Standard Bank

STANDARD BANK GROUP

ANNUAL INTEGRATED REPORT

for the year ended 31 December 2023

Angola
Mussulo Bay

Click to enter

OUR ANNUAL INTEGRATED REPORT

(this report)

Standard Bank Group has a strong presence and deep capabilities across 20 countries in sub-Saharan Africa. We have strong market positions in South Africa, which we will fiercely defend, and a growing franchise in Africa Regions.

We are purpose-led:

AFRICA IS OUR HOME,
WE DRIVE HER
GROWTH

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Reading this report

This is an interactive report.

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

- Indicates interactive content
- Refers readers to additional information in our suite of reports
- Refers readers to further information within this report
- Refers readers to other online information
- Indicates video content

This report is best viewed in Adobe Acrobat for desktop, mobile or tablet. *Download or update to the latest version:*

ADOBE ACROBAT READER

Value drivers and related capitals

- **Client focus – social and relationship capital**
- **Risk and conduct – intellectual capital**
- **Financial outcome – financial capital**
- **Employee engagement – human capital**
- **Operational excellence – manufactured capital**
- **Positive impact – social and relationship/ natural capital**

Printing this report

Interactive information in this report will not print automatically. For a printable version of this report, select the icon alongside.

Navigating this report

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Navigation aid

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Access to main sections

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OUR REPORTING SUITE

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

Integrated reporting

Annual integrated report

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

Intended audience – providers of financial capital. **Purpose** – assesses our ability to deliver sustainable growth and value in the short, medium and long term.

Frameworks considered INTEGRATED REPORTING ‹IR› JSE King IV™* SUSTAINABLE DEVELOPMENT GOALS

Shareholder reporting

Annual financial statements

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

Risk and capital management report

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

Governance report

Discusses the group's governance approach and priorities.

Remuneration report

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

Intended audience – primarily of interest to our shareholders, debt providers and regulators.

Purpose – provides detailed financial performance, risk and regulatory disclosures and governance-related aspects of interest.

Sustainability reporting

Sustainability disclosures report

Provides an overview of how we manage environmental, social and governance (ESG) risk, including information regarding ethics and conduct, people and culture, environmental and social risk management, and tax governance and policy, together with information about our sustainable finance activities.

Report to society (RTS)

An assessment of our impact on society, the economy and the environment, focusing on the four areas in which we have the most significant impact, namely: enterprise growth and job creation, infrastructure development and the just energy transition, climate change mitigation and resilience, and financial inclusion.

Climate-related financial disclosures report

Discusses how the group is managing the risks and responding to the opportunities presented by climate change, aligned to the recommendations of the Task Force on Climate-related Disclosures (TCFD).

Intended audience – our clients, employees, regulators, investors and broader society.

Purpose – our reports to society demonstrate how the group is fulfilling its purpose and the positive impacts it makes.

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Subsidiary annual reports

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

Key frameworks

To satisfy various compliance reporting requirements, the disclosure requirements of a range of corporate reporting and regulatory frameworks and guides are considered when preparing the reports in our reporting suite.

Our reporting portal

All our reports, latest results, presentations and SENS announcements along with a glossary of financial terms, other definitions, acronyms and abbreviations used in our reports are available here.

A summary of key terms used in this report is provided on page 88.

Notice to shareholders

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

ABOUT OUR INTEGRATED REPORT

We aspire to create measurable and sustainable growth and value for all our stakeholders.
We are guided by our purpose and adopt an integrated approach to the way we think and make decisions.

Purpose and audience

This report explains how we are fulfilling our purpose, delivering against our strategic priorities and measuring our progress relative to our financial and non-financial targets. It provides material information that our providers of capital need to assess the opportunities, risks and relationships influencing our ability to create and preserve sustainable value and describes the progress we are making in executing our medium-term strategy to 2025. It also explains our governance approach and the work we do to guard against value erosion.

Scope and reporting boundary

The scope of this report covers the period 1 January 2023 to 31 December 2023 and includes material events and information up to board approval on 13 March 2024. The data in this report – both financial and non-financial – pertains to the group as the reporting entity and includes all entities over which we have control or significant influence.

The reporting boundary includes the strategic narrative relating to the group's business model, strategy, performance and outlook. The risks, opportunities and outcomes arising from entities and stakeholders over which we do not have control or significant influence are included where they affect our ability to create and preserve value, and mitigate value erosion.

The group took the opportunity created by the integration of Liberty to reorganise the operating model into four business units, making slight name changes for clarity. Liberty has been integrated into the new Insurance & Asset Management business unit. The group's operating model is client led and structured around our business units that are responsible for designing and executing the client value proposition.

Certain metrics relate to specific categories of activity only, being either banking activities or insurance and asset management activities and are clearly noted as such.

Financial information has been prepared on an International Financial Reporting Standards (IFRS®) Accounting Standards basis, unless otherwise specified, and therefore includes the consolidation of all entities in the group and any restatements to previously reported figures as described in the **annual financial statements**. Where reporting responsibility changes for individual cost centres and divisions within and between business units, the comparative figures are reclassified accordingly.

Report preparation

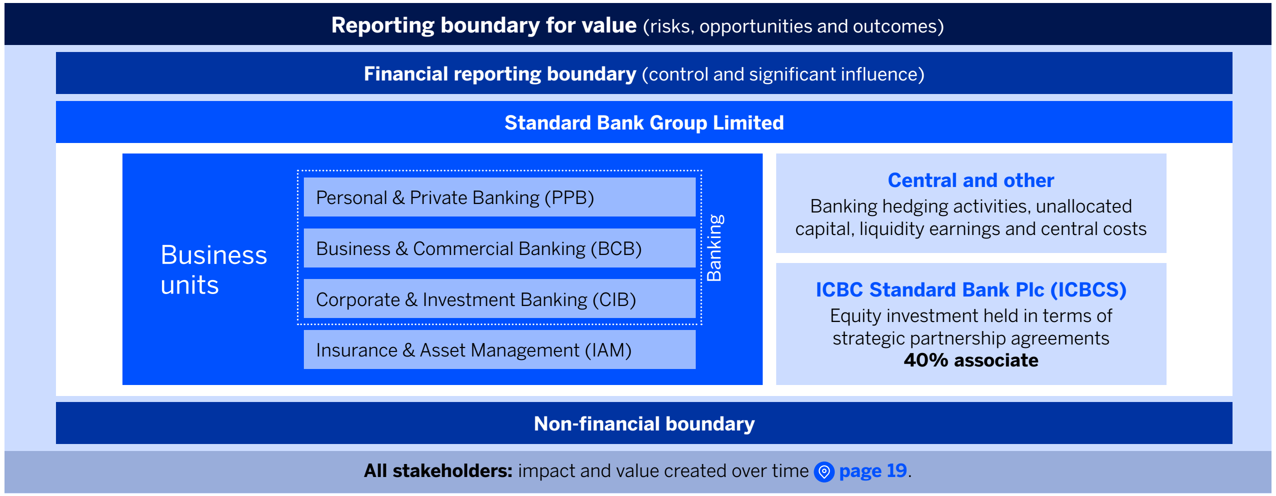
The board ensures the integrity of our external reporting through internal reporting processes that are well embedded and supported by various levels of oversight.

Assurance

We apply a combined assurance model to assess and assure aspects of the group's operations, including the internal controls associated with elements of external reporting. Our assurance services and risk functions provide an effective control environment that ensures the integrity of the information used in our reporting for decision-making purposes. The assurance given to the board is underpinned by management (first line), relevant functions (second line) and reviews performed by internal audit (third line).

While this report is not audited, it contains certain information that has been extracted from the group's audited consolidated annual financial statements, on which an unmodified audit opinion has been expressed by the group's external auditors. Similarly, it includes information extracted from the RTS and sustainability disclosures reports on which assurance on selected information, listed in the **sustainability disclosures report**, has been provided.

An internal audit team provides an additional layer of assurance on the integrity of the report. The team assesses the reporting processes, reviews the integrated report to ensure that it is materially in accordance with the guidelines of the International Integrated Reporting Framework (2016) and King IV and substantiates the data disclosed in the report.



Process disclosures

As part of our ongoing processes to simplify our reporting, changes to the structure of the integrated report have been made to reduce duplication and streamline information across the reporting suite. Additional use of cross-referencing to more detailed information in the reporting suite has therefore been included together with enhanced interactivity.

The following processes were observed in the preparation and approval of this report:

Preparing

- A cross-functional team ensures that a mature and effective report preparation process is followed, with support from specialist external reporting advisors. Feedback on processes, content and framework application in the prior year informs the planning and preparation of this report.
- The group leadership council oversees the process and ensures that controls are applied in the information gathering, drafting and approval processes.
- Information included in this report is sourced from interviews with leadership (the chairman, members of the group leadership council and other subject matter specialists), and internal and external sources of trusted information used for decision-making, as well as from other reports in the reporting suite.

Reviewing

- All reports in the reporting suite are prepared in parallel to ensure that information and data is correctly and consistently reported.
- The group leadership council is accountable to the board for preparing the integrated report. It reviews the reports in the reporting suite prior to their submission to the respective board subcommittees for review and discussion.

Approving

- The board subcommittees, including the group audit committee, the group risk and capital management committee, and the group social and ethics committee recommend the reports in the reporting suite to the board for approval.

Materiality determination

A dedicated process is followed to identify, review and finalise the issues that are material to the group's value creation and impact on people and planet. These issues are then discussed and approved by the board. This determination of material issues, which incorporates perspectives from internal and external stakeholders, sets the foundation to prepare the integrated report.

Read more about our material issues on page 21.

Board approval statement

The board acknowledges its responsibility for the integrity of the 2023 integrated report and the other reports in the group's reporting suite.

The board has mandated the group audit committee to oversee the preparation and presentation of the integrated report. The committee has reviewed and recommended the report to the board for approval.

The board considers the preparation and presentation of this report as being materially in accordance with the guidelines of the International Integrated Reporting Framework. The board is therefore of the opinion that the report provides a balanced and appropriate assessment of the group's governance, strategy, risks and opportunities, performance and outlook, and how these are likely to impact the group's ability to create and preserve value while mitigating value erosion over the short, medium and long term.

On behalf of the board:

Nonkululeko Nyembezi
Chairman

Xueqing Guan
Senior deputy chairman

Jacko Maree
Deputy chairman

Trix Kennealy
Lead independent director

Sim Tshabalala
Chief executive officer

Arno Daehnke
Chief finance & value management officer

Lwazi Bam
Independent non-executive director

Paul Cook
Independent non-executive director

Sola David-Borha
Non-executive director

Geraldine Fraser-Moleketi
Independent non-executive director

Ben Kruger
Independent non-executive director

Li Li
Non-executive director

Nomgando Matyumza
Independent non-executive director

Martin Oduor-Otieno
Independent non-executive director

Atedo Peterside CON
Non-executive director

13 March 2024

Note: signatures are not provided for security purposes.

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LEADERSHIP INSIGHTS

Our leaders discuss how the group manages the dynamics in the markets we operate and the progress we make in achieving them.

> "We are pleased with the financial and strategic outcomes that the group has achieved and the progress it has made in delivering our 2025 objectives. The board continues to provide the oversight and insight required as a custodian of sustainable performance and long-term value creation to ensure that the group remains adept at managing the complexity of change."

Nonkululeko Nyembezi, Chairman

CHAIRMAN'S STATEMENT

2023 outcomes

It has been a fantastic year for Standard Bank with operations firing on all cylinders and we trust that investors will find our 2023 financial outcomes more than satisfactory. Our systems have proved resilient, the digitisation journey continues apace, and there is every reason to be pleased with the progress that has been made on the Liberty integration within the group. We also reported growth in both client and revenue numbers.

These results are described in more detail in the **driving sustainable growth and value** section of this report and are comprehensively analysed in our **annual financial statements**.

The board remains equally determined in ensuring the long-term competitiveness, sustainability and social relevance of the group, as described throughout this report and in our **report to society**, **sustainability disclosures report**, and **climate-related financial disclosures report**.

Leading issues in 2023

The board is in no doubt that climate change is the single most pressing global issue of our time. We are equally clear that Africa has the right to sustainable economic and human development, and that the group is committed to supporting such development. We recognise that achieving the optimal balance on climate-related matters – and on ESG in general – is highly complex. We are, in general, satisfied with the group's progress in these areas.

The group's reputation with all our stakeholders is one of our most important assets. We remain committed to continuously learning from engagements with investors and other stakeholders, and to developing new skills and metrics where these are legitimately expected. We experienced a heightened level of protest on climate matters during 2023 and regret that one of these protests was not managed as well as it could have been.

We reiterate our respect for all voices in public debate, our unqualified support for media freedom, and our unwavering commitment to the rule of law.

Diversity and inclusion is regularly considered by the board and the executive. We have set targets for both aspects and I am pleased to report that in 2023 we have made steady progress in reaching these targets. Please refer to the **governance report**, the **sustainability disclosures report** and **Standard Bank of South Africa Limited (SBSA) annual integrated report** for more information.

The board is pleased with management's progress against the strategic plan to 2025 laid out in August 2021. A major theme for the board this year was interrogating how management balances the delivery of short- and medium-term objectives with planning for the longer term.

The board also probed more deeply into the group's progress in digitising our processes and services, while retaining the human touch; into the ongoing closer integration of the Liberty businesses; and into the management of credit and non-financial risk. The board is of the view that credit and risk management remain core strengths of the group; that digitisation is progressing well and increasing the group's competitiveness; and that the integration of Liberty – while an unavoidably complex process – will yield the synergies announced at the time that the buyout of the minorities was proposed in mid-2021.

Over the past two years, the group has revised its operating model to increase the extent to which we are client led. It was necessary, as a result, to rethink executive succession plans in light of this new operational construct. The board has a strong consensus on how succession planning is done in the group, and we are satisfied that the group retains a strong 'bench' of current and rising executive talent. Please refer to the **remuneration report** for more information on executive roles and tenure policies.

The board remains satisfied with the 'tone from the top' of the business – nothing is more important to us than ensuring that executive management uphold the highest levels of integrity. The culture of the organisation as a whole remains healthy, as quantified and described in the **people and culture** section of this report.

Looking forward

The board is conscious that emerging trends present both opportunities and risks to our business. We do not shy away from novel or difficult topics, and we are also conscious that we will not always have the knowledge or skills to assess such issues adequately. We will therefore continue to draw on both internal and independent expertise to advise us on such matters. In 2024, we will be exploring biodiversity and artificial intelligence (AI), among others. It is clear that AI is by no means only an IT issue, but rather a development that will have profound commercial, economic, and social implications.

Governance

Board succession planning continued to receive much focus. We have developed a clear plan for the next two years aligned to the core skills required for a high-performing board. Please refer to the **governance report** for more information on board member skills and tenures.

We continue to search systematically for a potential director with deep expertise at the intersection of financial services and ESG (particularly climate issues and finance), but the talent pool is not large and demand is very high. For the time being, we obtain expert advice as required.

Another major governance focus in 2023 was strengthening our subsidiary governance model and the board's relationships with, and oversight of, subsidiary boards.

Appreciation and welcome

On behalf of the board and the group as a whole, I express our gratitude to Kgomotso Moroka and John Vice who retired from the board during the year. Kgomotso and John both made distinctive and important contributions to the competitiveness of our businesses.

The board welcomes Sola David-Borha, who was appointed as a non-executive director in March 2024.

Looking ahead

This year's financial and strategic outcomes speak eloquently for themselves, and I am most grateful to my board colleagues and to the group's executives and employees for enabling us to achieve them. We look forward with confidence to reaching our 2025 financial and strategic targets, and we remain as committed as ever to our purpose: Africa is our home, we drive her growth.

> "As always, the people of the Standard Bank Group are motivated by our purpose: Africa is our home, we drive her growth."

Sim Tshabalala, Chief executive officer, SBG

GROUP CHIEF EXECUTIVE OFFICER'S REPORT

A year of steady progress in a complex world

We made pleasing progress in 2023, demonstrating the value of our Africa-centred strategy, the strength of our well-balanced portfolio, and our commitment to serving our clients with consistent excellence.

Our financial performance was strong and the outcome of the continued execution of our strategy. Our financial results are outlined in the **driving sustainable growth and value** section and discussed in detail in our **annual financial statements**. Our positive impact is described and quantified in the group's **report to society** and **sustainability disclosures report**.

Our strategic progress is summarised here and is described in detail in the body of this report.

During 2023, world growth slowed, and geopolitics reached a level of tension and complexity not seen since the end of the Cold War. Inflation remained stubbornly high and interest rates trended higher as central banks continued to tighten monetary policy.

The war in Ukraine ground on throughout the year and, at the time of writing, there appeared to be a risk of regional conflict in the Middle East. Armed conflicts in Africa contributed to the displacement of people and impacted social and economic development on the continent. On a more positive note, there were signs of better mutual understanding between the super-powers.

Partly owing to the knock-on effects of these conflicts and tensions, the economy of sub-Saharan Africa grew at around 3.3% in 2023, slower than forecast, but 20 basis points (bps) faster than the world average. 2023 saw increased political instability and conflict in some parts of Africa, but not in the group's countries of operation.

Ghana, Zambia and Ethiopia found it necessary to undertake sovereign debt restructuring during the year. The group is aware that there is heightened risk of further episodes of sovereign stress in 2024. We are ensuring that we are appropriately positioned to manage this risk.

Despite these challenges, Africa's economy remains resilient and dynamic in aggregate. Growth of 3.8% is expected for sub-Saharan Africa in 2024, with this growth rate likely being sustained over the medium term. Should Africa's governments fully implement their commitments under the African Continental Free Trade Area (AfCFTA), growth would likely accelerate further.

South Africa avoided recession in 2023, growing at 0.6%. Growth and human development continued to be held back by a severe shortage of electricity and by worsening problems with the rail network and ports. We expect 1.2% growth in 2024, owing to a slightly looser electricity constraint, but with economic performance weakened by uncertainty arising from the general election and by the large costs still imposed by inadequate rail and port infrastructure – although we are encouraged by the reforms underway, including the concessions of the Pier 2 Durban Container Terminal to a private sector operator.

We are certain that South Africa's constitutional democracy will remain firmly entrenched and will in fact mature further as political competition and diversity increase. Our base case is that policy continuity will be largely maintained after the election, including the current administration's programme of structural reform, a path that will gradually improve South Africa's economic performance.

The concentration of carbon dioxide in the atmosphere is now 50% higher than before the industrial revolution[1]. As a result, 2023 was the hottest year since accurate records began. Climate change mitigation and adaptation remain at the very top of the global and African agenda.

The competitive landscape

Contrary to predictions made during the 2010s, incumbent financial institutions remain our fiercest competitors. New competitive pressures are coming not from narrow fintechs but from broader digital banks, insurers and asset managers. The specifics of our responses to these challenges are described in the sections of this report on **transforming client experience** and **here** for technology. The group as a whole remains guided by our commitments to serve our clients online or in person as they choose, to meet all of our clients' financial service needs, and to help them reach their goals.

We are making increasing use of process automation and predictive AI and are actively exploring use cases for generative AI. We believe that a 'fast follower' stance is appropriate for the group, at least for the time being.

Blockchain continues to have the potential to meet some client needs more efficiently, but we have yet to see strong demand for central bank digital currencies and we continue to regard crypto assets as highly speculative.

R Risks O Opportunities

Our operating environment

The group's most important risks and opportunities are highlighted below. A more holistic view of the risks and opportunities we face in 2024 and over the medium-term can be seen **here**.

R **Global tensions worsen, restricting trade and capital flows, causing higher inflation and slower growth**

O Continue to expand the group's leadership as a universally trusted partner, connecting Africa to China, the Gulf, Europe, and the United States, and promoting intra-Africa trade.

R **Climate change, and global policy responses, impose increasing economic and human costs on Africa**

O Support and accelerate Africa's energy transition. Contribute to global and African debates on climate policy and financing to support a just transition and sustainable human development in Africa.

R **Cybercrime and IT system instability weaken trust in the group**

O Maintain the security and stability of our systems, defending and growing our franchises.

R **The governance and management of an Africa-wide and international corporation can become unwieldy, with risks in subsidiaries not seen or controlled**

O Maintain close relationships between the group centre, country and offshore businesses, upholding the highest levels of conduct and risk management, to create competitive advantage through our unrivalled capabilities across Africa and connecting Africa to the wider world.

Our business units build the group's competitive advantages...

The group enters 2024 in a strong position, underpinned by an enviable client franchise across a well-diversified business and with sufficient resources to defend and grow our market shares. The nature of our business and our competitive advantages are summarised **here**.

As part of the Liberty integration, the group's insurance and asset management businesses have been combined with Liberty's life and asset management businesses to create a new insurance and asset management business unit. The group therefore now has four business units, each with their own clients, product sets, and client-driven strategies focused on winning in their markets. The business units are also encouraged and incentivised to collaborate whenever necessary to deliver a comprehensive set of solutions to our clients.

An undertaking to complete the sale of the group's 40% of ICBCS to the Industrial and Commercial Bank of China Limited (ICBC) as soon as possible is specifically included in the strategic cooperation agreement between the group and our partners at ICBC.

... while the group sets strategy, measures progress, and allocates resources.

The group remains committed to the strategic priorities and targets for 2025 laid out in August 2021. The group's strategic priorities continue to be transforming client experience, executing with excellence, and driving sustainable growth and value. These are well understood and guide execution throughout the group.

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[1] **NASA**.

Measuring progress against our targets

TRANSFORMING CLIENT EXPERIENCE

The group requires each business unit to develop a suitably differentiated set of solutions for its client base, and also to work together as required to meet the full range of our clients' needs. We made good progress in all four business units in 2023. Our client franchise has grown, our clients are doing more with us, and they are increasingly pleased with our service as reflected in our strong client satisfaction scores.

DRIVING SUSTAINABLE GROWTH AND VALUE

We use 'sustainable' both to mean 'long term' and to mean 'socially and environmentally sustainable.' For the Standard Bank Group, these two concepts are tightly – and indeed necessarily – linked to each other. In this light, some of the most pleasing features of our financial results for 2023 were the diversity of our sources of revenue, the good growth in non-interest revenue, our well-managed credit impairment charges, improving cost-to-income ratio, and very strong liquidity and capital ratios.

We take our commitment to environmental and social sustainability equally seriously, as evidenced, for example, by our support for Africa's trade. We facilitated trade flows to the value of R953 billion for BCB clients and over USD16 billion for CIB clients in 2023.

The group aims to play central roles in supporting Africa's adaptation to climate change and in accelerating a just transition away from carbon-fuelled energy. We remain committed to our targets of net zero carbon emissions from our own operations for newly built facilities by 2030, for existing facilities by 2040, and from our portfolio of financed emissions by 2050. We are pleased to note that sustainable finance was the fastest-growing part of our portfolio in 2023 and that we are making excellent progress towards our target of mobilising more than R250 billion of sustainable finance by 2026.

More detail on our financial results and positive impacts are here:

2023 financial performance
Positive impact
Sustainability disclosures report
Climate-related financial disclosures report

Measures of our progress over the medium term can be found **here**.

EXECUTING WITH EXCELLENCE

We value our people and work hard to keep them engaged and to help them develop their skills. We aim to attract and retain key talent.

We have a modern and robust core IT system, supporting a wide range of competitive digital capabilities to serve our clients. We have worked hard to improve our system resilience and we are pleased to report that we have had a significant reduction in major outages during the year.

We continue to optimise our infrastructure by, for instance, reducing branch square meterage and ATM numbers, but we know that many of our clients still need to access and process cash, and we understand that there is no substitute for in-person meetings when dealing with complex issues.

Our ability to manage risk underpins our clients trust in us and supports our brand. Our risk management framework is defined at a group level and is rigorously applied by our business units and countries of operation. Please follow the links below for more detail about:

Employees
Technology and infrastructure
Risk management and controls

Looking forward

Our commitments for the short, medium and long term are:

For 2024:

We will continue to support our clients, develop our employees, and deliver sustainable growth and value to our shareholders and other stakeholders.

In addition, as a leading financial institution on the continent, we recognise our responsibility to deliver positive impact. We do so day to day through our operations and over time by delivering against our purpose of driving Africa's growth.

Medium term:

- Revenue growth of 7% – 9% (compound annual growth rate from 2020 to 2025)
- Cost-to-income ratio approaching 50%
- Return on equity (ROE) inside our target range of 17% – 20%.

Long term:

The Standard Bank Group will:

- defend and grow our core businesses by offering a comprehensive range of solutions, serving our clients with consistent excellence, and enabling them to achieve their goals
- allocate capital and other resources to new market segments and geographies where we have competitive strengths and where expansion will improve the group's ROE
- support inclusive growth and sustainable human development in Africa, our home.

OUR BUSINESS

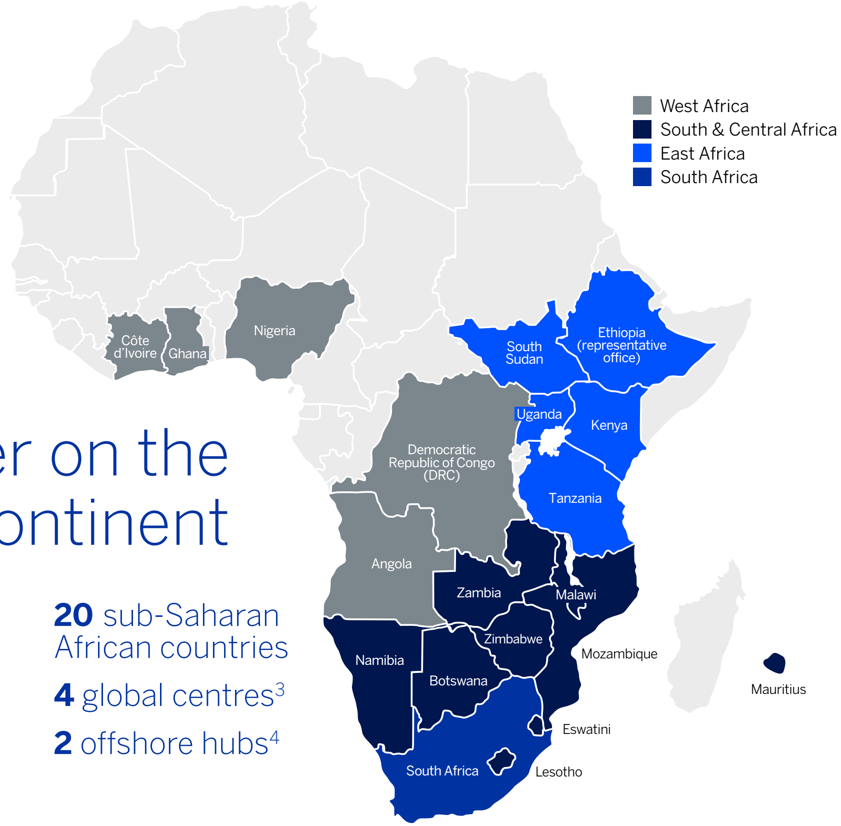
An overview of who we are, the emerging and long-term trends affecting our business and our continent as well as the issues that matter most to our stakeholders and how we are delivering our strategy and organising the group to deliver value creation, mitigate value erosion and avoid value destruction.

WHO WE ARE

PURPOSE DRIVEN

Africa is our home, we drive her growth

A leader on the African continent



20 sub-Saharan African countries

4 global centres[3]

2 offshore hubs[4]

FOCUSED

- We are Africa focused, client led and digitally enabled
- We provide comprehensive and integrated financial and related solutions to our clients
- We drive inclusive growth and sustainable development

Competitive advantages

- Purpose-driven organisation
- Unrivalled, African-focused capabilities
- International presence via global centres and offshore hubs to support our clients
- Recognised and trusted brand
- Established fit-for-purpose franchise
- Diversified client base, service offering and revenue streams
- Robust capital and liquidity position
- Strong growth prospects
- Attractive medium-term targets

CLEARLY DEFINED PLAN

2025 strategic priorities

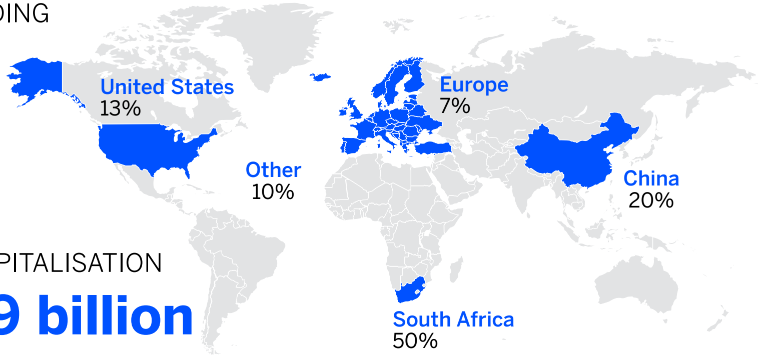
Transform client experience	Execute with excellence	Drive sustainable growth and value

#1 bank by assets	#1 banking brand[5]	#1 Global markets franchise[6]	#1 Sustainable Finance mandated lead arranger[7]	#3 asset manager[8]	Strategic co-operation with ICBC

2025 financial targets

7% – 9% Revenue growth CAGR[1]	**~50%** Cost-to-income ratio[2]	**17% – 20%** ROE

SHAREHOLDING



Primary listing on the Johannesburg Stock Exchange (JSE) in South Africa

Secondary listing in Namibia and A2X Markets in South Africa

Subsidiary banks listed on exchanges in Kenya, Malawi, Namibia, Nigeria and Uganda

MARKET CAPITALISATION

USD19 billion

(R349 billion)

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1 Compound annual growth rate from 2020 to 2025.
2 Approaching 50%.
3 GLOBAL CENTRES: Beijing, Dubai, London, New York.
4 OFFSHORE HUBS: Isle of Man, Jersey.
5 Most valuable banking brand in Africa and South Africa by Brand Finance for the second year in a row.
6 Global Markets foreign exchange in Angola, Kenya, South Africa and Uganda.
7 Dealogic data.
8 By assets under management/administration (AUM/AUA).

