Standard Bank

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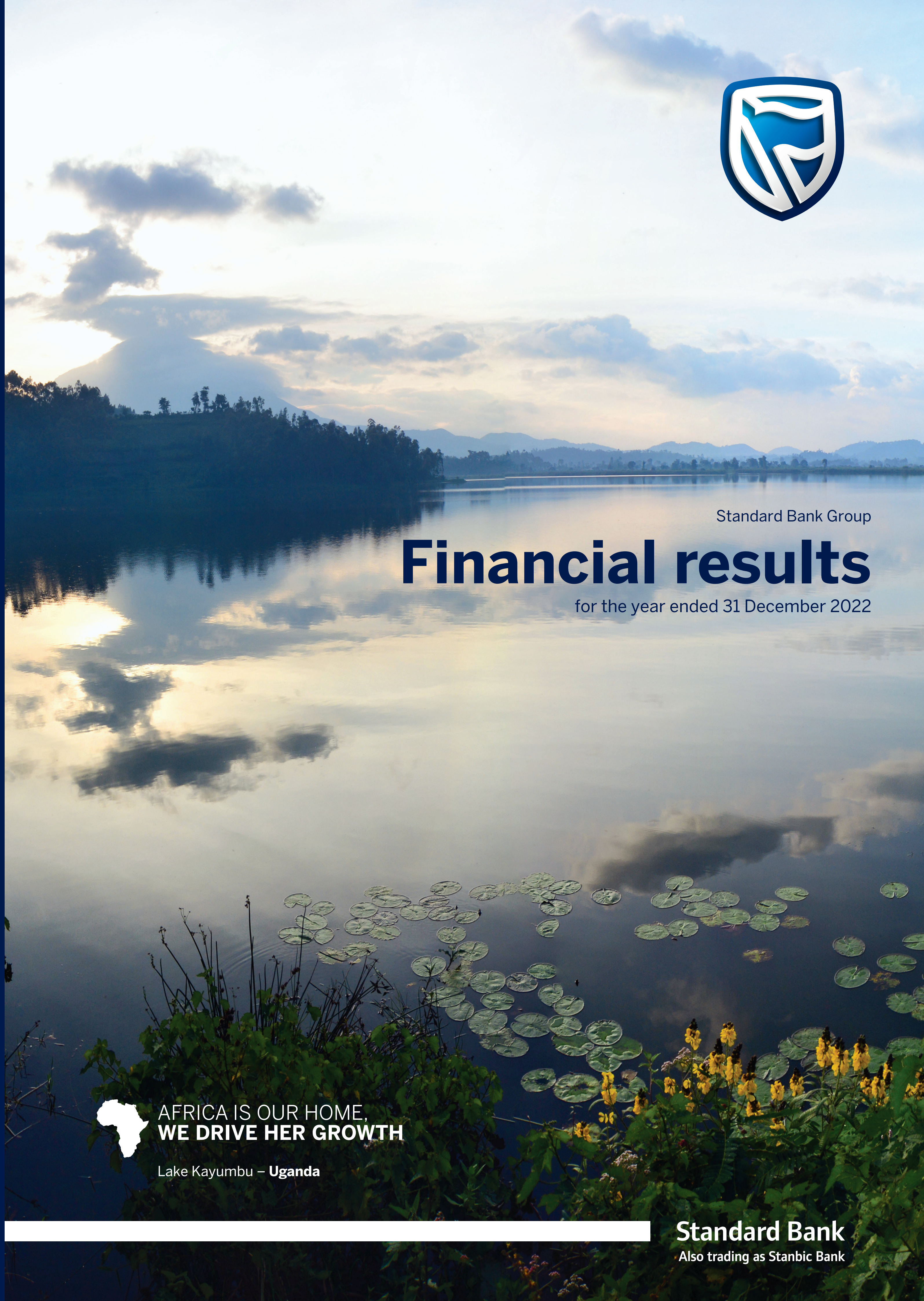


Standard Bank Group

Financial results

for the year ended 31 December 2022

AFRICA IS OUR HOME,
WE DRIVE HER GROWTH

Lake Kayumbu – **Uganda**

Standard Bank
Also trading as Stanbic Bank

Standard Bank Group

Analysis of financial results

for the year ended 31 December 2022

Standard Bank

Also trading as Stanbic Bank

ANALYSIS OF FINANCIAL RESULTS for the year ended 31 December 2022

Standard Bank Group is **purpose-led, African focused, client led and digitally enabled**. We provide comprehensive and integrated financial and related solutions to our clients. We drive inclusive growth and sustainable development.

Contents

Operating in
20
countries in Africa

Listed on the JSE Limited (JSE) since
1970

160 years
of operating history in South Africa

Client segments

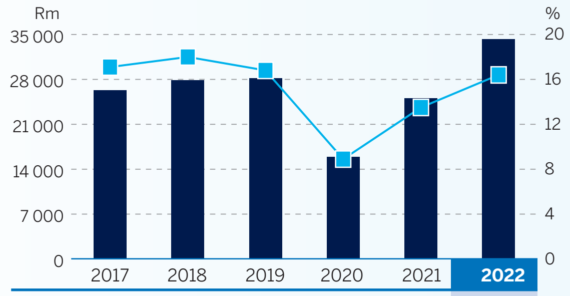
- Consumer & High Net Worth Clients
- Business & Commercial Clients
- Corporate & Investment Banking Clients
- Liberty

Standard Bank Group's (SBG or the group) analysis of financial results for the year ended 31 December 2022 have not been audited or independently reviewed. The preparation of the financial results was supervised by the Chief Finance & Value Management Officer, Arno Daehnke BSc, MSc, PhD, MBA, AMP.

Highlights

Headline earnings and return on equity

CAGR[1] (2017 – 2022): 5%

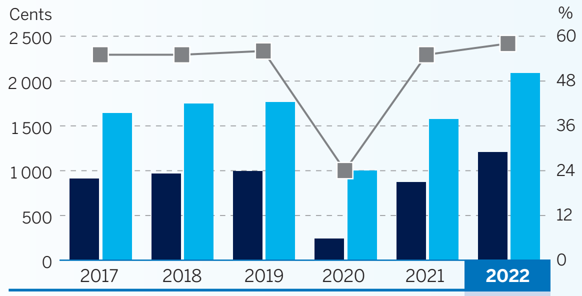


	2017	2018	2019	2020	2021	**2022**
Headline earnings	26 270	27 865	28 207	15 945	25 021	**34 247**
ROE	17.1	18.0	16.8	8.9	13.5	**16.4**

[1] Compound annual growth rate.

Headline earnings and dividend per share

CAGR (2017 – 2022): Dividend per share: 6%
Headline earnings per share: 5%



	2017	2018	2019	2020	2021	**2022**
Dividend per share	910	970	994	240	871	**1 206**
Headline earnings per share	1 640	1 748	1 767	1 003	1 573	**2 087**
Dividend payout ratio	55	55	56	24	55	**58**

Standard Bank Group

Headline earnings (Rm)
34 247 ↑ 37%
2021: R25 021 million
2020: R15 945 million

Return on equity (ROE) (%)
16.4 ↑
2021: 13.5%
2020: 8.9%

Headline earnings per share (HEPS) (c)
2 087 ↑ 33%
2021: 1 573 cents
2020: 1 003 cents

Net asset value per share (c)
13 302 ↑ 6%
2021: 12 493 cents
2020: 11 072 cents

Profit attributable to ordinary shareholders
34 637 ↑ 39%
2021: 24 865 million
2020: 12 358 million

Common equity tier 1 ratio (%)
13.5 ↓
2021: 13.8%
2020: 13.2%

Standard Bank Activities

Headline earnings (Rm)
30 542 ↑ 22%
2021: R24 940 million
2020: R15 715 million

Jaws (bps)
579 ↑
2021: 71 bps[2]
2020: (306) bps

Pre-provision profit (Rm)
60 080 ↑ 26%
2021: R47 821 million
2020: R45 399 million

Credit loss ratio (CLR) (bps)
75 ↑
2021: 73 bps
2020: 151 bps

Cost-to-income ratio (%)
54.9 ↓
2021: 57.8%[2]
2020: 58.2%

1 Compound annual growth rate.
2 Restated. Please see page 129 for more information.

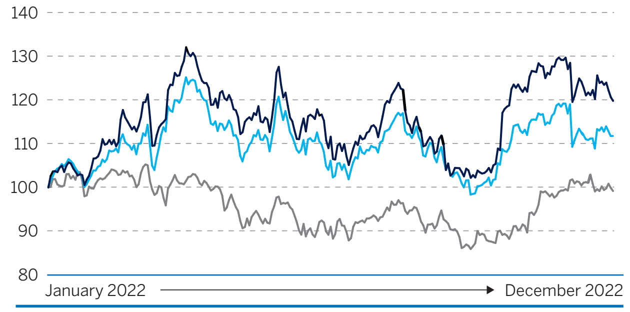
FINANCIAL RESULTS, RATIOS AND STATISTICS

		Change %	2022	2021
Standard Bank Group (SBG)				
Headline earnings contribution by client solution[1]				
Total headline earnings	Rm	37	**34 247**	25 021
Standard Bank Activities	Rm	22	**30 542**	24 940
Banking	Rm	25	**28 768**	22 989
Insurance	Rm	22	**2 178**	1 784
Investments	Rm	(10)	**724**	800
Central and other	Rm	78	**(1 128)**	(633)
Liberty	Rm	(>100)	**1 788**	(419)
SBG share of Liberty's IFRS headline earnings	Rm	(>100)	**2 031**	(64)
Impact of SBG shares held for the benefit of Liberty policyholders	Rm	(32)	**(243)**	(355)
ICBCS	Rm	>100	**1 917**	500
Ordinary shareholders' interest				
Profit attributable to ordinary shareholders	Rm	39	**34 637**	24 865
Ordinary shareholders' equity	Rm	10	**219 264**	198 832
Share statistics				
Headline earnings per ordinary share (HEPS)	cents	33	**2 087.1**	1 573.0
Diluted headline EPS	cents	32	**2 071.9**	1 564.8
Basic EPS	cents	35	**2 110.9**	1 563.2
Diluted EPS	cents	35	**2 095.5**	1 555.1
Dividend per share	cents	38	**1 206**	871
Net asset value per share	cents	6	**13 302**	12 493
Tangible net asset value per share	cents	8	**12 385**	11 430
Dividend payout ratio	%		**58**	55
Dividend cover	times		**1.7**	1.8
Number of ordinary shares in issue	thousands	4	**1 648 374**	1 591 572
Return ratios				
ROE	%		**16.4**	13.5
Return on risk-weighted assets (RoRWA)	%		**2.6**	2.1
Capital adequacy				
Common equity tier 1 capital adequacy ratio	%		**13.5**	13.8
Tier 1 capital adequacy ratio	%		**14.5**	14.7
Total capital adequacy ratio	%		**16.6**	16.9
Cost of equity estimates				
Cost of equity[2]	%		**15.2**	14.7
Employee statistics				
Number of employees	number	0	**49 325**	49 224
Standard Bank Activities				
ROE	%		**16.3**	14.7
RoRWA	%		**2.4**	2.1
Loan-to-deposit ratio	%		**79.7**	79.2
Net interest margin (NIM)[3]	bps		**427**	382
Non-interest revenue to total income[4]	%		**42.2**	44.9
CLR	bps		**75**	73
Jaws[4]	bps		**579**	71
Cost-to-income ratio[4]	%		**54.9**	57.8
Effective direct taxation rate	%		**22.9**	22.4
Effective total taxation rate	%		**27.3**	27.0
Employee statistics				
Number of employees	number	1	**44 002**	43 607

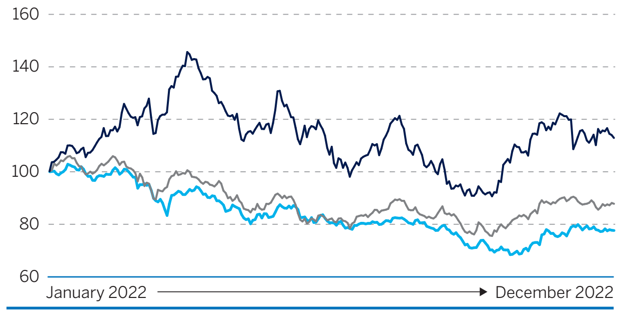
1 Refer to pages 22 – 23 for more information.
2 Estimated using the capital asset pricing model by applying estimates of risk free rate, 10.0% (FY21: 9.6%), equity risk premium, 5.9% (FY21: 6.0%), and beta, 87.8% (FY21: 85.9%).
3 Is representative of interest earning assets only, prior year restated.
4 Restated. Please see page 129 for more information.

MARKET AND ECONOMIC INDICATORS

SBK versus JSE Banks and All Share Index (ZAR)



SBK versus Emerging Markets and World Financials (USD)



		Average			Closing		
		Change %	2022	2021	Change %	2022	2021
Market indicators							
South Africa (SA) prime overdraft rate	%		**8.61**	7.04		**10.50**	7.25
SA SARB repo rate	%		**5.11**	3.53		**7.00**	3.75
SA Consumer Price Index	%		**6.9**	4.5		**7.2**	5.9
Weighted Group inflation	%		**14.7**	9.1		**16.8**	9.2
Weighted average Africa Regions inflation	%		**30.3**	20.2		**34.5**	16.7
UK Consumer Price Index	%		**9.1**	2.6		**10.5**	5.4
JSE All Share Index		5	**70 665**	67 045	(1)	**73 049**	73 709
JSE Banks Index		27	**9 725**	7 659	12	**9 854**	8 823
SBK share price		23	**161.75**	131.66	20	**167.79**	140.01
Key exchange rates							
USD/ZAR		10	**16.30**	14.77	7	**16.97**	15.89
GBP/ZAR		(1)	**20.19**	20.32	(5)	**20.42**	21.46
ZAR/AOA		(33)	**28.37**	42.61	(14)	**29.99**	34.94
ZAR/GHS		35	**0.54**	0.40	54	**0.60**	0.39
ZAR/KES		(3)	**7.22**	7.42	2	**7.27**	7.15
ZAR/MZN		(11)	**3.92**	4.41	(6)	**3.76**	4.02
ZAR/NGN		(5)	**26.08**	27.59	4	**27.14**	26.04
ZAR/UGX		(7)	**225.80**	242.64	(2)	**218.89**	223.04
ZAR/ZMW		(22)	**1.04**	1.33	1	**1.06**	1.05
ZAR/ZWL		>100	**22.05**	5.90	>100	**40.32**	6.84

OVERVIEW OF FINANCIAL RESULTS

Standard Bank Group delivered strong earnings growth which drove returns higher. Earnings growth and robust capital levels supported higher dividends for shareholders. The group is ahead of plan and confident it will deliver its 2025 targets.

Group results

Standard Bank Group Limited (SBG or group) delivered record headline earnings of R34.2 billion for the twelve months to 31 December 2022 (FY22 or the current year), up 37% on the twelve months to 31 December 2021 (FY21 or the prior period). The group recorded continued client franchise growth across all its businesses and geographies. Return on equity (ROE) improved to 16.4% (FY21: 13.5%). Net asset value grew by 10% and the group ended the current period with a common equity tier 1 ratio of 13.5% (31 December 2021: 13.8%). The SBG board approved a final dividend of 691 cents per share which equates to a final dividend payout ratio of 60%.

This strong performance has resulted in the group being ahead of plan in terms of delivering on its 2025 commitments. Revenues were boosted by cyclically higher interest rates. Revenue growth was well ahead of cost growth which supported strong positive operating leverage and a decline in the cost-to-income ratio. The group's credit loss ratio was near the bottom of the group's through-the-cycle range and ROE moved closer to the 2025 target range of 17% to 20%.

Strong average balance sheet growth and margin expansion, primarily due to higher interest rates, supported robust net interest income growth. A larger client base, recovery in transactional and foreign exchange activity, as well as increased digital volumes, drove growth in net fee and commission revenue. Increased client activity supported trading revenue. Revenue growth exceeded cost growth, resulting in positive jaws of 579 basis points and a cost-to-income ratio of 54.9%. Credit impairment charges increased by 22%, driven by higher corporate and sovereign-related charges, particularly related to Ghanaian sovereign exposures. The group's credit loss ratio was broadly flat at 75 basis points (FY21: 73 basis points). Standard Bank Activities recorded headline earnings growth of 22% to R30.5 billion and ROE improved to 16.3% (FY21: 14.7%).

Liberty Holdings Limited's (Liberty) operational performance improved. The business reverted from a net loss in FY21 to a profit of R2.1 billion. In FY21, Liberty raised pandemic-related provisions which negatively impacted performance. The Liberty minority buyout was successfully completed and the process of integrating Liberty into the group is well underway. While there is further work to be done, we remain confident that the full integration of Liberty into the group will create sustainable value for shareholders.

The South African franchise delivered headline earnings growth of 26% and ROE improved to 15.2% (FY21: 12.5%). Revenue grew by 12% driven by balance sheet growth, margin expansion, and a recovery in client activity to pre-Covid-19 levels. Credit impairment charges increased by 10% reflective of the difficult economic environment and deteriorating client trends. Costs were well contained to deliver positive jaws of 427 basis points.

The Africa Regions franchise delivered a robust performance. Headline earnings grew by 36% and ROE improved to 21.0% (FY21: 18.2%). Revenue grew by 30% driven by a larger balance sheet, higher interest rates, higher transactional volumes, a recovery in international trade, and strong growth in trading revenue. The franchise more than absorbed the increase in costs to deliver positive jaws of 882 basis points. The top six contributors to Africa Regions headline earnings were Angola, Kenya, Mozambique, Nigeria, Uganda, and Zambia. Africa Regions contributed 36% to FY22 group headline earnings.

In line with the group's stated approach to support Africa's just energy transition and its ambition to be the leader in sustainable finance on the continent, the group mobilised R54.5 billion of sustainable finance loans and bonds in FY22, more than doubling origination of the product in FY21.

Operating environment

In 2022, increased geopolitical tensions, the Russia/Ukraine conflict, and China's Covid-19 related restrictions fuelled inflation, uncertainty, elevated market volatility and an asset price shock. Inflation concerns drove monetary policy tightening and higher funding costs weighed on economic activity.

In sub-Saharan Africa, as higher input costs fed into the economies, inflationary pressures mounted and interest rates increased. Most countries experienced currency weakness relative to the strong US dollar. Discussions with the International Monetary Fund around sovereign debt support programmes continued in various countries. In November 2022, Ghana announced its intention to restructure its debt. The region's GDP is expected to have grown at around 3.8% in 2022, slightly ahead of global growth of 3.4%.

While high commodity prices and strong terms of trade provided South Africa with some protection in the six months to 30 June 2022 (1H22), this faded quickly in the six months to 31 December 2022 (2H22). The aftermath of the KwaZulu-Natal floods, increased electricity disruptions, and stalled structural reforms weighed on sentiment and demand. The repo rate increases (2022: +325 basis points) were both faster and larger than expected. Consumer balance sheets remained relatively robust, however by year end, signs of stress had started to emerge. The South African economy grew at 2.0% in 2022.

Overview of performance

Standard Bank Activities by client segment

Client segments are our primary axis of reporting. The client segments are responsible for designing and executing our client value proposition.

HEADLINE EARNINGS BY CLIENT SEGMENT

	CCY Change %	Change %	**2022 Rm**	2021 Rm
Consumer & High Net Worth clients (CHNW)	29	27	**8 872**	6 963
Business & Commercial clients (BCC)	53	51	**8 026**	5 317
Corporate & Investment Banking clients (CIB)	8	11	**14 772**	13 293
Central and other	67	78	**(1 128)**	(633)
Standard Bank Activities	21	22	**30 542**	24 940

CHNW delivered headline earnings of R8.9 billion, an increase of 27% on FY21 and ROE increased to 17.3% (FY21: 14.0%). CHNW's strong performance was largely driven by the post Covid-19 economic recovery and an associated improvement in client activity (FY22 vs FY21). Growth in active clients supported deposit growth. Gross loans to customers grew by 5% driven by a combination of secured lending in South Africa and unsecured lending in Africa Regions. Loan growth paired with a positive endowment impact owing to higher average interest rates, drove net interest income growth of 15% to R32.6 billion (FY21: R28.5 billion). Non-interest revenue grew by 8%, benefitting from an increase in the active client base, higher transactional activity, and annual price increases as well as from higher cross border transaction volumes. Credit impairment charges declined by 3% to R7.7 billion. The credit loss ratio was 122 basis points, within CHNW's through-the-cycle target range of 100 to 150 basis points. Despite inflationary pressures, the business achieved positive jaws of 104 basis points and an improved cost-to-income ratio of 60.8% (FY21: 61.4%).

Active clients	**2022 '000**	2021 '000	Change %
CHNW South Africa	**10 756**	10 179	6
CHNW Africa Regions	**6 163**	5 509	12
CHNW total	**16 919**	15 688	8

BCC delivered headline earnings of R8.0 billion, an increase of 51% on FY21, and an ROE of 33.7% (FY21: 24.7%). Net interest income growth was very strong driven by balance sheet growth and positive endowment. Non-interest revenue growth was positively impacted by the recovery in client transactional volumes as lockdowns eased, increased foreign exchange trade volumes, and annual pricing adjustments. Planned investment in technology, marketing and people led to higher costs, however, the robust revenue growth still led to positive jaws of 963 basis points. Credit impairment charges declined by 1%, as lower charges experienced in South Africa were largely offset by an increase in charges in Africa Regions. BCC's credit loss ratio of 96 basis points was marginally below its through-the-cycle target range of 100 to 120 basis points.

Active clients	**2022 '000**	2021 '000	Change %
BCC South Africa	**510**	500	2
BCC Africa Regions	**281**	261	8
BCC total	**791**	761	4

CIB headline earnings increased by 11% to R14.8 billion and ROE was 19.2% (FY21: 19.4%). Revenue grew by double digits across all three CIB business segments and across all client sectors. Balance sheet growth, together with the positive endowment drove net interest income to R24.2 billion, a 31% increase on FY21. Non-interest revenue grew by 16%, led by a 20% increase in trading revenues underpinned by increased client activity. Cost growth was reflective of inflationary pressures in some markets, however strong revenue growth resulted in positive jaws of 1 067 basis points. The business incurred a net impairment charge in FY22, following a net release in FY21. The key drivers of the credit impairment charges were specific impairments raised in the consumer sector and the impact on Ghanaian sovereign bonds and corporate exposures due to Ghana's sovereign distress. The credit loss ratio to customers was 37 basis points, which is below CIB's through-the-cycle target range of 40 to 60 basis points.

Standard Bank Activities by solution

For the purposes of our secondary reporting axis, we group products and services into banking, insurance and investments.

HEADLINE EARNINGS BY SOLUTION

	CCY %	Change %	**2022 Rm**	2021 Rm
Banking	24	25	**28 768**	22 989
Insurance	22	22	**2 178**	1 784
Investments	(11)	(10)	**724**	800
Central and other	67	78	**(1 128)**	(633)
Standard Bank Activities	21	22	**30 542**	24 940

OVERVIEW OF FINANCIAL RESULTS

Banking solutions

Banking solutions headline earnings reflected a strong performance, up 25% year on year.

Loans and advances

Gross loans and advances to customers grew by 9% to R1.4 trillion as at 31 December 2022, supported by strong growth in the corporate, business lending and vehicle and asset finance portfolios. The home services, card balances and personal unsecured portfolio growth was more muted.

Total provisions increased by 9% to R55.8 billion as at 31 December 2022 . Increases in Ghana, Kenya, Malawi, Mozambique, and South Africa were partially offset by recoveries in Uganda and the release of the group's R500 million Covid-19 related provision raised in FY20 and previously held at the Centre. In relation to the group's exposures to Ghanaian sovereign debt impacted by the proposed sovereign debt restructure (i.e. Ghanaian local currency and onshore USD bonds), the group's exposure, net of settlements year to date, equates to R2.6 billion. Balance sheet provisions held at year end equated to R1.4 billion combined with fair value adjustments taken against the impacted exposures of R0.1 billion equate to R1.5 billion, or 56% coverage.

As at 31 December 2022, stage 3 loans represented 5.0% of the portfolio and provisions held against these loans reflected 50% coverage (31 December 2021, 4.7% and 52%). Total coverage (as at 31 December 2022) was 3.6%, in line with that reported as at 31 December 2021.

Deposits and funding

For the year ended 31 December 2022, deposits from customers increased by 8%, reflective of our continued focus on client acquisition and retention strategies. Retail priced deposits grew by 7% and Wholesale priced deposits grew by 6% year on year. Deposits placed with our offshore operations in the Isle of Man and Jersey grew to GBP6.7 billion as at 31 December 2022 (31 December 2021: GBP6.5 billion).

Revenue

Revenue grew by 18%, driven by net interest income growth of 24% and non-interest revenue growth of 11%. Strong average balance sheet growth and wider margins linked to higher interest rates supported net interest income growth. Net interest margin increased by 45 basis points to 427 basis points, of which 34 basis points related to positive endowment. The negative impact of tighter pricing was more than offset by mix benefits and endowment tailwinds.

Net fee and commission revenue increased by 7% due to higher client, trade, and transactional activity linked to the post Covid-19 recovery as well as annual price increases. Improved digital capabilities drove higher adoption rates, growth in activity and in turn revenues from digital platforms. Card turnover increased by 17% year on year supporting card-based commissions. Mastercard and Visa fee-related expenses were reallocated from operating expenses to fee expenses. Our expanding network of retail partnerships is paying off as reflected in higher volumes and digital fees from Instant Money, our digital wallet solution in South Africa. Instant Money turnover grew by 22% in FY22 to R32.5 billion.

Trading revenue grew by 15% to R17.0 billion. In response to clients' needs, the business realised benefits in flow and structured trade solutions. In addition, the uncertain market conditions contributed to increased client demand for forex and commodity hedging on the back of increased commodity prices.

Other revenue increased, driven largely by higher bancassurance income, due to lower credit life claims and higher gross written premiums year on year. Growth in other gains on financial instruments was driven by higher asset valuations.

Credit impairment charges

Credit impairment charges increased by 22% to R12.1 billion. The increase in charges was driven by balance sheet growth, specific impairments in consumer sector names in South Africa, and increased charges in the Africa Regions portfolio, particularly in Ghana. These increases were partially offset by improved collections and payments in the South Africa legacy payment holiday portfolio. Of the total credit impairment charges, R0.9 billion thereof relates to impacted Ghanaian local currency and onshore USD bonds. The credit loss ratio was 75 basis points, slightly up relative to FY21 (FY21: 73 basis points), but down compared to 1H22 (1H22: 82 basis points).

Operating expenses

Operating expenses increased by 12%, below the group's weighted average rate of inflation of 15%. Cost growth was impacted by higher inflation across our operating markets and relative ZAR weakness. Staff costs increased by 12% due to annual salary increases, an increase in skilled staff, and higher incentive accruals aligned to performance. Information technology costs increased by 13%, largely due to higher spend on cloud migration and software licences. Premises costs increased by 9% as a result of increased municipal charges and higher fuel related costs due to load shedding in South Africa (fuel cost increased from R18 million in FY21 to R72 million in FY22). Increases in marketing and advertising was driven by client campaigns and brand repositioning, as well as an increase in events following the relaxation of Covid-19 restrictions. These increases in costs were partially offset by tightly controlled discretionary spend and savings from continued optimisation of infrastructure. Operating expense growth was well below total income growth, which resulted in positive jaws of 579 basis points and a decline in the cost-to-income ratio to 54.9%.

Insurance solutions

The group's insurance businesses' (excluding Liberty) headline earnings increased by 22% year on year. ROE remained robust at 67% (FY21: 60%). Revenue grew by 13% assisted by policy pricing reviews. Gross written premiums increased by 9% year on year, 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

The group's investments solutions businesses (excluding Liberty) reported a 1% increase (CCY: 3%) in AUM/AUA year on year to R522 billion. Despite a difficult operating environment, revenue increased by 8%, largely attributable to net positive client cash flows. Operating expenses grew by 17% 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% decline in headline earnings to R724 million (FY21: R800 million). With an ROE of 32%, the business continued to contribute positively to group ROE.

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 client segments. In FY22, the segment headline loss amounted to R1.1 billion (FY21: loss of R0.6 billion). The key driver of the increase was additional withholding tax related to higher dividends paid by the group's Africa Regions' subsidiaries. In FY22, the group released the R500 million Covid-19 related credit overlay raised in FY20.

Liberty

Liberty's normalised operating earnings for the year amounted to R1.6 billion (FY21: R1.3 billion), pre-Covid impacts. Liberty's headline earnings equated to R2.1 billion (FY21: 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 (FY21: 1.72 times).

The buyout of the Liberty minority shareholders was effective from 1 February 2022. The group's financial results as consolidated include 57% of Liberty earnings for January 2022 and 100% for the rest of the year. In FY22, Liberty contributed R2.0 billion in headline earnings to the group. The integration of LIberty has commenced. The focus has been on the realignment of teams to drive sales and improve distribution.

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 (FY21: negative R355 million).

ICBC Standard Bank Plc

ICBC Standard Bank Plc (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% stake) contributed R1.9 billion to group earnings (FY21: R0.5 billion), R1.2 billion thereof related to the insurance settlement in particular and R0.7 billion thereof related to ICBCS' operational performance.

Profit attributable

Profit attributable to ordinary shareholders grew by 39% to R34.6 billion. In FY22, the group issued new shares equating to R9.5 billion as part of the Liberty minority buyout transaction. Group net asset value grew by 10% to R219 billion.

Capital and liquidity

Diligent capital management remains top of mind. The group is focused on ensuring that available capital is put to work or returned to shareholders. Accordingly, the group's common equity tier 1 ratio (including unappropriated profits) declined to 13.5% as at 31 December 2022 (31 December 2021, 13.8%). The group's Basel III liquidity coverage ratio and net stable funding ratio were both well above the 100% regulatory requirements.

Prospects

In 2023, global growth is expected to slow, and inflation is expected to decline. The International Monetary Fund forecasts global real GDP growth of 2.9% for 2023, accelerating slightly to 3.1% in 2024. China's reopening, post the lifting of Covid-19 restrictions, should provide some support. The IMF expects sub-Saharan Africa to grow at 3.8% and 4.1% in 2023 and 2024 respectively. High sovereign debt levels in certain African countries remain a concern, particularly Ghana, Kenya, Malawi, and Nigeria.

In South Africa, monetary tightening is expected to slow. We are anticipating interest rates to increase by an additional 25 basis points in 1H23 (in addition to the 25 basis points increase in January 2023), followed by a pause. Inflation is expected to moderate to 5.9% in the year ahead. The economy is expected to grow at 1.2%, held back by severe electricity shortages and structural constraints. The level of electricity disruptions experienced year to date are unprecedented. We are concerned about the additional strain it is likely to place on our clients. In February 2023, despite making significant progress on the Financial Action Task Force (FATF) recommended actions, South Africa was grey listed by the global money laundering and terrorist financing watchdog. We will continue to work with the authorities to remedy this.

As a group, we have both the capital and appetite to support our clients' growth. However, our balance sheet growth will remain subject to the economic growth, policy and enabling frameworks in the countries in which we operate, and in turn our clients' confidence to invest. In South Africa, meaningful structural reform and an improvement in the electricity supply could lift confidence and accelerate economic growth, job creation and social upliftment. We stand ready to support renewable energy and infrastructure projects and longer term Africa's just energy transition to what is net zero by 2050.

For the 12 months to 31 December 2023 (FY23), balance sheet growth, particularly from renewables and infrastructure, combined with higher average interest rates, should support low-teen net interest income growth year on year. Non-interest revenue growth is expected to moderate to mid-single digits. Trading revenue growth will be subject to client activity and related flows. We remain committed to delivering below-inflation cost growth and positive jaws. The group's credit loss ratio is expected to increase to above the mid-point of the group's through-the-cycle target range of 70 to 100 basis points. The group's 2023 ROE is expected to show continued progress from the current 16.4% into the group's ROE target range, driven by continued growth in our mainstay South African banking business, supplemented by deliberate allocation of capital to high growth markets.

We recognise that the strategic progress we have made in FY22 is the outcome of our clients' trust in us, our employees' resilience, our regulators' and partners' support, and our shareholders' belief in our strategy. We thank all our stakeholders for their continued support.

We strive to deliver increasingly attractive returns to our shareholders and continued positive impact for all stakeholders in the economies and societies in which we operate. We are confident we can deliver on our 2025 commitments to the market.

The forecast financial information above is the sole responsibility of the board and has not been reviewed and reported on by the group's auditors.

Sim Tshabalala	**Nonkululeko Nyembezi**
Group chief executive officer	Chairman
9 March 2023	9 March 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Change %	2022 Rm	2021 Rm
Assets			
Cash and balances with central banks	26	114 483	91 169
Derivative assets	17	74 410	63 688
Trading assets	10	314 918	285 020
Pledged assets	36	19 308	14 178
Disposal of group assets held for sale	(46)	555	1 025
Financial investments	0	721 205	724 700
Current and deferred tax assets	26	9 578	7 612
Loans and advances	6	1 504 941	1 424 328
Policyholders' assets	4	2 974	2 868
Other assets	28	46 763	36 432
Interest in associates and joint ventures	37	9 956	7 280
Investment property	(2)	29 289	29 985
Property, equipment and right of use assets	(1)	20 340	20 619
Goodwill and other intangible assets	(11)	15 121	16 913
Total assets	6	2 883 841	2 725 817
Equity and liabilities			
Equity	7	259 956	242 849
Equity attributable to ordinary shareholders	10	219 264	198 832
Equity attributable to other equity instrument holders[1]	23	19 667	16 052
Equity attributable to non-controlling interests	(25)	21 025	27 965
Liabilities	6	2 623 885	2 482 968
Derivative liabilities	26	85 049	67 259
Trading liabilities	35	109 928	81 484
Current and deferred tax liabilities	0	10 315	10 277
Disposal of group liabilities held for sale	(100)		96
Deposits and debt funding	6	1 889 099	1 776 615
Policyholders' liabilities	(1)	358 467	363 023
Subordinated debt	4	31 744	30 430
Provisions and other liabilities	(9)	139 283	153 784
Total equity and liabilities	6	2 883 841	2 725 817

[1] Includes other equity holders of preference share capital and additional tier 1 capital (AT1).

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2022

	Change %	2022 Rm	2021 Rm
Income from Standard Bank Activities	18	133 354	113 298
Net interest income	24	77 112	62 436
Non-interest revenue[1]	11	56 242	50 862
Income from investment management and life insurance activities	21	23 566	19 426
Total income	18	156 920	132 724
Credit impairment charges	22	(12 064)	(9 873)
Net income before operating expenses	18	144 856	122 851
Operating expenses from Standard Bank Activities[1]	12	(73 274)	(65 477)
Operating expenses from investment management and life insurance activities	14	(19 247)	(16 952)
Net income before capital items and equity accounted earnings	29	52 335	40 422
Non-trading and capital related items	(>100)	328	(284)
Share of post-tax profit from associates and joint ventures	>100	2 265	1 094
Profit before indirect taxation	33	54 928	41 232
Indirect taxation	17	(3 534)	(3 024)
Profit before direct taxation	35	51 394	38 208
Direct taxation	18	(12 011)	(10 149)
Profit for the period	40	39 383	28 059
Attributable to ordinary shareholders	39	34 637	24 865
Attributable to other equity instrument holders	21	999	825
Attributable to non-controlling interests	58	3 747	2 369
Earnings per share (cents)			
Basic earnings per ordinary share	35	2 110.9	1 563.2
Diluted earnings per ordinary share	35	2 095.5	1 555.1

[1] Restated. Please see page 129 for more information.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2022

		2022			2021		
	Change %	Ordinary shareholders' equity Rm	Non-controlling interests and other equity instruments Rm	Total equity Rm	Ordinary shareholders' equity Rm	Non-controlling interests and other equity instruments Rm	Total equity Rm
Profit for the period	40	**34 637**	**4 746**	**39 383**	24 865	3 194	28 059
Other comprehensive (loss)/income after tax for the period		**(3 426)**	**(190)**	**(3 616)**	6 231	972	7 203
Items that may be subsequently reclassified to profit or loss		**(3 037)**	**23**	**(3 014)**	6 052	1 008	7 060
Movements in the cash flow hedging reserve		**235**		**235**	(125)	7	(118)
Movement in debt instruments measured at fair value through other comprehensive income (OCI)		**(107)**	**(13)**	**(120)**	30	(19)	11
Exchange difference on translating foreign operations		**(3 197)**	**36**	**(3 161)**	6 145	1 020	7 165
Net change on hedges of net investments in foreign operations		**32**		**32**	2		2
Items that may not be subsequently reclassified to profit or loss		**(389)**	**(213)**	**(602)**	179	(36)	143
Total comprehensive income for the period		**31 211**	**4 556**	**35 767**	31 096	4 166	35 262
Attributable to ordinary shareholders		**31 211**		**31 211**	31 096		31 096
Attributable to other equity instrument holders			**999**	**999**		825	825
Attributable to non-controlling interests			**3 557**	**3 557**		3 341	3 341

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Ordinary share capital and premium Rm	Empowerment reserve Rm	Treasury shares Rm	Foreign currency translation reserve Rm	Foreign currency hedge of net investment reserve Rm	Total hedge reserve[1] Rm	Regulatory and statutory credit risk reserve Rm	Fair value through OCI reserve Rm	Share-based payment reserve Rm	Other reserves Rm	Retained earnings Rm	Ordinary shareholders' equity Rm	Other equity instruments Rm	Non-controlling interest Rm	Total equity Rm
Balance at 1 January 2021	18 016	(61)	(2 745)	(7 735)	(984)	23	5 193	418	957	224	163 065	176 371	12 528	26 373	215 272
Increase in statutory credit risk reserve							469				(469)	0			0
Transactions with non-controlling shareholders				(13)			13				116	116		(433)	(317)
Equity-settled share-based payments									1 586		(1 020)	566		43	609
Deferred tax on share-based payments											20	20			20
Transfer of vested equity options									(893)		893	0			0
Net (increase)/decrease in treasury shares			(454)								566	112		220	332
Net issue of share capital and share premium and other equity instruments	5											5	3 524		3 529
Unincorporated property partnerships capital reductions and distributions														(210)	(210)
Hyperinflation adjustments											220	220		(4)	216
Total comprehensive income for the period				6 145	2	(125)		68		(48)	25 054	31 096	825	3 341	35 262
Dividends paid											(9 674)	(9 674)	(825)	(1 365)	(11 864)
Balance at 31 December 2021	18 021	(61)	(3 199)	(1 603)	(982)	(102)	5 675	486	1 650	176	178 771	198 832	16 052	27 965	242 849
Balance at 1 January 2022	**18 021**	**(61)**	**(3 199)**	**(1 603)**	**(982)**	**(102)**	**5 675**	**486**	**1 650**	**176**	**178 771**	**198 832**	**16 052**	**27 965**	**242 849**
Increase in statutory credit risk reserve							**477**				**(477)**	**0**			**0**
Transactions with non-controlling shareholders[2]		**25**	**(945)**	**84**		**(43)**	**1**	**8**	**256**	**(20)**	**(3 793)**	**(4 427)**		**(6 830)**	**(11 257)**
Equity-settled share-based payments									**1 670**		**(1 330)**	**340**		**(285)**	**55**
Deferred tax on share-based payments											**59**	**59**			**59**
Transfer of vested equity options									**(940)**		**940**	**0**		**8**	**8**
Net (increase)/decrease in treasury shares			**(475)**								**109**	**(366)**		**22**	**(344)**
Net issue of share capital and share premium and other equity instruments[2]	**9 488**											**9 488**	**3 615**		**13 103**
Unincorporated property partnerships capital reductions and distributions														**(196)**	**(196)**
Redemption of empowerment funding		**36**										**36**			**36**
Hyperinflation adjustments											**1 203**	**1 203**		**(1)**	**1 202**
Total comprehensive income for the period				**(3 197)**	**32**	**235**		**(268)**		**(28)**	**34 437**	**31 211**	**999**	**3 557**	**35 767**
Dividends paid											**(17 112)**	**(17 112)**	**(999)**	**(3 215)**	**(21 326)**
Balance at 31 December 2022	**27 509**	**0**	**(4 619)**	**(4 716)**	**(950)**	**90**	**6 153**	**226**	**2 636**	**128**	**192 807**	**219 264**	**19 667**	**21 025**	**259 956**

All balances are stated net of applicable tax.

[1] The total hedge reserve includes the cash flow hedge reserve and the foreign currency basis spread.

[2] The transactions with non-controlling shareholders primarily consist of the completion of the group's acquisition of the remaining non-controlling ordinary shares in Liberty Holdings Limited. Refer to other reportable items for further details.

STANDARD BANK ACTIVITIES' INCOME STATEMENT

	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	22	24	**77 112**	62 436
Non-interest revenue[1]	10	11	**56 242**	50 862
Net fee and commission revenue[1]	9	7	**32 621**	30 355
Trading revenue	10	15	**17 046**	14 842
Other revenue	17	13	**4 137**	3 648
Other gains and losses on financial instruments	21	21	**2 438**	2 017
Total income	17	18	**133 354**	113 298
Credit impairment charges	22	22	**(12 064)**	(9 873)
Loans and advances	14	14	**(11 310)**	(9 920)
Financial investments	>100	>100	**(817)**	(23)
Letters of credit, guarantees and other	19	19	**63**	70
Net income before operating expenses	16	17	**121 290**	103 425
Operating expenses[1]	12	12	**(73 274)**	(65 477)
Staff costs	11	12	**(40 885)**	(36 642)
Other operating expenses[1]	13	12	**(32 389)**	(28 835)
Net income before capital items and equity accounted earnings	24	27	**48 016**	37 948
Non-trading and capital related items	(>100)	(>100)	**413**	(119)
Net income before equity accounting earnings	26	28	**48 429**	37 829
Share of post-tax profits from associates and joint ventures	(49)	(49)	**319**	620
Profit before indirect taxation	25	27	**48 748**	38 449
Indirect taxation	17	19	**(2 745)**	(2 310)
Profit before direct taxation	27	27	**46 003**	36 139
Direct taxation	29	30	**(10 548)**	(8 083)
Profit for the period	24	26	**35 455**	28 056
Attributable to preference shareholders	5	5	**(302)**	(287)
Attributable to additional tier 1 capital noteholders	30	30	**(697)**	(538)
Attributable to non-controlling interests	25	46	**(3 463)**	(2 377)
Attributable to ordinary shareholders	24	25	**30 993**	24 854
Headline adjustable items	(>100)	(>100)	**(451)**	86
Standard Bank Activities – headline earnings	21	22	**30 542**	24 940

[1] Restated. Please see page 129 for more information.

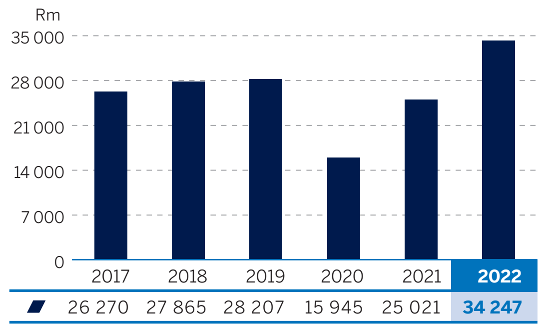
RECONCILIATION TO SBG HEADLINE EARNINGS

	CCY %	Change %	2022 Rm	2021 Rm
Standard Bank Activities	21	22	**30 542**	24 940
Liberty	(>100)	(>100)	**1 788**	(419)
SBG share of Liberty's IFRS headline earnings	(>100)	(>100)	**2 031**	(64)
Impact of SBG shares held for the benefit of Liberty policyholders	(32)	(32)	**(243)**	(355)
ICBCS	>100	>100	**1 917**	500
Standard Bank Group headline earnings	35	37	**34 247**	25 021

HEADLINE EARNINGS

Headline earnings

CAGR (2017 – 2022): 5%



RECONCILIATION OF PROFIT FOR THE PERIOD TO GROUP HEADLINE EARNINGS

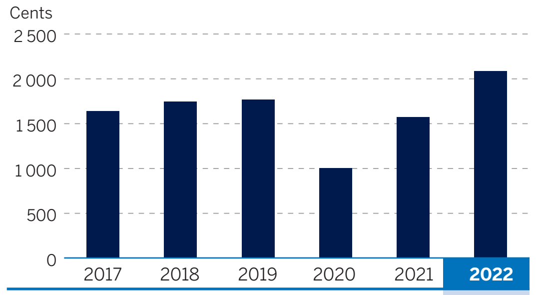
	2022				2021			
	Gross Rm	**Tax[1] Rm**	**NCI and other[2] Rm**	**Net Rm**	Gross Rm	Tax[1] Rm	NCI and other[2] Rm	Net Rm
Profit for the period – Standard Bank Activities	**46 003**	**(10 548)**	**(4 462)**	**30 993**	36 139	(8 083)	(3 202)	24 854
Headline adjustable items – Standard Bank Activities	**(413)**	**(43)**	**5**	**(451)**	119	(32)	(1)	86
IAS 36 – Impairment of intangible assets	**364**	**(102)**		**262**	19	(5)	(1)	13
IAS 16 – (Gains)/losses on sale of properties and equipment	**(39)**	**9**	**5**	**(25)**	61	(5)		56
IAS 16 – Compensation from third parties for ATMs that were impaired	**(79)**	**22**		**(57)**				
IAS 16/IAS 36 – Impairment of fixed asset	**18**	**(4)**		**14**				
IAS 28/IAS 36 – Impairment of associate	**74**	**(21)**		**53**				
IAS 27/IAS 28 – (Gains)/losses on disposal of businesses	**(13)**	**3**		**(10)**	20	(6)		14
IFRS 5 – Remeasurement of disposal group assets held for sale	**(30)**	**8**		**(22)**	30	(8)		22
IAS 40 – Fair value (gains)/losses on investment property	**(708)**	**42**		**(666)**	(11)	(8)		(19)
Headline earnings – Standard Bank Activities	**45 590**	**(10 591)**	**(4 457)**	**30 542**	36 258	(8 115)	(3 203)	24 940
Headline earnings/(losses) – Liberty	**3 559**	**(1 487)**	**(284)**	**1 788**	1 734	(2 109)	(44)	(419)
Profit for the period – Liberty	**3 474**	**(1 463)**	**(284)**	**1 727**	1 569	(2 066)	8	(489)
IAS 36 – Impairment of intangible assets	**22**	**(6)**		**16**	148	(39)	(52)	57
IAS 27/IAS 28 – Loss on sale of business	**63**	**(18)**		**45**	3	(1)		2
IAS 36 – Impairment of goodwill					14	(3)		11
Headline earnings – ICBCS	**1 917**			**1 917**	500			500
Profit for the period – ICBCS	**1 917**			**1 917**	500			500
Standard Bank Group headline earnings	**51 066**	**(12 078)**	**(4 741)**	**34 247**	38 492	(10 224)	(3 247)	25 021

[1] Direct taxation.
[2] Non-controlling interests and other equity instrument holders.

