Standard Bank Group financial results

for the six months ended 30 June 2013

Standard Bank

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

- operates in 18 countries in sub-Saharan Africa, as well as in selected emerging markets
- owns a controlling stake in the South African listed wealth management group, Liberty Holdings Limited
- three business units: Personal & Business Banking, Corporate & Investment Banking and Liberty
- 151-year history in South Africa
- listed on the Johannesburg Stock Exchange (JSE) since 1970
- started building a franchise outside Southern Africa in the early 1990s.

The Standard Bank Group's (the group) analysis of financial results for the period ended 30 June 2013 has not been audited or independently reviewed and should be read in conjunction with the results announcement, released on the same date, 15 August 2013. The preparation of the financial results was supervised by the group financial director, Simon Ridley, BCom (Natal), CA(SA), AMP (Oxford).

Key banking legal entity information

The Standard Bank of South Africa

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Highlights

Headline earnings

R8 149 million, up 11%

(1H12: R7 315 million)

Headline earnings per share

506 cents, up 10%

(1H12: 460 cents)

Return on equity

13.8%

(1H12: 14.3%)

Tier I capital adequacy ratio

12.3%

(FY12: 11.2%)

Net asset value per share

7 660 cents, up 16%

(1H12: 6 615 cents)

Cost-to-income ratio

57.3%

(1H12: 59.3%)

Credit loss ratio

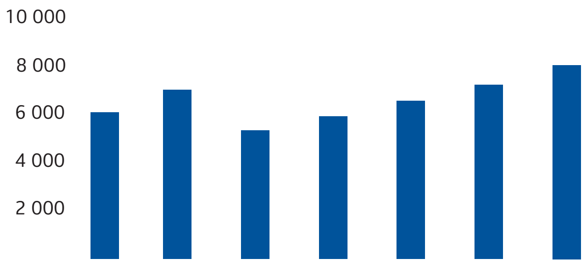
1.17%

(1H12: 0.98%)

The 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 reflect the group's view of the economics of its Black Economic Empowerment Ownership initiative and the group's share exposures entered into to facilitate client trading activities and for the benefit of Liberty policyholders that are deemed to be treasury shares. Refer to page 20 for a detailed explanation on the principal differences between normalised and IFRS results. The normalised results reflect the basis on which management manages the group and is consistent with that reported in the group's segment report.

The comparative financial results have been restated – refer to page 93 for further details.

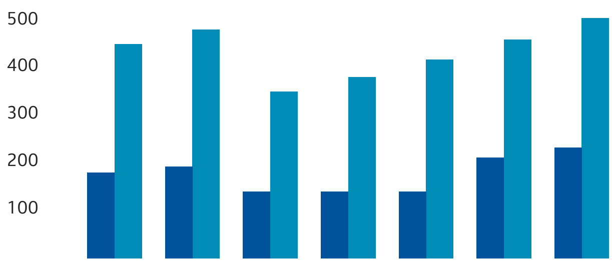
Headline earnings (Rm)
CAGR[1] (1H07 – 1H13): 5%



1H07	1H08	1H09	1H10	1H11	1H12	1H13
6 165	7 104	5 407	5 989	6 637	7 315	8 149

[1] Compound annual growth rate.

Headline earnings and dividends per share (cents)
CAGR (1H07 – 1H13): Headline earnings per share: 2% Dividends per share: 4%



	1H07	1H08	1H09	1H10	1H11	1H12	1H13
Dividends per share	181	193	141	141	141	212	233
Headline earnings per share	451	482	351	382	418	460	506

1H13 refers to the first half year results for 2013.
1H12 refers to the first half year results for 2012.
FY12 refers to the full year results for 2012.
Change % reflects 1H13 growth on 1H12.

Financial results, ratios and statistics

		Change %	1H13	1H12	FY12
Standard Bank Group					
Headline earnings contribution by business unit					
Total headline earnings	Rm	11	**8 149**	7 315	14 918
Banking activities	Rm	12	**7 225**	6 439	12 928
Personal & Business Banking	Rm	14	**3 655**	3 197	7 342
Corporate & Investment Banking	Rm	25	**3 515**	2 803	4 423
Central and other	Rm	(87)	**55**	439	1 163
Liberty	Rm	5	**924**	876	1 990
Ordinary shareholders' interest					
Profit attributable to ordinary shareholders	Rm	12	**8 169**	7 296	16 400
Ordinary shareholders' equity	Rm	18	**123 936**	105 346	114 619
Share statistics					
Headline earnings per ordinary share (EPS)	cents	10	**505,8**	459,8	934,9
Diluted headline EPS	cents	10	**502,0**	456,6	927,4
Basic EPS	cents	11	**507,1**	458,6	1 027,8
Diluted EPS	cents	10	**503,2**	455,4	1 019,6
Dividend per share	cents	10	**233,0**	212,0	455,0
Net asset value per share	cents	16	**7 660**	6 615	7 136
Tangible net asset value per share	cents	15	**6 635**	5 760	6 222
Dividend cover	times		**2.2**	2.2	2.1
Number of ordinary shares in issue					
End of period	thousands	2	**1 617 918**	1 592 596	1 606 136
Weighted average	thousands	1	**1 611 082**	1 590 940	1 595 600
Diluted weighted average	thousands	1	**1 623 360**	1 601 989	1 608 506
Selected returns and ratios					
Return on equity (ROE)	%		**13.8**	14.3	14.0
Capital adequacy[1]					
Total capital adequacy ratio	%		**15.4**	13.6	14.3
Tier I capital adequacy ratio	%		**12.3**	11.1	11.2
Common equity tier I capital adequacy ratio	%		**11.8**	10.4	10.7
Employee statistics					
Number of employees		(5)	**48 730**	51 252	49 017
Number of employees excluding Argentina		2	**48 730**	48 005	49 017
Banking activities					
Balance sheet					
Total assets	Rm	7	**1 394 024**	1 297 677	1 274 234
Loans and advances (net of credit impairments)	Rm	12	**911 481**	816 901	813 892
Selected returns and ratios					
ROE	%		**13.2**	13.6	13.2
Loan-to-deposit ratio	%		**90.3**	88.9	87.5
Net interest margin	%		**3.11**	2.91	3.09
Non-interest revenue to total income	%		**48.4**	51.1	50.2
Credit impairment charges	Rm	28	**5 065**	3 945	8 800
Credit loss ratio	%		**1.17**	0.98	1.08
Cost-to-income ratio	%		**57.3**	59.3	58.9
Effective taxation rate	%		**25.7**	29.1	30.4
Employee statistics					
Number of employees		(6)	**42 933**	45 755	42 736
Number of employees excluding Argentina		1	**42 933**	42 508	42 736

[1] Capital ratios for 1H12 are on a Basel II basis, 1H13 and FY12 are presented on a Basel III basis.

In the first six months of 2013 the group experienced:

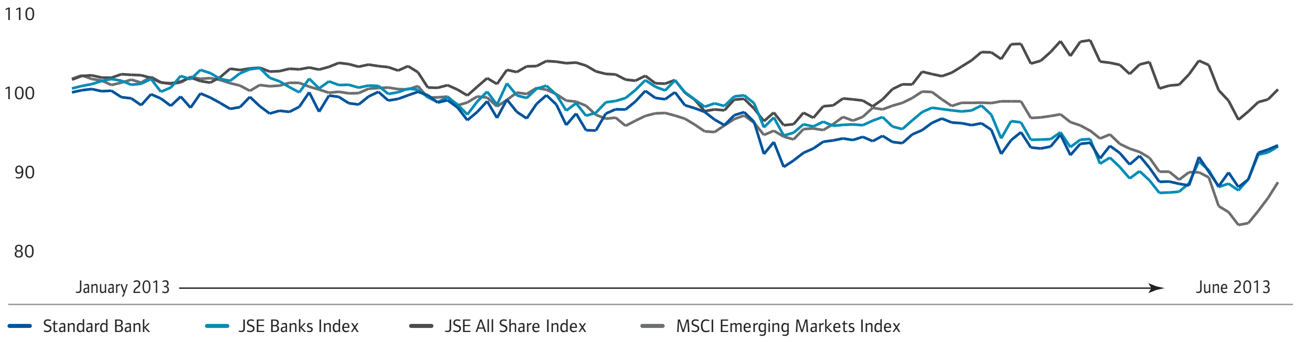
Globally

- Slowing rate of expansion in emerging economies countered by real growth in developed economies.
- Contained global inflation in spite of increasing inflation in emerging economies.
- More stable macro-economic conditions in east and west Africa as indicated by lower average interest rates.
- Continued moderation of growth in the Chinese economy.
- Further contraction of economic activity in the Eurozone.

South Africa

- Slow economic growth due to reduced demand from developed economies and contraction in manufacturing and agricultural output.
- Consistent levels of debt-to-disposable income.
- Persistent high levels of unemployment and high wage increases.
- Significant weakening of the rand due to global USD strength, industrial unrest in the mining sector and concerns about further sovereign debt downgrades.
- Sharply increasing bond yields by 30 June 2013 after being at the lowest levels in 40 years.
- Rising inflation driven by increases in prices of oil, food, transport, education and electricity.

Share price performance



		Change %	1H13	1H12	FY12
Other economic indicators					
Market indicators					
USD/ZAR exchange rate					
– closing		21	**9,94**	8,19	8,48
– average		16	**9,22**	7,94	8,21
SA prime overdraft rate (closing)	%		**8.5**	9.0	8.5
SA average prime overdraft rate	%		**8.5**	9.0	8.8
SA average CPI	%		**5.7**	6.0	5.7
JSE All Share Index (closing)		17	**39 578**	33 708	39 250
JSE Banks Index (closing)		4	**49 961**	47 824	53 362
MSCI Emerging Markets Index (closing)		0	**940**	937	1 055
Share statistics					
Share price					
High for the period	cents	2	**12 089**	11 878	12 030
Low for the period	cents	4	**10 316**	9 876	9 876
Closing	cents	1	**11 148**	11 054	11 888
Shares traded					
Number of shares	thousands	12	**573 251**	513 061	938 187
Value of shares	Rm	14	**64 975**	56 790	103 232
Annualised turnover in shares traded	%		**71.8**	64.9	58.8

Overview
of financial results

Group results

In an environment where revenue generation is becoming increasingly challenging, the group has achieved good growth in total income of 13% and has managed to offset the pressures of higher credit impairments and costs affected by a weaker rand. Headline earnings per share increased by 10% to 506 cents, net asset value per share increased by 16%, and a dividend per share of 233 cents has been declared. The group's tier I ratio under Basel III rules stands at 12.3%.

The group's positioning across the African continent has been further validated in the period with 27% growth in aggregate headline earnings for our African subsidiaries, other than South Africa. Underlying momentum in our businesses across the continent is strong and we continue to build on the foundation laid in previous years. We are appropriately invested in key African countries and are leveraging the group's strong South African platform developed over many years to grow our businesses and deliver value to our clients.

Operating environment

The operating environment in the first half of the year remained challenging against an uncertain global backdrop. While the US economy is looking relatively healthier, concerns remain over subdued growth prospects in the European Union (EU) and, lately, China. The International Monetary Fund (IMF) has revised its outlook for global growth downwards on the back of increasingly softer demand in key emerging market economies and a more protracted recession in the EU. Global growth is now seen by the IMF at 3.1% in 2013, unchanged from 2012.

The downward adjustment in growth expectations for China has already been reflected in weaker commodity prices to which sub-Saharan Africa (SSA) is particularly exposed. The region's largest economies, such as Nigeria and South Africa, continue to struggle with weaker external demand coupled with internal growth constraints. According to the IMF, growth in SSA will rise only modestly to 5.1% in 2013 from 4.9% in 2012.

The uncertain global outlook was reflected in increased financial market volatility particularly in May and June 2013. Talk of the potential tapering of the US Federal Reserve's quantitative easing sparked fears of a withdrawal of funds from emerging markets. The rand was particularly hard hit as the currency faced not only external pressures but internally driven pressures too in the form of lower growth, concerns over the fiscal balance and continuing labour unrest, concentrated mostly in the mining sector.

South African households continue to struggle with high overall debt burdens coupled with sluggish income growth and rising inflation. Growth in household consumption expenditure slowed for the fifth consecutive quarter during the first quarter of 2013 to 2.4%, broadly in line with the growth in real disposable income. The moderation in spending growth can be attributed to slowing growth both in disposable income and in unsecured lending extended to households as credit providers tightened their lending practices. The stubbornly high household sector debt has compromised the ability of households to take on further debt.

Revenue

Total income grew by 13% over the period with net interest income (NII) growing strongly by 20%, with non-interest revenue (NIR) higher by a more moderate 7%. The further depreciation of the rand helped revenue growth and, on a constant currency basis, total income was 10% higher than the prior period.

NII growth of 20% (17% in constant currency) was again a highlight for the group. Although balance sheet expansion was moderate, continued pricing improvement in secured lending portfolios, growth in higher-yielding unsecured balances in Personal & Business Banking (PBB), and favourable term funding rates offset an expected decline in endowment income from lower average interest rates in South Africa and in the rest of Africa.

Net fee and commission income grew by 10% compared with the six months to June 2012. PBB achieved 8% growth in spite of forgoing any price increase on transactional products in 2012 and 2013 as well as price decreases on certain products in 2012 in South Africa to retain and grow its customer base. Sharply increased activity occurred through the mobile banking channels in South Africa offset by slightly lower activity through the group's ATM network. Corporate & Investment Banking (CIB) grew fees and commissions by 11% as good growth continued in transactional banking across the African continent.

Trading revenue was 8% higher in a volatile environment as a similar pattern observed in the prior period of a strong first quarter partially offset by weaker revenue in the second quarter was experienced. A good performance from commodity trading was offset by difficult conditions in fixed income and foreign exchange trading. Trading conditions continue to be affected by uncertainty over when and at what rate the US Federal Reserve will withdraw its liquidity support to financial markets.

Other revenue benefited from the inclusion of a fair value gain on a contingent interest in Troika Dialog but was 9% lower than the prior period which had contained substantial positive valuation adjustments on listed and unlisted property investments in South Africa.

Credit impairments

Total credit impairment charges grew 28% and the credit loss ratio increased to 1.17% from 0.98% in the prior period. PBB's credit charges were 32% higher. Continued deterioration in the credit quality of the inclusive personal loan portfolio and higher-than-expected losses in higher margin personal loans and small and medium enterprise (SME) lending in the rest of Africa contributed to the PBB credit loss ratio of 1.57% (1H12: 1.32%). CIB's credit losses increased by 15% as its credit loss ratio increased to 0.52% from 0.46% in the prior period. A recovery received in respect of a previously written-off exposure in CIB outside Africa was more than offset by a small number of high value credit impairments in South Africa and the rest of Africa.

Non-performing loans (NPLs) in mortgages continued to decrease in line with a slowly improving residential property market in South Africa. Impairments in personal unsecured lending increased by 69% to R1 511 million from R896 million in the prior period. The majority of these impairments originate in the domestic personal term loans (PTL) portfolio, known as the inclusive personal lending book, in South Africa which has been affected over the last year by higher living costs, limited growth in disposable income and reduced credit supply. The PTL book has reduced in size to R3,4 billion from R3,7 billion at the end of 2012 due to lower levels of new business written flowing from higher scorecard thresholds. NII after accounting for credit impairments has increased by 17% over the period, reflecting the group's overall ability to price appropriately for risk in chosen product segments.

Operating expenses

Operating expenses increased by 10% and by 5% on a constant currency basis excluding the impact of rand depreciation relative to the prior period.

Staff costs grew by 12% and by 7% on a constant currency basis. Within staff costs, variable staff costs increased by 31% mostly due to higher current year incentive provisions off a low 1H12 base in CIB flowing from the improvement in its profitability and the amortisation of prior year deferred incentive awards. Excluding the impact of the sale of the group's majority investment in Argentina, staff numbers were 1% higher due to continued investment within PBB in the rest of Africa offset marginally by lower staff complement in South Africa and outside of Africa.

Operating expenses excluding staff expenses increased by 7% and by 2% on a constant currency basis. The group's cost-to-income ratio improved to 57.3% from 59.3% in 1H12.

Loans and advances

Loans and advances to customers grew by 8% over the prior period. PBB advances to customers grew 10% due mainly to strong growth of 42% in personal unsecured lending and 16% growth each in card and instalment sale and finance leases which continued to benefit from higher vehicle sales over the period. Mortgage loans grew by a more moderate 5% with increased competitor activity evident in the market. CIB loans to customers grew at a slower rate of 6% in spite of the effect of a weaker rand in line with its strategy to contain growth in risk-weighted assets.

Capital, funding and liquidity

The group implemented Basel III on 1 January 2013 in line with the South African Reserve Bank (SARB) regulations. This resulted in an increase of R59,6 billion in risk-weighted assets, due mainly to an increase in credit risk and risk-weighted assets for investments in financial entities. The group's tier I ratio declined to 11.2% on 1 January 2013 from the reported 11.7% tier I ratio at 31 December 2012 as a result of the adoption of Basel III.

Since the beginning of the year, the group has made further progress in the building of its common equity tier I and tier I capital levels and is well on track to meet the rising ratios required by the SARB through to 2016 by the careful allocation of available resources. The group's 30 June 2013 Basel III common equity tier I ratio increased to 11.8% from the pro forma Basel III ratio of 10.7% recorded in 31 December 2012. The effect of the weaker rand boosted shareholders' equity by approximately R4,4 billion and increased qualifying common equity tier I capital by 4% in the period.

The group's overall liquidity position remains strong with appropriate liquidity buffers in excess of prudential requirements amounting to R174,1 billion at 30 June 2013 (excluding cash reserving across the group of an additional R59,3 billion). These significant levels of liquidity are appropriately conservative given the group's liquidity stress testing philosophy and in view of potential change in regulatory requirements. The group continues to maintain a robust ratio of long-term funding at 22.6% of liabilities.

Retail priced deposits in PBB showed strong growth, up 18% from June 2012, with contributions to this growth from both South Africa and in the rest of Africa helping to continue the strong growth profile over the last few years. CIB benefited from good growth in negotiable certificates of deposit, up 38%, demand for which was mostly generated by insurers and asset managers, and current accounts which increased by 35% due mainly to corporate support in the rest of Africa. A reduction in term deposits in CIB was partially offset by 21% growth in call deposits as clients preferred to retain liquidity in order to manage cash flows in the subdued economic environment.

The Basel Committee on Banking Supervision (BCBS) previously proposed the two liquidity ratios, namely the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), as part of the Basel III regulations. Following a series of quantitative impact studies, industry comment letters and discussions with banks, the BCBS published a set of revisions to the LCR in January 2013. The SARB confirmed that the proposed revisions to the LCR will be adopted by the South African banking industry and that a committed liquidity facility will also be made available, at a fee, to assist banks in meeting this ratio. The banking industry still expects to face some challenges in meeting the NSFR requirements and continues to engage with the relevant authorities in this regard. Further NSFR guidance is expected from the regulatory authorities towards the end of 2013.

Overview of financial results continued

Overview of business unit performance

Headline earnings by business unit

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Personal & Business Banking	14	**3 655**	3 197	7 342
Corporate & Investment Banking	25	**3 515**	2 803	4 423
Central and other	(>100)	**(34)**	124	490
Banking activities excluding earnings from Argentina	17	**7 136**	6 124	12 255
Argentina	(72)	**89**	315	673
Banking activities	12	**7 225**	6 439	12 928
Liberty	5	**924**	876	1 990
Standard Bank Group	11	**8 149**	7 315	14 918

Personal & Business Banking

PBB reported headline earnings growth of 14% to R3 655 million in the period, driven mainly by strong NII growth of 20% offset by higher credit impairments in both South Africa and the rest of Africa. PBB South Africa grew headline earnings 17% while PBB in the rest of Africa reported a loss after a disappointing credit performance. PBB's return on equity declined to 16.8% from 18.0% in 1H12.

Within mortgages, profitability continued to improve in the period through more appropriate pricing on new business and further reduction in NPLs. Although the level of new business written is similar to the prior period, total revenue increased by 26% and headline earnings, which were positively impacted by 11% lower impairments, increased by 85% to R567 million. NPLs declined by a further R3,2 billion compared with the prior period, reflecting the gradual but steady improvement in the housing market in South Africa over the past year.

Instalment sale and finance leases had a satisfactory period in which higher vehicle sales, particularly in the retail market, supported an increase in total income of 14%. Good loan growth was experienced in certain countries in the rest of Africa and although higher specific impairments were required, the credit losses were within risk appetite and expectations. Headline earnings increased by 38% to R135 million.

Good advances growth was again recorded within card products due to higher activity flowing from account acquisition and credit limit increases and upgrades. Total income increased by 14%, supported by improved net interest margin and success in acquiring high value corporate merchants. As expected, credit card impairments were materially higher at R460 million and the credit loss ratio increased to 3.75% from a low loss ratio base of 2.16% in the comparative period. Headline earnings increased by 13% to R602 million notwithstanding the more normalised credit losses.

In spite of a modest improvement of 6% in total revenue, headline earnings from transactional products declined by 13% to R1 060 million. The unit was adversely affected by lower endowment income as interest rates declined in South Africa and in a number of other African countries. Banking fees in personal markets have not increased during 2012 and 2013, and customer pricing was materially reduced in April 2012, which flowed through fully during the period. Higher operating expenses driven by an increased footprint and a larger staff complement, primarily in west Africa, contributed to the decline in earnings.

Lending products delivered 13% growth in headline earnings due to appropriate risk pricing and higher overdraft and revolving credit plan balances offset by increased impairments required in the PTL portfolio. New origination of unsecured lending in South Africa slowed markedly during the period given a tightening of rish appetite initiated from June 2012 and lower consumer demand.

In bancassurance and wealth, satisfactory growth in the active policy base in core banking products as well as higher market penetration enabled good growth in total income of 23%. Higher insurance profits in certain African countries, single-digit growth in expenses and higher earnings in the Offshore Group supported the 28% growth in headline earnings to R901 million.

Corporate & Investment Banking

CIB's 25% growth in headline earnings to R3 515 million reflects the strong position it occupies in its chosen markets across the African continent. Income growth of 15% outpaced expense growth of 7% with the cost-to-income ratio declining to 59.0% from 63.3% and, although credit impairments were 15% higher, pre-tax profit increased by 31% over the comparative period. CIB's improved profitability and heightened focus on limiting capital usage has enabled it to increase its return on equity to 14.7% from 12.6% in the period to June 2013. Rest of Africa now accounts for 36% of CIB's total revenues, a substantial increase on the 27% and 31% in the first half of 2011 and 2012 respectively.

The transactional products and services business grew revenues by a pleasing 22% mainly through higher volumes in cash management and investor services in South Africa and in the rest of Africa. Countering this was the sharply lower endowment income in South Africa and other African countries due to lower average interest rates in the period. Trade finance experienced increased client activity for guarantees and confirmations for a mix of new and existing clients. Credit impairments were higher but satisfactory headline earnings growth of 9% was achieved.

Global markets grew revenues by 10% in a period that was once again characterised by a strong first quarter performance offset by challenging conditions internationally in the second quarter. Fears that monetary conditions in the US would tighten through the removal of quantitative easing caused a substantial liquidation of positions during June 2013. The resultant lack of liquidity affected both fixed income and foreign exchange trading but commodities trading generated higher revenues from increased client flow and price volatility. Revenues grew within the rest of Africa as the business continued to experience a positive trading environment with high levels of activity, although this was partly offset by difficult operating conditions within South Africa. The restructuring undertaken in our international operations in 2012 assisted in costs falling by 2% over 1H12 and, as a result, headline earnings increased by 70%.

Investment banking increased revenue by 20% during the period in spite of the high base in the prior period. NII benefited from improved margins and measured loan book growth, and fee income was buoyed by increased client activity in mining, energy and infrastructure sectors. Credit impairments remained disappointingly elevated above expected levels due to a small number of large provisions required, and costs grew 13% in support of the revenue growth generated. Headline earnings growth of 19% reflects a satisfactory performance overall.

Real estate and principal investment management revenues fell primarily due to the non-recurrence of prior period gains on Turkey's principal investment management business, but headline earnings rose 14% due to tax credits received in the current period.

Central and other

Headline earnings declined to R55 million from R439 million in the prior period which had included the contribution of R431 million from the group's 75% investment in Standard Bank Argentina, the majority of which was sold in the last quarter of 2012. The attributable income from the 20% investment that the group retains in Argentina amounted to R89 million in the current period. The non-recurrence of the secondary tax on companies charge partly offset this adverse effect.

Liberty

The financial results reported are the consolidated results of our 54% investment in Liberty Holdings Limited. Bancassurance results are included in PBB. Liberty's headline earnings for the six months to 30 June 2013 increased by 5% to R1 704 million of which R924 million was attributable to the group.

Liberty continued to produce a high return on equity and further growth in sales and assets under management, while producing positive experience variances in its long-term insurance business and successfully managing the volatility in the markets seen in May and June 2013. This performance has been supported by innovative new products, acceptable new business growth and reasonable investment fund performance. Operating earnings were 31% higher without any significant assumption or modelling changes and despite a volatile interest rate environment. Return on equity of 21.8% for 1H13 is comparable to 22.3% achieved for 1H12.

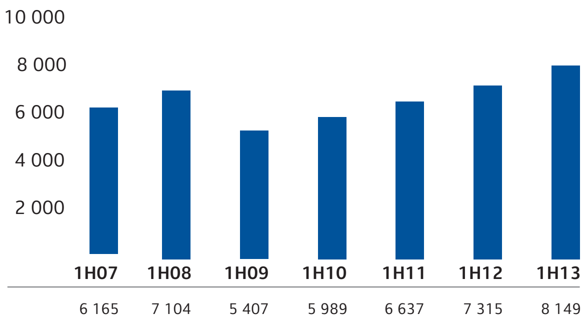
Long-term indexed insurance sales of R3 122 million were up 12% on the prior half year. This, combined with improved pricing, produced a 32% improvement in the group embedded value of long-term insurance new business to R307 million at an overall margin of 1.8% (1H12: 1.5%). Margins were down from the second half of 2012 mainly due to the higher risk discount rate following the increased South African bond market interest rates at 30 June 2013. Group asset management net cash inflows of R9 billion were significantly higher than the R5 billion cash inflows for 1H12 despite a drawdown of R7 billion of assets under a government mandate in east Africa. Stanlib's South African business had a particularly good half-year attracting R14 billion of net cash inflows of which R13,5 billion went into higher margin non-money market retail and institutional mandates. Assets under management across the group grew by 7% from 31 December 2012 to R566 billion.

Summarised group income statement

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net interest income	20	**18 912**	15 794	34 233
Non-interest revenue	7	**17 726**	16 504	34 474
Net fee and commission revenue	10	**11 029**	10 016	21 319
Trading revenue	8	**5 048**	4 669	8 868
Other revenue	(9)	**1 649**	1 819	4 287
Total income	13	**36 638**	32 298	68 707
Credit impairment charges	28	**5 065**	3 945	8 800
Specific credit impairments	28	**4 755**	3 710	9 040
Impaired loss	29	**4 357**	3 366	8 240
Discounting of expected recoveries	16	**398**	344	800
Portfolio credit impairments	32	**310**	235	(240)
Income after credit impairment charges	11	**31 573**	28 353	59 907
Operating expenses	10	**21 129**	19 230	40 068
Staff costs	12	**12 082**	10 765	22 265
Other operating expenses	7	**9 047**	8 465	17 803
Net income before restructure charge	14	**10 444**	9 123	19 839
Restructure charge		**–**	–	758
Net income before goodwill	14	**10 444**	9 123	19 081
Goodwill impairment		**–**	–	777
Net income before disposal of subsidiary and equity accounted earnings	14	**10 444**	9 123	18 304
Loss on disposal of subsidiaries		**–**	–	(86)
Share of profit from associates and joint ventures	69	**248**	147	675
Net income before taxation	15	**10 692**	9 270	18 893
Taxation	2	**2 752**	2 696	5 745
Profit for the period from continuing operations	21	**7 940**	6 574	13 148
Discontinued operation – Argentina	(100)	**–**	431	2 435
Profit for the period	13	**7 940**	7 005	15 583
Attributable to non-controlling interests	28	**522**	407	855
Attributable to preference shareholders	(2)	**173**	177	357
Attributable to ordinary shareholders – banking activities	13	**7 245**	6 421	14 371
Headline adjustable items – banking activities	(>100)	**(20)**	18	(1 443)
Headline earnings – banking activities	12	**7 225**	6 439	12 928
Headline earnings – Liberty	5	**924**	876	1 990
Standard Bank Group headline earnings	11	**8 149**	7 315	14 918

Headline earnings

Headline earnings (Rm)
CAGR (1H07 – 1H13): 5%



Reconciliation of headline earnings

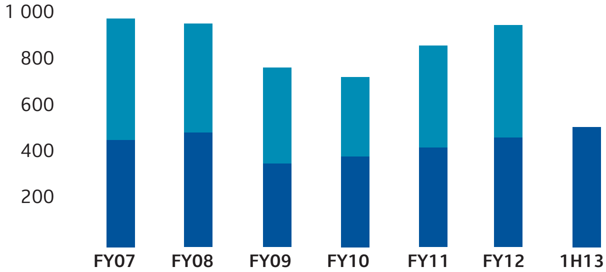
	1H13				1H12				FY12
	Gross Rm	**Tax[1] Rm**	**Non-controlling interest and preference shareholders Rm**	**Net Rm**	Gross Rm	Tax[1] Rm	Non-controlling interest and preference shareholders Rm	Net Rm	Net Rm
Profit for the period – banking activities	**9 988**	**(2 048)**	**(695)**	**7 245**	9 276	(2 271)	(584)	6 421	14 371
Headline adjustable items – banking activities (reversed)/added	**(36)**		**16**	**(20)**	35	(6)	(11)	18	(1 443)
Profit on sale of property and equipment – IAS 16	**(1)**	**1**	**(1)**	**(1)**	(16)	(1)	1	(16)	(34)
Realised foreign currency translation reserve profit – IAS 21					(119)			(119)	(119)
Loss on disposal of subsidiary – IAS 27									86
Profit on sale of Argentina – IAS 27									(1 525)
Disposal profit and changes in impairment of associates – IAS 28/IAS 36									(336)
Goodwill impairment – IAS 36									777
Impairment of intangible assets – IAS 36									220
Loss on net investment hedge on disposal of associate – IAS 39					130			130	97
Realised (gains)/losses on available-for-sale assets – IAS 39	**(35)**	**(1)**	**17**	**(19)**	59	(14)	(14)	31	(599)
Headline adjustable items – Argentina					(19)	9	2	(8)	(10)
Headline earnings – banking activities	**9 952**	**(2 048)**	**(679)**	**7 225**	9 311	(2 277)	(595)	6 439	12 928
Headline earnings – Liberty	**2 867**	**(1 045)**	**(898)**	**924**	2 853	(1 109)	(868)	876	1 990
Standard Bank Group headline earnings	**12 819**	**(3 093)**	**(1 577)**	**8 149**	12 164	(3 386)	(1 463)	7 315	14 918

[1] Excluding indirect taxes and 1H12 includes direct taxes attributable to Argentina.

