Standard Bank

THE STANDARD BANK OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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OUR REPORTING SUITE

The Standard Bank of South Africa Limited (SBSA or the group) full suite of reports caters for the diverse needs of our stakeholders.

ANNUAL REPORTING

SBSA ANNUAL REPORT
Serves as an overarching report and provides a concise view of how we create and preserve value and minimise the risk of eroding value over the short, medium and long term while delivering sustainable growth through our integrated approach to value management.

SHAREHOLDER REPORTING

SBSA ANNUAL FINANCIAL STATEMENTS
Contains the SBSA group's and company's full audited annual financial statements, including the report of the group audit committee.

THIS REPORT

OTHER REPORTS

STANDARD BANK GROUP RISK AND CAPITAL MANAGEMENT REPORT
Sets out Standard Bank Group's (SBG's) approach to risk management and Pillar II disclosures of the Basel Framework.

STANDARD BANK GROUP SUSTAINABILITY DISCLOSURE REPORT (SDR)
An overview of how we manage sustainability risk.

All our reports are available at

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

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

A glossary of financial terms, other definitions, acronyms and abbreviations used in our reports is available on

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

The preparation of the SBSA consolidated and separate annual financial statements was supervised by the Chief Finance & Value Management Officer, Preshanta Govender, BCom (Wits), Postgrad (Unisa), CA(SA).

These annual financial statements were made publicly available on 12 March 2026.

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ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

In accordance with the Companies Act, as amended, the directors are responsible for the preparation of the annual financial statements.

These annual financial statements conform to IFRS Accounting Standards 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, JSE Debt and Specialist Securities Listings Requirements (DSS Requirements), Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act and fairly present the affairs of the group and company as at 31 December 2025, and the net income and cash flows for the year then ended.

The directors are ultimately responsible for the internal controls of SBSA (the company) and its consolidated subsidiaries (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 financial statements and to adequately safeguard, verify and maintain accountability for shareholder investments and 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 financial statements.

The board of directors of The Standard Bank of South Africa Limited (the board) 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.

Based on the information and explanations provided by management and the group and company'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 these annual financial statements in accordance with IFRS and to maintain accountability for the group and company'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 material loss to the group and company, has occurred during the year and up to the date of this report.

The controls over the maintenance and integrity of The Standard Bank of South Africa Limited's Investor Relations 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 group and company will have adequate resources to continue in operational existence and as a going concern in the financial year ahead. The 2025 annual financial statements, which appear on pages 16 to 198, were approved by the board on 11 March 2026 and signed on its behalf by:

Nonkululeko Nyembezi
Chairman

11 March 2026

David Hodnett
Chief executive officer

11 March 2026

GROUP SECRETARY'S CERTIFICATION

Compliance with the Companies Act

In terms of the Companies Act and for the year ended 31 December 2025, I certify that The Standard Bank of South Africa 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

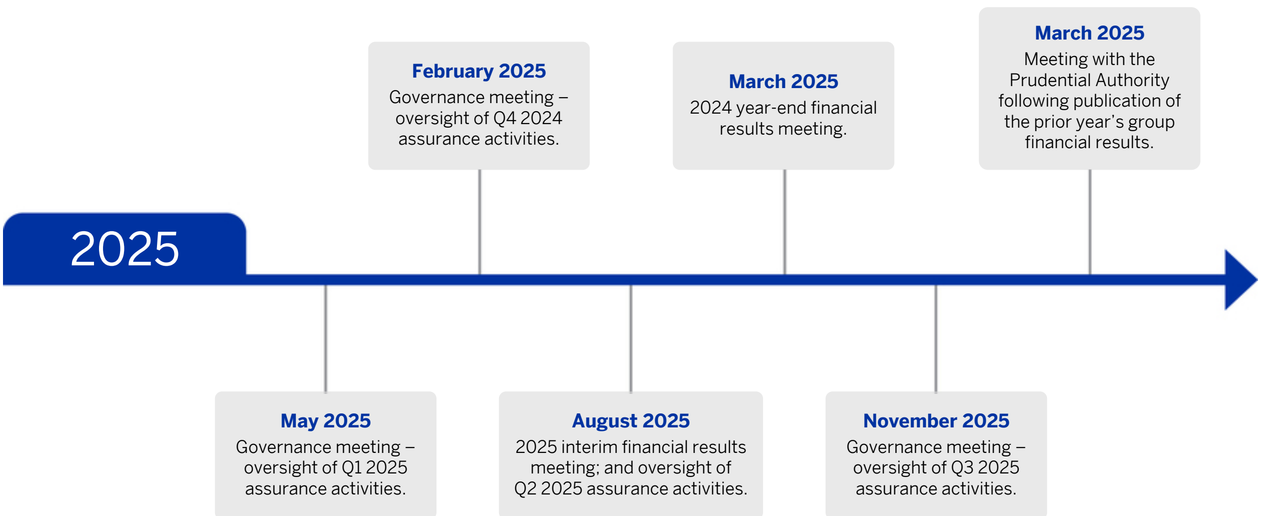
11 March 2026

REPORT OF THE AUDIT COMMITTEE

This report is provided by the audit committee, in respect of the 2025 financial year of The Standard Bank of South Africa, in compliance with section 94 of the Companies Act, as amended from time to time, and in terms of the JSE Listings Requirements and the Debt and Specialist Securities Listings Requirements (Listings Requirements). The committee's operation is guided by a detailed mandate that is informed by the Companies Act, the Banks Act, the 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 audit committee is presented to shareholders for approval at the annual general meeting.

At the end of December 2025, 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, since her appointment on 1 August 2025. 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 six times during 2025. This included a meeting with the SARB Prudential Authority following the publication of the prior year's group financial results. All members were present for all meetings held during 2025.



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 SBG 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 2025 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 the external auditors and the external audit:

- Approved the final audit fees for the prior financial year ended 31 December 2024.
- Considered and recommended the reappointment of PricewaterhouseCoopers Inc. (PwC) and of Ernst & Young Incorporated (EY) as joint external auditors for the financial year ended 31 December 2025, in accordance with all applicable legal requirements.
- Approved the audit plan and budgeted audit fees for the financial year ending 31 December 2025 of R597 million. This budgeted fee comprised R304 million for EY, R274 million for PwC and other amounting to R199 million. These fees are for SBG, and includes SBSA.
- Reviewed and considered the draft engagement letter at the meeting held in August 2025 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 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 2025 amounting to R59.3 million. This comprised R8.7 million for EY, R50.0 million for PwC, and R0.6 million for Deloitte 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 2025 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:

- Considered quarterly reports which outlined financial accounting and external reporting issues of significance, which affected or could affect the group in the future. The committee considered the impact of these matters on the group's financial statements and disclosures.
- Considered the impact of hyperinflationary economies on the group's reporting.
- 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 S1) and climate-related disclosures (IFRS S2) were not mandated in South Africa.
- Noted that IFRS 18 Presentation and Disclosure in Financial Statements would replace IAS 1 Presentation of Financial Statements and would be effective from 1 January 2027 with earlier application permitted and retrospectively applied.

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 financial 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 the group's 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 chief audit officer, the chief compliance officer, the head of anti-financial crime, the chief financial and value management officer, chief accounting 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 plans.
- 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.
- Through audit committee members on the group information technology committee, as well as interaction with the chairman of the group information technology committee, 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 audit committee:

Heather Berrange

Heather Berrange
Audit committee chairman

DIRECTORS' REPORT

for the year ended 31 December 2025

Nature of business

The Standard Bank of South Africa Limited (SBSA or the group) is a wholly-owned subsidiary of Standard Bank Group Limited, an African financial services group with South African roots. SBSA is the largest operating entity within the Standard Bank Group.

SBSA results

Group headline earnings increased by 7.4% (2024: 10.7% increase) to R19 910 million (2024: R18 545 million). Net asset value per share increased by 9.2% (2024: 1.7% increase) to 225 371 cents (2024: 206 390 cents) and return on equity increased to 15.6% (2024: 15.3%).

Share capital and other equity instruments

Ordinary shares

No ordinary shares were issued during 2025 or 2024. Nominal values of shares are R1.

Other equity instruments

During 2025, Basel III compliant additional tier 1 (AT1) capital bonds amounting to R5.7 billion (2024: R1.5 billion) were issued and R1.5 billion (2024: R1.9 billion) were redeemed.

Refer to note 12 for share capital, share premium and other equity instruments disclosures.

Dividends and coupons

Ordinary shares

On 12 March 2025, a dividend of R7 billion was declared to the shareholders recorded at the close of business on 12 March 2025 and paid on 7 April 2025.

On 5 September 2025, a dividend of R1.5 billion was declared to the shareholders recorded at the close of business on 5 September 2025 and paid on 8 September 2025.

On 11 March 2026, a dividend of R5.6 billion was declared to the shareholders recorded at the close of business on 10 April 2026 and payable on 13 April 2026.

Other equity instruments

During 2025, coupons to the value of R2 266 million (2024: R2 205 million) were paid to the AT1 bondholders, net of current tax of R612 million (2024: R595 million) relating to the coupons, resulting in an aggregate net equity impact of R1 654 million (2024: R1 610 million).

Refer to note 37 for dividend 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 loss by maintaining banker's comprehensive crime and professional indemnity cover. The insurance terms and conditions are reviewed by the group insurance committee and group risk and capital management committee (GRCMC) annually to ensure they are fit for purpose in terms of the group's risk exposures.

Change in group directorate

The following changes in the directorate took place during the year ended 31 December 2025 up to 12 March 2026:

Appointments		
Rose Ogega	As independent non-executive director	1 January 2025
Heather Berrange	As independent non-executive director	1 August 2025
David Hodnett	As executive director and chief executive officer	10 October 2025
Resignations		
Kenny Fihla	As executive director and chief executive officer	15 March 2025
Retirements		
Martin Oduor-Otieno	As non-executive director	9 June 2025

Events after reporting date

For events after the reporting period, refer to note 43.

Refer to note 43 for further details.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF THE STANDARD BANK OF SOUTH AFRICA LIMITED

Report on the audit of the consolidated and separate financial statements

Our opinion

We have audited the consolidated and separate financial statements of The Standard Bank of South Africa Limited and its subsidiaries (the Group and Company) set out on pages 16 to 194 which comprise:

- the statements of financial position as at 31 December 2025;
- the income statements for the year then ended;
- the statements of other 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 consolidated and separate 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 The Standard Bank of South Africa Limited as at 31 December 2025, 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) as applicable to audits of financial statements of public interest entities, 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	R1 370 million	R1 347 million
How we determined it	5% of consolidated profit before direct taxation	5% of profit before direct taxation
Rationale for the materiality benchmark applied	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. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies.	We have identified profit before direct taxation as the most appropriate basis because, in our view, it is the measurement against which the performance of the Company is most commonly measured by users of the separate financial statements and is a generally accepted materiality benchmark for similar entities. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies.

Group and Company 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 and separate financial statements as a whole, taking into account the structure of the Group and Company, the accounting processes and controls, and the industry in which the Group and Company operates.

We considered the Group and Company'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 and Company audit scope, we considered a component to be a single reporting unit within the Group and Company being consolidated.

In establishing the Group and Company audit scope, based on our Group and Company 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 Company 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 50 components which were considered to be significant.

Based on our scoping procedures described above, we have scoped in 39 significant components for full scope audits, an audit of one or more account balances for 8 components and specified procedures for 3 components. For other components that were considered to be non-significant to the Group and Company, 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 and Company, or component auditors from other network firms of the joint Group and Company 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 and separate 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.

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.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Expected credit losses on Corporate & Investment Banking (CIB) loans and advances
Refer to the key management assumptions section, note 7 – loans and advances, note 31 – credit impairment charges and the credit risk section of Annexure C – IFRS risk and capital management disclosures in the financial statements.</td></tr>
<tr><td>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:
▪ 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 and separate financial statements; and
▪ the effect that the ECL on CIB exposures has on the Group and Company's credit risk management processes and operations.

The ECL of the Group and Company's CIB exposures is estimated for each exposure. For these exposures, the key areas of significant management judgement include:
▪ The selection and application of IFRS 9 – Financial Instruments (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.</td><td>The selection and application of IFRS 9 accounting definitions and policy choices
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.

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:

Evaluation of SICR
We selected a sample of counterparties and assessed their assigned credit ratings by:
▪ Testing the inputs into the credit rating systems against the counterparty's financial information and the Group and Company'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.

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 and Company's accounting policy for SICR.

We performed a sensitivity analysis of the SICR and ECL impacts for counterparties to defined migration threshold as per the credit policy.</td></tr>
</table>

Key audit matter	How the matter was addressed in our audit

Expected credit losses on Corporate & Investment Banking (CIB) loans and advances continued

Refer to the key management assumptions section, note 7 – loans and advances, note 31 – credit impairment charges and the credit risk section of Annexure C – IFRS risk and capital management disclosures in the financial statements.

Key audit matter	How the matter was addressed in our audit
The selection and application of IFRS 9 accounting definitions and policy choices 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. **Evaluation of SICR** 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. The Group and Company 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). **Incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement** Macro-economic expectations are incorporated in management's CIB counterparty ratings to reflect the Group and Company's expectation of future economic and business conditions. 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. **Assessment of ECL raised for Stage 3 exposures** 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). **Input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement** 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). **Disclosures related to ECL of CIB exposures** 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.	**Incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement** We considered the governance processes established by the Group and Company to review and approve the economic scenarios used in the determination of the forward-looking information applied in the ECL process, focusing on the: ▪ generation and approval of the base case economic scenario; and ▪ generation and approval of the methodology and output of alternative scenarios, including the probability weights assigned to the scenarios. We independently assessed the forecasted macro-economic factors, based on the generated scenarios, and compared it to independent industry data. We also assessed the reasonableness of management's multiple probability weighted economic scenarios used to derive independent macro-economic adjustments by industry, which were compared to management's rating-based impact. 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. **Assessment of ECL raised for Stage 3 exposures** 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. For collateral held (related to the sample selected above), we inspected legal agreements or other supporting documentation to confirm the Group and Company's legal right to the collateral. The collateral valuation techniques applied by management were assessed against the Group and Company's valuation guidelines. **Input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement** 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. 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. Based on our understanding and knowledge, we performed an overall stand-back assessment to assess the reasonability of the ECL provisions. **Disclosures related to ECL of CIB exposures** We assessed the appropriateness of the ECL related disclosures for CIB exposures in the consolidated and separate financial statements in accordance with IFRS. 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.
	Observation – ECL on CIB loans and advances Based on the procedures performed over ECL on CIB loans and advances, no material misstatements were noted.

Key audit matter	How the matter was addressed in our audit

Expected credit losses on Personal & Private Banking (PPB) and Business & Commercial Banking (BCB) loans and advances

Refer to the key management assumptions section, note 7 – loans and advances, note 31 – credit impairment charges and the credit risk section of Annexure C – IFRS risk and capital management disclosures in the financial statements.

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:

- the magnitude of PPB and BCB exposures in relation to the consolidated and separate 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 and Company's credit risk management processes and operations.

A significant portion of the ECL on PPB and BCB exposures is calculated on a portfolio basis. For Stage 3 exposures, which exceed thresholds specified by management, in certain BCB portfolios and PPB 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.

For PPB and BCB exposures, the key areas of significant management judgement within the ECL assessment include:

- 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 on PPB and BCB exposures.

The selection and application of IFRS 9 accounting definitions and policy choices

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.

Evaluation of SICR

Management determines SICR based on:

- 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, a proportion of exposures are assessed on an individual basis as exhibiting SICR.

Incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement

Management incorporates the Group and Company'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.

The selection and application of IFRS 9 accounting definitions and policy choices

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.

Evaluation of SICR

Management provided us with quantitative assessments of modelled SICR at a portfolio level, including the related ECL impacts. With the assistance of our internal experts in the fields of credit models and IT, we have tested management's key assumptions and calculations applied in the staging process, including:

- 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.

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.

For staging assessed on an individual basis, we assessed management's process for identifying and reporting SICR for alignment with the Group and Company's SICR thresholds and the requirements of IFRS 9. We independently tested the staging of a sample of individual exposures against these requirements.

Incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement

We considered the governance processes established by the Group and Company to review and approve the economic scenarios, parameter forecasts and scenario weightings used in the determination of the forward-looking ECL impact.

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.

With the assistance of our internal economic experts, 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.

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 experts, 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.

Application of out-of-model management adjustments into the ECL measurement

We evaluated the reasonableness of a sample of out-of-model adjustments through:

- assessment of key assumptions;
- inspecting the methodology for 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 and Company's internal governance and approval processes were followed.

Key audit matter	How the matter was addressed in our audit
Expected credit losses on Personal & Private Banking (PPB) and Business & Commercial Banking (BCB) loans and advances continued *Refer to the key management assumptions section, note 7 – loans and advances, note 31 – credit impairment charges and the credit risk section of Annexure C – IFRS risk and capital management disclosures in the financial statements.*	
Application of out-of-model management adjustments into the ECL measurement 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. **Assessment of ECL raised for individual exposures** 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. **ECL model assumptions applied to estimate the PD, EAD and LGD within the ECL measurement** 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. **Disclosures related to ECL of PPB and BCB exposures** 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 and 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.	**Assessment of ECL raised for individual exposures** 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 ECL based on our assessment of the expected cash flows and recoverability of collateral, where applicable, at an individual exposure level. 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 experts, we assessed the appropriateness of the collateral valuations applied. **ECL model assumptions applied to estimate the PD, EAD and LGD within the ECL measurement** We applied our economics, modelling and IT expertise to assess: ▪ 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. Based on our understanding and knowledge, we performed an overall stand-back assessment to assess the reasonability of the ECL provisions. **Disclosures related to ECL of PPB and BCB exposures** We assessed the appropriateness of the ECL-related disclosures for PPB and BCB portfolios in the consolidated and separate financial statements in accordance with IFRS. 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.
	Observation – ECL on PPB and BCB loans and advances Based on the procedures performed over ECL on PPB and BCB loans and advances, no material misstatements were noted.

Key audit matter	How the matter was addressed in our audit
Valuation of level 3 financial instruments *Refer to the key management assumptions section, note 2 – derivative instruments, note 3 – trading assets, note 5 – financial investments, note 13 – trading liabilities, and the market risk section of Annexure C – IFRS risk and capital management disclosures in the financial statements.*	
We considered the fair value of level 3 financial instruments to be a matter of most significance to our current year audit due to: ▪ 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 and separate financial statements. 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. 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. 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: ▪ discount rates; ▪ credit spreads; ▪ correlation factors; ▪ funding spreads; ▪ market volatilities; and ▪ valuation multiples and adjustments to these multiples. 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. The fair value of financial instruments significantly affects the measurement of the Group and Company's profit or loss for the year and the related disclosures of financial risks in the consolidated and separate financial statements.	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: ▪ 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: – 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 ▪ For unobservable market information, including inputs, 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 valuation fell within an acceptable range based on industry knowledge and available market information. ▪ We assessed the appropriateness of the disclosures in the consolidated and separate financial statements in accordance with IFRS. **Observation – Valuation of level 3 financial instruments** Based on the procedures performed over the valuation of level 3 financial instruments, no material misstatements were noted.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*The Standard Bank of South Africa Annual financial statements for the year ended 31 December 2025*", which includes the Group secretary's certification, Report of the 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 "*The Standard Bank of South Africa Limited Annual Report for the year ended 31 December 2025*", 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 the 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 and Company audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group and Company, as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group and Company 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 The Standard Bank of South Africa Limited for 2 years and 63 years, respectively.

Ernst & Young Inc	PricewaterhouseCoopers Inc
Ernst & Young Inc.	**PricewaterhouseCoopers Inc.**
Director: Ranesh P Hariparsad	Director: Rivaan Roopnarain
Chartered Accountant (SA)	Chartered Accountant (SA)
Registered Auditor	Registered Auditor
11 March 2026	11 March 2026
102 Rivonia Road	4 Lisbon Lane
Sandton	Waterfall City
Johannesburg	Jukskei View
2196	2090
South Africa	South Africa

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2025

		Group			Company		
	Note	2025 Rm	2024 Restated[1] Rm	1 January 2024 Restated[1] Rm	2025 Rm	2024 Restated[1] Rm	1 January 2024 Restated[1] Rm
Assets							
Cash and balances with the central bank	1	**60 502**	61 791	54 251	**60 502**	61 791	54 231
Derivative assets[1]	2	**80 079**	58 261	64 120	**80 011**	57 334	63 503
Trading assets[1]	3	**437 773**	375 248	285 503	**428 049**	369 769	279 537
Pledged assets	4	**27 236**	7 104	6 812	**27 236**	7 104	6 812
Financial investments	5	**186 971**	161 945	149 525	**186 931**	161 913	151 623
Receivables and other assets	6	**25 414**	20 536	17 764	**25 413**	20 470	17 638
Current tax asset		**387**	423	342	**386**	422	342
Loans and advances	7	**1 488 582**	1 385 214	1 343 798	**1 488 265**	1 383 867	1 340 414
Interests in associates, joint ventures and subsidiaries	8	**714**	1 036	1 193	**9 822**	7 793	7 940
Property, equipment and right of use assets	9	**10 937**	10 799	11 034	**10 896**	10 755	10 989
Goodwill and other intangible assets	10	**5 561**	6 735	7 944	**5 464**	6 628	7 806
Deferred tax asset	11	**4 631**	5 630	5 779	**4 586**	5 585	5 737
Total assets		**2 328 787**	2 094 722	1 948 065	**2 327 561**	2 093 431	1 946 572
Equity and liabilities							
Equity		**157 448**	141 819	140 530	**155 899**	140 734	139 406
Equity attributable to the ordinary shareholder		**135 323**	123 829	121 715	**133 535**	122 512	120 742
Ordinary share capital	12	**60**	60	60	**60**	60	60
Ordinary share premium	12	**49 253**	49 253	49 253	**49 253**	49 253	49 253
Reserves		**86 010**	74 516	72 402	**84 222**	73 199	71 429
Other equity instruments	12	**22 062**	17 917	18 743	**22 364**	18 222	18 664
Equity attributable to AT1 capital shareholders		**22 364**	18 222	18 664	**22 364**	18 222	18 664
Equity attributable to non-controlling interests within SBG		**(302)**	(305)	79			
Non-controlling interests		**63**	73	72			
Liabilities		**2 171 339**	1 952 903	1 807 535	**2 171 662**	1 952 697	1 807 166
Derivative liabilities[1]	2	**86 306**	69 027	69 423	**85 857**	68 239	69 377
Trading liabilities[1]	13	**67 253**	98 317	82 435	**67 253**	98 317	82 435
Provisions and other liabilities	14	**37 246**	31 603	28 037	**36 120**	30 472	27 036
Current tax liability		**5 926**	5 272	4 966	**5 951**	5 282	4 962
Deposits and debt funding[1]	15	**1 947 596**	1 720 278	1 596 848	**1 949 474**	1 721 993	1 597 543
Subordinated debt	16	**27 007**	28 394	25 813	**27 007**	28 394	25 813
Deferred tax liability	11	**5**	12	13			
Total equity and liabilities		**2 328 787**	2 094 722	1 948 065	**2 327 561**	2 093 431	1 946 572

[1] Restated. Refer to page 23 for further detail.

INCOME STATEMENTS

for the year ended 31 December 2025

		Group		Company	
	Note	2025 Rm	2024 R	2025 Rm	2024 Rm
Net interest income		**58 912**	57 583	**58 616**	57 304
Interest income	24	**153 233**	158 127	**153 076**	157 903
Interest expense	25	**(94 321)**	(100 544)	**(94 460)**	(100 599)
Non-interest revenue		**43 920**	39 498	**42 533**	38 101
Net fee and commission revenue		**25 371**	23 154	**24 104**	21 992
Fee and commission revenue	26	**34 564**	31 555	**33 215**	30 316
Fee and commission expense	27	**(9 193)**	(8 401)	**(9 111)**	(8 324)
Trading revenue	28	**11 729**	9 667	**11 105**	9 071
Other revenue	29	**6 246**	5 916	**6 750**	6 277
Other gains and losses on financial instruments	30	**574**	761	**574**	761
Total net income		**102 832**	97 081	**101 149**	95 405
Credit impairment charges	31	**(10 928)**	(11 624)	**(10 884)**	(11 371)
Revenue sharing agreements with group companies	39	**(840)**	(865)	**(840)**	(865)
Net income before operating expenses		**91 064**	84 592	**89 425**	83 169
Operating expenses	32	**(61 578)**	(57 601)	**(60 420)**	(56 493)
Net income before capital items and equity accounted earnings		**29 486**	26 991	**29 005**	26 676
Non-trading and capital related items	33	**(54)**	(446)	**(54)**	(430)
Share of post-tax loss from associates and joint ventures	8	**(12)**	(20)	**(12)**	(20)
Profit before indirect taxation		**29 420**	26 525	**28 939**	26 226
Indirect taxation	34	**(2 019)**	(2 108)	**(2 007)**	(2 104)
Profit before direct taxation		**27 401**	24 417	**26 932**	24 122
Direct taxation	34	**(5 869)**	(4 726)	**(5 783)**	(4 651)
Profit for the year		**21 532**	19 691	**21 149**	19 471
Attributable to the ordinary shareholder		**19 868**	18 205	**19 495**	17 861
Attributable to AT1 capital shareholders		**1 654**	1 610	**1 654**	1 610
Attributable to non-controlling interests within SBG		**20**	(125)		
Attributable to non-controlling interests		**(10)**	1		
Earnings per share					
Basic and diluted earnings per ordinary share (cents)	35	**33 115**	30 343	**32 493**	29 770

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

		Group		Company	
	Note	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Profit for the year		**21 532**	19 691	**21 149**	19 471
Other comprehensive income/(loss) after taxation for the year[1]		**126**	909	**28**	909
Items that may be subsequently reclassified to profit or loss		**102**	855	**4**	855
Exchange differences on translating foreign operations		**(2 063)**	191	**(2 161)**	191
Movements in the total hedge reserve	2	**2 142**	651	**2 142**	651
Change in fair value of cash flow hedges		**3 489**	1 763	**3 489**	1 693
Realised fair value adjustments of cash flow hedges transferred to profit or loss		**(1 347)**	(1 112)	**(1 347)**	(1 042)
Net change in fair value of debt financial assets measured at fair value through other comprehensive income (FVOCI)	20	**23**	13	**23**	13
Items that may not be subsequently reclassified to profit or loss		**24**	54	**24**	54
Defined benefit fund remeasurements		**107**	97	**107**	97
Net change in fair value of equity financial assets measured at FVOCI	20	**(83)**	(43)	**(83)**	(43)
Total comprehensive income for the year		**21 658**	20 600	**21 177**	20 380
Attributable to the ordinary shareholder		**19 994**	19 114	**19 523**	18 770
Attributable to AT1 capital shareholders		**1 654**	1 610	**1 654**	1 610
Attributable to non-controlling interests within SBG		**20**	(125)		
Attributable to non-controlling interests		**(10)**	1		

1 Income tax relating to each component of other comprehensive income (OCI) is disclosed in note 34.2.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2025

	Note	Group 2025 Rm	Group 2024 Rm	Company 2025 Rm	Company 2024 Rm
Net cash flows from operating activities		**11 576**	16 473	**13 875**	16 202
Cash flow from operations		**40 365**	42 362	**39 348**	40 607
Interest receipts		**147 199**	153 583	**147 084**	152 238
Interest payments		**(94 381)**	(100 489)	**(94 520)**	(100 545)
Non-interest receipts		**42 658**	38 368	**40 759**	36 942
Recoveries on loans previously written off	31	**(51)**	(91)	**(49)**	(93)
Cash payments to suppliers and employees	38	**(55 060)**	(49 009)	**(53 926)**	(47 935)
Net movement in operating assets and liabilities		**(25 790)**	(23 377)	**(23 060)**	(22 003)
Increase in operating assets	38	**(242 439)**	(163 827)	**(239 347)**	(164 418)
Increase in operating liabilities	38	**216 649**	140 450	**216 287**	142 415
Dividends received		**1 381**	1 516	**1 861**	1 532
Direct taxation paid		**(4 380)**	(4 028)	**(4 274)**	(3 934)
Net cash flows used in investing activities		**(2 533)**	(2 566)	**(4 860)**	(2 536)
Capital expenditure on property and equipment		**(2 671)**	(1 966)	**(2 655)**	(1 951)
Proceeds from sale of property and equipment		**316**	253	**314**	274
Capital expenditure on intangible assets		**(499)**	(829)	**(490)**	(822)
Proceeds from sale of intangible assets		**81**	96	**81**	82
Increase in investments in subsidiaries[1]				**(2 350)**	
Proceeds on disposal of investments in associates	8	**440**		**440**	
Increase in investment in associates and joint ventures	8	**(200)**	(120)	**(200)**	(119)
Net cash flows used in financing activities		**(8 304)**	(18 512)	**(8 276)**	(18 251)
Proceeds from issue of AT1 capital to shareholders	12	**5 681**	1 500	**5 681**	1 500
Redemption of AT1 capital to shareholders	12	**(1 539)**	(1 942)	**(1 539)**	(1 942)
Principal lease repayments	14	**(947)**	(943)	**(942)**	(941)
Subordinated debt issued	38	**6 290**	10 737	**6 290**	10 737
Subordinated debt redeemed	38	**(7 000)**	(8 400)	**(7 000)**	(8 400)
Dividends paid[2,3]		**(10 789)**	(19 464)	**(10 766)**	(19 205)
Net increase in cash and cash equivalents		**739**	(4 605)	**739**	(4 585)
Cash and cash equivalents at the beginning of the year	38	**69 209**	73 814	**69 209**	73 794
Cash and cash equivalents at the end of the year	38	**69 948**	69 209	**69 948**	69 209

[1] Refer to annexure A for further detail.
[2] Cash flows to non-controlling interests primarily comprise dividends paid to non-controlling interests of subsidiaries.
[3] For details on dividends paid to AT1 capital bondholders and the impact on equity and tax paid, refer to note 12.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Note	Ordinary share capital and premium Rm	Foreign currency translation reserve Rm	Total hedge reserve[1] Rm	Fair value through OCI reserve[2] Rm	Own credit risk reserve Rm	Retained earnings Rm	Ordinary shareholder's equity Rm	AT1 capital shareholders Rm	Non-controlling interests within SBG Rm	Non-controlling interests Rm	Total equity Rm
Group												
Balance at 1 January 2024		49 313	2 668	981	(103)	5	68 851	121 715	18 664	79	72	140 530
Total comprehensive income/(loss) for the year			191	651	(30)		18 302	19 114	1 610	(125)	1	20 600
Profit for the year							18 205	18 205	1 610	(125)	1	19 691
Other comprehensive income/(loss) after tax for the year			191	651	(30)		97	909				909
Transactions with the shareholder and non-controlling interests, recorded directly in equity							(17 000)	(17 000)	(2 052)	(259)		(19 311)
Issue of AT1 capital	12								1 500			1 500
Redemption of AT1 capital	12								(1 942)			(1 942)
Dividends paid	37						(17 000)	(17 000)	(1 610)	(259)		(18 869)
Balance at 31 December 2024		49 313	2 859	1 632	(133)	5	70 153	123 829	18 222	(305)	73	141 819
Balance at 1 January 2025		**49 313**	**2 859**	**1 632**	**(133)**	**5**	**70 153**	**123 829**	**18 222**	**(305)**	**73**	**141 819**
Total comprehensive (loss)/income for the year			**(2 063)**	**2 142**	**(60)**		**19 975**	**19 994**	**1 654**	**20**	**(10)**	**21 658**
Profit for the year							**19 868**	**19 868**	**1 654**	**20**	**(10)**	**21 532**
Other comprehensive (loss)/income after tax for the year			**(2 063)**	**2 142**	**(60)**		**107**	**126**				**126**
Transactions with the shareholder, recorded directly in equity							**(8 500)**	**(8 500)**	**2 488**	**(17)**		**(6 029)**
Issue of AT1 capital	12								**5 681**			**5 681**
Redemption of AT1 capital	12								**(1 539)**			**(1 539)**
Dividends paid	37						**(8 500)**	**(8 500)**	**(1 654)**	**(17)**		**(10 171)**
Balance at 31 December 2025		**49 313**	**796**	**3 774**	**(193)**	**5**	**81 628**	**135 323**	**22 364**	**(302)**	**63**	**157 448**
Company												
Balance at 1 January 2024		49 313	2 691	981	(103)	5	67 855	120 742	18 664			139 406
Total comprehensive income/(loss) for the year			191	651	(30)		17 958	18 770	1 610			20 380
Profit for the year							17 861	17 861	1 610			19 471
Other comprehensive income/(loss) after tax for the year			191	651	(30)		97	909				909
Transactions with the shareholder, recorded directly in equity							(17 000)	(17 000)	(2 052)			(19 052)
Issue of AT1 capital	12								1 500			1 500
Redemption of AT1 capital	13								(1 942)			(1 942)
Dividends paid	37						(17 000)	(17 000)	(1 610)			(18 610)
Balance at 31 December 2024		49 313	2 882	1 632	(133)	5	68 813	122 512	18 222			140 734
Balance at 1 January 2025		**49 313**	**2 882**	**1 632**	**(133)**	**5**	**68 813**	**122 512**	**18 222**			**140 734**
Total comprehensive (loss)/income for the year			**(2 161)**	**2 142**	**(60)**		**19 602**	**19 523**	**1 654**			**21 177**
Profit for the year							**19 495**	**19 495**	**1 654**			**21 149**
Other comprehensive (loss)/income after tax for the year			**(2 161)**	**2 142**	**(60)**		**107**	**28**				**28**
Transactions with the shareholder and non-controlling interests, recorded directly in equity							**(8 500)**	**(8 500)**	**2 488**			**(6 012)**
Issue of AT1 capital	12								**5 681**			**5 681**
Redemption of AT1 capital	12								**(1 539)**			**(1 539)**
Dividends paid	37						**(8 500)**	**(8 500)**	**(1 654)**			**(10 154)**
Balance at 31 December 2025		**49 313**	**721**	**3 774**	**(193)**	**5**	**79 915**	**133 535**	**22 364**			**155 899**

[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 fair value through OCI reserve comprises FVOCI reserves for debt and equity financial investments. Refer to note 20.

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

All balances are stated net of tax, where applicable.

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,including 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 Financial Reporting Standards Council, the JSE Listings Requirements, JSE DSS Requirements and the Companies Act. The annual financial statements have been approved by the board on 11 March 2026.

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.
- Investments in associates and joint ventures are equity accounted. Private equity and venture capital investments, that are associates, are either designated on initial recognition at FVTPL or are equity accounted.
- Post-employment benefit obligations that are measured in terms of the projected unit credit method.

The following material accounting policy elections in terms of IFRS have been made, with reference to the detailed accounting policies within annexure F 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 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 established generally 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 costs 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, property, equipment and right of use assets are accounted for at cost less accumulated amortisation/depreciation and impairment (accounting policy 6).

Functional and presentation currency

The annual financial statements are presented in South African rand, which is the functional and presentation currency of the group. 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.

- IAS 21 *Exchange Rates* (amendments): The IASB issued amendments on 'Lack of Exchangeability' to require an entity to apply a consistent approach in assessing whether one currency can be exchanged for another. When a currency is not exchangeable, the amendments provide guidance on how to determine the appropriate exchange rate, and what accompanying disclosures are required. These changes assist companies and investors by addressing a previously unaddressed matter in accounting requirements related to the effects of changes in foreign exchange rates. The amendments were prospectively applied and had no material impact on the results.

Refer to annexure F for detailed accounting policies.

Restatements

Presentation and classification of structured notes

During 2025, the group completed a technical review of the structured notes portfolio to ensure compliance with IFRS presentation and classification requirements. This review was initiated due to the complexity of the underlying structures and processes, and to reinforce the ongoing strengthening of the group's controls and processes.

The review identified specific presentation and classification errors, including the gross-up of derivative balances, as well as the misclassification of funding components in hybrid notes. These anomalies were operational and classification-related in nature, as a result, the restatement has no impact on the income statement or headline earnings for the year ended 31 December 2024.

The statements of cash flows for the group and the company were not affected as the restatement has no cash flow impact on trading assets, and operating liabilities. However note 38.2, has been restated to incorporate the impact for the year ended 31 December 2024 of the change in operating liabilities line items which relates to the net derivative liability position, trading liabilities and deposits and debt funding.

	2024			1 January 2024		
	As previously reported Rm	Restatement Rm	Restated Rm	As previously reported Rm	Restatement Rm	Restated Rm
Group						
Statement of financial position						
Derivative assets	58 857	(596)	58 261	63 066	1 054	64 120
Trading assets	374 780	468	375 248	285 032	471	285 503
Derivative liabilities	73 568	(4 541)	69 027	72 944	(3 521)	69 423
Trading liabilities	97 361	956	98 317	82 028	407	82 435
Deposits and debt funding	1 716 821	3 457	1 720 278	1 592 209	4 639	1 596 848
Company						
Statement of financial position						
Derivative assets	57 930	(596)	57 334	62 449	1 054	63 503
Trading assets	369 301	468	369 769	279 066	471	279 537
Derivative liabilities	72 780	(4 541)	68 239	72 898	(3 521)	69 377
Trading liabilities	97 361	956	98 317	82 028	407	82 435
Deposits and debt funding	1 718 536	3 457	1 721 993	1 592 904	4 639	1 597 543

KEY MANAGEMENT ASSUMPTIONS

In preparing the group and company annual 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 annual 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 the financial asset 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 follows the same approach as on-balance sheet exposures.

Significant increase in credit risk and low credit risk

Home services, VAF, card and payments, personal unsecured lending, business lending and other products

All exposures are assessed to determine whether there has been significant increase in credit risk (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 to 29 DPD book transferred into stage 2 is no less than the observed 12-month roll rate of 0 to 29 days 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 and company 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 rating 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 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 and company'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 to the Basel definition of default at entry point, and generally determined as occurring at the earlier of:

- where, in the group and company'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 exposure accounts) as default for a 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 and company have 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 PWOR. 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 PWOR as well as the key factors causing PWOR, which ensure that the group's point of write-off remains appropriate and that PWOR 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 South African economic expectations as at 31 December 2025, for inclusion in the group and company's forward-looking process and ECL calculation.

