

Annual Financial Statements

for the 10 month period ended 31 December 2014

Standard Advisory London Limited

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Strategic Report

The directors present their strategic report for the 10 month period ended 31 December 2014 for Standard Advisory London Limited ("the company" or "SALL").

Standard Bank Group profile

Standard Bank Group ("SBG") is a leading African integrated financial services group offering a full range of banking and related financial services. SBG has three business units: Personal & Business Banking, Corporate & Investment Banking and Liberty and as an international banking group currently operates in 20 countries on the African continent, including South Africa, as well as in other selected emerging markets. This also includes operating in a number of key international markets, including the United Kingdom ("UK"), the United States of America ("US"), Hong Kong and Dubai, working with institutional and corporate clients that have an interest in Africa.

Standard Bank Group Limited's ("SBGL") shares are listed on the Johannesburg Stock Exchange. SBG employs approximately 48,800 people across all geographies. SBGL's market capitalisation at 31 December 2014 was ZAR226 billion (approximately GBP£13 billion).

SBGL is the holding company of Standard Advisory London Limited.

Establishment of SALL

On 8 November 2013, SBG announced its intention to sell a majority interest in Standard Bank Plc ("SB Plc"), the principal entity which housed its Global Markets business outside Africa.

On 29 January 2014, Standard Bank London Holdings Limited ("SBLH"), entered into a sale and purchase agreement in terms of which Industrial and Commercial Bank of China Limited ("ICBC") would, upon completion of the sale and purchase, acquire a controlling interest of 60% in SBG's London-based global markets business. This would facilitate the establishment of a partnership in Global Markets between China and Africa's largest banks. The transaction completed on 1 February 2015.

As a condition to the completion of the transaction, all businesses of SB Plc not related to the global markets business (excluded businesses) were carved out and transferred to SALL, a new entity, established for this purpose. The company was incorporated in England and Wales on 5 February 2014 as Moltonplace Limited and changed its name on 21 July 2014 to Standard Advisory London Limited. SBGL purchased the company on 21 October 2014 for £1 and capitalised the company with £30m (see note 4). The company was authorised by the FCA on 31 December 2014 for advising and arranging in relation to investments.

Principal activities

The company did not conduct any activities in 2014 apart from those relating to its creation and the transfer of the excluded businesses from SB Plc. The detail of these businesses have been set out below.

Financial results

The company's results for the period are shown in the Statement of profit or loss and other comprehensive income on page 11. The loss for the year was £1,093,457, relating to set up costs of the new entity.

Capital resources

The company manages capital requirements based on the FCA requirements as well as a multiple of the monthly cost cover. At the end of 2014, the company was well capitalised with total equity capital resources amounting to £28.6m.

Key risk areas and risk management

SALL recognises that the operation of its business carries inherent risks. Apart from reputational risk, the key inherent risks to the business are conduct, compliance, legal, operational, and human resources.

As all transactions originated from within SALL will be booked to The Standard Bank of South Africa ("SBSA") or other subsidiaries of SBG, SALL will not be exposed to external market or credit risk.

SBG has substantial financial resources and a robust risk management architecture, upon which SALL can rely in order to shield it against economic risks. Linked to SBG's framework, SALL has its own risk and compliance framework including a Risk & Compliance Committee which meets monthly to oversee and monitor the activities of the company.

Business objectives and outlook for 2015

SALL is a subsidiary of SBG and its main role is to have a "client-facing" relationship on behalf of SBG, arranging and advising on banking and finance services for clients.

SALL will be predominantly offering:

- Investment banking services which include, arranging and advisory services to corporate and institutional clients, including in respect of mergers and acquisitions, public offerings, capital raisings and debt products;
- Advising and arranging on transactional products and services to multi-national corporate and non-governmental organisations, including cash management solutions, trade finance services, and investor services (such as clearing and custody);
- Relationship management for "high net worth individuals" or "private clients" as part of the broader Standard Bank Group's wealth management services;
- Client coverage (i.e. relationship management) of SBG's clients; and
- Employing a number of individuals who currently perform functions for SBG.

