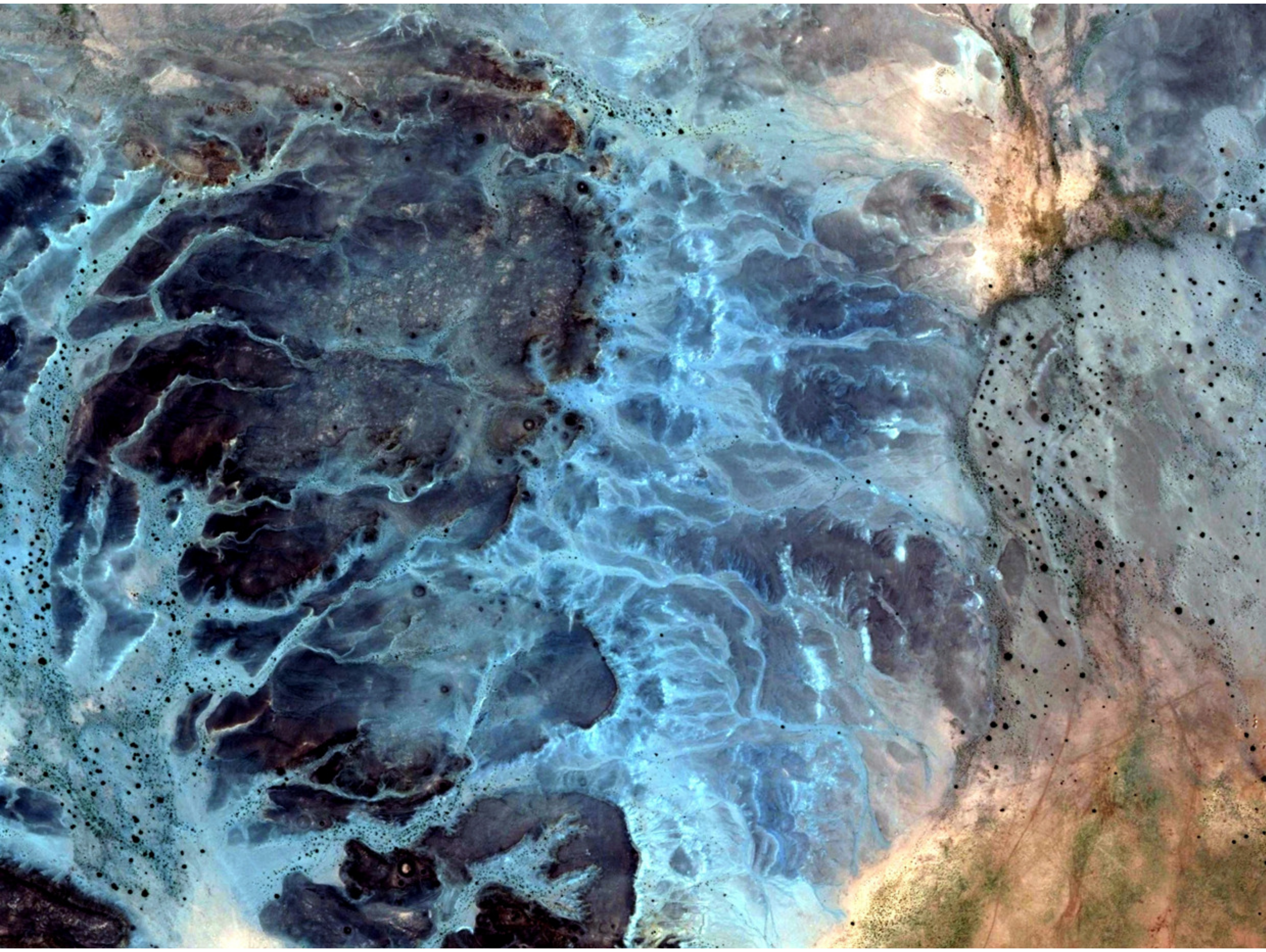
ICBC Standard Bank

Unaudited interim results

for the period ended 30 June 2018



ICBC Standard Bank at a glance

ICBC Standard Bank is a London-based banking specialist focused on the provision of Commodities, Financial Markets and Investment Banking solutions to clients in emerging and frontier markets.

