

Standard Bank Group Limited  
(Incorporated in the Republic of South Africa)  
Registration No. 1969/017128/06  
JSE share code: SBK  
ISIN: ZAE000109815  
NSX share code: SNB  
("Standard Bank Group" or "the group")

**Basel III capital adequacy, leverage ratio and liquidity coverage ratio disclosure as at 31 March 2018**

In terms of the requirements under Regulation 43(1)(e)(iii) of the regulations relating to banks and Directive 4/2014, Directive 11/2015 and Directive 1/2018 issued in terms of section 6(6) of the Banks Act (Act No. 94 of 1990), minimum disclosure on the capital adequacy of the group and its leverage ratio is required on a quarterly basis. This disclosure is in accordance with Pillar 3 of the Basel III accord.

**Standard Bank Group capital adequacy and leverage ratio**

Qualifying capital	March 2018 (Rm)	
	Transitional <sup>1</sup>	Fully loaded <sup>2</sup>
Ordinary share capital and premium	18 248	18 248
Ordinary shareholders' reserves <sup>3</sup>	128 935	128 935
Qualifying Common Equity Tier I non-controlling interest	5 334	5 334
Regulatory deductions against Common Equity Tier I capital	(23 446)	(28 469)
<b>Common Equity Tier I capital</b>	<b>129 071</b>	<b>124 048</b>
Unappropriated profit	(9 178)	(9 178)
<b>Common Equity Tier 1 capital excl. unappropriated profit</b>	<b>119 893</b>	<b>114 870</b>
Qualifying other equity instruments	5 742	5 742
Qualifying Tier I non-controlling interest	576	576
<b>Tier I capital excl. unappropriated profit</b>	<b>126 211</b>	<b>121 188</b>
Qualifying Tier II subordinated debt	16 418	16 418
General allowance for credit impairments	2 326	4 762
<b>Tier II capital</b>	<b>18 744</b>	<b>21 180</b>
<b>Total regulatory capital excl. unappropriated profit</b>	<b>144 955</b>	<b>142 368</b>

<b>Minimum capital requirement</b>	<b>March 2018 (Rm)</b>	
	<b>Transitional<sup>1</sup></b>	<b>Fully loaded<sup>2</sup></b>
Credit risk	72 377	72 377
Counterparty credit risk	3 015	3 015
Equity risk in the banking book	742	742
Market risk	7 186	7 186
Operational risk	17 256	17 256
Investments in financial entities	4 795	4 668
<b>Total minimum regulatory capital requirement <sup>4</sup></b>	<b>105 371</b>	<b>105 244</b>

#### **Capital Adequacy Ratio (excl. unappropriated profit)**

Total capital adequacy ratio (%)	15.3	15.0
Tier I capital adequacy ratio (%)	13.3	12.8
Common Equity Tier I capital adequacy ratio (%)	12.7	12.1

#### **Capital Adequacy Ratio (incl. unappropriated profit)**

Total capital adequacy ratio (%)	16.4	16.0
Tier I capital adequacy ratio (%)	14.3	13.8
Common Equity Tier I capital adequacy ratio (%)	13.6	13.1

#### **Leverage ratio**

Tier I capital (excl. unappropriated profit) (Rm)	126 211	121 188
Tier I capital (incl. unappropriated profit) (Rm)	135 389	130 366
Total exposures (Rm)	1 690 832	1 685 809
Leverage ratio (excl. unappropriated profits, %)	7.5	7.2
Leverage ratio (incl. unappropriated profits, %)	8.0	7.7

#### Note:

<sup>1</sup> Represents International Financial Reporting Standards (IFRS) 9 transition impact as allowed by the South African Reserve Bank (SARB).

<sup>2</sup> Represents fully loaded Expected Credit Loss (ECL) accounting results (full IFRS 9 impact).

<sup>3</sup> Including unappropriated profits.

<sup>4</sup> Measured at 11.13% in line with transitional requirements and excludes any bank-specific capital requirements. There is currently no requirement for the countercyclical buffer add-on in South Africa. The impact on the group's countercyclical buffer requirement from other jurisdictions in which the group operates, is insignificant (buffer requirement of 0.0002%).