Base

While risks persist, global economic activity continues to surprise on the upside. Real global growth should remain broadly stable, although geopolitical and trade policy uncertainty could still weigh on the outlook. The rally in select mining commodity prices, most notably gold and to a lesser extent platinum group metals, is providing a terms-of-trade (prices of exports relative to prices of imports) boost to South Africa (SA). This provides significant support to the rand exchange rate, feeding into relatively constructive currency forecasts together with improved SA fundamentals – as recognised by the recent sovereign credit ratings upgrade by Standard & Poor's (S&P) and the removal from the Financial Action Task Force's list of countries under increased monitoring. The real trade-weighted rand should trend broadly sideways which, in turn, lowers the inflation forecasts amid weak demand-pull inflation pressures and a downshift in inflation expectations with the formal adoption of a 3% inflation target (with a one percentage point tolerance band). These factors increase the scope for the South African Reserve Bank (SARB) to cut interest rates slightly sooner and deeper than previously expected. An additional 75 basis points (bps) of cuts is expected to remove monetary policy restrictiveness as inflation drifts closer to 3% over the coming quarters.

These cyclical tailwinds complement ongoing structural economic growth supportive policy reforms, notably from Operation Vulindlela and interventions to accelerate infrastructure spending, and policy continuity, in particular commitment to fiscal consolidation, under the Government of National Unity (GNU). SA's real gross domestic product (GDP) growth more than doubled in 2025 compared to 2024, and growth is expected to improve further this year and into the medium term. This is despite global uncertainty remaining high, continued supply-side constraints, political risks and more frequent adverse climate-related events.

Bear

In this case a global debt crisis develops in government bond markets led by the United States (US). Lower export commodity prices (barring gold given its safe-haven status), due to lower global growth, increase the external funding needed amid tighter global financing conditions. Locally, structural reform momentum wanes somewhat, keeping SA's supply-side constraints more acute and capping real potential economic growth around 1%. Social unrest episodes are more likely in this case. A higher SA risk premium, together with the unsupportive global environment, weighs on the rand exchange rate. Despite lower global inflation (and a lower oil price), domestic inflation is higher due to currency impacts and inflation expectations remaining sticky. This would trigger interest rate hikes by the SARB, with the policy rate 125bps higher than the base case at its peak. Higher interest rates, lower growth and fiscal slippage see key fiscal ratios weaken and debt stabilisation is unlikely to materialise. Fears of a debt trap re-emerge and negative sovereign credit ratings action is assumed in this case, with a reversal of the recent upgrade and a further downgrade later.

Bull

Global upsides of faster economic growth, lower inflation and more interest rate cuts emerge in this case as US tariffs are at least partially rescinded and other geopolitical tensions do not escalate. Locally, structural reforms see stronger momentum, unleashing a virtuous cycle of higher fixed investment and economic growth. SA's potential growth rate improves in the near term, and faster-paced growth is possible over the medium term. Fiscal consolidation continues and is supported by the lifting of SA's potential economic growth rate. SA sees a further compression in its risk premium, with two further upgrades to SA's sovereign credit rating likely in this case. The rand exchange rate is well supported given improved fundamentals as well as more conducive financial conditions globally. Inflation is sustained around the new target of 3%, aided by the stronger rand exchange rate, lower external inflation and inflation expectations swiftly adjusting to the 3% target. Dissipating risks to the inflation outlook as well as favourable inflation outcomes see the policy rate lower than in the base case in the short term, and the policy rate also settles at a structurally lower level.

Main macroeconomic factors

The probability weightings of each scenario, namely, base, bear and bull, for inclusion in the group's FLI process and ECL calculation are weighted as follows: base at 55%, bear at 20% and bull at 25% (2024: base at 60%, bear at 20% and bull at 20%). The scenario weighting has been adjusted due to changes in macroeconomic factors, with probabilities now less weighted towards the base case and slightly higher towards bull case.

The following table shows the main macroeconomic factors as at 31 December 2025 used to estimate the forward-looking impact on the ECL provision of financial assets. Each scenario, namely base, bear and bull scenario, is presented for each identified time period.

	Base scenario		Bear scenario		Bull scenario	
Macroeconomic factors – 2025	**1 January 2026 to 31 December 2026**	**1 January 2027 to 31 December 2029**	**1 January 2026 to 31 December 2026**	**1 January 2027 to 31 December 2029**	**1 January 2026 to 31 December 2026**	**1 January 2027 to 31 December 2029**
Inflation (%) (average)	3.44	3.25	4.13	3.88	3.18	2.99
Repo rate (%) (period end)	6.00	6.00	7.25	6.75	5.75	5.50
Real GDP (%) (average)	1.36	2.00	0.13	0.73	2.81	2.96
Household credit (%) (average)	5.63	6.23	4.25	4.03	7.00	7.80
Exchange rate USD/ZAR (period end)	16.90	17.95	18.87	19.66	15.99	17.66

Macroeconomic factors – 2024	Base scenario		Bear scenario		Bull scenario	
	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
Inflation (%) (average)	4.04	4.36	4.77	5.17	3.87	3.80
Repo rate (%) (period end)	7.25	7.25	8.25	8.00	6.75	6.25
Real GDP (%) (average)	1.80	2.26	0.19	0.65	3.02	3.21
Household credit (%) (average)	6.52	6.91	5.18	5.10	7.21	8.42
Exchange rate USD/ZAR (period end)	17.75	18.74	19.32	20.78	16.54	17.62

Sensitivity analysis of the forward-looking impact on the total ECL provision on all financial instruments relating to corporate 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 entail 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.

	2025		2024	
	Total income statement charge Rm	**Total ECL provision Rm**	Total income statement charge Rm	Total ECL provision Rm
As reported	**1 409**	**7 305**	964	7 366
Scenarios				
Base	**1 388**	**7 284**	962	7 364
Bear	**1 673**	**7 569**	1 116	7 518
Bull	**1 243**	**7 139**	819	7 221

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 2025, 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 2025, 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.

	2025		2024	
	Total income statement charge Rm	**Total ECL provision Rm**	Total income statement charge Rm	Total ECL provision Rm
As reported	**9 207**	**45 603**	10 027	45 935
Scenarios				
Base	**9 303**	**45 699**	9 909	45 817
Bear	**10 222**	**46 618**	11 512	47 420
Bull	**8 561**	**44 957**	8 916	44 824

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 statement of financial position are set out below:

	2025 Rm	2024 Rm
Home services, VAF, card and payments, personal unsecured lending, business lending and other products industry and macroeconomic adjustments[1]	**1 433**	1 572
Sovereign adjustment[2]	**400**	400
Total	**1 833**	1 972

[1] Additional impairments held to incorporate industries facing ongoing and increased risk, as well as macroeconomic factors not captured in the underlying modelling that informed the ECL assumptions discussed above. During 2025, these impairments decreased due to certain exposures being written off during the period.
[2] Additional impairments held to incorporate the credit risk relating to sovereign exposures. These adjustments are included in corporate within note 7.

Refer to note 7 for the carrying amounts of the loans and advances and to annexure C for the group's assessment of the risk 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.

The total amount of the change in fair value estimated using valuation techniques not based on observable market data comprises of the profit/(loss) impact of level 3 assets and liabilities and the balance of the day one profit/(loss) on trading assets and derivatives.

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
- prepayment rates
- 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.

Refer to note 18 for assets and liabilities at fair value disclosures.

Consolidation of entities

The group controls and consolidates an entity 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. The consolidated SEs are dependent on the group for financing and for the provision of critical services. Should the group terminate funding and suspend provision of these services, these entities would not be able to continue in operation. The group also has residual risk as the financing provided by the group is subordinate to other loans that may be provided to the SEs.

The group also makes decisions regarding advances to be included in the securitisation portfolios and hence directs the SEs' relevant activities.

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 an 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 more detail.

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 value 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 2025, a component of the group's computer software intangible assets' was impaired as the carrying amount exceeded the recoverable amount. An impairment loss of R13 million was recognised (2024: R154 million). Impairment losses are excluded from the group and company's 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 10 for goodwill and intangibles disclosures.

Current and deferred tax

The group and company are subject to direct and indirect taxation 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 34 and note 11, 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.

The group and company are subject to direct and indirect taxation 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.

Refer to note 11 and note 34 for current and deferred tax disclosures.

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 that arising after the reporting date up to the date of the approval of the financial results.

Refer to note 14 for provisions and other liabilities disclosures.

Post-employment benefits

The group's post-employment benefits consist of both post-employment retirement funds and healthcare benefits. The group's obligations to fund these benefits are 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 obligation include the following:

	Retirement fund		Post-employment medical aid fund	
	2025	2024	**2025**	2024
Discount rate	**Nominal government bond yield curve**	Nominal government bond yield curve	**Nominal government bond yield curve**	Nominal government bond yield curve
Return on investments	**8.23% – discounted rate of term equal to the discounted mean term of the liabilities**	10.19% – discounted rate of term equal to the discounted mean term of the liabilities	**Not applicable to fund**	Not applicable to fund
Salary/benefit inflation	**Inflation rate plus 1% plus a merit scale**	Inflation rate plus 1% plus a merit scale	**Not applicable to fund**	Not applicable to fund
Consumer Price Index (CPI) inflation	**Difference between nominal and index-linked bond yield curves**	Difference between nominal and index-linked bond yield curves	**Difference between nominal and index-linked bond yield curves**	Difference between nominal and index-linked bond yield curves
Medical inflation	**Not applicable to fund**	Not applicable to fund	**Difference between Nominal and index linked bond yield curves plus 1.5%.**	Difference between nominal and index linked bond yield curves plus 1.5%
Provider benefit escalation	**Inflation rate plus 2%**	Inflation rate plus 2%	**Not applicable to fund**	Not applicable to fund
Pension increase in allowance	**Inflation rate**	Inflation rate	**Not applicable to fund**	Not applicable to fund
Remaining service life of employees (years)	**7.53**	7.33	**Not applicable to fund**	Not applicable to fund

Refer to note 40 for pensions and other post-employment benefits disclosures.

Notes to the financial statements

1. Cash and balances with the central bank

Group and company	2025 Rm	2024 Rm
Coins and bank notes	**5 678**	5 825
Balances with the central bank[1]	**54 824**	55 966
Total	**60 502**	61 791

[1] These balances primarily comprise reserving requirements levied by the SARB. These balances are available for use by the group and company subject to certain restrictions and limitations imposed by the SARB.

2. Derivative instruments

All derivatives are classified as either derivatives held-for-trading or derivatives held-for-hedging. A summary of the fair values of the derivative assets and derivative liabilities is as follows:

	Fair value of assets		Fair value of liabilities	
	2025 Rm	2024 Restated[1] Rm	**2025 Rm**	2024 Restated[1] Rm
Group				
Held-for-trading[1]	**70 180**	52 025	**(74 505)**	(64 826)
Held-for-hedging	**9 899**	6 236	**(11 801)**	(4 201)
Total	**80 079**	58 261	**(86 306)**	(69 027)
Company				
Held-for-trading[1]	**70 112**	51 098	**(74 056)**	(64 038)
Held-for-hedging	**9 899**	6 236	**(11 801)**	(4 201)
Total	**80 011**	57 334	**(85 857)**	(68 239)

[1] Restated. Refer to page 23 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 and company enter into a variety of foreign exchange, interest rate, commodity, credit and equity derivative transactions in accordance with the group and company's risk management policies and practices. Derivative instruments used by the group and company 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 and the prices of commodities and equities. A summary of the total derivative assets and liabilities are shown in note 2.2, 2.3.1 and 2.3.3.

2.2 Derivatives held-for-trading

The group and company transact in derivative contracts to address client demand, both as a market maker in the CIB markets and in structuring tailored derivatives for clients. In certain instances the group and company also take proprietary positions for its own account. Trading derivative products include the following:

	Fair value of assets		Fair value of liabilities	
	2025 Rm	2024 Restated[1] Rm	**2025 Rm**	2024 Restated[1] Rm
Group				
Foreign exchange derivatives	**26 295**	21 647	**(22 102)**	(20 926)
Interest rate derivatives[1]	**22 283**	19 446	**(24 887)**	(30 119)
Commodity derivatives	**964**	464	**(2 833)**	(358)
Credit derivatives	**1 178**	841	**(6 925)**	(5 328)
Equity derivatives[1]	**19 460**	9 627	**(17 758)**	(8 095)
Total	**70 180**	52 025	**(74 505)**	(64 826)
Company				
Foreign exchange derivatives	**26 294**	21 654	**(22 102)**	(20 920)
Interest rate derivatives[1]	**22 283**	19 439	**(24 887)**	(30 125)
Commodity derivatives	**964**	464	**(2 833)**	(358)
Credit derivatives	**1 178**	841	**(6 925)**	(5 328)
Equity derivatives[1]	**19 393**	8 700	**(17 309)**	(7 307)
Total	**70 112**	51 098	**(74 056)**	(64 038)

[1] Restated. The restatement noted on page 23 had the following impact on the above: interest rate derivatives has decreased by R812 million in fair value of assets and decreased by R3 143 million in fair value of liabilities. Equity derivatives has increased by R216 million in fair value of assets and decreased by R1 398 million in fair value of liabilities.

2. Derivative instruments continued

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 and company apply hedge accounting in respect of foreign currency risk, equity price risk and interest rate risk.

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

2.3.1 Derivatives designated as hedging instruments in fair value hedging relationships

Group and company	Fair value Assets Rm	 Liabilities Rm	Net fair value Rm	Maturity Less than one year Rm	 Between one to five years Rm	 Over five years Rm	Contract/ notional amount[1] Rm	Fair value (loss)/ gain Rm
2025								
Interest rate risk fair value hedging relationships	**3 478**	**(6 101)**	**(2 623)**	**(446)**	**74**	**(2 251)**	**450 612**	**(3 421)**
Interest rate swaps	**3 478**	**(6 101)**	**(2 623)**	**(446)**	**74**	**(2 251)**	**450 612**	**(3 421)**
Equity price risk fair value hedging relationships[2]		**(5 693)**	**(5 693)**	**(5 693)**			**45 314**	**(13 328)**
Equity forwards		**(5 693)**	**(5 693)**	**(5 693)**			**45 314**	**(13 328)**
Total	**3 478**	**(11 794)**	**(8 316)**	**(6 139)**	**74**	**(2 251)**	**495 926**	**(16 749)**
2024								
Interest rate risk fair value hedging relationships	2 820	(2 039)	781	85	(424)	1 120	376 818	(533)
Interest rate swaps	2 820	(2 039)	781	85	(424)	1 120	376 818	(533)
Equity price risk fair value hedging relationships[2]	719	(1 998)	(1 279)	(1 279)			40 015	(2 673)
Equity forwards	719	(1 998)	(1 279)	(1 279)			40 015	(2 673)
Total	3 539	(4 037)	(498)	(1 194)	(424)	1 120	416 833	(3 206)

[1] The notional amount is the sum of the absolute value 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 and company's participation in derivative contracts.
[2] The group and company use intercompany equity forward derivative instruments entered into with SBG group entities to mitigate against the risk of changes in the market values associated with certain equity instruments

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

2.3.2 Hedged items classified as fair value hedges

Group and company	Fair value Assets Rm	Fair value Liabilities Rm	Accumulated fair value gain/(loss) at 31 December Rm	Fair value gain/(loss) used to test hedge ineffectiveness Rm	Fair value hedge adjustments Rm
2025					
Interest rate risk fair value hedging relationships	**174 380**	**(202 087)**	**4 055**	**3 493**	**3 493**
Financial investments	**107 134**		**4 425**	**3 906**	**3 906**
Loans and advances	**67 246**		**729**	**333**	**333**
Deposits and debt funding		**(202 087)**	**(1 099)**	**(746)**	**(746)**
Equity price risk fair value hedging relationships	**51 008**		**27 863**	**13 328**	**13 328**
Trading assets	**51 008**		**27 863**	**13 328**	**13 328**
Total	**225 388**	**(202 087)**	**31 918**	**16 821**	**16 821**
2024					
Interest rate risk fair value hedging relationships	116 669	(179 251)	953	587	587
Financial investments	62 204		383	1 066	1 066
Loans and advances	54 465		653	601	601
Deposits and debt funding		(179 251)	(83)	(981)	(981)
Subordinated debt				(99)	(99)
Equity price risk fair value hedging relationships	41 146		14 535	2 673	2 673
Trading assets	41 146		14 535	2 673	2 673
Total	157 815	(179 251)	15 488	3 260	3 260

2. Derivative instruments continued

2.3.3 Hedging instruments in cash flow hedging relationships

Group and company	Fair value of assets Rm	Fair value of liabilities Rm	Net fair value Rm	Maturity analysis Less than one year Rm	Maturity analysis Between one to five years Rm	Maturity analysis Over five years Rm	Contract/ notional amount[1] Rm	Fair value (loss)/ gain Rm
2025								
Foreign currency risk cash flow hedging relationships	**2 621**	**(7)**	**2 614**	**2 614**			**9 112**	**(131)**
Cash[2]	**2 218**		**2 218**	**2 218**			**2 218**	**64**
Currency forwards	**403**	**(7)**	**396**	**396**			**6 894**	**(195)**
Equity price risk cash flow hedging relationships	**1 452**		**1 452**	**1 411**	**41**		**5 035**	**1 629**
Equity forwards	**1 452**		**1 452**	**1 411**	**41**		**5 035**	**1 629**
Interest rate risk cash flow relationships	**4 566**		**4 566**	**47**	**4 178**	**341**	**97 300**	**3 313**
Interest rate swaps	**4 566**		**4 566**	**47**	**4 178**	**341**	**97 300**	**3 313**
Total	**8 639**	**(7)**	**8 632**	**4 072**	**4 219**	**341**	**111 447**	**4 811**
2024								
Foreign currency risk cash flow hedging relationships	2 808	(4)	2 804	2 738	66		8 405	894
Cash[2]	2 392		2 392	2 392			2 392	148
Currency forwards	416	(4)	412	346	66		6 013	746
Equity price risk cash flow hedging relationships	333	(160)	173	155	18		3 808	475
Equity forwards	333	(160)	173	155	18		3 808	475
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	5 089	(164)	4 925	2 894	2 031		89 713	2 388

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

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

2.3.4 Hedged items classified as cash flow hedges

Group and company	2025 Rm	2024 Rm
Fair value gain/(loss) used to test hedge ineffectiveness		
Financial investments	**424**	(658)
Foreign currency risk cash flow hedging relationships	**424**	(658)
Loans and advances	**(3 433)**	(1 176)
Foreign currency risk cash flow hedging relationships	**(230)**	(88)
Interest rate risk cash flow hedging relationships	**(3 203)**	(1 088)
Share scheme liabilities (excludes equity deferred bonus scheme)	**(1 629)**	(475)
Equity price risk cash flow hedging relationships	**(1 629)**	(475)
Other operating expenses	**(64)**	(148)
Foreign currency risk cash flow hedging relationships	**(64)**	(148)
Total	**(4 702)**	(2 457)

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:

Group and company	Trading revenue Rm	Net interest income Rm	Total Rm
2025			
Fair value hedges		**72**	**72**
Interest rate risk fair value hedging relationships		**72**	**72**
Cash flow hedges[1]	**21**		**21**
Interest rate risk cash flow hedging relationships	**21**		**21**
Total	**21**	**72**	**93**
2024			
Fair value hedges		54	54
Interest rate risk fair value hedging relationships		54	54
Cash flow hedges[1]	35		35
Interest rate risk cash flow hedging relationships	35		35
Total	35	54	89

[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 2025 and 2024.

2. Derivative instruments continued

2.3.6 Reconciliation of movements in the total hedge reserve

Group and company	Foreign currency risk Rm	Equity price risk Rm	Interest rate risk Rm	Cost of hedging[1] Rm	Total Rm
Balance at 1 January 2024	32	313	642	(6)	981
Amounts recognised directly in OCI before tax[2]	808	475	1 051	86	2 420
Amounts released to profit or loss before tax	(688)	(722)	(47)	(71)	(1 528)
Net interest income	126		(47)	(71)	8
Trading revenue	(768)				(768)
Other operating expenses	(46)	(722)			(768)
Taxation	(33)	67	(271)	(4)	(241)
Balance at 31 December 2024	119	133	1 375	5	1 632
Balance at 1 January 2025	**119**	**133**	**1 375**	**5**	**1 632**
Amounts recognised directly in OCI before tax[2]	**(187)**	**1 629**	**3 293**	**44**	**4 779**
Amounts released to profit or loss before tax	**(41)**	**(931)**	**(812)**	**(61)**	**(1 845)**
Net interest income	**258**		**(812)**	**(61)**	**(615)**
Trading revenue	**(23)**				**(23)**
Other operating expenses	**(276)**	**(931)**			**(1 207)**
Taxation	**62**	**(188)**	**(670)**	**4**	**(792)**
Balance at 31 December 2025	**(47)**	**643**	**3 186**	**(8)**	**3 774**

[1] The cost of hedging includes foreign currency basis risk of a R10 million outflow (2024: Rnil million) and forward element of R2 million inflow (2024: R5 million) which have been specifically excluded from the hedge relationship.
[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 net cash flows from the total hedge reserve into profit or loss at 31 December is as follows:

Group and company	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
2025					
Net cash inflow	**133**	**314**	**3 089**	**238**	**3 774**
2024					
Net cash inflow	32	173	1 427		1 632

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.

Group and company	2025 Rm	2024 Rm
Unrecognised net profit at the beginning of the year	**549**	582
Additional profit on new transactions	**52**	
Recognised in trading revenue during the year	**(365)**	(33)
Unrecognised net profit at the end of the year	**236**	549

3. Trading assets

	Group		Company	
	2025 Rm	2024 Restated[1] Rm	**2025 Rm**	2024 Restated[1] Rm
Collateral and other	**10 794**	6 281	**10 794**	6 281
Corporate bonds	**28 288**	37 166	**28 288**	37 166
Government, municipality and utility bonds[1]	**128 950**	97 607	**128 950**	97 607
Equities	**102 314**	69 931	**92 590**	64 452
Reverse repurchase and other collateralised agreements	**163 439**	160 850	**163 439**	160 850
Debt securities	**3 988**	3 413	**3 988**	3 413
Total	**437 773**	375 248	**428 049**	369 769

[1] Restated. Refer to page 23 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 balance during the year.

Group and company	**2025 Rm**	2024 Rm
Unrecognised net profit at the beginning of the year	**3 272**	1 259
Additional net profit on new transactions[1]	**1 334**	2 643
Recognised in trading revenue during the year	**(1 560)**	(630)
Unrecognised net profit at the end of the year	**3 046**	3 272

[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 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.

Group and company	Carrying value: Transferred assets Rm	Carrying value: Associated liabilities[1] Rm	Fair value: Transferred assets[2] Rm	Fair value: Associated liabilities[2] Rm
2025				
Corporate bonds	**10 403**	**(10 403)**	**10 403**	**(10 403)**
Sovereign bonds	**16 833**	**(16 833)**	**16 833**	**(16 833)**
Total	**27 236**	**(27 236)**	**27 236**	**(27 236)**
2024				
Corporate bonds	3 984	(3 984)	3 984	(3 984)
Sovereign bonds	3 120	(3 120)	3 120	(3 120)
Total	7 104	(7 104)	7 104	(7 104)

[1] Materially comprises reverse repo liabilities, which form part of the deposits and debt funding line within the statement of financial position.
[2] Where the group and company have recourse to the transferred asset. The net fair value of transferred assets and associated liabilities for both corporate and sovereign bonds amounted to Rnil (2024: Rnil).

The assets pledged by the group and company are strictly for the purpose of providing collateral to the counterparty. To the extent that the counterparty is permitted to sell and/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 assets that do not qualify for derecognition include debt securities held by counterparties as collateral under repurchase agreements. Risks to which the group and company remain exposed include credit and interest rate risk.

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

4.1 Collateral accepted as security for assets

As part of the reverse repurchase and securities borrowing agreements, the group and company have 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 and company are permitted to sell or repledge in the absence of default is R271 745 million (2024: R277 251 million).

The fair value of financial assets accepted as collateral that have been sold, repledged or leased in terms of repurchase agreements or leasing transactions is R61 842 million (2024: R38 356 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 2025 and 2024, there were no securitised financial assets that did not qualify for derecognition.

5. Financial investments

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Corporate	**17 220**	17 569	**17 253**	17 601
Sovereign	**166 279**	141 645	**166 279**	141 645
Bank	**62**	61	**62**	61
Unlisted equities	**2 972**	2 302	**2 899**	2 238
Interest in associates held at fair value (annexure B)	**438**	368	**438**	368
Total	**186 971**	161 945	**186 931**	161 913
Net financial investments measured at amortised cost	**179 990**	144 958	**180 023**	144 991
Gross financial investments measured at amortised cost	**180 136**	145 165	**180 169**	145 198
ECL for financial investments measured at amortised cost[1]	**(146)**	(207)	**(146)**	(207)
Financial investments measured at fair value	**6 981**	16 987	**6 908**	16 922
Financial investments measured at FVTPL	**4 249**	13 629	**4 176**	13 564
Debt financial investments measured at FVOCI[2]	**2 338**	2 754	**2 338**	2 754
Equity financial investments measured at FVOCI[2]	**394**	604	**394**	604

1 Refer to note 31 for the current year credit impairment reversal of R61 million (2024: R149 million charge) on debt financial investments measured at amortised cost.

2 Refer to note 20 for the reconciliation of FVOCI reserve for financial assets. Credit impairment charges recognised on debt financial investments are deemed insignificant as these financial investments are high quality investment grade bonds.

6. Receivables and other assets

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Financial assets[1]	**14 872**	12 195	**14 806**	12 064
Depositor insurance scheme[2]	**3 811**	3 694	**3 811**	3 694
Trade settlement agreements and other financial assets	**11 061**	8 501	**10 995**	8 370
Non-financial assets	**10 542**	8 341	**10 607**	8 406
Items in the course of collection	**354**	358	**354**	358
Prepayments	**3 185**	3 561	**3 171**	3 545
Pensions and post-employment benefits (note 40)	**2 010**	1 747	**2 010**	1 747
Other non-financial assets	**4 993**	2 675	**5 072**	2 756
Total	**25 414**	20 536	**25 413**	20 470

1 Due to the short-term nature of these assets, historical experience and available FLI, debtors are regarded as having a low PD. Therefore, the ECL has been assessed to be insignificant on these balances.

2 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, of which interest is payable monthly. The loan does not have fixed repayment terms and is therefore classified as a perpetual instrument. This loan 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 PD. Therefore ECL has been assessed to be insignificant on the loan.

7. Loans and advances

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Loans and advances measured at fair value[1]	**5 962**	823	**5 962**	823
Net loans and advances measured at amortised cost	**1 482 620**	1 384 391	**1 482 303**	1 383 044
Gross loans and advances measured at amortised cost	**1 535 433**	1 437 818	**1 533 974**	1 435 453
Home services	**452 232**	447 872	**452 070**	447 716
Vehicle and asset finance	**126 364**	121 106	**126 364**	121 112
Card and payments	**39 976**	37 950	**38 726**	36 831
Personal unsecured lending	**61 057**	58 275	**61 422**	58 520
Business lending and other	**84 884**	81 153	**80 351**	81 483
Corporate	**567 071**	506 305	**571 666**	506 264
Bank[2]	**203 849**	185 157	**203 375**	183 527
Expected credit losses (note 7.1)	**(52 813)**	(53 427)	**(51 671)**	(52 409)
Net loans and advances	**1 488 582**	1 385 214	**1 488 265**	1 383 867

1 Includes ECL of R24 million on loans and advances measured at FVOCI. Refer to note 20 for the reconciliation of FVOCI reserve for debt financial assets.
2 Included in Bank is an amount of R9 446 million (2024: R7 418 million) relating to on demand gross loans and advances to banks that qualifies as cash and cash equivalents (note 38.5) for group and company.

7.1 Reconciliation of ECL for loans and advances measured at amortised cost

	Stage 1 Rm	Stage 2 Rm	Stage 3 (including IIS) Rm	Total Rm
Group				
Opening ECL 1 January 2024	4 962	9 013	39 330	53 305
Transfers between stages[2]	2 140	(1 077)	(1 063)	
Net ECL (released)/raised	(2 539)	(311)	13 673	10 823
ECL on new exposures raised[3]	1 558	2 141	1 162	4 861
Subsequent changes in ECL	(3 717)	(2 181)	13 275	7 377
Change in ECL due to derecognition	(380)	(271)	(764)	(1 415)
Impaired accounts written off[4]			(14 687)	(14 687)
Exchange and other movements[5]	8	3	3 975	3 986
Closing ECL 31 December 2024	4 571	7 628	41 228	53 427
Opening ECL 1 January 2025	**4 571**	**7 628**	**41 228**	**53 427**
Transfers between stages[2]	**1 441**	**(1 449)**	**8**	
Net ECL (released)/raised	**(1 649)**	**345**	**11 406**	**10 102**
ECL on new exposures raised[3]	**1 579**	**1 494**	**1 297**	**4 370**
Subsequent changes in ECL	**(2 851)**	**(915)**	**10 935**	**7 169**
Change in ECL due to derecognition	**(377)**	**(234)**	**(826)**	**(1 437)**
Impaired accounts written off[4]			**(14 254)**	**(14 254)**
Exchange and other movements[5]	**(107)**	**(12)**	**3 657**	**3 538**
Closing ECL 31 December 2025	**4 256**	**6 512**	**42 045**	**52 813**
Company				
Opening ECL 1 January 2024[1]	5 374	9 140	38 099	52 613
Transfers between stages[2]	2 108	(990)	(1 118)	
Net ECL (released)/raised	(2 939)	(564)	14 070	10 567
ECL on new exposures raised[3]	1 634	1 404	1 129	4 167
Subsequent changes in ECL	(4 194)	(1 697)	13 706	7 815
Change in ECL due to derecognition	(379)	(271)	(765)	(1 415)
Impaired accounts written off[4]			(14 305)	(14 305)
Exchange and other movements[5]	6	3	3 525	3 534
Closing ECL 31 December 2024[1]	4 549	7 589	40 271	52 409
Opening ECL 1 January 2025	**4 549**	**7 589**	**40 271**	**52 409**
Transfers between stages[2]	**1 424**	**(1 432)**	**8**	
Net ECL (released)/raised	**(1 636)**	**336**	**11 356**	**10 056**
ECL on new exposures raised[3]	**1 570**	**1 487**	**1 290**	**4 347**
Subsequent changes in ECL	**(2 830)**	**(930)**	**10 832**	**7 072**
Change in ECL due to derecognition	**(376)**	**(221)**	**(766)**	**(1 363)**
Impaired accounts written off[4]			**(14 205)**	**(14 205)**
Exchange and other movements[5]	**(107)**	**(12)**	**3 530**	**3 411**
Closing ECL 31 December 2025	**4 230**	**6 481**	**40 960**	**51 671**

1 Restated. During 2025, it was identified that expected credit losses by each product and stage relating to the 1 January 2024 opening balances, and thus closing balances as at 31 December 2024, in Company were erroneously allocated. In aggregate Stage 1 was understated by R715 million, Stage 2 understated by R427 million and Stage 3 overstated by R1 142 million. The restatement had no impact on the company or group's total expected credit losses nor the group or company's income statements or statements of financial position.

2 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.

3 The ECL recognised on new exposures originated during the reporting period (which are not included in opening balances) are included within the rows 'ECL on new exposures 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.

4 The contractual amounts outstanding on loans and advances for group and company that were written off during the reporting period that are still subject to enforcement activities is R7.0 billion (2024: R7.8 billion).

5 Exchange and other movements includes the net interest in suspense (IIS) and time value of money (TVM) unwind, raised and released during the year.

7. Loans and advances continued

7.1 Reconciliation of ECL for loans and advances measured at amortised cost continued

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

	Opening ECL 1 January 2025 Rm	Transfers between stages (To)/from stage 1 Rm	From/(to) stage 2 Rm	From/(to) stage 3 Rm	Total Rm	Net ECL raised/ (released) Rm	TVM unwind and IIS movements Rm	Impaired accounts written off Rm	Exchange and other movements Rm	Closing ECL 31 December 2025 Rm
Group										
Home services	20 282	(880)	(173)	1 053		1 822	1 650	(2 347)		21 407
Stage 1	719		595	285	880	(1 090)				509
Stage 2	2 822	(595)		768	173	(1 021)				1 974
Stage 3 (including IIS)	16 741	(285)	(768)		(1 053)	3 933	1 650	(2 347)		18 924
Vehicle and asset finance	7 757	76	579	(655)		1 807	378	(3 682)		6 260
Stage 1	388		128	(204)	(76)	194				506
Stage 2	1 031	(128)		(451)	(579)	631				1 083
Stage 3 (including IIS)	6 338	204	451		655	982	378	(3 682)		4 671
Card and payments	4 282	(224)	444	(220)		1 598	405	(1 141)		5 144
Stage 1	656		240	(16)	224	(305)				575
Stage 2	948	(240)		(204)	(444)	261				765
Stage 3 (including IIS)	2 678	16	204		220	1 642	405	(1 141)		3 804
Personal unsecured lending	8 389	(391)	423	(32)		3 177	909	(3 565)		8 910
Stage 1	1 016		356	35	391	(453)				954
Stage 2	1 832	(356)		(67)	(423)	210				1 619
Stage 3 (including IIS)	5 541	(35)	67		32	3 420	909	(3 565)		6 337
Business lending and other	5 225	(94)	227	(133)		803		(2 146)		3 882
Stage 1	365		110	(16)	94	(50)				409
Stage 2	573	(110)		(117)	(227)	145				491
Stage 3 (including IIS)	4 287	16	117		133	708		(2 146)		2 982
Corporate	7 188	(13)	34	(21)		1 048	517	(1 373)	(297)	7 083
Stage 1	1 171		21	(8)	13	86			(91)	1 179
Stage 2	374	(21)		(13)	(34)	241			(4)	577
Stage 3 (including IIS)	5 643	8	13		21	721	517	(1 373)	(202)	5 327
Bank	304	85	(85)			(153)			(24)	127
Stage 1	256		(85)		(85)	(31)			(16)	124
Stage 2	48	85			85	(122)			(8)	3
Total	53 427	(1 441)	1 449	(8)		10 102	3 859	(14 254)	(321)	52 813
Stage 1	4 571		1 365	76	1 441	(1 649)			(107)	4 256
Stage 2	7 628	(1 365)		(84)	(1 449)	345			(12)	6 512
Stage 3 (including IIS)	41 228	(76)	84		8	11 406	3 859	(14 254)	(202)	42 045

7. Loans and advances continued

7.1 Reconciliation of ECL for loans and advances measured at amortised cost continued

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

	Opening ECL 1 January 2024 Rm	Transfers between stages (To)/ from stage 1 Rm	(To)/from stage 2 Rm	From/(to) stage 3 Rm	Total Rm	Net ECL raised/ (released) Rm	TVM unwind and IIS movements Rm	Impaired accounts written off Rm	Exchange and other movements Rm	Closing ECL 31 December 2024 Rm
Group										
Home services	18 019	(792)	378	414		2 356	1 506	(1 599)		20 282
Stage 1	1 016		650	142	792	(1 089)				719
Stage 2	3 157	(650)		272	(378)	43				2 822
Stage 3 (including IIS)	13 846	(142)	(272)		(414)	3 402	1 506	(1 599)		16 741
Vehicle and asset finance	7 086	309	310	(619)		1 648	825	(1 802)		7 757
Stage 1	545		(8)	(301)	(309)	152				388
Stage 2	1 422	8		(318)	(310)	(81)				1 031
Stage 3 (including IIS)	5 119	301	318		619	1 577	825	(1 802)		6 338
Card and payments	4 589	(218)	239	(21)		1 585	361	(2 253)		4 282
Stage 1	678		233	(15)	218	(240)				656
Stage 2	1 040	(233)		(6)	(239)	147				948
Stage 3 (including IIS)	2 871	15	6		21	1 678	361	(2 253)		2 678
Personal unsecured lending	10 080	(1 118)	598	520		3 418	1 157	(6 266)		8 389
Stage 1	1 119		958	160	1 118	(1 221)				1 016
Stage 2	1 980	(958)		360	(598)	450				1 832
Stage 3 (including IIS)	6 981	(160)	(360)		(520)	4 189	1 157	(6 266)		5 541
Business lending and other	5 410	(295)	425	(130)		1 020	81	(1 286)		5 225
Stage 1	362		277	18	295	(292)				365
Stage 2	856	(277)		(148)	(425)	142				573
Stage 3 (including IIS)	4 192	(18)	148		130	1 170	81	(1 286)		4 287
Corporate	8 010	(25)	(874)	899		605	210	(1 481)	(156)	7 188
Stage 1	1 189		25		25	(49)			6	1 171
Stage 2	500	(25)		899	874	(1 003)			3	374
Stage 3 (including IIS)	6 321		(899)		(899)	1 657	210	(1 481)	(165)	5 643
Bank	111	(1)	1			191			2	304
Stage 1	53		1		1	200			2	256
Stage 2	58	(1)			(1)	(9)				48
Total	53 305	(2 140)	1 077	1 063		10 823	4 140	(14 687)	(154)	53 427
Stage 1	4 962		2 136	4	2 140	(2 539)			8	4 571
Stage 2	9 013	(2 136)		1 059	(1 077)	(311)			3	7 628
Stage 3 (including IIS)	39 330	(4)	(1 059)		(1 063)	13 673	4 140	(14 687)	(165)	41 228

7. Loans and advances continued

7.1 Reconciliation of ECL for loans and advances measured at amortised cost continued

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

	Opening ECL 1 January 2025 Rm	Transfers between stages (To)/from stage 1 Rm	From/(to) stage 2 Rm	(To)/from stage 3 Rm	Total Rm	Net ECL raised/ (released) Rm	TVM unwind and IIS movements Rm	Impaired accounts written off Rm	Exchange and other movements Rm	Closing ECL 31 December 2025 Rm
Company										
Home services	20 283	(881)	(173)	1 054		1 822	1 650	(2 347)		21 408
Stage 1	719		595	286	881	(1 090)				510
Stage 2	2 823	(595)		768	173	(1 021)				1 975
Stage 3 (including IIS)	16 741	(286)	(768)		(1 054)	3 933	1 650	(2 347)		18 923
Vehicle and asset finance	7 757	76	579	(655)		1 807	378	(3 682)		6 260
Stage 1	388		128	(204)	(76)	194				506
Stage 2	1 031	(128)		(451)	(579)	631				1 083
Stage 3 (including IIS)	6 338	204	451		655	982	378	(3 682)		4 671
Card and payments	4 380	(206)	427	(221)		1 544	403	(1 301)		5 026
Stage 1	635		222	(16)	206	(294)				547
Stage 2	910	(222)		(205)	(427)	251				734
Stage 3 (including IIS)	2 835	16	205		221	1 587	403	(1 301)		3 745
Personal unsecured lending	8 388	(391)	423	(32)		3 177	909	(3 564)		8 910
Stage 1	1 017		356	35	391	(453)				955
Stage 2	1 832	(356)		(67)	(423)	210				1 619
Stage 3 (including IIS)	5 539	(35)	67		32	3 420	909	(3 564)		6 336
Business lending and other	5 117	(95)	228	(133)		802		(2 039)		3 880
Stage 1	364		111	(16)	95	(50)				409
Stage 2	572	(111)		(117)	(228)	146				490
Stage 3 (including IIS)	4 181	16	117		133	706		(2 039)		2 981
Corporate	6 182	(12)	33	(21)		1 055	392	(1 272)	(297)	6 060
Stage 1	1 172		20	(8)	12	86			(91)	1 179
Stage 2	373	(20)		(13)	(33)	241			(4)	577
Stage 3 (including IIS)	4 637	8	13		21	728	392	(1 272)	(202)	4 304
Bank	302	85	(85)			(151)			(24)	127
Stage 1	254		(85)		(85)	(29)			(16)	124
Stage 2	48	85			85	(122)			(8)	3
Total	52 409	(1 424)	1 432	(8)		10 056	3 732	(14 205)	(321)	51 671
Stage 1	4 549		1 347	77	1 424	(1 636)			(107)	4 230
Stage 2	7 589	(1 347)		(85)	(1 432)	336			(12)	6 481
Stage 3 (including IIS)	40 271	(77)	85		8	11 356	3 732	(14 205)	(202)	40 960

7. Loans and advances continued

7.1 Reconciliation of ECL for loans and advances measured at amortised cost continued

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

	Opening ECL 1 January 2024 Restated[1] Rm	Transfers between stages (To)/ from stage 1 Rm	(To)/from stage 2 Rm	From/(to) stage 3 Rm	Total Rm	Net ECL raised/ (released) Rm	TVM Unwind and IIS movements Rm	Impaired accounts written off Rm	Exchange and other movements Rm	Closing ECL 31 December 2024 Restated[1] Rm
Company[1]										
Home services	18 010	(792)	378	414		2 357	1 510	(1 594)		20 283
Stage 1	1 014		650	142	792	(1 087)				719
Stage 2	3 158	(650)		272	(378)	43				2 823
Stage 3 (including IIS)	13 838	(142)	(272)		(414)	3 401	1 510	(1 594)		16 741
Vehicle and asset finance	7 082	309	310	(619)		1 647	795	(1 767)		7 757
Stage 1	973		(8)	(301)	(309)	(276)				388
Stage 2	1 591	8		(318)	(310)	(250)				1 031
Stage 3 (including IIS)	4 518	301	318		619	2 173	795	(1 767)		6 338
Card and payments	4 683	(202)	222	(20)		1 542	361	(2 206)		4 380
Stage 1	661		217	(15)	202	(228)				635
Stage 2	1 002	(217)		(5)	(222)	130				910
Stage 3 (including IIS)	3 020	15	5		20	1 640	361	(2 206)		2 835
Personal unsecured lending	10 080	(1 136)	604	532		3 419	1 123	(6 236)	2	8 388
Stage 1	1 119		971	165	1 136	(1 238)				1 017
Stage 2	1 978	(971)		367	(604)	456			2	1 832
Stage 3 (including IIS)	6 983	(165)	(367)		(532)	4 201	1 123	(6 236)		5 539
Business lending and other	5 299	(261)	349	(88)		1 017	(198)	(1 001)		5 117
Stage 1	361		249	12	261	(258)				364
Stage 2	855	(249)		(100)	(349)	66				572
Stage 3 (including IIS)	4 083	(12)	100		88	1 209	(198)	(1 001)		4 181
Corporate	7 344	(25)	(874)	899		398	102	(1 501)	(161)	6 182
Stage 1	1 190		25		25	(49)			6	1 172
Stage 2	497	(25)		899	874	(999)			1	373
Stage 3 (including IIS)	5 657		(899)		(899)	1 446	102	(1 501)	(168)	4 637
Bank	115	(1)	1			187				302
Stage 1	56		1		1	197				254
Stage 2	59	(1)			(1)	(10)				48
Total	52 613	(2 108)	990	1 118		10 567	3 693	(14 305)	(159)	52 409
Stage 1	5 374		2 105	3	2 108	(2 939)			6	4 549
Stage 2	9 140	(2 105)		1 115	(990)	(564)			3	7 589
Stage 3 (including IIS)	38 099	(3)	(1 115)		(1 118)	14 070	3 693	(14 305)	(168)	40 271

[1] Restated. During 2025, it was identified that expected credit losses by each product and stage relating to the 1 January 2024 opening balances, and thus closing balances as at 31 December 2024, were erroneously allocated. In aggregate Stage 1 was understated by R715 million, Stage 2 understated by R427 million and Stage 3 overstated by R1 142 million. The restatement had no impact on the primary statements.

