Standard Bank Group
Financial results presentation

for the six months ended 30 June 2011

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Key indicators showing improvement

	1H11	change %	1H10	FY10
Headline earnings (Rm)	6 637	11	5 989	11 283
Headline EPS (HEPS) (cents)	418.4	10	381.9	715.9
Diluted HEPS (cents)	415.9	10	378.5	709.6
DPS (cents)	141		141	386
NAVPS (cents)	5 926	2	5 792	5 726
ROE (%)	14.5		13.5	12.5
Credit loss ratio (%)	0.80		1.04	1.04
Cost-to-income ratio (%)	58.4		58.1	61.7
Tier I capital adequacy ratio (%)	12.4		11.8	12.9

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Revenues remain subdued

	1H11 Rm	change %	1H10 Rm	2H10 Rm
Net interest income	14 421	(1)	14 541	14 386
Non-interest revenue	15 325	6	14 475	15 448
Total income	**29 746**	**3**	**29 016**	**29 834**
Credit impairment charges	2 970	(22)	3 790	3 734
Operating expenses	17 426	2	17 019	18 856
Restructuring costs				781
Banking activities headline earnings	**6 004**	**10**	**5 449**	**4 441**
Liberty – share of headline earnings	633	17	540	853
SBG headline earnings	**6 637**	**11**	**5 989**	**5 294**

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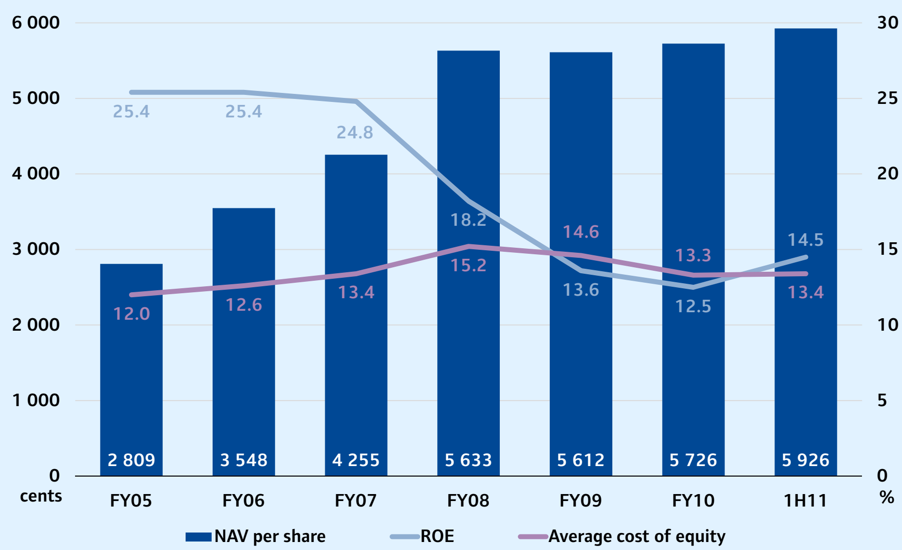
Group return on equity starting to trend upward



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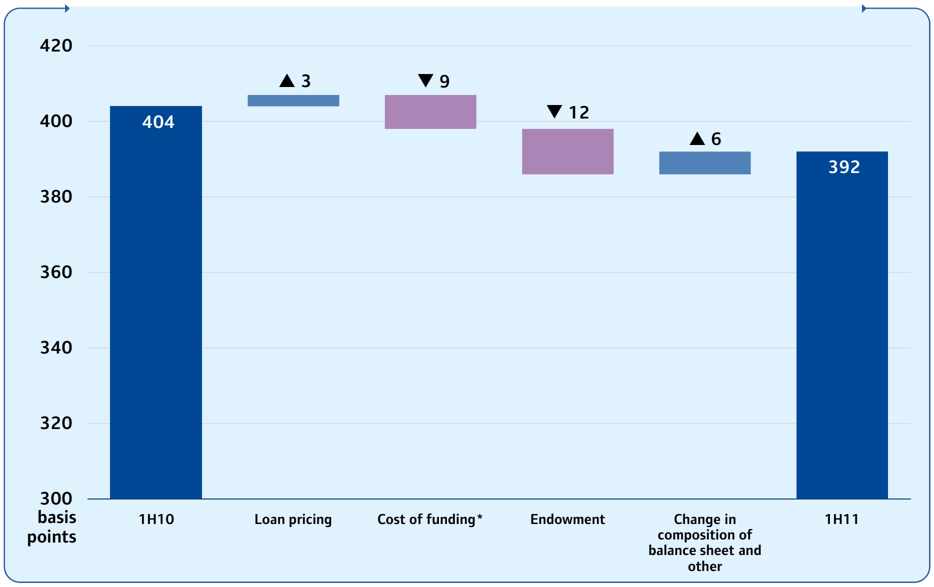
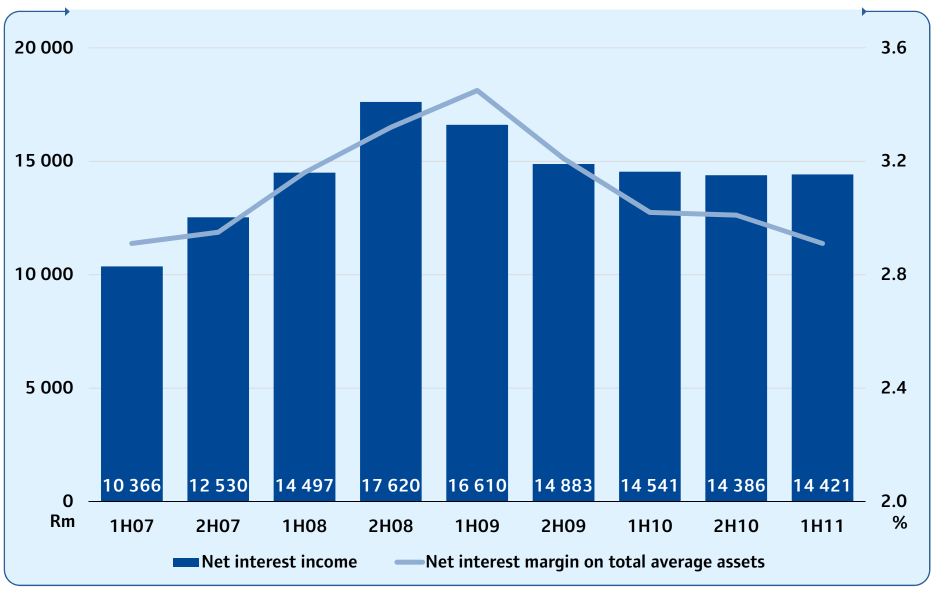
Further compression of margin on interest earning assets…

