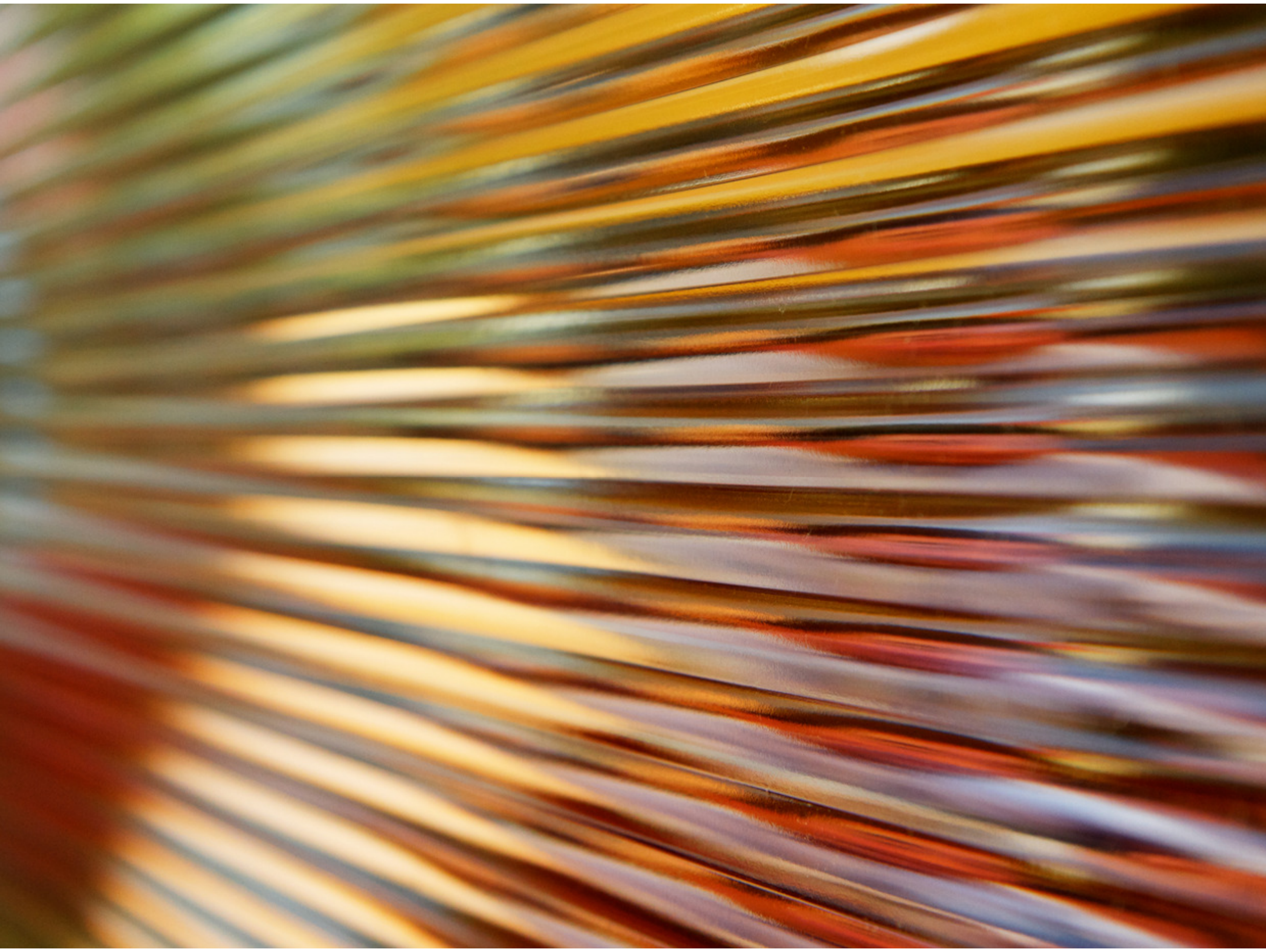
ICBC Standard Bank

Unaudited interim results

for the period ended 30 June 2019



www.icbcstandard.com

OVERVIEW

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

AT A G

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

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

Pre-eminent Africa-focused financial services group

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

ICBC Standard Bank Plc

GLOBAL FOOTPRINT

LANCE

CREDIT RATING - ICBC STANDARD BANK

	Short Term	Long Term	Outlook
Fitch	F1	A–	Stable
Moody's	P3	Baa3	Stable

GROUP PERFORMANCE 30 JUNE 2019

Total Income	**$68.4m**
Net Loss After Tax	**$(129.5)m**
Return on Equity	**(21.1)%**
Balance Sheet Assets	**$24.7bn**
Total Risk Weighted Assets	**$8.2bn**
Tier 1 Capital Adequacy Ratio	**13.0%**

