

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to what action to take please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney or other professional adviser immediately.

**Action required**

1. If you wish to receive the Cash Dividend you do not need to do anything.
2. If, instead of the Cash Dividend, you wish to elect to receive Capitalisation Shares, and you are holding certificated ordinary shares you should complete the accompanying form of election in respect of all or part of your shareholding in accordance with the instructions contained in the form of election and lodge it with, or post it to, the transfer secretaries, being Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) in South Africa and Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (parking and entrance in Burg Street next to Leo offices), Windhoek (PO Box 2401, Windhoek) in Namibia to be received by them by no later than 12:00 South African time on Friday, 19 April 2013 unless otherwise indicated by your CSDP or broker. Forms of election received after this date and time will not be accepted.
3. If you hold dematerialised ordinary shares and you wish to elect to receive Capitalisation Shares instead of the Cash Dividend, you must instruct your CSDP or broker accordingly. This should be done in terms of the custody agreement in existence between you and your CSDP or broker. You are not required to pay for the Standard Bank Group ordinary shares ("Ordinary Shares") which you are entitled to elect to receive in terms of this Capitalisation Issue.
4. If you have disposed of your Ordinary Shares on or before Friday, 12 April 2013, but these Ordinary Shares are included in the number shown in Block (2) on the accompanying form of election, you should forward this circular immediately with the enclosed form of election, to the purchaser to whom, or the CSDP, broker or agent through whom, you disposed of your Ordinary Shares.
5. The distribution of this circular and the rights to receive the Capitalisation Shares in jurisdictions other than the Republics of South Africa and Namibia may be restricted by law, and failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Accordingly, ordinary shareholders will not be entitled to receive the Capitalisation Shares, directly or indirectly, in those jurisdictions. Such ordinary shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions.
6. The experts whose names appear in this circular, have consented and have not withdrawn their consent to their names being included in the form and context in which it appears in this circular.

**IF YOU WISH TO RECEIVE CAPITALISATION SHARES FOR ALL OR PART OF YOUR SHAREHOLDING AND:**

- YOU HOLD DEMATERIALISED ORDINARY SHARES, YOU SHOULD INSTRUCT YOUR CSDP OR BROKER ACCORDINGLY, IN TERMS OF THE CUSTODY AGREEMENT BETWEEN YOU AND YOUR CSDP OR BROKER; OR
- YOU HOLD CERTIFICATED ORDINARY SHARES, YOU SHOULD COMPLETE THE ATTACHED FORM OF ELECTION AND RETURN IT TO THE TRANSFER SECRETARIES.

**IF YOU DO NOT WISH TO RECEIVE THE CAPITALISATION SHARES, NO FURTHER ACTION IS REQUIRED AND YOU WILL RECEIVE THE CASH DIVIDEND.**



**STANDARD BANK GROUP LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1969/017128/06)  
JSE share code: SBK NSX share code: SNB  
ISIN: ZAE000109815  
(\*Standard Bank Group\* or "the Company")

**Directors:** Phaswana TMF# (*Chairman*), Zhang H\* (*Deputy Chairman, China*), Macozoma SJ\* (*Deputy Chairman*), Kruger BJ (*Chief Executive*), Tshabalala SK (*Chief Executive*), Band DDB#, Dunne RMW# (UK), Gcabashe TS#, Kalyan KP#, Liu Y\* (*China*), Moroka KD#, Nissen AC#, Ramaphosa MC\*, Ridley SP, Ruck MJD#, Lord Smith of Kelvin Kt# (UK), Sullivan PD# (AU), Wharton-Hood PG, Woods EM#.

\* **Non-executive # Independent Group Secretary: Stephen Z**

**CIRCULAR TO ORDINARY SHAREHOLDERS**

regarding

**the payment of a final gross cash dividend of 243 cents per ordinary share ("the Cash Dividend") to ordinary shareholders ("Shareholders") recorded in the register of the Company at the close of business on Friday, 19 April 2013, or an election to receive capitalisation shares ("Capitalisation Shares") instead of the Cash Dividend ("the Capitalisation Issue") to be determined by the ratio that 243 cents bears to the volume weighted average price of the Company's ordinary shares on the exchange operated by the JSE Limited ("JSE") during the five-day trading period ending Thursday, 4 April 2013;**