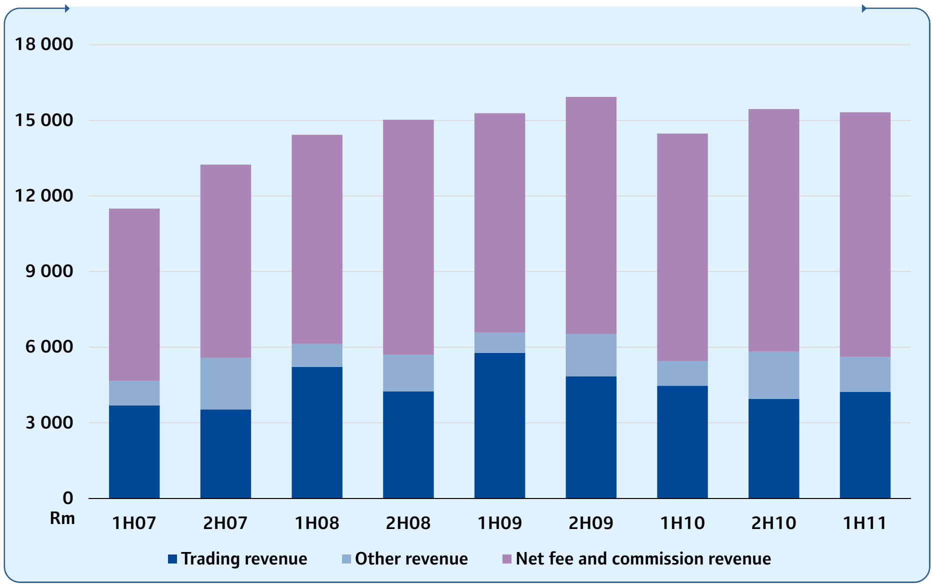


* Loan funding cost + funding margin

… nevertheless net interest income was maintained at 2H10 levels



Fee and commission income has held up well



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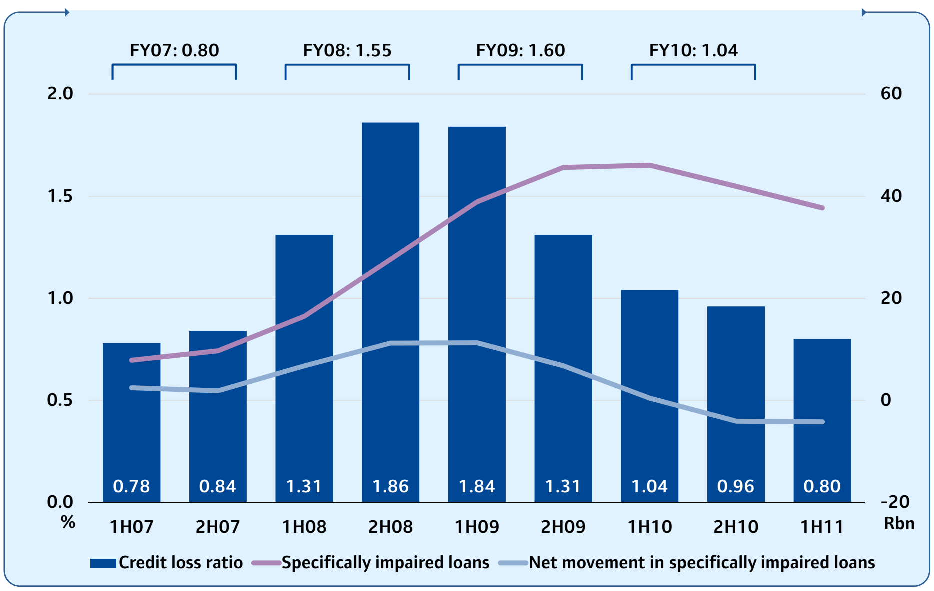
Credit impairments show further improvement



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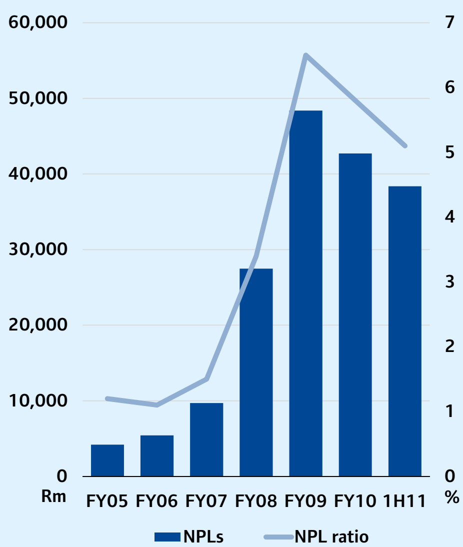
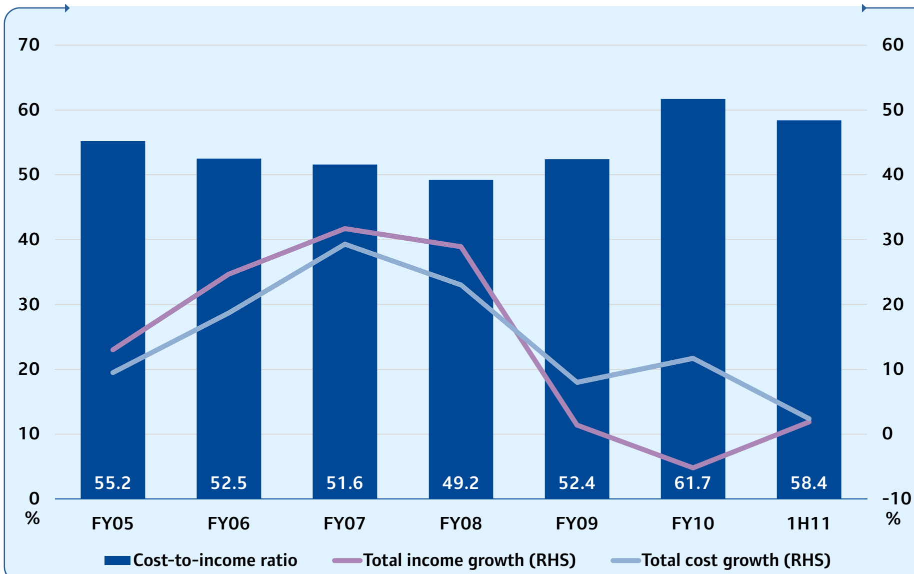
NPLs continue to decline and coverage ratios are maintained

