

Standard Bank Group Limited

Registration number 1969/017128/06
Incorporated in the Republic of South Africa
Website: www.standardbank.com/reporting

Share codes

JSE share code: SBK ISIN: ZAE000109815
NSX share code: SNB ZAE000109815
A2X share code: SBK
SBKP ZAE000038881 (first preference shares)
SBPP ZAE000056339 (second preference shares)

Standard Bank Group

RESULTS ANNOUNCEMENT

for the six months ended 31 June 2021

RESULTS OVERVIEW

"The Standard Bank Group's results reflect a recovery in client activity, an improved outlook and the strong momentum in our underlying business." - Sim Tshabalala, Group Chief Executive

Group Results

The first six months of 2021 were another exceptionally difficult period for many of our clients, staff and stakeholders but we are now hopeful that the worst phase of the pandemic is behind us. Notwithstanding these continuing strains, some early signs of recovery are evident in the Standard Bank Group's (SBG or the group) financial results for the first half of 2021 (1H21). Our underlying business has strong momentum and, relative to this time last year, we have seen a recovery in client activity, an improved outlook and lower impairment charges. The group's South African business recorded a strong recovery, particularly in the Consumer and High Net Worth (CHNW) client segment. The Wholesale client segment reported strong earnings growth on the back of net credit recoveries and tight cost control.

Our Standard Bank Activities' (group excluding ICBC Standard Bank plc (ICBCS) and Liberty Holdings Limited (Liberty)) earnings were supported by growth in the client franchise, a recovery in client transactional activity, and fees and significantly lower credit charges. Underlying revenue growth was supportive although negatively impacted by lower interest rates period on period and an outsized performance in trading revenue in the prior period. Despite tight cost management, the decline in revenues drove negative jaws. Credit impairment charges halved but remained above 1H19 levels. Consequently, Standard Bank Activities' reported headline earnings of R10.9 billion, up 41% on 1H20, and a return on equity (ROE) of 13.3% (1H20: 9.5%). Liberty returned to profitability and ICBCS continued to perform well.

Group headline earnings were R11.5 billion, an increase of 52% on 1H20, and ROE was 12.9% (1H20: 8.5%). The group's capital position remained robust, with a common equity tier 1 capital adequacy (CET1) ratio as at 30 June 2021 of 13.5%. Taking into account the momentum in the underlying business and the group's strong capital position, the SBG Board has declared an interim dividend of 360 cents per share, representing a 50% dividend payout ratio.

The group's regional performance reflects the underlying recovery trends in our countries of operation. The group's South African business rebounded strongly, recording earnings of almost three times that of 1H20. Client demand and activity improved, disbursements and fees recovered, and credit charges declined from very elevated levels in 1H20. Africa Regions' performance was significantly impacted by currency movements, particularly the stronger Rand. Underlying growth was underpinned by ongoing balance sheet and client franchise growth. Africa Regions' contribution to 1H21 group headline earnings was 35%. The top six contributors to Africa Regions' headline earnings remained Angola, Ghana, Kenya, Mozambique, Nigeria and Uganda.

The global backdrop is expected to remain favourable, supported by sustained low interest rates, continued fiscal stimulus and consumer demand. CHNW balance sheet growth is expected to moderate from recent elevated levels, but 1H21 balance sheet growth should support average balances and net interest income growth in 2H21. The Wholesale client pipeline is strong, but conversion remains subject to reform execution and improved confidence. Lockdown restrictions are not expected to return to previous levels, which should aid transactional activity and non-interest revenue year on year. We expect revenue growth to exceed cost growth in 2H21. Credit impairment charges are expected to increase from 1H21 levels, as Wholesale credit charges normalise. The FY21 credit loss ratio is expected to be within the group's through-the-cycle credit loss ratio range of 70 to 100 basis points. FY21 ROE is expected to be well above the prior year, but remain below cost of equity and the final dividend payout ratio is expected to be similar to 1H21.

Further infection waves are likely, particularly in sub-Saharan Africa where vaccination levels are still low. In July 2021, there were elevated infection levels in 16 of our 20 markets on the continent. In line with our continued focus on keeping our staff safe and well, we expect that many of our colleagues will continue to work from home for the rest of the year. In 2H21, the vaccine rollout is expected to gain momentum, particularly in South Africa. We look forward to returning to work on a hybrid basis in 2022. We thank all our colleagues for their continued commitment in what has been another mentally challenging six months. We look forward to building on the progress we have made in 1H21 and remain steadfast in delivering on our purpose, "Africa is our home, we drive her growth" in 2H21 and beyond. The forecast financial information mentioned is the sole responsibility of the board and has not been reviewed and reported on by the group's auditors.

FINANCIAL STATISTICS

| | Change (%) | 1H21 | 1H20 |
|--------------------------------------|------------------|--------|--------|
| Financial indicator (Rm) | | | |
| Headline earnings | 52 | 11 477 | 7 541 |
| Total income | 5 | 64 815 | 61 517 |
| Cents per ordinary share | | | |
| Earnings per ordinary share | greater than 100 | 717.4 | 236.7 |
| Headline earnings per ordinary share | 52 | 721.4 | 473.8 |
| Dividend per ordinary share | greater than 100 | 360 | — |
| Net asset value per ordinary share | 2 | 11 509 | 11 265 |
| Financial performance | | | |
| ROE (%) | | 12.9 | 8.5 |

DECLARATION OF DIVIDENDS

Shareholders of Standard Bank Group Limited (the company) are advised of the following dividend declarations out of income reserves in respect of ordinary shares and preference shares.