Headline earnings and dividends per share

Headline earnings per share (cents)

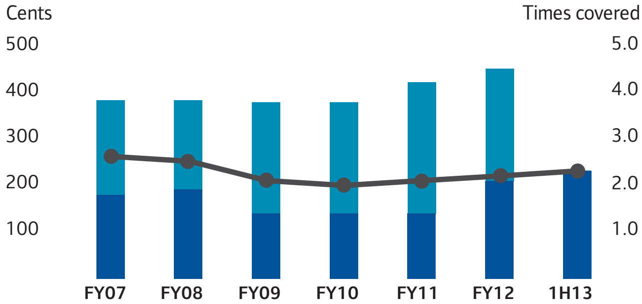
CAGR (1H07 – 1H13): 2%



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
First half	451	482	351	382	418	460	506
Second half	510	461	406	334	439	475	

Dividends per share

CAGR (1H07 – 1H13): 4%



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Dividends per share -interim	181	193	141	141	141	212	233
Dividends per share -final	205	193	245	245	284	243	
Dividend cover	2.5	2.4	2.0	1.9	2.0	2.1	2.2

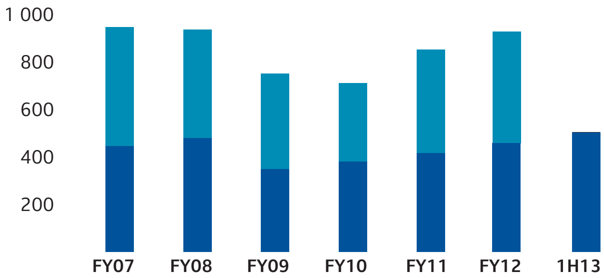
		Change %	**1H13**	1H12	FY12
Headline earnings	Rm	11	**8 149**	7 315	14 918
Headline EPS	cents	10	**505,8**	459,8	934,9
Basic EPS	cents	11	**507,1**	458,6	1 027,8
Total distribution per share	cents	10	**233,0**	212,0	455,0
Interim	cents	10	**233,0**	212,0	212,0
Final	cents				243,0
Dividend cover	times		**2.2**	2.2	2.1
Dividend payout ratio	%		**46.1**	46.1	48.7

Movement in number of ordinary and weighted average shares issued

	1H13		1H12		FY12	
	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	**1 606 136**	**1 606 136**	1 588 747	1 588 747	1 588 747	1 588 747
Share buy-back	**(916)**	**(374)**				
Shares issued	**12 698**	**5 320**	3 849	2 193	17 389	6 853
Shares issued for share option settlements	**2 417**	**1 344**	3 849	2 193	5 348	3 366
Shares issued through scrip distribution	**10 281**	**3 976**			12 041	3 487
End of the period – normalised	**1 617 918**	**1 611 082**	1 592 596	1 590 940	1 606 136	1 595 600
Reconciliation to IFRS shares in issue						
End of the period – normalised	**1 617 918**	**1 611 082**	1 592 596	1 590 940	1 606 136	1 595 600
Tutuwa SPEs' shares financed by Standard Bank	**(27 726)**	**(58 343)**	(63 479)	(63 479)	(63 479)	(63 479)
Total shares held initially by Tutuwa SPEs	**(99 190)**	**(99 190)**	(99 190)	(99 190)	(99 190)	(99 190)
Less: Tutuwa shares financed by third parties	**60 444**	**29 827**	24 691	24 691	24 691	24 691
Less: 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	**3 394**	**1 139**	2 088	1 012	1 009	1 188
Shares held for the benefit of Liberty policyholders	**(7 072)**	**(6 964)**	(13 030)	(11 989)	(7 749)	(11 799)
End of the period – IFRS	**1 586 514**	**1 546 914**	1 518 175	1 516 484	1 535 917	1 521 510

Diluted headline earnings per share

Diluted headline earnings per share (cents)
CAGR (1H07 – 1H13): 2%



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
First half	445	478	349	379	416	457	502
Second half	502	458	402	331	436	470	

	Change %	**1H13 cents**	1H12 cents	FY12 cents
Diluted headline EPS	10	**502,0**	456,6	927,4
Diluted EPS	10	**503,2**	455,4	1 019,6

Diluted weighted average number of ordinary shares issued

	1H13 000's	1H12 000's	FY12 000's
Weighted average shares	**1 611 082**	1 590 940	1 595 600
Dilution from equity compensation plans	**12 278**	11 049	12 906
Share option scheme	**1 510**	2 465	1 874
Equity growth scheme	**6 751**	7 926	9 258
Deferred bonus scheme	**4 017**	658	1 774
Diluted weighted average shares – normalised	**1 623 360**	1 601 989	1 608 506
Reconciliation to diluted weighted average IFRS shares			
Diluted weighted average shares – normalised	**1 623 360**	1 601 989	1 608 506
Shares held by Tutuwa SPEs financed by Standard Bank	**(58 343)**	(63 479)	(63 479)
Share exposures to facilitate client trading activities	**1 139**	1 012	1 188
Shares held for the benefit of Liberty policyholders	**(6 964)**	(11 989)	(11 799)
Tutuwa transaction – dilutive shares	**35 542**	39 914	38 752
Diluted weighted average shares – IFRS	**1 594 734**	1 567 447	1 573 168

Statement of financial position

	Standard Bank Group				Banking activities				Liberty[1]			
	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm
Assets												
Cash and balances with central banks	73	**56 041**	32 413	61 985	73	**56 041**	32 413	61 985				
Derivative assets	(8)	**128 376**	138 949	120 190	(10)	**124 645**	137 815	118 353	>100	**3 731**	1 134	1 837
Trading assets	2	**115 739**	113 596	114 299	1	**115 142**	113 701	114 315	>100	**597**	(105)	(16)
Pledged assets	12	**10 139**	9 069	11 640	(8)	**8 380**	9 069	11 640	100	**1 759**	–	–
Financial investments	13	**354 992**	313 088	333 312	5	**105 326**	100 160	94 715	17	**249 666**	212 928	238 597
Loans and advances	12	**911 481**	816 901	813 892	12	**911 481**	816 901	813 892				
Loans and advances to banks	32	**159 926**	120 997	108 196	32	**159 926**	120 997	108 196				
Loans and advances to customers	8	**751 555**	695 904	705 696	8	**751 555**	695 904	705 696				
Investment property	5	**24 259**	23 032	24 133					5	**24 259**	23 032	24 133
Other assets	36	**47 110**	34 607	35 239	42	**39 073**	27 544	28 233	14	**8 037**	7 063	7 006
Interest in associates and joint ventures	19	**20 197**	16 979	18 731	>100	**4 293**	1 833	2 810	5	**15 904**	15 146	15 921
Non-current assets held for sale	(100)	**–**	33 296	960	(100)	**–**	33 074	960	(100)	**–**	222	–
Goodwill and other intangible assets	22	**16 594**	13 606	14 687	25	**15 927**	12 697	13 928	(27)	**667**	909	759
Goodwill	(2)	**3 560**	3 620	3 124	(2)	**3 523**	3 589	3 092	19	**37**	31	32
Other intangible assets	31	**13 034**	9 986	11 563	36	**12 404**	9 108	10 836	(28)	**630**	878	727
Property and equipment	9	**16 200**	14 796	15 733	10	**13 716**	12 470	13 403	7	**2 484**	2 326	2 330
Total assets	9	**1 701 128**	1 560 332	1 564 801	7	**1 394 024**	1 297 677	1 274 234	17	**307 104**	262 655	290 567
Equity and liabilities												
Equity	17	**146 463**	125 050	135 267	18	**126 414**	107 318	115 792	13	**20 049**	17 732	19 475
Equity attributable to ordinary shareholders	18	**123 936**	105 346	114 619	18	**114 826**	97 269	105 733	13	**9 110**	8 077	8 886
Preference share capital and premium	–	**5 503**	5 503	5 503	–	**5 503**	5 503	5 503				
Non-controlling interest	20	**17 024**	14 201	15 145	34	**6 085**	4 546	4 556	13	**10 939**	9 655	10 589
Liabilities	8	**1 554 665**	1 435 282	1 429 534	6	**1 267 610**	1 190 359	1 158 442	17	**287 055**	244 923	271 092
Derivative liabilities	(4)	**133 751**	138 705	121 998	(7)	**129 099**	138 120	120 868	>100	**4 652**	585	1 130
Trading liabilities	33	**51 065**	38 452	39 206	34	**52 583**	39 127	40 105	(>100)	**(1 518)**	(675)	(899)
Deposit and current accounts	10	**996 124**	902 743	915 950	10	**1 009 483**	918 766	930 153	17	**(13 359)**	(16 023)	(14 203)
Deposits from banks	14	**162 450**	142 736	124 275	14	**162 450**	142 736	124 275				
Deposit and current accounts from customers	10	**833 674**	760 007	791 675	9	**847 033**	776 030	805 878	17	**(13 359)**	(16 023)	(14 203)
Other liabilities	25	**101 355**	80 963	84 148	22	**46 932**	38 558	37 202	28	**54 423**	42 405	46 946
Non-current liabilities held for sale	(100)	**–**	28 808	–	(100)	**–**	28 808	–				
Policyholder liabilities	11	**241 414**	217 252	236 684					11	**241 414**	217 252	236 684
Subordinated debt	9	**30 956**	28 359	31 548	9	**29 513**	26 980	30 114	5	**1 443**	1 379	1 434
Total equity and liabilities	9	**1 701 128**	1 560 332	1 564 801	7	**1 394 024**	1 297 677	1 274 234	17	**307 104**	262 655	290 567

[1] Includes elimination of balances between Liberty and banking activities.

Statement of comprehensive income

	Change %	1H13 Ordinary shareholders' equity Rm	1H13 Non-controlling interests and preference shareholders Rm	1H13 Total equity Rm	1H12 Ordinary shareholders' equity Rm	1H12 Non-controlling interests and preference shareholders Rm	1H12 Total equity Rm	FY12 Ordinary shareholders' equity Rm	FY12 Non-controlling interests and preference shareholders Rm	FY12 Total equity Rm
Profit for the period	12	**8 169**	**1 597**	**9 766**	7 296	1 451	8 747	16 400	3 363	19 763
Other comprehensive income for the period after tax	>100	**3 574**	**1 128**	**4 702**	(401)	(49)	(450)	1 378	307	1 685
Exchange rate differences on translating equity investments in foreign operations		**4 383**	**1 129**	**5 512**	(421)	(124)	(545)	1 056	135	1 191
Foreign currency hedge of net investments		**(239)**		**(239)**	73		73	181		181
Cash flow hedges		**(54)**		**(54)**	(275)	1	(274)	(219)	(8)	(227)
Available-for-sale financial assets		**(34)**	**(49)**	**(83)**	84	56	140	17	142	159
Defined benefit fund adjustments		**(479)**	**11**	**(468)**	143	25	168	346	37	383
Revaluation and other (losses)/gains		**(3)**	**37**	**34**	(5)	(7)	(12)	(3)	1	(2)
Total comprehensive income for the period	74	**11 743**	**2 725**	**14 468**	6 895	1 402	8 297	17 778	3 670	21 448
Attributable to non-controlling interests			**2 552**	**2 552**		1 225	1 225		3 313	3 313
Attributable to equity holders of the parent		**11 743**	**173**	**11 916**	6 895	177	7 072	17 778	357	18 135
Attributable to preference shareholders	(2)		**173**	**173**		177	177		357	357
Attributable to ordinary shareholders	70	**11 743**		**11 743**	6 895		6 895	17 778		17 778

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	Statutory credit risk reserve Rm	Available-for-sale revaluation reserve Rm	Share-based payment reserve Rm	Other reserves Rm	Retained earnings Rm	Ordinary shareholders' equity Rm	Preference share capital and premium Rm	Non-controlling interest Rm	Total equity Rm
Balance at 1 January 2012	17 735	(1 058)	(273)	725	952	110	1 040	311	82 981	102 523	5 503	13 997	122 023
Opening IFRS transition adjustments									461	461		1	462
Restated balance at 1 January 2012	17 735	(1 058)	(273)	725	952	110	1 040	311	83 442	102 984	5 503	13 998	122 485
Increase in statutory credit risk reserve					50				(50)				
Equity-settled share-based payment transactions							282			282		46	328
Deferred tax on share-based payments									69	69			69
Transfer of vested equity options							(181)		181				
Unincorporated property partnerships capital reductions and distributions												(182)	(182)
Disposal of property partnership												(234)	(234)
Transactions with non-controlling shareholders							1	2	(66)	(63)		(987)	(1 050)
Issue of share capital and share premium and capitalisation of reserves	357								(232)	125			125
Transfer of owner occupied properties								(11)	11				
Total comprehensive income for the period		1 056	181	(219)		17		(70)	16 813	17 778	357	3 313	21 448
Dividends paid									(6 556)	(6 556)	(357)	(809)	(7 722)
Restated balance at 31 December 2012	18 092	(2)	(92)	506	1 002	127	1 142	232	93 612	114 619	5 503	15 145	135 267
Restated balance at 1 January 2013	**18 092**	**(2)**	**(92)**	**506**	**1 002**	**127**	**1 142**	**232**	**93 612**	**114 619**	**5 503**	**15 145**	**135 267**
Increase in statutory credit risk reserve					**68**				**(68)**				
Equity-settled share-based payment transactions							**218**			**218**		**20**	**238**
Deferred tax on share-based payments									**63**	**63**			**63**
Transfer of vested equity options							**(259)**		**259**				
Transactions with non-controlling shareholders									**(21)**	**(21)**		**61**	**40**
Issue of share capital and share premium and capitalisation of reserves	**121**								**(119)**	**2**			**2**
Unincorporated property partnerships capital reductions and distributions												**(77)**	**(77)**
Total comprehensive income for the period		**4 383**	**(239)**	**(54)**		**(34)**		**4**	**7 683**	**11 743**	**173**	**2 552**	**14 468**
Dividends paid									**(2 688)**	**(2 688)**	**(173)**	**(677)**	**(3 538)**
Balance at 30 June 2013	**18 213**	**4 381**	**(331)**	**452**	**1 070**	**93**	**1 101**	**236**	**98 721**	**123 936**	**5 503**	**17 024**	**146 463**

All balances are stated net of applicable tax.

Financial results, ratios and statistics – IFRS

		Change %	1H13 Rm	1H12 Rm	FY12 Rm
Standard Bank Group					
Headline earnings contribution by business unit					
Total headline earnings	Rm	13	**8 046**	7 110	14 564
Banking activities	Rm	12	**7 123**	6 340	12 732
Personal & Business Banking	Rm	14	**3 655**	3 197	7 342
Corporate & Investment Banking	Rm	25	**3 515**	2 803	4 423
Central and other	Rm	(>100)	**(47)**	340	967
Liberty	Rm	20	**923**	770	1 832
Ordinary shareholders' interest					
Profit attributable to ordinary shareholders	Rm	14	**8 066**	7 091	16 046
Ordinary shareholders' equity	Rm	20	**122 348**	101 760	111 085
Share statistics					
Headline EPS	cents	11	**520,1**	468,8	957,2
Diluted headline EPS	cents	11	**504,5**	453,6	925,8
Basic EPS	cents	12	**521,4**	467,6	1 054,6
Diluted EPS	cents	12	**505,8**	452,4	1 020,0
Dividend per share	cents	10	**233,0**	212,0	455,0
Net asset value per share	cents	15	**7 712**	6 703	7 232
Tangible net asset value per share	cents	15	**6 666**	5 807	6 276
Dividend cover	times		**2.3**	2.2	2.1
Number of ordinary shares in issue					
End of period	thousands	5	**1 586 514**	1 518 175	1 535 917
Weighted average	thousands	2	**1 546 914**	1 516 484	1 521 510
Diluted weighted average	thousands	2	**1 594 734**	1 567 447	1 573 168
Selected returns and ratios					
ROE	%		**14.0**	14.4	14.2
Capital adequacy[1]					
Total capital adequacy ratio	%		**15.4**	13.6	14.3
Tier I capital adequacy ratio	%		**12.3**	11.1	11.2
Common equity tier I capital adequacy ratio	%		**11.8**	10.4	10.7
Banking activities					
Balance sheet					
Total assets	Rm	8	**1 393 253**	1 295 299	1 271 633
Loans and advances (net of credit impairments)	Rm	12	**910 332**	814 292	811 171
Selected returns and ratios					
ROE	%		**13.3**	13.7	13.3
Loan-to-deposits ratio	%		**90.2**	88.6	87.2
Net interest margin	%		**3.09**	2.90	3.07
Non-interest revenue to total income	%		**48.5**	51.3	50.4
Credit impairment charges	Rm	28	**5 065**	3 945	8 800
Credit loss ratio	%		**1.17**	0.98	1.08
Cost-to-income ratio	%		**57.4**	59.5	59.1
Effective taxation rate	%		**26.0**	29.4	30.8

[1] Capital adequacy ratios for 1H12 are on a Basel II basis, 1H13 and FY12 are presented on a Basel III basis.

Summarised group income statement – IFRS

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net interest income	20	**18 809**	15 688	34 015
Non-interest revenue	7	**17 732**	16 503	34 499
Net fee and commission revenue	10	**11 029**	10 016	21 319
Trading revenue	8	**5 054**	4 668	8 893
Other revenue	(9)	**1 649**	1 819	4 287
Total income	14	**36 541**	32 191	68 514
Credit impairment charges	28	**5 065**	3 945	8 800
Specific credit impairments	28	**4 755**	3 710	9 040
Impaired loss	29	**4 357**	3 366	8 240
Discounting of expected recoveries	16	**398**	344	800
Portfolio credit impairments	32	**310**	235	(240)
Income after credit impairment charges	11	**31 476**	28 246	59 714
Operating expenses	10	**21 129**	19 230	40 068
Staff costs	12	**12 082**	10 765	22 265
Other operating expenses	7	**9 047**	8 465	17 803
Net income before restructure charge	15	**10 347**	9 016	19 646
Restructure charge		**–**	–	758
Net income before goodwill	15	**10 347**	9 016	18 888
Goodwill impairment		**–**	–	777
Net income before disposal of subsidiary and equity accounted earnings	15	**10 347**	9 016	18 111
Loss on disposal of subsidiaries		**–**	–	(86)
Share of profit from associates and joint ventures	69	**248**	147	675
Net income before taxation	16	**10 595**	9 163	18 700
Taxation	2	**2 754**	2 697	5 753
Profit for the period from continuing operations	21	**7 841**	6 466	12 947
Discontinued operation – Argentina	(100)	**–**	431	2 435
Profit for the period	14	**7 841**	6 897	15 382
Attributable to non-controlling interests	28	**522**	407	855
Attributable to preference shareholders	5	**176**	168	352
Attributable to ordinary shareholders – banking activities	13	**7 143**	6 322	14 175
Headline adjustable items – banking activities	(>100)	**(20)**	18	(1 443)
Headline earnings – banking activities	12	**7 123**	6 340	12 732
Headline earnings – Liberty	20	**923**	770	1 832
Standard Bank Group headline earnings	13	**8 046**	7 110	14 564

Statement of comprehensive income – IFRS

		1H13			1H12			FY12		
	Change %	Ordinary shareholders' equity Rm	Non-controlling interests and preference shareholders Rm	Total equity Rm	Ordinary shareholders' equity Rm	Non-controlling interests and preference shareholders Rm	Total equity Rm	Ordinary shareholders' equity Rm	Non-controlling interests and preference shareholders Rm	Total equity Rm
Profit for the period	14	**8 066**	**1 598**	**9 664**	7 091	1 353	8 444	16 046	3 223	19 269
Other comprehensive income after tax for the period	>100	**3 574**	**1 128**	**4 702**	(401)	(49)	(450)	1 378	307	1 685
Exchange rate differences on translating equity investments in foreign operations		**4 383**	**1 129**	**5 512**	(421)	(124)	(545)	1 056	135	1 191
Foreign currency hedge of net investments		**(239)**		**(239)**	73		73	181		181
Cash flow hedges		**(54)**		**(54)**	(275)	1	(274)	(219)	(8)	(227)
Available-for-sale financial assets		**(34)**	**(49)**	**(83)**	84	56	140	17	142	159
Defined benefit fund adjustments		**(479)**	**11**	**(468)**	143	25	168	346	37	383
Revaluation and other (losses)/gains		**(3)**	**37**	**34**	(5)	(7)	(12)	(3)	1	(2)
Total comprehensive income for the period	80	**11 640**	**2 726**	**14 366**	6 690	1 304	7 994	17 424	3 530	20 954
Attributable to non-controlling interests			**2 550**	**2 550**		1 136	1 136		3 178	3 178
Attributable to equity holders of the parent		**11 640**	**176**	**11 816**	6 690	168	6 858	17 424	352	17 776
Attributable to preference shareholders	5		**176**	**176**		168	168		352	352
Attributable to ordinary shareholders	74	**11 640**		**11 640**	6 690		6 690	17 424		17 424

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	Cash flow hedging reserve Rm	Statutory credit risk reserve Rm	Available-for-sale revaluation reserve Rm	Share-based payment reserve Rm	Other reserves Rm	Retained earnings Rm	Ordinary shareholders' equity Rm	Preference share capital and premium Rm	Non-controlling interest Rm	Total equity Rm
Balance at 1 January 2012	17 735	(3 079)	(198)	(1 058)	(273)	725	952	110	1 040	311	82 777	99 042	5 503	12 988	117 533
Opening IFRS transition adjustments			(49)								457	408		(44)	364
Restated balance at 1 January 2012	17 735	(3 079)	(247)	(1 058)	(273)	725	952	110	1 040	311	83 234	99 450	5 503	12 944	117 897
Increase in statutory credit risk reserve							50				(50)				
Transactions with non-controlling shareholders		(8)	(4)						1	2	(65)	(74)		(970)	(1 044)
Equity-settled share-based payment transactions									282			282		46	328
Deferred tax on share-based payments											69	69			69
Transfer of vested equity options									(181)		181				
Net decrease in treasury shares			61								210	271		245	516
Issue of share capital and share premium and capitalisation of reserves	357										(232)	125			125
Transfer of owner occupied properties										(11)	11				
Unincorporated property partnerships capital reductions and distributions														(182)	(182)
Disposal of property partnership														(234)	(234)
Total comprehensive income for the period				1 056	181	(219)		17		(70)	16 459	17 424	352	3 178	20 954
Net dividends paid		(183)									(6 279)	(6 462)	(352)	(726)	(7 540)
Restated balance at 31 December 2012	18 092	(3 270)	(190)	(2)	(92)	506	1 002	127	1 142	232	93 538	111 085	5 503	14 301	130 889
Restated balance at 1 January 2013	**18 092**	**(3 270)**	**(190)**	**(2)**	**(92)**	**506**	**1 002**	**127**	**1 142**	**232**	**93 538**	**111 085**	**5 503**	**14 301**	**130 889**
Increase in statutory credit risk reserve							**68**				**(68)**				
Transactions with non-controlling shareholders		**2**	**1**								**(22)**	**(19)**		**57**	**38**
Equity-settled share-based payment transactions									**218**			**218**		**20**	**238**
Deferred tax on share-based payments											**63**	**63**			**63**
Transfer of vested equity options									**(259)**		**259**				
Net decrease in treasury shares			**284**								**17**	**301**		**38**	**339**
Issue of share capital and share premium and capitalisation of reserves	**121**										**(119)**	**2**			**2**
External refinancing of Tutuwa transaction		**1 658**									**18**	**1 676**			**1 676**
Unincorporated property partnerships capital reductions and distributions														**(77)**	**(77)**
Total comprehensive income for the period				**4 383**	**(239)**	**(54)**		**(34)**		**4**	**7 580**	**11 640**	**176**	**2 550**	**14 366**
Net dividends paid		**(29)**									**(2 589)**	**(2 618)**	**(176)**	**(617)**	**(3 411)**
Balance at 30 June 2013	**18 213**	**(1 639)**	**95**	**4 381**	**(331)**	**452**	**1 070**	**93**	**1 101**	**236**	**98 677**	**122 348**	**5 503**	**16 272**	**144 123**

All balances are stated net of applicable tax.

Explanation of principal differences between normalised and IFRS results

Description of normalised adjustments

The group's consolidated financial statements are prepared in accordance with IFRS, its interpretations adopted by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE, and the South African Companies Act, 71 of 2008. This document is prepared on a basis which normalises or adjusts the IFRS results for three specific accounting circumstances to reflect the group's view of the economics and legal substance of the following arrangements (the normalised adjustments):

- the group's Tutuwa initiative
- group shares held by Liberty for the benefit of policyholders
- 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 in 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 normalised adjustments have been made within Liberty, and central and other. The results of the other business units are unaffected.

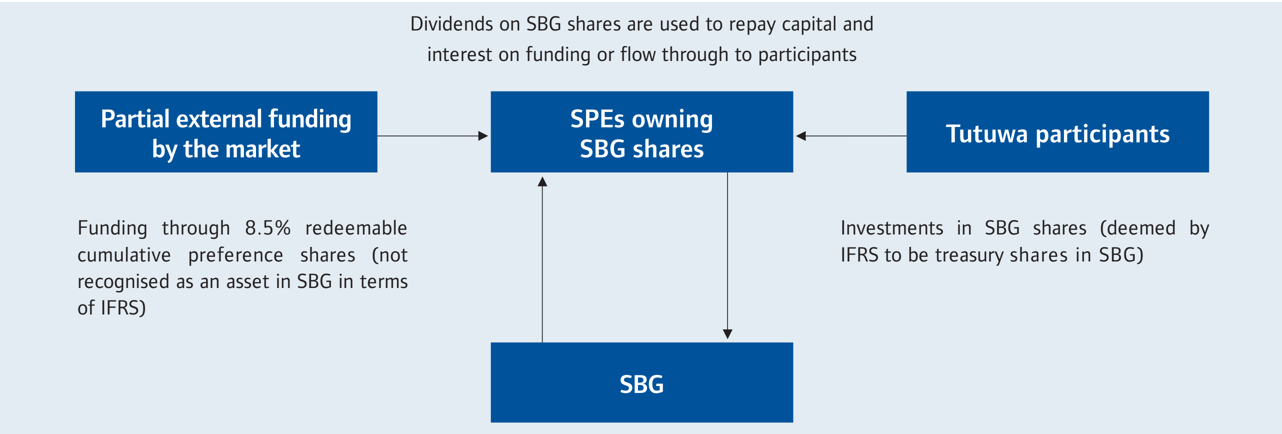
Black Economic Empowerment Ownership (Tutuwa) initiative

The group concluded its Tutuwa 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 SPEs controlled by the Standard Bank Group (SBG). These SPEs purchased SBG shares. Subsequently, the SPEs containing these shares were sold to black participants. The capital and dividends on the redeemable preference shares issued by the SPEs 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 SPEs 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 SPEs 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 SPEs that are deemed to be treasury shares in terms of accounting conventions.
- Preference dividends accrued but not received, due to cash distributions paid to participants, increase the empowerment reserve.
- To the extent that preference dividends are received from the SPEs, these are eliminated against the ordinary dividends paid on the SBG shares held by the SPEs.
- For purposes of the calculation of EPS, the weighted average number of shares in issue is reduced by the number of shares held by those SPEs 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.

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
- adjusts dividends declared on perpetual preference shares to an accrual basis.

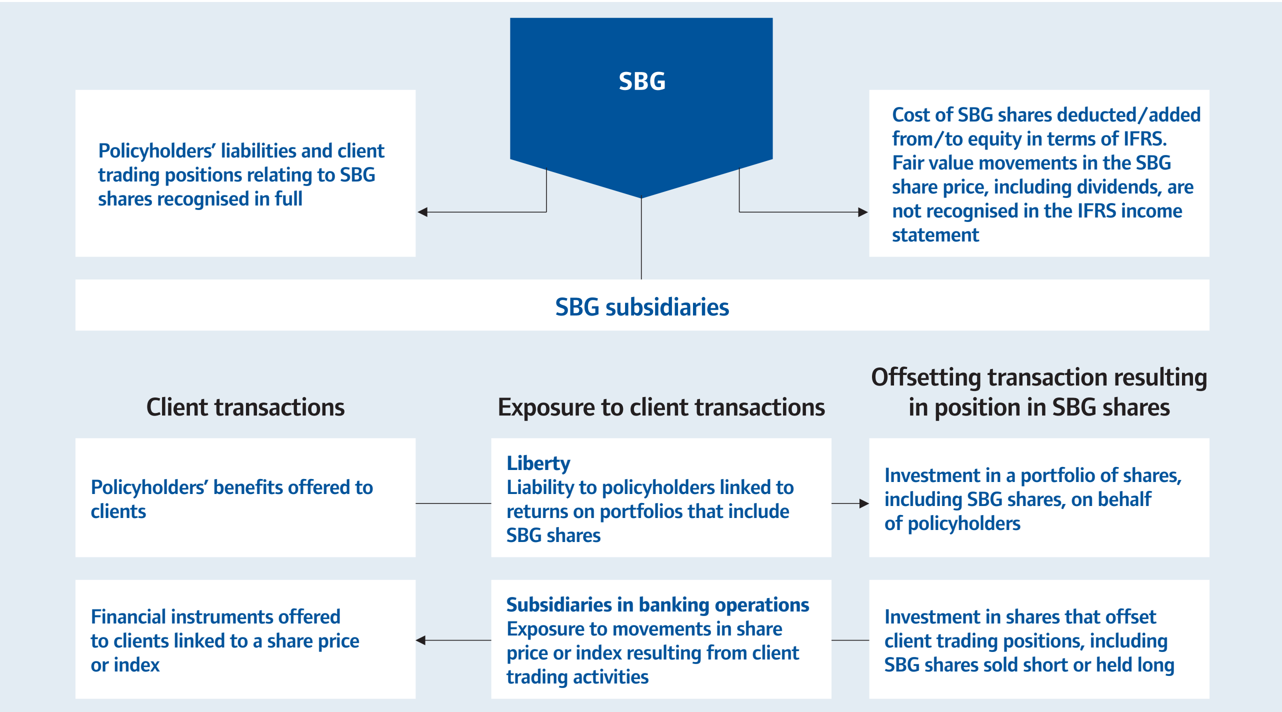
The group obtained external financing in December 2007 and a portion of the Tutuwa participant's shares were sold to the Industrial and Commercial Bank of China Limited (ICBC) in March 2008 (with the proceeds thereof being used for the repayment of the preference share liability). This resulted in 24,7 million and 11 million shares respectively no longer being deemed to be treasury shares for IFRS purposes.

In May and June 2013, transactions were concluded to refinance the group's funding of its Tutuwa transaction with external third-party financing. This resulted in the group's empowerment reserve decreasing by R1,7 billion and 35,8 million shares no longer being deemed to be treasury shares for IFRS purposes.

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

The group acquires or sells short shares in SBG 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 clients trading positions over listed shares, including its 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 the fair value changes on these shares.

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



Explanation of principal differences between normalised and IFRS results

continued

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 deducted from or added to ordinary shareholders' equity and non-controlling interest respectively in the group's financial statements
- all the fair value movements are eliminated from the income statement, reserves and non-controlling interests where applicable
- dividends received on group shares are eliminated against dividends paid.

No corresponding adjustment is made to the policyholders' liabilities or trading positions with clients. 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 positions, along with the change in policyholders' liabilities and profit or loss recognised on the client trading positions, 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 54.1% owned by the group, as IAS 33 *Earnings per Share* does not contemplate non-controlling interest 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 10.

