

# AFRICA IS OUR HOME, WE DRIVE HER



Table Mountain South Africa

THE STANDARD BANK OF SOUTH AFRICA

# ANNUAL INTEGRATED REPORT

for the year ended 31 December 2024



The Standard Bank of South Africa Limited (SBSA) has a 162-year legacy of being a holistic financial partner for our clients, helping shape a brighter future and meeting their diverse needs.

The following icons are used throughout to demonstrate the connectivity of the reporting elements of our integrated report.

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

Refers readers to other online information

(D) Indicates video content

information in our suite of reports





Our strategic priorities

Executing with excellence

Transforming the client experience

Driving sustainable growth and value

### be found at the top right of this page and each page that follows. This report is best viewed in Adobe Acrobat for desktop, mobile or tablet. Download or update to the latest version:

Navigating this report

The navigation tools for this report can

### Navigation aid

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For a printable version of this report, please use the following link: **here**.

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**Executing our strategy** 

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### **WHO WE ARE**

**PURPOSE DRIVEN** 

# Africa is our home, we drive her growth

### Four business units



162-year
HISTORY IN
SOUTH AFRICA

**486**Branches

140 Kiosks and other

points of access

3 450

### Well-defined strategic plan

2025 strategic priorities







# SBSA is SBG's largest operating subsidiary

**HEADLINE EARNINGS** 

R18.5 billion

**ASSETS** 

**R2.1 trillion** 

**DEPOSITS** 

R1.7 trillion



EMPLOYEES **29 378** 



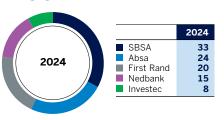
12.4 million

B-BBEE CONTRIBUTOR RATING SINCE 2017

Level 1

### Competitive position<sup>2</sup>

Mortgage loans<sup>3</sup> (%)

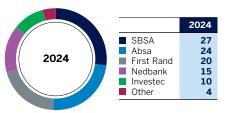


#1 in home loans market with

1 in 3

homes in South Africa financed by Standard Bank

### Corporate and business lending (%)

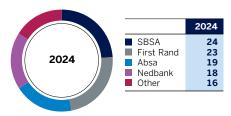


### Investing in Developmental Infrastructure

We have mobilised **R15.5** billion

for renewable energy power plants in 2024

### Corporate deposits (%)



# SBSA is a primary issuer of senior bonds listed on JSE

and borrower of senior funds, making it the largest borrowing entity in SBG

- 1 Active clients (PPB & BCB).
- <sup>2</sup> Source: December 2024 South African Reserve Bank (SARB) BA900.
- <sup>3</sup> Mortgage loans refers to residential households only.

Competitive advantage

Recognised and trusted brand

Growing and engaged client franchise

Leading sustainable and inclusive finance

BANKING

### **Our products** and franchise activity

Our operating model is structured around our business units. who are responsible for designing and executing the client value proposition.

Business units champion the client relationship and create multi-product client experiences distributed through our client engagement platforms.

**Clients** 

Personal & Private Banking Individual clients from personal to private clients

### **Products**

Tailored and

solutions

comprehensive

financial services

Home services disbursement

R44.9 billion

Franchise growth and activity

2023: R48.7 billion

Personal unsecured lending disbursement

R13.1 billion 2023: R12.5 billion

Vehicle and Asset Finance (VAF) retail disbursement

> R24.2 billion 2023: R22.5 billion

34

Headline

earnings

contribution

 $(\%)^{1}$ 

44

Total revenue

contribution

 $(\%)^{1}$ 



Business & Commercial Banking

Small- and medium-sized businesses. as well as large commercial enterprises

BCB

CIB

PPB

Broad-based client solutions that deliver advisory, networking and sustainability support required by our clients

Business lending disbursements

R25.8 billion

2023: R23.2 billion

2023: R20.6 billion

disbursements

R20.2 billion

**BCB VAF** 

Mobile banking volumes

34.3 million 2023: 31.2 million

29

24



Corporate & Investment Banking

Large companies (multinational, regional and domestic). governments, parastatals and institutional clients

In-depth sector and regional expertise, specialised capabilities and access to global capital markets for advisory, transactional, risk management and funding support

Sustainable finance mobilised<sup>2</sup>

R62.3 billion 2023: R35.3 billion

Financed

**R9** billion

projects under the first bid window of the Battery Energy Storage Independent Power Producer Procurement Programme (BESIPPPP) in South Africa



Insurance & Asset Management IAM

Individual clients to corporate and institutional clients who want to build and protect their wealth and lifestyle Solutions to fulfil clients' long and short-term insurance, health, investment and asset management needs

Read more in the client focus ection on page 10.

By business unit excluding Central and Other.

<sup>&</sup>lt;sup>2</sup> CIB is 88% of the group's sustainable finance mobilisation in 2024

### **OUR REPORTING SUITE**

Our suite of reports cater to the diverse needs of our stakeholders.

Annual integrated report



INTEGRATED REPORTING

Sets out our value story and what we want to achieve for our stakeholders and assesses our ability to deliver sustainable growth and value. It also details our transformation journey and provides information on our governance priorities aligned to the principles of King IV Report<sup>1</sup>.

reporting suite is available

Shareholder reporting

#### **Annual financial statements**

Sets out the consolidated and separate audited annual financial statements for SBSA, including the report of the group audit committee.

INTENDED AUDIENCE Shareholders. debt providers and regulators

Additional SBSA information is included in the following Standard Bank Group reports:

### OTHER REPORTS

### Risk and capital management report Shareholder reporting

Sets out the SBG and SBSA approach to risk management and Pillar III disclosures of the Basel Framework.

### Sustainability disclosures report Sustainability reporting

An overview of how SBG

manages environmental, social and governance (ESG) risk.

### Report to society Sustainability reporting

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

### **About this report**

### **Purpose and audience**

This report explains how SBSA uses its available resources to achieve its strategic priorities and measures progress against financial and nonfinancial targets. It provides material information that our providers of capital need to assess the opportunities, risks and relationships influencing our ability to create and preserve sustainable value. It provides an overview of our performance, governance and outlook, as well as our transformation journey through the pillars of the Financial Sector Code.

### Reporting scope and boundary

The scope of this report covers the period 1 January 2024 to 31 December 2024 and includes material events and information up to board approval on 12 March 2025.

The data in this report – both financial and non-financial – pertains to SBSA as the reporting entity and includes all entities over which we have control or significant influence.

The reporting boundary includes the strategic narrative relating to the group's business model, strategy, performance and outlook. The group's operating model is client led and structured around our business units that are responsible for designing and executing their client value propositions.

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

### Report preparation

The SBSA board of directors (the board) ensures the integrity of our external reporting through internal reporting processes that are well embedded and supported by various levels of oversight. The SBSA executive committee provides oversight of this report.

#### **Assurance**

We apply a combined assurance model to assess and assure aspects of SBSA's operations, including the internal controls associated with elements of external reporting. The assurance given to the board is underpinned by management (first line), relevant functions (second line) and reviews performed by internal audit (third line).

While this report is not audited by external assurance providers it contains certain information that has been extracted from the SBSA's audited consolidated manual financial statements, on which an unmodified audit opinion has been expressed by the SBSA's external auditors. Similarly, it includes information extracted from the SBG report to society and sustainability disclosures report on which assurance on selected information, listed in the sustainability disclosures report. has been provided.

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

### Key frameworks considered and applied in the reporting suite

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



A comprehensive list of frameworks is included on page 79.



A summary of key terms used in this report is provided on page 79.

### Reporting developments

We are aware of the developments in corporate sustainability reporting. particularly the IFRS's International Sustainability Standards Board (ISSB) sustainability disclosure standards, published in June 2023, to meet the growing capital market demand for information on how sustainability-related matters impact an organisation's enterprise value and how these impacts are being managed. We are considering the ISSB's sustainability-related (IFRS S1) and climate change-related (IFRS S2) standards and the impact of these on our reporting disclosures.

SBSA includes social, economic and environmental considerations in its strategy, financial and risk management processes. Our positive impact is one of the key value driver measures that SBSA tracks in delivering its strategic priorities.

### The SBG reporting portal

SBG produces a suite of reports, which may include SBSA disclosures. 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 (m) here.

<sup>1</sup> King IV Report on Corporate Governance for South Africa 2016 – copyright and trademarks are owned by the Institute of Directors of South Africa NPC and all of its rights are reserved.

### **OUR STRATEGIC PROGRESS AND PERFORMANCE**

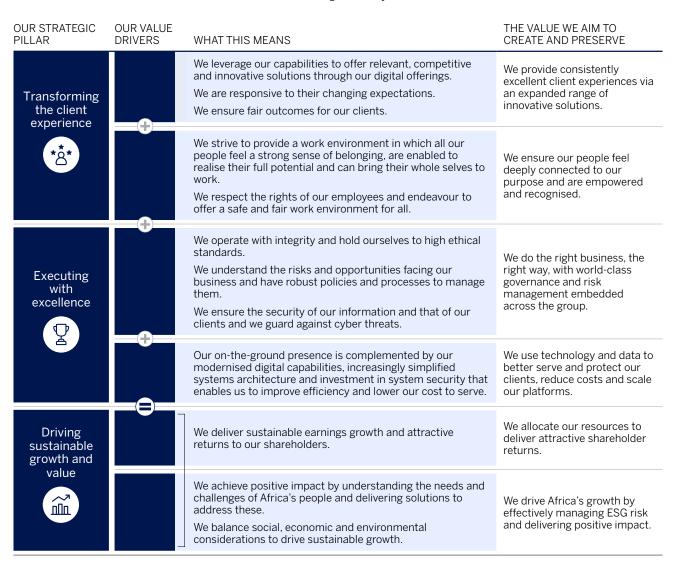
Our strategy enables us to achieve our purpose. Africa is our home, we drive her growth.

We place our clients at the heart of everything we do, ensuring that we are always there to meet their needs in a secure, personalised and relevant way, while partnering with them to drive inclusive growth and sustainable development in South Africa.

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

### Connecting our strategic progress to value creation

Our purpose and strategy enable the creation of value for our stakeholders, and we use our value drivers to focus and measure our strategic delivery.



### Value created for stakeholders during 2024

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



### **Clients**

We created wealth of

### **R96.6** billion

and paid

### R13.5 billion

(2023: R12.5 billion) in death and disability claims and

### R12.1 billion

(2023: R11.7 billion) in annuities to pensioners



#### **Employees**

We paid

### R32.8 billion

to our employees in salaries and other incentives (2023: R31.8 billion)



### **Suppliers**

We paid

### R24.8 billion

to our suppliers and service providers (2023: R24.6 billion)



#### Governments

We paid

### **R6.8** billion

in tax

(2023: R12.0 billion)



#### Community

We contributed

### R143 million

through our CSI programmes (2023: R142.2 million)



### **Shareholders**

We paid **R17 billion** 

to SBG as dividends (2023: R8.0 billion).



# A MESSAGE FROM THE SBSA CHIEF **EXECUTIVE OFFICER** Kenny Fihla<sup>1</sup> CEO. SBSA

"In 2024, our SBSA franchise has shown exceptional resilience and achieved strong financial results. Our ability to adapt and innovate has been crucial in navigating evolving macroeconomic environment. We are dedicated to growing businesses and assisting individuals to achieve their financial goals. Our commitment to excellence and integrity underpins our efforts in contributing positively to the nation's economic development."

### Our operating context

Our strategic direction and our SA banking activities are greatly shaped by the dynamic and evolving environment in which we operate.

We constantly adapt to regulatory changes, technological advancements, geopolitics, macroeconomic fluctuations, and changing customer expectations. By staying attuned to these factors, we proactively adjust our strategies and operations to better serve our clients, maintain our competitive edge, and ensure sustainable growth.

During 2024, the global macroeconomic environment was shaped by ongoing uncertainty and geopolitical tensions. In the first half of 2024, a slower-than-expected deceleration in global inflation impelled central banks to defer interest rate cuts to the second half of the year, while economic growth remained sluggish. Geopolitical challenges added pressure as elections were held across numerous countries with unrest and social resistance in some African countries due to contested electoral outcome and economic reforms.

South Africa's elections brought about a change of guard with the peaceful formation of a multi-party Government of National Unity (GNU). The GNU remains focused on economic reforms in support of higher and more inclusive economic growth. This has been positively received by financial markets, supporting the Rand and SA government bonds. Consumer inflation for 2024 moderated to 4.4% (2023: 5.9%) and the South African Reserve Bank (SARB) cautiously eased the restrictive policy rate by 50bps in 2024 and 25bps in January 2025. In 2025, South Africa's inflation is expected to remain within the SARB's target band of 3% to 6% and interest rates are expected to decline to 7.25% by the end of the year. This, together with ongoing policy reform and improved business and consumer confidence, will support economic growth. Real GDP growth is expected to improve to 1.7% in 2025 and above 2.0% in 2026.

### Our competitive landscape

Considering the evolving macroeconomic landscape, the South African banking sector has seen notable shifts in customer demand and heightened market competition.

The emergence of digital banks and fintech companies has intensified competition. Our bank remains resilient and well-diversified, equipped with the necessary resources to defend and expand our market share against competitors. We have focused on simplifying and enhancing our client value propositions, while driving the adoption of our digital solutions and optimising our physical infrastructure to maintain a seamless and secure client experience. Innovation is at the core of our commitment to leveraging technology, ensuring our systems are stable and secure to meet the evolving needs of our clients. Our business units' strategic initiatives position them well to navigate the competitive landscape and continue delivering exceptional value to our clients.



1 Kenny Fihla was appointed as SBSA CEO with effect from 1 September 2024. He tendered his resignation on 16 March 2025 and will serve his contractual notice period until 13 June 2025.

### Measuring progress against our strategic priorities



### Transforming the client experience

SBSA's business units deliver a set of relevant and comprehensive solutions for their client base, while partnering and collaborating to meet our client's full needs. Our active client base continues to grow as our clients do more with us across our in-person and digital platforms.

The success of SBSA is underpinned by our exceptionally talented and skilled people, who build our winning culture and feel deeply connected to our purpose. We recognise the importance of creating an environment that foster connectedness, collaboration and productivity, enabling us to achieve our strategic outcomes.



### Executing with excellence

We operate with integrity and hold ourselves to high ethical standards. SBSA remains committed to maintaining robust anti-money laundering and counter-terrorist financing controls that protect the integrity of South Africa's financial system. Our risk management framework is rigorously applied throughout the organisation and underscores our clients' ability to trust us and support our brand. We remain vigilant in addressing information risk, cyber risk, client privacy, technology risk and thirdparty risk.

We continue to invest in improving our digital transformation offerings. Artificial intelligence (AI), machine learning and advanced data analytics are being increasingly adopted by the group to enhance client experience, streamline operations and improve risk management. We have achieved significant improvements in system stability and are pleased to report that no material outages were experienced in 2024.



### Driving sustainable growth and value

As part of the group, SBSA aims to undertake our core business activities in a manner that generates attractive financial outcomes for our stakeholders. Pleasingly, SBSA achieved double digit headline earnings growth as client-driven revenues increased and credit impairments declined. We maintained strong liquidity and capital ratios.

We remain committed to generating positive impact for the communities in which we operate, by understanding the needs and challenges faced by South African's. SBSA continues to partner with clients and businesses to drive Africa's just energy transition and the mobilisation of sustainable finance.

### 2025 and beyond

Looking ahead to 2025, SBSA remains optimistic about the opportunities that lie ahead for the group and the broader South African economy.

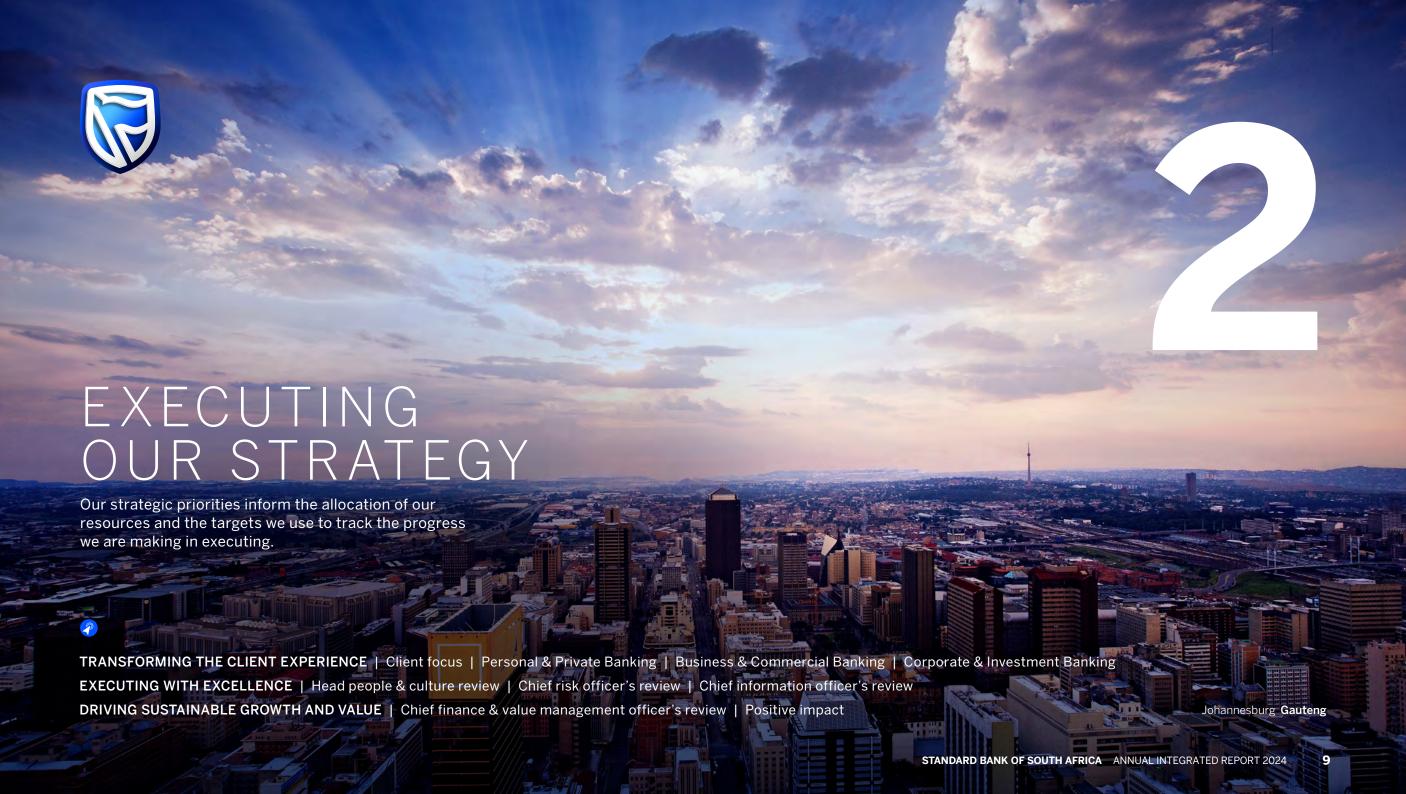
With anticipated improvements in economic conditions and easing credit constraints, SBSA is confident in its ability to support client needs and drive long-term value for stakeholders. SBSA's medium term aspirations are to:

- Continue growing the balance sheet to position SBSA well for future opportunities.
- Focus on diversifying income streams, allowing franchise to open new avenues of stable growth.
- Defend and strengthen SBSA's competitive positions in key markets, leveraging the knowledge and experience of our people across the franchise.
- Drive growth in key sectoral developments, through the energy transition objectives and unlocking infrastructure opportunities.
- Harness the power of data and Al in transforming client experience and modernising our capabilities.
- Proactive risk management and cost efficiency, ensuring operational resilience.



### Recognition

- Global Finance 2024 World's Best Bank Awards – Best Bank in South Africa
- 2024 Euromoney Awards for Excellence – Best Bank in South Africa, Best Bank for Corporates in South Africa, Best Bank for ESG in South Africa
- The Banker South Africa's best performing bank
- Financial Mail Top Analyst Awards – Top Research House in South Africa
- Kantar BrandZ South Africa's second most valuable brand in 2024





### TRANSFORMING THE CLIENT EXPERIENCE

At the core of our operations lies an unwavering commitment to our clients. Our three specialised banking business units, in conjunction with our IAM business, are dedicated to delivering tailored and competitive value propositions. We cater to a diverse clientele, ranging from individual customers to large-scale corporations, ensuring that each receives the highest level of service and expertise.

Our strategic direction remains steadfast and in harmony with the overarching objectives of the group. We remain deliberate in our efforts to defend our leading position in key markets and products, while simultaneously pursuing growth and seizing opportunities within a highly competitive landscape. Our ambition is to emerge as the leading private bank and continue to be a pivotal facilitator of South Africa's energy transition. Additionally, we are committed to empowering our small-and medium-sized enterprise (SME) clients, fostering their growth, and contributing to job creation in South Africa.



What we measure

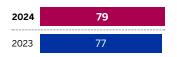
#### **Client satisfaction**

Net promoter score (NPS) indicates the likelihood of a client recommending Standard Bank.

**PPB NPS** 

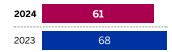
2023: 77

2022: 74



**BCB NPS** 

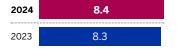
2022: 69



Client satisfaction index measures the extent to which our clients are satisfied with the service we provide.

#### **CIB** client satisfaction index (out of 10)

2022: 8.2



### Active client numbers<sup>1</sup>

We measure the number of active PPB and BCB clients and for CIB, we monitor growth in client revenues.

