



Standard Bank



STANDARD BANK OF SOUTH AFRICA

ANNUAL INTEGRATED REPORT 2023

South Africa
Cape of Good Hope

SBSA ANNUAL INTEGRATED REPORT

(this report)

Standard Bank of South Africa (SBSA)
facilitates real economic activity which
supports South Africa's socioeconomic
development.

We are purpose-led:

AFRICA IS OUR HOME,
WE DRIVE HER
GROWTH



CONTENTS

INTRODUCTION

Our reporting suite	2
Who we are	3
Our transformation journey	5
A message from Lungisa Fuzile	10

OUR STRATEGIC PROGRESS

Our purpose and strategic priorities	15
Client focus	16
Employee engagement	21
Risk and conduct	27
Operational excellence	31
Financial outcome	32
Positive impact	38
Financial inclusion	39
Enterprise growth and job creation	46
Infrastructure development and the just energy transition	54
Climate change mitigation and resilience	57

CORPORATE SOCIAL INVESTMENT

Examples of projects	64
Employee community involvement	65

SPONSORSHIP AND FUNDING





Sponsorship for the arts	67
Funding democracy	67

GOVERNANCE

Our governance outcomes	70
SBSA board of directors	71
Board committees	79
SBSA executive committee	81

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 further information within this report |
|  Refers readers to additional information in our suite of reports |  Refers readers to other online information |

PRINTING THIS REPORT

Interactive information in this report will not print automatically.
For a printable version of this report, please use the following link: [here](#)






NAVIGATING THIS REPORT

The navigation tools for this report can be found at the top right of each page and within the report.

This report is best viewed in Adobe Acrobat for desktop, mobile or tablet.

Download or update to the latest version:

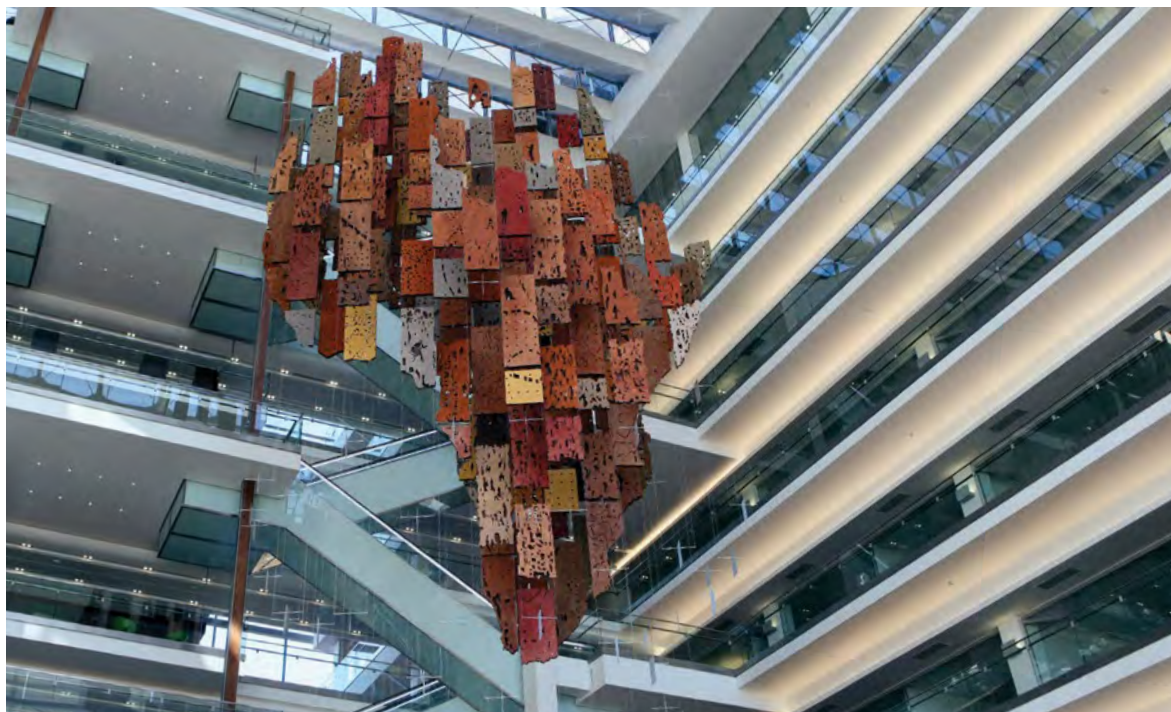
NAVIGATION AID

Back	Print	Access to main sections
		
Previous page	Next page	Contents

STANDARD BANK OF SOUTH AFRICA (SBSA) ANNUAL INTEGRATED REPORT

SBSA is committed to contributing to South Africa's social and economic transformation. This report provides information about who we are, our strategy and progress against our six strategic value drivers, our transformation journey and progress against the pillars of the Financial Sector Code (FSC), as well as our positive impact to society.

The information in this report pertains to SBSA.



Our reporting suite

SBSA produces a suite of annual reports that cater for the diverse needs of our stakeholders.

Our reporting suite is available [here](#).

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

The Standard Bank Group (SBG) produces a suite of annual reports that cater for the diverse needs of stakeholders.

All SBG 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](#).

Assurance statement

We have a series of internal policies, procedures and controls in place to ensure that accurate data is provided. The SBSA executive committee provides oversight of this report.

PricewaterhouseCoopers Inc. (PwC) provided limited external assurance on selected performance data in this report, indicated by ✓ in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). PwC's limited assurance report can be found [here](#).

Information about our reporting boundary and relevant exclusions is available [here](#).

WHO WE ARE

As a major integrated financial services organisation, SBSA facilitates real economic activity which supports South Africa's socioeconomic development.

Employees
30 697 | ▲
2022: 29 889

Assets
R2.0 trillion | ▲
2022: R1.9 trillion

Headline earnings
R16.8 billion | ▲
2022: R16.3 billion

Cost-to-income
60.4% | ▲
2022: 58.8%

Return on equity (ROE)
14.6% | ▼
2022: 15.2

Common equity tier (CET) 1 capital
12.7% |
2022: 12.1%

Broad-based black economic empowerment (B-BBEE) status
Level 1
2022: Level 1

SBSA is SBG's largest operating subsidiary

Our purpose is aligned to that of SBG

Africa is our home, we drive her growth

SBSA is **wholly owned by SBG** which has been **listed on the Johannesburg Stock Exchange (JSE) since 1970.**

Competitive advantages

- Purpose-driven organisation
- 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.

Transactional volumes on our digital platform (millions)

287 | ▲
2022: 267

ATMs
3 548 | ▼
2022: 3 780

UCount clients
1 312 | ▲
2022: 1 232

¹ Clients that actively transact with us on digital platforms (Mobile App, USSD and internet banking)

Branches (including in-store)

652 | ▲
2022: 619

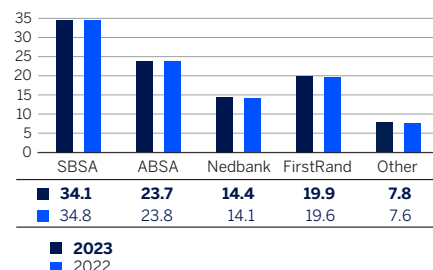
Digital active clients¹
4 393 | ▲
2022: 4 072

Platform clients
2 494 | ▲
2022: 2 374

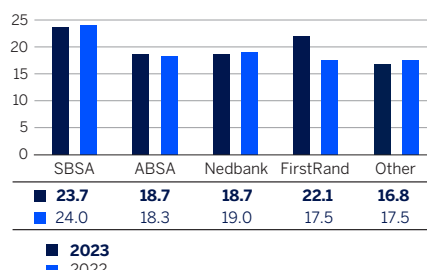


Market share analysis – where we are market leaders

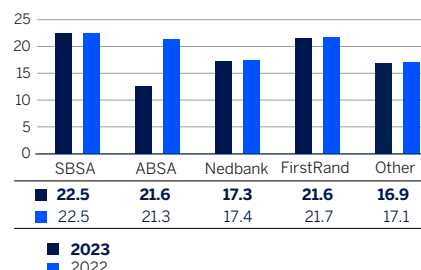
Mortgage loans (%)



Corporate deposits (%)

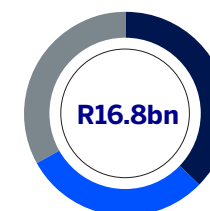


Total deposits (%)



Headline earnings by business unit²

CIB **43%**
BCB **34%**
PPB **38%**



² Headline earnings by business unit excludes Central and Other.

¹ Source: South African Reserve Bank (SARB) BA900.

How we serve our clients

Our operating model is structured around our business units, who are responsible for designing and executing the client value proposition. This enables us to deliver integrated and seamless financial services that meet individual client needs, reducing the time and the costs of serving them and innovating more quickly and efficiently.

BANKING BUSINESS UNITS	Personal & Private Banking (PPB) Growing traditional financial services, while innovating to offer a broader range of solutions and client value.	Business & Commercial Banking (BCB) Strong relationships, underpinned by a deep understanding of our clients' businesses and their growth opportunities.	Corporate & Investment Banking (CIB) Long history and on-the-ground experience enabling us to drive growth and development across the continent.
	<ul style="list-style-type: none"> ■ Wealth and investment clients, private banking clients and personal banking clients. 	<ul style="list-style-type: none"> ■ Clients range from small-and medium-sized enterprises (SMEs) to large commercial enterprises. 	<ul style="list-style-type: none"> ■ Large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally.
	<ul style="list-style-type: none"> ■ Home loans, vehicle and asset finance, personal loans, credit card, transactional banking, and forex solutions as well as certain insurance and investment offerings. 	<ul style="list-style-type: none"> ■ Transactional, trade, lending, commercial cards, fleet solutions, vehicle and asset finance, card acquiring, international payments and forex. 	<ul style="list-style-type: none"> ■ Variety of advisory, transactional, trading, risk management and funding-related solutions.
Insurance & Asset Management (IAM)			
<ul style="list-style-type: none"> ■ Clients include individual clients, corporate and institutional clients who want to build and protect their wealth and lifestyle. ■ Solutions include long- and short-term insurance, health, investment and asset management needs. 			

OUR TRANSFORMATION JOURNEY

Our contribution

South Africa needs an economy in which every individual, regardless of social class, race or gender, can access the basic necessities to navigate life with dignity, and an economy in which success and prosperity are the result of hard work and talent.

Our strategy aims to deliver inclusive and sustainable growth, and recognises that transformation is not all about numbers; it is

about positively impacting livelihoods. B-BBEE is a crucial part of ensuring socioeconomic transformation in our society and we recognise this as an integral part of our social licence to operate in South Africa.

Enabling financial inclusion, job creation, enterprise development and economic growth is at the core of our business. We are committed to helping people build long-term wealth through saving and investing, and ensuring that we finance productive economic activity. This is the basis of our profitability and long-term sustainability as a bank.

Value created for stakeholders during 2023

We strive to create and distribute wealth by investing responsibly in ways that create value for all our stakeholders.



Employees

We paid **R31.8 billion** to our employees in salaries and other incentives.



Suppliers

We paid **R24.6 billion** to our suppliers and service providers.



Governments

We paid **R12.0 billion** in tax.



Community

We contributed **R142.2 million** through our CSI programmes.



Shareholders

We paid **R8.0 billion** to shareholders as dividends.

B-BBEE scorecard performance

We have maintained a **Level 1** contributor rating since 2017



BEE procurement recognition percentage
135%



Empowering supplier –
Yes

B-BBEE investment in 2023

Targeted investments:

R11.37 billion including,
▪ Affordable housing **R3.44 billion**
▪ Transformational infrastructure **R7.65 billion**
▪ Black agriculture **R283.49 million.**

B-BBEE transaction financing and black business growth/SME funding:

R22.63 billion

Scorecard

The FSC requires participants to actively promote transformation in the financial services sector to allow for inclusion in the economy. The financial services sector has a crucial role to play in ensuring that everyone has access to financial services.

STANDARD BANK'S B-BBEE SCORECARD 2023

Scorecard element	Element weighting (+ bonus points)	SBSA score 2023	SBSA score 2022	SBSA score 2021	SBSA score 2020	SBSA score 2019	SBSA score 2018
Ownership	23 + 5	26.00	26.00	26.00	26.00	23.82	23.81
Management control	20	16.40	15.83	15.93	15.80	15.85	14.88
Skill development	20 + 3	17.28	17.10	17.10	16.00	16.28	17.62
Preferential procurement	15 + 4	19.00	18.29	18.36	18.56	18.97	18.83
Socioeconomic development and consumer education	5 + 3	6.16	6.62	8.00	4.95	7.00	7.11
Empowerment financing and enterprise and suppliers development	25 + 4	25.40	26.41	28.64	22.42	22.92	20.88
Access to financial services	12	9.94	9.82	10.17	9.55	11.30	11.42
Total score	120 + 19	120.19	120.07	124.20	113.28	116.14	114.55

Definitions

For the purposes of the scorecard, all reference to black individuals is based on the generic term used to refer to African, Indian, Coloured and Chinese South African citizens.



Equity ownership

For South Africa to become fairer and more equitable, more citizens need to have a stake in the economy, including through direct shareholding in the country’s corporations. We contribute towards B-BBEE in terms of the equity ownership of the company.

The ownership of Standard Bank shares is distributed among global and institutional entities. SBG shares are publicly traded on the JSE. Many of our shareholders are ordinary South Africans who invest in Standard Bank through their pension funds and unit trusts. Many of our employees are also shareholders. We allocate shares to senior employees as part of their remuneration package, helping to ensure that they have a vested interest in the long-term success of the company.

The B-BBEE scorecard measures equity ownership in terms of the percentage of flow of economic benefits and voting rights to black people.



B-BBEE scorecard performance

SBSA scored 23 + 3 bonus points out of 28 points against the equity ownership element of the scorecard.

We exceeded the FSC targets for ownership in all categories, which include:

Voting rights by black people
41.76%

Economic interest to which black women are entitled
12.67%

Voting rights by black women
19.32%

Involvement in the ownership by black new entrants
4.43%

Economic interests to which black people are entitled
29.34%

We scored bonus points for direct/indirect ownership in excess of
15%

Analysis of shareholders¹

	2023 Number of shares (million)	% holding	2022 Number of shares (million)	% holding
Ten major shareholders				
Industrial and Commercial Bank of China	325.0	19.4	325.0	19.4
Government Employees Pension Fund (PIC)	243.8	14.5	243.9	14.5
Old Mutual Life Assurance Company	30.8	1.8	30.4	1.8
Alexander Forbes Investments	27.2	1.6	22.5	1.3
GIC Asset Management Pte Ltd	24.0	1.4	28.6	1.7
Allan Gray Balanced Fund	20.7	1.2	17.8	1.1
Vanguard Total International Stock Index Fund	19.4	1.2	18.8	1.1
Vanguard Emerging Markets Stock Index Fund	18.1	1.1	18.3	1.1
Eskom Pension Fund	17.7	1.1	17.1	1.0
M&G Equity Fund	15.3	0.9	17.3	1.0
	742.0	44.2	739.7	44.0

¹ Beneficial holdings determined from the share register and investigations conducted on our behalf in terms of section 56 of the South African Companies Act as at 29 December 2023.



	2023 Number of shares (million)	% holding	2022 Number of shares (million)	% holding
Geographic spread of shareholders				
South Africa	837.2	49.9	826.6	49.3
Foreign shareholders	838.6	50.1	851.7	50.7
China	326.5	19.5	326.0	19.4
United States of America	218.9	13.0	239.0	14.2
United Kingdom	31.1	1.9	28.9	1.7
Singapore	24.9	1.5	29.4	1.7
Ireland	21.4	1.3	19.2	1.1
Luxembourg	21.3	1.3	20.1	1.2
Namibia	18.6	1.1	18.8	1.1
Hong Kong	16.3	1.0	15.7	0.9
Norway	15.3	0.9	17.0	1.0
Netherlands	15.0	0.9	12.3	0.7
Japan	11.9	0.7	13.0	0.8
Australia	8.8	0.5	6.9	0.4
Kuwait	8.6	0.5	9.8	0.6
Sweden	7.0	0.4	6.6	0.4
Saudi Arabia	7.0	0.4	10.9	0.6
United Arab Emirates	6.2	0.4	6.8	0.4
Canada	6.2	0.4	5.5	0.3
Other	73.6	4.4	65.8	4.2
	1 675.8	100.0	1 678.3	100.0

Management control

We continue to empower our people, ensure a diverse workforce, embed a culture of inclusion, and actively promote the transformation of our workforce demography at all levels.

In 2023, women comprised 42.7% of SBSA's executive and senior management positions, slightly ahead of our target of 42%.



B-BBEE scorecard performance

We scored 16.4 out of 20 for this element of the FSC scorecard.

We scored 5.95 out of 8 for board participation and other executive management. This score is calculated based on the proportion of black board members, including black women board members, black executives and black women executives/ executive management.

We scored 10.44 out of 12 for employment equity.

This score is calculated based on the proportion of black people, including black women and African people in senior, middle and junior management levels, as well as the overall representation of black people with disabilities in the organisation, as defined in the Employment Equity Act.



A MESSAGE FROM LUNGISA FUZILE

Lungisa Fuzile, Chief Executive, SBSA

SBSA is committed to driving sustainable and inclusive economic growth, as reflected in the Standard Bank Group's purpose – Africa is our home, we drive her growth. In SBSA, our goal is to harness our collective strengths to defend the franchise where it is strong and recover in areas where we are lagging.



As a subsidiary of Standard Bank Group, one of the largest financial services institutions on the African continent, we take pride in facilitating economic activity in South Africa (SA), enabling the growth of businesses, and helping individuals achieve their ambitions. By anchoring our business activities to our purpose and focusing on the areas in which we can make the greatest positive impact, we enable financial inclusion, enterprise growth and job creation, infrastructure development and the just energy transition, and climate change mitigation and resilience. We promote economic transformation, and sustainable, responsible economic growth that benefits our country while mitigating negative impacts on the planet.

A year of resilience

2023 was a year of two halves for SBSA, with our franchise delivering strong results in the first half and diligently defending shareholder value in the second half. For the twelve months ended 31 December 2023,

SBSA headline earnings grew 3% to R16 756 million (2022: R16 256 million) and ROE declined to 14.6%. With pre-provision profits growth of 9%, our earnings were largely impacted by credit impairment charges growing at 34%. This is reflective of the strain felt by households and businesses occasioned by elevated interest rates.

Our approved risk appetite allows us to take advantage of market opportunities while managing risk. Our liquidity and capital was well managed and remained above internal group and external regulatory requirements.

We continue to leverage our competitive advantages to defend and grow our franchise. We place our clients at the centre of our thinking and actions. This enables us to meet their specific financial needs holistically, efficiently and effectively. We operate in a constantly evolving environment, proactively responding to complex and interrelated risks and opportunities and adjusting our priorities and business activities accordingly.

Standard Bank Group has a clear purpose of driving Africa's growth and a well-articulated strategy. As SBSA, we are focused on executing on this strategy as it applies to our specific operations and context to deliver our purpose of driving South Africa's growth. Our strategic progress is described in detail throughout this report.

We continued to make good progress on our transformation targets and retained our Level 1 B-BBEE status. We made good progress on internal diversity, equity, and inclusion measures, while also contributing to societal transformation. The latter includes providing financial and business development support for small businesses and entrepreneurs, supplier development and improved access to our value chain for local small businesses, and finance for transformational infrastructure with a focus on providing finance for clean energy technologies.

Our operating environment

The SA operating environment continues to be fraught with headwinds. There are growing indications of increasing financial pressure on consumers and consumer confidence declined further in 2023. Household credit growth is slowing, although higher-income households remain in a good position and non-wage incomes showed steady growth.

SA's annual consumer price inflation (CPI) peaked at 7.1% in March 2023, declined to 5.1% as at December and averaged 5.9% for full year 2023. Global inflation is generally regarded as having peaked in 2023. The SARB increased interest rates by a cumulative 125 basis points (bps) by July 2023. The repo rate closed the year at 8.25% and a general rate cutting cycle is expected from the second half of 2024. SA gross domestic product (GDP) growth for 2023 was 0.6% and is expected to recover to 1.2% in 2024 (SBG Research: March 2024).

