Standard Bank Group

FINANCIAL RESULTS

for the six months
ended **30 June 2019**

Standard Bank Moving Forward™
Also trading as Stanbic Bank

Standard Bank Group

ANALYSIS OF FINANCIAL RESULTS

for the six months ended **30 June 2019**

ANALYSIS OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED **30 JUNE 2019**

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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 units: Personal & Business Banking, Corporate & Investment Banking and Liberty**
- **156-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 30 June 2019 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

HEADLINE EARNINGS

6% ↑ R13 361m

1H18: R12 663 million

HEADLINE EARNINGS PER SHARE

5% ↑ 837c

1H18: 794 cents

DIVIDEND PER SHARE

6% ↑ 454c

1H18: 430 cents

COMMON EQUITY TIER 1 RATIO

↑ 14.0%

1H18: 13.8%

CREDIT LOSS RATIO

↑ 0.76%

1H18: 0.62%

JAWS

↑ 1.1%

1H18: (2.8%)

COST-TO-INCOME RATIO

↓ 57.0%

1H18: 57.6%

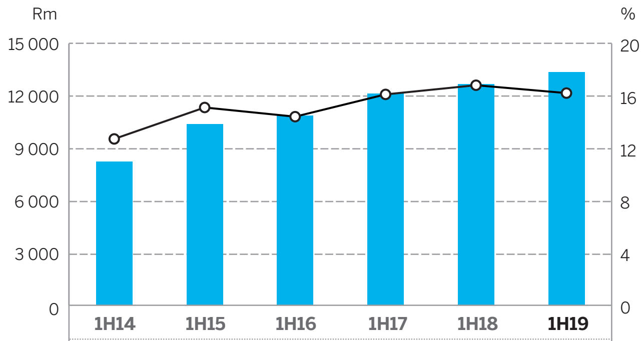
RETURN ON EQUITY

↓ 16.2%

1H18: 16.8%

Headline earnings and return on equity

CAGR[1] (1H14 – 1H19): 10%



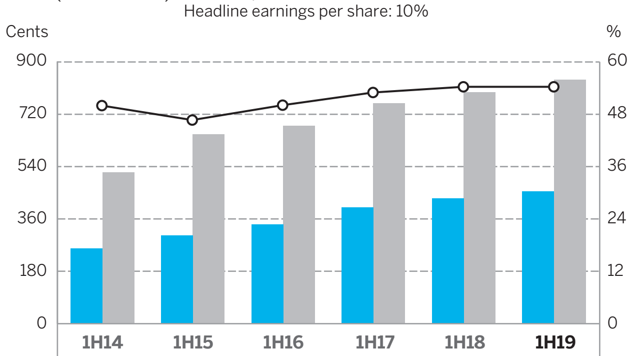
	1H14	1H15	1H16	1H17	1H18	1H19
Headline earnings	8 230	10 373	10 861	12 111	12 663	**13 361**
Return on equity (ROE)	12.7	15.1	14.4	16.1	16.8	**16.2**

Headline earnings
Return on equity (ROE)

[1] Compound annual growth rate

Headline earnings and dividend per share

CAGR (1H14 – 1H19): Dividend per share: 12%
Headline earnings per share: 10%



	1H14	1H15	1H16	1H17	1H18	1H19
Dividend per share	259	303	340	400	430	**454**
Headline earnings per share	519	650	680	756	794	**837**
Dividend payout ratio	49.9	46.6	50.0	52.9	54.2	**54.2**

Dividend per share
Headline earnings per share
Dividend payout ratio

The group adopted IFRS 16 Leases (IFRS 16) on 1 January 2019. The group has not, as permitted by IFRS 16, restated comparative results. Therefore comparability will not be achieved by the fact that the comparative financial information has been prepared on the IAS 17 Leases standard (IAS 17). The impact of adopting IFRS 16 has been applied retrospectively with an adjustment to the group's opening 1 January 2019 reserves. The application of IAS 17 for the group's 2018 financial year was unaffected by the application of IFRS 16. Refer to pages 92 – 95 for more details on the IFRS 16 transition impact.

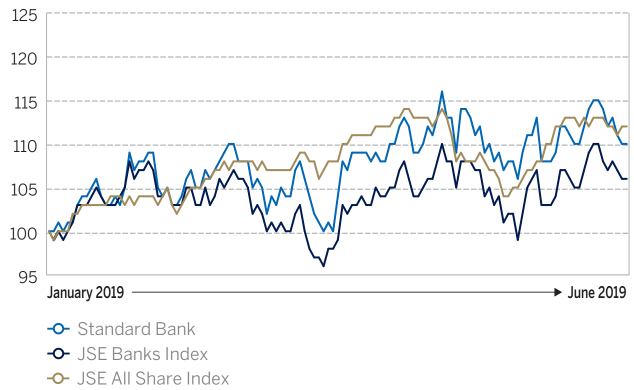
FINANCIAL RESULTS, RATIOS AND STATISTICS

		Change %	1H19	1H18[1]	FY18
Standard Bank Group (SBG)					
Headline earnings contribution by business unit					
Total headline earnings	Rm	6	**13 361**	12 663	27 865
Banking activities	Rm	10	**12 806**	11 674	25 847
Personal & Business Banking (PBB)	Rm	8	**7 201**	6 697	15 557
Corporate & Investment Banking (CIB)	Rm	9	**6 169**	5 676	11 168
Central and other	Rm	(19)	**(564)**	(699)	(878)
Other banking interests	Rm	(>100)	**(320)**	132	418
Liberty	Rm	2	**875**	857	1 600
Ordinary shareholders' interest					
Profit attributable to ordinary shareholders	Rm	4	**13 195**	12 706	27 453
Ordinary shareholders' equity	Rm	8	**168 034**	155 834	165 061
Share statistics					
Headline earnings per ordinary share (EPS)	cents	5	**837.4**	793.9	1 748.4
Diluted headline EPS	cents	6	**828.8**	784.0	1 730.9
Basic EPS	cents	4	**827.0**	796.6	1 722.6
Diluted EPS	cents	4	**818.5**	786.7	1 705.3
Dividend per share	cents	6	**454.0**	430.0	970.0
Net asset value per share	cents	8	**10 511**	9 768	10 380
Tangible net asset value per share	cents	10	**9 083**	8 267	8 891
Dividend payout ratio	%		**54.2**	54.2	55.5
Dividend cover	times		**1.8**	1.8	1.8
Number of ordinary shares in issue	thousands		**1 598 671**	1 595 280	1 590 217
Return ratios					
Return on equity (ROE)	%		**16.2**	16.8	18.0
Return on risk-weighted assets (RoRWA)	%		**2.7**	2.9	3.0
Capital adequacy					
Common equity tier 1 capital adequacy ratio[2]	%		**14.0**	13.8	13.5
Employee statistics					
Number of employees		(4)	**51 894**	54 213	53 178
Banking activities					
ROE	%		**17.5**	17.5	18.8
RoRWA	%		**2.6**	2.7	2.9
Loan-to-deposit ratio	%		**85.0**	83.5	81.7
Net interest margin	%		**4.40**	4.43	4.58
Non-interest revenue to total income	%		**42.4**	43.4	43.4
Credit loss ratio	%		**0.76**	0.62	0.56
Jaws	%		**1.1**	(2.8)	(2.8)
Cost-to-income ratio	%		**57.0**	57.6	57.0
Effective direct taxation rate	%		**20.4**	21.7	21.3
Effective total taxation rate	%		**24.5**	26.0	25.4
Employee statistics					
Number of employees		(4)	**46 168**	48 265	47 419

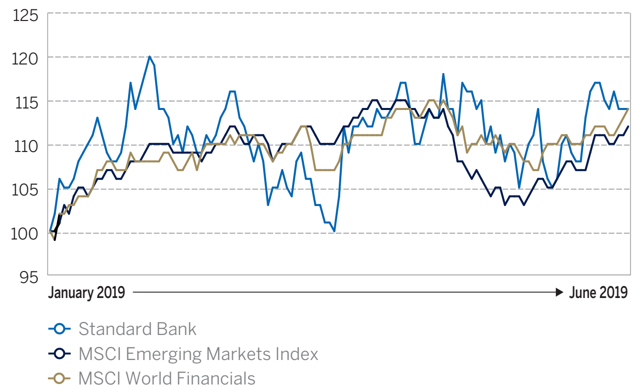
[1] Restated. Refer to pages 90 – 91.
[2] Represents the ratio after applying the SARB phase-in provision for IFRS 9. Refer to page 65 for details regarding the fully loaded ratios.

MARKET AND ECONOMIC INDICATORS

SBK versus JSE Banks and All Share Index (ZAR)



SBK versus Emerging Markets and World Financials (USD)



		Average				Closing			
		Change %	1H19	1H18	FY18	Change %	1H19	1H18	FY18
Market indicators									
SA prime overdraft rate	%		**10.25**	10.12	10.08		**10.25**	10.00	10.25
SA SARB repo rate	%		**6.75**	6.62	6.59		**6.75**	6.50	6.75
SA CPI	%		**4.3**	4.6	4.7		**4.5**	4.6	4.5
JSE All Share Index		(3)	**56 140**	57 968	56 400	1	**58 204**	57 611	52 081
JSE Banks Index		(1)	**9 532**	9 656	9 327	8	**9 720**	9 026	9 162
SBK share price		(7)	**192.55**	207.73	193.32	3	**196.67**	191.87	178.81
Key exchange rates									
USD/ZAR		15	**14.20**	12.30	13.23	3	**14.11**	13.75	14.38
GBP/ZAR		9	**18.36**	16.92	17.63	(1)	**17.96**	18.15	18.31
ZAR/AOA		28	**22.53**	17.61	18.84	25	**22.78**	18.16	21.41
ZAR/GHS		0	**0.37**	0.37	0.35	6	**0.37**	0.35	0.34
ZAR/NGN		(13)	**25.33**	29.18	27.15	(3)	**25.45**	26.14	25.01
ZAR/KES		(14)	**7.11**	8.25	7.66	(2)	**7.15**	7.33	7.08
ZAR/UGX		(13)	**261.82**	300.93	281.70	(7)	**262.92**	281.85	258.20
ZAR/MZN		(10)	**4.42**	4.91	4.56	4	**4.44**	4.27	4.28
ZAR/ARS		67	**2.91**	1.74	2.02	40	**2.95**	2.10	2.62

OVERVIEW OF FINANCIAL RESULTS

Group results

Standard Bank Group's African-focused strategy has delivered continued headline earnings growth, driven by the strong underlying momentum in our core operations. For the period ended 30 June 2019 (1H19) headline earnings were R13.4 billion, an increase of 6% on the prior period (1H18), and return on equity (ROE) was 16.2%. The group's capital position remained strong, with a common equity tier 1 (CET1) ratio of 14.0%, which supported the interim dividend of 454 cents per share, an increase of 6% on the prior period.

Banking activities recorded strong growth in headline earnings, increasing 10% to R12.8 billion. ROE was 17.5% in line with the prior corresponding period. Strong balance sheet growth period on period supported net interest income (NII). Pressure on fees and continued customer migration to digital channels dampened non-interest revenue (NIR) growth. Credit impairment charges increased from a low base in 1H18. Stringent cost management resulted in positive jaws of 109 basis point (bps).

After adjusting for currency impacts, in particular the weaker South African Rand (ZAR), group headline earnings grew 5% on a constant currency (CCY) basis. On the back of continued strong earnings growth, Africa Regions' (AR) contribution to banking headline earnings grew to 34% from 32% in 1H18. The top six contributors to AR's headline earnings were Angola, Ghana, Kenya, Mozambique, Nigeria and Uganda.

Operating environment

The persistent uncertainty associated with the US-China trade war and the threat of a global slow-down weighed on markets in 1H19. A change in the US interest rate outlook provided some support to Emerging Markets flows in 2Q19, as investors searched for yield.

In sub-Saharan Africa (SSA), inflation decelerated, currencies stabilised, and interest rates moderated. Inflation averaged 9% across the markets in which the group operates. Although Angola and Nigeria recorded inflation in the double digits, period-on-period inflation eased in both countries. In Angola, the continued depreciation of the Angolan Kwanza (AOA) kept inflation at elevated levels. Zimbabwe transitioned to the Real-Time Gross Settlement (RTGS) Dollar as its primary currency in February 2019. Since its introduction, the RTGS has devalued significantly resulting in a spike in inflation. Electricity shortages further exacerbated a difficult operating environment.

In South Africa, ongoing uncertainty weighed on confidence, spending and investment. In 1Q19 GDP declined 3.2%. Despite a weaker average ZAR in 1H19, inflation remained well anchored, allowing for an interest rate cut in July 2019.

Loans and advances

Gross loans and advances to customers grew 9% from 30 June 2018 to 30 June 2019, of which Personal & Business Banking's (PBB) advances to customers grew 5% and Corporate & Investment Banking's (CIB), 14%. The portfolios continued to be managed well, resulting in a marginal decline in provisions period on period.

Within PBB SA, the mortgage loan portfolio grew in line with the market. Average monthly mortgage disbursements equated to more than R3.7 billion, 17% higher than 1H18. The investment in our Vehicle and asset finance (VAF) capability led to an increase in motor disbursements of 18%, to R17 billion, period on period and positive market share gains. The personal unsecured lending portfolio grew 6% supported by the successful launch of our online origination capability to existing customers in February 2019. In June 2019 online disbursements represented 23% of the total personal unsecured disbursements. The business lending portfolio grew at a slower pace of 4%, as low levels of business confidence translated into lower business lending demand.

PBB AR's loans to customers grew 17% in CCY to R70 billion, underpinned by the successful execution of its business-led strategy. Business lending remains the largest contributor, at roughly a third of the portfolio, followed closely by mortgages, primarily in Namibia, and personal unsecured lending.

Robust new business disbursements in VAF and personal unsecured lending led to higher stage 1 and 2 provisions relative to December 2018, partially offset by model enhancements in mortgages and early arrears collection capability improvements in the card and personal unsecured businesses. While the NPL ratio remained stable period on period, the protracted legal processes in mortgages and challenging property environment resulted in an increase in the mortgage lending NPL ratio. NPL coverage showed a marginal reduction on the back of changes in mix and loss expectations.

In CIB, Investment Banking's (IB) momentum continued from 2018, resulting in double digit loan book growth from 30 June 2018 to 30 June 2019. The business originated R92 billion in loans in 1H19, supporting SA corporate expansion into Africa and clients in East and West Africa. Underlying growth in CIB gross loans and advances to customers, including HQLA, was 16%. CIB provisions declined 7% due to lower stage 3 provisions. The main sectors impacted were Consumer, Power & Infrastructure (P&I) and Telecoms, Media & Technology (TMT). In AR, impairments were raised in East Africa in the P&I and Consumer sectors.

Gross loans and advances to customers

	CCY %	Change %	**1H19 Rm**	1H18 Rm	FY18 Rm
Personal & Business Banking	6	5	**666 741**	632 088	649 968
Mortgage loans	4	4	**368 143**	353 357	362 006
Vehicle and asset finance	9	9	**92 800**	85 327	89 410
Card debtors	1	1	**33 610**	33 336	33 216
Other loans and advances	9	8	**172 188**	160 068	165 336
Corporate & Investment Banking	15	14	**416 304**	364 148	398 425
Global markets	55	53	**27 038**	17 653	26 967
Investment banking	10	10	**340 748**	308 540	324 615
Transactional products and services	34	28	**48 518**	37 955	46 843
Central and other	12	12	**(3 786)**	(3 379)	(1 892)
Gross loans and advances to customers	9	9	**1 079 259**	992 857	1 046 501

Deposits from customers

	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Personal & Business Banking	7	5	**593 335**	563 592	591 318
Retail priced deposits	5	4	**464 956**	448 553	467 989
Wholesale priced deposits	12	12	**128 379**	115 039	123 329
Corporate & Investment Banking	18	15	**710 269**	615 986	667 845
Central and other	6	6	**(5 237)**	(4 935)	(3 971)
Deposits from customers	12	11	**1 298 367**	1 174 643	1 255 192
Comprising:					
Retail priced deposits	5	4	**464 956**	448 553	467 989
Wholesale priced deposits	17	15	**833 411**	726 090	787 203
Deposits from customers	12	11	**1 298 367**	1 174 643	1 255 192

Deposits and funding

Deposits from customers grew 11% period on period to R1.3 trillion, supported by 15% growth in CIB deposits. CIB's deposit growth was driven by client wins and greater share of wallet in SA and a growing franchise in AR. PBB customer deposits grew 5%, with stronger growth in savings and investment products as customers switched to higher yielding product offerings. SBSA's retail deposit market share declined marginally following the roll-off of fixed deposits raised in a 2017 campaign. Growth in PBB AR's deposits from customers, (CCY, 16%), was underpinned by continued strong current and savings account inflows in 1H19 (CCY, 17%). Our offshore operations in the Isle of Man and Jersey continued to provide the group with access to hard currency funding, totalling GBP5 billion as at 30 June 2019.

During 1H19, the group successfully raised R20.3 billion of longer-term funding. The group also issued a USD400 million tier II Eurobond, R1.0 billion tier II capital and R1.9 billion Additional tier 1 notes, the proceeds of which were invested in SBSA.

Revenue

Group revenue grew 7% to R54.3 billion. NII grew 9% to R31.3 billion, whilst NIR grew 4% to R23.0 billion. NII growth was supported by strong loan and deposit growth across the portfolio. Net interest margin (NIM) decreased marginally to 440 bps (1H18, 443 bps). Stronger growth in higher-margin unsecured lending, AR growing loans and advances faster than SA, positive endowment and effective margin management in our offshore operations helped buffer margins from the negative impact of lower average rates in some of the AR markets, higher cash reserving costs in Nigeria and a competitive South African loan pricing environment.

NIR growth was driven by strong underlying volumes; in particular, new loan originations and electronic banking, card and FX transactions. As clients continued to shift their transactional banking from traditional to digital platforms, growth in electronic banking fees continued to outpace account transaction fees. As we continue to digitise our current capabilities, we expect the contribution from electronic banking to continue to grow. In addition, the roll-out of new digital products will drive new revenue streams. CIB balance sheet growth supported IB-related asset-based fees, whilst knowledge-based fee growth was muted. Trading revenue growth remained subdued, particularly in SA, constrained by low levels of market activity.

Credit impairment charges

Credit impairment charges increased 20%, off a low base in the prior period, to R4.2 billion. The group credit loss ratio (CLR) increased to 76 bps (1H18, 62 bps), entering the group's revised through-the-cycle CLR range of 70 – 100 bps. Higher post write-off recoveries reduced impairment charges.

Operating expenses

The strong focus on cost continued into 1H19. The group contained growth in operating expenses to 6% period on period and delivered positive jaws of 109 bps. This was a good result considering the customer experience initiatives and staff re-skilling and upskilling programmes under way, as well as the costs associated with the branch reconfiguration exercise in SA. Staff costs grew 5% and other operating expenses, 8%. IT costs grew 12%, on the back of higher software licensing and maintenance costs, to support increased capacity, and a lower capitalisation of costs. The adoption of IFRS 16 (accounting standard on leases), gave rise to an increase in depreciation and decrease in premises costs.

Capital management

The group maintained strong capital adequacy ratios, with an IFRS 9 phased-in CET1 ratio of 14.0% (1H18, 13.8%) and a total capital adequacy ratio of 17.3% (1H18, 16.2%). The group raised tier II funding in 1H19 ahead of redemptions in 2H19, which resulted in an increase in tier II and total capital.

The group's liquidity position remained strong and within approved risk appetite and tolerance limits. The group's second quarter average Basel III liquidity coverage ratio amounted to 124%, exceeding the minimum phased-in regulatory requirement of 100%. The group maintained its net stable funding ratio in excess of the 100% regulatory requirement.

OVERVIEW OF FINANCIAL RESULTS

Headline earnings by business unit

	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Personal & Business Banking	7	8	**7 201**	6 697	15 557
Corporate & Investment Banking	6	9	**6 169**	5 676	11 168
Central and other	(19)	(19)	**(564)**	(699)	(878)
Banking activities	8	10	**12 806**	11 674	25 847
Other banking interests	(>100)	(>100)	**(320)**	132	418
Liberty	2	2	**875**	857	1 600
Standard Bank Group	5	6	**13 361**	12 663	27 865

Overview of business unit performance

Personal & Business Banking

PBB's headline earnings grew 8% to R7.2 billion, underpinned by balance sheet and customer franchise growth. NII increased 9% to R21.7 billion, as balance sheet growth offset the impact of IFRS 16. Active cost containment resulted in positive jaws of 86 bps. Credit impairment charges increased 12% to R3.7 billion (1H18, R3.3 billion) and the CLR increased marginally to 105 bps (1H18, 99 bps). ROE improved to 19.9% from 19.6% for the same period last year.

PBB SA delivered headline earnings of R6.1 billion, flat period on period, reflecting the impact of the branch reconfiguration costs combined with the continued difficult macroeconomic backdrop and an increasingly competitive environment. In the six months to June 2019, the number of branches in SA declined by 98 to 531 branches and square meterage declined 14% to approximately 314 000 square metres.

In 1H19, the business digitised key branch activities (EAP limits, debit order reversals, real-time clearance, pin view and statements older than six months) and launched a number of new products (MyMo, My360, SimplyBlu and BizFlex) and product enhancements (tiered-priced mortgages, Shyft for non-Standard Bank customers, personal lending and current account online origination), aimed at improving customer experience, driving retention and attracting new-to-bank customers.

Customers continued to migrate to our digital platforms, in particular the SBG mobile app. SBG mobile app active users increased 55% to 1.8 million and the value of transactions executed via our mobile banking increased 47% to R173 billion. Instant Money, our digital wallet and money transfer platform, continued to gain traction with customers; transactional volumes increased 20% to 12.6 million, and turnover increased 27% to R9.3 billion.

PBB AR more than doubled its headline earnings once again to R471 million (1H18, R211 million), driven by ongoing customer acquisition, increased activity levels, as well as growth in loans and deposits. The business was negatively impacted by declining rates and regulatory pressure on fees, most notably in Angola, Lesotho, Malawi, Nigeria and Zambia.

PBB AR active customers increased to 5.2 million, driven by client acquisition in Ghana, Malawi, Nigeria, Uganda and Zimbabwe. Transaction volumes increased 18% driven by digital channels which increased 23%, while branch transactions declined 15%. Digital transaction volumes increased to 92% of total volumes. A growing customer base, combined with strong take up of mobile banking, resulted in an increase in mobile banking transaction volumes of 57% to 36.9 million transactions. The group's market leading digital solutions, e.g. remote onboarding, digital and paperless channel fulfilment (Moby Banker), digital card/wallet container (SlydePay) and instant unsecured personal loans (launched in eSwatini and Zambia), assisted in driving customer and balance sheet growth.

Wealth International produced an exceptional result, growing headline earnings 54% (42% in CCY) to R664 million. The performance was driven by ongoing client acquisition, effective margin optimisation and positive endowment from higher rates in the US and UK.

Corporate & Investment Banking

CIB delivered headline earnings of R6.2 billion, an increase of 9% (6% in CCY). This is a pleasing result considering the subdued market activity levels in key markets, the difficult business environment in SA and the legislative changes and currency-related headwinds faced in some of the AR markets. CIB's strong underlying operational performance is a testament to its growing client franchise, effective credit management and continued cost control. Revenue increased by 7% (5% in CCY). Impairment charges increased off a low base in 1H18 resulting in a CLR to customers of 40 bps (1H18, 4 bps), on the lower end of CIB's through-the-cycle range of 40 – 60 bps. Cost growth of 5% (3% in CCY) lead to positive jaws of 156 bps and an improvement in cost-to-income ratio to 52.3% (1H18, 53.1%). During the period, CIB closed the Hong Kong office and took steps to rightsize the London office. Higher capital demand, on the back of strong growth in IB assets, higher capital requirements in Global Markets (GM) and portfolio ratings downgrades in SA, resulted in a dip in ROE to 19.3% (1H18, 20.5%).

Client revenues increased 12% (10% in CCY), underpinned by strong underlying client activities. In 1H19, client revenues from large domestic corporates grew 24%, driven by SA, West and East Africa, whilst multinational corporates grew 7%. From a sector perspective, client revenue growth was driven by client activities in the Financial Institutions, Oil & Gas (O&G), TMT and Sovereign & Public Sector. At a regional level, client revenues in SA grew 9% and in AR, 15%.

Transactional Products and Services (TPS) delivered a solid set of results with headline earnings up 11% to R1.8 billion (1H18, R1.6 billion). Strong growth in loans and deposits, driven by client acquisitions and increased share of wallet, more than offset some of the headwinds from declining interest rates, the depreciation of the AOA and higher cash reserving requirements in Nigeria.

IB headline earnings increased 10% to R2.0 billion (1H18, R1.9 billion). Revenue growth was driven by double digit average loan book and NII growth and fees from participation in several landmark deals and client activity in the O&G and Telecoms & Media sectors. Impairment charges increased, but remained well below historic levels.

Despite a difficult start to the year, GM remains a sizable business that contributed R2.3 billion of headline earnings in the period. The Equities, Interest Rate Trading and Structured Solutions desks experienced headwinds, in line with markets businesses globally. The AR GM businesses performed well, providing some respite to those in SA.

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 1H19, the segment recorded a cost of R564 million, 19% less than the prior period as costs previously held centrally were allocated to business. We continue to proactively manage the costs recorded in the centre.

Other banking interests

Other banking interests recorded a headline loss of R320 million. ICBC Standard Bank Plc (ICBCS) recorded a loss of USD129.5 million in the period. This disappointing result comprises two primary components i) an operating loss of USD19.5 million and ii) a provision of USD110 million arising from a single client relationship. The operating loss should be viewed in the context of the difficult environment in which the business operated in the period. The single-client loss arose as a result of Philadelphia Energy Solutions (PES) operations being severely disrupted after an industrial incident, which in turn impacted its ability to fulfil its contractual obligations. PES has since filed for bankruptcy and the matter is in the courts. Standard Bank is comfortable that ICBCS is following due process and ICBCS is keeping Standard Bank updated as appropriate. The group's 40% share of ICBCS' loss equated to R752 million.

ICBC Argentina continued to perform well, delivering a headline earnings contribution from the group's 20% stake of R432 million (1H18, R202 million).

Liberty

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

Liberty continued to make progress against its strategic objectives and delivered a pleasing improvement in its normalised operating earnings, up 14% to R1.1 billion. Liberty's shareholder investment portfolio returns improved significantly, supported by better market conditions. Liberty's new business margin improved. ROE and return on embedded value moved up into their respective target bands and capital levels remained robust. 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, increased 31% on the prior period, to R2.0 billion. Investors are referred to the full Liberty announcement dated 1 August 2019 for further detail.

Headline earnings attributable to the group, adjusted down by R248 million for the impact of deemed treasury shares, was R875 million, 2% higher than in 1H18.

Prospects

Whilst flagging global growth and the US-China trade war remain key risks to the global macro economic outlook, SSA is expected to remain on its recovery path in 2019 and into 2020. Higher consumption and looser monetary policy will provide support. Regional real GDP is expected to grow 3.5% in 2019 and stabilise at around 4% over the medium term.

East Africa should continue to see robust growth. West Africa is expected to experience a sustained pick up, driven by a recovery in Angola and Nigeria and continued strong growth in Ghana. Mozambique's economic recovery should continue, largely shrugging off the impact of the cyclones earlier in the year. Zambia's growth is expected to slow to 3% but recover again into 2020. The environment in Zimbabwe is expected to remain constrained.

On 26 July 2019, Fitch downgraded SA's outlook from stable to negative, citing the country's deteriorating fiscal metrics; more specifically, the poor revenue outlook and the growing burden of Eskom on the fiscus. Given SA's fiscal constraints and weak consumer and business confidence, consumption and investment are likely to remain subdued. Against a backdrop of a deteriorating fiscal position, increasing unemployment and slower than expected reform, GDP growth expectations have been reduced to 0.6% for 2019.

Whilst there may be headwinds in certain markets, the diversity of our businesses and breadth of our footprint provide us with some shelter. In addition, our on-the-ground presence and deep understanding of the macro, political and regulatory dynamics in each of these markets, enable the group to continue to support our customers and our employees, whilst managing risk appropriately. We expect balance sheet growth in AR to continue to outpace that in SA, NII to outpace NIR and the CLR to remain at the lower end of our new target range of 70 – 100 bps. We remain committed to driving operational efficiencies, whilst continuing to invest judiciously to deliver a future-ready Standard Bank Group. We remain committed to our medium-term targets of delivering sustainable earnings growth and an ROE in our 18% – 20% target range.

Recognising that the group's sustainability, over the medium to long term, is inextricably linked to that of all our stakeholders, we remain committed to our shared value model and steadfast in delivering on our purpose of driving Africa's growth.

The 1H19 results, including comparatives for 1H18, where applicable, together with any forward-looking information in this announcement, have not been reviewed and reported on by the group's external auditors.