Contents

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 the 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 employs 989 people and is headquartered in London, with additional operations in Hong Kong, Singapore and New York. It also maintains a commodities trading presence in Shanghai through its subsidiary, ICBC Standard Resources (China) Limited. The group's branches in Tokyo and Dubai are to be closed as part of a strategic review of the business.

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 and Energy 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, 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

The Investment Banking business has been simplified and is primarily focussed on Debt and Equity Capital Markets. The business provides products and services complimentary to the group's existing client base.

Market conditions

Global markets staged a strong recovery in Q1 2019, regaining much of the ground that was lost in Q4 2018. Despite lingering concerns about the outlook for global growth, sentiment towards risk assets improved materially.

Key to the wider risk asset rally was the Federal Reserve's dovish policy turn, as the Federal Open Market Committee delivered a significant shift in forward guidance over the course of its January and March meetings. Most prominently, the median projection of two further interest rate rises during 2019 fell to no additional rate rises. This came despite limited changes to the committee's US growth, inflation and unemployment forecasts but appeared to place emphasis on broader global growth concerns and the recent volatility of financial markets.

Q2 was characterised by high volatility in Emerging Markets (EM) and commodities. After a strong start to the quarter, a range of issues, including Turkish domestic politics and tensions between Iran, Gulf Cooperation Council countries and the US, resulted in EM equities, foreign exchange and bonds falling sharply during May.

Ongoing US-China trade concerns and threats of additional tariffs also continued to unsettle international capital flows and economic sentiment. Industrial commodities reacted predictably to the economic and geopolitical uncertainties, with copper falling by more than 12% between late May and early June. In contrast, Brent crude initially rallied to push back over US$70 per barrel.

The prospect of easier monetary policy in the US, plus a more conciliatory tone on trade at the G20 summit in Japan in June, helped stimulate a recovery in equities towards the end of the quarter but oil gave back earlier gains as hedge funds turned net short on concerns about the depth of a potential economic slowdown.

Financial results

The group's results for the six months ended 30 June 2019 are shown in the consolidated income statement on page 9.

The loss attributable to shareholders for the period is US$129.5 million. This compares to a loss of US$14.5 million for the six months ended 30 June 2018 and a loss of US$14.8 million for the full year 2018.

Total operating income for the first half of 2019 of US$68.4 million was 63.1% lower than for the equivalent period in the prior year (US$185.4 million).

The results for the Commodities business were negatively impacted by a US$110.0 million provision for commodity inventory intermediation losses associated with an industrial incident at a client's refinery that significantly reduced refining capacity. It is expected that further costs, although uncertain as to amount, may be incurred in relation to this incident in order to realise all commodities held. In any event, the bank will be pursuing recovery of losses by exercise of security rights and claims.

Prior to this charge, the underlying Energy business grew year on year through an increase in the physical financing and derivatives businesses. Precious metals delivered a good result driven by client flow and a solid trading result, despite lower revenues following the announcement of the closure of the Tokyo branch. The Base metals business underperformed, with the US / China trade war stagnating markets. Client activity remained muted, compounded by certain counterparties experiencing liquidity stress.

FICE revenue generation in the first half of 2019 was against a backdrop of a poor outlook for the world economy – the dominating sentiment being around US trade tensions with China and continued concerns over low inflation. Total revenue for the period was lower than for the equivalent prior period, partly a function of the prior year comparative amounts including non-recurring transaction restructuring fees.

Revenues from the group's Investment Banking business decreased in the first half of 2019. Capital markets experienced a slow start to the year as geopolitical sentiment made investors cautious, while activity improved marginally during the second quarter.

Operating costs of US$193.4 million were higher than prior year (US$185.9 million). The increase is primarily attributable to investment in business origination and refinery intermediation capabilities. The current period includes a restructuring provision of US$2.4 million relating to business simplification and regional office closures. The income tax charge decreased due to lower withholding taxes associated with the group's issuance business.

Total assets at 30 June 2019 were US$24.7 billion, representing an increase of 2.2% on prior year (US$24.2 billion), and 0.6% on year end (US$24.6 billion).

