

Standard Bank Group Analysis of financial results

for the six months ended 30 June 2011



Corporate profile

Standard Bank Group is the largest African banking group by assets and earnings offering a range of banking and related financial services

- Extensive operations in 17 countries in Africa
- Outside the African continent, the group's operations span 13 countries focusing on links to Africa and natural resources
- Owns a controlling stake in the South African listed insurance company, Liberty Holdings Limited

Three business units: Personal & Business Banking, Corporate & Investment Banking and Wealth – Liberty

- One of the four full-service South African banks
- Offers a range of banking, insurance and asset management services
- 149-year history in South Africa
- Listed on the JSE since 1970
- Started building a franchise outside southern Africa in early 1990s

Table of contents

1	Group results in brief		
2	Financial results, ratios and statistics		
4	Our refined strategy		
5	Overview of financial results		
10	Summarised group income statement		
11	Headline earnings		
12	Headline earnings and dividends per share		
13	Diluted headline earnings per share		
14	Statement of financial position		
16	Statement of comprehensive income		
16	Statement of changes in equity		
18	Financial results, ratios and statistics – IFRS		
19	Summarised group income statement – IFRS		
20	Statement of comprehensive income – IFRS		
20	Statement of changes in equity – IFRS		
22	Explanation of principal differences between normalised and IFRS results		
	Segmental reporting		
26	Segmental structure for key business units		
28	Segmental income statement		
30	Segmental statement of financial position		
32	Personal & Business Banking		
36	Corporate & Investment Banking		
40	Wealth – Liberty		
	Capital management		
44	Return on ordinary equity		
45	Cost of equity and economic returns		
46	Market capitalisation and price-to-book ratio		
47	Ordinary shareholders' equity (net asset value)		
48	Currency analysis of net asset value		
49	Currency translation effects		
50	Economic capital		
51	Risk-weighted assets		
52	Capital adequacy – qualifying regulatory capital		
53	Capital adequacy ratios		
54	Subordinated debt		
	Income statement analysis		
56	Net interest income and margin analysis		
58	Non-interest revenue		
60	Credit impairment charges		
64	Operating expenses		
66	Taxation		
	Balance sheet analysis		
68	Loans and advances		
69	Deposit and current accounts		
70	Loans and advances performance		
72	Banking activities average balances and margins		
74	Liquidity management		
76	Fair value hierarchy – Standard Bank Group		
	The Standard Bank of South Africa Limited		
78	Key financial results, ratios and statistics		
80	Summarised income statement		
81	Statement of financial position		
82	Segmental income statement		
84	Segmental statement of financial position		
86	Credit impairment charges		
90	Loans and advances performance		
92	Capital adequacy – qualifying regulatory capital		
93	Risk-weighted assets and capital adequacy ratios		
94	Market share analysis		
	Other information and reclassifications		
96	Supplementary information on a geographic basis		
98	Changes in accounting policies and reclassifications		
99	Group statement of financial position reclassification		
100	Business unit reclassifications		
101	Financial and other definitions		
	Shareholder information		
104	Analysis of shareholders		
105	Credit ratings		
106	Dividend payment dates		
106	Instrument codes		
ibc	Contact details		

The Standard Bank Group's financial results for the six months ended 30 June 2011 have not been audited or independently reviewed and should be read in conjunction with the results announcement released on the same date, 11 August 2011. The preparation of the financial results was supervised by the group financial director, Simon Ridley, BCom (Natal), CA(SA), AMP (Oxford).

Group results in brief

**Headline earnings of
R6 637 million, up 11%**

1H10: **R5 989 million**

**Headline earnings per ordinary
share 418,4 cents, up 10%**

1H10: **381,9 cents**

**Dividend per share
141 cents**

1H10: **141 cents**

**Net asset value per share,
5 926 cents, up 2%**

1H10: **5 792 cents**

**Return on equity
14,5%**

1H10: **13,5%**

**Credit loss ratio
0,80%**

1H10: **1,04%**

**Cost-to-income ratio
58,4%**

1H10: **58,1%**

**Total capital adequacy ratio
14,8%**

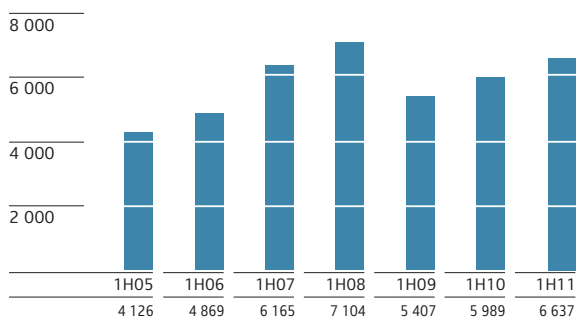
1H10: **14,6%**

All results in this booklet are presented on a normalised basis, unless otherwise indicated as being on an International Financial Reporting Standards (IFRS) basis. Results are normalised to correct the distortions caused by IFRS' treatment of the group's Black Economic Empowerment Ownership initiative and by group share exposures entered into to facilitate client trading activities or for the benefit of Liberty policyholders that are deemed to be treasury shares. Refer to page 22 for principal differences between normalised and IFRS results.

Headline earnings

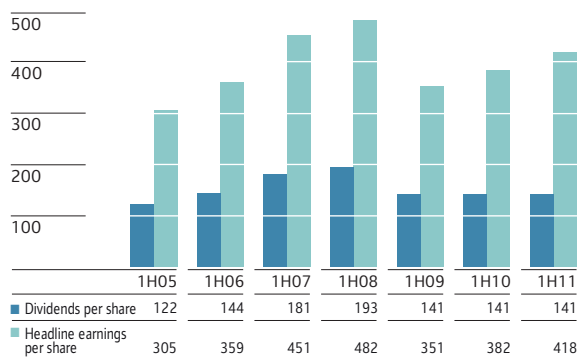
Rm

CAGR (1H05 – 1H11): 8%



Headline earnings and dividends per share

CAGR (1H05 – 1H11): Headline earnings per share: 5%
Dividends per share: 2%



1H11 refers to the first half year results for 2011.
1H10 refers to the first half year results for 2010.
FY10 refers to the full year results for 2010 where applicable.
Change % reflects 1H11 growth on 1H10.

Financial results, ratios and statistics

		Change %	1H11	1H10	FY10
Standard Bank Group					
Headline earnings contribution by business unit					
Total headline earnings	Rm	11	6 637	5 989	11 283
Banking activities	Rm	10	6 004	5 449	9 890
Personal & Business Banking	Rm	30	2 483	1 904	4 422
Corporate & Investment Banking	Rm	1	3 320	3 277	5 548
Central and other	Rm	(25)	201	268	(80)
Liberty	Rm	17	633	540	1 393
Ordinary shareholders' interest					
Profit attributable to ordinary shareholders	Rm	11	6 655	6 018	11 088
Ordinary shareholders' equity	Rm	3	94 055	91 705	90 755
Share statistics					
Headline earnings per ordinary share (EPS)	cents	10	418,4	381,9	715,9
Diluted headline EPS	cents	10	415,9	378,5	709,6
Basic EPS	cents	9	419,6	383,8	703,5
Diluted EPS	cents	10	417,0	380,3	697,3
Dividend per share	cents		141,0	141,0	386,0
Net asset value per share	cents	2	5 926	5 792	5 726
Tangible net asset value per share	cents	1	5 211	5 156	5 071
Dividend cover	times		3,0	2,7	1,9
Number of ordinary shares in issue					
– end of period	thousands		1 587 054	1 583 314	1 585 037
– weighted average	thousands	1	1 586 202	1 568 125	1 576 092
– diluted weighted average	thousands	1	1 595 736	1 582 301	1 590 083
Selected returns and ratios					
Return on equity (ROE)	%		14,5	13,5	12,5
Capital adequacy					
Total capital adequacy ratio	%		14,8	14,6	15,3
Tier I capital adequacy ratio	%		12,4	11,8	12,9
Core tier I capital adequacy ratio	%		11,5	11,0	12,0
Employee statistics					
Number of employees		(2)	51 706	52 768	53 351
Points of representation					
Branches ¹		6	1 290	1 164	1 257
ATMs		5	8 178	7 796	8 552
Banking activities					
Balance sheet					
Total assets	Rm	4	1 141 940	1 099 666	1 111 885
Loans and advances (net of credit impairments)	Rm	4	743 472	714 681	713 025
Selected returns and ratios					
ROE	%		14,2	13,2	11,8
Loan-to-deposit ratio	%		87,3	92,4	89,5
Net interest margin	%		2,91	3,02	3,01
Non-interest revenue to total income	%		51,5	49,9	50,8
Credit impairment charges	Rm	(22)	2 970	3 790	7 524
Credit loss ratio	%		0,80	1,04	1,04
Cost-to-income ratio	%		58,4	58,1	61,7
Effective taxation rate	%		30,2	29,3	29,3
Employee statistics					
Number of employees		(3)	46 037	47 357	48 125
Technology and infrastructure					
IT spend	Rm	2	3 712	3 645	7 160

¹ Includes loan centres.

In the first six months of 2011 the group experienced: Globally

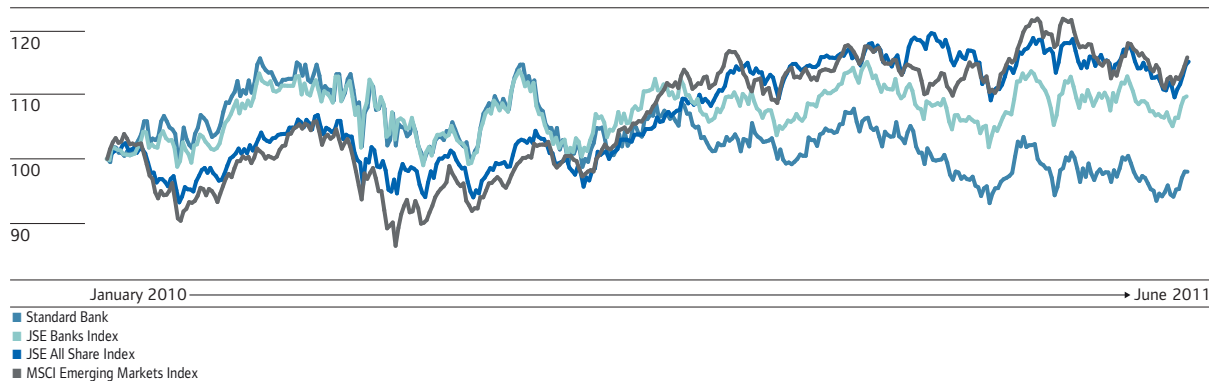
- Uneven global economic recovery with emerging markets outpacing developed economies.
- Persistent uncertainty following the deepening of the European sovereign debt crises and debt constraints in the United States.
- Flight of capital into safe havens such as gold and Swiss franc.
- Modest slowing in global industrial production and trade resulting from political turmoil in the Middle East and North Africa, as well as the tsunami in Japan.
- Growth in international commodity prices, driven by strong demand from emerging markets.
- Rising inflation on the back of higher food and fuel prices.
- Tightened monetary policy in several emerging market countries.

South Africa

- Fragile economic growth characterised by increased manufacturing output and contractions in mining and agricultural output.
- Marginal improvements in consumers' ability to service debt, while debt-to-disposable income levels remain high.

- Continued low level of capital outlays, but encouraging investments by public corporations involved in electricity and transport and private-sector entities in the agricultural, mining, transportation and communications sectors.
- Historically low interest rates as the average prime rate decreased by 123 basis points.
- Moderate improvement in the demand for credit.
- Improved growth in vehicle sales but growth in the property market remained subdued.
- Persistent high levels of unemployment and high wage settlements.
- Strengthened average USD/ZAR exchange rate from R7,53 in June 2010 to R6,90 in June 2011, while the closing exchange rate weakened to R6,78 in June 2011 from R6,64 in December 2010.
- Slight contracting in the JSE All Share Index by 0,8% from December 2010 to June 2011.
- Low level of institutional investment flows.

Share price performance



	Change %	1H11	1H10	FY10
Other economic indicators				
Market indicators				
USD/ZAR exchange rate				
– closing	(11)	6,78	7,65	6,64
– average	(8)	6,90	7,53	7,32
SA prime overdraft rate (closing)	%	9,0	10,0	9,0
SA average prime overdraft rate	%	9,0	10,2	9,9
SA average CPI	%	4,2	5,1	4,3
JSE All Share Index (closing)	21	31 865	26 259	32 119
JSE Banks Index (closing)	11	40 254	36 389	40 985
MSCI Emerging Markets Index (closing)	25	1 146	918	1 151
Share statistics				
Share price				
High for the period	cents	(7)	11 000	11 875
Low for the period	cents	(5)	9 411	9 946
Closing	cents	(2)	9 997	10 239
Shares traded				
Number of shares	thousands	(10)	491 956	547 893
Value of shares	Rm	(17)	49 713	59 741
Turnover in shares traded	%		31,0	34,9
				74,2

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Our refined strategy

Our refined strategy as announced in March 2011

- We aspire to build the leading African financial services organisation using all our competitive advantages to the full.
- We will focus on delivering superior sustainable shareholder value by serving the needs of our customers through first-class, on-the-ground operations in chosen countries in Africa. We will also connect other selected emerging markets to Africa and to each other, applying our sector expertise, particularly in natural resources, globally.
- Our key differentiator is people who are passionate about our strategy, wherever in the world they are based.

What does this refinement mean?

Africa is at our **core**.

We will **continue** to build **first-class** on-the-ground banks.

We are **confident** that future revenue plans will justify current investment in infrastructure.



We **no longer** have ambitions to **buy or build** additional **domestic** businesses in markets outside Africa.

We will **connect** other selected emerging markets to Africa and to each other, **particularly** in the natural resources sector.

China continues to be a key differentiator for us.



Tight capital management is **fundamental**.

Overview of financial results

Global operating environment

Uncertainty and volatility were again features of the global economy. While some signs of stability and strengthening of risk appetite were evident in April, the following months have brought further cause for concern.

While the BRICS economies remained at the forefront of global growth, there are concerns over the potential for overheating and inflation in these markets.

The resilience of African economies has provided some respite from the troubling global outlook. Better governance, continued reform and financial deepening have improved the economic fundamentals of the major economies on the continent. A wider spread of commercial partnerships in trade, investment and aid has also made Africa hardier in withstanding external shocks. Elevated food and energy prices, drought in East Africa and the political turmoil in North Africa, however, are factors impeding the continent's progress.

Domestic operating environment

Economic activity gathered momentum in South Africa in the first quarter with real GDP growth expanding at an annualised rate of 4,8%. Strong growth in real consumption expenditure by households continued to drive domestic demand. The higher spending reflected further increases in real disposable income as wage levels and property income rose in the quarter. Household debt crept up in the first quarter, but the increase in disposable income was sufficient to reduce the household debt-to-disposable income ratio slightly to 76,8%. Household saving remained negative as a percentage of disposable income as households continue to consume more than they earn. This leaves them financially vulnerable to economic weakness. The unemployment rate remains high, impacting severely on many households from both an economic and social perspective.

Unfortunately, short-term data indicated a softening in economic performance in the second quarter of the year. The demand for credit remained weak and manufacturing production slowed significantly in April and May, as did retail sales in May.

Despite expectations for lower growth to be reported for the second quarter, the slow economic upswing should remain intact.

Overview of results

For the six-month period ended 30 June 2011 the group generated headline earnings of R6,6 billion, up 11% on the corresponding period last year, and headline earnings per share

of 418,4 cents were up 10%. The period was characterised by lower levels of client activity across all the markets in which we operate, precipitated in the main by ongoing concerns regarding the Eurozone, the US budget deficit and the consequent worsening global economic outlook. Corporate & Investment Banking was particularly affected, reporting modest growth in both revenues and profits.

The group's ROE for the six months was 14,5%, compared to 12,5% for the 2010 year, higher than our cost of equity.

Headline earnings by business unit

	% change	1H11 Rm	1H10 Rm
Personal & Business Banking	30	2 483	1 904
Corporate & Investment Banking	1	3 320	3 277
Central and other	(25)	201	268
Banking operations	10	6 004	5 449
Liberty	17	633	540
Total	11	6 637	5 989

Personal & Business Banking reported headline earnings of R2,5 billion, 30% above the same period last year. The main contributor to this result was the continued reduction in credit impairment charges with some pockets of new business growth. Corporate & Investment Banking did well to sustain its revenues at the same level as the prior period in a very difficult environment and, despite a more normal credit charge, grew headline earnings by 1% to R3,3 billion. This was achieved through good cost control and improved fee and commission income. Liberty reported improved operational results in the core South African insurance and asset management operations, resulting in good headline earnings growth.

Headline earnings by region

	% change	1H11 Rm	1H10 Rm
South African banking	17	5 527	4 737
Liberty	17	633	540
South Africa	17	6 160	5 277
Rest of Africa	(17)	423	511
Outside Africa	33	305	230
Central funding	(>100)	(251)	(29)
Total	11	6 637	5 989

South African banking activities had a good six months, with the continued reduction in credit impairments helping to offset still sluggish revenues. Headline earnings from the rest of Africa were down 17% as investments in IT, infrastructure and people

Overview of financial results continued

continued in key growth countries. As anticipated, Personal & Business Banking in the rest of Africa incurred a slightly bigger loss than in the prior period, with more branches added to the network to position the franchise for growth and attain the desired economies of scale. Corporate & Investment Banking in the rest of Africa grew revenues by 2% off a high base set in the first half of 2010. Headline earnings ended 7% lower than the prior period as we continued to invest in the franchise. The group's operations in outside Africa were profitable for the period and up on the comparative period last year. The benefits of action taken on costs in 2010 were evident in this reporting period however returns still require substantial improvement and action is being taken in this regard.

Balance sheet analysis

Banking assets grew 4% compared to June 2010 reversing the two-year trend of a shrinking balance sheet. Loans and advances grew 4% with loans to customers up an encouraging 7%. Mortgage loans grew 5% on tentative signs of recovering credit demand in South Africa. The number of applications climbed 36%, assisted by good commercial relationships with independent mortgage originators. This growth was achieved despite higher pricing of loans and robust assessments of customers' creditworthiness. Instalment sale and finance leases rose 4%, helped by good growth in Ghana, Nigeria and Argentina. In line with our focus on inclusive banking, unsecured personal term loans in South Africa continued to gain momentum and the book more than doubled to R736 million. However, this still represents less than 1% of Personal & Business Banking's loan book. Good growth was achieved in longer-term unsecured lending in business banking, primarily in agriculture and the public sector. Corporate & Investment Banking achieved good loan growth late in the period, particularly in demand loans as corporate requirements for working capital increased. Term loan balances reflect no growth on a June year-on-year comparison, but were up on December 2010 with some landmark transactions closed in our core sectors.

Deposit and current accounts showed growth across the board, reflecting our relentless focus on customer service in South Africa and our ambitions to grow our customer base in the rest of Africa. The deposit mix change was favourable in the period with a focus on gathering longer duration liabilities.

Income statement analysis

Net interest income reduced by 1% when compared with the first six months of 2010 and was flat on the second half of 2010. Net interest margin on interest earning assets reduced 12 basis points to 3,92%. Pricing improvements in Personal & Business Banking were offset by increased competition in Corporate & Investment Banking where client yields were

squeezed. The negative endowment impact of a lower average prime interest rate in South Africa on transactional balances resulted in a 9 basis points reduction in margins. The squeeze in margins was offset somewhat by asset growth, keeping net interest income at similar levels to the prior period.

Non-interest revenue was up 6% compared to the prior period. This encouraging result was achieved despite a 5% drop in trading revenues, as net fee and commission income grew 8% and other revenue climbed 42%.

Net fees and commissions growth was achieved across all major classes of fees, particularly in account transaction fees, which were up 6% due to an increased number of Personal & Business Banking clients. Higher volumes in the card business resulted in card-based commissions growing by 12%. Knowledge-based fees grew 3%, reversing the decline experienced last year and indicating that the promising deal pipeline across the continent is starting to convert into revenue.

Trading revenues fell 5% compared to the prior period. Higher foreign exchange trading volumes across our operations resulted in forex trading revenue growth of 27%. Interest rate trading in South Africa achieved an excellent result on the back of large hedging trades for clients, offset by very difficult trading conditions in markets outside of South Africa. Other trading desks were impacted by lower client activity and downward pressure on spreads in an increasingly competitive environment. On a constant currency basis, trading revenue was up 1%.

A good contribution from the sale of insurance-related products to bank customers in partnership with Liberty and improved short-term insurance profits helped grow other revenue, as did positive revaluations on equity and property investments in South Africa.

Credit impairment charges of R2 970 million for the six months were 22% lower than the prior period, mainly as a consequence of the lower interest rate environment. Non-performing loans (NPLs) reduced to 5,1% of the loan book (FY10: 5,8%; 1H10: 6,4%), with the notable slowing of new defaults contributing to lower NPL impairments.

The easing of consumer stress after another six months of low interest rates and generally high salary increases resulted in Personal & Business Banking NPLs reducing to 7,0% of the book (FY10: 7,9% and 1H10: 8,8%). While the level of NPLs remains stubbornly high, particularly in home loans, the absolute level of NPLs continued to show a decreasing trend. Personal & Business Banking's credit loss ratio of 1,25% is much improved compared to the cyclical high of 2,80% in the

second half of 2009. In Corporate & Investment Banking, a more normal charge for credit was recorded, compared with a net reversal in the first six months of 2010.

Cost growth of 2% for the period was achieved in an environment that demanded rigorous cost control in the mature businesses, active cost cutting in the international and regional head offices as well as regional locations and continued investment for the future in the growth franchises. On a constant currency basis, costs grew 6% mainly due to branch and other infrastructure rollout in West Africa. Given slower revenue growth, the cost-to-income ratio rose to 58,4% (1H10: 58,1%), although this is lower than the 2010 full-year ratio of 60,4% (excluding the restructure cost).

Cost efficiency has become an increasingly important management tool for banks world-wide as the outlook for revenues remains uncertain. Recognising this in 2010, we embarked on a range of long-term and short-term cost saving initiatives across the group, many of which are well under way and expected to have lasting impacts.

Detailed plans within the organisation to achieve sustained cost savings are aimed at:

- dramatically streamlining regional, head office and support costs;
- re-evaluating the pace and scope of IT transformation;
- accelerating geographic hubbing and infrastructure sharing; and
- consolidating a consistent approach to enabling functions.

In banking activities, income from associates and joint ventures was down due to lower earnings from Troika Dialog Group (Troika). Post the announcement of the sale of our investment in Troika to Sberbank in March, the investment is classified as a non-current asset held-for-sale and was only equity accounted for the first quarter to 31 March 2011.

Overview of business unit performance

Personal & Business Banking

Headline earnings were up 30% to R2 483 million for the period, supported by an improved credit experience. The division earned an ROE of 17,8%, up on the 14,7% recorded in the prior period.

In mortgage lending in South Africa, the number of loan applications continued to show an upward trend and the value of new loans registered in the six months was 7% higher than in the corresponding period last year. This translated into asset growth of 5%. Concessions on new business continued to decline as pricing models more accurately reflected the cost of term funding and credit risk. The average lending rate for new

business was prime less 7 basis points for the period compared to prime less 28 basis points in the prior period and the average loan-to-value on new business increased to 86%. We are comfortable that the new business currently being written in mortgages will be profitable over its lifetime, earning an ROE well in excess of the cost of equity.

NPL levels remain high but reduced to 8,6% of the book (1H10: 10,4% and FY10: 9,4%). Early arrears in mortgages have ticked up slightly and are coming back in line with a longer-term average rather than the very low levels we have seen in the last 18 months of unusually low asset growth. The credit loss ratio for mortgages rose to 1,17% for the period, from 1,15% for the 2010 year.

Mortgage lending returned to profitability in the second half of 2010 and continued this trend in the first half of 2011, although the pace of growth in earnings slowed considerably. This is as a result of a large unwinding of credit impairments in the second half of 2010, which was not repeated in 2011.

Instalment sale and finance leases grew revenues and earnings in the period on the back of loan growth and repricing initiatives. Loan growth was particularly encouraging in Ghana and Nigeria. NPLs continued to decrease as a percentage of the book to 4,3% (1H10: 6,7% and FY10: 5,3%). This meant credit impairments continued to unwind and a credit loss ratio of 0,68% was recorded (1H10: 2,47%).

Total revenues declined in the card business despite an increased number of accounts as customers continued to reduce their debt. However, increased cardholder turnover pushed fee income up. Credit impairments improved further as the existing portfolio continued to mature.

Transaction and lending product deposit margins came under pressure due to the negative endowment impact of lower interest rates on transactional accounts. The number of current accounts increased by 14% in South Africa and deposits grew by 5% across the network, which helped grow fee income. The roll out of additional branches and ATMs in Nigeria contributed to higher transaction volumes and revenue, but drove up operational expenses. In the lending book, the credit loss ratio decreased to 1,67% (1H10: 2,55%) as the low interest rate environment allowed Personal & Business Banking customers to pay off existing debt.

We continued to forge closer operational ties with Liberty to grow bancassurance volumes and, in the domestic market, increased the penetration rate for all products. The bancassurance businesses also recorded higher short-term insurance broking profit largely due to growth in home-owner

1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Overview of financial results continued

cover policies. The offshore wealth management businesses felt the impact of lower deposit margins due to international interest rates remaining at structurally low levels.

Corporate & Investment Banking

Despite the difficult operating environment, Corporate & Investment Banking recorded stronger revenues across its regions as the year progressed. For the six months ended 30 June 2011, total income and headline earnings ended up 1%. A credit impairment charge for the period (compared to a net reversal in the prior period) was offset by good cost containment, with costs down 3%. An ROE of 15,4% was recorded for the period, still dampened by an unacceptably low ROE in operations outside Africa.

In a challenging market, characterised by increased competition and client uncertainty, global markets revenues were up an encouraging 6%. The strongest performance came from South Africa where a number of large client hedging transactions were executed and forex volumes increased strongly albeit at reduced spreads. The rest of Africa struggled to grow revenues off the high base set in the prior year as we positioned our books cautiously ahead of elections in Nigeria and Uganda. Outside Africa, revenues were down 9% and flat on a constant currency basis, a good result relative to global peers. Ongoing investment in IT in global markets resulted in headline earnings growing only 1% for the period.

As a healthy pipeline began to convert into revenues, investment banking enjoyed a better second quarter. This was particularly evident in capital markets where a number of deals were closed in May and June. However, revenues were down on the prior period given the longer lead times required to close deals due to client uncertainty. A turnaround in credit impairments as client positions improved resulted in headline earnings increasing 7%.

Transactional products and services experienced another stable six months, with revenues and headline earnings up 8%. Increased levels of interest and fee income in the rest of Africa, and an increase in customer deposits in Nigeria in particular, drove this performance. A comparably weaker performance from South Africa partially offset this, with net interest income adversely impacted by margin compression following a negative endowment effect and increased competition.

In principal investment management, real estate and private equity experienced good growth in revenues as a result of positive valuation uplifts on property investments.

Wealth – Liberty

The Liberty results reflect the group's 53,7% investment in Liberty Holdings Limited (Liberty). Bancassurance results are included under Personal & Business Banking.

Strong operational earnings from Liberty's core operations, namely retail insurance South Africa and Stanlib, pushed Liberty's headline earnings for the first half of 2011 up 17% to R1 180 million. Of these headline earnings, R633 million was attributable to Standard Bank Group (1H10: R540 million). Retail insurance South Africa's excellent improvement in policyholder persistency has continued at levels similar to the second half of 2010 resulting in positive persistency variances. South African insurance indexed new business sales have improved by 7,1% over 2010 despite significantly lower entry level market sales as a consequence of the remedial action taken last year. Increases in flagship investment products and credit life sales under the bancassurance agreement were particularly pleasing. Overall, group insurance new business margin improved from 1,2% at December 2010 to 1,3%. This is still being influenced by the conservative persistency assumptions and relatively low increase in new business contract volumes that have affected acquisition overhead cost efficiency. Improving margin through increased volume of quality sales and better cost efficiency is Liberty management's top priority.

Continued concerns over sovereign debt in Europe and the United States treasury policy influenced local investment markets, resulting in high uncertainty and low equity and bond returns for the period. Returns on the Liberty shareholder investment portfolio were impacted by weaker markets but were ahead of set benchmarks. The asset/liability positions were managed within mandated risk limits and capital ratios have improved and remain strong. Following a sustained period of strong inflows, Stanlib experienced some expected net outflows from its money market funds due to the increasing risk appetite of investors, which were offset by continued inflows in Liberty Africa asset management operations.

Capital management and liquidity

The group remains well capitalised with a common equity tier I ratio of 11,5%, tier I capital adequacy ratio of 12,4% and a total capital adequacy ratio of 14,8%, which are all above the SARB's minimum requirements and the group's internal targets.

The divestitures in Russia and Argentina will further strengthen the group's capital position. We will have greater clarity on uses of potential surplus capital when we announce FY11 results in March 2012 by which time the proceeds of these transactions may be received.

Continued focus has been placed on lengthening and further diversifying the group's funding base. The group maintained its long-term funding ratio at 26% and retained conservative liquidity buffers with surplus liquidity totalling R116,8 billion at 30 June 2011. Increased funding demand to support a growing pipeline of term lending transactions is evident. A number of key debt capital market and term loan funding transactions were executed, taking advantage of pockets of well-priced liquidity. Investor appetite for capital markets issuance remained robust and SBSA successfully placed R4,6 billion of senior debt in the domestic bond market. SBSA also raised USD385 million in two transactions in the international bank loan markets.

The group participated in the Basel III quantitative impact assessment submitted to the SARB and the Bank of International Settlements. The results of the assessment reflect a reduction in the group's capital adequacy ratios under the proposed framework, but the group is expected to remain adequately capitalised to meet the new Basel III requirements. We continue to assess the impact of the Basel III liquidity standards as proposed by the Basel Committee. These may prove to be onerous, depending on the extent of further calibration of the proposed Basel III liquidity ratios, as well as the scope of national discretion applied by domestic banking regulators.

1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Summarised group income statement

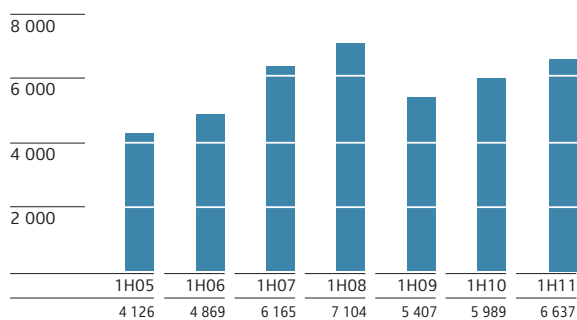
	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Net interest income	(1)	14 421	14 541	28 927
Non-interest revenue	6	15 325	14 475	29 923
Net fee and commission revenue	8	9 710	9 023	18 641
Trading revenue	(5)	4 229	4 475	8 428
Other revenue	42	1 386	977	2 854
Total income	3	29 746	29 016	58 850
Credit impairment charges	(22)	2 970	3 790	7 524
Specific credit impairments	(34)	2 727	4 123	8 135
Impaired loss	(28)	2 343	3 242	7 077
Discounting of expected recoveries	(56)	384	881	1 058
Portfolio credit impairments	>100	243	(333)	(611)
Income after credit impairment charges	6	26 776	25 226	51 326
Operating expenses	2	17 426	17 019	36 656
Staff costs	3	9 832	9 546	19 542
Other operating expenses	2	7 594	7 473	16 333
Restructuring costs				781
Net income before goodwill	14	9 350	8 207	14 670
Goodwill impairment				30
Net income before associates and joint ventures	14	9 350	8 207	14 640
Share of profit from associates and joint ventures	(63)	96	259	584
Net income before taxation	12	9 446	8 466	15 224
Taxation	15	2 854	2 482	4 466
Profit for the period	10	6 592	5 984	10 758
Attributable to minorities	28	398	312	617
Attributable to preference shareholders	(11)	172	194	376
Attributable to ordinary shareholders – banking activities	10	6 022	5 478	9 765
Headline adjustable items – banking activities	38	(18)	(29)	125
Headline earnings – banking activities	10	6 004	5 449	9 890
Headline earnings – Liberty	17	633	540	1 393
Standard Bank Group headline earnings	11	6 637	5 989	11 283

Headline earnings

Headline earnings

Rm

CAGR (1H05 – 1H11): 8%



Reconciliation of headline earnings

	1H11				1H10			FY10	
	Gross Rm	Tax ¹ Rm	Minorities and preference shareholders Rm	Net Rm	Gross Rm	Tax ¹ Rm	Minorities and preference shareholders Rm	Net Rm	Net Rm
Profit for the period – banking activities	8 812	(2 220)	(570)	6 022	7 942	(1 958)	(506)	5 478	9 765
Headline adjustable items – banking activities (deducted)/added	(56)	27	11	(18)	(63)	20	14	(29)	125
Goodwill impairment – IFRS 3									30
Loss on deemed disposal of associate – IFRS 3	22			22	10			10	10
Profit on sale of property and equipment – IAS 16	(24)	8	2	(14)	(19)	3	1	(15)	(17)
Losses on the disposal of businesses and divisions – IAS 27									25
Reversal of impairment of associate – IAS 28									(4)
Impairment of intangible assets – IAS 38									115
Realised gains on available-for-sale assets – IAS 39	(54)	19	9	(26)	(54)	17	13	(24)	(34)
Headline earnings – banking activities	8 756	(2 193)	(559)	6 004	7 879	(1 938)	(492)	5 449	9 890
Headline earnings – Liberty	2 106	(832)	(641)	633	1 589	(478)	(571)	540	1 393
Liberty share of attributable profit	2 106	(832)	(641)	633	1 589	(478)	(571)	540	1 323
Liberty headline adjustable items added									70
Goodwill impairment – IFRS 3									46
Realised foreign currency translation reserve on foreign operations – IAS 21									11
Impairment of investment in joint venture – IAS 31									7
Impairment of intangible assets – IAS 38									6
Standard Bank Group headline earnings	10 862	(3 025)	(1 200)	6 637	9 468	(2 416)	(1 063)	5 989	11 283

¹ Excludes indirect taxes.

