

ADDITIONAL INFORMATION

Pro forma information

Pro forma constant currency information

The pro forma constant currency information has been presented to illustrate the impact of changes in currency rates on the group's results of operations. In determining the change in constant currency terms, the comparative financial year's results for the year ended 31 December 2018 has been adjusted for the difference between the current and prior period's average exchange rates (determined as the average of the daily exchange rates). The measurement has been performed for each of the group's material currencies. The following average exchange rates were used in the determination of the pro forma constant currency information and were calculated using the average of the average monthly exchange rates (determined on the last day of each of the 12 months in the period).

	2019 average exchange rate	2018 average exchange rate
US dollar	14.44	13.23
Pound sterling	18.43	17.63
Argentine peso	0.31	0.50
Angolan kwanza	0.04	0.04
Ghanaian cedi	2.70	2.86
Nigerian naira	0.04	0.04
Kenyan shilling	0.14	0.13
Mozambican metical	0.23	0.22
Zambian Kwacha	1.12	1.27

Standard Bank Group Limited credit ratings

As at 5 March 2020

	Short term	Long term	Outlook
Fitch Ratings			
Foreign currency issuer default rating	B	BB+	Negative
Local currency issuer default rating		BB+	Negative
National rating	F1 + (ZAF)	AA (ZAF)	Stable
Moody's Investor Services			
Issuer rating		Ba1	Negative

 Read more **online**. For further details regarding the group's credit ratings, including credit ratings for key subsidiaries, refer to the group website.

Restatements

During 2019, certain financial information published in 2018 was restated to correct errors identified in the classification of certain information. These are detailed below.

Correction of prior period income statement presentation error

During 2019, the group restated trading revenue to exclude gains and losses that do not comprise gains and losses from changes in the fair value of trading assets and liabilities, including related interest income, expense and dividends. These gains and losses that have been presented in other revenue as being more representative of their nature and aligns to the group's gains and losses presentation policy. This correction has no impact on the group's consolidated income statement, total income, profit for the year and earnings per share. The impact on the non-interest revenue disclosure is as follows:

	As previously presented income/ (expense) Rm	Restatement Rm	Restated income/ (expense) Rm
2018			
Trading revenue	11 129	(330)	10 799
Other revenue	3 533	330	3 863

Correction of the classification of investment in unit trust and portfolio managed funds

During 2019, the group identified that on transition to IFRS 9, certain investments in unit trusts and portfolio managed funds were incorrectly classified as loans and advances (at amortised cost) instead of financial investments (at fair value through profit and loss). However, due to the fact that the carrying amount of these assets approximate their fair values, they did not impact the group's total assets, profit for the year or credit impairment charges. The impact of the reclassification on the statement of financial position and income statement line items disclosure is as follows:


	As reported	Restatement	Restated
2018			
Statement of financial position			
Financial investment	547 405	1 121	548 526
Loans and advances	1 120 668	(1 121)	1 119 547
Income statement			
Net interest income	(59 622)	117	(59 505)
Other gains and losses on financial instruments	(672)	(117)	(789)

Changes in accounting policies

The adoption of new and amended accounting standards on 1 January 2019 did not affect the group's previously reported financial results, disclosures or accounting policies. IFRS 16 Leases replaced IAS 17 Leases, as well as the related interpretations, on 1 January 2019, introducing a single lease accounting model for leases. The group retrospectively adopted IFRS 16 on 1 January 2019 with an adjustment to opening reserves and, as permitted by IFRS 16, did not restate its comparative financial results. Accordingly, the group's results up to 31 December 2018 are presented in accordance with IAS 17, while for 2019 and future reporting periods, are presented in terms of IFRS 16.

The key financial impact on the group's results were an R4.8 billion increase in total assets, R4.7 billion increase in total liabilities and R190 million increase in reserves, mainly due to the release of the IAS 17 straight-line lease liability provision.