7. Loans and advances continued

7.1 Reconciliation of ECL for loans and advances measured at amortised cost continued

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

Changes in gross exposures relating to changes in ECL (group and company)

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

- The ECL on new exposures raised of R4.5 billion (2024: R4.8 billion) primarily relates to the growth in the gross carrying amount from new exposures originated of:
  - home services of R46 billion (2024: R41 billion[1])
  - vehicle and asset finance of R65 billion (2024: R40 billion[2])
  - personal unsecured lending of R9 billion (2024: R8 billion[1])
  - business lending and other of R23 billion (2024: R14 billion[1])
  - corporate and bank lending of R203 billion (2024: R178 billion[2])

[1] Restated. The 2024 gross carrying amount erroneously included certain exposures of R2 billion for home services, R43 billion for personal unsecured lending and R22 billion for business lending and other. The restatement had no impact on the group's primary statements.
[2] Restated. The 2024 gross carrying amount erroneously excluded certain exposures of R18 billion for vehicle and asset finance and R164 billion for corporate and bank lending. The restatement had no impact on the group's primary statements.

- The decrease in ECL due to impaired accounts written off of R14 billion (2024: R15 billion) resulted in an equal decrease to the gross carrying amount of loans and advances as exposures are fully 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.

2025

- home services with a gross carrying amount of R2.5 billion that was in stage 3 was transferred to stage 1
- home services with a gross carrying amount of R4.4 billion that was in stage 2 was transferred to stage 1
- home services with a gross carrying amount of R6.9 billion that was in stage 3 was transferred to stage 2
- vehicle and asset finance with a gross carrying amount of R2.1 billion that was in stage 1 was transferred to stage 3
- vehicle and asset finance with a gross carrying amount of R1.3 billion that was in stage 2 was transferred to stage 1
- vehicle and asset finance with a gross carrying amount of R1.2 billion that was in stage 2 was transferred to stage 3
- card and payments with a gross carrying amount of R1.1 billion that was in stage 2 was transferred to stage 1
- card and payments with a gross carrying amount of R0.9 billion that was in stage 2 was transferred to stage 3
- personal unsecured lending with a gross carrying amount of R2.2 billion that was in stage 2 was transferred to stage 1

2024#

- home services with a gross carrying amount of R15 billion that was in stage 2 was transferred to stage 1
- home services with a gross carrying amount of R1.0 billion that was in stage 3 was transferred to stage 1
- home services with a gross carrying amount of R6.1 billion that was in stage 3 was transferred to stage 2
- vehicle and asset finance with a gross carrying amount of R5.2 billion that was in stage 2 was transferred to stage 1
- vehicle and asset finance with a gross carrying amount of R1.9 billion that was in stage 2 was transferred to stage 3
- card and payments with a gross carrying amount of R1.5 billion that was in stage 2 was transferred to stage 1
- personal unsecured lending with a gross carrying amount of R2.3 billion that was in stage 2 was transferred to stage 1
- personal unsecured lending with a gross carrying amount of R0.2 billion that was in stage 3 was transferred to stage 1
- personal unsecured lending with a gross carrying amount of R1 billion that was in stage 3 was transferred to stage 2
- business lending and other with a gross carrying amount of R3.1 billion that was in stage 2 was transferred to stage 1
- business lending and other with a gross carrying amount of R0.1 billion that was in stage 3 was transferred to stage 1
- corporate with a gross carrying amount of R1.4 billion that was in stage 3 was transferred to stage 2

Restated. Amounts related to transfers between stages have been aligned to the above restatement of gross carrying amounts of new exposures.

7.2 Modifications on loans and advances measured at amortised cost

Group and company	Stage 2 Gross amortised cost before modification Rm	Stage 2 Net modification loss Rm	Stage 3 Gross amortised cost before modification Rm	Stage 3 Net modification loss Rm
2025				
Home services	**8 806**	**40**	**2 402**	**79**
Vehicle and asset finance	**982**	**57**	**698**	**156**
Card and payments	**717**	**45**	**444**	**96**
Personal unsecured lending	**1 520**	**243**	**1 022**	**151**
Total	**12 025**	**385**	**4 566**	**482**
2024				
Home services	6 840	73	3 038	134
Vehicle and asset finance	1 032	52	491	103
Card and payments	716	7		
Personal unsecured lending	768	35	809	124
Total	9 356	167	4 338	361

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 gross carrying amounts of R35 billion (2024: R34 billion).

8. Interests in associates, joint ventures and subsidiaries

	Group 2025 Rm	Group 2024 Rm	Company 2025 Rm	Company 2024 Rm
Interests in associates and joint ventures (note 8.1)	**714**	1 036	**714**	1 036
Investments in subsidiary companies (annexure A)			**9 108**	6 757
Total	**714**	1 036	**9 822**	7 793

8.1 Interests in associates and joint ventures

Group and company	2025 Rm	2024 Rm
Carrying value at the beginning of the year	**1 036**	1 193
Acquisitions	**221**	123
Disposals and derecognition[1]	**(424)**	
Distributions received	**(21)**	(3)
Amounts recognised in the income statement	**(98)**	(277)
Impairment of associates (note 33)[2]	**(86)**	(257)
Share of post-tax loss for the year	**(12)**	(20)
Carrying value at the end of the year	**714**	1 036

1 During 2025, equity accounted associates with a combined carrying value of R424 million were disposed of. The disposals arose from the dilution of the shareholding in one associate and the sale of another as it was no longer considered strategically aligned.

2 During 2025, a subset of the equity accounted associates with a total carrying value of R593 million was impaired by R86 million to the recoverable amount of R507 million, mainly due to volatile economic environments and operational factors that impacted the performance of this subset of entities. The recoverable amounts are based on the investments' fair value less costs of disposal and are 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 and company's headline earnings, refer to note 36.

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

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

9. Property, equipment and right of use assets

	Property		Equipment				Right of use asset[1]			
	Freehold Rm	Leasehold Rm	Computer equipment Rm	Motor vehicles Rm	Office equipment Rm	Furniture and fittings Rm	Buildings Rm	Branches Rm	ATM spacing and other Rm	Total Rm
Group										
Net book value – 1 January 2024	2 724	633	2 403	1 574	253	1 550	717	916	264	11 034
Cost	4 088	2 230	7 349	2 092	717	3 984	1 996	3 702	771	26 929
Accumulated depreciation and impairment	(1 364)	(1 597)	(4 946)	(518)	(464)	(2 434)	(1 279)	(2 786)	(507)	(15 895)
Movements	(42)	33	(290)	(29)	(11)	95	(26)	58	(19)	(231)
Additions and modifications[2]	90	237	759	410	53	425	257	627	108	2 966
Disposals and terminations	(1)	(5)	(54)	(195)	(8)	(28)	(6)	(55)	(7)	(359)
Impairment (note 33 and note 36)	(21)					(2)				(23)
Depreciation	(110)	(199)	(995)	(244)	(56)	(300)	(277)	(514)	(120)	(2 815)
Net book value – 31 December 2024	**2 682**	**666**	**2 113**	**1 545**	**242**	**1 641**	**691**	**974**	**245**	**10 799**
Cost	**4 141**	**2 017**	**7 110**	**2 155**	**671**	**3 632**	**2 073**	**4 057**	**848**	**26 704**
Accumulated depreciation and impairment	**(1 459)**	**(1 351)**	**(4 997)**	**(610)**	**(429)**	**(1 991)**	**(1 382)**	**(3 083)**	**(603)**	**(15 905)**
Movements	**(57)**	**(100)**	**158**	**18**	**17**	**407**	**(308)**	**26**	**(23)**	**138**
Additions and modifications[2]	**55**	**109**	**1 149**	**529**	**83**	**746**	**45**	**571**	**102**	**3 389**
Disposals and terminations	**(2)**	**(4)**	**(20)**	**(281)**	**(2)**	**(29)**	**(108)**	**(21)**	**(3)**	**(470)**
Depreciation	**(110)**	**(205)**	**(971)**	**(230)**	**(64)**	**(310)**	**(245)**	**(524)**	**(122)**	**(2 781)**
Net book value – 31 December 2025	**2 625**	**566**	**2 271**	**1 563**	**259**	**2 048**	**383**	**1 000**	**222**	**10 937**
Cost	**4 194**	**1 933**	**7 627**	**2 198**	**728**	**4 200**	**1 722**	**4 466**	**929**	**27 997**
Accumulated depreciation and impairment	**(1 569)**	**(1 367)**	**(5 356)**	**(635)**	**(469)**	**(2 152)**	**(1 339)**	**(3 466)**	**(707)**	**(17 060)**
Company										
Net book value – 1 January 2024	2 722	634	2 375	1 573	253	1 549	704	915	264	10 989
Cost	4 087	2 228	7 268	2 090	714	3 977	1 963	3 701	770	26 798
Accumulated depreciation	(1 365)	(1 594)	(4 893)	(517)	(461)	(2 428)	(1 259)	(2 786)	(506)	(15 809)
Movements	(42)	31	(288)	(28)	(11)	96	(25)	58	(19)	(228)
Additions and modifications[2]	90	233	745	410	53	425	255	627	108	2 946
Disposals and terminations	(1)	(4)	(50)	(194)	(8)	(28)	(6)	(55)	(7)	(353)
Impairment (note 33 and note 36)	(21)					(2)				(23)
Depreciation	(110)	(198)	(983)	(244)	(56)	(299)	(274)	(514)	(120)	(2 798)
Net book value – 31 December 2024	**2 680**	**665**	**2 086**	**1 545**	**242**	**1 640**	**679**	**973**	**245**	**10 755**
Cost	**4 139**	**2 014**	**7 017**	**2 154**	**668**	**3 626**	**2 038**	**4 057**	**848**	**26 561**
Accumulated depreciation and impairment	**(1 459)**	**(1 349)**	**(4 931)**	**(609)**	**(426)**	**(1 986)**	**(1 359)**	**(3 084)**	**(603)**	**(15 806)**
Movements	**(57)**	**(99)**	**157**	**18**	**16**	**408**	**(306)**	**27**	**(23)**	**141**
Additions and modifications[2]	**55**	**109**	**1 135**	**529**	**81**	**746**	**43**	**570**	**101**	**3 369**
Disposals and terminations	**(2)**	**(4)**	**(20)**	**(281)**	**(1)**	**(28)**	**(108)**	**(19)**	**(2)**	**(465)**
Depreciation	**(110)**	**(204)**	**(958)**	**(230)**	**(64)**	**(310)**	**(241)**	**(524)**	**(122)**	**(2 763)**
Net book value – 31 December 2025	**2 623**	**566**	**2 243**	**1 563**	**258**	**2 048**	**373**	**1 000**	**222**	**10 896**
Cost	**4 191**	**1 931**	**7 532**	**2 197**	**725**	**4 195**	**1 685**	**4 466**	**929**	**27 851**
Accumulated depreciation and impairment	**(1 568)**	**(1 365)**	**(5 289)**	**(634)**	**(467)**	**(2 147)**	**(1 312)**	**(3 466)**	**(707)**	**(16 955)**

[1] Refer to note 14.2 for more detail relating to leasing activities.
[2] Included are modifications that relate to right of use assets for group of R550 million (2024: R890 million) and additions to property, equipment and right of use assets of R2 839 million (2024: R2 072 million) and modifications which relate to right of use assets for company of R550 million (2024: R888 million) and additions to property, equipment and right of use assets of R2 819 million (2024: R2 091 million).

Property and equipment includes work in progress for group and company of R1 102 million (2024: R845 million) for which depreciation has not yet commenced. Refer to note 22.2 for details regarding capital commitments.

A register of freehold land and buildings is available for inspection at the company's registered office.

9. Property, equipment and right of use assets continued

9.1 Valuation

The fair value of one completed freehold property was determined by comparing it to similar properties within the group. The remaining properties were valued by professionals registered under the Valuers Act 23 of 1982, for the period 2022 to 2025. The estimated value is R5.2 billion (2024: R5.8 billion) for group and company. The previous valuation covered the period from 2021 to 2024.

9.2 Motor vehicles under operating leases future undiscounted lease instalments

Group and company	Within first year Rm	Within second year Rm	Within third year Rm	Within fourth year Rm	Within fifth year Rm	After fifth year Rm	Total Rm
2025							
Motor vehicles	**259**	**312**	**324**	**308**	**118**	**243**	**1 564**
2024							
Motor vehicles	244	291	334	255	320	92	1 536

10. Goodwill and other intangible assets

	Goodwill Rm	Computer software[1] Rm	Total Rm
Group			
Net book value – 1 January 2024	48	7 896	7 944
Cost	59	34 838	34 897
Accumulated amortisation and impairment	(11)	(26 942)	(26 953)
Movements	(6)	(1 202)	(1 208)
Additions		1 020	1 020
Disposals		(96)	(96)
Amortisation		(1 972)	(1 972)
Impairments (note 33)	(6)	(154)	(160)
Net book value – 31 December 2024	**42**	**6 693**	**6 735**
Cost	**48**	**35 673**	**35 721**
Accumulated amortisation and impairment	**(6)**	**(28 980)**	**(28 986)**
Movements		**(1 174)**	**(1 174)**
Additions		**594**	**594**
Disposals		**(81)**	**(81)**
Amortisation		**(1 674)**	**(1 674)**
Impairments (note 33)		**(13)**	**(13)**
Net book value – 31 December 2025	**42**	**5 519**	**5 561**
Cost	**48**	**34 880**	**34 928**
Accumulated amortisation and impairment	**(6)**	**(29 361)**	**(29 367)**
Company			
Net book value – 1 January 2024		7 806	7 806
Cost		34 663	34 663
Accumulated amortisation and impairment		(26 857)	(26 857)
Movements		(1 178)	(1 178)
Additions		1 012	1 012
Disposals		(82)	(82)
Amortisation		(1 954)	(1 954)
Impairments (note 33)		(154)	(154)
Net book value – 31 December 2024		**6 628**	**6 628**
Cost		**35 514**	**35 514**
Accumulated amortisation and impairment		**(28 886)**	**(28 886)**
Movements		**(1 164)**	**(1 164)**
Additions		**585**	**585**
Disposals		**(81)**	**(81)**
Amortisation		**(1 655)**	**(1 655)**
Impairments (note 33)		**(13)**	**(13)**
Net book value – 31 December 2025		**5 464**	**5 464**
Cost		**34 716**	**34 716**
Accumulated amortisation and impairment		**(29 252)**	**(29 252)**

[1] Materially comprises of the SA Core Banking system with a net book value of R3 634 million (2024: R4 439 million). During the year, management revised the remaining useful life to six years and seven months (previously three years and seven months) following an updated assessment of the additional economic benefits expected from continued use of the asset. This resulted in a net decrease of R339 million in amortisation in the current period.

During 2025, R95 million (2024: R190 million) of borrowing costs were capitalised by the group and company. Borrowing costs are capitalised using an average rate of 7.9% (2024: 11.7%). Intangible assets includes work in progress for group and company of R2 125 million (2024: R2 352 million) for which amortisation has not yet commenced.

10. Goodwill and other intangible assets continued

10.1 Goodwill composition

	2025			2024		
	Gross Rm	**Accumulated impairment Rm**	**Net Rm**	Gross Rm	Accumulated impairment Rm	Net Rm
Group						
Ecentric Payment Systems Proprietary Limited	**36**		**36**	36		36
Greystone Technologies Proprietary Limited	**6**		**6**	6		6
FiredID Payments Proprietary Limited	**6**	**(6)**		6	(6)	
Total	**48**	**(6)**	**42**	48	(6)	42

10.2 Impairment of computer software

2025

During 2025, an annual impairment assessment was performed on the EasyScan asset in Personal & Private Banking (PPB). This assessment indicated that EasyScan was no longer considered suitable to meet the evolving needs of the business or to deliver the level of economic benefits originally anticipated. Consequently, the asset was written off, resulting in the recognition of an impairment loss of R13 million for the reporting period, bringing the carrying amount to Rnil.

2024

During 2024, an annual impairment assessment was performed on the SAP Core Banking system in 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 to the reporting period, bringing the carrying amount to Rnil.

11. Deferred tax

11.1 Deferred tax analysis

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Assessed losses	**11**	45	**6**	43
Leased assets included in loans and advances	**(3)**	1	**(3)**	1
Right of use assets	**(433)**	(512)	**(431)**	(512)
Lease liability	**509**	603	**505**	602
Depreciation	**(225)**	(227)	**(220)**	(226)
Other derivatives and financial instruments[1]	**(60)**	(102)	**(60)**	(102)
Fair value adjustments on financial instruments	**(1 309)**	(499)	**(1 309)**	(499)
Impairment charges on loans and advances	**3 828**	4 031	**3 815**	4 018
Deferred income	**579**	420	**579**	420
Share-based payments	**1 208**	1 072	**1 208**	1 072
Provisions and other differences	**521**	786	**496**	768
Deferred tax closing balance	**4 626**	5 618	**4 586**	5 585
Deferred tax asset	**4 631**	5 630	**4 586**	5 585
Deferred tax liability	**(5)**	(12)		

[1] Derivatives other than those defined in section 24JB of the Income Tax Act of 1962 of South Africa.

11.2 Deferred tax reconciliation

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Deferred tax at the beginning of the year	**5 618**	5 766	**5 585**	5 737
Prior year tax adjustment	**(127)**	(82)	**(137)**	(92)
Assessed losses	**(11)**	9	**(11)**	9
Leased assets included in loans and advances		(2)		
Right of use asset and lease liability	**3**			
Depreciation	**(121)**	48	**(107)**	34
Other derivatives and financial instruments		(3)		(3)
Fair value adjustments of financial instruments		4		4
Impairment charges on loans and advances	**(44)**	(78)	**(44)**	(78)
Deferred income	**53**	(356)	**53**	(356)
Share-based payments	**2**	(98)		(96)
Other differences	**(9)**	394	**(28)**	394
Total temporary differences for the year	**(865)**	(66)	**(862)**	(60)
Assessed losses	**(23)**	4	**(26)**	3
Leased assets included in loans and advances	**(4)**	41	**(4)**	41
Right of use asset	**82**	(4)	**81**	(4)
Lease liability	**(100)**	14	**(97)**	13
Depreciation	**123**	333	**113**	333
Other derivatives and financial instruments	**42**	(117)	**42**	(117)
Fair value adjustments of financial instruments	**(810)**	(101)	**(810)**	(101)
Impairment charges on loans and advances	**(159)**	(156)	**(159)**	(155)
Deferred income	**106**	40	**106**	40
Share-based payments	**134**	(13)	**136**	(12)
Other differences	**(256)**	(107)	**(244)**	(101)
Deferred tax at the end of the year	**4 626**	5 618	**4 586**	5 585
Temporary differences for the year comprise				
Recognised in profit or loss	**(187)**	118	**(194)**	114
Recognised in OCI (note 34)	**(806)**	(266)	**(806)**	(266)
Total	**(993)**	(148)	**(1 000)**	(152)

12. Share capital, share premium and other equity instruments

12.1 Share capital

Authorised

Group and company	2025 Rm	2024 Rm
80 000 000 ordinary shares (2024: 80 000 000)	**80**	80
1 000 000 000 preference shares (2024: 1 000 000 000)	**10**	10
Total	**90**	90

Ordinary shares consist of shares of R1 each. Preference shares consist of non-redeemable, non-cumulative, non-participating preference shares of R0,01 each.

Issued

Group and company	2025 Rm	2024 Rm
59 997 136 ordinary shares (2024: 59 997 136)	**60**	60

No ordinary shares were issued during 2025 or 2024.

Unissued shares

Group and company	2025 Rm	2024 Rm
20 002 864 ordinary shares (2024: 20 002 864)	**20**	20
1 000 000 000 preference shares (2024: 1 000 000 000)	**10**	10
Total	**30**	30

The unissued ordinary shares and preference shares are under the general authority of the directors, whose authority expires at the annual general meeting to be held on 21 May 2026.

12.2 Ordinary share premium

Group and company	2025 Rm	2024 Rm
Share premium on issue of shares	**49 253**	49 253

The share premium consists of capital investments into SBSA from its holding company, SBG, to ensure that SBSA continues to comply with regulatory requirements.

12.3 Other equity instruments

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
AT1 capital loans (note 12.3.1)	**22 364**	18 222	**22 364**	18 222
Equity attributable to non-controlling interests within SBG	**(302)**	(305)		
Total	**22 062**	17 917	**22 364**	18 222

12.3.1 Additional tier 1 capital and capital attributed to non-controlling interests

Bond	Date issued	Redeemable/ callable date	Interest rate	Notional and carrying value 2025 Rm	2024 Rm
Group and company					
SBT 104	29 September 2020	30 September 2025	Three month Jibar + 452 bps		1 539
SBT 105	29 March 2021	31 March 2026	Three month Jibar + 423 bps	**1 800**	1 800
SBT 106	12 October 2021	31 December 2026	Three month Jibar + 391 bps	**1 724**	1 724
SBT 107	7 April 2022	8 April 2027	Three month Jibar + 379 bps	**1 559**	1 559
SBT 108	12 July 2022	13 July 2027	Three month Jibar + 370 bps	**2 000**	2 000
SBT 109	28 November 2022	31 December 2027	Three month Jibar + 350 bps	**3 600**	3 600
SBT 110	6 June 2023	30 June 2028	Three month Jibar + 338 bps	**2 500**	2 500
SBT 111	16 November 2023	31 December 2028	Three month Jibar + 290 bps	**2 000**	2 000
SBT 112	23 May 2024	30 June 2029	Three month Jibar + 290 bps	**1 500**	1 500
SBT 113	13 February 2025	31 March 2030	Three month Jibar + 265 bps	**1 533**	
SBT 114	13 June 2025	30 June 2031	Three month Jibar + 260 bps	**2 648**	
SBT 115	13 November 2025	31 December 2030	Three month Jibar + 229 bps	**1 500**	
Total				**22 364**	18 222

During 2025, Basel III compliant AT1 capital bonds amounting to R5.7 billion (2024: R1.5 billion) were issued and R1.5 billion (2024: R1.9 billion) were redeemed. The AT1 capital bonds are perpetual, non-cumulative with an issuer call option after a minimum period of five years and on every coupon payment date thereafter, subject to regulatory approval.

The terms of the capital bonds include optional and mandatory interest non-payment provisions as well as loss absorption (write-off provisions) in whole or in part as required by the capital rules specified by the Prudential Authority, which rules are aligned with the Basel III requirements.

Since the AT1 capital bonds do not have a contractual obligation to pay cash, they have been recognised within equity attributable to other equity instrument holders in the statement of financial position. During 2025, coupons to the value of R2 266 million (2024: R2 205 million) were paid to the bondholders, net of current tax of R612 million (2024: R595 million) relating to the coupons, resulting in an aggregate net equity impact of R1 654 million (2024: R1 610 million).

13. Trading liabilities

Group and company	2025 Rm	2024 Restated[1] Rm
Collateral	**17 997**	58 071
Credit-linked notes[1]	**6 547**	2 943
Government, municipality and utility bonds	**2 597**	4 329
Equities	**1 110**	475
Repurchase and other collateralised agreements	**32 780**	28 858
Unlisted equities and other instruments	**6 222**	3 641
Total	**67 253**	98 317

[1] Restated. Refer to page 23 for further detail.

14. Provisions and other liabilities

	Group		Company	
	2025 Rm	2024[1] Rm	2025 Rm	2024[1] Rm
Financial liabilities	**19 249**	13 389	**18 552**	12 675
ECL for off-balance sheet exposures (note 14.1)	**327**	296	**326**	296
Lease liabilities (note 14.2)	**1 886**	2 255	**1 870**	2 234
Trading settlement liabilities	**3 072**	2 457	**3 072**	2 460
Accounts payable	**9 739**	4 938	**9 695**	4 897
Other financial liabilities[1]	**4 225**	3 443	**3 589**	2 788
Non-financial liabilities	**17 997**	18 214	**17 568**	17 797
Other non-financial liabilities[1]	**4 127**	5 954	**3 772**	5 600
Equity-linked transactions (annexure D)	**4 473**	3 971	**4 473**	3 971
Post-employment benefits (note 40.2)	**412**	413	**412**	413
Staff-related accruals	**8 985**	7 876	**8 911**	7 813
Total	**37 246**	31 603	**36 120**	30 472

[1] Restated. During 2025, it was identified that staff related liabilities were erroneously included in financial liabilities. Amounts of R3 413 million for group and R3 411 million for company, were reallocated to non-financial liabilities for 31 December 2024 to align the nature of the liabilities. The reallocation had no impact on the group or company's total provisions and other liabilities, nor on the statement of financial position.

14.1 Reconciliation of ECL for off-balance sheet exposures

Letters of credit, bank acceptances and guarantees

Group and company	Opening balance Rm	Net ECL raised/ (released) Rm	Exchange and other movements Rm	Closing balance Rm
2025				
Stage 1	**161**	**140**	**(20)**	**281**
Stage 2	**107**	**(81)**	**(6)**	**20**
Stage 3	**28**	**(2)**		**26**
Total	**296**	**57**	**(26)**	**327**
2024				
Stage 1	121	38	2	161
Stage 2	115	(13)	5	107
Stage 3	28			28
Total	264	25	7	296

14.2 Reconciliation of lease liabilities

	Balance at 1 January 2025 Rm	Additions and modifications Rm	Terminations and cancellations Rm	Interest expense Rm	Payments[1] Rm	Balance at 31 December 2025 Rm
Group						
Buildings	**1 055**	**49**	**(148)**	**57**	**(370)**	**643**
Branches	**1 060**	**601**	**(20)**	**87**	**(631)**	**1 097**
ATM spacing and other	**140**	**99**	**(3)**	**15**	**(105)**	**146**
Total	**2 255**	**749**	**(171)**	**159**	**(1 106)**	**1 886**
Company						
Buildings	**1 042**	**49**	**(148)**	**55**	**(363)**	**635**
Branches	**1 063**	**601**	**(20)**	**87**	**(631)**	**1 100**
ATM spacing and other	**129**	**99**	**(3)**	**15**	**(105)**	**135**
Total	**2 234**	**749**	**(171)**	**157**	**(1 099)**	**1 870**

	Balance at 1 January 2024 Rm	Additions and modifications Rm	Terminations and cancellations Rm	Interest expense Rm	Payments[1] Rm	Balance at 31 December 2024 Rm
Group						
Buildings	1 088	292	(13)	61	(373)	1 055
Branches	1 000	659	(57)	84	(626)	1 060
ATM spacing and other	129	108	(8)	13	(102)	140
Total	2 217	1 059	(78)	158	(1 101)	2 255
Company						
Buildings	1 067	291	(6)	59	(369)	1 042
Branches	1 000	662	(57)	84	(626)	1 063
ATM spacing and other	120	106	(8)	13	(102)	129
Total	2 187	1 059	(71)	156	(1 097)	2 234

[1] These amounts include the principal lease repayments as disclosed in the statements of cash flows of R947 million (2024: R943 million) for the group and R942 million (2024: R941 million) for company. 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 2025 primarily comprise of modifications of various branch and ATM space leases.

Group maturity analysis for the undiscounted lease liability: R987 million within one year (2024: R1 046 million) and R1 199 million within one to five years (2024: R1 448 million). Company maturity analysis for the lease liability: R979 million within one year (2024: R1 038 million) and R1 189 million within one to five years (2024: R1 431 million).

15. Deposits and debt funding

	Group		Company	
	2025 Rm	2024 Restated[1] Rm	2025 Rm	2024 Restated[1] Rm
Deposits and debt funding from banks	**294 472**	226 672	**294 495**	226 696
Deposits and debt funding from customers	**1 653 124**	1 493 606	**1 654 979**	1 495 297
Call deposits	**436 512**	410 921	**436 512**	410 921
Card creditors	**1 748**	1 705	**1 642**	1 612
Cash management deposits	**303 536**	259 034	**303 536**	259 034
Current accounts	**156 702**	150 577	**157 424**	151 198
Foreign currency funding	**83 218**	77 150	**83 210**	77 164
Negotiable certificates of deposit	**153 850**	167 286	**153 850**	167 286
Savings accounts	**20 859**	19 799	**20 860**	19 799
Term deposits[1]	**414 826**	381 673	**414 826**	381 660
Treasury priced deposits	**65 117**	14 626	**66 356**	15 780
Other funding	**16 756**	10 835	**16 763**	10 843
Total	**1 947 596**	1 720 278	**1 949 474**	1 721 993

[1] Restated. Refer to page 23 for further detail.

16. Subordinated debt

Group and company	Redeemable/ repayable date	Callable date	Notional value[1] Millions	Carrying value[1] 2025 Rm	2024 Rm
Unsecured, subordinated, redeemable tier 2 bonds[2, 3]					
SBT206	31 January 2030	31 January 2025	**ZAR2 000**		2 035
SBT207	25 June 2030	25 June 2025	**ZAR3 500**		3 505
SBT208	28 November 2030	28 November 2025	**ZAR1 500**		1 515
SBT209	29 June 2031	29 June 2026	**ZAR1 722**	**1 723**	1 723
SBT210	18 October 2033	18 October 2028	**ZAR3 639**	**3 656**	3 713
SBT211	26 April 2035	26 April 2030	**ZAR2 000**	**2 031**	
SBT212	12 August 2035	12 August 2030	**ZAR2 290**	**2 317**	
SBT213	22 October 2035	22 October 2030	**ZAR2 000**	**2 034**	
SST201	8 December 2031	8 December 2026	**ZAR1 444**	**1 448**	1 453
SST202	31 August 2032	31 August 2027	**ZAR1 639**	**1 651**	1 652
SST203	3 March 2033	3 March 2028	**ZAR2 000**	**2 014**	2 015
SST204	20 March 2034	3 March 2029	**ZAR1 512**	**1 514**	1 517
SST205	10 December 2034	10 March 2030	**ZAR3 600**	**3 618**	3 620
Tier 2 subordinated loan	25 September 2034	26 March 2029	**USD300**	**5 001**	5 646
Total				**27 007**	28 394

1 The difference between the carrying and notional value represents 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.
3 SBSA on a reciprocal basis entered into subordinated tier 2 capital lending agreements with SBG under identical terms.

17. Classification of assets and liabilities

Accounting classifications and fair values of assets and liabilities

The tables that follow set out the group and company classification of assets and liabilities, and their fair values.

2025	Note	FVTPL Held-for-trading Rm	FVTPL Designated at fair value Rm	FVTPL Default Rm	FVOCI Debt instruments Rm	FVOCI Equity instruments Rm	Total fair value Rm	Amortised cost[1] Rm	Other non-financial assets and liabilities Rm	Total carrying amount Rm	Fair value[2] Rm
Group											
Assets											
Cash and balances with the central bank	1			60 502			60 502			60 502	60 502
Derivative assets	2	80 079					80 079			80 079	80 079
Trading assets	3	437 773					437 773			437 773	437 773
Pledged assets	4	13 871			2 696		16 567	10 669		27 236	27 236
Financial investments	5			4 249	2 338	394	6 981	179 990		186 971	191 165
Other financial assets[3]	6							14 872		14 872	
Loans and advances	7			1 130	4 832		5 962	1 482 620		1 488 582	1 494 252
Other non-financial assets									32 772	32 772	
Total assets		**531 723**		**65 881**	**9 866**	**394**	**607 864**	**1 688 151**	**32 772**	**2 328 787**	
Liabilities											
Derivative liabilities	2	86 306					86 306			86 306	86 306
Trading liabilities	13	67 253					67 253			67 253	67 253
Other financial liabilities[3]	14							19 249		19 249	
Deposits and debt funding	15		1 320				1 320	1 946 276		1 947 596	1 943 173
Subordinated debt	16							27 007		27 007	27 007
Other non-financial liabilities									23 928	23 928	
Total liabilities		**153 559**	**1 320**				**154 879**	**1 992 532**	**23 928**	**2 171 339**	
Company											
Assets											
Cash and balances with the central bank	1			60 502			60 502			60 502	60 502
Derivative assets	2	80 011					80 011			80 011	80 011
Trading assets	3	428 049					428 049			428 049	428 049
Pledged assets	4	13 871			2 696		16 567	10 669		27 236	27 236
Financial investments	5			4 176	2 338	394	6 908	180 023		186 931	191 125
Other financial assets[3]	6							14 806		14 806	
Loans and advances	7			1 130	4 832		5 962	1 482 303		1 488 265	1 493 935
Other non-financial assets									41 761	41 761	
Total assets		**521 931**		**65 808**	**9 866**	**394**	**597 999**	**1 687 801**	**41 761**	**2 327 561**	
Liabilities											
Derivative liabilities	2	85 857					85 857			85 857	85 857
Trading liabilities	13	67 253					67 253			67 253	67 253
Other financial liabilities[3]	14							18 552		18 552	
Deposits and debt funding	15		1 320				1 320	1 948 154		1 949 474	1 945 051
Subordinated debt	16							27 007		27 007	27 007
Other non-financial liabilities									23 519	23 519	
Total liabilities		**153 110**	**1 320**				**154 430**	**1 993 713**	**23 519**	**2 171 662**	

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 instruments. 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 approximates their carrying value due to their short-term nature. Refer to note 6 for detail on the depositor insurance scheme included in receivable and other assets.