GROUP INCOME STATEMENT

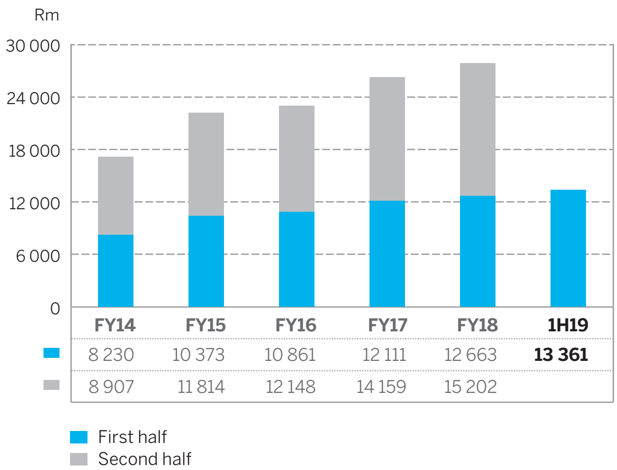
	CCY %	Change %	1H19 Rm	1H18[1] Rm	FY18 Rm
Net interest income	8	9	**31 265**	28 680	59 622
Non-interest revenue	3	4	**23 012**	22 030	45 709
Net fee and commission revenue	0	2	**15 112**	14 813	30 375
Trading revenue	5	6	**5 809**	5 471	10 799
Other revenue	9	8	**1 787**	1 653	3 863
Other gains and losses on financial instruments	>100	>100	**304**	93	672
Total income	6	7	**54 277**	50 710	105 331
Credit impairment charges	22	20	**(4 247)**	(3 529)	(6 489)
Loans and advances	33	34	**(4 467)**	(3 344)	(6 211)
Financial investments	100	(92)	**(6)**	(72)	(101)
Letters of credit and guarantees and other	(>100)	(>100)	**226**	(113)	(177)
Net income before operating expenses	4	6	**50 030**	47 181	98 842
Operating expenses	4	6	**(30 941)**	(29 205)	(60 084)
Staff costs	3	5	**(17 409)**	(16 650)	(33 773)
Other operating expenses[2]	6	8	**(13 532)**	(12 555)	(26 311)
Net income before non-trading and capital related items	4	6	**19 089**	17 976	38 758
Non-trading and capital related items	(>100)	(>100)	**(129)**	46	(392)
Net income before equity accounting earnings	3	5	**18 960**	18 022	38 366
Share of profit from associates and joint ventures	(26)	(26)	**142**	192	431
Profit before indirect taxation	3	5	**19 102**	18 214	38 797
Indirect taxation	(3)	(1)	**(994)**	(1 009)	(2 023)
Profit before direct taxation	3	5	**18 108**	17 205	36 774
Direct taxation	(3)	(1)	**(3 691)**	(3 726)	(7 823)
Profit for the year	5	7	**14 417**	13 479	28 951
Attributable to other equity instrument holders	14	14	**(423)**	(371)	(738)
Attributable to non-controlling interests	(11)	(8)	**(1 284)**	(1 391)	(2 639)
Attributable to ordinary shareholders – banking activities	7	8	**12 710**	11 717	25 574
Headline adjustable items – banking activities	(>100)	(>100)	**96**	(43)	273
Headline earnings – banking activities	8	10	**12 806**	11 674	25 847
Headline earnings – other banking interests	(>100)	(>100)	**(320)**	132	418
ICBCS	>100	>100	**(752)**	(70)	(74)
ICBC Argentina	>100	>100	**432**	202	492
Headline earnings – Liberty	2	2	**875**	857	1 600
Standard Bank Group headline earnings	5	6	**13 361**	12 663	27 865

[1] Restated. Refer to page 90 – 91.

[2] The group has, as permitted by IFRS 16 Leases (IFRS 16), 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 17 Leases (IAS 17) basis. Refer to page 92 – 95 for more detail on the adoption of IFRS 16.

HEADLINE EARNINGS

Headline earnings
CAGR (1H14 – 1H19): 10%



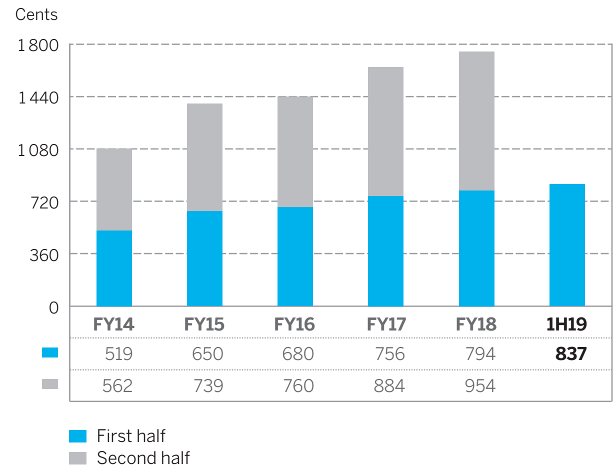
Reconciliation of profit for the period to group headline earnings

	1H19 Gross Rm	1H19 Tax[1] Rm	1H19 NCI and other[2] Rm	1H19 Net Rm	1H18 Gross Rm	1H18 Tax[1] Rm	1H18 NCI and other[2] Rm	1H18 Net Rm	FY18 Net Rm
Profit for the year – banking activities	18 108	(3 691)	(1 707)	12 710	17 205	(3 726)	(1 762)	11 717	25 574
Headline adjustable items – banking activities added/(reversed)	129	(33)		96	(46)	1	2	(43)	273
IAS 36 – Impairment of intangible assets	118	(33)		85					326
IAS 36 – Goodwill impairment	11			11					
IAS 16 – (Gains)/losses on sale of properties and equipment					(11)	1	2	(8)	(10)
IAS 28/IAS 36 – Impairment of associate									4
IAS 27/IAS 28 – (Gains)/losses on disposal of business					(35)			(35)	(47)
Headline earnings – banking activities	18 237	(3 724)	(1 707)	12 806	17 159	(3 725)	(1 760)	11 674	25 847
Headline earnings – other banking interests	(320)			(320)	132			132	418
Headline earnings – Liberty	3 402	(1 547)	(980)	875	2 506	(784)	(865)	857	1 600
Profit for the year – Liberty	3 277	(1 547)	(925)	805	2 506	(784)	(865)	857	1 461
IFRS 5 – Headline adjustable items: Impairment of non-current assets held for sale	125		(55)	70					139
Standard Bank Group headline earnings	21 319	(5 271)	(2 687)	13 361	19 797	(4 509)	(2 625)	12 663	27 865

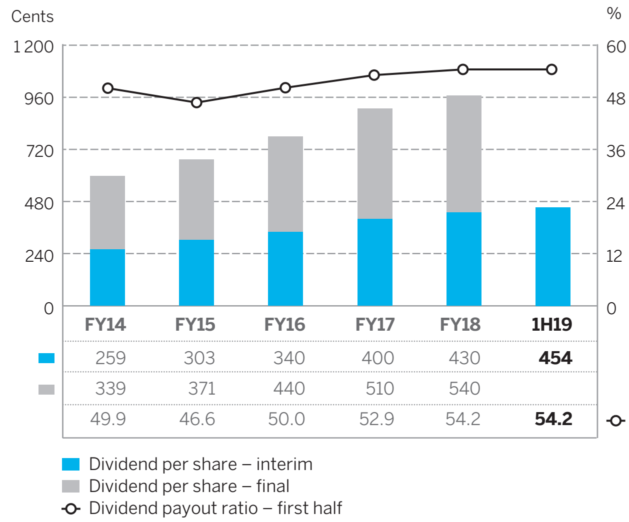
[1] Direct taxation.
[2] Non-controlling interests and other equity instrument holders.

HEADLINE EARNINGS AND DIVIDEND PER SHARE

Headline earnings per share
CAGR (1H14 – 1H19): 10%



Dividend per share and payout ratio
CAGR (1H14 – 1H19): 12%



		Change %	1H19	1H18	FY18
Headline earnings	Rm	6	**13 361**	12 663	27 865
Headline EPS	cents	5	**837.4**	793.9	1 748.4
Basic EPS	cents	4	**827.0**	796.6	1 722.6
Total dividend per share	cents	6	**454.0**	430.0	970.0
Interim	cents	6	**454.0**	430.0	430.0
Final	cents				540.0
Dividend cover – based on headline EPS	times		**1.8**	1.8	1.8
Dividend payout ratio – based on headline EPS	%		**54.2**	54.2	55.5

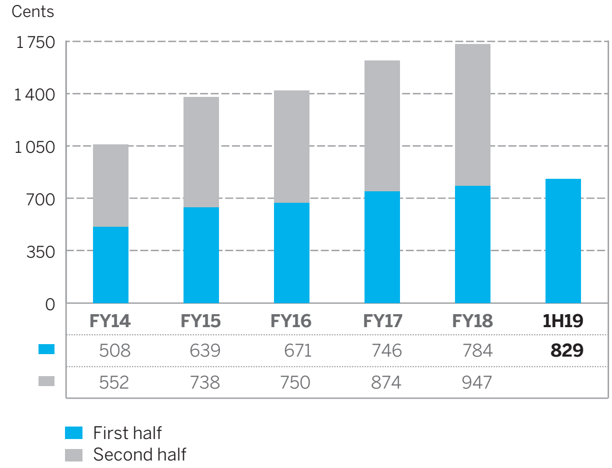
Movement in number of ordinary and weighted average shares issued

	1H19		1H18		FY18	
	Issued number of shares 000's	**Weighted number of shares 000's**	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 period – IFRS shares	**1 590 217**	**1 590 217**	1 597 371	1 597 371	1 597 371	1 597 371
Shares in issue	**1 618 514**	**1 618 514**	1 619 268	1 619 268	1 619 268	1 619 268
Deemed treasury shares[1]	**(28 297)**	**(28 297)**	(21 897)	(21 897)	(21 897)	(21 897)
Shares issued for equity compensation plans	**721**	**339**	1 124	633	1 730	950
Shares bought back			(2 332)	(631)	(2 484)	(1 518)
Movement in deemed treasury shares	**7 733**	**5 021**	(883)	(2 380)	(6 400)	(3 084)
Share exposures held to facilitate client trading activities	**6 202**	**4 371**	1 503	292	(4 727)	(624)
Shares held for the benefit of Liberty policyholders	**1 326**	**562**	(4 003)	(3 546)	(4 438)	(4 033)
Shares held by Tutuwa SPEs	**205**	**88**	1 617	874	2 765	1 573
End of the period – IFRS shares	**1 598 671**	**1 595 577**	1 595 280	1 594 993	1 590 217	1 593 719
Shares in issue	**1 619 235**	**1 618 853**	1 618 060	1 619 270	1 618 514	1 618 700
Deemed treasury shares[1]	**(20 564)**	**(23 276)**	(22 780)	(24 277)	(28 297)	(24 981)

[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 (1H14 – 1H19): 10%



	Change %	1H19 cents	1H18 cents	FY18 cents
Diluted headline EPS	6	**828.8**	784.0	1 730.9
Diluted EPS	4	**818.5**	786.7	1 705.3

Diluted weighted average number of ordinary shares issued

	1H19 000's	1H18 000's	FY18 000's
Weighted average shares	**1 595 577**	1 594 993	1 593 719
Dilution from equity compensation plans	**14 443**	16 444	13 106
Group share incentive scheme	**224**	415	317
Equity growth scheme	**2 201**	3 421	2 302
Deferred bonus scheme, long-term incentive plans and related hedges	**12 018**	12 608	10 487
Tutuwa	**2 056**	3 675	3 076
Diluted weighted average shares	**1 612 076**	1 615 112	1 609 901

STATEMENT OF FINANCIAL POSITION

	Banking activities				
	CCY %	Change %	**1H19 Rm**	1H18 Rm	FY18 Rm
Assets					
Cash and balances with central banks	10	(2)	**70 978**	72 104	85 145
Derivative assets	(28)	(28)	**47 667**	66 424	48 429
Trading assets	12	12	**181 486**	162 650	178 327
Pledged assets	28	29	**11 962**	9 294	7 218
Financial investments	10	6	**197 330**	185 654	205 380
Disposal group assets classified as held for sale					
Loans and advances	12	12	**1 187 130**	1 064 680	1 120 668
Loans and advances to banks	35	33	**144 370**	108 768	110 789
Loans and advances to customers	10	9	**1 042 760**	955 912	1 009 879
Policyholders' assets					
Other assets	55	59	**27 775**	17 514	17 531
Interest in associates and joint ventures	22	22	**2 409**	1 976	2 122
Investment property					
Property and equipment[2]	60	51	**20 786**	13 749	16 509
Goodwill and other intangible assets	(4)	(6)	**22 159**	23 524	23 006
Total assets	11	9	**1 769 682**	1 617 569	1 704 335
Equity and liabilities					
Equity	11	10	**169 340**	154 116	163 429
Equity attributable to ordinary shareholders	10	9	**149 763**	137 729	146 360
Equity attributable to other equity holders[3]	21	21	**10 989**	9 047	9 047
Equity attributable to non-controlling interests	21	17	**8 588**	7 340	8 022
Liabilities	11	9	**1 600 342**	1 463 453	1 540 906
Derivative liabilities	(28)	(28)	**48 480**	66 896	49 586
Trading liabilities	30	29	**79 724**	61 870	61 267
Disposal group liabilities classified as held for sale					
Deposits and debt funding	11	9	**1 396 757**	1 275 675	1 371 919
Deposits from banks	(3)	(3)	**98 390**	101 032	116 727
Deposits from customers	12	11	**1 298 367**	1 174 643	1 255 192
Policyholders' liabilities					
Subordinated debt	50	48	**27 830**	18 746	20 819
Provisions and other liabilities[2]	20	18	**47 551**	40 266	37 315
Total equity and liabilities	11	9	**1 769 682**	1 617 569	1 704 335

[1] Includes adjustments on consolidation of Liberty into the group.
[2] The group has, as permitted by IFRS 16 Leases (IFRS 16), 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 17 Leases (IAS 17) basis. Refer to pages 92 – 95 for more detail on the adoption of IFRS 16.
[3] Other equity holders of preference share capital and additional tier 1 capital.

Other banking interests and Liberty[1]					Standard Bank Group				
CCY %	Change %	**1H19 Rm**	1H18 Rm	FY18 Rm	CCY %	Change %	**1H19 Rm**	1H18 Rm	FY18 Rm
					10	(2)	**70 978**	72 104	85 145
(7)	(7)	**4 437**	4 781	3 249	(27)	(27)	**52 104**	71 205	51 678
5	5	**2 715**	2 580	2 785	12	11	**184 201**	165 230	181 112
(33)	(33)	**8 705**	13 077	12 661	(8)	(8)	**20 667**	22 371	19 879
4	4	**361 758**	346 229	342 025	6	5	**559 088**	531 883	547 405
100	100	**605**		762	100	100	**605**		762
					12	12	**1 187 130**	1 064 680	1 120 668
					35	33	**144 370**	108 768	110 789
					10	9	**1 042 760**	955 912	1 009 879
(8)	(8)	**6 569**	7 159	6 708	(8)	(8)	**6 569**	7 159	6 708
(9)	(9)	**11 201**	12 332	9 502	29	31	**38 976**	29 846	27 033
(2)	(6)	**7 537**	7 985	8 254	3	0	**9 946**	9 961	10 376
4	4	**33 551**	32 185	33 326	4	4	**33 551**	32 185	33 326
8	8	**2 820**	2 605	2 685	51	44	**23 606**	16 354	19 194
56	56	**671**	430	670	(3)	(5)	**22 830**	23 954	23 676
3	3	**440 569**	429 363	422 627	9	8	**2 210 251**	2 046 932	2 126 962
1	1	**35 170**	34 962	35 634	10	8	**204 510**	189 078	199 063
2	1	**18 271**	18 105	18 701	9	8	**168 034**	155 834	165 061
					21	21	**10 989**	9 047	9 047
0	0	**16 899**	16 857	16 933	6	5	**25 487**	24 197	24 955
3	3	**405 399**	394 401	386 993	9	8	**2 005 741**	1 857 854	1 927 899
(17)	(17)	**5 227**	6 321	5 471	(27)	(27)	**53 707**	73 217	55 057
(10)	(10)	**(113)**	(126)	(1 320)	30	29	**79 611**	61 744	59 947
100	100	**215**		237	100	100	**215**		237
38	38	**(12 541)**	(9 091)	(14 382)	11	9	**1 384 216**	1 266 584	1 357 537
38	38	**(12 541)**	(9 091)	(14 382)	(7)	(7)	**85 849**	91 941	102 345
					12	11	**1 298 367**	1 174 643	1 255 192
1	1	**322 820**	319 280	310 994	1	1	**322 820**	319 280	310 994
25	25	**5 550**	4 441	5 540	45	44	**33 380**	23 187	26 359
14	14	**84 241**	73 576	80 453	16	16	**131 792**	113 842	117 768
3	3	**440 569**	429 363	422 627	9	8	**2 210 251**	2 046 932	2 126 962

STATEMENT OF COMPREHENSIVE INCOME

	Change %	1H19 Ordinary shareholders' equity Rm	1H19 Non-controlling interests and other equity instruments Rm	1H19 Total equity Rm
Profit for the year	3	13 195	2 632	15 827
Other comprehensive income/(loss) after tax for the year		(3 727)	(318)	(4 045)
Items that may be subsequently reclassified to profit and loss		(3 777)	(324)	(4 101)
Movements in the cash flow hedging reserve				
Movement in debt instruments measured at fair value through other comprehensive income (OCI)		(36)	(31)	(67)
Exchange difference on translating foreign operations		(3 741)	(293)	(4 034)
Items that may not be subsequently reclassified to profit and loss		50	6	56
Total comprehensive income for the year		9 468	2 314	11 782
Attributable to ordinary shareholders		9 468		9 468
Attributable to other equity holders			423	423
Attributable to non-controlling interests			1 891	1 891

1H18			FY18		
Ordinary shareholders' equity Rm	Non-controlling interests and other equity instruments Rm	Total equity Rm	Ordinary shareholders' equity Rm	Non-controlling interests and other equity instruments Rm	Total equity Rm
12 706	2 627	15 333	27 453	5 190	32 643
3 648	704	4 352	4 424	632	5 056
3 587	660	4 247	4 516	588	5 104
(25)		(25)	(100)	(8)	(108)
30	17	47	59	(64)	(5)
3 582	643	4 225	4 557	660	5 217
61	44	105	(92)	44	(48)
16 354	3 331	19 685	31 877	5 822	37 699
16 354		16 354	31 877		31 877
	371	371		738	738
	2 960	2 960		5 084	5 084

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 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 decrease 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 period				4 557		(100)
Dividends paid						
Balance at 31 December 2018	17 860	(201)	(2 157)	(1 800)	(983)	(194)
IFRS 16 transition adjustment						
Balance at 1 January 2019	**17 860**	**(201)**	**(2 157)**	**(1 800)**	**(983)**	**(194)**
Increase in statutory credit risk reserve						
Transactions with non-controlling shareholders			**(15)**			
Equity-settled share-based payments						
Deferred tax on share-based payments						
Transfer of vested equity options						
Net increase in treasury shares			**504**			
Net issue of share capital and share premium and other equity instruments	**124**					
Unincorporated property partnerships capital reductions and distributions						
Redemption of empowerment funding		**7**				
Other						
Total comprehensive income for the period				**(3 741)**		
Dividends paid						
Balance at 30 June 2019	**17 984**	**(194)**	**(1 668)**	**(5 541)**	**(983)**	**(194)**

All balances are stated net of applicable tax.

Regulatory and statutory credit risk reserve Rm	IFRS 9 – Fair value through OCI reserve Rm	Share-based payment reserve Rm	Other reserves Rm	Retained earnings Rm	Ordinary shareholders' equity Rm	Other equity instruments Rm	Non-controlling interest Rm	Total equity Rm
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
				190	190			190
3 664	523	(1 025)	256	149 308	165 251	9 047	24 955	199 253
783				(783)				
				23	8		(303)	(295)
		746		64	810			810
				91	91			91
		173		(173)				
				438	942		61	1 003
					124	1 942		2 066
							(154)	(154)
					7			7
				13	13		6	19
	42		(16)	13 183	9 468	423	1 891	11 782
				(8 680)	(8 680)	(423)	(969)	(10 072)
4 447	565	(106)	240	153 484	168 034	10 989	25 487	204 510

NOTES

SEGMENTAL REPORTING

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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 Wealth International. 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 & 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 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 in South Africa and the southern Africa Region.

% of group headline earnings

Personal & Business Banking

		1H19	1H18
Headline earnings	Rm	**7 201**	6 697
Headline earnings contribution	%	**54**	53
ROE	%	**19.9**	19.6
Cost-to-income ratio	%	**60.9**	61.4
Credit loss ratio	%	**1.05**	0.99
Gross loans and advances to customers	Rbn	**667**	632
Net loans and advances	Rbn	**689**	654

% of group headline earnings

Corporate & Investment Banking

		1H19	1H18
Headline earnings	Rm	**6 169**	5 676
Headline earnings contribution	%	**46**	45
ROE	%	**19.3**	20.5
Cost-to-income ratio	%	**52.3**	53.1
Credit loss ratio	%	**0.30**	0.03
Gross loans and advances to customers	Rbn	**416**	364
Net loans and advances	Rbn	**557**	463

% of group headline earnings

Liberty

		1H19	1H18
Normalised headline earnings as reported by Liberty	Rm	**2 013**	1 332
IFRS headline earnings attributable to the group	Rm	**875**	857
IFRS headline earnings contribution	%	**7**	7
ROE[1]	%	**15.9**	16.7
Value of new business	Rm	**171**	135
Normalised group equity value	Rbn	**40**	39
Third-party funds under management	Rbn	**416**	390

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

SEGMENTAL INCOME STATEMENT

	Personal & Business Banking			Corporate & Investment Banking			Central and other		
	Change %	1H19 Rm	1H18[1] Rm	Change %	1H19 Rm	1H18[1] Rm	Change %	1H19 Rm	1H18 Rm
Income from banking activities	6	35 719	33 557	7	19 137	17 959	(28)	(579)	(806)
Net interest income	9	21 653	19 917	8	10 193	9 403	(9)	(581)	(640)
Non-interest revenue	3	14 066	13 640	5	8 944	8 556	(>100)	2	(166)
Net fee and commission revenue	2	12 367	12 135	1	2 952	2 913	(12)	(207)	(235)
Trading revenue	32	131	99	5	5 586	5 324	92	92	48
Other revenue	12	1 571	1 404	(57)	102	235	>100	114	14
Other gains and losses on financial instruments	(>100)	(3)	2	>100	304	84	(57)	3	7
Net income from investment management and life insurance activities									
Total income	6	35 719	33 557	7	19 137	17 959	(28)	(579)	(806)
Credit impairment charges	12	(3 695)	(3 285)	>100	(552)	(244)			
Loans and advances	12	(3 673)	(3 270)	>100	(794)	(74)			
Financial investments	(100)		1	(92)	(6)	(73)			
Letters of credit and guarantees	38	(22)	(16)	(>100)	248	(97)			
Income before operating expenses	6	32 024	30 272	5	18 585	17 715	(28)	(579)	(806)
Operating expenses in banking activities	6	(21 764)	(20 614)	5	(10 014)	(9 537)	(12)	837	946
Staff costs	9	(7 696)	(7 064)	1	(3 466)	(3 425)	1	(6 247)	(6 161)
Other operating expenses[3]	4	(14 068)	(13 550)	7	(6 548)	(6 112)	0	7 084	7 107
Operating expenses in insurance activities									
Net income before non-trading and capital items, and equity accounted earnings	6	10 260	9 658	5	8 571	8 178	84	258	140
Non-trading and capital-related items	(100)		39	(>100)	(128)	2	(>100)	(1)	5
Share of profit from associates and joint ventures	4	140	134	(100)		57	100	2	1
Net income before indirect taxation	6	10 400	9 831	3	8 443	8 237	77	259	146
Indirect taxation	(5)	(301)	(318)	15	(152)	(132)	(3)	(541)	(559)
Profit before direct taxation	6	10 099	9 513	2	8 291	8 105	(32)	(282)	(413)
Direct taxation	6	(2 541)	(2 407)	(7)	(1 160)	(1 248)	(>100)	10	(71)
Profit for the year	6	7 558	7 106	4	7 131	6 857	(44)	(272)	(484)
Attributable to other equity instrument holders	4	(70)	(67)	54	(103)	(67)	5	(250)	(237)
Attributable to non-controlling interests	(5)	(287)	(303)	(14)	(954)	(1 114)	(>100)	(43)	26
Attributable to ordinary shareholders	7	7 201	6 736	7	6 074	5 676	(19)	(565)	(695)
Headline adjustable items	(100)		(39)	100	95		(>100)	1	(4)
Headline earnings	8	7 201	6 697	9	6 169	5 676	(19)	(564)	(699)
Net interest margin (%)		5.95	5.75		2.81	2.92			
Credit loss ratio (%)		1.05	0.99		0.30	0.03			
Cost-to-income ratio (%)		60.9	61.4		52.3	53.1			
Number of employees	(5)	26 570	27 862	(3)	3 667	3 763	(4)	15 931	16 640
ROE (%)		19.9	19.6		19.3	20.5			

[1] Restated. Refer to pages 90 – 91.
[2] Includes adjustments on consolidation of Liberty into the group.
[3] The group has, as permitted by IFRS 16 Leases (IFRS 16), 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 17 Leases (IAS 17) basis. Refer to pages 92 – 95 for more detail on the adoption of IFRS 16.

Banking activities			Other banking interests			Liberty[2]			Standard Bank Group		
Change %	1H19 Rm	1H18[1] Rm	Change %	1H19 Rm	1H18 Rm	Change %	1H19 Rm	1H18 Rm	Change %	1H19 Rm	1H18[1] Rm
7	**54 277**	50 710							7	**54 277**	50 710
9	**31 265**	28 680							9	**31 265**	28 680
4	**23 012**	22 030							4	**23 012**	22 030
2	**15 112**	14 813							2	**15 112**	14 813
6	**5 809**	5 471							6	**5 809**	5 471
8	**1 787**	1 653							8	**1 787**	1 653
>100	**304**	93							>100	**304**	93
						4	**11 784**	11 360	4	**11 784**	11 360
7	**54 277**	50 710				4	**11 784**	11 360	6	**66 061**	62 070
20	**(4 247)**	(3 529)							20	**(4 247)**	(3 529)
34	**(4 467)**	(3 344)							34	**(4 467)**	(3 344)
(92)	**(6)**	(72)							(92)	**(6)**	(72)
(>100)	**226**	(113)							(>100)	**226**	(113)
6	**50 030**	47 181				4	**11 784**	11 360	6	**61 814**	58 541
6	**(30 941)**	(29 205)							6	**(30 941)**	(29 205)
5	**(17 409)**	(16 650)							5	**(17 409)**	(16 650)
8	**(13 532)**	(12 555)							8	**(13 532)**	(12 555)
						(6)	**(8 130)**	(8 691)	(6)	**(8 130)**	(8 691)
6	**19 089**	17 976				37	**3 654**	2 669	10	**22 743**	20 645
(>100)	**(129)**	46				(100)	**(125)**		(>100)	**(254)**	46
(26)	**142**	192	(>100)	**(320)**	132	(75)	**9**	36	(>100)	**(169)**	360
5	**19 102**	18 214	(>100)	**(320)**	132	31	**3 538**	2 705	6	**22 320**	21 051
(1)	**(994)**	(1 009)				31	**(261)**	(199)	4	**(1 255)**	(1 208)
5	**18 108**	17 205	(>100)	**(320)**	132	31	**3 277**	2 506	6	**21 065**	19 843
(1)	**(3 691)**	(3 726)				97	**(1 547)**	(784)	16	**(5 238)**	(4 510)
7	**14 417**	13 479	(>100)	**(320)**	132	0	**1 730**	1 722	3	**15 827**	15 333
14	**(423)**	(371)							14	**(423)**	(371)
(8)	**(1 284)**	(1 391)				7	**(925)**	(865)	(2)	**(2 209)**	(2 256)
8	**12 710**	11 717	(>100)	**(320)**	132	(6)	**805**	857	4	**13 195**	12 706
(>100)	**96**	(43)				100	**70**		(>100)	**166**	(43)
10	**12 806**	11 674	(>100)	**(320)**	132	2	**875**	857	6	**13 361**	12 663
	4.40	4.43									
	0.76	0.62									
	57.0	57.6									
(4)	**46 168**	48 265				(4)	**5 726**	5 948	(4)	**51 894**	54 213
	17.5	17.5		**(8.3)**	3.6		**15.9**	16.7		**16.2**	16.8

SEGMENTAL STATEMENT OF FINANCIAL POSITION

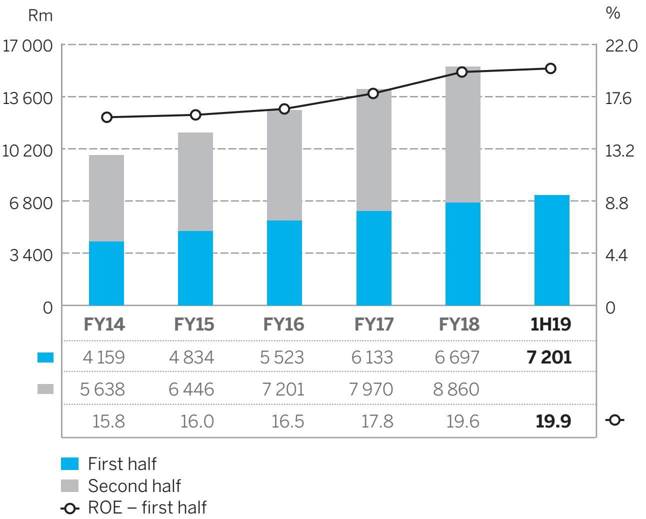
	Personal & Business Banking			Corporate & Investment Banking			Central and other		
	Change %	**1H19 Rm**	1H18 Rm	Change %	**1H19 Rm**	1H18 Rm	Change %	**1H19 Rm**	1H18 Rm
Assets									
Cash and balances with central banks	(16)	**13 816**	16 546	3	**57 044**	55 542	>100	**118**	16
Financial investments, trading and pledged assets	(8)	**38 601**	42 027	11	**347 059**	311 450	24	**5 118**	4 121
Disposal group assets classified as held for sale									
Loans and advances	5	**689 108**	654 145	20	**556 544**	463 039	11	**(58 522)**	(52 504)
Loans and advances to banks	1	**51 671**	51 273	38	**147 435**	106 620	11	**(54 736)**	(49 125)
Loans and advances to customers	6	**637 437**	602 872	15	**409 109**	356 419	12	**(3 786)**	(3 379)
Derivative and other assets	31	**10 146**	7 757	(21)	**62 170**	79 099	(>100)	**3 126**	(2 918)
Policyholders' assets									
Investment property									
Interest in associates and joint ventures	31	**1 704**	1 304	1	**610**	602	36	**95**	70
Property and equipment[2]	>100	**10 154**	4 618	91	**485**	254	14	**10 147**	8 877
Goodwill and other intangible assets	(2)	**12 753**	13 036	(1)	**2 928**	2 948	(14)	**6 478**	7 540
Total assets	5	**776 282**	739 433	12	**1 026 840**	912 934	(4)	**(33 440)**	(34 798)
Equity and liabilities									
Equity	2	**77 597**	75 705	11	**70 251**	63 328	42	**21 492**	15 083
Equity attributable to ordinary shareholders	3	**74 069**	71 894	9	**62 643**	57 482	56	**13 051**	8 353
Equity attributable to other equity holders	1	**1 613**	1 603	17	**1 775**	1 518	28	**7 601**	5 926
Equity attributable to non-controlling interests	(13)	**1 915**	2 208	35	**5 833**	4 328	4	**840**	804
Liabilities	5	**698 685**	663 728	13	**956 589**	849 606	10	**(54 932)**	(49 881)
Deposits and debt funding	5	**593 586**	564 207	12	**861 790**	772 840	(4)	**(58 619)**	(61 372)
Deposits from banks	(59)	**251**	615	(3)	**151 521**	156 854	(5)	**(53 382)**	(56 437)
Deposits and current accounts from customers	5	**593 335**	563 592	15	**710 269**	615 986	6	**(5 237)**	(4 935)
Interdivisional funding	0	**76 953**	76 573	2	**(84 648)**	(83 064)	19	**7 695**	6 491
Derivative, trading and other liabilities[2]	35	**19 315**	14 343	12	**168 418**	149 809	(>100)	**(11 978)**	4 880
Policyholders' liabilities									
Disposal group liabilities classified as held for sale									
Subordinated debt	3	**8 831**	8 605	10	**11 029**	10 021	>100	**7 970**	120
Total equity and liabilities	5	**776 282**	739 433	12	**1 026 840**	912 934	(4)	**(33 440)**	(34 798)
Average gross loans and advances	6	**704 957**	663 886	14	**534 356**	469 316	7	**(51 403)**	(48 112)
Average interest-earning assets	5	**734 096**	698 438	13	**732 258**	648 580	(19)	**(34 052)**	(42 071)
Average ordinary shareholders' equity	6	**72 885**	69 067	16	**64 438**	55 737	3	**9 970**	9 679

[1] Includes adjustments on consolidation of Liberty into the group.
[2] The group has, as permitted by IFRS 16 Leases (IFRS 16), 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 17 Leases (IAS 17) basis. Refer to pages 92 – 95 for more detail on the adoption of IFRS 16.