We remain cautiously optimistic about the SA macroeconomic outlook. While it remains challenging in the short term, ongoing structural reforms, institutional strength, and policy reforms combined with government-private sector partnership provide a foundation for growth over the medium to long term. Despite this, the energy crisis and logistical constraints remain somewhat intractable. Deep socioeconomic inequalities continue to be a risk to the country's ability to implement the reforms needed to unlock the economy's potential. We are, however, optimistic about the prospects for government-private sector partnerships to make headway in achieving the needed reform and supporting future growth. The partnership is focused on the three reform pillars of energy, transport and logistics, and fighting crime and corruption.

In May this year, South Africans will go to the polls to vote in a national election. We do not anticipate that the election outcome will lead to a change in policy direction. Accordingly, the continued gradual policy reform should be growth-supportive over time.

Competitive landscape

Maintaining our competitive advantage in a fiercely competitive industry remains a key priority for the bank. We are committed to being a truly digital and truly human organisation. We remain market leaders in residential mortgages and corporate deposits and have strong market positions in other solutions. We continue to invest in our digital capabilities and will leverage market opportunities to remain competitive and serve our clients brilliantly.

Measuring progress against our targets



1. TRANSFORMING CLIENT EXPERIENCE

SBSA's success is deeply rooted in the growth and development of our clients. We offer our clients value propositions that suit their needs and assign relationship teams to help them realise their aspirations and grow despite the tough economic environment.

As part of our commitment to be a leader in digital banking, we have made further investments in our digital capabilities to improve our client experience and security. We matured our personalisation capabilities and enhanced our analytics capacity to provide individualised services and products according to our clients' specific needs.

We serve our clients through three banking business units, tailored to serve individuals through PPB, small to large businesses through BCB, and corporate clients through CIB. These services are complemented by our insurance and asset management offerings through IAM.

PPB performance

PPB showed great resilience despite the challenging operating environment, as reflected in continued pressure on personal incomes. The PPB franchise grew the active client base by 6% to 11.4 million and continued to deepen relationships with our customers. Headline earnings of R6 299 million were 6% lower than 2022. Pre-provision profit growth of 9% was dampened by higher impairment charges in 2023 growing 34% compared to 2022. This was largely due to consumer strain linked to the elevated interest and inflationary environment, increased non-performing loans and the non-recurrence of prior year's recoveries in the payment holiday portfolio.

As our clients continue to face challenges, PPB is committed to supporting them by providing the right products and services, while ensuring that a robust risk management and collection strategy is in place. Optimisation of the distribution network continues to be an important lever in reducing our cost to serve customers, with a 4% reduction in square meterage, while we increased our points of representation by 10% to 652 through low-cost kiosks to continue to provide our clients with physical access.

BCB performance

We deeply appreciate that businesses drive growth and employment. Accordingly, we continued to support our business and commercial clients' growth by focusing on understanding their needs and providing tailored solutions. BCB recorded headline earnings of R5 643 million, up by 19% against 2022 with total income growth of 14%. This performance was underpinned by solid growth in deposits and continued active client growth. Loans and advances recorded muted growth as a result of challenging economic conditions and strain experienced in the agriculture sector.



1. TRANSFORMING CLIENT EXPERIENCE continued

CIB performance

The CIB franchise recorded headline earnings growth of 22% to R7 255 million. This was mainly supported by strong loan origination driven by the energy transition strategy, and the demand for sustainable finance. Deposits from customers grew by 7%, due to increased client deposits in our Transaction banking SA business. This performance,

as well as positive endowment in a higher average interest rate environment resulted in net interest income growth of 25%. Non-interest revenue increased by 12%, mainly due to strong trading revenues, particularly in the first half of 2023 with increased client activity and liquidity management opportunities in volatile markets.



We have been privileged to be recognised with several accolades:

Efma's third Annual SME Banking Awards

- Achieved Gold for the second time in the SME Banker of the Year category

Association of Black Securities and Investment Professionals – Financial Sector Transformation Code

- Financial Services Sector Awards
- Gold in Young Woman Achiever Award

EMEA Finance Banking Awards

- CIB team won best Investment bank, best local bank, best equity house, best loan house, and best M&A house.

A truly human organisation...

Our people are the most important source of our competitiveness. We recognise the importance of a diverse and inclusive workforce comprising people with the right skills and capabilities to thrive in a rapidly changing environment. We invest in training and developing our people to ensure we have a solid talent pipeline and have equipped our people with skills for the future. While we are strongly performance-oriented, we are a deeply human organisation with leaders who lead by example and demonstrate integrity, mutual respect, and empathy.

Our employees' commitment to our clients, each other, and the bank enabled us to achieve strong results in 2023.

We pride ourselves in providing a supportive and enabling work environment, in which colleagues feel appreciated, valued, and rewarded for their contributions.

Our efforts were validated by our employee engagement survey results recording the best score we have ever had, which demonstrates that our people are fully engaged and feel valued for their contribution.

We prioritise diversity and inclusion across our workforce. We value and respect the diversity of our employees, which in turn reflects the diversity of the clients we serve.



2. EXECUTE WITH EXCELLENCE

Ensuring that our personal, market and societal conduct reflects the highest standards of ethical and responsible business practice, and effectively managing risk remain top priorities and enable us to earn and keep the trust of our stakeholders.

Financial services are increasingly digital, and we continue to make progress on delivering a seamless and integrated digital service to our clients. There were no significant outages in 2023, with 18 successive months of month-end technology stability. We monitor these trends on Downtedector, which has also indicated improved stability performance relative to our industry peers. Our response and recovery times on outages have significantly improved since early 2022.



3. DRIVING SUSTAINABLE GROWTH AND VALUE

Our franchise remains resilient with financial results outlined in the financial outcomes section of this report and discussed in detail in our [SBSA Annual Financial Statements](#).

We support a just energy transition to a lower carbon economy. We enable our clients to mitigate their climate impacts, and partner with government, business and individuals to improve access to reliable and sustainable energy.

As a responsible corporate citizen, we are committed to improving the lives and livelihoods of South Africa's people, contributing to positive impact through our business activities. Our transformation strategy supports this commitment. We also take our commitment to environmental and social sustainability seriously. Highlights in 2023 included:

- First sustainable loan (USD250 million) concluded by the International Finance Corporation (IFC) with a local bank in South Africa
- SBSA's first sustainability-linked bond listed on the JSE's sustainability segment. The R2 378 million three-year-sustainability-linked note forms part of a R5 451 million issuance across two separate public auction offerings, receiving a total of R14 billion of bids from multiple fixed income investors
- A sustainability-linked syndicated loan facilitated by Mizuho Bank Ltd (USD400 million)
- Financed eight government-procured renewable energy projects totalling 729MW and two private renewable energy projects
- R35 billion of sustainable finance mobilised in South Africa, contributing to meeting the group's target of R50 billion mobilised in 2023
- First to market with Bounce Back Energy Loans Government Guarantee Scheme offered through PPB and BCB
- Raised R11 million through our Feenix platform, benefitting 772 ✓ students
- Supported 893 enterprise development participants, sustained 3 508 jobs, and created 2 170 new jobs
- Supplier development supported 4 447 jobs, exceeding our target of 3 200 jobs.

Looking forward

Medium term priorities:

Our strategic priorities of transforming client experience, executing with excellence, and driving sustainable growth and value remain unchanged. SBSA tracks its progress against strategic priorities on the following short-to-medium targets:

- Revenue growth of 7% to 9% (CAGR for 2020 – 2025); and ROE of between 15% and 19%, a through-the-cycle credit loss ratio of 70 bps – 100 bps, while achieving a cost-to-income ratio approaching 55% by 2025
- Attracting and retaining a skilled workforce that will ensure that we realise our strategic priorities while serving our clients brilliantly
- Continuing to mature our risk management
- Driving inclusive and sustainable economic growth and supporting the transformation of our country.

Long term:

- Defending our strong market position and growing our franchise where we lag behind
- Leveraging data and our digitisation journeys to mature our risk management and deliver our strategic ambitions
- Ensuring a diverse and inclusive work environment that supports a sense of belonging for all employees.



OUR STRATEGIC PROGRESS

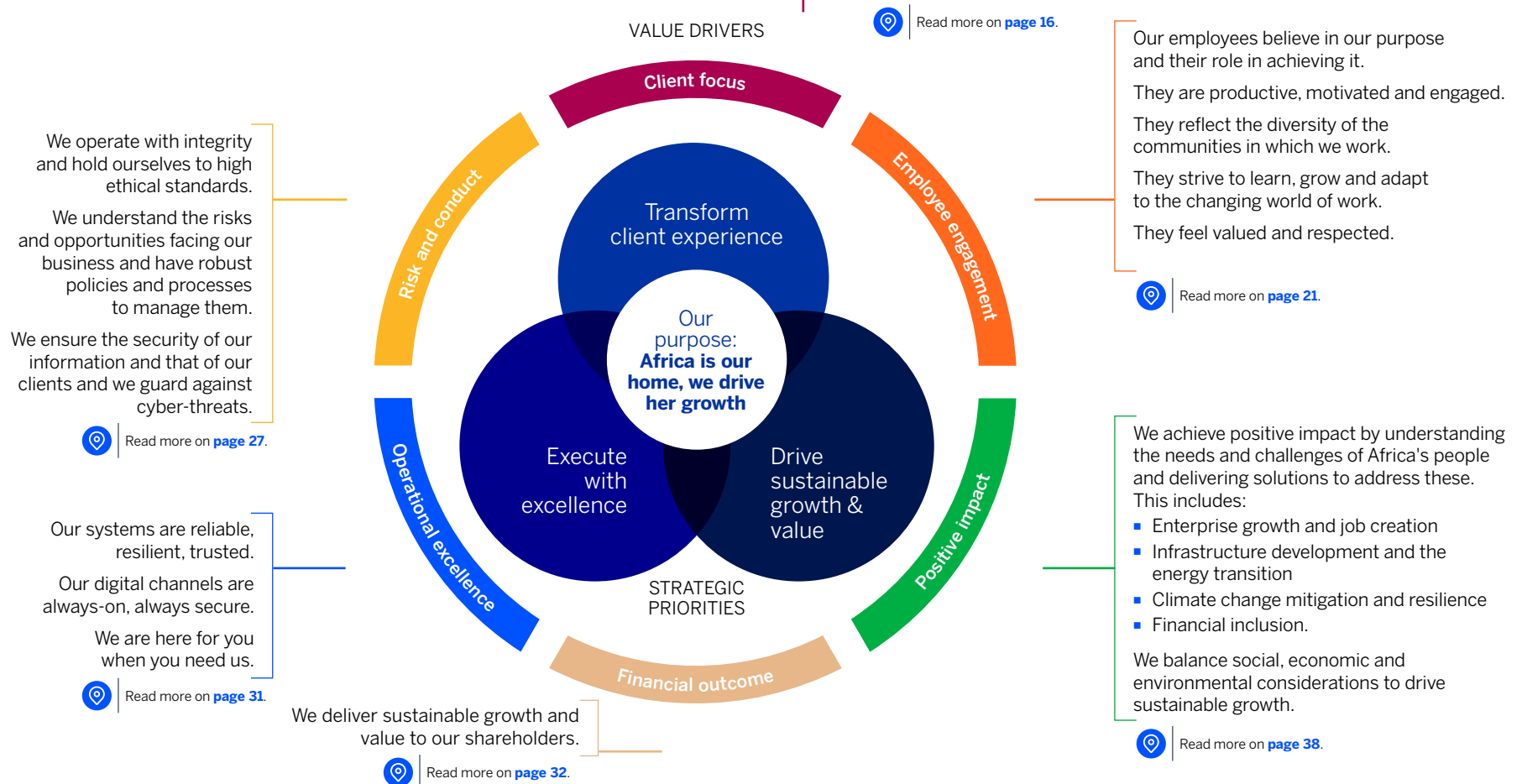
Our purpose and strategic priorities | Client focus | Employee engagement
Risk and conduct | Operational excellence | Financial outcome
Positive impact

South Africa
Cape Town



OUR PURPOSE AND STRATEGIC PRIORITIES

Our purpose is: Africa is our home, we drive her growth.
We have three strategic priorities, and six value drivers against which we assess our progress.



OUR MEDIUM-TERM
FINANCIAL TARGETS

OUR LONG-TERM
OUTCOMES

7% – 9% revenue growth (CAGR)	Approaching 55% cost-to-income ratio	15% – 19% ROE
Growth and scale	Efficiency and resilience	Legitimacy



Client focus

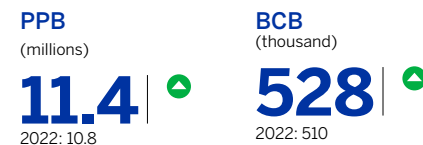
How we performed

Client satisfaction



NPS: Net promoter score, which indicates the likelihood of a client recommending Standard Bank. Client satisfaction index measures the extent to which our CIB clients are satisfied with the service we provide.

Active client numbers



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

Our clients are at the centre of everything we do and our three banking business units – PPB, BCB and CIB – are supported by the recently formed IAM business unit to deliver relevant and competitive value propositions to our clients who range from individual consumers to major corporations.

Our strategy is unchanged and fully aligned to that of the group. We are deliberate in our actions to defend our position in the markets where we lead and recognise that we need to remain focused on growing our business and unlocking opportunities in a highly competitive market. We aspire to be a leading private bank and enabler in the energy transition in South Africa and support our SME clients to grow and create jobs.

The South African financial services market remains challenging. Our competition has intensified, our client expectations are constantly evolving, and the regulatory landscape is becoming even more complex.

The operating environment in South Africa during 2023 has also been challenging given the pressure from the earlier surge in inflation, the adverse effects of loadshedding on households and businesses, and interest rate hikes. These factors contributed to SBSA's slowdown in lending, mainly in home services, vehicle and asset finance and other lending solutions. Additional pressure on balance sheet growth came from competitive pricing (particularly in home services), more customers entering debt review, higher funding costs and elevated non-performing loans. These challenging macroeconomic events triggered elevated cost growth and increased credit impairments, curbing headline growth for the franchise.



Business units

PPB

We provide services to a range of individuals, broadly clustered as wealth and investment clients, private banking clients and personal banking clients. We have a leading franchise in home loans and rank in the top three in card and household deposits. We compete head on with the other South African players who have a similarly broad offering as well as with new entrants with more niche offerings.

Client 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.

Client growth

We have continued to see pleasing client growth in an exceptionally competitive environment with 6% overall growth in total active clients and a 7% increase in transactional flows. We increased our digitally active client base by 8% to just over four million clients.

Client experience

Overall, PPB's customer sentiment continues to be positive. We pride ourselves on our ability to consistently deliver seamless solutions and exceptional client experiences in all the markets in which we operate.

Our ambition is to empower our clients, enabling them to realise their dreams and achieve their goals. Our revised Middle Market 'Achieva' proposition sees us partner with clients on their journey to making their many firsts a reality while leaving a legacy. We relaunched the PPB proposition under the tagline 'Ambition never stops', demonstrating all the benefits across our PPB solutions including energy, offshore and lifestyle offerings as well as an enhanced ability to invest and insure. We have committed to delivering client experience mastery through our new Private Client Centre. Following the launch of our youth 10% Millionaire value proposition in 2022, we have made progress in connecting to the hearts and minds of our youth clients and were awarded the third coolest financial services brand at the Gen Next Awards in 2023.

Transforming client experience means we strive to always meet our clients' needs. When we do not, we aim to address it quickly. We improved our performance in terms of formal Ombudsman complaints. In 2021, Standard Bank had the most complaints among banks, improving to third overall in 2022. Out of the top five South African banks, Standard Bank is now down to the fourth most complained about, which is a considerable achievement given our large retail customer base compared to our competitors. This demonstrates the success of our efforts to prioritise customer experience and ensure that we treat customers fairly.



Looking ahead

Our focus continues to be protecting our client franchise, defending our leading position, being a trusted advisory partner, improving profitability, growing the transactional franchise, and operational excellence.

BCB

BCB provides broad-based client solutions for a wide spectrum of small and medium-sized businesses as well as large commercial enterprises. BCB has established strong relationships with clients, underpinned by a deep understanding of their businesses and their growth opportunities. Our client coverage extends across a range of geographies, industries, sectors and solutions, delivering advisory, networking and solutions to support our clients to enable their growth.

Client solutions

We provide a range of solutions to our clients including transactional, trade, lending, commercial cards, fleet solutions, vehicle and asset finance, card acquiring, international payments, and forex. In addition, we provide advisory, networking and sustainability support. Our service model provides seamless access to our physical network, our dedicated relationship managers, and our digital capabilities. Our relationship managers and specialist teams continue to deliver world class service to our clients and build strong relationships in the market evidenced by our gains in market share in 2023.

Client growth

Partnering with our clients for growth and using our ecosystem capabilities to create opportunities for growth are key focus areas. We have improved our digital channels to ensure they are more accessible and convenient for our clients and have made significant improvements to our onboarding and servicing capabilities to continue to support our clients and grow the franchise. We have achieved major developments in our journey to a digitally enabled relationship-based client experience, including the implementation of a fully digitised, self-service account origination process. We continue to mature our personalisation capabilities to better understand and respond to the needs of our customers.

Client experience

We achieved many remarkable milestones this year, all of which contributed to growth in our client base and overall revenue, as well as improved client experience.

We are making progress in improving client experience and deepening our client relationships. We remain cognisant of the evolving competitive environment and continue to develop offerings to rival those of our competitors and seek partnerships to develop new value propositions.

We continued to enhance our segment and sector client value propositions by improving our processes, enriching our offerings, and delivering superior service to our clients. We enhanced our onboarding processes to improve our overall time to originate. We also digitised our front-end web application and automated the back-end fulfilment process. We successfully reintroduced the advisory capability within BCB to provide our clients with market-leading solutions across a multitude of sectors through a hands-on approach to deal execution.

We drive long-term, environmental, and socially sustainable growth and value. We actively support the transition to a low-carbon economy. We partner with businesses to identify the right renewable energy solution for their needs and provide affordable finance solutions. In South Africa, we lent over R843 million to 460 businesses to enable solar photovoltaic (PV) installations, generating approximately 42GWh of green energy.



Looking ahead

BCB SA have made significant progress in the last two years towards our strategic goals and we will maintain the pace. Our main priorities are to develop best-in-class relationship managers, provide exceptional service to our clients, and offer world-class products and solutions. We continue to deliver against our strategy to ensure we become the number one business and commercial bank in South Africa. We partner with our clients, to deliver on their growth aspirations – if they grow, we grow.

We invest in our people to execute on our strategy as trusted advisers and partners to our clients. We continue to build a digitally enabled bank that enhances our world class client relationship management.

CIB

CIB serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients. We continue to place clients at the centre of all that we do, with a strong focus on providing strategic thought leadership, insights and bespoke solutions to meet our clients' unique requirements. We hold leading positions in foreign exchange, custody and in debt capital markets in South Africa and across sub-Saharan Africa.

Client growth

Against a backdrop of ongoing global market volatility, inflationary pressure, higher interest rates, and a slowdown in economic growth, our unique banking footprint across the continent and on the ground teams in key financial markets globally, allowed us to work very closely with our local, regional and global multinational clients to tailor innovative pan-African capital, risk, trade and liquidity management solutions for their businesses. During the year, we onboarded new clients across many of our markets and continued to play a leading role in providing strategic advice to a number of our global multinational and local corporate clients to enable them to unlock growth opportunities across the continent.



Client experience

We had a number of firsts:

- A syndicated facility for the Development Bank of Southern Africa (DBSA) in the United Arab Emirates, the first of its kind for a South African state-owned-entity to access funding in the broader Middle East/ North Africa market
- Partnering with Africa Rising Capital to issue the first sovereign rand-denominated Al-Ijara Sukuk on the African continent
- Funding The African Stove Company (TASC) to enable it distribute 750 000 free, low-carbon cooking stoves, the first carbon credit project of its type in South Africa
- Our first sustainable finance invoice financing facility to support China National Building Materials International (Proprietary) Limited's (CNBM) solar and energy storage solutions business in South Africa.