Leveraging our scale and diversity to deliver

Clients
+18.8 million ▲
(2022: +17.7 million)

Employees[1]
+54 000 ▲
(2022: +53 000)

Assets
R3.1 trillion ▲
(2022: R2.9 trillion)

Capital
R236 billion ▲
(2022: R218 billion)

Headline earnings
R42.9 billion ▲
(2022: R33.9 billion)

Cost-to-income
51.4% ▼
(2022: 53.9%)

Return on equity
18.8% ▲
(2022: 16.3%)

Common equity tier (CET) 1 capital
13.7% ▲
(2022: 13.4%)

B-BBEE status (South Africa)[3]
Level 1
(2022: Level 1)

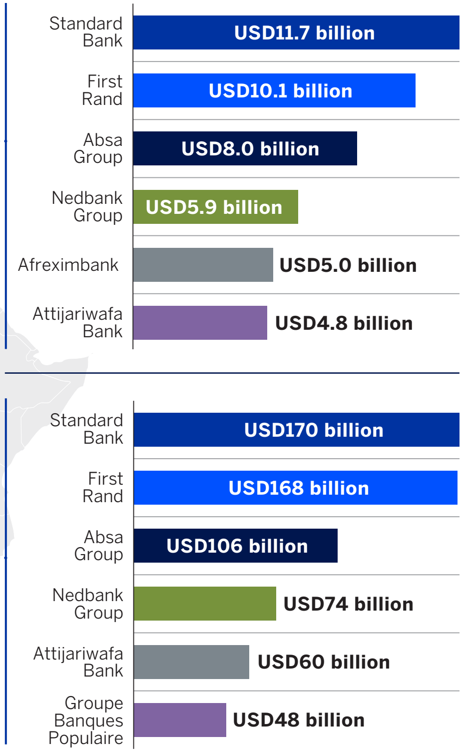
Largest six banks in Africa[2]

...by tier 1 capital

Top 100 Africa banks tier 1 capital
= USD1.1 trillion

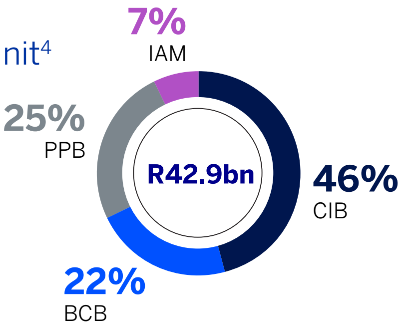
...by assets

Top 100 Africa banks total assets
= USD1.2 trillion

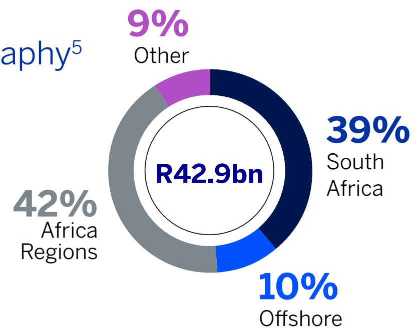


Headline earnings contribution

Business unit[4]
(%)



Geography[5]
(%)



ACCOLADES

BRAND AFRICA
Most admired financial services brand in Africa

FORBES WORLD'S BEST EMPLOYERS
One of the World's Best Employers and one of seven African companies

EMEAFINANCE AFRICAN BANKING AWARDS
Most admired financial services brand in Africa

PRIVATE BANKER INTERNATIONAL AWARDS
Outstanding global private bank (Africa)

CITYWIRE SOUTH AFRICA AWARDS
Discretionary fund manager of the year – INN8 Invest

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[1] Total headcount including non-permanent employees.
[2] The Banker database: www.thebanker.com, October 2023.
[3] B-BBEE: broad-based black economic empowerment.
[4] Headline earnings by business unit excluding Centre and ICBCS.
[5] Headline earnings by legal entity, South Africa is SBSA, International is Standard Bank Offshore Group, and Other includes other group entities, Liberty and ICBCS.

Our clients and activity

Our operating model is client led and structured around our business units, who 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 platforms.

CLIENTS	**Personal & Private Banking** Individual clients from personal to private clients	**Business & Commercial Banking** Small and medium-sized businesses, as well as large commercial enterprises	**Corporate & Investment Banking** Large companies (multinational, regional and domestic), governments, parastatals and institutional clients	**Insurance & Asset Management** Individual clients to corporate and institutional clients who want to build and protect their wealth and lifestyle
PRODUCTS	Tailored and comprehensive financial services solutions	Broad-based client solutions that deliver advisory, networking and sustainability support required by our clients	In-depth sector and regional expertise, specialised capabilities and access to global capital markets for advisory, transactional, risk management and funding support	Solutions to fulfil clients' long and short-term insurance, health, investment and asset management needs
FRANCHISE GROWTH AND ACTIVITY	**15.6 million** active clients **2.9 billion** digital banking volumes **6 014** ATMs and **1 206** points of representation[1] [1] ATM: Automated teller machines and points of representation include branches, in-store kiosks and other points of access.	**819 thousand** active clients **422 thousand** digitally active users **155 million** digital banking volumes	▲ **23%** | **R24.5 billion** transactional banking revenue ▲ **16%** | **R26.0 billion** global markets revenue ▲ **19%** | **R13.1 billion** investment banking revenue ▲ **20%** | client revenues	▲ **9%** | **R5.2 billion** short-term insurance gross written premium ▲ **7%** | **R1.5 trillion** assets under management and administration ▲ **13%** | **R3 billion** insurance operations new business value ▲ **8%** | **R12.1 billion** long-term indexed new business
	Read more in the **PPB report**.	Read more in the **BCB report**.	Read more in the **CIB report**.	Read more in the **IAM report**.

OUR APPROACH TO VALUE CREATION

The successful execution of our strategy will deliver a robust business that creates value and drives sustainable growth for all our stakeholders over the long term.

Our purpose is the reason we exist: Africa is our home, we drive her growth

Informing our thinking

We consider our **operating context** and emerging trends, and their implications for the group and Africa. We also consider the individual concerns and collective interest of **our stakeholders**, which enables us to identify opportunities, risks and possible constraints to delivering sustainable growth and value creation and the related trade-off decisions that we need to make to achieve our ambitions.

Read about our operating context on **page 17** and risks on **page 55**.

Read more about our stakeholders and material issues on **page 19** and **21**.

Directing our strategy

Our **strategy** is designed to deliver our purpose. Our strategic priorities and medium-term financial targets inform the allocation of our resources in line with our resource allocation framework and ensure we deliver against our commitments.

Read more about our strategic priorities and execution on **page 23**.

Organising our business

Our **business is structured** around our four business units who own our client relationships and design and execute the client value proposition.

Read more about our business model on **page 25**.

Our **governance framework** supports ethical and effective leadership, responsible corporate citizenship and a sustainable organisation.

Read more about our governance outcomes on **page 75**.

Our **people** are guided by our code of ethics and conduct and our organisational culture, which is based on the principle of doing the right business the right way.

Read more about our approach to ethics on **page 60**.

Measuring our impact

We have measures and targets in place that we use to track the progress we are making in **executing our strategy**. We evaluate our financial and non-financial performance against our value drivers and **reward our people** based on strategic delivery, aligned to our remuneration policy.

Read more about our performance on **page 28**.

Our approach to sustainability

Our **sustainability** is underpinned by our ability to deliver growth and value over the long term while managing ESG risk and positive impact, thereby achieving our purpose and strategic priorities.

Read more about our contribution and impact on **page 73**.

Our climate commitment

As Africa's largest bank, we have a leading role to play in advancing a just energy transition.

We work with our clients and partners to support climate risk mitigation, invest in renewable energy and strengthen climate resilience.

We are committed to net zero emissions by 2050.

Maximising positive impact

Realising the significant opportunity to grow earnings and market share by providing products and services that meet the development needs of Africa and Africa's people.

Impact areas

- Enterprise growth and job creation
- Infrastructure development and the just energy transition
- Climate change mitigation and resilience
- Financial inclusion

We are aligned to the **UN SDGs** with priority given to the selected goals below:

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION | 15 LIFE ON LAND

Effectively managing risk

Minimising and mitigating the risks (including ESG and climate-related financial risks) arising from our operations, who we do business with and what we finance.

Connecting our strategic progress to value creation

When talking about our business and strategy, we reference our six value drivers, which focus our strategic delivery and measure the value we aspire to create for all our stakeholders. We use the metrics associated with our value drivers to manage the quality and cost of the resources and relationships we need to deliver our strategy, as well as the trade-offs and constraints in our decision-making.

The six capitals defined in the Integrated Reporting Framework are reflected in our six value drivers, which guide us in measuring our progress and the value we create for our stakeholders. Indicative mapping between our value drivers and six capitals to explain how we create value is shown alongside.

THE VALUE WE AIM TO CREATE	RELATED CAPITALS	HOW THEY CONNECT	MANAGING THE TRADE-OFFS TO ACHIEVE OUR STRATEGY
We provide consistently excellent client and partner experiences via an expanded range of innovative solutions.	SOCIAL AND RELATIONSHIP	Our trust-based relationships, unrivalled scale and reach in Africa and brand strength enable us to leverage our capabilities to offer relevant, competitive and innovative solutions through our digital offerings.	▪ Lowering the cost to service our clients requires investment in solutions that widen our offering and drive client satisfaction, affordability and client retention. ▪ Working with partners provides an opportunity to grow our franchise, but increases the need to manage dependencies and third-party relationships to protect our service levels and reputation. ▪ Increasing capital allocation to higher growth markets and new revenue streams requires that we mitigate the impact on clients by ensuring that we continue to offer competitive financial services.
We ensure our people feel deeply connected to our purpose and are empowered and recognised.	HUMAN	Our strong leadership teams, deeply skilled and experienced people and high-performance, client centric and ethical conduct and culture are rooted in our purpose.	▪ Developing new skill sets among our employees equips them to improve client experience, but could temporarily impact on productivity. ▪ Some of the skill sets we need are specialised and scarce in our markets, and enhancing our people's skill sets increases their employability. ▪ We deliver our People Promise through a compelling employee value proposition and the investment we make in our people must balance how we manage our cost base effectively to lower our cost to serve
We do the right business, the right way, with world-class governance and risk management embedded across the group.	INTELLECTUAL	Our embedded risk and governance frameworks and deep institutional insights support our legitimacy, underpinned by an appropriate risk appetite mandate.	▪ Managing the natural tension between client convenience, the speed at which we can fulfil their needs and the parameters of our mature and continually evolving regulatory, supervisory and control environment is critical to doing the right business, the right way. ▪ Although digitisation reduces cost and improves efficiency, there are heightened cyber and technology risks associated with digitisation that require resources and management focus.
We use technology and data to better serve and protect our clients, reduce costs and scale our platforms.	MANUFACTURED	Our on-the-ground presence is complemented by our modernised digital capabilities, increasingly simplified systems architecture and investment in system security that enables us to improve efficiency and lower our cost to serve.	▪ Providing always on, always secure digital services improves client experience and efficiency but requires ongoing investment in digitisation. ▪ Balancing our investment in cybersecurity to keep our systems and information safe while improving efficiency to build scale and lower our cost to serve.
We allocate our resources to deliver attractive shareholder returns.	FINANCIAL	Our large, well-balanced and diversified portfolio, robust capital structure and resource allocation framework provide the resilience and flexibility to manage change and deliver sustainable growth.	▪ Ensuring that we continue to attract the capital we need to fund the growth in our assets, we must provide an appropriate rate of return to our equity shareholders and debt funders, including depositors, and requires that we balance our ability to generate revenue with the costs incurred in doing so. ▪ Balancing the need to provide sustainable returns to shareholders while creating value for other shareholders and being responsible corporate citizen.
We drive Africa's growth by effectively managing ESG risk and delivering positive impact.	SOCIAL AND RELATIONSHIP NATURAL	We are driving sustainable investment by embedding positive impact as a commercial approach, aligned to Africa's wellbeing, supporting a just energy transition balanced with socioeconomic development needs.	▪ Demonstrating that our business activities create measurable value in a socially and environmentally responsible and sustainable manner requires new skills and investment to meet changing reporting requirements and response to increased stakeholder scrutiny. ▪ Balancing the challenges posed by climate change and the need for a just energy transition that facilitates access to affordable energy, economic growth and poverty alleviation.

CLIENT FOCUS + EMPLOYEE ENGAGEMENT + RISK AND CONDUCT + OPERATIONAL EXCELLENCE = FINANCIAL OUTCOME POSITIVE IMPACT

OUR OPERATING CONTEXT

We operate in a constantly evolving environment, where complex and inter-related risks and opportunities influence our strategic direction and our business activities.

Emerging trends

Doing business in Africa requires careful consideration of local and global risks and opportunities. Our proactive response to this emerging landscape shapes our future sustainability and the execution of our strategy.

Our top and emerging enterprise risks identify the related prevalent and emerging risks and related opportunities that could have an impact on the ability of the group to achieve its strategic priorities and ambitions.

Read more **here**.

Geopolitical and macroeconomic backdrop in the near term

Global

- Geopolitical tensions increased as the Russia/Ukraine war continued, and a new conflict emerged between Israel and Hamas in the Middle East
- Armed conflicts in Africa have contributed to the displacement of people and impacted social and economic development
- Inflation remained stickier than initially expected and interest rate cuts were delayed
- Global gross domestic product (GDP) growth slowed to 3.1% in 2023 and is expected to remain flat in 2024[1].

Sub-Saharan Africa

- Inflation and interest rates remained high
- Higher debt costs increased fiscal pressures and sovereign risks in certain countries, which in turn, drove currency weakness
- Progress was made on Ghana's debt restructure, Kenya's funding outlook improved and Nigeria liberalised the Naira
- Sub-Saharan Africa growth slowed to 3.3% in 2023 and is expected to accelerate to 3.8% in 2024[1].

South Africa

- Inflation peaked in March 2023 at 7.1%, and then declined to end the year at 5.1% in December 2023
- Interest rates increased by a cumulative 125 bps by May 2023; the repo rate closed the year at 8.25%
- Electricity disruptions and logistics constraints placed pressure on businesses and corporates, although actions were taken to deliver improvements on both
- South African growth slowed to 0.6% in 2023 but improve to 1.2% in 2024 as interest rates decline and electricity supply improves[2].

[1] International Monetary Fund (IMF), World Economic Outlook January 2024 update.

[2] Standard Bank Research.

Read more about the outlook for global, African and South African economies **here**.

Watch our Chief Economist, Goolam Ballim, share his views on what will shape the 2024 outlook globally and in South Africa **here**.

Structural mega-trends in Africa

Africa's growth trends are underpinned by the flexibility and resilience of the region – Africa's population will continue to grow and, in the long term, Africa's people will become healthier, better educated, more urbanised, increasingly digitally connected and more productive. Trade and investment flows between Africa and the rest of the world will continue to increase, accelerated by the benefits of the AfCFTA. Technological advancements and advancing connectivity continue to drive positive impact in education, farming and healthcare.

Key trends and opportunities for the long term

Rapid and sustained growth

By 2050, Africa's population will more than double, with rising GDP per capita and a youthful population[1].

Urban populations will increase by 58%, with 350 million more people in cities[1].

GDP growth for sub-Saharan Africa will exceed 4%.

LONG-TERM OUTCOMES

- Transform client experience
- Drive sustainable growth and value

Expanding markets for financial services

>50% increase in banking penetration in most sub-Saharan African markets[4].

Financial services in sub-Saharan Africa contributed around 5% to GDP in 2022.

LONG-TERM OUTCOMES

- Transform client experience
- Execute with excellence
- Drive sustainable growth and value

Technology, media and telecommunications

Technology spend on generative AI will grow by 36% per annum to 2030[2].

LONG-TERM OUTCOMES

- Transform client experience
- Execute with excellence

Growing mobile market share and digital payment solutions adoption

Sub-Saharan Africa accounts for two-thirds of all mobile money transactions, averaging USD2.3 billion per day[5].

Mobile subscriber base expected to exceed 1.2 billion by 2030[4].

LONG-TERM OUTCOMES

- Transform client experience

Infrastructure, supply chains and logistics

Infrastructure finance is estimated to be USD120 billion by 2025, bolstered by free trade zones and logistics infrastructure development for ports, roads, railways and airports[4].

LONG-TERM OUTCOMES

- Transform client experience
- Execute with excellence

Food security

65% of the world's uncultivated arable land is in Africa[3].

Agribusiness is projected to be USD1 trillion in Africa in 2030[3].

LONG-TERM OUTCOMES

- Transform client experience

Trade flows in Africa

AfCFTA will boost inter and intra Africa trade flows, enhancing Africa's trading position in the global market.

LONG-TERM OUTCOMES

- Drive sustainable growth and value

Energy transition

Africa is rich in biodiversity, natural resources and renewable energy resources, including transition energy sources like gas.

Clean hydrogen could comprise 12% of global energy use by 2050[6].

Green metals are increasingly important in decarbonising transport and industry, presenting an opportunity for mining in sub-Saharan Africa[4].

Africa has 60% of the best solar resources globally, yet only 1% of installed solar photovoltaic (PV) capacity[7].

LONG-TERM OUTCOMES

- Transform client experience
- Drive sustainable growth and value

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[1] **African Development Bank Group**.

[2] **Forbes**.

[3] **United Nations Development Programme**.

[4] Standard Bank Research.

[5] **GSM Association**.

[6] **World Economic Forum**.

[7] **iea**.

OUR STAKEHOLDERS

Our stakeholders are the individuals, groups and organisations that materially affect or could be materially affected by our business activities, products, services and performance.

Our stakeholders provide the resources and capital we need to achieve our strategic priorities and, ultimately, our purpose of driving Africa's growth. They include our clients and partners, employees, regulators, shareholders, service providers, and the communities in which we operate. Our stakeholders influence our operating environment and confer legitimacy on our activities.

How we engage

We are committed to listening and engaging constructively with all legitimate stakeholders.

Executives and managers across the group regularly engage with various stakeholders on relevant issues. They report stakeholder priorities and concerns to relevant group and country management and board committees.

Guidelines and policies for engagements with specific groups of stakeholders supplement our engagement principles, ensuring that the right group representatives have appropriate mandates for engagement.

Proactive engagement with our stakeholders provides us with insights that help shape our strategy, informs the identification of our material issues, and ultimately enables us to manage and respond to stakeholder concerns and minimise reputational risk.

Our engagement channels are two-way, allowing stakeholders to initiate engagements with the group through a range of mechanisms and enabling us to proactively engage with them on various matters.

Read more about how we monitor and oversee stakeholder engagement in the **sustainability disclosures report**.

Quality of our relationships

We assess the quality of our relationships and engagements based on various relationship metrics, which we track over time. The complexity and diversity of these relationships mean that there is no single metric and relationship quality for each stakeholder group. In addition, relationship quality fluctuates over time and with each engagement.

Stakeholder engagement principles

Our stakeholder engagement principles govern our engagements with our stakeholders. The principles provide a guideline for our operations across geographical areas while recognising the need to accommodate local contexts.

We are committed to:

- Constructive engagement, listening to concerns and suggestions with an open mind
- Ensuring that our code of ethics and conduct, and our values underpin and inform our engagements
- Responding appropriately to legitimate concerns
- Being transparent in our engagements
- Being accessible

Our stakeholders

		VALUE OUTCOMES WE HOPE TO ACHIEVE AND PRESERVE
CLIENTS	Over **18** million active clients **HOW WE ENGAGE** Relationship managers, client surveys, online communication channels, call centres, social media and in-person.	▪ We understand our clients and provide them with the products and services they need to make life better. ▪ We treat our clients fairly. ▪ We put our clients' interests at the centre of decisions we make. ▪ We deliver brilliant basics. ▪ Our systems are reliable, resilient and trusted. ▪ We are here for you when you need us.
EMPLOYEES	**54 176** employees (Permanent and non-permanent employees) **HOW WE ENGAGE** Employee surveys, online communications channels and in-person.	▪ Our people believe in our purpose and their role in achieving it. ▪ Our people are productive, motivated and engaged and feel valued and respected. ▪ Our people reflect the diversity of the communities in which we work. ▪ Our people strive to learn, grow and adapt to the changing world of work.
GOVERNMENTS AND REGULATORS	Including central banks and relevant government departments and regulators in the jurisdictions in which we operate **HOW WE ENGAGE** We monitor policy and regulatory developments across the group and provide evidence-based submissions to support the policy making process.	▪ We are a responsible corporate citizen. ▪ We operate with integrity and hold ourselves to high ethical standards. ▪ We operate within our risk appetite. ▪ We understand the risks and opportunities facing our business and have robust policies and processes in place to manage them.
SHAREHOLDERS AND INVESTORS	**49.9%** South African, **50.1%** international Moody's and Fitch credit rating agencies **HOW WE ENGAGE** Investor, analyst and credit rating agency meetings, conferences, roadshows, presentations, SENS announcements and AGM.	▪ We deliver sustainable value to our shareholders in line with our medium-term commitments. ▪ We maintain a strong balance sheet to protect our shareholders. ▪ We allocate our resources and apply scenario planning to deliver our target outcomes.
COMMUNITIES AND CIVIL SOCIETY	Non-governmental organisations (NGOs), community representatives **HOW WE ENGAGE** Various communication channels, including in-person discussions with NGOs, community representatives, advocacy organisations.	▪ We add value for our clients and communities by supporting financial inclusion, enterprise growth and job creation, access to energy and infrastructure development, and climate change mitigation and adaption. ▪ We balance economic, social and environmental considerations to drive sustainable growth.
INDUSTRY BODIES AND TRADE ASSOCIATIONS	Memberships of banking and/or insurance associations. **HOW WE ENGAGE** We are active members of banking and/or insurance associations in our countries of operation and engage in broader business associations and industry work groups set up by regulators or government.	▪ We promote the collective enablement of positive impact by contributing to public policy debates, supporting evidence-based policy making and contributing to processes such as the development of global standards and frameworks.

More detail about our engagements with stakeholders, their key issues and our response can be found in the **sustainability disclosures report.**

OUR MATERIAL ISSUES

Our material issues are the factors that matter most to our stakeholders and impact our ability to create value in the short, medium and long term.

How we determine our material issues

Our material issues take into account the diverse views of our stakeholders, allowing us to understand their perceptions of how the group is creating value and to identify focus areas to ensure social legitimacy.

We assess issues both in terms of financial materiality (how issues impact our performance measured by our value drivers and competitiveness) and impact materiality (how our business impacts on people, the environment and the economy). This ensures that our process of determination is complete, comprehensive and is critical to ensuring that we deliver both attractive financial outcomes and positive impacts.

Our materiality determination process

We undertook an in-depth review of our material issues in 2023. The issues have remained stable relative to 2022.

This included:

1 **Research and engagement of a range of information, including the consideration of:**

- Risks, threats and opportunities identified through our enterprise risk process
- Stakeholder engagement and reputation risk quarterly reports
- Feedback from ESG rating agencies
- Issues raised through engagements including the AGM
- Material issues identified by peer banks.

2 **A web-based survey of 33 internal and 32 external stakeholders to test and prioritise the issues. External stakeholders who were invited to participate included:**

- Representatives from industry bodies, government, investors, civil society and sector experts
- Responses were anonymous.

3 **Development of a matrix of priority issues, based on stakeholder feedback, for consideration by group executives and the group social, ethics and sustainability committee.**

4 **Finalisation of the issues based on feedback from group executives and the board.**

Mapping stakeholder priorities and material themes

The following matrix maps the relative prioritisation of the material issues identified, based on responses to the survey.

Materiality matrix: mapping stakeholder priorities

Our 2023 material issues

OUR PURPOSE	AFRICA IS OUR HOME, WE DRIVE HER GROWTH					
OUR STRATEGIC PRIORITIES	TRANSFORM CLIENT EXPERIENCE		EXECUTE WITH EXCELLENCE		DRIVE SUSTAINABLE GROWTH AND VALUE	
Our value drivers						
Our material issues	▪ Improving overall client experience ▪ Being future-ready for new competition and changing client expectations ▪ Fair outcomes for clients	▪ Employee engagement ▪ Employee health and wellbeing ▪ Workforce diversity and inclusion ▪ Skills attraction, retention and development	▪ Ethical conduct and business practices ▪ Information security, data privacy, cybersecurity ▪ Managing climate risk ▪ Balancing social, economic and environmental impact ▪ Managing third-party risks	▪ Reliability of digital transaction channels	▪ Delivering sustainable growth and value to shareholders	▪ Delivering positive impact for Africa's people ▪ Supporting Africa's just energy transition
KEY MEASURES	▪ Growth in active client numbers ▪ Client satisfaction scores	▪ Employee net promoter score (eNPS) ▪ Women in executive and senior positions ▪ African senior managers in South Africa ▪ Workforce return on investment ▪ Voluntary employee turnover	▪ Significant data privacy breaches ▪ Material cyber incidents ▪ Compliance training completion rate ▪ Net zero by 2050	▪ Priority 1 incidents	▪ Headline earnings ▪ ROE	▪ Sustainable finance mobilised ▪ Renewable energy infrastructure financed ▪ Social finance mobilised

More detail about our material issues process can be found in the **sustainability disclosures report**.

OUR STRATEGY

We have a strength of presence and deep capabilities across 20 African economies. We fiercely defend our strong market positions in South Africa and we strive to grow rapidly throughout Africa.

Our strategy is what we need to do to achieve our purpose. In the pursuit of our purpose, we will leverage the competitive advantages we have to defend our franchise, we will grow our businesses in our chosen segments and markets, and we will optimise our businesses. Our four business units execute our strategy, and the group drives synergies between the business units as well as the efficient allocation of the group's capital and other resources.

OUR PURPOSE IS WHY WE EXIST: **Africa is our home, we drive her growth**

OUR STRATEGIC PRIORITIES GUIDE US	TRANSFORM CLIENT EXPERIENCE	EXECUTE WITH EXCELLENCE	DRIVE SUSTAINABLE GROWTH AND VALUE
WHAT WE NEED TO DO TO DELIVER OUR STRATEGY	We **strive to transform the client experience**. We draw on the power of technology and our people's expertise and empathy to meet our client's needs. We know that our clients require comprehensive solutions and not just financial products. We cannot always independently deliver these solutions, so we collaborate with partners to meet our clients' needs.	We **execute with excellence**. We are good stewards of our shareholders' resources, we provide relevant products and services, and we ensure that our people and systems are reliable, resilient and trusted. We do the right business, the right way.	We **create sustainable growth and value** for our shareholders, society and the planet. To achieve these, we focus on achieving sustainable growth while carefully balancing social, economic and environmental considerations. We aim to become the leading enabler of the just energy transition for Africa, supporting climate change mitigation and resilience while accelerating the continent's economic growth, infrastructure development and human advancement.
OUR SHORT-TERM PROGRESS	CLIENT FOCUS + EMPLOYEE ENGAGEMENT + RISK AND CONDUCT + OPERATIONAL EXCELLENCE = FINANCIAL OUTCOME POSITIVE IMPACT		
OUR MEDIUM-TERM FINANCIAL TARGETS	**7% – 9% revenue growth (CAGR)**	**Approaching 50% cost-to-income ratio**	**17% – 20% ROE**
OUR LONG-TERM OUTCOMES	Growth and scale	Efficiency and resilience	Legitimacy

Allocating our resources

We use a formal decision-making framework to allocate resources and apply scenario planning to deliver our target outcomes.

We are careful when we allocate our resources to ensure that we address specific client needs and drive sustainable growth and value. Guided by our value drivers, our resource allocation framework uses the capital, funding, capabilities and expertise available to us to direct our focus and investment in areas that will deliver sustainable growth and value over the short, medium and long term.

Once specific client needs have been identified, gated hurdle rates are applied to assess the soundness of the investment required. If the investment meets these hurdles, targeted metrics ensure that our rates of return are met as the solution is implemented. Detailed scenario-based thinking allows us to anticipate and plan for volatility and complexity and frames the allocation process.

OUR RESOURCE ALLOCATION FRAMEWORK

Led through the lens of client strategy

We invest to serve clients more efficiently, creating and distributing relevant, personalised and innovative solutions.

Supported by a prioritised investment portfolio

We are deliberate in tilting our portfolio to grow our franchises across the African continent and to grow a capital efficient business.

Resource allocation decisions subjected to gated hurdle rates

Our decision-making framework is aligned to our strategy and resource allocation requests are subject to hurdle rates of return.

Filters	1 Strategy	If yes	2 Capability	If yes	3 Value	
	Our purpose		Our risk appetite and capability		Our financial aspirations	Opportunities ranked
	▪ Does the opportunity add value to our clients, evidenced by measurable value and growth metrics? ▪ Is it driving growth in Africa in a manner that is scalable for the group?		▪ Is the opportunity within risk appetite? ▪ Can we use available resources to realise it?		▪ Does it deliver revenue growth that supports our medium-term targets? ▪ Are the returns on the investment sustainably greater than the relevant cost of equity? ▪ Does it generate sustainable cash flows to support the group's dividend payments?	▪ All filters met ▶ Invest ▪ Filter(s) not met ▶ Exit

Allocation tested against risk appetite

We regularly review and amend our risk appetite across segments and countries.

Progress measured against set targets

We develop, refine and track metrics that are easy to understand and measure, are actionable and align with our strategy.