Reconciliation of IFRS and normalised results

	Headline earnings			Ordinary shareholders' equity
	Banking activities Rm	Liberty Rm	Standard Bank Group Rm	Standard Bank Group Rm
IFRS – 1H13	**7 123**	**923**	**8 046**	**122 348**
Tutuwa initiative	**106**	**20**	**126**	**1 513**
Share exposures held to facilitate client trading activities	**(4)**		**(4)**	**(351)**
Group shares held for the benefit of Liberty policyholders		**(19)**	**(19)**	**426**
Normalised – 1H13	**7 225**	**924**	**8 149**	**123 936**
IFRS – 1H12	6 340	770	7 110	101 760
Tutuwa initiative	97	18	115	3 022
Share exposures held to facilitate client trading activities	2		2	(218)
Group shares held for the benefit of Liberty policyholders		88	88	782
Normalised – 1H12	6 439	876	7 315	105 346
IFRS – FY12	12 732	1 832	14 564	111 085
Tutuwa initiative	213	33	246	3 127
Share exposures held to facilitate client trading activities	(17)		(17)	(92)
Group shares held for the benefit of Liberty policyholders		125	125	499
Normalised – FY12	12 928	1 990	14 918	114 619

Segmental reporting

Segmental structure for key business units	**24**
Segmental income statement	**26**
Segmental statement of financial position	**28**
Personal & Business Banking	**30**
Corporate & Investment Banking	**34**
Liberty	**38**

Segmental structure for key business units

Standard Bank Group

Personal & Business Banking

Banking and other financial services to individual customers and small- to medium-sized enterprises in South Africa, the rest of Africa and the Channel Islands

What we offer

Mortgage lending
- Residential accommodation loans to mainly personal market customers

Instalment sale and finance leases
- Finance of vehicles for personal market customers
- Finance of vehicles and equipment in the business market

Card products
- Credit card facilities to individuals and businesses (credit card issuing)
- Merchant transaction acquiring services (card acquiring)

Transactional products
- Comprehensive suite of transactional, savings and investment products. This includes deposit taking activities, electronic banking and debit card facilities

Lending products
- Lending products offered to both personal and business markets

Bancassurance and wealth
- Short-term and long-term insurance comprising:
  - simple embedded products including homeowners' insurance, funeral cover, household contents and vehicle insurance and loan protection plans sold in conjunction with related banking products
  - complex insurance products including life, disability and investment policies sold by qualified intermediaries
- Financial planning
- Wealth services

Corporate & Investment Banking

Corporate and investment banking services to governments, parastatals, larger corporates, financial institutions and international counterparties

What we offer

Global markets
- Fixed income and currencies (FIC)
- Commodities
- Equities

Transactional products and services
- Transactional banking
- Investor services
- Trade finance

Investment banking
- Advisory
- Debt products
- Structured finance
- Structured trade and commodity finance
- Debt capital markets
- Equity capital markets

Real estate and principal investment management
- Real estate finance
- Investments in real estate
- Principal investment management

Liberty

Life insurance and investment management activities of group companies in the Liberty Holdings Group

What we offer

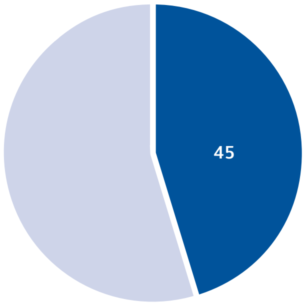
- Long-term investments
- Long-term risk – life and disability
- Pension fund management
- Asset management
- Endowment and retirement annuities
- Corporate benefits
- Healthcare and health insurance
- Investment-related advice and solutions

Central and other

- Includes the impact of the Tutuwa initiative, group hedging activities, group capital instruments, group surplus capital and strategic acquisition costs
- Includes the results of centralised support functions (back office), including those functions that were previously embedded in the business segments. The direct costs of support functions are recharged to the business segments

Personal & Business Banking

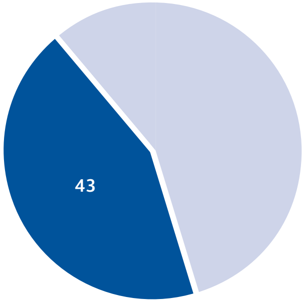
% of group headline earnings



	1H13	1H12
Headline earnings	**R3 655 million**	R3 197 million
Headline earnings change	**increased 14%**	increased 33%
Headline earnings contribution	**45%**	44%
Return on equity	**16.8%**	18.0%
Cost-to-income ratio	**60.3%**	61.5%
Credit loss ratio	**1.57%**	1.32%
External net loans and advances	**R519 billion**	R466 billion

Corporate & Investment Banking

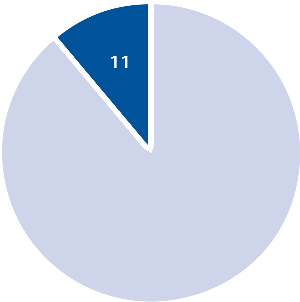
% of group headline earnings



	1H13	1H12
Headline earnings	**R3 515 million**	R2 803 million
Headline earnings change	**increased 25%**	decreased 9%
Headline earnings contribution	**43%**	38%
Return on equity	**14.7%**	12.6%
Cost-to-income ratio	**59.0%**	63.3%
Credit loss ratio	**0.52%**	0.46%
External net loans and advances	**R431 billion**	R379 billion

Liberty

% of group headline earnings



	1H13	1H12
Headline earnings as reported by Liberty	**R1 704 million**	R1 622 million
Headline earnings attributable to the group	**R924 million**	R876 million
Headline earnings contribution	**11%**	12%
Return on equity	**20.4%**	22.7%
Normalised equity value	**R34 billion**	R30 billion
Third party funds under management	**R295 billion**	R272 billion

Segmental income statement

	Personal & Business Banking			Corporate & Investment Banking			Central and other		
	Change %	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm
Income from banking activities	15	**23 016**	20 079	15	**13 957**	12 158	(>100)	**(335)**	61
Net interest income	20	**13 079**	10 932	23	**5 436**	4 415	(11)	**397**	447
Non-interest revenue	9	**9 937**	9 147	10	**8 521**	7 743	(90)	**(732)**	(386)
Net fee and commission revenue	8	**9 024**	8 320	11	**2 502**	2 246	10	**(497)**	(550)
Trading revenue	(>100)	**(17)**	(3)	10	**5 258**	4 785	(71)	**(193)**	(113)
Other revenue	12	**930**	830	7	**761**	712	(>100)	**(42)**	277
Income from investment management and life insurance activities									
Net insurance premiums									
Investment income and gains									
Management and service fee income									
Total income	15	**23 016**	20 079	15	**13 957**	12 158	(>100)	**(335)**	61
Credit impairment charges	32	**4 083**	3 090	15	**980**	853	–	**2**	2
Specific credit impairments	36	**3 907**	2 880	2	**847**	829	–	**1**	1
Impaired loss	39	**3 515**	2 533	1	**841**	832	–	**1**	1
Discounting of expected recoveries	13	**392**	347	>100	**6**	(3)			
Portfolio credit impairments	(16)	**176**	210	>100	**133**	24	–	**1**	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	11	**18 933**	16 989	15	**12 977**	11 305	(>100)	**(337)**	59
Operating expenses in banking activities	12	**13 961**	12 413	7	**8 241**	7 724	(18)	**(1 073)**	(907)
Staff costs	16	**3 932**	3 403	10	**2 689**	2 446	11	**5 461**	4 916
Other operating expenses	11	**10 029**	9 010	5	**5 552**	5 278	(12)	**(6 534)**	(5 823)
Insurance activities									
Acquisition costs – insurance and investment contracts									
Other operating expenses									
Net income before equity accounted earnings	9	**4 972**	4 576	32	**4 736**	3 581	(24)	**736**	966
Share of profit from associates and joint ventures	44	**154**	107	(86)	**5**	37	>100	**89**	3
Net income before indirect taxation	9	**5 126**	4 683	31	**4 741**	3 618	(15)	**825**	969
Indirect taxation	(5)	**189**	199	(19)	**133**	164	33	**382**	288
Profit before direct taxation	10	**4 937**	4 484	33	**4 608**	3 454	(35)	**443**	681
Direct taxation	(0)	**1 257**	1 260	34	**628**	468	(49)	**163**	317
Profit for the period from continuing operations	14	**3 680**	3 224	33	**3 980**	2 986	(23)	**280**	364
Discontinued operation – Argentina							(100)	**–**	431
Profit for the period	14	**3 680**	3 224	33	**3 980**	2 986	(65)	**280**	795
Attributable to non-controlling interests	(5)	**20**	21	>100	**444**	212	(67)	**58**	174
Attributable to preference shareholders							(2)	**173**	177
Attributable to ordinary shareholders	14	**3 660**	3 203	27	**3 536**	2 774	(89)	**49**	444
Headline adjustable items	17	**(5)**	(6)	(>100)	**(21)**	29	>100	**6**	(5)
Headline earnings	14	**3 655**	3 197	25	**3 515**	2 803	(87)	**55**	439
ROE (%)		**16.8**	18.0		**14.7**	12.6			
Net interest margin (%)		**4.92**	4.57		**1.57**	1.44			
Credit loss ratio (%)		**1.57**	1.32		**0.52**	0.46			
Cost-to-income ratio (%)		**60.3**	61.5		**59.0**	63.3			
Number of employees (excluding Argentina)	3	**21 605**	20 898	(12)	**2 431**	2 774	0	**18 897**	18 836
Number of employees – Argentina							(100)	**–**	3 247

	Banking activities			Liberty[1]			Normalised Standard Bank Group			IFRS adjustments		IFRS Standard Bank Group		
	Change %	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm
Income from banking activities	13	**36 638**	32 298				13	**36 638**	32 298	**(97)**	(107)	14	**36 541**	32 191
Net interest income	20	**18 912**	15 794				20	**18 912**	15 794	**(103)**	(106)	20	**18 809**	15 688
Non-interest revenue	7	**17 726**	16 504				7	**17 726**	16 504	**6**	(1)	7	**17 732**	16 503
Net fee and commission revenue	10	**11 029**	10 016				10	**11 029**	10 016			10	**11 029**	10 016
Trading revenue	8	**5 048**	4 669				8	**5 048**	4 669	**6**	(1)	8	**5 054**	4 668
Other revenue	(9)	**1 649**	1 819				(9)	**1 649**	1 819			(9)	**1 649**	1 819
Income from investment management and life insurance activities				(4)	**30 836**	32 209	(4)	**30 836**	32 209	**(1)**	(195)	(4)	**30 835**	32 014
Net insurance premiums				11	**15 433**	13 844	11	**15 433**	13 844			11	**15 433**	13 844
Investment income and gains				(18)	**14 062**	17 119	(18)	**14 062**	17 119	**(1)**	(195)	(17)	**14 061**	16 924
Management and service fee income				8	**1 341**	1 246	8	**1 341**	1 246			8	**1 341**	1 246
Total income	13	**36 638**	32 298	(4)	**30 836**	32 209	5	**67 474**	64 507	**(98)**	(302)	5	**67 376**	64 205
Credit impairment charges	28	**5 065**	3 945				28	**5 065**	3 945			28	**5 065**	3 945
Specific credit impairments	28	**4 755**	3 710				28	**4 755**	3 710			28	**4 755**	3 710
Impaired loss	29	**4 357**	3 366				29	**4 357**	3 366			29	**4 357**	3 366
Discounting of expected recoveries	16	**398**	344				16	**398**	344			16	**398**	344
Portfolio credit impairments	32	**310**	235				32	**310**	235			32	**310**	235
Benefits due to policyholders				(8)	**21 593**	23 428	(8)	**21 593**	23 428			(8)	**21 593**	23 428
Net insurance benefits and claims				(14)	**15 399**	17 972	(14)	**15 399**	17 972			(14)	**15 399**	17 972
Fair value adjustment to policyholders' liabilities under investment contracts				(27)	**2 754**	3 773	(27)	**2 754**	3 773			(27)	**2 754**	3 773
Fair value adjustment on third party fund interests				>100	**3 440**	1 683	>100	**3 440**	1 683			>100	**3 440**	1 683
Income after credit impairment charges and policyholders' benefits	11	**31 573**	28 353	5	**9 243**	8 781	10	**40 816**	37 134	**(98)**	(302)	11	**40 718**	36 832
Operating expenses in banking activities	10	**21 129**	19 230				10	**21 129**	19 230			10	**21 129**	19 230
Staff costs	12	**12 082**	10 765				12	**12 082**	10 765			12	**12 082**	10 765
Other operating expenses	7	**9 047**	8 465				7	**9 047**	8 465			7	**9 047**	8 465
Insurance activities				7	**6 200**	5 779	7	**6 200**	5 779			7	**6 200**	5 779
Acquisition costs – insurance and investment contracts				13	**2 013**	1 778	13	**2 013**	1 778			13	**2 013**	1 778
Other operating expenses				5	**4 187**	4 001	5	**4 187**	4 001			5	**4 187**	4 001
Net income before equity accounted earnings	14	**10 444**	9 123	1	**3 043**	3 002	11	**13 487**	12 125	**(98)**	(302)	13	**13 389**	11 823
Share of profit from associates and joint ventures	69	**248**	147	(37)	**12**	19	57	**260**	166			57	**260**	166
Net income before indirect taxation	15	**10 692**	9 270	1	**3 055**	3 021	12	**13 747**	12 291	**(98)**	(302)	14	**13 649**	11 989
Indirect taxation	8	**704**	651	11	**188**	170	9	**892**	821			9	**892**	821
Profit before direct taxation	16	**9 988**	8 619	1	**2 867**	2 851	12	**12 855**	11 470	**(98)**	(302)	14	**12 757**	11 168
Direct taxation	0	**2 048**	2 045	(6)	**1 041**	1 109	(2)	**3 089**	3 154	**4**	1	(2)	**3 093**	3 155
Profit for the period from continuing operations	21	**7 940**	6 574	5	**1 826**	1 742	17	**9 766**	8 316	**(102)**	(303)	21	**9 664**	8 013
Discontinued operation – Argentina	(100)	**–**	431				(100)	**–**	431			(100)	**–**	431
Profit for the period	13	**7 940**	7 005	5	**1 826**	1 742	12	**9 766**	8 747	**(102)**	(303)	14	**9 664**	8 444
Attributable to non-controlling interests	28	**522**	407	4	**902**	867	12	**1 424**	1 274	**(2)**	(89)	20	**1 422**	1 185
Attributable to preference shareholders	(2)	**173**	177				(2)	**173**	177	**3**	(9)	5	**176**	168
Attributable to ordinary shareholders	13	**7 245**	6 421	6	**924**	875	12	**8 169**	7 296	**(103)**	(205)	14	**8 066**	7 091
Headline adjustable items	(>100)	**(20)**	18	(100)	**–**	1	(>100)	**(20)**	19			(>100)	**(20)**	19
Headline earnings	12	**7 225**	6 439	5	**924**	876	11	**8 149**	7 315	**(103)**	(205)	13	**8 046**	7 110
ROE (%)		**13.2**	13.6		**20.4**	22.7		**13.8**	14.3				**14.0**	14.4
Net interest margin (%)		**3.11**	2.91					**3.11**	2.91				**3.09**	2.90
Credit loss ratio (%)		**1.17**	0.98					**1.17**	0.98				**1.17**	0.98
Cost-to-income ratio (%)		**57.3**	59.3					**57.3**	59.3				**57.4**	59.5
Number of employees (excluding Argentina)	1	**42 933**	42 508	5	**5 797**	5 497	2	**48 730**	48 005			2	**48 730**	48 005
Number of employees – Argentina	(100)	**–**	3 247				(100)	**–**	3 247			(100)	**–**	3 247

[1] Includes adjustments on consolidation of Liberty Holdings into the group.

Segmental statement of financial position

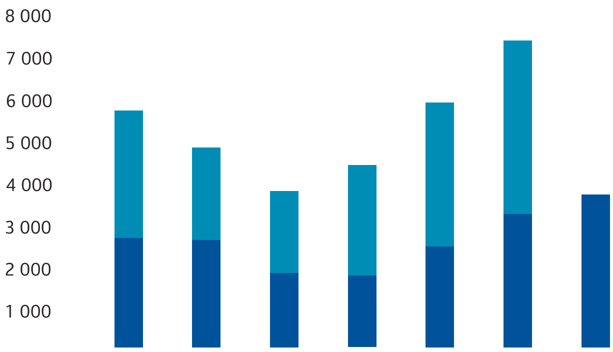
	Personal & Business Banking			Corporate & Investment Banking			Central and other		
	Change %	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm
Assets									
Cash and balances with central banks	28	**3 878**	3 034	92	**46 516**	24 232	10	**5 647**	5 147
Financial investments, trading and pledged assets	26	**5 495**	4 374	3	**226 092**	219 442	(>100)	**(2 739)**	(886)
Loans and advances	11	**519 019**	465 978	14	**431 242**	379 367	(36)	**(38 780)**	(28 444)
Loans and advances to banks	37	**34 226**	25 043	30	**161 051**	123 865	(27)	**(35 351)**	(27 911)
Loans and advances to customers	10	**484 793**	440 935	6	**270 191**	255 502	(>100)	**(3 429)**	(533)
Investment property									
Derivative and other assets	23	**5 636**	4 577	(2)	**156 814**	159 861	38	**1 268**	921
Non-current assets held for sale				(100)	**–**	941	(100)	**–**	32 133
Interest in associates and joint ventures	52	**1 904**	1 254	26	**647**	513	>100	**1 742**	66
Goodwill and other intangible assets	62	**7 972**	4 926	16	**1 140**	986	0	**6 815**	6 785
Property and equipment	16	**5 188**	4 475	13	**1 365**	1 206	6	**7 163**	6 789
Total assets	12	**549 092**	488 618	10	**863 816**	786 548	(>100)	**(18 884)**	22 511
Equity and liabilities									
Equity	18	**45 785**	38 932	5	**51 408**	48 998	51	**29 221**	19 388
Equity attributable to ordinary shareholders	18	**44 867**	38 112	4	**48 839**	47 090	75	**21 120**	12 067
Preference share capital and premium							–	**5 503**	5 503
Non-controlling interest	12	**918**	820	35	**2 569**	1 908	43	**2 598**	1 818
Liabilities	12	**503 307**	449 686	10	**812 408**	737 550	(>100)	**(48 105)**	3 123
Deposit and current accounts	12	**494 642**	439 988	10	**528 614**	480 385	(>100)	**(13 773)**	(1 607)
Deposits from banks	12	**1 411**	1 255	13	**161 582**	142 453	44	**(543)**	(972)
Deposit and current accounts from customers	12	**493 231**	438 733	9	**367 032**	337 932	(>100)	**(13 230)**	(635)
Derivative, trading and other liabilities	43	**3 190**	2 223	11	**266 521**	240 794	(51)	**(41 097)**	(27 212)
Non-current liabilities held for sale				(100)	**–**	229	(100)	**–**	28 579
Policyholders' liabilities									
Subordinated debt	(27)	**5 475**	7 475	7	**17 273**	16 142	>100	**6 765**	3 363
Total equity and liabilities	12	**549 092**	488 618	10	**863 816**	786 548	(>100)	**(18 884)**	22 511
Average assets – banking activities excluding trading derivatives		**536 132**	479 729		**698 105**	614 812		**(6 304)**	(7 883)
Average loans and advances (gross)		**524 443**	470 113		**383 367**	374 218		**(31 161)**	(33 138)
Average ordinary shareholders' equity		**43 814**	35 740		**48 379**	44 782		**17 934**	14 920

	Banking activities			Liberty[1]			Normalised Standard Bank Group			IFRS adjustments		IFRS Standard Bank Group		
	Change %	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm
Assets														
Cash and balances with central banks	73	**56 041**	32 413				73	**56 041**	32 413			73	**56 041**	32 413
Financial investments, trading and pledged assets	3	**228 848**	222 930	18	**252 022**	212 823	10	**480 870**	435 753	**(1 261)**	(2 162)	11	**479 609**	433 591
Loans and advances	12	**911 481**	816 901				12	**911 481**	816 901	**(1 149)**	(2 609)	12	**910 332**	814 292
Loans and advances to banks	32	**159 926**	120 997				32	**159 926**	120 997			32	**159 926**	120 997
Loans and advances to customers	8	**751 555**	695 904				8	**751 555**	695 904	**(1 149)**	(2 609)	8	**750 406**	693 295
Investment property				5	**24 259**	23 032	5	**24 259**	23 032			5	**24 259**	23 032
Derivative and other assets	(1)	**163 718**	165 359	44	**11 768**	8 197	1	**175 486**	173 556			1	**175 486**	173 556
Non-current assets held for sale	(100)	**–**	33 074	(100)	**–**	222	(100)	**–**	33 296			(100)	**–**	33 296
Interest in associates and joint ventures	>100	**4 293**	1 833	5	**15 904**	15 146	19	**20 197**	16 979			19	**20 197**	16 979
Goodwill and other intangible assets	25	**15 927**	12 697	(27)	**667**	909	22	**16 594**	13 606			22	**16 594**	13 606
Property and equipment	10	**13 716**	12 470	7	**2 484**	2 326	9	**16 200**	14 796			9	**16 200**	14 796
Total assets	7	**1 394 024**	1 297 677	17	**307 104**	262 655	9	**1 701 128**	1 560 332	**(2 410)**	(4 771)	9	**1 698 718**	1 555 561
Equity and liabilities														
Equity	18	**126 414**	107 318	13	**20 049**	17 732	17	**146 463**	125 050	**(2 340)**	(4 680)	20	**144 123**	120 370
Equity attributable to ordinary shareholders	18	**114 826**	97 269	13	**9 110**	8 077	18	**123 936**	105 346	**(1 588)**	(3 586)	20	**122 348**	101 760
Preference share capital and premium	–	**5 503**	5 503				–	**5 503**	5 503			–	**5 503**	5 503
Non-controlling interest	34	**6 085**	4 546	13	**10 939**	9 655	20	**17 024**	14 201	**(752)**	(1 094)	24	**16 272**	13 107
Liabilities	6	**1 267 610**	1 190 359	17	**287 055**	244 923	8	**1 554 665**	1 435 282	**(70)**	(91)	8	**1 554 595**	1 435 191
Deposit and current accounts	10	**1 009 483**	918 766	17	**(13 359)**	(16 023)	10	**996 124**	902 743			10	**996 124**	902 743
Deposits from banks	14	**162 450**	142 736				14	**162 450**	142 736			14	**162 450**	142 736
Deposit and current accounts from customers	9	**847 033**	776 030	17	**(13 359)**	(16 023)	10	**833 674**	760 007			10	**833 674**	760 007
Derivative, trading and other liabilities	6	**228 614**	215 805	36	**57 557**	42 315	11	**286 171**	258 120	**(70)**	(91)	11	**286 101**	258 029
Non-current liabilities held for sale	(100)	**–**	28 808				(100)	**–**	28 808			(100)	**–**	28 808
Policyholders' liabilities				11	**241 414**	217 252	11	**241 414**	217 252			11	**241 414**	217 252
Subordinated debt	9	**29 513**	26 980	5	**1 443**	1 379	9	**30 956**	28 359			9	**30 956**	28 359
Total equity and liabilities	7	**1 394 024**	1 297 677	17	**307 104**	262 655	9	**1 701 128**	1 560 332	**(2 410)**	(4 771)	9	**1 698 718**	1 555 561
Average assets – banking activities excluding trading derivatives		**1 227 933**	1 086 658					**1 227 933**	1 086 658	**(2 195)**	(2 234)		**1 225 738**	1 084 424
Average loans and advances (gross)		**876 649**	811 193					**876 649**	811 193	**(2 339)**	(2 370)		**874 310**	808 823
Average ordinary shareholders' equity		**110 127**	95 442		**9 116**	7 768		**119 243**	103 210	**(3 329)**	(3 752)		**115 914**	99 458

[1] Includes elimination of balances between Liberty and banking activities.

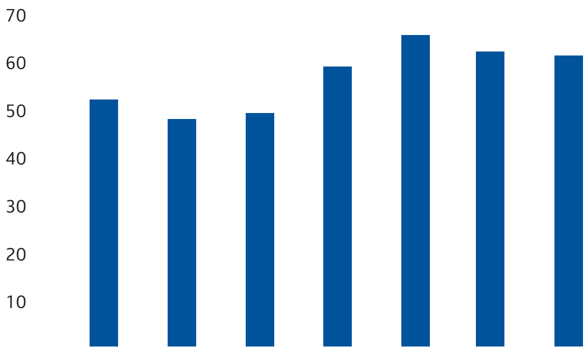
Personal & Business Banking

Headline earnings (Rm)
CAGR (1H07 – 1H13): 7%



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
First half	2 616	2 565	1 998	1 934	2 408	3 197	3 655
Second half	3 049	2 212	1 868	2 430	3 452	4 145	

Cost-to-income ratio (%)



1H07	1H08	1H09	1H10	1H11	1H12	1H13
51.6	47.5	48.8	58.5	65.1	61.5	60.3

		Change %	1H13	1H12	FY12
Net interest income	Rm	20	**13 079**	10 932	23 429
Non-interest revenue	Rm	9	**9 937**	9 147	19 083
Total income	Rm	15	**23 016**	20 079	42 512
Credit impairment charges	Rm	32	**4 083**	3 090	6 658
Operating expenses	Rm	12	**13 961**	12 413	25 891
Taxation	Rm	(1)	**1 446**	1 459	2 922
Headline earnings	Rm	14	**3 655**	3 197	7 342
Headline earnings change	%		**14**	33	25
Headline earnings contribution to the group	%		**45**	44	49
ROE	%		**16.8**	18.0	19.4
Net interest margin	%		**4.92**	4.57	4.80
Cost-to-income ratio	%		**60.3**	61.5	60.1
Credit loss ratio	%		**1.57**	1.32	1.39
Effective taxation rate	%		**28.2**	31.2	27.9
Total assets	Rm	12	**549 092**	488 618	518 458
Net loans and advances	Rm	11	**519 019**	465 978	489 909
Number of employees		3	**21 605**	20 898	21 067

Favourable

- Net interest income benefited from balance sheet growth at wider margins.
- Improved product profitability through continued pricing for risk.
- Higher non-interest revenue due to growth in transactional, savings and investment portfolios, as well as higher electronic and card-based commission revenue.
- Increased short-term insurance policy base.

Adverse

- Negative endowment impact of lower average interest rates in South Africa, Uganda, Nigeria, Mozambique and Kenya.
- Increased new defaults, particularly within the personal unsecured lending and business lending portfolios in South Africa, driving credit impairments higher.
- Increased credit impairments in the rest of Africa, particularly in Tanzania, Malawi, Uganda and Mozambique.
- Increased information technology costs following the commissioning of core banking platforms in 2012 and 2013.
- Higher other operating expenses due to increased business volumes and branch network expansion, particularly in the rest of Africa.

Total income and headline earnings by product

	Total income				Headline earnings			
	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm
Mortgage lending	26	**3 011**	2 393	5 153	85	**567**	306	970
Instalment sale and finance leases	14	**1 393**	1 227	2 546	38	**135**	98	208
Card products	14	**2 438**	2 139	4 455	13	**602**	532	1 200
Transactional products	6	**9 647**	9 071	18 984	(13)	**1 060**	1 215	2 647
Lending products	25	**4 089**	3 266	7 034	13	**390**	344	724
Bancassurance and wealth	23	**2 438**	1 983	4 340	28	**901**	702	1 593
Personal & Business Banking	15	**23 016**	20 079	42 512	14	**3 655**	3 197	7 342

Mortgage lending

- Growth in net interest income due to increased pricing on new loans to accommodate the impact of Basel III.
- Lower registration volumes.
- Reduced non-performing loan portfolio following several management initiatives, including enhanced collection activities and restructuring where appropriate.
- Lower credit impairment charge.
- Strong loan book growth in Botswana and Namibia on the back of buoyant mortgage markets.

Instalment sale and finance leases

- Continued improvement in South African vehicle sales, primarily in the personal lending market.
- Increased non-performing loans portfolio leading to higher specific impairments.
- Business banking loan book growth in Kenya and Uganda.

Card products

- Growth in the book due to increased turnover following acquisition initiatives and account upgrades.
- Improved net interest margin.
- Increased card acquiring turnover due to the acquisition of high value corporate merchants in the latter part of 2012 coupled with growth in existing business.
- Higher credit impairments, in line with the improved net interest margin and increased risk appetite.

Transactional products

- Good balance growth in transactional, savings and investment portfolios.
- Negative endowment impact of lower average interest rates in South Africa, Uganda, Nigeria and Mozambique.
- Lower fee structures due to the utilisation of cheaper Access accounts for long-term client acquisition strategy.
- Full year impact of reduced pricing introduced in April 2012.
- Increased term deposits in the rest of Africa.
- Higher operating expenses in the rest of Africa due to increased headcount and branch expansion, primarily in Angola and Nigeria.

Lending products

- Increased balances in overdrafts and revolving credit facilities due to higher limit utilisations and a focused approach to sales.
- Improved risk-based pricing.
- Higher credit impairments in all portfolios due to a deterioration in the non-performing loan mix and growth in the loan book.
- Revenue earned from growth in the rest of Africa's SME business loans and workplace banking personal loans was offset by increased specific impairments required.

Bancassurance and wealth

- Increased volumes of short-term insurance offset by lower underwriting profit following the finalisation of 2012 claims.
- Growth in embedded products policy base, increased penetration into core banking products and improved loss ratios.
- Higher insurance profits in Namibia and Mozambique following growth in the policy base.

Personal & Business Banking – South Africa

		Change %	**1H13**	1H12	FY12
Net interest income	Rm	20	**10 496**	8 755	18 838
Non-interest revenue	Rm	5	**7 982**	7 624	15 804
Total income	Rm	13	**18 478**	16 379	34 642
Credit impairment charges	Rm	30	**3 338**	2 576	5 553
Operating expenses	Rm	9	**10 123**	9 274	19 112
Headline earnings	Rm	17	**3 781**	3 244	7 436
ROE	%		**20.6**	21.4	23.0
Cost-to-income ratio	%		**54.3**	56.3	54.3
Credit loss ratio	%		**1.50**	1.26	1.33

Personal & Business Banking continued

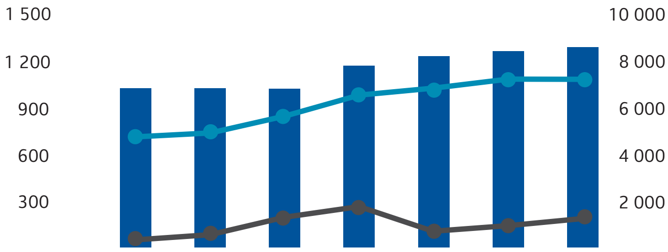
Loans and advances by product

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Loans and advances to banks	37	**34 226**	25 043	27 063
Call loans	(3)	**21 226**	21 824	17 657
Balances with banks	>100	**13 000**	3 219	9 406
Loans and advances to customers	10	**484 793**	440 935	462 846
Gross loans and advances to customers	10	**498 491**	452 656	475 105
Mortgage loans	5	**306 187**	292 733	299 675
Instalment sale and finance leases	16	**67 713**	58 453	62 860
Card debtors	16	**26 322**	22 669	24 052
Overdrafts and other demand loans	28	**35 190**	27 533	29 824
Personal unsecured lending	34	**8 784**	6 544	11 620
Business lending	26	**26 406**	20 989	18 204
Other term loans	23	**59 455**	48 156	55 164
Personal unsecured lending	44	**37 668**	26 145	31 033
Business lending	(1)	**21 787**	22 011	24 131
Commercial property finance	19	**3 522**	2 961	3 429
Other loans and advances	(32)	**102**	151	101
Less: Credit impairments for loans and advances	17	**13 698**	11 721	12 259
Specific credit impairments	25	**9 817**	7 826	8 614
Portfolio credit impairments	(0)	**3 881**	3 895	3 645
Net loans and advances	11	**519 019**	465 978	489 909
Comprising:				
Gross loans and advances	12	**532 717**	477 699	502 168
Less: Credit impairments	17	**13 698**	11 721	12 259
Net loans and advances	11	**519 019**	465 978	489 909
Securitised assets consolidated above:				
Mortgage loans	(12)	**10 473**	11 967	11 113

Deposit and current accounts by product

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Wholesale priced deposit and current accounts	9	**65 388**	60 163	64 765
Call deposits	12	**55 079**	49 074	52 992
Securitisation issuances	(7)	**10 309**	11 089	11 773
Retail priced deposit and current accounts	18	**268 854**	227 390	248 289
Current accounts	31	**100 702**	77 058	87 830
Cash management deposits	33	**18 161**	13 684	15 696
Call deposits	24	**71 393**	57 355	62 675
Savings accounts	(20)	**18 253**	22 919	24 201
Term deposits	6	**53 061**	49 873	50 956
Other funding	12	**7 284**	6 501	6 931
Inter-divisional funding	5	**160 400**	152 435	148 289
Total deposit and current accounts	12	**494 642**	439 988	461 343

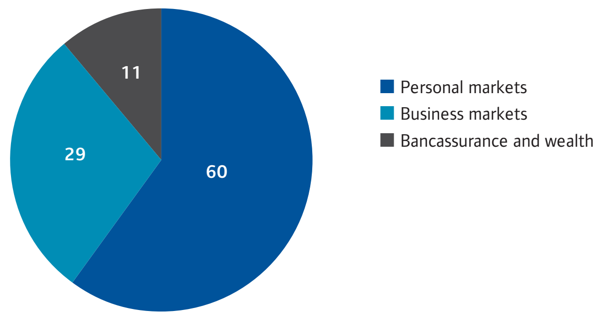
Points of representation



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Branches[1]	1 015	1 013	1 012	1 159	1 217	1 249	1 277
ATMs: Standard Bank-owned	4 699	4 864	5 580	6 473	6 770	7 152	7 144
ATMs: non-Standard Bank-owned	322	541	1 284	1 736	1 175	1 312	1 373

[1] Including loan centres.