Vision, values and strategic priorities

Our vision

Together, by serving our clients with integrity and excellence, we are building a global leader in Commodities and Financial Markets.

Underpinned by our values

- Client Centricity 客户至上
- Integrity 诚信为本
- Excellence 追求卓越
- Openness 公开透明
- Stakeholder Delivery 回馈各界

Our strategic priorities

- **Maximise group franchise value through integration**
- **Focus our efforts where we are differentiated**
- **Simplify to enable growth**

Ownership Structure

ICBC — 20% → Standard Bank

ICBC: World's largest bank by deposits, assets and Tier 1 capital. Rated A1/A

Standard Bank: Pre-eminent Africa-focused financial services group

ICBC 60% → ICBC Standard Bank ← 40% Standard Bank

Offices and number of employees

970
employees for the period

Credit ratings - ICBC Standard Bank

	Short Term	Long Term	Outlook
Fitch	F2	BBB+	Stable
Moody's	P3	Baa3	Stable

Group performance 30 June 2018

$185.4m
Total Income

$14.5m
Net Loss After Tax

(2.3)%
Return on Equity

$24.2bn
Balance Sheet Assets

$7.3bn
Total Risk Weighted Assets

16.6%
Tier 1 Capital Adequacy Ratio

Contents

Overview and summary of results	3
Key financial results, ratios and statistics	6
Consolidated balance sheet	7
Consolidated income statement	8
Consolidated statement of comprehensive income	9
Consolidated statement of changes in equity	10
Accounting policies	11
Financial instruments measured at fair value	12
Credit quality	13
Deposits	15
Value at risk	16

Overview and summary of results

Introduction

ICBC Standard Bank Plc ('the company') and its subsidiaries (together 'the group') is a leading financial markets and commodities bank that leverages its unique Chinese and African parentage to serve the growing needs of its primary base of Chinese clients, while also acting as a distribution platform for risk across Africa and other geographies.

The group specialises in global markets traded products including commodities, fixed income, currencies and equities, with a focus on emerging market jurisdictions spanning Africa, Asia, Central and Eastern Europe, the Middle East and Latin America. The group also offers a developing range of Investment Banking products and services.

The group employs 970 people and is headquartered in London, with additional operations in Dubai, Hong Kong, Singapore, New York and Tokyo. It also maintains a commodities trading presence in Shanghai through its subsidiary, ICBC Standard Resources (China) Limited.

The company is authorised and regulated by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA).

The group has access to major international financial exchanges through its membership of London Metals Exchange, London Stock Exchange and Tokyo Commodities Exchange, and was the first UK bank to obtain clearing membership on Moscow Exchange's Foreign Exchange Market. The company also owns two seats on the New York Mercantile Exchange (Comex division) and a seat on the Shanghai Gold Exchange International Board.

Business model

Global Markets

The Global Markets business offers a full spectrum of traded financial market and commodity assets and risk management products. The business originates exposures directly from clients and its market-making activities, which are subsequently risk managed and traded with other market participants, asset managers and clients through the group's distribution network.

The Global Markets business consists of Commodities, and Fixed Income, Currencies and Equities (FICE) business units.

1 Commodities

The Commodities business provides global trading, sales and structuring expertise through its Base Metals, Precious Metals, Energy and Bulk teams. The division's expertise extends to the management and financing of physical commodity inventories across these asset classes. The company is one of five members of the London Precious Metals Clearing Limited (LPMCL), offering vaulting and clearing services for clients, including safe custody for physical bullion at its own vault in London and at market recognised vaults globally.

2 FICE

FICE offers a comprehensive set of foreign exchange, money markets, interest rate, credit and equity products, ranging from simple risk management products to more complex structured transactions.

Investment Banking

Investment Banking is a newly established business intended to become a long-term growth platform for the group. It comprises Client Coverage (International and China), Debt and Equity Capital Markets, and Advisory teams. The business provides products and services complimentary to the group's existing client base.