We also play a leading role in the critical energy transition and broader sustainable finance journey. In South Africa, key transactions included providing a green loan funding for Red Rocket's three onshore wind projects, financing EDF Renewables' three wind projects as well as Scatec Grootfontein's three 75MW solar projects, among other innovative deals. These deals are a testament to our dedication to taking a leading role in driving the energy transition journey in South Africa and throughout the African continent.

Looking ahead

Our CIB business is exceptionally well positioned to provide relevant thought leadership, insights and bespoke solutions to our clients as they navigate some of the key themes playing out across Africa:

- Increased focus on ESG and sustainable finance as we aim to achieve our energy transition objectives
- Increased digital infrastructure investment, including fintech advancement, use of technology to address value chain and other inefficiencies across sectors, as well as the increased de-cashing
- Deepening of financial markets and capabilities across South Africa and Africa more broadly
- Investment, expansion and consolidation activity across multiple sectors.



2023 AWARDS

EUROMONEY AWARDS FOR EXCELLENCE

- Best Bank in South Africa

EUROMONEY GLOBAL PRIVATE BANKING AWARDS

- Best Domestic Private Bank (South Africa)

PWM THE BANKER GLOBAL PRIVATE BANKING AWARDS

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

PRIVATE BANKER INTERNATIONAL

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

GLOBAL FINANCE AWARDS

- Best Private Bank in 2023

QORUS BANKING AWARDS FOR INNOVATION

- Silver award – LookSee, the only African bank to win in this category

BRAND FINANCE TOP 500 BANKING BRANDS

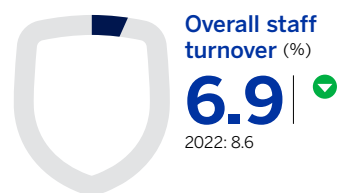
- Most valuable banking brand in South Africa, increasing brand value by over 27%



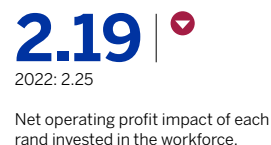


How we performed

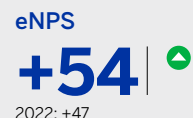
Turnover



Workforce return on investment



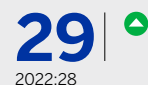
Employee experience



Diversity and inclusion



African representation at senior management (%)



Bursary spend



Total bursary spend



Female graduate participants (%)



Learning



Learning hours invested in future skills (%)



Employee headcount



Non-permanent employees



Our value proposition for our employees is encapsulated in our People Promise. We continue to shape a workforce that is engaged and where our people feel deeply connected with our purpose. We strive to create an environment that provides an excellent workplace experience, which brings out the best in our people. This is key to ensuring that we remain an employer of choice in the marketplace.

Employee engagement

Our eNPS result of +54 was up seven points from 2022 and was the highest eNPS recorded in the last five years. The survey outcomes indicate that our people feel positive about working at Standard Bank, they can strongly correlate their individual performance to the organisation's performance, and they feel a strong sense of organisational pride, as well as team alignment to goals.

Employee wellbeing

In line with global trends, many of our people also feel overwhelmed, anxious, and feel impacted by social and macroeconomic pressures. We continue providing holistic wellbeing offerings to our employees in the form of a comprehensive Employee Assistance Programme (EAP), occupational health services including emergency management services (OHS) as well as organisational health risk management (OHRM) services including absence and incapacity management, disability verification and assessment, onsite primary healthcare services, travel health, and medical assessments. We also continue to enhance line manager's capability to support wellbeing in the workplace.



Diversity and inclusion

We continue to focus on ensuring a diverse and inclusive workforce that is representative of South Africa and a work environment that is free from any form of discrimination. This enables employees to be more connected, have a sense of belonging, and be more productive, thereby providing excellent service to our clients. In support of this, we have ongoing dialogues with the aim of creating a safe and inclusive space within the workplace to raise awareness about critical issues such as gender equality, mental health, gender based violence, and LGBTQI+ matters.

We continued to make progress toward achieving our diversity, equity, inclusion and belonging (DEIB) goals, as set out in our Employment Equity Plan (2022-2024). We continue to strive to create a workplace that is diverse, equitable, inclusive and which aims to ensure that everyone feels a strong sense of belonging.

Our focus on enabling women career progression emphasises critical aspects of career development, such as wellbeing, networking and development. Ensuring that employees with disabilities have a voice remains important to enable us to continuously improve their workplace experience with reasonable accommodation. Our established structures in the organisation, such as the DEIB SA Forum, Disability Network forums and LGBTQI+ forum enables us to drive this agenda of diversity and inclusion with the active support of leadership.

Employment equity

Over the last five years we have improved the representation of African people across all levels. We have exceeded our target for African women at junior management to above the EAP, which is consistent with the sector. While we continue to improve the representation of African men and women in senior management, we have not achieved our December 2023 targets, and this will continue to be a focus going forward. Targets for African people in middle management have been achieved. Targets for coloured people in senior management have been achieved and their representation in middle and junior management levels is above the EAP. The representation of Indian and white people in all occupational levels is above the EAP. Although we have not achieved our 1.3% disability target, the representation of persons with disabilities has increased because of our retention endeavours and increasing disability declarations.

BLACK EMPLOYEES IN MANAGEMENT (%)

	Top	Senior	Middle	Junior
2023	41.7✓	58.0✓	80.1	92.9
2022	36.4	56.6	78.7	92.0
2021	46.2	54.4	76.9	91.0
2020	48.6	51.5	75.2	90.1
2019	44.2	49.1	73.2	89.1
2018	41.9	46.3	71.3	88.3

BLACK WOMEN EMPLOYEES PER EE OCCUPATIONAL LEVEL (%)

	Top	Senior	Middle	Junior
2023	8.3	28.2✓	43.5	64.7
2022	9.1	27.1	42.1	64.0
2021	7.7	25.6	40.7	63.2
2020	11.4	23.3	39.7	61.9
2019	11.6	21.9	38.3	61.1
2018	9.3	20.4	37.0	60.5

AFRICAN EMPLOYEES PER EE OCCUPATIONAL LEVEL (%)

	Top	Senior	Middle	Junior
2023	41.7	29.0	49.7	66.4
2022	36.4	28.0	47.4	64.2
2021	46.2	25.3	44.7	62.0
2020	45.7	23.3	42.6	60.1
2019	41.9	20.1	39.7	57.7
2018	39.5	18.6	37.3	56.4

SBSA GENDER EQUITY (PERMANENT EMPLOYEES)

	Male employees	Female employees	Total employees
2023	11 292	18 420	29 712
2022	10 982	17 889	28 871
2021	10 970	17 986	28 956
2020	11 187	18 394	29 581
2019	11 427	18 675	30 102
2018	12 111	20 051	32 162

WOMEN IN MANAGEMENT POSITIONS (%)

	Executive	Senior	Middle	Junior
2023	36.3	45.3	48.3	60.4
2022	36.4	44.4	47.4	59.4
2021	36.4	42.8	46.7	58.1
2020	36.3	41.5	46.7	57.5
2019	35.0	41.3	46.1	56.8
2018	34.5	40.4	46.4	55.1

EMPLOYEES WHO DECLARED DISABILITIES (%)

2023	1.00
2022	0.92
2021	0.82
2020	0.83
2019	0.85

SUMMARY OF EMPLOYMENT EQUITY PROGRESS (ALL EMPLOYEES)

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	4	–	–	2	1	–	–	2	3	–	12
Senior management	506	139	442	819	552	128	349	463	181	69	3 648
Professionally qualified	2 120	471	679	692	2 325	717	844	830	148	111	8 937
Skilled technical	3 100	748	494	261	7 111	1 856	973	750	24	51	15 368
Semi-skilled	361	57	25	16	982	197	66	40	–	3	1 747
Unskilled	–	–	–	–	–	–	–	–	–	–	–
Total permanent	6 091	1 415	1 640	1 790	10 971	2 898	2 232	2 085	356	234	29 712
Temporary employees	254	37	26	49	463	60	25	43	23	5	985
Grand total	6 345	1 452	1 666	1 839	11 434	2 958	2 257	2 128	379	239	30 697

SUMMARY OF EMPLOYMENT EQUITY PROGRESS (PERSONS WITH DISABILITIES ONLY)

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	–	–	–	–	–	–	–	–	–	–	–
Senior management	–	1	1	15	1	1	2	8	1	1	31
Professionally qualified	7	3	3	14	10	5	9	12	–	1	64
Skilled technical	33	8	3	14	60	23	13	28	–	1	183
Semi-skilled	3	1	–	2	11	1	1	1	–	–	20
Unskilled	–	–	–	–	–	–	–	–	–	–	–
Total permanent	43	13	7	45	82	30	25	49	1	3	298
Temporary employees	1	–	1	–	4	–	–	1	–	–	7
Grand total	44	13	8	45	86	30	25	50	1	3	305

Key

A = African
C = Coloured
I = Indian
W = White

Investment in our people

To support all our employees to reach their full potential and transform our workforce at all levels, we make significant investments in skills development. We spent R771 million on employee training initiatives in 2023, equating to 2.39% of total employee costs. **30 697** employees (permanent and non-permanent) completed training programmes or courses, of whom **62%** were women and **85%** were black.

Approximately 18% of the total budget was spent on black employees at senior and executive management levels.

TRAINING SPEND

	2023	2022
Training spend (Rm)	771	678.3
Training spend as a percentage of staff costs (Rm)	2.39	2.44
Number of employees trained (permanent and non-permanent)	30 697	29 888
Number of women employees trained	19 016	18 527
Number of black employees trained	26 112	24 278

Our integrated **Youth Development and Employment strategy** provides for bursaries, learnerships, internships and our flagship graduate programme.

Our **graduate programmes** offer individualised learning journeys, action learning projects, executive sponsorship and accelerated work experience, enabling us to build a strong succession pipeline. We include a strong focus on future-fit skills.

Our **internship and learnership** programmes for unemployed young people provide an opportunity for graduates and matriculants to enter the world of work while enabling the group to develop core and emerging skills.

	2023	2022	2021	2020	2019	2018
SBSA learnership/graduate programmes: total	618	596	712	432	983	1 009
SBSA graduate programmes: black attendees (%)	89	88	86	87	92	91
SBSA graduate programmes: black African attendees (%)	74	68	70	71	77	75
Learnership students absorbed into employment (%)	62	70	54	55	47	64
SBSA leadership training: total	6 972	6 547	5 244	4 246	2 708	4 920
SBSA leadership training: black attendees (%)	81 ✓	79	74.6	75	71	75
SBSA leadership training: black female attendees (%)	52	49	45	45	43	46

618 young people participated in learnerships, internships and graduate programmes.

181 individuals joined our graduate programme.

74% of graduate participants were black African, 48% were women.

437 unemployed people participated in learnerships and internships, achieving NQF 5 and 6 qualifications.

96% were black African
59% were female.

354 young people were employed by Standard Bank on completion of their programmes.

We sponsored **52** student bursaries with a value of R9 million.

We received R58 million in funding from the SETAs in 2023, R10 million more than in 2022. These funds supported 551 individuals in completing employed learnerships, completing their NQF 5, 6 and 7 qualifications in banking, insurance, management, engineering, paralegal and wealth management.

- 69% of individuals were African
- 68% were women.



B-BBEE scorecard performance

We scored 17.28 out of 23 for the skills development pillar of the scorecard. This element measures skills development expenditure as a proportion of total payroll leviable amount and proportion of black people participating in skills development activities.

We exceeded the target for black and black women at middle management.

We exceeded all targets at junior and non-management levels.

We were below target for unemployed black people.

We earned a bonus point for the number of unemployed black people absorbed into employment.

We were below target for black people, black women and African people at executive and senior management.



We were awarded:

- **The CHRO South Africa Awards:**
 - HR and Technology Award and the Learning and Development Award
 - SBG Chief People Officer, Sharon Taylor won the overall CHRO of the Year
- **The Dean's Award for Excellence** through Partnership bestowed by the Dean of the University of Pretoria's Gordon Institute of Business Science, celebrating a 12 year partnership.

Leadership development programme participation

- **6 972** employees attended a leadership development programme, accounting for 23% of all SBSA employees
- **81%** of attendees were black
- **52%** of attendees were black women.



Looking ahead

Our people are our competitive advantage in fulfilling the organisation's ambitions and delivering to our clients. Our focus will continue to be in investing in our peoples' development, wellbeing and their overall employee experience. To achieve this, we will focus on the following:

- Enhancing leadership effectiveness through the defined leadership principles, habits, and appropriate development
- Upskilling and reskilling at scale for current and future skills
- Creating a more diverse and inclusive work environment that is free from any form of discrimination and supports a sense of belonging for all employees
- Empowering employees to improve their holistic wellbeing
- Being an employer of choice for Young Talent in the South African market.



How we performed

Common equity tier (CET) I¹ (%)

12.7 |

2022: 12.1

Liquidity coverage ratio (LCR)² (%)

127.4 |

2022: 129.1

Total capital adequacy ratio (CAR)³ (%)

17.6 |

2022: 16.6

Net stable funding ratio (NSFR)⁴ (%)

107 |

2022: 110.6

SBSA is a responsible corporate citizen, adhering to good corporate governance practices and promoting the sustainability and social and economic development goals of South Africa. Our commitment to doing the right business, the right way, without exception, is rooted in a culture of conscious risk-taking and ensures that we comply with all applicable laws and regulations, meeting the highest standards of ethical business conduct.

SBSA risk universe

Our risk universe consists of core risk types that could have a potential impact on the business and are grouped into strategic, financial, and non-financial risk categories. We routinely scan our operating environment for changes to ensure we respond appropriately to risk and opportunity.



More details can be found in the **SBG risk and capital management report**.

Strategic risk

The risk that business models and plans may be inadequate to protect SBSA's competitive position and shareholder value.



Strategy position risk

Risks relating to strategic choices like value proposition, product, consumer segment and channel that result in unexpected variability of earnings and other business value drivers.

Strategy execution risk

Risks relating to strategy implementation failures where management execution capability and operational decisions do not meet the strategic objectives.

Reputation risk

Risks relating to potential or actual damage to our image which may impair the profitability and sustainability of our business.

Financial risk

A risk posed by unexpected changes in external markets, price, rates and liquidity supply and demand.



Credit risk

Risks relating to customers not meeting their financial or contractual obligations when due.

Climate risk

Risks to the SBSA business due to climate change.

Market risk

Risks relating to adverse movements in market variables such as commodity and other stocks prices, held equity stock prices, interest and currency exchange rates, resulting in change in market value, actual or effective earnings, or future cashflows of a portfolio of financial instruments.

Funding and liquidity risk

A risk related to SBSA, although solvent, not maintaining or generating sufficient cash resources to meet its payment obligations in full as they fall due or can only do so at materially disadvantageous terms.

Non-financial risk

Risks related to inadequate or failed processes, people and systems that make up SBSA business operations, due to changes in internal or external factors. These risks are complex, difficult to anticipate, oversee and monitor. They evolve rapidly and could have financial or non-financial implications.



¹ This measure assesses SBSA's ability to absorb losses and withstand financial stress. It represents the highest quality of capital held by the entity and is an important measure of its overall financial stability.

² This measure ensures that SBSA has adequate stock of unencumbered HQLA (high-quality liquid assets) that can be easily, and immediately converted into cash to meet liquidity needs for a 30-day liquidity stress scenario.

³ This is a measure of how well SBSA can meet its obligations and is used to determine the bank's risk of failure.

⁴ This measure ensures that SBSA maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities.



How we manage risk

We manage risk by:

- Taking a holistic forward-looking view to identifying the risks we face
- Assessing threats and opportunities in our operating environment
- Being consistent in our approach to risk and capital management, with guidance from our well-developed risk management framework.

1

Risk culture

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

2

Organisational design

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

3

Risk management approach

Ensures consistent and effective management of risk within our board-approved risk appetite. Provides for appropriate oversight and accountability.

Risk governance

Our risk governance is underpinned by a strong control environment and defined in our risk governance and management standards and policies. Our governance structure enables oversight and accountability through appropriately mandated board and management committees.

Risk management lifecycle

Our risk universe is managed through the risk lifecycle. The risk measurement process includes rigorous quantification of risks under normal and stressed conditions, up to and including, recovery and resolution.



Three lines of defence

Three lines of defence maintain a strong and resilient risk culture.



Conduct risk

Conduct risk is the risk that harm is caused to the group's clients, the market or the group itself because of inappropriate conduct and behaviour in the execution of business activities. This includes governance arrangements, business models, product development, sales practices, treating clients fairly outcomes, and remuneration and incentive structures. Our code of ethics and conduct is supported by our comprehensive and culture-led approach to conduct risk management.

Conduct risk management is integrated into all relevant group policies and processes and managed as part of the group's non-financial risk management and risk management frameworks. Our conduct risk policy sets out the requirements for timely identification, reporting, escalation and remediation when conduct risk is identified.

Conduct risk management is managed as part of the group's non-financial risk management and risk management frameworks, with requirements for timely identification, reporting, escalation and remediation when conduct risk is identified.

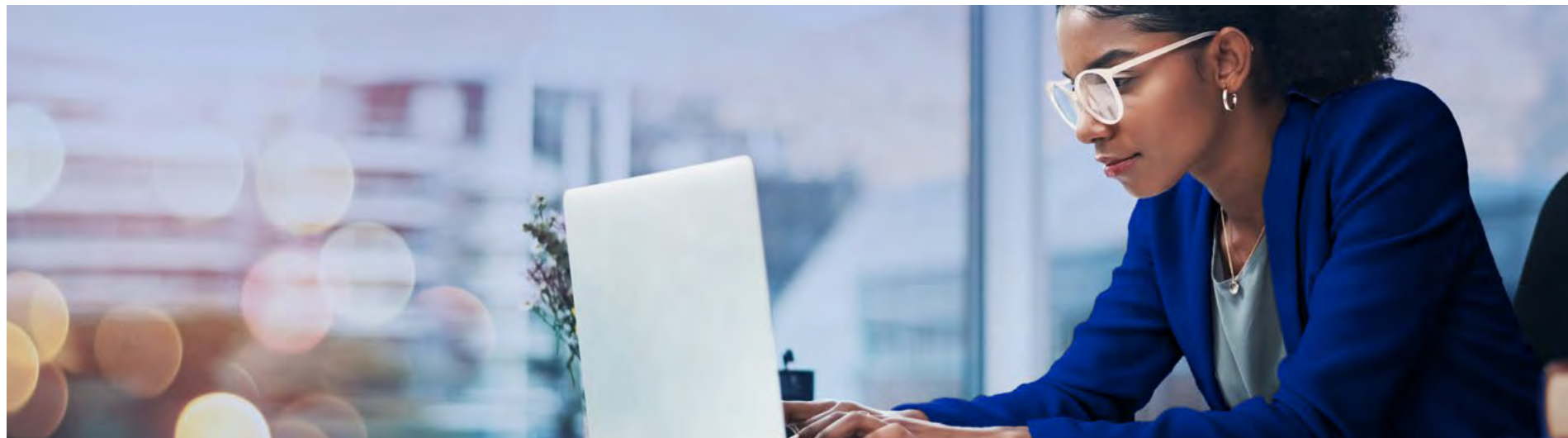
Conduct risk remained within risk appetite, as assessed by the various lines of business and conduct-related breaches were addressed within specific business areas.

Credit risk

South Africa's credit recovery remained strained with high inflation, tighter credit conditions, a weaker rand, interest rate increases, and an increase in unemployment. Subsequently, high input costs, pressured property prices, increased instalments, and constricted customer disposable incomes have led to consumer affordability pressures. However, despite the macroeconomic challenges, we continued to support our clients by applying a targeted risk appetite approach that allowed us to take advantage of market opportunities, while effectively managing operational risk losses.

Liquidity and capital risk

Liquidity and capital risk requirements are managed within the regulatory requirements. SBSA maintained both the LCR and NSFR on a SBSA solo basis in excess of minimum regulatory requirements of 100% respectively.