Composition of income per market segment (%)



Key business statistics

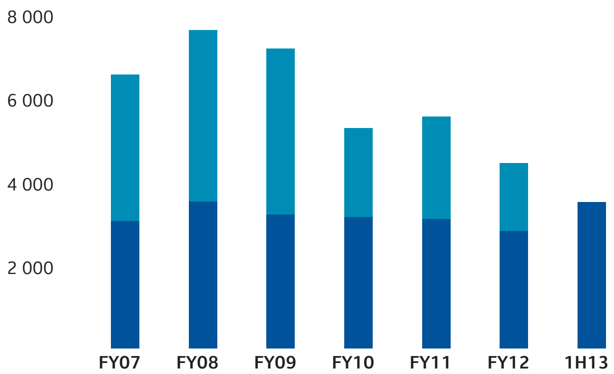
		Change %	**1H13**	1H12	FY12
South Africa					
Mortgage loans					
Number of loan applications received	thousands	(7)	**135**	145	291
Change in value of new business registered	%		**2**	2	2
Average loan-to-value of new business registered	%		**84**	86	87
Average balance-to-original-value of portfolio	%		**67**	66	66
Average instalment-to-income of new business	%		**19**	20	19
Proportion of new business referred by independent mortgage originators and estate agents	%		**52**	54	53
Instalment sale and finance leases					
Growth in value of new loans					
– motor	%		**(1)**	17	15
– non-motor	%		**3**	9	23
Number of accounts at period-end[1]					
Credit card accounts	thousands	4	**2 327**	2 237	2 319
Current accounts	thousands	5	**2 541**	2 431	2 568
Transactional and savings accounts	thousands	3	**7 958**	7 757	8 315
Distribution					
Change in internet users (registered)	%		**37**	38	34
Change in mobile banking users (active)	%		**21**	>100	>100
Change in ATM transactions	%		**0**	5	2
Points of representation					
Branches		(1)	**619**	628	621
Loan centres/access banking		47	**109**	74	100
ATMs		3	**7 416**	7 197	7 414
ATMs – Standard Bank – owned		1	**6 043**	5 991	6 102
ATMs – non-Standard Bank – owned		14	**1 373**	1 206	1 312
Access points (active)		(20)	**2 490**	3 095	4 650
Rest of Africa					
Points of representation					
Branches[2]		7	**549**	514	528
ATMs		13	**1 101**	977	1 050
Change in ATM transactions	%		**42**	19	35

[1] Excluding nil balances.

[2] Includes service centres, customer service trade points, agencies, in-store banking and bank at work sites.

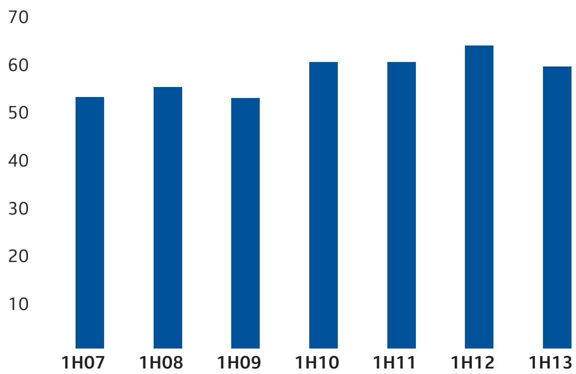
Corporate & Investment Banking

Headline earnings (Rm)
CAGR (1H07 – 1H13): 2%



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
First half	3 037	3 499	3 197	3 126	3 085	2 803	3 515
Second half	3 499	4 098	3 959	2 126	2 447	1 620	

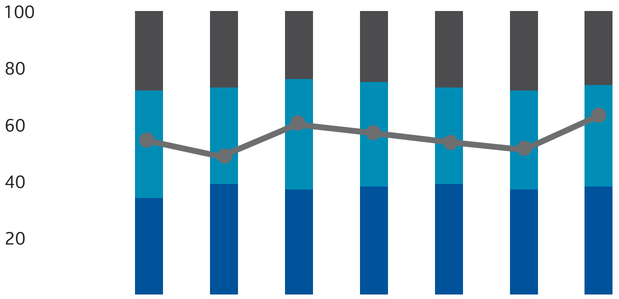
Cost-to-income ratio (%)



1H07	1H08	1H09	1H10	1H11	1H12	1H13
52.6	54.7	52.4	59.9	59.9	63.3	59.0

		Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net interest income		23	**5 436**	4 415	9 551
Non-interest revenue		10	**8 521**	7 743	16 363
Net fee and commission revenue		11	**2 502**	2 246	5 278
Trading revenue		10	**5 258**	4 785	9 121
Other revenue		7	**761**	712	1 964
Total income		15	**13 957**	12 158	25 914
Credit impairment charges		15	**980**	853	2 340
Operating expenses		7	**8 241**	7 724	16 921
Taxation		20	**761**	632	1 557
Headline earnings		25	**3 515**	2 803	4 423
Headline earnings change	%		**25**	(9)	(20)
Headline earnings contribution to the group	%		**43**	38	30
ROE	%		**14.7**	12.6	9.6
Net interest margin	%		**1.57**	1.44	1.50
Cost-to-income ratio	%		**59.0**	63.3	65.2
Credit loss ratio	%		**0.52**	0.46	0.63
Effective taxation rate	%		**16.1**	17.5	23.5
Total assets	Rm	10	**863 816**	786 548	760 428
Net loans and advances	Rm	14	**431 242**	379 367	352 938
Number of employees		(12)	**2 431**	2 774	2 627

Income contribution (%)



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Net interest income	34	39	37	38	39	37	39
Trading revenue	38	34	39	37	35	35	38
Fees and other revenue	28	27	24	25	26	28	23
Trading income as percentage of non-interest revenue	57.4	54.5	60.2	58.7	57.1	55.7	61.7

Favourable

- Momentum in revenue growth continued across Africa with strong performances in all core products.
- Net interest income driven by balance sheet growth and improved margins, particularly deposit balances.
- Commodities revenue remained resilient despite market weakness.
- Strong performance in FIC trading in the rest of Africa.
- Increased net fees and commissions driven by a number of investment banking transactions in core sectors, coupled with strong client revenue in trade finance.
- Fair value gain on a contingent interest in Troika.
- Careful cost management, coupled with savings resulting from the restructure outside Africa at the end of 2012, resulted in operating expenses being down on a constant currency basis.

Adverse

- Large specific impairments in investment banking and transactional products and services.
- Increased regulatory costs in the rest of Africa.
- Difficult trading conditions in the second quarter of 2013, particularly in South Africa and outside Africa.
- Negative endowment impact of lower average interest rates.

Corporate & Investment Banking continued

Total income and headline earnings by product

	Total income				Headline earnings			
	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm
Global markets	10	**5 668**	5 133	10 187	70	**1 183**	695	1 058
Investment banking	20	**3 319**	2 757	6 678	19	**1 120**	944	1 950
Transactional products and services	22	**4 351**	3 574	7 452	9	**1 067**	980	1 735
Real estate and principal investment management	(13)	**593**	682	1 524	14	**266**	234	286
	15	**13 931**	12 146	25 841	27	**3 636**	2 853	5 029
Curtailed operations	>100	**26**	12	73	(>100)	**(121)**	(50)	(68)
Restructure charge						**–**	–	(538)
Corporate & Investment Banking	15	**13 957**	12 158	25 914	25	**3 515**	2 803	4 423

Global markets

- Strong FIC revenue performance in the rest of Africa underpinned by increased client activity and high levels of liquidity in forex and interest rate trading, largely in Nigeria, Kenya and Ghana.
- Increased client revenues from cash equities and equity derivatives.
- FIC trading revenue in South Africa and outside Africa dropped in the second quarter due to lower client activity and a difficult trading environment as market volatility intensified.
- Commodities revenue performed well, particularly in precious metals, on the back of increased client flow and price volatility.
- Lower staff costs and other operating expenses outside Africa following the restructure at the end of 2012 and non-recurrence of regulatory and compliance related costs.

Investment banking

- Higher net interest income in South Africa, and in particular the rest of Africa, due to measured loan book growth and improved net interest margins.
- Higher fee and commission revenue due to increased client activity in mining, energy and infrastructure sectors.
- Large specific impairments raised against a small number of counterparties.
- Settlement received from a Middle Eastern exposure fully impaired in prior periods.

Transactional products and services

- Continued growth in asset and deposit balances across Africa.
- Good revenue growth in cash management, trade finance and investor services.
- Negative endowment impact as a result of declining interest rate environments in South Africa, Nigeria, Uganda and Mozambique.
- Investor services business, particularly in Nigeria, benefited from increased demand for custody services.
- Trade finance experienced increased client activity with growth in guarantees and confirmations.
- Increased impairments largely from a Mauritian trade finance portfolio.

Real estate and principal investment management

- Non-recurrence of prior period gains on Turkey's principal investment management business.
- Tax credits received in the current period.

Loans and advances by product

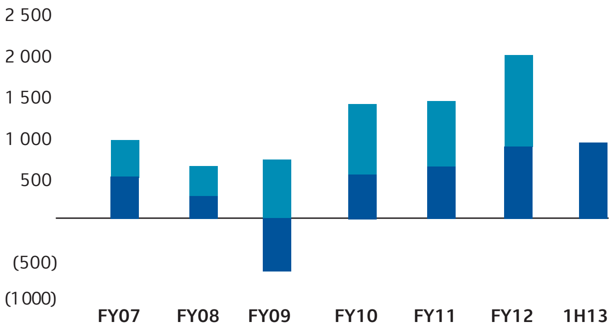
	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Loans and advances to banks	30	**161 051**	123 865	106 349
Call loans	50	**28 768**	19 215	21 532
Loans granted under resale agreements	(0)	**30 591**	30 640	13 776
Balances with banks	37	**101 692**	74 010	71 041
Loans and advances to customers	6	**270 191**	255 502	246 589
Gross loans and advances to customers	6	**275 703**	259 604	251 805
Overdrafts and other demand loans	26	**44 067**	34 869	34 618
Term loans	2	**165 102**	161 476	161 225
Loans granted under resale agreements	(7)	**19 082**	20 541	11 562
Commercial property finance	2	**39 979**	39 242	37 964
Other loans and advances	>100	**7 473**	3 476	6 436
Less: Credit impairments for loans and advances	34	**5 512**	4 102	5 216
Specific credit impairments	42	**4 004**	2 819	3 901
Portfolio credit impairments	18	**1 508**	1 283	1 315
Net loans and advances	14	**431 242**	379 367	352 938
Comprising:				
Gross loans and advances	14	**436 754**	383 469	358 154
Less: Credit impairments	34	**5 512**	4 102	5 216
Net loans and advances	14	**431 242**	379 367	352 938
Net loans and advances on a constant currency	6	**431 242**	405 431	368 215

Deposit and current accounts by product

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Wholesale priced deposit and current accounts	7	**683 195**	637 274	623 708
Current accounts	35	**45 321**	33 548	40 146
Cash management deposits	11	**101 047**	90 794	91 272
Call deposits	21	**83 153**	68 828	66 281
Term deposits	(20)	**171 464**	215 619	202 056
Negotiable certificates of deposits	38	**90 254**	65 442	79 966
Repurchase agreements	12	**13 123**	11 672	8 294
Other funding	18	**178 833**	151 371	135 693
Inter-divisional funding	1	**(154 581)**	(156 889)	(151 877)
Total deposit and current accounts	10	**528 614**	480 385	471 831
Total deposit and current accounts on a constant currency	4	**528 614**	507 525	492 653

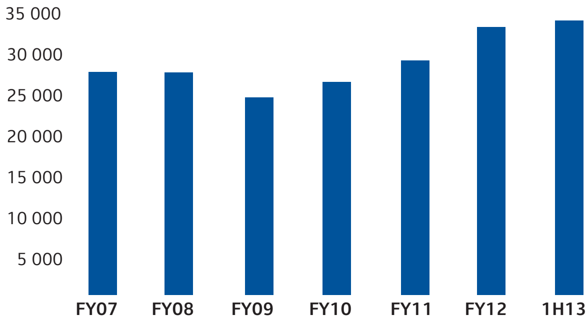
Liberty

Headline earnings/(loss) – SBG share (Rm)
CAGR (1H07 – 1H13): 10%



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
First half	514	279	(647)	540	633	876	924
Second half	459	362	719	853	795	1 114	

Normalised group equity (Rm)
CAGR (FY07 – 1H13): 4%



FY07	FY08	FY09	FY10	FY11	FY12	1H13
27 250	27 207	24 118	26 030	28 639	32 740	33 512

		Change %	**1H13**	1H12	FY12
Net insurance premiums[1]	Rm	11	**15 433**	13 844	29 631
Investment income and gains[1]	Rm	(18)	**14 062**	17 119	45 603
Benefits due to policyholders[1]	Rm	(8)	**21 593**	23 428	58 739
Management and service fee income[1]	Rm	8	**1 341**	1 246	2 643
Operating expenses[1]	Rm	7	**6 200**	5 779	12 080
BEE normalised headline earnings[2]	Rm	5	**1 704**	1 622	3 688
Headline earnings attributable to the group	Rm	5	**924**	876	1 990
Effective interest in Liberty at period-end	%		**54.1**	54.3	54.4
ROE	%		**20.4**	22.7	24.7
Return on Liberty group equity value[2]	%		**13.0**	15.6	20.8
Indexed new business (excluding contractual increases)[2]	Rm	12	**3 122**	2 793	6 055
New business margin[2]	%		**1.8**	1.5	2.0
Net cash inflows in insurance operations[2]	Rm	81	**1 922**	1 062	4 572
Normalised Liberty group equity value[2]	Rm	13	**33 512**	29 575	32 740
Capital adequacy requirement cover (times covered)			**2.75**	2.94	2.71

[1] Includes adjustments on consolidation of Liberty Holdings into the group.
[2] Liberty as published (return on embedded value).

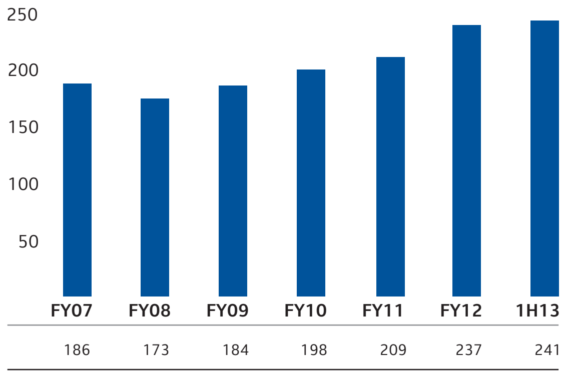
Favourable

- Double digit growth in indexed new business and insurance cash flows.
- Positive risk and persistency variances in the insurance business coupled with higher assets under management in Stanlib.
- Strong growth in group asset management net cash inflows despite a large drawdown of assets under a government mandate in east Africa.
- Strong capital position.

Adverse

- Insurance new business margins impacted by a higher risk discount factor rate following an increase in South African bond market interest rates.
- Embedded value of insurance in-force contracts negatively impacted by the higher risk discount rates.
- LibFin investment earnings down due to lower market returns.
- LibFin market earnings lower due to significant interest rate volatility.

Policyholder liabilities (Rbn)
CAGR (FY07 – 1H13): 5%



BEE normalised summarised income statement

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Insurance premium revenue	12	**16 090**	14 400	30 720
Reinsurance premiums	18	**(657)**	(556)	(1 089)
Net insurance premiums	11	**15 433**	13 844	29 631
Investment income and gains	(18)	**13 999**	17 026	45 496
Management and service fee income	7	**1 358**	1 265	2 816
Total revenue	(4)	**30 790**	32 135	77 943
Benefits due to policyholders	(8)	**21 549**	23 378	58 647
Net insurance benefits and claims	(14)	**15 399**	17 972	43 864
Fair value adjustment to policyholders' liabilities under investment contracts	(27)	**2 754**	3 773	10 035
Fair value adjustment on third party mutual fund interests	>100	**3 396**	1 633	4 748
Income after policyholders' benefits	6	**9 241**	8 757	19 296
Operating expenses	8	**6 388**	5 922	12 434
Insurance, investment and asset management acquisition costs	13	**2 013**	1 778	3 818
General marketing and administration expenses	5	**3 820**	3 624	7 573
Finance costs	(9)	**114**	125	243
Preference dividend in subsidiary	12	**441**	395	800
Equity accounted earnings from joint ventures	(13)	**14**	16	3
Profit before taxation	1	**2 867**	2 851	6 865
Taxation	(6)	**1 041**	1 109	2 685
Total earnings	5	**1 826**	1 742	4 180
Preference share dividend deducted	0	**(1)**	(1)	(2)
Headline earnings adjustable items	(100)	**–**	2	(71)
Attributable to non-controlling interests[1]	0	**121**	121	419
BEE normalised headline earnings	5	**1 704**	1 622	3 688

[1] Non-controlling interest within Liberty Holdings.

Liberty continued

BEE normalised headline earnings – Liberty Holdings

	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm
Retail Insurance South Africa	34	**771**	575	1 179
Liberty corporate	37	**52**	38	66
LibFin	(23)	**710**	920	2 116
Stanlib	22	**270**	221	537
Liberty properties	(32)	**17**	25	48
Liberty Africa	>100	**18**	(5)	21
Liberty health	42	**(26)**	(45)	(42)
Other	(1)	**(108)**	(107)	(237)
BEE normalised headline earnings	5	**1 704**	1 622	3 688

External assets under management

	Change %	**1H13 Rbn**	1H12 Rbn	FY12 Rbn
Asset management – assets under management	9	**48**	44	42
Segregated funds	–	**40**	40	38
Properties	100	**8**	4	4
Wealth management – funds under administration	8	**247**	228	236
Single manager unit trust	27	**116**	91	100
Institutional marketing	16	**43**	37	48
Linked and structured life products	(42)	**21**	36	43
Multi-manager	35	**31**	23	9
Rest of Africa	(12)	**36**	41	36
Total external assets under management	8	**295**	272	278

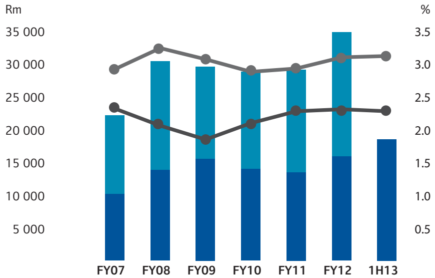
Income statement analysis

Net interest income and margin analysis	42
Non-interest revenue	44
Credit impairment charges	46
Operating expenses	50
Taxation	52

Net interest income and margin analysis

Net interest income and net interest margin

CAGR (1H07 – 1H13): 11%



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Net interest income-first half	10 110	13 740	15 467	13 568	13 414	15 794	18 912
Net interest income - second half	11 958	16 589	13 971	13 460	15 613	18 439	
After impairment charges	2.31	2.05	1.84	2.09	2.27	2.30	2.27
Before impairment charges	2.91	3.23	3.06	2.87	2.92	3.09	3.11

Favourable

- Cumulative effect of mortgage lending new business pricing strategies reflecting underlying risk and anticipated Basel III liquidity requirements.
- Growth in higher margin overdrafts, revolving credit plans, card debtors and other unsecured lending.
- Refined credit scorecards appropriately pricing for risk.
- Increased investment banking loan balances at higher margins following growth in high margin USD lending in mining, energy and infrastructure across Africa coupled with strong demand for lending in the renewable energy sector.
- Good business banking balance growth in the rest of Africa.
- Decreased cost of funding following the easing of liquidity in the rest of Africa coupled with less expensive sources of funding in CIB and PBB South Africa.
- Improved returns on other treasury and banking activities as excess liquidity in the rest of Africa was placed in higher yielding government paper.
- Translation effect of the weaker rand.

Adverse

- Negative endowment impact on capital and transactional balances due to lower average interest rates in South Africa, Nigeria, Uganda, Mozambique and Kenya.
- Lower unwinding to interest income of the IAS 39 discount on expected recoveries of non-performing loans.
- Higher trading and other non-interest earning assets increasing the dilutive impact on margins.

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

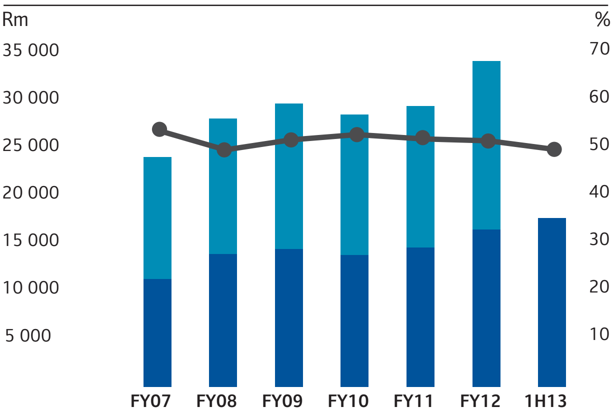
	Personal & Business Banking			Corporate & Investment Banking			Total banking activities		
	Average assets Rm	Net interest income Rm	Net interest margin %	Average assets Rm	Net interest income Rm	Net interest margin %	Average assets Rm	Net interest income Rm	Net interest margin %
1H12 banking activities as reported	475 411	11 130	4.70	621 605	4 666	1.51	1 086 893	15 794	2.91
Reclassifications	4 318	(198)	(0.13)	(6 793)	(251)	(0.07)	(235)	–	0.00
1H12 banking activities restated	479 729	10 932	4.57	614 812	4 415	1.44	1 086 658	15 794	2.91
Net non-interest earning assets	(21 232)	411	0.39	(147 223)	203	0.54	(194 115)	1 213	0.91
Interest earning assets – 1H12	458 497	11 343	4.96	467 589	4 618	1.98	892 543	17 007	3.82
Impact of volume changes	**52 939**	**1 566**		**36 876**	**999**		**91 995**	**2 557**	
Impact of calendar variance		**(65)**			**(23)**			**(94)**	
Impact of rate changes		**614**	**0.27**		**235**	**0.10**		**644**	**0.15**
Lending margin		**852**	**0.37**		**88**	**0.04**		**937**	**0.21**
Client yield[1]		**751**	**0.33**		**70**	**0.03**		**821**	**0.19**
Cost of funding[2]		**101**	**0.04**		**18**	**0.01**		**116**	**0.02**
Unwinding of discount on credit impairments – IAS 39		**(96)**	**(0.04)**		**(5)**	**0.00**		**(106)**	**(0.02)**
Funding margin		**270**	**0.12**		**227**	**0.10**		**399**	**0.09**
Funding endowment		**(339)**	**(0.15)**		**(216)**	**(0.09)**		**(555)**	**(0.13)**
Capital and reserves endowment		**(87)**	**(0.04)**		**(159)**	**(0.07)**		**(319)**	**(0.07)**
Assets held for liquidity purposes		**0**	**0.00**		**91**	**0.04**		**168**	**0.04**
Other treasury and banking activities		**14**	**0.01**		**209**	**0.08**		**120**	**0.03**
Change in composition of balance sheet			**0.08**			**0.25**			**0.15**
Interest earning assets – 1H13	**511 436**	**13 458**	**5.31**	**504 465**	**5 829**	**2.33**	**984 538**	**20 114**	**4.12**
Net non-interest earning assets	**24 696**	**(379)**	**(0.39)**	**193 640**	**(393)**	**(0.76)**	**243 395**	**(1 202)**	**(1.01)**
1H13 banking activities	**536 132**	**13 079**	**4.92**	**698 105**	**5 436**	**1.57**	**1 227 933**	**18 912**	**3.11**
Net change (%)		**19.6**			**23.1**			**19.7**	
Average assets change (%)	**11.8**			**13.5**			**13.0**		

[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.
* Reclassifications reflect the changes in group architecture as well as a refinement of the rest of Africa average balances

Non-interest revenue

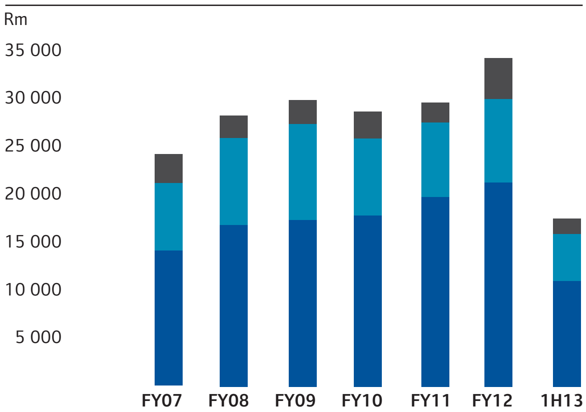
Non-interest revenue

CAGR (1H07 – 1H13): 8%



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
First half	11 304	13 940	14 463	13 873	14 646	16 504	17 726
Second half	12 897	14 384	15 443	14 847	15 078	17 970	
Non-interest revenue to total revenue	52.3	48.3	50.4	51.5	50.6	50.2	48.4

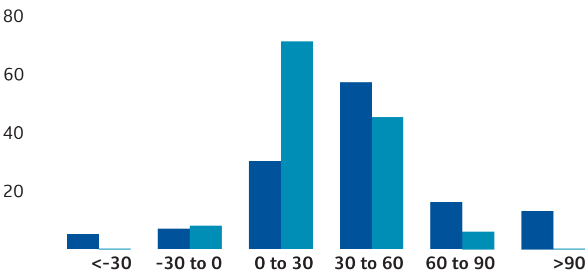
Analysis of non-interest revenue (Rm)



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Net fee and commission revenue	14 083	16 896	17 395	17 883	19 782	21 319	11 029
Trading revenue	7 098	9 046	10 032	8 032	7 895	8 868	5 048
Other revenue	3 020	2 382	2 479	2 805	2 047	4 287	1 649

	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm
Net fee and commission revenue	10	**11 029**	10 016	21 319
Fee and commission revenue	11	**12 893**	11 596	24 732
Account transaction fees	(1)	**4 503**	4 569	9 286
Electronic banking	11	**1 115**	1 005	2 082
Knowledge-based fees and commission	6	**999**	943	2 465
Card-based commission	18	**2 259**	1 909	4 132
Bancassurance	27	**789**	622	1 381
Documentation and administration fees	26	**718**	570	1 222
Foreign currency service fees	5	**728**	693	1 381
Other	39	**1 782**	1 285	2 783
Fee and commission expense	(18)	**(1 864)**	(1 580)	(3 413)
Trading revenue	8	**5 048**	4 669	8 868
Fixed income and currencies (FIC)	(2)	**3 750**	3 821	7 280
Commodities	51	**1 056**	699	1 553
Equities	62	**242**	149	35
Other revenue	(9)	**1 649**	1 819	4 287
Banking and other	(7)	**714**	767	2 253
Property-related revenue	(32)	**212**	312	663
Insurance – bancassurance income	(2)	**723**	740	1 371
Total non-interest revenue	7	**17 726**	16 504	34 474

Distribution of daily trading profit or loss (Rm)



	<-30	-30 to 0	0 to 30	30 to 60	60 to 90	>90
1H13[1]	5	7	30	57	16	13
1H12[1]	–	8	71	45	6	–

[1] Daily trading revenue

Favourable

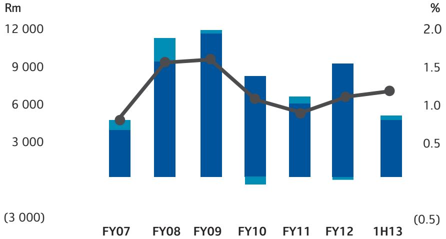
- Good growth in card-based commission due to higher turnover volumes and growth in the customer base.
- Bancassurance commission revenue assisted by the continued increase in the policy-base.
- Documentation and administration fees benefited from increased overdrafts and revolving credit account bases in South Africa, coupled with growth in business activity in Namibia and Nigeria.
- Electronic banking revenue supported by higher business online activity, sales volumes from the instant money initiative launched in the latter part of 2012 and increased ATM activity.
- Other fee income positively impacted by:
  - arrangement and structuring fees received in Nigeria and additional underwriting fees in South Africa
  - structuring fees received from renewable energy project financing
  - higher inflow of offshore investments in bonds and treasury bills increasing custody fees
  - increased volumes of assets under management on the back of higher equity prices.
- Positive trading environment in the rest of Africa with high levels of client activity in the rates business, largely in Nigeria, Kenya and Ghana.
- Large increase in equities investments' dividend income.
- Improved base metals and energy trading.
- Fair value gain on a contingent interest in Troika.
- The weaker rand contributed to 3% of total growth.

Adverse

- Lower fee structures with the utilisation of cheaper Access accounts for long-term client acquisition strategy.
- Full year impact of the simplification of PBB product offerings and the subsequent downward adjustment of pricing in April 2012 coupled with no further price increases in 2013.
- Difficult trading conditions during the second quarter impacting FIC in South Africa and outside Africa.
- Liquidity constraints during June 2013 as clients and banks liquidated positions over fears that the United States would remove quantitative easing earlier than previously expected.
- Lower fair value gains on a strategic investment portfolio.

