STANDARD BANK GROUP

Financial results

for the year ended 31 December 2018

Standard Bank Moving Forward™

Also trading as Stanbic Bank

ANALYSIS OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

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Analysis of financial results

for the year ended 31 December 2018

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Standard Bank Group is a leading African universal financial services group offering a full range of banking and related financial services

- operates in 20 countries in sub-Saharan Africa
- owns a controlling interest in the South African listed insurance and wealth management group, Liberty Holdings Limited (Liberty)
- three business segments: Personal & Business Banking, Corporate & Investment Banking and Liberty
- 157-year operating history in South Africa
- listed on the Johannesburg Stock Exchange (JSE) since 1970.

The Standard Bank Group's (SBG or the group) analysis of financial results for the period ended 31 December 2018 has not been audited or independently reviewed.

The preparation of the financial results was supervised by the group financial director, Arno Daehnke BSc, MSc, PhD, MBA, AMP.

Highlights

↑ 6%
27 865 Rm
HEADLINE EARNINGS
2017: R26 270 million

↑ 7%
1 748 c
HEADLINE EARNINGS PER SHARE
2017: 1 640 cents

↑ 7%
970 c
DIVIDEND PER SHARE
2017: 910 cents

↔
13.5 %
COMMON EQUITY TIER 1 RATIO[1]
2017: 13.5%

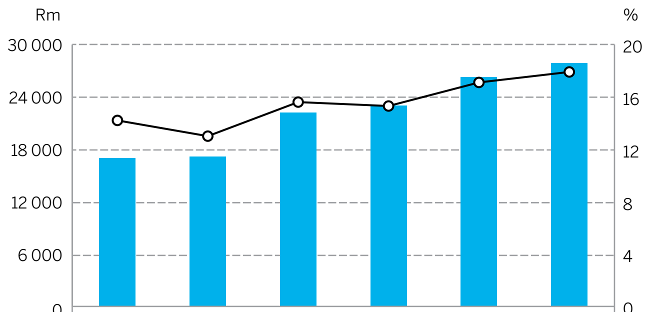
↓
0.56 %
CREDIT LOSS RATIO[2]
2017: 0.87%

↓
(2.8) %
JAWS[2]
2017: 1.1%[3]

↑
57.0 %
COST-TO-INCOME RATIO
2017: 55.5%[3]

↑
18.0 %
RETURN ON EQUITY
2017: 17.1%

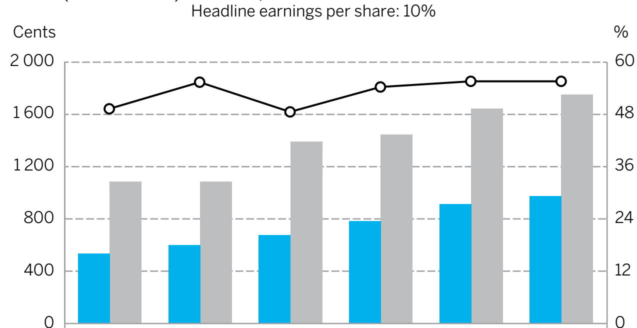
Headline earnings and return on equity
CAGR[4] (2013 – 2018): 10%



	2013	2014	2015	2016	2017	2018
Headline earnings	16 986	17 137	22 187	23 009	26 270	**27 865**
Return on equity (ROE)	14.2	13.0	15.6	15.3	17.1	**18.0**

Headline earnings
Return on equity (ROE)

Headline earnings and dividend per share
CAGR (2013 – 2018): Dividend per share: 13%
Headline earnings per share: 10%



	2013	2014	2015	2016	2017	2018
Dividend per share	533	598	674	780	910	**970**
Headline earnings per share	1 084	1 081	1 389	1 440	1 640	**1 748**
Dividend payout ratio	49.2	55.3	48.5	54.2	55.5	**55.5**

Dividend per share
Headline earnings per share
Dividend payout ratio

[1] Following the adoption of IFRS 9 the group elected the South African Reserve Bank's (SARB) three year phase-in provision in terms of its directive 5/2017 (SARB IFRS 9 phase-in provision). The ratio is reported after applying this phase-in provision. The fully loaded ratio is 13.1%, for further details please refer to page 69.
[2] Refer to the IFRS 9-related accounting impact section on page 4 for more information regarding key IFRS 9 changes impacting these ratios. Comparatives are based on IAS 39.
[3] Restated. Refer to page 99.
[4] Compound annual growth rate.

The group adopted IFRS 9 with the exception of its hedge accounting requirements on 1 January 2018. The group has not, as permitted by IFRS 9, restated comparative results. The group also prepared an IFRS 9 Transition Report, on which a reasonable assurance audit opinion was provided by the group's external auditors. A summary of that report has been summarised on pages 100 – 101. For further information, please refer to the report that is available on **www.standardbank.com/reporting**.

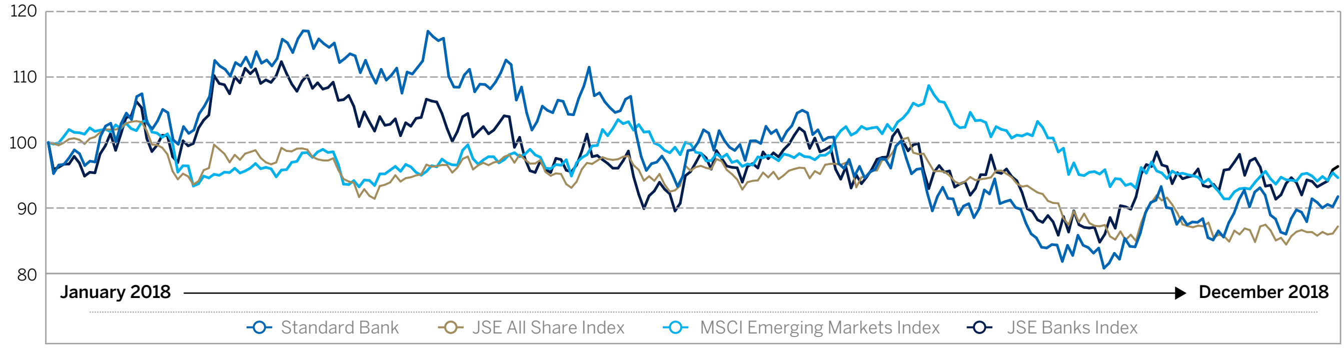
Financial results, ratios and statistics

		Change %	2018	2017[1]
Standard Bank Group (SBG)				
Headline earnings contribution by business unit				
Total headline earnings	Rm	6	**27 865**	26 270
Banking activities	Rm	7	**25 847**	24 268
Personal & Business Banking (PBB)	Rm	10	**15 548**	14 103
Corporate & Investment Banking (CIB)	Rm	(2)	**11 177**	11 392
Central and other	Rm	(28)	**(878)**	(1 227)
Other banking interests	Rm	(26)	**418**	567
Liberty	Rm	11	**1 600**	1 435
Ordinary shareholders' interest				
Profit attributable to ordinary shareholders	Rm	5	**27 453**	26 235
Ordinary shareholders' equity	Rm	5	**165 061**	157 020
Share statistics				
Headline earnings per ordinary share (EPS)	cents	7	**1 748.4**	1 640.0
Diluted headline EPS	cents	7	**1 730.9**	1 619.7
Basic EPS	cents	5	**1 722.6**	1 637.8
Diluted EPS	cents	5	**1 705.3**	1 617.5
Dividend per share	cents	7	**970.0**	910.0
Net asset value per share	cents	6	**10 380**	9 830
Tangible net asset value per share	cents	6	**8 891**	8 369
Dividend payout ratio	%		**55.5**	55.5
Dividend cover	times		**1.8**	1.8
Number of ordinary shares in issue	thousands	(0)	**1 590 217**	1 597 371
Return ratios				
Return on equity (ROE)	%		**18.0**	17.1
Return on risk-weighted assets (RoRWA)	%		**3.0**	3.1
Capital adequacy				
Common equity tier 1 capital adequacy ratio[2]	%		**13.5**	13.5
Employee statistics				
Number of employees		(3)	**53 178**	54 558
Banking activities				
Selected ratios				
ROE	%		**18.8**	18.0
RoRWA	%		**2.9**	2.9
Loan-to-deposit ratio	%		**81.7**	83.3
Net interest margin	%		**4.58**	4.74
Non-interest revenue to total income	%		**43.4**	41.5
Credit loss ratio	%		**0.56**	0.87
Jaws	%		**(2.8)**	1.1
Cost-to-income ratio	%		**57.0**	55.5
Effective direct taxation rate	%		**21.3**	22.0
Effective total taxation rate	%		**25.4**	26.0
Employee statistics				
Number of employees		(2)	**47 419**	48 322

1 Restated. Refer to page 99.
2 Represents the ratio after applying the SARB phase-in provision for IFRS 9. Refer to page 69 for details regarding the fully loaded ratios.

Market and economic indicators

Share price performance (index)



		Average			Closing		
		Change %	2018	2017	Change %	2018	2017
Market indicators							
SA prime overdraft rate	%		**10.08**	10.39		**10.25**	10.25
SA SARB repo rate	%		**6.59**	6.89		**6.75**	6.75
SA CPI	%		**4.7**	5.3		**4.5**	4.7
JSE All Share Index		3	**56 400**	54 746	(12)	**52 081**	59 505
JSE Banks Index		21	**9 327**	7 692	(5)	**9 162**	9 619
SBK share price		23	**193.32**	156.63	(9)	**178.81**	195.66
Key exchange rates							
USD/ZAR		(1)	**13.23**	13.30	17	**14.38**	12.31
GBP/ZAR		3	**17.63**	17.13	11	**18.31**	16.55
ZAR/NGN[1]		5	**27.15**	25.79	(14)	**25.01**	29.19
ZAR/ARS		63	**2.02**	1.24	72	**2.62**	1.52
ZAR/KES		(1)	**7.66**	7.77	(16)	**7.08**	8.39
ZAR/GHS		6	**0.35**	0.33	(8)	**0.34**	0.37
ZAR/UGX		4	**281.70**	271.55	(13)	**258.20**	295.86
ZAR/MZN		(4)	**4.56**	4.76	(10)	**4.28**	4.75
ZAR/AOA		51	**18.84**	12.47	59	**21.41**	13.47

[1] NAFEX rate introduced in April 2017.

Overview of financial results

Group results

For the year ended 31 December 2018 (2018), Standard Bank Group delivered sustainable earnings growth and improved returns. The group's performance was underpinned by the strength and breadth of our client franchise. Group headline earnings grew 6% to R27.9 billion and ROE improved to 18.0% from 17.1% for the year ended 31 December 2017 (2017). The group's capital position remained robust, with a common equity tier 1 (CET1) ratio of 13.5%. Accordingly, a final dividend of 540 cents per share has been declared, resulting in a total dividend of 970 cents per share, an increase of 7% on the prior year.

Banking activities headline earnings grew 7% to R25.8 billion and ROE improved to 18.8% from 18.0% in 2017. Non-interest revenue (NIR) continued to record strong growth, driven by retail banking. Net interest income (NII) growth was dampened, and credit impairment charges were lower, as a result of the adoption of a new accounting standard.

The 2018 group results were less impacted by currency movements than in prior years. On a constant currency basis, group headline earnings grew 8%. Africa Regions' contribution to banking headline earnings grew to 31% from 28% in 2017. The top five contributors to Africa Regions' headline earnings were Angola, Ghana, Mozambique, Nigeria and Uganda.

Operating environment

Global economic growth plateaued at 3.7% as geopolitical tensions rose and risk sentiment deteriorated. Growth trajectories de-coupled as fiscal stimulus in the US supported continued growth, whilst other advanced economies, in particular the Euro area, started to slow. Emerging market capital inflows reversed, which negatively impacted exchange rates and borrowing costs.

Economic growth in sub-Saharan Africa was 2.9%. In 1H18 inflation continued to ease, providing scope for interest rate cuts. By 2H18, heightened global risks resulted in a pause in monetary policy easing. Across our basket of currencies, exchange rates were relatively stable, other than in Angola where the Angolan Kwanza (AOA) devalued approximately 50% relative to the South African Rand (ZAR).

The economic recovery in the West Africa region was supported by buoyant growth in Côte d'Ivoire and Ghana and a recovery in Nigeria. In Angola, as the impacts of the currency devaluation in early 2018 moderated, inflation stabilised.

Kenya, Tanzania and Uganda all recorded real growth in excess of 5% in 2018. Private sector credit growth in Kenya remained below pre-rate cap levels. Uganda enjoyed robust growth in domestic demand, public infrastructure investment, agricultural productivity and a recovery in Foreign Direct Investment.

The countries neighbouring South Africa (SA) continued to feel the drag of SA's poor economic environment, in particular Lesotho, Namibia and eSwatini. In Mozambique, despite the declining rates cycle, the operating environment remained difficult and lending activity remained subdued. Zimbabwe's challenges escalated in 3Q18, including acute currency shortages and inflationary pressures which drove weakened business confidence.

Growth in the SA economy was weaker than expected at 0.7%. The poor macro environment, slow policy progress and higher taxes weighed on consumer and business confidence and, in turn, demand for credit. A 25 basis point (bps) interest rate cut in March, on the back of broadly favourable conditions, was later reversed in November as the US fiscal tightening, oil price and exchange rate outlook were considered a threat to the South African Reserve Bank's inflation targeting. The ZAR was relatively strong against the major currencies in 1H18, but this reversed in 2H18.

IFRS 9-related accounting impact

Following the transition to IFRS 9, Standard Bank Group is required to suspend interest earlier which resulted in a R553 million reduction in NII and credit impairment charges in Personal & Business Banking South Africa (PBB SA). In addition, following a clarification from the IFRS Interpretations Committee in November 2018, the group is required to recognise previously unrecognised interest earned on loans which cured out of Stage 3 (otherwise referred to as released interest in suspense (IIS) on cured assets) as a reduction in credit impairment charges. Prior to 2018, IIS on cured assets was accounted for as interest income. The reclassification amounted to R1 169 million in 2018, of which R1 064 million related to PBB and R105 million related to Corporate & Investment Banking (CIB). The commentary below includes reference to the impact of these changes on net interest income, total income and credit impairment charges, as well as some of the group's key ratios, namely net interest margin, credit loss ratio, cost-to-income ratio and jaws. There was no impact on 2018 headline earnings.

	2018 Rbn	IFRS 9-related accounting impact Rbn	2018 adjusted Rbn	2017 Rbn	2018 vs 2017 %	2018 adjusted vs 2017 %
Net interest income	**59.6**	1.7	**61.3**	60.1	(1)	2
Non-interest revenue	**45.7**		**45.7**	42.6	7	7
Total income	**105.3**	1.7	**107.0**	102.7	3	4
Credit impairment charges	**(6.5)**	(1.7)	**(8.2)**	(9.4)	(31)	(13)
Operating expenses	**(60.1)**		**(60.1)**	(57.0)	5	5
Headline earnings	**27.9**		**27.9**	26.3	6	6
Credit loss ratio (%)	**0.56**		**0.71**	0.87		
Cost-to-income ratio (%)	**57.0**		**56.1**	55.5		
Jaws (%)	**(2.8)**		**(1.1)**	1.1		

Revenue

Group revenue grew 3% and The Standard Bank of South Africa Limited's (SBSA) revenue was flat. Adjusting for the IFRS 9-related accounting impact, group revenue grew 4% and SBSA, 2%. Africa Regions grew revenue 6%, 12% on a constant currency basis, reflective of the better economic environment and the underlying momentum in the franchise.

NII decreased 1% as margins declined 16 bps to 458 bps and average interest-earning assets grew 2.5% year on year. IFRS 9-related accounting impact accounted for 13 bps of the 16 bps decline. The impact of competitive pricing and demand for higher yielding deposit products in SA and negative endowment in Africa Regions was largely offset by strong growth in current and savings accounts (CASA) and a mix benefit as unsecured lending grew faster than asset-backed lending.

Non-interest revenue grew 7% supported by broad-based growth across all three underlying categories, namely net fee and commission revenue up 6%, trading revenue up 4% and other revenue up 11%.

In line with our customers' increasing preference for convenient digital channels over traditional channels, electronic banking fee revenue increased 11% whilst revenue from account transaction fees increased at a slower rate of 2%. In SA, the business saw strong digital volume growth across Instant Money, the SBG mobile app and value-added services as well as card-based transactions. Digital adoption also continued to gain traction in Africa Regions, in particular, in Namibia, Nigeria and Zimbabwe. Knowledge-based fees grew 3%, following CIB's participation in several landmark transactions, coupled with increased client activity in the Energy and Infrastructure sectors.

Equities provided an uplift in trading revenue, whilst the fixed income and currencies desks struggled against a high base in 2017. Other revenue was boosted by better bancassurance-related earnings and CIB's portion of ICBC Standard Bank Plc's (ICBCS) aluminium recovery which equated to R151 million. In line with IFRS 9, interest income on certain debt instruments is now recorded in other gains and losses on financial instruments.

Credit impairment charges

Credit impairment charges were R6.5 billion, 31% lower than the prior year, and the group credit loss ratio declined to 56 bps (2017: 87 bps). Adjusting for the IFRS 9-related accounting impact, the group credit loss ratio would have been 71 bps.

After adjusting for the IFRS 9-related accounting impact, PBB SA's credit loss ratio decreased year on year, largely driven by higher post write-off recoveries, operational enhancements in customer credit ratings and continued improvements in collection processes. PBB Africa Regions also reflected improvements driven by improved risk performance, enhanced collection strategies and a lower provisioning requirement on highly collateralised non-performing loans.

CIB's impairment charges declined 35% on the prior year and the credit loss ratio to customers declined to 20 bps (2017: 44 bps). Stage 3 credit impairment charges increased in SA, reflective of the difficult macro environment, but decreased in Africa Regions, driven by a recovery of a prior year impairment in Nigeria and improved credit risk management. CIB remains cautious on the outlook for the construction sector in SA and the consumer sectors in East Africa and SA.

Operating expenses

Operating expenses growth of 5% should be considered relative to inflation in the underlying markets in which we operate, as well as the level of investment required to support our businesses' growth. In 2018 we closed our core banking replacement programme, delivered a variety of digital enhancements and completed various regulatory, risk and compliance improvements. The group cost-to-income ratio for the year was 57% and after adjusting for IFRS 9-related accounting impact to revenue, it was 56%. SBSA costs grew 3%, down from 7% in 1H18.

Staff costs were up 7% driven by a combination of annual salary increases, separation costs relating to the IT restructure and key hires. Net headcount declined ~900 people on the back of a combination of natural attrition, digital efficiencies and management actions.

Ongoing prudent discretionary spend is reflected in other operating expenses growth of 4%. Tight control of IT expenses, in particular in 2H18, resulted in year-on-year growth of 5%. The increase in professional fees is attributable to specific projects related to customer experience in PBB and CIB as well as regulatory changes.

Loans and advances

Gross loans and advances to customers grew 10% year on year, of which PBB's advances to customers grew 7% and CIB's, 13%. In line with underlying macros and strategy, Africa Regions recorded strong year-on-year loan portfolio growth of 31%. In SA, PBB disbursements grew across most products with particularly strong growth recorded by vehicle and asset finance (VAF) and personal unsecured lending.

Within PBB, the mortgage lending portfolio grew 4% driven by consistent quarter-on-quarter increases in disbursements, an increase in home loan registration values and a marginal slow-down in prepayments. The VAF lending portfolio grew 10%, driven by growth in SA, as the franchise turnaround started to gain traction. Personal unsecured lending and business lending both grew 14%. PBB Africa Regions loans to customers grew 22%.

Within CIB, Investment Banking (IB) grew 8%. IB originated over R167 billion of loans in the year across the Oil & Gas, Industrials, Consumer, Mining and Power & Infrastructure sectors, up from approximately R130 billion in the prior year. This is reflective of CIB's broad client franchise and ongoing commitment to partnering their clients in their investment and expansion on the continent. The Africa Regions IB portfolio grew 28%, whilst South Africa IB grew a respectable 7% in a very slow environment. ZAR weakness in December 2018 inflated year-end balances. Corporate overdrafts

Overview of financial results

and trade finance facilities, reflected under Transactional products and services, grew 52% year on year but 15% on average. CIB funding provided to corporates through commercial paper issuances, qualifying as high-quality liquid assets (HQLA), is reflected as financial investments on the balance sheet. Underlying growth in CIB gross loans and advances to customers, including HQLA, was 15%. Loans to banks declined as liquidity raised in 2H17 was repaid.

Funding and liquidity

The group's liquidity position remained strong and within approved risk appetite and tolerance limits. The group's fourth quarter average Basel III liquidity coverage ratio amounted to 117%, exceeding the minimum phased-in regulatory requirement of 90%. The group maintained its net stable funding ratio in excess of the 100% regulatory requirement.

During 2018 the group raised R28.3 billion of longer term funding through a combination of negotiable certificates of deposit, senior debt and syndicated loans and R5.0 billion of Basel III compliant Tier II capital. The group will continue to monitor opportunities to issue senior unsecured and/or Tier II subordinated debt in the domestic and/or international markets, in order to optimise the group's capital and funding position.

Deposits from customers grew R88.6 billion, equivalent to 8%, year on year, supported by 10% growth in PBB retail-priced deposits. Africa Regions recorded CASA inflows in Nigeria, Uganda, Zambia and Zimbabwe. Growth in customers drove increased deposits held in our offshore operations in the Isle of Man and Jersey.

CIB's deposits and current accounts from customers grew 5% on the back of strong growth in call and current accounts, growing 19% and 20% respectively. The increase in deposits was driven by new clients in South Africa and across our Africa Regions franchise as well as increases in deposits from existing clients.

Capital management

The group maintained strong capital adequacy ratios, with a CET1 ratio of 13.5% (2017: 13.5%) and a total capital adequacy ratio of 16.0% (2017: 16.0%). The group manages its capital levels to support business growth, maintain depositor and creditor confidence and create value for shareholders whilst ensuring regulatory compliance.

IFRS 9 became effective on 1 January 2018. The fully-loaded day one impact of implementing IFRS 9 was a 70 bps reduction in the group's CET 1 ratio. After adjusting for the three year phase-in provision, the impact was reduced from 70 bps to 18 bps.

Gross loans and advances to customers

	Change %	2018 Rm	2017 Rm
Personal & Business Banking	7	**649 968**	605 187
Mortgage loans	4	**362 006**	346 518
Vehicle and asset finance	10	**89 410**	81 640
Card debtors	3	**33 216**	32 268
Other loans and advances	14	**165 336**	144 761
Corporate & Investment Banking	13	**398 425**	352 190
Global markets	25	**26 967**	21 648
Investment banking	8	**324 611**	299 522
Transactional products and services	52	**46 843**	30 859
Real estate and PIM	(98)	**4**	161
Central and other	(61)	**(1 892)**	(4 841)
Gross loans and advances to customers	10	**1 046 501**	952 536

Deposits from customers

	Change %	2018 Rm	2017 Rm
Personal & Business Banking	10	**591 318**	535 461
Retail priced deposits	10	**467 989**	426 484
Wholesale priced deposits	13	**123 329**	108 977
Corporate & Investment Banking	5	**667 845**	635 775
Central and other	(15)	**(3 971)**	(4 671)
Deposits from customers	8	**1 255 192**	1 166 565
Comprising:			
Retail priced deposits and current accounts	10	**467 989**	426 484
Wholesale priced deposits	6	**787 203**	740 081
Deposits from customers	8	**1 255 192**	1 166 565

Headline earnings by business unit

	CCY %	Change %	2018 Rm	2017 Rm
Personal & Business Banking	10	10	**15 548**	14 103
Corporate & Investment Banking	1	(2)	**11 177**	11 392
Central and other	(32)	(28)	**(878)**	(1 227)
Banking activities	8	7	**25 847**	24 268
Other banking interests	(0)	(26)	**418**	567
Liberty	11	11	**1 600**	1 435
Standard Bank Group	8	6	**27 865**	26 270

Overview of business unit performance

Personal & Business Banking

PBB's headline earnings grew 10% to R15.5 billion, underpinned by customer and balance sheet growth, higher transaction volumes and lower credit impairment charges. The impact of negative endowment, due to lower average rates in Malawi, Mozambique, Nigeria and SA, was offset by the benefit of stronger growth in higher margin lending products, combined with deposit growth outstripping loan growth. PBB jaws were negative 265 bps, however after adjusting for the IFRS 9-related accounting impact, jaws reduced to negative 26 bps. ROE improved to 21.9% from 20.0% in 2017.

Against a difficult macro and increasingly competitive environment, PBB SA delivered headline earnings of R13.7 billion, up 3%. Underlying revenue benefited from higher disbursements and better cross-sell following the embedding of all banking products into the frontline. PBB SA NII declined 1% and credit impairment charges were 28% lower, leading to a lower credit loss ratio of 83 bps (2017: 119 bps). After adjusting for IFRS 9-related accounting impact, the NII growth was 4%, credit impairment charges were 3% lower and the credit loss ratio was 112 bps. The favourable performance is attributed to improved collection strategies, higher post write-off recoveries and operational credit rating enhancements. This is partially offset by growth in stage 3 in mortgage loans, VAF and business lending given a protracted legal environment and business strain resulting from economic conditions.

Operating expenses were 6% higher as the franchise continued to invest in embedding the new operating model, improving the customer experience, staff re-skilling and upskilling and digitisation initiatives. The benefits of these investments are reflected in improving customer and employee NPS scores, a decline in the number of complaints and an acceleration in disbursements over the year.

Our customers continued to migrate to our digital platforms apace, in particular, the SBG mobile app. Digital transaction volumes increased 26%, whilst face-to-face volumes declined 13%. SBG mobile app users increased 30% to 1.3 million, mobile transaction values increased, 44% to 262 billion and transaction volumes increased, 50% to 958 million (over 2.5 million a day). Instant Money, our money transfer platform, also continued to gain traction; unique users increased 10% to 1.7 million. Our customers' preference for digital channels is unequivocal. In order to deliver the always-on, always-secure offering they expect, we have to leverage the strategic IT assets we have, accelerate our product development and rollout and digitise our execution processes. This will require a reallocation of resources from our physical to our digital channels and a concomitant reconfiguration of our branch infrastructure.

PBB Africa Regions headline earnings grew more than threefold from R183 million in 2017 to R817 million in 2018.

The businesses in Angola, Ghana, Kenya, Uganda and Zambia grew market shares in both assets and deposits. Loans to customers increased 22% and deposits from customers grew 21%. The group's market leading digital solutions assisted in driving customer growth. The number of active customers grew 11%. Transaction volumes increased 27% driven by digital transaction volumes which increased 34%, whilst branch transactions declined 12%. A growing customer base, combined with strong take up of mobile banking, resulted in a 90% increase in mobile banking transaction volumes year on year (2018: 52 million transactions).

Despite negative endowment, as rates fell in Malawi, Mozambique and Nigeria, net interest income grew 5% on the back of strong balance sheet growth, in particular CASA, and margin expansion. Non-interest revenue grew 13%, underpinned by an increase in the account base, higher transaction volumes, strong trade finance flows and growth in fees from our pension fund business in Nigeria. PBB Africa Regions contributed almost half of the Africa Regions legal entities' total income. The credit loss ratio decreased to 138 bps from 247 bps in the prior year, reflective of improved book quality and improved collections as well as non-repeat of higher prior year charges in Nigeria and Malawi. Operating expenses grew 5%, delivering positive jaws of 336 bps and a decline in the cost-to-income ratio to 79% (2017: 82%).

Wealth International grew headline earnings 60% supported by growth in client deposit balances to GBP5.1 billion, increased client activity and endowment benefit.

Corporate & Investment Banking

CIB's headline earnings of R11.2 billion were down 2% on the prior year, and up 1% on a constant currency basis. Revenue from strong operational client activity in Africa Regions was offset by lower trading and capital markets related revenue linked to subdued market conditions. Declining interest rates in Africa Regions and competitive pricing in SA negatively impacted margins. Disciplined cost management constrained cost growth to 5% but was not sufficient to avoid negative jaws of 414 bps. Recognising the need to improve efficiency levels, CIB has initiated structural changes to change the cost base going forward. The credit loss ratio to customers declined to 20 bps due to a combination of improved performance and recoveries. Sovereign and financial institution ratings downgrades in early 2018 resulted in a higher capital demand, which negatively impacted return on risk weighted assets and ROE (2018: 19.3%).

CIB continued to grow and diversify its client base driving year-on-year client revenue growth of 8%. Client segments underpinning growth were multinationals and large domestic corporates and key sectors included Financial Institutions, Industrials and Power & Infrastructure. Africa Regions' performance was underpinned by strong revenue growth in Angola, Kenya, Zambia and Zimbabwe.

Overview of financial results

Investment banking's performance was underpinned by strong balance sheet growth, including corporate debt issuances and foreign currency loans to SA and African multinationals. Average loans increased 9% and margins were flat. Energy and Infrastructure transactions supported NIR. Credit impairment charges were lower year on year due to better portfolio performance and a recovery from a previously impaired exposure in Nigeria.

Transactional products and services continued to grow its Africa Regions client base and deposit base. Declining rates impacted NII whilst increases in trade and transaction activity supported NIR.

Global markets' revenue was adversely impacted by negative emerging market sentiment and lower flows. CIB's on-the-ground presence and deep local knowledge enables it to identify opportunities and trade even in dislocated markets.

Central and other

This segment includes costs associated with corporate functions, as well as the group's treasury and capital requirements, and central hedging activities. In 2018, the segment recorded a loss of R878 million, 28% less than the prior year. The primary driver of the higher loss in 2017 was the elimination, in terms of IFRS, of gains on SBK shares held by the group to facilitate client trading activities, which did not recur in 2018.

Other banking interests

Other banking interests recorded headline earnings of R418 million. ICBCS recorded growth in its underlying franchise revenue and a recovery of US$38 million relating to the aluminium previously written off. This was unfortunately offset by the trading business performance which was negatively impacted by declining global emerging market risk appetite and reduced flows, resulting in ICBCS recording a loss of US$14.9 million for the year. The group's 40% share thereof equated to R74 million. ICBCS's ability to deliver sustainable profits is dependent on its ability to continue to integrate into, and leverage, ICBC's extensive client base. ICBCS did not require additional capital in 2018 on the back of lower than expected RWA growth. ICBCS's business plan indicates the need for a capital injection of approximately US$200 million in the next 12 to 18 months, subject to RWA growth. The group's share thereof would be US$80 million.

ICBC Argentina delivered a strong performance despite the dislocation experienced in the domestic market. The headline earnings contribution from the group's 20% stake in ICBC Argentina increased 19% to R492 million. Adjusting for the significant devaluation of the Argentinian peso, earnings were up 95% on a constant currency basis year on year.

During 2019, we will continue to work with our strategic partners at ICBC to develop a lasting solution for these businesses.

Liberty

The financial results reported are the consolidated results of the group's 56% investment in Liberty, adjusted for SBK shares held by Liberty for the benefit of Liberty policyholders which are deemed to be treasury shares in the group's consolidated accounts.

Liberty's operating earnings were up 42% on the prior year, driven by strong performances in Individual Arrangements and STANLIB. As is to be expected, given the negative trend in asset prices during the year, Liberty's shareholder investment portfolio was impacted by volatile market conditions resulting in lower market returns. We will continue to support Liberty as it executes its remedial and recovery plan and by continuing to deepen the collaboration between our businesses. Liberty's IFRS headline earnings, after the adjustments for the impact of the BEE preference share income and the Liberty Two Degrees listed Real Estate Investment Trust accounting mismatch, declined to R2.6 billion from R3.3 billion in the prior year. Investors are referred to the full Liberty announcement dated 28 February 2019 for further detail.

Headline earnings attributable to the Standard Bank Group, adjusted by R129 million for the impact of deemed treasury shares, were R1.6 billion, 11% higher than in the prior year.

Prospects

Global growth is expected to weaken slightly in 2019 to 3.5% as the slowdown in momentum seen in 2H18 continues into 2019. With risks to the downside, economic conditions will remain challenging and volatile in 2019. Subdued demand will impact global trade, industrial production and could drive commodity and oil prices lower.

Whilst not immune from global risks, prospects for sub-Saharan Africa overall are good with growth expected to accelerate from 2.9% in 2018 to 3.5% in 2019. Over a third of the countries in the region are expected to grow above 5%.

With elections set for May 2019, South Africa is expected to be a tale of two halves. Subdued growth is anticipated in 1H19 as political and policy uncertainty continues to undermine confidence and delay investment and growth. An acceleration in 2H19 and into 2020, driven by corporate investment, whilst expected, will be dependent on the rate of policy progress, structural reform, broader economic stimulus and job creation. A return of stable electricity supply is critical. Assuming some progress and no further downgrades by rating agencies, we expect inflation to remain within the target range and interest rates to remain at current levels in 2019. This should support an uptick in growth to 1.3% for the year.

