

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  
 SBKP ZAE000038881 (First preference shares)  
 SBPP ZAE000056339 (Second preference shares)  
 ("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 three months ended 31 March 2020**

**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 three months ended 31 March 2020.

**Statement of changes in ordinary shareholders' equity for the three months ended 31 March 2020**

|   | Balance as at 1<br>January 2020 | Earnings<br>attributable to<br>ordinary<br>shareholders | Other movements<br>for the period | Balance as at 31<br>March 2020 |
|---|---------------------------------|---|-----------------------------------|--------------------------------|
|   | Rm                              | Rm  | Rm                                | Rm                             |
| Ordinary share capital  | 162                             |   |                                   | 162                            |
| Ordinary share premium  | 17 822                          |   |                                   | 17 822                         |
| Foreign currency translation and hedging reserve              | (8 570)                         |   | 12 197                            | 3 627                          |
| Foreign currency translation reserve (FCTR)                   | (7 583)                         |   | 12 740 <sup>1</sup>               | 5 157                          |
| Foreign currency net investment and cash flow hedging reserve | (987)                           |   | (543)                             | (1 530)                        |
| Retained earnings   | 159 063                         | 4 818   | (8 629) <sup>2</sup>              | 155 252                        |
| Empowerment reserve and treasury shares                       | (2 728)                         |   | (1 702)                           | (4 430)                        |
| Other   | 5 480                           |   | 881                               | 6 361                          |
| Ordinary shareholders' equity                                 | 171 229                         | 4 818   | 2 747                             | 178 794                        |

<sup>1</sup> The movement in the FCTR was primarily as a result of the depreciation of the Rand against the USD, GBP and certain African currencies.

<sup>2</sup> Primarily comprises the ordinary dividends declared in March 2020.

## Update on the group's operational performance for the three months ended 31 March 2020

In the three months to 31 March 2020 ("1Q20"), the operating environment in South Africa deteriorated and consumer and business confidence declined further. In Africa Regions, lower oil prices threatened oil exporters and declines in global demand, in particular from China, negatively impacted export-reliant economies. The Covid-19 crisis escalated quickly in March 2020. By 31 March 2020, global asset values had declined materially, emerging markets had seen large risk-off outflows and there were partial or full lockdowns across almost all of the markets in which we operate.

The group quickly and successfully instituted its business continuity management plans, with a focus on ensuring the safety of our employees and the continued service to our clients. These are now well embedded, and the focus has turned to supporting those clients who are experiencing financial strain in these difficult times. Accordingly, we support actions taken by the South African Reserve Bank, and others, to mitigate the economic impact, reduce stress in the system and release capital to facilitate support to individuals and businesses.

Turning to the group's banking performance in 1Q20. Net interest income growth was slow as fairly robust year-on-year loan growth was offset by negative endowment and margin pressure. Non-interest revenue growth was supported by an increase in trading revenue. In South Africa, sales activity and ATM, card and branch volumes declined in late March as lockdowns and other restrictions were implemented. Operating expenses were well managed and jaws were positive. Credit impairment charges for the period were significantly higher than in the prior year. The increase was driven by deterioration in both the portfolio performance and the forward-looking assumptions used in the modelling of expected credit losses.

IFRS 9 requires the group to consider forward-looking information in the calculation of expected credit losses. Accordingly, the group has estimated an increase in economic stress caused by the crisis and, where appropriate, incorporated that in the calculation of the group's expected credit losses. It is worth noting that, by 31 March 2020, the Covid-19 related stress on individuals and businesses had, to a large extent, not emerged yet and the provisions raised were based on our best estimate at the time.

Liberty Holdings Limited's ("Liberty") performance for the period was impacted by market movements, in particular the Shareholder Investment Portfolio. Please refer to Liberty's SENS announcement dated 21 April 2020. 1Q19 headline earnings included earnings from the group's 20% stake in ICBC Argentina ("ICBCA"). The group ceased equity accounting ICBCA earnings in September 2019 post the decision to sell the stake. The group recorded a small loss associated with its 40% stake in ICBC Standard Bank PLC.

In 1Q20 earnings attributable to ordinary shareholders were 27% lower than in the comparative period. During the period the headline earnings adjustable items were not material.

The group remains well capitalised and liquid. The group's Basel III disclosure as at 31 March 2020 will be released in May 2020.

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 April 2020

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