17. Classification of assets and liabilities continued

Accounting classifications and fair values of assets and liabilities continued

2024 Restated[1]	Note	FVTPL Held-for-trading Rm	FVTPL Designated at fair value Rm	FVTPL Default Rm	FVOCI Debt instruments Rm	FVOCI Equity instruments Rm	Total fair value Rm	Amortised cost[2] Rm	Other non-financial assets and liabilities Rm	Total carrying amount Rm	Fair value[3] Rm
Group											
Assets											
Cash and balances with central bank	1			61 791			61 791			61 791	61 791
Derivative assets[1]	2	58 261					58 261			58 261	58 261
Trading assets[1]	3	375 248					375 248			375 248	375 248
Pledged assets[4]	4	2 743			3 397		6 140	964		7 104	7 104
Financial investments	5		10 565	3 064	2 754	604	16 987	144 958		161 945	163 521
Other financial assets[5]	6							12 195		12 195	
Loans and advances	7			823			823	1 384 391		1 385 214	1 388 379
Other non-financial assets									32 964	32 964	
Total assets		436 252	10 565	65 678	6 151	604	519 250	1 542 508	32 964	2 094 722	
Liabilities											
Derivative liabilities[1]	2	69 027					69 027			69 027	69 027
Trading liabilities[1]	13	98 317					98 317			98 317	98 317
Other financial liabilities[5]	14							13 389		13 389	
Deposits and debt funding[1]	15		1 512				1 512	1 718 766		1 720 278	1 718 890
Subordinated debt	16							28 394		28 394	28 394
Other non-financial liabilities									23 498	23 498	
Total liabilities		167 344	1 512				168 856	1 760 549	23 498	1 952 903	
Company											
Assets											
Cash and balances with central bank	1			61 791			61 791			61 791	69 023
Derivative assets[1]	2	57 334					57 334			57 334	57 334
Trading assets[1]	3	369 769					369 769			369 769	369 769
Pledged assets[4]	4	2 743			3 397		6 140	964		7 104	7 104
Financial investments	5		10 566	2 998	2 754	604	16 922	144 991		161 913	163 489
Other financial assets[5]	6							12 064		12 064	
Loans and advances	7			823			823	1 383 044		1 383 867	1 387 036
Other non-financial assets									39 589	39 589	
Total assets		429 846	10 566	65 612	6 151	604	512 779	1 541 063	39 589	2 093 431	
Liabilities											
Derivative liabilities[1]	2	68 239					68 239			68 239	68 239
Trading liabilities[1]	13	98 317					98 317			98 317	98 317
Other financial liabilities[5]	14							12 675		12 675	
Deposits and debt funding [1]	15		1 512				1 512	1 720 481		1 721 993	1 720 605
Subordinated debt	16							28 394		28 394	28 394
Other non-financial liabilities									23 079	23 079	
Total liabilities		166 556	1 512				168 068	1 761 550	23 079	1 952 697	

1 Restated. The restatement noted on page 23 had the following impact on the above: derivative assets has decreased by R600 million, trading assets has increased by R468 million deposits and debt funding has increased by R3 449 million and trading liabilities has increased by R956 million and derivative liabilities has decreased by R4 545 million.
2 Includes financial assets and financial liabilities for which the carrying value has been adjusted for changes in fair value due to designated hedged risks.
3 Carrying value has been used where it closely approximates fair values, excluding non-financial instruments. 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 During 2025, it was identified that certain pledged assets were incorrectly classified as held for trading instead of FVOCI of R3 397 million and amortised cost of R219 million. This reclassification had no impact on the group or company statement of financial position.
5 The fair value of other financial assets and liabilities approximates their carrying value due to their short-term nature. Refer to note 6 for detail on the depositor insurance scheme included in receivable and other assets.

18. Assets and liabilities at fair value

18.1 Financial assets and liabilities measured at fair value on a recurring basis[2]

	2025				2024 Restated[1]			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Group								
Financial assets								
Cash and balances with the central bank	**60 502**			**60 502**	61 791			61 791
Derivative assets[1]	**279**	**77 422**	**2 378**	**80 079**	1 079	56 026	1 156	58 261
Trading assets[1]	**205 540**	**147 590**	**84 643**	**437 773**	152 554	153 357	69 337	375 248
Pledged assets[3]	**9 769**	**6 798**		**16 567**	1 769	4 371		6 140
Financial investments	**267**	**2 975**	**3 739**	**6 981**	10 566	2 851	3 570	16 987
Loans and advances			**5 962**	**5 962**			823	823
Total	**276 357**	**234 785**	**96 722**	**607 864**	227 759	216 605	74 886	519 250
Financial liabilities								
Derivative liabilities[1]	**701**	**80 200**	**5 405**	**86 306**	947	60 458	7 622	69 027
Trading liabilities[1]	**6 048**	**57 891**	**3 314**	**67 253**	2 454	95 565	298	98 317
Deposits and debt funding		**1 120**	**200**	**1 320**		1 512		1 512
Total	**6 749**	**139 211**	**8 919**	**154 879**	3 401	157 535	7 920	168 856
Company								
Financial assets								
Cash and balances with the central bank	**60 502**			**60 502**	61 791			61 791
Derivative assets[1]	**212**	**77 421**	**2 378**	**80 011**	148	55 969	1 217	57 334
Trading assets[1]	**195 816**	**147 590**	**84 643**	**428 049**	147 075	153 357	69 337	369 769
Pledged assets	**9 769**	**6 798**		**16 567**	1 769	4 371		6 140
Financial investments	**267**	**2 974**	**3 667**	**6 908**	10 565	2 851	3 506	16 922
Loans and advances			**5 962**	**5 962**			823	823
Total	**266 566**	**234 783**	**96 650**	**597 999**	221 348	216 548	74 883	512 779
Financial liabilities								
Derivative liabilities[1]	**252**	**80 200**	**5 405**	**85 857**	160	60 457	7 622	68 239
Trading liabilities[1]	**6 048**	**57 891**	**3 314**	**67 253**	2 454	95 565	298	98 317
Deposits and debt funding		**1 120**	**200**	**1 320**		1 512		1 512
Total	**6 300**	**139 211**	**8 919**	**154 430**	2 614	157 534	7 920	168 068

[1] Restated. Refer to page 23 for further detail.
[2] Recurring fair value measurements of assets or liabilities are those assets and liabilities that IFRS requires or permits to be carried at fair value in the statement of financial position at the end of each reporting period.
[3] Restated.During 2025, it was discovered that pledged assets was erroneously all presented in level 1. The presentation has been restated accordingly. This restatement had no impact on the group or company's statements of financial position.

Assets and liabilities transferred between level 1 and level 2

During the current and prior year, no assets or liabilities were transferred between level 1 and level 2.

18.1.1 Reconciliation of level 3 financial assets measured at fair value on a recurring basis

The table below sets out the reconciliation of financial assets that are measured at fair value based on inputs that are not based on observable market data (level 3):

	Derivative assets[1] Rm	Trading assets Rm	Financial investments Rm	Loans and advances Rm	Total Rm
Group					
Balance at 1 January 2024	1 007	21 869	3 397	715	26 988
Total gains/(losses) included in profit or loss	149	2 666	206	(78)	2 943
Trading revenue	149	2 666			2 815
Other revenue			206	(78)	128
Total losses included in OCI			(54)		(54)
Originations and purchases[1]	192	64 829	1 386	2 277	68 684
Sales and settlements	(263)	(21 176)	(1 365)	(2 091)	(24 895)
Transfers into level 3[1,2]	71	1 470			1 541
Transfers out of level 3[3]		(321)			(321)
Balance at 31 December 2024 – Restated[1]	1 156	69 337	3 570	823	74 886
Balance at 1 January 2025	**1 156**	**69 337**	**3 570**	**823**	**74 886**
Total gains included in profit or loss	**45**	**718**	**41**	**367**	**1 171**
Trading revenue	**45**	**718**			**763**
Other revenue			**41**	**367**	**408**
Total losses included in OCI			**(111)**		**(111)**
Originations and purchases	**1 938**	**29 260**	**1 504**	**7 999**	**40 701**
Sales and settlements	**(236)**	**(13 403)**	**(1 265)**	**(3 227)**	**(18 131)**
Transfers into level 3[2]		**273**			**273**
Transfers out of level 3[3]	**(525)**	**(1 542)**			**(2 067)**
Balance at 31 December 2025	**2 378**	**84 643**	**3 739**	**5 962**	**96 722**

	Derivative assets[1] Rm	Trading assets Rm	Financial investments Rm	Loans and advances Rm	Total Rm
Company					
Balance at 1 January 2024	1 007	21 869	3 397	573	26 846
Total gains/(losses) included in profit or loss	149	2 666	215	64	3 094
Trading revenue	149	2 666			2 815
Other revenue			215	64	279
Total losses included in OCI			(54)		(54)
Originations and purchases[1]	192	64 829	1 313	2 277	68 611
Sales and settlements	(202)	(21 176)	(1 365)	(2 091)	(24 834)
Transfers into level 3[1,2]	71	1 470			1 541
Transfers out of level 3[3]		(321)			(321)
Balance at 31 December 2024 – Restated[1]	1 217	69 337	3 506	823	74 883
Balance at 1 January 2025	**1 217**	**69 337**	**3 506**	**823**	**74 883**
Total gains included in profit or loss	**45**	**718**	**33**	**367**	**1 163**
Trading revenue	**45**	**718**			**763**
Other revenue			**33**	**367**	**400**
Total losses included in OCI			**(111)**		**(111)**
Originations and purchases	**1 938**	**29 260**	**1 504**	**7 999**	**40 701**
Sales and settlements	**(297)**	**(13 403)**	**(1 265)**	**(3 227)**	**(18 192)**
Transfers into level 3[2]		**273**			**273**
Transfers out of level 3[3]	**(525)**	**(1 542)**			**(2 067)**
Balance at 31 December 2025	**2 378**	**84 643**	**3 667**	**5 962**	**96 650**

1 Restated. Refer to page 23 for further detail.
2 The valuation inputs of certain financial assets became unobservable during the year. The fair value of these financial assets was transferred into level 3.
3 The valuation inputs of certain level 3 financial assets became observable during the year. The fair value of these financial assets was transferred into level 2.

18. Assets and liabilities at fair value continued

18.1 Financial assets and liabilities measured at fair value on a recurring basis continued

18.1.2 Reconciliation of level 3 financial liabilities measured at fair value on a recurring basis

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

Group and company	Derivative liabilities[1] Rm	Trading liabilities Rm	Deposits and debt funding Rm	Total Rm
Balance at 1 January 2024	6 986	1 533		8 519
Trading revenue in profit or loss	634	93		727
Issuances[1]	347			347
Sales and settlements	(302)	(1 345)		(1 647)
Transfers into level 3[1,2]	24	17		41
Transfers out of level 3[3]	(247)			(247)
Exchange and other movements	180			180
Balance at 31 December 2024 – Restated	7 622	298		7 920
Balance at 1 January 2025	**7 622**	**298**		**7 920**
Trading revenue in profit or loss	**(2 418)**	**96**		**(2 322)**
Issuances	**2 208**	**1 942**	**200**	**4 350**
Sales and settlements	**(1 690)**			**(1 690)**
Transfers into level 3[2]		**984**		**984**
Transfers out of level 3[3]	**(317)**	**(6)**		**(323)**
Balance at 31 December 2025	**5 405**	**3 314**	**200**	**8 919**

1 Restated. Refer to page 23 for further detail.
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.
3 The valuation inputs of certain level 3 financial liabilities became observable during the year. The fair value of these financial liabilities was transferred into level 2.

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

Group and company	Derivative assets Rm	Trading assets Rm	Financial investments Rm	Loans and advances Rm	Total Rm
2025					
Trading revenue	**40**	**704**			**744**
Other revenue			**(182)**	**361**	**179**
Total	**40**	**704**	**(182)**	**361**	**923**
2024					
Trading revenue	149	2 653			2 802
Other revenue			197	289	486
Total	149	2 653	197	289	3 288

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

Group and company	Derivative liabilities Rm	Trading liabilities Rm	Total Rm
2025			
Trading revenue	**(2 347)**	**104**	**(2 243)**
2024			
Trading revenue	673	14	687

18.1.5 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 valuation techniques and main assumptions 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 reasonable 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 multiples) 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 significant unobservable inputs applied in the valuation of financial assets and liabilities, refer to annexure F — accounting policy 4.

Group and company	Change in significant unobservable input	Effect on profit or loss Favourable Rm	Effect on profit or loss (Unfavourable) Rm
2025			
Derivative assets and liabilities	**From (1%) to 1%**	**87**	**(87)**
Financial investments	**From (1%) to 1%**	**28**	**(28)**
Trading assets	**From (1%) to 1%**	**11**	**(11)**
Loans and advances	**From (1%) to 1%**	**83**	**(83)**
Trading liabilities	**From (1%) to 1%**	**5**	**(5)**
Total		**214**	**(214)**
2024			
Derivative assets and liabilities	From (1%) to 1%	781	(781)
Financial investments	From (1%) to 1%	22	(22)
Trading assets	From (1%) to 1%	149	(149)
Loans and advances	From (1%) to 1%	32	(32)
Trading liabilities	From (1%) to 1%	3	(3)
Total		987	(987)

For the fair values of the underlying assets and liabilities impacted by the significant unobservable inputs applied above, refer to note 18.1.

18. Assets and liabilities at fair value continued

18.1 Financial assets and liabilities measured at fair value on a recurring basis continued

18.1.5 Sensitivity and interrelationships of inputs continued

Group and company	Change in significant unobservable input	Effect on OCI Favourable Rm	Effect on OCI (Unfavourable) Rm
2025			
Financial investments	**From (1%) to 1%**	**4**	**(4)**
Loans and advances	**From (1%) to 1%**	**52**	**(52)**
Total		**56**	**(56)**
2024			
Financial investments	From (1%) to 1%	10	(10)
Loans and advances	From (1%) to 1%	4	(4)
Total		14	(14)

For the nature of significant unobservable inputs applied in the valuation of financial investments classified as FVOCI. Refer to key management assumptions and annexure F for more information about the valuation techniques used.

18.2 Assets and liabilities not measured at fair value for which fair value is disclosed

	2025				2024 Restated[1]			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Group								
Assets								
Pledged assets	**10 442**	**227**		**10 669**	964			964
Financial investments	**169 982**	**12 787**	**1 415**	**184 184**	132 418	12 832	1 284	146 534
Loans and advances	**103 920**	**293 542**	**1 090 828**	**1 488 290**	10 285	259 153	1 118 118	1 387 556
Total	**284 344**	**306 556**	**1 092 243**	**1 683 143**	143 667	271 985	1 119 402	1 535 054
Liabilities								
Deposits and debt funding[1]	**905 151**	**1 031 911**	**4 791**	**1 941 853**	825 438	890 119	1 822	1 717 379
Subordinated debt			**27 007**	**27 007**			28 394	28 394
Total	**905 151**	**1 031 911**	**31 798**	**1 968 860**	825 438	890 119	30 216	1 745 773
Company								
Assets								
Pledged assets	**10 442**	**227**		**10 669**	964			964
Financial investments	**169 983**	**12 819**	**1 415**	**184 217**	132 448	12 835	1 284	146 567
Loans and advances	**103 724**	**295 446**	**1 088 803**	**1 487 973**	8 970	260 506	1 116 737	1 386 213
Total	**284 149**	**308 492**	**1 090 218**	**1 682 859**	142 382	273 341	1 118 021	1 533 744
Liabilities								
Deposits and debt funding[1]	**905 767**	**1 033 173**	**4 791**	**1 943 731**	825 982	891 290	1 821	1 719 093
Subordinated debt			**27 007**	**27 007**			28 394	28 394
Total	**905 767**	**1 033 173**	**31 798**	**1 970 738**	825 982	891 290	30 215	1 747 487

[1] Restated. Refer to page 23 for further detail.

18.3 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.

19. Financial assets and liabilities designated at FVTPL

19.1 Financial assets designated at FVTPL

Group and company	Maximum exposure to credit risk[1] Rm	Current year gain on changes in fair value attributable to changes in credit risk Rm	Cumulative gain on changes in fair value attributable to changes in credit risk Rm
2025			
Financial investments		**33**	**115**
2024			
Financial investments[2]	2 504	14	82

[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] In 2025 there is no exposure to credit risk for financial investments designated at fair value through profit or loss.

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.

19.2 Financial liabilities designated at FVTPL with credit risk recognised in OCI

Group and company	Current year gain/(loss) on changes in fair value attributable to changes in credit risk[1] Rm	Cumulative gain 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
2025					
Deposits and debt funding		**5**	**1 260**	**1 320**	**60**
2024					
Deposits and debt funding		5	1 461	1 512	51

[1] Net of taxation. Refer to note 34 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 with reference to the change in the credit risk implicit in the market value of the group and company's senior notes.

20. Reconciliation of FVOCI reserve movements

20.1 Equity and debt financial assets

20.1.1 Equity financial assets

Group and company	Revaluation: Balance at the beginning of the year Rm	Revaluation: Gains/ (losses) Rm	Revaluation: Balance at the end of the year Rm
2025			
Strate Limited	**106**	**11**	**117**
Other	**(271)**	**(94)**	**(365)**
Total	**(165)**	**(83)**	**(248)**
2024			
Strate Limited	131	(25)	106
Other	(253)	(18)	(271)
Total	(122)	(43)	(165)

Strategic equity investments are designated at FVOCI on initial recognition. No gains or losses were transferred to retained earnings during the year (2024: Rnil). No dividends were received during the year (2024: Rnil). Amounts are net of taxation.

20.1.2 Debt financial assets

Group and company	Revaluation: Balance at the beginning of the year Rm	Revaluation: Gains Rm	Revaluation: Balance at the end of the year Rm
2025			
Corporate	**32**	**23**	**55**
Total	**32**	**23**	**55**
2024			
Corporate	19	13	32
Total	19	13	32

20.2 Total reconciliation of the FVOCI reserve

Group and company	Balance at the beginning of the year Rm	Net change in fair value[1] Rm	Balance at the end of the year Rm
2025			
Total reconciliation of the FVOCI reserve	**(133)**	**(60)**	**(193)**
2024			
Total reconciliation of the FVOCI reserve	(103)	(30)	(133)

[1] After tax. Refer to note 34 for the tax raised on changes in fair value of financial investments measured at FVOCI.

21. 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 and company have 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 and company have 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.

Group and company	Gross amount of recognised financial assets[1] Rm	Financial liabilities set off in the statement of financial position Rm	Net amount of financial assets subject to netting agreements[1] Rm	Financial and cash collateral received[1] Rm	Net amount[1] Rm
2025					
Assets					
Derivative assets	**60 725**		**60 725**	**(53 797)**	**6 928**
Trading assets	**95 986**		**95 986**	**(95 986)**	
Loans and advances[2]	**104 053**	**(22 629)**	**81 424**	**(77 438)**	**3 986**
Total	**260 764**	**(22 629)**	**238 135**	**(227 221)**	**10 914**
2024 – Restated[2]					
Assets					
Derivative assets[1]	39 644		39 644	(36 730)	2 914
Trading assets[1]	122 208		122 208	(122 208)	
Loans and advances[2]	128 736	(20 028)	108 708	(106 677)	2 031
Total	290 588	(20 028)	270 560	(265 615)	4 945

[1] Restated. During 2025, it was identified that certain transactions were erroneously misallocated to the inappropriate asset and liability classifications. In addition, the restatement detailed on page 23 affected the comparative amounts disclosed for 2024. The restatement resulted in a decrease of R6 400 million to derivative assets, an increase of R6 582 million to trading assets, a decrease of R6 472 million and an increase of R6 582 million to collateral received relating to derivative assets and trading assets respectively.

[2] 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.

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.

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

Group and company	Gross amount of recognised financial liabilities[1] Rm	Financial assets set off in the statement of financial position Rm	Net amounts of financial liabilities subject to netting agreements[1] Rm	Collateral pledged[1] Rm	Net amount[1] Rm
2025					
Liabilities					
Derivative liabilities	**59 700**		**59 700**	**(54 419)**	**5 281**
Trading liabilities	**31 813**		**31 813**	**(31 813)**	
Deposits and debt funding[2]	**61 190**	**(22 629)**	**38 561**	**(34 050)**	**4 511**
Total	**152 703**	**(22 629)**	**130 074**	**(120 282)**	**9 792**
2024 — Restated[2]					
Liabilities					
Derivative liabilities[2]	47 752		47 752	(38 214)	9 538
Trading liabilities	28 522		28 522	(28 522)	
Deposits and debt funding[1,2]	40 870	(20 028)	20 842	(15 543)	5 299
Total	117 144	(20 028)	97 116	(82 279)	14 837

1 Restated. During 2025, it was identified that certain transactions were erroneously misallocated to the inappropriate asset and liability classifications. In addition, the restatement detailed on page 23 affected the comparative amounts disclosed for 2024. The restatement resulted in a decrease of R3 851 million to derivative liabilities, an increase of R1 921 million to deposits and debt funding, a decrease of R1 740 million and an increase of R15 543 million to collateral pledged relating to derivative liabilities and deposits and debt funding respectively.

2 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.

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 offsetting but that are subject to a master netting arrangement or similar agreement.

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

22. Contingent liabilities and commitments

22.1 Contingent liabilities

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Guarantees	**78 848**	80 196	**79 665**	81 012
Letters of credit	**11 911**	12 427	**11 911**	12 427
Total	**90 759**	92 623	**91 576**	93 439

Refer to note 14.1 for ECL recognised on guarantees and letters of credit.

22.2 Commitments

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Loan commitments[1]	**151 677**	152 762	**152 150**	153 306
Property and equipment[2]	**387**	648	**387**	648
Other intangibles assets[2]	**31**	41	**31**	41
Total	**152 095**	153 451	**152 568**	153 995

1 Loan commitments that are irrevocable over the life of the facility or revocable only in response to material adverse changes are included in annexure C.
2 The expenditure will be funded from internal sources.

22.3 Legal proceedings

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 opposed this notice on various grounds. The matter was heard on 19 August 2025 to 22 August 2025, and judgment is awaited.

23. Maturity analysis

The group and company assess the maturity of financial assets and financial liabilities at 31 December each year which provides an indication of the remaining contractual life of these assets at that point in time. For the maturity analysis of financial liabilities on a contractual undiscounted basis, refer to the funding and liquidity risk section within annexure C.

Exposures relating to the SBG group are managed separately to those of third parties.

23.1 Financial assets and liabilities

	Note	Redeemable on demand[1] Rm	Within one year Rm	Within one to five years Rm	After five years Rm	Undated[2] Rm	Total Rm
Group							
2025							
Cash and balances with the central bank[3]	1	**5 678**				**54 824**	**60 502**
Trading assets[4]	3	**437 773**					**437 773**
Pledged assets	4		**2 262**	**9 911**	**15 063**		**27 236**
Gross financial investments	5		**65 209**	**55 567**	**63 631**	**2 710**	**187 117**
Other financial assets	6	**7 968**	**3 181**	**3 693**		**30**	**14 872**
Gross loans and advances	7	**254 533**	**281 090**	**503 894**	**423 360**	**78 518**	**1 541 395**
Net derivative asset/(liability)[4]	2	**(6 227)**					**(6 227)**
Trading liabilities[4]	13	**(67 253)**					**(67 253)**
Other financial liabilities	14	**(6 259)**	**(10 605)**	**(1 762)**		**(623)**	**(19 249)**
Deposits and debt funding	15	**(1 115 760)**	**(531 299)**	**(238 257)**	**(62 280)**		**(1 947 596)**
Subordinated debt[5]	16		**(3 280)**	**(23 727)**			**(27 007)**
2024 — Restated[6,7]							
Cash and balances with the central bank[3]	1	5 825				55 966	61 791
Trading assets[4,6]	3	375 248					375 248
Pledged assets	4		3 454	2 938	712		7 104
Gross financial investments	5	1 189	61 595	46 887	50 520	1 961	162 152
Other financial assets	6	6 958	1 114	411	18	3 694	12 195
Gross loans and advances	7	192 787	275 532	475 897	411 927	82 498	1 438 641
Net derivative asset/(liability)[4,6]	2	(10 766)					(10 766)
Trading liabilities[4,6]	13	(98 317)					(98 317)
Other financial liabilities[7]	14	(2 390)	(7 549)	(3 180)	(131)	(139)	(13 389)
Deposits and debt funding[6]	15	(997 415)	(452 215)	(191 489)	(79 160)		(1 720 278)
Subordinated debt[5]	16		(7 213)	(17 581)	(3 600)		(28 394)

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 the central bank includes notes and coins.
4 Trading assets, trading liabilities and net derivative assets/(liabilities) are held for trading in terms of IFRS 9 and are therefore presented as redeemable on demand, as they represent current financial instruments. The comparative period has been updated to align to this presentation.
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.
6 Restated. Refer to page 23 for further detail.
7 Restated. Refer to note 14 for further detail.

	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
Company							
2025							
Cash and balances with the central bank[3]	1	**5 678**				**54 824**	**60 502**
Trading assets[4]	3	**428 049**					**428 049**
Pledged assets	4		**2 262**	**9 911**	**15 063**		**27 236**
Gross financial investments	5		**65 220**	**55 565**	**63 653**	**2 639**	**187 077**
Other financial assets	6	**7 985**	**3 075**	**3 713**		**33**	**14 806**
Gross loans and advances	7	**256 194**	**279 315**	**503 464**	**422 470**	**78 493**	**1 539 936**
Net derivative asset/(liability)[4]	2	**(5 846)**					**(5 846)**
Trading liabilities[4]	13	**(67 253)**					**(67 253)**
Other financial liabilities	14	**(6 028)**	**(10 184)**	**(1 734)**		**(606)**	**(18 552)**
Deposits and debt funding	15	**(1 116 833)**	**(531 801)**	**(238 496)**	**(62 344)**		**(1 949 474)**
Subordinated debt[5]	16		**(3 280)**	**(23 727)**			**(27 007)**
2024 — Restated[6,7]							
Cash and balances with the central bank[3]	1	5 825				55 966	61 791
Trading assets[4,6]	3	369 769					369 769
Pledged assets	4		3 454	2 938	712		7 104
Gross financial investments	5	1 189	61 595	46 886	50 553	1 897	162 120
Other financial assets	6	6 924	1 018	410	18	3 694	12 064
Gross loans and advances	7	191 679	277 353	474 980	412 144	80 120	1 436 276
Net derivative asset/(liability)[4,6]	2	(10 905)					(10 905)
Trading liabilities[4,6]	13	(98 317)					(98 317)
Other financial liabilities[7]	14	(2 180)	(7 246)	(3 003)	(131)	(115)	(12 675)
Deposits and debt funding[6]	15	(997 513)	(453 825)	(191 493)	(79 162)		(1 721 993)
Subordinated debt[5]	16		(7 213)	(17 581)	(3 600)		(28 394)

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 the central bank includes notes and coins.
4 Trading assets, trading liabilities and net derivative assets/(liabilities) are held for trading in terms of IFRS 9 and are therefore presented as redeemable on demand, as they represent current financial instruments.
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.
6 Restated. Refer to page 23 for further detail.
7 Restated. Refer to note 14 for further detail.

23. Maturity analysis continued

23.2 Non-financial assets and liabilities

The following table discloses the maturity analysis for the group and company's non-financial assets and liabilities on a contractual discounted basis.

	Note	Less than 12 months after reporting period Rm	More than 12 months after reporting period Rm	Total Rm
Group				
2025				
Other non-financial assets	6	**6 121**	**4 421**	**10 542**
Interests in associates, joint ventures and subsidiaries	8		**714**	**714**
Property, equipment and right of use assets	9	**162**	**10 775**	**10 937**
Goodwill and other intangible assets	10		**5 561**	**5 561**
Other non-financial liabilities	14	**(12 134)**	**(5 863)**	**(17 997)**
Current and deferred tax asset		*	*	**5 018**
Current and deferred tax liability		*	*	**(5 931)**
2024 — Restated[1]				
Other non-financial assets	6	4 220	4 121	8 341
Interests in associates, joint ventures and subsidiaries	8		1 036	1 036
Property, equipment and right of use assets	9	176	10 623	10 799
Goodwill and other intangible assets	10		6 735	6 735
Other non-financial liabilities[1]	14	(10 693)	(7 521)	(18 214)
Current and deferred tax asset		*	*	6 053
Current and deferred tax liability		*	*	(5 284)
Company				
2025				
Other non-financial assets	6	**6 173**	**4 434**	**10 607**
Interests in associates, joint ventures and subsidiaries	8		**9 822**	**9 822**
Property, equipment and right of use assets	9	**162**	**10 734**	**10 896**
Goodwill and other intangible assets	10		**5 464**	**5 464**
Other non-financial liabilities	14	**(11 876)**	**(5 692)**	**(17 568)**
Current and deferred tax asset		*	*	**4 972**
Current and deferred tax liability		*	*	**(5 951)**
2024 — Restated[1]				
Other non-financial assets	6	4 293	4 113	8 406
Interests in associates, joint ventures and subsidiaries	8		7 793	7 793
Property, equipment and right of use assets	9	175	10 580	10 755
Goodwill and other intangible assets	10		6 628	6 628
Other non-financial liabilities[1]	14	(10 539)	(7 258)	(17 797)
Current and deferred tax asset		*	*	6 007
Current and deferred tax liability		*	*	(5 282)

* Undated. Undated maturity category comprises of regulatory or indeterminate maturity, including any item or position in respect of which no right or obligation for maturity exists. This will include deferred tax.

[1] Restated. Refer to note 14 for further detail.

24. Interest income

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024[1] Rm
Effective interest rate income				
Financial investments	**19 922**	16 270	**19 897**	16 265
Loans and advances	**128 561**	137 481	**128 439**	137 272
Interest income on credit impaired financial assets	**4 750**	4 376	**4 740**	4 366
Total	**153 233**	158 127	**153 076**	157 903
Interest income on items measured at amortised cost[1]	**152 831**	157 959	**152 674**	157 735
Interest income on items measured at FVOCI	**402**	168	**402**	168

[1] Restated. Interest income on items measured at amortised cost for company was erroneously overstated by R167 million. The restatement had no impact on company's total interest income, income statement or any related ratios.

25. Interest expense

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Effective interest rate expense				
Interest on deposits and debt funding	**91 448**	97 547	**91 588**	97 603
Interest on lease liabilities (note 14.2)	**159**	158	**157**	156
Interest on subordinated debt	**2 476**	2 645	**2 477**	2 646
Interest expense and similar charges[1]	**238**	194	**238**	194
Total	**94 321**	100 544	**94 460**	100 599
Interest expense on items measured at amortised cost	**94 162**	100 386	**94 303**	100 443
Interest expense on lease liabilities	**159**	158	**157**	156

[1] Interest expense and similar charges primarily comprise costs incurred on the Depositor Insurance Scheme. Refer to note 6 for more detail.

26. Fee and commission revenue

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Account transaction fees	**9 734**	9 293	**9 734**	9 293
Bancassurance revenue	**2 661**	2 599	**1 099**	1 039
Card-based commission	**8 297**	7 788	**8 051**	7 554
Documentation and administration fees	**1 390**	1 414	**1 390**	1 414
Electronic banking fees	**4 877**	4 506	**4 877**	4 506
Foreign currency service fees	**2 064**	1 923	**2 064**	1 923
Arrangement, guarantee and knowledge-based fees[1]	**3 129**	2 614	**3 129**	2 352
Other[1,2]	**2 412**	1 418	**2 871**	2 235
Total	**34 564**	31 555	**33 215**	30 316

[1] During 2025, arrangement and guarantee fees have been disaggregated from other and presented as arrangement, guarantee and knowledge-based fees to provide a more appropriate analysis aligned to the nature and characteristics of the fees as presented to management. Comparative amounts of R1 944 million for group and R1 682 million for company have been reclassified accordingly. The change in presentation had no impact on the group or company's income statements.
[2] Other primarily comprises fee and commission revenue earned on sundry services such as agency and asset management fees.

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

27. Fee and commission expense

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Account transaction fees	**1 435**	1 327	**1 435**	1 327
Bancassurance fees	**815**	763	**725**	687
Card-based commission	**4 535**	3 920	**4 512**	3 896
Customer loyalty expense	**991**	949	**991**	949
Documentation and administration fees	**240**	208	**240**	207
Electronic banking fees	**613**	669	**613**	669
Other	**564**	565	**595**	589
Total	**9 193**	8 401	**9 111**	8 324

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

28. Trading revenue

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Commodities and other	**263**	49	**263**	49
Equities	**3 925**	3 604	**3 302**	3 008
Fixed income and currencies	**7 541**	6 014	**7 540**	6 014
Total	**11 729**	9 667	**11 105**	9 071

29. Other revenue

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Banking and other	**1 952**	2 091	**1 944**	2 082
Franchise and management fees (note 39.7)	**1 719**	1 516	**1 719**	1 516
Dividend and related income	**2 403**	2 147	**2 915**	2 517
Property related revenue	**172**	162	**172**	162
Total	**6 246**	5 916	**6 750**	6 277

30. Other gains and losses on financial instruments

Group and company	**2025 Rm**	2024 Rm
Derecognition losses on financial assets measured at amortised cost	**(60)**	(91)
Fair value gains on debt financial assets measured at FVTPL — default	**558**	247
Fair value gains on financial instruments designated at FVTPL	**249**	433
Fair value (losses)/gains on equity instruments measured at FVTPL	**(173)**	172
Total	**574**	761

31. Credit impairment charges

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Net ECL raised	**10 112**	11 005	**10 066**	10 750
Financial investments (note 5)	**(61)**	149	**(61)**	149
Loans and advances (note 7.1)	**10 102**	10 823	**10 056**	10 567
Letters of credit, bank acceptances and guarantees and other[1]	**71**	33	**71**	34
Recoveries on loans and advances previously written off[2]	**(51)**	91	**(49)**	93
Modification losses on distressed financial assets (note 7.2)	**867**	528	**867**	528
Total	**10 928**	11 624	**10 884**	11 371

1 Includes R15 million raised (2024: R8 million raised) of ECL on receivables and other assets.
2 During 2025 and 2024, the cost of recoveries exceeded the proceeds from post-write-off recoveries for group and company.
3 Refer to note 20 for the reconciliation of FVOCI reserve for financial assets. Credit impairment charges recognised on debt financial investments are deemed insignificant as these financial investments are high quality investment grade bonds.

32. Operating expenses

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Amortisation – intangible assets (note 10)	**1 674**	1 972	**1 655**	1 954
Audit fees	**460**	476	**450**	464
Audit fees – current year	**447**	461	**437**	449
Fees for other services[1]	**13**	15	**13**	15
Communication related expenses	**801**	744	**792**	732
Depreciation (note 9)	**2 781**	2 815	**2 763**	2 798
Cloud, software and technology	**11 232**	10 477	**11 158**	10 403
Marketing and advertising	**1 915**	1 725	**1 893**	1 709
Operating lease charges	**328**	301	**325**	300
Premises	**1 331**	1 304	**1 329**	1 302
Professional fees	**1 306**	1 275	**1 269**	1 254
Staff costs	**34 969**	32 755	**34 264**	32 092
Equity-linked transactions (annexure D)	**4 922**	3 806	**4 922**	3 806
Pension and other post-employment benefit costs (note 40)	**1 581**	1 503	**1 581**	1 503
Salaries and wages	**28 466**	27 446	**27 761**	26 783
Transfer pricing agreements (note 39.7)	**1 717**	1 421	**1 717**	1 421
Other expenses	**3 064**	2 336	**2 805**	2 064
Total	**61 578**	57 601	**60 420**	56 493

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

33. Non-trading and capital related items

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Impairment of property and equipment (note 9)		23		23
Impairment of goodwill (note 10)		6		
Impairment of intangible assets (note 10)	**13**	154	**13**	154
Gain on disposal of associate	**(16)**		**(16)**	
Impairment of investment in associates (note 8)	**86**	257	**86**	257
Impairment reversal of investment in subsidiary (annexure A)				(10)
Loss on sale of property and equipment	**22**	33	**22**	33
Compensation from third parties for assets that were previously impaired	**(51)**	(27)	**(51)**	(27)
Total	**54**	446	**54**	430

34. Direct and indirect taxation

34.1 Indirect taxation

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Value added tax (VAT)[1]	**(1 710)**	(1 757)	**(1 700)**	1 758
Other indirect taxes and levies	**(309)**	(351)	**(307)**	346
Total	**(2 019)**	(2 108)	**(2 007)**	2 104

[1] The group and company earn 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.

34.2 Direct taxation

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
South African normal tax	**(5 392)**	(4 649)	**(5 299)**	(4 570)
Current year	**(5 551)**	(4 819)	**(5 470)**	(4 740)
Prior year	**159**	170	**171**	170
Deferred tax	**(187)**	118	**(194)**	114
Current year	**(59)**	199	**(57)**	206
Prior year	**(128)**	(81)	**(137)**	(92)
Capital gains, foreign and withholding tax and other direct taxes	**(290)**	(195)	**(290)**	(195)
Total direct taxation per income statement	**(5 869)**	(4 726)	**(5 783)**	(4 651)
Total direct taxation per the statement of comprehensive income	**(6 674)**	(4 996)	**(6 588)**	(4 921)
Direct taxation per the income statement	**(5 869)**	(4 726)	**(5 783)**	(4 651)
Direct taxation recognised in OCI	**(805)**	(270)	**(805)**	(270)

IAS 12 (amendments) introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two 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 had no impact on the group or company's current year or prior year tax expense.

34.2 Direct taxation continued

Income tax recognised in OCI

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

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Items that may be subsequently reclassified to profit or loss				
Movements in the cash flow hedging reserve	**(792)**	(241)	**(792)**	(241)
Net change in fair value of cash flow hedges	**(1 290)**	(657)	**(1 290)**	(659)
Realised fair value adjustments of cash flow hedges transferred to profit or loss	**498**	416	**498**	418
Net change in fair value of FVOCI debt financial assets	**(9)**	(5)	**(9)**	(5)
Items that may not be subsequently reclassified to profit or loss				
Net change in fair value of FVOCI financial assets	**23**	12	**23**	12
Defined benefit fund remeasurements	**(27)**	(36)	**(27)**	(36)
Total OCI tax charge[1]	**(805)**	(270)	**(805)**	(270)

[1] Included in this amount is current tax release recognised through OCI of R1 million (2024: R4 million tax charge) for the group and company.