There is no doubt that in the years ahead the financial services industry, the competitive and regulatory environment and our customers' and employees' expectations will continue to change. Across the group, we are making the changes necessary to best position the franchise to deliver to all our stakeholders. We are focused on transforming our customer and employee experience and improving our productivity to deliver a "future-ready" group. In 2019, we will build on the franchise momentum from 2018, continue to simplify, rationalise and digitise and seek ways to accelerate our delivery.

We remain committed to our medium-term targets of delivering sustainable earnings growth and an ROE in our 18%-20% target range. Finally, in delivering on our purpose of driving Africa's growth, we will continue to support faster, more inclusive and more sustainable growth and human development in South Africa and across the continent we are proud to call home.

Stakeholders should note that any forward-looking information in this announcement has not been reviewed and reported on by the group's external auditors.

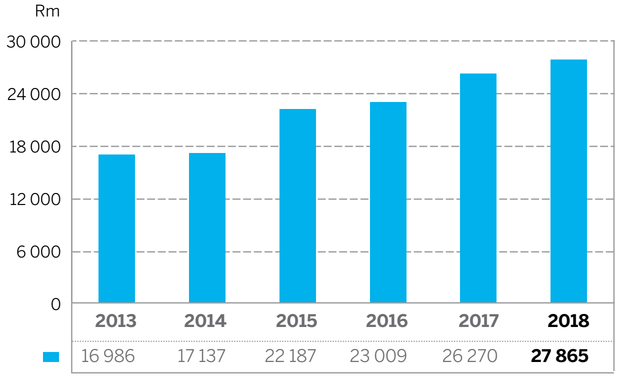
Group income statement

	CCY %	Change %	2018 Rm	2017[1] Rm
Net interest income	1	(1)	**59 622**	60 125
Non-interest revenue	9	7	**45 709**	42 574
Net fee and commission revenue	7	6	**30 375**	28 670
Trading revenue	5	4	**11 129**	10 731
Other revenue	12	11	**3 533**	3 173
Other gains and losses on financial instruments[2]	100	100	**672**	
Total income	4	3	**105 331**	102 699
Credit impairment charges	(32)	(31)	**(6 489)**	(9 410)
Loans and advances	(34)	(34)	**(6 211)**	(9 410)
Financial investments	(100)	(100)	**(101)**	
Letters of credit and guarantees and other	(100)	(100)	**(177)**	
Net income before operating expenses	8	6	**98 842**	93 289
Operating expenses	6	5	**(60 084)**	(57 049)
Staff costs	8	7	**(33 773)**	(31 672)
Other operating expenses	5	4	**(26 311)**	(25 377)
Net income before non-trading and capital related items	9	7	**38 758**	36 240
Non-trading and capital related items	>100	>100	**(392)**	(97)
Net income before equity accounted earnings	9	6	**38 366**	36 143
Share of profit from associates and joint ventures	1	2	**431**	424
Profit before indirect taxation	9	6	**38 797**	36 567
Indirect taxation	9	9	**(2 023)**	(1 849)
Profit before direct taxation	8	6	**36 774**	34 718
Direct taxation	0	2	**(7 823)**	(7 644)
Profit for the year	10	7	**28 951**	27 074
Attributable to other equity instrument holders	24	24	**(738)**	(594)
Attributable to non-controlling interests	4	20	**(2 639)**	(2 206)
Attributable to ordinary shareholders - banking activities	7	5	**25 574**	24 274
Headline adjustable items - banking activities	(>100)	(>100)	**273**	(6)
Headline earnings - banking activities	8	7	**25 847**	24 268
Headline earnings - other banking interests	(0)	(26)	**418**	567
ICBCS	(>100)	(>100)	**(74)**	152
ICBC Argentina	95	19	**492**	415
Headline earnings - Liberty	11	11	**1 600**	1 435
Standard Bank Group headline earnings	8	6	**27 865**	26 270

1 Restated. Refer to page 99.
2 For further information on Other gains and losses on financial instruments, refer to page 97.

Headline earnings

Headline earnings
CAGR (2013 – 2018): 10%



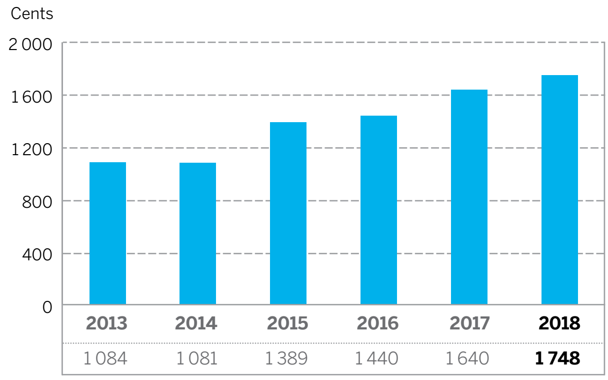
Reconciliation of profit for the period to group headline earnings

	2018				2017			
	Gross Rm	Tax[1] Rm	NCI and other[2] Rm	Net Rm	Gross Rm	Tax[1] Rm	NCI and other[2] Rm	Net Rm
Profit for the year - banking activities	36 774	(7 823)	(3 377)	25 574	34 718	(7 644)	(2 800)	24 274
Headline adjustable items - banking activities added/(reversed)	392	(122)	3	273	56	(66)	4	(6)
IAS 36 - Impairment of intangible assets	449	(123)		326	283	(78)		205
IAS 21 - Realised foreign currency profit on foreign operations					(214)			(214)
IAS 16 - (Gains)/losses on sale of properties and equipment	(15)	2	3	(10)	10	(4)	4	10
IAS 28/IAS 36 - Impairment of associate	5	(1)		4				
IAS 27/IAS 28 - (Gains)/losses on disposal of business	(47)			(47)	18			18
IAS 39 - Realised losses/(gains) on available-for-sale assets[3]					(41)	16		(25)
Headline earnings - banking activities	37 166	(7 945)	(3 374)	25 847	34 774	(7 710)	(2 796)	24 268
Headline earnings - other banking interests	418			418	567			567
Profit for the year - other banking interests	418			418	600			600
IAS 39 - Headline adjustable items: Realised gains on available-for-sale assets[3]					(33)			(33)
Headline earnings - Liberty	4 795	(1 272)	(1 923)	1 600	6 040	(2 863)	(1 742)	1 435
Profit for the year - Liberty	4 546	(1 272)	(1 813)	1 461	5 876	(2 835)	(1 680)	1 361
IFRS 5 - Headline adjustable items: Impairment of non-current assets held for sale	249		(110)	139				
IAS 36 - Headline adjustable items: Impairment of intangible assets					164	(28)	(62)	74
Standard Bank Group headline earnings	42 379	(9 217)	(5 297)	27 865	41 381	(10 573)	(4 538)	26 270

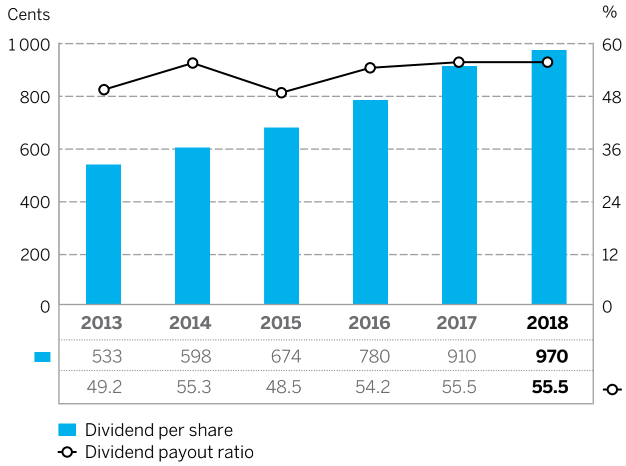
1 Direct taxation.
2 Non-controlling interests and other equity instrument holders.
3 Headline earnings Circular 4/2018 no longer excludes available for sale items from headline earnings and hence is not applicable from 1 January 2018.

Headline earnings and dividend per share

Headline earnings per share
CAGR (2013 – 2018): 10%



Dividend per share and payout ratio
CAGR (2013 – 2018): 13%



		Change %	2018	2017
Headline earnings	Rm	6	**27 865**	26 270
Headline EPS	cents	7	**1 748.4**	1 640.0
Basic EPS	cents	5	**1 722.6**	1 637.8
Total dividend per share	cents	7	**970.0**	910.0
Interim	cents	8	**430.0**	400.0
Final	cents	6	**540.0**	510.0
Dividend cover - based on headline EPS	times		**1.8**	1.8
Dividend payout ratio - based on headline EPS	%		**55.5**	55.5

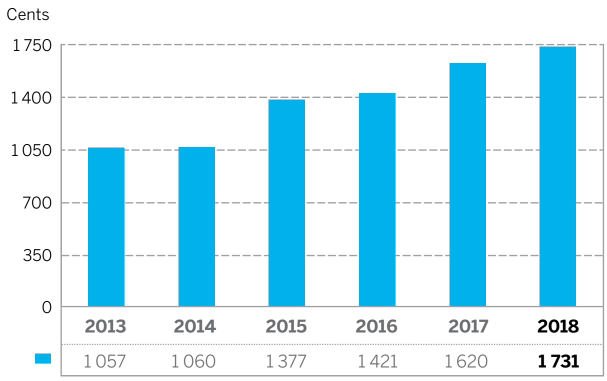
Movement in number of ordinary and weighted average shares issued

	2018		2017	
	Issued number of shares 000's	Weighted number of shares 000's	Issued number of shares 000's	Weighted number of shares 000's
Beginning of the year - IFRS shares	1 597 371	1 597 371	1 596 583	1 596 583
Shares in issue	1 619 268	1 619 268	1 618 421	1 618 421
Deemed treasury shares[1]	(21 897)	(21 897)	(21 838)	(21 838)
Shares issued for equity compensation plans	1 730	950	2 878	1 296
Shares bought back	(2 484)	(1 518)	(2 031)	(1 172)
Movement in deemed treasury shares	(6 400)	(3 084)	(59)	5 148
Share exposures held to facilitate client trading activities	(4 727)	(624)	6 549	6 288
Shares held for the benefit of Liberty policyholders	(4 438)	(4 033)	(6 608)	(1 140)
Shares held by Tutuwa SPEs	2 765	1 573		
End of the year - IFRS shares	1 590 217	1 593 719	1 597 371	1 601 855
Shares in issue	1 618 514	1 618 700	1 619 268	1 618 545
Deemed treasury shares[1]	(28 297)	(24 981)	(21 897)	(16 690)

[1] Includes shares held by Tutuwa Structured Entities, the group's share exposures held to facilitate client trading activities and for the benefit of Liberty policyholders.

Diluted headline earnings per share

Diluted headline earnings per share
CAGR (2013 – 2018): 10%



	Change %	2018 cents	2017 cents
Diluted headline EPS	7	**1 730.9**	1 619.7
Diluted EPS	5	**1 705.3**	1 617.5

Diluted weighted average number of ordinary shares issued

	2018 000's	2017 000's
Weighted average shares	**1 593 719**	1 601 855
Dilution from equity compensation plans	**13 106**	16 073
Group share incentive scheme	**317**	377
Equity growth scheme	**2 302**	4 436
Deferred bonus scheme, long-term incentive plans and related hedges	**10 487**	11 260
Tutuwa	**3 076**	3 993
Diluted weighted average shares	**1 609 901**	1 621 921

Statement of financial position

	Banking activities			
	CCY %	Change %	2018 Rm	2017 Rm
Assets				
Cash and balances with central banks	10	13	85 145	75 310
Derivative assets	(34)	(33)	48 429	72 629
Trading assets	10	12	178 327	159 798
Pledged assets	(22)	(19)	7 218	8 879
Financial investments	11	14	205 380	180 104
Loans and advances	3	7	1 120 668	1 048 027
Loans and advances to banks	(19)	(6)	110 789	117 935
Loans and advances to customers	6	9	1 009 879	930 092
Policyholders' assets				
Other assets	(9)	19	17 531	14 768
Interest in associates and joint ventures	17	17	2 122	1 816
Investment property				
Property and equipment	18	22	16 509	13 539
Non-current assets held for sale				
Goodwill and other intangible assets	(2)	(0)	23 006	23 098
Total assets	3	7	1 704 335	1 597 968
Equity and liabilities				
Equity	0	5	163 429	155 233
Equity attributable to ordinary shareholders	0	5	146 360	138 808
Equity attributable to other equity holders[2]	0	0	9 047	9 047
Equity attributable to non-controlling interests	1	9	8 022	7 378
Liabilities	4	7	1 540 906	1 442 735
Derivative liabilities	(33)	(33)	49 586	73 657
Trading liabilities	(4)	(4)	61 267	63 577
Deposits and debt funding	6	9	1 371 919	1 258 359
Deposits from banks	4	27	116 727	91 794
Deposits from customers	6	8	1 255 192	1 166 565
Policyholders' liabilities				
Non-current liabilities held for sale				
Subordinated debt	8	10	20 819	18 966
Provisions and other liabilities	23	32	37 315	28 176
Total equity and liabilities	3	7	1 704 335	1 597 968

1 Includes adjustments on consolidation of Liberty into the group.
2 Other equity holders of preference share capital and additional tier 1 capital.

Other banking interests and Liberty[1]				Standard Bank Group			
CCY %	Change %	**2018 Rm**	2017 Rm	CCY %	Change %	**2018 Rm**	2017 Rm
				10	13	**85 145**	75 310
9	9	**3 249**	2 981	(32)	(32)	**51 678**	75 610
>100	>100	**2 785**	1 096	11	13	**181 112**	160 894
6	6	**12 661**	11 906	(6)	(4)	**19 879**	20 785
(3)	(3)	**342 025**	353 210	2	3	**547 405**	533 314
				3	7	**1 120 668**	1 048 027
				(19)	(6)	**110 789**	117 935
				6	9	**1 009 879**	930 092
(10)	(10)	**6 708**	7 484	(10)	(10)	**6 708**	7 484
(8)	(8)	**9 502**	10 337	(8)	8	**27 033**	25 105
3	5	**8 254**	7 849	5	7	**10 376**	9 665
3	3	**33 326**	32 226	3	3	**33 326**	32 226
2	2	**2 685**	2 640	16	19	**19 194**	16 179
100	100	**762**		100	100	**762**	
>100	>100	**670**	231	(1)	1	**23 676**	23 329
(2)	(2)	**422 627**	429 960	2	5	**2 126 962**	2 027 928
2	2	**35 634**	34 784	0	5	**199 063**	190 017
2	3	**18 701**	18 212	0	5	**165 061**	157 020
				0	0	**9 047**	9 047
2	2	**16 933**	16 572	2	4	**24 955**	23 950
(2)	(2)	**386 993**	395 176	2	5	**1 927 899**	1 837 911
69	69	**5 471**	3 239	(29)	(28)	**55 057**	76 896
83	83	**(1 320)**	(722)	(5)	(5)	**59 947**	62 855
(0)	(0)	**(14 382)**	(14 448)	6	9	**1 357 537**	1 243 911
(0)	(0)	**(14 382)**	(14 448)	5	32	**102 345**	77 346
				6	8	**1 255 192**	1 166 565
(4)	(4)	**310 994**	322 918	(4)	(4)	**310 994**	322 918
100	100	**237**		100	100	**237**	
4	4	**5 540**	5 323	7	9	**26 359**	24 289
2	2	**80 453**	78 866	8	10	**117 768**	107 042
(2)	(2)	**422 627**	429 960	2	5	**2 126 962**	2 027 928

Statement of comprehensive income

	Change %	2018 Ordinary shareholders' equity Rm	2018 Non-controlling interests and other equity instruments Rm	2018 Total equity Rm
Profit for the year	6	27 453	5 190	32 643
Other comprehensive income/(loss) after tax for the year		4 424	632	5 056
Items that may be subsequently reclassified to profit and loss		4 516	588	5 107
Movements in the cash flow hedging reserve		(100)	(8)	(108)
Movement in debt instruments measured at fair value through other comprehensive income (OCI)[1]		59	(64)	(5)
Movement in the available-for-sale revaluation reserve[1]				
Exchange differences on translating foreign operations		4 557	660	5 217
Net change on hedges of net investments in foreign operations				
Items that may not be subsequently reclassified to profit and loss		(92)	44	(48)
Total comprehensive income for the year		31 877	5 822	37 699
Attributable to ordinary shareholders		31 877		31 877
Attributable to other equity holders			738	738
Attributable to non-controlling interests			5 084	5 084

[1] The group has, as permitted by IFRS 9, 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 39 basis. Refer to page 96 for more detail on the adoption of IFRS 9.

2017		
Ordinary shareholders' equity Rm	Non-controlling interests and other equity instruments Rm	Total equity Rm
26 235	4 480	30 715
(4 721)	(1 219)	(5 940)
(4 450)	(1 157)	(5 607)
136	21	157
387	75	462
(4 927)	(1 253)	(6 180)
(46)		(46)
(271)	(62)	(333)
21 514	3 261	24 775
21 514		21 514
	594	594
	2 667	2 667

Statement of changes in equity

	Ordinary share capital and premium Rm	Empowerment reserve Rm	Treasury shares Rm	Foreign currency translation reserve Rm	Foreign currency hedge of net investment reserve Rm	Cash flow hedging reserve Rm
Balance at 1 January 2017	17 960	(353)	(268)	(1 189)	(937)	(230)
Increase in statutory credit risk reserve						
Transactions with non-controlling shareholders			(8)			
Equity-settled share-based payments						
Deferred tax on share-based payments						
Transfer of vested equity options						
Net increase in treasury shares			(758)			
Net issue of share capital and share premium and other equity instruments	103					
Unincorporated property partnerships capital reductions and distributions						
Redemption of empowerment funding		14				
Total comprehensive income for the year				(4 927)	(46)	136
Dividends paid						
Balance at 31 December 2017	18 063	(339)	(1 034)	(6 116)	(983)	(94)
IFRS 9 transition adjustment						
Balance at 1 January 2018	**18 063**	**(339)**	**(1 034)**	**(6 116)**	**(983)**	**(94)**
Increase in statutory credit risk reserve						
Transactions with non-controlling shareholders			**(13)**	**(241)**		
Equity-settled share-based payments						
Deferred tax on share-based payments						
Transfer of vested equity options						
Net increase in treasury shares			**(1 110)**			
Net issue of share capital and share premium and other equity instruments	**(203)**					
Unincorporated property partnerships capital reductions and distributions						
Redemption of empowerment funding		**138**				
Other						
Total comprehensive income for the year				**4 557**		**(100)**
Dividends paid						
Balance at 31 December 2018	**17 860**	**(201)**	**(2 157)**	**(1 800)**	**(983)**	**(194)**

All balances are stated net of applicable tax.

Regulatory and statutory credit risk reserve Rm	IAS 39 - Available-for-sale revaluation reserve Rm	IFRS 9 - Fair value through OCI reserve Rm	Share-based payment reserve Rm	Other reserves Rm	Retained earnings Rm	Ordinary share-holders' equity Rm	Other equity instru-ments Rm	Non-controlling interest Rm	Total equity Rm
3 073	206		(372)	253	132 614	150 757	5 503	23 099	179 359
16					(16)				
					(46)	(54)		160	106
			485		(1 370)	(885)		29	(856)
					276	276			276
			(1 019)		1 019				
					(395)	(1 153)		(490)	(1 643)
						103	3 544		3 647
								(151)	(151)
						14			14
	387			(45)	26 009	21 514	594	2 667	24 775
					(13 552)	(13 552)	(594)	(1 364)	(15 510)
3 089	593		(906)	208	144 539	157 020	9 047	23 950	190 017
(948)	(593)	582			(5 302)	(6 261)		(376)	(6 637)
2 141		582	(906)	208	139 237	150 759	9 047	23 574	183 380
1 296					(1 296)				
227		12			(1 594)	(1 609)		(1 386)	(2 995)
			(1 078)		1 678	600		26	626
					(128)	(128)			(128)
			959		(959)				
					(185)	(1 295)		(412)	(1 707)
						(203)			(203)
								(222)	(222)
						138			138
					35	35		16	51
		(71)		48	27 443	31 877	738	5 084	37 699
					(15 113)	(15 113)	(738)	(1 725)	(17 576)
3 664		523	(1 025)	256	149 118	165 061	9 047	24 955	199 063

Notes

SEGMENTAL REPORTING

Segmental structure for key business units

Standard Bank Group

Banking activities

Personal & Business Banking

Banking and other financial services to individual customers and small-to medium-sized enterprises in South Africa, the Africa Regions and the Channel Islands. We enable customers to take control of all their financial aspects such as transacting, saving, borrowing or planning by making use of the following product sets either through face-to-face interaction or digitally according to their preference

What we offer

Transactional products
Comprehensive suite of transactional, saving, investment, trade, foreign exchange, payment and liquidity management solutions made accessible through a range of physical and electronic channels

Mortgage lending
Residential accommodation loans mainly to personal market customers

Card products
- Credit card facilities to individuals and businesses (credit card issuing)
- Merchant transaction acquiring services (merchant solutions)

Vehicle and asset finance
- Finance of vehicles for retail market customers
- Finance of vehicles and equipment in the business and corporate assets market
- Fleet solutions

Lending products
- Lending products offered to both personal and business markets
- Business lending offerings constitute a comprehensive suite of lending product offerings, structured working capital finance solutions, commercial property finance solutions and trade finance

Wealth
- Short- and long-term insurance products comprising:
  - simple products including loan protection plans sold in conjunction with related banking products, homeowners' insurance, funeral cover, household contents and vehicle insurance
  - complex insurance products including life, disability and investment policies sold by qualified intermediaries
- Financial planning and modelling
- Integrated fiduciary services including fiduciary advice, will drafting and custody services as well as trust and estates administration
- Tailored banking, wealth management, investment and advisory services solutions for high net worth individuals
- Offshore financial services to high net worth, mass-affluent and corporate clients of the Group
- Investment services including global asset management

Corporate & Investment Banking

Corporate and investment banking services to clients including governments, parastatals, larger corporates, financial institutions and multinational corporates

What we offer

Client coverage
Provide in-depth sector expertise to develop relevant client solutions and foster client relationships

Global markets
Trading and risk management solutions across financial markets, including foreign exchange, money markets, interest rates, equities, credit and commodities

Transactional products and services
Comprehensive suite of cash management, international trade finance, working capital and investor service solutions

Investment banking
Full suite of advisory and financing solutions, from term lending to structured and specialised products across the equity and debt capital markets

Central and other

- Includes the impact of the Tutuwa initiative, group hedging activities, group capital instruments, group surplus capital and strategic acquisitions
- Includes the costs of centralised corporate functions, with the direct costs of corporate functions recharged to the business segments

Other banking interests

- Equity investments held in terms of strategic partnership agreements with ICBC, including:
  - ICBC Standard Bank Plc (40% associate)
  - ICBC Argentina (20% associate)

Liberty

Life insurance and investment management activities of the group companies in the Liberty Holdings Group

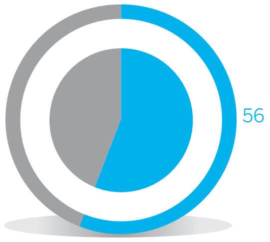
What we offer

South Africa retail
Insurance and investment solutions to individual mass-affluent and affluent consumers, mainly in South Africa

Business development
Insurance and investment solutions to corporate customers and retirement funds across sub-Saharan Africa

Asset management
Asset management capabilities to manage investment assets on the African continent

% of group headline earnings



Personal & Business Banking

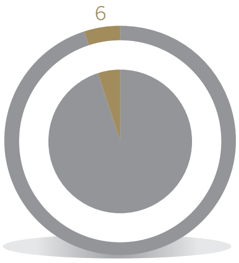
		2018	2017
Headline earnings	Rm	**15 548**	14 103
Headline earnings contribution	%	**56**	54
ROE	%	**21.9**	20.0
Cost-to-income ratio	%	**60.6**	59.0
Credit loss ratio	%	**0.81**	1.20
Gross loans and advances to customers	Rbn	**650**	605
Net loans and advances	Rbn	**674**	629

% of group headline earnings

Corporate & Investment Banking

		2018	2017
Headline earnings	Rm	**11 177**	11 392
Headline earnings contribution	%	**40**	43
ROE	%	**19.3**	22.0
Cost-to-income ratio	%	**54.0**	51.9
Credit loss ratio	%	**0.16**	0.34
Gross loans and advances to customers	Rbn	**398**	352
Net loans and advances	Rbn	**503**	467

% of group headline earnings



Liberty

		2018	2017
Normalised headline earnings as reported by Liberty	Rm	**2 256**	2 719
IFRS headline earnings attributable to the group	Rm	**1 600**	1 435
IFRS headline earnings contribution	%	**6**	5
ROE[1]	%	**15.2**	12.7
Value of new business	Rm	**371**	233
Normalised group equity value	Rbn	**39**	39
Third party funds under management	Rbn	**392**	385

[1] As determined by consolidation of Liberty into SBG.

Segmental income statement

	Personal & Business Banking			Corporate & Investment Banking			Central and other		
	Change %	2018 Rm	2017 Rm	Change %	2018 Rm	2017 Rm	Change %	2018 Rm	2017 Rm
Income from banking activities	3	**69 807**	67 708	1	**36 981**	36 770	(18)	**(1 457)**	(1 779)
Net interest income	2	**41 754**	40 963	(6)	**19 190**	20 434	4	**(1 322)**	(1 272)
Non-interest revenue	5	**28 053**	26 745	9	**17 791**	16 336	(73)	**(135)**	(507)
Net fee and commission revenue	6	**25 020**	23 698	5	**5 688**	5 437	(28)	**(333)**	(465)
Trading revenue	(57)	**174**	402	3	**10 880**	10 548	(>100)	**75**	(219)
Other revenue	8	**2 867**	2 645	63	**573**	351	(47)	**93**	177
Other gains and losses on financial instruments	(100)	**(8)**		100	**650**		100	**30**	
Net income from investment management and life insurance activities									
Total income	3	**69 807**	67 708	1	**36 981**	36 770	(18)	**(1 457)**	(1 779)
Credit impairment charges	(30)	**(5 440)**	(7 785)	(35)	**(1 049)**	(1 625)			
Loans and advances	(30)	**(5 464)**	(7 785)	(54)	**(747)**	(1 625)			
Financial investments	(100)	**(2)**		(100)	**(99)**				
Letters of credit and guarantees	100	**26**		(100)	**(203)**				
Income before operating expenses	7	**64 367**	59 923	2	**35 932**	35 145	(18)	**(1 457)**	(1 779)
Operating expenses in banking activities	6	**(42 269)**	(39 972)	5	**(19 979)**	(19 080)	8	**2 164**	2 003
Staff costs	8	**(14 548)**	(13 469)	0	**(7 002)**	(6 984)	9	**(12 223)**	(11 219)
Other operating expenses	5	**(27 721)**	(26 503)	7	**(12 977)**	(12 096)	9	**14 387**	13 222
Operating expenses in insurance activities									
Net income before non-trading and capital items, and equity accounted earnings	11	**22 098**	19 951	(1)	**15 953**	16 065	>100	**707**	224
Non-trading and capital related items	(83)	**(22)**	(132)	>100	**(385)**	(78)	(87)	**15**	113
Share of profit from associates and joint ventures	35	**325**	241	(44)	**102**	182	>100	**4**	1
Net income before indirect taxation	12	**22 401**	20 060	(3)	**15 670**	16 169	>100	**726**	338
Indirect taxation	9	**(643)**	(590)	19	**(282)**	(237)	7	**(1 098)**	(1 022)
Profit before direct taxation	12	**21 758**	19 470	(3)	**15 388**	15 932	(46)	**(372)**	(684)
Direct taxation	6	**(5 535)**	(5 211)	(9)	**(2 240)**	(2 454)	(>100)	**(48)**	21
Profit for the year	14	**16 223**	14 259	(2)	**13 148**	13 478	(37)	**(420)**	(663)
Attributable to other equity instrument holders	71	**(142)**	(83)	89	**(144)**	(76)	4	**(452)**	(435)
Attributable to non-controlling interests	>100	**(542)**	(153)	3	**(2 104)**	(2 039)	(>100)	**7**	(14)
Attributable to ordinary shareholders	11	**15 539**	14 023	(4)	**10 900**	11 363	(22)	**(865)**	(1 112)
Headline adjustable items	(89)	**9**	80	>100	**277**	29	(89)	**(13)**	(115)
Headline earnings	10	**15 548**	14 103	(2)	**11 177**	11 392	(28)	**(878)**	(1 227)
Net interest margin (%)		**5.99**	6.16		**2.87**	3.13			
Credit loss ratio (%)		**0.81**	1.20		**0.16**	0.34			
Cost-to-income ratio (%)		**60.6**	59.0		**54.0**	51.9			
Number of employees	(2)	**27 470**	28 074	(1)	**3 755**	3 811	(1)	**16 194**	16 437
ROE (%)		**21.9**	20.0		**19.3**	22.0		**(10.7)**	(10.1)

[1] Restated. Refer to page 99.
[2] Includes adjustments on consolidation of Liberty into the group.

Banking activities			Other banking interests			Liberty[2]			Standard Bank Group		
Change %	2018 Rm	2017[1] Rm	Change %	2018 Rm	2017 Rm	Change %	2018 Rm	2017 Rm	Change %	2018 Rm	2017 Rm
3	**105 331**	102 699							3	**105 331**	102 699
(1)	**59 622**	60 125							(1)	**59 622**	60 125
7	**45 709**	42 574							7	**45 709**	42 574
6	**30 375**	28 670							6	**30 375**	28 670
4	**11 129**	10 731							4	**11 129**	10 731
11	**3 533**	3 173							11	**3 533**	3 173
100	**672**								100	**672**	
						(11)	**21 722**	24 394	(11)	**21 722**	24 394
3	**105 331**	102 699				(11)	**21 722**	24 394	(0)	**127 053**	127 093
(31)	**(6 489)**	(9 410)							(31)	**(6 489)**	(9 410)
(34)	**(6 211)**	(9 410)							(34)	**(6 211)**	(9 410)
(100)	**(101)**								(100)	**(101)**	
(100)	**(177)**								(100)	**(177)**	
6	**98 842**	93 289				(11)	**21 722**	24 394	2	**120 564**	117 683
5	**(60 084)**	(57 049)							5	**(60 084)**	(57 049)
7	**(33 773)**	(31 672)							7	**(33 773)**	(31 672)
4	**(26 311)**	(25 377)							4	**(26 311)**	(25 377)
						(8)	**(16 404)**	(17 800)	(8)	**(16 404)**	(17 800)
7	**38 758**	36 240				(19)	**5 318**	6 594	3	**44 076**	42 834
>100	**(392)**	(97)				52	**(249)**	(164)	>100	**(641)**	(261)
2	**431**	424	(30)	**418**	600	(19)	**63**	78	(17)	**912**	1 102
6	**38 797**	36 567	(30)	**418**	600	(21)	**5 132**	6 508	2	**44 347**	43 675
10	**(2 023)**	(1 849)				(7)	**(586)**	(632)	5	**(2 609)**	(2 481)
6	**36 774**	34 718	(30)	**418**	600	(23)	**4 546**	5 876	1	**41 738**	41 194
2	**(7 823)**	(7 644)				(55)	**(1 272)**	(2 835)	(13)	**(9 095)**	(10 479)
7	**28 951**	27 074	(30)	**418**	600	8	**3 274**	3 041	6	**32 643**	30 715
24	**(738)**	(594)							24	**(738)**	(594)
20	**(2 639)**	(2 206)				8	**(1 813)**	(1 680)	15	**(4 452)**	(3 886)
5	**25 574**	24 274	(30)	**418**	600	7	**1 461**	1 361	5	**27 453**	26 235
(>100)	**273**	(6)	100		(33)	87	**139**	74	>100	**412**	35
7	**25 847**	24 268	(26)	**418**	567	11	**1 600**	1 435	6	**27 865**	26 270
	4.58	4.74									
	0.56	0.87									
	57.0	55.5									
(2)	**47 419**	48 322				(8)	**5 759**	6 236	(3)	**53 178**	54 558
	18.8	18.0		**5.6**	7.3		**15.2**	12.7		**18.0**	17.1

Segmental statement of financial position

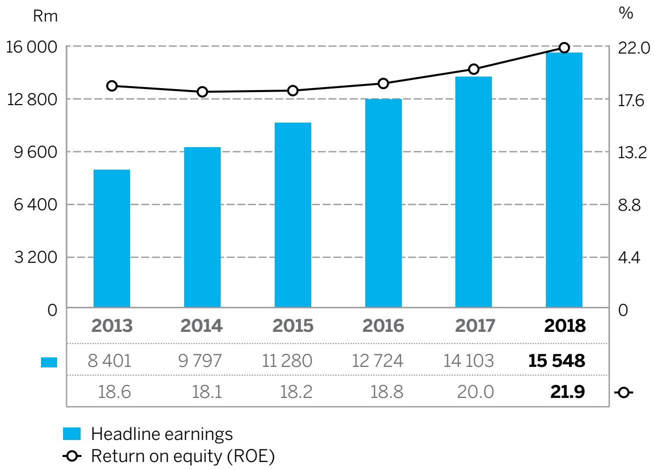
	Personal & Business Banking			Corporate & Investment Banking			Central and other		
	Change %	2018 Rm	2017 Rm	Change %	2018 Rm	2017 Rm	Change %	2018 Rm	2017 Rm
Assets									
Cash and balances with central banks	>100	**22 803**	7 312	12	**62 289**	55 731	(100)	**53**	12 267
Financial investments, trading and pledged assets	(4)	**40 017**	41 839	14	**344 758**	303 452	76	**6 150**	3 490
Loans and advances	7	**673 716**	629 380	8	**502 639**	467 130	15	**(55 687)**	(48 483)
Loans and advances to banks	27	**51 795**	40 681	(6)	**112 789**	120 494	24	**(53 795)**	(43 240)
Loans and advances to customers	6	**621 921**	588 699	12	**389 850**	346 636	(64)	**(1 892)**	(5 243)
Derivative and other assets	23	**9 879**	8 015	(28)	**57 109**	79 636	>100	**(1 028)**	(254)
Policyholders' assets									
Investment property									
Interest in associates and joint ventures	19	**1 396**	1 175	10	**632**	573	38	**94**	68
Property and equipment	48	**6 677**	4 522	(24)	**185**	243	10	**9 647**	8 774
Non-current assets held for sale									
Goodwill and other intangible assets	(1)	**12 840**	12 989	>100	**3 127**	570	(26)	**7 039**	9 539
Total assets	9	**767 328**	705 232	7	**970 739**	907 335	>100	**(33 732)**	(14 599)
Equity and liabilities									
Equity	4	**77 141**	74 436	7	**68 087**	63 353	4	**18 201**	17 444
Equity attributable to ordinary shareholders	3	**73 246**	71 042	9	**61 690**	56 787	4	**11 424**	10 979
Equity attributable to other equity holders	92	**1 651**	859	>100	**1 733**	833	(23)	**5 663**	7 355
Equity attributable to non-controlling interests	(11)	**2 244**	2 535	(19)	**4 664**	5 733	(>100)	**1 114**	(890)
Liabilities	9	**690 187**	630 796	7	**902 652**	843 982	62	**(51 933)**	(32 043)
Deposits and debt funding	10	**591 553**	537 038	9	**835 773**	768 413	18	**(55 407)**	(47 092)
Deposits from banks	(85)	**235**	1 577	27	**167 928**	132 638	21	**(51 436)**	(42 421)
Deposits and current accounts from customers	10	**591 318**	535 461	5	**667 845**	635 775	(15)	**(3 971)**	(4 671)
Interdivisional funding/(lending)	11	**79 509**	71 634	1	**(92 397)**	(91 719)	(36)	**12 888**	20 085
Derivative, trading and other liabilities	(29)	**9 950**	14 037	(6)	**148 103**	157 813	53	**(9 885)**	(6 440)
Policyholders' liabilities									
Non-current liabilities held for sale									
Subordinated debt	13	**9 175**	8 087	18	**11 173**	9 475	(66)	**471**	1 404
Total equity and liabilities	9	**767 328**	705 232	7	**970 739**	907 335	>100	**(33 732)**	(14 599)
Average gross loans and advances	5	**676 627**	647 320	(1)	**470 076**	476 468	(20)	**(33 294)**	(41 401)
Average interest earning assets	5	**697 481**	665 263	2	**667 505**	653 301	28	**(64 544)**	(50 384)
Average ordinary shareholders' equity	1	**70 958**	70 213	12	**58 038**	51 926	(34)	**8 183**	12 356

[1] Includes adjustments on consolidation of Liberty into the group.

