Standard Bank Group
Financial results presentation

for the year ended 31 December 2010

www.standardbank.com

Standard Bank

Financial highlights

	FY10	change %	FY09
Headline earnings (Rm)	11 283	(4)	11 718
Headline EPS (HEPS) (cents)	715.9	(5)	756.9
Diluted HEPS (cents)	709.6	(5)	750.6
DPS (cents)	386		386
NAVPS (cents)	5 726	2	5 612
ROE (%)	12.5		13.6
Credit loss ratio (%)	1.04		1.60
Cost-to-income ratio (%)	61.7		52.4
Tier I capital adequacy ratio (%)	12.9		11.9

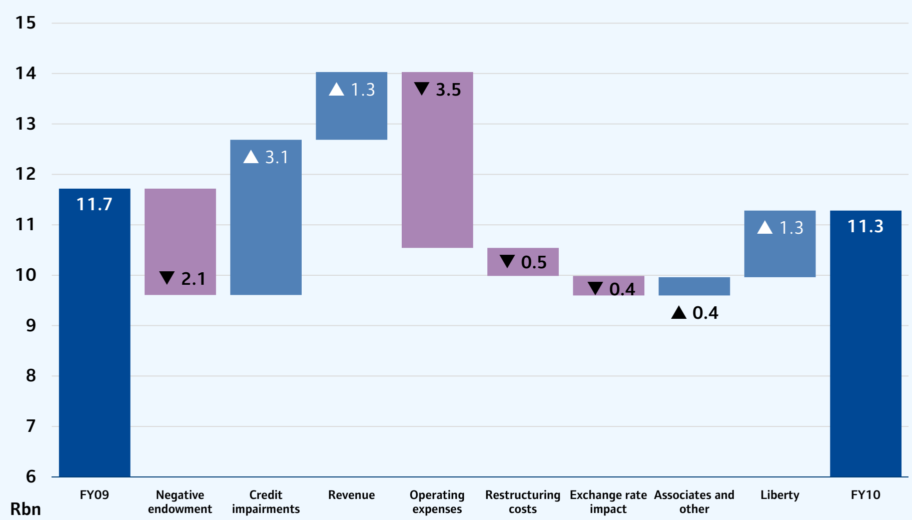
Standard Bank

Income statement highlights

	FY10 Rm	change %	FY09 Rm
Net interest income	28 927	(8)	31 493
Non-interest revenue	29 923	(4)	31 217
Total income	**58 850**	**(6)**	**62 710**
Credit impairment charges	7 524	(38)	12 097
Operating expenses	35 875	9	32 827
Restructuring costs	781		
Banking activities headline earnings	**9 890**	**(15)**	**11 646**
Liberty – share of headline earnings	1 393	>100	72
SBG headline earnings	**11 283**	**(4)**	**11 718**

Standard Bank

Headline earnings movement analysis



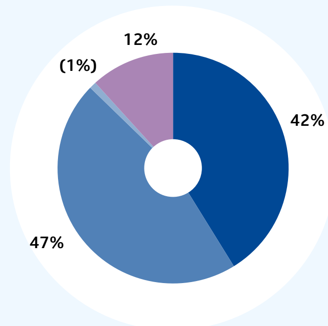
Standard Bank

Business unit view

Headline earnings	FY10 Rm	change %
Personal & Business Banking	4 750	23
Corporate & Investment Banking	5 248	(30)
Central and other	(108)	(>100)
Banking activities	**9 890**	**(15)**
Liberty	**1 393**	>100
SBG	**11 283**	**(4)**

ROE	FY10 %	FY09 %
Personal & Business Banking	17.9	15.1
Corporate & Investment Banking	12.7	18.8
Banking activities	**11.8**	**14.5**
Liberty	21.9	1.2
SBG	**12.5**	**13.6**

Headline earnings mix



- Personal & Business Banking (FY09: 33%)
- Corporate & Investment Banking (FY09: 64%)
- Central and other (FY09: 2%)
- Liberty (FY09: 1%)

Contribution to headline earnings by geography

	FY10 Rm	change %	FY09 Rm
South Africa banking	9 271	(1)	9 327
Liberty	1 393	>100	72
South Africa	**10 664**	**13**	**9 399**
Rest of Africa	746	(38)	1 202
Outside Africa	186	(87)	1 479
Outside Africa – Ongoing	1 284	(11)	1 446
Outside Africa – Curtailed	(1 098)	(>100)	33
Central funding	(313)		(362)
SBG headline earnings	**11 283**	**(4)**	**11 718**

