Standard Bank Group

FINANCIAL RESULTS

for the six months ended
30 June 2022

Blyde River Canyon, South Africa | **Africa is our home, we drive her growth**

Standard Bank IT CAN BE™
Also trading as Stanbic Bank

Standard Bank Group

ANALYSIS OF FINANCIAL RESULTS

for the six months ended 30 June 2022

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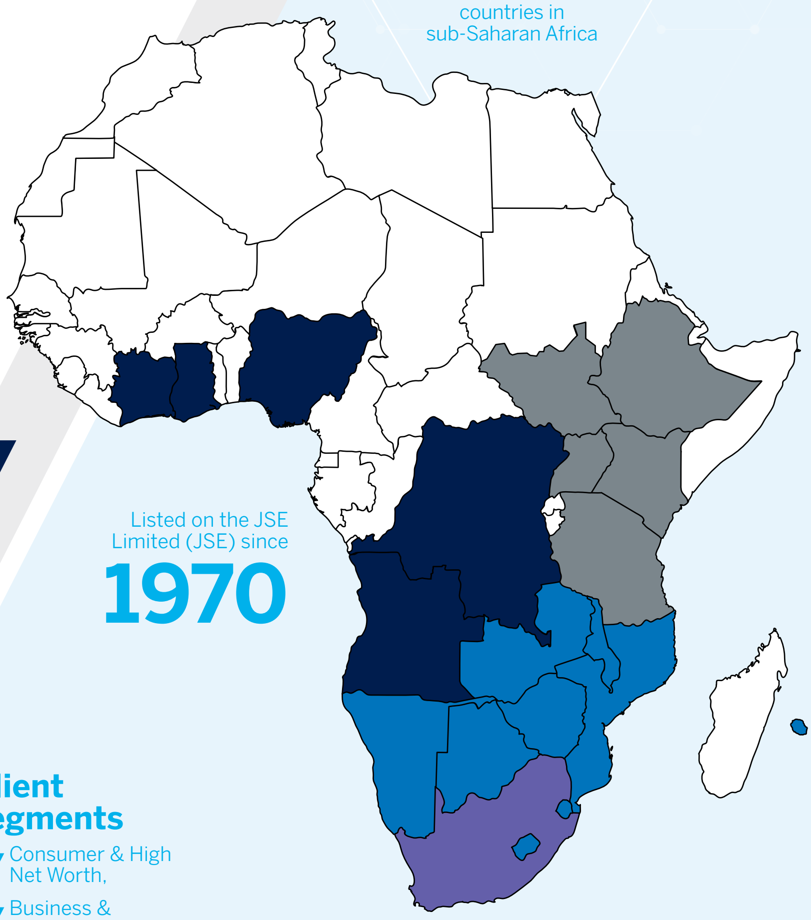
Standard Bank Group is **African-focused, client led and digitally enabled**. We provide comprehensive and integrated financial and related solutions to our clients. We drive inclusive growth and sustainable development.

Operates in
20
countries in sub-Saharan Africa



Listed on the JSE Limited (JSE) since
1970

Client segments

1. Consumer & High Net Worth,
2. Business & Commercial
3. Corporate & Investment Banking

160th year
of operating history in South Africa

CONTENTS

Standard Bank Group's (SBG or the group) analysis of financial results for the six months ended 30 June 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

Standard Bank Group

HEADLINE EARNINGS
(RM)
15 263 33% ▲
1H21: R11 477 million
1H20: R7 541 million

HEADLINE EARNINGS
PER SHARE (HEPS) (C)
936 30% ▲
1H21: 721 cents
1H20: 474 cents

PROFIT ATTRIBUTABLE TO
ORDINARY SHAREHOLDERS
15 674 37% ▲
1H21: 11 414
1H20: 3 767

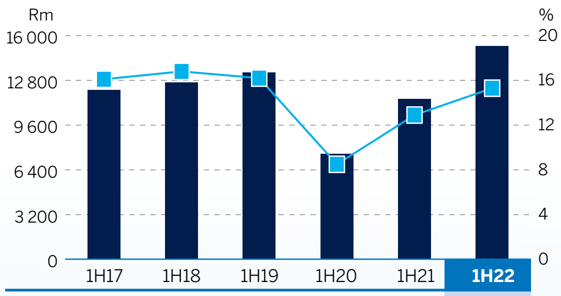
RETURN ON EQUITY
(ROE) (%)
15.3 ▲
1H21: 12.9%
1H20: 8.5%

NET ASSET VALUE
PER SHARE (C)
12 721 11% ▲
1H21: 11 509 cents
1H20: 11 265 cents

COMMON EQUITY
TIER 1 RATIO (%)
13.7 ▲
1H21: 13.5%
1H20: 12.5%

Headline earnings and return on equity

CAGR[1] (1H17 – 1H22): 5%

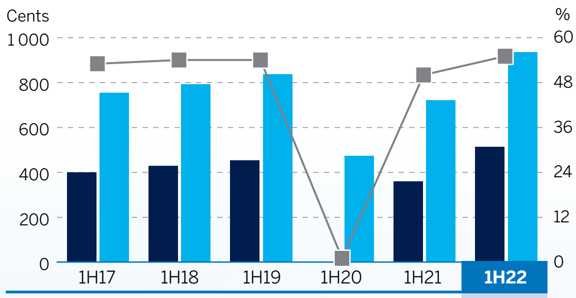


	1H17	1H18	1H19	1H20	1H21	**1H22**
Headline earnings	12 111	12 663	13 361	7 541	11 477	**15 263**
ROE	16.1	16.8	16.2	8.5	12.9	**15.3**

[1] Compound annual growth rate.

Headline earnings and dividend per share

CAGR (1H17 – 1H22): Dividend per share: 5%
Headline earnings per share: 4%



	1H17	1H18	1H19	1H20	1H21	**1H22**
Dividend per share	400	430	454	0	360	**515**
Headline earnings per share	756	794	837	474	721	**936**
Dividend payout ratio	53	54	54	0	50	**55**

Standard Bank Activities

HEADLINE EARNINGS
(RM)
13 608 25% ▲
1H21: R10 894 million
1H20: R7 740 million

PRE-PROVISION
PROFIT (RM)
27 311 20% ▲
1H21: R22 683 million
1H20: R24 295 million

COST-TO-INCOME
RATIO (%)
56.0 ▼
1H21: 58.3%
1H20: 56.4%

JAWS
(BPS)
450 ▲
1H21: (328) bps
1H20: 100 bps

CREDIT LOSS RATIO
(CLR) (BPS)
82 ▼
1H21: 88 bps
1H20: 169 bpss

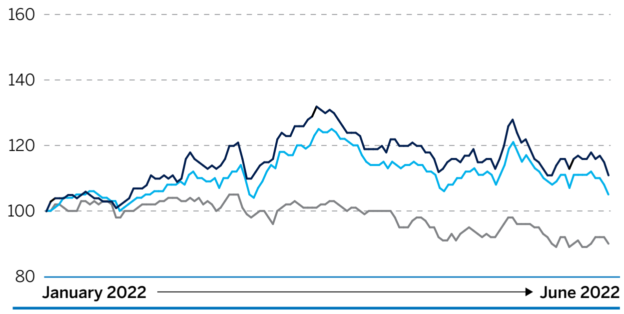
Financial results, ratios and statistics

		Change %	1H22	1H21	FY21
Standard Bank Group (SBG)					
Headline earnings contribution by client solution[1]					
Total headline earnings	Rm	33	**15 263**	11 477	25 021
Standard Bank Activities	Rm	25	**13 608**	10 894	24 940
Banking	Rm	30	**12 641**	9 702	23 020
Insurance	Rm	9	**1 044**	959	1 817
Investments	Rm	(7)	**379**	409	758
Central and other	Rm	>100	**(456)**	(176)	(655)
Liberty	Rm	55	**253**	163	(419)
SBG share of Liberty's IFRS headline earnings	Rm	>100	**450**	128	(64)
Impact of SBG shares held for the benefit of Liberty policyholders	Rm	(>100)	**(197)**	35	(355)
ICBCS	Rm	>100	**1 402**	420	500
Ordinary shareholders' interest					
Profit attributable to ordinary shareholders	Rm	37	**15 674**	11 414	24 865
Ordinary shareholders' equity	Rm	15	**209 683**	182 851	198 832
Share statistics					
Headline earnings per ordinary share (HEPS)	cents	30	**936.2**	721.4	1 573.0
Diluted headline EPS	cents	30	**929.6**	717.4	1 564.8
Basic EPS	cents	34	**961.4**	717.4	1 563.2
Diluted EPS	cents	34	**954.6**	713.4	1 555.1
Dividend per share	cents	43	**515**	360	871
Net asset value per share	cents	11	**12 721**	11 509	12 493
Tangible net asset value per share	cents	13	**11 755**	10 404	11 430
Dividend payout ratio	%		**55**	50	55
Dividend cover	times		**1.8**	2.0	1.8
Number of ordinary shares in issue	thousands	4	**1 648 266**	1 588 707	1 591 572
Return ratios					
ROE	%		**15.3**	12.9	13.5
Return on risk-weighted assets (RoRWA)	%		**2.4**	2.0	2.1
Capital adequacy					
Common equity tier 1 capital adequacy ratio	%		**13.7**	13.5	13.8
Tier 1 capital adequacy ratio	%		**14.6**	14.3	14.7
Total capital adequacy ratio	%		**16.6**	16.4	16.9
Cost of equity estimates					
Cost of equity[2]	%		**15.1**	14.5	14.7
Employee statistics					
Number of employees		(1)	**49 000**	49 662	49 224
Standard Bank Activities					
ROE	%		**15.0**	13.3	14.7
RoRWA	%		**2.2**	1.9	2.1
Loan-to-deposit ratio	%		**79.7**	79.7	79.2
Net interest margin (NIM)	bps		**383**	361	373
Non-interest revenue to total income	%		**44.6**	45.0	45.0
CLR	bps		**82**	88	73
Jaws	bps		**450**	(328)	54
Cost-to-income ratio	%		**56.0**	58.3	57.9
Effective direct taxation rate	%		**23.2**	22.3	22.4
Effective total taxation rate	%		**27.5**	27.4	27.0
Employee statistics					
Number of employees		(1)	**43 607**	44 045	43 607

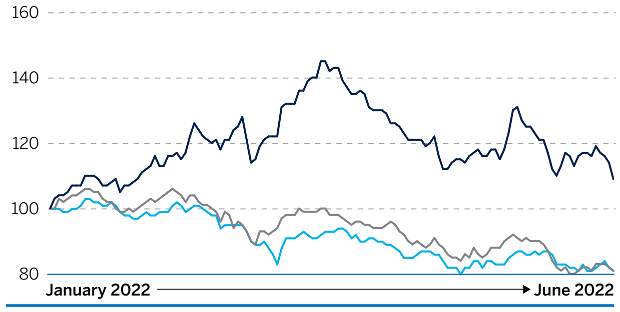
[1] Refer to pages 22 – 23 for more information.
[2] Estimated using the capital asset pricing model by applying estimates of risk free rate, 9.9% (1H21: 9.4%), equity risk premium, 6.0% (1H21: 6.0%), and beta, 86.8% (1H21: 85.8%).

Market and economic indicators

SBK versus JSE Banks and All Share Index
(ZAR)



SBK versus Emerging Markets and World Financials (USD)



		Average				Closing			
		Change %	1H22	1H21	FY21	Change %	1H22	1H21	FY21
Market indicators									
South Africa (SA) prime overdraft rate	%		**7.71**	7.00	7.04		**8.25**	7.00	7.25
SA SARB repo rate	%		**4.21**	3.50	3.53		**4.75**	3.50	3.75
SA Consumer Price Index	%		**6.2**	4.0	4.5		**7.4**	4.9	5.9
Weighted average Group inflation	%		**11.1**	9.5	9.1		**14.6**	20.2	15.7
Weighted average Africa Regions inflation	%		**21.0**	23.1	20.3		**15.1**	17.3	14.0
UK Consumer Price Index	%		**7.7**	1.3	2.6		**9.4**	2.5	5.4
JSE All Share Index		9	**72 444**	66 216	67 045	0	**66 223**	66 249	73 709
JSE Banks Index		37	**9 801**	7 138	7 659	21	**9 248**	7 618	8 823
SBK share price		26	**161.60**	128.00	131.66	22	**155.17**	127.61	140.01
Key exchange rates									
USD/ZAR		6	**15.41**	14.53	14.77	14	**16.23**	14.28	15.89
GBP/ZAR		(1)	**20.01**	20.17	20.32	(1)	**19.61**	19.74	21.46
ZAR/AOA		(32)	**30.26**	44.54	42.61	(41)	**26.81**	45.07	34.94
ZAR/GHS		18	**0.47**	0.40	0.40	23	**0.49**	0.40	0.39
ZAR/KES		0	**7.48**	7.48	7.42	(1)	**7.35**	7.42	7.15
ZAR/MZN		(9)	**4.16**	4.58	4.41	1	**3.99**	3.97	4.02
ZAR/NGN		(2)	**27.07**	27.72	27.59	(8)	**26.08**	28.27	26.04
ZAR/UGX		(6)	**233.28**	249.11	242.64	(5)	**234.02**	246.30	223.04
ZAR/ZMW		(25)	**1.14**	1.51	1.33	(31)	**1.06**	1.54	1.05
ZAR/ZWL		100	**11.31**	5.66	5.90	>100	**22.28**	5.83	6.84

Overview of financial results

Group results

Standard Bank Group Limited (SBG or group) delivered record headline earnings of R15.3 billion for the six months to 30 June 2022 (1H22 or the current period), up 33% on the prior period. This performance was underpinned by continued balance sheet and franchise growth. Return on equity (ROE) improved to 15.3% (1H21: 12.9%). Net asset value grew by 15% and the group ended the period (30 June 2022) with a common equity tier one ratio of 13.7% (31 December 2021: 13.8%). The SBG board approved an interim dividend of 515 cents per share. This equates to a dividend payout ratio of 55% for the current period.

The group made good progress on its 2025 commitments, both strategic and financial. The group exceeded internal expectations in terms of revenue growth, delivered strong positive jaws, retained the credit loss ratio within the group's through-the-cycle range, and ROE moved closer to the 2025 target range of 17% to 20%.

Pre-provision operating profit grew by 20% driven by strong revenue growth. Net interest income growth was driven by strong average balance sheet growth and margin expansion. Net fees grew by 10% supported by a larger client base and increased activity. Trading revenue growth was robust, driven by client trades on the back of market volatility. Revenue growth exceeded cost growth, resulting in positive jaws of 450 basis points. Credit impairment charges were broadly flat leading to an 82 basis point credit loss ratio, down from 88 basis points in the six months to 30 June 2021 (1H21). Standard Bank Activities recorded headline earnings growth of 25% to R13.6 billion and ROE improved to 15.0% (1H21: 13.3%).

Liberty Holdings Limited's (Liberty) performance improved period on period as the pandemic-related impact waned. The Liberty minority buyout was successfully completed in March 2022 and the process of integrating Liberty into the group is underway. The initial focus has been on aligning the sales and adviser teams to drive client franchise growth, the strategic alignment of the Standard Bank and Liberty Africa Regions' teams, and defining the path to deliver the financial benefits identified as part of the transaction. The group remains the third largest investment services business on the continent by AUM/AUA, with a combined AUM/AUA of R1.4 trillion.

ICBC Standard Bank Plc (ICBCS) managed risk associated with the emerging market volatility well. It also received an insurance settlement in the current period relating to a previous client loss.

The group's South African banking business, The Standard Bank of South Africa Limited, recorded a strong rebound. Headline earnings increased by 30% and ROE improved to 14.2%. Revenue grew by double digits, boosted by a strong trading performance and an ongoing recovery in activity-related fees, up 41% and 10% respectively. Credit impairment charges declined but remained above pre-pandemic levels. Costs were well contained to deliver positive jaws of 440 basis points.

Our Africa Regions' franchise grew revenue by 26% driven by a larger balance sheet, higher interest rates, higher transactional volumes, a recovery in international trade as lockdowns eased, and double-digit growth in trading revenue. The business more than absorbed higher costs (linked to a spike in inflation) to deliver positive jaws of 943 basis points. Africa Regions' headline earnings increased by 41% (and by 35% in constant currency) and ROE recovered to 20.4%. The top six contributors to Africa Regions' headline earnings remained Angola, Ghana, Kenya, Mozambique, Nigeria and Uganda. Africa Regions' contribution to 1H22 group headline earnings was 37%.

Operating environment

In 1H22, geopolitical tensions increased. The global macroeconomic environment deteriorated and inflation spiked. In response, central banks increased interest rates faster than expected. This complex backdrop and uncertain outlook drove market volatility. Funding costs increased, including in the USA and UK, and asset prices fell.

The impact of the global turmoil differed across our sub-Saharan African countries. While higher commodity prices supported exporters, food and fuel importers bore the brunt of higher inflation. In 1H22, interest rates increased in almost all of our countries of operation. Various countries were impacted by election preparations.

The South African economy was shielded by high commodity prices, strong terms of trade and a resilient currency for most of the period. Repo rate increases (1H22: +100 basis points), while faster than expected, were measured. In 1H22, interest rates remained low relative to pre-pandemic levels. Consumer balance sheets are healthier than at the beginning of the previous interest rate hiking cycle (2014). While 1Q22 real GDP growth was stronger than expected, 2Q22 is expected to be negatively impacted by flooding in KwaZulu-Natal and renewed electricity disruptions. Slow growth and inflation pressures increased the social challenges in the country.

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 the client value proposition strategy.

HEADLINE EARNINGS BY CLIENT SEGMENT

	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Consumer & High Net Worth clients (CHNW)	28	28	**3 422**	2 680	7 063
Business & Commercial clients (BCC)	59	59	**3 290**	2 067	5 326
Corporate & Investment Banking clients (CIB)	13	16	**7 352**	6 323	13 206
Central and other	>100	>100	**(456)**	(176)	(655)
Standard Bank Activities	23	25	**13 608**	10 894	24 940

CHNW headline earnings grew by 28% to R3.4 billion and ROE increased to 13.6% (1H21: 10.9%). Strong customer deposit growth (1H22: 12%) and continued gross customer loan growth (1H22: 7%), combined with positive endowment from higher interest rates, supported net interest income. Non-interest revenue benefited from higher transactional activity and annual price increases. Revenue growth marginally exceeded cost growth, resulting in positive jaws of 11 basis points. Credit impairment charges declined by 9%, driven primarily by improved collections and migrations of Covid-19 payment holiday loans into performing loans. CHNW's credit loss ratio was 137 basis points, within its through-the-cycle range of 100 to 150 basis points.

BCC delivered headline earnings of R3.3 billion, an increase of 59% on 1H21, and an ROE of 28.2% (1H21: 20.0%). Net interest income growth was very strong driven by double-digit balance sheet growth and the positive endowment impact from higher interest rates. Non-interest revenue growth was positively impacted by improved client transactional volumes (as lockdowns eased), increased foreign exchange trade volumes, and improved pricing. Planned investment spend drove costs higher. Revenue growth was well in excess of cost growth, resulting in positive jaws of 870 basis points. Credit impairment charges declined by 23%, driven primarily by lower charges in South Africa. BCC's credit loss ratio was 99 basis points, just below its through-the-cycle range of 100 to 120 basis points.

CIB headline earnings increased by 16% to R7.4 billion and ROE improved to 20.2% (1H21: 19.2%). Revenue grew by 20% to a new record of R22.7 billion. Growth was underpinned by robust client revenue growth across most sectors, regions and business lines. Net interest income grew by 18%, driven by strong loan and deposit growth and higher returns on government securities, particularly in Africa Regions. Non-interest revenue enjoyed tailwinds from increased flow and structured sales transactions in South Africa, as well as increased foreign currency client flow and margins in Africa Regions. The closure of some landmark deals in Africa Regions drove a strong recovery in investment banking fees. Revenue growth was significantly higher than cost growth resulting in strong positive jaws of 921 basis points. Credit impairment charges reverted to a net charge in 1H22, from a net recovery in 1H21. CIB's credit loss ratio to customers was 33 basis points, below the bottom of its through-the-cycle guidance range of 40 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

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Banking	30	12 641	9 702	23 020
Insurance	9	1 044	959	1 817
Investments	(7)	379	409	758
Central and other	>100	(456)	(176)	(655)
Standard Bank Activities	25	13 608	10 894	24 940

Banking solutions

Banking solutions headline earnings reflected a strong performance, up 30% period on period. The franchise continued to grow clients and balances, and transactional and account activity recovered to well above pre-pandemic levels.

Active clients	'000	Change %
CHNW South Africa	10 466	8
CHNW Africa Regions	5 760	9
CHNW total	**16 226**	**8**
BCC South Africa	514	2
BCC Africa Regions	271	9
BCC total	**785**	**4**

Loans and advances

Gross loans and advances to customers grew by 11% to R1.3 trillion, driven by double-digit growth in the VAF, business and corporate and sovereign portfolios. In South Africa, gross loans to customers grew by 6% to R1.1 trillion. Slow corporate portfolio growth, as clients remained cautious, was more than offset by strong disbursements in home loans, VAF and personal unsecured loans. In Africa Regions, gross loans to customers grew by 29% (21% in constant currency), reflective of our risk appetite and strategy to grow, combined with an increase in disbursements through our digital lending solutions.

Total provisions increased by 4% relative to 30 June 2021 and relative to December 2021. Additional net provisions were raised in all portfolios. Following the improvement in the Covid-19 outlook, the group released R151 million of the R500 million overlay raised in the Centre & Other segment in 2020. As at 30 June 2022, stage 3 loans represented 4.8% of the portfolio and provisions held against these loans reflected 51% coverage (31 December 2021, 4.7% and 52%). Total coverage (as at 30 June 2022) was 3.5%, in line with that reported as at 31 December 2021.

Deposits and funding

Total deposits grew by 13%, supported by growth in current and savings accounts as well as term deposits. Retail-priced deposits grew by 13% linked to client franchise growth. Wholesale-priced deposits grew by 12%, boosted by strong growth in bank deposits. Deposits from customers grew by 10% in South Africa and 20% in Africa Regions. Deposits placed with our offshore operations in the Isle of Man and Jersey grew to GBP6.9 billion as at 30 June 2022 (31 December 2021: GBP6.5 billion).

Revenue

Revenue grew by 14%, driven by net interest income growth of 15% and non-interest revenue growth of 13%. Strong average balance sheet growth and positive endowment from higher interest rates supported net interest income growth. Net interest margin increased by 22 basis points to 383 basis points, of which 17 basis points related to endowment. The negative impact of tighter pricing was more than offset by mix benefits and endowment tailwinds. Net fee and commission revenue increased by 10% due to higher transactional activity as lockdown restrictions eased as well as the impact of annual price increases. The growth in digital channel volumes continues to outpace that of traditional channels in line with client preference. We continue to expand our digital offering across all areas of our business as we strive to deliver convenient and cost-effective services. Higher customer spending drove higher card acquiring and issuing turnover. Trading revenue grew by 21% period on period to R8.5 billion, surpassing a previous record set in 2H21 of R7.8 billion. This strong performance was due to a combination of strong FX flows in West Africa and South Africa as client demand and FX volatility increased, strong demand for commodity hedging on the back of increased commodity prices, and increased corporate client trading activity in the equities market because of market volatility. Other revenue increased driven by higher bancassurance income, due to lower credit life claims compared to the prior period. Growth in other gains on financial instruments was driven by higher asset valuations in the Investment Banking equity portfolio.

Overview of financial results

Credit impairment charges

Credit impairment charges increased by 2%. Additional charges were raised as a result of balance sheet growth, restructures and higher CIB credit impairment charges (compared to a net recovery in the prior period). This was largely offset by decreases related to increased collections and improved risk profiles as payment holiday customers resumed payments. The credit loss ratio was 82 basis points, down relative to 1H21 but up relative to the second six months of 2021 (2H21) (1H21: 88 basis points, 2H21: 58 basis points).

Operating expenses

Operating expenses increased by 10%, below the average rate of inflation across our markets of 11%. The increase was driven by annual salary increases, higher variable remuneration as well as the normalisation of certain business expenses as Covid-related restrictions were removed, for example marketing and travel. IT cost growth was well contained at 7%. Increased spend on cloud, data and platforms was offset by savings in more traditional areas, e.g. decommissioning of legacy systems and on-premise data centres. The intangible amortisation charge grew by 1% and depreciation was flat period on period. A diligent focus on professional fee spend continued. Premise cost growth was contained as increases in municipal and maintenance costs were largely absorbed by savings from the continued rationalisation of group infrastructure. In addition, in 1H21 the group received an insurance recovery amounting to R233 million (pre-tax) related to a Japanese card fraud which occurred in 2016. The recovery was recorded in other expenses in 1H21. Excluding this recovery from 1H21, cost growth was 9%.

Insurance solutions

The group's insurance businesses (excluding Liberty) recorded continued growth in headline earnings, up by 9% to R1.0 billion and an ROE of 66.5% (1H21 ROE: 53.6%). Revenue grew by 6%, supported by a growing policy base and price reviews. Gross written premiums (GWP) increased by 9% period on period, driven by double-digit growth in short-term and funeral GWP. A large decline in credit life claims, as the impact of Covid-19 faded, was offset by an increase in weather-related short-term claims. The latter was mainly due to the particularly rainy weather experienced in the first quarter of the year in South Africa and catastrophic flooding in KwaZulu-Natal (South Africa) in April 2022.

Investment solutions

The group's investments solutions businesses (excluding Liberty) reported an 8% increase in assets under management and administration (AUM/AUA) period on period to R501 billion. Positive net client cash flows in Nigeria and Ghana supported AUM growth, up by 14% and 26% respectively, in constant currency. Revenue grew by 7% as fees from a higher asset base more than offset lower performance fees on the back of the difficult market conditions and lower asset valuations. Operating expenses growth outpaced revenue growth resulting in a 7% decline in headline earnings to R379 million. The business continued to contribute positively to group ROE (1H22 ROE: 34.3%), despite difficult market conditions.

Central and other

This segment includes costs associated with corporate functions, the group's treasury and capital requirements that have not been otherwise allocated to the client segments. In 1H22, the segment headline loss amounted to R456 million (1H21: loss of R176 million). 1H21 costs were lower than the historical trend. The key drivers of the increase were a negative treasury share adjustment related to client trading activities in SBG Securities, additional withholding tax related to higher dividends paid by the group's Africa Regions' subsidiaries, and costs associated with the Liberty minority buyout transaction. In 2020, the group raised a R500 million Covid-related credit overlay which was held centrally. By 30 June 2022, the pandemic had faded and as a result the group chose to release R151 million of the provision.

Liberty

Liberty's normalised operating earnings for the current period amounted to R672 million (1H21: R465 million loss). The improvement was driven primarily by the South African Insurance Operations where mortality experience improved and, on the back of a benign Covid-19 fifth wave, no Covid-19 pandemic reserve top-ups were deemed necessary. The Shareholder Investment Portfolio was negatively impacted by market declines across equities and bonds resulting in a net loss for the period. Liberty recorded headline earnings of R485 million (1H21: R222 million). Liberty Group Limited remains well capitalised, with a solvency capital requirement cover ratio of 1.79 times as at 30 June 2022.

The Liberty financial results as consolidated include 57% of Liberty earnings for the first month of the year and 100% for the remainder of the period. 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 R197 million in the current period (1H21: positive R35 million).

ICBC Standard Bank Plc

ICBCS received a net insurance settlement of USD203 million post tax, relating to a previous client loss. The group's 40% share thereof equated to R1.2 billion (post tax). ICBCS' operational performance was the outcome of good risk management and appropriate positioning to take advantage of emerging market opportunities arising from the Russia-Ukraine conflict. In 1H22, including the insurance settlement, ICBCS recorded a profit of USD229 million (1H21: USD72 million). The group's 40% share of earnings equated to USD92 million or R1.4 billion post translation (1H21: R420 million).

Profit attributable

Profit attributable to ordinary shareholders grew by 37% to R15.7 billion. Group net asset value grew by 15% to R210 billion. The group issued new shares equating to R9.5 billion as part of the Liberty minority buyout transaction.

Capital and liquidity

The group's capital position remains robust. As at 30 June 2022, the group's common equity tier 1 ratio (including unappropriated profits) was 13.7% (31 December 2021, 13.8%) and total capital ratio was 16.6% (31 December 2021, 16.9%). The group's Basel III liquidity coverage ratio amounted to 143% and net stable funding ratio was 122%, both well in excess of the 100% regulatory requirements.

During 1H22, the group successfully raised Basel III compliant additional tier I capital of R1.6 billion.

Prospects

In 2H22, global growth is expected to slow as tighter financing conditions take effect. Inflationary pressures are, however, expected to fade. The International Monetary Fund is forecasting global real GDP growth of 3.2% and 3.8% in sub-Saharan Africa for 2022. African countries with high sovereign debt levels are likely to face some constraints.

In South Africa, further monetary tightening is expected to negatively impact confidence and demand and constrain real GDP growth to 2.3% in 2022. Electricity supply issues may constrain growth further. Inflation is expected to peak in 2H22, averaging 6.5% in 2022. Standard Bank Research expects additional pre-emptive interest rate hikes of 75 basis points in 2H22 (in addition to the 75 basis point increase in July 2022), followed by a pause in 2023.

We are focused on delivering continued revenue growth through our client-centric strategy, and our ability to deliver new and relevant solutions to our clients through their channel of choice, as and when they need them.

For the 12 months to 31 December 2022 (FY22), net interest income growth is expected to be low double digits year on year, supported by balance sheet growth and endowment tailwinds. As the pandemic unwind fades, non-interest revenue growth is expected to moderate to high single digits. Trading revenue growth for FY22 is expected to be slower than 1H22. We will continue to manage our costs judiciously, with a focus on delivering below-inflation cost growth and positive jaws. We will continue to proactively manage regulatory challenges and related costs in Africa Regions. The group credit loss ratio is expected to remain in the lower half of the group's through-the-cycle target range of 70 to 100 basis points, subject to the macroeconomic developments relative to the group's current base case outlook. The group FY22 ROE is expected to improve year on year and remain above cost of equity.

We thank all our colleagues for all that they have done to continue to grow our business and deliver record revenues and earnings.

While the environment remains volatile and uncertain, we are well positioned with strong capital ratios, an unprecedented stock of balance sheet credit provisions and a committed team ready to drive our business forward. We will continue to leverage our significant scale, unrivalled geographic footprint, and leading market positions to differentiate ourselves. We remain committed to delivering positive impact and attractive shareholder returns.

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
19 August 2022	19 August 2022

Condensed consolidated statement of financial position

as at 30 June 2022

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Assets				
Cash and balances with central banks	15	96 975	84 440	91 169
Derivative assets	14	82 808	72 605	63 688
Trading assets	11	282 813	254 186	285 020
Pledged assets	6	17 503	16 509	14 178
Disposal of group assets held for sale	90	950	500	1 025
Financial investments	5	705 148	668 808	724 700
Current and deferred tax assets	20	8 554	7 127	7 612
Loans and advances	13	1 484 837	1 314 976	1 424 328
Policyholders' assets	(36)	2 713	4 241	2 868
Other assets	26	51 423	40 906	36 432
Interest in associates and joint ventures	29	8 983	6 951	7 280
Investment property	0	29 464	29 453	29 985
Property, equipment and right of use assets	1	19 793	19 667	20 619
Goodwill and other intangible assets	(9)	15 930	17 555	16 913
Total assets	11	2 807 894	2 537 924	2 725 817
Equity and liabilities				
Equity	10	245 522	223 440	242 849
Equity attributable to ordinary shareholders	15	209 683	182 851	198 832
Equity attributable to other equity instrument holders[1]	11	15 867	14 328	16 052
Equity attributable to non-controlling interests	(24)	19 972	26 261	27 965
Liabilities	11	2 562 372	2 314 484	2 482 968
Derivative liabilities	32	94 169	71 354	67 259
Trading liabilities	14	92 426	80 986	81 484
Current and deferred tax liabilities	(3)	8 566	8 794	10 277
Disposal of group liabilities held for sale	3	89	86	96
Deposits and debt funding	13	1 842 386	1 632 201	1 776 615
Policyholders' liabilities	1	342 537	340 490	363 023
Subordinated debt	0	29 049	28 918	30 430
Provisions and other liabilities	1	153 150	151 655	153 784
Total equity and liabilities	11	2 807 894	2 537 924	2 725 817

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

Condensed consolidated income statement

for the six months ended 30 June 2022

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Income from Standard Bank Activities	14	62 132	54 453	113 556
Net interest income	15	34 411	29 968	62 436
Non-interest revenue	13	27 721	24 485	51 120
Income from investment management and life insurance activities	(6)	9 777	10 362	19 426
Total income	11	71 909	64 815	132 982
Credit impairment charges	2	(5 928)	(5 797)	(9 873)
Net income before operating expenses	12	65 981	59 018	123 109
Operating expenses from Standard Bank Activities	10	(34 821)	(31 770)	(65 735)
Operating expenses from investment management and life insurance activities	11	(9 211)	(8 286)	(16 952)
Net income before capital items and equity accounted earnings	16	21 949	18 962	40 422
Non-trading and capital related items	(>100)	551	(116)	(284)
Share of post-tax profit from associates and joint ventures	>100	1 548	546	1 094
Profit before indirect taxation	24	24 048	19 392	41 232
Indirect taxation	16	(1 658)	(1 431)	(3 024)
Profit before direct taxation	25	22 390	17 961	38 208
Direct taxation	3	(4 801)	(4 640)	(10 149)
Profit for the period	32	17 589	13 321	28 059
Attributable to ordinary shareholders	37	15 674	11 414	24 865
Attributable to other equity instrument holders	15	446	389	825
Attributable to non-controlling interests	(3)	1 469	1 518	2 369
Earnings per share (cents)				
Basic earnings per ordinary share	34	961.4	717.4	1 563.2
Diluted earnings per ordinary share	34	954.6	713.4	1 555.1

Condensed consolidated statement of other comprehensive income

for the six months ended 30 June 2022

	Change %	1H22 Ordinary shareholders' equity Rm	1H22 Non-controlling interests and other equity instruments Rm	1H22 Total equity Rm
Profit for the period	32	15 674	1 915	17 589
Other comprehensive (loss)/income after tax for the period		(2 506)	560	(1 946)
Items that may be subsequently reclassified to profit or loss		(2 336)	720	(1 616)
Movements in the cash flow hedging reserve		(201)	(61)	(262)
Movement in debt instruments measured at fair value through other comprehensive income (OCI)		(55)	69	14
Exchange difference on translating foreign operations		(2 080)	712	(1 368)
Net change on hedges of net investments in foreign operations				
Items that may not be subsequently reclassified to profit of loss		(170)	(160)	(330)
Total comprehensive income for the period		13 168	2 475	15 643
Attributable to ordinary shareholders		13 168		13 168
Attributable to other equity instrument holders			446	446
Attributable to non-controlling interests			2 029	2 029

1H21			FY21		
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
11 414	1 907	13 321	24 865	3 194	28 059
(1 196)	(490)	(1 686)	6 231	972	7 203
(1 218)	(478)	(1 696)	6 052	1 008	7 060
(81)	8	(73)	(125)	7	(118)
(114)	(89)	(203)	30	(19)	11
(1 023)	(397)	(1 420)	6 145	1 020	7 165
			2		2
22	(12)	10	179	(36)	143
10 218	1 417	11 635	31 096	4 166	35 262
10 218		10 218	31 096		31 096
	389	389		825	825
	1 028	1 028		3 341	3 341

Condensed consolidated statement of changes in equity

for the six months ended 30 June 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
Balance at 1 January 2021	18 016	(61)	(2 745)	(7 735)	(984)	23
Increase in statutory credit risk reserve						
Transactions with non-controlling shareholders				1		
Equity-settled share-based payments						
Deferred tax on share-based payments						
Transfer of vested equity options						
Net (increase)/decrease in treasury shares			(542)			
Net issue of share capital and share premium and other equity instruments						
Unincorporated property partnerships capital reductions and distributions						
Redemption of empowerment funding						
Hyperinflation adjustments						
Total comprehensive income for the period				(1 023)		(81)
Dividends paid						
Balance at 30 June 2021	18 016	(61)	(3 287)	(8 757)	(984)	(58)
Balance at 1 July 2021	18 016	(61)	(3 287)	(8 757)	(984)	(58)
Decrease in statutory credit risk reserve						
Transactions with non-controlling shareholders				(14)		
Equity-settled share-based payments						
Deferred tax on share-based payments						
Transfer of vested equity options						
Net decrease/(increase) in treasury shares			88			
Net issue of share capital and share premium and other equity instruments	5					
Unincorporated property partnerships capital reductions and distributions						
Hyperinflation adjustments						
Total comprehensive income for the period				7 168	2	(44)
Dividends paid						
Balance at 31 December 2021	18 021	(61)	(3 199)	(1 603)	(982)	(102)
Balance at 1 January 2022	**18 021**	**(61)**	**(3 199)**	**(1 603)**	**(982)**	**(102)**
Increase in statutory credit risk reserve						
Transactions with non-controlling shareholders[2]		**25**	**(945)**	**84**		**(43)**
Equity-settled share-based payments						
Deferred tax on share-based payments						
Transfer of vested equity options						
Net (increase)/decrease in treasury shares			**(315)**			
Net issue of share capital and share premium and other equity instruments[2]	**9 476**					
Unincorporated property partnerships capital reductions and distributions						
Redemption of empowerment funding		**36**				
Hyperinflation adjustments						
Total comprehensive income for the period				**(2 080)**		**(201)**
Dividends paid						
Balance at 30 June 2022	**27 497**		**(4 459)**	**(3 599)**	**(982)**	**(346)**

All balances are stated net of applicable tax.

[1] The total hedge reserve included the cash flow hedge reserve and the foreign currency basis spread. Refer to the changes in accounting policies section under IFRS 9: General Hedge Accounting for further details.

[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.