Ordinary shares

Ordinary shareholders are advised that the board has resolved to declare an interim gross cash dividend No. 103 of 360 cents per ordinary share (the cash dividend) to ordinary shareholders recorded in the register of the company at the close of business on Friday, 17 September 2021. The last day to trade to participate in the dividend is Tuesday, 14 September 2021. Ordinary shares will commence trading ex dividend from Wednesday, 15 September 2021.

The salient dates and times for the cash dividend are set out in the table that follows.

Ordinary share certificates may not be dematerialised or rematerialised between Wednesday, 15 September 2021, and Friday, 17 September 2021 both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their Central Securities Depository Participant (CSDP) or broker credited on Monday, 20 September 2021.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date.

Preference shares

Preference shareholders are advised that the board has resolved to declare the following interim dividends:

- 6.5% first cumulative preference shares (first preference shares) dividend No. 104 of 3.25 cents (gross) per first preference share, payable on Monday, 13 September 2021, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday, 10 September 2021. The last day to trade to participate in the dividend is Tuesday, 7 September 2021. First preference shares will commence trading ex dividend from Wednesday, 8 September 2021.
- Non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 34 of 267.28493 cents (gross) per second preference share, payable on Monday, 13 September 2021, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday, 10 September 2021. The last day to trade to participate in the dividend is Tuesday, 7 September 2021. Second preference shares will commence trading ex dividend from Wednesday, 8 September 2021.

The salient dates and times for the preference share dividend are set out in the table that follows.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Wednesday, 8 September 2021, and Friday, 10 September 2021, both days inclusive. Preference shareholders (first and second) who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 13 September 2021.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date.

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 | 103 | 104 | 34 |
| Gross distribution/dividend per share (cents) | 360 | 3.25 | 267.28493 |
| Net dividend | 288 | 2.60 | 213.82794 |
| Last day to trade in order to be eligible for the cash dividend | Tuesday, 14 September 2021 | Tuesday, 7 September 2021 | Tuesday, 7 September 2021 |
| Shares trade ex the cash dividend | Wednesday, 15 September 2021 | Wednesday, 8 September 2021 | Wednesday, 8 September 2021 |
| Record date in respect of the cash dividend | Friday, 17 September 2021 | Friday, 10 September 2021 | Friday, 10 September 2021 |
| CSDP/broker account credited/updated (payment date) | Monday, 20 September 2021 | Monday, 13 September 2021 | Monday, 13 September 2021 |

¹ The non-redeemable, non-cumulative, non-participating preference shares (SBPP) are entitled to a dividend of not less than 77% of the prime interest rate multiplied by the subscription price of R100 per share.

Tax implications

The cash dividend received under the ordinary shares and the preference shares is likely to have tax implications for both resident and non-resident ordinary and preference shareholders. Such shareholders are therefore encouraged to consult their professional tax advisers.

In terms of the South African Income Tax Act, 58 of 1962, the cash dividend will, unless exempt, be subject to dividends tax. South African resident ordinary and preference shareholders that are not exempt from dividends tax, will be subject to dividends tax at a rate of 20% 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 288 cents per ordinary share, 2.60 cents per first preference share and 213.82794 cents per second preference share. Non-resident ordinary and preference shareholders may be subject to dividends tax at a rate of less than 20% depending on their country of residence and the applicability of any Double Tax Treaty between South Africa and their country of residence.

Shares in Issue

The issued share capital of the company, as at the date of declaration, is as follows:

- 1 619 941 184 ordinary shares at a par value of 10 cents each
- 8 000 000 first preference shares at a par value of R1 each
- 52 982 248 second preference shares at a par value of 1 cent each and subscription price of R100.

The company's tax reference number is 9800/211/71/7 and registration number is 1969/017128/06.

19 August 2021, Johannesburg

OTHER INFORMATION

This announcement is a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors or shareholders should be based on a consideration of the full announcement released on SENS or available at www.standardbank.com/reporting by emailing InvestorRelations@standardbank.co.za and also on the following JSE website:

<https://senspdf.jse.co.za/documents/2021/jse/isse/SBK/SBG1H21.pdf>

The 1H21 results, including comparatives for 1H20 where applicable, have not been audited or independently reviewed by the group's external auditors.

The directors of Standard Bank Group Limited take full responsibility for the preparation of this announcement and that the financial information, where applicable, has been correctly extracted from the underlying audited group financial statements.

Registered office: 9th floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg 2001, PO Box 7725, Johannesburg 2000

Independent sponsors: South Africa: J.P. Morgan Equities South Africa Proprietary Limited, Namibia: Simonis Storm Securities (Proprietary) Limited

Joint sponsor: The Standard Bank of South Africa Limited

Directors: TS Gcabashe (chairman), PLH Cook, A Daehnke*, MA Erasmus¹, GJ Fraser-Moleketi, X Guan² (deputy chairman), GMB Kennealy, JH Maree (deputy chairman), NNA Matyumza, KD Moroka, NMC Nyembezi, ML Oduor-Otieno³, ANA Peterside CON⁴, MJD Ruck, SK Tshabalala* (chief executive), JM Vice, L Wang².

All nationalities are South African, unless otherwise specified.

* Executive director ¹ British ² Chinese ³ Kenyan ⁴ Nigerian