SALL will not originate financial assets for its own balance sheet. All financial assets will be originated on the balance sheet of other SBG subsidiaries.

By order of the Board



S C Smollett
Secretary
Standard Advisory London Limited

20 Gresham Street
London EC2V 7JE
Registered in England No. 8878241

Directors' Report

The directors present their report and financial statements for the 10 month period ended 31 December 2014 for SALL.

Going concern basis

The financial statements are prepared on a going concern basis, as the directors are satisfied that the company has adequate resources to continue in business for the foreseeable future.

Dividends

The directors do not recommend the payment of an ordinary dividend, for the period ended 31 December 2014.

Directors

The directors who held office during the course of 31 December 2014 or who hold office as at the date of this report are as follows:

DJ Pudge (appointed on incorporation and resigned on 29 October 2014)
AJM Morris (appointed on incorporation and resigned on 29 October 2014)
SP Ridley (appointed as non-executive director and Chairman on 29 October 2014)
GM Vogel (appointed as a non-executive director on 29 October 2014 and Chief Executive Officer on 1 January 2015 on the start of operations)
IE Lawrence (appointed as a non-executive director on 19 November 2014)
RTF Poole (appointed as a non-executive director on 19 November 2014)
JP Walker (appointed as an executive director on 19 November 2014)
SA Wallace (appointed as an executive director on 19 November 2014)

None of the directors held any beneficial interest in the ordinary share capital of the company during the period or at 31 December 2014.

The directors who held office at the date of approval of this directors' report confirm that, as far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and that each director has taken all steps that they ought to have taken as directors to make them aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Committees

The Board delegates certain functions and responsibilities to the Governance Committee ("Committee") which is responsible for the day to day management of the company. The establishment of the committee was approved by the board on 19 November 2014.

Membership: The committee comprises certain directors and senior executives, currently G Vogel (Chairperson and Chief Executive Officer), S. Wallace, R. Bessinger, I. Carton, Y. Dmitrieva, C. Furey, A. Hunt, R. Jones, T. Lancaster, R. Litynska and W. Mitchell.

The major sub-committees supporting the Governance Committee in fulfilling its responsibilities are the Risk and Compliance Committee and Client Risk Management Committee.

Transactions with directors and related parties

There are no loans, arrangements or agreements that require disclosure under the Companies Act 2006 or International Financial Reporting Standards regarding transactions with related parties, other than those shown in notes to the financial statements.

Directors Liability Insurance

The company maintained directors' and officers' liability insurance from 29 October 2014 to the period ended 31 December 2014.

Employees

It is the company's policy to ensure that all employees and job applicants are given equal opportunities and that they do not face discrimination on the grounds of ethnic origin, colour, nationality, marital same sex partnership or family status, religion, sex, age, sexual orientation, gender reassignment or disability. Should an employee become disabled during their career with the company, all reasonable efforts will be made to ensure continued employment.

Employee involvement in the company's business is encouraged and information disseminated through communication meetings and internal staff publications.

The company recognises its responsibilities to provide a safe working environment for all its staff and measures are in place to ensure that the Health and Safety at Work regulations are observed and complied with.

Auditor

KPMG LLP has indicated its willingness to continue as auditor of the company. Accordingly, a resolution is to be proposed at the next annual general meeting for the re-appointment of KPMG LLP as auditor of the company.

By order of the Board



S C Smollett
Secretary
Standard Advisory London Limited

20 Gresham Street
London EC2V 7JE
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Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU and applicable law.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the member of Standard Advisory London Limited

We have audited the financial statements of Standard Advisory London Limited for the 10 month period ended 31 December 2014 set out on pages 10 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

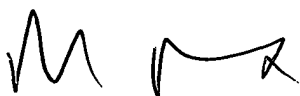
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Paul Furneaux (senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square, London E14 5GL