The increase on prior year was primarily attributable to increases in other assets, principally reflecting increased commodities inventories, and increased financial investments and loan balances. However, this was partly offset by decreases in cash and balances with central banks, derivative financial assets and financial assets held for trading.

Total liabilities, excluding equity at 30 June 2019 were US$23.6 billion, representing an increase of 2.9% on prior year (US$23.0 billion) and 1.3% on year end (US$23.3 billion).

The increase on prior year was largely attributable to an increase in other liabilities, reflecting increased precious metals payables, and increased deposits from customers and collateralised borrowing in the form of repurchase agreements. This was partially offset by a reduction in derivative financial liabilities, although the net derivative liability position increased.

Capital resources

At 30 June 2019, the group's equity capital resources amounted to US$1,124.4 million (30 June 2018: US$1,260.4 million) and total capital resources qualifying for prudential purposes were US$1,258.0 million (30 June 2018: US$1,502.6 million).

The group remains strongly capitalised, with a total capital adequacy ratio at 30 June 2019 of 15.3% (30 June 2018: 20.7%), a tier 1 ratio of 13.0% (30 June 2018: 16.7%) and risk weighted assets of US$8,218.9 million (30 June 2018: US$7,266.2 million).

The group’s leverage ratio at 30 June 2019, which measures tier 1 capital to a defined measure of on-balance sheet assets and off-balance sheet items, was 4.4% (30 June 2018: 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 2019

Income statement	June 2019 $m	June 2018 $m	December 2018 $m
Operating income (after impairments, before losses on commodity inventory intermediation)	**178.7**	185.2	383.3
Loss on commodity inventory intermediation	**(110.0)**	-	-
Income after impairments	**68.7**	185.2	383.3
Operating expenses	**(193.4)**	(185.9)	(379.1)
Loss attributable to equity shareholders	**(129.5)**	(14.5)	(14.8)
Balance sheet			
Equity attributable to ordinary shareholders	**1,124.4**	1,260.4	1,257.8
Total assets	**24,733.7**	24,211.1	24,574.5
Capital adequacy			
Risk-weighted assets	**8,218.9**	7,266.2	6,500.2
Common equity tier 1	**1,065.6**	1,210.2	1,204.0
Common equity tier 1 capital adequacy ratio (%)	**13.0**	16.7	18.5
Total capital adequacy ratio (%)	**15.3**	20.7	22.2

Consolidated balance sheet

at 30 June 2019

	June 2019 $m	June 2018 $m	December 2018 $m
Assets	**Unaudited**	Unaudited	Audited
Cash and balances with central banks	**1,321.7**	1,964.4	1,920.9
Due from banks and other financial institutions	**1,792.8**	1,389.6	1,579.5
Financial assets held for trading	**2,067.7**	2,449.0	1,582.4
Non-trading financial assets at fair value	**1,422.7**	1,344.6	1,340.7
Derivative financial assets	**3,801.4**	5,094.8	4,019.8
Reverse repurchase agreements	**3,587.8**	3,712.6	4,060.9
Loans and advances to customers	**1,217.7**	776.6	737.3
Financial investments	**2,112.6**	1,247.1	1,952.3
Property and equipment	**86.6**	17.1	20.2
Current tax assets	**-**	0.4	0.3
Deferred tax assets	**0.2**	1.0	0.3
Other assets	**7,322.5**	6,213.9	7,359.9
Total assets	**24,733.7**	24,211.1	24,574.5
Liabilities and equity			
Liabilities	**23,609.3**	22,950.7	23,316.7
Financial liabilities held for trading	**1,156.8**	1,257.0	855.6
Non-trading financial liabilities at fair value	**1,251.7**	1,315.0	1,257.7
Derivative financial liabilities	**4,325.0**	5,240.7	4,134.7
Due to banks and other financial institutions	**8,896.3**	9,040.6	9,271.2
Repurchase agreements	**1,903.5**	1,571.5	1,114.7
Certificates of deposit	**-**	16.2	-
Due to customers	**876.6**	353.9	469.7
Current tax liabilities	**2.3**	2.2	0.8
Subordinated debt	**659.8**	661.3	659.8
Other liabilities	**4,537.3**	3,492.3	5,552.5
Equity			
Equity attributable to ordinary shareholders	**1,124.4**	1,260.4	1,257.8
Share capital	**1,083.5**	1,083.5	1,083.5
Ordinary share premium	**996.0**	996.0	996.0
Reserves	**(955.1)**	(819.1)	(821.7)
Total liabilities and equity	**24,733.7**	24,211.1	24,574.5

