	14	(15 152)	(16 261)	(13 343)
Income after credit impairment charges	8 885	7 078	8 530	6	166 577	161 355	134 774
Operating expenses	(5 077)	(4 044)	(4 874)	9	(95 174)	(94 749)	(83 533)
Net income before non-trading and capital related items	3 808	3 034	3 656	2	71 403	66 606	51 241
Non-trading and capital related items	(52)	(41)	(50)	(20)	(971)	1 487	328
Share of post-tax profit/(loss) from associates and joint ventures	79	63	76	(13)	1 484	1 648	2 265
Net income before indirect taxation	3 835	3 056	3 683	4	71 916	69 741	53 834
Indirect taxation	(225)	(179)	(216)	10	(4 212)	(3 373)	(3 077)
Profit before direct taxation	3 610	2 877	3 467	12	67 704	66 368	50 757
Direct taxation	(935)	(744)	(897)	11	(17 520)	(16 065)	(11 717)
Profit for the year	2 675	2 132	2 570	10	50 184	50 303	39 040
Attributable to ordinary shareholders	2 331	1 858	2 239	53	43 727	44 211	34 243
Attributable to other equity instrument holders	112	89	107	28	2 091	1 762	999
Attributable to non-controlling interests	232	186	224	(30)	4 366	4 330	3 798
Headline earnings							
Basic earnings per ordinary share (cents)	141	112	135	8	2 644	2 667	2 074
Diluted earnings per ordinary share (cents)	140	111	134	8	2 618	2 635	2 059

* The foreign-denominated results above have been derived from the group's audited ZAR results by using the average exchange rates.
The foreign-denominated results above have not been audited and have been presented for illustrative purposes only. This illustration would not be equivalent to that which would have resulted had the group presented its results in a currency other than ZAR in terms of IAS 21.

** Compound annual growth rate.

For the above table the CAGR was calculated for those years the line item included in the group's 2024 income statement, was presented, for example, the CAGR for net insurance finance expenses was calculated between 31 December 2022 to 31 December 2024, whereas the CAGR for share of post-tax profit/(loss) from associates and joint ventures was calculated from 2019 to 2024.

Refer to the following table for 2021 - 2019 comparative disclosures.

Consolidated income statement – IFRS 4

	2021 Rm	2020 Rm	2019 Rm
Net interest income	62 436	61 425	62 919
Non-interest revenue	50 862	47 156	47 542
Net fee and commission revenue	30 355	29 413	30 622
Trading revenue	14 842	13 874	12 075
Other revenue	3 648	3 158	4 089
Other gains and losses on financial instruments	2 017	711	756
Income from banking activities	113 298	108 581	110 461
Income from investment management and life insurance activities	19 426	15 086	23 573
Insurance premiums received	44 364	39 202	39 801
Revenue from contacts with customers	3 542	3 400	4 062
Interest income	1 541	1 648	1 920
Insurance benefits and claims paid	(67 779)	(40 354)	(44 309)
Investment management and service fee income and gains	2 210	3 271	3 245
Fair value adjustments to investment management liabilities and third-party fund interests	35 548	7 919	18 854
Total income	132 724	123 667	134 034
Credit impairment charges	(9 873)	(20 594)	(7 964)
Income after credit impairment charges	122 851	103 073	126 070
Operating expenses in banking activities	(65 477)	(63 182)	(62 335)
Operating expenses in insurance activities	(16 952)	(16 139)	(16 486)
Net income before non-trading and capital related items	40 422	23 752	47 249
Non-trading and capital related items	(284)	(3 956)	(2 890)
Share of post-tax profit/(loss) from associates and joint ventures	1 094	1 084	(512)
Net income before indirect taxation	41 232	20 880	43 847
Indirect taxation	(3 024)	(2 727)	(2 592)
Profit before direct taxation	38 208	18 153	41 255
Direct taxation	(10 149)	(3 640)	(10 559)
Profit for the year	28 059	14 513	30 696
Attributable to non-controlling interests and other equity instrument holders	2 369	1 352	5 253
Attributable to group ordinary shareholders	24 865	12 358	25 443
Headline earnings	25 021	15 945	28 207