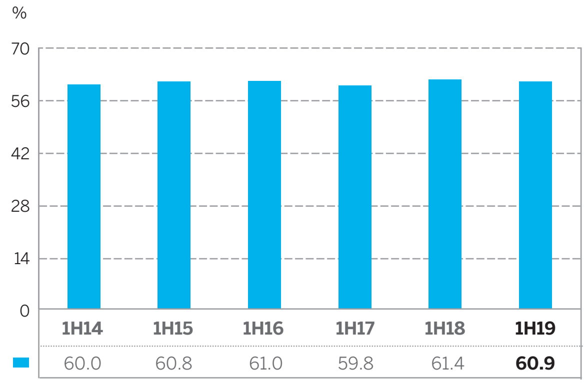
Banking activities			Other banking interests			Liberty[1]			Standard Bank Group		
Change %	1H19 Rm	1H18 Rm	Change %	1H19 Rm	1H18 Rm	Change %	1H19 Rm	1H18 Rm	Change %	1H19 Rm	1H18 Rm
(2)	70 978	72 104							(2)	70 978	72 104
9	390 778	357 598				3	373 178	361 886	6	763 956	719 484
						100	605		100	605	
12	1 187 130	1 064 680							12	1 187 130	1 064 680
33	144 370	108 768							33	144 370	108 768
9	1 042 760	955 912							9	1 042 760	955 912
(10)	75 442	83 938				(9)	15 638	17 113	(10)	91 080	101 051
						(8)	6 569	7 159	(8)	6 569	7 159
						4	33 551	32 185	4	33 551	32 185
22	2 409	1 976	(6)	7 169	7 598	(5)	368	387		9 946	9 961
51	20 786	13 749				8	2 820	2 605	44	23 606	16 354
(6)	22 159	23 524				56	671	430	(5)	22 830	23 954
9	1 769 682	1 617 569	(6)	7 169	7 598	3	433 400	421 765	8	2 210 251	2 046 932
10	169 340	154 116	(6)	7 169	7 598	2	28 001	27 364	8	204 510	189 078
9	149 763	137 729	(6)	7 169	7 598	6	11 102	10 507	8	168 034	155 834
21	10 989	9 047							21	10 989	9 047
17	8 588	7 340				0	16 899	16 857	5	25 487	24 197
9	1 600 342	1 463 453				3	405 399	394 401	8	2 005 741	1 857 854
9	1 396 757	1 275 675				38	(12 541)	(9 091)	9	1 384 216	1 266 584
(3)	98 390	101 032				38	(12 541)	(9 091)	(7)	85 849	91 941
11	1 298 367	1 174 643							11	1 298 367	1 174 643
4	175 755	169 032				12	89 355	79 771	7	265 110	248 803
						1	322 820	319 280	1	322 820	319 280
						100	215		100	215	
48	27 830	18 746				25	5 550	4 441	44	33 380	23 187
9	1 769 682	1 617 569	(6)	7 169	7 598	3	433 400	421 765	8	2 210 251	2 046 932
9	1 187 910	1 085 090									
10	1 432 302	1 304 947									
10	147 293	134 483	6	7 739	7 334	7	11 096	10 328	9	166 128	152 145

PERSONAL & BUSINESS BANKING

Headline earnings
CAGR (1H14 – 1H19): 12%



Cost-to-income ratio



		CCY %	Change %	1H19 Rm	1H18[1] Rm	FY18 Rm
Net interest income		8	9	**21 653**	19 917	41 767
Non-interest revenue		2	3	**14 066**	13 640	28 038
Total income		5	6	**35 719**	33 557	69 805
Credit impairment charges		12	12	**(3 695)**	(3 285)	(5 440)
Operating expenses		4	6	**(21 764)**	(20 614)	(42 255)
Taxation		3	4	**(2 842)**	(2 725)	(6 181)
Headline earnings		7	8	**7 201**	6 697	15 557
Headline earnings change	%			**8**	9	10
Headline earnings contribution to the group	%			**54**	53	56
Net interest margin	%			**5.95**	5.75	5.99
Credit loss ratio	%			**1.05**	0.99	0.81
Credit loss ratio to customers	%			**1.13**	1.07	0.87
Cost-to-income ratio	%			**60.9**	61.4	60.5
Jaws	%			**0.9**	(2.8)	(2.6)
Effective direct taxation rate	%			**25.2**	25.3	25.4
RoRWA	%			**3.6**	3.5	3.9
ROE	%			**19.9**	19.6	21.9
Number of employees			(5)	**26 570**	27 862	27 470

[1] Restated. Refer to pages 90 – 91.

Client focus

- The number of active clients remained stable, with Africa Regions growth offset by the marginal reduction in South Africa (SA). We continue to remain focused on delivering our client value proposition.
- Customer journeys continue to deliver what matters to the client across the continent in response to the competitive and economic landscape. During the period, PBB launched various initiatives to enhance and improve client experience and satisfaction, including online origination capability across lending and transactional offerings, in-app functionality development and continued automation in the customer servicing environment.
- Strong disbursement growth was evidenced in Personal unsecured loans, retail Vehicle and asset finance and Mortgage lending. Deposit growth matched lending and was largely delivered through the savings and investment offerings as customers shift to higher yielding product offerings.
- Clients continued to migrate to alternative non-branch and convenient digital channels. In response to the evidenced behaviour, 98 branches were closed in SA. During the period, the South African internal net promoter score remained stable; accompanied by a reduction in client complaints to the ombudsman, despite staff impacts related to the branch closures. Across the rest of the continent, favourable trends have been evidenced in net promoter scores.

Financial outcome

- Good loan and deposit growth supported net interest income growth despite pricing pressures, higher cost of funds and negative endowment due to lower interest rates in Malawi, Mozambique and Nigeria. Margin compression in South Africa and Africa Regions was partly offset by positive endowment and balance sheet optimisation in Wealth International.
- Muted fee and commission revenue growth was impacted by the continued decline in transactional volumes from higher fee earning traditional channels, as clients utilise digital banking platforms.
- Good income growth and prudent cost management resulted in an improvement across key ratios.

External loans and advances by product

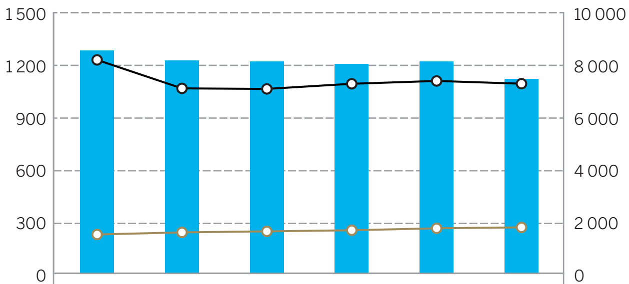
	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Loans and advances to banks	2	1	**51 671**	51 273	51 795
Loans and advances to customers	6	6	**637 437**	602 872	621 921
Gross loans and advances to customers	6	5	**666 741**	632 088	649 968
Mortgage loans	4	4	**368 143**	353 357	362 006
Vehicle and asset finance	9	9	**92 800**	85 327	89 410
Card debtors	1	1	**33 610**	33 336	33 216
Other loans and advances	9	8	**172 188**	160 068	165 336
Personal unsecured lending	13	11	**61 625**	55 368	59 459
Business and other lending	7	6	**110 563**	104 700	105 877
Credit impairments for loans and advances	1	0	**(29 304)**	(29 216)	(28 047)
Credit impairments for stage 3 loans	3	3	**(18 382)**	(17 928)	(17 292)
Credit impairments for stage 1 and 2 loans	(1)	(3)	**(10 922)**	(11 288)	(10 755)
Comprising:					
Net loans and advances	6	5	**689 108**	654 145	673 716
Gross loans and advances	6	5	**718 412**	683 361	701 763
Credit impairments	1	0	**(29 304)**	(29 216)	(28 047)

Deposits by product

	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Wholesale priced call deposits	12	12	**128 379**	115 039	123 329
Retail priced deposits	5	4	**464 956**	448 553	467 989
Current accounts	7	3	**153 249**	148 814	158 891
Cash management deposits	10	10	**38 690**	35 206	35 320
Call deposits	0	(1)	**130 272**	131 104	132 756
Savings accounts	16	15	**28 800**	25 092	28 617
Term deposits	2	2	**96 974**	95 474	95 702
Other funding	32	32	**16 971**	12 863	16 703
Deposits from customers	7	5	**593 335**	563 592	591 318
Deposits from banks	(52)	(59)	**251**	615	235
Wholesale priced interdivisional funding	(2)	0	**76 953**	76 573	79 509
Total deposits	5	5	**670 539**	640 780	671 062

PERSONAL & BUSINESS BANKING

Points of representation

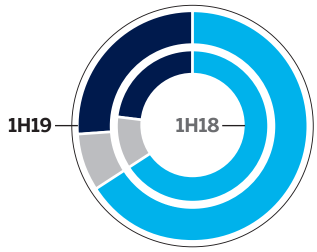


	1H14	1H15	1H16	1H17	1H18	1H19
Branches	1 279	1 221	1 215	1 200	1 216	**1 115**
ATMs – Standard Bank owned	8 163	7 074	7 054	7 250	7 358	**7 253**
ATMs – non-Standard Bank owned	1 487	1 568	1 607	1 649	1 724	**1 760**

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 (%)



	1H19	1H18
Retail and business banking	**66**	66
Commercial banking	**8**	11
Wealth	**26**	23

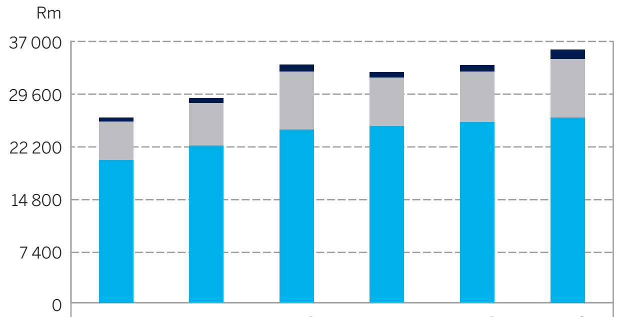
Key business stats

		Change %	1H19	1H18	FY18
South Africa					
Mortgage lending					
New business disbursements	Rm	17	**22 236**	19 052	44 458
Number of loan applications received	thousands	2	**106**	105	207
Average loan to value (LTV) of new business registered	%		**88**	86	86
Portfolio market share[1]	%		**34.2**	34.3	34.2
New business referred by traditional mortgage originators	%		**55**	53	54
Vehicle and asset finance					
New business disbursements	Rm	11	**20 287**	18 356	39 134
– motor	Rm	18	**16 985**	14 395	30 934
– non-motor	Rm	(17)	**3 302**	3 961	8 200
Clients/customers					
Active clients/customers	thousands	(2)	**7 993**	8 122	8 077
Instant Money unique users – clients with no other relationship	thousands	2	**1 656**	1 626	1 677
Ucount clients	thousands	11	**900**	808	863
Mobile banking active users – total	thousands	27	**2 200**	1 732	1 811
Mobile banking active users – SBG mobile app	thousands	55	**1 757**	1 135	1 274
Client/customer activity					
Instant money transactional volumes	thousands	20	**12 554**	10 462	22 637
Instant money turnover	Rm	27	**9 285**	7 311	16 474
Mobile banking transactional values	Rm	47	**172 834**	117 439	262 321
Points of representation					
Branch square metres	thousands	(16)	**314**	373	367
Branches		(17)	**531**	639	629
ATMs and ANAs		(3)	**7 022**	7 270	7 239
ATMs and ANAs – Standard Bank owned		(5)	**5 262**	5 546	5 494
ATMs – non-Standard Bank owned		2	**1 760**	1 724	1 745
Africa Regions					
Clients					
Active clients	thousands	4	**5 175**	4 958	5 091
Customer activity					
Mobile Banking transactional volumes – total	thousands	57	**36 931**	23 567	52 150
Points of representation					
Branches[2]		1	**584**	577	576
ATMs[3]		10	**1 991**	1 812	1 985
Change in the number of ATM transactions	%		**8**	10	13

[1] Residential mortgages only.
[2] Includes service centres, customer service trade points, agencies, in-store banking and 'bank at work' sites.
[3] ATMs restated for 1H18 and FY18 to exclude non-Standard Bank owned ATMs.

PBB total income by geography

CAGR (1H14 – 1H19): South Africa 5%
Africa Regions 9%
International 20%



	1H14	1H15	1H16	1H17	1H18	**1H19**
South Africa	20 148	22 168	24 406	24 921	25 485	**26 156**
Africa Regions	5 423	6 045	8 196	6 863	7 122	**8 253**
International	530	662	1 015	745	950	**1 310**

South Africa
Africa Regions
International

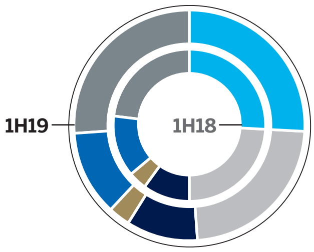
Summarised income statement by geography

	South Africa				Africa Regions			
	CCY %	Change %	**1H19 Rm**	1H18 Rm	CCY %	Change %	**1H19 Rm**	1H18 Rm
Net interest income	4	4	**15 938**	15 294	14	19	**4 803**	4 036
Non-interest revenue	0	0	**10 218**	10 191	8	12	**3 450**	3 086
Total income	3	3	**26 156**	25 485	11	16	**8 253**	7 122
Credit impairment charges	5	5	**(2 990)**	(2 850)	62	65	**(704)**	(427)
Operating expenses	4	4	**(14 915)**	(14 350)	5	8	**(6 284)**	(5 799)
Headline earnings	0	0	**6 066**	6 054	>100	>100	**471**	211
Credit loss ratio (%)			**1.06**	1.06			**1.87**	1.35
Cost-to-income ratio (%)			**57.0**	56.3			**76.1**	81.4
ROE (%)			**22.9**	23.1			**7.1**	3.6

	Wealth International			
	CCY %	Change %	**1H19 Rm**	1H18 Rm
Net interest income	43	55	**912**	587
Non-interest revenue	0	10	**398**	363
Total income	27	38	**1 310**	950
Credit impairment charges	(88)	(88)	**(1)**	(8)
Operating expenses	11	22	**(565)**	(465)
Headline earnings	42	54	**664**	432
Credit loss ratio (%)			**0.00**	0.03
Cost-to-income ratio (%)			**43.1**	48.9
ROE (%)			**22.6**	20.2

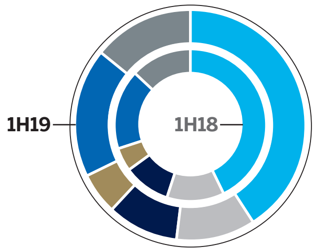
PERSONAL & BUSINESS BANKING

PBB composition of headline earnings by product (%)



	1H19	1H18
Transactional products	**26**	26
Mortgage lending	**23**	24
Card products	**10**	10
Vehicle and asset finance	**3**	4
Lending products	**12**	13
Wealth	**26**	23

PBB composition of total income by product (%)



	1H19	1H18
Transactional products	**41**	43
Mortgage lending	**11**	12
Card products	**10**	10
Vehicle and asset finance	**6**	5
Lending products	**18**	17
Wealth	**14**	13

Summarised income statement by product

	Transactional products				**Mortgage lending**			
	CCY %	Change %	**1H19 Rm**	1H18 Rm	CCY %	Change %	**1H19 Rm**	1H18 Rm
Net interest income	7	9	**8 396**	7 704	4	4	**3 899**	3 748
Non-interest revenue	0	(1)	**6 747**	6 821	(3)	(3)	**147**	151
Total income	4	4	**15 143**	14 525	4	4	**4 046**	3 899
Credit impairment charges					21	21	**(736)**	(606)
Operating expenses	3	4	**(12 282)**	(11 783)	(3)	(3)	**(1 129)**	(1 159)
Headline earnings	8	6	**1 822**	1 725	3	3	**1 653**	1 607

	Card products				**Vehicle and asset finance**			
	CCY %	Change %	**1H19 Rm**	1H18 Rm	CCY %	Change %	**1H19 Rm**	1H18 Rm
Net interest income	3	3	**1 492**	1 445	7	7	**1 506**	1 403
Non-interest revenue	4	4	**1 939**	1 868	48	48	**485**	327
Total income	3	4	**3 431**	3 313	15	15	**1 991**	1 730
Credit impairment charges	(10)	(10)	**(535)**	(592)	4	6	**(487)**	(458)
Operating expenses	5	5	**(1 845)**	(1 758)	30	31	**(1 132)**	(862)
Headline earnings	11	11	**746**	671	(12)	(14)	**248**	289

	Lending products				**Wealth**			
	CCY %	Change %	**1H19 Rm**	1H18 Rm	CCY %	Change %	**1H19 Rm**	1H18 Rm
Net interest income	6	7	**4 965**	4 655	36	45	**1 395**	962
Non-interest revenue	12	17	**1 312**	1 123	(2)	3	**3 436**	3 350
Total income	7	9	**6 277**	5 778	7	12	**4 831**	4 312
Credit impairment charges	20	19	**(1 937)**	(1 626)	(100)	(100)		(3)
Operating expenses	3	4	**(2 983)**	(2 879)	6	10	**(2 393)**	(2 173)
Headline earnings	2	6	**893**	844	13	18	**1 839**	1 561

Transactional products

- Strong deposit growth across the portfolio, with growth in South Africa driven by clients' preference for higher return demand products.
- Net interest income (NII) growth supported by good balance sheet growth and positive endowment in South Africa. This was partly offset by negative endowment in Malawi, Mozambique and Nigeria.
- Net fee and commission revenue remained under pressure as annual price increases were offset by lower transactional volumes in higher fee earning traditional channels as clients increasingly transact on digital platforms.

Mortgage lending

- Higher registrations and a stabilisation in prepayment rates supported balance sheet and NII growth.
- Net interest margins on new business contracted slightly due to increased competitive pressures and higher funding cost.
- Introduction of an enhanced behavioural scorecard to provide granular differentiation of customer behaviour which has resulted in lower impairments and capital demand. This was partly offset by growth in stage 3 impairments due to lower write-offs given the protracted legal foreclosure process and reduced cures.

Card products

- Higher interest-earning asset growth assisted NII growth despite margin compression from higher funding costs.
- Non-interest revenue benefited from higher card issuing turnover, and merchant revenue driven by an increase in the deployment of POS devices in Namibia, Nigeria, South Africa and Zimbabwe.
- Continued improvement of book performance and maximising early stage recoveries has resulted in lower impairment charges.
- Improved processes and the execution of key initiatives led to lower operational risk losses despite an increase in transactional activities.

Vehicle and asset finance

- Improved dealer engagement and operational efficiencies supported higher payouts and good balance sheet growth. This was partly offset by portfolio amortisation.
- Higher new business margins in the Retail portfolio further assisted NII growth. This was partly offset by higher funding costs.
- Meaningful growth in the fleet portfolio led to a marked increase in non-interest revenue as well as higher depreciation charges.
- In SA, stage 3 growth has been exacerbated by the challenging macro-economic and external legal environment. This impact was partially offset by higher post write-off recoveries alongside improved collection efficiencies in Kenya, Lesotho and Nigeria.
- Higher operating expenses growth was attributed to the investment of system replacements to enhance client experience as well as a higher depreciation charge in the Fleet rental portfolio.

Lending products

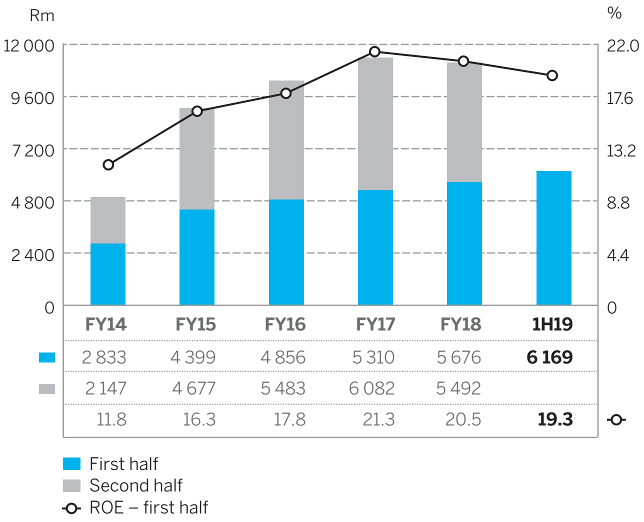
- Good balance sheet growth benefited from the introduction of the online origination capability, a marked increase in new business disbursements and an improvement in limit utilisation. This was partly offset by higher amortisation rates.
- Net interest income growth was assisted by good balance sheet growth. This was partly offset by margin compression due to higher funding costs.
- Improved processes and automation of the review fee collection supported non-interest revenue growth.
- Increased stage 1 impairments aligned with higher disbursements.
- Increased defaults in business lending as a result of challenging economic climate.

Wealth

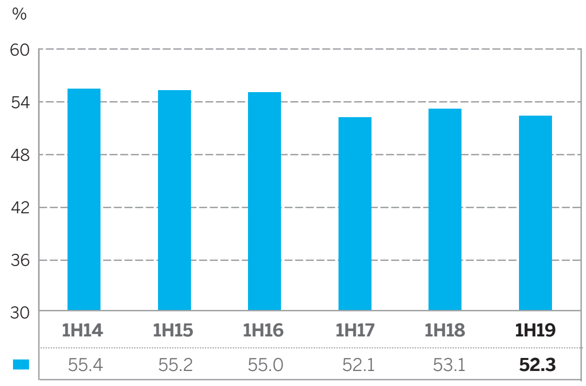
- Strong performance achieved in Wealth International supported by positive endowment, balance sheet optimisation initiatives and client lending growth.
- Revenue growth in Nigeria Wealth business driven by increased assets under management, partly offset by the regulatory cap on management fees.
- Good deposit and lending growth in Wealth and Investment due to continued focus on new client acquisition and enhancing client experience.
- Revenue pressures in the Insurance business in South Africa as a result of the subdued economic environment, as well as the catastrophic storms in KwaZulu-Natal experienced in the first half of 2019.

CORPORATE & INVESTMENT BANKING

Headline earnings
CAGR (1H14 – 1H19): 17%



Cost-to-income ratio



		CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Net interest income		7	8	**10 193**	9 403	19 189
Non-interest revenue		3	5	**8 944**	8 556	17 785
Total income		5	7	**19 137**	17 959	36 974
Credit impairment charges		>100	>100	**(552)**	(244)	(1 049)
Operating expenses		3	5	**(10 014)**	(9 537)	(19 986)
Taxation		(7)	(5)	**(1 312)**	(1 380)	(2 517)
Headline earnings		6	9	**6 169**	5 676	11 168
Headline earnings change	%			**9**	7	(2)
Headline earnings contribution to the group	%			**46**	45	40
Net interest margin	%			**2.81**	2.92	2.87
Credit loss ratio	%			**0.30**	0.03	0.16
Credit loss ratio to customers	%			**0.40**	0.04	0.20
Cost-to-income ratio	%			**52.3**	53.1	54.1
Jaws	%			**1.6**	(2.0)	(4.2)
Effective direct taxation rate	%			**14.0**	15.4	14.5
RoRWA	%			**2.5**	2.7	2.5
ROE	%			**19.3**	20.5	19.2
Number of employees			(3)	**3 667**	3 763	3 755

Client focus

- Supported large domestic and MNC clients growth with balance sheet support.
- Partners in the development of Oil & Gas sector on the continent.
- Raised hard currency funding for African governments.
- Tailored investment instruments to support insurers and asset managers.
- Leveraged our scale and expertise to provide forex liquidity and risk management solutions.
- Promoted and facilitated Intra-Africa and Sino-Africa trade flows across the continent.

Financial outcome

- Strong growth in balance sheet drivers, customer loans and advances, assets and deposits on the back of client and mandate wins.
- Sustained focus on cost management and progress made on some structural cost programmes.
- Defended market share in Global markets equities despite reduced trading volumes.
- Slowdown in Global markets business driven by political uncertainty and negative emerging markets sentiment.
- Impairment pressure in South Africa as risk quality of South African corporates decreased.
- Currency depreciations and regulatory changes adversely impacted the results.
- Increased capital utilisation as a result of portfolio rating downgrades.

External loans and advances by product

	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Gross loans and advances to banks	40	38	**147 468**	106 725	112 852
Credit impairments for banks	(58)	(69)	**(33)**	(105)	(63)
Net loans and advances to banks	40	38	**147 435**	106 620	112 789
Gross loans and advances to customers including HQLA	17	16	**430 682**	370 614	412 163
Global markets	55	53	**27 038**	17 653	26 967
Investment banking	13	13	**355 126**	315 006	338 353
Customer lending qualifying as HQLA[1]	>100	>100	**14 378**	6 466	13 738
Other loans and advances to customers	10	10	**340 748**	308 540	324 615
Transactional products and services	34	28	**48 518**	37 955	46 843
Less HQLA	>100	>100	**(14 378)**	(6 466)	(13 738)
Gross loans and advances to customers	15	14	**416 304**	364 148	398 425
Credit impairments for loans and advances	(5)	(7)	**(7 195)**	(7 729)	(8 575)
Credit impairments for stage 3 loans	(13)	(14)	**(4 910)**	(5 703)	(6 509)
Credit impairments for stage 1 and 2 loans	20	13	**(2 285)**	(2 026)	(2 066)
Net loans and advances to customers	15	15	**409 109**	356 419	389 850
Comprising:					
Net loans and advances	21	20	**556 544**	463 039	502 639
Gross loans and advances	21	20	**563 772**	470 873	511 277
Credit impairments	(5)	(8)	**(7 228)**	(7 834)	(8 638)

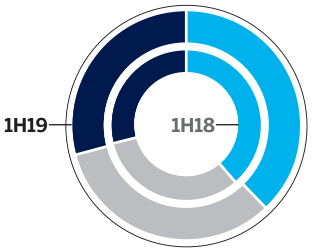
[1] HQLA defined as high quality liquid assets.

Deposits and debt funding by product

	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Current accounts	19	3	**79 858**	77 795	90 007
Cash management deposits	14	14	**149 718**	131 687	141 962
Call deposits	33	33	**98 081**	73 523	103 874
Term deposits	15	14	**179 513**	157 540	163 766
Negotiable certificates of deposit	15	15	**155 321**	134 749	125 184
Other funding	17	17	**47 778**	40 692	43 052
Deposits from customers	18	15	**710 269**	615 986	667 845
Interbank deposits	(4)	(3)	**151 521**	156 854	167 928
Interdivisional funding	(1)	2	**(84 648)**	(83 064)	(92 397)
Total deposits and debt funding	15	13	**777 142**	689 776	743 376

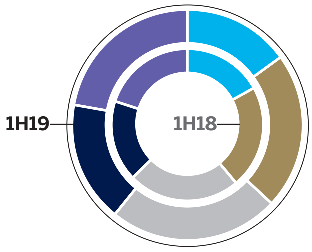
CORPORATE & INVESTMENT BANKING

CIB composition of headline earnings by product (%)



	1H19	1H18
Global markets	**38**	39
Investment banking	**33**	33
Transactional products and services	**29**	29

CIB composition of total income by product (%)



	1H19	1H18
Global markets South Africa	**15**	17
Global markets Africa Regions	**22**	22
Investment banking	**24**	24
Transactional products and services South Africa	**17**	17
Transactional products and services Africa Regions	**22**	20

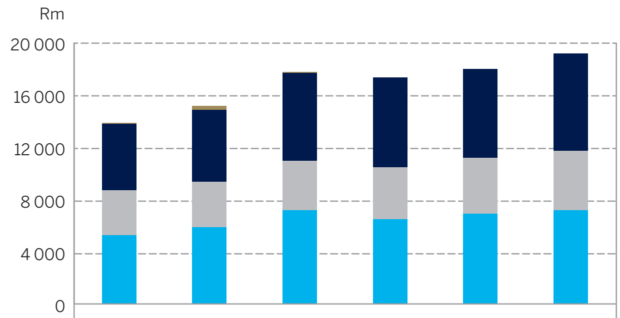
Summarised income statement by product

	Global markets				Investment banking			
	CCY %	Change %	**1H19 Rm**	1H18 Rm	CCY %	Change %	**1H19 Rm**	1H18 Rm
Net interest income	1	(2)	**2 262**	2 310	5	10	**2 664**	2 428
Non-interest revenue	5	6	**4 879**	4 594	2	4	**1 909**	1 828
Total income	3	3	**7 141**	6 904	4	7	**4 573**	4 256
Credit impairment charges	(>100)	(42)	**(15)**	(26)	>100	>100	**(275)**	(70)
Operating expenses	2	4	**(3 336)**	(3 210)	1	4	**(2 464)**	(2 372)
Headline earnings	5	6	**2 339**	2 213	6	10	**2 047**	1 854

	Transactional products and services				Corporate & Investment Banking			
	CCY %	Change %	**1H19 Rm**	1H18 Rm	CCY %	Change %	**1H19 Rm**	1H18 Rm
Net interest income	11	13	**5 267**	4 665	7	8	**10 193**	9 403
Non-interest revenue	(1)	1	**2 156**	2 134	3	5	**8 944**	8 556
Total income	8	9	**7 423**	6 799	5	7	**19 137**	17 959
Credit impairment charges	65	77	**(262)**	(148)	>100	>100	**(552)**	(244)
Operating expenses	5	7	**(4 214)**	(3 955)	3	5	**(10 014)**	(9 537)
Headline earnings	8	11	**1 783**	1 609	6	9	**6 169**	5 676

CIB total income by product

CAGR:
Global markets	6%
Investment banking	6%
Transactional products and services	8%



	1H14	1H15	1H16	1H17	1H18	1H19
	5 244	5 871	7 145	6 474	6 904	**7 141**
	3 453	3 466	3 806	3 976	4 256	**4 573**
	5 047	5 513	6 701	6 851	6 799	**7 423**
	94	299	80	(17)		

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

Global markets

- Political uncertainty and stagnant growth in South Africa, coupled with negative emerging markets sentiment, adversely impacted South African equities and interest rate trading revenues.
- Market share was maintained in a subdued trading environment across most desks.
- Foreign exchange revenue headwinds experienced in South Africa in Q1 2019 on the back of low liquidity and limited volatility.
- Continued growth in Africa Regions revenues driven by higher foreign exchange volumes, despite margin compression experienced in key markets, including Mozambique and Angola.

