

## Standard Bank Group Limited – company annual financial statements

		Company	
	Note	2005 Rm	2004 Rm
<b>Balance sheet at 31 December 2005</b>			
<b>Assets</b>			
Investment securities		8	8
Current and deferred taxation	34	131	285
Other assets		13	14
Interest in subsidiaries	35	20 326	16 713
Interest in associate	36	131	131
<b>Total assets</b>		<b>20 609</b>	<b>17 151</b>
<b>Equity and liabilities</b>			
<b>Equity</b>		<b>19 695</b>	<b>17 117</b>
Ordinary and preference share capital and premium	14	5 233	5 667
Reserves		14 462	11 450
<b>Liabilities</b>		<b>914</b>	<b>34</b>
Loans from other banks	37	900	–
Other liabilities		14	34
<b>Total equity and liabilities</b>		<b>20 609</b>	<b>17 151</b>
<b>Income statement for the year ended 31 December 2005</b>			
Dividends from subsidiaries		7 251	6 524
Interest income		5	54
<b>Total income</b>		<b>7 256</b>	<b>6 578</b>
Operating expenses		11	51
<b>Income before indirect taxation</b>		<b>7 245</b>	<b>6 527</b>
Indirect taxation	38.1	13	11
<b>Profit before direct taxation</b>		<b>7 232</b>	<b>6 516</b>
Direct taxation	38.2	188	2
<b>Profit for the year</b>		<b>7 044</b>	<b>6 514</b>

	Note	Company	
		2005 Rm	2004 Rm
<b>Cash flow statement for the year ended 31 December 2005</b>			
Net cash flows from operating activities	39.1	7 245	6 527
Interest income		5	54
Other expenses		(11)	(51)
Dividends received		7 251	6 524
Net cash flows (used in)/from operating funds	39.2	(19)	6
Taxation paid	39.3	(47)	(91)
Net cash flows used in investing activities		(3 613)	(3 527)
Interest in subsidiaries	39.4	(3 613)	(3 527)
Net cash flows used in financing activities		(3 566)	(2 915)
Proceeds from issue of share capital		245	3 252
Increase in loans from other banks		900	–
Share buy-backs		(679)	–
Tutuwa payment		–	(4 017)
Net dividends paid	39.5	(4 032)	(2 150)
Net increase in cash and cash equivalents		–	–
Cash and cash equivalents at beginning of the year		–	–
Cash and cash equivalents at end of the year		–	–

#### Statement of changes in shareholders' funds for the year ended 31 December 2005

Company	Note	Share capital and premium Rm	Revaluation reserve Rm	Empowerment reserve Rm	Retained earnings Rm	Total Rm
Balance at 1 January 2004		2 415	3 100	–	8 003	13 518
Impairment resulting from Tutuwa initiative	21			(4 017)		(4 017)
Issue of share capital and share premium		3 269				3 269
Share issue cost		(17)				(17)
Profit for the year					6 514	6 514
Dividends paid	26				(2 150)	(2 150)
Balance at 31 December 2004		5 667	3 100	(4 017)	12 367	17 117
Balance at 1 January 2005		5 667	3 100	(4 017)	12 367	17 117
Issue of share capital and share premium	14.2	246				246
Share issue cost	14.2	(1)				(1)
Share buy-backs	14.2	(677)				(677)
Cancellation cost	14.2	(2)				(2)
Profit for the year					7 044	7 044
Dividends paid	26				(4 333)	(4 333)
Dividends received in terms of Tutuwa initiative					301	301
Balance at 31 December 2005		5 233	3 100	(4 017)	15 379	19 695

