FINAL

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 THE 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 8 December 2022, as amended, updated and replaced from time to time (the "**Programme Memorandum**").*

This Issuer Disclosure Schedule is dated as of 20 December 2023 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 4.10(b)(ii)-(xii) of the Debt 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**", and together with the General 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 2022. 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's vision is to be the leading financial services organisation in, for and across Africa by delivering exceptional client experiences and superior value.

As at 31 December 2022, SBG had total assets of R2,9 trillion (compared to R2,7 trillion as at 31 December 2021) and had headline earnings of R34,247 million for the year ended 31 December 2022 (compared to R25,021 million for the year ended 31 December 2021). Banking headline earnings increased by 22 per cent. to R30,542 million for the year ended 31 December 2022 (compared to R24,940 million for the year ended 31 December 2021). The Group's Return on Equity ("**ROE**") increased to 16.4 per cent. for the year ended 31 December 2022, from 13.5 per cent. for the year ended 31 December 2021, and its Common Equity Tier 1 Ratio decreased to 13.5 per cent. for the year ended 31 December 2022 from 13.8 per cent. for the year ended 31 December 2021.

Originally founded in 1862, the Group was a member of Standard Chartered Bank Group ("**Standard Chartered**") until 1987. Since that time, the Group has focused on consolidating its position as the premier financial services organisation in South Africa, with an operational footprint in an additional 19 African countries covering East Africa (incorporating 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, Democratic Republic of Congo, Ghana, Cote d'Ivoire and Nigeria). The Group also has a presence in five major international markets (Beijing, Dubai, London, New York and São Paulo). It also offers international financial services in the Isle of Man, Jersey and Mauritius. As at 31 December 2022, the Group had 49,325 permanent employees, and a market capitalisation of approximately R228 billion. Since 3 March 2008, it has been in a strategic partnership with Industrial and Commercial Bank of China ("**ICBC**"), the world's largest bank, which owns a 20.1 per cent. share of SBG.

In January 2021, the Group carried out significant structural changes to better serve its clients and was reorganised into three client segments: Consumer & High Net Worth clients, Business & Commercial clients and Corporate & Investment Banking clients. The Group has a central support area, Central and Other, which provides support functions to the other three core segments, such as hedging activities, unallocated capital, liquidity earnings and central costs. These four segments together form Standard Bank Activities (the "**Standard Bank Activities**"). The Group continues to retain its Liberty and ICBCS Standard Bank Plc ("**ICBCS**") segments.

Consumer & High Net Worth ("CHNW"): the CHNW client segment offers tailored and comprehensive banking, investment and insurance solutions for individual clients in main markets, affluent segments and high net worth segments across Sub-Saharan Africa. CHNW provides its clients with both banking and non-banking services through digital and physical channels. CHNW provides the following banking solutions: home services (previously referred to by the Group as "home loans"), vehicle and asset finance, card and payments, transactional products, lending products and global markets, as well as insurance and investment solutions. For the year ended 31 December 2022, CHNW recorded headline earnings of R8,872 million, constituting 26 per cent. of SBG's headline earnings (compared to R6,963 million and 28 per cent., respectively, for the year ended 31 December 2021). As at 31 December 2022, assets attributable to CHNW constituted 24 per cent. of SBG's total assets (compared to 25 per cent. as at 31 December 2021).

Business & Commercial Clients ("**BCC**"): the BCC client segment provides broad based client solutions for a wide spectrum of small- and medium-sized businesses as well as large commercial enterprises. The client coverage support extends across a wide range of industries, sectors and solutions that deliver the advisory, networking and sustainability support required by clients to enable their growth. BCC provides the following banking solutions; home services, vehicle and asset finance, card and payments, transactional products, lending products and global markets, as well as insurance and investment solutions. For the year ended 31 December 2022, BCC recorded headline earnings of R8,026 million, constituting 23 per cent. of SBG's headline earnings (compared to R5,317 million and 21 per cent., respectively, for the year ended 31 December 2021). As at 31 December 2022, assets attributable to BCC constituted 10 per cent. of SBG's total assets (9.5 per cent. as at 31 December 2021).

Corporate & Investment Banking ("**CIB**"): the CIB client segment 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, specialist capabilities and access to global capital markets for advisory, transactional, trading and funding support. CIB contributed 43 per cent. of SBG's headline earnings for the year ended 31 December 2022 (compared to 53 per cent. for the year ended 31 December 2021) and constituted 48.9 per cent. of its total assets as at 31 December 2022 (compared to 48 per cent. as at 31 December 2021).

Liberty: Liberty provides life insurance and investment management activities. Liberty offers South Africa retail, business development and asset management. For the year ended 31 December 2022, Liberty recorded a headline earnings attributable to SBG of R1,788 million (compared to headline loss of R419 million for the year ended 31 December 2021) and Liberty constituted 16 per cent. of SBG's total assets as at 31 December 2022 (compared to 18 per cent. as at 31 December 2021).

ICBCS (previously included in Other Banking Interests): comprises the Group's remaining 40 per cent. equity investment in ICBCS. SBG's investment in ICBCS is equity accounted, as an associate, in its books and as such it is not included in metrics that relate specifically to SBG's banking activities. The Group has initiated discussions with ICBC with a view to sell its stake in ICBCS to ICBC.

The Group operates through subsidiaries within the Africa Regions and South Africa in 20 countries, providing the full banking offering of the Group. The Group's Africa Regions legal entities recorded R12,216 million for the year ended 31 December 2022, constituting 36 per cent. of SBG's banking headline earnings (compared to R8,995 million constituting 36 per cent. respectively for the year ended 31 December 2021) and contributing 22 per cent. of SBG's total banking assets for the year ended 31 December 2022 (compared to 22 per cent. for the year ended 31 December 2021). Africa Regions are split into East Africa (incorporating 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, Democratic Republic of the Congo, Ghana, Cote d'Ivoire and Nigeria).

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. In July 1978, SBG accepted an offer of a 25 per cent. shareholding in a new insurance company, Liblife Controlling Corporation (Proprietary) Limited ("**LCC**"), which was formed to acquire a controlling interest in the LGL group's Liberty Holdings. SBG's equity interest in LCC was increased from 25 per cent. to 50 per cent. in July 1983. The acquisition ensured joint control of the LGL group with Liberty Investments. In February 1999, Standard Bank agreed to purchase Liberty Investments' 50 per cent. interest in LCC. In March 2022, SBG completed the acquisition of the remaining shares in Liberty Holdings it did not already hold, with Liberty delisted consequently from the JSE.

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 (then Zaire) 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 acquired 60 per cent. of CfC Bank in Kenya through a merger transaction with SBG's existing operations in Kenya, Stanbic Bank Kenya Limited.

Today, SBG is an African-focused, client-centric, digitally enabled integrated financial services organisation. SBG's strategy is designed to realise the opportunities presented by Africa’s longer-term structural trends. SBG's strong franchise in South Africa and across Africa ensures it has an on-the-ground presence in 20 countries in Sub-Saharan Africa.

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.

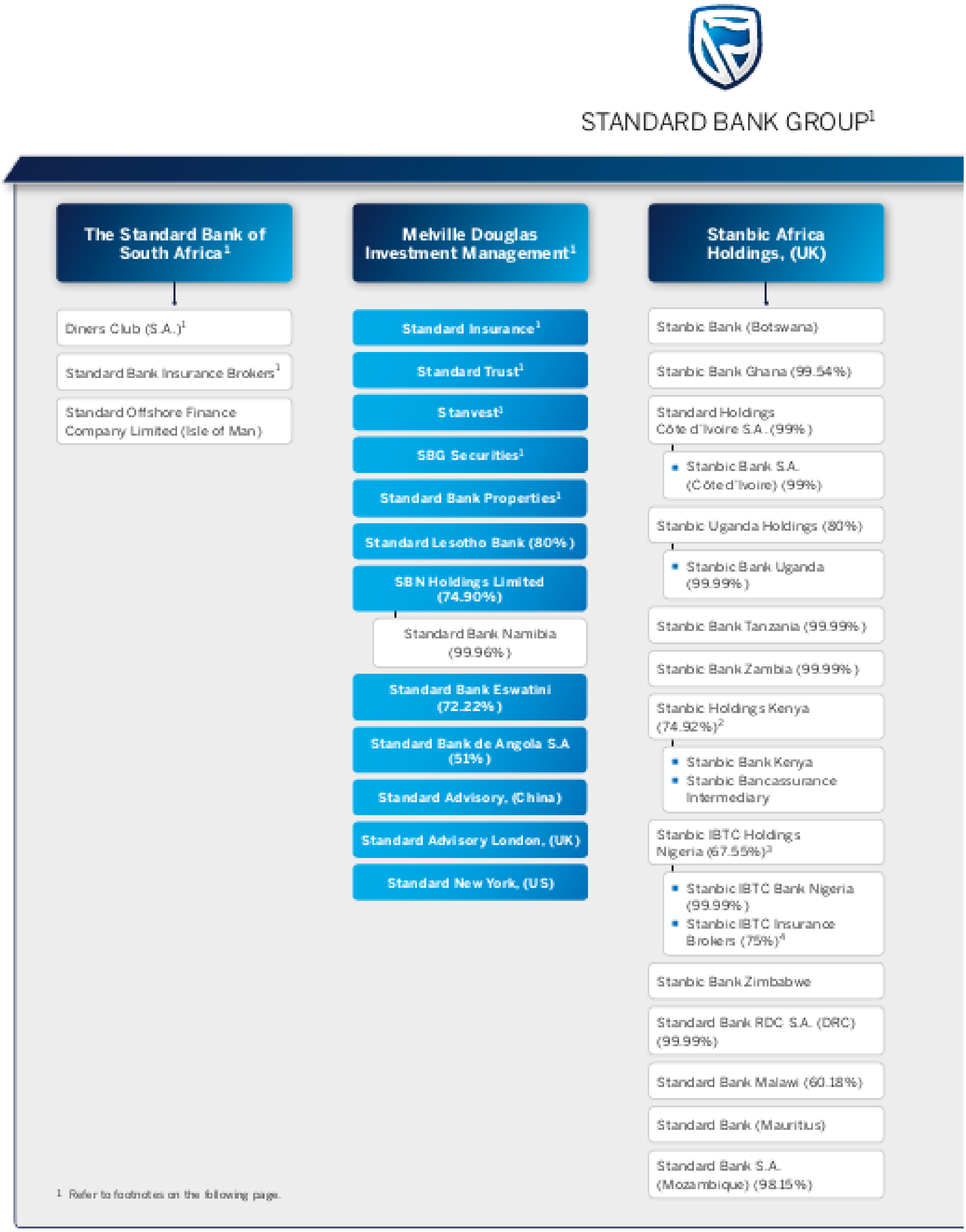
SBG's authorised share capital comprises of the following:

- 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 at 31 December 2022, SBG had issued share capital as follows:

- 1,678,324,623 ordinary shares of 10 cents each;
- 8,000,000 cumulative, non-redeemable preference shares of R1 each; and
- 52,982,248 non-redeemable, non-cumulative, non-participating preference shares at a par value of 1 cent each.

