



Standard Bank Group Limited

Registration number 1969/017128/06
 Incorporated in the Republic of South Africa
 Website: (www.standardbank.com)

Share codes

JSE share code: SBK ISIN: ZAE000109815
 NSX share code: SNB ZAE000109815
 A2X share code: SBK
 SBKP ZAE000038881 (first preference shares)
 SBPP ZAE000056339 (second preference shares)

1H19 results overview

"We strive to meet our clients' needs by seamlessly delivering holistic, relevant financial services offerings through the channels of their choice."
 - Sim Tshabalala, Group chief executive

Standard Bank Group's African-focused strategy has delivered continued headline earnings growth, driven by the strong underlying momentum in our core operations. For the period ended 30 June 2019 headline earnings were R13.4 billion, an increase of 6% on the prior period (1H18), and return on equity (ROE) was 16.2%. The group's capital position remained strong, with a common equity tier 1 ratio of 14.0%, which supported an interim dividend of 454 cents per share, an increase of 6% on the prior period.

Banking activities recorded strong growth in headline earnings, increasing 10% to R12.8 billion. ROE was 17.5% in line with the prior corresponding period. Strong balance sheet growth period on period supported net interest income. Pressure on fees and continued customer migration to digital channels dampened non-interest revenue growth. Credit impairment charges increased from a low base in 1H18. Stringent cost management resulted in positive operating leverage, by growing revenue by 1.1% faster than cost.

After adjusting for currency impacts, in particular the weaker South African Rand, group headline earnings grew 5% on a constant currency basis. On the back of continued strong earnings growth, Africa Regions' (AR) contribution to banking headline earnings grew to 34% from 32% in 1H18. The top six contributors to AR's headline earnings were Angola, Ghana, Kenya, Mozambique, Nigeria and Uganda.

Financial outcome

for the six months ended 30 June 2019

Financial statistics

	Change %	1H19 Unaudited	1H18 Unaudited
Financial indicator (Rm)			
Headline earnings	6	13 361	12 663
Banking activities headline earnings	10	12 806	11 674
Cents per ordinary share			
Basic earnings per ordinary share	4	827.0	796.6
Headline earnings per ordinary share	5	837.4	793.9
Dividend per ordinary share	6	454	430
Net asset value per ordinary share	8	10 511	9 768
Financial performance (%)			
ROE		16.2	16.8
Credit loss ratio on banking activities		0.8	0.6
Cost-to-income ratio on banking activities ¹		57.0	57.6

¹ The group has, as permitted by International Financial Reporting Standards (IFRS), including IFRS 16 Leases (IFRS 16), elected not to restate its comparative financial statements. Therefore comparability will not be achieved by the fact that the comparative financial information has been prepared on an IAS 17 Leases basis. Refer to the full interim results announcement for more detail on the adoption of IFRS16.

Income statement highlights - banking activities

	Change	1H19	1H18
	%	Unaudited	Unaudited
Income statement highlights - Banking activities (Rm)			
Net interest income ¹	9	31 265	28 680
Non-interest revenue	4	23 012	22 030
Total income	7	54 277	50 710
Operating expenses	6	(30 941)	(29 205)
Operating income	9	23 336	21 505
Credit impairment charges ¹	20	(4 247)	(3 529)
Taxation	(1)	(4 685)	(4 735)
Other	(44)	109	195
Attributable to non-controlling interests and other equity instrument holders	(3)	(1 707)	(1 762)
Banking activities headline earnings	10	12 806	11 674
Banking activities ROE (%)		17.5	17.5

¹ Restated, refer to the full results announcement for details on the restatement.

Headline earnings by business unit

	Change	1H19	1H18
	%	Unaudited	Unaudited ¹
Personal & Business Banking	8	7 201	6 697
Corporate & Investment Banking	9	6 169	5 676
Central and other	(19)	(564)	(699)
Banking activities headline earnings	10	12 806	11 674
Other banking interests	(>100)	(320)	132
Liberty headline earnings	2	875	857
Group headline earnings	6	13 361	12 663

¹ Where responsibility for individual cost centres and divisions within business units change, the comparative figures have been reclassified accordingly.

Declaration of dividends

Shareholders of Standard Bank Group Limited (the company) are advised of the following dividend declarations out of income reserves in respect of ordinary shares and preference shares.

Ordinary shares

Ordinary shareholders are advised that the board has resolved to declare an interim gross cash dividend No. 100 of 454 cents per ordinary share (the cash dividend) to ordinary shareholders recorded in the register of the company at the close of business on Friday, 13 September 2019. The last day to trade to participate in the dividend is Tuesday, 10 September 2019. Ordinary shares will commence trading ex dividend from Wednesday, 11 September 2019.

The salient dates and times for the cash dividend are set out in the table that follows.

Ordinary share certificates may not be dematerialised or rematerialised between Wednesday, 11 September 2019, and Friday, 13 September 2019, both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their Central Securities Depository Participant (CSDP) or broker credited on Monday, 16 September 2019.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders.