Balance sheet

www.standardbank.com

Standard Bank

Loans and advances

	FY10 Rbn	change %	FY09 Rbn
Personal & Business Banking	**419**	**2**	**409**
Mortgage loans	270	5	256
Instalment sale and finance leases	50	(7)	53
Card debtors	22	(2)	22
Other loans and advances	77	(0)	78
Corporate & Investment Banking	**334**	**(7)**	**360**
Banks	106	(4)	110
Customers	228	(9)	250
Central and other	(23)	15	(27)
Gross loans and advances	**730**	**(2)**	**742**

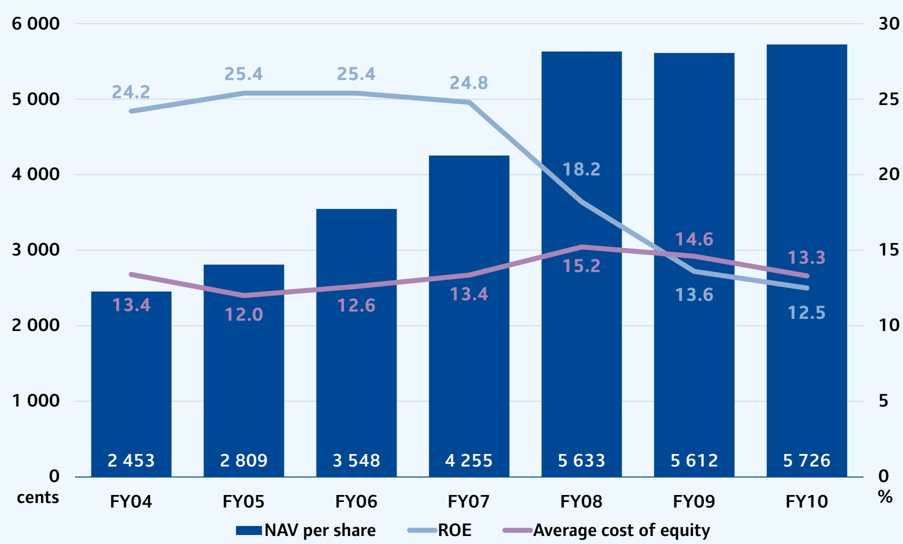
Standard Bank

Deposit and current accounts

	FY10 Rbn	change %	FY09 Rbn
Personal & Business Banking	**396**	**2**	**389**
Retail priced	206	4	198
Wholesale priced	190	0	191
Money market	40	2	40
Securitisation	14	(17)	16
Institutional funding	136	1	135
Corporate & Investment Banking	**418**	**5**	**399**
Central and other	(17)	14	(19)
Deposit and current accounts	**797**	**4**	**769**