and including

**a form of election for use by certificated Shareholders only.**

**SALIENT DATES AND TIMES**

|  | <b>2013</b>       |
|--|-------------------|
| Announcement released on the Stock Exchange News Service ("SENS") relating to the Cash Dividend and the Capitalisation Issue       | Thursday, 7 March |
| Announcement published in the press relating to the Cash Dividend and the Capitalisation Issue                                     | Friday, 8 March   |
| Capitalisation Issue circular and form of election posted to Shareholders on or about  | Friday, 22 March  |
| Announcement released on SENS of the ratio based on the five-day trading period ending Thursday, 4 April 2013                      | Friday, 5 April   |
| Announcement published in press of the ratio based on the five-day trading period ending Thursday, 4 April 2013                    | Monday, 8 April   |
| Last day to trade in order to be eligible for the Cash Dividend or Capitalisation Issue  | Friday, 12 April  |
| Ordinary shares trade ex-entitlement   | Monday, 15 April  |
| Listing of maximum possible number of Ordinary Shares commences at commencement of business  | Monday, 15 April  |
| Last day to elect the Capitalisation Issue instead of the Cash Dividend by 12:00 unless otherwise indicated by your CSDP or broker | Friday, 19 April  |
| Record date in respect of the Cash Dividend and the Capitalisation Issue   | Friday, 19 April  |
| Share certificates and dividend cheques posted and CSDP/broker accounts credited/updated   | Monday, 22 April  |
| Announcement relating to the results of the Cash Dividend and the Capitalisation Issue released on SENS                            | Monday, 22 April  |
| Listing of Ordinary Shares adjusted at the commencement of business on or about  | Tuesday, 23 April |
| Announcement relating to the results of the Cash Dividend and the Capitalisation Issue published in the press                      | Tuesday, 23 April |

**Note:**

No Ordinary Shares will be dematerialised or rematerialised between Monday, 15 April 2013 and Friday, 19 April 2013 (both days inclusive).

**This circular is only available in English. Copies hereof may be obtained from the registered office of Standard Bank Group, being 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg.**

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Sponsor in Namibia



## 1. INTRODUCTION

Shareholders are referred to Standard Bank Group's results announcement for the 12 months ended 31 December 2012, released on SENS on Thursday, 7 March 2013, and published in the press on Friday, 8 March 2013 whereby Shareholders were advised that the board of directors of the Company ("the Board") has declared a Cash Dividend payable to Shareholders recorded in the register of the Company at the close of business on Friday, 19 April 2013, with an election to receive Capitalisation Shares in terms of the Capitalisation Issue the terms of which are set out in paragraph 3 below.

## 2. RATIONALE

Whilst Standard Bank Group's strong capital adequacy position would allow for the payment of a full cash dividend, a cash dividend with the option to receive Capitalisation Shares affords the Group the ability to maintain and further improve its capital position under Basel III while also supporting the group's growth strategy in Africa. It also provides the flexibility for Shareholders who would prefer to increase their shareholding in the Company.

## 3. THE AWARD OF A CASH DIVIDEND OR THE ELECTION TO RECEIVE CAPITALISATION SHARES

### 3.1 Terms of the Cash Dividend and Capitalisation Issue

Subject to the terms contained in this circular and the accompanying form of election, Shareholders recorded in the register of Standard Bank Group at the close of business on the record date, being Friday, 19 April 2013, will receive a gross Cash Dividend of 243 cents per Ordinary Share in respect of all or part of their shareholdings, to the extent Shareholders have not elected Capitalisation Shares under the form of election attached.

Where such an election has been made for Capitalisation Shares, Shareholders will be entitled to receive Capitalisation Shares, being new ordinary shares of 10 (ten) cents each in the Company, which will be determined by the ratio that the Cash Dividend bears to the volume weighted average price of Standard Bank Group's Ordinary Shares on the JSE during the five-day trading period ending Thursday, 4 April 2013, provided that they make their election by no later than 12:00 South African time on Friday, 19 April 2013 unless otherwise indicated by your CSDP or broker. The Cash Dividend will be paid out of profits of the Company while the issue price of the Capitalisation Shares pursuant to the Capitalisation Issue will be paid by the Company utilising Standard Bank Group's share premium reserves of R17 968 431 165.42, but the premium will only be utilised to the extent of the par value of the Capitalisation Shares being 10 (ten) cents each and will, upon their issue, rank *pari passu* in all respects with the other Ordinary Shares then in issue.

No Secondary Tax on Companies credits have been utilised as part of the Cash Dividend.

Example of the calculation of the Capitalisation Issue entitlement:

This example assumes that a Shareholder holds 100 ordinary shares on the record date and elects to receive Capitalisation Shares and that the volume weighted average price of Standard Bank Group's Ordinary Shares on the JSE for the five-day trading period ending Thursday, 4 April 2013 is 11 700 cents per share.

New ordinary share entitlement

$$= \frac{100 \times 243 \text{ cents}}{11\,700 \text{ cents}} = 2.07692 \text{ new ordinary shares}$$

### 3.2 Fractions

Trading in the Strate Limited environment does not permit fractions and fractional entitlements. Accordingly, where a Shareholder's entitlement to new Ordinary Shares calculated in accordance with the above formula gives rise to a fraction of a new Ordinary Share, such fraction of a new Ordinary Share will be rounded up to the nearest whole number where the fraction is greater than or equal to 0,5 and rounded down to the nearest whole number where the fraction is less than 0,5.

### 3.3 Nominee companies

The transfer secretaries have been instructed to treat applications from nominee companies as separate applications on the submission of a breakdown of the beneficial owners of Ordinary Shares registered in the name of the nominee companies.

### 3.4 Tax implications

The Cash Dividend and the Capitalisation Issue is likely to have tax implications for both resident and non-resident Shareholders. Shareholders are therefore encouraged to consult their professional tax advisers should they be in any doubt as to the appropriate action to take.

In terms of the Income Tax Act, the Cash Dividend will unless exempt, be subject to Dividend Withholding Tax ("DT") that was introduced with effect from 1 April 2012. South African resident Shareholders that are liable for DT, will be subject to DT at a rate of 15% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 206.55 cents per share. Non-resident Shareholders may be subject to DT at a rate of less than 15% depending on their country of residence and the applicability of any Double Tax Treaty between South Africa and their country of residence. The Capitalisation Issue is not subject to DT in terms of the Income Tax Act, but the subsequent disposal of shares obtained as a result of the Capitalisation Issue is likely to have Income Tax or Capital Gains Tax ("CGT") implications. Where any future disposal of shares obtained as a result of the Capitalisation Issue fall within the CGT regime, the base cost of such shares will be regarded as nil in terms of the Income Tax Act (or the value at which such shares will be included in the determination of the weighted average base cost method would be zero).

### 3.5 Foreign shareholders

The distribution of this circular and the right to receive the Capitalisation Shares in jurisdictions other than the Republics of South Africa and Namibia may be restricted by law and the failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Accordingly, Shareholders

will not be entitled to receive the Capitalisation Shares, directly or indirectly, in those jurisdictions. Such non-resident Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of non-resident Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions, in connection with the Capitalisation Issue, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate adviser in the relevant jurisdictions without delay.

## 4. PROCEDURE FOR SHAREHOLDERS WHO ELECT TO RECEIVE CAPITALISATION SHARES

Shareholders who hold certificated Ordinary Shares and who wish to elect to receive the Capitalisation Shares, must complete the attached form of election in accordance with the instructions contained therein and lodge it with the transfer secretaries, being Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) in South Africa and Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (parking and entrance in Burg Street next to Leo offices), Windhoek (PO Box 2401, Windhoek) in Namibia so as to be received by them by no later than 12:00 South African time on Friday, 19 April 2013, unless otherwise indicated by your CSDP or broker. Forms of election received after this date and time will not be accepted. Shareholders who hold dematerialised Ordinary Shares must not complete the attached form of election, but should instruct their CSDP or broker with regards to their election in accordance with the terms of the custody agreement in existence between the dematerialised Shareholder and the CSDP or broker.

Shareholders may make the election in respect of all or any of their Ordinary Shares held on the record date, being Friday, 19 April 2013. If an election is made in respect of part of a shareholding, Shareholders will receive the Cash Dividend in respect of the Ordinary Shares for which the election to receive Capitalisation Shares is not made, subject to any fractions arising which will be dealt with as set out in paragraph 3.2 above. If you wish to receive the Cash Dividend, no further action is required and you will receive the Cash Dividend. Shareholders electing to receive Capitalisation Shares should note that this election is irrevocable and once an election to receive Capitalisation Shares is made, such election cannot be cancelled.

## 5. POSTING OF DIVIDEND CHEQUES, SHARE CERTIFICATES AND UPDATING OR CREDITING OF CSDP ACCOUNTS

Dividend cheques and share certificates, where applicable, in respect of the Ordinary Shares, will be dispatched to certificated Shareholders, at the risk of such Shareholders on or about Monday, 22 April 2013, to their registered addresses or in accordance with instructions given to the transfer secretaries. Dematerialised Shareholders' CSDP or broker accounts will be credited or updated on Monday, 22 April 2013, according to the elections made.

## 6. LISTING OF NEW STANDARD BANK GROUP ORDINARY SHARES

Application will be made to the JSE and the Namibian Stock Exchange ("NSX") for granting of a listing of the maximum possible number of Ordinary Shares to be issued in terms of the Capitalisation Issue, to be listed with effect from the commencement of business on Monday, 15 April 2013. An adjustment of the number of Ordinary Shares listed will be made on or about Tuesday, 23 April 2013, in accordance with the actual elections made.

The right to receive new Ordinary Shares may not be traded on the JSE or NSX.

## 7. EXCHANGE CONTROL REGULATIONS

In terms of the Exchange Control Regulations of the Republics of South Africa and Namibia:

*In the case of certificated Shareholders:*

- any share certificate that may be issued to non-resident Shareholders will be endorsed "non-resident";
- any new share certificates and dividend payments based on emigrants Ordinary Shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such new share certificates will be endorsed "non-resident"; and
- dividend payments due to non-residents are freely transferable from South Africa. In respect of all non-residents of the common monetary area (collectively, the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland) the dividend payments due will be sent to the registered address of the shareholder concerned or in accordance with instructions given to the transfer secretaries;

*In the case of dematerialised Shareholders:*

- any Ordinary Shares issued to emigrants from the common monetary area and all other non-residents of the common monetary area will be credited to their CSDP or broker account and a "non-resident" annotation will appear in the CSDP or broker register;
- any dividend paid to emigrants from the common monetary area will be credited to their CSDP or broker accounts and their CSDP or broker will arrange for the same to be credited directly to the Shareholder's blocked Rand account held by that Shareholder's authorised dealer and held to the order of that authorised dealer; and
- any dividend paid to non-resident Shareholders who are not emigrants from the common monetary area will be credited directly to the bank accounts nominated for the relevant Shareholders by their duly appointed CSDP or broker. Non-resident and emigrant dematerialised Shareholders will have all aspects relating to exchange control managed by their CSDP or broker.

On behalf of the Board

**Zola Stephen**  
Group Secretary

### Registered office

9th Floor  
Standard Bank Centre  
5 Simmonds Street  
Johannesburg, 2001  
(PO Box 7725, Johannesburg, 2000)

### South African transfer secretaries

9th Floor, Standard Bank Centre  
Computershare Investor Services Proprietary Limited  
5 Simmonds Street,  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001  
(PO Box 61763, Marshalltown, 2107)

### Namibian transfer secretaries

Transfer Secretaries Proprietary Limited  
4 Robert Mugabe Avenue  
(parking and entrance in Burg Street next to Leo offices)  
Windhoek  
(PO Box 2401, Windhoek)

**STANDARD BANK GROUP LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1969/017128/06)  
JSE share code: SBK      NSX share code: SNB  
ISIN: ZAE000109815  
("Standard Bank Group" or "the Company")

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**FORM OF ELECTION**

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For use by Shareholders who hold certificated Ordinary Shares in Standard Bank Group and who wish to elect to receive Capitalisation Shares for all or part of their shareholding ("the Election") in Standard Bank Group.

Shareholders who hold dematerialised Ordinary Shares in Standard Bank Group must instruct their CSDP or broker accordingly in terms of the custody agreement entered into between them and their CSDP or broker. These Shareholders must **not** use this form of election.

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**IF YOU WISH TO RECEIVE CAPITALISATION SHARES FOR ALL OR PART OF YOUR SHAREHOLDING AND:**

- **YOU HOLD DEMATERIALIZED ORDINARY SHARES, YOU SHOULD INSTRUCT YOUR CSDP OR BROKER ACCORDINGLY, IN TERMS OF THE CUSTODY AGREEMENT BETWEEN YOU AND YOUR CSDP OR BROKER; OR**
- **YOU HOLD CERTIFICATED ORDINARY SHARES, YOU SHOULD COMPLETE THIS FORM OF ELECTION AND RETURN IT TO THE TRANSFER SECRETARIES.**

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**IF YOU DO NOT WISH TO RECEIVE THE CAPITALISATION ISSUE, NO FURTHER ACTION IS REQUIRED AND YOU WILL RECEIVE THE CASH DIVIDEND**

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**NO LATE POSTAL ELECTIONS WILL BE ACCEPTED**

To: The Transfer Secretaries

*In South Africa*

Computershare Investor Services Proprietary Limited  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001  
(PO Box 61763, Marshalltown, 2107)

*In Namibia*

Transfer Secretaries Proprietary Limited  
4 Robert Mugabe Avenue,  
(parking and entrance in Burg Street next to Leo offices),  
Windhoek  
(PO Box 2401, Windhoek)

I/We, \_\_\_\_\_ (insert names in BLOCK LETTERS)

regarding the election of Capitalisation Shares instead of the Cash Dividend:

- hereby irrevocably elect to accept Capitalisation Shares in respect of the number of Ordinary Shares reflected in Block (4) overleaf and on the terms and conditions contained in this form of election and in the accompanying circular;
- acknowledge that this form of election is applicable only in respect of Ordinary Shares of which I/we was/were the registered holder(s) at the close of business on the record date, being Friday, 19 April 2013; and
- acknowledge that I/we am/are only entitled to an award of Standard Bank Group Ordinary Shares determined by the ratio that 243 cents bears to the volume weighted average price of the Company's Ordinary Shares on the JSE during the five-day trading period ending Thursday, 4 April 2013. If an election is in respect of part of my/our shareholding, I/we will receive the Cash Dividend in respect of the Ordinary Shares for which the election to receive Capitalisation Shares are not made.

Date \_\_\_\_\_

Signature \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

Telephone number including area code and international code  
if outside South Africa \_\_\_\_\_ (Home) \_\_\_\_\_ (Work)

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**Cellphone number including international code if used outside South Africa**

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**Notes:**

1. The Election may be made in respect of all or any number of the Standard Bank Group certificated Ordinary Shares registered or deemed to be registered in the name of the Shareholder at the close of business on Friday, 19 April 2013.
2. The signature on the form of election of any person who is under legal disability shall be accompanied by the signature of such person's guardian or legal representatives, as the case may be.
3. In order to be valid, this form of election must be properly completed and lodged with, or posted to, the transfer secretaries of Standard Bank Group at the appropriate address indicated above so as to reach them by no later than 12:00 South African time on Friday, 19 April 2013, unless otherwise indicated by your CSDP or broker. Late forms of election will not be accepted.
4. Standard Bank Group reserves the right in its discretion to:
  - 4.1 treat as invalid (in which case the Cash Dividend will be awarded) any form of election not complying with the terms of the Capitalisation Issue or any instruction contained herein; or
  - 4.2 require proof of the authority of the person signing this form of election where such proof has not yet been lodged with or recorded by the transfer secretaries.
5. Fractional entitlements to Ordinary Shares will not be allocated, but will be dealt with as explained in paragraph 3.2 of the circular.

The Transfer Secretaries

*In South Africa*

Computershare Investor Services Proprietary Limited

Ground Floor, 70 Marshall Street

Johannesburg, 2001

(PO Box 61763, Marshalltown, 2107)

*In Namibia*

Transfer Secretaries Proprietary Limited

4 Robert Mugabe Avenue,

(parking and entrance in Burg Street next to Leo offices)

Windhoek

(PO Box 2401, Windhoek)

| Name and address of registered Shareholder |
|--|
| (1)  |

| Account number | Number of Standard Bank Group Ordinary Shares held or deemed to be held on the record date, based on your shareholding at close of business on Wednesday, 20 March 2013 | Maximum Cash Dividend to which you will become entitled based on the number of Ordinary Shares held or deemed to be held on the record date, being Friday, 19 April 2013, <b>should you not elect to participate in the Capitalisation Issue</b> |
|----------------|---|--|
|                | (2)   | (3)  |

| Number of Standard Bank Group Ordinary Shares for which Capitalisation Shares are elected – the remaining Standard Bank Group Cash Dividend and Capitalisation Issue will be calculated by the transfer secretaries. The maximum number of Ordinary Shares for which the Capitalisation Issue can be made is reflected in Block 2 above or, if Ordinary Shares have been transacted in the period from Friday, 12 April 2013, then the number of Ordinary Shares registered in the Company's registers on the record date. |           |
|--|-----------|
| (4)  |           |
| Date of signature  | Signature |

**Instructions on how to complete the form of election:**

1. For the terms and conditions governing this election, refer to the accompanying circular.
2. If you hold Standard Bank Group share certificates and elect to receive Capitalisation Shares in respect of all or part of your shareholding, you should complete Block (4) above in accordance with the instructions herein and lodge this form of election with the transfer secretaries (being Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) in South Africa and Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue, (parking and entrance in Burg Street next to Leo offices), Windhoek, (PO Box 2401, Windhoek) in Namibia in order to reach them by no later than 12:00, South African time on Friday, 19 April 2013.

**The non-receipt of forms of election by 12:00 South African time on Friday, 19 April 2013, will be construed by Standard Bank Group as indicating that such Ordinary Shares do not wish to elect to receive Capitalisation Shares instead of the Cash Dividend.**

**Please note that if your preference is to participate in the Capitalisation Issue, an election must be made for the number of Ordinary Shares for which a Capitalisation Issue is required. If no election is made for a Capitalisation Issue, an award of a Cash Dividend in Standard Bank Group will be made.**