Climate risk

Climate risk remains a priority for SBSA, and per our group climate policy, we commit to achieving net zero for financed emissions by 2050, while achieving net zero by 2040 for our own existing facilities and for newly built facilities by 2030. Good progress has been made with management committees being established across business units to drive initiatives to integrate climate-related risks into risk management frameworks.

In 2022, we became a member of the Partnership for Carbon Accounting Financials (PCAF), a financial industry led initiative that supports greenhouse gas (GHG) emission measurement and disclosure by the financial sector. This membership enabled us to procure data from appropriate third-party providers, learn from peer networks, and engage our clients regarding our data needs. In 2023, we applied the PCAF methodology to assess financed emissions in relation to upstream oil and gas.

A key focus in 2024 is to continue to expand our measurement of the emissions financed, facilitated and insured in our wider group portfolio.

Reputation

Standard Bank recognises that effective reputation risk management is essential to our purpose and our ability to drive Africa's growth. This reputation rests on the ethics and values which shape our culture, which in turn shape our conduct.

Reputation risk is managed within risk committees. Incidents, trends and metrics are presented at the South African executive committee, social and ethics management committee, and the risk oversight committee.

Looking ahead

As we continue to evolve our risk capabilities to achieve the group's strategic objectives, our key focus areas are:

- Managing reputational risk proactively and responsibly through an enhanced governance framework to protect the bank's brand
- Ensuring implementation and compliance with climate risk regulations and relevant guidelines, including those related to disclosures and stress testing, to enable us to manage climate risks and take advantage of opportunities presented
- Protecting our clients by managing fraud risk as digitisation increases in the financial system
- Maintaining improved system availability to ensure we retain the trust of our clients and stakeholders
- Enhancing our ability to manage third-party risks, as third parties remain critical to deliver certain services.



Operational excellence

How we performed

System stability
(P1 incidents)

1 | 
2022: 5

Security practice maturity
(number)

4.6 | 
2022: 4.42

Average app availability
(%)

99.8

Mobile app NPS score
(%)

61

Digital adoption
(%)

45

Our 2025 Ambition requires that we execute with excellence to better serve and protect our clients, reduce costs, and scale our platform business.

System stability

System stability has improved significantly in South Africa. The number of priority 1 (P1) incidents declined by 80% with one P1 incident in 2023 (2022: 5) and 18 priority 2 (P2) incidents (down by 62% compared to the 47 in 2022). The mean time to restore services (MTTR) has improved by 47% for P1 incidents and 69% for P2 incidents. The average availability of our Mobile App critical services also improved to 99.8% in 2023.

In terms of system security, there were no material incidents in 2023. The average maturity score is at 4.6 compared to a target of 4.5 in 2023. This is an area that is fast evolving globally, and our focus is to continue to mature our capabilities and improve every year. We continue to invest appropriately in this capability.

Client experience and digital adoption

Client experience, measured by NPS based on real-time sampling after clients engage with our mobile app, has improved from 58 in January 2023 to 61 in December 2023. Digital adoption has also improved to over 45% of the total client base

Cloud and simplification journeys

We have partnered with several innovative cloud service providers. We are on a journey to run our key services in the cloud. We now have more than 30% of our critical applications running in the cloud.

We have also focused on migration of critical capabilities that connect with our customers and employees. We now have all our customer contact centres running on the Amazon Web Services (AWS) Connect platform that is provided as a readily available service on AWS cloud local region. We have already seen early benefits of improvement in key productivity and efficiency metrics from this migration.

Reliability of digital transaction channels

The stability, security and speed of our IT systems is fundamental to our ability to fulfil our purpose, execute our strategy, and foster trust with our clients. Our priorities include:

- Improving the reliability of the group's critical business processes and services
- Maintaining our strong security posture by driving key initiatives focused on access management, cyber hygiene, third-party devices, firewalls and endpoint security tools
- Implementing advanced level observability (the ability to measure a system's current state based on the data it generates)
- Streamlining processes for real-time decision-making and production oversight
- Using a risk sensitive approach to change management, baseline service availability, and performance levels
- Fully understanding the root causes of incidents, implementing effective mitigation, and ensuring no repeat causes

- Working with our strategic third-party partners on system health reviews.

We experienced no significant outages in 2023, with 18 successive months of month-end technology stability. We monitor these trends on Downdetector, which has also indicated improved stability performance relative to our industry peers.

Our response and recovery times have significantly improved since early 2022. We can successfully switch to a standby system in the event of near misses, mitigating the risk of outages and impacts to the client. 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.

Looking ahead

In 2024, we will continue to progress our strategy of migrating the key services and workloads to the cloud. We will relentlessly pursue stability and optimise processes through automation, and prioritise technology mean time to repair as a core client satisfaction metric.

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

Financial outcome

How we performed

Delivering sustainable returns to our shareholders depends on the extent to which we have made strategic progress in achieving client focus, employee engagement, risk and conduct, and operational excellence.

Headline earnings

(Rbn)
16.8 | ▲
2022: 16.3

Shows the profits we make, excluding profits or losses from non-recurring events.

ROE

(%)
14.6 | ▼
2022: 15.2

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 strategy.

Credit loss ratio

(bps)
98 | ▲
2022: 79

Measures our client credit impairment charges as a percentage of average loans and advances. We aim to maintain our CLR at an acceptable level in line with our risk appetite.

Cost-to-income ratio

(%)
60.4 | ▲
2022: 58.8

Measures our efficiency in generating revenues relative to the costs we have incurred, as containing our costs is key to growing headline earnings and improving ROE.

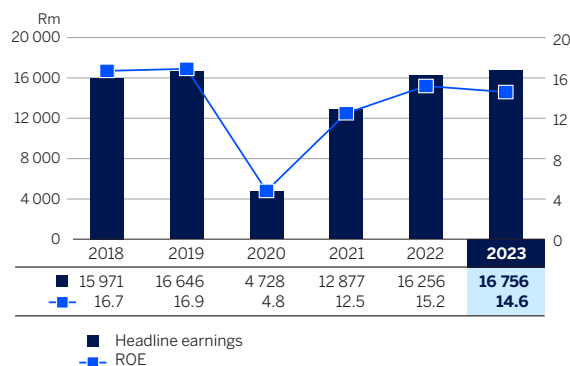
Jaws

(bps)
(2.9) | ▼
2022: 5.0

Measures total income growth minus total operating expenses growth. We aim to achieve positive jaws by growing our revenues faster than our costs.

Headline earnings

CAGR (2018 – 2023): 1%



How we deliver sustainable growth and value

SBSA's pre-provision profits growth of 9% to R36 921 million is largely on the back of strong double digit revenue growth. Given the strain in the South African operating environment, SBSA's earnings were constrained by higher credit impairments as well as higher operating expenses growth.

Headline earnings grew by 3% to R16 756 million with a ROE of 14.6% (2022: 15.2%). 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 capital and liquidity management ratios all above the regulatory minimum requirements.

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 2023

	Group			Company		
	Change %	2023 Rm	2022 ¹ Rm	Change %	2023 Rm	2022 ¹ Rm
Assets						
Cash and balances with central banks	15	54 251	47 146	15	54 231	47 146
Derivative assets	29	83 106	64 538	29	82 489	64 123
Trading assets	5	282 915	268 228	6	276 949	262 291
Pledged assets	(12)	6 812	7 777	(12)	6 812	7 777
Non-current assets held for sale	(100)	—	255	(100)	—	255
Financial investments	1	151 642	150 003	3	153 740	149 981
Net loans and advances	7	1 343 798	1 254 969	7	1 340 414	1 254 092
Gross loans and advances to banks	6	186 368	175 947	6	186 311	175 844
Gross loans and advances to customers	8	1 210 735	1 124 225	7	1 206 716	1 123 352
Credit impairments	18	(53 305)	(45 203)	17	(52 613)	(45 104)
Receivables and other assets	(34)	23 885	36 185	(34)	23 717	36 017
Interest in associates, joint ventures and subsidiaries	17	1 193	1 016	6	7 940	7 492
Property, equipment and right of use assets	2	11 034	10 798	2	10 989	10 744
Goodwill and other intangible assets	(13)	7 944	9 125	(13)	7 806	9 014
Total assets	6	1 966 580	1 850 040	6	1 965 087	1 848 932
Equity and liabilities						
Equity						
Equity attributable to ordinary shareholders	12	140 530	125 823	12	139 406	124 300
Equity attributable to other equity instrument holders	10	121 715	111 081	10	120 742	110 136
Equity attributable to AT1 capital noteholders	28	18 743	14 672	32	18 664	14 164
Equity attributable to non-controlling interests within Standard Bank Group	32	18 664	14 164	32	18 664	14 164
Equity attributable to non-controlling interests within Standard Bank Group	(84)	79	508	—	—	—
Equity attributable to non-controlling interests	3	72	70	—	—	—
Liabilities						
Derivative liabilities	6	1 826 050	1 724 217	6	1 825 681	1 724 632
Trading liabilities	19	92 984	77 823	19	92 938	77 776
Deposits and debt funding	(22)	82 028	105 783	(22)	82 028	105 783
Deposits from banks	7	1 592 209	1 485 665	7	1 592 904	1 487 147
Deposits from customers	5	190 833	181 335	5	190 838	181 382
Subordinated debt	7	1 401 376	1 304 330	7	1 402 066	1 305 765
Provisions and other liabilities ¹	6	25 813	24 440	6	25 813	24 440
	8	33 016	30 506	9	31 998	29 486
Total equity and liabilities	6	1 966 580	1 850 040	6	1 965 087	1 848 932

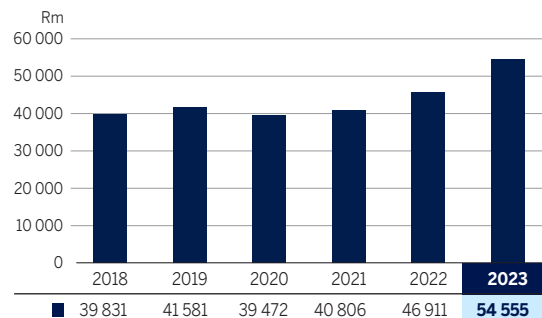
INCOME STATEMENT AS AT DECEMBER 2023

	Group			Company		
	Change %	2023 Rm	2022 ¹ Rm	Change %	2023 Rm	2022 ¹ Rm
Net interest income ¹	16	54 555	46 911	17	54 151	46 099
Non-interest revenue	10	39 535	36 039	9	38 394	35 232
Net fee and commission revenue	6	21 637	20 416	6	20 521	19 339
Trading revenue	15	9 847	8 590	12	9 344	8 322
Other revenue	18	5 588	4 755	15	6 066	5 293
Other gains and losses on financial instruments	8	2 463	2 278	8	2 463	2 278
Total net income	13	94 090	82 950	14	92 545	81 331
Credit impairment charges ¹	34	(13 256)	(9 897)	29	(12 676)	(9 850)
Loans and advances ¹	31	(13 113)	(9 978)	26	(12 533)	(9 931)
Financial investments	(31)	(9)	(13)	(31)	(9)	(13)
Letters of credit, guarantees and other	(>100)	(134)	94	(>100)	(134)	94
Income before revenue sharing agreements	11	80 834	73 053	12	79 869	71 481
Revenue sharing agreements with group companies	55	(777)	(502)	55	(777)	(502)
Net income before operating expenses	10	80 057	72 551	11	79 092	70 979
Operating expenses ¹	16	(56 392)	(48 464)	17	(55 317)	(47 471)
Staff costs ¹	20	(31 799)	(26 588)	20	(31 143)	(26 032)
Other operating expenses	12	(24 593)	(21 876)	13	(24 174)	(21 439)
Net income before capital items and equity accounted earnings	(2)	23 665	24 087	1	23 775	23 508
Non-trading and capital related items	(>100)	22	(371)	(>100)	221	(579)
Share of post-tax (loss)/ profit from associates and joint ventures	(>100)	(41)	1	(>100)	(41)	1
Profit before indirect taxation	0	23 646	23 717	4	23 955	22 930
Indirect taxation	13	(1 845)	(1 626)	13	(1 832)	(1 615)
Profit before direct taxation	(1)	21 801	22 091	4	22 123	21 315
Direct taxation	(15)	(4 105)	(4 846)	(14)	(4 022)	(4 675)
Profit for the period	3	17 696	17 245	9	18 101	16 640
Attributable to AT1 capital noteholders	93	(1 344)	(697)	93	(1 344)	(697)
Attributable to non-controlling interests with Standard Bank Group	(>100)	429	(519)	—	—	—
Attributable to non-controlling interests	(67)	(2)	(6)	—	—	—
Attributable to ordinary shareholders	5	16 779	16 023	5	16 757	15 943
Headline adjustable items	(>100)	(23)	233	(>100)	(179)	441
Headline earnings	3	16 756	16 256	1	16 578	16 384

¹ Restated.

Net interest income

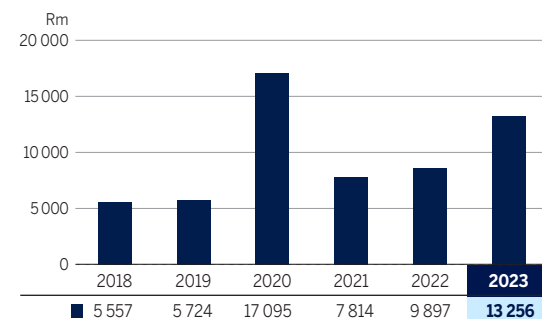
CAGR: 6%



Net interest income (NII)¹ grew by 16% to R54 555 million (2022: R46 911 million) largely supported by balance sheet growth from average interest earning assets and average interest-bearing liabilities. This was coupled with positive endowment as the SARB increased interest rates by 125 bps in the first five months to May 2023, and then paused for the remainder of 2023. Growth was partially offset by pricing pressures in a competitive market.

Credit impairment charges

CAGR: 19%

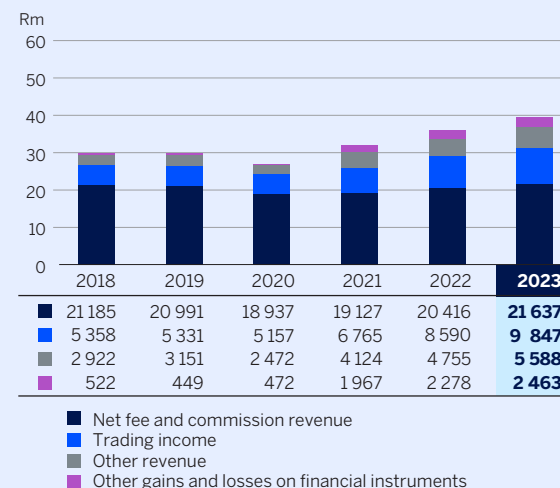


Credit impairment charges¹ grew by 34% to R13 256 million. Elevated impairments were driven by balance sheet growth, new corporate defaults, and increased utilisation on existing committed facilities. Higher provisioning across portfolios linked to interest rate hikes and high inflationary environment as clients were unable to meet their full debt obligations, as well as the non-recurrence of prior year credit recoveries in the payment holiday portfolio further contributed to impairment growth. The credit loss ratio increased to 98 bps (2022: 79 bps) nearing to the top end of the through-the-cycle target range of 70–100 bps.

¹ Restated. Please see the [SBSA Annual Financial Statements](#) for details.

Non-interest revenue

CAGR: 6%



NIR reflected a growth of 10% to R39 535 million (2022: R36 039 million).

Net fee and commission revenue increased by 6% to R21 637 million due to a higher active client base, good growth in transactional volumes linked to travel and e-commerce, and annual price increases. In addition, client acquisitions and new client mandates delivered improved cash transaction volumes from corporates in Transaction banking. This was partially offset by higher US dollar Mastercard and Visa expenses in line with increased transactional activity and a weaker ZAR against the USD.

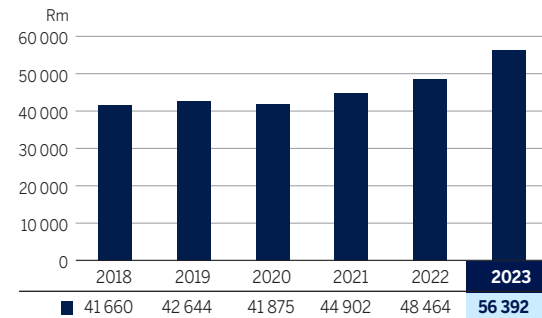
Trading revenue increased by 15% to R9 847 million on the back of client demand for foreign exchange, increased structured funding and good risk management in a volatile environment. This was partially offset by lower commodities revenue due to the non-recurrence of prior period gains on the back of higher commodity prices.

Other revenue improved by 18% to R5 588 million, mainly due to a marked increase in vehicle and asset finance fleet rental income on the back of higher volumes on long-term rentals.

Other gains and losses increased by 8% to R2 463 million due to increase in the fair value financial investment portfolio resulted in higher mark-to-market gains.

Operating expenses

CAGR: 6%



Operating expenses increased by 16% R56 392 million (2022: R48 464 million) with staff costs growing 20% and other operating expenses grew 12%.

Staff costs increase was largely due to annual salary increases, an increase in skilled employee complement, as well as higher incentives.

Other operating costs increased due to

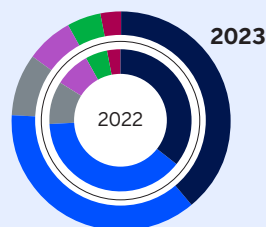
- Continued investment in technology costs to support client experience, improve business agility by migrating to cloud software and the impact of a weaker ZAR on US dollar contracts
- Growth in professional fees due to auditor fee increases and other fees linked to enhanced client experience through strengthening fraud detection and monitoring capabilities
- Higher fuel and maintenance costs following increased electricity shortages and fuel price increases
- Offset by decreased communication related expenses driven by optimisation of card deliveries and migration of customer bank statements from post to electronic statements.



Maintaining our robust balance sheet

Loans and advances

Gross loans and advances to customers composition (%)



	2023	2022
Corporate and sovereign lending	39	36
Home services	37	39
Vehicle and asset finance	9	10
Business lending	7	8
Personal lending	5	5
Card and payments	3	3

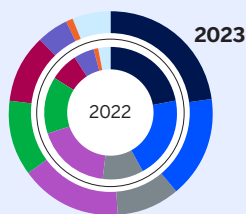
Gross loans and advances to customers grew by 8% R1 210 billion (2022: R1 124 billion), mainly supported by strong growth in corporate and sovereign portfolios (+18%) from good origination in the CIB business.

Home services, the vehicle and asset finance, card and personal unsecured lending showed muted growth due to competitive pressures in the market and challenges clients had on affordability given the high interest rate and inflationary environment.

Expected credit losses (ECL) increased by 18%, with total stage 1 and 2 loans up 9% and stage 3 (including interest in suspense) loans up 22% compared to prior year. As at 31 December 2023, stage 3 loans represented 6.1% of the portfolio and provisions held against these loans reflected 46% coverage (31 December 2022: 5.1% and 48% respectively).

Funding and liquidity

Funding diversification by product – (%)



	2023	2022
Call deposits	23	22
Term deposits	16	20
Current accounts	10	10
Cash management deposits	16	18
Deposits from banks and central banks	12	14
Negotiable certificates of deposits	11	7
Senior and subordinated debt	5	5
Savings account	1	1
Other	6	3

Deposits from customers increased by 7% mainly driven by cash management deposits, call deposits and term deposit growth partly offset by a reduction in negotiable certificates of deposit.

SBBSA's available contingent liquidity remains adequate to meet internal as well as regulatory stress requirements. Contingent funding plans, stress testing assumptions, as well as early warning indicators continue to be reassessed for appropriateness considering South Africa's economic environment and market conditions. Appropriate liquidity buffers were held in line with the assessment of liquidity risk requirements. SBBSA maintained both the LCR at 127.4% (average over the quarter December 2022: 129.1%) and NSFR at 107.0%

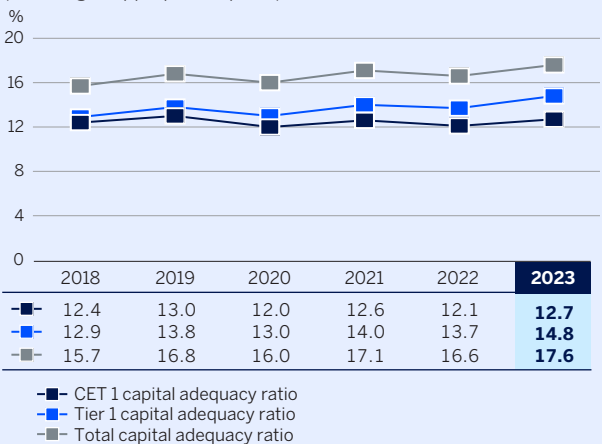
(December 2022: 110.6%), in excess of minimum regulatory requirements of 100%.