Consolidated income statement

for the period ended 30 June 2019

	June 2019 $m Unaudited	June 2018 $m Unaudited	December 2018 $m Audited
Net interest income	**42.3**	27.9	70.9
Interest income	**156.2**	112.8	249.9
Interest expense	**(113.9)**	(84.9)	(179.0)
Non-interest revenue	**26.1**	157.5	313.1
Net fees and commission	**19.8**	26.2	44.1
Fees and commission income	**28.2**	32.1	55.9
Fees and commission expense	**(8.4)**	(5.9)	(11.8)
Trading revenue	**115.1**	117.1	216.2
Net gain on financial assets and liabilities at fair value through profit or loss	**1.2**	14.2	14.9
Loss on commodity inventory intermediation	**(110.0)**	-	-
Recovery on commodity reverse repurchase agreements	**-**	-	37.9
Total operating income	**68.4**	185.4	384.0
Credit impairment recovery/(charge)	**0.3**	(0.2)	(0.7)
Income after impairments	**68.7**	185.2	383.3
Operating expenses	**(193.4)**	(185.9)	(379.1)
Staff costs	**(128.9)**	(120.1)	(243.5)
Other operating expenses	**(60.6)**	(61.4)	(130.4)
Indirect taxation	**(3.9)**	(4.4)	(5.2)
(Loss) / profit before taxation	**(124.7)**	(0.7)	4.2
Income tax charge	**(4.8)**	(13.8)	(19.0)
Loss attributable to equity shareholders	**(129.5)**	(14.5)	(14.8)

Consolidated statement of comprehensive income

for the period ended 30 June 2019

	June 2019 $m Unaudited	June 2018 $m Unaudited	December 2018 $m Audited
Loss attributable to equity shareholders	**(129.5)**	(14.5)	(14.8)
Items that may be subsequently reclassified to profit or loss[1]			
Foreign currency translation reserve	**-**	(1.1)	(3.9)
Cash flow hedging reserve[2, 3]	**(4.4)**	(6.3)	(4.9)
Effective portion of changes in fair value	**(3.6)**	(4.4)	(8.6)
Net amount transferred to profit or loss	**(0.8)**	(1.9)	3.7
Changes in fair value of fair value through other comprehensive income (FVOCI) assets	**0.5**	-	(0.9)
Total comprehensive loss attributable to equity shareholders	**(133.4)**	(21.9)	(24.5)

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$(4.4) 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

Consolidated statement of changes in equity

for the period ended 30 June 2019

	Ordinary share capital and share premium $m	Cash flow hedging reserve $m	FVOCI reserve $m	Foreign currency translation reserve $m	Net investment hedge reserve $m	Retained earnings $m	Total equity $m
Balance at 1 January 2018	2,079.5	3.1	1.6	2.6	(1.7)	(802.8)	1,282.3
Total comprehensive loss for the year	-	(4.9)	(0.9)	(3.9)	-	(14.8)	(24.5)
Balance at 31 December 2018	2,079.5	(1.8)	0.7	(1.3)	(1.7)	(817.6)	1,257.8
Balance at 1 January 2019	**2,079.5**	**(1.8)**	**0.7**	**(1.3)**	**(1.7)**	**(817.6)**	**1,257.8**
Total comprehensive profit/(loss) for the period	**-**	**(4.4)**	**0.5**	**-**	**-**	**(129.5)**	**(133.4)**
Balance at 30 June 2019	**2,079.5**	**(6.2)**	**1.2**	**(1.3)**	**(1.7)**	**(947.1)**	**1,124.4**

Accounting policies

The financial results and financial position for the period ended 30 June 2019 set out on pages 8 to 11 have been prepared on a consistent basis to the group's consolidated annual financial statements for the year ended 31 December 2018, 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 group initially adopted IFRS 16 *Leases* from 1 January 2019. The core principle in IFRS 16 is that lessees and lessors recognise all rights and obligations arising from leasing arrangements on balance sheet. The main impact of the new standard for the group is that where it is lessee under leases previously classified as operating leases under IAS 17, it will recognise a right of use asset, representing its rights to use the underlying assets, and a liability, representing its obligation to make lease payments, on its balance sheet.