HEADLINE EARNINGS AND DIVIDEND PER SHARE

Headline earnings per share

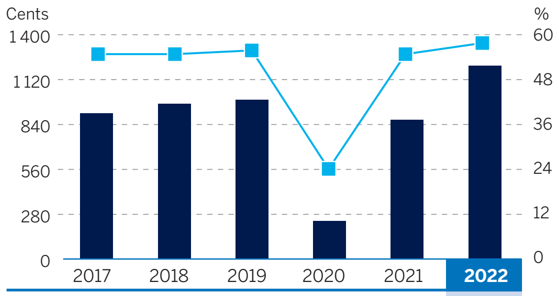
CAGR (2017 – 2022): 5%



	2017	2018	2019	2020	2021	2022
	1 640	1 748	1 767	1 003	1 573	2 087

Dividend per share and payout ratio

CAGR (2017 – 2022): 6%



	2017	2018	2019	2020	2021	2022
Dividend per share	910	970	994	240	871	1 206
Dividend payout ratio	55	55	56	24	55	58

Dividend per share
Dividend payout ratio

		Change %	2022	2021
Headline earnings	Rm	37	**34 247**	25 021
Headline EPS	cents	33	**2 087**	1 573
Basic EPS	cents	35	**2 111**	1 563
Total dividend per share	cents	38	**1 206**	871
Interim	cents	43	**515**	360
Final	cents	35	**691**	511
Dividend cover – based on headline EPS	times		**1.7**	1.8
Dividend payout ratio – based on headline EPS	%		**58**	55

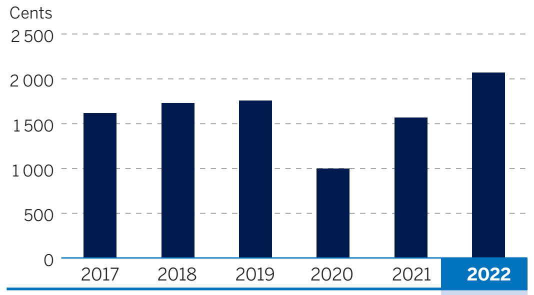
MOVEMENT IN THE NUMBER OF ORDINARY AND WEIGHTED AVERAGE SHARES ISSUED

	2022		2021	
	Issued number of shares '000	**Weighted number of shares '000**	Issued number of shares '000	Weighted number of shares '000
Beginning of the period – IFRS shares	**1 591 572**	**1 591 572**	1 592 904	1 592 904
Shares in issue	**1 619 976**	**1 619 976**	1 619 941	1 619 941
Deemed treasury shares	**(28 404)**	**(28 404)**	(27 037)	(27 037)
Shares issued	**58 349**	**47 839**	35	12
Movement in deemed treasury shares	**(1 547)**	**1 452**	(1 367)	(2 268)
Share exposures held within Standard Bank Activities	**(6 675)**	**(1 705)**	(2 495)	(2 783)
Share exposures held to facilitate client trading activities	**(2 333)**	**2 524**	(1 660)	114
Share exposures held to hedge the group's equity compensation plans	**(4 342)**	**(4 229)**	(835)	(2 897)
Shares held for the benefit of Liberty policyholders	**5 128**	**3 157**	1 128	515
End of the period – IFRS shares	**1 648 374**	**1 640 863**	1 591 572	1 590 648
Shares in issue	**1 678 325**	**1 667 815**	1 619 976	1 619 953
Deemed treasury shares	**(29 951)**	**(26 952)**	(28 404)	(29 305)

DILUTED HEADLINE EARNINGS PER SHARE

Diluted headline earnings per share

CAGR (2017 – 2022): 5%



	2017	2018	2019	2020	2021	2022
	1 620	1 731	1 757	1 000	1 565	2 072

	Change %	2022 cents	2021 cents
Diluted headline EPS	32	**2 072**	1 565
Diluted EPS	35	**2 096**	1 555

DILUTED WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ISSUED

	2022 '000	2021 '000
Weighted average shares	**1 640 863**	1 590 648
Dilution from equity compensation plans	**12 070**	8 308
Group share incentive scheme	**36**	38
Equity growth scheme	**770**	522
Deferred bonus scheme and long-term incentive plans	**11 264**	7 748
Diluted weighted average shares	**1 652 933**	1 598 956

STATEMENT OF FINANCIAL POSITION

	Standard Bank Activities			Liberty[1]			ICBCS			Standard Bank Group		
	Change %	**2022 Rm**	2021 Rm	Change %	**2022 Rm**	2021 Rm	Change %	**2022 Rm**	2021 Rm	Change %	**2022 Rm**	2021 Rm
Assets												
Cash and balances with central banks	26	**114 483**	91 169							26	**114 483**	91 169
Derivative assets	11	**61 799**	55 786	60	**12 611**	7 902				17	**74 410**	63 688
Trading assets	11	**312 523**	281 244	(37)	**2 395**	3 776				10	**314 918**	285 020
Pledged assets	27	**13 058**	10 318	62	**6 250**	3 860				36	**19 308**	14 178
Disposal of group assets held for sale	(46)	**265**	489	(46)	**290**	536				(46)	**555**	1 025
Financial investments	5	**316 243**	301 497	(4)	**404 962**	423 203				0	**721 205**	724 700
Current and deferred tax assets	26	**9 268**	7 370	28	**310**	242				26	**9 578**	7 612
Loans and advances	6	**1 504 941**	1 424 328							6	**1 504 941**	1 424 328
Policyholders' assets				4	**2 974**	2 868				4	**2 974**	2 868
Other assets	49	**38 266**	25 697	(21)	**8 497**	10 735				28	**46 763**	36 432
Interest in associates and joint ventures	8	**3 141**	2 910	30	**158**	122	57	**6 657**	4 248	37	**9 956**	7 280
Investment property	(4)	**1 211**	1 262	(2)	**28 078**	28 723				(2)	**29 289**	29 985
Property, equipment and right of use asset	(1)	**18 800**	18 944	(8)	**1 540**	1 675				(1)	**20 340**	20 619
Goodwill and other intangible assets	(12)	**14 557**	16 468	27	**564**	445				(11)	**15 121**	16 913
Total assets	8	**2 408 555**	2 237 482	(3)	**468 629**	484 087	57	**6 657**	4 248	6	**2 883 841**	2 725 817
Equity and liabilities												
Equity	8	**228 763**	212 793	(5)	**24 536**	25 808	57	**6 657**	4 248	7	**259 956**	242 849
Equity attributable to ordinary shareholders	6	**194 568**	183 685	66	**18 039**	10 899	57	**6 657**	4 248	10	**219 264**	198 832
Equity attributable to other equity holders	23	**19 667**	16 052							23	**19 667**	16 052
Preference shares	0	**5 503**	5 503							0	**5 503**	5 503
AT1 capital	34	**14 164**	10 549							34	**14 164**	10 549
Equity attributable to non-controlling interests	11	**14 528**	13 056	(56)	**6 497**	14 909				(25)	**21 025**	27 965
Liabilities	8	**2 179 792**	2 024 689	(3)	**444 093**	458 279				6	**2 623 885**	2 482 968
Derivative liabilities	22	**73 691**	60 602	71	**11 358**	6 657				26	**85 049**	67 259
Trading liabilities	37	**110 031**	80 433	(>100)	**(103)**	1 051				35	**109 928**	81 484
Current and deferred tax liabilities	9	**8 158**	7 501	(22)	**2 157**	2 776				0	**10 315**	10 277
Disposal of group liabilities held for sale				(100)		96				(100)		96
Deposits and debt funding	6	**1 913 425**	1 797 291	18	**(24 326)**	(20 676)				6	**1 889 099**	1 776 615
Policyholders' liabilities				(1)	**358 467**	363 023				(1)	**358 467**	363 023
Subordinated debt	3	**25 629**	24 852	10	**6 115**	5 578				4	**31 744**	30 430
Provisions and other liabilities	(10)	**48 858**	54 010	(9)	**90 425**	99 774				(9)	**139 283**	153 784
Total equity and liabilities	8	**2 408 555**	2 237 482	(3)	**468 629**	484 087	57	**6 657**	4 248	6	**2 883 841**	2 725 817

[1] Includes consolidation adjustments.

Notes

21 Segmental reporting

Segmental structure of **client segments** and **solutions**

SBG

Client segments

The client segments are responsible for designing and executing the client value proposition. Client segments own the client relationship and create multi-product client experiences distributed through our client engagement platforms.

Consumer & High Net Worth clients

The Consumer & High Net Worth (CHNW) segment offers tailored and comprehensive banking, investment, insurance and beyond financial services solutions. We serve clients across Africa ranging from high net worth and affluent to main market by enabling their daily lives throughout their life journeys.

Business & Commercial clients

The Business & Commercial Client (BCC) segment provides broad based client solutions for a wide spectrum of small and medium-sized businesses as well as large commercial enterprises. Our client coverage extends across a wide range of industries, sectors and solutions that deliver the necessary advisory, networking and sustainability support required by our clients to enable their growth.

Corporate & Investment Banking clients

The Corporate & Investment Banking (CIB) client segment serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally. Our clients leverage our in-depth sector and regional expertise, our specialist capabilities and our access to global capital markets for advisory, transactional, risk management and funding support.

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. Our clients, which expand from individual customers to corporate clients across Africa, can leverage our extensive market leading range of products and services to help build and protect their wealth and lifestyle.

Client solutions

Client solutions are made up of products and services for banking, insurance and investments and will expand into non-financial services and solutions over time.

Banking

Home services
Residential accommodation financing solutions, including related value added services.

Vehicle and asset finance
Comprehensive finance solutions in instalment credit, fleet management and related services across our retail, corporate and business markets.

Card and payments
Credit card facilities to individuals and businesses.
Merchant acquiring services.
Enablement of digital payment capabilities through various products and platforms.
Mobile money and cross-border businesses.

Retail lending
Comprehensive suite of lending products provided to individuals and small and medium-sized businesses.

Retail transactional
Comprehensive suite of transactional, savings, payment and liquidity management solutions.

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

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

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

Insurance

Short-term and Long-term insurance activities

- Short-term: Homeowners' insurance, household contents, vehicle insurance and commercial all risk insurance.
- Long-term insurance solutions to individual and corporate clients.
- Long-term: Life, serious illness, disability, funeral cover and loan protection plans sold in conjunction with related banking products.
- Advice and brokerage.

Investments

- Stockbroking and advisory, alternative investments, compulsory investments and discretionary investments.
- Wealth management, passive investments, international investments, structured products and social impact investing.
- Integrated fiduciary services including fiduciary advice, will drafting and custody services as well as trust and estate administration.
- Asset management.
- Pension fund administration.

Central and other

- Group hedging activities.
- Unallocated capital.
- Liquidity earnings.
- Central costs.

ICBC Standard Bank Plc

Equity investment held in terms of strategic partnership agreements with ICBC

- ICBC Standard Bank Plc (40% associate).

Where reporting responsibility changes for individual cost centres and divisions within segments, the segmental analyses' comparative figures are reclassified accordingly.

CONDENSED CONSOLIDATED CLIENT SEGMENTAL RESULTS

	Consumer & High Net Worth			Business & Commercial			Corporate & Investment Banking			Central and other			Standard Bank Activities		
	Change %	**2022 Rm**	2021 Rm	Change %	**2022 Rm**	2021 Rm	Change %	**2022 Rm**	2021 Rm	Change %	**2022 Rm**	2021 Rm	Change %	**2022 Rm**	2021 Rm
Income statement															
Income from Standard Bank Activities	12	**53 940**	48 264	22	**32 649**	26 682	23	**48 756**	39 669	51	**(1 991)**	(1 317)	18	**133 354**	113 298
Net interest income	15	**32 631**	28 485	29	**20 408**	15 801	31	**24 232**	18 544	(60)	**(159)**	(394)	24	**77 112**	62 436
Non-interest revenue	8	**21 309**	19 779	12	**12 241**	10 881	16	**24 524**	21 125	98	**(1 832)**	(923)	11	**56 242**	50 862
Net fee and commission revenue	7	**16 314**	15 293	7	**8 747**	8 159	9	**7 715**	7 109	(25)	**(155)**	(206)	7	**32 621**	30 355
Trading revenue	(6)	**1 547**	1 638	30	**2 723**	2 101	20	**13 693**	11 396	>100	**(917)**	(293)	15	**17 046**	14 842
Other revenue	21	**3 445**	2 856	(1)	**523**	526	35	**934**	692	80	**(765)**	(426)	13	**4 137**	3 648
Other gains and losses on financial instruments	(>100)	**3**	(8)	>100	**248**	95	13	**2 182**	1 928	>100	**5**	2	21	**2 438**	2 017
Net income from investment management and life insurance activities															
Total income	12	**53 940**	48 264	22	**32 649**	26 682	23	**48 756**	39 669	51	**(1 991)**	(1 317)	18	**133 354**	113 298
Credit impairment charges	(3)	**(7 745)**	(7 946)	(1)	**(2 271)**	(2 294)	(>100)	**(2 549)**	374	(>100)	**501**	(7)	22	**(12 064)**	(9 873)
Income before operating expenses	15	**46 195**	40 318	25	**30 378**	24 388	15	**46 207**	40 043	13	**(1 490)**	(1 324)	17	**121 290**	103 425
Operating expenses in Standard Bank Activities	11	**(32 821)**	(29 644)	13	**(18 749)**	(16 631)	12	**(23 927)**	(21 318)	5	**2 223**	2 116	12	**(73 274)**	(65 477)
Staff costs	8	**(11 359)**	(10 476)	21	**(4 648)**	(3 837)	10	**(9 063)**	(8 268)	12	**(15 815)**	(14 061)	12	**(40 885)**	(36 642)
Other operating expenses	12	**(21 462)**	(19 168)	10	**(14 101)**	(12 794)	14	**(14 864)**	(13 050)	12	**18 038**	16 177	12	**(32 389)**	(28 835)
Operating expenses in insurance activities															
Net income before capital items and equity accounted earnings	25	**13 374**	10 674	50	**11 629**	7 757	19	**22 280**	18 725	(7)	**733**	792	27	**48 016**	37 948
Non-trading and capital related items	(>100)	**122**	(96)	(>100)	**167**	(36)	>100	**146**	36	(4)	**(22)**	(23)	(>100)	**413**	(119)
Share of post-tax profit from associates and joint ventures							(>100)	**(14)**	213	(18)	**333**	407	(49)	**319**	620
Profit before indirect taxation	28	**13 496**	10 578	53	**11 796**	7 721	18	**22 412**	18 974	(11)	**1 044**	1 176	27	**48 748**	38 449
Indirect taxation	15	**(585)**	(509)	30	**(193)**	(149)	33	**(646)**	(486)	13	**(1 321)**	(1 166)	19	**(2 745)**	(2 310)
Profit before direct taxation	28	**12 911**	10 069	53	**11 603**	7 572	18	**21 766**	18 488	(>100)	**(277)**	10	27	**46 003**	36 139
Direct taxation	25	**(3 079)**	(2 468)	48	**(2 895)**	(1 962)	22	**(4 124)**	(3 381)	65	**(450)**	(272)	30	**(10 548)**	(8 083)
Profit for the year	29	**9 832**	7 601	55	**8 708**	5 610	17	**17 642**	15 107	>100	**(727)**	(262)	26	**35 455**	28 056
Attributable to preference shareholders										5	**(302)**	(287)	5	**(302)**	(287)
Attributable to additional tier 1 capital noteholders	23	**(216)**	(175)	46	**(89)**	(61)	36	**(349)**	(257)	(4)	**(43)**	(45)	30	**(697)**	(538)
Attributable to non-controlling interests	14	**(597)**	(525)	74	**(439)**	(252)	54	**(2 367)**	(1 541)	2	**(60)**	(59)	46	**(3 463)**	(2 377)
Profit attributable to ordinary shareholders	31	**9 019**	6 901	54	**8 180**	5 297	12	**14 926**	13 309	73	**(1 132)**	(653)	25	**30 993**	24 854
Headline adjustable items	(>100)	**(147)**	62	(>100)	**(154)**	20	>100	**(154)**	(16)	(80)	**4**	20	(>100)	**(451)**	86
Headline earnings	27	**8 872**	6 963	51	**8 026**	5 317	11	**14 772**	13 293	78	**(1 128)**	(633)	22	**30 542**	24 940
Key ratios															
CLR (bps)		**122**	134		**96**	111		**27**	(4)					**75**	73
Cost-to-income ratio (%)		**60.8**	61.4		**57.4**	62.3		**49.1**	53.7					**54.9**	57.8
ROE (%)		**17.3**	14.0		**33.7**	24.7		**19.2**	19.4					**16.3**	14.7

CONDENSED CONSOLIDATED CLIENT SEGMENTAL RESULTS

	Standard Bank Activities			Liberty			ICBCS			Standard Bank Group		
	Change %	2022 Rm	2021 Rm	Change %	2022 Rm	2021 Rm	Change %	2022 Rm	2021 Rm	Change %	2022 Rm	2021 Rm
Income statement												
Income from Standard Bank Activities	18	133 354	113 298							18	133 354	113 298
Net interest income	24	77 112	62 436							24	77 112	62 436
Non-interest revenue	11	56 242	50 862							11	56 242	50 862
Net fee and commission revenue	7	32 621	30 355							7	32 621	30 355
Trading revenue	15	17 046	14 842							15	17 046	14 842
Other revenue	13	4 137	3 648							13	4 137	3 648
Other gains and losses on financial instruments	21	2 438	2 017							21	2 438	2 017
Net income from investment management and life insurance activities				21	23 566	19 426				21	23 566	19 426
Total income	18	133 354	113 298	21	23 566	19 426				18	156 920	132 724
Credit impairment charges	22	(12 064)	(9 873)							22	(12 064)	(9 873)
Income before operating expenses	17	121 290	103 425	21	23 566	19 426				18	144 856	122 851
Operating expenses in Standard Bank Activities	12	(73 274)	(65 477)							12	(73 274)	(65 477)
Staff costs	12	(40 885)	(36 642)							12	(40 885)	(36 642)
Other operating expenses	12	(32 389)	(28 835)							12	(32 389)	(28 835)
Operating expenses in insurance activities				14	(19 247)	(16 952)				14	(19 247)	(16 952)
Net income before capital items and equity accounted earnings	27	48 016	37 948	75	4 319	2 474				29	52 335	40 422
Non-trading and capital related items	(>100)	413	(119)	(48)	(85)	(165)				(>100)	328	(284)
Share of post-tax profit from associates and joint ventures	(49)	319	620	(>100)	29	(26)	>100	1 917	500	>100	2 265	1 094
Profit before indirect taxation	27	48 748	38 449	87	4 263	2 283	>100	1 917	500	33	54 928	41 232
Indirect taxation	19	(2 745)	(2 310)	11	(789)	(714)				17	(3 534)	(3 024)
Profit before direct taxation	27	46 003	36 139	>100	3 474	1 569	>100	1 917	500	35	51 394	38 208
Direct taxation	30	(10 548)	(8 083)	(29)	(1 463)	(2 066)				18	(12 011)	(10 149)
Profit for the year	26	35 455	28 056	(>100)	2 011	(497)	>100	1 917	500	40	39 383	28 059
Attributable to preference shareholders	5	(302)	(287)							5	(302)	(287)
Attributable to additional tier 1 capital noteholders	30	(697)	(538)							30	(697)	(538)
Attributable to non-controlling interests	46	(3 463)	(2 377)	(>100)	(284)	8				58	(3 747)	(2 369)
Profit attributable to ordinary shareholders	25	30 993	24 854	(>100)	1 727	(489)	>100	1 917	500	39	34 637	24 865
Headline adjustable items	(>100)	(451)	86	(13)	61	70				(>100)	(390)	156
Headline earnings	22	30 542	24 940	(>100)	1 788	(419)	>100	1 917	500	37	34 247	25 021
CLR (bps)		75	73									
Cost-to-income ratio (%)		54.9	57.8									
ROE (%)		16.3	14.7								16.4	13.5

CONDENSED CONSOLIDATED CLIENT SEGMENTAL RESULTS

	Consumer & High Net Worth			Business & Commercial			Corporate & Investment Banking			Central and other			Standard Bank Activities		
	Change %	2022 Rm	2021 Rm	Change %	2022 Rm	2021 Rm	Change %	2022 Rm	2021 Rm	Change %	2022 Rm	2021 Rm	Change %	2022 Rm	2021 Rm
Statement of financial position															
Net loans and advances	3	619 292	602 457	13	236 603	208 472	3	682 321	663 998	(34)	(33 275)	(50 599)	6	1 504 941	1 424 328
Net loans and advances to banks	(54)	11 629	25 124	38	29 950	21 735	(20)	168 256	209 526	(26)	(37 317)	(50 207)	(16)	172 518	206 178
Net loans and advances to customers	5	607 663	577 333	11	206 653	186 737	13	514 065	454 472	(>100)	4 042	(392)	9	1 332 423	1 218 150
Home services	5	421 398	399 488	15	21 820	19 019							6	443 218	418 507
Vehicle and asset finance	9	61 843	56 686	7	43 835	41 024	6	6 801	6 438				8	112 479	104 148
Card and payments	4	32 149	30 809	22	1 726	1 410	42	376	265				5	34 251	32 484
Personal unsecured lending	2	92 273	90 350										2	92 273	90 350
Business lending				11	139 272	125 284							11	139 272	125 284
Corporate and sovereign lending							13	506 888	447 769				13	506 888	447 769
Central and other										(>100)	4 042	(392)	(>100)	4 042	(392)
Gross loans and advances to customers	5	642 524	609 401	10	218 114	197 856	13	523 423	462 133	>100	4 043	92	9	1 388 104	1 269 482
Home services	5	436 835	414 202	15	22 812	19 902							6	459 647	434 104
Vehicle and asset finance	11	66 806	60 448	6	46 224	43 746	6	6 829	6 459				8	119 859	110 653
Card and payments	4	35 854	34 521	16	1 826	1 578	43	383	268				5	38 063	36 367
Personal unsecured lending	3	103 029	100 230										3	103 029	100 230
Business lending				11	147 252	132 630							11	147 252	132 630
Corporate and sovereign lending							13	516 211	455 406				13	516 211	455 406
Central and other										>100	4 043	92	>100	4 043	92
Credit impairments	9	(34 861)	(32 068)	3	(11 461)	(11 119)	22	(9 358)	(7 661)	(100)	(1)	(484)	8	(55 681)	(51 332)
Home services	5	(15 437)	(14 714)	12	(992)	(883)							5	(16 429)	(15 597)
Vehicle and asset finance	32	(4 963)	(3 762)	(12)	(2 389)	(2 722)	33	(28)	(21)				13	(7 380)	(6 505)
Card and payments	0	(3 705)	(3 712)	(40)	(100)	(168)	>100	(7)	(3)				(2)	(3 812)	(3 883)
Personal unsecured lending	9	(10 756)	(9 880)										9	(10 756)	(9 880)
Business lending				9	(7 980)	(7 346)							9	(7 980)	(7 346)
Corporate and sovereign lending							22	(9 323)	(7 637)				22	(9 323)	(7 637)
Central and other										(100)	(1)	(484)	(100)	(1)	(484)
Other assets	(4)	72 920	75 612	8	53 413	49 390	14	728 886	640 631	2	48 395	47 521	11	903 614	813 154
Total assets	2	692 212	678 069	12	290 016	257 862	8	1 411 207	1 304 629	(>100)	15 120	(3 078)	8	2 408 555	2 237 482
Equity	5	56 070	53 384	(1)	27 070	27 296	13	94 330	83 565	6	51 293	48 548	8	228 763	212 793
Liabilities	2	636 142	624 685	14	262 946	230 566	8	1 316 877	1 221 064	(30)	(36 173)	(51 626)	8	2 179 792	2 024 689
Deposits and debt funding	9	400 996	368 233	4	454 517	436 426	5	1 100 924	1 051 073	(26)	(43 012)	(58 441)	6	1 913 425	1 797 291
Deposits from banks	>100	8 380	3 186	(20)	7 410	9 271	(10)	152 727	169 925	(12)	(34 392)	(39 241)	(6)	134 125	143 141
Deposits and current accounts from customers	8	392 616	365 047	5	447 107	427 155	8	948 197	881 148	(55)	(8 620)	(19 200)	8	1 779 300	1 654 150
Current accounts	0	80 588	80 410	5	135 359	128 377	15	144 071	124 993	(31)	(2 832)	(4 111)	8	357 186	329 669
Cash management deposits	>100	23	8	2	54 807	53 844	(12)	181 711	207 653	43	30	21	(10)	236 571	261 526
Call deposits	6	187 933	177 544	0	183 791	183 648	3	126 800	123 183	(1)	(2 110)	(2 136)	3	496 414	482 239
Savings accounts	6	39 331	36 957	11	6 077	5 492	(11)	100	112	(>100)	13	(3)	7	45 521	42 558
Term deposits	22	79 640	65 339	25	59 772	47 692	7	240 722	224 851	59	736	463	13	380 870	338 345
Negotiable certificates of deposit	(68)	195	615	(98)	19	1 027	76	179 216	101 659	(100)		(524)	75	179 430	102 777
Other deposits	18	4 906	4 174	3	7 282	7 075	(23)	75 577	98 697	(65)	(4 457)	(12 910)	(14)	83 308	97 036
Other liabilities[1]	(8)	235 146	256 452	(7)	(191 571)	(205 860)	27	215 953	169 991	0	6 839	6 815	17	266 367	227 398
Total equity and liabilities	2	692 212	678 069	12	290 016	257 862	8	1 411 207	1 304 629	(>100)	15 120	(3 078)	8	2 408 555	2 237 482
Average ordinary shareholders' equity	3	51 385	49 841	11	23 829	21 563	12	76 860	68 361	14	34 892	30 553	10	186 966	169 962

[1] Other liabilities includes inter-divisional funding which fluctuates in line with asset growth.

CONDENSED CONSOLIDATED CLIENT SEGMENTAL RESULTS

	Standard Bank Activities			Liberty			ICBCS			Standard Bank Group		
	Change %	**2022 Rm**	2021 Rm	Change %	**2022 Rm**	2021 Rm	Change %	**2022 Rm**	2021 Rm	Change %	**2022 Rm**	2021 Rm
Statement of financial position												
Net loans and advances	6	**1 504 941**	1 424 328							6	**1 504 941**	1 424 328
Net loans and advances to banks	(16)	**172 518**	206 178							(16)	**172 518**	206 178
Net loans and advances to customers	9	**1 332 423**	1 218 150							9	**1 332 423**	1 218 150
Home services	6	**443 218**	418 507							6	**443 218**	418 507
Vehicle and asset finance	8	**112 479**	104 148							8	**112 479**	104 148
Card and payments	5	**34 251**	32 484							5	**34 251**	32 484
Personal unsecured lending	2	**92 273**	90 350							2	**92 273**	90 350
Business lending	11	**139 272**	125 284							11	**139 272**	125 284
Corporate and sovereign lending	13	**506 888**	447 769							13	**506 888**	447 769
Central and other	(>100)	**4 042**	(392)							(>100)	**4 042**	(392)
Gross loans and advances to customers	9	**1 388 104**	1 269 482							9	**1 388 104**	1 269 482
Home services	6	**459 647**	434 104							6	**459 647**	434 104
Vehicle and asset finance	8	**119 859**	110 653							8	**119 859**	110 653
Card and payments	5	**38 063**	36 367							5	**38 063**	36 367
Personal Lending	3	**103 029**	100 230							3	**103 029**	100 230
Personal unsecured lending	11	**147 252**	132 630							11	**147 252**	132 630
Corporate and sovereign lending	13	**516 211**	455 406							13	**516 211**	455 406
Central and other	>100	**4 043**	92							>100	**4 043**	92
Credit impairments	8	**(55 681)**	(51 332)							8	**(55 681)**	(51 332)
Home services	5	**(16 429)**	(15 597)							5	**(16 429)**	(15 597)
Vehicle and asset finance	13	**(7 380)**	(6 505)							13	**(7 380)**	(6 505)
Card and payments	(2)	**(3 812)**	(3 883)							(2)	**(3 812)**	(3 883)
Personal unsecured lending	9	**(10 756)**	(9 880)							9	**(10 756)**	(9 880)
Business lending	9	**(7 980)**	(7 346)							9	**(7 980)**	(7 346)
Corporate and sovereign lending	22	**(9 323)**	(7 637)							22	**(9 323)**	(7 637)
Central and other	(100)	**(1)**	(484)							(100)	**(1)**	(484)
Policyholders' assets				4	**2 974**	2 868				4	**2 974**	2 868
Other assets	11	**903 614**	813 154	(3)	**465 655**	481 219	57	**6 657**	4 248	6	**1 375 926**	1 298 621
Total assets	8	**2 408 555**	2 237 482	(3)	**468 629**	484 087	57	**6 657**	4 248	6	**2 883 841**	2 725 817
Equity	8	**228 763**	212 793	(5)	**24 536**	25 808	57	**6 657**	4 248	7	**259 956**	242 849
Liabilities	8	**2 179 792**	2 024 689	(3)	**444 093**	458 279				6	**2 623 885**	2 482 968
Deposits and debt funding	6	**1 913 425**	1 797 291	18	**(24 326)**	(20 676)				6	**1 889 099**	1 776 615
Deposits from banks	(6)	**134 125**	143 141							(6)	**134 125**	143 141
Deposits and current accounts from customers	8	**1 779 300**	1 654 150	18	**(24 326)**	(20 676)				7	**1 754 974**	1 633 474
Current accounts	8	**357 186**	329 669							8	**357 186**	329 669
Cash management deposits	(10)	**236 571**	261 526							(10)	**236 571**	261 526
Call deposits	3	**496 414**	482 239							3	**496 414**	482 239
Savings accounts	7	**45 521**	42 558							7	**45 521**	42 558
Term deposits	13	**380 870**	338 345							13	**380 870**	338 345
Negotiable certificates of deposit	75	**179 430**	102 777							75	**179 430**	102 777
Other deposits	(14)	**83 308**	97 036	18	**(24 326)**	(20 676)				(23)	**58 982**	76 360
Policyholders' liabilities				(1)	**358 467**	363 023				(1)	**358 467**	363 023
Other liabilities	17	**266 367**	227 398	(5)	**109 952**	115 932				10	**376 319**	343 330
Total equity and liabilities	8	**2 408 555**	2 237 482	(3)	**468 629**	484 087	57	**6 657**	4 248	6	**2 883 841**	2 725 817
Average ordinary shareholders' equity	10	**186 966**	169 962	38	**15 419**	11 144	51	**5 901**	3 902	13	**208 286**	185 008

CONSUMER & HIGH NET WORTH CLIENTS

Consumer & High Net Worth Clients (CHNW)

CHNW delivered headline earnings growth of 27% to R8 872 million and an ROE of 17.3% (FY21: 14.0%). 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.

Loans to customers grew by 5% and deposits from customers by 8%. This growth, together with the positive endowment from higher average interest rates, lifted net interest income (NII) by 15% to R32 631 million. Strong transactional activity and an 8% growth in the active client base to 16.9 million clients supported non-interest revenue (NIR) growth of 8%.

Credit impairment charges decreased by 3% year on year, 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.

Operating expenses increased by 11% mainly due to higher inflation across the continent, accelerated investment in digital capabilities and costs related to increased business activity across our markets. Despite external pressures, CHNW achieved positive jaws of 104 bps and the cost-to-income ratio improved to 60.8% (FY21: 61.4%).

South Africa (SA)

The South African franchise reported a strong recovery with headline earnings up by 23% to R7 161 million and ROE of 18.0% (FY21: 14.7%). The active client base grew to 10.8 million, up by 6% from FY21. The private banking client base showed the highest growth at 16% and we reached a milestone of one million active Youth clients in the year. The growth in the active client base was largely due to ongoing investment in client-facing bankers. Further, the introduction of relevant solutions like MyMo and Flexi Funeral attracted 982 000 new-to-bank clients of whom were digitally registered.

We continued to improve client experience, with specific focus on strengthening the stability of our digital platforms. Although 1H22 was impacted by a series of outages which impacted our client's ability to transact, our systems stabilised in the second half of the year. In addition, our investment in voice channels reduced client call waiting times, supporting a better client experience. The brand net promoter score for SBSA improved against the prior period, although the channel (includes branch, contact centres and relationship managers) score declined slightly. Our efforts to improve client experience have been recognised by several industry awards, including being named Best Private Bank in 2023 by Global Finance.

NII grew by 9%, supported by strong balance sheet growth and higher average interest rates. This was partially offset by competitive pricing in home services.

NIR grew by 7% mainly due to improved client activity and annual price increases. Debit and credit card turnover was 17% higher, and current account transactional flows increased by 10% compared to FY21. Instant Money continued to grow strongly with turnover up 22%. Expanded access through additional distribution partnerships, which enabled more clients to send and redeem vouchers, drove higher transaction volumes. NIR growth was partially offset by higher fee expense growth relating to additional costs from the 15% increase in UCount rewards programme client base and higher client utilisation.

Branch volumes continued to decline by 27%, reflecting our ongoing efforts to migrate clients to digital platforms by providing alternate devices for cash transactions and digitising branch activities. Ongoing optimisation of distribution infrastructure resulted in 9% less square meterage and 3% fewer branches from FY21, realising cost savings of over R200 million in FY22. However, we continue to expand our footprint through partnership access points (Instant Money retail partners) and low-cost kiosks.

Ongoing enhancement of digital capabilities drove growth in the digital active client base, up 12% on FY21, and 14% growth in digital value transactional volumes. The number of clients who installed one or more widgets (called add-ons) from the Add-On Store on the SBG Banking App increased by 53% to 3.4 million unique profiles. The Add-On Store offers a wide variety of additional products and services on the SBG Banking App, enabling clients to tailor their experience. New add-ons like Credit Score and Money Movement, which help clients to manage their financial health in an easy and interactive manner, are already some of the highest rated in the store. The SBG Banking App was rated second in the external SITESfaction (Columinate) peer survey, testament to our focus on improving our clients' digital experience. We continued to leverage data and artificial intelligence to enable personalised conversations for better client engagement and retention.

Credit impairment charges improved by 6% from the prior year, resulting in a CLR of 116 bps. This was mainly driven by improvement in the card portfolio from the elevated level of impairments in FY21 and better performance in the home services legacy payment holiday portfolio. However, emerging customer pressure due to the compound impact of steep interest rate increases is evident across most of the portfolio. We continued to strengthen our data-driven credit strategies to improve collections in response, underpinned by proactive risk assessments and robust quality of new business originated in the first-time home buyers' market.

Operating expenses grew by 7% due to the higher inflationary environment and non-recurrence of the Japan fraud insurance recovery in FY21. This was partially offset by lower headcount due to natural attrition, continued focus on distribution network optimisation and the migration of cash into cheaper alternative solutions. Revenue growth outpaced cost growth, resulting in positive jaws of 138 bps and a lower cost-to-income ratio of 57.8% (FY21: 58.5%).

Africa Regions

Africa Regions headline earnings grew by CCY of 21% to R966 million with an ROE of 11.0% (FY21: 11.8%). NII grew by 24% supported by good growth in loans and deposits, and margin expansion due to higher average interest rates. Asset growth was supported by improved digital lending capabilities, which enabled limit increases and redraws for customers within risk appetite.

Transforming the client experience remained a priority across the portfolio, translating into an improved net promoter score of 37 (FY21: 32). The Nigerian retail franchise was rated first in the KPMG client experience survey for the second consecutive year.

The active client base grew by 12%, with core banking solution clients up 6%. Platform clients, predominantly digital wallet clients utilising Unayo[1], @Ease[2], PayPulse[2] and FlexiPay[2], were up by over 100%, with the main driver being the rollout of Unayo to five additional countries in FY22 (FY21: four countries).

NIR growth of 11% was driven by higher transactional activity, and robust cross-border transactions volumes. This was partially offset by a combination of higher USD-based card processing costs following the depreciation of local currencies against the USD.

Credit impairment charges increased by CCY of 18% compared to FY21. The CLR of 210 bps was, however, in line with expectations. The increase in credit impairment charges was driven by balance sheet growth and elevated non-performing loans mainly in East Africa and South & Central Africa.

Operating expenses were up 18% against FY21 mainly due to the higher inflationary environment and an increase in investment to support digital capabilities and business activity across the portfolio.

International

International Client Solutions headline earnings improved over 100% to R745 million with an ROE of 26.5%. Strong NII growth was supported by a 6% increase in loans to customers and deposit growth of 10% in CCY. This was further supported by positive endowment from higher average interest rates and higher yields earned on loan placements with SBSA. Operating expenses grew by 21% in CCY, largely due to investments in client relationship management and other digital capabilities combined with higher incentive provisions in line with business performance.

Looking ahead

CHNW is well positioned to drive sustainable value creation for the group. The business will continue to support its clients across the continent by offering attractive opportunities that grow and deepen the client relationship, to steadily grow revenue while reducing costs to serve. The business is focused on transforming client experience and remains on track to deliver the 2025 targets.

1 Unayo is a services platform that connects businesses and individuals with mutual financial interests across communities and industries to help them grow.
2 @Ease (Nigeria), PayPulse (Namibia), FlexiPay (Uganda) is an all-in-one digital solution that enables our clients to complete financial transactions, without the need for a bank account, in a convenient, secure, quick, and affordable manner by offering cashless transacting and instant payments while still being able to earn rewards with our loyalty program.

CONSUMER & HIGH NET WORTH CLIENTS

KEY BUSINESS STATISTICS

		Change %	2022	2021
South Africa				
Clients				
Active clients[1]	thousands	6	**10 756**	10 179
Core clients[2]	thousands	6	**8 382**	7 885
Platform clients[3]	thousands	3	**2 374**	2 294
Digital active clients[4]	thousands	12	**3 778**	3 360
UCount clients	thousands	15	**1 232**	1 075
SBSA Mobile subscribers	thousands	47	**384**	261
Disbursements				
Home services (mortgages)	Rm	(12)	**70 691**	80 535
Average loan to value (LTV) of home services new business registered	%	0	**90**	90
Personal lending	Rm	2	**12 058**	11 770
VAF retail	Rm	1	**25 394**	25 149
Client activity				
Instant Money turnover	Rm	22	**32 478**	26 643
Digital transactional volumes	thousands	14	**266 819**	234 025
ATM transactional volumes	thousands	1	**267 190**	265 219
Branch transactional volumes	thousands	(27)	**7 356**	10 121
Points of representation				
ATMs	number	(10)	**3 780**	4 188
Branch square metres	thousands	(9)	**254**	280
Point of representation	number	4	**619**	594
Branches	number	(3)	**477**	493
In-store kiosks and other points of access	number	41	**142**	101
Africa Regions				
Clients				
Active clients[1]	thousands	12	**6 163**	5 509
Core clients[2]	thousands	6	**5 667**	5 335
Platform clients[3]	thousands	>100	**496**	174
Client activity				
Digital transactional volumes	thousands	37	**286 095**	208 976
ATM transactional volumes	thousands	(8)	**127 982**	138 958
Branch transactional volumes	thousands	5	**11 050**	10 565
Points of representation				
Branches	number	(1)	**544**	549
ATMs	number	2	**2 452**	2 412

1 An active client is defined by a single client transacting on at least one solution within a specific timeframe.
2 Core clients include Banking, Insurance and Investments including pension fund in Africa Regions.
3 Platform clients include Instant Money in SA and Unayo, PayPulse, @Ease and Flexipay in Africa Regions.
4 Clients that actively transact with us on digital platforms (Mobile App, USSD and internet banking).

SUMMARISED INCOME STATEMENT

	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	15	15	**32 631**	28 485
Non-interest revenue	8	8	**21 309**	19 779
Net fee and commission revenue	7	7	**16 314**	15 293
Trading revenue	(12)	(6)	**1 547**	1 638
Other revenue	20	21	**3 445**	2 856
Other gains and losses on financial instruments	(>100)	(>100)	**3**	(8)
Total income	12	12	**53 940**	48 264
Credit impairment charges	(3)	(3)	**(7 745)**	(7 946)
Operating expenses	10	11	**(32 821)**	(29 644)
Headline earnings	29	27	**8 872**	6 963

LOANS AND ADVANCES

	CCY %	Change %	2022 Rm	2021 Rm
Net loans and advances to banks	(51)	(54)	**11 629**	25 124
Gross loans and advances to banks	(51)	(54)	**11 630**	25 124
Credit impairments for loans and advances to banks	(100)	(100)	**(1)**	
Net loans and advances to customers	6	5	**607 663**	577 333
Home services	6	5	**421 398**	399 488
Vehicle and asset finance	9	9	**61 843**	56 686
Card and payments	4	4	**32 149**	30 809
Personal lending	5	2	**92 273**	90 350
Gross loans and advances to customers	6	5	**642 524**	609 401
Home services	6	5	**436 835**	414 202
Vehicle and asset finance	11	11	**66 806**	60 448
Card and payments	4	4	**35 854**	34 521
Personal lending	5	3	**103 029**	100 230
Credit impairments for loans and advances to customers	9	9	**(34 861)**	(32 068)
Home services	5	5	**(15 437)**	(14 714)
Vehicle and asset finance	32	32	**(4 963)**	(3 762)
Card and payments	0	0	**(3 705)**	(3 712)
Personal lending	10	9	**(10 756)**	(9 880)
Total coverage ratio (%)			**5.4**	5.3
Home services			**3.5**	3.6
Vehicle and asset finance			**7.4**	6.2
Card and payments			**10.3**	10.8
Personal lending			**10.4**	9.9
Net loans and advances	4	3	**619 292**	602 457
Gross loans and advances	4	3	**654 154**	634 525
Credit impairments	9	9	**(34 862)**	(32 068)
Credit impairments for loans and advances to banks	(100)	(100)	**(1)**	
Credit impairments for loans and advances to customers	9	9	**(34 861)**	(32 068)
Credit impairments for stage 3 loans	6	6	**(23 876)**	(22 481)
Credit impairments for stage 1 and 2 loans	15	15	**(10 985)**	(9 587)

DEPOSITS AND CURRENT ACCOUNTS

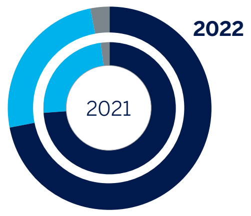
	CCY %	Change %	2022 Rm	2021 Rm
Deposits from banks	>100	>100	**8 380**	3 186
Deposits from customers	9	8	**392 616**	365 047
Current accounts	1	0	**80 588**	80 410
Cash management deposits	>100	>100	**23**	8
Call deposits	8	6	**187 933**	177 544
Savings accounts	11	6	**39 331**	36 957
Term deposits	22	22	**79 640**	65 339
Negotiable certificates of deposit	(51)	(68)	**195**	615
Other deposits	35	18	**4 906**	4 174
Total deposits and current accounts	11	9	**400 996**	368 233

KEY RATIOS

		2022 Rm	2021 Rm
Headline earnings contribution to the group	%	**26**	28
Net interest margin	bps	**498**	465
CLR	bps	**122**	134
Coverage ratio	%	**5.4**	5.3
Cost-to-income ratio	%	**60.8**	61.4
ROE	%	**17.3**	14.0

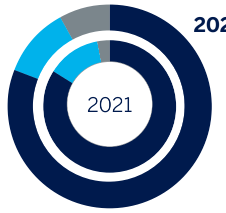
CONSUMER & HIGH NET WORTH CLIENTS

Total income by geography (%)



	2022	2021
South Africa	72	74
Africa Regions	25	24
International	3	2

Headline earnings by geography (%)



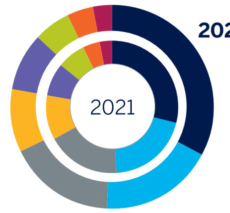
	2022	2021
South Africa	81	84
Africa Regions	11	13
International	8	3

SUMMARISED FINANCIAL RESULTS BY GEOGRAPHY

	South Africa				Africa Regions			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	9	9	24 642	22 639	24	24	6 782	5 468
Non-interest revenue	7	7	14 046	13 083	11	11	6 631	5 986
Total income	8	8	38 688	35 722	17	17	13 413	11 454
Credit impairment charges	(6)	(6)	(6 449)	(6 876)	18	19	(1 268)	(1 066)
Operating expenses	7	7	(22 345)	(20 900)	18	20	(9 504)	(7 933)
Headline earnings	23	23	7 161	5 828	21	7	966	902
Net loans and advances to customers	6	6	537 551	507 820	6	1	56 913	56 385
Deposits and current accounts to customers	8	8	256 226	236 732	15	9	61 511	56 605
CLR (bps)			116	132			210	194
Cost-to-income ratio (%)			57.8	58.5			70.9	69.3
ROE (%)			18.0	14.7			11.0	11.8

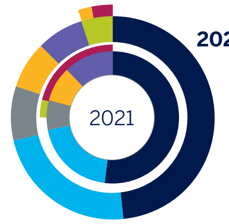
	International				Total			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	>100	>100	1 207	378	15	15	32 631	28 485
Non-interest revenue	(10)	(11)	632	710	8	8	21 309	19 779
Total income	70	69	1 839	1 088	12	12	53 940	48 264
Credit impairment charges	>100	>100	(28)	(4)	(3)	(3)	(7 745)	(7 946)
Operating expenses	21	20	(972)	(811)	10	11	(32 821)	(29 644)
Headline earnings	>100	>100	745	233	29	27	8 872	6 963
Net loans and advances to customers	6	1	13 199	13 128	6	5	607 663	577 333
Deposits and current accounts to customers	10	4	74 879	71 710	9	8	392 616	365 047
CLR (bps)			13	2			122	134
Cost-to-income ratio (%)			52.9	74.5			60.8	61.4
ROE (%)			26.5	8.8			17.3	14.0

Composition of total income by solution (%)



	2022	2021
CHNW transactional	33	29
Home services	18	20
CHNW lending	17	18
Card and payments	10	11
Insurance	9	8
Investment	6	7
Vehicle and asset finance	4	4
Global markets	3	3

Composition of headline earnings by solution (%)



	2022	2021
Home services	51	65
Insurance	24	25
Global markets	9	9
Investment	8	11
CHNW lending	8	15
Card and payments	5	(4)
Vehicle and asset finance	(2)	0
CHNW transactional	(3)	(21)

SUMMARISED INCOME STATEMENT BY SOLUTION

	Banking solutions							
	Home services				Vehicle and asset finance			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	1	1	9 712	9 594	10	10	2 021	1 842
Non-interest revenue	1	1	253	250	(6)	(7)	150	162
Total income	1	1	9 965	9 844	9	8	2 171	2 004
Credit impairment charges	(5)	(4)	(926)	(969)	45	45	(1 082)	(748)
Operating expenses	4	3	(2 496)	(2 417)	12	11	(1 286)	(1 156)
Headline earnings	0	0	4 480	4 473	(>100)	(>100)	(177)	30

	Banking solutions							
	Card and payments				CHNW lending			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	7	7	3 500	3 282	8	7	7 848	7 325
Non-interest revenue	5	(2)	1 941	1 977	7	5	1 319	1 261
Total income	6	3	5 441	5 259	8	7	9 167	8 586
Credit impairment charges	(41)	(41)	(1 681)	(2 844)	19	19	(4 018)	(3 383)
Operating expenses	12	12	(3 001)	(2 671)	11	9	(4 048)	(3 701)
Headline earnings	(>100)	(>100)	456	(244)	(31)	(29)	738	1 035

CONSUMER & HIGH NET WORTH CLIENTS

	Banking solutions							
	CHNW transactional[1]				Global markets			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	46	48	**9 069**	6 115	90	90	**19**	10
Non-interest revenue	6	5	**8 276**	7 857	14	24	**1 679**	1 354
Total income	24	24	**17 345**	13 972	15	24	**1 698**	1 364
Credit impairment charges	>100	>100	**(11)**	(2)				
Operating expenses	11	11	**(17 395)**	(15 642)	7	12	**(572)**	(512)
Headline earnings	(81)	(79)	**(299)**	(1 447)	16	25	**811**	648

	Insurance solutions				Investment solutions			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	77	78	**237**	133	17	22	**225**	184
Non-interest revenue	14	15	**4 417**	3 854	4	7	**3 274**	3 064
Total income	16	17	**4 654**	3 987	5	8	**3 499**	3 248
Credit impairment charges						(100)	**(27)**	
Operating expenses	9	10	**(2 250)**	(2 039)	15	18	**(1 773)**	(1 506)
Headline earnings	28	28	**2 158**	1 682	(12)	(10)	**705**	786

1 Operating expenses includes Core banking amortisation, branch and ATM costs.

BUSINESS & COMMERCIAL CLIENTS

Business & Commercial Clients (BCC)

BCC improved headline earnings by 51% to R8 026 million, with an ROE of 33.7% (2021: 24.7%). The recovery in trade and transactional flows post pandemic supported positive franchise growth. Higher average interest rates in most markets and positive endowment bolstered performance despite an elevated inflationary environment.