Investment banking

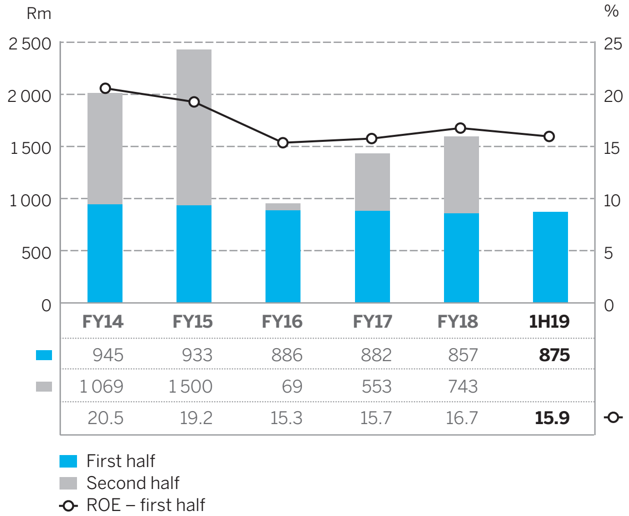
- Robust growth in both local and foreign currency average loans and advances, with record gross origination achieved.
- Client margins remain under pressure, particularly in South Africa on the investment grade portfolio and in Nigeria on the back of the higher cash reserving rate.
- Strong growth in fee and commission revenue was driven by the participation in several landmark transactions, together with increased client activity in Oil & Gas and Telecoms & Media sectors.
- The equity capital markets business was adversely impacted by subdued Mergers & Acquisitions activity and fewer market issuances.

Transactional products and services

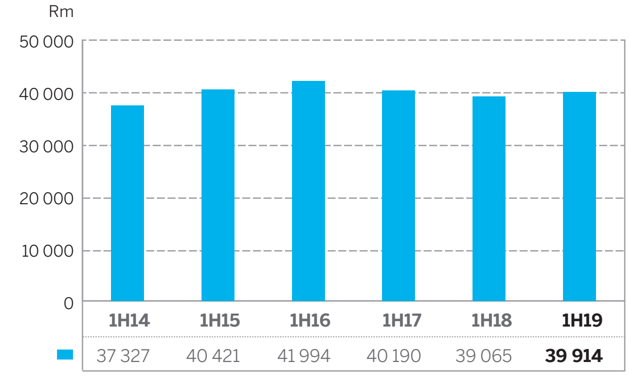
- Strong underlying franchise growth through a combination of client wins and increasing client share of wallet.
- Growth in both loans and advances in the Trade business and customer deposits in South Africa and Africa Regions.
- Lower interest rates in key markets and currency depreciation adversely impacted revenues.

LIBERTY

Headline earnings – SBG share
CAGR (1H14 – 1H19): (2%)



Normalised group equity value
CAGR (1H14 – 1H19): 1%



Income statement, ratios and statistics as consolidated into SBG

		Change %	1H19 Rm	1H18 Rm	FY18 Rm
Net insurance premiums[1]	Rm	9	**18 857**	17 367	38 521
Investment income and gains[2]	Rm	(83)	**1 377**	8 265	3 533
Benefits due to policyholders and third-party mutual fund interests[1]	Rm	>100	**34 751**	16 075	27 618
Operating expenses[2]	Rm	(6)	**(8 130)**	(8 691)	(16 404)
Normalised operating earnings[1]	Rm	14	**1 091**	958	2 006
Normalised headline earnings[1]	Rm	51	**2 013**	1 332	2 256
IFRS headline earnings[1]	Rm	31	**1 996**	1 521	2 645
Headline earnings attributable to the group[3]	Rm	2	**875**	857	1 600
SBG share of Liberty's IFRS headline earnings	Rm	33	**1 123**	845	1 471
Group shares held for the benefit of Liberty policyholders	Rm	(>100)	**(248)**	12	129
Effective interest in Liberty at end of period	%		**56.4**	55.6	56.0
ROE	%		**15.9**	16.7	15.2
Normalised return on Liberty group equity value[1,4]	%		**14.0**	4.7	3.8
Indexed new business (excluding contractual increases)[1]	Rm	2	**3 862**	3 773	8 051
New business margin[1]	%		**0.9**	0.7	0.9
Net cash inflows in long-term insurance operations[1]	Rm	(>100)	**(565)**	262	2 001
Value of new business[1]	Rm	20	**171**	142	371
Normalised group equity value[1]	Rm	2	**39 914**	39 065	38 684
Solvency capital requirement coverage ratio[1]	times		**1.85**		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.

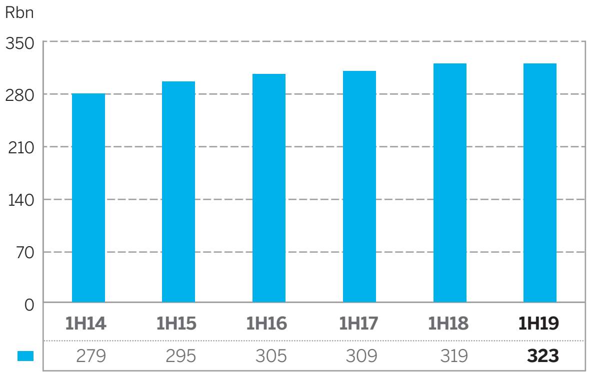
Client focus

- Continued to support clients through their life journeys by increasing the death and disability payments by 6.9% to R5.0 billion and the annuity payments by 8.6% to R3.9 billion.
- Key client initiatives were launched during the period across the investment and risk product suite. These included the launch of the Liberty Advanced Global Equity Tranche 2 portfolio on the Evolve Investment Plan and the Wellness Bonus Benefit on the Lifestyle Protector risk proposition.
- Implementation of the at Work financial needs analysis tool was completed for advisers in Liberty Advisory Partners to enable an improved adviser and client experience.

Financial outcome

- Good growth in the South African Retail business supported by favourable risk experience variances and costs being managed in line with current sales volume growth.
- Higher fee income in STANLIB South Africa assisted by strong cash inflows and favourable investment market performance.
- The Shareholder Investment Portfolio earnings performance benefited from good local and developed market equities, and bond performances.
- The Bancassurance agreement with Standard Bank Group continues to positively contribute to new business volumes and earnings. The total indexed new business premiums, sold under the agreement, increased by 5.8%.

Long-term policyholder liabilities
CAGR (1H14 – 1H19): 3%



Income statement as reported by Liberty

	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Insurance premiums	9	**20 068**	18 386	40 611
Reinsurance premiums	19	**(1 211)**	(1 019)	(2 090)
Net insurance premiums	9	**18 857**	17 367	38 521
Investment income and gains	>100	**26 662**	7 994	7 910
Revenue from contracts with customers	1	**2 078**	2 064	4 073
Total revenue	74	**47 597**	27 425	50 504
Benefits due to policyholders and third-party mutual fund interests	>100	**(34 751)**	(16 075)	(27 618)
Net insurance benefits and claims	98	**(25 624)**	(12 958)	(26 484)
Fair value adjustment to policyholders' liabilities under investment contracts	>100	**(6 048)**	(880)	1 273
Fair value adjustment third-party mutual fund interests	38	**(3 079)**	(2 237)	(2 407)
Income after policyholders' benefits	13	**12 846**	11 350	22 886
Operating expenses	1	**(8 996)**	(8 890)	(18 372)
Acquisition costs	(7)	**(2 077)**	(2 239)	(4 413)
General marketing and administration expenses	1	**(5 485)**	(5 420)	(11 184)
Finance costs and fair value adjustment to financial liabilities	7	**(723)**	(678)	(1 491)
Profit share allocations	29	**(711)**	(553)	(1 284)
Income before equity accounted earnings	57	**3 850**	2 460	4 514
Non-trading and capital items	(100)	**(125)**		(249)
Share of profit from joint ventures	(55)	**9**	20	32
Profit before taxation	51	**3 734**	2 480	4 297
Taxation	>100	**(1 563)**	(780)	(1 255)
Profit for the period	28	**2 171**	1 700	3 042
Attributable to non-controlling interests[1]	68	**(299)**	(178)	(644)
Attributable to preference shareholders	0	**(1)**	(1)	(2)
Headline adjustable items	100	**125**		249
IFRS headline earnings	31	**1 996**	1 521	2 645
BEE preference share income	(25)	**3**	4	8
Accounting profit and loss mismatch arising on consolidation of Liberty Two Degrees	(>100)	**14**	(193)	(397)
Normalised headline earnings	51	**2 013**	1 332	2 256

[1] Non-controlling interest within Liberty.

LIBERTY

Headline earnings

	Change %	1H19 Rm	1H18 Rm	FY18 Rm
South African insurance operations	7	1 012	950	2 009
SA Retail (previously Individual Arrangements)	11	782	704	1 581
Liberty Corporate	(49)	39	77	52
LibFin Markets	13	191	169	376
South Africa Asset Management – STANLIB	19	209	175	355
Africa Regions[1]	>100	31	8	8
Operations under ownership review	(21)	(64)	(81)	(166)
Central costs and sundry income	3	(97)	(94)	(200)
Normalised operating earnings	14	1 091	958	2 006
LibFin Investments – SIP	>100	922	374	250
Normalised headline earnings	51	2 013	1 332	2 256
BEE preference share income	(25)	(3)	(4)	(8)
Accounting profit and loss mismatch arising on consolidation of Liberty Two Degrees	(>100)	(14)	193	397
IFRS headline earnings	31	1 996	1 521	2 645

[1] Comprises Liberty Africa Insurance and STANLIB Africa within southern African Region.

External assets under management

	Change %	1H19 Rbn	1H18 Rbn	FY18 Rbn
Asset management – assets under management	17	63	54	55
Wealth management – funds under administration	5	353	336	337
Single manager unit trust	1	128	127	122
Institutional marketing	19	68	57	64
Linked and structured life products	2	85	83	80
Multi-manager	11	21	19	20
Africa Regions	2	51	50	51
Total external assets under management and administration	7	416	390	392

FINANCIAL PERFORMANCE

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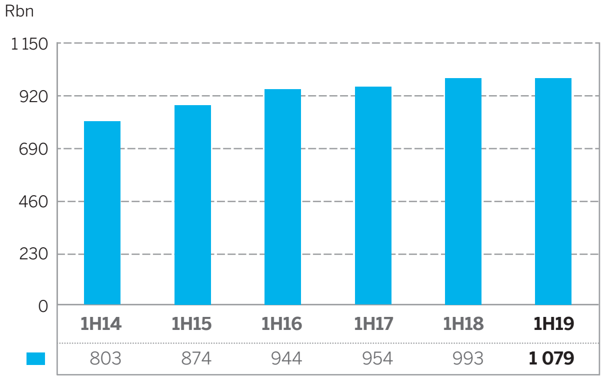
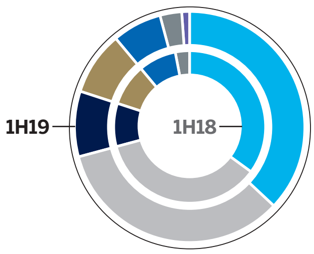
LOANS AND ADVANCES

Gross loans and advances to customers
CAGR (1H14 – 1H19): 6%



Composition of loans to customers (%)

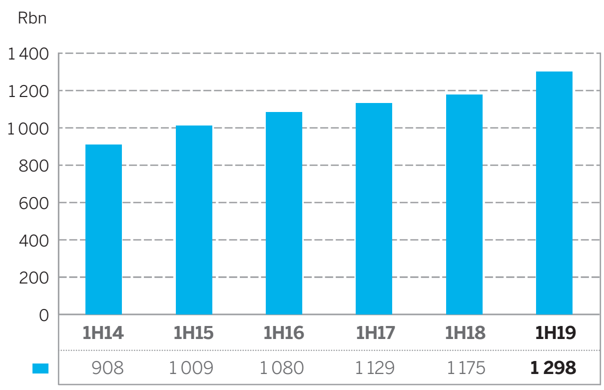


	1H19	1H18
Term loans	**37**	35
Mortgage loans	**34**	36
Vehicle and asset finance	**9**	9
Overdraft and other demand loans	**9**	9
Other term loans	**7**	8
Card debtors	**3**	3
Loans granted under resale agreements	**1**	

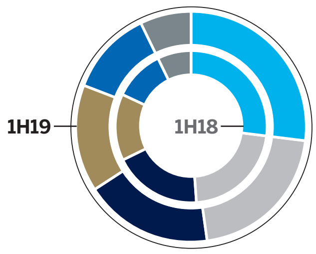
	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Personal & Business Banking	6	5	**666 741**	632 088	649 968
Mortgage loans	4	4	**368 143**	353 357	362 006
Vehicle and asset finance	9	9	**92 800**	85 327	89 410
Card debtors	1	1	**33 610**	33 336	33 216
Other loans and advances	9	8	**172 188**	160 068	165 336
Personal unsecured	13	11	**61 625**	55 368	59 459
Business lending and other	7	6	**110 563**	104 700	105 877
Corporate & Investment Banking	15	14	**416 304**	364 148	398 425
Global markets	55	53	**27 038**	17 653	26 967
Investment banking	10	10	**340 748**	308 540	324 615
Transactional products and services	34	28	**48 518**	37 955	46 843
Central and other	12	12	**(3 786)**	(3 379)	(1 892)
Gross loans and advances to customers	9	9	**1 079 259**	992 857	1 046 501
Credit impairments on loans and advances to customers	0	(1)	**(36 499)**	(36 945)	(36 622)
Credit impairments on stage 3 loans	(1)	(1)	**(23 292)**	(23 631)	(23 801)
Credit impairments on stage 1 and 2 loans	2	(1)	**(13 207)**	(13 314)	(12 821)
Net loans and advances to customers	10	9	**1 042 760**	955 912	1 009 879
Gross loans and advances to banks	35	33	**144 403**	108 873	110 852
Credit impairment on loans and advances to banks	(58)	(69)	**(33)**	(105)	(63)
Net loans and advances to banks	35	33	**144 370**	108 768	110 789
Net loans and advances	12	12	**1 187 130**	1 064 680	1 120 668
Gross loans and advances	12	11	**1 223 662**	1 101 730	1 157 353
Credit impairments on loans and advances	0	(1)	**(36 532)**	(37 050)	(36 685)

DEPOSITS AND DEBT FUNDING

Deposits from customers
CAGR (1H14 – 1H19): 7%



Composition of deposits from customers (%)



	1H19	1H18
Call deposits	**27**	27
Term deposits	**21**	22
Current accounts	**18**	19
Cash management deposits	**15**	14
Negotiable certificates of deposit	**12**	11
Other deposits	**7**	7

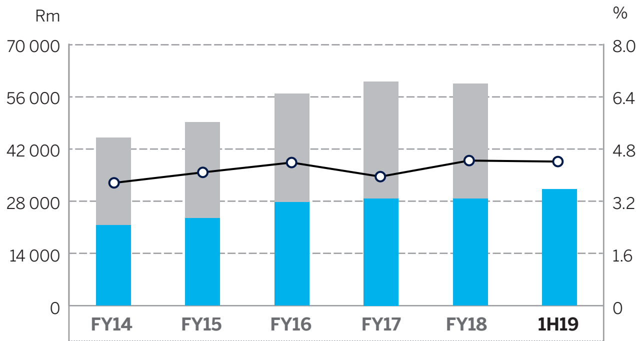
	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Personal & Business Banking	7	5	**593 335**	563 592	591 318
Retail priced deposits	5	4	**464 956**	448 553	467 989
Current accounts	7	3	**153 249**	148 814	158 891
Cash management deposits	10	10	**38 690**	35 206	35 320
Call deposits	0	(1)	**130 272**	131 104	132 756
Term deposits	2	2	**96 974**	95 474	95 702
Other deposits	21	21	**45 771**	37 955	45 320
Wholesale priced deposits	12	12	**128 379**	115 039	123 329
Corporate & Investment Banking	18	15	**710 269**	615 986	667 845
Cash management deposits	14	14	**149 718**	131 687	141 962
Call deposits	33	33	**98 081**	73 523	103 874
Term deposits	15	14	**179 513**	157 540	163 766
Negotiable certificates of deposit	15	15	**155 321**	134 749	125 184
Other funding	18	8	**127 636**	118 487	133 059
Central and other	6	6	**(5 237)**	(4 935)	(3 971)
Deposits from customers	12	11	**1 298 367**	1 174 643	1 255 192
Deposits from banks	(3)	(3)	**98 390**	101 032	116 727
Total deposits and debt funding	11	9	**1 396 757**	1 275 675	1 371 919
Retail priced deposits	5	4	**464 956**	448 553	467 989
Wholesale priced deposits	14	13	**931 801**	827 122	903 930
Wholesale priced deposits – customers	17	15	**833 411**	726 090	787 203
Wholesale priced deposits – banks	(3)	(3)	**98 390**	101 032	116 727

BANKING ACTIVITIES AVERAGE BALANCE SHEET

	1H19			1H18		
	Average balance Rm	**Interest Rm**	**Average rate %**	Average balance Rm	Interest Rm	Average rate %
Interest-earning assets						
Cash and balances with central banks	**74 468**			62 128		
Financial investments	**200 198**	**8 088**	**8.15**	184 037	7 237	7.93
Gross loans and advances	**1 187 910**	**57 163**	**9.70**	1 085 090	51 297	9.53
Gross loans and advances to banks	**132 796**	**1 938**	**2.94**	117 258	1 619	2.78
Gross loans and advances to customers	**1 055 114**	**55 225**	**10.55**	967 832	49 678	10.35
Personal & Business Banking	**653 382**	**37 214**	**11.49**	616 310	34 712	11.36
Mortgage loans	**362 763**	**18 288**	**10.17**	348 368	17 337	10.04
Vehicle and asset finance	**89 973**	**5 015**	**11.24**	82 143	4 567	11.21
Card debtors	**33 053**	**2 894**	**17.66**	32 398	2 849	17.73
Other loans and advances	**167 593**	**11 017**	**13.26**	153 401	9 959	13.09
Corporate & Investment Banking	**404 006**	**18 011**	**8.99**	353 131	14 966	8.55
Central and other	**(2 274)**			(1 609)		
Credit impairment charges on loans and advances	**(30 274)**			(26 308)		
Loans and advances	**1 157 636**			1 058 782		
Interest-earning assets	**1 432 302**	**65 251**	**9.19**	1 304 947	58 534	9.05
Interest-bearing liabilities						
Deposits and debt funding	**1 381 225**	**33 009**	**4.82**	1 256 752	28 929	4.64
Deposits from banks	**109 373**	**1 207**	**2.23**	96 761	1 058	2.20
Deposits from customers	**1 271 852**	**31 802**	**5.04**	1 159 991	27 871	4.85
Personal & Business Banking	**579 962**	**10 409**	**3.62**	540 233	9 227	3.44
Current accounts	**145 186**	**126**	**0.18**	135 441	109	0.16
Cash management deposits	**36 368**	**1 017**	**5.64**	33 738	910	5.44
Call deposits	**179 975**	**5 605**	**6.28**	162 290	4 619	5.74
Savings accounts	**28 547**	**287**	**2.03**	23 212	247	2.15
Term and other deposits	**189 886**	**3 374**	**3.58**	185 552	3 342	3.63
Corporate & Investment Banking	**698 483**	**21 393**	**6.18**	624 668	18 644	6.02
Central and other	**(6 593)**			(4 910)		
Subordinated bonds	**19 619**	**977**	**10.04**	18 856	925	9.89
Interest-bearing liabilities	**1 400 844**	**33 986**	**4.89**	1 275 608	29 854	4.72
Trading book assets	**171 075**			140 194		
Non-interest-earning assets	**72 683**			86 702		
Total average assets	**1 676 060**	**65 251**	**7.85**	1 531 843	58 534	7.71
Average equity	**147 329**			134 483		
Trading book liabilities	**64 647**			76 557		
Other liabilities	**63 240**			45 195		
Total average equity and liabilities	**1 676 060**	**33 986**	**4.09**	1 531 843	29 854	3.93

NET INTEREST INCOME AND NET INTEREST MARGINS

Net interest income and net interest margin (NIM)
CAGR (1H14 – 1H19): 8%



	FY14	FY15	FY16	FY17	FY18	1H19
First half	21 615	23 449	27 775	28 770	28 680	**31 265**
Second half	23 537	25 861	29 117	31 355	30 942	
NIM before impairments charges	3.75	4.07	4.37	3.94	4.43	**4.40**

First half
Second half
NIM before impairments charges

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

	Average interest-earning assets Rm	Net interest income Rm	Net interest margin %
1H18[1]	1 304 947	28 680	4.43
Impact of volume changes		2 876	
Lending book client yield		1 837	0.28
Funding book client yield		(2 281)	(0.35)
Funding and capital reserves endowment		(94)	(0.01)
Treasury activities and assets held for liquidity purposes		37	0.01
Mix and other		210	0.04
1H19	**1 432 302**	**31 265**	**4.40**
Average interest-earning assets growth (%)	9.8		
Net interest income growth (%)		9.0	

[1] Restated. Refer to pages 90 – 91.

Net interest income and net interest margin

Net interest income growth supported by:

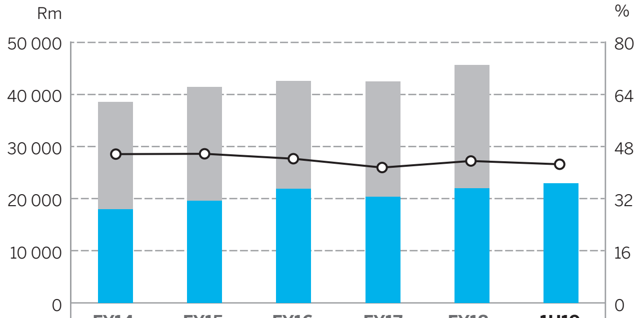
- Robust mortgage lending registrations and increased payouts in vehicle and asset finance portfolio.
- Higher disbursements in personal unsecured lending due to online origination strategies.
- Strong growth in term lending and trade finance across the continent following renewed focus in growing client base.
- Double digit growth in cash management balances driven by good growth in corporate and commercial retail clients in South Africa and Africa Regions.
- Change in mix from foreign to local currency loans and deposits in Africa Regions.
- Higher margins on foreign currency loans due to a higher average USD interest rate.
- Margin expansion in Kenya due to the repricing of the lending book following the lift of regulatory interest rate floors and caps.
- Higher new business margins in Vehicle and asset finance in South Africa.

This was partly offset by:

- Competitive pricing environment in South Africa which led to margin squeeze on new business volumes in the Mortgage and Lending portfolios in South Africa.
- Pricing pressure on investment grade assets due to the competitive market in South Africa.
- Higher cost of funds driven by clients preference for higher return demand products and a competitive landscape.

NON-INTEREST REVENUE ANALYSIS

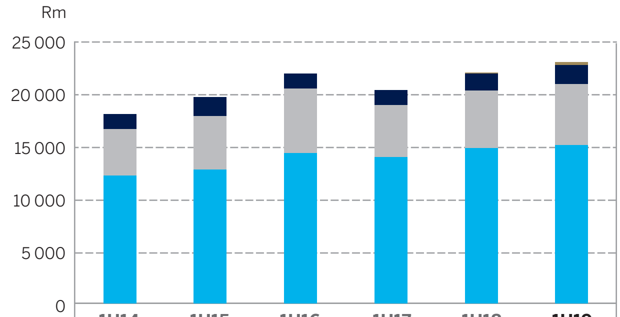
Non-interest revenue
CAGR (1H14 – 1H19): 5%



	FY14	FY15	FY16	FY17	FY18	1H19
First half	18 026	19 659	21 918	20 350	22 030	**23 012**
Second half	20 583	21 780	20 683	22 224	23 679	
Non-interest revenue to total revenue	45.5	45.6	44.1	41.4	43.4	**42.4**

First half
Second half
Non-interest revenue to total revenue

Analysis of non-interest revenue
CAGR (1H14 – 1H19): Net fee and commission 4%
Trading revenue 6%
Other revenue 5%



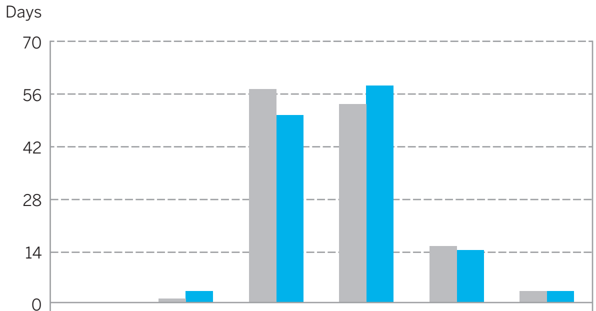
	1H14	1H15	1H16	1H17	1H18	1H19
Net fee and commission	12 205	12 758	14 340	13 969	14 813	**15 112**
Trading revenue	4 428	5 078	6 142	4 953	5 471	**5 809**
Other revenue	1 393	1 823	1 436	1 428	1 653	**1 787**
Other gains and losses on financial instruments					93	**304**

Net fee and commission
Trading revenue
Other revenue
Other gains and losses on financial instruments

	CCY %	Change %	1H19 Rm	1H18[1] Rm	FY18[1] Rm
Net fee and commission revenue	0	2	**15 112**	14 813	30 375
Fee and commission revenue	2	3	**18 338**	17 763	36 592
Account transaction fees	2	1	**5 665**	5 599	11 669
Electronic banking	15	15	**2 116**	1 848	3 829
Knowledge-based fees and commission	(8)	(3)	**1 199**	1 236	2 350
Card-based commission	5	5	**3 436**	3 263	6 760
Insurance – fees and commission	(6)	(6)	**907**	964	1 904
Documentation and administration fees	7	7	**1 174**	1 097	2 273
Foreign currency service fees	3	6	**1 095**	1 036	2 244
Other	(6)	1	**2 746**	2 720	5 563
Fee and commission expense	9	9	**(3 226)**	(2 950)	(6 217)
Trading revenue	5	6	**5 809**	5 471	10 799
Fixed income and currencies	2	3	**4 467**	4 345	8 581
Commodities	(100)	(100)		8	47
Equities	20	20	**1 342**	1 118	2 171
Other revenue	9	8	**1 787**	1 653	3 863
Banking and other	41	37	**609**	444	1 360
Property-related revenue	(7)	(8)	**147**	160	407
Insurance-related revenue	(1)	(2)	**1 031**	1 049	2 096
Other gains and losses on financial instruments	>100	>100	**304**	93	672
Non-interest revenue	3	4	**23 012**	22 030	45 709

[1] Restated. Refer to page 91.

Distribution of daily trading income (frequency of days)



	<(30)	(30) to 0	0 to 30	30 to 60	60 to 90	>90
June 2019	**0**	**3**	**50**	**58**	**14**	**3**
June 2018	0	1	57	53	15	3

June 2019
June 2018

Net fee and commission revenue

- Muted account transaction fee growth impacted by the continued decline in transactional volumes from higher-fee earning traditional channels, as clients utilise digital banking platforms.
- Expansion in electronic banking fees underpinned by:
  - Good growth in digital transactional volumes in Namibia, Nigeria, South Africa and Zimbabwe as customers increasingly transact on digital banking platforms.
  - Higher transactional volumes on ATMs by non-Standard Bank customers.
  - Value added prepaid services continue to show respectable revenue growth.
- Higher Instant money and business online transactional volumes in South Africa.
- Higher card-based commission revenue supported by growth in card interchange revenue, higher point of sales income from debit card transactions, and expansion in gross merchant discount margin in South Africa.
- Lower insurance commission following the implementation of Retail Distribution Review.
- Good growth in documentation and administration fees commensurate with disbursement growth across the portfolio.
- Higher foreign currency service fees due to growth in international point of sales turnover across Africa.
- Subdued other fee and commission revenue growth owing to the impact of regulatory changes on mutual funds in Nigeria's pension fund business.

Trading revenue

- Improved equities derivative trading through facilitation of client trading activities. (Note: Cash equities are down.)
- Higher forex trading revenue driven by market making activities in Ghana, Kenya, Nigeria and Uganda.
- These were negatively impacted by reduced client activity and negative local currency and equity market performance on the back of negative emerging market sentiments.

Other revenue

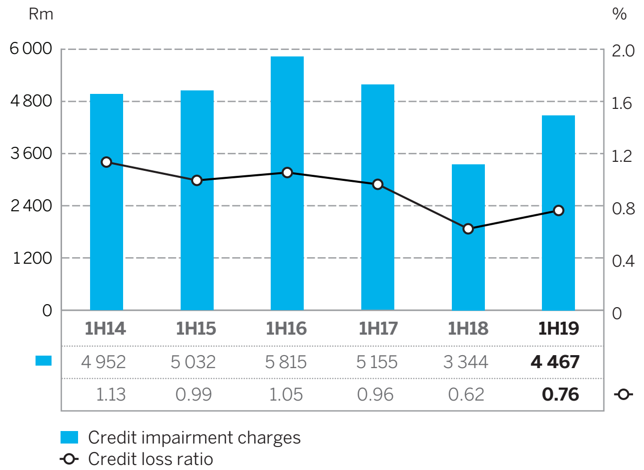
- Increased rental revenue due to growth in VAF fleet portfolio.
- Lower insurance-related revenue following higher claims in relation to the catastrophic event caused by the storms in KwaZulu-Natal.