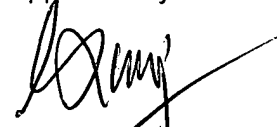
23 March 2015

Statement of financial position*as at 31 December 2014*

	Note	2014 £'000
Assets		
Cash and cash equivalent	2.2	60,518
Amount owing by fellow subsidiary	1	5,840
Trade and other receivables	1	297
Deferred tax asset	3.1	114
Total assets		66,769
Liabilities and equity		
Liabilities		38,131
Amount owing to fellow subsidiary	1	1,206
Staff accruals		36,385
Trade and other liabilities	1	540
Equity		28,638
Ordinary share capital	4	30
Ordinary share premium	4	29,970
Reserves		(1,362)
Total liabilities and equity		66,769

The accounting policies and notes on pages 14 to 24 should be read as part of the financial statements.

Approved by the Board of Directors and signed on its behalf on 23 March 2015



S. Ridley (Chairman)



G. Vogel (Chief Executive Officer)

Statement of profit or loss and other comprehensive income*for the 10 month period ended 31 December 2014*

	Note	2014 £'000
Net profit from operations		-
Operating expenses	2.1	(1,206)
Loss before direct taxation		(1,206)
Taxation	6	114
Loss for the year		(1,092)
Other comprehensive income		-
Total comprehensive loss for the year attributable to shareholders		(1,092)

The accounting policies and notes on pages 14 to 24 should be read as part of the financial statements.

Statement of changes in shareholder equity*for the 10 month period ended 31 December 2014*

	Note	Ordinary share capital and share premium £'000	Retained earnings £'000	Common control reserve £'000	Total equity £'000
Issue of ordinary share capital and share premium		30,000	-	-	30,000
Common control reserve	1.2	-	-	(269)	(269)
Total comprehensive loss for the year		-	(1,092)	-	(1,092)
Balance at 31 December 2014		30,000	(1,092)	(269)	28,639

Statement of cash flows*for the 10 month period ended 31 December 2014*

	Note	2014 £'000
Cash flows from operating activities		
Loss for the period before taxation		(1,206)
Adjusted for:		
Amounts owing to fellow subsidiaries in respect of set-up costs	2.1	1,206
Net cash flows generated from operating activities		-
Investing activities		
Cash flow from common control transaction	1.2	30,518
Net cash flows generated from investing activities		30,518
Financing activities		
Ordinary share capital issued	4	30,000
Net cash flows generated from financing activities		30,000
Net increase in cash and cash equivalents		60,518
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the year	2.2	60,518

Significant accounting policies

The principal accounting policies applied in the presentation of the financial statements are set out below.

1 Basis of preparation

These financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU.

The significant accounting policies adopted by the company are consistent with those adopted by SBG.

The financial statements are prepared in accordance with the going concern principle under the historical cost basis.

2 Group consolidation policy

Common control transactions

Common control transactions are those transactions in which a business is ultimately controlled by the same ultimate parent both before and after the transaction. Such transactions are accounted for at the predecessor's carrying values. Any difference between the carrying value of the assets and liabilities transferred and the acquisition price paid is recognised directly in equity as a transaction between equity owners and results in no gain or loss being recognised in the company's statement of profit or loss and other comprehensive income.

Functional and presentation currency

Items have been included in the annual financial statements using the currency of the primary economic environment in which the entity operates (functional currency). The company's functional and presentational currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date, and those measured at fair value are translated at the exchange rate at the date that the fair value was determined. Exchange differences on non-monetary items are accounted for based on the classification of the underlying items.

3 Cash and cash equivalents

Cash and cash equivalents disclosed in the cash flow statement consist of highly liquid short-term placements.

4 Financial instruments

Initial recognition and measurement

Financial instruments include all financial assets and liabilities.

These instruments are typically held for liquidity, investment, trading or hedging purposes. All financial instruments are initially recognised at fair value plus directly attributable transaction costs, except those carried at fair value through profit or loss where transaction costs are recognised

immediately in profit or loss. Financial instruments are recognised (derecognised) on the date the group commits to purchase (sell) the instruments (trade date accounting).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the group as at fair value through profit or loss or available-for-sale.

Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

Origination transaction costs and origination fees received that are integral to the effective interest rate are capitalised to the value of the loan and amortised through interest income as part of the effective interest rate. The majority of the company's loans and advances are included in the loans and receivables category.

Financial liabilities at amortised cost

Financial liabilities that are neither held for trading nor designated at fair value are measured at amortised cost.

5 Tax

Direct taxation

Direct taxation includes current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted, or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the reporting date. Deferred tax is not recognised for the initial recognition of assets and liabilities which affect neither accounting nor taxable profits or losses.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which unused tax losses and other temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax relating to items which are charged or credited directly to other comprehensive income are also charged or credited directly to other comprehensive income and are subsequently recognised in profit or loss when the related deferred gain or loss is recognised.

Indirect taxation

Indirect taxes, including non-recoverable value added tax (VAT), shareholder's taxes and other duties are recognised in profit and loss and disclosed separately.

6 Equity

Share issue cost

Incremental external costs directly attributable to a transaction that increases or decreases equity are deducted from equity, net of related tax. All other share issue costs are expensed.

Dividends

Dividends are recognised in the period in which they are declared. Dividends declared after the reporting date are disclosed in the dividends note.

7 Employee benefits

The company operates both equity-settled and cash-settled share-based compensation plans.

The fair value of equity-settled share options is determined on the grant date and accounted for as staff costs over the vesting period of the share options, with a corresponding increase in the share-based payment reserve. Non-market vesting conditions, such as the resignation of employees and staff retrenchments, are not considered in the valuation but are included in the estimate of the number of options expected to vest. At each reporting date, the estimate of the number of options expected to vest is reassessed and adjusted against profit or loss and equity over the remaining vesting period.

On vesting of share options, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer. On exercise of equity-settled share options, proceeds received are credited to share capital and premium.

Share-based payments settled in cash are accounted for as liabilities at fair value until settled. The liability is recognised over the vesting period and is revalued at every reporting date and on settlement.

Any changes in the liability are recognised in profit or loss.

8 Revenue

Revenues described below represent the most appropriate equivalent of turnover. Revenue is derived substantially from the business of holding investments in subsidiaries and banking and related activities and comprises net interest income and non-interest revenue.

Net interest income

Interest income and expenses are recognised in profit or loss on an accrual basis using the effective interest rate method for all interest-bearing instruments, except for those classified at fair value through profit or loss. In terms of the effective interest rate method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Notes to the financial statements

2014
£'000

1. Related party transactions

1.1 Related Party Transactions

The company is a party to the following group transaction balances as at 31 December 2014:

Assets

Cash deposits with groups companies (included in cash and cash equivalents)	30,000
Amounts owing by fellow subsidiary	5,840
Total assets	35,840

These balances are categorised as loans and receivables in accordance with IAS 39 and are payable on demand. The carrying value of these assets approximates their fair value as at 31 December 2014.

Liabilities

Amounts owing to fellow subsidiary	1,206
Total liabilities	1,206

These balances are categorised as liabilities at amortised cost in accordance with IAS 39 and are repayable on demand. The carrying value of these liabilities approximates their fair value as at 31 December 2014.

1.2 Common Control

As stated within the Strategic Report that forms part of these financial statements the company was formed as a result of SBG's sale of its Global Markets business contained within Standard Bank Plc (fellow subsidiary) to ICBC. The non-Global Markets business was transferred to SALL on 31st of December 2014 in preparation for this disposal which was completed on 1 February 2015. The following material balances were transferred on 31 December 2014 and were accounted for as a common control transaction in terms of the company's accounting policy.

Assets

Trade and other receivables	297
Amounts owing by fellow subsidiaries	5,840

Liabilities

Staff accruals*	(36,385)
Trade and other payables	(540)

Net asset value transferred excluding cash balances	(30,787)
--	-----------------

Cash and cash equivalents acquired	30,787
Consideration paid by SALL	(269)

Net cash flow as a result of transaction	30,518
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Loss on common control transaction recognised directly in equity	(269)
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*Of the total amount, £15.3m relate to cash incentive provision and the rest to long-term incentive schemes namely Quanto £20.3m and PRP £0.8m. Refer to Note 5 for detailed information on the long-term incentive schemes.