1

Group results in brief

25

Segmental reporting

43

Capital management

55

Income statement analysis

67

Balance sheet analysis

77

The Standard Bank of South Africa Limited

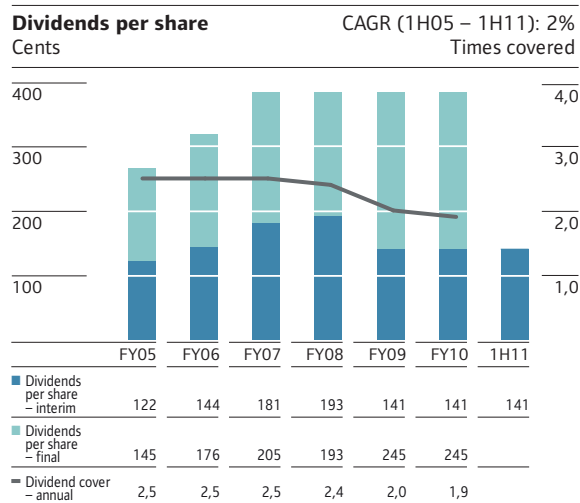
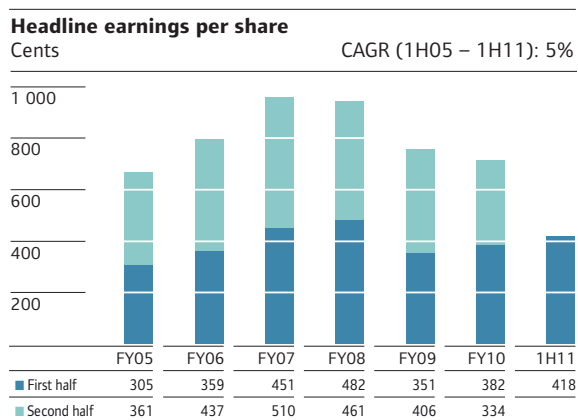
95

Other information and reclassifications

103

Shareholder information

Headline earnings and dividends per share



		Change %	1H11	1H10	FY10
Headline earnings	Rm	11	6 637	5 989	11 283
Headline EPS	cents	10	418,4	381,9	715,9
Basic EPS	cents	9	419,6	383,8	703,5
Total dividend per share	cents		141,0	141,0	386,0
– interim	cents		141,0	141,0	141,0
– final	cents				245,0
Dividend cover – based on normalised headline EPS	times		3,0	2,7	1,9

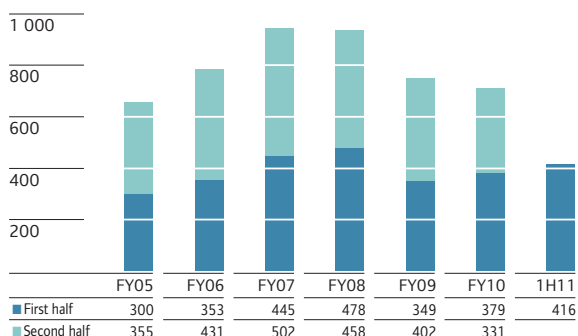
Movement in number of ordinary and weighted average shares issued

	1H11		1H10		FY10	
	Issued number of shares 000's	Weighted number of shares 000's	Issued number of shares 000's	Weighted number of shares 000's	Issued number of shares 000's	Weighted number of shares 000's
Beginning of the period	1 585 037	1 585 037	1 558 258	1 558 258	1 558 258	1 558 258
Shares issued for share option settlements	2 017	1 165	5 076	2 802	6 799	4 259
Shares issued through scrip distribution			19 980	7 065	19 980	13 575
End of the period – normalised	1 587 054	1 586 202	1 583 314	1 568 125	1 585 037	1 576 092
Reconciliation to IFRS shares in issue						
End of the period – normalised	1 587 054	1 586 202	1 583 314	1 568 125	1 585 037	1 576 092
Shares held by Tutuwa SPVs	(63 479)	(63 479)	(63 479)	(63 479)	(63 479)	(63 479)
Total number of shares held initially by Tutuwa SPVs	(99 190)	(99 190)	(99 190)	(99 190)	(99 190)	(99 190)
Less: number of Tutuwa shares financed by third parties	24 691	24 691	24 691	24 691	24 691	24 691
Less: number of Tutuwa shares acquired by ICBC	11 020	11 020	11 020	11 020	11 020	11 020
Share exposures held to facilitate client trading activities	77	773	3 358	4 465	876	3 186
Shares held for the benefit of Liberty policyholders (deemed treasury shares)	(13 172)	(15 073)	(25 170)	(27 297)	(17 341)	(23 843)
End of the period – IFRS	1 510 480	1 508 423	1 498 023	1 481 814	1 505 093	1 491 956

Diluted headline earnings per share

Diluted headline earnings per share

Cents CAGR (1H05 – 1H11): 6%



	Change %	1H11 cents	1H10 cents	FY10 cents
Diluted headline EPS	10	415,9	378,5	709,6
Diluted EPS	10	417,0	380,3	697,3

Diluted weighted average number of ordinary shares issued

	1H11 000's	1H10 000's	FY10 000's
Weighted average shares	1 586 202	1 568 125	1 576 092
Dilution from equity compensation plans	9 534	14 176	13 991
Share option scheme	3 501	6 410	5 323
Equity growth scheme	6 033	7 766	8 668
Diluted weighted average shares – normalised	1 595 736	1 582 301	1 590 083
Reconciliation to diluted weighted average IFRS shares			
Diluted weighted average shares – normalised	1 595 736	1 582 301	1 590 083
Shares held by Tutuwa SPVs	(63 479)	(63 479)	(63 479)
Share exposures held to facilitate client trading activities	773	4 465	3 186
Shares held for the benefit of Liberty policyholders	(15 073)	(27 297)	(23 843)
Tutuwa transaction – dilutive shares	39 718	43 175	42 054
Diluted weighted average shares – IFRS	1 557 675	1 539 165	1 548 001

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Statement of financial position

	Change %	Standard Bank Group		
		1H11 Rm	1H10 ¹ Rm	FY10 Rm
Assets				
Cash and balances with central banks	20	30 816	25 687	28 675
Derivative assets	(15)	105 060	123 009	149 682
Trading assets	8	101 462	93 814	80 585
Pledged assets	(52)	5 952	12 442	6 390
Financial investments	6	290 627	273 949	286 198
Loans and advances	4	743 472	714 681	713 025
Loans and advances to banks	(9)	103 791	114 276	107 090
Loans and advances to customers	7	639 681	600 405	605 935
Investment property	13	22 095	19 520	21 521
Other assets	38	33 136	24 057	19 521
Interest in associates and joint ventures	84	17 871	9 723	10 533
Non-current assets held for sale	100	2 553		
Goodwill and other intangible assets	13	11 346	10 069	10 383
Property and equipment	11	14 793	13 316	14 907
Total assets	4	1 379 183	1 320 267	1 341 420
Equity and liabilities				
Equity				
Equity attributable to ordinary shareholders	3	94 055	91 705	90 755
Preference share capital and premium		5 503	5 503	5 503
Minority interest	0	12 159	12 134	11 952
Liabilities	5	1 267 466	1 210 925	1 233 210
Derivative liabilities	(14)	104 764	121 171	145 004
Trading liabilities	(42)	30 587	52 571	30 375
Deposit and current accounts	9	846 556	773 128	789 500
Deposits from banks	13	114 936	101 345	91 729
Deposits from customers	9	731 620	671 783	697 771
Other liabilities	13	62 342	54 979	47 315
Policyholders' liabilities	10	199 744	182 349	197 878
Subordinated debt	(12)	23 473	26 727	23 138
Total equity and liabilities	4	1 379 183	1 320 267	1 341 420

¹ Refer to page 99 for the prior period reclassifications and restatements.

² Includes elimination of balances between Liberty and banking activities.

Banking activities				Liberty ²			
Change %	1H11 Rm	1H10 ¹ Rm	FY10 Rm	Change %	1H11 Rm	1H10 ¹ Rm	FY10 Rm
20	30 816	25 687	28 675				
(15)	104 577	123 299	147 892	>100	483	(290)	1 790
7	100 782	93 814	80 635	100	680		(50)
(45)	5 952	10 870	6 390	(100)		1 572	
15	104 324	90 977	95 441	2	186 303	182 972	190 757
4	743 472	714 681	713 025				
(9)	103 791	114 276	107 090				
7	639 681	600 405	605 935				
				13	22 095	19 520	21 521
53	25 426	16 649	14 037	4	7 710	7 408	5 484
(61)	1 769	4 556	4 388	>100	16 102	5 167	6 145
100	2 553						
18	9 940	8 442	8 965	(14)	1 406	1 627	1 418
15	12 329	10 691	12 437	(6)	2 464	2 625	2 470
4	1 141 940	1 099 666	1 111 885	8	237 243	220 601	229 535
1	95 690	95 097	92 867	13	16 027	14 245	15 343
2	86 992	85 323	83 870	11	7 063	6 382	6 885
	5 503	5 503	5 503				
(25)	3 195	4 271	3 494	14	8 964	7 863	8 458
4	1 046 250	1 004 569	1 019 018	7	221 216	206 356	214 192
(14)	104 692	121 453	143 923	>100	72	(282)	1 081
(42)	30 693	52 571	31 001	(100)	(106)		(626)
10	851 650	773 128	796 635	(100)	(5 094)		(7 135)
13	114 936	101 345	91 729				
10	736 714	671 783	704 906	(100)	(5 094)		(7 135)
14	37 175	32 744	25 694	13	25 167	22 235	21 621
				10	199 744	182 349	197 878
(11)	22 040	24 673	21 765	(30)	1 433	2 054	1 373
4	1 141 940	1 099 666	1 111 885	8	237 243	220 601	229 535

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Statement of comprehensive income

	Change %	1H11		Total equity Rm
		Ordinary shareholders' equity Rm	Minorities and preference shareholders Rm	
Profit for the period	11	6 655	1 211	7 866
Other comprehensive income after tax for the period	>100	384	(222)	162
Exchange rate differences on translating equity of foreign operations		292	48	340
Foreign currency hedge of net investment		19		19
Cash flow hedges		154		154
Available-for-sale financial assets		(96)	(167)	(263)
Revaluation and other gains/(losses)		15	(103)	(88)
Total comprehensive income for the period	18	7 039	989	8 028
Attributable to minorities			817	817
Attributable to equity holders of the parent		7 039	172	7 211
Attributable to preference shareholders	(11)		172	172
Attributable to ordinary shareholders	28	7 039		7 039

Statement of changes in equity

	Ordinary share capital and premium Rm	Foreign currency translation reserve Rm	Foreign currency hedge of net investment reserve Rm	Cash flow hedging reserve Rm
Balance at 1 January 2010	17 197	(2 115)	774	887
Increase in statutory credit risk reserve				
Equity-settled share-based payment transactions				
Tax on share-based payments				
Transfer of vested equity options				
Change in shareholding of subsidiary		4		
Issue of share capital and share premium and capitalisation of reserves	325			
Transfer of owner-occupied properties				
Total comprehensive income for the period		(3 561)	(768)	(214)
Dividends paid				
Balance at 31 December 2010	17 522	(5 672)	6	673
Balance at 1 January 2011	17 522	(5 672)	6	673
Increase in statutory credit risk reserve				
Equity-settled share-based payment transactions				
Tax on share-based payments				
Transfer of vested equity options				
Change in shareholding of subsidiary		(10)		
Issue of share capital and share premium and capitalisation of reserves	124			
Transfer of owner-occupied properties				
Total comprehensive income for the period		292	19	154
Dividends paid				
Balance at 30 June 2011	17 646	(5 390)	25	827

All balances are stated net of applicable tax.

	1H10			FY10		
	Ordinary shareholders' equity Rm	Minorities and preference shareholders Rm	Total equity Rm	Ordinary shareholders' equity Rm	Minorities and preference shareholders Rm	Total equity Rm
	6 018	1 077	7 095	11 088	2 374	13 462
	(524)	212	(312)	(4 509)	(844)	(5 353)
	198	126	324	(3 561)	(845)	(4 406)
	(653)		(653)	(768)		(768)
	(225)		(225)	(214)		(214)
	159	122	281	71	45	116
	(3)	(36)	(39)	(37)	(44)	(81)
	5 494	1 289	6 783	6 579	1 530	8 109
		1 095	1 095		1 154	1 154
	5 494	194	5 688	6 579	376	6 955
		194	194		376	376
	5 494		5 494	6 579		6 579

	Statutory credit risk reserve Rm	Available-for-sale revaluation reserve Rm	Share-based payment reserve Rm	Revaluation and other reserves Rm	Retained earnings Rm	Ordinary shareholders' equity Rm	Preference share capital and premium Rm	Minority interest Rm	Total equity Rm
	177				(177)				
			412		2	412		32	444
			(581)		581	2			2
	(6)	(15)			(20)	(37)		36	(1)
				21	(120)	205		30	235
		71		(36)	(21)	6 579	376	1 154	8 109
					11 087	(3 860)	(376)	(841)	(5 077)
	717	382	745	273	76 109	90 755	5 503	11 952	108 210
	717	382	745	273	76 109	90 755	5 503	11 952	108 210
	129		165		(129)	165		15	180
			(34)		(54)	(54)			(54)
	(8)				34	(23)		23	
				(13)	(63)	61			61
		(96)		4	13	7 039	172	817	8 028
					6 666	(3 888)	(172)	(648)	(4 708)
	838	286	876	264	78 683	94 055	5 503	12 159	111 717

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Financial results, ratios and statistics – IFRS

		Change %	1H11	1H10	FY10
Standard Bank Group					
Headline earnings contribution by business unit					
Total headline earnings	Rm	12	6 562	5 868	10 969
Banking activities	Rm	9	5 900	5 403	9 751
Personal & Business Banking	Rm	30	2 483	1 904	4 422
Corporate & Investment Banking	Rm	1	3 320	3 277	5 548
Central and other	Rm	(56)	97	222	(219)
Liberty	Rm	42	662	465	1 218
Ordinary shareholders' interest					
Profit attributable to ordinary shareholders	Rm	12	6 580	5 897	10 774
Ordinary shareholders' equity	Rm	3	90 531	88 025	87 073
Share statistics					
Headline EPS	cents	10	435,0	396,0	735,2
Diluted headline EPS	cents	11	421,3	381,2	708,6
Basic EPS	cents	10	436,2	398,0	722,1
Diluted EPS	cents	10	422,4	383,1	696,0
Dividend per share	cents		141,0	141,0	386,0
Net asset value per share	cents	2	5 994	5 876	5 785
Tangible net asset value per share	cents	1	5 242	5 204	5 095
Dividend cover	times	11	3,1	2,8	1,9
Number of ordinary shares in issue					
– end of period	thousands	1	1 510 480	1 498 023	1 505 093
– weighted average	thousands	2	1 508 423	1 481 814	1 491 956
– diluted weighted average	thousands	1	1 557 675	1 539 165	1 548 001
Selected returns and ratios					
ROE	%		14,9	13,9	12,7
Capital adequacy					
Total capital adequacy ratio	%		14,8	14,6	15,3
Tier I capital adequacy ratio	%		12,4	11,8	12,9
Core tier I capital adequacy ratio	%		11,5	11,0	12,0
Banking activities					
Balance sheet					
Total assets	Rm	4	1 139 547	1 097 803	1 109 676
Loans and advances (net of credit impairments)	Rm	4	741 071	712 474	710 722
Selected returns and ratios					
ROE	%		14,3	13,3	11,9
Loan-to-deposit ratio	%		87,0	92,2	89,2
Net interest margin	%		2,89	3,01	3,00
Non-interest revenue to total income	%		51,7	50,2	51,1
Credit impairment charges	Rm	(22)	2 970	3 790	7 524
Credit loss ratio	%		0,81	1,05	1,05
Cost-to-income ratio	%		58,6	58,2	61,8
Effective taxation rate	%		30,5	29,6	29,7

Summarised group income statement – IFRS

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Net interest income	(1)	14 323	14 452	28 742
Non-interest revenue	5	15 327	14 543	30 004
Net fee and commission revenue	8	9 710	9 023	18 641
Trading revenue	(7)	4 231	4 543	8 509
Other revenue	42	1 386	977	2 854
Total income	2	29 650	28 995	58 746
Credit impairment charges	(22)	2 970	3 790	7 524
Specific credit impairment	(34)	2 727	4 123	8 135
Impaired loss	(28)	2 343	3 242	7 077
Discounting of expected recoveries	(56)	384	881	1 058
Portfolio credit impairments	>100	243	(333)	(611)
Income after credit impairment charges	6	26 680	25 205	51 222
Operating expenses	2	17 426	17 019	36 656
Staff costs	3	9 832	9 546	19 542
Other operating expenses	2	7 594	7 473	16 333
Restructuring cost				781
Net income before goodwill	13	9 254	8 186	14 566
Goodwill impairment				30
Net income before associates and joint ventures	13	9 254	8 186	14 536
Share of profit from associates and joint ventures	(63)	96	259	584
Net income before taxation	11	9 350	8 445	15 120
Taxation	14	2 855	2 502	4 490
Profit for the period	9	6 495	5 943	10 630
Attributable to minorities	28	398	312	617
Attributable to preference shareholders	(10)	179	199	387
Attributable to ordinary shareholders – banking activities	9	5 918	5 432	9 626
Headline adjustable items – banking activities	38	(18)	(29)	125
Headline earnings – banking activities	9	5 900	5 403	9 751
Headline earnings – Liberty	42	662	465	1 218
Standard Bank Group headline earnings	12	6 562	5 868	10 969

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Statement of comprehensive income – IFRS

	Change %	Ordinary shareholders' equity Rm	1H11 Minorities and preference shareholders Rm	Total equity Rm
Profit for the period	13	6 580	1 243	7 823
Other comprehensive income after tax for the period	>100	384	(222)	162
Exchange rate differences on translating equity of foreign operations		292	48	340
Foreign currency hedge of net investment		19		19
Cash flow hedges		154		154
Available-for-sale financial assets		(96)	(167)	(263)
Revaluation and other gains/(losses)		15	(103)	(88)
Total comprehensive income for the period	21	6 964	1 021	7 985
Attributable to minorities			842	842
Attributable to equity holders of the parent		6 964	179	7 143
Attributable to preference shareholders			179	179
Attributable to ordinary shareholders	30	6 964		6 964

Statement of changes in equity – IFRS

	Ordinary share capital and premium Rm	Empowerment reserve Rm	Treasury shares Rm	Foreign currency translation reserve Rm	Foreign currency hedge of net investment reserve Rm
Balance at 1 January 2010	17 197	(2 653)	(141)	(2 115)	774
Increase in statutory credit risk reserve					
Equity-settled share-based payment transactions					
Tax on share-based payments					
Transfer of vested equity options					
Change in shareholding of subsidiary				4	
Net increase in treasury shares			(358)		
Issue of share capital and share premium and capitalisation of reserves	325				
Transfer of owner-occupied properties					
Total comprehensive income for the period				(3 561)	(768)
Dividends paid		(318)			
Balance at 31 December 2010	17 522	(2 971)	(499)	(5 672)	6
Balance at 1 January 2011	17 522	(2 971)	(499)	(5 672)	6
Increase in statutory credit risk reserve					
Equity-settled share-based payment transactions					
Tax on share-based payments					
Transfer of vested equity options					
Change in shareholding of subsidiary				(10)	
Net decrease in treasury shares			183		
Issue of share capital and share premium and capitalisation of reserves	124				
Transfer of owner-occupied properties					
Total comprehensive income for the period				292	19
Dividends paid		(14)			
Balance at 30 June 2011	17 646	(2 985)	(316)	(5 390)	25

All balances are stated net of applicable tax.

	1H10			FY10		
	Ordinary shareholders' equity Rm	Minorities and preference shareholders Rm	Total equity Rm	Ordinary shareholders' equity Rm	Minorities and preference shareholders Rm	Total equity Rm
	5 897	1 017	6 914	10 774	2 233	13 007
	(524)	212	(312)	(4 509)	(844)	(5 353)
	198	126	324	(3 561)	(845)	(4 406)
	(653)		(653)	(768)		(768)
	(225)		(225)	(214)		(214)
	159	122	281	71	45	116
	(3)	(36)	(39)	(37)	(44)	(81)
	5 373	1 229	6 602	6 265	1 389	7 654
		1 030	1 030		1 002	1 002
	5 373	199	5 572	6 265	387	6 652
		199	199		387	387
	5 373		5 373	6 265		6 265

	Cash flow hedging reserve Rm	Statutory credit risk reserve Rm	Available-for-sale revaluation reserve Rm	Share-based payment reserve Rm	Revaluation and other reserves Rm	Retained earnings Rm	Ordinary shareholders' equity Rm	Preference share capital and premium Rm	Minority interest Rm	Total equity Rm
	887	546 177	326	914	288	67 999 (177)	84 022	5 503	9 844	99 369
				412		2	412		32	444
				(581)		581	2			2
		(6)	(15)			(20)	(37)		36	(1)
						335	(23)		449	426
					21	(120)	205		30	235
	(214)		71		(36)	10 773 (3 455)	6 265 (3 773)	387 (387)	1 002 (771)	7 654 (4 931)
	673	717	382	745	273	75 897	87 073	5 503	10 622	103 198
	673	717 129	382	745	273	75 897 (129)	87 073	5 503	10 622	103 198
				165		(54)	165		15	180
				(34)		34	(54)			(54)
		(8)				(5)	(23)		23	375
						(4)	179		196	
						(63)	61			61
					(13)	13				
	154		(96)		4	6 591 (3 820)	6 964 (3 834)	179 (179)	842 (599)	7 985 (4 612)
	827	838	286	876	264	78 460	90 531	5 503	11 099	107 133

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Explanation of principal differences between normalised and IFRS results

Description of normalised adjustments

The group's consolidated financial statements are prepared in accordance with, and comply with, IFRS as issued by both the International Accounting Standards Board (IASB) and the Accounting Practices Board of South Africa. This document is prepared on a basis which normalises or adjusts the IFRS results for three specific accounting circumstances where IFRS does not reflect the underlying economic and legal substance of the following arrangements (the normalised adjustments):

- the group's Black Economic Empowerment Ownership (Tutuwa) initiative;
- group shares held by Liberty for the benefit of policyholders; and
- group share exposures entered into to facilitate client trading activities.

A common element in these transactions relates to shares in issue which are deemed by IFRS to be treasury shares. Consequently, the net value of the shares is recognised as a deduction against equity; and the number of shares used for per share calculation purposes is materially lower than the economic substance, resulting in inflated per share ratios. With regard to segmental and product reporting, the normalising adjustments have been made within Liberty, and central and other. The results of the other business units are unaffected.

Black Economic Empowerment Ownership ('Tutuwa') initiative

The group concluded its Black Economic Empowerment Ownership initiative in October 2004 when it sold an effective 10% interest in its South African banking operations to a broad-based grouping of black entities.

The group obtained financing through the issue of perpetual preference shares. These funds were used to subscribe for 8,5%

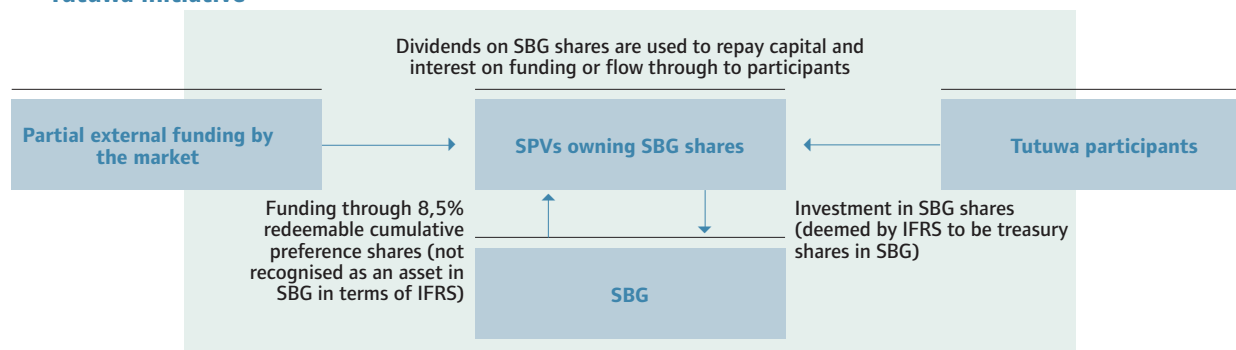
redeemable, cumulative preference shares issued by special purpose vehicles (SPVs) controlled by the Standard Bank Group (SBG). These SPVs purchased SBG shares. Subsequently, the SPVs containing these shares were sold to black participants. The capital and dividends on the redeemable preference shares issued by the SPVs are repayable from future ordinary dividends received, or the proceeds from the disposal of SBG shares held.

As a result of SBG's contingent right to receive its own dividends back in the form of yield and capital on the redeemable preference shares, the subsequent sale of the SPVs and consequent delivery of the SBG shares to the black participants, although legally effected, is not accounted for as a sale.

Consequently, the IFRS accounting treatment followed until full redemption, or third party financing is obtained, is:

- the redeemable preference shares issued by the SPVs and subscribed for by SBG are not recognised as financial assets, but eliminated against equity as a negative empowerment reserve;
- the negative empowerment reserve represents SBG shares held by the SPVs that are deemed to be treasury shares in terms of accounting conventions;
- to the extent that preference dividends are received from the SPVs, these are eliminated against the ordinary dividends paid on the SBG shares held by the SPVs;
- preference dividends accrued but not received, due to cash distributions paid to participants increase the empowerment reserve;
- for purposes of the calculation of earnings per share, the weighted average number of shares in issue is reduced by the number of shares held by those SPVs that have been sold to the black participants. The shares will be restored on full redemption of the preference shares, or to the extent that the preference share capital is financed by a third party; and

Tutuwa initiative



- perpetual preference shares issued by SBG for the purposes of financing the transaction, are classified as equity. Dividends paid on the perpetual preference shares are accounted on declaration and not on an accrual basis.

The 'normalised' adjustment:

- recognises a loan asset by reversing the elimination of the redeemable preference shares against equity;
- accrues for preference dividends receivable on the loan asset within interest income;
- adds back the number of shares held by the black participants to the weighted number of shares in issue, for purposes of calculating normalised per share ratios; and
- adjusts dividends declared on perpetual preference shares to an accrual basis.

In December 2007 the group obtained financing external to SBG for a portion of the financing provided to the SPVs. As a result, the negative empowerment reserve was reduced by the value of the external financing obtained of R1 billion and a proportion of the SBG shares held by the SPVs (24,7 million shares) are no longer deemed to be treasury shares for accounting purposes.

In March 2008 11,1% of the Tutuwa participants' shares were sold to ICBC with the proceeds being partly utilised for the repayment of their preference share liability, thereby releasing a further 11,0 million ordinary shares previously deemed by IFRS to be treasury shares.

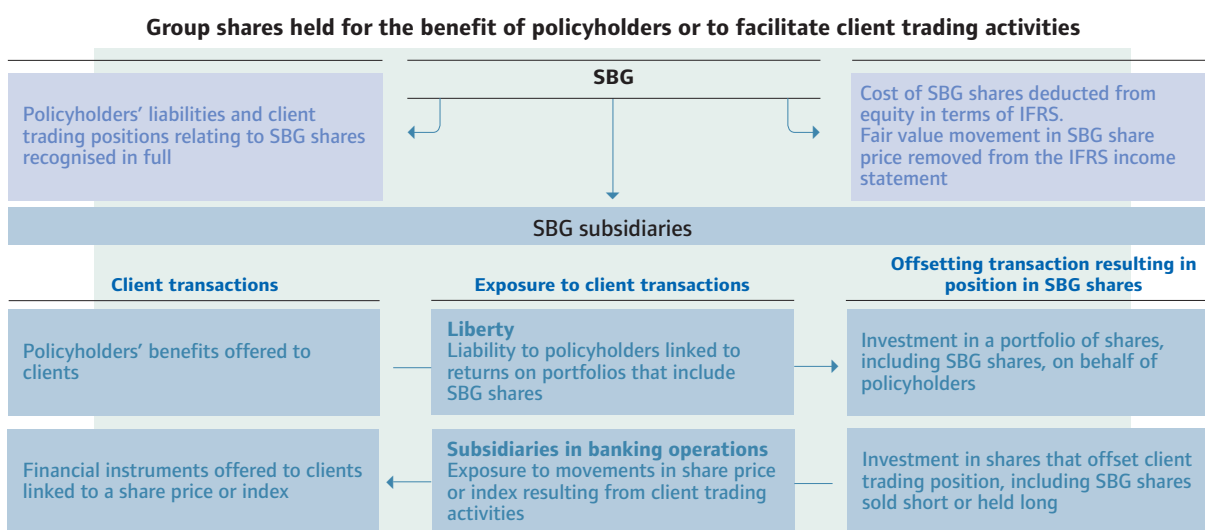
Group shares held for the benefit of policyholders or to facilitate client trading activities

The group acquires or sells short its own shares for two distinct business reasons:

- Group companies' shares held by Liberty are invested for the risk and reward of its policyholders, not its shareholders, and consequently the group's shareholders are exposed to an insignificant portion of the fair value changes on these shares.
- The group enters into transactions in its own shares to facilitate client trading activities. As part of its normal trading operations, the group offers to clients trading positions over listed shares, including own shares. In order to hedge the risk on these trades, the group buys or sells short its own shares in the market. The group's shareholders are therefore exposed to an insignificant portion of fair value changes on these shares.

In terms of IAS 32 *Financial Instruments: Presentation* (IAS 32), trades by subsidiaries in the group's shares held on behalf of policyholders and group share exposures to facilitate client trading activities are deemed to be treasury shares for accounting purposes. The accounting consequences in the consolidated IFRS group financial statements are:

- the cost price of shares purchased by subsidiaries as well as any funds received by subsidiaries from selling the group's shares short are set off against or added to ordinary shareholders' equity and minority interest in the group's financial statements;
- all the fair value movements are eliminated from the income statement, reserves and minority interests where applicable; and
- dividends received on group shares are eliminated against dividends paid.



1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Explanation of principal differences between normalised and IFRS results continued

No corresponding adjustment is made to the policyholders' liabilities or trading positions with customers. As a result, the application of IAS 32 gives rise to a mismatch in the overall equity and income statement of the group. The liability to policyholders and client trading position, along with the change in policyholders' liabilities and profit or loss recognised on the client trading position is therefore not eliminated even though the corresponding interest in the group's shares is eliminated and treated as treasury shares acquired or issued.

With regard to the group shares held for the benefit of Liberty policyholders, the weighted average number of shares in issue for per share figures is calculated by deducting the full

number of group shares held (100%), not the IFRS effective 54% owned by the group, as IFRS (IAS 33 *Earnings per Share*) does not contemplate minority portions of treasury shares. This treatment exaggerates the reduction in the weighted average number of shares used to calculate per share ratios.

For purposes of calculating the normalised results, the adjustments described above are reversed and the group shares held on behalf of policyholders and to facilitate client trading activities are treated as issued to parties external to the group.

The impact of the normalised adjustments on the issued and weighted number of shares is provided on page 12.