Loans to customers increased by 11% 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%, impacted by weaker Africa Regions currencies and currency normalisation in the International portfolio.

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 Direct[1], FlexiPay[2], BizFlex[3], and EZ Cash[4], supported growth of 5% in active small business customers, increase in client product entrenchment and more than 9% asset growth.

The relationship banked segment benefitted from partnerships in several countries, and a strategic focus on targeted sectors to unlock opportunities for our 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% and 20% respectively, 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 net interest income (NII) by 29% to R20 408 million.

Non-interest revenue (NIR) grew by 12% to R12 241 million supported by active client base growth of 4% to 791 000. This was attributed to the continued recovery in client transactional flows, higher trade activity and market volatility. Clients continued to migrate to digital channels with South Africa's digital transactional volumes up 5% and values up 16%, and Africa Regions up by 7% and 12% respectively. With a smaller branch footprint, we 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 our forex capabilities and trade digital solutions, Africa China import and export solutions as well as our match making events to link export clients with Chinese importers, further contributed to NIR growth.

Credit impairment charges were marginally lower than FY22 at R2 271 million, with a credit loss ratio (CLR) of 96 bps (FY21: 111 bps). CLR remained just outside the targeted through-the-cycle range of 100 bps to 120 bps. 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% to R18 749 million, 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% exceeded cost growth of 13% resulting in positive jaws of 963 bps and an improved cost-to-income ratio of 57.4% (2021: 62.3%).

South Africa

South Africa's headline earnings grew by 37% to R5 824 million with an ROE of 45.5% (2021: 33.4%). Solid balance sheet growth, with loan and deposit growth at 11% and 6% respectively, drove this performance. Robust revenue growth was supported by positive endowment from higher average interest rates, as well as the recovery in transactional and trade activity.

Operating expenses increased by 7%, driven by digital investment, higher marketing spend, annual salary increases and higher incentive charges. This was partially offset by lower distribution costs realised through the optimisation of distribution channels.

Income growth outpaced cost growth resulting in positive jaws of 898 bps and a lower cost-to-income ratio of 52.2% (FY21: 56.5%).

The business continues to drive active client acquisition and client retention as it positions itself as the leading bank to grow and partner with.

Africa Regions

Africa Regions' headline earnings grew by 77% to R1 355 million with ROE increasing to 19.9% (2021: 13.6%). Across our operations, 10 countries delivered ROE above the group cost of equity.

NII growth of 33% due to a combination of steady loan and deposit growth of 4% (15% CCY) and 3% (11% CCY) respectively, and positive endowment driven by a higher average interest rate environment. NIR growth of 20% was supported by growth in active clients, as well as higher trade and transactional activity as clients embraced opportunities to grow their operations.

Credit impairment charges grew by 17%,driven by balance sheet growth, higher specific impairments in West Africa and the normalisation of impairment levels in East Africa. This was partly offset by post write-off recoveries in the South & Central Region.

Operating expenses grew by 20%, largely attributable to higher inflation and our investment in technology to support client growth strategies. Despite the inflationary challenges, cost growth was actively managed and contained to below the weighted average inflation rate.

The robust revenue growth comfortably outpaced cost growth to reduce the cost-to-income ratio to 69.8%, with positive jaws of 746 bps.

International

International Client Solutions delivered healthy financial performance with a strong increase in headline earnings to R847 million and an ROE of 20.1% (2021: 9.5%). Total income increased by 98%, supported by balance sheet growth, with loans to customers up 30% and higher average interest rates. Operating expenses grew by 22% mainly due to increased investment in technology, higher inflationary environment and increased incentive provisions supported by business performance. The business continues to identify opportunities to support clients in Africa and its home markets (Isle of Man, Jersey and London).

Looking ahead

The past year demonstrated that our business clients are resilient and agile and invested in the success of their businesses, their people and the continent. BCC remains committed to supporting our clients' growth strategies by harnessing its deep knowledge across solution offerings, sector experience and geographic presence. In addition, BCC is steadfast in our commitment to supporting clients on their renewable and climate smart solutions transition. BCC is on track to deliver franchise growth, increased market share and the 2025 targets.

1 Trader Direct is our integrated financing, supplier, and stock-linked point of sale solution for small traders.
2 FlexiPay is an all-in-one digital solution that enables our clients to complete financial transactions, without the need for a bank account, in a convenient, secure, quick, and affordable manner by offering cashless transacting and instant payments while still being able to earn rewards with our loyalty program.
3 BizFlex is a digitally-enabled short-term lending solution with flexibility in repayments.
4 EZ Cash is a term loan that offers eligible active current account holders instant access to funding.

BUSINESS & COMMERCIAL CLIENTS

KEY BUSINESS STATISTICS

		Change %	2022	2021
South Africa				
Clients				
Active clients[1]	thousands	2	510	500
Digitally active users[2]	thousands	4	294	283
Client activity				
VAF disbursements	Rm	11	19 469	17 574
Business lending disbursements	Rm	6	19 326	18 182
Card acquiring turnover	Rm	17	241 608	206 429
Digital banking volumes	thousands	5	117 027	111 842
Internet banking volumes[3]	thousands	1	88 671	88 199
Mobile banking volumes	thousands	20	28 356	23 643
ATM transactional volumes	thousands	1	12 228	12 107
Branch transactional volumes	thousands	(14)	3 195	3 707
Africa Regions				
Clients				
Active clients[1]	thousands	8	281	261
Digitally active users[2]	thousands	24	114	92
Client activity				
VAF disbursements	Rm	30	5 277	4 055
Card acquiring turnover	Rm	35	59 477	44 125
Digital banking volumes	thousands	7	27 885	26 042
Internet banking volumes	thousands	2	22 274	21 860
Mobile banking volumes	thousands	36	5 015	3 679
Wallet volumes	thousands	18	596	503
ATM transactional volumes	thousands	9	5 277	4 826
Branch transactional volumes	thousands	0	7 109	7 112

1 An active client is defined by a single client transacting on at least one solution within a specific timeframe.
2 Clients that actively transact with us on digital platforms (Mobile App, USSD and internet banking).
3 2021 restated to exclude non-revenue generating transactions.

SUMMARISED INCOME STATEMENT

	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	29	29	20 408	15 801
Non-interest revenue	14	12	12 241	10 881
Net fee and commission revenue	10	7	8 747	8 159
Trading revenue	23	30	2 723	2 101
Other revenue	1	(1)	523	526
Other gains and losses on financial instruments	>100	>100	248	95
Total income	23	22	32 649	26 682
Credit impairment charges	(2)	(1)	(2 271)	(2 294)
Operating expenses	13	13	(18 749)	(16 631)
Headline earnings	53	51	8 026	5 317

LOANS AND ADVANCES

	CCY %	Change %	2022 Rm	2021 Rm
Net loans and advances to banks	53	38	29 950	21 735
Gross loans and advances to banks	53	38	29 951	21 737
Credit impairments for loans and advances to banks	(100)	(50)	(1)	(2)
Net loans and advances to customers	13	11	206 653	186 737
Home services	15	15	21 820	19 019
Vehicle and asset finance	8	7	43 835	41 024
Card and payments	22	22	1 726	1 410
Business lending	14	11	139 272	125 284
Gross loans and advances to customers	12	10	218 114	197 856
Home services	15	15	22 812	19 902
Vehicle and asset finance	7	6	46 224	43 746
Card and payments	16	16	1 826	1 578
Business lending	14	11	147 252	132 630
Credit impairments for loans and advances to customers	5	3	(11 461)	(11 119)
Home services	13	12	(992)	(883)
Vehicle and asset finance	(10)	(12)	(2 389)	(2 722)
Card and payments	(40)	(40)	(100)	(168)
Business lending	10	9	(7 980)	(7 346)
Total coverage ratio (%)			5.3	5.6
Home services			4.3	4.4
Vehicle and asset finance			5.2	6.2
Card and payments			5.5	10.6
Business lending			5.4	5.5
Net loans and advances	17	13	236 603	208 472
Gross loans and advances	16	13	248 065	219 593
Credit impairments	5	3	(11 462)	(11 121)
Credit impairments for loans and advances to banks	(100)	(50)	(1)	(2)
Credit impairments for loans and advances to customers	5	3	(11 461)	(11 119)
Credit impairments for stage 3 loans	3	2	(8 268)	(8 136)
Credit impairments for stage 1 and 2 loans	9	7	(3 193)	(2 983)

DEPOSITS AND CURRENT ACCOUNTS

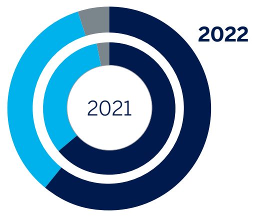
	CCY %	Change %	2022 Rm	2021 Rm
Deposits from banks	(16)	(20)	7 410	9 271
Deposits from customers	7	5	447 107	427 155
Current accounts	7	5	135 359	128 377
Cash management deposits	2	2	54 807	53 844
Call deposits	2	0	183 791	183 648
Savings accounts	15	11	6 077	5 492
Term deposits	26	25	59 772	47 692
Negotiable certificates of deposit	(97)	(98)	19	1 027
Other deposits	29	3	7 282	7 075
Total deposits and current accounts	6	4	454 517	436 426

KEY RATIOS

		2022 Rm	2021 Rm
Headline earnings contribution to the group	%	23	21
Net interest margin	bps	760	664
Loans and advances margin	bps	402	412
Deposit margin	bps	282	207
CLR	bps	96	111
Coverage ratio	%	5.3	5.6
Cost-to-income ratio	%	57.4	62.3
ROE	%	33.7	24.7

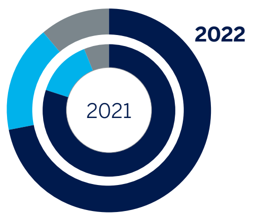
BUSINESS & COMMERCIAL

Total income by geography (%)



	2022	2021
South Africa	61	64
Africa Regions	34	33
International	5	3

Headline earnings by geography (%)



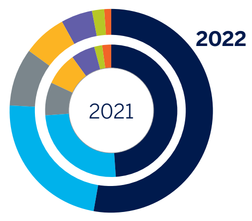
	2022	2021
South Africa	72	80
Africa Regions	17	14
International	11	6

SUMMARISED FINANCIAL RESULTS BY GEOGRAPHY

	South Africa				Africa Regions			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	21	21	12 304	10 171	32	33	6 949	5 213
Non-interest revenue	9	9	7 565	6 930	24	20	4 312	3 602
Total income	16	16	19 869	17 101	29	28	11 261	8 815
Credit impairment charges	(16)	(16)	(1 179)	(1 401)	14	17	(1 038)	(888)
Operating expenses	7	7	(10 362)	(9 668)	20	20	(7 864)	(6 534)
Headline earnings	37	37	5 824	4 248	94	77	1 355	765
Net loans and advances	11	11	141 719	127 247	15	4	43 143	41 418
Deposits and current accounts	6	6	310 799	292 250	11	3	78 762	76 209
CLR (bps)			82	107			229	227
Cost-to-income ratio (%)			52.2	56.5			69.8	74.1
ROE (%)			45.5	33.4			19.9	13.6

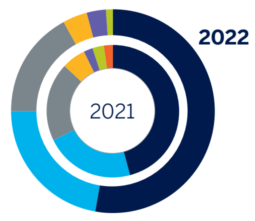
	International				Total			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	>100	>100	1 155	417	29	29	20 408	15 801
Non-interest revenue	5	4	364	349	14	12	12 241	10 881
Total income	100	98	1 519	766	23	22	32 649	26 682
Credit impairment charges	>100	>100	(54)	(5)	(2)	(1)	(2 271)	(2 294)
Operating expenses	23	22	(523)	(429)	13	13	(18 749)	(16 631)
Headline earnings	>100	>100	847	304	53	51	8 026	5 317
Net loans and advances	37	30	51 741	39 807	17	13	236 603	208 472
Deposits and current accounts	0	(4)	64 956	67 967	6	4	454 517	436 426
CLR (bps)			11	1			96	111
Cost-to-income ratio (%)			34.4	56.0			57.4	62.3
ROE (%)			20.1	9.5			33.7	24.7

Composition of total income by solution (%)



	2022	2021
BCC transactional	53	49
BCC lending	23	25
Global markets	9	8
Vehicle and asset finance	7	8
Card and payments	5	6
Home services	2	2
Insurance and investments	1	2

Composition of headline earnings by solution (%)



	2022	2021
BCC transactional	53	46
Global markets	22	22
BCC lending	17	19
Card and payments	4	6
Vehicle and asset finance	3	2
Home services	1	3
Insurance and investments	0	2

SUMMARISED INCOME STATEMENT BY SOLUTION

	Banking solutions							
	Home services				Vehicle and asset finance			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	4	4	537	515	16	16	1 833	1 584
Non-interest revenue	0	0	27	27	15	15	528	461
Total income	4	4	564	542	16	15	2 361	2 045
Credit impairment charges	45	46	(188)	(129)	(13)	(14)	(356)	(412)
Operating expenses	17	15	(230)	(200)	15	14	(1 627)	(1 423)
Headline earnings	(39)	(33)	97	145	86	94	233	120

	Banking solutions							
	Card and payments				BCC lending			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	11	11	39	35	10	10	5 960	5 437
Non-interest revenue	6	4	1 635	1 566	28	23	1 648	1 342
Total income	6	5	1 674	1 601	14	12	7 608	6 779
Credit impairment charges	(69)	(69)	(28)	(89)	0	2	(1 699)	(1 664)
Operating expenses	15	14	(1 207)	(1 060)	13	11	(4 055)	(3 649)
Headline earnings	(8)	(9)	289	319	30	35	1 358	1 004

BUSINESS & COMMERCIAL CLIENTS

	Banking solutions							
	BCC transactional				Global markets			
	CCY %	Change %	**2022 Rm**	2021 Rm	CCY %	Change %	**2022 Rm**	2021 Rm
Net interest income	44	45	**11 720**	8 056	87	87	**297**	159
Non-interest revenue	9	5	**5 258**	4 997	29	36	**2 719**	1 995
Total income	31	30	**16 978**	13 053	33	40	**3 016**	2 154
Operating expenses	12	13	**(10 766)**	(9 540)	4	12	**(472)**	(420)
Headline earnings	85	73	**4 271**	2 468	47	52	**1 739**	1 145

	Insurance and Investment solutions			
	CCY %	Change %	**2022 Rm**	2021 Rm
Net interest income	38	47	**22**	15
Non-interest revenue	(14)	(14)	**426**	493
Total income	(13)	(12)	**448**	508
Operating expenses	13	16	**(392)**	(339)
Headline earnings	(66)	(66)	**39**	116

CORPORATE & INVESTMENT BANKING CLIENTS

Corporate & Investment Banking (CIB)

CIB's growth momentum continued for the full year. Revenue grew to R48 756 million for FY22, a 23% increase on the prior year, with double digit revenue growth across all three solutions and the majority of markets in which CIB operates.

The CIB client franchise remains strong with client revenue (client revenues are directly attributed to client franchise activity) up by 31% on FY21. This strong performance was underpinned by our 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 operating footprint contributed significantly to the FY22 performance. We 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% to R23 927. 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 our client franchise.

Following the release of credit impairments in FY21, the business raised credit impairments for FY22, with a CLR on customer loans and advances of 37 bps. This largely relates to defaults in the Consumer sector, and higher charges due to sovereign distress in Ghana and the related impact on our corporate book and direct sovereign exposure.

The pressure on consumers is expected to continue given the difficult macroeconomic environment, which is likely to dampen our clients' financial performance. The possibility of further sovereign distress in some African markets has also elevated. However, we expect to remain within the targeted CLR to customers through-the-cycle range of 40 bps to 60 bps.

The South African franchise reported double digit revenue growth, with client revenues up by 15%. Global markets (GM) delivered low double digit revenue growth, benefitting from increased client activity, trade demands and flows, and market volatility. Robust balance sheet growth in Transactional Products and Services (TPS) was supported by the positive endowment impact of increases in both local and foreign average interest rates, driving significant revenue growth for the year. Investment banking (IB) performance recovered in 2H22, with stronger asset origination, particularly in renewable energy and sustainable finance.

The Africa Regions (AR) franchise recorded a strong FY22 performance, with high double digit revenue growth across all solutions. Client revenue and balance sheet growth were the main contributors, coupled with increased transactional activity and margin expansion in most markets. Growth was seen across most markets, with certain key markets, including Nigeria, experiencing a rebound following a challenging FY21. Ghana incurred a headline loss due to significant impairment charges in relation to the sovereign distress outlined above.

The AR franchise will continue to deliver its key strategies and growth initiatives, with ongoing focus on acquiring new clients and driving new business, particularly from global multinationals and local corporates. This will bolster business growth potential despite sovereign and regulatory challenges..

Global markets (GM)

The GM business reported strong growth, with revenues of R17 560 million, up 19% from FY21. Client revenue growth of 33% was the main driver of this performance.

This business is a key differentiator for the CIB franchise. Its scale, diversity and risk management capabilities, combined with the quality of our people and on-the-ground presence, enables us to respond to clients' needs by providing both flow and structured solutions. Strong client growth across both SA and AR was evident in FY22. Mining & Metals nearly doubled its revenue from the prior year, with Financial Institutions also posting a good revenue performance.

The efficient organisation of market making capabilities to ensure price competitiveness and the introduction of innovative client solutions will continue to support its growth.

CORPORATE & INVESTMENT BANKING CLIENTS

Investment banking

IB grew revenues by 13% to R11 237million. Strong 2H22 origination and good revenue growth in AR supported this performance. However, higher credit impairment charges for FY22, against a net release in FY21, led to a headline earnings reduction of 18% to R3.9 billion.

The SA franchise recovered well from a muted 1H22 performance. The strong 2H22 performance lifted FY22 revenues slightly above the prior year. This was mainly due to strong asset origination, margin recovery and material fee bookings. The AR franchise reported double digit revenue and asset growth. There was growth across most markets, with strong performances in the Oil & Gas, Mining & Metals, Power & Infrastructure, and Telecommunication & Media sectors.

Corporate finance maintained its momentum from 1H22 into 2H22, with targeted origination delivering revenue growth of over 100%. Key drivers of future success are renewable energy, which present significant growth opportunities and sustainable finance, which mobilised R54.5 billion worth of loans and bonds in FY22, up over 100%. Significant progress in digital innovation included the launch of the CreditConnect[1] platform on 7 July with a R2 billion Standard Bank of South Africa bond auction.

The outlook for 2023 remains positive, despite intense competition (particularly in SA), margin pressure, and general economic and geopolitical risks and ucertainty. Strong asset origination in 2H22, a healthy pipeline and emerging opportunities in Market Access Financing, Export Credit Agency Financing, and renewable energy and sustainable financing, present opportunities for growth.

[1] CreditConnect is a digital bond market platform which allows issuers and institutional investors to execute and engage before, during and after bond issuance, providing them with access to the most up-to-date market intelligence.

Transactional products & services (TPS)

TPS delivered record revenues in FY22, up 34% to R19 458 million. Headline earnings grew 63% to R5 509 million. The business continued to deliver tailored solutions to clients which assisted good balance sheet growth. Deposit balances were up by 11%, asset balances up by 67% and trade gurantees increased by 40%. Margin expansion and endowment tailwinds also supported strong revenue growth.

Key strategies for client acquisitions and new client mandates delivered improved asset utilisation across the portfolio and good deposit growth, particularly in local currency.

TPS continues to actively manage key sovereign and regulatory risks, while modernising and stabilising its technology platforms to provide market-leading client experiences.

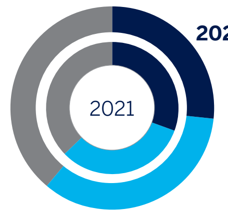
The business aims to increase revenues from existing clients and to drive new client origination in targeted growth sectors, including Financial Institutions, Consumer, the Public Sector and Oil & Gas sectors.

Looking ahead

The economic outlook for 2023 is expected to be challenging. However, the business remains positive. We will continue to focus on Africa-specific growth opportunities in energy, the energy transition and infrastructure development, while responding to emerging client needs.

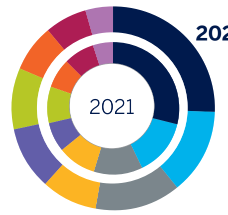
CORPORATE & INVESTMENT BANKING CLIENTS

Composition of client revenue by client



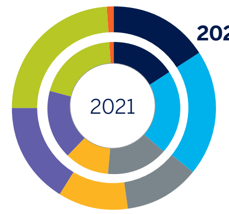
	Change %	CCY %
Multinational corporates – Africa	14	16
Multinational corporates – International	41	33
Local corporates	36	34

Composition of client revenue by sector



	Change %	CCY %
Financial Institutions	16	16
Consumer	26	34
Power & Infrastructure	51	46
Industrials	22	25
Mining & Metals	79	97
Oil & Gas	44	31
Telecommunications & Media	38	36
Sovereign & Public Sector	13	16
Real Estate	19	18

Composition of total income by geography (%)



	2022	2021
Global markets South Africa	16	17
Global markets Africa Regions	20	21
Investment banking South Africa	12	14
Investment banking Africa Regions	11	11
Transactional products & services South Africa	16	16
Transactional products & services Africa Regions	24	20
Vehicle and asset finance & Card and payments South Africa	1	1

		2022	2021
Total sustainable finance mobilisation	Rbn	**54.5**	22
Lending arranged			
Total number of new transactions		**29**	14
Number of green, social and sustainable transactions		**11**	2
Number of sustainability linked transactions		**18**	12
Total quantum of sustainable finance lending arranged	Rbn	**51.7**	16.2
Bonds arranged			
Total number of new transactions		**3**	8
Number of green, social and sustainable transactions		**1**	4
Number of sustainability linked transactions		**2**	4
Total quantum of sustainable finance bonds arranged	Rbn	**2.8**	5.8
Sustainable finance treasury transactions			
Total number of new transactions		**3**	3
Total quantum of sustainable finance treasury transactions raised	Rbn	**14.8**	4.9

CORPORATE & INVESTMENT BANKING CLIENTS

SUMMARISED INCOME STATEMENT

	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	26	31	24 232	18 544
Non-interest revenue	14	16	24 524	21 125
Net fee and commission revenue	9	9	7 715	7 109
Trading revenue	16	20	13 693	11 396
Other revenue	42	35	934	692
Other gains and losses on financial instruments	13	13	2 182	1 928
Total income	20	23	48 756	39 669
Credit impairment charges	(>100)	(>100)	(2 549)	374
Operating expenses	12	12	(23 927)	(21 318)
Headline earnings	8	11	14 772	13 293

LOANS AND ADVANCES

	CCY %	Change %	2022 Rm	2021 Rm
Net loans and advances to banks	(21)	(20)	168 256	209 526
Gross loans and advances to banks	(21)	(20)	168 402	209 593
Credit impairments for loans and advances to banks	>100	>100	(146)	(67)
Net loans and advances to customers	13	13	514 065	454 472
Gross loans and advances to customers including high quality liquid assets (HQLA)	11	12	538 205	482 509
Less: HQLA	(27)	(27)	(14 782)	(20 376)
Gross loans and advances to customers	13	13	523 423	462 133
Investment banking	14	15	393 384	340 798
Global markets	(27)	(25)	31 784	42 116
Transactional products and services	30	26	91 043	72 492
Other[1]	7	7	7 212	6 727
Credit impairments for loans and advances to customers	22	22	(9 358)	(7 661)
Total coverage ratio			1.8	1.7
Net loans and advances	2	3	682 321	663 998
Gross loans and advances	2	3	691 825	671 726
Credit impairments	22	23	(9 504)	(7 728)
Credit impairments for loans and advances to banks	>100	>100	(146)	(67)
Credit impairments for loans and advances to customers	22	22	(9 358)	(7 661)
Credit impairments for stage 3 loans	17	18	(6 496)	(5 526)
Credit impairments for stage 1 and 2 loans	34	34	(2 862)	(2 135)

[1] Other includes VAF and Card.

DEPOSITS AND CURRENT ACCOUNTS

	CCY %	Change %	2022 Rm	2021 Rm
Deposits from banks	(13)	(10)	152 727	169 925
Deposits from customers	8	8	948 197	881 148
Current accounts	18	15	144 071	124 993
Cash management deposits	(12)	(12)	181 711	207 653
Call deposits	3	3	126 800	123 183
Savings accounts	2	(11)	100	112
Term deposits	7	7	240 722	224 851
Negotiable certificates of deposit	77	76	179 216	101 659
Other deposits	(20)	(23)	75 577	98 697
Total deposits and current accounts	5	5	1 100 924	1 051 073

KEY STATEMENT OF FINANCIAL POSITION ITEMS

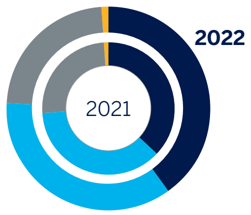
	CCY %	Change %	2022 Rm	2021 Rm
Cash and balances with central banks	39	31	101 522	77 668
Financial investments	11	10	214 570	195 563
Trading assets	12	12	316 226	283 370
Trading liabilities	37	37	109 886	80 378

KEY RATIOS

		2022	2021
Headline earnings contribution to the group	%	43	53
Net interest margin	bps	244	199
CLR	bps	27	(4)
Customer CLR	bps	37	(5)
Coverage ratio	%	1.8	1.7
Cost-to-income ratio	%	49.1	53.7
ROE	%	19.2	19.4

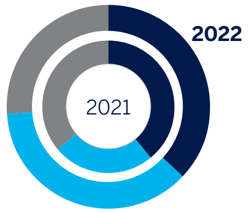
CORPORATE & INVESTMENT BANKING CLIENTS

Composition of total income by solution (%)



	2022	2021
Transactional products & services	40	37
Global markets	36	37
Investment banking	23	25
Vehicle and asset finance & Card and payments	1	1

Composition of headline earnings by solution (%)



	2022	2021
Transactional products & services	37	25
Global markets	37	39
Investment banking	26	36
Vehicle and asset finance & Card and payment	0	0

SUMMARISED INCOME STATEMENT BY SOLUTION

	Banking solutions							
	Global markets				Investment banking			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	2	13	**3 069**	2 706	0	4	**5 963**	5 726
Non-interest revenue	17	20	**14 491**	12 097	24	26	**5 274**	4 180
Total income	14	19	**17 560**	14 803	10	13	**11 237**	9 906
Credit impairment charges	(>100)	(>100)	**(793)**	4	(>100)	(>100)	**(1 233)**	127
Operating expenses	11	12	**(7 303)**	(6 520)	13	14	**(5 885)**	(5 165)
Headline earnings	0	4	**5 436**	5 213	(21)	(18)	**3 885**	4 762

	Banking solutions							
	Transactional products & services				Vehicle and asset finance & Card and payments			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	48	51	**15 110**	10 028	6	7	**90**	84
Non-interest revenue	(4)	(4)	**4 348**	4 519	25	25	**411**	329
Total income	32	34	**19 458**	14 547	21	21	**501**	413
Credit impairment charges	(>100)	(>100)	**(504)**	223	(>100)	(>100)	**(19)**	20
Operating expenses	12	12	**(10 188)**	(9 131)	9	10	**(551)**	(502)
Headline earnings	61	63	**5 509**	3 383	(11)	(11)	**(58)**	(65)

51 Financial performance

CONDENSED CONSOLIDATED CLIENT SOLUTIONS RESULTS

More detailed analysis on the financial performance by segment and solution:

	Standard Bank Activities								Standard Bank Activities								
	Banking																
2022	Home services Rm	Vehicle and asset finance Rm	Card and payments Rm	CHNW lending Rm	BCC lending Rm	Retail transactional Rm	Global markets Rm	Investment banking Rm	Transactional products and services Rm	Banking Rm	Insurance Rm	Investments Rm	Central and other Rm	Standard Bank Activities Rm	Liberty Rm	ICBCS Rm	Standard Bank Group Rm
Income statement																	
Net interest income	10 249	3 950	3 533	7 848	5 960	20 789	3 385	5 963	15 110	76 787	254	230	(159)	77 112			77 112
CHNW	9 712	2 021	3 500	7 848		9 069	19			32 169	237	225		32 631			32 631
BCC	537	1 833	39		5 960	11 720	297			20 386	17	5		20 408			20 408
CIB		96	(6)				3 069	5 963	15 110	24 232				24 232			24 232
Central and other													(159)	(159)			(159)
Non-interest revenue	280	882	3 783	1 319	1 648	13 534	18 889	5 274	4 348	49 957	4 700	3 417	(1 832)	56 242			56 242
CHNW	253	150	1 941	1 319		8 276	1 679			13 618	4 417	3 274		21 309			21 309
BCC	27	528	1 635		1 648	5 258	2 719			11 815	283	143		12 241			12 241
CIB		204	207				14 491	5 274	4 348	24 524				24 524			24 524
Central and other													(1 832)	(1 832)			(1 832)
Net income from investment management and life insurance activities															23 566		23 566
Total income	10 529	4 832	7 316	9 167	7 608	34 323	22 274	11 237	19 458	126 744	4 954	3 647	(1 991)	133 354	23 566		156 920
Credit impairment charges	(1 114)	(1 452)	(1 714)	(4 018)	(1 699)	(11)	(793)	(1 233)	(504)	(12 538)		(27)	501	(12 064)			(12 064)
CHNW	(926)	(1 082)	(1 681)	(4 018)		(11)				(7 718)		(27)		(7 745)			(7 745)
BCC	(188)	(356)	(28)		(1 699)					(2 271)				(2 271)			(2 271)
CIB		(14)	(5)				(793)	(1 233)	(504)	(2 549)				(2 549)			(2 549)
Central and other													501	501			501
Income before operating expenses	9 415	3 380	5 602	5 149	5 909	34 312	21 481	10 004	18 954	114 206	4 954	3 620	(1 490)	121 290	23 566		144 856
Operating expenses in Standard Bank Activities	(2 726)	(3 211)	(4 461)	(4 048)	(4 055)	(28 161)	(8 347)	(5 885)	(10 188)	(71 082)	(2 511)	(1 904)	2 223	(73 274)			(73 274)
CHNW	(2 496)	(1 286)	(3 001)	(4 048)		(17 395)	(572)			(28 798)	(2 250)	(1 773)		(32 821)			(32 821)
BCC	(230)	(1 627)	(1 207)		(4 055)	(10 766)	(472)			(18 357)	(261)	(131)		(18 749)			(18 749)
CIB		(298)	(253)				(7 303)	(5 885)	(10 188)	(23 927)				(23 927)			(23 927)
Central and other													2 223	2 223			2 223
Operating expenses in insurance activities															(19 247)		(19 247)
Headline earnings	4 577	40	703	738	1 358	3 972	7 986	3 885	5 509	28 768	2 178	724	(1 128)	30 542	1 788	1 917	34 247
CHNW	4 480	(177)	456	738		(299)	811			6 009	2 158	705		8 872			8 872
BCC	97	233	289		1 358	4 271	1 739			7 987	20	19		8 026			8 026
CIB		(16)	(42)				5 436	3 885	5 509	14 772				14 772			14 772
Central and other													(1 128)	(1 128)			(1 128)
Liberty															1 788		1 788
ICBCS																1 917	1 917
Ratios																	
CLR (bps)	25	127	457	403	126					76				75			
Cost-to-income ratio (%)	25.9	66.5	61.0	44.2	53.3	82.0	37.5	52.4	52.4	56.1	50.7	52.2		54.9			

CONDENSED CONSOLIDATED CLIENT SOLUTIONS RESULTS

	Standard Bank Activities								Standard Bank Activities								
	Banking																
2021	**Home services Rm**	**Vehicle and asset finance Rm**	**Card and payments Rm**	**CHNW lending Rm**	**BCC Lending Rm**	**Retail transactional Rm**	**Global markets Rm**	**Investment banking Rm**	**Transactional products and services Rm**	**Banking Rm**	**Insurance Rm**	**Investments Rm**	**Central and other Rm**	**Standard Bank Activities Rm**	**Liberty Rm**	**ICBCS Rm**	**Standard Bank Group Rm**
Income statement																	
Net interest income	10 109	3 511	3 316	7 325	5 437	14 171	2 875	5 726	10 028	62 498	144	188	(394)	62 436			62 436
CHNW	9 594	1 842	3 282	7 325		6 115	10			28 168	133	184		28 485			28 485
BCC	515	1 584	35		5 437	8 056	159			15 786	11	4		15 801			15 801
CIB		85	(1)				2 706	5 726	10 028	18 544				18 544			18 544
Central and other													(394)	(394)			(394)
Non-interest revenue	277	775	3 720	1 261	1 342	12 854	15 446	4 180	4 519	44 374	4 219	3 192	(923)	50 862			50 862
CHNW	250	162	1 977	1 261		7 857	1 354			12 861	3 854	3 064		19 779			19 779
BCC	27	461	1 566		1 342	4 997	1 995			10 388	365	128		10 881			10 881
CIB		152	177				12 097	4 180	4 519	21 125				21 125			21 125
Central and other													(923)	(923)			(923)
Net income from investment management and life insurance activities															19 426		19 426
Total income	10 386	4 286	7 036	8 586	6 779	27 025	18 321	9 906	14 547	106 872	4 363	3 380	(1 317)	113 298	19 426		132 724
Credit impairment charges	(1 098)	(1 141)	(2 932)	(3 383)	(1 664)	(2)	4	127	223	(9 866)			(7)	(9 873)			(9 873)
CHNW	(969)	(748)	(2 844)	(3 383)		(2)				(7 946)				(7 946)			(7 946)
BCC	(129)	(412)	(89)		(1 664)					(2 294)				(2 294)			(2 294)
CIB		19	1				4	127	223	374				374			374
Central and other													(7)	(7)			(7)
Income before operating expenses	9 288	3 145	4 104	5 203	5 115	27 023	18 325	10 033	14 770	97 006	4 363	3 380	(1 324)	103 425	19 426		122 851
Operating expenses in Standard Bank Activities	(2 617)	(2 841)	(3 971)	(3 701)	(3 649)	(25 182)	(7 452)	(5 165)	(9 131)	(63 709)	(2 258)	(1 626)	2 116	(65 477)			(65 477)
CHNW	(2 417)	(1 156)	(2 671)	(3 701)		(15 642)	(512)			(26 099)	(2 039)	(1 506)		(29 644)			(29 644)
BCC	(200)	(1 423)	(1 060)		(3 649)	(9 540)	(420)			(16 292)	(219)	(120)		(16 631)			(16 631)
CIB		(262)	(240)				(6 520)	(5 165)	(9 131)	(21 318)				(21 318)			(21 318)
Central and other													2 116	2 116			2 116
Operating expenses in insurance activities															(16 952)		(16 952)
Headline earnings	4 618	144	16	1 035	1 004	1 021	7 006	4 762	3 383	22 989	1 784	800	(633)	24 940	(419)	500	25 021
CHNW	4 473	30	(244)	1 035		(1 447)	648			4 495	1 682	786		6 963			6 963
BCC	145	120	319		1 004	2 468	1 145			5 201	102	14		5 317			5 317
CIB		(6)	(59)				5 213	4 762	3 383	13 293				13 293			13 293
Central and other													(633)	(633)			(633)
Liberty															(419)		(419)
ICBCS																500	500
Ratios																	
CLR (bps)	27	113	821	356	136					73				73			
Cost-to-income ratio (%)	25.2	66.3	56.4	43.1	53.8	93.2	40.7	52.1	62.8	59.6	51.8	48.1		57.8			

CONDENSED CONSOLIDATED CLIENT SOLUTIONS RESULTS

	Standard Bank Activities									Standard Bank Activities							
	Banking																
2022	Home services Rm	Vehicle and asset finance Rm	Card and payments Rm	CHNW lending Rm	BCC lending Rm	Retail transactional Rm	Global markets Rm	Investment banking Rm	Transactional products and services Rm	Banking Rm	Insurance Rm	Investments Rm	Central and other Rm	Standard Bank Activities Rm	Liberty Rm	ICBCS Rm	Standard Bank Group Rm
Statement of financial position																	
Loans and advances	444 333	112 489	35 488	92 110	139 461	36 840	180 735	386 992	107 417	1 535 865	1 452	899	(33 275)	1 504 941			1 504 941
Net loans and advances to banks	1 115	10	1 237	(163)	189	36 840	148 976	285	18 995	207 484	1 452	899	(37 317)	172 518			172 518
CHNW	928	(17)	1 173	(163)		7 451				9 372	1 363	894		11 629			11 629
BCC	187	27	64		189	29 389				29 856	89	5		29 950			29 950
CIB							148 976	285	18 995	168 256				168 256			168 256
Central and other													(37 317)	(37 317)			(37 317)
Net loans and advances to customers	443 218	112 479	34 251	92 273	139 272		31 759	386 707	88 422	1 328 381			4 042	1 332 423			1 332 423
CHNW	421 398	61 843	32 149	92 273						607 663				607 663			607 663
BCC	21 820	43 835	1 726		139 272					206 653				206 653			206 653
CIB		6 801	376				31 759	386 707	88 422	514 065				514 065			514 065
Central and other													4 042	4 042			4 042
Policyholders' assets															2 974		2 974
Deposits and debt funding	891	1 234	2 612	2 812	5 993	834 674	712 832	1 281	386 682	1 949 011	265	7 161	(43 012)	1 913 425	(24 326)		1 889 099
Deposits from banks	333	360	422	2 725	5 731	6 001	123 614		29 113	168 299	215	3	(34 392)	134 125			134 125
CHNW	316	322	404	2 725		4 406				8 173	204	3		8 380			8 380
BCC	17	38	18		5 731	1 595				7 399	11			7 410			7 410
CIB							123 614		29 113	152 727				152 727			152 727
Central and other													(34 392)	(34 392)			(34 392)
Deposits and current accounts from customers	558	874	2 190	87	262	828 673	589 218	1 281	357 569	1 780 712	50	7 158	(8 620)	1 779 300	(24 326)		1 754 974
CHNW	545	41	1 646	87		383 069				385 388	70	7 158		392 616			392 616
BCC	13	714	534		262	445 604				447 127	(20)			447 107			447 107
CIB		119	10				589 218	1 281	357 569	948 197				948 197			948 197
Central and other													(8 620)	(8 620)			(8 620)
Liberty															(24 326)		(24 326)
Policyholders' liabilities															358 467		358 467

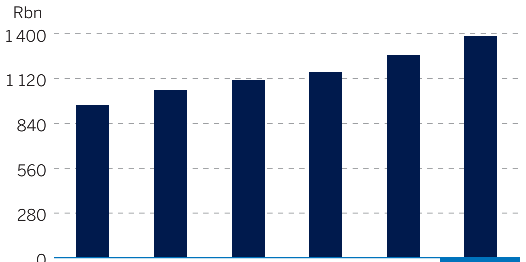
CONDENSED CONSOLIDATED CLIENT SOLUTIONS RESULTS

2021	Standard Bank Activities									Standard Bank Activities							
	Banking																
	Home services Rm	Vehicle and asset finance Rm	Card and payments Rm	CHNW lending Rm	BCC Lending Rm	Retail transactional Rm	Global markets Rm	Investment banking Rm	Transactional products and services Rm	Banking Rm	Insurance Rm	Investments Rm	Central and other Rm	Standard Bank Activities Rm	Liberty Rm	ICBCS Rm	Standard Bank Group Rm
Statement of financial position																	
Loans and advances	419 728	104 154	33 110	90 331	125 369	42 812	228 711	342 714	85 872	1 472 801	1 151	975	(50 599)	1 424 328			1 424 328
Net loans and advances to banks	1 221	6	626	(19)	85	42 812	186 643	7 345	15 540	254 259	1 151	975	(50 207)	206 178			206 178
CHNW	1 061	4	607	(19)		21 404				23 057	1 092	975		25 124			25 124
BCC	160	4	19		85	21 408				21 676	59			21 735			21 735
CIB		(2)					186 643	7 345	15 540	209 526				209 526			209 526
Central and other													(50 207)	(50 207)			(50 207)
Net loans and advances to customers	418 507	104 148	32 484	90 350	125 284		42 068	335 369	70 332	1 218 542			(392)	1 218 150			1 218 150
CHNW	399 488	56 686	30 809	90 350						577 333				577 333			577 333
BCC	19 019	41 024	1 410		125 284					186 737				186 737			186 737
CIB		6 438	265				42 068	335 369	70 332	454 472				454 472			454 472
Central and other													(392)	(392)			(392)
Policyholders' assets															2 868		2 868
Deposits and debt funding	345	986	2 277	921	6 141	787 289	648 504	2 583	399 962	1 849 008	126	6 598	(58 441)	1 797 291	(20 676)		1 776 615
Deposits from banks	128	156	169	889	7 577	3 465	144 306	1 004	24 615	182 309	70	3	(39 241)	143 141			143 141
CHNW	121	111	164	889		1 831				3 116	67	3		3 186			3 186
BCC	7	45	5		7 577	1 634				9 268	3			9 271			9 271
CIB							144 306	1 004	24 615	169 925				169 925			169 925
Central and other													(39 241)	(39 241)			(39 241)
Deposits and current accounts from customers	217	830	2 108	32	(1 436)	783 824	504 198	1 579	375 347	1 666 699	56	6 595	(19 200)	1 654 150	(20 676)		1 633 474
CHNW	223	27	1 675	32		356 421				358 378	74	6 595		365 047			365 047
BCC	(6)	786	426		(1 436)	427 403				427 173	(18)			427 155			427 155
CIB		17	7				504 198	1 579	375 347	881 148				881 148			881 148
Central and other													(19 200)	(19 200)			(19 200)
Liberty															(20 676)		(20 676)
Policyholders' liabilities															363 023		363 023

LOANS AND ADVANCES

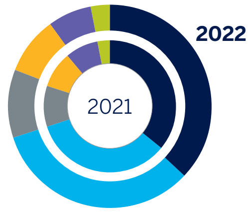
Gross loans and advances to customers

CAGR (2017 – 2022): 8%



2017	2018	2019	2020	2021	2022
953	1 047	1 111	1 160	1 269	1 388

Composition of loans to customers (%)



	2022	2021
Corporate and sovereign lending	37	36
Home services	33	34
Business lending	11	10
Vehicle and asset finance	9	9
Personal lending	7	8
Card and payments	3	3

	CCY %	Change %	2022 Rm	2021 Rm
Banking	10	9	1 384 061	1 269 390
Home services	6	6	459 647	434 104
Vehicle and asset finance	9	8	119 859	110 653
Card and payments	5	5	38 063	36 367
Personal unsecured lending	5	3	103 029	100 230
Business lending	14	11	147 252	132 630
Corporate and sovereign lending	13	13	516 211	455 406
Central and other	>100	>100	4 043	92
Gross loans and advances to customers	10	9	1 388 104	1 269 482
Credit impairments on loans and advances to customers	9	8	(55 681)	(51 332)
Credit impairments on stage 3 loans	7	7	(38 641)	(36 129)
Credit impairments on stage 1 and 2 loans	13	12	(17 040)	(15 203)
Net loans and advances to customers	10	9	1 332 423	1 218 150
Net loans and advances to banks	(16)	(16)	172 518	206 178
Gross loans and advances to banks	(16)	(16)	172 665	206 244
CIB bank lending	(21)	(20)	168 402	209 593
Other	100	100	4 263	(3 349)
Credit impairments on loans and advances to banks	>100	>100	(147)	(66)
Net loans and advances	6	6	1 504 941	1 424 328
Gross loans and advances	6	6	1 560 769	1 475 726
Credit impairments	9	9	(55 828)	(51 398)

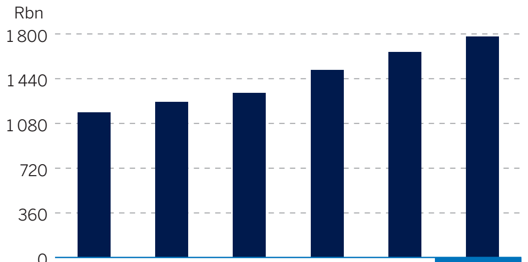
	Change %	2022 Rm	2021 Rm
Loans and advances classification[1]			
Net loans and advances measured at amortised cost	6	1 504 276	1 423 842
Loans and advances measured at fair value through profit or loss	37	665	486
Total net loans and advances	6	1 504 941	1 424 328

[1] For more details on the classification of the group's assets and liabilities, refer to pages 22 – 23.

DEPOSITS AND DEBT FUNDING

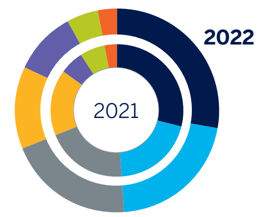
Deposits from customers

CAGR (2017 – 2022): 10%



2017	2018	2019	2020	2021	2022
1 167	1 255	1 325	1 510	1 654	1 779

Composition of deposits from customers (%)



	2022	2021
Call deposits	28	29
Term deposits	21	20
Current accounts	20	20
Cash management deposits	13	16
Negotiable certificates of deposits	10	6
Other deposits	5	6
Savings accounts	3	3

	CCY %	Change %	2022 Rm	2021 Rm
Current accounts	11	8	357 186	329 669
Cash management deposits	(10)	(10)	236 571	261 526
Call deposits	4	3	496 414	482 239
Savings accounts	11	7	45 521	42 558
Term deposits	13	13	380 870	338 345
Negotiable certificates of deposit	75	75	179 430	102 777
Other deposits	(8)	(14)	83 308	97 036
Deposits from customers	9	8	1 779 300	1 654 150
Deposits from banks	(5)	(6)	134 125	143 141
Total deposits and debt funding	8	6	1 913 425	1 797 291
Retail priced deposits		7	642 114	600 764
Wholesale priced deposits		6	1 271 311	1 196 527
Wholesale priced deposits – customers		8	1 137 186	1 053 386
Wholesale priced deposits – banks		(6)	134 125	143 141

STANDARD BANK ACTIVITIES' AVERAGE STATEMENT OF FINANCIAL POSITION

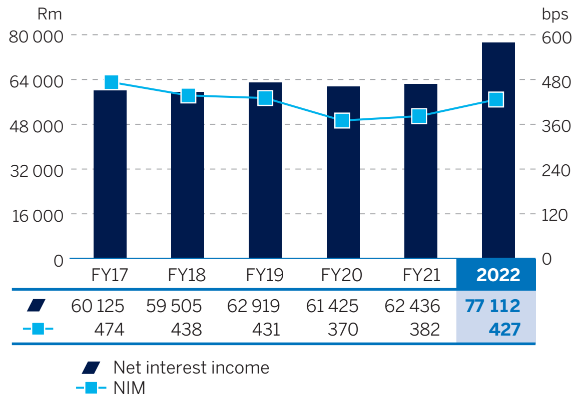
	2022			2021		
	Average balance Rm	Interest Rm	Average rate bps	Average balance Rm	Interest Rm	Average rate bps
Interest-earning assets						
Cash and balances with central banks[1]	81 112			71 434		
Financial investments[2]	271 150	23 512	867	245 010	15 777	644
Net loans and advances	1 455 698	123 917	851	1 319 366	92 299	700
Gross loans and advances	1 500 741	123 917	826	1 363 139	92 299	677
Gross loans and advances to banks	187 239	6 315	337	186 997	2 335	125
Gross loans and advances to customers	1 313 502	117 602	895	1 176 142	89 964	765
Home services	441 776	37 599	851	413 166	29 792	721
Vehicle and asset finance	114 652	11 059	964	102 179	8 580	840
Card and payments	37 499	5 975	1 593	35 723	5 263	1 473
Personal unsecured lending	105 454	14 407	1 366	95 453	12 089	1 267
Business lending	132 724	13 162	992	117 834	10 200	866
Corporate and sovereign lending	477 550	35 400	741	415 069	24 040	579
Central and other	3 847			(3 282)		
Credit impairment charges on loans and advances	(45 043)			(43 773)		
Interest-earning assets	1 807 960	147 429	815	1 635 810	108 076	661
Trading book assets	288 913			257 135		
Non-interest-earning assets	241 185			168 254		
Average assets	2 338 058	147 429	631	2 061 199	108 076	524
Interest-bearing liabilities						
Deposits and debt funding	1 849 376	68 465	367	1 689 961	44 022	260
Deposits from banks	148 434	3 781	255	132 983	1 680	126
Deposits from customers	1 700 942	64 684	380	1 556 978	42 342	272
Current accounts	330 805	939	28	294 480	562	19
Savings accounts	42 629	951	223	39 138	644	165
Cash management deposits	236 927	9 647	407	243 262	6 605	272
Call deposits	500 251	17 838	357	468 274	11 401	243
Negotiable certificates of deposit	142 528	8 656	607	97 140	5 180	533
Term and other deposits	458 352	26 653	581	425 451	17 950	422
Central and other	(10 550)			(10 767)		
Subordinated bonds	24 572	1 852	754	22 777	1 618	710
Interest-bearing liabilities	1 873 948	70 317	372	1 712 738	45 640	266
Average equity	186 966			169 962		
Trading book liabilities	90 952			83 024		
Other liabilities	186 192			95 475		
Average equity and liabilities	2 338 058	70 317	301	2 061 199	45 640	221
Margin on average interest-earning assets	1 807 960	77 112	427	1 635 810	62 436	382

1 Cash and balances with central banks are the SARB interest-free deposit and other prudential assets. This is utilised to meet liquidity requirements and is reflected in the margins as part of interest-earning assets to reflect the cost of liquidity.
2 Is representative of interest earning assets only, prior year restated.