Robust scenario thinking and planning

Our scenario planning is a structured process designed to stretch thinking and better inform decision-making. It challenges leaders to think clearly about the present and creatively about the future.

The relevance of the group's strategic priorities is tested against selected scenarios and we adjust the initiatives that underpin their achievement to ensure that our strategy remains effective and achieves our purpose, and that our resource allocation is optimal.

Measuring our strategic progress

We have measures and targets in place that we track and use to assess the progress we are making in executing our strategy to achieve our medium-term financial targets. Our six value drivers are used to measure our performance and the value we aspire to create for all our stakeholders. The strategic priorities and the metrics associated with our value drivers are linked to our remuneration scorecards. The metrics we use are regularly assessed to improve their coverage, accuracy, depth and consistency.

OUR VALUE DRIVERS

Read more about our performance outcomes on **page 28**.

OUR BUSINESS MODEL

Our business model enables us to manage our resources and relationships responsibly to deliver the best outcomes for all our stakeholders.

The inputs to our business model explain the resources and relationships available to us at 31 December 2023, and the constraints we face in securing them.

	Our inputs	Constraints and trade-offs affecting the availability of capitals	
CLIENT FOCUS	▪ Modernised infrastructure that supports **digitally enabled client solutions** and **higher operational efficiency** to meet clients' end-to-end financial needs ▪ **Strong strategic partnerships** that include ICBC, bigtechs and fintechs ▪ Strong relationships with over **18.8 million active clients** (2022: over 17.7 million)	▪ Macroeconomic and socioeconomic environment impacting our clients' aspirations and growth prospects ▪ Maintaining our competitive advantages in a fiercely competitive industry	▪ Investing in digital capabilities that improve client experience and operational efficiency and solidify our competitive advantages in the long term, which may impact our stakeholder relationships and job roles in the short term
EMPLOYEE ENGAGEMENT	▪ A compelling **People Promise** and **highly engaged workforce** ▪ **Our strong executive and leadership teams** ▪ **54 176 deeply skilled and experienced people** ▪ **Investing over R1 billion** in the development, skill sets and wellbeing of our people	▪ Our people's ability to grow and adapt as we evolve the way we operate to deliver our strategic priorities	▪ Competition for specialist skill sets, particularly in financial services and digital capabilities, continues to increase
RISK AND CONDUCT	▪ **Well-developed** financial, risk and capital management framework, embedded governance frameworks and deep institutional insights	▪ Managing the natural tension between client convenience, the speed at which we can fulfil their needs, and the parameters of our mature and continually evolving regulatory, supervisory and control environment	▪ Constantly managing the risks that may emerge in the delivery of our strategy
OPERATIONAL EXCELLENCE	▪ **Extensive distribution capability** with physical access points complimented by digital solutions to deliver better client and employee experiences ▪ **1 206 physical branch and in-store kiosks** (2022: 1 202) and **6 014 ATMs** (2022: 6 232)	▪ Ensuring the ongoing stability of our digital platforms and cybersecurity measures to respond to increasing levels of global cyber attacks	▪ Providing convenient access to solutions requires ongoing optimisation of our distribution capacity and the related costs ▪ Investing to remain relevant while lowering cost to serve our clients
FINANCIAL OUTCOME	▪ Equity attributable to ordinary shareholders **R236 billion** (2022: R218 billion) ▪ Deposits and debt funding **R2.0 trillion** (2022: R1.9 trillion) ▪ Loans and advances **R1.6 trillion** (2022: R1.5 trillion) ▪ Sophisticated models and scenario planning supporting resource allocation	▪ Providing an appropriate rate of return to our providers of capital, while still creating value for our other stakeholders ▪ Growing scale in selected markets across the continent, which requires diligent allocation of our resources to drive sustainable growth in the long term	▪ Informed trade-off decisions regarding our ability to generate revenue with costs incurred to do so
POSITIVE IMPACT	▪ Our **trust-based relationships** with all our stakeholders ▪ **Driving sustainable investment** to support Africa's environmental and socioeconomic development	▪ Balancing a just transition with Africa's economic and social development needs ▪ Investing in the measurement and reporting systems needed to assess and mitigate the financial impact of complex and interconnected ESG risks and opportunities	▪ IT and data assets are needed to deliver an excellent client experience but also have a direct environmental impact

Our business activities

- Facilitate **access to financial services**, enabling socioeconomic development and personal wealth creation
- Facilitate the **allocation of capital** to support economic growth
- Contribute to **effective markets** that encourage the banking activities of clients
- Enable **financial protection** and diversification through risk transfer and insurance products
- Support the **integrity of banking infrastructure** to ensure clients have safe and convenient access to their savings and funds.

Our outputs

Our operating model is client led and our business units own the client relationship and create multi-solution client experiences.

Banking

Home services
Tailored home financing solutions for home buyers and existing homeowners, across our retail market, including related value added services.

Vehicle and asset finance
Comprehensive finance solutions in instalment credit, fleet management and related services across our retail, corporate and business markets.

Lending
Extensive suite of lending products provided to individuals and small and medium-sized businesses.

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.

Transactional
Comprehensive suite of cash management, international trade finance, working capital and investor services solutions.

Global markets
Trading and risk management solutions across financial markets, including foreign exchange, money markets, interest rates, equities, credit and commodities.

Investment banking
Full suite of advisory and financing solutions, from term lending to structured and specialised products across equity and debt capital markets.

Insurance & Asset Management

Insurance

- **Life and health insurance:** Development, sourcing and management of life and health insurance and contractual savings propositions distributed via advice-led, third party and banking distribution channels.
- **Corporate benefits:** Intermediated corporate benefits advice on competitive employee benefits solutions through our advice-led and third-party distribution networks.
- **Short-term insurance:** Development and management of short-term insurance solutions to protect against loss or damage of assets.

Asset management

- **Investment:** Development and maintenance of local and offshore investment propositions, including discretionary asset management, stockbroking, investment platform and discretionary fund management services, and traditional life company products.
- **Asset management:** Development and maintenance of asset management propositions for institutional and wholesale clients.

Direct operational footprint

Total water consumption
▼ 4% **248 267 kl**
(2022: 259 045 kl)

Total renewable energy consumption (South Africa)
▲ 5% **2 595 MWh**
(2022: 2 459 MWh)

Total non-renewable energy consumption
178 882 MWh
(2022: 166 379 MWh)

Total Scope 1, 2 and 3 greenhouse gas (GHG) emissions (South Africa)
153 652 tCO_2e
(2022: 162 085 tCO_2e)

613.2 tonnes
waste generated (South Africa)
(2022: 354.6 tonnes)

Read more in our **climate-related financial disclosures report**.

External environment **page 17**.
Governance **page 74**.
Risk and opportunities **page 57**.
Performance **page 28**.

Our outcomes

CLIENT FOCUS

- **R164.5 billion** inflows from clients (2022: R135 billion)
- In South Africa, paid **R12.3 billion** (2022: R12.4 billion) in death and disability claims and **R9.5 billion** (2022: R8.0 billion) in annuities to pensioners
- Strong strategic partnerships that support excellent client experience
- Unique scale and reach in Africa supported by our recognised brand strength and legitimacy

EMPLOYEE ENGAGEMENT

- **R53.5 billion** invested in our people through salaries and other incentives (2022: R45.8 billion)
- Highly engaged and committed people with an **eNPS of +48**
- Average **63 learning hours** per employee per year (2022: 63 hours)
- **10 676 employees** took part in leadership development programmes (2022: 9 205 employees)
- High-performance, client centric and ethical culture connected to our purpose

RISK AND CONDUCT

- Mature governance and control systems
- Well-developed risk and capital management framework
- **R20.7 billion** direct and indirect taxes paid to governments and regulators (2022: R15 billion)
- Responsive management of conduct and non-financial risks
- Strong relationships with all stakeholders including regulators and governments across Africa

OPERATIONAL EXCELLENCE

- **R41.1 billion** invested in our operations, suppliers and third parties (2022: R37.7 billion)
- **R22 billion** reinvested in the business (2022: R18 billion)
- Strategic partnerships and digital capabilities support developing of innovative solutions
- Resilient and secure systems focused on providing 'always on, always secure' services
- Modernised digital backbone and simplified systems architecture

FINANCIAL OUTCOME

- **R27 billion** returned to shareholders in dividends (2022: R21 billion)
- Total dividend of **1 423 cents** declared (2022: 1 206 cents)
- Headline earnings of **R43 billion** (2022: R34 billion)
- Robust capital structure and strong balance sheet
- Future-focused resource allocation
- Our large, well-balanced and diversified portfolio

POSITIVE IMPACT

- Mobilised **R50.6 billion** (2022: R54.5 billion) in sustainable finance, cumulatively R105.1 billion against a target of R250 billion by 2026.
- Provided **R228 million** in corporate social investment funding (2022: R177 million)
- Climate policy that supports a just energy transition for Africa
- Growing investment in sustainable finance and renewable energy

Progress made across the **four focused** pillars of our impact framework

Enterprise and job creation

Infrastructure development and the just energy transition

Climate change mitigation and resilience

Financial inclusion

The economic value we generate for our shareholders is underpinned by **creating value for society**.

By supporting the wellbeing of our clients and potential clients, while managing the risks to the environment, now and in the future, we **support the sustainability of our business**.

OUR PERFORMANCE OUTCOMES

Our six value drivers are used to focus and measure our strategic delivery and the value we aspire to create for all our stakeholders.

Our performance outcomes are the financial and non-financial measures we use to evaluate our strategic delivery and inform our reward decision-making. We evaluate our performance against our targets and ensure that we maintain a balance between our financial and non-financial objectives when executing our strategy. The metrics we use are regularly assessed to improve their coverage, accuracy, depth and appropriateness and, as such, may change over time.

Our success measures

Client focus

What it means

We understand our clients and provide them with the products and services they need to make life better.

We are responsive to their changing expectations.

We ensure fair outcomes for our clients.

What we measure

Client satisfaction

Net promoter score (NPS) indicates the likelihood of a client recommending Standard Bank to their friends, families and others. It is calculated by subtracting detractors from promoters. This value can range from -100 (if every client is a detractor) to +100 (if every client is a promoter). Any score above zero means there are more promoters than detractors.

PPB NPS

South Africa
77 ▲
2022: 74
2021: 76
2020: 73

Africa Regions
37 ○
2022: 37
2021: 32
2020: 30

BCB NPS

South Africa
68 ▼
2022: 69
2021: 71
2020: 64

Africa Regions
24 ▲
2022: 20
2021: 29
2020: 26

Client satisfaction index measures the extent to which our CIB clients are satisfied with the service we provide and is calculated using a 10-point rating scale.

CIB client satisfaction index
8.3 ▲
2022: 8.2
2021: 8.2
2020: 8.2
2019: 8.1

IAM client satisfaction index – SA retail
80 ▲
2022: 75

Active client numbers[1]

We measure the *number of active PPB and BCB clients* and for CIB, we measure *growth in client revenues*. Active clients are clients who have been transacting on at least one solution over a predetermined period, categorised by segment and country specific rules, as applicable.

PPB (millions)
15.6 ▲
2022: 14.8

IAM (millions)
2.1
pension fund clients

BCB (thousands)
819 ▲
2022: 791

▲ Value created
▼ Value eroded
○ Value preserved

---

[1] An active client is defined as a single client transaction on at least one solution within a specific timeframe.

Note: where reporting responsibility changes for individual cost centres and divisions within segments, the comparative figures are reclassified accordingly.

Employee engagement

What it means

- Our employees believe in our purpose and their role in achieving it.
- They are productive, motivated and engaged.
- They reflect the diversity of the communities in which we work.
- They strive to learn, grow and adapt to the changing world of work.
- They feel valued and respected.

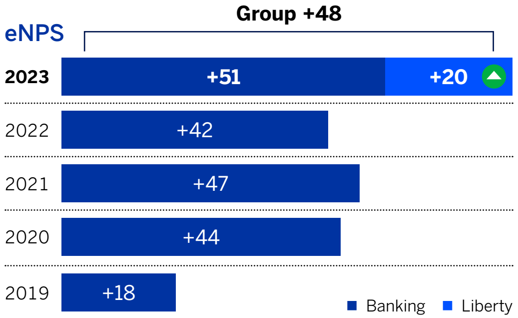
What we measure

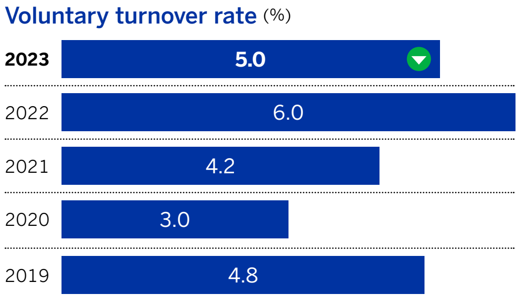
Employee engagement

Our anchor measure of employee engagement is our employee NPS (eNPS). It is a globally accepted indicator of whether our people would recommend the Standard Bank Group as a great place to work. We measure eNPS across our global footprint annually, through a confidential survey of our people's experiences and reflections. The survey enables us to measure levels of pride in the organisation, how well our people understand their contribution to our purpose and their lived experience of working for us across a range of important dimensions. Open-ended questions in the survey give all our people a voice, enabling us to continue to shape their experience of the workplace based on their feedback.

Employee retention

Our ability to retain our people is a key metric, indicating the strength of our value proposition to them. People leave organisations for a variety of reasons, including retirement, coming to the end of a contract, ill health or dismissal due to wrongdoing. We continuously track our turnover by measuring the percentage of our workforce who leave our employ during the year. We pay particular attention to voluntary turnover – those people who choose to resign from our services – and their reasons for doing so.





Diversity and inclusion

Having a workforce that is reflective of the communities in which we operate is important to us. We measure the proportion of people across the organisation from under-represented groups and assess their experience of the work environment through an in depth analysis of our employee survey results. Gender equity measures the representation of women in executive and senior leadership positions across the group. Employment equity measures the representation of African people at senior management level in South Africa.

Women in executive and senior positions (%)

41.5 ▲

2022: 40.8 2021: 39.6
2020: 38.7 2019: 38.0

African senior management representation (South Africa only) (%)

29.0 ▲

2022: 28.0 2021: 25.3
2020: 23.2 2019: 21.0

Employee development and productivity

Growing our people is a core value of the group. We ensure that our people are future-fit and have the right capabilities to deliver sustainable value in service of our clients. We measure our overall investment in our people and measure the proportion of their learning time that is spent on developing future skills. We also measure productivity through tracking workforce return on investment.

Learning hours per employee per year

63 ○

2022: 63 2021: 95
2020: 88

Workforce return on investment (times)[1]

2.6 ▲

2022: 2.5 2021: 2.3
2020: 2.3 2019: 2.4

● Value created
● Value eroded
○ Value preserved

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[1] Net operating profit impact of each rand invested in human capital.

Risk and conduct

What it means

We operate with integrity and hold ourselves to high ethical standards.

We understand the risks and opportunities facing our business and have robust policies and processes to manage them.

We ensure the security of our information and that of our clients and we guard against cyber threats.

What we measure

Our risk measures are designed to balance regulatory capital requirements and shareholder expectations for risk-adjusted returns. They allow us to consciously manage capital, liquidity and funding allocations to transform and grow the business, while maintaining depositor and creditor confidence. We continuously improve how we manage complex strategic and non-financial risks that arise as we pursue growth opportunities that create value.

Responsible risk taking

CET 1 ratio is a solvency measure that assesses capital strength against our risk-weighted assets (RWA). Total capital adequacy ratio is the ratio of our capital in relation to our RWA. Liquidity coverage ratio is a measure of our ability to manage a sustained outflow of client funds in an acute stress event over a 30-day period. Net stable funding ratio is a measure of the amount of available funding in accordance with the Basel Framework.

CET I ratio

(%)[1]

13.7 | ▲

2022: 13.4 2021: 13.8
2020: 13.2 2019: 13.8

Liquidity coverage ratio

(%)[2]

129.1 | ▼

2022: 146.8 2021: 144.3
2020: 134.8 2019: 138.4

TARGET: >100%

Net stable funding ratio

(%)

121.2 | ▼

2022: 124.1 2021: 122.0
2020: 124.8 2019: 119.5

TARGET: >100%

Solvency capital requirements cover

Liberty Group Limited

1.81 times | ▲

2022: 1.76 times

TARGET RANGE: 1.3 TO 1.7 TIMES

Standard Insurance Limited

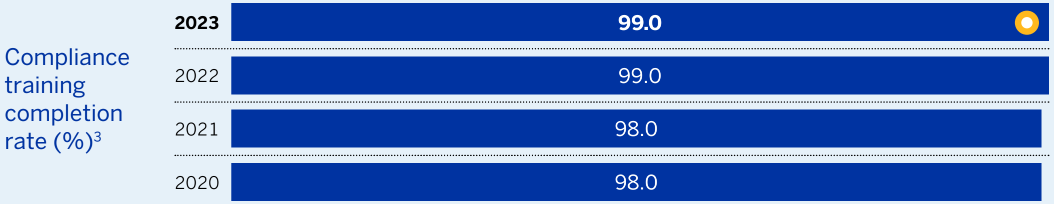
2.65 times | ▼

2022: 2.68 times

TARGET LEVEL: 2.0 TIMES

Conduct index

Conduct risk is assessed within risk appetite and is managed within various lines of business who also address any conduct-related breaches and take remedial action where deficiencies are identified. We assess the metrics and mitigation measures in the businesses to continually improve the responsiveness and effectiveness of our conduct risk controls.



🟢 Value created
🔴 Value eroded
○ Value preserved

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[1] Excludes the effect of the South African Reserve Bank (SARB) IFRS 9 phased-in approach which was applicable for the 2018 to 2020 period.

[2] Three month daily average in line with Pillar 3 disclosure requirements.

[3] Adjusted for leavers/joiners during the period.

Operational excellence

What it means

Our systems are reliable, resilient and trusted.

Our digital channels are always on, always secure.

We are here for you when you need us.

What we measure

System security and stability

The stability, security and speed of our systems is central to our ability to deliver against our group purpose and strategy. We continue to improve the reliability of our critical systems and reduce outages across the continent.

Priority 1 incidents[1]
(number)

1 ▼

2022: 6
2021: 16
2020: 13
2019: 29

Mean time to restore[2]
(hrs)

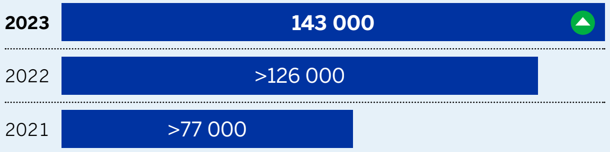
3.5 ▼

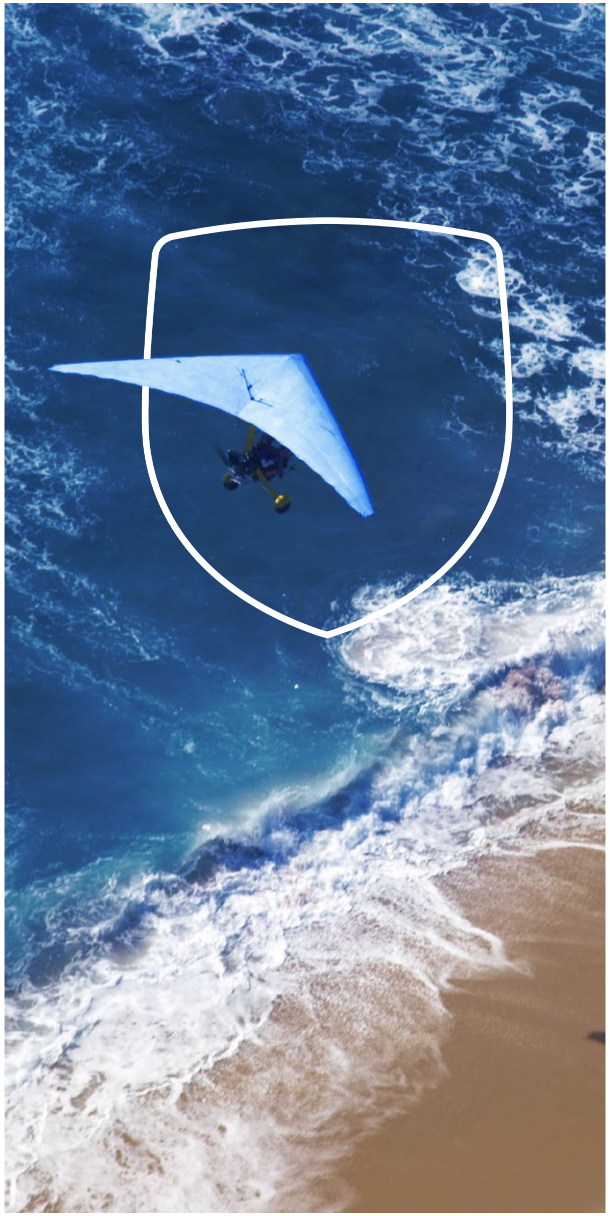
2022: 6.1
2021: 17.7

Lower cost to serve

We are reducing the cost to serve by driving the integration and simplification of our capabilities, enabling us to work more efficiently and prioritise what is important to our clients.

Physical footprint rationalisation (m^2) (cumulative)





🟢 Value created
🔴 Value eroded
🟡 Value preserved

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[1] A priority 1 incident refers to the non-availability of a critical service for which an acceptable alternative solution or workaround is not immediately available.
[2] New measure introduced.

Financial outcome

What it means

We deliver sustainable earnings growth and attractive returns to our shareholders.

What we measure

We allocate our resources to deliver attractive shareholder returns and measure our progress to achieve our 2025 targets by tracking headline earnings growth and ROE.

Group

Headline earnings show the profits we make, excluding profits or losses from non-recurring events (as prescribed by the South African Institute of Chartered Accountants Circular 1/2023).

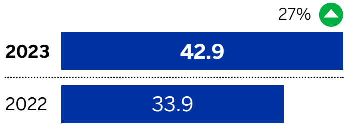
ROE shows how much profit we generate with the money shareholders have invested in us. ROE is the ultimate measure of our effectiveness in executing our group strategy.

Dividend payout ratio measures the return provided to shareholders for their capital in the form of dividends.

Headline earnings
(Rbn)

42.9 ▲

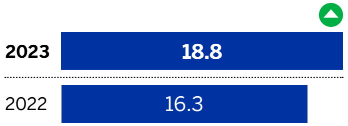
2022: 33.9 2021: 25.0
2020: 15.9 2019: 28.2



ROE
(%)

18.8 ▲

2022: 16.3 2021: 13.5
2020: 8.9 2019: 16.8

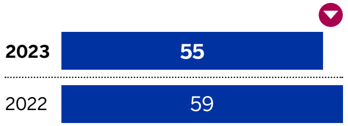


2025 TARGET
17% – 20%

Dividend payout ratio
(%)

55 ▼

2022: 59 2021: 55
2020: 24 2019: 56



2025 TARGET
45% – 60%

Banking

We track ratios relating to our banking activities.

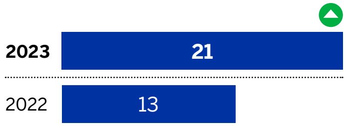
Cost-to-income ratio measures our efficiency in generating revenues relative to the costs we have incurred.

Credit loss ratio measures our clients' credit impairment charges as a percentage of average loans and advances. We aim to maintain our credit loss ratio at an acceptable level, in line with our risk appetite.

Revenue growth
(%)

21 ▲

2022: 13 2021: 5
2020: (2) 2019: 3

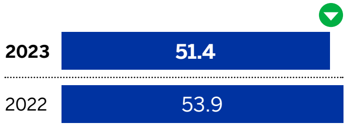


2025 TARGET
7% – 9% (CAGR 2020/25)

Cost-to-income ratio
(%)

51.4 ▼

2022: 53.9 2021: 58.6
2020: 59.1 2019: 57.3

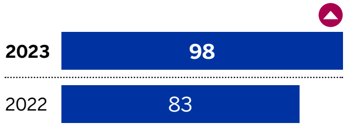


2025 TARGET
Approaching 50%

Credit loss ratio
(bps)

98 ▲

2022: 83 2021: 73
2020: 151 2019: 68



2025 TARGET
70bps – 100bps
(through the cycle)

● Value created
● Value eroded
○ Value preserved

Positive impact

What it means

We achieve positive impact by understanding the needs and challenges of Africa's people and delivering solutions to address these.

We balance social, economic and environmental considerations to drive sustainable growth.

What we measure

In 2019, we identified seven areas in which our business activities can have an impact. In 2023, we have refined this to four impact areas to better reflect our evolving strategic priorities. Read more about our impact in the **report to society**.

Our efforts to achieve positive impact are underpinned by careful identification, management and mitigation of ESG risks. Read more in our **sustainability disclosures report**. We also track and measure our progress through our ratings in global ESG indices.

Sustainability Yearbook Member

S&P Global Corporate Sustainability Assessment (CSA) Score 2023

S&P Global CSA Score 2023: **67/100**
Score date: February 7, 2024
The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global ESG Score without the inclusion of any modelling approaches. Position and scores are industry specific and reflect exclusion screening criteria. Learn more at https://www.spglobal.com/esg/csa/yearbook/methodology/

S&P Global Sustainable1

66 ▲ in 2022 and 61 in 2021

How we measure our performance

MSCI	FTSE4Good Constituent company in the FTSE4Good Index Series (June 2023)	SUSTAINALYTICS	CDP DRIVING SUSTAINABLE ECONOMIES	Bloomberg Gender-Equality Index 2023
AA Stable	**4.1** ▲ 3.9 in 2022	**18.4** ▲ 24.7 in 2022	**C** Stable	**67.87** ▲ 67.78 in 2022

Sustainable finance mobilised

R50.6 billion ▲

R105.1 billion cumulative for 2023 and 2022

Renewable energy infrastructure financed

R15.5 billion ▲

R33.6 billion cumulative for 2023 and 2022

● Value created
● Value eroded
○ Value preserved

34

HOW WE DELIVER VALUE

An assessment of our progress for the year and prospects for delivering our strategic commitments in relation to our strategic priorities.

Transforming client experience: Personal & Private Banking | Business & Commercial Banking | Corporate & Investment Banking | Insurance & Asset Management
Executing with excellence: Chief people & culture officer's review | Chief risk & corporate affairs officer's review | Chief operating officer's review
Driving sustainable growth and value: Chief finance & value management officer's review | Maximising positive impact

TRANSFORMING CLIENT EXPERIENCE

Personal & Private Banking

Funeka Montjane
Chief executive officer, PPB

> "We are unwavering in our commitment to giving Africans confidence to live a better life by enabling their daily lives and aspirations. In doing so, we achieve our aspiration of powering a rising continent and, ultimately, driving Africa's growth."

Our clients

We provide services to a range of individuals, broadly clustered as wealth and investment, private banking and personal banking clients. We have a large and growing client base across the 15 African countries we operate in, representing over 15 million people.

Our solutions

We offer a comprehensive range of products to our clients, including home loans, vehicle and asset finance, personal loans, credit card, transactional banking, and forex solutions as well as certain insurance and investment offerings available from IAM.

We are also increasing our range of non-banking value-add offerings. We have on-the-ground capabilities in 15 countries in sub-Saharan African countries supported by capabilities in our two offshore hubs in the Isle of Man and Jersey. Our clients have access to our physical branches, ATMs and call centres, retail partners and digitally via our mobile banking apps and internet banking.

Our competitive position

Our competitive position differs by market. In South Africa, we have a leading franchise in home loans, are second in current and savings accounts, and rank in the top three in card, but lag in vehicle and asset finance. We compete directly with the other South African players who have a similarly broad offering as well as with new entrants with more niche offerings.

In Africa Regions, we have large market shares in Uganda, Botswana, Eswatini, Lesotho, Namibia, and Zimbabwe. We have significant opportunities in high growth markets where we are currently sub-scale (Nigeria, Kenya, Angola and Ghana). In most markets we compete with the local and regional players and in certain markets, such as Kenya, with the telecommunications players.

Our competitive advantages

Our deep knowledge of our clients enables us to build meaningful relationships and allows us to meet their needs through relevant client value propositions. Our client value propositions are delivered via personalised digital channels and a powerful, unrivalled distribution force of bankers, relationship managers and financial advisors.

Our on-the-ground presence and scale on the continent provides vast opportunities for growth. As a regional bank, we have a deep understanding of the local context across Africa. Our capabilities enable us to leverage our full suite of financial products and solutions to meet clients' changing needs. Our offshore presence in Jersey and Isle of Man further enriches our client offerings. We catalyse opportunities for growth, enabling a better life for our clients across the African continent across generations. We have deeply skilled experience people and continue to invest further to deepen our capabilities.

These competitive advantages position us well to capture the significant untapped opportunities present in Africa and grow our diversified and resilient client franchise.

Our purpose and sustainability

We strive to make a meaningful and positive impact on Africa's development and growth. We remain relevant in the societies in which we operate by supporting broader societal upliftment and sustainability, including Africa's just energy transition. In addition, we continue to drive financial inclusion through our low-cost digital solutions and financial literacy through our various educational initiatives.

Read more about our efforts in the **report to society**.

Our strategic execution

Our strategy is unchanged and fully aligned to the group strategy. We recognise that to remain relevant to our existing clients and attract new clients we need to provide an excellent client experience. We are committed to partnering with our clients on their life journeys and delivering fit-for-purpose solutions and outstanding service through their channel of choice.

Defending our core franchise

We are focused on understanding our existing clients better and offering them a broader range of relevant solutions as and when they need them. In South Africa, we have embedded strong data-driven personalisation capabilities and enhanced our reward offering to drive client retention, grow our client base and the number of our products our clients use.