Preference shares

Preference shareholders are advised that the board has resolved to declare the following interim dividends:

- 6.5% first cumulative preference shares (first preference shares) dividend No. 100 of 3.25 cents (gross) per first preference share, payable on Monday, 9 September 2019, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday, 6 September 2019. The last day to trade to participate in the dividend is Tuesday, 3 September 2019. First preference shares will commence trading ex dividend from Wednesday, 4 September 2019.
- Non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 30 of 391.38 cents (gross) per second preference share, payable on Monday, 9 September 2019, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday, 6 September 2019. The last day to trade to participate in the dividend is Tuesday, 3 September 2019. Second preference shares will commence trading ex dividend from Wednesday, 4 September 2019.

The salient dates and times for the preference share dividend are set out in the table that follows.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Wednesday, 4 September 2019, and Friday, 6 September 2019, both days inclusive. Preference shareholders (first and second) who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 9 September 2019.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders.

The relevant dates for the payment of dividends are as follows:

	Ordinary shares	6.5% cumulative preference shares (First preference shares)	Non-redeemable, non-cumulative, non-participating preference shares (Second preference shares)
JSE Limited			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000109815	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000109815		
Dividend number	100	100	30
Dividend per share (cents)	454	3.25	391.38
Last day to trade in order to be eligible for the cash dividend	Tuesday, 10 September 2019	Tuesday, 3 September 2019	Tuesday, 3 September 2019
Shares trade ex the cash dividend	Wednesday, 11 September 2019	Wednesday, 4 September 2019	Wednesday, 4 September 2019
Record date in respect of the cash dividend	Friday, 13 September 2019	Friday, 6 September 2019	Friday, 6 September 2019
Dividend cheques posted and CSDP/broker account credited/updated (payment date)	Monday, 16 September 2019	Monday, 9 September 2019	Monday, 9 September 2019

The above dates are subject to change. Any changes will be released on the Stock Exchange News Service and published in the South African and Namibian press.

Tax implications

The cash dividend received under the ordinary shares and the preference shares is likely to have tax implications for both resident and non-resident ordinary and preference shareholders. Such shareholders are therefore encouraged to consult their professional tax advisers.

In terms of the South African Income Tax Act, 58 of 1962, the cash dividend will, unless exempt, be subject to dividends tax that was introduced with effect from 1 April 2012. South African resident ordinary and preference shareholders that are not exempt from dividends tax, will be subject to dividends tax at a rate of 20% of the cash dividend, and this amount will be withheld from the cash dividend with the result that they will receive a net amount of 363.20 cents per ordinary share, 2.60 cents per first preference share and 313.104 cents per second preference share. Non-resident ordinary and preference shareholders may be subject to dividends tax at a rate of less than 20% depending on their country of residence and the applicability of any Double Tax Treaty between South Africa and their country of residence.

The issued share capital of the company, as at the date of declaration, is as follows:

- 1 619 235 231 ordinary shares
- 8 000 000 first preference shares
- 52 982 248 second preference shares.

The company's tax reference number is 9800/211/71/7 and registration number is 1969/017128/06.

Johannesburg
08 August 2019

Other information

This announcement is a summary of the information contained in the full interim results announcement and does not contain full or complete details. Any investment decisions by investors or shareholders should be based on a consideration of the full interim results announcement available at www.standardbank.com/reporting.

Copies of the full interim results announcement may be requested by emailing InvestorRelations@standardbank.co.za or by phoning +27 11 636 5039. Copies of this announcement are also available at Standard Bank Group Limited's registered office at no charge on weekdays from 09:00 to 16:00.

Standard Bank Group Limited's full announcement containing the interim results and dividend announcement for the six months ended 30 June 2019 is available for viewing by using the following JSE link: <https://senspdf.jse.co.za/documents/2019/jse/isse/SBK/SBG1H19.pdf>

The directors of Standard Bank Group Limited take full responsibility for the preparation of this announcement including the *pro forma* constant currency financial information. The *pro forma* constant currency information and the 1H19 results, including comparatives for 1H18 where applicable, have not been audited or independently reviewed by the group's external auditors. The *pro forma* constant currency information has been presented to illustrate the impact of changes in currency rates on the group's results and may not fairly present the group's results of operations. Refer to the group's full interim results announcement for further details regarding the computation of the group's *pro forma* constant currency financial information.

Registered office: 9th floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg 2001, PO Box 7725, Johannesburg 2000

Independent sponsors: South Africa: JP Morgan Equities (SA) Proprietary Limited, Namibia: Simonis Storm Securities (Proprietary) Limited

Joint sponsor: The Standard Bank of South Africa Limited (acting through its Corporate & Investment Banking business unit)

Directors: TS Gcabashe (chairman), A Daehnke*, MA Erasmus¹, GJ Fraser-Moleketi, H Hu² (deputy chairman), GMB Kennealy, JH Maree (deputy chairman), NNA Matyumza, KD Moroka, ML Oduor-Otieno³, AC Parker, ANA Peterside con⁴, MJD Ruck, PD Sullivan⁵, SK Tshabalala* (chief executive), JM Vice, L Wang².

All nationalities are South African, unless otherwise specified. * Executive director ¹ British ² Chinese ³ Kenyan ⁴ Nigerian ⁵ Australian