Market conditions

Favourable conditions early in the year were largely due to improved global growth expectations, particularly for the USA and Euro area, which were reflected in upward revisions to the IMF's 2018 global growth forecast to 3.9%.

While firm economic indicators initially delivered a period of relative price stabilisation and market calm, concerns around a potential US-China trade war emerged towards the end of Quarter 1. In addition, base metal markets were negatively impacted by the announcement of sanctions against Rusal by the US Treasury in April. The potential loss of 6% of global aluminium supply, saw investors respond rapidly, driving a near 40% rally on the LME in response. By the end of April however, price moves had largely unwound following advice by the US Treasury that Rusal could be removed from the sanctions list under certain conditions.

Quarter 2 was characterised by a marked divergence in performance between developed and emerging market (EM) assets. Politics and economics combined to drive price action across asset classes, with conditions in Turkey and Argentina particularly volatile. Deterioration in asset prices appeared not to be driven by a general slowdown in actual EM growth; rather by a combination of deteriorating investor sentiment stoked by trade war concerns and fears of financial stress caused by continued US dollar strength.

In July, the US imposed tariffs on an initial US$34 billion of imports from China. China responded in kind with tariffs on an equivalent value of imports from the US. While the potential for further tariffs on imports from China remains, exactly where policy will settle and the extent to which other regions, such as the EU, may be impacted remains unclear at the half year end. Developments in this area may have a significant impact on markets in the second half of the year.

Financial results

The group's results for the six months ended 30 June 2018 are shown in the consolidated income statement on page 8.

The loss attributable to shareholders for the period is US$14.5 million. This compares to a profit of US$9.4 million for the six months ended 30 June 2017 and a profit of US$29.7 million for the prior year.

Total revenues for the first half of 2018 of US$185.4 million were marginally lower than for the equivalent period in the prior year (US$191.2 million).

FICE continued its strong revenue generation in the first half of 2018, although its total revenue for the period was lower than for the equivalent period in the prior year. The decline was primarily attributable to political instability and market events, particularly in the second quarter, resulting in a negative shift in investor sentiment towards emerging markets.

Commodities revenues for the first half of 2018 remained subdued with total revenue for the period lower than prior year. The decline was due to low volatility in precious metals limiting trading opportunities, a reduction in precious metals leasing business and reduced energy financing volumes. These were partially offset by improved performance in base metals.

Revenues from the group’s Investment Banking business increased in the first half of 2018 as this business continued to develop. These principally arose from debt capital markets origination activities.

Operating costs of US$185.9 million were higher than prior year (US$180.8 million). The increase is primarily attributable to an increase in staff costs due to strategic additions to front office headcount reflecting the group’s continuing investment in business origination. The income tax charge increased due to an increase in withholding taxes related to growth of the group’s CLN issuance business.

Total assets at 30 June 2018 were US$24.2 billion, representing an increase of 3.3% on prior year (US$23.4 billion) and 1.5% on year end (US$23.9 billion).

The increase on prior year was primarily attributable to increases in other assets, principally reflecting increased commodities inventories. However, this was largely offset by decreases in cash and balances with central banks and reverse repurchase agreements. An increase in derivative financial assets was largely matched by an increase in derivative financial liabilities, leaving the net derivative position broadly unchanged.

Total liabilities excluding equity at 30 June 2018 were US$23.0 billion, representing an increase of 3.4% on prior year (US$22.2 billion) and 1.7% on year end (US$22.6 billion).

The increase on prior year was largely attributable to an increase in other liabilities reflecting increased precious metals payables as the vaulting and clearing business continued to expand. This was partially offset by a reduction in deposit balances from banks and other financial institutions as certain deposits matured.

Capital resources

At 30 June 2018, the group's equity capital resources amounted to US$1,260.4 million (30 June 2017: US$1,253.3 million) and total capital resources qualifying for prudential purposes were US$1,502.6 million (30 June 2017: US$1,591.8 million).