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
5 193	418	957	224	163 065	176 371	12 528	26 373	215 272
562				(562)				
				32	33		(56)	(23)
		626		(8)	618		(10)	608
				(37)	(37)			(37)
		2		(2)				
				(16)	(558)			(558)
						1 800		1 800
							(100)	(100)
				76	76			76
	(89)		1	11 410	10 218	389	1 028	11 635
				(3 870)	(3 870)	(389)	(974)	(5 233)
5 755	329	1 585	225	170 088	182 851	14 328	26 261	223 440
5 755	329	1 585	225	170 088	182 851	14 328	26 261	223 440
(93)				93				
13				84	83		(377)	(294)
		960		(1 012)	(52)		53	1
				57	57			57
		(895)		895				
				582	670		220	890
					5	1 724		1 729
							(110)	(110)
				144	144		(4)	140
	157		(49)	13 644	20 878	436	2 313	23 627
				(5 804)	(5 804)	(436)	(391)	(6 631)
5 675	486	1 650	176	178 771	198 832	16 052	27 965	242 849
5 675	**486**	**1 650**	**176**	**178 771**	**198 832**	**16 052**	**27 965**	**242 849**
518				**(518)**				
1	**8**	**256**	**(20)**	**(3 783)**	**(4 417)**		**(6 824)**	**(11 241)**
		1 050		**(419)**	**631**		**(61)**	**570**
				59	**59**			**59**
		(398)		**398**			**(281)**	**(281)**
				167	**(148)**		**22**	**(126)**
					9 476	**(185)**		**9 291**
							(98)	**(98)**
					36			**36**
				556	**556**			**556**
	(202)		**(28)**	**15 679**	**13 168**	**446**	**2 029**	**15 643**
				(8 510)	**(8 510)**	**(446)**	**(2 780)**	**(11 736)**
6 194	**292**	**2 558**	**128**	**182 400**	**209 683**	**15 867**	**19 972**	**245 522**

Standard Bank Activities' income statement

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net interest income	13	15	**34 411**	29 968	62 436
Non-interest revenue	12	13	**27 721**	24 485	51 120
Net fee and commission revenue	11	10	**16 174**	14 659	30 613
Trading revenue	17	21	**8 547**	7 038	14 842
Other revenue	5	4	**1 883**	1 807	3 648
Other gains and losses on financial instruments	14	14	**1 117**	981	2 017
Total income	13	14	**62 132**	54 453	113 556
Credit impairment charges	2	2	**(5 928)**	(5 797)	(9 873)
Loans and advances	1	1	**(5 993)**	(5 939)	(9 920)
Financial investments	(84)	(82)	**12**	67	(23)
Letters of credit and guarantees	(21)	(29)	**53**	75	70
Net income before operating expenses	14	16	**56 204**	48 656	103 683
Operating expenses	9	10	**(34 821)**	(31 770)	(65 735)
Staff costs	6	7	**(19 221)**	(18 010)	(36 642)
Other operating expenses	12	13	**(15 600)**	(13 760)	(29 093)
Net income before capital items and equity accounted earnings	23	27	**21 383**	16 886	37 948
Non-trading and capital related items	(>100)	(>100)	**551**	(116)	(119)
Net income before equity accounting earnings	27	31	**21 934**	16 770	37 829
Share of post-tax profits from associates and joint ventures	(17)	(17)	**126**	151	620
Profit before indirect taxation	27	30	**22 060**	16 921	38 449
Indirect taxation	12	14	**(1 256)**	(1 100)	(2 310)
Profit before direct taxation	28	31	**20 804**	15 821	36 139
Direct taxation	33	36	**(4 817)**	(3 532)	(8 083)
Profit for the period	26	30	**15 987**	12 289	28 056
Attributable to preference shareholders	0	0	**(145)**	(145)	(287)
Attributable to additional tier 1 capital noteholders	23	23	**(301)**	(244)	(538)
Attributable to non-controlling interests	21	42	**(1 522)**	(1 069)	(2 377)
Attributable to ordinary shareholders	27	29	**14 019**	10 831	24 854
Headline adjustable items	(>100)	(>100)	**(411)**	63	86
Standard Bank Activities – headline earnings	23	25	**13 608**	10 894	24 940

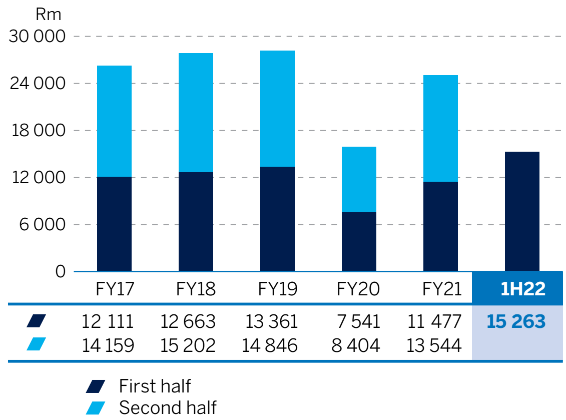
RECONCILIATION TO SBG HEADLINE EARNINGS

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Standard Bank Activities	23	25	**13 608**	10 894	24 940
Liberty	55	55	**253**	163	(419)
SBG share of Liberty's IFRS headline earnings	>100	>100	**450**	128	(64)
Impact of SBG shares held for the benefit of Liberty policyholders	(>100)	(>100)	**(197)**	35	(355)
ICBCS	>100	>100	**1 402**	420	500
Standard Bank Group headline earnings	31	33	**15 263**	11 477	25 021

Headline earnings

Headline earnings

CAGR (1H17 – 1H22): 5%



RECONCILIATION OF PROFIT FOR THE PERIOD TO GROUP HEADLINE EARNINGS

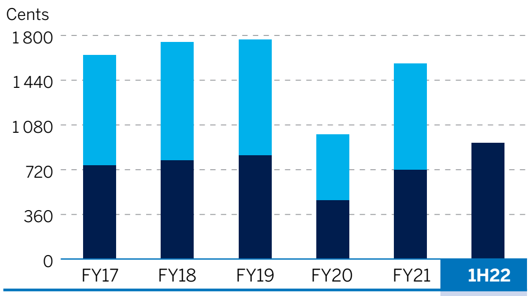
	1H22				1H21				FY21
	Gross Rm	**Tax[1] Rm**	**NCI and other[2] Rm**	**Net Rm**	Gross Rm	Tax[1] Rm	NCI and other[2] Rm	Net Rm	Net Rm
Profit for the period – Standard Bank Activities	**20 804**	**(4 817)**	**(1 968)**	**14 019**	15 821	(3 532)	(1 458)	10 831	24 854
Headline adjustable items – Standard Bank Activities added	**(551)**	**140**		**(411)**	116	(53)		63	86
IAS 36 – Impairment of intangible assets	**178**	**(49)**		**129**					13
IAS 16 – (Gains)/losses on sale of properties and equipment	**(36)**	**11**		**(25)**	3	(2)		1	56
IAS 16 – Compensation from third parties for ATMs that were impaired	**(79)**	**22**		**(57)**					
IAS 28/IAS 36 – Impairment of associate	**20**	**(6)**		**14**					
IAS 27/IAS 28 – Loss on disposal of business									14
IFRS 5 – Remeasurement of disposal group assets held for sale	**(5)**	**2**		**(3)**					22
IAS 40 – Fair value (gains)/losses on investment property	**(629)**	**160**		**(469)**	113	(51)		62	(19)
Headline earnings – Standard Bank Activities	**20 253**	**(4 677)**	**(1 968)**	**13 608**	15 937	(3 585)	(1 458)	10 894	24 940
Headline earnings/(losses) – Liberty	**586**	**(386)**	**53**	**253**	1 720	(1 108)	(449)	163	(419)
Profit/(loss) for the period – Liberty	**586**	**(386)**	**53**	**253**	1 720	(1 108)	(449)	163	(489)
IAS 36 – Impairment of intangible assets									57
IAS 27/IAS 28 – Loss on sale of business									2
IAS 36 – Impairment of goodwill									11
Headline earnings – ICBCS	**1 402**			**1 402**	420			420	500
Gains for the period – ICBCS	**1 402**			**1 402**	420			420	500
Standard Bank Group headline earnings	**22 241**	**(5 063)**	**(1 915)**	**15 263**	18 077	(4 693)	(1 907)	11 477	25 021

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

Headline earnings and dividend per share

Headline earnings per share

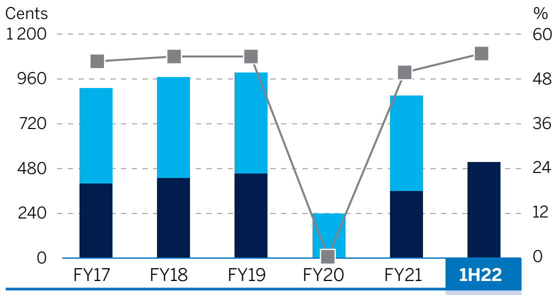
CAGR (1H17 – 1H22): 4%



	FY17	FY18	FY19	FY20	FY21	1H22
First half	756	794	837	474	721	**936**
Second half	884	954	930	529	852	

Dividend per share and payout ratio

CAGR (1H17 – 1H22): 5%



	FY17	FY18	FY19	FY20	FY21	1H22
Dividend per share – interim	400	430	454	0	360	**515**
Dividend per share – final	510	540	540	240	511	
Dividend payout ratio – first half	53	54	54	0	50	**55**

		Change %	1H22	1H21	FY21
Headline earnings	Rm	33	**15 263**	11 477	25 021
Headline EPS	cents	30	**936**	721	1 573
Basic EPS	cents	34	**961**	717	1 563
Total dividend per share	cents	43	**515**	360	871
Interim	cents	43	**515**	360	360
Final	cents			0	511
Dividend cover – based on headline EPS	times		**1.8**	2.0	1.8
Dividend payout ratio – based on headline EPS	%		**55**	50	55

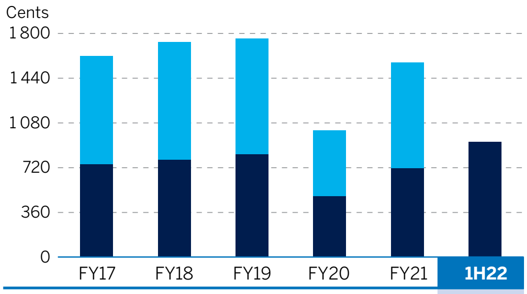
MOVEMENT IN THE NUMBER OF ORDINARY AND WEIGHTED AVERAGE SHARES ISSUED

	1H22		1H21		FY21	
	Issued number of shares '000	**Weighted number of shares '000**	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	1 592 904	1 592 904
Shares in issue	**1 619 976**	**1 619 976**	1 619 941	1 619 941	1 619 941	1 619 941
Deemed treasury shares	**(28 404)**	**(28 404)**	(27 037)	(27 037)	(27 037)	(27 037)
Shares issued	**58 145**	**37 253**			35	12
Movement in deemed treasury shares	**(1 451)**	**1 453**	(4 197)	(1 898)	(1 367)	(2 268)
Share exposures held within Standard Bank Activities	**(5 428)**	**5**	(4 641)	(2 121)	(2 495)	(2 783)
Share exposures held to facilitate client trading activities	**2 003**	**2 814**	708	935	(1 660)	114
Share exposures held to hedge the group's equity compensation plans	**(7 431)**	**(2 809)**	(5 349)	(3 056)	(835)	(2 897)
Shares held for the benefit of Liberty policyholders	**3 977**	**1 448**	444	223	1 128	515
End of the period – IFRS shares	**1 648 266**	**1 630 278**	1 588 707	1 591 006	1 591 572	1 590 648
Shares in issue	**1 678 121**	**1 657 229**	1 619 941	1 619 941	1 619 976	1 619 953
Deemed treasury shares	**(29 855)**	**(26 951)**	(31 234)	(28 935)	(28 404)	(29 305)

Diluted headline earnings per share

Diluted headline earnings per share

CAGR (1H17 – 1H22): 5%



	FY17	FY18	FY19	FY20	FY21	1H22
First half	746	784	829	472	717	930
Second half	874	947	928	528	848	

	Change %	1H22 cents	1H21 cents	FY21 cents
Diluted headline EPS	30	**930**	717	1 565
Diluted EPS	34	**955**	713	1 555

DILUTED WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ISSUED

	1H22 '000	1H21 '000	FY21 '000
Weighted average shares	**1 630 278**	1 591 006	1 590 648
Dilution from equity compensation plans	**11 663**	8 907	8 308
Group share incentive scheme	**47**	69	38
Equity growth scheme	**554**	343	522
Deferred bonus scheme, long-term incentive plans and related hedges	**11 062**	8 495	7 748
Diluted weighted average shares	**1 641 941**	1 599 913	1 598 956

Statement of financial position

	Standard Bank Activities				Liberty[1]			
	Change %	1H22 Rm	1H21 Rm	FY21 Rm	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Assets								
Cash and balances with central banks	15	**96 975**	84 440	91 169				
Derivative assets	7	**69 290**	64 885	55 786	75	**13 518**	7 720	7 902
Trading assets	11	**278 778**	250 536	281 244	11	**4 035**	3 650	3 776
Pledged assets	3	**9 667**	9 428	10 318	11	**7 836**	7 081	3 860
Disposal of group assets held for sale	>100	**489**	6	489	(7)	**461**	494	536
Financial investments	15	**315 951**	275 322	301 497	(1)	**389 197**	393 486	423 203
Current and deferred tax assets	20	**8 314**	6 924	7 370	18	**240**	203	242
Loans and advances	13	**1 484 837**	1 314 976	1 424 328				
Policyholders' assets					(36)	**2 713**	4 241	2 868
Other assets	37	**38 709**	28 225	25 697	0	**12 714**	12 681	10 735
Interest in associates and joint ventures	(6)	**2 781**	2 960	2 910	(11)	**166**	187	122
Investment property	>100	**1 053**	448	1 262	(2)	**28 411**	29 005	28 723
Property, equipment and right of use asset	3	**18 447**	17 874	18 944	(25)	**1 346**	1 793	1 675
Goodwill and other intangible assets	(9)	**15 424**	17 006	16 468	(8)	**506**	549	445
Total assets	13	**2 340 715**	2 073 040	2 237 482	0	**461 143**	461 080	484 087
Equity and liabilities								
Equity	12	**216 606**	193 075	212 793	(14)	**22 880**	26 561	25 808
Equity attributable to ordinary shareholders	11	**187 074**	167 902	183 685	49	**16 573**	11 145	10 899
Equity attributable to other equity holders	11	**15 867**	14 328	16 052				
Preference shares	0	**5 503**	5 503	5 503				
AT1 capital	17	**10 364**	8 825	10 549				
Equity attributable to non-controlling interests	26	**13 665**	10 845	13 056	(59)	**6 307**	15 416	14 909
Liabilities	13	**2 124 109**	1 879 965	2 024 689	1	**438 263**	434 519	458 279
Derivative liabilities	21	**76 904**	63 651	60 602	>100	**17 265**	7 703	6 657
Trading liabilities	16	**93 354**	80 786	80 433	(>100)	**(928)**	200	1 051
Current and deferred tax liabilities	18	**7 135**	6 023	7 501	(48)	**1 431**	2 771	2 776
Disposal of group liabilities held for sale					3	**89**	86	96
Deposits and debt funding	13	**1 862 295**	1 650 877	1 797 291	7	**(19 909)**	(18 676)	(20 676)
Policyholders' liabilities					1	**342 537**	340 490	363 023
Subordinated debt	3	**23 433**	22 841	24 852	(8)	**5 616**	6 077	5 578
Provisions and other liabilities	9	**60 988**	55 787	54 010	(4)	**92 162**	95 868	99 774
Total equity and liabilities	13	**2 340 715**	2 073 040	2 237 482	0	**461 143**	461 080	484 087

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

ICBCS Change %	ICBCS 1H22 Rm	ICBCS 1H21 Rm	ICBCS FY21 Rm	Standard Bank Group Change %	Standard Bank Group 1H22 Rm	Standard Bank Group 1H21 Rm	Standard Bank Group FY21 Rm
				15	**96 975**	84 440	91 169
				14	**82 808**	72 605	63 688
				11	**282 813**	254 186	285 020
				6	**17 503**	16 509	14 178
				90	**950**	500	1 025
				5	**705 148**	668 808	724 700
				20	**8 554**	7 127	7 612
				13	**1 484 837**	1 314 976	1 424 328
				(36)	**2 713**	4 241	2 868
				26	**51 423**	40 906	36 432
59	**6 036**	3 804	4 248	29	**8 983**	6 951	7 280
				0	**29 464**	29 453	29 985
				1	**19 793**	19 667	20 619
				(9)	**15 930**	17 555	16 913
59	**6 036**	3 804	4 248	11	**2 807 894**	2 537 924	2 725 817
59	**6 036**	3 804	4 248	10	**245 522**	223 440	242 849
59	**6 036**	3 804	4 248	15	**209 683**	182 851	198 832
				11	**15 867**	14 328	16 052
				0	**5 503**	5 503	5 503
				17	**10 364**	8 825	10 549
				(24)	**19 972**	26 261	27 965
				11	**2 562 372**	2 314 484	2 482 968
				32	**94 169**	71 354	67 259
				14	**92 426**	80 986	81 484
				(3)	**8 566**	8 794	10 277
				3	**89**	86	96
				13	**1 842 386**	1 632 201	1 776 615
				1	**342 537**	340 490	363 023
				0	**29 049**	28 918	30 430
				1	**153 150**	151 655	153 784
59	**6 036**	3 804	4 248	11	**2 807 894**	2 537 924	2 725 817

Notes

Segmental reporting

Segmental structure of client segments and solutions

Standard Bank Group

Client segments

The client segments are responsible for designing and executing the client value proposition strategy. Client segments own the client relationship and create multi-product customer experiences to address life events 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 solutions. We serve clients across Sub-Saharan Africa ranging from high net worth, affluent and 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 support 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, trading and funding support.

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

Client solutions

Client solutions support the client segments and the group as a whole. This team works in partnership with the client segments in pursuit of the client value proposition strategy. Client solutions provide 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.	**Global markets** Trading and risk management solutions across financial markets, including foreign exchange, money markets, interest rates, equities, credit and commodities.
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.	

Insurance

Short-term and life insurance activities

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

Central and other

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

ICBC Standard Bank Plc[1]

Equity investments held in terms of strategic partnership agreements with ICBC

- ICBC Standard Bank Plc (40% associate).

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.

Liberty

Life insurance and investment management activities

- South Africa Retail: Insurance and investment solutions to individual customers in South Africa.
- Business development: Insurance and investment solutions to corporate clients and retirement funds across sub-Saharan Africa.
- Asset management: Capabilities to manage investment assets in South Africa and Southern African Regions.

[1] Previously reported as part of other banking interests.

Condensed consolidated client segmental results

	Consumer & High Net Worth				Business & Commercial			
	Change %	1H22 Rm	1H21 Rm	FY21 Rm	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Income statement								
Income from Standard Bank Activities	9	25 448	23 436	48 618	17	14 848	12 668	26 433
Net interest income	10	15 169	13 796	28 541	20	8 971	7 467	15 675
Non-interest revenue	7	10 279	9 640	20 077	13	5 877	5 201	10 758
Net fee and commission revenue	7	7 925	7 391	15 373	10	4 328	3 952	8 401
Trading revenue	10	843	768	1 591	24	1 270	1 025	2 130
Other revenue	1	1 509	1 490	3 121	(13)	161	186	132
Other gains and losses on financial instruments	(>100)	2	(9)	(8)	>100	118	38	95
Net income from investment management and life insurance activities								
Total income	9	25 448	23 436	48 618	17	14 848	12 668	26 433
Credit impairment charges	(9)	(4 254)	(4 667)	(7 934)	(23)	(1 093)	(1 414)	(2 243)
Income before operating expenses	13	21 194	18 769	40 684	22	13 755	11 254	24 190
Operating expenses in Standard Bank Activities	8	(15 801)	(14 566)	(29 824)	9	(9 103)	(8 389)	(16 728)
Staff costs	1	(5 372)	(5 330)	(10 288)	13	(2 271)	(2 011)	(3 949)
Other operating expenses	13	(10 429)	(9 236)	(19 536)	7	(6 832)	(6 378)	(12 779)
Operating expenses in insurance activities								
Net income before capital items and equity accounted earnings	28	5 393	4 203	10 860	62	4 652	2 865	7 462
Non-trading and capital related items	(>100)	106	(39)	(96)	(>100)	197	(37)	(36)
Share of post-tax profit from associates and joint ventures								
Profit before indirect taxation	32	5 499	4 164	10 764	71	4 849	2 828	7 426
Indirect taxation	14	(265)	(233)	(503)	32	(90)	(68)	(152)
Profit before direct taxation	33	5 234	3 931	10 261	72	4 759	2 760	7 274
Direct taxation	45	(1 355)	(932)	(2 559)	89	(1 096)	(579)	(1 656)
Profit for the year	29	3 879	2 999	7 702	68	3 663	2 181	5 618
Attributable to preference shareholders								
Attributable to additional tier 1 capital noteholders	25	(100)	(80)	(172)	27	(38)	(30)	(64)
Attributable to non-controlling interests	10	(288)	(261)	(529)	>100	(213)	(106)	(247)
Profit attributable to ordinary shareholders	31	3 491	2 658	7 001	67	3 412	2 045	5 307
Headline adjustable items	(>100)	(69)	22	62	(>100)	(122)	22	19
Headline earnings	28	3 422	2 680	7 063	59	3 290	2 067	5 326
Key ratios								
CLR (bps)		137	161	134		99	151	111
Cost-to-income ratio (%)		62.1	62.2	61.3		61.3	66.2	63.3
ROE (%)		13.6	10.9	14.2		28.2	20.0	24.7

Corporate & Investment Banking				Central and other				Standard Bank Activities			
Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
20	**22 704**	18 956	39 822	43	**(868)**	(607)	(1 317)	14	**62 132**	54 453	113 556
18	**10 369**	8 796	18 614	8	**(98)**	(91)	(394)	15	**34 411**	29 968	62 436
21	**12 335**	10 160	21 208	49	**(770)**	(516)	(923)	13	**27 721**	24 485	51 120
18	**4 044**	3 413	7 044	27	**(123)**	(97)	(205)	10	**16 174**	14 659	30 613
28	**6 848**	5 350	11 413	>100	**(414)**	(105)	(292)	21	**8 547**	7 038	14 842
1	**451**	447	823	(25)	**(238)**	(316)	(428)	4	**1 883**	1 807	3 648
4	**992**	950	1 928	>100	**5**	2	2	14	**1 117**	981	2 017
20	**22 704**	18 956	39 822	43	**(868)**	(607)	(1 317)	14	**62 132**	54 453	113 556
(>100)	**(732)**	278	312	>100	**151**	6	(8)	2	**(5 928)**	(5 797)	(9 873)
14	**21 972**	19 234	40 134	19	**(717)**	(601)	(1 325)	16	**56 204**	48 656	103 683
11	**(11 239)**	(10 165)	(21 272)	(2)	**1 322**	1 350	2 089	10	**(34 821)**	(31 770)	(65 735)
5	**(3 893)**	(3 693)	(8 259)	10	**(7 685)**	(6 976)	(14 146)	7	**(19 221)**	(18 010)	(36 642)
14	**(7 346)**	(6 472)	(13 013)	8	**9 007**	8 326	16 235	13	**(15 600)**	(13 760)	(29 093)
18	**10 733**	9 069	18 862	(19)	**605**	749	764	27	**21 383**	16 886	37 948
(>100)	**158**	(38)	36	(>100)	**90**	(2)	(23)	(>100)	**551**	(116)	(119)
100	**4**	0	213	(19)	**122**	151	407	(17)	**126**	151	620
21	**10 895**	9 031	19 111	(9)	**817**	898	1 148	30	**22 060**	16 921	38 449
13	**(260)**	(231)	(486)	13	**(641)**	(568)	(1 169)	14	**(1 256)**	(1 100)	(2 310)
21	**10 635**	8 800	18 625	(47)	**176**	330	(21)	31	**20 804**	15 821	36 139
19	**(2 025)**	(1 700)	(3 604)	6	**(341)**	(321)	(264)	36	**(4 817)**	(3 532)	(8 083)
21	**8 610**	7 100	15 021	(>100)	**(165)**	9	(285)	30	**15 987**	12 289	28 056
				0	**(145)**	(145)	(287)	0	**(145)**	(145)	(287)
25	**(151)**	(121)	(257)	(8)	**(12)**	(13)	(45)	23	**(301)**	(244)	(538)
48	**(998)**	(675)	(1 542)	(15)	**(23)**	(27)	(59)	42	**(1 522)**	(1 069)	(2 377)
18	**7 461**	6 304	13 222	96	**(345)**	(176)	(676)	29	**14 019**	10 831	24 854
(>100)	**(109)**	19	(16)	(100)	**(111)**		21	(>100)	**(411)**	63	86
16	**7 352**	6 323	13 206	>100	**(456)**	(176)	(655)	25	**13 608**	10 894	24 940
	24	(4)	(4)						**82**	88	73
	49.5	53.6	53.4						**56.0**	58.3	57.9
	20.2	19.2	19.4						**15.0**	13.3	14.7

Condensed consolidated client segmental results

	Standard Bank Activities				Liberty			
	Change %	1H22 Rm	1H21 Rm	FY21 Rm	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Income statement								
Income from Standard Bank Activities	14	62 132	54 453	113 556				
Net interest income	15	34 411	29 968	62 436				
Non-interest revenue	13	27 721	24 485	51 120				
Net fee and commission revenue	10	16 174	14 659	30 613				
Trading revenue	21	8 547	7 038	14 842				
Other revenue	4	1 883	1 807	3 648				
Other gains and losses on financial instruments	14	1 117	981	2 017				
Net income from investment management and life insurance activities					(6)	9 777	10 362	19 426
Total income	14	62 132	54 453	113 556	(6)	9 777	10 362	19 426
Credit impairment charges	2	(5 928)	(5 797)	(9 873)				
Income before operating expenses	16	56 204	48 656	103 683	(6)	9 777	10 362	19 426
Operating expenses in Standard Bank Activities	10	(34 821)	(31 770)	(65 735)				
Staff costs	7	(19 221)	(18 010)	(36 642)				
Other operating expenses	13	(15 600)	(13 760)	(29 093)				
Operating expenses in insurance activities					11	(9 211)	(8 286)	(16 952)
Net income before capital items and equity accounted earnings	27	21 383	16 886	37 948	(73)	566	2 076	2 474
Non-trading and capital related items	(>100)	551	(116)	(119)				(165)
Share of post-tax profit from associates and joint ventures	(17)	126	151	620	(>100)	20	(25)	(26)
Profit before indirect taxation	30	22 060	16 921	38 449	(71)	586	2 051	2 283
Indirect taxation	14	(1 256)	(1 100)	(2 310)	21	(402)	(331)	(714)
Profit before direct taxation	31	20 804	15 821	36 139	(89)	184	1 720	1 569
Direct taxation	36	(4 817)	(3 532)	(8 083)	(>100)	16	(1 108)	(2 066)
Profit for the year	30	15 987	12 289	28 056	(67)	200	612	(497)
Attributable to preference shareholders	0	(145)	(145)	(287)				
Attributable to additional tier 1 capital noteholders	23	(301)	(244)	(538)				
Attributable to non-controlling interests	42	(1 522)	(1 069)	(2 377)	(>100)	53	(449)	8
Profit attributable to ordinary shareholders	29	14 019	10 831	24 854	55	253	163	(489)
Headline adjustable items	(>100)	(411)	63	86				70
Headline earnings	25	13 608	10 894	24 940	55	253	163	(419)
CLR (bps)		82	88	73				
Cost-to-income ratio (%)		56.0	58.3	57.9				
ROE (%)		15.0	13.3	14.7				

ICBCS				Standard Bank Group			
Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
				14	**62 132**	54 453	113 556
				15	**34 411**	29 968	62 436
				13	**27 721**	24 485	51 120
				10	**16 174**	14 659	30 613
				21	**8 547**	7 038	14 842
				4	**1 883**	1 807	3 648
				14	**1 117**	981	2 017
				(6)	**9 777**	10 362	19 426
				11	**71 909**	64 815	132 982
				2	**(5 928)**	(5 797)	(9 873)
				12	**65 981**	59 018	123 109
				10	**(34 821)**	(31 770)	(65 735)
				7	**(19 221)**	(18 010)	(36 642)
				13	**(15 600)**	(13 760)	(29 093)
				11	**(9 211)**	(8 286)	(16 952)
				16	**21 949**	18 962	40 422
				(>100)	**551**	(116)	(284)
>100	**1 402**	420	500	>100	**1 548**	546	1 094
>100	**1 402**	420	500	24	**24 048**	19 392	41 232
				16	**(1 658)**	(1 431)	(3 024)
>100	**1 402**	420	500	25	**22 390**	17 961	38 208
				3	**(4 801)**	(4 640)	(10 149)
>100	**1 402**	420	500	32	**17 589**	13 321	28 059
				0	**(145)**	(145)	(287)
				23	**(301)**	(244)	(538)
				(3)	**(1 469)**	(1 518)	(2 369)
>100	**1 402**	420	500	37	**15 674**	11 414	24 865
				(>100)	**(411)**	63	156
>100	**1 402**	420	500	33	**15 263**	11 477	25 021
					15.3	12.9	13.5

Condensed consolidated client segmental results

	Consumer & High Net Worth				Business & Commercial			
	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Statement of financial position								
Net loans and advances	7	**611 461**	571 668	604 263	20	**224 992**	187 482	207 057
Net loans and advances to banks	(7)	**17 082**	18 437	25 212	64	**28 550**	17 396	21 627
Net loans and advances to customers	7	**594 379**	553 231	579 051	15	**196 442**	170 086	185 430
Home services	7	**411 861**	384 609	401 409	5	**17 739**	16 923	17 099
Vehicle and asset finance	11	**58 482**	52 882	56 463	13	**44 340**	39 326	41 580
Card and payments	2	**32 297**	31 732	30 852	50	**1 007**	673	1 367
Personal unsecured lending	9	**91 739**	84 008	90 327				
Business lending					18	**133 356**	113 164	125 384
Corporate and sovereign lending								
Central and other								
Gross loans and advances to customers	7	**628 180**	586 038	611 171	15	**207 288**	180 588	196 421
Home services	7	**426 983**	399 537	416 150	6	**18 591**	17 611	17 954
Vehicle and asset finance	11	**62 793**	56 494	60 225	12	**47 079**	41 884	44 303
Card and payments	1	**36 137**	35 785	34 566	32	**1 095**	827	1 534
Personal unsecured lending	9	**102 267**	94 222	100 230				
Business lending					17	**140 523**	120 266	132 630
Corporate and sovereign lending								
Central and other								
Credit impairments	3	**(33 801)**	(32 807)	(32 120)	3	**(10 846)**	(10 502)	(10 991)
Home services	1	**(15 122)**	(14 928)	(14 741)	24	**(852)**	(688)	(855)
Vehicle and asset finance	19	**(4 311)**	(3 612)	(3 762)	7	**(2 739)**	(2 558)	(2 723)
Card and payments	(5)	**(3 840)**	(4 053)	(3 714)	(43)	**(88)**	(154)	(167)
Personal unsecured lending	3	**(10 528)**	(10 214)	(9 903)				
Business lending					1	**(7 167)**	(7 102)	(7 246)
Corporate and sovereign lending								
Central and other								
Other assets	8	**74 685**	69 266	74 446	4	**50 733**	48 562	51 802
Total assets	7	**686 146**	640 934	678 709	17	**275 725**	236 044	258 859
Equity	15	**55 591**	48 159	51 493	14	**28 001**	24 629	26 588
Liabilities	6	**630 555**	592 775	627 216	17	**247 724**	211 415	232 271
Deposits and debt funding	12	**375 369**	336 467	367 451	11	**432 253**	390 912	436 773
Deposits from banks	27	**1 631**	1 282	2 327	33	**12 904**	9 685	10 130
Deposits and current accounts from customers	12	**373 738**	335 185	365 124	10	**419 349**	381 227	426 643
Current accounts	8	**80 680**	74 653	80 423	12	**128 565**	114 526	128 330
Cash management deposits	(20)	**8**	10	8	7	**57 175**	53 236	53 844
Call deposits	12	**180 730**	161 134	177 519	6	**176 147**	165 992	183 671
Savings accounts	10	**37 089**	33 710	36 867	14	**5 767**	5 049	5 582
Term deposits	15	**70 277**	61 208	65 315	21	**44 899**	37 225	47 716
Negotiable certificates of deposit	(13)	**486**	560	615	(43)	**51**	90	1 027
Other deposits	14	**4 468**	3 910	4 377	32	**6 745**	5 109	6 473
Other liabilities[1]	(0)	**255 186**	256 308	259 765	3	**(184 529)**	(179 497)	(204 502)
Total equity and liabilities	7	**686 146**	640 934	678 709	17	**275 725**	236 044	258 859
Average ordinary shareholders' equity	3	**50 808**	49 559	49 841	12	**23 491**	20 890	21 571

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

	Corporate & Investment Banking				**Central and other**				**Standard Bank Activities**		
Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
16	**699 072**	600 074	663 589	15	**(50 688)**	(44 248)	(50 581)	13	**1 484 837**	1 314 976	1 424 328
28	**224 609**	175 880	209 528	33	**(50 175)**	(37 811)	(50 189)	27	**220 066**	173 902	206 178
12	**474 463**	424 194	454 061	(92)	**(513)**	(6 437)	(392)	11	**1 264 771**	1 141 074	1 218 150
								7	**429 600**	401 532	418 508
34	**6 292**	4 704	6 102					13	**109 114**	96 912	104 145
>100	**465**	71	264					4	**33 769**	32 476	32 483
								9	**91 739**	84 008	90 327
								18	**133 356**	113 164	125 384
12	**467 706**	419 419	447 695					12	**467 706**	419 419	447 695
				(92)	**(513)**	(6 437)	(392)	(92)	**(513)**	(6 437)	(392)
12	**483 107**	431 708	461 798	(97)	**(202)**	(5 773)	92	11	**1 318 373**	1 192 561	1 269 482
								7	**445 574**	417 148	434 104
33	**6 311**	4 734	6 125					13	**116 183**	103 112	110 653
>100	**469**	72	267					3	**37 701**	36 684	36 367
								9	**102 267**	94 222	100 230
								17	**140 523**	120 266	132 630
12	**476 327**	426 902	455 406					12	**476 327**	426 902	455 406
				(97)	**(202)**	(5 773)	92	(97)	**(202)**	(5 773)	92
15	**(8 644)**	(7 514)	(7 737)	(53)	**(311)**	(664)	(484)	4	**(53 602)**	(51 487)	(51 332)
								2	**(15 974)**	(15 616)	(15 596)
(37)	**(19)**	(30)	(23)					14	**(7 069)**	(6 200)	(6 508)
>100	**(4)**	(1)	(3)					(7)	**(3 932)**	(4 208)	(3 884)
								3	**(10 528)**	(10 214)	(9 903)
								1	**(7 167)**	(7 102)	(7 246)
15	**(8 621)**	(7 483)	(7 711)					15	**(8 621)**	(7 483)	(7 711)
				(53)	**(311)**	(664)	(484)	(53)	**(311)**	(664)	(484)
14	**683 558**	597 546	640 406	10	**46 902**	42 690	46 500	13	**855 878**	758 064	813 154
15	**1 382 630**	1 197 620	1 303 995	>100	**(3 786)**	(1 558)	(4 081)	13	**2 340 715**	2 073 040	2 237 482
10	**82 578**	74 967	82 750	11	**50 436**	45 320	51 962	12	**216 606**	193 075	212 793
16	**1 300 052**	1 122 653	1 221 245	16	**(54 222)**	(46 878)	(56 043)	13	**2 124 109**	1 879 965	2 024 689
15	**1 119 485**	973 327	1 051 465	30	**(64 812)**	(49 829)	(58 398)	13	**1 862 295**	1 650 877	1 797 291
33	**170 556**	128 685	169 925	29	**(42 455)**	(32 801)	(39 241)	33	**142 636**	106 851	143 141
12	**948 929**	844 642	881 540	31	**(22 357)**	(17 028)	(19 157)	11	**1 719 659**	1 544 026	1 654 150
25	**136 094**	108 529	125 027	87	**(5 627)**	(3 002)	(4 111)	15	**339 712**	294 706	329 669
(1)	**219 281**	220 855	207 653	100	**110**		21	1	**276 574**	274 101	261 526
4	**121 423**	116 350	123 184	31	**(2 067)**	(1 583)	(2 135)	8	**476 233**	441 893	482 239
>100	**123**	52	112	>100	**(81)**	(6)	(3)	11	**42 898**	38 805	42 558
11	**229 248**	207 275	224 852	>100	**450**	73	462	13	**344 874**	305 781	338 345
53	**139 318**	90 892	101 659				(524)	53	**139 855**	91 542	102 777
3	**103 442**	100 689	99 053	21	**(15 142)**	(12 510)	(12 867)	2	**99 513**	97 198	97 036
21	**180 567**	149 326	169 780	>100	**10 590**	2 951	2 355	14	**261 814**	229 088	227 398
15	**1 382 630**	1 197 620	1 303 995	>100	**(3 786)**	(1 558)	(4 081)	13	**2 340 715**	2 073 040	2 237 482
10	**73 218**	66 412	67 944	26	**35 198**	27 842	30 606	11	**182 715**	164 703	169 962

Condensed consolidated client segmental results

	Standard Bank Activities				Liberty			
	Change %	1H22 Rm	1H21 Rm	FY21 Rm	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Statement of financial position								
Net loans and advances	13	1 484 837	1 314 976	1 424 328				
Net loans and advances to banks	27	220 066	173 902	206 178				
Net loans and advances to customers	11	1 264 771	1 141 074	1 218 150				
Home services	7	429 600	401 532	418 508				
Vehicle and asset finance	13	109 114	96 912	104 145				
Card and payments	4	33 769	32 476	32 483				
Personal unsecured lending	9	91 739	84 008	90 327				
Business lending	18	133 356	113 164	125 384				
Corporate and sovereign lending	12	467 706	419 419	447 695				
Central and other	(92)	(513)	(6 437)	(392)				
Gross loans and advances to customers	11	1 318 373	1 192 561	1 269 482				
Home services	7	445 574	417 148	434 104				
Vehicle and asset finance	13	116 183	103 112	110 653				
Card and payments	3	37 701	36 684	36 367				
Personal unsecured lending	9	102 267	94 222	100 230				
Business lending	17	140 523	120 266	132 630				
Corporate and sovereign lending	12	476 327	426 902	455 406				
Central and other	(97)	(202)	(5 773)	92				
Credit impairments	4	(53 602)	(51 487)	(51 332)				
Home services	2	(15 974)	(15 616)	(15 596)				
Vehicle and asset finance	14	(7 069)	(6 200)	(6 508)				
Card and payments	(7)	(3 932)	(4 208)	(3 884)				
Personal unsecured lending	3	(10 528)	(10 214)	(9 903)				
Business lending	1	(7 167)	(7 102)	(7 246)				
Corporate and sovereign lending	15	(8 621)	(7 483)	(7 711)				
Central and other	(53)	(311)	(664)	(484)				
Policyholders' assets					(36)	2 713	4 241	2 868
Other assets	13	855 878	758 064	813 154	0	458 430	456 839	481 219
Total assets	13	2 340 715	2 073 040	2 237 482	0	461 143	461 080	484 087
Equity	12	216 606	193 075	212 793	(14)	22 880	26 561	25 808
Liabilities	13	2 124 109	1 879 965	2 024 689	1	438 263	434 519	458 279
Deposits and debt funding	13	1 862 295	1 650 877	1 797 291	7	(19 909)	(18 676)	(20 676)
Deposits from banks	33	142 636	106 851	143 141				
Deposits and current accounts from customers	11	1 719 659	1 544 026	1 654 150	7	(19 909)	(18 676)	(20 676)
Current accounts	15	339 712	294 706	329 669				
Cash management deposits	1	276 574	274 101	261 526				
Call deposits	8	476 233	441 893	482 239				
Savings accounts	11	42 898	38 805	42 558				
Term deposits	13	344 874	305 781	338 345				
Negotiable certificates of deposit	53	139 855	91 542	102 777				
Other deposits	2	99 513	97 198	97 036	7	(19 909)	(18 676)	(20 676)
Policyholders' liabilities					1	342 537	340 490	363 023
Other liabilities	14	261 814	229 088	227 398	3	115 635	112 705	115 932
Total equity and liabilities	13	2 340 715	2 073 040	2 237 482	0	461 143	461 080	484 087
Average ordinary shareholders' equity	11	182 715	164 703	169 962	21	13 593	11 216	11 144

ICBCS				Standard Bank Group			
Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
				13	**1 484 837**	1 314 976	1 424 328
				27	**220 066**	173 902	206 178
				11	**1 264 771**	1 141 074	1 218 150
				7	**429 600**	401 532	418 508
				13	**109 114**	96 912	104 145
				4	**33 769**	32 476	32 483
				9	**91 739**	84 008	90 327
				18	**133 356**	113 164	125 384
				12	**467 706**	419 419	447 695
				(92)	**(513)**	(6 437)	(392)
				11	**1 318 373**	1 192 561	1 269 482
				7	**445 574**	417 148	434 104
				13	**116 183**	103 112	110 653
				3	**37 701**	36 684	36 367
				9	**102 267**	94 222	100 230
				17	**140 523**	120 266	132 630
				12	**476 327**	426 902	455 406
				(97)	**(202)**	(5 773)	92
				4	**(53 602)**	(51 487)	(51 332)
				2	**(15 974)**	(15 616)	(15 596)
				14	**(7 069)**	(6 200)	(6 508)
				(7)	**(3 932)**	(4 208)	(3 884)
				3	**(10 528)**	(10 214)	(9 903)
				1	**(7 167)**	(7 102)	(7 246)
				15	**(8 621)**	(7 483)	(7 711)
				(53)	**(311)**	(664)	(484)
				(36)	**2 713**	4 241	2 868
59	**6 036**	3 804	4 248	8	**1 320 344**	1 218 707	1 298 621
59	**6 036**	3 804	4 248	11	**2 807 894**	2 537 924	2 725 817
59	**6 036**	3 804	4 248	10	**245 522**	223 440	242 849
				11	**2 562 372**	2 314 484	2 482 968
				13	**1 842 386**	1 632 201	1 776 615
				33	**142 636**	106 851	143 141
				11	**1 699 750**	1 525 350	1 633 474
				15	**339 712**	294 706	329 669
				1	**276 574**	274 101	261 526
				8	**476 233**	441 893	482 239
				11	**42 898**	38 805	42 558
				13	**344 874**	305 781	338 345
				53	**139 855**	91 542	102 777
				1	**79 604**	78 522	76 360
				1	**342 537**	340 490	363 023
				10	**377 449**	341 793	343 330
59	**6 036**	3 804	4 248	11	**2 807 894**	2 537 924	2 725 817
42	**5 286**	3 713	3 902	12	**201 594**	179 632	185 008

Consumer & High Net Worth

Consumer & High Net Worth Clients (CHNW)

CHNW's financial results for the period reflected headline earnings growth of 28% to R3 422 million and an ROE of 13.6% (1H21: 10.9%). This performance was mainly driven by a continued economic recovery across all markets following Covid-19 pandemic slowdowns over the last two years. Client activity steadily improved, with client spend in 1H22 exceeding 1H19 levels. The conflict between Russia and Ukraine remains a global risk, which lifted both commodity prices and interest rates with inflationary pressures remaining a risk to consumer and investment spend.

Loans to customers grew by 7% driven by a combination of growth in the secured lending portfolio in South Africa and higher unsecured lending disbursements in Africa Regions. This, together with the impact of positive endowment from higher average interest rates, supported net interest income (NII) growth of 10% to R15 169 million.

Non-interest revenue (NIR) growth of 7% was driven by a bigger active client base, up 8% to 16.2 million, and an improved economic environment which supported client activity. This was partially offset by increased short-term insurance claims in 1H22 due to inclement weather across South Africa, with the largest impact emanating from floods in KwaZulu-Natal in April.

Credit impairment charges reduced by 9% to R4 254 million resulting in an improved credit loss ratio (CLR) of 137 bps (1H21: 161 bps). This is within the through-the-cycle CLR target range of 100 bps to 150 bps. The reduction in credit impairment charges was largely due to improved collections and repayments in the legacy payment holiday portfolio. Further significant interest rate hikes and sustained macroeconomic pressure are anticipated to place additional strain on indebted clients into 2H22, and this is factored into our provisioning levels at 1H22.

Operating expenses increased by 8% on the back of continued investment in digital capabilities to transform client experience and improve platform stability, higher inflation across the continent and the depreciation of local currencies against the USD. Despite cost pressures, the business achieved positive jaws of 11 bps and a marginally improved cost-to-income ratio of 62.1% (1H21: 62.2%).

South Africa (SA)

The South African franchise reported a strong recovery with headline earnings improving by 26% to R2 792 million with an ROE of 14.2% (1H21: 11.2%). The active client base grew to 10.5 million, up by 8% from 1H21. The continued growth in the active client base is due to ongoing investment in client-facing bankers and in developing relevant client solutions.

NII grew by 5%, supported by strong balance sheet growth and higher average interest rates. This was partially offset by competitive pricing in home services. Loans to customers grew by 7% supported by disbursement growth in vehicle and asset finance of 20%, and unsecured lending disbursements growth of 8%. While home services registrations have reduced by 16% on 1H21, registrations were 50% higher than 1H19.

NIR grew by 5% mainly due to improved client activity and annual price increases. Growth in debit and credit card turnover was 17% and current account transactional flows increased by 8% relative to 1H21. Our Instant Money wallet continued to reflect strong growth with turnover uplift of 19% due to the expansion of retail partners where clients can send and redeem vouchers. This resulted in net fee and commission revenue growth of 6%. This performance was adversely impacted by the increased costs associated with continued growth of our UCount client base together with enhanced tiering, to give further benefit to our clients.

We are encouraged by the improvement in digital revenue for value added services of 12% and real-time clearing of 96%. Good growth in the long-term insurance policy base continued, with credit life and funeral insurance growing by 21% and 31%, respectively. This was partially offset by higher short-term claims due to inclement weather conditions across South Africa.

The business continued to leverage data and artificial intelligence to enable personalised client conversations, which supported better client engagement on digital platforms and further entrenched clients. Branch volumes continued to decline by 21%, as clients migrated to digital platforms. Focus remained on enhancing digital capabilities with the digital active client base up 15% on 1H21. At 1H22, there were 4.9 million digital registered clients (1H21: 4.2 million). The business continues to make progress in optimising its distribution infrastructure while expanding its footprint through partnerships and low-cost kiosks.

Credit impairment charges improved by 12% from the prior period, resulting in a CLR of 134 bps. This was mainly driven by an improvement in collections and positive repayment behaviour in the legacy payment holiday portfolio. The improvement was partially offset by elevated impairment charges on vehicle and asset finance. The compound impact of steep interest rate hikes and continued high inflationary pressures is anticipated to reduce clients' disposable income and lead to some strain in 2H22. This has been accounted for in our 1H22 levels of provisioning.

Operating expenses grew by 5% due to investment in the modernisation of the contact centres and higher marketing spend relative to 1H21. This was partially offset by lower headcount due to natural attrition, as well as the continued focus on the optimisation of the distribution network and the migration of cash into cheaper alternate solutions.

Africa Regions

Africa Regions reported continued strong growth in headline earnings of 24% to R440 million with an ROE of 10.4%. NII grew by 24% supported by robust growth in loans and deposits, up 12% and 16%, respectively, and margin expansion on the back of higher average interest rates.

NIR growth of 11% was driven by active client growth, higher transactional activity, annual price increases, growth in assets under management in Ghana and Nigeria, and an increase in cross-border transactions. This was partially offset by a combination of higher card processing costs following the depreciation of local currencies against USD and the non-recurrence of prior period's asset management performance fees earned in Nigeria.

Operating expenses increased by 18% mainly due the higher inflationary environment, investment in digital platforms and the impact of local currency devaluation on USD denominated costs.

Credit impairment charges increased by 15% compared to 1H21 with a credit loss ratio of 218 bps, in line with expectation. 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.

International

International Client Solutions headline earnings improved by 79% to R190 million with an ROE of 14.0%. NII grew strongly due to loans to customers book growth of 21% and deposit growth of 18%. Positive endowment from higher average interest rates and higher yields earned on placements with SBSA further supported NII growth. Operating expenses grew by 14%, largely due to higher incentive provisions in line with business performance.

Looking ahead

CHNW continues to drive sustainable value creation for the group and its stakeholders by steadily growing revenue and reducing costs to serve. CHNW is well positioned to support its clients across the continent and has attractive opportunities to continue to grow the client base and deepen its relationships with consumers. Transforming client experience remains a top priority.