Gains and losses on financial instruments

- Interest income on certain debt instruments, together with the derecognition of gains and losses on instruments not recognised at fair value through profit and loss, are 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 (1H14 – 1H19): (2%)



Income statement credit impairment charges on loans and advances

	Change %	1H19 Stage 1 Rm	Stage 2[2] Rm	Total stage 1 and 2 Rm	Stage 3[2] Rm	Total credit impairment charges Rm	Total credit loss ratio %
Personal & Business Banking	12	237	234	471	3 202	3 673	1.05
Mortgage loans	21	(40)	(129)	(169)	905	736	0.41
Vehicle and asset finance	6	63	15	78	409	487	1.09
Card debtors	(10)	(8)	69	61	474	535	3.26
Other loans and advances	19	222	279	501	1 414	1 915	1.76
Personal unsecured lending	18	130	270	400	914	1 314	4.42
Business lending and other	19	92	9	101	500	601	0.76
Corporate & Investment Banking	>100	232	162	394	400	794	0.30
Corporate and sovereign lending	>100	243	162	405	400	805	0.40
Bank lending	(31)	(11)		(11)		(11)	(0.02)
Total loans and advances credit impairment charges	34	469	396	865	3 602	4 467	0.76
Credit impairment charge – financial investments						6	
Credit impairment charge – letters of credit, guarantees and other						(226)	
Total credit impairment charges						4 247	

[1] Restated. Refer to pages 90 – 91.
[2] Includes post write-off recoveries and modification gains and losses.

Favourable

- Continued improvement of book performance and focus on maximising early recoveries contributed to lower credit impairment charges in the card debtors.
- Significant post write-off recovery in card debtors, vehicle and asset finance portfolios in South Africa.

Adverse

- Higher stage 1 and 2 credit impairment charge due to advances growth, following strong origination within the personal unsecured portfolio in South Africa.
- Increased corporate lending stage 2 credit impairment provisioning as a result of deterioration of credit quality in South and East Africa.
- Increased stage 1 impairment charges due to growth in term lending in CIB South Africa and Africa Region.
- Higher stage 3 mortgage lending portfolio attributed to the continued delays relating to legal foreclosures in South Africa.
- Increase in exposures in business lending and vehicle asset finance portfolios as a result of the challenging economic climate in Namibia, Nigeria and South Africa.

	1H18[1]						FY18					
	Stage 1	Stage 2[2]	Total stage 1 and 2	Stage 3[2]	Total credit impairment charges	Total credit loss ratio	Stage 1	Stage 2[2]	Total stage 1 and 2	Stage 3[2]	Total credit impairment charges	Total credit loss ratio
	Rm	Rm	Rm	Rm	Rm	%	Rm	Rm	Rm	Rm	Rm	%
	(231)	293	62	3 208	3 270	0.99	(283)	(159)	(442)	5 906	5 464	0.81
	(46)	240	194	412	606	0.35	(88)	47	(41)	981	940	0.27
	(91)	19	(72)	530	458	1.12	(1)	(84)	(85)	874	789	0.94
	7	119	126	466	592	3.68	(55)	197	142	818	960	2.93
	(101)	(85)	(186)	1 800	1 614	1.62	(139)	(319)	(458)	3 233	2 775	1.34
	10	32	42	1 069	1 111	4.20	103	(70)	33	1 814	1 847	3.34
	(111)	(117)	(228)	731	503	0.69	(242)	(249)	(491)	1 419	928	0.61
	(12)	(909)	(921)	995	74	0.03	35	(1 402)	(1 367)	2 114	747	0.16
	4	(909)	(905)	995	90	0.05	49	(1 398)	(1 349)	2 114	765	0.20
	(16)		(16)		(16)	(0.03)	(14)	(4)	(18)		(18)	(0.02)
	(243)	(616)	(859)	4 203	3 344	0.62	(248)	(1 561)	(1 809)	8 020	6 211	0.56
					72						101	
					113						177	
					3 529						6 489	

CREDIT IMPAIRMENT ANALYSIS

BALANCE SHEET IMPAIRMENT ROLL FORWARD FOR LOANS AND ADVANCES

	1 January 2019 IFRS 9 opening balance Rm	Total transfers between stages Rm	Net provisions raised and released Rm
Personal & Business Banking	28 047		4 278
Stage 1	4 657	669	(432)
Stage 2	6 098	(1 024)	1 158
Stage 3	17 292	355	3 552
Mortgage loans	10 130		744
Stage 1	1 037	349	(389)
Stage 2	2 018	(332)	170
Stage 3	7 075	(17)	963
Vehicle and asset finance	3 402		705
Stage 1	770	104	(41)
Stage 2	948	(191)	206
Stage 3	1 684	87	540
Card debtors	3 067		822
Stage 1	643	135	(143)
Stage 2	980	(205)	247
Stage 3	1 444	70	718
Other loans and advances	11 448		2 007
Stage 1	2 207	81	141
Stage 2	2 152	(296)	535
Stage 3	7 089	215	1 331
Personal unsecured lending	6 687		1 347
Stage 1	1 435	(14)	144
Stage 2	1 300	(169)	399
Stage 3	3 952	183	804
Business lending and other	4 761		660
Stage 1	772	95	(3)
Stage 2	852	(127)	136
Stage 3	3 137	32	527
Corporate & Investment Banking	8 638		870
Stage 1	1 083	7	225
Stage 2	1 046	140	22
Stage 3	6 509	(147)	623
Corporate and sovereign lending	8 575		881
Stage 1	1 023	7	236
Stage 2	1 043	140	22
Stage 3	6 509	(147)	623
Bank lending	63		(11)
Stage 1	60		(11)
Stage 2	3		
Total	36 685		5 148
Stage 1	5 740	676	(207)
Stage 2	7 144	(884)	1 180
Stage 3	23 801	208	4 175

Impaired accounts written off Rm	Currency translation and other movements Rm	Time value of money and Interest in suspense Rm	June 2019 closing balance Rm	Modification losses and recoveries of amounts written off Rm
(3 883)	(391)	1 253	29 304	605
	(22)		4 872	
	(182)		6 050	(100)
(3 883)	(187)	1 253	18 382	705
(488)	(102)	567	10 851	8
	(8)		989	
	(21)		1 835	(33)
(488)	(73)	567	8 027	41
(414)	(96)	95	3 692	218
			833	
	(51)		912	
(414)	(45)	95	1 947	218
(1 091)	(4)	71	2 865	287
			635	
	(1)		1 021	(27)
(1 091)	(3)	71	1 209	314
(1 890)	(189)	520	11 896	92
	(14)		2 415	
	(109)		2 282	(40)
(1 890)	(66)	520	7 199	132
(1 247)	107	360	7 254	33
	23		1 588	
	31		1 561	(40)
(1 247)	53	360	4 105	73
(643)	(296)	160	4 642	59
	(37)		827	
	(140)		721	
(643)	(119)	160	3 094	59
(2 276)	(204)	200	7 228	76
	(95)		1 220	0
	(110)		1 098	0
(2 276)	1	200	4 910	76
(2 276)	(185)	200	7 195	76
	(79)		1 187	
	(107)		1 098	
(2 276)	1	200	4 910	76
	(19)		33	
	(16)		33	
	(3)			
(6 159)	(595)	1 453	36 532	681
	(117)		6 092	
	(292)		7 148	(100)
(6 159)	(186)	1 453	23 292	781

CREDIT IMPAIRMENT ANALYSIS
LOANS AND ADVANCES PERFORMANCE

	Gross carrying loans and advances	SB 1 – 12		SB 13 – 20		SB 21 – 25	
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
	Rm	Rm	Rm	Rm	Rm	Rm	Rm
1H19							
Personal & Business Banking	718 392	271 094	1 045	338 839	9 610	10 465	50 133
Mortgage loans	368 143	183 871	85	124 222	7 951	4 821	26 534
Vehicle and asset finance	92 800	6 388	72	73 854	935	702	6 907
Card debtors	33 610	884	24	26 500	173	382	4 080
Other loans and advances	223 839	79 951	864	114 263	551	4 560	12 612
Personal unsecured lending	61 625	1 149		46 749	48	2 406	6 150
Business lending and other	162 214	78 802	864	67 514	503	2 154	6 462
Corporate & Investment Banking	562 565	323 121	4 211	199 817	20 830	2 952	2 822
Corporate and sovereign lending	416 304	185 004	4 199	193 220	20 072	2 177	2 820
Bank lending	146 261	138 117	12	6 597	758	775	2
Central and other	(58 522)	(58 522)					
Gross loans and advances	1 222 435	535 693	5 256	538 656	30 440	13 417	52 955
Percentage of total book (%)	100	43.8	0.4	44.1	2.5	1.1	4.3
Gross loans and advances at amortised cost	1 222 435						
Gross loans and advances at fair value	1 227						
Total gross loans and advances	1 223 662						

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.

	Total stage 1 and 2 loans Rm	Total stage 3 loans Rm	Securities and expected recoveries on stage 3 exposures loans Rm	Balance sheet expected credit loss and interest in suspense on stage 3 Rm	Gross stage 3 loans coverage ratio %	Stage 3 exposures ratio %
	681 186	37 206	18 824	18 382	49	5.2
	347 484	20 659	12 632	8 027	39	5.6
	88 858	3 942	1 995	1 947	49	4.2
	32 043	1 567	358	1 209	77	4.7
	212 801	11 038	3 839	7 199	65	4.9
	56 502	5 123	1 018	4 105	80	8.3
	156 299	5 915	2 821	3 094	52	3.6
	553 753	8 812	3 902	4 910	56	1.6
	407 492	8 812	3 902	4 910	56	2.1
	146 261					
	(58 522)					
	1 176 417	46 018	22 726	23 292	51	3.8
	96.2	3.8	1.9	1.9		

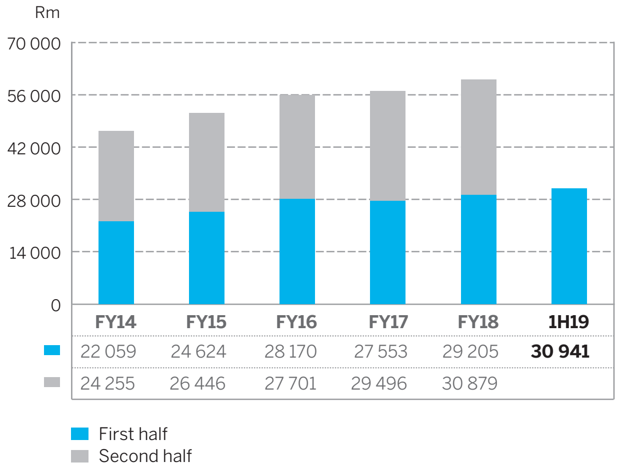
CREDIT IMPAIRMENT ANALYSIS
LOANS AND ADVANCES PERFORMANCE

	Gross carrying loans and advances	SB 1 – 12		SB 13 – 20		SB 21 – 25	
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
	Rm	Rm	Rm	Rm	Rm	Rm	Rm
1H18							
Personal & Business Banking	683 361	202 420	1 995	372 391	8 172	12 017	51 163
Mortgage loans	353 357	111 812	1 764	185 817	3 508	3 951	28 214
Vehicle and asset finance	85 327	6 950	46	66 386	1 249	362	6 705
Card debtors	33 336	2 083		24 860	987	160	3 177
Other loans and advances	211 341	81 575	185	95 328	2 428	7 544	13 067
Personal unsecured lending	55 368	849		41 554	39	1 764	5 809
Business lending and other	155 973	80 726	185	53 774	2 389	5 780	7 258
Corporate & Investment Banking	469 039	267 833	6 591	165 095	14 026	3 024	3 842
Corporate and sovereign lending	363 126	178 773	6 591	150 650	13 383	1 421	3 680
Bank lending	105 913	89 060		14 445	643	1 603	162
Central and other	(52 504)	(52 504)					
Gross loans and advances	1 099 896	417 749	8 586	537 486	22 198	15 041	55 005
Percentage of total book (%)	100	38.0	0.8	48.9	2.0	1.3	5.0
Gross loans and advances at amortised cost	1 099 896						
Gross loans and advances at fair value	1 834						
Total gross loans and advances	1 101 730						
FY18							
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
Vehicle and asset finance	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						

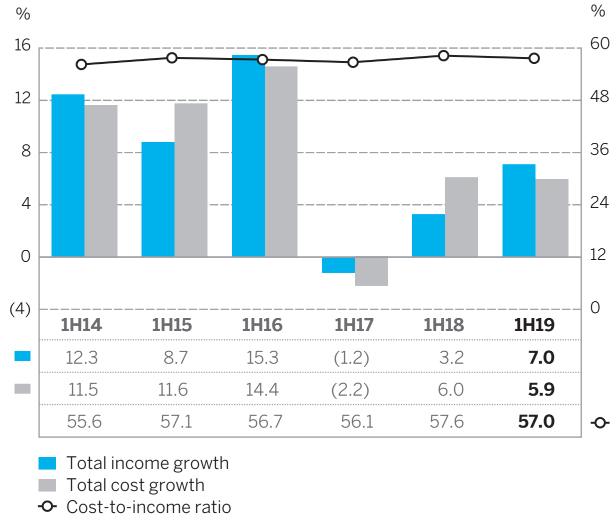
Total stage 1 and 2 loans Rm	Total stage 3 loans Rm	Securities and expected recoveries on stage 3 exposures loans Rm	Balance sheet expected credit loss and interest in suspense on stage 3 Rm	Gross stage 3 loans coverage ratio %	Stage 3 exposures ratio %
648 158	35 203	17 275	17 928	51	5.2
335 066	18 291	11 545	6 746	37	5.2
81 698	3 629	1 818	1 811	50	4.3
31 267	2 069	461	1 608	78	6.2
200 127	11 214	3 451	7 763	69	5.3
50 015	5 353	1 033	4 320	81	9.7
150 112	5 861	2 418	3 443	59	3.8
460 412	8 627	2 924	5 703	66	1.8
354 499	8 627	2 924	5 703	66	2.4
105 913					
(52 504)					
1 056 066	43 830	20 199	23 631	54	4.0
96.1	3.9	1.8	2.2		
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	2.0		

OPERATING EXPENSES

Operating expenses
CAGR (1H14 – 1H19): 7%



Cost and income growth



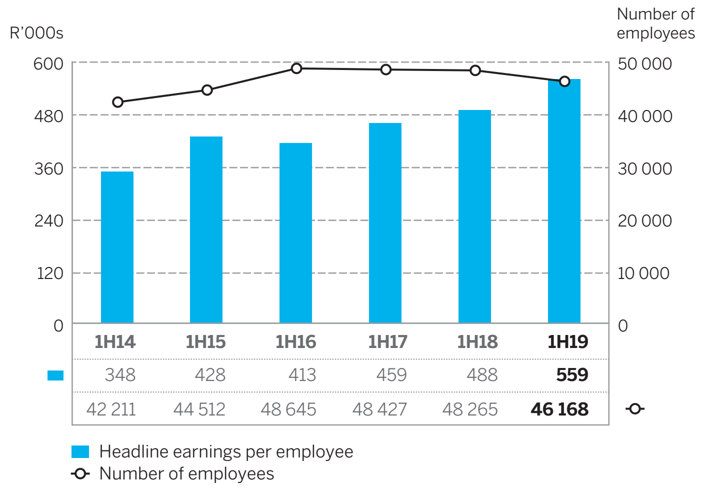
	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Staff costs					
Fixed remuneration	6	7	**12 235**	11 423	23 496
Variable remuneration	(3)	(2)	**3 831**	3 894	7 703
Charge for incentive payments	(8)	(7)	**2 641**	2 838	5 592
IFRS 2 charge: cash-settled share schemes	11	17	**342**	293	549
IFRS 2 charge: equity-settled share schemes	11	11	**848**	763	1 562
Other staff costs	0	1	**1 343**	1 333	2 574
Total staff costs	3	5	**17 409**	16 650	33 773
Variable remuneration as a % of total staff costs			**22.0**	23.4	22.8
Other operating expenses[1]					
Information technology	11	12	**3 484**	3 110	6 379
Amortisation of intangible assets	2	2	**1 230**	1 205	2 437
Depreciation	85	87	**2 313**	1 234	2 542
Premises	(37)	(36)	**1 237**	1 947	4 052
Professional fees	5	7	**848**	791	2 013
Communication	1	2	**531**	519	1 117
Marketing and advertising	(10)	(10)	**874**	966	1 954
Other	4	8	**3 015**	2 783	5 817
Total other operating expenses	6	8	**13 532**	12 555	26 311
Total operating expenses	4	6	**30 941**	29 205	60 084
Total income	6	7	**54 277**	50 710	105 331
Cost-to-income ratio (%)			**57.0**	57.6	57.0
Jaws (%)			**1.1**	(2.8)	(2.8)

[1] The group has, as permitted by IFRS 16 Leases (IFRS 16), 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 17 Leases (IAS 17) basis. Refer to pages 92 – 95 for more detail on the adoption of IFRS 16.

Analysis of total information technology function spend

	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
IT staff costs	0	0	**1 916**	1 919	4 065
Information technology licences, maintenance and related costs	11	12	**3 484**	3 110	6 379
Amortisation of intangible assets	2	2	**1 230**	1 205	2 437
Depreciation and other expenses	(7)	(6)	**1 202**	1 278	2 570
Total information technology function spend	4	4	**7 832**	7 512	15 451

Banking activities headline earnings per employee



	Change %	1H19	1H18	FY18
Headcount by business unit				
Personal & Business Banking	(5)	**26 570**	27 862	27 470
Corporate & Investment Banking	(3)	**3 667**	3 763	3 755
Central and other (including corporate functions)	(4)	**15 931**	16 640	16 194
Banking activities	(4)	**46 168**	48 265	47 419
Headcount by geography				
South Africa	(5)	**31 201**	32 880	32 162
Africa Regions	(3)	**14 352**	14 749	14 618
International	(3)	**615**	636	639
Banking activities	(4)	**46 168**	48 265	47 419

Staff costs and headcount

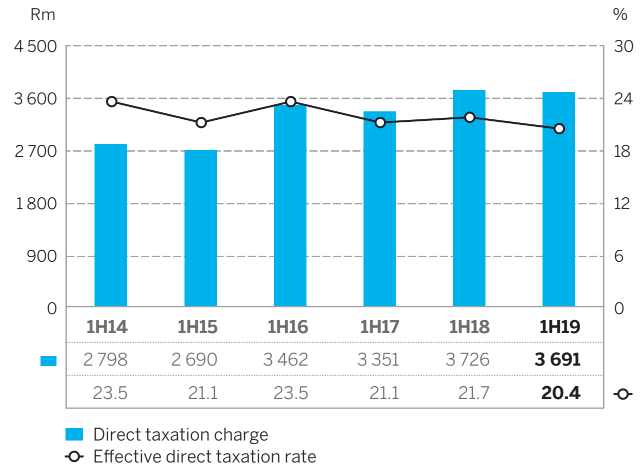
- Natural attrition and branch reconfiguration accounted for the reduction in headcount with fixed remuneration growth linked to annual salary increases.
- Increased cash and equity-settled scheme provision as a result of higher SBK share price and higher awards.

Other operating expenses

- Increase in information technology spend due to:
  - Higher spend on digital capabilities in line with customer journeys and experience.
  - Increased software licence costs due to spend on enterprise projects across business.
- The adoption of IFRS 16 as at 1 January 2019 with a prospective treatment, contributed to higher depreciation charge and lower premises costs compared to the prior period.
- Increased professional fees mainly relating to consultants' costs as the bank accelerates its digitisation initiatives.
- Higher depositor insurance expenses incurred, aligned with deposit growth in Nigeria.

TAXATION

Direct taxation charge and effective direct taxation rate



Direct taxation rate reconciliation

	1H19 %	1H18 %	FY18 %
Direct taxation – statutory rate	**28.0**	28.0	28.0
Prior period tax	**0.0**	0.1	(0.1)
Total direct taxation – current period	**28.0**	28.1	27.9
Capital gains tax	**(0.2)**	0.0	0.0
Adjustments: Foreign tax and withholdings tax	**2.8**	2.7	2.5
Normal direct taxation – current period	**30.6**	30.8	30.4
Permanent differences:	**(10.2)**	(9.1)	(9.1)
Non-taxable income – capital profit	**(0.1)**	0.0	0.0
Non-taxable income – dividends	**(4.7)**	(4.3)	(4.1)
Non-taxable income – other	**(6.7)**	(6.6)	(6.3)
Effects of profits taxed in different jurisdictions	**(1.0)**	(0.9)	(0.7)
Other	**2.3**	2.7	2.0
Effective direct taxation rate	**20.4**	21.7	21.3

LIQUIDITY AND CAPITAL MANAGEMENT

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LIQUIDITY MANAGEMENT

Liquidity management overview

- Appropriate liquidity buffers were held in line with the assessment of liquidity risk in stressed market conditions, across the geographies in which the group operates.
- 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 growth strategies.
- The group continues to leverage its extensive client franchises to ensure that it has the appropriate amount, tenor and diversification of funding to support its current and forecast asset base while minimising cost of funding.
- The group maintained both the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) in excess of the minimum regulatory requirements of 100% during the first half of 2019.
- The group successfully increased longer-term funding in excess of 12 months, raising R20.3 billion through a combination of negotiable certificate of deposits, senior debt and syndicated loans. SBG successfully issued a USD400 million tier II Eurobond as well as R1 billion tier II capital and R1.9 billion Additional tier 1 notes during the first half of 2019, the proceeds of which have been invested in SBSA on the same terms and conditions.

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.

	1H19 Rbn	1H18 Rbn	FY18 Rbn
Eligible LCR HQLA[1] comprising:	**274.5**	266.5	301.3
Notes and coins	**15.1**	14.9	20.3
Balances with central banks	**34.8**	36.7	42.6
Government bonds and bills	**177.1**	171.1	194.4
Other eligible liquid assets	**47.5**	43.8	44.0
Managed liquidity	**138.0**	77.0	83.8
Total contingent liquidity	**412.5**	343.5	385.1
Total contingent liquidity as a % of funding-related liabilities	**28.9**	26.5	27.6

[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 daily observations over the respective quarters.

	1H19 Rbn	1H18 Rbn	FY18 Rbn
SBG[1]			
Total HQLA	**264.3**	249.6	275.3
Net cash outflows	**213.7**	205.7	235.8
LCR (%)	**123.7**	121.3	116.8
SBSA[2]			
Total HQLA	**172.8**	169.4	179.1
Net cash outflows	**133.3**	158.5	162.6
LCR (%)	**129.6**	106.9	110.1
Minimum requirement (%)	**100.0**	90.0	90.0

[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 for the respective quarter 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.

	1H19 Rbn	1H18 Rbn	FY18 Rbn
SBG			
Available stable funding	**1 125.2**	1 052.5	1 070.3
Required stable funding	**946.8**	855.1	902.2
NSFR (%)	**118.8**	123.1	118.6
SBSA[1]			
Available stable funding	**812.3**	736.5	761.1
Required stable funding	**746.9**	680.5	718.4
NSFR (%)	**108.8**	108.2	105.9
Minimum requirement (%)	**100.0**	100.0	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]

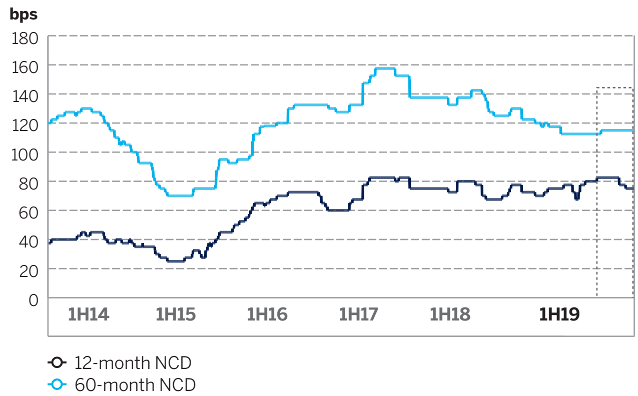
	1H19 Rbn	1H18 Rbn	FY18 Rbn
Corporate funding	**405**	390	418
Retail deposits[2]	**381**	364	378
Institutional funding	**351**	281	305
Government and parastatals	**97**	78	86
Interbank funding	**75**	73	88
Senior debt	**61**	57	59
Term loan funding	**23**	28	29
Subordinated debt issued	**28**	19	21
Other liabilities to the public	**4**	4	9
Total banking activities Funding-related liabilities	**1 425**	1 294	1 393

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

Funding costs

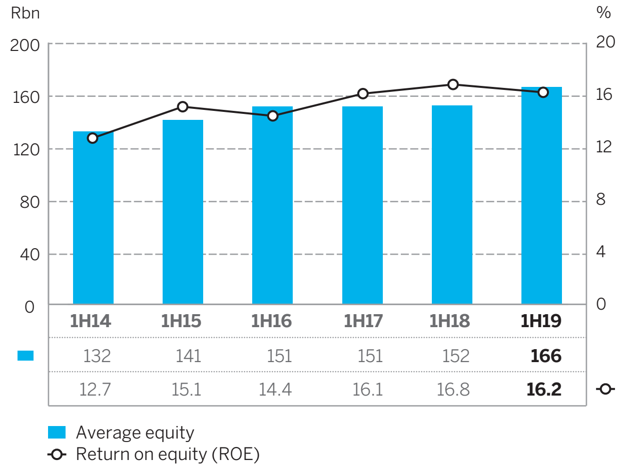
- The market cost of liquidity is measured as the spread paid on NCDs relative to the prevailing reference rate.
- For the period under review there was a marginal increase in cost of liquidity in the 60-month tenor in the NCD and senior debt market. The cost of liquidity in the 12-month tenor recorded a decrease of 5 bps over the six month period. Issuers of senior debt have seen healthy subscriptions driven by strong appetite for bank credit.

SBSA 12 and 60-month liquidity spread



RETURN ON EQUITY, COST OF EQUITY AND ECONOMIC RETURNS

Return on ordinary shareholders' equity – group
CAGR (1H14 – 1H19): 5%



ROE and average equity

	1H19		1H18		FY18	
	Average equity Rm	**ROE %**	Average equity Rm	ROE %	Average equity Rm	ROE %
Personal & Business Banking	**72 885**	**19.9**	69 067	19.6	70 958	21.9
Corporate & Investment Banking	**64 438**	**19.3**	55 737	20.5	58 038	19.2
Central and other	**9 970**	**(11.4)**	9 679	(14.6)	8 183	(10.7)
Banking activities	**147 293**	**17.5**	134 483	17.5	137 179	18.8
Other banking interests	**7 739**	**(8.3)**	7 334	3.6	7 439	5.6
Liberty	**11 096**	**15.9**	10 328	16.7	10 519	15.2
Standard Bank Group	**166 128**	**16.2**	152 145	16.8	155 137	18.0

Cost of equity estimates[1]

	Average 1H19 %	Average 1H18 %	Average FY18 %
Standard Bank Group	**13.9**	13.6	14.0
Banking activities	**14.0**	13.7	14.0

[1] Estimated using the capital asset pricing model, by applying estimates of risk free rate, 8.9% (1H18: 8.7%), equity risk premium, 6.2% (1H18: 6.3%) and beta 79.9% (1H18: 79.0%). Beta for banking activities estimated at 80.8% (1H18: 80.2%).

Economic returns

	Change %	**1H19 Rm**	1H18 Rm	FY18 Rm
Average ordinary shareholders' equity	9	**166 128**	152 145	155 137
Headline earnings	6	**13 361**	12 663	27 865
Cost of equity charge	12	**(11 451)**	(10 261)	(21 719)
Economic returns	(20)	**1 910**	2 402	6 146

CURRENCY TRANSLATION EFFECTS AND ECONOMIC CAPITAL

Movement in group foreign currency translation and net investment hedging reserve

	1H19 Rm	1H18 Rm	FY18 Rm
Balance at beginning of the period: debit	**(2 783)**	(7 099)	(7 099)
Translation and hedge reserve increase/(decrease) for the period	**(3 741)**	3 824	4 316
Translation reserve increase/(decrease)	**(3 741)**	3 824	4 480
Africa Regions	**(3 271)**	2 885	3 056
International	**(461)**	874	1 301
Liberty	**(9)**	65	123
Currency hedge losses			(164)
Balance at end of the period: debit	**(6 524)**	(3 275)	(2 783)

Economic capital utilisation by risk type

	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Credit risk	2	**79 434**	78 204	83 422
Equity risk	3	**7 457**	7 210	7 730
Market risk	21	**1 044**	866	1 035
Operational risk	16	**15 015**	12 895	14 163
Business risk	(4)	**3 931**	4 096	3 882
Interest rate risk in the banking book	(3)	**4 563**	4 697	4 197
Economic capital requirement	3	**111 444**	107 968	114 429
Available financial resources	18	**178 524**	151 427	166 992
Economic capital coverage ratio (times)		**1.60**	1.40	1.46

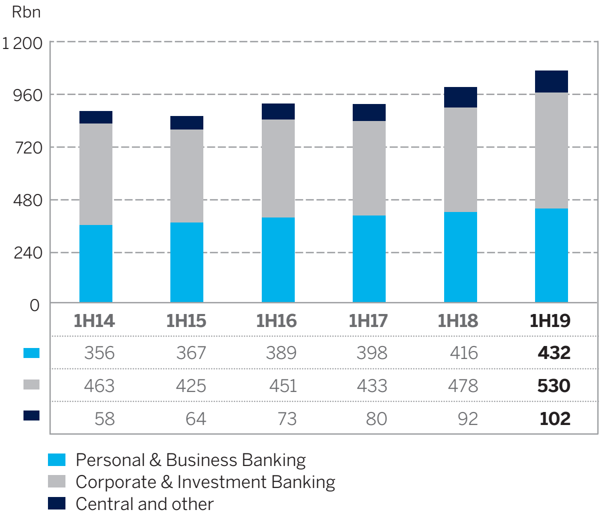
Economic capital utilisation by business unit

	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Personal & Business Banking	8	**29 225**	27 025	27 442
Corporate & Investment Banking	(2)	**72 973**	74 520	76 016
Other banking interests and other	44	**9 246**	6 423	10 971
Economic capital requirement	3	**111 444**	107 968	114 429

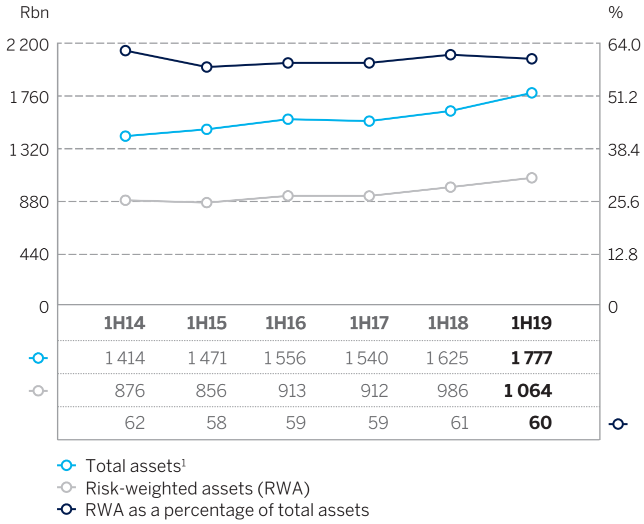
RISK-WEIGHTED ASSETS

Risk-weighted assets (RWA) by business unit

CAGR (1H14 – 1H19): Personal & Business Banking 4%
Corporate & Investment Banking 3%
Central and other 12%



Risk-weighted assets and total assets



[1] Banking activities and other banking interest.