Standard Bank

Group return on equity

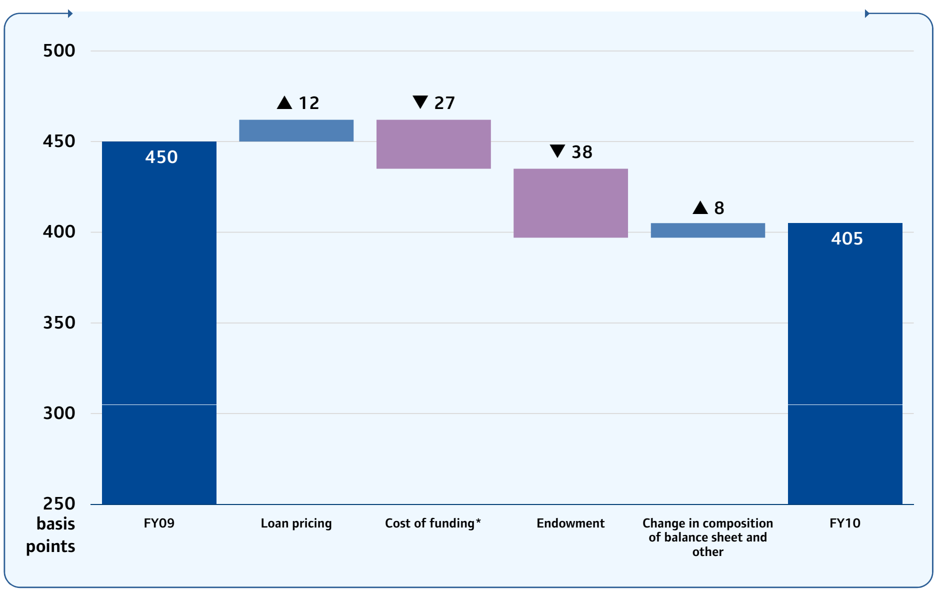


Standard Bank

Income statement

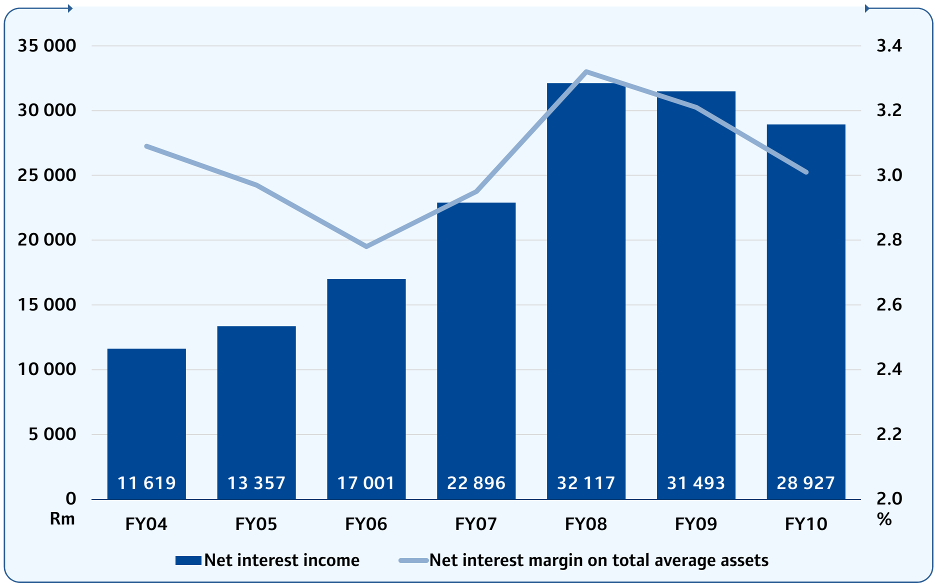
www.standardbank.com

Further compression of margin on interest earning assets



* Loan funding cost + funding margin

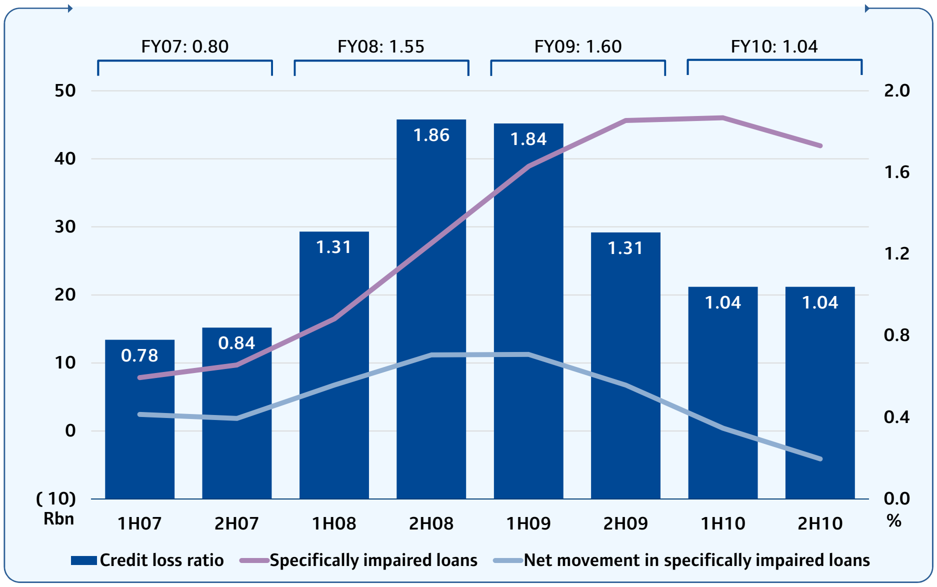
Net interest income



Non-interest revenue

	FY10 Rm	change %	FY09 Rm
Net fee and commission revenue	**18 641**	**3**	**18 108**
Account transaction fees	8 383	5	7 994
Electronic banking fees	1 748	6	1 644
Knowledge-based fees and commission	2 929	(3)	3 015
Card-based commission	3 817	10	3 481
Other fee and commission	1 764	(11)	1 974
Trading revenue	**8 428**	**(21)**	**10 621**
Other revenue	**2 854**	**15**	**2 488**
Total non-interest revenue	**29 923**	**(4)**	**31 217**