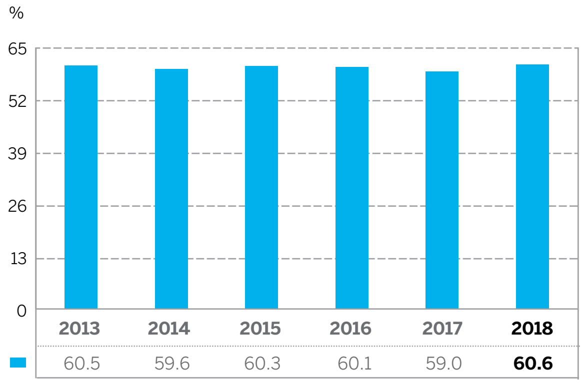
Banking activities			Other banking interests			Liberty[1]			Standard Bank Group		
Change %	**2018 Rm**	2017 Rm	Change %	**2018 Rm**	2017 Rm	Change %	**2018 Rm**	2017 Rm	Change %	**2018 Rm**	2017 Rm
13	**85 145**	75 310							13	**85 145**	75 310
12	**390 925**	348 781				(2)	**357 471**	366 212	5	**748 396**	714 993
7	**1 120 668**	1 048 027							7	**1 120 668**	1 048 027
(6)	**110 789**	117 935							(6)	**110 789**	117 935
9	**1 009 879**	930 092							9	**1 009 879**	930 092
(25)	**65 960**	87 397				(4)	**12 751**	13 318	(22)	**78 711**	100 715
						(10)	**6 708**	7 484	(10)	**6 708**	7 484
						3	**33 326**	32 226	3	**33 326**	32 226
17	**2 122**	1 816	5	**7 852**	7 493	13	**402**	356	7	**10 376**	9 665
22	**16 509**	13 539				2	**2 685**	2 640	19	**19 194**	16 179
						100	**762**		100	**762**	
(0)	**23 006**	23 098				>100	**670**	231	1	**23 676**	23 329
7	**1 704 335**	1 597 968	5	**7 852**	7 493	(2)	**414 775**	422 467	5	**2 126 962**	2 027 928
5	**163 429**	155 233	5	**7 852**	7 493	2	**27 782**	27 291	5	**199 063**	190 017
5	**146 360**	138 808	5	**7 852**	7 493	1	**10 849**	10 719	5	**165 061**	157 020
0	**9 047**	9 047							0	**9 047**	9 047
9	**8 022**	7 378				2	**16 933**	16 572	4	**24 955**	23 950
7	**1 540 906**	1 442 735				(2)	**386 993**	395 176	5	**1 927 899**	1 837 911
9	**1 371 919**	1 258 359				(0)	**(14 382)**	(14 448)	9	**1 357 537**	1 243 911
27	**116 727**	91 794				(0)	**(14 382)**	(14 448)	32	**102 345**	77 346
8	**1 255 192**	1 166 565							8	**1 255 192**	1 166 565
(10)	**148 168**	165 410				4	**84 604**	81 383	(6)	**232 772**	246 793
						(4)	**310 994**	322 918	(4)	**310 994**	322 918
						100	**237**		100	**237**	
10	**20 819**	18 966				4	**5 540**	5 323	9	**26 359**	24 289
7	**1 704 335**	1 597 968	5	**7 852**	7 493	(2)	**414 775**	422 467	5	**2 126 962**	2 027 928
3	**1 113 409**	1 082 387									
3	**1 300 442**	1 268 180									
2	**137 179**	134 495	(4)	**7 439**	7 754	(6)	**10 519**	11 279	1	**155 137**	153 528

Personal & Business Banking

Headline earnings
CAGR (2013 – 2018): 13%



Cost-to-income ratio



		CCY %	Change %	**2018 Rm**	2017 Rm
Net interest income		3	2	**41 754**	40 963
Non-interest revenue		6	5	**28 053**	26 745
Total income		4	3	**69 807**	67 708
Credit impairment charges		(30)	(30)	**(5 440)**	(7 785)
Operating expenses		7	6	**(42 269)**	(39 972)
Taxation		7	6	**(6 178)**	(5 801)
Headline earnings		10	10	**15 548**	14 103
Headline earnings change	%			**10**	10
Headline earnings contribution to the group	%			**56**	54
Net interest margin	%			**5.99**	6.16
Credit loss ratio	%			**0.81**	1.20
Cost-to-income ratio	%			**60.6**	59.0
Jaws	%			**(2.6)**	1.0
Effective direct taxation rate	%			**25.4**	26.8
RoRWA	%			**3.9**	3.7
ROE	%			**21.9**	20.0
Number of employees			(2)	**27 470**	28 074

Favourable

- Net promoter scores continue to improve post the introduction of the new client centric operating model which has also resulted in a lower number of complaints in South Africa.
- Increase in number of active clients in Africa Regions, Wealth International as well as targeted segments in South Africa.
- Strong trade finance revenue growth in Africa Regions.
- Improvement in return on equity and sustained growth in return on risk-weighted assets.
- Increase in disbursement levels across lending products, notably, VAF and personal unsecured lending.
- Mix benefit as growth in higher margin products outpaced asset-backed lending.
- Successful deployment of the SBSA virtual mobile network.
- Migration of remaining retail transactional accounts to new core banking system which completes the program.
- Material increase in Instant Money volumes.
- Wealth International benefited from good margin growth due to a favourable change in balance sheet mix and upward lift in US and UK interest rates.

Adverse

- Margins negatively impacted by accounting standard changes, exacerbated by competitive pressures across most products.
- Negative endowment due to lower average interest rates in South Africa, Nigeria, Mozambique and Malawi.
- Negative jaws and deteriorated cost-to-income ratio exacerbated by accounting standard changes.
- Decline in transactional volumes from higher fee earning traditional platforms as customers shift to more convenient digital platforms.

External loans and advances by product

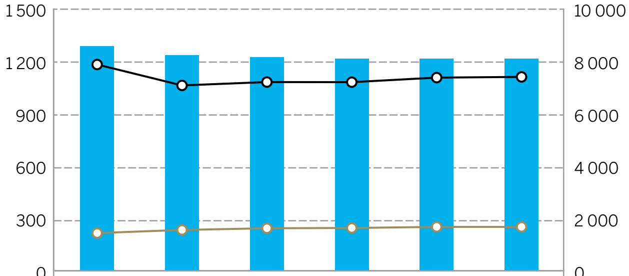
	CCY %	Change %	2018 Rm	2017 Rm
Loans and advances to banks	16	27	**51 795**	40 681
Loans and advances to customers	5	6	**621 921**	588 699
Gross loans and advances to customers	6	7	**649 968**	605 187
Mortgage loans	4	4	**362 006**	346 518
Vehicle and asset finance	9	10	**89 410**	81 640
Card debtors	3	3	**33 216**	32 268
Other loans and advances	11	14	**165 336**	144 761
Personal unsecured lending	12	14	**59 459**	52 016
Business and other lending	10	14	**105 877**	92 745
Credit impairments for loans and advances	68	70	**(28 047)**	(16 488)
Credit impairments for stage 3 (non-performing) loans	43	45	**(17 292)**	(11 943)
Credit impairments for stage 1 and 2 (performing) loans	>100	>100	**(10 755)**	(4 545)
Comprising:				
Net loans and advances	5	7	**673 716**	629 380
Gross loans and advances	7	9	**701 763**	645 868
Credit impairments	68	70	**(28 047)**	(16 488)

Deposits by product

	CCY %	Change %	2018 Rm	2017 Rm
Wholesale priced call deposits	13	13	**123 329**	108 977
Retail priced deposits	6	10	**467 989**	426 484
Current accounts	7	9	**158 891**	145 684
Cash management deposits	13	13	**35 320**	31 151
Call deposits	1	8	**132 756**	123 414
Savings accounts	18	24	**28 617**	23 107
Term deposits	1	4	**95 702**	92 428
Other funding	55	56	**16 703**	10 700
Deposits from customers	7	10	**591 318**	535 461
Deposits from banks	(86)	(85)	**235**	1 577
Wholesale priced interdivisional funding	15	11	**79 509**	71 634
Total deposits	8	10	**671 062**	608 672

Personal & Business Banking

Points of representation

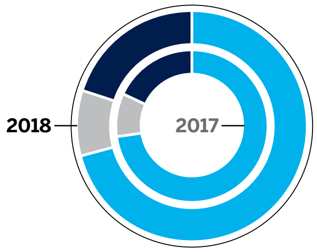


	2013	2014	2015	2016	2017	**2018**
Branches	1 283	1 233	1 221	1 211	1 212	**1 200**
ATMs[1] – Standard Bank owned	7 861	7 065	7 193	7 189	7 389	**7 576**
ATMs[1] – non-Standard Bank owned	1 439	1 558	1 622	1 633	1 674	**1 745**

Branches
ATMs[1] – Standard Bank owned
ATMs[1] – non-Standard Bank owned

[1] Including auto money devices and Automatic Notes Acceptors (ANAs).

Headline earnings by market segment (%)



	2018	2017
Retail and business banking	**71**	73
Commercial banking	**9**	9
Wealth	**20**	18

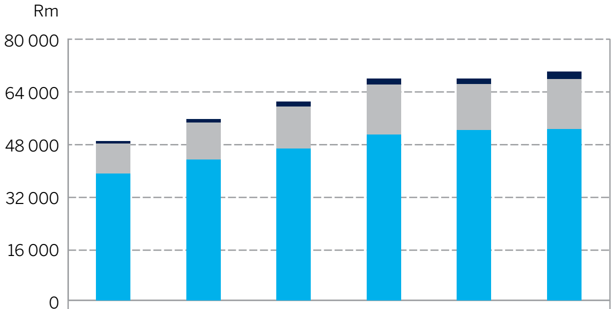
Key business statistics

		Change %	**2018**	2017
South Africa				
Mortgage lending				
New business disbursements	Rm	5	**44 458**	42 381
Number of loan applications received	thousands	(4)	**207**	215
Average loan to value (LTV) of new business registered	%		**86**	86
Portfolio market share[2]	%		**34.2**	34.3
New business referred by traditional mortgage originators	%		**54**	47
Vehicle and asset finance				
New business disbursements	Rm	23	**39 134**	31 921
- motor	Rm	28	**30 934**	24 146
- non-motor	Rm	5	**8 200**	7 775
Clients/customers				
Active clients/customers[3]	thousands	(0)	**8 077**	8 091
Transactional - targeted	thousands	1	**1 665**	1 644
Other	thousands	(1)	**6 412**	6 447
UCount clients	thousands	14	**863**	756
Instant Money unique users - Clients with no other relationship	thousands	10	**1 677**	1 519
Mobile Banking active users - total	thousands	9	**1 811**	1 657
Mobile Banking active users - SBG mobile app	thousands	30	**1 274**	982
Client/customer activity				
Instant money transactional volumes	thousands	29	**22 637**	17 567
Instant money turnover	Rm	40	**16 474**	11 763
Mobile Banking transactional values	Rm	44	**262 321**	181 871
Increase in UCount redemptions	%		**41**	50
Points of representation				
Branches		(2)	**629**	640
ATMs and ANAs[1]		0	**7 239**	7 224
ATMs and ANAs - Standard Bank owned		(1)	**5 494**	5 550
ATMs - non-Standard Bank owned		4	**1 745**	1 674
Africa Regions				
Clients				
Active clients	thousands	11	**5 091**	4 588
Customer activity				
Mobile Banking transactional volumes - total	thousands	90	**52 150**	27 413
Points of representation				
Branches[4]		(0)	**571**	572
ATMs		13	**2 082**	1 839
Change in the number of ATM transactions	%		**13**	23

[2] Residential mortgages only.
[3] In addition, a further 1.5m clients do not meet our active classification.
[4] Includes service centres, customer service trade points, agencies, in-store banking and "bank at work" sites.

PBB total income by geography

CAGR: South Africa 6%
Africa Regions 11%
International 20%



	2013	2014	2015	2016	2017	2018
South Africa	38 743	43 011	46 284	50 627	51 955	**52 283**
Africa Regions	9 026	11 244	12 973	15 284	14 182	**15 364**
International	852	1 144	1 380	1 724	1 571	**2 160**

South Africa
Africa Regions
International

Summarised income statement by geography[1]

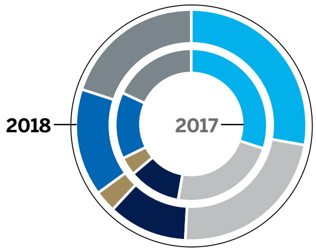
	South Africa				Africa Regions			
	CCY %	Change %	**2018 Rm**	2017 Rm	CCY %	Change %	**2018 Rm**	2017 Rm
Net interest income	(1)	(1)	**31 587**	32 005	9	5	**8 720**	8 283
Non-interest revenue	4	4	**20 696**	19 950	17	13	**6 644**	5 899
Total income	1	1	**52 283**	51 955	12	8	**15 364**	14 182
Credit impairment charges	(28)	(28)	**(4 533)**	(6 308)	(37)	(39)	**(905)**	(1 481)
Operating expenses	6	6	**(29 059)**	(27 486)	9	5	**(12 177)**	(11 601)
Headline earnings	3	3	**13 721**	13 290	>100	>100	**817**	183
Credit loss ratio (%)			**0.83**	1.19			**1.38**	2.47
Cost-to-income ratio (%)			**55.6**	52.9			**79.3**	81.8
ROE (%)			**25.6**	24.5			**6.4**	1.5

	Wealth International			
	CCY %	Change %	**2018 Rm**	2017 Rm
Net interest income	>100	>100	**1 447**	675
Non-interest revenue	(23)	(20)	**713**	896
Total income	33	37	**2 160**	1 571
Credit impairment charges	(>100)	(>100)	**(2)**	4
Operating expenses	13	17	**(1 033)**	(885)
Headline earnings	56	60	**1 010**	630
Credit loss ratio (%)			**0.00**	(0.01)
Cost-to-income ratio (%)			**47.8**	56.3
ROE (%)			**21.2**	16.2

[1] The impact of interest in suspense adjustments can be seen on page 33. This is mostly applicable to South Africa.

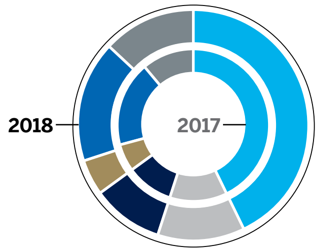
Personal & Business Banking

PBB composition of headline earnings by product (%)



	2018	2017
Transactional products	28	30
Mortgage lending	23	23
Card products	11	11
Vehicle and asset finance	3	4
Lending products	15	14
Wealth	20	18

PBB composition of total income by product (%)



	2018	2017
Transactional products	43	43
Mortgage lending	12	12
Card products	10	10
Vehicle and asset finance	5	6
Lending products	17	18
Wealth	13	11

Summarised income statement by product

	Transactional products				Mortgage lending			
	CCY %	Change %	2018 Rm	2017 Rm	CCY %	Change %	2018 Rm	2017 Rm
Net interest income	3	2	16 090	15 758	(2)	(2)	7 951	8 110
Non-interest revenue	8	7	13 970	13 083	0	0	314	313
Total income	5	4	30 060	28 841	(2)	(2)	8 265	8 423
Credit impairment charges					(40)	(40)	(940)	(1 571)
Operating expenses	6	5	(23 529)	(22 408)	7	6	(2 559)	(2 425)
Headline earnings	2	2	4 299	4 222	8	8	3 588	3 326

	Card products				Vehicle and asset finance			
	CCY %	Change %	2018 Rm	2017 Rm	CCY %	Change %	2018 Rm	2017 Rm
Net interest income	(3)	(3)	2 947	3 025	(4)	(5)	2 936	3 080
Non-interest revenue	3	2	3 883	3 796	(4)	(4)	698	725
Total income	1	0	6 830	6 821	(4)	(4)	3 634	3 805
Credit impairment charges	(30)	(30)	(960)	(1 379)	(9)	(10)	(789)	(872)
Operating expenses	6	6	(3 424)	(3 223)	(7)	(7)	(2 112)	(2 283)
Headline earnings	11	11	1 706	1 541	1	2	517	506

	Lending products				Wealth			
	CCY %	Change %	2018 Rm	2017 Rm	CCY %	Change %	2018 Rm	2017 Rm
Net interest income	(0)	(1)	9 597	9 689	70	72	2 233	1 301
Non-interest revenue	3	1	2 482	2 446	6	5	6 706	6 382
Total income	0	(0)	12 079	12 135	17	16	8 939	7 683
Credit impairment charges	(30)	(31)	(2 746)	(3 960)	67	67	(5)	(3)
Operating expenses	11	9	(5 865)	(5 397)	13	13	(4 780)	(4 236)
Headline earnings	16	16	2 338	2 008	24	24	3 100	2 500

	Personal & Business Banking reported				Personal & Business Banking adjusted for IFRS 9-related accounting impact			
	CCY %	Change %	**2018 Rm**	2017 Rm	CCY %	Change %	**2018 Rm**	2017 Rm
Net interest income	3	2	**41 754**	40 963	7	6	**43 371**	40 963
Non-interest revenue	6	5	**28 053**	26 745	6	5	**28 053**	26 745
Total income	4	3	**69 807**	67 708	6	5	**71 424**	67 708
Credit impairment charges	(30)	(30)	**(5 440)**	(7 785)	(9)	(9)	**(7 057)**	(7 785)
Operating expenses	7	6	**(42 269)**	(39 972)	7	6	**(42 269)**	(39 972)
Headline earnings	10	10	**15 548**	14 103	10	10	**15 548**	14 103
Credit loss ratio (%)			**0.81**	1.20			**1.05**	1.20
Cost-to-income ratio (%)			**60.6**	59.0			**59.2**	59.0
Jaws (%)			**(2.6)**	1.0			**(0.3)**	1.0

Interest in suspense adjustment

- NII has been negatively impacted across the various lending products by the introduction of interest in suspense on pre-legal balances alongside the reallocation of released interest in suspense on cured debt. These adjustments lowered credit impairments and adversely impacted reported year-on-year NII growth.

Transactional products

- Good deposit growth following fixed deposit campaigns in the latter part of 2017, combined with an increasing client base in Africa Regions.
- Negative endowment due to lower average interest rates in South Africa, Nigeria, Mozambique and Malawi.
- Fee income increased from annual price increases, partly offset by lower transactional volumes on traditional platforms as clients increasingly transact on more convenient digital platforms.

Mortgage lending

- Growth in book balance supported by higher registrations.
- NII was supported by robust book growth in a sluggish property market.
- Margins on new business contracted slightly due to the increased competitive pressures and funding costs.
- Older, lower margin portfolio run-off supported the portfolio margin.
- Stage 3 credit impairments growth was as a consequence of the protracted legal environment, and higher provisioning resulted from lower cures and model enhancements.

Card products

- NII was impacted by muted growth in interest-earning assets on the back of a declining account base.
- Higher interchange income resulting from higher turnover. Partly offset by the contraction of merchant acquiring margins.
- Increased transaction volumes and higher turnover driven by additional point of sales device in Zimbabwe stemming from cash shortages.
- Enhanced collection strategies combined with improved customer performance has resulted in improved quality portfolio.
- Increased volume driven fees paid to card associations.
- A decline in operational risk losses despite an increase in trading activities.

Vehicle and asset finance

- Good relationship with dealers led to large increase in payouts, despite lacklustre industry growth.
- High portfolio amortisation.
- Lower new business pricing due to competitive market pressure which also negatively impacted portfolio margin.
- Lower credit impairments mainly related to the non-repetition of provisions raised on larger single exposures in the prior year, lower write-offs and higher post write-off recoveries.
- Operational efficiencies through co-locating teams and improvement of internal processes led to lower costs compared to prior year.

Lending products

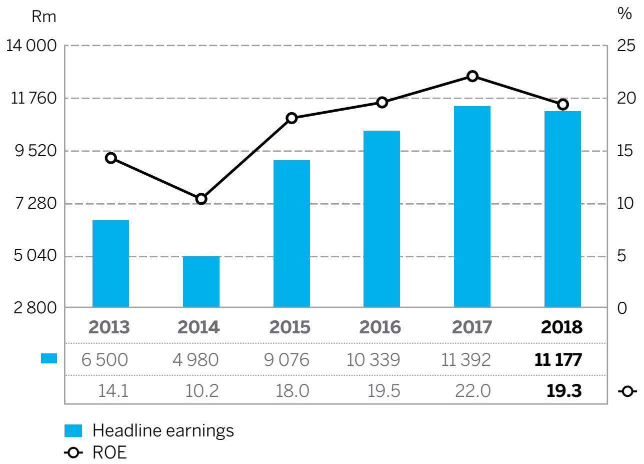
- Increased balances, supported by higher new business disbursements and increased limit utilisation.
- Higher amortisation rates.
- Margins impacted by competitive environment.
- Continued focus on trade activities resulted in an increase in trade finance revenue in Africa Regions.
- Credit impairments were reduced by higher post write-off recoveries in South Africa, improved operational processes to better rate credit risk on larger exposures, as well as enhancements to the public sector provisioning methodology.

Wealth

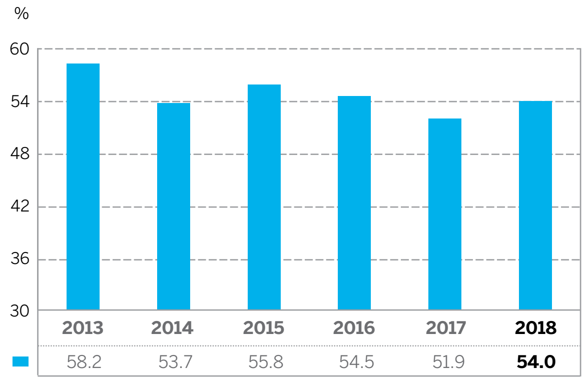
- Wealth International delivered strong growth as a result of higher deposit growth, increased client activity and endowment benefit.
- Sustained growth in the Nigerian wealth businesses' assets under management.
- Continued diversification in the Wealth business in Africa Regions.
- Wealth and Investment continues to grow its client base which resulted in deposit and lending growth.
- Continued focus on increasing revenue from insurance brokerage services in South Africa and Africa Regions.
- Revenue pressures in the investment business as a result of subdued equity markets in South Africa.

Corporate & Investment Banking

Headline earnings
CAGR (2013 – 2018): 11%



Cost-to-income ratio



		CCY %	Change %	2018 Rm	2017 Rm
Net interest income		(2)	(6)	**19 190**	20 434
Non-interest revenue		11	9	**17 791**	16 336
Total income		3	1	**36 981**	36 770
Credit impairment charges		(35)	(35)	**(1 049)**	(1 625)
Operating expenses		7	5	**(19 979)**	(19 080)
Taxation		(3)	(6)	**(2 522)**	(2 691)
Headline earnings		1	(2)	**11 177**	11 392
Headline earnings change	%			**(2)**	11
Headline earnings contribution to the group	%			**40**	43
Net interest margin	%			**2.87**	3.13
Credit loss ratio	%			**0.16**	0.34
Credit loss ratio to customers	%			**0.20**	0.44
Cost-to-income ratio	%			**54.0**	51.9
Jaws	%			**(4.1)**	4.6
Effective direct taxation rate	%			**14.6**	15.4
RoRWA	%			**2.5**	2.9
ROE	%			**19.3**	22.0
Number of employees			(1)	**3 755**	3 811

Favourable

- Strong client activity in Africa Regions, specifically in West Africa and South & Central Africa, led by multinationals and large domestic clients.
- Diversified and sustained client revenue growth from Financial Institutions, Industrials and Power & Infrastructure sectors.
- Loans and advances growth supported by client franchise growth.
- Prudent and responsive risk management evidenced by the material recovery of a previously impaired name which cured.
- Cost growth contained below the average weighted inflation of our key markets.
- Structural cost reduction initiated to transform the cost base.

Adverse

- Low growth environment and geopolitical tensions impacted corporate activities and capital flows in key markets resulting in low revenue growth.
- Subdued trading activity and volumes in South Africa and margin compression impacted trading revenues in global markets.
- Declining interest rate environment and foreign currency shortages in key African markets.
- Increased capital utilisation as a result of portfolio rating downgrades at the end of 2017.

External loans and advances by product

	CCY %	Change %	2018 Rm	2017 Rm
Gross loans and advances to banks	(17)	(6)	**112 852**	120 494
Credit impairments for banks	(100)	(100)	**(63)**	
Net loans and advances to banks	(17)	(6)	**112 789**	120 494
Gross loans and advances to customers incl. HQLA	11	15	**412 163**	357 960
Global markets	20	25	**26 967**	21 648
Investment banking	7	11	**338 349**	305 292
Customer lending qualifying as HQLA[1]	>100	>100	**13 738**	5 770
Other loans and advances to customers	5	8	**324 611**	299 522
Transactional products and services	42	52	**46 843**	30 859
Real estate and PIM	(98)	(98)	**4**	161
Less HQLA	>100	>100	**(13 738)**	(5 770)
Gross loans and advances to customers	9	13	**398 425**	352 190
Credit impairments for loans and advances	48	56	**(8 575)**	(5 554)
Credit impairments for stage 3 (non-performing loans)	88	96	**(6 509)**	(3 325)
Credit impairments for stage 1 and 2 (performing loans)	(13)	(7)	**(2 066)**	(2 229)
Net loans and advances to customers	12	12	**389 850**	346 636
Comprising:				
Net loans and advances	2	8	**502 639**	467 130
Gross loans and advances	(0)	8	**511 277**	472 684
Credit impairments	48	56	**(8 638)**	(5 554)

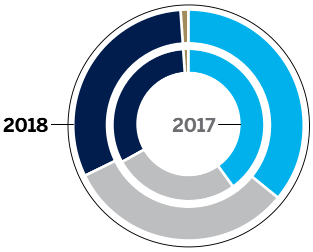
[1] HQLA defined as high quality liquid assets

Deposits and debt funding by product

	CCY %	Change %	2018 Rm	2017 Rm
Current accounts	16	20	**90 007**	75 247
Cash management deposits	1	1	**141 962**	140 848
Call deposits	16	19	**103 874**	87 145
Term deposits	4	4	**163 766**	157 044
Negotiable certificates of deposit	(10)	(10)	**125 184**	139 834
Other funding	16	21	**43 052**	35 657
Deposits from customers	4	5	**667 845**	635 775
Interbank deposits	10	27	**167 928**	132 638
Interdivisional funding	3	1	**(92 397)**	(91 719)
Total deposits and debt funding	6	10	**743 376**	676 694

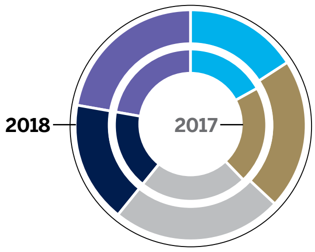
Corporate & Investment Banking

CIB composition of headline earnings by product (%)



	2018	2017
Global markets	**36**	40
Investment banking	**32**	27
Transactional products and services	**31**	32
Real estate and PIM	**1**	1

CIB composition of total income by product (%)



	2018	2017
Global markets South Africa	**16**	17
Global markets Africa Regions	**21**	21
Investment banking	**24**	23
Transactional products and services South Africa	**17**	17
Transactional products and services Africa Regions	**22**	22

Summarised income statement by product

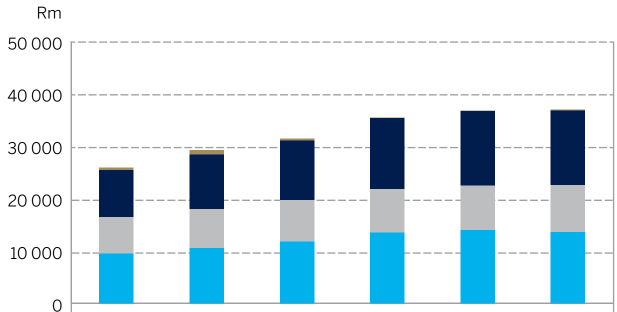
	Global markets				Investment banking			
	CCY %	Change %	**2018 Rm**	2017 Rm	CCY %	Change %	**2018 Rm**	2017 Rm
Net interest income	(7)	(11)	**4 074**	4 584	(10)	(10)	**5 154**	5 758
Non-interest revenue	4	2	**9 565**	9 377	35	35	**3 737**	2 767
Total income	0	(2)	**13 639**	13 961	5	4	**8 891**	8 525
Credit impairment charges	>100	>100	**(37)**	(9)	(53)	(53)	**(658)**	(1 397)
Operating expenses	7	5	**(6 768)**	(6 424)	3	2	**(4 928)**	(4 813)
Headline earnings	(10)	(12)	**4 050**	4 581	13	14	**3 551**	3 123

	Transactional products and services				Real estate and PIM			
	CCY %	Change %	**2018 Rm**	2017 Rm	CCY %	Change %	**2018 Rm**	2017 Rm
Net interest income	4	(1)	**9 944**	10 085	>100	>100	**18**	7
Non-interest revenue	9	6	**4 338**	4 105	74	74	**151**	87
Total income	6	1	**14 282**	14 190	80	80	**169**	94
Credit impairment charges	52	45	**(288)**	(199)	>100	>100	**(66)**	(20)
Operating expenses	9	6	**(8 268)**	(7 778)	(77)	(77)	**(15)**	(65)
Headline earnings	2	(5)	**3 498**	3 694	(>100)	(>100)	**78**	(6)

	Corporate & Investment Banking			
	CCY %	Change %	**2018 Rm**	2017 Rm
Net interest income	(2)	(6)	**19 190**	20 434
Non-interest revenue	11	9	**17 791**	16 336
Total income	3	1	**36 981**	36 770
Credit impairment charges	(35)	(35)	**(1 049)**	(1 625)
Operating expenses	7	5	**(19 979)**	(19 080)
Headline earnings	1	(2)	**11 177**	11 392

CIB total income by product

CAGR: Global markets 7%
Investment banking 5%
Transactional products and services 10%



	2013	2014	2015	2016	2017	2018
Global markets	9 528	10 553	11 820	13 475	13 961	**13 639**
Investment banking	6 961	7 374	7 843	8 266	8 525	**8 891**
Transactional products and services	8 929	10 472	11 409	13 603	14 190	**14 282**
Real estate and PIM	431	772	316	76	94	**169**

Global markets
Investment banking
Transactional products and services
Real estate and PIM

Global markets

- Negative emerging markets sentiment adversely affected South African equities and interest rate trading revenues.
- Net interest income impacted by declining interest rates in key markets.
- Non-repeat of prior year gains made on a material market event offset strong growth in West Africa trading revenues.