	31 December 2018 Rm	IFRS 16 transition adjustment Rm	1 January 2019 Rm
Statement of financial position			
Property, equipment and right-of-use asset	19 194	5 394	24 588
Other financial and non-financial assets	2 107 768	(508)	2 107 260
Total assets	2 126 962	4 886	2 131 848
Equity – equity attributable to ordinary shareholders	199 063	190	199 253
Liabilities	1 927 899	4 696	1 932 595
Total equity and liabilities	2 126 962	4 886	2 131 848

 **AFS** More detailed information relating to our restatements and the impact of changes in our accounting policies, particularly the IFRS 16 transition, is available online in the group's annual financial statements.

Glossary

A		C	
AGM	Annual general meeting	CCY	Constant currency
AI	Artificial intelligence	CET 1	Common equity tier 1 ratio
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism	CIB	Corporate & Investment Banking
API	Application programming interface	CLR	Credit loss ratio
AT1	Additional tier 1 capital	Companies Act	Companies Act, 71 of 2008, as amended
ATMs	Automated teller machines	CPI	Consumer price inflation
B		CSI	Client satisfaction index
Banks Act	South African Banks Act, 94 of 1990	CT	Computerised tomography
Basel III	Basel Committee on Banking Supervision's third Basel Accords	CTC	Cost-to-company
B-BBEE	Broad-based black economic empowerment	D	
bps	basis points	DRC	Democratic Republic of Congo
E		ECD	Early childhood development
EDGE	Excellence in Design for Greater Efficiencies	ECL	Expected credit loss
EDO	Enterprise data office	EDG	Excellence in Design for Greater Efficiencies
eNPS	Employee net promoter score	ESG	Environmental, social and governance
EU	European Union	EU	European Union

F	
FinTech	Financial technology
FAIS	Financial Advisory and Intermediary Services
FSCA	Financial Sector Conduct Authority
FX	Foreign exchange
G	
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GRES	Group Real Estate Services
H	
HEPS	Headline earnings per share
HR	Human resources
I	
ICBC	Industrial and Commercial Bank of China
ICBCS	ICBC Standard Plc
ICT	Information, communication and technology
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IPO	Initial public offering
IR	Integrated reporting
IT	Information technology
J	
JSE	Johannesburg Stock Exchange
K	
King IV	King IV Report on Corporate Governance for South Africa 2016, also King Code
KYC	Know your customer
L	
LCR	Liquidity coverage ratio
Liberty	Liberty Holdings Limited
LSE	London Stock Exchange
LTI	Long-term incentive
M	
MIT	Massachusetts Institute of Technology
MVNO	Mobile virtual network operator
MW	Megawatts
N	
NPS	Net promoter score
NSFR	Net stable funding ratio
NII	Net interest income
NIM	Net interest margin
NIR	Non-interest revenue
O	
OECD	Organisation for Economic Cooperation and Development

P	
PBB	Personal & Business Banking
POS	Point of sale
PRP	Performance reward plan
R	
remco	Remuneration Committee
ROE	Return on equity
RoRWA	Return on risk-weighted assets
RTS	Report to society
RWA	Risk-weighted assets
S	
SA	South Africa
SAGEA	South African Graduate Employers Association
SAICA	South African Institute of Chartered Accountants
SARA	South African Reward Association
SARB	South African Reserve Bank
SASBO	South African Society of Bank Officials
SBFC	Standard Bank Financial Consultants
SBSA	The Standard Bank of South Africa Limited
SDG	Sustainable Development Goals
SEE	Social, economic and environmental
SENS	Stock exchange news service
SME	Small- and medium-sized enterprises
SMS	Short message service
SOE	State-owned enterprises
STI	Short-term incentive
T	
The group	Standard Bank Group Limited
TB	Tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures
TPS	Transactional products and services
U	
UN	United Nations
UNEP FI	United Nations Environment Programme Finance Initiative
UNICEF	United Nations Children's Fund
US	United States
V	
VAF	Vehicle asset finance
W	
WEF	World Economic Forum
Y	
YES	Youth Employment Services

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Disclaimer

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