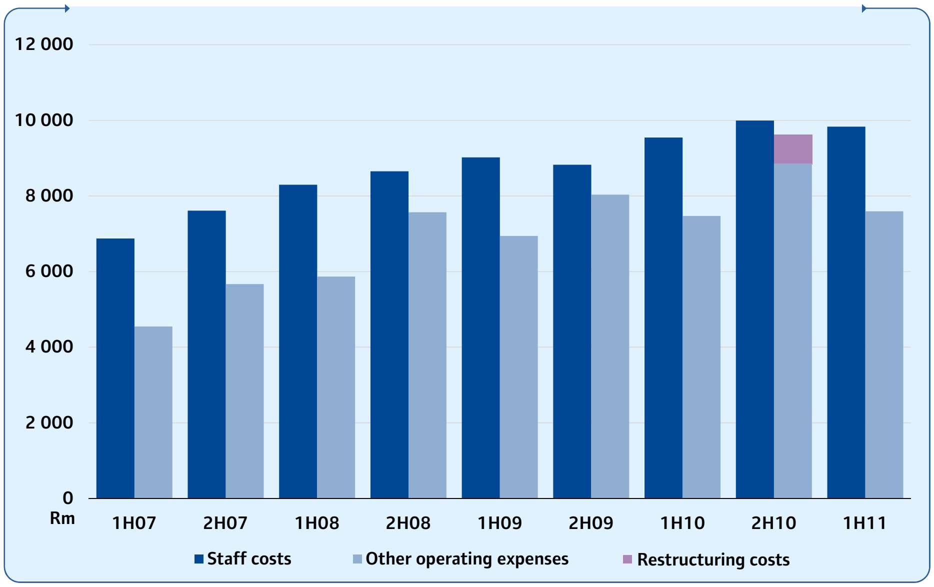


	1H11 %	FY10 %
Personal & Business Banking	**29**	**29**
Mortgage loans	18	17
Instalment sale and finance leases	59	58
Card debtors	75	77
Other loans and advances	68	67
Corporate & Investment Banking	**27**	**29**
Corporate loans	28	30
Commercial property finance	16	20
Gross loans and advances	**29**	**29**

Cost-to-income ratio still high, but jaws closing…



… as the rate of increase in operating expenses slows



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All regions have shown good cost control…

• Outside Africa - Down 9% on 1H10	• Strong action taken on costs • On a constant currency basis down 1%
• Rest of Africa - Up 7% on 1H10	• Continued to invest in selected growth markets • Costs tightly controlled in mature countries
• South Africa - PBB • Up 13% on 1H10 - CIB • Up 5% on 1H10	• PBB SA costs up - focus on investing for growth • Modest increase in CIB SA costs to develop the franchise as revenue improves

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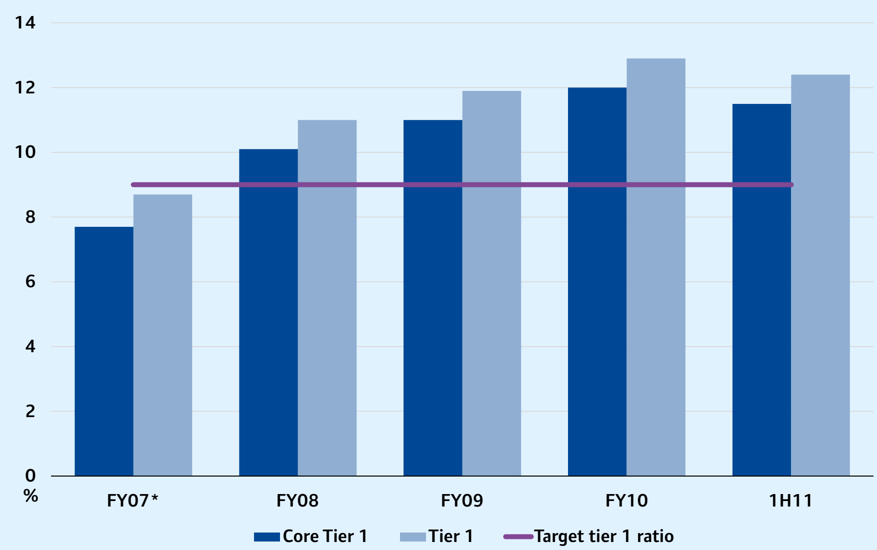
… as have the major expense categories

	1H11 Rm	change 1H11 on 1H10 %	change 1H11 on 2H10 %
Staff costs	9 832	3	(2)
Information technology	1 620	(0)	(10)
Depreciation and amortisation	1 289	15	(8)
Premises	1 461	14	(2)

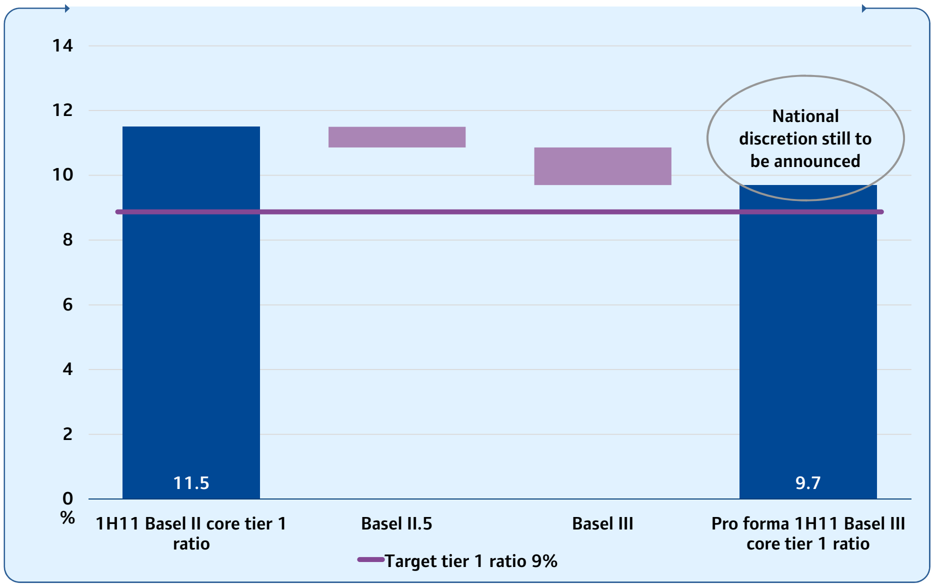
- Staff costs well controlled but tend to be higher in the second half due to incentives
- Depreciation, amortisation and premises costs impacted by African infrastructure roll-out