By business unit and risk type

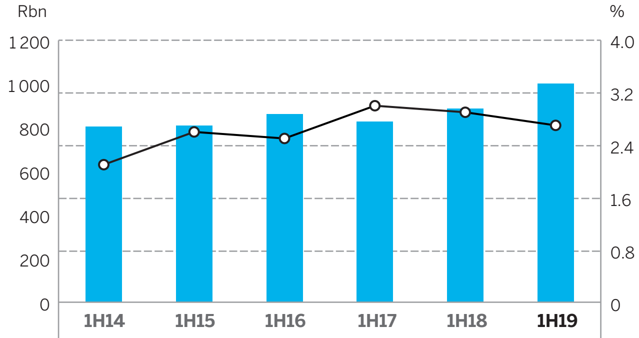
	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Personal & Business Banking	4	**431 932**	415 808	437 755
Credit risk	3	**328 794**	319 695	336 135
Operational risk	6	**99 368**	94 107	99 995
Market risk	>100	**1 796**	607	44
Equity risk in the banking book	41	**1 974**	1 399	1 581
Corporate & Investment Banking	11	**530 137**	478 372	539 158
Credit risk	11	**353 806**	319 927	363 809
Counterparty credit risk	19	**29 999**	25 261	27 338
Market risk	14	**73 182**	64 387	70 435
Operational risk	6	**63 190**	59 843	64 559
Equity risk in the banking book	11	**9 960**	8 954	13 017
Central and other	10	**101 797**	92 172	102 729
Credit risk	8	**43 111**	39 985	45 043
Operational risk	8	**3 768**	3 475	3 826
Equity risk in the banking book	1	**3 471**	3 445	3 473
RWA for investments in financial entities	14	**51 447**	45 267	50 387
Standard Bank Group	8	**1 063 866**	986 352	1 079 642

By risk type

	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Credit risk	7	**725 711**	679 606	744 987
Counterparty credit risk	19	**29 999**	25 261	27 338
Market risk	15	**74 978**	64 995	70 479
Operational risk	6	**166 326**	157 425	168 380
Equity risk in the banking book	12	**15 405**	13 798	18 071
RWA for investments in financial entities	14	**51 447**	45 267	50 387
Standard Bank Group	8	**1 063 866**	986 352	1 079 642

RETURN ON RISK-WEIGHTED ASSETS

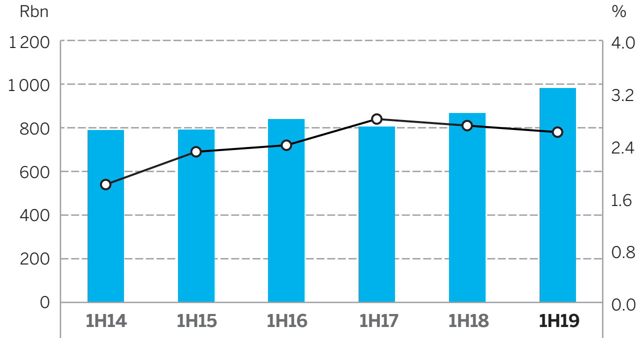
SBG return on average RWA



	1H14	1H15	1H16	1H17	1H18	1H19
Average RWA[1] (Rbn)	804	810	861	827	888	**1 001**
Return on average RWA (%)	2.1	2.6	2.5	3.0	2.9	**2.7**

Average RWA[1]
Return on average RWA

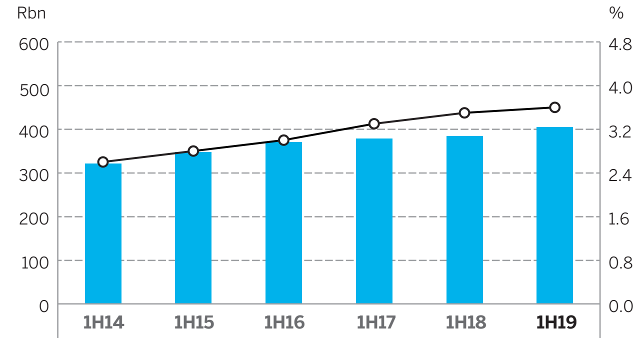
Banking activities return on average RWA



	1H14	1H15	1H16	1H17	1H18	1H19
Average RWA[1] (Rbn)	789	792	839	805	868	**981**
Return on average RWA (%)	1.8	2.3	2.4	2.8	2.7	**2.6**

Average RWA[1]
Return on average RWA

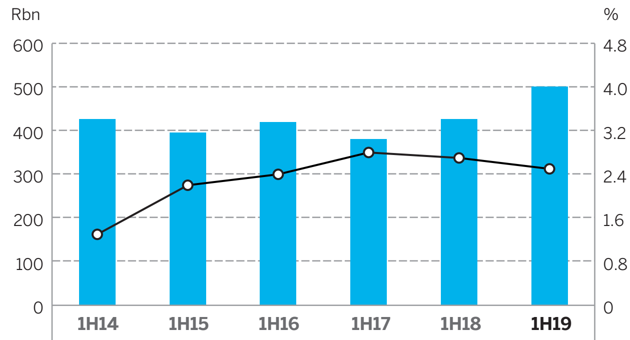
PBB return on average RWA



	1H14	1H15	1H16	1H17	1H18	1H19
Average RWA[1] (Rbn)	321	348	370	378	384	**405**
Return on average RWA (%)	2.6	2.8	3.0	3.3	3.5	**3.6**

Average RWA[1]
Return on average RWA

CIB return on average RWA



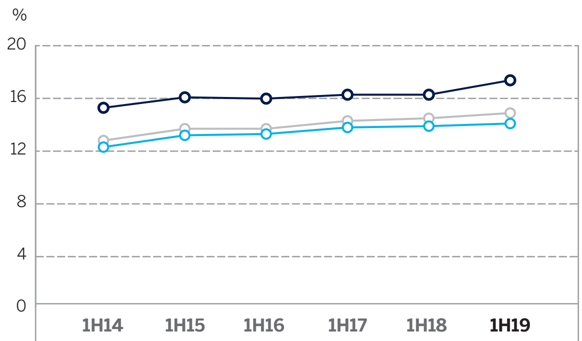
	1H14	1H15	1H16	1H17	1H18	1H19
Average RWA[1] (Rbn)	426	396	420	381	427	**501**
Return on average RWA (%)	1.3	2.2	2.4	2.8	2.7	**2.5**

Average RWA[1]
Return on average RWA

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

CAPITAL ADEQUACY

Capital adequacy[1]
(including unappropriated profit)



	1H14	1H15	1H16	1H17	1H18	1H19
Common equity tier 1 capital	12.2	13.1	13.2	13.7	13.8	**14.0**
Tier 1 capital	12.7	13.6	13.6	14.2	14.4	**14.8**
Total regulatory capital	15.2	16.0	15.9	16.2	16.2	**17.3**

Common equity tier 1 capital
Tier 1 capital
Total regulatory capital

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

Qualifying regulatory capital excluding unappropriated profit

	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Ordinary shareholders' equity	8	**168 034**	155 834	165 061
Qualifying non-controlling interest	21	**5 990**	4 968	5 451
Regulatory adjustments	2	**(25 231)**	(24 782)	(24 628)
Goodwill	2	**(2 164)**	(2 128)	(2 208)
Other intangible assets	(8)	**(16 794)**	(18 225)	(17 703)
Investments in financial entities	(3)	**(8 690)**	(8 960)	(8 616)
Other adjustments including IFRS 9 phase-in	(47)	**2 417**	4 531	3 899
Total common equity tier 1 capital (including unappropriated profit)	9	**148 793**	136 020	145 884
Unappropriated profit	13	**(11 600)**	(10 248)	(11 643)
Common equity tier 1 capital	9	**137 193**	125 772	134 241
Qualifying other equity instruments	34	**7 684**	5 742	5 702
Qualifying non-controlling interest	>100	**931**	293	385
Tier 1 capital	11	**145 808**	131 807	140 328
Qualifying tier 2 subordinated debt	56	**23 294**	14 931	17 545
General allowance for credit impairments	37	**3 435**	2 506	2 776
Tier 2 capital	53	**26 729**	17 437	20 321
Total regulatory capital	16	**172 537**	149 244	160 649

Capital adequacy ratios (phased-in)[1]

			Excluding unappropriated profit			**Including unappropriated profit**		
	Internal target ratios[2] %	SARB minimum regulatory requirement[3] %	**1H19 %**	1H18 %	FY18 %	**1H19 %**	1H18 %	FY18 %
Common equity tier 1 capital adequacy ratio	11.0 – 12.5	7.5	**12.9**	12.8	12.4	**14.0**	13.8	13.5
Tier 1 capital adequacy ratio	12.0 – 13.0	9.3	**13.7**	13.4	13.0	**14.8**	14.4	14.1
Total capital adequacy ratio	15.0 – 16.0	11.5	**16.2**	15.1	14.9	**17.3**	16.2	16.0

[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 1H19 %	Excluding unappropriated profit 1H18 %	Excluding unappropriated profit FY18 %	Including unappropriated profit 1H19 %	Including unappropriated profit 1H18 %	Including unappropriated profit FY18 %
Common equity tier 1 capital adequacy ratio	11.0 – 12.5	7.5	**12.6**	12.3	12.0	**13.7**	13.3	13.1
Tier 1 capital adequacy ratio	12.0 – 13.0	9.3	**13.4**	12.9	12.6	**14.5**	13.9	13.6
Total capital adequacy ratio	15.0 – 16.0	11.5	**16.1**	14.9	14.7	**17.2**	16.0	15.8

[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 %	1H19 Tier 1 capital %	1H19 Total capital %	1H18 Tier 1 capital %	1H18 Total capital %	FY18 Tier 1 capital %	FY18 Total capital %
Standard Bank Group	9.3	11.5	**14.8**	**17.3**	14.4	16.2	14.1	16.0
The Standard Bank of South Africa Group (SBSA Group)	9.3	11.5	**14.0**	**17.6**	13.7	16.0	13.3	15.7
Africa Regions								
Stanbic Bank Botswana	7.5	15.0	**10.6**	**18.0**	11.2	18.9	8.5	17.3
Stanbic Bank Ghana	11.0	13.0	**14.7**	**16.7**	19.4	22.4	17.8	20.5
Stanbic Bank Kenya	10.5	14.5	**14.4**	**17.7**	14.7	17.4	14.3	17.1
Stanbic Bank S.A. (Ivory Coast)[2]	7.3	8.3	**95.5**	**95.5**	>100	>100	71.6	71.6
Stanbic Bank Tanzania	12.5	14.5	**15.0**	**17.0**	14.3	16.3	14.7	16.7
Stanbic Bank Uganda	10.0	12.0	**16.8**	**19.5**	15.4	18.2	16.1	18.7
Stanbic Bank Zambia	5.0	10.0	**16.6**	**19.2**	16.5	19.2	15.7	18.3
Stanbic Bank Zimbabwe	8.0	12.0	**13.8**	**16.7**	18.8	21.6	21.4	23.9
Stanbic IBTC Bank Nigeria		10.0	**17.7**	**21.7**	18.5	23.0	17.2	21.5
Standard Bank de Angola		10.0	**29.8**	**34.5**	27.2	37.4	27.3	32.4
Standard Bank Malawi	10.0	15.0	**20.1**	**22.2**	17.9	20.9	19.5	21.7
Standard Bank Mauritius	9.9	11.9	**34.0**	**35.0**	29.3	30.2	24.1	25.0
Standard Bank Mozambique		11.0	**17.1**	**18.5**	16.6	18.5	18.0	19.4
Standard Bank Namibia	8.0	10.5	**10.6**	**13.1**	10.9	13.9	10.4	12.7
Standard Bank RDC (DRC – Congo)	5.0	10.0	**29.2**	**31.7**	32.0	37.4	27.9	30.4
Standard Bank eSwatini	5.5	8.0	**8.9**	**14.0**	7.9	11.9	9.8	13.9
Standard Lesotho Bank	6.0	8.0	**22.9**	**17.9**	21.9	16.2	21.7	16.4
International								
Standard Bank Isle of Man	8.5	10.0	**21.6**	**21.6**	13.4	13.5	21.2	21.2
Standard Bank Jersey	8.5	11.0	**21.2**	**21.3**		13.4		20.5
Capital adequacy ratio – times covered								
Standard Insurance Limited (SIL)[3]								
Solvency capital requirement coverage ratio				**2.56**				1.95
Liberty Group Limited[3]								
Solvency capital requirement coverage ratio				**1.85**				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] 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	1H19 Carrying value[1] Rm	1H19 Notional value[1] Rm	1H18 Carrying value[1] Rm	1H18 Notional value[1] Rm	FY18 Carrying value[1] Rm	FY18 Notional value[1] Rm
Subordinated debt – banking activities									
Standard Bank Group Limited				**11 780**	**11 644**	3 040	3 000	5 057	5 000
SBT 201[2,3]	13 Feb 2028	13 Feb 2023	ZAR 3 000	**3 041**	**3 000**	3 040	3 000	3 041	3 000
SBT 202[2,3]	3 Dec 2028	3 Dec 2023	ZAR 1 516	**1 528**	**1 516**			1 528	1 516
SBT 203[2,3]	3 Dec 2028	3 Dec 2023	ZAR 484	**488**	**484**			488	484
SBT 204[2,3]	16 Apr 2029	16 Apr 2024	ZAR 1000	**1 020**	**1 000**				
SBT 205[2,3]	31 May 2029	31 May 2024	USD 400	**5 703**	**5 644**				
SBSA Group				**13 829**	**13 580**	13 801	13 580	13 793	13 580
SBK 17	30 Jul 2024	30 Jul 2019	ZAR 2 000	**2 032**	**2 000**	2 031	2 000	2 032	2 000
SBK 19	24 Oct 2024	24 Oct 2019	ZAR 500	**509**	**500**	508	500	509	500
SBK 20[2]	2 Dec 2024	2 Dec 2019	ZAR 2 250	**2 268**	**2 250**	2 267	2 250	2 269	2 250
SBK 21[2]	28 Jan 2025	28 Jan 2020	ZAR 750	**764**	**750**	763	750	764	750
SBK 22[2]	28 May 2025	28 May 2020	ZAR 1 000	**1 010**	**1 000**	1 010	1 000	1 010	1 000
SBK 24[2]	19 Oct 2025	19 Oct 2020	ZAR 880	**898**	**880**	898	880	899	880
SBK 18	24 Oct 2025	24 Oct 2020	ZAR 3 500	**3 562**	**3 500**	3 561	3 500	3 563	3 500
SBK 25[2]	25 Apr 2026	25 Apr 2021	ZAR 1 200	**1 225**	**1 200**	1 224	1 200	1 225	1 200
SBK 26[2]	25 Apr 2026	25 Apr 2021	ZAR 500	**523**	**500**	520	500	511	500
SBK 23[2]	28 May 2027	28 May 2022	ZAR 1 000	**1 038**	**1 000**	1 019	1 000	1 011	1 000
Standard Bank eSwatini	29 Jun 2028	30 Jun 2023	E 100	**105**	**100**	100	100	105	100
Stanbic Botswana	15 Jun 2027	16 Jun 2022	BWP 200	**267**	**266**	264	264	269	268
Standard Bank Mozambique	2025	2020	MZN 1001	**242**	**228**	240	234	250	234
Stanbic Bank Kenya	2021-2029	2020-2024	KES 4 000/ USD 20	**842**	**835**	544	545	565	565
Stanbic IBTC Bank Nigeria	30 Sep 2024	1 Oct 2019	NGN 15 440	**622**	**606**	605	591	633	617
Standard Bank Namibia	23 Oct 2024	24 Oct 2019	NAD 100	**101**	**100**	101	100	102	100
Stanbic Bank Zambia	31 Oct 2024	1 Nov 2019	ZMK 37	**42**	**40**	51	51	45	45
Subordinated debt issued to group companies				**(121)**	**(118)**	(130)	(128)	(122)	(120)
Total subordinated debt – banking activities				**27 709**	**27 281**	18 616	18 337	20 697	20 389
Liberty (qualifying as regulatory insurance capital)			ZAR 5 500	**5 671**	**5 500**	4 571	4 500	5 662	5 500
Total subordinated debt				**33 380**	**32 781**	23 187	22 837	26 359	25 889

Other equity holders

	First callable date	Notional value LCm	1H19 Carrying value Rm	1H19 Notional value Rm	1H18 Carrying value Rm	1H18 Notional value Rm	FY18 Carrying value Rm	FY18 Notional value Rm
Cumulative preference share capital (SBKP)		ZAR 8	**8**	**8**	8	8	8	8
Non-cumulative preference share capital (SBPP)		ZAR 1	**5 495**	**1**	5 495	1	5 495	1
Total preference share capital			**5 503**	**9**	5 503	9	5 503	9
SBT 101[3]	31 Mar 2022	ZAR 1 744	**1 744**	**1 744**	1 744	1 744	1 744	1 744
SBT 102[3]	30 Sep 2022	ZAR 1 800	**1 800**	**1 800**	1 800	1 800	1 800	1 800
SBT 103[3]	31 Mar 2024	ZAR 1942	**1 942**	**1 942**				
Total AT1 capital bonds			**5 486**	**5 486**	3 544	3 544	3 544	3 544
Total other equity instruments			**10 989**	**5 495**	9 047	3 553	9 047	3 553

[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.
[3] SBSA on a reciprocal basis entered into subordinated AT1 and tier 2 capital lending agreements with SBG under identical terms.

KEY LEGAL ENTITY INFORMATION

THE STANDARD BANK OF SOUTH AFRICA

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AFRICA REGIONS LEGAL ENTITIES

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STANDARD BANK GROUP

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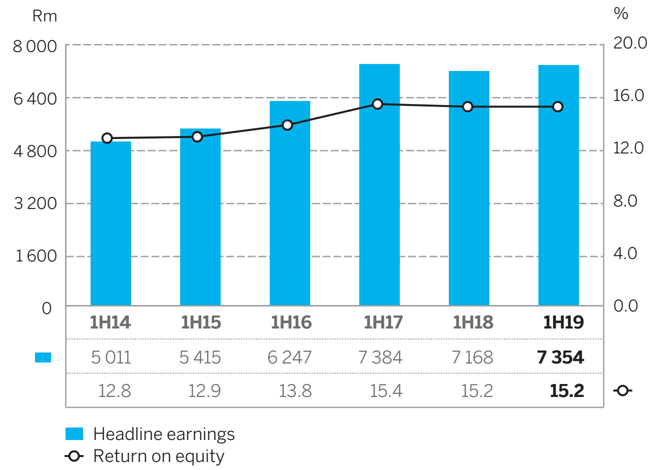
THE STANDARD BANK OF SOUTH AFRICA GROUP

KEY FINANCIAL RESULTS, RATIOS AND STATISTICS

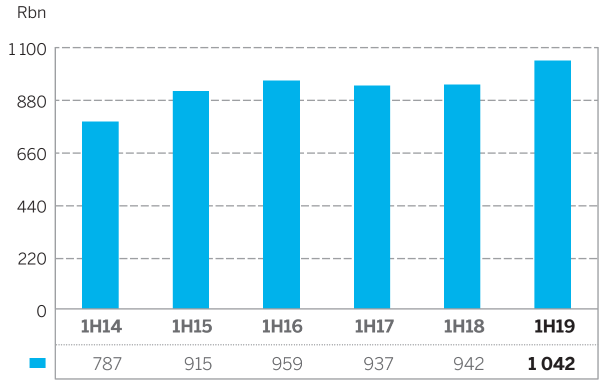
		Change %	1H19	1H18[1]	FY18
SBSA Group[2]					
Income statement					
Headline earnings	Rm	3	**7 354**	7 168	15 971
Headline earnings as consolidated into SBG[3]	Rm	3	**7 523**	7 285	16 021
Profit attributable to the ordinary shareholder	Rm	1	**7 257**	7 209	15 695
Statement of financial position					
Ordinary shareholders' equity	Rm	3	**98 023**	94 816	97 650
Total assets	Rm	9	**1 437 007**	1 316 150	1 360 262
Net loans and advances	Rm	11	**1 042 297**	942 039	966 335
Financial performance					
ROE	%		**15.2**	15.2	16.7
Non-interest revenue to total income	%		**41.5**	42.7	43.0
Loans-to-deposits ratio	%		**90.5**	90.1	87.2
Credit loss ratio	%		**0.73**	0.68	0.56
Credit loss ratio on loans to customers	%		**0.87**	0.75	0.63
Cost-to-income ratio	%		**61.7**	61.1	60.3
Jaws	%		**(1.0)**	(5.6)	(3.5)
Annualised effective direct taxation rate[4]	%		**19.3**	20.4	20.7
Number of employees		(5)	**30 713**	32 330	31 662
Capital adequacy					
Total risk-weighted assets	Rm		**648 364**	620 254	669 386
Common equity tier 1 capital adequacy ratio[5]	%		**13.1**	13.2	12.7
Tier 1 capital adequacy ratio[5]	%		**14.0**	13.7	13.3
Total capital adequacy ratio[5]	%		**17.6**	16.0	15.7
SBSA company[2]					
Headline earnings	Rm	3	**6 817**	6 589	14 872
Headline earnings as consolidated into SBG[3]	Rm	4	**6 986**	6 706	14 922
Total assets	Rm	9	**1 435 026**	1 314 462	1 359 504
ROE	%		**14.7**	14.3	16.1

[1] Restated. Refer to pages 90 – 91.
[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] This is the estimated annualised effective direct taxation rate.
[5] Represents the ratio after applying the SARB phase-in provision for IFRS 9. Refer to page 81 for details regarding the fully loaded ratios.

Headline earnings
CAGR (1H14 – 1H19): 8%



Net loans and advances – SBSA Group
CAGR (1H14 – 1H19): 6%



Key highlights

- Good loan growth supported net interest income. This was partly offset by pricing pressures in a competitive environment.
- Net fee and commission revenue impacted by the continued decline in transactional volumes through the traditional channels as clients switched to digital banking platforms.
- Trading revenue was impacted by lower client activity in the equities and interest rate trading businesses on the back of political uncertainty and negative emerging market sentiment. This was partly offset by foreign exchange revenue driven by limited market volatility.
- Good growth in other revenue was due to the increase in the VAF fleet rental revenue. This was offset by lower insurance fees due to reduced commission income received following the implementation of Retail Distribution Revenue.
- Interest income on certain debt instruments, together with the derecognition of 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 to IFRS 9.
- Higher stage 1 and 2 credit impairments due to advances growth in the personal unsecured lending portfolio, as well as higher stage 2 provisions in the corporate lending portfolio as result of the deterioration of credit quality. This was offset by a release in corporate lending.
- Prudent cost management and a reduction of headcount have resulted in a below inflation cost increase in operating expenses.

THE STANDARD BANK OF SOUTH AFRICA GROUP

INCOME STATEMENT

	Change %	Group 1H19 Rm	Group 1H18[1] Rm	Group FY18 Rm	Change %	Company 1H19 Rm	Company 1H18[1] Rm	Company FY18 Rm
Net interest income	5	**20 519**	19 545	39 831	3	**19 608**	19 021	38 616
Non-interest revenue	0	**14 575**	14 577	29 987	6	**14 340**	13 550	29 024
Net fee and commission revenue	(2)	**10 235**	10 413	21 185	3	**9 699**	9 396	20 096
Trading revenue	(7)	**2 587**	2 771	5 358	(9)	**2 535**	2 772	5 357
Other revenue	12	**1 487**	1 331	2 922	39	**1 840**	1 320	3 049
Other gains and losses on financial instruments	>100	**266**	62	522	>100	**266**	62	522
Total income	3	**35 094**	34 122	69 818	4	**33 948**	32 571	67 640
Credit impairment charges	6	**(3 467)**	(3 270)	(5 557)	6	**(3 466)**	(3 268)	(5 569)
Loans and advances	16	**(3 718)**	(3 202)	(5 425)	16	**(3 719)**	(3 200)	(5 437)
Financial investments	40	**(7)**	(5)	(7)	0	**(5)**	(5)	(7)
Letters of credit, guarantees and other	(>100)	**258**	(63)	(125)	(>100)	**258**	(63)	(125)
Net income before revenue sharing agreements	3	**31 627**	30 852	64 261	4	**30 482**	29 303	62 071
Revenue sharing agreements with group companies	(6)	**(334)**	(355)	(722)	(6)	**(334)**	(355)	(722)
Income before operating expenses	3	**31 293**	30 497	63 539	4	**30 148**	28 948	61 349
Operating expenses	4	**(21 431)**	(20 640)	(41 660)	7	**(20 994)**	(19 711)	(40 724)
Staff costs	4	**(12 008)**	(11 600)	(22 928)	4	**(11 758)**	(11 334)	(22 404)
Other operating expenses	4	**(9 423)**	(9 040)	(18 732)	10	**(9 236)**	(8 377)	(18 320)
Net income before non-trading and capital-related items, and equity accounted earnings	0	**9 862**	9 857	21 879	(1)	**9 154**	9 237	20 625
Non-trading and capital-related items	(>100)	**(129)**	50	(383)	(>100)	**(129)**	50	(383)
Share of profits from associates and joint ventures	(83)	**11**	64	129	(83)	**11**	64	129
Profit before indirect taxation	(2)	**9 744**	9 971	21 625	(3)	**9 036**	9 351	20 371
Indirect taxation	(7)	**(670)**	(718)	(1 418)	(7)	**(667)**	(715)	(1 412)
Profit before direct taxation	(2)	**9 074**	9 253	20 207	(3)	**8 369**	8 636	18 959
Direct taxation	(15)	**(1 600)**	(1 884)	(4 190)	(23)	**(1 422)**	(1 840)	(4 041)
Profit for the year	1	**7 474**	7 369	16 017	2	**6 947**	6 796	14 918
Attributable to other equity instrument holders	35	**(216)**	(160)	(322)	35	**(216)**	(160)	(322)
Attributable to non-controlling interests	(100)	**(1)**						
Attributable to the ordinary shareholder	1	**7 257**	7 209	15 695	1	**6 731**	6 636	14 596
Headline adjustable items	(>100)	**97**	(41)	276	(>100)	**86**	(47)	276
Headline earnings	3	**7 354**	7 168	15 971	3	**6 817**	6 589	14 872
IFRS 2 adjustment								
Staff costs net of taxation	44	**169**	117	50	44	**169**	117	50
Headlines earnings as consolidated into SBG[2]	3	**7 523**	7 285	16 021	4	**6 986**	6 706	14 922

[1] Restated. Refer to page 90 – 91.
[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.

THE STANDARD BANK OF SOUTH AFRICA GROUP

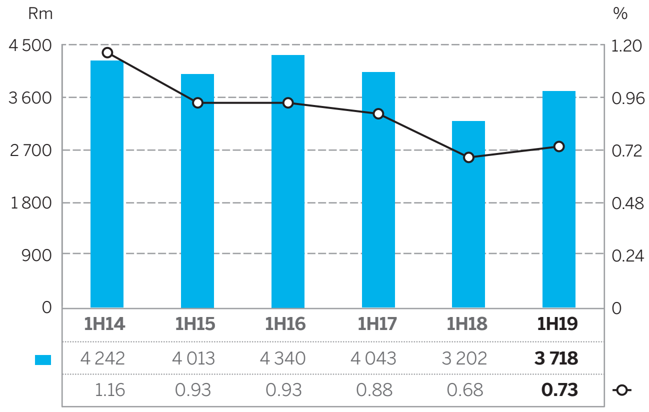
STATEMENT OF FINANCIAL POSITION

	Change %	Group 1H19 Rm	Group 1H18 Rm	Group FY18 Rm	Change %	Company 1H19 Rm	Company 1H18 Rm	Company FY18 Rm
Assets								
Cash and balances with the central banks	7	**33 352**	31 302	34 536	7	**33 352**	31 303	34 536
Derivative assets	(29)	**48 142**	67 878	50 471	(29)	**48 142**	67 878	50 471
Trading assets	12	**151 644**	134 827	161 330	10	**148 704**	134 827	161 026
Pledged assets	(61)	**2 544**	6 580	674	(61)	**2 544**	6 580	674
Financial investments	19	**107 333**	90 472	105 438	18	**108 264**	91 823	106 332
Loans and advances	11	**1 042 297**	942 039	966 335	11	**1 039 192**	938 597	964 691
Loans and advances to banks	26	**138 193**	109 695	96 769	27	**137 397**	108 555	103 583
Loans and advances to customers	9	**904 104**	832 344	869 566	9	**901 795**	830 042	861 108
Other assets	22	**19 735**	16 227	13 071	20	**19 894**	16 584	12 979
Interest in associates and joint ventures	26	**1 129**	898	1 017	>100	**4 254**	1 060	1 520
Property and equipment	70	**14 015**	8 236	10 284	70	**13 994**	8 212	10 262
Goodwill and other intangible assets	(5)	**16 816**	17 691	17 106	(5)	**16 686**	17 598	17 013
Total assets[1]	9	**1 437 007**	1 316 150	1 360 262	9	**1 435 026**	1 314 462	1 359 504
Equity and liabilities								
Equity	5	**103 581**	98 366	101 200	4	**99 572**	95 573	97 583
Equity attributable to the ordinary shareholder	3	**98 023**	94 816	97 650	2	**94 086**	92 029	94 039
Ordinary share capital	0	**60**	60	60	0	**60**	60	60
Ordinary share premium	2	**45 188**	44 388	44 388	2	**45 188**	44 388	44 388
Reserves	5	**52 775**	50 368	53 202	3	**48 838**	47 581	49 591
Equity attributable to the other equity holders	55	**5 486**	3 544	3 544	55	**5 486**	3 544	3 544
Equity attributable to non-controlling interest	>100	**72**	6	6				
Liabilities[1]	9	**1 333 426**	1 217 784	1 259 062	10	**1 335 454**	1 218 889	1 261 921
Derivative liabilities	(28)	**50 737**	70 465	51 748	(28)	**50 737**	70 465	51 748
Trading liabilities	22	**72 215**	59 433	58 867	22	**72 215**	59 433	58 861
Deposits and debt funding	10	**1 152 025**	1 045 937	1 108 799	10	**1 154 865**	1 048 231	1 112 219
Deposits from banks	(4)	**160 525**	166 989	171 331	(4)	**161 876**	167 946	173 571
Deposits from customers	13	**991 500**	878 948	937 468	13	**992 989**	880 285	938 648
Subordinated debt	52	**25 609**	16 841	18 850	52	**25 611**	16 841	18 850
Provisions and other liabilities	31	**32 840**	25 108	20 798	34	**32 026**	23 919	20 243
Total equity and liabilities	9	**1 437 007**	1 316 150	1 360 262	9	**1 435 026**	1 314 462	1 359 504

[1] Interest in group companies and liabilities to group companies was restated. Refer to restatement on page 91.