Investment banking

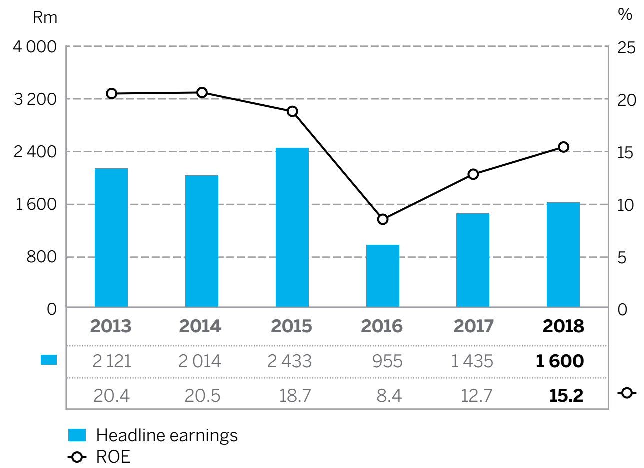
- Robust growth in average loans and advances, mainly to non-domestic entities and through increased issuances of corporate debt securities (HQLA).
- NII negatively impacted by changes to accounting treatment following the implementation of IFRS9.
- Increase in fee and commission revenue supported by participation in several landmark transactions, coupled with increased client activity in the Energy and Infrastructure sectors.
- An improved performance from the Africa Regions franchise driven by good growth in average loans.
- Subdued mergers & acquisitions activity and fewer market issuances impacted the debt and equity capital business.

Transactional products and services

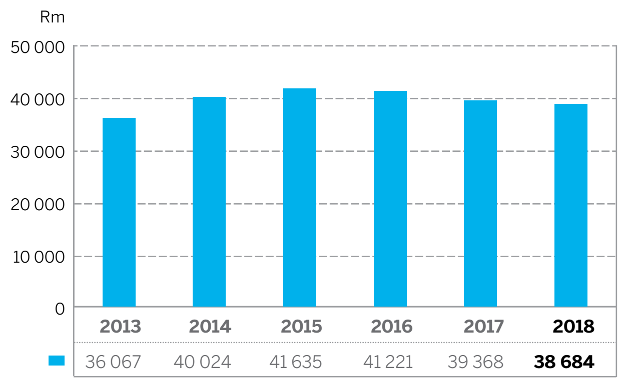
- Sustained revenue increase in East and West Africa through new client acquisitions.
- Continued growth in customer deposits in Africa Regions and increased activity in the trade business.
- Declining interest rate environment resulted in reduced endowment.

Liberty

Headline earnings – SBG share
CAGR (2013 – 2018): (5%)



Normalised group equity value
CAGR (2013 – 2018): 1%



Income statement, ratios and statistics as consolidated into SBG

		Change %	2018 Rm	2017 Rm
Net insurance premiums[1]	Rm	1	**38 521**	38 020
Investment income and gains[2]	Rm	(91)	**3 533**	40 274
Benefits due to policyholders and third party mutual fund interests[1]	Rm	(52)	**27 618**	57 583
Operating expenses[2]	Rm	(8)	**(16 404)**	(17 800)
Normalised operating earnings[1]	Rm	42	**2 006**	1 412
Normalised headline earnings[1]	Rm	(17)	**2 256**	2 719
IFRS headline earnings[1]	Rm	(19)	**2 645**	3 252
Headline earnings attributable to the group[3]	Rm	11	**1 600**	1 435
SBG share of Liberty's IFRS headline earnings	Rm	(18)	**1 471**	1 804
Group shares held for the benefit of Liberty policyholders	Rm	(>100)	**129**	(369)
Effective interest in Liberty at end of period	%		**56.0**	55.5
ROE	%		**15.2**	12.7
Normalised return on Liberty group equity value[1,4]	%		**3.8**	1.1
Indexed new business (excluding contractual increases)[1]	Rm	0	**8 051**	8 018
New business margin[1]	%		**0.9**	0.5
Net cash inflows in long-term insurance operations[1]	Rm	22	**2 001**	1 634
Value of new business[1]	Rm	59	**371**	233
Normalised group equity value[1]	Rm	(2)	**38 684**	39 368
Solvency capital requirement coverage ratio[1]	times		**1.87**	

1 Liberty as published.
2 Includes an adjustment on consolidation of Liberty into the group.
3 Includes an adjustment for group shares held for the benefit of Liberty policyholders (deemed treasury shares).
4 Return embedded value.

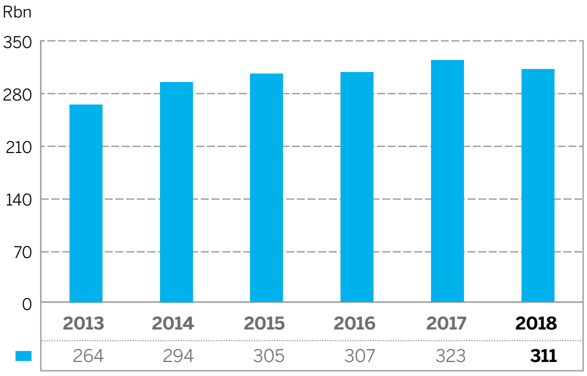
Favourable

- Growth in new business margin and value of new business supported by the positive impacts of management initiatives, stringent cost management, modelling refinements and non-economic assumption changes.
- Marginal growth in indexed new business due to higher Liberty Corporate single premium business offset by lower SA Retail recurring and single premium business in a tough consumer environment.
- Increased net cash inflows in long-term insurance operations attributable to reduced net cash outflows in Liberty Corporate, partly offset by lower SA Retail net cash inflows mainly due to higher surrender and maturity claims.
- The group remains well capitalised in respect of the new prudential regulatory regime, which became effective from 1 July 2018. The Solvency Capital Requirement Cover of Liberty Group Limited, the group's main long-term insurance licence, of 1.87 times at 31 December 2018 is at the upper end of the target range.

Adverse

- The 3.8% annualised return on group equity value is below target due to economic assumption changes and low investment returns in line with investment markets.

Long-term policyholder liabilities
CAGR (2013 – 2018): 3%



Income statement as reported by Liberty

	Change %	2018 Rm	2017 Rm
Insurance premiums	2	**40 611**	39 970
Reinsurance premiums	7	**(2 090)**	(1 950)
Net insurance premiums	1	**38 521**	38 020
Investment income and gains	(81)	**7 910**	41 019
Revenue from contracts with customers	11	**4 073**	3 683
Total revenue	(39)	**50 504**	82 722
Benefits due to policyholders and third party mutual fund interests	(52)	**(27 618)**	(57 583)
Net insurance benefits and claims	(40)	**(26 484)**	(43 848)
Fair value adjustment to policyholders' liabilities under investment contracts	(>100)	**1 273**	(9 116)
Fair value adjustment third party mutual fund interests	(48)	**(2 407)**	(4 619)
Income after policyholders' benefits	(9)	**22 886**	25 139
Operating expenses	(1)	**(18 372)**	(18 596)
Acquisition costs	(11)	**(4 413)**	(4 935)
General marketing and administration expenses	(1)	**(11 184)**	(11 345)
Finance costs and fair value adjustment to financial liabilities	11	**(1 491)**	(1 344)
Profit share allocations	32	**(1 284)**	(972)
Income before equity accounted earnings	(31)	**4 514**	6 543
Non-trading and capital items	(100)	**(249)**	
Share of profit from joint ventures	28	**32**	25
Profit before taxation	(35)	**4 297**	6 568
Taxation	(56)	**(1 255)**	(2 864)
Profit for the period	(18)	**3 042**	3 704
Attributable to non-controlling interests[1]	10	**(644)**	(586)
Attributable to preference shareholders	0	**(2)**	(2)
Headline adjustable items	83	**249**	136
IFRS headline earnings	(19)	**2 645**	3 252
BEE preference share income	(20)	**8**	10
Accounting profit and loss mismatch arising on consolidation of Liberty Two Degrees	(27)	**(397)**	(543)
Normalised headline earnings	(17)	**2 256**	2 719

[1] Non-controlling interest within Liberty.

Liberty

Headline earnings

	Change %	2018 Rm	2017 Rm
South African Insurance operations	21	2 009	1 665
SA Retail (previously Individual Arrangements)	31	1 581	1 208
Liberty Corporate	(36)	52	81
LibFin Markets	0	376	376
South Africa Asset Management - STANLIB	41	355	252
Africa regions[1]	14	8	7
Operations under ownership review	(48)	(166)	(322)
Liberty Africa Insurance	(>100)	(18)	4
STANLIB Africa	(92)	(19)	(226)
Liberty Health	44	(78)	(54)
Short-term insurance	11	(51)	(46)
Central costs and sundry income	5	(200)	(190)
Normalised operating earnings	42	2 006	1 412
LibFin Investments - SIP	(81)	250	1 307
Normalised headline earnings	(17)	2 256	2 719
BEE preference shares income	(20)	(8)	(10)
Accounting profit and loss mismatch arising on consolidation of Liberty Two Degrees	(27)	397	543
IFRS headline earnings	(19)	2 645	3 252

[1] Comprises - Liberty Africa Insurance and STANLIB Africa within Southern African region

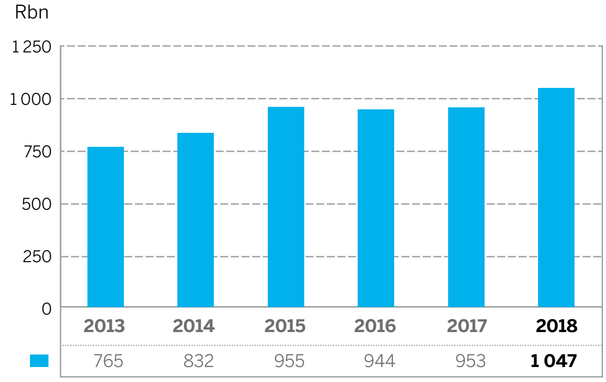
External assets under management

	Change %	2018 Rbn	2017 Rbn
Asset management - assets under management	15	55	48
Wealth management - funds under administration	0	337	337
Single manager unit trust	(5)	122	128
Institutional marketing	14	64	56
Linked and structured life products	(5)	80	84
Multi-manager	25	20	16
Africa Regions	(4)	51	53
Total external assets under management and administration	2	392	385

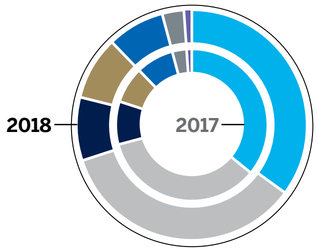
FINANCIAL PERFORMANCE

Loans and advances

Gross loans and advances to customers
CAGR (2013 – 2018): 6%



Composition of loans to customers (%)

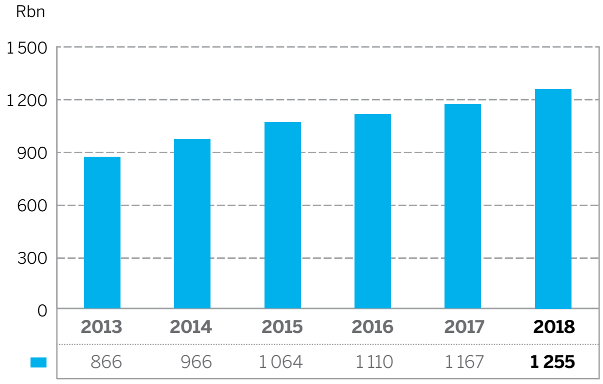


	2018	2017
Mortgage loans	**35**	36
Term loans	**35**	35
Vehicle and asset finance	**9**	9
Overdraft and other demand loans	**9**	8
Other term loans	**8**	8
Card debtors	**3**	3
Loans granted under resale agreements	**1**	1

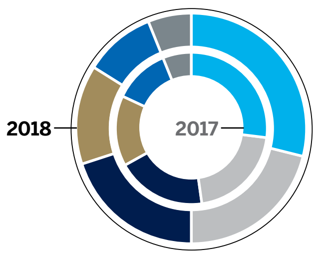
	CCY %	Change %	2018 Rm	2017 Rm
Personal & Business Banking	6	7	**649 968**	605 187
Mortgage loans	4	4	**362 006**	346 518
Vehicle and asset finance	9	10	**89 410**	81 640
Card debtors	3	3	**33 216**	32 268
Other loans and advances	11	14	**165 336**	144 761
Personal unsecured	12	14	**59 459**	52 016
Business lending and other	10	14	**105 877**	92 745
Corporate & Investment Banking	9	13	**398 425**	352 190
Global markets	20	25	**26 967**	21 648
Investment banking	5	8	**324 611**	299 522
Transactional products and services	42	52	**46 843**	30 859
Real estate and PIM	(98)	(98)	**4**	161
Central and other	(59)	(61)	**(1 892)**	(4 841)
Gross loans and advances to customers	8	10	**1 046 501**	952 536
Credit impairment charges on loans and advances	60	63	**(36 622)**	(22 444)
Credit impairment charges on stage 3 (non-performing) loans	53	56	**(23 801)**	(15 270)
Credit impairment charges on stage 1 and 2 (performing) loans	74	79	**(12 821)**	(7 174)
Net loans and advances to customers	6	9	**1 009 879**	930 092
Gross loans and advances to banks	(19)	(6)	**110 852**	117 935
Credit impairment charges on loans and advances	(100)	(100)	**(63)**	
Net loans and advances to banks	(19)	(6)	**110 789**	117 935
Net loans and advances	3	7	**1 120 668**	1 048 027
Gross loans and advances	4	8	**1 157 353**	1 070 471
Credit impairments	60	63	**(36 685)**	(22 444)

Deposits and debt funding

Deposits from customers
CAGR (2013 – 2018): 8%



Composition of deposits to customers (%)



	2018	2017
Call deposits	**29**	27
Term deposits	**21**	21
Current accounts	**20**	19
Cash management deposits	**14**	15
Negotiable certificates of deposit	**10**	12
Other deposits	**6**	6

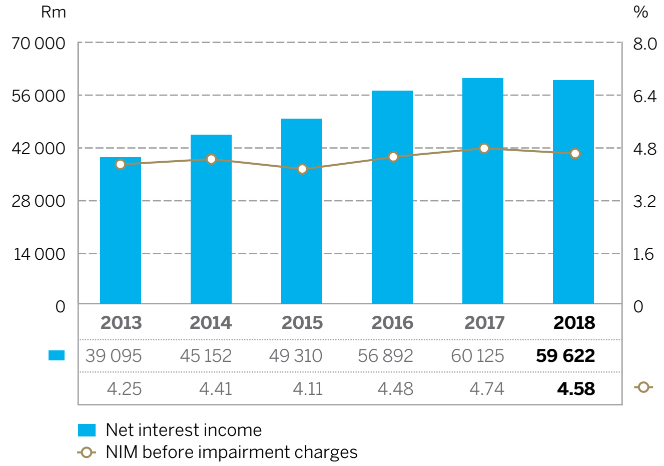
	CCY %	Change %	2018 Rm	2017 Rm
Personal & Business Banking	7	10	**591 318**	535 461
Retail priced deposits	6	10	**467 989**	426 484
Current accounts	7	9	**158 891**	145 684
Cash management deposits	13	13	**35 320**	31 151
Call deposits	1	8	**132 756**	123 414
Term deposits	1	4	**95 702**	92 428
Other deposits	29	34	**45 320**	33 807
Wholesale priced deposits	13	13	**123 329**	108 977
Corporate & Investment Banking	4	5	**667 845**	635 775
Cash management deposits	1	1	**141 962**	140 848
Call deposits	16	19	**103 874**	87 145
Term deposits	4	4	**163 766**	157 044
Negotiable certificates of deposit	(10)	(10)	**125 184**	139 834
Other funding	16	20	**133 059**	110 904
Central and other	(21)	(15)	**(3 971)**	(4 671)
Deposits from customers	6	8	**1 255 192**	1 166 565
Deposits from banks	4	27	**116 727**	91 794
Total deposits and debt funding	6	9	**1 371 919**	1 258 359
Retail priced deposits	6	10	**467 989**	426 484
Wholesale priced deposits	8	9	**903 930**	831 875
Wholesale priced deposits - customers	9	6	**787 203**	740 081
Wholesale priced deposits - banks	4	27	**116 727**	91 794

Banking activities average balance sheet

	2018			2017		
	Average balance Rm	Interest Rm	Average rate %	Average balance Rm	Interest Rm	Average rate %
Interest earning assets						
Cash and balances with central banks	23 225			23 367		
Financial investments	193 104	13 462	6.97	186 037	12 554	6.75
Gross loans and advances	1 113 409	104 879	9.42	1 082 387	103 281	9.54
Gross loans and advances to banks	114 402	2 722	2.38	126 512	3 024	2.39
Gross loans and advances to customers	999 007	102 157	10.23	955 875	100 257	10.49
Personal & Business Banking	625 983	71 599	11.44	598 688	70 415	11.76
Mortgage loans	352 153	35 300	10.02	342 512	35 282	10.30
Vehicle and asset finance	84 287	9 295	11.03	80 521	9 302	11.55
Card debtors	32 787	5 300	16.16	31 886	5 362	16.82
Other loans and advances	156 756	21 704	13.85	143 769	20 469	14.24
Corporate & Investment Banking	375 000	31 816	8.48	359 913	31 232	8.68
Central and other	(1 976)	(1 258)		(2 726)	(1 390)	
Credit impairment charges on loans and advances	(29 296)			(23 611)		
Loans and advances	1 084 113	104 879	9.67	1 058 776	103 281	9.75
Interest-earning assets	**1 300 442**	**118 341**	**9.10**	1 268 180	115 835	9.13
Interest bearing liabilities						
Deposits and debt funding	1 314 548	56 657	4.31	1 202 868	53 417	4.44
Deposits from banks	105 148	1 141	1.09	101 073	1 273	1.26
Deposits from customers	1 209 400	55 516	4.59	1 101 795	52 144	4.73
Personal & Business Banking	560 101	19 802	3.54	512 570	18 296	3.57
Current accounts	140 959	221	0.16	130 074	211	0.16
Cash management deposits	34 527	1 876	5.43	30 430	1 684	5.53
Call deposits	249 908	9 749	3.90	227 595	9 096	4.00
Savings accounts	25 267	368	1.46	23 119	325	1.41
Term and other deposits	109 440	7 588	6.93	101 352	6 980	6.89
Corporate & Investment Banking	653 823	41 161	6.30	593 525	39 999	6.74
Cash management deposits	140 772	368	0.26	116 113	287	0.25
Call deposits	85 451	4 634	5.42	86 960	5 036	5.79
Term deposits	180 912	13 852	7.66	170 790	12 903	7.55
Negotiable certificates of deposit	137 826	11 059	8.02	141 692	11 524	8.13
Other deposits	108 862	11 248	10.33	77 970	10 249	13.14
Central and other	(4 524)	(5 447)		(4 300)	(6 151)	
Subordinated bonds	18 947	2 062	10.88	20 766	2 293	11.04
Interest-bearing liabilities	**1 333 495**	**58 719**	**4.40**	1 223 634	55 710	4.55
Trading book assets	230 069			197 135		
Non-interest earning assets	135 910			99 105		
Total average assets	**1 666 421**	**118 341**	**7.10**	1 564 420	115 835	7.40
Average equity	137 179			134 495		
Trading book liabilities	169 716			170 954		
Other liabilities	26 031			35 337		
Total average equity and liabilities	**1 666 421**	**58 719**	**3.52**	1 564 420	55 710	3.56

Net interest income and net interest margins

Net interest income and net interest margin (NIM)
CAGR (2013 – 2018): 9%



Movement in average interest earning assets, net interest income and NIM

	Average interest earning assets Rm	Net interest income Rm	Net interest margin %
2017	1 268 180	60 125	4.74
Impact of volume changes	**32 262**	**1 500**	
Lending book client yield		**(1 000)**	**(0.08)**
Funding book client yield		**932**	**0.07**
Funding and capital reserves endowment		**(905)**	**(0.07)**
Treasury activities and assets held for liquidity purposes		**312**	**0.02**
Impact of IFRS 9		**(1 722)**	**(0.13)**
IFRS 9 pre-legal		**(553)**	**(0.04)**
IFRS 9 cured		**(1 169)**	**(0.09)**
Mix and other		**380**	**0.03**
2018	**1 300 442**	**59 622**	**4.58**
Average interest earning assets growth (%)	**2.5**		
Net interest income growth (%)		**(0.8)**	

Favourable

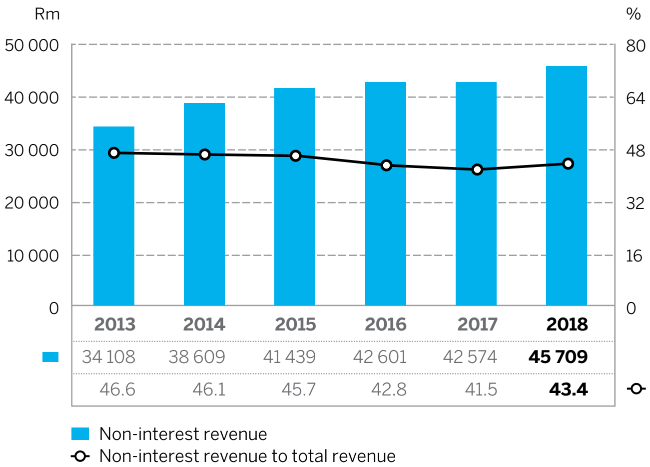
- Net interest income benefited from:
  - Higher mortgage lending registration and increased payouts in vehicle and asset finance portfolios in South Africa.
  - Increased utilisation of overdraft and disbursements of other demand loans due to targeted sales, but offset by portfolio amortisation in South Africa.
  - Good growth in deposit and loans balances in Africa Regions, following focused growth strategy.
  - Increase in call and term deposits driven by fixed deposit campaigns in 2017 in South Africa.
- Change in balance sheet mix from foreign to local loans and deposits contributed to higher margins in the corporate lending portfolio, particularly in Angola.
- Increased investment in the commercial debt securities which qualifies as high quality liquid assets (HQLA) within investment banking, coupled with increases in the group's HQLA due to higher liquid coverage ratio requirements.
- Wealth International benefited from good margin growth due to a favourable change in balance sheet mix and an increase in US and UK interest rates.

Adverse

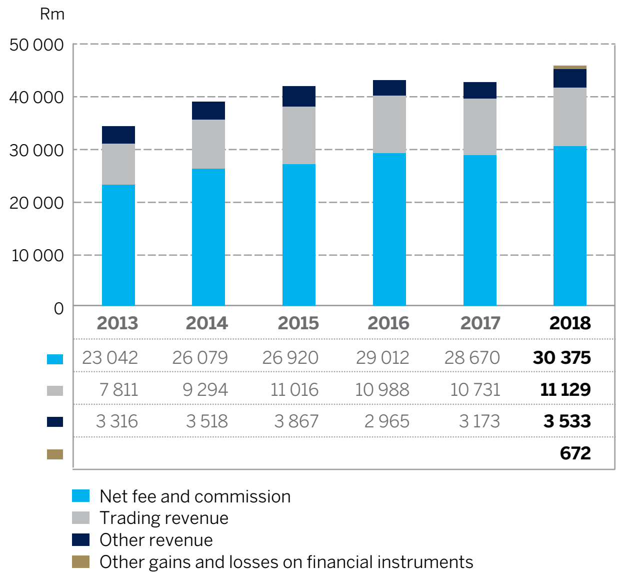
- Lower net interest income primarily due to the change in accounting treatment of interest in suspense for pre-legal and cured loan balances under IFRS 9.
- Declining average interest rates in several countries including South Africa, Mozambique, Kenya, Ghana and Uganda.
- Margin compression experienced in investment banking mainly due to competitive market pressures.
- Margin squeeze in lending products, particularly mortgage lending and vehicle and asset finance, as a result of the competitive environment in South Africa.

Non-interest revenue analysis

Non-interest revenue
CAGR (2013 – 2018): 6%



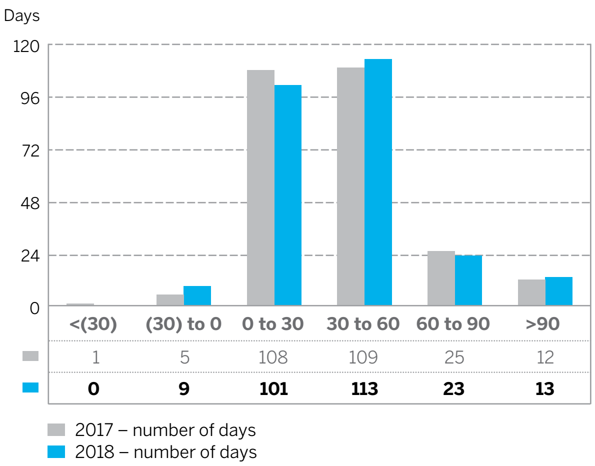
Analysis of non-interest revenue
CAGR (2013 – 2018): Net fee and commission 6%
Trading revenue 7%
Other revenue 1%



	CCY %	Change %	2018 Rm	2017[1] Rm
Net fee and commission revenue	7	6	**30 375**	28 670
Fee and commission revenue	8	7	**36 592**	34 290
Account transaction fees	3	2	**11 669**	11 488
Electronic banking	11	11	**3 829**	3 446
Knowledge-based fees and commission	4	3	**2 350**	2 278
Card-based commission	4	3	**6 760**	6 535
Insurance - fees and commission	(2)	(2)	**1 904**	1 945
Documentation and administration fees	6	3	**2 273**	2 197
Foreign currency service fees	22	19	**2 244**	1 879
Other	25	23	**5 563**	4 522
Fee and commission expense	11	11	**(6 217)**	(5 620)
Trading revenue	5	4	**11 129**	10 731
Fixed income and currencies	0	(1)	**8 911**	9 043
Commodities	(24)	(24)	**47**	62
Equities	34	34	**2 171**	1 626
Other revenue	12	11	**3 533**	3 173
Banking and other	2	3	**1 030**	1 001
Property-related revenue	12	11	**407**	367
Insurance-related revenue	17	16	**2 096**	1 805
Other gains and losses on financial instruments	100	100	**672**	
Non-interest revenue	9	7	**45 709**	42 574

[1] Restated. Refer to page 99.

Distribution of daily trading profit or loss



Favourable

Net fee and commission revenue

- Lower transactional volumes in branches due to the migration of clients from traditional to digital platforms.
- Expansion in electronic banking fees supported by:
  - Marked growth in digital transactional volumes in Namibia, Nigeria, South Africa and Zimbabwe as customers shift towards the use of digital banking platforms.
  - Higher transactional volumes on ATMs by non-Standard Bank customers.
  - Growth in Instant Money and Business Online transactional volumes in South Africa.
- Higher card based commission assisted by:
  - A rise in issuing and acquiring turnover in South Africa, albeit impacted by contraction in gross merchant discount and reduction in credit card account base.
  - Increased point of sales devices turnover related to higher transactional volumes on debit card in South Africa and Zimbabwe.
- Strong growth in foreign currency service fees due to increased client activities and transactional volumes in Angola, Nigeria, South Africa, Tanzania, and Zambia.
- Other fee and commission revenue benefited from:
  - Continued strong growth in the pension fund business driven by higher assets under management in Nigeria.
  - Growth in upfront, guarantees and custody fees linked to increased client activity in South Africa and Africa Regions.
  - Increased commissions earned from prepaid transactional volumes and trust income from higher estate completion rate.

Trading revenue

- Increased dividends received from equity trading positions in South Africa.
- Improved equity trading revenue on SBG shares held by the group to facilitate client trading activities.
- Gains made as a result of market dislocation.
- Gains from forex trading following heightened volatility in key markets.

Partly offset by:

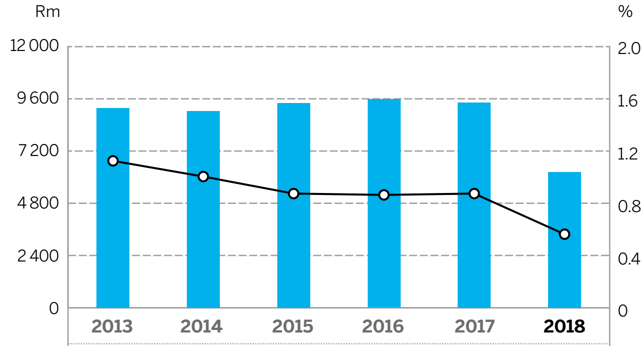
- Lower client flows due to negative emerging market sentiments, particularly in South Africa.

Other revenue increased average insurance premiums as the portfolio tilted towards higher cover and premium products.

Gains and losses on financial instruments Interest income on certain debt instruments, together with the derecognition gains and losses on instruments not recognised at fair value through profit and loss are now recorded in other gains and losses on financial instruments, in accordance with IFRS 9.

Credit impairment analysis
Income statement charges

Credit impairment charges on loans and advances
CAGR (2013 – 2018): (7)%



	2013	2014	2015	2016	2017	2018
Credit impairment charges (Rm)	9 158	9 009	9 371	9 533	9 410	**6 211**
Credit loss ratio (%)	1.12	1.00	0.87	0.86	0.87	**0.56**

Credit impairment charges
Credit loss ratio

Income statement credit impairment charges on loans and advances

	Change	2018					
	Change	Stage 1	Stage 2	Total stage 1 and 2	Stage 3[1]	Total credit impairment charges	Total credit loss ratio
	%	Rm	Rm	Rm	Rm	Rm	%
Personal & Business Banking	(30)	(283)	(159)	(442)	5 906	5 464	0.81
Mortgage lending	(40)	(88)	47	(41)	981	940	0.27
Vehicle and asset finance	(10)	(1)	(84)	(85)	874	789	0.94
Card debtors	(30)	(55)	197	142	818	960	2.93
Other loans and advances	(30)	(139)	(319)	(458)	3 233	2 775	1.34
Personal unsecured lending	(20)	103	(70)	33	1 814	1 847	3.34
Business lending and other	(44)	(242)	(249)	(491)	1 419	928	0.61
Corporate & Investment Banking	(54)	35	(1 402)	(1 367)	2 114	747	0.16
Corporate and sovereign lending	(53)	49	(1 398)	(1 349)	2 114	765	0.20
Bank lending	(100)	(14)	(4)		(18)	(18)	(0.02)
Total loans and advances credit impairment charges	(34)	(248)	(1 561)	(1 809)	8 020	6 211	0.56
Credit impairment charge - financial investments						101	
Credit impairment charge - letters of credit, guarantees and other						177	
Total credit impairment charges						6 489	

[1] Includes post write-off recoveries and modification gains and losses.

Favourable

- Lower credit impairments within stage 3, primarily due to the change in accounting treatment of interest in suspense for pre-legal and cured loan balances in IFRS 9.
- Higher post write-off recoveries realised in South Africa during the year.
- Lower stage 3 impairment charges incurred in Nigeria attributed to the non-repeat of accelerated write offs in the prior period.
- Collection strategy enhancements resulted in lower credit impairment charges in stage 1 and 2 portfolios.
- Improved book quality across products within Africa regions.
- Enhanced approach to customer specific provisioning applied to large as well as collateralised exposures.

Adverse

- Increased impairment provisioning in stage 3 raised against clients in the consumer and construction sector following contracting economic environment in South Africa.
- Higher credit provisioning required in mortgage lending portfolio as a result of the prolonged legal environment in South Africa.
- Increased defaults within the business lending portfolio as customers face challenging economic environment.

