FINAL VERSION

STANDARD BANK GROUP LIMITED

(*Incorporated with limited liability on 25 November 1969 under Registration Number 1969/017128/06 in the Republic of South Africa*)

as **Issuer**

ISSUER DISCLOSURE SCHEDULE RELATING TO STANDARD BANK GROUP LIMITED

*This is the Issuer Disclosure Schedule relating to the Standard Bank Group Limited ZAR 50,000,000,000 Domestic Medium Term Note Programme (the "**Programme**") (the "**Issuer Disclosure Schedule**" and together with the Risk Factors & Other Disclosures Schedule relating to the Standard Bank Group Limited ZAR 50,000,000,000 Domestic Medium Term Note Programme (the "**Risk Factors & Other Disclosures Schedule**"), the "**Disclosure Schedules**"), and is applicable to all Notes issued under the Programme pursuant to the Programme Memorandum dated 19 December 2024, as amended, updated and replaced from time to time (the "**Programme Memorandum**").*

This Issuer Disclosure Schedule is dated as of 19 December 2024 and contains all information pertaining to:

- *the description of the Issuer, including, but not limited to, its business, management, directors and corporate governance disclosure; and*
- *the Issuer's directors and debt officer as prescribed by paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements of the JSE (the "**Debt and Specialist Securities Listings Requirements**"); and*
- *the register of conflicts of interests or confirmation that no conflicts of interests exist.*

*Capitalised terms used in this Issuer Disclosure Schedule are defined in the section of the Programme Memorandum headed "General Terms and Conditions" (the "**General Terms and Conditions**") or "Additional Tier 1 Terms and Conditions" (the "**Additional Tier 1 Terms and Conditions**") or "Flac Terms and Conditions" (the "**Flac Terms and Conditions**", and together with the General Terms and Conditions and the Flac Terms and Conditions, the "**Terms and Conditions**") (as applicable), unless separately defined or clearly inappropriate from the context.*

DESCRIPTION OF STANDARD BANK GROUP LIMITED

Overview

Standard Bank Group Limited ("**SBG**") and its subsidiaries (together the "**Group**") is the largest financial services group in Africa (measured by assets) as at 31 December 2023. SBG is the Group's listed holding company and holds the entire issued share capital of the Group's primary banking entity, The Standard Bank of South Africa Limited ("**SBSA**"), as well as other banking and financial services entities. SBG has been listed on the Johannesburg Stock Exchange, operated by JSE Limited (the "**JSE**") since 1970, with secondary listings on A2X Markets in South Africa and the Namibian Stock Exchange.

SBG is an Africa focused, client led and digitally enabled organisation providing comprehensive and integrated financial and related solutions to its clients and driving inclusive growth and sustainable development. The Group was founded in 1862 and has, since the late 1980's, been focusing on positioning itself as a leading financial services organisation in South Africa, with an operational footprint in an additional 19 African countries ("**Africa Regions**"). The Group also has a presence in four major international markets (Beijing, Dubai, London and New York) and offers international financial services through its operations in the Isle of Man and Jersey. As at 31 December 2023, the Group had 50,451 permanent employees, and a market capitalisation of approximately R345 billion. Since 3 March 2008, it has been in a strategic partnership with Industrial and Commercial Bank of China Limited ("**ICBC**"), the world's largest bank, which owns a 19.4 per cent. share of SBG.

During 2023, the Group carried out structural changes to better serve its clients. The Group's operating model is client led and structured around its primary business units, namely: Personal & Private Banking ("**PPB**"), Business & Commercial Banking ("**BCB**"), Corporate & Investment Banking ("**CIB**") and Insurance & Asset Management ("**IAM**"). The Group has a central support area, Central and Other ("**C&O**"), which provides support functions to its business units, such as hedging activities, unallocated capital, liquidity earnings and central costs. PPB, BCB, CIB and C&O together form the Group's "Banking" operations.

As a result of these structural changes and the completion of the Group's acquisition of the remaining non-controlling ordinary shares in Liberty Holdings Limited through a scheme of arrangement during 2022, the Group's financial statements now report at the level of the aggregated Group, Banking and/or IAM, as applicable.

Personal & Private Banking: The PPB business unit offers tailored and comprehensive financial services solutions to individual clients across Africa ranging from wealth and investment, to private and personal banking markets. PPB's products and services include home financing solutions, vehicle and asset finance, lending products, credit card facilities, cash management, trade finance, and trading and risk management solutions.

Business & Commercial Banking: The BCB business unit provides broad based client solutions for a wide spectrum of small-and-medium-sized businesses as well as large commercial enterprises across a wide range of industries and sectors. BCB provides the following banking solutions: vehicle and asset finance, card and payment facilities, transactional products, lending products, and trading and risk management solutions.

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

Insurance & Asset Management: The IAM business unit offers a wide range of solutions to meet clients' long and short-term insurance, health, investment, and asset management needs, through its tied distribution force, third party distribution network, as well as in partnership with the SBG banking sales channels. Its clients range from individual customers to corporate and institutional clients.

In addition to its business units, the Group has a 40 per cent. equity investment in ICBC Standard Bank Plc ("**ICBCS**"). The terms of the strategic co-operation agreement with ICBC include an undertaking to complete the sale of SBG's 40 per cent. of ICBCS to ICBC.

The Group has a strong presence across key geographies on the African continent and continues to support sustainable economic growth by facilitating enhanced trade financing, transactional banking, risk management and investment opportunities.

Africa Regions is split into East Africa (incorporating Ethiopia, Kenya, South Sudan, Tanzania and Uganda), South & Central Africa (incorporating Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia and Zimbabwe) and West Africa (incorporating Angola, Cote d'Ivoire, Democratic Republic of the Congo, Ghana and Nigeria). The Africa Regions' contribution to SBG's headline earnings increased to 42 per cent. in 2023 (compared to 36 per cent. in 2022).

SBG is incorporated in South Africa as a limited liability company and operates under South African law. SBG's registered address is 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg, PO Box 7725, Johannesburg 2000, South Africa (telephone number: + 27 11 636 9111).

History

SBG is one of the oldest banks in South Africa having been established as The Standard Bank of British South Africa Limited in 1862. The word "British" was dropped from its name in 1883. SBSA commenced operations in Port Elizabeth in 1863 and gradually expanded its geographic area of operation to include the whole of South Africa.

In 1962, the shareholders of SBSA voted in favour of splitting the company into a South African subsidiary company which retained the name SBSA, and a parent company, The Standard Bank Limited, operating in London (subsequently to become Standard Chartered Bank plc).

In 1969, Standard Bank Investment Corporation Limited (subsequently, SBG) was established as the holding company for SBSA. SBG continued as a member of the Standard Chartered group until 1987 when Standard Chartered divested of its remaining 39 per cent. ownership in SBG. Following this change, the Union Bank of Swaziland Limited, in which SBG had a major shareholding, became an operational commercial bank in July 1988. In November 1992, SBG acquired the operations of ANZ Grindlays Bank in eight African countries (Zimbabwe, Zambia, Kenya, Botswana, Uganda, DRC and minority interests in Nigeria and Ghana), which set the Group on a path of African expansion.

In 2007, SBG merged its Nigerian interests with those of IBTC Chartered Bank Plc, securing a controlling interest in the merged entity Stanbic IBTC Bank Plc. In 2008, SBG also acquired a controlling interest in CfC Bank in Kenya through a merger transaction with SBG's existing operations in Kenya, Stanbic Bank Kenya Limited.

The Group completed its scheme to acquire the remaining non-controlling ordinary shares of Liberty Holdings Limited ("**Liberty**") in 2022 through a scheme of arrangement and Liberty has been integrated into the Group and is now included in the IAM business unit.

Corporate Structure

SBG's sole function is to act as the ultimate holding company of the Group. Its revenues, therefore, are derived solely from dividends and loan repayments received from its subsidiaries and associates.

As at 31 December 2023 and 31 December 2022, SBG's authorised share capital comprised of the following:

- 2,000,000,000 ordinary shares with a par value of 10 cents;
- 8,000,000 cumulative, non-redeemable preference shares of R1 each; and
- 1,000,000,000 non-redeemable, non-cumulative, non-participating preference shares of 1 cent.

As SBG's largest business entity, SBSA's balance sheet is an important resource for the Group. For the year ended 31 December 2023, SBSA contributed 39 per cent. of Group headline earnings (compared to 48 per cent. for the year ended 31 December 2022) with the Group benefiting from its Africa-focused strategy.

See "*Annexure A – Subsidiaries, Consolidated and Unconsolidated Structured Entities*" in the SBG 2023 annual financial statements which sets out a summary of the Group's corporate structure as at 31 December 2023, which are incorporated by reference into the Programme Memorandum.

As at 31 December 2023, the ten largest shareholders in SBG beneficially held 44.2 per cent. of SBG's ordinary shares. The following table sets out the ten largest shareholders as at 31 December 2023 and 31 December 2022.

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

Source: The shareholdings in the table are determined from the share register and investigations conducted on SBG's behalf in terms of section 56 of the Companies Act.

For selected financial information and certain ratios as at and for the years ended 2022 and 2023, see tables in the section headed "*Business of SBG - Introduction*" below and Note 49 of SBG's annual financial statements, which are incorporated by reference into the Programme Memorandum.

Strategy

SBG has a significant presence and deep capabilities across 20 African countries and it seeks to maintain its strong market position in South Africa and grow rapidly throughout Africa. SBG expresses its corporate purposes as "*Africa is our home, we drive her growth*". To achieve this purpose, SBG's strategic priorities are to transform client experience, to execute with excellence and to drive sustainable growth and value. SBG defines these priorities as follows:

- '*transform client experience*' using digital technology and human skill to understand its clients as deeply and empathetically as possible; to help them meet their needs and achieve their goals; and to defend its current client franchise and market position whilst also focusing on expanding its range of services in several "ecosystems" of co-ordinated networks of participants and devices including the provision of home services (previously referred to as mortgages), trade facilitation, and renewable energy;

- '*execute with excellence'* by (1) delivering traditional financial services solutions with maximum efficiency and total integrity, (2) developing new solutions, (3) building and maintaining the Group's digital services, and (4) forming partnerships with selected other businesses to provide a range of new services; and

- '*drive sustainable growth and value*', where 'sustainable' is understood to mean both 'long-term' and 'environmentally and socially sustainable' and be purposeful in having a positive impact, diligent in allocating resources and delivering attractive shareholder returns.

SBG has identified the following as important areas of focus in 2024:

- to continue to grow the Group's client base by offering a comprehensive range of products and services and through its unrivalled network;

- to focus within each business unit on defending its strong market positions, growing market share in markets where they are sub-scale and optimising operations to create the capacity to make investments where needed;

- to manage risk effectively while supporting clients;

- to focus strongly on costs whilst continuing to invest for the future; and

- to allocate resources diligently to support continued underlying franchise growth and returns.

SBG's clients are at the core of its business. Over recent years the Group has made significant changes to its operating model aimed at improving client focus, delivering more digitally enabled products and services, and reducing costs. See "*Description of The Standard Bank Group Limited – Overview*" above.

Each of SBG's business units are responsible for designing and executing their client value proposition. Each business unit owns the client relationship and creates products and services which are distributed through SBG's client engagement platforms.

Competitive Strengths

Strong Market Position in Key Products with African Focused Capabilities and International Presence via Global Centres and Offshore Hubs

SBG is the largest bank in Africa measured by assets as at 31 December 2023, with strong market shares across a range of retail, commercial and investment banking products in the markets in which it operates.

SBG's on-the-ground presence and scale on the African continent provides significant opportunities for growth. As a regional bank, SBG has a deep understanding of the local context in markets across Africa. SBG's capabilities enable it to leverage its full suite of financial products and solutions to meet clients' changing needs.

SBG's offshore presence in Jersey and the Isle of Man and its global centres in Beijing, Dubai, London and New York provides its clients with an opportunity to diversify their portfolios. This is an important further differentiator and strengthens SBG's client value proposition by linking Africa to the major global financial centres.

A Universal Financial Services Group With a Strong Fit-For-Purpose Franchise, a Modern Digital Core and Diverse Client Base, Service Offering and Revenue Sources

SBG's franchise strength is underpinned by its strong, recognised and trusted brand, its strong, long-standing client relationships, the calibre of its employees and a fit-for-purpose physical distribution network and digital platforms. SBG has invested significantly in technology and digital capabilities to improve client experience and operational efficiency in order to enhance its competitive advantage.

SBG is able to generate revenue from sources that are well-diversified across clients, sectors, product groups and geographies, which provides SBG with a level of protection in times of volatility.

Robust Capital and Liquidity Position

SBG's strong and liquid balance sheet provides flexibility to manage uncertainty, change, innovation and growth. SBG has access to diverse and sophisticated liquidity sources for senior funding and capital requirements.

Experienced Management Team

SBG operates within strong corporate governance and assessment frameworks, and within a sophisticated, Basel III compliant regulatory framework. Its senior management has experience both at SBG and at other institutions throughout the banking industry. SBG's position in the market has allowed it to attract top managers from across the industry, both domestically and abroad. A compensation structure that includes both short and long-term incentive plans assists in retaining key managers, leads to continuity in business operations and aligns management and investor interests.

Strategic Partnership with ICBC

SBG's strategic partnership with ICBC, places it in a strong position to facilitate trade and investment in the Africa-China corridor, while simultaneously offering access to opportunities in one of the fastest growing emerging market economies. SBG and ICBC have worked together over the past decade to support and deepen the economic links between Africa and China, including through the provision of joint funding of major infrastructure projects, support for Africa-China trade, and renminbi internationalisation.

Strong Growth Prospects

SBG's prospects for future growth are driven by strong regional economic fundamentals in sub-Saharan Africa and including in many of the markets in which it operates. These trends have the potential to increase demand for financial services, which should provide SBG with opportunities to grow its client base and increase revenues.

Appetite to Invest and Partner

SBG has the resources and appetite to expand organically and also utilises partnerships, alliances and acquisitions to enhance its offering and networks.

Targeted Technology Investments Enabling Competitiveness and Resilience

SBG has made targeted investments in technology to reinforce its competitive position, increase the resilience of its systems and increase productivity. For example, as a result of business unit led investment in client systems, there has been a 95 per cent. decline in the time taken to process cross-border payments for corporate clients in South Africa and there has been more than 100 million SBG Mobile logins per month on average in South Africa. System stability and security improved significantly in the 12 months ending 31 December 2023, resulting in more than a 60 per cent. decline in system outages and more than a 40 per cent. reduction in time to repair issues.

Business of SBG

SBG is an Africa focused, client led and digitally enabled organisation providing comprehensive and integrated financial and related solutions to its clients. SBG's operating model is structured around its business units, PPB, BCB, CIB and IAM.

The Group's products and services are grouped into (i) Banking (which includes PPB, BCB, and CIB) and (ii) IAM.

A central support area, C&O, provides support functions to the Banking and IAM franchises.

ICBCS comprises the Group's remaining 40 per cent. equity investments ICBCS.

Overview of Group Results

For the year ended 31 December 2023 the Group recorded headline earnings of R42.9 billion, an increase of 27 per cent. (compared to the year ended 31 December 2022) and delivered a return on equity ("**ROE**") of 18.8 per cent. (compared to 16.3 per cent. for the year ended 31 December 2022). This strong performance was underpinned by the Group's robust and growing franchise and reflective of the good momentum in its business. As at 31 December 2023, SBG's Africa Regions franchise contributed 42 per cent. to the Group's headline earnings. The top eight contributors to Africa Regions' headline earnings were Ghana, Kenya, Mauritius, Mozambique, Nigeria, Uganda, Zambia and Zimbabwe.

