

Seven-year review

Consolidated balance sheet¹

	2005 US\$m	2005 UK£m	2005 €m	CAGR ² %
Assets				
Banking assets	93 353	54 222	78 953	21
Cash and short-term negotiable securities	13 970	8 114	11 815	18
Trading assets	6 045	3 511	5 113	39
Investments	2 885	1 676	2 440	15
Loans and advances	52 536	30 514	44 432	19
Current and deferred tax assets	142	82	120	
Derivative and other assets	17 029	9 892	14 403	37
Interest in associates and joint ventures	128	74	108	52
Goodwill and other intangible assets	96	56	81	
Property and equipment	522	303	441	3
Insurance assets	25 464	14 790	21 536	15
Total assets	118 817	69 012	100 489	20
Equity and liabilities				
Equity	6 284	3 650	5 314	11
Equity attributable to ordinary shareholders	5 178	3 008	4 378	15
Preference share capital and premium	470	273	398	
Minority interest	636	369	538	(8)
Liabilities	112 533	65 362	95 175	21
Banking liabilities	87 931	51 072	74 367	22
Deposit and current accounts	64 853	37 668	54 849	17
Derivative, trading and other liabilities	20 786	12 073	17 580	48
Current and deferred tax liabilities	627	364	530	11
Subordinated bonds	1 665	967	1 408	
Insurance liabilities	24 602	14 290	20 808	17
Total equity and liabilities	118 817	69 012	100 489	20

¹The group implemented IFRS from 1 January 2005. As permitted by IFRS, 2004 results have not been restated for IAS 32, IAS 39 and IFRS 4. With the exception of the reallocation of accrued interest to the relevant line items, results prior to 2004 have not been restated for the adoption of other IFRS statements.

²CAGR refers to compound annual growth rate based on rand amounts for the period 1999 to 2005.

Exchange rates utilised to convert the 31 December 2005 balance sheet: US\$ – 6,36 (2004: 5,63)
 UK£ – 10,95 (2004: 10,82)
 Euro – 7,52 (2004: 7,66)

	2005 Rm	2004 Rm	2003 Rm	2002 Rm	2001 Rm	2000 Rm	1999 Rm
	593 728	506 020	444 371	307 592	306 196	209 337	185 087
	88 848	52 787	44 521	48 583	43 908	31 648	32 452
	38 446	32 438	33 722	26 781	23 548	9 484	5 414
	18 347	20 068	20 421	18 964	23 804	7 818	7 959
	334 128	258 873	222 100	180 418	178 094	139 089	119 863
	902	1 093	803	460	1 322	-	-
	108 312	136 911	118 715	28 528	31 881	18 274	16 557
	815	296	541	276	187	100	65
	610	540	508	671	714	216	-
	3 320	3 014	3 040	2 911	2 738	2 708	2 777
	161 950	114 153	96 195	85 761	89 038	75 643	68 866
	755 678	620 173	540 566	393 353	395 234	284 980	253 953
	39 964	38 533	35 264	32 060	31 666	25 116	21 079
	32 931	29 064	28 835	26 054	25 685	18 292	14 576
	2 991	2 991	8	8	8	8	8
	4 042	6 478	6 421	5 998	5 973	6 816	6 495
	715 714	581 640	505 302	361 293	363 568	259 864	232 874
	559 239	476 153	417 518	283 614	282 694	193 644	173 034
	412 462	322 477	278 899	245 333	241 568	172 136	158 272
	132 199	140 607	128 560	28 953	31 294	15 272	12 596
	3 988	3 409	2 826	2 415	3 804	2 686	2 131
	10 590	9 660	7 233	6 913	6 028	3 550	35
	156 475	105 487	87 784	77 679	80 874	66 220	59 840
	755 678	620 173	540 566	393 353	395 234	284 980	253 953

Seven-year review continued

Consolidated income statement¹

	2005 US\$m	2005 UK£m	2005 €m	CAGR ² %
Banking operations				
Net interest income	2 042	1 122	1 642	11
Non-interest revenue	2 629	1 445	2 114	16
Total income	4 671	2 567	3 756	14
Credit impairment charges	190	104	153	(4)
Income after credit impairment charges	4 481	2 463	3 603	16
Operating expenses	2 644	1 454	2 126	12
Net income before goodwill	1 837	1 009	1 477	22
Goodwill impairment	4	2	3	
Net income from banking operations	1 833	1 007	1 474	22
Income from associates and joint ventures	31	17	25	65
Net income before indirect taxation	1 864	1 024	1 499	22
Indirect taxation	89	49	71	7
Profit before direct taxation	1 775	975	1 428	24
Direct taxation	421	231	339	26
Profit for the year	1 354	744	1 089	23
Attributable to minorities and preference shareholders	60	33	48	52
Banking profit attributable to ordinary shareholders	1 294	711	1 041	22
Insurance operations				
Net income before goodwill	460	253	370	(1)
Goodwill impairment	62	34	50	
Net income from insurance operations	398	219	320	(4)
Indirect taxation	33	18	27	6
Profit before direct taxation	365	201	293	(4)
Direct taxation	257	141	207	12
Profit for the year	108	60	86	(17)
Attributable to minorities	76	42	61	(17)
Insurance profit attributable to ordinary shareholders	32	18	25	(17)
Group profit attributable to ordinary shareholders	1 326	729	1 066	18
Headline earnings	1 331	732	1 070	20
Normalised headline earnings³	1 417	779	1 139	21