The chart below presents a summary of SBG's corporate structure as at 31 December 2022. For more information, see the SBG 2022 Annual Financial Statements on pages 134 to 151:



Standard Bank London Holdings, UK

Standard Bank Offshore Group, Jersey[5]

- Standard Bank Offshore Trust Company Jersey
- Standard Bank Isle of Man
- Standard Bank Trust Company (Mauritius)
- Standard Bank Jersey

Liberty Holdings[1] **(100%)**[5]

- Liberty Group[1]
  - Liberty Two Degrees[1] (58.51%)
- Liberty Kenya Holdings (73.47%)
- STANLIB
  - STANLIB Asset Management[1]
  - STANLIB Collective Investments[1]
  - STANLIB Fund Managers Jersey
  - STANLIB Multi-Manager[1]
  - STANLIB Wealth Management[1]

Standard Bank Group International, Isle of Man

- Stanbic International Insurance, Isle of Man
- Standard Finance, Isle of Man

The diagram above depicts principal subsidiaries only.
A full list of the group's subsidiaries and consolidated structured entities is available at the company's registered office.
The holding in subsidiaries is 100% unless otherwise indicated.

[1] Incorporated in South Africa.
[2] Change in holding from 72.25% to 74.92%.
[3] Change in holding from 67.51% to 67.55%.
[4] Stanbic IBTC Holdings PLC holds 75% and the Chief Executive of Stanbic IBTC Insurance Brokers Limited holds 25%. It should be noted that 25% of the shareholding must be held by the CEO of an Insurance Brokerage business to fulfil Nigerian regulatory requirements; however, this Shareholding is held by the CEO in a nominee capacity not in a personal capacity. Accordingly, the total beneficial shareholding of Stanbic IBTC Insurance Brokers by Stanbic IBTC Holdings PLC remains at 100%.
[5] Standard Bank Offshore Group Limited is owned jointly by Standard Bank Group International (5%) and SBG Limited (95%)
[6] The buyout of Liberty minority shareholders was completed in March 2022.

As at 31 December 2022, the ten largest shareholders in SBG beneficially held 44.1 per cent. of SBG's ordinary shares. The following table sets out the ten largest shareholders as at 31 December 2022 and 31 December 2021.

	2022		**2021**	
	(million)	*(% holding)*	*(million)*	*(% holding)*
Industrial and Commercial Bank of China	325.0	19.4	325.0	20.1
Government Employees Pension Fund (PIC)	243.9	14.5	234.9	14.5
Old Mutual Life Assurance Company	30.4	1.8	32.5	2.0
GIC Asset Management Pty Ltd	28.6	1.7	11.6	0.7
Alexander Forbes Investments	22.5	1.3	36.7	2.3
Coronation Balanced Plus Funds	19.2	1.1	3.2	0.2
Vanguard Total International Stock Index Fund	18.8	1.1	17.5	1.1
Vanguard Emerging Markets Stock Index Fund	18.3	1.1	17.5	1.1
Allan Grey Balanced Fund	17.8	1.1	27.9	1.7
M&G Equity Fund	17.3	1.0	19.1	1.2
	741.8	**44.1**	**725.9**	**44.9**

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.

Strategy

SBG expresses its corporate purpose as 'Africa is our home, we drive her growth'. SBG's strategic priorities are to:

- 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 six strategic value drivers against which it measures progress in achieving its purpose and strategic priorities:

- client focus – consistently excellent client experiences, delivering relevant and complete digital solutions, and ensuring that employees and processes are outwardly focused on clients as their needs and expectations change;
- employee engagement – employees feel connected with the SBG purpose, are empowered and recognised and have the relevant skills to meet its clients' needs, now and in the future;
- risk and conduct – doing the right business the right way;
- operational excellence – using technology and data to serve and protect its clients, reduce costs and grow its platform businesses to their efficient scales;
- financial outcomes – deliver superior value to shareholders and strive to meet SBG's medium term financial targets; and

- social, economic and environmental impact – make a positive impact toward Africa's prosperity, economic growth and sustainability.

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 CHNW, BCC, CIB and Liberty is supported by SBG's central corporate functions which include Finance, People & Culture, Risk and Corporate Affairs, and a Chief Operating Officer's team with responsibility for shared physical and IT infrastructure. The strategic rationale for this structure is to maximise responsiveness to clients and to minimise overhead costs; to ensure that the Group's infrastructure (and particularly its IT systems) is stable, secure and efficient; and to realise efficiencies arising from the closer integration of Liberty into SBG.

SBG bought out the minority shareholders in Liberty in February 2022 and Liberty was delisted from the JSE on 1 March 2022. The Group's intention is to realise the capital, tax and operational efficiencies from bringing Liberty's businesses more closely into the Group. The closer integration of Liberty will also enable the Group to provide a more comprehensive financial services to its customers across Africa.

SBG encourages its employees to embrace innovation and continuous improvement. SBG is preparing employees for an increasingly digital business model through a highly active and large-scale training programme. Over the course of 2022, employees made use of the Group's online learning resources to complete an average of 62.6 learning hours per employee.

SBG's business in South Africa produces the majority of the capital needed to execute SBG's strategy throughout Africa. As SBG's largest business entity, SBSA's balance sheet is an important resource for the Group. In the year ended 31 December 2022, SBSA contributed 48 per cent. of Group headline earnings.

Competitive Strengths

Strong market position in key products

SBG is the largest bank in Africa measured by assets and SBSA is the largest bank in South Africa measured by assets as at 31 December 2022, with a significant market share across a range of retail, commercial and investment banking products.

A universal financial services group with a strong franchise, a modern digital core and diverse revenue sources

SBG's franchise strength is underpinned by its strong brand, the calibre of its employees and a fit-for-purpose physical distribution network and digital platforms. 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. Managers are dedicated to the goals of the institution. A compensation structure that includes both short and long-term incentive plans assists in retaining key managers and leads to continuity in business operations.

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, and renminbi internationalisation.

Strong growth prospects

SBG's prospects for future growth are driven by strong regional economic fundamentals in the markets in which it operates, with the potential for increasing demand for financial services, which should provide SBG with opportunities to increase its market share, particularly in some of the large markets in which it operates where it currently has a relatively small market share.

Appetite to invest and partner

SBG has the resources and appetite to expand organically and through partnerships, alliances and acquisitions.

Business of SBG

Introduction

SBG is an African-focused financial services group which provides integrated solutions to a diverse range of domestic and international clients.

SBG's banking operation's core client segments are Consumer and High Net Worth clients, Business and Commercial clients and Corporate & Investment Banking clients. A central support area, Central and Other, provides support functions to the three core segments, as well as advisory services. ICBCS (formerly included in Other Banking Interest) comprises the Group's remaining 40% equity investments ICBCS. Liberty made up the final pillar in the Group structure. In July 2021, SBG and Liberty jointly announced SBG's firm intention to make an offer to acquire all the ordinary shares of Liberty that were not already owned by SBG, excluding treasury shares, and to acquire all of Liberty's issued preference shares listed on the JSE. The preference share scheme was implemented on 22 November 2021. The scheme to acquire the remaining non-controlling ordinary shares (the ordinary share scheme) was not unconditional at 31 December 2021 as certain scheme conditions, including some requisite regulatory approvals, remained outstanding at 31 December 2021. On 7 February 2022, the ordinary share scheme conditions were fulfilled and the scheme was implemented on 28 February 2022. As a result, the Liberty ordinary shares delisted from the JSE on 1 March 2022.

As at 31 December 2022, SBG's total assets amounted to R2,883,841 million (compared to R2,725,817 million as at 31 December 2021), an increase of 6 per cent. For the year ended 31 December 2022, SBG's profit for the year attributable to ordinary shareholders increased by 39 per cent. to R34,637 million from R24,865 million for the year ended 31 December 2021.

For the year ended 31 December 2022 the Group's headline earnings increased by 37 per cent. to R34 billion. The Group recorded continued growth across all its businesses and geographies. ROE improved to 16.4 per cent. in the year ended 31 December 2022, compared to 13.5 per cent. for the year ended 31 December 2021. For the year ended 2022, net asset value increased by 6 per cent. and the Group's Common Equity Tier 1 ratio was 13.5 per cent. (compared to 13.8 per cent. in 31 December 2021).