Longer term funding increased by R50.1 billion through the issuance of negotiable certificate of deposits, senior debt, syndicated loans as well as funding raised from development finance institutions (DFIs). In addition, R4.5 billion Additional Tier 1 and R4.6 billion Tier 2 has been down streamed from the Standard Bank Group. SBBSA continues to benefit from favourable liquidity conditions, contributing to strong liquidity ratios.

Capital management

Capital adequacy

(including unappropriated profit)



SBSA's capital adequacy remains strong and provides the financial resources to continue to support our clients and drive our growth aspirations. The CET 1 ratio improved to 12.7% (2022: 12.1%) and total capital adequacy ratios of 17.6% (2022: 16.6%) both exceeding the regulatory minimums required by the Prudential Authority (PA).

Market leader in sustainability linked bond and loans.

In 2023, SBSA concluded the first IFC Sustainable Loan (USD250 million) with a local bank in South Africa, the first sustainability-linked bond in the financial services sector in SA (R2 378 million) as well as a sustainability-linked syndicated loan facilitated by Mizuho Bank Limited (USD400 million).

Looking ahead

In 2024, South Africa's inflation is expected to decline to 5.0% on average, and the repo rate is expected to decline to 7.25% by year end. Gradual policy reforms should be growth-supportive over time with real GDP growth expected to land at 1.2% in 2024. Any acceleration in resolving the electricity, road, rail and port constraints would aid this further.

For the twelve months ended 31 December 2024, SBSA's balance growth is likely to remain slow in the first half of 2024, but improve in the second half.

Average interest rates are expected to marginally decline, and pricing to remain competitive. Accordingly, net interest income is expected to be lower than current 2023 growth. Non-interest revenue growth is expected to range from the mid-to-high single digit from a growing SA franchise client base and increased transactional client activity, supporting net fee and commission. Trading revenue growth will be subject to client activity and related flows. While there is a heightened focus on costs, we need to continue to invest in our business to remain competitive and grow. The focus remains on improving cost-to-income ratio and jaws flat to positive.

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. The business is on track to deliver its committed franchise growth and financial outcomes to assist the group in achieving its 2025 targets.





Positive impact

Achieving positive impact is integral to our core business activities and is one of the six value drivers against which we assess our success. We strive to understand the needs and challenges of Africa's people and deliver solutions to address these. We have identified four core areas of impact, informed by the global priorities identified by the United Nations Sustainable Development Goals (UN SDGs), African priorities identified by the African Union's Agenda 2063, priorities identified in development agendas and sustainability frameworks in our countries of operation, and the commitments made in the Paris Climate Agreement.



FINANCIAL INCLUSION

- Relevant, accessible, cost-effective financial products and services, including digital products and services accessible without a bank account
- Access to finance, training, networking and market opportunities for SMEs to promote sustainability and growth
- Solutions tailored to the needs of young people, including student finance and affordable, unsecured student loans
- Consumer education to support individuals and business owners to effectively manage, save and plan ahead
- Affordable mortgage finance and partnerships with government to expand affordable housing stock.



ENTERPRISE GROWTH AND JOB CREATION

- Support for improved productivity, profitability and food security in the agriculture value chain
- Support for game-changing start-ups in the fintech, healthtech, agritech and logistics sectors to launch and/or scale their businesses.



INFRASTRUCTURE DEVELOPMENT AND THE JUST ENERGY TRANSITION

- Leading enabler of Africa's energy transition, providing finance for renewable energy projects across Africa
- Finance for developmental infrastructure, including energy, water, transport and telecommunications infrastructure, while ensuring environmental and social risks are appropriately managed and minimised.



CLIMATE CHANGE MITIGATION AND RESILIENCE

- Sustainability-linked lending and investment solutions for corporate clients
- Helping agribusiness clients to strengthen climate resilience
- Solutions for homeowners and business owners to strengthen climate resilience
- Upskilling our people to support our clients on their transition journeys.



Read more about our positive impact from [page 39](#).



FINANCIAL INCLUSION

SDG TARGET



8.3

Promote development oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of MSMEs, including through access to financial services.



11.1

Ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums.

SBSA'S FOCUS

We provide entrepreneurs and SMEs with relevant, cost-effective services.

We provide solutions tailored for young people.

We provide consumer education for individuals and business owners.

We provide affordable mortgage finance.

2023 METRICS

Instant Money has **4.5 million** active customers and processed **R55 million** send transactions.

We raised **R11 million** through our Feenix platform, benefitting **772✓ students.**

615 students who would not usually qualify for finance accessed unsecured student loans to the value of **R50.7 million.**

We reached **28.6 million** people through our WalletWise radio drama promoting financial literacy.

We lent **R2.6 billion** to **4 659** new affordable housing mortgage customers, with a total affordable housing loan book of R32.6 billion.



Affordable and relevant financial products and services

While 98% of adults in South Africa have access to financial services, as many as 70% engage with their account only once a month, typically to withdraw all available funds and thereafter transact in cash. Only about half of adults have formal savings and insurance products. Many prefer informal stokvels as a saving solution, if they save at all.

Only about 33% of adults use their mobile phones to manage their financial needs. Barriers to the uptake of digital financial services include consumers' lack of knowledge about available products, lack of confidence in using digital payments, concerns about the pricing and relevance of products, concerns about bank fraud, and fear that unused funds will be reclaimed from their accounts.

Standard Bank's ambition is to **improve access to and uptake of digital and phone-based financial services**, by:

Standard Bank app

The **Standard Bank mobile app** empowers customers to manage their money wherever they are. The credit score feature provides them with a monthly update on their credit score and personalised tips on how to improve.

Impact

- Over **3 million** active users in South Africa
- Average of **100 million log-ins** per month.

- Providing affordable and relevant financial products and services for individuals, entrepreneurs and small businesses, including those without a bank account and, in many cases, without a smart phone
- Tailoring products and services to suit specific client groups, including young people

- Growing customer confidence and trust in our products and services
- Improving the financial health of our customers, by providing them with information, tools and training to help them manage their day-to-day finances, strengthen their resilience to absorb financial shocks, and plan and budget to achieve their goals.

Our digital wallets and apps enable our customers to transact efficiently, safely and conveniently. Our offering is aligned with the banking behaviour of the majority of South Africans, who increasingly choose digital channels over face-to-face options to conduct their financial transactions. 99% of transactions by SBSA customers are conducted digitally.

The **MyMo** low-cost transactional account can be opened online, using facial recognition software to authenticate identity. There is no minimum income requirement. Customers pay as they transact. Digital banking is free.

2.3 million active clients, with a total client balance of **R6.9 billion** (28% growth since 2022).

MyMoBiz provides simple, affordable, pay-as-you-transact banking for small businesses from R5 a month. It enables small businesses to receive payments from their customers, pay their suppliers and staff, and keep track of their business finances in a simple and affordable way. It includes an optional PocketBiz point-of-sale device at a reduced fee.

Over **65 000** customers have active MyMoBiz Plus accounts, with a cumulative average balance of over **R1.3 billion**.



B-BBEE scorecard performance

We scored 9.94 out of 12 for the access to financial services pillar of the scorecard.

This assesses the reach of our services, including:

Sales and service points, where we meet the target

Product related access, where we meet the target

Transaction points, where we are below target

Banking densification¹, where we are below target

Electronic access², where we are below target.

- Availability of cash withdrawal facilities per number of qualifying customers based on population density in the agreed measured area.
- The target measures the number of people who earn below a specified threshold and who use electronic platforms.



Instant Money Transfer

enables individuals to send money as a voucher to a South African cellphone number. Beneficiaries can redeem money transfer vouchers at over 50 000 locations including major retailers and selected spaza shops around the country, or at any Standard Bank ATM, making this the most widely accepted mobile money solution in South Africa.

Instant Money Wallet

is a pay-as-you-transact solution that allows customers to redeem, store and issue vouchers through the wallet platform. Customers can buy airtime, data and electricity. They can store their vouchers at no charge, and only cash-out the money they need. They can send money in real time from their wallet to a Standard Bank account. The wallet is available on USSD and app.

Over
4.5 million
active customers

R55 million
send transactions

Instant Money Bulk Payments

allows businesses of any size to disburse funds through the Instant Money platform to employees, customers and/or suppliers in real time. Recipients do not need to have a bank account to receive the money, and they can collect their funds at their convenience. Business clients can make multiple payments to several recipients in one go and set future payments to process automatically.

11.4 million
send transactions

80%
growth compared
to prior year.

BizFlex digital loans

Access to credit

For small businesses, barriers to credit access include lack of required documentation to open accounts and apply for credit, lack of access to collateral to apply for credit. We have tailored solutions to help SMEs navigate these challenges.

BizFlex is a fully digital **short-term unsecured lending solution** designed to adapt to a business's financial circumstances. With its unique 'pay as you earn' repayment structure, BizFlex enables clients to pay back the loan as and when they generate revenue, so repayments will always match the business's cashflow. The total cost of lending is quoted upfront in rand terms and does not change, regardless of the time taken to repay the loan, giving clients complete cost certainty and peace of mind.

Since inception in 2019, BizFlex has enabled the growth of more than
11 000 businesses,
with approximately
30 000 loans
disbursed to the value
of **R5.8 billion**.

BizConnect

BizConnect is a one-stop-shop for information, resources, tips and tools on how to start, manage and grow a business. It offers businesses free access to our repository of curated content including videos, articles, white papers, sector insights, business templates (such as business plans) and more. It also offers access to coaching and support, skills development offerings, and access to various SME solutions.

13 531
unique visitors
per month

198 728
users

Innovative solutions for student finance

Higher education is an investment in the future, but also a big financial commitment. A student loan can help, but traditionally requires someone to stand surety. Standard Bank offers three types of student loans and a crowdfunding solution for those unable to take out a loan, enabling as many students as possible to further their education and pursue their career ambitions.

	Solution	Impact
Loans with surety	A student loan provides access to funds with a low monthly repayment to help cover tuition and registration fees and costs such as accommodation, textbooks or a laptop. The amount granted is based on what the individual can afford and their capacity to repay it. Full-time students need someone to sign surety to guarantee that the loan will be repaid. This person is responsible for paying the interest and fees, until the student can start making loan repayments. They are also responsible for the repayment of the loan if the student is unable to make the repayments. Loan repayments must begin within six months after completion of studies. Part-time students are required to make the loan repayments while studying. Tuition and registration fees are paid directly to the institution and accommodation fees are paid directly to the landlord. The loan provides up to R20 000 for equipment, such as laptops, computers, or tablets, which are paid directly into the surety's transactional account, or the student's account if they are self-assured.	6 509 students financed in 2023 to the value of R526 million . CUMULATIVE IMPACT TO DATE: 31 969 students financed (active performing and non performing loans).
Loans without surety	<ul style="list-style-type: none"> In collaboration with The Discovery Foundation, we manage the Medical Student Loan Guarantee Fund. SBSA also participates in risk-sharing for this initiative. The Discovery Foundation has provided R16.7 million in collateral, which is geared by Standard Bank, to guarantee loans for students who cannot provide their own sureties. The fund is allocated to students at the University of Pretoria and University of Witwatersrand medical schools. Qualifying students can apply annually to receive loans of up to of R120 000 per student to be repaid upon completion of their studies. 	91 students financed in 2023 to the value of R9.2 million . CUMULATIVE IMPACT SINCE LAUNCH IN 2016: 460 students funded to the value of R86.6 million .
	<ul style="list-style-type: none"> The University of Stellenbosch has provided R4 million in collateral to enable us to extend loans to qualifying students at the institution. 	13 students financed in 2023 to the value of R2.2 million . CUMULATIVE IMPACT SINCE LAUNCH IN 2017: 217 students financed to the value of R24 million .
	<ul style="list-style-type: none"> The Standard Bank Backed unsecured student loan fund provides a solution for students in STEM fields and health sciences. Qualifying students can access unsecured loans of up to R120 000 a year to cover tuition fees, accommodation, learning materials and other living expenses. They can also get historical debt covered up to R80 000 for each previous year of study. 	490 students financed in 2023 to the value of R39.2 million . CUMULATIVE IMPACT SINCE LAUNCH IN 2022: 622 students financed to the value of R52.3 million .
<p>A total of 623 students received finance in 2023.</p> <p>1 347 students have received finance under the various funds since they were launched.</p>	<ul style="list-style-type: none"> Our loan guarantee fund with Ikusasa Student Financial Aid Programme (ISFAP), launched in 2022, enables first year students to apply for a loan without surety. They can also access free mentorship, academic support, psychosocial and life skills support. This solution aims to ease the transition from high school to tertiary. 	29 students financed in 2023 to the value of R2.8 million . CUMULATIVE IMPACT SINCE LAUNCH IN 2022: 48 students financed to the value of R5.7 million .



We launched the **Feenix crowdfunding platform** in June 2017. Feenix enables university students in need of funding for current or historic debt to create profiles and raise funds toward paying their fees. To register, they simply upload a copy of their ID and an up-to-date university fee statement.

Our diverse funding partners include private individuals, making personal donations, and businesses, making CSI donations. Contributors can donate directly to a student registered on the platform or to the Feenix Pool Fund. Funding in the pool is divided to ensure at least 75% is allocated to black, coloured and Indian students, 50% goes toward female students.

Feenix has evolved to also provide skills development bursaries and holistic support for under-resourced students. We aim to empower, support and equip students to conquer the obstacles to achieving their degrees and securing their first jobs. Wrap-around support services include financial literacy, personal and professional development webinars and sponsored services such as assistive devices, mental health support, data, laptops and food vouchers.

Companies can use the Feenix platform to connect with potential graduates and interns. Donations are eligible for tax benefits. Business donors can claim B-BBEE points for skills development and socioeconomic development.

All of South Africa's 26 public universities are represented on the platform.



In 2023, Feenix raised

R11 million

772✓ students received tuition funding.

Since inception

3 934

students have received tuition and/or wrap-around support services.

11 105

students (58% female, 42% male) have created fundraising profiles on the Feenix platform and accessed Feenix support resources.

R172 million

has been raised.



“I graduated in 2021 but couldn't receive my certificate and academic record due to outstanding debt. After Feenix paid my outstanding fees, I obtained my certificate, and I am currently engaged in an internship. This opportunity wouldn't have been possible without Feenix.”

Ponego Mamadisa, Electrical Engineering graduate, Tshwane University of Technology

“The Feenix team and funders' support has been amazing. They've brought hope and light into my life, and I am eternally grateful for it. I am now motivated to apply for jobs and start a side hustle. My confidence has been lifted. Being part of the Feenix team has been an amazing experience which changed my life.”

Maureen Motlatsi Mamphanga, National Diploma graduate, Financial Information Systems at Tshwane University of Technology



Affordable mortgage finance

The government has partnered with the banking sector to assist low-and middle-income households that earn above the qualifying threshold to receive state-subsidised housing but below the qualifying threshold to secure a home loan (above R3 500 and below R29 600).

We offer our affordable housing mortgage customers training to help manage their home ownership obligations. Training is provided by external service providers and funded by the bank, via e-learning, online or in-classroom.

We work with the National Department of Human Settlements, National Housing Finance Corporation, and provincial housing departments to help our customers access government's First Home Finance Programme (previously known as FLISP). Qualifying first-time home buyers can access a once-off subsidy, ranging between R38 911 and R169 265, depending on the applicant's monthly income. The subsidy can be used to reduce monthly instalments, contribute to the deposit, and help with conveyancing and transfer fees.

We offer our affordable housing mortgage customers training to help manage their home ownership obligations. Training is provided by external service providers and funded by the bank, via e-learning, online or in-classroom.

Responsible lending

We do not grant credit facilities without being aware of what our clients can afford to borrow, taking into account their current level of debt and what we know about their ability to repay based on their present income and past behaviour. We actively engage with our customers to identify those requiring assistance. When our customers run into financial difficulties, we have programmes in place to help them get back on their feet. We communicate with and encourage distressed customers to make use of rehabilitation options. We have multiple channels for customers to request assistance, including via the Standard Bank app and internet banking.

Distressed customers have the option of entering debt review. We work closely with these customers' nominated debt counsellors to reach a payment arrangement that is workable for the individual customer. We may offer measures such as rate concessions, reduced instalments, and term extensions. Where the customer has taken additional strain once entering debt review, an industry process has been established to try to assist. This includes short term relief in the form of payment holidays. If this is not successful, we offer our customers assisted sales. As a last resort, if neither debt review nor an assisted sale is successful, and the loan is in default, we enter into legal proceedings for a sale in execution (SIE).

Our **EasySell** programme (assisted sales) helps customers who have fallen behind on their home loan repayments or can't afford their home loan repayments anymore to find a sustainable, long-term solution.

On average, our experience shows that an auction realises only 50% of the home's market value compared to EasySell which obtains over 90%. Through EasySell, these customers reduced or cancelled their debt, and were able to downscale to a more affordable home, without a judgment being granted, and without impacting their ability to access credit in the future. Our dedicated EasySell team facilitates this private sale process by assisting the customer to advertise the property, manage the sale, and transfer of the property.

SBSA affordable housing loan book

R32.63 billion

R2.58 billion

lent to 4 659 new affordable housing mortgage customers

97 388

affordable housing loans on our books

931

customers participated in training sessions

13.9%

of customers defaulted

9 259✓

(9.5%) affordable home loans customers accessed loan restructuring/payment holidays

EasySell assisted **7 493**

customers in selling their homes, reducing their combined debt by R7.5 billion


Supporting financial health

We are committed to:

- Ensuring that we understand our customers' requirements before recommending a product
- Communicating effectively with customers and empowering them to make informed decisions
- Ensuring information provided to clients is clear, factually correct, in plain language, provided in time to give customers sufficient time to make an informed decision, and clear regarding products' features and risks, and fees and costs payable
- Providing information in a language the client understands, based on reasonability and factors such as usage, practicality, expenses, region and the needs of clients
- Lending responsibly and supporting our customers with the information they need to borrow responsibly.

More information about our commitments to our clients can be found in the SBG

Code of Ethics and Conduct.

Our complaints management systems are based on the principles of fairness, accessibility, responsiveness and efficiency to ensure the effective resolution of complaints and fair treatment of complainants. Information can be found in the Code and in the SBG  **sustainability disclosures report.**

WalletWise

In South Africa, all financial institutions have a regulatory obligation to provide financial literacy training. Standard Bank's programme, WalletWise provides consumers with knowledge to make more informed financial decisions.

- Target audience is households with an income of less than R15 000 per month.
- Content is tailored to young people, vulnerable communities (elderly and physically disabled) and small businesses.
- Content is delivered via:
 - A radio drama with storylines the consumers can relate to, in their own languages
 - In person training
 - Community events and outdoor advertising
 - Curated content in nine of South Africa's official languages.

WalletWise includes **financial literacy and basic business skills training** for start-ups and small businesses. Training is provided by our appointed vendor. After completing the training programme, participating businesses pitch their proposals to a panel of judges and compete for a share of R250 000 in prize money to fund their business growth goals.

28.6 million

people reached through radio drama and other messaging on radio and associated social media platforms.

2 015

people participated in full-day in-person training sessions.

150

small business owners participated in in-person training sessions.

230 000

people reached through community activations.



B-BBEE scorecard performance

We have achieved or exceeded all targets

We scored 6.16 out of 5 for the socioeconomic development and consumer education pillar of the scorecard.

This element measures annual non-recoverable socio-development as a percentage of prior year NPAT and consumer education as a percentage of retail operations NPAT.

The score includes a bonus point for additional socioeconomic development spend and consumer education contributions as a percentage of NPAT, and 0.16 point for grant contributions towards external initiatives.