2017			
Performing loans credit impairment	Non-performing loans credit impairment	Total credit impairment charge	Total credit loss ratio
Rm	Rm	Rm	%
(294)	8 079	7 785	1.20
(55)	1 626	1 571	0.46
(141)	1 013	872	1.09
61	1 318	1 379	4.33
(159)	4 122	3 963	2.01
(70)	2 377	2 307	4.29
(89)	1 745	1 656	1.15
649	976	1 625	0.34
649	976	1 625	0.34
355	9 055	9 410	0.87

Credit impairment analysis

Balance sheet impairment roll forward for loans and advances

	1 January 2018 IFRS 9 opening balance Rm	Transfer between stages Rm
Total expected credit loss		
Personal & Business Banking	27 202	
Mortgage lending	9 396	
Vehicle and asset finance	3 236	
Card debtors	3 179	
Other loans and advances	11 391	
Personal unsecured lending	6 783	
Business lending and other	4 608	
Corporate & Investment Banking	7 837	
Corporate and sovereign lending	7 792	
Bank lending	45	
Total	35 039	

[1] Currency translation and other movements includes interest in suspense movement.

Net provisions raised less recoveries on the amounts written off net of modification losses is equal to the income statement credit impairment charge (2018: R7 237 million - R1 026 million = R6 211 million).

	1 January 2018 IFRS 9 opening balance Rm	Transfer between stages Rm
Stage 3 and purchased and originated credit impaired		
Personal & Business Banking	16 040	14
Mortgage lending	6 256	(238)
Vehicle and asset finance	1 476	98
Card debtors	1 660	(67)
Other loans and advances	6 648	221
Personal unsecured lending	4 079	93
Business lending and other	2 569	128
Corporate & Investment Banking	4 935	1 090
Corporate and sovereign lending	4 935	1 090
Total	20 975	1 104

[1] Currency translation and other movements includes interest in suspense movement

Net provisions raised and transfers less recoveries on the amounts written off net of modification losses is equal to the income statement credit impairment charge (2018: R8 079 million + R1 104 million - R1 163 = R8 020 million).

Net provisions raised and released Rm	Impaired accounts written off Rm	Currency translation and other movements[1] Rm	2018 closing balance Rm	2018 recoveries of amounts written off net of modification losses Rm
6 413	(6 904)	1 336	28 047	949
1 067	(995)	662	10 130	127
1 074	(1 027)	119	3 402	285
1 187	(1 341)	42	3 067	227
3 085	(3 541)	513	11 448	310
2 026	(2 342)	220	6 687	179
1 059	(1 199)	293	4 761	131
824	(1 275)	1 252	8 638	77
842	(1 275)	1 216	8 575	77
(18)		36	63	
7 237	(8 179)	2 588	36 685	1 026

Net provisions raised and released Rm	Impaired accounts written off Rm	Currency translation and other movements[1] Rm	2018 closing balance Rm	2018 recoveries of amounts written off net of modification losses Rm
6 978	(6 904)	1 164	17 292	1 086
1 406	(995)	646	7 075	187
1 061	(1 027)	76	1 684	285
1 152	(1 341)	40	1 444	267
3 359	(3 541)	402	7 089	347
1 931	(2 342)	191	3 952	210
1 428	(1 199)	211	3 137	137
1 101	(1 275)	658	6 509	77
1 101	(1 275)	658	6 509	77
8 079	(8 179)	1 822	23 801	1 163

Credit impairment analysis

Balance sheet impairment roll forward for loans and advances

	1 January 2018 IFRS 9 opening balance Rm	Transfer between stages Rm
Stage 2		
Personal & Business Banking	6 283	(848)
Mortgage lending	2 014	(144)
Vehicle and asset finance	994	(324)
Card debtors	821	(109)
Other loans and advances	2 454	(271)
Personal unsecured lending	1 406	(17)
Business lending and other	1 048	(254)
Corporate & Investment Banking	1 992	(1 240)
Corporate and sovereign lending	1 992	(1 240)
Bank lending		
Total	8 275	(2 088)

Net provisions raised and transfers less recoveries on the amounts written off net of modification losses is equal to the income statement credit impairment charge (2018: R390 million + (R2 088 million) - (R137 million) = (R1 561 million)).

	1 January 2018 IFRS 9 opening balance Rm	Transfer between stages Rm
Stage 1		
Personal & Business Banking	4 879	834
Mortgage lending	1 126	382
Vehicle and asset finance	766	226
Card debtors	698	176
Other loans and advances	2 289	50
Personal unsecured lending	1 298	(76)
Business lending and other	991	126
Corporate & Investment Banking	910	150
Corporate and sovereign lending	865	150
Bank lending	45	
Total	5 789	984

Net provisions raised and transfers is equal to the income statement credit impairment charge (2018: (R1 232 million) + R984 million = (R248million)).

Net provisions raised and released Rm	Impaired accounts written off Rm	Currency translation and other movements Rm	2018 closing balance Rm	2018 recoveries of amounts written off net of modification losses Rm
552		111	6 098	(137)
131		17	2 018	(60)
240		38	948	
266		2	980	(40)
(85)		54	2 152	(37)
(84)		(5)	1 300	(31)
(1)		59	852	(6)
(162)		456	1 046	
(158)		449	1 043	
(4)		7	3	
390		567	7 144	(137)

Net provisions raised and released Rm	Impaired accounts written off Rm	Currency translation and other movements Rm	2018 closing balance Rm	2018 recoveries of amounts written off net of modification losses Rm
(1 117)		61	4 657	
(470)		(1)	1 037	
(227)		5	770	
(231)			643	
(189)		57	2 207	
179		34	1 435	
(368)		23	772	
(115)		138	1 083	
(101)		109	1 023	
(14)		29	60	
(1 232)		199	5 740	

Credit impairment analysis

Balance sheet impairment roll forward for loans and advances

Balance sheet reconciliation

	2017 Opening Balance Rm	*IAS 39 discount in opening balance Rm*	Net provisions raised and released Rm
Specific credit impairments			
Personal & Business Banking	11 767	*890*	8 873
Mortgage lending	3 640	*419*	1 826
Vehicle and asset finance	1 410	*105*	1 261
Card debtors	1 598	*19*	1 415
Other loans and advances	5 119	*347*	4 371
Personal unsecured lending	3 593	*252*	2 512
Business lending and other	1 526	*95*	1 859
Corporate & Investment Banking	2 890	*78*	1 024
Corporate loans	2 727	*72*	1 055
Commercial property finance	163	*6*	(31)
Central and other	2		
Total	14 659	*968*	9 897
Portfolio credit impairments			
Personal & Business Banking	4 938		(294)
Mortgage lending	1 137		(55)
Vehicle and asset finance	801		(141)
Card debtors	651		61
Other loans and advances	2 349		(159)
Personal unsecured lending	1 317		(70)
Business lending and other	1 032		(89)
Corporate & Investment Banking	1 796		649
Corporate loans	1 699		649
Commercial property finance	97		
Central and other	400		
Total	7 134		355
Total impairments			
Personal & Business Banking	16 705	*890*	8 579
Mortgage lending	4 777	*419*	1 771
Vehicle and asset finance	2 211	*105*	1 120
Card debtors	2 249	*19*	1 476
Other loans and advances	7 468	*347*	4 212
Personal unsecured lending	4 910	*252*	2 442
Business lending and other	2 558	*95*	1 770
Corporate & Investment Banking	4 686	*78*	1 673
Corporate loans	4 426	*72*	1 704
Commercial property finance	260	*6*	(31)
Central and other	402		
Total	21 793	*968*	10 252
Balance sheet impairments as a % of gross loans and advances	2.0		

Net provisions raised less recoveries on the amounts written off in previous periods equal to the income statement credit impairment charge (2017: R10 252million - R842 million = R9 410 million).

IAS 39 discount in new impairments raised Rm	Impaired accounts written off Rm	IAS 39 discount recycled to net interest income Rm	Currency translation and other movements Rm	2017 Closing balance Rm	*IAS 39 discount in closing balance Rm*	2017 Recoveries of amounts written off in previous years Rm
777	(7 549)	(808)	(340)	11 943	*859*	794
315	(1 159)	(317)	(11)	3 979	*417*	200
120	(1 146)	(120)	(38)	1 367	*105*	248
24	(1 383)	(26)	(8)	1 596	*17*	97
318	(3 861)	(345)	(283)	5 001	*320*	249
187	(2 533)	(274)	(111)	3 187	*165*	135
131	(1 328)	(71)	(172)	1 814	*155*	114
95	(245)	(102)	(242)	3 325	*71*	48
95	(221)	(97)	(263)	3 201	*70*	48
	(24)	(5)	21	124	*1*	
				2		
872	(7 794)	(910)	(582)	15 270	*930*	842
			(99)	4 545		
			(5)	1 077		
			(7)	653		
			(47)	665		
			(40)	2 150		
			(6)	1 241		
			(34)	909		
			(216)	2 229		
			(177)	2 171		
			(39)	58		
				400		
			(315)	7 174		
777	(7 549)	(808)	(439)	16 488	*859*	794
315	(1 159)	(317)	(16)	5 056	*417*	200
120	(1 146)	(120)	(45)	2 020	*105*	248
24	(1 383)	(26)	(55)	2 261	*17*	97
318	(3 861)	(345)	(323)	7 151	*320*	249
187	(2 533)	(274)	(117)	4 428	*165*	135
131	(1 328)	(71)	(206)	2 723	*155*	114
95	(245)	(102)	(458)	5 554	*71*	48
95	(221)	(97)	(440)	5 372	*70*	48
	(24)	(5)	(18)	182	*1*	
				402		
872	(7 794)	(910)	(897)	22 444	*930*	842
				2.1		

Credit impairment analysis

Loans and advances performance

	Gross carrying loans and advances Rm	SB 1 - 12 Stage 1 Rm	SB 1 - 12 Stage 2 Rm	SB 13 - 20 Stage 1 Rm	SB 13 - 20 Stage 2 Rm	SB 21 – 25 Stage 1 Rm	SB 21 – 25 Stage 2 Rm
2018							
Personal & Business Banking	701 723	191 602	1 815	407 955	7 083	8 220	50 589
Mortgage loans	362 006	108 575	1 786	196 795	4 332	4 261	27 840
Instalment sale and finance leases	89 410	1 250	11	75 939	1 214	347	7 138
Card debtors	33 216	1 604	8	25 382	174	317	3 882
Other loans and advances	217 091	80 173	10	109 839	1 363	3 295	11 729
Personal unsecured lending	59 459	961		46 457	8	1 556	5 625
Business lending and other	157 632	79 212	10	63 382	1 355	1 739	6 104
Corporate & Investment Banking	510 113	291 386	4 912	179 889	17 965	3 833	2 394
Corporate and sovereign lending	397 261	187 111	4 910	174 045	17 727	1 340	2 394
Bank lending	112 852	104 275	2	5 844	238	2 493	
Central and Other	(55 687)	(55 687)					
Gross loans and advances	1 156 149	427 301	6 727	587 844	25 048	12 053	52 983
Percentage of total book (%)	100	37.0	0.6	50.8	2.2	1.0	4.6
Gross loans and advances at amortised cost	1 156 149						
Gross loans and advances at fair value	1 204						
Total gross loans and advances	1 157 353						

The group uses a 25-point master rating scale to quantify the credit risk for each borrower (corporate asset classes) or facility (specialised lending and retail asset classes). Ratings are mapped to PDs by means of calibration formulae that uses historical default rates and other data from the applicable portfolio.

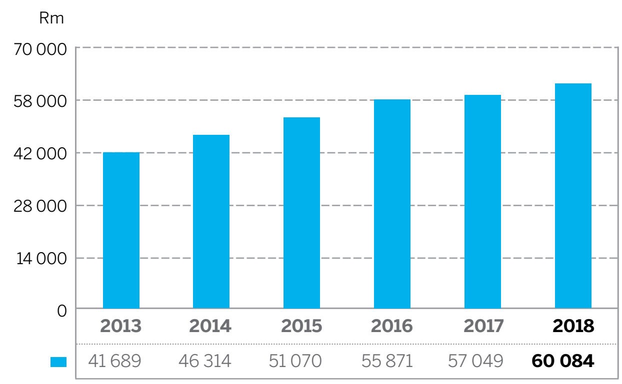
	Gross loans and advances Rm	Total performing loans Rm	Total non-performing loans Rm
2017			
Personal & Business Banking	645 868	616 949	28 919
Mortgage loans	346 518	331 014	15 504
Vehicle and asset finance	81 640	78 514	3 126
Card debtors	32 268	30 148	2 120
Other loans and advances	185 442	177 273	8 169
Personal unsecured lending	52 016	47 827	4 189
Business lending and other	133 426	129 446	3 980
Corporate & Investment Banking	472 437	466 862	5 575
Corporate loans	408 624	403 243	5 381
Commercial property finance	63 813	63 619	194
Central and other	(47 834)	(47 836)	2
Gross loans and advances	1 070 471	1 035 975	34 496
Percentage of total book (%)	100.0	96.8	3.2

Total stage 1 and 2 loans Rm	Total stage 3 Rm	Securities and expected recoveries on stage 3 exposure loans Rm	Balance sheet expected credit loss and interest in suspense on stage 3 Rm	Gross stage 3 coverage %	Stage 3 exposures %
667 264	**34 459**	**17 167**	**17 292**	**50**	**4.9**
343 589	**18 417**	**11 342**	**7 075**	**38**	**5.1**
85 899	**3 511**	**1 827**	**1 684**	**48**	**3.9**
31 367	**1 849**	**405**	**1 444**	**78**	**5.6**
206 409	**10 682**	**3 593**	**7 089**	**66**	**4.9**
54 607	**4 852**	**900**	**3 952**	**81**	**8.2**
151 802	**5 830**	**2 693**	**3 137**	**54**	**3.7**
500 379	**9 734**	**3 225**	**6 509**	**67**	**1.9**
387 527	**9 734**	**3 225**	**6 509**	**67**	**2.5**
112 852					
(55 687)					
1 111 956	**44 193**	**20 392**	**23 801**	**54**	**3.8**
96.2	**3.8**	**1.8**	**2.1**		

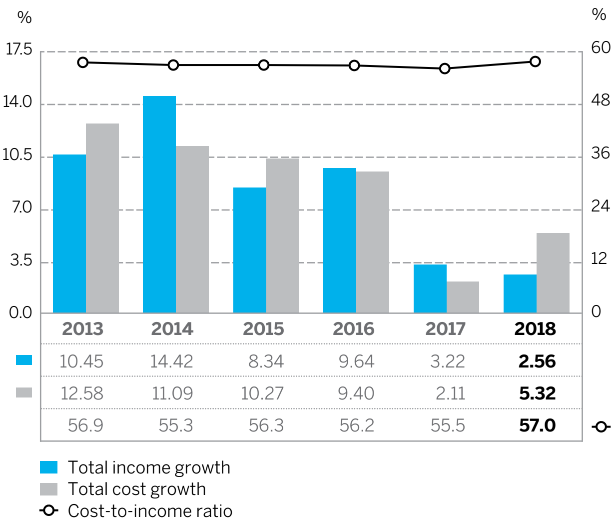
Securities and expected recoveries on specifically impaired loans Rm	Net after securities and expected recoveries on specifically impaired loans Rm	Balance sheet impairments for non-performing specifically impaired loans Rm	Specific gross impairment coverage %	Non-performing loans %
16 976	11 943	11 943	41	4.5
11 525	3 979	3 979	26	4.5
1 759	1 367	1 367	44	3.8
524	1 596	1 596	75	6.6
3 168	5 001	5 001	61	4.4
1 002	3 187	3 187	76	8.1
2 166	1 814	1 814	46	3.0
2 250	3 325	3 325	60	1.2
2 180	3 201	3 201	59	1.3
70	124	124	64	0.3
	2	2		
19 226	15 270	15 270	44	3.2
1.8	1.4	1.4		

Operating expenses

Operating expenses
CAGR (2013 – 2018): 8%



Cost and income growth



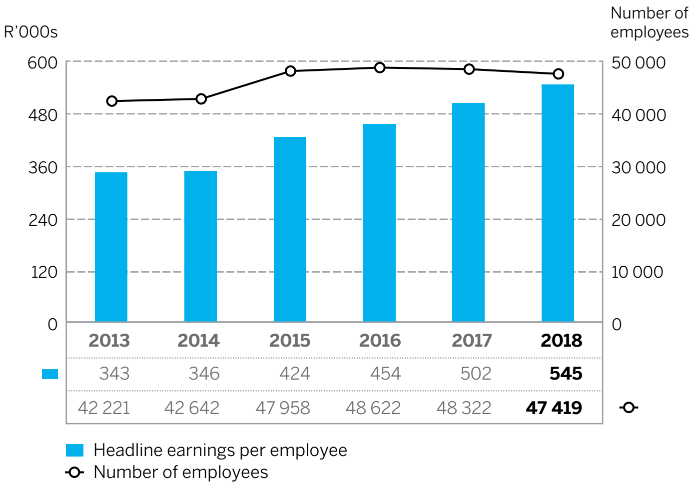
	CCY %	Change %	2018 Rm	2017[1] Rm
Staff costs				
Fixed remuneration	10	8	**23 496**	21 732
Variable remuneration	2	1	**7 703**	7 602
Charge for incentive payments	(3)	(3)	**5 592**	5 762
IFRS 2 charge: cash-settled share schemes	4	4	**549**	528
IFRS 2 charge: equity-settled share schemes	24	19	**1 562**	1 312
Other staff costs	12	10	**2 574**	2 338
Total staff costs	8	7	**33 773**	31 672
Variable remuneration as a % of total staff costs			**22.8**	24.0
Other operating expenses				
Information technology	5	5	**6 379**	6 073
Amortisation of intangible assets	3	3	**2 437**	2 371
Depreciation	4	3	**2 542**	2 471
Premises	3	1	**4 052**	3 994
Professional fees	22	23	**2 013**	1 636
Communication	2	1	**1 117**	1 105
Marketing and advertising	(0)	(1)	**1 954**	1 967
Other	3	1	**5 817**	5 760
Total other operating expenses	5	4	**26 311**	25 377
Total operating expenses	6	5	**60 084**	57 049
Total income	4	3	**105 331**	102 699
Cost-to-income ratio (%)			**57.0**	55.5
Jaws (%)			**(2.8)**	1.1

[1] Restated. Refer to page 99.

Analysis of total information technology function spend

	CCY %	Change %	2018 Rm	2017 Rm
IT staff costs	12	13	**4 065**	3 605
Information technology licences, maintenance and related costs	5	5	**6 379**	6 073
Amortisation of intangible assets	3	3	**2 437**	2 371
Depreciation and other expenses	8	9	**2 570**	2 355
Total information technology function spend	7	7	**15 451**	14 404

Banking activities headline earnings per employee



	Change %	2018	2017
Headcount by business unit			
Personal & Business Banking	(2)	**27 470**	28 074
Corporate & Investment Banking	(1)	**3 755**	3 811
Central and other (including corporate functions)	(1)	**16 194**	16 437
Banking activities	(2)	**47 419**	48 322
Headcount by geography			
South Africa	(3)	**31 829**	32 876
Africa Regions	1	**14 951**	14 831
International	4	**639**	615
Banking activities	(2)	**47 419**	48 322

Staff costs and headcount

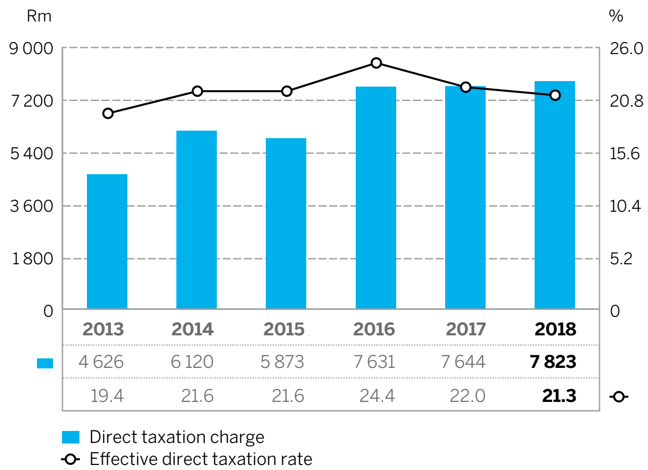
- Lower headcount mainly driven by natural attrition digital efficiencies and management action.
- Fixed remuneration linked to annual salary increases, annualisation of new hires, separation costs relating to IT restructure and deployment of higher skilled staff to customer facing positions.
- Salary adjustments in Ghana and Angola to market related rates.
- Variable remuneration aligned to performance.

Other operating expenses

- Increased information technology spend due to a stronger USD, renegotiated software and licence contracts and upgrades of internet lines across the branch network to improve customer connectivity.
- Additional professional fees incurred linked to projects to improve customer experience, regulatory changes, risk and compliance improvements.

Taxation

Direct taxation charge and effective direct taxation rate



Direct taxation rate reconciliation

	2018 %	2017 %
Direct taxation - statutory rate	**28.0**	28.0
Prior period tax	**(0.1)**	(0.8)
Total direct taxation - current period	**27.9**	27.2
Adjustments: Foreign tax and withholdings tax	**2.5**	2.8
Normal direct taxation - current period	**30.4**	30.0
Permanent differences:	**(9.1)**	(8.0)
Non-taxable income - dividends	**(4.1)**	(3.8)
Non-taxable income - other	**(6.3)**	(7.0)
Effects of profits taxed in different jurisdictions	**(0.7)**	(0.4)
Other	**2.0**	3.2
Effective direct taxation rate	**21.3**	22.0

LIQUIDITY AND CAPITAL MANAGEMENT

Liquidity management

Liquidity management overview

- Appropriate liquidity buffers were held in line with regulatory and internal stress testing requirements, taking into account the global risk profile and market conditions.
- Proactive liquidity management, in line with group liquidity standards, ensured that despite volatile and constrained liquidity environments in certain jurisdictions, adequate liquidity was maintained to fully support balance sheet strategies.
- The group maintained both the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) in excess of the minimum regulatory requirements throughout 2018.
- The group successfully increased longer term funding, in excess of 12 months, raising R28.3 billion through a combination of negotiable certificate of deposits, senior debt and syndicated loans. SBG issued R5.0 billion of Basel III compliant Tier II capital in 2018, the proceeds of which have been invested in SBSA on the same terms and conditions as those applicable to the Tier II capital in SBG.

Total contingent liquidity

- Portfolios of marketable and liquid instruments to meet regulatory and internal stress testing requirements are maintained as protection against unforeseen disruptions in cash flows. These portfolios are managed within ALCO-defined limits on the basis of diversification and liquidity.
- Managed liquidity represents unencumbered marketable instruments other than eligible Basel III LCR high quality liquid assets (HQLA) (excluding trading assets), which would be able to provide sources of liquidity in a stress scenario.
- The table below provides a breakdown of the group's liquid and marketable instruments as at 31 December 2018.

Total contingent liquidity

	2018 Rbn	2017 Rbn
Eligible LCR HQLA[1] comprising:	**301.3**	251.3
Notes and coins	**20.3**	18.3
Balances with central banks	**42.6**	38.8
Government bonds and bills	**194.4**	149.1
Other eligible liquid assets	**44.0**	45.1
Managed liquidity	**83.8**	71.0
Total contingent liquidity	**385.1**	322.3
Total contingent liquidity as a % of funding-related liabilities	**27.6**	25.2

[1] Eligible LCR HQLA are defined according to the Basel Committee on Banking Supervision LCR and liquidity risk monitoring framework and consider any liquidity transfer restrictions that will inhibit the transfer of HQLA across jurisdictions.

Liquidity coverage ratio (average)

- The Basel III LCR promotes short-term resilience of the group's 30 calendar day liquidity risk profile by ensuring it has sufficient HQLA to meet potential outflows in a stressed environment.
- The SBG and SBSA LCR figures reflect the simple average of 92 days of daily observations over the quarter ended 31 December 2018.

	2018[1] Rbn	2017 Rbn
SBG		
Total HQLA	**275.3**	240.9
Net cash outflows	**235.8**	178.3
LCR (%)	**116.8**	135.1
SBSA[2]		
Total HQLA	**179.1**	157.7
Net cash outflows	**162.6**	158.0
LCR (%)	**110.1**	99.8
Minimum requirement (%)	**90.0**	80.0

[1] Includes daily results for SBSA, SBSA Isle of Man branch, Stanbic Bank Ghana, Stanbic Bank Uganda, Standard Bank Namibia, Stanbic IBTC Bank Nigeria, Standard Bank Isle of Man Limited and Standard Bank Jersey Limited and the simple average of three month-end data points ended 31 December 2018 for the other Africa Regions' banking entities.
[2] Excludes foreign branches.

Structural liquidity requirements

Net stable funding ratio

- The objective of the Basel III NSFR is to promote funding stability and resilience in the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of assets and off-balance sheet activities.
- The available stable funding is defined as the portion of capital and liabilities expected to be available over the one year time horizon considered by the NSFR.
- The amount of required stable funding is a function of the liquidity characteristics and residual maturities of the various assets (including off-balance sheet exposures) held by the bank.

	2018 Rbn
SBG	
Available stable funding	**1 070.3**
Required stable funding	**902.2**
NSFR (%)	**118.6**
SBSA[1]	
Available stable funding	**761.1**
Required stable funding	**718.4**
NSFR (%)	**105.9**
Minimum requirement (%)	**100.0**

[1] Excludes foreign branches.

Diversified funding base

- Funding markets are evaluated on an ongoing basis to ensure appropriate group funding strategies are executed depending on the competitive and regulatory environment. The group continued to focus on building its deposit base as a key component of the funding mix. Deposits sourced from South Africa and other major jurisdictions in the Africa Regions, Isle of Man and Jersey provide diversity of stable sources of funding for the group.

Funding-related liabilities composition[1]

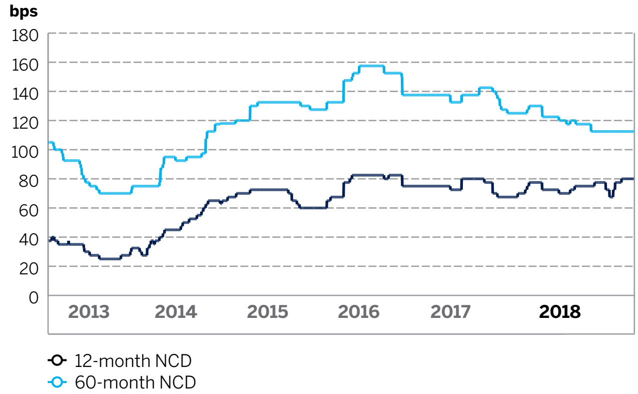
	2018 Rbn	2017 Rbn
Corporate funding	**418**	391
Retail deposits[2]	**378**	343
Institutional funding	**305**	296
Government and parastatals	**86**	72
Interbank funding	**88**	60
Senior debt	**59**	58
Term loan funding	**29**	32
Subordinated debt issued	**21**	19
Other liabilities to the public	**9**	6
Total banking activities Funding-related liabilities	**1 393**	1 277

[1] Composition aligned to Basel III liquidity classification.
[2] Comprises individual and small business customers.

Funding costs

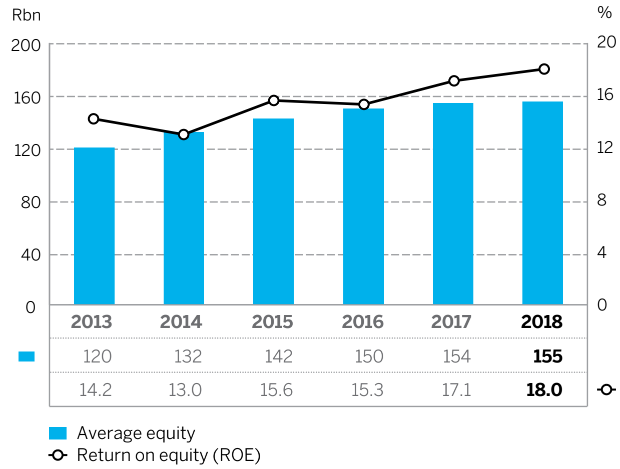
- The market cost of liquidity is measured as the spread paid on NCDs relative to the prevailing reference rate.
- Over the course of 2018, market costs of liquidity reduced by 22.5bps in the 60-month tenor, driven by tighter clearing spreads recorded in the NCD and senior debt market. This was driven by continued limited supply of high quality corporate credit issuance into capital markets. The cost of liquidity in money markets, measured by the 12 month NCD, recorded an increase of 7.5 bps over the 12-month period.

SBSA 12 and 60-month liquidity spread



Return on equity, cost of equity and economic returns

Return on ordinary shareholders' equity – group
CAGR (2013 – 2018): 5%



ROE and average equity

	2018		2017	
	Average equity Rm	**ROE %**	Average equity Rm	ROE %
Personal & Business Banking	**70 958**	**21.9**	70 213	20.0
Corporate & Investment Banking	**58 038**	**19.3**	51 926	22.0
Central and other	**8 183**	**(10.7)**	12 356	(10.1)
Banking activities	**137 179**	**18.8**	134 495	18.0
Other banking interests	**7 439**	**5.6**	7 754	7.3
Liberty	**10 519**	**15.2**	11 279	12.7
Standard Bank Group	**155 137**	**18.0**	153 528	17.1

Cost of equity estimates[1]

	Average 2018 %	Average 2017 %
Standard Bank Group	**14.0**	13.9
Banking activities	**14.0**	14.0

[1] Estimated using the capital asset pricing model, by applying estimates of risk free rate, 8.9% (2017: 8.8%), equity risk premium, 6.3% (2017: 6.4%) and beta 80.0% (2017: 79.2%). Beta for banking activities estimated at 81.2% (2017: 80.8%).

Economic returns

	Change %	**2018 Rm**	2017 Rm
Average ordinary shareholders' equity	1	**155 137**	153 528
Headline earnings	6	**27 865**	26 270
Cost of equity charge	2	**(21 719)**	(21 340)
Economic return	25	**6 146**	4 930

Currency translation effects and economic capital

Movement in group foreign currency translation and net investment hedging reserve

	2018 Rm	2017 Rm
Balance at beginning of the period: debit	(7 099)	(2 126)
Translation and hedge reserve increase/(decrease) for the period	4 316	(4 759)
Translation reserve increase/(decrease)	4 480	(4 713)
Africa Regions	3 056	(3 078)
International	1 301	(1 578)
Liberty	123	(57)
Currency hedge losses	(164)	(46)
Movement due to disposal and liquidation of entities		(214)
Balance at end of the period: debit	**(2 783)**	**(7 099)**

Economic capital utilisation by risk type

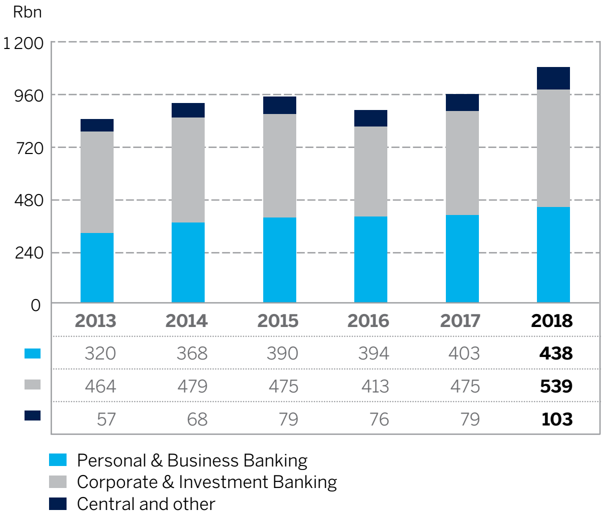
	Change %	2018 Rm	2017 Rm
Credit risk	13	83 422	73 784
Equity risk	12	7 730	6 912
Market risk	(18)	1 035	1 269
Operational risk	8	14 163	13 133
Business risk	(6)	3 882	4 113
Interest rate risk in the banking book	7	4 197	3 908
Economic capital requirement	**11**	**114 429**	**103 119**
Available financial resources	**11**	**166 992**	**150 726**
Economic capital coverage ratio (times)		**1.46**	**1.46**

Economic capital utilisation by business unit

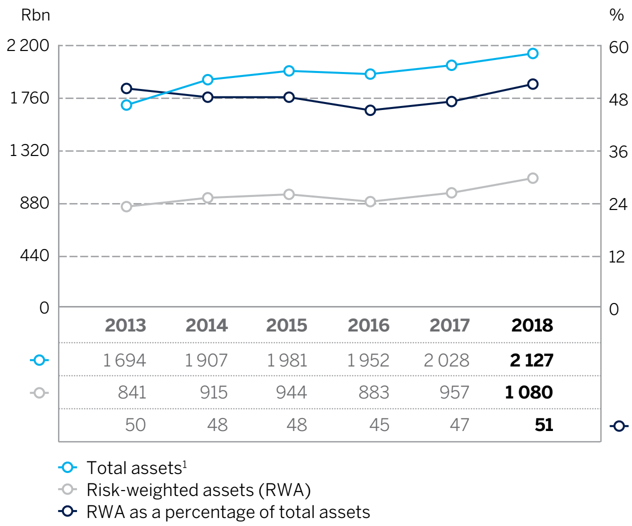
	Change %	2018 Rm	2017 Rm
Personal & Business Banking	7	27 442	25 660
Corporate & Investment Banking	7	76 016	71 117
Other banking interests and other	73	10 971	6 342
Economic capital requirement	**11**	**114 429**	**103 119**

Risk-weighted assets

Risk-weighted assets (RWA) by business unit
(closing balances)
CAGR (2013 – 2018): Personal & Business Banking 6%
Corporate & Investment Banking 3%
Central and other 13%



Risk-weighted assets and total assets
(closing balances)



[1] Banking activities and other banking interest.