Credit impairment charges

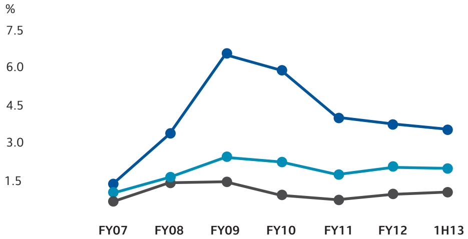
Credit impairment charges



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Specific credit impairments	3 726	9 207	11 433	8 032	5 849	9 040	4 755
Portfolio credit impairments	812	1 874	286	(638)	587	(240)	310
Credit loss ratio	0.80	1.53	1.57	1.04	0.87	1.08	1.17

Credit loss history (%)

(as a percentage of gross loans and advances)



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
NPLs	1.50	3.42	6.52	5.91	4.08	3.82	3.61
Balance sheet impairments	1.13	1.74	2.52	2.34	1.85	2.13	2.09
Credit loss ratio	0.80	1.53	1.57	1.04	0.87	1.08	1.17

Income statement impairment charges (net of recoveries)

		1H13					
		Specifically impaired loans					
	Change %	Specific impairment Rm	IAS 39 discount[1] Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
Personal & Business Banking	32	3 515	392	3 907	176	4 083	1.57
Mortgage loans	(11)	954	123	1 077	90	1 167	0.77
Instalment sale and finance leases	72	324	26	350	38	388	1.21
Card debtors	>100	369	30	399	61	460	3.75
Other loans and advances	56	1 868	213	2 081	(13)	2 068	3.26
Personal unsecured lending	69	1 333	138	1 471	40	1 511	6.94
Business lending and other	29	535	75	610	(53)	557	1.34
Corporate & Investment Banking	15	841	6	847	133	980	0.52
Corporate loans	12	824	6	830	134	964	0.57
Commercial property finance	(>100)	17		17	(1)	16	0.08
Central and other		1		1	1	2	
Total banking activities	28	4 357	398	4 755	310	5 065	1.17

	1H12						FY12					
	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 %
Personal & Business Banking	2 533	347	2 880	210	3 090	1.32	5 954	765	6 719	(61)	6 658	1.39
Mortgage loans	1 125	234	1 359	(52)	1 307	0.90	2 793	552	3 345	(697)	2 648	0.91
Instalment sale and finance leases	173	22	195	31	226	0.82	396	55	451	39	490	0.85
Card debtors	190	6	196	33	229	2.16	300	24	324	60	384	1.73
Other loans and advances	1 045	85	1 130	198	1 328	2.66	2 465	134	2 599	537	3 136	2.92
Personal unsecured lending	721	40	761	135	896	6.10	1 772	69	1 841	463	2 304	6.47
Business lending and other	324	45	369	63	432	1.23	693	65	758	74	832	1.16
Corporate & Investment Banking	832	(3)	829	24	853	0.46	2 285	35	2 320	20	2 340	0.63
Corporate loans	801	(3)	798	61	859	0.51	2 188	35	2 223	62	2 285	0.69
Commercial property finance	31		31	(37)	(6)	(0.03)	97		97	(42)	55	0.14
Central and other	1		1	1	2		1		1	(199)	(198)	
Total banking activities	3 366	344	3 710	235	3 945	0.98	8 240	800	9 040	(240)	8 800	1.08

[1] Discounting of expected recoveries in terms of IAS 39.

Favourable

- Good performance by mortgage lending vintages registered since 2011.
- Final settlement received from a Middle Eastern exposure fully impaired in prior periods.
- Improved recoveries and risk profiles due to continued focus and execution of rehabilitation strategies.

Adverse

- Higher credit impairment charges in card debtors and other personal unsecured lending in South Africa due to loan book growth and increased consumer strain.
- Specific provisions in business lending and other due to macro-economic pressures, particularly in the manufacturing and construction industries.
- Disappointing credit performance in Tanzania's personal and business banking portfolios.
- Large increase in impairment charges in the rest of Africa's personal unsecured lending, primarily workplace banking.
- High impairments required against business banking's SME loans in Tanzania, Nigeria, Zambia, Botswana, Ghana and Malawi.
- Reduced post write-off recoveries across most PBB portfolios.
- Large specific impairment charges raised against a small number of counterparties in investment banking and transactional products and services.

Credit impairment charges continued

Balance sheet impairment – roll forward from December 2012

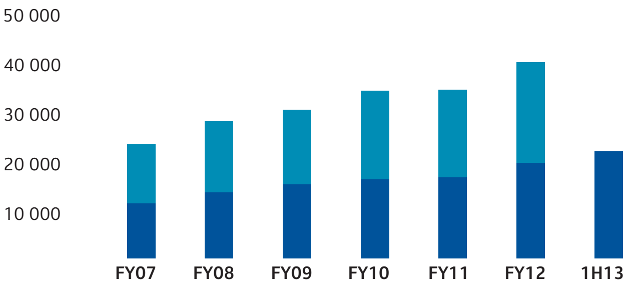
	1H13 Opening balance Rm	*IAS 39 discount in opening balance Rm*	**Net provisions raised and released[1] Rm**	*IAS 39 discount in new impair-ments raised Rm*	**Impaired accounts written off Rm**	**IAS 39 discount recycled to net interest income Rm**	**Currency translation and other movements Rm**	**1H13 Closing balance Rm**	*IAS 39 discount in closing balance Rm*	**1H13 Recoveries of amounts written off in previous years[1] Rm**
Specific credit impairments										
Personal & Business Banking	8 614	*752*	**4 379**	*392*	**(3 042)**	**(270)**	**136**	**9 817**	*874*	**472**
Mortgage loans	4 166	*429*	**1 161**	*123*	**(1 107)**	**(159)**	**52**	**4 113**	*393*	**84**
Instalment sale and finance leases	787	*50*	**465**	*26*	**(387)**	**(15)**	**115**	**965**	*61*	**115**
Card debtors	580	*62*	**534**	*30*	**(356)**	**(24)**	**1**	**735**	*68*	**135**
Other loans and advances	3 081	*211*	**2 219**	*213*	**(1 192)**	**(72)**	**(32)**	**4 004**	*352*	**138**
Personal unsecured lending	1 908	*92*	**1 574**	*138*	**(836)**	**(48)**	**(69)**	**2 529**	*182*	**103**
Business lending and other	1 173	*119*	**645**	*75*	**(356)**	**(24)**	**37**	**1 475**	*170*	**35**
Corporate & Investment Banking	3 901	*61*	**849**	*6*	**(1 188)**		**442**	**4 004**	*67*	**2**
Corporate loans	3 721	*61*	**832**	*6*	**(1 177)**		**442**	**3 818**	*67*	**2**
Commercial property finance	180		**17**		**(11)**			**186**		
Central and other	1		**1**					**2**		
Total	12 516	*813*	**5 229**	*398*	**(4 230)**	**(270)**	**578**	**13 823**	*941*	**474**
Portfolio credit impairments										
Personal & Business Banking	3 645		**176**				**60**	**3 881**		
Mortgage loans	716		**90**				**14**	**820**		
Instalment sale and finance leases	520		**38**				**19**	**577**		
Card debtors	494		**61**				**1**	**556**		
Other loans and advances	1 915		**(13)**				**26**	**1 928**		
Personal unsecured lending	1 347		**40**				**(85)**	**1 302**		
Business lending and other	568		**(53)**				**111**	**626**		
Corporate & Investment Banking	1 315	*20*	**133**				**60**	**1 508**	*20*	
Corporate loans	1 212	*20*	**134**				**60**	**1 406**	*20*	
Commercial property finance	103		**(1)**					**102**		
Central and other	228		**1**					**229**		
Total	5 188	*20*	**310**				**120**	**5 618**	*20*	
Total impairments										
Personal & Business Banking	12 259	*752*	**4 555**	*392*	**(3 042)**	**(270)**	**196**	**13 698**	*874*	**472**
Mortgage loans	4 882	*429*	**1 251**	*123*	**(1 107)**	**(159)**	**66**	**4 933**	*393*	**84**
Instalment sale and finance leases	1 307	*50*	**503**	*26*	**(387)**	**(15)**	**134**	**1 542**	*61*	**115**
Card debtors	1 074	*62*	**595**	*30*	**(356)**	**(24)**	**2**	**1 291**	*68*	**135**
Other loans and advances	4 996	*211*	**2 206**	*213*	**(1 192)**	**(72)**	**(6)**	**5 932**	*352*	**138**
Personal unsecured lending	3 255	*92*	**1 614**	*138*	**(836)**	**(48)**	**(154)**	**3 831**	*182*	**103**
Business lending and other	1 741	*119*	**592**	*75*	**(356)**	**(24)**	**148**	**2 101**	*170*	**35**
Corporate & Investment Banking	5 216	*81*	**982**	*6*	**(1 188)**		**502**	**5 512**	*87*	**2**
Corporate loans	4 933	*81*	**966**	*6*	**(1 177)**		**502**	**5 224**	*87*	**2**
Commercial property finance	283		**16**		**(11)**			**288**		
Central and other	229		**2**					**231**		
Total	17 704	*833*	**5 539**	*398*	**(4 230)**	**(270)**	**698**	**19 441**	*961*	**474**
Total balance sheet impairments as a % of gross loans and advances	2.13							**2.09**		

[1] New provisions raised less recoveries on the amounts written off in previous years equals the income statement credit impairment charge (1H13: R5 539 million – R474 million = R5 065 million).

Operating expenses

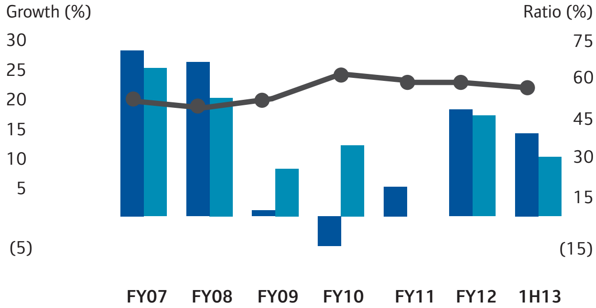
Operating expenses (Rm)

CAGR (1H07 – 1H11): 11%



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
First half	11 112	13 338	14 859	15 905	16 332	19 230	21 129
Second half	12 643	15 103	15 898	18 674	18 393	21 596	

Cost and income growth (%)



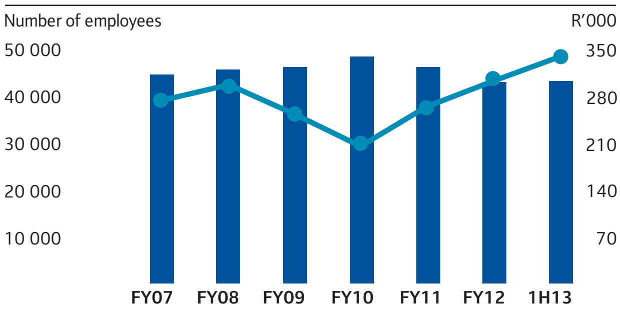
	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Total income growth	28	26	1	(5)	5	18	14
Total cost growth	25	20	8	12	0	17	10
Cost-to-income ratio	51.0	48.4	51.9	61.4	58.8	58.9	57.3

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Staff costs				
Fixed remuneration	8	**8 259**	7 618	15 290
Variable remuneration	31	**2 490**	1 900	4 513
Charge for incentive payments	40	**1 942**	1 387	3 443
Charge for deferred incentive schemes	15	**434**	379	845
IFRS 2 share-based payment expense	(15)	**114**	134	225
Other staff costs	7	**1 333**	1 247	2 462
Total staff costs	12	**12 082**	10 765	22 265
Variable remuneration as a % of total staff costs		**20.6**	17.6	20.3
Other operating expenses				
Information technology	35	**2 042**	1 518	3 636
Depreciation, amortisation and impairments	9	**1 666**	1 533	3 341
Communication	8	**706**	653	1 403
Premises	4	**1 569**	1 513	3 133
Professional fees	(17)	**761**	912	2 114
Other	(1)	**2 303**	2 336	4 176
Total other operating expenses	7	**9 047**	8 465	17 803
Total operating expenses (excluding restructure charge)	10	**21 129**	19 230	40 068
Restructure charge		**–**	–	758
Total operating expenses	10	**21 129**	19 230	40 826
Total income including loss on disposal of subsidiary and equity accounted earnings	14	**36 886**	32 445	69 296
Cost-to-income ratio		**57.3**	59.3	58.9

Analysis of total information technology function spend

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
IT staff costs	8	**1 427**	1 321	2 696
Information technology licences, maintenance and related costs	35	**2 042**	1 518	3 636
Depreciation and amortisation	5	**1 182**	1 126	1 652
Other	(>100)	**(21)**	52	26
Total	15	**4 630**	4 017	8 010

Headline earnings per employee



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Number of employees	44 301	45 315	45 937	48 125	45 904	42 736	42 933
Headline earnings per employee	275	298	254	206	265	303	339[1]

[1] Annualised.

	Change %	1H13	1H12	FY12
Headcount by business unit				
Personal & Business Banking	3	**21 605**	20 898	21 067
Corporate & Investment Banking	(12)	**2 431**	2 774	2 627
Central and other	0	**18 897**	18 836	19 042
Banking activities	1	**42 933**	42 508	42 736
Headcount by region				
South Africa	(1)	**28 187**	28 376	28 248
Rest of Africa	7	**13 328**	12 418	12 841
Outside Africa	(17)	**1 418**	1 714	1 647
Banking activities	1	**42 933**	42 508	42 736

Currency translation impact

- Negative translation impact of 5% on staff costs, other operating expenses and total operating expenses.

Staff costs and headcount

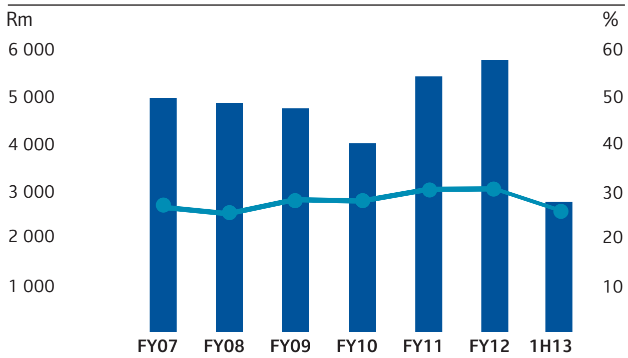
- Increased headcount from branch network expansions in the rest of Africa.
- Reduced headcount outside Africa due to the restructure at the end of 2012.
- Charge for incentive payments increased due to earlier recognition of potential incentive pools and expected impact of a weaker rand.
- Other staff costs increased due to:
  - lower pension fund surplus release
  - use of additional temporary staff in change initiatives.

Other operating expenses

- IT spend impacted by:
  - inflationary increases and the effect of the weaker rand
  - development projects moving into production
  - the outsourcing of desktop support services with savings realised in other expense items.
- Amortisation costs in South Africa increased as a result of core banking systems commissioned but partly offset by lower amortisation costs outside Africa due to the impairment of intangibles in 2012.
- Higher depreciation costs attributable to branch network expansion.
- Premises and travel costs impacted by network expansion in the rest of Africa.
- Additional deposit protection premium insurance legislated in Nigeria.
- Non-recurrence of regulatory and compliance related costs outside Africa.

Taxation

Taxation charge and effective taxation rate



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Total taxation charge	4 940	4 839	4 725	3 987	5 397	5 745	2 752
Effective taxation rate	26.5	25.1	28.1	27.8	30.3	30.4	25.7

Taxation rate reconciliation

	1H13 %	1H12 %	FY12 %
Effective taxation rate	**25.7**	29.1	30.4
Indirect taxation	**(6.6)**	(7.0)	(7.5)
Direct taxation – current and prior periods	**19.1**	22.1	22.9
Prior period tax	**2.2**	0.3	5.1
Direct taxation – current period	**21.3**	22.4	28.0
Adjustments to direct taxation	**(1.0)**	(2.6)	(1.8)
Capital gains tax	**(0.4)**	(0.2)	(0.4)
Foreign tax	**(0.6)**	(0.5)	(0.5)
Secondary tax cost on companies	**–**	(1.2)	(0.5)
Deferred tax rate adjustment	**–**	(0.7)	(0.4)
Direct taxation – current period – normal	**20.3**	19.8	26.2
Permanent differences	**7.7**	8.2	1.8
Non-taxable income	**8.9**	9.3	8.5
Deductible indirect tax	**1.9**	2.0	2.1
Other	**(3.1)**	(3.1)	(8.8)
Direct taxation – statutory rate	**28.0**	28.0	28.0

Favourable rate movements

- Prior period withholding tax credit.
- Positive impact of the abolishment of secondary tax on companies in the prior period.
- Non-recurrence of the deferred tax adjustment due to the change in the capital gains tax inclusion rate in 2012.

Unfavourable rate movements

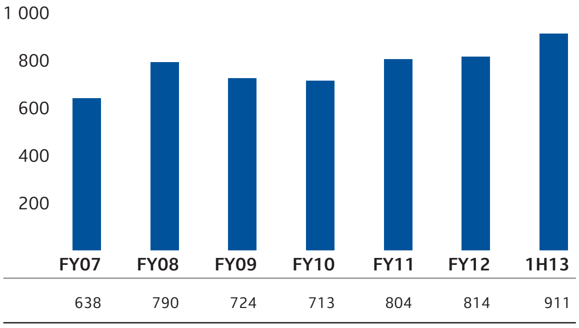
- Increased other permanent differences, mainly in the rest of Africa.

Balance sheet analysis

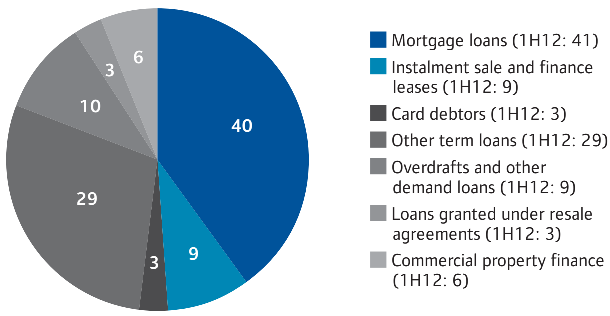
Loans and advances	54
Deposit and current accounts	55
Loans and advances performance	56
Banking activities average balance sheet	58
Liquidity management	60

Loans and advances

Loans and advances (Rbn)
CAGR (FY07 – 1H13): 7%



Composition of gross loans and advances to customers (%)

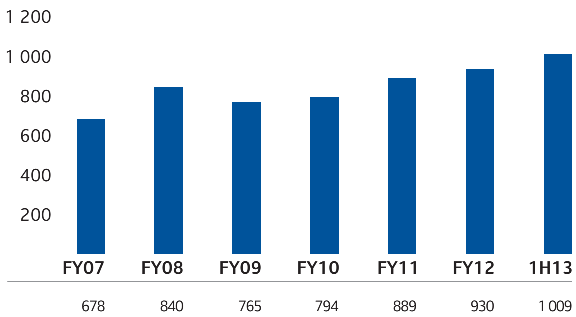


By advance type

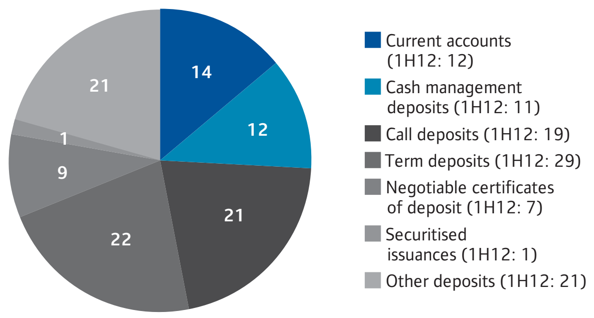
	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Loans and advances to banks	32	**159 926**	120 997	108 196
Call loans	67	**26 352**	15 766	22 328
Loans granted under resale agreements	(0)	**30 591**	30 639	13 776
Balances with banks	38	**102 983**	74 592	72 092
Loans and advances to customers	8	**751 555**	695 904	705 696
Gross loans and advances to customers	8	**770 996**	712 157	723 400
Mortgage loans	4	**306 200**	294 272	299 791
Instalment sale and finance leases	14	**70 835**	61 937	66 053
Card debtors	16	**26 322**	22 669	24 052
Overdrafts and other demand loans	25	**78 440**	62 584	65 008
Other term loans	9	**223 663**	206 122	213 761
Loans granted under resale agreements	(7)	**19 082**	20 541	11 562
Commercial property finance	3	**43 501**	42 203	41 393
Other loans and advances	61	**2 953**	1 829	1 780
Less: Credit impairments for loans and advances	20	**19 441**	16 253	17 704
Specific credit impairments	30	**13 823**	10 647	12 516
Portfolio credit impairments	0	**5 618**	5 606	5 188
Net loans and advances	12	**911 481**	816 901	813 892
Comprising:				
Gross loans and advances	12	**930 922**	833 154	831 596
Less: Credit impairments	20	**19 441**	16 253	17 704
Net loans and advances	12	**911 481**	816 901	813 892
Net loans and advances on a constant currency	7	**911 481**	852 552	837 761
Securitised assets consolidated above:				
Mortgage loans	(12)	**10 473**	11 967	11 113

Deposit and current accounts

Deposit and current accounts (Rbn)
CAGR (FY07 – 1H13): 7%



Composition of deposit and current accounts (%)



By deposit type

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Deposits from banks	14	**162 450**	142 736	124 275
Deposits from banks and central banks	12	**152 028**	136 019	117 577
Deposits from banks under repurchase agreements	55	**10 422**	6 717	6 698
Deposits from customers	9	**847 033**	776 030	805 878
Current accounts	30	**145 836**	111 870	127 618
Cash management deposits	14	**119 208**	104 478	106 968
Call deposits	19	**209 489**	175 885	182 221
Savings accounts	(22)	**18 425**	23 716	24 382
Term deposits	(15)	**224 334**	265 457	252 979
Negotiable certificates of deposit	38	**90 254**	65 442	79 966
Repurchase agreements	(46)	**2 700**	4 955	1 596
Securitised issuances	(21)	**5 956**	7 538	7 192
Other funding	85	**30 831**	16 689	22 956
Total deposit and current accounts	10	**1 009 483**	918 766	930 153
Comprising:				
Retail priced deposit and current accounts	18	**268 854**	227 390	248 289
Wholesale priced deposit and current accounts	7	**740 629**	691 376	681 864
Total deposit and current accounts	10	**1 009 483**	918 766	930 153
Total deposit and current acconts on a constant currency	6	**1 009 483**	956 172	960 644

Loans and advances performance

		Performing loans			
		Neither past due nor specifically impaired		Not specifically impaired	
	Gross loans and advances Rm	Normal monitoring Rm	Close monitoring Rm	Early arrears Rm	Non-performing Rm
1H13					
Personal & Business Banking	**532 717**	**456 124**	**22 127**	**31 120**	
Mortgage loans	306 187	261 921	12 496	16 918	
Instalment sale and finance leases	67 713	58 183	3 635	4 075	
Card debtors	26 322	21 248	1 789	2 152	
Other loans and advances	132 495	114 772	4 207	7 975	
Personal unsecured lending	46 452	35 803	2 140	5 284	
Business lending and other	86 043	78 969	2 067	2 691	
Corporate & Investment Banking	**436 754**	**425 866**	**377**	**228**	**1 435**
Corporate loans	396 775	386 832	377	146	1 264
Commercial property finance	39 979	39 034		82	171
Central and other	**(38 549)**	**(38 549)**			
Gross loans and advances	**930 922**	**843 441**	**22 504**	**31 348**	**1 435**
Percentage of total book (%)	**100.0**	**90.6**	**2.4**	**3.4**	**0.2**
1H12					
Personal & Business Banking	477 699	408 443	20 803	24 196	
Mortgage loans	292 733	247 674	13 490	13 526	
Instalment sale and finance leases	58 453	51 134	2 536	3 078	
Card debtors	22 669	18 295	1 856	1 600	
Other loans and advances	103 844	91 340	2 921	5 992	
Personal unsecured lending	32 689	26 440	1 135	3 314	
Business lending and other	71 155	64 900	1 786	2 678	
Corporate & Investment Banking	383 469	371 749	1 175	170	2 026
Corporate loans	344 227	333 745	1 175	168	1 732
Commercial property finance	39 242	38 004		2	294
Central and other	(28 014)	(28 014)			
Gross loans and advances	833 154	752 178	21 978	24 366	2 026
Percentage of total book (%)	100.0	90.4	2.6	2.9	0.2
FY12					
Personal & Business Banking	502 168	429 868	20 341	29 483	
Mortgage loans	299 675	255 240	11 824	16 864	
Instalment sale and finance leases	62 860	54 950	3 089	3 220	
Card debtors	24 052	19 371	2 009	1 780	
Other loans and advances	115 581	100 307	3 419	7 619	
Personal unsecured lending	42 653	33 761	1 438	4 908	
Business lending and other	72 928	66 546	1 981	2 711	
Corporate & Investment Banking	358 154	348 205	604	30	1 332
Corporate loans	320 190	311 198	604	25	1 135
Commercial property finance	37 964	37 007		5	197
Central and Other	(28 726)	(28 726)			
Gross loans and advances	831 596	749 347	20 945	29 513	1 332
Percentage of total book (%)	100.0	90.2	2.5	3.5	0.2

	Non-performing loans									
	Specifically impaired 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 %	Total non-performing loans Rm	Non-performing loans %
1H13										
Personal & Business Banking	**5 626**	**14 164**	**3 556**	**23 346**	**13 529**	**9 817**	**9 817**	**42**	**23 346**	**4.4**
Mortgage loans	3 903	10 202	747	14 852	10 739	4 113	4 113	28	14 852	4.9
Instalment sale and finance leases	321	823	676	1 820	855	965	965	53	1 820	2.7
Card debtors	222	331	580	1 133	398	735	735	65	1 133	4.3
Other loans and advances	1 180	2 808	1 553	5 541	1 537	4 004	4 004	72	5 541	4.2
Personal unsecured lending	488	1 716	1 021	3 225	696	2 529	2 529	78	3 225	6.9
Business lending and other	692	1 092	532	2 316	841	1 475	1 475	64	2 316	2.7
Corporate & Investment Banking	**807**	**6 604**	**1 437**	**8 848**	**4 844**	**4 004**	**4 004**	**45**	**10 283**	**2.4**
Corporate loans	596	6 254	1 306	8 156	4 338	3 818	3 818	47	9 420	2.4
Commercial property finance	211	350	131	692	506	186	186	27	863	2.2
Central and other					**(2)**	**2**	**2**			
Gross loans and advances	**6 433**	**20 768**	**4 993**	**32 194**	**18 371**	**13 823**	**13 823**	**43**	**33 629**	**3.6**
Percentage of total book (%)	**0.7**	**2.2**	**0.5**	**3.4**	**2.0**	**1.4**	**1.4**			
1H12										
Personal & Business Banking	6 871	14 655	2 731	24 257	16 431	7 826	7 826	32	24 257	5.1
Mortgage loans	5 720	11 670	653	18 043	14 294	3 749	3 749	21	18 043	6.2
Instalment sale and finance leases	213	642	850	1 705	796	909	909	53	1 705	2.9
Card debtors	157	218	543	918	296	622	622	68	918	4.0
Other loans and advances	781	2 125	685	3 591	1 045	2 546	2 546	71	3 591	3.5
Personal unsecured lending	281	1 214	305	1 800	371	1 429	1 429	79	1 800	5.5
Business lending and other	500	911	380	1 791	674	1 117	1 117	62	1 791	2.5
Corporate & Investment Banking	3 184	4 849	316	8 349	5 530	2 819	2 819	34	10 375	2.7
Corporate loans	2 713	4 402	292	7 407	4 739	2 668	2 668	36	9 139	2.7
Commercial property finance	471	447	24	942	791	151	151	16	1 236	3.1
Central and other					(2)	2	2			
Gross loans and advances	10 055	19 504	3 047	32 606	21 959	10 647	10 647	33	34 632	4.2
Percentage of total book (%)	1.2	2.3	0.4	3.9	2.6	1.3	1.3			
FY12										
Personal & Business Banking	6 276	13 245	2 955	22 476	13 862	8 614	8 614	38	22 476	4.5
Mortgage loans	4 966	10 088	693	15 747	11 581	4 166	4 166	26	15 747	5.3
Instalment sale and finance leases	221	692	688	1 601	814	787	787	49	1 601	2.5
Card debtors	159	233	500	892	312	580	580	65	892	3.7
Other loans and advances	930	2 232	1 074	4 236	1 155	3 081	3 081	73	4 236	3.7
Personal unsecured lending	475	1 292	779	2 546	638	1 908	1 908	75	2 546	6.0
Business lending and other	455	940	295	1 690	517	1 173	1 173	69	1 690	2.3
Corporate & Investment Banking	3 238	3 783	962	7 983	4 082	3 901	3 901	49	9 315	2.6
Corporate loans	2 914	3 537	777	7 228	3 507	3 721	3 721	51	8 363	2.6
Commercial property finance	324	246	185	755	575	180	180	24	952	2.5
Central and Other					(1)	1	1			
Gross loans and advances	9 514	17 028	3 917	30 459	17 943	12 516	12 516	41	31 791	3.8
Percentage of total book (%)	1.1	2.0	0.5	3.6	2.1	1.5	1.5			

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 payments 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 but not specifically impaired loans	Loans where the counterparty has failed to make contractual payments and payments are 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 that are considered to be uncollectible in whole or in part. The group provides fully for its anticipated loss, after taking securities into account.

Banking activities average balance sheet

	1H13						1H12					
	Trading book Rm	**Non-interest-earning Rm**	**Interest-earning Rm**	**Total average balance Rm**	**Interest[1] Rm**	**Average rate %**	Trading book Rm	Non-interest earning Rm	Interest earning Rm	Total average balance Rm	Interest[1] Rm	Average rate %
Assets												
Cash and balances with central banks[2]	529	11 918	34 886	47 333			759	13 249	13 839	27 847		
Trading assets	104 408	13 713		118 121			95 767	7 427		103 194		
Financial investments			110 072	110 072	3 220	5.90			101 112	101 112	3 077	6.10
Net loans and advances	18 698		839 580	858 278	32 566	7.65	17 308		777 592	794 900	30 483	7.69
Loans and advances to banks	13 016		93 009	106 025	1 010	1.92	16 756		105 711	122 467	1 228	2.01
Loans and advances to customers	5 682		764 942	770 624	31 556	8.26	552		688 174	688 726	29 255	8.52
Mortgage loans			307 528	307 528	12 025	7.89			293 422	293 422	11 995	8.20
Instalment sale and finance leases			68 203	68 203	3 271	9.67			59 031	59 031	3 014	10.24
Card debtors			24 759	24 759	1 678	13.67			21 330	21 330	1 489	14.00
Overdrafts and other demand loans	5 682		91 988	97 670	3 577	7.39	552		76 666	77 218	3 101	8.05
Term loans			231 292	231 292	9 435	8.23			199 276	199 276	8 104	8.16
Commercial property finance			41 172	41 172	1 570	7.69			38 449	38 449	1 552	8.10
Gross loans and advances	18 698		857 951	876 649	32 566	7.49	17 308		793 885	811 193	30 483	7.54
Credit impairments for loans and advances			(18 371)	(18 371)					(16 293)	(16 293)		
Investment property		5 714		5 714				3 807		3 807		
Other assets	25 549	26 131		51 680			13 326	10 054		23 380		
Interest in associates and joint ventures		7 276		7 276				7 380		7 380		
Goodwill and other intangible assets		13 976		13 976				11 785		11 785		
Property and equipment		15 483		15 483				13 253		13 253		
Total average assets and interest excluding trading derivative assets	149 184	94 211	984 538	1 227 933	35 786	5.88	127 160	66 955	892 543	1 086 658	33 560	6.19
Trading derivative assets	173 148			173 148			205 957			205 957		
Total average assets and interest	322 332	94 211	984 538	1 401 081	35 786	5.15	333 117	66 955	892 543	1 292 615	33 560	5.21
Equity and liabilities												
Equity	3 609	106 518		110 127			5 476	89 966		95 442		
Liabilities	136 896	60 582	919 345	1 116 823	16 874	3.05	110 275	28 684	863 912	1 002 871	17 766	3.55
Trading liabilities	54 317			54 317			26 677			26 677		
Deposit and current accounts	64 558		887 414	951 972	15 678	3.32	74 331		839 524	913 855	16 732	3.67
Deposits from banks	38 052		64 770	102 822	568	1.11	33 647		60 735	94 382	592	1.26
Deposits from customers	26 506		822 644	849 150	15 110	3.59	40 684		778 789	819 473	16 140	3.95
Current accounts			146 119	146 119	174	0.24			115 905	115 905	191	0.33
Cash management deposits			91 553	91 553	1 725	3.80			82 420	82 420	1 761	4.28
Call deposits			169 649	169 649	3 336	3.97			155 717	155 717	3 533	4.55
Savings accounts			20 624	20 624	110	1.08			21 853	21 853	122	1.12
Term deposits	26 506		299 723	326 229	7 058	4.36	40 684		328 165	368 849	8 242	4.48
Negotiable certificates of deposit			94 976	94 976	2 707	5.75			74 729	74 729	2 291	6.15
Other liabilities	17 065	60 582		77 647			7 640	28 684		36 324		
Subordinated bonds	956		31 931	32 887	1 196	7.33	1 627		24 388	26 015	1 034	7.97
Total average equity, liabilities and interest excluding trading derivative liabilities	140 505	167 100	919 345	1 226 950	16 874	2.77	115 751	118 650	863 912	1 098 313	17 766	3.24
Trading derivative liabilities	174 131			174 131			194 302			194 302		
Total average equity, liabilities and interest	314 636	167 100	919 345	1 401 081	16 874	2.43	310 053	118 650	863 912	1 292 615	17 766	2.76
Margin on total average assets excluding trading derivatives	149 184	94 211	984 538	1 227 933	18 912	3.11	127 160	66 955	892 543	1 086 658	15 794	2.91
Margin on total average loans and advances	18 698		839 580	858 278	18 912	4.44	17 308		777 592	794 900	15 794	3.98
Margin on average interest-earning assets			984 538	984 538	20 114	4.12			892 543	892 543	17 007	3.82

[1] Interest received and paid on trading derivatives instruments has been netted with interest received on derivative asset instruments used for hedging purposes allocated to the instrument being hedged thus the interest split between assets and liabilities will 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.