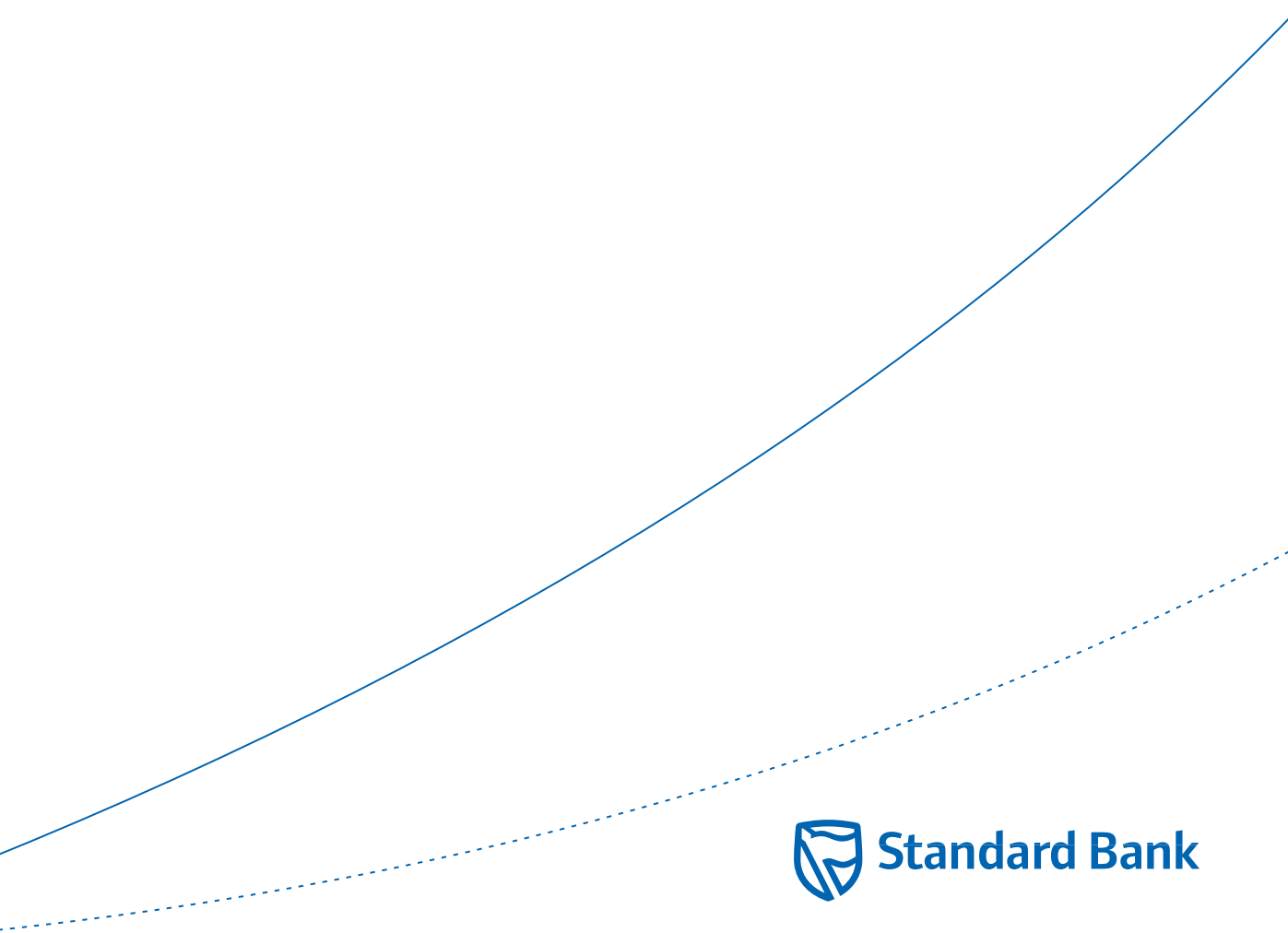
Adjustments to IFRS results

	Headline earnings			Ordinary shareholders' equity Standard Bank Group Rm
	Banking activities Rm	Liberty Rm	Standard Bank Group Rm	
IFRS – 1H11	5 900	662	6 562	90 531
Tutuwa initiative	105	18	123	2 845
Share exposures held to facilitate client trading activities	(1)		(1)	(9)
Group shares held for the benefit of Liberty policyholders		(47)	(47)	688
Normalised – 1H11	6 004	633	6 637	94 055
IFRS – 1H10	5 403	465	5 868	88 025
Tutuwa initiative	94	21	115	2 656
Share exposures held to facilitate client trading activities	(48)		(48)	(336)
Group shares held for the benefit of Liberty policyholders		54	54	1 360
Normalised – 1H10	5 449	540	5 989	91 705
IFRS – FY10	9 751	1 218	10 969	87 073
Tutuwa initiative	196	40	236	2 758
Share exposures held to facilitate client trading activities	(57)		(57)	(59)
Group shares held for the benefit of Liberty policyholders		135	135	983
Normalised – FY10	9 890	1 393	11 283	90 755

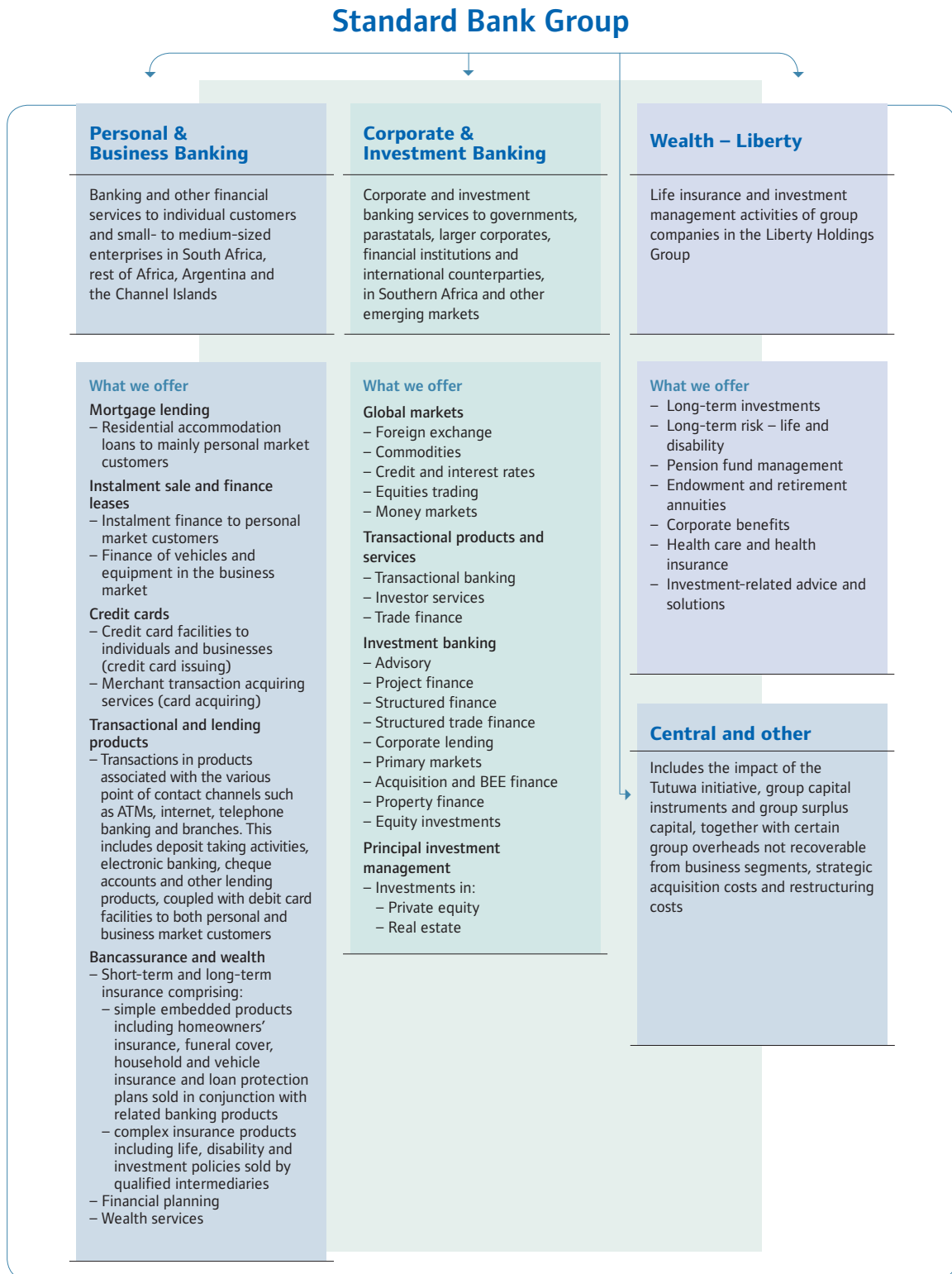
Segmental reporting

- 26 Segmental structure for key business units
- 28 Segmental income statement
- 30 Segmental statement of financial position
- 32 Personal & Business Banking
- 36 Corporate & Investment Banking
- 40 Wealth – Liberty

1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

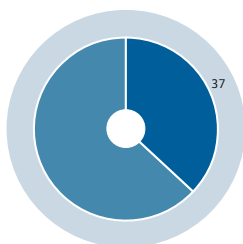


Segmental structure for key business units



Personal & Business Banking

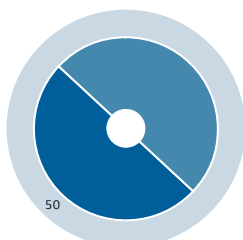
% of group headline earnings



	1H11	1H10
Headline earnings	R2 483 million	R1 904 million
Headline earnings	increase 30%	decline 5%
Headline earnings contribution	37%	32%
Return on equity	17,8%	14,7%
Cost-to-income ratio	63,8%	60,3%
Credit loss ratio	1,25%	1,92%
External net loans and advances	R429 billion	R405 billion

Corporate & Investment Banking

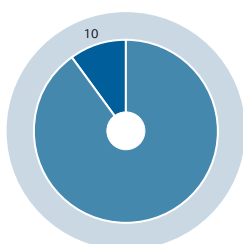
% of group headline earnings



	1H11	1H10
Headline earnings	R3 320 million	R3 277 million
Headline earnings	increase 1%	decline 4%
Headline earnings contribution	50%	55%
Return on equity	15,4%	15,8%
Cost-to-income ratio	57,7%	58,8%
Credit loss ratio	0,07%	(0,09%)
External net loans and advances	R342 billion	R337 billion

Wealth - Liberty

% of group headline earnings



Standard Bank share	1H11	1H10
Headline earnings	R633 million	R540 million
Headline earnings	increase 17%	increase >100%
Headline earnings contribution	10%	9%
Return on equity	18,5%	17,7%
Total Liberty figures		
Normalised Liberty group equity value ¹	R27 billion	R24 billion
Third party funds under management	R237 billion	R215 billion

¹ Previously termed "normalised embedded value".

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Segmental income statement

	Change %	Personal & Business Banking		Corporate & Investment Banking		Central and other			
		1H11 Rm	1H10 Rm	Change %	1H11 Rm	1H10 Rm	Change %		1H11 Rm
Income from banking activities	5	17 660	16 840	1	11 652	11 583	(27)	434	593
Net interest income	5	9 683	9 192	(8)	4 439	4 847	(40)	299	502
Non-interest revenue	4	7 977	7 648	7	7 213	6 736	48	135	91
Net fee and commission revenue	5	7 197	6 875	14	2 442	2 138	>100	71	10
Trading revenue	(30)	57	82	0	4 249	4 235	(>100)	(77)	158
Other revenue	5	723	691	44	522	363	>100	141	(77)
Income from investment management and life insurance activities									
Net insurance premiums									
Investment income and gains									
Management and service fee income									
Total income	5	17 660	16 840	1	11 652	11 583	(27)	434	593
Credit impairment charges	(32)	2 662	3 936	>100	127	(146)	100	181	
Specific credit impairments	(39)	2 463	4 063	>100	263	61	>100	1	(1)
Impaired loss	(35)	2 075	3 194	>100	267	49	>100	1	(1)
Discounting of expected recoveries	(55)	388	869	(>100)	(4)	12			
Portfolio credit impairments	>100	199	(127)	34	(136)	(207)	>100	180	1
Benefits due to policyholders									
Net insurance benefits and claims									
Fair value adjustment to policyholders' liabilities under investment contracts									
Fair value adjustment on third party fund interests									
Income after credit impairment charges and policyholders' benefits	16	14 998	12 904	(2)	11 525	11 729	(57)	253	593
Operating expenses in banking activities	11	11 313	10 209	(3)	6 725	6 917	(>100)	(612)	(107)
Staff costs	8	5 521	5 093	(4)	3 660	3 831	5	651	622
Other operating expenses	13	5 792	5 116	(1)	3 065	3 086	(73)	(1 263)	(729)
Operating expenses in investment management and life insurance activities									
Acquisition costs – insurance and investment contracts									
Other operating expenses									
Net income before goodwill	37	3 685	2 695	(0)	4 800	4 812	24	865	700
Goodwill impairment									
Net income before associates and joint ventures	37	3 685	2 695	(0)	4 800	4 812	24	865	700
Share of profit/(loss) from associates and joint ventures	1	80	79	(93)	12	180	100	4	
Net income before indirect taxation	36	3 765	2 774	(4)	4 812	4 992	24	869	700
Indirect taxation	19	356	300	(2)	195	198	>100	83	26
Profit before direct taxation	38	3 409	2 474	(4)	4 617	4 794	17	786	674
Direct taxation	56	958	616	(16)	949	1 133	50	313	209
Profit for the period	32	2 451	1 858	0	3 668	3 661	2	473	465
Attributable to minorities		(38)	(38)	(3)	339	350	100	97	
Attributable to preference shareholders							(11)	172	194
Attributable to ordinary shareholders	31	2 489	1 896	1	3 329	3 311	(25)	204	271
Headline adjustable items	(>100)	(6)	8	74	(9)	(34)		(3)	(3)
Headline earnings	30	2 483	1 904	1	3 320	3 277	(25)	201	268
ROE (%)		17,8	14,7		15,4	15,8			
Net interest margin (%)		4,34	4,33		1,55	1,72			
Credit loss ratio (%)		1,25	1,92		0,07	(0,09)			
Cost-to-income ratio (%)		63,8	60,3		57,7	58,8			
Number of employees	(1)	35 378	35 805	(11)	8 574	9 588	6	2 085	1 964

	Banking activities			Liberty			Normalised Standard Bank Group			IFRS adjustments		IFRS Standard Bank Group		
	Change %	1H11 Rm	1H10 Rm	Change %	1H11 Rm	1H10 Rm	Change %	1H11 Rm	1H10 Rm	1H11 Rm	1H10 Rm	Change %	1H11 Rm	1H10 Rm
	3	29 746	29 016				3	29 746	29 016	(96)	(21)	2	29 650	28 995
	(1)	14 421	14 541				(1)	14 421	14 541	(98)	(89)	(1)	14 323	14 452
	6	15 325	14 475				6	15 325	14 475	2	68	5	15 327	14 543
	8	9 710	9 023				8	9 710	9 023			8	9 710	9 023
	(5)	4 229	4 475				(5)	4 229	4 475	2	68	(7)	4 231	4 543
	42	1 386	977				42	1 386	977			42	1 386	977
				29	19 869	15 395	29	19 869	15 395	54	(140)	31	19 923	15 255
				12	11 942	10 657	12	11 942	10 657			12	11 942	10 657
				85	6 719	3 623	85	6 719	3 623	54	(140)	94	6 773	3 483
				8	1 208	1 115	8	1 208	1 115			8	1 208	1 115
	3	29 746	29 016	29	19 869	15 395	12	49 615	44 411	(42)	(161)	12	49 573	44 250
	(22)	2 970	3 790				(22)	2 970	3 790			(22)	2 970	3 790
	(34)	2 727	4 123				(34)	2 727	4 123			(34)	2 727	4 123
	(28)	2 343	3 242				(28)	2 343	3 242			(28)	2 343	3 242
	(56)	384	881				(56)	384	881			(56)	384	881
	>100	243	(333)				>100	243	(333)			>100	243	(333)
				36	12 810	9 389	36	12 810	9 389			36	12 810	9 389
				23	10 755	8 738	23	10 755	8 738			23	10 755	8 738
				>100	1 300	555	>100	1 300	555			>100	1 300	555
				>100	755	96	>100	755	96			>100	755	96
	6	26 776	25 226	18	7 059	6 006	8	33 835	31 232	(42)	(161)	9	33 793	31 071
	2	17 426	17 019				2	17 426	17 019			2	17 426	17 019
	3	9 832	9 546				3	9 832	9 546			3	9 832	9 546
	2	7 594	7 473				2	7 594	7 473			2	7 594	7 473
				12	4 825	4 295	12	4 825	4 295			12	4 825	4 295
				9	1 497	1 374	9	1 497	1 374			9	1 497	1 374
				14	3 328	2 921	14	3 328	2 921			14	3 328	2 921
	14	9 350	8 207	31	2 234	1 711	17	11 584	9 918	(42)	(161)	18	11 542	9 757
	14	9 350	8 207	31	2 234	1 711	17	11 584	9 918	(42)	(161)	18	11 542	9 757
	(63)	96	259	90	19	10	(57)	115	269			(57)	115	269
	12	9 446	8 466	31	2 253	1 721	15	11 699	10 187	(42)	(161)	16	11 657	10 026
	21	634	524	11	147	132	19	781	656			19	781	656
	11	8 812	7 942	33	2 106	1 589	15	10 918	9 531	(42)	(161)	16	10 876	9 370
	13	2 220	1 958	74	832	478	25	3 052	2 436	1	20	24	3 053	2 456
	10	6 592	5 984	15	1 274	1 111	11	7 866	7 095	(43)	(181)	13	7 823	6 914
	28	398	312	12	641	571	18	1 039	883	25	(65)	30	1 064	818
	(11)	172	194				(11)	172	194	7	5	(10)	179	199
	10	6 022	5 478	17	633	540	11	6 655	6 018	(75)	(121)	12	6 580	5 897
	38	(18)	(29)				38	(18)	(29)			38	(18)	(29)
	10	6 004	5 449	17	633	540	11	6 637	5 989	(75)	(121)	12	6 562	5 868
		14,2	13,2		18,5	17,7		14,5	13,5				14,9	13,9
		2,91	3,02					2,91	3,02				2,89	3,01
		0,80	1,04					0,80	1,04				0,81	1,05
		58,4	58,1					58,4	58,1				58,6	58,2
	(3)	46 037	47 357	5	5 669	5 411	(2)	51 706	52 768			(2)	51 706	52 768

1

Group results in brief

25

Segmental reporting

43

Capital management

55

Income statement analysis

67

Balance sheet analysis

77

The Standard Bank of South Africa Limited

95

Other information and reclassifications

103

Shareholder information

Segmental statement of financial position

	Change %	Personal & Business Banking		Change %	Corporate & Investment Banking		Change %	Central and other	
		1H11 Rm	1H10 Rm		1H11 Rm	1H10 Rm		1H11 Rm	1H10 Rm
Assets									
Cash and balances with central banks	23	10 340	8 426	19	20 477	17 261	(100)	(1)	
Financial investments, trading and pledged assets	54	2 465	1 597	9	208 696	192 143	(>100)	(103)	1 921
Loans and advances	6	428 552	404 732	1	342 123	337 236	0	(27 203)	(27 287)
Loans and advances to banks	(1)	25 961	26 345	(9)	102 861	113 408	2	(25 031)	(25 477)
Loans and advances to customers	6	402 591	378 387	7	239 262	223 828	(20)	(2 172)	(1 810)
Investment property									
Derivative and other assets	(13)	4 732	5 460	(9)	124 718	137 190	>100	553	(2 702)
Interest in associates and joint ventures	11	1 112	1 006	(83)	574	3 449	(18)	83	101
Non-current assets held for sale				100	2 553				
Goodwill and other intangible assets	29	4 886	3 774	1	4 638	4 608	>100	416	60
Property and equipment	(21)	5 506	6 966	25	2 277	1 816	>100	4 546	1 909
Total assets	6	457 593	431 961	2	706 056	693 703	16	(21 709)	(25 998)
Equity and liabilities									
Equity	2	29 312	28 656	1	45 753	45 208	(3)	20 625	21 233
Equity attributable to ordinary shareholders	3	28 109	27 283	3	43 631	42 538	(2)	15 252	15 502
Preference share capital and premium								5 503	5 503
Minority interest	(12)	1 203	1 373	(21)	2 122	2 670	(>100)	(130)	228
Liabilities	6	428 281	403 305	2	660 303	648 495	10	(42 334)	(47 231)
Deposit and current accounts	5	416 396	396 086	13	445 887	394 438	39	(10 633)	(17 396)
Deposits from banks	60	546	342	13	115 840	102 795	19	(1 450)	(1 792)
Deposits from customers	5	415 850	395 744	13	330 047	291 643	41	(9 183)	(15 604)
Derivative, trading and other liabilities	>100	2 861	(1 135)	(16)	199 466	237 517	(1)	(29 767)	(29 614)
Policyholders' liabilities									
Subordinated debt	8	9 024	8 354	(10)	14 950	16 540	(>100)	(1 934)	(221)
Total equity and liabilities	6	457 593	431 961	2	706 056	693 703	16	(21 709)	(25 998)
Average assets – banking activities excluding trading derivatives		449 696	427 929		576 349	566 707		(26 223)	(23 709)
Average loans and advances (gross)		430 390	414 107		344 319	345 147		(29 388)	(27 394)
Average ordinary shareholders' equity		28 118	26 137		43 567	41 807		13 691	15 080

	Banking activities			Liberty			Normalised Standard Bank Group			IFRS adjustments		IFRS Standard Bank Group		
	Change %	1H11 Rm	1H10 Rm	Change %	1H11 Rm	1H10 Rm	Change %	1H11 Rm	1H10 Rm	1H11 Rm	1H10 Rm	Change %	1H11 Rm	1H10 Rm
	20	30 816	25 687				20	30 816	25 687			20	30 816	25 687
	8	211 058	195 661	1	186 983	184 544	5	398 041	380 205	(2 312)	(3 271)	5	395 729	376 934
	4	743 472	714 681				4	743 472	714 681	(2 401)	(2 207)	4	741 071	712 474
	(9)	103 791	114 276				(9)	103 791	114 276			(9)	103 791	114 276
	7	639 681	600 405				7	639 681	600 405	(2 401)	(2 207)	7	637 280	598 198
	(7)	130 003	139 948	13	22 095	19 520	13	22 095	19 520			13	22 095	19 520
	(61)	1 769	4 556	15	8 193	7 118	(6)	138 196	147 066			(6)	138 196	147 066
	100	2 553		>100	16 102	5 167	84	17 871	9 723			84	17 871	9 723
	18	9 940	8 442	(14)	1 406	1 627	100	2 553				100	2 553	
	15	12 329	10 691	(14)	1 406	1 627	13	11 346	10 069			13	11 346	10 069
				(6)	2 464	2 625	11	14 793	13 316			11	14 793	13 316
	4	1 141 940	1 099 666	8	237 243	220 601	4	1 379 183	1 320 267	(4 713)	(5 478)	5	1 374 470	1 314 789
	1	95 690	95 097	13	16 027	14 245	2	111 717	109 342	(4 584)	(5 336)	3	107 133	104 006
	2	86 992	85 323	11	7 063	6 382	3	94 055	91 705	(3 524)	(3 680)	3	90 531	88 025
		5 503	5 503					5 503	5 503				5 503	5 503
	(25)	3 195	4 271	14	8 964	7 863	0	12 159	12 134	(1 060)	(1 656)	6	11 099	10 478
	4	1 046 250	1 004 569	7	221 216	206 356	5	1 267 466	1 210 925	(129)	(142)	5	1 267 337	1 210 783
	10	851 650	773 128	(100)	(5 094)		9	846 556	773 128			9	846 556	773 128
	13	114 936	101 345				13	114 936	101 345			13	114 936	101 345
	10	736 714	671 783	(100)	(5 094)		9	731 620	671 783			9	731 620	671 783
	(17)	172 560	206 768	14	25 133	21 953	(14)	197 693	228 721	(129)	(142)	(14)	197 564	228 579
				10	199 744	182 349	10	199 744	182 349			10	199 744	182 349
	(11)	22 040	24 673	(30)	1 433	2 054	(12)	23 473	26 727			(12)	23 473	26 727
	4	1 141 940	1 099 666	8	237 243	220 601	4	1 379 183	1 320 267	(4 713)	(5 478)	5	1 374 470	1 314 789
		999 822	970 927					999 822	970 927	(1 984)	(1 294)		997 838	969 633
		745 321	731 860					745 321	731 860	(2 197)	(1 599)		743 124	730 261
		85 376	83 024		6 895	6 141		92 271	89 165	(3 685)	(3 790)		88 586	85 375

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

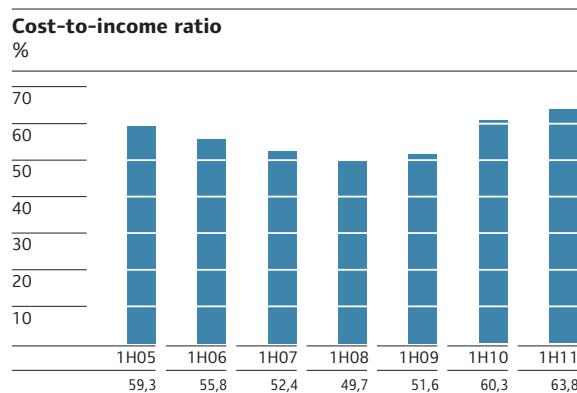
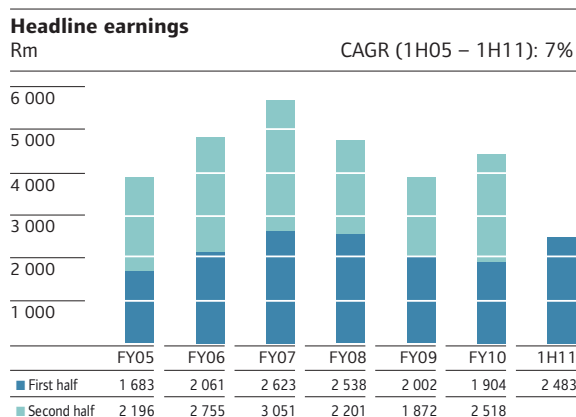
95

Other
information and
reclassifications

103

Shareholder
information

Personal & Business Banking



	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Net interest income	5	9 683	9 192	19 058
Non-interest revenue	4	7 977	7 648	15 858
Total income	5	17 660	16 840	34 916
Credit impairment charges	(32)	2 662	3 936	6 860
Operating expenses	11	11 313	10 209	21 703
Taxation	43	1 314	916	2 286
Headline earnings	30	2 483	1 904	4 422
Headline earnings change	%	30	(5)	14
Headline earnings contribution to the group	%	37	32	39
ROE	%	17,8	14,7	16,6
Net interest margin	%	4,34	4,33	4,44
Cost-to-income ratio	%	63,8	60,3	61,8
Credit loss ratio	%	1,25	1,92	1,65
Effective taxation rate	%	34,9	33,0	34,9
Total assets	Rm	6 457 953	431 961	434 163
External net loans and advances	Rm	6 428 552	404 732	405 932
Number of employees	(1)	35 378	35 805	36 601

Favourable

- Further improvement in non-performing loans to 7,0% of total loans (June 2010: 8,8% and December 2010: 7,9%) and significantly reduced credit impairments.
- Net interest income assisted by growth in loan and deposit balances and a reduced cost of liquidity.
- Good loan growth in South Africa, particularly in longer-term unsecured lending to the public sector.
- Strong loan growth in the rest of Africa.
- Growth in customer deposits, driven by both an increase in the number of accounts and higher average balances per deposit account.
- Higher transaction fees and card-based commissions as a result of an increase in issuing turnover volumes and a larger account base.
- Improved returns from bancassurance and wealth business, due to higher premiums received, lower loss ratios and increased penetration of core products.

Adverse

- Negative endowment impact of lower average interest rates on capital and transactional balances continued to place pressure on net interest margins.
- Continued deleveraging by customers within the credit card portfolio.
- Higher operational risk losses, primarily from external debit and credit card fraud.
- Higher operating expenses due to increased business volumes, branch expansion, particularly in the rest of Africa, and investment in technology.

Total income and headline earnings by product

	Total income				Headline earnings			
	Change %	1H11 Rm	1H10 Rm	FY10 Rm	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Mortgage lending	9	2 236	2 055	4 795	>100	58	(214)	197
Instalment sale and finance leases	4	1 361	1 311	2 746	>100	178	(85)	32
Credit card	(2)	2 190	2 236	4 531	12	340	304	622
Transactional and lending products	5	10 307	9 828	19 821	(5)	1 323	1 389	2 229
Bancassurance and wealth	11	1 566	1 410	3 023	15	584	510	1 342
Personal & Business Banking	5	17 660	16 840	34 916	30	2 483	1 904	4 422

Mortgage lending

- Increased new loan registrations as a result of strong growth in the number of applications received.
- Higher net interest income due to balance growth, improved pricing on new registrations and reduced term funding costs.
- Reduced specifically impaired loans due to lower interest rates and improved macroeconomic environment.
- Higher earnings in the rest of Africa, particularly Uganda, Nigeria and Zambia following successful sales campaigns, partially offset by the adverse exchange rate impact.

Instalment sale and finance leases

- Growth in new business volumes as demand for credit increases.
- Increased non-interest revenue due to higher transactional volumes.
- Decrease in specifically impaired loans portfolio and continued improvement in the early arrears book.
- Revenue growth resulting from sales campaigns in Ghana and Nigeria and branch network expansion in Mozambique.
- Growth in the loan book in Argentina.

Credit card

- Increased number of new accounts, offset by lower average cardholder balances and repricing limitations.
- Net interest income adversely affected by customer deleveraging.
- Growth in fee and commission revenue due to an increase in issuing turnover volumes and a larger account base.
- Lower credit impairments due to an improved risk profile within a maturing portfolio.

Transactional and lending products

- Higher retail deposits and current accounts driven by growth in the number of accounts and higher average balances.
- Growth in overdraft and medium-term loan balances primarily due to increased participation in the public sector segment.
- Negative endowment effect of lower interest rates continued to reduce net interest income despite balance growth and improved margins on advances.
- Higher fee and commission income largely driven by inflation-related price increases, combined with growth in the transactional account base.
- Good growth in inclusive banking unsecured lending in South Africa of more than 100% to R736 million.
- Lower credit impairments due to an improved customer profile.
- Roll out of additional branches and ATMs across the African network contributed to higher transaction volumes and revenues, however, increased operational expenses.
- Positive personal lending growth in Argentina.

Bancassurance and wealth

- Improved returns due to higher premiums received, lower loss ratios and increased penetration of core products.
- Increased short-term insurance broking profit largely due to growth in home owner cover policies.
- Higher earnings within the Standard Bank offshore group.

1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Personal & Business Banking continued

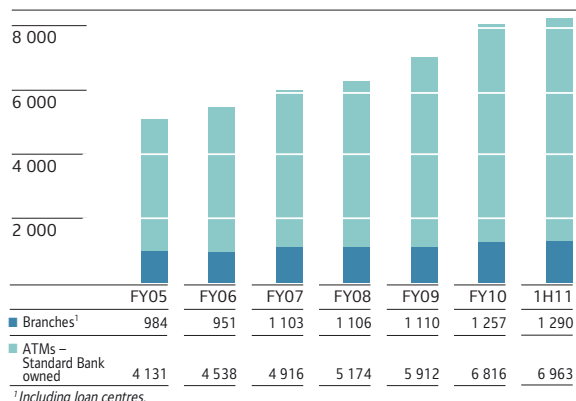
External loans and advances by product

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Loans and advances to banks	(1)	25 961	26 345	21 504
Call loans	(3)	22 737	23 341	18 053
Balances with banks	7	3 224	3 004	3 451
Loans and advances to customers	6	402 591	378 387	384 428
<i>Gross loans and advances to customers</i>	6	414 994	392 861	397 320
Mortgage loans	5	277 590	264 229	269 900
Instalment sale and finance leases	4	52 568	50 694	49 709
Card debtors	(0)	22 092	22 138	21 686
Overdrafts and other demand loans	4	24 386	23 351	21 850
Other term loans	19	38 142	32 072	33 892
Other loans and advances	(43)	216	377	283
<i>Less: credit impairments for loans and advances</i>	(14)	12 403	14 474	12 892
Specific credit impairments	(21)	8 977	11 357	9 665
Portfolio credit impairments	10	3 426	3 117	3 227
Net loans and advances	6	428 552	404 732	405 932
Comprising:				
Gross loans and advances	5	440 955	419 206	418 824
Less: credit impairments	(14)	12 403	14 474	12 892
Net loans and advances	6	428 552	404 732	405 932
Securitised assets consolidated above:				
Mortgage loans	(12)	12 915	14 654	13 676

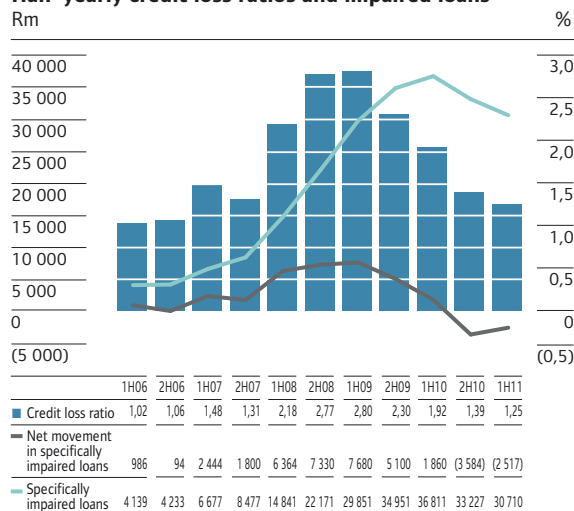
Deposit and current accounts by product

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Wholesale priced deposit and current accounts	0	55 263	55 023	53 596
Call deposits	5	42 805	40 578	40 209
Securitisation issuances	(14)	12 458	14 445	13 387
Retail priced deposit and current accounts	6	214 446	201 752	205 943
Current accounts	8	69 454	64 586	70 217
Cash management deposits	21	10 881	8 985	10 669
Call deposits	1	51 666	51 256	50 458
Savings accounts	16	26 915	23 231	23 663
Term deposits	3	50 050	48 396	45 531
Other funding	3	5 480	5 298	5 405
Interdivisional funding	5	146 687	139 311	136 346
Total deposit and current accounts	5	416 396	396 086	395 885

Points of representation



Half-yearly credit loss ratios and impaired loans



Key business statistics

South Africa

Mortgage loans

	Change %	1H11	1H10	FY10	
Number of loan applications received	thousands	36	150	110	249
Change in value of new business registered	%	7	65	58	
Average loan-to-value (LTV) of new business registered	%	86	81	82	
Average balance to original value (BTV) of portfolio	%	65	66	66	
Average instalment-to-income (ITI) of new business	%	19	21	21	
Proportion of new business referred by independent mortgage originators and estate agents	%	61	37	46	

Instalment sale and finance leases

Growth in value of new loans				
– motor	%	59	18	34
– non-motor	%	44	(14)	2

Number of accounts at period end¹

Credit card accounts	thousands	2	2 089	2 042	2 047
Current accounts	thousands	14	2 239	1 963	2 039
Mzansi accounts	thousands	39	1 392	999	1 086
Other transaction and savings accounts	thousands	(8)	4 281	4 644	4 637

Distribution

Change in internet users	%	7	13	10
Change in ATM transactions	%	1	5	7

Points of representation

Branches	(3)	641	663	657
Loan centres	100	51		48
ATMs	5	6 931	6 600	7 301
ATMs – Standard Bank owned	15	5 716	4 978	5 565
ATMs – non-Standard Bank owned	(25)	1 215	1 622	1 736
Bank shops	100	8 217		6 804

Rest of Africa

Points of representation

Branches	24	500	403	454
ATMs	6	901	854	908
Change in ATM transactions	%	9	(0,3)	23

Outside Africa²

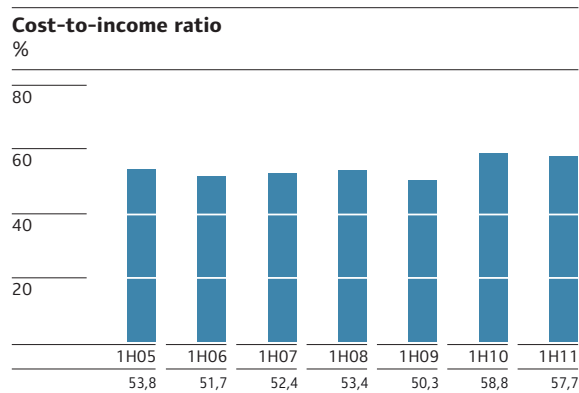
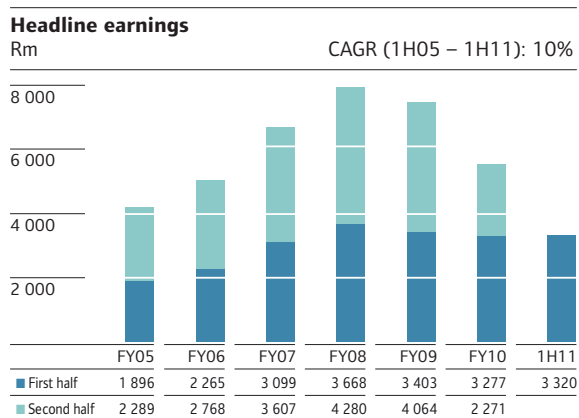
Points of representation

Branches		98	98	98
ATMs	1	346	342	343

¹ Excluding nil balance accounts.