NET INTEREST INCOME AND NET INTEREST MARGIN

Net interest income and net interest margin (NIM)

NII CAGR (2017 – 2022): 22%



MOVEMENT IN AVERAGE INTEREST-EARNING ASSETS, NET INTEREST INCOME AND NIM

	Average interest-earning assets Rm	Net interest income Rm	Net interest margin bps
2021[1]	1 635 810	62 436	382
Asset growth	172 150	6 571	
Cash and balances with central banks	9 678		
Financial investments	26 140		
Loans and advances	136 332		
Asset margin pricing and mix		593	3
Impact due to pricing		(1 100)	(6)
Impact due to mix and other		1 693	9
Liability margin pricing and mix		7 086	39
Deposit margin pricing and mix		1 006	5
Impact due to pricing		(466)	(3)
Impact due to mix and other		1 472	8
Endowment impact		6 080	34
Funding endowment		4 489	25
Capital endowment		1 591	9
Balance sheet management and other		426	3
2022	1 807 960	77 112	427

1 Is representative of interest earning assets only, prior year restated.

Net interest income and net interest margin

Increase in net interest income is largely due to balance sheet growth and change in portfolio mix. Driven by:

- Good momentum in retail and corporate lending disbursements, home services registrations and vehicle and asset finance payouts resulted in higher average loan book growth which supported net interest income growth.
- Positive endowment due to higher average interest rates across the portfolio.
- Improved deal origination in key Africa Regions markets in the corporate loan portfolio resulted in margin expansion as deals were refinanced and originated at higher yields.
- Increase in financial investments at higher yields supported margin expansion.
- Change in balance sheet mix as the higher yielding Africa Regions book growth outpaced growth in South Africa.

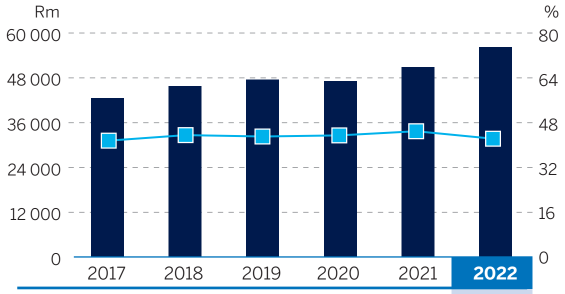
Partly offset by:

- Competitive new business pricing in home service registrations and vehicle and asset finance pay-outs as competitors re-entered the market.
- Business and corporate lending impacted by competitive pricing as client activity increased in a post pandemic environment.
- Growth in longer-term deposits at higher yields.

NON-INTEREST REVENUE ANALYSIS

Non-interest revenue

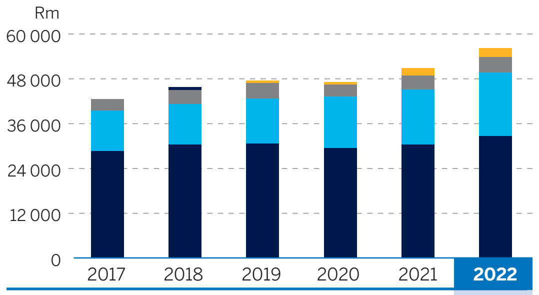
CAGR (2017 – 2022): 6%



	2017	2018	2019	2020	2021	2022
Non-interest revenue	42 574	45 826	47 542	47 156	50 862	**56 242**
Non-interest revenue to total income	41.5	43.5	43.0	43.4	44.9	**42.2**

Analysis of non-interest revenue

CAGR (2017 – 2022): Net fee and commission 3%
Trading revenue 10%
Other revenue 5%



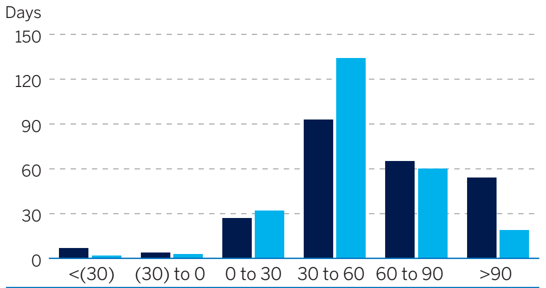
	2017	2018	2019	2020	2021	2022
Net fee and commission	28 670	30 375	30 622	29 413	30 355	**32 621**
Trading revenue	10 731	10 799	12 075	13 874	14 842	**17 046**
Other revenue	3 173	3 863	4 089	3 158	3 648	**4 137**
Other gains and losses on financial instruments		789	756	711	2 017	**2 438**

	CCY %	Change %	2022 Rm	2021 Rm
Net fee and commission revenue[1]	9	7	**32 621**	30 355
Fee and commission revenue	11	10	**41 440**	37 699
Account transaction fees	10	8	**10 266**	9 466
Electronic banking	18	12	**5 584**	4 977
Knowledge-based fees and commission	5	7	**2 495**	2 337
Card-based commission	18	17	**8 568**	7 295
Insurance – fees and commission	6	7	**2 393**	2 243
Documentation and administration fees	3	4	**2 500**	2 401
Foreign currency service fees	29	17	**2 688**	2 289
Other	2	4	**6 946**	6 691
Fee and commission expense	20	20	**(8 819)**	(7 344)
Trading revenue	10	15	**17 046**	14 842
Fixed income and currencies	6	12	**13 130**	11 764
Commodities	>100	>100	**470**	90
Equities	15	15	**3 446**	2 988
Other revenue	17	13	**4 137**	3 648
Banking and other	14	9	**1 143**	1 047
Property-related revenue	>100	>100	**96**	39
Insurance-related revenue	16	13	**2 898**	2 562
Other gains and losses on financial instruments	21	21	**2 438**	2 017
Non-interest revenue	10	11	**56 242**	50 862

1 Restated. Please see page 129 for more information.

	Change %	2022 Rm	2021 Rm
Banking	13	**49 957**	44 374
Insurance	11	**4 700**	4 219
Investments	7	**3 417**	3 192
Central and other	98	**(1 832)**	(923)
Non-interest revenue	11	**56 242**	50 862

Distribution of daily trading income
(frequency of days)



	<(30)	(30) to 0	0 to 30	30 to 60	60 to 90	>90
December 2022	**7**	**4**	**27**	**93**	**65**	**54**
December 2021	2	3	32	134	60	19

Net fee and commission revenue

- Increased account transaction fees from higher transactional volumes across the continent as Covid-19 lockdown restrictions eased. In addition, good client acquisition in most markets and annual price increases on cash transaction fees further supported growth. This was partly offset by clients' ongoing preference for transacting on digital channels instead of physical.
- Higher electronic banking fees due to an increase in digital transactional volumes as well as strong client take up of the real-time clearance feature. Good growth in Instant Money transactions further supported growth as good momentum in distribution partnerships continued.
- Increase in knowledge-based fees mainly due to growth in advisory fees earned across the portfolio through supporting transactions in the Consumer, Telecommunications and Financial Institutions sectors.
- Continued growth in card-based commissions from higher card issuing and acquiring turnover as global travel restrictions eased, as well as increased e-commerce spend and growth in point-of-sale devices.
- Growth in insurance fee and commission revenue mainly due to a combination of annual price increases and improved product sales in Africa Regions.
- Increase in documentation and administration fees earned from strong retail lending activities in Africa Regions, as well as increased vehicle and asset financing.
- Higher foreign currency service fees generated from increased trade finance deals across the continent, together with higher international spend by individuals as global tourism resumed.
- Increased renewable energy deal structuring in South Africa and growth in deal origination in key Africa Regions' markets together with increased fees earned on the back of growth in asset under management contributed to higher other fee and commission revenue.
- Fee and commission expenses increased due to:
  - Increased UCount rewards programme client base and higher client utilisation.
  - Higher card interchange costs and related volumes.
  - Higher Mastercard and Visa expenses on the cost of plastic in line with client acquisition growth and a weaker ZAR against USD.

Trading revenue

- Growth in fixed income and currencies driven by:
  - Gains from market opportunities and structured sales transactions in South Africa coupled with increased credit-linked note client activity.
  - Increased foreign exchange client activity in South Africa, East Africa and West Africa.
- Strong commodities performance supported by higher commodity prices.
- Good equities performance as market conditions and corporate client trading activity led to increased client flow facilitation and risk management revenues.

Other revenue

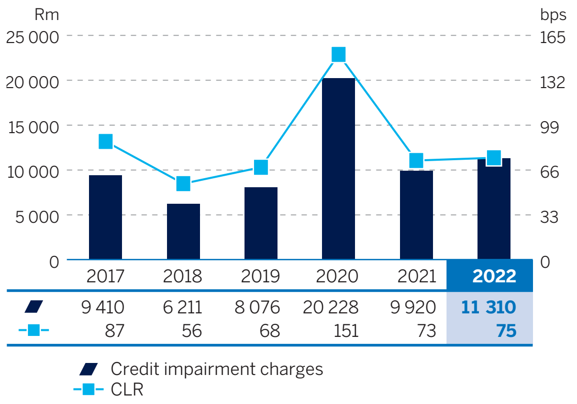
- Banking and other revenues grew due to the devaluation of the Zimbabwean currency against open USD positions.
- Higher rental income earned on secure cash devices due to clients' preference for alternative channels to manage their cash deposits.
- Increase in insurance-related revenue driven by higher bancassurance income from increased gross written premiums and lower credit life claims. This was partially offset by higher short-term insurance claims due to inclement weather across South Africa, with the largest impact emanating from the heavy rainfall in KwaZulu-Natal in April 2022.

Other gains and losses on financial instruments

- Gains driven by an increase in financial investments held at fair value together with fair value gains on the BizFlex product due to an increase in disbursements from new and existing clients.

CREDIT IMPAIRMENT ANALYSIS
Income statement charges

Credit impairment charges on loans and advances
CAGR (2017 – 2022): 4%



Credit impairment charges

Increase driven by:

- Higher charges driven by the sovereign debt distress in Ghana across the performing corporate lending portfolio.
- Increased charges in the corporate non-performing loan portfolio largely driven by defaults in the Consumer sector.
- Higher provisions in Africa Regions driven by loan book growth and increased inflows into stage 3, compounded by the impact of the adverse macroeconomic environment.
- Increased charges in South Africa as clients were unable to meet their full debt obligations as macroeconomic pressures continued.

Partially offset by:

- Improvement in card impairment charges due to the non-recurrence of strain in the expired client relief population in South Africa.
- Lower defaults in BCC, reduced impairments on Covid Guaranteed loans.
- Strong repayment behaviour in the client relief population after the conclusion of the monitoring period, primarily in home services.
- Intensified focus to improve credit strategies using enhanced client data insights and communication to increase recoveries.

INCOME STATEMENT CREDIT IMPAIRMENT CHARGES

		2022						2021					
	Change %	Stage 1 Rm	Stage 2[1] Rm	Total stage 1 and 2 Rm	Stage 3[1] Rm	Credit impairment charges/ (release) Rm	Credit loss ratio bps	Stage 1 Rm	Stage 2[1] Rm	Total stage 1 and 2 Rm	Stage 3[1] Rm	Credit impairment charges/ (release) Rm	Credit loss ratio bps
Home services	(2)	(130)	300	170	944	1 114	25	205	(590)	(385)	1 520	1 135	27
Vehicle and asset finance	26	86	866	952	500	1 452	127	(73)	(376)	(449)	1 599	1 150	113
Card and payments	(42)	85	(57)	28	1 686	1 714	457	(46)	(147)	(193)	3 125	2 932	821
Personal unsecured lending	20	78	635	713	3 283	3 996	403	112	(173)	(61)	3 380	3 319	356
Business lending and other	7	(136)	(55)	(191)	1 941	1 750	126	(58)	103	45	1 591	1 636	136
Corporate and sovereign lending	(>100)	701	21	722	1 035	1 757	37	(93)	(403)	(496)	275	(221)	(5)
CIB bank lending	(>100)	(1)	28	27		27	1	(31)		(31)		(31)	(2)
Central and other	(100)	(218)	(282)	(500)		(500)							
Total loans and advances credit impairment charges	14	465	1 456	1 921	9 389	11 310	75	16	(1 586)	(1 570)	11 490	9 920	73
Credit impairment charges – financial investments						817						23	
Credit impairment (release)/charges – letters of credit, guarantees and other						(63)						(70)	
Total credit impairment charges	22					12 064						9 873	

[1] Includes post-write-off recoveries and modification gains and losses.

CREDIT IMPAIRMENT ANALYSIS

Reconciliation of expected credit loss for loans and advances measured at amortised cost

	1 January 2022 opening balance Rm	Total transfers between stages Rm	Net provisions raised and released Rm	Impaired accounts written off Rm	Currency translation and other movements Rm	Time value of money & interest in suspense Rm	December 2022 closing balance Rm	Modification losses and recoveries of amounts written off Rm
Home services	15 625		1 023	(1 476)	(58)	1 315	16 429	(91)
Stage 1	1 059	488	(618)		(4)		925	
Stage 2	2 440	116	139		12		2 707	(45)
Stage 3	12 126	(604)	1 502	(1 476)	(66)	1 315	12 797	(46)
Vehicle and asset finance	6 337		1 632	(1 196)	123	485	7 381	180
Stage 1	651	57	29		73		810	
Stage 2	1 131	(117)	894		25		1 933	(89)
Stage 3	4 555	60	709	(1 196)	25	485	4 638	269
Card and payments	3 885		1 951	(2 248)	5	232	3 825	237
Stage 1	642	126	(41)		(3)		724	
Stage 2	1 152	(34)	15		6		1 139	38
Stage 3	2 091	(92)	1 977	(2 248)	2	232	1 962	199
Personal unsecured lending	9 740		3 971	(4 049)	42	958	10 662	(25)
Stage 1	1 508	(197)	275		(106)		1 480	
Stage 2	1 761	68	524		71		2 424	(43)
Stage 3	6 471	129	3 172	(4 049)	77	958	6 758	18
Business lending and other	7 536		2 125	(1 828)	(9)	236	8 060	375
Stage 1	943	64	(200)		23		830	
Stage 2	1 295	(415)	354		2		1 236	(6)
Stage 3	5 298	351	1 971	(1 828)	(34)	236	5 994	381
Corporate and sovereign lending	7 710		1 752	(737)	25	574	9 324	(5)
Stage 1	1 304	77	624		(44)		1 961	
Stage 2	818	(110)	131		32		871	
Stage 3	5 588	33	997	(737)	37	574	6 492	(5)
CIB bank lending	65		27		55		147	
Stage 1	65		(1)		42		106	
Stage 2			28		13		41	
Central and other	500		(500)				0	
Stage 1	218		(218)				0	
Stage 2	282		(282)				0	
Total	51 398		11 981	(11 534)	183	3 800	55 828	671
Stage 1	6 390	615	(150)		(19)		6 836	
Stage 2	8 879	(492)	1 803		161		10 351	(145)
Stage 3	36 129	(123)	10 328	(11 534)	41	3 800	38 641	816

The income statement credit impairment charge on loans and advances of R11 310 million is made up of total transfers, net provision raised of R11 981 million less modification losses and post-write-off recoveries of R671 million.

CREDIT IMPAIRMENT ANALYSIS

Reconciliation of expected credit loss for loans and advances measured at amortised cost

	1 January 2021 opening balance Rm	Total transfers between stages Rm	Net provisions raised and released Rm	Impaired accounts written off Rm	Currency translation and other movements Rm	Time value of money & interest in suspense Rm	December 2021 closing balance Rm	Modification losses and recoveries of amounts written off Rm
Home services	15 153		1 083	(1 137)	27	499	15 625	(52)
Stage 1	844	1 184	(979)		10		1 059	
Stage 2	3 064	(83)	(547)		6		2 440	(40)
Stage 3	11 245	(1 101)	2 609	(1 137)	11	499	12 126	(12)
Vehicle and asset finance	5 648		1 275	(1 042)	90	366	6 337	125
Stage 1	720	334	(407)		4		651	
Stage 2	1 498	(147)	(229)		9		1 131	
Stage 3	3 430	(187)	1 911	(1 042)	77	366	4 555	125
Card and payments	3 444		3 635	(3 389)	(6)	201	3 885	703
Stage 1	686	152	(198)		2		642	
Stage 2	1 292	(197)	52		5		1 152	2
Stage 3	1 466	45	3 781	(3 389)	(13)	201	2 091	701
Personal unsecured lending	9 716		3 297	(4 320)	33	1 014	9 740	(22)
Stage 1	1 371	101	11		25		1 508	
Stage 2	2 063	(325)	61		(38)		1 761	(91)
Stage 3	6 282	224	3 225	(4 320)	46	1 014	6 471	69
Business lending and other	6 786		1 830	(1 766)	55	631	7 536	194
Stage 1	913	73	(131)		88		943	
Stage 2	1 185	(321)	424		7		1 295	
Stage 3	4 688	248	1 537	(1 766)	(40)	631	5 298	194
Corporate and sovereign lending	8 669		(125)	(1 664)	421	409	7 710	96
Stage 1	1 353	94	(187)		44		1 304	
Stage 2	1 171	(169)	(234)		50		818	
Stage 3	6 145	75	296	(1 664)	327	409	5 588	96
CIB bank lending	70		(31)		26		65	
Stage 1	70		(31)		26		65	
Central and other	500						500	
Stage 1	218						218	
Stage 2	282						282	
Total	49 986		10 964	(13 318)	646	3 120	51 398	1 044
Stage 1	6 175	1 938	(1 922)		199		6 390	
Stage 2	10 555	(1 242)	(473)		39		8 879	(129)
Stage 3	33 256	(696)	13 359	(13 318)	408	3 120	36 129	1 173

The income statement credit impairment charge on loans and advances of R9 920 million is made up of total transfers, net provision raised and released of R10 964 million less modification losses and post-write-off recoveries of R1 044 million.

CREDIT IMPAIRMENT ANALYSIS

Loans and advances performance

	Gross carrying loans and advances Rm	SB 1 – 12 Stage 1 Rm	SB 1 – 12 Stage 2 Rm	SB 13 – 20 Stage 1 Rm	SB 13 – 20 Stage 2 Rm	SB 21 – 25 Stage 1 Rm	SB 21 – 25 Stage 2 Rm	Total stage 1 and 2 loans Rm	Total stage 3 loans Rm	Securities and expected recoveries on stage 3 exposures loans Rm	Balance sheet expected credit loss and interest in suspense on stage 3 Rm	Gross stage 3 loans coverage ratio %	Stage 3 exposures ratio %
2022													
Home services	459 647	65 072	105	306 626	12 813	7 364	34 682	426 662	32 985	20 188	12 797	39	7.2
Vehicle and asset finance	119 859	33 100	147	59 064	5 395	5 957	7 647	111 310	8 549	3 911	4 638	54	7.1
Card and payments	38 063	1 367		26 614	443	2 395	4 057	34 876	3 187	1 225	1 962	62	8.4
Personal unsecured lending	103 029	10 291	68	66 051	481	7 785	8 594	93 270	9 759	3 001	6 758	69	9.5
Business lending and other	147 252	38 044	388	89 175	1 821	676	7 541	137 645	9 607	3 613	5 994	62	6.5
Corporate and sovereign lending	516 211	195 214	1 383	283 754	17 354	2 697	2 456	502 858	13 353	6 861	6 492	49	2.6
CIB bank lending	168 402	134 142	590	27 855	311	2 367	3 137	168 402					
Central and other	7 641	7 641						7 641					
Gross loans and advances	1 560 104	484 871	2 681	859 139	38 618	29 241	68 114	1 482 664	77 440	38 799	38 641	50	5.0
Percentage of total book (%)	100.0	30.9	0.2	55.1	2.5	1.9	4.4	95.0	5.0	2.5	2.5		5.0
Gross loans and advances at amortised cost	1 560 104												
Gross loans and advances at fair value	665												
Total gross loans and advances	1 560 769												

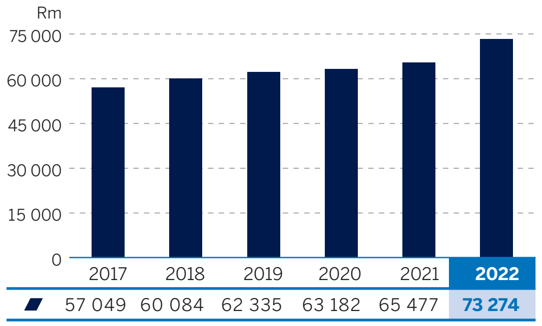
	Gross carrying loans and advances Rm	SB 1 – 12 Stage 1 Rm	SB 1 – 12 Stage 2 Rm	SB 13 – 20 Stage 1 Rm	SB 13 – 20 Stage 2 Rm	SB 21 – 25 Stage 1 Rm	SB 21 – 25 Stage 2 Rm	Total stage 1 and 2 loans Rm	Total stage 3 loans Rm	Securities and expected recoveries on stage 3 exposures loans Rm	Balance sheet expected credit loss and interest in suspense on stage 3 Rm	Gross stage 3 loans coverage ratio %	Stage 3 exposures ratio %
2021													
Home services	434 104	103 230	58	260 628	8 325	4 005	25 813	402 059	32 045	19 919	12 126	38	7.4
Vehicle and asset finance	110 653	22 865	70	67 686	2 969	2 721	7 081	103 392	7 261	2 706	4 555	63	6.6
Card and payments	36 367	4 192		24 810	37	866	3 607	33 512	2 855	764	2 091	73	7.9
Personal unsecured lending	100 230	20 896	33	58 109	685	5 363	6 356	91 442	8 788	2 317	6 471	74	8.8
Business lending and other	132 630	31 114	286	82 341	2 520	2 076	6 119	124 456	8 174	2 881	5 293	65	6.2
Corporate and sovereign lending	455 406	169 179	1 462	234 111	35 353	3 252	1 257	444 614	10 792	5 204	5 588	52	2.4
CIB bank lending	209 593	180 441		24 894	1 550	1 726	982	209 593					
Central and other	(3 743)	(3 743)						(3 743)					
Gross loans and advances	1 475 240	528 174	1 909	752 579	51 439	20 009	51 215	1 405 325	69 915	33 791	36 124	52	4.7
Percentage of total book (%)	100	35.8	0.1	51.0	3.5	1.4	3.5	95.3	4.7	2.3	2.4		4.7
Gross loans and advances at amortised cost	1 475 240												
Gross loans and advances at fair value	486												
Total gross loans and advances	1 475 726												

The group 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). Ratings are mapped to the probability of defaults (PDs) through calibration formulae that use historical default rates and other data from the applicable portfolio.

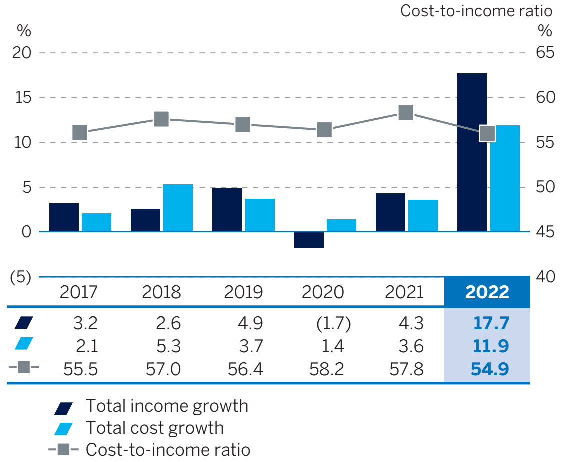
OPERATING EXPENSES

Operating expenses

CAGR (2017 – 2022): 5%



Income and operating expenses growth



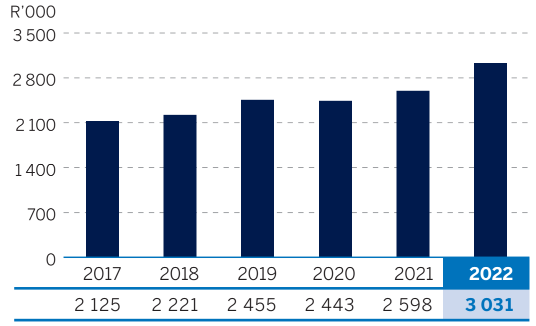
	CCY %	Change %	2022 Rm	2021 Rm
Staff costs				
Fixed remuneration	8	9	**28 347**	25 898
Variable remuneration	22	22	**9 343**	7 672
Charge for incentive payments	22	21	**6 988**	5 772
IFRS 2 charge: cash-settled share schemes (including associated hedge)	(14)	(11)	**460**	519
IFRS 2 charge: equity-settled share schemes	37	37	**1 895**	1 381
Other staff costs	6	4	**3 195**	3 072
Total staff costs	11	12	**40 885**	36 642
Variable remuneration as a % of total staff costs			**22.9**	20.9
Other operating expenses[1]				
Information technology	13	13	**11 048**	9 743
Amortisation of intangible assets	(5)	(4)	**2 607**	2 713
Depreciation	2	3	**4 321**	4 191
Premises	9	9	**2 103**	1 938
Professional fees	10	12	**2 114**	1 888
Communication	10	9	**1 353**	1 242
Marketing and advertising	17	17	**2 375**	2 026
Other[1]	33	27	**6 468**	5 094
Total other operating expenses	13	12	**32 389**	28 835
Total operating expenses[1]	12	12	**73 274**	65 477
Total income	16	18	**133 353**	113 298
Cost-to-income ratio (%)[1]			**54.9**	57.8
Jaws (bps)[1]			**579**	71

[1] Restated. Please see page 129 for more information.

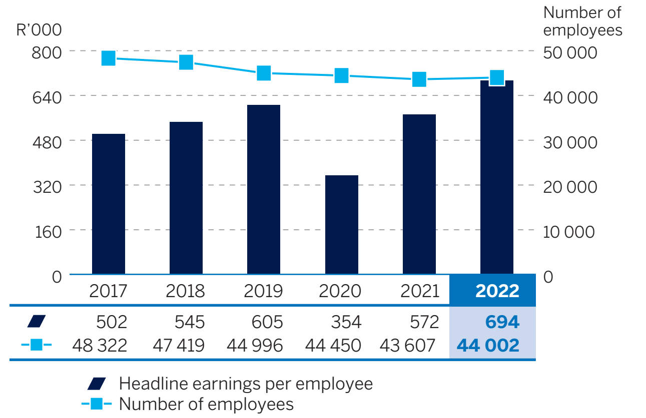
ANALYSIS OF OPERATING EXPENSES BY CLIENT SOLUTION

	Change %	2022 Rm	2021 Rm
Banking	12	**71 082**	63 709
Insurance	11	**2 511**	2 258
Investments	17	**1 904**	1 626
Central and other	5	**(2 223)**	(2 116)
Total operating expenses	12	**73 274**	65 477

Standard Bank Activities revenue per employee



Standard Bank Activities headline earnings per employee



ANALYSIS OF HEADCOUNT BY GEOGRAPHY

	Change %	2022 Number	2021 Number
South Africa	0	**28 870**	28 955
Africa Regions	3	**14 487**	14 036
International	5	**645**	616
Standard Bank Activities	1	**44 002**	43 607

ANALYSIS OF TOTAL INFORMATION TECHNOLOGY FUNCTION SPEND

	CCY %	Change %	2022 Rm	2021 Rm
Staff costs	8	8	**4 697**	4 354
Licences, maintenance and related costs[1]	13	13	**11 048**	9 743
Amortisation of intangible assets	(5)	(4)	**2 607**	2 713
Depreciation and other expenses	3	3	**2 649**	2 574
Total information technology function spend	8	8	**21 001**	19 384

[1] Referred to as information technology in group operating expenses breakdown.

Staff costs and headcount

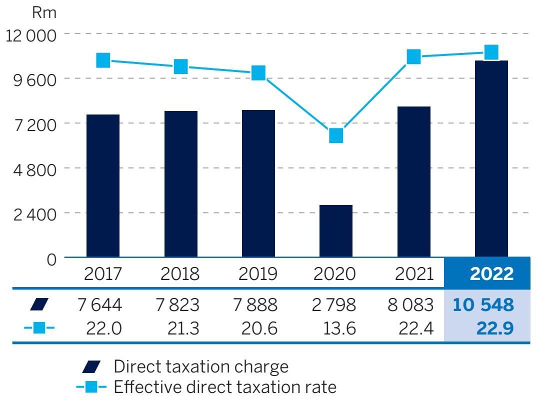
- Higher staff costs due to annual salary increases and an increase in skilled staff complement.
- Higher variable remuneration driven by incentive payments in line with performance.

Other operating expenses

- Information technology cost growth driven by:
  - Continued cloud migration spending on business agility and reduced capitalisation as signature information technology programmes wound down.
  - Investment in software to improve client service levels by enhancing the client relationship management platforms, improving infrastructure resilience and employee experience, and delivering on the client value proposition through digital capabilities.
  - This was partially offset by savings driven by conscious efforts to contain third-party spend and decommissioning legacy systems.
- Increase in premises expenses was due to higher maintenance and municipal costs across the continent as well as higher fuel costs relating to loadshedding in South Africa. This was partially offset by savings realised from optimisation of the group's physical footprint by exiting third-party leases.
- Growth in professional fees due to higher legal costs linked to increased credit recoveries and higher audit fees driven by increased audit regulation. This was partially offset by deliberate actions to reduce reliance on third-party suppliers.
- Continued improvements to the quality of calls, increased SMS transactions and connecting call centres to mobility-enabled cloud solutions led to growth in communication expenses.
- Increase in marketing and advertising spend driven by client campaigns and brand repositioning which began in the latter part of 2021, as well as the resumption of events as Covid-19 restrictions eased.
- Increase in other expenses largely due to the non-recurrence of prior period insurance recoveries, higher travel and entertainment spend as lockdown measures eased, as well as annual increases of regulatory membership fees.

TAXATION

Direct taxation charge and effective direct taxation rate



DIRECT TAXATION RATE RECONCILIATION

	2022 %	2021 %
Direct taxation – statutory rate	28.0	28.0
Prior period tax	(0.1)	(0.6)
Total direct taxation – current period	27.9	27.4
Adjustment: Foreign tax and withholdings tax	3.8	3.0
Change in tax rate	0.4	0.1
Normal direct taxation – current period	32.1	30.5
Permanent differences:	(9.2)	(8.1)
Non-taxable income – dividends	(3.2)	(4.5)
Non-taxable income – other[1]	(5.2)	(5.6)
Other	(0.8)	2.0
Effective direct taxation rate	22.9	22.4

[1] Primarily comprises non-taxable interest income.

Direct taxation rate

The increase in the effective direct taxation rate (from 22.4% to 22.9%) is primarily driven by:

- Non-recurrence of a prior year tax adjustment related to the change in legislation in Nigeria.
- Increase in foreign and withholding tax in Africa Regions as a result of increased dividends declared.
- Change in the corporate income tax rate in South Africa, partially offset by an increase in the corporate income tax rate in United Kingdom, with the net impact resulting in a decrease in the deferred tax asset.
- Decrease in exempt dividends earned in South Africa.

Partially offset by:

- The recognition of previously unrecognised deferred tax asset on tax losses within Nigeria.

77 Liquidity and capital management

LIQUIDITY MANAGEMENT

Liquidity management overview

- Appropriate liquidity buffers were held in line with the assessment of liquidity risk across the geographies in which the group operates.
- The group's available contingent liquidity remains adequate to meet internal as well as regulatory stress requirements. Contingent funding plans, stress testing assumptions as well as early warning indicators continue to be reassessed for appropriateness considering the global inflationary outlook and volatile market conditions.
- The group continues to leverage its extensive deposit franchises to ensure that it has the appropriate amount, tenor and diversification of funding across currencies and jurisdictions to minimise concentration risk and to support its current and forecast funding requirements while minimising funding costs.
- The group maintained both the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) in excess of minimum regulatory requirements during 2022.
- Longer term funding increased by R69.3 billion through the issuance of negotiable certificate of deposits (NCDs), senior debt and syndicated loans.
- R7.2 billion of additional Tier 1 capital and R1.6 billion of Tier 2 were issued during 2022, the proceeds of which were invested in SBSA on the same terms and conditions.

Total contingent liquidity

- Portfolios of marketable and liquid instruments to meet regulatory and internal stress testing requirements are maintained as protection against unforeseen cash outflows. These portfolios are managed within ALCO-defined limits on the basis of diversification and liquidity.
- Managed liquidity represents unencumbered marketable assets other than eligible Basel III LCR high-quality liquid assets (HQLA) which would provide additional sources of liquidity in a stress scenario.

	2022 Rbn	2021 Rbn
Eligible LCR HQLA[1] comprising:	459	361
Notes and coins	21	21
Balances with central banks	54	36
Government bonds and bills	364	286
Other eligible liquid assets	20	18
Managed liquidity	172	192
Total contingent liquidity	**631**	553
Total contingent liquidity as a % of funding-related liabilities	**32.5**	30.4

1 Eligible LCR HQLA are defined according to the Basel Committee on Banking Supervision LCR and liquidity risk monitoring framework. The calculation considers any liquidity transfer restrictions that will inhibit the transfer of HQLA across jurisdictions.

Liquidity coverage ratio (average)

- The Basel III LCR promotes short-term resilience of the group's 30 calendar day liquidity risk profile by ensuring it has sufficient HQLA to meet potential outflows in a stressed environment.
- The SBG and SBSA LCR figures reflect the simple average of daily observations over the periods as reflected in the table below.

	4Q2022 Rbn	4Q2021 Rbn
SBG[1]		
Total HQLA	442	370
Net cash outflows	301	256
LCR (%)	146.8	144.3
SBSA[2]		
Total HQLA	283	227
Net cash outflows	219	205
LCR (%)	129.1	110.8
Minimum requirement (%)	100.0	80.0

1 Includes quarterly daily results for SBSA, SBSA Isle of Man branch, Stanbic Bank Ghana, Stanbic Bank Uganda, Standard Bank Namibia, Stanbic IBTC Bank Nigeria, Standard Bank Isle of Man Limited and Standard Bank Jersey Limited and the simple average of three month-end data points for the respective quarter for the other Africa Regions' banking entities.
2 Excludes foreign branches.

Structural liquidity requirements

Net stable funding ratio[1]

- The objective of the Basel III NSFR is to promote funding stability and resilience in the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of assets and off-balance sheet activities.
- The available stable funding is defined as the portion of capital and liabilities expected to be available over the one year time horizon considered by the NSFR.
- The amount of required stable funding is a function of the liquidity characteristics and residual maturities of the various assets (including off-balance sheet exposures) held by the bank.

	2022 Rbn	2021 Rbn
SBG		
Available stable funding	1 546	1 413
Required stable funding	1 246	1 158
NSFR (%)	124.1	122.0
SBSA[2]		
Available stable funding	1 046	951
Required stable funding	945	884
NSFR (%)	110.6	107.6
Minimum requirement (%)	100.0	100.0

1 Period-end position.
2 Excludes foreign branches.

Diversified funding base

- Funding markets are evaluated on an ongoing basis to ensure that appropriate group funding strategies are executed considering the competitive and regulatory environment.
- The group continues to focus on building its client deposit base as a key component of its funding mix. Deposits sourced from South Africa, key markets in Africa Regions, Isle of Man and Jersey provide diverse and stable sources of funding for the group.

FUNDING-RELATED LIABILITIES COMPOSITION[1]

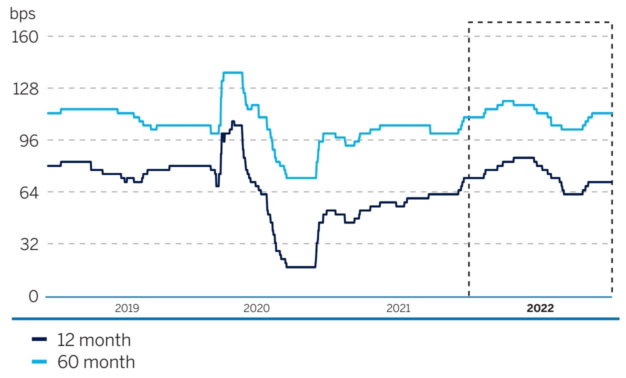
	2022 Rbn	2021 Rbn
Corporate funding	599	555
Retail deposits[2]	509	482
Institutional funding	431	397
Government and parastatals	171	157
Interbank funding	95	108
Senior debt	65	58
Term loan funding	39	35
Subordinated debt issued	26	25
Other liabilities to the public	4	5
Total Standard Bank Activities funding-related liabilities	**1 939**	1 822

1 Composition aligned to Basel III liquidity classification.
2 Comprises individual and small business customers.

Funding costs

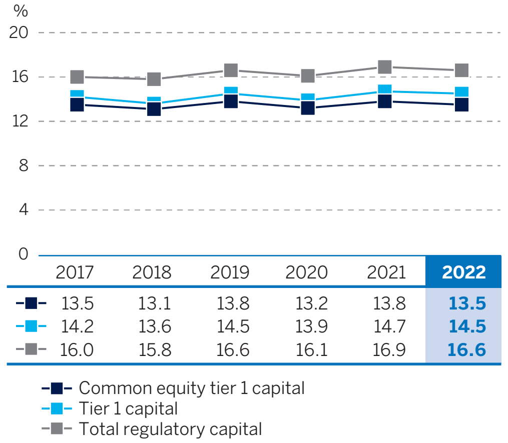
- The market cost of liquidity is measured as the spread paid on NCDs above the prevailing reference rate, namely three-month JIBAR.
- The graph is based on actively issued money market instruments by SBSA, namely 12- and 60-month NCDs.
- The cost of liquidity as measured by pricing of 12-month and 60-month NCDs remained within a 20bps range during 2022. Funding costs reduced during the middle of the year, driven in part by the positive liquidity impact of the SARB introducing the new Monetary Policy Implementation Framework. Faster asset growth towards the end of the year was the primary driver for the increased requirement for contractual term funding lifting term funding spreads.

SBSA 12- and 60-month liquidity spreads



CAPITAL ADEQUACY

Capital adequacy



CAPITAL ADEQUACY RATIOS

	Internal target ratios[1] %	SARB minimum regulatory requirement[2] %	Excluding unappropriated profit 2022 %	Excluding unappropriated profit 2021 %	Including unappropriated profit 2022 %	Including unappropriated profit 2021 %
Common equity tier 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

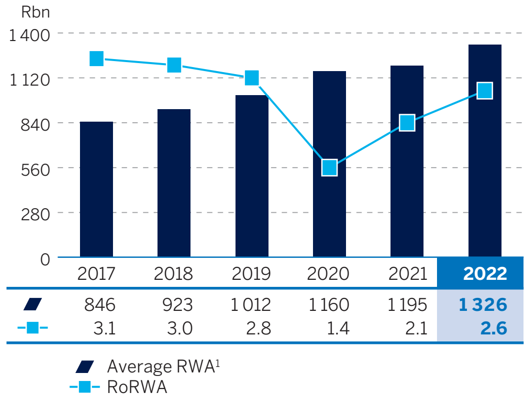
1 Including unappropriated profit.
2 Excluding confidential bank-specific requirements. Pillar 2A buffer requirements reinstated by the Prudential Authority from 1 January 2022.

QUALIFYING REGULATORY CAPITAL EXCLUDING UNAPPROPRIATED PROFIT

	Change %	2022 Rm	2021 Rm
Ordinary shareholders' equity	10	**219 264**	198 832
Qualifying non-controlling interest	8	**9 086**	8 390
Regulatory adjustments	39	**(26 634)**	(19 201)
Goodwill	3	**(2 258)**	(2 195)
Other intangible assets	(14)	**(10 916)**	(12 653)
Investments in financial entities	>100	**(12 144)**	(3 133)
Other adjustments	8	**(1 316)**	(1 220)
Total common equity tier 1 capital (including unappropriated profit)	7	**201 716**	188 021
Unappropriated profit	36	**(18 477)**	(13 631)
Common equity tier 1 capital	5	**183 239**	174 390
Qualifying other equity instruments	27	**14 098**	11 099
Qualifying non-controlling interest	18	**1 284**	1 088
Tier 1 capital	6	**198 621**	186 577
Tier 2 capital	4	**30 933**	29 724
Qualifying tier 2 subordinated debt	5	**24 594**	23 394
General allowance for credit impairments	0	**6 339**	6 330
Total regulatory capital	6	**229 554**	216 301

RETURN ON RISK-WEIGHTED ASSETS AND RISK-WEIGHTED ASSETS

SBG Return on Risk-Weighted Assets (RoRWA)



1 Average RWA calculated net of non-controlling interests.

RISK-WEIGHTED ASSETS BY RISK TYPE

	Change %	2022 Rm	2021 Rm
Credit risk	12	**1 070 731**	955 829
Counterparty credit risk	(11)	**61 288**	68 921
Market risk	10	**79 086**	71 839
Operational risk	6	**187 907**	177 500
Equity risk in the banking book	20	**28 189**	23 550
RWA for investments in financial entities	5	**68 714**	65 397
Standard Bank Group	10	**1 495 915**	1 363 036

CAPITAL ADEQUACY RATIOS PER LEGAL ENTITY

CAPITAL ADEQUACY RATIOS PER LEGAL ENTITY

	Tier 1 host regulatory requirement %	Total host regulatory requirement %	2022 Tier 1 capital %	2022 Total capital %	2021 Tier 1 capital %	2021 Total capital %
Standard Bank Group[1]	10.8	13.0	**14.5**	**16.6**	14.7	16.9
The Standard Bank of South Africa Group (SBSA Group)[1]	10.8	13.0	**13.7**	**16.6**	14.0	17.1
Africa Regions						
Stanbic Bank Botswana	7.5	12.5	**11.6**	**19.3**	10.9	17.3
Stanbic Bank Ghana[2]	11.0	13.0	**11.0**	**11.0**	17.2	19.2
Stanbic Bank Kenya	10.5	14.5	**13.8**	**16.8**	15.0	17.0
Stanbic Bank S.A. (Cote d' Ivoire)	8.5	11.3	**52.3**	**52.3**	65.6	65.6
Stanbic Bank Tanzania	12.5	14.5	**19.0**	**19.0**	22.4	23.8
Stanbic Bank Uganda	10.0	12.0	**22.0**	**24.2**	20.0	22.0
Stanbic Bank Zambia[3]	5.0	10.0	**23.2**	**25.0**	24.4	26.6
Stanbic Bank Zimbabwe	9.0	12.0	**23.6**	**29.4**	15.2	20.6
Stanbic IBTC Bank Nigeria		10.0	**14.0**	**15.2**	14.7	16.1
Standard Bank de Angola	15.8	17.3	**31.8**	**34.5**	41.3	45.0
Standard Bank Malawi	10.0	15.0	**21.0**	**23.1**	20.2	22.4
Standard Bank Mauritius	10.5	12.5	**25.0**	**25.8**	31.4	32.3
Standard Bank Mozambique		14.0	**26.1**	**26.1**	22.2	22.2
Standard Bank Namibia	7.5	10.0	**14.0**	**16.0**	10.9	12.7
Standard Bank RDC (DRC)	7.5	10.0	**22.0**	**24.5**	22.0	24.5
Standard Bank Eswatini	5.5	8.0	**13.0**	**16.4**	11.0	14.1
Standard Lesotho Bank	6.0	8.0	**29.7**	**26.5**	28.8	25.1
International						
Standard Bank Isle of Man	8.5	10.0	**13.9**	**14.1**	12.9	12.9
Standard Bank Jersey	8.5	11.0	**16.9**	**17.3**	14.8	14.9
Capital adequacy ratio – times covered						
Standard Insurance Limited (SIL)[4]						
Solvency capital requirement coverage ratio				**2.68**		2.87
Liberty Group Limited[4]						
Solvency capital requirement coverage ratio				**1.76**		1.72

1 Minimum regulatory requirement excludes confidential bank-specific requirements. Pillar 2A requirements reinstated by the Prudential Authority from 1 January 2022.
2 Tier 1 and Total host regulatory requirements have been reduced to 8% and 10% respectively in February 2023.
3 Tier 1 and total capital ratios under Basel II parallel run are 17.4% and 18.8% respectively. Implementation date of Basel II yet to be determined.
4 Calculated in terms of the Insurance Act, 2017, which came into effect on 1 July 2018.

CURRENCY TRANSLATION IMPACT, ECONOMIC CAPITAL AND ECONOMIC RETURNS

MOVEMENT IN THE FOREIGN CURRENCY TRANSLATION RESERVE

	2022 Rm	2021 Rm
Balance at beginning of the period: (debit)	**(2 585)**	(8 719)
Translation and hedge reserve (decrease)/increase for the period	**(3 081)**	6 134
Africa Regions	**(3 257)**	5 085
International	**12**	985
Liberty	**132**	62
Currency hedge losses	**32**	2
Balance at end of the period: (debit)/credit	**(5 666)**	(2 585)

ECONOMIC CAPITAL UTILISATION BY RISK TYPE

	Change %	2022 Rm	2021 Rm
Credit risk	10	**131 502**	119 350
Equity risk	>100	**13 425**	6 505
Market risk	53	**1 522**	998
Operational risk	5	**18 072**	17 251
Business risk	10	**4 826**	4 387
Interest rate risk in the banking book	42	**8 738**	6 164
Economic capital requirement	15	**178 085**	154 655
Available financial resources	8	**238 071**	221 112
Economic capital coverage ratio (times)		**1.34**	1.43

ECONOMIC RETURNS

	Change %	2022 Rm	2021 Rm
Average ordinary shareholders' equity	13	**208 286**	185 008
Headline earnings	37	**34 247**	25 021
Cost of equity charge	16	**(31 660)**	(27 196)
Economic returns	(>100)	**2 587**	(2 175)

OTHER CAPITAL INSTRUMENTS

SUBORDINATED DEBT

	Redeemable/ repayable date	Callable date	Notional value LCm	2022 Carrying value[1] Rm	2022 Notional value[1] Rm	2021 Carrying value[1] Rm	2021 Notional value[1] Rm
Standard Bank Activities							
Standard Bank Group Limited				24 440	24 594	22 746	22 520
SBT 201[2]	13 Feb 2028	13 Feb 2023	ZAR3 000	2 973	3 000	2 978	3 000
SBT 202[2]	3 Dec 2028	3 Dec 2023	ZAR1 516	1 520	1 516	1 522	1 516
SBT 203[2]	3 Dec 2028	3 Dec 2023	ZAR484	489	484	510	484
SBT 204[2]	16 Apr 2029	16 Apr 2024	ZAR1 000	1 018	1 000	1 012	1 000
SBT 205[2]	31 May 2029	31 May 2024	USD400	6 569	6 789	6 525	6 354
SBT 206[2]	31 Jan 2030	31 Jan 2025	ZAR2 000	2 029	2 000	2 019	2 000
SBT 207[2]	25 Jun 2030	25 Jun 2025	ZAR3 500	3 503	3 500	3 498	3 500
SBT 208[2]	28 Nov 2030	28 Nov 2025	ZAR1 500	1 514	1 500	1 509	1 500
SBT 209[2]	29 Jun 2031	29 Jun 2026	ZAR1 722	1 720	1 722	1 723	1 722
SST 201[2]	8 Dec 2031	8 Dec 2026	ZAR1 444	1 453	1 444	1 450	1 444
SST 202[2]	31 Aug 2032	31 Aug 2027	ZAR1 639	1 652	1 639		
SBSA Group						992	1 000
SBK 23[2]	28 May 2027	28 May 2022	ZAR1 000			992	1 000
Standard Bank Eswatini	29 Jun 2028	30 Jun 2023	E100	104	100	104	100
Stanbic Botswana	2027 – 2032	2022 – 2027	BWP516	696	686	681	677
Stanbic Bank Kenya	21 Dec 2028	15 Feb 2024	USD20	355	339	321	318
Intercompany				34	34		
Total				25 629	25 753	24 844	24 615
Liberty							
Regulatory insurance capital			ZAR6 000	6 115	6 000	5 586	5 500
Total subordinated debt				31 744	31 753	30 430	30 115

1 The difference between the carrying and notional value represents accrued interest together with, where applicable, the unamortised fair value adjustments relating to bonds hedged for interest rate risk.
2 SBSA on a reciprocal basis entered into subordinated tier 2 capital lending agreements with SBG under identical terms.