The following table shows selected financial information and ratios for SBG as at, and for the years ended, 31 December 2022 and 31 December 2021:

	31 December	
	2022	2021
Income statement		
Total income[1] (Rm)	156,920	132,724
Headline earnings (Rm)	34,247	25,021
Profit for the year attributable to ordinary shareholders (Rm)	34,637	24,865
Statement of financial position		
Gross loans and advances (Rm)	1,560,769	1,475,726
Total assets (Rm)	2,883,841	2,725,817
Total liabilities (Rm)	2,623,885	2,482,968
Financial performance		
Banking activities		
Stage 3[2] loans (Rm)	77,440	69,915
Stage 3 credit impairment charge (Rm)	9,389	11,490
Stage 1 & 2[3] credit impairment(release)/ charge (Rm)	1,921	(1,570)
Credit loss ratio ((per cent.))	0.75	0.73
Stage 3 exposure ratio (per cent.)	5.0	4.7
Return on equity (per cent.)	16.3	14.7
Loans-to-deposit ratio (per cent.)	79.7	79.2
Cost-to-income ratio (per cent.)	54.9	58.3

[1] Restated to account for the change in presentation of MasterCard and Visa fee-related expenses which were included in other operating expenses instead of fee and commission expenses.

[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 lines which comprise the Group's banking activities' segment as at, and for the years ended, 31 December 2022 and 31 December 2021:

	Consumer & High Net Worth clients[1]		Business & Commercial clients[1]		Corporate& Investment Banking clients[1]		Central and other[1]	
	31 December		31 December		31 December		31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
				(Rm)				
Total assets	692,212	678,069	290,016	257,862	1,411,207	1,304,629	15,120	(3,078)
Profit for the year attributable to ordinary shareholders	9,019	6,901	8,180	5,297	14,926	13,309	(1,132)	(653)
Headline earnings	8,872	6,963	8,026	5,317	14,772	13,293	(1,128)	(633)

[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 2022 and 31 December 2021:

	Standard Bank Activities		**ICBCS**		Liberty[1]		**SBG Total**	
	31 December		**31 December**		**31 December**		**31 December**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
				(Rm)				
Total assets	2,408,555	2,237,482	6,657	4,248	468,629	484,087	2,883,841	2,725,817
Profit for the year attributable to ordinary shareholders	30,993	24,854	1,917	500	1,727	(489)	34,637	24,865
Headline earnings	30,542	24,940	1,917	500	1,788	(419)	34,247	25,021

[1]Includes adjustments on consolidation of Liberty into the Group.

Standard Bank Activities – Products

Home Services

Home services provides residential accommodation financing solutions, including related value added services. Gross home services loans and advances increased by 6 per cent. for the year ended 31 December 2022 to R459,647 million compared to R434,104 million for the year ended 31 December 2022. There was a decrease in the credit loss ratio to 0.25 per cent. for the year ended 31 December 2022 compared to 0.27 per cent. for the year ended 31 December 2021, whilst credit impairment charges amounted to R1,114 million for the year ended 31 December 2022 compared to R1,135 million for the year ended 31 December 2021. For the year ended 31 December 2022, R32,985 million of gross home services loans and advances (7.2 per cent. of gross home services loans and advances) were impaired (compared to R32,045 million and 7.4 per cent. of gross home services loans and advances, respectively, for the year ended 31 December 2021).

Vehicle and asset finance

Vehicle and asset finance comprises comprehensive finance solutions in instalment credit, fleet management and related services across the Group's retail, corporate and business markets. As at 31 December 2022, gross loans and advances in vehicle and asset finance amounted to R119,859 million compared to R110,653 million as at 31 December 2021, an increase of 8 per cent. The credit loss ratio for vehicle and asset finance increased to 1.27 per cent. for the year ended 31 December 2022 compared to 1.13 per cent. for the year ended 31 December 2021.

Card and payments

Card and payments comprises credit card facilities to individuals and businesses, merchant acquiring services, the enablement of digital payment capabilities through various products and platforms as well as mobile money and cross-border businesses. For the year ended 31 December 2022, gross loans and advances for Card and payments increased by 5 per cent. to R38,063 million compared to R36,367 million for the year ended 31 December 2021. The credit loss ratio for gross card and payments decreased to 4.57 per cent. as at 31 December 2022 from 8.21 per cent. as at 31 December 2021.

Retail transactional

Retail transactional provides a comprehensive suite of transactional, savings, payment and liquidity management solutions. For the year ended 31 December 2022, net-interest income ("**NII**") in retail transactional increased by 46 per cent. to R20,789 million compared to R14,204 million for the year ended 31 December 2021. For the year ended 31 December 2022, non-interest revenue ("**NIR**") increased by 4.9 per cent. to R13,534 million compared to R12,901 million for the year ended 31 December 2021.

Retail lending

Retail lending provides a comprehensive suite of lending products to individuals and small and medium-sized businesses. For the year ended 31 December 2022, NII in retail lending increased by 10 per cent. to R13,808 million compared to R12,542 million for the year ended 31 December 2021. For the year ended 31 December 2022, NIR decreased by 20 per cent. to R2,967 million compared to R2,477 million for the year ended 31 December 2021.

Global markets

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

Investment banking

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

Transactional products and services

Transactional products and services provides a comprehensive suite of cash management, international trade finance, working capital and investor services solutions.

Insurance solutions

Insurance solutions involves provision of short-term insurance solutions include, homeowners' insurance, household contents and vehicle insurance. Long term insurance solutions include life, disability, funeral cover and loan protection plans which are sold in conjunction with related banking products.

The Group's insurance businesses' (excluding Liberty) headline earnings in 2022 increased by 22 per cent. compared with 2021. ROE remained robust at 67 per cent., for the year ended 31 December 2022 compared to 60 per cent., for the year ended 31 December 2021). Revenue grew by 13 per cent., assisted by policy pricing reviews. Gross written premiums increased by 9 per cent. for the year ended 31 December 2022, driven mainly by growth in the credit life and funeral insurance policy base. This growth was offset by higher short-term insurance claims arising from the flooding in KwaZulu-Natal (South Africa) in April 2022.

Investment solutions

Investment solutions include stockbroking and advisory, alternative investments, compulsory investments and discretionary investments; wealth management, passive investments, international investments, structured products and social impact investing; as well as integrated fiduciary services such as fiduciary advice, will drafting, custody services and trust and estate administration. Including Liberty, based on the Group's management estimates, the Group is the third largest asset manager on the African continent, with combined assets under management ("**AUM**"), assets under administration ("**AUA**") and custody of R1.1 trillion as at 31 December 2022. The Group's investments solutions businesses (excluding Liberty) reported a 1 per cent. increase (constant currency: 3 per cent.) in AUM/AUA in 2022 to R522 billion compared with 2021. Despite a difficult operating environment, revenue increased by 8 per cent., largely attributable to net positive client cash flows. Operating expenses grew by 17 per cent. for the year ended 31 December 2022 owing to annual staff increases, regulatory requirements in Nigeria, and additional costs associated with the rollout of client specific acquisition and retention strategies. Operating expenses growth outpaced revenue growth resulting in a 10 per cent. decline in headline earnings to R724 million for the year ended 31 December 2022 to R800 million compared to 31 December 2021. With an ROE of 32 per cent. as at 31 December 2022, the business continued to contribute positively to group ROE.

Standard Bank Activities – Client Segments

Consumer & High Net Worth clients

CHNW 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. CHNW aims to provide a single and complete connection with, and a personalised banking, insurance and asset management service for, every personal client. CHNW provides its clients with both banking and non-banking services through digital and physical channels. As at 31 December 2022, it operated 1,163 branches, including 142 in-store kiosks and other points of access and loan centres and 6,232 ATMs across South Africa and Africa Regions. CHNW also provides mobile phone and internet banking services which are an important part of providing convenient access to integrated financial solutions.

CHNW banking solutions include home services, vehicle and asset finance, global markets, CHNW transactional, CHNW lending and card and payments. For the year ended 31 December 2022, CHNW recorded profit for the year attributable to ordinary shareholders of R9,019 million, an increase of 31 per cent. compared to R6,901 million for the year ended 31 December 2021.

CHNW delivered headline earnings growth of 27 per cent. to R8,872 million for the year ended 31 December 2022 compared to R6,963 million for the year ended 31 December 2021, and ROE improving from 14.0 per cent. for the year ended 31 December 2021 to 17.3per cent. for the year ended 31 December 2022. The main driver of this performance was continued improvement in client activity, supported by the easing of Covid-19 restrictions, with client spending exceeding pre-Covid levels.

During 2022, CHNW focused on growing market share and on continuing to digitise the business. An example of CHNW's focus on digitisation is the development of its LookSee home management platform, which provides online access to traditional home loans and insurance, and also information on property values, neighborhoods, a curated marketplace offering solutions that save clients money and make their homes more sustainable, including solar power and water solutions. LookSee now has over 640 000 unique users.

CHNW's Net Promoter Score ("**NPS**") in South Africa fell from 76 in 2021 to 75 in 2022. In Africa Regions, CHNW's NPS increased from 32 to 37.

CHNW's active client numbers grew by 8 per cent. in the year ended 31 December 2022, amounting to 16.9 million. Active client numbers in South Africa grew by 6 per cent. to reach 10.8 million active clients. In Africa Regions, CHNW's active client numbers rose by 10 per cent. to 6.1 million. Private banking clients grew by 16 per cent. and youth clients grew by 13 per cent.

CHNW's loans to customers grew by 5 per cent. and deposits from customers by 8 per cent. in 2022. This growth, together with the positive endowment from higher average interest rates, lifted NII by 15 per cent. to R32,631 million as at 31 December 2022. Strong transactional activity and an 8 per cent. growth in the active client base to 16.9 million clients supported NIR growth of 8 per cent. for the year ended 31 December 2022.