Notes to the financial statements continued

	2014
	£'000
2 Cash flow statement notes	
2.1 Increase in amounts owing to fellow subsidiaries	
Financial liabilities to group company for set up costs	(1,206)
Total	(1,206)
2.2 Cash and cash equivalents	
Cash held with external counterparties 7.1	30,518
Cash held with fellow subsidiaries	30,000
Cash and cash equivalents at end of the year	60,518

3 Key management assumptions

The preparation of the financial statements requires the company to make estimations where uncertainty exists. The key management assumptions made by the company are set out below.

3.1 Income taxes

The company is subject to direct and indirect taxation. There may be transactions and calculations for which the ultimate tax determination has an element of uncertainty during the ordinary course of business. The company recognises liabilities based on estimates of the quantum of taxes that may be due. Where the final tax determination is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax expense in the year in which such determination is made.

A deferred tax asset of £114k is recognised in respect of gross tax losses of £570k. A deferred tax asset has been recognised as it is probable that future taxable profits will be available against which the company can utilise the benefits.

Notes to the financial statements continued

2014

£

4. Equity**Authorised**

The directors are generally and unconditionally authorised at any time during a period of five years from 29 October 2014, to allot or to grant any rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of £80 million.

Ordinary share capital**Issued and fully paid**

Ordinary share capital

30,000 ordinary shares of £1 each

30

Share Premium

29,970

Notes to the financial statements continued**2014****Units****5 Long-term incentive schemes****5.1 Quanto stock unit plan**

The company operates a cash-settled deferred incentive arrangement in the form of the Quanto stock unit plan. Qualifying employees, with an incentive award above a set threshold are awarded Quanto stock units denominated in US\$ for nil consideration, the value of which moves in parallel to the change in price of the SBGL shares listed on the Johannesburg Stock Exchange. The cost of the award is accrued over the vesting period (generally three years), normally commencing in the year in which these are awarded and communicated to employees. Awards made prior to 31 December 2014 were acquired by the company as part of the common control transaction - see note 1.2. Awards prior to 2011 can be exercised within 10 years, 2011 awards can be exercised within 4 years and awards after 2011 will be exercised on vesting. Units granted since 1 January 2012 do not allow for incremental payments to employees in service for 4 years. A description of the underlying accounting principles is disclosed in accounting policy 'Employee benefits'.

The provision in respect of liabilities under the scheme amounts to £20.3million as at 31 December 2014.

The number of Quanto stock units granted to employees and not exercised transferred to the company at 31 December 2014 is as follows:

Expiry year¹	
2014	-
2015	22,489
2016	60,031
2017	76,104
2018	108,017
2019	513
Units outstanding at end of the year	267,154

¹ The units vest at various intervals between the reporting date and the expiry period.

Of which relates to key management 73,802

At 31 December 2014, the unrecognised compensation cost related to the unvested Quanto awards amounted to £6.6 million. This represents the accumulated amount deferred on awards issued in 2014 and previous years. The vesting of these awards is expected to occur as follows:

	£m
Year ending 31 December 2014	-
Year ending 31 December 2015	4.8
Year ending 31 December 2016	1.6
Year ending 31 December 2017	0.2
	6.6

Quanto stock units of £8.77 million have been approved for issue in March 2015. These awards will have four vesting periods: 6 months, 12 months, 24 months and 36 months.

2014

5.2 Group share options

Units

Certain employees are granted share options under the SBG equity-settled share-based scheme.