On transition to IFRS 16, the group applied the modified retrospective approach. Accordingly, prior year comparative information is not restated.

Implementation of IFRS 16 did not have a material impact on the financial results or capital position of the group.

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 or observable pricing inputs 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 2019	**Composition %**	**Asset $m**	**Composition %**	**Liability $m**
Level 1	**28.5**	**2,682.3**	**7.0**	**473.6**
Level 2	**67.0**	**6,298.0**	**87.3**	**5,877.6**
Level 3	**4.5**	**424.1**	**5.7**	**382.3**
Financial instruments at fair value	**100.0**	**9,404.4**	**100.0**	**6,733.5**
Reconciled as follows:				
FVOCI		**2,112.6**		**-**
Held for trading		**5,869.1**		**5,481.8**
Non-trading at fair value		**1,422.7**		**1,251.7**
		9,404.4		**6,733.5**
June 2018				
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
Non-trading at fair value		1,344.6		1,315.0
		10,135.5		7,812.7
December 2018				
Level 1	29.6	2,637.0	9.1	567.5
Level 2	67.6	6,010.2	83.1	5,195.4
Level 3	2.8	248.0	7.8	485.1
Financial instruments at fair value	100.0	8,895.2	100.0	6,248.0
Reconciled as follows:				
FVOCI		1,952.3		-
Held for trading		5,602.2		4,990.3
Non-trading at fair value		1,340.7		1,257.7
		8,895.2		6,248.0

Credit quality

The table below shows the group's maximum exposure to credit risk 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	
	Neither past due nor impaired	Past due but not specifically impaired		Specifically impaired	Gross credit exposure
		< 90 days	>= 90 days		
June 2019 – Unaudited	$m	$m	$m	$m	$m
Cash and balances with central banks	1,321.7	-	-	-	1,321.7
Financial assets held for trading	2,018.7	-	-	-	2,018.7
Non-trading financial assets at fair value	1,422.7	-	-	-	1,422.7
Derivative financial assets	3,801.4	-	-	-	3,801.4
Due from banks and other financial institutions	1,793.7	-	-	-	1,793.7
Reverse repurchase agreements	3,588.2	-	-	-	3,588.2
Loans and advances to customers	1,220.1	-	-	0.1	1,220.2
Financial investments	2,112.6	-	-	-	2,112.6
Gross on balance sheet credit exposure	17,279.1	-	-	0.1	17,279.2
Guarantees					-
Irrevocable unutilised facilities					35.7
Commodity leases					907.3
Gross off-balance sheet exposures to credit risk					943.0

The table below is an analysis of gross balances subject to three stage expected credit loss (ECL) model.

	Stage 1	Stage 2	Stage 3			
			Substandard	Doubtful	Loss	Total
June 2019 – Unaudited	$m	$m	$m	$m	$m	$m
Cash and balances with central banks	1,321.7	-	-	-	-	1,321.7
Due from banks and other financial institutions	1,793.7	-	-	-	-	1,793.7
Reverse repurchase agreements	3,588.2	-	-	-	-	3,588.2
Loans and advances to customers	1,207.2	12.9	-	0.1	-	1,220.2
Financial investments	2,112.6	-	-	-	-	2,112.6
Commitments and financial guarantees given	35.7	-	-	-	-	35.7
Total	10,059.1	12.9	-	0.1	-	10,072.1

	Performing			Non-performing	
	Neither past due nor impaired	Past due but not specifically impaired		Specifically impaired	Gross credit exposure
		< 90 days	>= 90 days		
June 2018 – Unaudited	**$m**	**$m**	**$m**	**$m**	**$m**
Cash and balances with central banks	1,964.4	-	-	-	1,964.4
Financial assets held for trading	2,388.9	-	-	-	2,388.9
Non-trading financial assets at fair value	1,339.9	-	-	-	1339.9
Derivative financial assets	5,094.8	-	-	-	5,094.8
Due from banks and other financial institutions	1,391.3	-	-	-	1,391.3
Reverse repurchase agreements	3,712.9	-	-	-	3,712.9
Loans and advances to customers	777.8	-	-	0.2	778.0
Financial investments	1,247.1	-	-	-	1,247.1
Gross on balance sheet credit exposure	17,917.1	-	-	0.2	17,917.3
Guarantees					-
Irrevocable unutilised facilities					17.3
Commodity leases					640.2
Gross off-balance sheet exposures to credit risk					657.5