During the year ended 31 December 2023, the Group effectively defended and grew its banking franchise and improved banking earnings and returns. Client franchise health showed improvements across a number of metrics. Active customers grew by 6 per cent. to 18.8 million, with growth recorded in both South Africa and Africa Regions. In addition, digital retail clients in South Africa increased by 8 per cent. as more clients transitioned to the Group's convenient digital channels. For the year ended 31 December 2023, the Group recorded over 2.8 billion digital transactions for retail clients, an increase of 30 per cent. year on year, and distributed over R41.1 billion on behalf of its South African clients via its digital wallet platform. Client satisfaction scores improved across various channels, particularly digital in South Africa.

IAM recorded an improved insurance performance and growth in its assets under management ("**AUM**") year on year. During the year ended 31 December 2023, the Group successfully bought out the minority shareholders in of Liberty2Degrees which holds an attractive portfolio of commercial properties.

The Group ended the year ended 31 December 2023 with a common equity tier 1 ratio of 13.7 per cent. (compared to 13.4 per cent. for the year ended 31 December 2022). This positions the Group well to reward shareholders and continue to grow. The SBG board approved a final dividend of 733 cents per share which, when combined with the interim dividend, equates to a dividend payout ratio of 55 per cent. for the year ended 31 December 2023.

During the year ended 31 December 2023, the Group raised over R50 billion of sustainable finance for corporate clients and provided over R2 billion in loans to SMEs to help business owners access affordable and reliable alternative energy products. In addition, the Group disbursed over R145 million to homeowners and over R840 million to businesses for solar installations in South Africa.

Banking

Banking headline earnings reflected a strong performance for the year ended 31 December 2023, an increase of 31 per cent. (compared to the year ended 31 December 2022). Banking ROE increased from 16.4 per cent. in the year ended 31 December 2022 to 19.5 per cent. in the year ended 31 December 2023.

Loans and Advances

During the year ended 31 December 2023, gross loans and advances grew by 6 per cent. (compared to the year ended 31 December 2022) to R1.5 trillion. Subdued growth across the Group's retail portfolios together with a decline in business lending was more than offset by strong growth in SBG's Corporate and Sovereign lending portfolio. Higher interest rates negatively impacted demand and affordability and resulted in a slowdown across mortgages, card and personal unsecured lending in the second half of the year ended 31 December 2023. In South Africa, personal unsecured loan applications increased but approvals declined. SBG's business lending portfolio declined by 5 per cent. for the year ended 31 December 2023 (compared to the previous year) due to lower client demand linked to elevated rates, reduced appetite to invest, and higher early repayments. Renewable-energy deals and higher demand for trade facilities supported the corporate portfolio. The Africa Regions' loans and advances to customers grew by 20 per cent. (compared to the previous year) in constant currency but was broadly flat in South African Rands ("**ZAR**").

During the year ended 31 December 2023, total provisions increased by 15 per cent. (compared to the year ended 31 December 2022) to R64 billion. Total coverage increased from 3.6 per cent. at 31 December 2022 to 3.8 per cent. at 31 December 2023 driven by an increase in stage 3 loans and related provisions. Stage 3 coverage decreased marginally from 50 per cent. at 31 December 2022 to 47 per cent. at 31 December 2023 driven by the increase in the proportion of early stage non-performing ("**Stage 3**") loans which attract lower coverage.

Deposits and Funding

For the year ended 31 December 2023, deposits and debt funding increased by 7 per cent. (compared to the year ended 31 December 2022) to R2.0 trillion, driven by ongoing underlying client franchise growth. During the year ended 31 December 2023, wholesale-priced deposits grew by 7 per cent. and retail-priced deposits grew by 4 per cent. (each compared to the year ended 31 December 2022). Deposits from banks decreased by 4 per cent. during the year ended 31 December 2023 compared to the prior year. Current and savings balances growth slowed as clients increased spending and/or moved their funds to term products to take advantage of more attractive interest rates. Term deposits grew by 12 per cent. during the year ended 31 December 2023.

Revenue

Total net income grew by 21 per cent. for the year ended 31 December 2023, driven by net interest income ("**NII**") growth of 25 per cent. and non-interest revenue ("**NIR**") growth of 14 per cent compared to the year ended 31 December 2022.

The Group has amended its methodology for recognising interest on Stage 3 loans. This change resulted in an increase in NII and an equal and opposite increase in credit impairment charges. The change also resulted in a 7bps increase in the Group's net interest margin to 432bps and an 8bps increase in the Group's credit loss ratio to 83bps (in each case compared to the year ended 31 December 2022).

NII growth was driven by strong average balance sheet growth (average gross loans to customers grew by 11 per cent. during the year ended 31 December 2023 compared with the year ended 31 December 2022) and higher margins. The net interest margin increased by 62bps to 494bps during the year ended 31 December 2023. Strong margin expansion, driven by higher average interest rates across South Africa, Africa Regions and International (i.e. positive endowment), was moderated by pricing pressure in South Africa linked to increased competition in home loans, vehicle and asset finance, and corporate lending. Positive endowment contributed the equivalent of R10.8 billion increase in NII in the year ended 31 December 2023 compared to year ended 31 December 2022 (showing an increase of 55bps).

A larger, increasingly engaged client base and annual price increases, combined with higher client trade and transactional activity resulted in 10 per cent. growth in net fee and commission revenues for the year ended 31 December 2023. Increased client card spend and travel supported healthy growth in card and foreign exchange related fees.

Trading revenue increased by 20 per cent. to R20.5 billion during the year ended 31 December 2023, driven by increased client-backed trades as well as market-specific opportunities linked to market dislocations which occurred during the year.

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

Credit Impairment Charges

Credit impairment charges increased by 22 per cent. during the year ended 31 December 2023 to R16.3 billion. The increase in charges was driven by new loan origination, client strain driving partial payments, negative sovereign risk migration, and new defaults in the Industrial sector and legacy exposures in the Consumer sector. In South Africa, credit impairment charges increased across all portfolios, compounded by the non-recurrence of credit recoveries on the payment holiday portfolio in the year ended 31 December 2023 (R500 million). In Africa Regions, balance sheet growth, client-specific provisions, and risk migrations led to higher credit charges for the year ended 31 December 2023. The Group's credit loss ratio increased from 83bps for the year ended 31 December 2022 to 98bps for the year ended 31 December 2023, at the top of the Group's through-the-cycle credit loss ratio target range of 70 to 100bps.

Operating Expenses

In the year ended 31 December 2023, the SBG invested in its franchise and its client propositions. SBG hired over 1,000 people, increased its points of representation in South Africa, launched several new products (including SBG's solar loan) and expanded its digital offerings and functionality. Operating expenses increased by 15 per cent. during the year ended 31 December 2023 to R79.7 billion, impacted by inflationary pressures, particularly in Africa Regions. Staff costs grew by 17 per cent. in the year ended 31 December 2023 driven by a larger staff complement, annual increases, and higher performance-linked incentives. For the year ended 31 December 2023, other operating costs (including amortisation and depreciation) grew by 12 per cent. driven by higher business activity related spend.

Software, cloud, and technology-related costs increased by 14 per cent. during the year ended 31 December 2023 due to higher spend on cloud migration and software licenses as well as personalisation and other focused AI-driven projects. System stability and availability was very good throughout the year ended 31 December 2023 and amortisation declined by 4 per cent. as the Group's large historic IT programs started to roll off.

During the year ended 31 December 2023, growth in premises-related costs was well contained at 10 per cent. and increased municipal charges and higher fuel costs linked to electricity disruptions in South Africa were offset by savings from continued infrastructure optimisation. In South Africa, continued rationalisation of SBG's footprint led to a reduction in its branch square meterage (a decrease of 4 per cent. in the year ended 31 December 2023 compared to the year ended 31 December 2022) and its ATM network (a decrease of 6 per cent. in the year ended 31 December 2023 compared to the year ended 31 December 2022). Professional fees increased for the year ended 31 December 2023 due to higher audit fees and higher legal fees related to collection initiatives. In addition, travel and entertainment costs increased as business-related activity continued to recover off a low base. For the year ended 31 December 2023, total income growth exceeded cost growth, resulting in strong positive jaws of 5.7 per cent. and a decline in the cost-to-income ratio to 51.4 per cent. (compared to 53.9 per cent. for the year ended 31 December 2022).

Central and Other

C&O includes costs associated with corporate functions and the Group's treasury and capital requirements that have not been otherwise allocated to SBG's business units. In the year ended 31 December 2023, the central headline loss amounted to R1.0 billion (compared to a loss of R1.4 billion for the year ended 31 December 2022). The loss decreased due to an increase in NII driven by higher average interest rates and a higher level of capital within C&O.

Insurance & Asset Management

Following the completion of the Liberty minority buyout in 2022, Liberty has been integrated into the Group and is now included, with other related businesses, in the IAM business unit.

The insurance operations new business value increased by 13 per cent. to R3.0 billion for the year ended 31 December 2023 (compared to the year ended 31 December 2022) mainly due to an improved claims experience and increased sales. During the year ended 31 December 2023, insurance headline earnings grew by 23 per cent.

(compared to the year ended 31 December 2022) to R3.9 billion supported by the South African insurance business which increased headline earnings by 27 per cent. (compared to the year ended 31 December 2022) to R3.9 billion.

AUM in the South African asset management businesses increased by 8 per cent. to R1.0 billion during the year ended 31 December 2023 (compared to the year ended 31 December 2022). This growth was attributed to the STANLIB South Africa business given positive local and offshore investment market movements during 2023. Asset management headline earnings decreased by 20 per cent. during the year ended 31 December 2023 (compared to the year ended 31 December 2022) to R928 million, largely as a result of higher planned operating expenditure in STANLIB.

Overall, IAM headline earnings grew by 22 per cent. to R2.8 billion in the year ended 31 December 2023 and delivered an ROE of 13.1 per cent. (compared to 10.5 per cent. in the year ended 31 December 2022). The capital coverage of the key legal entities within IAM remained robust.

ICBC Standard Bank Plc

ICBCS recorded a strong operational performance in the year ended 31 December 2023 driven by increased client activity linked to market volatility. ICBCS (via the Group's 40 per cent. stake) contributed R1.3 billion to Group headline earnings (compared to R1.9 billion in the year ended 31 December 2022, of which R1.2 billion thereof related to the insurance settlement received in 2022 relating to a loss event in the prior periods and R0.7 billion thereof related to ICBCS' operational performance).

Profit Attributable

The Group's profit attributable to ordinary shareholders increased by 29 per cent. during the year ended 31 December 2023 to R44.2 billion. The primary driver of the difference between the Group's headline earnings and profit attributable was fair value gains on investment property in Zimbabwe.

Capital and Liquidity

The Group's common equity tier 1 ratio (including unappropriated profits) was 13.7 per cent. as at 31 December 2023 (compared to 13.4 per cent. as at 31 December 2022). The Group's Basel III liquidity coverage ratio and net stable funding ratio both remained well above the 100 per cent. regulatory requirements.

The following table shows selected financial information and ratios for SBG as at, and for the years ended, 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022[1]**
Income statement		
Total net income (Rm)	177,616	148,117
Headline earnings (Rm)	42,948	33,853
Profit for the year attributable to ordinary shareholders (Rm)	44,211	34,243
Statement of financial position		
Gross loans and advances (Rm)	1,672,841	1,560,768
Total assets (Rm)	3,065,745	2,882,397
Total liabilities (Rm)	2,788,825	2,623,531
Financial performance		
Banking activities		
Stage 3[2] loans (Rm)	97,700	77,440
Stage 3 credit impairment charge (Rm)	14,841	10,668
Stage 1 & 2[3] credit impairment(release)/ charge (Rm)	1,398	1,921
Credit loss ratio ((per cent.))	0.98	0.83
Non-performing exposures (per cent.)	5.8	5.0
Return on equity (per cent.)	19.5	16.4
Loans-to-deposit ratio (per cent.)	78.9	78.6
Cost-to-income ratio (per cent.)	51.4	53.9

[1] Restated, refer to the SBG annual financial statements, page 30 to page 39, for details around restatements and the IFRS 17 *Insurance Contracts* (IFRS 17) transition impact.

[2] Stage 3: SBG uses a 25-point master rating scale to quantify each borrower's credit risk (corporate asset classes) or facility (specialised lending and retail asset classes). Exposures which are in default are not considered in the 1 to 25-point master rating scale**.**

[3] Stage 1 & 2: SBG uses a 25-point master rating scale to quantify each borrower's credit risk (corporate asset classes) or facility (specialised lending and retail asset classes). Exposures within Stage 1 and 2 are rated between 1 to 25 in terms of SBG's master rating scale.

The following table shows selected performance indicators of the business units as at, and for the years ended, 31 December 2023 and 31 December 2022:

	Personal & Private Banking		**Business & Commercial Banking**		**Corporate & Investment Banking**		**Central and other[1]**	
	31 December		**31 December**		**31 December**		**31 December**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
				(Rm)				
Total assets	743,825	727,104	254,342	255,036	1,545,259	1,404,454	3,995	8,602
Profit for the year attributable to ordinary shareholders	11,138	8,624	9,732	7,512	20,238	15,344	(970)	(1,381)
Headline earnings	10,721	8,474	9,334	7,360	19,780	15,193	(993)	(1,411)

[1]Where reporting responsibility for individual cost centres and divisions within segments change, the segmental analyses' comparative figures are classified accordingly.

The following table shows the contribution of the different business lines within SBG as at, and for the years ended 31 December 2023 and 31 December 2022:

	Banking		**ICBCS**		**Insurance & Asset Management**		**SBG Total**	
	31 December		**31 December**		**31 December**		**31 December**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
				(Rm)				
Total assets	2,547,421	2,395,196	8,652	6,657	509,672	480,544	3,065,745	2,882,397
Profit for the year attributable to ordinary shareholders	40,138	30,099	1,286	1,917	2,787	2,227	44,211	34,243
Headline earnings	38,842	29,616	1,286	1,917	2,820	2,320	42,948	33,853

Standard Bank Group Franchise – Business Units

Personal & Private Banking

PPB has a large and diverse customer base and offers tailored and comprehensive banking, investment and insurance solutions for individual clients in main markets, affluent and high net worth segments across sub-Saharan Africa. It is present in 15 African countries, London, the Isle of Man, Jersey and Mauritius. PPB aims to provide a single and complete connection with, and a personalised banking, insurance and asset management service for, every personal client. PPB provides its clients with both banking and non-banking services through digital and physical channels. As at 31 December 2023, it operated 998 branches, including 208 in-store kiosks and other points of access and loan centres and 6014 ATMs across South Africa and Africa Regions. PPB also provides mobile phone and internet banking services which are an important part of providing convenient access to integrated financial solutions.

PPB's banking products and services include home financing solutions, vehicle and asset financing, unsecured personal loans, credit card facilities, transactional banking services and foreign exchange services.

PPB – Overview of Results

PPB delivered headline earnings growth of 27 per cent. to R10,721 million for the year ended 31 December 2023, with an ROE of 22.4 per cent. compared to 17.7 per cent. for the year ended 31 December 2022. This growth was underpinned by the strength of its client franchise and the implementation of key initiatives to engage, attract and retain the client base as SBG navigated through a challenging operating environment.

During 2023, elevated interest and inflation rates curbed credit demand as client affordability reduced and consumer confidence declined. On the back of lower demand, disbursements reduced against the prior year albeit off a high base. PPB financed a cumulative R3 billion in green-aligned funding for homes and R148 million for solar installations in South Africa during 2023. Overall, net loans and advances growth was muted at 2 per cent. for the year ended 31 December 2023, however, the deposits and current accounts from customers grew by 7 per cent. compared to the year ended 31 December 2022, driven by a higher active client base and continued focus on client engagement and retention strategies. This balance sheet performance, together with positive endowment in a higher average interest rate environment, supported NII growth of 19 per cent. for the year ended 31 December 2023 to R39,128 million.

PPB's focus on client engagement, acquisition and retention strategies led to a 6 per cent. growth in the active client base to 15.6 million (although previously PPB reported over 17 million clients; due to the operating model change in 2023, 2.1 million clients now reside in the IAM portfolio) and saw higher transactional activity across the portfolio. PBB continues to enhance its digital capabilities to align to client needs and optimise the cost to serve.