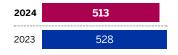
### **PPB** client numbers

2023: 11.4 2022: 10.8

2024 2023 11.4

#### **BCB** client numbers (thousand)

2022: 510



Active client is defined as a single client transaction on at least one solution within a specified timeframe.

PPB



"We aim to deepen our relationships with clients, enabling us to provide personalised offers tailored to their unique needs."

#### **Our clients**

We provide customised financial services and solutions to a range of individuals broadly clustered as wealth and investment clients, private banking clients and personal banking clients.

#### Our solutions

We offer our clients a comprehensive range of products and services through our extensive network of branches, cost-effective kiosks, ATMs, dedicated call centres and on our digital platforms. These products and services include retail home services, vehicle and asset finance, personal loans, credit cards, transactional banking, foreign exchange (forex) solutions, money management and advisory solutions, as well as insurance and investment offerings available from IAM.

### Our competitive advantages

We partner with our clients throughout their life journeys, supporting them through all economic cycles and giving access to relevant client assist programmes and solutions. Our digital platforms and client value propositions, combined with the expertise of our bankers, relationship managers, and financial advisors, fortifies our relationships with clients, providing them with compelling reasons to remain with us.

### **Our competitive position**

In 2024, the South African retail banking sector remained competitive, with new entrants catering to the growing needs of clients. Despite the fierce competition, we have maintained a leading market position in home services for over a decade, through strategic consistency and while maintaining appropriate risk appetite and keeping as many South Africans as possible in their homes. We are currently second in current and saving accounts (CASA) attributed to the growth of our Money Market Select product growing by 20% year on year. We are top three in card and personal loans and while our VAF business has faced challenges, we are repositioning the business to prioritise existing clients and improve sustainable profitability.

### **Our 2024 financial performance and impact**

We achieved headline earnings of R6.9 billion, 14% higher than 2023. We are pleased to note a 12% growth in fee and commission revenue, mainly due to a larger active client base, growth in transactional activity, as well as higher card interchange and insurance revenues. PPB remains committed to keeping its clients in their homes through heightened client engagement with relevant solutions. The business maintained robust risk management practices and a balanced and sustainable collections strategy. This all resulted in lower credit impairment charges as early delinquency and NPLs slowdown.

Costs growth of 5% was mainly on the back of strategic technology investment and continued cloud migration as well as investment in fraud risk prevention and detection tools to help manage elevated risk of fraud. The optimisation of the distribution network remains an important lever in reducing the cost to serve. The business has reduced branch square meterage by 7% year on year, while maintaining points of representation through the rollout of low-cost kiosks.

Our active client base grew by 4% to 11.9 million clients (2023: 11.4 million), and we have seen a successful transition of clients to digital platforms as our digitally active clients increased by 6% to 4.3 million clients. As part of our deliberate strategy to deepen our client relationships, we focus on understanding their needs, and providing comprehensive solutions and advice that goes beyond banking. Insurance sales increased by 13% in 2024, while gross written premiums grew by 9% to R10.4 billion. Significant efforts were also made to enhance the total sales and cross-sell mix for 2024, focusing on cross-selling in addition to transactional products.

Our ambition is to empower our clients, enabling them to achieve their dreams and goals. By transforming client experience, our highly skilled professionals strive to always meet our clients' needs and prioritise their experience. In 2024, our strategic initiatives to enhance the client experience were executed with precision, resulting in a significant positive shift in our overall client satisfaction measures. We increased our NPS for channel to 79, and our Brand NPS improved to 72. Our digital client experience and social media sentiment improved significantly resulting in both our Android and iOS apps achieving a 4.7 rating. We continually enhance our digital solutions to be always on and always secure, driving personalised offerings and fostering deeper engagements with our clients.

In 2024, disbursements and registrations for green aligned funding rose to R2.4 billion, from R1.1 billion in 2023. To date 14 000 solar panels have been installed, resulting in 20 000 tons  $\mathrm{CO}_2$  emissions avoided by homes. Our LookSee customer value proposition has also managed to reach over two million people in 2024, with high-quality educational and advice-based information to help homes better understand how to become more efficient and save money.



### Recognition

#### 2024 Product of the Year Awards:

- Product of the Year for MyMo in the Youth **Banking Category**
- Product of the Year for the Achieva offering in the Banking Category

#### 2024 Euromoney Global Private Banking Awards:

- Best Domestic Private Bank in South Africa
- Best for Family Office Services in South Africa
- Best for Next Gen in South Africa

#### 2024 Euromoney Islamic Finance Awards:

Best Domestic Islamic Bank – South Africa



### 2025 and beyond

Our primary focus will be on enhancing our clients' experience with us. Through our robust digital offerings, we aim to deepen our relationships with clients, enabling us to provide personalised offers tailored to their unique needs.

This approach not only strengthens client loyalty but also allows us to fulfil their requirements at a lower cost to serve, ensuring both efficiency and satisfaction. Additionally, we are committed to improving our speed of execution, ensuring that our clients receive timely and effective solutions to meet their evolving needs. We will also focus on scaling our value-added service offerings allowing our customers to do more with us.

We will continue to focus on protecting our client franchise, defending our market positions by being a trusted advisory partner. This will enable us to continue improving profitability and growing our transactional franchise by delivering operational excellence.

### Client activity

### **Transaction volumes**



#### **Digital** (millions)

**South Africa** 

2023: 2 551 | 2022: 1 916



#### **ATM** (millions)

**South Africa** 

2023: 253.5 | 2022: 209.8

### **Branch**

(millions)

**South Africa** 

4.8

2023: 5.3 | 2022: 7.4



**South Africa** 

2023: 11.4 | 2022: 10.8

**Active** clients (millions)



**South Africa** 

2023: 4.1 | 2022: 3.8

**Digitally** active clients (millions)

Value created 🔘 Value preserved 🌘 Value eroded



BCB

\*\*\*



**BUSINESS &** 

"Our strategy continues to produce solid returns through our market leading client and sector led propositions. We continue to partner with our clients for growth as we evolve and enhance our products and solutions enabling us to achieve our purpose of turning possibility into opportunity for the businesses that power South Africa's vibrant economy."

#### Our clients

Our clients include SMEs and large commercial enterprises that operate across a wide range of industries throughout our footprint.

### **Our solutions**

We provide a comprehensive range of solutions to our clients, including transactional services, trade, lending, commercial cards, fleet solutions, vehicle and asset finance, card acquiring, international payments and forex. Our established service model ensures seamless access to our dedicated relationship managers, physical network, and digital capabilities ensuring that while we are digitally enabled, we maintain the critical human touch.

### **Our competitive advantages**

Our knowledgeable and experienced relationship managers provide a deeply personal service based on our in-depth understanding of our clients, their transactional behaviours and the local intricacies of conducting business.

Our digital channels are designed for always on and always secure delivery, and we continually introduce enhancements to enable ease of access, swift transactional capability and intuitive self-service functionality. Our awareness of the persistent challenges of cybercrime ensures that we place every effort into protecting our clients and their data to minimise their exposure and risk.

Our sector expertise and strong Africa-China relationships enable us to foster valuable client connections, introducing new networks to our clients while facilitating quality trade interactions.

# Our competitive position We maintain a leading

presence in South Africa, with continued focus placed on increasing our overall market share, offering personal connections. digital capability alongside well priced. competitive client solutions. Insights from a recent survey indicate that we have stabilised the market share gains from 2023. with an increase in our medium-sized business segment.

### **Our 2024 financial performance and impact**

We achieved headline earnings of R5.8 billion, growing 2% higher than prior year. Dedicated relationship teams and client value propositions assisted clients in achieving growth despite a challenging economic environment. Evidence of disbursement recovery was visible during the second half of the year as certainty over the election outcome drove improved confidence.

Net interest income was flat at R14.8 billion. While constrained client affordability limited growth in customer loans and advances to 1%, deposits from customers grew by 6%. Marginally higher average interest rates resulted in positive endowment, which was largely offset by a combination of competitive pricing pressure, clients moving to higher interest-yielding deposit offerings and the cost of depositor insurance, implemented during the year.

Non-interest revenue increased by 1% to R8.3 billion, driven by clients' preference for real-time payments, increased cashflow lending, as well as increased rental income for VAF fleet and cash secure devices. This was partially offset by ongoing client behavioural shifts to more affordable alternative digital channels, a decline in net merchant discounts and higher USD-denominated scheme costs.

We partner with our clients on their growth journeys through personal and human touchpoints while ensuring that our enablement efficiency and future fit technology builds respond appropriately to our client needs. To accelerate growth, and recognise the specialised needs of our clients, we are increasing focus on enhancing our sector and ecosystem capability.

We have made significant progress in optimising our operating model to drive integrated and efficient delivery across the client value chain while influencing client experience through technology, process enhancements and data-based insights. We have established a deliberate focus on effective and clearly defined risk

management, creating a solid and refreshed risk platform for the business. Credit impairment charges declined by 26% to R1.1 billion largely due to enhanced collections strategies, including early identification of distressed clients and remedial actions. In addition, the improved economic outlook and reduction in interest rates led to a moderation in forward-looking provisions.

We continually enhance our data and capabilities, enabling increasingly personalised engagements, discussions and risk management. By using behavioural sciences and a granular understanding of client data, our front line teams can provide proactive and meaningful insights supported by solution suggestions that are pertinent to the client and support their business. The impact of this capability has led to increased client conversations with substantially higher conversion rates. We will further optimise our technology capability to enable our differentiated digital, relationship and advisory model. We support the delivery of low cost, multi-platform solutions enabled by technology and the modernisation of core systems to deliver always on, always secure, personalised services and efficient support.

BCB is committed to advancing South Africa's economic development, propelling initiatives in financial inclusion, enterprise growth and job creation, infrastructure and the just energy transition, supporting climate change initiatives and resilience and corporate social responsibility. In 2024, we provided over R1.3 billion in the renewables sector of which. R1.1 billion was utilised to fund 571 solar photovoltaic (PV) installations, and R260 million to enable renewable energy value chain operators grow their businesses. Inclusive of the 2024 projects, the solar PV fleet that we have funded to date, displaces 223MWp and 443GWh's of energy, which would have been sourced from coal fired sources, with green energy.



### Recognition

#### **PMR Africa Diamond Arrow Award**

- Standard Bank Fleet Management has once again been recognised as a market leader by PMRafrica
- BCX Digital Innovations Award : Overall winner in the corporate category



### 2025 and beyond

We are excited about the growth opportunities that this business represents and will continue to adapt to meet the evolving challenges and opportunities that arise in the market.

We are focused on aspirational growth in the small business segment with the potential to drive market share progress, while in the medium and commercial business client segment we will maintain our solid market share hold through relationships, personalisation, digital channels and enhanced or new solutions. We are enthusiastic about the promising prospects that exist in the South African market for BCB. We remain passionate about partnering with our clients as they continue being the driving force behind the growth and prosperity of the South African economy.

### Client activity

### **Transaction volumes**



**Digital** (millions)

**South Africa** 

124.7 2023: 124.0



**ATM** (millions)

**South Africa** 

11.7 2023: 11.8



Branch

(millions)

**South Africa** 

2.7

2023: 2.9



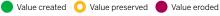
**South Africa 513** 2023: 528

Active clients (thousands)



**South Africa** 2023: 299

**Digitally** active clients (thousands)







CIB



"Our robust performance as CIB SA, stands as testament to our people's significant effort and dedication in growing our franchise. We continue to focus on delivering value for our clients and our people."

#### **Our clients**

Our

We serve 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 their unique requirements.

### **Our solutions**

Our process begins with a deep understanding of our clients' needs. We design and deliver client-specific products, encompassing advisory services, transactional, risk management and funding solutions.

## competitive advantages Our competitive position Our market share reflects the broad strength of our businesses.

Our presence across the continent and access to global markets has enabled us to build a sizable. well-diversified franchise with market leading positions. Our in-depth sector, product and regional expertise together with our specialist capabilities are key competitive advantages.

supporting the resilience of the franchise through economic cycles. In South Africa, we hold leading positions in forex, custody and in debt capital markets.

We recorded strong growth across key sectors in 2024,

We recorded strong growth across key sectors in 2024, including energy, telecoms, media & technology, mining & metals, consumer, financial institutions, and diversified industries. Additionally, we continue to see robust expansion in the private capital segment, successfully closing a range of innovative transactions. This momentum, alongside several landmark transactions executed in 2024, reaffirms Standard Bank's position as the market-leading CIB franchise in South Africa.

We continue to deepen and expand our client franchise, achieving robust growth in our new to bank business. CIB remains at the forefront of innovation, leveraging new products and platforms such as BOL and Carbon Credit to develop tailored solutions for our clients. Additionally, we have successfully regained business previously lost, underscoring our relentless dedication to delivering exceptional client solutions.

### Our 2024 financial performance and impact

We achieved headline earnings of R7.4 billion, 2.4% higher than in 2023. Good cost discipline in the face of revenue headwinds, as well as a low customer credit loss ratio contributed to positive earnings growth. Our strong client engagement strategy and unwavering commitment were reflected in the increased number of client interactions and the successful execution of exceptional deals throughout 2024. Encouragingly, our clients have acknowledged a tangible difference in our approach, as evidenced by the team achieving a client satisfaction index score of 8.4 – the highest recorded to date.

Despite the uncertainties and challenges South Africa faced entering 2024, CIB remained steadfast in its commitment, delivering outstanding results for the business, our clients, and the country. The business proactively addressed our clients' most complex challenges, unlocked significant opportunities across all sectors and business units, and consistently outpaced market growth in expanding our South African client franchise – not just in the past year, but as a sustained trend over time.

Credit impairments were lower, primarily due to write backs of prior period impairment provisions raised, this is in addition to healthy balance sheet growth on the back of robust loan book origination. Operating expenses grew by 2.4% due to the successful execution of strategic cost management initiatives, despite continued investment in strategic programmes.

South Africa experienced significant tailwinds in the second half of 2024, driven by the formation of the GNU, a strong commitment to structural reforms, and a renewed focus on much-needed infrastructure investment in energy, water, and logistics to support long-term, sustainable economic growth. SBSA, in collaboration with the government, has played a crucial role in advancing economic recovery efforts, reinforcing confidence in the country's growth trajectory.

In alignment with the SBG's ambition to be the leading enabler of Africa's energy transition, CIB played a pivotal role in mobilising sustainable financing in 2024 and contributing to the SBG's cumulative total of R177.4 billion in sustainable finance mobilisation since 2022. In 2024, South Africa mobilised R62.3 billion sustainable finance, where CIB represents 88% of the group's mobilisation. We played a leading role as financier to the first Battery Energy Storage Systems (BESS) projects.

Unlocking infrastructure investment remains a strategic priority for Standard Bank in fostering economic growth. In 2024, we leveraged our global expertise to facilitate several groundbreaking transactions for key clients, highlighting our ability to drive impactful financial solutions.



Read more on the groups sustainable deals in the Sustainability disclosure report and in our Positive impact on page 29.



### Recognition

#### **Bonds and Loans Africa Awards:**

- Equity Capital Markets House of the Year South Africa 2024
- Leveraged Finance House of the Year South Africa 2024
- Local Currency Bond and Loan House of the Year – South Africa 2024
- Project Finance House of the Year South Africa 2024

#### **Euromoney Awards of Excellence:**

SA Best Bank for ESG – 2024

#### **Euromoney's Real Estate Survey:**

Best Bank for Real Estate – South Africa 2024

### The Digital Banker – Middle East & Africa Innovation Award:

 Best Trade Finance Platform Initiative – South Africa 2024

### Global Finance Best Investment Bank Awards 2024:

Best Investment Bank in South Africa 2024

### The Bankers Transaction Banking Awards 2024:

Securities Services – Global Winner 2024

#### **JSE Spire Awards:**

- The Best Fixed Income & Forex House
- Best Interest Rate Derivatives House
- Best Forex House (total of 13 first place awards)



### 2025 and beyond

We remain well positioned to provide thought leadership, insights and bespoke solutions to our clients as they navigate the key themes impacting the African macro environment.

We will achieve our energy transition objectives through our ongoing focus on ESG and sustainable finance, and support investment, expansion and consolidation activity across multiple sectors through an increased investment in digital infrastructure and our people.

The positive political and economic outlook for South Africa over the medium term has provided a strong catalyst to ongoing investment. Given Operation Vulindlela and the desire to draw in private sector support, we will see continued focus on the stabilisation of the electricity network and ongoing work to address the infrastructure backlog, specifically in transport, logistics and water. These sub-sectors will be a very specific focus for our business in 2025.

### **EXECUTING WITH EXCELLENCE**



"In a rapidly evolving business environment, the true driving force behind our successful organisation is our people. Our people bring diverse skillsets, innovative ideas and unwavering dedication to the business. They are the catalysts for South Africa's growth and champions of SBSA's values and purpose – driven to win, human at heart and African to its core."

As part of the Standard Bank Group, we are proud of the external recognition received for our employee engagement efforts.

Standard Bank Group was ranked 18th in the world out of 850 large multinational employers in the Forbes World's Best Employers list, securing the top spot in Africa and second in the banking and financial services sector overall. We were also ranked by Newsweek as one of the World's Most Trustworthy Companies for a second consecutive year and for the first time, we have featured on Time Magazine's World's Best Companies list. These rankings include measuring employee sentiment factors such as trust, satisfaction, working conditions, salary and equality. We have been awarded the Overall Aspirational Employer of Choice by the SA Graduate Employer's Association, an accolade we are very proud of as recognition of our efforts in being an employer of choice for young talent in the South African market.

Our workforce profile Total headcount Employees<sup>1</sup>



Permanent

**28 476**2023: 28 813



Non-permanent

**902** 2023: 954

1 Headcount per South Africa Banking only (excludes Liberty).

We continue to foster a safe, diverse, and inclusive work environment where our people can be engaged and feel valued and respected. We recognise that our people transform our vision into reality and are pivotal to achieving long-term sustainable growth for SBSA.

Our dedication to ensure we provide continuous learning opportunities for growth and development, equips our employees with future ready skills and capabilities to transform the client experience.

We provide holistic wellbeing offerings to our employees who may feel overwhelmed, anxious, and impacted by social and macroeconomic pressure through our comprehensive Employee Assistance Programme. This programme offers counselling for mental and emotional wellbeing, wellbeing mentorship and coaching, health care advisory and guidance, legal advisory, financial wellbeing coaching and support and workplace wellbeing support. We also provide occupational health services, including emergency management services and organisational health risk management services.



### Recognition

- 2024 Remuneration
   Report Award –
   South African Reward Association
- Overall Aspirational Employer of Choice Award – SA Graduate Employer's Association
- Employer of Choice in the Commercial and Retail Banking Award –
   SA Graduate Employer's Association
- Responsible organisations: Sustainable Practice Achievement award for our ESG and Sustainability Learning Framework –

Gordon Institute of Business Science (GIBS), University of Pretoria



### **EMPLOYEE ENGAGEMENT**



#### **Employee experience**

Our employee NPS (eNPS) is a globally accepted measure of whether our people would recommend Standard Bank as a place to work. Our annual confidential survey enables us to measure levels of pride in the organisation, how well our people understand their contribution to our purpose and their lived experience of working for us across a range of dimensions.

### eNPS

(number)

2022: +47



#### **Employee development and productivity**

Growing our people is a core value and we ensure that our people are future-fit and have the right capabilities to deliver sustainable value to our clients. We measure our overall investment in our people and the proportion of their learning time that is spent on developing future skills. We also measure productivity through workforce return on investment, calculated as the net operating profit impact of each rand invested in the workforce.

#### Average learning hours per employee per year (hours)

53





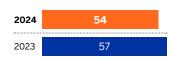
2022: 64 2024

2023

### Learning hours invested in future skills

(%)

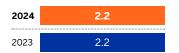
2023: 57 2022: 45



### Workforce return on investment

(times)

2023: 2.2 2022: 2.3

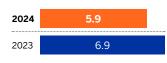


### **Employee retention**

Our ability to retain our people indicates the strength of our value proposition to them. We pay attention to voluntary turnover - those people who choose to leave – and their reasons for doing so.

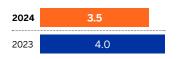
#### Overall employee turnover (%)

2022: 8.6



### Voluntary employee turnover

2022: 5.2

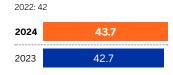


### **Diversity and inclusion**

We 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.

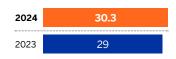
We have ongoing dialogues to help create a safe and inclusive space within the workplace to raise awareness about crucial issues like gender equality, mental health, gender-based violence and LGBTQI+ matters.

### Women representation at executive and senior management level



### African representation at senior management

2023: 29 2022: 28



### 2025 and beyond

We remain dedicated to investing in our employees' development, wellbeing, and overall experience. We believe that our people are our greatest asset, enabling us to achieve our organisational goals and deliver exceptional service to our clients.

To achieve this, we will focus on:

- Enhancing leadership effectiveness through the defined leadership principles, habits and appropriate development.
- Upskilling and re-skilling 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.



Read more about our progress in achieving our diversity, equity, inclusion goals as set out in our Employment Equity Plan (2022 – 2024) in our transformation journey section.

All data is applicable to SBSA and excludes Liberty.

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CHIEF RISK

"The strides made in reputational risk governance, climate risk preparedness, and audit monitoring improvement reflect our ongoing dedication to strengthening our control environment and preserving stakeholder trust. By continuing to prioritise client protection, operational soundness, and ethical leadership, we are reinforcing our role as a trusted financial partner."