¹The group implemented IFRS from 1 January 2005. As permitted by IFRS, 2004 results have not been restated for IAS 32, IAS 39 and IFRS 4. Excluding exceptional items, which have been reallocated and included in the relevant income or expense categories, results prior to 2004 have not been restated for the adoption of other IFRS statements.

²CAGR refers to compound annual growth rate based on rand amounts for the period 1999 to 2005.

³Prepared on a normalised basis (refer page 75 for an explanation of normalised results).

Average exchange rates utilised to convert the 2005 income statement:

US\$ – 6,36 (2004: 6,44)
 UK£ – 11,57 (2004: 11,80)
 Euro – 7,91 (2004: 8,01)

	2005 Rm	2004 Rm	2003 Rm	2002 Rm	2001 Rm	2000 Rm	1999 Rm
	12 987	11 492	11 437	10 520	8 177	7 229	6 761
	16 718	15 044	13 091	11 448	9 135	7 430	6 746
	29 705	26 536	24 528	21 968	17 312	14 659	13 507
	1 207	1 050	1 848	1 955	1 603	1 406	1 527
	28 498	25 486	22 680	20 013	15 709	13 253	11 980
	16 817	15 384	13 938	12 738	10 005	8 655	8 457
	11 681	10 102	8 742	7 275	5 704	4 598	3 523
	24	48	-	-	-	-	-
	11 657	10 054	8 742	7 275	5 704	4 598	3 523
	200	97	102	96	49	16	10
	11 857	10 151	8 844	7 371	5 753	4 614	3 533
	565	389	388	382	309	341	381
	11 292	9 762	8 456	6 989	5 444	4 273	3 152
	2 678	2 484	2 353	2 053	1 447	993	668
	8 614	7 278	6 103	4 936	3 997	3 280	2 484
	383	124	104	122	77	68	31
	8 231	7 154	5 999	4 814	3 920	3 212	2 453
	2 927	2 848	2 408	1 215	3 401	1 260	3 162
	397	-	63	-	-	-	-
	2 530	2 848	2 345	1 215	3 401	1 260	3 162
	213	262	239	223	185	169	154
	2 317	2 586	2 106	992	3 216	1 091	3 008
	1 634	792	823	368	1 123	457	849
	683	1 794	1 283	624	2 093	634	2 159
	482	1 264	904	441	1 488	447	1 522
	201	530	379	183	605	187	637
	8 432	7 684	6 378	4 997	4 525	3 399	3 090
	8 464	7 538	6 280	5 263	4 419	3 673	2 892
	9 013	7 511	6 280	5 263	4 419	3 673	2 892

Seven-year review continued

Statistics, returns and capital adequacy

	CAGR ¹	2005	2004	2003	2002	2001	2000	1999
	%							
Standard Bank Group								
Share statistics								
Number of ordinary shares in issue (thousands)								
Listed on the JSE Limited								
– weighted average		1 353 382	1 345 786	1 334 099	1 328 192	1 318 696 ⁴	1 295 841 ⁴	1 277 018 ⁴
– end of period		1 352 383	1 352 108	1 338 730	1 331 078	1 324 938	1 309 179 ⁴	1 279 313 ⁴
In terms of IFRS ²								
– weighted average		1 205 169	1 321 666	1 334 099	1 328 192	1 318 696	1 295 841	1 277 018
– end of period		1 206 704	1 252 918	1 338 730	1 331 078	1 324 938	1 309 179	1 279 313
Dividend cover (times)		2,5 ³	2,5	3,1	3,2	3,3	3,3	3,3
Dividend yield (%)		3,5	3,5	3,9	4,1	3,3	2,8	2,7
Earnings yield (%)		9,3	8,7	12,0	13,1	10,7	9,3	8,9
Price earnings ratio (times)		10,8	11,5	8,3	7,6	9,3	10,8	11,3
Normalised price earnings ratio (times) ³		11,4	11,8	8,3	7,6	9,3	10,8	11,3
Price-to-book (times)		3,1	3,1	1,8	1,5	1,6	2,2	2,2
Normalised price-to-book (times) ³		2,7	2,7	1,8	1,5	1,6	2,2	2,2
Share price (cents) – high		7 875	6 750	3 960	3 810	3 605	3 120	2 650
– low		5 750	3 686	2 650	2 595	2 600	2 000	1 590
– closing	20	7 581	6 580	3 918	3 015	3 120	3 050	2 555
Number of shares traded (thousands)		841 835	892 633	908 179	673 703	511 549	434 756	401 884
Turnover in shares traded (%)		62,2	66,0	67,8	50,6	38,6	33,2	31,4
Market capitalisation (Rm)	21	102 524	88 969	52 451	40 132	41 338	39 930	32 686
Share statistics per ordinary share (cents)								
Earnings	19	699,7	581,4	478,1	376,2	343,1	262,3	242,0
Normalised earnings ³	18	663,6	569,0	478,1	376,2	343,1	262,3	242,0
Headline earnings	21	702,3	570,3	470,7	396,3	335,1	283,4	226,5
Normalised headline earnings ³	20	666,0	558,1	470,7	396,3	335,1	283,4	226,5
Dividends	26	267,0	231,5	151,0	124,0	102,0	85,0	68,0
Net asset value	16	2 729	2 320	2 154	1 957	1 939	1 397	1 139
Normalised net asset value ³	16	2 830	2 464	2 154	1 957	1 939	1 397	1 139
Selected returns (%)								
Return on equity		27,8	26,0	22,9	20,3	20,1	22,4	20,9
Normalised return on equity ³		25,2	24,2	22,9	20,3	20,1	22,4	20,9