Credit impairment charges decreased by 3 per cent. for the year ended 31 December 2022, attributable to an intensified focus on credit recovery strategies which included improved client communication. However, sharp and frequent interest rate increases, high inflation and other consumer pressures hampered credit recovery efforts in 2022.

CHNW has an extensive physical presence with 1,116 branches and in-store kiosks and 6,205 ATMs but it will continue to reconfigure and reduce physical branches in line with the growing use of digital platforms and the corresponding decline in branch usage. In 2022, the Group reduced its physical footprint by 9 per cent. Branches will remain available to customers requiring personal engagement, but on a reduced scale. While digital solutions yield lower revenue per service, the Group anticipates that this will be balanced by continued rationalisation of the branch network over time, and by offering an expanded range of services using digital channels and in partnerships with retailers and other businesses with existing physical networks.

Operating expenses increased by 11 per cent. for the year ended 31 December 2022 mainly due to higher inflation across the continent, accelerated investment in digital capabilities and costs related to increased business activity across SBG's markets. Despite external pressures, CHNW achieved positive jaws of 1.04 per cent. and the cost-to-income ratio improved to 60.8 per cent. for the year ended 31 December 2022 from 61.4 per cent. for the year ended 31 December 2021.

The following table presents a summary of CHNW's main performance indicators for the years ended 31 December 2022 and 31 December 2021:

	31 December	
	2022	**2021**
	(Rm)	
Net interest income	32,631	28,485
Non-interest revenue	21,309	19,779
Total Income	**53,940**	**48,264**
Credit impairment charges	(7,745)	(7,946)
Income before operating expenses	**46,195**	**40,318**
Operating expenses in banking activities	**(32,821)**	**(29,644)**
Staff costs	(11,359)	(10,476)
Other operating expenses	(21,462)	(19,168)
Profit for the year attributable to ordinary shareholders	**9,019**	**6,901**
Headline earnings	**8,872**	**6,963**
Gross loans and advances	**654,154**	**634,615**
Total assets	**692,212**	**678,069**
Total liabilities	**636,142**	**624,685**

The following table presents selected ratios for CHNW for the years ended 31 December 2022 and 31 December 2021:

	31 December	
	2022	**2021**
	(per cent.)	
Credit loss ratio	1.22	1.34
ROE	17.3	14

Business and commercial clients

The BCC client segment 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. BCC'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. BCC improved headline earnings by 51 per cent. to R8,026 million, with an ROE of 33.7 per cent. for the year ended 31 December 2022 compared 24.7 per cent. for the year ended 31 December 2021. The recovery in trade and transactional flows post pandemic supported positive franchise growth for the year ended 31 December 2022. Higher average interest rates in most markets and positive endowment bolstered performance despite an elevated inflationary environment for the year ended 31 December 2022.

Loans to customers increased by 10 per cent. for the year ended 31 December 2022 as client appetite for lending products grew, particularly in International and West African Regions, while in South African client affordability was constrained by higher inflation and interest rates, as well as volatile global markets which moderated growth. Deposits from customers grew by 5 per cent., for the year ended 31 December 2022 impacted by weaker Africa Regions currencies and currency normalisation in the International portfolio. In BCC in South Africa, business lending increased by 6 per cent. and vehicle and asset finance disbursements increased by 11 per cent.

Balance sheet growth was supported by the digitisation of the small business customer engagement model, increased access to funding through scored lending and strategic partnerships in some markets. In addition, the introduction of multiple funding solutions including Trader Direct1, FlexiPayy2, BizFlex3, and EZ Cash4, supported growth of 5 per cent. in active small business customers, increase in client product entrenchment and more than 9 per cent. asset growth for the year ended 31 December 2022.

The relationship banked segment benefitted from partnerships in several countries, and a strategic focus on targeted sectors to unlock opportunities for SBG's clients. BCC provided access to renewable energy linked funding for Commercial and Industrial clients and established several partner networks to provide clients with greater access to lending, foreign exchange, trade and other core business solutions. Sector specific strategies supported operating income growth in agriculture and logistics of 15 per cent. and 20 per cent. respectively for the year ended 31 December 2022, as well as active client acquisition, liability gathering and lending prospects in the education, health and franchise sectors.

Balance sheet growth together with positive endowment from higher average interest rates, lifted NII by 29 per cent. to R20,408 million for the year ended 31 December 2022.

BCC's net active client numbers increased by 4 per cent. overall in the year ended 31 December 2022, and by 8 per cent. in Africa Regions. BCC's South Africa's NPS remained steady at 71 for the year ended 31 December 2022. In Africa Regions, BCC's NPS also remained unchanged at 29 in the year ended 31 December 2021.

NIR grew by 12 per cent. to R12,241 million supported by active client base growth of 4 per cent. to 791,000 for the year ended 31 December 2022. This was attributed to the continued recovery in client transactional flows, higher trade activity and market volatility. BCC continues to develop and adapt its digital solutions, investing in engagement solutions to enhance client value propositions. Clients continued to migrate to digital platforms with South Africa's digital transactional volumes up 5 per cent. and values up 16 per cent., and Africa Regions an increase of 7 per cent. and 12 per cent. respectively for the year ended 31 December 2022 compared to the year ended 31 December 2021. The total value of digital transactions performed by BCC clients through SBG was over R1.1 trillion in 2022. With a smaller branch footprint, BCC implemented solutions including alternative channels and payment options to meet higher demand for cash processing from clients. In addition, double digit growth in cross-border payment flows and trade lending facilities, which benefitted from SBG's forex capabilities and trade digital solutions, Africa China import and export solutions as well as its match making events to link export clients with Chinese importers, further contributed to NIR growth.

BCC's Credit impairment charges were marginally lower than the year ended 31 December 2021 at R2,271 million, with a credit loss ratio ("**CLR**") of 0.96 per cent. for the year ended 31 December 2022 as compared to 1.11 per cent. for the year ended 31 December 2021. CLR remained just outside the targeted through-the-cycle range of 1.00 per cent. to 1.20 per cent. The lower impairment charge from South Africa was partially offset by the increase in specific provisions and forward-looking coverage in Africa Regions.

Operating expenses increased by 13 per cent. to R18,749 million for the year ended 31 December 2022, largely due to higher inflation, investment in digital initiatives, as well as higher employee costs to build capacity and higher incentives aligned to the business performance. Total income growth of 22 per cent. exceeded cost growth of 13 per cent. resulting in positive jaws of 9.63 per cent. and an improved cost-to-income ratio of 57.4 per cent. for the year ended 31 December 2022 as compared to 62.3 per cent. for the year ended 31 December 2021.

The following table presents a summary of BCC's main performance indicators for the years ended 31 December 2022 and 31 December 2021:

	31 December	
	2022	2021
	(Rm)	
Net interest income	20,408	15,801
Non-interest revenue	12,241	10,881
Total Income	32,649	26,682
Credit impairment charges	(2,271)	(2,294)
Income before operating expenses	30,378	24,388
Operating expenses in banking activities	(18,749)	(16,631)
Staff costs	(4,648)	(3,837)
Other operating expenses	(14,101)	(12,794)
Profit for the year attributable to ordinary shareholders	**8,180**	**5,297**
Headline earnings	**8,026**	**5,317**
Gross loans and advances	**248,064**	**219,593**
Total assets	**290,016**	**257,862**
Total liabilities	**262,946**	**230,566**

The following table presents selected ratios for BCC for the years ended 31 December 2022 and 31 December 2021:

	31 December	
	2022	2021
	(per cent.)	
Credit loss ratio	0.96	1.11
ROE	33.7	24.7

Corporate & Investment Banking

The CIB client segment 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 five 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's growth momentum continued throughout 2022. Revenue grew to R48,756 million for the year ended 31 December 2022, a 23 per cent. increase on the prior year, with double digit revenue growth across all three solutions and the majority of markets in which CIB operates.

CIB's client-focused strategy enabled it to achieve a 23 per cent. growth in income in the year ended 31 December 2022. The CIB client franchise remains strong with client revenue (client revenues are directly attributed to client franchise activity) for the year ended 31 December 2022 which is an increase of 31 per cent. compared to 2021. This strong performance was underpinned by SBG's proactive response to emerging client needs in a period of global uncertainty and volatility. Double digit revenue growth across all sectors demonstrated healthy diversification with particularly positive performances achieved in the Mining & Metals, Power & Infrastructure, and Oil & Gas sectors. Revenue benefitted from client franchise balance sheet growth and positive endowment from higher average interest rates.

The strategy of supporting global multinational corporates and local corporates across the geographies and regions in which the Group operates (South Africa, Africa Regions and International) contributed significantly to the 2022 performance. CIB continued to support Africa specific growth themes, such as the energy transition and infrastructure development, while responding to emerging client needs.

Operating expenses increased by 12 per cent. to R23,927 million for the year ended 31 December 2022. Higher inflation rates and relative ZAR weakness contributed to cost growth. Contained discretionary spend offset additional costs from increased business volumes, higher incentive accruals aligned to business performance and investment spend on technologies to support CIB's client franchise.

Following the release of credit impairments in the year ended 31 December 2021, the business raised credit impairments for 2022, with a CLR on customer loans and advances of 0.37 per cent. This largely relates to defaults in the Consumer sector, and higher charges due to sovereign distress in Ghana and the related impact on CIB's corporate book and direct sovereign exposure.

The pressure on consumers is expected to continue given the difficult macroeconomic environment, which is likely to dampen SBG's clients' financial performance. The possibility of further sovereign distress in some African markets has also elevated. However, CIB expect to remain within the targeted CLR to customers through-the-cycle range of 0.40 per cent. to 0.60 per cent.

CIB uses a client satisfaction index ("**CSI**") to measure the extent to which its clients are satisfied with the service CIB provides. It is calculated using weighted scores for different dimensions, from response times to the effectiveness of client relationship managers. CIB's CSI in the year ended 31 December 2022 was 8.2, unchanged compared to 2021.