Growing our business

Our client growth strategy is focused on providing a differentiated, locally relevant and appropriately priced offering and superior service. In South Africa, while the market is well banked, we continue to find opportunities for growth. In Africa Regions, growing digital penetration is reshaping banking and presents vast opportunities. Our Africa Regions' growth strategy is underpinned by attractive market dynamics, our trusted and aspirant brand, and our differentiated offering, particularly our offshore capabilities.

Optimising our business

We continue to simplify while enriching our client value propositions, drive adoption of our digital services and solutions and optimise our infrastructure to improve the client experience and manage costs tightly. Our save-to-invest approach remains key to ensuring we have the resources available to continue to invest in the delivery of our strategy.

Our modern core banking platform is a key enabler of our digital journey. Our digital platforms, in particular the mobile app, are where a significant number of client interactions take place and therefore system stability and security remain top of mind.

We have a robust risk appetite framework which we refine continuously to align with market conditions. We remain committed to being a growth partner to our clients through all economic cycles.

HOW WE PERFORMED IN 2023

We delivered a solid performance driven by the strengthening of our diversified franchise and the diligent execution of our strategy. Our investment in enhancing our digital capabilities and driving digital adoption has proven successful.

In South Africa, we have grown our client franchise, both in terms of active and digital clients. Our transaction volumes were also up, and client experience scores improved across our business.

In Africa Regions, our active client base also grew as we did more with our clients. The combination of a larger client base and higher transactional activity supported higher revenues.

We leveraged our personalised conversation engine, available across eight countries, to identify next best products and drive meaningful conversations with clients. We also focused on the resilience of our digital platforms resulting in more stable systems and improved client experience.

We continued to enhance our mobile banking apps, our primary digital client channel, delivering enhanced personalised offers and improving our bot-enabled help functionality. In South Africa, we saw a 13% increase in the number of clients using the app and an average of over 100 million logins per month. In addition, over four million clients utilised the in-app message centre. In South Africa, the SBG Mobile App was rated 4.7 in the Apple store and 4.5 on Android.

Our LookSee digital home solutions platform continued to gain traction with 1.2 million users, up 50% year on year. The platform's objective is to help clients reduce the cost of owning and running a home while lowering their eco-footprint by providing access to solutions including smart or solar geysers and back-up power as well as vetted suppliers and installers and related financing where required. In addition, LookSee was first to launch Solar Score™ that helps homeowners in metropoles understand the solar potential of their rooftop, using algorithms and satellite imagery.

Read more about our LookSee platform **here**.

HOW WE PERFORMED IN 2023 (CONTINUED)

In Africa Regions, our simple, cost-effective digital wallet solutions, like FlexiPay in Uganda and PayPulse in Namibia, continued to gain traction with clients.

We continue to offer green-aligned funding as we increase momentum in our support of clients and Africa in the just energy transition.

Read more in the **report to society**.

Our commitment to building deep mastery within out teams is underpinned by the continuous investment in the development of our people. We are building the capabilities and skills needed for the future, with a focus on data and behavioural sciences, as well as deepening our world class relationship management capabilities.

We continued to optimise our physical presence to drive cost efficiencies. Over the last five years, we have reduced our square meterage but expanded our points of representation through smaller and cost-effective kiosks and access points.

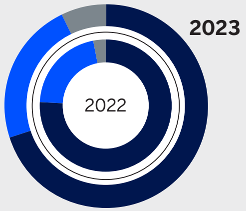
We optimised how we originate, solution and manage risk. We continued to carefully monitor and manage risk across our countries, sectors and clients. We worked with our clients who found themselves in difficult situations.

Overall, we successfully defended our large and diverse existing client base and grew through new client acquisitions. This supported the strong growth in our revenue base.

We achieved a strong financial performance across our markets, resulting in headline earnings of R10.7 billion and a ROE of 22.4% and placing us on track to deliver our targets.

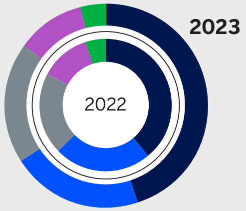
KEY METRICS

Total income by geography (%)



	2023	2022
■ South Africa	**70**	76
■ Africa Regions	**23**	21
■ Standard Bank Offshore	**7**	3

Composition of total income by product (%)



	2023	2022
■ Transactional	**45**	39
■ Home services	**21**	24
■ Lending	**19**	20
■ Card and payments	**11**	12
■ Vehicle and asset finance	**4**	5

Client activity transaction volumes

(millions)

Digital transactional volumes

South Africa	Africa Regions
2 551	**321.4**
2022: South Africa 1 916	Africa Regions 286.1

ATM transactional volumes

South Africa	Africa Regions
213.7	**92.0**
2022: South Africa 209.8	Africa Regions 128.0

Branch transactional volumes

South Africa	Africa Regions
5.3	**11.5**
2022: South Africa 7.4	Africa Regions 11.1

Active clients

(millions)

South Africa	**11.4**	**15.6**
Africa Regions	**4.2**	
2022:		
South Africa	10.8	14.8
Africa Regions	4.0	

Digitally active clients

(millions)

South Africa	**4.1**
2022: South Africa	3.8

Net promoter score

South Africa
77 ▲
2022: 74

Africa Regions
37 ○
2022: 37

Total income

(Rbn)
57.1 ▲
2022: 48.5

Return on equity

(%)
22.4 ▲
2022: 17.7

2023 AWARDS

Over the years we have been recognised as an industry leader. In 2023, we received the following recognition:

2023 Private Banker International Global Wealth Awards

- Outstanding Global Private Bank (Africa), Highly Commended Best Family Office and Outstanding Wealth Management Technology Initiative – Back Office

Quorus-Accenture Banking Innovation Awards

LookSee – top service provider in Social, Sustainable and Responsible Banking

2023 New Generation Awards:

Shyft, Gold – Most Innovative App

Global Finance Awards

- Best Private Bank (Ghana)
- Bank of the Year (Malawi)

Global Banking and Finance Awards

- Best Finance Education and Training Zambia

Euromoney 2023 Awards

- Best Private Bank (Africa)
- Africa's Best Bank for Wealth Management

Intellidex Top Private Banks and Wealth Managers Awards

- Archetype Award for Lump Sum Investors

PWM The Banker Global Private Bank Awards

- Best Private Bank in Africa
- Best Private Bank for Education and Training of Private Bankers in Africa

PMR.africa Business Excellence Awards, in Islamic Business Community category:

- Diamond Award in Asset Finance
- Gold Award in Personal Banking Investment Services

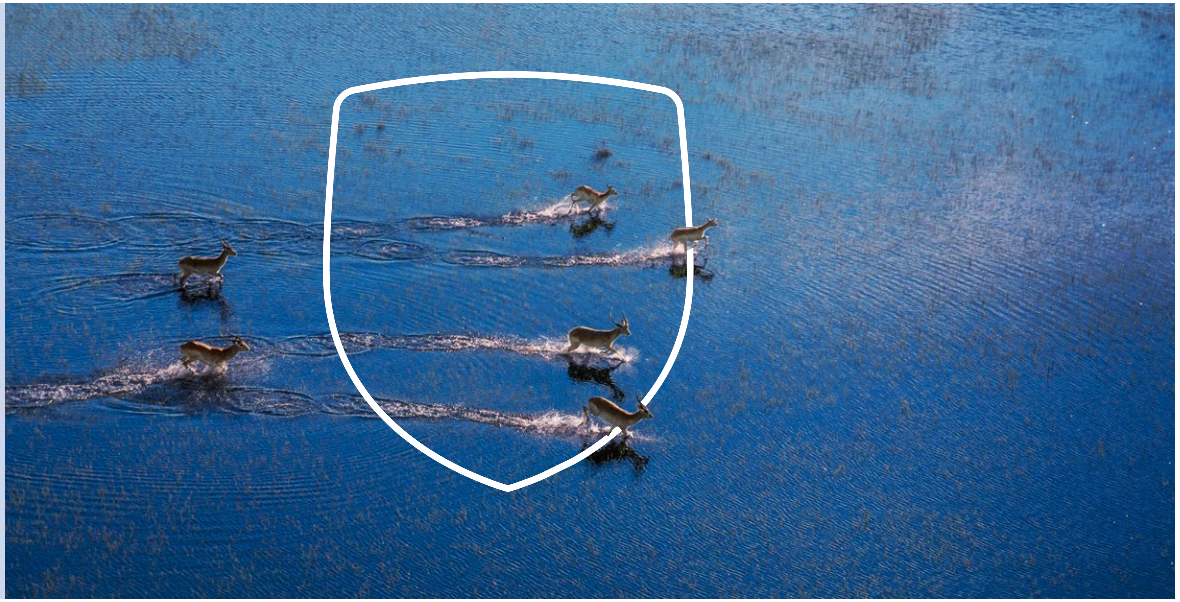
Global Islamic Finance Awards (GIFA) 2023

- Shari'ah Banking for Best Emerging Leader in Islamic Finance category

2024 and beyond

We are well positioned to drive sustainable growth and support our clients through attractive opportunities that grow and deepen our client relationships.

- We will defend our leading market positions and entrench our client base across the continent.
- With the backing of our aspirational brand, we will continue to grow our private and middle-market banking franchises across the continent, combining simplicity and best-in-class solutions, optimising distribution and growing the transactional franchise.
- We will retain the trust of our clients, shareholders and regulators through strengthening our systems, conduct framework and transforming client experience.
- We have the momentum and capabilities to achieve our long-term aspiration to be the leading service and advisory partner and a formidable player across the continent.



Business & Commercial Banking

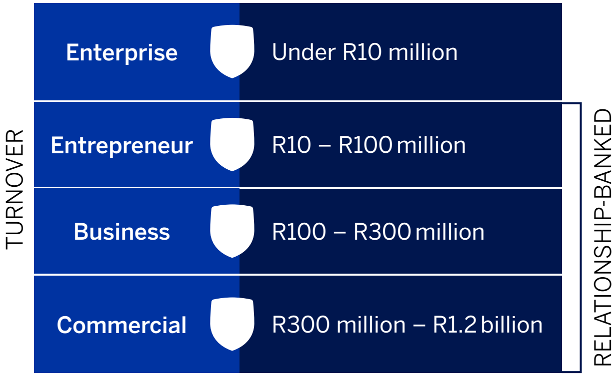
Bill Blackie
Chief executive officer, BCB

> "Our purpose is turning possibility into opportunity for the businesses that power Africa's vibrant economy."

Our clients

Our clients include small and medium-sized businesses (SMEs) and large commercial enterprises that operate across a wide range of industries throughout our footprint in Africa. Our clients are the backbone of many of the economies in which we operate.

Our clients are broadly segmented based on turnover and business complexity[1]:



Enterprise	Under R10 million
Entrepreneur	R10 – R100 million
Business	R100 – R300 million
Commercial	R300 million – R1.2 billion

Our solutions

We provide a range of solutions to our clients including transactional, trade, lending, commercial card issuing, fleet solutions, vehicle and asset finance, card acquiring, international payments and forex. In addition, we provide advisory, networking and sustainability support. Our established service model provides seamless access to our physical network, our dedicated relationship managers and our digital capabilities.

Our competitive advantages

Our enviable client franchise is built on deep relationships, trust and our unwavering integrity. Our clients appreciate that we understand their businesses and value the insights and advice our knowledgeable and experienced relationship managers provide.

Our understanding of the local intricacies of conducting business in and across our markets, together with our sector expertise and strong Africa-China relationships are key differentiators. Combined, they enable us to foster valuable client connections and networks, facilitate trade and in doing so, connect Africa to the world and the world to Africa.

Our offshore presence in Jersey and the Isle of Man, provides our clients with an opportunity to diversify their portfolios. It is a further differentiator and strengthens our client value proposition.

These strong competitive advantages position us well to benefit from the large, untapped opportunities available in the African SME market.

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[1] Segmentation is country specific and varies depending on country business unit capabilities.

Our competitive position

In South Africa, we have a leading franchise in the commercial segment and a top three position in business banking. To date, our biggest competitors have been primarily the other three large South African financial services players, however more recently we have seen several other smaller players entering the business banking market. We are monitoring this carefully and have developed strategies to defend our franchise.

We are underweight in several of our African countries, most notably in the East and West regions. We have focused primarily on the larger relationship-banked clients, many of which operate within our client business networks. However, we recognise that smaller businesses represent a meaningful opportunity as a growing segment and core driver of economies, and who are typically under-served. In most markets we compete with the local and regional players. There is still substantial opportunity available to us to increase our share of wallet in an expanding market.

Our purpose and sustainability

We strive to deliver a meaningful positive impact by fostering job creation, financial inclusion and contributing to global sustainability imperatives, including providing relevant climate solutions.

Read more about our impact in the **report to society**.

Our strategic execution

Our strategy is fully aligned to the group strategy. We measure our progress through client numbers, digital adoption and client satisfaction scores as well as market shares and awards.

Defending our core franchise

We will defend our franchise through our three key pillars, namely leveraging our service model, delivering a holistic set of solutions and maintaining our strong client relationships. We will use our personalisation and relationship manager tool sets to identify client and/or sector needs and further entrench our clients.

Growing our business

Our growth is closely linked to both the business opportunities evident in the markets in which we operate and our clients' growth journeys. In South Africa, we are focused on expanding our share in the increasingly competitive business banking segment by improving our digital offering and reducing turnaround times. In Africa Regions, we are focused on finding new-to-market clients and increasing our share of the market by leveraging our brand and broad product set to drive client acquisition.

In addition, acknowledging our social and environmental responsibility, our prioritised sectors include renewables, agriculture and trade. We are working to ensure that we leverage the opportunities across these value chains at scale.

Recognising the need to remain competitive, we will partner or collaborate with relevant and attractive partners to solve for client needs and deliver an expanded set of locally relevant, flexible and affordable solutions.

Optimising our business

We continue to streamline and digitise our processes and drive simplification to improve client experience and system availability. We work closely with other business units to optimise the group's position.

HOW WE PERFORMED IN 2023

Our strong financial performance is the outcome of the deliberate execution of our strategy, namely our client led relationship model enabled through our distribution capability.

Over the past year, we introduced a leaner and more cost-effective embedded product and enablement capability to deliver holistic client solutions and support future growth. We also streamlined certain client processes to enhance efficiency with specific focus on call centres, merchant operations and vehicle asset finance processes.

We introduced enhancements to our digital onboarding and lending processes, for example the incorporation of alternative data sources and scoring options, which led to faster turnaround times. In South Africa, we launched the first fully digital, self-service account origination process, which enables sole proprietor and single director/member entities to open an account online within 20 minutes. In Africa Regions, our digital onboarding capability for enterprise clients is now live in five countries, reducing account opening times to less than a day. While there is still work to be done, these improvements have naturally supported a reduction in origination costs and freed up our frontline teams to focus on client service.

We also continued to see an increase in the adoption of our digital payment capabilities as clients seek to transact in a convenient, secure, quick and affordable manner. For example, our Unayo digital payment platform was used by various government agencies, international donors and private companies across four countries to disburse over R1 billion of grants and salaries to recipients.

HOW WE PERFORMED IN 2023 (CONTINUED)

Overall, the number of clients using our digital offerings and the volumes processed across our digital banking capabilities and platforms continued to grow.

Leveraging our sector expertise and strategic insights, we continued to accelerate the rollout of our sector-specific propositions, with a specific focus on trade, agriculture and renewables. We continue to develop our renewable energy solutions, beyond lending, to help business owners access affordable and reliable alternative energy products.

We sponsored the inaugural AfCFTA Business Forum and launched the third edition of our **Africa Trade Barometer**, which offers insights into the opportunities offered by African trade. We also reaffirmed our Africa-China trade import and export capabilities by fostering client connections and supporting networking opportunities like the China-Africa Economic and Trade Expo and China International Import Expo.

Our climate-smart financing is rapidly gaining momentum and our power and sustainable solutions provide affordable solar and alternative energy options to clients. In 2023, we provided over R2 billion in funding for sustainable energy solutions to SMEs.

In addition, OneFarm Share continued to support small scale farmers by providing training and advisory services to enhance their yield, reduce waste and manage environmental impacts.

Overall, we successfully defended our existing client base and attracted new clients. We also supported our clients through lending and enabled them to perform additional transactions on an increasingly digital basis. Together this led to strong growth in our revenue base.

We diligently allocated our resources and delivered a strong ROE of 37.0%.

2023 AWARDS

Over the years we have been recognised as an industry leader. In 2023, we received the following recognition:

- **BAI Global Innovation Awards:**
  Innovation in Community Sustainability
  – Innovation: OneFarm Share
- **EMEA Finance:**
  Financial Inclusion Award
  – OneFarm Share
- **Marketing Edge Awards:**
  Outstanding Agric Supporting Bank of the Year, Nigeria
- **Digital Banker – Middle East & Africa Retail Banking Innovation Awards:**
  Best Payments Innovation Award
  – Standard Bank Visa Fleet Card
- **PMR.africa Diamond Arrow:**
  Outstanding (first overall)
  – National survey on fleet management companies providing fleet cards to the private sector
- **Quorus Global SME Banking Awards:**
  SME Banker of the year

2024 and beyond

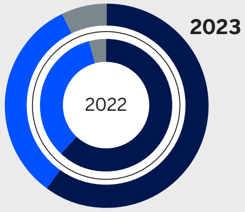
We are committed and on track to deliver against our strategic targets.

- We will continue to invest in our digital solutions and channels to ensure we have a competitive offering delivered via secure and resilient platforms
- We will continue to invest in and equip our relationship managers with the necessary tools and solutions they need to deliver differentiated client service and guidance
- In South Africa, to compete effectively in an increasingly competitive market, we will differentiate ourselves through our sector and trade expertise, our relationship-based approach and by ensuring that our client value proposition is fit-for-purpose, competitive and appropriately priced.
- In Africa Regions, we will drive client acquisition, lend responsibly and build our reputation as a leader in trans-regional capability and continental trade.
- We will diligently allocate resources in support of our short, medium and long term strategic priorities.

We will adapt our strategy to meet the evolving challenges and opportunities that arise in the markets in which we operate. Further we will stay true to supporting sustainable outcomes and recognise our core responsibility in supporting Africa's growth. We will continue to turn possibility into opportunity for the businesses that power Africa's vibrant economy.

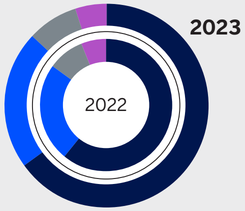
KEY METRICS

Total income by geography (%)



	2023	2022
■ South Africa	**60**	62
■ Africa Regions	**33**	34
■ Standard Bank Offshore	**7**	4

Composition of total income by product (%)



	2023	2022
■ Transactional	**65**	61
■ Lending	**22**	24
■ Vehicle and asset finance	**8**	9
■ Card and payments	**5**	6

Client activity
channel transaction volumes
(millions)

Digital transactional volumes

South Africa	Africa Regions
124.0	**30.9**
2022: South Africa 117.0	Africa Regions 27.9

ATM transactional volumes

South Africa	Africa Regions
11.8	**4.8**
2022: South Africa 12.2	Africa Regions 5.3

Branch transactional volumes

South Africa	Africa Regions
2.9	**6.5**
2022: South Africa 3.2	Africa Regions 7.1

Active clients
(thousands)

South Africa	**528**	**819**
Africa Regions	**291**	
2022:		
South Africa	510	791
Africa Regions	281	

Digitally active clients
(thousands)

South Africa	**299**	**422**
Africa Regions	**123**	
2022:		
South Africa	294	408
Africa Regions	114	

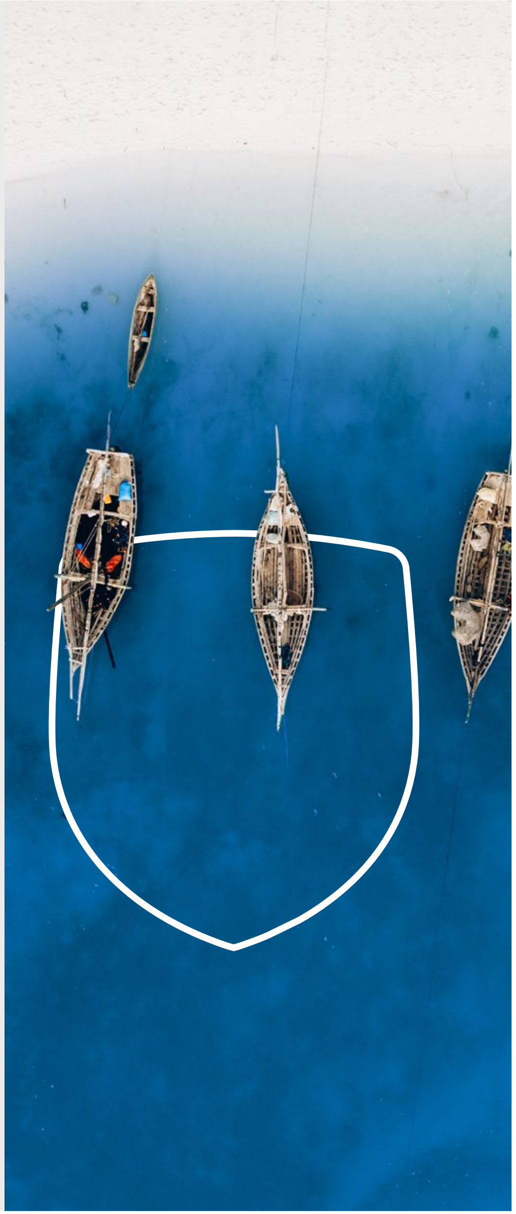
Net promoter score

South Africa
68 ▼
2022: 69

Africa Regions
24 ▲
2022: 20

Total income
(Rbn)
38 ▲
2022: 32

Return on equity
(%)
37.0 ▲
2022: 30.2



Corporate & Investment Banking

Kenny Fihla
Chief executive officer, CIB

"Delivering unmatched value to our clients is the basis of our existence. Linked to our purpose – Africa is our home, we drive her growth – we believe that when Africa succeeds, economies flourish, communities prosper, and our clients thrive. We partner effectively with our clients in the 20 countries where we operate, focusing on developing innovative and sustainable solutions."

Our clients

We serve large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally. We focus on clients that do business in and across Africa.

Our solutions

We provide our clients with a variety of advisory, transactional, trading, risk management and funding-related solutions. We design and deliver client-specific solutions tailored to their needs. We differentiate ourselves through our in-depth sector, product and regional expertise, our specialist capabilities and our access to global markets.

Our competitive position

We are focused on defending our core franchise, while growing and optimising our business. We will do so by understanding how we can best serve our clients, looking for growth opportunities to enhance and complement what we are doing well, and identifying areas for improvement and optimisation.

Our market share reflects the broad strength of our businesses, supporting the resilience of the franchise through the various economic cycles in our key operating countries. For example, we hold leading positions in foreign exchange in South Africa, Angola, Kenya, Uganda and Ghana; in custody in South Africa, Nigeria, Angola and Uganda; and in debt capital markets in South Africa and across sub-Saharan Africa. We continue to drive targeted strategies to grow selected products in specific markets, considering local nuances, client needs and operating environments.

In South Africa, we compete with large, well capitalised peers, and in Africa Regions, we compete with nimble local and large global banks.

Our unrivalled positioning, owing to our African footprint and global market accessibility, enables us to cater to multinational corporations, contributing to a sizeable share of client revenues, and providing stability to the franchise through robust business models and long-term strategies. Additionally, local corporates in Africa Regions play a pivotal role in diversifying our growth and client footprint.

Our competitive advantages

We have an enviable client base that is unrivalled. We have built a competitive position with scale, clear geographic and sector diversification. The strength of our client franchise is underpinned by our strong, long-standing client relationships and proof of the power of our strategy of supporting our clients through their ups and downs. These competitive advantages have allowed us to deliver robust results over the past five years, despite various challenges in many of the countries in which we operate.

We provide valuable connectivity to our clients through our network of on-the-ground capabilities across our footprint of 20 countries in sub-Saharan Africa and our offices in four key global financial centres as well as our various other global and regional partners, including ICBC.

Purpose and sustainability

When we say Africa is our home, we drive her growth, we believe a thriving Africa starts when we empower people and institutions. We are committed to supporting our clients in unlocking Africa's true potential by providing capital and helping find solutions for their needs.

In addition, our commitment to delivering a just energy transition for Africa is evidenced by how deeply sustainability is embedded in our operations, and how we have incorporated ESG in our capital allocation and investment decisions.

Read more about our impact in the **report to society**.

Our strategic execution

Aligned to the group's strategy, we will continue to defend our franchise in markets where we are dominant, seek growth opportunities and optimise by accelerating efficiency initiatives in our business.

Defending our core franchise

We are deliberate in our actions to **defend** our position in in the markets where we lead. We will use our balance sheet and resources appropriately to unlock client growth opportunities.

Growing our business

We are committed to driving **sustainable growth** in Africa. While multinational corporates sit at the core of our current client franchise, and remain the biggest contributor to CIB revenue, we are looking to expand our relationships with local corporates to drive new client acquisition.

Our aim is to be the leading financial services provider for the energy transition, addressing the challenge of energy shortages affecting 600 million people. Our goal is to promote a just energy transition, facilitating a shift from carbon-based fuels to renewables by 2050, to provide reliable, affordable and accessible energy.

Optimising our business

We are accelerating the **optimisation** and simplification of our digital systems, to eliminate manual processes and thereby drive efficiency and effectiveness in our businesses. We are focused on enabling and enhancing client interaction channels; enabling client led digitalisation, modernisation and standardisation of banking products and services; and enabling meaningful insights from our data.

We are optimising how we originate, solution and manage risk and carefully monitor risk. We are committed to diligently allocating our resources, including people, capital and liquidity, to drive earnings growth and returns.

HOW WE PERFORMED IN 2023

In an operating context that remained characterised by complex challenges and risks, we successfully executed our strategy to support Africa specific growth themes, protect our client franchise and capture emerging opportunities.

We successfully defended our market leading position in a fiercely competitive environment through the deep relationships we have with key clients across the sectors and across the continent. Our ongoing investment in skills and capabilities allowed us to actively respond to emerging client needs and position ourselves to capture opportunities in a changing macroeconomic environment.

Our footprint across Africa provides a strategic advantage in partnering with multinational clients in their growth strategies as we deepen our share of wallet of key clients. We continue to target new client acquisition across the portfolio and achieve strong local corporate growth.

Aligned to our objective of being the leading enabler of Africa's energy transition, our Energy and Infrastructure sector team supported our clients in accessing several renewable, decentralised energy and gas opportunities and delivered several market firsts.

We provided clients with market-leading sustainable finance solutions, including green and social bonds and loans, sustainability-linked bonds and loans, sustainable trade solutions and impact investing opportunities. In 2022, we committed to mobilising over R250 billion for sustainable finance by 2026. During 2023, we mobilised R50.6 billion (2022: R54.5 billion) and cumulatively since 2022, we have mobilised R105.1 billion.

In addition, we leveraged our partnerships, including with ICBC to grow inter- and intra-Africa trade and foreign exchange flows. In 2023, we facilitated over USD16 billion of trade and USD367 billion of cross border payments.

Overall, total revenues grew by 19% and headline earnings by 30%. Revenues earned on the back of client activity increased by 18% and represent almost 90% of all revenue earned. Our multinational clients continued to contribute around 60% of client revenue and multinational client revenue increased by 24% for the year.

We diligently allocated our resources and delivered a strong ROE of 22.3%.

2023 AWARDS

Over the years, we have been recognised as an industry leader. In 2023, we received the following recognition:

- **African Banker Awards** – Deal of the Year: Infrastructure
- **Global Finance** – Best investment bank in Angola, Ghana, Kenya and Mozambique
- **Sustainable Finance Awards** – Outstanding leadership in ESG-related loans and Outstanding Leadership in transition/sustainability-linked loans.
- **EMEA Finance African Banking Awards** – Best pan-African Green Finance Bank

2024 and beyond

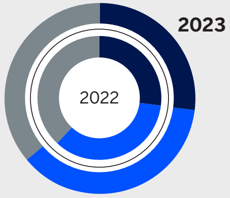
Our focus continues to be protecting our client franchise, defending our core clients and our leading position in South Africa and continue to grow in the African countries where we operate.

This will be done through relationships with key clients and forging partnerships in both intra-African and intercontinental trade opportunities, leveraging our clients' multinational presence and the ICBC partnership to grow trade and foreign exchange flows.

We are committed to Africa, her people and her prosperity as we aspire to achieve our purpose to be the leading corporate and investment banking business in, for and across Africa, with a focus on the sectors driving Africa's growth.

KEY METRICS

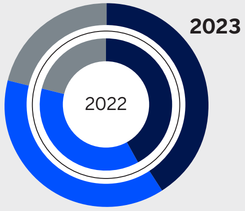
Composition of client revenue (%)



	Change %	CCY %
■ Multinational corporate – Africa	**20**	28
■ Multinational corporate – International	**27**	35
■ Local corporates	**14**	22

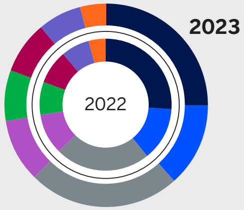
* CCY: constant currency.

