

Standard Bank Group Limited  
 Registration No. 1969/017128/06  
 Incorporated in the Republic of South Africa  
 JSE and A2X share code: SBK  
 ISIN: ZAE000109815  
 NSX share code: SNB  
 ("Standard Bank Group" or "the group")

**Financial information provided to the Industrial and Commercial Bank of China Limited ("ICBC") and update on the group's operational performance for the nine months ended 30 September 2019**

**Financial information provided to ICBC**

On a quarterly basis the Standard Bank Group discloses to ICBC sufficient information to enable ICBC to equity account the group's results. Accordingly, the following consolidated financial information, prepared on an International Financial Reporting Standards ("IFRS") basis, is being provided to ICBC for the nine months ended 30 September 2019.

**Statement of changes in ordinary shareholders' equity for the nine months ended 30 September 2019**

	Balance as at 1 January 2019  Rm	Earnings attributable to ordinary shareholders  Rm	Other movements for the period  Rm	Balance as at 30 September 2019  Rm
Ordinary share capital	162			162
Ordinary share premium	17 698		124	17 822
Foreign currency translation and hedging reserve	(2 977)		(1 165)	(4 142)
Foreign currency translation reserve (FCTR)	(1 800)		(1 045) <sup>1</sup>	(2 845)
Foreign currency net investment and cash flow hedging reserve	(1 177)		(120)	(1 297)
Retained earnings	149 308	17 973	(16 428) <sup>2</sup>	150 853
Empowerment reserve and treasury shares	(2 358)		1 170	(1 188)
Other	3 418		1 316	4 734
Ordinary shareholders' equity	165 251	17 973	(14 983)	168 241

<sup>1</sup> The movement in the FCTR was mainly due to the introduction of the RTGS dollar in Zimbabwe.

<sup>2</sup> Primarily comprises the ordinary dividends declared in March and August 2019 and transactions with non-controlling shareholders.

## **Update on the group's performance for the nine months ended 30 September 2019**

For the nine months to 30 September 2019, net interest income grew faster than non-interest revenue. Net interest income was supported by higher average loan and deposit balances relative to the nine months to 30 September 2018. Income growth remained above operating expense growth resulting in positive jaws. Credit impairment charges increased period on period on the back of loan book growth and charges in East Africa and South Africa.

Banking activities headline earnings growth continues to outpace the group's headline earnings growth.

The major business lines of ICBC Standard Bank Plc ('ICBCS') continue to be negatively impacted by deteriorating market conditions and lower than anticipated client flows. These factors have impacted the business' ability to deliver appropriate returns on a standalone basis. The group has accordingly reviewed and impaired the value of its 40% associate investment in ICBCS from USD383 million to USD220 million as at 30 September 2019. The impairment of R2.4 billion has been recognised in earnings attributable to ordinary shareholders. As at 30 September 2019 ICBCS had sufficient capital to meet its regulatory requirements. Standard Bank Group is engaging with ICBC and ICBCS to determine the best way forward for the business.

In the nine months to 30 September 2019, headline adjustable items, other than the ICBCS impairment, were not significant. Adjusting for the ICBCS impairment, earnings attributable to ordinary shareholders were 2% higher than recorded in the nine months to 30 September 2018.

The group's Basel III disclosure as at 30 September 2019 will be released in November 2019.

The information contained in this announcement and that on which the operational performance update is based has not been reviewed and reported on by the group's external auditors.

Johannesburg  
22 October 2019

Lead sponsor  
The Standard Bank of South Africa Limited

Independent sponsor  
JP Morgan Equities South Africa Proprietary Limited

Namibian sponsor  
Simonis Storm Securities (Proprietary) Limited