ENTERPRISE GROWTH AND JOB CREATION

SDG TARGET



9.3 Increase access of SMEs to financial services, including affordable credit, and their integration into value chains and markets

SBSA'S FOCUS

We support SMEs in the agriculture value chain.

We build the capacity of SMEs to access corporate supply chains.

We provide SMEs with access to finance, training, networking and market opportunities.

2023 METRICS

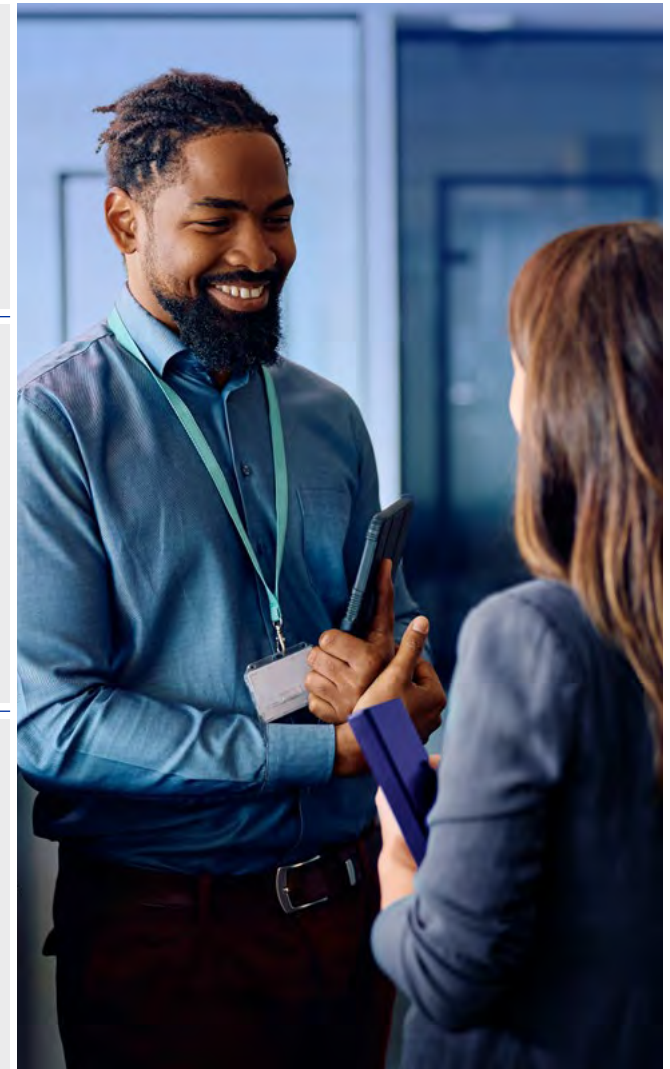
We enabled **R61.4 million** in payments to smallholder farmers, of which **R22 million** was paid to women farmers, through OneFarm Share.

We supported **174** supplier development participants, sustained **4 447** jobs, and created **120** new jobs.

We disbursed **R184 million** in supplier development funding.

We supported **893** enterprise development participants, sustained **3 508** jobs and created **2 170 new jobs**.

We disbursed **R148.9 million** in enterprise development funding.



Enterprise development

Supporting SME access to finance, skills development, and markets

According to a report by the International Finance Corporation, SMEs contribute around 34% to South Africa's GDP and play a vital role in the economy as drivers for reducing unemployment. Many, however, remain outside the formal banking system and are largely dependent on cash transactions and lack access to affordable credit.

We work with small business owners to support entrepreneurship and innovation, with solutions tailored to address their needs at every stage of the business lifecycle. Our business development programmes include access to finance and markets, and bespoke training provided by specialists and sponsored by Standard Bank. Targeted support includes mentorship, skills development, and industry certification. Our aim is to help businesses to get started, stay in business, expand and prosper.

Our **Enterprise Development** team supports black-owned SMEs with turnover below R50 million to become sustainable enterprises. We offer qualifying SMEs support in the form of tailored funding solutions, business development programmes facilitated by specialists, and access to markets. We help SMEs to start, manage and grow their enterprises. We focus on township based SMEs, and women- and youth-owned SMEs, with a sector focus on agriculture, the green economy, education and healthcare.



Jenine Zachar,
*Head of Value Proposition
& Client Experience, SBSA,*
**won Gold at the 2023
Qorus SME Banking
Awards.**
Qorus recognises
individuals and
organisations providing
exceptional digital ability
to SME customers and
helping to meet the
unique needs of SMEs.



Naledzani Mosomane,
*Head of Enterprise
Development, SBSA,*
**won the ABSIP FSTC
2023 Young Women
Achiever Award.**
The award recognises
young professional women
who promote economic
inclusivity and growth and
have achieved exceptional
results in their career to
date.



B-BBEE scorecard performance

Scored 3 out of 3 B-BBEE points
on our FSC scorecard, plus 1
bonus point for job creation.

Supported **893** businesses

Sustained **3 508** jobs with
2 170 new jobs created
in 2023

Disbursed **R148.9 million** in
enterprise development
funding, of which
R43.1 million was non-
recoverable spend.

EXAMPLES OF PROJECTS

Western Cape accelerator programme

This 12-week Accelerator Programme provided support and skills development to 50 township SMEs in their start up or growth phase. It included advanced business management, leadership and entrepreneurial skills designed to take businesses to the next phase of development and growth.

11
SMEs received grant funding to the value of **R500 000**.

The programme was designed to be inclusive. **10%** of the participating SMEs were run by people with disabilities. Youth-owned and women-owned businesses were well represented.

The Ryze entrepreneurship development programme

This township business development programme developed 65 businesses in the Kopano Central region. Key modules included compliance and financial management.



11
SMEs received grant funding to the value of **R760 000**.

Basali development programme

We launched the Basali Development Programme in 2022, a 12-month national programme to provide business skills and development to women-owned businesses. We ran a second cohort in 2023, supporting 100 women-owned businesses from a variety of industries with skills development and thought-leadership masterclasses. The programme equips SMEs to expand their businesses, improve their sustainability and gain access to markets.

100
women participated in training in 2023.
Since launch, we have disbursed **R3.5 million** worth of grant funding to **30 female** entrepreneurs.

GPG Township development programme

In partnership with the Gauteng Provincial Government, we provided 100 township SMEs with business and skill development.

The **top 20** businesses received grant funding to the value of **R1 million**.

Empowerment financing

Transforming the agriculture sector

We recognise the importance of supporting small-scale farmers to drive economic growth, job creation, poverty alleviation, and food security. These farmers face an ongoing struggle to access finance, quality inputs, a fair market, quality training, and infrastructure. They are also vulnerable to growing risks associated with climate change. Big companies struggle to sell services to or source produce from these markets because they are disparate, often unbanked and difficult to access. We work with small-scale farmers to improve access to productive inputs, expertise, financial services, markets and opportunities for value addition.

SBSA has partnered with the bank's agribusiness team to develop black emerging farmers.

In 2023, we disbursed R19 million to 17 farmers. The programme will be expanded in 2024.

Through Enterprise Development Business Development Support Service, we were able to assist these farmers with business plan support, mentorship, financial administration, reporting and technical training.



Lima Rural Development Foundation programme

We partnered with Lima to assist farmers participating in their development programme in North West Province. We provided **16 farmers** with interest-free loans to the value of **R1.4 million**, creating **84 jobs**. Since inception, the programme has assisted **38 farmers**, disbursed **R3.1 million** and created **292 jobs**.

UFS Agribusiness transformation programme

Since 2019, we have partnered with the University of the Free State (UFS) and the Free State Department of Agriculture to develop black commercial farmers and black-owned agribusinesses, thereby contributing to the transformation and economic viability of the agricultural sector in the Free State. The programme includes classroom training, mentorship and interest free loans of up to **R100 000**.

Training covers issues such as animal management, pasture management, feeding, crop production, water and soil management, business training, entrepreneurship and mentorship.

The programme trained 111 black farmers in the Free State between 2019 and 2022. 93.6% of the farmers grew their farm activities or added new activities to their farms.

In 2023, **30 farmers** from the Free State and **16** from the Northern Cape participated in the programme.



OneFarm Share, South Africa

OneFarm Share, powered by Standard Bank in partnership with HelloChoice, is designed to address some of the most pressing challenges in the agriculture value chain, namely: food waste, smallholder (new generation) farmer development, and food insecurity.

The challenge	The solution	Impact in 2023
Over 10 million tonnes of food go to waste every year, with fruits, vegetables and cereals accounting for 70% of wastage. Commercial farmers , large scale food producers, and national produce markets face the challenge of surplus excess produce, arising from supply chain disruptions, sub-spec produce, surplus-to-contract production, non-mainline crops, or a maximum number of nights spent on market.	<p>Farmers, producers and market agents can list their available produce on the OneFarm Share platform.</p> <p>The OneFarm Share team match this availability with food requests received from registered charities working to reduce hunger.</p>	<p>1 007 tonnes of produce rescued from becoming food waste at fresh produce markets</p> <p>300 tonnes of citrus rescued from farms</p> <p>Farmers avoided GHG emissions by re-routing food from landfill</p>
More than 20% of South Africa's households are food insecure – they have inadequate or severely inadequate access to food. This impacts childhood physical and cognitive development and increases the risk and prevalence of chronic disease.	<p>The OneFarm Share team coordinates the delivery of food to our distribution partners, who deliver to charities. They ensure that nutritious, fresh fruit and vegetables reaches the plates of people in need.</p> <p>The platform provides a reliable way for corporates and donors to channel CSI and philanthropic funds to food relief. It offers a secure, auditable, and transparent way for organisations to make a positive impact, with strong alignment to the UN SDGs from a tracking and reporting perspective.</p>	<p>6 600 tonnes of fresh produce channelled to beneficiaries through the platform in 2023 (over 21 000 tonnes since inception)</p> <p>23 million meals provided in 2023 (84.5 million since inception)</p> <p>2 700 beneficiary organisations received fresh produce, feeding 1.2 million people</p> <p>Following severe flooding in the Western Cape and Eastern Cape in 2023, we facilitated the distribution of 500 tonnes of food for flood relief through the platform, enabled by an additional donation from Standard Bank CSI</p>
Smallholder farmers face challenges associated with access to markets, logistics, cashflow, price-uncertainty and limited business and farming support.	OneFarm Share provides these farmers with market access, market-related pricing, same-day payment, access to packaging, logistics, agronomy and business support. We also create a digital identity and transaction history for smallholder farmers to further them on their paths to commercialisation.	<p>Of the 547 programme contributors, 444 are smallholder farmers and of these 129 are women farmers</p> <p>R61.4 million paid to smallholder farmers since inception, of which R22 million was paid to women farmers.</p>



In 2023, we expanded strategic relationships with the World Food Programme (WFP), AgriSA, UN Women and Oxfam, and KAL Group. We are also a signatory to South African Food Alliance, an initiative from IDH and Unilever. These relationships enable a broader reach and better sustainability of the impact of the programme: access to a larger group of commercial farmers, increased support and market access for emerging farmers and more nutritious meals for charities.



10 awards since launch in 2020

Two awards in 2023:

- **Oxfam Award for External Partnership**
- **ESG Future of Sustainability: Top Sustainability Leaders Certificate**



Supplier development

We promote transformation of the bank's supply chain, increasing participation of black-owned SMEs in the bank's value chain. Our supplier development work is aligned with our mission to drive economic transformation, empower SMEs, and create a more inclusive and prosperous economy. This is implemented through targeted bank-wide initiatives that enable us to grow our procurement from local black SMEs. These strategies enable us to partner with and support small local businesses, develop capability and critical technical skills, while providing innovative and tailored funding solutions. Ultimately, supplier development helps create shared value, contributes to fostering economic development, and a more robust and resilient business ecosystem.

Total value of the supplier development loan book:

R184 million

174 supplier development participants received business development support through the supplier development programme.

We paid **R605 million** to supplier development SMEs within 15 days of invoicing.

86% of the supplier development participants have active contracts with the bank to the value of R605 million.



B-BBEE scorecard performance

Scored 5.29 out of 7 points on the FSC scorecard plus 2.11 out of 4 bonus points for graduation from ED to SD, as well as support of black stockbrokers, black fund managers, and intermediaries.



“Supplier development aims to consistently drive strategic partnerships that are geared towards strengthening local procurement, enhancing the development and growth of local black and women owned SMEs, while increasing financial support and market access for small businesses. We continue to unlock opportunities to explore and develop innovative solutions geared towards enterprise growth and job creation through local small business development strategies.”

Kholofelo Shai Head, Supplier development, SBSA



Supplier development initiatives

Gauteng Provincial Government (GPG) enterprise and supplier development programme

- This is a multi-year programme between GPG and SBSA aimed at developing black small and medium enterprises (BSMEs) in three sectors: construction, information technology (IT), and hospitality.
- We provide 20 BSMEs per year with access to market and tailor-made funding solutions.
- We aim to support 100 BSMEs over the course of the programme.

Technology SME development initiative

- This is a bankwide programme aimed at creating and growing small businesses in technology and engineering skills, in collaboration with some of our strategic partners (Salesforce, Amazon and Microsoft).
- The programme includes a set percentage of work and SBG technology spend subcontracted to local SMEs.
- The programme empowers local SMEs and decreases offshore contracting spend and skills dependency.
- It is anticipated that over 200 local SMEs will obtain partner status through our technology partners, with over 300 local SMEs as suppliers within the SBG value chain.

We partnered with **Standard Insurance Limited (SIL)** to implement nationwide soft skills training of over 1 000 BSMEs that are currently service providers in the SIL business.

- Other technical and industry-specific training will also be implemented over time, including waterproofing and roofing training for all non-motor service providers, and solar installation training and accreditation to upskill current electrical contractors and plumbers.
- We onboarded 88 new service providers in the non-motor space in 2023, all of which are B-BBEE compliant. 71 are Level 1 and 100% black-owned, seven are Level 2, 9 are Level 4 and 1 is Level 5.

PPB credit collections – legal spend, and advocate and attorney transformation

SBSA continues to drive efforts to transform spend in the legal collections business function and to promote effective inclusion of black counsel and representation. Our 2023 spend allocation in respect of black advocates increased from 84% to 86% year-on-year. Representation includes physical representation of advocates in court, and non-representation activities including drafting, opinions and ad hoc requests. Black advocate appearance increased from 91% to 95% year-on-year.

In the PPB credit collections value chain, procurement from black-owned suppliers increased from 77% in 2022 to 87% in 2023.

Salesforce Launch Pad and SI-SME onboarding

This is a Standard Bank-Salesforce Launch Pad SI-SME development initiative to support local IT SMEs in gaining appropriate IT certification/ accreditation. The first cohort of five SMEs identified in 2023 were onboarded into SBG's value chain, currently projected at circa R4.7 million per annum.



Supplier Summit and Awards Recognition

Standard Bank Supplier Development hosted the inaugural Supplier Development Summit and Recognition Awards in Q4 of 2023. The event was curated as a thought-leader session, aimed at imparting knowledge to SMEs. This created a huge opportunity and platform to network, facilitate dialogue on access to markets, including recognition of SMEs who had performed exceptionally well in SBSA's Supplier Development Programme and value chain. The theme for the summit was 'Rise above the noise' with topics ranging from SME Development:

- Nurturing Growth & Innovation, Market Access Strategies: Paving the Path for SME Growth
- Leaders shaping the ecosystem for SME advancement in the Public Sector
- The Private Sectors' catalyst role in driving SME Growth.

The summit was attended by over 500 guests at the venue and over 1 000 guests virtually.

The awards ceremony recognised SMEs in five categories, namely, Resilience, Innovation, Growth, Social and Environmental Impact, and Digital Transformation.



B-BBEE scorecard performance

We scored 19 (15 + 4 bonus points) out of 15 for preferential procurement compared to 18.57 in 2022.

This element of the scorecard measures weighted preferential procurement spend for seven categories: B-BBEE compliant suppliers, black women-owned suppliers, black-owned suppliers, exempt micro enterprises, qualifying small enterprises, black-owned designated group and black-owned professional service providers.

We achieved full points for all the 7 categories.

Preferential procurement

SBSA supports job creation and economic transformation by providing opportunities in our supply chain to black-owned suppliers. We generate and set aside tangible, sustainable, procurement and market opportunities to support the growth of local small businesses in our supply chain, enabling local businesses to grow sustainably and create jobs. We enable preferential procurement through our supplier development programme.

We continued our focus on supporting business growth in 2023 through our procurement processes.

- Of our R24 billion total annual spend (*after allowable deductions*), R21 billion, or **89% is with B-BBEE compliant suppliers** (*up from 83% in the previous year*).
- **Black-owned suppliers:** We procured goods and services from 1 791 black-owned suppliers (*up 12.8% from the previous year*) representing 40% of total spend (*after allowable deductions*).
- **Black women-owned suppliers:** We procured from 922 black women-owned suppliers (*up 17.3% from the previous year*) making up 28% of total spend (*after allowable deductions*).
- **Exempt Micro Enterprises:** The number of suppliers in this category increased by 9.3% to 1 766 suppliers, representing 10% of spend (*after allowable deductions*).
- **Qualifying Small Enterprises:** Goods and services were procured from 678 vendors in this category (*up 10% from the previous year*), representing 20% of spend (*after allowable deductions*).



INFRASTRUCTURE DEVELOPMENT AND THE JUST ENERGY TRANSITION

SDG TARGET



7.1

Ensure universal access to affordable, reliable and modern energy services

7.2

Increase substantially the share of renewable energy in the global energy mix



9.1

Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all.

SBSA'S FOCUS

We finance renewable energy projects, including hydro, solar and wind, across Africa.

We aim to be the leading enabler of Africa's just energy transition.

We finance developmental infrastructure, including energy, water, transport and telecommunications infrastructure, while ensuring environmental and social risks are appropriately managed and minimised.

2023 METRICS

Mobilised
R15.5 billion
for new renewable energy power plants

Financed
eight projects
under REIPPP Round 5, totalling
729MW
(280MW in 2022).

Financed
R5.4
in renewable energy for every R1 of funding towards non-renewable power

Enabled clients to install almost
168MW of decentralised power
(200MW in 2022) easing the burden of loadshedding and pressure on the national grid.

Financed
affordable housing infrastructure development

Renewable energy

We aim to be the leading enabler of Africa's energy transition, achieving positive social impact while minimising environmental damage. We deliver solutions according to our clients' requirements. We have successfully completed a variety of utility-scale and decentralised power projects.

Our role in driving energy transition includes:

- 1 Investing in energy infrastructure development
- 2 Providing full banking solutions across multiple products
- 3 Sector expertise to support our clients
- 4 Providing digital platforms to enable home-owners and business owners to access energy solution providers.

REIPP¹ PROJECTS

Project	Our role	Impact
<ul style="list-style-type: none"> We partnered with Red Rocket (a fully integrated African independent power producer), African Infrastructure Investment Managers (through its IDEAS Fund) and Jade-Sky Energy to finance construction of three onshore wind farms. <ul style="list-style-type: none"> Awarded under REIPPP bid window 5 The locations have strong wind resources and good access to Eskom's electricity grid 	<ul style="list-style-type: none"> Joint mandated lead arranger, hedge provider and agent Provided R5.5 billion of the total value of R12 billion, across multiple debt facilities 	<ul style="list-style-type: none"> Installed capacity of 364MW Job creation during the construction phase
<ul style="list-style-type: none"> We provided finance for a wind farm to be built by EDF Renewables, H1 and Gibb-Crede <ul style="list-style-type: none"> Border of the Eastern and Northern Cape provinces Will be powered by 26 wind turbines and generate 140MW, bringing to three the total number of EDF wind farms under this project Power purchase agreements signed with Eskom and the Department of Mineral Resources and Energy 	<ul style="list-style-type: none"> Joint mandated lead arrangers and lenders with Absa Provided finance of R1 billion 	<ul style="list-style-type: none"> Koruson 1 wind farm cluster will have installed capacity of 420MW on completion of the project Will help to meet the electricity needs of 193 000 South African households each year
<ul style="list-style-type: none"> We partnered with Scatec on their three Grootfontein solar PV projects in the Western Cape <ul style="list-style-type: none"> Awarded under REIPPP bid window 5. 	<ul style="list-style-type: none"> Sole mandated lead arranger and underwriter Provided finance of R4.8 billion. 	<ul style="list-style-type: none"> Installed capacity of 225MW Will power 100 000 households.

