

# Value created in 2015

## Value added statement

	2015		2014	
	Rm	%	Rm	%
<b>Value added</b>				
Interest, commissions and other revenues	136 069		125 004	
Income from investment management and life insurance activities	74 016		79 744	
Interest paid to depositors	(51 596)		(52 101)	
Benefits due to policyholders	(50 366)		(58 258)	
Other operating expenses	(34 893)		(28 482)	
<b>Wealth created</b>	<b>73 233</b>		65 907	
<b>Distribution of wealth</b>				
Employees	31 918	44	28 789	44
Government	10 926	15	10 499	16
Ordinary shareholders	10 396	14	9 052	14
Non-controlling interests and preference shareholders	4 201	6	4 390	6
Corporate social investment (CSI) spend	173		115	
Retentions to support future business growth	15 619	21	13 062	20
<b>Wealth applied</b>	<b>73 233</b>	<b>100</b>	65 907	100

## Employees

With a workforce of 54 361 permanent employees at December 2015, the wealth created per employee was approximately R587 000 (2014: R584 000). This includes salaries, benefits and amounts paid to government institutions on behalf of employees.

## Government

The group contributes directly to public finances through a wide range of taxes and indirectly through the taxes paid by the suppliers we procure from. We strive to optimise our business success in minimising tax risks and maximising the value we are able to deliver to our shareholders, and the communities and governments of the countries in which we operate.

## Shareholders

A total dividend to shareholders of 674 cents was declared for 2015, a 13% increase on the prior year.

Under Tutuwa, Standard Bank's BBBEE ownership transaction, a significant number of Tutuwa beneficiaries realised value during 2015 following the expiry of the scheme's 10-year lock in period at the end of 2014. At December 2015, the scheme's remaining participants consisted of 1 881 (2014: 6 188) black managers. Dividend payouts to remaining Tutuwa Managers' Trusts beneficiaries amounted to approximately R41 million (2014: R164 million).

## Other operating expenses

Other operating expenses cover cash for materials, facilities and services purchased. This includes property rental, licence fees, payments for contract workers, employee training costs and costs that arise out of our day-to-day operational activities.

Training spend to upskill our employees group-wide in 2015 was R636 million (2014: R746 million).

## Our supply chain

Our total procurement spend (excluding Liberty) for 2015 was R26,4 billion (2014: R30,5 billion) benefiting 15 625 (2014: 15 058) suppliers, of which 73% and 27% were situated in South Africa and rest of Africa respectively.

In South Africa, we met the financial sector code's target for preferential procurement, scoring 16 points out of a possible 16. As a level 2 BEE contributor, we are classified as a value adding supplier.

## Corporate social investment

Our CSI programme continues to focus on investment in education across our geographic footprint. In 2015, we also established a strategic partnership with the Global Fund through which we support their efforts to eliminate HIV/Aids, tuberculosis and malaria. A range of employee community involvement initiatives provide our people with opportunities to give back and actively participate in making a difference in the communities in which they work and live.

Our Employee Matching initiative encourages employees to support non-profit organisations through monetary contributions. In 2015, approximately 140 organisations were supported in South Africa through the matching programme with Standard Bank matching employee contributions to the value of R1,5 million. 



More detail on our approach to CSI can be found on [www.standardbank.com/sustainability](http://www.standardbank.com/sustainability)

## Accelerating our journey

- Our engagement with our stakeholders underpins the success of our shared value journey. Only through interacting with them on an ongoing basis can we truly understand their needs and expectations and respond to these.
- Our ability to do so within the volatility of our current operating environment requires the agility to respond quickly to trends and changes; the empathy to understand how these impact our stakeholders and the innovative thinking that allows us to devise solutions specifically tailored for the second decade of the twenty-first century.
- It is on this basis that we will continue to accelerate our journey.