Capital ratios are strong



* Pro-forma Basel II basis

Estimated impacts of Basel III not yet fully known



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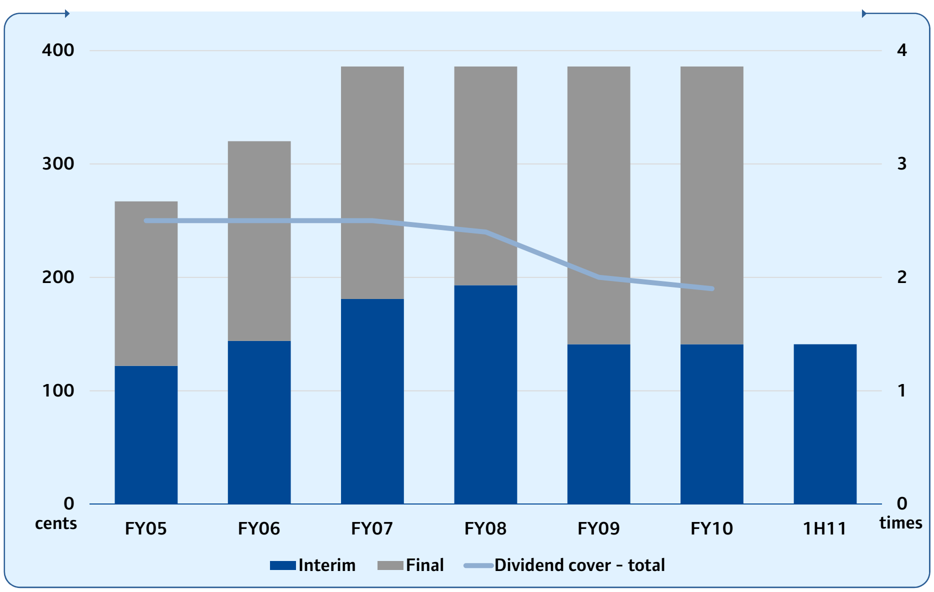
Rebuilding dividend cover



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Liberty

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Liberty insurance business back on track

	1H11 Rm	change %	1H10 Rm	FY10 Rm
Retail Insurance	650	38	472	899
Liberty Corporate	47	(28)	65	103
LibFin	345	(4)	358	1 443
Stanlib	190	16	164	361
Liberty Properties	44	2	43	96
Liberty Africa	16	>100	2	10
Liberty Health	(10)	9	(11)	(43)
Other	(102)	(19)	(86)	(272)
Headline earnings	**1 180**	**17**	**1 007**	**2 597**
SBG share of headline earnings (54%)	**633**	**17**	**540**	**1 393**

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Quality and sustainability underpinning strong Liberty results

Strengthen the insurance business	• Persistency objectives achieved • Sales and margins moving in the right direction • Product receiving industry recognition for quality and delivery from financial advisers
Excellence in balance sheet management	• Reduced balance sheet exposure to volatility • Shareholders' investment portfolio ahead of benchmark
Diversification	• Stanlib operating model being implemented and strong investment performance in key funds • Africa, Health, Frank.net gaining traction

Quality and sustainability underpinning strong first half financial performance

Extracted from Liberty Holdings Limited interim results presentation 2011

Standard Bank of South Africa

Sim Tshabalala

Key indicators are improving

	1H11	change %	1H10	FY10
Headline earnings (Rm)	4 865	20	4 056	8 034
ROE (%)	19.5		18.3	17.3
Cost of equity (%)	13.5		13.8	13.4
Credit loss ratio (%)	0.83		1.25	1.18
Cost-to-income ratio (%)	53.8		51.4	55.2
Number of employees	28 911	(4)	29 993	30 396
Revenue/employee (Rm)	1.34		1.27	1.27
Core tier I capital adequacy ratio (%)	11.4		10.2	11.5
Total capital adequacy ratio (%)	14.6		13.5	14.9

Earnings growth due to reduced credit impairments and strong cost control

	1H11 Rm	change %	1H10 Rm	2H10 Rm
Net interest income	9 912	(2)	10 156	10 056
Non-interest revenue	9 261	6	8 747	9 740
Total income	**19 173**	**1**	**18 903**	**19 796**
Credit impairment charges	2 283	(30)	3 278	3 081
Operating expenses	10 284	6	9 725	11 412
Restructuring costs				304
SBSA headline earnings	**4 865**	**20**	**4 056**	**3 978**

Personal & Business Banking in South Africa

- Largest market share of total deposits in the country
- Largest residential mortgage lender
- Largest credit card issuer
- Improved risk appetite and open and ready for business and lending
- 9.3 million retail customers
- Approximately 700 points of representation, 6 900 ATMs and 8 200 bank shops
- Increased electronic banking transactions by 12% and cellphone banking users by 119%

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Corporate & Investment Banking in South Africa

- Largest market share in the following transactional products
  - 40% market share of guarantees
  - 33% market share of trade finance
  - 30% market share in deposits
- Largest custodian bank with R2.3 trillion in assets under custody
  - 35% market share in equities
  - 33% market share of bonds
  - Settle ±2 million trades per annum
- Provide ZAR foreign exchange clearing services through CLS
  - Clear approximately R6.3bn daily
  - 33% average market share of values settled
- Largest participant in foreign exchange spot, forward and option market in SA
  - Forex
    - US$3bn per day, ±30% market share
  - Capital markets
    - US$20bn bond turnover per month, 18% market share
    - US$22bn derivative turnover per month, 20% market share
  - Commodities
    - US$6bn turnover per month