The CIB client engagement model provides each client with a client service team, which draws expertise from across SBG. CIB's client relationship managers work closely with clients to develop a comprehensive understanding of their needs and challenges and deliver seamlessly integrated universal financial services solutions.

CIB continued to digitise during the year ended 31 December 2022. For example, CIB offers TreasuryOnline, which is a real-time cash visibility and cash management capability. This solution enables liquidity management through CIB money market instruments, seamless funds transfer and enhanced forecasting, as well as working capital and foreign exchange management through a single, simple interface while ensuring the security of financial data.

The table below presents a summary of the CIB division's main performance Indicators for the years ended 31 December 2022 and 31 December 2021:

	31 December	
	2022	**2021**
	(Rm)	
Net interest income	24,232	18,544
Non-interest revenue	24,524	21,125
Total Income	48,756	39,669
Credit impairment charges	(2,549)	374
Income before operating expenses	46,207	40,043
Operating expenses in banking activities	(23,927)	(21,318)
Staff costs	(9,063)	(8,268)
Other operating expenses	(14,864)	(13,050)
Profit for the year attributable to ordinary shareholders	**14,926**	**13,309**
Headline earnings	**14,772**	**13,293**
Gross loans and advances	**691,825**	**671,726**
Total assets	**1,411,207**	**1,304,629**
Total liabilities	**1,316,877**	**1,221,064**

The following table presents selected ratios for CIB for the years ended 31 December 2022 and 31 December 2021:

	31 December	
	2022	2021
	(per cent.)	
Credit loss ratio	0.27	-0.04
ROE	19.20	19.40

The following table presents selected financial information for CIB's products for the years ended 31 December 2022 and 31 December 2021:

	31 December	
	2022	2021
Stage 3 exposures ratios (per cent.):		
Corporate and sovereign lending	2.6	2.4
Credit loss ratios (per cent.):		
Corporate and sovereign lending	0.37	(0.05)
Bank lending	0.01	(0.02)
Gross loans and advances at amortised cost (Rm):		
Corporate and sovereign lending	516,211	455,404
Bank lending	168,402	209,593

Central and other

This segment includes costs associated with corporate functions and the Group's treasury and capital requirements that have not been otherwise allocated to the business units. The Central and other operating expenses recoveries in Standard Bank Activities amounted to R2,223 million for the year ended 31 December 2022 (compared to a prior year amount of R2,116 million) for the year ended 31 December 2021.

Principal sources of SBG revenue

The table below presents the Group's sources of income for the years ended 31 December 2022 and 31 December 2021:

	31 December	
	2022	2021
	(Rm)	
Net interest income	77,112	62,436
Non-interest revenue	56,242	50,862
Net fee and commission revenue	32,621	30,355
Trading revenue	17,046	14,842
Other revenue	4,137	3,648
Other gains and losses on financial instruments[1]	2,438	2,017
Total income from banking activities	**133,354**	**113,298**

[1] For further information on Other gains and losses on financial instruments, refer to page 95 of the SBG 2022 Annual Financial Statements.

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.

As at 31 December 2022, SBG's total gross loans and advances amounted to R1,560,769 million (compared to R1,475,726 million as at 31 December 2021), an increase of 6 per cent.

Expected credit losses on loans and advances amounted to R55,828 million for the year ended 31 December 2022, an increase of 9 per cent. from the year ended 31 December 2021.

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 2022 and 31 December 2021.

	31 December	
	2022	**2021**
	(Rm)	
Loans and advances measured at fair value	**665**	**486**
Net loans and advances measured at amortised cost	**1,504,276**	**1,423,842**
Gross loans and advances measured at amortised cost	**1,560,104**	**1,475,240**
Home services	459,647	434,104
Vehicle and asset finance	119,859	110,653
Card and payments	38,063	36,367
Personal unsecured lending	103,029	81,226
Business lending and other	154,893	147,893
Corporate and sovereign	516,211	455,404
Bank	168,402	209,593
Expected credit losses	**(55,828)**	**(51,398)**
Net loans and advances	**1,504,941**	**1,424,328**
Comprising:		
Gross loans and advances	1,560,769	1,475,726
Less: Expected credit losses	(55,828)	(51,398)

Loan portfolio by industry sector

The following table sets out the composition of SBG's advances by industry sector as at 31 December 2022 and 31 December 2021:

	31 December	
	2022	**2021**
	(Rm)	
Segmental analysis – industry		
Agriculture	42,906	41,528
Construction	18,570	17,120
Electricity	31,818	26,896
Finance, real estate and other business services	430,392	453,469
Individuals	647,490	612,374
Manufacturing	98,283	86,344
Mining	56,372	40,650
Transport	64,359	58,352
Wholesale	97,864	75,951
Other services	72,715	63,042
Gross loans and advances	**1,560,769**	**1,475,726**

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 2022 and 31 December 2021.

	31 December	
	2022	2021[1]
	(Rm)	
Segmental analysis by geographic area		
South Africa	1,003,121	968,045
Africa Regions[1]	343,454	302,989
International	214,194	204,692
Gross loans and advances	**1,560,769**	**1,475,726**

1 Restated. During 2022 it was noted that gross loans and advances of R45,531 million had been erroneously disclosed as originating in South Africa instead of Africa Regions, R23, 885 million, and International, R21,646 million. The restatement had no impact on the Group's statement of financial position, income statement or any other analysis relating to loans and advances.

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 2022 and 31 December 2021:

	31 December	
	2022	2021
	(Rm)	
Opening Expected Credit Losses ("ECL") – 1 January	51,398	49,986
Net impairments raised and released	11,981	10,964
Impaired accounts written off[1]	(11,534)	(13,318)
Exchange and other movements[2]	3,983	3,766
Closing ECL–- 31 December	**55,828**	**51,398**
Comprising:		
Stage 1 ECL	6,836	6,390
Stage 2 ECL	10,351	8,879
Stage 3 ECL	38,641	36,129
	55,828	**51,398**

[1] The contractual amount outstanding on loans and advances that were written off during the year that are still subject to enforcement activities is R4.7 billion (2021: R5.2 billion).
[2]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 loans and advances by industry as at 31 December 2022 and 31 December 2021:

	31 December	
	2022	2021
	(Rm)	
Segmental analysis of specific impairments by industry		
Agriculture	1,508	1,254
Construction	970	1,678
Electricity	588	539
Finance, real estate and other business services	3,600	3,144
Individuals	24,596	23,838
Manufacturing	1,773	790
Mining	276	113
Transport	1,418	1,155
Wholesale	1,940	2,071
Other services	1,972	1,547
	38,641	**36,129**

The table below sets out a segmental analysis of stage 3 loans and advances by geographic area as at 31 December 2022 and 31 December 2021:

	31 December	
	2022	**2021**
	(Rm)	
Segmental analysis by geographic area		
South Africa	31,058	29,305
Africa Regions	7,291	6,221
International	292	603
Gross loans and advances	**38,641**	**36,129**

The following table presents the non-performing exposures ratios for SBG's products for the years ended 31 December 2022 and 31 December 2021.

	31 December	
	2022	**2021**
Stage 3 exposures ratios:	*(per cent.)*	
Home services	7.2	7.4
Vehicle and asset finance	7.1	6.6
Card and payments	8.4	7.9
Personal unsecured lending	9.5	10.4
Business lending and other	6.5	4.2
Corporate and sovereign	2.6	2.4
Bank		
Central and other		
Total	**5.0**	**4.7**

Credit portfolio characteristics and metrics

Maximum exposure to credit risk

Debt financial assets at amortised cost and fair value through other comprehensive income as well as off-balance sheet exposure subject to expected credit losses are analysed and categorised based on credit quality using SBG's master rating scale. SBG uses a 25-point master rating scale to quantify the credit risk for each borrower (corporate asset classes) or facility (specialised lending and retail asset classes). Exposures within Stage 1 and 2 are rated between 1 to 25 in terms of SBG's master rating scale. These ratings are mapped to probability of default ("**PDs**") by means of calibration formulae that use historical default rates and other data from the applicable CHNW portfolios. SBG distinguishes between through-the- cycle PDs and point-in-time PDs, and utilises both measures in decision-making, managing credit risk exposures and measuring impairments against credit exposures. Exposures which are in default are not considered in the 1 to 25-point master rating scale.

Default

SBG's definition of default has been aligned to its internal credit risk management definitions and approaches. While the specific determination of default varies according to the nature of the product, it is generally determined (aligned to the Basel III definition) as occurring at the earlier of:

- where, in SBG's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security; or
- when the counterparty is past due for more than 90 days (or, in the case of overdraft facilities in excess of the current limit).

SBG does not rebut IFRS 9's 90 days past due rebuttable presumption.

A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:

- significant financial difficulty of the borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower);
- a breach of contract, such as default or delinquency in interest and/or principal payments;
- disappearance of active market due to financial difficulties;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; or
- where the group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the group would not otherwise consider.

Exposures which are overdue for more than 90 days are also considered to be in default.

Principal Subsidiaries

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

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. The strategy of SAHL's underlying investee companies follows the Group strategy in the same way as Africa Regions subsidiaries which are held directly by SBG. The growth of SAHL depends solely upon the growth of the Net Asset Value of each of its underlying investments, and its main source of income is dividends from subsidiaries. SBG, through SAHL, ensures that its subsidiaries are adequately capitalised to meet the requirements of home and host regulators.

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. In the year ended 31 December 2022, SAHL increased its shareholding in Stanbic Holdings Plc (Kenya) to 74.92 per cent. from 72.25 per cent., while its shareholding in Stanbic IBTC Holdings PLC increased from 67.51 per cent. to 67.55 per cent. SBG will continue to look for opportunities to deploy available capital, by increasing shareholdings in its Africa Regions subsidiaries, either directly or via SAHL, as appropriate.