Transfers in 31 December 2014 (existing options granted to staff transferred in)	506,275	
Options outstanding at end of the year	506,275	
Of which relates to key management	171,190	
The options have the following expiry dates:		
Options expiry period	Option price range per share (ZAR)	
Year to 31 December 2016	97.50	95,000
Year to 31 December 2017	98 -105	69,400
Year to 31 December 2018	92.00	90,000
Year to 31 December 2019	62.39	87,500
Year to 31 December 2020	111.94	26,875
Year to 31 December 2021	98.80	137,500
		506,275

5.3 Performance Reward Plan (PRP) awards

A SBG long-term performance driven share plan commenced in 6 March 2014 (grant date) which rewards value delivered against specific targets. The Performance reward plan (PRP) incentivises a group of senior executives to meet the strategic long-term objectives that deliver value to shareholders, to align the interests of those executives with those of shareholders and to act as an attraction and retention mechanism in a highly competitive marketplace for skills. The PRP operates alongside the existing conditional, equity-settled long-term plans, namely the Equity growth scheme (EGS), the group share incentive scheme (GSIS) and Deferred bonus scheme (DBS) post 2011.

The PRP is settled in shares to the employee on the applicable vesting dates together with notional dividends that are settled in cash. The vesting and delivery of shares to the employee are conditional on the pre-specified performance metrics.

Awards issued to individuals in employment of group entities domiciled outside South Africa are cash-settled. The provision in respect of these awards is recognised in liabilities at 31 December 2014.

Reconciliation	
Units transferred in	406,000
Units outstanding at the end of the year	406,000
Weighted average fair value at grant date (ZAR)	126,87
Expected life (years)	3.1

5.4 Directors' emoluments

Directors' emoluments for the period were paid in the entities to which services were provided to, namely Standard Bank Plc and SBSA

The following Quanto stock units granted to directors and not exercised have been transferred in at 31 December 2014:

Expiry year	
2014	-

2015	-
2016	5,376
2017	8,838
2018	17,577
Units outstanding at end of the year	31,791

At 31 December 2014, the unrecognised compensation cost related to the unvested Quanto awards amounted to £2.4 million. This represents the accumulated amount deferred on awards acquired in 2014. The vesting of these awards is expected to occur as follows:

	£'000
Year ending 31 December 2014	-
Year ending 31 December 2015	635
Year ending 31 December 2016	217
Year ending 31 December 2017	27
	879
	2014
Long-term benefits under the SBG equity-settled share-based scheme	Units
Number of options brought forward	-
Number of options allocated in year	-
New directors existing units	134,400
Leavers (retiring directors)	-
Number of options exercised	-
As at 31 December	134,400

Long-term benefits under the SBG performance related share-based scheme

Number of options brought forward	-
Number of options allocated in year	-
New directors existing units	102,400
Leavers (retiring directors)	-
Number of options exercised	-
As at 31 December	102,400

Notes to the financial statements continued

	2014
	£
6 Taxation	
Tax for the period ended 31 December 2014 comprises of the following:	
Current tax	-
Deferred tax	114
Total	114
UK tax rate reconciliation	
Loss on ordinary activities before tax	(1,206)
Corporation tax at 21.5%	259
Effects of:	
Non-deductible expenses	(137)
Reduction in tax rate on deferred tax balances	(8)
Total	114
Effective tax rate	(9.5%)

7. Financial Risk Management

7.1 Credit Risk

The company's credit risk arises from financial assets with non-group companies. The amounts owing by fellow subsidiaries are all current and performing.

Deposits with non-group entities are only held with highly rated UK subsidiaries of International Banking Groups and are typically held for short maturities. Such credit risk solely relates to the liquidity and funding management activities of the company and does not form part of its core customer business.

	£'000
Deposits with fellow subsidiaries	30,000
Deposits with non-group company	30,518
Total	60,518

7.2 Capital management

	2014
Capital position as at year end is as follows:	£
Capital resources	28,638
Total assets	66,769
Equity / assets	42.89%

The company is authorised and regulated by the Financial Conduct Authority.

8 Ultimate holding company

The group in which the results of the company are consolidated is that of Standard Bank Group Limited, a company incorporated in the Republic of South Africa. The consolidated financial statements of this group are available for inspection at the company's registered office:

Standard Bank Group Limited

9th Floor
 Standard Bank Centre
 5 Simmonds Street
 Johannesburg 2001
 Republic of South Africa