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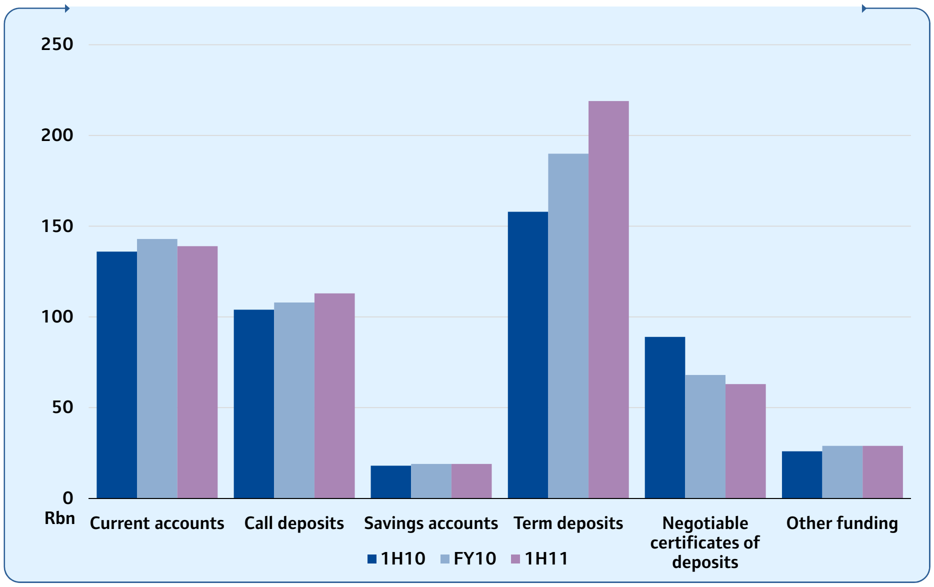
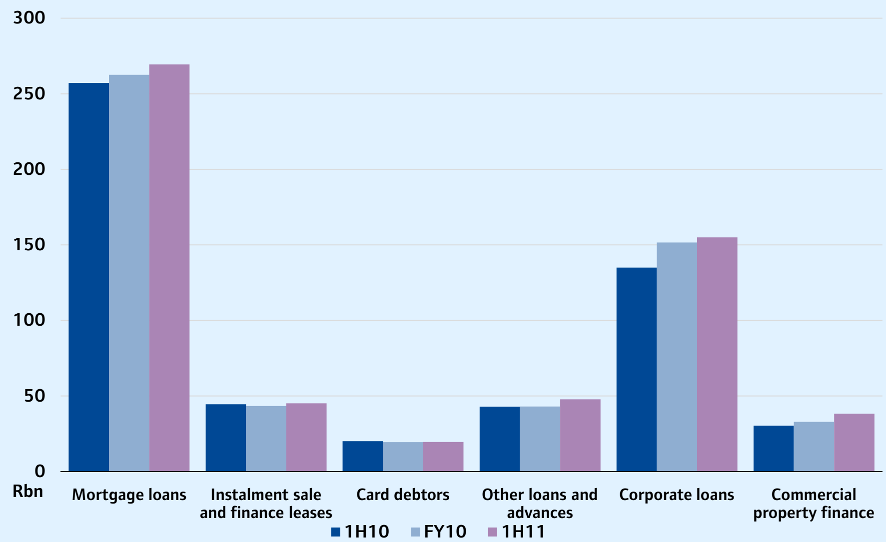
Growth in longer duration deposits and liabilities



We are open for business and extending credit responsibly

Overall loan growth is encouraging



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We are increasing banking penetration

- Accessible banking products
  - Serving previously underserved communities is a key part of our strategy
  - Currently have
    - Almost 4.5 million Inclusive Banking accounts
    - 67 inclusive banking loan centres and 8 200 bank shops
  - We recognise that we need to do more
- Extended R1.2bn to low income home owners in 1H11
- Significantly increased Inclusive Banking unsecured lending sales volumes
- Mobile banking account sales have increased 4 times
- Aim to be the leader in the Inclusive Banking market

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The home loans we are writing today are profitable

- New business volumes 17% higher than 1H10 but 50% lower than 1H07
  - Significantly lower risk profile
  - Lower customer concessions
  - Mortgage originator costs almost halved
  - Internal cost of origination and processing reduced significantly
  - Good ROEs
- Strong drive in insurance
  - Homeowners cover and credit life
- Home Loans is a long-term embedded value business

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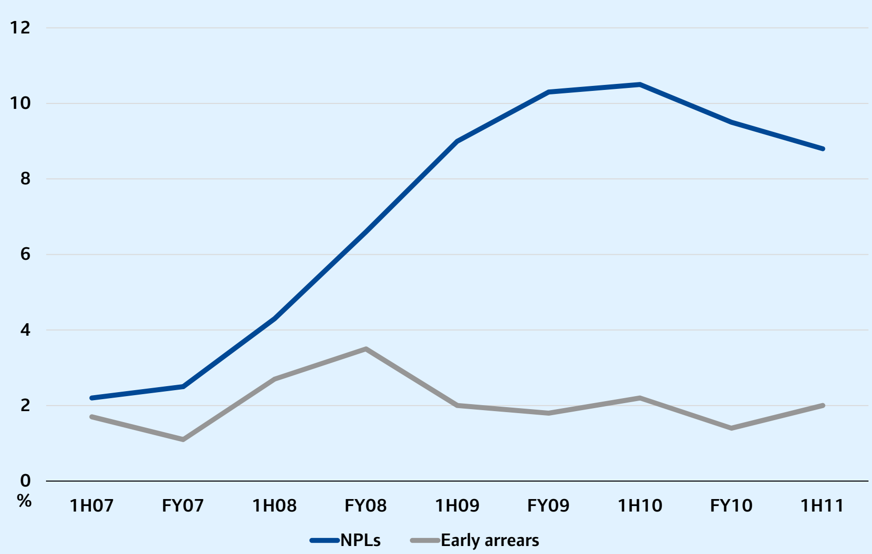
Good work done on home loan NPLs in SA but still much to do



 NPLs = >90days, Early arrears = 31-90 days

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PBB franchise in good shape

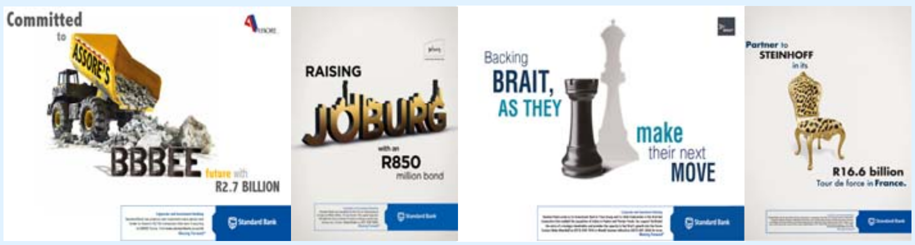
- Vehicle and asset finance
  - Concentrating on business lending
  - Overall improvement in pricing
  - Growing market share
- Card
  - Strong growth in fees
  - Compensating for closure of inactive accounts with encouraging levels of new card accounts opened
- Transactional and lending products
  - Increased number of accounts by 14%
  - Higher average balances
  - Strong growth in business banking lending products
- Bancassurance
  - Agreement with Liberty renegotiated
    - Enhances an already successful arrangement
  - Penetration rates into own customer base continue to improve
  - Good underwriting results in short-term insurance