Credit impairments continue to improve



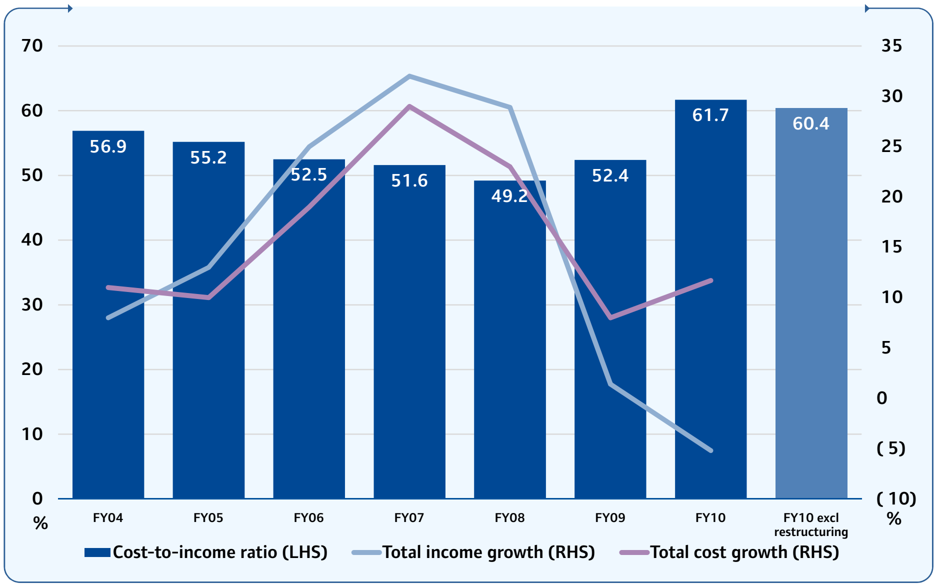
Standard Bank

NPLs decrease and coverage ratios maintained

	NPLs		NPL ratio		Coverage ratio	
	FY10 Rm	FY09 Rm	FY10 %	FY09 %	FY10 %	FY09 %
Personal & Business Banking	**33 227**	**35 041**	**7.9**	**8.6**	**29**	**29**
Mortgage loans	25 236	25 969	9.4	10.1	17	18
Instalment sale and finance leases	2 649	3 428	5.3	6.4	58	52
Credit card	1 527	1 795	7.0	8.1	77	75
Other loans and advances	3 815	3 849	4.9	5.0	67	64
Corporate & Investment Banking	**9 474**	**13 334**	**2.8**	**3.7**	**29**	**27**
Corporate loans	8 425	11 864	2.8	3.6	30	26
Commercial property finance	1 049	1 470	3.0	4.2	20	35
Gross loans and advances	**42 701**	**48 376**	**5.8**	**6.5**	**29**	**29**

Standard Bank

Cost-to-income ratio



Standard Bank

Operating expenses

	FY10 Rm	change %
Personal & Business Banking	**21 175**	**10**
Staff costs	10 235	12
Operating expenses	10 940	9
Corporate & Investment Banking	**14 720**	**6**
Staff costs	8 337	5
Operating expenses	6 383	7
Central and other	(20)	
Restructuring costs	781	
Total banking activities	**36 656**	**12**

- CIB operating expenses slowed in 2H10
- Total staff costs up 9%
  - Headcount up 5% pre-retrenchment head count reduction
    - SA up 2% (550 heads)
    - Rest of Africa up 11% (1 258 heads)
    - Outside Africa up 8% (380 heads)
- Total operating expenses up 9%
  - Higher depreciation costs
  - Increased IT and infrastructure costs particularly in Rest of Africa
- Restructuring costs carried centrally

Standard Bank

Restructuring costs

	FY10 Rm	Headcount
Permanent staff retrenched	**781**	**1 260**
Johannesburg and London	610	953
Argentina	171	307
Contractors		**688**
Total reduction in headcount		**1 948**