South African tax rate reconciliation

	Group				Company			
	2025 %	**2025 Rm**	2024 %	2024 Rm	**2025 %**	**2025 Rm**	2024 %	2024 Rm
Direct taxation – statutory rate	**27**	**(7 399)**	27	(6 593)	**27**	**(7 272)**	27	(6 513)
Prior year tax		**31**		88		**34**		78
Direct taxation – current year	**27**	**(7 368)**	27	(6 505)	**27**	**(7 238)**	27	(6 435)
Adjustment to direct taxation		**(175)**		(130)		**(175)**		(130)
Foreign tax and withholding tax		**(149)**		(133)		**(149)**		(133)
Capital gains tax		**(26)**		3		**(26)**		3
Direct taxation – current year – normal	**27**	**(7 543)**	27	(6 635)	**27**	**(7 413)**	27	(6 565)
Permanent differences	**(8)**	**1 674**	(8)	1 909	**(6)**	**1 630**	(8)	1 914
Dividends received	**(7)**	**1 786**	(7)	1 770	**(7)**	**1 777**	(7)	1 770
Other non-taxable income	**(2)**	**376**	(2)	503	**(1)**	**202**	(2)	335
Other permanent differences	**1**	**(488)**	1	(364)	**2**	**(349)**	1	(191)
Direct tax charge for the year as a percentage of profit before tax	**19**	**(5 869)**	19	(4 726)	**21**	**(5 783)**	19	(4 651)

35. Basic, diluted and headline earnings per ordinary share

	Group		Company	
	2025	2024	**2025**	2024
Earnings				
The calculations of basic earnings and headline earnings per ordinary share are as follows:				
Basic earnings (Rm)	**19 868**	18 205	**19 495**	17 861
Headline earnings (Rm) (note 36)	**19 910**	18 545	**19 536**	18 186
Weighted average number of ordinary shares in issue (thousands) (note 12)	**59 997**	59 997	**59 997**	59 997
Basic and diluted earnings per ordinary share (cents)	**33 115**	30 343	**32 493**	29 770
Headline earnings per ordinary share (cents)	**33 185**	30 910	**32 562**	30 312

36. Headline earnings

	2025				2024			
	Gross Rm	Tax Rm	NCI[1] and other equity instrument holders Rm	Net Rm	Gross Rm	Tax Rm	NCI and other equity instrument holders Rm	Net Rm
Group								
Profit for the year	**27 401**	**(5 869)**	**(1 664)**	**19 868**	24 417	(4 726)	(1 486)	18 205
Headline earnings adjustable items added/(reversed)	**54**	**(13)**	**1**	**42**	446	(106)		340
IAS 16 – Losses on sale of properties and equipment	**22**	**(4)**	**1**	**19**	33	(9)		24
IAS 16 – Compensation from third parties for assets that were impaired[1]	**(51)**	**14**		**(37)**	(27)	7		(20)
IAS 16/IAS 36 – Impairment of property and equipment[2]					23	(6)		17
IAS 28 – Gain on disposal of associate	**(16)**	**4**		**(12)**				
IAS 28/IAS 36 – Impairment of investment in associate	**86**	**(23)**		**63**	257	(56)		201
IAS 36 – Impairment of goodwill					6	(1)		5
IAS38/IAS 36 – Impairment of intangible assets	**13**	**(4)**		**9**	154	(41)		113
Headline earnings	**27 455**	**(5 882)**	**(1 663)**	**19 910**	24 863	(4 832)	(1 486)	18 545
Company								
Profit for the year	**26 932**	**(5 783)**	**(1 654)**	**19 495**	24 122	(4 651)	(1 610)	17 861
Headline earnings adjustable items added/(reversed)	**54**	**(13)**		**41**	430	(105)		325
IAS 16 – Losses on sale of properties and equipment	**22**	**(4)**		**18**	33	(10)		23
IAS 16 – Compensation from third parties for assets that were impaired[1]	**(51)**	**14**		**(37)**	(27)	7		(20)
IAS 16/IAS 36 – Impairment of property and equipment[2]					23	(6)		17
IAS 27/IAS 36 – Reversal of impairment of investment in subsidiary					(10)	1		(9)
IAS 28 – Gain on disposal of associate	**(16)**	**4**		**(12)**				
IAS 28/IAS36 – Impairment of investment in associate	**86**	**(23)**		**63**	257	(56)		201
IAS 38/IAS 36 – Impairment of intangible assets	**13**	**(4)**		**9**	154	(41)		113
Headline earnings	**26 986**	**(5 796)**	**(1 654)**	**19 536**	24 552	(4 756)	(1 610)	18 186

1 Non-controlling interests (NCI)
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 R51 million (2024: R27 million), gross of tax, was received from third parties.

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

37. Dividends

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Ordinary dividends	**8 500**	17 000	**8 500**	17 000
Final				
Dividend No.161 of 11 667 cents per share paid to the shareholders on 7 April 2025 to the shareholders registered on 12 March 2025.	**7 000**		**7 000**	
Dividend No.159 of 15 000 cents per share paid to the shareholders on 8 April 2024 to the shareholders registered on 14 March 2024.		9 000		9 000
Interim				
Dividend No. 162 of 2 500 cents per share paid to the shareholders on 8 September 2025 to the shareholders registered on 5 September 2025.	**1 500**		**1 500**	
Dividend No. 160 of 13 334 cents per share paid to the shareholders on 9 September 2024 to the shareholders registered on 6 September 2024.		8 000		8 000
AT1 capital (note 37.1)	**1 654**	1 610	**1 654**	1 610
Dividends paid out of retained earnings[1]				
Dividends paid to SB Debtors Discounting No. 1 Proprietary Limited (SB Debtors)	**17**	259		
Total	**10 171**	18 869	**10 154**	18 610

On 11 March 2026, dividend No.163 of 9 334 cents per share payable on 13 April 2026 was declared, bringing the total dividends declared in respect of 2025 to 11 834 cents per share (2024: 25 001 cents per share).

[1] Refer to annexure A for more details relating to the equity attributable to non-controlling interests within SBG.

37.1 AT1 capital

Group and company	2025 Rm	2024 Rm
31 December		
SBT104		36
SBT105	**37**	41
SBT106	**35**	38
SBT109	**70**	77
SBT110	**48**	53
SBT111	**36**	40
SBT112	**27**	30
SBT113	**27**	
SBT114	**47**	
SBT115	**13**	
31 October		
SBT107	**32**	35
SBT108	**40**	44
30 September		
SBT104	**33**	37
SBT105	**38**	42
SBT106	**36**	39
SBT109	**71**	80
SBT110	**49**	55
SBT111	**38**	42
SBT112	**28**	44
SBT113	**28**	
SBT114	**57**	
31 July		
SBT107	**32**	34
SBT108	**41**	44
30 June		
SBT104	**34**	37
SBT105	**39**	42
SBT106	**36**	39
SBT109	**72**	79
SBT110	**50**	54
SBT111	**38**	42
SBT112	**29**	
SBT113	**28**	
30 April		
SBT107	**32**	34
SBT108	**42**	44
31 March		
SBT103		45
SBT104	**34**	36
SBT105	**39**	41
SBT106	**36**	38
SBT109	**73**	77
SBT110	**50**	53
SBT111	**38**	60
SBT112	**29**	
SBT113	**14**	
31 January		
SBT107	**35**	34
SBT108	**43**	45
Total	**1 654**	1 610

38. Statement of cash flows notes

38.1 (Increase)/decrease in operating assets

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Trading assets	**(62 525)**	(89 748)	**(58 280)**	(90 235)
Pledged assets	**(20 132)**	(292)	**(20 132)**	(292)
Financial investments	**(24 600)**	(12 491)	**(24 593)**	(10 511)
Loans and advances	**(130 334)**	(58 634)	**(131 429)**	(60 623)
Receivables and other assets	**(4 848)**	(2 662)	**(4 913)**	(2 757)
Total	**(242 439)**	(163 827)	**(239 347)**	(164 418)

38.2 Increase/(decrease) in operating liabilities

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Net derivative liability[1]	**(1 628)**	3 791	**(2 147)**	4 842
Deposits and debt funding[1]	**248 134**	124 028	**248 297**	125 048
Trading liabilities[1]	**(31 064)**	14 781	**(31 064)**	14 781
Provisions and other liabilities	**1 207**	(2 150)	**1 201**	(2 256)
Total	**216 649**	140 450	**216 287**	142 415

[1] Restated. The restatement noted on page 23 had the following impact on the above movements in operating liabilities: the movement in net derivative liability has decreased by R630 million, the movement in deposits and debt funding has increased by R1 182 million and the movement in trading liabilities has decreased by R552 million. This had no impact on the group or company's statements of cash flows.

38.3 Cash payments to suppliers and employees

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Cash flows to suppliers	**25 013**	20 060	**24 585**	19 649
Cash flows to employees	**30 047**	28 949	**29 341**	28 286
Total	**55 060**	49 009	**53 926**	47 935

38.4 Reconciliation of subordinated debt

Group and company	**2025 Rm**	2024 Rm
Balance at the beginning of the year	**28 394**	25 813
Subordinated debt issued	**6 290**	10 737
Subordinated debt redeemed	**(7 000)**	(8 400)
Accrued finance and other movements	**(677)**	244
Balance at the end of the year	**27 007**	28 394

38.5 Cash and cash equivalents

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Cash and balances with central banks (note 1)	**60 502**	61 791	**60 502**	61 791
On demand gross loans and advances to banks (note 7.1)	**9 446**	7 418	**9 446**	7 418
Balance at the end of the year	**69 948**	69 209	**69 948**	69 209

39. Related party transactions

39.1 Parent

SBSA is a wholly-owned subsidiary of SBG.

39.2 Subsidiaries

Details of effective interest, investments in and loans to material subsidiaries are disclosed in annexure A.

39.3 Associates and joint ventures

Details of effective interest, investments in and loans to associates and joint ventures are disclosed in annexure B.

39.4 Key management personnel

Key management personnel has been defined as SBSA board of directors and prescribed officers effective for 2025 and 2024. Non-executive directors are included in the definition of key management personnel as required by IFRS. 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 SBSA. They may include the person's domestic partner and children, the children of the person's domestic partner, and dependents of the person or the person's domestic partner.

Group and company	2025 Rm	2024 Rm
Key management compensation	**708**	686
Salaries and other short-term benefits paid	**237**	237
Post-employment benefits	**5**	6
Value of share options and rights expensed	**466**	443
Loans and advances[1]		
Loans outstanding at the beginning of the year	**12**	15
Change in key management structures		3
Net change in loans during the year	**(4)**	(6)
Loans outstanding at the end of the year	**8**	12
Interest income	**1**	1
Deposits and debt funding[2]		
Deposits outstanding at the beginning of the year	**192**	169
Change in key management structures	**5**	16
Net change in deposits during the year	**(14)**	7
Deposits outstanding at the end of the year	**183**	192
Net interest income	**7**	7
Investment products and third-party funds under management[3]		
Balance at the beginning of the year	**2 354**	2 123
Change in key management structures[4]	**(198)**	
Net change in investments during the year[4]	**97**	231
Balance at the end of the year	**2 253**	2 354
Net investment return to key management personnel	**231**	121
Shares and share options[5]		
Shares beneficially owned (number)	**1 836 218**	1 241 992
Share options held (number)	**3 384 939**	4 142 768

1 Loans and advances 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 for group and company 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 Restated. During 2025, it was noted that there was a misallocation between change in key management structures and net change in investments during the year as disclosed for the year ended 31 December 2024. Due to the restatement, change in key management structures decreased by R395 million with a related increase in the net change in investments.
5 Aggregate details of SBG shares and share options held by key management personnel.

39. Related party transactions continued

39.5 Balances with SBG companies

The table below denotes balances with the group and company's holding company, subsidiaries and fellow SBG subsidiaries.

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Assets				
Ultimate holding company				
Indebtedness to the group/company	**16**	135	**16**	135
Interest in subsidiary companies			**11 300**	8 286
Shares at cost (annexure A)			**9 108**	6 757
Indebtedness to SBSA company			**2 192**	1 529
Interest in fellow subsidiaries				
Indebtedness to the group/company	**203 035**	88 008	**200 607**	89 797
Total	**203 051**	88 143	**211 923**	98 218
Shares at cost (annexure A)			**9 108**	6 757
Assets				
Derivative assets	**12 892**	5 644	**12 892**	5 644
Financial investments			**29**	29
Loans and advances[1]	**162 995**	69 218	**165 025**	71 394
Trading assets	**17 322**	6 204	**17 322**	6 204
Receivables and other assets	**9 842**	7 077	**7 547**	8 190

	Group		Company	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Liabilities and other equity instruments				
Ultimate holding company				
Indebtedness to the group/company	**50 895**	49 472	**50 898**	49 472
Interest in subsidiary companies				
Subsidiaries			**1 470**	1 858
Interest in fellow subsidiaries				
Indebtedness to the group/company	**231 388**	165 155	**231 413**	165 171
Total	**282 283**	214 627	**283 781**	216 501
Other equity instruments				
AT1 capital bonds (note 12.3)	**22 364**	18 222	**22 364**	18 222
Liabilities				
Deposits and debt funding	**208 597**	107 428	**210 605**	109 548
Derivative liabilities	**15 180**	7 625	**15 180**	7 625
Subordinated debt	**27 061**	28 394	**27 061**	28 394
Trading liabilities	**7 250**	50 196	**7 250**	50 196
Provisions and other liabilities	**1 831**	2 762	**1 321**	2 516

[1] Included in the above for group and company are loans issued to subsidiaries and fellow banking subsidiaries that are repayable on demand. Interest is charged based on the group's internal funding rate. The loans are unsecured.

39.6 Transactions with SBG companies

The table below denotes material transactions with the group and company's holding company, subsidiaries and fellow subsidiaries.

	Holding company		Subsidiaries		Fellow subsidiaries	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm	**2025 Rm**	2024 Rm
Group						
Interest income					**4 435**	2 942
Interest expense	**(2 609)**	(2 817)			**(6 167)**	(7 922)
Non-interest revenue					**33 714**	9 975
Company						
Interest income			**27**	201	**4 435**	2 923
Interest expense	**(2 609)**	(2 817)	**(141)**	(147)	**(6 167)**	(7 923)
Non-interest revenue			**841**	767	**33 544**	10 403

39.7 Transactions with fellow subsidiaries in Africa Regions

Below is a summary of the nature and value of transactions with fellow subsidiaries.

Group and company	**2025 Rm**	2024 Rm
Franchise and management fee income for the year included in other revenue (note 29)	**1 719**	1 516
Net franchise and management fee balance owing to SBSA included in interests in SBG companies	**1 974**	2 041
Gross amounts owing to the group and company at the end of the year	**2 782**	2 854
Provisions	**(808)**	(813)
Provision raised on franchise and management fees during the year	**5**	(321)
Royalty fees on IT software licenses	**55**	62
Core banking systems fees[1]	**84**	82
System development fees	**85**	140
Direct services	**1 106**	1 161
International client relationship fees	**159**	164

[1] Core banking systems fees for company for 2025 was R95 million.

Transfer pricing arrangements

The company entered into various transfer pricing agreements with other SBG subsidiaries. These agreements have all been entered into on an arm's length basis in accordance with the pricing principles contained in the Organisation for Economic Co-operation and Development Guidelines and relevant domestic legislation. The nature of the agreements are such that the related parties performing relevant functions, assuming relevant risks and owning relevant assets in the day-to-day business activities of the group and company, are compensated on an arm's length basis. The integrated business model, in relation to functional, risk and asset profile and in accordance with the nature of the agreement, resulted in payments being made by both SBSA and fellow subsidiaries during the 2025 and 2024 financial years.

Revenue sharing agreements

Revenue sharing agreements include the allocation of revenue from transfer pricing agreements between SBG's legal entities. The service payer makes payment to service sellers for services rendered. All agreements of a revenue sharing nature are presented in the income statement as follows:

- The service payer of the agreement recognises, to the extent the charge is less than revenue from the agreement, the charge to the service sellers within the income statement line item revenue sharing agreements. To the extent that the revenue allocation to service sellers within the group is greater than the available revenue from the agreement, the charge above the available revenue is recognised within other operating expenses.
- The service seller of the agreement recognises, to the extent the allocation is made out of available revenue of the service payer, the revenue from the service payer within the income statement line item revenue sharing agreements. To the extent the revenue is not received from the service payer's available revenue, such revenue is recognised as a fee and commission revenue.

The following amounts were recognised in the group and company income statements in terms of revenue sharing and transfer pricing agreements:

Group and company	**2025 Rm**	2024 Rm
Revenue sharing agreements	**840**	865
Other operating expenses (note 32)	**1 717**	1 421
Total	**2 557**	2 286

39. Related party transactions continued

39.8 Mutual funds

SBG invests in various mutual funds that are managed by Liberty Holdings Limited (Liberty). Where Liberty has assessed that it has control (as defined by IFRS) over these mutual funds, it accounts for these mutual funds as subsidiaries. Where Liberty 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 SBSA group and company and the mutual funds which Liberty has control or significant influence over:

Group and company	2025 Rm	2024 Restated Rm
Trading liabilities	**(2 857)**	(2 385)
Deposits and debt funding[1]	**(35 060)**	(30 747)
Trading losses	**(123)**	(126)
Interest expense	**(2 946)**	(3 040)

[1] Restated. During 2025, it was noted that the balance for deposits and debt funding as at 31 December 2024 erroneously included balances not with mutual funds to the value of R27 937 million. This restatement has no impact on the group and company's income statement, statement of financial position or any other notes to the annual financial statements.

39.9 Balances and transactions with ICBCS

The following balances were in place as at 31 December with ICBC Standard Bank Plc (ICBCS), an entity in which SBG has a 40% interest. There were no significant credit impairments related to balances and transactions with ICBCS. These transactions have been entered into at market related terms.

Group and company	2025 Rm	2024 Rm
Derivative assets	**4 460**	4 014
Loans and advances	**14 095**	16 958
Receivables and other assets	**1**	77
Derivative liabilities	**(5 302)**	(4 664)
Deposits and debt funding	**(2 899)**	(7 912)
Provisions and other liabilities	**(152)**	(59)

Significant transactions with ICBCS during the reporting period comprise primarily of net interest income of R606 million (2024: R612 million) and non-interest revenue of R26 million (2024: R32 million).

39.10 Shareholder of the parent

The group has several business relationships with the Industrial and Commercial Bank of China (ICBC), a 19.7% shareholder of SBG. 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 related to balances and transactions with ICBC.

39.10.1 Balances and transactions with ICBC

The group, in the ordinary course of business, receives term funding from, and provides loans and advances to, ICBC for strategic purposes. These monies are renegotiated and settled on an ongoing basis at market related terms. The following balances have been recognised in the group and company's financial statements, these balances are outstanding between SBSA and ICBC at 31 December, excluding those relating to ICBCS:

Group and company	2025 Rm	2024 Rm
Loans and advances	**22**	60
Deposits and debt funding	**(8 417)**	(9 986)

Letters of credit

The group has off-balance sheet letters of credit exposure issued to ICBC as at 31 December 2025 of R4 344 million (2024: R4 847 million).

39.11 Post-employment benefit plans

Material transactions between the group and the company's post-employment benefit plans are listed below. The following amounts have been recognised in the group and company's financial statements:

Group and company	2025 Rm	2024 Rm
Financial investments (held in bonds and money market instruments)	**1 049**	758

In addition to the above, the group manages R15 466 million (2024: R13 289 million) of the post-employment benefit plans' assets.

40. Pensions and other post-employment benefits

40.1 Retirement funds

Membership of the principal fund, the Standard Bank Group Retirement Fund (SBGRF), comprises primarily of SBSA's permanent staff. The majority of employees are members of the defined benefits plan. The fund, one of the ten largest in South Africa, is governed by the Pensions Fund Act 24 of 1956. Member-elected trustees represent 50% of the trustee board. The assets of the fund are held independently.

SBGRF is regulated by the 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 2025 financial year end and, in the opinion of the actuary, the fund was considered financially sound. The next actuarial valuation is to be performed on 31 December 2026.

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 benefits (note 40.2) 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's asset and liability management process.

Group and company	2025 Rm	2024 Rm
The amounts recognised in the statement of financial position in respect of the retirement fund is as follows		
Present value of funded obligations	**(61 391)**	(53 086)
Fair value of plan assets	**63 401**	54 833
Surplus (included in other assets in the statement of financial position)	**2 010**	1 747
Movement in the present value of funded obligations		
Balance at the beginning of the year	**53 086**	47 313
Current service cost	**1 719**	1 624
Interest cost	**5 366**	5 100
Contributions paid by employees	**1 246**	1 196
Actuarial losses	**3 417**	1 090
Benefits paid	**(3 443)**	(3 237)
Balance at the end of the year	**61 391**	53 086
Movement in the fair value of plan assets		
Balance at the beginning of the year	**54 833**	48 830
Interest income	**5 541**	5 260
Contributions received	**2 933**	2 783
Net return on assets	**3 537**	1 197
Benefits paid	**(3 443)**	(3 237)
Balance at the end of the year	**63 401**	54 833
Plan assets consist of the following		
Cash	**2 942**	605
Equities	**37 958**	23 010
Bonds	**16 706**	11 774
Property and other	**5 795**	19 444
Balance at the end of the year	**63 401**	54 833

The group and company expected to pay R1 783 million in contributions to SBGRF in 2026 (2025: R1 688 million).

40. Pensions and other post-employment benefits continued

40.1 Retirement funds continued

Group and company	2025 Rm	2024 Rm
The amounts recognised in profit or loss are determined as follows:		
Current service cost	**(1 719)**	(1 624)
Net interest income	**174**	160
Included in staff costs	**(1 545)**	(1 464)

The expected long-term rate of return is based on the expected long-term returns on equities, cash, bonds and properties (where applicable). The split between the individual asset categories is considered in setting these assumptions. Adjustments are made to reflect the effect of expenses.

Group and company	2025 Rm	2024 Rm
Components of statement of OCI		
Actuarial gains on assets	**3 537**	1 197
Actuarial losses on liability	**(3 417)**	(1 090)
Losses from changes in experience assumptions	**(3 302)**	(1 108)
(Losses)/Gains from changes in financial assumptions	**(115)**	18
Increase in remeasurements recognised in OCI	**120**	107
Reconciliation of net defined benefit asset		
Net defined benefit asset at the beginning of the year	**1 747**	1 517
Net expense recognised	**(1 545)**	(1 464)
Amounts recognised in OCI	**120**	107
Company contributions	**1 688**	1 587
Net defined benefit asset at the end of the year	**2 010**	1 747

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 one percentage point change in these would have the following effects on amounts recognised in 2025 and 2024:

	2025		2024	
Group and company	**1% increase Rm**	**1% decrease Rm**	1% increase Rm	1% decrease Rm
Inflation rate				
Effect on the defined benefit obligation	**187**	**(144)**	170	(127)
Discount rate				
Effect on the defined benefit obligation	**(133)**	**174**	(116)	157

Group and company	**10% increase**	**10% decrease**	10% increase	10% decrease
Mortality improvements				
Effect on the defined benefit obligation	**(19)**	**22**	(18)	19

Group and company	**+ 1 year**	**- 1 year**	+ 1 year	- 1 year
Mortality improvements				
Effect on the defined benefit obligation	**(20)**	**21**	(19)	18

	2025 Rm	2024 Rm
Historical information		
Experience adjustments arising on plan liabilities	**(3 417)**	(1 090)
Experience adjustments arising on plan assets	**3 537**	1 197

40. Pensions and other post-employment benefits continued

40.2 Post-employment healthcare benefits

Post-employment medical aid

The post-employment healthcare benefit fund provides eligible employees, who were in service on 29 February 2000, with a lump sum benefit on retirement enabling them to purchase an annuity to be applied towards their post-employment healthcare costs. This benefit is prefunded in a provident fund and replaced the subsidy arrangement that was in place prior to this. Any shortfall in the payment to be made by these employees towards their healthcare costs subsequent to retirement is the responsibility of the employee.

The liability represents a post-employment healthcare benefit scheme that covers all employees who retired before 1 March 2000. The liability is unfunded and is valued every year using the projected unit credit method. The latest full statutory actuarial valuation was performed as at 31 December 2025. The next actuarial valuation will be performed as at 31 December 2026.

Group and company	2025 Rm	2024 Rm
The amounts recognised in profit or loss are determined as follows:		
Present value of unfunded defined benefits obligation	**412**	413
Post-employment medical aid	**412**	413
Movement in the present value of defined benefit obligations		
Balance at the beginning of the year	**413**	426
Interest cost	**36**	39
Actuarial losses	**24**	10
Benefit payments	**(61)**	(62)
Balance at the end of the year	**412**	413
The amounts recognised in profit or loss are determined as follows:		
Net interest cost	**(36)**	(39)
Components of statement of OCI		
Actuarial losses arising from changes in financial assumptions	**(22)**	(2)
Losses arising from experience assumptions	**(2)**	(8)
Increase in remeasurement recognised in OCI	**(24)**	(10)

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 R36 million (2024: R39 million) and the defined benefit obligation is R412 million (2024: R413 million). A one percentage point change in the medical inflation rate would have the following effects on the amounts recognised:

	2025		2024	
Group and company	**1% increase Rm**	**1% decrease Rm**	1% increase Rm	1% decrease Rm
Sensitivity analysis for post-employment medical aid fund				
Effect on the aggregate of the current service cost and interest cost	**2**	**(1)**	2	(2)
Effect on the defined benefit obligation	**22**	**(21)**	23	(20)

41. Business unit reporting

SBSA STRUCTURE OF BUSINESS UNITS

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

SBSA

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 .

CIB

Corporate & Investment Banking

The Corporate & Investment Banking (CIB) business unit serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally. Our clients leverage our in-depth sector and regional expertise, our specialist capabilities and our access to global capital markets for advisory, transactional, risk management and funding support.

BCB

Business & Commercial Banking

The Business & Commercial Banking (BCB) business unit provides broad-based client solutions for a wide spectrum of small- and medium-sized businesses as well as large commercial enterprises. Our client coverage extends across a wide range of industries, sectors and solutions that deliver the necessary advisory, networking and sustainability support required by our clients to enable their growth.

PPB

Personal & Private Banking

The Personal & Private Banking (PPB) business unit offers tailored and comprehensive financial services solutions. We serve individual clients across Africa by enabling their daily lives throughout their life journeys. The business provides a comprehensive suite of financial products, advisory services, and tailored solutions which are designed to meet each client's unique needs.

BANKING	CIB	BCB	PPB
Investment banking Offers a full suite of advisory and financing solutions, ranging from term lending to structured and specialised products across equity and debt in the private and public capital markets. This includes underwriting new debt and equity securities, facilitating mergers and acquisitions, providing strategic advisory services, strategic equity investments and equity financing.	Investment banking		
Global markets Trading and risk management solutions across financial markets, including foreign exchange (forex), money markets, interest rates, equities, credit and commodities.	Institutional and corporate offerings	BCB forex	PPB forex
Transactional Comprehensive suite of cash management, international trade finance, working capital and investor services solutions.	CIB Transactional banking	BCB Transactional banking	PPB Transactional banking
Lending Extensive suite of lending products provided to individuals and small- and medium-sized businesses.		Business lending	Personal unsecured lending
Card and payments Credit card facilities to individuals and businesses. Merchant acquiring services. Enablement of digital payment capabilities through various products and platforms. Mobile money and cross-border businesses.		Retail card issuing	Card acquiring and commercial card issuing
Vehicle and asset finance Comprehensive finance solutions in instalment credit, fleet management and related services across our retail, corporate and business markets.		Commercial asset finance, fleet and wholesale	Retail asset finance
Home services Tailored home financing solutions for home buyers and existing homeowners, across our retail market, including related value-added services.			Retail home services

CENTRAL AND OTHER

Banking hedging activities ■ Unallocated capital ■ Liquidity earnings ■ Central costs ■ Insurance brokerage services under IFRS 15

41. Business unit reporting continued

41.1 Business unit statement of financial position

	PPB		BCB		CIB		Central and other		SBSA	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024 Restated[1]
Group	**Rm**	Rm	**Rm**	Rm	**Rm**	Rm	**Rm**	Rm	**Rm**	Rm
Assets										
Cash and balances with central banks	**3 998**	4 052	**322**	336	**56 183**	57 403	**(1)**		**60 502**	61 791
Trading assets[1]					**437 773**	375 311		(63)	**437 773**	375 248
Financial investments	**48**	43			**186 635**	158 266	**288**	3 636	**186 971**	161 945
Receivables and other assets[1]	**12 658**	14 748	**5 452**	3 894	**127 129**	63 416	**9 720**	28 466	**154 959**	110 524
Net loans and advances	**586 603**	575 100	**133 983**	127 375	**764 045**	678 466	**3 951**	4 273	**1 488 582**	1 385 214
Net loans and advances to bank	**532**	1 215	**15**	15	**199 226**	179 349	**3 655**	3 969	**203 428**	184 548
Net loans and advances to customers	**586 071**	573 885	**133 968**	127 360	**564 819**	499 117	**296**	304	**1 285 154**	1 200 666
Gross loans and advances to customers	**626 293**	612 517	**139 349**	134 662	**571 903**	506 305	**295**	303	**1 337 840**	1 253 787
Home services	**452 232**	447 872							**452 232**	447 872
Vehicle and asset finance	**75 994**	71 256	**50 370**	49 850					**126 364**	121 106
Card and payments	**37 010**	35 114	**2 966**	2 836					**39 976**	37 950
Personal unsecured lending	**61 057**	58 275							**61 057**	58 275
Business lending			**86 013**	81 976					**86 013**	81 976
Corporate lending					**571 903**	506 305			**571 903**	506 305
Centre and other							**295**	303	**295**	303
Credit impairments	**(40 222)**	(38 632)	**(5 381)**	(7 302)	**(7 084)**	(7 188)	**1**	1	**(52 686)**	(53 121)
Total assets	**603 307**	593 943	**139 757**	131 605	**1 571 765**	1 332 862	**13 958**	36 312	**2 328 787**	2 094 722
Equity and liabilities										
Equity	**41 295**	41 195	**17 618**	17 503	**91 670**	82 645	**6 865**	476	**157 448**	141 819
Liabilities	**562 012**	552 748	**122 139**	114 102	**1 480 095**	1 250 217	**7 093**	35 836	**2 171 339**	1 952 903
Trading liabilities[1]				(2)	**67 253**	98 319			**67 253**	98 317
Provisions and other liabilities[1,2]	**266 323**	268 469	**(245 415)**	(234 788)	**128 490**	64 777	**7 092**	35 850	**156 490**	134 308
Deposits and debt funding[1]	**295 689**	284 279	**367 554**	348 892	**1 284 352**	1 087 121	**1**	(14)	**1 947 596**	1 720 278
Deposits from banks	**21**	14	**408**	2 052	**294 042**	224 633	**1**	(27)	**294 472**	226 672
Deposits and current accounts from customers[1]	**295 668**	284 265	**367 146**	346 840	**990 310**	862 488		13	**1 653 124**	1 493 606
Current accounts	**50 743**	50 427	**89 479**	87 335	**16 479**	12 815	**1**		**156 702**	150 577
Cash management deposits	**24**	39	**68 828**	64 609	**234 684**	194 385		1	**303 536**	259 034
Call deposits	**163 715**	151 711	**158 267**	150 393	**114 531**	108 816	**(1)**	1	**436 512**	410 921
Negotiable certificates of deposit					**153 850**	167 286			**153 850**	167 286
Savings accounts	**18 943**	18 012	**1 895**	1 775	**21**	12			**20 859**	19 799
Term deposits[1]	**59 836**	61 924	**46 655**	41 046	**308 335**	278 690		13	**414 826**	381 673
Foreign currency and other deposits	**2 407**	2 152	**2 022**	1 682	**162 410**	100 484		(2)	**166 839**	104 316
Total equity and liabilities	**603 307**	593 943	**139 757**	131 605	**1 571 765**	1 332 862	**13 958**	36 312	**2 328 787**	2 094 722

1 Restated. Refer to page 23 for further detail.
2 Other liabilities include inter-divisional funding which fluctuates in line with asset growth.

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

41. Segment reporting continued

41.2 Business unit income statement

Group	PPB 2025 Rm	PPB 2024 Rm	BCB 2025 Rm	BCB 2024 Rm	CIB 2025 Rm	CIB 2024 Rm	Central and other 2025 Rm	Central and other 2024 Rm	SBSA 2025 Rm	SBSA 2024 Rm
Income statement										
Net interest income	**27 940**	28 086	**14 901**	14 826	**16 655**	14 605	**(584)**	66	**58 912**	57 583
Non-interest revenue	**15 027**	13 726	**8 905**	8 677	**19 467**	16 704	**521**	391	**43 920**	39 498
Net fee and commission revenue	**11 255**	10 262	**6 665**	6 557	**5 948**	5 157	**1 503**	1 178	**25 371**	23 154
Trading revenue	**(1)**		**(2)**	(1)	**11 872**	9 750	**(140)**	(82)	**11 729**	9 667
Other revenue	**1 041**	1 041	**934**	897	**1 434**	1 282	**2 837**	2 696	**6 246**	5 916
Other gains and losses on financial instruments		(43)	**361**	289	**213**	515			**574**	761
Inter-BU attribution	**2 732**	2 466	**947**	935			**(3 679)**	(3 401)		
Foreign exchange attribution	**297**	276	**979**	972			**(1 276)**	(1 248)		
Insurance attribution	**2 435**	2 190	**(32)**	(37)			**(2 403)**	(2 153)		
Total income	**42 967**	41 812	**23 806**	23 503	**36 122**	31 309	**(63)**	457	**102 832**	97 081
Credit impairment charges	**(8 895)**	(9 574)	**(1 117)**	(1 085)	**(909)**	(965)	**(7)**		**(10 928)**	(11 624)
Revenue sharing agreements					**(839)**	(865)	**(1)**		**(840)**	(865)
Net income before operating expenses	**34 072**	32 238	**22 689**	22 418	**34 374**	29 479	**(71)**	457	**91 064**	84 592
Operating expenses	**(23 102)**	(22 256)	**(14 102)**	(13 632)	**(20 616)**	(18 447)	**(3 758)**	(3 266)	**(61 578)**	(57 601)
Amortisation and depreciation	**(3 008)**	(3 349)	**(478)**	(456)	**(262)**	(220)	**(757)**	(761)	**(4 505)**	(4 786)
Staff costs	**(12 686)**	(12 073)	**(5 562)**	(5 440)	**(9 130)**	(8 536)	**(7 591)**	(6 706)	**(34 969)**	(32 755)
Cloud, software and technology	**(5 239)**	(4 938)	**(741)**	(754)	**(3 108)**	(2 671)	**(2 144)**	(2 114)	**(11 232)**	(10 477)
Other	**(2 169)**	(1 896)	**(7 321)**	(6 982)	**(8 116)**	(7 020)	**6 734**	6 315	**(10 872)**	(9 583)
Inter-BU attribution expense					**(1 276)**	(1 248)	**1 276**	1 248		
Net income before capital items and equity accounted earnings	**10 970**	9 982	**8 587**	8 786	**12 482**	9 784	**(2 553)**	(1 561)	**29 486**	26 991
Non-trading and capital related items	**(42)**	(97)	**4**	(133)	**(34)**	(209)	**18**	(7)	**(54)**	(446)
Share of post-tax profit from associates and joint ventures	**(12)**	(5)	**(2)**	(1)	**7**	(29)	**(5)**	15	**(12)**	(20)
Profit before indirect taxation	**10 916**	9 880	**8 589**	8 652	**12 455**	9 546	**(2 540)**	(1 553)	**29 420**	26 525
Indirect taxation	**(987)**	(986)	**(192)**	(165)	**(419)**	(397)	**(421)**	(560)	**(2 019)**	(2 108)
Profit before direct taxation	**9 929**	8 894	**8 397**	8 487	**12 036**	9 149	**(2 961)**	(2 113)	**27 401**	24 417
Direct taxation	**(2 102)**	(1 847)	**(2 298)**	(2 335)	**(2 161)**	(1 291)	**692**	747	**(5 869)**	(4 726)
Profit for the period	**7 827**	7 047	**6 099**	6 152	**9 875**	7 858	**(2 269)**	(1 366)	**21 532**	19 691
Attributable to preference shareholders							**(20)**	125	**(20)**	125
Attributable to AT1 capital shareholders	**(419)**	(407)	**(170)**	(176)	**(773)**	(724)	**(292)**	(303)	**(1 654)**	(1 610)
Attributable to non-controlling interests	**1**		**(1)**		**(3)**	1	**13**	(2)	**10**	(1)
Attributable to ordinary shareholders	**7 409**	6 640	**5 928**	5 976	**9 099**	7 135	**(2 568)**	(1 546)	**19 868**	18 205
Headline adjustable items	**30**	70	**(9)**	101	**26**	164	**(5)**	5	**42**	340
Headline earnings	**7 439**	6 710	**5 919**	6 077	**9 125**	7 299	**(2 573)**	(1 541)	**19 910**	18 545

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

42. 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, with focus thereafter moving to interest rate benchmark reform in South Africa.

During 2020, the SARB indicated its intention to move away from the 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 ZARONIA rate was published for observation during 2022 and was formally endorsed as the successor rate in 2023. Following the formal cessation announcement in December 2025, JIBAR will be discontinued as a reference rate from the end of December 2026, in accordance with industry timelines.

The Market Practitioners 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. The group is a member of MPG and has launched an internal project with workstreams that align to the scope and timelines of the industry initiative.

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 extensive industry consultations, the MPG has recommended the adoption of the standard International Swaps and Derivatives Association (ISDA) fallback methodology for calculating the industry CAS in respect of the index change from JIBAR to ZARONIA for existing JIBAR-linked contracts. Following the official cessation announcement in December 2025, the CAS was fixed for all JIBAR tenors, providing market participants with certainty regarding the fallback rates to be applied as part of the transition process.

To ensure the orderly transition of existing JIBAR-linked derivative contracts to ZARONIA, ISDA updated 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 the 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 re-papering process to facilitate a smooth transition.

For cash market products, the transition approach for loans is predominantly expected to be an active approach with clients, where JIBAR-linked contracts are proactively amended prior to JIBAR cessation. Passive reliance on fallback language is generally not preferred, except where appropriate robust fallback language is in place.

Legislative measures may apply where contractual remediation is not feasible. Amendments have been drafted to the Financial Services Regulation Act, to facilitate transition where no active or passive transition has been implemented prior to JIBAR cessation. This may be applicable in limited cases where consent is not achievable, or where fallback language is absent or insufficient.

Existing JIBAR-linked contracts maturing after the formal cessation date will form part of the group's transition plan.

