

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)

JSE bond code: SBKI

("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 2023

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 2023 (9M23).

Statement of changes in ordinary shareholders' equity for the nine months ended 30 September 2023

	Balance as at 1 January 2023 [^]	Earnings attributable to ordinary shareholders	Other movements for the period	Balance as at 30 September 2023
	Rm	Rm	Rm	Rm
Ordinary share capital	168			168
Ordinary share premium	27 341		(398)	26 943
Treasury shares	(3 461)		945	(2 516)
Foreign currency translation reserve	(4 716)		(1 471)	(6 187)
Retained earnings*	190 582	32 699	(22 827)	200 454
Other	8 283		1 060	9 343
Ordinary shareholders' equity	218 197	32 699	(22 691)	228 205

[^] Post IFRS 17 restatements as detailed in the IFRS 17 Transition report available to download from the Standard Bank Investor Relations website. The impact on the group's total ordinary shareholders equity as at 1 January 2023 equated to a reduction of R1.1 billion.

* Other movements for the period in retained earnings primarily comprises the R23.2 billion ordinary dividends declared in March and August 2023.

Update on the group's operational performance

Standard Bank Group

Earnings attributable to ordinary shareholders in 9M23 were 30% higher than in the nine months to 30 September 2022 (9M22). The headline earnings adjustable items were not material in 9M22 or 9M23. Africa Regions' contribution to group headline earnings for 9M23 remained at 44%.

The 9M23 group return on equity remained well anchored within the group's target range of 17% to 20%.

Banking

Banking income growth trends in 9M23 relative to 9M22 (period on period) remained robust. Net interest income growth continued to be supported by higher average interest rates and a larger balance sheet. Disbursements slowed, as higher interest rates continued to curb demand. The strong fee growth recorded in the six months to 30 June 2023 (1H23) continued, supported by higher client numbers and increased client transactional volumes and trade activity. As expected, trading revenue growth 3Q23 on 3Q22 was in the low teens. Both income and cost growth moderated period on period relative to that reported for the six months to 30 June 2023 (1H23). The group continued to deliver strong positive jaws period on period.

While credit impairment charges remained elevated relative to 9M22, the period-on-period growth in credit charges slowed relative to the growth reported in 1H23. In 3Q23, additional credit charges in Corporate and Investment Banking and Business and Commercial Banking (the latter in Africa Regions) were more than offset by a slowdown in growth in Personal and Private Banking charges as expected. The group's credit loss ratio for the 9M23 remained within the group's through-the-cycle credit loss ratio range of 70 to 100 basis points, in line with expectations.

Insurance and Asset Management

Earnings from the Insurance and Asset Management business increased by mid-single digits period on period as the benefit from improved underlying risk experience in the South African insurance business was partially offset by losses incurred in the Shareholder Asset and Exposure portfolio following the negative impacts of market movements.

Other

ICBC Standard Bank Plc continued to trade profitably in 3Q23.

The group remains well capitalised and liquid.

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
17 October 2023

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JSE sponsor

The Standard Bank of South Africa Limited

Namibian sponsor

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