

# ABOUT OUR INTEGRATED REPORT

We report on the progress we have made in the period 1 January 2019 to 31 December 2019 to achieve the objectives related to the group's strategic focus areas. We evaluate our financial and non-financial performance against the outcomes associated with our strategic value drivers. This report includes material information up to the date of board approval on 4 March 2020.

The scope of information presented is largely medium term from 2020 to 2024. It assesses the opportunities, risks and impacts influencing our ability to create sustainable value as we move towards realising our medium-term vision while delivering on our multi-generational purpose.

**The six capitals defined in the International <IR> Framework are incorporated in our strategic value drivers, which guide us in creating value for our stakeholders, as indicated in the diagram alongside.**

We have chosen to use terms that stay true to the way we describe the group strategy, and the way we measure our progress towards it through our strategic value drivers and as such the capitals are not explicitly referenced.

## Reporting boundary

The financial and non-financial data in this report pertains to the Standard Bank Group (the group), as the financial reporting entity. It therefore includes all entities over which the group has control or significant influence. Our banking and wealth management activities are consolidated and defined as 'banking activities' in our annual financial statements. This comprises Personal & Business Banking (PBB), Corporate & Investment Banking (CIB) and Wealth business lines financial results. Our Wealth business financial results are largely included in PBB's financial results for the current and prior years in this report. Our banking activities also include central and other group activities, which include group hedging activities, capital instruments, surplus capital and strategic acquisitions. Where specified, banking activities data also distinguishes between our South Africa and Africa Regions operations.

Liberty Holdings Limited (Liberty), our life insurance and investment management subsidiary (54% interest), and our associates ICBC Argentina (20% interest) and ICBC Standard Bank Plc (ICBCS) (40% interest), are not included in the data that relate specifically to our banking activities. They are separately shown as Liberty and other banking interests in our financial results.

Our strategic relationships with our 20.1% shareholder, the Industrial and Commercial Bank of China Limited (ICBC), the world's largest bank by

assets, allows us to facilitate investment flows and commercial relationships between Africa and China. The financial impact of this relationship is included in our reporting as part of our business activities.

The reporting boundary includes the strategic narrative in this report and pertains mainly to our banking activities across the continent and internationally, but also includes our subsidiary and associates (including Liberty and our other banking interests) where they are relevant to the group's business model and strategy, performance and prospects. Where relevant, the reporting boundary also assesses the material risks, opportunities and outcomes that affect our ability to create value, arising from entities and stakeholders but which are not related to the financial reporting entity by virtue of control or significant influence, but rather by the nature and proximity of the risks, opportunities and outcomes.

Financial information has been prepared on an International Financial Reporting Standards (IFRS) basis, unless otherwise specified. Any restatements of comparable information are noted.

The group's annual financial statements cover the group's banking activities, as well as all of its subsidiary and associate interests. ICBC Argentina is classified as held for sale in terms of IFRS from September 2019 and is therefore not equity accounted at the year end.

 AFS online.

### Combined assurance

The group applies a combined assurance model to assess and assure aspects of its operations, including the internal controls associated with elements of external reporting.

Combined assurance incorporates and optimises all assurance services and risk functions, to enable an effective control environment and support the integrity of information used in decision-making and reporting.

Interviews with senior leadership, together with internal sources of information and relevant external research reports, have been used to prepare this report. An internal combined assurance review of the internal controls applied to the information gathering process was performed, together with reviews by management and our compliance and internal audit functions, to ensure the accuracy of our reporting.

While this report is not audited, it contains certain information that has been extracted from the group's audited

consolidated annual financial statements, on which an unmodified audit opinion has been expressed by the group's external auditors, KPMG Inc. and PricewaterhouseCoopers Inc., and from the group's reporting to society suite, on which assurance on selected information has been provided by PricewaterhouseCoopers Inc.

### Statement of the board of Standard Bank Group Limited

Group executive committee members are responsible for preparing the integrated report.

The group audit committee reviewed and recommended this report to the board of directors for approval.

The board acknowledges its responsibility to ensure the integrity of the integrated report. The board considers the preparation and presentation of this report as being materially in accordance with the principles of the International <IR> Framework. The board is therefore

of the opinion that the report addresses material information on the group's ability to create value over the short, medium and long term.

The board applied its collective mind to this report on 4 March 2020 and approved the content provided. It delegated the final review and approval of the report for publication to the group chief executive officer.

Following the global impact of COVID-19, the board approved selected updates to the prospects disclosed in this report on 3 April 2020, for publication.



**Thulani Gcabashe**  
Chairman



**Sim Tshabalala**  
Group chief executive officer

## CREATING SUSTAINABLE VALUE THROUGH DILIGENT EXECUTION OF OUR STRATEGY

**Our purpose** – the reason we exist

**Our vision** – what we aspire to be

### Our value creation

We create value by living our purpose and achieving our vision through the execution of our strategy. Our strategic value drivers measure our strategic progress and allow us to focus on the value we aspire to create for all our stakeholders.