### **The Standard Bank of South Africa Limited (SBSA) and its subsidiaries capital adequacy and leverage ratio**

<b>Qualifying capital</b>	<b>March 2018 (Rm)</b>	
	<b>Transitional<sup>1</sup></b>	<b>Fully loaded<sup>2</sup></b>

Ordinary share capital and premium	43 698	43 698
Ordinary shareholders' reserves <sup>3</sup>	47 056	47 056
Regulatory deductions against Common Equity Tier I capital	(13 181)	(15 259)
<b>Common Equity Tier I capital</b>	<b>77 573</b>	<b>75 495</b>
Unappropriated profit	(5 837)	(5 837)
<b>Common Equity Tier 1 capital excl. unappropriated profit</b>	<b>71 736</b>	<b>69 658</b>
Qualifying other equity instruments	3 544	3 544
<b>Tier I capital excl. unappropriated profit</b>	<b>75 280</b>	<b>73 202</b>
Qualifying Tier II subordinated debt	15 470	15 470
General allowance for credit impairments	832	2 786
<b>Tier II capital</b>	<b>16 302</b>	<b>18 256</b>
<b>Total regulatory capital excl. unappropriated profit</b>	<b>91 582</b>	<b>91 458</b>

Minimum capital requirement	March 2018 (Rm)	
	Transitional <sup>1</sup>	Fully loaded <sup>2</sup>
Credit risk	48 842	48 842
Counterparty credit risk	2 766	2 766
Equity risk in the banking book	445	445
Market risk	4 919	4 919
Operational risk	10 371	10 371
Investments in financial entities	1 022	1 022
<b>Total minimum regulatory capital requirement <sup>4</sup></b>	<b>68 365</b>	<b>68 365</b>

#### Capital Adequacy Ratio (excl. unappropriated profit)

Total capital adequacy ratio (%)	14.9	14.9
Tier I capital adequacy ratio (%)	12.3	11.9
Common Equity Tier I capital adequacy ratio (%)	11.7	11.3

#### Capital Adequacy Ratio (incl. unappropriated profit)

Total capital adequacy ratio (%)	15.9	15.8
Tier I capital adequacy ratio (%)	13.2	12.9
Common Equity Tier I capital adequacy ratio (%)	12.6	12.3

#### Leverage ratio

Tier I capital (excl. unappropriated profit) (Rm)	75 280	73 202
Tier I capital (incl. unappropriated profit) (Rm)	81 117	79 039
Total exposures (Rm)	1 409 358	1 407 280
Leverage ratio (excl. unappropriated profits, %)	5.3	5.2

## Note:

<sup>1</sup> Represents IFRS 9 transition impact as allowed by the SARB.

<sup>2</sup> Represents fully loaded ECL accounting results (full IFRS 9 impact).

<sup>3</sup> Excluding unappropriated profits.

<sup>4</sup> Measured at 11.13% in line with transitional requirements and excludes any bank-specific capital requirements. There is currently no requirement for the countercyclical buffer add-on in South Africa. The impact on the group's countercyclical buffer requirement from other jurisdictions in which the group operates, is insignificant (buffer requirement of 0.0002%).

### Liquidity coverage ratio disclosure

In terms of the Basel III requirements in Directive 11/2014 issued in terms of section 6(6) of the Banks Act, (Act No. 94 of 1990), banks are directed to comply with the minimum disclosure on the liquidity coverage ratio (LCR) of the group and SBSA Solo entity on a quarterly basis. This disclosure is in accordance with Pillar 3 of the Basel III liquidity accord.

The LCR is designed to promote short-term resilience of the 1-month liquidity profile, by ensuring that banks have sufficient high quality liquid assets (HQLA) to meet potential outflows in a stressed environment. The minimum regulatory requirement for 2018 is 90% and will increase by a further 10% on 1 January 2019 to reach the full 100% requirement.

	<b>Standard Bank Group Consolidated 31 March 2018 Rm</b>	<b>SBSA Solo 31 March 2018 Rm</b>
Total high quality liquid assets	247 835	172 089
Net cash outflows	195 600	158 982
LCR (%)	126.7	108.2
Minimum requirement (%)	90.0	90.0

## Note:

- Only banking and/or deposit taking entities are included. The group data represent consolidation of the relevant individual net cash outflows and the individual HQLA portfolios, where surplus HQLA holding in excess of the minimum requirement of 90% have been excluded from the aggregated HQLA number in the case of all Africa Regions entities.
- The above figures reflect the simple average of 90 days of daily observations over the previous quarter ended 31 March 2018 for SBSA including SBSA Isle of Man branch, Stanbic Bank Ghana, Stanbic Bank Uganda, Stanbic IBTC Bank Nigeria, Standard Bank Namibia, Standard Bank Isle of Man Limited and Standard Bank Jersey Limited. The remaining Africa Regions banking entities results are based on the average of the month-end data points at 31 January 2018, 28 February 2018 and 31 March 2018. The figures are based on the regulatory submissions to the South African Reserve Bank.

The information contained in this announcement has not been reviewed and reported on by the group's external auditors.

Johannesburg

23 May 2018

Lead sponsor

The Standard Bank of South Africa Limited

Independent sponsor

Deutsche Securities (SA) Proprietary Limited

Namibian sponsor

Simonis Storm Securities (Proprietary) Limited