During the year ended 31 December 2023, digital transactional volumes increased by 30 per cent. with a decline in branch transactional volumes of 9 per cent. compared to the year ended 31 December 2022 as clients continued to prefer online solutions. Overall, this delivered a 14 per cent. growth for the year ended 31 December 2023 in net fee and commission revenue to R13,512 million. PPB's partnership with the IAM business continued to yield good returns with inter-business unit revenue attribution increasing by 7 per cent. for the year ended 31 December 2023 to R3,344 million mainly due to an increased Flexi Funeral policy base and an improved claims experience. NIR of R17,985 million, grew by 16 per cent. for the year ended 31 December 2023 compared to the year ended 31 December 2022. Credit impairment charges increased by 26 per cent. to R11,128 million for the year ended 31 December 2022, mainly due to the challenging macroeconomic environment and strain on client affordability. The credit loss ratio to customers amounted to 165bps with a higher coverage ratio of 6.1 per cent. compared to 5.4 per cent. for the year ended 31 December 2022.

Operating expenses increased by 12 per cent. for the year ended 31 December 2023 to R30,663 million, mainly due to the elevated inflationary environment, continued investment in digital capabilities to transform client experience, depreciation of local currencies against USD costs and increased business activity across the portfolio.

For the year ended 31 December 2023, total net income growth of 17.8 per cent. exceeded operating expense growth of 12.1 per cent. which resulted in positive jaws of 5.7 per cent. and an improved cost-to-income ratio of 53.7 per cent. (compared to 56.4 per cent. for the year ended 31 December 2022).

PPB – South Africa

For the year ended 31 December 2023, PPB's business in South Africa reported headline earnings of R7,093 million, 6 per cent. lower than 2022 with an ROE of 19.1 per cent. compared to 20.0 per cent. for the year ended 31 December 2022.

Customer loan growth was muted at 1 per cent. for the year ended 31 December 2023 due to prudent and selective origination strategies and client affordability constraints considering the macroeconomic pressures. Deposits from customers grew by 8 per cent. in 2023 and there was a change in the mix of the portfolio due to a combination of clients shifting funds to higher yielding solutions and deleveraging their portfolios. Balance sheet growth, together with the positive endowment impact in a higher average interest rate environment, supported NII growth of 9 per cent. to R27,603 million for the year ended 31 December 2023. This was partially offset by pricing pressure linked to increased competition, particularly in Home services (mortgage loans). Elevated non-performing loans and higher funding costs further moderated growth in 2023.

During the year ended 31 December 2023, NIR of R12,406 million grew by 10 per cent. against the year ended 31 December 2022, mainly due to a larger active client base, growth in transactional activity, higher card interchange and inter-business-unit insurance attribution revenues. Card turnover volumes improved by 9 per cent. for the year ended 31 December 2023 with the Standard Bank Instant Money service turnover increasing by 24 per cent. Branch volumes continued to decline on the back of ongoing efforts to migrate clients to digital platforms by providing alternate devices for cash transactions and increasing digitisation of branch activities. The SBG Mobile App saw a 13 per cent. increase in number of clients and greater than 150 million logins in the month of December 2023. System stability remained a top priority, with focus on improving infrastructure resilience and monitoring capabilities which led to increased system availability and an improved client Net Promoter Score.

For the year ended 31 December 2023, credit impairment charges increased by 32 per cent. to R9,976 million, largely due to consumer strain linked to the elevated interest and inflationary environment, increased non-performing loans and the non-recurrence of prior year's recoveries in the payment holiday portfolio. PBB remains committed to keeping its clients in their homes through heightened client engagement with relevant solutions. Robust risk appetite management and collection optimisation strategies yielded effective outcomes. Total coverage increased from 5.4 per cent. to 6.1 per cent., whilst coverage on non-performing loans improved due to book mix changes.

Operating expenses grew by 9 per cent. for the year ended 31 December 2023 to R20,171 million, mainly due to investment in relationship management capabilities, annual salary increases, and strategic technology initiatives to support enhanced client experience through strengthening fraud detection and monitoring capabilities. The optimisation of the distribution network continues to be an important lever in reducing the cost to serve clients with a 4 per cent. reduction in branch square meterage in the year ended 31 December 2023 against the year ended 31 December 2022, while increasing points of representation by 5 per cent. to 652 through the rollout of low-cost kiosks.

For the year ended 31 December 2023, total net income growth of 9.1 per cent. grew faster than operating expenses growth of 8.9 per cent. which resulted in positive jaws of 0.2 per cent. and a slightly lower cost-to-income ratio of 50.4 per cent. compared to 50.5 per cent. for the year ended 31 December 2022.

PPB – Africa Regions

PPB's business in the Africa Regions delivered record headline earnings of R1,477 million in the year ended 31 December 2023, increasing by more than 100 per cent. with an ROE of 19.9 per cent. compared to 2.9 per cent. for the year ended 31 December 2022.

For the year ended 31 December 2023, NII grew by 28 per cent. (constant currency ("**CCY**"): 44 per cent.) to R8,341 million supported by good balance sheet growth and margin expansion due to positive endowment in a higher average interest rate environment. Growth in deposits and current accounts from customers of 4 per cent. (CCY: 23 per cent.) for the year ended 31 December 2023 was supported by an increase in the active client base and continued efforts on client engagement and retention. Net loans and advances to customers growth of 6 per cent. (CCY) for the year ended 31 December 2023, was supported by improved digital lending capabilities, which enabled the Group to limit increases and redraws for customers within risk appetite. This was partially offset by higher funding costs.

NIR of R4,982 million increased by 31 per cent. (CCY: 55 per cent.) for the year ended 31 December 2023 driven by higher transactional activity on the back of an increasingly active client base, increased retention and engagement. This was partially offset by a combination of higher USD-based card processing costs following the depreciation of local currencies against the USD, as well as lower retail forex revenues driven by lower client volumes.

Credit impairment charges decreased by 9 per cent. (CCY: 0 per cent.) to R1,126 million for the year ended 31 December 2023 compared to the year ended 31 December 2022 mainly due to enhancements in collection strategies. This was partially offset by higher forward-looking requirements linked to the adverse macroeconomic environment. For the year ended 31 December 2023, the credit loss ratio amounted to 179bps, an improvement when compared to 205bps for the year ended 31 December 2022.

For the year ended 31 December 2023, operating expenses increased by 13 per cent. (CCY: 25 per cent) to R9,139 million against the year ended 31 December 2022, driven by the higher inflationary environment, annual salary increases, cost of living adjustments following currency devaluations, technology investments in strengthening resilience and stability of systems and a general increase in business activity across the portfolio.

For the year ended 31 December 2023, total income growth of 29 per cent. outpaced operating expenses growth of 13 per cent., resulting in positive jaws of 16.3 per cent. and an improved cost-to-income ratio of 68.6 per cent. compared to 78.5 per cent. for the year ended 31 December 2022.

PPB – Standard Bank Offshore ("**SBO**")

PPB's SBO services PBB clients from the Group's operations in Jersey and Isle of Man. The business services PPB clients who seek offshore services, trust and fiduciary services.

NII grew more than 100 per cent. for the year ended 31 December 2023, supported by positive endowment in a higher average interest rate environment, together with higher yields earned on loan placements with the Standard

Bank of South Africa. NIR growth of 24 per cent. (CCY) in the year ended 31 December 2023 was underpinned by an increase in revenue earned from fiduciary services, in the Trust portfolio, on the back of improved client value propositions and the strengthening of the relationship management capability. Operating expenses grew by 59 per cent. (CCY) during the year ended 31 December 2023, largely driven by the investment in technology capabilities to improve client experience and relationship management, and higher performance-linked variable remuneration. Income growth of over 100 per cent. for the year ended 31 December 2023 outpaced cost growth, resulting in positive jaws and an improved cost-to-income ratio of 35.8 per cent. compared to 48.7 per cent. for the year ended 31 December 2022.

Headline earnings grew by more than 100 per cent. to R2,151 million, with an ROE of 65.7 per cent. compared to 24.6 per cent. for the year ended 31 December 2023. PPB continues to focus on strengthening its offshore proposition for clients across Africa and scaling it across growth markets.

The following table presents a summary of PPB's main performance indicators for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
	(Rm)	*(Rm)*
Net interest income	39,128	33,002
Non-interest revenue	17,985	15,501
Total net income	**57,113**	**48,503**
Credit impairment charges	(11,128)	(8,824)
Net income before operating expenses	**45,985**	**39,679**
Operating expenses	**(30,663)**	**(27,361)**
Staff costs	(15,584)	(13,701)
Other operating expenses[1]	(15,079)	(13,660)
Profit for the year attributable to ordinary shareholders	**11,138**	**8,624**
Headline earnings	**10,721**	**8,474**
Gross loans and advances	**703,178**	**686,581**
Total assets	**743,825**	**727,104**
Total liabilities	**688,749**	**675,535**

[1] This amount comprises other operating expenses, amortisation and depreciation

The following table presents selected ratios for PPB for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
	(per cent.)	*(per cent.)*
Credit loss ratio	1.59	1.31
ROE	22.4	17.7

Business & Commercial Banking

BCB provides broad based client solutions for a wide spectrum of small and medium-sized businesses as well as large commercial enterprises, with revenues up to USD 100 million per year. BCB's client coverage support extends across a wide range of industries, sectors and solutions that deliver the necessary advisory, networking and sustainability support required by its clients to enable their growth.

<u>BCB – Overview of Results</u>

BCB achieved a 27 per cent. increase in headline earnings to R9,334 million, with an ROE of 37.0 per cent. for the year ended 31 December 2023 compared to 30.2 per cent. for the year ended 31 December 2022. This performance was supported by continued client franchise growth in a challenging operating environment which was marked by high interest rates, inflation, and currency fluctuations. Deliberate execution of the client-led relationship strategy resulted in good client franchise growth and increased transactional activity which formed the base of performance.

In 2023, BCB focused on leaner and more cost-effective embedded products and enablement capability to deliver holistic client solutions and support growth which drove an improvement in client experience. This was further enhanced by process efficiency specifically related to call centres, merchant operations and vehicle asset finance processes, as well as enhanced digital onboarding and lending processes which led to faster turnaround times. BCB continued to develop its renewable energy solutions to help business owners access affordable and reliable alternative energy products, providing more than R2 billion in funding to small and medium-sized enterprises.

For the year ended 31 December 2023, higher deposits and current accounts from customers of 6 per cent., together with positive endowment in a higher average interest rate environment, supported NII growth of 26 per cent. to R25,476 million. Net loans and advances reduced by 2 per cent. (CCY: flat) due to lower client demand, affordability constraints and confidence, as well as a stronger ZAR against Africa Regions currencies. Vehicle and asset financing loans and advances grew by a moderate 2 per cent. to R26.6 billion, mostly driven by the Africa Regions portfolio. Business lending disbursements in South Africa softened to R23.2 billion, and in BCB SBO, prepayment levels were elevated and, combined with the reduced client demand for further offshore property investment, led to negative growth in loans and advances.

For the year ended 31 December 2023, NIR increased by 5 per cent. to R12,604 million, driven by higher transactional activity and strong growth in vehicle and asset finance fleet rental income of 29 per cent. Double-digit turnover growth in card acquiring and commercial card further supported NIR growth, although this was tempered by compression in the net merchant discount, as well as elevated costs on USD based fee expenses.

Credit impairment charges increased by 41 per cent. in the year ended 31 December 2023 to R3,454 million, influenced by a challenging global macroeconomic environment, and adverse currency impacts leading to an elevated credit loss ratio of 156bps.

Operating expenses increased by 14 per cent. to R21,362 million for the year ended 31 December 2023, this is due to the higher inflationary environments, continued investment in digital capabilities and increased business activities across the portfolio. This was exacerbated by the negative impact of currency conversion on USD expenditure.

For the year ended 31 December 2023, total net income growth of 18 per cent. outpaced operating expenses growth of 14 per cent., which resulted in positive jaws of 4.2 per cent. and a lower cost-to-income ratio of 56.1 per cent. compared to 58.1 per cent. for the year ended 31 December 2022.

<u>BCB – South Africa</u>

BCB's business in South Africa delivered headline earnings of R6,439 million for the year ended 31 December 2023, an increase of 21 per cent. with an improved ROE of 45.9 per cent. compared to 39.4 per cent. for the year ended 31 December 2022. Dedicated relationship teams and client value propositions assisted clients to continue operating and achieve growth despite a challenging economic environment.

For the year ended 31 December 2023, NII grew by 20 per cent. to R14,825 million. This growth was driven by a 7 per cent. increase in deposits from customers and positive endowment in a higher average interest rate environment. This was partially offset by a 1 per cent. decline in net loans and advances to customers due to customer affordability constraints, and competitive pricing pressures which placed strain on lending margins.

For the year ended 31 December 2023, NIR grew by 4 per cent. to R7,978 million, driven by increased client activity and strong growth in vehicle and asset finance fleet rental income. This growth was supported by a strategic focus on customer acquisition and sector value propositions, alongside increased transactional activity. The launch of SBG's digital client onboarding process has successfully originated fully digitised, self-service transactional accounts tailored for small businesses.

This, in conjunction with the introduction of SBG's digitally originated Point of Sale device, underpins its commitment to facilitating seamless and efficient transactions. These initiatives supporting the ongoing migration to more affordable digital network resulted in a 7 per cent. growth in digital volumes for the year ended 31 December 2023, while physical volumes continue to decline by 6 per cent. against the prior year.

Operating expenses increased by 12 per cent. for the year ended 31 December 2023 to R12,131 million, reflective of a higher inflationary environment, ongoing investment in digital capabilities, system modernisation and increased marketing presence. Despite these challenges, prudent financial management resulted in total income growth of 14 per cent. for the year ended 31 December 2023 which outpaced operating expenses growth of 12 per cent. resulting in positive jaws of 2.2 per cent. and a lower cost-to-income ratio of 53.2 per cent. compared to 54.3 per cent. for the year ended 31 December 2022.

BCB – Africa Regions

BCB's Africa Regions franchise achieved headline earnings of R1,094 million for the year ended 31 December 2023, a decrease of 6 per cent. (CCY: 30 per cent.) compared to the year ended 31 December 2022. The ZAR performance was dampened by the strengthening of the ZAR in relation to the local currencies. ROE decreased to 16.0 per cent. compared to 17.6 per cent. for the year ended 31 December 2022, with most markets delivering ROE above the Group's cost of equity.

For the year ended 31 December 2023, NII grew by 21 per cent. (CCY: 38 per cent.) to R8,200 million. This performance was supported by an 8 per cent. growth in deposits and current accounts from customers (CCY: 27 per cent.) for the year ended 31 December 2023, positive endowment and margin expansion in a higher average interest rate environment. For the year ended 31 December 2023, net loans and advances to customers declined by 9 per cent. (CCY: increase of 13 per cent.) due to a stronger ZAR against local currencies.

For the year ended 31 December 2023, NIR grew by 6 per cent. (CCY: 26 per cent.) to R4,278 million. Enhanced client experience through simple, convenient solutions led to a 4 per cent. growth in the active client base for the year ended 31 December 2023 which drove higher transactional volumes. This, together with improved trade activity, were the main contributors to NIR growth.

Elevated credit impairment charges of R1,758 million for the year ended 31 December 2023, which increased 70 per cent. (CCY: 80 per cent.) compared to the prior year, were primarily due to higher Stage 3 provisions linked to several exposures specifically identified in East Africa and West Africa.

Operating expenses grew by 15 per cent. (CCY: 30 per cent.) for the year ended 31 December 2023, attributed to the high inflationary environment, ongoing technology investments, the impact of US-denominated costs, and higher staff costs. This growth was further impacted by increased depositor insurance costs in response to an 8 per cent. (CCY: 27 per cent.) growth in the deposit base.