The group remains strongly capitalised, with a total capital adequacy ratio at 30 June 2018 of 20.7% (30 June 2017: 23.5%), a tier 1 ratio of 16.7% (30 June 2017: 17.7%) and risk weighted assets of US$7,266.2 million (30 June 2017: US$6,771.2 million).

The group’s leverage ratio at 30 June 2018, which measures tier 1 capital to a defined measure of on-balance sheet assets and off-balance sheet items, was 5.1% (30 June 2017: 5.1%). A minimum leverage ratio of 3% is expected to be applied by the PRA from 2021.

Key financial results, ratios and statistics

at 30 June 2018

Income statement	**June 2018 $m**	June 2017 $m	December 2017 $m
Operating income (after impairments)	**185.2**	195.5	390.8
Operating expenses	**(185.9)**	(180.8)	(371.3)
(Loss) / profit attributable to equity shareholders	**(14.5)**	9.4	29.7
Balance sheet			
Equity attributable to ordinary shareholders	**1,260.4**	1,253.3	1,282.3
Total assets	**24,211.1**	23,444.3	23,853.7
Capital adequacy			
Risk-weighted assets	**7,266.2**	6,771.2	7,887.7
Common equity tier 1	**1,210.2**	1,195.4	1,229.5
Common equity tier 1 capital adequacy ratio (%)	**16.7**	17.7	15.6
Total capital adequacy ratio (%)	**20.7**	23.5	20.0

Consolidated balance sheet

at 30 June 2018

Assets	**June 2018 $m Unaudited**	June 2017 $m Unaudited	December 2017 $m Audited
Cash and balances with central banks	**1,964.4**	2,658.7	2,989.5
Due from banks and other financial institutions	**1,389.6**	1,522.0	2,059.5
Financial assets held for trading	**2,449.0**	1,926.0	2,579.5
Financial assets designated at fair value through profit or loss	**1,344.6**	1,323.5	1,335.9
Derivative financial assets	**5,094.8**	3,730.1	4,299.5
Reverse repurchase agreements	**3,712.6**	3,987.9	4,705.5
Loans and advances to customers	**776.6**	952.3	606.9
Financial investments	**1,247.1**	1,565.6	962.0
Property and equipment	**17.1**	20.2	18.9
Current tax assets	**0.4**	-	0.4
Deferred tax assets	**1.0**	1.4	1.1
Other assets	**6,213.9**	5,756.6	4,295.0
Total assets	**24,211.1**	23,444.3	23,853.7
Liabilities and equity			
Liabilities	**22,950.7**	22,191.0	22,571.4
Financial liabilities held for trading	**1,257.0**	1,362.9	1,544.2
Financial liabilities designated at fair value through profit or loss	**1,315.0**	1,385.0	1,337.6
Derivative financial liabilities	**5,240.7**	3,657.5	4,652.6
Due to banks and other financial institutions	**9,040.6**	9,102.0	10,120.3
Repurchase agreements	**1,571.5**	2,529.8	1,794.2
Certificates of deposit	**16.2**	41.3	16.7
Due to customers	**353.9**	492.6	600.8
Current tax liabilities	**2.2**	3.1	0.7
Subordinated debt	**661.3**	676.0	668.4
Other liabilities	**3,492.3**	2,940.8	1,835.9
Equity			
Equity attributable to ordinary shareholders	**1,260.4**	1,253.3	1,282.3
Share capital	**1,083.5**	1,083.5	1,083.5
Ordinary share premium	**996.0**	996.0	996.0
Reserves	**(819.1)**	(826.2)	(797.2)
Total liabilities and equity	**24,211.1**	23,444.3	23,853.7

