

RESULTS ANNOUNCEMENT

for the year ended 31 December 2019



Our clients are at the centre of
who we are and what we do

N\$613m PROFIT FOR THE YEAR	17.3% ROE	57.2% COST TO INCOME	N\$22.8bn LOANS AND ADVANCES TO CUSTOMERS	N\$3.9bn EQUITY	N\$25.5bn DEPOSITS BY CUSTOMERS	27c DIVIDEND PER SHARE
2018: N\$552 million	2018: 17.8%	2018: 61.9%	2018: N\$21.8 billion	2018: N\$3.3 billion	2018: N\$24.9 billion	2018: 24 cents

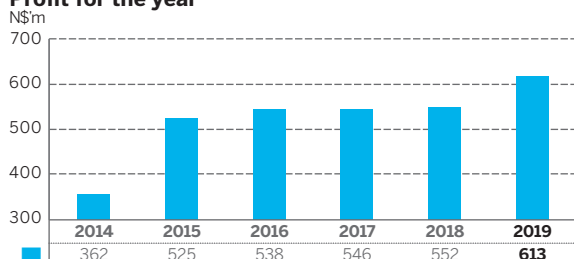
It has been a successful year for the group with many milestones reached and successes achieved. We are grateful to our clients, staff, regulators and shareholders for their support and guidance during 2019.

Vetumbuavi Mungunda, Chief Executive

Positive results in a challenging environment

The positive growth in profit for the year is a result of us executing on our vision to put the client at the centre and the successful implementation of our strategy to redesign our processes and optimise resources.

Profit for the year



Profit for the year grew by 11.1% to N\$613 million, supported by strong growth in total income and good management of expenses.

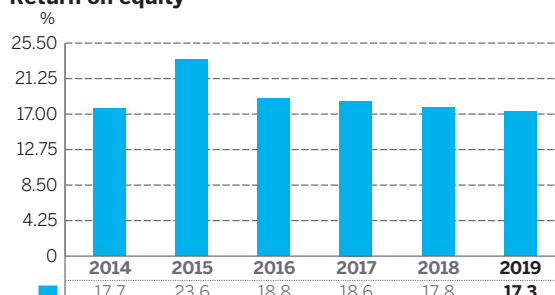
GROUP RESULTS

Net interest income grew by 9.2% driven by a 0.03% increase in interest margin despite the 0.25% decrease in Repo rate introduced during August 2019. Interest rate margins will continue to be under pressure due to the impact of competitive pricing and demand for higher yielding deposit products.

Non-interest revenue grew by 12.2% supported by 5% growth in net fee and commission revenue, 59% growth in other revenue and 43% growth in other gains and losses on financial instruments. Growth in other revenue is mainly driven by the inclusion of revenue generated by MobiPay since April 2019.

Credit impairment charges increased to N\$239 million from N\$95 million, with the credit loss ratio ('CLR') increasing from 0.5% to 1.0% at year-end. This was an improvement compared to June 2019 when CLR was recorded at 1.55%. The increase in impairments and the credit loss ratio relates to an IFRS 9-related

Return on equity



accounting change and an impairment charge raised in respect of one specific sector.

Operating expenses grew by 2.5% while the inflation recorded for 2019 was 3.7%. Management will continue to explore avenues to contain costs by the enhancement of the efficiency of our processes and operating model.

Gross loans and advances to customers grew by 4.4% with the highest growth coming from the personal unsecured and business banking portfolio at 34%. The mortgage lending portfolio grew by 3.6%.

The group's liquidity and capital position remained strong and within approved risk appetite and tolerance limits.

Deposits by customers grew by 2.7%, with the growth mainly coming from demand deposits (current accounts, cash management deposits and call deposits).

The decrease in return on equity is due to higher regulatory capital requirements as a result of Basel III implementation in 2018. During the debut listing N\$200 million new capital was raised and invested in Standard Bank Namibia to support projected asset growth.

FINANCIAL HIGHLIGHTS

	Change %	2019 N\$'000	2018 N\$'000
INCOME STATEMENT			
Net interest income	9.2	1 332 543	1 220 022
Non-interest revenue	12.2	1 262 756	1 125 709
Total income	10.6	2 595 299	2 345 731
Credit impairments	150.1	(239 165)	(95 617)
Income after credit impairments	4.7	2 356 134	2 250 114
Operating expenses	2.5	(1 488 037)	(1 451 709)
Net Income	8.7	868 097	798 405
Share of profit from equity accounting	15.2	3 929	3 410
Net income before taxation	8.8	872 026	801 815
Taxation (indirect and direct)	3.7	(258 528)	(249 392)
Profit for the year	11.1	613 498	552 423

Outlook for 2020

The macro-economic environment is expected to remain subdued with low growth in 2020. This environment requires cost-efficient channels to deliver services and to solve for clients' needs. It also requires continued vigilance in regards to credit extensions to ensure quality origination in loans and advances.

Following the completion of our process redesigns and core banking migration, the focus in 2020 will be to accelerate the digital transformation of our business and the digitisation and automation of our delivery models and processes.

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 December 2019 are as follows:
Mr H Maier*, Mr VJ Mungunda**, Mr JL Muadinohamba*, Ms PM Nyandoro†,
Adv N Bassingthwaite*, Mrs B Rossouw*, Mrs M Dax*, Mr P Schlebusch**,
Mr I Tjombonde*. * Namibian ** South African † Zimbabwean # Executive

Company Secretary: S Tjijorokisa

SBN Holdings Limited's Annual Report containing the annual consolidated financial statements for the year ended 31 December 2019 is available for viewing at <https://www.standardbank.com.na/namibia/about-us/Annual-reports>. The annual report was approved by the board on 26 February 2020 and will be accepted at the Annual General Meeting (AGM) scheduled for 28 April 2020. The directors of SBN Holdings Limited take full responsibility for the preparation of this announcement and that the financial information, where applicable, has been correctly extracted from the underlying annual consolidated financial statements. This announcement has not been reviewed by our external auditors. The results discussed in this announcement are consistent with the accounting policies adopted by the group in the audited annual financial statements and are presented on an International Financial Reporting Standards (IFRS) basis.