

VALUE OF CREDIT  
RELIEF PROVIDED  
TO CLIENTS (N\$'Bn)

1.4

PROFIT AFTER  
TAX (N\$'m)

227

1H19:  
N\$282 millionTOTAL CAPITAL  
ADEQUACY RATIO  
(%)

15.6

1H19:  
14.4%CREDIT LOSS  
RATIO (%)

1.3

1H19:  
1.6%

COVID-19 SOCIAL SUPPORT

± 500 000

people reached through distribution  
of sanitisers, food hampers and access  
to water

"During these challenging times, the safety of and support to our employees and clients have remained our foremost priority. A special word of appreciation goes out to our staff for their resilience, bravery and agility in how they adapted to the new working environments and continued to deliver to the expectations of clients and stakeholders. Thank you sincerely".

VETUMBUAVI MUNGUNDA  
CHIEF EXECUTIVE

## GROUP RESULTS

The COVID-19 outbreak has marked a turning point in the global economy, ushering uncertainty into a year that had been expected to mark the beginning of Namibia's long-awaited journey towards economic recovery. This unique circumstance has exacerbated the prolonged slump of the Namibian economy.

The impact of COVID-19 on our operating and business activities is evident in our financial results. Net interest income declined by

4.3% to N\$630 million due to the 2.75% reduction in prime interest rate since June 2019 and a decrease in loans and advances to customers.

Non-interest revenue declined by 3.6% to N\$587 million due to a decrease in volume-based fees as a result of COVID-19.

Credit impairment charges improved by 15.3% compared to the prior year. The prior year impairment included a charge of N\$71 million raised in respect of

one sector that has not reoccurred during 2020.

The group has stress-tested future macroeconomic scenarios with resulting provisions raised attributed to COVID-19. Adjusting for the large provision raised in 2019, our provision increased by N\$44 million (41%), which reflects the impact of COVID-19 on credit impairments.

Operating expenses increased by 7.7% to N\$743 million. A decline in headcount supported slower

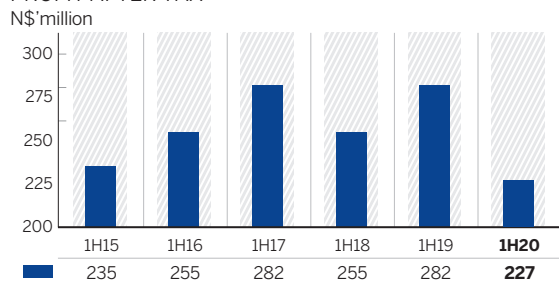
growth in staff costs. Other operating expenses increased due to higher spend on security and digital capabilities in support of our vision to put our client at the center of what we do.

Gross loans and advances to customers declined by 3.3% for the period ended 30 June 2020 in line with subdued private sector credit extension activities which have seen its lowest growth year-on-year since 2002.

Deposits from customers increased year-on-year by 0.7% to N\$26.4 billion of which current accounts grew by 16.9%, call deposits by 11.7% and term deposits by 31%.

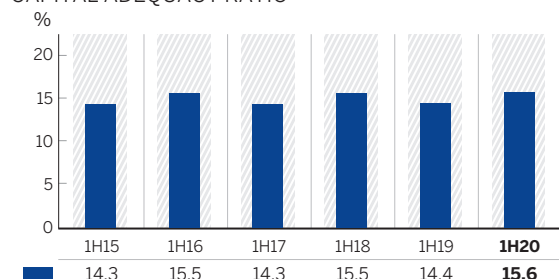
The group's capital and liquidity position remained strong, with a total capital adequacy ratio of 15.6% and the liquidity position in excess of all internal and regulatory requirements.

### PROFIT AFTER TAX



Profit after tax reduced by 19.6% for the first six months. The main contributing factors were the 2.75% reduction in repo rate, the impact of lockdown restrictions on transactional volumes and credit impairment charges.

### CAPITAL ADEQUACY RATIO



The capital and liquidity holdings are adequate to meet stress scenarios presented by COVID-19.

## FINANCIAL HIGHLIGHTS

Income statement	Change %	1H20 Reviewed N\$'000	1H19 Reviewed N\$'000
Net interest income	(4.3)	630 441	658 749
Non-interest revenue	(3.6)	586 539	608 475
<b>Total income</b>	(4.0)	<b>1 216 980</b>	1 267 224
Credit impairment charges	(15.3)	(151 180)	(178 482)
<b>Net income before operating expenses</b>	(2.1)	<b>1 065 800</b>	1 088 742
Operating expenses	7.7	(742 897)	(689 672)
<b>Net income</b>	(19.1)	<b>322 903</b>	399 070
Share of profit from equity accounted investment	(100.0)		1 746
<b>Profit before taxation</b>	(19.4)	<b>322 903</b>	400 816
Taxation	(18.9)	(96 012)	(118 445)
<b>Profit after taxation</b>	(19.6)	<b>226 891</b>	282 371

### Prospects

There is uncertainty on the duration of the COVID-19 outbreak and the likely economic recovery path. Given these uncertainties, the group developed a business impact assessment which requires ongoing review, including financial forecasts, to ensure our COVID-19 response plan remains up to date and focused on areas expected to be most impacted by the pandemic. In the midst of these challenges, the group continues to focus on the execution of its strategy and key priorities for 2020.

Postal address: PO Box 3327, Windhoek, Namibia  
Registration number: 2006/306 Country of incorporation: Republic of Namibia

Directors: The directors of the company as at 30 June 2020 are as follows: Mr H Maier\*, Mr VJ Mungunda\*\*, Mr JL Muadinohamba\*, Ms PM Nyandoro†, Adv N Bassingthwaight\*, Mrs B Rossouw\*, Mrs M Dax\*, Mr P Schlebusch\*\*, Mr IH Tjombonde\*, Mrs L du Plessis\*\*.

\* Namibian \*\* South African † Zimbabwean # Executive

Company Secretary: S Tjorokisa

SBN Holdings Limited's full announcement containing the interim results announcement for the six months ended 30 June 2020 is available for viewing on the Standard Bank website. The directors of SBN Holdings Limited take full responsibility for the preparation of this announcement and ensuring that the financial information, where applicable, has been correctly extracted from the underlying condensed consolidated interim financial statements. This announcement has not been reviewed by our external auditors. The accounting policies applied in the preparation of the condensed consolidated financial statement from which the results have been derived are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the group's previous consolidated annual financial statements.

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