Consolidated income statement

for the period ended 30 June 2018

	June 2018 $m Unaudited	June 2017 $m Unaudited	December 2017 $m Audited
Net interest income	**27.9**	35.2	80.7
Interest income	**112.8**	81.9	191.3
Interest expense	**(84.9)**	(46.7)	(110.6)
Non-interest revenue	**157.5**	156.0	301.7
Net fees and commission	**26.2**	18.3	31.1
Fees and commission income	**32.1**	25.8	42.7
Fees and commission expense	**(5.9)**	(7.5)	(11.6)
Trading revenue	**117.1**	138.1	248.8
Net gain / (loss) on financial assets and liabilities at fair value through profit or loss	**14.2**	(0.4)	21.8
Total operating income	**185.4**	191.2	382.4
Credit impairment (charge) /recovery	**(0.2)**	4.3	8.4
Income after impairments	**185.2**	195.5	390.8
Operating expenses	**(185.9)**	(180.8)	(371.3)
Staff costs[1]	**(120.1)**	(114.2)	(235.7)
Other operating expenses	**(61.4)**	(63.7)	(129.7)
Indirect taxation	**(4.4)**	(2.9)	(5.9)
(Loss) / profit before taxation	**(0.7)**	14.7	19.5
Income tax charge	**(13.8)**	(5.3)	10.2
(Loss) / profit attributable to equity shareholders	**(14.5)**	9.4	29.7

1. A change in methodology of allocation of foreign exchange translation and hedge results between staff costs and other operating expenses has been implemented in 2018. Prior period comparatives have been restated to be presented on a comparable basis.

Consolidated statement of comprehensive income

for the period ended 30 June 2018

	June 2018 $m Unaudited	June 2017 $m Unaudited	December 2017 $m Audited
(Loss) / profit attributable to equity shareholders	**(14.5)**	9.4	29.7
Items that may be subsequently reclassified to profit or loss[1]			
Foreign currency translation reserve	**(1.1)**	1.7	4.7
Net investment hedge	**-**	(0.7)	(1.7)
Cash flow hedging reserve[2, 3]	**(6.3)**	15.4	25.1
Effective portion of changes in fair value	**(4.4)**	7.0	14.6
Net amount transferred to profit or loss	**(1.9)**	8.4	10.5
Changes in fair value of fair value through other comprehensive income (FVOCI) assets[4]	**-**	5.6	2.6
Total comprehensive (loss) / profit attributable to equity shareholders	**(21.9)**	31.4	60.4

1. Amounts are presented net after tax
2. The cash flow hedges relate to hedges of the group's cost base for future highly probable expenses in currencies other than US dollars (i.e. the company's functional currency and group's reporting currency) and hedges of the long term incentive liability due to changes in the ICBC and Standard Bank Group share prices
3. The cash flow hedging reserve movement of US$(6.3) million is primarily attributable to weakening of sterling against the US dollar in the period impacting hedges in place to manage the group's expense base
4. Assets classified as FVOCI assets under IFRS 9 were previously classified as available for sale assets under IAS 39

Consolidated statement of changes in equity

for the period ended 30 June 2018

	Ordinary share capital and share premium $m	Cash flow hedging reserve $m	FVOCI reserve[2] $m	Foreign currency translation reserve $m	Net investment hedge reserve $m	Retained earnings $m	Total equity $m
Balance at 1 January 2017	1,814.5	(22.0)	1.0	(2.1)	-	(834.5)	956.9
Total comprehensive profit / (loss) for the year	-	25.1	2.6	4.7	(1.7)	29.7	60.4
Shares issued including share premium[1]	265.0	-	-	-	-	-	265.0
Balance at 31 December 2017	2,079.5	3.1	3.6	2.6	(1.7)	(804.8)	1,282.3
Balance at 1 January 2018	**2,079.5**	**3.1**	**3.6**	**2.6**	**(1.7)**	**(804.8)**	**1,282.3**
Total comprehensive loss for the period	**-**	**(6.3)**	**-**	**(1.1)**	**-**	**(14.5)**	**(21.9)**
Balance at 30 June 2018	**2,079.5**	**(3.2)**	**3.6**	**1.5**	**(1.7)**	**(819.3)**	**1,260.4**

1. On 13 January 2017, the company issued an additional 25 ordinary shares of US$1 each to ICBC (15 shares) and Standard Bank London Holdings Limited (10 shares), at a share premium of US$10.6 million per share
2. The FVOCI reserve under IFRS 9 replaces the available for sale reserve under IAS 39

Accounting policies

The financial results and financial position for the period ended 30 June 2018 set out on pages 7 to 10 have been prepared on a consistent basis to the group's consolidated annual financial statements for the year ended 31 December 2017, except as noted below. They do not include all information required for full annual financial statements or condensed consolidated financial statements prepared in accordance with IAS 34 *Interim Financial Reporting*.