By business unit and risk type

	Change %	2018 Rm	2017 Rm
Personal & Business Banking	9	**437 755**	403 457
Credit risk	9	**336 135**	308 532
Operational risk	7	**99 995**	93 664
Market risk	(39)	**44**	72
Equity risk in the banking book	33	**1 581**	1 189
Corporate & Investment Banking	14	**539 158**	474 858
Credit risk	13	**363 809**	321 694
Counterparty credit risk	12	**27 338**	24 350
Market risk	17	**70 435**	59 949
Operational risk	7	**64 559**	60 308
Equity risk in the banking book	52	**13 017**	8 557
Central and other	30	**102 729**	78 731
Credit risk	51	**45 043**	29 785
Operational risk	(19)	**3 826**	4 698
Equity risk in the banking book	(3)	**3 473**	3 566
RWA for investments in financial entities[1]	24	**50 387**	40 682
Standard Bank Group	13	**1 079 642**	957 046

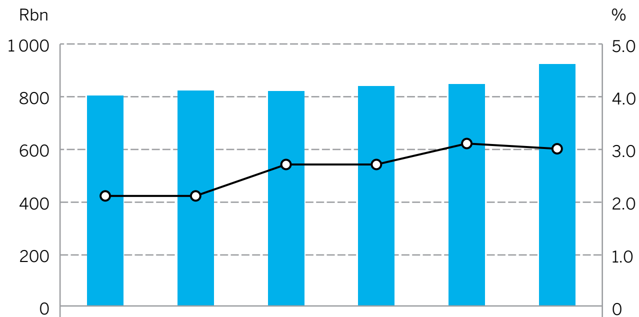
By risk type

	Change %	2018 Rm	2017 Rm
Credit risk	13	**744 987**	660 011
Counterparty credit risk	12	**27 338**	24 350
Market risk	17	**70 479**	60 021
Operational risk	6	**168 380**	158 670
Equity risk in the banking book	36	**18 071**	13 312
RWA for investments in financial entities[1]	24	**50 387**	40 682
Standard Bank Group	13	**1 079 642**	957 046

[1] Including phase-in of IFRS 9 transitional adjustment.

Return on risk-weighted assets

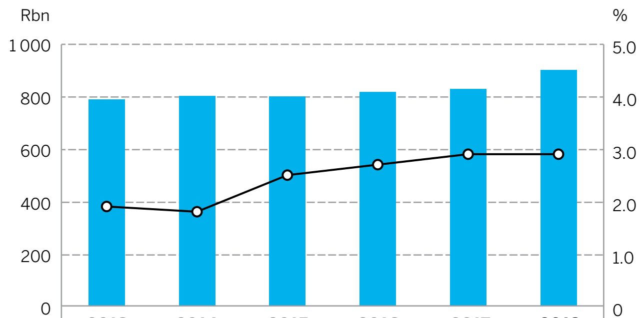
SBG return on average RWA



	2013	2014	2015	2016	2017	**2018**
Average RWA[1]	803	821	819	839	846	**923**
Return on average RWA	2.1	2.1	2.7	2.7	3.1	**3.0**

Average RWA[1]
Return on average RWA

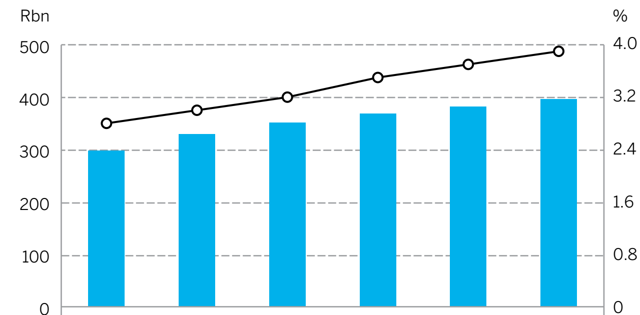
Banking activities return on average RWA



	2013	2014	2015	2016	2017	**2018**
Average RWA[1]	789	803	800	817	829	**901**
Return on average RWA	1.9	1.8	2.5	2.7	2.9	**2.9**

Average RWA[1]
Return on average RWA

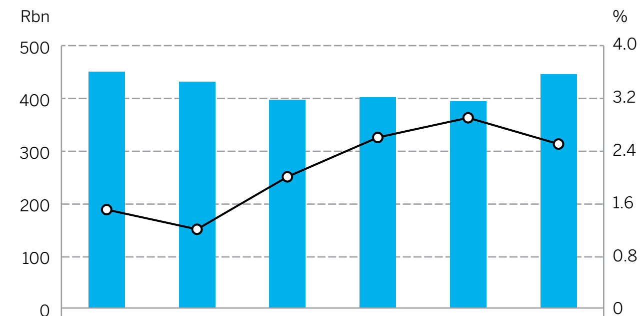
PBB return on average RWA



	2013	2014	2015	2016	2017	**2018**
Average RWA[1]	298	330	352	369	382	**396**
Return on average RWA	2.8	3.0	3.2	3.5	3.7	**3.9**

Average RWA[1]
Return on average RWA

CIB return on average RWA



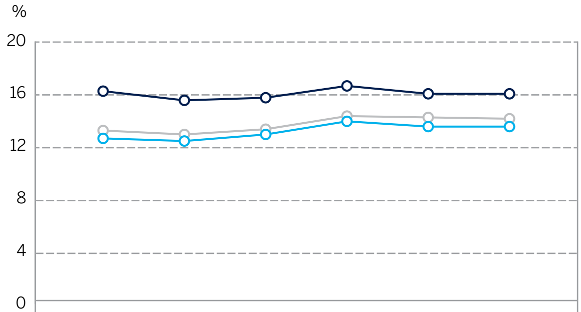
	2013	2014	2015	2016	2017	**2018**
Average RWA[1]	450	431	397	401	394	**445**
Return on average RWA	1.5	1.2	2.0	2.6	2.9	**2.5**

Average RWA[1]
Return on average RWA

[1] Average RWA calculated net of non-controlling interests.

Capital adequacy

Capital adequacy[1]
(including unappropriated profit)



	2013	2014	2015	2016	2017	**2018**
Common equity tier 1 capital	12.6	12.4	12.9	13.9	13.5	**13.5**
Tier 1 capital	13.2	12.9	13.3	14.3	14.2	**14.1**
Total regulatory capital	16.2	15.5	15.7	16.6	16.0	**16.0**

[1] Capital adequacy ratios based on the SARB IFRS 9 phased-in approach.

Qualifying regulatory capital excluding unappropriated profit

	Change %	**2018 Rm**	2017 Rm
Ordinary shareholders' equity	5	**165 061**	157 020
Qualifying non-controlling interest	11	**5 451**	4 892
Regulatory adjustments	(24)	**(24 628)**	(32 326)
Goodwill	16	**(2 208)**	(1 904)
Other intangible assets	(5)	**(17 703)**	(18 603)
Shortfall of credit provisions to expected future losses[2]	(100)		(2 076)
Investments in financial entities	(6)	**(8 616)**	(9 141)
Other adjustments including IFRS 9 phase-in	(>100)	**3 899**	(602)
Total common equity tier 1 capital (including unappropriated profit)	13	**145 884**	129 586
Unappropriated profit	3	**(11 643)**	(11 304)
Common equity tier 1 capital	13	**134 241**	118 282
Qualifying other equity instruments	(9)	**5 702**	6 291
Qualifying non-controlling interest	(7)	**385**	416
Tier 1 capital	12	**140 328**	124 989
Qualifying tier 2 subordinated debt	19	**17 545**	14 777
General allowance for credit impairments	28	**2 776**	2 173
Tier 2 capital	20	**20 321**	16 950
Total regulatory capital	13	**160 649**	141 939

[2] For reporting periods up to 31 December 2017, the group deducted from available capital the shortfall of IAS 39 credit provisions to regulatory expected loss. Given that the IFRS 9 impairment provisions are greater than the regulatory expected losses, this adjustment is no longer recognised.

Capital adequacy ratios (phased-in)[1]

	Internal target ratios[3] %	SARB minimum regulatory requirement[4] %	**Excluding unappropriated profit** **2018** %	2017 %	**Including unappropriated profit** **2018** %	2017 %
Common equity tier 1 capital adequacy ratio	11.0 - 12.5	7.4	**12.4**	12.4	**13.5**	13.5
Tier 1 capital adequacy ratio	12.0 - 13.0	8.9	**13.0**	13.1	**14.1**	14.2
Total capital adequacy ratio	15.0 - 16.0	11.1	**14.9**	14.8	**16.0**	16.0

[3] Including unappropriated profit.
[4] Excluding confidential bank specific requirements.

Capital adequacy ratios (fully loaded)[1]

	Internal target ratios[2] %	SARB minimum regulatory requirement[3] %	Excluding unappropriated profit 2018 %	Excluding unappropriated profit 2017 %	Including unappropriated profit 2018 %	Including unappropriated profit 2017 %
Common equity tier 1 capital adequacy ratio	11.0 - 12.5	7.4	**12.0**	12.4	**13.1**	13.5
Tier 1 capital adequacy ratio	12.0 - 13.0	8.9	**12.6**	13.1	**13.6**	14.2
Total capital adequacy ratio	15.0 - 16.0	11.1	**14.7**	14.8	**15.8**	16.0

1 Capital ratios based on the inclusion of the full IFRS 9 transitional impact.
2 Including unappropriated profit.
3 Excluding confidential bank specific requirements.

Capital adequacy ratios per legal entity[1]

	Tier 1 host regulatory requirement %	Total host regulatory requirement %	2018 Tier 1 capital %	2018 Total capital %	2017 Tier 1 capital %	2017 Total capital %
Standard Bank Group	8.9	11.1	**14.1**	**16.0**	14.2	16.0
The Standard Bank of South Africa Group (SBSA Group)	8.9	11.1	**13.3**	**15.7**	14.2	16.6
Africa Regions						
Stanbic Bank Botswana	7.5	15.0	**8.5**	**17.3**	9.8	19.1
Stanbic Bank Ghana		10.0	**17.8**	**20.5**	20.0	23.4
Stanbic Bank Kenya	12.5	14.5	**14.3**	**17.1**	15.6	17.1
Stanbic Bank S.A. (Ivory Coast)[2]		8.0	**71.6**	**71.6**	>100	>100
Stanbic Bank Tanzania	12.5	14.5	**14.7**	**16.7**	17.0	18.8
Stanbic Bank Uganda	10.0	12.0	**16.1**	**18.7**	17.8	20.7
Stanbic Bank Zambia	5.0	10.0	**15.7**	**18.3**	16.6	19.1
Stanbic Bank Zimbabwe	8.0	12.0	**21.4**	**23.9**	22.0	24.6
Stanbic IBTC Bank Nigeria		10.0	**17.2**	**21.5**	16.2	20.5
Standard Bank de Angola		10.0	**27.3**	**32.4**	28.5	33.3
Standard Bank Malawi	10.0	15.0	**19.5**	**21.7**	16.8	20.3
Standard Bank Mauritius	8.0	11.9	**24.1**	**25.0**	31.4	32.0
Standard Bank Mozambique		9.0	**18.0**	**19.4**	18.9	20.4
Standard Bank Namibia	7.0	10.0	**10.4**	**12.7**	10.9	13.8
Standard Bank RDC (DRC - Congo)[3]	7.0	10.0	**27.9**	**30.4**	79.1	92.4
Standard Bank Swaziland	4.0	8.0	**9.8**	**13.9**	11.9	14.1
Standard Lesotho Bank	4.0	8.0	**21.7**	**16.4**	23.1	16.3
International						
Standard Bank Isle of Man	8.5	11.5	**21.2**	**21.2**	12.6	13.7
Standard Bank Jersey		11.0		**20.5**		14.1
Capital adequacy ratio - times covered						
Standard Insurance Limited (SIL)[4]						
Solvency capital requirement coverage ratio				**1.95**		
Liberty Group Limited[4]						
Solvency capital requirement coverage ratio				**1.87**		

1 IFRS 9 transitional impact phased-in according to local regulatory requirements or elections for SBG, SBSA, Kenya, Zambia, Botswana and Tanzania.
2 Stanbic Bank S.A. (Ivory Coast) commenced operations in July 2017. Capital adequacy ratios are reflective of the start-up stage of the business.
3 2017 capital adequacy ratios in anticipation of increased minimum requirements in 2018.
4 Calculated in terms of the Insurance Act, 2017, which came into effect on 1 July 2018.

Other capital instruments

Subordinated debt

	Redeemable/ repayable date	First callable date	Notional value[1] LCm	2018 Carrying value[1] Rm	2018 Notional value[1] Rm	2017 Carrying value[1] Rm	2017 Notional value[1] Rm
Subordinated debt - banking activities							
Standard Bank Group Limited				**5 057**	**5 000**		
SBT 201[2]	13 Feb 2028	13 Feb 2023	ZAR 3 000	**3 041**	**3 000**		
SBT 202[2]	3 Dec 2028	3 Dec 2023	ZAR 1 516	**1 528**	**1 516**		
SBT 203[2]	3 Dec 2028	3 Dec 2023	ZAR 484	**488**	**484**		
SBSA Group				**13 793**	**13 580**	17 287	17 080
SBK 16	15 Mar 2023	15 Mar 2018	ZAR 2 000			2 008	2 000
SBK 9	10 Apr 2023	10 Apr 2018	ZAR 1 500			1 529	1 500
SBK 17	30 Jul 2024	30 Jul 2019	ZAR 2 000	**2 032**	**2 000**	2 032	2 000
SBK 19	24 Oct 2024	24 Oct 2019	ZAR 500	**509**	**500**	509	500
SBK 20[2]	2 Dec 2024	2 Dec 2019	ZAR 2 250	**2 269**	**2 250**	2 268	2 250
SBK 21[2]	28 Jan 2025	28 Jan 2020	ZAR 750	**764**	**750**	763	750
SBK 22[2]	28 May 2025	28 May 2020	ZAR 1 000	**1 010**	**1 000**	1 010	1 000
SBK 24[2]	19 Oct 2025	19 Oct 2020	ZAR 880	**899**	**880**	899	880
SBK 18	24 Oct 2025	24 Oct 2020	ZAR 3 500	**3 563**	**3 500**	3 563	3 500
SBK 25[2]	25 Apr 2026	25 Apr 2021	ZAR 1 200	**1 225**	**1 200**	1 225	1 200
SBK 26[2]	25 Apr 2026	25 Apr 2021	ZAR 500	**511**	**500**	506	500
SBK 23[2]	28 May 2027	28 May 2022	ZAR 1 000	**1 011**	**1 000**	975	1 000
Standard Bank Swaziland	29 Jun 2028	30 Jun 2023	E 100	**105**	**100**	50	50
Stanbic Botswana	15 Jun 2027	16 Jun 2022	BWP 200	**269**	**268**	239	239
Standard Bank Mozambique	2025	2020	MZN 1001	**250**	**234**	227	210
Stanbic Bank Kenya	8 Dec 2021	1 Jun 2020	KES 4 000	**565**	**565**	476	477
Stanbic IBTC Bank Nigeria	30 Sept 2024	01 Oct 2019	NGN 15 440	**633**	**617**	540	529
Standard Bank Namibia	23 Oct 2024	24 Oct 2019	NAD 100	**102**	**100**	101	100
Stanbic Bank Zambia	31 Oct 2024	1 Nov 2019	ZMK 37	**45**	**45**	46	46
Subordinated debt issued to group companies				**(122)**	**(120)**	(253)	(248)
Total subordinated debt - banking activities				**20 697**	**20 389**	18 713	18 483
Liberty (qualifying as regulatory insurance capital)	2017 - 2024		ZAR 5 500	**5 662**	**5 500**	5 576	5 500
Total subordinated debt				**26 359**	**25 889**	24 289	23 983

1 The difference between the carrying and notional value represents accrued interest together with, where applicable, the unamortised fair value adjustments relating to bonds hedged for interest rate risk.
2 Basel III compliant tier 2 instruments which contain a contractual non-viability write-off feature.

Other equity holders

	First callable date	Notional value LCm	2018 Carrying value Rm	2018 Notional value Rm	2017 Carrying value Rm	2017 Notional value Rm
Cumulative preference share capital (SBKP)		ZAR 8	**8**	**8**	8	8
Non-Cumulative preference share capital (SBPP)		ZAR 1	**5 495**	**1**	5 495	1
Total preference share capital			**5 503**	**9**	5 503	9
SBT 101	31 Mar 2022	ZAR 1 744	**1 744**	**1 744**	1 744	1 744
SBT 102	30 Sep 2022	ZAR 1 800	**1 800**	**1 800**	1 800	1 800
Total AT1 capital bonds			**3 544**	**3 544**	3 544	3 544
Total other equity instruments			**9 047**	**3 553**	9 047	3 553

KEY BANKING LEGAL ENTITY INFORMATION

THE STANDARD BANK OF SOUTH AFRICA

AFRICA REGIONS LEGAL ENTITIES

STANDARD BANK GROUP

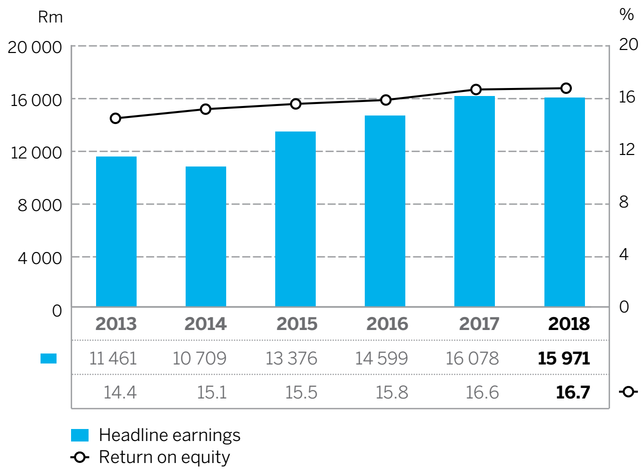
The Standard Bank of South Africa Group

Key financial results, ratios and statistics

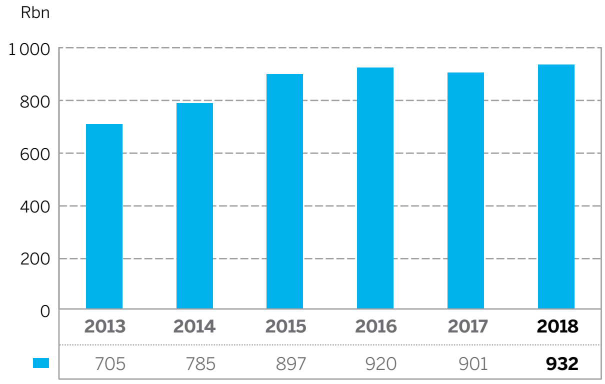
		Change %	2018	2017[1]
SBSA Group[2]				
Income statement				
Headline earnings	Rm	(1)	**15 971**	16 078
Headline earnings as consolidated into SBG[3]	Rm	(3)	**16 021**	16 528
Profit attributable to the ordinary shareholder	Rm	(2)	**15 695**	15 941
Statement of financial position				
Ordinary shareholder's equity	Rm	(3)	**97 650**	100 791
Total assets	Rm	4	**1 360 262**	1 308 800
Net loans and advances	Rm	3	**931 659**	900 895
Financial performance				
ROE	%		**16.7**	16.6
Non-interest revenue to total income	%		**43.0**	40.7
Loans-to-deposits ratio	%		**92.0**	93.6
Credit loss ratio	%		**0.59**	0.77
Credit loss ratio on loans to customers	%		**0.65**	0.86
Cost-to-income ratio	%		**60.3**	58.3
Jaws	%		**(3.5)**	0.3
Effective total taxation rate	%		**25.9**	26.0
Effective direct taxation rate	%		**20.7**	21.3
Number of employees		(2)	**31 662**	32 342
Capital adequacy				
Total risk-weighted assets	Rm	10	**669 386**	610 314
Common equity tier 1 capital adequacy ratio[4]	%		**12.7**	13.6
Tier 1 capital adequacy ratio[4]	%		**13.3**	14.2
Total capital adequacy ratio[4]	%		**15.7**	16.6
SBSA company[2]				
Headline earnings	Rm	(2)	**14 872**	15 211
Headline earnings as consolidated into SBG[3]	Rm	(5)	**14 922**	15 661
Total assets	Rm	4	**1 359 504**	1 305 112
ROE	%		**16.1**	15.9

1 Restated. Refer to page 99.
2 SBSA Group is a consolidation of entities including subsidiaries as well as structured entities, whereas SBSA company is a legal entity.
3 At an SBSA level, certain share-based payment schemes are accounted for on a cash-settled basis, but at a consolidated SBG level they are accounted for on an equity-settled basis. In addition, the hedges of those share schemes are recognised in the income statement at an SBSA level and in equity at an SBG level. Given the fluctuation in the SBG share price, it is considered appropriate to also reflect SBSA's headline earnings as consolidated into SBG.
4 Represents the ratio after applying the SARB phase-in provision for IFRS 9. Refer to page 87 for details regarding the fully loaded ratios.

Headline earnings
CAGR (2013 – 2018): 7%



Net loans and advances
CAGR (2013 – 2018): 6%



Key highlights

- Net interest income was adversely impacted by the change in accounting treatment of interest in suspense for pre-legal and cured loan balances under IFRS 9, negative endowment on the back of lower average prime interest rate and margin compression as a result of the competitive environment.
- Net fee and commission revenue benefited from annual fee increases and higher electronic banking volumes, particularly relating to ATM usage as well as Instant Money and Business Online transactions. A decline was noted in physical channel volumes (as customers opted to use digital platforms) impacted fee growth.
- Trading revenue was flat year on year due to lower fixed income and currency revenue on the back of negative emerging market sentiment and lower investor flows and deal volumes.
- Higher dividends received from equity trading positions.
- Increase in revenue from the Bancassurance agreement with Liberty.
- Interest income on certain debt instruments, together with the derecognition gains and losses on instruments not recognised at fair value through profit and loss, are now recorded in other gains and losses on financial instruments, in accordance with IFRS 9.
- Credit impairment charges were positively impacted by the reallocation of interest in suspense for pre-legal and cured loan balances in PBB following the implementation of IFRS 9, higher post write-off recoveries and improved book quality across all products. This was offset by credit impairment charges raised on retail and construction sector clients in CIB driven by a contracting economic environment.
- Increase in staff costs attributable to annual salary increases and separation costs in the information technology business, partly offset by a decline in headcount.
- Other operating expenses growth mainly driven by inflation, offset by deliberate actions to contain costs while still investing in technology to improve the client experience and support digitisation.

The Standard Bank of South Africa Group

Income statement

	Change	Group		Change	Company	
	%	2018 Rm	2017[1] Rm	%	2018 Rm	2017[1] Rm
Net interest income	(4)	**39 831**	41 520	(4)	**38 616**	40 434
Non-interest revenue	5	**29 987**	28 480	5	**29 024**	27 543
Net fee and commission revenue	4	**21 185**	20 356	4	**20 096**	19 248
Trading revenue	0	**5 358**	5 344	0	**5 357**	5 345
Other revenue	5	**2 922**	2 780	3	**3 049**	2 950
Other gains and losses on financial instruments	100	**522**		100	**522**	
Total income	0	**69 818**	70 000	(0)	**67 640**	67 977
Credit impairment charges	(22)	**(5 557)**	(7 145)	(21)	**(5 569)**	(7 092)
Loans and advances	(24)	**(5 425)**	(7 145)	(23)	**(5 437)**	(7 092)
Financial investments	(100)	**(7)**		(100)	**(7)**	
Letters of credit and guarantees and other	(100)	**(125)**		(100)	**(125)**	
Net income before revenue sharing agreements	2	**64 261**	62 855	2	**62 071**	60 885
Revenue sharing agreements with group companies	(1)	**(722)**	(726)	(1)	**(722)**	(726)
Income before operating expenses	2	**63 539**	62 129	2	**61 349**	60 159
Operating expenses	3	**(41 660)**	(40 372)	3	**(40 724)**	(39 423)
Staff costs	4	**(22 928)**	(22 038)	4	**(22 404)**	(21 549)
Other operating expenses	2	**(18 732)**	(18 334)	2	**(18 320)**	(17 874)
Net income before non-trading and capital related items, and equity accounted earnings	1	**21 879**	21 757	(1)	**20 625**	20 736
Non-trading and capital related items	>100	**(383)**	(191)	>100	**(383)**	(191)
Share of profits from associates and joint ventures	(31)	**129**	187	(31)	**129**	187
Profit before indirect taxation	(1)	**21 625**	21 753	(2)	**20 371**	20 732
Indirect taxation	9	**(1 418)**	(1 301)	9	**(1 412)**	(1 295)
Profit before direct taxation	(1)	**20 207**	20 452	(2)	**18 959**	19 437
Direct taxation	(4)	**(4 190)**	(4 347)	(4)	**(4 041)**	(4 198)
Profit for the year	(1)	**16 017**	16 105	(2)	**14 918**	15 239
Attributable to other equity instrument holders	95	**(322)**	(165)	95	**(322)**	(165)
Attributable to non-controlling interests	(100)		1			
Attributable to the ordinary shareholder	(2)	**15 695**	15 941	(3)	**14 596**	15 074
Headline adjustable items	>100	**276**	137	>100	**276**	137
Headline earnings	(1)	**15 971**	16 078	(2)	**14 872**	15 211
IFRS 2 adjustment						
Staff costs net of taxation	(89)	**50**	450	(89)	**50**	450
Headlines earnings as consolidated into SBG[2]	(3)	**16 021**	16 528	(5)	**14 922**	15 661

[1] Restated. Refer to page 99.
[2] At an SBSA level, the share-based payment schemes are accounted for on a cash-settled basis, but at a consolidated SBG level they are accounted for on an equity-settled basis. Given the fluctuation in the SBG share price, it is considered appropriate to also reflect SBSA's headline earnings as consolidated into SBG.

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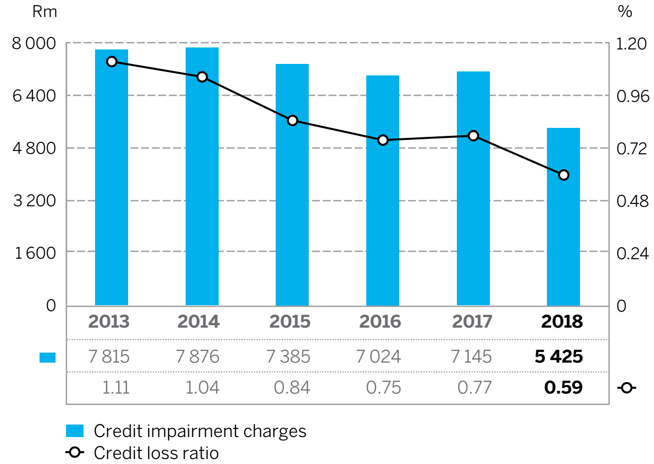
Statement of financial position

	Change	Group		Change	Company	
		2018	2017		2018	2017
	%	Rm	Rm	%	Rm	Rm
Assets						
Cash and balances with central banks	(4)	**34 536**	35 893	(4)	**34 536**	35 893
Derivative assets	(35)	**46 707**	71 542	(35)	**46 707**	71 542
Trading assets	22	**153 894**	126 283	22	**153 590**	126 283
Pledged assets	(90)	**674**	6 812	(90)	**674**	6 812
Financial investments	22	**105 438**	86 344	23	**105 438**	85 877
Loans and advances	3	**931 659**	900 895	4	**919 380**	884 648
Loans and advances to banks	(17)	**76 422**	91 610	(10)	**82 283**	90 990
Loans and advances to customers	6	**855 237**	809 285	5	**837 097**	793 658
Other assets	(13)	**7 668**	8 837	(13)	**7 480**	8 628
Interest in group companies, associates and joint ventures	14	**52 296**	46 000	9	**64 424**	59 354
Property and equipment	22	**10 284**	8 448	22	**10 262**	8 423
Goodwill and other intangible assets	(4)	**17 106**	17 746	(4)	**17 013**	17 652
Total assets	4	**1 360 262**	1 308 800	4	**1 359 504**	1 305 112
Equity and liabilities						
Equity	(3)	**101 200**	104 338	(4)	**97 583**	101 690
Equity attributable to ordinary shareholders	(3)	**97 650**	100 791	(4)	**94 039**	98 146
Ordinary share capital	0	**60**	60	0	**60**	60
Ordinary share premium	2	**44 388**	43 638	2	**44 388**	43 638
Reserves	(7)	**53 202**	57 093	(9)	**49 591**	54 448
Equity attributable to other equity holders	0	**3 544**	3 544	0	**3 544**	3 544
Equity attributable to non-controlling interest	100	**6**	3			
Liabilities	5	**1 259 062**	1 204 462	5	**1 261 921**	1 203 422
Derivative liabilities	(32)	**49 546**	72 989	(32)	**49 546**	72 989
Trading liabilities	(22)	**29 704**	38 240	(22)	**29 698**	38 240
Deposits and debt funding	5	**1 012 246**	962 920	5	**1 011 763**	961 650
Deposits from banks	18	**95 186**	80 617	18	**95 069**	80 610
Deposits from customers	4	**917 060**	882 303	4	**916 694**	881 040
Subordinated debt	(20)	**13 793**	17 287	(20)	**13 793**	17 287
Liabilities to group companies	42	**135 301**	95 416	45	**139 370**	95 927
Provisions and other liabilities	5	**18 472**	17 610	2	**17 751**	17 329
Total equity and liabilities	4	**1 360 262**	1 308 800	4	**1 359 504**	1 305 112

The Standard Bank of South Africa Group

Credit impairment charges

Credit impairment charges on loans and advances
CAGR (2013 – 2018): (7)%



Income statement credit impairment charges for loans and advances

	Change %	2018 Stage 1 Rm	2018 Stage 2 Rm	2018 Total stage 1 and 2 Rm	2018 Stage 3[1] Rm	2018 Total impairment charges Rm	2018 Credit loss ratio %
Personal & Business Banking	(28)	(247)	10	(237)	4 781	4 544	0.83
Mortgage loans	(46)	(102)	25	(77)	861	784	0.24
Vehicle and asset finance	(15)	3	(67)	(64)	601	537	0.72
Card debtors	(29)	(52)	219	167	794	961	2.98
Other loans and advances	(21)	(96)	(167)	(263)	2 525	2 262	2.12
Personal unsecured lending	(24)	77	(58)	19	1 492	1 511	3.74
Business lending and other	(14)	(173)	(109)	(282)	1 033	751	1.14
Corporate & Investment Banking	5	50	(713)	(663)	1 544	881	0.23
Corporate and sovereign banking		60	(718)	(658)	1 544	886	0.29
Bank lending		(10)	5	(5)		(5)	(0.01)
Total credit impairment charges - loans and advances	(24)	(197)	(703)	(900)	6 325	5 425	0.59
Credit impairment charges - financial investments						7	
Credit impairment charges - letters of credit and guarantees						125	
Total credit impairment charges						5 557	

[1] Includes post write-off recoveries and modification gains and losses.

2017			
Portfolio credit impairment charges Rm	Total specific impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
(172)	6 479	6 307	1.19
(69)	1 527	1 458	0.45
(99)	733	634	0.88
63	1 297	1 360	4.33
(67)	2 922	2 855	2.84
(14)	1 997	1 983	4.95
(53)	925	872	1.44
521	317	838	0.22
521	317	838	0.28
349	6 796	7 145	0.77
		7 145	

The Standard Bank of South Africa Group

Balance sheet impairment roll forward for loans and advances

	1 January 2018 IFRS 9 opening balance Rm	Transfer between stages Rm	Net provisions raised and released Rm	Impaired accounts written off Rm
2018				
Total expected credit loss				
Personal & Business Banking	22 870		5 165	(5 462)
Mortgage lending	8 767		885	(896)
Vehicle and asset finance	2 568		781	(703)
Card debtors	3 052		1 172	(1 302)
Other loans and advances	8 483		2 327	(2 561)
Personal unsecured lending	5 504		1 572	(1 828)
Business lending and other	2 979		755	(733)
Corporate & Investment Banking	5 034		893	(876)
Corporate and sovereign lending	5 017		898	(876)
Bank lending	17		(5)	
Total	27 904		6 058	(6 338)

[1] Currency translation and other movements includes the movement in the interest in suspense provision.