¹ Renewable Independent Power Producer Programme aimed at bringing additional megawatts onto the electricity system through private sector investment in the alternative energy sources.

Infrastructure development Affordable housing

In South Africa, government has partnered with the private sector to deliver more affordable housing units. In 2019, Standard Bank partnered with the City of Johannesburg and residential property developer Calgro M3 to develop the South Hills Integrated Residential Development project. The development, south of the Johannesburg CBD, comprises a mix of fully subsidised homes, subsidised rental units, bonded units, and free-stranding houses. It is situated on a transport node only six kilometres from the Johannesburg CBD, offering access to transport, job opportunities, and local amenities, including schools, shops and hospitals. The development hopes to reverse the trend of urban sprawl by integrating the various income groups into the existing urban fabric creating a sustainable environment. The houses are energy-efficient and water efficient, supporting a healthier living environment, and reducing long-term energy costs for owners and tenants, through use of gas, energy-saving lights, and prepaid meters for water and electricity.

In 2023, Standard Bank committed to financing the fourth phase of the development, which will see the development of 320 additional affordable housing units. The development has yielded over 2 000 housing units to date.

Decentralised energy projects in South Africa

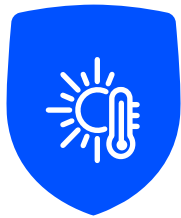
We partner with our clients to enable them to install decentralised, off-grid power to run their businesses. This includes embedded power generation, wheeled power and aggregator models. These distributed energy systems provide reliable power to energy intensive users such as the mining, industrials, consumer and cement sectors.

Standard Bank provided our corporate clients with finance for **368MW of decentralised power in 2022 and 2023.**

Project	Our role	Impact
<ul style="list-style-type: none"> We partnered with independent power producer Sola Group, part-owned by African Rainbow Minerals (ARM), to finance a solar PV plant at ARM's platinum mining operations in North-West province. The project is owned by Sola Group and African Rainbow Energy and Power. Sola Group will construct and operate the facility through a joint venture with WBHO. 	<ul style="list-style-type: none"> Co-financed the R2.1 billion loan with Absa, Development Bank of South Africa (DBSA) and Nedbank. 	<ul style="list-style-type: none"> The 100MW plant will power ARM's Two Rivers, Bokoni and Nkomati platinum mines with 270GWh of carbon-free electricity a year, through a 20-year power purchase agreement.
<ul style="list-style-type: none"> We provided project finance for independent power producer Cennergi to build the Lephalale Solar Project, to power Exxaro's Grootegeluk coal mine in Limpopo, South Africa. 	<ul style="list-style-type: none"> Co-mandated lead arranger and lender on the R1.3 billion transaction. Co-hedging bank providing forex and interest rate swaps to ensure the smooth execution of the deal. 	<ul style="list-style-type: none"> The 68MW solar project will supply 170 million kWh of electricity annually to the mine, reducing emissions from its operations by 36%. The project supports Exxaro's transition strategy to pivot to renewable energy. Relieves pressure on South Africa's national energy grid.

Solar PV

Project	Our role	Impact
<ul style="list-style-type: none"> GoSolr is a leading solar energy company, providing solar PV solutions for homes. We previously provided funding for GoSolr's rollout of its proof of concept, enabling them to be a first mover in the household solar PV market. In 2023, we provided GoSolr with financing to support its capital expenditure requirements to meet increasing product demand and expand its growing market share. 	<ul style="list-style-type: none"> Sole sustainability coordinator, sole mandated lead arranger for a green term loan and equity investor. 	<p>GoSolr's expansion will help address the challenge of accessible energy security for households, while lowering average household carbon emissions and reducing monthly electricity bills.</p>



CLIMATE CHANGE MITIGATION AND RESILIENCE

SDG TARGET



13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.



15.1

Mobilise and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

SBSA'S FOCUS

2023 METRICS

We partner with our clients to understand their climate risks and provide sustainable finance solutions to support their transition plans.

Executed a funding solution for

the African Stove Company (TASC),

a leading global carbon project developer.

We work with our agribusiness clients to strengthen their climate resilience.

Provided

smart water, smart energy, smart practices and smart equipment solutions to farmers and agribusinesses.

We partner with homeowners and business owners to understand their climate-related risks and opportunities and develop solutions to help strengthen their resilience and adaptive capacity.

R147 million

to homeowners for solar installations, offsetting over 9 000 tons in carbon emissions

R843 million

to 460 businesses to enable solar PV installations, generating approximately

42GWh of green energy

Vetted

101 engineering procurement and construction companies

(EPCs) as suppliers

Accredited

21 EPCs as PowerPulse solution providers.

We are upskilling our people to better support our clients on their transition journey.

Piloted a

sustainability and ESG programme

for executives and senior employees

Implemented

sustainability and ESG training

for employees.

Helping agribusiness clients strengthen climate resilience

Agriculture accounts for 75% of Africa's trade, 70% of its employment, and over 20% of Africa's GDP.

It is crucial for Africa's farmers to understand how climate change impacts agriculture and how agriculture influences climate change. The sector has a large role to play in strengthening climate resilience and sequestering carbon.

We aim to be a leader in financing sustainable agriculture and improving the climate resilience of all our agriculture sector clients, across Africa.

Smart agriculture solutions

We work with our clients to enable implementation of:

- Smart energy such as solar and biomass
- Smart water such as drip irrigation, shade netting and greenhouses
- Smart equipment such as no till and precision farming equipment
- Smart practices such as regenerative agriculture, conservation agriculture and drought resistant cultivars.

Our efforts aim to help farmers:

- Increase their resilience to climate change, thereby increasing food security, strengthening the resilience of food systems, and supporting employment and sustainable livelihoods
- Reduce their emissions
- Develop strategies for carbon sequestration on agricultural lands, potentially leading to the sale of carbon credits, and generating additional income for farmers.



Our service offerings

Climate smart agriculture financing solutions

Sponsoring of and participation in agribusiness sustainability events and educational farmer days

Digital platforms to assist small-holder farms, such as OneFarm, which supports access to markets, trade and finance, data transparency, food rescue, and reduction of food waste

Development of internal skills and expertise in respect of sustainable agriculture and climate change, through training initiatives and specialist agriculture events

Guiding clients through the Sustainability Client Academy and leveraging the resources of our incubator.

Helping commercial clients understand their carbon footprint

Commercial farmers need to measure their GHG emissions so that they can manage climate risk and access markets. International off-takers are increasingly required to report on the carbon footprint of agricultural produce purchased or imported. Farmers will need to be able to measure and report their carbon footprints at farm level to access global markets in the future.

Standard Bank is leading industry collaboration to support our clients in this regard. We are working

with industry experts, climate experts, academic institutions, development finance bodies, and others, in Africa and globally, to develop baseline information to support individual farmers to assess their GHG emissions, inclusive of their carbon sequestration practices. Working together, we aim to create mechanisms to expand funding for sustainable, climate-smart agriculture and support the expansion of sustainable business practices across the sector.



TASC carbon credit project

Sub-Saharan Africa is well-positioned to meet the demand for high-quality carbon credits from nature-based solutions. We are expanding our carbon trading capabilities, financing, and project development to bring liquidity to carbon markets. We aim to be sub-Saharan Africa's leading carbon credit trading business and to integrate carbon credit revenue opportunities within our client offering.

In 2023, we executed a funding solution to support TASC, a leading global carbon project developer. TASC provides fuel-efficient cookstoves to rural communities, which are funded by selling carbon credits to companies based on the emission reductions achieved when communities switch to the stoves. They have distributed over one million fuel-efficient cookstoves across Africa.

Solution

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

Our role

Provision of finance against the future sale price of the carbon credits to help TASC reach its goal is to distribute **750 000 stoves** in South Africa.

Impact

Environmental:

The stoves require only a small amount of wood for fuel, resulting in an approximate 70% reduction in wood for fuel usage, thereby reducing GHG emissions and helping preserve biodiversity.

Social:

Rural communities will spend less time and money sourcing wood, gain health benefits from the cleaner-burning stove, and safety benefits since they are not cooking on an open fire.



Winner, **Natural Resources Finance Deal of the Year**,
at the 2023 Bonds, Loans & ESG Capital Markets Africa Awards



Client engagement

Standard Bank hosts an annual **climate summit** in Johannesburg, in collaboration with the University of London's School of Oriental and African Studies (SOAS). The first summit took place in 2021. The summit provides an opportunity for delegates to hear from African leaders on tackling climate change, managing risks, and capitalising on opportunities. The 2023 summit included a focus on scaling up industry transitions and how the global North and South can jointly tackle climate change in a just and equitable manner.

Our BCB team have established a Sustainability Client Academy, which we are running in partnership with Microsoft.


We have integrated climate modules in our agribusiness curriculum.

Solutions for homeowners and business owners

Our solar energy solutions offer homeowners and business owners energy security and help to lower their electricity bills and their carbon footprint.

We offer affordable sustainability solutions, including solar loans, to homeowners through our **LookSee platform**, and businesses through our **PowerPulse platform**.

LookSee for homeowners

 **LookSee** aims to reduce the cost of homeownership and help households access affordable solar, call out services, green products, and fixed backup power solutions. We combine innovative lending products and high-quality solar solutions to help homeowners reduce their electricity bills and provide always-on power for their needs.

LookSee's seamless customer experience includes:

- An innovative LookSee Solar Score™ that helps homeowners in metropolises understand the solar potential of their rooftop, using algorithms and satellite imagery
- High quality solar equipment backed by extensive warranties
- A dedicated customer care team to answer questions, help customers schedule site visits, apply for finance, and ensure all documentation is delivered once installation is complete
- Immediate delivery of solar quotes featuring components that have been vetted by Standard Bank for product quality and service standards.

We also offer options to use new and existing home loan facilities, through future use allowances, re-advances and further advances.

TARGET



Our aim is to save homeowners up to R1 billion by the end of 2025, through home efficiency interventions



Energy Bounce Back Loan Guarantee Scheme

Standard Bank was first to market with the LookSee Solar Loan, in partnership with the government's **Energy Bounce Back Loan Guarantee Scheme**, which offers affordable loans for homeowners and small businesses to install rooftop solar PV. The government and banks share the risk of defaults on loans. Tailored loans for solar installer and leasing businesses and others in the green energy value chain are also available under the scheme.

Impact for homeowners in 2023

Disbursed **R147 million** to customers for solar installations or to fund solar-powered homes

Enabled installation of over **7 000 solar panels** on homes

Over **260 000** unique users used the knowledge hub to learn about home efficiency options available to them

Avoided **9 000 tonnes** in carbon emissions. This is equivalent to the planting of over **400 000** pine trees

Helped **58 500 homeowners** better understand their home's solar energy generation potential through the **LookSee Solar Score tool**.



LookSee was awarded **silver in the global 2023 Qorus–Accenture Banking Innovation Awards** in the Social, Sustainable, and Responsible Banking category, for its impact in making solar power more affordable and accessible to South African households. Standard Bank was the only African bank to receive this recognition.

Capacity-building for service providers

Standard Bank works with solar solutions providers to help them scale-up their businesses and achieve the renewable energy accreditation they need to access export markets and corporate value chains.


- In 2023, LookSee partnered with Standard Bank's Enterprise Development division to help **12 South African SMEs become certified solar system installers**.

The programme focuses on small businesses that are at least 51% black-owned. Working with LookSee's services partner, 4-Sure, we identified promising SMEs that would make the most of a certified solar training programme, delivered by leading solar system installation training provider Green Solar Academy. Those who pass the exams receive a PV GreenCard certification from the South African Photovoltaic Industry Association. The three-month course focuses on imparting technical and practical skills. Qualifying SMEs are added to 4-Sure's panel of solar installers.

Impact for business owners in 2023

- We lent over **R843 million to 460 businesses** to enable solar PV installations, generating approximately **42GWh of green energy**.
- Cumulatively, we have facilitated 970 client installations, representing **>288GWh of green energy**.
- We vetted **101 EPC companies** as suppliers.
- **21 EPCs** were accredited as PowerPulse solution providers.

PowerPulse for businesses

Standard Bank's  **PowerPulse platform** helps businesses across South Africa to identify the right solar solution for their needs, select a trusted supplier to supply and install, and access affordable finance, making the whole process simple and efficient. Businesses simply register on the PowerPulse website and upload basic information about their business and energy needs. They then receive a detailed feasibility report, based on site, size and energy consumption, setting out the cost and potential savings of a hybrid solar

system. They can use the feasibility calculator to explore different scenarios. The platform matches them with three accredited solar providers, and they receive a consolidated proposal report, enabling them to compare solutions and costs and select the best option for their needs. They can access support from an expert concierge service team throughout the process, from feasibility through to installation. They can also explore Standard Bank's solar funding solutions. The platform is free to use for businesses.

The vetted providers on the platform benefit from access to a wider client pool, a streamlined sales process, and higher conversation rates. They are also able to access guidance on their business models, to ensure new business proposals are bankable, and can access a network of international equipment manufacturers and traders.

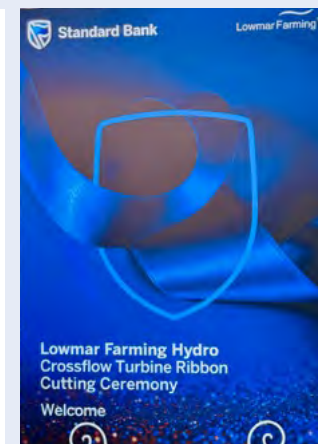


Asset finance for energy solutions

We also support the commissioning of power generation technologies such as lithium-ion battery storage and hydro-electric power for our clients.

While hydropower currently only contributes about 4% of South Africa's total energy supply, it provides an attractive option to achieve energy security and reduce operating costs, particularly in the agribusinesses sector.

In 2023, we partnered with our client, Lowmar Farming, a livestock farming and crop-producing agribusiness, to finance the installation of a crossflow hydro turbine on their farm in the Eastern Cape. Grid instability had left the farm without electricity for weeks at a time, with severe impacts on productivity. The installation of an independent renewable power source provides the farm with baseload capacity of 362kW. Consistency of supply has delivered value for the farm and its downstream value chain.





CORPORATE SOCIAL INVESTMENT

Examples of projects | Employee community involvement

South Africa
Mpumalanga

CORPORATE SOCIAL INVESTMENT

Our CSI focus is on supporting improved access to quality education through the development of multi-year strategic partnerships with community organisations.

Our CSI budget is calculated as 0.6% of net profit after tax. In 2023, we spent **R142.2 million** on CSI in South Africa, including R91 million on education, R38 million on disaster relief and programmes to tackle gender based violence, and R13.2 million on employee volunteering programmes.

Our CSI focus is primarily on **early childhood development (ECD) and foundation phase learning**. Quality ECD programmes can make a substantial contribution to improved nutrition, health, cognitive development, and educational outcomes. We work closely with government departments and other social partners to understand priority needs at the national and local level. We partner with local agencies and community organisations to ensure effective and sustainable delivery of our programmes. We support projects that

develop teachers and teaching in early years schooling, benefitting children from pre-school to grade 3, and we empower primary caregivers by providing them with skills to supplement early learning. These projects are run in partnerships with NGOs or academic institutions and are typically implemented over three to five years.

We also provide support to a limited number of programmes designed to improve access to tertiary level education.

Examples of CSI spending in South Africa in 2023

ECD Fundisani Thuto R6 million GWK Farm Project R1 million Cotlands R2.5 million	FOUNDATION PHASE Mfundo R6 million Edufundi R5.5 million Uplands R4 million READ R2 million The Reflective Learning Foundation R4 million	FUTURE SKILLS National Education Collaboration R5.5 million University of Johannesburg R3.3 million	ECD PRIMARY CAREGIVERS Singakwenza Education and Health R2 million Sebofon R5 million Seriti Institute R7.2 million BrightKid Foundation R5.8 million
CROSS-CUTTING Early Learning Resource Unit R3 million	HIGH SCHOOL Youth Start R3.2 million Hulisani R5.7 million	UNIVERSITY BURSARIES StudyTrust R1.3 million ISFAP R10 million Feenix R4 million	OTHER PROJECTS Humanitarian and disaster relief and action against gender-based violence: R38 million Employee volunteering campaigns and Rand for Rand matching: R13.2 million.

Examples of projects

Bright Kid Foundation

Investment in ECD is widely accepted as the most productive form of social investment. Fewer than 30% of South Africa's 5.6 million children under 5 years old currently attend a functioning preschool. In 2023, we partnered with **Bright Kid Foundation** to enable the establishment of **10 early childhood development centres (ECDC)** across South Africa. A complete ECDC consists of one or more Edutainers; a service centre to provide sickbay, kitchen and office; a soap and wash station, outdoor play equipment; flushing toilet facilities; and fencing. Standard Bank provided funding of **R5.8 million** in 2023.

- An ECDC is designed to serve 25 children and their teacher.
- The edutainers, service centres, and soap and wash stations are designed to last approximately 35 years before needing any significant renovation.
- The service centres provide children with at least one nutritious meal per day.
- Soap and wash stations provide easy access for hand washing, with positive outcomes for health.
- Average school fees per child per month – R150.



Disaster relief

During 2023, we provided funding to support **disaster relief** in response to severe fires and floods in various parts of South Africa. This included funding to OneFarm Share to rescue citrus fruit from farms impacted by flooding, and to distribute this fruit and other food to people in need.

Combating gender-based violence

We funded a pilot project at Groote Schuur Hospital to combat and assist people impacted by gender based violence. The focus was on intimate partner violence (IPV) as the hospital was observing increased levels of sexual abuse from partners, and reduced access of support services. The pilot was implemented in 2022, focusing on the Groote Schuur Hospital Maternity Centre antenatal clinics. The goal of the pilot was to assess the feasibility of universal routine screening for IPV in high-risk patients in

a busy public health setting to understand the prevalence of violence being experienced at home in the general patient population, and the ability to connect these women to support services.

We also hosted gender-based violence detection and support information sessions for Standard Bank employees to enhance their understanding of GBV and encourage them to be activists against GBV in their homes, work and communities.



Employee community involvement

We encourage employee community involvement, including donations and volunteering of time and skills to community outreach projects and disaster/humanitarian relief.

We partner with **ForGood**, an online platform that connects volunteers with organisations in need of assistance. ForGood vets and monitors all beneficiary organisations. Employees can choose an organisation or cause that resonates with them and donate money, goods or skills. Employees can select from over 144 causes. Our Rand4Rand Initiative enables us to match employee donations to any organisation on the ForGood platform.



Employee participation in 2023

- **Spending on employee community involvement in 2023: R13.2 million**, including volunteering campaigns and Rand for Rand matching
- **110 causes** were supported by Standard Bank employees. Of these, 68 causes received financial donations while the others received other forms of employee support.
- Standard Bank employees donated **R1.3 million** to causes. Each of these contributions was matched by Standard Bank.

Examples of employee volunteering initiatives in 2023

- **Back to school campaign:** Employees packed 504 stationery packs and 227 hygiene packs which were distributed to charities in three provinces
- **Mandela Day** events across the country, including renovations at ECD centres
- **Literacy month events** to encourage a culture of reading, which included reading to children in their home languages.

Employees in our compliance team launched a **Standard Bank Earth initiative** to create awareness about the make-up of our individual carbon footprints. They designed an app to track activities and calculate the carbon emissions saved from positive behavioural changes, such as recycling, using energy efficient appliances, car pooling, using public transport, and planting indigenous trees. The team also planted 14 indigenous trees in the grounds of two child-focused charities in Johannesburg.

CORPORATE SOCIAL INVESTMENT AND SPONSORSHIPS

- Partnering with government departments and our CSI project partners to improve access to quality ECD and tackle gender disparities in education, with a focus on increasing girls' participation in STEM subjects
- Partnering with government, business and NGOs to combat gender-based violence.