The group's annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the going concern principle.

The group's annual financial statements were prepared on the historical cost basis except as modified by the fair value accounting for certain assets and liabilities where required or permitted by IFRS. The accounting policies were consistent with those adopted in the previous year.

The group has adopted two new accounting standards in 2018: IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*.

IFRS 9 introduces an expected credit loss impairment model, providing timelier recognition of credit losses, a principles based approach for classification and measurement of financial assets based on the underlying business model used to manage the assets and their contractual cash flow characteristics, and a new approach for hedge accounting that is more closely aligned to an entity's risk management objectives.

IFRS 15 provides a principles based approach for revenue recognition, and introduces the concept of recognising revenue for performance obligations as they are satisfied.

Implementation of IFRSs 9 and 15 did not have a material impact on the financial results or capital position of the group. The main transition adjustments are summarised as follows:

- IFRS 9 has been applied retrospectively. Comparative periods have not been restated. Differences in the carrying amounts of financial assets and liabilities resulting from adoption of IFRS 9 have been recognised as a cumulative catch up adjustment in retained earnings at the date of initial application.
- No transition adjustments were required on implementation of IFRS 15.

Financial instruments measured at fair value

The tables that follow analyse financial instruments carried at fair value at the end of the reporting period by valuation methodology (fair value hierarchy). Fair values are classified into three levels, depending on the extent to which quoted prices are used in the calculation of the fair value of financial instruments, with the levels defined as follows:

Level 1 – quoted market price: financial instruments with quoted prices for identical instruments in active markets that the group can access at the measurement date.

Level 2 – valuation technique using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 – valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

June 2018	Composition %	Asset $m	Composition %	Liability $m
Level 1	**26.0**	**2,631.1**	**15.8**	**1,236.4**
Level 2	**71.4**	**7,245.1**	**78.7**	**6,143.6**
Level 3	**2.6**	**259.3**	**5.5**	**432.7**
Financial instruments at fair value	**100.0**	**10,135.5**	**100.0**	**7,812.7**
Reconciled as follows:				
FVOCI		**1,247.1**		**-**
Held for trading		**7,543.8**		**6,497.7**
Designated at fair value		**1,344.6**		**1,315.0**
		10,135.5		**7,812.7**
June 2017				
Level 1	18.3	1,562.7	13.2	844.3
Level 2	79.3	6,774.2	80.3	5,146.6
Level 3	2.4	208.3	6.5	414.5
Financial instruments at fair value	100.0	8,545.2	100.0	6,405.4
Reconciled as follows:				
FVOCI		1,565.6		-
Held for trading		5,656.1		5,020.4
Designated at fair value		1,323.5		1,385.0
		8,545.2		6,405.4
December 2017				
Level 1	23.4	2,144.7	18.2	1,373.5
Level 2	74.0	6,796.1	76.4	5,751.6
Level 3	2.6	236.1	5.4	409.3
Financial instruments at fair value	100.0	9,176.9	100.0	7,534.4
Reconciled as follows:				
FVOCI		962.0		-
Held for trading		6,879.0		6,196.8
Designated at fair value		1,335.9		1,337.6
		9,176.9		7,534.4

Credit quality

The table below shows the maximum credit risk exposure of the group in the event of other parties failing to perform on their obligations before taking account of any collateral held or other credit enhancements.