In the year ended 31 December 2022, Africa Regions contributed 36 per cent. of SBG's headline earnings from banking activities compared to 36 per cent. in 2021 and 21 per cent. of SBG's total gross loans and advances compared to 21 per cent. in 2021.

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 2022 and 31 December 2021:

	31 December	
	2022	**2021**
Net interest income (Rm)	28,598	20,580
Non-interest revenue (Rm)	20,641	17,360
Total income (Rm)	**49,239**	**37,940**
Credit impairment charges (Rm)	(3,851)	(2,076)
Income before operating expenses (Rm)	**45,388**	**35,864**
Operating expenses (Rm)	**(24,122)**	**(19,942)**
Staff costs (Rm)	(11,322)	(9,248)
Other operating expenses (Rm)	(12,800)	(10,694)
Net income before non-trading and capital related items, and equity accounted earnings (Rm)	**21,266**	**15,922**
Non-trading and capital related items (Rm)	726	11
Profit before indirect taxation (Rm)	**21,992**	**15,933**
Indirect taxation (Rm)	(934)	(806)
Profit before direct taxation (Rm)	**21,058**	**15,127**
Direct taxation (Rm)	(4,754)	(3,745)
Attributable to non-controlling interest (Rm)	(3,462)	(2,366)
Profit for the year attributable to ordinary shareholders (Rm)	**12,842**	**9,016**
Headline earnings (Rm)	**12,216**	**8,995**
Net loans and advances (Rm)	**322,463**	**297,884**
Total assets (Rm)	**541,433**	**497,632**
Total liabilities (Rm)	**465,707**	**428,540**
Credit loss ratio (bps)	**93.0**	**75.0**
Cost-to-income ratio (per cent.)	**49.0**	**52.6**
Jaws (bps)	**882.0**	**(291.0)**
ROE (per cent.)	**21.0**	**18.2**

The following table presents select performance indicators of the Africa Regions, on a geographical basis, for the years ended 31 December 2022 and 31 December 2021:

	East Africa		**South & Central Africa**		**West Africa**		**Africa Regions legal entities**	
	31 December		**31 December**		**31 December**		**31 December**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
	(Rm)		*(Rm)*		*(Rm)*		*(Rm)*	
Profit attributable to ordinary shareholders	2,436	1,711	6,827	4,118	3,579	3,187	12,842	9,016
headline earnings	2,431	1,710	6,210	4,099	3,575	3,186	12,216	8,995
ROE (per cent.)	17.3	14.7	25.4	20.1	18.2	18.3	21.0	18.2

The top six contributors to Africa Regions' headline earnings were Angola, Kenya, Mozambique, Nigeria, Uganda and Zambia.

ICBCS (previously included in Other Banking Interests)

ICBCS continued to benefit from closer integration with its parent, the Industrial and Commercial Bank of China Limited (ICBC). ICBCS (via the Group's 40 per cent. shareholding) contributed R1.9 billion to group earnings (2021: R0.5 billion), R1.2 billion thereof related to the insurance settlement in particular and R0.7 billion thereof related to ICBCS' operational performance.

Liberty Holdings Limited ("Liberty")

The Liberty business is a focused insurer and asset manager, offering a range of investments, long and short-term insurance, asset management and health services solutions. Liberty clients, which range from individual customers to corporate clients across Africa, can leverage its extensive market leading range of products and services to help build and protect their wealth and lifestyle. Liberty is incorporated in the Republic of South Africa. Liberty Kenya Holdings PLC is a subsidiary which is listed on the Nairobi Stock Exchange in Kenya. Another of the Group's subsidiaries, Liberty Two Degrees Limited, a Real Estate Investment Trust ("**REIT**"), listed on the Main Board of the JSE as a Corporate REIT on 1 November 2018 (previously listed on the Diversified REIT Sector).

On 14 July 2021, SBG and Liberty jointly announced SBG's firm intention to make an offer to (i) acquire all the ordinary shares of Liberty that were not already owned by SBG excluding all treasury shares; and (ii) acquire all of Liberty's issued preference shares listed on the JSE (together the "**Proposed Transaction**"). As part of the Proposed Transaction all of Liberty's ordinary and preference shares would be delisted from the JSE.

The ordinary and preference share schemes were approved by Liberty's shareholders on 13 October 2021 with implementation of the schemes subject to the fulfillment or waiver of the scheme conditions.

In relation to the preference share scheme, all requisite scheme conditions, including obtaining requisite regulatory approvals, were fulfilled on 2 November 2021. Accordingly, the preference share scheme was implemented on 22 November 2021 and the Liberty preference shares were delisted from the JSE on 23 November 2021.

In respect of the ordinary share scheme, as at 31 December 2021, certain scheme conditions, including some requisite regulatory approvals, remained outstanding. Accordingly, that scheme was not unconditional as at 31 December 2021. Subsequently, the remaining scheme conditions were fulfilled and the scheme became unconditional on 7 February 2022. The ordinary scheme was implemented on 28 February 2022 and the Liberty ordinary shares were delisted from the JSE on 1 March 2022. At 31 December 2022 SBG owns 100 per cent. of the ordinary issued shares of Liberty.

For more information, see Note 44.2 to the SBG 2022 Annual Financial Statements.

The buyout of the Liberty minority shareholders was effective from 1 February 2022. The Group's financial results as consolidated include 57 per cent. of Liberty earnings for January 2022 and 100 per cent. for the rest of the year. In 2022, Liberty contributed R2 billion in headline earnings to the Group. The integration of Liberty has commenced and is focused on realigning teams to drive sales and improve distribution. Once complete, the integration will create a unified and formidable financial services provider in Africa, with the ad-vantage of compelling scale. The integration process will continue through 2023.

On consolidation, the Group records an adjustment for Standard Bank Group shares held by Liberty for the benefit of Liberty policyholders (i.e. deemed treasury shares). The treasury share adjustment equated to a negative adjustment of R243 million in the current year (2021: negative R355 million).

The Group's long-term insurance indexed new business amounted to R9,836 million for the year ended 31 December 2022 which was a 7 per cent. increase compared to 2021. SA Retail indexed new business amounted to R8,524 million for the year ended 31 December 2022, an increase of 5 per cent. compared to 2021, with strong growth from all major sales channels. Liberty Corporate indexed new business increased by 13.3 per cent. the year ended 31 December 2022 compared to 2021 and Liberty Africa Insurance indexed new business increased by 23 per cent. the year ended 31 December 2022 compared to 2021. Group value of new business ("**VoNB**") amounted to R290 million for the year ended 31 December 2022 compared to VoNB of R229 million in 2021. For the year ended 31 December 2022 Liberty had 3.9 million policyholders and its AUM fell 1.6 per cent. to R873 billion.

Key financial information and ratios

The financial results reported are the consolidated results of the Group's 100 per cent. effective interest in Liberty, adjusted for SBG shares held by Liberty for the benefit of Liberty policyholders which are deemed to be treasury shares in the Group's consolidated accounts.

Liberty's normalised operating earnings for the year ended 31 December 2022, amounted to R1,572 million, compared to the earnings of R1,349 million in the year ended 31 December 2021 pre-Covid impacts. Liberty's headline earnings equated to R2,066 million (2021: headline loss of R112 million).

Liberty's core insurance operations, SA Retail and Liberty Corporate, continued to recover post Covid-19. Sales continued to increase and investment margins improved. Earnings were affected by adverse markets, especially in STANLIB and the Shareholder Investment Portfolio. Liberty Group Limited remains well capitalised, with a solvency capital requirement cover ratio of 1.76 times as at 31 December 2022 (2021: 1.72 times).

The tables below present a summary of the Liberty main performance indicators for the years ended 31 December 2022 and 31 December 2021:

	31 December	
	2022	**2021**
	(Rm)	
Headline earnings per key business areas:		
South African insurance operations	**1,705**	**1,308**
SA Retail	1,130	871
Liberty Corporate	166	41
Liberty Corporate–- Fund Rehabilitation	(30)	(27)
LibFin Markets	439	423
South Africa Asset Management–- STANLIB	**435**	**472**
Africa regions	**(75)**	**(65)**
Operations under ownership review	24	30
Group strategic initiatives	(104)	(119)
Sundry income and central cost	5	24
Group strategic initiatives	**(487)**	**(368)**
Central costs and sundry income	**(6)**	**2**
Normalised operating earnings excluding pandemic reserve	**1,572**	**1,349**
Covid-19 impact, net of taxation and non controlling interests' share	165	(2,959)
Normalised operating (loss)/earnings	**1,737**	**(1,610**
Shareholder Investment Portfolio (SIP)	323	1,554)
Normalised headline (loss)/ earnings	**2,060**	**(56)**
BEE preference shares income	(1)	(3)
Reversing of accounting mismatch arising on consolidation of Liberty Two Degrees	7	(53)
Headline (loss)/earnings	**2,066**	**(112)**

Liberty governance approach

Liberty's governance structures and processes provide for sound and prudent management and oversight of the Liberty Group's businesses in the interests of customers, shareholders and other stakeholders. The structures and processes support and enhance the ability of those responsible for the governance of Liberty (the board, senior management and heads of key functions) to manage Liberty's businesses effectively.

Liberty Compliance

During 2022, Liberty was compliant in all material respects with the requirements of the Companies Act, the applicable Companies Act Regulations and the Financial Stability Board notice 158 of 2014 "Governance and Risk Management Framework for Insurers". The Liberty board delegates responsibility for compliance to management and monitors this through its compliance control function. The compliance management committee assesses the impact of proposed legislation and regulation. Any other material regulatory issues are escalated to the relevant governance bodies. During 2022, no material breaches were identified that require separate disclosure.