Composition of total income by solution (%)



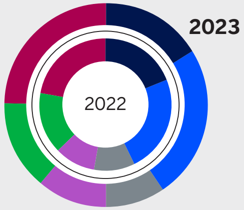
	2023	2022
■ Global markets	**41**	42
■ Transaction banking	**38**	37
■ Investment banking	**21**	21

Composition of client revenue by sector (%)



	Change %	CCY %
■ Financial institutions	**19**	22
■ Consumer	**13**	39
■ Energy & infrastructure	**24**	34
■ Mining & metals	**15**	26
■ Diversified industries	**29**	43
■ Telecommunications & media	**33**	37
■ Sovereign & public sector	**27**	27
■ Real estate	**2**	2

Composition of total income by geography (%)



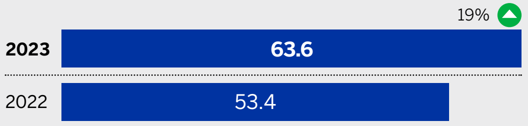
	2023	2022
■ Global markets South Africa	**16**	19
■ Global markets Africa Regions	**24**	24
■ Investment banking South Africa	**9**	10
■ Investment banking Africa Regions	**11**	10
■ Transaction banking South Africa	**14**	15
■ Transaction banking Africa Regions	**24**	22

Total income

(Rbn)

63.6 ▲

2022: 53.4



Client satisfaction index

8.3 ▲

2022: 8.2

Return on equity

(%)

22.3 ▲

2022: 19.6

Leaders in sustainable financing

We are well positioned as a thought leader to key sectors and are developing the leading sustainable finance offering on the continent.

GREEN LOANS

The African Stove Company (TASC) carbon credit project

We provided debt funding to enable TASC's expansion in South Africa, where they aim to distribute 750 000 free, low-carbon cooking stoves, funded by carbon credits. The senior debt facility will roll over each year if certain credit metrics are achieved.

First carbon credit project of its type in South Africa, designed to combat climate change and drive positive social outcomes in rural areas.

Wilderness nature-conservation loan

We acted as sustainability-structuring agent and sole lender for a USD80 million loan to Wilderness to support the expansion of their conservation and eco-tourism model.

First nature conservation loan in the African market, demonstrating the potential for commercial banks to funnel funds to nature conservation and biodiversity protection in Africa.

Red Rocket's three onshore wind projects awarded under REIPPPP bid window 5

We acted as joint mandated lead arranger and hedge provider, providing R5.5 billion of the total value of R12 billion across multiple debt facilities to secure renewable energy for local communities.

GoSolr expansion of rooftop solar

We acted as sole sustainability coordinator, sole mandated lead arranger for a green term loan and as equity investor to support GoSolr's expansion to provide accessible and climate smart energy security for households.

TRANSITION ENERGY

Lephalale Solar Project

We acted as co-mandated lead arranger and lender on a R1.3 billion transaction to enable IPP Cennergi to build a solar project to power Exxaro's Grootegeluk coal mine.

SOCIAL LOANS

Development of telecom tower infrastructure in the DRC by Eastcastle DRC

We partnered with the IFC to provide a USD92 million (R1.7 billion) loan facility, acting as co-lead mandate arranger and provided USD32 million equivalent in total financing, of which USD20 million is allocated as a social loan to support affordable basic infrastructure development.

Angola Ministry of Finance affordable housing

We provided a AOA17.5 billion (R400 million) loan for construction of 120 social apartments in the Cabinda Province to be provided free of charge for eligible citizens considered to be impoverished and vulnerable people. The project aligns with the government's strategy to provide better living conditions for people in the province.

Kenyatta-Mzimba roads development project, Lilongwe, Malawi

We acted as joint mandated lead arranger, facility agent and security agent for a MK34.5 billion (R385 million), 15-year syndicated term loan facility, structured as a social loan to support the development of road infrastructure.

SUSTAINABILITY-LINKED TRANSACTIONS

M-KOPA sustainability linked multi-currency facilities

We acted as mandated lead arrangers, lead funders and sustainability coordinator for two facilities totalling USD202 million (R3.8 billion) linked to environmental, social and green key performance indicators (KPIs) within the funding structure.

Largest syndicated facility in the fintech sector in Africa and the largest syndicated sustainable finance facility in East Africa.

Watch here

Curro schools

We acted as sustainability coordinator for Curro's sustainability overlay to the refinancing of its existing debt facilities. Sustainability KPIs, which focus largely on social impact, are now embedded in the funding package.

First sustainability linked structure in the education sector in South Africa.

TREASURY TRANSACTION

SBSA's first sustainability-linked bond listed on the JSE's sustainability segment

We acted as the sole arranger and sustainability coordinator, and the advisor in marketing, timing and pricing of the R2.4 billion three year sustainability-linked note that forms part of a R5.5 billion issuance across two separate public auction offerings, receiving a total of R14 billion of bids from multiple fixed income investors.

First sustainability-linked bond issued out of the financial sector in South Africa.

Insurance & Asset Management

Yuresh Maharaj
Chief executive officer, IAM

"We have made steady progress in the year with the establishment of IAM as a business unit completing the successful integration of Liberty into the group. This, together with our current technology projects, positions us well to deliver excellent experiences to our clients and be a meaningful contributor to the group's strategic priorities and commitments."

Our clients

Our clients range from individuals to corporate and institutional clients and extend across Africa. They leverage our extensive, market leading range of propositions and services to help build and protect their lifestyle and wealth.

Our solutions

We deliver solutions that aim to build and preserve our clients' wealth and ease the financial burden associated with key life events.

These solutions fulfil our clients' long and short-term insurance, health, savings and investment, and asset management needs, in many cases underpinned by personalised financial advice.

Anchored in South Africa, our solutions reach across much of the group's footprint and are offered through multiple channels, which include our advice-led tied distribution force, our third-party distribution channels, and through the group's banking sales channels.

Our competitive position

Our competitor landscape includes a broad range of traditional insurance groups and more diversified banking groups. We are a leader in life insurance for the retail affluent sector and have the largest embedded life and short-term insurance businesses in South Africa.

On the continent, we are one of the largest asset managers and have a leading pension fund administration business in Nigeria. As a group, we have the largest tied distribution network on the continent.

Our competitive advantages

We have one of the largest retail life insurance risk books in South Africa, one of the largest embedded risk and non-life books, a formidable distribution network and a strong balance sheet. We are a well-respected institutional asset manager and have a valuable short-term insurance business and an enviable property portfolio with investments in iconic retail properties such as Johannesburg's Sandton City.

We have continuously invested in our technology to support our clients and our advisers in order to enhance and differentiate our propositions and experiences.

Our strong advisory capabilities give us the ability to provide insurance, savings and investment propositions to our existing client base while expanding our reach in various segments allowing us to scale through attracting more clients with our fit-for-purpose solutions.

Purpose and sustainability

As stewards of client funds, the consideration of sustainability in investment and asset management decisions is essential to value creation and capital protection. We consider sustainability and ESG matters in our management processes and integrate them into our investment decision-making processes, in line with our commitment to responsible investment.

Our strategic execution

Our strategy is fully aligned to the group's strategic priorities and our focus is to grow and optimise our contribution to the group's value. The emphasis is on executing our strategic initiatives that will result in a more competitive offering, a well co-ordinated distribution force, and an improved financial performance.

Defending our core franchise

Our core life and non-life insurance franchise is in South Africa. We are defending our position by ensuring our solutions are competitive and that we continue to deliver leading client and adviser experiences by meeting them in their reality.

Growing our business

Our leading market position and scale in South Africa, together with the largest distribution network on the continent, provide a strong platform for growth and competitive improvement in our portfolio. We have specific areas where we are placing additional focus on creating client propositions that will meet their needs holistically, in collaboration with the banking business units that will contribute to the group's growth ambitions.

Optimising our business

Bringing all the insurance, investment and asset management businesses from across the group together into one business unit as IAM, allows us to leverage efficiencies and the group's scale to improve our client value propositions and specialised risk management to enhance the value for clients, advisers and stakeholders.

We continue to invest in technology to ensure that we can provide our clients with financial solutions that they want and that are efficient, simple and easy to access. We continue to make progress on our digital programmes, with a particular focus on giving our clients and advisers the support and tools they need to have meaningful, real-time, personalised conversations with clients.

HOW WE PERFORMED IN 2023

IAM's headline earnings grew by 22% to R2 820 million, with an ROE of 13.1% (2022: 10.5%) in a challenging macroeconomic and business environment.

Insurance operating earnings grew by 23% to R3 883 million, with South African insurance operating earnings increasing by 27% to R3 948 million. This, coupled with continued capital efficiency initiatives, has seen the ROE increase over the prior year.

In the long-term insurance businesses in South Africa, underwriting risk has largely stabilised to pre-pandemic levels and retail mortality experience is now broadly within expectation, although client persistency has deteriorated on certain books. Long-term insurance indexed new business in South Africa increased by 8% to R11 550 million, supported by strong sales of guaranteed investment plans and annuities.

Claims across the corporate benefits and short-term insurance markets normalised during 2023, post the impact of the pandemic and certain natural disaster events in the prior year. Gross written premiums, in the short-term insurance operations in South Africa, increased by 7% to R3 476 million in a highly competitive market.

Mortality experience in the long-term insurance businesses in African Regions has largely returned to pre-pandemic levels. Africa Regions long-term insurance indexed new business increased by 16% to R578 million, with group life assurance and group credit life sales in Kenya, as well as personal loan protection sales in Uganda and Lesotho contributing positively to this result. Gross written premiums within the Africa Regions short-term insurance businesses have grown by 12% to R1 646 million. Good client retention rates in all businesses coupled with improved productivity of brokers and agents has resulted in increased premiums being recorded on most business lines.

Insurance operations new business value of R3 000 million has increased by 13% compared to the prior year, mainly due to an improved claims experience and increased sales.

Asset management operating earnings decreased by 20% to R928 million. South African asset management operating earnings decreased, largely as a result of higher planned operating expenditure on certain initiatives within STANLIB to enhance its ability to continue to produce consistently high quality investment performance. AUM in the South African asset management businesses grew by 8% to R1 007 billion, with the growth in AUM attributable to the STANLIB South Africa business given positive local and offshore investment market movements during 2023.

Africa Regions and International asset management operations grew operating earnings by 7% mainly due to increased fee income which benefited from exchange rate gains on US dollar denominated management fees and higher assets under management and administration. AUM in these businesses grew by 6% to R473 billion.

The Shareholder Assets and Exposures portfolio, which consists of certain asset holdings as well as certain exposures derived from the long-term insurance liability book, produced a profit of R418 million in 2023 (2022: R323 million profit).

The capital coverage of the key legal entities within IAM remains robust.

2023 AWARDS

Over the years we have been recognised as an industry leader. In 2023, we received the following recognition:

- **INN8 Invest,** one of South Africa's largest discretionary fund managers, has received the prestigious **Best Discretionary Fund Manager (DFM) in SA Award**.
- **Liberty** won the **2023 Ask Africa Orange Index award** for providing exceptional service satisfaction in the short-term insurance industry.
- **The Liberty Campus was** nominated as a finalist, and finally **awarded second place, in the prestigious 2023 CoreNet Global Innovators Award,** the first time an African organisation has received this.
- The Liberty Indwe Park (at Liberty's Braamfontein Campus) received a Double Gold Award at the **South African Landscapers Institute (SALI) Awards of Excellence**
- **The malls of L2D**, have been recognised for their retail marketing excellence, with **35 wins at the 2023 Footprint Marketing Awards**, hosted by the South African Council of Shopping Centres (SACSC), including jointly winning the highly esteemed Spectrum Award.

KEY METRICS

Headline earnings

(Rm)

2 820 | ▲ **22%**

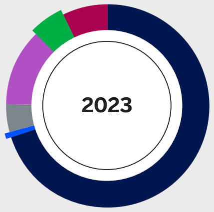
2022: 2 320

Client satisfaction index – SA retail

80 | ▲

2022: 75

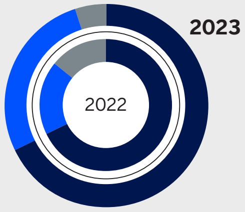
IAM headline earnings composition[1] (%)



	2023
⬛ Insurance operations South Africa	**80**
🟦 Insurance operations Africa Regions	**(1)**
◼ Asset management operations South Africa	**5**
🟪 Asset management operations Africa Regions and International	**14**
🟩 Other	**(6)**
🟥 Shareholder assets and exposures	**8**

[1] Before inter-business unit attribution.

Assets under management geographic spilt (%)



	2023	2022
⬛ South Africa	**68**	68
🟦 Africa Regions	**27**	18
◼ International	**5**	14

2024 and beyond

We will continue to focus on enhancing and creating propositions that will meet our clients' needs holistically, in collaboration with the banking business units to contribute to the group's growth ambitions. Our client value proposition will focus on simplicity and personalisation to deliver complete solutions that are delivered through our advisory network. We will continue to enhance our adviser tools and digital self-service options to better serve our clients.

We will build much richer, long-standing relationships with our clients across the group, and continue to enhance our client value proposition to deliver diversified revenues that complement the group's banking businesses through the cycle.

EXECUTING WITH EXCELLENCE

Chief people & culture officer's review

Sharon Taylor
Chief people & culture officer

"Our people are our brand. In a world where products and technology are easily replicated, and enduring client relationships are paramount, our people are our greatest source of sustainable competitive advantage. Our exceptional results in 2023 reflect their passion, commitment and dedication to our clients and all our stakeholders."

Employee engagement

Research shows that companies with great employee engagement have greater client satisfaction and innovation and are more profitable than their peers. With this foundation, we are committed to creating a work environment for our people that results in high employee engagement, measured by workforce feedback.

We are currently focused on

- Our people's connection to our purpose
- Their pride in the group
- The degree to which our people are empowered
- Opportunities supporting their development and career growth
- The effectiveness of their leaders
- A team environment that is supportive
- Their overall wellbeing
- Whether our people feel appreciated for their contribution
- Whether our people enjoy psychological safety at work.

An employer of choice on the African continent

Our people promise is at the heart of our employer brand. Coupled with our purpose of driving Africa's growth, it has proved compelling. In 2023, we attracted over 4 700 talented new employees to the group, while also enjoying high levels of employee retention. We live in the 'age of the employee', and the paradox facing the African continent is that while many markets are plagued by high unemployment, top talent and highly skilled people are sought after, both locally and internationally. Since the Covid-19 pandemic, people worldwide have been re-evaluating their lifestyle choices and the value proposition they are looking for from their employers.

In this context, flexibility has become one of the most crucial elements of our proposition. Like many organisations globally, we continue to adapt our hybrid work practices to find the right balance between the preferences of our people and our focus on enhancing our culture, human connection and strong collaboration, while delivering our client and commercial outcomes. We have opted for a minimum standards framework, enabling leaders to find what best works for their businesses and teams. We have focused on developing and enabling leaders to lead effectively in this context.

Our people share a deep connection to the group and can live our purpose every single day. It is a place that our people can call "home", where they feel a strong sense of belonging and are valued for who they are and their contribution. While we are strongly performance-oriented, we are a deeply human organisation with leaders who set the tone from the top and are role models of integrity, mutual respect and empathy.

Leaders across the group continuously adapt their people strategies to enable the achievement of our business outcomes. These strategies are arrived at by taking into consideration both the voice of our employees through our various surveys, and powerful insights derived from real-time people data and predictive analytics for truly data-driven decision-making.

Our people and their dreams matter. Creating a work environment that enables our people to be the best version of themselves fosters an environment where they can live our purpose every single day — an environment driven to win, human at heart and African to its core.

Three key proof points support our employer of choice status on the continent:

1 Forbes, in partnership with Statista, named the Standard Bank Group as one of the World's Best Employers for 2023 – one of only seven companies on the African continent to make this prestigious list. Of the financial services industry companies, we ranked 12th out of 71 and were notably ahead of large, internationally recognised competitors.

2 Our level of employee engagement, grounded in direct employee feedback, continues to increase from an already high base. Our eNPS for banking in 2023 rose to +51, up from +42 last year, the highest recorded score since the survey's introduction seven years ago and well ahead of global and African benchmarks for the financial services industry. This is underscored by the fact that 91% of our people made their voices heard by participating in the survey, which indicates high interest and engagement.

3 Voluntary turnover for the group's workforce stands at 5%, a key indicator of our ability to retain talent.

Creating the ideal conditions for our people

People typically join great organisations and leave bad leaders. Leadership effectiveness is key to creating a work environment that brings out the very best in our people and enables them to reach their full potential.

We continue to invest significantly in developing our leaders through local and international development programmes which blend exposure to global thinking and trends with our own particular business context. The role of 'leader as coach' is critical in enabling the growth of our people, and – as a consequence – emphasis is placed on this core capability in the way we develop our leaders.

In 2023, we evolved our operating model to enable greater agility and to place decision-making closer to the client. With this model firmly embedded, as we look ahead to 2030 we have begun to consider what behaviours, if role-modelled more consistently, will enhance our culture to support the achievement of our strategic ambitions in the future. Last year, we chose to involve leaders at all levels in a process to co-create the principles and habits to articulate, lead and embody and that, if consistently and widely practiced, will lead to greater value for our clients, our shareholders and society at large. Working in partnership with the NeuroLeadership Institute, we have encapsulated this thinking in a leadership principles framework which we will roll out across the business in 2024.

Depth and breadth of skills and experience

The world of work continues to shift in response to changes in the global landscape. The impact and ethical use of AI continues to be a theme that all organisations are grappling with and current thinking equates to human endeavour augmented by technology. Our experimentation to date has seen the replacement of tasks, not roles, and if deployed correctly, technology can create roles that are more meaningful for our people, enabling them to grow their skills and draw on their unique human capabilities.

Similarly, the focus on sustainability as a moral imperative and the criticality of the 'social' in ESG, particularly in an African context, remains key for the future. We are investing heavily in building the right capabilities to deliver on our social, environmental and economic commitments. Our partnership with the Gordon Institute of Business Science (GIBS) to develop bespoke ESG and sustainability-related development programmes for our client-facing teams exemplifies this.

In 2023, we invested more than R1 billion in the learning and development of our people, ensuring that our workforce remains fit for the future. Understanding what skills are needed for the future has enabled us to tailor a "Future-Fit" learning pathway, which is the greatest component of learning undertaken across the group. In addition, development opportunities that support the growth areas identified by our annual review of performance across the group are provided through access to a powerful learning platform, development programmes, tailored academies and support for further formal study. Employees on average invested 63 hours in formal learning during the year.

During 2023, we began piloting an internal talent marketplace in select business areas to proactively match people to specific short-term projects to learn or apply new skills, source internal career opportunities, and match mentors and mentees. Clear evidence of the personal growth of our people lies in the fact that more than 60% of our vacancies last year were filled internally, and 11% of the group's workforce was promoted to take on roles of greater responsibility and complexity.

Succession planning continues to be a critical topic, especially for the financial services sector, as regulators look for assurance with respect to suitable pipelines for C-suite and other key leadership roles. The group has a long and proud history of building deep talent pipelines resulting in smooth transitions and 2023 was no exception. Apart from key roles where we were deliberately looking for new capabilities, most vacancies in key leadership roles were filled by internal successors. These outcomes are the result of continuously maturing the talent and succession framework throughout the group, the prioritisation of succession planning by all members of the group leadership council and an annual assessment of our succession bench strength and diversity by the group board.

We believe in Africa's youth and have a long-held tradition of investing in a strong young talent pipeline. During 2023, 306 new graduates took their first career steps with us, joining our Graduate Development Programme in one of 12 countries across the continent. In line with our strategy, we introduced a graduate programme across the East Africa region to expose our graduates to local and regional market dynamics and to drive skills development and collaboration with their peers in other countries. Six of our 2023 graduates were selected to represent Standard Bank at the One Young World Summit in Ireland, where they joined young leaders from 190 countries and 250 organisations to address several social impact issues.

Bringing one's whole self to work

For most people, work is deeply personal and meaningful. The average person will spend more than one third of their life at work, so we aim to help our people find what they love to do and are truly passionate about. This includes being valued for your authentic self at work.

The year was a tumultuous one both globally and locally. As a microcosm of society, we see the impact of socioeconomic trends on the wellbeing of our people. In line with financial sector benchmarks, mental health issues have, for the first time, become the top reason our people sought counselling and advice from our employee assistance programme. We provide ongoing support to those people needing help to deal with their challenges and also equip our leaders to lead the wellbeing agenda with care and empathy. We focus on preventative healthcare and proactive wellbeing, driving awareness of the importance of health screening, and the early identification and management of any health risks.

As an African financial services group, our workforce represents 81 nationalities and is truly diverse. We ensure the inclusion of under-represented groups in all our countries based on local context and priorities. We actively drive the inclusion of women at all levels and place specific emphasis on empowering them to reach their full potential.

We endeavour to create an environment that is free of discrimination, harassment and bullying. Our people have the freedom to raise concerns in this respect, and can trust that legitimate complaints will be fully and impartially investigated and appropriate action taken. We offer unconscious bias training to all our people to create an inclusive work environment where everyone feels valued for the uniqueness they bring.

We support the inclusion of disabled people and members of the LGBTQI+ community. We acknowledge that certain of our countries of operation have anti-homosexuality legislation in place. As a group, we remain committed to protecting the rights of our employees to be free from discrimination at their place of work, while complying with local regulatory requirements in all jurisdictions where we have a presence.

Read more in the **sustainability disclosures report**.

ACCOLADES

- **Forbes, in partnership with Statista** – among the World's Best Employers for 2023
- **CHRO South Africa Awards** – Group chief people & culture officer received the Chief Human Resources Officer of the Year Award, HR and Technology Award and the Learning and Development Award
- **LinkedIn Talent Awards for Africa** – Learning Champion Award
- **The University of Pretoria's GIBS** – Dean's Award for Excellence through Partnership, celebrating the sustained relationship and partnership between GIBS and Standard Bank over the past 12 years
- **Visier** – Span of Influence Award
- **South African Graduate Employers Association Employer of Choice Awards** – shortlisted Standard Bank in three categories: Employer of Choice in Retail & Commercial Banking, Employer of Choice in Investment Banking and Overall Aspirational Employer of Choice
- **Progressive Institute in Botswana** – our country People and Culture head ranked among Botswana's Top 100 HR Leaders for 2023
- **HR People Magazine in Nigeria** – Best Training, Learning and Development Award and the Award for Outstanding Talent Management Strategy

KEY METRICS

Employee engagement

Banking eNPS

+51 | ▲

2022: +42

Liberty eNPS

+20

2022: 13

Group eNPS

+48

Employee retention[1]

Total employee turnover

7.8% | ▲

2022: 9.0%

Voluntary employee turnover

5.0% | ▲

2022: 6.0%

Employee diversity[1]

% of women board members

28.6% | ▼

2022: 31.3%

% of women in executive and senior leadership positions

41.5% | ▲

2022: 40.8%

% of African senior management in South Africa

29% | ▲

2022: 28%

% of Black senior management in South Africa

58% | ▲

2022: 56.6%

Employee development[1]

Learning investment spend[2]

R1 billion | ▲

2022: R871 million

% time spent on future skills learning

58% | ▲

2022: 50%

Workforce ROI

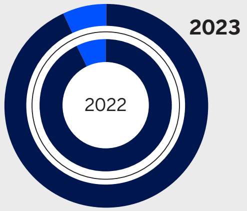
Workforce return on investment

2.6 | ▲

2022: 2.5

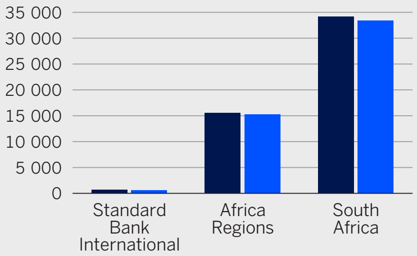
OUR WORKFORCE PROFILE[3]

Total headcount (SBG)



	2023	2022
■ Permanent employees	50 451	49 345
🟦 Non-permanent employees	3 725	3 798

Permanent headcount per region



	Standard Bank International	Africa Regions	South Africa
■ 2023	708	15 534	34 209
🟦 2022	645	15 309	33 391

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[1] Employee retention, diversity, development and workforce ROI are for banking activities only excluding Liberty.

[2] Learning investment includes employee training expenditure, learning facilities and dedicated learning resources.

[3] Including Liberty.

2024 and beyond

We will continue to strengthen our position as an employer of choice on the African continent, leveraging the strength of our brand and People Promise to retain and attract the best talent in the market. We will focus our efforts on what matters most to deliver on our business aspirations and evolve our people promise to empower our people to be the best version of themselves. We will focus on:

- Ensuring that our leaders are equipped to navigate complexity, evolve with our business, lead with confidence and empathy, and role model the behaviours set out in our new leadership principles framework.
- Enabling a highly engaged workforce with abundant opportunities to continuously develop their capabilities as we capitalise on growth opportunities and new technologies.
- Building and delivering tailored people practices for a range of business models that are being deployed, based on our strategic choices.
- Enhancing our people and culture capabilities to respond to the changing needs of our business and our people.
- Experimenting with new technology solutions that have the potential to significantly enhance the employee experience.
- Continuing to enhance our predictive analytics capability and use our rich people data to enhance board and leadership decision-making.

Chief risk & corporate affairs officer's review

David Hodnett
Chief risk and corporate affairs officer

"Our ability to effectively manage risk, demonstrate compliance with all applicable legislation and regulations and ensure our culture and conduct reflect the highest standards of ethical and responsible business practice underpins the trust our clients, partners and stakeholders continue to place in the group."

Our risk context

Our group's strategy is centred on serving the needs of our clients by doing the right business the right way, enabled through world-class governance and risk management.

We operate in an environment that is both challenging and constantly evolving. The global economy is experiencing a slowdown in growth and an increase in the cost of doing business, largely stemming from persistently high inflation, high interest rates and constrained supply chains. In sub-Saharan Africa, higher interest payment obligations continue to place pressure on sovereigns with high debt levels, and foreign exchange liquidity shortages and volatility are on the rise.

Heightened geopolitical tensions have led to increased global fragmentation and realignment, exacerbated by conflicts in Ukraine and the Middle East. In Africa, we have similarly seen instances of armed conflicts, resulting in displacement of people and the disruption of social and economic development.

The continued and rapid advancement of AI and its integration into business practices and everyday life, brings a wealth of opportunities to the group and to the world at large. AI has the potential to reduce operational costs, eliminate human error, and excel at mundane tasks, allowing our people the space and time to work on products and developments to better enable and deliver exceptional customer experiences. However, it also brings with it a multitude of new risks and threats.

Within the context of the fast pace of technological advances, the ability to attract and retain the right people with the talent and skills we require to deliver on our purpose, continues to remain a focus.

We believe a just energy transition to a lower carbon economy to mitigate the impact of climate change and improve access to reliable and sustainable energy sources, is key to facilitate Africa's economic growth and to aid poverty alleviation. We therefore develop appropriate solutions and continue to partner with and support both our corporate and retail clients in their climate transitions and adaptation strategies.

As outlined in our material issues affecting society on **page 21**, we focus on ethical conduct and business practices, data privacy and cyber security and the reliability of digital transaction channels to continue to enhance overall client experiences. We also recognise the importance of workforce diversity and inclusion, employee wellbeing and engagement, and skills development to deliver sustainable value to shareholders across all our jurisdictions.

We manage our risks closely at all levels of the group, with our top and emerging enterprise risks, shown on **page 57**, proactively being identified and mitigated. To navigate this uncertain landscape, we continue to deepen our understanding of the factors and forces that shape our operating environment, from technology through to client expectations.

To navigate this uncertain landscape, we continue to deepen our understanding of the factors and forces that shape our operating environment, from technology through to client expectations.

Our risk management approach

Our risk management approach ensures the consistent and effective management of risk through appropriate accountability and oversight structures. The group's risk management framework stretches across the enterprise and is a crucial element in enabling the execution of our strategy.

We take a holistic forward-looking view to identify the risks we face and in assessing threats and opportunities in our operating environment.

Risk culture

Our risk culture enables us to consistently do the right business, the right way to achieve our strategic objectives

Organisational design

Risk management is enterprise-wide, applying to all entity levels and business units.

Risk management programme

Ensures consistent and effective management of risk within our board-approved risk appetite.

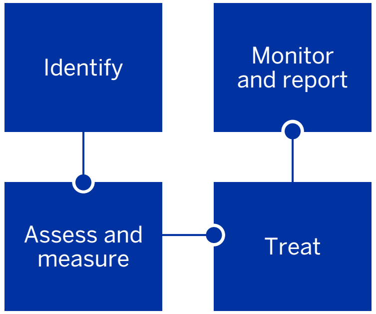
Risk governance

Our risk documents comprise governance frameworks, standards and policies.

Risk management lifecycle

Our risk universe is managed through the risk lifecycle from identification to reporting.

Enterprise risk management process



Governance: three lines of defence
Our lines of defence enable the group to maintain a strong and resilient risk culture.

1 **Risk ownership:**
Business unit and legal entity management
Design and implement an effective risk management programme across the enterprise.

2 **Direct, control and oversight:**
Risk and compliance management functions
Facilitate risk and capital management activities at an enterprise level and within different segments and entities.

3 **Risk advisory and assurance:**
Group internal audit
Provide assurance on the adequacy and effectiveness of the risk management programme.

Risk universe

Our risk universe comprises the core risk types of our business, grouped into strategic, financial and non-financial categories. We routinely scan our operating environment for changes to ensure we respond appropriately to risk and opportunity.

Top enterprise risks

Strategic risk

The risk that future business plans and strategies may be inadequate to prevent financial loss or protect the group's competitive position and shareholder value.

Financial risk

The risks associated with unexpected changes in external markets, price, rates, liquidity supply and demand, and climate change.

Non-financial risk

Non-financial risks cover operational risks from inadequate or failed processes, people and systems as a result of internal or external factors.

Non-financial risks are complex, and difficult to anticipate and to quantify. They evolve rapidly with significant overlap across risk types and could have financial and non-financial implications.