¹CAGR refers to compound annual growth rates for the period 1999 to 2005.

²Shares in issue reduced by shares issued in terms of the Tutuwa initiative and deemed treasury shares held for the benefit of Liberty Life policyholders.

³Prepared on a normalised basis (refer page 75 for an explanation of normalised results).

⁴The number of shares has been adjusted for treasury shares acquired and cancelled in 2001.

Statistics, returns and capital adequacy continued

	CAGR ¹							
	%	2005	2004	2003	2002	2001	2000	1999
Exchange rates at 31 December								
US\$	1	6,36	5,63	6,68	8,58	12,00	7,57	6,16
UK£	2	10,95	10,82	11,95	13,82	17,45	11,30	9,92
Euro	3	7,52	7,66	8,42	9,01	10,68	7,10	6,17
Market indicators at 31 December								
Prime overdraft rate (%)		10,50	11,00	11,50	17,00	13,00	14,50	15,50
JSE All Share Index – closing	14	18 097	12 657	10 387	9 277	10 457	8 164	8 357
JSE Banks Index – closing	15	29 234	22 975	14 153	12 035	12 812	13 697	12 482
Standard Bank operations²								
Selected returns and ratios								
Headline earnings (Rm)	22	8 145	7 187	6 010	4 965	3 985	3 249	2 428
Normalised headline earnings (Rm) ³	23	8 490	7 156	6 010	4 965	3 985	3 249	2 428
Return on equity (%)		28,2	27,2	24,0	21,2	19,9	22,1	20,7
Normalised return on equity (%) ³		25,8	25,1	24,0	21,2	19,9	22,1	20,7
Price-to-book (times)		3,1	3,2	1,8	1,5	1,6	2,1	2,2
Normalised price-to-book (times) ³		2,7	2,7	1,8	1,5	1,6	2,1	2,2
Normalised return on risk-weighted assets (%) ³		2,9	2,9	2,6	2,3	2,1	2,2	1,8
Net interest margin (%)		2,93	3,07	3,46	3,22	3,31	3,77	3,94
Non-interest income to total income (%)		56,3	56,7	53,4	52,1	52,8	50,7	49,9
Cost-to-income ratio (%)		56,6	58,0	56,8	58,0	57,8	59,0	62,6
Credit loss ratio (%)		0,41	0,43	0,90	1,07	0,99	1,06	1,27
Effective tax rate (%)		27,4	28,3	31,0	33,0	30,5	28,9	31,4
Normalised headline earnings per employee (rand) ³	21	231 449	199 777	171 548	143 876	120 444	107 175	74 394
Number of employees at year-end	2	36 682	35 820	35 034	34 509	33 086	30 315	32 637
Capital adequacy⁴								
Risk-weighted assets (Rm)	14	318 279	265 148	236 346	225 995	219 773	158 451	142 498
Tier I capital (Rm)	16	33 553	29 111	25 289	23 277	22 637	16 954	13 680
Total capital (Rm)	19	45 328	39 722	33 797	31 187	29 669	22 500	16 245
Tier I capital to risk-weighted assets (%)		10,5	11,0	10,7	10,3	10,3	10,7	9,6
Total capital to risk-weighted assets (%)		14,2	15,0	14,3	13,8	13,5	14,2	11,4

¹CAGR refers to compound annual growth rates for the period 1999 to 2005.

²Standard Bank Group excluding Liberty Life.

³Prepared on a normalised basis (refer page 75 for an explanation of normalised results).

⁴In accordance with Basel II principles relating to the treatment of insurance entities, insurance operations are excluded from the capital base of the banking group and its related risk-weighted assets. Capital in insurance operations in excess of statutory minimum requirements is not recognised in group capital. Comparatives have been restated accordingly.