### Resilience through responsible risk management

We operate in a dynamic and continuously evolving environment. Our ability to respond effectively to unforeseen events is underpinned by comprehensive, forward-looking risk management processes that strengthen our resilience and enable sustainable growth. Our commitment to responsible and ethical business practices is demonstrated through rigorous adherence to all applicable legislation and regulatory standards. This, combined with a deeply embedded risk and conduct culture, underpins the continued trust placed in us by our stakeholders.

### Key highlights in 2024

- Reputational risk response framework:
   Developed a proactive framework for managing reputational risk, reinforcing stakeholder confidence and institutional trust.
- Climate risk stress testing: Successfully executed an exploratory climate stress test, enhancing our preparedness for climaterelated regulatory and business impacts.
- Recovery in credit performance: We continue to see a recovery in credit performance, supported by ongoing engagement with our customers to enable sustainable financial solutions.
- Strengthened control environment: SBSA has significantly enhanced its control environment, with most internal audits now receiving satisfactory ratings. Furthermore, there has been a notable decrease in overdue audit actions, reflecting improved risk management and compliance maturity.

### **Risk context**

The operating environment is shaped by ongoing economic, political, social, technological, environmental, legal, and regulatory shifts. While these changes bring heightened uncertainty, they also present opportunities for innovation and growth. Geopolitical instability, the accelerating impacts of climate change, rapid digitalisation, cyber threats, and evolving regulatory landscapes require agile and robust risk management frameworks. These frameworks allow us not only to anticipate and mitigate potential disruptions but also to harness opportunities that align with our strategic ambitions.

As a responsible corporate citizen, Standard Bank South Africa upholds sound corporate governance and remains committed to advancing South Africa's sustainability and socio-economic development objectives. Our principle of "doing the right business, the right way – without exception" is anchored in a culture of conscious and responsible risk-taking.

Our capital and liquidity positions remain strong, ensuring we are well-positioned to support our clients and the broader economy during periods of uncertainty.

### **Emerging trends**

### **Tighter regulatory oversight:**

Increasingly rigorous supervisory expectations across key risk domains.

### Accelerated technological change:

Necessitating continuous adaptation of systems and capabilities.

### **Intensifying environmental risk:**

The growing influence of climate-related risks on our operating model.

### **Geopolitical volatility:**

Contributing to global market uncertainty and potential financial system shocks.

### **Cybersecurity threats:**

Rising exposure due to deepening digitalisation and sophisticated threat actors.

### **RISK AND CONDUCT**

### What we measure

CET 1 (%)

11.8

2023: 12.7 2022: 12.1

2024 11.8 2023 12.7 Total capital adequacy ratio (CAR)

**16.2** 

2023: 17.6

2022: 16.6 2024 16.2 2023 17.6 Liquidity coverage ratio (LCR)

123.2

2023: 127.4 2022: 129.1

2024 123.2

Net stable funding ratio (NSFR)

%)

2022: 110.6

**108.2** 2023: 107.0

2024 108.2

### Our risk management approach

We take a holistic forward-looking view to identifying risks, assessing threats and opportunities in our operating environment and being consistent in our approach to risk and capital management, guided by our well-developed risk management framework.

This approach preserves the consistent and effective management of risk through appropriate accountability and oversight structures. Risk management is enterprise-wide and is a crucial element in the execution of our strategy.



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

#### Risk culture

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

### Organisational design

Risk management is enterprisewide, applying to all entity levels.

### Risk management

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

### our strategy. grou

### Risk governance

Our risk documents comprise governance frameworks, standards and policies.

### Risk management lifecycle

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

## Enterprise risk management process



### Governance: three lines of defence

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

### ONE

#### Risk ownership:

Business unit and legal entity management

Design and implement an effective risk management programme across the enterprise.

### TWO

#### Direct, control and oversight:

Risk and compliance management functions

Facilitate risk and capital management activities at an enterprise level and within different segments and entities.

### THREE

### Risk advisory and assurance:

Group internal audit

Provide assurance on the adequacy and effectiveness of the risk management programme.

#### Risk universe

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



### Strategic risk

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

#### 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 strategic objectives.

#### Reputation risk

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



#### Non-financial risk

Operational risks arising from inadequate or failed processes, people and systems as a result of internal or external factors.

There are 17 non-financial risk types included in our risk management framework. They are managed separately from financial risks and exclude strategic risks.

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



#### **Financial risk**

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



#### Credit risk

The risk of loss arising from the failure of obligors to meet their financial or contractual obligations when due. It comprises obligor risk, concentration risk and country risk and represents the largest source of risk exposure for our banking segments.



### Market risk

The risk of changes in the market value, actual or effective earnings or future cash flows of a portfolio of financial instruments, including commodities, caused by adverse movements in market variables, such as commodity and other stocks prices, held equity stock prices, interest and currency exchange rates.



### Funding and liquidity risk

The risk that an entity, although solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms.



### Country risk

The risk that obligors, including relevant sovereigns and our branches and subsidiaries in a country are unable to fulfil obligations due to the group, given political or economic conditions in the host country.



#### Insurance risk

The risk of unexpected policyholder behaviour that is different from the price and contract value assumption made at the time of underwriting.

### Top and emerging enterprise risks

We have a well-developed process to identify the risk themes likely to be most impactful to the group across businesses and geographies which we follow to identify our top enterprise risks.



Read more in Standard Bank Group annual integrated report page 23.

### **External stress testing activities**

Climate change may trigger physical and transition risks which, over time, could pose a threat to the financial soundness of banks and, if material, could have broader financial stability implications to the overall banking system.

In March 2024, the stress testing division of the SARB initiated the 2024 climate risk stress test (CRST) exercise – the first of its kind in South Africa. The objective of the 2024 CRST is to assess the resilience of those banks designated by the SARB as systemically important financial institutions (SIFIs) to climate risk. The CRST utilises a set of common severe, yet plausible, macroeconomic and climate stressed scenarios. The exercise consists of a set of comprehensive top-down and bottom-up macroprudential stress tests, where credit risk is quantitatively assessed, while market and operational risk are considered from a qualitative perspective.

As part of the 2024 CRST, SBSA was required to conduct a bottom-up stress test, while the SARB conducted a complementary top-down stress test to validate and benchmark the results of the bottom-up exercise. For purposes of the bottom-up exercise, the scenarios, designed to align with the Network for Greening the Financial System's (NGFS) scenarios, assess both physical and transition risks with a forecast horizon up to 2050.

Participating banks were required to run three scenarios:

### **Current policies:**

Climate policies remain in place and no new policies are implemented. Temperature increases lead to severe physical risks by 2050.

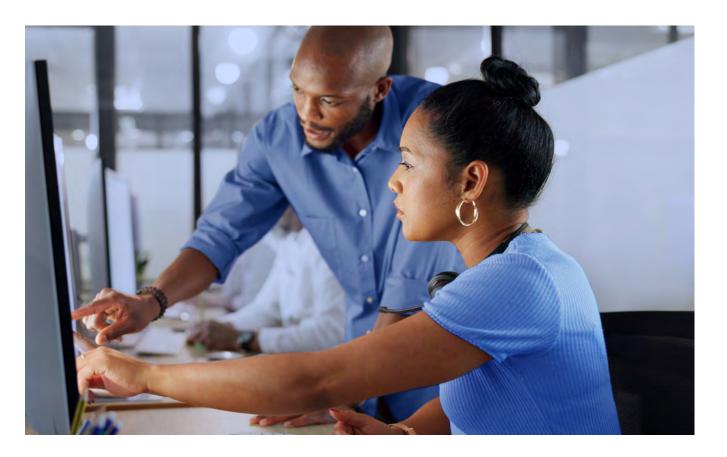
### Delayed transition:

An acceleration in the decline of annual emissions after 2030 due to delayed policy implementation takes place. This leads to more severe transition risks that are compounded by the slow and disorderly implementation of climate policies.

### Net zero 2050:

Immediate policy action is assumed to become gradually more stringent and technology change is rapid with medium to high use of innovative CO<sub>2</sub> removal technologies and high emission taxes. Inflation rates are expected to increase significantly in the near term due to the immediate implementation of mitigation strategies.

Final submissions by the participating banks took place during November 2024. The SARB will present the outcomes of the exercise internally to the SARB Financial Stability Committee and will engage with the banks on the outcomes stemming from the finalised CRST analysis in due course. Thereafter, a publication of the aggregate analysis of the outcomes of the exercise will be released.



### Resolvability: ending too-big-to-fail

On 28 January 2022, the President of South Africa, signed the Financial Sector Laws Amendment Act. The Act which became effective from 1 June 2023, gives the SARB the mandate as the South African Resolution Authority. The Corporation for Depositor Insurance was established in March 2023 and South Africa's Deposit Insurance Scheme, which insures up to R100 000 of qualifying deposits, came into effect on 1 April 2024. During December 2024, the SARB Prudential Authority published the Prudential Standard: First Loss After Capital (FLAC) Instrument Requirements for Designated Institutions. The Standard sets out the qualifying criteria and quantity of instruments required to be held by designated systemically important banks as part of ensuring

sufficient loss absorbency and recapitalisation capacity in resolution. The implementation date for the Standard has been shifted from 1 January 2025 to 1 January 2026 with the phase-in period commencing from 1 January 2026. The South African Resolution Framework regulations on Valuations, Operational Continuity in Resolution, Funding in Resolution, Continuity of Access to Financial Market Infrastructure (FMI) as well as Resolution Groups are in the process of being developed by the SARB for adoption. SBSA has been actively implementing measures that will enable it to meet the requirements as proposed by the Resolution Authority.

### **Risk reporting**

Risk exposures are reported on a regular basis to the board and senior management through our governance committees.

Risk reports are compiled at business unit level and are aggregated to the enterprise level for escalation through the governance structures based on materiality.

Risk management reports also comply with the standards set out by BCBS239.

### Our approach to capital management

Our capital management function is designed to ensure that regulatory requirements are met at all times, while aligning the capital adequacy with our risk appetite and target ranges.

It further aims to optimise capital allocation and usage, generating returns that appropriately compensate shareholders for the risks incurred. Capital adequacy is actively managed and is a key component of our planning and forecasting processes. The capital plan is tested under a range of stress scenarios.

SBSA's capital adequacy remains strong, ensuring sufficient financial resources to support our clients and drive our growth aspirations.

In 2024, we successfully raised Basel III compliant additional tier 1 (AT 1) and tier II capital instruments amounting to R1.5 billion and R10.7 billion respectively, to replace capital instruments that were called on scheduled call dates and to support business growth.

### **Regulatory update**

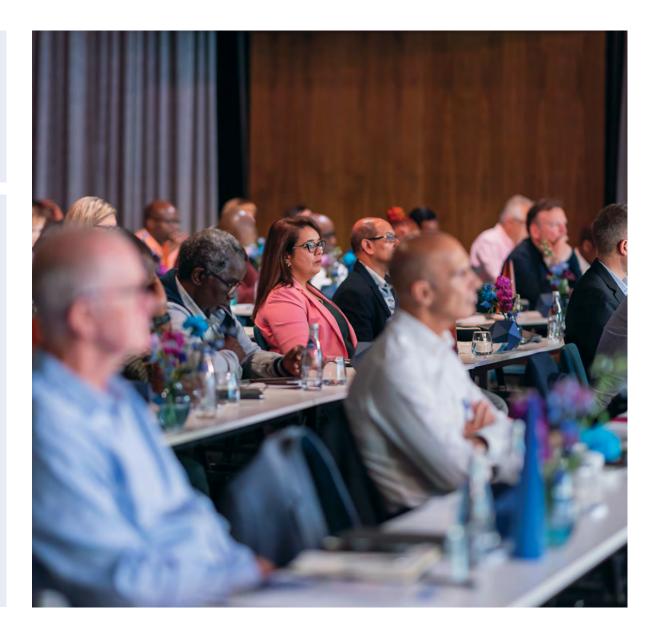


The **Risk and capital management report** provides a summary of the regulatory and legislative developments impacting the group.

### South African minimum capital requirements

South African minimum Basel III capital requirements are 8.5% for CET 1, 10.75% for tier 1 and 14.0% for total capital adequacy. These minimums exclude the countercyclical buffer (CCyB), which was not announced as a requirement for South Africa for the 2024 financial year, and confidential bank-specific pillar 2b capital requirements but includes the maximum potential D-SIB requirement of 2.5%. These minimums are set to increase to 9.5%, 11.75% and 15.0% respectively by 1 January 2026 following the implementation of the 1% positive cycle-neutral CCyB in 2025.

We continue to assess the potential impact of these rules on our capital adequacy ratios, systems and processes.



**AFRICA** 

SOUTH

BANKING

### Our regulatory approach

SBG, headquartered in a G20 country, adopts the regulatory standards of the global FSB and other international standard setting bodies such as the Basel Committee on Banking Supervision (BCBS), International Association of Insurance Supervisors (IAIS) and International Organisation of Securities Commission (IOSCO).

We continue to take a strategic view of emerging regulations to ensure readiness and proactive positioning from a business, risk and financial perspective. This is achieved through the development and evolution of relevant frameworks, policies and systems.

In 2024, the Basel regulatory landscape was marked by significant developments, particularly with regards to the implementation of Basel III finalisation reforms. The uncertainty surrounding the US implementation date has led to further delays in full implementation of the rules, up to 2027 in some jurisdictions. The EU has deferred the Fundamental Review of the Trading Book (FRTB) implementation to 2026, while the United Kingdom has deferred implementation of the reforms to 2027.

There have also been several significant developments in AI regulation globally. The EU's AI Act officially took effect in August 2024. It is the first comprehensive Al law which regulates AI systems based on their inherent risk, impacting companies worldwide. Companies handling significant volumes of data or deploying high-risk AI systems will face increased scrutiny and regulatory approval. This means they will need to invest in compliance and risk management training to ensure their Al systems meet the required standards. The South African government has published a draft Al Policy Framework which outlines the strategic pillars for Al policy in SA, including talent development, digital infrastructure, and ethical Al practices. The policy aims to enhance the country's digital presence and improve customer engagement through AI technologies.

Cybersecurity has similarly been an area of focus due to developments in Al. In 2024, Al has played a transformative role in cybersecurity for both attackers and defenders. It has enabled sophisticated cyberattacks, such as automated phishing and rapid exploit development, while also enhancing detection and operational efficiency for defenders. Al has topped the list of emerging trends likely to impact the enterprise security segment in 2024. The use of Al in cybersecurity has revolutionised the field, making attacks more formidable while strengthening defence mechanisms.

Climate-related risk continues to be a focus of standard setting bodies and regulators. Physical and transition risks can have wide-ranging impacts globally that result in financial risks potentially affecting the safety and soundness of banks and the stability of the broader banking system. While the financial sector has a critical role to play, its ability to support the transition will depend significantly on whether the conditions are in place to enable the real economy to transition, thereby creating opportunities for finance and investment to support such activities. Over-reliance on the financial sector and its regulators to deliver the net zero transition. risks diverting attention from the fundamental policies needed to catalyse actions across the entire economy. The SA Prudential Authority issued a climate roadmap for 2024-2026 which outlines the strategic approach and key initiatives that they will undertake to address climate-related risks and enhance the resilience of the financial sector.

The table that follows provides a high-level overview of the expected areas of focus by regulatory bodies within the SBSA's jurisdictions.

egulatory bodies within the 3B3A3 jurisdictions.				
In pro	Future focus			
<ul> <li>SA resolution framework (including FLAC)</li> <li>Basel III Finalisation Implementation</li> <li>Fundamental Review of the Trading Book Implementation</li> <li>Depositor Insurance Scheme</li> <li>Conduct of Financial Institutions (CoFi) bill</li> <li>Payment system modernisation</li> <li>Transformation Strategy (to be operationalised through CoFI and updated Employment Equity sectoral targets)</li> <li>Central Bank Digital Currencies (CBDCs)</li> <li>General Law Amendment Bill (Omnibus Bill)</li> <li>Enhancing AML/CFT supervision</li> <li>Transitioning from JIBAR to ZARONIA</li> </ul>	<ul> <li>Development of appropriate digital/fintech regulations:</li> <li>Crypto assets</li> <li>Stablecoin arrangements</li> <li>Blockchain</li> <li>Open Banking/Open Finance</li> <li>Developing cross-sectoral regulatory instruments for harmonising requirements across different industries</li> <li>Sustainable Finance and Climate Risk Regulation</li> <li>Phase 2 of the Carbon Tax</li> <li>Integrated Resource Plan 2023</li> <li>Gas Amendment Bill</li> <li>Proposed Amendments to the rules in terms of the Promotion of Access to Information Act of 2000</li> <li>Artificial Intelligence Policy (DCDT)</li> <li>Beneficial Ownership Validation</li> <li>Omni-Conduct of Business Return (CBR)</li> </ul>	<ul> <li>Impact of conduct on stability, market integrity and customer fairness, enhanced conduct supervision</li> <li>Strengthening and enhancing the prudential regulatory and supervisory framework for Market Infrastructures</li> <li>Promotion of Financial Inclusion and Consumer Education through a regulatory and supervisory framework</li> <li>Conduct Standard on Consumer Vulnerability</li> <li>Conduct Standard on industry practices for the treatment of unclaimed assets</li> <li>Joint Regulator Standard – Governance requirements for financial institutions.</li> <li>Ongoing development of appropriate digital/fintech regulations</li> <li>Digital Identity</li> <li>Digital Financial Inclusion</li> <li>Proliferation of sectoral Al policies and Standards</li> <li>Continued work on climate related risk</li> <li>Climate Change Act implementation</li> <li>Finalisation of Sectoral Emissions Targets</li> </ul>		

# 2025 and beyond

Despite the prevailing complexity, we remain steadfast in our commitment to maintaining a robust and agile risk management framework. Our proactive stance towards emerging risks, combined with strong capital and liquidity buffers, enables us to remain resilient and responsive.

The strides made in reputational risk governance, climate risk preparedness, and audit monitoring improvement reflect our ongoing dedication to strengthening our control environment and preserving stakeholder trust. By continuing to prioritise client protection, operational soundness, and ethical leadership, we are reinforcing our role as a trusted financial partner.

Our alignment with sound governance principles and our contribution to South Africa's broader developmental goals position us as a responsible, forward-thinking institution. We are confident that our continued focus on ethical, resilient, and adaptive risk management will sustain the confidence of our customers, the board, shareholders, and broader society.



"Our strategic commitment to execute with excellence empowers us to better serve and safeguard our clients, by enhancing efficiency, productivity, automation and standardisation across our operations."

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. The core elements of our approach to strengthening system. stability and security includes recognising that we are one united team, bringing together a wealth of diverse experience and skills. Adaptability is crucial in today's dynamic environment, and we are proactively leading an agile technology transformation, and are quick to respond to evolving business needs.



### **OPERATIONAL EXCELLENCE**

#### What we measure

### System stability

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

#### Priority 1 (P1) incidents (number)



2023:1 2022:5

2024 0 2023

### Mean time to repair (MTTR) -P1 and P2 incidents

(hours)

2023: 3.45

2024	3.68
2023	3.45

### Stability of our systems and the reliability of digital transaction channels

There were zero P1 incidents in 2024 compared to one in 2023. The number of priority 2 (P2) incidents decreased by 60% compared to 2023. The availability of our systems also improved to 99.9%.

Our mean time to restore (MTTR) was slightly higher at 5% due to an incident early in 2024 that has low client impact and took longer to resolve.

The strategic investment in enhancing the stability of our mobile banking app is vielding significant returns. We have been recognised for the best Banking App in South Africa, in the prestigious Customer Experience (CE) Index compiled by the University of Pretoria. Being recognised as one of the industry leaders in customer experience is a testament to our commitment to excellence.

### **Delivering sustainable growth and value**

The optimisation of the distribution network remains an important lever in reducing the cost to serve clients with a 7% reduction in branch square meterage compared to 2023.

We are also committed to maintaining the highest standards of financial integrity and customer trust. This commitment manifests in focusing on advanced cybersecurity measures, stringent regulatory compliance, comprehensive employee training and client fraud awareness engagements.

By leveraging cutting-edge technologies, like AI, we enhance our capabilities to predict, prevent, detect and respond to cyber incidents. We gather cyber threat intelligence, which is shared across the group to enable risk mitigation and inform improvements to the cyber resilience programme.

### 2025 and beyond

We are encouraged by the improvements in our metrics, and we continue to focus on doing the basics brilliantly.

We will continue pursuing system stability and agility through automation, evolve from productbased architecture to business capabilitybased which will ensure more flexibility and responsiveness. We will ensure the safety of clients by bolstering our training and development programmes to equip our teams with the latest technologies and risks associated with these technologies.

### **DRIVING SUSTAINABLE GROWTH AND VALUE**

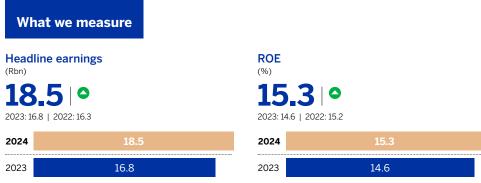


"In 2024, our SBSA franchise delivered solid headline earnings of R18.5 billion and a ROE of 15.3%. The business was supported by growing client franchise, increased activity and improved credit performance. SBSA is on track to deliver against SBG's committed 2025 targets and to support sustainable growth in South Africa."