**Exchange rates (rounded) utilised to convert the 31 December 2023 income statement
and exchange rates – (average)**

Currency	2024	2023
USD	18.75	18.62
GBP	23.53	23.57
EUR	19.53	20.34

Share statistics and market indicators

		CAGR** %	2024	2023 - Restated	2022 Restated ¹	2021	2020	2019
Share statistics								
Dividend cover	times		1.8	1.8	1.7	1.8	3.9	1.8
Dividend yield	%	3	6.8	6.8	7.2	6.2	1.2	5.9
Earnings yield	%	3	11.9	12.8	12.4	7.2	7.9	10.5
Price earnings ratio	times	(2)	8.4	7.8	8.0	14.0	12.7	9.5
Price-to-book	times	(1)	1.5	1.5	1.2	1.1	1.1	1.6
Number of shares traded	millions		1 658.9	1 675.8	1 678.3	1 620.0	1 619.9	1 650.9
Market capitalisation	Rm	7	367 882	344 837	271 469	226 813	202 426	268 302
Market indicators at 31 December								
Standard Bank Group share price								
High for the year	cents	1	22 399	20 900	18 798	14 978	17 224	21 022
Low for the year	cents	7	22 016	20 402	14 001	11 338	8 341	15 860
Closing	cents	6	22 176	20 810	16 779	14 001	12 708	16 832
Prime overdraft rate (closing)	%	2	11.3	11.8	10.5	7.0	7.0	10.0
JSE All Share Index – (closing)		8	84 095	76 893	73 049	73 709	54 116	57 084
JSE Banks Index – (closing)		8	12 664	10 948	9 854	8 823	6 076	8 731
ZAR exchange rates – (closing)								
USD		6	18.75	18.52	16.97	15.89	14.67	14.00
GBP		5	23.53	23.53	20.42	21.46	20.04	18.42
EUR		4	19.53	20.46	19.08	18.00	18.01	15.70
ZAR exchange rates – (average)								
USD		5	18.33	18.45	16.30	14.77	16.45	14.44
GBP		5	23.41	22.95	20.19	20.32	21.08	18.43
EUR		4	19.82	20.34	17.23	17.47	18.76	16.16

Results and ratios

		CAGR %	2024	2023 - Restated	2022 Restated ¹	2021	2020	2019
Standard Bank Group								
Share statistics								
Number of ordinary shares listed on JSE (millions)								
Weighted average		1	1 654	1 658	1 651	1 591	1 590	1 594
End of year		1	1 640	1 657	1 657	1 620	1 620	1 594
Share statistics per ordinary share (cents)								
Basic earnings	cents	11	2 644	2 667	2 074	1 563	777	1 594
Headline earnings	cents	9	2 691	2 590	2 050	1 573	1 003	1 767
Dividends	cents	9	1 507	1 423	1 206	871	240	994
Net asset value	cents	7	15 281	14 269	13 172	12 493	11 072	10 742
ROE	%	2	18.5	18.8	16.4	13.5	8.9	16.8

¹ Restated. Refer to pages 26 to 28 for further detail.

Capital adequacy, employee and other relevant statistics

		CAGR** %	2024	2023 - Restated	2022 Restated ¹	2021	2020	2019
Capital adequacy²								
Risk-weighted assets	Rm	10	1 772 554	1 608 587	1 495 445	1 363 036	1 229 478	1 099 528
Tier 1 capital ³	Rm	10	243 637	220 821	197 366	186 577	163 944	147 981
Total capital ³	Rm	10	277 209	253 647	228 299	216 301	189 847	169 983
Tier 1 capital to risk-weighted assets ⁴	%	2	15	15	14	15	13	13
Total capital to risk-weighted assets ⁴	%	2	17	17	17	18	16	15
Employee statistics								
Number of employees								
Banking ³			43 551	43 499	42 345	42 075	43 073	43 631
Group			50 316	50 451	49 325	49 224	50 115	50 691
Normalised headline earnings per employee	Rm	10	884 470	851 281	686 325	508 309	318 168	556 450
Points of representation								
ATMs and ANAs*		(9)	5 562	6 014	6 232	6 600	6 774	8 970
Banking branches and service centres		1	1 168	1 206	1 202	1 143	1 124	1 114
Social investment and environment								
Corporate social investment spend	Rm	18	258	228	177	195	124	114

¹ Restated. Refer to pages 26 to 28 for further detail.