Establishing ZARONIA liquidity in the market is a prerequisite for a successful transition. ZARONIA-based derivative contracts have been trading since April 2025, with cash and money market products introduced from June 2025 onwards. The industry milestone for no new JIBAR is expected from the second quarter of 2026. From this date onwards, new exposures should be booked using ZARONIA or other suitable rates such as the central bank policy rate.

In 2024, the group established a Rand Rate Reform Steering Committee (Steering Committee) to oversee the transition to ZARONIA with ultimate oversight from the board. The Steering Committee is accountable for the direction and adequate resourcing of the various internal work streams that will enable the group's successful transition in addition to managing the associated risks. The Steering Committee continues to work closely with business units to ensure a seamless transition for the group and its clients.

The Steering Committee previously set up a risk management transition plan which details the transition process for each product and each system in the relevant business unit to manage and mitigate any risks that might arise. 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.

The risk management plan identifies and addresses the following potential risks associated with the transition process:

Potential risks	Risk management mitigation steps
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.	The bank remains fully aligned to industry milestones and continues to apply market best-practice methodologies and regulatory guidance as issued by the regulator.
Model risk: The risk that valuation models used within the group may not appropriately capture or implement the benchmark changes as intended, potentially resulting in mispricing or valuation discrepancies.	Model risk is being actively managed through coordinated oversight between model risk, legal, and operational teams to ensure appropriate model adjustments, validation, and implementation controls are in place.
Legal risk: The risk of non-compliance with existing contractual agreements previously concluded with clients as part of the benchmark transition.	A dedicated Legal Workstream has been established to incorporate the appropriate fallback language (FBL) into impacted contracts, supported by structured roll-out plans per business unit and aligned to MPG recommendations.
Operational risk: Risk of the group's systems not being able to accommodate the changes to the interest rates as agreed with the clients.	Implementation plans are in place for all JIBAR-impacted systems to support new ZARONIA trading and the required functionality to facilitate the transition from JIBAR to ZARONIA, including more complex rate conversion mechanics.
Financial risk: Risk of not appropriately pricing the deals which will result in a transfer of value between the group and clients.	A pricing framework has been implemented, including the application of the CAS, supported by ongoing industry testing. Funds transfer pricing (FTP) impacts and associated methodology updates are being modelled and incorporated accordingly.
Compliance/regulatory risk: The risk that the group may be exposed to regulatory scrutiny or sanctions as a result of failing to meet regulatory expectations in relation to the transition.	The group chairs the Industry Transition Workstream, enabling close alignment with regulatory developments and proactive monitoring of industry guidance and milestones
Reputational risk: The risk of damage to the group's reputation arising from inadequate preparation for, or execution of, the transition.	Dedicated workstreams have established appropriate transition and mitigation plans, with milestones and timelines actively monitored and tightly managed across the business units.
Conduct risk: The risk arising from the transition of existing JIBAR-linked contracts, where unintended value transfer may occur, clients may be transitioned to rates that are not economically equivalent, or where contractual terms may be perceived as unfair. This includes the risk that clients do not fully understand the impact of the transition or the alternatives available to them.	'Treating Customers Fairly' (TCF) principles have been embedded into the transition approach, with appropriate non-financial risk (NFR) oversight and governance structures in place.

Changes to all impacted systems are being implemented and will be ready to accommodate the transition smoothly and effectively. Internal and external communications, as well as structured client engagements, are being conducted across multiple platforms and will continue throughout the transition phase until the formal cessation of JIBAR at the end of 2026.

FINANCIAL INSTRUMENTS IMPACTED BY THE REFORM WHICH ARE YET TO TRANSITION AS AT 31 DECEMBER

	2025	2024	
	ZAR JIBAR Rm	ZAR JIBAR Restated[1] Rm	USD LIBOR Rm
Derivative assets[1,2]	**1 548 909**	2 114 302	
Financial investments	**13 516**	9 907	
Loans and advances[3]	**261 690**	262 377	239
Trading assets[1]	**47 423**	76 691	
Derivative liabilities[1,2]	**(3 252 842)**	(2 735 047)	
Deposits and debt funding[1]	**(226 101)**	(218 652)	
Trading liabilities[1]	**(10 677)**	(3 246)	
Off-balance sheet items	**15 987**	18 549	

1 Restated. Refer to page 23 for further detail.
Derivative asset notional amounts increased by R20 297 million. Derivative liabilities notional amounts decreased by R20 074 million.
2 These balances represent the notional amount directly impacted by the IBOR reform. Where the derivatives have both pay and receive components with exposure to the benchmark reform such as cross-currency swaps, the notional amount is disclosed for both components.
3 Gross carrying amount excluding allowances for ECL.

43. Events after reporting date

Geopolitical tensions have introduced uncertainty to the group and company's outlook and are being closely monitored. The potential primary and secondary impacts are being assessed. As these developments occurred after the reporting period, they are non-adjusting events in accordance with IAS 10 *Events After the Reporting Period*.

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE A – SUBSIDIARIES, CONSOLIDATED AND UNCONSOLIDATED STRUCTURED ENTITIES

Subsidiaries

	Nature of operation	Issued share capital Rm	Effective holding 2025 %	Effective holding 2024 %	Book value of shares 2025 Rm	Book value of shares 2024 Rm	Net indebtedness (by)/to SBSA company 2025 Rm	Net indebtedness (by)/to SBSA company 2024 Rm
Blue Granite Investments No. 2 (RF) Proprietary Limited[1,2]	Securitisation vehicle						**(10)**	(10)
Blue Granite Investments No. 3 (RF) Proprietary Limited[1,2]	Securitisation vehicle							
Blue Shield Investments 01 (RF) Limited[1,2]	Securitisation vehicle							(11)
Blue Shield Investments 02 (RF) Limited[1,2]	Securitisation vehicle						**639**	538
Blue Titanium Conduit (RF) Limited[1,2]	Asset-backed commercial paper conduit						**(137)**	(130)
Diners Club (S.A.) Proprietary Limited	Travel and entertainment card	*	**100**	100		**	**350**	289
Ecentric Payment Systems Proprietary Limited	Development and marketing transactions – switching software and services	*	**54**	54	**66**	66	**(6)**	(4)
Rapvest Investments Proprietary Limited[2]	Financing company	*	**100**	100	*****	***	**612**	213
Siyakha Fund (RF) Proprietary Limited[1]	Securitisation vehicle				*****	***	**(15)**	(11)
Standard Bank Insurance Brokers Proprietary Limited	Insurance broking	*	**100**	100	*****	***	**(605)**	(500)
STANLIB Protected Equity Fund[3]	Equity fund		**100**	100	**8 911**	6 561	**80**	29
Miscellaneous	Finance companies			****	**131**	130	**(186)**	(74)
Total investment in subsidiaries					**9 108**	6 757	**722**	329

1 Structured entity (SE), no shareholding.
2 SBSA consolidates Blue Shield 01, Blue Shield 02, Blue Granite No.2, Blue Granite No.3, Blue Titanium Conduit and Rapvest, as it has power over the relevant activities of these entities via the management agreements and exposure to variable returns through its funding participation. The preference shareholder of these entities is outside the SBSA group and therefore profits are presented as non-controlling interests within SBG. The nature of operations of these entities is to facilitate mortgage-backed securitisations.
3 During 2025, the increase in the carrying amount of the investment was attributable to additional capital deployed during the period in the STANLIB Protected Equity Fund. During 2024, the carrying amount of total units increased resulting in an impairment reversal of R10 million.

* Issued share capital less than R1 million.
** Book value less than R1 million.
*** Held indirectly.
**** Various holdings.

The principal place of business and country of incorporation for all subsidiaries is South Africa. The detailed information is only given in respect of subsidiaries which are material to the group's financial position. Details of all the group's subsidiaries and SEs are available upon request at the company's registered office.

Foreign operations

SBSA also has foreign operations in the form of branches and representative offices in Dubai, Egypt, Ethiopia, New York and the Isle of Man.

Consolidated structured entities

The following table discloses the consolidated SEs to which the group provides financial support[1,5]:

	Nature of operations	Amount of support provided as at[1,2,4] 2025 Rm	2024 Rm	Type of support[3] 2025	2024	Terms of contractual arrangements that requires 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
Blue Granite Investments No.2 (RF) Proprietary Limited (BG2)	Facilitates mortgage-backed securitisations. SBSA 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 BG2's customers be unable to meet their contractual obligations under the mortgage loan agreement and the loans be 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.	**1 573**	1 093	**Loan**	Loan	The loan is payable on demand. 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 Special Purpose Vehicle (SPV) facilitates vendor financing for Small and Medium Enterprises (SMEs).	**22**	59	**Loan**	Loan	The loan bears 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.

1 During the reporting period, SBSA did not provide any financial or other support to any SE without having a contractual obligation to do so.
2 The amount of support provided includes loans and advances and drawn down credit facilities provided to SEs. All amounts are disclosed as at 31 December 2025.
3 In addition to the financial support provided to the SEs, the group enters into other transactions with SEs in the ordinary course of business which include loans and advances, deposits and current accounts and derivatives.
4 This is the amount as reported on the company's statements of financial position as at 31 December 2025 and 2024, respectively. For credit facilities, the amount shown is the drawn balance as at the reporting date.
5 The following entities have been excluded from the table above, as no support has been provided during 2025 or 2024: Blue Shield Investments 01 (RF) Limited, Blue Titanium Conduit Ltd and Siyakha Fund (RF) Proprietary Limited.

Unconsolidated structured entities

The following table discloses the unconsolidated SEs in which the group has an interest:

Name of entity	Nature and purpose of entity	Principal nature of funding	Principal nature of assets	Weighted average remaining useful life of assets	Terms of contractual arrangements	Events/circumstances that could expose the group to a loss	Types of income received by the group[1]	Maximum exposure[2] 2025 Rm	Maximum exposure[2] 2024 Rm	Size[3] 2025 Rm	Size[3] 2024 Rm
Blue Diamond Investments No.1 (RF) Limited (BD1) Blue Diamond Investments No.3 (RF) Limited (BD3)	These structures have been designed to provide third-party investors indirect exposure to corporate names. The group obtains credit protection from BD3 in the form of issuing credit-linked notes on single or multiple corporate names. BD 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 SBSA	4 years	The group settles BD's operating expenses as and when necessary, typically in the event that BD has liquidity constraints. Any payment for such amounts is to be refunded by BD 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 BD.	Once-off fee and commission income earned for structuring the SE.			**196**	198
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	14 years	SBSA acts as the administrator and identifies and invests suitable financial assets and facilitates the execution and settlement of trades.	None	Administration fee and upfront fees for originating the assets.			**25**	53
1nvest ETF Issuer (RF) Limited offering the following: 1nvest Palladium ETF (JSE code: ETFPLD) 1nvest Platinum ETF (JSE code: ETFPLT) 1nvest Rhodium ETF (JSE code: ETFRHO) 1nvest Gold ETF (JSE code: ETFGLD)	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 and the JSE's 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.	**372**	53	**7 900**	4 449

1 Income received in the current year for unconsolidated structured entities amounts to R306 million (2024: R33 million).
2 Maximum exposure represents the carrying amount of the group's investment in the entity. Banking related structured entities do not take up any notes and therefore have no exposure to notes issued.
3 Size reflects the aggregate value of notes issued by the structured entities.

ANNEXURE B – ASSOCIATES AND JOINT VENTURES

	Equity accounted		Fair value accounted	
	Total associates and joint ventures		Total associates	
Ownership structure	Various		Associate	
Nature of business	Various		Financial company	
Principal place of business and country of incorporation	South Africa		South Africa	
Year end	Various		Various	
Accounting treatment	Equity accounted		Fair value accounted	
	2025 Rm	2024 Rm	**2025 Rm**	2024 Rm
Effective holding (%)	**Various**	Various	**Various**	Various
Income statement				
Total comprehensive income	**20**	57		
Distributions received from associates	**21**	3		
Carrying value	**714**	1 036	**438**	368
Share of total comprehensive loss from associates and joint ventures	**(12)**	(20)		

ANNEXURE C – IFRS RISK AND CAPITAL MANAGEMENT DISCLOSURES

The IFRS risk and capital management sections below applies to group and company, unless otherwise stated. For a more detailed discussion on the group and company's approach to risk management, refer to the risk and capital management report as noted in the reporting suite section on page 1.

Overview

Risk management

The group's activities give rise to various financial 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 GRCMC.

Capital management

The group's capital management function is designed to ensure that regulatory requirements are met at all times and that the banking 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 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.

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 countries the group operates in, 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.

Concentrations to climate-related financial risks

The group considers the potential impacts of various risks, including climate-related risks, on its financial risks, and in particular, its credit risk exposures. The group has identified lending portfolios in sectors exposed to climate-related credit risk, driven primarily by transition risk, that are potentially high or elevated. The group's evolving assessment framework includes consideration of:

- The sector's contribution to greenhouse gas (GHG) emissions and the resulting likelihood of significant transition requirements (e.g. policy, carbon-pricing, or technology-shift pressures).
- The materiality of the group's credit exposure to the sector, including concentration levels and the potential for accelerated repricing as policies, markets or technologies evolve.
- Regulatory direction and implementation pace, which can accelerate or delay transition risk for clients operating in that jurisdiction.
- The credibility and feasibility of global and local sectoral transition pathways, including expected timelines for emissions reductions and operational transformation.
- The maturity, cost and availability of technologies needed to enable sector decarbonisation, and the implications for clients' business models and financial resilience.

Transition-risk exposures are scenario-based, and contingent on how future climate, policy and technology pathways evolve. Sectors assessed as having scenario-based high transition risk include the Oil and Gas portfolio (across upstream, midstream and downstream activities), non-renewable power generation (coal and oil & gas), and coal mining. Sectors assessed as having scenario-based elevated transition risk include real estate activities, agriculture, and the manufacture of cement, steel and transport vehicles.

These sectors are also exposed to physical climate risks, with agriculture, coal mining, and manufacturing particularly vulnerable due to their reliance on stable water availability, which is increasingly threatened by climate variability and long-term shifts in precipitation patterns.

Based on testing performed, and current data and modelling limitations, the group's estimates of both current and forward-looking climate-related credit risk vulnerabilities indicate that these exposures remain within the group's current appetite for credit risk.

The group continues to develop strategies to mitigate potential climate-related credit risk and to pursue sustainable and low carbon finance opportunities in these portfolios, as detailed in the SBG Climate Policy. This includes setting targets for reducing lending concentration and financed emissions exposures to high transition risk sectors in the medium to long-term, engaging with our clients to understand their transition plans and maximising opportunities to support clients in their transition. The group is also exploring opportunities for adaptation finance, including expanding its climate smart agriculture offering, to support agri-clients to adapt to a changing environment.

Climate-related scenario analysis and estimation uncertainty

Scope and purpose

In 2025, the group expanded its climate stress-testing programme by conducting exploratory climate scenario analysis and stress-testing across selected portfolios. The objective was to assess how climate-related physical and transition risks could influence portfolio credit risk and the potential evolution of expected losses over time. The outputs are qualitative and are intended to enhance the group's understanding of potential climate-risk transmission channels, support capability building, and inform ongoing improvements in risk identification and management.

Method overview

The group applied thematic climate-transition and physical-risk narratives, along with corresponding macro-financial variables, to selected credit portfolios to assess directional impacts on key credit risk drivers such as PDs and LGDs. The approach assessed the potential for changes in expected credit losses under a range of plausible future scenarios.

Given current model, data and assumption limitations, results are interpreted with appropriate caution. Nonetheless, this qualitative scenario-based approach provides valuable insights into potential credit-risk sensitivities and complements the group's broader climate-risk management and disclosure activities.

Estimation uncertainty

Key sources of estimation uncertainty include:

- Long-term scenario horizons and evolving climate science and policy assumptions.
- Data limitations (e.g., location of collateral, sector classification, emissions and energy use data).
- Reliance on external vendor models pending further internal capability development.
- The need for expert judgement overlays and ongoing model validation.

The group is in the early stages of capability development and high estimation uncertainty exists, indicating that data quality and modelling approaches are still being developed and will improve over time.

Governance

The SBG 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 officer, oversees financial and non-financial-related risks, including climate-related risks.

The 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 coal, oil and gas, 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 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 are 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 PD and LGD, 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.

Identification and assessment of climate-related financial risks

In 2025 the group continued to advance its climate risk measurement and modelling across transaction, client and portfolio levels.

- **Physical risk.** Measurement reflects variable data quality for asset locations. Asset-level location is used where available to calculate physical risk impact scores. Where it is not available, regional proxies are applied. Client engagement continues to improve the availability and quality of location data.
- **Transition risk**. A hierarchical GHG emissions approach is used. Client-reported emissions are used where available. Where required, proxied sector averages or modelled estimates are applied and calibrated to client size, financial profile, operational footprint and sector. Transition risk modelling also differentiates counterparties that compete directly within the same sector.

Integration into risk systems and governance

Integration into underwriting, portfolio monitoring, pricing, early-warning indicators and credit reporting is ongoing. Climate-related concentrations are incorporated into management information and decision-making. Where third-party climate data and models are used, they continue to be tested and refined and are subject to the group's standard model development and validation protocols.

Scenario analysis and exploratory stress testing

Multi-year scenarios are used to assess short-term shocks and medium- to long-term transition and physical pathways. In 2025 the group expanded exploratory stress testing which inform work plans to build modelling capability, identify priority data gaps and refine methodologies.

Data quality and model refinement

Climate-related data quality remains variable across sectors and jurisdictions. This is particularly evident for client-reported emissions, detailed asset locations and hazard datasets. Where required, proxied or modelled values are used with defined lineage and confidence grading. Models are recalibrated to enhance accuracy, reduce uncertainty and improve reliability of climate-adjusted measures and concentrations.

Risk appetite

The group's climate risk appetite has been qualitatively enhanced and is being consistently adopted and aligned across the group. Integration of quantified limits is ongoing as data, modelling and scenario testing mature.

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.

Exposure and concentrations

Disclosures continue to reflect the group's exposures to sectors that are materially susceptible to climate-related risk. Asset class views are used to support clearer visibility of shifts in climate-adjusted PD, LGD and expected loss under baseline and scenario conditions.

Financed emissions and transition indicators

Financed emissions coverage continues to expand as client reporting increases and sector factors are refined. The programme is being extended to additional asset classes, including agriculture and transport. Transition indicators such as credible plans, interim targets and evidence of low-carbon capital allocation support internal risk differentiation and scenario outputs.

Credit risk

Definition

Credit risk is the risk of loss arising out of the failure of obligors to meet their financial or contractual obligations when due. It is composed of obligor risk, risks associated with climate change, concentration risk and country risk and represents the largest source of risk to which banking entities in the group are exposed.

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 exposures 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, including for SBSA, 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 and point-in-time PDs, and utilises both measures in decision-making. To determine point-in-time PD's 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 for counterparties in pricing decisions, regulatory capital calculations and expected loss and impairments measurement.

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 for other obligor credit approvals.

For trading and derivatives transactions where collateral support is considered necessary, the group typically use 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 we 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.

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.

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.

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. 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 on 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.

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 an 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 – 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 that follows. 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 unsecured lending, business lending and other product portfolios. Exposures which are in default are not considered in the 1 – 25-point master rating scale. The group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the group will take possession of collateral to mitigate potential credit losses. 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 varies 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 to the group on due date or shortly thereafter without recourse to actions such as realisation of security; or
- 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 and therefore exposures which are overdue for more than 90 days are 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 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 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 7.

IFRS: MAXIMUM EXPOSURE TO CREDIT RISK BY CREDIT QUALITY

	Gross carrying amount Rm	SB 1 – 12 Stage 1 Rm	SB 1 – 12 Stage 2 Rm	SB 13 – 20 Stage 1 Rm	SB 13 – 20 Stage 2 Rm	SB 21 – 25 Stage 1 Rm	SB 21 – 25 Stage 2 Rm	Default Stage 3 Rm	Total gross carrying amount of default exposures Rm	Securities and expected recoveries on default exposures Rm	Balance sheet ECL and IIS on default exposures Rm	Gross default coverage %	Non-performing exposures %
2025													
Loans and advances at amortised cost													
Home services	452 232	97 143	13	252 922	12 521	15 093	27 064	47 476	47 476	28 552	18 924	40	10.5
Vehicle and asset finance	126 364	39 522	10	60 179	4 615	4 669	8 283	9 086	9 086	4 415	4 671	51	7.2
Card and payments	39 976	2 538	3	25 852	249	2 941	2 900	5 493	5 493	1 689	3 804	69	13.7
Personal unsecured lending	61 057	312	6	34 964	170	8 913	7 108	9 584	9 584	3 247	6 337	66	15.7
Business lending and other	84 884	24 216		44 695	2 367	4 148	4 476	4 982	4 982	2 000	2 982	60	5.9
Corporate	567 071	338 618		203 612	12 492	969	959	10 421	10 421	5 094	5 327	51	1.8
Bank	199 352	178 964		15 496	996	3 896							
Central and other	4 497	4 497											
Gross carrying amount	**1 535 433**	**685 810**	**32**	**637 720**	**33 410**	**40 629**	**50 790**	**87 042**	**87 042**	**44 997**	**42 045**	**48**	**5.7**
ECL on loans and advances	(52 813)												
Net carrying amount of loans and advances measured at amortised cost	**1 482 620**												
Financial investments measured at amortised cost													
Corporate and sovereign	180 136	166 390	2 798	8 874	1 622			452					
Gross carrying amount	**180 136**	**166 390**	**2 798**	**8 874**	**1 622**			**452**					
ECL for financial investments measured at amortised cost	(146)												
Net carrying amount of financial investments measured at amortised cost	**179 990**												
Debt financial instruments at FVOCI													
Financial investments: corporate and sovereign	2 338	2 235			103								
Loans and advances: corporate	4 832			4 832									
Gross carrying amount	**7 170**	**2 235**		**4 832**	**103**								
Total debt financial instruments at FVOCI	**7 170**												
Off-balance sheet exposures													
Letters of credit and banker's acceptances	6 805	4 516	4	1 210	37	1 038							
Guarantees	79 607	71 208	51	7 618	494	178	41	17					
Unutilised facilities[1]	181 475	161 433	306	15 298	4 344		25	69					
Total exposure to off-balance sheet credit risk	**267 887**	**237 157**	**361**	**24 126**	**4 875**	**1 216**	**66**	**86**					
ECL for off-balance sheet exposures	(327)												
Net carrying amount of off-balance sheet exposures	**267 560**												
Total exposure to credit risk on financial assets subject to ECL	**1 937 340**												
Exposures not subject to ECL													
Loans and advances at fair value	1 130												
Cash and balances with the central bank – held at FVTPL	60 502												
Derivative assets	80 079												
Other financial investments – held at fair value[2]	4 643												
Trading assets	437 773												
Pledged assets[3]	27 236												
Other financial assets[4]	14 872												
Total	**2 563 575**												

1 The ECL on unutilised facilities is included in the ECL for loans and advances.
2 Other financial investments comprise of FVTPL of R4 249 million and FVOCI of R394 million (refer note 5) that are not subject to ECL considerations.
3 Pledged assets of R10 669 million are carried at amortised cost, these assets primarily relate to corporate and sovereign exposures for which maximum exposure to credit risk is deemed to be insignificant.
4 Due to the short-term nature of these assets and historical experience and available forward looking information, debtors 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

		SB 1 – 12		SB 13 – 20		SB 21– 25		Default					
	Gross carrying amount[1] 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	Securities and expected recoveries on default exposures Rm	Balance sheet ECL and IIS on default exposures Rm	Gross default coverage %	Non-performing exposures %
2024													
Loans and advances at amortised cost													
Home services	447 872	79 678	75	261 275	10 008	12 424	37 224	47 188	47 188	30 447	16 741	35	10.5
Vehicle and asset finance	121 106	69 158	1	25 593	9 103	2 356	3 956	10 939	10 939	4 601	6 338	58	9.0
Card and payments	37 950	3 202		23 297	607	3 250	3 419	4 175	4 175	1 497	2 678	64	11.0
Personal unsecured lending	58 275	439	5	30 761	80	10 252	7 987	8 751	8 751	3 210	5 541	63	15.0
Business lending and other	81 153	20 026	8	45 098	1 601	2 903	4 854	6 663	6 663	2 376	4 287	64	8.2
Corporate	506 305	311 893	1 950	165 144	13 786	1 761	1 353	10 418	10 418	4 775	5 643	54	2.1
Bank	179 655	154 147		17 958	1 703	5 847							
Central and other	5 502	5 502											
Gross carrying amount	1 437 818	644 045	2 039	569 126	36 888	38 793	58 793	88 134	88 134	46 906	41 228	47	6.1
ECL on loans and advances	(53 427)												
Net carrying amount of loans and advances measured at amortised cost	1 384 391												
Financial investments measured at amortised cost													
Corporate and sovereign	145 165	133 701	1 463	9 791				210					
Gross carrying amount	145 165	133 701	1 463	9 791				210					
ECL for financial investments measured at amortised cost	(207)												
Net carrying amount of financial investments measured at amortised cost	144 958												
Debt financial investments at FVOCI													
Corporate and sovereign	2 754	2 638			116								
Gross carrying amount	2 754	2 638			116								
Total financial investment at FVOCI	2 754												
Off-balance sheet exposures													
Letters of credit and banker's acceptances	3 377	2 580		559	1	237							
Guarantees	67 769	58 260		6 945	1 141	475	904	44					
Unutilised facilities[1]	184 290	164 843	1 673	16 743	1 000		23	8					
Total exposure to off-balance sheet credit risk	255 436	225 683	1 673	24 247	2 142	712	927	52					
ECL for off-balance sheet exposures	(296)												
Net carrying amount of off-balance sheet exposures	255 140												
Total exposure to credit risk on financial assets subject to ECL	1 787 243												
Exposures not subject to ECL													
Loans and advances at fair value	823												
Cash and balances with the central bank – held at FVTPL	61 791												
Derivative assets[3]	58 261												
Other financial investments – held at fair value[2]	14 233												
Trading assets[3]	375 248												
Pledged assets[4]	7 104												
Other financial assets[5]	12 195												
Total	2 316 898												

[1] The ECL on unutilised facilities is included in the ECL for loans and advances.
[2] Other financial investments comprise of FVTPL of R13 629 million and FVOCI of R604 million (refer note 5) that are not subject to ECL considerations. These balances include financial investments designated at FVTPL of R2 504 million (refer note 19.1).
[3] Restated. Refer to page 23 for further detail.
[4] Pledged assets of R964 million are carried at amortised cost, these assets primarily relate to corporate and sovereign exposures for which maximum exposure to credit risk is deemed to be insignificant.
[5] Due to the short-term nature of these assets and historical experience, debtors are regarded as having a low PD. 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.

INDUSTRY SEGMENTAL ANALYSIS

	Gross loans and advances				Stage 3 credit impairments			
	2025		2024		2025		2024	
	%	Rm	%	Rm	%	Rm	%	Rm
Agriculture	**2**	**24 850**	2	29 084	**2**	**827**	2	914
Construction	**1**	**10 028**	1	9 404	**2**	**650**	2	803
Electricity	**4**	**62 465**	4	51 922	**0**	**129**	0	76
Finance, real estate and other business services	**33**	**503 824**	31	443 654	**10**	**4 140**	10	4 212
Individuals	**41**	**623 023**	42	602 298	**74**	**31 740**	71	29 159
Manufacturing	**6**	**99 409**	6	92 198	**2**	**761**	6	2 315
Mining	**4**	**54 996**	3	42 734	**1**	**300**	0	312
Other services	**2**	**29 764**	3	43 066	**3**	**1 179**	3	1 137
Transport	**3**	**56 603**	3	48 592	**1**	**389**	2	654
Wholesale	**4**	**76 433**	5	75 689	**5**	**1 930**	4	1 646
Total	**100**	**1 541 395**	100	1 438 641	**100**	**42 045**	100	41 228

GEOGRAPHIC SEGMENTAL ANALYSIS

	Gross loans and advances				Stage 3 credit impairments			
	2025		2024		2025		2024	
	%	Rm	%	Rm	%	Rm	%	Rm
South Africa	**81**	**1 242 699**	80	1 148 152	**99**	**41 593**	96	39 715
Africa Regions	**8**	**121 021**	8	115 683	**1**	**347**	3	1 392
International	**11**	**177 675**	12	174 806	**0**	**105**	1	121
Total	**100**	**1 541 395**	100	1 438 641	**100**	**42 045**	100	41 228

Collateral

The table below shows the financial effect that collateral has on the group's maximum exposure to credit risk. Credit risk management, measurement and mitigation including the use of collateral, are detailed on pages 122-123. All on- and off-balance sheet exposures that are exposed to credit risk, including non-performing loans, have been included.

Collateral includes:

- 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 continued

COLLATERAL

	Total exposure Rm	Secured Rm	Netting agreements Rm	Secured exposure after netting Rm	Stage 3 credit impaired advances Maximum exposure Rm	Securities & expected recoveries Rm	Net exposure Rm	ECL allowance raised Rm
2025								
Loans and advances held at amortised cost								
Home services	**452 232**	**452 229**		**452 229**	**47 476**	**28 552**	**28 552**	**18 924**
Vehicle and asset finance	**126 364**	**107 101**		**107 101**	**9 086**	**4 415**	**4 415**	**4 671**
Card payments	**39 976**				**5 493**	**1 689**	**1 689**	**3 804**
Personal unsecured lending	**61 057**				**9 584**	**3 247**	**3 247**	**6 337**
Business lending and other	**84 884**	**59 903**		**59 903**	**4 982**	**2 000**	**2 000**	**2 982**
Corporate and sovereign	**567 071**	**81 529**		**81 529**	**10 421**	**5 094**	**5 094**	**5 327**
Bank	**203 849**	**74 244**		**74 244**				
Total loans and advances held at amortised cost	**1 535 433**	**775 006**		**775 006**	**87 042**	**44 997**	**44 997**	**42 045**
Assets other than loans and advances held at amortised cost								
Derivative assets	**80 079**	**69 965**	**69 965**					
Trading assets	**437 773**	**126 922**		**126 922**				
Pledged assets	**27 236**							
Financial investments[1]	**183 499**	**13 142**		**13 142**	**452**	**345**	**345**	**107**
Other financial assets	**14 872**							
Loans and advances at fair value	**5 962**							
Total assets other than loans and advances held at amortised cost	**749 421**	**210 029**	**69 965**	**140 064**	**452**	**345**	**345**	**107**
Off-balance sheet exposures								
Letters of credit and banker acceptances	**11 911**	**320**		**320**				
Guarantees	**78 848**	**2 761**		**2 761**				
Unutilised facilities	**151 677**	**11 288**		**11 288**				
Total off-balance sheet exposures	**242 436**	**14 369**		**14 369**				
2024								
Loans and advances held at amortised cost								
Home services	447 872	447 872		447 872	47 188	30 447	30 447	16 741
Vehicle and asset finance	121 106	110 510		110 510	10 939	4 601	4 601	6 338
Card payments	37 950				4 175	1 497	1 497	2 678
Personal unsecured lending	58 275				8 751	3 210	3 210	5 541
Business lending and other	81 153	56 507		56 507	6 663	2 376	2 376	4 287
Corporate and sovereign	506 305	96 677		96 677	10 418	4 775	4 775	5 643
Bank	185 157	91 638		91 638				
Total loans and advances held at amortised cost	1 437 818	803 204		803 204	88 134	46 906	46 906	41 228
Assets other than loans and advances held at amortised cost								
Derivative assets[2]	58 261	48 159	48 159					
Trading assets[2]	375 248	138 514		138 514				
Pledged assets	7 104							
Financial investments[1]	159 214	11 051		11 051	210	29	29	181
Other financial assets	12 195							
Loans and advances at fair value	823							
Total assets other than loans and advances held at amortised cost	612 845	197 724	48 159	149 565	210	29	29	181
Off-balance sheet exposures								
Letters of credit and banker acceptances	12 427	442		442				
Guarantees	80 196	2 027		2 027				
Unutilised facilities	152 762	5 636		5 636				
Total off-balance sheet exposures	245 385	8 105		8 105				

1 Excludes financial investments not subject to credit risk, such as equity instruments.
2 Restated. Refer to page 23 for further detail.

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 banking and trading 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 the CIB, PPB and BCB 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 balance sheet is structurally sound and supportive of our strategy. 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.

We manage liquidity risk as three interrelated pillars, which are aligned to the Basel III liquidity requirements, namely tactical short-term liquidity risk management, structural long-term liquidity risk management and contingency liquidity risk management.

Refer to the funding and liquidity risk section of the SBG's risk and capital management report for additional information.

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 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 and are included at fair value in the redeemable on demand bucket since these positions are typically held for short periods of time.

Maturity analysis of undiscounted financial liabilities by contractual maturity

The table presents contractual, undiscounted cash flows based on the earliest payment or exit date. Trading liabilities and most derivative liabilities are shown as redeemable on demand. Therefore, the amounts do not agree to those reported in the consolidated statement of financial position.

Derivative liabilities designated as hedging instruments are included on a contractual, undiscounted basis, as these maturities are considered essential for understanding the timing and profile of expected cash flows. All other derivative liabilities, together with trading liabilities, are treated as trading instruments and included at fair value in the redeemable-on-demand category, reflecting their typically short holding periods.

The table also includes contractual cash flows for off-balance sheet items. Where cash flows occur simultaneously, only the net amounts are presented.

	Redeemable on demand[1] 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 Rm	Maturing greater than five years Rm	Total Rm
2025							
Financial liabilities							
Derivative financial instruments	**86 306**		**2**	**5**			**86 313**
Instruments settled on a net basis	**63 875**		**2**	**5**			**63 882**
Instruments settled on a gross basis	**22 431**						**22 431**
Trading liabilities	**67 253**						**67 253**
Deposits and debt funding	**1 115 760**	**170 035**	**228 067**	**148 313**	**258 972**	**63 651**	**1 984 798**
Subordinated debt		**136**	**2 573**	**2 504**	**28 860**		**34 073**
Other	**6 259**			**11 591**	**2 961**	**627**	**21 438**
Total	**1 275 578**	**170 171**	**230 642**	**162 413**	**290 793**	**64 278**	**2 193 875**
Unrecognised financial liabilities							
Letters of credit and bankers' acceptances	**11 911**						**11 911**
Guarantees	**78 848**						**78 848**
Irrevocable unutilised facilities	**151 677**						**151 677**
Total	**242 436**						**242 436**
2024 Restated[1]							
Financial liabilities							
Derivative financial instruments[1]	69 026			159			69 185
Instruments settled on a net basis[1]	48 096			159			48 255
Instruments settled on a gross basis	20 930						20 930
Trading liabilities[1]	98 317						98 317
Deposits and debt funding[1]	997 414	135 933	191 798	141 045	217 455	82 270	1 765 915
Subordinated debt		2 251	4 455	2 579	23 132	3 683	36 100
Other	2 390			12 008	4 628	276	19 302
Total	1 167 147	138 184	196 253	155 791	245 215	86 229	1 988 819
Unrecognised financial liabilities							
Letters of credit and bankers' acceptances	12 427						12 427
Guarantees	80 196						80 196
Irrevocable unutilised facilities	152 762						152 762
Total	245 385						245 385

[1] Restated. Refer to page 23 for further detail.

Market risk

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
- post-employment obligation 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 primary objective of trading is to service our clients including through market making or facilitation and generate an optimal return on our capital while ensuring that the risks remain within our risk appetite. The group's policy is that all trading activities are undertaken within the group's global markets' operations.

SBSA has an established control framework for determining the financial instruments and commodities mandated to be designated as trading. Those presumed to be trading and those that are excluded from the trading designation are consistent with the SARB Prudential Standards for Market Risk.

Market risk is identified through new and amended products or services including acquisitions, Joint ventures or partnerships. Originating entities and business units are responsible for identifying market risk, whilst the second line of defence being Market risk unit, asset-liability management (ALM), change risk management, Finance teams (including product controllers) and model validation teams also identify these risks.

Risk appetite is specified for trading desks using value-at-risk (VaR) and stressed VaR (SVaR) limits which require prior approval from SBSA ALCO. The market risk functions have the authority to set other limits at a lower level. To ensure trading desks remain within risk appetite, they hedge market risk exposures where appropriate using derivatives, trading assets or liabilities (cash) financial instruments or insurance. Hedge ineffectiveness is seen through profit and loss monitoring and attribution analysis.

Exposures and excesses are monitored and reported daily. Where breaches in VaR or SVaR limits occur, actions are taken by market risk functions liaising with trading desks to bring exposures back in line within approved market risk appetite, with such breaches being reported to management and entity ALCOs.

The market risk functions are independent of our trading operations and are accountable to SBSA ALCO reporting into the group ALCO. SBSA ALCOs has a Market Risk Committee as a sub-committee.

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, foreign exchange spot volatility, 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 SBSA is currently the 2008/2009 financial crisis.

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 and SVaR 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 throughout the year when compared to 2024 aggregate stress VaR (SVaR).

TRADING BOOK NORMAL VAR ANALYSIS BY MARKET VARIABLE

	Normal VaR			
	Maximum[1] Rm	Minimum[1] Rm	Average Rm	Closing Rm
2025				
Commodities risk	**16**	**1**	**4**	**3**
Foreign exchange risk	**76**	**16**	**30**	**25**
Equity position risk	**24**	**9**	**15**	**23**
Debt securities	**55**	**23**	**37**	**41**
Diversification benefits[2]			**(33)**	**(44)**
Aggregate	**85**	**32**	**54**	**48**
2024				
Commodities risk	8	1	3	1
Foreign exchange risk	87	20	44	37
Equity position risk	28	7	15	15
Debt securities	103	19	40	38
Diversification benefits[2]			(34)	(31)
Aggregate	145	36	68	60

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
2025				
Commodities risk	**139**	**5**	**58**	**52**
Foreign exchange risk	**639**	**127**	**333**	**235**
Equity position risk	**247**	**84**	**157**	**155**
Debt securities	**627**	**176**	**316**	**484**
Diversification benefits[2]			**(379)**	**(306)**
Aggregate	**1 018**	**242**	**485**	**620**
2024				
Commodities risk	89	4	34	5
Foreign exchange risk	695	97	275	242
Equity position risk	223	62	147	169
Debt securities	1 480	174	332	209
Diversification benefits[2]			(353)	(294)
Aggregate	1 424	177	435	331

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 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 assist in developing optimal hedging strategies on a risk-adjusted return basis.