² Argentina.

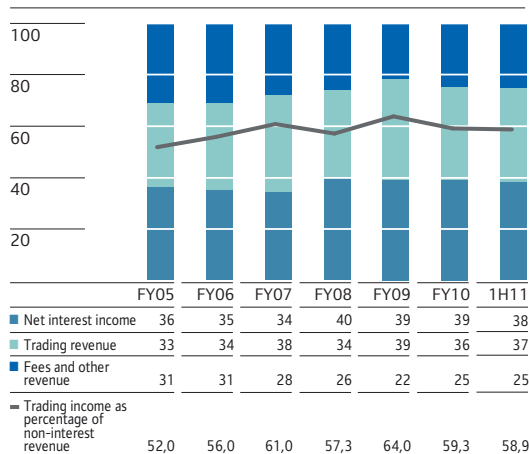
Corporate & Investment Banking



	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Net interest income	(8)	4 439	4 847	8 926
Non-interest revenue	7	7 213	6 736	13 707
Total income	1	11 652	11 583	22 633
Credit impairment charges	>100	127	(146)	523
Operating expenses	(3)	6 725	6 917	14 144
Taxation	(14)	1 144	1 331	2 105
Headline earnings	1	3 320	3 277	5 548
Headline earnings change	%	1	(4)	(26)
Headline earnings contribution to the group	%	50	55	49
ROE	%	15,4	15,8	13,4
Net interest margin	%	1,55	1,72	1,62
Cost-to-income ratio	%	57,7	58,8	61,4
Credit loss ratio	%	0,07	(0,09)	0,16
Effective taxation rate	%	23,8	26,7	25,2
Total assets	Rm	706 056	693 703	695 030
External net loans and advances	Rm	342 123	337 236	330 365
Number of employees	(11)	8 574	9 588	9 491

Income contribution

%

**Favourable**

- Large hedging transactions arranged for South African clients.
- Good performance in the metals business outside Africa due to increased client flows and the ongoing development of the physical commodities business.
- Higher trade and transactional volumes within the rest of Africa transactional products and services.
- Growth in arrangement and advisory fees.
- Increased foreign exchange trading income as client flows improved in the second quarter of 2011.
- Decline in staff costs due to the 2010 restructure process as well as natural attrition.
- Reduction in operating expenses due to ongoing cost containment measures.
- Revenue generated from the ICBC strategic partnership totalled USD48 million (June 2010: USD38 million).

Adverse

- Increased levels of competition and the negative endowment impact resulted in margin compression.
- Difficult trading conditions across the rest of Africa driven by market uncertainty.
- Additional losses on legacy curtailed operations, following adverse fair value adjustments in the underlying assets.
- Reduced credit impairment releases in the current year.
- Negative fair value adjustments on high-yielding debt portfolio outside Africa and government bonds in Nigeria.
- Negative translation impact of the stronger rand on foreign revenues.

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Corporate & Investment Banking continued

Total income and headline earnings by product

	Total income				Headline earnings			
	Change %	1H11 Rm	1H10 Rm	FY10 Rm	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Global markets	6	5 584	5 289	9 623	1	1 378	1 360	2 105
Investment banking	(16)	2 550	3 039	5 753	7	1 278	1 193	2 385
Transactional products and services	8	3 089	2 868	6 146	8	676	627	1 322
Principal investment management	11	429	387	1 111	46	(43)	(79)	(634)
Troika					(82)	31	176	370
Corporate & Investment Banking	1	11 652	11 583	22 633	1	3 320	3 277	5 548

Global markets

- Large hedging transactions arranged for South African clients.
- Increased foreign exchange income as client flows improved in the second quarter of 2011.
- Growth in number of client transactions due to greater collaboration between trading desks.
- Increased levels of competition resulted in margin compression.
- Improved performances from base and precious metals on the back of increased client activity, investment in development of the physical commodities businesses and poor trading performance from energy.
- Weaker trading performance across the rest of Africa, driven by lower sales volumes of government bonds in Nigeria.

Investment banking

- Reduction in net interest income due to the continued negative endowment effect and a flat overall loan book.
- Higher advisory fees from mining, energy and infrastructure transactions in South Africa.
- Lower credit impairment provision releases in the current year.

Transactional products and services

- Increased competition and the negative endowment effect resulted in margin compression in South Africa.
- Higher fees and commissions driven by growth in transactional volumes.
- Increased trade and transactional volumes within the rest of Africa.

Principal investment management

- Release of interest in suspense on previously impaired loans.
- Increased private equity income from outside Africa, due to the successful initial public offer of an asset in Turkey.
- Higher infrastructure costs outside Africa.
- Losses arising from legacy curtailed operations amounted to R208 million (June 2010: R458 million).

Troika

- 2011 figures represent Standard Bank's equity accounted earnings of Troika, retrospectively recognised for the final quarter of 2010.
- The investment in Troika was sold and in terms of IFRS it was classified as held for sale from 1 January 2011.

External loans and advances by product

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Loans and advances to banks	(9)	102 861	113 408	106 324
Call loans	26	17 933	14 288	14 612
Loans granted under resale agreements	(37)	27 997	44 573	20 638
Balances with banks	4	56 931	54 547	71 074
Loans and advances to customers	7	239 262	223 828	224 041
<i>Gross loans and advances to customers</i>	6	242 271	227 532	227 832
Overdrafts and other demand loans	27	46 438	36 500	44 518
Term loans	0	119 069	118 691	112 249
Loans granted under resale agreements	(42)	12 479	21 460	16 613
Commercial property finance	13	38 250	33 966	34 777
Foreign currency loans	15	13 932	12 113	10 582
Mortgage loans	31	1 430	1 092	1 280
Other loans and advances	>100	10 673	3 710	7 813
<i>Less: credit impairments for loans and advances</i>	(19)	3 009	3 704	3 791
Specific credit impairments	3	1 905	1 841	2 557
Portfolio credit impairments	(41)	1 104	1 863	1 234
Net loans and advances	1	342 123	337 236	330 365
Comprising:				
Gross loans and advances	1	345 132	340 940	334 156
<i>Less: credit impairments</i>	(19)	3 009	3 704	3 791
Net loans and advances	1	342 123	337 236	330 365

Deposit and current accounts by product

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Wholesale priced deposit and current accounts	12	589 407	527 956	546 673
Current accounts	15	30 109	26 109	26 009
Cash management deposits	(3)	71 751	73 743	72 786
Call deposits	5	60 469	57 727	60 697
Term deposits	42	221 706	156 122	199 475
Negotiable certificates of deposits	(28)	66 339	91 624	71 563
Repurchase agreements	>100	11 197	5 320	6 388
Other funding	9	127 836	117 311	109 755
Interdivisional funding	(7)	(143 520)	(133 518)	(128 490)
Total deposit and current accounts	13	445 887	394 438	418 183

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

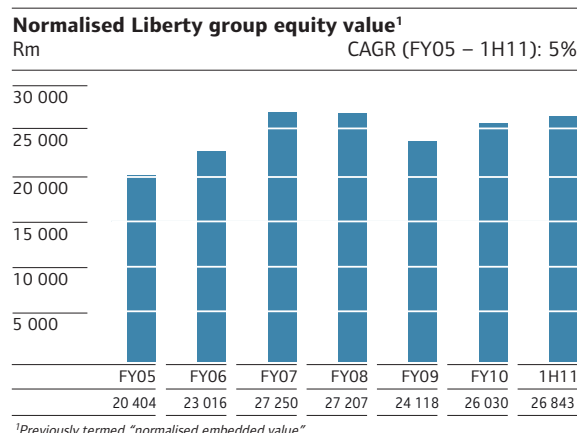
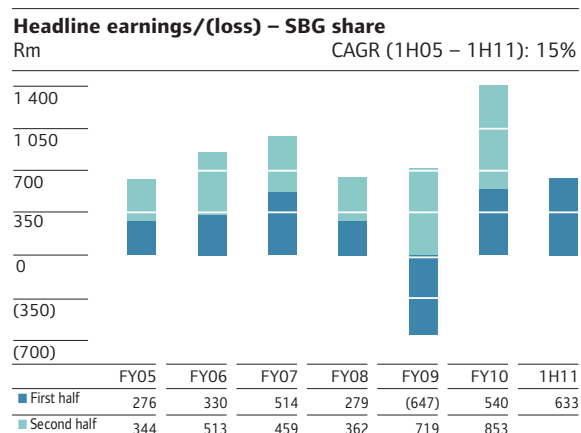
95

Other
information and
reclassifications

103

Shareholder
information

Wealth – Liberty



	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Net insurance premiums ¹	12	11 942	10 657	22 113
Investment income and gains ¹	85	6 719	3 623	26 987
Benefits due to policyholders ¹	36	12 810	9 389	37 335
Management and service fee income ¹	8	1 208	1 115	2 366
Operating expenses ¹	12	4 825	4 295	9 388
BEE normalised headline earnings ²	17	1 180	1 007	2 597
Headline earnings attributable to the group	17	633	540	1 393
Effective interest in Liberty at period end	%	53,7	53,7	53,7
ROE	%	18,5	17,7	21,9
Return on Liberty group equity value ²	%	13,0	7,8	13,4
Indexed new business (excluding contractual increases) ²	Rm	2 289	2 135	4 327
New business margin ²	%	1,3	1,1	1,2
Net cash inflows/(outflows) in long-term insurance operations ²	Rm	1 118	(265)	(287)
Normalised Liberty group equity value ²	Rm	26 843	24 199	26 030
Capital adequacy requirement cover (times covered)		2,88	2,79	2,67

¹ Includes adjustments on consolidation of Liberty Holdings into the Standard Bank Group.

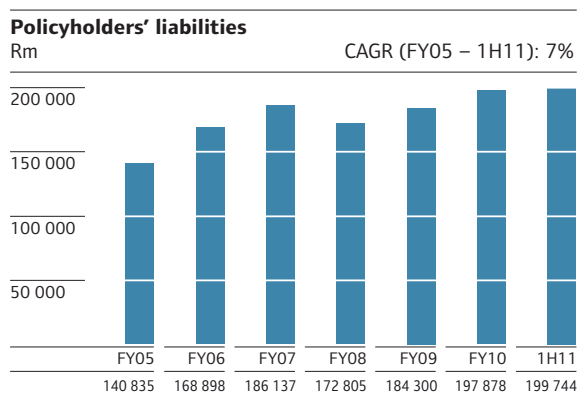
² Liberty as published.

Favourable

- Continued improvement in policyholder persistency.
- Strong operational earnings from retail insurance South Africa.
- Growth in retail insurance South Africa both from indexed new business and value of new business.
- Strong capital position in all life licences.
- Increased net service fee income from Stanlib.

Adverse

- Despite shareholder investment portfolio performance being above market benchmark indicators, investment returns were below long-term assumptions resulting in negative investment variances.
- Policy volumes of retail insurance South Africa sales behind targets leading to increased overhead cost per policy.



BEE normalised summarised income statement

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Insurance premium revenue	13	12 366	10 991	22 812
Reinsurance premiums	(27)	(424)	(334)	(699)
Net insurance premiums	12	11 942	10 657	22 113
Investment income and gains	86	6 720	3 604	26 962
Management and service fee income	9	1 217	1 115	2 355
Defined benefit pension fund employer (deficit)/surplus	(100)	(9)		11
Total revenue	29	19 870	15 376	51 441
Benefits due to policyholders	36	12 810	9 389	37 335
Net insurance benefits and claims	23	10 755	8 738	30 529
Fair value adjustment to policyholders' liabilities under investment contracts	>100	1 300	555	6 257
Fair value adjustment on third party mutual fund interests	>100	755	96	549
Income after policyholders' benefits	18	7 060	5 987	14 106
Operating expenses	13	4 972	4 407	9 606
Insurance, investment and asset management acquisition costs	9	1 497	1 374	2 906
General marketing and administration expenses	13	3 048	2 689	5 931
Finance costs	5	135	128	265
Preference dividend in subsidiary	35	292	216	504
Goodwill impairment				114
Equity accounted earnings from joint ventures and associates	21	17	14	45
Profit before taxation	32	2 105	1 594	4 431
Taxation	74	832	478	1 717
Total earnings	14	1 273	1 116	2 714
Preference share dividend deducted		(1)	(1)	(2)
Headline earnings adjustable items				163
Attributable to minorities ¹	(15)	92	108	278
BEE normalised headline earnings	17	1 180	1 007	2 597

¹ Minority interest within Liberty Holdings.

Wealth – Liberty continued

BEE normalised headline earnings – Liberty Holdings

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Retail insurance	38	650	472	899
Liberty corporate	(28)	47	65	103
LibFin	(4)	345	358	1 443
Stanlib	16	190	164	361
Liberty properties	2	44	43	96
Liberty Africa	>100	16	2	10
Liberty health	9	(10)	(11)	(43)
Other	(19)	(102)	(86)	(272)
BEE normalised headline earnings	17	1 180	1 007	2 597

External assets under management

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Asset management – assets under management	(12)	36	41	36
Segregated funds	(13)	33	38	33
Properties		3	3	3
Wealth management – funds under administration	16	201	174	196
Single manager unit trust	12	86	77	87
Institutional marketing	24	42	34	41
Linked and structured life products	21	29	24	28
Multi-manager	13	9	8	9
Rest of Africa	13	35	31	31
Total external assets under management	10	237	215	232

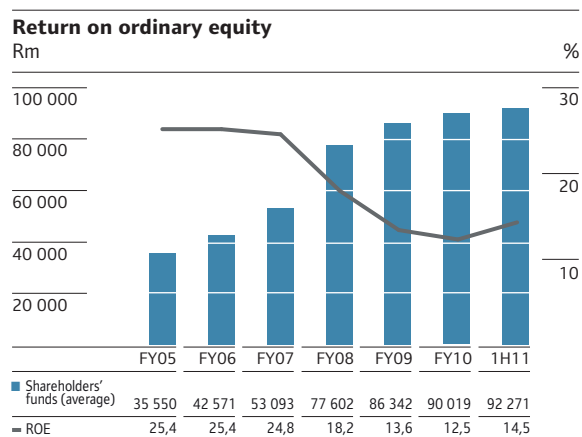
Capital management

- 44 Return on ordinary equity
- 45 Cost of equity and economic returns
- 46 Market capitalisation and price-to-book ratio
- 47 Ordinary shareholders' equity (net asset value)
- 48 Currency analysis of net asset value
- 49 Currency translation effects
- 50 Economic capital
- 51 Risk-weighted assets
- 52 Capital adequacy – qualifying regulatory capital
- 53 Capital adequacy ratios
- 54 Subordinated debt

1
Group results in brief
25
Segmental reporting
43
Capital management
55
Income statement analysis
67
Balance sheet analysis
77
The Standard Bank of South Africa Limited
95
Other information and reclassifications
103
Shareholder information

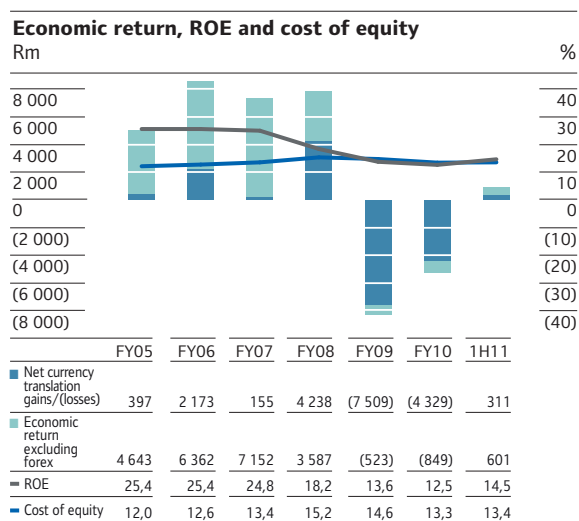


Return on ordinary equity



	Average equity 1H11 Rm	ROE 1H11 %	Average equity 1H10 Rm	ROE 1H10 %	Average equity FY10 Rm	ROE FY10 %
Personal & Business Banking	28 118	17,8	26 137	14,7	26 573	16,6
Corporate & Investment Banking	43 567	15,4	41 807	15,8	41 446	13,4
Central and other	13 691		15 080		15 629	
Banking activities	85 376	14,2	83 024	13,2	83 648	11,8
Liberty	6 895	18,5	6 141	17,7	6 371	21,9
Standard Bank Group – normalised	92 271	14,5	89 165	13,5	90 019	12,5
Reconciliation to IFRS						
Normalised average equity	92 271		89 165		90 019	
Empowerment reserve impairment (Tutuwa SPVs' preference shares and dividends receivable)	(2 523)		(2 089)		(2 342)	
Central and other	(2 197)		(1 599)		(1 783)	
Liberty	(326)		(490)		(559)	
Deemed treasury shares (excluding Tutuwa)	(1 162)		(1 701)		(1 453)	
Standard Bank Group – IFRS	88 586	14,9	85 375	13,9	86 224	12,7

Cost of equity and economic returns



Cost of equity estimates

	Average 1H11 %	Average 1H10 %	Average FY10 %
Personal & Business Banking	15,0	14,7	14,8
Corporate & Investment Banking	16,7	18,0	17,3
Central and other	13,4	13,6	13,3
Banking activities	13,5	13,8	13,4
Liberty	11,0	11,4	11,1
Standard Bank Group	13,4	13,6	13,3

Economic returns

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Average ordinary equity	3	92 271	89 165	90 019
Headline earnings	11	6 637	5 989	11 283
Cost of equity charge	(2)	(6 112)	(6 014)	(11 949)
Economic gains/(losses) on headline earnings	>100	525	(25)	(666)
Other changes in net asset value	>100	387	(543)	(4 512)
Net currency translation movement		311	(455)	(4 329)
Cash flow hedge gains/(losses)		154	(225)	(214)
Fair value (losses)/gains on available-for-sale assets		(70)	183	105
Change in shareholding of subsidiary		(23)	(43)	(37)
Other changes in equity		15	(3)	(37)
Total economic returns	>100	912	(568)	(5 178)

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

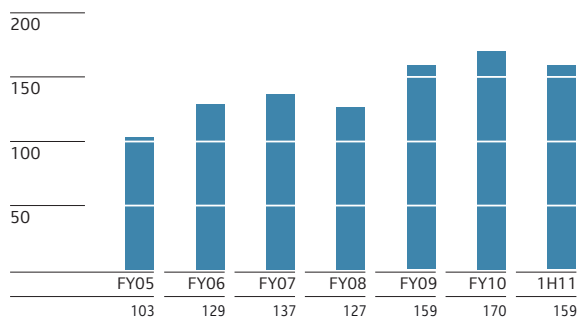
103

Shareholder
information

Market capitalisation and price-to-book ratio

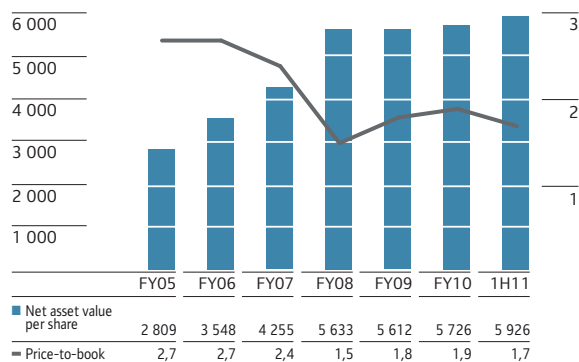
Market capitalisation

Rbn CAGR (FY05 – 1H11): 8%



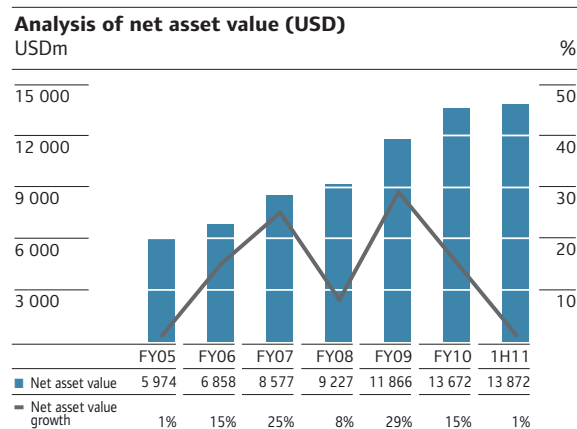
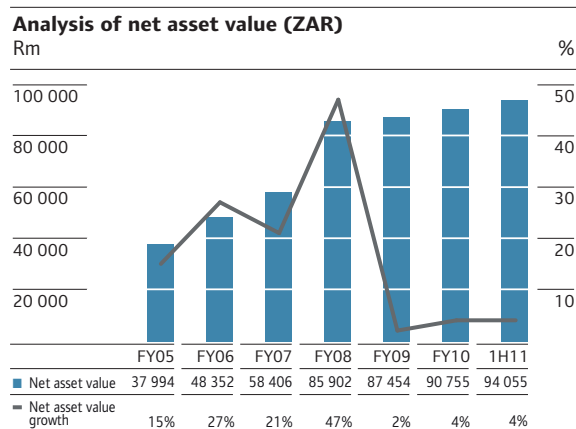
Price-to-book and net asset value per share

Cents Times



		Change %	1H11	1H10	FY10
Number of shares at end of the period	thousands		1 587 054	1 583 314	1 585 037
Net asset value	Rm	3	94 055	91 705	90 755
Tangible net asset value	Rm	1	82 709	81 636	80 372
Net asset value per share	cents	2	5 926	5 792	5 726
Tangible net asset value per share	cents	1	5 211	5 156	5 071
Share price at end of the period	cents	(2)	9 997	10 239	10 755
Market capitalisation at end of the period	Rm	(2)	158 658	162 116	170 471
Price-to-book ratio at end of the period	times	(6)	1,7	1,8	1,9

Ordinary shareholders' equity (net asset value)



Net asset value

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Personal & Business Banking	3	28 109	27 283	29 616
Corporate & Investment Banking	3	43 631	42 538	36 743
Central and other	(2)	15 252	15 502	17 511
Banking activities	2	86 992	85 323	83 870
Liberty	11	7 063	6 382	6 885
Standard Bank Group	3	94 055	91 705	90 755

Analysis of changes in net asset value

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Beginning of the period	4	90 755	87 454	87 454
Additional shareholder value	28	7 039	5 494	6 579
Headline earnings for the period attributable to ordinary shareholders	11	6 637	5 989	11 283
Other earnings attributable to ordinary shareholders	(38)	18	29	(195)
Currency translation movements, including hedging activities	>100	311	(455)	(4 329)
Net cash flow hedges	>100	154	(225)	(214)
Net available-for-sale movement	(>100)	(96)	159	71
Fair value adjustments on available-for-sale instruments	(>100)	(70)	183	105
Realised fair value adjustments transferred to the income statement	(8)	(26)	(24)	(34)
Other direct reserve movements	>100	15	(3)	(37)
Transactions with ordinary shareholders	(>100)	(3 716)	(1 200)	(3 241)
Dividends paid	(>100)	(3 888)	(1 633)	(3 860)
Equity-settled share-based payments	(17)	165	199	412
Issue of share capital and share premium and capitalisation of reserves	(74)	61	239	205
Tax on share-based payments	(>100)	(54)	(5)	2
Transactions with minority shareholders	47	(23)	(43)	(37)
End of the period	3	94 055	91 705	90 755

1

Group results in brief

25

Segmental reporting

43

Capital management

55

Income statement analysis

67

Balance sheet analysis

77

The Standard Bank of South Africa Limited

95

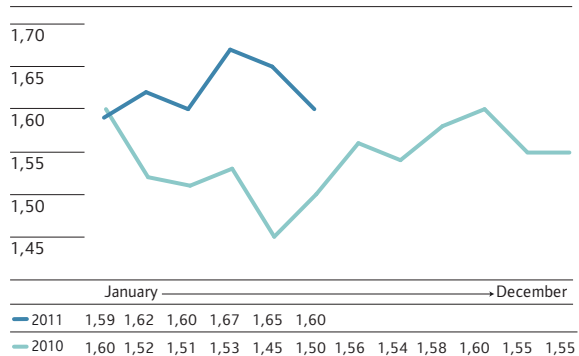
Other information and reclassifications

103

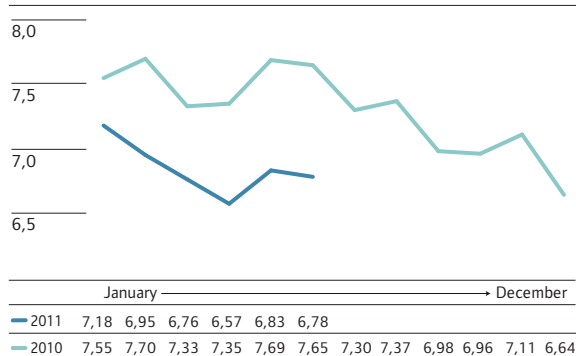
Shareholder information

Currency analysis of net asset value

Closing GBP/USD exchange rate



Closing USD/ZAR exchange rate

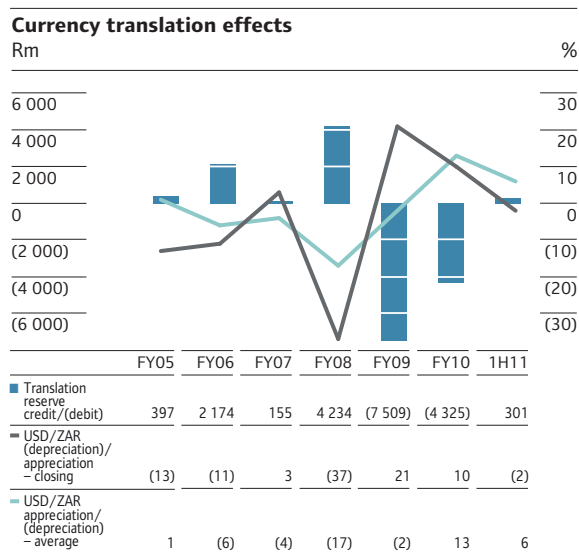


	Total Rm	Rand Rm	Dollar Rm	Sterling Rm	Euro Rm	ZAR linked Rm	Naira Rm	Other Rm
1H11								
Underlying exposures	94 055	62 044	14 220	2 488	174	2 412	4 288	8 429
Changes due to hedging strategies			(3 239)	3 451	2 269		(345)	(2 136)
Actual exposures	94 055	62 044	10 981	5 939	2 443	2 412	3 943	6 293
1H10								
Underlying exposures	91 705	59 166	14 870	2 389	61	1 752	4 943	8 524
Changes due to hedging strategies			827	2 401			(380)	(2 848)
Actual exposures	91 705	59 166	15 697	4 790	61	1 752	4 563	5 676
FY10								
Underlying exposures	90 755	61 275	13 107	2 304	19	2 132	4 294	7 624
Changes due to hedging strategies			1 614	1 151			(33)	(2 732)
Actual exposures	90 755	61 275	14 721	3 455	19	2 132	4 261	4 892

Closing currency profile of net asset value

	Total %	Rand %	Dollar %	Sterling %	Euro %	ZAR linked %	Naira %	Other %
1H11 before hedging	100	66	15	3		2	5	9
1H11 after hedging	100	66	12	6	3	2	4	7
1H10 before hedging	100	65	16	3		2	5	9
1H10 after hedging	100	65	17	5		2	5	6
FY10 before hedging	100	68	14	3		2	5	8
FY10 after hedging	100	68	16	4		2	5	5

Currency translation effects



Movement in group foreign currency translation and net investment hedging reserve

	1H11 Rm	1H10 Rm	FY10 Rm
Balance at beginning of the period: debit	(5 666)	(1 341)	(1 341)
Translation reserve increase/(decrease) for the period	311	(455)	(4 329)
Translation reserve decrease/(increase)	292	198	(3 561)
Rest of Africa	95	(125)	(1 443)
Outside Africa	199	326	(2 113)
Liberty	(2)	(3)	(5)
Currency hedge gains/(losses) ¹	19	(653)	(768)
Change in shareholding of subsidiary	(10)	4	4
Balance at end of the period: debit	(5 365)	(1 792)	(5 666)

¹ Evolution of currency hedging gains/(losses): FY06: R186 million, FY07: R247 million, FY08: R447 million, FY09: (R106 million), FY10: (R768 million) 1H11: R19 million. Net gain to date: R25 million.

Exchange rates

	Change %	Average			Change %	Closing		
		1H11	1H10	FY10		1H11	1H10	FY10
USD/ZAR	(8)	6,90	7,53	7,32	(11)	6,78	7,65	6,64
ZAR/NGN	12	22,38	20,01	20,64	13	22,39	19,76	23,01
GBP/USD	6	1,62	1,53	1,55	7	1,60	1,50	1,55
Euro/USD	5	1,40	1,33	1,33	18	1,45	1,23	1,34

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Economic capital

Economic capital by risk type at end of the period

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Credit risk	6	30 391	28 597	30 887
Equity risk	>100	6 348	1 865	3 695
Market risk	(16)	1 155	1 383	998
Operational risk	(4)	6 518	6 814	6 644
Business risk	(3)	1 758	1 817	1 680
Interest rate risk in the banking book	31	2 119	1 619	1 641
Banking activities – economic capital requirement	15	48 289	42 095	45 545
Available financial resources (AFR)	5	91 362	86 830	87 353
Capital coverage ratio (times)		1,89	2,06	1,92

Economic capital by business unit at end of the period

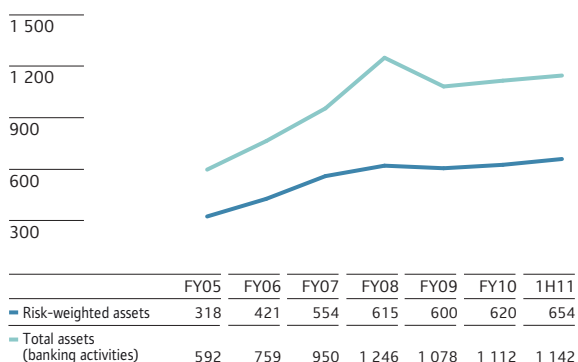
	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Personal & Business Banking	11	16 020	14 396	14 230
Corporate & Investment Banking	17	31 948	27 335	30 963
Central and other	(12)	321	364	352
Banking activities	15	48 289	42 095	45 545

- Economic capital of R48,3 billion is the amount of permanent capital that is required to support the economic risk profile of the group.
- Credit risk increased primarily due to enhancements to methodology and business growth.
- Equity risk increased due to the adoption of an enhanced model for quantifying equity risk.
- Market risk reduced as a result of a decrease in the average value at risk arising mainly from debt securities running comparatively reduced positions.
- Capital in respect of interest rate risk in the banking book increased from R1,6 billion to R2,1 billion due to an extension in the time period for quantifying potential cumulative losses from one year to three years.
- The available financial resources of R91,4 billion covers the minimum economic capital requirement of R48,3 billion by a factor of 1,89 times indicating that risks are well covered by capital reserves.

Risk-weighted assets

Risk-weighted assets (closing balances)¹

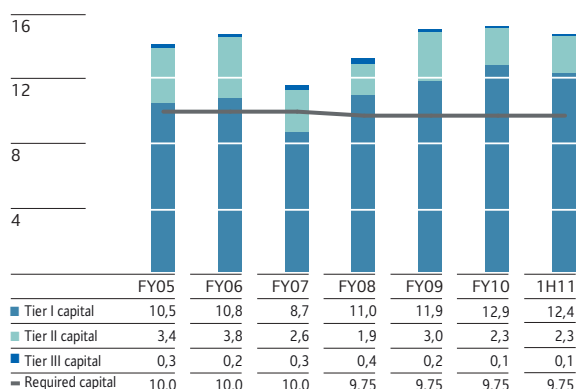
Rbn



¹ Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for 2007 are on a Basel II pro forma basis. 2008 to 2011 are on a Basel II basis. All other historical comparatives are on a Basel I basis.

Capital adequacy¹

%



¹ Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for 2007 are on a Basel II pro forma basis. 2008 to 2011 are on a Basel II basis. All other historical comparatives are on a Basel I basis.