Read more about how we manage risk in the **risk and capital management report**.

Our top and emerging enterprise risks

Our enterprise risks represent the top and emerging risks that could have a material impact on the ability of the group to achieve its strategic priorities and ambitions.

2024 TOP AND EMERGING ENTERPRISE RISKS

a	Operational resilience
b	Uncertain and challenging economic environment
c	Changing policy and regulatory landscape
d	Financial services competition
e	Sovereign debt
f	Climate
g	Decline in state capacity
h	Geopolitics
i	Artificial intelligence

Determining our top risks and related opportunities

The top and emerging risks process identifies and consolidates the risks and related opportunities from across the group. They are compiled through a robust process that includes identification from across our business units to external research. Their classification as top and emerging risks ensures that they are holistically understood and prioritised with enhanced oversight.

Evolution of our top and emerging risks

These risks are reflective of the internal and external operating environment as well as the strategic ambitions of the group. The top and emerging risks and material issues to society are collected in simultaneous and related processes to enable more informed and proactive decisions. Over time, these risks evolve as mitigation efforts mature, the factors that influence a risk change or as new risks emerge. This allows us to adapt and develop our risk management strategies to better support the group's longer-term sustainability.

Top and emerging risks

RISK THEME	a Operational resilience	b Uncertain and challenging economic environment	c Changing policy and regulatory landscape
Description	The risks arising from end-of-life technologies, legacy infrastructure and the costs thereof, compounded by persistent cyber threats, levels of third-party resilience, scarcity of skills, and ability to successfully implement large-scale modernisation programmes.	This risk describes challenging growth prospects amid high inflation, the impact of high interest rates and foreign exchange liquidity shortages and volatility, as well as increased scams and fraud perpetrated on the consumer.	The risks to the group's operating model due to increasing and sometimes conflicting policy and regulatory requirements, coupled with the impact of grey-listing and growing nationalism and populism in many jurisdictions.
Underlying threats/ issues	▪ Evolving cyber landscape and cyber crime ▪ Cyber resilience of third-party service providers and third-party dependence ▪ Technology instability and reliability of digital channels ▪ Information security ▪ Data privacy ▪ Skills scarcity and retention of critical skills	▪ Weak economic growth environment ▪ High inflation environment affecting affordability ▪ Higher-for-longer interest rates ▪ Limited employment opportunities	▪ Level of regulatory change ▪ European Union regulatory reach ▪ Increase in nationalism and protectionism ▪ Growing populism ▪ Financial Action Task Force (FATF) escalation to blacklisting
Treatment	▪ Enhanced detection and response capabilities, meeting the rising threat landscape and reducing the impact of cyber incidents ▪ Reviews of third-party performance and continuity plans ▪ Enhanced disaster recovery capability development and testing ▪ Continued zero-trust journey using cloud-first security capabilities ▪ Close monitoring of end-of-service technologies and accelerating the decommissioning of legacy systems ▪ Appropriate prioritisation and management focus to enable delivery of large-scale IT programmes within budget ▪ Targeted talent acquisition and retention strategies to attract and retain people with the required skills by ▪ Creating an exceptional work experience ▪ Maintaining competitive reward strategies	▪ Active credit portfolio management, including heightened monitoring of non-performing loans and provisioning ▪ Utilisation of suitable interest rate swaps for hedging purposes ▪ Targeted debt restructuring for distressed clients ▪ Enhanced fraud capability, fraud management culture and proactive detection capabilities ▪ Strategy revision	▪ Provide relevant input during development of regulation, such as regulatory surveys and impact studies ▪ Ensure adaptability to different countries' regulatory frameworks and expectations ▪ Support countries that have been greylisted by FATF ▪ Introduction of shareholder compacts
Opportunity	▪ Deepen our employee value proposition through our People Promise ▪ Deliver excellent digital experiences and reduce costs to serve our clients	▪ Support Africa's trade and leverage the AfCFTA	▪ Leverage competitive advantages of our unique Africa-wide capabilities
STRATEGIC PRIORITY	Transform client experience Execute with excellence	Drive sustainable growth and value	Transform client experience Execute with excellence Drive sustainable growth and value

RISK THEME	d Financial services competition	e Sovereign debt	f Climate
Description	Continued expansion of landscape of bigtech, fintech and incumbent banks; offering simple, efficient and affordable banking and other financial services.	Increase of sovereign debt crises in countries in which the group operates or the voluntary decision of a sovereign to restructure their local debt leading to bank losses.	The risks arising from the impact of climate change, access to transition finance, greenwashing and other climate related matters.
Underlying threats/ issues	▪ Competitiveness of customer value proposition ▪ Impact of AI on competition	▪ Foreign currency shortages ▪ Higher-for-longer interest rates ▪ Sovereign downgrades ▪ Potential need to recapitalise entities	▪ East African crude oil pipeline (EACOP) and Mozambique gas projects ▪ Biodiversity loss ▪ Lack of sufficient climate funding ▪ Energy security trade-offs
Treatment	▪ Adaption of strategy and operating model ▪ Development of competitive solutions and differentiated product offerings ▪ Accelerated decommissioning of legacy systems ▪ Additional strategic partnerships to build a platform organisation ▪ Decoupling of capabilities between PPB and BCB ▪ Creating multinational capability	▪ Closely monitor countries with high risk of debt distress ▪ Reinforce lessons learnt from countries' debt restructuring ▪ Maintain affordability buffers for rate increases, including tightening lending parameters and concentration limit monitoring	▪ Pursue commercially sound and high credit quality energy transition opportunities, particularly for renewable energy solutions for both commercial and consumer clients
Opportunity	▪ Opportunity to leverage partnerships ▪ Enhanced system resilience	▪ Leverage strong risk management capabilities	▪ Support African just energy transition and adaptation ▪ Grow sustainable finance offering
STRATEGIC PRIORITY	Execute with excellence	Drive sustainable growth and value	Execute with excellence Drive sustainable growth and value

RISK THEME	g Decline in state capacity	h Geopolitics	i Artificial intelligence
Description	The risks posed by the negative impacts of continued decline in state capacity, infrastructure deterioration and social unrest and these risks potentially being exacerbated depending on the policy coherence and execution capacity of a coalition government.	High levels of geopolitical instability arising from armed conflicts and wars, US/China tensions and humanitarian crises.	The risks arising from the evolution of AI and its impact on security and the workforce.
Underlying threats/ issues	▪ At least 20 national and local elections taking place in Africa in 2024 ▪ Implications of loadshedding, rail and port problems in South Africa ▪ Social unrest in run up to elections across the continent ▪ Deteriorating national and municipal infrastructure affecting economic growth	▪ Instability in the Sahel region ▪ Conflict related displacement of people, for example, eight million Sudanese have fled the conflict ▪ Escalation of Middle Eastern tensions ▪ Escalation of US/China tensions	▪ AI cyberattacks ▪ Misinformation and disinformation ▪ Increased risk of fraud ▪ Inability to harness emerging technology ▪ Existing technology obsolescence
Treatment	▪ Monitor public sector debt and adjust risk appetite where necessary ▪ Increased business continuity management capability and disaster recovery readiness ▪ Participation in relevant business forums	▪ Ongoing monitoring and analyses of potential scenarios and their related implications ▪ Stress testing of portfolios ▪ Revision of risk appetite ▪ Strategy revision	▪ Introduction of policies and standards for the use and operationalisation of AI ▪ Conduct rigorous, system-enabled risk and impact assessments for all AI initiatives ▪ Appropriate registration, validation, testing and ongoing monitoring of AI models ▪ Implementation of enterprise agreements with strategic partners for the provision of AI services ▪ Development of guilds/practices and strategic partnerships with global thought leaders to mature understanding of the evolving AI landscape
Opportunity	▪ Opportunity to support and finance infrastructure and development of local economies in which we operate	▪ Leverage strong risk management capabilities	Opportunity to deliver excellent digital experiences and further reduce cost to serve our clients
STRATEGIC PRIORITY	Execute with excellence	Drive sustainable growth and value	Transform client experience Execute with excellence

Our purpose and sustainability

The group has a part to play in shaping a prosperous and resilient Africa.

Our environmental and social risk management approach is based on evolving best practice and thorough processes that require multi-stage approvals. We are focused on providing financial products and services that support positive outcomes. This includes green and social bonds and loans, sustainability-linked loans and bonds, sustainable trade and working capital solutions, and impact investing.

Climate risk remains a priority for the group and our climate policy commits us to achieving net zero for financed emissions by 2050, and for Scope 1 and 2 emissions for our own operations by 2030 for newly built facilities and by 2040 for existing facilities.

We continue to enhance our data and stress testing in relation to climate reporting and are developing new targets and updates. Energy and infrastructure remain top priorities, both in terms of risk mitigation and driving sustainable growth for economic development. We are driving energy in Africa, and closer to home we have tracked ahead of our target to raise between R250 billion and R300 billion for sustainable finance by the end of 2026.

We are committed to accelerating growth in the energy sector and have hosted and participated in several events to strengthen key relationships and share insights on energy and renewables in the context of Africa's inclusive and sustainable development.

These included the Green Energy Africa Summit, Africa Energy Week and hosting a Climate Summit.

Read more in our **sustainability disclosures report** and our impact in our **report to society**.

Doing the right business, the right way

Our ability to effectively manage risk is reflected in the trust that is placed in us by our clients and stakeholders.

Our values and ethics are the basis of our conduct, the culture of our people, and our reputation as a trusted partner. In 2023, group leadership co-created the habits and principles that embody our values and ethics, reinforcing our commitment to doing the right business, the right way.

Our code of ethics and conduct is supported by our comprehensive, culture-led approach to conduct risk management and is integrated into all relevant group policies and processes, and managed as part of the group's management framework. Our group code of ethics and conduct guides our decision-making, behaviours and interactions with our diverse stakeholders.

The complexity of operating a highly regulated global financial services group and in an environment characterised by increasing regulatory scrutiny across the financial services landscape has resulted in closer engagements with regulators on relevant matters. These engagements have included periodic regulatory investigations, inspections, visits and requests for information by various industry regulators.

Conduct and reputational matters continued to receive focus in 2023. Compliance training completion remained above the 95% completion threshold throughout the year.

Read more in our **sustainability disclosures report**.

2024 and beyond

We continue to optimise capital allocation and maintain regulatory ratios in excess of our minimum regulatory requirements. Our focus areas include:

- Continuing to evolve our risk capabilities to leverage data and develop intuitive risk management processes to support the achievement of the group's strategic objectives and deliver long-term sustainability.
- Maturing our understanding of our climate risk exposures across our portfolio.
- Continuing to prioritise information security, data privacy and cybersecurity, and drive awareness for employees and customers through programmes and communication. Additionally, we are applying caution and scrutiny to automation and AI models to prevent inherent biases that can be gained from historical data, bugs or design inaccuracies that can have unintended impacts.
- Extending our organisational resilience framework and our ability to anticipate, prevent and respond to disruptive events and uncertainty through enhanced situational awareness that addresses both internal and external threats to service continuity, reputation and financial loss.
- Creating the capacity to better leverage the work of multiple assurance partners to increase the scope and efficiency of risk assurance.

Chief operating officer's review

Margaret Nienaber
Chief operating officer

> "Building trust with our clients, employees, partners and stakeholders is the foundation from which we can truly drive Africa's growth. The stability of our IT systems and elevation of our brand strength is fundamental to our ability to fulfil our purpose and execute our strategy."

How we transform the client experience

Our unwavering commitment to building trust and confidence with our clients has steered a strategic shift in our priorities. We have found a healthy balance between emphasising the structured approach to strengthening the basics and reliability of our technology, with building new capabilities and features that meet our clients' needs. Our approach to strengthening system stability and security focuses on working as one team; transparency and open communication; a commitment to escalating any issues rapidly to ensure fast recovery; and having a strong sense of accountability and pride in our work. We balance this with promoting digital at our core – assessing not only where we can improve processes, but also where we can remove or digitise them.

In 2023, we made significant strides in this direction. Recognising that resilience in the present is as important as future-proof modernisation, we refined our technology strategy to focus on both stability and innovation. Through effective collaboration between business units and Technology, we addressed the 2022 South African system reliance issues. We have witnessed a year-on-year reduction of 60% in the combined number of material incidents across the group and 43% reduction in the average time to resolve incidents. This translates to a 78% improvement in cumulative system downtime year-on-year.

We remain vigilant against cyber and information risks, continuously investing in systems and skills to mitigate them. The World Economic Forum has identified cyber instability as one of the top ten risks for the upcoming decade, prompting closer scrutiny on cyber resilience, as mandated by the IMF and World Bank. Protecting our group, clients, and partners from information risk threats remains a key priority. Despite increased digitisation and hybrid working, overall cyber risk remains within our appetite, with no material incidents reported.

Click **here** for further information on how we manage these risks.

This unwavering focus on systems resilience translates directly into better client experiences. Our improved IT infrastructure has minimised downtime and service disruptions, leading to improved NPS scores for our digital channels.

Please refer to the business unit client experience reports for more detail on their respective focus areas and developments **here**.

Beyond technology, our unparalleled brand strength is a key driver of trust and loyalty. Recognised as South Africa's most valuable banking brand for two consecutive years, and as Africa's Most Admired Financial Services Brand in 2023, our brand is a powerful asset. This year, we took a significant step: elevating our Brand and Marketing capability from a support function to a growth enabler. We are building long-term brand assets that embody our "Growth" positioning, evident in our brand simplification, and in our brand architecture work. We have also elevated our brand through more integrated collaboration between Technology, Marketing and the business units. When outages are experienced, we ensure communication is effectively directed to impacted customers. This includes two-way communication on SBG mobile, in-platform communications via internet banking and the mobile app, clear communication of alternative channels should one or more channels experience difficulties, and information about available helplines.

How we transform the client experience

Modernising our technology is not just a strategic initiative, it is driving our future success. We have made significant strides in this direction, building a solid foundation for operational excellence and agile responsiveness. The backbone of our operations remains our robust core banking system, which supports our transactional franchise and acts as a store of record. To further bolster resilience and capacity, we have implemented new mainframe technology and rolled out alternative energy solutions in South Africa across our branch and ATM network.

However, we are not confined to traditional infrastructure. We understand the benefits of the cloud and have adopted a hybrid cloud strategy for optimal efficiency. All new systems and applications will be "cloud native", that is, built on the cloud, while we strategically migrate a portion of our existing applications, currently at 34% (up from 28% in 2022). This deliberate approach balances futureproofing with cost-effectiveness.

Adaptability is key in today's fast-paced landscape, and we are actively driving an agile technology transformation, enabling us to swiftly respond to evolving business needs. The SBG API Marketplace, launched in 2022, fosters collaboration with partners, facilitates interoperability and unlocks new commercial opportunities. With 18 launched APIs, two integrated third parties, and over R200 million disbursed in personal lending to date, the marketplace has the potential to be a driver of growth and promote the adoption of open banking.

ACCOLADES

Our commitment to excellence has been recognised by leading industry bodies.

Global Banking Industry Architecture Network

- Transformation Champion Award

South African CIO Awards 2023

- Strategy and Leadership Award
- Cyber Security Award
- CIO of the Year

How we deliver sustainable growth and value

In a challenging environment, we remain steadfast in our pursuit of sustainable growth and value creation. This commitment manifests in financial discipline, operational efficiency, and strategic partnerships. Redesigning and unifying our operating models has streamlined processes and reduced redundancies, leading to cost savings and improved efficiency. Rationalising our physical footprint by reducing 17 875m^2 of our space in 2023 demonstrates our commitment to responsible resource allocation, and we are on track to achieve our target of a cumulative 227 000m^2 reduction by 2025.

The fit for purpose principle will play a crucial role in shaping the future of our technology spend. To help reduce our costs and extract value over time, we will continue to focus on:

- A balanced sourcing strategy between internal employees and third parties
- Infrastructure optimisation, for example by continuous reduction of our on-premises technology estate
- The introduction of more automation in our technology processes, like AI Ops and AI tools to improve productivity and create efficiencies.

2024 and beyond

As an organisation, we are acutely aware of the importance of remaining strategically relevant and competitive in a rapidly evolving global landscape. To this end, we have adopted platform thinking, wherein we offer our solutions to the clients of other companies, while simultaneously offering the solutions of other companies to our own clients. As a financial institution, we view the facilitation of payments and the future of payment offerings as integral to our strategic priorities. This transition encompasses the delivery of both financial and non-financial services and will be further supported by leveraging our existing strategic investments in over 30 companies, as well as our partnerships with bigtech organisations. This journey demands continuous evolution, and we will embrace it on all fronts. We will continue to focus on doing the basics brilliantly, with the recognition that we are one united team that brings together a wealth of diverse experience and skills.

On the technology front, we will relentlessly pursue stability and agility. We will optimise processes through automation, prioritise technology mean time to repair as a core client satisfaction metric, and evolve our architecture from product-centric to business capability-based, ensuring greater flexibility and responsiveness.

Bolstering our digital skills is paramount to this transformation. We will invest in training and development programmes to equip our team with the latest technologies, for example AI, and methodologies, enabling them to innovate and deliver cutting-edge solutions for our clients.

Furthermore, we will leverage the power of our iconic brand to drive growth. By amplifying our value proposition and building deeper relationships with our clients, we will unlock new opportunities and new markets, ensuring sustainable success.

Sustainability remains a cornerstone of our future. We will build upon our progress towards net zero, decarbonising our real estate and integrating sustainability into all aspects of our technology and operations strategy. This commitment will shape how we build and execute, ensuring a prosperous future for our stakeholders, and for the planet.

DRIVING SUSTAINABLE GROWTH AND VALUE

Chief finance & value management officer's review

Arno Daehnke
Chief finance & value management officer

"The group's results were robust, underpinned by a healthy and growing franchise. Our focus on efficient resource allocation and investing in capital-efficient lines of business in fast growing economies and sectors continues to enable the diligent execution of strategy."

Operating environment

In 2023, uncertainty remained elevated globally. The year was one of two halves. In the six months to 30 June 2023, inflation remained elevated and interest rates continued to rise. In the second six months to 31 December 2023, central banks paused while monitoring inflation trends and developing geopolitical risks. Across most markets, inflation was stickier than forecast and interest rate cuts were delayed. The IMF forecast global real GDP growth of 3.1% in 2023.

Sub-Saharan Africa also experienced inflationary pressures and monetary policy tightening. Higher debt costs increased fiscal pressures and sovereign risks in certain countries, which in turn, drove currency weakness. There was progress on Ghana's debt restructure, Kenya's funding outlook improved, and Nigeria took steps to liberalise the Naira. While currency movements were mixed across the group's portfolio of countries, they were weaker on average by the end of the year.

In South Africa, inflation peaked in March 2023 at 7.1%, and then declined to end the year at 5.1% in December 2023. The SARB increased interest rates by a cumulative 125 bps by May 2023 and then paused. The repo rate closed the year at 8.25%. While electricity disruptions and logistics constraints placed pressure on businesses and corporates, and in turn on the economy, progress was made during the year, particularly in the last quarter, towards delivering sustained improvements on both fronts. South Africa's real GDP grew at 0.6% in 2023.

Group performance

In the twelve months to 31 December 2023, the group recorded headline earnings of R42.9 billion, up 27% relative to the twelve months to 31 December 2022 and delivered a ROE of 18.8% (2022: 16.3%). This strong performance is underpinned by our robust and growing franchise and reflective of the positive momentum in all our businesses. Our Africa Regions franchise contributed 42% to group headline earnings.

In 2023, the group effectively defended and grew its banking franchise and improved banking earnings and returns. Client franchise health showed improvements across a number of metrics. Active customers grew by 6% to 18.8 million, with growth recorded in both South Africa and Africa Regions. In addition, digital retail clients in South Africa increased by 8% as more clients transitioned to our convenient digital channels. In the year, the group recorded over 2.8 billion digital transactions for retail clients, up 30% year on year, and distributed over R41.1 billion on behalf of our South African clients via our digital wallet platform. Client satisfaction scores improved across various channels, particularly digital in South Africa. The Insurance & Asset Management franchise recorded an improved insurance performance and growth in its assets under management year on year. Since the announcement of the Liberty minority buyout, the group has received over R5.7 billion in distributions related primarily to capital optimisation. In 2023, the group successfully bought out the minorities of Liberty2Degrees (L2D). L2D holds an attractive portfolio of commercial properties.

The group ended the year with a CET 1 ratio of 13.7% (2022: 13.4%). This positions the group well to reward shareholders and continue to grow. The SBG board approved a final dividend of 733 cents per share which, when combined with the interim dividend, equates to a dividend payout ratio of 55% for 2023.

Measuring our financial outcome

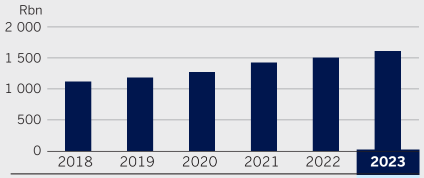
Headline earnings

The group's headline earnings is one of the components used in the determination of the group's ROE and represents the major lever in lifting the group's ROE.

Banking activities balance sheet drivers

Net loans and advances

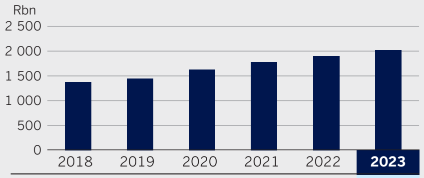
CAGR: 8%



	2018	2019	2020	2021	2022	**2023**
	1 120	1 181	1 271	1 424	1 503	**1 608**

Deposits and debt funding

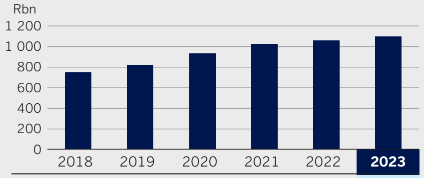
CAGR: 8%



	2018	2019	2020	2021	2022	**2023**
	1 372	1 446	1 624	1 777	1 903	**2 026**

Trading and pledged assets and financial investments

CAGR: 10%



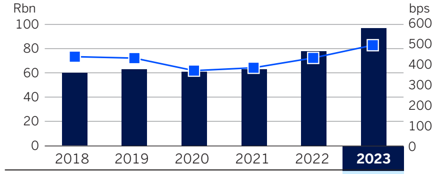
	2018	2019	2020	2021	2022	**2023**
	750	819	932	1 024	1 056	**1 096**

▲ **9%** average deposits and funding

▲ **62 bps** net interest margin

Net interest income

CAGR: 10%



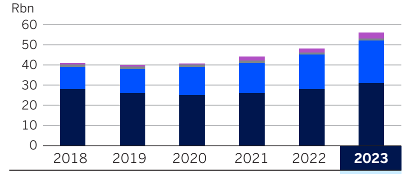
	2018	2019	2020	2021	2022	**2023**
■	60	63	61	63	78	**97**
-■-	438	431	370	384	432	**494**

■ Net interest income (Rbn)
-■- Net interest margin (bps)

➕

Non-interest revenue

CAGR: 5%



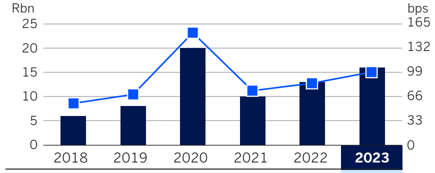
	2018	2019	2020	2021	2022	**2023**
■	28	26	25	26	28	**31**
🟦	11	12	14	15	17	**21**
▩	1	1	1	1	1	**1**
🟪	1	1	1	2	2	**3**

■ Net fee commission
🟦 Trading revenue
▩ Other revenue
🟪 Other gains and losses on financial instruments

➖

Credit impairment charges

CAGR: 21%



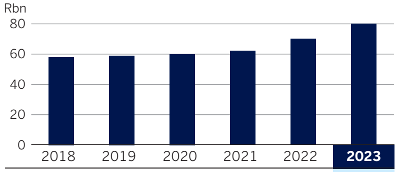
	2018	2019	2020	2021	2022	**2023**
■	6	8	20	10	13	**16**
-■-	56	68	151	73	83	**98**

■ Total credit impairments
-■- CLR

➖

Operating expenses

CAGR: 6%

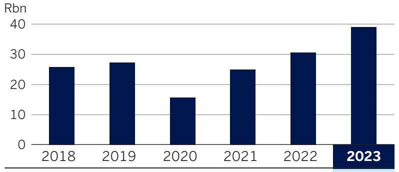


	2018	2019	2020	2021	2022	**2023**
	58	59	60	62	70	**80**

🟰

Banking activities headline earnings

CAGR: 8%

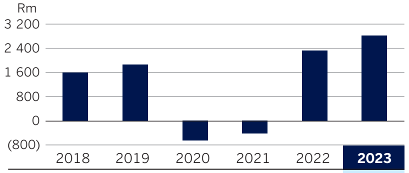


	2018	2019	2020	2021	2022	**2023**
	26	27	16	25	30	**39**

➕

IAM[1] headline earnings

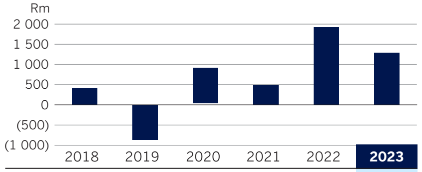
(after treasury share adjustment)



	2018	2019	2020	2021	2022	**2023**
■	1 600	1 855	(651)	(419)	2 320	**2 820**

➕

ICBC Standard Bank Plc

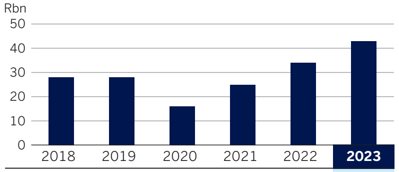


	2018	2019	2020	2021	2022	**2023**
	418	(864)	881	500	1 917	**1 286**

🟰

Group headline earnings

CAGR: 9%



	2018	2019	2020	2021	2022	**2023**
	28	28	16	25	34	**43**

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[1] IAM comprises Liberty to 2021 and IAM from 2022 onwards.

1 **Net interest income** growth was driven by strong average balance sheet growth and higher margins. The net interest margin increased by 62 bps to 494 bps. Strong margin expansion, driven by higher average interest rates (i.e. positive endowment), was moderated by pricing pressure in South Africa linked to increased competition in home loans, vehicle and asset finance, and corporate lending. Positive endowment contributed the equivalent of R10.8 billion uplift in net interest income in 2023 compared to 2022 (55 bps).

The group amended the methodology for recognising interest on stage 3 loans, which resulted in an increase in net interest income and an equal and opposite increase in credit impairment charges.

2 **Net fee and commission revenue** grew 10% due to a larger, increasingly engaged client base and annual price increases, combined with higher client trade and transactional activity. Increased client card spend and travel supported healthy growth in card and foreign exchange related fees.

Trading revenue increased by 20% to R20.5 billion, driven by increased client-backed trades as well as specific market-making opportunities linked to market dislocations which occurred during the year.

Growth in other gains on financial instruments was driven by an increase in the fair value financial investment portfolio and higher mark-to-market gains.

3 **Credit impairment charges** increased by 22% to R16.3 billion. The increase in charges was driven by new loan origination, client strain driving partial payments, negative sovereign risk migration, and new defaults in the Industrial sector and legacy exposures in the Consumer sector. In South Africa, credit impairment charges increased across all portfolios, compounded by the non-recurrence of credit recoveries on the payment holiday portfolio in 2022 (R500 million). In Africa Regions, balance sheet growth, client-specific provisions, and risk migrations led to higher credit charges.

The group's credit loss ratio increased from 83 bps in 2022 to 98 bps in 2023, at the top of the group's through-the-cycle credit loss ratio target range of 70 to 100 bps.

4 **Operating expenses** increased by 15% to R79.7 billion. Staff costs grew by 17% driven by a larger workforce, annual increases, and higher performance-linked incentives. Other operating costs grew by 12% driven by higher business activity-related spend. Software, cloud, and technology-related costs increased by 14% due to higher spend on cloud migration and software licenses as well as personalisation and other focused AI-driven projects. System stability and availability was excellent throughout the year. Amortisation declined by 4% as the group's large historic IT programs started to roll off. Growth in premises-related costs was well contained at 10%. Total income growth exceeded cost growth, resulting in strong positive jaws of 5.7% and a decline in the cost-to-income ratio to 51.4% (2022: 53.9%).

5 **Banking headline earnings** reflected a strong performance, up 31% period on period. Banking ROE increased from 16.4% to 19.5%.

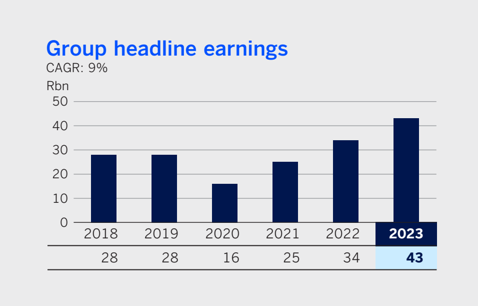
6 **Insurance and asset management** grew headline earnings by 22% to R2.8 billion in 2023 and delivered an ROE of 13.1% (2022: 10.5%). The capital coverage of the key legal entities within IAM remain robust.

Post the Liberty minority buyout in 2022, Liberty has been integrated into the group and is now included, with other related businesses, in the IAM business unit.