Operating expenses growth of 15 per cent. was greater than total income growth for the year ended 31 December 2023 which resulted in negative jaws of 0.4 per cent. and a higher cost-to-income ratio of 69.5 per cent. compared to 69.2 per cent. for the year ended 31 December 2022.

BCB - SBO

BCB's SBO business demonstrated exceptional financial performance, achieving strong growth in headline earnings of more than 100 per cent. to R1,801 million for the year ended 31 December 2023, with an ROE of 41.2 per cent. compared to 20.5 per cent. for the year ended 31 December 2022.

Robust total income growth of more than 100 per cent. to R2,799 million for the year ended 31 December 2023 was primarily driven by positive endowment due to higher average interest rates. Credit impairment charges of R229 million resulted from an increase in the Stage 3 book. Operating expenses grew by 45 per cent. (CCY of 29 per cent.), driven by increased staff costs and the impact of a weaker South African Rand on GBP expenditure. Despite this substantial growth in expenses, total income growth outpaced operating expenses growth for the year ended 31 December 2023 which resulted in positive jaws of 54 per cent. and an improved cost-to-income ratio of 20.2 per cent. compared to 27.7 per cent. for the year ended 31 December 2022.

BCB's SBO business continues to identify opportunities to support clients and aligns with SBG's commitment to provide comprehensive financial solutions across the geographies in which the Group operates.

The following table presents a summary of BCB's main performance indicators for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	(Rm)	(Rm)
	2023	2022
Net interest income	25,476	20,206
Non-interest revenue	12,604	12,025
Total net income	**38,080**	**32,231**
Credit impairment charges	(3,454)	(2,450)
Net income before operating expenses	**34,626**	**29781**
Operating expenses	**(21,362)**	**(18,741)**
Staff costs	(7,331)	(6,080)
Other operating expenses[1]	(14,031)	(12,661)
Profit for the year attributable to ordinary shareholders	**9,732**	**7,512**
Headline earnings	**9,334**	**7,360**
Gross loans and advances	**216,860**	**220,492**
Total assets	**254,342**	**255,036**
Total liabilities	**226,007**	**227,198**

[1] This amount comprises other operating expenses, amortisation and depreciation

The following table presents selected ratios for BCB for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	2022
	(per cent.)	*(per cent.)*
Credit loss ratio	1.56	1.17
ROE	37.0	30.2

Corporate & Investment Banking

CIB serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally. Clients leverage CIB's in-depth sector and regional expertise in Africa's key growth sectors (including mining and metals, power and infrastructure, oil and gas, consumer goods, financial services, telecommunications, public sector, and diversified industrials), and its access to global capital markets for advisory, transactional, trading and funding support.

SBG's presence in four key financial centres around the world provides clients with access to international pools of capital, supporting its ability to facilitate growth and development in Africa. SBG is well positioned to drive and facilitate inter-regional trade and investment flows across Africa to assist the economic growth of African countries and the expansion of multinationals into Africa. SBG's strategic partnership with ICBC assists in serving the needs of clients operating within the China-Africa corridor, which includes a specific focus on developing and supporting renminbi-denominated cross-border capabilities.

CIB – Overview of Results

For the year ended 31 December 2023, CIB generated headline earnings growth of 30 per cent. to R19,780 million, with an ROE of 22.3 per cent. compared to 19.6 per cent. for the year ended 31 December 2022. This performance was driven by total net income growth of 19 per cent. to R63,558 million supported by good client franchise activity. Heightened geopolitical tensions across the globe remained a key theme in 2023, resulting in continued high inflation and interest rates as well as exchange rate volatility. Despite these challenges, CIB produced a strong performance as CIB made significant strides against its priorities by deliberately growing and defending its diversified client franchise.

CIB continued its focus on defending its multinational client base which was supported by strong local corporate client revenue growth across the continent. Particularly strong performances were noted in the Energy & Infrastructure, Telecommunication, Media & Technology, as well as the Diversified Industries sectors.

Gross loans and advances to customers increased by 16 per cent. in the year ended 31 December 2023. The theme of Africa's energy transition and sustainable finance was key to strong loan origination in 2023, alongside good asset growth in the Telecommunication, Media & Technology and Mining & Metals sectors. For the year ended 31 December 2023, deposits and current accounts from customers grew by 7 per cent., due to increased client deposits in the CIB's Transaction banking South African business. This performance, as well as positive endowment in a higher average interest rate environment, resulted in NII growth of 26 per cent. for the year ended 31 December 2023. NIR increased by 13 per cent. in the year ended 31 December 2023 mainly due to strong trading revenues, particularly in the first half of 2023 with increased client activity and liquidity management opportunities in volatile markets.

For the year ended 31 December 2023, credit impairment charges were muted relative to 2022, mainly as a result of the restructuring of Ghana government debt during 2023, which resulted in a significant release of provisions raised in the prior year. This was offset by increased provisions due to client strain in the South African franchise, strong book growth which led to higher performing portfolio charges, and negative sovereign credit risk migration in certain markets.

Operating expenses increased by 16 per cent. to R28,974 million for the year ended 31 December 2023. Staff costs were impacted by higher inflationary salary increases and performance linked variable remuneration as the Group continues to invest in attracting and retaining talent, and strategic skills. Investments in signature programmes to improve system stability and client experience further impacted cost growth. Total net income growth of 19 per cent. exceeded operating expenses growth resulting in positive jaws of 2.9 per cent. and an improved cost-to-income ratio of 45.6 per cent. compared to 46.7 per cent. for the year ended 31 December 2023.

<u>CIB – Global Markets</u>

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

Global Markets total income grew by 16 per cent. to R25,975 million in 2023. Client revenue continued to be the biggest contributor to Global Markets' revenues and increased by 11 per cent. in the year ended 31 December 2023 against the prior year, mainly due to heightened client activity in volatile markets. This was complemented by increased liquidity management revenues.

For the year ended 31 December 2023, Africa Regions revenue base grew by 23 per cent., benefitting from increased client activity, with the South African business increasing by 6 per cent. Headline earnings also grew by 33 per cent. to R7,705 million in the year ended 31 December 2023.

The Global Market's business remains a key differentiator for the CIB franchise and will continue to build its sustainable client revenue base as it leverages its client, sector and geographic diversity and scale.

<u>CIB - Investment Banking</u>

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

Investment banking delivered strong total income of R13,128 million in 2023, 19 per cent. higher than 2022. For the year ended 31 December 2023, NII growth of 22 per cent. was supported by record loan origination of R217 billion, up by 7 per cent., and increased drawdowns on existing committed facilities. NII further benefitted from margin expansion in a higher average interest rate environment. Fee and commission income, within NCIR, generated good growth in commitment fees on the back of strong origination. This growth was softened by muted advisory and knowledge-based fees given the difficult economic conditions and lower client activity.

Revenue growth remains well diversified across the Investment banking client franchise with all but one sector reporting double digit growth. Energy & Infrastructure remains the largest sector driven by Africa's energy transition.

Regionally, Africa Regions total income increased by 28 per cent. for the year ended 31 December 2023, with the South African franchise (SBSA) up by 9 per cent., which was mainly driven by average asset growth of 20 per cent. and 7 per cent. respectively. Margin expansion on the back of higher average interest rates further supported growth.

Strong revenue growth resulted in positive jaws of 2.6 per cent. and a cost-to-income ratio of 50.7 per cent. for the year ended 31 December 2023, compared to 51.8 per cent. for the year ended 31 December 2022. Headline earnings also grew by 18 per cent. to R4,562 million in the year ended 31 December 2023.

CIB - Transaction Banking

Transaction banking achieved total income growth of 23 per cent. to R24,455 million in the year ended 31 December 2023. NII growth of 26 per cent. for the year ended 31 December 2023 benefitted from positive endowment on the back of a higher average interest rate environment and increased average deposit balances in Africa Regions. NIR grew by 16 per cent. for the year ended 31 December 2023, supported by higher client activity and increased transactional volumes across the continent. This was partially offset by currency devaluations in some key markets.

Regionally, the CIB's South African franchise generated 12 per cent. growth in revenue in the year ended 31 December 2023. The Africa Regions franchise achieved robust revenue growth of 29 per cent. mainly driven by margin expansion in the deposit book and double digit increase in asset balances, as a result of heightened utilisation of trade loans and higher drawdowns in working capital.

Strong revenue growth for the year ended 31 December 2023 resulted in positive jaws of 6.1 per cent. and a cost-to-income ratio of 49.8 per cent. compared to 52.9 per cent. for the year ended 31 December 2022. Headline earnings also grew by 35 per cent. to R7,513 million in the year ended 31 December 2023.

The table below presents a summary of CIB's main performance indicators for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
	(Rm)	*(Rm)*
Net interest income	30,781	24,366
Non-interest revenue	32,777	29,000
Total net income	**63,558**	**53,366**
Credit impairment charges	(1,662)	(2,530)
Net income before operating expenses	**61,896**	**50,836**
Operating expenses	**(28,974)**	**(24,927)**
Staff costs	(12,485)	(10,359)
Other operating expenses[1]	(16,489)	(14,568)
Profit for the year attributable to ordinary shareholders	**20,238**	**15,344**
Headline earnings	**19,780**	**15,193**
Gross loans and advances	**793,775**	**684,633**
Total assets	**1,545,259**	**1,404,454**
Total liabilities	**1,445,398**	**1,321,218**

[1] This amount comprises other operating expenses, amortisation and depreciation

The following table presents selected ratios for CIB for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
	(per cent.)	*(per cent.)*
Credit loss ratio	0.22	0.27
ROE	22.3	19.6

The following table presents selected financial information for CIB's products for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
	(per cent.)	*(per cent.)*
Stage 3 exposures ratios (per cent.):		
Corporate and sovereign lending	2.6	2.6
Credit loss ratios (per cent.):		
Corporate and sovereign lending	0.30	0.37
Bank lending	0.00	0.01
Gross loans and advances at amortised cost (Rm):		
Corporate and sovereign lending	597,373	516,211
Bank lending	196,260	168,422

For further information, see note 8 and 49 to the SBG 2023 annual financial statements, which are incorporated by reference into the Programme Memorandum.

Insurance & Asset Management

Following changes to the Group's operating model in early 2023, SBG established a new business unit, IAM, which sits alongside the three existing banking business units. This business unit includes the insurance, investment, and asset management businesses within the Group. Consolidating these offerings allows for more efficient scaling of the businesses while also improving client value propositions and specialised risk management, all contributing to enhanced value for clients, advisers, and shareholders. Various legal entities reside within IAM, most notably Liberty Holdings Limited ("**LHL**"), including STANLIB and Liberty Group Limited ("**LGL**"), Standard Insurance Limited ("**SIL**"), Melville Douglas, Liberty Kenya Holdings Plc and Stanbic IBTC Pension Managers. The IAM business unit operates principally in South Africa with the more material Africa Regions businesses residing in Kenya and Nigeria.

IAM offers a wide range of solutions to fulfil clients' long and short-term insurance, health, investment, and asset management needs, and its clients range from individuals to corporate and institutional clients across the countries in which the Group has a presence. Within IAM, there are specialised insurance and asset management skills as well as advice-led distribution capabilities that enable the Group to deliver holistic client value propositions.

Solutions are distributed through the Group's various distribution networks, including the large advisory partner and third-party distribution channels.

<u>IAM – Overview of Results</u>

IAM's headline earnings grew by 22 per cent. to R2,820 million for the year ended 31 December 2023, with an ROE of 13.1 per cent. (compared to 10.5 per cent. for the year ended 31 December 2022) in a challenging macroeconomic and business environment.

The significant impact of IFRS 17 prompted a change to the composition of the assets and exposures that previously resided within the Shareholder Investment Portfolio which has been renamed to the Shareholder Assets and Exposures portfolio. This portfolio consists of certain asset holdings and certain exposures derived off the long-term insurance liability book. The Shareholder Assets and Exposures portfolio is particularly sensitive to interest rate movements (both from interest rate sensitive exposures as well as the cash holdings) and unlisted property valuations.

Total operating earnings of R4,532 million for the year ended 31 December 2023 were ahead of the year ended 31 December 2022 at R4,252 million. The Shareholder Assets and Exposures portfolio produced a profit of R418 million in the year ended 31 December 2023 (an increase of 29 per cent. relative to the year ended 31 December 2022).

<u>Insurance Operations</u>

SBG's insurance operations are divided into three principal areas (i) life and health insurance; (ii) corporate benefits; and (iii) short term insurance.

Life and Health Insurance

SBG's life and health insurance solution involves the development, sourcing and management of life and health insurance and contractual savings propositions distributed via advice-led, third party and banking distribution channels. Propositions include health insurance, long-term insurance products such as life, critical illness, disability, funeral cover, and various insurance plans sold in conjunction with related banking products.

Corporate Benefits

SBG's corporate benefits solution involves the provision of intermediated corporate benefits advice on competitive employee benefit solutions through the Group's advice-led and third party distribution networks. The proposition consists of investment and risk solutions mainly through SBG's umbrella offering as well as consulting services.

Short-Term Insurance

SBG's short-term insurance solution involves the development and management of short-term insurance solutions to protect against loss or damage of assets. Propositions are distributed by banking and brokerage networks and include homeowners' insurance, household contents, vehicle insurance and commercial all risk insurance.

Insurance – Overview of Results

Insurance headline earnings grew by 23 per cent. to R3,883 million for the year ended 31 December 2023, with South African insurance headline earnings increasing by 27 per cent. to R3,948 million. This, coupled with continued capital efficiency initiatives, has seen the ROE increase to 13.1 per cent. for the year ended 31 December 2023 compared to 10.5 per cent. for the year ended 31 December 2022.

In IAM's long-term insurance businesses in South Africa, underwriting risk largely stabilised to pre-pandemic levels with retail mortality experience broadly within expectation, although client persistency deteriorated on certain books, particularly on regular premium investment propositions and certain risk propositions. Claims normalised during 2023, post the impact of the pandemic and certain natural disaster events in 2022.

Insurance operations new business value of R3,000 million increased by 13 per cent. in the year ended 31 December 2023 compared to the prior year mainly due to an improved claims experience and increased sales.

The solvency capital requirement cover of LGL for the year ended 31 December 2023 remained robust at 1.81 times compared to 1.76 times for the year ended 31 December 2022, and was above the target range of 1.3 to 1.7 times. The solvency capital requirement cover of SIL for 2023 settled at 2.65 times and was above the target of 2.0 times compared to 2.68 times for the year ended 31 December 2022. These coverage ratios were prior to the payment of dividends relating to the 2023 results.

Long-term insurance indexed new business in South Africa increased by 8 per cent. for the year ended 31 December 2023 to R11,550 million. This result was supported by strong sales of guaranteed investment plans and annuities. Focus remains on sales efforts and new business volumes in the prevailing tough consumer environment in South Africa. Gross written premiums, in short-term insurance operations in South Africa, increased by 7 per cent. for the year ended 31 December 2023 to R3,509 million in a highly competitive market.

Mortality experience in the long-term insurance businesses in Africa Regions largely returned to pre-pandemic levels. For the year ended 31 December 2023, Africa Regions long-term insurance indexed new business increased by 16 per cent. to R578 million. Group life assurance and Group credit life sales in Kenya, as well as personal loan protection sales in Uganda and Lesotho, contributed positively to this result. Gross written premiums in Africa Regions short-term insurance businesses grew by 12 per cent. for the year ended 31 December 2023 to R1,646 million. Good client retention rates in all businesses, coupled with an improvement in the productivity of brokers and agents, resulted in increased premiums recorded across most business lines.

<u>Asset Management</u>

SBG's Asset Management operations are divided into two principal areas (i) Investment Management; and (ii) Asset Management.

Investment Management

SBG's investment management solutions include the development and maintenance of local and offshore investment propositions. These include discretionary asset management, stockbroking, investment platform and discretionary fund management services, and traditional life company products.