Net provisions raised and released less recoveries net of modification losses is equal to the income statement credit impairment charge (2018: R6 058 million - R633 million = R5 425 million).

	1 January 2018 IFRS 9 opening balance Rm	Transfer between stages Rm	Net provisions raised and released Rm	Impaired accounts written off Rm
Stage 3 and purchased and originated credit impaired				
Personal & Business Banking	13 824	(326)	5 860	(5 462)
Mortgage lending	5 881	(294)	1 316	(896)
Vehicle and asset finance	1 111	51	794	(703)
Card debtors	1 612	(68)	1 113	(1 302)
Other loans and advances	5 220	(15)	2 637	(2 561)
Personal unsecured lending	3 492	(66)	1 651	(1 828)
Business lending and other	1 728	51	986	(733)
Corporate & Investment Banking	3 343	510	1 046	(876)
Corporate lending	3 343	510	1 046	(876)
Total	17 167	184	6 906	(6 338)

[1] Currency translation and other movements includes the movement in the interest in suspense provision.

Net provisions raised and released and transfer between stages less recoveries net of modification losses is equal to the income statement credit impairment charge (2018: R6 906 million + R184 million - R765 million = R6 325 million).

Currency translation and other movements[1] Rm	2018 closing balance Rm	2018 recoveries of amounts written off net of modification losses Rm
938	23 511	621
609	9 365	101
78	2 724	244
63	2 985	211
188	8 437	65
85	5 333	61
103	3 104	4
440	5 491	12
442	5 481	12
(2)	10	
1 378	29 002	633

Currency translation and other movements[1] Rm	2018 closing balance Rm	2018 recoveries of amounts written off net of modification losses Rm
931	14 827	753
609	6 616	161
78	1 331	244
63	1 418	251
181	5 462	97
78	3 327	93
103	2 135	4
375	4 398	12
375	4 398	12
1 306	19 225	765

The Standard Bank of South Africa Group

Balance sheet impairment roll forward for loans and advances

	1 January 2018 IFRS 9 opening balance Rm	Transfer between stages Rm	Net provisions raised and released Rm	Impaired accounts written off Rm
Stage 2				
Personal & Business Banking	4 805	(984)	862	
Mortgage lending	1 819	(161)	126	
Vehicle and asset finance	752	(319)	252	
Card debtors	768	(108)	287	
Other loans and advances	1 466	(396)	197	
Personal unsecured lending	969	(109)	19	
Business lending and other	497	(287)	178	
Corporate & Investment Banking	1 122	(641)	(72)	
Corporate and sovereign lending	1 122	(641)	(77)	
Bank lending			5	
Total	5 927	(1 625)	790	

Net provisions raised and released and transfer between stages less recoveries net of modification losses is equal to the income statement credit impairment charge (2018: R790 million + (R1 625 million) - (R132 million) = (R703 million)).

	1 January 2018 IFRS 9 opening balance Rm	Transfer between stages Rm	Net provisions raised and released Rm	Impaired accounts written off Rm
Stage 1				
Personal & Business Banking	4 241	1 310	(1 557)	
Mortgage lending	1 067	455	(557)	
Vehicle and asset finance	705	268	(265)	
Card debtors	672	176	(228)	
Other loans and advances	1 797	411	(507)	
Personal unsecured lending	1 043	175	(98)	
Business lending and other	754	236	(409)	
Corporate & Investment Banking	569	131	(81)	
Corporate and sovereign lending	552	131	(71)	
Bank lending	17		(10)	
Total	4 810	1 441	(1 638)	

Net provisions raised and released and transfer between stages is equal to the income statement credit impairment charge (2018: (R1 638 million) + R1 441 million = (R197 million)).

Currency translation and other movements Rm	2018 closing balance Rm	2018 recoveries of amounts written off net of modification losses Rm
7	4 690	(132)
	1 784	(60)
	685	
	947	(40)
7	1 274	(32)
7	886	(32)
	388	
31	440	
31	435	
	5	
38	5 130	(132)

Currency translation and other movements Rm	2018 closing balance Rm	2018 recoveries of amounts written off net of modification losses Rm
	3 994	
	965	
	708	
	620	
	1 701	
	1 120	
	581	
34	653	
36	648	
(2)	5	
34	4 647	

The Standard Bank of South Africa Group

Balance sheet impairment roll forward for loans and advances

	2017 Opening balance Rm	*IAS 39 discount in opening balance Rm*	Net provisions raised and released Rm	IAS 39 discount in new impairments raised Rm
2017				
Total credit impairments				
Personal & Business Banking	14 602	*728*	6 830	681
Mortgage lending	4 508	*383*	1 642	317
Vehicle and asset finance	1 834	*75*	841	99
Card debtors	2 208	*19*	1 440	23
Other loans and advances	6 052	*251*	2 907	242
Personal unsecured lending	4 125	*192*	2 004	181
Business lending and other	1 927	*59*	903	61
Corporate & Investment Banking	3 093	*34*	838	89
Corporate loans	2 841	*30*	868	89
Commercial property finance	252	*4*	(30)	
Central and other	401			
Total credit impairments	18 096	*762*	7 668	770
Specific credit impairments				
Personal & Business Banking	10 350	*728*	7 002	681
Mortgage lending	3 447	*383*	1 711	317
Vehicle and asset finance	1 123	*75*	940	99
Card debtors	1 567	*19*	1 377	23
Other loans and advances	4 213	*251*	2 974	242
Personal unsecured lending	3 043	*192*	2 018	181
Business lending and other	1 170	*59*	956	61
Corporate & Investment Banking	2 410	*34*	317	89
Corporate loans	2 254	*30*	347	89
Commercial property finance	156	*4*	(30)	
Total specific credit impairments	12 760	*762*	7 319	770
Portfolio credit impairments				
Personal & Business Banking	4 252		(172)	
Mortgage lending	1 061		(69)	
Vehicle and asset finance	711		(99)	
Card debtors	641		63	
Other loans and advances	1 839		(67)	
Personal unsecured lending	1 082		(14)	
Business lending and other	757		(53)	
Corporate & Investment Banking	683		521	
Corporate loans	587		521	
Commercial property finance	96			
Central and other	401			
Total portfolio credit impairments	5 336		349	

Net provisions raised less recoveries on the amounts written off in previous periods equal to the income statement credit impairment charge (2017: R7 668 million - R523 million = R7 145 million).

Impaired accounts written off Rm	IAS 39 discount recycled to net interest income Rm	Currency translation and other movements Rm	2017 Closing balance Rm	*IAS 39 discount in closing balance Rm*	2017 Recoveries of amounts written off in previous years Rm
(6 006)	(726)	(120)	14 580	*683*	523
(1 105)	(315)		4 730	*385*	184
(935)	(98)		1 642	*76*	207
(1 349)	(26)	(51)	2 222	*16*	80
(2 617)	(287)	(69)	5 986	*206*	52
(2 058)	(231)	(69)	3 771	*142*	21
(559)	(56)		2 215	*64*	31
(81)	(58)	(211)	3 581	*65*	
(57)	(53)	(232)	3 367	*66*	
(24)	(5)	21	214	*(1)*	
			401		
(6 087)	(784)	(331)	18 562	*748*	523
(6 006)	(726)	(74)	10 546	*683*	523
(1 105)	(315)		3 738	*385*	184
(935)	(98)		1 030	*76*	207
(1 349)	(26)	(5)	1 564	*16*	80
(2 617)	(287)	(69)	4 214	*206*	52
(2 058)	(231)	(69)	2 703	*142*	21
(559)	(56)		1 511	*64*	31
(81)	(58)	(127)	2 461	*65*	
(57)	(53)	(148)	2 343	*66*	
(24)	(5)	21	118	*(1)*	
(6 087)	(784)	(201)	13 007	*748*	523
		(46)	4 034		
			992		
			612		
		(46)	658		
			1 772		
			1 068		
			704		
		(84)	1 120		
		(84)	1 024		
			96		
			401		
		(130)	5 555		

The Standard Bank of South Africa Group
Loans and advances performance

	Gross carrying loans and advances Rm	SB 1 - 12 Stage 1 Rm	SB 1 - 12 Stage 2 Rm	SB 13 - 20 Stage 1 Rm	SB 13 - 20 Stage 2 Rm	SB 21 – 25 Stage 1 Rm	SB 21 – 25 Stage 2 Rm
2018							
Personal & Business Banking	562 356	129 107	1 796	346 038	7 049	8 207	40 609
Mortgage loans	342 511	108 494	1 767	182 640	4 327	4 259	24 125
Instalment sale and finance leases	79 343	1 028	11	68 242	1 210	347	5 574
Card debtors	32 608	1 604	8	24 915	174	317	3 772
Other loans and advances	107 894	17 981	10	70 241	1 338	3 284	7 138
Personal unsecured lending	40 960	1 125		29 671	6	1 556	4 437
Business lending and other	66 934	16 856	10	40 570	1 332	1 728	2 701
Corporate & Investment Banking	397 337	236 034	4 780	133 079	15 477	723	802
Corporate and sovereign lending	305 169	146 856	4 780	130 196	15 370	723	802
Bank lending	92 168	89 178		2 883	107		
Gross loans and advances	959 693	365 141	6 576	479 117	22 526	8 930	41 411
Percentage of total book (%)	100	38.0	0.7	50.0	2.3	0.9	4.3
Gross loans and advances at amortised cost	959 693						
Gross loans and advances at fair value - CIB	968						
Total gross loans and advances	960 661						

The group uses a 25-point master rating scale to quantify the credit risk for each borrower (corporate asset classes) or facility (specialised lending and retail asset classes). Ratings are mapped to PDs by means of calibration formulae that use historical default rates and other data from the applicable portfolio.

	Gross loans and advances Rm	Total performing loans Rm	Total non-performing loans Rm
2017			
Personal & Business Banking	536 491	511 225	25 266
Mortgage loans	329 975	315 523	14 452
Vehicle and asset finance	72 727	70 203	2 524
Card debtors	31 694	29 610	2 084
Other loans and advances	102 095	95 889	6 206
Personal unsecured lending	38 810	35 201	3 609
Business lending and other	63 285	60 688	2 597
Corporate & Investment Banking	356 523	352 930	3 593
Corporate loans	293 148	289 749	3 399
Commercial property finance	63 375	63 181	194
Central and other	26 443	26 443	
Gross loans and advances	919 457	890 598	28 859
Percentage of total book (%)	100.0	96.9	3.1

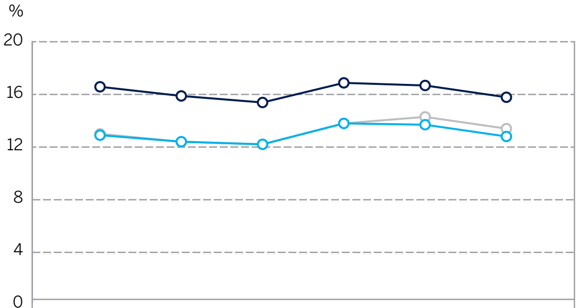
Total stage 1 and 2 Rm	Total stage 3 Rm	Securities and expected recoveries on stage 3 exposure loans Rm	Balance sheet expected credit loss and interest in suspense loans on stage 3 Rm	Gross stage 3 coverage %	Stage 3 exposures %
532 806	**29 550**	**14 723**	**14 827**	**50**	**5.3**
325 612	**16 899**	**10 283**	**6 616**	**39**	**4.9**
76 412	**2 931**	**1 600**	**1 331**	**45**	**3.7**
30 790	**1 818**	**400**	**1 418**	**78**	**5.6**
99 992	**7 902**	**2 440**	**5 462**	**69**	**7.3**
36 795	**4 165**	**838**	**3 327**	**80**	**10.2**
63 197	**3 737**	**1 602**	**2 135**	**57**	**5.6**
390 895	**6 442**	**2 044**	**4 398**	**68**	**1.6**
298 727	**6 442**	**2 044**	**4 398**	**68**	**2.1**
92 168					
923 701	**35 992**	**16 767**	**19 225**	**53**	**3.8**
96.2	**3.8**	**1.7**	**2.0**		

Securities and expected recoveries on specifically impaired loans Rm	Net after securities and expected recoveries on specifically impaired loans Rm	Balance sheet impairments for non-performing specifically impaired loans Rm	Specific gross impairment coverage %	Non-performing loans %
14 720	10 546	10 546	42	4.7
10 714	3 738	3 738	26	4.4
1 494	1 030	1 030	41	3.5
520	1 564	1 564	75	6.6
1 992	4 214	4 214	68	6.1
906	2 703	2 703	75	9.3
1 086	1 511	1 511	58	4.1
1 132	2 461	2 461	68	1.0
1 056	2 343	2 343	69	1.2
76	118	118	61	0.3
15 852	13 007	13 007	45	3.1
1.7	1.4	1.4		

The Standard Bank of South Africa Group

Risk-weighted assets[1]

Capital adequacy – SBSA group[1]
(including unappropriated profit)



	2013	2014	2015	2016	2017	**2018**
Common equity tier 1 capital	12.8	12.3	12.1	13.7	13.6	**12.7**
Tier 1 capital	12.8	12.3	12.1	13,7	14.2	**13.3**
Total regulatory capital	16.5	15.8	15.3	16,8	16.6	**15.7**

Common equity tier 1 capital
Tier 1 capital
Total regulatory capital

1 Capital adequacy ratios based on the SARB IFRS 9 phased-in approach.

Risk-weighted assets

	Change %	2018 Rm	2017 Rm
Credit risk	8	**467 820**	433 611
Counterparty credit risk	9	**24 370**	22 267
Market risk	21	**50 720**	41 943
Operational risk	5	**97 563**	93 283
Equity risk in the banking book	42	**15 914**	11 226
RWA for investments in financial entities[2]	63	**12 999**	7 984
Total risk-weighted assets	10	**669 386**	610 314

2 Including phase-in of the IFRS 9 transitional adjustment.

The Standard Bank of South Africa Group
Capital adequacy

Qualifying regulatory capital excluding unappropriated profit

	Change %	2018 Rm	2017 Rm
Share capital and premium	2	**44 448**	43 698
Retained earnings	(7)	**52 321**	56 294
Other reserves	10	**881**	799
Regulatory adjustments	(31)	**(12 420)**	(17 929)
Goodwill	0	**(42)**	(42)
Other intangible assets	(7)	**(14 337)**	(15 346)
Deferred tax assets	(21)	**(11)**	(14)
Shortfall of provisions to expected losses[1]	(100)		(2 084)
Other adjustments including IFRS 9 phase-in	(>100)	**1 970**	(443)
Total (including unappropriated profit)	3	**85 230**	82 862
Unappropriated profits	9	**(11 966)**	(11 010)
Common equity tier 1 capital	2	**73 264**	71 852
Qualifying other equity instruments	(1)	**3 504**	3 544
Tier 1 capital	2	**76 768**	75 396
Qualifying tier 2 subordinated debt	9	**18 580**	17 080
General allowance for credit impairments	69	**781**	461
Regulatory adjustments - investment in tier 2 instruments in other banks	36	**(3 187)**	(2 341)
Tier 2 capital	6	**16 174**	15 200
Total qualifying regulatory capital	3	**92 942**	90 596

1 For reporting periods up to 31 December 2017, the group deducted from available capital the shortfall of IAS 39 credit provisions to regulatory expected loss. Given that the IFRS 9 impairment provisions are greater than the regulatory expected losses, this adjustment is no longer recognised.

Capital adequacy ratios (phased-in)[1]

	Internal target ratios[2]	SARB minimum regulatory requirement[3]	Excluding unappropriated profit		Including unappropriated profit	
			2018	2017	**2018**	2017
	%	%	**%**	%	**%**	%
Common equity tier 1 capital adequacy ratio	11.0 - 12.5	7.4	**10.9**	11.8	**12.7**	13.6
Tier 1 capital adequacy ratio	12.0 - 13.0	8.9	**11.5**	12.4	**13.3**	14.2
Total capital adequacy ratio	15.0 - 16.0	11.1	**13.9**	14.8	**15.7**	16.6

1 Capital adequacy ratios based on the SARB IFRS 9 phased-in approach.
2 Including unappropriated profit.
3 Excluding confidential bank specific requirements.

Capital adequacy ratios (fully loaded)[1]

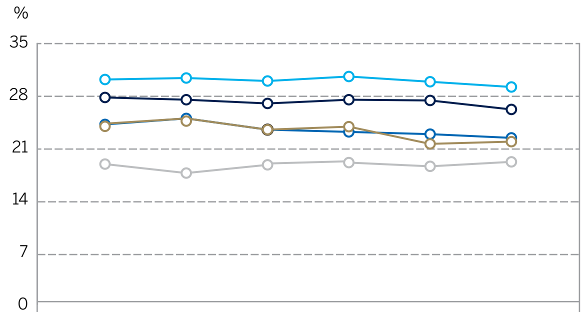
	Internal target ratios[2]	SARB minimum regulatory requirement[3]	Excluding unappropriated profit		Including unappropriated profit	
			2018	2017	**2018**	2017
	%	%	**%**	%	**%**	%
Common equity tier 1 capital adequacy ratio	11.0 - 12.5	7.4	**10.6**	11.8	**12.4**	13.6
Tier 1 capital adequacy ratio	12.0 - 13.0	8.9	**11.2**	12.4	**12.9**	14.2
Total capital adequacy ratio	15.0 - 16.0	11.1	**13.9**	14.8	**15.7**	16.6

1 Capital ratios based on the inclusion of the full IFRS 9 transitional impact.
2 Including unappropriated profit.
3 Excluding confidential bank specific requirements.

The Standard Bank of South Africa

Market share analysis[1]

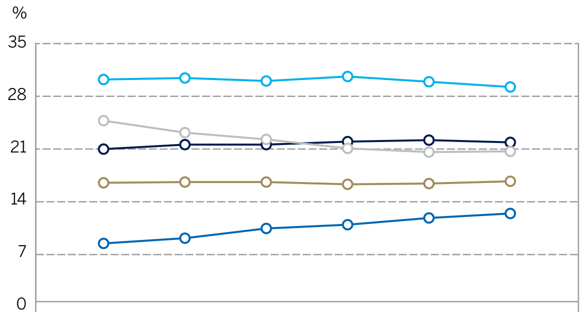
SBSA's market share movement



	2013	2014	2015	2016	2017	**2018**
	30.1	30.3	29.9	30.5	29.8	**29.1**
	18.8	17.6	18.7	19.0	18.5	**19.0**
	27.7	27.4	26.9	27.4	27.3	**26.1**
	24.2	24.9	23.4	23.8	21.5	**21.8**
	24.1	24.1	23.4	23.1	22.8	**22.3**

- Mortgage loans
- Vehicle and Asset Finance
- Card
- Other loans and advances
- Deposits

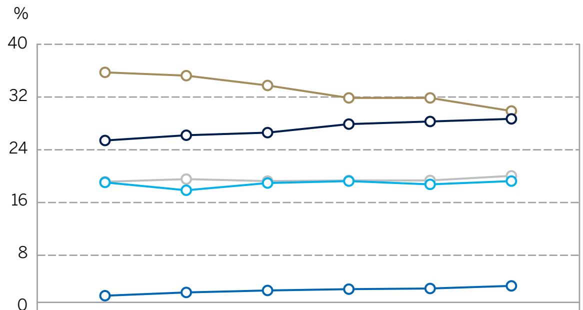
Mortgage loans[2]



	2013	2014	2015	2016	2017	**2018**
	30.1	30.3	29.9	30.5	29.8	**29.1**
	24.6	23.0	22.1	20.9	20.4	**20.5**
	20.8	21.4	21,4	21.8	22.0	**21.7**
	16.3	16.4	16.4	16.1	16.2	**16.5**
	8.2	8.9	10.2	10.7	11.6	**12.2**

- SBSA
- ABSA
- Nedbank
- FirstRand
- Other

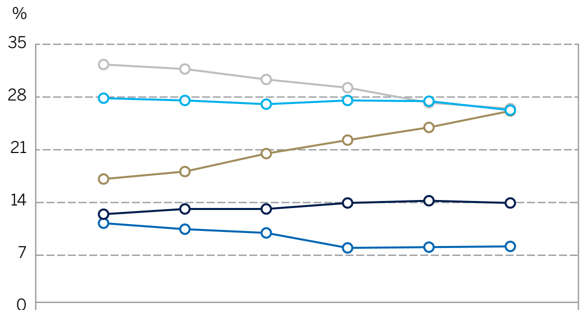
Vehicle and asset finance



	2013	2014	2015	2016	2017	**2018**
	18.8	17.6	18.7	19.0	18.5	**19.0**
	18.9	19.3	19.0	19.1	19.1	**19.8**
	25.2	26.0	26.4	27.7	28.1	**28.5**
	35.6	35.1	33.6	31.7	31.7	**29.7**
	1.5	2.0	2.3	2.5	2.6	**3.0**

- SBSA
- ABSA
- Nedbank
- FirstRand
- Other

Card

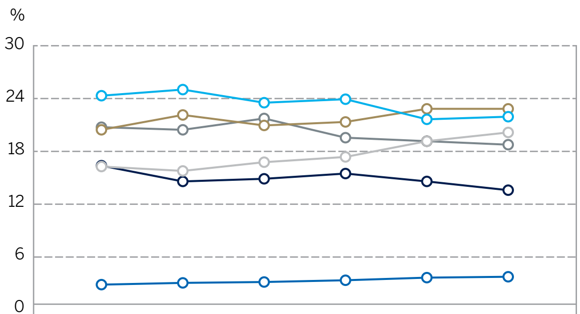


	2013	2014	2015	2016	2017	**2018**
	27.7	27.4	26.9	27.4	27.3	**26.1**
	32.2	31.6	30.2	29.1	27.1	**26.3**
	12.2	12.9	12.9	13.7	14.0	**13.7**
	16.9	17.9	20.3	22.1	23.8	**26.0**
	11.0	10.2	9.7	7.7	7.8	**7.9**

- SBSA
- ABSA
- Nedbank
- FirstRand
- Other

[1] Source: SARB BA 900.
[2] Mortgage lending includes residential, corporate and commercial property finance loans.

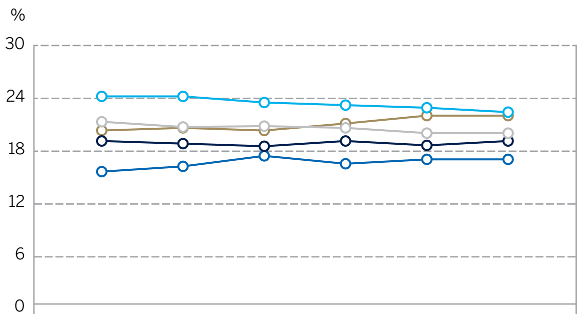
Other loans and advances



	2013	2014	2015	2016	2017	**2018**
SBSA	24.2	24.9	23.4	23.8	21.5	**21.8**
ABSA	16.1	15.6	16.6	17.2	19.0	**20.0**
Nedbank	16.2	14.4	14.7	15.3	14.4	**13.4**
FirstRand	20.3	22.0	20.8	21.2	22.7	**22.7**
Capitec	2.6	2.8	2.9	3.1	3.4	**3.5**
Other	20.6	20.3	21.6	19.4	19.0	**18.6**

SBSA
ABSA
Nedbank
FirstRand
Capitec
Other

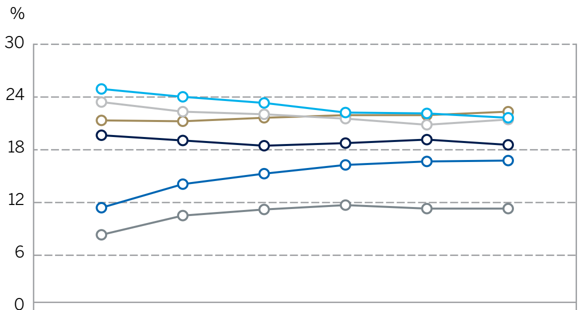
Deposits



	2013	2014	2015	2016	2017	**2018**
SBSA	24.1	24.1	23.4	23.1	22.8	**22.3**
ABSA	21.2	20.6	20.7	20.5	19.9	**19.9**
Nedbank	19.0	18.7	18.4	19.0	18.5	**19.0**
FirstRand	20.2	20.5	20.2	21.0	21.9	**21.9**
Other	15.5	16.1	17.3	16.4	16.9	**16.9**

SBSA
ABSA
Nedbank
FirstRand
Other

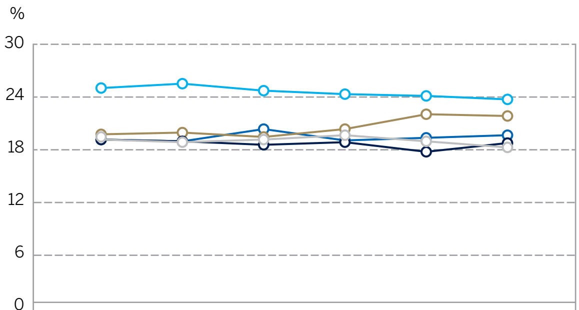
Retail priced deposits[3]



	2013	2014	2015	2016	2017	**2018**
SBSA	24.8	23.9	23.2	22.1	22.0	**21.5**
ABSA	23.3	22.2	21.9	21.4	20.7	**21.3**
Nedbank	19.5	18.9	18.3	18.6	19.0	**18.4**
FirstRand	21.2	21.1	21.5	21.8	21.8	**22.2**
Other	11.2	13.9	15.1	16.1	16.5	**16.6**

SBSA
ABSA
Nedbank
FirstRand
Other

Corporate priced deposits



	2013	2014	2015	2016	2017	**2018**
SBSA	24.6	25.1	24.3	23.9	23.7	**23.3**
ABSA	18.7	18.4	18.7	19.2	18.5	**17.8**
Nedbank	18.7	18.5	18.1	18.4	17.3	**18.3**
FirstRand	19.3	19.5	19.0	19.9	21.6	**21.4**
Other	18.7	18.5	19.9	18.6	18.9	**19.2**

SBSA
ABSA
Nedbank
FirstRand
Other

[3] Retail priced deposits include households, non-profit organisations serving households and unincorporated business enterprise.

Africa Regions legal entities
Regional income statement

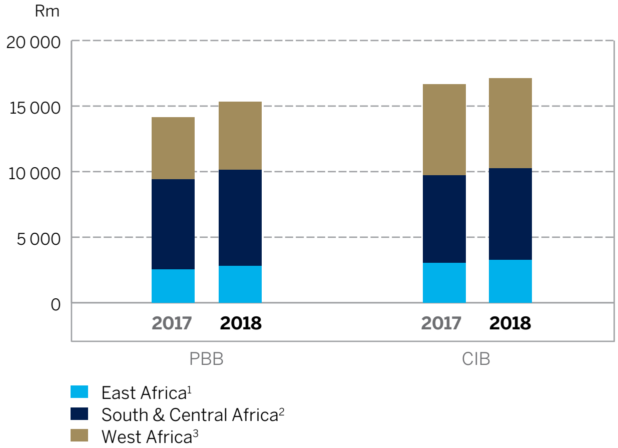
	East Africa[1]				South & Central Africa[2]			
	CCY %	Change %	2018 Rm	2017 Rm	CCY %	Change %	2018 Rm	2017 Rm
Net interest income	10	9	**3 681**	3 384	8	8	**8 063**	7 479
Non-interest revenue	10	6	**2 373**	2 241	14	13	**5 566**	4 904
Net fee and commission revenue	14	9	**1 247**	1 144	14	13	**3 361**	2 963
Trading revenue	7	3	**1 095**	1 060	12	11	**2 096**	1 884
Other revenue	(11)	(11)	**33**	37	85	79	**102**	57
Other gains and losses on financial instruments	(100)	(100)	**(2)**		100	100	**7**	
Total income	10	8	**6 054**	5 625	10	10	**13 629**	12 383
Credit impairment charges	(34)	(35)	**(340)**	(525)	14	14	**(588)**	(517)
Loans and advances	(33)	(34)	**(344)**	(525)	0	0	**(517)**	(517)
Financial investments					(100)	(100)	**(81)**	
Letters of credit, guarantees and other	100	100	**4**		100	100	**10**	
Income before operating expenses	14	12	**5 714**	5 100	10	10	**13 041**	11 866
Operating expenses	6	3	**(3 171)**	(3 080)	11	11	**(7 267)**	(6 566)
Staff costs	3	1	**(1 586)**	(1 566)	8	8	**(3 721)**	(3 447)
Other operating expenses	8	5	**(1 585)**	(1 514)	14	14	**(3 546)**	(3 119)
Net income before non-trading and capital related items, and equity accounted earnings	28	26	**2 543**	2 020	9	9	**5 774**	5 300
Non-trading and capital related items	(100)	(100)		13	(>100)	(>100)	**6**	(38)
Share of profit from joint ventures					>100	>100	**3**	1
Profit before indirect taxation	27	25	**2 543**	2 033	10	10	**5 783**	5 263
Indirect taxation	8	7	**(193)**	(181)	6	5	**(287)**	(273)
Profit before direct taxation	29	27	**2 350**	1 852	10	10	**5 496**	4 990
Direct taxation	58	55	**(680)**	(439)	14	13	**(1 434)**	(1 267)
Profit for the period	20	18	**1 670**	1 413	9	9	**4 062**	3 723
Attributable to non-controlling interests	20	18	**(442)**	(373)	(7)	(8)	**(198)**	(215)
Attributable to ordinary shareholders	20	18	**1 228**	1 040	10	10	**3 864**	3 508
Headline adjustable items	(100)	(100)		(7)	(>100)	(>100)	**(6)**	4
Headline earnings	21	19	**1 228**	1 033	9	10	**3 858**	3 512
ROE - invested equity (%)			**21.1**	16.0			**24.5**	26.3
ROE - equity calculated on SARB rules (%)			**18.6**	15.8			**21.2**	23.1
Credit loss ratio (%)			**0.93**	1.64			**0.55**	0.58
Credit loss ratio on loans to customers (%)			**1.15**	1.94			**0.88**	0.96
Cost-to-income ratio (%)			**52.4**	54.8			**53.3**	53.0
Effective direct taxation rate (%)			**28.9**	23.7			**26.1**	25.4
Effective total taxation rate (%)			**34.3**	30.5			**29.8**	29.3

1 Kenya, South Sudan, Tanzania, Uganda.
2 Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, eSwatini, Zambia, Zimbabwe.
3 Angola, DRC, Ghana, Ivory Coast, Nigeria.

West Africa[3]				Africa Regions legal entities			
CCY %	Change %	**2018 Rm**	2017 Rm	CCY %	Change %	**2018 Rm**	2017 Rm
10	(7)	6 401	6 880	9	2	18 145	17 743
23	14	5 972	5 246	17	12	13 911	12 391
23	13	3 820	3 377	18	13	8 428	7 484
24	15	2 110	1 837	15	11	5 301	4 781
(34)	(41)	19	32	27	22	154	126
100	100	23		100	100	28	
16	2	12 373	12 126	12	6	32 056	30 134
(>100)	(>100)	37	(1 198)	(59)	(60)	(891)	(2 240)
(99)	(99)	(13)	(1 198)	(60)	(61)	(874)	(2 240)
(100)	(100)	(16)		(100)	(100)	(97)	
100	100	66		100	100	80	
30	14	12 410	10 928	18	12	31 165	27 894
17	6	(6 441)	(6 076)	12	7	(16 879)	(15 722)
20	5	(3 121)	(2 972)	11	6	(8 428)	(7 985)
14	7	(3 320)	(3 104)	13	9	(8 451)	(7 737)
48	23	5 969	4 852	26	17	14 286	12 172
(>100)	(>100)	(1)	8	(>100)	(>100)	5	(17)
				>100	>100	3	1
48	23	5 968	4 860	27	18	14 294	12 156
73	55	(90)	(58)	14	11	(570)	(512)
48	22	5 878	4 802	27	18	13 724	11 644
12	(3)	(945)	(975)	21	14	(3 059)	(2 681)
57	29	4 933	3 827	29	19	10 665	8 963
54	24	(1 999)	(1 618)	40	20	(2 639)	(2 206)
60	33	2 934	2 209	26	19	8 026	6 757
(>100)	(>100)	5	(3)	(75)	(83)	(1)	(6)
60	33	2 939	2 206	26	19	8 025	6 751
		30.4	26.0			24.0	23.8
		33.0	23.2			22.7	21.6
		(0.11)	2.98			0.48	1.38
		(0.20)	4.83			0.72	2.12
		52.1	50.1			52.7	52.2
		16.1	20.3			22.3	23.0
		17.3	21.3			25.4	26.3

Africa Regions legal entities

Contribution by business unit to the Africa Regions legal entities total income



[1] Kenya, South Sudan, Tanzania, Uganda.
[2] Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, eSwafini, Zambia, Zimbabwe.
[3] Angola, DRC, Ghana, Ivory Coast, Nigeria.