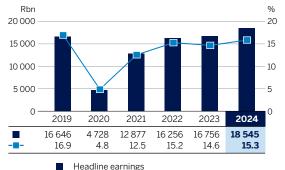
### SBSA's performance

In the twelve months to 31 December 2024, SBSA recorded headline earnings of R18.5 billion, up 11% and delivered a ROE of 15.3%. This growth was mainly supported by good net interest income growth, improved fee generation activity and lower credit impairment charges for the year. Focused cost management resulted in a below inflation increase in operating expenses compared to 2023 growth. Revenue growth of 3.2% exceeded cost growth of 2.1%, resulting in jaws of 1.1% and a cost-to-income ratio of 59.9%. Our balance sheet remained strong, with capital and liquidity management ratios above regulatory minimum requirements.

# FINANCIAL OUTCOME





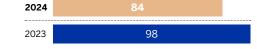


### Cost-to-income ratio

### Credit loss ratio

84|0

2023: 98 | 2022: 79



### **Condensed statement of financial position**

as at 31 December 2024

as at 31 December 2024						
		Group			Company	
	Change	2024	2023	Change	2024	2023
	%	Rm	Rm	%	Rm	Rm
Assets						
Cash and balances with central						
banks	14	61 791	54 251	14	61 791	54 231
Derivative assets <sup>1</sup>	(7)	58 857	63 066	(7)	57 930	62 449
Trading assets <sup>1</sup>	31	374 780	285 032	32	369 301	279 066
Pledged assets	4	7 104	6 812	4	7 104	6 812
Financial investments <sup>1</sup>	8	161 945	149 525	7	161 913	151 623
Receivables and other assets	11	26 589	23 885	12	26 477	23 717
Net loans and advances	3	1 385 214	1 343 798	3	1 383 867	1 340 414
Interest in associates, joint						
ventures and subsidiaries	(13)	1 036	1 193	(2)	7 793	7 940
Property, equipment and right						
of use assets	(2)	10 799	11 034	(2)	10 755	10 989
Goodwill and other intangible						
assets	(15)	6 735	7 944	(15)	6 628	7 806
Total assets	8	2 094 850	1 946 540	8	2 093 559	1 945 047
Equity and liabilities						
Equity	1	141 819	140 530	1	140 734	139 406
• •		141 015	1+0 330		140 / 34	133 400
Equity attributable to ordinary				_		
shareholders	2	123 829	121 715	1	122 512	120 742
Equity attributable to other	(4)		10.704	(0)	10.000	10.664
equity instrument holders	(4)	17 917	18 734	(2)	18 222	18 664
Equity attributable to non-	1	70	70			
controlling interests	1	73	72			
Liabilities	8	1 953 031	1 806 010	8	1 952 825	1 805 641
Derivative liabilities1	1	73 568	72 944	0	72 780	72 898
Trading liabilities	19	97 361	82 028	19	97 361	82 028
Provisions and other liabilities	12	36 887	3 316	12	35 754	31 998
Deposits and debt funding	8	1 716 821	1 592 209	8	1 718 536	1 592 904
Subordinated debt	10	28 394	25 813	10	28 394	25 813
Total aguity and liabilities	8	2 094 850	1 946 540	8	2 093 559	1 945 047
Total equity and liabilities	Ŏ	2 094 650	1 940 540	8	2 093 559	1 945 047

Restated, refer to page 23 of the SBSA annual financial statements.

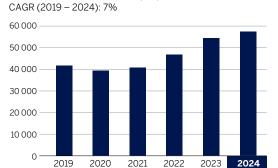
### **Condensed income statement**

as at 31 December 2024

as at 31 December 2024						
	Group		Company			
	Change %	2024 Rm	2023 Rm	Change %	2024 Rm	2023 Rm
Net interest income Non-interest revenue	6 0	57 583 39 498	54 555 39 535	6 (1)	57 304 38 101	54 151 38 394
Net fee and commission revenue Trading revenue Other revenue Other gains and losses on financial instruments <sup>2</sup>	7 (2) 6 (69)	23 154 9 667 5 916 761	21 637 9 847 5 588 2 463	7 (3) 3 (69)	21 992 9 071 6 277 761	20 521 9 344 6 066 2 463
Total income Credit impairment charges Income before revenue sharing agreements Revenue sharing agreements with group companies	3 (12) 6	97 081 (11 624) 85 457 (865)	94 090 (13 256) 80 834 (777)	3 (10) 5	95 405 (11 371) 84 034 (865)	92 545 (12 676) 79 869 (777)
Net income before operating expenses Operating expenses	6 2	84 592 (57 601)	80 057 (56 392)	5 2	83 169 (56 493)	79 092 (55 317)
Staff costs Other operating expenses	3 1	(32 755) (24 846)	(31 799) (24 593)	3 1	(32 092) (24 401)	(31 143) (24 174)
Net income before capital items and equity accounted earnings  Non-trading and capital related items  Share of post-tax loss from associates and joint ventures	14 (>100) (51)	26 991 (446)	23 665 22 (41)	12 (>100) (51)	26 676 (430)	23 775 221 (41)
Profit before indirect taxation Indirect taxation	12 14	26 525 (2 108)	23 646 (1 845)	9 15	26 226 (2 104)	23 955 (1 832)
Profit before direct taxation Direct taxation	12 15	24 417 (4 726)	21 801 (4 105)	9 16	24 122 (4 651)	22 123 (4 022)
Profit for the period Attributable to AT1 capital noteholders Attributable to non-controlling interests with Standard Bank Group Attributable to non-controlling interests	11 20 (71) (50)	19 691 (1 610) 125 (1)	17 696 (1 344) 429 (2)	8 20	19 471 (1 610)	18 101 (1 344)
Attributable to ordinary shareholders Headline adjustable items	8 (>100)	18 205 340	16 779 (23)	7 (>100)	17 861 325	16 757 (179)
Headline earnings	11	18 545	16 756	10	18 186	16 578

In 2023, gains and losses on liquid assets, held at fair value, were recorded in other gains and losses on financial instruments. These liquid assets matured and the proceeds were reinvested in new liquid assets which were classified as amortised cost and the related income was recorded in net interest income in 2024.

### Net interest income (Rm)

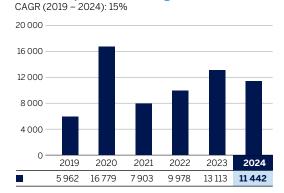


41 852 39 472 40 806 46 911 54 555 **57 583** 

#### **Net interest income**

growth of 6% to R57.6 billion. was supported by higher average interest earning assets of 6%, positive endowment in a higher average interest rate environment, and a change in the methodology in managing liquid assets. This was moderated by pricing pressures experienced in a competitive market, most notably in home services and business lending. Net interest margin remained flat at 370bps given competitive pressure.

### Credit impairment charges (Rm)



### **Credit impairment charges**

declined by 12%, driven by stage 3 recoveries linked to a legacy client in the corporate portfolio, a slowdown in retail early arrears and nonperforming loans as well as improved forward-looking macroeconomic assumptions.

#### SBSA credit loss ratio

improved to 84bps, remaining within the through-the-cycle target range of 70 – 100bps.

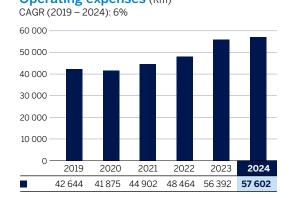
### Non-interest revenue (Rm) CAGR (2019 – 2024): 6%



### Other gains and losses on financial instruments

### Operating expenses (Rm)

Other revenue



#### Non-interest revenue

decreased by 0.1% to R39.5 billion (2023: R39.5 billion).

#### Net fee and commission revenue

grew by 7% to R23.2 billion, supported by PPB double digit growth, mainly due to a larger active client base, growth in transactional activity and annual price increases. In addition, higher fees were generated from corporates in line with increased deal activity across the portfolio, led by the energy & infrastructure sector. This was partially offset by higher card processing costs due to higher volumes and the impact of foreign currency denominated costs.

### **Trading revenue**

decreased by 2% to R9.7 billion, driven by client demand for foreign exchange solutions and lower investment appetite, limiting trading opportunities. This was partially offset by improved interest rate risk management combined with higher client appetite for credit-linked notes and structured financing solutions.

#### Other revenue

increased by 6% to R5.9 billion, mainly driven by higher bancassurance income from higher gross written premiums in the Flexi Funeral portfolio. This was further supported by higher volumes on long-term rentals which led to an increase in fleet rental income.

### Other gains and losses on financial instruments

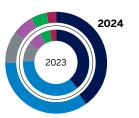
reduced by 69% to R0.8 billion as positions held in the fair value portfolio reduced due to the implementation of hedge accounting on liquid assets. The matured liquid assets were reinvested and classified as amortised cost, as a result the related income was recorded in net interest income in 2024. This was done to fairly present the financial outcome of the portfolio taking all related funding and hedging costs into account.

### **Operating expenses**

increased by 2% to R57.6 billion, mainly on account of annual salary increases, investment in digital and relationship management capabilities and system modernisation. This was partially offset by lower incentive provisioning and a decline in discretionary spend.

### Maintaining a robust balance sheet

### Gross loans and advances to customers composition (%)



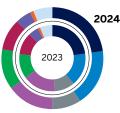
	2024	2023
Corporate and sovereign lending	40	39
Home services	35	37
Vehicle and asset finance	10	9
Business lending	7	7
Personal lending	5	5
Card and payments	3	3

#### **Loans and advances**

Gross loans and advances to customers grew by 4% to R1.2 trillion, underpinned by corporate loan growth, particularly in the Energy & Infrastructure and Consumer sectors. This was moderated by slower growth in the retail and business lending portfolios as disbursements and pay-outs were hampered by consumer pressure linked to higher average interest rates.

Expected credit losses was flat for the period, reflecting the disciplined approach to managing risk appetite coupled with collection optimisation strategies. As at 31 December 2024, stage 3 loans represented 6.1% of the portfolio, same as 2023, and provisions on held against these loans reflected 47% coverage, marginally up from prior year.

### Funding diversification by product (%)



	2024	2023
■ Call deposit	23	23
■ Term deposits	18	16
Current accounts	9	10
Cash management deposits	15	16
Deposits from banks and central banks	13	12
Negotiable certificates of deposit	10	11
Senior and subordinated debt	5	5
Savings account	1	1
Other	6	6

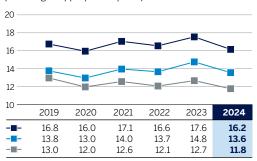
### **Funding and liquidity**

SBSA'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. Domestic economic recovery on the back of easing inflationary pressures, lower interest rates and improved energy availability have contributed to increased economic growth. However, escalating geopolitical tensions, financial sector exposure to sovereign debt, weak fiscal positions, and high debt-service costs continue to be the key domestic and global risks the financial sector faces.

Appropriate liquidity buffers were held in line with the assessment of liquidity risk requirements. SBSA maintained both the liquidity coverage ratio at 123.2% (average over the quarter December 2023: 127.4%) and net stable funding ratio at 108.2% (December 2023: 107.0%), in excess of minimum regulatory requirements of 100%.

Longer term funding increased through the issuance of senior debt, syndicated loans as well as funding raised from development finance institutions (DFIs). In addition, R1.5 billion Additional Tier 1 and R10.7 billion Tier 2 has been down streamed from the Standard Bank Group. SBSA continues to benefit from favourable liquidity conditions, contributing to strong liquidity ratios.

### Capital adequacy (%) (including unappropriated profit)



- Total capital adequacy ratioTier 1 capital adequacy ratio
- CET 1 capital adequacy ratio

### Capital adequacy

remains strong and provides the financial resources to continue to support our clients and drive our growth aspirations. The CET 1 ratio decreased to 11.8% and total capital adequacy ratios of 16.2%, both exceeding the regulatory minimums required by the Prudential Authority (PA).

### 2025 and beyond

In 2025, South Africa's inflation is expected to trend below the mid-point of the SARB's 3-6% target range (averaging 4.0%), which creates scope for the SARB to cut the repo (policy) rate by 25bps to 7.25%.

We foresee an acceleration in domestic growth as infrastructure constraints ease, confidence improves and interest rates decline. Incremental structural policy reforms should alleviate the binding growth constraints, which should support an improvement in economic growth to nearly 2% in 2025.

For the 12 months ended 31 December 2025, SBSA balance sheet growth is likely to improve. Average interest rates are expected to marginally decline, and pricing to remain competitive. Accordingly, banking revenue is expected to range from mid-high single digits. While there is a heightened focus of costs, we need to continue to invest in our business to remain competitive and grow.

The focus remains on improving cost-to-income and jaws flat to positive.

As we look ahead, we remain focused on driving sustainable growth, maintaining financial resilience, and delivering value to our stakeholders.

SBSA's strategic initiatives, supported by a strong balance sheet and effective resource allocation, empower the franchise to navigate the competitive landscape. By leveraging technology and innovation, through a dedicated workforce, SBSA is on track to deliver against the group's committed 2025 targets and to support sustainable growth in South Africa.

### Our **POSITIVE IMPACT** at a glance









### Financial health and inclusion

R567 million

estimated savings for

homeowners through

LookSee solutions and

discounts on Home Loans in

EDGE<sup>1</sup> certified developments

### 2.8 million

MyMo account holders with total client deposits of R7.38 billion

4831

new affordable housing mortgages with total value of R2.67 billion. with 55% femaile borrowers

### Business growth and job creation

503 090 SMF clients

8 065 SMEs accessed lending with total value of R10.3 billion

405 620 digitally enabled SME clients

### Climate change mitigation and adaptation

R2.4 billion

green aligned<sup>2</sup> financing disbursed to homes

7% year on year reduction in own emissions and 27% increase in onsite solar PV energy generation

### Infrastructure development

### R33.6 billion

in sustainable finance mobilised for infrastructure including

### R19.8 billion

finance for new renewable energy power plants

### 1703MWp

of renewable energy installed through financing of new renewable energy power plants

1 EDGE is a green building certification system focused on making buildings more resource efficient







UN SDG UN SDG UN SDG



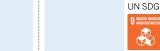
Loans and advances used to finance products or houses that are design, built or have

solutions that have favourable or less harmful impact on the environment, and are



capacity











verified or certified.



Read more on page 44.



# FINANCIAL HEALTH AND INCLUSION



ш	Jack	1116	63

### Access to banking

Number of low-cost MyMo account holders in South Africa

2.8 million active clients **Total client deposits** R7.38 billion ○ 7% growth since 2023

### Services tailored for under-served customer segments

Number of students accessing student loans (with and without surety) and value of loans, in South Africa

11 684 students **Total value** R588.7 million

2024

#### Financial education

Number of participants in financial literacy initiatives for unbanked, underbanked, or under-served customers (Financial Fitness Academy, Liberty Mind My Money) and WalletWise

388 780

### Mortgages for affordable homes, South Africa

Number and value of affordable housing loan book	95 654 loans Total value R33.2 billion
Number and value of affordable housing loans issued in financial year	4 831 Ioans Total value R2.67 billion
% of affordable mortgage customers who are women	55%
% of affordable housing customers accessing loan restructuring/ payment holidays	7.5%
% of customers who defaulted	15.1%

### Financial health for homeowners

Value of savings for homeowners achieved through LookSee Home Efficiency solutions and discounts on Home loans in EDGE certified developments.



Save homeowners R1 billion by end of 2025

**R567 million** (estimated cumulative lifetime savings)

### **Affordable housing in South Africa**

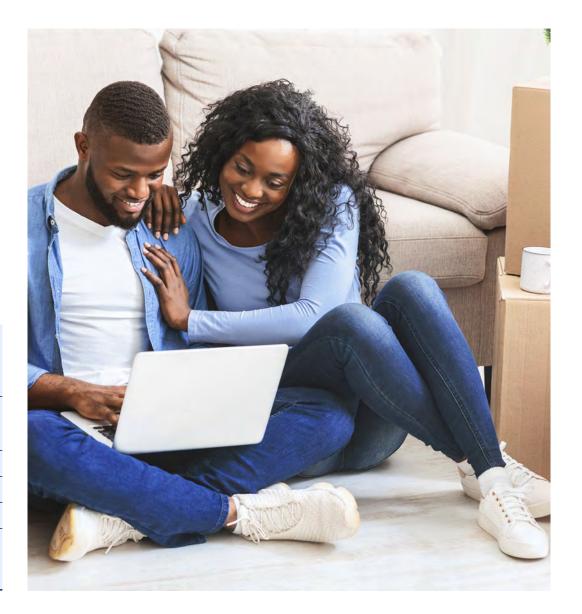
The government partners with the banking sector to assist low and middle-income households that earn above the qualifying threshold to receive state subsidised housing but below the qualifying threshold to secure a home loan (R3 501 to R32 000).

We provide qualifying first-time buyers with up to 108% financing to assist with upfront costs, such as bond registration 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.

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. 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.

Our **EasySell** programme helps customers who have fallen behind on their home loan repayments or cannot afford their home loan repayments anymore to find a sustainable, long-term solution. On average, our experience shows that an auction realises only 45% of the home's market value compared to EasySell which obtains over 90%. Through EasySell, customers can reduce or settle their debt, enabling them to downscale to a more affordable home without a judgment being granted, and without their ability to access credit in the future being affected. 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.

	2023	2024
Size of SBSA's affordable housing loan book	97 388 loans valued at R32.63 billion	95 654 loans valued at R33.2 billion
Lending to new affordable housing mortgage customers during the financial year	4 659 customers 51% female R2.58 billion	4 831 customers 55% female R2.67 billion
Customers participating in training sessions	931 customers	1 072 customers
Customers accessing loan restructuring/payment holidays	9 259 (9.5%)	7 150 (7.5%)
Customers who defaulted	13.9%	15.1%
Customers assisted by EasySell	751 customers	1 021 customers
	Total debt reduction value R842 million	Total debt reduction value R1.3 billion



### Financial health for homeowners

In South Africa, homeowners' electricity costs have increased substantially, and are set to continue to rise by a minimum of 24% over the next three years. This has placed household budgets under significant pressure and raised concerns about affordability.

Standard Bank's (a) LookSee platform helps homeowners to identify appropriate renewable energy and energy efficiency solutions that meet their individual needs, reduce their energy consumption, save them money and reduce their carbon footprint.

By enabling customers to reduce their household emissions, (h) LookSee also supports Standard Bank to achieve our portfolio emission reduction goals for our residential properties lending portfolio.

#### The LookSee solution includes:

ONE The first-to-market LookSee Savings Guarantee, offering customers cashback if the LookSee solar solution does not save as much money as forecast

> High quality, value for money energy efficiency solutions with industry leading warranties, including solar installations, solar geyser conversions and heat pumps

Access to a range of home loan finance solutions, and bespoke solar and energy finance offerings

FOUR A dedicated customer care team, guiding customers from start to finish, and using cutting edge calculators to help customers invest in the right combination of products to maximise their savings

FIVE First-to-market Solar Score™ that helps customers understand their home's solar production potential and their savings potential

LookSee offers homeowners options to use their new and existing home loan facilities to retrofit their homes with sustainable solutions, including solar PV, through future use allowances, re-advances and further advances. Customer benefits include reduced household costs. potential to sell excess power back to grid, and energy supply certainty which supports improved quality of life and home resilience.

In 2023. LookSee launched the first residential solar loan. based on government's Energy Bounce Back Loan Guarantee Scheme. The offering was instrumental in enabling many households to move to solar by providing unsecured lending at attractive interest rates. The scheme came to an end in February 2025. In its place, we introduced an energy loan tailored for residential **customers**, featuring interest rates capped at prime +6.5% and flexible repayment terms of up to 72 months. The offering helps families secure a range of solar, backup

power and energy-efficient solutions that enable the reduction of their monthly electricity bills. Loans can be tailored to a full solar home conversion, or a partial conversion such as converting an electric geyser to use solar power. The latter solution can cut a household's monthly electricity bill by up to 40%, depending on the size of the installation and the number of people in the house.

LookSee's first-to-market **Savings Guarantee** applies to all hybrid solar system installations installed from 1 December 2024. It is based on a personalised minimum savings expectation for the household. LookSee provides homeowners with optimisation software and easy-tounderstand advice to guide them on how to make the most of their solar system. Should the promised savings not be met within six months. LookSee will pay the homeowner a once-off cashback of R2 000.

	2023	2024
Value of Green aligned <sup>1</sup> financing disbursed to homes	R1.1 billion	R2.4 billion
Number of solar panels installed on homes	6 700	14 000 (cumulative since 2023)
Number of people reached through LookSee	970 000	2.4 million
Total CO <sub>2</sub> emissions avoided by homes	8 000 tons	20 000 tons (cumulative since 2023)
Estimated lifetime savings for homeowners through LookSee Home Efficiency solutions and discounts on Home loans in EDGE certified developments <sup>2</sup> .	R277 million	R567 million (estimated cumulative lifetime savings)

#### TARGET:

Save homeowners up to R1 billion by the end of 2025 through home efficiency interventions

- advances used to finance products have solutions that have a harmful impact on the are verified or certified <sup>2</sup> EDGE is a green building certification system focused on making
- 1 Loans and or houses that are designed, built, or favourable, or less environment, and buildings more resource efficient



"South African households are already feeling the strain of rapidly rising electricity, and worrying about how they'll absorb the aboveinflation electricity tariff increases which are planned over the next few years. Homeowners are looking for ways to bring down their immediate costs, protect themselves from future increases and ensure security of supply."

