

About our integrated report

The success of our clients, and the trust and support of all our stakeholders, underpin our commercial sustainability. This interdependence requires that we remain relevant to their changing needs and expectations, and are able to demonstrate our ability to connect profitability to socially beneficial outcomes. So while our annual integrated report is aimed principally at providers of financial capital, it is also considered to be of interest to our other stakeholders.

Scope and boundary

Our 2015 annual integrated report covers the period 1 January 2015 to 31 December 2015. All material matters up to group board of directors (board) approval on 2 March 2016 are also included. The annual integrated report discusses our operations in South Africa, the rest of Africa and outside Africa – the terms we use to describe the geographic regions in which we operate. Unless indicated otherwise, all data pertains to the group, which includes our banking operations, subsidiaries and Liberty.

Any restatements of comparable information have been noted as such. Group financial information is prepared on a normalised basis, unless specified as being on an IFRS basis. Non-financial information deemed material is also included. Information relating only to SBSA, the group's largest subsidiary, has been clearly marked.

Change in reporting structure

In line with best practice, and to facilitate the <IR> Framework's principle of conciseness, while still meeting our other reporting obligations, our suite of reports has been reorganised as set out on page 2. The most fundamental change is that the annual integrated report now includes abridged governance and remuneration disclosures. The full governance and remuneration report can be found online and provides

shareholders with the notice of the annual general meeting and proxy forms. A directorate of key subsidiaries and international representation, as well as information on credit ratings, an analysis of shareholders and share statistics can also be found online.

Materiality determination

Our annual integrated report aims to present a balanced and succinct analysis of our strategy, performance, governance and prospects. In determining the content to be included in this report, we considered the issues that are material to maintaining the commercial viability and social relevance required to achieve our vision in the medium term.

We view the process of determining material issues as a business tool that facilitates integrated thinking. The materiality determination process undertaken in 2015 complemented our day-to-day stakeholder engagements, going beyond these engagements and placing particular emphasis on aspects that are likely to influence the social, economic and physical environments in which we operate. As a result, our material issues have been revised and are outlined on page 20.

Based on our leadership engagement, governance processes and our formal and informal stakeholder engagement initiatives, particularly with investors, we are confident that all material matters have been identified and disclosed in this report. Management

of group functions and the business units approved the relevant content in the annual integrated report. The group audit committee then reviewed and recommended the annual integrated report to the board for approval.

Statement of the board of directors of Standard Bank Group Limited

The board acknowledges its responsibility to ensure the integrity of the annual integrated report. In the board's opinion, the report addresses all material issues and matters, and fairly presents the group's integrated performance.

On behalf of the board:



Thulani Gcabashe
Chairman



Sim Tshabalala
Group chief executive



Ben Kruger
Group chief executive

2 March 2016

Integrated thinking

We recognise that we compete and operate on the basis of trust, and that it is our stakeholders who are the ultimate arbiters of our legitimacy, and therefore our sustainability.

Our strategy, set out on page 14, provides the construct that bridges our commercial and social relevance, our opportunities and our obligations. It reconciles our pursuit of profit in competitive markets, with our role as a catalyst of economic agency and socially beneficial outcomes for all our stakeholders.

We believe that our strategy represents a consistent and considered level of integrated thinking, which we continue to deepen as we implement our strategy within our organisation. This process has required that each of our business units and enabling functions align their strategies and plans to the group's purpose, vision, principles and values, with our clients as our central organising principle. This reorientation is driving greater integration between our business units and key functions such as risk, compliance, internal audit and group policy, advocacy and sustainability, which are fundamental to the trust our stakeholders have in us and to defending our legitimacy.

Ultimately, we recognise that embedding integrated thinking at every level of our organisation forms part of our longer-term work to create a culture in which risk, compliance, ethics and social responsibility are harmonised with the effective and innovative fulfilment of our clients' needs. This work has begun in earnest and is discussed in our report this year.

As in previous years, we have not formally adopted the six capitals categorisation of the International <IR> Framework. However, throughout our report we explain our dependence and impact on the forms of capital that are fundamental to our ability to

achieve our vision in the medium term, and the interdependencies between them, within the context of our multi-generational purpose to drive Africa's growth. The capitals are introduced and explained below.

FINANCIAL CAPITAL

The money we obtain from providers of capital that we use to support our business activities and invest in our strategy. Financial capital, which includes reserves generated through share capital, other equity-related funding and retained profits generated from our operations, is used to fund our business activities.

NATURAL CAPITAL

The natural resources on which we depend to create value and returns for our stakeholders. As a financial services group we must deploy our financial capital in a way that promotes the preservation, or at least minimises the destruction, of natural capital.

MANUFACTURED CAPITAL

The tangible and intangible infrastructure that we use to conduct our business activities, including our information technology (IT) assets, and the national infrastructure of the countries in which we operate.

HUMAN CAPITAL

Our people and how we select, manage and develop them. This enables them to use their skills, capabilities, knowledge and experience to improve and develop products and services that meet the needs of our clients across the diverse regions in which we operate.

SOCIAL AND RELATIONSHIP CAPITAL

The cooperative relationships with our customers, clients, capital providers, regulators and other stakeholders that we create, develop and maintain to remain commercially and socially relevant, and operate as a responsible corporate citizen.

INTELLECTUAL CAPITAL

The knowledge of our people and our intellectual property, brand and reputation, which is closely related to financial, human and manufactured capital given the nature of our businesses.