

## CONTENTS

2	Our reports	52	Wealth
	<b>OUR BUSINESS</b>	58	Human capital report
6	Our value creation story	66	Information technology report
8	What we do	70	Risk report
10	Our strategy	74	Group financial review
12	Measuring our strategic progress		<b>OUR ACCOUNTABILITY</b>
16	In, for and across Africa	96	Corporate governance overview
18	Our material issues	106	Remuneration overview
20	Responding to our stakeholders		<b>ADDITIONAL INFORMATION</b>
	<b>OUR PERFORMANCE</b>	128	<i>Pro forma</i> financial information
26	Chairman's statement	128	Standard Bank Group Limited credit ratings
28	Group chief executives' report	ibc	Contact details
34	Personal & Business Banking		
44	Corporate & Investment Banking		

### About our 2016 annual integrated report

This report covers the period 1 January 2016 to 31 December 2016, and includes material issues up to board approval of the report on 1 March 2017. The report discusses our banking operations both throughout Africa and outside Africa. Financial information has been prepared on an International Financial Reporting Standards (IFRS) basis. Material non-financial information has also, where relevant, been included. Any restatements of comparable information have been noted as such.

The six capitals categorisation of the International <IR> Framework are implicit in the value drivers on page 12 that underpin our strategy, and in our material issues on page 18 that affect our commercial and social relevance. These are comprehensively discussed in the report, explaining our dependence and impact on the forms of capital that are fundamental to our ability to achieve our performance expectations in the short

term, and our vision in the medium term, within the context of our multi-generational purpose to drive Africa's growth. The boundary of the report extends, therefore, to our relationships with entities outside the organisation that underpin our ability to create value over time.

Management of the group's business units and corporate functions have approved the relevant content in the annual integrated report, and the group audit committee reviewed and recommended the report to the group's board of directors (board) for approval.

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

The board acknowledges its responsibility to ensure the integrity of the annual integrated report and is of the opinion that the report addresses all material issues that it believes to have a bearing on the group's capacity to create value over the short, medium and long term.

The report was unanimously approved by the board on 1 March 2017 and is signed on its behalf by:



**Thulani Gcabashe**  
Chairman



**Sim Tshabalala**  
Group chief executive



**Ben Kruger**  
Group chief executive

# Our reports

We produce a full suite of reports to cater for the diverse needs of our stakeholders.

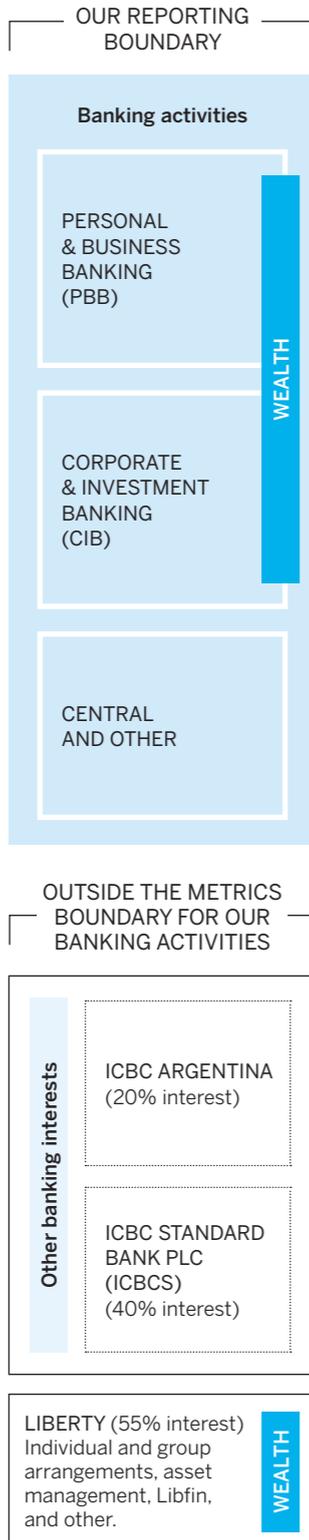
The reporting boundary for our reports covers the group's banking activities, which includes our banking operations and subsidiaries. It also covers our Wealth strategy, which connects to our broader financial services offering and pertains to the businesses within PBB, CIB and Liberty. Unless indicated otherwise, all data has been reported according to this boundary.

Liberty, a subsidiary, and ICBC Standard Bank Plc and ICBC Argentina, as associates, are included in the report where they pertain to the group's strategic value drivers, but are not included in the metrics that relate to our banking activities.