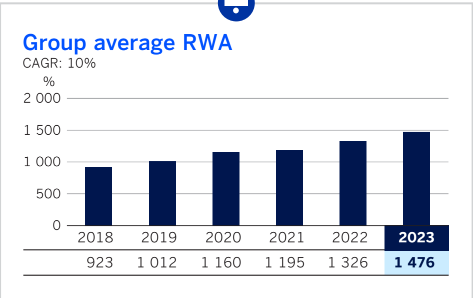
7 **ICBCS** recorded a strong operational performance in 2023 driven by increased client activity linked to market volatility. ICBCS (via the group's 40% interest) contributed R1.3 billion to group earnings (2022: R1.9 billion, R1.2 billion thereof related to the insurance settlement and R0.7 billion thereof related to ICBCS' operational performance).

Return on equity

Our ROE is the most relevant measure of our financial performance over time as it combines all of our critical drivers, including earnings growth and capital utilisation, into a single metric. We measure our return on risk-weighted assets (RoRWA) internally as a more direct measure of earnings relative to regulatory capital utilisation.

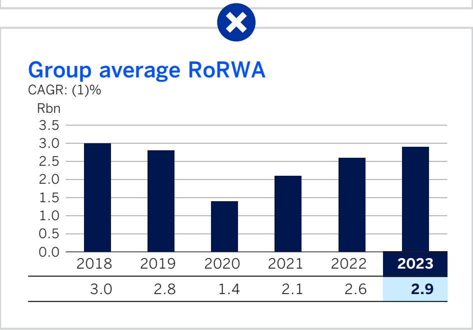


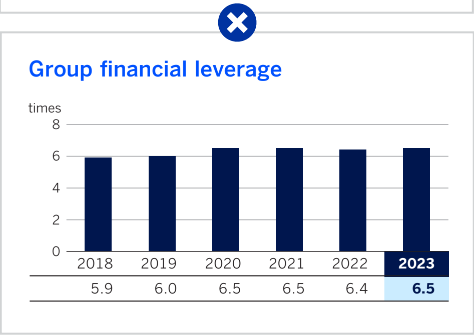
Group average RWA increase 11% to R1 476 billion, mainly due to ZAR depreciation and an increase in deposits and funding.



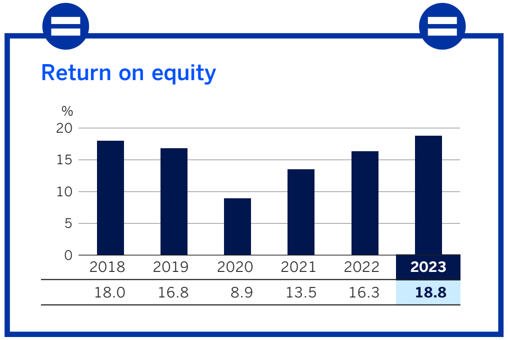
The **group's average shareholders'** equity increased by 10%, supported by strong profit growth.

Group average RoRWA increased to 2.9% (2022: 2.6%) driven by higher earnings growth and average RWA.





Financial leverage is the ratio of average RWA to average shareholders' equity. For 2023, financial leverage was 6.5 times, slightly up due to the relative increase in average shareholder's equity (10%) to higher average RWA (11%).



In 2023, the **group's ROE** increased to **18.8%**, moving into our medium-term target range of 17% – 20%.

Our performance

Our income statement

The income statement reflects the revenue generated and costs incurred by our business activities, with material income statement line items explained.

A detailed analysis on the group's financial performance, and the principal headline earnings drivers for growth in our ROE is on **page 67**.

For further detail on the group results, including definitions, and details of restatements to previously reported figures, please refer to the Standard Bank Group analysis of financial results 2023 **here**.

Income statement

for the year ended 31 December 2023

	CCY %	Change %	2023 Rm	2022[1] Rm
Ⓐ Net interest income	30	25	**98 188**	78 391
Ⓑ Non-interest revenue	19	13	**62 003**	54 965
Ⓒ Net income from insurance and asset management activities	45	22	**17 425**	14 761
Total net income	26	20	**177 616**	148 117
Credit impairment charges	24	22	**(16 261)**	(13 343)
Net income before operating expenses	26	20	**161 355**	134 774
Ⓓ Operating expenses	17	13	**(94 749)**	(83 533)
Net income before non-trading and capital related items	40	30	**66 606**	51 241
Ⓔ Non-trading and capital related items	(>100)	>100	**1 487**	328
Share of post-tax profit from associates and joint ventures	(27)	(27)	**1 648**	2 265
Profit before indirect taxation	40	30	**69 741**	53 834
Ⓕ Indirect taxation	27	10	**(3 373)**	(3 077)
Profit before direct taxation	41	31	**66 368**	50 757
Ⓕ Direct taxation	47	37	**(16 065)**	(11 717)
Profit for the period	39	29	**50 303**	39 040
Attributable to ordinary shareholders	39	29	**44 211**	34 243
Attributable to other equity instrument holders	76	76	**(1 762)**	(999)
Ⓖ Attributable to non-controlling interests	32	14	**(4 330)**	(3 798)
Headline adjustable items	>100	>100	**(1 263)**	(390)
Standard Bank Group headline earnings	34	27	**42 948**	33 853
Standard Bank Group Franchise headline earnings	39	30	**41 662**	31 936
Banking	40	31	**38 842**	29 616
Insurance & Asset Management	29	22	**2 820**	2 320
ICBCS	(40)	(33)	**1 286**	1 917

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[1] Restated due to adoption of accounting polices.

Ⓐ Net interest income

What is it: the interest received on lending products that we offer to our clients and investment in debt instruments, less the interest paid on the deposits that our clients place with us and debt funding sourced from other lenders.

Drivers: number of clients, product offerings and pricing, level of economic and client activity, foreign exchange, pricing in commodities and equity capital markets, competition and market volatility.

Ⓑ Non-interest revenue

What is it: comprises net fee and commission revenue, trading revenue and other revenue.

Drivers: number of clients, transactional banking volumes and pricing, capital markets activity, trading volumes and market volatility, property-related revenue, and income from bancassurance and unlisted investments.

Ⓒ Net income from insurance and asset management activities

What is it: comprises insurance service result (insurance revenue, depicting the provision of services arising from a group of insurance contracts, less insurance service expense, which comprise the actual incurred risk claims and other incurred insurance expenses on insurance contracts), insurance finance income/(expenses) and investment and protection/risk advice and products.

Drivers: number of policies, market volatility, underwriting performance and investment return.

Ⓓ Operating expenses

What it is: costs that are incurred to generate future and current revenues

Drivers: inflation, headcount, investments in branch and IT infrastructure which results in amortisation, general costs to operate (including those related to innovation and work efficiency programmes), and operational losses.

Ⓔ Non-trading and capital related items

What it is: items typically excluded from headline earnings, for example, gains and losses on the disposal of businesses and property and equipment, impairment of goodwill and intangible assets.

Drivers: obsolescence and asset replacement, operational performance and changes in market prices, which result in impairment on goodwill and intangible assets, and corporate activity resulting in disposal-related gains.

Ⓕ Direct and indirect taxation

What it is: includes both direct income taxes (and related deferred tax in terms of IFRS) and indirect taxes, including withholding tax and value-added tax.

Drivers: corporate tax rates in the countries in which the group operates, level of profitability of our operations, interest income from certain bonds and treasury bills, dividends on investments that are exempt, and costs that are not tax deductible.

Ⓖ Attributable to non-controlling interests

What it is: portion of profit generated which is attributable to minority shareholders in entities in which we own less than a 100% interest.

Drivers: level of profitability of these entities, and other shareholders' interest in our subsidiaries.

Our resilient balance sheet

The balance sheet or statement of financial position shows the position of the group's assets, liabilities and equity, and reflects what the group owns, owes and the equity attributable to shareholders.

Balance sheet

as at 31 December 2023

	Change %	2023 Rm	2022[1] Rm
Assets			
Cash and balances with central banks	20	**137 787**	114 483
Ⓐ Derivative assets and trading assets	6	**413 934**	389 328
Pledged assets	5	**20 210**	19 308
Disposal group assets held for sale	(58)	**235**	555
Financial investments	5	**758 776**	722 494
Current and deferred tax assets	2	**9 784**	9 585
Ⓑ Loans and advances	7	**1 608 846**	1 504 940
Ⓒ Insurance contract assets	(11)	**1 631**	1 830
Ⓒ Reinsurance contract assets	(2)	**5 422**	5 522
Receivables and other assets	(16)	**33 482**	39 647
Interest in associates and joint ventures	22	**12 173**	9 956
Investment property	4	**30 444**	29 289
Property, equipment and right of use assets	–	**20 298**	20 340
Ⓓ Goodwill and other intangible assets	(16)	**12 723**	15 120
Total assets	6	**3 065 745**	2 882 397
Equity and liabilities			
Ⓕ **Equity**	7	**276 920**	258 866
Equity attributable to ordinary shareholders	8	**236 445**	218 197
Ⓔ Equity attributable to other equity holders	23	**24 167**	19 667
Equity attributable to non-controlling interests	(22)	**16 308**	21 002
Liabilities	6	**2 788 825**	2 623 531
Ⓐ Derivative and trading liabilities	2	**197 841**	194 977
Ⓖ Deposits and debt funding	6	**2 001 646**	1 889 099
Ⓒ Financial liabilities under investment contracts	11	**151 035**	136 309
Ⓒ Insurance contract liabilities	8	**251 389**	231 849
Subordinated debt	2	**32 227**	31 744
Provisions and other liabilities	11	**157 687**	139 553
Total equity and liabilities	6	**3 065 745**	2 882 397

[1] Restated due to adoption of accounting polices.

Ⓐ Derivative and trading assets and liabilities

What it is: derivative assets and liabilities include transactions with clients for their trading requirements and hedges of those client positions with other market positions and hedges of certain group risks. Trading assets and liabilities are held by the group to realise gains from changes in underlying market variables.

Drivers: number of clients, product offerings, level of economic and client activity in debt, foreign exchange, commodities and equity capital markets, competition, and market volatility.

Ⓑ Loans and advances

What it is: includes our lending to banks and our clients

Drivers: number of clients, product offerings, competition, level of economic and client activity, repayments and level of credit impairments.

Ⓒ Insurance and reinsurance contract assets and liabilities

What is it: Assets and liabilities relating to IFRS 17 insurance and investment portfolio balances.

Drivers: number of policies, market volatility, underwriting performance and investment return.

Ⓓ Goodwill and other intangible assets

What it is: represents the excess of the purchase price over the fair value of business that we acquire, less impairments, where applicable, and the cost of internally developed IT assets less amortisation and impairments (where applicable).

Drivers: corporate activity, investment in IT and digital capabilities to better serve our clients.

Ⓔ AT1 capital issued

What it is: the group's Basel compliant AT1 capital bonds that qualify as tier 1 capital. The capital notes are perpetual, non-cumulative with an issuer call option and contain certain regulatory prescribed write-off features

Drivers: regulatory capital requirements, and growth in RWA.

Ⓕ Standard Bank Group – total equity

What it is: the total of the group's ordinary and preference share capital, AT1 capital, foreign currency translation reserve, minority interests and other reserves.

Drivers: income statement drivers, changes in foreign exchange rates, and regulatory capital requirements.

Ⓖ Deposits and debt funding and subordinated debt

What it is: provides the group with the funding to lend to clients, fulfilling the group's role in connecting providers of capital with those that require additional capital and thereby contributing to the functioning of the broader financial system.

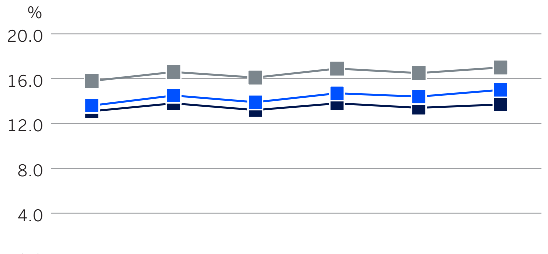
Drivers: client demands, transactions and savings.

Maintaining a robust balance sheet

Capital management, funding and liquidity

The group's CET 1 ratio (including unappropriated profits) was 13.7% as at 31 December 2023 (31 December 2022, 13.4%). The group's Basel III liquidity coverage ratio and net stable funding ratio both remained well above the 100% regulatory requirements.

Capital adequacy



	2018	2019	2020	2021	2022[1]	**2023**
-■-	13.1	13.8	13.2	13.8	13.4	**13.7**
-■-	13.6	14.5	13.9	14.7	14.4	**15.0**
-■-	15.8	16.6	16.1	16.9	16.5	**17.0**

-■- Common equity tier I capital
-■- Tier I capital
-■- Total regulatory capital

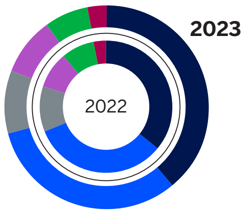
[1] 2022 was restated due to the adoption of new accounting standards.

Loans and advances

Gross loans and advances grew by 7% year on year to R1.7 trillion. Subdued growth across the retail portfolios together with a decline in business lending was more than offset by strong growth in the Corporate and Sovereign lending portfolio. Higher interest rates negatively impacted demand and affordability and resulted in a slowdown across mortgages, card and personal unsecured lending in the second half of 2023. In South Africa, personal unsecured loan applications increased but approvals declined. The business lending portfolio declined by 5% due to lower client demand linked to elevated rates, reduced appetite to invest, and higher early repayments. Renewable-energy deals and higher demand for trade facilities supported the corporate portfolio. The Africa Regions' loans and advances to customers grew by 20% in CCY but was flat in ZAR.

Total provisions increased 15% to R64.0 billion. Total coverage increased from 3.6% at 31 December 2022 to 3.8% at 31 December 2023 driven by an increase in stage 3 loans and related provisions. Stage 3 coverage decreased marginally from 50% at 31 December 2022 to 47% at 31 December 2023 driven by the increase in proportion of early stage non-performing (stage 3) loans which attract lower coverage.

Composition of loans to customers (%)

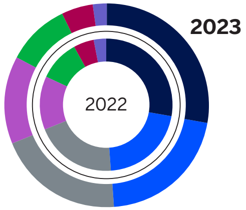


	2023	2022
■ Corporate and sovereign lending	**39**	36
■ Home services	**32**	33
■ Business lending	**10**	11
■ Vehicle and asset finance	**9**	9
■ Personal lending	**7**	8
■ Card and payments	**3**	3

Deposits and funding

Deposits from customers increased by 7% year on year to R1.9 trillion, driven by ongoing underlying client franchise growth. Wholesale-priced deposits grew by 7% and retail-priced deposits grew by 4%. Deposits from banks decreased by 4% year on year. Current and savings balances growth slowed as clients increased spending and/or moved their funds to take advantage of more attractive interest rates. Term deposits grew by 12%.

Composition of deposits from customers (%)



	2023	2022
■ Call deposits	**28**	28
■ Term deposits	**22**	21
■ Current accounts	**20**	20
■ Cash management deposits	**14**	13
■ Negotiable certificates of deposits	**9**	10
■ Other deposits	**5**	5
■ Savings accounts	**2**	3

Regional performance

SBSA overview

Given the strain in the South African operating environment, SBSA's headline earnings grew by 3% to R16 756 million with a ROE of 14.6% (2022: 15.2%).

SBSA contributed 39% of SBG's earnings performance (2022: 48%). Headline earnings were constrained by higher credit impairment charges, as well as higher operating expenses growth. Cost growth of 16.4% outpaced income growth of 13.4% which resulted in negative jaws of 2.9% and a cost-to-income ratio of 60.4% (2022: 58.8%).

Balance sheet metrics remained strong, with a CET 1 capital ratio of 12.7%, LCR of 127.4% and NSFR of 107.0%, all above the regulatory minimum requirements and board-approved targets. Capital optimisation initiatives focused on a combination of demand and mix of the portfolio after considering the appropriateness of buffers and future changes in regulations. Deposit diversification across the South African ZAR and foreign currency funding portfolio supported competitive funding costs while sustainably underpinning client lending growth in key sectors.

SBSA continues to focus on driving sustainable growth in South Africa by utilising its strong balance sheet position to grow market share in selected segments. SBSA will continue to support its clients to navigate through the challenging macroeconomic environment and be a partner for enabling the energy transition in the country. SBSA is on track to deliver franchise growth and financial outcomes to assist the group in achieving its 2025 targets.

African Regions overview

The Africa Regions franchise headline earnings grew 49% to R18 209 million, and ROE improved to 28.1% (2022: 21.0%). The top eight contributors to Africa Regions headline earnings were Ghana, Kenya, Mauritius, Mozambique, Nigeria, Uganda, Zambia and Zimbabwe.

Strong portfolio diversification resulted in Africa Regions' contribution to the Standard Bank Group headline earnings increasing to 42% in 2023 (2022: 36%).

Global economic conditions continued to be challenging in 2023 marked by effects of global geopolitical tensions including the multiple conflicts across Africa, which resulted in sustained high inflation rates, weaker local currencies and elevated interest rates that continued to weigh on developing economies. High debt service costs continued to place pressure on highly indebted sovereigns with elevated default risk remaining a concern across the continent. African countries with high exposure to dollar-denominated economic activity were impacted by the USD appreciation and as a result exchange rate volatility persisted, with significant local currency devaluations, predominantly in Nigeria, Angola and Malawi. The business continued to support its clients and sovereigns as they navigated through these challenges.

Income growth of 24% outpaced operating expenses growth of 15% resulting in positive jaws of 9.0% and an improved cost-to-income ratio of 45.4% (2022: 49.0%).

Balance sheet growth was supported by an increase in loans and advances to customers of 20% (CCY) driven by ongoing momentum in corporate loan origination as well as demand for trade facilities particularly in West Africa. This, together with employee scheme lending initiatives, as well as strong asset pipeline conversion and increased levels of disbursements in business lending further supported growth. Steady progress was made on the diversification of funding sources across the region continued to make steady progress.

The business remains focused on delivering superior client experience, building sustainable solutions to enable the continent to achieve its energy transition and is well positioned to deliver against its strategy. Ongoing investment in client journeys and digital capabilities will continue to support business growth. Countries are on track to deliver franchise growth and financial outcomes to assist the group in achieving its 2025 targets.

Looking ahead

In 2024, while global risks are expected to persist, the IMF is forecasting a soft landing. Inflation is expected to continue to fall providing scope for interest rate cuts. The IMF expects global real GDP growth to be 3.1% in 2024, in line with 2023. Real GDP growth in sub-Saharan Africa is expected to accelerate from 3.3% to 3.8% as higher levels of growth in East Africa more than offsets lower growth in South Africa and Nigeria. The interest rate outlook is mixed. While some markets may still see interest rate increases in early 2024 (Angola, Kenya, Nigeria and Zambia), most markets are expected to start cutting interest rates in the second half of 2024.

Overall the outlook is positive but the region remains at risk of global shocks and climate events. In addition, 13 countries in sub-Saharan Africa will hold elections in 2024, including six where the group operates, namely Botswana, Ghana, Mauritius, Mozambique, Namibia, and South Africa. In South Africa, inflation is expected to decline to 5.0% on average in 2024, supported by a lack of demand-driven inflation, a lack of wage pressure and favourable base effects. The repo rate is expected to decline to 7.5% by year end (Standard Bank Research: three cuts of 25 bps each starting in July 2024 and one 25 bps cut in 2025). The electricity shortfall is expected to ease notably, relative to that experienced in 2023, driven by an increase in Eskom supply and the ongoing expansion of private sector generation capacity. Actions to ease the logistics constraints are also expected to gather pace. Together, this should support an improvement in real GDP growth to 1.2% in 2024. The South African election outcome is not expected to drive a change in policy direction. Accordingly, the continued gradual policy reform should be growth-supportive over time. Any acceleration in resolving the electricity, road, rail, and port constraints would aid this further. While organic growth (in constant currency) is expected to remain relatively robust, the group's year-on-year trends in its reported currency (ZAR) will be dampened by the currency devaluations experienced in certain of our Africa Regions' countries in 2023 and forecast for 2024. The guidance that follows is based on year-on-year movements in ZAR.

For the twelve months to 31 December 2024, we expect average interest rates to be marginally down and pricing to remain competitive. Balance sheet growth is expected to remain slow in the first half of 2024, but improve in the second half. Accordingly, net interest income is expected to be up low-to-mid single digits year on year. Fee and commissions are expected to grow at mid-single digits supported by a larger client base, increased client activity and higher client spend. Trading revenue is likely to decline off a high base in 2023, but will be subject to market developments and client flow. While there is a heightened focus on costs, we need to continue to invest in our business to remain competitive and grow. Banking revenue growth is expected to be similar to banking cost growth and jaws flat to positive.

Our clients are likely to remain constrained until interest rates start to decline. Credit impairment charges are expected to peak in the first six months of 2024, driven primarily by ongoing strain in PPB. For 2024, the credit loss ratio is expected to remain within but near the top of the group's through-the-cycle credit loss ratio range of 70 to 100 bps. A continued improvement in IAM earnings is expected to be partially offset by a decline in ICBCS earnings (off a high base). The group's 2024 ROE is expected to remain well anchored inside the group's target range of 17% to 20%.

While uncertainty is expected to remain elevated, our business is well diversified, growing, and resilient. We are focused on delivering against our strategic priorities and remain on track to deliver on our 2025 targets. The group is also on track to deliver against its ambitious sustainable finance and renewable energy targets.

In 2024, we will continue to support our clients, develop our employees, and deliver sustainable growth and value to our shareholders and other stakeholders. In addition, as a leading financial institution on the continent, we recognise our responsibility to deliver positive impact. We do so by delivering against our purpose of driving Africa's growth.

Maximising positive impact

We are committed to driving sustainable and inclusive economic growth while having a positive impact on people and the planet.

In 2018, we adopted social, economic and environmental impact as a value driver and, at the time, identified seven core impact areas. In 2023, we refined this to four areas aligned to our core business activities and linked to specific SDG targets. We also continue to invest in our CSI programmes to make a difference in the lives of beneficiaries, help connect our people to our communities and to build pride in our brand.

1 Enterprise and job creation

UN SDG

SDG Target 9.3: Increase small enterprises' access to financial services, including affordable credit, and their integration into value chains and markets

SBG focus

- Facilitate African trade and investment
- Strengthen the agriculture value chain
- Support game-changing tech startups solving real-world problems

Impact in 2023

- Facilitated trade transactions to the value of R953 billion within BCB
- Provided credit solutions tailored for agri-SMEs
- Enabled access to 150 000 work opportunities through our partnership with Founders Factory Africa

2 Infrastructure development and the just energy transition

UN SDG

SDG Target 7.1 and 7.2: Achieve universal access to affordable, reliable and modern energy services, and increase substantially the share of renewable energy in the global energy mix

UN SDG

SDG Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

SBG focus

- Enable Africa's just energy transition and support improved access to affordable energy
- Provide finance for critical infrastructure in sectors such as transport, water, and telecommunications

Impact in 2023

- Mobilised R15.5 billion for new renewable energy power plants
- Financed telecoms infrastructure in the DRC, roads infrastructure in Malawi and affordable housing in South Africa

3 Climate change mitigation and resilience

UN SDG

SDG Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

UN SDG

SDG Target 15A: Mobilise and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems

SBG focus

- Partner with our clients to support their transition journey and strengthen their resilience
- Provide sustainable finance solutions to incentivise sustainable business practices
- Provide climate smart agriculture financing solutions
- Provide green-aligned solutions for homeowners and business owners

Impact in 2023

- Financed Africa's first nature conservation loan for USD80 million, supporting nature conservation and biodiversity protection
- Provided finance of over R600 million for climate smart agriculture solutions
- Disbursed R147 million to homeowners and R843 million to businesses for solar installations in South Africa

4 Financial inclusion

UN SDG

SDG Target 8.3: Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of SMEs, including through access to financial services

UN SDG

SDG Target 11.1: Facilitate access to adequate, safe and affordable housing

SBG focus

- Support SME owners with access to finance, capacity building, networking and access to markets
- Provide solutions tailored for women and young people
- Provide access to finance for affordable housing and provide solutions for borrowers who get into difficulty

Impact in 2023

- Lent R2.6 billion to 4 659 new affordable housing mortgage customers
- Provided R50.7 million to 615 students who would not usually qualify for finance
- Reached 28.6 million people through WalletWise, our radio-based financial education campaign, and 105 000 people through in-person and virtual financial education sessions.

5 Corporate social investment

Spending on programmes and initiatives in South Africa totalled R142.2 million and R85.8 million in Africa Regions.

UN SDGs

Read more about our impact areas and corporate social investment initiatives in our **report to society**.

GOVERNANCE

Our leadership and how we approach value creation in relation to good governance practices.

Our governance outcomes

OUR GOVERNANCE OUTCOMES

We have well-defined governance structures embedded across the group, supporting our ability to create and preserve value, while guarding against value erosion.

Our approach to corporate governance enables integrated thinking and decision-making, balancing the achievement of our strategic priorities over time and reconciling the interests of the group, stakeholders and society by creating and protecting sustainable shared value and guarding against value erosion in the short, medium and long term.

As an integral part of the societies in which we operate and on which we depend for our licence to operate, we recognise our duties as a responsible corporate citizen to act in a manner that benefits these societies.

Our governance framework

Our board-approved governance framework is embedded in all the group's operations and is designed to provide clear direction for responsive decision-making and to support responsible behaviour.

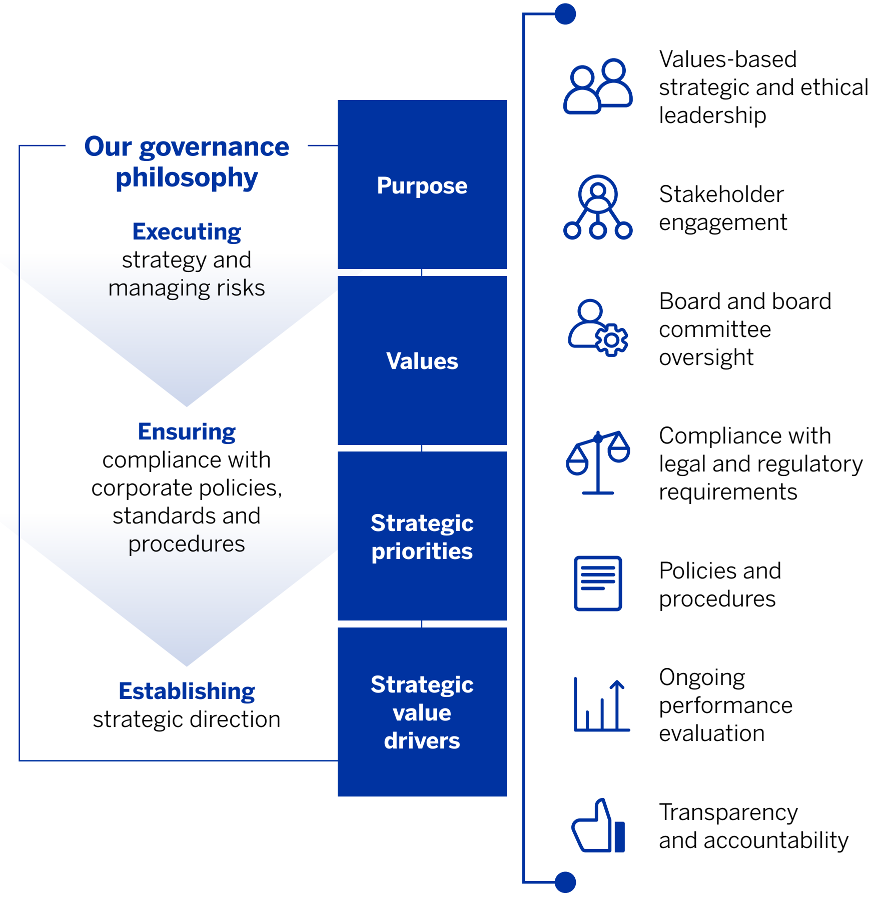
King IV forms the cornerstone of our governance approach. Our application of its principles is embedded throughout our governance framework, allowing us to achieve the good governance principles of ethical culture, good performance, effective control and legitimacy.

Read more about how we apply King IV in our **governance report**.

We implement our framework principles to:

- Ensure the pursuit of strategic opportunities within the board-approved risk appetite, supporting a prudent balance of risk and return.
- Provide controls that are effective in avoiding financial loss or reputational damage due to misconduct or unethical behaviour.
- Embed the principle of doing the right business, the right way and ensuring ethical business practices are embedded within and across our markets.
- Support our legitimacy as a responsible corporate citizen, enhancing the resources and relationships we rely on today for the future benefit of the group, our clients, employees, stakeholders and society.

Our ability to anticipate and respond effectively to change underpins our governance philosophy and supports the acceleration of our strategy, including how the board provides counsel and oversight. Our philosophy supports the digital enablement of governance, allowing the group to adequately introduce new operating models, understand the opportunities and risks associated with accelerating the strategy and managing constraints, and effectively allocating our resources in an ever-changing world to deliver and protect sustainable shared value.



Our board of directors

Our directors have deep experience and diverse skills, enabling the board to provide informed counsel, rigorous oversight and independent interrogation in leading integrated thinking in the group, and when guiding the group leadership council in the design and delivery of the group's strategy.

Non-executive directors provide independent and objective judgement. They constructively challenge and monitor executive management's delivery of strategy within the approval framework and risk appetite agreed by the board. The size of the board is considered appropriate for the group.

SBG board composition (at publication)

GENDER

10	5
Male	Female

INDEPENDENCE

9	4	2
Independent non-executive directors	Non-executive directors	Executive directors

RACE[1]

5	5	5
Non-South African	Black South African	White South African

Overall board meeting attendance **97%**

AGE (between)

2	3	10
40 – 49	50 – 59	60 – 69

NON-EXECUTIVE DIRECTOR TENURE

5	2	5	1
<3 years	3 – 6 years	6 – 9 years	>9 years

NATIONALITY

Kenyan	Nigerian	Chinese	South African
1	2	2	10

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[1] As defined by South African B-BBEE regulations.