Liquidity management

Liquidity market overview

- The group's liquidity risk management framework requires the group to measure and manage its liquidity position, and ensure that pipeline funding requirements and payment obligations can be met at all times, under both normal and stressed conditions. The group's liquidity risk standard is reviewed annually by the group risk oversight committee and the group's board of directors (the board).
- The group's overall liquidity risk appetite has remained unchanged over the first half of 2013 with continued active management of financial resources within the group's stated risk tolerance.
- New term lending volumes and investment activities are monitored and priced to take into account liquidity costs relating to anticipated regulatory changes and funding costs that will impact the group.
- The group continues to plan and prepare for Basel III and other regulatory changes, as well as assess and manage the potential impact of events in local and international markets on the bank.

Liquidity buffer

- Portfolios of highly marketable liquid securities, over and above prudential requirements, are maintained as protection against unexpected disruptions in cash flows. These holdings are considered in the context of internal stress tests and discounts assumed on certain securities in a stressed sale.
- The amount of contingent liquidity required by the group's liquidity risk standard is influenced by the nature of the depositor and the contractual terms of the deposit, stress testing requirements as well as prevailing and anticipated regulation.
- The contingent liquidity amounted to R174,1 billion as at 1H13 (1H12: R142,8 billion).

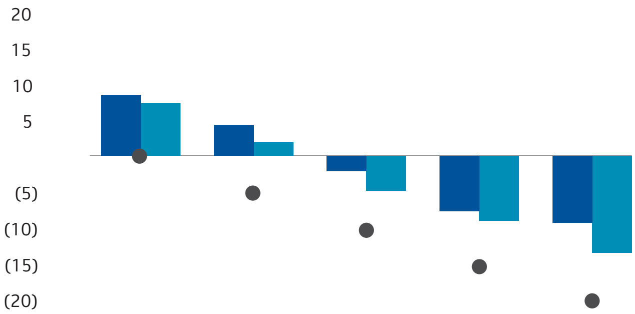
Total liquidity

	1H13 Rbn	1H12 Rbn	FY12 Rbn
Contingent liquidity	**174,1**	142,8	143,5
Prudential requirements	**59,3**	42,1	42,5
Total liquidity	**233,4**	184,9	186,0
Contingent liquidity as % of funding related liabilities	**16%**	14%	14%

Structural liquidity requirements

- 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 across the group.
- In respect of liabilities, behavioural profiling assigns probable maturities based on historically observed actual customer behaviour. This process is used to identify core deposits, such as current and savings accounts. These core deposits, although repayable on demand or at short notice, contribute towards stable funding based on their behaviour.
- In respect of assets, profiling is used to identify additional sources of structural liquidity in the form of liquid assets or assets that could be used to generate liquidity within a specific time frame.
- Limits and guidelines are set by the board to restrict the cumulative liquidity mismatch between expected inflows and outflows of funds in different time buckets based on contractual and behavioural analysis.
- The behaviourally adjusted cumulative liquidity mismatch remains within the group's liquidity risk appetite.

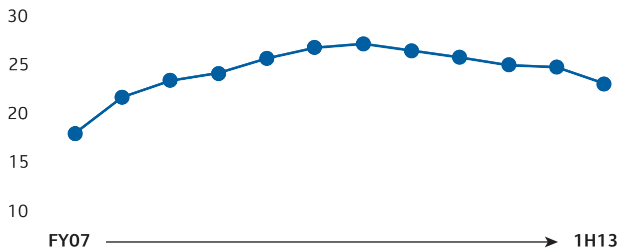
Behaviourally adjusted cumulative liquidity mismatch (%)



	0 - 7 days	0 - 1 month	0 - 3 months	0 - 6 months	0 - 12 months
1H13	8.5	4.3	(2.1)	(7.7)	(9.3)
1H12	7.4	1.9	(4.8)	(9.0)	(13.5)
Internal limit	0	(5)	(10)	(15)	(20)

- The long-term funding ratio is used to measure funding-related liabilities with a remaining maturity greater than six months as a percentage of total funding-related liabilities. This ratio indicates the contractual stability of the total funding base.

Long-term funding ratio (%)[1]



17.4	21.2	22.9	23.7	25.2	26.3	26.7	26.0	25.3	24.5	24.3	22.6

[1] Bi-annual long-term funding ratios.

- As at 1H13, the group's long-term funding ratio was 22.6% (1H12: 24.5%).
- Term liquidity spreads were compressed during the first half of 2013. This compression highlights the subdued market demand for term funding, mainly on the back of the benign term asset growth. In the absence of higher than expected growth in lending or stress in the banking system, we expect term liquidity spreads to remain at these levels.

Diversified funding base

- The group's funding strategy is determined after reviewing the group's projected balance sheet, which includes taking into account the forecast of PBB and CIB funding requirements, the maturity profile of existing funding and anticipated changes in the deposit base. Funding requirements and initiatives are assessed in accordance with the group asset and liability committee requirements for diversification, maturity profile, interbank reliance and currency exposure, as well as the availability and pricing of alternative liquidity sources.
- Concentration risk limits are used within the group to ensure funding diversification across products, sectors, geographic regions and counterparties.
- Primary sources of funding consist of deposits from a wide range of retail and wholesale clients as well as long-term capital market funding.

Funding-related liabilities composition

	1H13 Rbn	1H12 Rbn	FY12 Rbn
Corporate funding	**246**	224	253
Financial institutions	**221**	229	192
Retail	**218**	211	204
Interbank funding	**123**	99	107
Government and parastatals	**104**	106	99
Senior and subordinated debt issued	**65**	89	66
Other liabilities to the public	**101**	69	125
Total group funding-related liabilities	**1 078**	1 027	1 046

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. These stress scenarios facilitate the evaluation of the impact of unlikely but plausible stress events on liquidity positions.
- The outcomes of the stress tests are reviewed by asset and liability management committees on at least a monthly basis, and inform minimum liquid asset buffer requirements and liquidity contingency recovery plans. The scenarios themselves are reviewed periodically to ensure they remain valid and up to date.

Contingency funding plans

- Banking entities have entity-specific liquidity contingency and recovery plans in place in preparation for bank-specific and/or systemic liquidity crises.
- These plans are regularly reviewed, on at least an annual basis, and have been updated in accordance with the SARB recovery plan agenda.
- Liquidity contingency recovery plans include an extensive early warning indicator methodology supported by clear and decisive crisis response strategies. The above plans are developed at legal entity and group levels, and consider the interaction of entities should there be a group-wide crisis.
- Towards the end of 2012, a comprehensive liquidity stress testing exercise, facilitated by PwC, was undertaken where a crisis was simulated for its impact on the group and the viability of various contingent liquidity plans. The simulation provided valuable lessons and supported the enhancement of the bank's existing liquidity contingency strategy, whilst illustrating the robust nature of existing plans and contingent liquidity held by the group.
- Contingency and crisis response strategies are formulated around the relevant contingency and crisis management structures. These strategies address internal and external communications and escalation procedures, liquidity generation and operations, management actions required as well as additional information requirements.

Regulatory developments

- When the Basel Committee previously proposed the two liquidity ratios, namely the LCR and NSFR, as part of the Basel III regulations, it stated that it would observe the impact of these ratios on banks and amend them if deemed necessary. Following a series of quantitative impact studies, industry comment letters and discussions with banks, the Basel Committee published a set of revisions to the LCR in January 2013. These revisions will make it easier for banks to meet the LCR, in particular by:
  - expanding the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage-backed securities
  - reducing the assumed outflow rates on some types of liabilities
  - phasing in the minimum LCR requirement level so that the required LCR is 60% in 2015, rising by 10 percentage points each year until it reaches 100% from 2019 onwards
- The SARB confirmed that the proposed revision to the LCR will be adopted by the South African banking industry and that a committed liquidity facility will also be made available, at a fee, to assist banks in meeting this ratio. The banking industry still expects to face some challenges in meeting the NSFR requirements and continues to engage with the relevant authorities in this regard. Further NSFR guidance is expected towards the end of 2013.

Capital management

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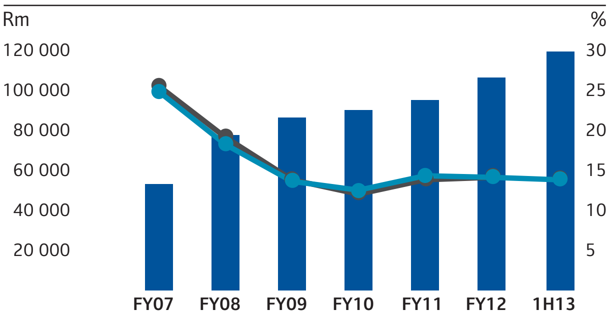
Return on ordinary equity

Return on ordinary equity

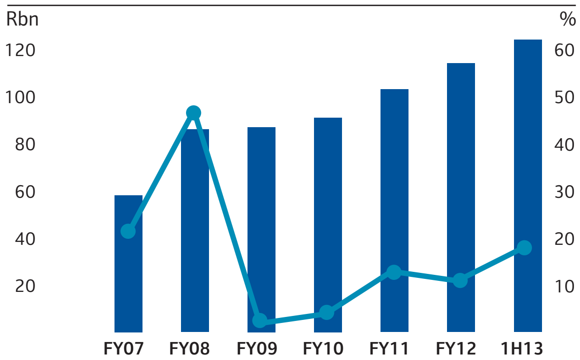


	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Shareholders' funds (average)	53 093	77 602	86 342	90 019	95 156	106 291	119 243
ROE	24.8	18.2	13.6	12.5	14.3	14.0	13.8
ROE excluding FCTR	25.5	19.1	13.8	12.0	13.8	14.1	14.0

	Average equity 1H13 Rm	**ROE 1H13 %**	Average equity 1H12 Rm	ROE 1H12 %	Average equity FY12 Rm	ROE FY12 %
Personal & Business Banking	**43 814**	**16.8**	35 740	18.0	37 842	19.4
Corporate & Investment Banking	**48 379**	**14.7**	44 782	12.6	45 872	9.6
Central and other	**17 934**	**0.6**	14 920	5.9	14 518	8.0
Banking activities	**110 127**	**13.2**	95 442	13.6	98 232	13.2
Liberty	**9 116**	**20.4**	7 768	22.7	8 059	24.7
Standard Bank Group	**119 243**	**13.8**	103 210	14.3	106 291	14.0
Reconciliation to IFRS equity						
Normalised average equity	**119 243**		103 210		106 291	
Empowerment reserve impairment (Tutuwa SPEs' preference shares and dividends receivable)	**(2 771)**		(2 765)		(2 840)	
Central and other	**(2 339)**		(2 370)		(2 421)	
Liberty	**(432)**		(395)		(419)	
Deemed treasury shares (excluding Tutuwa)	**(558)**		(987)		(878)	
Standard Bank Group – IFRS	**115 914**	**14.0**	99 458	14.4	102 573	14.2

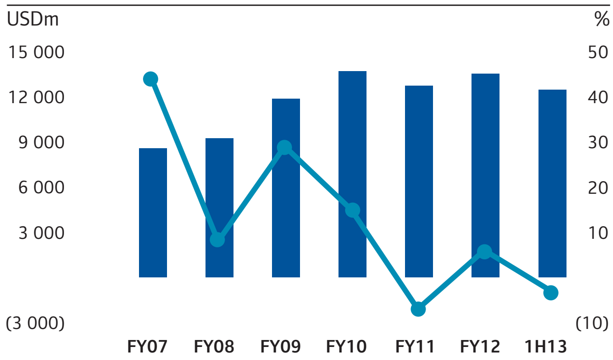
Ordinary shareholders' equity (net asset value)

Analysis of net asset value (ZAR)



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
NAV	58	86	87	91	103	115	124
NAV growth	21	47	2	4	13	12	18

Analysis of net asset value (USD)



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
NAV	8 577	9 227	11 866	13 672	12 728	13 520	12 468
NAV growth	44	8	29	15	(7)	6	(3)

Net asset value

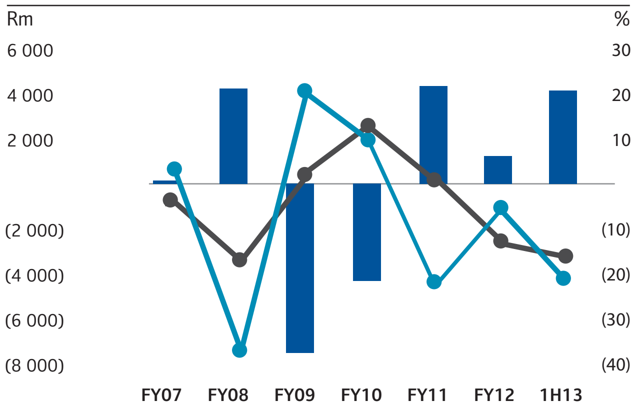
	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Personal & Business Banking	18	**44 867**	38 112	42 866
Corporate & Investment Banking	4	**48 839**	47 090	45 040
Central and other	75	**21 120**	12 067	17 827
Banking activities	18	**114 826**	97 269	105 733
Liberty	13	**9 110**	8 077	8 886
Standard Bank Group	18	**123 936**	105 346	114 619

Analysis of changes in net asset value

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Beginning of the period	11	**114 619**	102 984	102 984
Additional shareholder value	70	**11 743**	6 895	17 778
Headline earnings for the period attributable to ordinary shareholders		**8 149**	7 315	14 918
Other earnings attributable to ordinary shareholders		**20**	(19)	1 482
Currency translation movements, including hedging activities		**4 144**	(348)	1 237
Net cash flow hedges		**(54)**	(275)	(219)
Net available-for-sale movement		**(34)**	84	17
Fair value adjustments on available-for-sale instruments		**(15)**	66	607
Realised fair value adjustments transferred to the income statement		**(19)**	18	(590)
Other direct reserve movements		**(482)**	138	343
Transactions with ordinary shareholders	44	**(2 405)**	(4 309)	(6 080)
Dividends paid		**(2 688)**	(4 520)	(6 556)
Equity-settled share-based payments		**218**	65	282
Issue of share capital and premium and capitalisation of reserves		**2**	105	125
Deferred tax on share-based payments		**63**	41	69
Transactions with non-controlling shareholders	91	**(21)**	(224)	(63)
End of the period	18	**123 936**	105 346	114 619

Currency translation effects

Currency translation effects



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Translation reserve credit/(debit)	155	4 234	(7 509)	(4 325)	4 335	1 237	4 144
USD/ZAR appreciation/ (depreciation) – closing	3	(37)	21	10	(22)	(5)	(21)
USD/ZAR (depreciation)/ appreciation – average	(4)	(17)	2	13	1	(13)	(16)

Movement in group foreign currency translation and net investment hedge reserve

	1H13 Rm	1H12 Rm	FY12 Rm
Balance at beginning of the period: (debit)	**(94)**	(1 331)	(1 331)
Translation reserve increase/(decrease) for the period	**4 144**	(348)	1 237
Translation reserve increase/(decrease)	**4 383**	(421)	1 056
Rest of Africa	**2 059**	(257)	133
Outside Africa	**2 278**	(170)	912
Liberty	**46**	6	11
Currency hedge (losses)/gains	**(239)**	73	181
Balance at end of the period: credit/(debit)	**4 050**	(1 679)	(94)

Exchange rates

	Average				Closing			
	Change %	**1H13**	1H12	FY12	Change %	**1H13**	1H12	FY12
USD/ZAR	16	**9,22**	7,94	8,21	21	**9,94**	8,19	8,48
ZAR/NGN	(14)	**17,16**	20,05	19,33	(18)	**16,33**	19,86	18,41
GBP/USD	(3)	**1,54**	1,58	1,59	(3)	**1,52**	1,57	1,62
Euro/USD	1	**1,31**	1,30	1,29	2	**1,30**	1,27	1,32

Cost of equity, economic returns and economic capital

Cost of equity estimates

	Average 1H13 %	Average 1H12 %	Average FY12 %
Standard Bank Group	**13.7**	13.7	13.7
Banking activities	**13.9**	13.8	13.8
Liberty	**11.7**	11.6	11.6

Economic returns

	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm
Average ordinary equity	16	**119 243**	103 210	106 291
Headline earnings	11	**8 149**	7 315	14 918
Cost of equity charge	(16)	**(8 121)**	(6 994)	(14 562)
Economic profits on headline earnings	(91)	**28**	321	356
Changes in other comprehensive income	>100	**3 574**	(401)	1 378
Net currency translation movement		**4 144**	(348)	1 237
Cash flow hedge losses		**(54)**	(275)	(219)
Fair value (losses)/gains on available-for-sale assets		**(34)**	84	17
Other changes		**(482)**	138	343
Total economic returns/(loss)	>100	**3 602**	(80)	1 734

Economic capital utilisation by risk type at end of the period

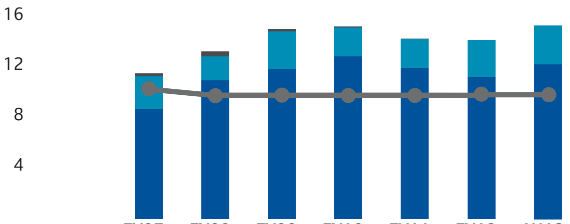
	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm
Credit risk	6	**53 023**	50 104	49 102
Equity risk	33	**5 200**	3 906	4 816
Market risk	60	**1 660**	1 035	1 973
Operational risk	14	**8 756**	7 651	7 455
Business risk	(6)	**5 347**	5 684	5 156
Interest rate risk in the banking book	62	**3 465**	2 139	2 423
Banking activities – economic capital requirement	10	**77 451**	70 519	70 925
Available financial resources		**118 084**	96 735	106 426
Economical capital coverage ratio (times)		**1.52**	1.37	1.50

Economic capital utilisation by business unit at end of the period

	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm
Personal & Business Banking	22	**27 024**	22 076	23 352
Corporate & Investment Banking	7	**49 169**	45 759	46 476
Central and other	(53)	**1 258**	2 684	1 097
Banking activities	10	**77 451**	70 519	70 925

Risk-weighted assets

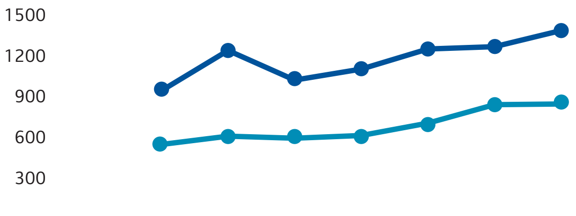
Capital adequacy[1] (%)



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Tier I capital	8.7	11.0	11.9	12.9	12.0	11.2	12.3
Tier II capital	2.6	1.9	3.0	2.3	3.1	3.0	3.1
Tier III capital	0.3	0.4	0.2	0.1	0.0	0.0	0.0
Required capital	10.0	9.5	9.5	9.5	9.5	9.5	9.5

[1] Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for FY07 are on a Basel II pro forma basis. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis.1H13 represents 2013 SARB Basel III minimum capital requirement.

Risk-weighted assets (closing balances)[1] (Rbn)



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Total assets (banking activities)	950	1 246	1 028	1 109	1 257	1 274	1 394
Risk-weighted assets	554	615	600	620	711	842	852

[1] Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for FY07 are on a Basel II pro forma basis. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis.1H13 represents 2013 SARB Basel III minimum capital requirement.

Risk-weighted assets (RWA) by business unit

	Change %	1H13 Rm	FY12[1] Rm
Personal & Business Banking	2	**301 899**	297 093
Credit risk	3	**245 489**	237 288
Operational risk	(6)	**56 128**	59 629
Equity risk in the banking book	60	**282**	176
Corporate & Investment Banking	(0)	**505 895**	506 164
Credit risk	(1)	**363 738**	368 587
Market risk	7	**73 857**	69 244
Operational risk	(1)	**51 988**	52 722
Equity risk in the banking book	4	**16 312**	15 611
Central and other	13	**43 751**	38 578
Credit risk	17	**19 567**	16 730
Operational risk	(100)	**–**	338
Equity risk in the banking book	(58)	**234**	556
RWA for investments in financial entities	14	**23 950**	20 954
Banking activities	1	**851 545**	841 835

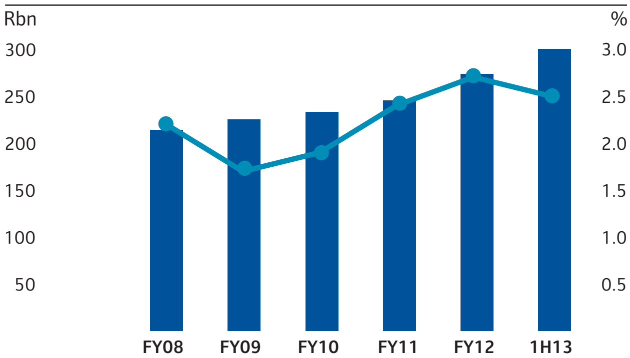
[1]Pro forma Basel III basis.

RWA by risk class

	Change %	1H13 Rm	FY12[1] Rm
Credit risk	1	**628 794**	622 605
Market risk	7	**73 857**	69 244
Operational risk	(4)	**108 116**	112 689
Equity risk in the banking book	3	**16 828**	16 343
RWA for investments in financial entities	14	**23 950**	20 954
Banking activities	1	**851 545**	841 835

[1]Pro forma Basel III basis.

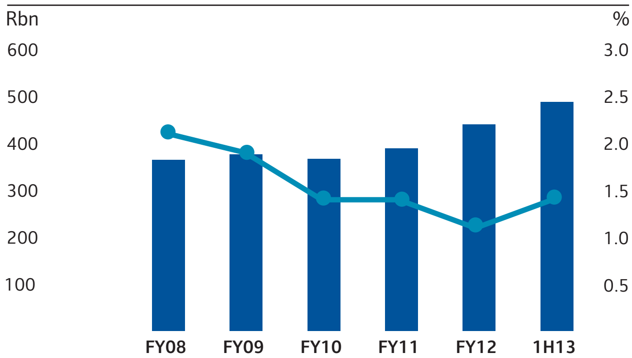
PBB return on average RWA[1]



	FY08	FY09	FY10	FY11	FY12	1H13
Risk-weighted assets	214	225	233	245	273	300
Return on average risk-weighted assets	2.2	1.7	1.9	2.4	2.7	2.5

[1] Basel II implemented 1 January 2008. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis.

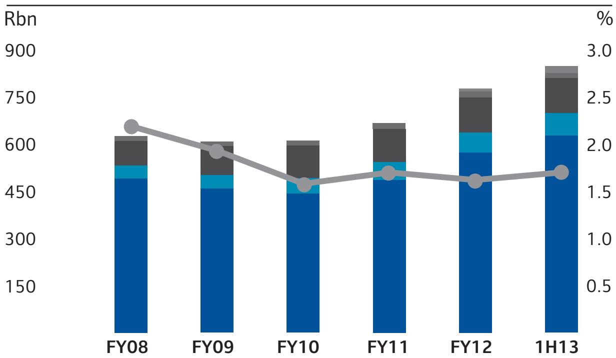
CIB return on average RWA[1]



	FY08	FY09	FY10	FY11	FY12	1H13
Risk-weighted assets	364	375	366	388	439	487
Return on average risk-weighted assets	2.1	1.9	1.4	1.4	1.0	1.4

[1] Basel II implemented 1 January 2008. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis.

SBG return on banking activities average RWA[1]



	FY08	FY09	FY10	FY11	FY12	1H13
Credit Risk	490	457	441	485	572	626
Market Risk	40	44	50	56	64	72
Operational Risk	78	91	103	106	111	110
Equity Risk	16	15	16	18	19	17
Other Risk	–	–	–	–	10	22
Return on average risk-weighted assets	2.2	1.9	1.6	1.8	1.7	1.7

[1] Basel II implemented 1 January 2008. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis.

Capital adequacy

Qualifying Capital excluding unappropriated profit

	Change %	1H13 Rm	FY12[1] Rm
Normalised ordinary shareholders' equity	8	**123 936**	114 619
Net IFRS adjustments	55	**(1 588)**	(3 534)
IFRS ordinary shareholders' equity	10	**122 348**	111 085
Qualifying non-controlling interest	22	**3 338**	2 738
Less: regulatory adjustments:	(6)	**(24 395)**	(23 108)
Goodwill	(14)	**(3 523)**	(3 092)
Other Intangible assets	(14)	**(11 887)**	(10 445)
Shortfall of provisions to expected losses	(23)	**(2 588)**	(2 108)
Investments in financial entities	12	**(4 525)**	(5 156)
Other adjustments	19	**(1 872)**	(2 307)
Less: regulatory exclusions	(5)	**(13 688)**	(13 085)
Unappropriated profit	(4)	**(12 570)**	(12 055)
Non-qualifying reserves	(9)	**(1 118)**	(1 030)
Common equity tier I capital	13	**87 603**	77 630
Perpetual preference shares	–	**4 945**	4 945
Tier I capital	12	**92 548**	82 575
Tier II subordinated debt	(0)	**24 902**	25 020
General allowance for credit impairments	10	**807**	733
Tier II capital	(0)	**25 709**	25 753
Total	9	**118 257**	108 328

[1] Pro forma Basel III basis.

Standard Bank Group capital adequacy ratios

	2013 SARB Basel III minimum regulatory requirement %	**Including unappropriated profits** 1H13 %	FY12[1] %	**Excluding unappropriated profits** 1H13 %	FY12[1] %
Total capital adequacy ratio	9.5	**15.4**	14.3	**13.9**	12.9
Tier I capital adequacy ratio	6.0	**12.3**	11.2	**10.9**	9.8
Common equity tier I capital adequacy ratio	4.5	**11.8**	10.7	**10.3**	9.2

[1]Pro forma Basel III basis.

Capital adequacy ratios

	Host tier I regulatory require-ments %	Host total regulatory require-ments %	**1H13** Tier I capital %	**1H13** Total capital %	FY12 Tier I capital %	FY12 Total capital %
Standard Bank Group[1]	6.0[2]	9.5[2]	**12.3**	**15.4**	11.2	14.3
The Standard Bank of South Africa Group (SBSA Group)[1]	6.0[2]	9.5[2]	**11.3**	**14.2**	10.5	13.7
Rest of Africa						
CfC Stanbic Bank Kenya	10.5	14.5	**17.6**	**20.9**	21.0	30.0
Stanbic Bank Botswana	7.5	15.0	**11.3**	**18.6**	8.9	17.3
Stanbic Bank Ghana	6.7	10.0	**17.9**	**19.2**	17.1	18.6
Stanbic Bank Tanzania	10.0	12.0	**13.0**	**15.0**	13.4	15.4
Stanbic Bank Uganda	8.0	12.0	**19.3**	**23.3**	15.7	20.0
Stanbic Bank Zambia	5.0	10.0	**16.8**	**19.1**	18.1	20.7
Stanbic Bank Zimbabwe	8.0	12.0	**17.6**	**19.0**	15.5	16.9
Stanbic IBTC Bank Nigeria	5.0	10.0	**13.1**	**15.4**	15.7	16.7
Standard Bank de Angola	5.0	10.0	**11.9**	**17.8**	15.6	15.6
Standard Bank Malawi	6.0	10.0	**19.1**	**23.2**	17.2	21.9
Standard Bank Mauritius	5.0	10.0	**9.6**	**14.9**	6.9	10.8
Standard Bank Mozambique	4.0	8.0	**12.1**	**13.2**	16.6	17.7
Standard Bank Namibia	7.0	10.0	**9.8**	**11.8**	10.2	11.8
Standard Bank RDC (DR Congo)	5.0	10.0	**24.4**	**34.6**	25.4	30.7
Standard Bank Swaziland	4.0	8.0	**10.9**	**15.7**	10.6	15.0
Standard Lesotho Bank	4.0	8.0	**12.2**	**13.3**	9.0	10.3
Standard International Holdings, consolidated[3]			**17.2**	**24.2**	15.1	21.7
Standard Bank Isle of Man		10.0	**10.3**	**12.3**	9.6	11.8
Standard Bank Jersey		10.0	**10.5**	**15.2**	11.2	15.8
Liberty Group (calculated in terms of the Long-term Insurance Act) capital adequacy requirement – times covered				**2.8**		2.7

[1] FY12 presented on a pro forma Basel III basis.
[2] Represents 2013 SARB Basel III minimum capital requirements.
[3] Incorporating:
– Banco Standard de Investimentos (Brazil)
– Standard Bank Asia (Hong Kong)
– Standard Bank Plc (United Kingdom)

Subordinated debt

	Redeemable/ Repayable date	Callable date	Notional value[1] LCm	**Carrying value[1] 1H13 Rm**	**Notional value[1] 1H13 Rm**	Carrying value[1] 1H12 Rm	Notional value[1] 1H12 Rm	Carrying value[1] FY12 Rm	Notional value[1] FY12 Rm
Subordinated bonds[2] – banking activities									
SBSA				**20 745**	**20 050**	19 456	18 398	22 400	21 550
SBK 10 (Tier III)	19 Nov 2012		ZAR 300	**–**	**–**	303	300	–	–
USA private placement	31 Jul 2017	31 Jul 2012	USD 355	**–**	**–**	2 978	2 548	–	–
SBK 8	10 Apr 2018	10 Apr 2013	ZAR 1 500	**–**	**–**	1 528	1 500	1 528	1 500
SBKI 11	9 Apr 2019	10 Apr 2014	ZAR 1 800	**2 290**	**1 800**	2 270	1 800	2 414	1 800
SBK 7	24 May 2020	24 May 2015	ZAR 3 000	**3 032**	**3 000**	3 032	3 000	3 033	3 000
SBK 12	24 Nov 2021	24 Nov 2016	ZAR 1 600	**1 618**	**1 600**	1 618	1 600	1 618	1 600
SBK 13	24 Nov 2021	24 Nov 2016	ZAR 1 150	**1 159**	**1 150**	1 159	1 150	1 159	1 150
SBK 15	23 Jan 2022	23 Jan 2017	ZAR 1 220	**1 236**	**1 220**	1 238	1 220	1 236	1 220
SBK 14	1 Dec 2022	1 Dec 2017	ZAR 1 780	**1 794**	**1 780**	1 794	1 780	1 795	1 780
SBK 16	15 Mar 2023	15 Mar 2018	ZAR 2 000	**2 005**	**2 000**	2 007	2 000	2 005	2 000
SBK 9	10 Apr 2023	10 Apr 2018	ZAR 1 500	**1 528**	**1 500**	1 529	1 500	1 529	1 500
SBK 17	30 Jul 2024	30 Jul 2019	ZAR 2 000	**2 025**	**2 000**	–	–	2 024	2 000
SBK 19	24 Oct 2024	24 Oct 2019	ZAR 500	**507**	**500**	–	–	507	500
SBK 18	24 Oct 2025	24 Oct 2020	ZAR 3 500	**3 551**	**3 500**	–	–	3 552	3 500
Standard Bank Swaziland	2019 – 2020	2014 – 2015	E 80	**80**	**80**	80	80	80	80
Stanbic Botswana	2018 – 2022	2013 – 2017	BWP 280	**325**	**325**	302	302	306	306
Standard Bank Mozambique	29 Jun 2017	29 Jun 2012	MT 260	**87**	**87**	76	76	74	74
CfC Stanbic Bank (Kenya)	2012 – 2016		KES 5 200	**580**	**580**	507	507	492	492
Stanbic Bank Uganda	10 Aug 2016	10 Aug 2014	UGX 30 000	**116**	**116**	100	100	95	95
Standard International Holdings				**7 168**	**6 628**	6 118	5 459	6 307	5 652
	27 Jul 2016	27 Jul 2016	USD 142	**1 511**	**1 409**	1 242	1 160	1 246	1 201
	2 Dec 2019		USD 500	**5 408**	**4 970**	4 665	4 094	4 849	4 239
	3 Dec 2019	3 Dec 2014	USD 25	**249**	**249**	211	205	212	212
Stanbic Bank Ghana	23 Jan 2022	23 Jan 2017	GHS 7	**34**	**34**	30	30	34	34
Subordinated bonds issued to group companies				**(594)**	**(584)**	(675)	(667)	(603)	(592)
Total subordinated bonds – banking activities				**28 541**	**27 316**	25 994	24 285	29 185	27 691
Total subordinated loans – banking activities[3]				**378**	**378**	311	311	326	326
Total subordinated debt – banking activities				**28 919**	**27 694**	26 305	24 596	29 511	28 017
Liberty (qualifying as regulatory insurance capital)	2017 – 2018		ZAR 2 000	**2 037**	**2 000**	2 054	2 000	2 037	2 000
Total subordinated debt				**30 956**	**29 694**	28 359	26 596	31 548	30 017

[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, Mauritius, Kenya and DRC.