OTHER EQUITY HOLDERS

	First callable date	Notional value LCm	2022 Carrying value Rm	2022 Notional value Rm	2021 Carrying value Rm	2021 Notional value Rm
Preference share capital			5 503	9	5 503	9
Cumulative preference share capital (SBKP)		ZAR8	8	8	8	8
Non-cumulative preference share capital (SBPP)		ZAR1	5 495	1	5 495	1
Additional Tier 1 capital bonds			14 164	14 164	10 549	10 549
SBT 101[1]	31 Mar 2022	ZAR1 744			1 744	1 744
SBT 102[1]	30 Sep 2022	ZAR1 800			1 800	1 800
SBT 103[1]	31 Mar 2024	ZAR1 942	1 942	1 942	1 942	1 942
SBT 104[1]	30 Sep 2025	ZAR1 539	1 539	1 539	1 539	1 539
SBT 105[1]	31 Mar 2026	ZAR1 800	1 800	1 800	1 800	1 800
SBT 106[1]	31 Dec 2026	ZAR1 724	1 724	1 724	1 724	1 724
SBT 107[1]	8 Apr 2027	ZAR1 559	1 559	1 559		
SBT108[1]	13 Jul 2027	ZAR 2 000	2 000	2 000		
SBT109[1]	31 Dec 2027	ZAR 3 600	3 600	3 600		
Total other equity instruments			19 667	14 173	16 052	10 558

1 SBSA on a reciprocal basis entered into subordinated AT1 capital lending agreements with SBG under identical terms.

85 Key legal entity information

THE STANDARD BANK GROUP

THE STANDARD BANK OF SOUTH AFRICA

AFRICA REGIONS LEGAL ENTITIES

LIBERTY

THE STANDARD BANK GROUP

Headline earnings and net asset value reconciliation by key legal entity

HEADLINE EARNINGS

	Change %	2022 Rm	2021 Rm
SBSA Group	26	**16 256**	12 877
Africa Regions legal entities	36	**12 216**	8 995
Standard Bank International	>100	**1 628**	544
Other group entities	(82)	**442**	2 524
Standard Insurance Limited	(37)	**310**	489
SBG Securities	(73)	**264**	995
Standard Advisory London	35	**85**	63
Other[1]	(>100)	**(217)**	977
Standard Bank Activities	22	**30 542**	24 940
Liberty	(>100)	**1 788**	(419)
ICBCS	>100	**1 917**	500
Standard Bank Group	37	**34 247**	25 021

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

NET ASSET VALUE

	Change %	2022 Rm	2021 Rm
SBSA Group	3	**111 081**	107 416
Africa Regions legal entities	9	**61 293**	56 137
Standard Bank International	15	**10 675**	9 276
Other group entities	6	**11 519**	10 856
Standard Insurance Limited	8	**2 256**	2 096
SBG Securities	(3)	**2 763**	2 856
Standard Advisory London	(3)	**710**	732
Other	12	**5 790**	5 172
Standard Bank Activities	6	**194 568**	183 685
Liberty	66	**18 039**	10 899
ICBCS	57	**6 657**	4 248
Standard Bank Group	10	**219 264**	198 832

THE STANDARD BANK OF SOUTH AFRICA

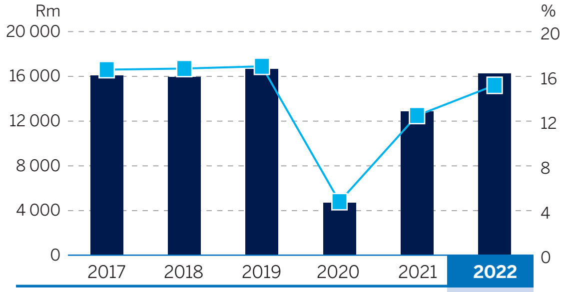
Key financial results, ratios and statistics

		Change %	2022	2021
SBSA Group[1]				
Income statement				
Headline earnings	Rm	26	**16 256**	12 877
Headline earnings as consolidated into SBG[2]	Rm	18	**16 479**	13 981
Profit attributable to ordinary shareholders	Rm	25	**16 023**	12 821
Statement of financial position				
Ordinary shareholders' equity	Rm	3	**111 081**	107 416
Total assets	Rm	7	**1 850 040**	1 725 074
Net loans and advances	Rm	4	**1 254 969**	1 203 254
Financial performance				
ROE	%		**15.2**	12.5
Non-interest revenue to total income[3]	%		**44.1**	43.9
Loan-to-deposit ratio	%		**84.5**	85.6
CLR	bps		**69**	68
CLR on loans to customers	bps		**80**	79
Cost-to-income ratio[3]	%		**59.7**	62.0
Jaws[3]	bps		**427**	221
Number of employees		(1)	**28 206**	28 356
Capital adequacy				
Total risk-weighted assets	Rm	10	**851 511**	772 054
Common equity tier 1 capital adequacy ratio	%		**12.1**	12.6
Tier 1 capital adequacy ratio	%		**13.7**	14.0
Total capital adequacy ratio	%		**16.6**	17.1
SBSA Company[1]				
Headline earnings	Rm	27	**16 384**	12 909
Headline earnings as consolidated into SBG[2]	Rm	25	**16 088**	12 835
Total assets	Rm	7	**1 848 932**	1 725 439
ROE	%		**14.9**	12.7

1 SBSA Group is a consolidation of entities including subsidiaries as well as structured entities, whereas SBSA company is a legal entity.
2 At an SBSA level, certain share-based payment schemes are accounted for on a cash-settled basis, but at a consolidated SBG level they are accounted for on an equity-settled basis. In addition, the hedges of those share schemes are recognised in the income statement at an SBSA level and in equity at an SBG level. Given SBG share price fluctuation, it is considered appropriate also to reflect SBSA's headline earnings as consolidated into SBG.
3 Restated. Please see page 129 for more information.

THE STANDARD BANK OF SOUTH AFRICA
Key financial results, ratios and statistics

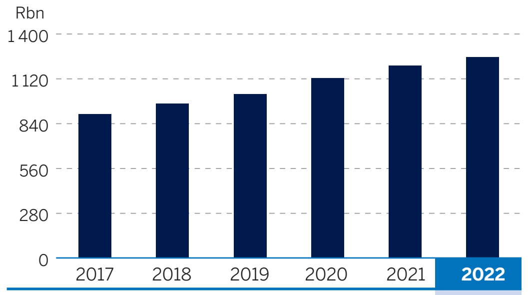
Headline earnings
CAGR (2017 – 2022): 0%



	2017	2018	2019	2020	2021	**2022**
Headline earnings	16 078	15 971	16 646	4 728	12 877	**16 256**
ROE	16.6	16.7	16.9	4.8	12.5	**15.2**

Headline earnings
ROE

Net loans and advances
CAGR (2017 – 2022): 7%



2017	2018	2019	2020	2021	**2022**
901	966	1 026	1 124	1 203	**1 255**

SBSA Group

The Standard Bank of South Africa (SBSA Group) is a wholly owned subsidiary of Standard Bank Group supporting the economic and socioeconomic development of South Africa. In FY22, SBSA contributed 47% of the group's headline earnings (FY21: 51%).

South Africa's economy continued to show signs of growth as the government lifted the state of disaster and ended most of the Covid-19 restrictions, however the economy remained vulnerable to global events. The concerns of global stagflation were met with rising inflation and further interest rate increases amounting to 325bps for the year, above pre-Covid levels. Additionally, increased electricity outages disrupted business productivity and the weakening of the ZAR followed negative investor sentiments and capital outflows.

Despite the tough economic environment, SBSA Group's results ended 2022 with headline earnings of R16 256 million up by 26%, with an ROE of 15.2%. Strong trading revenue growth from increased client activity and continued momentum from balance sheet growth and higher average interest rates, particularly in 2H22, supported net interest income growth. Credit impairment charges increased, mainly driven by balance sheet growth in 2H22. Costs grew in line with inflation and the resumption of business activity.

SBSA's liquidity and capital position remained strong and continued to provide financial resources to support clients and drive our growth aspirations. This was underpinned by the execution of robust credit modelling and risk management processes that ensured the bank remained within risk appetite parameters and above regulatory minimums.

Gross loans and advances to customers increased by 7% as the economic environment improved. The loan book benefitted from good registration volumes in home services, higher payouts in vehicle and asset finance and increased disbursements in unsecured lending. Growth in the corporate loan portfolio was characterised by good loan origination and demand for trade facilities as general business activity resumed.

Deposits from customers increased by 8% mainly due to continued focus on client acquisition and retention strategies, with strong growth in current and savings accounts as the client base increased. In addition, there was strong momentum in longer-term deposit growth to match the demand for longer-term secured lending.

Total income growth of 12% exceeded operating expense growth of 8%, resulting in positive jaws of 427bps and an improved cost-to-income ratio of 59.7%. Net interest income increased by 12% compared to prior year mainly due to higher average interest earning assets and positive endowment in a higher interest rate environment.

Net fee and commission revenue increased by 7% mainly due to higher transactional activity and the impact of annual price increases. In addition, good client acquisitions, increase in digital transactional volumes and increased card-based commissions as a result of higher card turnover further supported growth.

Trading revenue increased by 27% due to a combination of strong commodities performance, gains from market opportunities and structured sales transactions, as well as increased client flows related to credit-linked notes. This was partially offset by lower foreign exchange income due to the non-recurrence of prior year market gains and lower client activity in 2022.

Other revenue increased by 15% mainly driven by bancassurance income from higher gross written premiums and lower credit life claims. This was partially offset by higher short-term insurance claims due to extreme weather experienced early in the year, with the largest impact emanating from floods in KwaZulu-Natal in April. In response to this difficult period, SBSA supported clients by guiding them through available relief measures and assisted impacted communities through OneFarm Share and Gift of the Givers.

Other gains and losses on financial instruments increased by 16% following an increase in mark-to-market gains on fair value positions held.

Credit impairment charges grew by 10% compared to prior year due to defaults in the Consumer sector and normalised provisions on the corporate portfolio driven by book growth following a prior year release.

Operating expenses grew 8% mainly due to annual salary increases, an increase in the skilled employee compliment, higher brand and marketing spend and the non-recurrence of the prior year insurance fraud recovery.

SBSA will continue to focus on growing its market share in selected segments and contributing positively to the delivery of the group's 2025 targets. The SBSA franchise is well capitalised and positioned to continue supporting its clients and sustainably driving South Africa's growth.

THE STANDARD BANK OF SOUTH AFRICA
Condensed statement of financial position

	Group			Company		
	Change %	2022 Rm	2021 Rm	Change %	2022 Rm	2021 Rm
Assets						
Cash and balances with central banks	46	**47 146**	32 255	46	**47 146**	32 255
Derivative assets	11	**64 538**	58 287	10	**64 123**	58 268
Trading assets	13	**268 228**	238 098	13	**262 291**	232 633
Pledged assets	>100	**7 777**	1 975	>100	**7 777**	1 975
Non-current assets held for sale	(4)	**255**	265	(4)	**255**	265
Financial investments	4	**150 003**	144 037	4	**149 981**	144 435
Net loans and advances	4	**1 254 969**	1 203 254	4	**1 254 092**	1 203 295
Gross loans and advances to banks	(10)	**175 947**	194 480	(10)	**175 844**	194 313
Gross loans and advances to customers	7	**1 124 225**	1 050 255	7	**1 123 352**	1 050 337
Credit impairments	9	**(45 203)**	(41 481)	9	**(45 104)**	(41 355)
Other assets	51	**36 185**	23 886	51	**36 017**	23 779
Interest in associates and joint ventures	8	**1 016**	940	13	**7 492**	6 639
Property, equipment and right of use assets	(4)	**10 798**	11 243	(4)	**10 744**	11 173
Goodwill and other intangible assets	(16)	**9 125**	10 834	(16)	**9 014**	10 722
Total assets	7	**1 850 040**	1 725 074	7	**1 848 932**	1 725 439
Equity and liabilities						
Equity	6	**125 823**	118 968	6	**124 300**	117 105
Equity attributable to ordinary shareholders	3	**111 081**	107 416	3	**110 136**	106 556
Equity attributable to other equity instrument holders	28	**14 672**	11 488	34	**14 164**	10 549
Equity attributable to AT1 capital noteholders	34	**14 164**	10 549	34	**14 164**	10 549
Equity attributable to non-controlling interests within Standard Bank Group	(46)	**508**	939			
Equity attributable to non-controlling interests	9	**70**	64			
Liabilities	7	**1 724 217**	1 606 106	7	**1 724 632**	1 608 334
Derivative liabilities	12	**77 823**	69 594	12	**77 776**	69 549
Trading liabilities	33	**105 783**	79 416	33	**105 783**	79 416
Deposits and debt funding	6	**1 485 665**	1 406 202	6	**1 487 147**	1 409 139
Deposits from banks	(10)	**181 335**	201 578	(10)	**181 382**	201 599
Deposits from customers	8	**1 304 330**	1 204 624	8	**1 305 765**	1 207 540
Subordinated debt	3	**24 440**	23 738	3	**24 440**	23 738
Provisions and other liabilities	12	**30 506**	27 156	11	**29 486**	26 492
Total equity and liabilities	7	**1 850 040**	1 725 074	7	**1 848 932**	1 725 439

THE STANDARD BANK OF SOUTH AFRICA
Condensed income statement

	Group			Company		
	Change %	2022 Rm	2021 Rm	Change %	2022 Rm	2021 Rm
Net interest income	12	**45 632**	40 806	14	**44 820**	39 378
Non-interest revenue	13	**36 039**	31 983	13	**35 232**	31 149
Net fee and commission revenue[1]	7	**20 416**	19 127	7	**19 339**	18 123
Trading revenue	27	**8 590**	6 765	26	**8 322**	6 626
Other revenue	15	**4 755**	4 124	19	**5 293**	4 433
Other gains and losses on financial instruments	16	**2 278**	1 967	16	**2 278**	1 967
Total income	12	**81 671**	72 789	14	**80 052**	70 527
Credit impairment charges	10	**(8 618)**	(7 814)	10	**(8 571)**	(7 765)
Loans and advances	10	**(8 699)**	(7 903)	10	**(8 652)**	(7 856)
Financial investments	(>100)	**(13)**	17	(>100)	**(13)**	18
Letters of credit, guarantees and other	31	**94**	72	29	**94**	73
Income before revenue sharing agreements	12	**73 053**	64 975	14	**71 481**	62 762
Revenue sharing agreements with group companies	22	**(502)**	(413)	22	**(502)**	(413)
Income before operating expenses	12	**72 551**	64 562	14	**70 979**	62 349
Operating expenses	8	**(48 464)**	(44 902)	8	**(47 471)**	(44 126)
Staff costs	8	**(26 588)**	(24 645)	8	**(26 032)**	(24 100)
Other operating expenses[1]	8	**(21 876)**	(20 257)	7	**(21 439)**	(20 026)
Net income before capital items and equity accounted earnings	23	**24 087**	19 660	29	**23 508**	18 223
Non-trading and capital related items	>100	**(371)**	(80)	>100	**(579)**	(150)
Share of post-tax profit from associates and joint ventures	(95)	**1**	19	(95)	**1**	19
Profit before indirect taxation	21	**23 717**	19 599	27	**22 930**	18 092
Indirect taxation	14	**(1 626)**	(1 432)	14	**(1 615)**	(1 422)
Profit before direct taxation	22	**22 091**	18 167	28	**21 315**	16 670
Direct taxation	34	**(4 846)**	(3 620)	40	**(4 675)**	(3 350)
Profit for the period	19	**17 245**	14 547	25	**16 640**	13 320
Attributable to AT1 capital noteholders	30	**(697)**	(537)	30	**(697)**	(537)
Attributable to non-controlling interests with Standard Bank Group	(56)	**(519)**	(1 179)			
Attributable to non-controlling interests	(40)	**(6)**	(10)			
Attributable to ordinary shareholders	25	**16 023**	12 821	25	**15 943**	12 783
Headline adjustable items	>100	**233**	56	>100	**441**	126
Headline earnings	26	**16 256**	12 877	27	**16 384**	12 909
Profit attributable to non-controlling interests within Standard Bank Group	(56)	**519**	1 179			
IFRS 2 adjustment – staff costs net of taxation	>100	**(296)**	(75)	>100	**(296)**	(74)
Headlines earnings as consolidated into SBG[2]	18	**16 479**	13 981	25	**16 088**	12 835

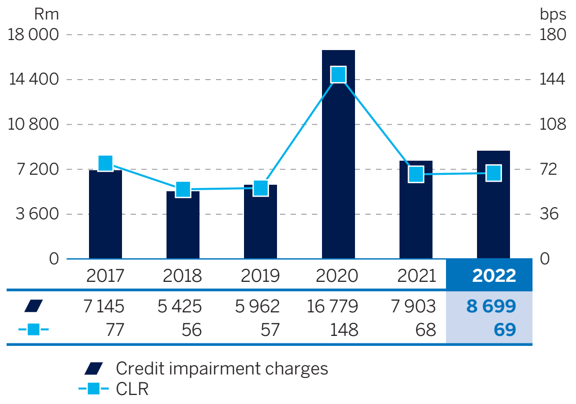
1 Restated. Please see page 129 for more information.
2 At an SBSA level, the share-based payment schemes are accounted for on a cash-settled basis, but at a consolidated SBG level they are accounted for on an equity-settled basis. Given the fluctuation in the SBG share price, it is considered appropriate to also reflect SBSA's headline earnings as consolidated into SBG.

THE STANDARD BANK OF SOUTH AFRICA

Credit impairment charges

Credit impairment charges on loans and advances

CAGR (2017 – 2022): 4%



INCOME STATEMENT CREDIT IMPAIRMENT CHARGES

		2022						2021					
	Change %	Stage 1 Rm	Stage 2[1] Rm	Total stage 1 and 2 Rm	Stage 3[1] Rm	Credit impairment charges/ (release) Rm	Credit loss ratio bps	Stage 1 Rm	Stage 2[1] Rm	Total stage 1 and 2 Rm	Stage 3[1] Rm	Credit impairment charges/ (release) Rm	Credit loss ratio bps
Home services	19	(105)	269	164	696	860	20	200	(636)	(436)	1 158	722	19
Vehicle and asset finance	39	57	663	720	628	1 348	129	(83)	(384)	(467)	1 436	969	105
Card and payments	(42)	85	(57)	28	1 660	1 688	455	(44)	(151)	(195)	3 113	2 918	830
Personal unsecured lending	15	19	530	549	2 415	2 964	548	40	(231)	(191)	2 766	2 575	485
Business lending and other	(21)	(179)	(37)	(216)	1 017	801	102	(50)	28	(22)	1 030	1 008	143
Corporate and sovereign lending	(>100)	265	4	269	739	1 008	26	(81)	(273)	(354)	97	(257)	(7)
CIB bank lending	(>100)	5	25	30		30	2	(32)		(32)		(32)	
Total loans and advances credit impairment charges	10	147	1 397	1 544	7 155	8 699	69	(50)	(1 647)	(1 697)	9 600	7 903	68
Credit impairment (release)/charge – financial investments						13						(17)	
Credit impairment (release)/charge – letters of credit, guarantees and other						(94)						(72)	
Total credit impairment charges	10					8 618						7 814	

1 Includes post-write-off recoveries and modification gains and losses.

THE STANDARD BANK OF SOUTH AFRICA

Reconciliation of expected credit loss for loans and advances measured at amortised cost

	1 January 2022 opening balance Rm	Total transfers between stages Rm	Net provisions raised and (released) Rm	Impaired accounts written off Rm	Currency translation and other movements Rm	Time value of money and interest in suspense Rm	December 2022 closing balance Rm	Modification losses and recoveries of amounts written off Rm
Home services	14 385		683	(1 082)		1 300	15 286	(177)
Stage 1	969	433	(538)				864	
Stage 2	2 197	174	50				2 421	(45)
Stage 3	11 219	(607)	1 171	(1 082)		1 300	12 001	(132)
Vehicle and asset finance	5 455		1 490	(982)		460	6 423	142
Stage 1	582	51	6				639	
Stage 2	894	(87)	660				1 467	(90)
Stage 3	3 979	36	824	(982)		460	4 317	232
Card debtors	3 801		1 906	(2 201)		232	3 738	218
Stage 1	623	120	(35)				708	
Stage 2	1 112	(25)	6				1 093	38
Stage 3	2 066	(95)	1 935	(2 201)		232	1 937	180
Personal unsecured lending	7 698		2 774	(2 726)		597	8 343	(190)
Stage 1	990	27	(8)				1 009	
Stage 2	1 182	92	395				1 669	(43)
Stage 3	5 526	(119)	2 387	(2 726)		597	5 665	(147)
Business lending and other	5 111		897	(892)		240	5 356	96
Stage 1	593	172	(351)				414	
Stage 2	881	(320)	283				844	
Stage 3	3 637	148	965	(892)		240	4 098	96
Corporate and sovereign lending	4 974		984	(680)	321	365	5 964	(24)
Stage 1	746	63	202		20		1 031	
Stage 2	615	(87)	91		(12)		607	
Stage 3	3 613	24	691	(680)	313	365	4 326	(24)
CIB bank lending	57		30		6		93	
Stage 1	57	5			(3)		59	
Stage 2		(5)	30		9		34	
Total	41 481		8 764	(8 563)	327	3 194	45 203	65
Stage 1	4 560	871	(724)		17		4 724	
Stage 2	6 881	(258)	1 515		(3)		8 135	(140)
Stage 3	30 040	(613)	7 973	(8 563)	313	3 194	32 344	205

The income statement credit impairment charge on loans and advances of R8 699 million is made up of total transfers, net provision raised of R8 764 million less modification losses and post-write-off recoveries of R65 million.

THE STANDARD BANK OF SOUTH AFRICA

Reconciliation of expected credit loss for loans and advances measured at amortised cost

	1 January 2021 opening balance Rm	Total transfers between stages Rm	Net provisions raised and (released) Rm	Impaired accounts written off Rm	Currency translation and other movements Rm	Time value of money and interest in suspense Rm	December 2021 closing balance Rm	Modification losses and recoveries of amounts written off Rm
Mortgage loans	14 256		628	(1 022)		523	14 385	(94)
Stage 1	769	1 158	(958)				969	
Stage 2	2 873	(45)	(631)				2 197	(40)
Stage 3	10 614	(1 113)	2 217	(1 022)		523	11 219	(54)
Vehicle and asset finance	5 015		1 072	(965)		333	5 455	103
Stage 1	665	339	(422)				582	
Stage 2	1 278	(121)	(263)				894	
Stage 3	3 072	(218)	1 757	(965)		333	3 979	103
Card debtors	3 356		3 603	(3 359)		201	3 801	685
Stage 1	667	144	(188)				623	
Stage 2	1 261	(188)	39				1 112	2
Stage 3	1 428	44	3 752	(3 359)		201	2 066	683
Personal unsecured lending	8 126		2 425	(3 714)		861	7 698	(150)
Stage 1	950	211	(171)				990	
Stage 2	1 503	(230)	(91)				1 182	(90)
Stage 3	5 673	19	2 687	(3 714)		861	5 526	(60)
Business lending and other	4 752		1 051	(902)		210	5 111	43
Stage 1	643	147	(197)				593	
Stage 2	853	(265)	293				881	
Stage 3	3 256	118	955	(902)		210	3 637	43
Corporate and sovereign lending	5 146		(249)	(193)	85	185	4 974	8
Stage 1	854	81	(162)		(27)		746	
Stage 2	883	(76)	(197)		5		615	
Stage 3	3 409	(5)	110	(193)	107	185	3 613	8
CIB bank lending	45		(32)		44		57	
Stage 1	45		(32)		44		57	
Total	40 696		8 498	(10 155)	129	2 313	41 481	595
Stage 1	4 593	2 080	(2 130)		17		4 560	
Stage 2	8 651	(925)	(850)		5		6 881	(128)
Stage 3	27 452	(1 155)	11 478	(10 155)	107	2 313	30 040	723

The income statement credit impairment charge on loans and advances of R7 903 million is made up of total transfers, net provision raised of R8 498 million less modification losses and post-write-off recoveries of R595 million.

THE STANDARD BANK OF SOUTH AFRICA

Loans and advances performance

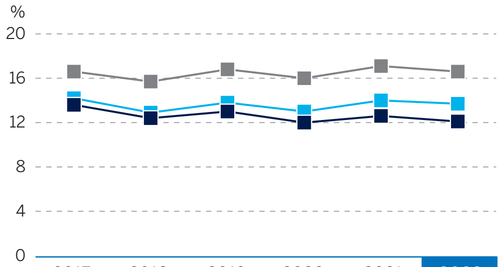
	Gross carrying loans and advances	SB 1 – 12		SB 13 – 20		SB 21 – 25		Total stage 1 and 2 loans	Total stage 3 loans	Securities and expected recoveries on stage 3 exposures loan	Balance sheet expected credit loss and interest in suspense on stage 3	Gross stage 3 loans coverage ratio	Stage 3 exposures ratio
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2						
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	%	%
2022													
Mortgage loans	436 952	63 903	3	290 464	12 741	7 348	31 872	406 331	30 621	18 620	12 001	39	7.0
Vehicle and asset finance	108 303	30 805	7	51 504	5 335	5 928	6 735	100 314	7 989	3 672	4 317	54	7.4
Card debtors	37 425	1 343		26 136	433	2 395	3 961	34 268	3 157	1 220	1 937	61	8.4
Personal unsecured lending	56 850	552		32 969	175	7 634	7 059	48 389	8 461	2 796	5 665	67	16.6
Business lending and other	85 918	9 791	160	62 994	1 711	598	4 528	79 782	6 136	2 038	4 098	67	6.7
Corporate and sovereign lending	399 001	172 378	1 181	197 655	14 759	943	1 742	388 658	10 343	6 017	4 326	42	2.6
CIB bank lending	171 255	112 686	590	22 536	31 303	2 258	1 882	171 255					
Central and other	3 804	3 804						3 804					
Gross loans and advances	1 299 508	395 262	1 941	684 258	66 457	27 104	57 779	1 232 801	66 707	34 363	32 344	48	5.1
Percentage of total book (%)	100.0	30.5	0.1	52.7	5.1	2.1	4.4	94.9	5.1	2.6	2.5		5.1
Gross loans and advances at amortised cost	1 299 508												
Gross loans and advances at fair value	664												
Total gross loans and advances	1 300 172												

	Gross carrying loans and advances	SB 1 – 12		SB 13 – 20		SB 21 – 25		Total stage 1 and 2 loans	Total stage 3 loans	Securities and expected recoveries on stage 3 exposures loans	Balance sheet expected credit loss and interest in suspense on stage 3	Gross stage 3 loans coverage ratio	Stage 3 exposures ratio
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2						
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	%	%
2021													
Mortgage loans	411 412	102 080	22	244 651	8 222	3 973	23 463	382 411	29 001	17 782	11 219	39	7.0
Vehicle and asset finance	99 531	20 807	4	60 507	2 845	2 709	6 132	93 004	6 527	2 548	3 979	61	6.6
Card debtors	35 779	4 132		24 422	29	866	3 506	32 955	2 824	758	2 066	73	7.9
Personal unsecured lending	54 529	7 614		28 924	371	5 179	4 918	47 006	7 523	1 997	5 526	73	13.8
Business lending and other	78 856	9 732	234	56 497	1 771	1 381	4 001	73 616	5 240	1 603	3 637	69	6.6
Corporate and sovereign lending	368 365	165 487	1 159	161 110	30 142	1 518	901	360 317	8 048	4 435	3 613	45	2.2
CIB bank lending	191 214	134 198		56 961	22	32	1	191 214					
Central and other	4 563	4 563						4 563					
Gross loans and advances	1 244 249	448 613	1 419	633 072	43 402	15 658	42 922	1 185 086	59 163	29 123	30 040	51	4.8
Percentage of total book (%)	100.0	36.0	0.1	50.9	3.5	1.3	3.4	95.2	4.8	2.4	2.4		4.8
Gross loans and advances at amortised cost	1 244 249												
Gross loans and advances at fair value	486												
Total gross loans and advances	1 244 735												

The group 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). Ratings are mapped to the probability of defaults (PDs) through calibration formulae that use historical default rates and other data from the applicable portfolio.

THE STANDARD BANK OF SOUTH AFRICA
Capital adequacy and risk-weighted assets

Capital adequacy – SBSA Group



	2017	2018	2019	2020	2021	2022
Common equity tier 1 capital	13.6	12.4	13.0	12.0	12.6	**12.1**
Tier 1 capital	14.2	12.9	13.8	13.0	14.0	**13.7**
Total regulatory capital	16.6	15.7	16.8	16.0	17.1	**16.6**

Common equity tier 1 capital
Tier 1 capital
Total regulatory capital

RISK-WEIGHTED ASSETS

	Change %	2022 Rm	2021 Rm
Credit risk	11	**610 686**	548 181
Counterparty credit risk	(5)	**49 976**	52 432
Market risk	15	**50 675**	43 891
Operational risk	7	**103 860**	97 393
Equity risk in the banking book	27	**17 681**	13 932
RWA for investments in financial entities	15	**18 633**	16 225
Total risk-weighted assets	10	**851 511**	772 054

THE STANDARD BANK OF SOUTH AFRICA
Capital adequacy

CAPITAL ADEQUACY RATIOS

	Internal target ratios[1] %	SARB minimum regulatory requirement[2] %	Excluding unappropriated profit 2022 %	Excluding unappropriated profit 2021 %	Including unappropriated profit 2022 %	Including unappropriated profit 2021 %
Common equity tier 1 capital adequacy ratio	>11.0	8.5	**11.0**	11.5	**12.1**	12.6
Tier 1 capital adequacy ratio	>12.0	10.8	**12.6**	12.9	**13.7**	14.0
Total capital adequacy ratio	>15.0	13.0	**15.5**	16.0	**16.6**	17.1

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

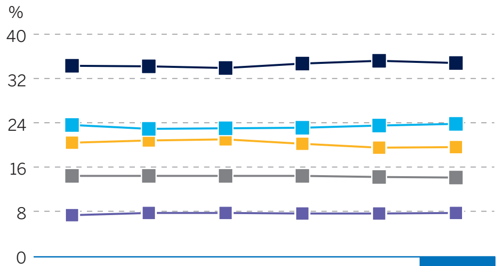
QUALIFYING REGULATORY CAPITAL EXCLUDING UNAPPROPRIATED PROFIT

	Change %	2022 Rm	2021 Rm
Ordinary shareholders' equity	3	**111 081**	107 416
Regulatory adjustments	(18)	**(8 206)**	(10 063)
Goodwill		**(42)**	(42)
Other intangible assets	(18)	**(7 483)**	(9 117)
Other adjustments	(25)	**(681)**	(904)
Total (including unappropriated profit)	6	**102 736**	97 353
Unappropriated profit	10	**(9 122)**	(8 323)
Common equity Tier 1 capital	5	**93 753**	89 030
Qualifying other equity instruments	34	**14 098**	10 502
Tier 1 capital	8	**107 851**	99 532
Tier 2 capital	1	**24 143**	23 858
Qualifying Tier 2 subordinated debt	5	**24 594**	23 520
General allowance for credit impairments	(6)	**2 674**	2 836
Regulatory adjustments – investment in Tier 2 instruments in other banks	25	**(3 125)**	(2 498)
Total qualifying regulatory capital	7	**131 944**	123 390

THE STANDARD BANK OF SOUTH AFRICA

Market share analysis[1]

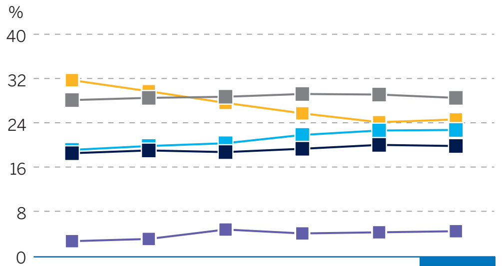
Mortgage loans[2]



%	2017	2018	2019	2020	2021	**2022**
SBSA	34.3	34.2	33.9	34.7	35.2	**34.8**
ABSA	23.6	22.9	23.0	23.1	23.5	**23.8**
Nedbank	14.4	14.4	14.4	14.4	14.2	**14.1**
FirstRand	20.4	20.8	21.0	20.2	19.5	**19.6**
Other	7.3	7.7	7.7	7.6	7.6	**7.7**

SBSA
ABSA
Nedbank
FirstRand
Other

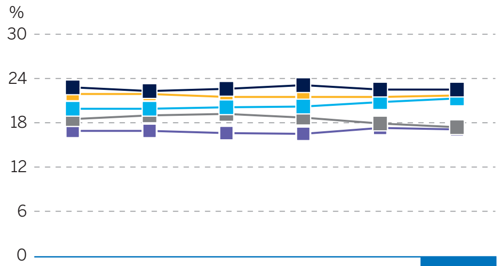
Vehicle and asset finance



%	2017	2018	2019	2020	2021	**2022**
SBSA	18.5	19.0	18.7	19.3	20.0	**19.8**
ABSA	19.1	19.8	20.3	21.8	22.6	**22.7**
Nedbank	28.1	28.5	28.7	29.2	29.1	**28.5**
FirstRand	31.7	29.7	27.6	25.7	24.1	**24.6**
Other	2.6	3.0	4.7	4.0	4.2	**4.4**

SBSA
ABSA
Nedbank
FirstRand
Other

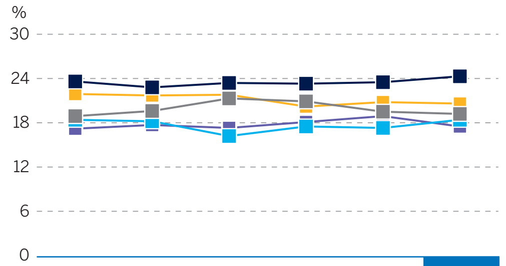
Deposits



%	2017	2018	2019	2020	2021	**2022**
SBSA	22.8	22.3	22.6	23.1	22.5	**22.5**
ABSA	19.9	19.9	20.1	20.2	20.8	**21.3**
Nedbank	18.5	19.0	19.2	18.7	17.9	**17.4**
FirstRand	21.9	21.9	21.5	21.5	21.5	**21.7**
Other	16.9	16.9	16.6	16.5	17.3	**17.1**

SBSA
ABSA
Nedbank
FirstRand
Other

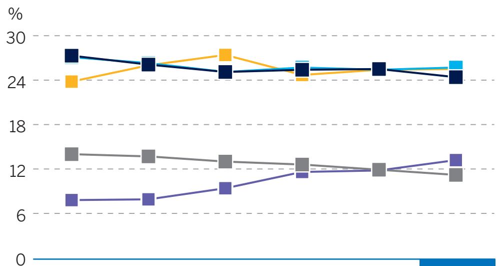
Corporate deposits



%	2017	2018	2019	2020	2021	**2022**
SBSA	23.6	22.8	23.4	23.3	23.5	**24.3**
ABSA	18.4	18.2	16.2	17.5	17.3	**18.4**
Nedbank	18.9	19.6	21.3	20.9	19.5	**19.2**
FirstRand	21.9	21.7	21.8	20.2	20.8	**20.6**
Other	17.2	17.7	17.3	18.1	18.9	**17.5**

SBSA
ABSA
Nedbank
FirstRand
Other

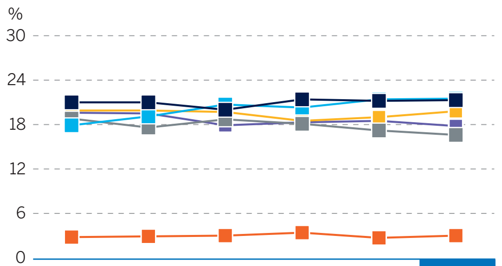
Card



%	2017	2018	2019	2020	2021	**2022**
SBSA	27.3	26.1	25.1	25.4	25.5	**24.4**
ABSA	27.1	26.3	25.1	25.7	25.4	**25.7**
Nedbank	14.0	13.7	13.0	12.6	11.9	**11.2**
FirstRand	23.8	26.0	27.4	24.7	25.4	**25.5**
Other	7.8	7.9	9.4	11.6	11.8	**13.2**

SBSA
ABSA
Nedbank
FirstRand
Other

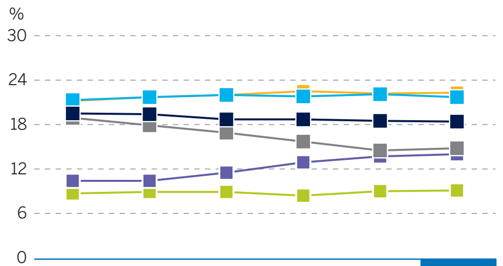
Other loans and advances



%	2017	2018	2019	2020	2021	**2022**
SBSA	21.0	21.0	20.0	21.4	21.2	**21.3**
ABSA	17.9	19.1	20.7	20.3	21.4	**21.5**
Nedbank	18.8	17.6	18.7	18.1	17.2	**16.6**
FirstRand	19.9	19.9	19.7	18.5	19.0	**19.8**
Capitec	2.8	2.9	3.0	3.4	2.7	**3.0**
Other	19.6	19.5	17.9	18.3	18.5	**17.8**

SBSA
ABSA
Nedbank
FirstRand
Capitec
Other

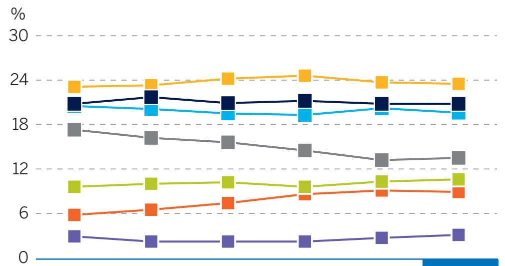
Household deposits



%	2017	2018	2019	2020	2021	**2022**
SBSA	19.5	19.4	18.7	18.7	18.5	**18.5**
ABSA	21.3	21.7	22.0	21.8	22.1	**21.4**
Nedbank	18.9	17.9	16.9	15.7	14.5	**15.0**
FirstRand	21.2	21.7	22.0	22.5	22.2	**22.3**
Investec	8.7	8.9	8.9	8.4	9.0	**9.1**
Other	10.4	10.4	11.5	12.9	13.7	**13.7**

SBSA
ABSA
Nedbank
FirstRand
Investec
Other

Household deposits – CASA[3]



%	2017	2018	2019	2020	2021	**2022**
SBSA	20.8	21.7	20.9	21.2	20.8	**20.8**
ABSA	20.5	20.1	19.5	19.3	20.2	**19.6**
Nedbank	17.3	16.2	15.6	14.5	13.2	**13.5**
FirstRand	23.1	23.3	24.2	24.6	23.7	**23.5**
Investec	9.6	10.0	10.2	9.6	10.3	**10.6**
Capitec	5.8	6.5	7.4	8.6	9.1	**8.9**
Other	2.9	2.2	2.2	2.2	2.7	**3.1**

SBSA
ABSA
Nedbank
FirstRand
Investec
Capitec
Other

1 Source: SARB BA 900.
2 Mortgage loans refers to residential households only. Commercial property finance is included in Other loans and advances.

3 CASA: Cheque, savings, on-demand and 1 to 30 day accounts.

AFRICA REGIONS LEGAL ENTITIES

Africa Regions

Africa Regions' strategy remains pivotal to grow and scale operations in Africa. This commitment has improved client satisfaction and led to a significant improvement in client activity across the 19 countries in which we have a presence. Africa Region's contribution to the Standard Bank Group headline earnings was 36% for the year.

The impact of global turmoil in 2022 differed across our African countries with Ghana experiencing sovereign distress and Zimbabwe saw their highest inflation rate in 2H22. Higher commodities prices, particularly in 1H22, supported exporters; exchange rate volatility and global supply chain disruptions have shaped the path of inflation since the start of the pandemic as food and fuel importers bore the brunt of persistently higher inflation and additional interest rate increases in most countries.

Africa Regions legal entities recorded headline earnings of R12 216 million, which increased 36% in Rand terms (ZAR) and 32% in constant currency (CCY). A pleasing ROE was achieved. Income growth outpaced operating expenses growth resulting in positive jaws of 882bps (FY21: negative 291bps) and an improved cost-to-income ratio of 49.0% (FY21: 52.6%). FY22 performance was characterised by strong balance sheet growth, higher average interest rates across most countries, increased market volatility which supported trading revenue growth and improved transactional activity across the continent. This performance was partially offset by cost pressures from high inflation rates and the impact of the Ghana sovereign default.

Balance sheet growth was supported by strong client lending and deposit growth, supported by efforts to grow the client base and increase digital client onboarding and lending. Surplus liquidity from strong client deposit growth was invested in treasury bills and government bonds at higher yields. Africa Regions continued to strengthen and diversify its funding sources within risk appetite and regulatory boundaries.

Due to the volatility in currency across the continent, the commentary which follows is based on constant currency movements.

Net interest income grew by 35% due to strong balance sheet growth supported by higher deal origination in the corporate loan portfolio, resulting in margin expansion as deals were refinanced and originated at higher yields. Higher average interest rates across various countries, in particular Zimbabwe, Ghana, Malawi, Nigeria and Mozambique, contributed to strong endowment gains.

Net fee and commission revenue was up 18% driven by the impact of local currency depreciation on foreign currency denominated fees in Zimbabwe, increased transactional volumes, the recovery of international trade activities as lockdown restrictions eased, the impact of annual price increases as well as increased structuring fees from growth in deal origination.

Trading revenue was up 14% due to strong foreign currency (forex) flows in West Africa as client demand and volatility increased, higher client sales in Kenya driven by USD demand following the KES depreciation and improved forex margins due to forex scarcity in Tanzania. These results were offset by a credit valuation adjustment raised in Ghana following the steep depreciation of the Cedi.

Credit impairment charges increased, driven by book growth, high inflows into stage 3 across most countries linked to the compound impact of higher inflation and interest rates, sovereign distress experienced in Ghana, increased charges on a long standing non-performing matter in Kenya consumer sector, and the negative effect of local currency devaluation in Zimbabwe for foreign currency exposures. Notwithstanding the elevated impairment charges, both the CLR and non-performing loan (NPL) ratios are still within risk appetite.

Operating expenses grew by 21% but was below weighted average inflation for the region of 30%. This was due to annual inflationary salary increases, an increase in skilled employees, and higher costs to support the investment in digital capabilities. The region incurred higher travel and entertainment costs as lockdown restrictions eased, increased depositor insurance due to growth in the deposit book, additional marketing campaigns to improve client activity as well as the impact of local currency devaluation on foreign currency denominated costs.

East Africa

East Africa headline earnings grew by 35% in CCY against FY21 to R2 431m. Net interest income growth of 20% was supported by an increased investment of surplus liquidity into financial investments, an increase in term loans in Kenya and Uganda due to client acquisition campaigns, as well as the impact of higher average interest rates.

Non-interest revenue grew by 23% driven by higher trading revenue from higher client sales in Kenya driven by USD demand following the KES depreciation, together with improved forex margins driven by forex scarcity in Tanzania.

Credit impairment charges increased to 14% due to additional provisions on a long standing non-performing matter in Kenya consumer sector. This was partly offset by improved credit risk profiling and collections strategies in Tanzania and Uganda.

Operating expenses were up by 12% due to annual salary increases, an increase in skilled employees, higher information technology costs to support digital initiatives, coupled with marketing and advertising campaigns to attract client activity.

South & Central Africa

South & Central Africa's headline earnings increased by 56% to R6 210 million, mainly driven by the performance from Zimbabwe, Mozambique, Mauritius and Botswana. Effective execution on digital lending platforms led to strong balance sheet growth in both loans and deposits mainly in Zambia, Mauritius and Malawi.

Net interest income increased by 39% driven by a sharp rise in both local and foreign currency lending, continued investment in treasury bills in Mozambique, Malawi and Mauritius and higher interest rates particularly in Zimbabwe. Most countries benefitted from the positive endowment from higher average interest rates.

Net fee and commission revenue increased by 25% driven mainly by higher transactional volumes across the region as lockdown restrictions eased. Growth was further supported by increased demand for foreign currency and new client acquisition in Zimbabwe, as well as partnerships with Mobile Network Operators in Botswana which contributed towards new revenue streams.

Trading revenue decreased by 4%, predominantly due to lower revenues in Zambia from reduced volatility and dollar scarcity. This was partly offset by higher foreign exchange margins from increased forex volatility in Malawi, Botswana and Mauritius, good client flows in Malawi and one-off trades in Mauritius.

Credit impairments charges decreased by 24% driven by impairment releases in Zambia due to a one notch sovereign rating upgrade as well as reduced impairment charges following the restructure of a significant facility in Namibia together with a strategic focus on recovery. This was partly offset by higher credit impairment charges from lending and financial investment book growth in Zimbabwe and Malawi as well as increases in distressed clients in the unsecured personal lending portfolio across the region due to the sharp interest rate increases.

Operating expenses were up by 24% driven by higher inflation, investment in digitisation initiatives that supported revenue and client growth, cost-of-living adjustments in Zimbabwe to provide some relief against the hyperinflationary environment and the impact of local currency devaluation on foreign denominated costs in Malawi and Zimbabwe. Cost containment measures continue to remain a key focus area for management in the region.

West Africa

West Africa's headline earnings grew by 2% to R3 575 million. The regional results were negatively impacted by the sovereign default in Ghana in 2H22, alongside a weakened economy and heightened credit risk.

Net interest income increased by 40% driven by good client lending and deposit growth. This is in line with our strategy to grow the client base and increase our digital client onboarding, mainly in Ghana and Nigeria. In addition, higher average interest rates resulted in positive endowment, particularly in Ghana and Nigeria in 2H22.

Fees and commission revenue increased by 11% due to higher transactional activity across the region supported by strong client acquisition, the easing of lockdown restrictions and positive net client cash flows in Nigeria and Ghana which supported the Assets Under Management (AUM) growth for both pension fund and asset management portfolios.