Asset Management

SBG's Asset management solutions include the development and maintenance of asset management propositions for institutional and wholesale clients. Propositions include collective investment schemes and pension fund administration.

Asset Management – Overview of Results

Asset management headline earnings decreased by 20 per cent. for the year ended 31 December 2023 to R928 million. South African asset management headline earnings decreased by 54 per cent. to R237 million, for the year ended 31 December 2023 largely as a result of higher planned operating expenditure on certain initiatives in STANLIB to enhance its ability to continue to produce consistently high-quality investment performance. For the year ended 31 December 2023, net fee income was marginally ahead of 2022, with net external third-party customer inflows reflecting a number of mandates secured in the final quarter of 2023. Africa Regions and International asset management headline earnings grew by 7 per cent. for the year ended 31 December 2023 compared to the prior year, driven by increased fee income which benefited from exchange rate gains on USD denominated management fees, and higher AUM and administration. The Africa Regions operations results started exhibiting the strain of exchange rate weaknesses across certain key markets in the second half of 2023.

AUM in the South African asset management businesses increased by 8 per cent. to R1,007 billion for the year ended 31 December 2023. This growth was attributed to the STANLIB South Africa business given positive local and offshore investment market movements during 2023.

The following table presents a summary of IAM's main performance indicators and selected ratios for the years ended 31 December 2023 and 31 December 2022:

		Change %	2023 Rm	2022 Rm
Insurance operations				
New business value	Rm	13	3,000	2,656
South Africa insurance				
Long-term insurance operations				
Indexed new business	Rm	8	11,550	10,728
Solvency capital requirement cover of Liberty Group Limited	Times		1.81	1.76
Short-term insurance operations				
Gross written premiums	Rm	8	3,509	3,257
Solvency capital requirement cover of Standard Insurance Limited	Times		2.65	2.78
Africa Regions insurance				
Long-term insurance operations				
Indexed new business	Rm	16	578	498
Short-term insurance operations				
Gross written premiums	Rm	12	1,646	1,471
Asset management				
Assets Under Management	Rbn	7	1,480	1,382
South Africa	Rbn	8	1,007	934
Africa Regions	Rbn	6	473	448

The following table presents selected financial information for IAM's products for the years ended 31 December 2023 and 31 December 2022:

	Change %	2023 Rm	2022 Rm
Insurance operations	**23**	**3,883**	**3,152**
South Africa	27	3,948	3,113
Africa Regions	(>100)	(65)	39
Asset management	**(20)**	**928**	**1,155**
South Africa	(54)	237	511
Africa Regions and International	7	691	644
Central costs, sundry income and other adjustments	>100	(208)	(62)
Total operating earnings (pre IFRS 17 restatement impact)	**8**	**4,603**	**4,245**
Shareholder Asset and Exposures 1	29	418	323
Total gross earnings before inter-BU attribution and IFRS 17 restatement impact	**10**	**5,021**	**4,568**
IFRS 17 restatement impact	(100)		(487)
Reversal of accounting mismatch arising on consolidation of L2D	(>100)	(71)	7
Covid-19 impact, net of taxation and non-controlling interests' share	(100)	0	165
Inter-BU attribution headline earnings	10	(2,130)	(1,933)
Insurance South Africa	10	(1,986)	(1,798)
Insurance Africa Regions	7	(144)	(135)
Total Insurance & Asset Management headline earnings	**22**	**2,820**	**2,320**
ROE (%) – gross earnings		21.9	18.5
ROE (%) – net of inter-BU attribution		13.1	10.5

Central and Other

A central support area, C&O, provides support functions to the Group franchise (which comprises the Banking and IAM franchises). C&O includes costs associated with corporate functions and the Group's treasury and capital requirements that have not been otherwise allocated to the business units. In the year ended 31 December 2023, the C&O headline loss amounted to R1.0 billion compared to a loss of R1.4 billion for the year ended 31 December 2022. The loss decreased due to an increase in NII driven by higher average interest rates and a higher level of capital held within C&O.

Principal Sources of SBG Revenue from Banking

The table below presents the Group's sources of income for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
	(Rm)	
Net interest income	97,495	77,953
Non-interest revenue	57,689	50,603
Net fee and commission revenue	30,825	27,993
Trading revenue	20,532	17,046
Other revenue	1,241	1,006
Other gains and losses on financial instruments[1]	2,728	2,435
Insurance inter BU attribution	2,363	2,123
Total income from banking activities	**155,184**	**128,556**

[1] For further information on other gains and losses on financial instruments, refer to page 95 of the SBG 2023 annual financial statements.

For further information, see Note 49 to the SBG 2023 annual financial statements, which are incorporated by reference into the Programme Memorandum.

Loan Portfolio

Introduction

SBG extends advances to the personal, commercial and corporate sectors as well as to the public sector. Advances to individuals are mostly in the form of home services (previously referred to as mortgages), vehicle and asset finance, card and payments and overdrafts. A significant portion of SBG's advances to commercial and corporate borrowers consist of advances made to companies engaged in manufacturing, finance and service industries.

Loan Portfolio by Category of Loans and Advances

The following table sets out the composition of SBG's advances by category of loan or advance as at 31 December 2023 and 31 December 2022.

	31 December	
	2023	**2022**
	(Rm)	
Loans and advances – IAM[1]	898	2,362
Loans and advances – Banking	1,607,948	1,502,578
Loans and advances measured at fair value	715	665
Net loans and advances measured at amortised cost[1]	1,607,233	1,501,913
Gross loans and advances measured at amortised cost	1,671,228	1,557,741
Home services	466,734	459,647
Vehicle and asset finance	126,754	119,859
Card and payments	38,934	38,063
Personal unsecured lending	104,741	102,579
Business lending and other	140,604	147,712
Corporate and sovereign	597,373	516,211
Bank[2]	196,088	173,670
Expected credit losses ("ECL") on loans and advances	**(63,995)**	**(55,828)**
Total loans and advances	**1,608 846**	**1,504,940**
Comprising:		
Gross loans and advances measured at amortised cost	1,671,228	1,557,741
Less: Expected credit losses	(63,995)	(55,828)

[1] Loans and advances attributable to the IAM business unit has been disaggregated for a better analysis of the amounts. Due to the nature of these loans and advances, the loans and advances within IAM are regarded as having a low probability of default. Therefore, ECL has been assessed to be insignificant on these balances. Refer to note 49 of the 2023 SBG annual financial statements for details relating to business unit reporting.

[2] Included in bank is an amount of R52,593 million (2022: R77,481 million) relating to on-demand gross loans and advances to banks that qualify as cash equivalents (see note 46.5 of the 2023 SBG annual financial statements).

Loan Portfolio by Industry Sector

The following table sets out the composition of SBG's advances by industry sector as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
	(Rm)	
Segmental analysis – industry		
Agriculture	45,222	42,906
Construction	19,838	18,570
Electricity	42,078	31,818
Finance, real estate and other business services	504,102	430,392
Individuals	651,782	645,127
Manufacturing	105,547	98,283
Mining	57,709	56,372
Transport	58, 015	64,359
Wholesale	106,159	97,864
Other services	81,491	72,715
Gross loans and advances	**1,671,943**	**1,558,406**

Geographical Concentration of Loans

The following table sets out the distribution of SBG's loans and advances by geographic area where the loans are recorded as at 31 December 2023 and 31 December 2022.

	31 December	
	2023	**2022**
	(Rm)	
Segmental analysis by geographic area		
South Africa	1,086,185	1,000,758
Africa Regions	366,721	343,454
International	219,037	214,194
Gross loans and advances	**1,671,943**	**1,558,406**

Credit Impairments for Loan and Advances

The tables below present a reconciliation of the credit impairments for loans and advances for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
	(Rm)	
Opening Expected Credit Losses ("ECL") – 1 January	**55,828**	**51,398**
Net impairments raised and released	16,420	13,260
Impaired accounts written off	(11,632)	(11,534)
Exchange and other movements[1]	3,379	2,704
Closing ECL – 31 December	**63,995**	**55,828**
Comprising:		
Stage 1 ECL	6,917	6,836
Stage 2 ECL	11,140	10,351
Stage 3 ECL	45,938	38,641
Total	**63,995**	**55,828**

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

The table below sets out a segmental analysis of Stage 3 expected credit losses on loans and advances by industry as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
	(Rm)	
Segmental analysis of specific impairments by industry		
Agriculture	1,784	1,508
Construction	1,256	970
Electricity	761	588
Finance, real estate and other business services	4,300	3,600
Individuals	28,432	24,596
Manufacturing	2,069	1,773
Mining	570	276
Transport	1,429	1,418
Wholesale	3,436	1,940
Other services	1,900	1,972
Credit impairment on non-performing loans	**45,937**	**38,641**

The table below sets out a segmental analysis of Stage 3 expected credit losses loans and advances by geographic area as at 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
	(Rm)	
Segmental analysis by geographic area		
South Africa	38,120	31,058
Africa Regions	7,225	7,291
International	592	292
Credit impairment on non-performing loans	**45,937**	**38,641**

The following table presents the non-performing exposures ratios for SBG's products for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
Stage 3 exposures ratios:	*(per cent.)*	
Home services	9.4	7.2
Vehicle and asset finance	8.4	7.1
Card and payments	10.5	8.4
Personal unsecured lending	11.3	9.5
Business lending and other	8.5	6.5
Corporate and sovereign	2.6	2.6
Bank		
Central and other services		
Gross carrying amount of loans and advances at amortised cost	**5.8**	**5.0**

Credit Portfolio Characteristics and Metrics

For further information on SBG's approach to managing and measuring credit risk and SBG's credit portfolio characteristics and metrics, see "*Annexure C – IFRS Risk and Capital Management Disclosures*" in the SBG 2023 annual financial statements, which are incorporated by reference into the Programme Memorandum.

Key Legal Entities

Headline Earnings by Key Legal Entity

	31 December	
	2023	**2022**
	(Rm)	*(Rm)*
SBSA Group as consolidated into SBG	**16,756**	**16,256**
Africa Regions legal entities	**18,209**	**12,229**
Liberty Holdings Group	**1,978**	**1,358**
Standard Bank International	**4,329**	**1,628**
Other group entities	**390**	**465**
Standard Insurance Limited	461	310
SBG Securities	22	264
Standard Advisory London	81	85
Other	(174)	(194)
Standard Bank Group Franchise	**41,662**	**31,936**
ICBCS	**1,286**	**1,917**
Standard Bank Group	**42,948**	**33,853**

Net Asset Value (Equity Attributable to Ordinary Shareholders) by Key Legal Entity

	31 December	
	2023	**2022**
	(Rm)	*(Rm)*
SBSA Group	**121,715**	**111,081**
Africa Regions legal entities	**64,623**	**61,293**
Liberty Holdings Group	**16,630**	**17,186**
Standard Bank International	**15,530**	**10,675**
Other group entities	**9,295**	**11,305**
Standard Insurance Limited	2,777	2,316
SBG Securities	2,487	2,856
Standard Advisory London	918	732
Other	3,113	5,401
Standard Bank Group Franchise	**227,793**	**211,540**
ICBCS	**8,652**	**6,657**
Standard Bank Group	**236,445**	**218,197**

South Africa

SBSA is both a strong domestic bank, which leverages the advantages of its size and scope, and a cross- border bank, fully integrated with the rest of the Group.

Africa Regions

The Africa Regions business has a strong presence across 19 countries that continues to support sustainable economic growth by facilitating enhanced trade financing, transactional banking, risk management and investment opportunities.

Africa Regions are split into East Africa (incorporating Kenya, Ethiopia, South Sudan, Tanzania and Uganda), South & Central Africa (incorporating Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia and Zimbabwe) and West Africa (incorporating Angola, Democratic Republic of the Congo, Ghana, Cote d'Ivoire and Nigeria).

SBG holds its Africa Regions investments, either directly, in the case of its Common Monetary Area- based subsidiaries and Stanbic Bank de Angola, or indirectly via Stanbic Africa Holdings UK ("**SAHL**"), a wholly-owned subsidiary of SBG. SAHL is an intermediate holding company of the Group's Africa Regions investments and acts as an investment holding company. The Group manages its subsidiaries, across all geographies, on a legal entity basis in compliance with host country regulatory requirements.

Five of SBG's Africa Regions subsidiaries are themselves listed entities: Stanbic Holdings Plc in Kenya, Stanbic IBTC Holdings PLC in Nigeria, Standard Bank (Malawi) Limited, Standard Bank Namibia Holdings Limited and Stanbic Bank Uganda.

Africa Regions – Overview of Results

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

Strong portfolio diversification resulted in Africa Regions' contribution to SBG's headline earnings increasing to 42 per cent. for the year ended 31 December 2023 compared to 36 per cent. for the year ended 31 December 2022. For the year ended 31 December 2023, Africa Regions' produced headline earnings of R18,209 million, an increase of 49 per cent., with an ROE of 28.1 per cent. compared to 21 per cent. for the year ended 31 December 2022. Total income growth of 24 per cent. for the year ended 31 December 2023 outpaced operating expenses growth of 15 per cent. resulting in positive jaws of 9.0 per cent. and an improved cost-to-income ratio of 45.4 per cent. compared to 49 per cent. for the year ended 31 December 2022.

Due to the volatility in currency across the continent, the commentary which follows is based on constant currency movements. Balance sheet growth was supported by an increase in gross loans and advances to customers of 20 per cent. (CCY) driven by ongoing momentum in corporate loan origination particularly in the Mining & Metals, Power & Infrastructure, and Telecommunication & Media sectors, as well as demand for trade facilities particularly in West Africa. This, together with employee scheme lending initiatives, as well as strong asset pipeline conversion and increased levels of disbursements in business lending further supported growth. Steady progress was made on the diversification of funding sources across the region.

NII grew by 47 per cent. (CCY) for the year ended 31 December 2023, due to good balance sheet growth and positive endowment in a higher average interest rate environment.

For the year ended 31 December 2023, net fee and commission revenue was up by 37 per cent. (CCY), driven by increased transactional activity linked to client acquisition, the impact of annual price increases, increased fees earned in the pension fund business driven by growth in the client base and associated AUM, as well as increased deal origination and trade activity.

Trading revenue increased by 32 per cent. (CCY) for the year ended 31 December 2023, benefitting from increased client demand and volatility resulting in strong foreign currency (forex) flows in West Africa, higher client forex sales in East and West Africa driven by USD demand following local currency devaluation in these regions, and a release of a credit valuation adjustment provision on the maturing and settlement of a derivative transaction raised in the second half of 2022.

Credit impairment charges reduced by 23 per cent. (CCY) for the year ended 31 December 2023, mainly driven by a post restructure release of material impairments raised following the sovereign distress experienced in Ghana in 2022. Excluding this, elevated sovereign risk resulted in higher provisions in South & Central Africa, as well as increased Stage 3 credit impairment charges for existing exposures in East and West Africa in Business banking and in the Consumer, Telecommunication & Media and Real Estate sectors in the corporate portfolio. These movements resulted in the credit loss ratio decreasing to 83bps for the year ended 31 December 2023 (compared to 93bps for the year ended 31 December 2022) and remained within risk appetite.

Operating expenses grew by 33 per cent. (CCY) for the year ended 31 December 2023, due to the heightened inflationary environments across the region, annual salary increases, an increase in skilled employees, higher depositor insurance costs, and Asset Management Corporation of Nigeria expenses in West Africa on the back of balance sheet growth. In addition, cost growth was further impacted by higher technology spend driven by continued software and cloud related expenses to support digital capabilities, and the impact of local currency devaluation on foreign currency denominated costs.

East Africa

East Africa headline earnings increased by 37 per cent. (CCY) to R3,513 million for the year ended 31 December 2023 with an ROE of 21.2 per cent. compared to 17.3 per cent. for the year ended 31 December 2022.