Risk-weighted assets by business unit

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Personal & Business Banking	2	242 665	238 251	239 701
Credit risk	1	188 436	187 328	186 779
Operational risk	7	54 069	50 683	52 838
Equity risk in the banking book	(33)	160	240	84
Corporate & Investment Banking	5	395 274	375 280	364 989
Credit risk	4	272 507	262 244	254 398
Market risk	27	61 634	48 707	52 385
Operational risk	(7)	46 851	50 376	45 166
Equity risk in the banking book	2	14 282	13 953	13 040
Central and other	>100	16 466	7 440	15 374
Credit risk	>100	7 328	2 788	7 630
Operational risk	43	5 067	3 532	5 284
Equity risk in the banking book	>100	4 071	1 120	2 460
Banking activities	5	654 405	620 971	620 064

Risk-weighted assets by risk class

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Credit risk	4	468 271	452 360	448 807
Market risk	27	61 634	48 707	52 385
Operational risk	1	105 987	104 591	103 288
Equity risk in the banking book	21	18 513	15 313	15 584
Banking activities	5	654 405	620 971	620 064

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Capital adequacy – qualifying regulatory capital

Qualifying regulatory capital (excluding unappropriated profit)

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Normalised ordinary shareholders' equity	3	94 055	91 705	90 755
Net IFRS adjustments	4	(3 524)	(3 680)	(3 682)
IFRS ordinary shareholders' equity	3	90 531	88 025	87 073
Minority interest	6	11 099	10 478	10 622
Less: regulatory deductions	0	(18 716)	(18 792)	(18 316)
Investment in insurance entities (50%)	8	(3 714)	(4 054)	(3 954)
Investment in financial entities (50%)	(2)	(852)	(834)	(868)
Future expected losses exceeding provisions on incurred loss basis (50%)	18	(1 485)	(1 816)	(1 553)
Loans to SPVs (first loss credit enhancement) (50%)	70	(99)	(329)	(150)
Investment in regulated non-banking entities	100		(139)	(129)
Investment in banks	17	(2 626)	(3 178)	(2 697)
Goodwill and other intangible assets	(18)	(9 940)	(8 442)	(8 965)
Less: regulatory exclusions	35	(14 786)	(22 762)	(11 773)
Non-qualifying entities' retained earnings	(4)	(4 442)	(4 254)	(3 705)
Non-qualifying other reserves	>100	4 030	(567)	4 682
Unappropriated profit	31	(8 126)	(11 693)	(7 604)
Non-qualifying minority interest		(6 248)	(6 248)	(5 146)
Less: reserves included under tier II capital	(27)	(838)	(662)	(709)
Perpetual preference shares		5 495	5 495	5 495
Tier I capital	18	72 785	61 782	72 392
Preference share capital		8	8	8
Tier II subordinated debt	(13)	20 407	23 395	20 295
General allowance for credit impairments	22	1 363	1 114	1 080
Less: regulatory deductions	13	(6 546)	(7 563)	(7 040)
Investment in insurance entities (50%)	8	(3 714)	(4 054)	(3 954)
Investment in financial entities (50%)	(2)	(852)	(834)	(868)
Future expected losses exceeding provisions on incurred loss basis (50%)	18	(1 485)	(1 816)	(1 553)
Loans to SPVs (first loss credit enhancement) (50%)	70	(99)	(329)	(150)
Investment in banks' tier II subordinated debt instruments	25	(396)	(530)	(515)
Tier II capital	(10)	15 232	16 954	14 343
Tier III capital	(4)	469	491	466
Total regulatory capital	12	88 486	79 227	87 201

Standard Bank Group capital adequacy ratios (including unappropriated profit)

	Minimum regulatory requirement %	Target ratios %	1H11 %	1H10 %	FY10 %
Total capital adequacy ratio	9,75	11 – 12	14,8	14,6	15,3
Tier I capital adequacy ratio	7,0	9	12,4	11,8	12,9
Core tier I capital adequacy ratio	5,25		11,5	11,0	12,0
Perpetual preference shares as % of tier I	<25,0		6,8	7,5	6,9
Tier II and III as % of tier I	<100,0		19,4	23,7	18,5
Subordinated tier II debt as % of tier I	<50,0		25,2	31,8	25,4

Capital adequacy ratios

	1H11		1H10		FY10		Host regulatory requirement %
	Tier I capital %	Total capital %	Tier I capital %	Total capital %	Tier I capital %	Total capital %	
Standard Bank Group	12,4	14,8	11,8	14,6	12,9	15,3	9,75
The Standard Bank of South Africa (SBSA)	11,4	14,6	10,2	13,5	11,5	14,9	9,75
Rest of Africa							
CfC Stanbic Bank (Kenya)	9,5	14,9	10,8	17,0	10,7	16,7	12
Stanbic Bank Botswana	10,4	18,8	8,9	15,4	10,2	17,7	15
Stanbic Bank Ghana	12,3	14,6	21,2	26,0	15,8	19,4	10
Stanbic Bank Tanzania	12,8	14,4	16,2	17,5	13,5	14,8	12
Stanbic Bank Uganda	12,7	13,1	13,6	16,4	12,6	14,3	12
Stanbic Bank Zambia	9,5	12,0	11,7	15,7	8,3	11,4	10
Stanbic Bank Zimbabwe	14,8	16,3	14,2	15,5	16,3	17,6	10
Stanbic IBTC Bank Nigeria	22,8	23,5	29,0	29,6	27,8	28,5	10
Standard Bank de Angola	80,3	80,3			145,9	145,9	10
Standard Bank Malawi	20,9	25,3	23,7	29,2	22,2	27,4	10
Standard Bank Mauritius	13,0	18,8	11,8	17,4	12,1	17,9	10
Standard Bank Mozambique	19,8	21,3	15,7	18,0	9,2	10,8	8
Standard Bank Namibia	11,9	14,1	11,2	13,7	9,3	14,6	10
Standard Bank RDC (DRC Congo)	28,5	36,2	18,7	23,2	20,2	25,2	10
Standard Bank Swaziland	12,3	16,5	12,5	17,8	14,2	19,4	8
Standard Lesotho Bank	16,6	17,8	15,7	17,1	10,9	12,2	8
Standard International Holdings, consolidated¹	9,3	13,7	10,6	17,0	9,0	13,7	10,48²
Standard Bank Isle of Man	9,6	12,3	9,3	12,9	8,7	12,8	10
Standard Bank Jersey	9,9	14,4	10,6	15,8	10,8	16,2	10
Liberty Group (calculated in terms of the Long-term Insurance Act) CAR – times covered		2,9		2,8		2,7	

¹ Incorporating:

– Banco Standard de Investimentos (Brazil);

– Standard Bank Argentina;

– Standard Bank Asia (Hong Kong);

– Standard Bank Plc (United Kingdom); and

– Standard Merchant Bank (Asia) (Singapore)

² Plus an additional USD100 million for FSA requirements.

1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Subordinated debt

	Redeemable/ repayable date	Callable date	Notional value ¹ LCm	Carrying value ¹ 1H11 Rm	Notional value ¹ 1H11 Rm	Carrying value ¹ 1H10 Rm	Notional value ¹ 1H10 Rm	Carrying value ¹ FY10 Rm	Notional value ¹ FY10 Rm
Subordinated bonds² – banking activities									
SBSA				15 771	15 398	15 976	15 398	15 683	15 398
SBK 10 (Tier III)	19 Nov 2012		ZAR 300	302	300	303	300	302	300
SBK 5	17 Nov 2016	17 Nov 2011	ZAR 2 000	2 028	2 000	2 040	2 000	2 035	2 000
USA private placement	31 Jul 2017	31 Jul 2012	USD 355	2 435	2 548	2 763	2 548	2 404	2 548
SBK 8	10 Apr 2018	10 Apr 2013	ZAR 1 500	1 528	1 500	1 528	1 500	1 528	1 500
SBK1 11	9 Apr 2019	10 Apr 2014	ZAR 1 800	2 138	1 800	2 000	1 800	2 072	1 800
SBK 7	24 May 2020	24 May 2015	ZAR 3 000	3 034	3 000	3 035	3 000	3 035	3 000
SBK 12	24 Nov 2021	24 Nov 2016	ZAR 1 600	1 618	1 600	1 618	1 600	1 619	1 600
SBK 13	24 Nov 2021	24 Nov 2016	ZAR 1 150	1 159	1 150	1 160	1 150	1 159	1 150
SBK 9	10 Apr 2023	10 Apr 2018	ZAR 1 500	1 529	1 500	1 529	1 500	1 529	1 500
Standard Bank Swaziland	2015 – 2020	2010 – 2015	E 80	80	80	81	81	80	80
Standard Bank Namibia	20 Nov 2016	19 Nov 2011	NAD 150	150	150	151	151	150	150
Stanbic Botswana	2016 – 2021	2011 – 2016	BWP 200	208	208	216	216	208	208
Standard Bank Mozambique	29 Jun 2017	29 Jun 2012	MT 260	61	61	58	58	53	53
CFC Stanbic Bank (Kenya)	2011 – 2016		KES 5 600	425	425	285	285	450	450
Stanbic Bank Uganda	10 Aug 2016	10 Aug 2014	USHS 30 000	83	82	102	102	86	86
Standard International Holdings				4 858	4 689	7 342	7 133	4 656	4 600
	7 Oct 2015	8 Oct 2010	USD 240			1 835	1 837		
	27 Jul 2016	27 Jul 2016	USD 142	1 033	961	1 165	1 087	973	940
	2 Dec 2019		USD 500	3 485	3 390	3 957	3 827	3 349	3 328
	3 Dec 2019		USD 25	170	169	193	191	167	166
Tier III	3 Dec 2011		USD 25	170	169	192	191	167	166
Subordinated bonds issued to group companies								(681)	(663)
			ZAR 621	(621)	(621)				
Total subordinated bonds – banking activities				21 015	20 472	24 211	23 424	20 685	20 362
Total subordinated loans – banking activities³				404	404	462	462	399	399
Total subordinated debt – banking activities				21 419	20 876	24 673	23 886	21 084	20 761
Liberty (qualifying as regulatory insurance capital)	2017	12 Sep 2012	ZAR 2 000	2 054	2 000	2 054	2 000	2 054	2 000
Total subordinated debt				23 473	22 876	26 727	25 886	23 138	22 761

¹ The difference between the carrying and notional value represents accrued interest together with the unamortised fair value adjustments relating to bonds hedged for interest rate risk.

² Tier II, unless otherwise stated.

³ Subordinated loans have been issued in Ghana, Tanzania, Zambia, Mauritius, RDC (DRC Congo), and Kenya.

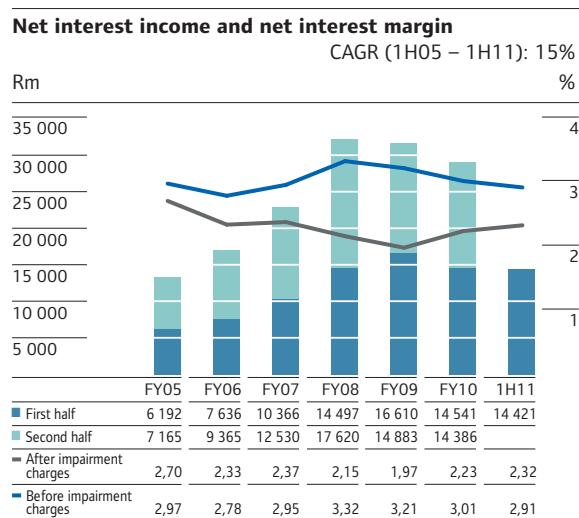
Income statement analysis

- 56 Net interest income and margin analysis
- 58 Non-interest revenue
- 60 Credit impairment charges
- 64 Operating expenses
- 66 Taxation

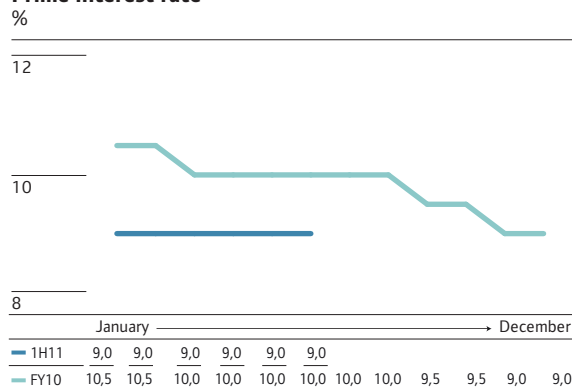


1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Net interest income and margin analysis



Prime interest rate



Movement in average assets, net interest income and margin per business unit

	Personal & Business Banking		
	Average assets Rm	Net interest income Rm	Net interest margin %
1H10 as reported	402 933	9 060	4,53
Reclassifications	24 996	132	(0,20)
1H10 restated	427 929	9 192	4,33
Net non-interest earning assets	(25 770)	604	0,58
Interest earning assets – 1H10	402 159	9 796	4,91
Impact of volume changes	18 403	389	
Impact of rate changes		14	0,01
Lending margin		452	0,23
– Client yield ¹		298	0,15
– Cost of funding ²		154	0,08
Unwinding of discount on credit impairments – IAS 39		(410)	(0,21)
Funding margin		181	0,09
Endowment – funding		(50)	(0,03)
Endowment – capital and reserves		(124)	(0,06)
Assets held for liquidity purposes		18	0,01
Other treasury and banking activities		(53)	(0,02)
Change in composition of balance sheet			(0,03)
Interest earning assets – 1H11	420 562	10 199	4,89
Net non-interest earning assets	29 134	(516)	(0,55)
1H11	449 696	9 683	4,34
Net interest income change %		5,3	
Average assets change %	5,1		

¹ Client yield changes refer to the difference in movement between average client rates and base lending rates.

² Cost of funding changes refer to the difference in movement between base lending rates and an allocated cost of funding based on the term nature of the asset.

Favourable

- Higher net interest income in Personal & Business Banking driven by balance sheet growth and improved pricing on new registrations.
- Lower costs of prudential requirements resulting from lower interest rates.
- Reduced cost of liquidity.
- Continued increase in retail transactional deposits as a portion of total book.
- Release of interest in suspense from previously non-performing loans.

Adverse

- Negative endowment impact of R435 million from lower interest rates on capital and reserves and transactional balances, primarily resulting from a decline in the average South African prime lending rate of 123 basis points, partly offset by positive endowment in Uganda and Mozambique.
- Reduced impact of unwinding to interest income of IAS 39 discount on expected recoveries of non-performing loans.
- Reduction in the proportion of higher margin earning instalment sale and finance and card balances.
- Increased competition compressing margins within Corporate & Investment Banking.
- Continued deleveraging of customers in the credit card portfolio.

Corporate & Investment Banking			Banking activities		
Average assets Rm	Net interest income Rm	Net interest margin %	Average assets Rm	Net interest income Rm	Net interest margin %
566 358	4 937	1,76	970 927	14 541	3,02
349	(90)	(0,04)			
566 707	4 847	1,72	970 927	14 541	3,02
(157 249)	329	0,83	(187 993)	1 135	1,02
409 458	5 176	2,55	782 934	15 676	4,04
4 167	155		20 192	526	
	(396)	(0,20)		(592)	(0,15)
	(77)	(0,04)		437	0,11
	184	0,09		533	0,14
	(261)	(0,13)		(96)	(0,03)
	(12)	(0,01)		(422)	(0,11)
	(330)	(0,16)		(237)	(0,06)
	(53)	(0,03)		(104)	(0,03)
	(57)	(0,03)		(331)	(0,09)
	113	0,06		142	0,04
	20	0,01		(77)	(0,01)
		0,06			0,03
413 625	4 935	2,41	803 126	15 610	3,92
162 724	(496)	(0,86)	196 696	(1 189)	(1,01)
576 349	4 439	1,55	999 822	14 421	2,91
	(8,4)			(0,8)	
1,7			3,0		

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

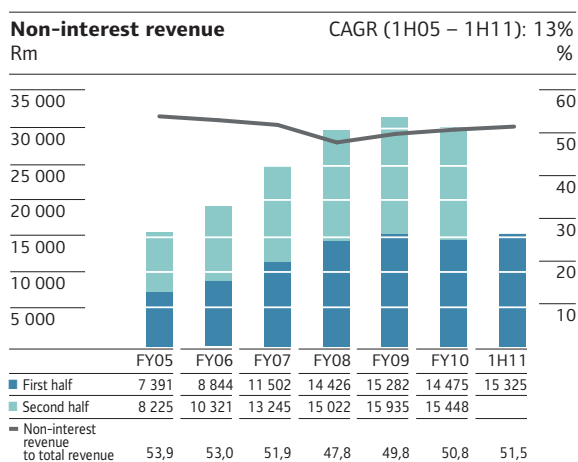
95

Other
information and
reclassifications

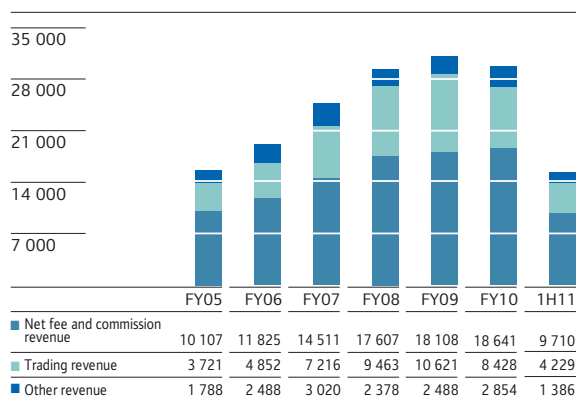
103

Shareholder
information

Non-interest revenue



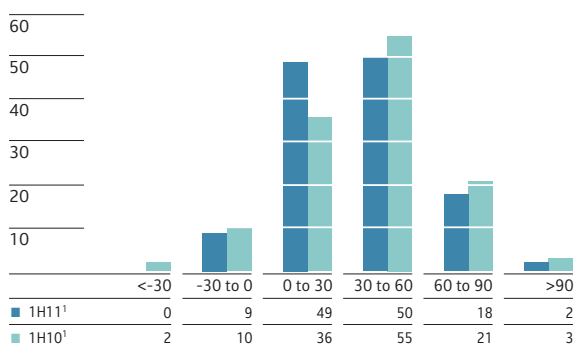
Analysis of non-interest revenue



	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Net fee and commission revenue	8	9 710	9 023	18 641
Fee and commission revenue	9	11 447	10 469	21 914
Account transaction fees	6	4 338	4 085	8 383
Electronic banking	3	882	853	1 748
Knowledge-based fees and commission	3	1 288	1 245	2 929
Card-based commission	12	1 967	1 756	3 817
Bancassurance	9	747	686	1 422
Documentation and administration fees	(6)	481	509	999
Foreign currency service fees	29	617	477	1 082
Other	31	1 127	858	1 534
Fee and commission expense	(20)	(1 737)	(1 446)	(3 273)
Trading revenue	(5)	4 229	4 475	8 428
Commodities	(9)	652	720	1 421
Forex	27	2 317	1 818	3 754
Credit	(18)	337	410	694
Interest rates	(34)	851	1 287	1 624
Equities	(48)	104	199	799
Other	(>100)	(32)	41	136
Other revenue	42	1 386	977	2 854
Banking and other	>100	471	132	1 152
Property-related revenue	9	240	221	334
Insurance – bancassurance income	8	675	624	1 368
Total non-interest revenue	6	15 325	14 475	29 923

Distribution of daily trading profit or loss

Trading days



¹ Daily trading revenue in Rm.

Favourable

- Large hedging transactions arranged for South African clients.
- Higher foreign exchange trading revenue as client flows improved in the second quarter.
- Growth in transaction fees and card-based commissions as a result of an increase in issuing turnover volumes and a larger account base.
- Higher arrangement and advisory fees.
- Increased volume of foreign currency service fees in the rest of Africa.
- Growth in international trade, safe deposit box and collection fees in Argentina.
- Higher transactional volumes.
- Improved returns from bancassurance and wealth business due to higher premiums received, lower loss ratios and increased penetration of core products.

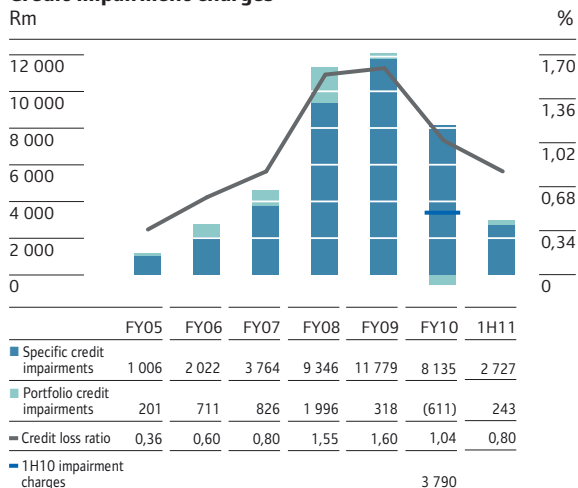
Adverse

- Difficult trading conditions across the rest of Africa, driven by market uncertainty.
- Negative fair value adjustments on high-yielding debt portfolio outside Africa and government bonds in Nigeria.
- Increased fee and commission expenses due to full year impact of SARB cash handling fee and higher ATM and card transaction volumes.
- Adverse translation effect of the stronger rand.

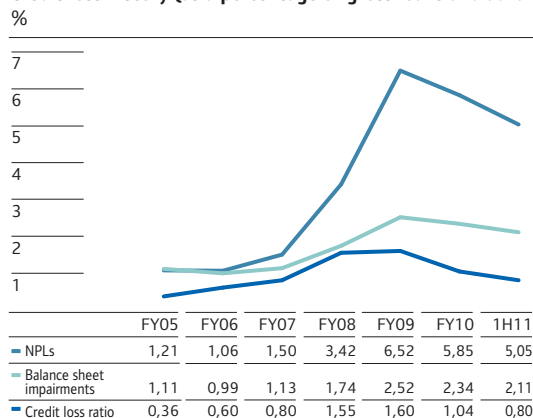
1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Credit impairment charges

Credit impairment charges



Credit loss history (as a percentage of gross loans and advances)



Income statement impairment charges (net of recoveries)

	Change %	1H11					Credit loss ratio %
		Specific impairment Rm	IAS 39 discount ¹ Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	
Personal & Business Banking	(32)	2 075	388	2 463	199	2 662	1,25
Mortgage loans	(10)	1 080	293	1 373	209	1 582	1,17
Instalment sale and finance leases	(72)	226	32	258	(81)	177	0,68
Card debtors	(61)	216	35	251	(45)	206	1,94
Other loans and advances	(31)	553	28	581	116	697	1,67
Corporate & Investment Banking	>100	267	(4)	263	(136)	127	0,07
Corporate loans	>100	243	(4)	239	(126)	113	0,07
Commercial property finance	(79)	24		24	(10)	14	0,08
Central and other		1		1	180	181	
Total banking activities	(22)	2 343	384	2 727	243	2 970	0,80

¹ Discounting of expected recoveries in terms of IAS 39.

Favourable

- Further improvement in Personal & Business Banking non-performing loans to 7,0% of total loans (June 2010: 8,8% and December 2010: 7,9%) and reduced credit impairments.
- Improved collections capabilities in Personal & Business Banking.
- Further reductions in the Personal & Business Banking debt review portfolio in South Africa.
- Improved recovery of collateral values on repossessed vehicles.
- Reduced flow into impaired loans driven by an increased focus on early arrears and improved credit quality of new business written.
- Net credit impairment releases in Corporate & Investment Banking South Africa due to reduced corporate NPLs.

Adverse

- Increased portfolio credit provisioning due to loan book growth and cautious outlook.

1H10						FY10					
Specifically impaired loans						Specifically impaired loans					
Specific impairment	IAS 39 discount ¹	Total	Portfolio credit impairment charges	Total impairment charges	Credit loss ratio	Specific impairment	IAS 39 discount ¹	Total	Portfolio credit impairment charges	Total impairment charges	Credit loss ratio
Rm	Rm	Rm	Rm	Rm	%	Rm	Rm	Rm	Rm	Rm	%
3 194	869	4 063	(127)	3 936	1,92	5 811	1 024	6 835	25	6 860	1,65
1 111	701	1 812	(55)	1 757	1,36	2 338	725	3 063	(40)	3 023	1,15
627	52	679	(38)	641	2,47	1 069	89	1 158	(142)	1 016	1,93
569	45	614	(90)	524	4,85	807	79	886	(73)	813	3,78
887	71	958	56	1 014	2,55	1 597	131	1 728	280	2 008	2,54
49	12	61	(207)	(146)	(0,09)	1 266	34	1 300	(777)	523	0,16
(18)	12	(6)	(207)	(213)	(0,14)	1 156	34	1 190	(777)	413	0,14
67		67		67	0,39	110		110		110	0,33
(1)		(1)	1						141	141	
3 242	881	4 123	(333)	3 790	1,04	7 077	1 058	8 135	(611)	7 524	1,04

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Credit impairment charges continued

Balance sheet impairment – roll forward from December 2010

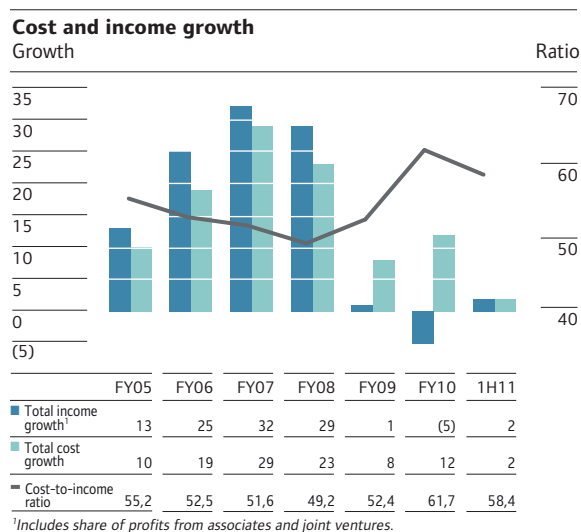
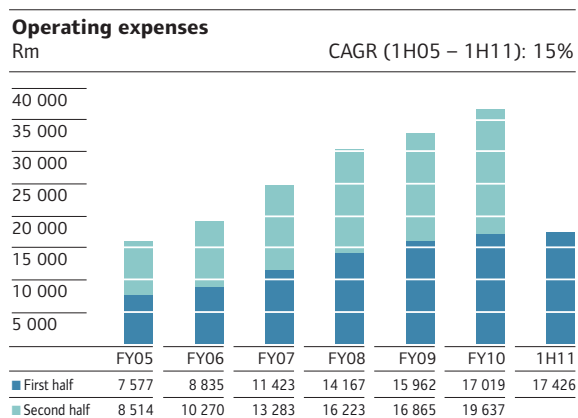
	1H11 Opening balance Rm	IAS 39 discount in opening balance Rm
Specific credit impairments		
Personal & Business Banking	9 665	940
Mortgage loans	4 399	574
Instalment sale and finance leases	1 534	49
Card debtors	1 170	129
Other loans and advances	2 562	188
Corporate & Investment Banking	2 557	18
Corporate loans	2 394	18
Commercial property finance	163	
Central and other		
	12 222	958
Portfolio credit impairments		
Personal & Business Banking	3 227	
Mortgage loans	994	
Instalment sale and finance leases	626	
Card debtors	581	
Other loans and advances	1 026	
Corporate & Investment Banking	1 234	20
Corporate loans	1 224	20
Property finance	10	
Central and other	423	
	4 884	20
Total impairments		
Personal & Business Banking	12 892	940
Mortgage loans	5 393	574
Instalment sale and finance leases	2 160	49
Card debtors	1 751	129
Other loans and advances	3 588	188
Corporate & Investment Banking	3 791	38
Corporate loans	3 618	38
Commercial property finance	173	
Central and other	423	
	17 106	978
Total balance sheet impairments as a % of gross loans and advances	2,34	

¹ New provisions raised less recoveries of amounts written off in previous periods equals income statement credit impairment charge (1H11 R3 525 million – R555 million = R2 970 million).

Net provisions raised and released ¹ Rm	IAS 39 discount in new impairments raised Rm	Impaired accounts written off Rm	IAS 39 discount recycled to net interest income Rm	Currency translation and other movements Rm	1H11 Closing balance Rm	IAS 39 discount in closing balance Rm	1H11 Recoveries of amounts written off in previous periods ¹ Rm
3 013	388	(3 205)	(494)	(2)	8 977	834	550
1 427	293	(1 077)	(352)	1	4 398	515	54
365	32	(532)	(37)	(1)	1 329	44	107
485	35	(603)	(49)	(2)	1 001	115	234
736	28	(993)	(56)		2 249	160	155
268	(4)	(987)	(4)	71	1 905	10	5
239	(4)	(874)	(4)	71	1 826	10	
29		(113)			79		5
1					1		
3 282	384	(4 192)	(498)	69	10 883	844	555
199					3 426		
209					1 203		
(81)					545		
(45)				(2)	534		
116				2	1 144		
(136)				6	1 104	20	
(126)				6	1 104	20	
(10)							
180					603		
243				6	5 133	20	
3 212	388	(3 205)	(494)	(2)	12 403	834	550
1 636	293	(1 077)	(352)	1	5 601	515	54
284	32	(532)	(37)	(1)	1 874	44	107
440	35	(603)	(49)	(4)	1 535	115	234
852	28	(993)	(56)	2	3 393	160	155
132	(4)	(987)	(4)	77	3 009	30	5
113	(4)	(874)	(4)	77	2 930	30	
19		(113)			79		5
181					604		
3 525	384	(4 192)	(498)	75	16 016	864	555
					2,11		

1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Operating expenses

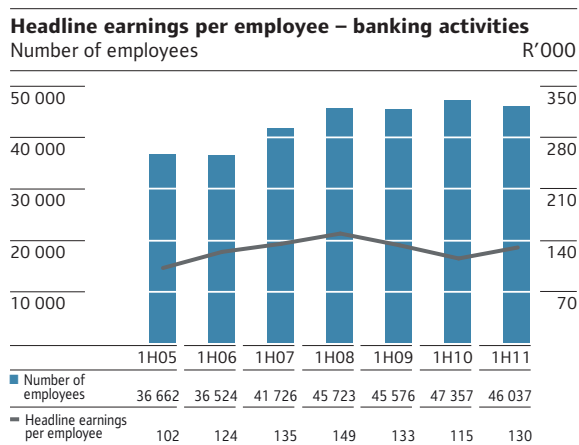


Operating expenses

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Staff costs				
Fixed remuneration	1	7 150	7 065	14 089
Variable remuneration	12	1 770	1 584	3 680
Charge for incentive payments	12	1 436	1 281	3 239
Charge for deferred incentive schemes	10	334	303	441
Other staff costs	2	912	897	1 773
IFRS 2 share-based payment expense	(17)	151	182	306
Other	6	761	715	1 467
Total staff costs	3	9 832	9 546	19 542
Variable remuneration as a % of total staff costs		18,0	16,6	18,8
Other operating expenses				
Information technology	(0)	1 620	1 625	3 431
Depreciation and amortisation	15	1 289	1 125	2 522
Communication	13	647	574	1 221
Premises	14	1 461	1 276	2 762
Other	(10)	2 577	2 873	6 397
Total other operating expenses	2	7 594	7 473	16 333
Restructuring costs				781
Total operating expenses	2	17 426	17 019	36 656
Total income including share of profit from associates and joint ventures	2	29 842	29 275	59 434
Cost-to-income ratio		58,4	58,1	61,7

Analysis of total information technology function spend

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
IT staff costs	1	1 076	1 068	2 214
Information technology licences, maintenance and related costs	(0)	1 620	1 625	3 431
Depreciation and amortisation	18	767	652	1 247
Other	(17)	249	300	268
Total	2	3 712	3 645	7 160



	Change %	1H11	1H10	FY10
Headcount by business unit				
Personal & Business Banking	(1)	35 378	35 805	36 601
Corporate & Investment Banking	(11)	8 574	9 588	9 491
Central and other	6	2 085	1 964	2 033
Banking activities	(3)	46 037	47 357	48 125
Headcount by geography				
South Africa	(3)	28 615	29 644	29 937
Rest of Africa	(1)	12 153	12 232	12 748
Outside Africa	(4)	5 269	5 481	5 440
Banking activities	(3)	46 037	47 357	48 125

Staff costs and headcount

- Marginal increase in staff costs due to annual salary increases being partially offset by the decreased headcount following the 2010 restructure process and the favourable impact of a stronger rand.

Other operating expenses

- Higher depreciation costs attributable to branch expansions, refurbishments and increased ATMs within South Africa and the rest of Africa.
- Growth in premises cost resulting from roll out of branches in Nigeria and Angola, rental escalations and maintenance within South Africa and outside Africa.
- Slow growth in operating expenses due to cost containment measures implemented and the favourable translation impact of a stronger rand.