Transactional products and services are an important component of the CIB franchise

- Important deposit gatherer and generator of net interest income and net fees and commissions
  - Negative endowment effect reducing margins
  - Competition placing further downward pressure on margins and fees
  - Still very profitable business
- Heightened focus on client service
  - Overall customer satisfaction index score of 8.7 from 8.1 in December 2010
  - Innovative solutions in trade finance leading to significant wins
  - 100% retention of targeted clients in 1H11
- Continuing to lead with transactional banking wins
  - Won a number of new accounts

Traction in Investment banking

- Strong deal flow
  - Improved client focus, co-ordination and client activity
  - Benefits show in NIR
  - Improvement in NII will be seen later in the year from lending deals done in 1H11
- Disappointing volumes in DCM but a strong M&A pipeline for 2H11
- Deal pipeline remains strong notwithstanding a good first half



Global markets picking up as client activity increases

- Trading revenues up 35%
- Improved client coordination
  - Better collaboration between Global markets, Investment banking and coverage resulted in large hedging deals on the back of client transactions
- 2Q11 saw the return of client flows and transactions
- Successful integration of retail and institutional brokerage business

The franchise remains strong

- The recent PwC peer survey talks to our strengths in CIB SA

	Position	Times in a row
Corporate banking	1st	4
Foreign exchange trading	1st	4
Money markets	1st	4
Fixed income	1st	2
Derivatives	1st	2
Commodities	1st	2
Trade finance	1st	3
Mergers and acquisitions	2nd	4
BEE	2nd	4

- Ranked number 1 investment adviser for Mergers and Acquisitions by deal value in the DealMakers SA survey for first half

"The Power of &" in Corporate & Investment Banking

SBSA is becoming indistinguishable from the group

- SA's economic role in Africa is facilitated by the ability of SA banks to carry foreign assets using the prudential limit
- Enhances the execution of the Standard Bank strategy
- Using SA balance sheet means we can have smaller balance sheets in London and in African countries
  - Cost and capital effective
  - Will increase capital utilisation in SA
- Standard Bank's African and natural resources franchises well positioned to utilise this limit

Standard Bank is well placed to be a financial gateway to the African continent

- SA provides
  - A good springboard for multinationals into Africa
  - A source of trade and FDI
  - Laws and regulations conducive to competition and growth
- Standard Bank
  - Is a full-service bank with extensive personal, business, corporate and investment banking capabilitiess
    - Enables clients to trade, pay, raise liquidity and capital, invest and manage risks across the continent
  - Is devoted to serving our clients in SA and abroad
    - 150 years in SA and more than two decades abroad

Banking operations outside South Africa

Ben Kruger

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20% of the group's NAV is deployed Outside Africa

- Difficult macro and regulatory environment and not improving
- Strategy refined, execution in progress
- Group need for International capability confirmed
- Scope narrowed and scale reduced to support group aspirations
- CIB Outside Africa revenue flat in USD, down 7% in ZAR
- CIB Outside Africa costs down 4% in USD, down 12% in ZAR
- ROE too low

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Outside Africa: Update

- London legal entity to exist for the benefit of the group and not as a stand-alone operation
- Dollar balance sheet to be retained as an important resource
- Retain maximum revenues with lowest costs and least capital possible
- Revenue environment remains uncertain
- Costs
  - Rationalisation of headcount and costs well under way
    - CIB Outside Africa headcount down 11%
  - Targeting further annualised operating expense reduction of $75m
- Capital and ROE
  - Targeting to reduce overall capital utilisation outside Africa from $3bn to $1.5bn
  - Sale of Troika and Argentina
    - Will release $750m of capital and lose approximately $50m of annualised earnings
    - Subject to regulatory processes
  - Robust productivity assessment of each business line
  - On a legal entity basis $1.5bn capital targeted to earn high single digit ROE
- Essential part of the CIB franchise which enhances our competitive position

Rest of Africa results reflect a portfolio of business

Rest of Africa	1H11 Rm	change %	1H10 Rm
Total income	5 193	6	4 892
Total income on a constant currency basis	5 193	17	4 426
Headline earnings	**423**	**(17)**	**511**
Loans and advances to customers	48 387	24	39 108
ROE – in-country*	19%		
ROE on consolidation	7%		

- ROE decomposition
  - Mature franchises
  - Investment/scale franchises
  - Growth franchises

** Local currency, pre-goodwill and development costs*

Higher ROEs in mature African franchises

All ratios in local currency	In-country ROE %	Loans and advances growth %	Deposit growth %	Headline earnings growth %
Mature franchises				
Uganda	43	20	6	20
Lesotho	38	4	8	11
Malawi	32	54	47	20
Swaziland	23	29	2	58
Namibia	19	19	14	5

- High ROEs where we operate as a universal bank with a solid CIB offering and a well established PBB domestic banking franchise
- Significant market share
  - Market leader in many instances
- Limited market share growth opportunities
  - Focus on cross-sell and extending product range
- Optimise distribution platform by driving cost efficiencies

Encouraging ROEs in countries where we are building for scale

All ratios in local currency	In-country ROE %	Loans and advances growth %	Deposit growth %	Headline earnings growth %
Building scale				
Botswana	44	19	(3)	90
Zambia	31	33	35	>100
Mozambique	26	13	2	6
Ghana	22	60	54	41
Tanzania	20	16	26	56
Kenya	7	28	24	48

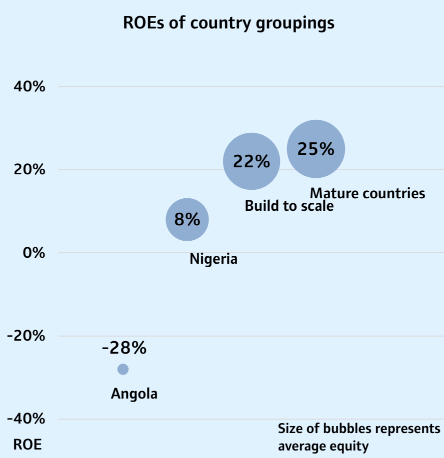
- Specific investment spend incurred to build further scale
- Increase local relevance and market share in domestic markets
- Well positioned to benefit from growth