NII growth of 31 per cent. (CCY) for the year ended 31 December 2023, supported by loan origination in the Sovereign, Power & Infrastructure, and Telecommunication & Media sectors, higher client demand for lending and trade facilities, and the positive endowment impact in a higher average interest rate environment.

For the year ended 31 December 2023, NIR grew by 19 per cent. (CCY), driven by a combination of higher trading revenue from improved foreign exchange margins, increased client activity, US dollar liquidity scarcity, higher advisory fees earned in Investment banking and improved transactional card-based activity.

Credit impairment charges increased by 19 per cent. (CCY) for the year ended 31 December 2023, due to additional charges for existing non-performing loans in the Business segment and Consumer, Telecommunication & Media and Real Estate Sector in the corporate loan portfolio. This was partly offset by the improved credit risk profiling and collection capabilities, as well as post write off recoveries.

Operating expenses increased by 21 per cent. (CCY) for the year ended 31 December 2023, due to annual salary increases, an increase in skilled employees, continued software, cloud and technology related spend to support digital initiatives, coupled with higher legal fees.

South & Central Africa

South & Central Africa's headline earnings grew by 52 per cent. (CCY) to R8,445 million for the year ended 31 December 2023 with an ROE of 28.5 per cent. compared to 25.4 per cent. for the year ended 31 December 2022.

NII increased by 53 per cent. (CCY) for the year ended 31 December 2023, supported by strong lending and loan origination, higher demand for trade facilities, increased financial investment placements across most markets and positive endowment from higher average interest rates, particularly in Zimbabwe, Malawi, Mauritius, and Zambia.

For the year ended 31 December 2023, net fee and commission revenue increased by 68 per cent. (CCY), mainly due to the onboarding of new corporate clients in Transaction banking and related transactional fees, together with higher transactional volumes following the roll out of USD ATMs in certain markets. Growth was further supported by continued demand for foreign currency and annual price increases.

Trading revenue grew by 15 per cent. (CCY) for the year ended 31 December 2023, due to increased client activity on the back of volatile foreign exchange markets.

Credit impairment charges increased by 48 per cent. (CCY) for the year ended 31 December 2023, due to higher sovereign credit risk migration in Malawi, regulatory-related growth in financial investment placements, together with the nonrecurrence of recoveries received in Business banking in 2022.

Operating expenses increased by 41 per cent. (CCY) for the year ended 31 December 2023, driven by persistent inflation and the hyperinflationary environment in Zimbabwe, continued investment in digitisation initiatives to support revenue and client growth, the impact of local currency devaluation on USD denominated costs, and increased travel and entertainment costs as normal business activity resumed. Cost containment measures continue to remain a key focus area for management in the region.

West Africa

West Africa's headline earnings, more than doubled to R6,251 million for the year ended 31 December 2023 with an ROE of 33.7 per cent. compared to 18.2 per cent. for the year ended 31 December 2022.

NII grew by 51 per cent. (CCY) for the year ended 31 December 2023, due to higher trade related lending, good loan origination and solid deposit growth. In addition, higher average interest rates particularly in Ghana and Nigeria resulted in positive endowment which further supported growth.

For the year ended 31 December 2023, net fee and commission revenue increased by 19 per cent. (CCY), due to a combination of higher transactional activity related to card and trade services, fees generated from increased loan origination and higher fees earned commensurate with growth in AUM which surpassed the R32.0 billion mark in AUM.

Trading revenue grew by 70 per cent. (CCY) for the year ended 31 December 2023, driven by increased client activity related to foreign exchange and structured solutions to manage risk in a challenging environment, together with mark-to-market gains.

Credit impairment charges declined by 73 per cent. (CCY) for the year ended 31 December 2023, following a partial release of Ghana's sovereign provisions raised in the second half of 2022 post the government debt restructure. This was partially moderated by additional provisions for existing Stage 3 matters in BCB which reflected client strain in the region.

Operating expenses grew by 30 per cent. (CCY) for the year ended 31 December 2023, due to the heightened inflationary environment, increased depositor insurance costs related to the continued growth in the deposit base, increased investment in digitisation and technology initiatives, and the impact of local currency devaluation on USD denominated technology contracts.

The table below presents a summary of the main performance indicators of the legal entities within the Africa Regions for the years ended 31 December 2023 and 31 December 2022:

	31 December	
	2023	**2022**
Net interest income (Rm)	36,701	28,598
Non-interest revenue (Rm)	24,406	20,662
Total income (Rm)	**61,107**	**49,260**
Credit impairment charges (Rm)	(2,758)	(3,851)
Income before operating expenses (Rm)	**58,349**	**45,409**
Operating expenses (Rm)	**(27,757)**	**(24,130)**
Staff costs (Rm)	(13,011)	(11,322)
Other operating expenses (Rm)	(14,746)	(12,808)
Net income before non-trading and capital related items, and equity accounted earnings (Rm)	**30,592**	**21,279**
Non-trading and capital related items (Rm)	1,500	726
Profit before indirect taxation (Rm)	**32,092**	**22,005**
Indirect taxation (Rm)	(1,167)	(934)
Profit before direct taxation (Rm)	**30,925**	**21,071**
Direct taxation (Rm)	(7,538)	(4,754)
Attributable to non-controlling interest (Rm)	(3,902)	(3,461)
Profit for the year attributable to ordinary shareholders (Rm)	**19,485**	**12,856**
Headline earnings (Rm)	**18,209**	**12,229**
Net loans and advances (Rm)	**325,349**	**322,463**
Total assets (Rm)	**560,320**	**541,433**
Total liabilities (Rm)	**483,438**	**465,707**
Credit loss ratio (bps)	**83.0**	**93.0**
Cost-to-income ratio (per cent.)	**45.4**	**49.0**
Jaws (bps)	**1,346.0**	**882.0**
ROE (per cent.)	**28.0**	**21.0**

The following table presents select performance indicators of the Africa Regions, on a geographical basis, for the years ended 31 December 2023 and 31 December 2022:

	East Africa		**South & Central Africa**		**West Africa**		**Africa Regions legal entities**	
	31 December		**31 December**		**31 December**		**31 December**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	(Rm)		*(Rm)*		*(Rm)*		*(Rm)*	
Profit attributable to ordinary shareholders	3,516	2,436	9,706	6,828	6,263	3,592	19,485	12,856
headline earnings	3,513	2,431	8,445	6,209	6,251	3,589	18,209	12,229
ROE (per cent.)	21.3	17.3	28.2	25.4	33.7	18.2	28.0	21.0

The top eight contributors to Africa Regions' headline earnings were Ghana, Kenya, Mauritius, Mozambique, Nigeria, Uganda, Zambia and Zimbabwe.

For more information, see "*Description of The Standard Bank Group Limited - Standard Bank Franchise – Business Units"* above and "*Annexure A – Subsidiaries*, *Consolidated and Unconsolidated Structured Entities*" in the SBG 2023 annual financial statements, which are incorporated by reference into the Programme Memorandum.

Employees

For the year ended 31 December 2023, the Group had 54,176 employees (50,451 permanent employees and 3,725 non-permanent employees), compared to 53,143 employees (49,345 permanent employees and 3,798 non-permanent employees), for the year ended 31 December 2022.

SBG's Employee Net Promoter Score for the year ended 31 December 2023 was 48, an increase compared to 42 for the year ended 31 December 2022.

Governance

The Group operates within a clearly defined governance framework. This governance framework enables the board of directors of SBG (the "**SBG Board**") to balance its role of providing risk oversight and strategic counsel with ensuring adherence to regulatory requirements and risk tolerance. The SBG Board-approved framework outlines mechanisms for the Group to implement robust governance practices and provides clear direction for decision-making across all disciplines. Through this framework the SBG Board has delegated the day-to-day management of the Group, in writing, to SBG's chief executive without abdicating the SBG Board's responsibility.

The SBG Board is ultimately responsible for governance. The chairman is an independent non-executive and the roles of chairman and chief executive are separate. This board composition ensures there is a balance of power on the SBG Board, so no individual or group can dominate the SBG Board's processes or decision making and stimulates robust challenge and debate. In discharging its responsibilities, the SBG Board delegates authority to relevant SBG Board committees and individuals with clearly-defined mandates and delegated authorities, although the SBG Board retains its responsibilities. Each committee has a mandate, which the SBG Board reviews at least once a year. Mandates for each committee set out its role, responsibilities, scope of authority, composition, terms of reference and procedures. The SBG Board's committees include the directors' affairs committee, audit committee, risk and capital management committee, the social, ethics and sustainability committee, information technology committee, model approval committee, remuneration committee and large exposure credit committee. The Group Leadership Council supports the chief executive in the day-to-day management of the affairs of the Group, subject to statutory parameters and matters reserved for the SBG Board.

The Group's 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.

The King IV Report on Corporate Governance for South Africa 2016 forms the cornerstone of the Group's governance approach. The Group's application of its principles is embedded throughout its governance framework, allowing the Group to achieve the good governance principles of ethical culture, good performance, effective control and legitimacy. The Group implements its framework principles to:

- ensure the pursuit of strategic opportunities within the board-approved risk appetite, supporting a prudent balance of risk and return;
- provide controls that are effective in avoiding financial loss or reputational damage due to misconduct or unethical behaviour;
- embed the principle of doing the right business, the right way and ensuring ethical business practices are embedded within and across the Group's markets; and
- support the Group's legitimacy as a responsible corporate citizen, enhancing the resources and relationships it relies on today for the future benefit of the Group, its clients, employees, stakeholders and society.

The Group's ability to anticipate and respond effectively to change underpins its governance philosophy and supports the acceleration of the Group's strategy, including how the board provides counsel and oversight.

The Group's 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 its resources in an ever-changing world to deliver and protect sustainable shared value.

Board of Directors

The SBG Board is constituted in accordance with SBG's Memorandum of Incorporation. The SBG Board is a unitary board and is considered effective and of an appropriate size for the Group.

The current members of the SBG Board as at the date of this Issuer Disclosure Schedule are listed below:

Name	Title	Year Joined SBG Board
Nonkululeko Nyembezi	Chairman, independent, non-executive director	2020
Fenglin Tian	Senior deputy chairman, non-executive director	2024
Jacko Maree	Deputy chairman, independent non-executive director	2016
Trix Kennealy	Lead independent director	2016
Sim Tshabalala	Chief executive officer, executive director	2013
Arno Daehnke	Chief finance and value management officer, executive director	2016
Lwazi Bam	Independent, non-executive director	2022
Paul Cook	Independent, non-executive director	2021
Sola David-Borha	Independent, non-executive director	2024
Geraldine Fraser-Moleketi	Independent, non-executive director	2016
Ben Kruger	Independent, non-executive director	2022
Li Li	Non-executive director	2021
Nomgando Matyumza	Independent, non-executive director	2016
Martin Oduor – Otieno	Independent, non-executive director	2016

Abridged curriculum vitae of the members of the SBG Board are set out below.

Nonkululeko Nyembezi / 64 *Chairman and independent non-executive director, SBG and SBSA* *Appointed*: 1 January 2020 (appointed chairman 1 June 2023)	**Qualifications**: > BSc (Hons) (University of Manchester) > MSc (electrical engineering) (California Institute of Technology) > MBA (Open University Business School, UK)	**External directorships**: > Anglo American Plc **Other governing body and professional positions held** > Business Leadership South Africa (chairman) >Durban University of Technology (chancellor) **Previous roles**: > CEO of ArcelorMittal South Africa and CEO and executive director of Ichor Coal N.V > Chairman of Alexander Forbes Group Holdings, the JSE Limited and Macsteel Service Centres South Africa > Non-executive director of Old Mutual	**Committees:** DAC (chairman) GRCMC GITC LEC REMCO GSESC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Fenglin Tian / 56 *Senior Deputy Chairman, SBG Non-executive director, SBG and SBSA* *Appointed:* 1 September 2024	**Qualifications:** > Master's degree in Economics (Huazhong Agricultural University) > MBA (University of Chicago	**Other governing body and professional positions held**: > Chief business officer of ICBC **Previous roles**: > General manager / deputy general manager of various ICBC branches in China. > Executive director and general manager of ICBC (Malaysia) > Vice chairman of ICBC (Argentina) > General manager of the Corporate Banking Department and the Investment Banking Department of ICBC.	**Committees:** DAC GRCMC GITC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Jacko Maree / 69 *Deputy chairman, SBG and independent non-executive director, SBG and SBSA* *Appointed:* 21 November 2016	**Qualifications**: > BCom (University of Stellenbosch) > BA and MA (politics and economics) (Oxford) > PMD (Harvard)	**External directorships**: > Phembani Group **Other governing body and professional positions held**: > China Investment Corporation – International advisory council **Previous roles**: > Chief executive officer (CEO) of the group for more than 13 years > Senior banker focusing on key client relationships > Chairman of Liberty Holdings and Liberty Group	**Committees**: GMAC (chairman) GRCMC REMCO GSESC LEC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None

Trix Kennealy / 66 *Lead independent director SBG and independent non-executive director SBSA* *Appointed*: 21 November 2016	**Qualifications**: > BCom (University of Pretoria) > BCom (Hons) (University of Johannesburg)	**External directorships**: > Sasol **Previous roles**: > Chief financial officer of the South African Revenue Service > Chief operating officer of ABSA corporate and business bank	**Committees**: GAC (chairman) GRCMC REMCO (chairman) DAC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Sim Tshabalala / 56 *Group CEO, SBG and executive director, SBSA* *Appointed*: 7 March 2013 (SBG) and 1 June 2008 (SBSA)	**Qualifications**: > BA, LLB (Rhodes University) > LLM (University of Notre Dame, USA) > HDip Tax (University of the Witwatersrand) > AMP (Harvard)	**Appointments held within the Group:** > Stanbic Africa Holdings **Other governing body and professional positions held**: > Institute of International Finance > International Monetary Conference	**Committees**: GITC GSESC GMAC LEC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Arno Daehnke / 56 *Chief finance and value management officer, SBG and executive director of SBG and SBSA* *Appointed*: 1 May 2016	**Qualifications**: > BSc, MSc (University of Cape Town) > PhD (Vienna University of Technology) > MBA (Milpark Business School) > AMP (Wharton)	**Appointments held within the Group:** > Stanbic Africa Holdings **Previous roles**: > Head of the group's treasury and capital management function	**Committees**: GITC GMAC LEC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Lwazi Bam / 52 *Independent non-executive director, SBG and SBSA* *Appointed*: 1 November 2022	**Qualifications:** > CA(SA) > B.Com (Hons) (University of KwaZulu Natal) > B.Compt (UNISA) > AMP (Harvard Business School)	**External directorships:** > Zeda Limited (chairman) > Woolworths Limited > Anglo American Plantinum **Other governing body and professional positions** >Resource Mobilisation Fund > Nelson Mandela Foundation **Previous roles:** > Chief executive officer of Deloitte Africa > Past president of the Association for the Advancement of Black Accountants in Southern Africa (ABASA) > Former chairman of the South African Institute of Chartered Accountants (SAICA) > Former chairman of the African Children's Feeding Scheme (ACFS)	**Committees:** GAC GRCMC LEC GSESC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Paul Cook / 44 *Independent non-executive director, SBG and SBSA* *Appointed*: 22 February 2021	**Qualifications**: > PhD, in physics (California Institute of Technology) > Bachelor of Science with Honours (University of Witwatersrand)	**External directorships**: > Managing director of Silvertree Brands > Chief executive officer of Faithful to Nature **Previous roles**: > Managing Director, Ringier Africa Deals Group	**Committees** GITC (chairman) GMAC GSESC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Sola David-Borha / 63 *Independent, non-executive director, SBG and SBSA* *Appointed*: 13 March 2024	**Qualifications**: > BSc Hons (Economics) (The University of Ibadan Nigeria) >MBA (Manchester Business School, University of Manchester, UK) >AMP (Harvard) > Global CEO Program (IESE Business School (Spain), Wharton (USA), CEIBS (China))	**Other roles within the group:** > Non-executive director, Stanbic IBTC Holdings PLC **Previous roles:** > Chairman of Stanbic IBTC Bank >CEO of Stanbic IBTC Holdings and Stanbic IBTC Bank > CEO of Africa Regions, Standard Bank Group > Non-executive director, Coca-Cola Hellenic Bottling Company	**Committees**: GRCMC GSESC GAC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Geraldine Fraser-Moleketi / 64 *Independent non-executive director, SBG and SBSA* *Appointed*: 21 November 2016	**Qualifications**: > Master's degree in public administration (University of Pretoria) > Doctorate in Philosophy (Honoris Causa) (Nelson Mandela	**External directorships**: > Exxaro Resources (lead independent director) > Tiger Brands (chairman) **Other governing body and professional positions held**:	**Committees**: DAC GRCMC GSESC (chairman)	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None