Marc du Plessis Executive Head. LookSee. Standard Bank



# BUSINESS GROWTH AND JOB CREATION

# Impact in 2024



"SMEs' banking needs and behaviour have evolved. Many small business owners rely increasingly on digital channels, but still value access to personal advice and strong banking relationships. They are looking for convenient, secure. cost-effective relationship banking, based on a deep understanding of their specific needs and their industry, and our ability to provide advice, practical solutions and access to world-class digital services and suitable products."

Simone Cooper Head, BCB SA

### **Helping SMEs start and grow**

In recognition of the crucial role of SMEs in driving South Africa's economy, we aim to make **transacting** as quick, convenient and cost-effective as possible for them. **Online Banking for Business (OB4B)** provides clients with digital access to their banking, making it easier and more convenient to manage their accounts with enhanced self-service capability. OB4B provides business owners with a full picture of the money going into and out of their business account, on any device. They can make payments and manage access and limits. They remain protected with regular security updates and transaction verification using one-time pins.

**MyMoBiz**, for example, provides simple, low-cost, fully digital banking for SMEs with a pay-as-you-transact or a fixed monthly service fee option. Sole proprietors and single member registered entities with an annual turnover below R5 million can digitally originate a MyMoBiz Pay-as-you-transact or MyMoBiz Plus account.

Impact in 2024

In 2024, SBSA onboarded more than

**56 000** new SME clients, providing them with support as they start, manage and grow their businesses.

Our **merchant solutions** business has seen steady growth, including a 20% increase in new sales in 2024, which led to an 8% increase in our total merchant base. This growth is supported by our continued focus on delivering innovative solutions to make life easier for SMEs.

**SimplyBLU,** for example, is an all-in-one solution for business owners, launched in November 2024. It integrates payments, inventory management and e-commerce into one platform, offering flexibility and control across multiple channels.

Business owners can:

- Manage their physical, online and mobile sales effortlessly, from their phone
- Access daily, weekly and monthly reports
- Use the point of sale device with built-in barcode scanner, linked to the SimplyBLU payment system, enabling them to track sales and stock levels without the need for a till, resulting in significant cost savings.

The platform uses advanced encryption to safeguard every transaction, ensuring that businesses can operate with confidence knowing that customer data and payments are fully protected.

Our SME clients are able to rent or purchase a SimplyBLU device outright. The device also allows traders to facilitate cash withdrawals and cash out instant money vouchers for their customers, reducing the amount of cash they need to carry. They can also use the device to create a track record, which can be used to apply for finance.

As part of our commitment to making banking easy and convenient, our online platforms enable on-the-go banking. A third of our clients use these platforms for **value-added services**, over and above transactional needs. **BizConnect**, for example, provides a one-stop-shop for information, tips and tools on how to start, manage or grow an enterprise. It offers businesses free access to our repository of content including videos, articles, sector insights and business templates. We also offer coaching and skills development. The BizConnect platform receives an average of almost **8 000 unique visitors** per month. While our clients value the convenience and accessibility of our digital platforms, our dedicated bankers are also available when our clients prefer a human touch.





### **Capacity building**

We run small business incubators and enterprise development programmes in many of our countries of operation.

Our objective is to help MSME owners grow their skills to grow their businesses. We provide access to mentoring, networking and market opportunities, and access to credit and/or grants to support growth.

In South Africa, our Enterprise and Supplier Development team is committed to fostering sustainable SMEs that drive economic growth and development. This includes enabling the growth and sustainability of qualifying black-owned SMEs (BSMEs), increasing the participation of qualifying BSMEs in the group's value chain, and identifying opportunities through strategic partnerships.

#### Impact in 2024

Supported over

2 246 participants

(25% black women, 8% youth) in 2024

Disbursed enterprise and supplier development funding of

#### **R137 million**

to qualifying BSMEs with a Supplier Development loan book of

R192.9 million

Supported over

**9 576** jobs with

1730 new jobs created.

# **Examples of impact in 2024**

PROGRAMME	Impact
Western Cape Accelerator 12-week Programme	<ul> <li>60 township SMEs received advanced business management and entrepreneurial skills training</li> <li>10% of participants were people with disabilities</li> <li>Significant representation from youth and women-owned businesses</li> <li>11 SMEs received grant funding worth R500 000</li> </ul>
Ryze Entrepreneurship Development Programme	<ul> <li>65 township SMEs in the Free State and Northern Cape received training focusing on compliance and financial management</li> <li>11 SMEs received R760 000 in grant funding</li> </ul>
Basali Development Programme	<ul> <li>200 women business owners accessed business skills development</li> <li>We disbursed R1.1 million in grant funding</li> </ul>
GPG Township Development Programme	<ul> <li>This five-year programme, in partnership with the Gauteng Provincial Government, provides business and skills development for 100 township SMEs annually</li> <li>The top 20 businesses in 2024 received R1 million in grant funding</li> </ul>
Youth-Forward Programme customised masterclass series, in partnership with GIBS	<ul> <li>We worked with 50 young MSME owners, who had been in business for between one and three years, to build leadership, management and entrepreneurial competencies and mindsets to operate sustainable businesses</li> </ul>
Standard Bank Kasi SME Summit, in partnership with Kaya FM	<ul> <li>We hosted the second annual Standard Bank Kasi SME Summit, equipping township businesses with business skills and strategies to help them start, manage and grow their businesses. This included masterclasses with business experts who provided insights into business compliance, financing, access to markets and macro-economic factors impacting SMEs</li> <li>The pitch competition saw five SMEs given grant funding of R500 000</li> </ul>
Enabling township retailers to start, manage and grow	<ul> <li>We supported 40 township businesses in Gauteng and the Western Cape to upgrade the appearance and visibility of their stores, to support increased foot traffic and sales</li> </ul>
Technology Development Initiative, specialised six-month programme	<ul> <li>We collaborate with strategic partners like Salesforce to deliver this programme, which aims to create and grow technology and engineering SMEs, and includes sub-contracting work and technology spend to local SMEs to decrease offshore dependency</li> </ul>
Customer service and professionalism training	<ul> <li>This training provides Standard Insurance service providers with the skills and knowledge to excel in customer service and professionalism</li> <li>248 service providers participated in 2024</li> </ul>
Roofing Academy	<ul> <li>We sponsored 40 of our short-term insurance division's service providers to complete the National Certificate in Waterproofing at NQF Level 2, which enhances skills and certifies expertise in waterproofing and roof repair.</li> </ul>



### **Recognition for women in business**

The Top Women platform celebrates South African women entrepreneurs, leaders and organisations, in both the public and private sectors, that prioritise gender empowerment within their business strategies.

Standard Bank has been a platinum sponsor for the past 10 years. The Standard Bank Top Women initiative seeks to foster a global movement by connecting women entrepreneurs, influential icons, thought leaders and experts. The platform provides inspiration, practical solutions, valuable networks and support to women worldwide.

Touchpoints include:

#### The EmpowHer series:

Regional events which focus on creating access to market opportunities for female entrepreneurs. The events include entrepreneurial insights from women-leaders and a pitching den. The top three finalists are entered into the annual Top Women Awards, with a R50 000 cash prize for the winner.

#### A two-day conference:

This interactive event features masterclasses and panel discussions from Top Women in business and industry, together with a prestigious black-tie gala dinner event, aimed at recognising individuals and businesses that have implemented and driven the best women empowerment strategies.

#### **The Standard Bank Top Women Awards:**

Celebrates exceptional leadership, vision, innovation and inspiration within organisations that empower women to reach the pinnacle of economic success.

#### Standard Bank sponsors four categories at the awards:

- Top Women EmpowHer Entrepreneur of the Year award
- Top Women Entrepreneur of the Year award
- Top Women Business Leader of the Year award
- Top Women Lifetime Achiever award.

# **Support for farmers and agribusiness**

Agribusiness is one of Africa's biggest and fastest growing sectors, with the potential to drive employment and economic development. Investment and growth in the agri-sector is at least twice as effective at addressing poverty than growth in any other sector.



#### **OneFarm Share, South Africa**

OneFarm Share, powered by Standard Bank in partnership with HelloChoice, provides small-scale farmers with regular off-take for their produce, and assists them on the path to commercialisation.

Since inception in 2021, the programme has:

Supported **582 small scale farmers**, 30% of whom are women

Procured R78 million worth of produce from these farmers, 31% from women farmers Distributed over **100 million meals** to beneficiaries, via our distribution partners, from **25 000 tonnes of produce** contributed to the programme.

OneFarm Share also works with distributors and NGOs to redirect excess or sub-spec fresh produce away from landfills and other disposal sites, delivering it to local food bank providers. In 2023 and 2024, the programme recovered over 1 000 tonnes of food waste, resulting in a net reduction of greenhouse gas (GHG) emissions of 318 tCO<sub>2</sub>e.





#### **Finance and Farm Management textbook**

In 2024 **Standard Bank launched the seventh edition of our textbook**, which provides practical tools and knowledge for students and farmers, on topics from climate change to market shifts. The 2024 textbook includes updated content on climate smart farming, human resource management, and South African agricultural legislation, and aims to equip users to manage financial risks and production economics in today's rapidly evolving environment. Our textbook has been at the forefront of agricultural education for over four decades and is now prescribed at several of South Africa's leading universities.



#### **Agric Academy**

Our Agric Academy, launched in 2024, empowers employees in our agriculture division with the tools, skills and knowledge to better support our agriculture sector clients. We have forged strong partnerships with the University of Pretoria, the University of the Free State and the University of Stellenbosch, who host different modules of the programme. Our first cohort consisted of 30 employees from across SBG's countries of operation.



# CLIMATE CHANGE MITIGATION AND ADAPTATION

# Impact in 2024



"As South Africa's largest home loans provider, we realise that we have the power and responsibility to help bring down emissions in the residential property sector, and strengthen the resilience of our clients. Standard Bank remains dedicated to driving positive change through innovative financial solutions. We believe that our Green and Sustainability Home Loans portfolio will play a crucial role in building a sustainable future for all."

#### Clive Spitz

Head of Climate Solutioning, Standard Bank PPB

# Renewable energy and energy efficient solutions for home-owners

We have achieved significant growth in our green home loans portfolio, in line with our commitment to fostering environmentally responsible living and supporting our customers in their journey towards sustainable homeownership.

We disbursed **R2.4 billion** across various products for green-aligned financing in 2024, doubling the disbursement achieved in 2023. Our objective is to continue to significantly grow the green aligned portion of total lending over the next few years.

Environmentally friendly homes (also known as eco-homes or green homes) are designed to minimise their environmental impact. These homes incorporate energy-efficient systems, renewable energy sources, sustainable building materials, and water conservation measures.

We are partnering with homeowners to enable them to adopt solutions such as:

# Energy efficiency:

Proper insulation and smart building technologies that reduce energy consumption and lower utility costs.

# Renewable energy:

Solar panels provide clean, renewable energy, reducing reliance on fossil fuels.

## Sustainable materials:

Use of recycled, renewable, and locally-sourced materials minimise the environmental impact of construction.

## Water conservation:

Efficient plumbing fixtures and rainwater harvesting systems help conserve water resources.

Investing in sustainable homes reduces long-term risks associated with climate change and resource scarcity, benefitting SBG and our customers. Our customers also benefit from significant cost savings on their utility bills and a stable energy supply. Further, sustainable homes often have higher resale values due to their modern features and lower operating costs.

The green building sector creates jobs and stimulates economic growth through the demand for sustainable materials and technologies. Sustainable homes also contribute to more resilient communities by reducing energy demand and promoting local resource use, while significantly lowering GHG emissions, conserving natural resources and reducing waste, contributing to a healthier planet.





"Our SME clients are the heartbeat of the economy in South Africa. Introducing sustainability and resilience into their operations with renewable energy, waste and water solutions is central to our mission."

**Deerosh Maharaj** Head of Energy, Infrastructure and Mining, BCB SA

### Renewable energy and energy efficient solutions for businesses

Standard Bank partners with businesses across Africa to provide financing solutions for clients seeking to reduce their energy costs, ensure security of supply, and comply with international regulatory requirements such as carbon taxes. In South Africa, rapidly increasing electricity tariffs and the instability of energy supply have impacted productivity and profitability. We provide support for renewable energy solutions, as well as biomass, biogas and hydro-power solutions. During 2024, SBSA provided R1.3 billion in funding solutions to a wide range of BCB clients across several industries.

Examples include the following:

Nature of client's business	Solution	Loan value and term	Value add
Manufacturer of wire products for the automotive industry. Clients include Toyota, VW South Africa and Nissan.	300kWp solar PV with battery storage	R10.2 million structured over 10 years	The business depends on a stable electricity supply, which was put at risk by loadshedding and cable theft. They were also under pressure to reduce their carbon emissions to meet off-taker requirements. They contracted Real Time Solar, <b>an SBSA vetted supplier</b> , to implement a turn-key solar PV system. Given the savings they will generate in annual generator fuel and maintenance spend, their solar PV system will be <b>cash flow positive</b> from the first year of operations and will generate savings over the loan term.
Dairy farm	488kWp solar PV 600kWh battery 500kVA generator	R11.6 million structured over 10 years	To improve efficiencies, the farm sought to reduce energy costs and ensure security of supply. They used an <b>SBSA vetted supplier</b> to install their system, which is expected to generate a <b>R1.1 million energy cost saving</b> within the first year.
Citrus farming and processing	2.5MW grid-tied solar PV	R30.9 million structured over five years	We worked with this client to solve the triple challenge of rising energy costs, insecurity of supply, and the need to reduce emissions to meet CBAM requirements. The system will cover 40% of the company's current consumption. It is expected to <b>save the company about R11.7 million</b> over the finance period. The company's CEO has confirmed that the plant is already providing savings, and that his only regret is that he hadn't installed solar sooner.
Citrus farming and processing	1MW solar PV 2.4MWh with battery storage	R39.7 million structured over 10 years	The system was installed by an <b>SBSA vetted supplier</b> . It will help the farm meet the carbon reduction requirements set by its global off-takers, while generating expected <b>savings of R27 million</b> across the funding period. Prior to installation, the farm was experiencing annual losses of about R4 million owing to unstable power supply.
Fruit farming and processing	Solar PV with batteries and small-scale cross-flow hydro turbine	R30 million structured over 10 years	We supported the client with a medium-term loan facility in a syndicated deal with another bank. SBSA covered 60% of the finance. The system is expected to generate <b>savings of R7.6 million</b> in the first year.
Real estate (office parks, businesses)	148kWp solar PV with battery storage	R8 million structured over 10 years	The business' sustainability depends on its ability to provide secure power supply to its tenants, which include office parks, corporates and businesses. This was undermined by extended periods of loadshedding. The system will be <b>cash flow positive</b> from the first year and will generate savings throughout the finance period.

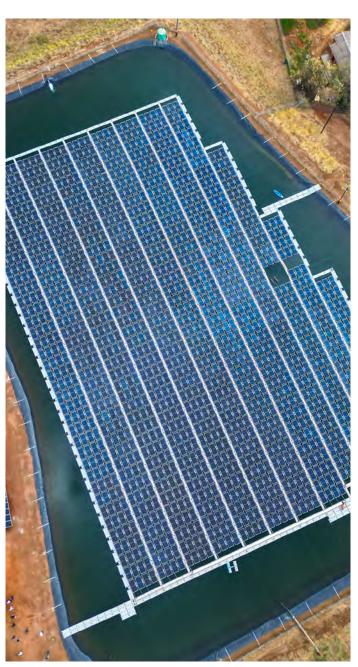
#### **Radley Landgoed, South Africa**

Standard Bank partnered with Radley Landgoed, a 1 900 hectare family-owned farm in Mpumalanga, to install a solar-powered solution. 80% of the solar panels, covering 3 350m², are located on the surface of one of the farm's irrigation dams.

The **farm can now produce up to 1.8GWh of power**, enabling the farm homesteads, support buildings and staff quarters to run entirely off-grid when necessary.

The system is expected to **generate savings of R34 million** over the finance period, while the installation will have a lifespan of about 30 years. Savings will increase over time as energy costs increase annually. Among other products, the farm produces citrus for export, which now has a reduced carbon footprint, making it more attractive to European Union (EU) markets.





# 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.

We have 130 engineering, procurement and construction (EPC) companies vetted as suppliers in South Africa. These EPCs 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.

In **South Africa**, we launched a programme in 2023, with our services partner 4-Sure, to help BSMEs become certified solar system installers. The programme is 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.

In 2024, we identified 18 young people (100% African, 72% female) with electrical qualifications from TVET colleges, and sponsored a 12-month paid training and workplace experience programme for them, with three of our solar EPC suppliers. They are undergoing formal training in installing solar panels and working with solar technicians to gain practical experience. A further 32 young people will join the programme in 2025.

In South Africa, Standard Bank, STANLIB, and Scatec launched Lyra Energy, a private energy platform which helps companies reduce their reliance on Eskom and eases pressure on the national grid. The platform offers distributed access to affordable and predictable utility-scale renewable energy, to a previously unserved segment of commercial and industrial energy users, through virtual wheeling agreements with Eskom. Lyra Energy plans to build, own and operate multiple renewable energy projects and sell the electricity generated through Eskom's grid to companies around South Africa. Companies will be able to obtain power purchase agreements of five to 20 years. Pricing will be at a material discount to reference pricing from Eskom. Standard Bank and STANLIB will help mobilise capital to fund the generation projects for the new platform.

## **Impact metrics**

Reducing emissions from our own operations (Scopes 1 and 2)  $^{1}$ 



#### TARGET:

Reduce carbon emissions by 15 212 tCO<sub>2</sub>e

Reduced carbon emissions by 16 237 tCO<sub>2</sub>e (7% year on year)

2024



Increase onsite solar PV energy generation capacity by 25%

Increased onsite solar PV energy generation capacity by 27%



Net zero emissions for Scope 1 and 2 for our own new-build buildings by 2030, and existing own buildings by 2040

On track to reach net zero targets

See the SBG O Climate-related financial disclosures report for more information.

#### **Reduction of SBG's direct emissions**

SBG has committed to achieving net zero emissions for Scope 1 and 2 for our own new-build buildings by 2030, and existing own buildings by 2040.

SBG is on track to achieve this target, with initiatives driven by space optimisation, energy efficiency, and increased generation capacity for renewable energy generation to meet our energy needs.

In 2024. SBG:

- Achieved Net Positive Carbon certification for 1 Simmonds in Johannesburg
- Won the South African National Energy Association (SANEA) 2024 ESG Excellence Award
- Achieved carbon savings of 15 543 tCO<sub>2</sub>e, 132% of our annual target
- Achieved 40 848 kL in water savings, 284% of our target
- Launched a net zero waste project for 10 SBSA branches
- Increased our installed solar PV capacity by 27%.



Details are available in the SBG Climate-related financial

# Upskilling our employees to manage climate risks and opportunities and support positive actions by clients

Our ESG and Sustainability Learning Framework, launched in 2022, equips our employees with the knowledge and skills needed to embed sustainability principles and ESG risk management into all facets of our business and ensures that we are well-placed to serve our clients on their sustainability journeys.

Our online learning platform, available to all employees, includes an 'ESG Fundamentals pathway', which is part of our Future Ready Skills Curriculum. It includes modules on sustainability, ESG risk management, climate risk, nature risk and sustainable finance. In 2024, 6 000 employees completed the learning pathway.

We also offer intermediate training for clientfacing roles, with a focus on developing understanding of sustainable solutions for clients, and inclusive of certified sustainable finance training as well as masterclasses tailored for specific teams. In 2024, 100 employees completed this training.

Our flagship ESG Advanced Certificate programme, co-created and delivered in partnership with the University of Pretoria's GIBS and Cambridge Institute for Sustainable Leadership, capacitates employees to develop practical solutions with clients, partners and other stakeholders to drive sustainable growth. 86 employees have completed the programme since its launch in 2023.

We also offer employees opportunities to upskill themselves on various aspects of sustainability, sustainable finance, project finance and ESG risk management through six-month secondments into specialised sustainability teams in business and group risk. Nine employees completed secondments in 2024.

15 secondees embarked on a second round of secondments in February 2025.





# INFRASTRUCTURE DEVELOPMENT

# Impact in 2024



"We are seeing businesses investing in wheeled power solutions through aggregation or bilateral arrangements, combining this with off-grid solutions, to ensure energy security. Our innovative partnerships have enabled clients to install a range of solutions ensuring more flexibility and sustainable power for the future."

**Rentia van Tonder** *Head: Power, Standard Bank Group* 

### Renewable energy power plants

Standard Bank is committed to improving access to affordable energy for Africa's people.

We continue to actively pursue opportunities to support the energy transition. We are a leading financier of utility-scale reneweable energy projects. In 2024, we provided R19.8 billion for renewable energy finance, representing 1 703MWp.

In 2024, we were the mandated lead arranger for a R1.8 billion loan to the renewables developer and operator AMEA Power LLC, for the development of the 120MW **Doornhoek solar PV project** in North-West Province.

The project is being implemented in partnership with Ziyanda Energy and Dzimuzwo Energy, under Bid Window 6 of the REIPPPP. The project will sell electricity to Eskom, under a 20-year Power Purchase Agreement. When complete, it will have generating capacity of 325GWh per year – enough to power 97 000 households and offset 330 000 tonnes of carbon emissions annually. It is expected to start commercial operations by December 2025.





