

Standard Bank Group Limited

Registration number 1969/017128/06

Incorporated in the Republic of South Africa

Website: www.standardbank.com/reporting

Share codes

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 nine months ended 30 September 2022

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 2022 (9M22).

Statement of changes in ordinary shareholders' equity for the nine months ended 30 September 2022

	Balance as at 1 January 2022	Earnings attributable to ordinary shareholders	Other movements for the period	Balance as at 30 September 2022
	Rm	Rm	Rm	Rm
Ordinary share capital [^]	162		6	168
Ordinary share premium [^]	17 859		9 470	27 329
Foreign currency translation and hedging reserve	(2 687)		2 216	(471)
Foreign currency translation reserve (FCTR)	(1 603)		2 695	1 092
Foreign currency net investment and cash flow hedging reserve	(1 084)		(479)	(1 563)
Retained earnings*	178 771	25 251	(19 945)	184 077
Empowerment reserve and treasury shares	(3 260)		(739)	(3 999)
Other	7 987		1 750	9 737
Ordinary shareholders' equity	198 832	25 251	(7 242)	216 841

[^] Other movements for the period in ordinary share capital and share premium relate to the issuance of 58 million Standard Bank Group shares in terms of the Liberty minority buyout.

* Other movements for the period in retained earnings primarily comprises the R17.2 billion ordinary dividends declared in March and August 2022.

Update on the group's operational performance

In the nine months from 1 January to 30 September 2022 (9M22), relative to the nine months to 30 September 2021 (9M21), higher average loan and advance balances and higher average interest rates supported strong double-digit net interest income growth. The strong non-interest revenue growth seen in the first six months of the year (1H22) continued, supported by client transactional and trade activity. Ongoing market volatility drove client trading activity which supported continued strong trading revenue growth.

While higher activity-linked costs and inflation placed pressure on the group's operating costs, cost growth remained below the group's weighted average inflation. The group recorded continued positive jaws in the period.

Credit impairment charges increased as Corporate and Investment Banking charges continued to normalise (from a net recovery in 2021). In line with expectations, the credit loss ratio for the 9M22 remained in the lower half of the group's through-the-cycle credit loss ratio range of 70 to 100 basis points.

Liberty's performance improved period on period. In the prior period, Liberty's performance was negatively impacted by the pandemic provision raised.

ICBC Standard Bank plc continued to report an operational profit for 9M22 (excluding the net insurance settlement received in January 2022).

Earnings attributable to ordinary shareholders in 9M22 were 42% higher than in the comparative period. In 9M21 the headline earnings adjustable items were not material. In 9M22 the headline earnings adjustable items increased earnings attributable to ordinary shareholders by R0.7 billion.

The group remains well capitalised and liquid. 9M22 group return on equity (ROE) remained above cost of equity (1H22 COE: 15.1%) and improved relative to 1H22 (1H22 ROE: 15.3%).

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
19 October 2022

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JSE sponsor

The Standard Bank of South Africa Limited

Namibian sponsor

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