Key banking legal entity information

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Standard Bank Plc

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Rest of Africa legal entities

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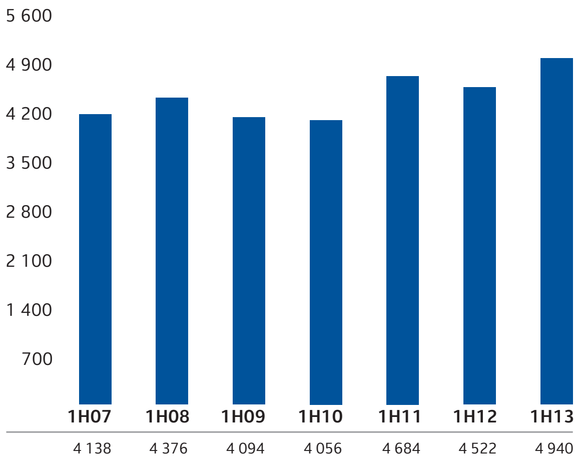
Key financial results, ratios and statistics

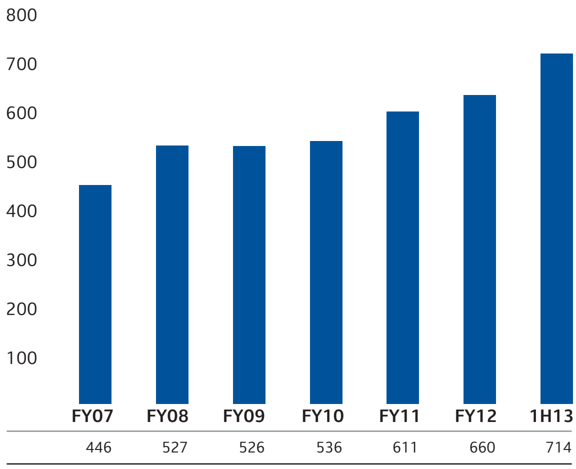
		Change %	1H13	1H12	FY12
SBSA group					
Income statement					
Headline earnings	Rm	9	**4 940**	4 522	11 461
Profit attributable to the ordinary shareholder	Rm	9	**4 941**	4 532	11 884
Statement of financial position					
Ordinary shareholders' equity	Rm	31	**74 233**	56 677	70 562
Total assets	Rm	8	**1 027 883**	954 789	980 152
Loans and advances	Rm	12	**714 130**	636 054	659 500
Financial performance					
ROE	%		**13.8**	16.3	18.3
Non-interest revenue to total income	%		**43.9**	47.3	46.6
Loan-to-deposit ratio	%		**95.6**	89.8	91.9
Credit loss ratio	%		**1.21**	0.83	0.89
Cost-to-income ratio	%		**54.9**	57.4	54.5
Effective taxation rate	%		**25.8**	29.7	21.8
Number of employees		(0)	**28 078**	28 084	28 168
Capital adequacy[1]					
Total risk-weighted assets	Rm	6	**513 634**	483 354	528 266
Tier I capital adequacy ratio	%		**11.3**	9.6	10.5
Total capital adequacy ratio	%		**14.2**	12.6	13.7
SBSA company					
Headline earnings	Rm	4	**4 561**	4 389	11 140
Total assets	Rm	8	**1 017 581**	941 933	969 095
ROE	%		**13.0**	16.2	18.1

[1] Capital ratios for 1H12 are on a Basel II basis, 1H13 and FY12 are presented on a Basel III basis.

Headline earnings – SBSA group (Rm)
CAGR (1H07– 1H13): 3%



Loans and advances – SBSA group (Rbn)
CAGR (FY07– 1H13): 9%



SBSA's operating model

- Standard Bank's African strategy is assisted by the macro prudential limit, which allows South African banks to apply up to 25% of their total liabilities in foreign assets and an additional 5% on assets in Africa.
- In order to utilise this limit, assets from entities outside Africa were transferred to SBSA during 2011 and 2012 and subsequently assets have been originated under this model from regions outside South Africa onto the SBSA balance sheet.
- Under this model, the SBSA group can no longer be viewed as a purely South African operation as assets from multiple jurisdictions are booked onto the SBSA balance sheet.

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Summarised income statement

	Group				Company			
	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm
Net interest income	21	**13 867**	11 486	25 249	19	**13 649**	11 460	25 196
Non-interest revenue	5	**10 861**	10 299	22 032	4	**10 364**	9 931	21 394
Net fee and commission revenue	9	**8 181**	7 507	16 364	8	**7 565**	6 992	15 561
Trading revenue	(4)	**1 697**	1 764	3 147	(3)	**1 764**	1 810	3 154
Other revenue	(4)	**983**	1 028	2 521	(8)	**1 035**	1 129	2 679
Total income	14	**24 728**	21 785	47 281	12	**24 013**	21 391	46 590
Credit impairment charges	59	**4 160**	2 624	5 785	57	**4 126**	2 621	5 751
Specific credit impairments	59	**3 945**	2 488	6 005	58	**3 912**	2 475	5 946
Portfolio credit impairments	58	**215**	136	(220)	47	**214**	146	(195)
Income after credit impairment charges	7	**20 568**	19 161	41 496	6	**19 887**	18 770	40 839
Revenue sharing agreements with group companies	(49)	**(893)**	(598)	(1 642)	(49)	**(893)**	(598)	(1 642)
Income after revenue sharing arrangements	6	**19 675**	18 563	39 854	5	**18 994**	18 172	39 197
Operating expenses	8	**13 156**	12 217	25 161	8	**12 830**	11 928	24 566
Staff costs	6	**6 946**	6 572	13 344	5	**6 811**	6 463	13 112
Other operating expenses	10	**6 210**	5 645	11 817	10	**6 019**	5 465	11 454
Net income before equity accounted earnings	3	**6 519**	6 346	14 693	(1)	**6 164**	6 244	14 631
Share of profit/(loss) from associates and joint ventures	0	**107**	107	523	(100)	**(2)**	–	155
Net income before indirect taxation	3	**6 626**	6 453	15 216	(1)	**6 162**	6 244	14 786
Indirect taxation	24	**551**	443	974	24	**547**	442	973
Profit before direct taxation	1	**6 075**	6 010	14 242	(3)	**5 615**	5 802	13 813
Direct taxation	(21)	**1 161**	1 476	2 347	(25)	**1 054**	1 403	2 251
Profit for the period	8	**4 914**	4 534	11 895	4	**4 561**	4 399	11 562
Attributable to non-controlling interests	(>100)	**(27)**	2	11				
Attributable to the ordinary shareholder	9	**4 941**	4 532	11 884	4	**4 561**	4 399	11 562
Headline adjustable items	90	**(1)**	(10)	(423)	100	**–**	(10)	(422)
Headline earnings	9	**4 940**	4 522	11 461	4	**4 561**	4 389	11 140

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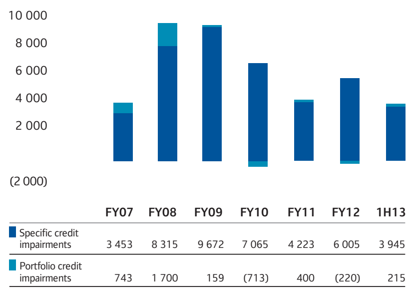
Statement of financial position

	Group				Company			
	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm	Change %	**1H13 Rm**	1H12 Rm	FY12 Rm
Assets								
Cash and balances with central banks	8	**22 115**	20 474	25 926	8	**22 114**	20 474	25 926
Trading assets	19	**34 413**	28 848	35 685	19	**34 231**	28 660	35 496
Pledged assets	15	**1 538**	1 338	5 706	15	**1 538**	1 338	5 706
Financial investments	(3)	**80 957**	83 521	76 679	(2)	**80 967**	83 028	76 690
Loans and advances	12	**714 130**	636 054	659 500	13	**697 336**	619 369	643 762
Loans and advances to banks	49	**95 132**	63 980	69 999	49	**95 061**	63 963	70 033
Loans and advances to customers	8	**618 998**	572 074	589 501	8	**602 275**	555 406	573 729
Derivative and other assets	(18)	**85 189**	103 709	98 021	(18)	**84 507**	103 201	97 147
Non-current assets held for sale		**–**	–	960		**–**	–	708
Interest in group companies, associates and joint ventures	7	**68 900**	64 414	58 430	10	**76 417**	69 594	64 593
Goodwill and other intangible assets	49	**11 924**	7 982	10 350	50	**11 880**	7 946	10 307
Property and equipment	3	**8 717**	8 449	8 895	3	**8 591**	8 323	8 760
Total assets	8	**1 027 883**	954 789	980 152	8	**1 017 581**	941 933	969 095
Equity and liabilities								
Equity	31	**74 270**	56 731	70 625	31	**72 488**	55 508	69 202
Equity attributable to the ordinary shareholder	31	**74 233**	56 677	70 562	31	**72 488**	55 508	69 202
Ordinary share capital	–	**60**	60	60	–	**60**	60	60
Ordinary share premium	23	**35 196**	28 630	35 196	23	**35 196**	28 630	35 196
Reserves	39	**38 977**	27 987	35 306	39	**37 232**	26 818	33 946
Non-controlling interest	(31)	**37**	54	63				
Liabilities	6	**953 613**	898 058	909 527	7	**945 093**	886 425	899 893
Derivative liabilities	(16)	**73 762**	87 416	81 744	(16)	**73 762**	87 395	81 744
Trading liabilities	(5)	**16 082**	16 893	15 953	(5)	**16 082**	16 893	15 953
Deposit and current accounts	5	**747 140**	708 307	717 944	6	**737 229**	694 849	706 586
Deposits from banks	4	**94 151**	90 205	78 453	4	**94 151**	90 205	78 453
Deposit and current accounts from customers	6	**652 989**	618 102	639 491	6	**643 078**	604 644	628 133
Other liabilities	14	**24 310**	21 366	21 285	14	**23 556**	20 709	20 645
Subordinated debt	7	**20 745**	19 456	22 400	7	**20 745**	19 456	22 400
Liabilities to group companies	60	**71 574**	44 620	50 201	56	**73 719**	47 123	52 565
Total equity and liabilities	8	**1 027 883**	954 789	980 152	8	**1 017 581**	941 933	969 095

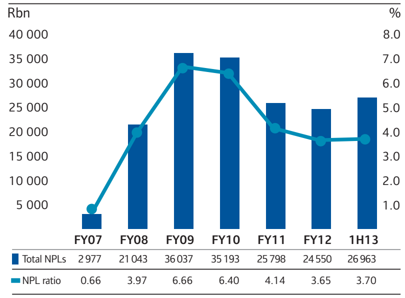
The Standard Bank of South Africa

Credit impairment charges

Credit impairment charges (Rm)



Non performing loans (%)



Income statement impairment charges (net of recoveries)

		1H13					
		Specifically impaired loans					
	Change %	Specific impairment Rm	IAS 39 discount[1] Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
Personal & Business Banking	30	**2 916**	**289**	**3 205**	**132**	**3 337**	**1.52**
Mortgage loans	(12)	946	119	1 065	68	1 133	0.78
Instalment sale and finance leases	70	251	14	265	46	311	1.08
Card debtors	>100	364	27	391	59	450	3.74
Other loans and advances	66	1 355	129	1 484	(41)	1 443	4.11
Personal unsecured lending	64	1 103	96	1 199	(23)	1 176	7.36
Business lending and other	72	252	33	285	(18)	267	1.40
Corporate & Investment Banking	>100	**740**		**740**	**85**	**825**	**0.67**
Corporate loans	>100	723		723	86	809	0.77
Commercial property finance	>100	17		17	(1)	16	0.08
Other services	(>100)				**(2)**	**(2)**	
Total SBSA group	59	**3 656**	**289**	**3 945**	**215**	**4 160**	**1.21**

	1H12						FY12					
	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 %
Personal & Business Banking	2 123	300	2 423	139	2 562	1.26	5 050	698	5 748	(208)	5 540	1.32
Mortgage loans	1 110	234	1 344	(53)	1 291	0.92	2 786	542	3 328	(697)	2 631	0.93
Instalment sale and finance leases	121	17	138	45	183	0.74	330	32	362	24	386	0.74
Card debtors	182	6	188	30	218	2.09	290	24	314	61	375	1.72
Other loans and advances	710	43	753	117	870	3.08	1 644	100	1 744	404	2 148	3.47
Personal unsecured lending	607	26	633	82	715	6.55	1 317	58	1 375	385	1 760	7.07
Business lending and other	103	17	120	35	155	0.90	327	42	369	19	388	1.05
Corporate & Investment Banking	69	(6)	63	(8)	55	0.05	263	(8)	255	180	435	0.19
Corporate loans	38	(6)	32	30	62	0.07	166	(8)	158	222	380	0.20
Commercial property finance	31		31	(38)	(7)	(0.03)	97		97	(42)	55	0.14
Other services	2		2	5	7		2		2	(192)	(190)	
Total SBSA group	2 194	294	2 488	136	2 624	0.83	5 315	690	6 005	(220)	5 785	0.89

[1] Discounting of expected recoveries in terms of IAS 39.

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Loans and advances performance

	Gross loans and advances Rm	Performing loans: Neither past due nor specifically impaired – Normal monitoring Rm	Performing loans: Neither past due nor specifically impaired – Close monitoring Rm	Performing loans: Not specifically impaired – Early arrears Rm	Performing loans: Not specifically impaired – Non-performing Rm	Non-performing loans: Specifically impaired 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 %	Total non-performing loans Rm	Non performing loans %
1H13															
Personal & Business Banking	**452 219**	**387 947**	**18 198**	**24 796**		**4 829**	**13 587**	**2 862**	**21 278**	**12 715**	**8 563**	**8 563**	**40**	**21 278**	**4.7**
Mortgage loans	292 312	250 803	11 956	15 140		3 744	10 074	595	14 413	10 409	4 004	4 004	28	14 413	4.9
Instalment sale and finance leases	60 622	54 953	1 626	2 630		106	688	619	1 413	668	745	745	53	1 413	2.3
Card debtors	25 763	20 773	1 789	2 093		220	329	559	1 108	397	711	711	64	1 108	4.3
Other loans and advances	73 522	61 418	2 827	4 933		759	2 496	1 089	4 344	1 241	3 103	3 103	71	4 344	5.9
Personal unsecured lending	33 361	26 323	1 241	3 150		405	1 610	632	2 647	680	1 967	1 967	74	2 647	7.9
Business lending and other	40 161	35 095	1 586	1 783		354	886	457	1 697	561	1 136	1 136	67	1 697	4.2
Corporate & Investment Banking	**280 208**	**274 387**		**136**	**925**	**641**	**3 934**	**185**	**4 760**	**3 751**	**1 009**	**1 009**	**21**	**5 685**	**2.0**
Corporate loans	240 229	235 355		54	754	429	3 583	54	4 066	3 243	823	823	20	4 820	2.0
Commercial property finance	39 979	39 032		82	171	212	351	131	694	508	186	186	27	865	2.2
Central and Other	**(4 234)**	**(4 234)**								**(2)**	**2**	**2**			
Gross loans and advances	**728 193**	**658 100**	**18 198**	**24 932**	**925**	**5 470**	**17 521**	**3 047**	**26 038**	**16 464**	**9 574**	**9 574**	**37**	**26 963**	**3.7**
Percentage of total book (%)	**100.0**	**90.4**	**2.5**	**3.4**	**0.1**	**0.8**	**2.4**	**0.4**	**3.6**	**2.3**	**1.3**	**1.3**			
1H12															
Personal & Business Banking	417 281	356 688	17 795	20 070		6 395	14 176	2 157	22 728	15 567	7 161	7 161	32	22 728	5.4
Mortgage loans	282 908	239 846	13 100	12 329		5 595	11 518	520	17 633	14 015	3 618	3 618	21	17 633	6.2
Instalment sale and finance leases	52 636	47 721	1 124	2 322		118	561	790	1 469	684	785	785	53	1 469	2.8
Card debtors	21 766	17 433	1 856	1 578		156	217	526	899	292	607	607	68	899	4.1
Other loans and advances	59 971	51 688	1 715	3 841		526	1 880	321	2 727	576	2 151	2 151	79	2 727	4.5
Personal unsecured lending	23 754	19 521	470	2 238		224	1 128	173	1 525	358	1 167	1 167	77	1 525	6.4
Business lending and other	36 217	32 167	1 245	1 603		302	752	148	1 202	218	984	984	82	1 202	3.3
Corporate & Investment Banking	230 099	228 122		2	343	520	1 058	54	1 632	1 301	331	331	20	1 975	0.9
Corporate loans	190 857	190 118			49	49	611	30	690	510	180	180	26	739	0.4
Commercial property finance	39 242	38 004		2	294	471	447	24	942	791	151	151	16	1 236	3.1
Central and Other	798	798								(2)	2	2			
Gross loans and advances	648 178	585 608	17 795	20 072	343	6 915	15 234	2 211	24 360	16 866	7 494	7 494	31	24 703	3.8
Percentage of total book (%)	100.0	90.3	2.7	3.1	0.1	1.1	2.4	0.3	3.8	2.6	1.2	1.2			
FY12															
Personal & Business Banking	435 434	373 051	16 790	24 619		5 793	12 737	2 444	20 974	13 174	7 800	7 800	37	20 974	4.8
Mortgage loans	288 701	246 369	11 401	15 549		4 863	9 966	553	15 382	11 287	4 095	4 095	27	15 382	5.3
Instalment sale and finance leases	56 389	51 610	1 230	2 230		127	597	595	1 319	622	697	697	53	1 319	2.3
Card debtors	23 604	18 974	2 009	1 751		157	230	483	870	310	560	560	64	870	3.7
Other loans and advances	66 740	56 098	2 150	5 089		646	1 944	813	3 403	955	2 448	2 448	72	3 403	5.1
Personal unsecured lending	29 651	23 897	558	3 310		341	1 154	391	1 886	456	1 430	1 430	76	1 886	6.4
Business lending and other	37 089	32 201	1 592	1 779		305	790	422	1 517	499	1 018	1 018	67	1 517	4.1
Corporate & Investment Banking	239 161	235 580		5	2 188	340	840	208	1 388	997	391	391	28	3 576	1.5
Corporate loans	201 197	198 573			1 991	16	594	23	633	422	211	211	33	2 624	1.3
Commercial property finance	37 964	37 007		5	197	324	246	185	755	575	180	180	24	952	2.5
Central and other	(2 628)	(2 628)								(2)	2	2			
Gross loans and advances	671 967	606 003	16 790	24 624	2 188	6 133	13 577	2 652	22 362	14 169	8 193	8 193	37	24 550	3.7
Percentage of total book (%)	100.0	90.2	2.5	3.7	0.3	0.9	2.0	0.4	3.3	2.1	1.2	1.2			

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 payments 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 but not specifically impaired loans	Loans where the counterparty has failed to make contractual payments and payments are 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 that are considered to be uncollectible in whole or in part. The group provides fully for its anticipated loss, after taking securities into account.

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Capital adequacy

SBSA group qualifying regulatory capital (excluding unappropriated profit)

	Change %	1H13 Rm	FY12[1] Rm
Share capital and premium	–	**35 256**	35 256
Retained earnings	10	**38 552**	35 097
Other reserves	>100	**425**	209
Less: regulatory adjustments	(9)	**(15 937)**	(14 578)
Goodwill	–	**(40)**	(40)
Other intangible assets	(15)	**(11 303)**	(9 850)
Shortfall of provisions to expected losses	2	**(2 713)**	(2 755)
Other adjustments	3	**(1 881)**	(1 933)
Less: regulatory exclusions	(67)	**(8 586)**	(5 138)
Unappropriated profit	(74)	**(8 077)**	(4 645)
Non-qualifying reserves	(3)	**(509)**	(493)
Tier I capital	(2)	**49 710**	50 846
Tier II subordinated debt	–	**19 395**	19 395
Impairments for performing loans	(43)	**169**	295
Less: regulatory adjustments	(41)	**(4 195)**	(2 984)
Investment in Tier II instruments in other banks	(41)	**(4 195)**	(2 984)
Tier II capital	(8)	**15 369**	16 706
Total qualifying regulatory capital	(4)	**65 079**	67 552

[1] Pro forma Basel III basis.

SBSA group capital adequacy ratios

	2013 SARB Basel III Minimum regulatory requirement %	Including unappropriated profits 1H13 %	Including unappropriated profits FY12[1] %	Excluding unappropriated profits 1H13 %	Excluding unappropriated profits FY12[1] %
Total capital adequacy ratio	9.5	**14.2**	13.7	**12.7**	12.8
Tier I capital adequacy ratio	6.0	**11.3**	10.5	**9.7**	9.6
Common equity tier I capital adequacy ratio	4.5	**11.3**	10.5	**9.7**	9.6

[1]Pro forma Basel III basis.

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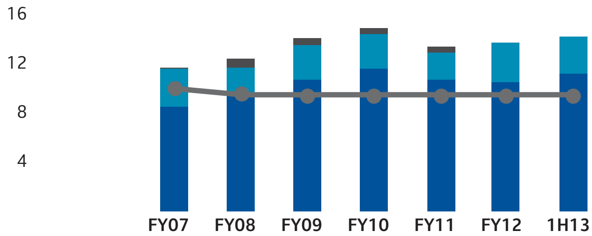
Risk-weighted assets

Capital adequacy – SBSA group[1]
(including unappropriated profit)



	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Tier I capital	8.5	9.6	10.7	11.6	10.7	10.5	11.3
Tier II capital	3.1	2.1	2.8	2.8	2.2	3.2	2.9
Tier III capital	0.1	0.7	0.6	0.5	0.5	0.0	0.0
Required capital	10.0	9.5	9.5	9.5	9.5	9.5	9.5

[1] Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for FY07 are on a Basel II pro forma basis. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis. 1H13 represents 2013 SARB Basel III minimum capital requirements.

SBSA group risk-weighted assets

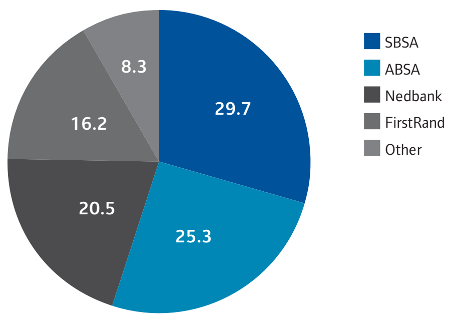
	Change %	**1H13 Rm**	FY12[1] Rm
Credit risk	(2)	**414 545**	422 568
Operational risk	(12)	**61 756**	70 327
Market risk	(2)	**20 734**	21 099
Equity risk in the banking book	20	**12 592**	10 500
RWA for investments in financial entities	7	**4 027**	3 772
Total risk-weighted assets	(3)	**513 654**	528 266

[1]Pro forma Basel III basis.

The Standard Bank of South Africa

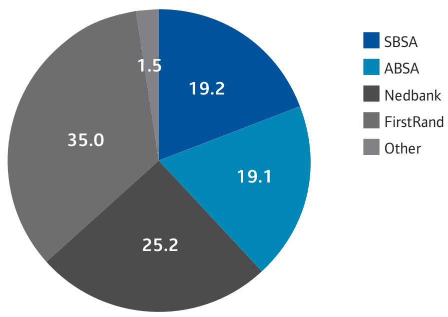
Market share analysis

Mortgage loans (%)



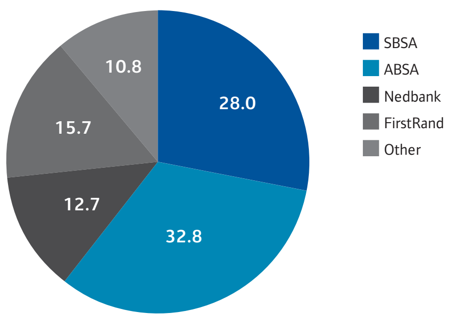
Source: BA 900

Instalment finance (%)



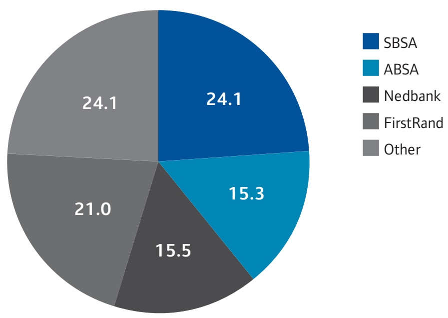
Source: BA 900

Card debtors (%)



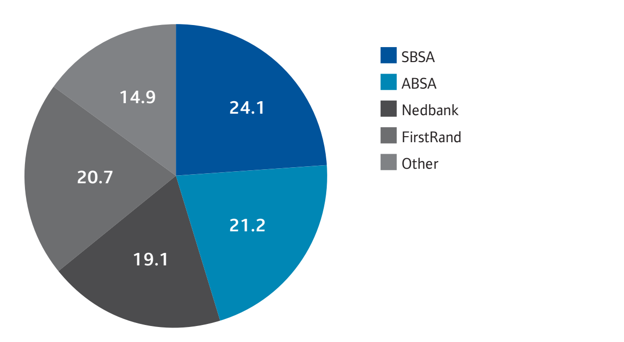
Source: BA 900

Other loans and advances (%)



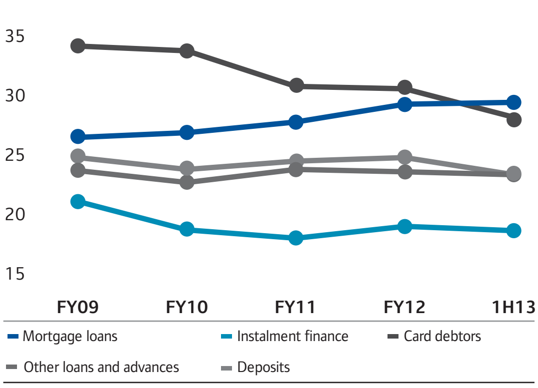
Source: BA 900

Deposits (%)

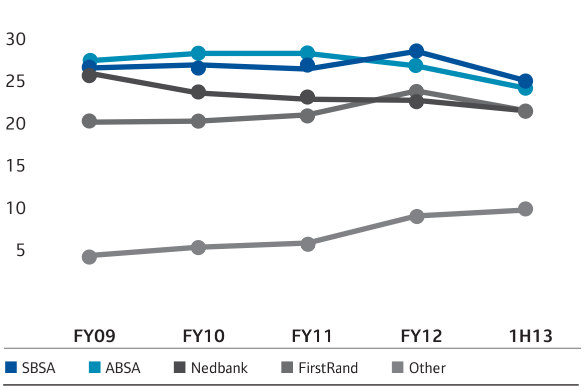


Source: BA 900

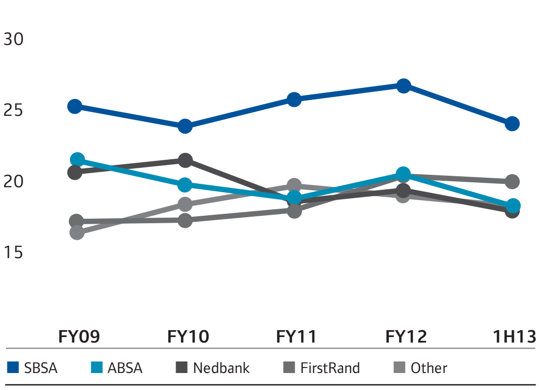
SBSA's market share movement (%)



Retail-based deposits (denominated in rands) (%)



Corporate-based deposits (denominated in rands) (%)



Standard Bank Plc

Summarised income statement

	Change %	1H13 USDm	1H12 USDm	FY12 USDm	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net interest income	(>100)	**(10)**	37	59	(>100)	**(87)**	291	509
Non-interest revenue	(13)	**241**	278	511	1	**2 200**	2 174	4 396
Net fees, commission and revenue sharing agreements	(2)	**107**	109	179	16	**981**	849	1 538
Net fee and commission revenue	(43)	**12**	21	34	(34)	**109**	164	290
Revenue sharing and fee agreements with group companies	8	**95**	88	145	27	**872**	685	1 248
Trading revenue	(11)	**134**	151	253	3	**1 219**	1 187	2 180
Other revenue	(100)	**–**	18	79	(100)	**–**	138	678
Total income	(27)	**231**	315	570	(14)	**2 113**	2 465	4 905
Credit impairment (recoveries)/charges	(>100)	**(18)**	67	142	(>100)	**(157)**	535	1 224
Income after credit impairments	0	**249**	248	428	18	**2 270**	1 930	3 681
Operating expenses	(20)	**223**	279	569	(5)	**2 066**	2 175	4 899
Staff costs	(15)	**153**	179	354	2	**1 419**	1 385	3 047
Other operating expenses	(30)	**70**	100	215	(18)	**647**	790	1 852
Net income/(loss) before restructure charge	>100	**26**	(31)	(141)	>100	**204**	(245)	(1 218)
Restructure charge		**–**	–	74		**–**	–	636
Net income/(loss) before disposal of loan portfolio	>100	**26**	(31)	(215)	>100	**204**	(245)	(1 854)
Loss on intra-group disposal of loan portfolio[1]		**–**	–	(52)		**–**	–	(446)
Net income/(loss) before taxation	>100	**26**	(31)	(267)	>100	**204**	(245)	(2 300)
Taxation	>100	**5**	(1)	21	>100	**44**	(12)	184
Profit/(loss) for the period	>100	**21**	(30)	(288)	>100	**160**	(233)	(2 484)
Loss for the period from discontinued businesses[2]	(>100)	**(15)**	(4)	(44)	(>100)	**(138)**	(34)	(384)
Attributable to ordinary shareholders	>100	**6**	(34)	(332)	>100	**22**	(267)	(2 868)
Headline adjustable items		**–**	–	(19)		**–**	–	(157)
Headline earnings	>100	**6**	(34)	(351)	>100	**22**	(267)	(3 025)

[1] Eliminated on consolidation of group results.