The majority of the board are independent non-executive directors.

Diversity

The board's composition is intended to reflect the markets in which we serve. In addition to diversity of skills and experience, care is also taken to ensure diversity in race, gender and geographic representation. The board's promotion of gender and race diversity policy was approved in 2018 with a voluntary target of 33% female representation on the board by 2020. Having achieved this, the board revised its female representation target to 40% by 2025. The board, as well as four board committees, are chaired by female board members. The board resolved to maintain the race diversity targets in line with the management control scorecard as set out in the Amended Financial Sector Code of 2017.
The board continues to consider these targets in the implementation of its succession plans and is satisfied with the progress made.

Read more about the skills of the board on **page 83**.

CHAIRMAN AND DEPUTY CHAIRMEN | LEAD INDEPENDENT DIRECTOR | EXECUTIVE DIRECTORS | NON-EXECUTIVE DIRECTORS

Board of directors

Appointed · Board meeting attendance

CHAIRMAN

Nonkululeko Nyembezi 64

Independent non-executive chairman, SBG and SBSA

Appointed	1 January 2020
Appointed chairman	1 June 2022

Committee membership ◌🔵 🟤 ⚫ 🔴 🟠 🟢 | 7/7

DEPUTY CHAIRMAN

Xueqing Guan 60

Senior deputy chairman, SBG, and non-executive director, SBG and SBSA

1 August 2020

Committee membership 🔵 🟤 ⚫ | 5/7

DEPUTY CHAIRMAN

Jacko Maree 68

Deputy chairman, SBG, and independent non-executive director, SBG and SBSA

21 November 2016

Committee membership 🟤 🔴 ◌🟡 🟢 🟠 | 7/7

LEAD INDEPENDENT DIRECTOR

Trix Kennealy 65

Lead independent director, SBG, and independent non-executive director, SBSA

1 May 2016

Committee membership 🔵 ◌🟣 🟤 ◌🟠 | 7/7

EXECUTIVE DIRECTOR

Sim Tshabalala 56

Chief executive officer, SBG, and executive director, SBSA

7 March 2013

Committee membership ⚫ 🔴 🟡 🟢 | 7/7

EXECUTIVE DIRECTOR

Arno Daehnke 56

Chief finance and value management officer, SBG, and executive director, SBG and SBSA

1 May 2016

Committee membership ⚫ 🟡 🟢 | 7/7

COMMITTEES

- 🔵 DAC – Directors' affairs committee
- 🟣 GAC – Group audit committee
- 🟤 GRCMC – Group risk and capital management committee
- ⚫ GITC – Group information technology committee
- 🔴 GSESC – Group social, ethics and sustainability committee
- 🟠 REMCO – Group remuneration committee
- 🟡 GMAC – Group model approval committee
- 🟢 LECC – Large exposure credit committee
- ◌ Committee chairman

Read more about our board's skills and qualifications in the **governance report** and **online**.

CHAIRMAN AND DEPUTY CHAIRMEN | LEAD INDEPENDENT DIRECTOR | EXECUTIVE DIRECTORS | **NON-EXECUTIVE DIRECTORS**

NON-EXECUTIVE DIRECTOR

Lwazi Bam 52

Independent non-executive director, SBG and SBSA

1 November 2022

Committee membership 🟣 🟤 🔴 🟢 | 7/7

NON-EXECUTIVE DIRECTOR

Paul Cook 43

Independent non-executive director, SBG and SBSA

22 February 2021

Committee membership ◌⚫ 🔴 🟡 | 7/7

NON-EXECUTIVE DIRECTOR

Sola David-Borha 63

Non-executive director, SBG and SBSA

13 March 2024

Committee membership

NON-EXECUTIVE DIRECTOR

Geraldine Fraser-Moleketi 63

Independent non-executive director, SBG and SBSA

21 November 2016

Committee membership 🔵 🟤 ◌🔴 | 7/7

NON-EXECUTIVE DIRECTOR

Ben Kruger 64

Independent non-executive director, SBG and SBSA

6 June 2022

Committee membership ◌🟤 ⚫ 🟠 ◌🟢 | 7/7

NON-EXECUTIVE DIRECTOR

Li Li 46

Non-executive director, SBG and SBSA

11 November 2021

Committee membership 🔵 🟤 ⚫ As alternate to Xuequin Guan | 6/7

NON-EXECUTIVE DIRECTOR

Nomgando Matyumza 61

Independent non-executive director, SBG and SBSA

21 November 2016

Committee membership 🔵 🟣 🟤 🟠 | 7/7

NON-EXECUTIVE DIRECTOR

Martin Oduor-Otieno 67

Independent non-executive director, SBG and SBSA

1 January 2016

Committee membership 🟣 ⚫ 🔴 | 7/7

NON-EXECUTIVE DIRECTOR

Atedo Peterside CON 68

Non-executive director, SBG and SBSA

22 August 2014

Committee membership 🔵 ⚫ 🟠 | 7/7

COMMITTEES

- 🔵 DAC – Directors' affairs committee
- ⚫ GITC – Group information technology committee
- 🟡 GMAC – Group model approval committee
- 🟣 GAC – Group audit committee
- 🔴 GSESC – Group social, ethics and sustainability committee
- 🟢 LECC – Large exposure credit committee
- 🟤 GRCMC – Group risk and capital management committee
- 🟠 REMCO – Group remuneration committee
- ◌ Committee chairman

Read more about our board's skills and qualifications in the **governance report** and **online**.

Value creation through good corporate governance principles

The board continues to ensure that it maintains its commitment to high standards of corporate governance through transparency, good performance, effective controls, integrity and a sound, ethical culture across the group.

Our corporate governance approach rests on the following clear commitments

Promoting
transparency, accountability and empathy in managing our stakeholder relationships

Stakeholder engagement: **page 19**.

Delivering
a positive impact on society, the economy and the environment through our business activities

Positive impact: **page 73**.

Adhering
to applicable regulatory and governance standards

Compliance: **page 61**.

Instilling
an ethical and risk-aware culture that recognises that the trust our stakeholders have in us is the foundation of our legitimacy and the basis on which we are able to compete, collaborate and change.

Ethics: **page 61**.

This is achieved through the following mechanisms:

Internal controls	Adherence to frameworks, standards, mandates and policies, and the memorandum of incorporation (MOI), which cover all aspects of the group's activities.
External regulations	Compliance with all applicable regulatory requirements, including the South African Banks Act, Companies Act, Basel Corporate Governance Principles for Banks, JSE Listings Requirements and King IV.

SUMMARY OF KEY GOVERNANCE PRACTICES APPLIED

Leadership, ethics and corporate governance

The governance framework outlines the board's governance structures to ensure effective board oversight.

The board and executive management set the tone from the top to instil an ethical culture.

The group's approach to ethics is based on **three ethics pillars**, linked to our purpose and values:

- Conduct in the market
- Personal conduct
- Societal conduct

A groupwide personal account trading policy, as well as the directors' and prescribed officers' dealing in group securities policies, prohibit directors and employees from trading in group securities during closed periods.

The group does not fund political parties outside of South Africa and donations are made directly to the Independent Electoral Commission in South Africa.

Strategy, performance and reporting

The board reviews quarterly business performance updates.

The board receives regular feedback on operational performance across its subsidiaries.

An annual board strategy summit is held to discuss the context for the group's strategic delivery, business unit strategic initiatives, people and culture priorities and technology plan.

The maximum number of board appointments for non-executive directors is limited to four directorships on listed entities.

All board members declare any conflicts of interest in respect of matters on the agenda at each board meeting.

Directors have unrestricted access to executive management and company information.

Governing structures and delegation of authority

The board governance framework includes its corporate governance structure, the subsidiary governance framework and board approved committee mandates.

Ongoing director education is scheduled in advance and forms part of the board's annual calendar.

Director appointment process is in line with the board nomination and appointment policy and considers the board's skills matrix.

Board continuity plans are in place for orderly succession of both board and senior executives.

An annual independence assessment of directors is approved, using the criteria set out in King IV and the SARB Prudential Authority Directive 4 of 2018.

The role of chairman is separate from that of CEO with clear division of responsibilities.

The group has a delegation of authority framework in place which is reviewed annually.

An annual board evaluation process is performed through mandate self-reviews, an externally facilitated independent effectiveness evaluation (every other year) and one-on-one discussions.

Read more about our governance practices in the full **governance report**.

Risk oversight of climate-related financial risk

The board has delegated oversight of risk management, including climate-related financial risk and climate risk associated with our own operations to the GRCMC. Climate risk is governed as a component of environmental and social risk under the ESG risk governance framework and embedded within our enterprise-wide risk management system, and specifically our environmental and social management system (ESMS). This aims to ensure that executive management has an integrated view of our ESG risks, thereby enabling effective risk management. The framework explicitly incorporates climate-related risk and provides processes and accountability for climate-related risk identification, classification, analysis, monitoring and reporting.

Read more in our **climate-related financial disclosures report**.

Governing sustainability

The group is committed to driving sustainable and inclusive economic development across Africa. As Africa's largest banking group by assets, the board recognises the impact of the group's business activities on the societies, economies and environments in which it operates. The group has embedded considerations on ethics and conduct, people and culture, and environmental and social risk management into its corporate strategy and day-to-day decision-making. It consistently works to optimise the positive impact and mitigate negative impact arising from our business decisions and activities. The board has mandated the GSESC with oversight over social and sustainability matters. It considers and monitors the environmental impact of the group's activities, including climate change, and approves the group's environmental and sustainability initiatives, including any frameworks and policies, and oversees implementation thereof.

Read more in our **sustainability disclosures report**.

Ongoing director education

Ongoing director education contributes to the board's awareness of relevant trends and the development of skills to offer relevant counsel and provide effective oversight as the group delivers against its strategic objectives. In addition, directors are kept abreast of applicable laws and regulations, changes to legislation, standards and codes, as well as relevant financial sector developments that could affect the group and its operations.

Ongoing director education dates are scheduled in advance and form part of the board's annual calendar.

Read more about our governance practices and outcomes in the **governance report**.

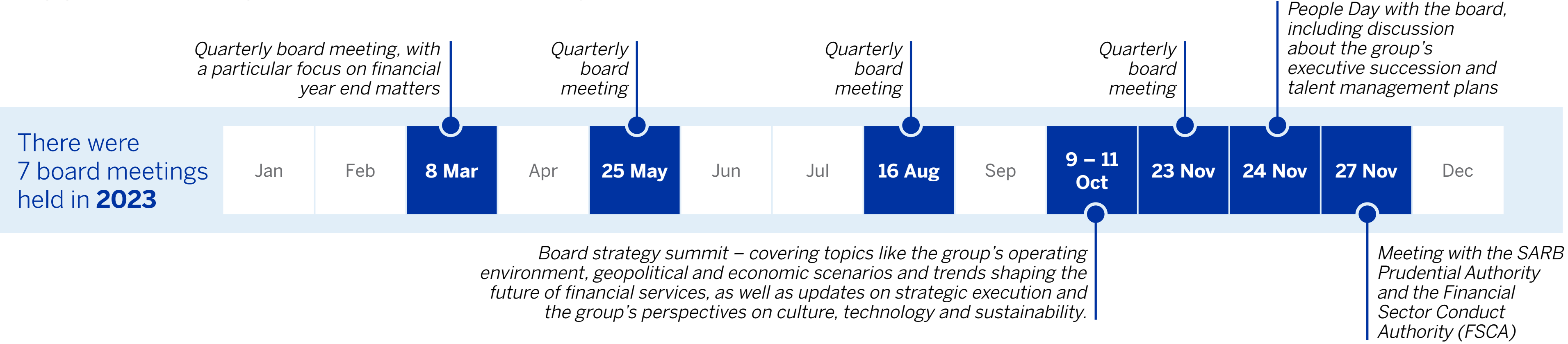
Board effectiveness assessment

The board conducted an internal evaluation of its board effectiveness in 2023. The results of the effectiveness review indicate that the overall board performance and that of its committees was considered effective. The board is satisfied that the insights gained from the evaluation process continue to reflect a maturing trajectory in the performance and effectiveness of the board.

A summary of findings from the review can be found in the **governance report**.

Board meetings

During 2023, the board continued to adopt an interactive in-person model of engagement, while allowing for virtual attendance where necessary.



There were 7 board meetings held in **2023**

8 Mar: *Quarterly board meeting, with a particular focus on financial year end matters*

25 May: *Quarterly board meeting*

16 Aug: *Quarterly board meeting*

9 – 11 Oct: *Board strategy summit – covering topics like the group's operating environment, geopolitical and economic scenarios and trends shaping the future of financial services, as well as updates on strategic execution and the group's perspectives on culture, technology and sustainability.*

23 Nov: *Quarterly board meeting*

24 Nov: *People Day with the board, including discussion about the group's executive succession and talent management plans*

27 Nov: *Meeting with the SARB Prudential Authority and the Financial Sector Conduct Authority (FSCA)*

Balancing our value outcomes and providing effective oversight

The board and its committees considered the following key items in addition to the standard agenda items according to their mandates.

CLIENT FOCUS	▪ considered strategic progress made by the group and business units on their strategic and digitisation journeys	▪ reviewed updates on client onboarding processes, including the effectiveness of Know Your Client (KYC) and Anti-Money Laundering and Combating Terrorist Financing (AML/CFT) controls	▪ reviewed the group's complaints management programme and management's commitment to addressing issues raised by clients.
EMPLOYEE ENGAGEMENT	▪ reviewed the group's progress against transformation, diversity and inclusion targets	▪ considered the results from the annual 'Are you a Fan?' employee engagement survey	▪ reviewed executive succession and talent management planning.
RISK AND CONDUCT	▪ reviewed the quarterly risk management report ▪ considered the impact of the ongoing geopolitical tension on the group's risk profile ▪ reviewed and confirmed the appropriateness and adequacy of credit metrics and approved risk appetite limits	▪ reviewed and discussed the group's sovereign risk exposures ▪ received updates on key risk and control matters across the group's operations ▪ reviewed and approved material outsourcing arrangements in accordance with SARB regulatory requirements	▪ considered key matters highlighted in internal audit reports and remedial actions to continuously strengthen the control environment ▪ noted the positive impact of conduct programmes across the group ▪ considered group reputational matters and engagements with stakeholders.
OPERATIONAL EXCELLENCE	▪ considered the group's approach to organisational resilience as it pertained to systems, processes and controls ▪ reviewed the quarterly group technology report and received updates on the group's key technology priorities	▪ noted the group's shift in focus towards emerging technologies and further refinement of digitisation strategies ▪ continued to monitor system stability across the organisation	▪ reviewed the group delegation of authority framework.
FINANCIAL OUTCOME	▪ approved the 2023 financial plan and medium-term targets and metrics ▪ reviewed and approved the group's annual financial statements and interim results	▪ approved the declaration of interim and final preference and ordinary shares dividends ▪ considered the adequacy of financial provisions in the annual financial statements	▪ considered the adequacy of the group's capital and liquidity balances, its ability to continue as a going concern as well as solvency and liquidity for interim and financial year end.
POSITIVE IMPACT	▪ reviewed and discussed ESG and sustainability matters, with emphasis on climate-related matters and social elements	▪ reviewed the group's progress in relation to climate policy and climate risk management.	
SPECIFIC GOVERNANCE MATTERS CONSIDERED BY THE BOARD AND ITS COMMITTEES	▪ reviewed its priorities and oversight responsibilities for the group as the holding company of a financial conglomerate ▪ reviewed and discussed the approach adopted to create a universal and consistent model for board-to-board interaction between the group and its subsidiaries ▪ considered the board succession plan with reference to core skills required for a high-performing board	▪ reviewed and approved updates to board-related policies ▪ considered and approved the composition of the board and its committees ▪ approved the appointment of directors to board committees and subsidiary boards ▪ reviewed progress on implementing actions from the 2022 external board effectiveness review, which had been substantially addressed by the end of 2023	▪ monitored the adoption of the group's subsidiary governance framework by group subsidiaries ▪ approved the 2023 corporate governance, risk and capital management process in line with regulation 39 of the Banks Act ▪ engaged with the Prudential Authority as part of its regulatory oversight programme.

Looking forward

Key themes and topics that will continue to receive heightened focus in 2024 include:

- Biodiversity and nature risk
- Social risks
- Emerging technologies and AI.

Read more about our board activities in the **governance report**.

Skills of the board*

Our directors have deep experience and diverse skills, enabling the board to provide informed counsel, rigorous oversight and independent interrogation in leading integrated thinking in the group, and when guiding the group leadership council in the design and delivery of the group's strategy. Non-executive directors provide independent and objective judgement. They constructively challenge and monitor executive management's delivery of strategy within the approval framework and risk appetite agreed by the board.

	Experience	Value provided by these skills		
Doing business in sub-Saharan Africa, International markets	Experience in diverse geographic, political and regulatory environments in sub-Saharan African markets and international financial markets, meeting client needs in these jurisdictions.	These skills enable the board to effectively oversee the group as it operates and serves its customers across its footprint.	○○○●●●● ●●●●●●●	11/14
Risk and capital management and controls	Skills and experience in assessment and management of financial and non-financial risks and capital management.	These skills enable the board to effectively oversee risk and capital management and understand the most significant risks facing the group.	○○●●●●● ●●●●●●●	12/14
Banking and other financial services	Experience in banking including investment banking, retail banking, global financial markets or consumer products; and/or experience in other financial services, including insurance and asset management.	These skills enable the board to evaluate the group's business model, strategies and the industries in which it competes.	○○○○●●● ●●●●●●●	10/14
Client/stakeholder management	Experience in monitoring and improving client and stakeholder relationships.	These skills enable the board to effectively manage relationships with clients and stakeholders to effectively resolve issues facing the organisation.	○○●●●●● ●●●●●●●	12/14
Accounting and auditing	Knowledge of or experience in accounting, financial reporting and auditing processes and standards.	These skills enable the board to effectively oversee the group's financial position and condition and the accurate reporting thereof, and to assess the group's strategic objectives from a financial perspective.	○○○○●●● ●●●●●●●	10/14
Technology and cybersecurity	Experience in, or oversight of innovative technology, cybersecurity, information systems, fintech, data and privacy management.	These skills enable the board to oversee the security of the group's operations, assets and systems as well as the group's ongoing investment in and development of innovative technology and digitisation.	○○○○○○● ●●●●●●●	8/14
People development, diversity and inclusion, and remuneration	Experience in senior executive development, succession planning, diversity, inclusion and executive remuneration.	These skills help the board to effectively oversee the group's efforts to recruit, retain and develop key talent and provide valuable insight in determining compensation including that of executive officers.	○○●●●●● ●●●●●●●	12/14
Regulation, public policy, macroeconomic policy	Understanding of and experience in regulated businesses, regulatory requirements, including conduct and culture, and relationships with global regulators.	These skills enable the board to assess and oversee the group's compliance with applicable regulations and ensure appropriate conduct.	○○○●●●● ●●●●●●●	11/14
Leadership of a large complex organisation	Senior executive experience in managing business operations and strategic planning.	These skills allow board members to effectively oversee the group's complex operations.	○○●●●●● ●●●●●●●	12/14
Public company governance	Knowledge of public company governance matters, policies and best practices.	These skills assist the board in shaping group policies, considering and adopting applicable corporate governance practices, regulations, interacting with key stakeholders and understanding the impact of various policies on the group's functions.	○○○●●●● ●●●●●●●	11/14
Environmental and social	Knowledge and experience in how the group's activities affect the environment (including the impact on climate change) and society (including consumers and communities).	These skills enable the board to oversee and monitor on an ongoing basis its status as a responsible corporate citizen.	○○○○○○● ●●●●●●●	8/14

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* Excludes the skills of Sola David-Borha as the assessment was completed prior to her appointment.

Board committees

The board committees assist the board in discharging its responsibilities and have formal written mandates that are reviewed annually.

Meetings Attendance

		KEY ACTIVITIES TO PROTECT VALUE		
Group risk and capital management committee	88% Independent members	▪ Financial and non-financial risk management ▪ Capital and liquidity risk management ▪ Internal capital adequacy assessment process ▪ Regulatory matters ▪ Governance and oversight	4	97%
Group audit committee	100% Independent members	▪ Subsidiary governance oversight ▪ Internal control, compliance and tax ▪ Financial accounting and external reporting ▪ External audit and non-audit services	10	100%
Group directors' affairs committee	67% Independent members	▪ Corporate governance ▪ Succession planning ▪ Board performance review ▪ Group subsidiary governance framework	4	96%
Group information technology committee	50% Independent members	▪ Technology strategy, technology cost and investment ▪ Technology risk, including information security and cybersecurity ▪ Data and analytics	4	97%

		KEY ACTIVITIES TO PROTECT VALUE		
Group social, ethics and sustainability committee	75% Independent members	▪ Stakeholder engagement ▪ Transformation ▪ Employee engagement ▪ Ethics and conduct ▪ ESG ▪ Subsidiary governance oversight	4	100%
Group remuneration committee	83% Independent members	▪ Remuneration ▪ Incentive schemes, share-based payments and other benefits ▪ Subsidiary remuneration committees ▪ Governance	6	100%
Group model approval committee	25% Independent members	▪ Model risk oversight ▪ Model approvals ▪ Model governance	4	97%
Group large exposure credit committee	36% Independent members	▪ Review and approval of large exposures	8	99%

Group leadership council

Leading by example

The group chief executive officer, supported by the members of the group leadership council, is accountable for the implementation of strategy and the performance of the group. The skills and experience of committee members underpins the group's ability to deliver its strategy.


Sim Tshabalala


Arno Daehnke


David Hodnett


Funeka Montjane


Bill Blackie


Adam Ikdal


Margaret Nienaber


Kenny Fihla


Yuresh Maharaj


Yinka Sanni


Lungisa Fuzile


Luvuyo Masinda


Sharon Taylor

Sim Tshabalala

Group chief executive officer, SBG, and executive director, SBG and SBSA

QUALIFICATIONS
BA, LLB (Rhodes), LLM (University of Notre Dame, USA), HDip Tax (Wits), AMP (Harvard)

Arno Daehnke

Chief finance & value management officer, SBG and executive director, SBG and SBSA

QUALIFICATIONS
BSc, MSc (UCT), PhD (Vienna University of Technology), MBA (Milpark), AMP (Wharton)

Bill Blackie

Chief executive officer, BCB

QUALIFICATIONS
BCom (Rhodes), LLB (Rhodes), MBA (UCT), AMP (INSEAD)

Kenny Fihla

Chief executive officer, CIB

QUALIFICATIONS
MSc (University of London), MBA (Wits)

Lungisa Fuzile

Chief executive officer, SBSA

QUALIFICATIONS
BCom (University of Transkei), BCom (Hon) (Economics) (UKZN), MCom (Economics) (UKZN), AMP (Harvard)

David Hodnett

Chief risk & corporate affairs officer

QUALIFICATIONS
BCom (Wits), BAcc (Wits), CA(SA), MBA (Manchester Business School/University of Wales), Advanced Diploma in Banking (UJ)

Read more about our leadership **online**.

Adam Ikdal

Chief strategy officer

QUALIFICATIONS
Bachelor in Business and Administration (University of Stavanger), MSc (Strategy and Finance) (Norwegian School of Economics)

Yuresh Maharaj

Chief executive officer, IAM

QUALIFICATIONS
BCom (Hons) (UKZN), BCom Accounting (UKZN), CA(SA)

Luvuyo Masinda

Deputy chief executive officer, CIB

QUALIFICATIONS
BCom (Hons) (UKZN), CA(SA)

Funeka Montjane

Chief executive officer, PPB

QUALIFICATIONS
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Margaret Nienaber

Chief operating officer

QUALIFICATIONS
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Yinka Sanni

Chief executive officer, Africa Regions and Standard Bank Offshore

QUALIFICATIONS
B. Agric. (Hons) (Agricultural Economics) (University of Nigeria), MBA (Obafemi Awolowo University), AMP (Harvard), Global CEO Programme (CEIBS, Wharton and IESE)

Sharon Taylor

Chief people & culture officer

QUALIFICATIONS
BCom (UKZN), BCom (Hons) (UNISA)

ADDITIONAL INFORMATION

Pro forma financial information | Credit ratings | Bibliography | Definitions | Contact and other details

Pro forma constant currency financial information

The pro forma constant currency information disclosed is the responsibility of the group's directors.

The pro forma constant currency information has been presented to illustrate the impact of changes in currency rates on the group's results and may not fairly present the group's financial position and results of operations. In determining the change in constant currency terms, the income and expenditure items for the comparative financial reporting years have been adjusted for the difference between the current and prior years' cumulative average exchange rates, determined as the average of the daily exchange rates. The statement of financial position items have been adjusted for the difference between the current and prior year closing rates. The measurement has been performed for each of the group's material currencies. The constant currency change percentage is calculated using this adjusted comparative amount.

The average exchange rates used in the determination of the pro forma constant currency information can be found below. The average exchange rates were calculated using the average of the average monthly exchange rates, determined on the last day of each of the months in the period.

	2023 average exchange rate	2022 average exchange rate
US dollar	**18.42**	16.30
Pound sterling	**22.95**	20.19
Angolan kwanza	**0.03**	0.04
Ghanaian cedi	**1.59**	1.85
Nigerian naira	**0.03**	0.04
Kenyan shilling	**0.13**	0.14
Mozambican metical	**0.29**	0.26

Credit ratings

Standard Bank Group Limited credit ratings

As at 13 March 2024

	Short term	Long term	Outlook
Fitch Ratings			
Foreign currency issuer default rating	**B**	**BB-**	**Stable**
Local currency issuer default rating		**BB-**	**Stable**
National rating	**F1+(zaf)**	**AA+(zaf)**	**Stable**
Moody's Investor Services			
Issuer rating		**Ba3**	**Stable**

More detail about credit ratings for key banking entities in the group can be found **here**.

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Definitions

A summary of key financial terms and definitions used in this report has been included for reference purposes.

Term	Definition
A2X Markets	A2X is a multilateral trading facility-styled stock exchange that was awarded a license to operate an exchange by the Financial Services Board, now the FSCA on 6 April 2017.
Black	People who fall within the ambit of the definition of black people in the relevant South African legislation as determined by court ruling.
Black economic empowerment	Socioeconomic term concerning formalised initiatives and programmes to enable historically disadvantaged black individuals and groups to participate gainfully and equitably in the mainstream economy.
Capital adequacy ratio	Capital as a percentage of risk-weighted assets.
Common equity tier I (CET 1) capital adequacy ratio	CET I regulatory capital, including unappropriated profits, as a percentage of total risk-weighted assets.
Constant currency	Comparative financial results adjusted for the difference between the current and prior periods cumulative average exchange rates.
Cost-to-income ratio	Operating expenses as a percentage of total income after revenue sharing agreements with group companies but before credit impairments.
Credit loss ratio	Total impairment charges on loans and advances per the income statement as a percentage of average daily and monthly gross loans and advances.
Dividend payout ratio	Dividend per share divided by headline earnings per share.
Dividend per share	Total dividends to ordinary shareholders in respect of the year. The dividend is calculated using the cash component of any distribution where an election to receive scrip was available.
Headline earnings	Determined, in terms of the circular issued by the South Africa Institute of Chartered Accountants at the request of the JSE, by excluding from reported earnings-specific separately identifiable re-measurements net of related tax and non-controlling interests.
Jaws	Measure of the extent to which total income growth rate exceeds the operating expense growth rate.
Liquidity	Liquidity refers to the ease with which an asset, or security, can be converted into ready cash without affecting its market price.
Liquidity coverage ratio	The proportion of highly liquid assets held by financial institutions, to ensure their ongoing ability to meet short-term obligations.
Net interest margin	Net interest income as a percentage of daily and monthly average total assets, excluding derivative assets.
Return on equity	Headline earnings as a percentage of monthly average ordinary shareholders' funds.
Return on average risk-weighted assets	Headline earnings as a percentage of monthly average risk-weighted assets.
Risk appetite	An expression of the maximum level of residual risk that the group is prepared to accept in order to deliver its business objectives.
Risk-weighted assets	Determined by applying prescribed risk weightings to on- and off-balance sheet exposures according to the relative credit risk of the counterparty.
Scope 3 emissions	Scope 3 emissions comprise indirect emissions arising from use of purchased materials and fuel and transport.
Tier I capital adequacy ratio	Tier I regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.
Total capital adequacy ratio	Total regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.

A full glossary of all definitions, terms, acronyms and abbreviations used in our suite of reports is available **online**.

CONTACT AND OTHER DETAILS

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FORWARD-LOOKING DISCLAIMER

This document contains certain statements that are “forward-looking” with respect to certain of the group’s plans, goals and expectations relating to its future performance, results, strategies and objectives. Words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “aim”, “outlook”, “believe”, “plan”, “seek”, “predict” or similar expressions typically identify forward-looking statements. These forward-looking statements are not statements of fact or guarantees of future performance, results, strategies and objectives, and by their nature involve risk and uncertainty because they relate to future events and circumstances which are difficult to predict and are beyond the group’s control, including but not limited to, domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities (including changes related to capital and solvency requirements), the impact of competition, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of changes in domestic and global legislation and regulations in the jurisdictions in which the group and its affiliates operate. The group’s actual future performance, results, strategies and objectives may differ materially from the plans, goals and expectations expressed or implied in the forward-looking statements. The group makes no representations or warranty, express or implied, that these forward-looking statements will be achieved, and undue reliance should not be placed on such statements. The forward-looking statements in this document are not reviewed and reported on by the group’s external assurance providers. The group undertakes no obligation to update the historical information or forward-looking statements in this document and does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon.

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