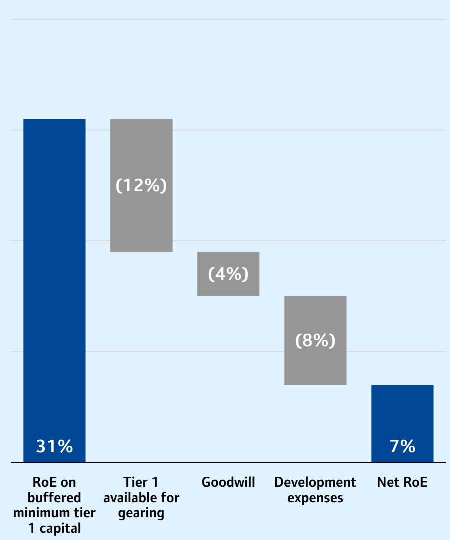
Low ROEs in high investment and growth countries

All ratios in local currency	In-country ROE %	Loans and advances growth %	Deposit growth %	Capital adequacy %
Invest and grow markets				
Nigeria	8	43	79	24
Angola	(28)	>100	>100	80

- Capital adequacy levels high
  - Ability to grow the franchise organically without further capital contribution
  - Capital reduction is complicated under local regulations
- Angola green field build continues
- Core banking platform successfully rolled out in Nigeria
- Staffed for next phase of growth
- Nigeria opened 44 new branches in last 12 months, 90 in the last 18 months
- High levels of expenditure on establishing PBB franchises

Reconciling the African franchise ROEs





CIB franchise reflects strong competitive positions

CIB Rest of Africa	1H11 Rm	change %	1H10 Rm
Total income	2 918	2	2 874
Total income on a constant currency basis	2 918	13	2 586
Headline earnings	**600**	**(7)**	**642**
Loans and advances to customers	26 291	30	20 292
ROE – in-country*	27%		
ROE on consolidation	14%		

- Leverage off the group and CIB
- Strong Investment banking and Global markets
  - More volatile revenue streams
- Good progress on transactional business
  - More dependent on PBB infrastructure

* *Local currency, pre-goodwill and development costs*

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PBB franchise in different stages of development

PBB Rest of Africa	1H11 Rm	change %	1H10 Rm
Total income	2 275	13	2 018
Total income on a constant currency basis	2 275	24	1 840
Headline earnings	**(177)**	**(35)**	**(131)**
Loans and advances	22 107	17	18 816
ROE – in-country*	5%		
ROE on consolidation	(10%)		

- Requires base load of branch and IT Infrastructure
- Customer attraction and retention
- Relevant products and services
- Credit capability
- Low cost producer

* *Local currency, pre-goodwill and development costs*

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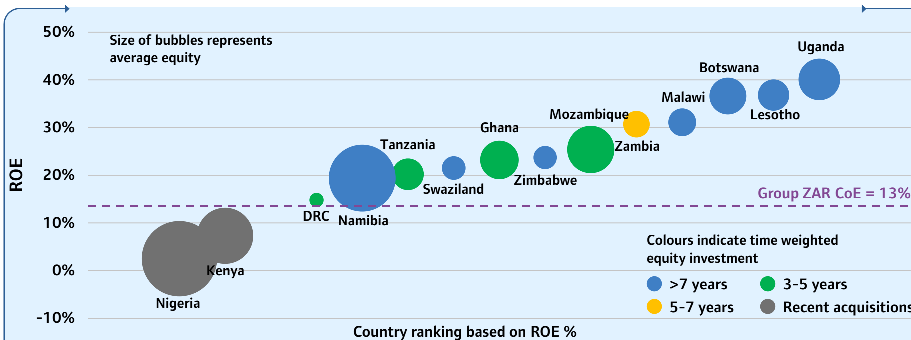
Life cycle investment strategy – ROEs improve with maturity



- We believe we can build a sustainable universal bank platform with a strong PBB and CIB franchise across our chosen markets
  - Network with a relevant footprint and diversified customer base
  - Strong deposit base
  - Relevant product offering with appropriate risk appetite
  - Scalable low cost infrastructure
  - Optimal distribution channels with a focus on cross-sell
  - Leverage off our 16 country footprint

Case study:
Uganda – An example of a successful universal bank

	1H11 Rm	change %	1H10* Rm
Net interest income	313	31	239
Non interest revenue	138	39	99
Trading revenue	46	(30)	66
Total income	**497**	**23**	**404**
Credit impairment charges	31	72	18
Total expenses	254	16	219
Headline earnings	**125**	**20**	**104**
Cost to income ratio	51%		54%
Capital adequacy	13%		16%
ROE	43%		41%
Loans and advances	3 904	20	3 240
- CIB	1 710	(8)	1 860
- PBB	2 194	59	1 380

- Market leader with top customer base
- Mature branch network
  - 79 branches
- Good growth in business banking
- Further growth potential across all products in both business units

** Constant currency basis*

Case study:
Nigeria – Investment countries are the building blocks for the future

	1H11 Rm	change %	1H10* Rm
Net interest income	619	48	417
Non interest revenue	445	19	374
Trading revenue	225	(29)	318
Total income	**1 289**	**16**	**1 108**
Credit impairment charges	91	>100	(23)
Total expenses	949	21	784
Staff costs	411	5	392
Operating expenses	538	37	392
Headline earnings	**79**	**(38)**	**127**
Cost to income ratio	74%		71%
Capital adequacy	24%		27%
ROE	8%		13%
Loans and advances	10 308	43	7 232
- CIB	7 197	29	5 565
- PBB	3 111	87	1 667

- Limited PBB market share, but attractive growth potential
- Young branch network
- Product and credit capability created
- Branch network staffed for next phase of growth
- Leading CIB franchise
- Leading Wealth franchise
- Sufficient capital to grow franchise
- Strong team on the ground
- Good organic growth position
- Capacity to capitalise on banking consolidation

* *Constant currency basis*

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Business Unit Review

Ben Kruger

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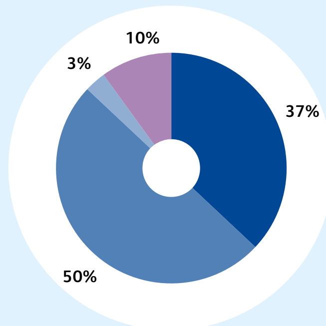
Earnings well diversified