Liberty capital adequacy risk

The Insurance Act, No. 18 of 2017 has been effective from 1 July 2018 and prescribes Solvency Assessment and Management ("**SAM**") similar in many respects to that set out in the Solvency II

Directive agreed by the European Parliament in 2009. The primary purpose of SAM is the protection of policyholders and beneficiaries.

The regulatory capital requirements at Liberty group level have been calculated based on the group supervision rules specified by the SAM regime. These include:

- for South Africa life insurance entities, the assessment of capital is on a SAM supervisory basis as prescribed by the Prudential Authority. This will apply to Liberty Group Limited, the Group's main long-term insurance licence;
- for other South Africa regulated entities, regulatory capital requirements continue to follow rules defined by their appropriate regulator; and
- for non-South Africa insurance entities, these entities' capital requirement will be assessed on a SAM equivalent supervisory basis.

The Liberty Group remains well capitalised in respect of the SAM regime.

Headline earnings by key legal entity

	31 December	
	2022	**2021**
	(Rm)	
SBSA Group as consolidated into SBG	**16,256**	**12,877**
Africa Regions legal entities	**12,216**	**8,995**
Standard Bank International	**1,628**	**544**
Other group entities	**442**	**2,524**
Standard Insurance Limited	310	489
SBG Securities	264	995
Standard Advisory London	85	63
Other[1]	(217)	977
Standard Bank Activities	**30,542**	**24,940**
ICBCS	**1,917**	**500**
Liberty	**1,788**	**(419)**
Standard Bank Group	**34,247**	**25,021**

1 Included is the elimination of gains and losses on deemed IFRS treasury shares relating to client trading activities and hedging in SBG Securities of (R876) million (2021: (R459) million).

Net asset value by key legal entity

	31 December	
	2022	**2021**
	(Rm)	
SBSA Group	**111,081**	**107,416**
Africa Regions legal entities	**61,293**	**56,137**
Standard Bank International	**10,675**	**9,276**
Other group entities	**11,519**	**10,856**
Standard Insurance Limited	2,256	2,096
SBG Securities	2,763	2,856
Standard Advisory London	710	732
Other	5,790	5,172
Standard Bank Activities	**194,568**	**183,685**
ICBCS	**6,657**	**4,248**
Liberty	**18,039**	**10,899**
Standard Bank Group	**219,264**	**198,832**

Employees

For the year ended 31 December 2022, the Group had 52,742 employees (compared to 49,224 employees for the year ended 31 December 2021).

SBG's Employee Net Promoter Score ("**eNPS**") for the year ended 31 December 2021 was 42, a decrease compared to 47 in 2021. In a survey in October 2022, 90 per cent. of employees expressed pride in their association with the Group.

A significant number of the Group's non-managerial employees are represented by trade unions. The Group has not experienced any significant strikes or work stoppages in recent years.

The Group has developed employment policies to meet the needs of its different business segments in the locations in which it operates, embodying principles of equal opportunity. The Group has a statement of business standards with which it expects its employees to comply. The Group encourages the involvement of employees in the performance of the business in which they are employed and aims to achieve a sense of shared commitment.

Governance

The Group operates within a clearly defined governance framework. The 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 board has delegated the day-to- day management of the Group, in writing, to SBG's chief executive without abdicating the board's responsibility. 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 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 assists 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.

King Code

The King IV Report on Corporate Governance for South Africa 2016 (the "**King Code**") has formed the cornerstone of SBG's approach to governance. The Group supports the overarching goals of the King Code, namely ethical culture, good performance, effective control and legitimacy. The SBG Board is satisfied with the Group's application of the principles of the King Code. A statement on the Group's application of the King Code principles is available online at www.standardbank.com.

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. As at 12 December 2023, the SBG Board comprised 14 directors, 9 of whom are independent non-executive directors, three of whom are non-executive directors and two of whom are executive directors.

The 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**	**2020**
Xueqing Guan	**Senior deputy chairman, non-executive**	**2020**
Jacko Maree	**Deputy chairman, independent non-executive**	**2016**
Lwazi Bam	**Independent, non-executive**	**2022**
Paul Cook	**Independent, non-executive**	**2021**
Geraldine Fraser-Moleketi	**Independent, non-executive**	**2016**
Trix Kennealy	**Independent, non-executive**	**2016**
Ben Kruger	**Independent, non-executive**	**2022**
Li Li	**Non-executive**	**2021**
Nomgando Matyumza	**Independent, non-executive**	**2016**
Martin Oduor – Otieno	**Independent, non-executive**	**2016**
Atedo Peterside	**Non-executive**	**2014**
Sim Tshabalala	**Executive director–- Chief Executive**	**2013**
Arno Daehnke	**Executive director – Chief Finance and Value Management Officer**	**2016**

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

CHAIRMAN AND DEPUTY CHAIRMAN

Nonkululeko Nyembezi / 63 *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 > Macsteel Service Centres South Africa (Pty) Limited (chairman) **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 and the JSE Limited > non-executive director of Old Mutual	**Committees:** DAC (chairman) GRCMC GITC LEC REMCO GSEC	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE**:* None
Xueqing Guan / 60 *Senior deputy chairman, SBG and non-executive director, SBG and SBSA* *Appointed:* 1 August 2020	**Qualifications**: > Doctorate in Economics (Southwestern University of Finance and Economics, China)	**Appointments held:** Board secretary, ICBC **Previous roles**: > General Manager of Corporate Strategy and Investor Relations Department of ICBC > Head of Sichuan Branch, ICBC	**Committees**: DAC GRCMC GITC	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** None
Jacko Maree / 68 *Deputy chairman, SBG and independent non-executive director, SBG and SBSA* *Appointed:*	**Qualifications**: > BCom (University of Stellenbosch) > BA and MA (politics and economics) (Oxford)	**External directorships**: > Phembani Group **Other governing body and professional positions held**: > China Investment Corporation – International advisory council	**Committees**: GMAC (chairman) GRCMC REMCO GSEC	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** None

21 November 2016	> PMD (Harvard)	> Special Envoy on Investments to RSA **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	LEC	
Trix Kennealy / 65 *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 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** 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 GSEC GMAC LEC	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** None
Arno Daehnke / 56 *Chief finance and value management officer, SBG and executive director of 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 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** None
Paul Cook / 43 *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 GSEC	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** None
Geraldine Fraser-Moleketi / 63 *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 University) > Doctorate in Philosophy (Honoris Causa) (North West University)	**External directorships**: > Exxaro Resources (lead independent director) > Tiger Brands (chairman) **Other governing body and professional positions held**: > UN economic and social council, committee of experts of public administration (chairman) > Nelson Mandela University (chancellor)	**Committees**: DAC GRCMC GSEC (chairman)	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** None

	>Leadership programme (Wharton) > Fellow of the Institute of Politics (Harvard)	> Government Technical Advisory Centre Winter School Advisory Panel **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		
Nomgando Matyumza / 60 *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 > Volkswagen of South Africa > Clicks Group **Previous roles**: > Deputy CEO at Transnet Pipelines > Non-executive director on the boards of Cadiz, Transnet SOC, Ithala Development Finance Corporation, WBHO and Hulamin	**Committees**: GRCMC REMCO GAC DAC	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** 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 **Other governing body and professional positions held**: > Chairman of the Africa Executive Coaching Council **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 GSEC GITC	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** None

Atedo Peterside CON / 68 *Non-executive director, SBG and SBSA* *Appointed*: 22 August 2014	**Qualifications**: > BSc (economics) (The City University, London) > MSc (economics) (London School of Economics and Political Science) > Owner/President Management Programme (Harvard)	**External directorships**: > Anap Holdings Ltd (chairman) > Anap Business Jets Ltd (chairman) **Previous roles**: > Founder and chief executive of the then IBTC > Chairman of Stanbic IBTC Bank Plc and Cadbury Nigeria Plc > Non-executive director of Flour Mills of Nigeria Plc, Unilever Nigeria Plc and Nigerian Breweries Plc	**Committees**: GAC DAC GITC REMCO	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE**:* None
Li Li / 46 *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 Xueqing Guan)	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** 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** >Presidential Climate Finance Task Team > 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 GSEC	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** None

Ben Kruger / 64 *Independent, non-executive director, SBG and SBSA* *Appointed*: 6 June 2022	**Qualifications**: > BCom Acc (Hons) > AMP (Harvard) > CA(SA)	**External directorships:** > Aspen Pharmacare Holdings Limited (lead independent director) > The Johannesburg Stock Exchange > Ruby Rock Investments (Pty) Ltd (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 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** 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		**GSEC –** Group social, ethics and sustainability committee			

*** Events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE**

(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 SBG's Board

Kgomotso Moroka and John Vice retired from the board of SBG on 12 June 2023. In August 2023, Atedo Peterside's designation changed from independent non-executive director to non-executive director having served on the board for 9 years.

Conflicts of Interest

In accordance with paragraph 7.4, 7.5 and 7.6 of the JSE Debt 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. 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 planning and forecasting process. The capital plan is tested under a range of stress scenarios.

The 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.

The PA reinstated the pillar 2A buffer requirement for banks in South Africa effective from 1 January 2022 following the temporary relaxation of the requirements in 2020 in response to the Covid-19 pandemic.

South African minimum Basel III capital requirements were 8.5 per cent. for CET 1, 10.8 per cent. for tier 1 and 14.0 per cent. for total capital adequacy in 2022. These minimums exclude the countercyclical buffer, which for the time being has not been announced as a requirement for South Africa, and confidential bank-specific pillar 2B capital requirements but include the maximum potential D-SIB requirement of 2.5 per cent. South African banks were required to disclose their D-SIB capital requirements from 1 September 2020. The Group's D-SIB buffer requirement amounts to 1.5 per cent. as at 31 December 2022 of which 1 per cent. is required to be held in CET 1.