Trading revenue increased by 19%, driven by increased client activity and foreign exchange flows linked to increased demand for commodities in the region, together with mark-to-market gains on USD treasury bills. In 2H22, Ghana's results were impacted negatively by a credit valuation adjustment raised following the steep depreciation of the Ghanaian Cedi and the widening of spreads on government bonds.

The region experienced higher credit impairment charges on the back of the sovereign debt distress experienced in Ghana, as well as continued high inflows into non-performing loans, which, coupled with the loan book growth, led to additional provisions.

Operating expenses grew by 22% due to higher inflation, increased depositor insurance related to growth in the deposit base, investment in digitisation and technology initiatives, the impact of local currency devaluation on USD denominated IT contract costs as well as increased marketing campaigns related to client acquisition, mainly in Nigeria.

Looking ahead

The business remains focused on delivering superior client experience and is well positioned to deliver against its strategy. Ongoing investment in client journeys and digital capabilities will support revenue growth. Prudent credit risk and cost management remains pivotal to improve profitability.

AFRICA REGIONS LEGAL ENTITIES

Condensed statement of financial position

	East Africa[1]				South & Central Africa[2]				West Africa[3]				Africa Regions legal entities			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Assets																
Cash and balances with central banks	5	2	**9 409**	9 246	36	13	**21 137**	18 653	29	19	**36 771**	31 015	27	14	**67 318**	58 914
Derivative assets	0	1	**857**	850	45	45	**321**	222	26	18	**2 036**	1 728	19	15	**3 214**	2 801
Trading assets	35	36	**11 547**	8 479	(43)	(43)	**2 649**	4 646	37	10	**8 511**	7 770	17	9	**22 706**	20 895
Pledged assets	5	3	**516**	500	(93)	(94)	**50**	840	(30)	(33)	**4 715**	7 002	(33)	(37)	**5 281**	8 343
Financial investments	43	44	**14 843**	10 291	36	33	**38 210**	28 816	(11)	(16)	**34 301**	40 866	13	9	**87 354**	79 974
Net loans and advances	5	6	**68 708**	65 032	12	7	**160 084**	150 126	19	13	**93 670**	82 727	13	8	**322 463**	297 884
Gross loans and advances	6	6	**72 673**	68 560	12	7	**164 174**	154 115	20	14	**96 345**	84 603	13	8	**333 193**	307 277
Gross loans and advances to banks	(40)	(40)	**9 368**	15 677	13	8	**77 482**	71 597	(3)	0	**24 423**	24 451	2	0	**111 273**	111 724
Gross loans and advances to customers	19	20	**63 305**	52 883	10	5	**86 692**	82 518	31	20	**71 922**	60 152	19	13	**221 920**	195 553
Credit provisions on loans and advances	12	12	**(3 965)**	(3 528)	4	3	**(4 090)**	(3 989)	66	43	**(2 675)**	(1 876)	18	14	**(10 730)**	(9 393)
Other assets	25	26	**3 981**	3 167	39	>100	**5 391**	2 232	18	4	**8 917**	8 534	25	31	**18 288**	13 928
Investment property					>100	(4)	**1 211**	1 262					>100	(4)	**1 211**	1 262
Property and equipment	9	8	**1 024**	947	6	(5)	**3 201**	3 367	11	8	**4 027**	3 731	9	3	**8 251**	8 044
Goodwill and other intangible assets	(6)	(6)	**1 841**	1 968	(7)	(8)	**2 735**	2 984	27	21	**771**	635	(3)	(4)	**5 347**	5 587
Goodwill	0	(2)	**1 294**	1 316	(4)	(4)	**786**	815					(1)	(2)	**2 080**	2 131
Other intangible assets	(18)	(16)	**547**	652	(8)	(10)	**1 949**	2 169	27	21	**771**	635	(4)	(5)	**3 267**	3 456
Total assets	12	12	**112 726**	100 480	16	10	**234 989**	213 148	13	5	**193 719**	184 008	14	9	**541 433**	497 632
Equity and liabilities																
Equity	15	15	**19 522**	16 967	11	14	**29 895**	26 220	19	12	**26 309**	25 904	11	10	**75 726**	69 092
Equity attributable to ordinary shareholders	17	17	**15 767**	13 419	10	14	**27 444**	23 993	7	(3)	**18 082**	18 725	11	9	**61 293**	56 137
Equity attributable to non-controlling interest	7	6	**3 755**	3 548	16	10	**2 451**	2 227	12	15	**8 227**	7 179	11	11	**14 433**	12 955
Liabilities	12	12	**93 204**	83 513	17	10	**205 094**	186 928	14	6	**167 410**	158 104	15	9	**465 707**	428 540
Derivative liabilities	(20)	(20)	**940**	1 168	34	34	**281**	209	6	1	**991**	980	(5)	(6)	**2 213**	2 357
Trading liabilities	>100	>100	**3 192**	491	83	80	**3 438**	1 905	95	84	**8 341**	4 523	>100	>100	**14 972**	6 919
Deposits and debt funding	8	8	**82 698**	76 689	15	9	**192 057**	176 728	15	7	**134 787**	126 144	13	8	**409 542**	379 561
Deposits from banks	21	22	**7 911**	6 505	3	(1)	**10 382**	10 537	16	8	**29 852**	27 626	14	8	**48 144**	44 668
Deposits from customers	7	7	**74 787**	70 184	15	9	**181 675**	166 191	15	7	**104 935**	98 518	13	8	**361 398**	334 893
Subordinated debt	40	40	**1 741**	1 246	18	17	**1 306**	1 121	5	10	**1 253**	1 143	21	23	**4 300**	3 510
Provisions and other liabilities	21	18	**4 633**	3 919	72	15	**8 012**	6 965	(9)	(13)	**22 038**	25 314	6	(4)	**34 680**	36 193
Total equity and liabilities	12	12	**112 726**	100 480	16	10	**234 989**	213 148	13	5	**193 719**	184 008	14	9	**541 433**	497 632

1 Kenya, South Sudan, Tanzania, Uganda.
2 Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia, Zimbabwe.
3 Angola, Democratic Republic of the Congo, Ghana, Côte d'Ivoire, Nigeria.
The entity information included within the Africa Regions legal entities disclosure in this report aligns to the group's Africa Regions geographic information in terms of IFRS 8 Operating Segments.

AFRICA REGIONS LEGAL ENTITIES

Condensed regional income statement

	East Africa[1]				South & Central Africa[2]				West Africa[3]				Africa Regions legal entities			
	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm	CCY %	Change %	2022 Rm	2021 Rm
Net interest income	20	27	**6 163**	4 838	39	35	**12 755**	9 431	40	53	**9 680**	6 311	35	39	**28 598**	20 580
Non-interest revenue	23	29	**4 142**	3 219	19	11	**7 996**	7 232	15	23	**8 503**	6 909	18	19	**20 641**	17 360
Net fee and commission revenue	9	14	**1 551**	1 360	25	6	**4 535**	4 293	11	15	**5 178**	4 511	16	11	**11 264**	10 164
Trading revenue	33	39	**2 511**	1 811	(4)	4	**2 634**	2 538	19	36	**3 244**	2 394	14	24	**8 389**	6 743
Other revenue	14	19	**80**	67	>100	>100	**709**	281	(28)	(23)	**43**	56	>100	>100	**832**	404
Other gains and losses on financial instruments	(100)	(100)		(19)	(2)	(2)	**118**	120	(>100)	(>100)	**38**	(52)	>100	>100	**156**	49
Total income	21	28	**10 305**	8 057	31	25	**20 751**	16 663	27	38	**18 183**	13 220	27	30	**49 239**	37 940
Credit impairment charges	14	21	**(1 061)**	(876)	(24)	(25)	**(822)**	(1 097)	>100	>100	**(1 968)**	(103)	82	86	**(3 851)**	(2 076)
Loans and advances	16	23	**(1 068)**	(868)	(11)	(12)	**(909)**	(1 032)	>100	>100	**(1 064)**	(135)	46	49	**(3 041)**	(2 035)
Financial investments	>100	>100	**(5)**	(1)	(>100)	(>100)	**84**	(52)	(>100)	(>100)	**(879)**	13	>100	>100	**(800)**	(40)
Letters of credit, guarantees and other	(>100)	(>100)	**12**	(7)	(>100)	(>100)	**3**	(13)	(>100)	(>100)	**(25)**	19	>100	>100	**(10)**	(1)
Income before operating expenses	22	29	**9 244**	7 181	35	28	**19 929**	15 566	14	24	**16 215**	13 117	24	27	**45 388**	35 864
Operating expenses	12	18	**(4 744)**	(4 015)	24	17	**(10 463)**	(8 971)	22	28	**(8 915)**	(6 956)	21	21	**(24 122)**	(19 942)
Staff costs	14	20	**(2 357)**	(1 957)	23	19	**(4 911)**	(4 118)	21	28	**(4 054)**	(3 173)	20	22	**(11 322)**	(9 248)
Other operating expenses	10	16	**(2 387)**	(2 058)	26	14	**(5 552)**	(4 853)	23	28	**(4 861)**	(3 783)	21	20	**(12 800)**	(10 694)
Net income before non-trading and capital related items, and equity accounted earnings	35	42	**4 500**	3 166	48	44	**9 466**	6 595	5	18	**7 300**	6 161	28	34	**21 266**	15 922
Non-trading and capital related items	>100	>100	**5**	1	>100	>100	**714**	11	(>100)	(>100)	**7**	(1)	>100	>100	**726**	11
Profit before indirect taxation	35	42	**4 505**	3 167	60	54	**10 180**	6 606	5	19	**7 307**	6 160	32	38	**21 992**	15 933
Indirect taxation	(2)	5	**(220)**	(209)	17	18	**(457)**	(386)	16	22	**(257)**	(211)	12	16	**(934)**	(806)
Profit before direct taxation	38	45	**4 285**	2 958	63	56	**9 723**	6 220	5	19	**7 050**	5 949	33	39	**21 058**	15 127
Direct taxation	53	61	**(1 205)**	(748)	44	35	**(2 337)**	(1 727)	(10)	(5)	**(1 212)**	(1 270)	26	27	**(4 754)**	(3 745)
Profit for the period	33	39	**3 080**	2 210	70	64	**7 386**	4 493	9	25	**5 838**	4 679	36	43	**16 304**	11 382
Attributable to non-controlling interests	25	29	**(644)**	(499)	51	49	**(559)**	(375)	20	51	**(2 259)**	(1 492)	25	46	**(3 462)**	(2 366)
Attributable to ordinary shareholders	35	42	**2 436**	1 711	72	66	**6 827**	4 118	3	12	**3 579**	3 187	39	42	**12 842**	9 016
Headline adjustable items	>100	>100	**(5)**	(1)	>100	>100	**(617)**	(19)	100	>100	**(4)**	(1)	>100	>100	**(626)**	(21)
Headline earnings	35	42	**2 431**	1 710	56	52	**6 210**	4 099	2	12	**3 575**	3 186	32	36	**12 216**	8 995
ROE (%)			**17.3**	14.7			**25.4**	20.1			**18.2**	18.3			**21.0**	18.2
CLR (bps)			**154**	145			**57**	75			**111**	18			**93**	75
CLR on loans to customers (bps)			**186**	183			**107**	140			**161**	28			**146**	121
Cost-to-income ratio (%)			**46.0**	49.8			**50.4**	53.8			**49.0**	52.6			**49.0**	52.6
Effective direct taxation rate (%)			**28.1**	25.3			**24.0**	27.8			**17.2**	21.3			**22.6**	24.8
Effective total taxation rate (%)			**31.6**	30.2			**27.4**	32.0			**20.1**	24.0			**25.9**	28.6

[1] Kenya, South Sudan, Tanzania, Uganda.
[2] Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia, Zimbabwe.
[3] Angola, Democratic Republic of the Congo, Ghana, Côte d'Ivoire, Nigeria.
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LIBERTY

Overview

In 1H22, Standard Bank Group (SBG) purchased the remaining minority shares in Liberty and became the sole shareholder. The process of integrating Liberty into the broader group is well underway and good progress is being made, but there has not yet been significant impact on Liberty's financial results.

Liberty's 2022 financial performance improved relative to the prior year as Covid-19 pandemic-related impacts waned and lower risk claims were experienced.

Liberty's core South African Insurance operations grew normalised operating earnings, before the impact of the Covid-19 pandemic, by 30.4% to R1 705 million. SA Retail contributed positively to this outcome with a 29.7% uplift. SA Retail risk experience has normalised during 2022, other than for older ages, with the long-term actuarial assumptions strengthened to take account of this. SA Retail complex risk persistency continued to show favourable outcomes, but pressure exists on investment books given the economic climate. Liberty Corporate earnings increased from R41 million to R166 million, driven by reduced claims in 2022 supporting an improved underwriting result and good retention of assets within group investment solutions. The LibFin Markets result was assisted by increased credit earnings in 2022. Expenditure on strategic projects, including the IFRS 17 project, has increased.

STANLIB South Africa's earnings decreased by 7.8% to R435 million. This reduction was due to the impact of volatile investment market conditions during the year, which had a negative impact on assets under management (AUM) and consequently the fees earned from AUM. Investment performance has remained strong on the core fixed income franchise, as well as the new investment solutions servicing SA Retail and Liberty Corporate. Although cash flow has been negative, the 2H22 trend has been positive, and overall outflows from the money market and fixed income franchises have not been out of line relative to competitors and the market.

The Africa Regions reported a headline loss of R75 million for the year. This was mainly due to the Liberty Health business which, while continuing to grow lives under management, has not yet achieved the required scale. The Liberty Africa Insurance result was impacted by weaker investment markets, mainly in Kenya, and higher levels of short- and long-term business claims in the Kenya businesses.

With the impact of the Covid-19 pandemic on Liberty's business having receded in 2022, the 2022 results accordingly include the release of the remainder of the pandemic reserve from the SA Retail, Liberty Corporate and Liberty Africa Insurance businesses. Consequently, normalised operating earnings (post-pandemic reserve impacts) increased to a profit of R1 737 million in 2022 from a loss of R1 610 million in the prior year.

The Shareholder Investment Portfolio (SIP) earnings of R323 million were impacted by volatile global and local financial market conditions as a result of global recessionary concerns and the ongoing geopolitical environment. After accounting for the SIP earnings and other IFRS adjustments, Liberty recorded IFRS headline earnings of R2 066 million for the 2022 year, compared to a loss of R112 million in the prior year. The group's effective share of Liberty's earnings was a profit of R2 031 million for the year.

Insurance sales have continued their upward trend. Indexed new business (excluding contractual increases) grew by 6.5%, with increased new business margins. Within SA Retail, strong sales of guaranteed investment plans, single premium retirement annuity products, and new funeral products, offset a reduction in complex risk sales and enabled the indexed premium growth with good support from all channels. Overall, SA Retail indexed premium grew by 5.2% against 2021. Liberty Corporate indexed premium increased by 13.4% compared to 2021, benefiting from increased recurring premium new business sales.

Liberty Group Limited's solvency capital requirement cover remained robust and slightly ahead of the new target range at 1.76 times cover.

In anticipation of, and in line with, a new accounting standard for insurance contracts (IFRS 17), adopted from the start of 2023, we have reduced embedded value disclosures and introduced more relevant metrics based on regulatory Solvency Assessment and Management (SAM) based own funds measurement. The reduced level of risk claims in 2022 together with the trend of increasing sales has contributed to a significant increase in new business value, from R33 million in 2021 to R394 million in 2022.

The new IFRS17 standard became effective 1 January 2023. The standard does not affect the 2022 financial results but will do so from 2023 onwards. Further communication relating to the financial implications of this standard change will be provided in the build up to the 2023 half year.

Looking ahead

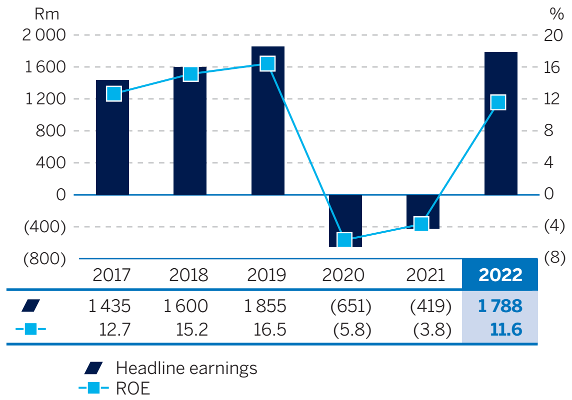
Our vision for Liberty augments the power of human-to-human engagement between advisers and clients through a digital platform to provide simple and intuitive tools and solutions, grounded in the best advice.

Our near-term strategic priorities are centred around transforming the experience of clients and advisers through our engagement platform, which continues to be rolled out within the Liberty tied adviser force and empowers meaningful engagement with clients. The adviser adoption rate and usage of the engagement platform and its associated tools has increased to over 80%. The new investment solutions launched within SA Retail and Liberty Corporate continue to be well received, with focus remaining on delivering to client mandates while growing the AUM within these solutions. The build of the Group Investment Platform has progressed well, with further roll-out to various channels planned for 2023. The enhanced Liberty Corporate umbrella construct will provide retirement savings and risk solutions to medium-sized enterprises.

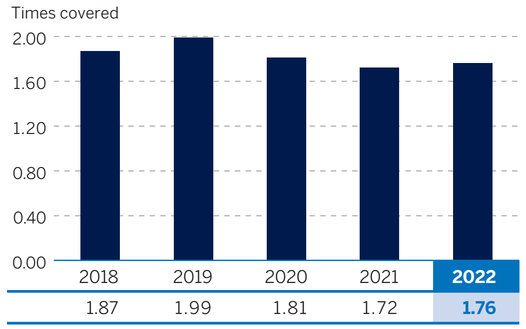
Integration efforts with SBG are progressing according to plan and presents opportunities to scale the business further. 2022 was used as a period to consider the most effective integration options to create long term sustainable value for SBG, the effects of which should start to emerge in 2023. Confidence remains that the year three value uplift anticipated at R600 million per annum gross of tax synergies remains achievable across SBG.

Headline earnings – Liberty Group

CAGR (2017 – 2022): 4%



Solvency capital requirement cover – Liberty Group Limited



FINANCIAL PERFORMANCE INDICATORS

		Change %	2022	2021
Earnings				
Normalised operating earnings/(loss)[1]	Rm	>100	**1 737**	(1 610)
Normalised headline earnings/(loss)[1]	Rm	>100	**2 060**	(56)
Headline earnings/(loss)	Rm	>100	**2 066**	(112)
Long-term insurance operations				
Indexed new business (excluding contractual increases)	Rm	7	**9 836**	9 232
Value of new business	Rm	27	**290**	229
New business margin	(%)		**0.6**	0.5
Net customer cash flows	Rm	>100	**6 346**	(628)
Solvency capital requirement cover of Liberty Group Limited[2]	times covered		**1.76**	1.72
Asset management				
Group assets under management	Rbn	(2)	**873**	888
Asset management net cash flows (external)	Rm	(>100)	**(6 751)**	31 702

1 These measures reflect the economic substance of the consolidation of the listed REIT Liberty Two Degrees (L2D) and the Black Economic Empowerment (BEE) transaction, as opposed to the required IFRS accounting treatment.
2 Solvency capital requirement cover is the excess of assets over liabilities required by an insurer to ensure that its assets remain larger than its liabilities with a 99.5% level of certainty over a one year time horizon, with assets and liabilities valued in accordance with the Insurance Act, 2017.

KEY RATIOS AND STATISTICS AS CONSOLIDATED IN SBG

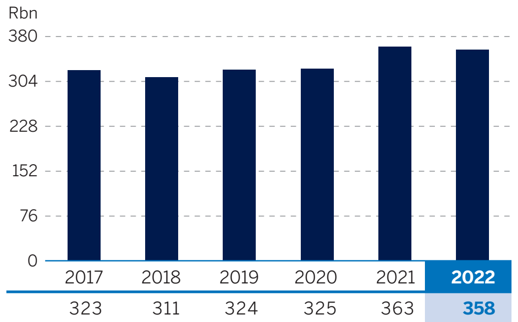
		Change %	2022	2021
Effective interest in Liberty at end of period[1]	%	75	**100**	57.2
Headline earnings attributable to the group[2]	Rm	>100	**1 788**	(419)
SBG share of Liberty's IFRS headline earnings	Rm	>100	**2 031**	(64)
Impact of SBG shares held for the benefit of Liberty policyholders	Rm	(32)	**(243)**	(355)
ROE	%		**11.6**	(3.8)

1 100% from February 2022.
2 Includes an adjustment for group shares held for the benefit of Liberty policyholders (deemed treasury shares).

LIBERTY

Long-term policyholder liabilities

CAGR (2017 – 2022): 2%



HEADLINE EARNINGS/(LOSS) PER BUSINESS UNIT

	Change %	2022 Rm	2021 Rm
South African Insurance Operations	30	**1 705**	1 308
SA Retail	30	**1 130**	871
Liberty Corporate	>100	**166**	41
Business Optimisation	(11)	**(30)**	(27)
LibFin Markets	4	**439**	423
South Africa Asset Management – STANLIB	(8)	**435**	472
Africa Regions	(15)	**(75)**	(65)
Liberty Africa Insurance	(20)	**24**	30
Liberty Health	13	**(104)**	(119)
STANLIB Africa	(79)	**5**	24
Group strategic initiatives	(32)	**(487)**	(368)
Central costs and sundry income	(>100)	**(6)**	2
Normalised operating earnings before Covid-19 pandemic reserve	17	**1 572**	1 349
Covid-19 impact, net of taxation and non-controlling interests' share	>100	**165**	(2 959)
Normalised operating earnings/(loss)	>100	**1 737**	(1 610)
Shareholder Investment Portfolio (SIP)	(79)	**323**	1 554
Normalised headline earnings/(loss)	>100	**2 060**	(56)
BEE preference share adjustment	67	**(1)**	(3)
Reversal of accounting mismatch arising on consolidation of L2D	>100	**7**	(53)
Headline earnings/(loss) before non-controlling interests	>100	**2 066**	(112)

CONDENSED CONSOLIDATED STATEMENT OF HEADLINE EARNINGS/(LOSS)

	Change %	2022 Rm	2021 Rm
Net insurance premiums	11	**49 379**	44 364
Revenue from contracts with customers	11	**3 921**	3 542
Investment income and fair value gains	(91)	**5 954**	68 643
Total income	(49)	**59 254**	116 549
Net claims and policyholder benefits under insurance contracts	(8)	**(41 643)**	(45 207)
Change in policyholder assets and liabilities under investment and insurance contracts	>100	**2 012**	(40 201)
Fair value adjustment to financial liabilities and finance costs	16	**(1 111)**	(961)
Fair value adjustments to third-party mutual fund interests	>100	**5 126**	(10 334)
Net income before operating expenses	19	**23 638**	19 846
General marketing and administration expenses and acquisition costs	9	**(17 765)**	(16 317)
Profit share allocations	57	**(2 084)**	(1 326)
Net income before capital items and equity accounted earnings	72	**3 789**	2 203
Non-trading and capital related items	>100	**(47)**	(17)
Share of post tax profit from joint ventures and associates	>100	**28**	11
Profit before taxation	72	**3 770**	2 197
Taxation[1]	(29)	**(1 467)**	(2 070)
Total earnings	>100	**2 303**	127
Attributable to non-controlling interests	(16)	**(305)**	(363)
Attributable to ordinary shareholders	>100	**1 998**	(236)
Headline adjustable items	(48)	**64**	124
Headline earnings/(loss)	>100	**2 062**	(112)
IFRS 2 adjustment – staff costs net of taxation	100	**4**	
Headline earnings/(loss) before SBG non-controlling interests	>100	**2 066**	(112)
Attributable to non-controlling interests at SBG level	>100	**(35)**	48
Headline earnings/(loss) as consolidated into SBG	>100	**2 031**	(64)

[1] IFRS requires both policyholder and shareholder taxation to be reported in the taxation line. This therefore distorts the effective tax charge relative to profit before taxation.

LIBERTY

ANALYSIS OF CHANGE IN LGL SAM OWN FUNDS

The table below provides explanations for the R543 million increase in the LGL SAM own funds for the period ended 31 December 2022 and includes comparative figures for the prior period ended 31 December 2021.

	Notes	2022 Rm	2021 Rm
Own Funds – Beginning of the period		**29 606**	30 280
New business value (NBV)	1	**394**	33
Expected release of risk margin	2	**658**	627
Variances/changes in operating assumptions		**(622)**	(2 800)
Operating experience variances	3	**(454)**	(306)
Operating assumption and modelling changes[1]	4	**(168)**	(2 494)
Economic adjustments		**23**	3 466
Return on IFRS NAV	5	**(109)**	790
Return on additional SAM own funds and investment variances	6	**132**	2 676
Dividends and other capital changes	7	**90**	(2 000)
Own Funds – End of the period		**30 149**	29 606

1 The value in 2021 includes the Covid-19 impact of R2 540 million.

The significant line items in the build-up are explained in the notes that follow:

Notes to analysis of SAM Own Funds:

1. The NBV captures the own funds generated from LGL's various business units during the period for both long and short contract boundary business on a SAM basis. The treatment of these is described in more detail in what follows.

   The NBV allows for the best estimate profitability on new contracts that are considered long boundary business under SAM, as well as the in-year earnings from contracts that are considered short boundary business.

   The short contract boundary business includes very specific product types which, due to their nature, have been classified as not having long contract boundaries. Embedded Credit Life and Funeral, and Liberty Corporate (save for the long boundary annuity business) are considered short boundary business under SAM. For this business, the new business value on a SAM basis only considers the in-year earnings after normalising for the impact of Covid-19.

   Earnings from illiquidity premiums in excess of those included in the SAM liabilities, and earnings from credit investments, which both emerge annually as profits on the SAM basis, are included.

   The NBV is adjusted for the new business risk margin which is the present value of the cost of the non-hedgeable capital requirements for new business sold in the year. This is based on a 6% cost of capital above the risk-free rate. This amount will be released over the expected lifetime of the new business on a SAM basis going forwards.

   The NBV for 2022 increased significantly compared to 2021 mainly because of improved sales volumes (mainly on Guaranteed Investment Plans and ECM), and higher product margins which resulted in a significant increase in the long-boundary SA Retail business. In addition, there was an increase in Liberty Corporate earnings which was offset by lower earnings from illiquidity premiums and credit investments.

2. The risk margin releases over the expected lifetime of the contracts in line with the expected change in the risk profile of these contracts through time. This result allows for the expected release of the risk margin over the period on the in-force business at the start of the year which provides for the 6% cost of capital on non-hedgeable risk above the risk-free rate.

3. Overall mortality, morbidity, expenses and policyholder behaviour were broadly in line with expectations. In addition, this item includes the allowance for development costs related to projects and other costs that are expected to be once-off in nature, including the cost of the IFRS 17 project and simplification initiatives that were incurred during the period.

4. The loss for the 2022 period was largely due to the once-off strengthening of long-term expense assumptions to align the expense basis between SAM and IFRS 17 and the partial offset from adjustment to policyholder behaviour assumptions. In addition, there is a surplus in this line for 2022 which relates mainly to the release from the Liberty Corporate pandemic reserve. The loss for 2021 is due to raising the pandemic reserve.

5. The following table summarises the return on the IFRS NAV and other adjustments to the Shareholder Investment Portfolio (SIP) earnings.

RETURN ON IFRS NAV

	2022 Rm	2021 Rm
Shareholder Investment Portfolio as reported in IFRS earnings	**323**	1 554
Movement in the adjustment to reflect L2D at listed share price	**(1)**	228
Shareholder Investment Portfolio earnings	**322**	1 782
Remove 90:10 book[1]	**45**	(423)
Frank Financial Services	**(29)**	(23)
Central treasury investments	**80**	107
Software asset impairment		(107)
Group Strategic Initiatives	**(487)**	(369)
Business Optimisation	**(30)**	(27)
Other	**(10)**	(150)
Return on NAV and other adjustments	**(109)**	790

1 The 90:10 exposure is the exposure on certain contracts, which include terms that allocate 10% of the investment returns to Liberty shareholders. On a portion of business in this category, policyholders receive 90% of both the positive and negative returns achieved on the underlying assets. This leaves shareholders' earnings with exposure to the remaining 10%, thereby introducing earnings volatility due to the exposure to market risk.

6. This item represents the returns on the additional own funds under SAM over and above that earned on the IFRS NAV (see reconciliation in next section below) as well as additional Asset Liability Management (ALM) mismatch returns on the SAM basis due to ALM being performed on the IFRS basis.

7. For 2022, this relates mainly to two offsetting items being the net issuance of subordinated debt of R500 million (which increases own funds on a SAM basis) offset by a dividend distribution of R500 million, the residual R90 million was as a result of a number of smaller items that went through equity. For 2021, this includes the R1.5 billion special dividend distribution which had already been approved by the Liberty Board by 31 December 2021 as well as the net redemption of subordinated debt of R500 million in the second half of 2021. Under SAM, any foreseeable dividends need to be excluded from own funds, and the subordinated debt is not recognised as a liability in the SAM own funds.

LIBERTY

IFRS 4 NET ASSET VALUE TO SAM OWN FUNDS RECONCILIATION

The table below reconciles the differences between the LGL own funds under SAM and the current LHL IFRS NAV as at 31 December 2022, with comparative figures included for 31 December 2021:

	Notes	2022 Liberty Group Limited Rm	2022 Other businesses Rm	2022 Total Rm	2021 Liberty Group Limited Rm	2021 Other businesses Rm	2021 Total Rm
Liberty Group Limited company IFRS Equity		**13 711**		**13 711**	14 683		14 683
Liberty Group Limited subsidiaries			**297**	**297**		313	313
STANLIB South Africa			**1 150**	**1 150**		1 135	1 135
STANLIB Africa			**104**	**104**		127	127
Liberty Health			**407**	**407**		428	428
Liberty Africa Insurance			**1 204**	**1 204**		1 142	1 142
Liberty Holdings	1		**593**	**593**		2 088	2 088
Liberty Two Degrees adjustment to net asset value	2		**1 093**	**1 093**		1 057	1 057
LHL shareholders' equity reported under IFRS		**13 711**	**4 848**	**18 559**	14 683	6 290	20 973
Difference in assets between SAM and IFRS	3	**9**			72		
Elimination of subordinated debt	4	**6 056**			5 509		
Deferred revenue and acquisition costs		**(331)**			(394)		
Difference in policyholder liabilities		**14 430**			15 368		
Difference in valuation methodologies	5	**21 052**			21 676		
SAM risk margin	6	**(6 622)**			(6 308)		
Tax adjustments	7	**(3 726)**			(4 132)		
Allowance for foreseeable dividends					(1 500)		
SAM Own Funds		**30 149**			29 606		

Notes to IFRS net asset value to SAM Own Funds reconciliation:

1. The reduction in LHL shareholder equity over the twelve-month period ending 31 December 2022 was driven mainly by the impact of the special dividend paid from Liberty to the Standard Bank Group in February 2022 of R2 991 million.
2. Represents the difference between Liberty's share of the net asset value of L2D at the end of the period and the listed price of L2D shares multiplied by the number of shares in issue to Liberty at the end of the period. This comprises R1 078 million (31 December 2021: R1 042 million) at an LGL level plus an additional R15 million (31 December 2021: R15 million) at a Liberty Holdings group level.
3. Includes the elimination of intangible assets on the SAM basis and the write up to NAV of LGL subsidiaries.
4. Sub-ordinated debt is not recognised as a liability in calculating the SAM own funds.
5. This item allows for the difference in valuation methodologies between IFRS 4 and SAM bases. The SAM basis sets a best estimate liability, whereas the IFRS 4 basis includes margins within the liability valuation. These compulsory and discretionary margins included in the current IFRS 4 valuation are the most significant differences between the two bases.

   There are also other, less material, differences between the bases, for example, the SAM basis allows for longer contract boundaries on the applicable books of business. The SAM basis uses the full prescribed yield curve, including real yield curves, to value all policies while the current IFRS 4 basis uses a combination of the 10-year par bond rate and a full internal yield curve.
6. The addition of the SAM risk margin, which is based on an assessment of the cost of non-hedgeable risk, aims to adjust the best estimate liabilities to a market consistent value. This is done based on the robust and specific risk assessment by risk type underlying the SCR calculation and then assessing the cost of this capital using a rate of 6% above the risk-free rate.
7. This item represents the additional deferred tax liability on a SAM basis.

ANALYSIS OF VALUE OF LONG-TERM INSURANCE NEW BUSINESS AND MARGINS

The Value of New Business for long-term insurance business has been included below as supplementary information to the preceding new SAM disclosure. The Value of New Business has been calculated consistently with principles and methodologies used in prior periods in the calculation of Group Equity Value. The economic basis[1] for the calculation is included below the table.

	2022 Rm	2021 Rm
South African covered business		
SA Retail	**1 760**	1 679
Traditional Life	**1 537**	1 461
Direct Channel	**71**	82
Credit Life	**152**	136
Liberty Corporate	**204**	199
Gross value of new business	**1 964**	1 878
Overhead acquisition (including underwriting) costs impact on value of new business	**(1 570)**	(1 532)
Cost of required capital	**(125)**	(133)
Net value of South African covered business	**269**	213
Present value of future expected premiums	**46 019**	43 345
Margin (%)	**0.6**	0.5
Liberty Africa Insurance		
Net value of new business	**21**	16
Present value of future expected premiums	**1 671**	1 456
Margin (%)	**1.3**	1.1
Total group net value of new business	**290**	229
Total group margin (%)	**0.6**	0.5

[1] Economic basis: Certain books of business are valued with reference to the entire yield curve while others are valued with reference to the market yield on medium-term South African government stock as shown below.

INVESTMENT RETURN PER ANNUM

	2022 %	2021 %
Government stock	**11.1**	9.9
Equities	**14.6**	13.4
Property	**12.1**	10.9
Cash	**9.6**	8.4
The risk discount rate has been set equal to the risk free rate plus 80% of the equity risk premium	**13.9**	12.7
Maintenance expense inflation rate[1]	**9.4**	8.1

[1] The expense inflation assumption for the books of business valued with reference to the entire yield curve is set to be consistent with market implied inflation rates.

SOLVENCY CAPITAL REQUIREMENT COVERAGE

The following table summarises the available capital (or "own funds") and the solvency capital requirements for Liberty Group Limited.

	2022	2021
Available capital (or own funds) (Rm)	**30 144**	29 601
SCR (Rm)	**17 113**	17 254
SCR coverage ratio (times)	**1.76**	1.72
Target SCR coverage ratio (times)	**1.3 – 1.7**	1.5 – 2.0

LIBERTY

EXPOSURES IN THE SHAREHOLDER INVESTMENT PORTFOLIO (SIP)

	2022				2021			
Exposure category[4]	Local Rm	Foreign Rm	Total Rm	%	Local Rm	Foreign Rm	Total Rm	%
Equities	1 031	617	1 648	7	1 255	858	2 113	9
Bonds	648	415	1 063	5	6 282	414	6 696	28
Cash	14 395		14 395	63	8 424		8 424	36
Property[1]	4 670		4 670	21	4 465		4 465	19
Other	54	889	943	4	790	1 076	1 866	8
Total	20 798	1 921	22 719	100	21 216	2 348	23 564	100
Reconciliation to IFRS shareholders' equity								
Shareholder Investment Portfolio			22 719				23 564	
Less: 90:10 exposure[2]			(2 660)				(3 063)	
Less: Subordinated notes			(6 051)				(5 505)	
South African insurance operations Liberty funds			14 008				14 996	
Liberty Group Limited group's shareholder' equity			15 086				16 038	
Insurance group funds			14 008				14 996	
Liberty Two Degrees[3]			1 078				1 042	

1 Shareholders are also exposed to any mismatch between the return required by certain policyholder liabilities (cash type return) and the property return delivered by the Liberty Property Portfolio backing assets. At 2022, these matching assets amounted to R4 780 million (2021: R3 821 million) and have not been included in the exposures above.
2 The 90:10 exposure is the exposure on certain contracts, which include terms that allocate 10% of the investment returns to Liberty shareholders. On a portion of business in this category, policyholders receive 90% of both the positive and negative returns achieved on the underlying assets. This leaves shareholders' earnings with exposure to the remaining 10%, thereby introducing earnings volatility due to the exposure to market risk.
3 This represents the difference between Liberty group's share of the net asset value of Liberty Two Degrees as at the reporting date and the listed price of Liberty Two Degrees shares multiplied by the number of shares in issue to Liberty group at the reporting date. Adjusting the valuation from net asset value to share price is required to ensure consistency between policyholder liabilities and their backing assets, and to provide a market-consistent valuation of the Liberty Two Degrees shares held within the Shareholder Investment Portfolio.
4 The increase in cash and reduction in bond exposure was affected to better align the portfolio going forwards to the exposures required under IFRS 17. Caution is advised in extrapolating the exposures as at 31 December 2022, as the shareholder exposures under IFRS 17 have a different profile than under the reported IFRS 4 standard.

SHAREHOLDER INVESTMENT PORTFOLIO RETURN

	2022 Rm	2021 Rm
Realised gross result	913	2 691
Taxation[1]	(203)	(722)
Subordinated notes at fair value	(385)	(360)
Expenses (including asset management fees)	(2)	(55)
Net profit	323	1 554
Gross return (%)	3.3	9.9

1 The taxation treatment of income derived from assets backing capital is the normal taxation rules applicable to life investment portfolios. The taxation applicable to income derived from assets backing life funds and the 90:10 exposure is determined by the tax rates pertaining to each life tax fund to which the assets are allocated (I-E tax). In addition there is transfer tax at 28% on the net surplus, after the applicable I-E tax.

LONG-TERM INSURANCE NEW BUSINESS

	Change %	2022 Rm	2021 Rm
Sources of insurance operations total new business by product type			
Retail	9	36 317	33 183
Single	11	30 589	27 652
Recurring	4	5 728	5 531
Institutional	(18)	2 376	2 903
Single	(33)	1 475	2 186
Recurring	26	901	717
Total new business	7	38 693	36 086
Single	7	32 064	29 838
Recurring	6	6 629	6 248
Insurance indexed new business	7	9 836	9 232
Sources of insurance indexed new business			
SA Retail	5	8 524	8 105
Liberty Corporate	13	874	771
Liberty Africa Insurance[1]	23	438	356

1 Liberty owns less than 100% of certain entities that make up Liberty Africa. The information is recorded at 100% and is not adjusted for proportional legal ownership.

LIBERTY

LONG-TERM INSURANCE – NEW BUSINESS BY DISTRIBUTION CHANNEL[1]

	Recurring premiums		Single premiums		Total premiums		Indexed premiums	
Rm	2022	2021	2022	2021	2022	2021	2022	2021
Retail	7 167	6 903	30 589	27 652	37 756	34 555	10 226	9 668
Broker	1 136	1 063	9 823	9 736	10 959	10 799	2 119	2 037
Bancassurance	4 433	4 298	7 300	5 023	11 733	9 321	5 163	4 800
Tied channels[2]	1 384	1 321	13 148	12 709	14 532	14 030	2 699	2 592
Other	214	221	318	184	532	405	245	239
Institutional	901	717	1 475	2 186	2 376	2 903	1 049	936
Broker	512	404	511	463	1 023	867	563	451
Bancassurance	6	15			6	15	37	15
Tied channels[2]	299	229	508	1 431	807	1 660	399	372
Other	84	69	456	292	540	361	50	98
Total new business	8 068	7 620	32 064	29 838	40 132	37 458	11 275	10 604
Split between:								
South Africa[1]								
SA Retail	6 970	6 744	29 930	27 330	36 900	34 074	9 963	9 477
Broker	1 134	1 062	9 308	9 481	10 442	10 543	2 065	2 010
Bancassurance	4 322	4 227	7 271	5 003	11 593	9 230	5 049	4 727
Tied channels[2]	1 304	1 239	13 077	12 681	14 381	13 920	2 612	2 507
Other	210	216	274	165	484	381	237	233
Liberty Corporate	731	561	1 425	2 096	2 156	2 657	874	771
Broker	449	336	502	436	951	772	499	380
Bancassurance	6	15			6	15	6	15
Tied channels[2]	269	197	501	1 403	770	1 600	319	337
Other	7	13	422	257	429	270	50	39
Total new business	7 701	7 305	31 355	29 426	39 056	36 731	10 837	10 248
Liberty Africa Insurance								
Retail	197	159	659	322	856	481	263	191
Broker	2	1	515	255	517	256	54	27
Bancassurance	111	71	29	20	140	91	114	73
Tied channels[2]	80	82	71	28	151	110	87	85
Other	4	5	44	19	48	24	8	6
Institutional	170	156	50	90	220	246	175	165
Broker	63	68	9	27	72	95	64	71
Tied channels[2]	30	32	7	28	37	60	31	35
Other	77	56	34	35	111	91	80	59
Total new business	367	315	709	412	1 076	727	438	356

1 Includes premium escalations for SA Retail.
2 Tied channels include Agency, Liberty entrepreneurs and Liberty@work.

SUMMARY OF GROUP LONG-TERM INDEXED NEW BUSINESS, VONB, VONB MARGIN AND LONG-TERM INSURANCE CASH FLOWS

	Indexed new business		VONB		VONB Margin		Net customer cash flows	
Rm	2022 Rm	2021 Rm	2022 Rm	2021 Rm	2022 %	2021 %	2022 Rm	2021 Rm
SA Retail	8 524	8 105	173	123	0.4	0.3	6 199	272
Liberty Corporate	874	771	96	90	1.5	1.4	7	(1 286)
Liberty Africa Insurance	438	356	21	16	1.3	1.1	140	386
Total new business	9 836	9 232	290	229	0.6	0.5	6 346	(628)

LIBERTY

SA RETAIL – HEADLINE EARNINGS/(LOSS)

	2022 Rm	2021 Rm
Expected profit and premium escalations	1 985	1 960
Variances, modelling and assumption changes	(40)	336
New business strain	(912)	(984)
Project and non-cost per policy expenses	(339)	(284)
Direct Financial Services	(82)	(73)
Other	402	(189)
Earnings before bancassurance	1 014	766
Liberty share of credit life bancassurance (net of all taxes)	270	200
Complex bancassurance preference dividend	(154)	(95)
Normalised headline earnings before Covid-19 pandemic impact	1 130	871
Covid-19 impact, net of taxation	25	(1 969)
Headline earnings/(loss)	1 155	(1 098)

LIBERTY CORPORATE – HEADLINE EARNINGS/(LOSS)

	2022 Rm	2021 Rm
Gross contribution	1 397	1 102
Underwriting margin	682	330
Fee income	623	598
Pension businesses and other income	92	174
Expenses and other items	(1 164)	(1 043)
Profit before taxation	233	59
Taxation	(67)	(18)
Normalised headline earnings, before Covid-19 pandemic impact	166	41
Covid-19 impact, net of taxation	129	(833)
Headline earnings/(loss)	295	(792)

STANLIB SOUTH AFRICA – HEADLINE EARNINGS

	2022 Rm	2021 Rm
Net fee income	1 823	1 894
Total operating expenses	(1 314)	(1 333)
Profit before investment income	509	561
Other income	82	67
Profit before taxation	591	628
Taxation	(156)	(156)
Headline earnings	435	472
Average margin (bps)	29	29
Average assets under management (Rbn)	644	637

123 Additional information

ADDITIONAL INFORMATION

Basis of preparation and presentation

The Standard Bank Group Limited's (the group) financial results, including the condensed consolidated statement of financial position, condensed consolidated income statement, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows, for the year ended 31 December 2022 (results) are prepared, as a minimum, in accordance with the requirements of the JSE Listings Requirements, the requirements of the International Financial Reporting Standards (IFRS), where applicable, and its interpretations as adopted by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants' (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the presentation requirements of International Accounting Standards 34 *Interim Financial Reporting* (IAS 34) and the requirements of the South African Companies Act, 71 of 2008 applicable to condensed financial statements.

The group's results are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS.

All amounts relate to the group's consolidated results, unless otherwise indicated, are presented in South African Rand (Rand), which is the presentation currency of the group, and are stated in millions of Rand (Rm), unless otherwise indicated.

FY22 and 2022 refer to the full year results for the year ended 31 December 2022 and 1H22 refers to the six months ended 30 June 2022. FY21 and 2021 refer to the full year results for the year ended 31 December 2021 and 1H21 refers to the six months ended 30 June 2021. Change percentage reflects 2022 change on 2021, unless otherwise indicated.

The group's 2022 financial information has been correctly extracted from the underlying audited consolidated annual financial statements, where applicable, for the year ended 31 December 2022. While this report, in itself, is not audited, the consolidated annual financial statements from which the results are derived were audited by KPMG Inc. and PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The full audit opinion, including any key audit matters, is available as part of the group's annual financial statements, which have been released in conjunction with these results at **www.standardbank.com/reporting** and **https://reporting.standardbank.com/results-reports/annual-reports/**

The audit report does not report on all the information contained in this report. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditors' engagement and, more specifically, the nature of the information that has been audited, they should obtain a copy of the auditors' report together with the accompanying audited consolidated annual financial statements.

The remainder of the group's reporting suite, including the group's annual integrated report will be made available before or during April 2023. Copies can be requested at the company's registered office or downloaded from the company's website following the announcement on the JSE's Stock Exchange News Service (SENS).

The accounting policies applied in the preparation of this report are in terms of IFRS. These accounting policies are consistent with the accounting policies applied in the preparation of the group's previous consolidated annual financial statements with the exception of changes referred to within these results. For more detail on the accounting policies applied by the group, refer to the group's annual financial statements.

This report contains *pro forma* constant currency financial information. Refer to the *pro forma* constant currency paragraph of the other reportable items section of these results for further detail.

The board of directors (the board) of the group take full responsibility for the preparation of this report. The preparation of the group's results was supervised by the chief finance & value management officer, Arno Daehnke BSc, MSc, PhD, MBA, AMP.

These results were made publicly available on 9 March 2023.

IFRS required and related disclosures

The IFRS required and related disclosures within these results have been extracted from the group's audited annual financial statements, which have been released in conjunction with these results and are available at **https://reporting.standardbank.com/results-reports/annual-reports/**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	2022 Rm	2021 Restated[1] Rm
Net cash flows from operating activities	**65 287**	42 140
Direct taxation paid	**(13 820)**	(8 482)
Other operating activities	**79 107**	50 622
Net cash flows used in investing activities	**(4 600)**	(4 674)
Capital expenditure	**(3 695)**	(2 981)
Other investing activities	**(905)**	(1 693)
Net cash flows used in financing activities	**(21 255)**	(9 350)
Dividends paid[2]	**(21 597)**	(12 073)
Equity transactions with non-controlling interests[2]	**(3 000)**	(427)
Net (redemption)/issuance of other equity instruments[3]	**3 615**	3 524
Issuance of subordinated debt	**3 425**	3 166
Redemption of subordinated debt	**(2 263)**	(2 200)
Other financing activities	**(1 435)**	(1 340)
Effect of exchange rate changes on cash and cash equivalents	**(5 960)**	4 795
Net increase in cash and cash equivalents	**33 472**	32 911
Cash and cash equivalents at the beginning of the period	**172 769**	139 858
Cash and cash equivalents at the end of the period	**206 241**	172 769
Cash and balances with central banks	**114 483**	91 169
On demand gross loans and advances to banks	**77 481**	66 234
Cash balances with banks within investment management and life insurance activities	**14 277**	15 366

1 Refer to the restatements section within these results for details on the restatement.
2 Equity transactions with non-controlling interests primarily relate to the group's acquisition of its remaining shareholding in Liberty Holdings Limited. Refer to the other reportable items section for more detail.
3 Refer to the other reportable items section within these results for details on the issuances and redemptions relating to additional tier 1 (AT1) capital as well as coupons paid and the related tax impact thereon.