THE STANDARD BANK OF SOUTH AFRICA GROUP
CREDIT IMPAIRMENT CHARGES

Credit impairment charges on loans and advances
CAGR (1H14 – 1H19): (3%)



Income statement credit impairment charges for loans and advances

	Change %	1H19 Stage 1 Rm	Stage 2[2] Rm	Total stage 1 and 2 Rm	Stage 3[2] Rm	Total credit impairment charges Rm	Total credit loss ratio %
Personal & Business Banking	3	86	302	388	2 594	2 982	1.06
Mortgage loans	(1)	(41)	(124)	(165)	739	574	0.34
Instalment sale and finance leases	24	38	36	74	342	416	1.05
Card debtors	(10)	(9)	70	61	458	519	3.23
Other loans and advances	6	98	320	418	1 055	1 473	2.65
Personal unsecured lending	16	104	250	354	759	1 113	5.26
Business lending and other	(16)	(6)	70	64	296	360	1.04
Corporate & Investment Banking	>100	156	187	343	393	736	0.33
Corporate and sovereign lending	>100	155	193	348	393	741	
Bank lending	(58)	1	(6)	(5)		(5)	
Total loans and advances credit impairment charges	16	242	489	731	2 987	3 718	0.73
Credit impairment charge – financial investments						7	
Credit impairment charge – letters of credit, guarantees and other						(258)	
Total credit impairment charges						3 467	

[1] Restated. Refer to pages 90 – 91.
[2] Includes post write-off recoveries and modification gains and losses.

1H18[1]						FY18					
Stage 1 Rm	Stage 2[2] Rm	Total stage 1 and 2 Rm	Stage 3[2] Rm	Total credit impairment charges Rm	Total credit loss ratio %	Stage 1 Rm	Stage 2[2] Rm	Total stage 1 and 2 Rm	Stage 3[2] Rm	Total credit impairment charges Rm	Total credit loss ratio %
(270)	384	114	2 774	2 888	1.07	(247)	10	(237)	4 781	4 544	0.83
(47)	235	188	392	580	0.35	(100)	25	(75)	861	786	0.24
(93)	42	(51)	386	335	0.92	2	(67)	(65)	601	536	0.72
9	123	132	447	579	3.67	(53)	219	166	794	960	2.98
(139)	(16)	(155)	1 549	1 394	2.61	(96)	(167)	(263)	2 525	2 262	2.12
(7)	33	26	937	963	4.88	79	(58)	21	1 492	1 513	3.74
(132)	(49)	(181)	612	431	1.28	(175)	(109)	(284)	1 033	749	1.14
(57)	(643)	(700)	1 014	314	0.15	50	(713)	(663)	1 544	881	0.21
(45)	(643)	(688)	1 014	326		60	(718)	(658)	1 544	886	
(12)		(12)		(12)		(10)	5	(5)		(5)	
(327)	(259)	(586)	3 788	3 202	0.68	(197)	(703)	(900)	6 325	5 425	0.56
				5						7	
				63						125	
				3 270						5 557	

THE STANDARD BANK OF SOUTH AFRICA GROUP

BALANCE SHEET IMPAIRMENT ROLL FORWARD FOR LOANS AND ADVANCES

	1 January 2019 IFRS 9 opening balance[1] Rm	Total transfers between stages Rm	Net provisions raised and released Rm	Impaired accounts written off Rm
Personal & Business Banking	23 749		3 412	(3 141)
Stage 1	3 994	713	(627)	
Stage 2	4 689	(991)	1 193	
Stage 3	15 066	278	2 846	(3 141)
Mortgage loans	9 365		563	(456)
Stage 1	965	345	(386)	
Stage 2	1 784	(312)	155	
Stage 3	6 616	(33)	794	(456)
Instalment sale and finance leases	2 724		605	(366)
Stage 1	708	102	(64)	
Stage 2	685	(177)	213	
Stage 3	1 331	75	456	(366)
Card debtors	2 985		797	(1 076)
Stage 1	620	138	(147)	
Stage 2	947	(203)	246	
Stage 3	1 418	65	698	(1 076)
Other loans and advances	8 675		1 447	(1 243)
Stage 1	1 701	128	(30)	
Stage 2	1 273	(299)	579	
Stage 3	5 701	171	898	(1 243)
Personal unsecured lending	5 333		1 079	(960)
Stage 1	1 120	48	56	
Stage 2	886	(152)	362	
Stage 3	3 327	104	661	(960)
Business lending and other	3 342		368	(283)
Stage 1	581	80	(86)	
Stage 2	387	(147)	217	
Stage 3	2 374	67	237	(283)
Corporate & Investment Banking	5 519		756	(1 804)
Stage 1	677	3	153	
Stage 2	444	144	43	
Stage 3	4 398	(147)	560	(1 804)
Corporate and sovereign lending	5 476		761	(1 804)
Stage 1	648	3	152	
Stage 2	430	144	49	
Stage 3	4 398	(147)	560	(1 804)
Bank lending	43		(5)	
Stage 1	29		1	
Stage 2	14		(6)	
Total	29 268		4 168	(4 945)
Stage 1	4 671	716	(474)	
Stage 2	5 133	(847)	1 236	
Stage 3	19 464	131	3 406	(4 945)

[1] Included in 1 January 2019 balance is the ECL on loans and advances with fellow SBG subsidiary companies of R266 million. Refer to restatement on page 91.

Currency translation and other movements Rm	Time value of money and interest in suspense Rm	June 2019 closing balance Rm	Modification losses and recoveries of amounts written off Rm
	1 217	25 237	430
		4 080	
		4 891	(100)
	1 217	16 266	530
	583	10 055	(11)
		924	
		1 627	(33)
	583	7 504	22
	87	3 050	189
		746	
		721	
	87	1 583	189
	72	2 778	278
		611	
		990	(27)
	72	1 177	305
	475	9 354	(26)
		1 799	
		1 553	(40)
	475	6 002	14
	355	5 807	(34)
		1 224	
		1 096	(40)
	355	3 487	6
	120	3 547	8
		575	
		457	
	120	2 515	8
12	70	4 553	20
		833	
(5)		626	
17	70	3 094	20
9	70	4 512	20
(3)		800	
(5)		618	
17	70	3 094	20
3		41	
3		33	
		8	
12	1 287	29 790	450
		4 913	
(5)		5 517	(100)
17	1 287	19 360	550

THE STANDARD BANK OF SOUTH AFRICA GROUP

LOANS AND ADVANCES PERFORMANCE

		SB 1 – 12		SB 13 – 20		SB 21 – 25	
	Gross carrying loans and advances Rm	Stage 1 Rm	Stage 2 Rm	Stage 1 Rm	Stage 2 Rm	Stage 1 Rm	Stage 2 Rm
1H19							
Personal & Business Banking	580 172	208 419	1 045	277 406	9 579	10 465	41 153
Mortgage loans	348 392	186 153	85	107 673	7 928	4 821	23 162
Instalment sale and finance leases	82 808	6 074	72	65 989	930	702	5 684
Card debtors	32 983	884	24	26 027	173	382	3 958
Other loans and advances	115 989	15 308	864	77 717	548	4 560	8 349
Personal unsecured lending	42 772	864		30 109	45	2 406	4 842
Business lending and other	73 217	14 444	864	47 608	503	2 154	3 507
Corporate & Investment Banking	490 898	300 517	4 160	160 810	17 801	829	1 124
Corporate and sovereign lending	340 628	172 272	4 160	139 645	17 040	730	1 124
Bank lending	150 270	128 245		21 165	761	99	
Gross loans and advances	1 071 070	508 936	5 205	438 216	27 380	11 294	42 277
Percentage of total book (%)	100.0	47.5	0.5	40.9	2.6	1.1	3.9
Gross loans and advances at amortised cost	1 071 070						
Gross loans and advances at fair value	1 017						
Total gross loans and advances	1 072 087						

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.

Total stage 1 and 2 loans Rm	Total stage 3 loans Rm	Securities and expected recoveries on stage 3 exposures loan Rm	Balance sheet expected credit loss and interest in suspense on stage 3 Rm	Gross stage 3 loans coverage ratio %	Stage 3 exposures ratio %
548 067	32 105	15 839	16 266	51	5.5
329 822	18 570	11 066	7 504	40	5.3
79 451	3 357	1 774	1 583	47	4.1
31 448	1 535	358	1 177	77	4.7
107 346	8 643	2 641	6 002	69	7.5
38 266	4 506	1 019	3 487	77	10.5
69 080	4 137	1 622	2 515	61	5.7
485 241	5 657	2 563	3 094	55	1.7
334 971	5 657	2 563	3 094	55	1.7
150 270					
1 033 308	37 762	18 402	19 360	51	3.5
96.5	3.5	1.7	1.8		

THE STANDARD BANK OF SOUTH AFRICA GROUP

LOANS AND ADVANCES PERFORMANCE

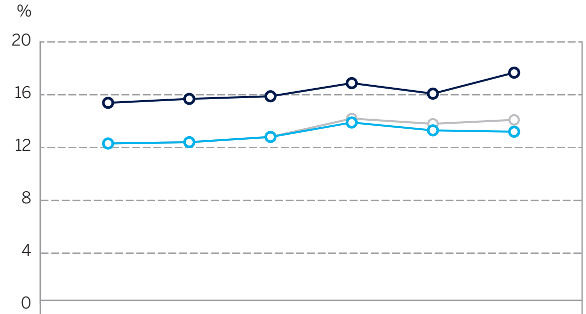
		SB 1 – 12		SB 13 – 20		SB 21 – 25	
	Gross carrying loans and advances Rm	Stage 1 Rm	Stage 2 Rm	Stage 1 Rm	Stage 2 Rm	Stage 1 Rm	Stage 2 Rm
1H18							
Personal & Business Banking	553 721	137 260	1 930	326 082	8 133	8 125	41 995
Mortgage loans	334 947	110 074	1 761	173 762	3 508	3 947	25 002
Instalment sale and finance leases	75 507	6 064	46	59 503	1 249	355	5 423
Card debtors	32 757	2 083		24 461	987	155	3 043
Other loans and advances	110 510	19 039	123	68 356	2 389	3 668	8 527
Personal unsecured lending	40 172	849		28 431		1 693	4 537
Business lending and other	70 338	18 190	123	39 925	2 389	1 975	3 990
Corporate & Investment Banking	416 433	264 806	6 629	124 650	11 592	1 446	2 055
Corporate and sovereign lending	298 047	156 224	6 629	115 474	11 400	1 010	2 055
Bank lending	118 386	108 582		9 176	192	436	
Gross loans and advances	970 154	402 066	8 559	450 732	19 725	9 571	44 050
Percentage of total book (%)	100	41.4	0.9	46.5	2.0	1.0	4.5
Gross loans and advances at amortised cost	970 154						
Gross loans and advances at fair value	1 321						
Total gross loans and advances	971 475						
FY18							
Personal & Business Banking	562 853	129 330	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	108 391	18 204	10	70 241	1 338	3 284	7 138
Personal unsecured lending	40 961	1 125		29 671	6	1 556	4 437
Business lending and other	67 430	17 079	10	40 570	1 332	1 728	2 701
Corporate & Investment Banking	431 509	270 206	4 780	133 079	15 477	723	802
Corporate and sovereign lending	304 201	145 888	4 780	130 196	15 370	723	802
Bank lending	127 308	124 318		2 883	107		
Gross loans and advances	994 362	399 536	6 576	479 117	22 526	8 930	41 411
Percentage of total book (%)	100	40.2	0.7	48.2	2.3	0.9	4.2
Gross loans and advances at amortised cost	994 362						
Gross loans and advances at fair value	968						
Total gross loans and advances	995 330						

	Total stage 1 and 2 loans Rm	Total stage 3 loans Rm	Securities and expected recoveries on stage 3 exposures loans Rm	Balance sheet expected credit loss and interest in suspense on stage 3 Rm	Gross stage 3 loans coverage ratio %	Stage 3 exposures ratio %
	523 525	30 196	14 780	15 416	51	5.5
	318 054	16 893	10 547	6 346	38	5.0
	72 640	2 867	1 511	1 356	47	3.8
	30 729	2 028	460	1 568	77	6.2
	102 102	8 408	2 262	6 146	73	7.6
	35 510	4 662	901	3 761	81	11.6
	66 592	3 746	1 361	2 385	64	5.3
	411 178	5 255	1 828	3 427	77	1.4
	292 792	5 255	1 828	3 427	66	2.4
	118 386					
	934 703	35 451	16 608	18 843	55	3.8
	96.3	3.7	1.7	2.0		
	533 029	29 824	14 758	15 066	51	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
	100 215	8 176	2 475	5 701	70	7.5
	36 795	4 166	839	3 327	80	10.2
	63 420	4 010	1 636	2 374	59	5.9
	425 067	6 442	2 044	4 398	68	1.6
	297 759	6 442	2 044	4 398	68	2.1
	127 308					
	958 096	36 266	16 802	19 464	53	3.8
	96.5	3.5	1.6	1.9		

THE STANDARD BANK OF SOUTH AFRICA GROUP

RISK-WEIGHTED ASSETS

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



	1H14	1H15	1H16	1H17	1H18	**1H19**
Common equity tier 1 capital	12.2	12.3	12.7	13.8	13.2	**13.1**
Tier 1 capital	12.2	12.3	12.7	14.1	13.7	**14.0**
Total regulatory capital	15.3	15.6	15.8	16.8	16.0	**17.6**

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 %	**1H19 Rm**	1H18 Rm	FY18 Rm
Credit risk	4	**451 213**	435 844	467 820
Counterparty credit risk	14	**24 980**	21 840	24 370
Market risk	13	**47 761**	42 399	50 720
Operational risk	2	**98 069**	95 727	97 563
Equity risk in the banking book	10	**12 601**	11 468	15 914
RWA for investments in financial entities	6	**13 740**	12 976	12 999
Total risk-weighted assets	5	**648 364**	620 254	669 386

THE STANDARD BANK OF SOUTH AFRICA GROUP
CAPITAL ADEQUACY

Qualifying regulatory capital excluding unappropriated profit

	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Share capital and premium	2	**45 247**	44 448	44 448
Retained earnings	5	**51 833**	49 513	52 321
Other reserves	10	**943**	855	881
Regulatory adjustments	(2)	**(12 836)**	(13 087)	(12 420)
Goodwill	0	**(42)**	(42)	(42)
Other intangible assets	(6)	**(13 981)**	(14 812)	(14 337)
Deferred tax assets	71	**(7)**	(4)	(11)
Other adjustments including IFRS 9 phase-in	(33)	**1 194**	1 771	1 970
Total (including unappropriated profit)	4	**85 187**	81 729	85 230
Unappropriated profits	(6)	**(8 772)**	(9 319)	(11 966)
Common equity tier 1 capital	6	**76 415**	72 410	73 264
Qualifying other equity instruments	54	**5 440**	3 544	3 504
Tier 1 capital	8	**81 855**	75 954	76 768
Qualifying tier 2 subordinated debt	52	**25 224**	16 580	18 580
General allowance for credit impairments	>100	**1 385**	643	781
Regulatory adjustments – investment in tier 2 instruments in other banks	1	**(3 102)**	(3 073)	(3 187)
Tier 2 capital	66	**23 507**	14 150	16 174
Total qualifying regulatory capital	17	**105 362**	90 104	92 942

Capital adequacy ratios (phased-in)[1]

	Internal target ratios[2]	SARB minimum regulatory requirement[3]	Excluding unappropriated profit			Including unappropriated profit		
	%	%	1H19 %	1H18 %	FY18 %	1H19 %	1H18 %	FY18 %
Common equity tier 1 capital adequacy ratio	11.0 – 12.5	7.5	**11.8**	11.7	10.9	**13.1**	13.2	12.7
Tier 1 capital adequacy ratio	12.0 – 13.0	9.3	**12.6**	12.2	11.5	**14.0**	13.7	13.3
Total capital adequacy ratio	15.0 – 16.0	11.5	**16.3**	14.5	13.9	**17.6**	16.0	15.7

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

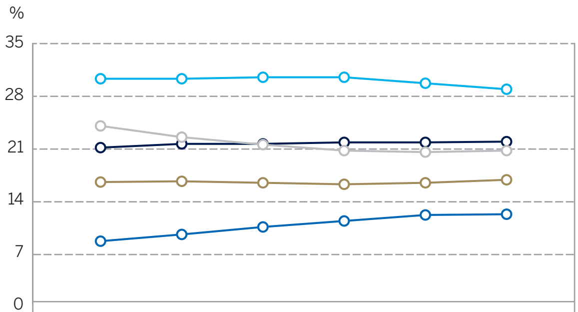
Capital adequacy ratios (fully loaded)[1]

	Internal target ratios[2]	SARB minimum regulatory requirement[3]	Excluding unappropriated profit			Including unappropriated profit		
	%	%	1H19 %	1H18 %	FY18 %	1H19 %	1H18 %	FY18 %
Common equity tier 1 capital adequacy ratio	11.0 – 12.5	7.5	**11.6**	11.3	10.6	**12.9**	12.8	12.4
Tier 1 capital adequacy ratio	12.0 – 13.0	9.3	**12.4**	11.9	11.2	**13.8**	13.4	12.9
Total capital adequacy ratio	15.0 – 16.0	11.5	**16.2**	14.5	13.9	**17.6**	16.0	15.7

[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]

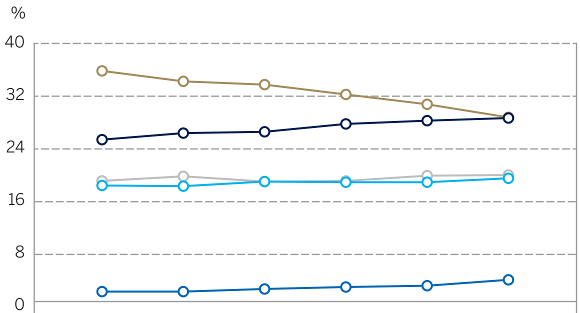
Mortgage loans[2]



	1H14	1H15	1H16	1H17	1H18	**1H19**
SBSA	30.2	30.2	30.4	30.4	29.6	**28.8**
ABSA	23.9	22.4	21.4	20.6	20.4	**20.6**
Nedbank	21.0	21.5	21.5	21.7	21.7	**21.8**
FirstRand	16.4	16.5	16.3	16.1	16.3	**16.7**
Other	8.5	9.4	10.4	11.2	12.0	**12.1**

SBSA
ABSA
Nedbank
FirstRand
Other

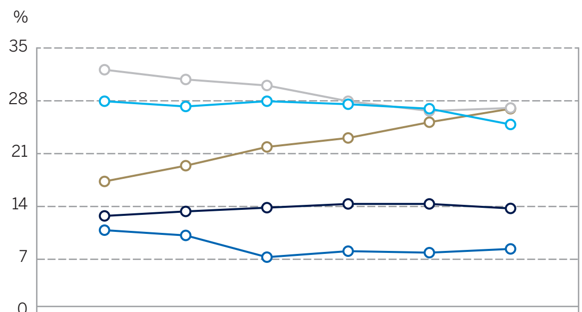
Vehicle and asset finance



	1H14	1H15	1H16	1H17	1H18	**1H19**
SBSA	18.2	18.1	18.8	18.7	18.7	**19.3**
ABSA	18.9	19.6	18.8	18.9	19.7	**19.8**
Nedbank	25.2	26.2	26.4	27.6	28.1	**28.5**
FirstRand	35.7	34.1	33.6	32.1	30.6	**28.6**
Other	2.0	2.0	2.4	2.7	2.9	**3.8**

SBSA
ABSA
Nedbank
FirstRand
Other

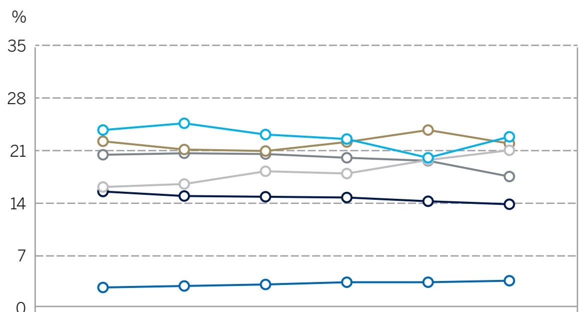
Card



	1H14	1H15	1H16	1H17	1H18	**1H19**
SBSA	27.8	27.1	27.8	27.4	26.8	**24.7**
ABSA	32.0	30.7	29.9	27.8	26.5	**26.9**
Nedbank	12.5	13.1	13.6	14.1	14.1	**13.5**
FirstRand	17.1	19.2	21.7	22.9	25.0	**26.8**
Other	10.6	9.9	7.0	7.8	7.6	**8.1**

SBSA
ABSA
Nedbank
FirstRand
Other

Other loans and advances

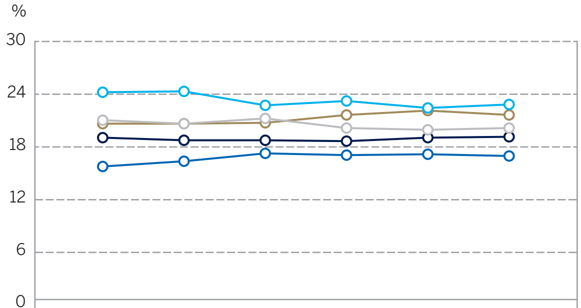


	1H14	1H15	1H16	1H17	1H18	**1H19**
SBSA	23.6	24.5	23.0	22.4	19.9	**22.7**
ABSA	16.0	16.4	18.1	17.8	19.6	**20.9**
Nedbank	15.4	14.8	14.7	14.6	14.1	**13.7**
FirstRand	22.1	21.0	20.8	22.0	23.6	**21.8**
Capitec	2.6	2.8	3.0	3.3	3.3	**3.5**
Other	20.3	20.5	20.4	19.9	19.5	**17.4**

SBSA
ABSA
Nedbank
FirstRand
Capitec
Other

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

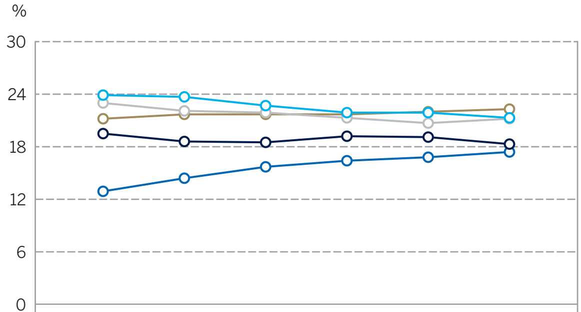
Deposits



	1H14	1H15	1H16	1H17	1H18	1H19
SBSA	24.1	24.2	22.6	23.1	22.3	**22.7**
ABSA	20.9	20.5	21.1	20.0	19.8	**20.0**
Nedbank	18.9	18.6	18.6	18.5	18.9	**19.0**
FirstRand	20.5	20.5	20.6	21.5	22.0	**21.5**
Other	15.6	16.2	17.1	16.9	17.0	**16.8**

SBSA
ABSA
Nedbank
FirstRand
Other

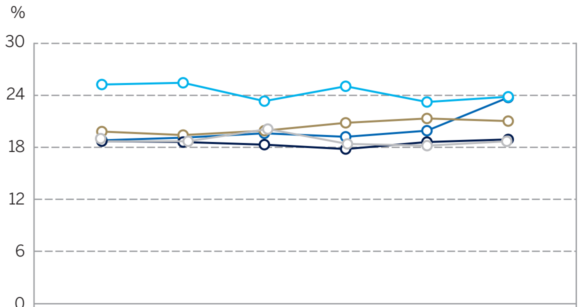
Retail priced deposits[3]



	1H14	1H15	1H16	1H17	1H18	1H19
SBSA	23.8	23.6	22.6	21.8	21.8	**21.2**
ABSA	22.9	22.0	21.8	21.2	20.6	**21.1**
Nedbank	19.4	18.5	18.4	19.1	19.0	**18.2**
FirstRand	21.1	21.6	21.6	21.6	21.9	**22.2**
Other	12.8	14.3	15.6	16.3	16.7	**17.3**

SBSA
ABSA
Nedbank
FirstRand
Other

Corporate priced deposits



	1H14	1H15	1H16	1H17	1H18	1H19
SBSA	24.9	25.1	23.0	24.7	22.9	**23.5**
ABSA	18.4	18.4	19.8	18.1	17.9	**18.4**
Nedbank	18.5	18.4	18.1	17.6	18.4	**18.7**
FirstRand	19.6	19.2	19.7	20.6	21.1	**20.8**
Other	18.6	18.9	19.4	19.0	19.7	**23.5**

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

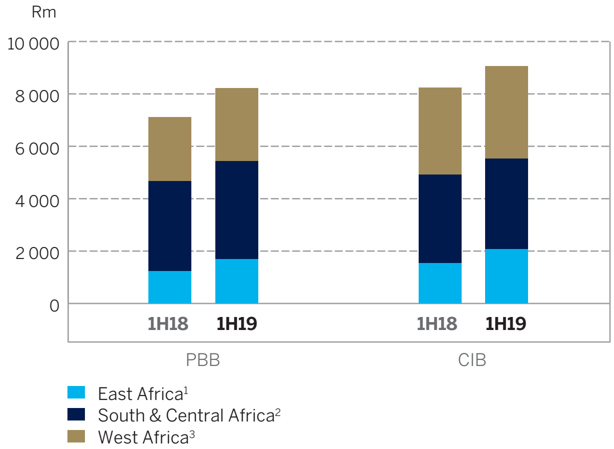
	East Africa[1]					South & Central Africa[2]				
	CCY %	Change %	**1H19 Rm**	1H18 Rm	FY18 Rm	CCY %	Change %	**1H19 Rm**	1H18 Rm	FY18 Rm
Net interest income	18	36	**2 189**	1 613	3 681	10	9	**4 089**	3 736	8 063
Non-interest revenue	20	35	**1 580**	1 168	2 373	11	6	**2 785**	2 632	5 566
Net fee and commission revenue	20	34	**803**	600	1 247	11	6	**1 638**	1 552	3 361
Trading revenue	19	37	**765**	560	1 095	4	(2)	**1 008**	1 024	2 096
Other revenue	56	75	**14**	8	33	>100	>100	**139**	55	102
Other gains and losses on financial instruments	(100)	(100)	**(2)**		(2)	(100)	(100)		1	7
Total income	19	36	**3 769**	2 781	6 054	11	8	**6 874**	6 368	13 629
Credit impairment charges	>100	>100	**(232)**	(86)	(340)	81	45	**(458)**	(315)	(588)
Loans and advances	>100	>100	**(222)**	(89)	(344)	>100	>100	**(475)**	(204)	(517)
Financial investments						>100	(>100)	**25**	(65)	(81)
Letters of credit, guarantees and other	(>100)	(>100)	**(10)**	3	4	(84)	(83)	**(8)**	(46)	10
Income before operating expenses	15	31	**3 537**	2 695	5 714	8	6	**6 416**	6 053	13 041
Operating expenses	10	23	**(1 857)**	(1 511)	(3 171)	11	9	**(3 651)**	(3 358)	(7 267)
Staff costs	6	20	**(897)**	(746)	(1 586)	11	9	**(1 927)**	(1 776)	(3 721)
Other operating expenses[5]	14	25	**(960)**	(765)	(1 585)	12	9	**(1 724)**	(1 582)	(3 546)
Net income before non-trading and capital related items, and equity accounted earnings	21	42	**1 680**	1 184	2 543	3	3	**2 765**	2 695	5 774
Non-trading and capital related items	100	100	**1**			(>100)	(>100)	**(1)**	3	6
Share of profit from joint ventures						100	100	**2**	1	3
Profit before indirect taxation	22	42	**1 681**	1 184	2 543	3	2	**2 766**	2 699	5 783
Indirect taxation	(8)	5	**(97)**	(92)	(193)	11	10	**(150)**	(136)	(287)
Profit before direct taxation	24	45	**1 584**	1 092	2 350	3	2	**2 616**	2 563	5 496
Direct taxation	19	36	**(434)**	(318)	(680)	2	(2)	**(651)**	(665)	(1 434)
Profit for the period	26	49	**1 150**	774	1 670	3	4	**1 965**	1 898	4 062
Attributable to non-controlling interests	2	22	**(281)**	(231)	(442)	39	48	**(132)**	(89)	(198)
Attributable to ordinary shareholders	36	60	**869**	543	1 228	1	1	**1 833**	1 809	3 864
Headline adjustable items	(100)	(100)	**(1)**			(>100)	(>100)	**1**	(3)	(6)
Headline earnings	36	60	**868**	543	1 228	1	2	**1 834**	1 806	3 858
ROE – invested equity (%)			**20.2**	18.8	17.2			**21.7**	24.7	24.7
ROE – equity calculated on SARB rules (%)			**19.8**	17.0	17.3			**19.2**	21.3	21.1
Credit loss ratio (%)			**1.03**	0.54	0.93			**0.91**	0.46	0.55
Credit loss ratio on loans to customers (%)			**1.26**	0.76	1.15			**1.52**	0.84	0.88
Cost-to-income ratio (%)			**49.3**	54.3	52.4			**53.1**	52.7	53.3
Effective direct taxation rate (%)			**27.4**	29.1	28.9			**24.9**	25.9	26.1
Effective total taxation rate (%)			**31.6**	34.6	34.3			**29.0**	29.7	29.8

[1] Kenya, South Sudan, Tanzania, Uganda.
[2] Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, eSwatini, Zambia, Zimbabwe.
[3] Angola, DRC, Ghana, Ivory Coast, Nigeria.
[4] Restated. Refer to pages 90 – 91.
[5] The group has, as permitted by IFRS 16 Leases (IFRS 16), 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 17 Leases (IAS 17) basis. Refer to pages 92 – 95 for more detail on the adoption of IFRS 16.