1

Group results in brief

25

Segmental reporting

43

Capital management

55

Income statement analysis

67

Balance sheet analysis

77

The Standard Bank of South Africa Limited

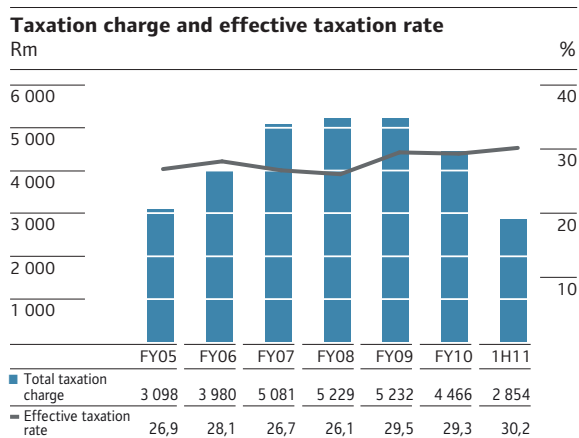
95

Other information and reclassifications

103

Shareholder information

Taxation



Taxation rate reconciliation

	1H11 %	1H10 %	FY10 %
Effective taxation rate	30,2	29,3	29,3
Indirect taxation	(6,7)	(6,2)	(8,0)
Direct taxation – current and prior periods	23,5	23,1	21,3
Prior period tax	(0,1)	0,3	
Direct taxation – current period	23,4	23,4	21,3
Adjustments to direct taxation	(1,0)	(0,5)	(1,3)
Capital gains tax		(0,1)	(0,2)
Foreign tax	(0,2)	(0,8)	(0,6)
Secondary tax (cost)/benefit on companies	(0,8)	0,4	(0,5)
Direct taxation – current period – normal	22,4	22,9	20,0
Permanent differences	5,6	5,1	8,0
Non-taxable income	6,7	5,2	8,4
Share of income from associate		0,6	0,7
Deductible indirect tax	1,9	1,9	2,6
Other	(3,0)	(2,6)	(3,7)
Direct taxation – statutory rate	28,0	28,0	28,0

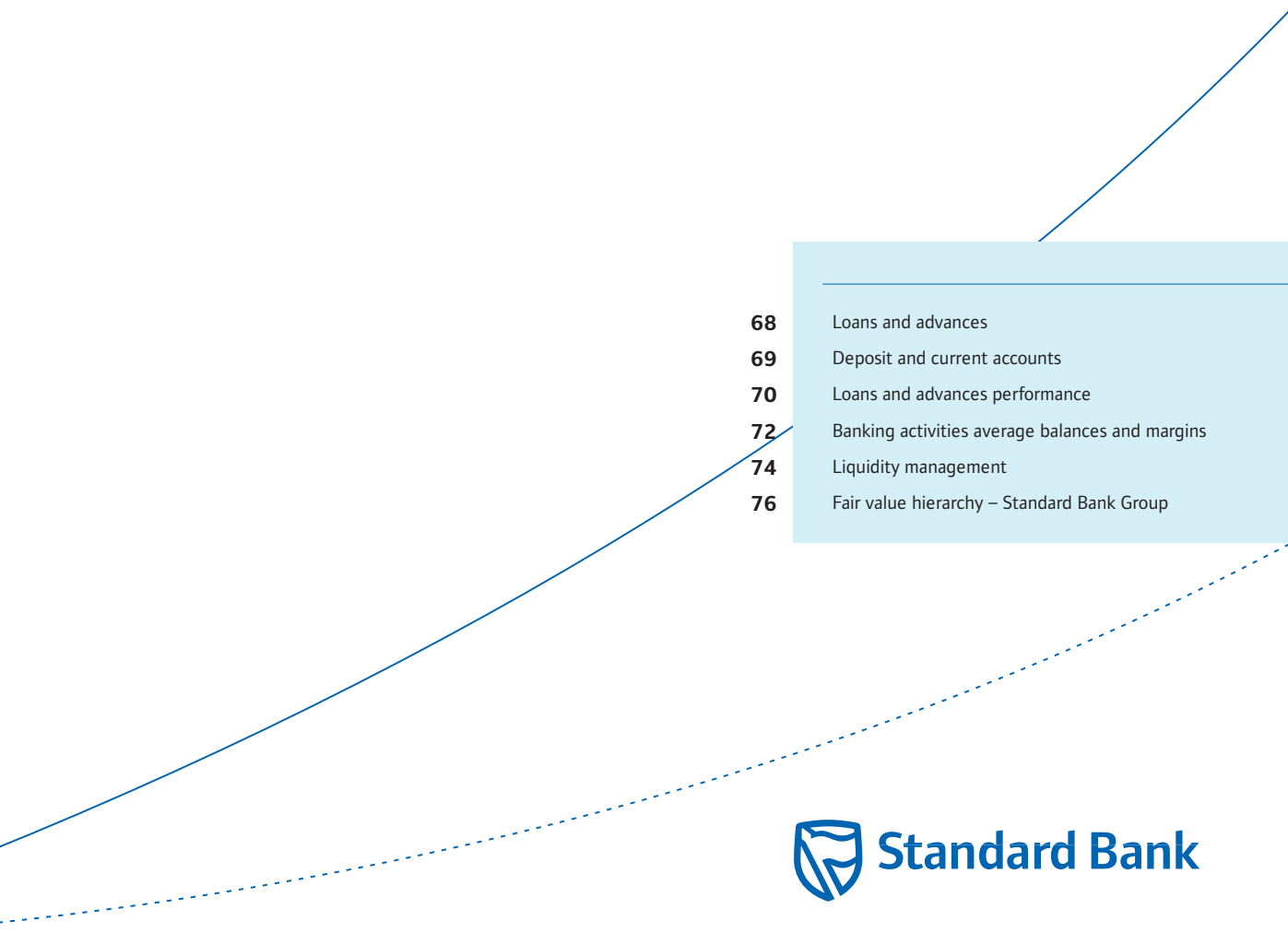
Favourable rate movements

- Increase in non-taxable income.
- Decrease in irrecoverable withholdings taxes paid.
- Increase in foreign tax credits.

Unfavourable rate movements

- Increase in secondary tax on companies due to the non-recurrence of a scrip dividend declaration.
- Increase in other permanent differences.

Balance sheet analysis



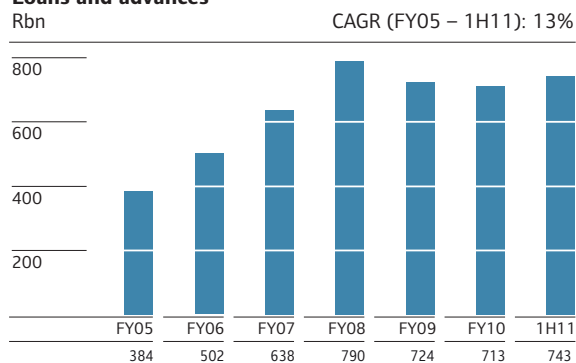
- 68 Loans and advances
- 69 Deposit and current accounts
- 70 Loans and advances performance
- 72 Banking activities average balances and margins
- 74 Liquidity management
- 76 Fair value hierarchy – Standard Bank Group



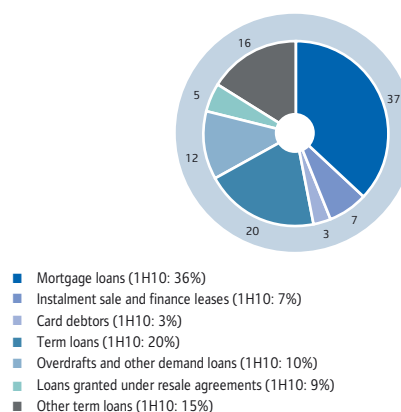
1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Loans and advances

Loans and advances



Composition of gross loans and advances



By advance type

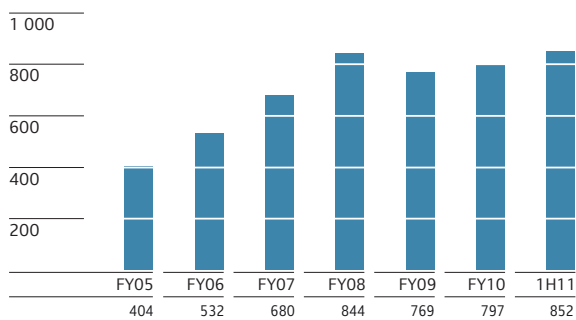
	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Loans and advances to banks	(9)	103 791	114 276	107 090
Call loans	27	18 450	14 471	14 911
Loans granted under resale agreements	(37)	27 996	44 572	20 638
Balances with banks	4	57 345	55 233	71 541
Loans and advances to customers	7	639 681	600 405	605 935
<i>Gross loans and advances to customers</i>	6	655 697	618 869	623 041
Mortgage loans	5	279 021	265 332	271 181
Instalment sale and finance leases	4	56 045	53 896	52 917
Card debtors	(0)	22 107	22 151	21 696
Overdrafts and other demand loans	18	70 899	60 042	66 395
Other term loans	4	153 765	147 882	142 742
Loans granted under resale agreements	(42)	12 479	21 460	16 613
Commercial property finance	13	38 254	33 970	34 781
Foreign currency loans	15	14 023	12 188	10 697
Other loans and advances	>100	9 104	1 948	6 019
<i>Less: credit impairments for loans and advances</i>	(13)	16 016	18 464	17 106
Specific credit impairments	(18)	10 883	13 198	12 222
Portfolio credit impairments	(3)	5 133	5 266	4 884
Net loans and advances	4	743 472	714 681	713 025
Comprising:				
Gross loans and advances	4	759 488	733 145	730 131
<i>Less: credit impairments</i>	(13)	16 016	18 464	17 106
Net loans and advances	4	743 472	714 681	713 025
Securitised assets consolidated above:				
Mortgage loans	(12)	12 915	14 654	13 676

Deposit and current accounts

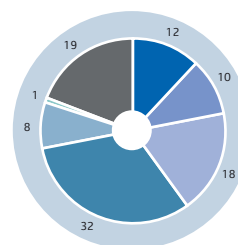
Deposit and current accounts

Rbn

CAGR (FY05 – 1H11): 15%



Composition of deposit and current accounts



- Current accounts (1H10: 12%)
- Cash management deposits (1H10: 11%)
- Call deposits (1H10: 19%)
- Term deposits (1H10: 26%)
- Negotiable certificates of deposit (1H10: 12%)
- Securitisation issuances (1H10: 2%)
- Other deposits (1H10: 18%)

By deposit type

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Deposits from banks	13	114 936	101 345	91 729
Deposits from banks and central banks	12	108 795	96 742	87 410
Deposits from banks under repurchase agreements	33	6 141	4 603	4 319
Deposits from customers	10	736 714	671 783	704 906
Current accounts	12	100 101	89 170	94 420
Cash management deposits	(0)	82 631	82 729	83 455
Call deposits	3	154 385	149 359	151 001
Savings accounts	6	27 145	25 533	26 203
Term deposits	33	271 705	204 252	244 943
Negotiable certificates of deposit	(27)	66 442	91 624	71 690
Repurchase agreements	>100	4 927	718	2 073
Securitised issuances	(18)	10 199	12 396	11 068
Other funding	20	19 179	16 002	20 053
Total deposit and current accounts	10	851 650	773 128	796 635
Comprising:				
Retail priced deposit and current accounts	6	214 446	201 752	205 812
Wholesale priced deposit and current accounts	12	637 204	571 376	590 823
Total deposit and current accounts	10	851 650	773 128	796 635

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Loans and advances performance

	Performing loans				
	Gross loans and advances Rm	Neither past due nor specifically impaired		Not specifically impaired	
		Normal monitoring Rm	Close monitoring Rm	Early arrears Rm	Non-performing Rm
1H11					
Personal & Business Banking	440 955	366 949	15 810	27 486	
Mortgage loans	277 590	228 819	10 848	14 124	
Instalment sale and finance leases	52 568	46 410	1 016	2 873	
Card debtors	22 092	17 995	2 379	386	
Other loans and advances	88 705	73 725	1 567	10 103	
Corporate & Investment Banking	345 132	335 307	1 710	446	688
Corporate loans	306 882	297 948	1 674	434	341
Commercial property finance	38 250	37 359	36	12	347
Central and other	(26 599)	(26 599)			
Gross loans and advances	759 488	675 657	17 520	27 932	688
Percentage of total book (%)	100,0	89,0	2,3	3,7	0,1
1H10					
Personal & Business Banking	419 206	340 286	16 004	26 105	
Mortgage loans	264 229	213 189	9 966	13 705	
Instalment sale and finance leases	50 694	41 993	1 485	3 828	
Card debtors	22 138	16 879	2 904	461	
Other loans and advances	82 145	68 225	1 649	8 111	
Corporate & Investment Banking	340 940	324 904	4 898	1 344	674
Corporate loans	305 984	291 441	4 841	1 267	264
Commercial property finance	34 956	33 463	57	77	410
Central and other	(27 001)	(27 001)			
Gross loans and advances	733 145	638 189	20 902	27 449	674
Percentage of total book (%)	100,0	87,0	2,9	3,7	0,1
FY10					
Personal & Business Banking	418 824	341 717	20 803	23 077	
Mortgage loans	269 900	219 598	13 153	11 913	
Instalment sale and finance leases	49 709	42 649	1 319	3 092	
Card debtors	21 686	17 011	2 694	454	
Other loans and advances	77 529	62 459	3 637	7 618	
Corporate & Investment Banking	334 156	319 122	5 128	432	772
Corporate loans	299 379	285 419	5 103	432	546
Commercial property finance	34 777	33 703	25		226
Central and other	(22 849)	(22 849)			
Gross loans and advances	730 131	637 990	25 931	23 509	772
Percentage of total book (%)	100,0	87,4	3,6	3,2	0,1

Criteria for classifications of loans and advances

Non-performing loans	Those loans for which: – the group has identified objective evidence of default, such as a breach of a material loan covenant or condition; or – instalments are due and unpaid for 90 days or more.
Neither past due nor specifically impaired loans	Loans that are current and fully compliant with all contractual terms and conditions. Normal monitoring loans within this category are generally rated 1 to 21 and close monitoring loans are generally rated 22 to 25 using the group's master rating scale.
Early arrears but not specifically impaired loans	Loans where the counterparty has failed to make contractual payments and are less than 90 days past due, but it is expected that the full carrying value will be recovered when considering future cash flows, including collateral. Ultimate loss is not expected but could occur if the adverse conditions persist.

Non-performing loans											
Specifically impaired loans										Total non-performing loans Rm	Non-performing loans %
Sub-standard Rm	Doubtful Rm	Loss Rm	Total Rm	Securities and expected recoveries on specifically impaired loans Rm	Net after securities and expected recoveries on specifically impaired loans Rm	Balance sheet impairments for non-performing specifically impaired loans Rm	Gross specific impairment coverage %				
9 848	17 165	3 697	30 710	21 733	8 977	8 977	29	30 710	7,0		
8 925	14 084	790	23 799	19 401	4 398	4 398	18	23 799	8,6		
176	575	1 518	2 269	940	1 329	1 329	59	2 269	4,3		
186	281	865	1 332	331	1 001	1 001	75	1 332	6,0		
561	2 225	524	3 310	1 061	2 249	2 249	68	3 310	3,7		
3 452	3 257	272	6 981	5 076	1 905	1 905	27	7 669	2,2		
3 248	2 965	272	6 485	4 659	1 826	1 826	28	6 826	2,2		
204	292		496	417	79	79	16	843	2,2		
				(1)	1	1					
13 300	20 422	3 969	37 691	26 808	10 883	10 883	29	38 379	5,1		
1,7	2,7	0,5	4,9	3,5	1,4	1,4					
14 510	17 265	5 036	36 811	25 454	11 357	11 357	31	36 811	8,8		
13 204	12 981	1 184	27 369	22 161	5 208	5 208	19	27 369	10,4		
461	1 017	1 910	3 388	1 483	1 905	1 905	56	3 388	6,7		
210	355	1 329	1 894	442	1 452	1 452	77	1 894	8,6		
635	2 912	613	4 160	1 368	2 792	2 792	67	4 160	5,1		
5 531	2 992	597	9 120	7 279	1 841	1 841	20	9 794	2,9		
5 287	2 287	597	8 171	6 491	1 680	1 680	21	8 435	2,8		
244	705		949	788	161	161	17	1 359	3,9		
20 041	20 257	5 633	45 931	32 733	13 198	13 198	29	46 605	6,4		
2,7	2,8	0,8	6,3	4,5	1,8	1,8					
11 664	17 658	3 905	33 227	23 562	9 665	9 665	29	33 227	7,9		
10 638	13 777	821	25 236	20 837	4 399	4 399	17	25 236	9,4		
229	863	1 557	2 649	1 115	1 534	1 534	58	2 649	5,3		
192	301	1 034	1 527	357	1 170	1 170	77	1 527	7,0		
605	2 717	493	3 815	1 253	2 562	2 562	67	3 815	4,9		
4 124	4 289	289	8 702	6 145	2 557	2 557	29	9 474	2,8		
3 844	3 769	266	7 879	5 485	2 394	2 394	30	8 425	2,8		
280	520	23	823	660	163	163	20	1 049	3,0		
15 788	21 947	4 194	41 929	29 707	12 222	12 222	29	42 701	5,8		
2,1	3,0	0,6	5,7	4,0	1,7	1,7					

Non-performing but not specifically impaired loans

Loans where the counterparty has failed to make contractual payments and is 90 days or more past due as well as those loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition. These loans are not specifically impaired due to the expected recoverability of the full carrying value when considering future cash flows, including collateral.

Non-performing specifically impaired loans

Loans that are regarded as non-performing and for which there has been a measurable decrease in estimated future cash flows. Specifically impaired loans are further analysed into the following categories:

- Sub-standard items that show underlying well defined weaknesses and are considered to be specifically impaired.
- Doubtful items that are not yet considered final losses because of some pending factors that may strengthen the quality of the items.
- Loss items are considered to be uncollectible in whole or in part. The group provides fully for its anticipated loss, after taking securities into account.

1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Banking activities average balances and margins

	Trading book Rm	Non-interest earning Rm	Interest earning Rm	1H11 Total average balance Rm
Assets				
Cash and balances with central banks ²	833	11 848	11 623	24 304
Trading assets	97 009	8 250		105 259
Financial investments	6 157		78 774	84 931
Net loans and advances	16 537		712 729	729 266
Loans and advances to banks	5 455		72 988	78 443
Loans and advances to customers	11 082		655 796	666 878
Mortgage loans			274 136	274 136
Instalment sale and finance leases			55 939	55 939
Card debtors			21 562	21 562
Overdrafts and other demand loans	1 387		86 410	87 797
Term loans	9 695		155 342	165 037
Commercial property finance			35 086	35 086
Foreign currency loans			27 321	27 321
Gross loans and advances	16 537		728 784	745 321
Credit impairment			(16 055)	(16 055)
Investment property	173	4 521		4 694
Other assets	8 788	8 365		17 153
Interest in associates and joint ventures		7 425		7 425
Goodwill and other intangible assets		9 581		9 581
Property and equipment	4 770	12 439		17 209
Total average assets and interest excluding trading derivative assets	134 267	62 429	803 126	999 822
Trading derivative assets	101 896			101 896
Total average assets and interest	236 163	62 429	803 126	1 101 718
Equity and liabilities				
Equity	4 006	83 956		87 962
Liabilities	117 168	26 037	770 695	913 900
Trading liabilities	41 476	6 396		47 872
Deposit and current accounts	62 968		750 002	812 970
Deposits from banks			105 017	105 017
Deposits from customers	62 968		644 985	707 953
Current accounts			103 781	103 781
Cash management deposits			71 760	71 760
Call deposits			128 418	128 418
Savings accounts			24 795	24 795
Term deposits	62 968		254 908	317 876
Negotiable certificates of deposit			61 323	61 323
Other liabilities	10 923	19 641		30 564
Subordinated bonds	1 801		20 693	22 494
Total average equity, liabilities and interest excluding trading derivative liabilities	121 174	109 993	770 695	1 001 862
Trading derivative liabilities	99 856			99 856
Total average equity, liabilities and interest	221 030	109 993	770 695	1 101 718
Margin on total average assets excluding trading derivatives	134 267	62 429	803 126	999 822
Margin on total average loans and advances	16 537		712 729	729 266
Margin on average interest-earning assets			803 126	803 126

¹ Interest received and paid on trading derivative financial instruments has been netted with interest received on derivative asset instruments used for hedging purposes. The interest split between assets and liabilities will therefore not equate to interest income and interest expense as per the income statement.

² Included within interest-earning cash and balances with central banks is the SARB interest-free deposit. This is utilised to meet liquidity requirements and is reflected in the margin as part of interest earning assets to reflect the cost of liquidity.

		1H10					
Interest ¹ Rm	Average rate %	Trading book Rm	Non-interest earning Rm	Interest earning Rm	Total average balance Rm	Interest ¹ Rm	Average rate %
		795	10 166	10 059	21 020		
		89 059	10 828		99 887		
2 534	6,02	1 839		79 872	81 711	3 006	7,42
27 345	7,56	20 170		693 003	713 173	29 291	8,28
1 669	4,29	9 629		88 660	98 289	1 733	3,56
25 676	7,76	10 541		623 030	633 571	27 558	8,77
10 803	7,95			260 932	260 932	11 717	9,06
3 105	11,19			55 896	55 896	3 275	11,82
1 529	14,30			21 837	21 837	1 721	15,89
2 609	5,99	818		81 084	81 902	2 926	7,20
6 061	7,41	9 723		149 028	158 751	6 033	7,66
1 302	7,48			33 416	33 416	1 596	9,63
267	1,97			20 837	20 837	290	2,81
27 345	7,40	20 170		711 690 (18 687)	731 860 (18 687)	29 291	8,07
		189	3 846		4 035		
		9 616	9 114		18 730		
			7 146		7 146		
			12 236		12 236		
		3 505	9 484		12 989		
29 879	6,03	125 173	62 820	782 934	970 927	32 297	6,71
		120 179			120 179		
29 879	5,47	245 352	62 820	782 934	1 091 106	32 297	5,97
		2 511	87 825		90 336		
15 458	3,41	122 096	41 780	717 891	881 767	17 756	4,06
		43 313	9 558		52 871		
14 438	3,58	67 478		694 916	762 394	16 747	4,43
1 253	2,41			75 828	75 828	1 369	3,64
13 185	3,76	67 478		619 088	686 566	15 378	4,52
578	1,12			93 221	93 221	845	1,83
1 617	4,54			69 704	69 704	1 843	5,33
2 496	3,92			111 803	111 803	2 960	5,34
172	1,40			23 637	23 637	172	1,47
6 450	4,09	67 478		224 240	291 718	6 230	4,31
1 872	6,16			96 483	96 483	3 328	6,96
		9 559	32 222		41 781		
1 020	9,14	1 746		22 975	24 721	1 009	8,23
15 458	3,11	124 607	129 605	717 891	972 103	17 756	3,68
		119 003			119 003		
15 458	2,83	243 610	129 605	717 891	1 091 106	17 756	3,28
14 421	2,91	125 173	62 820	782 934	970 927	14 541	3,02
14 421	3,99	20 170		693 003	713 173	14 541	4,11
15 610	3,92			782 934	782 934	15 676	4,04

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Liquidity management

Liquidity market overview

- In the South African market the cost of term liquidity has broadly stabilised, although there has been an increase in the cost of raising longer-term funding. This is primarily associated with increasing banking industry focus on raising longer-dated term funding.
- During the first five months of the year, the average cost of wholesale funding reduced by approximately 15 basis points, which has impacted positively on lending margins.
- Late in the period under review, the cost of raising funding increased due to impending new regulations, Basel III, and the effects of this are expected to be felt in the second part of the year.
- Investor appetite for capital markets issuance remained robust, and The Standard Bank of South Africa successfully placed R4,6 billion senior debt in the domestic bond market.
- Compared to 2010, global interbank funding conditions have experienced volatility and remain sensitive to the European sovereign debt crisis and the implications of the pending Basel III regulations.
- The group executed several key term loan funding transactions, taking advantage of pockets of well-priced liquidity.

Liquidity buffer

- Portfolios of marketable securities, over and above prudential requirements, are maintained as protection against unexpected disruptions in cash flows.
- The surplus liquidity holdings are managed taking into account liquidity stress testing results and in-country regulations. The group unencumbered surplus liquidity amounted to R116,8 billion as at 30 June 2011 (30 June 2010: R105,0 billion).

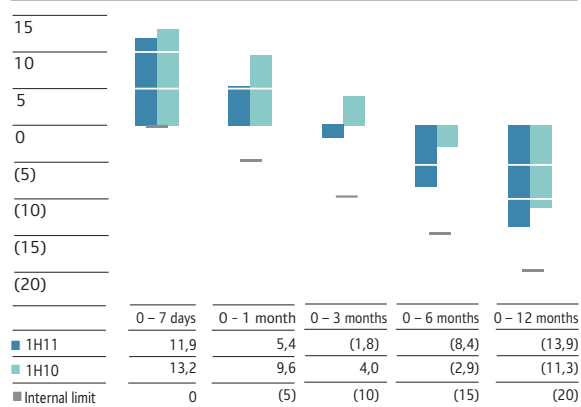
Unencumbered surplus liquidity

	1H11 Rbn	1H10 Rbn	FY10 Rbn
Marketable assets	76,4	72,8	52,3
Short-term foreign currency placements	34,4	27,4	48,9
Total unencumbered marketable assets	110,8	100,2	101,2
Other readily accessible liquidity	6,0	4,8	5,6
Total group unencumbered surplus liquidity	116,8	105,0	106,8

Structural liquidity requirements

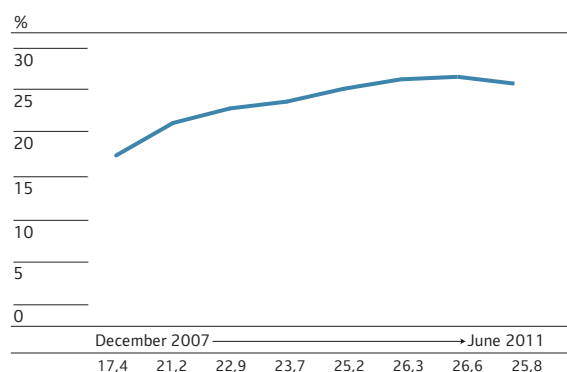
- Limits are set to restrict the cumulative liquidity mismatch between expected inflows and outflows of funds in different time buckets.
- Behavioural profiling is applied to assets, liabilities and off-balance sheet commitments with an indeterminable maturity or drawdown period, as well as to certain liquid assets.
- Behavioural profiling assigns probable maturities based on actual customer behaviour. This process is used to identify additional sources of structural liquidity in the form of liquid assets and core deposits, such as current and savings accounts that although repayable on demand or at short notice, exhibit stable behaviour.
- The behaviourally adjusted cumulative liquidity mismatch remains well within liquidity risk appetite.

Behaviourally-adjusted cumulative liquidity mismatch %



- The long-term funding ratio is employed as a metric to track funding-related liabilities with a remaining maturity greater than six months as a percentage of total funding-related liabilities.
- As at 30 June 2011, the long-term funding ratio was 25,8% (30 June 2010: 26,3%).

Long-term funding ratio



Diversified funding base

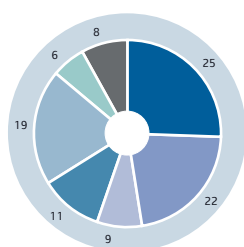
- The group's funding strategy is derived from the projected balance sheet growth which includes consideration of Personal & Business Banking and Corporate & Investment Banking asset classes, capital requirements, the maturity profile of existing funding and anticipated changes in the retail deposit base. Funding requirements and initiatives are assessed in accordance with the group asset and liability committee requirements for diversification, tenor and currency exposure, as well as the availability and pricing of alternative liquidity sources. An active presence is maintained in professional markets, supported by relationship management efforts among corporate and institutional clients.
- Concentration risk limits are used within the group to ensure that funding diversification is maintained across products, sectors, geographic regions and counterparties.
- Primary sources of funding are in the form of deposits across a spectrum of retail and wholesale clients, as well as long-term capital market funding.

Funding-related liabilities composition

	1H11 Rbn	1H10 Rbn	FY10 Rbn
Corporate funding	212	204	208
Financial institutions	192	176	200
Government and parastatals	81	67	72
Interbank funding	92	85	68
Retail	166	159	172
Senior and subordinated debt issued	49	44	45
Other liabilities to the public	69	63	69
Total group funding-related liabilities	861	798	834

Funding-related liabilities composition

%



- Corporate funding (1H10: 26)
- Financial institutions (1H10: 22)
- Government and parastatals (1H10: 8)
- Interbank funding (1H10: 11)
- Retail (1H10: 20)
- Senior and subordinated debt issued (1H10: 5)
- Other liabilities to the public (1H10: 8)

Liquidity stress testing and scenario analysis

- Anticipated on- and off-balance sheet cash flows are subjected to a variety of bank-specific and systemic liquidity stress scenarios in order to evaluate the impact of unlikely but plausible stress events on liquidity positions.
- The outcomes of the stress scenarios are considered by asset and liability management committees on at least a monthly basis, and inform minimum liquid asset buffer requirements and contingency funding plans.

Contingency funding plans

- Contingency funding plans incorporate an extensive early warning indicator methodology supported by clear and decisive crisis response strategies.
- Crisis response strategies are formulated around the relevant crisis management structures and address internal and external communications, liquidity generation, operations, as well as heightened and supplementary information requirements.

Regulatory developments

- The Basel Committee proposes the introduction of two new liquidity ratios, namely the Liquidity Coverage Ratio and the Net Stable Funding Ratio. The Basel Committee Standards Implementation Group has reiterated that the minimum standards must be implemented within the designated timelines of 2015 and 2018, respectively.
- South Africa has been singled out as having unique local conditions that may have merit for the Basel III rules to be adapted to the local conditions.
- The South African banking industry expects to face some challenges in meeting the ratio requirements and continues to engage with the relevant authorities in this regard.

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

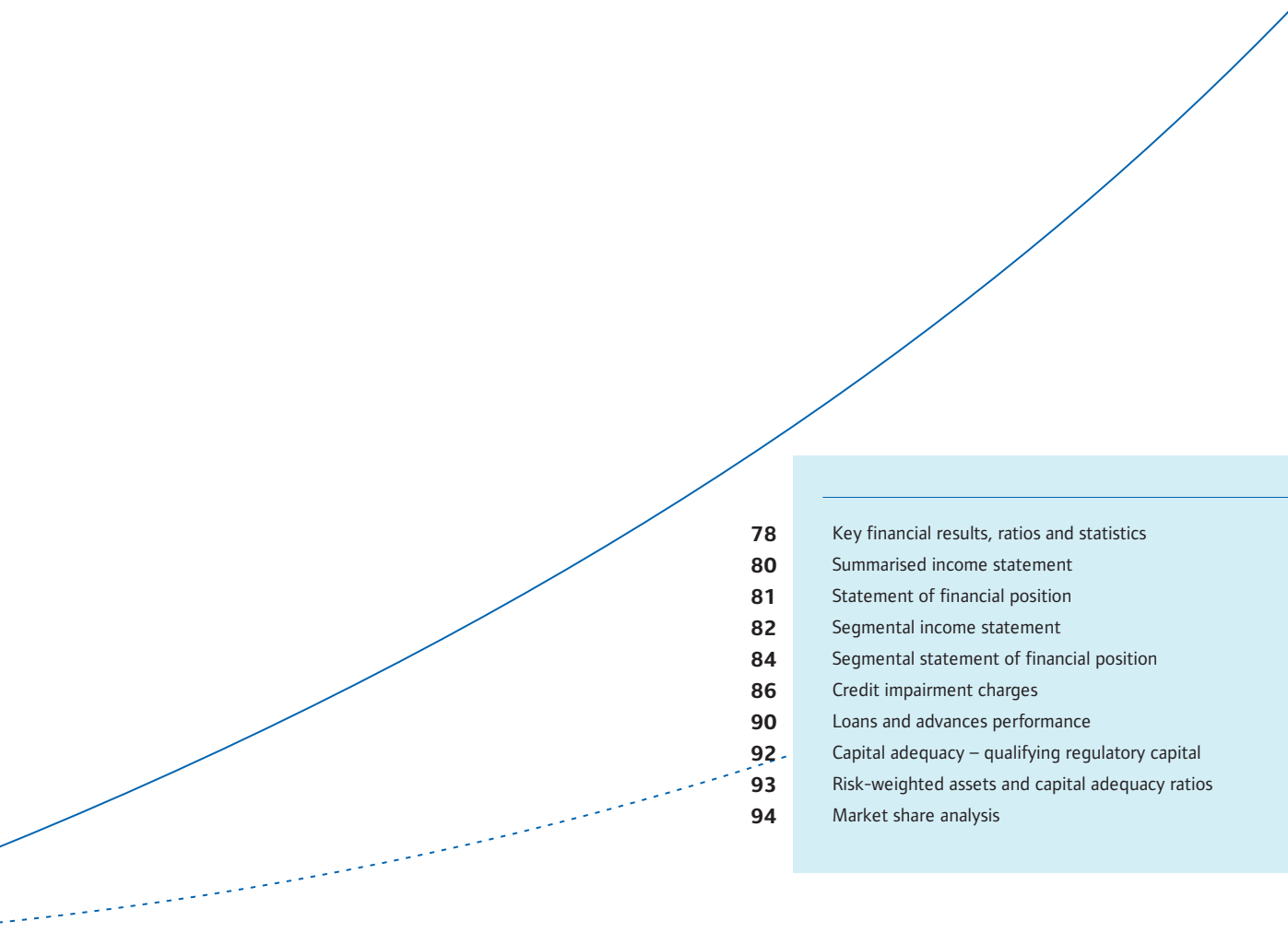
Fair value hierarchy – Standard Bank Group

	Composition %	Assets Rm	Composition %	Liabilities Rm
1H11				
Level 1	39	197 383	9	24 529
Level 2	58	295 162	89	240 397
Level 3	3	18 408	2	6 281
Financial instruments at fair value	100	510 953	100	271 207
Reconciled as follows:				
Held-for-trading		221 415		137 370
Designated at fair value		269 121		133 837
Available-for-sale		20 417		
Financial instruments at fair value		510 953		271 207
1H10				
Level 1	32	159 887	9	27 191
Level 2	65	328 483	89	264 748
Level 3	3	15 454	2	6 255
Financial instruments at fair value	100	503 824	100	298 194
Reconciled as follows:				
Held-for-trading		234 707		172 104
Designated at fair value		259 962		126 090
Available-for-sale		9 155		
Financial instruments at fair value		503 824		298 194
FY10				
Level 1	35	182 882	10	29 495
Level 2	62	323 572	89	272 895
Level 3	3	15 017	1	4 102
Financial instruments at fair value	100	521 471	100	306 492
Reconciled as follows:				
Held-for-trading		240 040		175 382
Designated at fair value		266 515		131 110
Available-for-sale		14 916		
Financial instruments at fair value		521 471		306 492

- In accordance with the group's accounting policies, certain financial assets and liabilities are measured at fair value using either quoted market prices or valuation techniques.
- Financial assets and liabilities that are measured at fair value have been categorised into the following levels:
 - **Level 1:** Financial instruments for which fair value is determined using quoted market prices (unadjusted) in active markets for identical instruments.

- **Level 2:** Financial instruments for which fair value is determined using valuation techniques based on observable inputs, either directly, as prices or indirectly, derived from prices.
- **Level 3:** Financial instruments for which fair value is determined using valuation techniques based on significant unobservable inputs.