### **Battery storage**

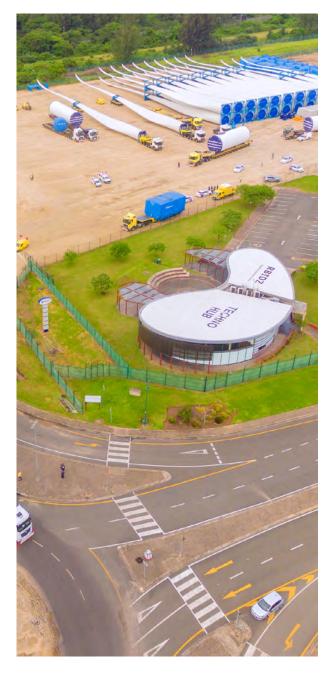
We played a leading role as financier to South Africa's first Battery Energy Storage Systems (BESS) projects.

BESS provides a mechanism to procure stable power supply and improve the capacity of the national grid, by storing excess energy during low demand periods and releasing it during peak demand. This helps to mitigate load shedding and enhance grid reliability. It also enables the improved integration of variable energy sources such as solar and wind. BESS will also create job opportunities for South Africans during the construction and operations phases. Project developers have committed to spending a percentage of total costs on local content during construction and operations, as well as contributing to skills development, supplier development, enterprise development and socio-economic development initiatives.

Standard Bank financed **R9 billion** for these projects under the first bid window of the **Battery Energy Storage** 

Independent Power Producer Procurement Programme (BESIPPPP) in South Africa. We were the sole mandated lead arranger and underwriter of the debt for the Mogobe BESS facility totalling 103MW/412MWh in the Northern Cape.

We were the co-mandated lead arranger for three **Oasis 1 BESS projects** with a combined capacity of **257MW/1028MWh** in the Northern Cape.



# Decentralised solutions to support the energy transition

We have seen strong growth in demand for decentralised renewable energy solutions.

This refers to energy solutions that are generated and consumed locally, rather than relying solely on the national grid. It may also include wheeled power, with independent power producers selling to corporates directly through a power purchase agreement. The inclusion of renewable energy sources like solar and wind in the energy mix lowers pressure on the national grid, improves resilience and lowers carbon emissions.

The mining sector is a major player in building large renewable projects to mitigate the effects of load-shedding and diversify their energy streams away from fossil fuels. In 2024, we were the joint mandated lead arranger for Seriti Green's 155MW Ummbila Emoveni project in Mpumalanga, South Africa's first majority black-owned wind farm. To facilitate the transition, Standard Bank committed project finance debt and equity into developing the wind farm as the initial phase of Seriti's greater 900MW Ummbila Emoyeni energy cluster.

 The multi-billion rand project forms part of Seriti's strategy to diversify beyond coal and support the just energy transition. It will provide electricity to meet the needs of

- about 75% of Seriti's own operations and supply surrounding communities with electricity through a wheeling arrangement.
- This is the first phase of a 900MW project which Seriti Green aims to build over the next three years, comprising 750MW of wind power and 150MW of solar power, with 800MWh of storage capacity.
- The first phase of construction will be completed by mid-July 2026.
- This is the largest wind farm in South Africa to reach financial close.

Social benefits of the project include:

- The first phase is expected to generate up to 800 jobs
- 10% of Seriti Green's workforce comes from the coal sector
- The project sources equipment from the local area and is exploring options for local manufacturing of components
- The project includes an onsite training simulator
- About 6 800 people have registered for jobs on Seriti's jobs portal, which provides information for SMEs and job seekers on what they need to work on the project.



Since 2021, Sasol has become South Africa's largest private sector buyer of renewable energy. In 2024, we provided R3 billion in transition finance for two renewable energy projects to supply 260MW of renewable power to Sasol and Air Liquide, at Sasol's Secunda site in Mpumalanga, where Air Liquide operates the world's biggest oxygen production site.

- The project will be implemented by a consortium comprising TotalEnergies Renewables South Africa, Mulilo Energy Holdings and Reatile Renewables.
- The power purchase agreements include the Mulilo De Aar 2 South Wind Farm, which will produce 140MW and Paarde Valley, a 120MW Solar PV plant.
- The target date for commercial operations is the end of 2026.

Benefits of the projects include:

**Support for South Africa's energy transition** by increasing the share of renewables as an alternative to coal-fired power

**Reduction** of Sasol's carbon emissions, facilitating its efforts to decarbonise

Job creation for the local community.

We were the sole funder and sustainability coordinator on a green loan for **Resilient**, a **South African retail-focused real estate investment trust (REIT)**. The R700 million loan will fund the installation of solar panels and related infrastructure for Resilient's various shopping centres, enabling them to reduce their carbon emissions and ensure an uninterrupted source of power.

#### **Water infrastructure**

# Standard Bank provided the **Trans-Caledon Tunnel Authority** (TCTA) with a R3.25 billion sustainable loan for the implementation of the Mokolo Crocodile River Water Augmentation Project Phase 2A (MCWAP-2A).

The TCTA is a state-owned entity mandated with financing and implementing bulk raw water infrastructure projects of national importance, doubling as an implementing and funding agent on behalf of Lesotho's Department of Water and Sanitation. The TCTA has secured a total funding portfolio of R22.2 billion for the project, from seven lenders, comprising five local commercial banks, together with the Development Bank of Southern Africa and the Industrial Development Bank. The funding portfolio consists of two revolving credit facilities and seven long-term loans, including the Standard Bank sustainability loan.

The project will be completed by 2030 and will consist of a water transfer scheme stretching 160 km from the Crocodile River to Lephalale in the Waterberg. It includes the construction of the Vlieëpoort Abstraction Works on the Crocodile River, low and high lift pumping stations, de-silting works, balancing storage facilities, a bulk raw water pipeline and a river abstraction and flow monitoring and management system. It will augment the water scheme yield to 105 million m³ per annum, excluding allocation to surrounding farmers, providing a second major source of water supply to the Waterberg area, which will assist in addressing increasing municipal water demands due to population growth.

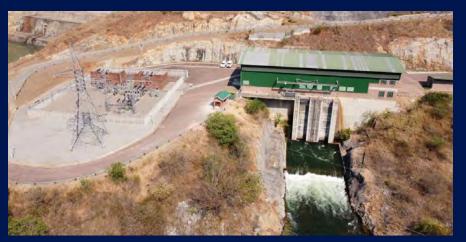
The additional water supply also plays a key role in limiting the potential negative environmental impacts related to Eskom's Medupi and Matimba Power Stations, by allowing for the commissioning and operation of the outstanding flue-gas desulfurisation (FGD) units, which could not be supplied previously due to limited water supply in the implementation of the first phase of the project. FGD technology limits the release of harmful flue gases, like sulphur dioxide and nitrogen oxide, from the exhaust emissions of fossil fuel power stations produced by boilers, to prevent acid rain and air pollution.

The project is pivotal to South Africa's water and energy security. It also creates an enabling environment for economic growth, supporting job creation and socio-economic and industrial development.

Standard Bank was appointed mandated lead arranger for the **Lower Maguduza Hydropower Scheme** which is expected to add 13.5MW in generation capacity to Eswatini's national grid.

The project will increase **Eswatini's power generation by 20%** and provide **employment for at least 100 local people**.

Construction will commence in early 2025. The first unit from the plant is expected to be commissioned by late 2026. Construction will include a diversion weir, a 2 km 66kV transmission line, a foot bridge across the dam and substation upgrades. There will also be works to integrate the power plant at Sidvokodvo Substation.



### **Municipal infrastructure**

In South Africa, we partnered with local government departments to provide **R493 million** in finance for municipal infrastructure, including energy, water and sanitation, road construction, landfill sites and operational vehicles. We also provided finance of **R38 million** for forestry equipment for state-owned entities.





# OUR TRANSFORMATION JOURNEY

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 one in which success and prosperity are the outcomes of hard work and talent.

#### **Our contribution**

Our strategy aims to deliver inclusive and sustainable growth and recognises that transformation is not all about numbers. Transformation is about positively impacting lives and livelihoods.

B-BBEE is a critical 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, ultimately, driving economic growth, is at the core of our business. We are committed to helping people build long-term wealth through saving and investing and by ensuring that we finance productive economic activity. This is the basis for maintaining our profitability and long-term sustainability as a South African bank.

#### **B-BBEE** highlights



We have maintained our **Level 1** contributor status since 2017

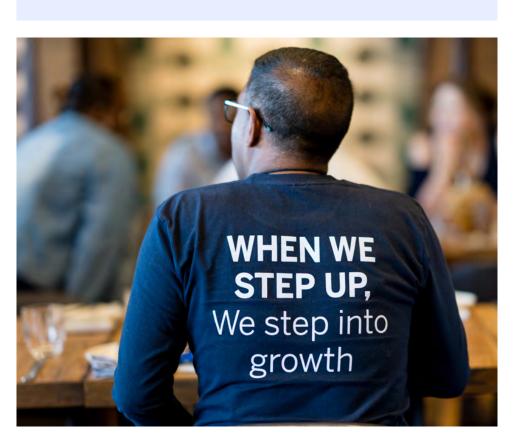
BEE procurement recognition 135%

(2023: 135%)

**Empowering supplier** 

Yes

(2023: yes)



#### **B-BBEE investment in 2024**



Affordable housing R3.4 billion



R6.5 billion in targeted investments, including



Transformational infrastructure R3.1 billion



Black agriculture R23.7 million



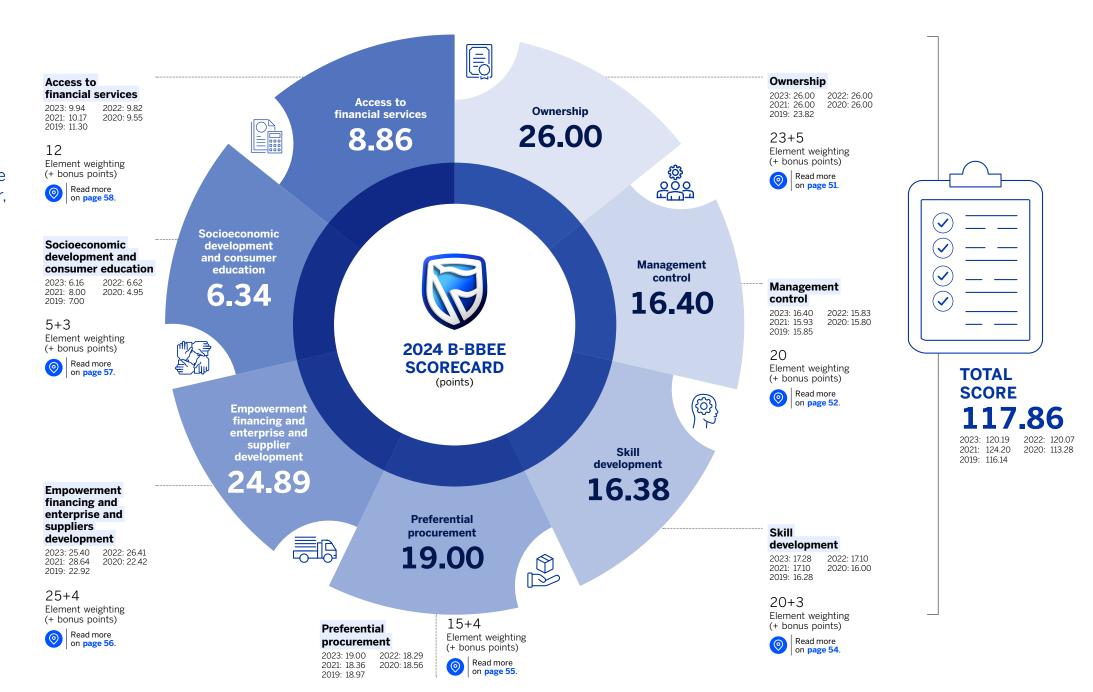
**R4.2 billion** 

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

### **Our scorecard**

The Financial Sector Code (FSC) commits all its participants to actively promote a transformed, vibrant and globally competitive financial services sector, reflective of South Africa's demographics. This contributes to the establishment of an equitable society and to deepen financial inclusion in the economy.

The financial services sector has a crucial role to play in ensuring that everyone has access to financial services.





# **Equity** ownership

For a truly fair and equitable South Africa, more citizens need to be invested in the economy, including through direct shareholding in the country's corporations.

We contribute towards B-BBEE through the equity ownership of the company.

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

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

### **HOW WE PERFORMED**

# **SBSA scored 23 + 3 bonus points** out of 28 points against this element of the scorecard.

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

✓ Voting rights by black people	41.38%
Voting rights by black women	19.04%
Economic interest to which black people are entitled	29.31%
Economic interest to which black women are entitled	12.65%
Involvement in the ownership by new black entrants	4.43%

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



#### ANALYSIS OF SHAREHOLDERS1

	2024		2023	
Ten major shareholders	Number of shares (million)	% holding	Number of shares (million)	% holding
Industrial and Commercial Bank of China (ICBC) Government Employees Pension Fund (PIC) GIC Asset Management Pte Ltd Old Mutual Life Assurance Company Alexander Forbes Investments Allan Gray Balanced Fund Vanguard Total International Stock Index Fund Eskom Pension Fund Government of Norway (NO) Vanguard Emerging Markets Stock Index Fund	325.0 241.3 32.7 31.2 27.4 20.4 20.0 17.5 17.4 16.9	19.6 14.5 2.0 1.9 1.7 1.2 1.2 1.1	325.0 243.8 24.0 30.8 27.2 20.7 19.4 17.7 14.1 18.1	19.4 14.5 1.4 1.8 1.6 1.2 1.2 1.1 0.8

	2024		2023		
Geographic spread of shareholders	Number of shares (million)	% holding	Number of shares (million)	% holding	
South Africa Foreign shareholders	818.7 840.2	49.4 50.6	837.2 838.6	50.0 50.0	
China United States of America United Kingdom Singapore Luxembourg Ireland Norway Namibia Hong Kong Netherlands Japan Kuwait Switzerland Australia Saudi Arabia Sweden United Arab Emirates	325.9 213.4 38.4 33.4 20.0 19.6 18.0 17.9 15.4 12.1 11.7 9.8 9.6 8.1 6.6 6.3	19.6 12.9 2.3 2.0 1.2 1.2 1.1 1.1 0.9 0.7 0.7 0.6 0.6 0.5 0.4 0.4	326.5 218.9 30.0 24.9 21.3 21.4 15.3 18.6 16.3 15.0 11.9 8.6 5.9 8.8 7.0 7.0	19.5 13.1 1.9 1.5 1.3 1.3 0.9 1.1 1.0 0.9 0.7 0.5 0.4 0.5	
Canada Other	4.7 63.5	0.3 3.7	6.2 68.8	0.4 3.9	
7	1 658.9	100.0	1 675.8	100.0	

<sup>1</sup> 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 27 December 2024.



# **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.

#### **HOW WE PERFORMED**

#### SBSA scored 16.40 points

out of 20 points against this element of the scorecard.

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

We scored 5.83 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/senior management.

We scored 10.57 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.

#### **Employment equity**

As a responsible employer, 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.

Over the last five years, we have improved the representation of African people across all levels. In 2024, we have exceeded our target for African women at junior level above the economically active population (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 2024 targets. 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 persons with disabilities has increased because of our retention endeavours and increasing disability declarations.

African employees per employment equity occupational level (%)	Тор	Senior	Middle	Junior
2024	40.0	30.3	51.3	67.3
2023 2022 2021 2020 2019	41.7 36.4 46.2 45.7 41.9	29.0 28.0 25.3 23.3 20.1	49.7 47.4 44.7 42.6 39.7	66.4 64.2 62.0 60.1 57.7

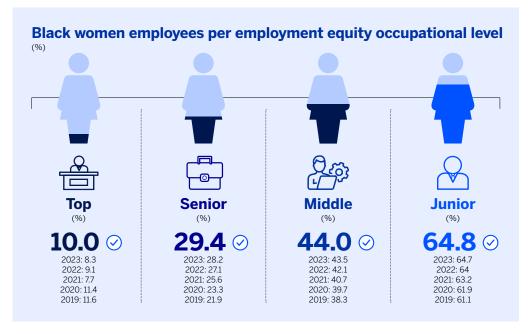
Women in management positions (%)	Тор	Senior	Middle	Junior
2024	36.5	46.6	48.6	59.5
2023	36.3	45.3	48.3	60.4
2022	36.4	44.4	47.4	59.4
2021	36.4	42.8	46.7	58.1
2020	36.3	41.5	46.7	57.5
2019	35.0	41.3	46.1	56.8



employees)	employees	employees	employees
2024	11 266	18 183	29 449
2023 2022 2021 2020 2019	11 292 10 982 10 970 11 187 11 427	18 420 17 889 17 986 18 394 18 675	29 712 28 871 28 956 29 581 30 102

Employees who declared disabilities (%)	Employees
2024	1.12
2023 2022 2021 2020 2019	1.00 0.92 0.82 0.83 0.85





#### **Summary of employment equity progress**

#### **ALL EMPLOYEES**

		Ma	ale			Fen	nale		Foreign ı	nationals	
Occupational levels	Α	С	1	W	Α	С	I	W	Male	Female	Total
Top management	3	0	0	2	1	0	0	2	2	0	10
Senior management	526	144	444	780	592	132	363	462	182	68	3 693
Professionally qualified	2 206	486	659	671	2 425	724	828	777	147	110	9 033
Skilled technical	3 077	731	468	263	7 038	1 766	930	684	25	49	15 031
Semi-skilled	346	60	28	16	934	192	65	38	0	3	1 682
Unskilled	0	0	0	0	0	0	0	0	0	0	0
Total permanent	6 158	1 421	1 599	1 732	10 990	2 814	2 186	1 963	356	230	29 449
Temporary employees	261	26	34	54	451	30	24	41	13	5	939
Grand total	6 419	1 447	1 633	1 786	11 441	2 844	2 210	2 004	369	235	30 388

#### PERSONS WITH DISABILITIES ONLY

		Mal	е			Fema	le		Foreign r	nationals	
Occupational levels	Α	С	- 1	W	Α	С	- 1	w	Male	Female	Total
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	2	1	15	1	1	3	7	0	1	31
Professionally qualified	9	5	4	10	12	5	10	13	0	1	69
Skilled technical	37	7	4	16	68	27	16	30	0	2	207
Semi-skilled	3	1	0	2	11	1	2	3	0	0	23
Unskilled	0	0	0	0	0	0	0	0	0	0	0
Total permanent	49	15	9	43	92	34	31	53	0	4	330
Temporary employees	0	0	1	1	0	0	0	2	0	0	4
Grand total	49	15	10	44	92	34	31	55	0	4	334

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



# **Skills development**

To support all our employees to reach their full potential and transform our workforce at all levels, we make a significant investment in skills development.



#### **HOW WE PERFORMED**

# **SBSA scored 14.58 + 1.80 bonus points** out of 20 points against this element of the scorecard.

The skills development pillar 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 women training spend at middle management level.



We exceeded the target for black people, black women and African people training spend at junior and non-management levels.



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

#### **Investment in our people**

We spent **R673 million** on employee training initiatives in 2024, equating to **1.97%** of total employee costs. Of the 33 650 employees (permanent and non-permanent) who completed training programmes or courses, **12 789** were women and **20 236** were black. Approximately 55% of the targeted training spend for black employees at senior and executive levels was achieved.

Training spend	2024	2023
Training spend (Rm)	673	771
Training spend as a percentage of staff costs (Rm)	1.97	2.39
Number of employees trained (permanent and non-permanent)	33 650	30 697
Number of women employees trained	12 789	19 016
Number of black employees trained	20 236	26 112

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. In 2024, **189 individuals** (2023: 181) joined our graduate programme, 67% of whom were black African and 50% were women.

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. In 2024, **498** new unemployed people participated in our learnership and internship programmes, 93% were black African and 58% were women.

218 (2023: 354) of the 387 young people who completed their learnership or internship programmes in 2024 were employed by Standard Bank on completion of their programmes. We sponsored 61 student bursaries valuing R13.1 million.

We utilised **R24.22 million in funding from the SETAs** in 2024. These funds supported 545 individuals in completing employed learnerships, and completing their NQF 5, 6 and 7 qualifications in a wide range of skills including banking, insurance, management, engineering, paralegal and wealth management. 72% of individuals were African and 68% were women.

#### Leadership development participation programme

35% of SBSA employees attended a leadership development programme, 85% of attendees were black and 55% were black women.

Learning and graduate programmes	2024	2023	2022	2021	2020	2019
Total SBSA learnership/graduate programmes	687	618	596	712	432	983
SBSA graduate programmes:						
Black attendees (%)	88	89	88	86	87	92
Black African attendees (%)	67	74	68	70	71	77
Learnership students absorbed into employment (%)	56	62	70	54	55	47
SBSA leadership training:						
Total attendees	10 648	6 972	6 547	5 244	4 246	2 708
Black attendees (%)	85	81	79	74.6	75	71
Black female attendees (%)	55	52	49	45	45	43





# **Preferential procurement**

SBSA supports job creation and economic transformation by providing opportunities in our supply chain to blackowned 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.

#### **HOW WE PERFORMED**

# **SBSA scored 15.00 + 4.00 bonus points** out of 15 points against this element of the scorecard.

This element of the scorecard measures weighted preferential procurement spend for seven categories:

B-BBEE compliant suppliers	Qualifying small enterprises		
Black women-owned suppliers	Rlack-owned decignated group		
Black-owned suppliers	Black-owned designated group		
Exempt micro enterprises	Black-owned professional service providers.		