SPONSORSHIP AND FUNDING

Sponsorship for the arts | Funding Democracy |

South Africa
Free State

SPONSORSHIP AND FUNDING



Sponsorship for the arts

SBSA has been a proud supporter of Africa's visual and performing artists for over 40 years. We sponsor a variety of initiatives, which have become highlights of the cultural calendar.

Sponsorships are governed by the group sponsorship policy. We define sponsorship as a commercially viable investment of cash, product or in-kind support with a rights holder, for which the bank receives quantifiable commercial rights in return. Due diligence is carried out on rights holders prior to contracting to ensure entities are of impeccable integrity and are reputationally sound.

We spent **R26.4 million** on sponsorships in 2023, including:

- Standard Bank Joy of Jazz (R18.0 million)
- National Arts Festival (R2.8 million)
- Standard Bank Young Artists Awards (R2.3 million) and prize money (R1.8 million)
- Standard Bank African Art Collection (R1.3 million)
- Ovation Awards (R200 000).

Funding democracy

Group guidelines govern the provision of funding to specific categories of external stakeholders. Membership contributions and charitable donations on behalf of the group may only be offered or given in accordance with the principles set out in various policies and/or guidelines relevant to the offering or giving of such payments.

Democracy Support Programme (DSP)

We do not provide funding directly to political parties. The DSP provides for the provision of funding directly to the Independent Electoral Commission (IEC), in line with arrangements provided for in the Political Party Act 6 of 2018. The IEC distributes the funds it receives to all parties represented in parliament, based on a formula provided by the Act.

Our DSP is approved by the SBG board and reviewed every five years. Guidelines are in place to guard against the risk that any contributions could be used inappropriately by the bank, our employees or third parties to obtain business advantage.

In 2023, we **donated R5 million** to the IEC to support parties in their election campaigns for 2024.

Expanded Democracy Support Programme (EDSP)

Through the EDSP, Standard Bank seeks to strengthen democracy and political participation in South Africa by supporting civil society organisations. Organisations focused on promoting good governance and social justice, challenging corruption, advocating for the protection of human rights, promoting dialogue, and promoting independent journalism are encouraged to apply for consideration.

Guidelines govern the assessment of funding requests and the provision of financial support to civil society organisations. They ensure consistency in the assessment, management and outcomes of funding requests, and compliance with applicable statutory and regulatory obligations and the group values and code of ethics and conduct, while guarding against the risk that such contributions be used inappropriately to obtain business advantage.

Civil society organisations/ NGOs funded in 2022	Primary purpose
Centre for Development and Enterprise (CDE)	Aims to influence policy choices to stimulate economic growth. Engages directly with policy makers, publishes reports and policy recommendations, and arranges thought leadership events with international experts on relevant policy issues
Centre for Business Ethics at the Gordon Institute of Business Science	Aims to explore and influence how businesses can respond more ethically to South Africa's challenges. Facilitates open conversations to build trust and support a sustainable future for the business community and the country
Helen Suzman Foundation	Aims to promote constitutional democracy, rule of law and human rights. Undertakes public interest litigation that safeguards the rights of vulnerable groups, supports public advocacy interventions and dialogue to promote public participation
Institute for Global Dialogue (IGD)	Undertakes research and facilitates dialogue on global political and economic developments across Africa
Inclusive Society Institute (ISI)	Provides research and advocacy on social and economic interventions aimed at advancing social justice
Institute for Security Studies (ISS)	Builds knowledge and skills to support peace, development and prosperity in Africa through research, policy analysis, technical assistance, and training
Mapungubwe Institute for Strategic Reflection (MISTRA)	Provides long-term, strategic and transdisciplinary research to support understanding of critical issues facing South Africa and Africa
Southern African Liaison Office (SALO)	Advocates for human rights issues in countries experiencing conflict and acute human rights violations, in partnership with the European Union
South African National Editors' Forum (SANEF)	Representative body for journalism in SA, promoting diversity in newsrooms and reporting and free and independent journalism, and defending media freedom.

In 2023, we provided **R500 000 each to nine organisations, making a total of R4.5 million.** Beneficiary organisations receive R500 000 per year over three years.



GOVERNANCE

Our governance outcomes | SBSA board of directors
Board committees | SBSA executive committee

South Africa
Durban

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 the [SBSG 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.

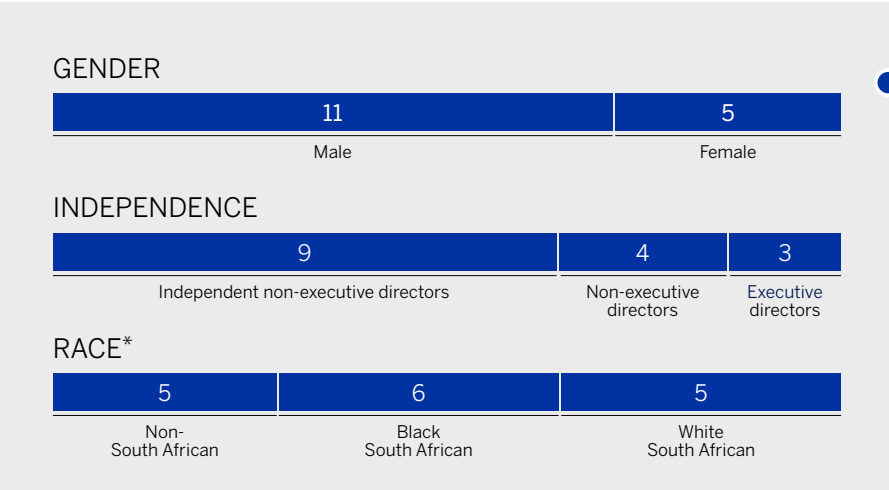


SBSA BOARD OF DIRECTORS

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.

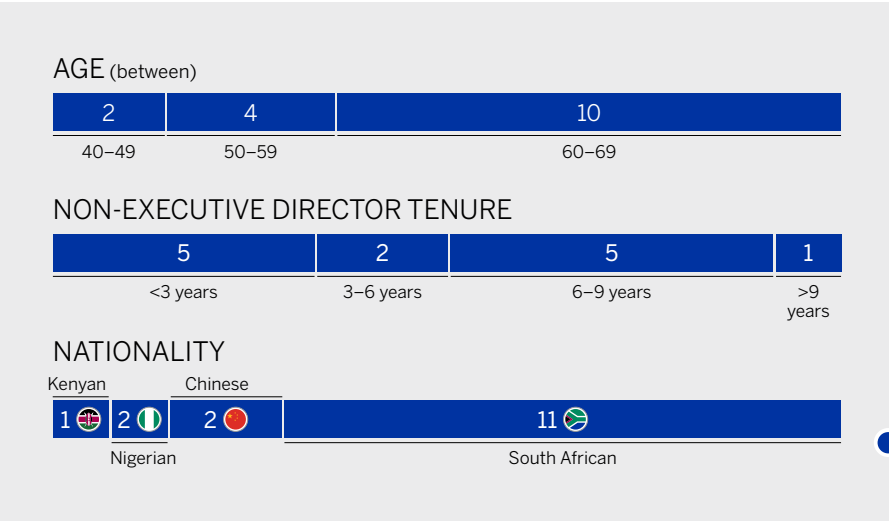
Non-executive directors provide independent and objective judgement. They constructively challenge and monitor executive management's delivery of strategy within the approval framework and risk appetite agreed by the board. The size of the board is considered appropriate for the group.

Board composition (excludes new director)



* Race is as defined by South African B-BBEE regulations


Overall board meeting attendance **97%**



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 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 78](#).



Appointed Board meeting attendance

Board of directors

CHAIRMAN
Nonkululeko Nyembezi ⁶⁴
Independent non-executive chairman, SBG and SBSA

Appointed 1 January 2020
 Appointed chairman 1 June 2022

Committee membership 7/7

EXECUTIVE DIRECTOR
Lungisa Fuzile ⁵⁷
Chief executive officer and executive director, SBSA

15 January 2018

Committee membership 7/7

EXECUTIVE DIRECTOR
Sim Tshabalala ⁵⁶
Executive director, SBSA

7 March 2013

Committee membership 7/7

EXECUTIVE DIRECTOR
Arno Daehnke ⁵⁶
Executive director, SBG and SBSA

1 May 2016

Committee membership 7/7

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

COMMITTEES

- DAC – Directors' affairs committee
- GAC – Group audit committee
- GRCMC – Group risk and capital management committee
- LECC – Large exposure credit committee

Read more about our board's skills and qualifications in the [SBG governance report](#) and [online](#).



NON-EXECUTIVE DIRECTOR
Geraldine Fraser-Moleketi ⁶³
Independent non-executive director, SBG and SBSA

21 November 2016

Committee membership 7/7

Xueqing Guan ⁶⁰
Non-executive director, SBG and SBSA

1 August 2020

Committee membership 5/7

Trix Kennealy ⁶⁵
Independent non-executive director, SBG and SBSA

1 May 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

Jacko Maree ⁶⁸
Independent non-executive director, SBG and SBSA

21 November 2016

Committee membership 7/7

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
- GRCMC – Group risk and capital management committee
- GAC – Group audit committee
- LECC – Large exposure credit committee

Read more about our board's skills and qualifications in the [SBG 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
	Delivering a positive impact on society, the economy and the environment through our business activities
	Adhering to applicable regulatory and governance standards
	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.

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 and 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 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 the group.

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 the 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 a 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 effectiveness evaluation, and one-on-one discussions.



Read more about our governance practices in the [SBG 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 the [SBG 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 SBG social, ethics and sustainability committee 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 the [SBG 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 [SBG governance report](#).

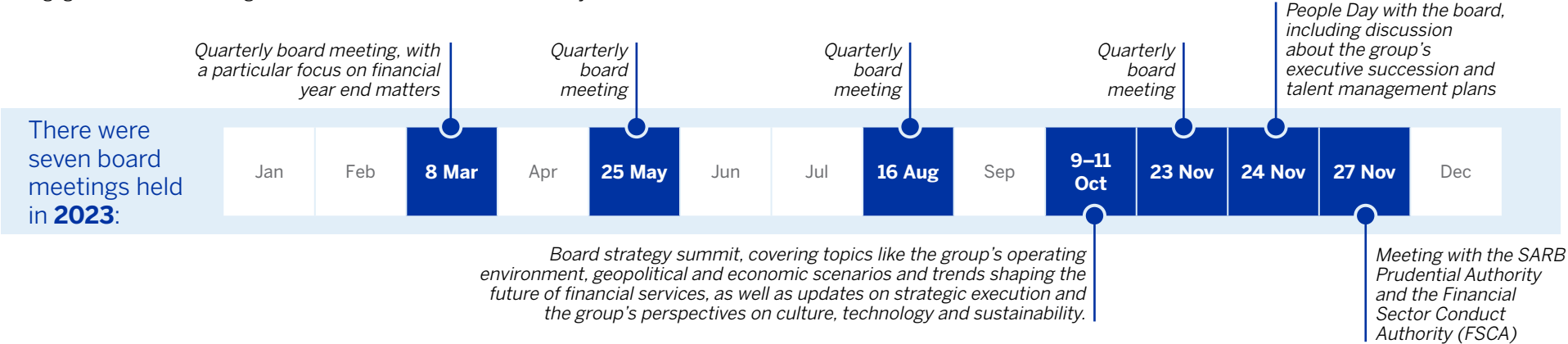
Board effectiveness assessment

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 [SBG 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.



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.

Looking forward

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

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

CLIENT FOCUS		<ul style="list-style-type: none"> ■ considered strategic progress made by the group and business units on their strategic and digitisation journeys 	<ul style="list-style-type: none"> ■ reviewed updates on client onboarding processes, including the effectiveness of Know Your Client (KYC) and Anti-Money Laundering and Combatting Terrorist Financing (AML/CFT) controls 	<ul style="list-style-type: none"> ■ reviewed the group's complaints management programme and management's commitment to addressing issues raised by clients.
EMPLOYEE ENGAGEMENT		<ul style="list-style-type: none"> ■ reviewed the group's progress against transformation, diversity and inclusion targets 	<ul style="list-style-type: none"> ■ considered the results from the annual 'Are you a Fan?' employee engagement survey 	<ul style="list-style-type: none"> ■ reviewed executive succession and talent management planning.
RISK AND CONDUCT		<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> ■ received updates on key risk and control matters ■ reviewed and approved material outsourcing arrangements in accordance with SARB regulatory requirements 	<ul style="list-style-type: none"> ■ 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		<ul style="list-style-type: none"> ■ considered the group's approach to organisational resilience as it pertained to systems, processes and controls ■ reviewed the quarterly group technology report and received 	<ul style="list-style-type: none"> ■ updates on the group's key technology priorities ■ noted the group's shift in focus towards emerging technologies and further refinement of digitisation strategies 	<ul style="list-style-type: none"> ■ continued to monitor system stability across the organisation ■ reviewed the group delegation of authority framework.
FINANCIAL OUTCOME		<ul style="list-style-type: none"> ■ approved the 2023 financial plan, targets and metrics ■ reviewed and approved the group's annual financial statements 	<ul style="list-style-type: none"> ■ considered the adequacy of financial provisions in the annual financial statements 	<ul style="list-style-type: none"> ■ 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 financial year end.
POSITIVE IMPACT		<ul style="list-style-type: none"> ■ reviewed and discussed ESG and sustainability matters, with emphasis on climate-related matters and social elements 	<ul style="list-style-type: none"> ■ reviewed the group's progress in relation to climate policy and climate risk management. 	
SPECIFIC GOVERNANCE MATTERS CONSIDERED BY THE BOARD AND ITS COMMITTEES		<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> ■ 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.

Read more about our board activities in the [SBG 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.		12/15
	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.		12/15
	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.		11/15
	Client and 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.		13/15
	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.		10/15
	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.		8/15
	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.		13/15
	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.		12/15
	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.		13/15
	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.		12/15
	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.		8/15

* 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.

Group risk and capital management committee

Ben Kruger
– committee chairman



PURPOSE

- To provide independent and objective oversight of risk and capital management across the group
- Reviews and assesses the adequacy and effectiveness of the risk management framework and ensures that associated standards and policies are clear, appropriate and effective
- Evaluates and agrees on the nature and extent of opportunities and ensures discipline and control in managing the associated risk in pursuit of the group's strategic priorities.

KEY ACTIVITIES PERFORMED

- Oversight of the group's risk portfolio
- Financial and non-financial risk management
- Capital and liquidity risk management
- Internal capital adequacy assessment process
- Regulatory matters
- Governance
- Oversight.

97% ATTENDANCE

Group audit committee

Trix Kennealy
– committee chairman



PURPOSE

- To monitor and review the adequacy and effectiveness of accounting policies, financial and other internal control systems, and financial reporting processes
- Provides independent oversight of the group's assurance functions, including reviews of the independence and effectiveness of the external audit, internal audit and compliance functions
- Assesses compliance with applicable legal, regulatory and accounting standards and policies in the preparation of fairly presented financial statements and external reports.

KEY ACTIVITIES PERFORMED


- Oversight of the internal control environment and financial results
- Internal audit
- Compliance
- Tax
- Financial accounting and external reporting
- Financial control
- Non-audit services
- Interim and annual financial statements
- External audit
- Oversight.

100% ATTENDANCE



Group directors' affairs committee

Nonkululeko Nyembezi
– committee chairman



PURPOSE

- Determines the appropriate corporate governance structures and practices
- Maintains the board continuity programme
- Ensures compliance with all applicable laws regulations and codes of conduct and practice
- Assesses and ensures the effectiveness of the board and its committees.


KEY ACTIVITIES PERFORMED

- Succession planning and board composition
- Corporate governance
- Board performance review
- Group subsidiary governance framework.

96% ATTENDANCE

Large exposure credit committee

Ben Kruger
– committee chairman



PURPOSE

- Responsible for overseeing compliance with relevant regulatory requirements in respect of large exposures
- Reviews credit risks associated with the exposure and the mitigating actions to be implemented to ensure the maintenance of effective risk management in the bank.

KEY ACTIVITIES PERFORMED

- Reviewed and approved loans, advances or credit in accordance with committee's mandate and as aligned to regulatory requirements in respect of large exposures.

97% ATTENDANCE

SBSA EXECUTIVE COMMITTEE

Leading by example

The SBSA chief executive officer, supported by the members of the SBSA executive committee is accountable for the implementation of strategy and the performance of the group. The skills and experience of committee members underpins SBSA's ability to deliver its strategy.

5 | **7**
MALE | FEMALE



Lungisa Fuzile



Ayesha Hansa



Myen Moodley



Preshanta Govender



Virginia Magapatona



Zaid Moola



Simone Cooper



Kabelo Makeke



Thabani Ndwandwe



Kirston Greenop



Khomotso Molabe



Shimoné Pretorius

Lungisa Fuzile

Chief executive officer

QUALIFICATIONS

BCom (University of Transkei), BCom (Hon) (Economics) (UKZN), MCom (Economics) (UKZN), AMP (Harvard)

Preshanta Govender

Chief finance & value management officer

QUALIFICATIONS

BCom Accounting (Wits), Postgraduate degree in Accounting (Unisa), CA(SA)

Simone Cooper

Head, Business & Commercial Banking

QUALIFICATIONS

BCom (Hon) in Economics (Wits)

Kirston Greenop

Head, Corporate Citizenship

QUALIFICATIONS

BA Hon (Wits), BA Masters (Wits), PhD Psychology (Wits)

Ayesha Hansa

Head, Legal

QUALIFICATIONS

BCom, Bachelor of Laws (summa cum laude), Master of Laws (cum laude) (UKZN), Admitted Attorney of the High Court of South Africa

Virginia Magapatona

Head, Communication & Reputation Management

QUALIFICATIONS

BA Industrial Psychology and Communications (Unisa), Leadership Development Programme (GIBS)

Kabelo Makeke

Head, Personal & Private Banking

QUALIFICATIONS

Diploma in Advanced Banking Law (UJ), Bachelor of Commerce, BCompt. Honours (Unisa), CA(SA)

Khomotso Molabe

Chief information officer

QUALIFICATIONS

BTech: Eng. (TWR), MBL (Unisa), DTP (MIT Sloan)

Myen Moodley

Head, People & Culture

QUALIFICATIONS

Master's degree in Industrial Psychology (UDW), Advanced Human Resources Executive Programme (University of Michigan), International Executive Development Programme (Wits Business School and Bankseta).

Zaid Moola

Head, Corporate & Investment Banking

QUALIFICATIONS

BCom (UKZN), Diploma in Accounting Honours (UKZN), CA(SA), AMP (INSEAD)

Thabani Ndwandwe

Chief risk officer

QUALIFICATIONS

BCom Financial Accounting: Accounting and Finance (UKZN), International Executive Development Programme (Wits Business School and Bankseta), Advanced Risk Management Certificate (UCT), Oxford Executive Leadership Programme (Said Business School)

Shimoné Pretorius

Chief compliance officer

QUALIFICATIONS

BProc (UJ), LLB (UJ), LLM (Tax) (UJ), Admitted Attorney of the High Court of South Africa, Compliance Certificate (UJ)

STANDARD BANK OF SOUTH AFRICA ANNUAL INTEGRATED REPORT 2023 82

Notes

[illegible]



Notes

[illegible]



CONTACT AND OTHER DETAILS

THE STANDARD BANK OF SOUTH AFRICA LIMITED

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

Registered office

9th Floor, Standard Bank Centre
5 Simmonds Street, Johannesburg, 2001
PO Box 7725, Johannesburg, 2000

Head office switchboard

Tel: +27 11 636 9111

Chief finance & value management officer

Preshanta Govender
Email: Preshanta.Govender@standardbank.co.za

Investor relations

Sarah Rivett-Carnac
Email: Sarah.Rivett-Carnac@standardbank.co.za

Group secretary

Kobus Froneman
Email: Kobus.Froneman@standardbank.co.za

Communications & reputation management

Virginia Magapatona
Email: Virginia.Magapatona@standardbank.co.za

Please direct all **customer** queries and comments to:
Email: information@standardbank.co.za

Please direct all **shareholder** queries and comments to:
Email: InvestorRelations@standardbank.co.za

Please direct all **media queries** and comments to:
Email: MediaRelations@standardbank.co.za

Website: www.standardbank.co.za

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

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.

www.standardbank.com



www.standardbank.com