The Standard Bank of South Africa Limited



78	Key financial results, ratios and statistics
80	Summarised income statement
81	Statement of financial position
82	Segmental income statement
84	Segmental statement of financial position
86	Credit impairment charges
90	Loans and advances performance
92	Capital adequacy – qualifying regulatory capital
93	Risk-weighted assets and capital adequacy ratios
94	Market share analysis

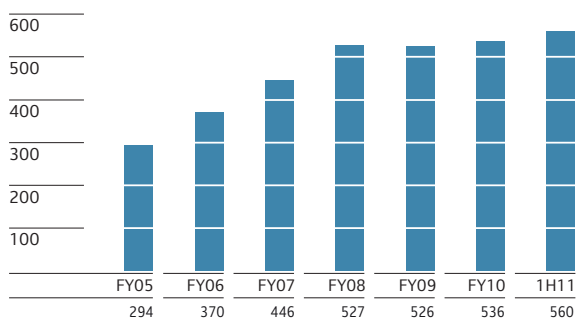
1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Key financial results, ratios and statistics

The Standard Bank of South Africa

Loans and advances – SBSA group

Rbn CAGR (FY05 – 1H11): 12%



		Change %	1H11	1H10	FY10
SBSA group					
Income statement					
Headline earnings	Rm	20	4 865	4 056	8 034
Profit attributable to the ordinary shareholder	Rm	18	4 808	4 058	7 938
Balance sheet					
Ordinary shareholder's equity	Rm	15	51 880	45 197	48 875
Total assets	Rm	4	837 800	801 986	840 423
Loans and advances	Rm	9	559 663	512 377	536 421
Financial performance					
ROE	%		19,5	18,3	17,3
Non-interest revenue to total income	%		48,3	46,3	47,8
Loan-to-deposit ratio	%		86,0	86,6	87,6
Credit loss ratio	%		0,83	1,25	1,18
Cost-to-income ratio	%		53,8	51,4	55,2
Effective taxation rate	%		26,5	31,6	27,5
Number of employees		(4)	28 911	29 993	30 396
SBSA company					
Headline earnings	Rm	25	4 813	3 840	7 697
Total assets	Rm	5	822 930	785 660	824 600
ROE	%		19,7	17,8	16,9
Capital adequacy					
Total risk-weighted assets	Rm	2	388 620	380 799	368 262
Tier I capital adequacy ratio	%		11,4	10,2	11,5
Total capital adequacy ratio	%		14,6	13,5	14,9

Personal & Business Banking

Favourable

- Further improvement in non-performing loans to 7,9% of total loans (June 2010: 9,8% and December 2010: 8,8%) and significantly reduced credit impairments.
- Net interest income assisted by growth in loan and deposit balances and a reduced cost of liquidity.
- Growth in customer deposits, driven by both an increase in the number of accounts and higher average balances per deposit account.
- Growth in transaction fees and card-based commissions as a result of an increase in issuing turnover volumes and a larger account base.
- Improved returns from bancassurance and wealth business due to higher premiums received, lower loss ratios and increased penetration of core products.
- Well contained staff costs due to lower headcount following the 2010 restructure process.

Adverse

- Negative endowment impact of lower average interest rates on capital and transactional balances continued to place pressure on net interest margins.
- Continued deleveraging by customers in the credit card portfolio.
- Growth in operating expenses associated with increased business volumes, points of representation and investment in technology.
- Higher operational risk losses, primarily through external debit and credit card fraud.

Corporate & Investment Banking

Favourable

- Strong profitability across most desks in global markets due to large hedging transactions arranged as well as increased client activity.
- Growth in revenue from positive revaluations of the equity portfolio.
- Increased arrangement and advisory fees, offset by lower volumes in the transactional businesses.
- Reduced operating expenses due to tightly managed general cost control initiatives as well as a reduction in headcount following the restructure process in 2010.

Adverse

- Reduced net interest income due to the continued negative endowment impact from margin compression and increased competition.
- Lower net credit impairment releases due to new provisions raised as a result of growth in the loan book.

1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Summarised income statement

The Standard Bank of South Africa

	Group				Company			
	Change %	1H11 Rm	1H10 Rm	FY10 Rm	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Net interest income	(2)	9 912	10 156	20 212	(2)	9 857	10 103	20 127
Non-interest revenue	6	9 261	8 747	18 487	8	8 875	8 248	17 528
Net fee and commission revenue	1	6 832	6 738	13 730	1	6 282	6 231	12 858
Trading revenue	27	1 664	1 306	2 686	27	1 666	1 315	2 699
Other revenue	9	765	703	2 071	32	927	702	1 971
Total income	1	19 173	18 903	38 699	2	18 732	18 351	37 655
Credit impairment charges	(30)	2 283	3 278	6 359	(30)	2 263	3 241	6 291
Specific credit impairments	(40)	2 296	3 796	7 072	(39)	2 273	3 755	6 986
Portfolio credit impairments	97	(13)	(518)	(713)	98	(10)	(514)	(695)
Income after credit impairment charges	8	16 890	15 625	32 340	9	16 469	15 110	31 364
Operating expenses	6	10 284	9 725	21 441	6	9 994	9 465	20 915
Staff costs	2	5 449	5 354	11 113	2	5 333	5 253	10 920
Other operating expenses	11	4 835	4 371	10 024	11	4 661	4 212	9 693
Restructuring costs				304				302
Net income before associates and joint ventures	12	6 606	5 900	10 899	15	6 475	5 645	10 449
Share of (loss)/profit from associates and joint ventures	(>100)	(52)	30	124	(100)	(26)		
Net income before indirect taxation	11	6 554	5 930	11 023	14	6 449	5 645	10 449
Indirect taxation	15	343	297	856	15	343	297	856
Profit before direct taxation	10	6 211	5 633	10 167	14	6 106	5 348	9 593
Direct taxation	(11)	1 397	1 575	2 179	(13)	1 304	1 497	1 982
Profit for the period	19	4 814	4 058	7 988	25	4 802	3 851	7 611
Attributable to minorities	100	6		50				
Attributable to the ordinary shareholder	18	4 808	4 058	7 938	25	4 802	3 851	7 611
Headline adjustable items	>100	57	(2)	96	>100	11	(11)	86
Headline earnings	20	4 865	4 056	8 034	25	4 813	3 840	7 697

Statement of financial position

The Standard Bank of South Africa

	Group			Company				
	Change %	1H11 Rm	1H10 Rm	FY10 Rm	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Assets								
Cash and balances with the central bank	17	18 606	15 900	18 181	17	18 606	15 900	18 181
Derivative assets	(20)	63 489	78 986	105 221	(20)	63 491	78 930	105 181
Trading assets	(3)	22 158	22 891	13 825	(3)	21 791	22 460	13 453
Pledged assets	(26)	5 473	7 347	5 934	(26)	5 473	7 347	5 934
Financial investments	18	87 452	74 199	79 388	18	87 451	74 046	79 388
Loans and advances	9	559 663	512 377	536 421	10	541 974	493 540	517 507
Loans and advances to banks	6	47 942	45 224	62 364	6	47 932	45 177	62 311
Loans and advances to customers	10	511 721	467 153	474 057	10	494 042	448 363	455 196
Other assets	87	11 031	5 905	6 154	81	10 533	5 822	5 665
Interest in group companies, associates and joint ventures	(24)	56 695	74 717	62 981	(23)	60 439	78 013	67 034
Intangible assets	57	5 390	3 444	4 410	57	5 353	3 405	4 372
Property and equipment	26	7 843	6 220	7 908	26	7 819	6 197	7 885
Total assets	4	837 800	801 986	840 423	5	822 930	785 660	824 600
Equity and liabilities								
Equity	15	51 928	45 201	48 917	15	50 759	44 010	47 614
Equity attributable to the ordinary shareholder	15	51 880	45 197	48 875	15	50 759	44 010	47 614
Ordinary share capital	7	64	60	60		60	60	60
Ordinary share premium	4	26 230	25 230	25 230	4	26 230	25 230	25 230
Reserves	29	25 586	19 907	23 585	31	24 469	18 720	22 324
Minority interest	>100	48	4	42				
Liabilities	4	785 872	756 785	791 506	4	772 171	741 650	776 986
Derivative liabilities	(20)	63 998	79 839	102 476	(20)	63 998	79 840	102 461
Trading liabilities	(46)	9 310	17 102	9 031	(48)	8 348	16 197	8 069
Deposit and current accounts	10	651 073	591 733	612 011	11	636 733	575 723	596 829
Deposits from banks	15	69 247	60 122	54 626	15	69 360	60 172	54 629
Deposits from customers	9	581 826	531 611	557 385	10	567 373	515 551	542 200
Other liabilities	54	17 678	11 471	12 421	57	17 514	11 125	12 035
Subordinated debt	(1)	15 771	15 976	15 683	(1)	15 771	15 976	15 683
Liabilities to group companies	(31)	28 042	40 664	39 884	(30)	29 807	42 789	41 909
Total equity and liabilities	4	837 800	801 986	840 423	5	822 930	785 660	824 600

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Segmental income statement

The Standard Bank of South Africa

	Change %	Personal & Business Banking		
		1H11 Rm	1H10 Rm	FY10 Rm
Net interest income	1	7 419	7 321	15 222
Non-interest revenue	4	6 080	5 858	12 116
Net fee and commission revenue	4	5 785	5 587	11 494
Trading revenue				
Other revenue	9	295	271	622
Total income	2	13 499	13 179	27 338
Credit impairment charges	(35)	2 393	3 681	6 327
Specific credit impairments	(41)	2 253	3 838	6 385
Portfolio credit impairments	>100	140	(157)	(58)
Income after credit impairment charges	17	11 106	9 498	21 011
Operating expenses	12	7 668	6 843	14 910
Net income before associates and joint ventures	29	3 438	2 655	6 101
Share of profit/(loss) from associates and joint ventures	35	54	40	87
Net income before indirect taxation	30	3 492	2 695	6 188
Indirect taxation	16	209	180	419
Profit before direct taxation	31	3 283	2 515	5 769
Direct taxation	32	900	680	1 594
Profit for the period	30	2 383	1 835	4 175
Attributable to minorities				1
Attributable to the ordinary shareholder	30	2 383	1 835	4 174
Headline adjustable items	(>100)	(4)	3	102
SBSA group headline earnings	29	2 379	1 838	4 276
ROE	%	23,9	19,2	22,7
Credit loss ratio	%	1,28	2,04	1,73
Cost-to-income ratio	%	56,6	51,8	54,4

	Corporate & Investment Banking				Other services				SBSA group			
	Change %	1H11 Rm	1H10 Rm	FY10 Rm	Change %	1H11 Rm	1H10 Rm	FY10 Rm	Change %	1H11 Rm	1H10 Rm	FY10 Rm
	(11)	2 294	2 584	4 528	(21)	199	251	462	(2)	9 912	10 156	20 212
	15	2 912	2 540	5 806	(23)	269	349	565	6	9 261	8 747	18 487
	(7)	1 038	1 120	2 181	(71)	9	31	55	1	6 832	6 738	13 730
	35	1 635	1 207	2 557	(71)	29	99	129	27	1 664	1 306	2 686
	12	239	213	1 068	5	231	219	381	9	765	703	2 071
	2	5 206	5 124	10 334	(22)	468	600	1 027	1	19 173	18 903	38 699
	73	(110)	(403)	(107)				139	(30)	2 283	3 278	6 359
	>100	43	(42)	688				(1)	(40)	2 296	3 796	7 072
	58	(153)	(361)	(795)				140	97	(13)	(518)	(713)
	(4)	5 316	5 527	10 441	(22)	468	600	888	8	16 890	15 625	32 340
	(3)	2 373	2 454	5 120	(43)	243	428	1 411	6	10 284	9 725	21 441
	(4)	2 943	3 073	5 321	31	225	172	(523)	12	6 606	5 900	10 899
	(>100)	(106)	(10)	37					(>100)	(52)	30	124
	(7)	2 837	3 063	5 358	31	225	172	(523)	11	6 554	5 930	11 023
	2	45	44	87	22	89	73	350	15	343	297	856
	(8)	2 792	3 019	5 271	37	136	99	(873)	10	6 211	5 633	10 167
	(42)	400	686	940	(54)	97	209	(355)	(11)	1 397	1 575	2 179
	3	2 392	2 333	4 331	>100	39	(110)	(518)	19	4 814	4 058	7 988
	100	6		49					100	6		50
	2	2 386	2 333	4 282	>100	39	(110)	(518)	18	4 808	4 058	7 938
	>100	67	(3)	(6)	(>100)	(6)	(2)		>100	57	(2)	96
	5	2 453	2 330	4 276	>100	33	(112)	(518)	20	4 865	4 056	8 034
		30,4	33,6	30,4						19,5	18,3	17,3
		(0,12)	(0,49)	(0,06)						0,83	1,25	1,18
		46,5	48,0	49,4						53,8	51,4	55,2

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Segmental statement of financial position

The Standard Bank of South Africa

	Change %	Personal & Business Banking		
		1H11 Rm	1H10 Rm	FY10 Rm
Assets				
Cash and balances with central banks	25	5 215	4 188	5 273
Financial investments, trading and pledged assets	>100	27	13	28
Loans and advances	5	370 151	351 024	356 050
Loans and advances to banks	(9)	654	716	344
Loans and advances to customers	5	369 497	350 308	355 706
Derivative and other assets	(17)	2 288	2 746	2 493
Interest in group companies, associates and joint ventures	(36)	348	543	326
Intangible assets	40	3 214	2 302	2 742
Property and equipment	(29)	3 571	5 054	3 564
SBSA group total assets	5	384 814	365 870	370 476
Equity and liabilities				
Equity	(3)	20 295	20 856	19 874
Equity attributable to the ordinary shareholder	(3)	20 294	20 852	19 872
Ordinary share capital	100	4		4
Ordinary share premium		4	4	4
Reserves	(3)	20 286	20 848	19 864
Minority interest	(75)	1	4	2
Liabilities	6	364 519	345 014	350 602
Deposit and current accounts	5	352 669	335 100	339 977
Deposits from banks				
Deposits from customers	5	352 669	335 100	339 977
Derivative, trading and other liabilities	79	3 175	1 776	2 474
Subordinated debt	7	8 608	8 067	8 108
Liabilities to group companies	(6)	67	71	43
SBSA group total equity and liabilities	5	384 814	365 870	370 476

Change %	Corporate & Investment Banking			Change %	Other services			Change %	SBSA group		
	1H11 Rm	1H10 Rm	FY10 Rm		1H11 Rm	1H10 Rm	FY10 Rm		1H11 Rm	1H10 Rm	FY10 Rm
14	13 391	11 712	12 908					17	18 606	15 900	18 181
10	112 814	102 473	97 048	15	2 242	1 951	2 071	10	115 083	104 437	99 147
18	192 397	163 660	183 126	(25)	(2 885)	(2 307)	(2 755)	9	559 663	512 377	536 421
7	47 739	44 724	62 006	(>100)	(451)	(216)	14	6	47 942	45 224	62 364
22	144 658	118 936	121 120	(16)	(2 434)	(2 091)	(2 769)	10	511 721	467 153	474 057
(12)	71 202	81 348	107 880	29	1 030	797	1 002	(12)	74 520	84 891	111 375
(26)	52 801	71 534	60 092	34	3 546	2 640	2 563	(24)	56 695	74 717	62 981
29	1 267	982	1 154	>100	909	160	514	57	5 390	3 444	4 410
7	404	377	389	>100	3 868	789	3 955	26	7 843	6 220	7 908
3	444 276	432 086	462 597	>100	8 710	4 030	7 350	4	837 800	801 986	840 423
26	18 074	14 303	14 597	35	13 559	10 042	14 446	15	51 928	45 201	48 917
26	18 027	14 303	14 557	35	13 559	10 042	14 446	15	51 880	45 197	48 875
	21	21	21		39	39	35	7	64	60	60
(100)	(1)			4	26 227	25 226	25 226	4	26 230	25 230	25 230
26	18 007	14 282	14 536	17	(12 707)	(15 223)	(10 815)	29	25 586	19 907	23 585
100	47		40					>100	48	4	42
2	426 202	417 783	448 000	19	(4 849)	(6 012)	(7 096)	4	785 872	756 785	791 506
15	304 113	264 605	282 215	28	(5 709)	(7 972)	(10 181)	10	651 073	591 733	612 011
15	69 259	60 172	54 629	76	(12)	(50)	(3)	15	69 247	60 122	54 626
15	234 854	204 433	227 586	28	(5 697)	(7 922)	(10 178)	9	581 826	531 611	557 385
(18)	87 440	106 768	119 886	>100	371	(132)	1 568	(16)	90 986	108 412	123 928
21	7 035	5 810	6 299	(94)	128	2 099	1 276	(1)	15 771	15 976	15 683
(32)	27 614	40 600	39 600	>100	361	(7)	241	(31)	28 042	40 664	39 884
3	444 276	432 086	462 597	>100	8 710	4 030	7 350	4	837 800	801 986	840 423

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

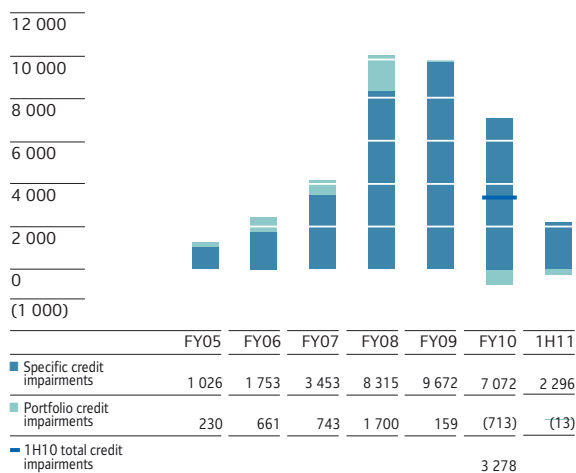
Shareholder
information

Credit impairment charges

The Standard Bank of South Africa

Credit impairment charges

Rm



Income statement impairment charges (net of recoveries)

	Change %	1H11					Credit loss ratio %
		Specifically impaired loans			Portfolio credit impairment charges Rm	Total impairment charges Rm	
		Specific impairment Rm	IAS 39 discount ¹ Rm	Total Rm			
Personal & Business Banking	(35)	1 871	382	2 253	140	2 393	1,28
Mortgage loans	(12)	1 047	293	1 340	201	1 541	1,17
Instalment sale and finance leases	(74)	204	31	235	(88)	147	0,67
Card debtors	(62)	198	35	233	(54)	179	1,86
Other loans and advances	(41)	422	23	445	81	526	2,27
Corporate & Investment Banking	73	43		43	(153)	(110)	(0,12)
Corporate loans	71	19		19	(153)	(134)	(0,18)
Commercial property finance	(64)	24		24		24	0,14
Other services							
Total SBSA group	(30)	1 914	382	2 296	(13)	2 283	0,83

¹ Discounting of expected recoveries in terms of IAS 39.

Favourable

- Further improvement in Personal & Business Banking non-performing loans to 7,9% of total loans (June 2010: 9,8% and December 2010: 8,8%), albeit the improvement is at a slower rate than initially anticipated.
- Significantly reduced level of credit impairment charges assisted by lower interest rates and improved collections capabilities.
- Continued reduction in the Personal & Business Banking debt review portfolio.
- Improved non-performing loan ratios across all portfolios.
- Reduced flow into impaired loans driven by an increased focus on early arrears and improved credit quality of new business written.
- Improved level of recovery of collateral values on repossessed vehicles.
- Net release of credit impairment charges in Corporate & Investment Banking due to reduced corporate NPLs.

Adverse

- Continued high absolute level of non-performing loans.
- Lower net credit impairment releases compared to prior year due to new provisions raised as a result of growth in the loan book and cautious outlook.

1H10							FY10					
Specifically impaired loans							Specifically impaired loans					
Specific impairment Rm	IAS 39 discount ¹ Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %		Specific impairment Rm	IAS 39 discount ¹ Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
2 987	851	3 838	(157)	3 681	2,04		5 381	1 004	6 385	(58)	6 327	1,73
1 102	697	1 799	(52)	1 747	1,38		2 299	730	3 029	(41)	2 988	1,16
567	50	617	(46)	571	2,53		945	84	1 029	(151)	878	1,97
531	45	576	(106)	470	4,66		748	78	826	(108)	718	3,58
787	59	846	47	893	4,24		1 389	112	1 501	242	1 743	4,07
(42)		(42)	(361)	(403)	(0,49)		688		688	(795)	(107)	(0,06)
(108)		(108)	(361)	(469)	(0,69)		578		578	(795)	(217)	(0,15)
66		66		66	0,43		110		110		110	0,35
							(1)		(1)	140	139	
2 945	851	3 796	(518)	3 278	1,25		6 068	1 004	7 072	(713)	6 359	1,18

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Credit impairment charges continued

The Standard Bank of South Africa

Balance sheet impairment – roll forward from December 2010

	1H11 Opening balance Rm	IAS 39 discount in opening balance Rm
Specific credit impairments		
Personal & Business Banking		
Mortgage loans	9 300	859
Instalment sale and finance leases	4 343	554
Card debtors	1 400	40
Other loans and advances	1 107	126
Corporate & Investment Banking	2 450	139
Corporate loans	567	
Commercial property finance	405	
Other services	162	
	9 867	859
Portfolio credit impairments		
Personal & Business Banking		
Mortgage loans	2 968	
Instalment sale and finance leases	979	
Card debtors	589	
Other loans and advances	510	
Corporate & Investment Banking	890	
Corporate loans	704	
Commercial property finance	704	
Other services	424	
	4 096	
Total impairments		
Personal & Business Banking		
Mortgage loans	12 268	859
Instalment sale and finance leases	5 322	554
Card debtors	1 989	40
Other loans and advances	1 617	126
Corporate & Investment Banking	3 340	139
Corporate loans	1 271	
Commercial property finance	1 109	
Other services	162	
	424	
	13 963	859
Total SBSA group balance sheet impairments as a % of gross loans and advances	2,54	

¹ New provisions raised less recoveries of amounts written off in previous periods equals income statement credit impairment charge (1H11: R2 803 million – R520 million = R2 283 million).

Net provisions raised and released ¹ Rm	IAS 39 discount in new impairments raised Rm	Impaired accounts written off Rm	IAS 39 discount recycled to net interest income Rm	Currency translation and other movements Rm	1H11 Closing balance Rm	IAS 39 discount in closing balance Rm	1H11 Recoveries of amounts written off in previous periods ¹ Rm
2 768	382	(2 948)	(494)		8 626	747	515
1 395	293	(1 055)	(352)		4 331	495	55
336	31	(476)	(37)		1 223	34	101
464	35	(584)	(49)		938	112	231
573	23	(833)	(56)		2 134	106	128
48		(317)		2	300		5
19		(205)		2	221		
29		(112)			79		5
2 816	382	(3 265)	(494)	2	8 926	747	520
140					3 108		
201					1 180		
(88)					501		
(54)					456		
81					971		
(153)					551		
(153)					551		
					424		
(13)					4 083		
2 908	382	(2 948)	(494)		11 734	747	515
1 596	293	(1 055)	(352)		5 511	495	55
248	31	(476)	(37)		1 724	34	101
410	35	(584)	(49)		1 394	112	231
654	23	(833)	(56)		3 105	106	128
(105)		(317)		2	851		5
(134)		(205)		2	772		
29		(112)			79		5
					424		
2 803	382	(3 265)	(494)	2	13 009	747	520
					2,27		

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Loans and advances performance

The Standard Bank of South Africa

	Performing loans				
	Gross advances and loans Rm	Neither past due nor specifically impaired		Not specifically impaired	
		Normal monitoring Rm	Close monitoring Rm	Early arrears Rm	Non-performing Rm
1H11					
Personal & Business Banking	381 885	314 415	14 399	23 085	
Mortgage loans	269 490	221 893	10 741	13 247	
Instalment sale and finance leases	45 163	40 470	749	1 867	
Card debtors	19 492	15 782	2 159	293	
Other loans and advances	47 740	36 270	750	7 678	
Corporate & Investment Banking	193 248	191 771	49	12	347
Corporate loans	154 998	154 412	13		
Commercial property finance	38 250	37 359	36	12	347
Central and other	(2 461)	(2 461)			
Gross loans and advances	572 672	503 725	14 448	23 097	347
Percentage of total book (%)	100,0	88,0	2,5	4,0	0,1
1H10					
Personal & Business Banking	364 736	291 099	14 476	23 494	
Mortgage loans	257 194	207 187	9 866	13 008	
Instalment sale and finance leases	44 505	37 315	1 197	2 866	
Card debtors	20 096	15 308	2 616	372	
Other loans and advances	42 941	31 289	797	7 248	
Corporate & Investment Banking	165 230	162 656	236	77	523
Corporate loans	134 927	133 846	179		113
Commercial property finance	30 303	28 810	57	77	410
Central and other	(2 023)	(2 023)			
Gross loans and advances	527 943	451 732	14 712	23 571	523
Percentage of total book (%)	100,0	85,5	2,8	4,5	0,1
FY10					
Personal & Business Banking	368 318	298 264	17 465	20 219	
Mortgage loans	262 601	213 434	12 850	11 278	
Instalment sale and finance leases	43 325	37 723	988	2 223	
Card debtors	19 388	14 898	2 686	347	
Other loans and advances	43 004	32 209	941	6 371	
Corporate & Investment Banking	184 397	181 525	49		250
Corporate loans	151 559	149 761	24		24
Commercial property finance	32 838	31 764	25		226
Central and other	(2 331)	(2 331)			
Gross loans and advances	550 384	477 458	17 514	20 219	250
Percentage of total book (%)	100,0	86,7	3,2	3,7	0,1

Criteria for classifications of loans and advances

Non-performing loans	Those loans for which: – the group has identified objective evidence of default, such as a breach of a material loan covenant or condition; or – instalments are due and unpaid for 90 days or more.
Neither past due nor specifically impaired loans	Loans that are current and fully compliant with all contractual terms and conditions. Normal monitoring loans within this category are generally rated 1 to 21 and close monitoring loans are generally rated 22 to 25 using the group's master rating scale.
Early arrears but not specifically impaired loans	Loans where the counterparty has failed to make contractual payments and are less than 90 days past due, but it is expected that the full carrying value will be recovered when considering future cash flows, including collateral. Ultimate loss is not expected but could occur if the adverse conditions persist.

Non-performing loans											
Specifically impaired loans										Total non-performing loans Rm	Non-performing loans %
Sub-standard Rm	Doubtful Rm	Loss Rm	Total Rm	Securities and expected recoveries on specifically impaired loans Rm	Net after securities and expected recoveries on specifically impaired loans Rm	Balance sheet impairments for non-performing specifically impaired loans Rm	Gross specific impairment coverage %				
9 555	16 899	3 532	29 986	21 360	8 626	8 626	29	29 986	7,9		
8 852	14 029	728	23 609	19 278	4 331	4 331	18	23 609	8,8		
110	531	1 436	2 077	854	1 223	1 223	59	2 077	4,6		
160	258	840	1 258	320	938	938	75	1 258	6,5		
433	2 081	528	3 042	908	2 134	2 134	70	3 042	6,4		
223	793	53	1 069	769	300	300	28	1 416	0,7		
19	501	53	573	352	221	221	39	573	0,4		
204	292		496	417	79	79	16	843	2,2		
9 778	17 692	3 585	31 055	22 129	8 926	8 926	29	31 402	5,5		
1,7	3,1	0,6	5,4	3,9	1,6	1,6					
14 126	16 897	4 644	35 667	24 825	10 842	10 842	30	35 667	9,8		
13 123	12 940	1 070	27 133	21 984	5 149	5 149	19	27 133	10,5		
370	905	1 852	3 127	1 347	1 780	1 780	57	3 127	7,0		
189	331	1 280	1 800	433	1 367	1 367	76	1 800	9,0		
444	2 721	442	3 607	1 061	2 546	2 546	71	3 607	8,4		
354	1 327	57	1 738	1 306	432	432	25	2 261	1,4		
110	622	57	789	518	271	271	34	902	0,7		
244	705		949	788	161	161	17	1 359	4,5		
14 480	18 224	4 701	37 405	26 131	11 274	11 274	30	37 928	7,2		
2,7	3,5	0,9	7,1	4,9	2,1	2,1					
11 365	17 303	3 702	32 370	23 070	9 300	9 300	29	32 370	8,8		
10 584	13 725	730	25 039	20 696	4 343	4 343	17	25 039	9,5		
139	753	1 499	2 391	991	1 400	1 400	59	2 391	5,5		
174	273	1 010	1 457	350	1 107	1 107	76	1 457	7,5		
468	2 552	463	3 483	1 033	2 450	2 450	70	3 483	8,1		
288	2 180	105	2 573	2 006	567	567	22	2 823	1,5		
8	1 660	82	1 750	1 345	405	405	23	1 774	1,2		
280	520	23	823	661	162	162	20	1 049	3,2		
11 653	19 483	3 807	34 943	25 076	9 867	9 867	28	35 193	6,4		
2,1	3,5	0,7	6,3	4,5	1,8	1,8					

Non-performing but not specifically impaired loans

Loans where the counterparty has failed to make contractual payments and is 90 days or more past due as well as those loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition. These loans are not specifically impaired due to the expected recoverability of the full carrying value when considering future cash flows, including collateral.

Non-performing specifically impaired loans

Loans that are regarded as non-performing and for which there has been a measurable decrease in estimated future cash flows. Specifically impaired loans are further analysed into the following categories:

- Sub-standard items that show underlying well defined weaknesses and are considered to be specifically impaired.
- Doubtful items that are not yet considered final losses because of some pending factors that may strengthen the quality of the items.
- Loss items are considered to be uncollectible in whole or in part. The group provides fully for its anticipated loss, after taking securities into account.

1

Group results in brief

25

Segmental reporting

43

Capital management

55

Income statement analysis

67

Balance sheet analysis

77

The Standard Bank of South Africa Limited

95

Other information and reclassifications

103

Shareholder information

Capital adequacy – qualifying regulatory capital

The Standard Bank of South Africa

SBSA company qualifying regulatory capital (excluding unappropriated profit)

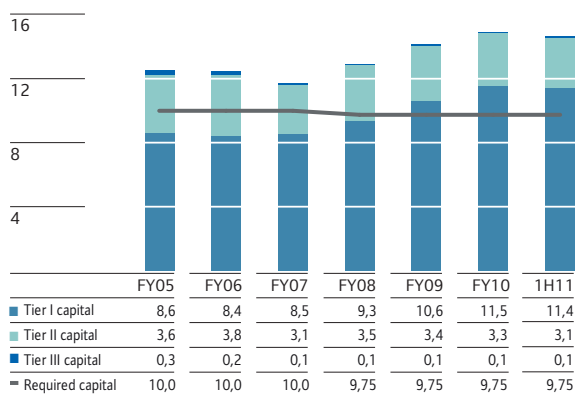
	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Ordinary shareholders' equity	15	50 759	44 010	47 614
<i>Less: regulatory deductions</i>	(41)	(6 234)	(4 419)	(5 237)
Expected losses exceeding eligible provisions (50%)	(30)	(761)	(586)	(616)
Loans to SPVs (first loss credit enhancement) (50%)	70	(99)	(329)	(150)
Investment in regulated non-banking entities	79	(21)	(99)	(99)
Intangible assets	(57)	(5 353)	(3 405)	(4 372)
<i>Less: regulatory exclusions</i>	(0)	(4 247)	(4 228)	(2 110)
Non-qualifying foreign currency translation reserve	>100	5	(41)	31
Non-qualifying other reserves	50	(317)	(629)	(236)
Unappropriated profit	(11)	(3 935)	(3 558)	(1 905)
Tier I capital	14	40 278	35 363	40 267
Tier II subordinated debt		15 098	15 098	15 098
Impairments for performing loans	(28)	185	257	156
<i>Less: regulatory deductions</i>	10	(2 898)	(3 217)	(2 761)
Expected losses exceeding eligible provisions (50%)	(30)	(761)	(586)	(616)
Loans to SPVs (first loss credit enhancement) (50%)	70	(99)	(329)	(150)
Investment in tier II instruments in banks	11	(2 038)	(2 302)	(1 995)
Tier II capital	2	12 385	12 138	12 493
Tier III capital		300	300	300
Total qualifying regulatory capital	11	52 963	47 801	53 060

Risk-weighted assets and capital adequacy ratios

The Standard Bank of South Africa

Capital adequacy – SBSA company¹ (including unappropriated profit)

%



¹ Basel II implemented 1 January 2008 and 2008 to 2011 are based on Basel II basis.

All other historical comparatives are based on a Basel I basis.