East Africa

- Increased group shareholding in the Kenyan operations from 60.0% to 69.1%.
- Despite the impact of the interest rate cap in Kenya, growth in customer assets through mobilisation of technology to enhance customer experience, contributed to net interest growth.
- Impairment recoveries on key client as well as improved loan quality resulted in a reduced credit loss ratio.
- Tanzania's performance negatively impacted by adverse macroeconomic conditions, including low private sector credit growth, declining interest rates (at 6-year lows) and regulatory changes which negatively impacted credit impairments.

South & Central Africa

- 10% revenue growth, despite market pressure in the region including, reduced lending rates, expensive deposits driven by competitive market pricing, regulatory directives on fees as well as liquidity constraints in Botswana and Zimbabwe.
- Regulatory changes in Zambia limiting fees on banking services, impacted fees in the last quarter of 2018.
- Revenue challenges were offset by growth in local deposits and investment in high yielding government paper in Mozambique and Zimbabwe, gearing the balance sheet and providing meaningful digital solutions to clients.
- Foreign currency shortages in Zimbabwe led to a significant increase in electronic transaction volumes, while changes to the regulatory restrictions on platinum and chrome exports contributed to growth in trading revenue.
- Higher impairment charges were largely driven by the adoption of IFRS9 and the inclusion of financial investments in the stage 1 and 2 debt provision.
- Cost growth was largely driven by higher amortisation in Mauritius, Malawi and Lesotho from newly implemented core banking systems.

West Africa

- Increased group shareholding in the Nigerian operations from 53.0% to 65.4%.
- Angola's performance was driven by strong trading revenue growth related to the market dislocation and improved yields on government instruments.
- In Angola cost remained tightly controlled despite the high inflation environment and improved loan book quality.
- In Nigeria macroeconomic conditions remained challenging, with moderate growth and inflation tempered by a relatively stable exchange rate. The cash reserving ratio remained high, impacting the banks ability to lend.
- Nigeria's performances was boosted by credit impairment recoveries.
- Nigeria's performance was negatively impacted by increased IT related charges, higher insurance expenses and the exchange control fine imposed on the bank relating to the MTN Nigeria foreign exchange remittances.
- 2018 represents the first full year of operation for the Ivory Coast business with positive signs in both revenue and volumes.

Balance sheet

- Continued focus has yielded good growth in both the volume and quality of the loan book however, the impact of IFRS9 has resulted in increased balance sheet impairments.
- The credit loss ratio on loans has improved from 138bps to 48bps, driven largely by credit recoveries in Angola, Kenya and Nigeria.
- Net interest margin declined slightly year-on-year, driven by declining interest rate environment in most markets. This was offset by focused client asset growth and growth in our cheaper funding base.
- Despite the impact of IFRS9 on capital and liquidity ratios, all legal entities remain well capitalised, positioning the franchise for future growth.

Africa Regions legal entities
Statement of financial position

	CCY %	Change %	2018 Rm	2017 Rm
Assets				
Cash and balances with central banks	21	29	50 363	39 188
Derivative assets	22	36	1 819	1 334
Trading assets	(28)	(19)	15 547	19 298
Pledged assets	>100	>100	6 544	2 067
Financial investments	15	16	61 784	53 120
Loans and advances	20	31	190 628	145 348
Loans and advances to banks	25	36	63 408	46 465
Loans and advances to PBB customers	13	22	68 708	56 519
Loans and advances to CIB customers	26	38	58 512	42 364
Other assets	22	31	9 847	7 519
Property and equipment	16	26	5 754	4 556
Goodwill and other intangible assets	2	11	5 893	5 305
Goodwill	6	18	2 144	1 824
Other intangible assets	(0)	8	3 749	3 481
Total assets	17	25	348 179	277 735
Equity and liabilities				
Equity	18	28	46 696	36 505
Equity attributable to ordinary shareholders	22	33	38 690	29 139
Equity attributable to non-controlling interest	1	9	8 006	7 366
Liabilities	17	25	301 483	241 230
Derivative liabilities	(18)	(8)	866	945
Trading liabilities	>100	>100	8 921	3 196
Deposits and debt funding	14	21	267 865	221 415
Deposits from banks	3	15	25 723	22 344
Deposits from PBB customers	11	21	92 284	76 192
Deposits from CIB customers	17	22	149 858	122 879
Subordinated debt	24	33	5 083	3 830
Provisions and other liabilities	38	58	18 748	11 844
Total equity and liabilities	17	25	348 179	277 735

Standard Bank Group

Headline earnings and net asset value reconciliation by key legal entity

Headline earnings

	Change %	2018 Rm	2017 Rm
SBSA Group as consolidated into SBG	(3)	**16 021**	16 528
Africa Regions legal entities	19	**8 025**	6 751
Standard Bank Wealth International	61	**1 005**	625
Other group entities	>100	**796**	364
Standard Insurance Limited	14	**494**	432
SBG Securities	(61)	**76**	196
Standard Advisory London	15	**75**	65
Other[1]	(>100)	**151**	(329)
Banking activities	7	**25 847**	24 268
Other banking interests	(26)	**418**	567
ICBC Standard Bank Plc (40% shareholding)	(>100)	**(74)**	152
ICBC Argentina (20% shareholding)	19	**492**	415
Liberty	11	**1 600**	1 435
Standard Bank Group	6	**27 865**	26 270

[1] Included is the elimination of gains and losses on deemed IFRS treasury shares relating to client trading activities in SBG Securities of R15m (2017: (R236m)).

Net asset value

	Change %	2018 Rm	2017 Rm
SBSA Group	(3)	**97 650**	100 791
Africa Regions legal entities	33	**38 690**	29 139
Standard Bank Wealth International	36	**5 553**	4 069
Other group entities	(7)	**4 467**	4 809
Standard Insurance Limited	14	**1 618**	1 424
SBG Securities	6	**1 431**	1 355
Standard Advisory London	5	**613**	583
Other	(44)	**805**	1 447
Banking activities	5	**146 360**	138 808
Other banking interests	5	**7 852**	7 493
ICBC Standard Bank Plc (40% shareholding)	14	**6 463**	5 653
ICBC Argentina (20% shareholding)	(25)	**1 389**	1 840
Liberty	1	**10 849**	10 719
Standard Bank Group	5	**165 061**	157 020

OTHER INFORMATION

Changes in accounting policies and restatements

Adoption of new and amended standards effective for the current financial period

The accounting policies are consistent with those reported in the previous year except for of the adoption of the following standards and amendments effective for the current period:

- IFRS 4 *Insurance Contracts (amendment)* (IFRS 4), the amendment to applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts introduced two approaches: an overlay approach and a deferral approach. The amended standard will provided all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and provide companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments Standard IAS 39. The amendments to IFRS 4 supplement existing options in the standard that can already be used to address the temporary volatility. The group did not apply the optional temporary exemption of applying IFRS 9 until 2021.
- IFRS 15 *Revenue from Contracts with Customers* (IFRS 15), with effect from 1 January 2018, replaces the existing revenue standards and the related interpretations. The standard sets out the requirements for recognising revenue that applies to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts or financial instruments). The core principle of the standard is that revenue recognised reflects the consideration to which the company expects to be entitled in exchange for the transfer of promised goods or services to the customer. The standard incorporates a five step analysis to determine the amount and timing of revenue recognition. The group adopted IFRS 15 on 1 January 2018 and, as permitted by IFRS 15, did not restate its comparative financial results. The standard does not apply to revenue associated with financial instruments, and therefore does not impact the majority of the group's revenue.
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (IFRIC 22) provides guidance on how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

The above mentioned standards and interpretation to the IFRS standards, adopted on 1 January 2018, did not effect the group's previously reported financial results or disclosures and did not impact the group's results upon transition or the group's accounting policies.

IFRS 9 *Financial Instruments* (IFRS 9) with effect from 1 January 2018, replaced IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). IFRS 9 introduced new requirements which included an expected credit loss (ECL) impairment model and new requirements for the classification and measurement of financial assets, refer to page 100 for more detail.

IFRS 9, adopted on 1 January 2018, impacted the group's results upon transition and materially impacted the group's accounting policies, refer to page 101 for more detail.

Category of financial assets	IAS 39 Financial Instrument measurements and gain and loss presentation policy	IFRS 9 Financial Instrument measurements and gain and loss presentation policy
Held for trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.	
Fair value through profit or loss - designated	Fair value, with gains and losses recognised in interest income/(other revenue) for all debt/(equity) financial assets.	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.
Fair value through profit or loss - default	N/A	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.
Amortised cost	Amortised cost using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate. Derecognition gains and losses are recognised in net interest income.	Amortised cost using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate. Derecognition gains and losses are recognised in other gains and losses on financial instruments within non-interest revenue. Modification gain or loss within credit impairments (for distressed financial asset modifications) or gains and losses on financial instruments within non-interest revenue (for all other modifications).
Fair value through other comprehensive income (FVOCI)	N/A	Debt instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue. Interest income on a debt financial asset is recognised in interest income in terms of the effective interest rate method. Dividends received are recognised in interest income within profit or loss. Equity instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income. Dividends received on equity instruments are recognised in other revenue within non-interest income.
Available for sale	Fair value, with gains and losses recognised directly in the available-for-sale reserve until the financial asset is derecognised or impaired. Interest income on debt financial assets is recognised in interest income in terms of the effective interest rate method. Dividends received on debt (equity) available-for-sale financial assets are recognised in interest income (other revenue) within profit or loss. When debt (equity) available-for-sale financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified to interest income (other revenue).	N/A

Changes in accounting policies and restatements

Category of financial liabilities	IAS 39 Financial Instrument measurements and gain and loss presentation policy	IFRS 9 Financial Instrument measurements and gain and loss presentation policy
Held for trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.	
Fair value through profit or loss - designated	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in interest expense.	Fair value, with gains and losses arising from changes in fair value (including interest and dividends but excluding fair value gains and losses attributable to own credit risk) are recognised in the other gains and losses on financial instruments as part of non-interest revenue. Fair value gains and losses attributable to changes in own credit risk are recognised within OCI, unless this would create or enlarge an accounting mismatch in which case the own credit risk changes are recognised within trading revenue.
Amortised cost	Amortised cost using the effective interest method with interest recognised in interest expense.	

Interest in suspense

In addition to the above identified changes between IAS 39 and IFRS 9, interest in suspense (IIS) (refers to contractual interest which accrues on financial assets which are classified as non-performing) is presented as follows:

IAS 39 accounting treatment: Up to 31 December 2017, IAS 18 *Revenue* required interest income to be recognised only when it was probable that the economic benefits associated with a transaction would flow to the entity. The group, in line with these requirements, suspended the recognition of contractual interest income on all exposures where it was determined that future economic benefits were not probable. The accounting presentation policy for this suspended contractual interest was to present the balance sheet interest in suspense account as part of the gross carrying amount of the financial asset (i.e. gross carrying amount net of IIS). In addition, upon the curing of the non-performing financial asset, the group elected an accounting presentation policy to recognised this suspended contractual interest (previously unrecognised interest) within net interest income line within the income statement. This policy was elected on the basis that the presentation best represented the nature of the amount in terms of IAS 1.

IFRS 9 accounting treatment: IFRS 9 requires that interest income for financial assets classified as stage 3 be calculated on the net carrying amount (after deducting credit impairments), which will result in a portion of contractual interest being suspended. IFRS 9 requires that this suspended contractual interest be presented as part of the financial assets' gross carrying amount. The group has applied this requirement by presenting balance sheet suspended contractual interest within credit impairments when calculating the financial assets' net carrying amount. Hence suspended contractual interest does not impact the net carrying amount of the financial asset as presented on the statement of financial position. However, this change in presentation has resulted in an increased gross carrying amount of financial assets and increased credit impairments when compared to IAS 39.

The group has presented previously unrecognised interest earned on curing of a financial asset out of stage 3 within credit impairments. This presentation is consistent with the IFRIC clarification issued in December 2018.

Change in presentation accounting policy

Expenses incurred with respect to the group's customer loyalty programme (UCount) have historically been recorded as part of operating expenses in the income statement. During the year, the group amended its accounting policy for these expenses to rather be recognised as part of net fee and commission revenue (within non-interest revenue and total income). This policy aligns with the group's policy for other expenses that are recognised within net fee and commission revenue. The impact of the change in the accounting policy on the group's financial results is as follows:

	2017		
	As previously presented income/ (expense) Rm	Restatement Rm	Restated income/ (expense) Rm
Net fee and commission revenue	29 133	(463)	28 670
Other operating expenses	(25 840)	463	(25 377)

The above restatement had the following effect on key financial statistics:

	2017		
	As previously reported	Restatement	Restated
Non-interest revenue to total income	41.7%	(0.2%)	41.5%
Jaws	1.0%	0.1%	1.1%
Cost-to-income	55.7%	(0.2%)	55.5%

The impact of the change in the accounting policy on SBSA Group's financial results is as follows:

	2017		
	As previously presented income/ (expense) Rm	Restatement Rm	Restated income/ (expense) Rm
Net fee and commission revenue	20 819	(463)	20 356
Other operating expenses in banking activities	(18 797)	463	(18 334)

The above restatement had the following effect on key financial statistics:

	2017		
	As previously reported	Restatement	Restated
Non-interest revenue to total income	41.1%	(0.4%)	40.7%
Jaws	0.2%	0.1%	0.3%
Cost-to-income	58.6%	(0.3%)	58.3%

The change in the accounting policy did not affect the group's or SBSA's earnings attributable to ordinary shareholder(s) or headline earnings.

IFRS 9 Financial Instruments

Background

With effect from 1 January 2018, IFRS 9 replaced IAS 39. IFRS 9 introduced new requirements which included an expected credit loss (ECL) impairment model and new requirements for the classification and measurement of financial assets as follows:

ECL impairment requirements	IFRS 9's ECL impairment model's requirements represented the most material IFRS 9 transition impact for the group. The ECL model applies to financial assets measured at either amortised cost or at fair value through other comprehensive income (OCI) (FVOCI), loan commitments when there is a present commitment to extend credit (unless these are measured at fair value through profit or loss (FVTPL)) and financial guarantees. ECL is, at a minimum, required to be measured through a loss allowance at an amount equal to the lower of 12-month or full lifetime ECL of the financial asset. A loss allowance for full lifetime ECL is required for a financial asset if the credit risk of that financial instrument has increased significantly since initial recognition.
Classification and measurement	IFRS 9 requires all financial assets to be classified and measured on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The accounting for financial assets differs in various other areas to existing requirements such as embedded derivatives and the recognition of fair value adjustments in OCI. All changes in the fair value of financial liabilities that are designated at FVTPL due to changes in own credit risk are required to be recognised within OCI.

Adoption of IFRS 9

The group retrospectively adopted IFRS 9 on 1 January 2018 with an adjustment to the group's opening 1 January 2018 reserves and, as permitted by IFRS 9, did not restate its comparative financial results. Accordingly, the group's previously reported financial results up to 31 December 2017 are presented in accordance with the requirements of IAS 39.

IFRS 9's classification and measurement requirements resulted in an immaterial impact to the group.

IFRS 9's ECL requirements

The most material IFRS 9 transition impact for the group is that of IFRS 9's new ECL requirements which results in the earlier recognition of credit impairment provisions primarily as a result of the drivers outlined in the table below. This impact was solely as a result of the adoption of IFRS 9 and is not as a result of changes in the credit quality of the group's loan exposures.

12-month ECL for performing loans (stage 1)	IFRS 9 contains a minimum 12-month ECL for exposures for which there has not been a significant increase in credit risk (SICR) whereas IAS 39 required credit impairments to be recognised only following the identification of objective evidence of impairment.
Significant increase in credit risk (SICR) (stage 2)	A lifetime ECL is recognised for all exposures for which there has been SICR, being a material change in the probability of default, since origination.
Off-balance sheet exposures	IFRS 9's scope includes off-balance sheet exposures, such as unutilised loan commitments, guarantees and letters of credit.
Life time model work out requirement	In terms of determining ECL for stage 1 and 2 being exposures where there is a probability of default, the potential loss from a lifetime perspective is considered, which would include the probability of recovery post default and subsequent re-default. For stage 3 exposures, being exposures that are either in default or where default is imminent, this would include consideration of cures and subsequent re-default.
Forward looking economic expectations	IFRS 9 requires an adjustment for forward looking economic expectations in the determination of SICR and in the measurement of the ECL

IFRS 9 key financial impacts

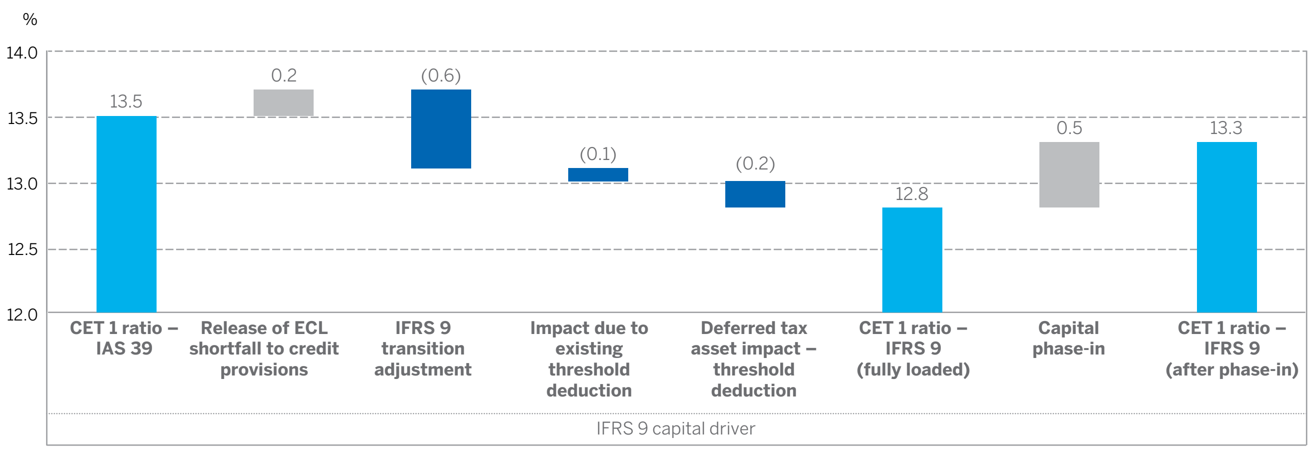
Table 1: Impact on the group's summarised statement of financial position on 1 January 2018

	Group IAS 39 at 31 December 2017 Rm	IFRS 9 transition adjustment at 1 January 2018			Group IFRS 9 at 1 January 2018 Rm
		IFRS 9 ECL Rm	IFRS 9 classification and measurements Rm	Total Rm	
Assets					
Financial investments	533 314	(272)	32	(240)	533 074
Loans and advances	1 048 027	(7 839)	(83)	(7 922)	1 040 105
Interest in associates and joint ventures	9 665	(53)	(3)	(56)	9 609
Other assets	436 922	2 234	94	2 328	439 250
Total assets	2 027 928	(5 930)	40	(5 890)	2 022 038
Equity	190 017	(6 276)	(361)	(6 637)	183 380
Equity attributable to ordinary shareholders	157 020	(5 930)	(331)	(6 261)	150 759
Equity attributable to other equity holders	9 047				9 047
Equity attributable to non-controlling interest	23 950	(346)	(30)	(376)	23 574
Liabilities	1 837 911	346	401	747	1 838 658
Total equity and liabilities	2 027 928	(5 930)	40	(5 890)	2 022 038

Table 2: Impact on the group's summarised statement of changes in equity on 1 January 2018

	Group IAS 39 at 31 December 2017 Rm	IFRS 9 transition adjustment at 1 January 2018 Rm	Group IFRS 9 at 1 January 2018 Rm
Ordinary share capital and share premium	18 063		18 063
Retained earnings	144 539	(5 302)	139 237
Statutory credit risk reserve	3 089	(948)	2 141
Other	(8 671)	(11)	(8 682)
Total ordinary shareholder's equity	157 020	(6 261)	150 759
Other equity instruments	9 047		9 047
Non-controlling interest	23 950	(376)	23 574
Total equity	190 017	(6 637)	183 380

Impact of IFRS 9 on common equity tier 1 on 1 January 2018



Financial and other definitions

Standard Bank Group

Common equity tier 1 capital adequacy ratio (fully loaded) (%) #	Common equity tier 1 regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets, before the adjustment for the SARB 3-year phase-in provision.
Common equity tier 1 capital adequacy ratio (phase-in) (%) #	Common equity tier 1 regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets, after the adjustment for the SARB 3-year phase-in provision.
Common equity tier 1 capital adequacy ratio (%)*	Common equity tier 1 regulatory capital as a percentage of total risk-weighted assets.
Constant currency (%)	Comparative financial results adjusted for the difference between the current and prior year cumulative average exchange rates.
Consumer price index	A South African index of prices used to measure the change in the cost of basic goods and services.
Diluted headline earnings per ordinary share (cents)	Headline earnings divided by the weighted average number of shares, adjusted for potential dilutive ordinary shares.
Dividend cover (times)	Headline earnings per share divided by dividend per share.
Dividend payout ratio (%)	Dividend per share divided by headline earnings per share.
Dividend per share (cents)	Dividends declared to ordinary shareholders divided by weighted average number of shares.
Earnings per share (cents)	Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.
Headline earnings (Rm)	Determined by excluding from reported earnings specific separately identifiable remeasurements net of related tax and non-controlling interests.
Headline earnings per ordinary share (cents)	Headline earnings divided by the weighted average number of ordinary shares in issue.
Net asset value (Rm)	Equity attributable to ordinary shareholders.
Net asset value per share (cents)	Net asset value divided by the number of ordinary shares in issue at the end of the period.
Profit attributable to ordinary shareholders (Rm)	Profit for the period after distributions to non-controlling interests and other equity instrument holders.
Profit for the period (Rm)	Profit for the period attributable to ordinary shareholders, before non-controlling interests and other equity instrument holders.
Return on equity (%)	Headline earnings as a percentage of monthly average ordinary shareholders' equity.
Shares in issue (number)	Number of ordinary shares in issue listed on the JSE.
Structured entity	Entities created to accomplish a narrow and well-defined objective.
Tangible net asset value (Rm)	Equity attributable to ordinary shareholders, excluding goodwill and other intangible assets.
Tangible net asset value per share (cents)	Tangible net asset value divided by the number of ordinary shares in issue at the end of the period.
Tier 1 capital adequacy ratio (%)	Tier 1 regulatory capital as a percentage of total risk-weighted assets.
Total capital adequacy ratio (fully loaded) (%) #	Total regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets, before the adjustment for the SARB 3-year phase-in provision.
Total capital adequacy ratio (phase-in) (%) #	Total regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets, after the adjustment for the SARB 3-year phase-in provision.
Total capital adequacy ratio (%)*	Total regulatory capital as a percentage of total risk-weighted assets.
Tutuwa	Tutuwa is the group's black economic empowerment ownership initiative entered into in terms of the Financial Sector Charter.
Weighted average number of shares (number)	The weighted average number of ordinary shares in issue during the period as listed on the JSE.

Definitions marked with # are IFRS 9 and relate to 2018 only. Definitions marked with * are IAS 39 specific and relate to 2017 only. All other definitions relate to all financial years presented.

Banking activities

Available financial resources (Rm)	The amount of permanent capital that is available to the group to absorb potential losses.
Cost-to-income ratio (%)	Operating expenses as a percentage of total income after revenue sharing agreements with group companies but before credit impairments.
Credit loss ratio (%)#	Total income statement impairment charges on loans and advances, as a percentage of average daily and monthly gross loans and advances, excluding interest in suspense.
Credit loss ratio (%)*	Total income statement impairment charges on loans and advances, as a percentage of average daily and monthly gross loans and advances.
Economic capital coverage ratio (times)	Available financial resources divided by minimum economic capital requirements.
Effective direct taxation rate (%)	Direct taxation as a percentage of net income before direct taxation.
Effective total taxation rate (%)	Direct and indirect taxation as a percentage of net income before taxation.
Interest in suspense (Rm)#	Contractual interest on loans that have been classified as stage 3 and cannot be recognised in terms of IFRS 9.
Jaws (%)	Total income growth minus total operating expenses growth.
Loan-to-deposit ratio (%)	Net loans and advances as a percentage of deposits and debt funding.
Net interest margin (%)	Net interest income as a percentage of average interest earning assets.
Interest earnings assets (Rm)	Net loans and advances, financial investments and cash and cash balances.
Non-interest revenue to total income (%)	Non-interest revenue as a percentage of total income.
Performing loans credit impairments (Rm)#	Impairment for latent losses inherent in groups of loans and advances that have not yet been classified as non-performing.
Risk-weighted assets (Rm)	Determined by applying prescribed risk weightings to on-balance sheet and off-balance sheet exposures according to the relative risk of the counterparty.
Non-performing loan credit impairments (Rm)#	Impairment for credit impaired (stage 3) loans, net of the present value of estimated recoveries.
Non-performing loan impairment coverage (%)#	Balance sheet (BS) impairments for credit impaired loans (NPL) and off-balance sheet credit impaired exposures (O/BS) including interest in suspense (IIS), as a percentage of gross non-performing loans and advances (including IIS).
Non-performing loans (Rm)*	Those loans for which: • The group has identified objective evidence of default, such as a breach of a material loan covenant or condition, or • Instalments are due and unpaid for 90 days or more.
Non-performing loans (Stage 3) (Rm)#	Credit exposures that are either in default or where default is imminent. There is a rebuttable presumption that the default does not occur later than when a financial asset is 90 days past due.
Performing loans (Stage 1 and Stage 2) (Rm)#	Performing loans include credit exposures classified as follows: • Credit exposures for which there has been no default event and for which the credit risk has not significantly increased since recognition. • Credit exposures for which the credit risk has increase significantly since recognition, unless the credit risk is low in which case it remains classified as stage 1.
Total impairment coverage ratio (Rm)#	Total loans and advances balance sheet impairments as a percentage of gross loans and advances.

Definitions marked with # are IFRS 9 and relate to 2018 only. Definitions marked with * are IAS 39 specific and relate to 2017 only. All other definitions relate to all financial years presented.

Abbreviations and acronyms

AT1	Additional Tier 1
BEE	Black economic empowerment
CAGR	Compound annual growth rate
CASA	Current and savings accounts
CCY	Constant currency change
CIB	Corporate & Investment Banking
CLR	Credit loss ratio
ECL	Expected credit loss
EPS	Earnings per share
FIC	Fixed income and currencies
HQLA	High quality liquid assets
IAS	International Accounting Standards
ICBC	Industrial and Commercial Bank of China Limited
ICBCS	ICBC Standard Bank Plc
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
JSE	Johannesburg Stock Exchange
LCR	Liquidity coverage ratio
MSCI	Morgan Stanley Capital International
NAFEX	Nigerian Autonomous Foreign Exchange Fixing
NCD	Negotiable certificates of deposits
NII	Net interest income
NIM	Net interest margin
NIR	Non-interest revenue
NPL	Non-performing loans
NSFR	Net stable funding ratio
PBB	Personal & Business Banking
PDs	Probability of defaults
PIM	Principal Investment Management
Rand	South African Rand
REIT	Real Estate Investment Trust
ROE	Return on equity
RoRWA	Return on risk-weighted assets
RWA	Risk-weighted assets
SA	South Africa
SARB	South African Reserve Bank
SBG	Standard Bank Group Limited
SBSA	The Standard Bank of South Africa Limited and its subsidiaries
SIP	Shareholder Investment Portfolio
The group	The Standard Bank Group Limited
UK	United Kingdom
US	United States
VAF	Vehicle and Asset Finance
ZAR	South African Rand

SHAREHOLDER INFORMATION

Analysis of shareholders

Ten major shareholders[1]

	2018		2017	
	Number of shares (million)	**% holding**	Number of shares (million)	% holding
Industrial and Commercial Bank of China	**325.0**	**20.1**	325.0	20.1
Government Employees Pension Fund (PIC)	**199.7**	**12.3**	199.6	12.3
Allan Gray Balanced Fund	**29.7**	**1.8**	27.8	1.7
Alexander Forbes Investments (prev. Investment Solutions)	**25.8**	**1.6**	28.3	1.8
Old Mutual Life Assurance Company	**23.8**	**1.5**	19.7	1.2
Vanguard Emerging Markets Stock Index Fund	**22.1**	**1.4**	23.8	1.5
GIC Asset Management	**21.0**	**1.3**	18.3	1.1
Vanguard Total International Stock Index Fund	**19.4**	**1.2**	16.5	1.0
Dimensional Emerging Markets Value Fund	**16.8**	**1.0**	17.1	1.1
Government of Norway	**14.8**	**0.9**	9.6	0.6
	698.1	**43.1**	685.7	42.4

[1] Beneficial holdings determined from the share register and investigations conducted on our behalf in terms of section 56 of the Companies Act, 71 of 2008.

Geographic spread of shareholders

	2018		2017	
	Number of shares (million)	**% holding**	Number of shares (million)	% holding
South Africa	**785.1**	**48.5**	759.6	46.9
Foreign shareholders	**833.4**	**51.5**	859.7	53.1
China	**325.9**	**20.1**	325.2	20.1
United States of America	**240.3**	**14.8**	252.9	15.6
United Kingdom	**39.0**	**2.4**	63.7	3.9
Singapore	**24.0**	**1.5**	22.8	1.4
Namibia	**19.6**	**1.2**	22.5	1.4
Netherlands	**15.6**	**1.0**	15.0	0.9
Norway	**15.4**	**1.0**	10.3	0.6
Japan	**15.0**	**0.9**	13.7	0.8
Ireland	**13.3**	**0.8**	20.9	1.3
United Arab Emirates	**12.2**	**0.8**	7.8	0.5
Hong Kong	**12.0**	**0.7**	10.8	0.7
Canada	**11.0**	**0.7**	10.5	0.6
Saudi Arabia	**10.4**	**0.6**	8.4	0.5
Luxembourg	**10.3**	**0.6**	11.0	0.7
Other	**69.4**	**4.4**	64.2	4.1
	1 618.5	**100.0**	1 619.3	100.0

Credit ratings

Ratings as at 6 March 2019 for key banking entities within Standard Bank Group:

	Short-term	Long-term	Outlook
Standard Bank Group Limited			
Fitch Ratings			
Foreign currency issuer default rating	B	BB+	Stable
Local currency issuer default rating		BB+	Stable
National rating	F1 + (ZAF)	AA (ZAF)	Stable
Moody's Investor Services			
Issuer rating		Ba1	Stable
The Standard Bank of South Africa			
Fitch Ratings			
Foreign currency issuer default rating	B	BB+	Stable
Local currency issuer default rating		BB+	Stable
National rating	F1 + (ZAF)	AA (ZAF)	Stable
Moody's Investor Services			
Foreign currency deposit rating	P-3	Baa3	Stable
Local currency deposit rating	P-3	Baa3	Stable
National rating	P-1.za	Aa1.za	
RSA Sovereign			
Fitch Ratings			
Foreign currency issuer default rating	B	BB+	Stable
Local currency issuer default rating	B	BB+	Stable
Moody's Investor Services			
Foreign currency rating	P-3	Baa3	Stable
Local currency rating		Baa3	Stable
Standard & Poor's			
Foreign currency	B	BB	Stable
Local currency	B	BB+	Stable
National rating	zaA-1+	zaAAA	
Stanbic IBTC Bank Plc			
Fitch Ratings			
National rating	F1 + (NGA)	AAA (NGA)	
Standard & Poor's			
Foreign currency	B	B	Stable
National rating	ngA-2	ngBBB	
Stanbic Bank Kenya			
Fitch Ratings			
Issuer default rating	B	BB-	Stable
National rating	F1 + (KEN)	AAA (KEN)	Stable

Dividends and payment dates

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)[1]
JSE Limited			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000109815	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000109815		
Dividend number	99	99	29
Gross distribution/dividend per share (cents)	540.0	3.25	390.22
Last day to trade in order to be eligible for the cash dividend	Tuesday, 9 April 2019	Tuesday, 2 April 2019	Tuesday, 2 April 2019
Shares trade ex the cash dividend	Wednesday, 10 April 2019	Wednesday, 3 April 2019	Wednesday, 3 April 2019
Record date in respect of the cash dividend	Friday, 12 April 2019	Friday, 5 April 2019	Friday, 5 April 2019
Dividend cheques posted and CSDP/broker account credited/updated (payment date)	Monday, 15 April 2019	Monday, 8 April 2019	Monday, 8 April 2019

[1] Dividends paid on SBPP are calculated as 77% of the average prime interest rate over the relevant period.

Ordinary share certificates may not be dematerialised or rematerialised between Wednesday, 10 April 2019, and Friday, 12 April 2019, both days inclusive.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Wednesday, 3 April 2019 and Friday, 5 April 2019, both days inclusive.

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