	Performing		Non-performing			Gross credit exposure
	Neither past due nor impaired		Past due but not specifically impaired		Specifically impaired	
	Normal monitoring[1]	Close monitoring[1]	< 90 days	>= 90 days		
June 2018 – Unaudited	$m	$m	$m	$m	$m	$m
Financial assets designated at fair value through profit or loss	**1,339.9**	**-**	**-**	**-**	**-**	**1,339.9**
Derivative financial assets	**5,073.3**	**21.5**	**-**	**-**	**-**	**5,094.8**
Due from banks and other financial institutions	**1,381.8**	**9.5**	**-**	**-**	**-**	**1,391.3**
Reverse repurchase agreements	**3,712.9**	**-**	**-**	**-**	**-**	**3,712.9**
Loans and advances to customers	**729.9**	**47.9**	**-**	**-**	**0.2**	**778.0**
Gross on balance sheet credit exposure	**12,237.8**	**78.9**	**-**	**-**	**0.2**	**12,316.9**
Irrevocable unutilised facilities						**17.3**
Commodity leases						**640.2**
Gross off-balance sheet exposures to credit risk						**657.5**
June 2017 – Unaudited						
Financial assets designated at fair value through profit or loss	1,317.2	-	-	-	-	1,317.2
Derivative financial assets	3,725.2	4.9	-	-	-	3,730.1
Due from banks and other financial institutions	1,521.3	0.7	-	-	-	1,522.0
Reverse repurchase agreements	3,944.1	43.8	-	-	-	3,987.9
Loans and advances to customers	904.2	53.5	-	-	-	957.7
Gross on balance sheet credit exposure	11,412.0	102.9	-	-	-	11,514.9
Irrevocable unutilised facilities						-
Commodity leases						1,095.9
Gross off-balance sheet exposures to credit risk						1,095.9

1. Normal and close monitoring exposures within this category are exposures rated 1 to 21 (AAA to B-) and 22 to 25 (CCC+ to CCC-) respectively on the group's master rating scale.

December 2017 – Audited	Performing: Neither past due nor impaired – Normal monitoring[1] $m	Performing: Neither past due nor impaired – Close monitoring[1] $m	Non-performing: Past due but not specifically impaired – < 90 days $m	Non-performing: Past due but not specifically impaired – >= 90 days $m	Non-performing: Specifically impaired $m	Gross credit exposure $m
Financial assets designated at fair value through profit or loss	1,330.1	-	-	-	-	1,330.1
Derivative financial assets	4,265.0	34.5	-	-	-	4,299.5
Due from banks and other financial institutions	2,059.0	0.5	-	-	-	2,059.5
Reverse repurchase agreements	4,705.5	-	-	-	-	4,705.5
Loans and advances to customers	564.5	46.1	-	-	0.5	611.1
Gross on balance sheet credit exposure	12,924.1	81.1	-	-	0.5	13,005.7
Irrevocable unutilised facilities						30.1
Commodity leases						848.3
Gross off-balance sheet exposures to credit risk						878.4

1. Normal and close monitoring exposures within this category are exposures rated 1 to 21 (AAA to B-) and 22 to 25 (CCC+ to CCC-) respectively on the group's master rating scale.

Deposits

Due to banks and other financial institutions

	June 2018 $m Unaudited	June 2017 $m Unaudited	December 2017 $m Audited
Due to banks	**7,931.3**	8,544.2	8,966.9
Other financial institutions	**1,109.3**	557.8	1,153.4
	9,040.6	9,102.0	10,120.3

Repurchase agreements

	June 2018 $m Unaudited	June 2017 $m Unaudited	December 2017 $m Audited
Banks and other financial institutions	**1,571.5**	2,529.8	1,794.2
	1,571.5	2,529.8	1,794.2

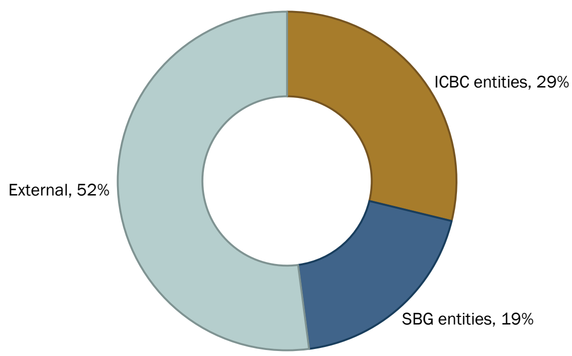
Certificates of deposit

	June 2018 $m Unaudited	June 2017 $m Unaudited	December 2017 $m Audited
Banks and other financial institutions	**16.2**	41.3	16.7
	16.2	41.3	16.7