	University) > Doctorate in Philosophy (Honoris Causa) (North West University) >Leadership programme (Wharton) > Fellow of the Institute of Politics (Harvard)	> UN economic and social council, committee of experts of public administration (chairman) > Nelson Mandela University (chancellor) > Thabo Mbeki Board of Trustees (chairman) **Previous roles**: > Special envoy on gender at African Development Bank Côte d'Ivoire > Director of the UN development programme's global democratic governance group > Minister of Welfare and Population Development from 1996 to 1999, and Public Service and Administration from 1999 to 2008 > ISID Advisory Board McGill University Canada		
Ben Kruger / 65 *Independent, non-executive director, SBG and SBSA* *Appointed*: 6 June 2022	**Qualifications**: > BCom Acc (Hons) (University of Pretoria) > AMP (Harvard) > CA(SA)	**External directorships:** > Aspen Pharmacare Holdings (lead independent director) > The Johannesburg Stock Exchange > Ruby Rock Investments (executive chairman) **Other governing body and professional roles** University of Pretoria (deputy chair and member of council) **Previous roles:** > Deputy Group Chief Executive SBG > Joint Group Chief Executive SBG > Executive Director SBG/SBSA.	**Committees**: GRCMC (chairman) REMCO LEC (chairman) GITC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Li Li / 47 *Non-executive director, SBG and SBSA* *Appointed:* 11 November 2021	**Qualifications:** > Masters degree in economics (University of International Business and Economics) > Bachelors degree in economics (Zhengzou University)	**Other governing body and professional positions held**: > chief representative officer of ICBC African representative office **Appointments held within the group**: > ICBC Standard Bank Plc. **Previous roles**: > Deputy general manager of ICBC Zurich Branch > Deputy head of the preparatory team for Zurich Branch	**Committees:** DAC GRCMC GITC (*as alternate to Fenglin Tian*)	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Nomgando Matyumza / 61 *Independent non-executive director, SBG and SBSA* *Appointed*: 21 November 2016	**Qualifications**: > BCompt (Hons) (University of Transkei) > LLB (University of Natal) > CA (SA)	**External directorships**: > Sasol > Clicks Group **Previous roles**: > Deputy CEO at Transnet Pipelines > Non-executive director on the boards of Cadiz, Transnet SOC, Ithala Development Finance Corporation, WBHO, Hulamin and Volkswagen South Africa	**Committees**: GRCMC REMCO GAC DAC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None
Martin Oduor-Otieno / 67 *Independent non-executive director, SBG and SBSA* *Appointed*: 1 January 2016	**Qualifications**: > BCom (University of Nairobi) > CPA (Kenya) > Executive MBA (ESAMI/Maastricht Business School) > Honorary Doctor of Business Leadership (KCA University) > AMP (Harvard), > Fellow at the Institute of Bankers (Kenya)	**External directorships**: > East African Breweries (chairman) > British American Tobacco Kenya **Previous roles**: > CEO of the Kenya Commercial Bank Group > Partner at Deloitte East Africa > Non-executive director of Kenya Airways and GA Life Insurance Company	**Committees**: GAC GSESC GITC	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:* None

Key:

DAC – Directors' affairs committee	**GAC –** Group audit committee	**GRCMC –** Group risk and capital management committee	**Remco –** Group remuneration committee	**GMAC –** Group model approval committee	**LEC –** Group large exposure
GITC – Group information technology committee		**GSESC –** Group social, ethics and sustainability committee			

*** Events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements:**

(i) details of any bankruptcies, insolvencies or individual voluntary compromise arrangements of such person;

(ii) details of any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of Section 129(7) of the Act, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary compromise arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company; where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding, any such event(s);

(iii) details of any compulsory liquidations, administrations or partnership voluntary compromise arrangements of any partnerships where such person is or was a partner at the time of or within the 12 months preceding such event(s);

(iv) details of receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of, or within the 12 months preceding, such event;

(v) details whether such person has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

(vi) details of any offence involving dishonesty committed by such person;

(vii) details of any convictions of any offence resulting in dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement;

(viii) details of ever being barred from entry into any profession or occupation;

(ix) details of any convictions in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act. (All such convictions must be disclosed even though they may now be "spent convictions);

(x) details regarding such person's removal from an office of trust, on the grounds of misconduct and involving dishonesty; and

(xi) details of any court order declaring such person delinquent or placing him under probation in terms of Section 162 of the Act and/or Section 47 of the Close Corporations Act, 1984 (Act No. 69 of 1984) or disqualifying him to act as a director in terms of Section 219 of the Companies Act, 1973 (Act No. 61 of 1973).

Changes to the SBG Board

The SBG Board appointed Sola David-Borha as non-executive director of SBG and SBSA with effect from 13 March 2024. She was reclassified as an independent director from 23 May 2024. Fenglin Tian was appointed senior deputy chairman and non-executive director of SBG effective 1 September 2024.

Atedo Peterside and Dr Xueqing Guan retired from the SBG Board at the conclusion of the Group's AGM on 10 June 2024.

SBG Board succession planning continues to receive much focus. In line with the Group's corporate governance arrangements, the SBG Board regularly reviews its composition to ensure its effectiveness and the appropriateness of its skillset, experience, tenure and diversity. 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.

Conflicts of Interest

In accordance with paragraph 7.4, 7.5 and 7.6 of the Debt and Specialist Securities Listings Requirements and in addition to the requirements of Section 75 of the Companies Act 71 of 2008, SBG and SBSA directors' interests are disclosed quarterly at the start of SBG and SBSA board and board committee meetings. These disclosures include a register of all personal financial interests as well as any declarations of interest in matters on the agenda and in board and board committee papers that may constitute, or be perceived to constitute, a potential conflict of interest. Where conflicts have been identified, directors recuse themselves from the meeting when the SBG Board considers any matters in which they may be conflicted. The Group Secretary maintains a register of directors' interests, which is tabled at each board and committee meeting and any changes are submitted to the SBG Board as they occur. All conflicts of interest are considered and managed by the SBG Board/SBG Board committees in terms of the Management of Conflicts of Interests Policy as published on the Group's website.

Capital Adequacy

The Group's capital management function is designed to ensure that regulatory requirements are met at all times and that the Group and its principal subsidiaries are capitalised in line with the Group's risk appetite and target ranges, both of which are approved by the SBG Board. It further aims to facilitate the optimised allocation and use of capital, such that it generates a return that appropriately compensates shareholders for the risks incurred. Capital adequacy is actively managed and forms a key component of the Group's forecasting process. The capital plan is tested under a range of stress scenarios.

The Prudential Authority ("**PA**") adopted the Basel III framework, subject to certain phase-in provisions as provided by the Basel Committee for Banking Supervision ("**BCBS**") from 1 January 2013. From 1 January 2019 the requirements that were subject to phase-in provisions have been fully implemented.

South African minimum Basel III capital requirements were 8.5 per cent. for CET 1, 10.75 per cent. for tier 1 and 14.0 per cent. for total capital adequacy in 2023. These minimums exclude the countercyclical buffer, which was not announced as a requirement for South Africa for the 2023 financial year, and confidential bank-specific pillar 2b capital requirements, but include the maximum potential domestic systemically important banks ("**D-SIB**") requirement of 2.5 per cent. The PA has announced its intention, subject to industry comment, to introduce a positive cycle neutral countercyclical buffer of 1 per cent. effective from 1 January 2026 with phase-in requirements from 1 January 2025.

The PA announced a further delay in implementation of the Basel III finalisation rules to 1 July 2025 from 1 January 2024. SBG continues to analyse the potential impact of these rules on the capital adequacy ratios, systems and processes while engaging with the PA on areas of national discretion specified by the BCBS together with items requiring further clarification.

The Group manages its capital levels to support business growth, maintain depositor and creditor confidence, create value for shareholders, and ensure regulatory compliance. The main regulatory requirements to be complied with are those specified in the Banks Act and related applicable regulations, which are aligned with Basel III.

Regulatory capital adequacy is measured through three risk-based ratios, namely common equity tier 1, tier 1 and total capital adequacy ratios which are calculated on the following bases:

- Common equity tier 1: ordinary share capital, share premium, retained earnings, other reserves and qualifying non-controlling interest less impairments divided by total risk weighted assets ("**RWA**").

- Tier 1: common equity tier 1 and other qualifying non-controlling interest plus perpetual, non- cumulative instruments with either contractual or statutory principal loss absorption features that comply with the Basel III rules divided by total RWA.

- Total capital adequacy: tier 1 plus other items such as general credit impairments and subordinated debt with either contractual or statutory principal loss absorption features that comply with the Basel III rules divided by total RWA. RWA are calculated in terms of the Banks Act and related regulations, which are aligned with Basel III.

The SARB adopted the leverage framework that was issued by the BCBS in January 2014 with the minimum leverage ratio being set at 4 per cent. During 2023, the PA proposed a leverage ratio buffer requirement for D-SIB banks in South Africa equal to 50 per cent. of higher loss absorbency requirements imposed on a D-SIB's CET 1 ratio, effective from 1 January 2025. This will increase the Group's minimum leverage ratio requirement to 4.5 per cent. effective from 1 January 2025.

The non-risk-based leverage measure is designed to complement the Basel III risk-based capital framework. The Group's leverage ratio inclusive of unappropriated profit was 8.8 per cent. as at 31 December 2023 (compared to 8.2 per cent. as at 31 December 2022).

The following table sets out the Group's CET1, Tier 1 and Tier 2 capital excluding unappropriated profit for the years ended 31 December 2023 and 31 December 2022.

Basel III Qualifying Capital Excluding Unappropriated Profits

	31 December	
	2023	**2022**
	(Rm)	*(Rm)*
Ordinary shareholder's equity	**236,445**	**218,197**
Qualifying non-controlling interest	7,144	9,086
Less: regulatory adjustments	(22,783)	(26,822)
Goodwill	(1,609)	(2,258)
Other intangible assets	(8,914)	(10,916)
Investments in financial entities	(11,354)	(12,322)
Other adjustments	(906)	(1,316)
Total common equity tier 1 capital (including unappropriated	220,806	200,461
Unappropriated profits	(19,738)	(18,477)
CET 1 capital	**201,068**	**181,984**
Qualifying other equity instruments	18,661	14,098
Qualifying non-controlling interest	1,092	1,284
Tier 1 capital	**220,821**	**197,366**
Qualifying Tier 2 subordinated debt	25,682	24,594
General allowance for credit impairments	7,144	6,339
Tier 2 capital	**32,826**	**30,933**
Total regulatory capital	**253,647**	**228,299**

Source: This information has been extracted from SBG's FY2023 Investor Booklet

The following table sets out the Group's risk-weighted assets and associated capital requirements for the years ended 31 December 2023 and 31 December 2022:

Basel III Risk-Weighted Assets and Associated Capital Requirements

	RWA		Minimum capital requirements[2]
	2023	2022[1]	2023
	(Rm)	*(Rm)*	*(Rm)*
Credit risk (excluding counterparty credit risk (CCR))	**1,160,804**	**1,079,547**	**150,904**
Of which: standardised approach[3]	563,164	519,234	73,211
Of which: internal rating-based (IRB) approach	597,640	560,313	77,693
CCR	**50,458**	**45,502**	**6,559**
Of which: standardised approach for CCR	49,293	44,550	6,408
Of which: other CCR	1,165	952	151
CVA	10,930	15,786	1,421
Equity positions in banking book under market-based approach	**9,675**	**10,225**	**1,258**
Equity investments in funds–- look through approach	**5,441**	**4,846**	**707**
Equity investments in funds–- mandate-based approach	**4,650**	**3,145**	**605**
Equity investments in funds–- fall-back approach	**204**	**252**	**27**
Securitisation exposures in banking book	**1,315**	**905**	**171**
Of which: Internal Ratings-Based Approach (SEC-IRBA)	792	534	103
Of which: External Ratings-Based Approach (SEC-ERBA)	523	371	68
Market risk	**79,736**	**79,086**	**10,366**
Of which: standardised approach	51,527	59,322	6,699
Of which: internal model approach (IMA)	28,209	19,764	3,667
Operational risk	**209,974**	**187,907**	**27,297**
Of which: standardised approach	124,977	103,351	16,247
Of which: advanced measurement approach (AMA)	84, 997	84,556	11,050
Amounts below the thresholds for deduction (subject to 250 per cent. risk weight)	75,400	68,244	9,802
Total	**1,608,587**	**1,495,445**	**207,696**

[1] Restated due to adoption of new accounting standards, refer to pages 115 of the Group's Financial Results for the year ended 31 December 2023 for further detail.

[2] Measured at 13 per cent. and excludes confidential bank-specific capital requirements. The Group's D-SIB buffer requirement amounts to 1.5 per cent. of which 1.0 per cent. is required to be held in CETI. There is currently no requirement for the countercyclical buffer add-on in South Africa or in other jurisdictions in which the Group has significant exposures.

[3] Portfolios on the standardised approach relate to the Africa Regions, SBO, and portfolios for which application to adopt the internal model approach has not been submitted, or for which an approval has not yet been granted.

Source: This information has been extracted from SBG's 2023 Risk and Capital Management Report

The following table details the Group's capital adequacy ratios for the years ended 31 December 2023 and 31 December 2022 on a Basel III basis.

Capital Adequacy Ratios

	Internal target ranges [1]	SARB minimum regulatory requirement [2]	Excluding unappropriated profits		Including unappropriated profits	
			2023	2022[3]	2023	2022[3]
	(per cent.)	*(per cent.)*	*(per cent.)*	*(per cent.)*	*(per cent.)*	*(per cent.)*
CET 1 capital adequacy ratio	>11.0	8.5	12.5	12.2	13.7	13.4
Tier 1 capital adequacy ratio	>12.0	10.75	13.7	13.2	15.0	14.4
Total capital adequacy ratio	>15.0	13.0	15.8	15.3	17.0	16.5

1 Including unappropriated profit
2 Excluding confidential bank specific requirements.
3 Restated due to adoption of new accounting standards, refer to page 111 – 114 of SBG's FY2023 Investor Booklet

Source: This information has been extracted from SBG's FY2023 Investor Booklet

For further information, see "Annexure C – Risk and Capital Management – IFRS disclosures" set out in SBG 2023 annual financial statements, which are incorporated by reference into the Programme Memorandum, and SBG's 2023 Risk and Capital Management Report.

Climate Policy

The Group is committed to supporting the reduction of greenhouse gas emissions while enabling a just transition that balances access to electricity, energy security, food security, economic growth and human development with the decarbonisation required to mitigate the impacts of climate change.