² In accordance with Basel II principles relating to the treatment of insurance entities, insurance operations are excluded from the capital base of the banking group and its related risk-weighted assets. Capital in insurance operations in excess of statutory minimum requirements is not recognised in group capital.

³ South African banking activities only.

⁴ Capital includes unappropriated profit.

* Automated.

** Compound annual growth rate.

ADMINISTRATIVE AND CONTACT DETAILS

STANDARD BANK GROUP LIMITED

Registration No. 1969/017128/06
Incorporated in the Republic of South Africa
Website: www.standardbank.com

REGISTERED OFFICE

9th Floor, Standard Bank Centre
5 Simmonds Street, Johannesburg, 2001
PO Box 7725, Johannesburg, 2000

DIRECTORS

N Nyembezi (Chairman), LL Bam,
PLH Cook, A Daehnke*,
OA David-Borha¹, GJ Fraser-Moleketi,
GMB Kennealy, BJ Kruger, Li Li²,
JH Maree (Deputy Chairman),
NNA Matyumza, ML Oduor-Otieno³,
RN Ogega³, Fenglin Tian² (Deputy
Chairman), SK Tshabalala* (Chief
Executive Officer).

* Executive director ¹Nigerian ²Chinese ³Kenyan

All nationalities are South African, unless
otherwise specified.

HEAD OFFICE SWITCHBOARD

Tel: +27 11 636 9111

SHARE TRANSFER SECRETARIES IN SOUTH AFRICA

Computershare Investor Services
Proprietary Limited
Rosebank Towers, 15 Biermann Ave,
Rosebank, 2196
Private Bag X9000, Saxonwold, 2132,
South Africa

SHARE TRANSFER SECRETARIES IN NAMIBIA

Transfer Secretaries (Proprietary)
Limited
4 Robert Mugabe Avenue, Windhoek,
Namibia
(Entrance in Burg Street)
PO Box 2401, Windhoek, Namibia

JSE SPONSOR

The Standard Bank of South Africa
Limited

NAMIBIAN SPONSOR

Simonis Storm Securities (Proprietary)
Limited

SHARE AND BOND CODES

JSE share code: SBK
ISIN: ZAE000109815
NSX share code: SNB ZAE000109815
A2X share code: SBK

SBKP ZAE000038881
(First preference shares)

SBPP ZAE000056339
(Second preference shares)

INVESTOR RELATIONS

Sarah Rivett-Carnac

Email:
Sarah.Rivett-Carnac@standardbank.co.za

CHIEF FINANCE & VALUE MANAGEMENT OFFICER

Arno Daehnke

Email:
Arno.Daehnke@standardbank.co.za

GROUP SECRETARY

Kobus Froneman

Email:
Kobus.Froneman@standardbank.co.za

Direct all **customer-related** queries and comments to:
Information@standardbank.co.za

Direct all **shareholder** queries and comments to:
InvestorRelations@standardbank.co.za

WEBSITE:
[www.standardbank.com/
sbg/standard-bank-
group](http://www.standardbank.com/sbg/standard-bank-group)

REFER TO
[www.standardbank.com/sbg/
standard-bank-group/
investor-relations/results-and-
reports/financial-results](http://www.standardbank.com/sbg/standard-bank-group/investor-relations/results-and-reports/financial-results) for a
list of definitions, acronyms and
abbreviations.

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This document contains certain statements that are "forward-looking" with respect to certain of the group's plans, goals and expectations relating to its future performance, results, strategies and objectives. Words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "aim", "outlook", "believe", "plan", "seek", "predict" or similar expressions typically identify forward-looking statements. These forward-looking statements are not statements of fact or guarantees of future performance, results, strategies and objectives, and by their nature involve risk and uncertainty because they relate to future events and circumstances which are difficult to predict and are beyond the group's control, including but not limited to, domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities (including changes related to capital and solvency requirements), the impact of competition, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of changes in domestic and global legislation and regulations in the jurisdictions in which the group and its affiliates operate. The group's actual future performance, results, strategies and objectives may differ materially from the plans, goals and expectations expressed or implied in the forward-looking statements. The group makes no representations or warranty, express or implied, that these forward-looking statements will be achieved, and undue reliance should not be placed on such statements. The forward looking statements in this document are not reviewed and reported on by the group's external assurance providers. The group undertakes no obligation to update the historical information or forward-looking statements in this document and does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon.



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