West Africa[3]					Africa Regions legal entities				
CCY	Change	**1H19**	1H18[4]	FY18	CCY	Change	**1H19**	1H18[4]	FY18
%	%	**Rm**	Rm	Rm	%	%	**Rm**	Rm	Rm
9	9	**3 347**	3 058	6 401	11	14	**9 625**	8 407	18 145
5	12	**3 193**	2 851	5 972	10	14	**7 558**	6 651	13 911
2	11	**2 059**	1 848	3 820	8	13	**4 500**	4 000	8 428
23	26	**1 084**	863	1 780	15	17	**2 857**	2 447	4 971
(86)	(88)	**13**	110	349	11	(4)	**166**	173	484
12	23	**37**	30	23	3	13	**35**	31	28
7	11	**6 540**	5 909	12 373	11	14	**17 183**	15 058	32 056
(>100)	(>100)	**(47)**	161	37	>100	>100	**(737)**	(240)	(891)
(>100)	(>100)	**(35)**	168	(13)	>100	>100	**(732)**	(125)	(874)
(100)	(100)	**(1)**		(16)	>100	(>100)	**24**	(65)	(97)
38	57	**(11)**	(7)	66	(47)	(42)	**(29)**	(50)	80
3	7	**6 493**	6 070	12 410	7	11	**16 446**	14 818	31 165
3	9	**(3 367)**	(3 089)	(6 441)	8	12	**(8 875)**	(7 958)	(16 879)
2	5	**(1 540)**	(1 463)	(3 121)	6	10	**(4 364)**	(3 985)	(8 428)
4	12	**(1 827)**	(1 626)	(3 320)	9	14	**(4 511)**	(3 973)	(8 451)
4	5	**3 126**	2 981	5 969	7	10	**7 571**	6 860	14 286
0	0	**1**	1	(1)	(67)	(75)	**1**	4	5
					100	100	**2**	1	3
4	5	**3 127**	2 982	5 968	7	10	**7 574**	6 865	14 294
16	22	**(50)**	(41)	(90)	5	10	**(297)**	(269)	(570)
3	5	**3 077**	2 941	5 878	7	10	**7 277**	6 596	13 724
26	31	**(588)**	(450)	(945)	14	17	**(1 673)**	(1 433)	(3 059)
(1)	0	**2 489**	2 491	4 933	5	9	**5 604**	5 163	10 665
(19)	(19)	**(869)**	(1 070)	(1 999)	(11)	(8)	**(1 282)**	(1 390)	(2 639)
13	14	**1 620**	1 421	2 934	11	15	**4 322**	3 773	8 026
	(100)		1	5	(100)	(100)		(2)	(1)
13	14	**1 620**	1 422	2 939	11	15	**4 322**	3 771	8 025
		24.5	30.8	27.5			**22.3**	25.4	24.0
		27.0	33.9	29.8			**21.7**	23.8	22.8
		0.15	(0.90)	(0.11)			**0.76**	0.16	0.48
		0.24	(1.60)	(0.20)			**1.17**	0.32	0.72
		51.5	52.3	52.1			**51.6**	52.8	52.7
		19.1	15.3	16.1			**23.0**	21.7	22.3
		20.4	16.5	17.3			**26.0**	24.8	25.4

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, eSwatini, Zambia, Zimbabwe.
[3] Angola, DRC, Ghana, Ivory Coast, Nigeria.

Balance sheet

- The period was characterised by sustained balance sheet growth across the portfolio.
- Continued focus on the growth strategy has seen customer deposits grow by 17% on a constant currency basis.
- The increased liquidity base was successfully deployed to grow the size of the loan book across each region, with financial investments growing 11% and loans to customers 17% period on period on a constant currency basis.
- Financial investment growth was driven by the investment of excess liquidity in short-term instruments across most markets, except for Mozambique investing more liquidity into customer lending in response to declining rates, and in Nigeria to ensure sufficient local currency liquidity for customers' needs.
- Margin compression as a result of the declining rates cycles was offset by customer loan growth in most markets across both corporate and retail banking, resulting in higher net interest income.

East Africa

- Good customer loan growth supported net interest income across the region.
- Strong constant currency earnings performance in Kenya, Uganda and Tanzania.
- Kenya benefited from higher transactional volumes and Investment banking and capital market transactions.
- Uganda's growth was assisted by its diversified revenue streams, with good performance in structured trades and improved transactional fees.
- Tanzania's earnings were supported by a combination of net interest income growth despite margin compression from liquidity shortages in the market, and lower credit impairment charges due to proactive credit monitoring and increased focus on post write-off recoveries.

South & Central Africa

- The macroeconomic environment remains challenging, with economic growth projected to be at low single digits with continued interest rate declines.
- Zimbabwe's earnings performance was impacted by both the translation from USD to Real-Time Gross Settlement (RTGS), and again on conversion to the ZAR.
- In Mozambique, the bank increased its market share in both loans and deposits. However, revenue remained under pressure as interest rates continued to decline, with higher foreign currency reserving requirements and regulatory directives impacting forex trading.
- Botswana earnings grew on the back of balance sheet optimisation, with the loan book growing faster than the market, which assisted net interest income and improved transactional volumes.
- Namibia's earnings performance was supported by Investment banking fee growth and prudent cost management. This was partly offset by higher loan defaults due to the challenging economic environment.
- Good balance sheet growth, lower funding costs and improved pricing supported earnings performance in Malawi and Lesotho. In addition, improved client monitoring and credit processes in eSwatini and Malawi led to lower credit impairment charges.

West Africa

- The Angolan Kwanza saw improved stability, with the local currency devaluing 10% against the USD compared with 43% in the prior period. The resultant lower forex trading was offset by increased bond trading activity. The strategic drive to grow customer balances supported net interest income and deposit growth, despite customers actively moving deposits between banks in to secure foreign currency allocation.
- We are in the second year of operations in Côte d'Ivoire. Positive sentiment from the prior year continued into 2019 with positive economic sentiments, loan growth and improved transactional volumes. The first Investment banking deals were booked in 2019.
- Strong earnings growth in Ghana was underpinned by balance sheet growth, foreign exchange volatility and transactional volumes.
- Nigeria continues to operate in a challenging environment with subdued economic growth and high-cash reserving requirements inhibiting loan growth. Earnings growth was impacted by the non-repeat of the prior period's credit impairment recoveries and lower financial investments held due to client liquidity requirements. Regulatory changes in the pension fund business further impacted earnings by reducing fee revenue.

AFRICA REGIONS LEGAL ENTITIES
STATEMENT OF FINANCIAL POSITION

	CCY %	Change %	1H19 Rm	1H18 Rm	FY18 Rm
Assets					
Cash and balances with central banks	14	(7)	**37 627**	40 567	50 363
Derivative assets	16	18	**1 898**	1 604	1 819
Trading assets	(6)	(7)	**21 577**	23 129	15 547
Pledged assets	>100	>100	**9 418**	2 714	6 544
Financial investments	11	(2)	**53 552**	54 462	61 784
Loans and advances	21	14	**187 287**	164 425	190 628
Loans and advances to banks	30	21	**59 476**	48 960	63 408
Loans and advances to PBB customers	17	12	**69 698**	62 390	68 708
Loans and advances to CIB customers	17	9	**58 113**	53 075	58 512
Other assets	(6)	(1)	**8 123**	8 189	9 847
Property and equipment	67	42	**7 036**	4 959	5 754
Goodwill and other intangible assets	(2)	(9)	**5 340**	5 850	5 893
Goodwill	1	2	**2 100**	2 064	2 144
Other intangible assets	(4)	(14)	**3 240**	3 786	3 749
Total assets	17	8	**331 858**	305 899	348 179
Equity and liabilities					
Equity	19	14	**47 818**	42 073	46 696
Equity attributable to ordinary shareholders	19	13	**39 312**	34 749	38 690
Equity attributable to non-controlling interest	20	16	**8 506**	7 324	8 006
Liabilities	17	8	**284 040**	263 826	301 483
Derivative liabilities	2	3	**1 070**	1 038	866
Trading liabilities	>100	>100	**9 383**	3 839	8 921
Deposits and debt funding	16	6	**252 573**	238 603	267 865
Deposits from banks	3	(4)	**25 188**	26 123	25 723
Deposits from PBB customers	16	8	**91 488**	84 753	92 284
Deposits from CIB customers	18	6	**135 897**	127 727	149 858
Subordinated debt	8	5	**5 185**	4 921	5 083
Provisions and other liabilities	9	3	**15 829**	15 425	18 748
Total equity and liabilities	17	8	**331 858**	305 899	348 179

STANDARD BANK GROUP

HEADLINE EARNINGS AND NET ASSET VALUE RECONCILIATION BY KEY LEGAL ENTITY

Headline earnings

	Change %	1H19 Rm	1H18 Rm	FY18 Rm
SBSA Group as consolidated into SBG	3	7 523	7 285	16 021
Africa Regions legal entities	15	4 322	3 771	8 025
Standard Bank Wealth International	56	661	425	1 005
Other group entities	55	300	193	796
Standard Insurance Limited	(19)	196	243	494
SBG Securities	36	61	45	76
Standard Advisory London	(25)	41	55	75
Other[1]	(>100)	2	(150)	151
Banking activities	10	12 806	11 674	25 847
Other banking interests	(>100)	(320)	132	418
ICBC Standard Bank Plc (40% shareholding)	>100	(752)	(70)	(74)
ICBC Argentina (20% shareholding)	>100	432	202	492
Liberty	2	875	857	1 600
Standard Bank Group	6	13 361	12 663	27 865

[1] Included is the elimination of gains and losses on deemed IFRS treasury shares relating to client trading activities in SBG Securities of R79m (IH18: R14m).

Net asset value

	Change %	1H19 Rm	1H18 Rm	FY18 Rm
SBSA Group	3	98 023	94 816	97 650
Africa Regions legal entities	13	39 312	34 749	38 690
Standard Bank Wealth International	26	6 158	4 899	5 553
Other group entities	92	6 270	3 265	4 467
Standard Insurance Limited	9	1 815	1 667	1 618
SBG Securities	7	1 493	1 400	1 431
Standard Advisory London	2	611	597	613
Other	(>100)	2 351	(399)	805
Banking activities	9	149 763	137 729	146 360
Other banking interests	(6)	7 169	7 598	7 852
ICBC Standard Bank Plc (40% shareholding)	(10)	5 590	6 208	6 463
ICBC Argentina (20% shareholding)	14	1 579	1 390	1 389
Liberty	6	11 102	10 507	10 849
Standard Bank Group	8	168 034	155 834	165 061

OTHER INFORMATION

Changes in accounting policies and restatements	90
Financial and other definitions	96
Abbreviations and acronyms	98

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 9 *Financial Instruments (amendment)* (IFRS 9), the amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortised cost or at fair value through other comprehensive income. The amendment is required to be applied retrospectively.
- IAS 19 *Employee Benefits (amendments)* (IAS 19), the amendments require a company to use the updated assumptions when a change to a plan either an amendment, curtailment or settlement, takes place to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements. The amendment will be applied retrospectively.
- IAS 28 *Interest in Associates and Joint Ventures (amendment)* (IAS 28), this amendment clarifies that an entity should apply IFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture only when the equity method is not applied. The amendments will be applied retrospectively.
- IFRIC 23 *Uncertainty over Income Tax Treatments* (IFRIC 23), this interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this interpretation. This interpretation addresses: whether an entity considers uncertain tax treatments separately; the assumptions an entity makes about the examination of tax treatments by taxation authorities; how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and how an entity considers changes in facts and circumstances. The IFRIC will be applied retrospectively only if possible without the used of hindsight.
- Annual improvements 2015-2017 cycle, the IASB has issued various amendments and clarifications to existing IFRS.

Early adoption of revised standards:

- IAS 1 *Presentation of Financial Statements* (IAS 1) and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (IAS 8), the amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. The amendments ensure that the definition of material is consistent across all IFRS Standards. The amendments will be applied prospectively.

The adoption of new and amended standards on 1 January 2019 did not effect the group's previously reported financial results, disclosures or accounting policies and did not impact the group's results upon transition.

IFRS 16 *Leases* (IFRS 16) with effect from 1 January 2019, replaced IAS 17 *Leases* as well as the related interpretations. IFRS 16 introduced a single lease accounting model for lessees which impacted the group's results upon transition and materially impacted the group's accounting policies for lessees, refer to the pages 92 to 95 for more detail on IFRS 16 transition.

Restatement of interest in suspense on cured financial assets and correction of net modification gains and losses

The IFRS Interpretations Committee during December 2018 issued a clarification whereby previously unrecognised interest earned on loans and advances which cured out of stage 3, referred to as released interest in suspense (IIS) on cured financial assets, is required to be recognised as a reduction in credit impairment charges. For the six months ended 30 June 2018, IIS on cured financial assets was recognised in net interest income and amounted to R525 million (this amount was originally estimated as R545 million in 1H18. In the second half of 2018, further work was performed to validate the amount of IIS). This has since been restated and recognised as a reduction in credit impairment charges and net interest income.

During the second half of 2018, the group undertook a review of the modification adjustments recognised on the amortised cost portfolio. This review identified that interest income on certain modified assets was incorrectly recognised within credit impairments. The correction of this error has resulted in an increase in net interest income and credit impairment charges of R55 million.

FY18 correctly reported both the above mentioned items. The impact on the group's condensed consolidated income statement for 1H18 is as follows:

	1H18 (unaudited)		
	As previously presented income/ (expense) Rm	Restatement Rm	Restated income/ (expense) Rm
Net interest income	29 150	(470)	28 680
Credit impairment charges	(3 999)	470	(3 529)

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

	1H18 (unaudited)		
	As previously reported	Restatement	Restated
Net interest margin on banking activities	4.50	(0.07)	4.43
Credit loss ratio on banking activities	0.70	(0.08)	0.62
Cost-to-income ratio on banking activities	57.1	0.5	57.6
Jaws on banking activities	(1.8)	(1.0)	(2.8)

Correction of prior period income statement presentation error

In terms of the group's accounting policy trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income, expense and dividends. The group determined that certain other gains/losses were erroneously presented within trading revenue. Therefore, during 2019, the group restated trading revenue to exclude these gains and losses as it does not comprise gains and losses (including related interest income, expense and dividends) from changes in the fair value of trading assets and liabilities. These gains and losses have been presented within Other revenue as it is more representative of the nature of the gains and losses and better aligns to the group's gains and losses presentation policy. This correction has no impact on the group's condensed consolidated income statement, total income, profit for the year and earnings per share. The impact on the non-interest revenue disclosure is as follows:

	1H18 (unaudited)			FY18 (unaudited)		
	As previously presented income/ (expense) Rm	Restatement Rm	Restated income/ (expense) Rm	As previously presented income/ (expense) Rm	Restatement Rm	Restated income/ (expense) Rm
Trading revenue	5 570	(99)	5 471	11 129	(330)	10 799
Other revenue	1 554	99	1 653	3 533	330	3 863

Reclassification of inter-company balances in Standard Bank of South Africa

During the six months period ended 30 June 2019, there was a review of the presentation of the financial position of Standard Bank of South Africa Group and company. It was identified that international banking sector disclosure does not aggregate balances with group companies and report them separately on the statement of financial position but rather reports these intergroup exposures together with third-party exposures. During 2019, these line items have been reclassified into the underlying asset and liability line items to provide a fairer representation of the SBSA group and company statement of financial position as a separate group and legal entity. This reclassification and change in statement of financial position does not impact the SBG statement of financial position. The restatement on the SBSA Group and company statement of financial positions only impacts the following:

	Group FY18			Company FY18			Group 1H18		
	As previously presented Rm	Restated Rm	Restate-ment Rm	As previously presented Rm	Restated Rm	Restate-ment Rm	As previously presented Rm	Restated Rm	Restate-ment Rm
Assets									
Derivative assets	46 707	50 471	(3 764)	46 707	50 471	(3 764)	65 018	67 878	(2 860)
Trading assets	153 894	161 330	(7 436)	153 590	161 026	(7 436)	131 738	134 827	(3 089)
Financial investments	105 438	105 438		105 438	106 332	(894)	90 559	90 472	87
Loans and advances	931 659	966 335	(34 676)	919 380	964 691	(45 311)	904 366	942 039	(37 673)
Other assets	7 668	13 071	(5 403)	7 480	12 979	(5 499)	11 649	16 227	(4 578)
Interest in SBG companies, associates and joint ventures – banking activities	52 296	1 017	51 279	64 424	1 520	62 904	49 011	898	48 113
Total assets	1 297 662	1 297 662		1 297 019	1 297 019		1 252 341	1 252 341	
Liabilities									
Derivative liabilities	49 546	51 748	(2 202)	49 546	51 748	(2 202)	66 518	70 465	(3 947)
Trading liabilities	29 704	58 867	(29 163)	29 698	58 861	(29 163)	35 272	59 433	(24 161)
Deposits and debt funding	1 012 246	1 108 799	(96 553)	1 011 763	1 112 219	(100 456)	958 363	1 045 937	(87 574)
Liabilities to SBG companies	135 301		135 301	139 370		139 370	122 988		122 988
Subordinated debt	13 793	18 850	(5 057)	13 793	18 850	(5 057)	13 801	16 841	(3 040)
Provisions and other liabilities	18 472	20 798	(2 326)	17 751	20 243	(2 492)	20 842	25 108	(4 266)
Total liabilities	1 259 062	1 259 062		1 261 921	1 261 921		1 217 784	1 217 784	

IFRS 16 LEASES

Background

With effect from 1 January 2019, IFRS 16 Leases (IFRS 16) replaced IAS 17 Leases (IAS 17) as well as the related interpretations. The core principle of this standard is that the lessee and lessor should recognise all rights and obligations arising from leasing arrangements on balance sheet. The most significant change pertaining to the accounting treatment for operating leases is from the lessees' perspective. IFRS 16 eliminates the classification of leases for lessees as either operating or finance leases, as was required by IAS 17, and introduces a single lessee accounting model, where a right of use (ROU) asset together with a lease liability for the future payments is recognised for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 did not introduce significant changes for lessors, as a result the accounting policies applicable to the group as a lessor are not different from those under IAS 17.

Adoption and transition

The group retrospectively adopted IFRS 16 on 1 January 2019 with an adjustment to the group's opening 1 January 2019 reserves and, as permitted by IFRS 16, did not restate its comparative financial results. Accordingly, the group's previously reported financial results up to 31 December 2018 are presented in accordance with the requirements of IAS 17 and for 2019, and future reporting periods, are presented in terms of IFRS 16.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019. This incremental borrowing rate was calculated for each legal entity in the group utilising the internal funding rate of each entity.

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

Practical expedients applied:

In applying IFRS 16 for the first time, the group used the following practical expedients permitted by IFRS 16:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases provided there was no option to extend the term
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease*.

The groups leasing activities and how these are accounted for:

The group leases various offices, branch space and ATM space. Rental contracts are typically made for fixed average periods of between 3 – 10 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, all existing operating leases, which were either not less than 12 months or not deemed a low value asset, were recognised as a right-of-use asset and a corresponding lease liability.

Extension and termination options:

Extension and termination options are included in a number of building and branch space leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are considered in the lease term when there is reasonable certainty that those options will be exercised. The assessment of reasonable certainty is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

IFRS 16 key financial impacts

The single lessee accounting model which comprises IFRS 16's most material impact for the group results in an increase of R4 886 million in total assets, R4 696 million increase in total liabilities and an increase in reserves of R190 million due to the release of the IAS 17 straight-line lease liability provision. The total undiscounted operating lease commitments as at 31 December 2018 amount to R7 271 million, the lease liability as at 1 January 2019 amounted to R4 954 million, this difference primarily relates to discounting the operating lease commitments balance at the group's weighted average incremental borrowing rate which ranges from 2% – 15%, due to the multiple jurisdictions the group operates within.

Table 1: Impact on the group's summarised statement of financial position on 1 January 2019

	31 December 2018 Rm	IFRS 16 transition adjustment at 1 January 2019 Rm	1 January 2019 Rm
Assets			
Property, equipment and right-of-use asset	19 194	5 394	24 588
Other financial and non-financial assets[1]	2 107 768	(508)	2 107 260
Total assets	2 126 962	4 886	2 131 848
Equity and liabilities			
Equity	199 063	190	199 253
Equity attributable to ordinary shareholders	165 061	190	165 251
Equity attributable to other equity holders	9 047		9 047
Equity attributable to non-controlling interests	24 955		24 955
Liabilities[2]	1 927 899	4 696	1 932 595
Total equity and liabilities	2 126 962	4 886	2 131 848

[1] Materially relates to the derecognition of the IAS 17 prepaid lease asset.
[2] Materially relates to the recognition of lease liabilities of R4 954 million and the release of the IAS 17 straight-line lease provision.

Table 2: Impact on the group's summarised statement of changes in equity on 1 January 2019

	31 December 2018 Rm	IFRS 16 transition adjustment at 1 January 2018 Rm	1 January 2019 Rm
Ordinary share capital and share premium	17 860		17 860
Retained earnings	149 118	190	149 308
Other	(1 917)		(1 917)
Total ordinary shareholders' equity	165 061	190	165 251
Other equity instruments	9 047		9 047
Non-controlling interests	24 955		24 955
Total equity	199 063	190	199 253

IFRS 16 LEASES

IFRS 16 significant accounting policies

Type and description	Statement of financial position	Income statement
IFRS 16 – Lessee accounting policies		
Single lessee accounting model All leases are accounted for by recognising a right-of-use asset and a lease liability except for: • leases of low value assets; and • leases with a duration of twelve months or less.	**Lease liabilities:** Initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case for the group) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. The group's internal funding rate is the base on which the incremental borrowing rate is calculated. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes: •Amounts expected to be payable under any residual value guarantee; •The exercise price of any purchase option granted in favour of the group, should it be reasonably certain that this option will be exercised; •Any penalties payable for terminating the lease, should the term of the lease be estimated on the basis of this termination option being exercised. Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.	**Interest expense on lease liabilities:** A lease finance cost, determined with reference to the interest rate implicit in the lease or the group's incremental borrowing rate, is recognised within interest expense over the lease period.
	Right-of-use assets: Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for: • lease payments made at or before commencement of the lease; • initial direct costs incurred; and • the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset. The group applies the cost model subsequent to the initial measurement of the right-of-use assets.	**Depreciation on right-of-use assets:** Subsequent to initial measurement, the right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term unless ownership of the underlying asset transfers to the group at the end of the lease term, whereby the right-of-use assets are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of operating expenses.
	Termination of leases: When the group or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised.	**Termination of leases:** On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss in profit or loss.

<table>
<tr><th>Type and description</th><th>Statement of financial position</th><th>Income statement</th></tr>
<tr><td colspan="3">IFRS 16 – Lessee accounting policies continued</td></tr>
<tr><td>All leases that meet the criteria as either a lease of a low value asset or a short-term lease are accounted for on a straight-line basis over the lease term.</td><td>Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised as an asset or liability.</td><td>Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.</td></tr>
<tr><td rowspan="2">Reassessment and modification of leases</td><td colspan="2">Reassessment of lease terms and lease modifications that are not accounted for as a separate lease:
When the group reassesses the terms of any lease (i.e. it reassesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised.

For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero any further reduction in the measurement of the lease liability is recognised in profit or loss.

For lease modifications that are not accounted for as a separate lease, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, for lease modifications that decrease the scope of the lease the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, with any resulting difference being recognised in profit or loss as a gain or loss relating to the partial or full termination of the lease.</td></tr>
<tr><td colspan="2">Lease modifications that are accounted for as a separate lease:
When the group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the group accounts for these modifications as a separate new lease. This accounting treatment equally applies to leases which the group elected the short-term lease exemption and the lease term is subsequently modified.</td></tr>
<tr><td colspan="3">IFRS 16 – Lessor lease modifications</td></tr>
<tr><td>Finance leases</td><td colspan="2">When the group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the group accounts for these modifications as a separate new lease.

All other lease modifications that are not accounted for as a separate lease are accounted for in terms of IFRS 9, unless the classification of the lease would have been accounted for as an operating lease had the modification been in effect at inception of the lease. These lease modifications are accounted for as a separate new lease from the effective date of the modification and the net investment in the lease becomes the carrying amount of the underlying asset.</td></tr>
<tr><td>Operating leases</td><td colspan="2">Modifications are accounted for as a new lease from the effective date of the modification.</td></tr>
</table>

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.

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.
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.
Stage 1 and 2 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.
Stage 3 loan credit impairments (Rm)	Impairment for credit impaired (stage 3) loans, net of the present value of estimated recoveries.
Gross stage 3 coverage (%)	Balance sheet (BS) impairments for credit impaired loans 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).
Stage 3 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.
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.

FINANCIAL AND OTHER DEFINITIONS CONTINUED

Abbreviations and acronyms

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

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ANALYSIS OF SHAREHOLDERS

Ten major shareholders[1]

	1H19		1H18		FY18	
	Number of shares (million)	**% holding**	Number of shares (million)	% holding	Number of shares (million)	% holding
Industrial and Commercial Bank of China	**325.0**	**20.1**	325.0	20.1	325.0	20.1
Government Employees Pension Fund (PIC)	**198.2**	**12.2**	200.9	12.4	199.7	12.3
GIC Asset Management	**33.4**	**2.1**	19.4	1.2	21.0	1.3
Old Mutual Life Assurance Company	**24.6**	**1.5**	20.8	1.3	23.8	1.5
Alexander Forbes Investments	**24.5**	**1.5**	25.1	1.6	25.8	1.6
Allan Gray Balanced Fund	**22.4**	**1.4**	22.6	1.4	29.7	1.8
Vanguard Emerging Markets Stock Index Fund	**21.9**	**1.4**	22.3	1.4	22.1	1.4
Vanguard Total International Stock Index Fund	**20.6**	**1.3**	17.7	1.1	19.4	1.2
Dimensional Emerging Markets Value Fund	**16.4**	**1.0**	17.1	1.1	16.8	1.0
Government of Norway	**14.3**	**0.9**	12.1	0.8	14.8	0.9
	701.3	**43.4**	683.0	42.4	698.1	43.1

[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

	1H19		1H18		FY18	
	Number of shares (million)	**% holding**	Number of shares (million)	% holding	Number of shares (million)	% holding
South Africa	**781.0**	**48.2**	776.9	48.0	785.1	48.5
Foreign shareholders	**838.2**	**51.8**	841.2	52.0	833.4	51.5
China	**325.9**	**20.1**	325.4	20.1	325.9	20.1
United States of America	**245.9**	**15.2**	256.5	15.9	240.3	14.8
United Kingdom	**35.2**	**2.2**	42.5	2.6	39.0	2.4
Singapore	**36.0**	**2.2**	21.7	1.3	24.0	1.5
Namibia	**17.9**	**1.1**	19.5	1.2	19.6	1.2
Norway	**15.2**	**0.9**	12.4	0.8	15.4	1.0
Japan	**14.9**	**0.9**	14.5	0.9	15.0	0.9
Netherlands	**14.2**	**0.9**	17.4	1.1	15.6	1.0
Hong Kong	**13.4**	**0.8**	12.5	0.8	12.0	0.7
Luxembourg	**13.4**	**0.8**	15.7	1.0	10.3	0.6
United Arab Emirates	**12.1**	**0.7**	12.2	0.8	12.2	0.8
Ireland	**10.7**	**0.7**	21.7	1.3	13.3	0.8
Saudi Arabia	**9.8**	**0.6**	12.8	0.8	10.4	0.6
Canada	**8.3**	**0.5**	10.8	0.7	11.0	0.7
Other	**65.3**	**4.2**	45.6	2.7	69.4	4.4
	1 619.2	**100.0**	1 618.1	100.0	1 618.5	100.0

CREDIT RATINGS

Ratings as at 7 August 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+	Negative
Local currency issuer default rating		BB+	Negative
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+	Negative
Local currency issuer default rating		BB+	Negative
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+	Negative
Local currency issuer default rating	B	BB+	Negative
Moody's Investor Services			
Foreign currency deposit rating	P-3	Baa3	Stable
Local currency deposit 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			
Foreign currency issuer default rating	B	BB-	Stable
National rating	F1 + (KEN)	AAA (KEN)	Stable
Stanbic Bank Uganda			
Fitch Ratings			
Foreign currency issuer default rating	B	B+	Stable
National rating	F1 + (UGA)	AAA (UGA)	
Moody's Investor Services			
Foreign currency deposit rating	B3	B3	Stable
Local currency deposit rating	B1	B1	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	100	100	30
Gross distribution/dividend per share (cents)	454.0	3.25	391.38
Last day to trade in order to be eligible for the cash dividend	Tuesday, 10 September 2019	Tuesday, 3 September 2019	Tuesday, 3 September 2019
Shares trade ex the cash dividend	Wednesday, 11 September 2019	Wednesday, 4 September 2019	Wednesday, 4 September 2019
Record date in respect of the cash dividend	Friday, 13 September 2019	Friday, 6 September 2019	Friday, 6 September 2019
Dividend cheques posted and CSDP/broker account credited/updated (payment date)	Monday, 16 September 2019	Monday, 9 September 2019	Monday, 9 September 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, 11 September 2019, and Friday, 13 September 2019, both days inclusive.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Wednesday, 4 September 2019 and Friday, 6 September 2019, both days inclusive.

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