#### **Preferential procurement (SBSA and Liberty)**

	Number of suppliers	Rand value	% of TMPS <sup>2</sup>
2024 TMPS <sup>2</sup>	26 970	R30 billion	100
B-BBEE compliant suppliers	16 744	R26 billion	87
Black-owned suppliers	7 445	R11 billion	37
Black women-owned suppliers	3 368	R8 billion	27
Exempt micro enterprises	14 037	R4 billion	13
Qualifying small enterprises	1 174	R4 billion	13
Preferential Procurement B-BBEE score <sup>1</sup>	19 (1	L5 + 4 bonus poi	nts)

<sup>1</sup> 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.

<sup>&</sup>lt;sup>2</sup> TMPS is Total Measured Procurement Spend, calculated in line with Financial Sector Code requirements.



# **Empowerment financing and enterprise and supplier development**

We actively support the participation of BSMEs in our value chain, through our enterprise and supplier development (ESD) programme. Support includes access to finance funding solutions, access to business development and access to markets including procurement opportunities in our value chain.



Enterprise development (ED) in 2024 (SBSA)				
ESD participants	2 114 536 Black women-owned 179 youth-owned			
New active business banking accounts	467			
ED disbursements	R137 million			
Number of jobs created and supported	3 263			

#### **Examples of programmes:**

Basali Development Programme; Ryze Development Programme (Kopano); GPG Township Development Programme; Agribusiness Transformation Programme (FS); Western Cape Accelerator Programme; Standard Bank and GIBS Youth Business Programme; Future Families/Co-Space Programme; SIL Masterclasses, Roofing and Waterproofing Academy; Salesforce Launchpad Regional initiatives (SEDA partnerships, Business Awards, township stores rebranding), Sebenza Development Programme.

Supplier development (SD) in 2024 (SBSA)	
Participants	132
Participants with active contracts with SBSA	67%
Procurement spend with SD participants	R723 million
Growth in procurement spend with supplier development participants	20%
Credit facilities extended to SD participants	R192.9 million
SD jobs created	6 313
Number of SD participants receiving business development support	132
SD B-BBEE score	4.76 out of 7 points + 2 out of 4 bonus points for job creation and graduation from ED to SD
ED B-BBEE score	3 out of 3 points, with 0.13 bonus points for job creation and the use of black fund managers



**SBSA scored 22.76 + 2.13 bonus points** out of 29 points against this element of the scorecard.

# Enterprise and supplier development qualifying criteria:

51% or more black owned (South African, African, Coloured, Indian, SA-Chinese) with a valid B-BBEE certificate

Trading within South Africa and the majority shareholder is a black South African citizen

EME¹ or QSE² i.e. total annual revenue <R50 million

Supplier development: An active supplier on Standard Bank's supply base, with current spend allocated by SBSA (Tier 1) or a supplier to a supplier of SBSA (Tier 2)

<sup>1</sup> Exempt micro enterprises.

<sup>2</sup> Qualifying small enterprises.



# Socioeconomic development and consumer education

We engage with communities to equip them with skills, 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.



#### **HOW WE PERFORMED**

SBSA scored 5.00 + 1.34 bonus points out of 8 points against this element of the scorecard.

The access to financial services pillar assesses the reach of our services, including:

The socioeconomic development and consumer education pillar measures annual non-recoverable socio-development as a percentage of prior year net profit after tax (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 a point for grant contributions towards external initiatives.

#### **EXAMPLES OF PROGRAMMES**

**WalletWise** is a consumer financial education programme initiated and driven by Standard Bank in accordance with the B-BBEE Act and the Financial Sector Code. It focuses on educating historically disadvantaged groups, with heightened focus on rural areas, townships and vulnerable groups, including youth, women, the physically disabled, the elderly and small businesses.

Face-to-face workshops are augmented by a financial education radio drama, and social media content using storytelling to reinforce key messages.

Content is delivered in South Africa's nine official languages and in braille for the visually impaired. Focus areas include personal money management fundamentals, with other emerging relevant topics such as digital banking, vigilance at ATMs and awareness about fraud and scams.

In 2024, we amplified face-to-face engagements and increased our footprint to engage with communities in all nine provinces, focusing on rural and peri-urban areas. Our workshops with stokvel groups, and with employees in their workplaces, received appreciation for the practical and interactive approach.

Our **Financial Fitness Academy**, established in 2017, offers webinars, master classes and courses for SME owners. Financial experts provide participants with the practical advice and knowledge they need to better manage their finances. Focus areas include savings, debt management, wealth creation, investing and leaving a legacy. We also offer tailored masterclasses for small businesses, and financial fitness for kids.

**Liberty's Mind My Money** financial education programme provides tips, insights and resources to help individuals navigate their financial future.

Both programmes deliver information through various channels, including online, face-to-face workshops at workplaces, education institutions and in communities, and via self-guided e-learning.

#### Impact in 2024

- 3 530 people participated in classroom sessions
- 3 000 young people were reached through activations at high schools and colleges
- We reached almost
   500 vulnerable people through targeted engagements
- 495 SME owners participated in Basics of Business sessions
- Over 250 enterprise business customers participated in face-to-face facilitated training
- 254 205 people were reached through community activations

# Our programmes reached participants across ten countries and included

- **1 400** sessions
- Reaching 127 000 people, including over 2 300 children



**WalletWise** was honoured at the 2024 Assegai Awards, which recognise breakthrough strategy, creative brilliance and outstanding results in integrated marketing. We received awards in three categories:

- Leader in Experiential Marketing, for the WalletWise activation roadshows
- Bronze in Influencer Marketing, for the WalletWise influencer campaign
- Bronze in Multi-Language, for the WalletWise regionalised consumer financial education programme.



# Access to financial services

Our ambition is to improve access to financial services by providing affordable and relevant financial products and services through digital and phone-based offerings.



**SBSA scored 8.86** out of 12 points against this element of the scorecard.

The access to financial services pillar assesses the reach of our services, including:



Product related access – where we meet the target



Transaction points – where we meet the target



Electronic access<sup>2</sup> – where we meet the target.

where we are below the target

Banking densification<sup>1</sup> –

#### Access to affordable credit

As SMEs grow, they require access to credit to expand their businesses and deliver more to their clients. Our lending propositions include overdraft facilities to support liquidity, commercial asset finance, and solutions like **BizFlex**, offering flexibility and predictability.

BizFlex is a **digital short-term unsecured lending solution** with a 'pay as you earn' repayment structure. Clients can pay back the loan when they generate revenue, matching repayments to cashflow. The total cost of lending is quoted upfront and does not change, regardless of the time taken to repay the loan, giving clients cost certainty.

In 2024 we enabled **R10.3 billion** in lending within the SME segment.

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

### Impact in 2024

#### Access to banking for individuals

#### MyMo

is a low-cost transactional account that can be opened online, using facial recognition software to authenticate identity. There is no minimum income requirement. Customers pay a monthly fee of R6.95 and digital banking is free.

Active clients

2.8 million

Total client balance of

R7.38 billion

○ 7% growth since 2023



MyMo was recognised as Product of the Year in the Youth Banking Category. Product of the Year is the world's largest consumer-voted award for product innovation.

#### **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 the Mobile app.

#### **Instant Money Transfer**

enables individuals to send money as a voucher to a South African cellphone number. Beneficiaries can redeem vouchers at over 100 000 locations including major retailers and selected spaza shops around the country, or at any Standard Bank ATM, making this one of the most used money transfers in South Africa.

#### PayShap,

Launched in March 2023, cocreated by the banking industry. BankservAfrica, the Payments Association of South Africa and PwC. It enables convenient instant digital payments through multiple platforms, and significantly reduces fees for immediate payments. Payment can be made through a registered proxy or using bank account details. Uptake of the service has been growing steadily, with active use of ShapID for transactions increasing tenfold year on year in 2024. We are committed to continued investment and development of PayShap capabilities. Recent enablement of functionality such as PayShap request, together with future enhancements such as OR payments, will add to continued PayShap growth and a streamlined customer experience.

#### Responsible lending

We are committed to lending responsibly. When customers find themselves in financial difficulty, we work with them to mitigate over-indebtedness and improve debt management.

#### We are committed to:

- Ensuring that we understand our customers' requirements before recommending a product
- Lending responsibly and supporting our customers with the information they need to borrow responsibly.

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.

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 SBG sustainability disclosures report.

Distressed customers have the option of entering debt review. We work with these customers' nominated debt counsellors to reach a payment arrangement that is workable for the individual customer. For home loans customers, 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 legal proceedings for a sale in execution.

Information about our commitments to our clients can be found in our (a) Code of Ethics and Conduct.

#### **Solutions for young people**

South Africa's large youth population represents a potential demographic dividend, but many young people struggle to access tertiary education or job opportunities. We have developed tailored solutions to help young people address these challenges, including access to career guidance, opportunities to develop entrepreneurial skills and access to affordable student loans.

#### **Helping young people save**

Our **Junior Perks programme**, for younger clients with (sum)1 accounts, has enabled parents to save over **R1.5 million** by accessing the discounts on offer.

#### **Computer labs**

We partnered with **Market Place Academy** to support the development of digital and IT skills in South African schools and communities. We provided computer labs for two schools serving low-income communities in Katlehong and Reiger Park. The two schools, which have almost 2 000 learners each, can now offer coding and robotics, ACCA-X and Cloud computing and other computer skills to the learners.



#### **Support for young entrepreneurs**

The Entrepreneurship Development in Higher Education Economic Activation Office (EAO) South Africa is a partnership between Standard Bank and Universities South Africa.

It aims to empower young people to realise their business ideas and bring them to market. The EAOs provide a central hub for opportunities in entrepreneurship training, mentorship and access to critical resources for student entrepreneurs. Standard Bank's continued investment supports business incubation and acceleration projects, providing young entrepreneurs with the resources to transform fledgling concepts into successful ventures. Students are also able to network and collaborate with peers, mentors and potential investors.

We established 10 EAOs at South African public universities in 2023 and expanded this to **25 public universities** in 2024.



#### Solutions for student finance

Higher education is an investment in the future. It is also a big financial commitment.

A student loan can help, but traditionally requires someone to provide 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.

We disbursed 11 684 student loans in 2024. with a total value of

R588.3 million

#### Loans with surety

A **student loan** provides students with access to funds with a low monthly repayment to help cover tuition, 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.



We disbursed loans to 10 823 students in 2024. with a total value of

**R516** million

2023: 10 588 loans, R514 million

#### **Loans without surety**

Providing surety to qualify for a loan or having an income while studying is difficult or impossible for many.

We offer student loans without surety for select courses at our partner institutions across South Africa for eligible students. Loans are to be repaid on completion of the student's studies.

861 students with a value of

2023: 655 students, R54.3 million

We disbursed loans to R72.3 million



The Discovery Foundation's **Medical** Student Loan **Guarantee Fund** provides surety for qualifying students at Pretoria and Wits

Universities' medical schools.

97 students **R8.7 million** 2023: 116 students, R12.3 million

**Impact since 2016** 

460 students CURRENT BALANCE **R86** million

The University of Stellenbosch medical faculty provides surety for qualifying students.

24 students R1.6 million 2023: 19 students, R1.7 million

Impact since 2017

289 students CURRENT BALANCE R32.7 million The Standard Bank backed student loan **fund** for

students in science. technology, engineering and mathematics (STEM) fields and health sciences, enables access to unsecured loans of up to R120 000 a year.

718 students R59.3 million 2023: 491 students, R37.8 million

Impact since 2022

1155 students CURRENT BALANCE R126.6 million

The **Loan guarantee fund** with Ikusasa Student Financial Aid Programme (ISFAP) enables first year students to apply for a unsecured loans. They can also access free mentorship, academic support, psycho-social and life skills support.

22 students **R2.7 million** 2023: 29 students, R2.4 million

**Impact since 2022** 

48 students CURRENT BALANCE **R8.9** million

Impact since launch
Disbursed loans to 1900 students with a total value of



# In South Africa, we launched the **Feenix crowdfunding platform** in June 2017, to enable tertiary students to raise funds towards their studies.

Feenix strives to make education more accessible by connecting under-resourced tertiary students with donor communities. To register, students simply upload a copy of their ID and an up-to-date university fee statement.

Individual and corporate donors can make donations to students through our secure crowdfunding platform. We also partner with a wide range of businesses to administer their B-BBEE and CSI spend toward tertiary education bursaries and flagship projects.

Donations are eligible for tax benefits, and business donors can claim B-BBEE points for skills development and socioeconomic development.

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.

Number of students financed in 2024

649

2023: 772

Students financed since launch

4 454

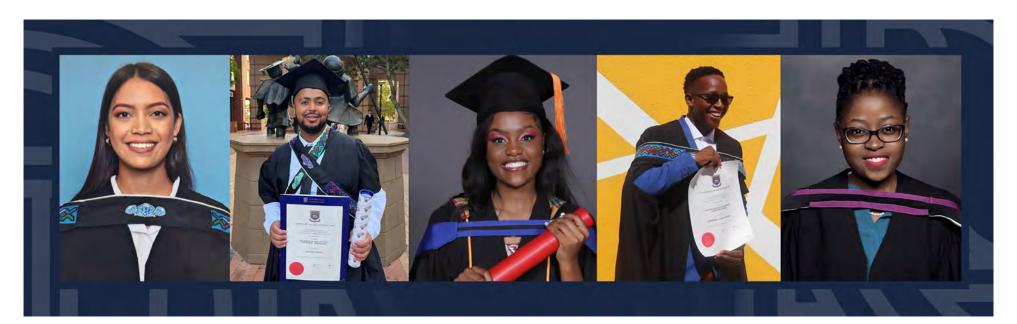
Value of funding in 2024

R28.2 million

2023: R14.5 million

Value of funding since launch

R204.4 million





**Itumeleng Legoete**, raised by his mother, a domestic worker, faced financial barriers in pursuing his dream of becoming a legal practitioner after his father passed away. In his final year, he raised over R150 000 through Feenix to settle his fees. Now the Acting District Court Control Public Prosecutor at the National Prosecuting Authority, Itumeleng embodies Feenix's vision of empowering students to overcome obstacles and thrive. Grateful for the support he received, he has since paid it forward, donating over R20 000 to help other students achieve their dreams.

# Access to advisory services

Standard Bank aims to make it possible for all our clients to access helpful and practical financial advice that will support them to improve their financial health.

In 2024, we made advisory services available in our branches across South Africa. Any client visiting an SBSA branch can now access expert financial guidance when they need it.

Our signature, private and prestige banking clients have access to a dedicated financial advisor. providing unlimited access to individualised expert financial guidance. Our advisors and bankers work together to offer clients tailored services and a holistic banking experience, aimed at improving clients' financial health. Clients benefit from simplified financial planning and decision-making, as bankers and financial advisors work together to help them optimise cash flow, invest wisely and protect their wealth for the future.



# Financial wellness programme for employees

Our financial wellness programme for employees offers six components:

- Money management
- Debt care centre
- Standard Bank financial consultants
- Financial wellbeing coaching
- Digital money management
- Employee benefits.

Employees can access one or more components based on their individual needs.

In 2024, we launched the money management and advisory learning series for SBSA employees, to help them make informed financial decisions and achieve financial health. Focus areas include daily money management, debt optimisation, short term savings, risk planning and long-term wealth management. Participants improve their own money management skills, and are better equipped to have meaningful money conversations with our clients. The series received an average rating of 9 out 10 from employees.

# Delivering value back to customers

We launched our UCount Rewards programme in South Africa in 2013, enabling all SBSA customers to earn rewards points. Since then, over 1.5 million customers have joined the programme, earning R8.8 billion in rewards points and redeeming R7.5 billion. In 2024, customers redeemed rewards of over R1 billion. Customers can earn rewards across a wide range of Standard Bank products and services, including transactional banking, savings, credit, investment and insurance. Customers also get rewarded for specific engagements and responsible banking behaviour.

Our partnerships with a variety of retailers provide customers with additional benefits and savings. They can also earn up to 20% back in rewards points through the programme's 'choose your own rewards' offering, which enables customers to personalise how they earn points. The goals and gains function on the SBSA baking app provides customers with personalised offers and incentives. In 2024, over **8 000 customers** unlocked a total value of **R314 million** in incentives through goals and gains.

# OUR 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.

In South Africa, we support improved access to quality education, with a focus on early childhood development (ECD) and foundation phase learning. These programmes make an enormous difference in the lives of beneficiaries and help to connect our people to our communities and build pride in our brand.



Improve access to quality ECD, and tackle gender disparities in education, with a focus on increasing girls' participation in STEAM¹ subjects







#### **Our investment**

Our CSI budget is calculated as 0.6% of NPAT.

In 2024, we spent

#### R144.9 million

(2023: R142.2 million) on CSI in South Africa.

This included



R78.9 million on education



#### R30.2 million

on disaster relief and programmes to address gender-based violence



#### R35.8 million

on employee volunteering programmes.

#### CSI project spend 2024

**PROJECT** 

#### IMPLEMENTING PARTNER

### R16.6 million

Total ECD spend

Fundisani Thutho
R16.6 million

Cotlands R2.3 million **GWK Farm Project** R0.5 million

Ntataise R4.5 million **Bright Kid Foundation** R3.3 million

#### R15.0 million

Total ECD primary care giver spend

Singakwenza Education and Health NP R4. 5 million

Sebofon NPC R4.5 million Seriti Institute R6.0 million

#### R20.9 million

Total foundation phase education spend

Mfundo Development Foundation NPC R6.5 million

The SACTWU Edufundi Project NPC R5.9 million

Uplands Outreach R4.5 million

The Reflective Learning Foundation R4.0 million

#### R13.8 million

Total future skills curriculum spend National Education **Collaboration Trust** R6.0 million

University of Johannesburg R3.8 million

Cape Educational Trust T/A (ELRU) R4.0 million

#### **R9.3** million

Total high school spend

Hi Hopes NPO R300k

Hulisani Educational Resource Centre R5.5 million

YouthStart Foundation NPC R3.5 million

#### **R3.3 million**

Total university bursaries spend The Feenix Trust R3.3 million

Our CSI focus is primarily on 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 a national and local level. We partner with local agencies and community organisations to ensure effective and sustainable delivery of our programmes.

We partner with NGOs and academic institutions to support:

- Development and implementation of future skills curricula for ECD and foundation phase
- Projects that develop teachers and teaching in early years schooling. benefiting children from preschool to Grade 3
- Programmes that empower primary caregivers by providing them with skills to supplement early learning.

Projects are typically implemented over three to five years.

#### **Employee community** involvement

We encourage employee community involvement through donations and volunteering time and skills to community outreach programmes and disaster and humanitarian relief.

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

In 2024, we saw an 85% increase in registrations on the platform, and a 135% increase in volunteer hours.

We partnered with Citizen Leader **Lab** to create a unique opportunity for Standard Bank senior managers and executives to partner with school principals from schools across South Africa, to share their skills, expertise and experience. The programme focuses on fostering stronger leadership and community connections. Priorities include providing guidance and mentorship to enhance teaching and employee development, strengthening relationships between the school and its parent community, and identifying opportunities to enhance the school's visibility and engagement within the wider community. The close working relationships between our business leaders and the school principals, over a year-long period, provide a platform for continuous, collaborative learning, knowledge exchange and mutual growth.

We also introduced the **CSI Impact** Awards, to celebrate the exceptional volunteering efforts by our employees to support and uplift communities and create lasting, meaningful impact.

### **Our impact**



We support the **Seriti Institute's** aRe Bapaleng ECD programme. The focus is on building capacity among parents and caregivers of children aged six and younger, in rural and marginalised areas, to provide nurturing early learning environments in which children can thrive physically, emotionally and intellectually. Field coordinators and champions engage parents and caregivers on topics such as nutrition and the importance of play in early development and provide them with learning and play resources. Engagement takes place through workshops and home visits, and the creation of support networks. The Play and Learn Toolkit provides materials designed to engage children in stimulating learning activities through play. The programme also teaches caregivers and parents how to use everyday items to create educational toys.

#### Objectives/Impact

In 2024, the programme

- Benefitted almost **7 500** children
- Supported 17 ECD centres/initiatives
- Engaged over 5 000 parents and caregivers through workshops, home-visits and awareness campaigns
- Distributed learning and play resources directly to parents and caregivers
- Developed a network of over 2 442
   caregiver networkers, who provide peer
   support and ensure knowledge is shared and
   reinforced within communities, amplifying the
   programme's impact.

We support **Singakwenza**, an NGO supporting and empowering caregivers to create safe, loving and sustainable learning spaces for children, and providing them with the building blocks to facilitate children's ability to learn through play and develop resilience.

### Objectives/Impact

Singkwenza worked with 28 pre-schools, 64 ECD practitioners and over

**1 100** children in 2024, and conducted 84 waste to toys training workshops.

We support **Primestars** to deliver their National Matric Revision Programme, which targets learners in underserved township and rural schools across South Africa. The programme uses experienced educators to provide high-quality content and career mentorship, creating pathways for learners to pursue meaningful opportunities in STEAM fields.

#### Objectives/Impact

Programme participants consistently achieve a **15% to 20%** improvement in their mathematics and science results.

# **OUR SPONSORSHIP AND FUNDING**

### **Funding for civil society organisations and sponsorships**

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.

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. Policies for the funding of civil society organisations are determined at country level.

#### **Funding for civil society organisations**

In South Africa, the expanded democracy support programme 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 will be used inappropriately to obtain business advantage. The programme provides funding for organisations focused on promoting good governance and social justice, challenging corruption, advocating for the protection of human rights, promoting dialogue and promoting independent journalism. Organisations are funded for a three-year period.

In 2024, we provided **R500 000 each to eight organisations**, totalling R4 million.