INTEREST RATE SENSITIVITY ANALYSIS[1]

		ZAR	USD	GBP	Euro	Other	Total
2025							
Increase in basis points		**100**	**100**	**100**	**100**	**100**	
Sensitivity of annual net interest income	Rm	**695**	**344**	**3**	**(34)**	**41**	**1 049**
Decrease in basis points		**100**	**100**	**100**	**100**	**100**	
Sensitivity of annual net interest income	Rm	**(716)**	**(361)**	**(3)**	**29**	**(37)**	**(1 088)**
2024							
Increase in basis points		100	100	100	100	100	
Sensitivity of annual net interest income	Rm	543	301	42	16	11	913
Decrease in basis points		100	100	100	100	100	
Sensitivity of annual net interest income	Rm	(556)	(306)	(42)	(23)	(17)	(944)

[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 deployed in delivering the group's business and service offerings unless the group financial & value management officer and group risk & corporate affairs 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
2025			
Equity securities — unlisted	**2 675**	**2 972**	**3 269**
Impact on profit or loss	**(258)**		**258**
Impact on OCI	**(39)**		**39**
2024			
Equity securities — unlisted	2 072	2 302	2 532
Impact on profit or loss	(170)		170
Impact on OCI	(60)		60

Foreign currency risk

Definition

The group's primary non-trading-related exposures to foreign currency risk arise as a result of the translation effect on 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.

Gains or losses on derivatives that have been designated as cash flow hedging relationships 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 the rand. 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 EQUIVALENTS[1]

		USD	Euro	GBP	Other	Total
2025						
Total net long position	Rm	**32**	**17**	**74**	**484**	**607**
Sensitivity (ZAR depreciation)[2]	%	**10**	**10**	**10**	**10**	
Impact on profit or loss/equity	Rm	**3**	**2**	**7**	**48**	**60**
2024						
Total net long/(short) position	Rm	131	71	85	576	863
Sensitivity (ZAR depreciation)[2]	%	10	10	10	10	
Impact on profit or loss/equity	Rm	13	7	9	58	87

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.

Own equity-linked transactions

Definition

The group has exposure to changes in SBG's share price arising from its equity-linked remuneration contractual commitments.

The group is exposed to income statement risk due to increases in the price of SBG's share price above the award grant price.

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 (EGS)	Income statement risk	The EGS is a share scheme that is settled through the issuance of new shares. The scheme is however accounted for as a cash-settled share scheme at an SBSA level. Increases in SBG's share price results in losses being recognised in the income statement.	No, given that the share scheme is settled through the issuance of new shares at an SBG level, the share scheme is not hedged.	N/A
Equity-settled deferred bonus scheme (DBS) and performance reward plan (PRP)	Income statement risk	The DBS and PRP awards are settled through the purchase of shares from the open market. The share scheme is however accounted for as a cash-settled share scheme at an SBSA level. Increases in the SBG's share price above the grant price will result in losses being recognised in the income statement.	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 SBG's share price.	Yes	SBK share price risk
Share appreciation rights scheme (SARP) – equity-settled	Income statement risk	The SARP is an equity-settled share scheme that is settled through the purchase of shares from the open market. The share scheme is however accounted for as a cash-settled share scheme at an SBSA level. Increases in the SBG's share price above the grant price will result in losses being recognised in the income statement.	No, given the current low number of awards that have been issued.	N/A

1 The group partially hedges these exposures.

Capital management

The group manages its capital levels to support business growth, maintain depositor and creditor confidence, create value for the 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 interests less regulatory adjustments divided by total risk weighted assets (RWA).
- Tier 1: CET 1 and other qualifying non-controlling interests 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 with Basel III rules is included in total capital.

BASEL III QUALIFYING CAPITAL EXCLUDING UNAPPROPRIATED PROFITS (unaudited)

	2025 Rm	2024 Rm
Ordinary shareholders equity#	**135 323**	123 829
Regulatory adjustments	**(6 391)**	(6 784)
Goodwill	**(42)**	(42)
Other intangible assets	**(4 800)**	(5 662)
Other adjustments	**(1 549)**	(1 080)
Total common equity tier 1 capital (including unappropriated profit)	**128 932**	117 045
Unappropriated profits	**(5 040)**	(9 179)
Common equity tier 1 capital	**123 892**	107 866
Qualifying other equity instruments#	**22 359**	18 217
Tier 1 capital	**146 251**	126 083
Tier 2 capital	**24 084**	25 931
Qualifying tier 2 subordinated debt#	**26 777**	28 180
General allowance for credit impairments	**297**	1 095
Regulatory adjustments – investments in tier 2 instruments in other banks	**(2 990)**	(3 344)
Total regulatory capital	**170 335**	152 014

The table above is unaudited, except where it is denoted with #

Details relating to ordinary shareholders' equity is detailed in statement of changes in equity.

ANNEXURE D – EQUITY-LINKED TRANSACTIONS

GROUP AND COMPANY	2025 Rm	2024 Rm
Expenses recognised in staff costs		
Equity growth scheme (EGS)	**(20)**	(11)
Share appreciation rights scheme (SARP)	**166**	47
Deferred bonus scheme (DBS)	**3 214**	2 553
Performance reward plan (PRP)	**1 335**	1 032
Cash-settled deferred bonus scheme (CSDBS)	**227**	185
Total expenses recognised in staff costs[1]	**4 922**	3 806
Summary of liabilities recognised in other liabilities		
Equity growth scheme (EGS)		57
Share appreciation rights scheme (SARP)	**206**	168
Deferred bonus scheme (DBS)	**2 571**	2 006
Performance reward plan (PRP)	**1 505**	1 588
Cash-settled deferred bonus scheme (CSDBS)	**191**	152
Total liability recognised in other liabilities	**4 473**	3 971

[1] Excluding gains and losses from hedges in terms of IFRS. The group's equity-linked transactions have exposure to equity securities price risk. To manage this price risk arising from these transactions, the group and company enter into equity forward hedges. For amounts recognised in the income statement relating to these hedges, refer to note 2.3.6.

Equity growth scheme

The EGS is a cash-settled share scheme and represents appreciation rights allocated to employees that are based on SBG's share price. The converted value of the rights is settled by the issue of new SBG shares equivalent to the value of the rights. The EGS is classified as a cash-settled share scheme from an SBSA group and company perspective. The SARP has replaced the EGS and hence no further EGS awards will be granted. Share rights were last granted in 2016 under the EGS.

A reconciliation of the movement of the appreciation rights is detailed below:

	Number of rights		Average price range (R)
	2025	2024	2025
Movement summary			
Rights outstanding at beginning of the year	**569 507**	1 501 297	
Exercised	**(569 507)**	(921 726)	**61.57**
Lapsed		(25 168)	
Net transfers from other group companies		15 104	
Rights outstanding at the end of the year		569 507	

During the year, 236 637 (2024: 254 535) SBG shares were issued to settle the appreciated rights value. At the end of the year, no SBG shares need to be issued, as all outstanding appreciated rights have been fully settled (2024: 255 580). The EGS rights were only awarded to individuals in the employment of a group entity domiciled in South Africa and is cash-settled at a group and company level.

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 during the year. This reduces the liability due 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 R237.13 (2024: R209.74).

The following rights granted to employees, including executive directors, had not been exercised at the end of the reporting period below:

	2025			2024		
Option expiry period	**Number of ordinary shares**	**Option price range (R)**	**Weighted average price (R)**	Number of ordinary shares	Option price range (R)	Weighted average price (R)
Year to 31 December 2025				569 507	122.24	122.24
Total				569 507		

As at 31 December 2025, all rights granted under EGS were exercised during the year.

Share appreciation right scheme

The SARP replaced the EGS in 2017 and is a long-term scheme which represents appreciation rights awarded to employees that is based on SBG's share price. The converted value of the rights is settled by shares that are purchased by SBG from the market at a value that is equivalent to the value of rights. The SARP is classified as a cash-settled share scheme from an SBSA group and company perspective. The last SARP awards were issued in March 2023.

Vesting and expiry of the rights are as follows:

	Year	**% vesting**	**Expiry**
SARP	**2,3,4**	**33,67,100**	**4,5,6**

A reconciliation of the movement of appreciation rights is detailed below:

	Number of rights		**Average price range (R)**
	2025	2024	**2025**
Movement summary			
Rights outstanding at beginning of the year	**3 340 912**	5 458 605	
Exercised	**(1 483 885)**	(1 282 688)	**159.12**
Lapsed	**(4 782)**	(859 871)	
Net transfers from/(to) other group companies	**7 729**	24 866	
Rights outstanding at the end of the year	**1 859 974**	3 340 912	

During the year, 304 277 (2024: 159 094) SBG shares were purchased from the market to settle the appreciated rights value. At the end of the year the group would need to purchase 710 806 (2024: 759 611) SBG shares to settle the outstanding appreciated rights value.

The following rights granted to employees, including executive directors, had not been exercised at year end:

	2025			2024		
Option expiry period	**Number of rights**	**Option price range (R)**	**Weighted average price (R)**	Number of rights	Option price range (R)	Weighted average price (R)
Year to 31 December 2025				75 190	142-182.43	166.67
Year to 31 December 2026	**1 090**	**160.33**	**160.33**	552 998	142-160.33	155.46
Year to 31 December 2027	**473 662**	**142-179.82**	**161.83**	1 330 449	142-179.82	161.33
Year to 31 December 2028	**993 069**	**160.33-179.82**	**167.94**	996 505	160.33-179.82	167.87
Year to 31 December 2029	**392 153**	**179.82**	**179.82**	385 770	179.82	179.82
Total	**1 859 974**			3 340 912		

No share appreciation rights were granted during the year.

Deferred bonus scheme

All employees granted an annual performance award over a certain threshold have part of their award deferred. In addition, the group makes special awards to qualifying employees in employment of a group entity. The awards 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 SBG's share price on the vesting date. These awards are classified as cash-settled awards from an SBSA group and company perspective, and have been partially hedged through the use of equity forwards.

	Units	
	2025	2024
Movement summary		
Units outstanding at beginning of the year	**19 054 626**	16 521 153
Granted	**8 563 666**	10 409 311
Exercised	**(8 908 480)**	(7 408 976)
Lapsed	**(881 121)**	(416 727)
Net transfers (to)/from other group companies	**(83 051)**	(50 135)
Units outstanding at end of the year	**17 745 640**	19 054 626
Weighted average fair value at grant date (R)	**206.54**	180.25
Expected life (years)	**2.51**	2.51

Performance reward plan

The performance reward plan is settled in SBG's shares to qualifying employees on the applicable vesting dates together with notional dividends that are settled in cash. Shares that vest (if any), and that are delivered to the employee, are conditional on pre-specified performance metrics set annually by the SBG remuneration committee. These awards are classified as cash-settled awards at an SBSA group and company level, and have been partially hedged through the use of equity forwards.

	Units	
	2025	2024
Movement summary		
Units outstanding at beginning of the year	**10 169 325**	10 905 559
Granted	**2 770 219**	2 882 487
Exercised	**(5 224 062)**	(5 587 998)
Performance condition uplift	**1 364 825**	2 038 658
Lapsed	**(640 702)**	(126 578)
Net transfers (to)/from other group companies	**(23 760)**	57 197
Units outstanding at the end of the year	**8 415 845**	10 169 325
Weighted average fair value at grant date (R)	**199.02**	174.95
Expected life (years)	**3.07**	3.07

Cash-settled deferred bonus scheme

Effective for awards made in 2017, employees who were granted an annual performance award over a certain threshold, who are in employment in South Africa and meet other specific criteria have part of their award deferred. This replaces the DBS from 2017 for these employees. In addition, employees who are assigned to SBSA from other SBG group companies (from the Africa Regions and International operations), and for whom an annual performance award over a threshold is granted, have part of their award deferred. For employees who are awarded CSDBS, and who qualify, the group may award additional special awards.

Awards in rand are indexed to SBG's share price and accrue 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 grant 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 an SBSA group and company 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.

Cash-settled deferred bonus scheme continued

	Currency								Currency								
CSDBS	AOA	AED	BWP	CNY	GBP	GHS	HKD	KES	MUR	MZN	NAD	NGN	SZL	UGX	USD	XOF	ZAR
2025																	
Units outstanding at beginning of the year	**79 276**	**26 466**		**636**	**1 263**	**2 591**		**4 678**	**11 825**	**2 682**	**193**	**2 410 867**			**1 218**		**1 225 452**
Granted	**8 371**	**11 373**			**2 048**	**323**			**57 202**			**214 371**	**1 971**	**1 042 976**	**88**		**545 587**
Exercised	**(35 830)**	**(13 242)**		**(634)**	**(734)**	**(27)**		**(4 581)**	**(4 717)**	**(2 682)**	**(93)**	**(1 297 591)**		**(369 123)**	**(571)**		**(538 905)**
Lapsed						**(1 725)**											**(159 429)**
Net transfers (to)/from	**(24 771)**			**(2)**	**1 776**	**(1 162)**		**(97)**	**28 581**			**(380 387)**	**866**	**1 177 966**	**(91)**		**40 447**
Outstanding at the end of the year	**27 046**	**24 597**			**4 353**				**92 891**		**100**	**947 260**	**2 837**	**1 851 819**	**644**		**1 113 152**
Weighted average ZAR fair value at grant date	**204.60**	**204.60**		**204.60**	**204.60**	**204.60**		**204.60**	**204.60**	**204.60**	**204.60**	**204.60**	**204.60**	**204.60**	**204.60**		**204.60**
Expected life at grant date (years)	**2.51**	**2.51**	**2.51**	**2.51**	**2.51**	**2.51**		**2.51**	**2.51**	**2.51**	**2.51**	**2.51**	**2.51**	**2.51**	**2.51**		**2.51**
2024																	
Units outstanding at beginning of the year	55 409	23 325	89	13 995	2 637	122		9 356	6 121	5 364	276	1 378 150			1 011	11 548	983 956
Granted	48 359	13 979			753	2 563			7 743			733 859					696 027
Exercised	(24 492)	(12 609)	(89)	(892)	(435)	(94)	(2 413)	(4 678)	(2 039)	(2 682)	(83)	(1 230 626)			(694)	(11 548)	(464 920)
Lapsed															(568)		(1 070)
Net transfers from/(to)		1 771		(12 467)	(1 692)		2 413					1 529 484			1 469		11 459
Outstanding at the end of the year	79 276	26 466		636	1 263	2 591		4 678	11 825	2 682	193	2 410 867			1 218		1 225 452
Weighted average fair value at grant date	178.54	178.54	178.54	178.54	178.54	178.54	178.54	178.54	178.54	178.54	178.54	178.54			178.54	178.54	178.54
Expected life at grant date (years)	2.51	2.51	2.51	2.51	2.51	2.51	2.51	2.51	2.51	2.51	2.51	2.51			2.51	2.51	2.51

ANNEXURE E – EMOLUMENTS AND SHARE INCENTIVES OF DIRECTORS AND PRESCRIBED OFFICERS

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

	Sim Tshabalala		Arno Daehnke		Funeka Montjane[6]		Bill Blackie[7]		Luvuyo Masinda[8]		Yuresh Maharaj[9]		Margaret Nienaber		David Hodnett[10]
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000	**2025 R'000**	2024 R'000	**2025 R'000**	2024 R'000	**2025 R'000**	2024 R'000	**2025 R'000**	2024 R'000	**2025 R'000**	2024 R'000	**2025 R'000**
Fixed remuneration[1]	**12 267**	11 879	**9 664**	9 006	**8 713**	8 377	**8 739**	8 369	**8 745**	2 973	**9 243**	8 874	**8 726**	8 524	**1 956**
Salary	**11 667**	10 510	**8 341**	8 050	**7 952**	7 644	**7 882**	7 570	**7 634**	2 468	**7 986**	7 724	**7 824**	7 525	**1 853**
Employer retirement contributions	**358**	1 135	**833**	830	**609**	585	**783**	752	**681**	220	**1 074**	1 032	**609**	629	**16**
Other benefits and allowances	**242**	234	**490**	126	**152**	148	**74**	47	**430**	285	**183**	118	**293**	370	**87**
Short-term Incentive	**26 186**	24 000	**24 200**	22 000	**19 930**	22 500	**22 910**	22 000	**26 870**	6 631	**20 000**	12 600	**23 910**	22 000	**5 306**
Cash incentive[2]	**11 793**	10 800	**10 900**	9 900	**8 965**	10 150	**10 305**	9 900	**12 060**	2 984	**9 000**	5 650	**10 755**	9 900	**2 653**
Deferred incentive[3]	**14 393**	13 200	**13 300**	12 100	**10 965**	12 350	**12 605**	12 100	**14 810**	3 647	**11 000**	6 950	**13 155**	12 100	**2 653**
Total remuneration (excluding long-term incentive)	**38 453**	35 879	**33 864**	31 006	**28 643**	30 877	**31 649**	30 369	**35 615**	9 604	**29 243**	21 474	**32 636**	30 524	**7 262**
Performance Reward Plan (PRP) award vesting[4]	**58 928**	45 388	**39 285**	31 786	**34 386**	29 495	**34 386**	11 347	**7 596**	2 579	**23 142**	17 827	**34 386**	27 240	**5 290**
Notional dividend on PRP award vesting[5]	**9 006**	7 949	**6 004**	5 567	**5 255**	5 166	**5 255**	1 987	**1 161**	452	**3 537**	2 420	**5 255**	4 771	**808**
Total remuneration (including long-term incentive awards)	**106 387**	89 216	**79 153**	68 359	**68 284**	65 538	**71 290**	43 703	**44 372**	12 635	**55 922**	41 721	**72 277**	62 535	**13 360**

FORMER EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

	Kenny Fihla[11]		Lungisa Fuzile[12]
	2025 R'000	2024 R'000	2024 R'000
Fixed remuneration[1]	**5 150**	9 281	5 432
Salary	**3 937**	7 961	4 970
Employer retirement contributions	**388**	841	434
Other benefits and allowances	**825**	479	28
Short-term Incentive		26 000	12 912
Cash incentive[2]		11 700	6 456
Deferred incentive[3]		14 300	6 456
Total remuneration (excluding long-term incentive)	**5 150**	35 281	18 344
PRP award vesting[4]		27 240	22 065
Notional dividend on PRP award vesting[5]		4 771	3 865
Total remuneration (including long-term incentive awards)	**5 150**	67 292	44 274

1 Annual cost to company fixed remuneration as awarded by Remco in March each year.
2 Performance related short-term incentives payable in cash in March following the financial year under review.
3 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.
4 PRP units awarded in March 2023 were subject to performance conditions measured over the period 1 January 2023 to 31 December 2025 and will vest in March 2026. The value shown in 2025 for this award is calculated using the group's closing share price of R290.40 at 31 December 2025 and the vesting percentage of 152%, which reflects the achievement of performance conditions over the performance period. The value shown in 2024 relates to the March 2022 PRP award which vested in March 2025 at a vesting percentage of 164% based on performance delivered over the three-year period ending 31 December 2024.
5 The PRP notional dividend value reflects the cumulative notional dividend accrued over the vesting period on the vested units.
6 Funeka Montjane's 2025 short-term incentives have been adjusted to reflect a two month period of parental leave.
7 Bill Blackie was appointed as a prescribed officer on 1 January 2022. The March 2022 PRP vesting value disclosed as part of his 2024 single total figure of remuneration 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.
8 Luvuyo Masinda was appointed as a prescribed officer on 1 September 2024 and his remuneration is shown from this date. The March 2022 PRP and March 2023 vesting values disclosed for 2024 and 2025 respectively relate to awards made with respect to his previous role and have been prorated for the portion of the vesting periods served as a prescribed officer.
9 Yuresh Maharaj was appointed as a prescribed officer on 12 May 2023. The March 2022 PRP vesting value disclosed as part of his 2024 single total figure of remuneration relates to an award made with respect to his previous role and has been pro-rated for the portion of the vesting period served as prescribed officer.
10 David Hodnett was appointed to the Board and became a prescribed officer effective 10 October 2025 and his remuneration is shown from this date. The March 2023 PRP vesting value disclosed for 2025 has been prorated for the portion of the vesting period served as a prescribed officer.
11 Kenny Fihla was a prescribed officer until June 2025 when he exited the group. He forfeited his 2024 deferred incentive award when he left the group's employment in June 2025. Included in Kenny's other benefits and allowances amount for 2025 is his leave payment of R746k due to him on exit.
12 Lungisa Fuzile ceased to be a prescribed officer from 1 September 2024 and his remuneration is shown until 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.

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
2025				
Lwazi Bam[1]	**348**	**1 688**	**348**	**2 384**
Heather Berrange[2]	**145**	**454**	**145**	**744**
Paul Cook[3]	**348**	**1 446**	**348**	**2 142**
Sola David-Borha[4]	**1 361**	**1 491**	**2 959**	**5 811**
Geraldine Fraser-Moleketi[5]	**348**	**1 050**	**348**	**1 746**
Trix Kennealy[6]	**348**	**2 308**	**348**	**3 004**
Ben Kruger	**348**	**2 115**	**348**	**2 811**
Li Li	**348**		**348**	**696**
Jacko Maree[7]	**348**	**1 799**	**348**	**2 495**
Nomgando Matyumza[8]	**348**	**1 246**	**348**	**1 942**
Nonkululeko Nyembezi	**8 344**			**8 344**
Rose Ogega[9]	**1 361**	**744**	**1 361**	**3 466**
Fenglin Tian	**1 361**	**848**	**1 361**	**3 570**
Total	**15 356**	**15 189**	**8 610**	**39 155**
2024				
Lwazi Bam	335	1 470	335	2 140
Paul Cook	335	1 025	335	1 695
Sola David-Borha	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[10]	1 323	861	1 323	3 507
Fenglin Tian	440	271	440	1 151
Total	13 535	12 593	6 186	32 314

1 Lwazi Bam was appointed as a member of the SBG Remuneration Committee on 12 March 2025 and as Chairman of the SBG Remuneration Committee on 21 November 2025. Lwazi was appointed as a member of the SBG and SBSA Directors' Affairs Committee and resigned from the SBG and SBSA Large Exposure Credit Committee on 21 November 2025.
2 Heather Berrange was appointed to the SBG and SBSA boards, and as a member of the SBG and SBSA Audit Committee and the SBG and SBSA Risk and Capital Management Committee on 1 August 2025. She was appointed as Chairman of the SBG and SBSA Audit Committee and member of the SBG Model Approval Committee on 21 November 2025.
3 Paul Cook was appointed as a member of the SBG and SBSA Risk and Capital Management Committee on 12 March 2025 and as Chairman of the SBG Model Approval Committee on 21 November 2025.
4 Sola David-Borha was appointed as a member of the SBG and SBSA Large Exposure Credit Committee on 12 March 2025, and as Chairman of the SBG Social, Ethics and Sustainability Committee on 21 November 2025. Sola's fees for services as a director of group subsidiaries includes fees paid by Stanbic IBTC Holdings.
5 Geraldine Fraser-Moleketi stepped down as Chairman of the SBG Social, Ethics and Sustainability Committee and resigned from the SBG and SBSA Directors' Affairs Committee on 21 November 2025.
6 Trix Kennealy stepped down as Chairman and member of the SBG and SBSA Audit Committee, as Chairman of the SBG Remuneration Committee and as member of the SBG and SBSA Directors' Affairs Committee on 21 November 2025.
7 Jacko Maree stepped down as Chairman of the SBG Model Approval Committee on 21 November 2025.
8 Nomgando Matyumza resigned from the SBG and SBSA Directors' Affairs Committee and the SBG and SBSA Audit Committee on 21 November 2025.
9 Rose Ogega was appointed to the SBG and SBSA boards on 1 January 2025 and as a member of the SBG and SBSA Audit Committee and the SBG and SBSA Risk and Capital Management Committee on 12 March 2025. Rose was appointed to the SBG Information Technology Committee and the SBG Social, Ethics and Sustainability Committee on 21 November 2025.
10 Martin Odour-Otieno retired from the SBG and SBSA boards on 9 June 2025.

Fees are disclosed excluding VAT.

FORMER 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
2025				
Martin Oduor-Otieno[1]	**601**	**206**	**601**	**1 408**
Total	**601**	**206**	**601**	**1 408**
2024				
Xueqing Guan[2]	588	363	588	1 539
Atedo Peterside CON[3]	588	305	588	1 481
Total	1 176	668	1 176	3 020

1 Martin Odour-Otieno retired from the SBG and SBSA boards on 9 June 2025.
2 Xueqing Guan retired from the SBG and SBSA boards on 10 June 2024.
3 Atedo Peterside CON retired from the SBG and SBSA boards on 10 June 2024.

Fees are disclosed excluding VAT.

Share-linked schemes

Deferred bonus schemes

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 have vested.

Performance reward plan

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

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.

Liberty equity growth scheme

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 vested equally in November 2024 and 2025 if the employment condition was met.Vested awards are exercisable until 6 November 2030. No further awards will be made under the scheme.

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date	Units: Opening balance	Units: Awards made during the year	Units: Number of awards exercised during the year	Units: Number of awards forfeited during the year	Units: Balance of awards 31 December 2025	Exercise date share price	Value on settlement: Award (R'000)[1]	Value on settlement: Notional dividend (R'000)[2]	Fair value at year end: Award (R'000)[3]	Fair value at year end: Notional dividend (R'000)[4]
Sim Tshabalala															
Deferred bonus schemes															
2022*	2023/03/09	179.82	1 850	2025/09/30		10 288		10 288			235.29	2 421	457		
2022*	2023/03/09	179.82	1 850	2026/09/30		10 289				10 289				2 988	457
2023	2024/03/15	186.11	1 833	2025/09/30		9 851		9 851			235.29	2 318	301		
2023	2024/03/15	186.11	1 833	2026/09/30		9 851				9 851				2 861	301
2023	2024/03/15	186.11	1 833	2027/09/30		9 851				9 851				2 861	301
2023*	2024/03/15	186.11	2 567	2025/09/30		13 791		13 791			235.29	3 245	422		
2023*	2024/03/15	186.11	2 567	2026/09/30		13 791				13 791				4 005	422
2023*	2024/03/15	186.11	2 567	2027/09/30		13 792				13 792				4 005	422
2024	**2025/03/14**	**230.51**	**1 833**	**2026/09/30**			7 953			7 953				2 310	126
2024	**2025/03/14**	**230.51**	**1 833**	**2027/09/30**			7 954			7 954				2 310	126
2024	**2025/03/14**	**230.51**	**1 833**	**2028/09/30**			7 954			7 954				2 310	126
2024*	**2025/03/14**	**230.51**	**2 567**	**2026/09/30**			11 135			11 135				3 234	176
2024*	**2025/03/14**	**230.51**	**2 567**	**2027/09/30**			11 135			11 135				3 234	176
2024*	**2025/03/14**	**230.51**	**2 567**	**2028/09/30**			11 135			11 135				3 234	176
Performance reward plan															
2021	2022/03/11	160.33	20 009	2025/03/31		204 672		204 672			241.31	49 389	7 949		
2022[5]	2023/03/09	179.82	24 006	2026/03/31		133 500	69 420			202 920				58 928	9 006
2023	2024/03/15	186.11	26 000	2027/03/31		139 703				139 703				40 570	4 271
2024	**2025/03/14**	**230.51**	**26 000**	**2028/03/31**			112 794			112 794				32 755	1 782
Share appreciation rights plan															
2021	2022/03/11	160.33		2024/03/11	2026/03/31	84 694		84 694			80.78	6 842			
2021	2022/03/11	160.33		2025/03/11	2027/03/31	84 695		84 695			80.78	6 842			
2021	2022/03/11	160.33		2026/03/11	2028/03/31	84 695				84 695				11 016	
2022	2023/03/09	179.82		2025/03/09	2027/03/31	42 403		42 403			61.29	2 599			
2022	2023/03/09	179.82		2026/03/09	2028/03/31	42 404				42 404				4 689	
2022	2023/03/09	179.82		2027/03/09	2029/03/31	42 404				42 404				4 689	
Totals for 2025			126 115									73 656	9 129	185 999	17 868

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: Opening balance	Units: Awards made during the year	Units: Number of awards exercised during the year	Units: Number of awards forfeited during the year	Units: Balance of awards 31 December 2025	Exercise date share price	Value on settlement: Award (R'000)[1]	Value on settlement: Notional dividend (R'000)[2]	Fair value at year end: Award (R'000)[3]	Fair value at year end: Notional dividend (R'000)[4]
Arno Daehnke															
Deferred bonus schemes															
2021	2022/03/11	160.33	1 000	2025/09/30		6 238		6 238			235.29	1 468	341		
2021*	2022/03/11	160.33	1 306	2025/09/30		8 148		8 148			235.29	1 917	445		
2022	2023/03/09	179.82	1 225	2025/09/30		6 813		6 813			235.29	1 603	302		
2022	2023/03/09	179.82	1 225	2026/09/30		6 813				6 813				1 978	302
2022*	2023/03/09	179.82	1 275	2025/09/30		7 091		7 091			235.29	1 668	315		
2022*	2023/03/09	179.82	1 275	2026/09/30		7 091				7 091				2 059	315
2023	2024/03/15	186.11	1 767	2025/09/30		9 492		9 492			235.29	2 233	290		
2023	2024/03/15	186.11	1 767	2026/09/30		9 493				9 493				2 757	290
2023	2024/03/15	186.11	1 767	2027/09/30		9 493				9 493				2 757	290
2023*	2024/03/15	186.11	2 267	2025/09/30		12 179		12 179			235.29	2 866	372		
2023*	2024/03/15	186.11	2 267	2026/09/30		12 179				12 179				3 537	372
2023*	2024/03/15	186.11	2 267	2027/09/30		12 180				12 180				3 537	372
2024	**2025/03/14**	**230.51**	**1 767**	**2026/09/30**			7 664			7 664				2 226	121
2024	**2025/03/14**	**230.51**	**1 767**	**2027/09/30**			7 664			7 664				2 226	121
2024	**2025/03/14**	**230.51**	**1 767**	**2028/09/30**			7 665			7 665				2 226	121
2024*	**2025/03/14**	**230.51**	**2 267**	**2026/09/30**			9 833			9 833				2 856	155
2024*	**2025/03/14**	**230.51**	**2 267**	**2027/09/30**			9 833			9 833				2 856	155
2024*	**2025/03/14**	**230.51**	**2 267**	**2028/09/30**			9 834			9 834				2 856	155
Performance reward plan															
2021	2022/03/11	160.33	14 013	2025/03/31		143 336		143 336			241.31	34 588	5 567		
2022[5]	2023/03/09	179.82	16 004	2026/03/31		89 000	46 280			135 280				39 285	6 004
2023	2024/03/15	186.11	16 000	2027/03/31		85 971				85 971				24 966	2 628
2024	**2025/03/14**	**230.51**	**16 000**	**2028/03/31**			69 412			69 412				20 157	1 097
Share appreciation rights plan															
2021	2022/03/11	160.33		2024/03/11	2026/03/31	19 730				19 730				2 566	
2021	2022/03/11	160.33		2025/03/11	2027/03/31	19 730				19 730				2 566	
2021	2022/03/11	160.33		2026/03/11	2028/03/31	19 730				19 730				2 566	
2022	2023/03/09	179.82		2025/03/09	2027/03/31	20 786				20 786				2 299	
2022	2023/03/09	179.82		2026/03/09	2028/03/31	20 786				20 786				2 299	
2022	2023/03/09	179.82		2027/03/09	2029/03/31	20 787				20 787				2 299	
Totals for 2025			**93 527**									46 343	7 632	130 874	12 498

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: Opening balance	Units: Awards made during the year	Units: Number of awards exercised during the year	Units: Number of awards forfeited during the year	Units: Balance of awards 31 December 2025	Exercise date share price	Value on settlement: Award (R'000)[1]	Value on settlement: Notional dividend (R'000)[2]	Fair value at year end: Award (R'000)[3]	Fair value at year end: Notional dividend (R'000)[4]
Funeka Montjane															
Deferred bonus schemes															
2021	2022/03/11	160.33	1 267	2025/09/30		7 901		7 901			235.29	1 859	432		
2021*	2022/03/11	160.33	1 400	2025/09/30		8 732		8 732			235.29	2 055	477		
2022	2023/03/09	179.82	1 600	2025/09/30		8 898		8 898			235.29	2 094	395		
2022	2023/03/09	179.82	1 600	2026/09/30		8 898				8 898	0			2 584	395
2022*	2023/03/09	179.82	1 483	2025/09/30		8 249		8 249			235.29	1 941	366		
2022*	2023/03/09	179.82	1 483	2026/09/30		8 249				8 249	0			2 396	366
2023	2024/03/15	186.11	1 767	2025/09/30		9 492		9 492			235.29	2 233	290		
2023	2024/03/15	186.11	1 767	2026/09/30		9 493				9 493	0			2 757	290
2023	2024/03/15	186.11	1 767	2027/09/30		9 493				9 493	0			2 757	290
2023*	2024/03/15	186.11	2 267	2025/09/30		12 179		12 179			235.29	2 866	372		
2023*	2024/03/15	186.11	2 267	2026/09/30		12 179				12 179	0			3 537	372
2023*	2024/03/15	186.11	2 267	2027/09/30		12 180				12 180	0			3 537	372
2024	**2025/03/14**	**230.51**	**1 767**	**2026/09/30**			7 664			7 664	0			2 226	121
2024	**2025/03/14**	**230.51**	**1 767**	**2027/09/30**			7 664			7 664	0			2 226	121
2024	**2025/03/14**	**230.51**	**1 767**	**2028/09/30**			7 665			7 665	0			2 226	121
2024*	**2025/03/14**	**230.51**	**2 350**	**2026/09/30**			10 195			10 195	0			2 961	161
2024*	**2025/03/14**	**230.51**	**2 350**	**2027/09/30**			10 195			10 195	0			2 961	161
2024*	**2025/03/14**	**230.51**	**2 350**	**2028/09/30**			10 195			10 195	0			2 961	161
Performance reward plan															
2021	2022/03/11	160.33	13 003	2025/03/31		133 004		133 004			241.31	32 095	5 166		
2022[5]	2023/03/09	179.82	14 008	2026/03/31		77 900	40 508			118 408	0			34 386	5 255
2023	2024/03/15	186.11	14 000	2027/03/31		75 225				75 225	0			21 845	2 300
2024	**2025/03/14**	**230.51**	**14 000**	**2028/03/31**			60 735			60 735	0			17 637	960
Totals for 2025			88 297									45 143	7 498	106 997	11 446

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					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	Balance of awards 31 December 2025		Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
Bill Blackie															
Deferred bonus schemes															
2021	2022/03/11	160.33	1 333	2025/09/30		8 317		8 317			235.29	1 957	454		
2021*	2022/03/11	160.33	3 021	2025/09/30		18 842		18 842			235.29	4 433	1 030		
2022	2023/03/09	179.82	1 633	2025/09/30		9 083		9 083			235.29	2 137	403		
2022	2023/03/09	179.82	1 633	2026/09/30		9 084				9 084				2 638	403
2022*	2023/03/09	179.82	1 617	2025/09/30		8 991		8 991			235.29	2 115	399		
2022*	2023/03/09	179.82	1 617	2026/09/30		8 991				8 991				2 611	399
2023	2024/03/15	186.11	1 767	2025/09/30		9 492		9 492			235.29	2 233	290		
2023	2024/03/15	186.11	1 767	2026/09/30		9 493				9 493				2 757	290
2023	2024/03/15	186.11	1 767	2027/09/30		9 493				9 493				2 757	290
2023*	2024/03/15	186.11	2 267	2025/09/30		12 179		12 179			235.29	2 866	372		
2023*	2024/03/15	186.11	2 267	2026/09/30		12 179				12 179				3 537	372
2023*	2024/03/15	186.11	2 267	2027/09/30		12 180				12 180				3 537	372
2024	**2025/03/14**	**230.51**	**1 767**	**2026/09/30**			7 664			7 664				2 226	121
2024	**2025/03/14**	**230.51**	**1 767**	**2027/09/30**			7 664			7 664				2 226	121
2024	**2025/03/14**	**230.51**	**1 767**	**2028/09/30**			7 665			7 665				2 226	121
2024*	**2025/03/14**	**230.51**	**2 267**	**2026/09/30**			9 833			9 833				2 856	155
2024*	**2025/03/14**	**230.51**	**2 267**	**2027/09/30**			9 833			9 833				2 856	155
2024*	**2025/03/14**	**230.51**	**2 267**	**2028/09/30**			9 834			9 834				2 856	155
Performance reward plan															
2021	2022/03/11	160.33	5 002	2025/03/31		51 168		51 168			241.31	12 347	1 987		
2022[5]	2023/03/09	179.82	14 008	2026/03/31		77 900	40 508			118 408				34 386	5 255
2023	2024/03/15	186.11	14 000	2027/03/31		75 225				75 225				21 845	2 300
2024	**2025/03/14**	**230.51**	**14 000**	**2028/03/31**			60 735			60 735				17 637	960
Totals for 2025			82 068									28 088	4 935	106 951	11 469

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: Opening balance	Units: Awards made during the year	Units: Number of awards exercised during the year	Units: Number of awards forfeited during the year	Units: Balance of awards 31 December 2025	Exercise date share price	Value on settlement: Award (R'000)[1]	Value on settlement: Notional dividend (R'000)[2]	Fair value at year end: Award (R'000)[3]	Fair value at year end: Notional dividend (R'000)[4]
Luvuyo Masinda															
Deferred bonus schemes															
2021	2022/03/11	160.33	2 617	2025/09/30		**16 322**		**16 322**			**235.29**	**3 840**	**892**		
2022	2023/03/09	179.82	1 500	2025/09/30		**8 342**		**8 342**			**235.29**	**1 963**	**370**		
2022	2023/03/09	179.82	1 500	2026/09/30		**8 342**				**8 342**				**2 423**	**370**
2022*	2023/03/09	179.82	1 400	2025/09/30		**7 786**		**7 786**			**235.29**	**1 832**	**346**		
2022*	2023/03/09	179.82	1 400	2026/09/30		**7 786**				**7 786**				**2 261**	**346**
2023	2024/03/15	186.11	1 892	2025/09/30		**10 164**		**10 164**			**235.29**	**2 391**	**311**		
2023	2024/03/15	186.11	1 892	2026/09/30		**10 164**				**10 164**				**2 952**	**311**
2023	2024/03/15	186.11	1 892	2027/09/30		**10 165**				**10 165**				**2 952**	**311**
2023*	2024/03/15	186.11	1 817	2025/09/30		**9 761**		**9 761**			**235.29**	**2 297**	**298**		
2023*	2024/03/15	186.11	1 817	2026/09/30		**9 761**				**9 761**				**2 835**	**298**
2023*	2024/03/15	186.11	1 817	2027/09/30		**9 762**				**9 762**				**2 835**	**298**
2024	**2025/03/14**	**230.51**	**1 700**	**2026/09/30**			**7 375**			**7 375**				**2 142**	**117**
2024	**2025/03/14**	**230.51**	**1 700**	**2027/09/30**			**7 375**			**7 375**				**2 142**	**117**
2024	**2025/03/14**	**230.51**	**1 700**	**2028/09/30**			**7 375**			**7 375**				**2 142**	**117**
2024*	**2025/03/14**	**230.51**	**1 967**	**2026/09/30**			**8 532**			**8 532**				**2 478**	**135**
2024*	**2025/03/14**	**230.51**	**1 967**	**2027/09/30**			**8 532**			**8 532**				**2 478**	**135**
2024*	**2025/03/14**	**230.51**	**1 967**	**2028/09/30**			**8 532**			**8 532**				**2 478**	**135**
Performance reward plan															
2021	2022/03/11	160.33	6 012	2025/03/31		**61 500**		**61 500**			**241.31**	**14 841**	**2 389**		
2022[5]	2023/03/09	179.82	6 006	2026/03/31		**33 400**	**17 368**			**50 768**	**0**			**14 743**	**2 253**
2023	2024/03/15	186.11	6 000	2027/03/31		**32 239**				**32 239**				**9 362**	**986**
2024	**2025/03/14**	**230.51**	**14 000**	**2028/03/31**			**60 735**			**60 735**	**0**			**17 637**	**960**
Totals for 2025			**62 563**									**27 164**	**4 606**	**71 860**	**6 889**

