

OUR ROLE AS A RESPONSIBLE CORPORATE CITIZEN

We continue to play a proactive role in policy and legislative consultation processes, engaging with government departments and making submissions to the South African Parliament. In South Africa, we've been closely involved in the CEO Initiative, through which the business sector has partnered with government and organised labour to identify structural and regulatory barriers to economic growth, and to develop solutions to address these. These and other efforts undertaken jointly by business and government were crucial to averting a sovereign ratings downgrade during 2016. We continue to work with our colleagues in government, business and organised labour to restore our economy to a path of more rapid and more inclusive growth.

In 2016, we joined with other business leaders in South Africa in the CEO Pledge – a commitment to the constitution, good governance, democracy, the rule of law, social justice, and inclusive growth. We recognise that the stark inequality that characterises societies around the world, and South Africa in particular, needs to be urgently addressed, and that we as Standard Bank need to ensure that the business we undertake and the investments we make, constitute a significant contribution to supporting inclusive growth and job creation.

The student protests that we've seen across South Africa over the past two years are part of a broader global phenomenon of anti-establishment and youth protest. We understand that we need to be part of the solution, in order to retain our legitimacy and relevance within our society. This isn't simply about providing more funding for students – although that too is an important contribution that we and the other banks are making. It's about understanding the underlying issues and challenges, and working with all the relevant social partners to try to address them.

Our business decisions are based on our legal obligations under national and global laws and standards and on our ethics and values. We are entirely confident that we have acted correctly and ethically at all times.

LOOKING AHEAD

Despite the current headwinds, the factors that underpin Africa's long-term growth – including a young and growing population, greater urbanisation, improved governance and greater macroeconomic stability – remain firmly in place. Africa continues to offer a highly attractive investment environment for those with a long-term view. Growth is expected to recover to 3% in 2017, and to accelerate further in the medium term, powered by recovering commodity prices, urbanisation, investment in infrastructure and telecommunications, and growing intra-regional trade.

We're proud of the board appointments made in 2016. We've made five additions to the board, giving us a very strong team in terms of expertise and in terms of a broad representation of geographies, sectors, gender, age and race. We're working to improve alignment between the group board and our country boards. During 2016, we met with the board members in west, east and southern Africa, to engage on the group's strategy and to ensure the alignment of our priorities. We recognise the growing contribution that countries outside South Africa are making to achieving our purpose, and we are committed to ensuring that we have strong relationships between countries and the centre. Our group risk and audit functions are working more closely with their counterparts in country, and participating in committees at country level. We're also working to build stronger relationships between our teams at group level and our non-executives in country, to build closer relationships across the group.

We're confident in our Africa growth strategy, and that we'll continue to make good returns across the continent. We are also confident that our commitment to doing the right business, the right way, and placing our customers' best interests first, will ensure that we continue to make a positive and substantial contribution to supporting inclusive economic growth on this continent we call home.



Joint CEOs **Ben Kruger** and **Sim Tshabalala**, and chairman **Thulani Gcabashe**