Consumer & High Net Worth

KEY BUSINESS STATISTICS

		Change %	1H22	1H21	FY21
South Africa					
Clients					
Active clients[1]	thousands	8	**10 466**	9 721	10 179
Core clients[2]	thousands	7	**8 167**	7 648	7 885
Platform clients[3]	thousands	11	**2 299**	2 073	2 294
Digital active clients[4]	thousands	15	**3 621**	3 141	3 360
UCount clients	thousands	13	**1 156**	1 024	1 075
SBSA Mobile subscribers	thousands	67	**339**	203	261
Disbursements					
Home services (mortgages)	Rm	(16)	**33 429**	39 737	80 535
Average loan to value (LTV) of home services new business registered	%		**90**	91	90
Personal lending	Rm	8	**6 278**	5 807	11 770
VAF retail	Rm	20	**13 752**	11 430	25 149
Client activity					
Instant Money turnover	Rm	19	**14 550**	12 273	26 643
Digital transactional volumes	thousands	29	**130 067**	100 581	234 025
ATM transactional volumes	thousands	4	**131 725**	126 895	265 219
Branch transactional volumes	thousands	(21)	**4 267**	5 433	10 121
Points of representation					
ATMs	number	(11)	**3 770**	4 226	4 188
Branch square metres	thousands	(8)	**270**	294	280
Point of representation	number	11	**603**	543	594
Branches	number	(5)	**488**	513	493
In-store kiosks and other points of access	number	>100	**115**	30	101
Africa Regions					
Clients					
Active clients[1]	thousands	9	**5 760**	5 261	5 509
Core clients[2]	thousands	6	**5 480**	5 156	5 335
Platform clients[3]	thousands	>100	**280**	105	174
Client activity					
Digital transactional volumes	thousands	20	**111 831**	93 357	208 976
ATM transactional volumes	thousands	(4)	**63 118**	65 987	138 958
Branch transactional volumes	thousands	0	**5 442**	5 425	10 565
Points of representation					
Branches	number	(4)	**547**	567	549
ATMs	number	1	**2 425**	2 397	2 412

[1] An active client is defined as a unique 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 %	1H22 Rm	1H21 Rm	FY21 Rm
Net interest income	10	10	**15 169**	13 796	28 541
Non-interest revenue	6	7	**10 279**	9 640	20 077
Net fee and commission revenue	7	7	**7 925**	7 391	15 373
Trading revenue	3	10	**843**	768	1 591
Other revenue	1	1	**1 509**	1 490	3 121
Other gains and losses on financial instruments	(>100)	(>100)	**2**	(9)	(8)
Total income	8	9	**25 448**	23 436	48 618
Credit impairment charges	(9)	(9)	**(4 254)**	(4 667)	(7 934)
Operating expenses	8	8	**(15 801)**	(14 566)	(29 824)
Headline earnings	28	28	**3 422**	2 680	7 063

LOANS AND ADVANCES

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net loans and advances to banks	(8)	(7)	**17 082**	18 437	25 212
Gross loans and advances to banks	(8)	(7)	**17 082**	18 437	25 212
Credit impairments for loans and advances to banks					
Net loans and advances to customers	7	7	**594 379**	553 231	579 051
Home services	7	7	**411 861**	384 609	401 409
Vehicle and asset finance	10	11	**58 482**	52 882	56 463
Card and payments	2	2	**32 297**	31 732	30 852
Personal lending	8	9	**91 739**	84 008	90 327
Gross loans and advances to customers	7	7	**628 180**	586 038	611 171
Home services	7	7	**426 983**	399 537	416 150
Vehicle and asset finance	11	11	**62 793**	56 494	60 225
Card and payments	1	1	**36 137**	35 785	34 566
Personal lending	7	9	**102 267**	94 222	100 230
Credit impairments for loans and advances to customers	3	3	**(33 801)**	(32 807)	(32 120)
Home services	1	1	**(15 122)**	(14 928)	(14 741)
Vehicle and asset finance	19	19	**(4 311)**	(3 612)	(3 762)
Card and payments	(5)	(5)	**(3 840)**	(4 053)	(3 714)
Personal lending	2	3	**(10 528)**	(10 214)	(9 903)
Total coverage ratio (%)			**5.4**	5.6	5.3
Home services			**3.5**	3.7	3.5
Vehicle and asset finance			**6.9**	6.4	6.2
Card and payments			**10.6**	11.3	10.7
Personal lending			**10.3**	10.8	9.9
Net loans and advances	10	7	**611 461**	571 668	604 263
Gross loans and advances	9	7	**645 262**	604 475	636 383
Credit impairments	3	3	**(33 801)**	(32 807)	(32 120)
Credit impairments for loans and advances to banks					
Credit impairments for loans and advances to customers	3	3	**(33 801)**	(32 807)	(32 120)
Credit impairments for stage 3 loans	5	5	**(23 501)**	(22 280)	(22 526)
Credit impairments for stage 1 and 2 loans	(3)	(2)	**(10 300)**	(10 527)	(9 594)

DEPOSITS AND CURRENT ACCOUNTS

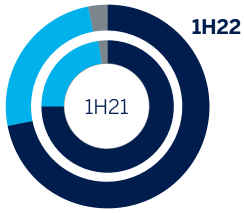
	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Deposits from banks	20	27	**1 631**	1 282	2 327
Deposits from customers	10	12	**373 738**	335 185	365 124
Current accounts	5	8	**80 680**	74 653	80 423
Cash management deposits	(20)	(20)	**8**	10	8
Call deposits	12	12	**180 730**	161 134	177 519
Savings accounts	6	10	**37 089**	33 710	36 867
Term deposits	14	15	**70 277**	61 208	65 315
Negotiable certificates of deposit	4	(13)	**486**	560	615
Other deposits	24	14	**4 468**	3 910	4 377
Total deposits	10	12	**375 369**	336 467	367 451

KEY RATIOS

		1H22 Rm	1H21 Rm	FY21 Rm
Headline earnings contribution to the group	%	**22**	23	28
Net interest margin	bps	**470**	458	463
CLR	bps	**137**	161	134
Coverage ratio	%	**5.4**	5.6	5.3
Cost-to-income ratio	%	**62.1**	62.2	61.3
ROE	%	**13.6**	10.9	14.2

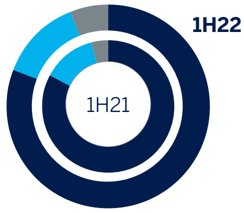
Consumer & High Net Worth

Total income by geography (%)



	1H22	1H21
South Africa	72	75
Africa Regions	25	23
International	3	2

Headline earnings by geography (%)



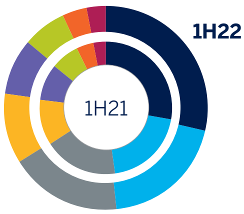
	1H22	1H21
South Africa	81	83
Africa Regions	13	13
International	6	4

SUMMARISED FINANCIAL RESULTS BY GEOGRAPHY

	South Africa					Africa Regions				
	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net interest income	5	5	11 667	11 085	22 690	21	24	3 114	2 519	5 454
Non-interest revenue	5	5	6 765	6 425	13 355	10	11	3 181	2 857	5 983
Total income	5	5	18 432	17 510	36 045	15	17	6 295	5 376	11 437
Credit impairment charges	(12)	(12)	(3 620)	(4 119)	(6 863)	14	15	(634)	(550)	(1 066)
Operating expenses	5	5	(10 876)	(10 385)	(21 057)	16	18	(4 436)	(3 751)	(7 911)
Headline earnings	26	26	2 792	2 218	5 917	27	24	440	356	911
Net loans and advances	7	7	530 308	494 860	512 405	9	12	58 152	52 088	57 921
Deposits and current accounts	9	9	242 083	222 639	236 844	8	16	60 139	51 946	58 522
CLR (bps)			134	164	134			218	213	192
Cost-to-income ratio (%)			59.0	59.3	58.4			70.5	69.8	69.2
ROE (%)			14.2	11.2	15.0			10.4	9.9	12.0

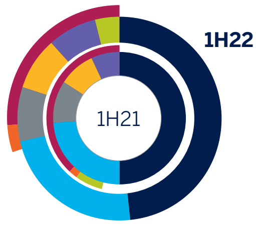
	International					Total				
	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net interest income	>100	>100	388	192	397	10	10	15 169	13 796	28 541
Non-interest revenue	(6)	(7)	333	358	739	6	7	10 279	9 640	20 077
Total income	32	31	721	550	1 136	8	9	25 448	23 436	48 618
Credit impairment charges	(100)	(100)	0	2	(5)	(9)	(9)	(4 254)	(4 667)	(7 934)
Operating expenses	15	14	(489)	(430)	(856)	8	8	(15 801)	(14 566)	(29 824)
Headline earnings	79	79	190	106	235	28	28	3 422	2 680	7 063
Net loans and advances	(8)	(7)	23 001	24 720	33 937	7	7	611 461	571 668	604 263
Deposits and current accounts	17	18	73 147	61 882	72 085	10	12	375 369	336 467	367 451
CLR (bps)			0	(1)	2			137	161	134
Cost-to-income ratio (%)			67.8	78.2	75.4			62.1	62.2	61.3
ROE (%)			14.0	8.6	8.9			13.6	10.9	14.3

Composition of total income by solution (%)



	1H22	1H21
CHNW transactional	**28**	28
Home services	**20**	20
CHNW lending	**18**	18
Card and payments	**11**	11
Insurance	**9**	9
Investment	**7**	7
Vehicle and asset finance	**4**	4
Global markets	**3**	3

Composition of headline earnings by solution (%)



	1H22	1H21
Home services	**63**	73
Insurance	**30**	35
Investment	**11**	15
CHNW lending	**11**	13
Global markets	**10**	10
Card and payments	**5**	(6)
Vehicle and asset finance	**(4)**	(2)
CHNW transactional	**(26)**	(38)

SUMMARISED INCOME STATEMENT BY SOLUTION

	Banking solutions									
	Home services					Vehicle and asset finance				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	4	4	**4 886**	4 720	9 697	5	5	**951**	907	1 842
Non-interest revenue	2	2	**129**	127	260	(4)	(7)	**69**	74	152
Total income	4	3	**5 015**	4 847	9 957	4	4	**1 020**	981	1 994
Credit impairment charges	(30)	(29)	**(646)**	(915)	(1 001)	30	29	**(563)**	(436)	(754)
Operating expenses	11	10	**(1 216)**	(1 101)	(2 236)	1	2	**(610)**	(596)	(1 137)
Headline earnings	9	9	**2 141**	1 967	4 670	>100	97	**(130)**	(66)	33

	Banking solutions									
	Card and payments					CHNW lending				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	2	2	**1 672**	1 633	3 280	10	10	**3 829**	3 485	7 235
Non-interest revenue	18	15	**1 084**	946	2 013	10	2	**675**	659	1 202
Total income	8	7	**2 756**	2 579	5 293	10	9	**4 504**	4 144	8 437
Credit impairment charges	(27)	(27)	**(1 039)**	(1 424)	(2 835)	6	6	**(2 006)**	(1 892)	(3 344)
Operating expenses	5	6	**(1 431)**	(1 354)	(2 678)	13	13	**(1 936)**	(1 718)	(3 510)
Headline earnings	(>100)	(>100)	**164**	(158)	(230)	12	4	**375**	359	1 115

Consumer & High Net Worth

	Banking solutions									
	CHNW transactional[1]					Global markets				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	23	25	**3 625**	2 908	6 159	60	60	**8**	5	10
Non-interest revenue	2	3	**3 762**	3 666	8 071	20	29	**834**	648	1 353
Total income	11	12	**7 387**	6 574	14 230	20	29	**842**	653	1 363
Operating expenses	6	7	**(8 374)**	(7 810)	(16 101)	1	3	**(321)**	(313)	(588)
Headline earnings	(10)	(11)	**(896)**	(1 005)	(1 618)	24	35	**355**	262	566

	Insurance solutions					Investment solutions				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	38	38	**95**	69	135	43	49	**103**	69	183
Non-interest revenue	6	6	**2 145**	2 016	3 967	4	5	**1 581**	1 504	3 059
Total income	7	7	**2 240**	2 085	4 102	6	7	**1 684**	1 573	3 242
Operating expenses	8	9	**(1 070)**	(980)	(1 998)	20	21	**(843)**	(694)	(1 576)
Headline earnings	12	13	**1 042**	926	1 786	(7)	(6)	**371**	395	741

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

Business & Commercial

Business & Commercial Clients (BCC)

BCC's headline earnings improved by 59% to R3 290 million, with an ROE of 28.2% (1H21: 20.0%). This strong performance was influenced by the recovery of transactional activity following the economic impact of the pandemic in the prior period. The trading environment across most markets continued to rebound, allowing business clients to experience increased transactional activity and capitalise on global trade growth trends.

Loans to customers increased by 15% as client appetite for lending products grew, particularly in West African Regions. The South African market experienced a slower rate of lending as clients remained cautious in response to volatile global markets and affordability considerations on the back of rising interest rates. Good balance sheet performance, together with strong positive endowment resulting from higher average interest rates, supported net interest income (NII) growth of 20% to R8 971 million.

Non-interest revenue (NIR) grew by 13% to R5 877 million driven by growth in the active client base of 4% (to 785 000), continued recovery in client transactional flows and higher trade activity. The availability of alternative solutions to service client cash demands yielded positive results with lower cash deposit volumes noted in branches, particularly in SA. Providing end-to-end client trade journey solutions and supporting economic trade recoveries remains a strategic focus area for the business. This focus gave rise to good trade turnover growth for the period, with SA trade activity volumes and values up 20% and 27%, and Africa Regions up 21% and 32%, respectively. Revenue growth was further supported by the business' ability to leverage its relationship with the group's strategic partner, ICBC, which contributed to an increase in cross-border payments of 36% during 1H22. The business continues to make progress in servicing the growth and development of small business customers through digitisation, personalisation, payment capabilities and advisory services. This approach has contributed towards double digit balance sheet growth in this segment which translated into operating income uplift.

Credit impairment charges reduced by 23% to R1 093 million, with a credit loss ratio (CLR) of 99 bps (1H21: 151 bps) which is marginally below our targeted through-the-cycle range of 100 bps to 120 bps. The reduction was largely driven by lower specific provisions raised in 1H22 particularly in South Africa, partially offset by a reduction in Nigeria's post write-off recoveries and increased specific provisions in Africa.

The Covid Guarantee Lending Scheme reduced to R5.8 billion from the original R7.7 billion distribution. While a deteriorating credit performance has been observed, the business is fully provided against this risk.

Operating expenses increased by 9% to R9 103 million largely impacted by a higher inflationary environment and continued investment in technology initiatives to support client journeys. Total income growth of 17% exceeded cost growth of 9% resulting in positive jaws of 870 bps and an improved cost-to-income ratio of 61.3% (1H21: 66.2%).

South Africa

South Africa's headline earnings grew by 50% to R2 453 million with an ROE of 38.9% (1H21: 26.0%). This performance was driven by good revenue growth and an improvement in credit impairment charges. Balance sheet growth and positive endowment, given the higher average interest rate environment, supported NII growth of 14%. The normalisation of business trade and transactional activity, following Covid-19, specifically in card acquiring, supported NIR growth of 9%. Credit impairment charges decreased largely due to the non-recurrence of a large exposure event in the prior period. Operating expenses increased by 6% driven by continued digital investment, increased marketing activity, higher variable pay provisions and annual salary increases. This was partially offset by lower distribution costs in line with the optimisation of distribution channels.

The business continues to drive active client acquisitions, entrenchment of the existing client base and enhancement of its presence as the leading bank to grow and partner with.

Africa Regions

Africa Regions' headline earnings grew by 74% to R537 million with ROE increasing to 16.3% (1H21: 11.9%). NII growth of 26% was driven by good growth in loans and deposits of 21% and 22%, respectively alongside positive endowment, given the higher average interest rate cycle. Higher trade and transactional activity was noted, as clients embraced opportunities to grow their trade and operations, as well as growth in the active client base, which supported NIR growth of 21%.

Credit impairment charges grew by 48% period-on-period on the back of balance sheet growth, higher specific impairments in East Africa, as well as reduced post write-off recoveries in 1H22, specifically in West Africa.

Operating expenses growth of 12% was elevated in the period due to a higher inflationary environment and investment in technology initiatives.

International

International Client Solutions delivered a sound financial performance with a strong increase in headline earnings to R300 million and an ROE of 14.7% (1H21: 8.5%). Total income increased by 64% driven by strong balance sheet growth with loans and deposits up 64% and 21%, respectively, as well as increased interest rates. Operating expenses grew by 9% driven by increased variable pay, supported by business performance. The business continues to identify opportunities to support clients on the African continent and its home markets (Isle of Man, Jersey and London).

Looking ahead

BCC remains committed to supporting its clients' growth through robust relationship management, sector knowledge and deep understanding of client value chains and ecosystems. The business is focused on meeting evolving client needs and preferences by harnessing strategic partnerships, digital solutioning and strengthening client relationships. The consistent and clear execution of its strategy will support the delivery of franchise growth, market share uplift and the longer-term financial commitments.

Business & Commercial

KEY BUSINESS STATISTICS

		Change %	1H22	1H21	FY21
South Africa					
Clients					
Active clients[1]	thousands	2	**514**	505	507
Digitally active users[2]	thousands	4	**287**	275	283
Client activity					
VAF disbursements	Rm	13	**9 361**	8 317	17 574
Business lending disbursements	Rm	2	**8 662**	8 532	18 182
Card acquiring turnover	Rm	17	**110 396**	94 115	206 429
Digital banking volumes	thousands	5	**58 595**	55 654	115 289
Internet banking volumes	thousands	1	**45 090**	44 721	91 646
Mobile banking volumes	thousands	24	**13 505**	10 933	23 643
ATM transactional volumes	thousands	3	**6 136**	5 978	12 107
Branch transactional volumes	thousands	(18)	**1 624**	1 986	3 707
Africa Regions					
Clients					
Active clients[1]	thousands	9	**271**	248	261
Digitally active users[2]	thousands	19	**100**	84	92
Client activity					
VAF disbursements	Rm	(4)	**1 983**	2 075	4 055
Card acquiring turnover	Rm	38	**26 207**	19 038	44 125
Digital banking volumes	thousands	22	**13 173**	10 825	26 042
Internet banking volumes	thousands	19	**10 588**	8 914	21 860
Mobile banking volumes	thousands	36	**2 294**	1 691	3 679
Wallet volumes	thousands	32	**291**	220	503
ATM transactional volumes	thousands	8	**2 569**	2 379	4 826
Branch transactional volumes	thousands	(1)	**3 580**	3 611	7 112

[1] An active client is defined as a unique 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").

SUMMARISED INCOME STATEMENT

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net interest income	19	20	**8 971**	7 467	15 675
Non-interest revenue	13	13	**5 877**	5 201	10 758
Net fee and commission revenue	11	10	**4 328**	3 952	8 401
Trading revenue	18	24	**1 270**	1 025	2 130
Other revenue	(13)	(13)	**161**	186	132
Other gains and losses on financial instruments	>100	>100	**118**	38	95
Total income	17	17	**14 848**	12 668	26 433
Credit impairment charges	(24)	(23)	**(1 093)**	(1 414)	(2 243)
Operating expenses	8	9	**(9 103)**	(8 389)	(16 728)
Headline earnings	59	59	**3 290**	2 067	5 326

LOANS AND ADVANCES

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net loans and advances to banks	69	64	**28 550**	17 396	21 627
Gross loans and advances to banks	69	64	**28 550**	17 400	21 629
Credit impairments for loans and advances to banks	(100)	(100)		(4)	(2)
Net loans and advances to customers	14	15	**196 442**	170 086	185 430
Home services	5	5	**17 739**	16 923	17 099
Vehicle and asset finance	12	13	**44 340**	39 326	41 580
Card and payments	50	50	**1 007**	673	1 367
Business lending	16	18	**133 356**	113 164	125 384
Gross loans and advances to customers	13	15	**207 288**	180 588	196 421
Home services	6	6	**18 591**	17 611	17 954
Vehicle and asset finance	12	12	**47 079**	41 884	44 303
Card and payments	32	32	**1 095**	827	1 534
Business lending	15	17	**140 523**	120 266	132 630
Credit impairments for loans and advances to customers	2	3	**(10 846)**	(10 502)	(10 991)
Home services	23	24	**(852)**	(688)	(855)
Vehicle and asset finance	6	7	**(2 739)**	(2 558)	(2 723)
Card and payments	(43)	(43)	**(88)**	(154)	(167)
Business lending	1	1	**(7 167)**	(7 102)	(7 246)
Total coverage ratio (%)			**5.2**	5.8	5.6
Home services			**4.6**	3.9	4.8
Vehicle and asset finance			**5.8**	6.1	6.1
Card and payments			**8.0**	18.6	10.9
Business lending			**5.1**	5.9	5.5
Net loans and advances	19	20	**224 992**	187 482	207 057
Gross loans and advances	18	19	**235 838**	197 988	218 050
Credit impairments	2	3	**(10 846)**	(10 506)	(10 993)
Credit impairments for loans and advances to banks	(100)	(100)		(4)	(2)
Credit impairments for loans and advances to customers	2	3	**(10 846)**	(10 502)	(10 991)
Credit impairments for stage 3 loans	2	3	**(7 673)**	(7 451)	(8 022)
Credit impairments for stage 1 and 2 loans	2	4	**(3 173)**	(3 051)	(2 969)

DEPOSITS AND CURRENT ACCOUNTS

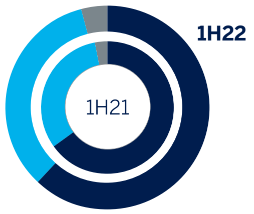
	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Deposits from banks	32	33	**12 904**	9 685	10 130
Deposits from customers	9	10	**419 349**	381 227	426 643
Current accounts	8	12	**128 565**	114 526	128 330
Cash management deposits	7	7	**57 175**	53 236	53 844
Call deposits	6	6	**176 147**	165 992	183 671
Savings accounts	14	14	**5 767**	5 049	5 582
Term deposits	18	21	**44 899**	37 225	47 716
Negotiable certificates of deposit	(33)	(43)	**51**	90	1 027
Other deposits	62	32	**6 745**	5 109	6 473
Total deposits	9	11	**432 253**	390 912	436 773

KEY RATIOS

		1H22 Rm	1H21 Rm	FY21 Rm
Headline earnings contribution to the group	%	**22**	18	21
Net interest margin	bps	**717**	689	669
Loans and advances margin	bps	**426**	422	409
Deposit margin	bps	**235**	206	207
CLR	bps	**99**	151	111
Coverage ratio	%	**5.2**	5.8	5.6
Cost-to-income ratio	%	**61.3**	66.2	63.3
ROE	%	**28.2**	20.0	24.7

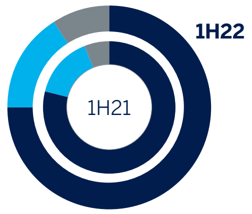
Business & Commercial

Total income by geography (%)



	1H22	1H21
South Africa	**62**	65
Africa Regions	**34**	32
International	**4**	3

Headline earnings by geography (%)



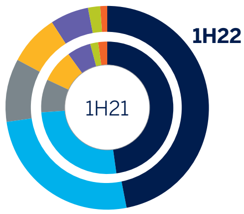
	1H22	1H21
South Africa	**75**	79
Africa Regions	**16**	15
International	**9**	6

SUMMARISED FINANCIAL RESULTS BY GEOGRAPHY

	South Africa					Africa Regions				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	14	14	**5 548**	4 876	10 052	23	26	**3 058**	2 421	5 225
Non-interest revenue	9	9	**3 672**	3 356	6 849	20	21	**2 038**	1 690	3 588
Total income	12	12	**9 220**	8 232	16 901	22	24	**5 096**	4 111	8 813
Credit impairment charges	(42)	(42)	**(641)**	(1 107)	(1 350)	41	48	**(452)**	(305)	(888)
Operating expenses	6	6	**(5 215)**	(4 920)	(9 744)	10	12	**(3 679)**	(3 278)	(6 600)
Headline earnings	50	50	**2 453**	1 633	4 265	75	74	**537**	308	759
Net loans and advances	9	9	**133 496**	122 346	125 867	16	21	**43 392**	35 771	41 382
Deposits and current accounts	6	6	**287 485**	271 635	291 739	14	22	**78 766**	64 649	77 067
CLR (bps)			**98**	180	106			**211**	175	232
Cost-to-income ratio (%)			**56.6**	59.8	57.7			**72.2**	79.7	74.9
ROE (%)			**38.9**	26.0	33.5			**16.3**	11.9	13.5

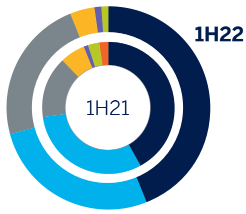
	International					Total				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	>100	>100	**365**	170	398	19	20	**8 971**	7 467	15 675
Non-interest revenue	9	8	**167**	155	321	13	13	**5 877**	5 201	10 758
Total income	66	64	**532**	325	719	17	17	**14 848**	12 668	26 433
Credit impairment charges	(100)	(100)	**0**	(2)	(5)	(24)	(23)	**(1 093)**	(1 414)	(2 243)
Operating expenses	11	9	**(209)**	(191)	(384)	8	9	**(9 103)**	(8 389)	(16 728)
Headline earnings	>100	>100	**300**	126	302	59	59	**3 290**	2 067	5 326
Net loans and advances	63	64	**48 104**	29 365	39 808	19	20	**224 992**	187 482	207 057
Deposits and current accounts	20	21	**66 002**	54 628	67 967	9	11	**432 253**	390 912	436 773
CLR (bps)			**0**	1	1			**99**	151	111
Cost-to-income ratio (%)			**39.3**	58.8	53.4			**61.3**	66.2	63.3
ROE (%)			**14.7**	8.5	9.4			**28.2**	20.0	24.7

Composition of total income by solution (%)



	1H22	1H21
BCC transactional	**47**	48
BCC lending	**26**	26
Global markets	**10**	8
Vehicle and asset finance	**8**	8
Card and payments	**6**	6
Home services	**2**	2
Insurance and investments	**1**	2

Composition of headline earnings by solution (%)



	1H22	1H21
BCC transactional	**44**	42
Global markets	**27**	31
BCC lending	**23**	15
Card and payments	**4**	6
Vehicle and asset finance	**1**	1
Home services	**1**	3
Insurance and investments	**0**	2

SUMMARISED INCOME STATEMENT BY SOLUTION

	Banking solutions									
	Home services					Vehicle and asset finance				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	4	5	**235**	223	461	11	11	**871**	788	1 579
Non-interest revenue	(8)	(8)	**11**	12	23	21	23	**244**	198	430
Total income	3	5	**246**	235	484	13	13	**1 115**	986	2 009
Credit impairment charges	64	56	**(64)**	(41)	(134)	2	2	**(250)**	(246)	(411)
Operating expenses	9	11	**(127)**	(114)	(228)	8	8	**(767)**	(713)	(1 401)
Headline earnings	(49)	(47)	**29**	55	92	>100	>100	**47**	11	113

	Banking solutions									
	Card and payments					BCC lending				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	(7)	(7)	**13**	14	31	15	15	**2 963**	2 567	5 328
Non-interest revenue	12	12	**853**	764	1 612	31	20	**893**	742	1 276
Total income	11	11	**866**	778	1 643	18	17	**3 856**	3 309	6 604
Credit impairment charges	(73)	(73)	**(11)**	(41)	(97)	(30)	(29)	**(768)**	(1 086)	(1 601)
Operating expenses	20	19	**(641)**	(537)	(1 070)	12	12	**(1 987)**	(1 777)	(3 485)
Headline earnings	16	17	**145**	124	318	>100	>100	**755**	312	1 015

Business & Commercial

	Banking solutions									
	BCC transactional					Global markets				
	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net interest income	24	26	**4 762**	3 790	8 105	54	54	**120**	78	159
Non-interest revenue	3	3	**2 395**	2 318	5 058	29	35	**1 302**	963	1 978
Total income	16	17	**7 157**	6 108	13 163	30	37	**1 422**	1 041	2 137
Operating expenses	5	6	**(5 155)**	(4 849)	(9 746)	(3)	2	**(250)**	(245)	(472)
Headline earnings	57	62	**1 404**	867	2 398	34	38	**900**	651	1 342

	Insurance and Investment solutions				
	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net interest income	0	0	**7**	7	12
Non-interest revenue	(13)	(12)	**179**	204	381
Total income	(13)	(12)	**186**	211	393
Operating expenses	14	14	**(176)**	(154)	(328)
Headline earnings	(79)	(79)	**10**	47	48

Corporate & Investment Banking

Corporate & Investment Banking (CIB)

CIB achieved record revenues of R22 704 million in 1H22, an increase of 20% on the prior period. Revenue growth was underpinned by the diversity of the portfolio across regions and solutions, with pleasing growth in client revenues of 24%[1].

Geopolitical and economic instability were key themes globally and on the African continent during 1H22. This resulted in increased market volatility, higher interest rates as inflation surged, higher commodity prices and US dollar strength against most currencies. Our ability to capture market opportunities or to lock in higher asset prices for clients, who looked to proactively manage risks in an uncertain economic environment, resulted in strong revenue growth. This was particularly evident within our Mining & Metals, Power & Infrastructure, Oil & Gas and Financial Institutions sectors. The CIB client franchise reported strong performances across most client sectors, with only the Real Estate sector growing by less than double digits for the period.

Operating expenses increased by 11% from 1H21 to R11 239 million. Several factors contributed to this growth including, but not limited to, higher business volumes, increased incentive accruals, escalating inflation rates and the normalisation of certain costs post the relaxation of Covid-19 restrictions.

Following a release in credit impairment provisions in 1H21, the business reported a charge for 1H22 and a credit loss ratio of 24 bps. This largely relates to a single name default in the SA consumer sector. Rapid risk reviews of the business' portfolio have not revealed material new counterparties of concern. It is generally accepted that the deteriorating macro environment will take more than the remainder of 2022 to transmit into clients' financial performance. We therefore expect a credit loss ratio for the year which is below the targeted through-the-cycle range of 40 bps to 60 bps.

CIB's pre-provision profits increased by 30% to R11 463 million, with headline earnings up 16% to R7 352 million against 1H21 and reflecting an ROE of 20.2%.

The South African (SA) franchise reported growth against the prior period with good performances noted across global markets (GM) and transactional products and services (TPS). The investment banking (IB) business' performance was muted due to material client early repayments, muted asset origination and delayed drawdowns impacting the core lending business. The SA franchise continues to manage system instability challenges which negatively impact client experience, as well as continued competition which has led to margin compression and a war for talent. However, several opportunities have been identified, particularly in renewable energy and sustainable finance, to defend and grow our market position.

The Africa Regions (AR) franchise recorded a strong 1H22 result, with double-digit revenue growth across our business lines. This was underpinned by increased client revenues and balance sheet growth, as well as increased transactional activity and margin expansion. Growth was broad based across most of the markets, with certain key markets, including Nigeria, experiencing a rebound following a challenging 2021. The AR franchise achieved good traction on its growth initiatives and continues to focus on new client acquisition and increasing share of wallet, particularly from global multinationals and local corporates.

[1] Client revenues are directly attributed to client franchise activity, which typically accounts for ~85% of total CIB revenues.

Global markets (GM)

The GM business delivered another strong performance, with reported revenues of R8 772 million for 1H22, up 28% from 1H21. Growth was driven by our client franchise, with client revenues up more than 40% on the prior period.

As previously highlighted, 1H22 was characterised by increased market volatility. GM was well positioned to respond to our clients' needs by providing both flow and structured solution products. The Sovereign & Public Sector and Mining & Metals client sectors more than doubled their revenues from the prior period. The Financial Institution client sector also showed good momentum and growth, remaining the largest client sector for the GM business. Regionally, revenue growth was widespread with both the SA and AR businesses reporting strong performances.

GM maintains its leading position in the FX market across the continent and is able to provide bespoke structured solutions to clients across our operating geographies by leveraging our knowledge base and having access to deep liquidity pools.

The key strategy of the business continues to be client franchise led with growth achieved through efficient organisation of trading capabilities to ensure price competitiveness, innovative client solutions, as well as attracting, developing and retaining our structuring and risk skills within the GM team.

Investment banking

IB reported revenue growth of 6% for 1H22, to R5 275 million. However, headline earnings reduced by 19% to R2 018 million, as a result of higher credit impairment charges for 1H22, compared to a release in 1H21.

Revenues from the SA franchise decreased from the prior period, negatively impacted by material early repayments, subdued loan origination and delays in the financial close of projects in the Power & Infrastructure sector. Continued margin pressure due to competitive market pricing and dampened capital markets activity as a result of market volatility further impacted revenue generation. The AR franchise reported double-digit revenue and asset growth and continues to increase its contribution to the business through deliberate execution of strategy. The corporate finance business achieved record advisory fee revenue, primarily through supporting transactions in the Telecommunications, Oil & Gas and Financial Institution sectors. The sustainable finance business originated R15 billion of loans and bonds in 1H22, up 66% from the prior period, which is a key driver for the future success of IB.

The business has a positive outlook for the remainder of 2022 with a rich pipeline and good asset growth expectations in SA. We anticipate continued growth in our key AR markets and a continuation of the strong momentum in sustainable finance origination.

Transactional products & services (TPS)

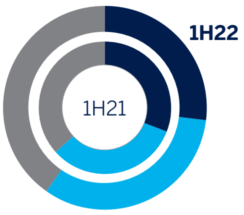
TPS' revenues increased by 22% to R8 419 million with headline earnings up 40% to R2 133 million. The business saw increased deposit balances, customer asset balances and trade contingents which provided good leverage on the positive endowment from higher average interest rates.

The TPS asset book showed significant growth from 1H21, underpinned by new client acquisitions across markets and heightened asset utilisation, particularly in SA and Nigeria. Strong growth in the deposit book was the result of the successful execution of key strategies to win new client mandates and increase deposits (particularly in local currencies). In addition, a record number of guarantees were issued in SA on the back of post pandemic corporate activity and increased focus on Intra-Africa and China-Africa corridor activities.

The business is committed to delivering continued strong results through increasing share of wallet of existing clients and a particular focus on origination in key growth sectors, including Financial Institutions, Consumer, Public Sector, and Oil & Gas. A key focus for the business remains the modernisation and stabilisation of platforms to provide market-leading client experiences.

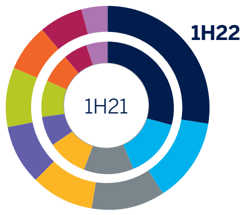
Corporate & Investment Banking

Composition of client revenue by client



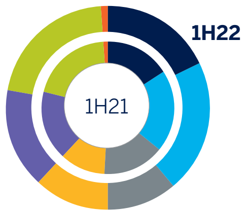
	Change %	CCY %
Multinational corporates – Africa	**8**	8
Multinational corporates – International	**26**	19
Local corporates	**35**	33

Composition of client revenue by sector



	Change %	CCY %
Financial Institutions	**16**	15
Consumer	**12**	10
Power & Infrastructure	**20**	13
Industrials	**24**	23
Mining & Metals	**66**	69
Oil & Gas	**25**	13
Telecommunications & Media	**31**	26
Sovereign & Public Sector	**42**	39
Real Estate	**0**	(1)

Composition of total income by geography (%)



	1H22	1H21
Global markets South Africa	**18**	16
Global markets Africa Regions	**21**	20
Investment banking South Africa	**11**	15
Investment banking Africa Regions	**12**	11
Transactional products & services South Africa	**16**	17
Transactional products & services Africa Regions	**21**	20
Vehicle and asset finance & Card and payments South Africa	**1**	1

SUSTAINABLE FINANCE IMPACT INDICATORS

		1H22	1H21	FY21
Lending				
Total number of new loans		**10**	5	14
Number of green, social and sustainable loans		**6**	1	2
Number of sustainability linked loans		**4**	4	12
Total quantum of loans	Rbn	**13.6**	5.7	16.2
Bonds arranged				
Total number of bonds arranged		**2**	5	8
Number of green, social and sustainable bonds		**1**	3	4
Number of sustainability linked bonds		**1**	2	4
Total quantum of sustainable finance bonds arranged	Rbn	**1.7**	3.5	5.8

SUMMARISED INCOME STATEMENT

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net interest income	13	18	**10 369**	8 796	18 614
Non-interest revenue	19	21	**12 335**	10 160	21 208
Net fee and commission revenue	18	18	**4 044**	3 413	7 044
Trading revenue	24	28	**6 848**	5 350	11 413
Other revenue	2	1	**451**	447	823
Other gains and losses on financial instruments	4	4	**992**	950	1 928
Total income	16	20	**22 704**	18 956	39 822
Credit impairment charges	(>100)	(>100)	**(732)**	278	312
Operating expenses	9	11	**(11 239)**	(10 165)	(21 272)
Headline earnings	13	16	**7 352**	6 323	13 206

LOANS AND ADVANCES

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net loans and advances to banks	15	28	224 609	175 880	209 528
Gross loans and advances to banks	15	28	224 760	175 954	209 593
Credit impairments for loans and advances to banks	64	>100	(151)	(74)	(65)
Net loans and advances to customers	8	12	474 463	424 194	454 061
Gross loans and advances to customers including high quality liquid assets (HQLA)	7	11	503 568	452 681	482 174
Less: HQLA	(2)	(2)	(20 461)	(20 973)	(20 376)
Gross loans and advances to customers	8	12	483 107	431 708	461 798
Investment banking	6	10	346 734	316 257	340 798
Global markets	(24)	(18)	42 474	51 860	42 116
Transactional products and services	44	48	87 119	58 785	72 491
Other[1]	41	41	6 780	4 806	6 393
Credit impairments for loans and advances to customers	9	15	(8 644)	(7 514)	(7 737)
Total coverage ratio			1.8	1.7	1.7
Net loans and advances	10	16	699 072	600 074	663 589
Gross loans and advances	10	16	707 867	607 662	671 391
Credit impairments	10	16	(8 795)	(7 588)	(7 802)
Credit impairments for loans and advances to banks	64	>100	(151)	(74)	(65)
Credit impairments for loans and advances to customers	9	15	(8 644)	(7 514)	(7 737)
Credit impairments for stage 3 loans	20	26	(6 553)	(5 219)	(5 596)
Credit impairments for stage 1 and 2 loans	(14)	(9)	(2 091)	(2 295)	(2 141)

[1] Other includes VAF and Card.

Corporate & Investment Banking

DEPOSITS AND CURRENT ACCOUNTS

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Deposits from banks	16	33	170 556	128 685	169 925
Deposits from customers	10	12	948 929	844 642	881 540
Current accounts	12	25	136 094	108 529	125 027
Cash management deposits	(1)	(1)	219 281	220 855	207 653
Call deposits	3	4	121 423	116 350	123 184
Savings accounts	>100	>100	123	52	112
Term deposits	8	11	229 248	207 275	224 852
Negotiable certificates of deposit	53	53	139 318	90 892	101 659
Other deposits	3	3	103 442	100 689	99 053
Total deposits	11	15	1 119 485	973 327	1 051 465

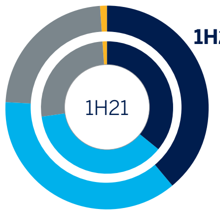
KEY STATEMENT OF FINANCIAL POSITION ITEMS

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Cash and balances with central banks	10	16	82 457	71 108	77 668
Financial investments	13	18	209 610	177 866	195 564
Trading assets	11	12	282 316	252 861	283 370
Trading liabilities	14	16	93 442	80 887	80 378

KEY RATIOS

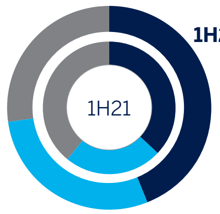
		1H22	1H21	FY21
Headline earnings contribution to the group	%	48	55	53
Net interest margin	bps	215	199	199
CLR	bps	24	(4)	(4)
Customer CLR	bps	33	(5)	(5)
Customer coverage ratio	%	1.8	1.7	1.7
Cost-to-income ratio	%	49.5	53.6	53.4
ROE	%	20.2	19.2	19.4

Composition of total income by solution (%)



	1H22	1H21
Global markets	**39**	36
Transactional products & services	**37**	37
Investment banking	**23**	26
Vehicle and asset finance & Card and payments	**1**	1

Composition of headline earnings by solution (%)



	1H22	1H21
Global markets	**44**	37
Transactional products & services	**29**	24
Investment banking	**27**	39
Vehicle and asset finance & Card and payment	**0**	0

SUMMARISED INCOME STATEMENT BY SOLUTION

	Banking solutions									
	Global markets					Investment banking				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	6	21	**1 402**	1 158	2 706	(8)	(6)	**2 674**	2 831	5 726
Non-interest revenue	26	29	**7 370**	5 697	12 115	21	22	**2 601**	2 124	4 180
Total income	22	28	**8 772**	6 855	14 821	4	6	**5 275**	4 955	9 906
Credit impairment charges	(>100)	(>100)	**(12)**	91	4	(>100)	(>100)	**(624)**	131	127
Operating expenses	7	9	**(3 340)**	(3 063)	(6 398)	11	13	**(2 745)**	(2 423)	(5 158)
Headline earnings	31	38	**3 236**	2 339	5 097	(20)	(19)	**2 018**	2 481	4 768

	Banking solutions									
	Transactional products & services					Vehicle and asset finance & Card and payments				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	27	31	**6 236**	4 763	10 092	27	30	**57**	44	90
Non-interest revenue	1	1	**2 183**	2 158	4 548	(1)	0	**181**	181	365
Total income	19	22	**8 419**	6 921	14 640	5	6	**238**	225	455
Credit impairment charges	(>100)	(>100)	**(88)**	47	166	(>100)	(>100)	**(8)**	9	15
Operating expenses	10	11	**(4 875)**	(4 409)	(9 196)	4	3	**(279)**	(270)	(520)
Headline earnings	38	40	**2 133**	1 527	3 369	46	46	**(35)**	(24)	(28)

Notes

Financial performance

Condensed consolidated client solutions results

The following tables provide additional details relating to our client segments and solutions performance.

1H22	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
Income statement								
Net interest income	5 121	1 877	1 687	3 829	2 963	8 387	1 530	2 674
CHNW	4 886	951	1 672	3 829		3 625	8	
BCC	235	871	13		2 963	4 762	120	
CIB		55	2				1 402	2 674
Central and other								
Non-interest revenue	140	380	2 051	675	893	6 157	9 506	2 601
CHNW	129	69	1 084	675		3 762	834	
BCC	11	244	853		893	2 395	1 302	
CIB		67	114				7 370	2 601
Central and other								
Net income from investment management and life insurance activities								
Total income	5 261	2 257	3 738	4 504	3 856	14 544	11 036	5 275
Credit impairment charges	(710)	(819)	(1 052)	(2 006)	(768)		(12)	(624)
CHNW	(646)	(563)	(1 039)	(2 006)				
BCC	(64)	(250)	(11)		(768)			
CIB		(6)	(2)				(12)	(624)
Central and other								
Income before operating expenses	4 551	1 438	2 686	2 498	3 088	14 544	11 024	4 651
Operating expenses in Standard Bank Activities	(1 343)	(1 514)	(2 214)	(1 936)	(1 987)	(13 529)	(3 911)	(2 745)
CHNW	(1 216)	(610)	(1 431)	(1 936)		(8 374)	(321)	
BCC	(127)	(767)	(641)		(1 987)	(5 155)	(250)	
CIB		(137)	(142)				(3 340)	(2 745)
Central and other								
Operating expenses in insurance activities								
Headline earnings	2 170	(100)	291	375	755	508	4 491	2 018
CHNW	2 141	(130)	164	375		(896)	355	
BCC	29	47	145		755	1 404	900	
CIB		(17)	(18)				3 236	2 018
Central and other								
Liberty								
ICBCS								
Ratios								
CLR (bps)	34	152	573	394	117			
Cost-to-income ratio (%)	25.5	67.1	59.2	43.0	51.5	93.0	35.4	52.0

Standard Bank Activities								
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
6 236	34 304	100	105	(98)	34 411			34 411
	14 971	95	103		15 169			15 169
	8 964	5	2		8 971			8 971
6 236	10 369				10 369			10 369
				(98)	(98)			(98)
2 183	24 586	2 262	1 643	(770)	27 721			27 721
	6 553	2 145	1 581		10 279			10 279
	5 698	117	62		5 877			5 877
2 183	12 335				12 335			12 335
				(770)	(770)			(770)
						9 777		9 777
8 419	58 890	2 362	1 748	(868)	62 132	9 777		71 909
(88)	(6 079)			151	(5 928)			(5 928)
	(4 254)				(4 254)			(4 254)
	(1 093)				(1 093)			(1 093)
(88)	(732)				(732)			(732)
				151	151			151
8 331	52 811	2 362	1 748	(717)	56 204	9 777		65 981
(4 875)	(34 054)	(1 189)	(900)	1 322	(34 821)			(34 821)
	(13 888)	(1 070)	(843)		(15 801)			(15 801)
	(8 927)	(119)	(57)		(9 103)			(9 103)
(4 875)	(11 239)				(11 239)			(11 239)
				1 322	1 322			1 322
						(9 211)		(9 211)
2 133	12 641	1 044	379	(456)	13 608	253	1 402	15 263
	2 009	1 042	371		3 422			3 422
	3 280	2	8		3 290			3 290
2 133	7 352				7 352			7 352
				(456)	(456)			(456)
						253		253
							1 402	1 402
	82				82			
57.9	57.8	50.3	51.5		56.0			

Condensed consolidated client solutions results

1H21	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
Income statement								
Net interest income	4 943	1 737	1 649	3 485	2 567	6 698	1 241	2 831
CHNW	4 720	907	1 633	3 485		2 908	5	
BCC	223	788	14		2 567	3 790	78	
CIB		42	2				1 158	2 831
Central and other								
Non-interest revenue	139	363	1 800	659	742	5 984	7 308	2 124
CHNW	127	74	946	659		3 666	648	
BCC	12	198	764		742	2 318	963	
CIB		91	90				5 697	2 124
Central and other								
Net income from investment management and life insurance activities								
Total income	5 082	2 100	3 449	4 144	3 309	12 682	8 549	4 955
Credit impairment charges	(956)	(668)	(1 470)	(1 892)	(1 086)		91	131
CHNW	(915)	(436)	(1 424)	(1 892)				
BCC	(41)	(246)	(41)		(1 086)			
CIB		14	(5)				91	131
Central and other								
Income before operating expenses	4 126	1 432	1 979	2 252	2 223	12 682	8 640	5 086
Operating expenses in Standard Bank Activities	(1 215)	(1 450)	(2 020)	(1 718)	(1 777)	(12 659)	(3 621)	(2 423)
CHNW	(1 101)	(596)	(1 354)	(1 718)		(7 810)	(313)	
BCC	(114)	(713)	(537)		(1 777)	(4 849)	(245)	
CIB		(141)	(129)				(3 063)	(2 423)
Central and other								
Operating expenses in insurance activities								
Headline earnings	2 022	(49)	(64)	359	312	(138)	3 252	2 481
CHNW	1 967	(66)	(158)	359		(1 005)	262	
BCC	55	11	124		312	867	651	
CIB		6	(30)				2 339	2 481
Central and other								
Liberty								
ICBCS								
Ratios								
CLR (bps)	47	136	834	411	191			
Cost-to-income ratio (%)	23.9	69.0	58.6	41.5	53.7	99.8	42.4	48.9

Standard Bank Activities								
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
4 763	29 914	72	73	(91)	29 968			29 968
	13 658	69	69		13 796			13 796
	7 460	3	4		7 467			7 467
4 763	8 796				8 796			8 796
				(91)	(91)			(91)
2 158	21 277	2 156	1 568	(516)	24 485			24 485
	6 120	2 016	1 504		9 640			9 640
	4 997	140	64		5 201			5 201
2 158	10 160				10 160			10 160
				(516)	(516)			(516)
						10 362		10 362
6 921	51 191	2 228	1 641	(607)	54 453	10 362		64 815
47	(5 803)			6	(5 797)			(5 797)
	(4 667)				(4 667)			(4 667)
	(1 414)				(1 414)			(1 414)
47	278				278			278
				6	6			6
6 968	45 388	2 228	1 641	(601)	48 656	10 362		59 018
(4 409)	(31 292)	(1 078)	(750)	1 350	(31 770)			(31 770)
	(12 892)	(980)	(694)		(14 566)			(14 566)
	(8 235)	(98)	(56)		(8 389)			(8 389)
(4 409)	(10 165)				(10 165)			(10 165)
				1 350	1 350			1 350
						(8 286)		(8 286)
1 527	9 702	959	409	(176)	10 894	163	420	11 477
	1 359	926	395		2 680			2 680
	2 020	33	14		2 067			2 067
1 527	6 323				6 323			6 323
				(176)	(176)			(176)
						163		163
							420	420
	88				88			
63.7	61.1	48.4	45.7		58.3			

Condensed consolidated client solutions results

	Standard Bank Activities							
	Banking							
FY21	**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**
Income statement								
Net interest income	10 158	3 506	3 316	7 235	5 328	14 264	2 875	5 726
CHNW	9 697	1 842	3 280	7 235		6 159	10	
BCC	461	1 579	31		5 328	8 105	159	
CIB		85	5				2 706	5 726
Central and other								
Non-interest revenue	283	759	3 813	1 202	1 276	13 129	15 446	4 180
CHNW	260	152	2 013	1 202		8 071	1 353	
BCC	23	430	1 612		1 276	5 058	1 978	
CIB		177	188				12 115	4 180
Central and other								
Net income from investment management and life insurance activities								
Total income	10 441	4 265	7 129	8 437	6 604	27 393	18 321	9 906
Credit impairment charges	(1 135)	(1 151)	(2 931)	(3 344)	(1 601)		4	127
CHNW	(1 001)	(754)	(2 835)	(3 344)				
BCC	(134)	(411)	(97)		(1 601)			
CIB		14	1				4	127
Central and other								
Income before operating expenses	9 306	3 114	4 198	5 093	5 003	27 393	18 325	10 033
Operating expenses in Standard Bank Activities	(2 462)	(2 796)	(4 010)	(3 510)	(3 485)	(25 847)	(7 458)	(5 158)
CHNW	(2 236)	(1 137)	(2 678)	(3 510)		(16 101)	(588)	
BCC	(226)	(1 401)	(1 070)		(3 485)	(9 746)	(472)	
CIB		(258)	(262)				(6 398)	(5 158)
Central and other								
Operating expenses in insurance activities								
Headline earnings	4 762	156	50	1 115	1 015	780	7 005	4 768
CHNW	4 670	33	(230)	1 115		(1 618)	566	
BCC	92	113	318		1 015	2 398	1 342	
CIB		10	(38)				5 097	4 768
Central and other								
Liberty								
ICBCS								
Ratios								
CLR (bps)	27	113	821	356	136			
Cost-to-income ratio (%)	23.6	65.6	56.2	41.6	52.8	94.4	40.7	52.1

Standard Bank Activities								
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
10 092	62 500	139	191	(394)	62 436			62 436
	28 223	135	183		28 541			28 541
	15 663	4	8		15 675			15 675
10 092	18 614				18 614			18 614
				(394)	(394)			(394)
4 548	44 636	4 226	3 181	(923)	51 120			51 120
	13 051	3 967	3 059		20 077			20 077
	10 377	259	122		10 758			10 758
4 548	21 208				21 208			21 208
				(923)	(923)			(923)
						19 426		19 426
14 640	107 136	4 365	3 372	(1 317)	113 556	19 426		132 982
166	(9 865)			(8)	(9 873)			(9 873)
	(7 934)				(7 934)			(7 934)
	(2 243)				(2 243)			(2 243)
166	312				312			312
				(8)	(8)			(8)
14 806	97 271	4 365	3 372	(1 325)	103 683	19 426		123 109
(9 196)	(63 922)	(2 211)	(1 691)	2 089	(65 735)			(65 735)
	(26 250)	(1 998)	(1 576)		(29 824)			(29 824)
	(16 400)	(213)	(115)		(16 728)			(16 728)
(9 196)	(21 272)				(21 272)			(21 272)
				2 089	2 089			2 089
						(16 952)		(16 952)
3 369	23 020	1 817	758	(655)	24 940	(419)	500	25 021
	4 536	1 786	741		7 063			7 063
	5 278	31	17		5 326			5 326
3 369	13 206				13 206			13 206
				(655)	(655)			(655)
						(419)		(419)
							500	500
	73				73			
62.8	59.7	50.7	50.1		57.9			

Condensed consolidated client solutions results

	Standard Bank Activities							
	Banking							
1H22	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
Statement of financial position								
Loans and advances	432 707	109 134	34 861	91 730	133 428	38 484	237 504	348 913
Net loans and advances to banks	3 107	20	1 092	(9)	72	38 484	195 052	8 403
CHNW	2 965	16	1 065	(9)		10 290		
BCC	142	5	24		72	28 194		
CIB		(1)	3				195 052	8 403
Central and other								
Net loans and advances to customers	429 600	109 114	33 769	91 739	133 356		42 452	340 510
CHNW	411 861	58 482	32 297	91 739				
BCC	17 739	44 340	1 007		133 356			
CIB		6 292	465				42 452	340 510
Central and other								
Policyholders' assets								
Deposits and debt funding	446	995	2 518	530	7 500	788 992	707 480	1 941
Deposits from banks	205	231	263	481	7 830	5 394	145 373	
CHNW	59	48	88	481		921		
BCC	146	183	175		7 830	4 473		
CIB							145 373	
Central and other								
Deposits and current accounts from customers	241	764	2 255	49	(330)	783 598	562 107	1 941
CHNW	240	82	1 962	49		364 820	(2)	
BCC	1	638	285		(330)	418 778	(2)	
CIB		44	8				562 111	1 941
Central and other								
Liberty								
Policyholders' liabilities								

Standard Bank Activities								
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**
105 896	1 532 657	1 997	871	(50 688)	1 484 837			1 484 837
21 152	267 373	1 997	871	(50 175)	220 066			220 066
	14 327	1 884	871		17 082			17 082
	28 437	113			28 550			28 550
21 152	224 609				224 609			224 609
				(50 175)	(50 175)			(50 175)
84 744	1 265 284			(513)	1 264 771			1 264 771
	594 379				594 379			594 379
	196 442				196 442			196 442
84 744	474 463				474 463			474 463
				(513)	(513)			(513)
						2 713		2 713
410 008	1 920 410	175	6 522	(64 812)	1 862 295	(19 909)		1 842 386
25 183	184 960	128	3	(42 455)	142 636			142 636
	1 597	31	3		1 631			1 631
	12 807	97			12 904			12 904
25 183	170 556				170 556			170 556
				(42 455)	(42 455)			(42 455)
384 825	1 735 450	47	6 519	(22 357)	1 719 659	(19 909)		1 699 750
	367 151	68	6 519		373 738			373 738
	419 370	(21)			419 349			419 349
384 825	948 929				948 929			948 929
				(22 357)	(22 357)			(22 357)
						(19 909)		(19 909)
						342 537		342 537

Condensed consolidated client solutions results

	Standard Bank Activities							
	Banking							
1H21	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
Statement of financial position								
Loans and advances	402 525	96 909	33 007	84 023	113 365	31 137	210 963	318 280
Net loans and advances to banks	993	(3)	531	15	201	31 137	159 163	7 035
CHNW	947	(3)	518	15		14 049		
BCC	46	1	13		201	17 088		
CIB		(1)					159 163	7 035
Central and other								
Net loans and advances to customers	401 532	96 912	32 476	84 008	113 164		51 800	311 245
CHNW	384 609	52 882	31 732	84 008				
BCC	16 923	39 326	673		113 164			
CIB		4 704	71				51 800	311 245
Central and other								
Policyholders' assets								
Deposits and debt funding	586	920	2 056	218	6 553	710 501	606 879	11 607
Deposits from banks	47	51	85	218	8 102	2 436	96 852	9 252
CHNW	28	19	81	218		909		
BCC	19	33	4		8 102	1 527		
CIB		(1)					96 852	9 252
Central and other								
Deposits and current accounts from customers	539	869	1 971		(1 549)	708 065	510 027	2 355
CHNW	532	58	1 793			326 222		
BCC	7	769	172		(1 549)	381 843		
CIB		42	6				510 027	2 355
Central and other								
Liberty								
Policyholders' liabilities								

Standard Bank Activities								
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
66 057	1 356 266	1 998	960	(44 248)	1 314 976			1 314 976
9 683	208 755	1 998	960	(37 811)	173 902			173 902
	15 526	1 951	960		18 437			18 437
	17 349	47			17 396			17 396
9 683	175 880				175 880			175 880
				(37 811)	(37 811)			(37 811)
56 374	1 147 511			(6 437)	1 141 074			1 141 074
	553 231				553 231			553 231
	170 086				170 086			170 086
56 374	424 194				424 194			424 194
				(6 437)	(6 437)			(6 437)
						4 241		4 241
354 794	1 694 114	64	6 528	(49 829)	1 650 877	(18 676)		1 632 201
22 582	139 625	24	3	(32 801)	106 851			106 851
	1 255	24	3		1 282			1 282
	9 685				9 685			9 685
22 582	128 685				128 685			128 685
				(32 801)	(32 801)			(32 801)
332 212	1 554 489	40	6 525	(17 028)	1 544 026	(18 676)		1 525 350
	328 605	55	6 525		335 185			335 185
	381 242	(15)			381 227			381 227
332 212	844 642				844 642			844 642
				(17 028)	(17 028)			(17 028)
						(18 676)		(18 676)
						340 490		340 490

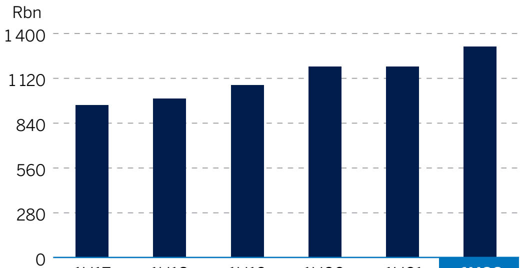
Condensed consolidated client solutions results

FY21	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
Statement of financial position								
Loans and advances	419 729	104 152	33 109	90 311	125 466	42 812	228 711	342 715
Net loans and advances to banks	1 221	7	626	(16)	82	42 812	186 643	7 345
CHNW	1 160	9	603	(16)		21 420		
BCC	61	(2)	23		82	21 392		
CIB							186 643	7 345
Central and other								
Net loans and advances to customers	418 508	104 145	32 483	90 327	125 384		42 068	335 370
CHNW	401 409	56 463	30 852	90 327				
BCC	17 099	41 580	1 367		125 384			
CIB		6 102	264				42 068	335 370
Central and other								
Policyholders' assets								
Deposits and debt funding	352	982	2 270	241	6 433	787 279	648 296	2 583
Deposits from banks	128	156	169	235	8 231	3 465	144 306	1 004
CHNW	38	22	69	235		1 890		
BCC	90	134	100		8 231	1 575		
CIB							144 306	1 004
Central and other								
Deposits and current accounts from customers	224	826	2 101	6	(1 798)	783 814	503 990	1 579
CHNW	221	97	1 897	6		356 234		
BCC	3	676	200		(1 798)	427 580		
CIB		53	4				503 990	1 579
Central and other								
Liberty								
Policyholders' liabilities								

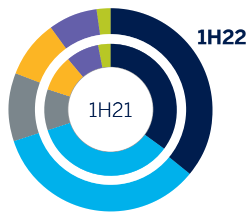
Standard Bank Activities								
Transactional products and services Rm	Banking Rm	Insurance Rm	Investments Rm	Central and other Rm	Standard Bank Activities Rm	Liberty Rm	ICBCS Rm	Standard Bank Group Rm
85 797	1 472 802	1 151	956	(50 581)	1 424 328			1 424 328
15 540	254 260	1 151	956	(50 189)	206 178			206 178
	23 176	1 080	956		25 212			25 212
	21 556	71			21 627			21 627
15 540	209 528				209 528			209 528
				(50 189)	(50 189)			(50 189)
70 257	1 218 542			(392)	1 218 150			1 218 150
	579 051				579 051			579 051
	185 430				185 430			185 430
70 257	454 061				454 061			454 061
				(392)	(392)			(392)
						2 868		2 868
400 529	1 848 965	126	6 598	(58 398)	1 797 291	(20 676)		1 776 615
24 615	182 309	70	3	(39 241)	143 141			143 141
	2 254	70	3		2 327			2 327
	10 130				10 130			10 130
24 615	169 925				169 925			169 925
				(39 241)	(39 241)			(39 241)
375 914	1 666 656	56	6 595	(19 157)	1 654 150	(20 676)		1 633 474
	358 455	74	6 595		365 124			365 124
	426 661	(18)			426 643			426 643
375 914	881 540				881 540			881 540
				(19 157)	(19 157)			(19 157)
						(20 676)		
						363 023		363 023

Loans and advances

Gross loans and advances to customers
CAGR (1H17 – 1H22): 7%



Composition of loans to customers (%)



	1H22	1H21
Corporate and sovereign lending	**36**	35
Home services	**34**	35
Business lending	**11**	10
Vehicle and asset finance	**9**	9
Personal lending	**8**	8
Card and payments	**2**	3

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Banking	5	10	**1 318 575**	1 198 334	1 269 390
Home services	7	7	**445 574**	417 148	434 104
Vehicle and asset finance	20	13	**116 183**	103 112	110 653
Card and payments	3	3	**37 701**	36 684	36 367
Personal unsecured lending[1]	7	9	**102 267**	94 222	100 230
Business lending[1]	15	17	**140 523**	120 266	132 630
Corporate and sovereign lending	7	12	**476 327**	426 902	455 406
Central and other[1]	(96)	(97)	**(202)**	(5 773)	92
Gross loans and advances to customers	9	11	**1 318 373**	1 192 561	1 269 482
Credit impairments on loans and advances to customers	3	4	**(53 602)**	(51 487)	(51 332)
Credit impairments on stage 3 loans	6	7	**(37 692)**	(35 118)	(36 129)
Credit impairments on stage 1 and 2 loans	(4)	(3)	**(15 910)**	(16 369)	(15 203)
Net loans and advances to customers	9	11	**1 264 771**	1 141 074	1 218 150
Net loans and advances to banks	14	27	**220 066**	173 902	206 178
Gross loans and advances to banks	14	27	**220 217**	173 975	206 244
Credit impairments on loans and advances to banks	62	>100	**(151)**	(73)	(66)
Net loans and advances	10	13	**1 484 837**	1 314 976	1 424 328
Gross loans and advances	9	13	**1 538 590**	1 366 536	1 475 726
Credit impairments	3	4	**(53 753)**	(51 560)	(51 398)

[1] Restated. During 1H22 it was noted that the FY21 and 1H21 amounts relating to personal unsecured lending, business lending and central and other were misallocated. This restatement has no impact to total gross loans and advances or the group's statement of financial position.

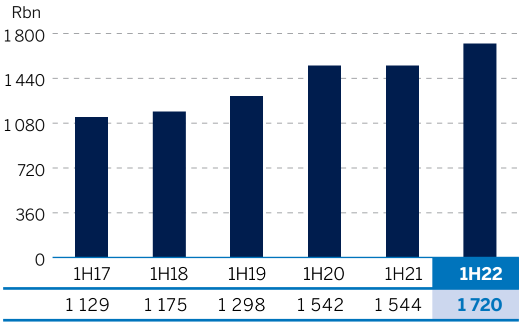
	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Loans and advances classification[1]				
Net loans and advances measured at amortised cost	13	**1 484 240**	1 313 478	1 423 842
Loans and advances measured at fair value through profit or loss	(60)	**597**	1 498	486
Total net loans and advances	13	**1 484 837**	1 314 976	1 424 328

[1] For more details on the classification of the group's assets and liabilities, refer to pages 140 – 143.

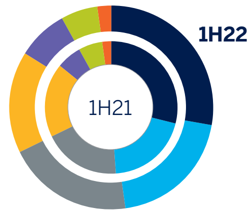
Deposits and debt funding

Deposits from customers

CAGR (1H17 – 1H22): 9%



Composition of deposits from customers (%)



	1H22	1H21
Call deposits	28	29
Term deposits	20	20
Current accounts	20	19
Cash management deposits	16	18
Negotiable certificates of deposits	8	6
Other deposits	6	6
Savings accounts	2	2

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Current accounts	8	15	339 712	294 706	329 669
Cash management deposits	1	1	276 574	274 101	261 526
Call deposits	7	8	476 233	441 893	482 239
Savings accounts	7	11	42 898	38 805	42 558
Term deposits	11	13	344 874	305 781	338 345
Negotiable certificates of deposit	53	53	139 855	91 542	102 777
Other deposits	14	2	99 513	97 198	97 036
Deposits from customers	10	11	1 719 659	1 544 026	1 654 150
Deposits from banks	12	33	142 636	106 851	143 141
Total deposits and debt funding	10	13	1 862 295	1 650 877	1 797 291
Retail priced deposits		13	613 359	540 607	600 764
Wholesale priced deposits		12	1 248 936	1 110 270	1 196 527
Wholesale priced deposits – customers		10	1 106 300	1 003 419	1 053 386
Wholesale priced deposits – banks		33	142 636	106 851	143 141

The above table includes Central and other eliminations per line. Central and other was previously disclosed separately.

Standard Bank Activities' average statement of financial position

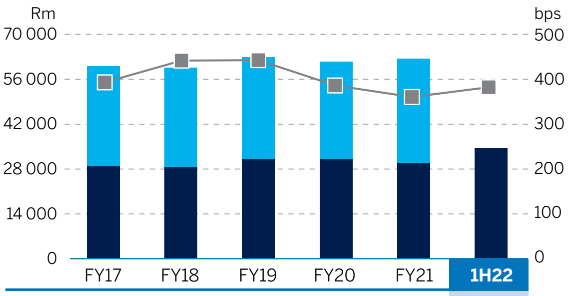
	1H22			1H21		
	Average balance Rm	**Interest Rm**	**Average rate bps**	Average balance Rm	Interest Rm	Average rate bps
Interest-earning assets						
Cash and balances with central banks[1]	90 245			86 834		
Financial investments	301 264	9 814	657	277 111	8 327	606
Net loans and advances	1 422 203	53 700	761	1 309 114	45 441	700
Gross loans and advances	1 466 137	53 700	739	1 353 563	45 441	677
Gross loans and advances to banks	198 792	2 537	257	187 430	1 567	169
Gross loans and advances to customers	1 267 345	51 163	814	1 166 135	43 874	759
Mortgage loans	434 962	16 773	778	404 593	14 629	729
Vehicle and asset finance	111 541	5 021	908	99 374	4 274	867
Card debtors	37 102	2 771	1 506	35 562	2 606	1 478
Personal unsecured lending	101 679	6 107	1 211	91 958	5 381	1 123
Business lending	129 775	6 016	935	114 411	5 128	951
Corporate and sovereign lending	455 596	14 475	641	423 663	11 856	564
Central and other	(3 310)			(3 426)		
Credit impairment charges on loans and advances	(43 934)			(44 451)		
Interest-earning assets	1 813 712	63 514	706	1 673 059	53 768	648
Trading book assets	286 378			242 646		
Non-interest-earning assets	177 901			169 326		
Average assets	2 277 991	63 514	562	2 085 031	53 768	520
Interest-bearing liabilities						
Deposits and debt funding	1 798 908	28 243	317	1 660 930	22 841	277
Deposits from banks	151 315	1 815	254	146 286	1 333	184
Deposits from customers	1 647 593	26 428	323	1 514 644	21 508	286
Current accounts	316 959	334	21	279 748	227	16
Savings accounts	41 121	447	219	37 827	399	213
Cash management deposits	237 990	3 549	301	252 800	2 979	238
Call deposits	488 574	6 765	279	456 876	5 520	244
Negotiable certificates of deposit	128 691	3 783	593	98 718	2 634	538
Term and other deposits	450 956	11 551	517	412 924	9 749	476
Central and other	(16 698)			(24 249)		
Subordinated bonds	24 394	860	711	22 438	959	862
Interest-bearing liabilities	1 823 302	29 103	322	1 683 368	23 800	285
Average equity	182 715			164 703		
Trading book liabilities	91 351			80 595		
Other liabilities	180 623			156 365		
Average equity and liabilities	2 277 991	29 103	258	2 085 031	23 800	230
Margin on average interest-earning assets	3 178 507	34 411	383	2 096 719	29 968	361

[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.

Net interest income and net interest margin

Net interest income and net interest margin (NIM)

NII CAGR (1H17 – 1H22): 4%



	FY17	FY18	FY19	FY20	FY21	1H22
First half	28 770	28 680	31 194	31 204	29 968	**34 411**
Second half	31 355	30 825	31 725	30 221	32 468	
NIM first half	394	443	444	387	361	**383**

First half
Second half
NIM first half

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

	Average interest-earning assets Rm	Net interest income Rm	Net interest margin bps
1H21	1 673 059	29 968	361
Asset growth	140 653	2 399	
Cash and cash balances with central banks	3 411		
Financial investments	24 153		
Loans and advances	113 089		
Asset margin pricing and mix		132	1
Impact due to pricing		(413)	(5)
Impact due to mix and other		545	6
Liability margin pricing and mix		1 775	19
Deposit margin pricing and mix		244	2
Impact due to pricing		(158)	(2)
Impact due to mix and other		402	4
Endowment impact		1 531	17
Funding endowment		940	10
Capital endowment		591	7
Balance sheet management and other		137	2
1H22	1 813 712	34 411	383

Net interest income and net interest margin

Favourable variances due to:

- Positive endowment due to higher average interest rates across most of the portfolio.
- Continued momentum on lending disbursements, vehicle and asset finance payouts and home services registrations resulted in a higher average loan book which supported net interest income growth.
- Marked increase in financial investments and loans to banks to manage excess liquidity at higher yields supported margin expansion.
- Higher deal origination in Africa Regions in the corporate loan portfolio resulted in margin expansion as deals were refinanced and originated at higher yields.
- Change in balance sheet mix as the higher yielding Africa Regions book growth outpaced growth in South Africa.

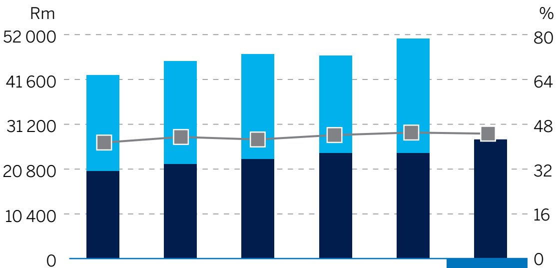
Partly offset by:

- Competitive new business pricing in home services registrations and vehicle and asset finance payouts as competitors re-entered the market.
- Growth in longer-term deposits at high yields.

Non-interest revenue analysis

Non-interest revenue

CAGR (1H17 – 1H22): 6%

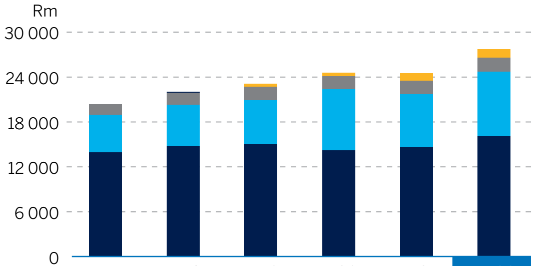


	FY17	FY18	FY19	FY20	FY21	1H22
First half	20 350	22 030	23 083	24 580	24 485	27 721
Second half	22 224	23 796	24 459	22 576	26 635	
Non-interest revenue to total revenue	41.4	43.4	42.5	44.1	45.0	44.6

First half
Second half
Non-interest revenue to total revenue

Analysis of non-interest revenue

CAGR (1H17 – 1H22): Net fee and commission 3%
Trading revenue 12%
Other revenue 6%



	1H17	1H18	1H19	1H20	1H21	1H22
Net fee and commission	13 969	14 813	15 112	14 239	14 659	16 174
Trading revenue	4 953	5 471	5 809	8 143	7 038	8 547
Other revenue	1 428	1 653	1 787	1 737	1 807	1 883
Other gains and losses on financial instruments		93	375	461	981	1 117

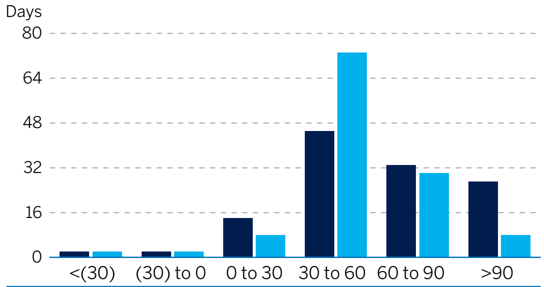
Net fee and commission
Trading revenue
Other revenue
Other gains and losses on financial instruments

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net fee and commission revenue	11	10	16 174	14 659	30 613
Fee and commission revenue	13	13	20 260	17 978	37 699
Account transaction fees	12	12	5 080	4 556	9 466
Electronic banking	17	14	2 651	2 331	4 977
Knowledge-based fees and commission	32	33	1 551	1 162	2 337
Card-based commission	14	14	3 961	3 486	7 295
Insurance – fees and commission	11	11	1 195	1 074	2 243
Documentation and administration fees	3	4	1 245	1 193	2 401
Foreign currency service fees	28	26	1 310	1 042	2 289
Other	3	4	3 267	3 134	6 691
Fee and commission expense	11	23	(4 086)	(3 319)	(7 086)
Trading revenue	17	21	8 547	7 038	14 842
Fixed income and currencies	10	16	6 564	5 665	11 764
Commodities	>100	>100	386	60	90
Equities	22	22	1 597	1 313	2 988
Other revenue	5	4	1 883	1 807	3 648
Banking and other[1]	12	11	415	375	1 047
Property-related revenue	83	76	97	55	39
Insurance-related revenue[1]	0	0	1 371	1 377	2 562
Other gains and losses on financial instruments	14	14	1 117	981	2 017
Non-interest revenue	16	13	27 721	24 485	51 120

[1]Restated. During 2021 it was noted that there was a misallocation of R23 million for 1H21 between banking and other and insurance-related revenue. The restatement did not impact total other revenue or the group's income statement.

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Banking	16	24 586	21 277	44 636
Insurance	5	2 262	2 156	4 226
Investments	5	1 643	1 568	3 181
Central and other	49	(770)	(516)	(923)
Non-interest revenue	13	27 721	24 485	51 120

Distribution of daily trading income
(frequency of days)



	<(30)	(30) to 0	0 to 30	30 to 60	60 to 90	>90
1H22	**2**	**2**	**14**	**45**	**33**	**27**
1H21	2	2	8	73	30	8

1H22
1H21

Net fee and commission revenue

- Increased account transaction fees due to higher transactional volumes across the continent as Covid-19 lockdown restrictions eased. In addition, good client acquisition in most markets and the impact of annual price increases on cash transaction fees further supported growth.
- 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 in Africa Regions through supporting transactions in the Telecommunications, Oil & Gas and Financial Institutions sectors.
- Continued growth in card-based commission as a result of higher card issuing and acquiring turnover driven by the relaxation of global travel restrictions as well as increased e-commerce spend, good growth in active merchant account base and point-of-sale devices.
- Growth in insurance fee and commission revenue mainly due to a combination of annual price increase and increased policy base driven by the Flexi-Funeral solution.
- Increase in documentation and administration fees earned on the back of strong retail lending activities in Africa Regions, as well as increased vehicle and asset finance transactions.
- 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 structuring on the back of growth in deal origination in key Africa Regions markets was the main contributor of higher other fee and commission revenue.
- Fee and commission expenses increased due to higher card interchange costs and volumes.

Trading revenue

- Growth in fixed income and currencies driven by:
  - Gains from market opportunities and structured sales transactions in South Africa coupled with increased client activity related to credit-linked notes.
  - Increased foreign exchange client flow and margins, most notably in South Africa and West Africa, due to higher client demand and increased market volatility.
- Strong commodities performance on the back of increased commodity prices.
- The franchise continued to benefit from volatile market conditions and corporate client trading activity during the period, leading to increased client flow facilitation and risk management revenues.

Other revenue

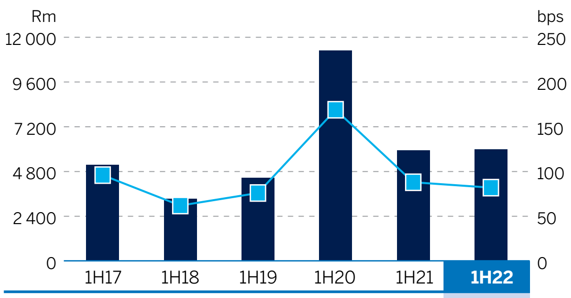
- Banking and other revenues grew due to the devaluation of the Zimbabwean currency on open USD positions.
- Higher rental income earned on cash secure devices in property-related revenue due to clients' preference to utilise alternative channels to manage their cash deposits.
- Decline in insurance-related revenue as short-term insurance claims increased in the current period due to inclement weather across South Africa, with the largest impact emanating from the heavy rainfall in KwaZulu-Natal between 14 to 18 April. This was partially offset by higher gross written premiums and lower credit life claims compared to the prior period.

Other gains and losses on financial instruments

- Gains on the equity investment portfolio as corporate outlook in South Africa continued to improve.

Credit impairment analysis
Income statement charges

Credit impairment charges on loans and advances
CAGR (1H17 – 1H22): 3%



	1H17	1H18	1H19	1H20	1H21	1H22
Credit impairment charges	5 155	3 344	4 467	11 271	5 939	**5 993**
CLR	96	62	76	169	88	**82**

Credit impairment charges
CLR

INCOME STATEMENT CREDIT IMPAIRMENT CHARGES

	Change %	1H22					
		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	(23)	130	221	351	383	734	34
Vehicle and asset finance	26	(15)	128	113	726	839	152
Card and payments	(28)	16	130	146	908	1 054	573
Personal unsecured lending	7	(6)	231	225	1 762	1 987	394
Business lending and other	(31)	(69)	184	115	635	750	117
Corporate and sovereign lending	(>100)	156	(181)	(25)	782	757	34
CIB bank lending	>100	(2)	25	23		23	2
Central and other	(100)	(66)	(85)	(151)		(151)	
Total loans and advances credit impairment charges	1	144	653	797	5 196	5 993	82
Credit impairment charges – financial investments						(12)	
Credit impairment (release)/charges – letters of credit and guarantees						(53)	
Total credit impairment charges	2					5 928	

[1] Includes post-write-off recoveries and modification gains and losses.
[2] Restated. During 1H22 it was noted that the FY21 and 1H21 amounts relating to personal unsecured lending, business lending and other and central and other were misallocated resulting in the accompanying credit loss ratios for both FY21 and 1H21 being restated. This restatement has no impact to total gross loans and advances, the group's statement of financial position or any key ratios at a group level relating to loans and advances.

Credit impairment charges

Higher credit impairment charges driven by:

- Credit impairment charges on the corporate loan book was largely driven by a single counterparty default in the Consumer sector. Although the performing portfolio remained benign due to a combination of risk grade improvements and ageing in the stage 2 portfolio, book growth contributed to higher stage 1 charges.
- Higher stage 3 provisions in West and East Africa driven by continued consumer strain in the business and unsecured lending portfolios.
- Increased defaults in vehicle and asset finance and retained stage 3 exposures in home services and card, mainly driven by a decline in collections yield linked to the economic climate.

Partly offset by:

- Improvement in the Card SA impairment charges due to the non-recurrence of strain experienced in the expired client relief population.
- Lower defaults in the Business Banking segment coupled with reduced impairments on Covid Guaranteed loans.
- Strong repayment behaviour in the client relief population post the conclusion of the monitoring period, primarily in home services.

	1H21						FY21					
	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[2] 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[2] bps
	(13)	(108)	(121)	1 072	951	47	205	(590)	(385)	1 520	1 135	27
	70	(291)	(221)	889	668	136	(73)	(376)	(449)	1 599	1 150	113
	23	19	42	1 428	1 470	834	(46)	(147)	(193)	3 125	2 932	821
	26	223	249	1 616	1 865	411	112	(173)	(61)	3 380	3 319	356
	29	116	145	945	1 090	191	(58)	103	45	1 591	1 636	136
	(45)	(216)	(261)	155	(106)	(5)	(93)	(403)	(496)	275	(221)	(5)
	1		1		1		(31)		(31)		(31)	(2)
	91	(257)	(166)	6 105	5 939	88	16	(1 586)	(1 570)	11 490	9 920	73
					(67)						23	
					(75)						(70)	
					5 797						9 873	

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
Home services	15 625		672
Stage 1	1 059	428	(298)
Stage 2	2 440	19	140
Stage 3	12 126	(447)	830
Vehicle and asset finance	6 337		873
Stage 1	651	31	(46)
Stage 2	1 131	(78)	206
Stage 3	4 555	47	713
Card and payments	3 885		1 212
Stage 1	642	143	(127)
Stage 2	1 152	(86)	176
Stage 3	2 091	(57)	1 163
Personal unsecured lending	9 740		2 090
Stage 1	1 508	(59)	53
Stage 2	1 761	(108)	340
Stage 3	6 471	167	1 697
Business lending and other	7 536		849
Stage 1	943	(38)	(31)
Stage 2	1 295	(392)	576
Stage 3	5 298	430	304
Corporate and sovereign lending	7 710		676
Stage 1	1 304	102	54
Stage 2	818	(116)	(65)
Stage 3	5 588	14	687
CIB bank lending	65		23
Stage 1	65	(5)	3
Stage 2		5	20
Stage 3			
Central and other	500		(151)
Stage 1	218		(66)
Stage 2	282		(85)
Stage 3			
Total	51 398		6 244
Stage 1	6 390	602	(458)
Stage 2	8 879	(756)	1 308
Stage 3	36 129	154	5 394

The income statement credit impairment charge on loans and advances of R5 993 million is made up of total transfers, net provision raised of R6 244 million less modification losses and post-write-off recoveries of R251 million.

Impaired accounts written off Rm	Currency translation and other movements Rm	Time value of money & interest in suspense Rm	June 2022 closing balance Rm	Modification losses and recoveries of amounts written off Rm
(766)	(86)	599	16 044	(62)
	2		1 191	
			2 599	(62)
(766)	(88)	599	12 254	
(511)	(66)	265	6 898	34
	(2)		634	
	16		1 275	
(511)	(80)	265	4 989	34
(1 305)	14	78	3 884	158
	(2)		656	
	1		1 243	(40)
(1 305)	15	78	1 985	198
(2 048)	(40)	616	10 358	103
	(49)		1 453	
	88		2 081	1
(2 048)	(79)	616	6 824	102
(1 155)	2	216	7 448	99
	7		881	
	(6)		1 473	
(1 155)	1	216	5 094	99
(76)	35	276	8 621	(81)
	(44)		1 416	
	22		659	
(76)	57	276	6 546	(81)
	63		151	
	53		116	
	10		35	
			349	
			152	
			197	
(5 861)	(78)	2 050	53 753	251
	(35)		6 499	
	131		9 562	(101)
(5 861)	(174)	2 050	37 692	352

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
Home services	15 153		1 083
Stage 1	844	1 184	(979)
Stage 2	3 064	(83)	(547)
Stage 3	11 245	(1 101)	2 609
Vehicle and asset finance	5 648		1 275
Stage 1	720	334	(407)
Stage 2	1 498	(147)	(229)
Stage 3	3 430	(187)	1 911
Card and payments	3 444		3 635
Stage 1	686	152	(198)
Stage 2	1 292	(197)	52
Stage 3	1 466	45	3 781
Personal unsecured lending	9 716		3 297
Stage 1	1 371	101	11
Stage 2	2 063	(325)	61
Stage 3	6 282	224	3 225
Business lending and other	6 786		1 830
Stage 1	913	73	(131)
Stage 2	1 185	(321)	424
Stage 3	4 688	248	1 537
Corporate and sovereign lending	8 669		(125)
Stage 1	1 353	94	(187)
Stage 2	1 171	(169)	(234)
Stage 3	6 145	75	296
CIB bank lending	70		(31)
Stage 1	70		(31)
Central and other	500		
Stage 1	218		
Stage 2	282		
Total	49 986		10 964
Stage 1	6 175	1 938	(1 922)
Stage 2	10 555	(1 242)	(473)
Stage 3	33 256	(696)	13 359

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.

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
(1 137)	27	499	15 625	(52)
	10		1 059	
	6		2 440	(40)
(1 137)	11	499	12 126	(12)
(1 042)	90	366	6 337	125
	4		651	
	9		1 131	
(1 042)	77	366	4 555	125
(3 389)	(6)	201	3 885	703
	2		642	
	5		1 152	2
(3 389)	(13)	201	2 091	701
(4 320)	33	1 014	9 740	(22)
	25		1 508	
	(38)		1 761	(91)
(4 320)	46	1 014	6 471	69
(1 766)	55	631	7 536	194
	88		943	
	7		1 295	
(1 766)	(40)	631	5 298	194
(1 664)	421	409	7 710	96
	44		1 304	
	50		818	
(1 664)	327	409	5 588	96
	26		65	
	26		65	
			500	
			218	
			282	
(13 318)	646	3 120	51 398	1 044
	199		6 390	
	39		8 879	(129)
(13 318)	408	3 120	36 129	1 173

Credit impairment analysis
Loans and advances performance

		SB 1 – 12		SB 13 – 20		SB 21 – 25	
	Gross carrying loans and advances Rm	**Stage 1 Rm**	**Stage 2 Rm**	**Stage 1 Rm**	**Stage 2 Rm**	**Stage 1 Rm**	**Stage 2 Rm**
1H22							
Home services	**445 574**	**109 364**	**48**	**264 328**	**8 468**	**3 693**	**27 960**
Vehicle and asset finance	**116 183**	**30 686**	**515**	**63 256**	**3 431**	**2 896**	**7 127**
Card and payments	**37 701**	**4 539**		**25 517**	**49**	**945**	**3 919**
Personal unsecured lending	**102 267**	**18 502**	**2**	**61 516**	**676**	**5 454**	**6 846**
Business lending	**140 523**	**29 444**	**99**	**90 852**	**2 228**	**3 070**	**5 960**
Corporate and sovereign lending	**476 327**	**184 038**	**1 541**	**245 472**	**30 807**	**961**	**637**
CIB bank lending	**224 760**	**189 573**		**27 427**	**3 767**	**304**	**3 689**
Central and other	**(5 342)**	**(5 342)**					
Gross loans and advances	**1 537 993**	**560 804**	**2 205**	**778 368**	**49 426**	**17 323**	**56 138**
Percentage of total book (%)	**100.0**	**36.5**	**0.1**	**50.6**	**3.2**	**1.1**	**3.7**
Gross loans and advances at amortised cost	**1 537 993**						
Gross loans and advances at fair value	**597**						
Total gross loans and advances	**1 538 590**						

		SB 1 – 12		SB 13 – 20		SB 21 – 25	
	Gross carrying loans and advances Rm	Stage 1 Rm	Stage 2 Rm	Stage 1 Rm	Stage 2 Rm	Stage 1 Rm	Stage 2 Rm
FY21							
Home services	434 104	103 230	58	260 628	8 325	4 005	25 813
Vehicle and asset finance	110 653	22 865	70	67 686	2 969	2 721	7 081
Card and payments	36 367	4 192		24 810	37	866	3 607
Personal unsecured lending[1]	100 230	20 896	33	58 109	685	5 363	6 356
Business lending[1]	132 630	31 114	286	82 341	2 520	2 076	6 119
Corporate and sovereign lending	455 406	169 179	1 462	234 111	35 353	3 252	1 257
CIB bank lending	209 593	180 441		24 894	1 550	1 726	982
Central and other[1]	(3 743)	(3 743)					
Gross loans and advances	1 475 240	528 174	1 909	752 579	51 439	20 009	51 215
Percentage of total book (%)	100	35.8	0.1	51.0	3.5	1.4	3.5
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.

[1] Restated. During 1H22 it was noted that the FY21 amounts relating to personal unsecured lending, business lending and other and central and other were misallocated resulting in the accompanying credit loss ratios for both FY21 being restated. This restatement has no impact to total gross loans and advances, the group's statement of financial position or any key ratios at a group level relating to loans and advances.

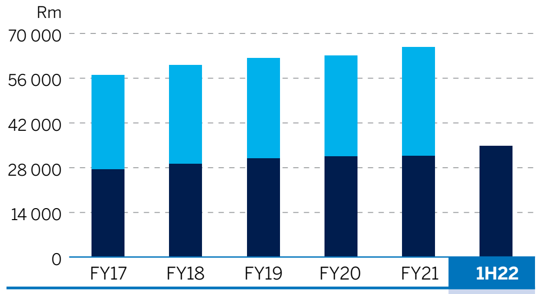
	Total stage 1 and 2 loans Rm	**Total stage 3 loans Rm**	**Securities and expected recoveries on stage 3 exposures loans Rm**	**Balance sheet expected credit loss and interest in suspense on stage 3 Rm**	**Gross stage 3 loans coverage ratio %**	**Stage 3 exposures ratio %**
	413 861	**31 713**	**19 459**	**12 254**	**39**	**7.1**
	107 911	**8 272**	**3 283**	**4 989**	**60**	**7.1**
	34 969	**2 732**	**747**	**1 985**	**73**	**7.2**
	92 996	**9 271**	**2 447**	**6 824**	**74**	**9.1**
	131 653	**8 870**	**3 776**	**5 094**	**57**	**6.3**
	463 456	**12 871**	**6 325**	**6 546**	**51**	**2.7**
	224 760					
	(5 342)					
	1 464 264	**73 729**	**36 037**	**37 692**	**51**	**4.8**
	95.2	**4.8**	**2.3**	**2.5**		**4.8**

	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 %
	402 059	32 045	19 919	12 126	38	7.4
	103 392	7 261	2 706	4 555	63	6.6
	33 512	2 855	764	2 091	73	7.9
	91 442	8 788	2 317	6 471	74	8.8
	124 456	8 174	2 881	5 293	65	6.2
	444 614	10 792	5 204	5 588	52	2.4
	209 593					
	(3 743)					
	1 405 325	69 915	33 791	36 124	52	4.7
	95.3	4.7	2.3	2.4		4.7

Operating expenses

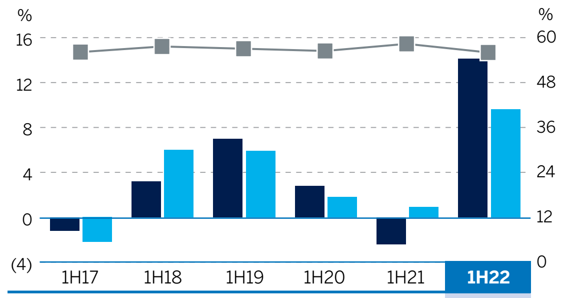
Operating expenses

CAGR (1H17 – 1H22): 5%



	FY17	FY18	FY19	FY20	FY21	1H22
First half	27 553	29 205	30 941	31 489	31 770	**34 821**
Second half	29 496	30 879	31 394	31 693	33 965	

Cost and income growth



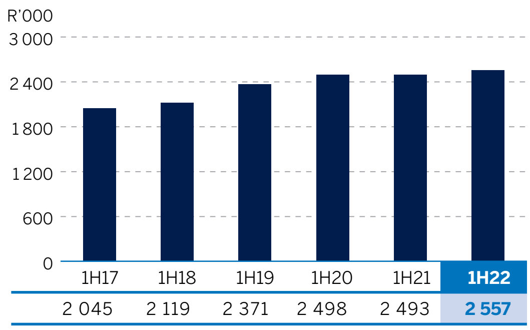
	1H17	1H18	1H19	1H20	1H21	1H22
Total income growth	(1.2)	3.2	7.0	2.8	(2.4)	**14.1**
Total cost growth	(2.2)	6.0	5.9	1.8	0.9	**9.6**
Cost-to-income ratio	56.1	57.6	57.0	56.4	58.3	**56.0**

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Staff costs					
Fixed remuneration	7	8	**13 807**	12 808	25 898
Variable remuneration	7	6	**3 963**	3 725	7 672
Charge for incentive payments	0	0	**2 854**	2 852	5 772
IFRS 2 charge: cash-settled share schemes (including associated hedge)	22	22	**235**	192	519
IFRS 2 charge: equity-settled share schemes	28	28	**874**	681	1 381
Other staff costs	(1)	(2)	**1 451**	1 477	3 072
Total staff costs	6	7	**19 221**	18 010	36 642
Variable remuneration as a % of total staff costs			**20.6**	20.7	20.9
Other operating expenses					
Information technology	6	7	**5 132**	4 813	9 743
Amortisation of intangible assets	0	1	**1 295**	1 287	2 713
Depreciation	(1)	0	**2 088**	2 095	4 191
Premises	3	3	**918**	891	1 938
Professional fees	0	2	**971**	951	1 888
Communication	12	12	**676**	602	1 242
Marketing and advertising	51	52	**1 043**	687	2 026
Other	41	43	**3 477**	2 434	5 352
Total other operating expenses	12	13	**15 600**	13 760	29 093
Total operating expenses	9	10	**34 821**	31 770	65 735
Total income	14	14	**62 131**	54 453	113 556
Cost-to-income ratio (%)			**56.0**	58.3	57.9
Jaws (bps)			**450**	(328)	54

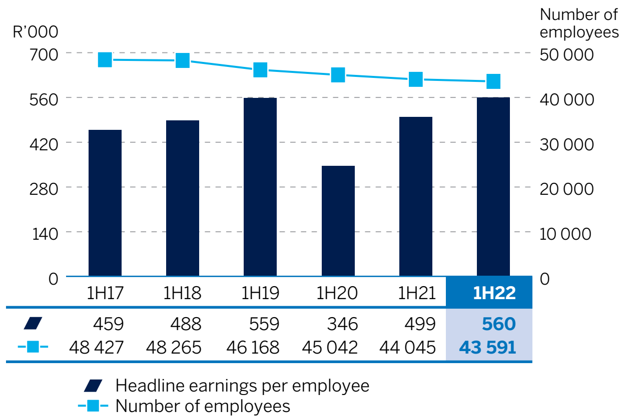
ANALYSIS OF OPERATING EXPENSES BY CLIENT SOLUTION

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Banking	9	**34 054**	31 292	63 922
Insurance	10	**1 189**	1 078	2 211
Investments	20	**900**	750	1 691
Central and other	(2)	**(1 322)**	(1 350)	(2 089)
Total operating expenses	10	**34 821**	31 770	65 735

Standard Bank Activities revenue per employee



Standard Bank Activities headline earnings per employee



ANALYSIS OF HEADCOUNT BY GEOGRAPHY

	Change %	1H22 Number	1H21 Number	FY21 Number
South Africa	(2)	**28 756**	29 295	28 955
Africa Regions	1	**14 211**	14 125	14 036
International	0	**624**	625	616
Standard Bank Activities	(1)	**43 591**	44 045	43 607

ANALYSIS OF TOTAL INFORMATION TECHNOLOGY FUNCTION SPEND

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Staff costs	4	5	**2 374**	2 266	4 354
Licences, maintenance and related costs	6	7	**5 132**	4 813	9 743
Amortisation of intangible assets	0	1	**1 295**	1 287	2 713
Depreciation and other expenses	(2)	(2)	**1 327**	1 348	2 574
Total information technology function spend	4	4	**10 128**	9 714	19 384

Staff costs and headcount

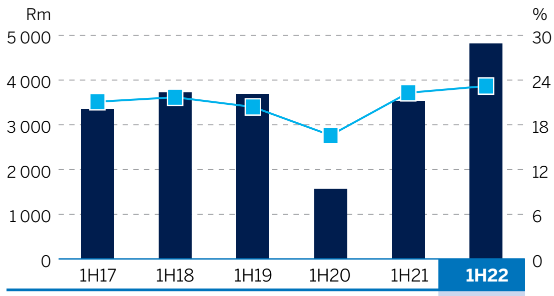
- Higher staff costs due to annual salary increases and an increase in skilled staff complement. This was partly offset by a decline in headcount due to natural attrition.
- Higher variable remuneration in line with prior period award allocations on deferred bonus schemes.
- Lower capitalised costs as signature information technology programmes wound down.

Other operating expenses

- Information technology cost growth driven by:
  - Continued cloud migration spend to enhance business agility and system resilience in the organisation and reduced capitalisation as signature information technology programmes wound down.
  - Investment in software to enable our employees to service our clients better, to enhance our infrastructure resilience, to improve our client relationship management platforms and for our client proposition initiatives (i.e. digital capabilities).
  - This is partially offset by savings driven by conscious efforts to contain third-party spend and the decommissioning of legacy systems.
- Increase in premises expenses due to higher maintenance and municipal costs across the continent. This was partially offset by savings realised in line with the group's strategic focus on rationalising physical footprint, which allowed for the exit of third-party leases.
- Growth in professional fees on the back of costs incurred to integrate Liberty into the Group, partially offset by deliberate actions to reduce reliance on third-party suppliers.
- Continued spend to improve the quality of calls, increase in SMS transactions and Mobile through 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 and annual increases on regulatory membership fees.

Taxation

Direct taxation charge and effective direct taxation rate



	1H17	1H18	1H19	1H20	1H21	1H22
Direct taxation charge	3 351	3 726	3 691	1 574	3 532	**4 817**
Effective direct taxation rate	21.1	21.7	20.4	16.6	22.3	**23.2**

Direct taxation charge
Effective direct taxation rate

DIRECT TAXATION RATE RECONCILIATION

	1H22 %	1H21 %	FY21 %
Direct taxation – statutory rate	**28.0**	28.0	28.0
Prior period tax	**(0.4)**	(1.6)	(0.6)
Total direct taxation – current period	**27.6**	26.4	27.4
Adjustment: Foreign tax and withholdings tax	**4.9**	4.0	3.0
Change in tax rate	**0.7**	0.0	0.1
Normal direct taxation – current period	**33.2**	30.4	30.5
Permanent differences:	**(10.0)**	(8.1)	(8.1)
Non-taxable income – dividends	**(4.0)**	(4.5)	(4.5)
Non-taxable income – other[1]	**(5.0)**	(5.4)	(5.6)
Effects of profits taxed in different jurisdictions	**(0.6)**	(0.4)	0.0
Other	**(0.4)**	2.2	2.0
Effective direct taxation rate	**23.2**	22.3	22.4

[1] Primarily comprises non-taxable interest income.

Direct taxation rate

The increase in the effective direct taxation rate (from 22.3% to 23.2%) was primarily driven by:

- Non-recurrence of prior period tax adjustment related to a 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 which resulted in a decrease in the deferred tax asset.
- Increase in the net income before taxation.

Partially offset by:

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

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 the first half of 2022.
- Longer-term funding increased by R35.9 billion through the issuance of negotiable certificate of deposits (NCDs), senior debt and syndicated loans.
- R1.6 billion of additional tier 1 capital was issued during the first half of 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.

	1H22 Rbn	1H21 Rbn	FY21 Rbn
Eligible LCR HQLA[1] comprising:	**374**	329	361
Notes and coins	**19**	18	21
Balances with central banks	**42**	42	36
Government bonds and bills	**289**	233	286
Other eligible liquid assets	**24**	36	18
Managed liquidity	**219**	176	192
Total contingent liquidity	**593**	505	553
Total contingent liquidity as a % of funding-related liabilities	**31.3**	30.2	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.

	2Q22 Rbn	2Q21 Rbn	4Q21 Rbn
SBG[1]			
Total HQLA	**366**	318	370
Net cash outflows	**256**	225	256
LCR (%)	**143.0**	141.3	144.3
SBSA[2]			
Total HQLA	**226**	199	227
Net cash outflows	**198**	176	205
LCR (%)	**113.8**	112.7	110.8
Minimum requirement (%)	**100.0**	80.0	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.

	1H22 Rbn	1H21 Rbn	FY21 Rbn
SBG			
Available stable funding	**1 469**	1 315	1 413
Required stable funding	**1 200**	1 055	1 158
NSFR (%)	**122.4**	124.6	122.0
SBSA[2]			
Available stable funding	**987**	917	951
Required stable funding	**906**	838	884
NSFR (%)	**109.0**	109.4	107.6
Minimum requirement (%)	**100.0**	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]

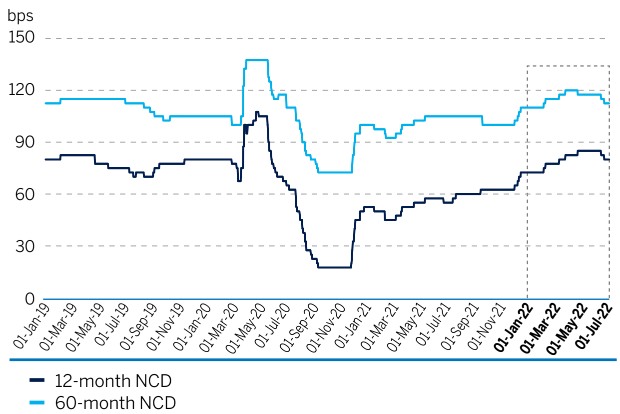
	1H22 Rbn	1H21 Rbn	FY21 Rbn
Corporate funding	**567**	511	555
Retail deposits[2]	**490**	455	482
Institutional funding	**424**	337	397
Government and parastatals	**172**	171	157
Interbank funding	**116**	78	108
Senior debt	**58**	56	58
Term loan funding	**38**	37	35
Subordinated debt issued	**23**	23	25
Other liabilities to the public	**9**	6	5
Total Standard Bank Activities funding-related liabilities	**1 897**	1 674	1 822

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

Funding costs

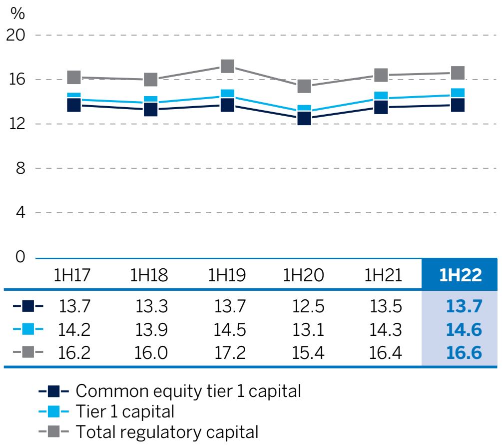
- The market cost of liquidity is measured as the spread paid on NCDs above the prevailing reference rate, namely three-month JIBAR.
- The graph is based on actively issued money market instruments by SBSA, namely 12- and 60-month NCDs.
- The cost of liquidity as measured by pricing of 12-month and 60-month NCDs increased by 12.5 bps and 7.5bps respectively to 30 April 2022 with a marginal decrease of 5 bps by 30 June 2022. Retail asset growth was the primary driver for the increased requirement for contractual term funding. This has increased funding costs to pre-Covid 19 levels.

SBSA 12- and 60-month liquidity spread



Capital adequacy

Capital adequacy



CAPITAL ADEQUACY RATIOS

	Internal target ratios[1] %	SARB minimum regulatory requirement[2] %	Excluding unappropriated profit 1H22 %	Excluding unappropriated profit 1H21 %	Excluding unappropriated profit FY21 %	Including unappropriated profit 1H22 %	Including unappropriated profit 1H21 %	Including unappropriated profit FY21 %
Common equity tier 1 capital adequacy ratio	>11.0	8.5	**12.7**	12.5	12.8	**13.7**	13.5	13.8
Tier 1 capital adequacy ratio	>12.0	10.8	**13.5**	13.4	13.7	**14.6**	14.3	14.7
Total capital adequacy ratio	>15.0	13.0	**15.6**	15.5	15.9	**16.6**	16.4	16.9

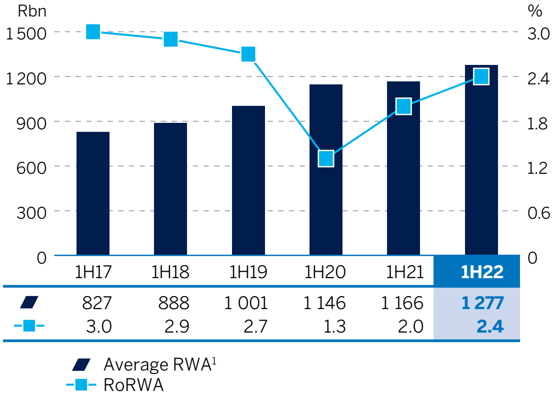
[1] Including unappropriated profit.
[2] Excluding confidential bank-specific requirements. Pillar 2A buffer requirements reinstated by the Prudential Authority from 1 January 2022.

QUALIFYING REGULATORY CAPITAL EXCLUDING UNAPPROPRIATED PROFIT

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Ordinary shareholders' equity	15	**209 683**	182 851	198 832
Qualifying non-controlling interest	26	**9 198**	7 306	8 390
Regulatory adjustments	11	**(22 976)**	(20 712)	(19 201)
Goodwill	3	**(2 199)**	(2 141)	(2 195)
Other intangible assets	(16)	**(11 171)**	(13 240)	(12 653)
Investments in financial entities	>100	**(9 403)**	(4 546)	(3 133)
Other adjustments	(74)	**(203)**	(785)	(1 220)
Total common equity tier 1 capital (including unappropriated profit)	16	**195 905**	169 445	188 021
Unappropriated profit	25	**(14 507)**	(11 592)	(13 631)
Common equity tier 1 capital	15	**181 398**	157 853	174 390
Qualifying other equity instruments	11	**10 362**	9 375	11 099
Qualifying non-controlling interest	41	**1 580**	1 117	1 088
Tier 1 capital	15	**193 340**	168 345	186 577
Tier 2 capital	7	**28 842**	26 968	29 724
Qualifying tier 2 subordinated debt	7	**22 710**	21 133	23 394
General allowance for credit impairments	5	**6 132**	5 835	6 330
Total regulatory capital	14	**222 182**	195 313	216 301

Return on risk-weighted assets and risk-weighted assets

SBG RoRWA



[1] Average RWA calculated net of non-controlling interests.

RISK-WEIGHTED ASSETS BY RISK TYPE

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Credit risk	14	1 010 257	882 570	955 829
Counterparty credit risk	17	66 391	56 730	68 921
Market risk	7	78 042	72 839	71 839
Operational risk	7	180 198	167 695	177 500
Equity risk in the banking book	7	25 406	23 658	23 550
RWA for investments in financial entities	22	68 024	55 757	65 397
Standard Bank Group	13	**1 428 318**	1 259 249	1 363 036

Capital adequacy ratios per legal entity

CAPITAL ADEQUACY RATIOS PER LEGAL ENTITY

			1H22		1H21		FY21	
	Tier 1 host regulatory requirement %	Total host regulatory requirement %	Tier 1 capital %	Total capital %	Tier 1 capital %	Total capital %	Tier 1 capital %	Total capital %
Standard Bank Group[1]	10.8	13.0	**14.6**	**16.6**	14.3	16.4	14.7	16.9
The Standard Bank of South Africa Group (SBSA Group)[1]	10.8	13.5	**13.4**	**16.3**	13.7	16.7	14.0	17.1
Africa Regions								
Stanbic Bank Botswana	7.5	12.5	**11.9**	**16.2**	11.4	17.3	10.9	17.3
Stanbic Bank Ghana	11.0	13.0	**14.3**	**16.3**	16.9	18.9	17.2	19.2
Stanbic Bank Kenya	10.5	14.5	**14.1**	**16.2**	16.1	18.1	15.0	17.0
Stanbic Bank S.A. (Cote d' Ivoire)	8.5	11.3	**53.3**	**53.3**	77.1	77.1	65.6	65.6
Stanbic Bank Tanzania	12.5	14.5	**22.1**	**23.5**	20.2	21.7	22.4	23.8
Stanbic Bank Uganda	10.0	12.0	**17.1**	**19.0**	19.4	21.5	20.0	22.0
Stanbic Bank Zambia	5.0	10.0	**25.2**	**27.3**	18.9	21.4	24.4	26.6
Stanbic Bank Zimbabwe	9.0	12.0	**16.7**	**22.5**	15.0	20.7	15.2	20.6
Stanbic IBTC Bank Nigeria[3]		10.0	**13.2**	**14.5**	16.3	17.1	14.7	16.1
Standard Bank de Angola	15.8	17.3	**28.6**	**31.1**	33.9	38.6	41.3	45.0
Standard Bank Malawi	10.0	15.0	**18.4**	**20.3**	19.6	21.7	20.2	22.4
Standard Bank Mauritius	10.5	12.5	**19.1**	**19.7**	29.6	30.4	31.4	32.3
Standard Bank Mozambique[3]		14.0	**22.8**	**22.8**	24.5	24.5	22.2	22.2
Standard Bank Namibia	7.5	10.0	**12.0**	**13.9**	12.1	14.0	10.9	12.7
Standard Bank RDC (DRC)	7.5	10.0	**21.6**	**24.1**	16.2	18.2	22.0	24.5
Standard Bank Eswatini	5.5	8.0	**10.8**	**14.0**	9.1	11.7	11.0	14.1
Standard Lesotho Bank	6.0	8.0	**24.5**	**21.1**	26.4	22.9	28.8	25.1
International								
Standard Bank Isle of Man	8.5	10.0	**12.9**	**12.9**	17.8	17.9	12.9	12.9
Standard Bank Jersey	8.5	11.0	**16.5**	**16.5**	17.2	17.3	14.8	14.9
Capital adequacy ratio – times covered								
Standard Insurance Limited (SIL)[2]								
Solvency capital requirement coverage ratio				**2.54**		3.28		2.87
Liberty Group Limited[2]								
Solvency capital requirement coverage ratio				**1.79**		1.73		1.72

[1] Minimum regulatory requirement excludes confidential bank-specific requirements. Pillar 2A requirements reinstated by the Prudential Authority from 1 January 2022.
[2] Calculated in terms of the Insurance Act, 2017, which came into effect on 1 July 2018.
[3] No tier 1 host regulatory requirement.

Currency translation impact, economic capital and economic returns

MOVEMENT IN THE FOREIGN CURRENCY TRANSLATION RESERVE

	1H22 Rm	1H21 Rm	FY21 Rm
Balance at beginning of the period: (debit)	**(2 585)**	(8 719)	(8 719)
Translation and hedge reserve (decrease)/increase for the period	**(1 996)**	(1 022)	6 134
Africa Regions	**(1 597)**	(729)	5 085
International	**(503)**	(279)	985
Liberty	**104**	(14)	62
Currency hedge losses			2
Balance at end of the period: (debit)/credit	**(4 581)**	(9 741)	(2 585)

ECONOMIC CAPITAL UTILISATION BY RISK TYPE

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Credit risk	16	**126 497**	108 953	119 350
Equity risk	>100	**12 846**	5 760	6 505
Market risk	(51)	**995**	2 019	998
Operational risk	9	**16 832**	15 420	17 251
Business risk	17	**4 837**	4 139	4 387
Interest rate risk in the banking book	76	**8 440**	4 800	6 164
Economic capital requirement	21	**170 447**	141 091	154 655
Available financial resources	14	**226 906**	199 847	221 112
Economic capital coverage ratio (times)		**1.33**	1.42	1.43

ECONOMIC RETURNS

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Average ordinary shareholders' equity	12	**201 595**	179 632	185 008
Headline earnings	33	**15 263**	11 477	25 021
Cost of equity charge	17	**(15 095)**	(12 916)	(27 196)
Economic returns	(>100)	**168**	(1 439)	(2 175)

Other capital instruments

SUBORDINATED DEBT

	Redeemable/ repayable date	Callable date	Notional value LCm	1H22 Carrying value[1] Rm	1H22 Notional value[1] Rm	1H21 Carrying value[1] Rm	1H21 Notional value[1] Rm	FY21 Carrying value[1] Rm	FY21 Notional value[1] Rm
Standard Bank Activities									
Standard Bank Group Limited				**22 603**	**22 710**	20 784	20 434	22 746	22 520
SBT 201[2,3]	13 Feb 2028	13 Feb 2023	ZAR3 000	**2 937**	**3 000**	3 027	3 000	2 978	3 000
SBT 202[2,3]	3 Dec 2028	3 Dec 2023	ZAR1 516	**1 517**	**1 516**	1 523	1 516	1 522	1 516
SBT 203[2,3]	3 Dec 2028	3 Dec 2023	ZAR484	**494**	**484**	519	484	510	484
SBT 204[2,3]	16 Apr 2029	16 Apr 2024	ZAR1 000	**1 014**	**1 000**	1 013	1 000	1 012	1 000
SBT 205[2,3]	31 May 2029	31 May 2024	USD400	**6 449**	**6 544**	5 946	5 712	6 525	6 354
SBT 206[2,3]	31 Jan 2030	31 Jan 2025	ZAR2 000	**2 021**	**2 000**	2 020	2 000	2 019	2 000
SBT 207[2,3]	25 Jun 2030	25 Jun 2025	ZAR3 500	**3 493**	**3 500**	3 504	3 500	3 498	3 500
SBT 208[2,3]	28 Nov 2030	28 Nov 2025	ZAR1 500	**1 510**	**1 500**	1 509	1 500	1 509	1 500
SBT 209[2,3]	29 Jun 2031	29 Jun 2026	ZAR1 722	**1 718**	**1 722**	1 723	1 722	1 723	1 722
SST 201[2,3]	8 Dec 2031	8 Dec 2026	ZAR1 444	**1 450**	**1 444**			1 450	1 444
SBSA group						1 007	1 000	992	1 000
SBK 23[2]	28 May 2027	28 May 2022	ZAR1 000			1 007	1 000	992	1 000
Standard Bank Eswatini	29 Jun 2028	30 Jun 2023	E100	**100**	**100**	102	100	104	100
Stanbic Botswana	2027 – 2029	2022 – 2024	BWP300	**397**	**395**	659	655	681	677
Stanbic Bank Kenya	21 Dec 2028	15 Feb 2024	USD20	**337**	**327**	292	286	321	318
Intercompany[4]				**(12)**	**(12)**	(11)	(11)		
Total				**23 425**	**23 520**	22 833	22 464	24 844	24 615
Liberty									
Regulatory insurance capital			ZAR5 000	**5 624**	**5 500**	6 085	6 000	5 586	5 500
Total subordinated debt				**29 049**	**29 020**	28 918	28 464	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] Basel III compliant tier 2 instruments which contain a contractual non-viability write-off feature.
[3] SBSA on a reciprocal basis entered into subordinated tier 2 capital lending agreements with SBG under identical terms.
[4] Includes R8 million (FY21: R8 million) relating to subordinated debt from investment management and life insurance activities and accrued interest expense of R4 million (FY21: R8 million interest income) relating to Africa Regions.

OTHER EQUITY HOLDERS

	First callable date	Notional value LCm	1H22 Carrying value Rm	1H22 Notional value Rm	1H21 Carrying value Rm	1H21 Notional value Rm	FY21 Carrying value Rm	FY21 Notional value Rm
Preference share capital			**5 503**	**9**	5 503	9	5 503	9
Cumulative preference share capital (SBKP)		ZAR8	**8**	**8**	8	8	8	8
Non-cumulative preference share capital (SBPP)		ZAR1	**5 495**	**1**	5 495	1	5 495	1
Additional tier 1 capital bonds			**10 364**	**10 364**	8 825	8 825	10 549	10 549
SBT 101[1]	31 Mar 2022	ZAR1 744			1 744	1 744	1 744	1 744
SBT 102[1]	30 Sep 2022	ZAR1 800	**1 800**	**1 800**	1 800	1 800	1 800	1 800
SBT 103[1]	31 Mar 2024	ZAR1 942	**1 942**	**1 942**	1 942	1 942	1 942	1 942
SBT 104[1]	30 Sep 2025	ZAR1 539	**1 539**	**1 539**	1 539	1 539	1 539	1 539
SBT 105[1]	31 Mar 2026	ZAR1 800	**1 800**	**1 800**	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**				
Total other equity instruments			**15 867**	**10 373**	14 328	8 834	16 052	10 558

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

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Key legal entity information

The Standard Bank Group

Headline earnings and net asset value reconciliation by key legal entity

HEADLINE EARNINGS

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
SBSA Group	30	**7 472**	5 739	12 877
Africa Regions legal entities	41	**5 625**	3 981	8 995
Standard Bank International	>100	**500**	233	544
Other group entities	(>100)	**11**	941	2 524
Standard Insurance Limited	(53)	**121**	255	489
SBG Securities	(71)	**119**	404	995
Standard Advisory London	14	**42**	37	63
Other[1]	(>100)	**(271)**	245	977
Standard Bank Activities	25	**13 608**	10 894	24 940
Liberty	55	**253**	163	(419)
ICBCS	>100	**1 402**	420	500
Standard Bank Group	33	**15 263**	11 477	25 021

[1] Included is the elimination of gains and losses on deemed IFRS treasury shares relating to client trading activities and hedging in SBG Securities of (R483) million (1H21: (R80) million).

NET ASSET VALUE

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
SBSA Group	3	**106 346**	102 807	107 416
Africa Regions legal entities	21	**56 955**	46 928	56 137
Standard Bank International	10	**9 045**	8 250	9 276
Other group entities	49	**14 728**	9 917	10 856
Standard Insurance Limited	(9)	**2 217**	2 448	2 096
SBG Securities	16	**2 719**	2 340	2 856
Standard Advisory London	1	**636**	630	732
Other	>100	**9 156**	4 499	5 172
Standard Bank Activities	11	**187 074**	167 902	183 685
Liberty	49	**16 573**	11 145	10 899
ICBCS	59	**6 036**	3 804	4 248
Standard Bank Group	15	**209 683**	182 851	198 832

The Standard Bank of South Africa

Key financial results, ratios and statistics

		Change %	1H22	1H21	FY21
SBSA Group[1]					
Income statement					
Headline earnings	Rm	30	**7 472**	5 739	12 877
Headline earnings as consolidated into SBG[2]	Rm	25	**7 721**	6 198	13 981
Profit attributable to ordinary shareholders	Rm	29	**7 412**	5 740	12 821
Statement of financial position					
Ordinary shareholders' equity	Rm	3	**106 346**	102 807	107 416
Total assets	Rm	10	**1 791 602**	1 624 327	1 725 074
Net loans and advances	Rm	7	**1 226 053**	1 141 337	1 203 254
Financial performance					
ROE	%		**14.2**	11.5	12.5
Non-interest revenue to total income	%		**45.5**	43.3	44.1
Loan-to-deposit ratio	%		**84.8**	87.2	85.6
CLR	bps		**81**	84	68
CLR on loans to customers	bps		**95**	101	79
Cost-to-income ratio	%		**58.5**	60.9	62.2
Jaws	bps		**440**	(16)	198
Number of employees		(2)	**28 146**	28 727	28 356
Capital adequacy					
Total risk-weighted assets	Rm	9	**800 762**	736 840	772 054
Common equity tier 1 capital adequacy ratio	%		**12.1**	12.5	12.6
Tier 1 capital adequacy ratio	%		**13.4**	13.7	14.0
Total capital adequacy ratio	%		**16.3**	16.7	17.1
SBSA Company[1]					
Headline earnings	Rm	32	**7 404**	5 621	12 909
Headline earnings as consolidated into SBG[2]	Rm	32	**7 244**	5 487	12 835
Total assets	Rm	10	**1 792 723**	1 624 040	1 725 439
ROE	%		**14.2**	11.4	12.7

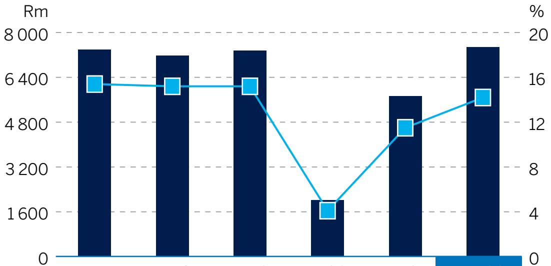
[1] SBSA Group is a consolidation of entities including subsidiaries as well as structured entities, whereas SBSA company is a legal entity.
[2] At an SBSA level, certain share-based payment schemes are accounted for on a cash-settled basis, but at a consolidated SBG level they are accounted for on an 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.

The Standard Bank of South Africa

Key financial results, ratios and statistics

Headline earnings

CAGR (1H17 – 1H22): 0%

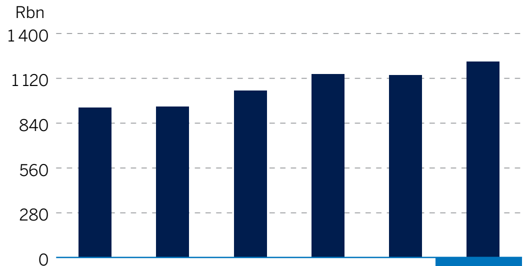


	1H17	1H18	1H19	1H20	1H21	**1H22**
Headline earnings	7 384	7 168	7 354	2 023	5 739	***7 472***
ROE	15.4	15.2	15.2	4.1	11.5	**14.2**

Headline earnings
ROE

Net loans and advances

CAGR (1H17 – 1H22): 6%



1H17	1H18	1H19	1H20	1H21	**1H22**
937	942	1 042	1 148	1 141	**1 226**

SBSA Group

The Standard Bank of South Africa (SBSA) is a wholly owned subsidiary of Standard Bank Group that supports the economic and socio-economic development of South Africa. In 1H22, SBSA contributed 49% of the group's headline earnings (1H21: 50%).

South Africa's economy was shielded by high commodity prices, strong terms of trade and a resilient currency for most of the period, despite rising inflation, electricity outages and extreme weather events. Interest rate increases, while faster than expected, were measured and rates remained low relative to pre-pandemic levels. Covid-19 restrictions were eased further in 1H22, including the lifting of the National State of Disaster on 5 April.

The financial results for the period reflected headline earnings growth of 30% to R7 472m and an ROE of 14.2%. The main drivers of growth were continued good balance sheet momentum from 2021 and an improved economic environment which supported revenue generation. Cost growth remained below average inflation for the period.

SBSA maintained strong liquidity and capital positions and remained above regulatory minimums. Robust credit modelling and risk management processes ensured the bank remained within risk appetite while supporting client growth strategies.

Gross loans and advances to customers increased by 6% on the back of an improved economic environment. Good registrations performance in home services, albeit not at previous highs in 1H21, higher payouts in vehicle and asset finance and higher disbursements in unsecured lending were the largest contributors to growth. Financial investments increased by 14% due to tenor optimisation strategies and placement of surplus liquidity into high-quality liquid assets. Loan growth was dampened by lower origination in the corporate portfolio as clients continued to remain cautious.

Deposits from customers increased by 10% on the back of focused client acquisition and retention strategies. The largest movements in the deposit portfolio were seen in current and savings accounts as the customer base increased. We also noted strong growth in longer-term deposits to match the demand for longer-term secured lending.

Total income growth of 10% exceeded operating expense growth of 5%, resulting in positive jaws of 440bps and an improved cost-to-income ratio of 58.5%. Net interest income increased by 5% compared to the prior period mainly driven by growth in average interest-earning assets and expanding margin.

Net fee and commission revenue growth of 10% was primarily driven by higher transactional activity as Covid-19 lockdown restrictions eased. Growth in digital channel volumes continued to outpace growth in physical channel activities.

Trading revenue increased by 41% due to a combination of increased client flows in foreign exchange, higher corporate client trading activity in the equities market as a result of market volatility and strong demand for commodities driven by Russia – Ukraine tensions.

Other revenue increased by 5%, mainly driven by higher bancassurance income due to lower credit life claims. This was partially offset by increased short-term insurance claims in the current period due to inclement weather across the country, with the largest impact emanating from floods in KwaZulu-Natal between 14 and 18 April. SBSA supported clients through this difficult period by guiding them through available relief measures and assisted communities through OneFarm Share and Gift of the Givers.

Other gains on financial instruments increased by 7% as the investment banking equity portfolio valuation increased in the current period.

Credit impairment charges decreased by 1% due to improved collections, better risk profiles and strong repayment behaviour in the client relief population. Forward-looking provisions have taken the higher-than-expected inflation and interest rate hikes into account. Lower provisions in CHNW and BCC were offset by a single name default in the consumer sector and more normalised provisions in the corporate portfolio following a release in the prior period.

Operating expenses grew by 5% due to annual inflationary salary increases, an increase in skilled staff, higher marketing and brand spend and the non-recurrence of a prior period insurance fraud recovery.

In 1H22, SBSA experienced IT system stability issues which impacted service availability and, in turn, client experience. We have investigated and understood the cause of the issues and have already implemented changes to minimise the impact on our clients going forward.

SBSA will continue to focus on growing its market share in select segments and contributing positively to the delivery of the group's 2025 targets. The SBSA franchise is well capitalised, positioning it to continue to support our clients and to sustainably drive South Africa's growth.

The Standard Bank of South Africa

Condensed statement of financial position

	Group				Company			
	Change %	1H22 Rm	1H21 Rm	FY21 Rm	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Assets								
Cash and balances with central banks	12	**39 947**	35 765	32 255	12	**39 948**	35 765	32 255
Derivative assets	15	**77 977**	67 606	58 287	14	**77 340**	67 551	58 268
Trading assets	21	**242 954**	200 821	238 098	21	**237 254**	195 585	232 633
Pledged assets	77	**3 838**	2 174	1 975	77	**3 838**	2 174	1 975
Non-current assets held for sale	100	**265**		265	100	**265**		265
Financial investments	14	**145 541**	128 200	144 037	13	**145 939**	128 597	144 435
Net loans and advances	7	**1 226 053**	1 141 337	1 203 254	8	**1 226 290**	1 140 254	1 203 295
Gross loans and advances to banks	15	**195 071**	168 917	194 480	15	**194 788**	168 765	194 313
Gross loans and advances to customers	6	**1 074 929**	1 015 315	1 050 255	6	**1 075 323**	1 014 261	1 050 337
Credit impairments	2	**(43 947)**	(42 895)	(41 481)	2	**(43 821)**	(42 772)	(41 355)
Other assets	40	**33 484**	23 992	23 886	39	**33 805**	24 307	23 779
Interest in associates and joint ventures	(10)	**1 001**	1 107	940	15	**7 684**	6 672	6 639
Property, equipment and right of use assets	(8)	**10 587**	11 470	11 243	(8)	**10 523**	11 396	11 173
Goodwill and other intangible assets	(16)	**9 955**	11 855	10 834	(16)	**9 837**	11 739	10 722
Total assets	10	**1 791 602**	1 624 327	1 725 074	10	**1 792 723**	1 624 040	1 725 439
Equity and liabilities								
Equity	5	**117 918**	112 405	118 968	5	**115 785**	110 715	117 105
Equity attributable to ordinary shareholders	3	**106 346**	102 807	107 416	3	**105 421**	101 890	106 556
Equity attributable to other equity instrument holders	21	**11 512**	9 539	11 488	17	**10 364**	8 825	10 549
Equity attributable to AT1 capital noteholders	17	**10 364**	8 825	10 549	17	**10 364**	8 825	10 549
Equity attributable to non-controlling interests within Standard Bank Group	61	**1 148**	714	939				
Equity attributable to non-controlling interests	2	**60**	59	64				
Liabilities	11	**1 673 684**	1 511 922	1 606 106	11	**1 676 938**	1 513 325	1 608 334
Derivative liabilities	16	**87 218**	75 160	69 594	16	**87 171**	75 160	69 549
Trading liabilities	13	**85 890**	75 939	79 416	13	**85 890**	75 939	79 416
Deposits and debt funding	10	**1 446 411**	1 309 037	1 406 202	11	**1 450 350**	1 311 114	1 409 139
Deposits from banks	17	**185 637**	158 293	201 578	24	**185 683**	149 733	201 599
Deposits from customers	10	**1 260 774**	1 150 744	1 204 624	9	**1 264 667**	1 161 381	1 207 540
Subordinated debt	4	**22 603**	21 791	23 738	4	**22 603**	21 791	23 738
Provisions and other liabilities	5	**31 562**	29 995	27 156	5	**30 924**	29 321	26 492
Total equity and liabilities	10	**1 791 602**	1 624 327	1 725 074	10	**1 792 723**	1 624 040	1 725 439

The Standard Bank of South Africa

Condensed income statement

	Group				Company			
	Change %	1H22 Rm	1H21 Rm	FY21 Rm	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net interest income	5	**21 236**	20 188	40 806	6	**20 716**	19 453	39 378
Non-interest revenue	15	**17 744**	15 404	32 241	16	**17 227**	14 902	31 407
Net fee and commission revenue	10	**10 185**	9 294	19 385	9	**9 619**	8 802	18 381
Trading revenue	41	**4 397**	3 117	6 765	41	**4 304**	3 056	6 626
Other revenue	5	**2 121**	2 017	4 124	9	**2 263**	2 068	4 433
Other gains and losses on financial instruments	7	**1 041**	976	1 967	7	**1 041**	976	1 967
Total income	10	**38 980**	35 592	73 047	10	**37 943**	34 355	70 785
Credit impairment charges	(1)	**(4 968)**	(5 001)	(7 814)	(1)	**(4 945)**	(4 975)	(7 765)
Loans and advances	(1)	**(5 008)**	(5 062)	(7 903)	(1)	**(4 985)**	(5 036)	(7 856)
Financial investments	(40)	**6**	10	17	(50)	**6**	12	18
Letters of credit and guarantees	(33)	**34**	51	72	(31)	**34**	49	73
Income before revenue sharing agreements	11	**34 012**	30 591	65 233	12	**32 998**	29 380	63 020
Revenue sharing agreements with group companies	14	**(237)**	(207)	(413)	14	**(237)**	(207)	(413)
Income before operating expenses	11	**33 775**	30 384	64 820	12	**32 761**	29 173	62 607
Operating expenses	5	**(22 663)**	(21 559)	(45 160)	5	**(22 271)**	(21 192)	(44 384)
Staff costs	1	**(12 213)**	(12 094)	(24 645)	1	**(11 935)**	(11 808)	(24 100)
Other operating expenses	10	**(10 450)**	(9 465)	(20 515)	10	**(10 336)**	(9 384)	(20 284)
Net income before capital items and equity accounted earnings	26	**11 112**	8 825	19 660	31	**10 490**	7 981	18 223
Non-trading and capital related items	>100	**(114)**	(7)	(80)	>100	**(115)**	(34)	(150)
Share of post-tax profit from associates and joint ventures	50	**(3)**	(2)	19	50	**(3)**	(2)	19
Profit before indirect taxation	25	**10 995**	8 816	19 599	31	**10 372**	7 945	18 092
Indirect taxation	10	**(789)**	(717)	(1 432)	10	**(781)**	(713)	(1 422)
Profit before direct taxation	26	**10 206**	8 099	18 167	33	**9 591**	7 232	16 670
Direct taxation	38	**(2 088)**	(1 517)	(3 620)	40	**(1 947)**	(1 393)	(3 350)
Profit for the period	23	**8 118**	6 582	14 547	31	**7 644**	5 839	13 320
Attributable to AT1 capital noteholders	23	**(301)**	(244)	(537)	23	**(301)**	(244)	(537)
Attributable to non-controlling interests with Standard Bank Group	(31)	**(409)**	(593)	(1 179)				
Attributable to non-controlling interests	(>100)	**4**	(5)	(10)				
Attributable to ordinary shareholders	29	**7 412**	5 740	12 821	31	**7 343**	5 595	12 783
Headline adjustable items	(>100)	**60**	(1)	56	>100	**61**	26	126
Headline earnings	30	**7 472**	5 739	12 877	32	**7 404**	5 621	12 909
Profit attributable to non-controlling interests within Standard Bank Group	(31)	**409**	593	1 179				
IFRS 2 adjustment – staff costs net of taxation	(19)	**(160)**	(134)	(75)	(19)	**(160)**	(134)	(74)
Headlines earnings as consolidated into SBG[1]	25	**7 721**	6 198	13 981	32	**7 244**	5 487	12 835

[1] 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.

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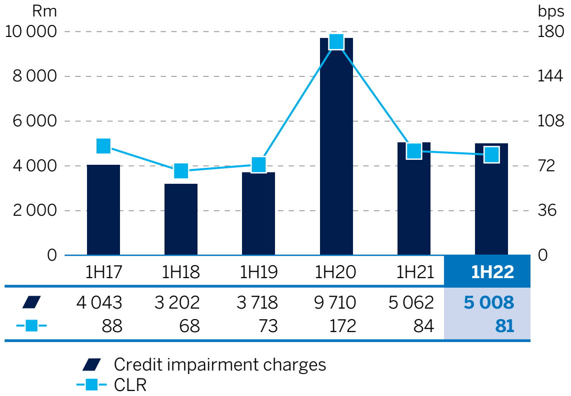
Credit impairment charges

Credit impairment charges on loans and advances

CAGR (1H17 – 1H22): 4%



INCOME STATEMENT CREDIT IMPAIRMENT CHARGES

		1H22					
	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
Home services	(27)	135	214	349	220	569	27
Vehicle and asset finance	30	(30)	133	103	667	770	151
Card and payments	(29)	18	133	151	889	1 040	568
Personal unsecured lending	1	(23)	169	146	1 367	1 513	556
Business lending and other	(56)	(77)	125	48	331	379	86
Corporate and sovereign lending	(>100)	81	(142)	(61)	774	713	39
CIB bank lending	(>100)		24	24		24	3
Total loans and advances credit impairment charges	(1)	104	656	760	4 248	5 008	81
Credit impairment (release)/charge – financial investments						(6)	
Credit impairment (release)/charge – letters of credit and guarantees						(34)	
Total credit impairment charges	(1)					4 968	

[1] Includes post-write-off recoveries and modification gains and losses.
[2] Restated. During 1H22 it was noted that the FY21 and 1H21 amounts relating to personal unsecured lending, business lending and other and central and other were misallocated, resulting in the accompanying credit loss ratios for both FY21 and 1H21 being restated. This restatement has no impact to total gross loans and advances, the group's statement of financial position or any key ratios at a group level relating to loans and advances.

1H21						FY21					
Stage 1 Rm	Stage 2[1] Rm	Total stage 1 and 2 Rm	Stage 3[1] Rm	Credit impair-ment charges/ (release) Rm	Credit loss ratio[2] bps	Stage 1 Rm	Stage 2[1] Rm	Total stage 1 and 2 Rm	Stage 3[1] Rm	Credit impair-ment charges/ (release) Rm	Credit loss ratio[2] bps
(14)	(123)	(137)	914	777	41	200	(636)	(436)	1 158	722	19
69	(292)	(223)	815	592	133	(83)	(384)	(467)	1 436	969	105
20	15	35	1 426	1 461	841	(44)	(151)	(195)	3 113	2 918	830
2	182	184	1 318	1 502	563	40	(231)	(191)	2 766	2 575	485
19	80	99	766	865	229	(50)	28	(22)	1 030	1 008	143
(53)	(206)	(259)	125	(134)	(7)	(81)	(273)	(354)	97	(257)	(7)
(1)		(1)		(1)		(32)		(32)		(32)	
42	(344)	(302)	5 364	5 062	84	(50)	(1 647)	(1 697)	9 600	7 903	68
				(10)						(17)	
				(51)						(72)	
				5 001						7 814	

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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
Mortgage loans	14 385		476
Stage 1	969	409	(274)
Stage 2	2 197	46	106
Stage 3	11 219	(455)	644
Vehicle and asset finance	5 455		794
Stage 1	582	67	(97)
Stage 2	894	(92)	225
Stage 3	3 979	25	666
Card debtors	3 801		1 190
Stage 1	623	135	(117)
Stage 2	1 112	(76)	169
Stage 3	2 066	(59)	1 138
Personal unsecured lending	7 698		1 544
Stage 1	990	84	(107)
Stage 2	1 182	(65)	235
Stage 3	5 526	(19)	1 416
Business lending and other	5 111		403
Stage 1	593	158	(235)
Stage 2	881	(285)	410
Stage 3	3 637	127	228
Corporate and sovereign lending	5 001		688
Stage 1	746	59	22
Stage 2	615	(73)	(69)
Stage 3	3 640	14	735
CIB bank lending	57		24
Stage 1	57	(5)	5
Stage 2		5	19
Total	41 508		5 119
Stage 1	4 560	907	(803)
Stage 2	6 881	(540)	1 095
Stage 3	30 067	(367)	4 827

The income statement credit impairment charge on loans and advances of R5 008 million is made up of total transfers, net provision raised of R5 119 million less modification losses and post-write-off recoveries of R111 million.

Impaired accounts written off Rm	Currency translation and other movements Rm	Time value of money and interest in suspense Rm	June 2022 closing balance Rm	Modification losses and recoveries of amounts written off Rm
(550)		518	14 829	(93)
			1 104	
			2 349	(62)
(550)		518	11 376	(31)
(320)		225	6 154	24
			552	
			1 027	
(320)		225	4 575	24
(1 276)		92	3 807	150
			641	
			1 205	(40)
(1 276)		92	1 961	190
(1 626)		454	8 070	31
			967	
			1 352	1
(1 626)		454	5 751	30
(417)		70	5 167	24
			516	
			1 006	
(417)		70	3 645	24
(9)	29	126	5 835	(25)
	15		842	
	(10)		463	
(9)	24	126	4 530	(25)
	4		85	
	(4)		53	
	8		32	
(4 198)	33	1 485	43 947	111
	11		4 675	
	(2)		7 434	(101)
(4 198)	24	1 485	31 838	212

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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
Mortgage loans	14 256		628
Stage 1	769	1 158	(958)
Stage 2	2 873	(45)	(631)
Stage 3	10 614	(1 113)	2 217
Vehicle and asset finance	5 015		1 072
Stage 1	665	339	(422)
Stage 2	1 278	(121)	(263)
Stage 3	3 072	(218)	1 757
Card debtors	3 356		3 603
Stage 1	667	144	(188)
Stage 2	1 261	(188)	39
Stage 3	1 428	44	3 752
Personal unsecured lending	8 126		2 425
Stage 1	950	211	(171)
Stage 2	1 503	(230)	(91)
Stage 3	5 673	19	2 687
Business lending and other	4 752		1 051
Stage 1	643	147	(197)
Stage 2	853	(265)	293
Stage 3	3 256	118	955
Corporate and sovereign lending	5 146		(249)
Stage 1	854	81	(162)
Stage 2	883	(76)	(197)
Stage 3	3 409	(5)	110
CIB bank lending	45		(32)
Stage 1	45		(32)
Total	40 696		8 498
Stage 1	4 593	2 080	(2 130)
Stage 2	8 651	(925)	(850)
Stage 3	27 452	(1 155)	11 478

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.

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
(1 022)		523	14 385	(94)
			969	
			2 197	(40)
(1 022)		523	11 219	(54)
(965)		333	5 455	103
			582	
			894	
(965)		333	3 979	103
(3 359)		201	3 801	685
			623	
			1 112	2
(3 359)		201	2 066	683
(3 714)		861	7 698	(150)
			990	
			1 182	(90)
(3 714)		861	5 526	(60)
(902)		210	5 111	43
			593	
			881	
(902)		210	3 637	43
(193)	85	185	4 974	8
	(27)		746	
	5		615	
(193)	107	185	3 613	8
	44		57	
	44		57	
(10 155)	129	2 313	41 481	595
	17		4 560	
	5		6 881	(128)
(10 155)	107	2 313	30 040	723

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Loans and advances performance

	Gross carrying loans and advances	SB 1 – 12		SB 13 – 20		SB 21 – 25	
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
	Rm	Rm	Rm	Rm	Rm	Rm	Rm
1H22							
Mortgage loans	422 843	107 736	24	249 077	8 401	3 657	25 309
Vehicle and asset finance	104 905	29 242	454	55 227	3 336	2 861	6 089
Card debtors	37 105	4 539		25 046	40	945	3 828
Personal unsecured lending	56 286	7 522		29 849	442	5 284	5 310
Business lending	85 472	13 289	76	58 514	2 036	2 227	3 648
Corporate and sovereign lending	371 997	160 397	1 264	172 265	27 401	700	104
CIB bank lending	191 393	133 660		54 862	97	82	2 692
Gross loans and advances	1 270 001	456 385	1 818	644 840	41 753	15 756	46 980
Percentage of total book (%)	100.0	36.0	0.1	50.8	3.3	1.2	3.7
Gross loans and advances at amortised cost	1 270 001						
Gross loans and advances at fair value	597						
Total gross loans and advances	1 270 598						

	Gross carrying loans and advances	SB 1 – 12		SB 13 – 20		SB 21 – 25	
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
	Rm	Rm	Rm	Rm	Rm	Rm	Rm
FY21							
Mortgage loans	411 412	102 080	22	244 651	8 222	3 973	23 463
Vehicle and asset finance	99 531	20 807	4	60 507	2 845	2 709	6 132
Card debtors	35 779	4 132		24 422	29	866	3 506
Personal unsecured lending[1]	54 529	7 614		28 924	371	5 179	4 918
Business lending[1]	78 856	9 732	234	56 497	1 771	1 381	4 001
Corporate and sovereign lending	368 365	165 487	1 159	161 110	30 142	1 518	901
CIB bank lending[1]	191 214	134 198		56 961	22	32	1
Central and other[1]	4 563	4 563					
Gross loans and advances	1 244 249	448 613	1 419	633 072	43 402	15 658	42 922
Percentage of total book (%)	100.0	36.0	0.1	50.9	3.5	1.3	3.4
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.

[1] Restated. During 1H22 it was noted that the FY21 amounts relating to personal unsecured lending, CIB bank lending,business lending, and other and central and other were misallocated resulting in the accompanying credit loss ratios for both FY21 being restated. This restatement has no impact to total gross loans and advances, the group's statement of financial position or any key ratios at a group level relating to loans and advances.

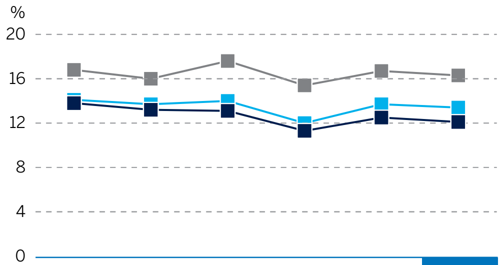
Total stage 1 and 2 loans Rm	Total stage 3 loans Rm	Securities and expected recoveries on stage 3 exposures loan Rm	Balance sheet expected credit loss and interest in suspense on stage 3 Rm	Gross stage 3 loans coverage ratio %	Stage 3 exposures ratio %
394 204	**28 639**	**17 263**	**11 376**	**40**	**6.8**
97 209	**7 696**	**3 121**	**4 575**	**59**	**7.3**
34 398	**2 707**	**746**	**1 961**	**72**	**7.3**
48 407	**7 879**	**2 128**	**5 751**	**73**	**14.0**
79 790	**5 682**	**2 037**	**3 645**	**64**	**6.6**
362 131	**9 866**	**5 336**	**4 530**	**46**	**2.7**
191 393					
1 207 532	**62 469**	**30 631**	**31 838**	**51**	**4.9**
95.1	**4.9**	**2.4**	**2.5**		**4.9**

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 %
382 411	29 001	17 782	11 219	39	7.0
93 004	6 527	2 548	3 979	61	6.6
32 955	2 824	758	2 066	73	7.9
47 006	7 523	1 997	5 526	73	13.8
73 616	5 240	1 603	3 637	69	6.6
360 317	8 048	4 435	3 613	45	2.2
191 214					
4 563					
1 185 086	59 163	29 123	30 040	51	4.8
95.2	4.8	2.4	2.4		4.8

The Standard Bank of South Africa

Capital adequacy and risk-weighted assets

Capital adequacy – SBSA Group



	1H17	1H18	1H19	1H20	1H21	**1H22**
Common equity tier 1 capital	13.8	13.2	13.1	11.3	12.5	**12.1**
Tier 1 capital	14.1	13.7	14.0	12.0	13.7	**13.4**
Total regulatory capital	16.8	16.0	17.6	15.4	16.7	**16.3**

Common equity tier 1 capital
Tier 1 capital
Total regulatory capital

RISK-WEIGHTED ASSETS

	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Credit risk	7	**562 776**	524 077	548 181
Counterparty credit risk	11	**48 887**	44 013	52 432
Market risk	14	**53 379**	46 984	43 891
Operational risk	3	**100 152**	97 226	97 393
Equity risk in the banking book	34	**17 788**	13 262	13 932
RWA for investments in financial entities	58	**17 780**	11 278	16 225
Total risk-weighted assets	9	**800 762**	736 840	772 054

The Standard Bank of South Africa
Capital adequacy

QUALIFYING REGULATORY CAPITAL EXCLUDING UNAPPROPRIATED PROFIT

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Ordinary shareholders' equity	3	106 346	102 807	107 416
Regulatory adjustments	(14)	(9 102)	(10 532)	(10 063)
Goodwill	0	(42)	(42)	(42)
Other intangible assets	(16)	(8 370)	(10 001)	(9 117)
Other adjustments	41	(690)	(489)	(904)
Total (including unappropriated profit)	5	97 244	92 275	97 353
Unappropriated profit	(7)	(7 237)	(7 797)	(8 323)
Common equity tier 1 capital	7	90 007	84 478	89 030
Qualifying other equity instruments	19	10 362	8 728	10 502
Tier 1 capital	8	100 369	93 206	99 532
Tier 2 capital	4	22 897	21 983	23 858
Qualifying tier 2 subordinated debt	6	22 710	21 434	23 520
General allowance for credit impairments	(12)	2 739	3 121	2 836
Regulatory adjustments – investment in tier 2 instruments in other banks	(1)	(2 552)	(2 572)	(2 498)
Total qualifying regulatory capital	7	123 266	115 189	123 390

CAPITAL ADEQUACY RATIOS

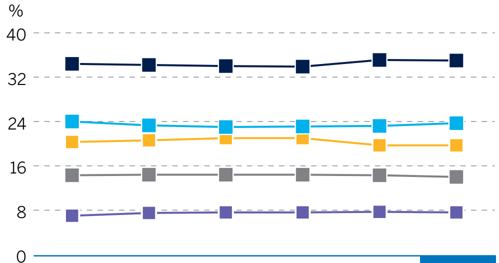
	Internal target ratios[1] %	SARB minimum regulatory requirement[2] %	**Excluding unappropriated profit** 1H22 %	1H21 %	FY21 %	**Including unappropriated profit** 1H22 %	1H21 %	FY21 %
Common equity tier 1 capital adequacy ratio	>11.0	8.5	11.2	11.5	11.5	12.1	12.5	12.6
Tier 1 capital adequacy ratio	>12.0	10.8	12.5	12.6	12.9	13.4	13.7	14.0
Total capital adequacy ratio	>15.0	13.5	15.4	15.6	16.0	16.3	16.7	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.

The Standard Bank of South Africa

Market share analysis[1]

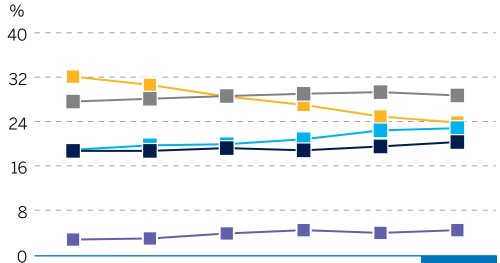
Mortgage loans[2]



	1H17	1H18	1H19	1H20	1H21	1H22
SBSA	34.4	34.2	34.0	33.9	35.1	**35.0**
ABSA	24.0	23.3	23.0	23.1	23.2	**23.7**
Nedbank	14.3	14.4	14.4	14.4	14.3	**14.0**
FirstRand	20.3	20.6	21.0	21.0	19.7	**19.7**
Other	7.0	7.5	7.6	7.6	7.7	**7.6**

- SBSA
- ABSA
- Nedbank
- FirstRand
- Other

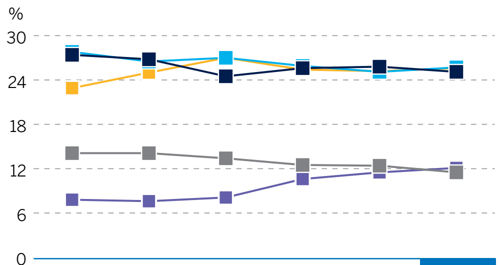
Vehicle and asset finance



	1H17	1H18	1H19	1H20	1H21	1H22
SBSA	18.7	18.7	19.2	18.8	19.5	**20.3**
ABSA	18.9	19.7	19.9	20.8	22.4	**22.8**
Nedbank	27.6	28.1	28.6	29.0	29.3	**28.7**
FirstRand	32.1	30.6	28.5	27.0	24.9	**23.8**
Other	2.7	2.9	3.8	4.4	3.9	**4.4**

- SBSA
- ABSA
- Nedbank
- FirstRand
- Other

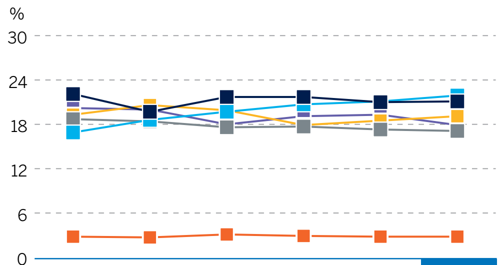
Card



	1H17	1H18	1H19	1H20	1H21	1H22
SBSA	27.4	26.8	24.5	25.6	25.8	**25.1**
ABSA	27.8	26.5	27.0	25.9	25.1	**25.7**
Nedbank	14.1	14.1	13.4	12.5	12.4	**11.5**
FirstRand	22.9	25.0	27.0	25.4	25.2	**25.6**
Other	7.8	7.6	8.1	10.6	11.5	**12.1**

- SBSA
- ABSA
- Nedbank
- FirstRand
- Other

Other loans and advances



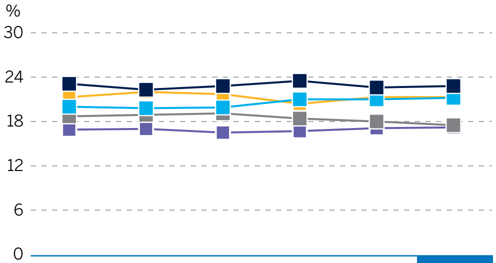
	1H17	1H18	1H19	1H20	1H21	1H22
SBSA	22.1	19.7	21.7	21.7	21.0	**21.2**
ABSA	16.9	18.6	19.7	20.7	21.1	**21.9**
Nedbank	18.7	18.4	17.6	17.7	17.3	**17.1**
FirstRand	19.3	20.6	19.9	17.9	18.5	**19.1**
Capitec	2.8	2.7	3.1	2.9	2.8	**2.8**
Other	20.2	20.0	18.0	19.1	19.3	**17.9**

- SBSA
- ABSA
- Nedbank
- FirstRand
- 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.

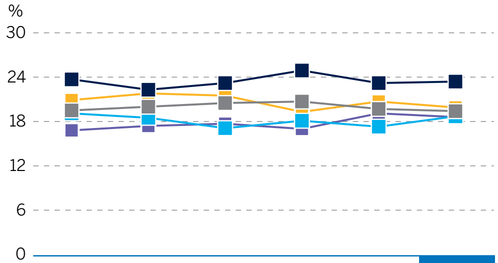
Deposits



	1H17	1H18	1H19	1H20	1H21	**1H22**
SBSA	23.1	22.3	22.8	23.5	22.6	**22.8**
ABSA	20.0	19.8	19.9	21.0	21.0	**21.2**
Nedbank	18.7	18.9	19.1	18.4	18.0	**17.5**
FirstRand	21.3	22.0	21.7	20.4	21.3	**21.3**
Other	16.9	17.0	16.5	16.7	17.1	**17.2**

- SBSA
- ABSA
- Nedbank
- FirstRand
- Other

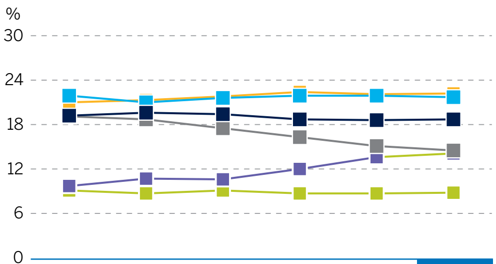
Corporate deposits



	1H17	1H18	1H19	1H20	1H21	**1H22**
SBSA	23.7	22.3	23.2	24.9	23.2	**23.4**
ABSA	19.1	18.5	17.1	18.1	17.3	**18.7**
Nedbank	19.5	20.0	20.5	20.7	19.7	**19.4**
FirstRand	20.9	21.8	21.5	19.3	20.7	**19.9**
Other	16.8	17.4	17.7	17.0	19.1	**18.6**

- SBSA
- ABSA
- Nedbank
- FirstRand
- Other

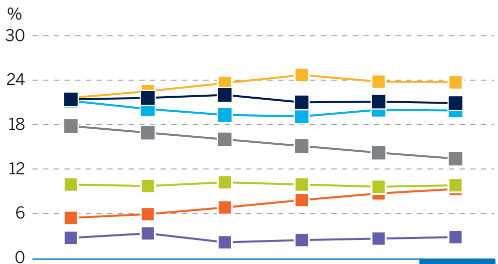
Household deposits



	1H17	1H18	1H19	1H20	1H21	**1H22**
SBSA	19.2	19.6	19.4	18.7	18.6	**18.7**
ABSA	21.9	21.0	21.6	21.9	21.9	**21.7**
Nedbank	19.1	18.7	17.5	16.3	15.1	**14.5**
FirstRand	21.0	21.3	21.8	22.4	22.1	**22.2**
Investec	9.1	8.7	9.1	8.7	8.7	**8.8**
Other	9.7	10.7	10.6	12.0	13.6	**14.1**

- SBSA
- ABSA
- Nedbank
- FirstRand
- Investec
- Other

Household deposits – CASA[3]



	1H17	1H18	1H19	1H20	1H21	**1H22**
SBSA	21.4	21.6	22.0	21.0	21.1	**21.1**
ABSA	21.2	20.1	19.3	19.1	20.0	**19.9**
Nedbank	17.8	16.9	16.0	15.1	14.2	**13.4**
FirstRand	21.6	22.5	23.6	24.7	23.8	**23.7**
Investec	9.9	9.7	10.2	9.9	9.6	**9.8**
Capitec	5.4	5.9	6.8	7.8	8.7	**9.3**
Other	2.7	3.3	2.1	2.4	2.6	**2.8**

- SBSA
- ABSA
- Nedbank
- FirstRand
- Investec
- Capitec
- Other

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

Africa Regions legal entities

Condensed regional income statement

	East Africa[1]					South & Central Africa[2]				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
Net interest income	10	15	**2 668**	2 327	4 838	22	24	**5 278**	4 247	9 431
Non-interest revenue	12	17	**1 961**	1 680	3 219	14	11	**3 798**	3 409	7 232
Net fee and commission revenue	12	16	**799**	687	1 360	20	11	**2 199**	1 982	4 293
Trading revenue	12	16	**1 118**	964	1 811	(10)	(4)	**1 164**	1 211	2 538
Other revenue	57	63	**44**	27	67	>100	>100	**376**	152	281
Other gains and losses on financial instruments	(100)	(100)		2	(19)	(8)	(8)	**59**	64	120
Total income	11	16	**4 629**	4 007	8 057	19	19	**9 076**	7 656	16 663
Credit impairment charges	(31)	(28)	**(307)**	(428)	(876)	25	28	**(472)**	(368)	(1 097)
Loans and advances	(29)	(27)	**(318)**	(434)	(868)	14	20	**(510)**	(424)	(1 032)
Financial investments	(100)	>100	**(3)**		(1)	(68)	(62)	**19**	50	(52)
Letters of credit and guarantees	>100	>100	**14**	6	(7)	>100	>100	**19**	6	(13)
Income before operating expenses	16	21	**4 322**	3 579	7 181	18	18	**8 604**	7 288	15 566
Operating expenses	3	7	**(2 190)**	(2 040)	(4 015)	15	14	**(4 907)**	(4 322)	(8 971)
Staff costs	6	10	**(1 047)**	(951)	(1 957)	11	9	**(2 205)**	(2 016)	(4 118)
Other operating expenses	0	5	**(1 143)**	(1 089)	(2 058)	17	17	**(2 702)**	(2 306)	(4 853)
Net income before non-trading and capital related items, and equity accounted earnings	34	39	**2 132**	1 539	3 166	24	25	**3 697**	2 966	6 595
Non-trading and capital related items	>100	>100	**4**	1	1	(>100)	(>100)	**633**	(112)	11
Profit before indirect taxation	34	39	**2 136**	1 540	3 167	47	52	**4 330**	2 854	6 606
Indirect taxation	(15)	(10)	**(94)**	(105)	(209)	17	23	**(209)**	(170)	(386)
Profit before direct taxation	38	42	**2 042**	1 435	2 958	49	54	**4 121**	2 684	6 220
Direct taxation	45	50	**(551)**	(368)	(748)	26	26	**(958)**	(760)	(1 727)
Profit for the period	35	40	**1 491**	1 067	2 210	58	64	**3 163**	1 924	4 493
Attributable to non-controlling interests	17	21	**(314)**	(260)	(499)	40	40	**(243)**	(174)	(375)
Attributable to ordinary shareholders	41	46	**1 177**	807	1 711	60	67	**2 920**	1 750	4 118
Headline adjustable items	>100	50	**(3)**	(2)	(1)	(>100)	(>100)	**(441)**	67	(19)
Headline earnings	41	46	**1 174**	805	1 710	33	36	**2 479**	1 817	4 099
ROE (%)			**17.8**	14.7	14.7			**21.9**	19.2	20.1
CLR (bps)			**100**	149	145			**68**	67	75
CLR on loans to customers (bps)			**120**	192	183			**127**	121	140
Cost-to-income ratio (%)			**47.3**	50.9	49.8			**54.1**	56.5	53.8
Effective direct taxation rate (%)			**27.0**	25.6	25.3			**23.2**	28.3	27.8
Effective total taxation rate (%)			**30.2**	30.7	30.2			**27.0**	32.6	32.0

[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.

	West Africa[3]					Africa Regions legal entities				
	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm	CCY %	Change %	**1H22 Rm**	1H21 Rm	FY21 Rm
	40	54	**4 293**	2 780	6 311	25	31	**12 239**	9 354	20 580
	23	32	**4 359**	3 314	6 909	17	20	**10 118**	8 403	17 360
	13	15	**2 528**	2 192	4 511	15	14	**5 526**	4 861	10 164
	32	52	**1 755**	1 157	2 394	12	21	**4 037**	3 332	6 743
	>100	>100	**64**	26	56	>100	>100	**484**	205	404
	(>100)	(>100)	**12**	(61)	(52)	>100	>100	**71**	5	49
	31	42	**8 652**	6 094	13 220	21	26	**22 357**	17 757	37 940
	>100	>100	**(319)**	(23)	(103)	30	34	**(1 098)**	(819)	(2 076)
	>100	>100	**(296)**	(49)	(135)	19	24	**(1 124)**	(907)	(2 035)
	(>100)	(>100)	**(8)**	11	13	(89)	(87)	**8**	61	(40)
	(>100)	(>100)	**(15)**	15	19	(36)	(33)	**18**	27	(1)
	27	37	**8 333**	6 071	13 117	21	26	**21 259**	16 938	35 864
	20	25	**(4 404)**	(3 511)	(6 956)	14	16	**(11 501)**	(9 873)	(19 942)
	23	30	**(1 927)**	(1 486)	(3 173)	14	16	**(5 179)**	(4 453)	(9 248)
	18	22	**(2 477)**	(2 025)	(3 783)	14	17	**(6 322)**	(5 420)	(10 694)
	35	53	**3 929**	2 560	6 161	30	38	**9 758**	7 065	15 922
	(33)	0	**2**	2	(1)	(>100)	(>100)	**639**	(109)	11
	35	53	**3 931**	2 562	6 160	40	49	**10 397**	6 956	15 933
	26	46	**(117)**	(80)	(211)	11	18	**(420)**	(355)	(806)
	35	54	**3 814**	2 482	5 949	41	51	**9 977**	6 601	15 127
	66	78	**(872)**	(491)	(1 270)	43	47	**(2 381)**	(1 619)	(3 745)
	28	48	**2 942**	1 991	4 679	41	52	**7 596**	4 982	11 382
	19	53	**(969)**	(632)	(1 492)	22	43	**(1 526)**	(1 066)	(2 366)
	33	45	**1 973**	1 359	3 187	46	55	**6 070**	3 916	9 016
	100	(100)	**(2)**		(1)	(>100)	(>100)	**(446)**	65	(21)
	33	45	**1 971**	1 359	3 186	35	41	**5 624**	3 981	8 995
			20.3	16.3	18.3			**20.4**	17.1	18.2
			62	14	18			**73**	72	75
			96	24	28			**115**	115	121
			50.9	57.6	52.6			**51.4**	55.6	52.6
			22.9	19.8	21.3			**23.9**	24.5	24.8
			25.2	22.3	24.0			**26.9**	28.4	28.6

Africa Regions legal entities

Africa Regions

Our Africa Regions operations provide comprehensive and integrated financial and related solutions to our clients across the 19 countries in which we have a presence. Africa Regions' strategy remains pivotal to the group's ambition to grow and scale across sub-Saharan Africa. Africa Regions' contribution to Standard Bank Group headline earnings was 37% for the period (1H21: 35%).

The impact of global turmoil in 1H22 differed across our sub-Saharan African countries. While higher commodity prices supported exporters, food and fuel importers bore the brunt of higher inflation. In 1H22, interest rates increased in Botswana, Eswatini, Ghana, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Uganda and Zimbabwe.

Africa Regions legal entities recorded headline earnings of R5 624m, up by 41% from prior period and, given relative Rand weakness in the period, these earnings were up a more muted 35% up in constant currency (CCY). The legal entities achieved an ROE of 20.4% (1H21:17.1%) was delivered. This performance was positively impacted by strong balance sheet growth and higher average interest rates resulting in excellent net interest income growth, stronger foreign exchange flows most notably in West Africa, improved transactional activity as Covid-19 restrictions were eased and closely monitored cost management. Total revenues were up by 26% on the prior period. Strong positive jaws of 943bps (1H21: negative 1 037bps) allowed the cost-to-income ratio to reduce to 51.4% (1H21: 55.6%).

Balance sheet momentum continued into 2022 with good customer lending and deposit growth in line with our strategy to grow the client base and increase our digital client onboarding and lending. Good growth in treasury bills and government bonds further supported balance sheet growth. Africa Regions continued to strengthen and diversify its funding sources within risk appetite and regulatory boundaries.

Credit impairment charges increased by 30% mainly due to book growth, the non-recurrence of prior period recoveries in Nigeria and negative effect of local currency devaluation in Zimbabwe for foreign currency exposures.

Operating expenses were 14% up in CCY, below weighted average inflation for the region of 21%. This growth was on the back of annual inflationary salary increases, an increase in skilled staff and higher depositor insurance in West Africa in line with deposit growth as well as the impact of local currency devaluation on foreign currency denominated costs. In addition, the region continued to invest in digital capabilities to enhance existing client propositions as well as deliver new client solutions.

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

East Africa

The region's headline earnings increased by 41% to R1 174m. Performance was driven by strong demand for trade solutions as cross-border activities resumed, well contained costs, and lower credit impairment charges due to improved credit quality and robust strategies to manage positions in arrears.

Net interest income growth of 10% was supported by an increase in term loans as demand for trade facilities increased, together with a change in balance sheet mix which supported margin uplift. Deposit strategies continued to progress on the back of targeted client acquisition campaigns.

Net fee and commission revenue grew by 12%, mainly due to increased activity in the Power & Infrastructure and Oil & Gas sectors and China/Africa trade, as well as higher transactional volumes as lockdown restrictions eased across the region.

The region experienced increased client activity on the fixed income, money markets and foreign exchange desks, which led to an improved trading revenue performance.

Credit impairment charges decreased by 31% following improved client credit risk scores across the region as economies continued to recover. Risk profiling and collections strategies remain a key focus for the region.

Operating expenses increased by 3% on the prior period as the region continued to invest in technology and recruit skilled staff to support client growth strategies.

South & Central Africa

South & Central Africa headline earnings increased by 33% against 1H21 to R2 479 million. Effective execution on our digital lending platforms led to strong balance sheet growth in both loans and deposits mainly in Botswana, Mauritius, Mozambique and Zambia.

Zimbabwe's hyperinflationary environment and the accelerating depreciation of the local currency continued to put pressure on the operating results. The business strategy, in response to these factors, was to increase the utilisation of digital platforms to drive transactional activity, protect foreign exchange market share of our business and invest in non-monetary assets which yielded positive fair value adjustments.

Net interest income increased by 22%, driven by a sharp rise in both local and foreign currency lending and continued investment in treasury bills in Lesotho, Mauritius, Mozambique and Zimbabwe which benefited from increased yields on the back of higher average interest rates.

Net fee and commission revenue increased by 20%, driven mainly by higher transactional volumes across the region as lockdown restrictions eased. Higher card activity on the back of increased tourism and demand for foreign currency in Zimbabwe related to the tobacco selling season contributed to revenue growth.

Trading revenue decreased by 10% driven by foreign exchange liquidity shortages in Zimbabwe and unfavourable interest rates in Zambia. This was despite higher foreign exchange margins on the back of currency and increased market volatility.

Credit impairments charges increased by 25% largely driven by balance sheet growth.

Operating expenses were up by 15% driven by client growth strategies, cost-of-living adjustments in Zimbabwe to provide some relief against the hyperinflationary environment, and the impact of local currency devaluation on US dollar denominated costs. Cost-containment measures continue to remain a focus for management across the region.

West Africa

The region recorded headline earnings growth of 33% against 1H21 to R1 971 million. This performance was driven by strong balance sheet growth; positive endowment supported by higher average interest rates; good growth in financial investments; strong foreign exchange flows as client demand increased; and higher pension fund fees as a result of growth in Assets Under Management.

Trading revenue performance increased by 32%, largely 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 long USD treasury bills. Strong growth in Ghana was due to foreign exchange volatility and market gains from repricing of government swaps.

The region experienced higher credit impairment charges driven by the non-recurrence of prior period recoveries and balance sheet growth in the current period.

Operating expenses grew by 20% due to higher depositor insurance and administrative charges for over-the-counter derivative clearing, in line with good deposit growth. In addition, costs increased to support our investment in digitisation and technology initiatives and the impact of local currency devaluation on US dollar denominated IT contract costs.

Looking ahead

We remain focused on delivering superior client experience and have seen good improvement in client satisfaction scores and activity despite a difficult economic environment. The business remains well positioned to grow. The business will continue investments to client journeys and digital capabilities to support revenue growth. Prudent credit risk management and unwavering commitment to cost management remains critical focus areas to improve our profitability.

Africa Regions legal entities

Condensed statement of financial position

	CCY %	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Assets					
Cash and balances with central banks	8	17	57 027	48 674	58 914
Derivative assets	73	88	3 388	1 798	2 801
Trading assets	(19)	(14)	21 278	24 876	20 895
Pledged assets	(26)	(20)	5 829	7 253	8 343
Financial investments	9	23	92 045	74 584	79 974
Net loans and advances	21	31	328 006	250 369	297 884
Gross loans and advances	21	31	337 432	258 543	307 277
Gross loans and advances to banks	21	34	126 405	94 535	111 724
Gross loans and advances to customers	21	29	211 027	164 008	195 553
Credit provisions on loans and advances	9	15	(9 426)	(8 174)	(9 393)
Other assets	5	41	19 392	13 737	13 928
Investment property	>100	>100	1 053	448	1 262
Property and equipment	9	20	8 191	6 828	8 044
Goodwill and other intangible assets	(1)	5	5 410	5 152	5 587
Goodwill	5	8	2 135	1 978	2 131
Other intangible assets	(4)	3	3 275	3 174	3 456
Total assets	14	25	541 619	433 719	497 632
Equity and liabilities					
Equity	5	23	70 825	57 685	69 092
Equity attributable to ordinary shareholders	5	22	57 250	46 928	56 137
Equity attributable to non-controlling interest	8	26	13 575	10 757	12 955
Liabilities	15	25	470 794	376 034	428 540
Derivative liabilities	26	36	2 498	1 840	2 357
Trading liabilities	51	75	13 784	7 882	6 919
Deposits and debt funding	12	22	404 456	331 255	379 561
Deposits from banks	23	34	53 785	40 124	44 668
Deposits from customers	11	20	350 671	291 131	334 893
Subordinated debt	(17)	(4)	3 309	3 461	3 510
Provisions and other liabilities	39	48	46 747	31 596	36 193
Total equity and liabilities	14	25	541 619	433 719	497 632

Liberty

Overview

In 1H22, Standard Bank Group purchased the remaining minority shares in Liberty and became the sole shareholder. All the ordinary share scheme of arrangement conditions were fulfilled and the scheme became unconditional on 7 February 2022. The group's financial results for 1H22 therefore reflect our shareholding in Liberty of 57% for one month and 100% for five months. The process of integrating Liberty into the broader group is well underway.

Liberty's financial performance improved period-on-period as Covid-19 pandemic-related impacts waned and lower risk claims were experienced.

Liberty's South African Insurance operations grew normalised operating earnings, before the impact of the Covid-19 pandemic, by 32% to R759 million. SA Retail contributed positively to this outcome with a 16% uplift which was primarily driven by improved risk variances in the Income Protection Plan book. This was further supported by increased earnings from the embedded credit life and funeral books given the less severe impact of the pandemic during 1H22. Adverse SA Retail excess risk and persistency experience over the period continued to be absorbed by the pandemic reserve. Expenditure on strategic projects, including the IFRS 17 project, has increased. Liberty Corporate performance returned to profitability during 1H22, driven by an improved underwriting result due to a lower level of risk claims and the implementation of premium increases. The continued lower level of scheme terminations, when compared to pre-pandemic periods, further improved the earnings result. The LibFin Markets result was assisted by favourable balance sheet optimisation activities as well as an increase in credit earnings over the period.

STANLIB South Africa's earnings decreased by 11% to R215 million. This reduction was due to adverse market returns, which had a negative impact on the fees earned from assets under management (AUM) in 1H22.

The Africa Regions reported a headline loss of R86 million for the period. This was mainly due to the Liberty Africa Insurance division moving from a profit of R34 million in 1H21 to a loss of R24 million in 1H22. The change in earnings was driven by adverse market returns in Kenya, as well as increased claim levels across Kenya, Namibia and Botswana.

The impact of the Covid-19 pandemic on Liberty's business reduced in 1H22, with the severity of waves in South Africa declining over the last six months. The 1H22 results include a small release of the pandemic reserve from the Liberty Corporate book with no further increase in the reserve required for SA Retail. Consequently, normalised operating earnings (post-pandemic reserve impacts) grew to a profit of R672 million in 1H22 from a loss of R465 million in 1H21.

Liberty still holds a pandemic reserve of R846 million net of tax as at 30 June 2022. Uncertainty remains regarding the future impact that the Covid-19 pandemic may have on the business and the reserve will be reassessed at the end of 2022.

Volatile global and local financial market conditions in 1H22 resulted in negative returns across most asset classes, which resulted in the Shareholder Investment Portfolio (SIP) loss of R265 million. After accounting for this loss and other IFRS adjustments, Liberty recorded IFRS headline earnings of R485 million for 1H22, more than double that of 1H21. The group's effective share of Liberty's earnings was a profit of R450 million for the period.

Indexed new business (excluding contractual increases) grew by 6%, with the new business margins remaining stable. Within SA Retail, strong sales of guaranteed investment plans and single premium endowments offset a reduction in complex risk sales and enabled the indexed premium growth with good channel support from Standard Bank Financial Consultants. Overall, SA Retail indexed premium grew by 4% against 1H21. Liberty Corporate indexed premium increased materially compared to the prior period, benefiting from large single premium investment deals.

Liberty Group Limited's solvency capital requirement cover remained strong and within the target range at 1.79 times cover.

In anticipation of, and in line with, a new accounting standard for insurance contracts (IFRS 17), due to be adopted in 2023, we have reduced embedded value disclosures and introduced more relevant metrics based on regulatory Solvency Assessment and Management (SAM) based own funds measurement.

Looking ahead

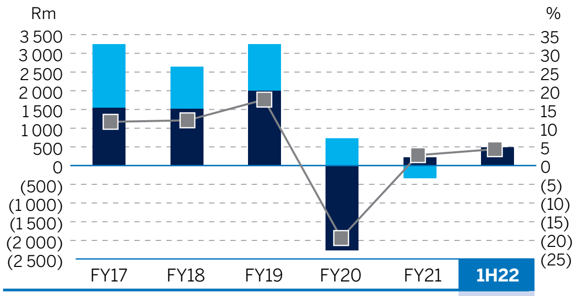
Our vision for Liberty augments the power of human-to-human engagement between advisers and clients through a digital platform to provide simple and intuitive tools and solutions, grounded in the best advice.

Our engagement platform continues to be rolled out within the Liberty tied adviser force, with a focus on increased adoption and usage, together with creating enhanced client and adviser experiences. The new investment portfolio ranges launched within SA Retail and Liberty Corporate continue to be well received, with focus remaining on delivering to client mandates whilst growing the AUM within these portfolios. The build of the Group Investment Platform has progressed well, with the rollout thereof to certain channels scheduled for later in the year. Significant progress has been made in simplifying the business through the continual migration of SA Retail clients to more modern solution constructs and administration platforms.

Liberty

Headline earnings – Liberty Group

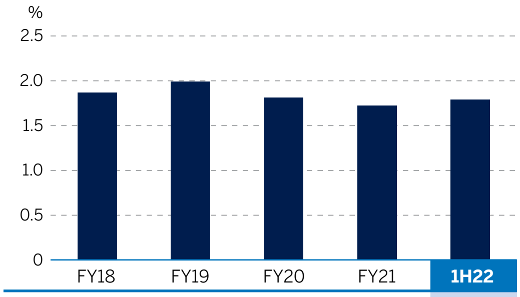
CAGR (1H17 – 1H22): (21%)



	FY17	FY18	FY19	FY20	FY21	1H22
First half	1 540	1 521	1 996	(2 263)	222	**485**
Second half	1 712	1 124	1 258	724	(334)	
ROE – first half	11.7	12.1	17.7	(19.7)	2.7	**4.3**

First half
Second half
ROE – first half

Solvency capital requirement cover – Liberty Group Limited



FY18	FY19	FY20	FY21	1H22
1.87	1.99	1.81	1.72	**1.79**

FINANCIAL PERFORMANCE INDICATORS

		Change %	1H22	1H21	FY21
Earnings					
Normalised operating earnings/(loss)[1]	Rm	>100	**672**	(465)	(1 610)
Normalised headline earnings/(loss)[1]	Rm	41	**407**	288	(56)
Headline earnings/(loss)	Rm	>100	**485**	222	(112)
Long-term insurance operations					
Indexed new business (excluding contractual increases)	Rm	6	**4 547**	4 281	9 232
Value of new business	Rm	(28)	**33**	46	229
New business margin	(%)		**0.2**	0.2	0.5
Net customer cash flows	Rm	>100	**2 807**	(2 005)	(628)
Solvency capital requirement cover of Liberty Group Limited[2]	times covered		**1.79**	1.73	1.72
Asset management					
Group assets under management	Rbn	2	**836**	823	888
Asset management net cash flows (external)	Rm	(>100)	**(9 246)**	11 953	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.

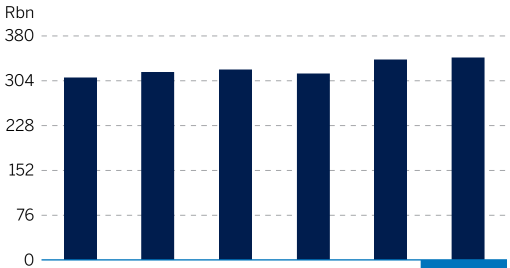
KEY RATIOS AND STATISTICS AS CONSOLIDATED IN SBG

		Change %	1H22	1H21	FY21
Effective interest in Liberty at end of period[1]	%		**100**	57.3	57.2
Headline earnings attributable to the group[2]	Rm	55	**253**	163	(419)
SBG share of Liberty's IFRS headline earnings	Rm	>100	**450**	128	(64)
Impact of SBG shares held for the benefit of Liberty policyholders	Rm	(>100)	**(197)**	35	(355)
ROE	%		**3.8**	2.9	(3.8)

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

Long-term policyholder liabilities

CAGR (1H17 – 1H22): 2.05%



1H17	1H18	1H19	1H20	1H21	1H22
309	319	323	316	340	**343**

HEADLINE EARNINGS/(LOSS) PER BUSINESS UNIT

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
South African Insurance Operations	32	**759**	576	1 308
SA Retail	16	**537**	463	871
Liberty Corporate	>100	**31**	3	41
Business Optimisation	(15)	**(15)**	(13)	(27)
LibFin Markets	67	**206**	123	423
STANLIB South Africa	(11)	**215**	242	472
Africa Regions	(>100)	**(86)**	(27)	(65)
Liberty Africa Insurance	(>100)	**(24)**	34	30
Liberty Health	18	**(60)**	(73)	(119)
STANLIB Africa	(>100)	**(2)**	12	24
Group strategic initiatives	(35)	**(228)**	(169)	(368)
Central costs and sundry income	(>100)	**(23)**	30	2
Normalised operating earnings before Covid-19 pandemic reserve	(2)	**637**	652	1 349
Covid-19 impact, net of taxation and non-controlling interests' share	>100	**35**	(1 117)	(2 959)
Normalised operating earnings/(loss)	>100	**672**	(465)	(1 610)
Shareholder Investment Portfolio (SIP)	(>100)	**(265)**	753	1 554
Normalised headline earnings/(loss)	41	**407**	288	(56)
BEE preference share adjustment	50	**(1)**	(2)	(3)
Reversal of accounting mismatch arising on consolidation of L2D	>100	**79**	(64)	(53)
Headline earnings/(loss)	>100	**485**	222	(112)

Liberty

CONDENSED CONSOLIDATED STATEMENT OF HEADLINE EARNINGS/(LOSS)

	Change %	1H22 Rm	1H21 Rm	FY21 Rm
Net insurance premiums	10	**23 011**	20 876	44 364
Revenue from contracts with customers	13	**1 962**	1 732	3 542
Investment income and fair value (losses)/gains	>100	**(22 850)**	30 073	68 643
Total income	(96)	**2 123**	52 681	116 549
Net claims and policyholder benefits under insurance contracts	(3)	**(20 800)**	(21 501)	(45 207)
Change in policyholder assets and liabilities under investment and insurance contracts	>100	**20 562**	(17 694)	(40 201)
Fair value adjustment to financial liabilities and finance costs	(2)	**(524)**	(536)	(961)
Fair value adjustments to third-party mutual fund interests	>100	**8 558**	(2 752)	(10 334)
Net income before operating expenses	(3)	**9 919**	10 198	19 846
General marketing and administration expenses and acquisition costs	10	**(8 584)**	(7 792)	(16 317)
Profit share allocations	21	**(914)**	(756)	(1 326)
Net income before capital items and equity accounted earnings	(74)	**421**	1 650	2 203
Non-trading and capital related items				(17)
Share of post tax profit from joint ventures and associates	100	**20**	10	11
Profit before taxation	(73)	**441**	1 660	2 197
Taxation[1]	>100	**14**	(1 109)	(2 070)
Total earnings	(17)	**455**	551	127
Attributable to non-controlling interests	>100	**30**	(329)	(363)
Attributable to ordinary shareholders	>100	**485**	222	(236)
Headline adjustable items				124
Headline earnings/(loss)	>100	**485**	222	(112)

[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.

INTRODUCTION TO REPLACING EMBEDDED VALUE WITH SAM AND IFRS 17 FINANCIAL METRICS

The history of embedded value

Liberty and other life insurers have historically provided figures for Embedded Value (EV) in their external reporting disclosures as a way of demonstrating the expected shareholder value to be generated from the business (excluding any value of future new business).

The EV basis was developed because the historical statutory/regulatory (SVM or "Statutory Valuation Method") and published (IFRS 4 or "International Financial Reporting Standards 4") bases did not allow for a direct measure of expected value to shareholders. This was due to the use of significant implicit margins in the calculation of insurance liabilities as a means of adding levels of conservatism in how profits are released over time. This made it difficult to carve out the best estimate component of the liabilities, which meant that a direct measure of expected value to shareholders was not available (using the simple accounting equation of equity (or value) being equal to assets less liabilities). This presented challenges to insurers and shareholders alike in understanding and explaining some aspects of the business' performance.

These challenges necessitated the need for additional disclosures illustrating the expected value of the business to shareholders. The EV methodology was thus developed in response to this need.

EV was calculated as the net worth of the insurer, plus the value of in-force covered business, less the cost of required capital.

- The net worth, or net asset value (NAV) was calculated as assets minus liabilities (including compulsory and discretionary margins).
- The value of in-force covered business (VIF) was an estimate of future expected profits due to the conservatism in the liabilities, calculated as the expected present value of the release of the margins, discounted at the risk discount rate. The risk discount rate was higher than the risk-free rate with the intention of allowing for some of the uncertainty attached to these expected future profits.
- The adjustment for cost of capital also allowed for the risk (uncertainty) attached to the business (i.e. experience being worse than that assumed) as well as the opportunity cost of holding capital against this risk.
- While useful in assessing the expected value generated by the business over a specific period including, for example, the value added by new business over the period, EV also had several weaknesses. These included its complexity, its crude allowance for risk through a combination of the risk discount rate and the cost of capital adjustment, as well as the higher levels of judgement required which limited its comparability across insurers. Experience in recent corporate transactions has also highlighted the increased use of alternative metrics, including distributable cash.

Why the Solvency Assessment and Management (SAM) and IFRS 17 bases provide an improved view on shareholder value when compared to EV

The previous statutory basis for capital calculations (SVM) fell away and was replaced by the Solvency Assessment and Management (SAM) regime on 1 July 2018. With effect for all year ends commencing 1 January 2023, IFRS 4 will be replaced by IFRS 17.

SAM and IFRS 17 each have different assumptions and approaches when compared to the previous SVM and IFRS 4 bases. The most notable differences in this context are that both produce outputs which can be used to measure shareholder value directly as they both explicitly calculate a best estimate liability (BEL) without any implicit margins for conservatism. Both also allow for risk in an explicit and robust manner (via the risk margin/risk adjustment). In addition, IFRS 17, through the calculation of the contractual service margin (CSM), allows for the release of profits over the lifetime of the contract in a less subjective manner by releasing profits as contractual obligations are met. The existence of these elements under the existing SAM and new IFRS 17 bases replicates and improves the information previously reported under EV.

Under SAM, the change in own funds can be used to understand shareholder value generated. Under IFRS 17, the change in IFRS NAV plus the change in CSM can be used to supplement this analysis.

Key differences in assumptions and methodologies between the bases

The justification for no longer requiring an EV calculation goes beyond the fact that shareholder value can be derived directly from the new bases. Certain key differences in the assumptions and methodologies between the EV and SAM/IFRS 17 bases allow for a more accurate, more transparent, and less complex, assessment of value. These include:

- The way in which contract boundaries are defined. For example, annually renewable business is classified as having a short contract boundary under SAM and IFRS 17. This means that cash flows for only the first year are taken into account in the determination of liabilities and profitability. Cash flows attributable to future renewals of this business are only allowed for once a renewal has taken place and thus contract boundaries under the SAM and IFRS 17 bases are more aligned to the legal interpretation of the specific contracts. This differs from the EV basis which applied long contract boundaries and thus capitalised profits for all future expected renewals at the start of the original contract.
- Under the SAM basis, earnings from the illiquidity premium above a threshold, as well as earnings from credit investments, emerge annually, whereas the EV approach capitalised the full value of these future expected returns upfront. The approach under the new bases is more aligned to the way in which other investment type outcomes are treated.
- The adjustment for risk under the EV basis is crude, complex, and subjective, with allowances through both a risk discount rate and a cost of capital adjustment determined internally by each insurer. On the other hand, the adjustment for risk under SAM (through the risk margin) allows for a cost of required capital of 6% in excess of the risk-free rate. This is prescribed and is thus consistent across the industry, allowing for easier comparisons. Liberty has also chosen to align the IFRS 17 risk adjustment methodology to the SAM risk margin methodology creating further consistency. In addition, the approach used under SAM and IFRS 17 allows for a consistent assessment of the risk margin and risk adjustment for all risk types whereas the EV approach does not.
- The EV basis uses a flat interest rate for discounting while SAM and IFRS 17 both use the full yield curve, which allows more accurately for the time value of money in the calculations.

Liberty

External environment and context

The recent Standard Bank and Liberty transaction highlighted the importance of focusing not only on an absolute shareholder value measure but also on Return on Equity (ROE), the generation of distributable cash and capital efficiency in assessing overall value to shareholders. These measurements are available through the SAM and IFRS 17 bases, for example:

- The change in own funds compared to the relative change in the Solvency Capital Requirement (SCR) calculated on the SAM basis determines distributable cash generation and thus acts as a constraint on Liberty's dividend-paying ability.
- IFRS 17 will determine the earnings and NAV which will be used in the ROE calculation in future.

Referencing the SAM basis and distributable cash generation instead of EV aligns to best practice trends in the UK and Europe. The same is expected to hold for IFRS 17 once this basis comes into effect.

Deriving an equivalent Group Equity Value

Based on the reasons above, Liberty is of the view that the SAM basis is an improved measure of shareholder value for Liberty Group Limited (LGL) when compared to EV. This is due to its more robust risk assessment, its direct link to distributable cash and it being less complex for reporting on shareholder value than the current EV basis. The SAM basis also aligns more to the impending IFRS 17 basis, and both allow for a more valuable analysis of variances.

For these reasons, going forward, Liberty will focus reporting on shareholder value within LGL through the SAM and IFRS 17 bases. Liberty's new approach to demonstrating shareholder value in LGL through the analysis of LGL SAM own funds is detailed in the sections that follow for the six months ended 30 June 2022 and the financial year ended 31 December 2021. This information will enable the user to form an opinion on the equivalent group equity value for LGL within the Liberty Holdings Limited group of entities (LHL).

Financial information regarding the balance of the businesses outside of LGL, but within LHL, will continue to be produced, save for the overall Group Equity Value report. However, users of the financial information will be able to determine an equivalent LHL group equity value by applying the methodologies previously contained in this report to the existing financial information provided for other entities within LHL. This includes applying an earnings multiple to the STANLIB financial results.

An overall equivalent group equity value can thus be derived through the combination of the LGL SAM own funds and LHL financial information. Liberty will re-evaluate its disclosures as SAM and IFRS 17 industry best practice for these disclosures emerges.

ANALYSIS OF CHANGE IN LGL SAM OWN FUNDS

The table below replaces the previous analysis of *Sources of Normalised Group Equity Value Earnings* for LGL group and provides explanations for the R807 million decrease in the LGL SAM own funds for the six months ended 30 June 2022. Comparative figures are included for the 12-month period ended 31 December 2021. It should be noted that while the own funds at the start of each period and FY21 have been audited, the analysis of the change in the own funds has not.

	Notes	**1H22 Rm**	FY21 Rm
Own Funds – Beginning of the period		**29 606**	30 280
New business value	1	**(121)**	33
Expected release of risk margin	2	**339**	627
Variances/changes in operating assumptions		**(405)**	(260)
Operating experience variances	3	**(348)**	(306)
Operating assumption and modelling changes	4	**(57)**	46
Covid-19 impact	5	**31**	(2 540)
Economic adjustments		**(353)**	3 466
Return on IFRS NAV	6	**(624)**	790
Return on additional SAM own funds and investment variances	7	**271**	2 676
Dividends and other capital changes	8	**(298)**	(2 000)
Own Funds – End of the period		**28 799**	29 606

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

Notes to analysis of SAM Own Funds:

1. The new business value captures the own funds generated through both long and short contract boundary business on a SAM basis. The treatment of these is described in more detail in what follows. In general, the method under long contract boundary business is consistent with the EV treatment of recognising expected future profits over the expected lifetime of the contracts. However, on short contract boundary business, the value recognised differs from EV in that only the in reporting period earnings are recognised. The new business value includes contributions from LGL's various business units.

   For SA Retail, this item allows for the best estimate profitability on new contracts (being new business sold based on a consistent definition as under the EV basis) that are considered long boundary business under SAM, as well as the in reporting period earnings from contracts that are considered short boundary business. The long contract boundary business forms the most material part of this result and is very consistent with the equivalent EV result. Some differences to EV exist due to certain differences in best estimate liability assumptions. The short contract boundary business includes very specific product types which, due to their nature, have been classified as not having long contract boundaries.

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, have also been included. Unlike the EV basis, these items are not capitalised in the SAM valuation.

Bancassurance Credit Life and Funeral, and Liberty Corporate (save for the long boundary annuity business) are considered short boundary business under SAM. For these business units, the new business value on a SAM basis only considers the in reporting period earnings from these businesses after normalising for the impact of Covid-19. Thus, unlike EV, it does not allow for future renewals or the capitalisation thereof.

Annuity business written within Liberty Corporate is seen as long contract boundary business on a SAM basis. The new business value under SAM for this book is thus consistent with the EV treatment thereof in that it allows for the best estimate profitability of the new business sold during the period. This book of business was immaterial for both 2021 and 2022.

The new business value 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 forward.

Both SAM (via the risk margin using a cost of required capital of 6% above the risk-free rate) and EV (via the risk discount rate and cost of capital approach) aim to adjust shareholder value created for risk, uncertainty and the cost of having to hold capital against this. However, in Liberty's view, the SAM adjustment, while being more conservative, is more robust and appropriate compared to the approach applied under EV as it allows for a more explicit risk assessment and cost of risk for each risk type.

New business value for the first six months of 2022 was negative due to changes in the yield curve and operating assumption changes. This was partially offset by higher profits on short contract boundary business and investment products.

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 required capital on non-hedgeable risk above the risk-free rate.
3. This includes the allowance for project and other costs that are expected to be once-off in nature, including the cost of the IFRS 17 project and simplification initiatives, during the period.
4. This item shows the impact of various assumption and modelling methodology changes during the reporting period. These impacts were mostly consistent with EV. However, the impact on Liberty Corporate was different due to the SAM basis not capitalising the impact of assumption changes.
5. This item shows the combined impact of the SAM Covid-19 pandemic reserve and the Covid-19 experience in excess of that allowed for in the pandemic reserve. The pandemic reserve allows for the expected future impact of excess risk and persistency experience arising from the adverse short-term impact of the pandemic on the business. The pandemic reserve on the SAM basis has been determined on consistent assumptions used for IFRS 4. The quantum of the reserve between the two bases is very similar for the period under review, however, there are minor valuation methodology differences between the bases. The Covid-19 reserve established as at 31 December 2021 has been more than sufficient to cover excess claims experience in 2022 which has been lighter than expectation. The positive in this line as at 30 June 2022 relates to a small release from the Liberty Corporate forward-looking Covid-19 reserve.
6. The following table summarises the return on the IFRS NAV and other adjustments to the Shareholder Investment Portfolio earnings. This table is consistent with the table reported in the previous Group Equity Value disclosure.

RETURN ON IFRS NAV

	1H22 Rm	FY21 Rm
Shareholder Investment Portfolio as reported in IFRS earnings	(265)	1 554
Movement in the adjustment to reflect L2D at listed share price	(292)	228
Shareholder Investment Portfolio earnings	**(557)**	**1 782**
Remove 90:10 book	156	(423)
Frank Financial Services	(30)	(23)
Central treasury investments	52	107
Software asset impairment		(107)
Group Strategic Initiatives	(228)	(369)
Business Optimisation	(15)	(27)
Other	(2)	(150)
Return on NAV and other adjustments	**(624)**	**790**

7. This item represents the returns on the additional own funds under SAM over and above that earned on the IFRS NAV as well as additional Asset Liability Management (ALM) mismatch returns on the SAM basis due to ALM being performed on the IFRS 4 basis.
8. At 31 December 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. The R298 million strain at 30 June 2022 relates to the accounting change and impact of the settlement of share options and conversion to new shares schemes following the Standard Bank transaction.

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 30 June 2022 and 31 December 2021:

		1H22			FY21		
	Notes	Liberty Group Limited Rm	Other businesses Rm	Total Rm	Liberty Group Limited Rm	Other businesses Rm	Total Rm
Liberty Group Limited company IFRS Equity		12 999		12 999	14 683		14 683
Liberty Group Limited subsidiaries			328	328		313	313
STANLIB South Africa			1 096	1 096		1 135	1 135
STANLIB Africa			117	117		127	127
Liberty Health			424	424		428	428
Liberty Africa Insurance			1 127	1 127		1 142	1 142
Liberty Holdings	1		248	248		2 088	2 088
Liberty Two Degrees adjustment to net asset value	2		1 457	1 457		1 057	1 057
LHL shareholders' equity reported under IFRS	3	12 999	4 797	17 796	14 683	6 290	20 973
Difference in assets between SAM and IFRS	4	50			72		
Elimination of subordinated debt	5	5 556			5 509		
Deferred revenue and acquisition costs		(364)			(394)		
Difference in policyholder liabilities		14 233			15 368		
Difference in valuation methodologies	6	20 091			21 676		
SAM risk margin	7	(5 858)			(6 308)		
Tax adjustments	8	(3 675)			(4 132)		
Allowance for foreseeable dividends					(1 500)		
SAM Own Funds		28 799			29 606		

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

1. This includes actual recurring shareholder expenses for Liberty Holdings Limited of R62 million for the six months ended 30 June 2022 (R133 million for the 12 months to 31 December 2021).
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. Comprises R1 437 million (31 December 2021: R1 042 million) at Liberty Group Limited level plus an additional R20 million (31 December 2021: R15 million) at a Liberty Holdings group level.
3. The reduction in LHL shareholder equity over the six-month period ended 30 June 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.
4. Includes elimination of intangible assets on the SAM basis and the write up to NAV of LGL subsidiaries.
5. Subordinated debt is not recognised as a liability in calculating the SAM balance own funds.
6. 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. The value of in force business included in the EV calculation represents the expected present value, after tax, of these margins.

   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 assumption sets used under the SAM basis are materially the same as those used under the EV basis, save for certain longer duration lapse assumptions which are more conservative. 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.

7. 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.
8. This item represents the additional deferred tax liability on a SAM basis.

Conclusion

Based on the above, and in keeping up with international trends, Liberty will no longer report on embedded value for LGL and rather rely on the SAM and IFRS 17 bases to demonstrate shareholder value.

When calculating the equivalent of a Group Equity Value (GEV) utilising the SAM-based information, it is important to make appropriate adjustments for the subordinated debt and foreseeable dividends to the reported own funds due to the different treatment under SAM compared to EV.

The equivalent GEV that is calculated using the own funds for LGL (with adjustments mentioned above) as a starting point is more conservative than the current GEV methodology using the EV for LGL. This is mainly due to:
- a more conservative charge for risk and capital applied through the SAM risk margin;
- more conservative overall assumptions within the best estimate liability under SAM; and
- short contract boundary business, including credit and illiquidity premiums, not being capitalised under SAM.

Similarly, for calculating the contribution to GEV for businesses outside of LGL, the existing published information regarding earnings and NAV can be utilised.

This can be summarised as follows:

Business	**New Group Equity Value calculation**	Old Group Equity Value calculation
Liberty Group Limited and subsidiaries	SAM own funds with allowance for subordinated debt and foreseeable dividend	Embedded value
Liberty Holdings Limited	NAV and expense adjustment	NAV and expense adjustment
STANLIB South Africa STANLIB Africa Liberty Health Liberty Africa Insurance	NAV and earnings multiple	NAV and earnings multiple

Liberty

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.

	1H22 Rm	1H21 Rm	FY21 Rm
South African covered business			
SA Retail	**791**	769	1 679
Traditional Life	**687**	669	1 461
Direct Channel	**33**	32	82
Credit Life	**71**	68	136
Liberty Corporate	**87**	42	199
Gross value of new business	**878**	811	1 878
Overhead acquisition (including underwriting) costs impact on value of new business	**(799)**	(724)	(1 532)
Cost of required capital	**(53)**	(52)	(133)
Net value of South African covered business	**26**	35	213
Present value of future expected premiums	**21 242**	18 541	43 345
Margin (%)	**0.1**	0.2	0.5
Liberty Africa Insurance			
Net value of new business	**7**	11	16
Present value of future expected premiums	**704**	517	1 456
Margin (%)	**1.0**	2.1	1.1
Total group net value of new business	**33**	46	229
Total group margin (%)	**0.2**	0.2	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

	1H22 %	1H21 %	FY21 %
Government stock	**11.2**	9.5	9.9
Equities	**14.7**	13.0	13.4
Property	**12.2**	10.5	10.9
Cash	**9.7**	8.0	8.4
The risk discount rate has been set equal to the risk free rate plus 80% of the equity risk premium	**14.0**	12.3	12.7
Maintenance expense inflation rate[1]	**9.5**	7.7	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.

SHAREHOLDER INVESTMENT PORTFOLIO RETURN

	1H22 Rm	1H21 Rm	FY21 Rm
Realised gross result	**(143)**	1 312	2 691
Taxation[1]	**80**	(362)	(722)
Subordinated notes at fair value	**(181)**	(177)	(360)
Expenses (including asset management fees)	**(21)**	(20)	(55)
Net profit	**(265)**	753	1 554
Gross return (%)	**(0.5)**	4.8	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 %	1H22 Rm	1H21 Rm	FY21 Rm
Sources of insurance operations total new business by product type				
Retail	11	**16 662**	14 954	33 183
Single	14	**13 928**	12 233	27 652
Recurring	0	**2 734**	2 721	5 531
Institutional	71	**1 210**	708	2 903
Single	>100	**878**	413	2 186
Recurring	13	**332**	295	717
Total new business	14	**17 872**	15 662	36 086
Single	17	**14 806**	12 646	29 838
Recurring	2	**3 066**	3 016	6 248
Insurance indexed new business	6	**4 547**	4 281	9 232
Sources of insurance indexed new business				
SA Retail	4	**4 012**	3 857	8 105
Liberty Corporate	42	**347**	245	771
Liberty Africa Insurance[1]	5	**188**	179	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		
Rm	1H22	1H21	FY21	1H22	1H21	FY21
Retail	**3 372**	3 354	6 903	**13 928**	12 233	27 652
Broker	**504**	476	1 063	**4 394**	4 544	9 736
Bancassurance	**2 119**	2 145	4 298	**3 145**	1 744	5 023
Tied channels[2]	**642**	609	1 321	**6 275**	5 849	12 709
Other	**107**	124	221	**114**	96	184
Institutional	**332**	295	717	**878**	413	2 186
Broker	**171**	144	404	**334**	160	463
Bancassurance	**2**	7	15			
Tied channels[2]	**122**	113	229	**311**	141	1 431
Other	**37**	31	69	**233**	112	292
Total new business	**3 704**	3 649	7 620	**14 806**	12 646	29 838
Split between:						
South Africa[1]						
SA Retail	**3 281**	3 282	6 744	**13 691**	12 075	27 330
Broker	**503**	475	1 062	**4 224**	4 414	9 481
Bancassurance	**2 068**	2 113	4 227	**3 134**	1 738	5 003
Tied channels[2]	**605**	572	1 239	**6 239**	5 835	12 681
Other	**105**	122	216	**94**	88	165
Liberty Corporate	**261**	210	561	**855**	354	2 096
Broker	**146**	107	336	**327**	143	436
Bancassurance	**2**	7	15			
Tied channels[2]	**112**	94	197	**307**	127	1 403
Other	**1**	2	13	**221**	84	257
Total new business	**3 542**	3 492	7 305	**14 546**	12 429	29 426
Liberty Africa Insurance						
Retail	**91**	72	159	**237**	158	322
Broker	**1**	1	1	**170**	130	255
Bancassurance	**51**	32	71	**11**	6	20
Tied channels[2]	**37**	37	82	**36**	14	28
Other	**2**	2	5	**20**	8	19
Institutional	**71**	85	156	**23**	59	90
Broker	**25**	37	68	**7**	17	27
Tied channels[2]	**10**	19	32	**4**	14	28
Other	**36**	29	56	**12**	28	35
Total new business	**162**	157	315	**260**	217	412

[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		
Rm	1H22 Rm	1H21 Rm	FY21 Rm	1H22 Rm	1H21 Rm	FY21 Rm
SA Retail	**4 012**	3 857	8 105	**2**	33	123
Liberty Corporate	**347**	245	771	**24**	2	90
Liberty Africa Insurance	**188**	179	356	**7**	11	16
Total new business	**4 547**	4 281	9 232	**33**	46	229

	Total premiums			Indexed premiums		
	1H22	1H21	FY21	**1H22**	1H21	FY21
	17 300	15 587	34 555	**4 765**	4 578	9 668
	4 898	5 020	10 799	**943**	930	2 037
	5 264	3 889	9 321	**2 433**	2 320	4 800
	6 917	6 458	14 030	**1 270**	1 194	2 592
	221	220	405	**119**	134	239
	1 210	708	2 903	**420**	336	936
	505	304	867	**205**	160	451
	2	7	15	**2**	7	15
	433	254	1 660	**153**	127	372
	270	143	361	**60**	42	98
	18 510	16 295	37 458	**5 185**	4 914	10 604
	16 972	15 357	34 074	**4 650**	4 490	9 477
	4 727	4 889	10 543	**925**	916	2 010
	5 202	3 851	9 230	**2 381**	2 287	4 727
	6 844	6 407	13 920	**1 229**	1 156	2 507
	199	210	381	**115**	131	233
	1 116	564	2 657	**347**	245	771
	473	250	772	**179**	121	380
	2	7	15	**2**	7	15
	419	221	1 600	**143**	107	337
	222	86	270	**23**	10	39
	18 088	15 921	36 731	**4 997**	4 735	10 248
	328	230	481	**115**	88	191
	171	131	256	**18**	14	27
	62	38	91	**52**	33	73
	73	51	110	**41**	38	85
	22	10	24	**4**	3	6
	94	144	246	**73**	91	165
	32	54	95	**26**	39	71
	14	33	60	**10**	20	35
	48	57	91	**37**	32	59
	422	374	727	**188**	179	356

	VONB Margin			Net customer cash flows		
	1H22 %	1H21 %	FY21 %	**1H22 Rm**	1H21 Rm	FY21 Rm
	0.0	0.2	0.3	**2 183**	(176)	272
	0.8	0.1	1.4	**211**	(2 052)	(1 286)
	1.0	2.1	1.1	**413**	223	386
	0.2	0.2	0.5	**2 807**	(2 005)	(628)

Liberty

SA RETAIL – HEADLINE EARNINGS/(LOSS)

	1H22 Rm	1H21 Rm	FY21 Rm
Expected profit and premium escalations	1 015	988	1 960
Variances, modelling and assumption changes	125	85	336
New business strain	(469)	(453)	(984)
Project and non-cost per policy expenses	(199)	(129)	(284)
Direct Financial Services	(26)	(31)	(73)
Other	33	(34)	(189)
Earnings before bancassurance	479	426	766
Liberty share of credit life bancassurance (net of all taxes)	129	100	200
Complex bancassurance preference dividend	(71)	(63)	(95)
Normalised headline earnings before Covid-19 pandemic impact	537	463	871
Covid-19 impact, net of taxation		(508)	(1 969)
Headline earnings/(loss)	537	(45)	(1 098)

LIBERTY CORPORATE – HEADLINE EARNINGS/(LOSS)

	1H22 Rm	1H21 Rm	FY21 Rm
Gross contribution	592	521	1 102
Underwriting margin	287	226	330
Fee income	299	289	598
Pension businesses and other income	6	6	174
Expenses and other items	(546)	(516)	(1 043)
Profit before taxation	46	5	59
Taxation	(15)	(2)	(18)
Normalised headline earnings, before Covid-19 pandemic impact	31	3	41
Covid-19 impact, net of taxation	35	(549)	(833)
Headline earnings/(loss)	66	(546)	(792)

STANLIB SOUTH AFRICA – HEADLINE EARNINGS

	1H22 Rm	1H21 Rm	FY21 Rm
Net fee income	889	936	1 894
Total operating expenses	(638)	(639)	(1 333)
Profit before investment income	251	297	561
Other income	36	37	67
Profit before taxation	287	334	628
Taxation	(72)	(92)	(156)
Headline earnings	215	242	472
Average margin (bps)	29	31	29
Average assets under management (Rbn)	628	633	637

Additional information

Basis of preparation and presentation

The group's 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 six months ended 30 June 2022 (results) are prepared, as a minimum, in accordance with the requirements of the JSE Listings Requirements, the requirements of International Financial Reporting Statements (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.

The results are presented in South African Rand (Rand), which is the presentation currency of the group, unless otherwise indicated. All amounts are stated in millions of Rand (Rm), unless otherwise indicated.

1H22 refers to the first six months' results for 2022. 1H21 refers to the first six months' results for 2021. FY21 refers to the full year results for 2021. Change percentage reflects 1H22 change on 1H21, unless otherwise indicated.

The accounting policies applied in the preparation of the results 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, refer to the accounting policies section of these results for further details and for more detail on the accounting policies applied by the group, refer to the group's annual financial statements.

The group's FY21 financial information has been correctly extracted from the underlying audited consolidated annual financial statements for the year ended 31 December 2021, where applicable, which is available at **https://reporting.standardbank.com/results-reports/annual-reports/** and **www.standardbank.com/reporting.**

These results contain *pro forma* constant currency financial information. Refer to the *pro forma* constant currency paragraph within the other reportable items section of these results for further detail. Only the FY21 *pro forma* constant currency information, where applicable, contained in these results, has been reviewed by the group's external auditors.

The 1H22 results and *pro forma* constant currency financial information, including any comparatives for 1H21, where applicable, have not been audited or independently reviewed by the group's external auditors.

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 19 August 2022.

Condensed consolidated statement of cash flows

for the six months ended 30 June 2022

	1H22 Rm	1H21 Rm	FY21 Rm
Net cash flows from operating activities	**17 833**	7 322	12 893
Direct taxation paid	**(7 217)**	(3 842)	(8 482)
Other operating activities	**25 050**	11 164	21 375
Net cash flows (used in)/from investing activities	**(3 717)**	(1 143)	(4 674)
Capital expenditure	**(3 631)**	(1 262)	(2 981)
Other investing activities	**(86)**	119	(1 693)
Net cash flows used in financing activities	**(12 639)**	(7 620)	(9 350)
Dividends paid[1]	**(11 853)**	(5 327)	(12 073)
Equity transactions with non-controlling interests	**(2 197)**	(848)	(427)
Net (redemption)/issuance of other equity instruments[1]	**(185)**	1 800	3 524
Issuance of subordinated debt		1 722	3 166
Redemption of subordinated debt	**(1 271)**	(1 700)	(2 200)
Other financing activities	**2 867**	(3 267)	(1 340)
Effect of exchange rate changes on cash and cash equivalents	**4 329**	(1 624)	4 795
Net increase/(decrease) in cash and cash equivalents	**5 806**	(3 065)	3 664
Cash and cash equivalents at the beginning of the period	**91 169**	87 505	87 505
Cash and cash equivalents at the end of the period	**96 975**	84 440	91 169
Cash and balances with central banks	**96 975**	84 440	91 169

[1] 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

Changes in accounting policies

The accounting policies are consistent with those reported in the previous year. There are no new or amended standards that are effective for the current reporting period. The group 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 prescribing the accounting treatment and measurement of insurance contracts, will be replaced by IFRS 17 for the group's 2023 financial year (with comparative information restated as required by the standard). IFRS 17 provides the basis of measurement for defined insurance contracts, including investment contracts with discretionary participation features.

The difference between IFRS 4 and IFRS 17 carrying values (including any related tax impact) will be recognised in opening retained earnings on 1 January 2022.

The main principle that IFRS 17 adopts is to recognise revenue (and profit or loss) over the duration of the applicable policyholder contracts that best reflects the delivery of contracted obligations in the specific reporting period. IFRS 17 also distinguishes the sources of income separating insurance services and financing activities.

As such, the standard does not allow for profit to emerge on "day one", being the initial recognition of the contract but does require contracted losses (onerous contracts) to be recognised immediately to the extent onerous. These revenue recognition principles are aligned to IFRS 15 *Revenue from Contracts with Customers*.

Under IFRS 17, a general measurement model (GMM) is applicable to long-term insurance contracts and is based on a fulfilment objective (risk-adjusted present value of best estimate future cash flows). It requires the use of current estimates, which are those informed by actual trends and investment markets. IFRS 17 establishes a contractual service margin (CSM) at the initial measurement of the liability when applying the GMM. The CSM represents the unearned profit on the contract and results in no gain 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 in regard to future CSM movements. All other best estimate cash flows contained in the measurement of insurance assets or liabilities are however measured at current values utilising current investment market pricing of time value of money.

The GMM is modified for contracts that have investment return participation features, in which case the variable fee measurement approach (VFA) is used to measure the contract. This approach effectively amortises the future participation in changes in investment values over the remaining life of the contract.

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 liability for remaining coverage (LRC) that would not materially differ from the one produced applying the GMM. The PAA is similar to the current unearned premium reserve profile recognised over time.

Quantitative impact

Management has developed a better understanding of the 1 January 2022 transition statement of financial position, although this is still a work in progress and subject to certain assumptions and estimates being finalised. The impact of IFRS 17 can only be reliably determined at date of transition to IFRS 17. This impact is primarily dependent on the finalisation of the group's methodologies, assumptions and estimates, conclusion of audit procedures by the group's external auditors as well as the group's internal reviews and validations.

Transition approach

The standard requires retrospective application of IFRS 17 prior to the transition date, which is 1 January 2023, unless it is impracticable to do so. If it is impracticable, an entity can choose either between the modified retrospective and a fair value approach to measure the initial IFRS 17 balances on the transition date.

The group intends to use a combination of all three transition approaches, namely, full retrospective, modified retrospective and fair value depending on the historical data (including assumptions, methodologies and particularly, availability of risk adjustment data for certain years prior to the adoption of IFRS 17) that is available per the IFRS 17 defined portfolios.

IFRS 9 *Financial Instruments*

The group applied IFRS 9 for years commencing 1 January 2018. At this stage, there is no expected change to previously applied classification and designation of financial assets that back policyholder liabilities as a result of IFRS 17.

Tax implications

Within South Africa, National Treasury draft legislation was issued end July 2022 related to the adoption of IFRS 17 and any consequential tax implications. It is expected at this stage that a six-year phasing-in provision to transition the changes from IFRS 4 to IFRS 17 will be introduced. Any changes in tax legislation would be effective for years commencing 1 January 2023. Other than the six-year phasing-in there are not expected to be any other material tax implications for the group on the current basis of taxing long-term insurers.

Regulatory capital/Capital implications

At this stage, the impact of IFRS 17 on regulatory capital is expected to be minimal given that Liberty Group Limited, the main licensed insurer in the group, as well as Standard Insurance Limited have fully adopted the Solvency Assessment and Management (SAM) basis and, other than possible second order taxation implications, IFRS 17 should not materially impact any aspect of the regulatory capital assessment.

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 base, bear and bull forward-looking economic expectations were determined, as at 30 June 2022, for inclusion in the group's forward-looking process and ECL calculation:

South African economic expectation

Overall, expectations of economic recovery in 1H22 have been impacted by electricity constraints, weather conditions causing damage to infrastructure, ongoing reform implementation and other long-standing vulnerabilities that are weighing on economic performance and sentiment.

Our base case scenario is set amid ongoing recovery and the expectation of further slow improvements in reform implementation. The global economic impact of the Russia-Ukraine conflict, rising inflation and faster monetary policy normalisation are expected to contribute to delays in economic recovery. Export prices relative to imports remain strong, albeit lower than the recent record levels achieved. Covid-related uncertainties are abating as it becomes more endemic due to increased vaccination rates. There has been encouraging progress in the government's fiscal consolidation strategy and reform implementation, although some execution challenges remain. The scenario assumes a steady sovereign rating as the risk of negative rating action by rating agencies has reduced in the short term. The rand is expected to remain constructive, despite including persistent idiosyncratic risk premium. Headline inflation has risen sharply due to global increases in food and fuel prices, although underlying demand-driven inflation remains muted. In response, the SARB is expected to tighten monetary policy, with further increases in the repo rate expected to reach 6.25% to reduce the effect of higher inflation to within inflation expectations.

The bear case scenario assumes that Covid-19 and the Russia-Ukraine conflict will continue to cause longer-term supply chain disruption, as well as the possibility of further sanctions being raised against Russia. This is expected to impact negatively on global economic activity, commodity prices and drive further food and fuel price increases. Locally, ongoing challenges relating to electricity supply, rail and port infrastructure inefficiencies and stalling reform momentum will weigh on potential growth and constrain economic activity. This, together with a slowing global economic recovery and poor fiscal consolidation, will likely drive heightened sovereign risk making negative rating action more likely in this scenario. Global financial conditions will then tighten more aggressively, driving financial market volatility and outflows of foreign capital as risk aversion increases. The SARB is expected to increase interest rates further in response, with the repo reaching 7.25% before ending at 6.75% towards the end of the forecast horizon as the global impacts dissipate and inflation lowers.

Our bull case scenario assumes that the implementation of structural reforms gains momentum. In addition, electricity supply remains stable and rail and port infrastructure recover faster, lifting potential economic growth and confidence together with slightly longer-lasting support from South Africa's export commodity prices over the short term. The fiscal outlook is expected to improve amid this faster economic growth and improved tax collection, while public expenditure remains adequately contained. These factors are expected to deliver marginal positive ratings action and, supported by the broader reform implementation, South Africa can attract portfolio inflows that strengthen the rand and bonds. This reduces the elevated risk premium on medium- to longer-dated bonds. Successful reforms lower structural inflation, driving potential growth higher and reducing interest rates.

Africa Regions economic expectation

The Africa Regions' base case scenario expects a continued recovery in economic growth due to the moderating impact of the Covid-19 pandemic on local economies as most African governments have significantly eased, or entirely withdrawn, public health restrictions. This growth is expected to be somewhat impacted by rising geopolitical tensions (such as between Russia and Ukraine), increasing portfolio, except for Nigeria and Angola, since January we have lowered most of our GDP growth forecasts for 2022. This is continuing to drive sharp increases in fuel and food prices that result in reduced disposable income and personal consumption expenditure. Most central banks' monetary policy committees are expected to tighten their policy positions to contain inflation expectations, potentially resulting in reduced private investment as commercial banks' appetite for private sector lending lessens. Our inflation forecasts have increased, mostly due to rising oil and food prices as well weakening exchange rates.

Our bear case assumes a sluggish post-pandemic recovery, with the impact of the Russia-Ukraine conflict driving higher prices and ongoing supply chain disruptions expected to have more of an impact on macroeconomic growth. Idiosyncratic factors and structural deficiencies contribute to the slow recovery; as structural reforms are delayed further, lower levels of investment and a more gradual recovery in consumption contribute to a weaker outlook.

Our bull case scenario assumes a stronger post-pandemic recovery, with minimal impact from the Russia-Ukraine conflict as the related risks are contained sooner. Furthermore, increased vaccination makes Covid-19 endemic, reducing additional disruption to economic recovery and global supply chains.

Global economic expectation

The base case scenario assumes weakening global growth and persistently high inflation. Many countries are expected to enter recessionary conditions, particularly in Europe due to the energy price consequences of the Russia-Ukraine conflict and in the UK due to increased oil prices. Economic growth is expected to slow to very low, even recessionary, levels with inflation likely to remain above global central bank targets due to a combination of economic stimulus measures introduced in response to Covid-19, global supply chain pressures and tight labour markets. Many central banks have increased interest rates in response and are expected to continue to do so, although this is expected to have minimal impact on containing inflation.

In the bear scenario, inflation is expected to continue to rise above central bank targets, resulting in further policy tightening and even deeper recessions. In this scenario, rising financial instability is expected as high debt levels and increased interest rates constrain consumer spending and result in in increased defaults, placing the Eurozone at risk of a financial crisis in its bond market.

Under the bull scenario, global supply chain constraints ease quickly and inflation returns to target levels. This reduces the need for aggressive increases to interest rates and thereby the risk of longer-term recessionary conditions. Although financial stresses are expected to arise for a time, economic recovery and lower inflation support the recovery of asset prices.

Key management assumptions

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 1H22	FY22[1]	2H22 to 1H23 (next 12 months)[2]	Remaining forecast period[3]	2H22 to 1H23 (next 12 months)[2]	Remaining forecast period[3]	2H22 to 1H23 (next 12 months)[2]	Remaining forecast period[3]
South Africa[4]							
Inflation (%)	6.39	5.93	4.28	6.66	5.17	5.85	3.84
Prime (%)	9.50	9.75	9.75	10.75	10.25	9.25	9.25
Real GDP[7] (%)	2.34	2.05	2.26	0.15	1.25	2.36	2.98
Employment rate growth (%)	0.72	0.40	1.79	(0.25)	0.68	0.50	2.26
Household credit (%)	6.78	6.01	6.36	5.35	6.10	6.51	7.26
Exchange rate USD/ZAR	15.20	15.18	15.88	16.03	17.19	14.85	15.14
Africa Regions[5] (excluding Zimbabwe) (averages)							
Inflation (%)	11.16	10.10	7.00	12.50	9.20	8.40	5.50
Policy rate (%)	9.63	9.90	8.90	11.00	10.30	8.80	8.10
3m Tbill rate (%)	8.05	8.60	8.20	9.30	8.30	7.40	7.40
6m Tbill rate (%)	8.98	9.80	9.30	10.40	9.40	8.30	8.50
Real GDP[7] (%)	3.96	3.70	4.70	2.20	2.90	5.40	6.20
Africa Regions[5] (averages)							
Inflation (%)	17.28	19.90	12.40	29.50	16.40	13.30	6.80
Policy rate (%)	12.88	13.90	12.10	13.60	12.00	12.30	10.00
3m Tbill rate (%)	8.05	8.60	8.20	9.30	8.30	7.40	7.40
6m Tbill rate (%)	8.98	9.80	9.30	10.40	9.40	8.30	8.50
Real GDP[7] (%)	3.95	3.70	4.70	2.00	2.80	5.50	6.50
Global[6]							
Inflation (%)	8.80	8.40	2.80	10.50	2.90	6.90	2.70
Policy rate (%)	1.50	2.30	1.80	3.10	2.00	1.90	1.70
Exchange rate GBP/USD	1.23	1.24	1.44	1.16	1.36	1.35	1.48
Real GDP[7] (%)	3.00	0.25	1.70	(1.00)	1.60	2.75	2.00
Unemployment rate (%)	4.00	4.20	4.30	4.50	4.50	3.70	4.00

[1] Revised at 30 June 2022. FY22 (1 January 2022 to 31 December 2022) disclosed as at 31 December 2021 has been revised due to the changes in the macroeconomic factors.
[2] Next 12 months following the reporting date is 1 July 2022 to 30 June 2023.
[3] The remaining forecast period is 1 July 2023 to 30 June 2026.
[4] The scenario weighting is: base at 50%, bear at 30% and bull at 20%. The scenario weighting remains unchanged.
[5] Averages are used where multiple jurisdictions are considered. The average scenario weighting is: base at 55%, bear at 29% and bull at 16%. These average weightings changed negligibly, because of the minimal changes in weighting across Africa Regions.
[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.