Group data that includes Liberty is indicated using the following icon



Information specific to only our South African banking operations is indicated using the following icon



OUR REPORTS	OUR REPORTS	OUR REPORTS	OUR REPORTS	OUR REPORTS
THIS REPORT	<b>Annual integrated report</b> As the group's primary report, our annual integrated report provides a holistic assessment of the group's ability to create value over time. It considers the issues that are material to maintaining the commercial viability and social relevance required to achieve our strategy in the medium to long term, including the macroeconomic and socio-political conditions within which we operate. Where applicable, information has been extracted from the reports listed below.  <i>Intended readers: principally providers of financial capital but also considered to be of interest to our other stakeholders.</i>	<b>Frameworks applied</b> <ul style="list-style-type: none"> <li>International &lt;IR&gt; Framework of the International Integrated Reporting Council</li> <li>South African Companies Act 71 of 2008 (Companies Act)</li> <li>JSE Limited (JSE) Listings Requirements</li> <li>King Report on Corporate Governance (King Code)</li> <li>South African Banks Act 94 of 1990 (Banks Act)</li> </ul>	<b>Assurance</b> While the annual integrated report is not audited, it contains certain information that has been extracted from the audited consolidated annual financial statements, on which an unmodified audit opinion has been expressed, and from the group's report to society on which assurance has been provided on selected information.	AIR (This report)
	<b>Governance and remuneration report</b> Provides a detailed review of the group's governance and remuneration practices, including the group's remuneration policy. The report also provides shareholders with the notice of the group's annual general meeting, together with the associated proxy forms.  <i>Intended readers: providers of financial capital and regulators.</i>	<b>Frameworks applied</b> <ul style="list-style-type: none"> <li>Companies Act</li> <li>JSE Listings Requirements</li> <li>King Code</li> <li>Banks Act</li> </ul>	<b>Assurance</b> Certain information in the governance and remuneration report has been extracted from the group's audited annual financial statements.	GOV/REM
	<b>Risk and capital management report and annual financial statements</b> Provides a detailed discussion of the management of strategic risks related to the group's banking and insurance operations, and sets out the group's full audited annual financial statements, including the report of the group audit committee.  <i>Intended readers: providers of financial capital and regulators.</i>	<b>Frameworks applied</b> <ul style="list-style-type: none"> <li>Various regulations relating to financial services, including Basel III</li> <li>IFRS</li> <li>Companies Act</li> <li>JSE Listings Requirements</li> <li>King Code</li> <li>Banks Act</li> </ul>	<b>Assurance</b> KPMG Inc. and PricewaterhouseCoopers Inc. have audited selected information in the risk and capital management report and have audited the annual financial statements for the year ended 31 December 2016, on which they have expressed an unmodified audit opinion.	RCM/AFS
	<b>Report to society</b> Provides an analysis of the issues material to the group's sustainability and to its stakeholders.  <i>Intended readers: the group's broad base of stakeholders, particularly clients, employees, business partners, regulators, government and civil society organisations.</i>	<b>Indices and frameworks applied</b> <ul style="list-style-type: none"> <li>JSE Listings Requirements</li> <li>King Code</li> <li>FTSE/JSE Responsible Investment Index Series and Dow Jones Sustainability Index</li> <li>Carbon Disclosure Project</li> <li>United Nations Sustainable Development Goals</li> <li>Equator Principles</li> </ul>	<b>Assurance</b> KPMG Inc. has provided assurance over selected information in the report to society.	RTS
	<b>The Standard Bank of South Africa Limited annual report</b> The Standard Bank of South Africa (SBSA) is the group's largest subsidiary. The group's other subsidiaries also produce their own annual reports and audited annual financial statements.  <i>Intended readers: bond investors, offshore lenders and regulators.</i>	<b>Frameworks applied</b> <ul style="list-style-type: none"> <li>Various regulations relating to financial services, including Basel III</li> <li>IFRS</li> <li>Companies Act</li> <li>JSE Listings Requirements</li> <li>King Code</li> <li>Banks Act</li> </ul>	<b>Assurance</b> KPMG Inc. and PricewaterhouseCoopers Inc. have provided assurance over selected information in SBSA's annual risk and capital management report and have audited the annual financial statements for the year ended 31 December 2016, on which an unmodified audit opinion has been expressed.	
	<b>Liberty Holdings Limited (Liberty)</b>  As a separate listed entity Liberty prepares its own integrated report which assesses its governance, strategy, performance and prospects, and is available at <a href="http://www.libertyholdings.co.za">www.libertyholdings.co.za</a> .			

These icons refer readers to information elsewhere in this report or in other reports that form part of the group's suite of reporting publications:

