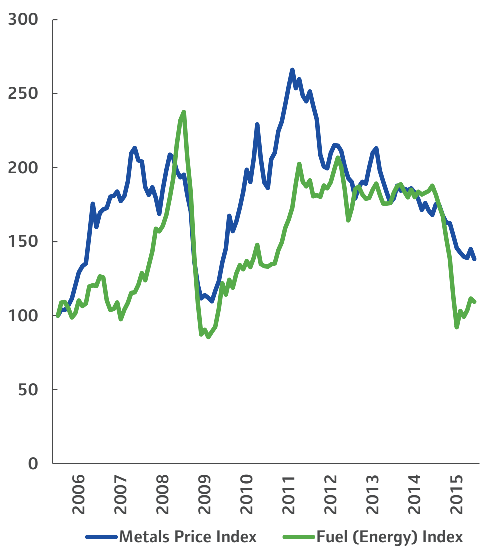
Standard Bank | **Financial results presentation**

for the period ended 30 June 2015

Notes

Macroeconomic environment impacting our results

- Volatility in the rand and African currencies and further rand devaluation against developed market currencies
- Low oil prices placing pressure on oil-producing countries Nigeria, Ghana and Angola
- Continued negative impact on commodity prices from the slowdown in China weighing on resource-based markets in sub-Saharan Africa
- Relatively benign interest rate environment in most African countries but inflationary pressures are increasing
- Continued electricity supply constraints, and weak business and consumer confidence in South Africa



Source: IMF data

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Financial results presentation

for the period ended 30 June 2015

Our strategic focus on Africa

Purpose

Legitimacy

Vision

Principles

Values

- Group purpose
  - "Africa is our home, we drive her growth"
- Our vision is "to be the leading financial services organisation in, for and across Africa, delivering exceptional client experiences and superior value"
- The group's guiding principles provide the mechanics for how we operate and make decisions
  - Commitments we make to our clients
  - The culture we wish to build for our people
  - The way we execute
- Group ROE of 15.1% has moved into the medium term target range of 15 – 18%
- Completion of the sale of a controlling interest in Standard Bank Plc completes the shift of the group to focus on customers and clients in Africa
- African franchise in good shape notwithstanding the challenging operating environments in West African countries following a decline in oil prices
  - Slower growth from the African franchise following several years of strong increases in headline earnings
  - However overall Africa results buoyed by other regions demonstrating the importance of diversity
- Systematically executing our refreshed strategy
  - Universal real economy African financial services group
  - Client centricity guiding simplification
  - Continued investment in system platforms, digitisation and operational efficiencies
- Satisfactory progress on implementing regulatory requirements competitively
  - NSFR concerns being worked through with the authorities

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Notes

Financial results

Simon Ridley

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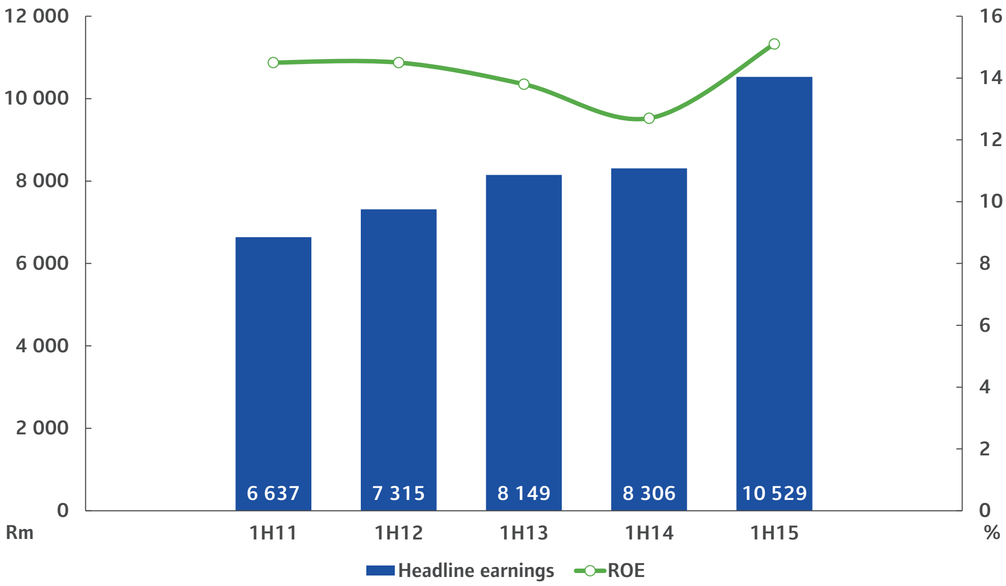
Financial results presentation

for the period ended 30 June 2015

Headline earnings and ROE



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Notes

Financial results presentation

for the period ended 30 June 2015

Key metrics

	1H15	change %	1H14	FY14
Headline earnings (Rm)	10 529	27	8 306	17 323
Headline earnings – continuing operations (Rm)	10 358	11	9 338	21 068
Headline earnings – pro forma continuing operations* (Rm)	10 426	17	8 925	19 570
Headline EPS (HEPS) (cents)	650.5	27	513.1	1 070.3
DPS (cents)	303	17	259	598
NAV per share (cents)	8 806	6	8 269	8 625
ROE (%)	15.1		12.7	12.9
Credit loss ratio (%)	0.99		1.13	1.00
Cost to income ratio (%)	56.7		55.3	54.5
Tier 1 capital adequacy ratio (%)	13.7		12.7	12.9

** Pro forma continuing operations includes 40% of the discontinued operation given that 40% of the operation is still held by the group*

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Financial results presentation

for the period ended 30 June 2015

Headline earnings impact of the discontinued operation

	1H15		
	Discontinued operation Rm	Share of associate Rm	Total Rm
SB Plc operating loss up to date of disposal	(378)		(378)
ICBCS share of 5 months performance (40% associate)		(375)	(375)
Write down of residual aluminium asset	(276)		(276)
Partial insurance recovery for aluminium	539	347	886
Separation costs incurred	(64)		(64)
Headline loss recognised in CIB	**(179)**	**(28)**	**(207)**
Insurance proceeds for aluminium paid by group entity	(54)		(54)
Cash flow hedge release on disposal of SB Plc	404		404
SBG headline earnings	**171**	**(28)**	**143**

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Notes

Financial results presentation

for the period ended 30 June 2015

Summarised group income statement

	1H15 Rm	change %	1H14 Rm	FY14 Rm
Net interest income	23 453	8	21 666	45 256
Non interest revenue	19 795	9	18 155	38 984
Total income	**43 248**	**9**	**39 821**	**84 240**
Credit impairment charges	5 032	2	4 952	9 009
Income from operations	**38 216**	**10**	**34 869**	**75 321**
Operating expenses	24 762	11	22 222	46 871
Headline earnings – Banking activities	**9 445**	**30**	**7 285**	**15 165**
Continuing operations	9 274	12	8 317	18 910
Discontinued operation	171		(1 032)	(3 745)
Headline earnings – Liberty	1 084	6	1 021	2 158
SBG headline earnings	**10 529**	**27**	**8 306**	**17 323**
Continuing operations	10 358	11	9 338	21 068
Discontinued operation	171		(1 032)	(3 745)

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Financial results presentation

for the period ended 30 June 2015

Business unit view of headline earnings

	1H15 Rm	change %	1H14 Rm	FY14 Rm
Personal & Business Banking	**4 811**	**16**	**4 159**	**9 801**
South Africa	4 550	14	4 003	9 388
Rest of Africa	56	14	49	104
Outside Africa	205	92	107	309
Corporate & Investment Banking	**4 368**	**54**	**2 833**	**4 979**
Continuing operations	4 547	18	3 865	8 724
Discontinued operation	(179)	83	(1 032)	(3 745)
Central and other	266	(9)	293	385
Banking activities	**9 445**	**30**	**7 285**	**15 165**
Liberty	**1 084**	**6**	**1 021**	**2 158**
Liberty operating earnings	706	11	637	1 374
LibFin Investments – shareholder investment portfolio	378	(2)	384	784
SBG	**10 529**	**27**	**8 306**	**17 323**

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Notes

Financial results presentation

for the period ended 30 June 2015

Loans and advances

	1H15 Rbn	change %	1H14 Rbn	FY14 Rbn
PBB	**556**	**4**	**534**	**544**
Mortgage loans	319	2	313	317
Vehicle and asset finance	75	6	71	73
Card debtors	31	5	30	30
Other loans and advances	131	9	120	124
Personal unsecured lending	54	1	53	54
Business and other	77	15	67	70
CIB	**339**	**22**	**278**	**298**
Corporate loans	261	14	229	239
Commercial property finance	53	19	45	48
Loans granted under resale agreements	25	>100	4	11
Other services	(5)		(8)	(10)
Loans and advances to customers	**890**	**11**	**804**	**832**
Loans and advances to banks	176	69	104	116
Gross loans and advances	**1 066**	**17**	**908**	**948**

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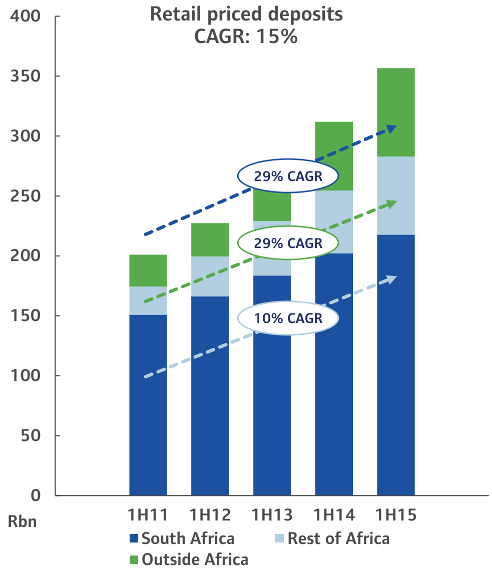
Financial results presentation

for the period ended 30 June 2015

Deposit and current accounts

	1H15 Rbn	change %	1H14 Rbn	FY14 Rbn
Retail priced	357	14	312	337
Wholesale priced	653	10	596	629
Deposit and current accounts from customers	**1 010**	**11**	**908**	**966**



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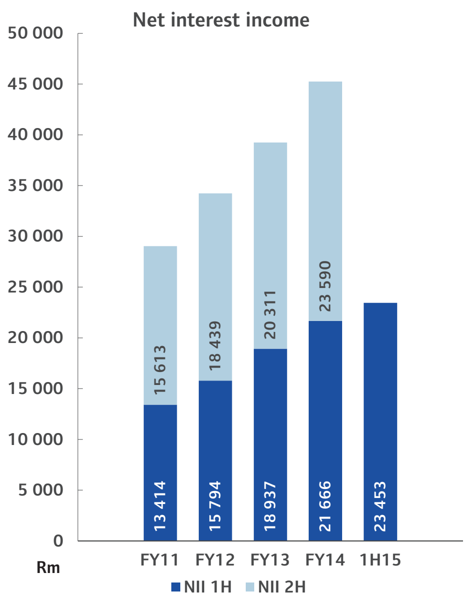
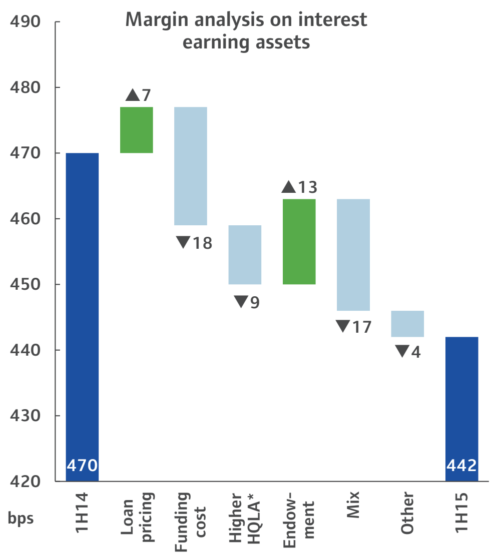
Notes

Financial results presentation

for the period ended 30 June 2015

Net interest income and margin analysis





** HQLA = High quality liquid assets*

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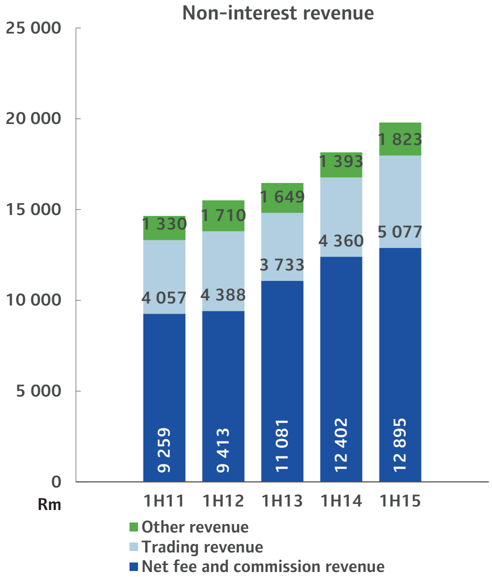
Financial results presentation

for the period ended 30 June 2015

Non-interest revenue



	1H15 Rm	change %	1H14 Rm
FICC	4 463	13	3 956
Equities	614	52	404
Trading revenue	**5 077**	**16**	**4 360**

	1H15 Rm	change %	1H14 Rm
Banking and property related revenue	999	62	618
Insurance – bancassurance income	824	6	775
Other revenue	**1 823**	**31**	**1 393**

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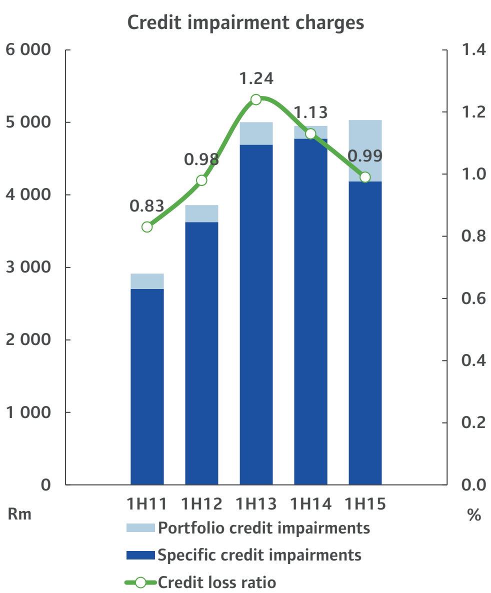
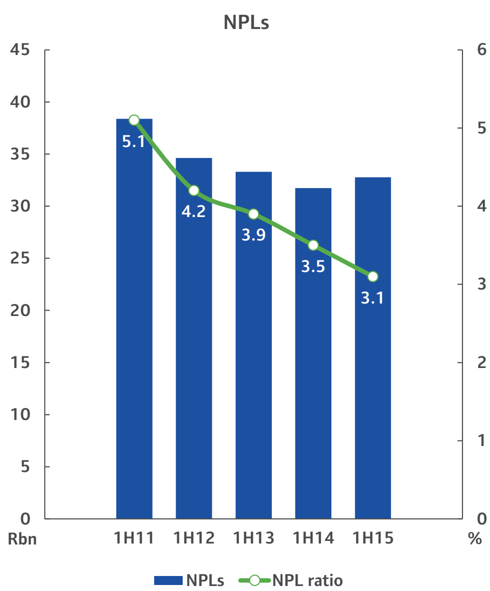
Notes

Financial results presentation

for the period ended 30 June 2015

Credit impairment charges and NPLs





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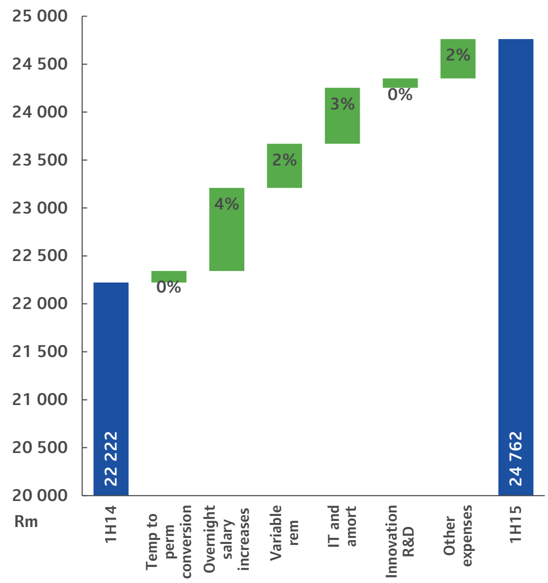
Operating expenses

	1H15 Rm	change %	1H14 Rm
Staff costs	13 510	12	12 063
Other operating expenses	11 252	11	10 159
IT and amortisation	3 607	19	3 023
Depreciation	1 376	6	1 296
Other	6 269	7	5 840
Total operating expenses	24 762	11	22 222

	1H15 Rm	change %	1H14 Rm
IT and amortisation	3 607	19	3 023
IT staff costs	1 408	7	1 313
Other	1 146	(11)	1 281
Total IT function spend	6 161	10	5 617



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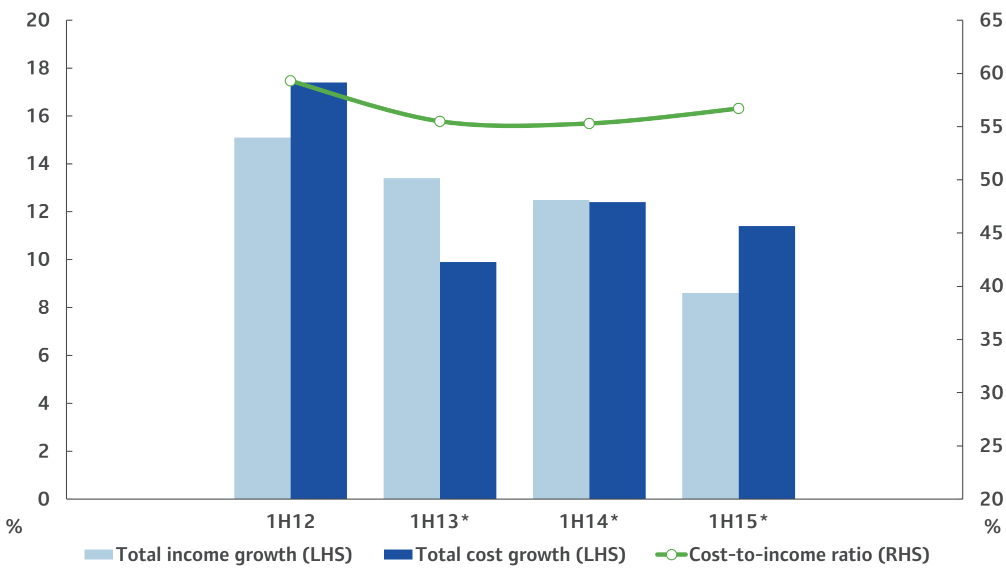
Notes

Cost-to-income ratio



** Continuing operations*

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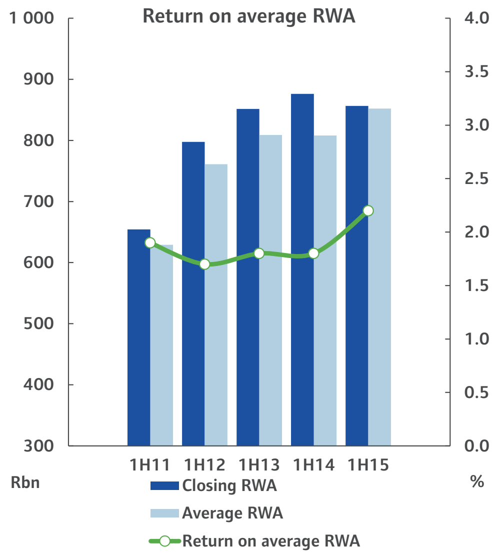
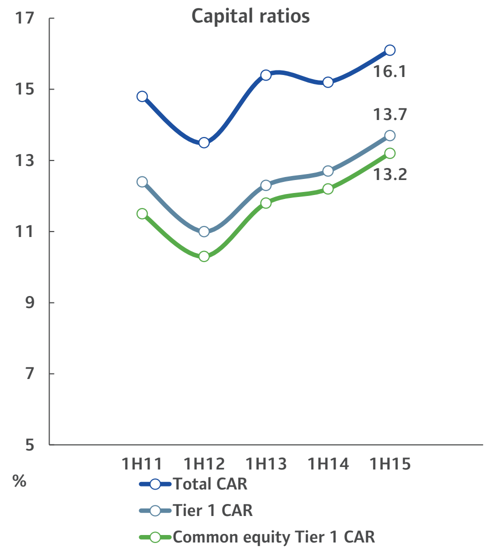
Financial results presentation

for the period ended 30 June 2015

Capital





Basel 3 implemented 1 Jan 2013. RWA and capital adequacy for 1H12 are on a pro forma Basel 3 basis. 1H11 is on a Basel 2 basis.

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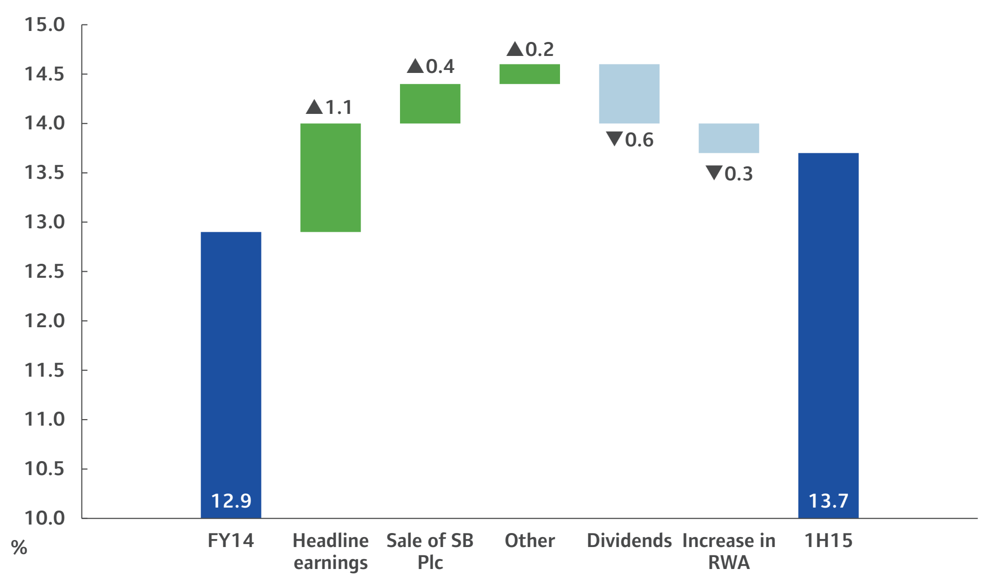
Notes

Financial results presentation

for the period ended 30 June 2015

Tier 1 capital progression



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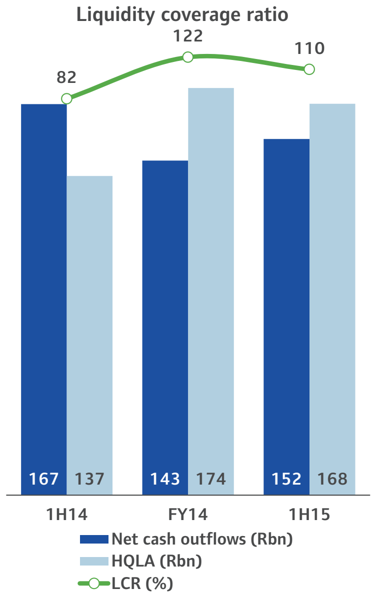
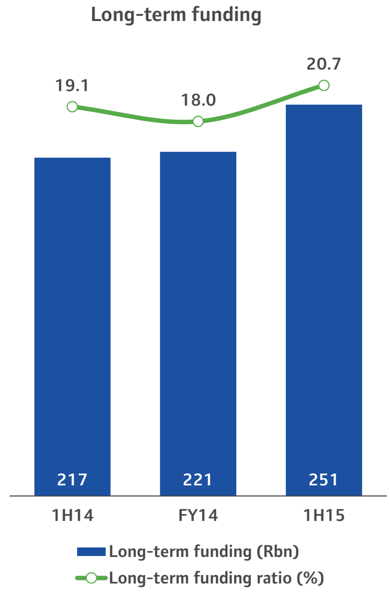
for the period ended 30 June 2015

Liquidity management





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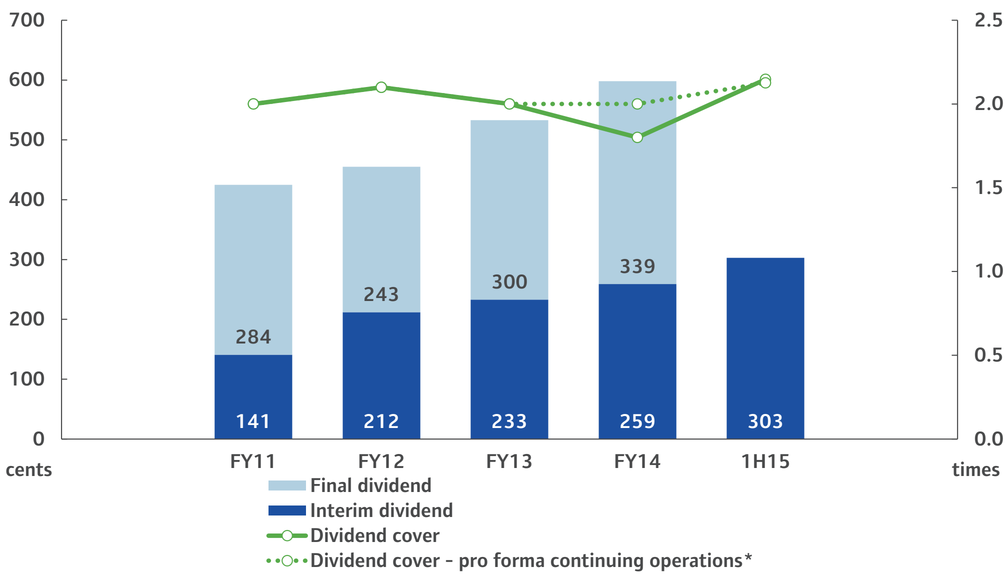
Financial results presentation

for the period ended 30 June 2015

Dividends



** Pro forma continuing operations includes 40% of the discontinued operation given that 40% of the operation is still held by the group*

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Corporate & Investment Banking

David Munro

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Notes

CIB highlights

- Business continues to grow despite a complex operating environment in several markets
- Client centricity at the heart of successful execution on our Africa strategy
- Further industry recognition as a leading and innovative player
- Receipt of proceeds from the close of ICBCS transaction
- Strong financial results lift our ROE above 16%

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Financial results presentation

for the period ended 30 June 2015

Client centricity

- Client revenues growing in line with reported revenues in SA and Rest of Africa
- Played pivotal roles in transformative, landmark deals
  - Joint arranger for Ghana Cocoa Board for a USD1.8bn pre-export trade finance facility
  - Bookrunner and joint lead manager of Africa Finance Corporation's debut USD750m Eurobond
  - One of the lead investment banks for the South African investment company Brait's GBP 780 million cross-border acquisition of the UK clothing retailer New Look
  - Partner to Eskom in sale of USD1.25bn 10 year fixed rate bond issued into international capital markets
- Sector expertise at the heart of client engagement
- Origination centres and client teams now fully operational within and outside Africa

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Notes

Financial results presentation

for the period ended 30 June 2015

Growth across the continent

- Resilient revenue growth at 9%
- Core South Africa franchise a strong performer
- Tough trading conditions in oil and commodity based economies
- Client activity remains strong despite such volatilities
- Committed to consistently supporting MNCs and domestic businesses in their long term growth trajectory
- Resolute on Africa strategy: Our footprint on the continent remains a competitive advantage

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Industry recognition: 2015 awards

The Banker Deals of the Year for Africa 2015	• Africa - Islamic Finance: South Africa $500m Sovereign Sukuk • Africa - M&A: Woolworths' Acquisition of David Jones • Africa - Infrastructure & Project Finance : Funding for $623m Lake Turkana wind farm • Africa - Securitisation & Structured Finance: $800m Facility for INT Towers Ltd
Global Finance World's Best Treasury & Cash Management Providers 2015	• Best Overall Bank for Cash Management in Africa • Best Bank for Short Term Investment/Money Markets in Africa • Best Treasury & Cash Management Provider in South Africa
emeafinance Achievement Awards	• Best equity house in Africa: Standard Bank • Best IPO in Africa: Seplat • Best follow-on funding in EMEA: Woolworths' ZAR9.98bn offering • Best follow-on funding in Africa: Diamond Bank's NGN50.37bn offering
emeafinance Project Finance 2014	• Best power deal in EMEA: Kpone IPP in Ghana • Best project finance deal in Africa: Kpone IPP in Ghana • Best power deal in Africa: Gigawatt gas-fired power plant in Mozambique • Best sustainability deal in Africa: Lake Turkana Wind farm project • Best water deal in Africa: Rehabilitation of Luachimo hydroelectric power project in South Africa

Notes

CIB summarised income statement

	1H15 Rm	change %	1H14 Rm
Total income	**15 125**	**9**	**13 838**
Operating expenses	8 338	9	7 640
Pre-provision profit	**6 787**	**10**	**6 198**
Credit impairment charges	591	31	450
Income from operations	**6 196**	**8**	**5 748**
Share of profit from associates	(28)		
Headline earnings	**4 368**	**54**	**2 833**
Continuing operations	4 547	18	3 865
Discontinued operation	(179)	83	(1 032)
ROE (%)	16.3		11.8
Credit loss ratio (%)	0.25		0.25
Cost to income ratio (%)	55.1		55.4
Jaws (%)	0.2		(4.6)

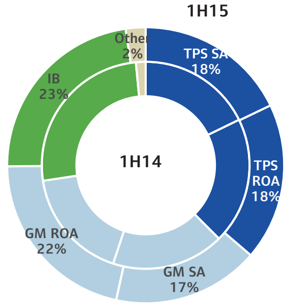
Financial results presentation

for the period ended 30 June 2015

CIB business units

	Total income			Headline earnings		
	1H15 Rm	change %	1H14 Rm	1H15 Rm	change %	1H14 Rm
Transactional Products and Services	5 501	9	5 047	1 416	4	1 363
Global Markets	5 876	12	5 244	2 112	30	1 626
Investment Banking	3 449	(0)	3 453	943	(1)	956
Real estate and Principal investment management	299	>100	94	104	>100	(80)
Share of profit from associates				(28)		
CIB continuing operations	**15 125**	**9**	**13 838**	**4 547**	**18**	**3 865**

Business unit contribution to total income



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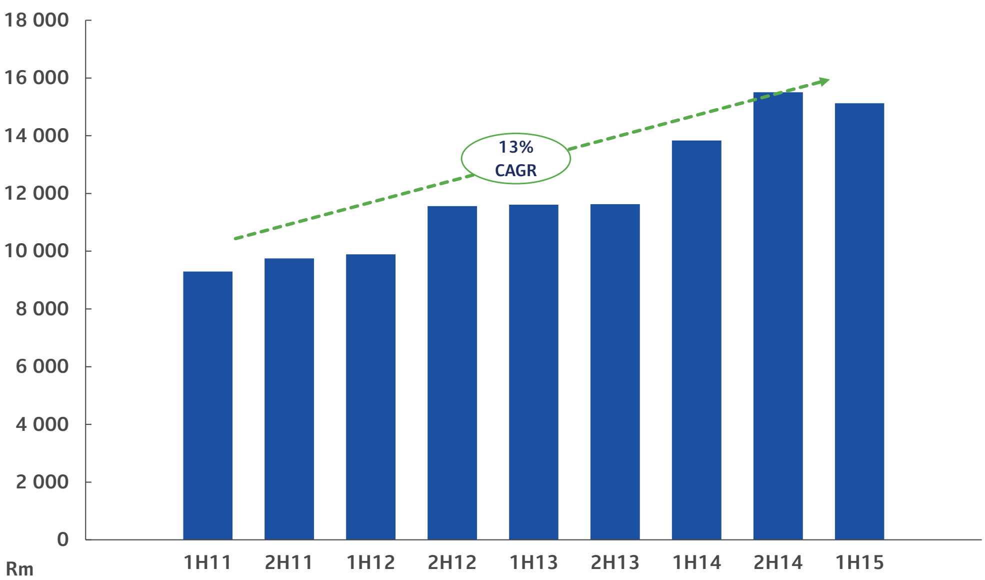
Notes

Financial results presentation

for the period ended 30 June 2015

CIB revenue trend



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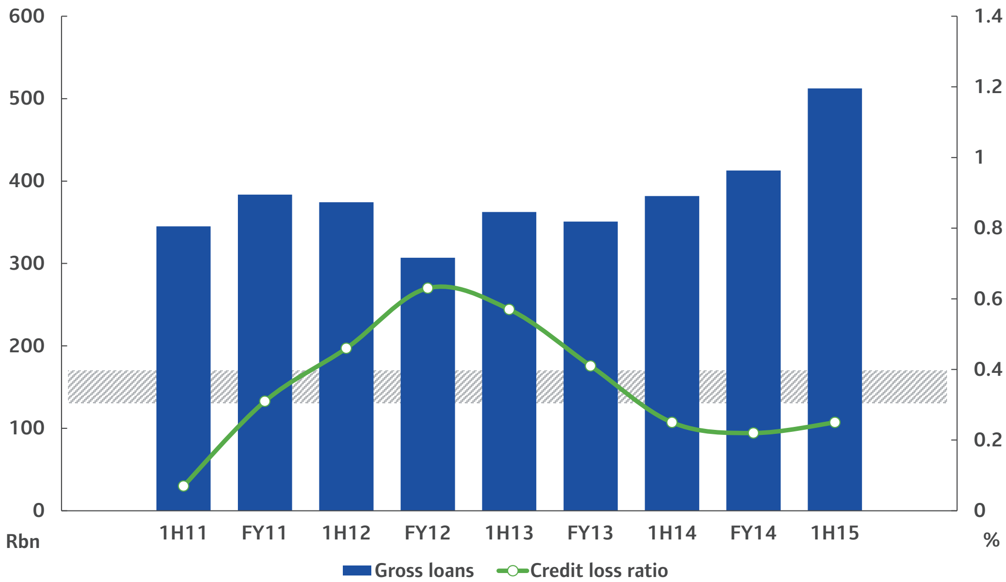
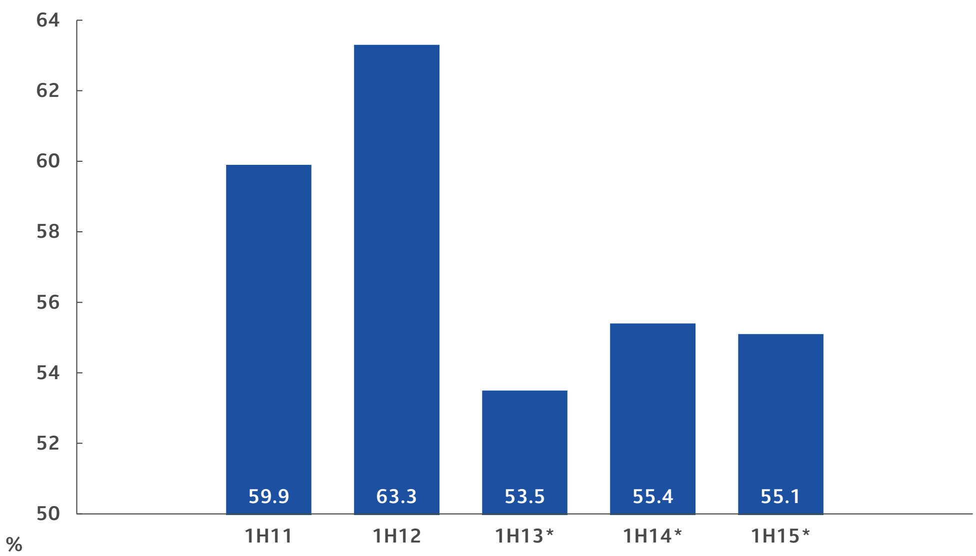
CIB credit performance



Notes

CIB cost-to-income ratio

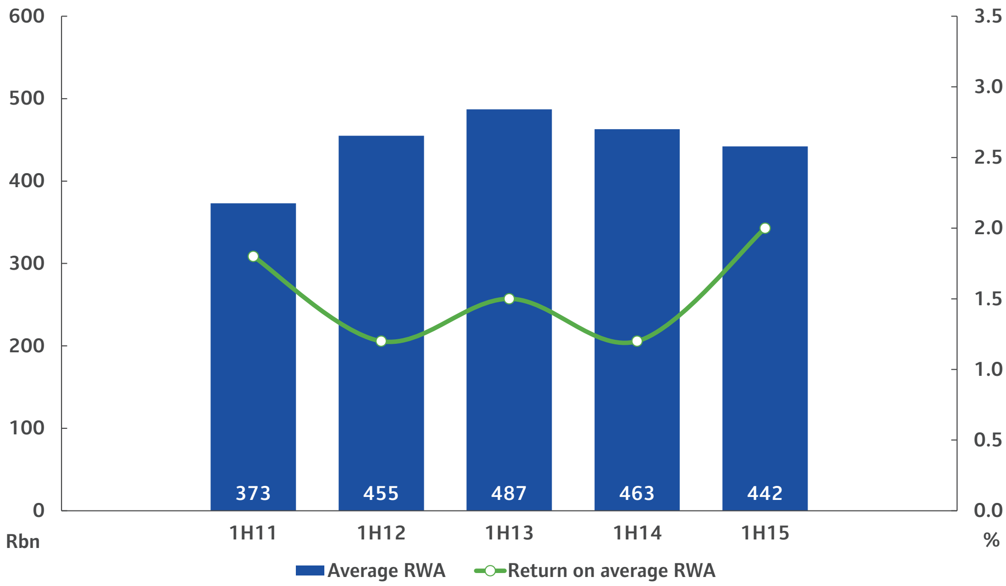


* *Continuing operations*

Financial results presentation

for the period ended 30 June 2015

CIB return on average RWA



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Financial results presentation

for the period ended 30 June 2015

Moving forward

- We take real confidence from our client base
  - Growing client franchise
    - › Domestic
    - › Pan-African
    - › Global multi-national
  - Fast pace of growth and development of our clients businesses
- Focus on our people and culture
- Engaging with regulators on market-wide issues
- Africa remains at our core, we take a medium to long term view on our markets
  - We call Africa home in a way that no other bank can
- On the right trajectory to meet medium term goals

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Personal & Business Banking

Peter Schlebusch

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Notes

Key highlights

- SA financial performance pleasing in a tough market
- Rest of Africa growth in profit despite impact of lower commodity prices in key countries
- The progress made in the Vehicle and asset finance division in 2H14 continued into 1H15
- Good customer growth in chosen segments
- Strong deposit growth consistent with our strategy
- Solid revenue growth
- Improving traction in supporting clients with cross-border ambitions
- New capabilities in a digital world

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Financial results presentation

for the period ended 30 June 2015

Our digital journey

- Volumes on mobile apps are up 119% year on year
- Processed over 210m financial transactions in SA on mobile devices
- Online origination volumes are higher, from a low base
- New internet banking site enabled us to move from #5 to #2 on SITEisfaction index survey
- Progress in core banking replacement journey with migration of 34m profiles to single customer file
- Continued progress on our Africa core banking journey

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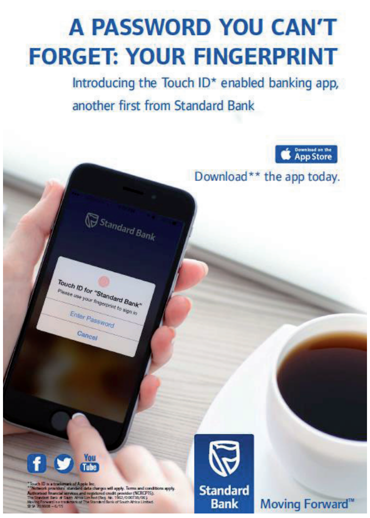
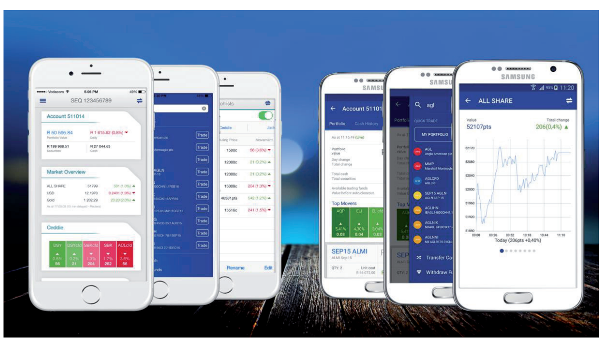
Financial results presentation

for the period ended 30 June 2015





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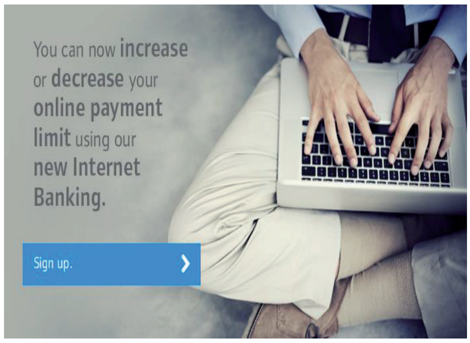

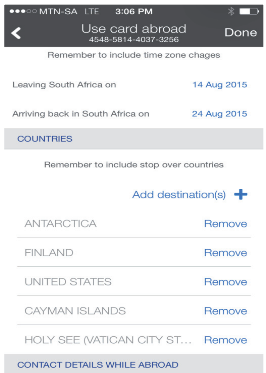

Notes

Challenges

- Overall deterioration in economic climate, especially in Nigeria
- Impact of regulatory changes in 1H15
  - Interchange
  - Temporary staff converted to permanent staff
  - Reserve Bank directive on debt restructures impacting early arrears and NPLs
- Deterioration in credit performance of entry level segments in both retail and small business segments
- Impact of investing in new capabilities and systems resulting in negative jaws

Financial results presentation

for the period ended 30 June 2015

PBB summarised income statement

	1H15 Rm	change %	1H14 Rm
Net interest income	16 675	12	14 910
Non interest revenue	12 108	8	11 191
Total income	**28 783**	**10**	**26 101**
Operating expenses	17 486	12	15 654
Pre-provision profit	**11 297**	**8**	**10 477**
Credit impairment charges	4 401	(2)	4 502
Headline earnings	**4 811**	**16**	**4 159**
Net interest margin (%)	5.33		5.10
Credit loss ratio (%)	1.48		1.58
Cost to income ratio (%)	60.6		59.7
ROE (%)	16.0		15.8

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Financial results presentation

for the period ended 30 June 2015

PBB summarised balance sheet

	1H15 Rbn	change %	1H14 Rbn
Loans and advances to customers	**556**	**4**	**534**
Mortgage loans	319	2	313
Vehicle and asset finance	75	6	71
Card debtors	31	5	30
Lending products	131	9	120
Deposit and current accounts from customers	**445**	**16**	**382**
Current accounts	125	11	112
Short term deposits	228	19	192
Term deposits	92	18	78
Reliance on wholesale priced treasury funding	**116**	**(23)**	**149**

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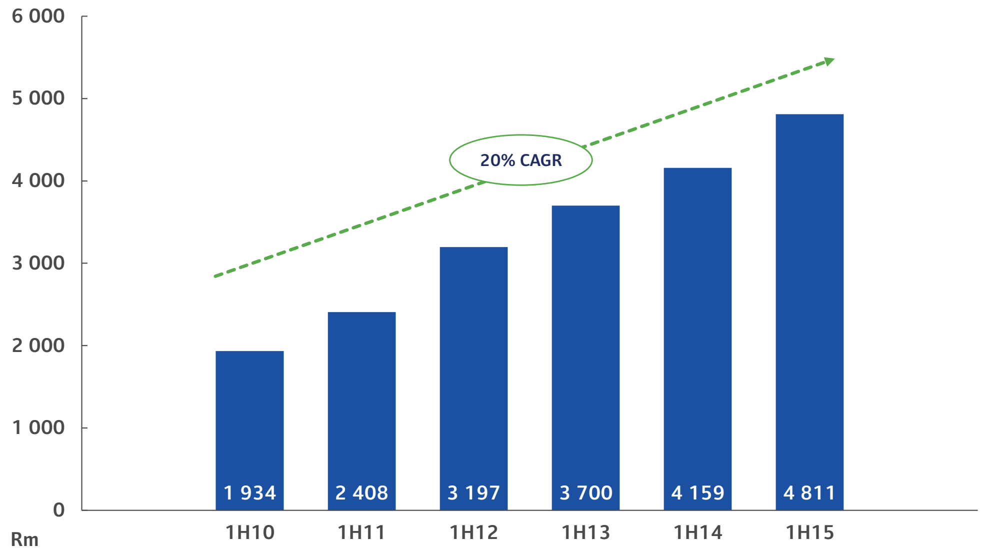
Financial results presentation

for the period ended 30 June 2015

Strong headline earnings growth



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Financial results presentation

for the period ended 30 June 2015

PBB geographic view of headline earnings

	1H15 Rm	change %	1H14 Rm
South Africa	4 550	14	4 003
Rest of Africa	56	14	49
Outside Africa	205	92	107
SBG	**4 811**	**16**	**4 159**

- South Africa delivering respectable growth in muted economic environment whilst absorbing investment in digital and core banking capabilities
- Rest of Africa continues to grow profits
  - 10 out of 14 countries grew HE
  - Excluding PBB Nigeria bank, Rest of Africa improved HE by R71m, or 78% in constant currency
  - Despite
    - Declining commodity prices impacting key countries such as Nigeria, Angola and Zambia
    - Regulatory impact on FX trading in Nigeria and fee caps in various countries
    - Weakening local currencies in a number of countries
    - Electricity disruptions
- Outside Africa delivering strong growth as a result of increased client activity supporting deposit gathering

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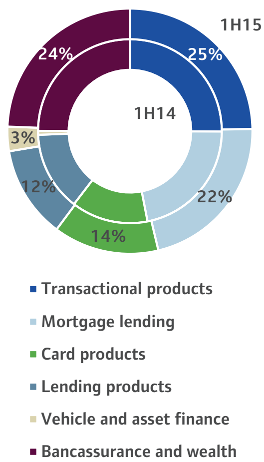
Financial results presentation

for the period ended 30 June 2015

PBB product reporting

	Total income			Headline earnings		
	1H15 Rm	change %	1H14 Rm	1H15 Rm	change %	1H14 Rm
Transactional products	12 246	13	10 821	1 189	12	1 057
Mortgage lending	3 647	9	3 354	1 037	12	922
Card products	3 036	10	2 760	671	18	569
Lending products	4 798	6	4 537	585	(1)	588
Vehicle and asset finance	1 652	6	1 564	155	>100	(29)
Bancassurance and wealth	3 404	11	3 065	1 174	12	1 052
PBB	**28 783**	**10**	**26 101**	**4 811**	**16**	**4 159**

Product contribution to headline earnings



- Notable improvement in quality of new Vehicle and asset finance loans

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Notes

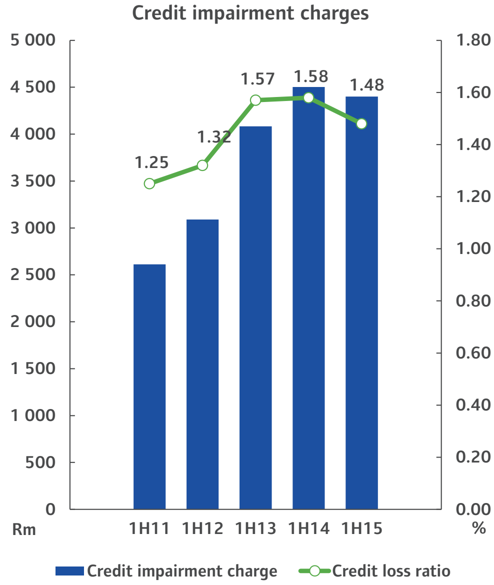
Financial results presentation

for the period ended 30 June 2015

PBB credit impairments

	1H15 %	FY14 %	1H14 %
Mortgage loans	0.80	0.79	0.82
Vehicle and asset finance	1.41	1.55	2.09
Card debtors	4.63	4.08	4.76
Other loans and advances	2.16	2.05	2.24
Personal unsecured lending	4.74	4.20	4.62
AccessLoans	9.99	11.75	14.59
Business lending and other	0.94	0.90	0.80
PBB credit loss ratio	**1.48**	**1.41**	**1.58**
By geography			
South Africa	1.59	1.53	1.70
Rest of Africa	1.94	1.83	2.13
Outside Africa	0.01	0.01	0.01

Credit impairment charges



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PBB NPLs and coverage ratios

Coverage ratios	1H15 %	FY14 %	1H14 %
Mortgage loans	26	26	27
Vehicle and asset finance	48	53	54
Card debtors	63	69	65
Other loans and advances	65	65	68
Personal unsecured lending	68	69	69
AccessLoans	86	85	89
Business lending and other	56	57	63
PBB	**41**	**42**	**42**

NPL ratios	1H15 %	FY14 %	1H14 %
Mortgage loans	4.7	4.4	4.9
Vehicle and asset finance	3.8	3.7	3.7
Card debtors	6.0	5.0	5.5
Other loans and advances	3.6	3.8	3.9
Personal unsecured lending	7.9	7.3	7.4
AccessLoans	17.4	17.4	19.9
Business lending and other	1.7	2.0	2.1
PBB	**4.3**	**4.2**	**4.5**

- In addition bolstered provision for performing loans by 16% to R4.8bn

Notes

Moving fast forward

- Driving the continent's growth through enabling our customers with excellent, consistent customer experience
- Addressing increasing regulatory challenges across geographies
- Accelerate digital journey by leveraging new systems and processing capabilities
- Continue to improve the competitive positioning of Vehicle and asset finance
- Consistent increase in Rest of Africa profit contribution
- Committed and enthusiastic teams determined to succeed and win across Africa

Conclusion

Ben Kruger

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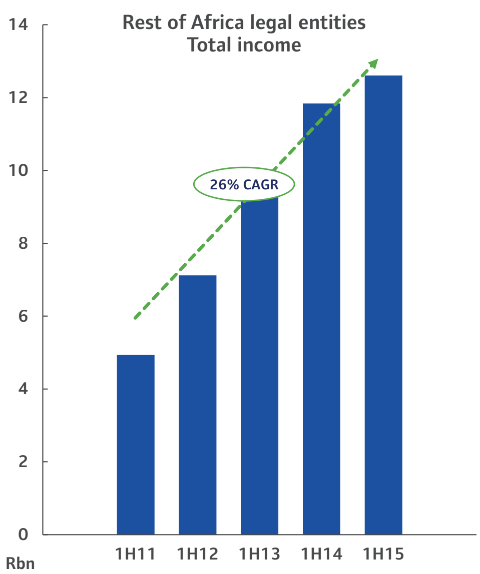
for the period ended 30 June 2015

The growing importance of sub-Saharan Africa



	1H15 Rbn	change %	1H14 Rbn
South and central Africa	1 308	65	793
East Africa	714	(5)	753
West Africa	602	(24)	788
Headline earnings	**2 624**	**12**	**2 334**
Contribution to continuing headline earnings (%)	**25**		**25**

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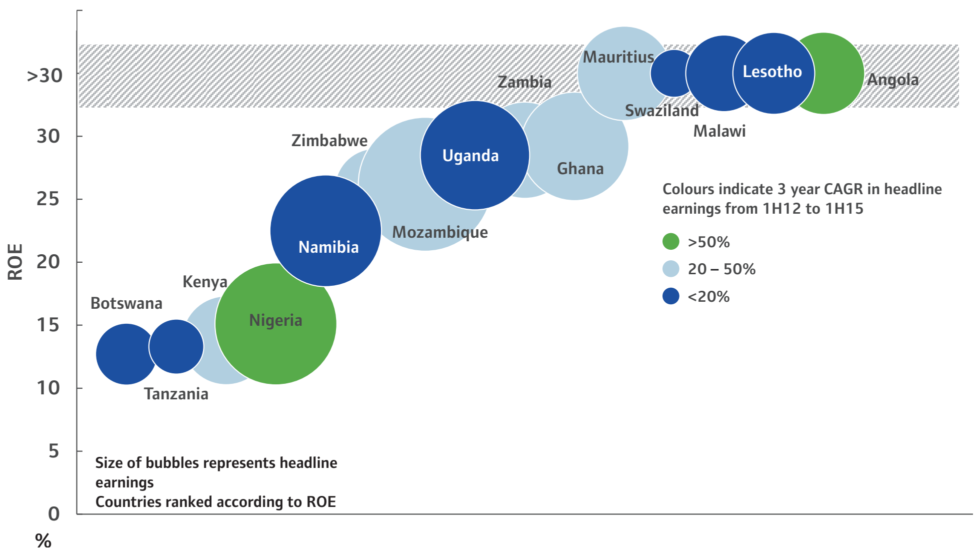
for the period ended 30 June 2015

The growing importance of sub-Saharan Africa



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for the period ended 30 June 2015

The economic outlook is challenging…

- Slowdown in emerging markets expected to continue and sub-Saharan Africa is set to grow by 4.5%, slower than in recent years
- Lower oil and commodities prices will keep the pressure on certain of our markets in Africa
- We are preparing our business for a riskier environment
  - Managing our exposure to the oil industry in Nigeria and to iron ore and copper across the continent given the decline in commodity prices
  - Increased amount of business is written for high quality low risk CIB clients at lower margins
  - Deposit growth outpacing loan growth
  - PBB unsecured lending broadly flat overall, with exposure in the lower income market declining and growth in the higher income market exposures
  - Increase in portfolio provisions across all lending products in both PBB and CIB
  - Increased capital adequacy and liquidity levels in anticipation of volatility in financial markets

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Financial results presentation

for the period ended 30 June 2015

… however we are confident about the future

- We continue to invest in our franchise, leveraging our brand, market positioning and talented staff to better service our clients and customers across Africa
- The portfolio tilt is working and we have good overall revenue momentum
- The investment we are making in IT will continue to have a dilutive impact on ROE in the short-term but will have a benefit in the future
- We remain committed to making progress in lifting ROE further into the group's 15 to 18% target range over the medium term

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Notes