

ABOUT THIS REPORT

As our primary report, the annual integrated report considers the issues that are material to achieving the group's strategy in the medium to long term.

This report covers the period 1 January 2017 to 31 December 2017 and includes material issues up to the board approval of this report on 7 March 2018.

This report explains our dependence and impact on the forms of capital that are fundamental to achieving our performance expectations in the short term and our vision in the medium term, within the context of our multi-generational purpose. In this regard, we use terms that stay true to the articulation of the group strategy and definition of value, which is described as the outcomes we aim for – what success looks like – in each of our

strategic value drivers. The six capitals are implicit in the value drivers that underpin our strategy, and in our material issues. The boundary of this report extends, therefore, to our relationships outside the organisation that affect our ability to create value over time.

Financial information has been prepared on an IFRS basis, unless otherwise specified. Material non-financial information is included, where relevant. Any restatements of comparable information have been noted.

Reporting scope and boundary

This report primarily discusses the group's banking activities which includes the group's wealth businesses (such as short and long term insurance products, asset management and pension fund businesses). It covers the businesses within Personal & Business Banking (PBB) and Corporate & Investment Banking (CIB), as well as our Wealth strategy.

Liberty, a subsidiary, and the Industrial and Commercial Bank of China (ICBC) Argentina and ICBC Standard Bank Plc (ICBCS), as associates, are included in this report where they are relevant to the group's strategic value drivers, but are not included in the metrics that relate specifically to our banking activities.

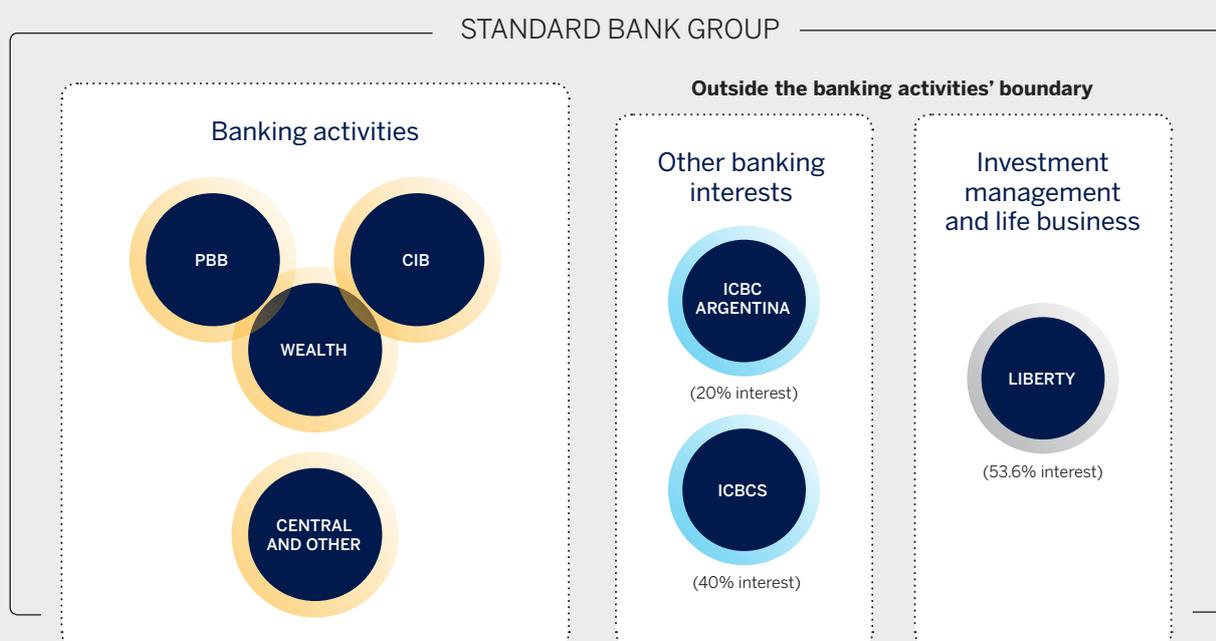
More detail on our relationship with Liberty, the associated risks and opportunities and its impact on our ability to create value as a group, is included in the Wealth review on page 70.

Metrics boundary

Unless otherwise indicated, all data has been reported according to the banking activities' boundary.

Lib Indicates where Liberty is included in group data.

SA Indicates where information is specific to our South African banking operations only.



Responding to our stakeholders

Our stakeholders are those individuals or organisations that have an interest in and whose actions impact on our ability to execute our strategy.

Our intention is to build and promote stakeholder engagement activities and relationships that are meaningful, and support us in fulfilling our purpose, enhancing our reputation and meeting regulatory requirements.

A new approach to stakeholder engagement

In 2017, we conducted a pilot study to assess the quality of selected stakeholder relationships in South Africa. The results have informed changes to our engagement model and will drive systematic and inclusive stakeholder engagement. Going forward, we will broaden the assessment of relationships to include additional countries of operation.

Materiality

We consider an issue to be material if it has the potential to substantially impact on our commercial viability, our social relevance and our relationships with our stakeholders. Our material issues are informed by the expectations and concerns of our stakeholders, and the social, economic and environmental context in which we operate. They are linked to our value drivers to direct the focus of our strategic planning and management priorities. We view the materiality determination process as a business tool that facilitates integrated thinking.

Further improvements to enhance stakeholder input into the material issues' determination process will be rolled out in 2018.

How we determined our material issues

- Generated a list of material issues following a review of internal reports, external research reports and media coverage.
- Engaged with stakeholders to test the completeness of the list of material issues.
- Mapped the list of material issues to each strategic value driver, the ten social, economic and environmental (SEE) impact areas, and the top risks identified.
- Discussed the material issues with group management committee members.
- Developed a final list of material issues and categorised these according to the group's strategic value drivers.
- The final list of material issues was submitted to and approved by the group social and ethics committee.

Statement of the board of the Standard Bank Group Limited

Business unit and corporate function management have approved the annual integrated report's content, and the group audit committee reviewed and recommended the report to the board of directors for approval.

The board acknowledges its responsibility to ensure the integrity of the annual integrated report and believes that the report addresses all material issues that 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 7 March 2018 and is signed on its behalf by:

Thulani Gcabashe
Chairman

Sim Tshabalala
Group chief executive

Assurance

Interviews with senior leadership, together with other internal sources of information, have been used to gather information for this report. An internal combined assurance review of the internal controls applied to the information gathering process was performed, together with reviews by management, compliance and internal audit to ensure the accuracy of our reporting content.

While this 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 by the group's external auditors, KPMG Inc. and PricewaterhouseCoopers Inc., and from the group's report to society, on which assurance on selected information has been provided by KPMG Inc.



All our reports and latest financial results presentations, booklets and SENS announcements, are available online at www.standardbank.com/reporting. Financial and other definitions, and acronyms and abbreviations used in our reports can also be found here. Scan the QR code to be taken directly to the website.



We welcome the views of our stakeholders on our reports. Please email your feedback to InvestorRelations@standardbank.co.za.

For important information on forward-looking statements in this report, refer to the inside back cover.