Headline earnings	1H11 Rm	change %
Personal & Business Banking	2 483	30
Corporate & Investment Banking	3 320	1
Central and other	201	
Banking activities	**6 004**	**10**
Liberty	633	17
SBG	**6 637**	**11**

ROE	1H11 %	1H10 %
Personal & Business Banking	17.8	14.7
Corporate & Investment Banking	15.4	15.8
Banking activities	**14.2**	**13.2**
Liberty	18.5	17.7
SBG	**14.5**	**13.5**

Headline earnings mix



- Personal & Business Banking (1H10: 32%)
- Corporate & Investment Banking (1H10: 55%)
- Central and other (1H10: 4%)
- Liberty (1H10: 9%)

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Personal & Business Banking SA focusing on customers

Inclusive banking	• Grow the SA "banked" population • Lower cost digital channels/mobile • Growth in mobile origination • Largest money transfer network • Grow unsecured lending sustainability
Personal markets	• Leadership position in retail deposits • Cross sell to existing customers • Restore secured lending profitability • Private banking
Business banking	• Dominant business banking market share • Maintain momentum in public sector • Leverage improved electronic platforms • Complete turnaround of VAF • Lower cost and appropriate differentiation
Bancassurance	• Improve penetration of embedded products • Delivering on bancassurance and growth commitments with Liberty

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Personal & Business Banking Rest of Africa continues to build

Deploying branch network	• Attract customers and deposits • Cash handling and management • Facilitate business and corporate banking growth
Relevant products/channels	• Relevant to domestic customers • Business banking, agriculture and trade finance • Leverage corporate relationships – workplace banking • Leading transactional franchise • Mobile
Credit capability industrialised	• Facilitate lending – both commercial and unsecured • Risk appetite and pricing
Fit for purposes: IT and Ops	• Low cost processing • Payments and cash management • Distribution optimisation
Staff	• Sales culture → branches → stores • Service • Engagement

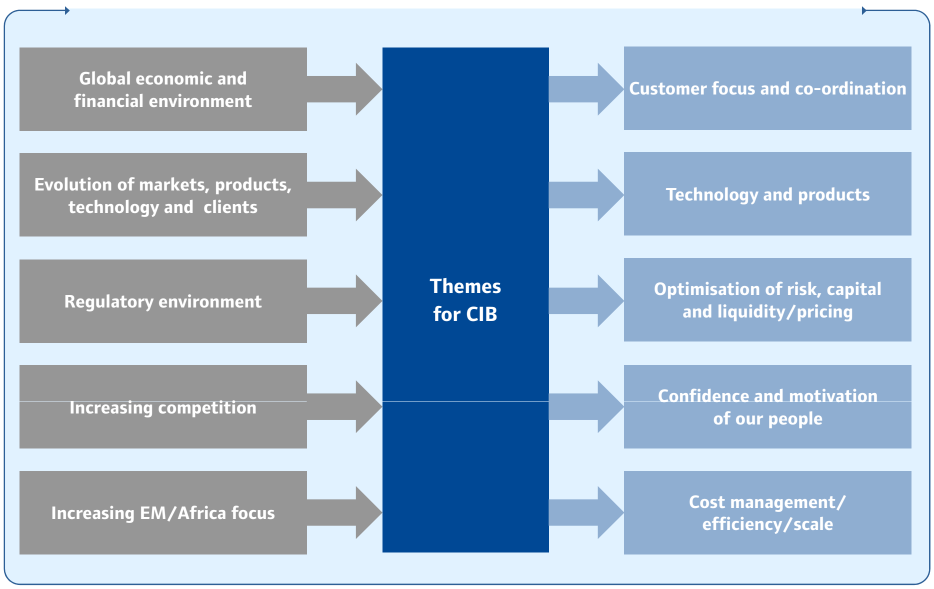
Corporate & Investment Banking sustained revenues

	Total income		Headline earnings	
		change %		change %
Global markets	5 584	6	1 378	1
Investment banking	2 550	(16)	1 278	7
Transactional products and services	3 089	8	676	8
Principal investment management	429	11	(43)	46
Troika			31	(82)
Corporate & Investment Banking	**11 652**	**1**	**3 320**	**1**

Corporate & Investment Banking continued client focus

Global markets	• Good result in difficult market conditions and increased competition • Quality of SA franchise underscored by 30% growth • Better coordinated in serving our clients • Risk well controlled • Positive sentiment remains
Investment banking	• Client focus reflected with increased origination levels within our strategic areas • Strong mining sector performance, below par growth within telecoms and power and infrastructure • Advisory business impacted by general slowdown in African M&A • Slow start for debt products, strong second quarter • Pipelines encouraging
Transactional products and services	• Ongoing focus in serving our clients • Negative endowment, but good improvement in trade and transaction flows • Strong contribution from growing African platform, leader in custody across the continent • Critical linkage between Africa and China

Corporate & Investment Banking positioned for growth



Conclusion

Jacko Maree

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Responding to cost pressures

- Detailed plans within the organisation to achieve sustained cost savings are aimed at
  - Dramatically streamlining regional and head office support costs
  - Re-evaluating the pace and scope of IT transformation
  - Accelerating geographic hubbing and infrastructure sharing
  - Consolidating a consistent approach to enabling functions
- In the short term we anticipate
  - Banking group's total operating expenses for FY11 will be at the same level as FY10

Capital update

- Sales of Russia and Argentina - $750m
- Reduction of capital outside Africa will result in increased capital utilisation in SA as we use the prudential limit
- Strategy focused on Africa and natural resources will require further capital
- Basel III and national regulatory discretion to be clarified
- Possible African acquisitions
- Will only have reasonable clarity on surplus capital by March 2012

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Increasing our focus on Africa

- Africa is at the core of our refined strategy
- We have a good platform from which to expand
- We have the capacity to grow organically so we are not compelled to make any acquisitions
- But we are still not at sufficient scale in key regions
  - Nor present in some potentially attractive and fast-growing countries
- We are looking for acquisition opportunities in Africa

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Outlook

- Current global economic uncertainty continues
- Pipelines across core sectors remain strong and continue to grow
- Continue to focus on acquiring good quality new customers and assets
- Continue to invest in key growth areas that underpin our long-term strategy
- Strong capital and funding position
- Sharpened focus on cost discipline
- Improved returns to shareholders