ACCOUNTING POLICIES AND RESTATEMENTS

Changes in accounting policies

The accounting policies are consistent with those reported in the previous year, except for the group and company's change in accounting policy related to cash and cash equivalents. Disclosures and accounting policies have been amended as relevant. Refer to the restatement section that follows and annexure F, within the group's audited annual financial statements, for the detailed accounting policies.

There are no new or amended standards that are effective for the current reporting period. The group and company also did not early adopt any amended standards during the current reporting period.

New accounting standard not yet effective

IFRS 17 *Insurance Contracts* (IFRS 17)

Background

IFRS 4 Insurance Contracts (IFRS 4), the existing standard dealing with the accounting treatment for insurance contracts will be replaced by IFRS 17 for the group's 2023 financial year. IFRS 4 required the use of local accounting practices in measuring insurance liabilities (which referred local actuarial guidance), whereas, IFRS 17 introduces defined accounting models which will increase the comparability of information reported by all reporting entities that issue insurance contracts. IFRS 17 provides the basis of measurement for defined insurance contracts and reinsurance contracts, including measurement of investment contracts with discretionary participation features (DPF).

The transition date for IFRS 17 is 1 January 2023, with the first retrospective restatement being 1 January 2022, as if IFRS 17 had always been in place. Due to the long contract boundaries of certain contracts in the scope of IFRS 17, the standard permitted once off optional transition simplifications where it would be impracticable to apply components fully retrospectively. This is discussed in more detail below.

Project governance, status and process going forward

IFRS 17 governance committee (governance committee), sponsored by the group's Chief Finance and Value Management Officer (CFVO), is responsible for providing overall strategic direction to the project and monitoring progress. The governance committee is supported by several other committees and working groups responsible for various work streams within the project including but not limited to design decisions in relation to required technical IFRS 17 policies, judgements, methodologies and supporting processes. The governance committee receives regular updates from the several other committees and working groups, and in turn reports into the Group Audit Committee (GAC).

The implementation of IFRS 17 is significant for the group's insurance activities, specifically in areas such as revenue recognition, presentation in the statement of comprehensive income, level of transparency of the measurement components and significant additional disclosure requirements. Comprehensive effort has been applied to the technical interpretation of the standard and the design decisions required. While audit involvement and industry discussions have been critical to the project, management are mindful of the possibility of interpretation differences. Management is also cognisant that it remains possible that certain interpretations may be further clarified as additional information becomes available.

The impact of IFRS 17 on regulatory capital oversight and measurement is expected to be minimal given that the majority of the group's insurance entities are in South Africa, and these entities already comply with the Solvency Assessment and Management (SAM) basis, which does not directly reference IFRS 17 measurement.

Overview of IFRS 17

The definition and scope of contracts to be measured under IFRS 17 are largely aligned to IFRS 4, however there are some slight differences regarding certain judgements related to investment contracts with DPF and the introduction of the determination of significant insurance risk on a present value basis.

The main revenue recognition principle that IFRS 17 adopts is to recognise revenue (and consequently profit or loss) over the duration of the applicable policyholder contracts in a manner that best reflects the delivery of insurance contract services in the specific reporting period. This aligns closely to the principles applied in IFRS 15. The total recognised profit or loss outcome of contracts (i.e. the actual cash flows that emerge over the total contract term) naturally remains unchanged. However, the year-by-year reporting of profit or loss outcomes between IFRS 4 and IFRS 17 is often different. This is mainly due the accounting policy measurement elections under the application of IFRS 4 being largely referenced to locally adopted actuarial standards or guidance. IFRS 17 does not allow for profits to emerge on “day one” (contract recognition date), while still avoiding the deferral of anticipated contracted losses (onerous contracts). Losses for each applicable contract are to be recognised immediately in profit or loss.

Some contracts include an amount that meets the definition of a 'non-distinct investment component' (NDIC) under IFRS 17. The NDIC is the amount that an insurance contract requires the group to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. Under IFRS 17, the investment components that are highly inter-related with the insurance contract are not unbundled on contract inception. Similarly, a contract with equivalent terms that could not be sold separately in the same market or jurisdiction are not unbundled. Any such amounts are treated like deposits and excluded from insurance revenue and insurance services expenses when they are paid to the policyholder or beneficiary, as they do not relate to the provision of insurance services. This is a significant change to current disclosure treatments which includes these amounts in insurance premiums and insurance claims respectively.

IFRS 17 measurement principles are ambivalent to the type of insurance (i.e., life or non-life/ general), and the permitted measurement model depends on the terms and conditions of the underlying contracts, including the related contract boundaries and coverage periods, rather than the insurance license type.

Portfolios are established for insurance contracts that have similar risks, however each portfolio is limited to a maximum of a twelve-month duration between the first contract and the last contract recognised. At date of inception, the portfolios are further divided into distinct and ring-fenced cohort groups that differentiate the expected profitability of each contract between onerous, unlikely to become onerous and those that have a higher risk of becoming onerous over time. Subsequent measurement of insurance contracts is therefore applied to the cohort groups.

IFRS 17 includes three permitted measurement models. The measurement approach refers to the model used for valuing the liabilities and recognising profits in insurance revenue over time and should be appropriate for the contract being measured. All measurement models include two components, being a liability for remaining coverage (LRC) and a liability for incurred claims (LIC). The LRC relates to the measurement of the liability where the insured event has not occurred (i.e., the group's obligation for insured events related to the unexpired portion of the coverage period). The LIC component relates to the measurement of the liability, where the insured event has occurred (i.e., the group's obligation to investigate and pay claims for insured events that have already occurred and includes events that have occurred but have not been reported). The LRC measured component is dependent on what measurement model is applied, whereas the measurement of the LIC component is the same under all three measurement models, except that for contracts measured using the PAA approach, it has a simplification for discounting.

A general measurement model (GMM) is applicable to longer contract duration insurance contracts that do not have significant investment components (unless the criteria to use the simplified PAA model is met) and is based on a fulfilment objective (risk-adjustment added to the present value of probability-weighted estimates of future cash flows, which includes insurance acquisition cash flows). GMM is prescribed by the standard as the default measurement model for insurance and reinsurance contracts being predominantly risk type contracts and annuities.

The GMM requires the use of current estimates, which are those informed by actual trends and investment markets, adjusted for the time value of money. A risk adjustment (RA) is established as an explicit, current adjustment to compensate the group for bearing non-financial risk. The risk adjustment is released over the contract duration in line with the reduction of the estimated risk.

The contractual service margin (CSM) established by IFRS 17 is measured at initial recognition and is a component of measuring the LRC. The CSM represents the unearned profit on the contract which is expected to be earned in the future and results in no profit at initial recognition. The CSM is released over the life of the contract in line with the level of service provided in each period. The interest rate used to discount cash flows and determine the initial CSM is locked in at the rate at inception for that contract, for all future CSM movements. For onerous groups of contracts, losses are recognised upfront in profit or loss.

Apart from the CSM, all other probability-weighted estimates of cash flows contained in the measurement of insurance assets or liabilities are measured at current values, taking future expectations into consideration.

For contracts that have a component of significant insurance risk but are substantially investment-related contracts with direct participation in a share of underlying items, the GMM is modified to measure such contracts using the variable fee measurement approach (VFA), for example, a retirement annuity that may include a product benefit of a minimum return of contributions on death. This approach effectively amortises, over the remaining life of the contract, the impact to the future estimated revenue (e.g., asset-based investment management fees) that have arisen from changes in investment values at the reporting date. A key difference to the GMM approach is that the CSM is not locked in at the original discount rate.

An optional simplified premium allocation approach (PAA) is available for contracts that have a coverage period of 12 months or less, or if it is reasonably expected that the PAA would produce a measurement of the LRC that would not materially differ from the one produced applying the GMM. Contracts measured under the PAA approach do not have a CSM.

Key revenue recognition differences between IFRS 17 and IFRS 4

Under current accounting policies, margins are established and deferred over future service periods, but these are not locked in at discount rates applicable on date of contract inception. For GMM contracts the use of designated coverage units to release the margin over the remaining contract period under IFRS 17 differs to the current (mainly systematic time-based) approach to releasing the deferred margins on initial recognition.

The application of the CSM as guided under IFRS 17 is likely to result in lower volatility in insurance earnings between reporting periods over time. This is mainly a consequence of the requirement to, where applicable, absorb any changes to estimates of future contractual fulfilment cash flows into the CSM. This then systematically impacts future margin releases rather than the current treatment which impacts the profit or loss in the year of change.

IFRS 17 introduces a significant change to the income statement presentation by removing a cash flow presentation (gross premiums and claims). IFRS 17 introduces the concept of insurance revenue recognition that is intended to represent the price actually charged for the insurance contract services rendered and should not include any investment flows that are to be repaid (adjusted for applicable investment returns) in the future.

IFRS 17 comprehensively defines what is profit or loss derived from insurance services and the net finance income or expense. The insurance finance income or expense includes, inter alia, the effect of the time value of money on the best estimate cash flow assumptions.

Contracts measured under GMM (including reinsurance)

Under IFRS 17, the estimate of future cash flows depends on the assessment of the contract boundary term for the specific contracts and the determination of relevant cash flows that relate directly to the fulfilment of the contract. The estimation of future cash flows includes expected premiums received, expected claims and benefit payments, an allocation of insurance acquisition cost cash flows attributable to the portfolio to which the contract belongs, claims handling costs, policy administration costs, an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts and transaction-based taxes.

Future fulfilment costs that are modelled under the GMM are closely aligned to the existing interpretation under IFRS 4, except for the IFRS 17 guidance of only including portfolio incremental acquisition costs. This has led to a reduction of acquisition costs modelled in the best estimate cash flows (for insurance contracts issued).

Contracts measured under VFA (not applicable to reinsurance)

A key difference in recognition between IFRS 4 and IFRS 17 pertains to investment fees referenced to investment activities and calculated based off referenced asset values. IFRS 17 accommodates measurement guidance for these services, that are integral to insurance contracts or are discretionary features, through a “re-calibration mechanism” within the CSM. Variations to future fees arising from changes in asset values are deferred and amortised over the contract term. This effectively allows for a less volatile earnings recognition pattern compared to IFRS 4 where the full future impact to estimated asset-based future fees is recognised in profit or loss.

Contracts measured under PAA (including reinsurance)

Insurance contracts, which were defined as short-term or general insurance in previous financial reporting generally have short contract periods of one year or less. The group has elected to measure these under the PAA measurement model. In addition, the PAA has been elected for annually renewable contracts within corporate business. The LRC at initial recognition is measured as premiums received, minus acquisition costs and plus or minus any assets or liabilities previously recognised. Under IFRS 17, the LIC requires the calculation of a risk adjustment and includes future claims handling expenses to be incurred in settling the LIC.

ACCOUNTING POLICIES AND RESTATEMENTS

The PAA measurement approach is therefore not expected to materially impact profit emergence on applicable portfolios going forward, when compared to the current basis.

Treasury shares

The treasury shares requirements of IAS 32 Financial Instruments: Presentation (IAS 32) were amended to provide an exemption from the requirement to be deducted from equity. The exemption is available to entities that operate, either internally or externally, an investment fund that provides investors with benefits determined by units in the fund and recognise financial liabilities for the amounts to be paid to those investors, as well as entities that issue insurance contracts with direct participation features where those entities hold the underlying items. Some such funds or underlying items include the entity's treasury shares. Despite the treasury share requirements of IAS 32, an entity may elect not to deduct from equity a treasury share that is included in such a fund or is an underlying item when, and only when, an entity reacquires its own equity instrument for such purposes. Instead, the entity may elect to continue to account for that treasury share as equity and to account for the reacquired instrument as if the instrument were a financial asset and measure it at fair value through profit or loss in accordance with IFRS 9.

SBG has elected not to deduct from equity its treasury shares that it includes in such a fund or underlying item as described above, but to continue to account for these treasury shares as equity and to measure the reacquired equity instrument at fair value through profit or loss in accordance with IFRS 9. The amendment has been retrospectively applied in line with the requirements of IFRS 17 and the impact of this is included in the total SBG NAV adjustment as at 1 January 2022.

Transition approaches

If it is impracticable to fully retrospectively adjust, an entity can choose either a modified retrospective or a fair value approach to measure the initial IFRS 17 balances on the first retrospective restatement date (1 January 2022). For the short contract boundary nature contracts measured under the PAA approach, these will all be measured using full retrospective application.

The group has used a combination of all three transition approaches depending on the extent of the historical data (including assumptions, methodologies and the availability of risk adjustment data) that is available per the IFRS 17 defined groups.

The full retrospective approach has been applied for most groups of insurance contracts recognised from 1 January 2017 onwards, based on the impracticability assessment. In particular the:

a. lack of accessibility and reliability of the key sources of data, and

b. reliance of the calculations on the risk margin used in capital regulatory reporting (SAM), which was still being refined at that date and was not calculated or audited at earlier dates, management have concluded that it is not practicable to perform the full retrospective calculations for contracts initially recognised prior to 1 January 2017.

For these applicable contracts, the group has elected either the fair value or the modified retrospective approach. The group has applied a transition choice, where applicable, to allow for historical portfolios to have longer durations than twelve months (i.e. to divide groups into those that do not include contracts issued more than one year apart). Fair value is an approach to determine the transition CSM through an IFRS 13 Fair Value Measurement assessment of the probable trading price for a similar group of insurance contracts in a simulated deep and liquid market. The group has calculated the purchase price by assuming that the purchaser of a group of insurance contracts would be required to hold additional regulatory capital to support these contracts and would therefore include a price adjustment for the cost of capital required.

For the modified retrospective approach, the group has maximised the use of information that would have been used to apply the full retrospective approach. The approach values liabilities back to inception, replacing expected cash flow values with actual cash flow values where known. This enables an approximate value to be calculated for the best estimate cash flows and RA at inception, so that a CSM can be calculated.

In order to derive the impact of the adoption of IFRS 17 on 1 January 2022, certain accounting policy elections and key judgements have been applied. On inception of groups of contracts where the coverage period is less than one year, or, where it is more than one year and the groups meets the eligibility criteria (in that the measurement result of the PAA and general model are not materially different), the group has elected to apply the PAA approach. For contracts measured under PAA, the group has elected to defer the recognition of the acquisition costs over the coverage period.

Financial Instruments

The group applied IFRS 9 Financial Instruments for years commencing 1 January 2018. There is no expected change to previously applied classification and designation of financial instruments that are linked to policyholder benefits as a result of IFRS 17. There are consequential reclassifications between IFRS 17 and IFRS 9 policyholder liabilities on adoption of IFRS 17 because of minor changes in the interpretation of the definition of insurance under IFRS 17. These reclassifications, however, do not have a material impact on the overall measurement of these portfolios on transition.

Transition adjustment to ordinary shareholders total equity as at 1 January 2022

The actual impact on adopting IFRS 17 on 1 January 2022 may change because of, amongst others:

a. systems and controls not having been run for extended periods, which will occur in 2023; and

b. accounting policies, assumptions, judgements and estimation techniques used are subject to change until the group finalises its first financial statements that include the date of initial application.

The restatement impact on the group's total ordinary shareholders' equity as at 1 January 2022 is estimated to result in a reduction of approximately R323 million. This reduction in net asset value is the outcome of the more conservative measurement methodologies required under IFRS 17 guidance, compared to the previous accounting policies adopted under IFRS 4. The impact of restating the 2022 financial results, presentation of the transition statement of financial position and inclusion of the IFRS 17 compliant disclosures are not available for this financial report and will be included in the group's IFRS 17 Transition report.

Tax implications

Within South Africa, National Treasury prepared amended tax legislation, which was promulgated during January 2023, but substantially enacted as at 31 December 2022, related to the adoption of IFRS 17 and any consequential tax implications. The tax legislation is not expected to have an impact as at 31 December 2022, but will have an impact on the transition balance sheet, as accounting carrying amounts will be based on IFRS 17, but the tax base will be adjusted. While an 'adjusted IFRS' tax basis is retained, these amendments provide for a six-year phasing in provision for a long-term insurer and a three-year phasing in provision for a short-term insurer in order to transition the tax impact of applying IFRS 17 from 1 January 2023, instead of applying IFRS 4. The change in tax legislation is effective for years commencing 1 January 2023. Other than the phasing-in provisions that will have a significant impact on the calculation of the tax base, there are not expected to be any other material tax implications for the group on the current basis of taxing insurers arising from the adoption of IFRS 17.

Restatements

Change in income statement presentation of MasterCard and Visa fee-related expenses

During 2022, the group performed an assessment on the presentation of MasterCard and Visa fee-related expenses and found that these expenses were erroneously included in operating expenses for the SBSA entity within the group. The group incurs scheme assessment fees on its Visa and MasterCard offerings to its clients in the Consumer and High Net Worth (CHNW) and Business and Commercial Clients (BCC) segments, which are in nature linked to the related fee and commission income within non-interest revenue. These expenses have been reclassified to be presented within fee and commission expenses, resulting in a reallocation of R258 million from operating expenses to fee and commission expenses in the income statement of SBSA company, SBSA group and SBG. This restatement is a reallocation between line items and had no impact on profit for the period or headline earnings for the entity and groups noted.

The above restatement had the following impact on the primary statements within these results:

	2021		
	As previously reported Rm	Restatement Rm	Restated Rm
SBSA company			
Net fee and commission revenue	18 381	(258)	18 123
Other operating expenses	(20 284)	258	(20 026)
SBSA group			
Net fee and commission revenue	19 385	(258)	19 127
Operating expenses	(20 515)	258	(20 257)
SBG			
Non-interest revenue	51 120	(258)	50 862
Operating expenses from Standard Bank Activities	(65 735)	258	(65 477)

The above restatement had the following impact on key ratios disclosed within these results:

	2021		
	As previously reported %	Restatement %	Restated %
SBSA group			
Non-interest revenue to total income	44.1	(0.2)	43.9
Jaws	198	23	221
Cost-to-income ratio	62.2	(0.2)	62.0
Standard Bank Activities			
Non-interest revenue to total income	45.0	(0.1)	44.9
Jaws	54	17	71
Cost-to-income ratio	57.9	(0.1)	57.8

ACCOUNTING POLICIES AND RESTATEMENTS

Statement of cash flows

During 2022, the group performed benchmarking and internal investigations to reassess the definition of cash and cash equivalents when compiling the statement of cash flows. The following have been identified as industry best practice during this exercise and have resulted in the following restatements, changes to accounting presentation policies and related additional disclosures:

- The direct method provides a more reliable representation of the cash flow movements for the group within the statement of cash flows, which is not available under the indirect method. This change only impacted net cash flows from operating activities within the statement of cash flows for the group.
- The group restated its financial statements to appropriately reflect and present the change from on demand loans and advances to banks to cash and cash equivalents in the statement of cash flow and updated the related accounting policy accordingly. These balances, amounting to R66 234 million in the 2021 closing cash and cash equivalents balance and R40 043 million in the opening balance, were in prior periods excluded from cash and cash equivalents and instead included in income-earning assets. Both the balances and movement have now been appropriately included within the cash and cash equivalents line in the statement of cash flows.
- The group restated its financial statements to appropriately reflect and present the change from cash balances with banks within investment management and life insurance activities, within financial investments, to cash and cash equivalents in the statement of cash flow. These balances, amounting to R15 366 million in the 2021 closing cash and cash equivalents balance and R12 310 million in the opening balance, were in prior periods excluded from cash and cash equivalents and instead included in income-earning assets. Both the balances and movement have now been included within the cash and cash equivalents line in the statement of cash flows.
- Specific updated accounting policies, within the group's annual financial statements, have been included for the following:
  - Cash and balances with central banks
  - Cash and cash equivalents.

The above changes had the following impact on the statement of cash flows:

	2021		
	As previously reported Rm	Restatement Rm	Restated Rm
Net cash flows from operating activities	12 893	21 938	34 831
Direct taxation paid	(8 482)		(8 482)
Other operating activities	21 375	21 938	43 313
Net cash flows used in investing activities	(4 674)	0	(4 674)
Net cash flows used in financing activities	(9 350)	0	(9 350)
Effects of exchange rate changes	4 795	0	4 795
Net (decrease)/increase in cash and cash equivalents	3 664	29 247	32 911
Cash and cash equivalents at the beginning of the year	87 505	52 353	139 858
Cash and cash equivalents at the end of the year	91 169	81 600	172 769

KEY MANAGEMENT ASSUMPTIONS

In preparing the group's results, estimates and assumptions are made that could materially affect the reported amounts of assets and liabilities within the next reporting period. Estimates and judgements are continually evaluated and are based on factors such as historical experience and current best estimates of future events. The following represents the material key management assumptions applied in preparing these financial results.

The group's forward-looking economic expectations were applied in the determination of the expected credit loss (ECL) at the reporting date

A range of scenarios for base, bear and bull forward-looking economic expectations have been determined, as at 31 December 2022, for inclusion in the group's forward-looking process and ECL calculation:

South African economic expectation

- The aggressive action taken globally to normalise monetary policy amid persistently high inflation rates resulted in emerging markets facing financial market volatility during 2022. While demand-driven inflation remains relatively subdued in South Africa, rising commodity prices, particularly for food and fuel, have placed increased pressure on headline inflation rates. Under the base scenario, the base effects that are expected to impact economic growth include the fuel price pressure dissipating, although food price inflation is expected to remain at current levels. Furthermore, we anticipate the rand to strengthen/gain against the US dollar, notwithstanding a fair amount of volatility. The terms of trade will likely move within a stable range over the medium term, providing some support. The Monetary Policy Committee (MPC) has responded by proactively implementing a targeted monetary policy normalisation strategy, in line with key global central banks. After increasing the policy rate by another 75 basis points (bps) at the November 2022 MPC meeting, a further increase of 25 bps was announced in January 2023. Gross domestic product (GDP) growth is expected to continue to be hampered by domestic constraints such as severe loadshedding, failing rail and port infrastructure and low business confidence, exacerbated by a less supportive global economic environment. Investments in capital expenditure and infrastructure, in particular for green energy and self-generation capacity, as well as the recovery in the tourism sector, will contribute to economic growth. Continued, albeit slow, momentum in the implementation of structural economic reforms is expected to provide some improvement to medium-term growth expectations in the base scenario.
- The bear case scenario forecasts a longer-lasting impact on growth of the negative global shocks experienced. It assumes that growth will be contained primarily due to oil prices remaining higher, driven by efforts to reduce Russia's oil export revenues and Russia's resultant retaliation) combined with slower growth in China, particularly in the property sector with lower real estate investment. In South Africa, electricity supply, rail and port infrastructure inefficiencies and stalling reform momentum will weigh on potential growth and constrain economic activity in this scenario. A higher idiosyncratic risk premium is applied to South Africa and this, together with tighter global financial conditions, will result in lower capital inflows and thereby necessitate a higher policy rate. Adverse events relating to climate change, for example the severe flooding experienced in KwaZulu-Natal in 2022, are assumed to be a more regular occurrence under this scenario.
- The bull case scenario assumes somewhat improved global conditions but relies on the implementation of structural reforms in South Africa gaining momentum. Electricity supply, rail and port infrastructure recover faster than in the base scenario, lifting potential economic growth and business and consumer confidence, and attracting capital inflows. Under this scenario, inflation decelerates faster, providing scope for the South African Reserve Bank (SARB) MPC to reverse some of the policy rate increases already made.

Africa Regions economic expectation

The Africa Regions base case scenario comprises the following outlook and conditions:

- Global growth is likely to decline in 2023, with concerns that this may also result in weaker GDP growth in Africa. Past experience has shown this to be to the commodities cycle, particularly as Nigeria and South Africa, together accounting for nearly 50% of sub-Saharan Africa's GDP, are both largely reliant on the cyclical swings of commodity prices.
- Although oil prices may drop slightly in the first quarter of 2023 due to lower global demand, this is unlikely to be the start of a downswing in the oil price, primarily due to the tight supply stance of Organization of the Petroleum Exporting Countries and supported by the reopening of China's economy as it lifts Covid-19 lockdowns. Despite this, oil prices are expected to remain volatile in 2023, with potential for increased oil prices from the second half of 2023.
- Growth in Africa may be far more resilient in 2023, when considering the notable size of private consumption expenditure (PCE) as a function of GDP, compared to net exports (Netex), in the markets in which the group operates. A higher share of PCE relative to Netex implies growth is more reliant on domestic demand rather than external demand, further strengthening an expectation of resilience amid a global slowdown.
- However, the risks to slower growth will persist as slower external demand may potentially disrupt the recovery of the tourism sector as well as moderating remittances in some markets.
- Nuances to the risks exist, with potentially lower tourism arrivals expected in 2023 as global growth softens, however, tourism earnings may very well continue their post-pandemic recovery due to rising inflation resulting in increasing travel expenses. Furthermore, most key tourism economies on the African continent rely notably on arrivals from African source markets. This may further aid the durability of Africa's tourism.
- Global risk conditions are also expected to improve in 2023 which may result in some African economies regaining access to international capital markets. However, risk appetite may be slow to recover because of the likely downturn in global growth. External debt issuances from both the Eurobond and syndicated loan markets are anticipated in 2023, although with investors being far more selective about lending.

Global economic expectation

- The global base case scenario anticipates that global growth will be around 2.5% in 2023, or as much as one percentage point below the expected 2022 outcome. Many countries are expected to undergo a recession, including the United Kingdom (UK), which faces some of the biggest recessionary risks as it has borne the full force of the shock of surging energy prices, like Europe. The UK also has tight labour markets and rising wage inflation, similar to that of the US, which will force the Bank of England (BoE) to continue increasing interest rates and thereby the risk of a more significant recessionary impact. Inflationary pressure is expected to ease over the course of 2023, but central banks, including the BoE, are not expected to start reducing policy rates until 2024. Economic growth is expected to recover in the outer years and inflation will stabilise above the BoE's target. Policy rates may come down, in the UK and other advanced countries, but are not anticipated to return to the near-zero rates in the outer period that have characterised much of the post-global financial crisis period. The departure from the European Union has not aided the UK economy but this detrimental effect should slowly unwind as time passes.

KEY MANAGEMENT ASSUMPTIONS

- In the bear case scenario, the rising inflation cycle continues, partly due to persistently high wage growth and significant union-related disruption. The BoE's response is to raise policy rates to higher levels than the base case to control inflation, with potentially additional tighter policy to reassure financial markets and so avoid mass disinvestment in pound-denominated assets and the gilt market. The recession is deeper than the base case scenario.
- In the bull scenario, inflation falls far faster than anticipated in the base case, allowing the BoE to stop raising interest rates sooner and start reducing rates far faster which, in turn, helps prevent the economy from falling into a significant recession. It is assumed that lower inflation in the UK is matched by lower price trends elsewhere, central banks implementing rate cuts and stronger global growth which, in turn, will aid the UK through trade improvement.

Main macroeconomic factors

The following table shows the main macroeconomic factors used to estimate the forward-looking impact on the ECL provision of financial assets. Each scenario, namely base, bear and bull, is presented for each identified time period.

		Base scenario		Bear scenario		Bull scenario	
Macroeconomic factors	2022[1]	2023 (next 12 months)[2]	Remaining forecast period[3]	2023 (next 12 months)[2]	Remaining forecast period[3]	2023 (next 12 months)[2]	Remaining forecast period[3]
South Africa[4]							
Inflation (%)#	6.85	5.60	4.45	7.09	5.20	5.23	3.81
Prime (%)#	10.50	10.75	10.50	11.75	11.00	10.50	10.00
Real GDP[7] (%)#	1.86	1.62	2.01	0.41	1.01	1.99	2.58
Employment rate growth (%)#	0.32	1.15	1.84	0.65	1.02	1.29	2.34
Household credit (%)#	6.92	6.37	6.63	5.85	5.50	6.91	7.21
Exchange rate USD/ZAR	17.50	16.00	16.29	17.28	17.54	15.16	15.22
Africa Regions[5] (excluding Zimbabwe) (averages)							
Inflation (%)#	12.80	11.19	6.85	13.37	9.02	9.36	5.99
Policy rate (%)*	9.76	11.66	9.80	13.30	10.87	10.51	8.61
3m Tbill rate (%)*	8.75	10.50	8.09	12.81	10.26	8.99	7.45
6m Tbill rate (%)*	9.68	11.89	9.03	13.79	11.47	10.18	8.49
Real GDP[7] (%)#	3.40	3.56	4.57	2.31	2.83	4.94	5.95
Africa Regions[5] (averages)							
Inflation (%)#	23.50	20.81	11.11	26.60	15.85	14.71	6.64
Policy rate (%)*	21.65	18.44	13.04	24.97	17.06	12.97	8.80
3m Tbill rate (%)*	8.75	10.50	8.09	12.81	10.26	8.99	7.45
6m Tbill rate (%)*	9.68	11.89	9.03	13.79	11.47	10.18	8.49
Real GDP7 (%)#	3.38	3.50	4.62	1.98	2.75	4.94	6.16
Global[6]							
Inflation (%)*	9.00	7.00	2.50	10.00	1.80	5.00	1.90
Policy rate (%)*	3.50	4.25	2.00	5.00	1.50	3.00	1.60
Exchange rate GBP/USD	1.21	1.28	1.38	1.10	1.35	1.32	1.45
Real GDP[7] (%)#	4.00	(1.00)	1.60	(2.00)	1.50	1.00	2.20
Unemployment rate (%)*	3.70	4.30	4.20	4.80	4.40	3.80	4.10

1 Revised as at 31 December 2022. The 2021 (1 January 2022 to 31 December 2022) view disclosed as at 31 December 2021, has been revised due to the changes in the macroeconomic factors.
2 Next 12 months following 31 December 2022 is 1 January 2023 to 31 December 2023.
3 The remaining forecast period is 1 January 2024 to 31 December 2026.
4 The scenario weighting is: base at 50%, bear at 30% and bull at 20%.The scenario weighting remains unchanged.
5 Where multiple jurisdictions are considered, weighted averages are used. The scenario weighted average is: base at 55%, bear at 28% and bull at 17%. The scenario weighting has been revised due to the changes in the macroeconomic factors.
6 Based on UK outlook. The scenario weighting is: base at 50%, bear at 30% and bull at 20%. The scenario weighting remains unchanged.
7 Gross domestic product.
* Actual rates for 2022.
\# Estimated base case rates for 2022 disclosed where 2022 actuals were not available.

		Base scenario		Bear scenario		Bull scenario	
Macroeconomic factors	2021[1]	2022 (next 12 months)	Remaining forecast period[2]	2022 (next 12 months)	Remaining forecast period[2]	2022 (next 12 months)	Remaining forecast period[2]
South Africa[3]							
Inflation (%)*	4.51	4.72	4.13	5.18	4.79	4.30	3.78
Prime (%)*	7.25	8.00	9.50	8.75	10.25	7.75	8.75
Real GDP (%)*	5.28	2.05	1.97	1.36	0.56	2.87	2.82
Employment rate growth (%)#	0.22	1.29	0.92	0.87	(0.13)	1.75	1.59
Household credit (%)#	4.71	5.33	5.41	5.43	4.44	5.28	6.27
Exchange rate USD/ZAR	14.90	15.03	15.15	15.58	16.19	14.43	14.41
Africa Regions[4] (excluding Zimbabwe) (averages)							
Inflation (%)#	9.07	8.50	7.30	10.70	9.60	7.80	6.70
Policy rate (%)*	8.93	8.60	8.60	9.10	10.30	9.40	9.10
3m Tbill rate (%)*	7.44	7.90	7.70	8.80	8.90	9.50	9.10
6m Tbill rate (%)*	8.26	8.80	8.60	10.00	9.60	9.80	9.80
Real GDP (%)#	2.67	4.10	4.80	2.30	3.10	6.40	6.70
Africa Regions[4] (averages)							
Inflation (%)#	11.03	11.60	9.10	22.20	17.10	9.60	6.70
Policy rate (%)*	10.18	10.80	9.90	12.10	12.20	11.20	9.30
3m Tbill rate (%)*	7.44	7.80	7.60	9.30	8.80	9.90	8.90
6m Tbill rate (%)*	8.26	8.80	8.60	10.10	9.50	10.80	9.60
Real GDP (%)#	2.74	4.50	4.80	2.40	3.00	6.50	6.80
Global[5]							
Inflation (%)*	2.60	4.50	2.90	5.50	2.30	6.00	2.70
Policy rate (%)*	0.50	1.25	1.75	0.25	1.00	2.00	2.25
Exchange rate GBP/USD*	1.35	1.41	1.50	1.22	1.45	1.50	1.55
Real GDP (%)#	7.50	4.50	1.90	2.00	1.70	5.50	2.10
Unemployment rate (%)*	4.60	4.40	4.40	5.00	4.80	4.00	4.20

1 Revised as at 31 December 2021.
2 The remaining forecast period is 1 January 2023 to 31 December 2025.
3 The scenario weighing is: base at 50%, bear at 30% and bull at 20%.
4 Where multiple jurisdictions are considered, weighted averages are used. The scenario weighted average is: base at 55%, bear at 28% and bull at 17%.
5 Based on UK outlook. The scenario weighting is: base at 50%, bear at 30% and bull at 20%.
* Actual rates for 2021.
\# Estimated rates for 2021.

KEY MANAGEMENT ASSUMPTIONS

Sensitivity analysis of the forward-looking impact on the total ECL provision on all financial instruments relating to corporate, sovereign and bank products

The expected credit loss methodology for corporate, sovereign and bank products is based primarily on client specific risk metrics. As such the forward-looking macroeconomic information is one of the components and/or drivers of the total reported expected credit loss. Rating reviews of each client are performed at least annually, and entails credit analysts completing a credit scorecard and incorporating forward-looking information at a client level. The weighting is reflected in both the determination of significant increase in credit risk as well as the measurement of the resulting expected credit loss for the individual client. Therefore the impact of forward-looking economic conditions is embedded into the total expected credit loss for each client. Therefore the below sensitivity analysis of the total ECL provision relating to the CIB client franchise excludes the impact of losses directly attributable to distress experienced on sovereign exposures, held primarily for prudential or liquidity management purposes.

	2022		2021	
	Total ECL provision Rm	**Total income statement charge Rm**	Total ECL provision Rm	Total income statement release Rm
As reported	**9 927**	**2 530**	8 572	(297)
Scenarios				
Base	**9 832**	**2 435**	8 572	(297)
Bear	**10 253**	**2 856**	8 567	(302)
Bull	**9 655**	**2 258**	8 577	(292)

Sensitivity analysis of the forward-looking impact on ECL provision relating to Home services, VAF, Card, personal, business and other lending products

The following table shows a comparison of the forward-looking impact on the provision as at 31 December 2022, based on the probability weightings of the above three scenarios resulting from recalculating each of the scenarios using a 100% weighting of the above factors.

	2022		2021	
	Forward-looking component of ECL provision Rm	**Income statement charge/ (release) Rm**	Forward-looking component of ECL provision Rm	Income statement (released)/ charge Rm
Forward-looking impact on total ECL provision	**2 172**	**165**	1 979	(751)
Scenarios				
Base	**1 780**	**(227)**	1 714	(1 015)
Bear	**3 840**	**1 834**	3 388	659
Bull	**856**	**(1 150)**	878	(1 851)

Refer to the financial performance section for the carrying amounts of loans and advances.

Post-model adjustments

During 2022, the impact of Covid-19 on the global and local economic path and recovery has become more certain. As mentioned in the sections above in determining the forward-looking impact, from an IFRS 9 perspective, the group has forecasted three possible future macroeconomic scenarios, being the base, bear and bull scenarios and attributed weightings to these three scenarios. The group has been able to determine these scenarios with more certainty and predictability. The impact of Covid-19 has been embedded into the above forecasted macroeconomic parameters and scenario weighting across all geographies and client segments. As such, further stressing these scenarios is no longer deemed relevant. Therefore, the group's previous R500 million judgemental credit adjustment that was held within central and other and disclosed as part of other loans and advances within the total loans and advances to customers portfolio has thus been released in full during the year ended 31 December 2022.

Fair value

Financial instruments

In terms of IFRS, the group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value, being the price that would, respectively, be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities. Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. Information obtained from the valuation of financial instruments is used to assess the performance of the group and, in particular, provides assurance that the risk and return measures that the group has taken are accurate and complete.

Valuation process

The group's valuation control framework governs internal control standards, methodologies and procedures over its valuation processes, which include:

Prices quoted in an active market: The existence of quoted prices in an active market represents the best evidence of fair value. Where such prices exist, they are used in determining the fair value of financial assets and financial liabilities.

Valuation techniques: Where quoted market prices are unavailable, the group establishes fair value using valuation techniques that incorporate observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices, for such assets and liabilities. Parameter inputs are obtained directly from the market, consensus pricing services or recent transactions in active markets, whenever possible. Where such inputs are not available, the group makes use of theoretical inputs in establishing fair value (unobservable inputs). Such inputs are based on other relevant input sources of information and incorporate assumptions that include prices for similar transactions, historical data, economic fundamentals, and research information, with appropriate adjustments to reflect the terms of the actual instrument being valued and current market conditions. Changes in these assumptions would affect the reported fair values of these financial instruments. Valuation techniques used for financial instruments include the use of financial models that are populated using market parameters that are corroborated by reference to independent market data, where possible, or alternative sources, such as, third-party quotes, recent transaction prices or suitable proxies. The fair value of certain financial instruments is determined using industry standard models, such as discounted cash flow analysis and standard option pricing models. These models are generally used to estimate future cash flows and discount these back to the valuation date. For complex or unique instruments, more sophisticated modelling techniques may be required, which require assumptions or more complex parameters such as correlations, prepayment spreads, default rates and loss severity.

Valuation adjustments: Valuation adjustments are an integral part of the valuation process. Adjustments include, but are not limited to:

- credit spreads on illiquid issuers
- implied volatilities on thinly traded instruments
- correlation between risk factors
- prepayment rates
- other illiquid risk drivers.

In making appropriate valuation adjustments, the group applies methodologies that consider factors such as bid-offer spreads, liquidity, counterparty and own credit risk. Exposure to such illiquid risk drivers is typically managed by:

- using bid-offer spreads that are reflective of the relatively low liquidity of the underlying risk driver
- raising day one profit or loss provisions in accordance with IFRS
- quantifying and reporting the sensitivity to each risk driver
- limiting exposure to such risk drivers and analysing exposure on a regular basis.

Validation and control: All financial instruments carried at fair value, regardless of classification, and for which there are no quoted market prices for that instrument, are fair valued using models that conform to international best practice and established financial theory. These models are validated independently by the group's model validation unit and formally reviewed and approved by the market risk methodologies committee. This control applies to both off-the-shelf models, as well as those developed internally by the group. Further, all inputs into the valuation models are subject to independent price validation procedures carried out by the group's market risk unit. Such price validation is performed on at least a monthly basis, but daily where possible given the availability of the underlying price inputs. Independent valuation comparisons are also performed and any significant variances noted are appropriately investigated. Less liquid risk drivers, which are typically used to mark level 3 assets and liabilities to model, are carefully validated and tabled at the monthly price validation forum to ensure that these are reasonable and used consistently across all entities in the group. Sensitivities arising from exposures to such drivers are similarly scrutinised, together with movements in level 3 fair values. They are also disclosed on a monthly basis at the market risk and asset and liability committees.

Portfolio exception: The group has, on meeting certain qualifying criteria, elected the portfolio exception, which allows an entity to measure the fair value of certain groups of financial assets and financial liabilities on a net basis similar to how market participants would price the net risk exposure at the measurement date. The total amount of the change in fair value estimated using valuation techniques not based on observable market data that was recognised in profit or loss for 2022 was a net loss of R3 198 million (2021: R536 million net loss). Other financial instruments, not at level 3, are utilised to mitigate the risk of these changes in fair value.

Investment property valuations

Independent external valuers are appointed to conduct interim and year-end valuations of South African investment properties. Among other inputs, the independent valuers applied current market-related assumptions to risks in rental streams of properties. The key assumptions in determination of the fair value are the exit capitalisation rates and discount rates. Other inputs considered relate to expense growth, rent reversion factors, rental growth, existing tenant terms, location, vacancy levels and restrictions, if any, on the sale or use of the asset.

The group applies judgement regarding the unit of account, i.e. whether it should be valued as a stand-alone property or as a group of properties. Determination of fair value also considers the current use of the property in terms of its highest and best use, taking into account the use of the asset that is physically possible, legally permissible and financially feasible. Management derived discount rates are risk adjusted to factor in liquidity and asset class risk.

The fair values of the investment properties in South Africa at 31 December 2022 have been revised in consultation with external valuators, considering the current economic environment and the estimated impact to all the valuation inputs. There have been no changes applied to the unit of account and derived use.

Covid-19 pandemic reserve

The group applied certain key judgements and estimates regarding the short-term expected impact of Covid-19 as the pandemic was evolving. While Covid-19 continues to pose a risk to the group, this risk is receding with excess deaths in 2022 having been significantly lower compared to 2021, likely due to high levels of immunity to Covid-19 (from recent infections or vaccinations) and/or the variants circulating in 2022 being milder than variants circulating in prior years. This trend is consistent with the experience from past pandemics and is expected to continue with Covid-19 becoming a relatively mild endemic disease.

With new variants continuing to circulate, mortality is not expected to revert completely to pre-pandemic levels. In light of this expectation the long-term mortality assumptions have been strengthened in 2022 to reflect both expectations that Covid-19 has become endemic and a revision of the expected mortality costs of pandemic events in the long-term.

Based on experience observed in 2022 as well as revisions to the long-term assumptions, no further short-term pandemic allowance is considered necessary at 31 December 2022.

FURTHER NOTES TO THE PRIMARY STATEMENTS

Consolidated reconciliation of profit for the period to group headline earnings

	2022 Rm	2021 Rm
Profit for the period attributable to ordinary shareholders	**34 637**	24 865
Headline earnings adjustable items	**(328)**	284
IAS 16 – (Gains)/losses on sale of properties and equipment	**(39)**	61
IAS 16 - Compensation from third parties for ATMs that were impaired	**(79)**	
IAS 16/IAS 36 - Impairment of fixed asset	**18**	
IAS 27/IAS 28 - Losses on disposal of business	**50**	23
IAS 28/IAS 36 – Impairment of associate	**74**	
IAS 36 – Impairment of intangible assets	**386**	167
IAS 36 – Impairment of goodwill		14
IAS 40 – Fair value gains on investment property[1]	**(708)**	(11)
IFRS 5 – (Reversal)/remeasurement of disposal group assets held for sale	**(30)**	30
Taxation on headline earnings adjustable items	**(67)**	(75)
Non-controlling interests' share of headline earnings adjustable items	**5**	(53)
Standard Bank Group headline earnings	**34 247**	25 021
Headline earnings per ordinary share (cents)		
Headline earnings per ordinary share	**2 087.1**	1 573.0
Diluted headline earnings per ordinary share	**2 071.9**	1 564.8

[1] Relates to the appreciation in fair value of investment property within Africa Regions.

Day one profit or loss

The table below sets out the aggregate net day one profit or loss yet to be recognised in profit or loss at the beginning and end of the period with a reconciliation of changes in the balances during the period.

	Derivative instruments Rm	Trading assets Rm	Total Rm
Unrecognised net profit at 1 January 2021	1 018	31	1 049
Additional net profit on new transactions during the period[1]	623	1 520	2 143
Recognised in trading revenue during the period	(434)	(358)	(792)
Exchange differences	2		2
Unrecognised net profit at 31 December 2021	1 209	1 193	2 402
Unrecognised net profit at 1 January 2022	**1 209**	**1 193**	**2 402**
Additional net gains on new transactions during the period[1]	**121**	**6**	**127**
Recognised in trading revenue during the period	**(543)**	**(728)**	**(1 271)**
Unrecognised net profit at 31 December 2022	**787**	**471**	**1 258**

[1] Transaction price was not the best evidence of fair value due to trade-related market factors that were deemed unobservable in the principal market of the underlying trades.

Private equity associates

The following table provides disclosure of those private equity associates that are equity accounted in terms of IAS 28 *Investments in Associates and Joint Ventures* and have been ringfenced in terms of the requirements of the circular titled *Headline Earnings* issued by the South African Institute of Chartered Accountants, and amended from time to time. On the disposal of these associates held by the group's private equity division, the gain or loss on the disposal will be included in headline earnings.

	Standard Bank Activities		Liberty	
	2022 Rm	2021 Rm	2022 Rm	2021 Rm
Cost	**56**	56	**49**	52
Carrying value	**536**	547	**68**	63
Attributable income before impairment	**(21)**	213	**4**	(8)
Fair value	**536**	547	**68**	63
Equity accounted interest in associate	**536**	338	**68**	63
Disposal group held for sale[1]		239		0
Disposal group held for sale – impairment[1]		(30)		0

[1] The net amount of the disposal group held for sale is included in the disposal of group assets held for sale on the group's statement of financial position as the requirements of IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* were met as at 31 December 2021, however, at December 2022 the sale of the asset had not occurred due to key milestones not being met and the held for sale classification criteria are no longer applicable. Therefore, the asset is no longer separately disclosed as "Disposal of group assets held for sale" and has been re-classified as an investment in associate.

Contingent liabilities and commitments

	2022 Rm	2021 Rm
Contingent liabilities		
Letters of credit and bankers' acceptances	**19 378**	23 617
Guarantees	**103 061**	118 895
Total	**122 439**	142 512
Commitments		
Investment property	**961**	512
Property and equipment	**465**	341
Other intangible assets	**190**	196
Total	**1 616**	1 049

Loan commitments of R104 782 million (2021: R102 026 million) are either irrevocable over the life of the facility or revocable only in response to material adverse changes.

Commitment expenditure will be funded from the group's internal resources.

FURTHER NOTES TO THE PRIMARY STATEMENTS

Classification of assets and liabilities

Accounting classifications and fair values of financial assets and liabilities

The table below categorises the group's assets and liabilities between financial and non-financial.

2022	Fair value through profit or loss			Fair value through OCI		Total assets and liabilities measured at fair value Rm	Amortised cost[1] Rm	Other non-financial assets/ liabilities Rm	Total carrying amount Rm	Fair value[2] Rm
	Held-for-trading Rm	Designated at fair value Rm	Fair value through profit or loss – default Rm	Debt instruments Rm	Equity instruments Rm					
Assets										
Cash and balances with central banks			99 758			99 758	14 725		114 483	114 483
Derivative assets	74 410					74 410			74 410	74 410
Trading assets	314 918					314 918			314 918	314 918
Pledged assets	8 375		7 501	2 721		18 597	711		19 308	19 309
Disposal of group assets held for sale			555			555			555	555
Financial investments		38 563	377 103	81 708	905	498 279	222 926		721 205	721 470
Loans and advances			665			665	1 504 276		1 504 941	1 504 933
Policyholders' assets								2 974	2 974	
Interest in associates and joint ventures								9 956	9 956	
Investment property								29 289	29 289	29 289
Other financial assets[3]							31 058		31 058	
Other non-financial assets								60 744	60 744	
Total assets	397 703	38 563	485 582	84 429	905	1 007 182	1 773 696	102 963	2 883 841	
Liabilities										
Derivative liabilities	85 049					85 049			85 049	85 049
Trading liabilities	109 928					109 928			109 928	109 928
Deposits and debt funding		2 822				2 822	1 886 277		1 889 099	1 888 030
Policyholders' liabilities[4]		122 246				122 246		236 221	358 467	122 246
Subordinated debt		6 115				6 115	25 629		31 744	33 378
Other financial liabilities[3]		72 105				72 105	35 800		107 905	
Other non-financial liabilities								41 693	41 693	
Total liabilities	194 977	203 288				398 265	1 947 706	277 914	2 623 885	

Refer to footnotes under the comparative table that follows.

FURTHER NOTES TO THE PRIMARY STATEMENTS

Classification of assets and liabilities

Accounting classifications and fair values of financial assets and liabilities

The table below categorises the group's assets and liabilities between financial and non-financial.