Due to customers

	June 2018 $m Unaudited	June 2017 $m Unaudited	December 2017 $m Audited
Call deposits	**221.0**	267.4	386.7
Term deposits	**132.9**	225.2	214.1
	353.9	492.6	600.8

Deposit providers



Value at risk

Analysis of trading book market risk exposures

The table below shows the aggregated historical Value at Risk (VaR) for the group's trading positions. The maximum and minimum VaR amounts show the bands in which the values at risk fluctuated during the period. Stop loss triggers are used to contain losses for individual business units by enforcing management intervention at predetermined loss levels. Other risk metrics specific to individual business units are also used. These include permissible instruments, concentration of exposures, gap limits and maximum tenor.

The group's trading units achieved a positive actual income for over 81% of the trading days in the period ended 30 June 2018 (30 June 2017: 82%). The average daily trading revenue earned in the period was US$1.1 million (30 June 2017: US$1.3 million), with a standard deviation of US$1.9 million (30 June 2017: US$2.0 million). During the period, there were no back-testing exceptions at a 99% confidence level (30 June 2017: none).

		Normal VaR[2]		
	Maximum[1]	**Minimum[1]**	**Average**	**Period end**
June 2018	**$m**	**$m**	**$m**	**$m**
Commodities	**2.1**	**1.1**	**1.6**	**2.1**
Foreign exchange	**1.1**	**0.4**	**1.7**	**0.8**
Equities	**1.6**	**0.5**	**0.6**	**0.6**
Debt securities	**1.8**	**0.2**	**1.3**	**1.2**
Diversification benefit[4]				**(1.4)**
Total				**3.3**

		Stress VaR[3]	
	June 2018 $m Unaudited	June 2017 $m Unaudited	December 2017 $m Audited
Commodities	**12.3**	7.4	7.1
Foreign exchange	**17.1**	6.9	7.7
Equities	**2.9**	3.1	6.9
Debt securities	**11.6**	27.4	18.0
Diversification benefit[4]	**(19.3)**	(13.2)	(15.3)
Total	**24.6**	31.6	24.4

		Normal VaR[2]		
	Maximum[1]	Minimum[1]	Average	Period end
June 2017	$m	$m	$m	$m
Commodities	2.2	1.0	1.5	1.0
Foreign exchange	2.5	0.9	1.5	1.0
Equities	0.7	0.3	0.5	0.6
Debt securities	2.6	1.5	1.9	2.5
Diversification benefit[4]				(2.1)
Total				3.0

		Normal VaR[2]		
	Maximum[1]	Minimum[1]	Average	Year end
December 2017	$m	$m	$m	$m
Commodities	2.6	1.0	1.4	1.4
Foreign exchange	2.5	0.6	1.2	0.8
Equities	1.4	0.3	0.5	1.3
Debt securities	4.7	1.5	2.1	1.6
Diversification benefit[4]				(2.3)
Total				2.8

1. The maximum and minimum VaR figures reported for each market variable did not necessarily occur on the same days. As a result, the aggregate VaR will not equal the sum of the individual market VaR values, and it is inappropriate to ascribe a diversification effect to VaR when these values may have occurred on different dates.
2. Normal VaR is based on a holding period of one day and a confidence interval of 95%.
3. Stress VaR is based on a holding period of ten days and a confidence interval of 99%.
4. Diversification benefit is the benefit of measuring the VaR of the trading portfolio as a whole, i.e. the difference between the sum of the individual VaRs and measuring the VaR of the whole trading portfolio.

ICBC Standard Bank Plc | Financial Markets and Commodities
20 Gresham Street | London EC2V 7JE, United Kingdom