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: Opening balance	Units: Awards made during the year	Units: Number of awards exercised during the year	Units: Number of awards forfeited during the year	Units: Balance of awards 31 December 2025	Exercise date share price	Value on settlement: Award (R'000)[1]	Value on settlement: Notional dividend (R'000)[2]	Fair value at year end: Award (R'000)[3]	Fair value at year end: Notional dividend (R'000)[4]
Yuresh Maharaj															
Deferred bonus schemes															
2021	2022/03/11	160.33	393	2025/09/30		**2 449**		**2 449**			**235.29**	**576**	**134**		
2021	2022/03/11	160.33	3 000	2025/03/31		**18 711**		**18 711**			**241.31**	**4 515**	**727**		
2022	2023/03/09	179.82	1 450	2025/09/30		**8 064**		**8 064**			**235.29**	**1 897**	**358**		
2022	2023/03/09	179.82	1 450	2026/09/30		**8 064**				**8 064**				**2 342**	**358**
2023	2024/03/15	186.11	992	2025/09/30		**5 331**		**5 331**			**235.29**	**1 254**	**163**		
2023	2024/03/15	186.11	992	2026/09/30		**5 331**				**5 331**				**1 548**	**163**
2023	2024/03/15	186.11	992	2027/09/30		**5 332**				**5 332**				**1 548**	**163**
2023	2024/03/15	186.11	1 000	2025/09/30		**5 373**		**5 373**			**235.29**	**1 264**	**164**		
2023	2024/03/15	186.11	1 000	2026/09/30		**5 373**				**5 373**				**1 560**	**164**
2023	2024/03/15	186.11	1 000	2027/09/30		**5 373**				**5 373**				**1 560**	**164**
2024	**2025/03/14**	**230.51**	**1 467**	**2026/09/30**			**6 362**			**6 362**				**1 848**	**101**
2024	**2025/03/14**	**230.51**	**1 467**	**2027/09/30**			**6 363**			**6 363**				**1 848**	**101**
2024	**2025/03/14**	**230.51**	**1 467**	**2028/09/30**			**6 363**			**6 363**				**1 848**	**101**
2024	**2025/03/14**	**230.51**	**850**	**2026/09/30**			**3 687**			**3 687**				**1 071**	**58**
2024	**2025/03/14**	**230.51**	**850**	**2027/09/30**			**3 687**			**3 687**				**1 071**	**58**
2024	**2025/03/14**	**230.51**	**850**	**2028/09/30**			**3 688**			**3 688**				**1 071**	**58**
Performance reward plan															
2021	2022/03/11	160.33	6 250	2025/03/31		**63 930**		**63 930**			**241.31**	**15 427**	**2 483**		
2022[5]	2023/03/09	179.82	10 000	2026/03/31		**55 611**	**28 918**			**84 529**				**24 547**	**3 751**
2022	2023/05/23	156.80	3 912	2025/03/31		**40 916**		**40 916**			**241.31**	**9 873**	**887**		
2023	2024/03/15	186.11	10 000	2027/03/31		**53 732**				**53 732**				**15 604**	**1 643**
2024	**2025/03/14**	**230.51**	**12 500**	**2028/03/31**			**54 228**			**54 228**				**15 748**	**857**
Liberty equity growth scheme															
2021	2022/03/01	105.21	4 595	2023/11/06	2030/11/06	**93 100**				**93 100**				**12 617**	
2021	2022/03/01	105.21	3 282	2025/11/06	2030/11/06	**66 500**				**66 500**				**9 012**	
Totals for 2025			**69 759**									**34 806**	**4 916**	**94 843**	**7 740**

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					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	Balance of awards 31 December 2025		Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
Margaret Nienaber															
Deferred bonus schemes															
2021	2022/03/11	160.33	1 367	2025/09/30		8 525		8 525			235.29	2 006	466		
2021*	2022/03/11	160.33	1 933	2025/09/30		12 059		12 059			235.29	2 837	659		
2022	2023/03/09	179.82	1 700	2025/09/30		9 454		9 454			235.29	2 224	420		
2022	2023/03/09	179.82	1 700	2026/09/30		9 454				9 454				2 745	420
2022*	2023/03/09	179.82	1 967	2025/09/30		10 937		10 937			235.29	2 573	485		
2022*	2023/03/09	179.82	1 967	2026/09/30		10 937				10 937				3 176	485
2023	2024/03/15	186.11	1 767	2025/09/30		9 492		9 492			235.29	2 233	290		
2023	2024/03/15	186.11	1 767	2026/09/30		9 493				9 493				2 757	290
2023	2024/03/15	186.11	1 767	2027/09/30		9 493				9 493				2 757	290
2023*	2024/03/15	186.11	2 267	2025/09/30		12 179		12 179			235.29	2 866	372		
2023*	2024/03/15	186.11	2 267	2026/09/30		12 179				12 179				3 537	372
2023*	2024/03/15	186.11	2 267	2027/09/30		12 180				12 180				3 537	372
2024	**2025/03/14**	**230.51**	**1 767**	**2026/09/30**			7 664			7 664				2 226	121
2024	**2025/03/14**	**230.51**	**1 767**	**2027/09/30**			7 664			7 664				2 226	121
2024	**2025/03/14**	**230.51**	**1 767**	**2028/09/30**			7 665			7 665				2 226	121
2024*	**2025/03/14**	**230.51**	**2 267**	**2026/09/30**			9 833			9 833				2 856	155
2024*	**2025/03/14**	**230.51**	**2 267**	**2027/09/30**			9 833			9 833				2 856	155
2024*	**2025/03/14**	**230.51**	**2 267**	**2028/09/30**			9 834			9 834				2 856	155
Performance reward plan															
2021	2022/03/11	160.33	12 009	2025/03/31		122 836		122 836			241.31	29 642	4 771		
2022[5]	2023/03/09	179.82	14 008	2026/03/31		77 900	40 508			118 408				34 386	5 255
2023	2024/03/15	186.11	14 000	2027/03/31		75 225				75 225				21 845	2 300
2024	**2025/03/14**	**230.51**	**14 000**	**2028/03/31**			60 735			60 735				17 637	960
Totals for 2025			88 855									44 381	7 463	107 623	11 572

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: Opening balance	Units: Awards made during the year	Units: Number of awards exercised during the year	Units: Number of awards forfeited during the year	Units: Balance of awards 31 December 2025	Exercise date share price	Value on settlement: Award (R'000)[1]	Value on settlement: Notional dividend (R'000)[2]	Fair value at year end: Award (R'000)[3]	Fair value at year end: Notional dividend (R'000)[4]
David Hodnett															
Deferred bonus Scheme															
2021	2022/03/11	160.33	833	2025/09/30		5 198		5 198			235.29	1 223	284		
2021*	2022/03/11	160.33	1 867	2025/09/30		11 643		11 643			235.29	2 739	636		
2022	2023/03/09	179.82	1 033	2025/09/30		5 747		5 747			235.29	1 352	255		
2022	2023/03/09	179.82	1 033	2026/09/30		5 747				5 747				1 669	255
2022*	2023/03/09	179.82	2 067	2025/09/30		11 493		11 493			235.29	2 704	510		
2022*	2023/03/09	179.82	2 067	2026/09/30		11 493				11 493				3 338	510
2023	2024/03/15	186.11	1 033	2025/09/30		5 552		5 552			235.29	1 306	170		
2023	2024/03/15	186.11	1 033	2026/09/30		5 552				5 552				1 612	170
2023	2024/03/15	186.11	1 033	2027/09/30		5 553				5 553				1 613	170
2023*	2024/03/15	186.11	2 550	2025/09/30		13 701		13 701			235.29	3 224	419		
2023*	2024/03/15	186.11	2 550	2026/09/30		13 702				13 702				3 979	419
2023*	2024/03/15	186.11	2 550	2027/09/30		13 702				13 702				3 979	419
2024	**2025/03/14**	**230.51**	**1 033**	**2026/09/30**			4 483			4 483				1 302	71
2024	**2025/03/14**	**230.51**	**1 033**	**2027/09/30**			4 483			4 483				1 302	71
2024	**2025/03/14**	**230.51**	**1 033**	**2028/09/30**			4 483			4 483				1 302	71
2024*	**2025/03/14**	**230.51**	**2 550**	**2026/09/30**			11 062			11 062				3 212	175
2024*	**2025/03/14**	**230.51**	**2 550**	**2027/09/30**			11 063			11 063				3 213	175
2024*	**2025/03/14**	**230.51**	**2 550**	**2028/09/30**			11 063			11 063				3 213	175
Performance reward plan															
2021	2022/03/11	160.33	13 003	2025/03/31		133 004		133 004			241.31	32 095	5 166		
2022[5]	2023/03/09	179.82	14 008	2026/03/31		77 900	40 508			118 408				34 386	5 255
2023	2024/03/15	186.11	14 000	2027/03/31		75 225				75 225				21 845	2 300
2024	**2025/03/14**	**230.51**	**14 000**	**2028/03/31**			60 735			60 735				17 637	960
Totals for 2025			85 409									44 643	7 440	103 602	11 196

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: Opening balance	Units: Awards made during the year	Units: Number of awards exercised during the year	Units: Number of awards forfeited during the year	Units: Balance of awards 31 December 2025	Exercise date share price	Value on settlement: Award (R'000)[1]	Value on settlement: Notional dividend (R'000)[2]	Fair value at year end: Award (R'000)[3]	Fair value at year end: Notional dividend (R'000)[4]
Kenny Fihla															
Deferred bonus schemes															
2021	2022/03/11	160.33	1 500	2025/09/30		**9 356**			**9 356**						
2021*	2022/03/11	160.33	2 533	2025/09/30		**15 801**			**15 801**						
2022	2023/03/09	179.82	1 867	2025/09/30		**10 381**			**10 381**						
2022	2023/03/09	179.82	1 867	2026/09/30		**10 381**			**10 381**						
2022*	2023/03/09	179.82	2 717	2025/09/30		**15 108**			**15 108**						
2022*	2023/03/09	179.82	2 717	2026/09/30		**15 108**			**15 108**						
2023	2024/03/15	186.11	2 000	2025/09/30		**10 746**			**10 746**						
2023	2024/03/15	186.11	2 000	2026/09/30		**10 746**			**10 746**						
2023	2024/03/15	186.11	2 000	2027/09/30		**10 747**			**10 747**						
2023*	2024/03/15	186.11	3 296	2025/09/30		**17 709**			**17 709**						
2023*	2024/03/15	186.11	3 296	2026/09/30		**17 709**			**17 709**						
2023*	2024/03/15	186.11	3 296	2027/09/30		**17 710**			**17 710**						
2024	**2025/03/14**	**230.51**	**1 900**	**2026/09/30**			**8 242**		**8 242**						
2024	**2025/03/14**	**230.51**	**1 900**	**2027/09/30**			**8 243**		**8 243**						
2024	**2025/03/14**	**230.51**	**1 900**	**2028/09/30**			**8 243**		**8 243**						
2024*	**2025/03/14**	**230.51**	**2 867**	**2026/09/30**			**12 436**		**12 436**						
2024*	**2025/03/14**	**230.51**	**2 867**	**2027/09/30**			**12 436**		**12 436**						
2024*	**2025/03/14**	**230.51**	**2 867**	**2028/09/30**			**12 437**		**12 437**						
Performance reward plan															
2021	2022/03/11	160.33	12 009	2025/03/31		**122 836**		**122 836**			**241.31**	**29 642**	**4 771**		
2022[5]	2023/03/09	179.82	14 008	2026/03/31		**77 900**			**77 900**						
2023	2024/03/15	186.11	16 000	2027/03/31		**85 971**			**85 971**						
2024	**2025/03/14**	**230.51**	**20 000**	**2028/03/31**			**86 765**		**86 765**						
Totals for 2025			**105 407**									**29 642**	**4 771**		

* 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 R290.40. The 2023 PRP award due to vest in March 2026 is valued with reference to the actual vesting percentage of 152%. The 2024 and 2025 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 2023 grant has been updated to 152% based on the achievement of performance conditions measured over the 3-year performance period ending 31 December 2025. This uplift has been reflected in the "awards made during the year" column.

ANNEXURE F – MATERIAL ACCOUNTING POLICIES

The following accounting policies were applied in the preparation of the group and company financial statements.

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

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 or 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 on the basis of the group's present ownership interest in the subsidiary. Similarly, profits or losses of subsidiaries attributable to preference shareholders outside the group are recognised as non-controlling interest, but where these preference shareholders are within the Standard Bank Group these are presented as non-controlling interest within SBG.

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.

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 foreign currency translation reserve (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 to the extent that the hedge is effective).

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.

2. Interests in associates and joint arrangements

INTERESTS 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 ventures 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 associates or joint ventures. 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 to 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.

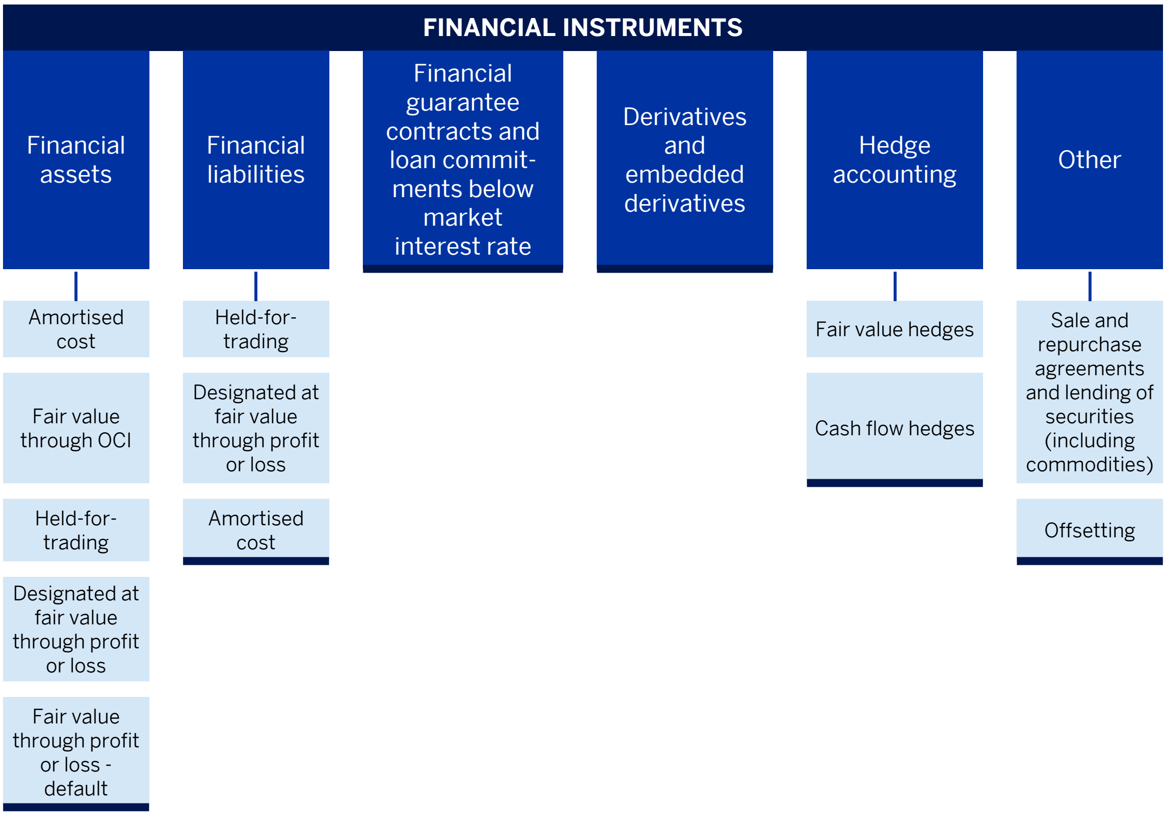
For a disposal of an associate or joint venture, being where the group loses significant influence over the associate or loses control over a joint venture, the difference between the sales proceeds and any retained interest and the carrying value of the equity accounted investment, is recognised as a gain or loss in non-trading and capital related items in profit or loss. Any gains or losses in OCI reserves that relate to the associate are reclassified to non-trading and capital related items in profit or loss at the time of the disposal.

The accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies of the group.

Private equity and venture capital investments

Private equity and venture capital investments that are associates, 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 on the statement of financial position and the fair value movement is recognised within other gains and losses on financial instruments in profit or loss.

3. Financial instruments



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).

Financial assets

Nature

Amortised cost	A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): ▪ 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. 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.
Fair value through OCI	Includes: ▪ A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): – 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. ▪ 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. – 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	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. 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.
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.

3. Financial instruments continued

Financial assets continued

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	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. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.
Fair value through OCI	**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 impairment 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. **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 in profit or loss.
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	**Debt instruments:** 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. **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 in profit or loss.

Impairment

ECL is recognised on debt financial assets classified as either at 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 loans 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.

Type	Description
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)	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: ▪ default ▪ significant financial difficulty of borrower and/or modification ▪ probability of bankruptcy or financial reorganisation ▪ disappearance of an active market due to financial difficulties.

The key components of the impairment methodology are described as follows:

Type	Description
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: ▪ significant financial difficulty of the 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 an 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:

Type	Description
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 the central bank

Cash and balances with the central bank comprise coins and bank notes and balances with the central bank (SARB). Included in balances with the central bank are balances that primarily comprise reserving requirements held with the central bank which are readily convertible to a known amount of cash and available for use by the group and company within less than three months since initial deposit, subject to certain restrictions and limitations levied by the central bank, 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 central bank, until such requests are made, these balances are considered to have an undated maturity.

Coins and bank notes and balances with the central bank comprising reserving requirements are measured at fair value through profit or loss – default.

Cash and cash equivalents

Cash and cash equivalents, for purposes of the statement of cash flows, comprise of cash and balances with the central bank 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).

3. Financial instruments continued

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: ▪ 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; and ▪ 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.

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 in profit or loss.
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 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 in profit or loss.
Amortised cost	Amortised cost using the effective interest method recognised in interest expense in profit or loss.

Derecognition and modification of financial assets and liabilities

Financial assets and liabilities are derecognised or modified in the following instances:

	Derecognition	Modification
Financial assets	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. 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. 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. 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.	In determining whether a modification is substantial, for a financial asset qualitative factors are considered and 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. 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).
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 liabilities 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 contract/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, is 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.	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. 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.
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.	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. 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. 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.

3. **Financial instruments** continued

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 the 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 hedges 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 applies hedge accounting in respect of the following risk categories.

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 and company. 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 and company. 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 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 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).

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 – Equity linked transactions and the group's governance and remuneration report. These share incentive schemes expose the group to equity price risk due to volatility in the share price of SBG (SBK:SJ). The group and company has 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 (DBS), Performance Reward Plan and Cash Settled Deferred Bonus Scheme (CSDBS). 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/option 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 equity price risk, the group enters into 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 uses 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.

Interest rate risk

Banking book-related market risk exposure principally involves managing the potential adverse effect of 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 and company operate. 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'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, present within the following exposures:

- Specifically identified long-term fixed interest rate loans and advances and 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 matches the critical terms or that exhibits the same duration as the underlying risk exposure.
- Specifically identified long-term interest rate basis risk (CPI vs. JIBAR) inherent in loans and advances. 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 matches the critical terms or that exhibits the same duration as the of 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 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.

3. Financial instruments continued

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 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 the 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 and company use 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

FAIR VALUE

Fair value hierarchy | Inputs and valuation techniques | Portfolio valuation | Day one profit or loss

Hierarchy levels

Hierarchy transfer policy

In terms of IFRS Accounting Standards, 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.

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.

4. Fair value continued

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 the central bank and on demand gross loans and advances to banks which are readily convertible to a known amount of cash that has not 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:

<table>
<tr><th>Item and description</th><th>Valuation technique</th><th>Main inputs and assumptions</th></tr>
<tr><td>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.</td><td>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:
- discounted cash flow model
- Black-Scholes model
- combination technique models.</td><td rowspan="4">For level 2 and 3 fair value hierarchy items:
- discount rate*
- spot prices of the underlying
- correlation factors
- volatilities
- dividend yields
- earnings yield
- valuation multiples
- credit spreads
- bid-offer spreads.</td></tr>
<tr><td>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.</td><td rowspan="3">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.

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.

Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.</td></tr>
<tr><td>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.</td></tr>
<tr><td>Financial investments
Financial investments are non-trading financial assets and primarily comprise of 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.</td></tr>
</table>

Inputs and valuation techniques continued

Item and description	Valuation technique	Main inputs and assumptions
Loans and advances to banks and customers Loans and advances comprise: ▪ 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: ▪ 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: ▪ 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
  - Defined contribution plans
  - Defined benefit plans
- Short-term benefits

Type and description	Statement of financial position	Statement of other comprehensive income	Income statement
Defined contribution plans The group operates a number of defined contribution plans. See note 40 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 40 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

NON-FINANCIAL ASSETS	
Tangible assets	**Intangible assets**
Property	Goodwill
Equipment	Computer software
Land	Other intangible assets

Type and initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment
Tangible assets (property, equipment and land) 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. 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. 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.	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. 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 (Refer to section 9): Shorter of useful life or lease term The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial year end.	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. 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. 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. 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. For the purposes of assessing impairment, assets that cannot be tested individually are grouped at the lowest cash generating units (CGUs). 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. 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.

6. Non-financial assets continued

Type and initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment
Goodwill 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 at the date of the acquisition. The group's interest in acquired subsidiaries takes into account any non-controlling interest. 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').	Not applicable	The accounting treatment is generally the same as that for tangible assets except as noted below. ▪ Goodwill is tested annually for impairment and additionally when an indicator of impairment exists. ▪ An impairment loss in respect of goodwill is not reversed.
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. 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. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use. 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.	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. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if necessary.	Intangible assets that have an indefinite useful life are tested annually for impairment and additionally when an indicator of impairment exists. The accounting treatment for computer software and other intangible assets is otherwise the same as for tangible assets.
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. The group capitalises brands, customer lists, customer contracts, distribution forces and similar rights acquired in business combinations. Capitalised intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.	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. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if necessary.	
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.		

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

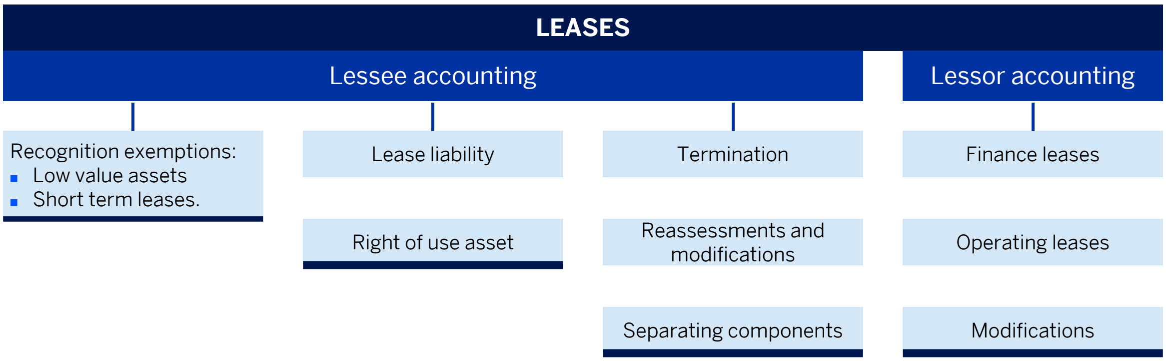
The fair value of the equity-settled share-based payments are determined on grant date and accounted for within operating expenses (staff costs) over the vesting period with a corresponding increase in the group's share-based payment reserve. Non-market vesting conditions, such as the resignation of 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 the performance conditions are met.

9. Leases



Type and description	Statement of financial position	Income statement
Lessee accounting policies		
Single lessee accounting model All leases are accounted for by recognising a right of use asset and a lease liability except for: ▪ leases of low value assets and ▪ leases with a duration of twelve months or less.	**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: ▪ 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 on the basis of this termination option being exercised. 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.	**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 is presented within net interest income (NII).

<table>
<tr><th>Type and description</th><th>Statement of financial position</th><th>Income statement</th></tr>
<tr><td colspan="3">Lessee accounting policies continued</td></tr>
<tr><td rowspan="2">Single lessee accounting model
Continued</td><td>Right of use assets
Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
▪ 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.

The group applies the cost model (refer section 6) subsequent to the initial measurement of the right of use assets.</td><td>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.

The accounting treatment for impairment of right of use assets is the same as for tangible assets (refer section 6).</td></tr>
<tr><td>Termination of leases
When the group or lessor terminates or cancels a lease, the right of use asset and lease liability are derecognised.</td><td>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.</td></tr>
<tr><td>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.</td><td>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.</td><td>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.</td></tr>
<tr><td rowspan="2">Reassessment and modification of leases</td><td colspan="2">Reassessment of lease terms and lease modifications that are not accounted for as a separate lease
When the group reassesses the terms of any lease (i.e. it re-assesses 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 the lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised.

For reassessments to 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.

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.</td></tr>
<tr><td colspan="2">Lease modifications that are accounted for as a separate lease
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 for which the group elected the short-term lease exemption and the lease term is subsequently modified.</td></tr>
<tr><td>Separating components of a lease contract</td><td colspan="2">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.</td></tr>
</table>

9. Leases continued

Type and description	Statement of financial position	Income statement
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 activities, 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 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.
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	
Share issue costs	Dividends

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 period 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.

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. Taxation

TAXATION

Direct taxation
Direct taxation includes all domestic and foreign taxes based on taxable profits and capital gains tax

Current tax

Deferred tax

Indirect taxation

Dividend tax

Type	Description, recognition and measurement	Offsetting
Direct taxation: current tax	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. 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 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.

Type	Description, recognition and measurement	Offsetting
Direct taxation: deferred tax	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. 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 that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognised for the following temporary differences: ▪ 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 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. 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. 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. 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. 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.	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.
Indirect taxation	Indirect taxes comprising non-recoverable value added tax (VAT), skills development levies and other duties for banking activities, 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

13. Revenue and expenditure

REVENUE AND EXPENDITURE	
Net interest income#	Non-interest revenue#
▪ Interest income* ▪ Interest expense	▪ Fee and commission revenue* ▪ Fee and commission expense ▪ Trading revenue* ▪ Other gains/losses on financial instruments* ▪ Other revenue*

* 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 and other revenue.
# Total net income represents the group's net revenue and constitutes the total of net interest income and non-interest revenue.

Description	Recognition and measurement
Net interest income	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. 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. When a financial asset is classified as stage 3 impaired, interest income is calculated on the impaired value (gross carrying amount less specific impairment) 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 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. 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. 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.
Net fee and commission revenue	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. 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. 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. 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.
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.

Description	Recognition and measurement
Other gains/losses on financial instruments	Includes: ▪ 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 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	Other revenue comprises 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 and re-measurement gains and losses from contingent consideration on disposals and purchases. 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.

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.

14. Other significant accounting policies

OTHER ACCOUNTING POLICIES		
Segment reporting	Fiduciary activities	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.

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
- Impairments and reversals of impairments of associates
- Impairments of investments in subsidiaries, property and equipment, and intangible assets
- Other items of a capital related nature.

15. New standards and interpretations not yet adopted

The following new standards, and amendments are not yet effective for the year ended 31 December 2025 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 financial statements.

Title: IFRS 9 Financial Instruments (IFRS 9) and IFRS 7 Financial Instruments: Disclosure (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 environmental, social and governance (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 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 and company annual financial statements.

ANNEXURE G – SIX-YEAR REVIEW

STATEMENT OF FINANCIAL POSITION

Group	CAGR[1,2] %	2025 Rm	2024 Restated[1] Rm	1 January 2024 Restated[1] Rm	2022 Rm	2021 Rm	2020 Rm
Assets							
Cash and balances with central banks	12	**60 502**	61 791	54 251	47 146	32 255	34 030
Derivative assets[1]	(6)	**80 079**	58 261	64 120	64 538	58 287	110 350
Trading assets[1]	16	**437 773**	375 248	285 503	270 932	238 098	211 658
Pledged assets	97	**27 236**	7 104	6 812	7 777	1 975	911
Non-current assets held for sale					255	265	
Financial investments	8	**186 971**	161 945	149 525	147 299	144 037	129 461
Receivables and other assets	6	**25 414**	20 536	17 764	30 947	19 680	19 002
Current tax asset	20	**387**	423	342	212	288	154
Loans and advances	6	**1 488 582**	1 385 214	1 343 798	1 254 969	1 203 254	1 124 238
Interest in associates and joint ventures	(1)	**714**	1 036	1 193	1 016	940	744
Property equipment and right of use assets	(3)	**10 937**	10 799	11 034	10 798	11 243	12 449
Goodwill and other intangibles	(15)	**5 561**	6 735	7 944	9 125	10 834	12 465
Deferred tax asset	3	**4 631**	5 630	5 779	5 026	3 918	4 005
Total assets	7	**2 328 787**	2 094 722	1 948 065	1 850 040	1 725 074	1 659 467
Equity and liabilities							
Equity	8	**157 448**	141 819	140 530	125 823	118 968	106 224
Equity attributable to ordinary shareholders	7	**135 323**	123 829	121 715	111 081	107 416	98 352
Ordinary share capital		**60**	60	60	60	60	60
Ordinary share premium	—	**49 253**	49 253	49 253	49 253	49 253	49 253
Reserves	12	**86 010**	74 516	72 402	61 768	58 103	49 039
Other equity instruments	21	**22 062**	17 917	18 743	14 672	11 488	7 815
Equity attributable to AT1 capital shareholders		**22 364**	18 222	18 664	14 164	10 549	7 025
Equity attributable to non-controlling interests within SBG		**(302)**	(305)	79	508	939	790
Non-controlling interest	2	**63**	73	72	70	64	57
Liabilities	7	**2 171 339**	1 952 903	1 807 535	1 724 217	1 606 106	1 553 243
Derivative liabilities[1]	(5)	**86 306**	69 027	69 423	77 823	69 594	112 138
Trading liabilities[1]	(2)	**67 253**	98 317	82 435	105 783	79 416	75 231
Provisions and other liabilities	12	**37 246**	31 603	28 037	25 154	22 116	20 879
Current tax liability	8	**5 926**	5 272	4 966	5 343	5 021	4 058
Deposits and debt funding[1]	8	**1 947 596**	1 720 278	1 596 848	1 485 665	1 406 202	1 318 773
Subordinated debt	4	**27 007**	28 394	25 813	24 440	23 738	22 151
Deferred tax liability	(17)	**5**	12	13	9	19	13
Total equity and liabilities	7	**2 328 787**	2 094 722	1 948 065	1 850 040	1 725 074	1 659 467

1 Restated. Refer to page 23 for detail.
2 Throughout annexure G, CAGR refers to compound annual growth rate for the period 2020 to 2025.

INCOME STATEMENT

Group	CAGR %	2025 Rm	2024 Rm	2023 Rm	2022 Rm	2021 Rm	2020 Rm
Net interest income	8	**58 912**	57 583	54 555	46 911	40 806	39 472
Non-interest revenue	10	**43 920**	39 498	39 535	36 039	31 983	27 038
Net fee and commission revenue	6	**25 371**	23 154	21 637	20 416	19 127	18 937
Fee and commission revenue	7	**34 564**	31 555	29 365	27 517	25 073	24 231
Fee and commission expense	12	**(9 193)**	(8 401)	(7 728)	(7 101)	(5 946)	(5 294)
Trading revenue	18	**11 729**	9 667	9 847	8 590	6 765	5 157
Other revenue	20	**6 246**	5 916	5 588	4 755	4 124	2 472
Other gains and losses on financial instruments	4	**574**	761	2 463	2 278	1 967	472
Total net income	9	**102 832**	97 081	94 090	82 950	72 789	66 510
Credit impairment charge	(9)	**(10 928)**	(11 624)	(13 256)	(9 897)	(7 814)	(17 095)
Revenue sharing agreements	14	**(840)**	(865)	(777)	(502)	(413)	(435)
Net income before operating expenses	13	**91 064**	84 592	80 057	72 551	64 562	48 980
Operating expenses	8	**(61 578)**	(57 601)	(56 392)	(48 464)	(44 902)	(41 875)
Net income before capital items and equity accounted earnings	33	**29 486**	26 991	23 665	24 087	19 660	7 105
Non-trading and capital related items	(55)	**(54)**	(446)	22	(371)	(80)	(3 040)
Share of post-tax (loss)/profit from associates and joint ventures		**(12)**	(20)	(41)	1	19	26
Net profit before indirect taxation	48	**29 420**	26 525	23 646	23 717	19 599	4 091
Indirect taxation	9	**(2 019)**	(2 108)	(1 845)	(1 626)	(1 432)	(1 313)
Profit before direct taxation	58	**27 401**	24 417	21 801	22 091	18 167	2 778
Direct taxation		**(5 869)**	(4 726)	(4 105)	(4 846)	(3 620)	924
Profit for the year	42	**21 532**	19 691	17 696	17 245	14 547	3 702
Attributable to ordinary shareholders		**19 868**	18 205	16 779	16 023	12 821	2 543
Attributable to AT1 capital shareholders	32	**1 654**	1 610	1 344	697	537	420
Attributable to non-controlling interests within SBG	(51)	**20**	(125)	(429)	519	1 179	734
Attributable to non-controlling interest		**(10)**	1	2	6	10	5

STATISTICS, RETURNS AND CAPITAL ADEQUACY

Group	CAGR %	2025	2024	2023	2022	2021	2020
Headline earnings (Rm)	33	**19 910**	18 545	16 756	16 256	12 877	4 728
Net asset value attributable to ordinary shareholders (Rm)	7	**135 323**	123 829	121 715	111 081	107 416	98 352
Share statistics							
Number of ordinary shares in issue (thousands)							
Weighted average		**59 997**	59 997	59 997	59 997	59 997	59 997
End of period		**59 997**	59 997	59 997	59 997	59 997	59 997
Share statistics per ordinary share (cents)							
Basic earnings	51	**33 115**	30 343	27 966	26 706	21 369	4 237
Headline earnings per share	33	**33 185**	30 910	27 928	27 095	21 463	7 880
Ordinary dividend	10	**8 500**	17 000	8 000	12 300	4 400	5 160
Selected returns and ratios							
ROE (%)	27	**15.6**	15.3	14.6	15.2	12.5	4.8
Non-interest revenue to total income (%)	1	**42.5**	40.7	43	44	44	41
Average ordinary shareholder's equity to average total assets (%)		**6.1**	6.1	6.1	6.1	6.3	6.0
Loans-to-deposits ratio (%)	(2)	**76.4**	80.7	84.4	84.5	85.6	85.2
Cost-to-income ratio (%)	(1)	**60.4**	59.9	60.4	58.8	62.0	62.9
Credit loss ratio (bps)	(24)	**76.2**	84.0	98.0	79.0	68.0	309.0
Effective tax rate (%)		**19.0**	19.0	19.0	21.0	20.0	(33.0)
Headline earnings per employee (rand)	33	**685 606**	645 201	577 753	576 331	454 119	162 911
Number of employees		**29 040**	28 743	29 002	28 206	28 356	29 022

Company	CAGR %	2025	2024	2023	2022	2021	2020
Capital adequacy							
Risk-weighted assets (Rm)	8	**1 048 717**	995 415	898 694	851 511	772 054	722 809
Tier 1 capital (Rm)	10	**146 251**	126 083	124 951	107 851	99 194	90 620
Total qualifying regulatory capital (Rm)	9	**170 335**	152 014	150 366	131 994	123 052	112 069
Tier 1 capital adequacy ratio (%)	2	**14.4**	13.6	13.9	12.7	12.9	13.0
Total capital adequacy ratio (%)	1	**16.7**	16.2	16.7	15.5	16.0	16.0
Headline earnings (Rm)	35	**19 536**	18 186	16 578	16 384	12 909	4 326
Rand exchange rates at 31 December							
US dollar	3	**16.61**	18.75	18.52	16.97	15.89	14.67
Sterling	2	**22.32**	23.53	23.53	20.42	21.46	20.04
Euro	2	**20.15**	19.53	20.46	18.08	18.01	18.01
Market indicators at 31 December							
Prime overdraft rate (%)	8	**10.25**	11.25	11.75	10.50	7.25	7.00
JSE All Share Index	14	**115 832**	84 095	76 893	73 049	73 709	59 409
JSE Banks Index	20	**15 422**	12 664	10 948	9 854	8 823	6 076

ADMINISTRATIVE AND CONTACT DETAILS

The Standard Bank of South Africa Limited

Registration No. 1962/000738/06
Incorporated in the Republic of South Africa

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Directors

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* Executive director [1] Nigerian [2] Chinese [3] Kenyan

All nationalities are South African, unless otherwise specified.

Investor relations

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Refer to
www.standardbank.com/sbg/standard-bank-group/investor-relations/results-and-reports/financial-results
for a list of definitions, acronyms and abbreviations.

Standard Bank

www.standardbank.com