[2] The discontinued businesses are reported as curtailed operations at a group level.

Key issues

- The restructure at the end of 2012 resulted in lower operating expenses and reduced headcount.
- Reduced net interest income earned due to the transfer of the Investment Banking commercial loan portfolio to the SBSA balance sheet.
- Difficult market conditions experienced.
- Other revenue in the prior period resulted from a revaluation gain on an unlisted equity investment holding.
- Final settlement received from a Middle Eastern exposure fully impaired in prior periods.
- The remaining loans to customers balance comprised mainly of short-term placements and reverse repurchase agreements with non-banking financial institutions.
- Cash deposits held with the Bank of England and forms part of the liquid asset management strategy.
- Continued success in exiting the curtailed Asian distressed debt business with the remaining net exposure reduced to USD42 million from USD72 million in December 2012. The total net remaining balance sheet exposure of the group's curtailed operations was USD81 million (FY12: USD118 million).
- Higher loss from discontinued businesses due to costs associated with cash recoveries made on the distressed debt loan portfolios.

Standard Bank Plc

Statement of financial position and key ratios

Statement of financial position

	Change %	1H13 USDm	1H12 USDm	FY12 USDm	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Assets								
Balances with central banks	100	**1 760**	–	2 228	100	**17 498**	–	18 890
Derivative assets	(0)	**5 872**	5 885	4 813	21	**58 374**	48 190	40 801
Trading assets	(28)	**5 980**	8 316	6 848	(13)	**59 444**	68 095	58 054
Pledged assets	(29)	**522**	739	504	(14)	**5 190**	6 051	4 270
Financial investments	(59)	**28**	69	37	(62)	**278**	729	312
Loans and advances	(28)	**8 002**	11 136	6 161	(13)	**79 537**	91 194	52 228
Loans and advances to banks	(17)	**4 835**	5 818	3 085	1	**48 060**	47 643	26 149
Loans and advances to customers	(40)	**3 167**	5 318	3 076	(28)	**31 477**	43 551	26 079
Other assets	77	**1 144**	648	424	>100	**11 553**	5 321	3 783
Intangible assets	(50)	**41**	82	48	(40)	**403**	674	406
Property and equipment	(25)	**24**	32	28	(6)	**242**	258	236
Total assets	(13)	**23 373**	26 907	21 091	5	**232 519**	220 512	178 980
Equity and liabilities								
Equity	(17)	**1 377**	1 665	1 375	0	**13 867**	13 840	11 835
Liabilities	(13)	**21 996**	25 242	19 716	6	**218 652**	206 672	167 145
Derivative liabilities	(7)	**5 828**	6 281	5 255	13	**57 935**	51 430	44 545
Trading liabilities	(26)	**1 772**	2 397	2 274	(10)	**17 615**	19 632	19 280
Deposit and current accounts	(17)	**11 980**	14 463	10 409	1	**119 083**	118 430	88 240
Deposits from banks	(16)	**9 374**	11 147	8 032	2	**93 181**	91 276	68 091
Deposit and current accounts from customers	(21)	**2 606**	3 316	2 377	(5)	**25 902**	27 154	20 149
Other liabilities	33	**1 394**	1 052	733	61	**13 858**	8 593	6 218
Subordinated debt	(3)	**1 022**	1 049	1 045	18	**10 161**	8 587	8 862
Total equity and liabilities	(13)	**23 373**	26 907	21 091	5	**232 519**	220 512	178 980

Key ratios

	1H13 %	1H12 %	FY12 %
ROE	**0.7**	(4.0)	(20.5)
Cost-to-income ratio	**96.5**	88.6	109.8

Rest of Africa legal entities

Summarised income statement

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net interest income	30	**4 724**	3 639	7 699
Non-interest revenue	32	**4 576**	3 477	7 602
Net fee and commission revenue	29	**2 488**	1 928	4 150
Trading revenue	34	**1 988**	1 486	3 314
Other revenue	59	**100**	63	138
Total income	31	**9 300**	7 116	15 301
Credit impairment charges	27	**1 015**	801	1 838
Income after credit impairment charges	31	**8 285**	6 315	13 463
Operating expenses	24	**5 274**	4 241	9 129
Staff costs	30	**2 629**	2 029	4 277
Other operating expenses	20	**2 645**	2 212	4 852
Net income before goodwill	45	**3 011**	2 074	4 334
Goodwill impairment		**–**	–	777
Net income before equity accounted earnings	45	**3 011**	2 074	3 557
Share of profit from associates and joint ventures	(50)	**1**	2	1
Net income before taxation	45	**3 012**	2 076	3 558
Taxation	44	**884**	612	1 357
Profit for the period	45	**2 128**	1 464	2 201
Attributable to non-controlling interests	>100	**550**	271	576
Attributable to ordinary shareholders	32	**1 578**	1 193	1 625
Headline adjustable items	(>100)	**(20)**	30	791
Headline earnings	27	**1 558**	1 223	2 416

The results above, including the prior period comparatives, reflect the consolidation of African legal entities and excludes the net Africa head office costs borne by SBSA and included in the SBSA legal entity's financial results. Previously the Africa head office costs borne by SBSA were reflected in both SBSA's and in the rest of Africa consolidated results.

Key features

- African currencies strengthened against the rand.
- Strong revenue growth from a large customer base and good trading revenue offset by a negative endowment impact of lower interest rates in Nigeria, Uganda, Mozambique and Kenya.
- Total income on a constant currency basis increased 21%.
- Cost containment initiatives implemented across countries assisted in keeping cost growth at 14% on a constant currency basis. The residual cost growth was driven by the cost of Nigerian regulatory changes and further investments, mainly in Angola.
- Increased credit impairments in line with book growth, with large impairments in Tanzania, Mauritius, Mozambique and Uganda.
- Continued loan growth; PBB loans to customers up 29% (constant currency basis up 17%), mainly personal unsecured lending products, and CIB up 26% (constant currency basis up 9%), largely within transactional products and services.
- Good growth of 42% (constant currency basis up 25%) in deposit balances despite liquidity constraints experienced in some markets.

Rest of Africa legal entities

Statement of financial position and key ratios

Statement of financial position

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Assets				
Cash and balances with central banks	38	**16 302**	11 818	17 045
Derivative assets	4	**711**	683	842
Trading assets	60	**25 333**	15 837	15 750
Pledged assets	(2)	**1 652**	1 679	1 663
Financial investments	47	**23 489**	15 943	17 073
Loans and advances	33	**125 241**	93 876	106 064
Loans and advances to banks	47	**41 796**	28 368	34 546
Loans and advances to PBB customers	29	**40 581**	31 541	35 055
Loans and advances to CIB customers	26	**42 864**	33 967	36 463
Other assets	94	**7 446**	3 834	4 566
Goodwill and other intangible assets	(11)	**3 577**	4 019	3 150
Goodwill	(2)	**3 461**	3 531	3 030
Other intangible assets	(76)	**116**	488	120
Property and equipment	36	**3 812**	2 796	3 317
Total assets	38	**207 563**	150 485	169 470
Equity and liabilities				
Equity	31	**24 639**	18 771	20 458
Equity attributable to ordinary shareholders	26	**19 744**	15 673	16 541
Minority interests	58	**4 895**	3 098	3 917
Liabilities	39	**182 924**	131 714	149 012
Derivative liabilities	21	**798**	661	970
Trading liabilities	(36)	**5 491**	8 600	4 884
Deposit and current accounts	42	**163 322**	114 650	134 111
Deposits from banks	>100	**31 774**	12 274	17 095
Deposit and current accounts from PBB customers	41	**45 501**	32 346	37 384
Deposit and current accounts from CIB customers	23	**86 047**	70 030	79 632
Other liabilities	70	**10 494**	6 177	7 197
Subordinated debt	73	**2 819**	1 626	1 850
Total equity and liabilities	38	**207 563**	150 485	169 470

Key ratios

		1H13 %	1H12 %	FY12 %
ROE	%	**18.2**	17.7	16.6
ROE excluding goodwill	%	**21.8**	22.7	20.8
Credit loss ratio	%	**1.66**	1.84	1.90
Cost-to-income ratio	%	**56.7**	59.6	59.7

Other information and restatements

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Constant currency summarised group income statement

	Change %	1H13 Rm	1H12 Rm
Net interest income	17	**18 912**	16 151
Non-interest revenue	4	**17 726**	17 094
Net fee and commission revenue	7	**11 029**	10 268
Trading revenue	1	**5 048**	4 977
Other revenue	(11)	**1 649**	1 849
Total income	10	**36 638**	33 245
Credit impairment charges	24	**5 065**	4 090
Specific credit impairments	24	**4 755**	3 849
Portfolio credit impairments	29	**310**	241
Income after credit impairment charges	8	**31 573**	29 155
Operating expenses	5	**21 129**	20 138
Staff costs	7	**12 082**	11 298
Other operating expenses	2	**9 047**	8 840
Net income before equity accounted earnings	16	**10 444**	9 017
Share of profit from associates and joint ventures	69	**248**	147
Net income before taxation	17	**10 692**	9 164
Taxation	1	**2 752**	2 719
Profit for the period from continuing operations	23	**7 940**	6 445
Discontinued operations – Argentina	(100)	**–**	500
Profit for the period	14	**7 940**	6 945
Attributable to non-controlling interests	21	**522**	432
Attributable to preference shareholders	(2)	**173**	177
Attributable to ordinary shareholders – banking activities	14	**7 245**	6 336
Headline adjustable items – banking activities	(>100)	**(20)**	18
Headline earnings – banking activities	14	**7 225**	6 354
Headline earnings – Liberty	5	**924**	876
Standard Bank Group headline earnings	13	**8 149**	7 230

Changes in accounting policies and restatements

Adoption of new and amended standards effective for the current financial period

The accounting policies are consistent with those reported in the previous year except as required in terms of the adoption of the following new or amended IFRS:

- IFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* (IFRS 7R)
- IFRS 10 *Consolidated Financial Statements* (IFRS 10)
- IFRS 11 *Joint Arrangements* (IFRS 11)
- IFRS 13 *Fair Value Measurement* (IFRS 13)
- IAS 19 *Employee Benefits (2011 revised)* (IAS 19R)
- IAS 27 *Separate Financial Statements (2011 revised)* (IAS 27R) and
- IAS 28 *Investments in Associates and Joint Ventures (2011 revised)* (IAS 28R).

Of the above-mentioned IFRS adopted on 1 January 2013, both IFRS 10 and IAS 19R resulted in the restatement of the group and the SBSA's previously reported financial results set out on pages 94 to 96 as follows.

IFRS 10

In terms of IFRS 10, control exists only if the investor has power over the investee; exposure, or rights to, variable returns from its involvement with the investee; and the ability to use its power to affect those returns. The application of control will be applied irrespective of the nature of the investee.

Investments in mutual funds that amounted to between 20% and 50% of the total fund value or voting rights were previously considered to be interests in associates, and those greater than 50% were previously considered to be subsidiaries. As a result of the adoption of IFRS 10 references in the accounting policies to specific percentage holdings have been removed.

The adoption of IFRS 10 resulted in the group consolidating additional mutual funds, classifying additional interests in mutual funds as associates, reclassifications of interests between these categories and financial investments and the recognition of additional treasury shares.

IAS 19R

The most significant change as a result of the adoption of IAS 19R is the elimination of the 'corridor' method under which the recognition of actuarial gains or losses was deferred. In terms of IAS 19R all unrecognised actuarial gains have to be recognised in other comprehensive income (OCI) on transition to the new requirements.

Other restatements

The comparative statement of financial position as at 30 June 2012 and 31 December 2012 as well as the income statements for the periods ended 30 June 2012 and 31 December 2012 have been adjusted to reflect the presentation consequences of the following restatements:

Trading liabilities to deposits from customers – SBG

Certain customer deposits were previously classified as trading liabilities on the basis that such deposits were used to fund trading positions. In accordance with IFRS and group accounting policies, such deposits should rather have been classified as part of deposit and current accounts. The deposits have accordingly been reclassified in previously reported financial periods from trading liabilities to customer deposit and current accounts to conform to the classification of such deposits in the current financial reporting period. The restatement had no impact on the group's reserves or profit and loss.

Banks to customers reclassification – SBG and SBSA

Following a review and benchmarking of the group's disclosures of loans and advances as well as deposit and current accounts, specifically cross-referencing these to regulatory and risk disclosures, certain balances that had been previously disclosed in the various categories of loans to customers or deposits from customers, have been re-categorised as to/from banks. The categorisation of the aforementioned asset and liability balances is not an IFRS requirement, but rather an industry disclosure practice. There is no change at a net loans and advances or deposit and current account level.

Revenue sharing agreements – SBSA

During the financial year ended 31 December 2012 the SBSA group reviewed its transfer pricing agreements in order to refine such methodologies applied in line with the revised business operating model, specifically as it relates to the group's CIB business. The transfer pricing arrangements have been presented in the income statement on a basis that reflects the underlying nature and substance of all cross-border related party transactions. Such presentation has been achieved through the inclusion of a new line in the income statement designated "Revenue sharing agreements with group companies", as well as presenting any such costs paid within "other operating expenses" rather than in specific line item expenses. The comparative results have been restated in order to present the results of such agreements on a consistent basis. The transfer pricing agreements fully eliminate on consolidation into the group's results.

Group restatements

Summarised income statement

	1H12			FY12		
	As previously reported Rm	IAS 19 adjust-ments Rm	Normalised restated Rm	As previously reported Rm	IAS 19 adjust-ments Rm	Normalised restated Rm
Total income	32 298		32 298	68 707		68 707
Credit impairments	3 945		3 945	8 800		8 800
Income after credit impairment charges	28 353		28 353	59 907		59 907
Operating expenses	19 175	55	19 230	39 998	70	40 068
Staff costs	10 710	55	10 765	22 195	70	22 265
Other operating expenses	8 465		8 465	17 803		17 803
Net income before restructure charge	9 178	(55)	9 123	19 909	(70)	19 839
Restructure charge				758		758
Net income before goodwill	9 178	(55)	9 123	19 151	(70)	19 081
Goodwill impairment				777		777
Net income before disposal of subsidiary and equity accounted earnings	9 178	(55)	9 123	18 374	(70)	18 304
Loss on disposal of subsidiaries				(86)		(86)
Share of profit from associates and joint ventures	147		147	675		675
Net income before taxation	9 325	(55)	9 270	18 963	(70)	18 893
Taxation	2 711	(15)	2 696	5 766	(21)	5 745
Profit for the period from continuing operations	6 614	(40)	6 574	13 197	(49)	13 148
Discontinued operation – Argentina	431		431	2 435		2 435
Profit for the period	7 045	(40)	7 005	15 632	(49)	15 583
Attributable to non-controlling interest	407		407	855		855
Attributable to the preference shareholders	177		177	357		357
Attributable to ordinary shareholders – banking activities	6 461	(40)	6 421	14 420	(49)	14 371
Headline adjustable items – banking activities	18		18	(1 443)		(1 443)
Headline earnings – banking activities	6 479	(40)	6 439	12 977	(49)	12 928
Headline earnings – Liberty	905	(29)	876	2 033	(43)	1 990
Standard Bank Group headline earnings	7 384	(69)	7 315	15 010	(92)	14 918

Summarised statement of financial position

	1H12			FY12		
	Normalised as previously reported Rm	Adjust-ments Rm	Normalised restated Rm	Normalised as previously reported Rm	Adjust-ments Rm	Normalised restated Rm
Assets						
Cash and balances with central banks	32 413		32 413	61 985		61 985
Derivative, trading and pledged assets	261 614		261 614	246 129		246 129
Financial investments	303 581	9 507[1]	313 088	320 010	13 302[1]	333 312
Loans and advances	816 901		816 901	813 892		813 892
Loans and advances to banks	118 788	2 209[2]	120 997	108 196		108 196
Loans and advances to customers	698 113	(2 209)[2]	695 904	705 696		705 696
Investment property	23 032		23 032	24 133		24 133
Other assets	32 819	1 788[1,3]	34 607	33 898	1 341[1,3]	35 239
Interest in associates and joint ventures	14 991	1 988[1]	16 979	17 246	1 485[1]	18 731
Non-current assets held for sale	33 296		33 296	960		960
Goodwill and other intangible assets	13 606		13 606	14 687		14 687
Property and equipment	14 796		14 796	15 733		15 733
Total assets	1 547 049	13 283	1 560 332	1 548 673	16 128	1 564 801
Equity and liabilities						
Equity	124 514	536	125 050	134 552	715	135 267
Equity attributable to ordinary shareholders	104 811	535[3]	105 346	113 905	714[3]	114 619
Preference share capital and premium	5 503		5 503	5 503		5 503
Non-controlling interest	14 200	1[3]	14 201	15 144	1[3]	15 145
Liabilities	1 422 535	12 747	1 435 282	1 414 121	15 413	1 429 534
Derivative liabilities	138 705		138 705	121 998		121 998
Trading liabilities	40 745	(2 293)[4]	38 452	39 206		39 206
Deposit and current accounts	906 481	(3 738)	902 743	918 533	(2 583)	915 950
Deposits from banks	129 397	13 339[2,4]	142 736	124 275		124 275
Deposits from customers	777 084	(17 077)[1]	760 007	794 258	(2 583)[1]	791 675
Other liabilities	62 185	18 778[1,3]	80 963	66 152	17 996[1,3]	84 148
Non-current liabilities held for sale	28 808		28 808			
Policyholders' liabilities	217 252		217 252	236 684		236 684
Subordinated debt	28 359		28 359	31 548		31 548
Total equity and liabilities	1 547 049	13 283	1 560 332	1 548 673	16 128	1 564 801

[1] IFRS 10.
[2] Bank to customers reclassification.
[3] IAS 19.
[4] Trading liabilities to deposits from customers.

SBSA group restatements

Summarised income statement

	1H12			FY12		
	As previously reported Rm	Adjust-ments[1] Rm	Restated Rm	As previously reported Rm	Adjust-ments[1] Rm	Restated Rm
Net interest income	11 486		11 486	25 249		25 249
Non-interest revenue	10 358	(59)	10 299	22 032		22 032
Net fee and commission revenue	7 507		7 507	16 364		16 364
Trading revenue	1 823	(59)	1 764	3 147		3 147
Other revenue	1 028		1 028	2 521		2 521
Total income	21 844	(59)	21 785	47 281		47 281
Credit impairment charges	2 624		2 624	5 785		5 785
Income after credit impairment charges	19 220	(59)	19 161	41 496		41 496
Revenue sharing agreements with group companies		(598)	(598)	(1 642)		(1 642)
Income after revenue sharing agreements	19 220	(657)	18 563	39 854		39 854
Operating expenses	12 819	(602)	12 217	25 106	55	25 161
Staff costs	6 694	(122)	6 572	13 289	55	13 344
Other operating expenses	6 125	(480)	5 645	11 817		11 817
Net income before equity accounted earnings	6 401	(55)	6 346	14 748	(55)	14 693
Share of profit from associates and joint ventures	107		107	523		523
Net income before indirect taxation	6 508	(55)	6 453	15 271	(55)	15 216
Indirect taxation	443		443	974		974
Profit before direct taxation	6 065	(55)	6 010	14 297	(55)	14 242
Direct taxation	1 491	(15)	1 476	2 362	(15)	2 347
Profit for the period	4 574	(40)	4 534	11 935	(40)	11 895
Attributable to non-controlling interests	2		2	11		11
Attributable to the ordinary shareholder	4 572	(40)	4 532	11 924	(40)	11 884
Headline adjustable items	(10)		(10)	(423)		(423)
Headline earnings	4 562	(40)	4 522	11 501	(40)	11 461

[1]Adjustments on 1H12 represent restatements of IAS 19 and revenue sharing agreements. Adjustments on FY12 represent IAS 19 restatements.

Key line items from the statement of financial position

	1H12			FY12		
	As previously reported Rm	Adjust-ments Rm	Restated Rm	As previously reported Rm	Adjust-ments Rm	Restated Rm
Loans and advances	636 054		636 054	659 500		659 500
Loans and advances to banks	64 228	(248)	63 980	69 999		69 999
Loans and advances to customers	571 826	248	572 074	589 501		589 501
Derivative and other assets	102 062	1 647	103 709	96 882	1 139	98 021
Equity	56 118	613	56 731	69 805	820	70 625
Deposit and current accounts	708 307		708 307	717 944		717 944
Deposits from banks	76 866	13 339	90 205	78 453		78 453
Deposit and current accounts from customers	631 441	(13 339)	618 102	639 491		639 491
Other liabilities	20 332	1 034	21 366	20 966	319	21 285

Financial and other definitions

Standard Bank Group

Annualised turnover in shares traded (%)	Number of shares traded during the period as a percentage of the weighted average number of shares.
Basic earnings per ordinary share (EPS) (cents)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.
Behaviourally adjusted cumulative liquidity mismatch	Analysis performed to anticipate any mismatch between payment profiles of balance sheet items, in order to highlight potential risks within the group's defined liquidity risk thresholds.
Common equity tier I capital adequacy ratio (%)	Common equity tier I regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.
Constant currency	Comparative financial results adjusted for the difference between the current and prior periods cumulative average exchange rates.
Consumer price index (CPI)	A South African index of prices used to measure the change in the cost of basic goods and services.
Diluted headline earnings per ordinary share (cents)	Headline earnings divided by the weighted average number of shares, adjusted for potential dilutive ordinary shares.
Dividend cover (times)	Headline earnings per share divided by dividend per share.
Dividend per share (cents)	Total dividends to ordinary shareholders, including dividends and capitalisation shares, declared in respect of the period.
Headline earnings (Rm)	Determined by excluding from reported earnings specific separately identifiable remeasurements net of related tax and non-controlling interests.
Headline earnings per ordinary share (cents)	Headline earnings divided by the weighted average number of ordinary shares in issue.
Long-term funding ratio (%)	Funding-related liabilities with a remaining maturity greater than six months as a percentage of total funding-related liabilities.
Net asset value (NAV) (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.
Profit attributable to ordinary shareholders (Rm)	Profit for the period less dividends on non-redeemable, non-cumulative, non-participating preference shares declared before year-end, less non-controlling interests.
Profit for the period (Rm)	Income statement profit for the period attributable to ordinary shareholders, non-controlling interests and preference shareholders.
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.
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 (%)	Total regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.
Tier I capital adequacy ratio (%)	Tier I regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.
Weighted average number of shares (number)	The weighted average number of ordinary shares in issue during the period as listed on the JSE.
Normalised results	The financial results and ratios restated on an economic substance basis as explained on page 20.
Special purpose entity (SPE)	Entities where each is 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.

Financial and other definitions continued

Banking activities

Available financial resources (Rm)	The amount of permanent capital that is available to the group to absorb potential losses.
Economic 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 profit/(loss) on disposal of subsidiaries and share of profit/(loss) 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 (%)	Balance sheet impairments for non-performing specifically impaired loans as a percentage of specifically impaired loans.
Loan-to-deposit 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, current and deferred tax assets, and other assets. 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.
Portfolio credit impairments (Rm)	Impairment for latent losses inherent in groups of loans and advances that have not yet been specifically impaired.
Risk-weighted assets (Rm)	Determined by applying prescribed risk weightings to balance sheet and off-balance sheet exposures according to the relative risk of the counterparty.
Specific credit impairments (Rm)	Impairment for loans and advances that have been classified as non-performing and specifically impaired, net of the present value of estimated recoveries.

Abbreviations and acronyms

BCBS	Basel Committee on Banking Supervision
CAGR (%)	Compound annual growth rate
CIB	Corporate & Investment Banking
EU	European Union
FIC	Fixed income and currencies.
IASB	International Accounting Standards Board
ICBC	Industrial and Commercial Bank of China Limited
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
JSE	Johannesburg Stock Exchange
LCR (%)	Liquidity coverage ratio
MSCI	Emerging Markets Index Morgan Stanley Capital International Emerging Markets Index
NII	Net interest income
NIR	Net interest revenue
NPLs (Rm)	Non-performing loans
NSFR (%)	Net stable funding ratio
PBB	Personal & Business Banking
PTL	Personal term portfolio
SARB	South African Reserve Bank
SBG	Standard Bank Group Limited
SBSA	The Standard Bank of South Africa Limited
SME	Small and medium enterprise
SSA	Sub-Saharan Africa
the "Board"	The group's board of directors.
The group	The Standard Bank of Group
Liberty	Investment management and life insurance activities of companies in the Liberty Holdings Group

Shareholder information

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Analysis of shareholders

Ten major shareholders[1]

	1H13 Number of shares (million)	1H13 % holding	1H12 Number of shares (million)	1H12 % holding	FY12 Number of shares (million)	FY12 % holding
Industrial and Commercial Bank of China	**325,0**	**20.1**	319,4	20.1	322,0	20.0
Public Investment Corporation	**217,5**	**13.4**	238,1	15.0	233,7	14.6
Tutuwa participants	**88,2**	**5.4**	88,4	5.5	88,2	5.4
– Staff	**34,5**	**2.1**	34,7	2.2	34,5	2.1
– Strategic partners	**35,8**	**2.2**	35,8	2.2	35,8	2.2
– Communities and regional businesses	**17,9**	**1.1**	17,9	1.1	17,9	1.1
Dodge & Cox	**28,2**	**1.7**	40,4	2.5	29,8	1.9
Investment Solutions	**27,3**	**1.7**	25,7	1.6	25,2	1.6
Vanguard Emerging Markets Fund	**25,5**	**1.6**	21,6	1.4	23,9	1.5
Sanlam Group	**20,2**	**1.2**	21,4	1.3	23,2	1.4
Old Mutual Group	**17,2**	**1.1**	33,0	2.1	25,9	1.6
First State Global Emerging Markets Fund	**17,0**	**1.1**	11,0	0.7	13,9	0.9
Government Singapore Investment Corp	**17,0**	**1.1**	15,9	1.0	14,1	0.9
	783,1	**48.4**	814,9	51.2	799,9	49.8

[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

	1H13 Number of shares (million)	1H13 % holding	1H12 Number of shares (million)	1H12 % holding	FY12 Number of shares (million)	FY12 % holding
South Africa	**824,2**	**50.9**	856,5	53.8	864,6	53.8
Foreign shareholders	**793,7**	**49.1**	736,1	46.2	741,5	46.2
China	**327,0**	**20.2**	321,2	20.2	323,5	20.1
United States of America	**240,2**	**14.8**	224,0	14.1	217,5	13.6
United Kingdom	**82,1**	**5.1**	55,2	3.5	62,8	3.9
Singapore	**23,0**	**1.4**	22,1	1.4	17,6	1.1
Australia	**15,8**	**1.0**	9,9	0.6	11,1	0.7
Norway	**13,2**	**0.8**	9,7	0.6	12,3	0.8
United Arab Emirates	**12,5**	**0.8**	12,6	0.8	12,8	0.8
Namibia	**11,0**	**0.7**	16,1	1.0	16,7	1.0
Luxembourg	**9,6**	**0.6**	9,7	0.6	11,1	0.7
Netherlands	**9,3**	**0.6**	9,9	0.6	10,4	0.7
Canada	**9,1**	**0.6**	8,3	0.5	9,6	0.6
Saudi Arabia	**8,9**	**0.5**	10,2	0.6	10,0	0.6
Other	**32,0**	**2.0**	27,2	1.7	26,1	1.6
	1 617,9	**100.0**	1 592,6	100.0	1 606,1	100.0

Credit ratings

Ratings as at 14 August 2013 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	F3	BBB	Stable
Local currency issuer default rating		BBB	Stable
National rating	F1+ (ZAF)	AA (ZAF)	Stable
The Standard Bank of South Africa			
Foreign currency issuer default rating	F3	BBB	Stable
Local currency issuer default rating		BBB	Stable
National rating	F1+ (ZAF)	AA (ZAF)	Stable
RSA Sovereign ratings			
Foreign currency issuer default rating	F3	BBB	Stable
Local currency issuer default rating		BBB+	Stable
Standard Bank Plc			
Foreign currency issuer default rating	F3	BBB	Stable
Stanbic IBTC Bank Plc (Nigeria)			
National rating	F1+ (NGA)	AAA (NGA)	
CfC Stanbic Bank (Kenya)			
Issuer default rating	B	BB-	Stable
National rating	F1+ (KEN)	AAA (KEN)	Stable
Liberty Group			
National rating		AA- (ZAF)	Stable
National Insurer Financial Strength		AA (ZAF)	Stable
Moody's Investor Services			
Standard Bank Group Limited			
Foreign and local currency issuer rating		Baa1	Negative
The Standard Bank of South Africa			
Foreign currency deposit rating	P-2	Baa1	Negative
Local currency deposit rating	P-2	A3	Negative
National rating	P-1.za	Aa2.za	
RSA Sovereign ratings			
Foreign currency	P-2	Baa1	Negative
Local currency		Baa1	Negative
Standard Bank Plc			
Foreign and local currency deposit rating	P-2	Baa1	Negative
Standard & Poor's			
The Standard Bank of South Africa			
Unsolicited issuer rating	A-2	BBB	Negative
RSA Sovereign ratings			
Foreign currency	A-2	BBB	Negative
Local currency	A-2	A-	Negative

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			
Share code	**SBK**	**SBKP**	**SBPP**
ISIN	**ZAE000109815**	**ZAE000038881**	**ZAE000056339**
Namibian Stock Exchange (NSX)			
Share code	**SNB**		
ISIN	**ZAE000109815**		
Dividend number	**88**	**88**	**18**
Gross distribution/dividend per share (cents)	**233,00**	**3,25**	**324,56**
Last day to trade in order to be eligible for the cash dividend	**Friday, 6 September 2013**	**Friday, 30 August 2013**	**Friday, 30 August 2013**
Shares trade *ex* the cash dividend	**Monday, 9 September 2013**	**Monday, 2 September 2013**	**Monday, 2 September 2013**
Record date in respect of the cash dividend	**Friday, 13 September 2013**	**Friday, 6 September 2013**	**Friday, 6 September 2013**
Dividend cheques posted and CSDP/ broker accounts credited/updated (payment date)	**Monday, 16 September 2013**	**Monday, 9 September 2013**	**Monday 9 September 2013**

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 9 September 2013, and Friday, 13 September 2013, both days inclusive.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 2 September 2013 and Friday, 6 September 2013, both days inclusive.

Instrument codes

JSE Limited

Deposit notes
SBR 003: ZAE000128195

Subordinated debt
SBK 7: ZAG000024894
SBK 9: ZAG000029687
SBKI 11: ZAG000066382
SBK 12: ZAG000073388
SBK 13: ZAG000073396
SBK 14: ZAG000091018
SBK 15: ZAG000092339
SBK 16: ZAG000093741
SBK 17: ZAG000097619
SBK 18: ZAG000100827
SBK 19: ZAG000100835

Senior debt
SBS 3: ZAG000030586
SBS 4: ZAG000035049
SBS 9: ZAG000069329
SBSI 10: ZAG000069063
SBSI 11: ZAG000075789
SBSI 12: ZAG000080847
SBS 13: ZAG000080839
SBS 14: ZAG000083940
SBS 15: ZAG000085556
SBS 16: ZAG000086729
SBS 18: ZAG000086745
SBS 19: ZAG000086752
SBS 20: ZAG000095365
SBS 21: ZAG000095373
SBS 22: ZAG000095514
SBS 23: ZAG000095522
SBS 24: ZAG000095530
SBS 25: ZAG000095548