#### **Political party funding**

We do not provide funding directly to political parties in any of our countries of operation. In South Africa, our democracy support programme provides for the provision of funding directly to the Independent Electoral Commission (IEC), in line with arrangements provided for in the Political Party Funding 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. Political parties receive no other financial support from SBG. Our democracy support programme is approved by the SBG board and reviewed every five years.

In 2024 we donated R5 million to the IEC.



#### **Sponsorships**

The group sponsorship policy governs all sponsorships undertaken by the group. 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 reputationally sound.

2024 marked significant milestones for the group. The National Arts Festival celebrated its 50th anniversary, with Standard Bank proudly supporting it for 40 of those years. The Standard Bank Joy of Jazz celebrated its 25th year, continuing to showcase the finest South African jazz talent while welcoming global icons to share our stages.

At group level, we spent **R26.4 million** on sponsorships in 2024 (this excludes sponsorships managed by segment).



# **OUR GOVERNANCE OUTCOMES**

Our approach to corporate governance enables integrated thinking and decisionmaking, 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.

We have well-defined governance structures embedded across the group, designed to support our ability to create and preserve value while guarding against value erosion. As an integral part of the communities/societies in which we conduct our business 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 them.

#### **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 is 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 SBG governance report

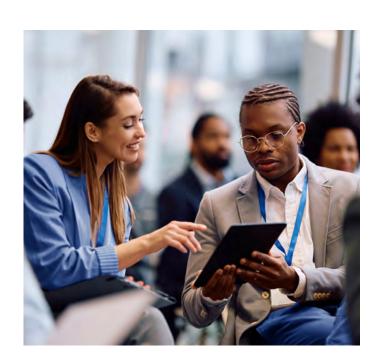
We implement our framework principles to:

- Ensure the pursuit of strategic opportunities within the board-approved risk appetite. supporting a prudent balance of risk and
- 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 board upholds the highest standards of corporate governance and recognises its fundamental role in maintaining transparency, accountability, and trust among our stakeholders. With an unwavering dedication to integrity, fairness, and ethical conduct, the board fosters a culture of responsible leadership that ensures short, medium and long-term sustainability and value creation for our shareholders, employees, customers and communities.

Our ability to anticipate and respond effectively to change underpins our governance philosophy and supports the acceleration of our strategy, including how the board provides counsel and oversight.

Our philosophy supports the digital enablement of governance, allowing the group to adequately introduce new operating models, understand the opportunities and risks associated with accelerating the strategy and managing constraints, and effectively allocating our resources in an ever-changing world to deliver and protect sustainable shared value.



#### **OUR GOVERNANCE PHILOSOPHY**

Executing strategy and managing risks

#### **Ensuring**

compliance with corporate policies, standards and procedures

**Establishing** strategic direction

**Purpose** Strategic priorities **Values** Strategic value drivers

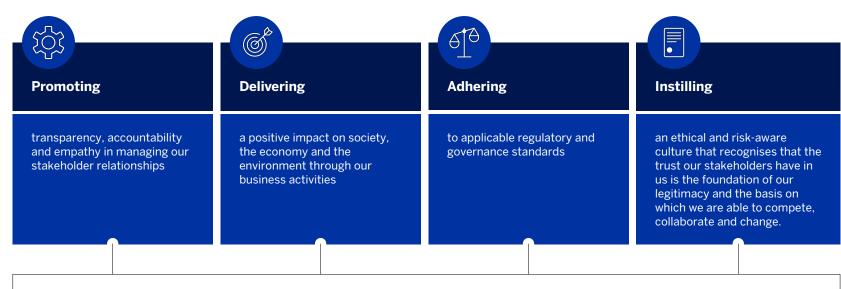
Values-based strategic and ethical leadership Stakeholder engagement Board and board committee oversight Compliance with legal and regulatory requirements Implementation of relevant policies and procedures Ongoing organisational performance evaluation

Transparency and accountability

## 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



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.

Our strategy, purpose and conduct align with the principles of being a good corporate citizen.

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

> Societal conduct

Conduct in the market Personal conduct

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

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

The group ensures adherence to our values, code of ethics and conduct, as well as fulfilling our commitments under the UN Principles for Responsible Banking.

### Strategy, performance and reporting

The board reviews quarterly business performance updates.

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.

The board oversees and monitors how the consequences of the group's activities and outputs affect the group's legitimacy and status as a responsible corporate citizen.

### Governing structures and delegation of authority

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

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

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

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

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

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

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

An annual board evaluation process is performed through mandate self-reviews, effectiveness evaluations and one-on-one discussions.



Read more about our governance practices

#### 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 inancial 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

#### 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

#### **Board effectiveness assessment**

The board conducted an external evaluation of its board effectiveness in 2024. 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.

#### Strategic priorities and relevance

As a financial services organisation, the ability to innovate is critical to remaining relevant to customers. The board is committed to ensuring the group remains agile to meet the changing needs of customers and other stakeholders and has access to the strategic resources it needs to deliver its long-term strategic priorities.

The board continues to provide oversight over management's strategic plans to offer a wider range of digital services, to become a client-centric services business and deliver sustainable value and growth.

#### Stakeholder relationships

The group is committed to understanding and being responsive to the interests and expectations of stakeholders. Our approach to governing our stakeholder relationships and maintaining a high quality of engagement in these relationships is to ensure our stakeholders' views are heard and fully considered through our engagement processes.

#### **Promoting and enabling** innovation

Information and technology are integral components in executing the group's strategic priorities to achieve our commitments and deliver our purpose.

Oversight of the strategic direction and transformation of the group's information security, technology and data capabilities is delegated to the SBG information technology committee, which also ensures that prudent and reasonable steps are taken to govern technology and information in line with King IV.

Technology and information risks are integrated in the group's risk management framework.

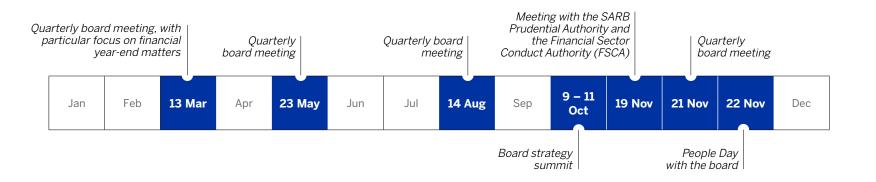


Read more about the GITC activities in the SBG governance report.

#### **Board meetings**

During 2024, the board continued to adopt an interactive in-person model of engagement, while allowing for virtual attendance where necessary.

There were seven board meetings held in 2024:



# 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 2025 include:

- Sustainability priorities
- Emerging technologies, Al and megatrends
- Regulatory environment
- External environment, with focus on geopolitical risk and global trade tensions
- Realisation of synergies with strategic partners.

#### considered strategic progress made by the group and reviewed updates on client onboarding processes. reviewed the group's complaints management **CLIENT** business units on their strategic and digitisation including the effectiveness of Know Your Client (KYC) programme and management's commitment to FOCUS and Anti-Money Laundering and Combating Terrorist addressing issues raised by clients. journeys Financing (AML/CFT) controls **EMPLOYEE** reviewed the group's progress against transformation, considered the results from the annual 'Are you a reviewed executive succession and talent **ENGAGEMENT** diversity and inclusion targets Fan?' employee engagement survey management planning. considered the group's risk management framework reviewed the quarterly risk management report received updates on key risk and control matters for Al considered the impact of the ongoing geopolitical reviewed and approved material outsourcing tension on the group's risk profile arrangements in accordance with SARB regulatory considered group reputational matters and **RISK AND** engagements with stakeholders. reviewed and confirmed the appropriateness and CONDUCT adequacy of credit metrics and approved risk appetite considered key matters highlighted in internal audit limits reports and remedial actions to continuously strengthen the control environment considered the group's approach to organisational noted the group's shift in focus towards emerging reviewed the group delegation of authority framework. resilience as it pertained to systems, processes and technologies and further refinement of digitisation OPERATIONAL controls strategies EXCELLENCE reviewed the quarterly group technology report and continued to monitor system stability across the received updates on the group's key technology organisation priorities approved the 2024 financial plan, targets and metrics considered the adequacy of financial provisions in the considered the adequacy of the group's capital and **FINANCIAL** annual financial statements liquidity balances, its ability to continue as a going reviewed and approved the group's annual financial concern as well as solvency and liquidity for interim **OUTCOME** statements and financial year end. reviewed and discussed ESG and sustainability reviewed the group's progress in relation to climate **POSITIVE** matters, with emphasis on climate-related matters policy and climate risk management. **IMPACT** and social elements **SPECIFIC** considered the board succession plan with reference approved the appointment of directors to board approved the 2023 corporate governance, risk and GOVERNANCE capital management process in line with regulation 39 to core skills required for a high-performing board of the Banks Act **MATTERS** reviewed and approved updates to board-related reviewed progress on implementing actions from the CONSIDERED policies 2023 external board effectiveness review, which had engaged with the Prudential Authority as part of its been substantially addressed by the end of 2024 regulatory oversight programme. BY THE BOARD considered and approved the composition of the board and its committees **ANDITS** COMMITTEES



# 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.

In line with the group's corporate governance arrangements, the board regularly reviews its composition to maintain its overall effectiveness and maximise the benefit of its skillset and directors' experience, tenure, independence and diversity.

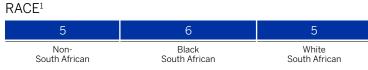
The size of the board is considered to be appropriate, with due consideration to ongoing succession planning for retirements and associated replacement of skills on the board.

**OVERALL BOARD** MEETING ATTENDANCE 97%

**GENDER** Male

Female





1 As defined by South African B-BBEE regulations.

#### AGE (between)



#### NON-EXECUTIVE DIRECTOR TENURE



#### NATIONALITY



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

#### **BOARD OF DIRECTORS**

#### Chairman



#### COMMITTEES

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

Read more about our board's skills and qualifications in the SBG governance



Read more about the skills of the board on

#### **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.

SBG has met its voluntary target of 40% female representation by 2025 set out in its promotion of gender and race diversity policy. The board, as well as two board committees, are chaired by female board members. The board resolved to maintain the race diversity targets in line with the management control scorecard as set out in the Amended Financial Sector Code of 2017.

The board continues to consider these targets in the implementation of its succession plans and is satisfied with the progress made.

#### **Executive directors**



COMMITTEE MEMBERSHIP |







COMMITTEE MEMBERSHIP



**2** 7/7



COMMITTEE MEMBERSHIP



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#### **BOARD OF DIRECTORS**

#### **Non-executive directors**

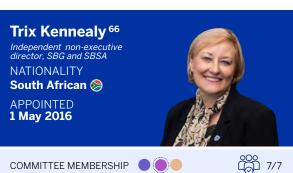












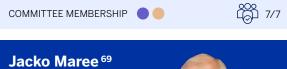
COMMITTEE MEMBERSHIP









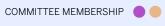














COMMITTEE MEMBERSHIP



7/7





COMMITTEE MEMBERSHIP



COMMITTEES

DAC -Directors' affairs committee

GAC -Group audit committee

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

Committee chairman

\* Martin was an independent non-executive director for the 2024 year. From 1 January 2025, he is no longer classified as independent due to his tenure exceeding nine years.

#### 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 SBSA, 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.

A comprehensive succession plan is in place, tailored to the essential skills required for an effective board. The plan aims to maximise the value of a high-performing board, comprising directors with diverse expertise across multiple disciplines.

Banking and other financial services

asset management.

**EXPERIENCE** 



#### sub-Saharan Africa. International markets

#### **EXPERIENCE**

Doing business in

Experience in diverse geographic, political and regulatory environments in sub-Saharan African markets and international financial markets, meeting client needs in these jurisdictions.

#### VALUE PROVIDED BY THESE SKILLS

These skills enable the board to effectively oversee the group as it operates and serves its customers across its footprint.

#### Client and stakeholder management

Experience in monitoring and improving client and stakeholder relationships.

#### **VALUE PROVIDED BY THESE SKILLS**

These skills enable the board to effectively manage relationships with clients and stakeholders to effectively resolve issues facing the organisation.

Risk & capital management



Accounting and auditing



Technology and cybersecurity



12/16

Leadership of a large complex organisation



13/16

and controls

#### **EXPERIENCE**

Skills and experience in assessment and management of financial and non-financial risks and capital management.

#### **VALUE PROVIDED BY THESE SKILLS**

These skills enable the board to effectively oversee risk and capital management and understand the most significant risks facing the group.

#### **EXPERIENCE**

Knowledge of or experience in accounting. financial reporting and auditing processes and standards.

Experience in banking including investment

or consumer products; and/or experience in

These skills enable the board to evaluate the

group's business model, strategies and the

**VALUE PROVIDED BY THESE SKILLS** 

industries in which it competes.

banking, retail banking, global financial markets

other financial services, including insurance and

#### **VALUE PROVIDED BY THESE SKILLS**

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.

**EXPERIENCE** 

Experience in, or oversight of innovative technology, cybersecurity, information systems, fintech, data and privacy management.

#### **VALUE PROVIDED BY THESE SKILLS**

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.

**EXPERIENCE** 

Senior executive experience in managing business operations and strategic planning.

#### **VALUE PROVIDED BY THESE SKILLS**

These skills allow board members to effectively oversee the group's complex operations.

People development, diversity and inclusion, and remuneration



Public company governance



Regulation, public policy, macroeconomic policy



Environmental and social



#### **EXPERIENCE**

Experience in senior executive development, succession planning, diversity, inclusion and executive remuneration.

#### **VALUE PROVIDED BY THESE SKILLS**

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.

#### **EXPERIENCE**

Knowledge of public company governance matters, policies and best practices.

#### **VALUE PROVIDED BY THESE SKILLS**

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.

#### **EXPERIENCE**

Understanding of and experience in regulated businesses, regulatory requirements, including conduct and culture, and relationships with global regulators.

#### **VALUE PROVIDED BY THESE SKILLS**

These skills enable the board to assess and oversee the group's compliance with applicable regulations and ensure appropriate conduct.

#### **EXPERIENCE**

Knowledge and experience in how the group's activities affect the environment (including the impact on climate change) and society (including consumers and communities).

#### **VALUE PROVIDED BY THESE SKILLS**

These skills enable the board to oversee and monitor on an ongoing basis its status as a responsible corporate citizen.

# **BOARD COMMITTEES**

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

 		KEY ACTIVITIES TO PROTECT VALUE		MEETINGS	ATTENDANCE
Group directors' affairs committee CHAIRMAN: Nonkululeko Nyembezi	80% Independent members	<ul> <li>Determines the appropriate corporate governance structures and practices</li> <li>Maintains the board continuity programme</li> <li>Ensures compliance with all applicable laws, regulations and codes of conduct and practice</li> <li>Assesses and ensures the effectiveness of the board and its committees.</li> </ul>	<ul> <li>Succession planning and board composition</li> <li>Corporate governance</li> <li>Board performance review</li> <li>Group subsidiary governance framework.</li> </ul>	4	100%
Group risk and capital management committee  CHAIRMAN: Ben Kruger	<b>91%</b> Independent members	<ul> <li>To provide independent and objective oversight of risk and capital management across the group</li> <li>Reviews and assesses the adequacy and effectiveness of the risk management framework and ensures that associated standards and policies are clear, appropriate and effective</li> <li>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.</li> </ul>	<ul> <li>Oversight of the group's risk portfolio</li> <li>Financial and non-financial risk management</li> <li>Capital and liquidity risk management</li> <li>Internal capital adequacy assessment process</li> <li>Regulatory matters</li> <li>Governance</li> <li>Oversight.</li> </ul>	4	100%
<b>Group audit committee</b> CHAIRMAN: <i>Trix Kennealy</i>	100% Independent members	<ul> <li>To monitor and review the adequacy and effectiveness of accounting policies, financial and other internal control systems, and financial reporting processes</li> <li>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</li> <li>Assesses compliance with applicable legal, regulatory and accounting standards and policies in the preparation of fairly presented financial statements and external reports.</li> </ul>	<ul> <li>Oversight of the internal control environment and financial results</li> <li>Internal audit</li> <li>Compliance</li> <li>Tax</li> <li>Financial accounting and external reporting</li> <li>Financial control</li> <li>Non-audit services</li> <li>External audit</li> <li>Oversight.</li> </ul>	6	100%
Group large exposure credit committee CHAIRMAN: Ben Kruger	42% Independent members	<ul> <li>Responsible for overseeing compliance with relevant regulatory requirements in respect of large exposures</li> <li>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</li> </ul>	<ul> <li>Reviewed and approved loans, advances or credit in accordance with committee's mandate and as aligned to regulatory requirements in respect of large exposures.</li> </ul>	10	97%

# **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 SBSA, as delegated by the SBSA board. The skills and experience of committee members underpins SBSA's ability to deliver its strategy.

Female 6

1 Kenny Fihla was appointed as SBSA CEO and executive director with effect from 1 September 2024. He tendered his resignation on 16 March 2025 and will serve his contractual notice period until 13 June 2025.

Kenny Fihla<sup>1</sup> CEO. SBSA

**QUALIFICATIONS** MSc (University of London), MBA (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



**Khomotso Molabe** Chief information officer

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



**Preshanta Govender** 

Chief finance & value management officer

#### **OUALIFICATIONS**

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



Virginia Magapatona

Head, Communication & Reputation Management

#### **OUALIFICATIONS**

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



Myen Moodley Head, People & Culture

**OUALIFICATIONS** 

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



**Stephen Barnes** 

**Simone Cooper** 

Head, Corporate & Investment Banking

#### **OUALIFICATIONS**

BCom (Hon) in Accounting (UKZN), CA(SA), CFA



Kabelo Makeke

Head, Personal & Private Banking

#### **OUALIFICATIONS**

Diploma in Advanced Banking Law (UJ), BCom, BCompt (Hon) (Unisa), CA(SA)



Thabani Ndwandwe

Chief risk officer

#### **OUALIFICATIONS**

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 (Saïd Business



Male

Head, Business & Commercial Banking **QUALIFICATIONS** BCom (Hon) in Economics (Wits) International Executive Development Programme (Wits Business School and



Chiko Manokore

Head, Personal & Private Banking

#### **QUALIFICATIONS**

Executive MBA (Henley Business School), Bachelor of Business and Commerce in Marketing (Monash University), ACI Financial Markets Dealing



#### 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)



#### **Kirston Greenop**

Head, Corporate Citizenship

#### QUALIFICATIONS

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







# **GLOSSARY AND DEFINITIONS**

A summary of key financial terms and definitions used in this report has been included for reference purposes.

Term	Definition
Black	People who fall within the ambit of the definition of black people in the relevant South African legislation as determined by court ruling.
Black economic empowerment	Socioeconomic term concerning formalised initiatives and programmes to enable historically disadvantaged black individuals and groups to participate gainfully and equitably in the mainstream economy.
Capital adequacy ratio	Capital as a percentage of risk-weighted assets.
Common equity tier 1	CET I regulatory capital, including unappropriated profits, as a percentage of total risk-weighted assets.
Cost-to-income ratio	Operating expenses as a percentage of total income after revenue sharing agreements with group companies but before credit impairments.
Credit loss ratio	Total impairment charges on loans and advances per the income statement as a percentage of average daily and monthly gross loans and advances.
Headline earnings	Determined, in terms of the circular issued by the South Africa Institute of Chartered Accountants at the request of the JSE, by excluding from reported earnings-specific separately identifiable re-measurements net of related tax and non-controlling interests.
Jaws	Measure of the extent to which total income growth rate exceeds the operating expense growth rate.
Liquidity	Liquidity refers to the ease with which an asset, or security, can be converted into ready cash without affecting its market price.

Term	Definition
Liquidity coverage ratio	The proportion of highly liquid assets held by financial institutions to ensure their ongoing ability to meet short-term obligations.
Net interest margin	Net interest income as a percentage of daily and monthly average total assets, excluding derivative assets.
Return on equity	Headline earnings as a percentage of monthly average ordinary shareholders' funds.
Return on average risk-weighted assets	Headline earnings as a percentage of monthly average risk-weighted assets.
Risk appeptite	An expression of the maximum level of residual risk that SBSA is prepared to accept in order to deliver its business objectives.
Risk-weighted assets	Determined by applying prescribed risk weightings to on- and off-balance sheet exposures according to the relative credit risk of the counterparty.
Sustainable finance mobilisation	The arranging and lending activities in relation to all sustainable finance categories, including eligible green, social, sustainable and sustainability-linked transactions (excluding treasury activities).
Tier 1 captial adequacy ratio	Tier 1 regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.
Total capital adequacy ratio	Total regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.

#### **Key frameworks considered and applied** in the reporting suite

To satisfy various compliance reporting requirements, the following corporate reporting and regulatory frameworks and guides are considered when preparing the reports in our reporting suite:

- International Integrated Reporting Framework (January 2021)
- Listings Requirements of the JSE Limited
- International Financial Reporting Standards and International Sustainability Standards Board
- South African Companies Act, 71 of 2008, as amended
- South African Banks Act, 94 of 1990
- Basel Framework (previously Basel III)
- South African Reserve Bank Regulations
- Basel Committee on Banking Supervision Guidance
- King IV Report on Corporate Governance for South Africa 2016
- Task Force on Climate-Related Financial Disclosures
- Equator Principles
- United Nations Sustainable Development Goals
- International Finance Corporation performance standards
- Paris Agreement
- Principles for Responsible Banking
- JSE Sustainability Disclosure Guidance
- Global Reporting Initiative standards.



# **CONTACT AND OTHER DETAILS**

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

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#### Chief finance & value management officer

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#### **Communications & reputation management**

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#### **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 and does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon.