The Group's climate policy, published in March 2022, applies to all its business units and subsidiaries. The climate policy commits the Group to achieving net zero carbon emissions from its own operations for newly built facilities by 2030, for existing facilities by 2040 and from its portfolio of financed emissions by 2050. The Group interprets "net zero" to mean that greenhouse gas emissions produced are balanced by absorbing or removing an equivalent amount from the atmosphere. To achieve a just transition toward net zero, the Group applies several complementary approaches including:

- setting targets to increase mobilisation of sustainable finance solutions, including for mitigation of and adaptation to climate change;
- setting limits for loans and advances to high emitting sectors (thermal coal, upstream oil, coal-fired power plants, oil-generated power plants and standalone gas-fired power plants) as a percentage of total group loans and advances;
- developing methodologies to measure its financed emissions in specific sectors, in order to set appropriate targets for reduction of financed emissions in due course;
- engaging with clients, requiring clients in high emitting sectors to provide emissions reduction strategies in advance of financing, and supporting clients in their climate transition commitments; and
- monitoring clients' commitments as part of their transition.

Meeting the goal of net zero by 2050 will entail both reducing financed emissions and simultaneously scaling up the financing of renewables, reforestation, climate-smart agriculture, decarbonisation and transition technologies, and credible carbon offset programmes.

In 2022, the Group set initial climate targets and commitments, expressed in terms of lending exposure, for sustainable finance, renewable energy, gas, oil and thermal coal and coal-fired power generation. Commitments and targets were published for additional sectors in 2023, namely residential real estate and personal lending, commercial real estate, and short-term insurance. Commitments and targets for additional sectors will be published over the next two years.

The Group seeks to engage with clients to support their transition toward net zero through a variety of sustainable finance solutions including the use of proceeds and sustainability-linked instruments. The Group's five-year target is to mobilise a cumulative amount of more than R250 billion in sustainable finance by the end of 2026. This includes R50 billion of financing for renewable energy power plants and to underwrite the financing of a further R15 billion of renewable energy power plants over the same period.

The Group continues to support transformational developments in the oil and gas sector in Africa. In line with the Group's commitment to supporting a just transition away from carbon-intensive growth, and its recognition of gas as an important transition fuel, it continues to support developments in these sectors as a legitimate and valuable element of Africa's sustainable development.

The Group publishes updates on its progress on the achievement of its climate targets in its annual reporting. The Group will review and update its climate policy, and associated targets and commitments, in 2024, as per its commitment to review the policy at least every three years.

Legal Proceedings

There are no governmental, legal or arbitration proceedings (nor are there any such proceedings which are pending or threatened of which SBG is aware) during the 12 months prior to the date of this Issuer Disclosure Schedule which may have, or have had, in the recent past a significant effect on the financial position or profitability of SBG and/or the Group taken as a whole. SBG and its subsidiaries have sued and are defendants in a number of legal proceedings incidental to their operations. While any litigation has an element of uncertainty, SBG does not expect that the outcome of any such proceeding, either individually or in aggregate, will have a material adverse effect upon SBG's consolidated financial position or results.

SBG Technology Capability

With the significant impact of the digital revolution, consumers and businesses are being forced to change the way they interact. Technology is central to the Group's ability to adapt to a changing world and create sustainable long-term value for the Group's stakeholders. SBG regards technology as a strategic asset which supports, sustains and enables growth and operational excellence within the Group.

The Group's technology strategy is aligned to, and a key enabler of, the Group's strategic vision. The key elements of the Group's technology strategy are focused on embedding a client-centric culture which is aimed at ensuring that the Group's systems are "always on" (available to its customers) and secure (through managing the risk of unauthorised security breaches), systems adopt a platform business view, enabling the digital transformation of the Group, driving the simplification of the Group's systems, and in having the right employees to deliver on the strategy.

The Group placed considerable emphasis in 2023 on managing its third parties as cyber and information risks were trending across the industry. The Group adopted threat profiling, dark web risk mitigation strategies and assessed operational readiness of critical third-parties to mitigate cyber threats and information risks that may emerge. The Group's information technology refined strategy and Business Unit approach has improved system stability and resilience including better recovery time in 2023 when outages did occur. This improvement is directly attributed to the ongoing always-on focus and diligent execution of basic IT practices and processes. Improvements in the cadence and quality of disaster recovery testing, remediation of end-of-life and end-of-support systems, and rigorous IT change management are noteworthy examples of such practices.

The Group sets security, recovery, and business resumption as a key focus area, and regularly tests contingency procedures so that interruptions are minimized. This yielded a 60 per cent. decrease in material system stability incidents in 2023 and 43 per cent. reduction in the average time to resolve incidents. This translated to a 78 per cent. improvement cumulative system downtime for the year ended 31 December 2023 (compared to the prior year). Despite an increasing trend both globally and domestically of increased cyber-attacks including ransomware, malware, distributed denial of service and others, the Group had zero client impacted breaches. The Group appointed an independent reviewer to undertake a quantitative review of its cyber risk and security measures and provide additional insights based on insurance data and expertise.

Technology governance functions provide oversight to ensure that technology contributes to creating sustainable value both in the short and long term. The SBG Board is responsible for ensuring that prudent and reasonable steps have been taken regarding technology governance. The GITC is a subcommittee of the SBG Board which has the authority to review and provide guidance on matters related to the technology strategy, forecasts, operations, policies and controls, the Group's assessment of risks associated with technology, including disaster recovery, business continuity and technology security, as well as oversight of significant technology investments and expenditure.

Regulation

General Regulatory Requirements

The Issuer is subject to, amongst other pieces of legislation, the Banks Act and the FSR Act and is supervised by the Financial Conglomerate Supervision Department of the Prudential Authority.

Please see the section of the Risk Factors & Other Disclosures Schedule headed "*Risk Factors - The impact of any future change in law or regulation on the Issuer's business is uncertain* ".

Anti-Money Laundering Regulatory Requirements

SBG is committed to and supports global efforts to combat money laundering ("**ML**"), terrorist financing ("**TF**") and proliferation financing ("**PF**"). Consequently, SBG has drafted and implemented policies and procedures to assist it in complying with its anti-money laundering ("**AML**"), combating the financing of terrorism and combating the proliferation of weapons of mass destruction regulatory obligations in each jurisdiction in which it operates. Meeting ML, TF and PF control requirements imposes significant obligations in terms of client due diligence, record keeping, staff training and the detection and reporting of suspicious and unusual transactions. The Group Money Laundering Control Policy is implemented as the minimum standard throughout SBG, while particular emphasis is placed on implementing bespoke ML/TF controls which are designed to mitigate the risks identified in country and enterprise-wide business risk assessments. SBG continues to enhance and automate its ML and TF detection measures, and has dedicated AML transaction monitoring teams that are responsible for receiving, evaluating and reporting suspicious or unusual transactions and activities to the appropriate authorities. These teams operate under the guidance of a Financial Crime Management Unit, which also ensures full co-operation with law enforcement agencies from an information sharing perspective (while operating within the parameters defined by legislation).

Anti-Bribery and Corruption Requirements

Anti-bribery and corruption ("**ABC**") policies are implemented consistently across SBG. All companies in the Group are committed to the highest level of ethical behaviour, and have a zero-tolerance approach towards bribery and corruption. The Group has designed and implemented an anti-bribery management system to ensure compliance with ABC laws in all markets and jurisdictions in which it operates. These laws include (but are not limited to), the South African Prevention and Combating of Corrupt Activities Act No.12 of 2004, the UK Bribery Act and the U.S. Foreign Corrupt Practices Act.

SBG has developed and implemented an ABC compliance programme which is aligned with global best practice (in particular the ABC guidance that has been issued by the Organisation for Economic Co-operation and Development). Programme activities include periodically conducting risk assessments, and regular updates to the ABC policy. The ABC policy is applicable to all employees of the Group, irrespective of location or jurisdiction.

Furthermore, all SBG staff are required to complete ABC general awareness training annually. Regular reviews of the effectiveness of the ABC programme are conducted in the form of a combined assurance approach to monitoring activities.

Risk Management

The Group's risk management approach ensures consistent and effective management of risk and provides for appropriate accountability and oversight. Risk management is enterprise wide, applied to all entity levels and is a crucial element in the execution of the Group's strategy.

The Group's risk universe represents the risks that are core to its financial services business. The Group organises these into strategic, financial and non-financial categories and identifies its top and emerging enterprise risks. These top and emerging risks require focused management attention as they represent potential material implications for the Group's strategy. The Group regularly scans the environment for changes to ensure that its risk universe remains relevant.

The risk universe is managed through the risk process lifecycle from identification to reporting. The Group's assessment process includes rigorous quantification of risks under normal and stressed conditions up to, and including, recovery and resolution. The annual recovery planning process facilitates proactive consideration by senior management and the SBG Board of appropriate actions that could be taken in the event of severe stress. The recovery plan process enhances the Group's ability to make timely, well-informed decisions to mitigate the risk and impact should a severely adverse scenario arise.

Risk exposures are managed through different techniques and are monitored against a risk appetite that supports the Group's strategy. The Group manages and allocates capital efficiently to grow shareholder value while ensuring that regulatory capital requirements are met.

Risk information is subject to strong data and reporting controls. It is integrated into all business reporting and governance structures. The Group's governance structure enables oversight and accountability through appropriately mandated board and management committees. The three lines of defence model is leveraged to maintain a strong risk culture with an emphasis on doing the right business, the right way.

This is all underpinned by a control environment defined in the Group's risk governance and management standards and policies. Through the embedding of the Group's values and ethics policies, compliance training and whistleblowing programmes, the Group's employees are empowered to act with confidence, drive meaningful behavioural changes and place the client at the centre of everything they do.

Risk Governance

The Group's risk management system is governed by appropriately mandated governance committees and fit-for-purpose governance documents.

Risk Governance Committees

Governance committees are in place at both a SBG Board and management level. These committees have mandates and delegated authorities that are reviewed regularly. Members have the requisite skills and expertise to manage risk.

The SBG Board subcommittees that are responsible for the oversight of the risk management system comprise the GRCMC, the Group Audit Committee, the GITC, the Group Model Approval Committee, the Group Remuneration Committee, the GSESC and the LECC.

The Group Risk Oversight Committee ("**GROC**"), Group Asset and Liability Committee ("**ALCO**") and Social, Ethics and Sustainability Management Committees ("**SESMCO**") are sub-committees of the Group Leadership Council. GROC provides group-level oversight of all risk types and assists the GRCMC in fulfilling its mandate. As is the case with the GRCMC, GROC calls for and evaluates in-depth investigations and reports based on its assessment of the Group's risk profile and impact of external factors. GROC is chaired by the group chief risk and corporate affairs officer. GROC sub-committees are constituted to support it in discharging its responsibilities as set out in its mandate. Together with its sub-committees, ALCO is responsible for all matters relating to capital, funding, liquidity, interest rate risk in the banking book and market risk for the Group. It is chaired by the chief finance and value management officer. SESMCO assists.

For further information, see "*How we manage Risk*", "*Strategic Risks*", "*Non-Financial Risks*" and "*Financial Risks*" in the SBG 2023 Risk and Capital Management Report and "*Annexure C – Risk and capital management – IFRS disclosures*" in the SBG 2023 annual financial statements, which are incorporated by reference into the Programme Memorandum.

PRESENTATION OF FINANCIAL INFORMATION

The financial information relating to SBG set out in this Issuer Disclosure Schedule is consolidated financial information in respect of SBG and its subsidiaries (the "**SBG Group**") and has, unless otherwise indicated, been extracted from its audited consolidated financial statements as at and for the year ended 31 December 2023 (the "**SBG 2023 Annual Financial Statements**"), and prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (hereinafter the "**IFRS Accounting Standards**").

The financial information relating to SBSA set out in this Issuer Disclosure Schedule is consolidated financial information in respect of the SBSA and its subsidiaries (the "**SBSA Group**") and has, unless otherwise indicated, been extracted from its audited consolidated financial statements as at and for the year ended 31 December 2023 (the "**SBSA 2023 Annual Financial Statements**") and prepared in accordance with IFRS Accounting Standards.

The information contained in the SBG 2023 Risk and Capital Management Report is unaudited unless stated as audited.

The information relating to SBG's largest single depositor and top 10 depositors set out in the section headed "*Risk Factors – Risks relating to the Issuer – The Issuer's business and profitability may be adversely affected by liquidity and funding risks*" of the Risk Factors & Other Disclosures Schedule has been extracted from the SBG 2023 Risk and Capital Management Report and is unaudited.

The information relating to SBSA's largest single depositor and top 10 depositors set out in the section headed "*Risk Factors – Risks relating to the Issuer – The Issuer's business and profitability may be adversely affected by liquidity and funding risks*" of the Risk Factors & Other Disclosures Schedule relating to The Standard Bank of South Africa Limited ZAR110,000,000,000 Domestic Medium Term Note Programme has been extracted from the SBG 2023 Risk and Capital Management Report and is unaudited.

Unless otherwise indicated, market share data included in this Issuer Disclosure Schedule has been estimated. All such estimates have been made by SBG or SBSA using its own information and other market information which is publicly available.

Unless otherwise indicated, the financial information relating to SBG for the year ended and as at 31 December 2022 contained in this Issuer Disclosure Schedule has been extracted from the SBG 2023Annual Financial Statements.

Unless otherwise indicated, the financial information relating to SBSA for the year ended and as at 31 December 2022 contained in this Issuer Disclosure Schedule has been extracted from the SBSA 2023 Annual Financial Statements.

In this Issuer Disclosure Schedule, where reporting responsibility for individual cost centres and divisions within business segments changed, the segmental analysis comparative figures for the year ended 31 December 2022 have been reclassified accordingly and have been extracted from the SBG 2023 Annual Financial Statements or the SBSA 2023 Annual Financial Statements (as applicable).

ISSUER RATINGS

Standard Bank Group Limited Ratings as at the Date of this Issuer Disclosure Schedule

	Short Term	Long Term	Outlook
Fitch Ratings			
Foreign currency issuer default rating	B	BB-	Stable
Local currency issuer default rating		BB-	Stable
National rating	F1+(zaf)	AA+(zaf)	Stable
Moody's Investor Services			
Foreign currency issuer rating		Ba2	Stable
Local currency issuer rating		Ba2	Stable

The Issuer may, at any time, obtain a rating by a rating agency for the Programme or any issue of Notes pursuant to the Programme. A Tranche of Notes may, on or before the Issue Date, be rated by a rating agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the rating, if any, which has been assigned to a Tranche of Notes, as well as the rating agency or rating agencies which assigned such rating or ratings. Where a Tranche of Notes is rated, such rating (which may be an expected rating) will not necessarily be the same as the rating(s) assigned to the Programme or the Issuer and/or the same as the ratings(s) assigned to previous Tranches of Notes already issued.

Neither a rating of the Programme nor a rating of a Tranche of Notes nor a rating of the Issuer is a recommendation to subscribe for, buy, sell or hold any Notes. A rating of the Programme and/or a rating of a Tranche of Notes and/or a rating of the Issuer may be subject to revision, suspension or withdrawal at any time by the Rating Agency. Any amendment of the rating(s) of the Issuer and/or the granting of any rating(s) of the Programme and/or a Tranche of Notes, as the case may be, after the Programme Date, will be announced on SENS.

DEBT OFFICER

The Abridged Curriculum Vitae of the Debt Officer is Set Out Below.

Arno Daehnke / 56	**Qualifications:**	**Appointments held within the group:**	**Committees:**	**Details of any events as contemplated in paragraph 4.17(b)(ii)-(xii) of the Debt and Specialist Securities Listings Requirements**:*
Chief finance and value management officer, SBG and executive director of SBG and SBSA Appointed: Executive director on 1 May 2016 Debt officer with effect from 01 November 2020	> BSc, MSc (University of Cape Town) > PhD (Vienna University of Technology) > MBA (Milpark Business School) > AMP (Wharton)	> Stanbic Africa Holdings **Previous roles:** > Head of the group's treasury and capital management function	GITC GMAC LEC	None

**Refer to the Key on pages 34 above*

CONFLICT OF INTERESTS REGISTER

The disclosure on conflicts of interest is provided in the conflicts of interest register which is available on the SBG website and can be accessed at the following web-link:

https://www.standardbank.com/static_file/StandardBankGroup/filedownloads/SBGandSBSA_RegisterOfConflictsOfInterestFY2023.pdf

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