Standard Bank Group Limited – company annual financial statements *continued*

	2005 Rm	2004 Rm
<b>34 Current and deferred taxation</b>		
Current taxation	112	112
Deferred taxation	19	173
	<b>131</b>	<b>285</b>
<b>34.1 Deferred tax analysis</b>		
Deferred tax at the beginning of the year	173	114
(Reversing)/originating temporary difference for the year		
Secondary tax on companies	(154)	59
Deferred tax at end of the year <sup>1</sup>	19	173
<i><sup>1</sup>Deferred tax at the end of the year is attributable to secondary tax on companies.</i>		
<b>35 Interest in subsidiaries</b>		
Shares at cost	21 107	17 257
Indebtedness to the company	408	531
	<b>21 515</b>	<b>17 788</b>
Indebtedness by the company	(1 189)	(1 075)
	<b>20 326</b>	<b>16 713</b>
Subsidiaries and investments and loans therein are listed in Annexure C on page 194.		
<b>36 Interest in associate</b>		
Cost at beginning and end of the year	131	131
<b>Directors' valuation</b>		
The directors' valuation of the investment in the associate is R131 million (2004: R131 million).		
The associate comprises an investment in South African Home Loans (Proprietary) Limited, refer Annexure D on page 198.		
<b>37 Loans from other banks</b>		
Loans from other banks	900	–
An amount of R500 million is repayable on 19 June 2006 and bears interest of 7,4% per annum payable on 16 March 2006 and 19 June 2006.		
The remaining amount is repayable on 19 June 2006 and bears interest of 7,6% per annum payable on 16 March 2006 and 19 June 2006.		
<b>38 Taxation</b>		
Indirect taxation (note 38.1)	13	11
Direct taxation (note 38.2)	188	2
<b>Total taxation</b>	<b>201</b>	<b>13</b>
<b>38.1 Indirect taxation</b>		
Regional services council levies	11	9
Value added tax	2	2
<b>Indirect taxation</b>	<b>13</b>	<b>11</b>

	2005 Rm	2004 Rm
<b>38 Taxation</b> continued		
<b>38.2 Direct taxation</b>		
<b>Current year</b>		
South African normal tax	1	17
Foreign and withholding taxes	43	44
Secondary tax on companies	173	(59)
<b>Prior years</b>		
South African normal tax	(29)	–
<b>Direct taxation</b>	<b>188</b>	<b>2</b>
<b>Rate reconciliation of direct taxation (%)</b>		
The direct taxation charge for the year as a percentage of profit before direct taxation:	3	–
Foreign and withholding taxes	(1)	(1)
Secondary tax on companies	(2)	1
Tax relating to prior years	–	–
<b>Net tax charge</b>	<b>–</b>	<b>–</b>
The charge for the year has been reduced as a consequence of:		
– Dividends received	29	30
<b>Standard rate of South African tax</b>	<b>29</b>	<b>30</b>
In 2005, the South African government decreased the corporate tax rate from 30% to 29%.		
<b>39 Cash flow statement</b>		
<b>39.1 Reconciliation of income before indirect taxation to cash flows from operating activities</b>		
Income before tax	7 245	6 527
<b>Net cash flows from operating activities</b>	<b>7 245</b>	<b>6 527</b>
<b>39.2 Net cash flows (used in)/from operating funds</b>		
Other liabilities	(20)	6
Decrease in other assets	1	–
	<b>(19)</b>	<b>6</b>
<b>39.3 Taxation paid</b>		
Taxation receivable and deferred taxation at beginning of the year	285	207
Income statement charge	(201)	(13)
Taxation receivable and deferred taxation at end of the year	(131)	(285)
	<b>(47)</b>	<b>(91)</b>
<b>39.4 Interest in subsidiaries</b>		
Cost of acquisition of subsidiaries net of disposal	(3 850)	(3 685)
Movement in net indebtedness	237	158
	<b>(3 613)</b>	<b>(3 527)</b>
<b>39.5 Dividends paid</b>		
Amounts unpaid at beginning of the year	–	–
Dividends to ordinary shareholders	(4 107)	(2 150)
Dividends to preference shareholders	(226)	–
Dividends received in terms of Tutuwa initiative	301	–
Amounts unpaid at end of the year	–	–
	<b>(4 032)</b>	<b>(2 150)</b>