	Performing			Non-performing	
	Neither past due nor impaired	Past due but not specifically impaired		Specifically impaired	Gross credit exposure
		< 90 days	>= 90 days		
December 2018 – Audited	**$m**	**$m**	**$m**	**$m**	**$m**
Cash and balances with central banks	1,920.9	-	-	-	1,920.9
Financial assets held for trading	1,546.1	-	-	-	1,546.1
Non-trading financial assets at fair value	1,334.5	-	-	-	1,334.5
Derivative financial assets	4,019.8	-	-	-	4,019.8
Due from banks and other financial institutions	1,580.4	-	-	-	1,580.4
Reverse repurchase agreements	4,061.4	-	-	-	4,061.4
Loans and advances to customers	739.7	-	-	0.2	739.9
Financial investments	1,952.3	-	-	-	1,952.3
Gross on balance sheet credit exposure	17,155.1	-	-	0.2	17,155.3
Guarantees					20.0
Irrevocable unutilised facilities					16.8
Commodity leases					417.1
Gross off-balance sheet exposures to credit risk					453.9

Deposits

Due to banks and other financial institutions

	June 2019 $m Unaudited	June 2018 $m Unaudited	December 2018 $m Audited
Due to banks	**8,125.0**	7,931.3	8,397.3
Other financial institutions	**771.3**	1,109.3	873.9
	8,896.3	9,040.6	9,271.2

Repurchase agreements

	June 2019 $m Unaudited	June 2018 $m Unaudited	December 2018 $m Audited
Banks and other financial institutions	**1,903.5**	1,571.5	1,114.7
	1,903.5	1,571.5	1,114.7

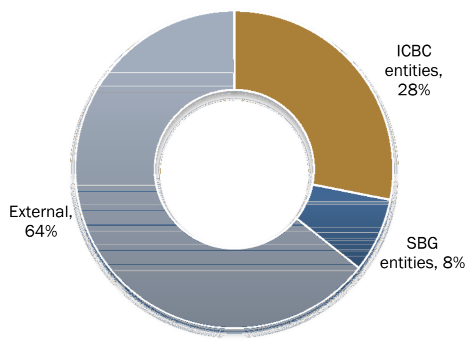
Certificates of deposit

	June 2019 $m Unaudited	June 2018 $m Unaudited	December 2018 $m Audited
Banks and other financial institutions	**-**	16.2	-
	-	16.2	-

Due to customers

	June 2019 $m Unaudited	June 2018 $m Unaudited	December 2018 $m Audited
Call deposits	**357.2**	221.0	299.1
Term deposits	**519.4**	132.9	170.6
	876.6	353.9	469.7

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 90% of the trading days in the period ended 30 June 2019 (30 June 2018: 81%). The average daily trading revenue earned in the period was US$0.95 million (30 June 2018: US$1.1 million), with a standard deviation of US$1.03 million (30 June 2018: US$1.9 million). During the period, there were no back-testing exceptions at a 99% confidence level (30 June 2018: none).

		Normal VaR[2]		
June 2019	**Maximum[1] $m**	**Minimum[1] $m**	**Average $m**	**Period end $m**
Commodities	1.6	0.8	1.2	1.3
Foreign exchange	1.3	0.7	1.0	0.9
Equities	0.9	0.5	0.7	0.7
Debt securities	1.7	0.9	1.2	1.3
Diversification benefit[4]				(2.1)
Total				2.1

	Stress VaR[3]		
	June 2019 $m Unaudited	June 2018 $m Unaudited	December 2018 $m Audited
Commodities	9.9	12.3	4.4
Foreign exchange	6.5	17.1	8.0
Equities	2.6	2.9	2.4
Debt securities	20.8	11.6	27.6
Diversification benefit[4]	(14.9)	(19.3)	(17.1)
Total	24.9	24.6	25.3

		Normal VaR[2]		
June 2018	Maximum[1] $m	Minimum[1] $m	Average $m	Period end $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

		Normal VaR[2]		
December 2018	Maximum[1] $m	Minimum[1] $m	Average $m	Year end $m
Commodities	2.6	0.8	1.5	1.6
Foreign exchange	1.2	0.4	0.8	1.1
Equities	1.6	0.5	0.7	0.7
Debt securities	1.8	0.1	1.2	1.1
Diversification benefit[4]				(2.1)
Total				2.4

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.

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