	Fair value through profit or loss			Fair value through OCI						
2021	Held-for-trading Rm	Designated at fair value Rm	Fair value through profit or loss – default Rm	Debt instruments Rm	Equity instruments Rm	Total assets and liabilities measured at fair value Rm	Amortised cost[1] Rm	Other non-financial assets/ liabilities Rm	Total carrying amount Rm	Fair value[2] Rm
Assets										
Cash and balances with central banks			80 602			80 602	10 567		91 169	91 169
Derivative assets	63 688					63 688			63 688	63 688
Trading assets	285 020					285 020			285 020	285 020
Pledged assets	5 005		3 877	4 143		13 025	1 153		14 178	14 179
Disposal of group assets held for sale			361			361		664	1 025	361
Financial investments		38 399	396 259	71 435	1 015	507 108	217 592		724 700	725 560
Loans and advances			486			486	1 423 842		1 424 328	1 422 896
Policyholders' assets								2 868	2 868	
Interest in associates and joint ventures								7 280	7 280	
Investment property								29 985	29 985	29 985
Other financial assets[3]							21 495		21 495	
Other non-financial assets								60 081	60 081	
Total assets	353 713	38 399	481 585	75 578	1 015	950 290	1 674 649	100 878	2 725 817	
Liabilities										
Derivative liabilities	67 259					67 259			67 259	67 259
Trading liabilities	81 484					81 484			81 484	81 484
Disposal of group liabilities held for sale								96	96	
Deposits and debt funding		3 576				3 576	1 773 039		1 776 615	1 776 542
Policyholders' liabilities[4]		123 947				123 947		239 076	363 023	123 947
Subordinated debt		5 578				5 578	24 852		30 430	31 614
Other financial liabilities[3]		81 662				81 662	37 766		119 428	
Other non-financial liabilities								44 633	44 633	
Total liabilities	148 743	214 763				363 506	1 835 657	283 805	2 482 968	

1 Includes financial assets and financial liabilities for which the carrying value has been adjusted for changes in fair value due to designated hedged risks.
2 Carrying value has been used where it closely approximates fair values, excluding non-financial assets and liabilities.
3 The fair value of other financial assets and liabilities measured at amortised cost approximates the carrying value due to their short-term nature. Refer to the fair value section in accounting policy 4 – Fair value in annexure F and key management assumptions in the group's consolidated annual financial statements for a description on how fair values are determined.
4 The fair value has been provided for financial liabilities under investment contracts which have been designated at fair value. The remaining liabilities for which fair value disclosure has not been provided relate to insurance contracts and investment contracts with discretionary participation features that are not financial instruments as defined.

FURTHER NOTES TO THE PRIMARY STATEMENTS

Fair value disclosures

Assets and liabilities measured at fair value

Fair value hierarchy

The table that follows analyses the group's assets and liabilities measured at fair value, by level of fair value hierarchy. The different levels are based on the extent that available market data is used in the calculation of the fair value of the assets and liabilities.

The levels have been defined as follows:
Level 1 – fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability.
Level 2 – fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices.
Level 3 – fair value is determined through valuation techniques using significant unobservable inputs.

	2022				2021			
Measured on a recurring basis[1]	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets								
Cash and balances with central bank	97 616	2 142		99 758	79 112	1 490		80 602
Derivative assets	506	72 462	1 442	74 410	64	62 584	1 040	63 688
Trading assets	170 125	130 435	14 358	314 918	168 018	100 691	16 311	285 020
Pledged assets	18 572	25		18 597	12 211	814		13 025
Disposal group assets classified as held for sale[2]			555	555			361	361
Financial Investments	236 740	246 549	14 990	498 279	266 443	222 228	18 437	507 108
Loans and advances		25	640	665		13	473	486
Investment property			29 289	29 289			29 985	29 985
Total assets at fair value	523 559	451 638	61 274	1 036 471	525 848	387 820	66 607	980 275
Financial liabilities								
Derivative liabilities	180	80 344	4 525	85 049	228	64 031	3 000	67 259
Trading liabilities	56 390	48 775	4 763	109 928	53 229	26 109	2 146	81 484
Deposits and debt funding		2 822		2 822		3 576		3 576
Policyholders' liabilities		122 246		122 246		123 947		123 947
Subordinated debt		6 115		6 115		5 578		5 578
Other financial liabilities		70 089	2 016	72 105		78 593	3 069	81 662
Total financial liabilities at fair value	56 570	330 391	11 304	398 265	53 457	301 834	8 215	363 506

1 Recurring fair value measurements of assets or liabilities are those assets and liabilities that IFRS requires or permits to be measured at fair value in the statement of financial position at the end of each reporting period.
2 The disposal group is measured on a non-recurring basis.

Level 2 and 3 – valuation techniques and inputs	
Item and valuation technique	**Main inputs and assumptions**
Derivative financial instruments Standard derivative contracts are valued using market-accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include: ▪ discounted cash flow model ▪ Black-Scholes model ▪ combination technique models.	**For level 2 and 3 fair value hierarchy items:** ▪ discount rate* ▪ spot prices of the underlying ▪ correlation factors ▪ volatilities ▪ dividend yields ▪ earnings yield ▪ valuation multiples.
Trading assets and trading liabilities, pledged assets and financial investments Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date. Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial instrument being fair valued. Where proxies are not available, the fair value is estimated using more complex modelling techniques. These techniques include discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility and other risks. Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.	
Loans and advances to banks and customers For certain loans, fair value may be determined from the market price of a recently occurring transaction adjusted for changes in risks and information between the transaction and valuation dates. Loans and advances are reviewed for observed and verified changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for interest rate risk, foreign exchange risk, liquidity and credit risk, as appropriate. For credit risk, probability of default and loss given default parameters are determined using credit default swaps (CDS) markets, where available and appropriate, as well as the relevant terms of the loan and loan counterparty such as the industry classification and subordination of the loan.	**For level 2 and 3 fair value hierarchy items:** ▪ discount rate*.
Deposits and debt funding For certain deposits, fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information between the transaction and valuation dates. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value based on the contractual cash flows related to the instrument. The fair value measurement incorporates all market risk factors, including a measure of the group's credit risk relevant for that financial liability. The market risk parameters are valued consistently to similar instruments held as assets stated in the section above. The credit risk of the reference asset in the embedded CDS in credit-linked deposits is incorporated into the fair value of all credit-linked deposits that are designated to be measured at fair value through profit or loss. For collateralised deposits that are designated to be measured at fair value through profit or loss, such as securities repurchase agreements, the credit enhancement is incorporated into the fair valuation of the liability.	
Policyholders' assets and liabilities Unit-linked policies: assets which are linked to the investment contract liabilities are owned by the group. The investment contract obliges the group to use these assets to settle these liabilities. Therefore, the fair value of investment contract liabilities is determined with reference to the fair value of the underlying assets (i.e. amount payable on surrender of the policies). Annuity certains: discounted cash flow models are used to determine the fair value of the stream of future payments.	**For level 2 and 3 fair value hierarchy items** ▪ discount rate* ▪ spot price of underlying.
Third-party financial liabilities arising on the consolidation of mutual funds (included in other liabilities) The fair value of third-party financial liabilities arising on the consolidation of mutual funds are determined using the quoted put (exit) price provided by the fund manager and discounted for the applicable notice period. The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.	**For level 2 and 3 fair value hierarchy items** ▪ discount rate*.
Investment property Initially measured at cost, including transaction costs. Subsequently measured at fair value and included as part of investment management and service fee income and gains within the profit or loss. The fair value is based on valuation information at the reporting date. If the valuation information cannot be reliably determined, the group uses alternative valuation methods such as discounted cash flow projections or recent prices in active markets. Fair value adjustments recognised in investment management and service fee income and gains are adjusted for any double-counting arising from the recognition of lease income on the straight-line basis compared to the accrual basis normally assumed in the fair value determination.	

* Discount rates, where applicable, include the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty as appropriate), timing of settlement, storage/service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.

FURTHER NOTES TO THE PRIMARY STATEMENTS

Reconciliation of level 3 assets

The following table provides a reconciliation of the opening to closing balance for all assets that are measured at fair value and incorporate inputs that are not based on observable market data (level 3):

	Derivative assets Rm	Trading assets Rm	Financial investments Rm	Loans and advances Rm	Investment property Rm	Total Rm
Balance at 1 January 2021	2 423	3 190	22 040	193	29 917	57 763
Total (losses)/gains included in profit or loss	(84)	196	662	(123)	(697)	(46)
Non-interest revenue	(84)	196	69	(123)		58
Investment gains/(losses)			593		(697)	(104)
Total gains included in OCI			66			66
Issuances and purchases	915	13 034	593	1 277	923	16 742
Sales and settlements	(2 161)	(80)	(3 367)	(874)	(156)	(6 638)
Transfers into level 3[1]	71	44				115
Transfers out of level 3[2]	(145)	(73)	(31)			(249)
Exchange and other movements	21		(1 526)		(2)	(1 507)
Balance at 31 December 2021	1 040	16 311	18 437	473	29 985	66 246
Balance at 1 January 2022	**1 040**	**16 311**	**18 437**	**473**	**29 985**	**66 246**
Total gains/(losses) included in profit or loss	**470**	**(1 189)**	**533**	**58**	**(1 315)**	**(1 443)**
Non-interest revenue	**470**	**(1 189)**	**829**	**58**		**168**
Investment losses			**(296)**		**(1 315)**	**(1 611)**
Total gains included in OCI			**162**			**162**
Issuances and purchases	**356**	**245**	**7 643**	**3 308**	**656**	**12 208**
Sales and settlements	**(250)**	**(963)**	**(11 459)**	**(3 673)**	**(574)**	**(16 919)**
Transfers into level 3[1]	**58**					**58**
Transfers out of level 3[2]	**(210)**	**(46)**	**(93)**			**(349)**
Exchange and other movements	**(22)**		**(233)**	**474**	**537**	**756**
Balance at 31 December 2022	**1 442**	**14 358**	**14 990**	**640**	**29 289**	**60 719**

1 Transfers of financial assets between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. During the period, the valuation inputs of certain financial assets became unobservable. The fair value of these assets was transferred to level 3.
2 During the period, the valuation inputs of certain level 3 financial assets became observable. The fair value of these financial assets was transferred into level 2.

Level 3 assets

The following table provides disclosure of the unrealised gains/(losses) included in profit or loss on assets measured at level 3 fair value:

	Derivative assets Rm	Trading assets Rm	Financial investments Rm	Loans and advances Rm	Investment property Rm	Total Rm
2022						
Non-interest revenue	**466**	**(1 124)**	**434**	**58**		**(166)**
Investment gains/(losses)			**(290)**		**309**	**19**
2021						
Non-interest revenue	(279)	3 332	189	(123)		3 119
Investment gains/(losses)			541	0	(348)	193

Reconciliation of level 3 liabilities

The following table provides a reconciliation of the opening to closing balance for all financial liabilities that are measured at fair value based on inputs that are not based on observable market data (level 3).

	Derivative liabilities Rm	Trading liabilities Rm	Other financial liabilities Rm	Total Rm
Balance at 1 January 2021	6 132	3 178	6 046	15 356
Total losses included in profit or loss	395	85	10	490
Issuances and purchases	485	49		534
Sales and settlements	(3 934)	(1 104)	(2 987)	(8 025)
Transfers out of level 3[1]	(135)	(62)		(197)
Transfers into level 3[2]	57			57
Balance at 31 December 2021	3 000	2 146	3 069	8 215
Balance at 1 January 2022	**3 000**	**2 146**	**3 069**	**8 215**
Total losses/(gains) included in profit or loss	**1 740**	**15**		**1 755**
Issuances and purchases	**469**	**3 135**		**3 604**
Sales and settlements	**(416)**	**(492)**	**(1 053)**	**(1 961)**
Transfers out of level 3[1]	**(275)**	**(41)**		**(316)**
Transfers into level 3[2]	**7**			**7**
Balance at 31 December 2022	**4 525**	**4 763**	**2 016**	**11 304**

1 Transfers of financial liabilities between the levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. During the period, the valuation inputs of certain level 3 financial liabilities became observable. The fair value of these financial liabilities was transferred into level 2.
2 During the period, the valuation inputs of certain financial liabilities became unobservable. The fair value of these liabilities was transferred into level 3.

Level 3 liabilities

The following table provides disclosure of the unrealised losses/(gains) included in profit or loss on financial liabilities measured at level 3 fair value.

	Derivative liabilities Rm	Trading liabilities Rm	Total Rm
2022			
Non-interest revenue	**1 634**	**(4)**	**1 630**
2021			
Non-interest revenue	684	108	792

FURTHER NOTES TO THE PRIMARY STATEMENTS

Sensitivity and interrelationships of inputs

The behaviour of the unobservable parameters used to fair value level 3 assets and liabilities is not necessarily independent, and may often hold a relationship with other observable and unobservable market parameters. Where material and possible, such relationships are captured in the valuation by way of correlation factors, though these factors are, themselves, frequently unobservable. In such instances, the range of possible and reasonable fair value estimates is taken into account when determining appropriate model adjustments.

The table that follows indicates the sensitivity of valuation techniques used in the determination of the fair value of the level 3 assets and liabilities measured and disclosed at fair value. The table further indicates the effect that a significant change in one or more of the inputs to a reasonably possible alternative assumption would have on profit or loss at the reporting date (where the change in the unobservable input would change the fair value of the asset or liability significantly). The interrelationship between these significant unobservable inputs (which mainly include discount rates, spot prices of the underlying, correlation factors, volatilities, dividend yields, earning yields and valuation multiples) and the fair value measurement could be favourable/(unfavourable), if these inputs were higher/(lower).

The changes in the inputs that have been used in the analysis have been determined taking into account several considerations such as the nature of the asset or liability and the market within which the asset or liability is transacted.

	Change in significant unobservable input	Effect on profit or loss	
		Favourable Rm	(Unfavourable) Rm
2022			
Derivative instruments	**From (1%) to 1%**	**250**	**(250)**
Financial investments	**From (1%) to 1%**	**38**	**(41)**
Trading assets	**From (1%) to 1%**	**58**	**(58)**
Trading liabilities	**From (1%) to 1%**	**31**	**(31)**
Total		**377**	**(380)**
2021			
Derivative instruments	From (1%) to 1%	322	(322)
Financial investments	From (1%) to 1%	163	(161)
Trading assets	From (1%) to 1%	86	(86)
Trading liabilities	From (1%) to 1%	51	(51)
Total		622	(620)

The measurement of financial investments classified as FVOCI would result in a R55 million favourable (2021: R134 million favourable) and R58 million unfavourable (2021: R122 million unfavourable) impact on OCI applying a 1% change of the significant unobservable inputs used to determine the fair value.

Investment property

Investment properties' fair values were obtained from independent valuators who derived the values by determining sustainable net rental income to which an appropriate exit capitalisation rate is applied. Exit capitalisation rates are adjusted for occupancy levels, age of the building, location and expected future benefit of recent alterations.

Certain properties are largely linked to policyholder benefits and consortium non-controlling interests, which limit the impact to group ordinary shareholder comprehensive income or equity for any changes in the fair value measurement.

The sensitivities of aggregate market values for 1% changes in exit capitalisation rates are as follows. A 1% increase in the exit capitalisation rate would result in a decrease in fair value of R2 534 million (2021: R2 549 million). A 1% decrease in the exit capitalisation rate would result in an increase in the fair value of R3 303 million (2021: R3 177 million).

Other financial liabilities

The other financial liabilities categorised as level 3 relate to third-party financial liabilities arising on the consolidation of mutual funds. A sensitivity analysis is therefore not provided since a similar sensitivity would arise on the assets that relate to these liabilities.

Related party balances and transactions

Balances and transactions with ICBCS

The following significant balances between the group and ICBCS, an associate of the group.

Amounts included in the group's statement of financial position	2022 Rm	2021 Rm
Derivative assets	**7 397**	6 083
Loans and advances	**4 507**	5 885
Other assets	**23**	339
Derivative liabilities	**(7 485)**	(4 488)
Deposits and debt funding	**(226)**	(2 094)
Other liabilities	**(136)**	(1 515)

Significant transactions with ICBCS during the reporting period comprise primarily of non-interest revenue of R 367 million (2021: R266 million).

Services

The group entered into certain transitional service level arrangements with ICBCS in order to manage the orderly separation of ICBCS from the group post the sale of 60% of Standard Bank Plc (SB Plc). In terms of these arrangements, services are delivered to and received from ICBCS for the account of each respective party. For 2022, the net income recognised in respect of these arrangements amounted to R219 million (2021: net income R141 million).

Balances and transactions with ICBC

The group, in the ordinary course of business, receives term funding from, and provides loans and advances to ICBC for strategic purposes. These monies are renegotiated and settled on an ongoing basis and on market-related terms. The following balances and transactions were entered into between the group and ICBC, a 19.4% shareholder of the group, excluding those with ICBCS.

	2022 Rm	2021 Rm
Loans and advances	**1 795**	3 254
Other assets[1]	**1**	980
Deposits and debt funding	**(9 469)**	(13 533)

[1] The group recognised losses in respect of certain commodity reverse repurchase agreements with third parties prior to the date of conclusion of the sale and purchase agreement, relating to SB Plc (now ICBCS) with ICBC. As a consequence of the sale and purchase agreement, the group holds the right to 60% of insurance and other recoveries, net of costs, relating to claims for those recognised losses prior to the date of conclusion of the transaction. Settlement of these amounts will occur based on audited information on pre-agreed anniversaries of the completion of the transaction and the full and final settlement of all claims in respect of losses incurred. As at 31 December 2021, a balance of USD43.54 million (R692 million) was receivable from ICBC in respect of this arrangement. On 12 August 2022, the balance payable from ICBC in respect of this arrangement was settled at an amount of USD43.77 million (R723 million) after a due process and regulatory approval being sought.

The group has off-balance sheet letters of credit exposure issued to ICBC as at 31 December 2022 of R2 744 million (2021: R3 106 million).

Mutual funds

The group invests in various mutual funds that are managed by Liberty. Where the group has assessed that it has control (as defined by IFRS) over these mutual funds, it accounts for these mutual funds as subsidiaries. Where the group has assessed that it does not have control over these mutual funds, but has significant influence, it accounts for them as associates.

The following significant balances and transactions were entered into between the group and the mutual funds which the group does not control:

Amounts included in the group's statement of financial position and income statement	2022 Rm	2021 Rm
Deposits and debt funding	**(42 372)**	(32 468)
Interest expense	**(1 150)**	(1 345)

Significant transactions between the group and mutual funds that the group invests in during the reporting period comprise primarily of net interest expense R1 150 million (2021: R1 345 million).

Post-employment benefit plans

The group manages R11 594 million (2021: R13 370 million) of the group's post-employment benefit plans' assets. Other significant balances between the group and the group's post-employment benefit plans are listed below:

	2022 Rm	2021 Rm
Financial investments held in bonds and money market	**754**	815

OTHER REPORTABLE ITEMS

Additional tier 1 capital

The group issued R7 159 million (2021: R3 524 million) and redeemed R3 544 million (2021: Rnil) Basel III compliant AT1 capital bonds that qualify as tier 1 capital during 2022. During 2022, coupons to the value of R968 million (2021: R746 million) were paid to AT1 capital bondholders. Current tax of R271 million (2021: R208 million) relating to the AT1 capital bonds was recognised directly in equity resulting in an aggregate net equity impact of R697 million (2021: R538 million). The AT1 capital bonds have been recognised within other equity instruments in the statement of financial position.

Change in group directorate

The following changes in directorate took place during the period ended 31 December 2022 and up to 9 March 2023:

Appointments		
BJ Kruger	As independent non-executive director	6 June 2022
NMC Nyembezi[1]	As chairman	1 June 2022
LL Bam	As independent non-executive director	01 November 2022
Resignations		
MA Erasmus	As independent non-executive director	16 February 2022
Retirements		
TS Gcabashe	As chairman and independent non-executive director	31 May 2022
MJD Ruck	As independent non-executive director	31 December 2022

1 NMC Nyembezi was appointed to the board as an independent non-executive director on 1 January 2020.

Completion of the group's acquisition of the remaining non-controlling ordinary shares in Liberty Holdings Limited through a scheme of arrangement

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. All of the scheme conditions were fulfilled and became unconditional on 7 February 2022, 100% consolidated from 1 February 2022, the ordinary share scheme was implemented on 28 February 2022 and the Liberty ordinary shares were delisted from the JSE on 1 March 2022.

The ordinary share scheme participants received a special distribution of R11.10 per Liberty ordinary share and a scheme consideration for each Liberty ordinary share comprising half an SBK ordinary share (subject to the JSE's rounding principles) plus an ordinary share scheme cash consideration of R14.40.

The group accounts for its controlling shareholding in Liberty as an investment in subsidiary, which is measured at cost in Standard Bank Group Limited's separate financial statements in terms of IAS 27 *Separate Financial Statements*. The share issue by the group under the ordinary share scheme was recognised as an increase in the group's share capital and share premium. Upon acquiring the remaining Liberty shares not already owned by the group, the group's investment in Liberty increased and this increased investment will be measured at the cost of acquisition in the separate financial statements of Standard Bank Group Limited. The group will continue to consolidate Liberty results, however, as of 7 February 2022 the total Liberty earnings would be attributable to the group's ordinary shareholders instead of attributing a portion of Liberty earnings to the acquired Liberty non-controlling shareholders. Since the transaction is between group entities, common control accounting principles apply. The transaction resulted in the premium above the acquired net asset value attributable to the acquired non-controlling shareholders being recognised directly in retained earnings.

THE FINANCIAL IMPACT AS A RESULT OF THE COMMON CONTROL TRANSACTION RELATING TO THE ORDINARY SHARE SCHEME IS AS FOLLOWS:

	2022 Rm
Transaction price	12 387
Additional shares issued[1]	9 430
Special dividend[2]	1 287
Cash consideration	1 670
Net asset value attributable to non-controlling shareholders at date of sale[2]	(7 904)
Decrease in retained earnings	4 483

1 Refer to equity securities section that follows for further detail relating to the number of shares issued.
2 The net asset value attributable to non-controlling shareholders at the date of sale, net of the special dividend, resulted in a total movement of R6.6 billion in the group's statement of changes in equity.

Equity securities

During 2022, the group allotted 367 506 shares (2021: 35 353) in terms of the group's share incentive schemes and 57 980 580 shares as part of the completion of the group's acquisition of the remaining non-controlling ordinary shares in Liberty Holdings Limited. The group did not repurchase any shares during 2022 or 2021. The total equity securities held as treasury shares at 2022 was a long position of 29 950 340 shares with no short positions (2021: long position of 28 404 495 shares with no short positions).

ICBCS single client loss settlement

During 2019, ICBCS, in which the group is a 40% shareholder, incurred a loss of USD198 million relating to a single client loss arising from an explosion at a client's oil refinery and its subsequent bankruptcy. Further losses, net of a recovery against cash collateral, of USD13.7 million were incurred by ICBCS in 2020 in relation to this transaction. These losses principally related to inventory extraction costs and professional fees incurred in pursuing recovery of ICBCS's losses. The group's attributable share of these ICBCS losses was recognised within the share of post tax profit/(loss) from associates line in the income statement.

In February 2020, ICBCS lodged a secured claim for its losses against the client's bankruptcy estate for unpaid invoices, loss of bargain (inability to perform due to counterparty obligations not being met), inventory extraction, other operating costs, professional fees and applicable interest as well as a claim in ICBCS's own right against the client's insurers.

During 2021, ICBCS received a net recovery on the transaction of USD8.8 million following realisation of certain collateral and some insurance recoveries, partially offset by further provisions for professional fees relating to ICBCS and its claim against the client. The group's attributable share of these net recoveries by ICBCS has been recognised within the share of post tax profit/(loss) from associates line in the income statement.

In January 2022, ICBCS and the client entered into a settlement agreement with the client's insurers in respect of their business interruption insurance claims and obtained the support of other interested parties. The settlement of these insurance claims was approved by the US Bankruptcy Court on 17 January 2022. Shortly thereafter, under the terms of the settlement, ICBCS received USD200 million post tax as compensation for the losses it incurred. The group's share of the net recovered proceeds received by ICBCS, amounting to R1 238 million, has been recognised within the share of post tax profits/(loss) from the associates line in the income statement.

Legal proceedings

In the ordinary course of business, the group is involved as a defendant in litigation, lawsuits and other proceedings. Management recognises the inherent difficulty of predicting the outcome of defended legal proceedings. Nevertheless, based on management's knowledge from investigation, analysis and after consulting with legal counsel, management believes that there are no individual legal proceedings that are currently assessed as being 'likely to succeed and material' or 'unlikely to succeed but material should they succeed'. The group is also the defendant in some legal cases for which the group is fully indemnified by external third parties, none of which are individually material. Management is accordingly satisfied that the legal proceedings currently pending against the group should not have a material adverse effect on the group's consolidated financial position and the directors are satisfied that the group has adequate insurance programmes and, where required in terms of IFRS for claims that are probable, provisions are in place to meet claims that may succeed.

Competition Commission – trading of foreign currency

On 15 February 2017, South Africa's Competition Commission lodged five complaints with the Competition Tribunal against 18 institutions, including one against The Standard Bank of South Africa Limited (SBSA) and two against a former subsidiary of the group, Standard New York Securities Inc (SNYS), in which it alleges unlawful collusion between those institutions in the trading of USD/ZAR. The group has, with the help of external counsel, conducted its own internal investigations and found no evidence that supports the complaints. Both SBSA and SNYS, together with 12 of the other respondents, applied for dismissal of the complaint referral on various legal grounds. These applications were heard in July 2018. The complaint against SNYS was dismissed on the grounds that South Africa's competition regulators lack jurisdiction over it. In the case of SBSA, the Competition Commission was directed to file an amended complaint containing sufficient facts to evidence the collusion alleged within 40 business days of the ruling or risk dismissal of the complaint. The allegations against SBSA are confined to USD/ZAR trading activities within SBSA and do not relate to the conduct of the group more broadly. A number of respondents have filed an appeal to the ruling raising various grounds, which will have an impact on the 40 business day deadline imposed on the Competition Commission for the filing of the amended complaint against SBSA. The Competition Tribunal (CT) issued a directive on 24 July 2019 to all parties. Pursuant to two appeals filed by the Competition Commission against judgments handed down by the Competition Appeal Court in favour of The Standard Bank of South Africa Limited (SBSA), on 20 February 2020 the Constitutional Court, by a majority of five to four judges, ordered that (a) the Competition Commission need not disclose its record of investigation into alleged collusion in foreign exchange markets until after both SBSA has filed its written defence to the complaint against it and the Competition Tribunal has directed that all parties make discovery of relevant documents, and (b) the Competition Appeal Court erred in not deciding if it had the requisite jurisdiction before ordering the Competition Commission to lodge its record of decision in SBSA's application to have the Competition Commission's decision to initiate a complaint of collusion against SBSA reviewed and set aside, and remitted that issue of jurisdiction back to the Competition Appeal Court for determination. The Competition Appeal Court, upon the ordered remission, ruled that it can have jurisdiction over the foreign respondents provided the Commission can prove that the alleged collusion had a direct, foreseeable and material effect within South Africa. The Appeal Court also ruled that the allegations against all the respondents were so vague as to be unintelligible. Therefore the Commission was given a fixed period to file a wholly new complaint affidavit that addresses all of the identified shortcomings. The Commission, after lengthy delays, filed a wholly new complaint affidavit. In response all of the respondents other than Investec filed notices of objection or notices to compel more particulars and, in the case of the Standard Bank related respondents, applications for the dismissal of the complaint in its entirety. Hearings before the Competition Tribunal took place on various technical legal grounds from 29 November to 6 December 2019, and the Respondents await the outcome of the hearings.

OTHER REPORTABLE ITEMS

Independent of the proceedings before the Tribunal, SBSA applied to the Competition Appeal Court (CAC) for a ruling that the Competition Commission's decision to include SBSA in the complaint referral be reviewed and set aside as unconstitutional and irrational. The filing of that application triggered an obligation upon the Commission to hand over all information that it had relied on in reaching its decision (the record). The Commission refused to comply, so SBSA sought and obtained a CAC order that the record be handed over. The Commission appealed that order on the ground that the CAC lacked jurisdiction to make it. The Constitutional Court ruled that the challenge to jurisdiction should have been dealt with before the order was granted and remitted the dispute back to the CAC for a hearing afresh. Subsequently the Constitutional Court ruled in unrelated litigation that the CAC does have jurisdiction, so on 21 February 2023 the CAC will re-hear SBSA's application for an order that the record must be handed over so that the hearing of the review application itself can commence. The Commission is opposing the application for handing over of the record on the (legally novel) grounds that it's disclosure would give SBSA an unfair advantage in the litigation before the Tribunal.

Indemnities granted following disposal of Standard Bank Plc

Under the terms of the disposal of Standard Bank Plc on 1 February 2015, the group provided ICBC with certain indemnities to be paid in cash to ICBC or, at ICBC's direction, to any Standard Bank Plc (now ICBCS) group company, a sum equal to the amount of losses suffered or incurred by ICBC arising from certain circumstances. Where an indemnity payment is required to be made by the group to the ICBCS group, such payment would be grossed up from ICBC's shareholding at the time in ICBCS to 100%. These payments may, inter alia, arise as a result of an enforcement action, the cause of which occurred prior to the date of disposal. Enforcement actions include actions taken by regulatory or governmental authorities to enforce the relevant laws in any jurisdiction. While there have been no material claims relating to these indemnification provisions during the reporting period, the indemnities provided are uncapped and of unlimited duration as they reflect that the pre-completion regulatory risks attaching to the disposed-of business remain with the group post-completion.

Pro forma constant currency information

The *pro forma* constant currency information disclosed in these results is the responsibility of the group's directors. The *pro forma* constant currency information has been presented to illustrate the impact of changes in currency rates on the group's results and may not fairly present the group's financial position and results of operations. In determining the change in constant currency terms, the income and expenditure items for the comparative financial reporting years have been adjusted for the difference between the current and prior years' cumulative average exchange rates, determined as the average of the daily exchange rates. The statement of financial position items have been adjusted for the difference between the current and prior years' closing rates. The measurement has been performed for each of the group's material currencies. The constant currency change percentage is calculated using this adjusted comparative amount.

Only the 2022 *pro forma* constant currency information, where applicable, contained in these results, has been reviewed by the group's external auditors and their unmodified assurance report prepared in terms of International Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* (ISAE 3420) is available for inspection at the company's registered office on weekdays from 09:00 to 16:00.

The average exchange and closing rates used in the determination of the *pro forma* constant currency information can be found on page 3. The average exchange rates were calculated using the average of the average monthly exchange rates (determined on the last day of each of the months in the period).

Subordinated debt

During 2022, the group issued R1.6 billion (2021: R3.2 billion) and redeemed R1.0 billion (2021: R1.7 billion) Basel III compliant bonds that qualify as tier 2 capital. The capital notes constitute direct, unsecured and subordinated obligations. The notes may be redeemed prior to their respective maturity dates at the option of the issuer and subject to regulatory approval, after a minimum period of five years.

The terms of the Basel III compliant tier 2 capital bonds include a regulatory requirement which provides for the write-off, in whole or in part, on the earlier of a decision by the relevant regulator, the Prudential Authority, that a write-off, without which the issuer would have become non-viable is necessary, or a decision to make a public sector injection of capital or equivalent support, without which the issuer would have become non-viable.

The group issued R0.3 billion and redeemed R0.3 billion Basel II compliant tier 2 notes. No Basel II compliant tier 2 notes were issued or redeemed in 2021.

During 2022, the group issued R1.5 billion and redeemed R1.0 billion subordinated debt instruments that qualify as regulatory insurance capital (2021: none issued; R0.5 billion redeemed).

RISK MANAGEMENT – IFRS DISCLOSURES

Overview

The group's activities give rise to various financial and insurance risks. Financial risks are categorised into credit, funding and liquidity and market risk, of which an update from 2021 has been included in these results relating to concentration and market risks relating to Standard Bank Activities.

The group's approach to managing risk and capital is set out in the group's risk, compliance and capital management (RCCM) governance framework approved by the group risk and capital management committee (GRCMC).

Standard Bank Activities

Concentration risk

Concentration risk is the risk of loss arising from an excessive concentration of exposure to a single counterparty, an industry, a product, a geography, maturity, or collateral. The group's credit risk portfolio is well-diversified. The group's management approach relies on the reporting of concentration risk along key dimensions, the setting of portfolio limits and stress testing.

INDUSTRY SEGMENTAL ANALYSIS GROSS LOANS AND ADVANCES

	2022 Rm	2021 Rm
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
Total	**1 560 769**	1 475 726

GEOGRAPHIC SEGMENTAL ANALYSIS GROSS LOANS AND ADVANCES

	2022		2021 (restated)[1]	
	%	Rm	%	Rm
South Africa	**64**	**1 003 121**	66	968 045
Africa Regions	**22**	**343 454**	20	302 989
International	**14**	**214 194**	14	204 692
Total	**100**	**1 560 769**	100	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. This restatement did not impact the group's statement of financial position, income statement or other analysis of loans and advances.

RISK MANAGEMENT – IFRS DISCLOSURES

INDUSTRY SEGMENTAL ANALYSIS OF STAGE 3 CREDIT IMPAIRMENT OF LOANS AND ADVANCES

	2022 Rm	2021 Rm
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
Total	**38 641**	**36 129**

GEOGRAPHIC SEGMENTAL ANALYSIS OF STAGE 3 CREDIT IMPAIRMENT OF LOANS AND ADVANCES

	2022		2021	
	%	Rm	%	Rm
South Africa	80	31 058	81	29 305
Africa Regions	19	7 291	17	6 221
International	1	292	2	603
Total	**100**	**38 641**	**100**	**36 129**

Market risk

Trading book market risk

Definition

Trading book market risk is represented by financial instruments, including commodities, held in the trading book, arising out of normal global markets' trading activity.

Approach to managing market risk in the trading book

The group's policy is that all trading activities are undertaken within the group's global markets' operations.

The market risk functions are independent of the group's trading operations and are accountable to the relevant legal entity Asset-Liability Committees (ALCOs). ALCOs have a reporting line into group ALCO, a subcommittee of Group Leadership Council.

All value at risk (VaR) and stressed value at risk (SVaR) limits require prior approval from the respective entity ALCOs. The market risk functions have the authority to set these limits at a lower level.

Market risk teams are responsible for identifying, measuring, managing, monitoring and reporting market risk as outlined in the market risk governance standard.

Exposures and excesses are monitored and reported daily. Where breaches in limits and triggers occur, actions are taken by market risk functions to bring exposures back in line with approved market risk appetite, with such breaches being reported to management and entity ALCOs.

Approach to managing interest rate risk in the banking book

Banking book-related market risk exposure principally involves managing the potential adverse effect of interest rate movements on banking book earnings (net interest income and banking book mark-to-market profit or loss) and the economic value of equity.

The group's approach to managing interest rate risk in the banking book (IRRBB) is governed by applicable regulations and is influenced by the competitive environment in which the group operates. The treasury and capital management team monitors banking book interest rate risk on a monthly basis operating under the oversight of group ALCO.

Measurement

The analytical techniques used to quantify IRRBB include both earnings and valuation-based measures. The analysis takes into account embedded optionality such as loan prepayments and accounts where the account behaviour differs from the contractual position.

The results obtained from forward-looking dynamic scenario analyses, as well as Monte Carlo simulations, assist in developing optimal hedging strategies on a risk-adjusted return basis.

INTEREST RATE SENSITIVITY ANALYSIS[1]

		ZAR	USD	GBP	Euro	Other	Total
2022							
Increase in basis points	bps	200	100	100	100	100	
Sensitivity of annual net interest income	Rm	2 769	1 142	450	81	960	5 402
Decrease in basis points[2]	bps	200	100	100	100	100	
Sensitivity of annual net interest income	Rm	(2 883)	(1 332)	(435)	(4)	(994)	(5 648)
2021							
Increase in basis points	bps	200	100	100	100	100	
Sensitivity of annual net interest income	Rm	3 144	955	491	77	1 023	5 690
Decrease in basis points[2]	bps	200	100	100	100	100	
Sensitivity of annual net interest income	Rm	(3 563)	(144)	(64)	0	(1 035)	(4 806)

1 Before tax.
2 A floor of 0% is applied to all interest rates under the decreasing interest rate scenario resulting in asymmetric rate shocks in low-rate environments.

Equity risk in the banking book

Definition

Equity risk is defined as the risk of loss arising from a decline in the value of an equity or equity-type instrument held on the banking book, whether caused by deterioration in the underlying operating asset performance, net asset value (NAV), enterprise value of the issuing entity, or by a decline in the market price of the equity or instrument itself.

Though issuer risk in respect of tradable equity instruments constitutes equity risk, such traded issuer risk is managed under the trading book market risk framework.

Approach to managing equity risk in the banking book

Equity risk relates to all transactions and investments subject to approval by the group Equity Risk Committee (ERC), in terms of that committee's mandate, and includes debt, quasi-debt and other instruments that are considered to be of an equity nature.

For the avoidance of doubt, equity risk in the banking book excludes strategic investments in the group's subsidiaries, associates and joint ventures deployed in delivering the group's business and service offerings unless the group chief finance & value management officer and chief risk and corporate affairs officer deem such investments to be subject to the consideration and approval by the group ERC.

Notes

155 Shareholder information

ANALYSIS OF SHAREHOLDERS

Shareholding is as at 31 December 2022

TEN MAJOR SHAREHOLDERS[1]

	2022		2021	
	Number of shares (million)	% holding	Number of shares (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 Pte Ltd	28.6	1.7	11.6	0.7
Alexander Forbes Investments	22.5	1.3	36.7	2.3
Coronation Balanced Plus Fund	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 Gray 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

[1] Beneficial holdings determined from the share register and investigations conducted on our behalf in terms of section 56 of the Companies Act, 71 of 2008.

GEOGRAPHIC SPREAD OF SHAREHOLDERS

	2022		2021	
	Number of shares (million)	% holding	Number of shares (million)	% holding
South Africa	826.6	49.3	813.8	50.2
Foreign shareholders	851.7	50.7	806.2	49.8
China	326.0	19.4	325.9	20.1
United States of America	239.0	14.2	195.3	12.1
Singapore	29.4	1.7	13.2	0.8
United Kingdom	28.9	1.7	24.2	1.5
Luxembourg	20.1	1.2	14.2	0.9
Ireland	19.2	1.1	16.4	1.0
Namibia	18.8	1.1	22.1	1.4
Norway	17.0	1.0	15.9	1.0
Hong Kong	15.7	0.9	14.0	0.9
Japan	13.0	0.8	12.8	0.8
Netherlands	12.3	0.7	11.3	0.7
Saudi Arabia	10.9	0.6	7.4	0.5
Kuwait	9.8	0.6	6.2	0.4
Australia	6.9	0.4	5.1	0.3
United Arab Emirates	6.8	0.4	14.6	0.9
Sweden	6.6	0.4	6.9	0.4
Switzerland	6.6	0.4	7.1	0.4
Canada	5.5	0.3	5.6	0.3
Other	59.2	3.8	88.0	5.4
	1 678.3	100.0	1 620.0	100.0

CREDIT RATINGS

RATINGS AS AT 8 MARCH 2023 FOR KEY BANKING ENTITIES WITHIN STANDARD BANK GROUP

	Short-term	Long-term	Outlook
Standard Bank Group Limited			
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 Standard Bank of South Africa			
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 deposit rating	NP	Ba2	Stable
Local currency deposit rating	NP	Ba2	Stable
National rating	P-1.za	Aa1.za	
RSA Sovereign			
Fitch Ratings			
Foreign currency issuer default rating	B	BB-	Stable
Local currency issuer default rating	B	BB-	Stable
Moody's Investor Services			
Foreign currency issuer rating		Ba2	Stable
Local currency issuer rating		Ba2	Stable
Standard & Poor's			
Foreign currency	B	BB-	Positive
Local currency	B	BB	Positive
National rating	zaA-1+	zaAAA	
Stanbic IBTC Bank PLC			
Fitch Ratings			
National rating	F1+(nga)	AAA(nga)	
Standard & Poor's			
Foreign currency	B	B-	Negative
Local currency	B	B-	Negative
National rating	ngA-2	ngBBB	
Stanbic Bank Kenya			
Fitch Ratings			
Foreign currency issuer default rating	B	B	Stable
National rating	F1+(ken)	AAA(ken)	Stable
Stanbic Bank Uganda			
Fitch Ratings			
Foreign currency issuer default rating	B	B+	Stable
National rating	F1+(uga)	AAA(uga)	Stable
Moody's Investor Services			
Foreign currency deposit rating	NP	B1	Negative
Local currency deposit rating	NP	B1	Negative

DECLARATION OF FINAL DIVIDENDS

Shareholders of Standard Bank Group Limited (the company) are advised of the following dividend declarations out of income reserves in respect of ordinary shares and preference shares.

Ordinary shares

Ordinary shareholders are advised that the board has resolved to declare a final gross cash dividend No. 106 of 691.00 cents per ordinary share (the cash dividend) to ordinary shareholders recorded in the register of the company at the close of business on Thursday, 6 April 2023. The last day to trade to participate in the dividend is Monday, 3 April 2023. Ordinary shares will commence trading ex dividend from Tuesday, 4 April 2023.

The salient dates and times for the cash dividend are set out in the table that follows.

Ordinary share certificates may not be dematerialised or rematerialised between Tuesday, 4 April 2023, and Thursday, 6 April 2023, both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their Central Securities Depository Participant (CSDP) or broker credited on Tuesday, 11 April 2023.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date.

Preference shares

Preference shareholders are advised that the board has resolved to declare the following final dividends:

- 6.5% first cumulative preference shares (first preference shares) dividend No. 107 of 3.25 cents (gross) per first preference share, payable on Monday, 3 April 2023, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday, 31 March 2023. The last day to trade to participate in the dividend is Tuesday, 28 March 2023. First preference shares will commence trading ex dividend from Wednesday, 29 March 2023.
- Non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 37 of 367.70036 cents (gross) per second preference share, payable on Monday, 3 April 2023, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday, 31 March 2023. The last day to trade to participate in the dividend is Tuesday, 28 March 2023. Second preference shares will commence trading ex dividend from Wednesday, 29 March 2023.

The salient dates and times for the preference share dividend are set out in the table that follows.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Wednesday, 29 March 2023, and Friday, 31 March 2023, both days inclusive. Preference shareholders (first and second) who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 3 April 2023.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date.

THE RELEVANT DATES FOR THE PAYMENT OF DIVIDENDS ARE AS FOLLOWS:

	Ordinary shares	6.5% cumulative preference shares (first preference shares)	Non-redeemable, non-cumulative, non-participating preference shares (second preference shares)[1]
JSE Limited (JSE)			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000109815	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000109815		
Dividend number	106	107	37
Gross distribution/dividend per share (cents)	691.00	3.25	367.70036
Net dividend	552.80	2.60	294.16029
Last day to trade in order to be eligible for the cash dividend	Monday, 3 April 2023	Tuesday, 28 March 2023	Tuesday, 28 March 2023
Shares trade *ex* the cash dividend	Tuesday, 4 April 2023	Wednesday, 29 March 2023	Wednesday, 29 March 2023
Record date in respect of the cash dividend	Thursday, 6 April 2023	Friday, 31 March 2023	Friday, 31 March 2023
CSDP/broker account credited/updated (payment date)	Tuesday, 11 April 2023	Monday, 3 April 2023	Monday, 3 April 2023

[1] The non-redeemable, non-cumulative, non-participating preference shares (SBPP) are entitled to a dividend of not less than 77% of the prime interest rate during the period, multiplied by the subscription price of R100 per share.

Tax implications

The cash dividend received under the ordinary shares and the preference shares is likely to have tax implications for both resident and non-resident ordinary and preference shareholders. Such shareholders are therefore encouraged to consult their professional tax advisers.

In terms of the South African Income Tax Act, 58 of 1962, the cash dividend will, unless exempt, be subject to dividends tax. South African resident ordinary and preference shareholders that are not exempt from dividends tax, will be subject to dividends tax at a rate of 20% of the cash dividend, and this amount will be withheld from the cash dividend with the result that they will receive a net amount of 552.80 cents per ordinary share, 2.60 cents per first preference share and 294.16029 cents per second preference share. Non-resident ordinary and preference shareholders may be subject to dividends tax at a rate of less than 20% depending on their country of residence and the applicability of any Double Tax Treaty between South Africa and their country of residence.

The company's tax reference number is 9800/211/71/7 and registration number is 1969/017128/06.

Shares in issue

The issued share capital of the company, as at the date of declaration, is as follows:

- 1 678 324 623 ordinary shares at a par value of 10 cents each
- 8 000 000 first preference shares at a par value of R1 each
- 52 982 248 second preference shares at a par value of 1 cent each and subscription price of R100.

Notes

Administrative and contact details

Standard Bank Group Limited

Registration No. 1969/017128/06
Incorporated in the Republic of South Africa
Website: www.standardbank.com

Registered Office

9th Floor, Standard Bank Centre
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Investor Relations

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Chief Finance & Value Management Officer

Arno Daehnke Email: Arno.Daehnke@standardbank.co.za

Group Secretary

Kobus Froneman Email: Kobus.Froneman@standardbank.co.za

Directors

NMC Nyembezi (chairman), LL Bam, PLH Cook, A Daehnke*, GJ Fraser-Moleketi, Xueqing Guan[1] (deputy chairman), GMB Kennealy, BJ Kruger, Li Li[1], JH Maree (deputy chairman), NNA Matyumza, KD Moroka, ML Oduor-Otieno[2], ANA Peterside CON[3], SK Tshabalala* (chief executive officer), JM Vice.

* Executive director [1] Chinese [2] Kenyan [3] Nigerian

All nationalities are South African, unless otherwise specified.

Head Office Switchboard

Tel: +27 11 636 9111

Share Transfer Secretaries in South Africa

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Ave, Rosebank, 2196
Private Bag X9000, Saxonwold, 2132, South Africa

Share Transfer Secretaries in Namibia

Transfer Secretaries (Proprietary) Limited
4 Robert Mugabe Avenue, Windhoek, Namibia
(Entrance in Burg Street)
PO Box 2401, Windhoek, Namibia

JSE Sponsor

The Standard Bank of South Africa Limited

Namibian Sponsor

Simonis Storm Securities (Proprietary) Limited

Share and Bond Codes

JSE share code: SBK
ISIN: ZAE000109815
NSX share code: SNB ZAE000109815
A2X share code: SBK

SBKP ZAE000038881
(First preference shares)

SBPP ZAE000056339
(Second preference shares)

Please direct all **customer** queries and comments to:
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InvestorRelations@standardbank.co.za

Website:
www.standardbank.com/reporting

Refer to
www.standardbank.com/reporting for a list of definitions, acronyms and abbreviations.

Disclaimer

This document contains certain statements that are "forward-looking" with respect to certain of the group's plans, goals and expectations relating to its future performance, results, strategies and objectives. Words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "aim", "outlook", "believe", "plan", "seek", "predict" or similar expressions typically identify forward-looking statements. These forward-looking statements are not statements of fact or guarantees of future performance, results, strategies and objectives, and by their nature involve risk and uncertainty because they relate to future events and circumstances which are difficult to predict and are beyond the group's control, including but not limited to, domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities (including changes related to capital and solvency requirements), the impact of competition, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of changes in domestic and global legislation and regulations in the jurisdictions in which the group and its affiliates operate. The group's actual future performance, results, strategies and objectives may differ materially from the plans, goals and expectations expressed or implied in the forward-looking statements. The group makes no representations or warranty, express or implied, that these forward-looking statements will be achieved, and undue reliance should not be placed on such statements. The forward-looking statements in this document are not reviewed and reported on by the group's external assurance providers. The group undertakes no obligation to update the historical information or forward-looking statements in this document and does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon.

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