SBSA company risk-weighted assets

	Change %	1H11 Rm	1H10 Rm	FY10 Rm
Credit risk	(1)	296 194	298 078	285 399
Market risk	98	12 713	6 431	8 395
Operational risk	3	65 071	63 132	63 842
Equity risk in the banking book	11	14 642	13 158	10 626
Total risk-weighted assets	2	388 620	380 799	368 262

SBSA company capital adequacy ratios (including unappropriated profit)

	Minimum regulatory requirement %	Target ratios %	1H11 %	1H11 %	FY10 %
Total capital adequacy ratio	9,75	11 – 12	14,6	13,5	14,9
Tier I capital adequacy ratio	7,0	9,0	11,4	10,2	11,5
Core tier I capital adequacy ratio	5,25		11,4	10,2	11,5
Tier II and III as % of tier I	<100,0		28,7	32,0	30,3
Subordinated tier II debt as % of tier I	<50,0		34,1	38,8	35,8

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

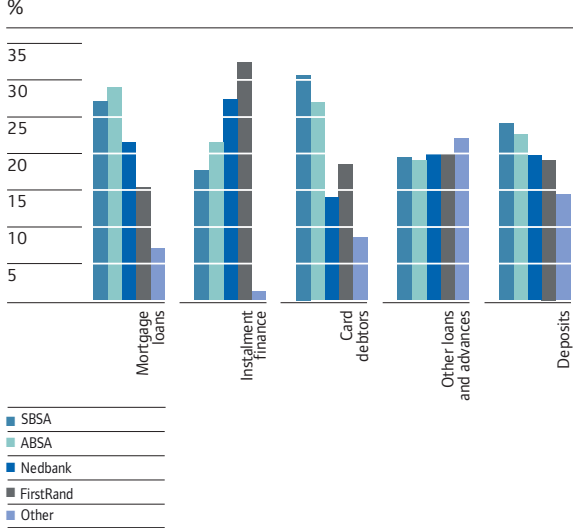
103

Shareholder
information

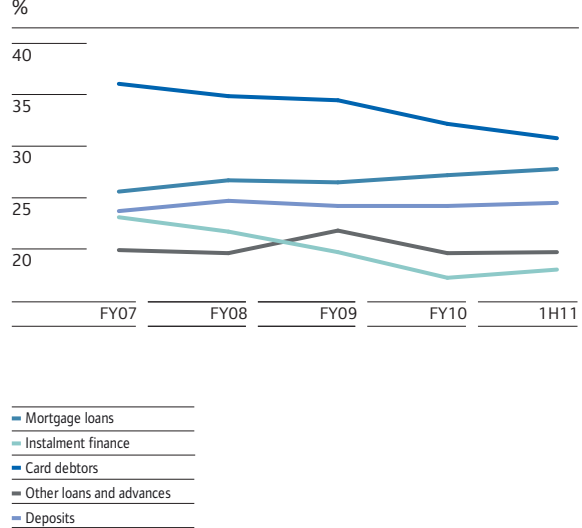
Market share analysis

The Standard Bank of South Africa

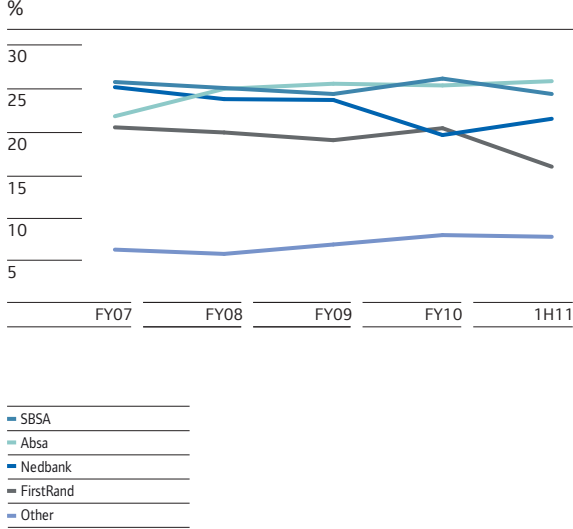
South African market share analysis



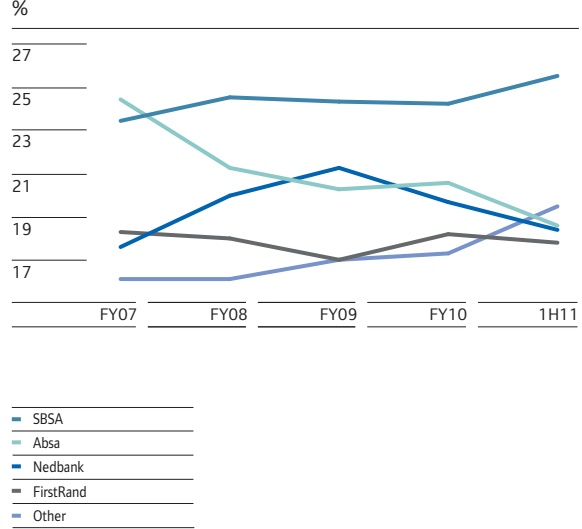
SBSA's market share movement



Retail-based deposits (denominated in rand)

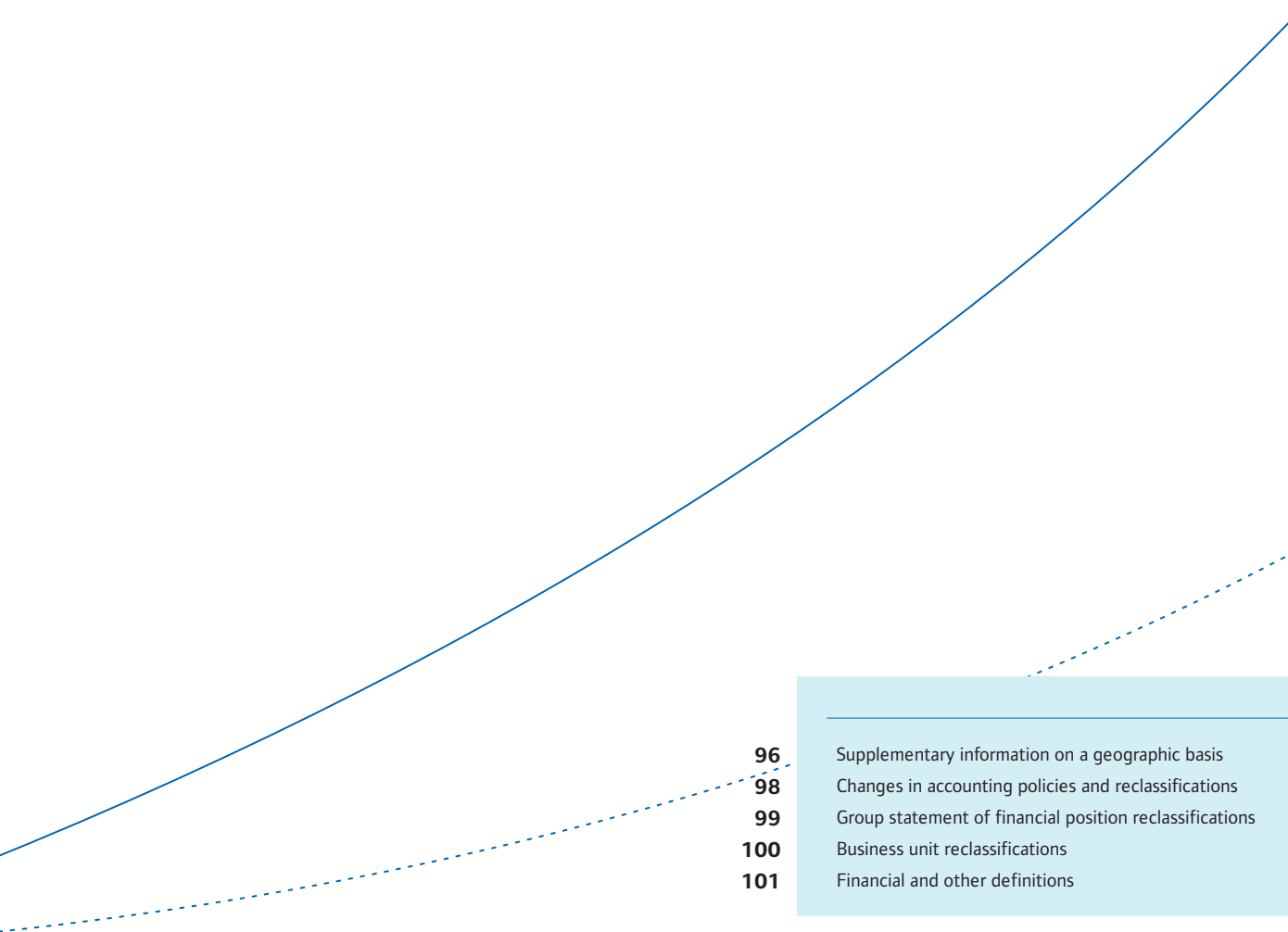


Corporate-based deposits (denominated in rand)



Source: BA 900 May 2011

Other information and reclassifications



1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Supplementary information on a geographic basis

South Africa

		Change %	Personal & Business Banking			Change %	Corporate & Investment Banking		
			1H11	1H10	FY10		1H11	1H10	FY10
Total income	Rm	3	13 939	13 543	28 069	4	5 576	5 380	10 543
Headline earnings	Rm	26	2 532	2 013	4 648	3	2 547	2 482	4 414
Loans and advances	Rm	5	371 255	352 123	356 846	4	224 118	215 001	215 528
Total assets	Rm	5	387 040	367 845	372 203	3	443 476	430 903	460 948
Average ordinary shareholders' equity	Rm	5	22 538	21 422	21 638	28	17 853	13 948	14 448
ROE	%		22,7	18,9	21,5		28,8	35,9	30,6
Number of employees		(3)	23 042	23 775	24 070	(11)	3 488	3 905	3 834

		Change %	Liberty			Change %	Total South Africa		
			1H11	1H10	FY10		1H11	1H10	FY10
Total income	Rm	29	19 869	15 395	51 466	14	39 515	34 576	90 681
Headline earnings	Rm	17	633	540	1 393	17	6 160	5 277	10 661
Loans and advances	Rm					5	597 582	569 718	574 508
Total assets	Rm	8	237 243	220 601	229 535	5	1 078 499	1 027 357	1 073 326
Average ordinary shareholders' equity	Rm	12	6 895	6 141	6 371	14	60 413	53 221	55 058
ROE	%		18,5	17,7	21,9		20,6	20,0	19,4
Number of employees		5	5 669	5 411	5 226	(2)	34 284	35 055	35 163

Rest of Africa

		Change %	Personal & Business Banking			Change %	Corporate & Investment Banking		
			1H11	1H10	FY10		1H11	1H10	FY10
Total income	Rm	13	2 275	2 018	4 269	2	2 918	2 874	5 535
Headline (loss)/earnings	Rm	(35)	(177)	(131)	(346)	(7)	600	642	1 095
Loans and advances	Rm	17	22 107	18 816	19 172	15	48 975	42 625	51 843
Total assets	Rm	15	29 008	25 296	26 712	9	86 612	79 412	82 660
Average ordinary shareholders' equity	Rm	34	3 439	2 563	2 805	(4)	8 679	9 080	8 881
ROE	%		(10,4)	(10,3)	(12,3)		13,9	14,3	12,3
Number of employees		4	8 853	8 550	9 103	(10)	3 300	3 682	3 645

Outside Africa

		Change %	Personal & Business Banking			Change %	Corporate & Investment Banking		
			1H11	1H10	FY10		1H11	1H10	FY10
Total income	Rm	13	1 446	1 279	2 578	(7)	3 178	3 407	6 681
Headline earnings/(loss)	Rm	>100	128	22	120	(15)	177	208	66
Loans and advances	Rm	4	35 190	33 793	29 914	(7)	116 631	125 275	116 600
Total assets	Rm	7	41 545	38 820	35 248	(1)	253 049	255 614	236 814
Average ordinary shareholders' equity	Rm	(1)	2 141	2 152	2 130	(9)	17 035	18 779	18 117
ROE	%		12,1	2,1	5,6		2,1	2,2	0,4
Number of employees			3 483	3 480	3 428	(11)	1 786	2 001	2 012

Change %	Other domestic operations			Change %	Banking operations		
	1H11	1H10	FY10		1H11	1H10	FY10
(49)	131	258	603	2	19 646	19 181	39 215
85	448	242	206	17	5 527	4 737	9 268
(15)	2 209	2 594	2 134	5	597 582	569 718	574 508
34	10 740	8 008	10 640	4	841 256	806 756	843 791
12	13 127	11 710	12 601	14	53 518	47 080	48 687
	6,9	4,2	1,6		20,8	20,3	19,0
6	2 085	1 964	2 033	(3)	28 615	29 644	29 937

Change %	Total rest of Africa		
	1H11	1H10	FY10
6	5 193	4 892	9 804
(17)	423	511	749
16	71 082	61 441	71 015
10	115 620	104 708	109 372
4	12 118	11 643	11 686
	7,0	8,9	6,4
(1)	12 153	12 232	12 748

Change %	Total outside Africa			Change %	Central funding and eliminations			Change %	Standard Bank Group		
	1H11	1H10	FY10		1H11	1H10	FY10		1H11	1H10	FY10
(1)	4 624	4 686	9 259	10	283	257	572	12	49 615	44 411	110 316
33	305	230	186	(>100)	(251)	(29)	(313)	11	6 637	5 989	11 283
(5)	151 821	159 068	146 514	2	(77 013)	(75 546)	(79 012)	4	743 472	714 681	713 025
0	294 594	294 434	272 062	3	(109 530)	(106 232)	(113 340)	4	1 379 183	1 320 267	1 341 420
(8)	19 176	20 931	20 247	(83)	564	3 370	3 028	3	92 271	89 165	90 019
	3,2	2,2	0,9						14,5	13,5	12,5
(4)	5 269	5 481	5 440					(2)	51 706	52 768	53 351

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Changes in accounting policies and reclassifications

The accounting policies are consistent with those adopted in the previous year, except as noted below.

Change in accounting policy

Deferred tax

In 2010, the group early adopted the amendments to IAS 12 *Income Taxes* (Deferred Tax: Recovery of Underlying Assets). In terms of the amendment, if deferred tax liabilities or assets arise from investment property that is measured using the fair value model in IAS 40 *Investment Property*, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale.

Comparative information for June 2010 has been restated to conform to the revised standard. This has resulted in the deferred tax liability in respect of these investment property surpluses being restated to the sale rate and has correspondingly increased policyholders' liabilities by R756 million. The adoption of this amendment did not impact headline earnings or earnings per share.

Adoption of new standards and interpretations effective for the current financial year

- IFRS 7 *Financial Instruments: Disclosures* (2010 improvements to IFRS);
- IAS 24 *Related Parties* (revised 2009); and
- IAS 34 *Interim Financial Reporting* (2010 improvements to IFRS).

The revised IFRS statements have not resulted in any changes to the group's accounting policies, nor has there been any impact on the financial statement line items or earnings per share.

Reclassifications and restatements

The comparative statement of financial position at 30 June 2010 has been adjusted to reflect the presentation consequences of the reclassifications and restatements below, with no impact on reserves.

Repurchase agreements

The group routinely enters into soft (e.g. maize) and hard (e.g. precious metals) commodity based financing transactions. Hard commodity based financing transactions within the trading book have historically been accounted for as either outright purchases, by recognising a commodity and related derivative forward sales agreement, or sales, through derecognition of the commodity and recognition of a related derivative forward purchase agreement.

The group has revised the accounting treatment for these transactions based on market practice and analogy to IFRS requirements for similar financing transactions with a financial instrument underlying.

The group's revised policy treats certain of the group's hard commodity based financing transactions as either buy to sell backs (collateralised lending), where a reverse repurchase agreement within trading assets is recognised, and sell to buy backs (collateralised borrowing), where the commodity continues to be recognised together with a repurchase agreement within trading liabilities. These financing transactions are accounted for in accordance with the group's existing accounting policy for 'Sale and repurchase agreements and lending of securities'.

Loans and advances

For the classification of loans and advances to banks, banks are defined as entities that are regulated deposit taking institutions. In previous reporting periods, overnight placements with certain banking groups, which are not regulated deposit taking institutions, were included under loans to banks. These placements have now been reclassified as loans to customers.

Commodity leasing

The group has revised the accounting treatment of commodity based leasing transactions which in prior periods were treated as lending/borrowing transactions where the underlying stock was derecognised/recognised. Based on market practice and analogy to IFRS requirements for these transactions, these transactions have been reclassified as lease type transactions with the lease fee being accrued over the term of the transaction.

Group statement of financial position reclassifications

	1H10					
	Normalised	Deferred	Repurchase	Loans and	Commodity	Normalised
	as previously reported Rm	tax Rm	agreements Rm	advances Rm	leases Rm	restated Rm
Assets						
Cash and balances with central banks	25 687					25 687
Derivative assets	124 097		(1 088)			123 009
Trading assets	92 981		833			93 814
Pledged assets	8 041				4 401	12 442
Financial investments	273 949					273 949
Loans and advances	719 082				(4 401)	714 681
Loans and advances to banks	124 487			(8 217)	(1 994)	114 276
Loans and advances to customers	594 595			8 217	(2 407)	600 405
Current and deferred taxation	1 559					1 559
Investment property	19 520					19 520
Other assets	22 498					22 498
Interest in associates and joint ventures	9 723					9 723
Goodwill and other intangible assets	10 069					10 069
Property and equipment	13 316					13 316
Total assets	1 320 522		(255)			1 320 267
Equity and liabilities						
Equity	109 342					109 342
Equity attributable to ordinary shareholders	91 705					91 705
Preference share capital and premium	5 503					5 503
Minority interest	12 134					12 134
Liabilities	1 211 180		(255)			1 210 925
Derivative liabilities	121 426		(255)			121 171
Trading liabilities	52 571					52 571
Deposit and current accounts	773 128					773 128
Deposits from banks	101 345					101 345
Deposits from customers	671 783					671 783
Current and deferred taxation	7 245	(756)				6 489
Other liabilities	48 490					48 490
Policyholders' liabilities	181 593	756				182 349
Subordinated debt	26 727					26 727
Total equity and liabilities	1 320 522		(255)			1 320 267

Refer to page 98 for an explanation of the reclassifications and restatements.

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Business unit reclassifications

	FY10				Standard Bank Group Rm
	Personal & Business Banking Rm	Corporate & Investment Banking Rm	Central and other Rm	Liberty Rm	
Income statement reclassifications					
Normalised headline earnings as reported	4 750	5 248	(108)	1 393	11 283
Net interest income	(60)	60			
Non-interest revenue	1	(90)	89		
Operating expenses in banking activities	528	(576)	48		
Staff costs	268	(384)	116		
Other operating expenses	260	(192)	(68)		
Indirect taxation	(1)	(1)	2		
Direct taxation	(181)	170	11		
Attributable to minorities	(77)	77			
Normalised headline earnings restated	4 422	5 548	(80)	1 393	11 283

Where reporting responsibility for individual cost centres and divisions within business units changes, the segmental comparatives are reclassified accordingly. Costs relating to marketing and leadership development have been allocated to the respective business units and premises costs relating to support functions have been allocated to the central and other unit. During 2010, a detailed review of the key business drivers determining the cost allocation methodologies was performed across all African entities. Following this review, changes were implemented in 2011 to reflect the improved cost methodologies. The individual segmental income statement line items have increased or reduced as stated in the table above.

Financial and other definitions

Standard Bank Group

Basic earnings per ordinary share (EPS) (cents)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.
CAGR (%)	Compound annual growth rate.
Diluted headline earnings per ordinary share (cents)	Headline earnings divided by the weighted average number of shares, adjusted for potential dilutive ordinary shares resulting from share-based payments.
Dividend cover (times)	Headline earnings per share divided by dividend per share.
Dividend per share (cents)	Total dividends to ordinary shareholders including dividends and scrip distributions declared per share in respect of the period.
Headline earnings (Rm)	Earnings attributable to ordinary shareholders excluding goodwill gain or impairment, capital profits and losses, and realised profits or losses on available-for-sale financial instruments.
Headline earnings per ordinary share (HEPS) (cents)	Headline earnings divided by the weighted average number of ordinary shares in issue.
Net asset value (Rm)	Equity attributable to ordinary shareholders.
Net asset value per share (cents)	Net asset value divided by the number of ordinary shares in issue at the end of the period.
Price-to-book ratio (times)	Market capitalisation divided by net asset value.
Profit attributable to ordinary shareholders (Rm)	Profit for the period attributable to ordinary shareholders, calculated as profit for the period less dividends on non-redeemable, non-cumulative, non-participating preference shares declared before period end, less minority interests.
Profit for the period (Rm)	Income statement profit attributable to ordinary shareholders, minorities and preference shareholders for the period.
Return on equity (ROE) (%)	Headline earnings as a percentage of monthly average ordinary shareholders' funds.
Shares in issue (number)	Number of ordinary shares in issue as listed on the exchange operated by the JSE Limited (JSE).
Tangible net asset value (Rm)	Equity attributable to ordinary shareholders excluding goodwill and other intangible assets.
Tangible net asset value per share (cents)	Tangible net asset value divided by the number of ordinary shares in issue at the end of the period.
Total capital adequacy ratio (%)	Capital as a percentage of risk weighted assets.
Turnover in shares traded (%)	Number of shares traded during the period as a percentage of the weighted average number of shares.
Weighted average number of shares (number)	The weighted average number of ordinary shares in issue during the period as listed on the JSE.
Available financial resources (AFR) (Rm)	The amount of permanent capital that is available to the group to absorb potential losses.
Capital coverage ratio (times)	Available financial resources divided by minimum economic capital requirements.
Cost-to-income ratio (%)	Operating expenses as a percentage of total income including share of profit from associates and joint ventures.
Credit loss ratio (%)	Total impairment charges on loans and advances per the income statement as a percentage of average daily and monthly gross loans and advances.
Effective taxation rate (%)	Direct and indirect taxation as a percentage of income before taxation.
Gross specific impairment coverage ratio (%)	Specific loan impairments as a percentage of specifically impaired loans.

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Financial and other definitions continued

Standard Bank Group continued

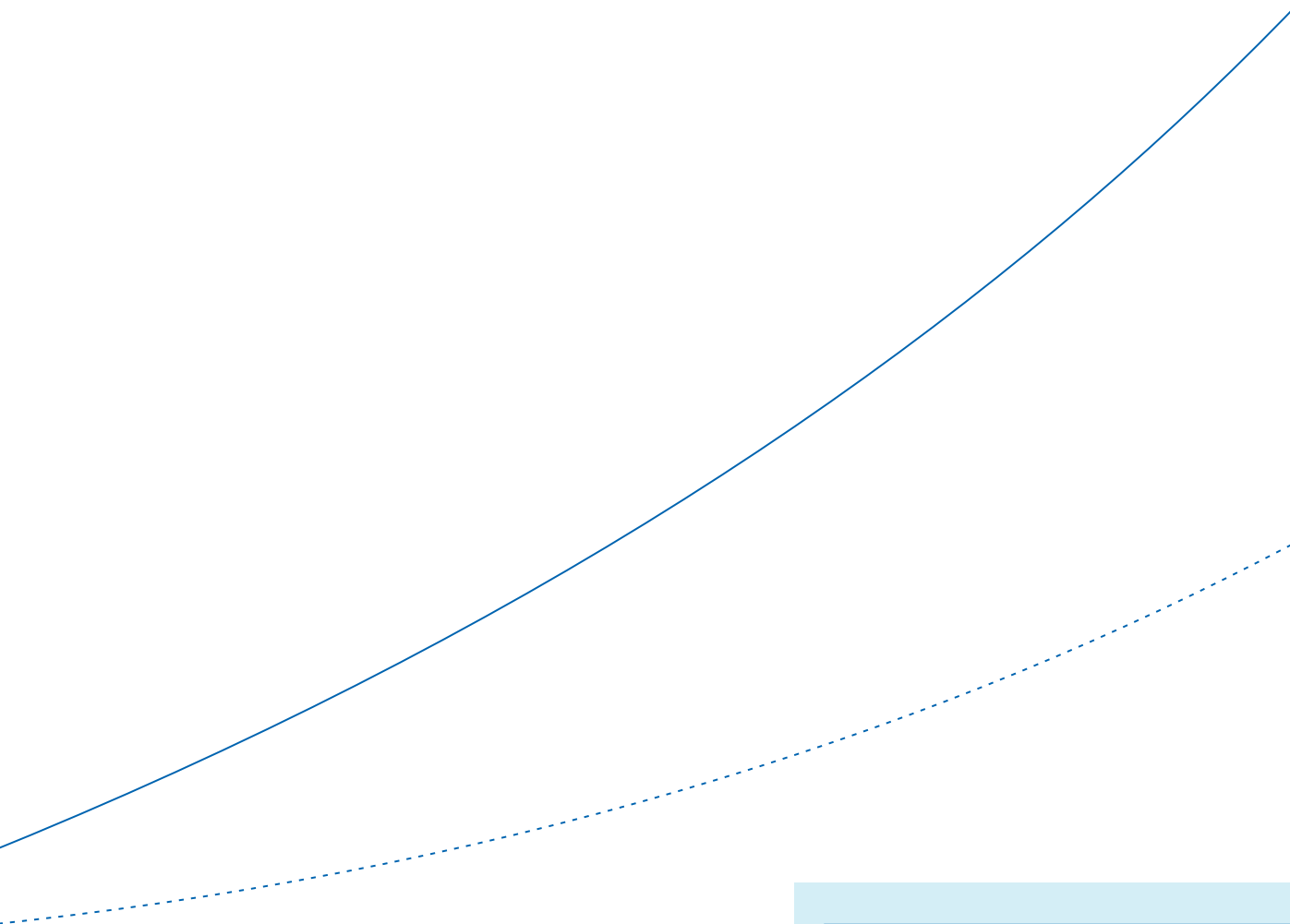
Banking activities

Portfolio credit impairments (Rm)	Impairment for latent losses inherent in groups of loans and advances that have not yet been specifically impaired.
Loans-to-deposits ratio (%)	Net loans and advances as a percentage of deposits and current accounts.
Net interest margin (%)	Net interest income as a percentage of daily and monthly average total assets, excluding trading derivative assets.
Non-interest earning assets (Rm)	Includes total trading book assets and rate insensitive banking book assets, such as cash and cash equivalents, fixed assets, goodwill and other intangible assets, investment property, other assets, and current and deferred taxes. Cash balances with central banks are specifically excluded as they are utilised to meet liquidity requirements and are reflected as part of the interest earning assets to reflect the cost of liquidity. Derivative assets are also excluded.
Non-interest revenue to total income (%)	Non-interest revenue as a percentage of total income.
Return on equity (ROE) (%)	Headline earnings, excluding Liberty, as a percentage of monthly average ordinary shareholders' funds, after deducting capital relating to Liberty.
Specific credit impairments (Rm)	Impairment for specific identified credit losses, that are classified as specifically impaired, net of the present value of estimated recoveries.

Other definitions

CPI	A South African index of prices used to measure the change in the cost of basic goods and services.
International Financial Reporting Standards (IFRS)	International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).
Liberty	Investment management and life insurance activities of companies in the Liberty Holdings Group.
Normalised results	The financial results and ratios restated on an economic substance basis as explained on page 22.
SARB	South African Reserve Bank.
SBG	Standard Bank Group Limited.
SBSA	The Standard Bank of South Africa Limited.
Special Purpose Vehicle (SPV)	An entity created to accomplish a narrow and well-defined objective.
Tutuwa	Tutuwa is the group's black economic empowerment ownership initiative entered into in terms of the Financial Sector Charter.

Shareholder information



104	Analysis of shareholders
105	Credit ratings
106	Dividend payment dates
106	Instrument codes
ibc	Contact details

1	Group results in brief
25	Segmental reporting
43	Capital management
55	Income statement analysis
67	Balance sheet analysis
77	The Standard Bank of South Africa Limited
95	Other information and reclassifications
103	Shareholder information

Analysis of shareholders

Ten major shareholders¹

	1H11		1H10		FY10	
	Number of shares (million)	% holding	Number of shares (million)	% holding	Number of shares (million)	% holding
Industrial and Commercial Bank of China	318,2	20,1	317,4	20,0	317,9	20,1
Public Investment Corporation	210,3	13,3	207,9	13,1	210,5	13,3
Tutuwa participants	88,5	5,6	88,8	5,6	88,6	5,6
– Staff	34,8	2,2	35,1	2,2	34,9	2,2
– Strategic partners	35,8	2,3	35,8	2,3	35,8	2,3
– Communities and regional businesses	17,9	1,1	17,9	1,1	17,9	1,1
Dodge & Cox	48,1	3,0	44,9	2,8	44,9	2,8
Old Mutual Group	35,8	2,2	46,2	2,9	39,6	2,5
Investment Solutions	31,6	2,0	29,6	1,9	28,3	1,8
Sanlam Group	23,7	1,5	24,5	1,5	23,9	1,5
Vanguard Emerging Markets Fund	19,2	1,2	12,9	0,9	18,0	1,1
Oppenheimer Developing Markets Fund	16,6	1,0	12,5	0,8	16,8	1,0
Engineering Industries Pension Fund (EIPF)	16,2	1,0	13,8	0,9	12,6	0,8
	808,2	50,9	798,5	50,4	801,1	50,5

¹ Beneficial holdings determined from the share register and investigations conducted on our behalf in terms of section 56 of the Companies Act.

Geographic spread of shareholders

	1H11		1H10		FY10	
	Number of shares (million)	% holding	Number of shares (million)	% holding	Number of shares (million)	% holding
South Africa	849,5	53,5	848,7	53,6	825,8	52,1
Foreign shareholders	737,6	46,5	734,6	46,4	759,2	47,9
China	318,2	20,1	317,4	20,0	317,9	20,1
United States of America	235,1	14,8	217,3	13,7	244,3	15,4
United Kingdom	55,9	3,5	61,6	3,9	64,0	4,0
Namibia	18,2	1,2	18,4	1,2	16,9	1,1
Singapore	17,7	1,2	12,3	0,8	12,2	0,8
United Arab Emirates	11,8	0,7	12,0	0,8	12,0	0,8
Saudi Arabia	11,5	0,7	10,6	0,7	11,8	0,7
Luxembourg	9,9	0,6	17,5	1,1	11,9	0,8
Norway	8,3	0,5	9,5	0,6	8,5	0,5
Australia	8,0	0,5	5,2	0,3	8,5	0,5
Other	43,0	2,7	52,8	3,3	51,2	3,2
	1 587,1	100,0	1 583,3	100,0	1 585,0	100,0

Credit ratings

Ratings as at 10 August 2011 for entities within Standard Bank Group are detailed below:

	Short term	Long term	Outlook
Fitch Ratings			
Standard Bank Group Limited			
Foreign currency issuer default rating	F2	BBB+	Stable
Local currency issuer default rating		BBB+	Stable
The Standard Bank of South Africa			
Foreign currency issuer default rating	F2	BBB+	Stable
Local currency issuer default rating		BBB+	Stable
National rating	F1+ (ZAF)	AA (ZAF)	Stable
RSA Sovereign rating			
Foreign currency issuer default rating	F2	BBB+	Stable
Local currency issuer default rating		A	Stable
Standard Bank Plc			
Foreign currency issuer default rating	F2	BBB+	Stable
Banco Standard de Investimentos SA (Brazil)			
National rating	F1+ (BRA)	AA+ (BRA)	Stable
Standard Bank Argentina SA			
National rating		AA+ (ARG)	Stable
Stanbic IBTC Bank Plc (Nigeria)			
National rating	F1+ (NGA)	AAA (NGA)	
CFC Stanbic Bank (Kenya)			
Issuer default rating	B	BB-	Stable
Liberty Group			
National rating		AA- (ZAF)	Stable
National Insurer Financial Strength		AA (ZAF)	Stable
Moody's Investor Services			
The Standard Bank of South Africa			
Foreign currency deposit rating	P-2	A3	Stable
Local currency deposit rating	P-1	A1	Stable
RSA Sovereign ratings			
Foreign currency		A3	Stable
Local currency		A3	Stable
Standard Bank Plc			
Foreign and local currency deposit rating	P-2	Baa2	Negative
Standard Bank Argentina SA			
Foreign currency deposit rating	NP	Caa1	Stable
Local currency deposit rating	NP	Ba1	Stable
Standard & Poor's			
The Standard Bank of South Africa			
Unsolicited issuer rating	A-2	BBB	Positive
RSA Sovereign ratings			
Foreign currency	A-2	BBB+	Stable
Local currency	A-1	A	Stable

1

Group results
in brief

25

Segmental
reporting

43

Capital
management

55

Income
statement
analysis

67

Balance sheet
analysis

77

The Standard
Bank of South
Africa Limited

95

Other
information and
reclassifications

103

Shareholder
information

Dividend payment dates

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)
JSE Limited (JSE)			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000109815	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000109815		
Dividend number	84	84	14
Dividend per share (cents)	141	3,25	312,41
Dividend payment dates			
Last day to trade in order to be eligible for the dividend ("CUM" distribution)	Friday, 2 September 2011	Friday, 26 August 2011	Friday, 26 August 2011
Shares trade "EX" the dividend	Monday, 5 September 2011	Monday, 29 August 2011	Monday, 29 August 2011
Record date in respect of the dividend	Friday, 9 September 2011	Friday, 2 September 2011	Friday, 2 September 2011
Payment date	Monday, 12 September 2011	Monday, 5 September 2011	Monday, 5 September 2011

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 5 September 2011, and Friday, 9 September 2011, both days inclusive.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 29 August 2011 and Friday, 2 September 2011, both days inclusive.

Instrument codes

JSE Limited

Deposit notes

SBR002: ZAE000083853
SBR003: ZAE000128195

Subordinated debt

SBK 5: ZAG000023078
SBK 7: ZAG000024894
SBK 8: ZAG000029679
SBK 9: ZAG000029687
SBK 10: ZAG000046640
SBKI 11: ZAG000066382
SBK 12: ZAG000073388
SBK 13: ZAG000073396

Senior debt

SBS 3: ZAG000030586
SBS 4: ZAG000035049
SBS 5: ZAG000035650
SBS 6: ZAG000051475
SBS 7: ZAG000051483
SBS 8: ZAG000051491
SBS 9: ZAG000069329
SBSI 10: ZAG000069063
SBSI 11: ZAG000075789
SBSI 12: ZAG000080847
SBS 13: ZAG000080839
SBS 14: ZAG000083940
SBS 15: ZAG000085556
SBS 18: ZAG000086745
SBS 19: ZAG000086752

Contact details

Linda Dodgen

Director, investor relations

Tel: +27 11 636 5039

e-mail: Linda.Dodgen@standardbank.co.za



Luvuyo Masinda

Director, group financial control

Tel: +27 11 631 6854

e-mail: Luvuyo.Masinda@standardbank.co.za



Loren Wulfohn

Group secretary

Tel: +27 11 636 5119

e-mail: Loren.Wulfohn@standardbank.co.za



Simon Ridley

Group financial director

Tel: +27 11 636 3756

e-mail: Simon.Ridley@standardbank.co.za



Registered address

9th Floor
Standard Bank Centre
5 Simmonds Street
Johannesburg 2001
PO Box 7725
Johannesburg 2000

Contact details

Tel: +27 11 636 9111

Fax: +27 11 636 4207

e-mail: shareholder queries:

InvestorRelations@standardbank.co.za

e-mail: customer queries:

information@standardbank.co.za