Macroeconomic factors FY21	FY21[1]	Base scenario FY22 (next 12 months)	Base scenario Remaining forecast period[2]	Bear scenario FY22 (next 12 months)	Bear scenario Remaining forecast period[2]	Bull scenario FY22 (next 12 months)	Bull scenario 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] Averages are used where multiple jurisdictions are considered. The scenario weighting 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 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 30 June 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.

	1H22		FY21	
	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	**2 065**	**135**	1 979	(751)
Scenarios				
Base	**1 699**	**(231)**	1 714	(1 015)
Bear	**3 713**	**1 783**	3 388	659
Bull	**871**	**(1 059)**	878	(1 851)

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

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 1H22 was a net loss of R2 658 million (FY21: R536 million net loss). Other financial instruments, not at level 3, are utilised to mitigate the risk of these changes in fair value.

Covid-19 pandemic reserve

Excess deaths during 1H22 were relatively low when compared to FY21. The impact of the 2022 waves may have been significantly less than prior waves due to high levels of immunity to Covid-19 (from recent infection or vaccination) and/or the Omicron variant being milder than the *Alpha*, *Beta* and *Delta* variants. Considerable uncertainty remains regarding the future impact of the pandemic, as both natural and vaccine-related immunity may reduce significantly over time and/or a new, more severe variant may emerge against which current immunity is not as effective. The mortality assumptions for the 1H22 pandemic reserve have been adjusted in accordance with experience over the last six months.

As more time elapses the pandemic reserve assumptions will be recalibrated to reflect how well immunity is holding up. The 1H22 Covid-19 pandemic reserve (net of reinsurance, tax and non-controlling interests) of R846 million (FY21: R1 126 million) is considered appropriate given the high level of uncertainty.

The expected long-term impacts of the pandemic, as a result of the expectation that Covid-19 becomes endemic, were allowed for in the long-term mortality assumptions at 31 December 2021 based on available information at the time. These long-term assumptions are still deemed appropriate at 30 June 2022, and continue to be reassessed every six months as new information becomes available.

For the Africa Regions, the assumptions have continued to be assessed taking the circumstances of each country into account.

Given the ongoing uncertainty as to how natural and vaccine-related immunity will evolve over time and the possibility that a new, more severe variant may emerge against which current immunity is not as effective, the sensitivity of the pandemic reserve to key assumptions is currently deemed to be similar to that presented at 31 December 2021.

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 rent reversion factors, exit capitalisation rates and discount rates. Other inputs considered relate to expense growth, rental growth, existing tenant terms, location, vacancy levels and restrictions, if any, on the sale or use of the asset. Valuations have been impacted by, *inter alia*, a review of forecast renewal assumptions of certain tenants on lease renewal and increased conservatism reflected in forecasted market leases, market rent growth rates and the time required to relet vacant space. Further to this, expense growth assumptions are tracking ahead of inflation.

Further notes to the primary statements

Overview

The following notes have been included in terms of the requirements of IAS 34, being specific inclusion or based on materiality, and not yet disclosed elsewhere within these results and may vary from period to period, given the materiality of the movements experienced from FY21 to 1H22 for assets and liabilities and 1H21 to 1H22 for income statement movements.

Consolidated reconciliation of profit for the period to group headline earnings

	1H22 Rm	1H21 Rm	FY21 Rm
Profit for the period attributable to ordinary shareholders	**15 674**	11 414	24 865
Headline earnings adjustable items	**(551)**	116	284
IAS 16 – (Gains)/losses on sale of properties and equipment	**(36)**	3	61
IAS 16 – Compensation from third parties for ATMs that were impaired	**(79)**		
IAS 27/IAS 28 – Losses on disposal of business			23
IAS 28/IAS 36 – Impairment of associate	**20**		
IAS 36 – Impairment of intangible assets	**178**		167
IAS 36 – Impairment of goodwill			14
IAS 40 – Fair value (gains)/losses on investment property[1]	**(629)**	113	(11)
IFRS 5 – Remeasurement of disposal group assets held for sale	**(5)**		30
Taxation on headline earnings adjustable items	**140**	(53)	(75)
Non-controlling interests' share of headline earnings adjustable items			(53)
Standard Bank Group headline earnings	**15 263**	11 477	25 021
Headline earnings per ordinary share (cents)			
Headline earnings per ordinary share	**936.2**	721.4	1 573.0
Diluted headline earnings per ordinary share	**954.6**	717.4	1 564.8

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

Derivative instruments

All derivatives are classified either as held-for-trading or held-for-hedging. A summary of the total derivative assets and liabilities is shown in the table below.

	Fair value of assets		Fair value of (liabilities)	
	1H22 Rm	FY21 Rm	1H22 Rm	FY21 Rm
Total derivative assets/(liabilities) held-for-trading	**80 163**	60 630	**(91 508)**	(62 668)
Total derivative assets/(liabilities) held-for-hedging	**2 645**	3 058	**(2 661)**	(4 591)
Total	**82 808**	63 688	**(94 169)**	(67 259)

Use and measurement of derivative instruments

The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations. All derivatives are classified either as held-for-trading or held-for-hedging.

In the normal course of business, the group enters into a variety of foreign exchange, interest rate, commodity, credit and equity derivative transactions in accordance with the group's risk management policies and practices. Derivative instruments used by the group are held for both trading and hedging purposes and include swaps, options, forwards, futures and other similar types of instruments based on foreign exchange rates, interest rates, credit risk and the prices of commodities and equities.

A summary of the total derivative assets and liabilities are shown in the table that follows.

Derivatives held-for-trading

The group transacts into derivative contracts to address client demand, both as a market maker in the wholesale markets and in structuring tailored derivatives for clients. The group also takes proprietary positions for its own account. Trading derivative products include the following:

	Fair value of assets		Fair value of (liabilities)	
	1H22 Rm	FY21 Rm	**1H22 Rm**	FY21 Rm
Foreign exchange derivatives	**33 978**	19 720	**(32 451)**	(19 329)
Interest rate derivatives	**31 047**	31 665	**(36 505)**	(32 975)
Commodity derivatives	**3 330**	1 022	**(2 316)**	(911)
Credit derivatives	**1 336**	1 389	**(2 778)**	(2 007)
Equity derivatives	**10 472**	6 834	**(17 458)**	(7 446)
Total	**80 163**	60 630	**(91 508)**	(62 668)

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]	**144**	**8**	**152**
Recognised in trading revenue during the period	**(243)**	**(324)**	**(567)**
Unrecognised net profit at 30 June 2022	**1 110**	**877**	**1 987**

[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.

Further notes to the primary statements

Pledged assets

The following table presents details of financial assets which have been sold or otherwise transferred, but which have not been derecognised in their entirety, and their associated liabilities including any contingent liabilities, where applicable. This table does not disclose the total risk exposure in terms of these transactions, instead it provides disclosures as required by IFRS.

	Carrying amount		Fair value		
	Transferred assets Rm	Associated liabilities Rm	Transferred assets[1] Rm	Associated liabilities[1] Rm	Net fair value[1] Rm
1H22					
Bonds	**16 421**	**(9 651)**	**16 421**	**(9 651)**	**6 770**
Listed equities	**1 082**		**1 082**		**1 082**
Pledged assets (as recognised in the statement of financial position)	**17 503**	**(9 651)**	**17 503**	**(9 651)**	**7 852**
Financial investments[2]	**9 345**	**(9 269)**	**9 345**	**(9 268)**	**77**
Total	**26 848**	**(18 920)**	**26 848**	**(18 919)**	**7 929**
FY21					
Bonds	13 029	(10 211)	13 030	(10 211)	2 819
Listed equities	1 149		1 149		1 149
Pledged assets (as recognised in the statement of financial position)	14 178	(10 211)	14 179	(10 211)	3 968
Financial investments[2]	18 016	(18 006)	18 016	(18 003)	13
Total	32 194	(28 217)	32 195	(28 214)	3 981

[1] Where the counterparty has recourse to the transferred asset.
[2] For these financial investments the counterparty is not permitted to sell or repledge the assets in the absence of default, hence they are not classified as pledged assets.

The assets pledged by the group are strictly for the purpose of providing collateral to the counterparty. To the extent that the counterparty is permitted to sell or repledge the assets in the absence of default, they are classified in the statement of financial position as pledged assets.

The majority of other financial investments that do not qualify for derecognition include debt securities held by counterparties as collateral under repurchase agreements, listed equities held as collateral under scrip lending transactions and financial assets leased out to third parties. Risks to which the group remains exposed include credit and interest rate risk.

During the first six months of the current year, there were no instances of financial assets that were sold or otherwise transferred, but which were partially derecognised. Further, there were no instances of financial assets transferred and derecognised for which the group had continuing involvement.

Collateral accepted as security for assets

As part of the reverse repurchase and securities borrowing agreements, the group has received securities which are not recorded in the statement of financial position that it is allowed to sell or repledge. The fair value of the financial assets accepted as collateral that the group is permitted to sell or repledge in the absence of default is R171 102 million (FY21:R191 231 million).

The fair value of financial assets accepted as collateral and commodities received through commodity leases that have been sold, repledged or leased in terms of repurchase agreements or leasing transactions is R10 614 million (FY21: R8 770 million).

These transactions are conducted under terms that are usual and customary to reverse repurchase and securities borrowing activities.

Other assets

	1H22 Rm	FY21 Rm
Financial assets[1]	**34 852**	21 495
Trading settlement assets	**23 407**	10 564
Reinsurance assets[2]	**3 788**	3 526
Other financial assets[3]	**7 657**	7 405
Non-financial assets	**16 571**	14 937
Prepayments	**4 908**	3 355
Insurance prepayments	**7 516**	5 408
Other non-financial assets	**4 147**	6 174
Total	**51 423**	36 432

[1] Due to the short-term nature of these assets, historical experience and forward-looking information, debtors (other than reinsurance assets) are regarded as having a low probability of default. Therefore, ECL is insignificant on these asset balances.
[2] Reinsurance assets include short-term reinsurance assets of R601 million (FY21: R526 million).
[3] Included in other financial assets are assets of a short-term nature such as accrued interest and dividends.

Private equity associates and joint ventures

The following table provides disclosure of those private equity associates and joint ventures 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 and joint ventures 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	
	1H22 Rm	FY21 Rm	1H22 Rm	FY21 Rm
Cost	**56**	**56**	**49**	52
Carrying value	**525**	**547**	**76**	63
Fair value	**525**	**547**	**76**	63
Equity accounted interest in associate	**311**	**338**	**76**	63
Disposal group held for sale[1]	**239**	**239**		
Disposal group held for sale – impairment[1]	**(25)**	**(30)**		

[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.

Contingent liabilities and commitments

	1H22 Rm	FY21 Rm
Contingent liabilities		
Letters of credit and bankers' acceptances	**21 054**	23 617
Guarantees	**80 375**	118 895
Total	**101 429**	142 512
Commitments		
Investment property	**704**	512
Property and equipment	**653**	341
Other intangible assets	**210**	196
Total	**1 567**	1 049

Loan commitments of R105 439 million (FY21: R102 026 million) are either irrevocable over the life of the facility or revocable only in response to material adverse changes.

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		
1H22	**Held-for-trading Rm**	**Designated at fair value Rm**	**Fair value through profit or loss – default Rm**
Assets			
Cash and balances with central banks			84 224
Derivative assets	82 808		
Trading assets	282 813		
Pledged assets	3 749		7 836
Disposal of group assets held for sale			461
Financial investments		36 940	362 011
Loans and advances			597
Policyholders' assets			
Interest in associates and joint ventures			
Investment property			
Other financial assets[3]			
Other non-financial assets			
Total assets	369 370	36 940	455 129
Liabilities			
Derivative liabilities	94 169		
Trading liabilities	92 426		
Disposal of group liabilities held for sale			
Deposits and debt funding		3 332	
Policyholders' liabilities[4]		117 247	
Subordinated debt		5 616	
Other financial liabilities[3]		67 009	
Other non-financial liabilities			
Total liabilities	186 595	193 204	

Refer to footnotes under the comparative table that follows.

Fair value through OCI						
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
		84 224	12 751		96 975	96 975
		82 808			82 808	82 808
		282 813			282 813	282 813
2 826		14 411	3 092		17 503	17 503
		461		489	950	461
79 102	939	478 992	226 156		705 148	703 945
		597	1 484 240		1 484 837	1 484 737
				2 713	2 713	
				8 983	8 983	
				29 464	29 464	29 464
			34 852		34 852	
				60 848	60 848	
81 928	939	944 306	1 761 091	102 497	2 807 894	
		94 169			94 169	94 169
		92 426			92 426	92 426
				89	89	
		3 332	1 839 054		1 842 386	1 841 607
		117 247		225 290	342 537	117 247
		5 616	23 433		29 049	29 065
		67 009	42 376		109 385	
				52 331	52 331	
		379 799	1 904 863	277 710	2 562 372	

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		
FY21	Held-for-trading Rm	Designated at fair value Rm	Fair value through profit or loss – default Rm
Assets			
Cash and balances with central banks			80 602
Derivative assets	63 688		
Trading assets	285 020		
Pledged assets	5 005		3 877
Disposal of group assets held for sale			361
Financial investments		38 399	396 259
Loans and advances			486
Policyholders' assets			
Interest in associates and joint ventures			
Investment property			
Other financial assets[3]			
Other non-financial assets			
Total assets	353 713	38 399	481 585
Liabilities			
Derivative liabilities	67 259		
Trading liabilities	81 484		
Disposal of group liabilities held for sale			
Deposits and debt funding		3 576	
Policyholders' liabilities[4]		123 947	
Subordinated debt		5 578	
Other financial liabilities[3]		81 662	
Other non-financial liabilities			
Total liabilities	148 743	214 763	

[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.

Fair value through OCI						
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
		80 602	10 567		91 169	91 169
		63 688			63 688	63 688
		285 020			285 020	285 020
4 143		13 025	1 153		14 178	14 179
		361		664	1 025	361
71 435	1 015	507 108	217 592		724 700	725 560
		486	1 423 842		1 424 328	1 422 896
				2 868	2 868	
				7 280	7 280	
				29 985	29 985	29 985
			21 495		21 495	
				60 081	60 081	
75 578	1 015	950 290	1 674 649	100 878	2 725 817	
		67 259			67 259	67 259
		81 484			81 484	81 484
				96	96	
		3 576	1 773 039		1 776 615	1 776 542
		123 947		239 076	363 023	123 947
		5 578	24 852		30 430	31 614
		81 662	37 766		119 428	
				44 633	44 633	
		363 506	1 835 657	283 805	2 482 968	

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.

	1H22				FY21			
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	81 375	2 849		84 224	79 112	1 490		80 602
Derivative assets	1 043	80 545	1 220	82 808	64	62 584	1 040	63 688
Trading assets	157 599	109 596	15 618	282 813	168 018	100 691	16 311	285 020
Pledged assets	14 395	16		14 411	12 211	814		13 025
Disposal of group assets classified as held for sale[2]			461	461			361	361
Financial Investments	218 927	242 087	17 978	478 992	266 443	222 228	18 437	507 108
Loans and advances		14	583	597		13	473	486
Investment property			29 464	29 464			29 985	29 985
Total assets at fair value	473 339	435 107	65 324	973 770	525 848	387 820	66 607	980 275
Financial liabilities								
Derivative liabilities	308	90 256	3 605	94 169	228	64 031	3 000	67 259
Trading liabilities	53 378	37 117	1 931	92 426	53 229	26 109	2 146	81 484
Deposits and debt funding		3 332		3 332		3 576		3 576
Policyholders' liabilities		117 247		117 247		123 947		123 947
Subordinated debt		5 616		5 616		5 578		5 578
Other liabilities		63 988	3 021	67 009		78 593	3 069	81 662
Total financial liabilities at fair value	53 686	317 556	8 557	379 799	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.

<table>
<tr><th colspan="2">Level 2 and 3 – valuation techniques and inputs</th></tr>
<tr><th>Item and valuation technique</th><th>Main inputs and assumptions</th></tr>
<tr><td>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.</td><td rowspan="2">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.</td></tr>
<tr><td>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.</td></tr>
<tr><td>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.</td><td rowspan="2">For level 2 and 3 fair value hierarchy items:
▪ discount rate*.</td></tr>
<tr><td>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.</td></tr>
<tr><td>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.</td><td>For level 2 and 3 fair value hierarchy items
▪ discount rate*
▪ spot price of underlying.</td></tr>
<tr><td>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.</td><td>For level 2 and 3 fair value hierarchy items
▪ discount rate*.</td></tr>
<tr><td colspan="2">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.</td></tr>
</table>

* 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
Other revenue						
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	**130**	**(823)**	**163**	**(112)**	**(544)**	**(1 186)**
Non-interest revenue	**130**	**(823)**	**269**	**(112)**		**(536)**
Investment losses			**(106)**		**(544)**	**(650)**
Total gains included in OCI			**115**			**115**
Issuances and purchases	**342**	**197**	**8 116**	**937**	**23**	**9 615**
Sales and settlements	**(258)**	**(67)**	**(8 853)**	**(715)**		**(9 893)**
Transfers into level 3[1]	**35**					**35**
Transfers out of level 3[2]	**(56)**					**(56)**
Exchange and other movements	**(13)**					**(13)**
Balance at 30 June 2022	**1 220**	**15 618**	**17 978**	**583**	**29 464**	**64 863**

[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
1H22						
Non-interest revenue	**245**	**(819)**	**228**	**(112)**		**(458)**
Investment (losses)			**(106)**		**(393)**	**(499)**
FY21						
Non-interest revenue	(279)	3 332	189	(123)		3 119
Investment gains/(losses)			541		(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	**1 542**	**(46)**	**(24)**	**1 472**
Issuances and purchases	**187**			**187**
Sales and settlements	**(861)**	**(169)**	**(24)**	**(1 054)**
Transfers out of level 3[1]	**(263)**			**(263)**
Balance at 30 June 2022	**3 605**	**1 931**	**3 021**	**8 557**

[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	Other financial liabilities Rm	Total Rm
1H22				
Non-interest revenue	**820**	**(57)**	**(24)**	**739**
FY21				
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
1H22			
Derivative instruments	**From (1%) to 1%**	**315**	**(315)**
Financial investments	**From (1%) to 1%**	**220**	**(208)**
Trading assets	**From (1%) to 1%**	**76**	**(76)**
Trading liabilities	**From (1%) to 1%**	**56**	**(56)**
Total		**667**	**(655)**
FY21			
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 R54 million favourable (FY21: R134 million favourable) and R56 million unfavourable (FY21: 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. Refer to the risk management – IFRS disclosures section for detail of the property exposure in the Shareholder Investment Portfolio (SIP).

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 470 million (FY21: R2 549 million). A 1% decrease in the exit capitalisation rate would result in an increase in the fair value of R3 217 million (FY21: R3 177 million).

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	1H22 Rm	FY21 Rm
Derivative assets	**5 632**	6 083
Loans and advances	**6 621**	5 885
Other assets	**594**	339
Derivative liabilities	**(5 171)**	(4 488)
Deposits and debt funding	**(1 372)**	(2 094)
Other liabilities	**(3 206)**	(1 515)

Significant transactions between the group and ICBCS during the reporting period comprise primarily of non-interest revenue of R108 million (1H21: R117 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 1H22, the net income recognised in respect of these arrangements amounted to R10 million (FY21: 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 20.1% shareholder of the group, excluding those with ICBCS.

Amounts included in the group's statement of financial position	1H22 Rm	FY21 Rm
Loans and advances	**2 860**	3 254
Other assets[1]	**1 015**	980
Deposits and debt funding	**(13 464)**	(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 30 June 2022, a balance of USD43.80 million (R711 million) is receivable from ICBC in respect of this arrangement (FY21: USD43.54 million; R692 million). The balance receivable from ICBC as at 30 June 2022 has been fully settled during the post reporting date period and will be accounted for as part of the group's FY22 results.

The group has off-balance sheet guarantees and letters of credit exposure issued to ICBC as at 30 June 2022 of R3 131 million (FY21: 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	1H22 Rm	FY21 Rm
Trading liabilities	**(121)**	(96)
Deposits and debt funding	**(29 507)**	(32 468)

Significant transactions between the group and mutual funds that the group invests in during the reporting period comprise primarily of net interest expense R1 179 million (1H21: R572 million).

Post-employment benefit plans

The group manages R12 902 million (FY21: 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:

	1H22 Rm	FY21 Rm
Financial investments held in bonds and money market	**995**	815
Value of ordinary group shares held	**238**	291

Other reportable items

Additional tier 1 capital

The group issued R1 559 million (FY21: R3 524 million) and redeemed R1 744 million (FY21: Rnil) Basel III compliant AT1 capital bonds that qualify as tier 1 capital during 1H22. During 2022, coupons to the value of R418 million (FY21: R746 million) were paid to AT1 capital bondholders. Current tax of R117 million (FY21: R208 million) relating to the AT1 capital bonds was recognised directly in equity resulting in an aggregate net equity impact of R301 million (FY21: 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 six months ended 30 June 2022 and up to 19 August 2022:

Appointments		
BJ Kruger	As independent non-executive director	6 June 2022
NMC Nyembezi[1]	As chairman	1 June 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

[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, 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:

	1H22 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 1H22, the group allotted 164 272 shares (FY21: 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 1H22 or FY21. The total equity securities held as treasury shares at 1H22 was a long position of 29 854 887 shares with no short positions (FY21: 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 that the outcome of these proceedings is inherently difficult to predict, but based on knowledge from investigation, analysis and consultation 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 legal cases for which the group is fully indemnified by external third parties, none of which are individually material.

Furthermore, there is currently no further update or change in assessment to note compared to the update provided in the FY21 results relating to the following two matters:

- The five foreign currency trading complaints lodged by South Africa's Competition Commission against various group entities on 15 February 2017, duly amended in 2020.
- Indemnities granted to ICBC following the disposal of Standard Bank Plc.

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, provisions are in place in terms of IFRS to meet claims that may succeed.

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 FY21 *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).

Other reportable items

Standard Bank Mozambique Foreign Currency Trading

During FY21, an on-site inspection by the Bank of Mozambique (BOM) was concluded regarding allegations of breaches in foreign exchange control requirements. On 12 July 2021, Standard Bank Mozambique (SBM) was notified by the BOM of the suspension from the foreign exchange market for a period of up to 12 months. SBM was fined an amount of R65 million for contravention processes instituted against SBM following findings of the on-site inspection.

During 2H21, the BOM conceded a partial lifting of SBM's suspension from the foreign exchange market. The lifting of the suspension, even though it still prevented SBM from participating in the Interbank foreign exchange market, allowed SBM to resume currency conversion operations with its clients.

During 1H22, the BOM carried out a follow-up inspection and, despite acknowledging progress has been made in addressing concerns raised during the first inspection, has confirmed that this suspension of SBM, in the same form as before, will be extended for another 12 months commencing from 24 July 2022 and additional fines of R23 million were administered (which have been recognised as part of the group's 1H22 results).

The group continues to cooperate and work closely with the BOM to address the situation. The group remains committed to do business ethically and responsibly, with rigorous governance and compliance processes in place, as we consider reputation our most valuable asset.

Subordinated debt

During 1H22, the group did not issue (FY21: R3.2 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 redeemed R1.0 billion (FY21: R1.7 billion) Basel III and R0.27 billion Basel II compliant tier 2 notes that were eligible for redemption during 1H22.

During 1H22, the group did not issue or redeem subordinated debt instruments that qualify as regulatory insurance capital (FY21: 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 and Liberty.

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

	1H22 Rm	FY21 Rm
Agriculture	**41 394**	41 528
Construction	**21 403**	17 120
Electricity	**27 451**	26 896
Finance, real estate and other business services	**460 310**	453 469
Individuals	**628 059**	612 374
Manufacturing	**93 530**	86 344
Mining	**44 441**	40 650
Transport	**54 817**	58 352
Wholesale	**89 676**	75 951
Other services	**77 509**	63 042
Total	**1 538 590**	1 475 726

GEOGRAPHIC SEGMENTAL ANALYSIS GROSS LOANS AND ADVANCES

	1H22		**FY21 (restated)[1]**	
	%	**Rm**	%	Rm
South Africa	**64**	**986 814**	66	968 045
Africa Regions	**23**	**355 381**	20	302 989
International	**13**	**196 395**	14	204 692
Total	**100**	**1 538 590**	100	1 475 726

[1] Restated. During 1H22, 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

	1H22 Rm	FY21 Rm
Agriculture	1 707	1 254
Construction	1 779	1 678
Electricity	378	539
Finance, real estate and other business services	2 760	3 144
Individuals	25 048	23 838
Manufacturing	1 599	790
Mining	208	113
Transport	768	1 155
Wholesale	1 793	2 071
Other services	1 652	1 547
Total	37 692	36 129

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

	1H22		FY21	
	%	Rm	%	Rm
South Africa	82	30 951	81	29 305
Africa Regions	16	6 047	17	6 221
International	2	694	2	603
Total	100	37 692	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.

VaR and SVaR

The group uses the historical VaR and SVaR approach to quantify market risk under normal and stressed conditions.

For risk management purposes VaR is based on 251 days of unweighted recent historical data updated at least monthly, a holding period of one day and a confidence level of 95%. The historical VaR results are calculated in four steps:

- Calculate 250 daily market price movements based on 251 days' historical data. Absolute movements are used for interest rates and volatility movements; relative for spot, equities, credit spreads, and commodity prices.
- Calculate hypothetical daily profit or loss for each day using these daily market price movements.
- Aggregate all hypothetical profits or losses for day one across all positions, giving daily hypothetical profit or loss, and then repeat for all other days.
- VaR is the 95th percentile selected from the 250 days of daily hypothetical total profit or loss.

Daily losses exceeding the VaR are likely to occur, on average, 13 times in every 250 days.

SVaR uses a similar methodology to VaR, but is based on 251-day period of financial stress and assumes a 10-day holding period and a worst case loss.

The 10-day period is based on the average expected time to reduce positions. The period of stress for SBSA is currently the 2008/2009 financial crisis while, for other markets, more recent stress periods are used. Where the group has received internal model approval, the market risk regulatory capital requirements is based on VaR and SVaR, both of which use a confidence level of 99% and a 10-day holding period.

Limitations of historical VaR are acknowledged globally and include:

- The use of historical data as a proxy for estimating future events may not encompass all potential events, particularly those which are extreme in nature.
- The use of a one-day holding period assumes that all positions can be liquidated or the risk offset in one day. This will usually not fully reflect the market risk arising at times of severe illiquidity, when a one-day holding period may be insufficient to liquidate or hedge all positions fully.
- The use of a 95% confidence level, by definition, does not take into account losses that might occur beyond this level of confidence.

VaR is calculated on the basis of exposures outstanding at the close of business and, therefore, does not necessarily reflect intra-day exposures. VaR is unlikely to reflect loss potential on exposures that only arise under significant market movements.

Trading book portfolio characteristics

VaR for the period under review

Trading book market risk exposures arise mainly from residual exposures from client transactions and limited trading for the group's own account. In general, the group's trading desks have run reduced levels of market risk throughout the year when compared to 2021 aggregate normal VaR, and reduced levels when compared to aggregate SVaR.

Risk management – IFRS disclosures

TRADING BOOK NORMAL VAR ANALYSIS BY MARKET VARIABLE

	Normal VaR			
	Maximum[1] Rm	Minimum[1] Rm	Average Rm	Closing Rm
1H22				
Commodities risk	**3**		**1**	**3**
Foreign exchange risk	**29**	**10**	**16**	**29**
Equity position risk	**21**	**8**	**13**	**20**
Debt securities	**39**	**19**	**25**	**39**
Diversification benefits[2]			**(20)**	**(30)**
Aggregate	**61**	**27**	**35**	**61**
FY21				
Commodities risk	2			
Foreign exchange risk	29	10	18	26
Equity position risk	19	9	13	13
Debt securities	72	18	34	25
Diversification benefits[2]			(24)	(24)
Aggregate	70	31	42	41

[1] The maximum and minimum VaR figures reported for each market variable do not necessarily occur on the same day. As a result, the aggregate VaR will not equal the sum of the individual market VaR values, and it is inappropriate to ascribe a diversification effect to VaR when these values may occur on different days.
[2] Diversification benefits is the benefit of measuring the VaR of the trading portfolio as a whole, that is, the difference between the sum of the individual VaRs and the VaR of the whole trading portfolio.

TRADING BOOK SVAR ANALYSIS BY MARKET VARIABLE

	SVaR			
	Maximum[1] Rm	Minimum[1] Rm	Average Rm	Closing Rm
1H22				
Commodities risk	**27**	**1**	**5**	**27**
Foreign exchange risk	**346**	**118**	**210**	**175**
Equity position risk	**224**	**87**	**126**	**127**
Debt securities	**576**	**255**	**326**	**576**
Diversification benefits[2]			**(324)**	**(401)**
Aggregate	**530**	**258**	**343**	**502**
FY21				
Commodities risk	13		4	1
Foreign exchange risk	320	140	232	216
Equity position risk	356	81	178	199
Debt securities	953	285	460	361
Diversification benefits[2]			(435)	(364)
Aggregate	903	259	439	412

[1] The maximum and minimum SVaR figures reported for each market variable do not necessarily occur on the same day. As a result, the aggregate SVaR will not equal the sum of the individual market SVaR values, and it is inappropriate to ascribe a diversification effect to SVaR when these values may occur on different days.
[2] Diversification benefits is the benefit of measuring the SVaR of the trading portfolio as a whole, that is, the difference between the sum of the individual SVaRs and the SVaR of the whole trading portfolio.

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
1H22							
Increase in basis points	bps	**200**	**100**	**100**	**100**	**100**	
Sensitivity of annual net interest income	Rm	**2 593**	**991**	**453**	**12**	**1 032**	**5 081**
Decrease in basis points[2]	bps	**200**	**100**	**100**	**100**	**100**	
Sensitivity of annual net interest income	Rm	**(2 688)**	**(1 199)**	**(439)**		**(1 127)**	**(5 453)**
FY21							
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)		(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.

Risk management – IFRS disclosures

Liberty

Enterprise risk management

The enterprise risk management process remains the same as that described in Liberty's 2021 annual financial statements. The commercial challenges faced by the business, evidenced by the new business value generated being insufficient to sustain Liberty's earnings in the medium term, continue to be the primary risk facing the organisation. Responding to this risk remains a top priority for management and most of the prioritised strategic initiatives contribute to addressing this risk. An update on other key risks is provided below.

Capital management

Solvency capital requirement coverage

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

	1H22	FY21
Available capital (or own funds) (Rm)	**28 794**	29 601
SCR (Rm)	**16 074**	17 254
SCR coverage ratio (times)	**1.79**	1.72
Target SCR coverage ratio (times)	**1.5 – 2.0**	1.5 - 2.0

The SCR coverage ratio of Liberty Group Limited (LGL), the group's main life insurer at 30 June 2022, remains strong at 1.79 times. A reduction in the equity symmetric adjustments (resulting in lower equity shocks) and an increase in the yield curves are the main reasons for the improvement in the SCR coverage ratio.

The SCR decreased over the period, mainly driven by lower equity symmetric adjustments and lower exposures to risky assets due to negative investment returns. Negative market returns and increased yields also reduced the insurance risk component of the SCR.

Available solvency capital decreased over the period, due to a low value of new business, non-recurring project expenses and negative investment returns.

The experience of various recent crises, including the Covid-19 pandemic, has demonstrated the strength of Liberty's balance sheet. A review of the Liberty risk appetite statement has been performed, which considered the benefits of becoming a wholly owned subsidiary of Standard Bank Group and analysed the results of detailed resilience modelling exercises. The review concluded that Liberty can operate within a lower SCR coverage range while continuing to remain highly resilient. Based on this review, the Liberty board has approved changing the LGL SCR coverage target range to 1.3 to 1.7 times. The transition to this range will be implemented as part of the Liberty integration into the broader Standard Bank Group.

Insurance risk

While the impact of Covid-19 for 1H22 has been significantly less than in prior years, the group continues to closely monitor the direct and indirect impacts emerging from the Covid-19 pandemic in order to ensure that appropriate management actions can be taken timeously.

The group has continued to take actions to refine underwriting and to process premium increases, where considered necessary, to help ensure that the experience on new business is broadly in line with expectation. Further, the group continues to implement retention initiatives to manage its persistency.

With the pandemic and socio-economic situation rapidly evolving, the group will continue to monitor the insurance environment, including the competitive landscape, to take appropriate management actions where required.

Market risk

Shareholder Investment Portfolio (SIP)

EXPOSURES IN THE SHAREHOLDER INVESTMENT PORTFOLIO

	1H22				FY21			
Exposure category	Local Rm	Foreign Rm	Total Rm	%	Local Rm	Foreign Rm	Total Rm	%
Equities	1 080	623	1 703	8	1 255	858	2 113	9
Bonds	6 041	438	6 479	30	6 282	414	6 696	28
Cash	7 501		7 501	35	8 424		8 424	36
Property[1]	4 331		4 331	20	4 465		4 465	19
Other	696	888	1 584	7	790	1 076	1 866	8
Total	19 649	1 949	21 598	100	21 216	2 348	23 564	100
Reconciliation to IFRS shareholders' equity								
Shareholder Investment Portfolio			21 598				23 564	
Less: 90:10 exposure[2]			(2 719)				(3 063)	
Less: Subordinated notes			(5 552)				(5 505)	
South African insurance operations Liberty funds			13 327				14 996	
Liberty's IFRS shareholders' equity			14 764				16 038	
Insurance group funds			13 327				14 996	
Liberty Two Degrees[3]			1 437				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 1H22, these matching assets amounted to R4 655 million (FY21: 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.
[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.

Financial markets have recovered from the large sell-offs observed during the early stages of the Covid-19 pandemic. Concerns, however, remain around the ability of global growth to recover to pre-pandemic levels. In addition to fears of lower growth, the effects of the prolonged Russian-Ukrainian conflict, which has given rise to supply chain disruptions as well as increasing commodity and energy prices, may be seen to be increasing global inflation. Low growth, higher inflation and increasing interest rates were key drivers of market sentiment during 1H22. The portfolio's performance was impacted by poor performance across most asset classes, with a weakening of the Rand providing a marginal offset.

Asset/liability management portfolio (ALM portfolio)

The hedging programme continued to be effective in reducing earnings volatility and was managed within approved risk limits during the period. Global inflation, growth and higher interest rates remain top of mind for investors heading into the second half of 2022.

Property

Key operational indicators, including customer visits to malls, tenant occupancies, rental collections, turnover growth and occupational health and safety, have been encouraging. The office sector remains under pressure with an industry oversupply, despite an increase in employees returning to the office.

The last six months have seen an improvement in the rental arrears position, with most rental relief negotiations related to the 2020 period now concluded. The ongoing impact of the Covid-19 pandemic, along with post 30 June 2021 events of social unrest in South Africa, continue to weigh on the economy and have contributed to a difficult trading environment for the property sector in particular.

Risk management – IFRS disclosures

Credit risk

Ongoing credit research and engagements with borrower management teams have improved Liberty's understanding of the impact of Covid-19 and the related lockdowns. Most of the borrowers initially impacted have been able to make changes to their business models and, in some cases, have sourced additional equity in order to stabilise their businesses. During 1H22, many businesses recovered to close to pre-Covid-19 levels with credit risks receding. However, there are two areas of increased concern:

- The state-owned enterprise and municipal sector borrowers are showing significant distress. Significant changes are required in the sector to reinstate these entities to viable financial positions. For some time Liberty has been reducing appetite for this sector.
- The macro environment weakness, exacerbated by the Ukraine war, rising inflation and load shedding are taking a toll on consumers and ultimately this is expected to show in the performance of businesses in the months ahead.

Overall, risk related to credit portfolios has increased across the board. This is evident in the credit ratings being applied by other external rating agencies and in Liberty's own internal ratings.

Liquidity risk

Liberty's overall liquidity position remains strong, bolstered by robust sales of annuities and guaranteed investment plans. Although credit origination activities have resumed, the poor domestic growth prospects mean that deal origination has been slower than expected. Increased financial markets volatility has given rise to increased margin and collateral calls against Liberty's derivative positions, but the group had sufficient high-quality liquid assets to meet its liquidity requirements.

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Shareholder information

Analysis of shareholders

Shareholding is as at 24 June 2022

TEN MAJOR SHAREHOLDERS[1]

	1H22		1H21		FY21	
	Number of shares (million)	**% holding**	Number of shares (million)	% holding	Number of shares (million)	% holding
Industrial and Commercial Bank of China	**325.0**	**19.4**	325.0	20.1	325.0	20.1
Government Employees Pension Fund (PIC)	**245.8**	**14.6**	230.5	14.2	234.9	14.5
GIC Asset Management Pte Ltd	**34.5**	**2.1**	10.4	0.6	11.6	0.7
Old Mutual Life Assurance Company	**30.4**	**1.8**	30.2	1.9	32.5	2.0
Alexander Forbes Investments	**26.6**	**1.6**	35.8	2.2	36.7	2.3
Government of Norway	**20.3**	**1.2**	18.8	1.2	15.6	1.0
Vanguard Emerging Markets Stock Index Fund	**18.6**	**1.1**	17.5	1.1	17.5	1.1
M&G Equity Fund	**18.3**	**1.1**	19.5	1.2	19.1	1.2
Vanguard Total International Stock Index Fund	**18.3**	**1.1**	17.0	1.0	17.5	1.1
Allan Gray Balanced Fund	**18.2**	**1.1**	26.9	1.7	27.9	1.7
	756.0	**45.1**	731.6	45.2	738.3	45.6

[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

	1H22		1H21		FY21	
	Number of shares (million)	**% holding**	Number of shares (million)	% holding	Number of shares (million)	% holding
South Africa	**816.9**	**48.7**	806.6	49.8	813.8	50.2
Foreign shareholders	**861.2**	**51.3**	813.3	50.2	806.2	49.8
China	**325.8**	**19.4**	330.5	20.4	325.9	20.1
United States of America	**223.0**	**13.3**	197.4	12.2	195.3	12.1
Singapore	**35.1**	**2.1**	13.9	0.9	13.2	0.8
United Kingdom	**24.0**	**1.4**	21.8	1.3	24.2	1.5
Namibia	**23.0**	**1.4**	22.4	1.4	22.1	1.4
Norway	**22.3**	**1.3**	19.1	1.2	15.9	1.0
Ireland	**18.5**	**1.1**	14.8	0.9	16.4	1.0
Luxembourg	**15.7**	**0.9**	14.3	0.9	14.2	0.9
Hong Kong	**15.7**	**0.9**	9.6	0.6	14.0	0.9
Japan	**13.2**	**0.8**	13.0	0.8	12.8	0.8
Netherlands	**12.6**	**0.8**	11.9	0.7	11.3	0.7
United Arab Emirates	**10.0**	**0.6**	15.0	0.9	14.6	0.9
Saudi Arabia	**7.4**	**0.4**	8.0	0.5	7.4	0.5
Kuwait	**7.0**	**0.4**	5.5	0.3	6.2	0.4
Australia	**6.1**	**0.4**	6.0	0.4	5.1	0.3
Sweden	**5.9**	**0.4**	4.9	0.3	6.9	0.4
Other	**95.9**	**5.7**	105.2	6.5	100.7	6.1
	1 678.1	**100.0**	1 619.9	100.0	1 620.0	100.0

Credit ratings

RATINGS AS AT 19 AUGUST 2022 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-	Stable
Local currency	B	B-	Stable
National rating	ngA-2	ngBBB	
Stanbic Bank Kenya			
Fitch Ratings			
Foreign currency issuer default rating	B	B+	Negative
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	Stable
Local currency deposit rating	NP	B1	Stable

Declaration of interim 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 an interim gross cash dividend No. 105 of 515.00 cents per ordinary share (the cash dividend) to ordinary shareholders recorded in the register of the company at the close of business on Friday, 16 September 2022. The last day to trade to participate in the dividend is Tuesday, 13 September 2022. Ordinary shares will commence trading ex dividend from Wednesday, 14 September 2022.

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 Wednesday, 14 September 2022, and Friday, 16 September 2022, both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their Central Securities Depository Participant (CSDP) or broker credited on Monday, 19 September 2022.

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 interim dividends:

- 6.5% first cumulative preference shares (first preference shares) dividend No. 106 of 3.25 cents (gross) per first preference share, payable on Monday, 12 September 2022, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday, 9 September 2022. The last day to trade to participate in the dividend is Tuesday, 6 September 2022. First preference shares will commence trading ex dividend from Wednesday, 7 September 2022.
- Non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 36 of 294.55181 cents (gross) per second preference share, payable on Monday, 12 September 2022, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday, 9 September 2022. The last day to trade to participate in the dividend is Tuesday, 6 September 2022. Second preference shares will commence trading ex dividend from Wednesday, 7 September 2022.

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, 7 September 2022, and Friday, 9 September 2022, both days inclusive. Preference shareholders (first and second) who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 12 September 2022.

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	105	106	36
Gross distribution/dividend per share (cents)	515.00	3.25	294.55181
Net dividend	412.00	2.60	235.64145
Last day to trade in order to be eligible for the cash dividend	Tuesday, 13 September 2022	Tuesday, 6 September 2022	Tuesday, 6 September 2022
Shares trade *ex* the cash dividend	Wednesday, 14 September 2022	Wednesday, 7 September 2022	Wednesday, 7 September 2022
Record date in respect of the cash dividend	Friday, 16 September 2022	Friday, 9 September 2022	Friday, 9 September 2022
CSDP/broker account credited/updated (payment date)	Monday, 19 September 2022	Monday, 12 September 2022	Monday, 12 September 2022

[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 412.00 cents per ordinary share, 2.60 cents per first preference share and 235.64145 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:

- 1 678 121 389 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
5 Simmonds Street, Johannesburg, 2001
PO Box 7725, Johannesburg, 2000

Investor Relations

Sarah Rivett-Carnac
Email: Sarah.Rivett-Carnac@standardbank.co.za

Chief Finance & Value Management Officer

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

Group Secretary

Zola Stephen
Email: Zola.Stephen@standardbank.co.za

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

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

Website: **www.standardbank.com/reporting**

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

Directors

NMC Nyembezi (chairman), PLH Cook, A Daehnke*, GJ Fraser-Moleketi, X Guan[1] (deputy chairman), GMB Kennealy, BJ Kruger, L Li[1], JH Maree (deputy chairman), NNA Matyumza, KD Moroka, ML Oduor-Otieno[2], ANA Peterside CON[3], MJD Ruck, 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)

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