On 11 May 2022 the PA issued guidance note G4/2022 confirming the delay in implementation of the Basel III Finalisation rules to 1 January 2024 from 1 January 2023. 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 formal disclosure requirements commencing from 1 January 2015. 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 8.2 per cent. as at 31 December 2022 (compared to 7.9 per cent. as at 31 December 2021), in excess of the SARB minimum requirement of 4 per cent.

The following table sets out the Group's CET1, Tier 1 and Tier 2 capital excluding unappropriated profit for the years ended 31 December 2022 and 31 December 2021.

Basel III qualifying capital excluding unappropriated profits

	31 December	
	2022	2021
	(Rm)	
Ordinary shareholder's equity	**219,264**	**198,832**
Qualifying non-controlling interest	9,086	8,390
Less: regulatory adjustments	(26,634)	(19,201)
Goodwill	(2,258)	(2,195)
Other intangible assets	(10,916)	(12,653)
Investments in financial entities	(12,144)	(3,133)
Other adjustments	(1,316)	(1,220)
Unappropriated profits	(18,477)	(13,631)
CET 1 capital	183,239	174,390
Qualifying other equity instruments	14,098	11,099
Qualifying non-controlling interest	1,284	1,088
Tier 1 capital	198,621	186,577
Qualifying Tier 2 subordinated debt	24,594	23,394
General allowance for credit impairments	6,339	6,330
Tier 2 capital	30,933	29,724
Total regulatory capital	**229,554**	**216,301**

Basel III risk-weighted assets and associated capital requirements

	RWA		Minimum capital requirements[1]
	2022	2021	2022
	(Rm)		*(Rm)*
Credit risk (excluding counterparty credit risk (CCR))	**1,079,547**	**962,388**	**140,341**
Of which: standardised approach[2]	519,234	457,534	67,500
Of which: internal rating-based (IRB) approach	560,313	504,854	72,841
CCR	**45,502**	**48,753**	**5,915**
Of which: standardised approach for CCR	44,550	47,974	5,791
Of which: IRB approach	952	779	124
CVA	15,786	20,168	2,052

Equity positions in banking book under market-based approach	**10,225**	**8,964**	**1,329**
Equity investements in funds–- look through approach	**4,846**	**5,515**	**630**
Equity investments in funds–- mandate-based approach	**3,145**	**1,543**	**409**
Equity investments in funds–- fall-back approach	**252**	**358**	**33**
Securitisation exposures in banking book	**905**	**611**	**117**
Of which: IRB approach		397	
Of which: IRB supervisory formula approach		214	
Of which: Internal Ratings-Based Approach (SEC-IRBA)	**534**		**69**
Of which: External Ratings-Based Approach (SEC-ERBA)	**371**		**48**
Market risk	**79,086**	**71,839**	**10,281**
Of which: standardised approach	59,322	56,846	7,712
Of which: internal model approach (IMA)	19,764	14,993	2,569
Operational risk	**187,907**	**177,500**	**24,428**
Of which: standardised approach	99,370	93,098	12,918
Of which: advanced measurement approach (AMA)	88,537	84,402	11,510
Amounts below the thresholds for deduction (subject to 250 per cent. risk weight)	68,714	65,397	8,933
Total	**1,495,915**	**1,363,036**	**194,468**

[1] Measured at 13.0 per cent. (2021: 12.0 per cent.) and excludes any bank-specific capital requirements. Pillar 2A buffer requirements reinstated by the Prudential Authority from 1 January 2022. 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 CET 1. There is currently no requirement for the countercyclical buffer add-on in South Africa or in other jurisdictions in which SBG has significant exposures.

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

The following table details the Group's capital adequacy ratios for the years ended 31 December 2022 and 31 December 2021 on a Basel III basis.

Capital Adequacy Ratios

	Internal target ranges [1]	**SARB minimum regulatory requirement** [2]	**Excluding unappropriated profits**		**Including unappropriated profits**	
			2022	**2021**	**2022**	**2021**
	(per cent.)	*(per cent.)*	*(per cent.)*	*(per cent.)*	*(per cent.)*	*(per cent.)*
CET 1 capital adequacy ratio	>11.0	8.5	12.2	12.8	13.5	13.8
Tier 1 capital adequacy ratio	>12.0	10.8	13.3	13.7	14.5	14.7
Total capital adequacy ratio	>15.0	13.0	15.3	15.9	16.6	16.9

[1] Including unappropriated profit

[2] Excluding confidential bank specific requirements. Pillar 2A buffer requirements reinstated by the Prudential Authority from 1 January 2022

Source: This information has been extracted from SBG's 2022 Risk and Capital Management Report

For further information, see "Annexure C – Risk and Capital Management – IFRS disclosures" set out in SBG 2022 Annual Financial Statements which are incorporated by reference into the Programme Memorandum.

Climate Policy

The Group is committed to balancing the challenges posed by climate change with the need to support access to reliable energy that supports economic growth and poverty alleviation, in line with the United Nations Sustainable Development Goals. The Group has adopted a climate policy which applies to all its client segments and subsidiaries (excluding Liberty). 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 complimentary approaches including:

- setting targets to increase lending to sustainable finance solutions;
- refining existing lending policies;
- setting climate targets to reduce financed emissions in specific sectors;
- engaging with clients and supporting 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.

Initially, the Group has set climate targets and commitments for the following four sectors based on their identified levels of elevated climate risk: agriculture, gas, oil and thermal coal. The Group intends to establish targets and commitments for additional sectors over the next two to three years, including insurance, residential and commercial property and transportation.

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 between R250 billion and R300 billion in sustainable finance by the end of 2026. This includes an additional R50 billion of financing for renewable energy power plants over the next three years 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, it continues to support developments in these sectors as a legitimate and valuable element of Africa's sustainable development.

The Group will monitor its progress on the achievement of its climate targets and commitments annually and disclose the results in its annual reporting. The Group will also review and, where necessary, revise its climate policy, as well as the targets and commitments identified in it, 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 sets security, recovery and business resumption as a key focus area, and regularly tests contingency procedures so that interruptions are minimized. This yielded a 63 per cent. decrease in material system stability incidents in 2022. In South Africa, the number of material incidents declined from 14 incidents in 2021 to 4 incidents in 2022, and in Africa Regions material incidents in 2022 remained consistent with the prior year, with 2 incidents in each year. Migrating the Group's infrastructure, software and platforms to cloud services remains a strategic priority.

Ongoing investment in digital capabilities continues to be a strategic priority for all business segments within the Group. In 2022, CHNW digital volumes increased by 14 per cent. (compared to 2021) for usage of the SBG App, and Africa Regions digital volumes increased by 37 per cent. (compared to 2021).

SBG App users increased 10 per cent. and internet banking users increased by 6 per cent. in 2022 compared to 2021. BCC saw an increase of 15 per cent. in its digital transactions to over R1,102 million for the year ended 31 December 2022 compared to the previous year.

Technology governance functions provide oversight of technology within the Group 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 Group Information Technology Committee is an SBG Board committee which has the authority to review and provide guidance on matters related to the Group's 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.

The committee is chaired by an independent SBG Board member. The Group Chief Operating Officer, Group Chief Information Officer and Group Chief Information Security Officer, in addition to other key executive management, are standing invitees to committee meetings.

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**") and terrorist financing ("**TF**"). Consequently, SBG has drafted and implemented policies and procedures to assist it in complying with its anti-money laundering ("**AML**") and combating the financing of terrorism ("**CFT**") regulatory obligations in each jurisdiction in which it operates. Meeting ML and TF control requirements imposes significant obligations in terms of client identification and verification, 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 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, applying 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 biennially identify key enterprise risks. These top enterprise risks require focused management because they represent material impacts to the strategy. The Group regularly scans the environment for changes to ensure that its risk universe remains relevant.

The risk universe is managed through the 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 SBG 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.

The Group's risk management system

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 board subcommittees that are responsible for the oversight of the risk management system comprise the Group Risk and Capital Management Committee ("**GRCMC**"), the Group Audit Committee, the Group Information Technology Committee, the Group Model Approval Committee, the Group Remuneration Committee, the Group Large Exposure Credit Committee and the Group Social, Ethics and Sustainability Committee.

The Group Risk Oversight Committee ("**GROC**") and Group Asset and Liability Committee 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.

For further information, see "*How we manage Risk*", "*Strategic Risks*" "*Non-Financial Risks*" and "*Financial Risks*" in the SBG 2022 Risk and Capital Management Report and "*Annexure C – Risk and capital management – IFRS disclosures*" in the SBG 2022 Annual Financial Statements, which is 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 the 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 2022 (the "**SBG 2022 Annual Financial Statements**"), prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

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 2022 (the "**SBSA 2022 Annual Financial Statements**") and prepared in accordance with IFRS as issued by the IASB.

The information contained in the SBG 2022 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 2022 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 2022 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 2021 contained in this Issuer Disclosure Schedule has been extracted from the SBG 2022 Annual Financial Statements.

Unless otherwise indicated, the financial information relating to SBSA for the year ended and as at 31 December 2021 contained in this Issuer Disclosure Schedule has been extracted from the SBSA 2022 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 2021 have been reclassified accordingly and have been extracted from the SBG 2022 Annual Financial Statements or the SBSA 2022 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		Ba3	Stable
Local currency issuer rating		Ba3	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 Chief finance and value management officer, SBG and executive director of 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)	**Appointments held within the group:** > Stanbic Africa Holdings **Previous roles:** > Head of the group's treasury and capital management function	GITC GMAC LEC	**Details of any events as contemplated in paragraph 4.10(b)(ii)-(xii) of the Debt Listing Requirements of the JSE:*** **None**

**Refer to the Key on pages 32 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/CorporateGovernance/SBGandSBSA_RegisterOfConflictsOfInterest.pdf

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