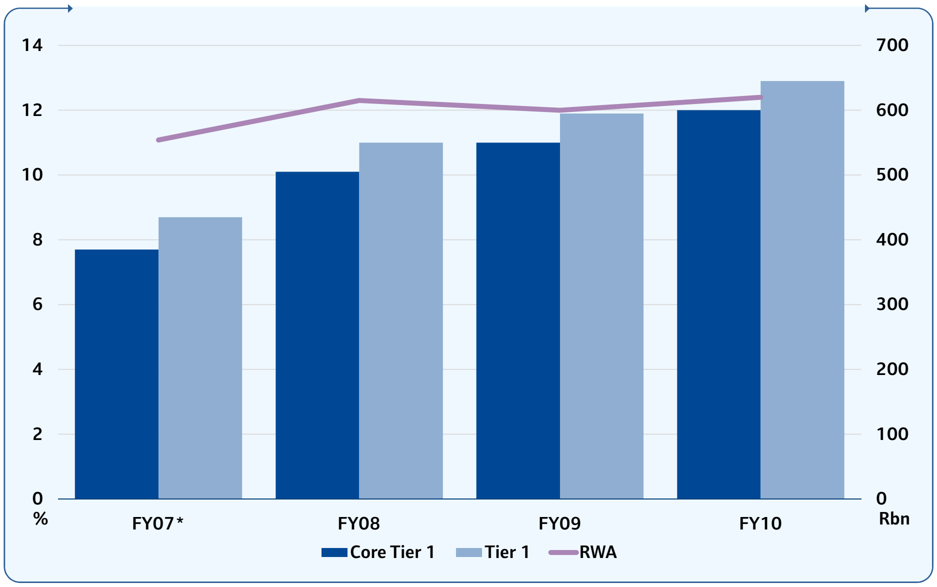
Standard Bank

Capital

www.standardbank.com

Standard Bank

Capital ratios



* Pro-forma Basel II basis

Standard Bank

Total dividend per share maintained

- Dividend of 245 cents declared
  - Brings FY10 dividend to 386 cents
  - Cover ratio 1.9 times
- Strong Tier I ratios
- Outlook for profitability is improving
- Economic stress in our chosen markets is easing
- Medium term objective remains 2.5 times cover

Standard Bank

Corporate & Investment Banking

Rob Leith

www.standardbank.com

Standard Bank

Operating environment

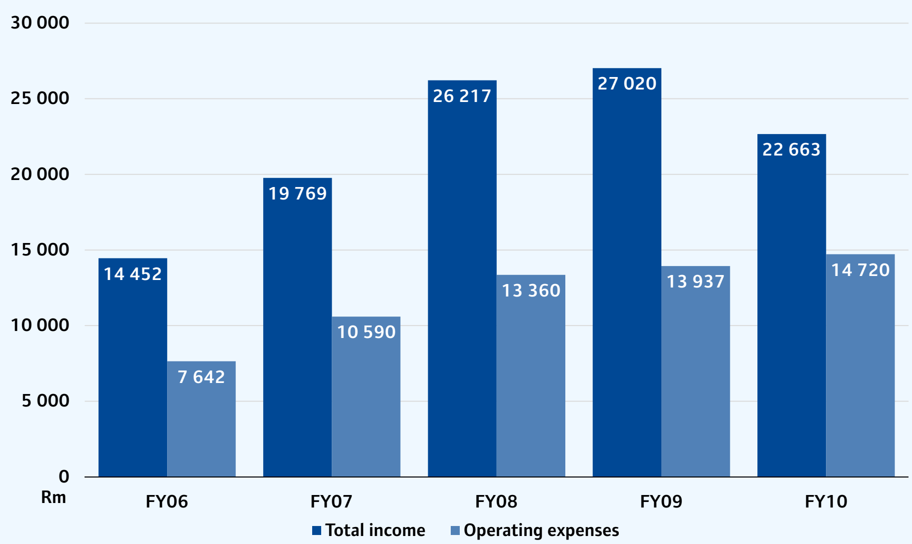
- 2010 was a challenging year for Corporate & Investment Banking
  - The global financial system was impacted by the Eurozone debt crisis
  - Implications of regulatory reform
  - Reduced client activity
  - Competition in emerging markets intensified, margins compressed
- The difficult market conditions were felt across the wider banking industry
- Led to tightening of strategic focus

Standard Bank

Abridged income statement and key ratios

	FY10 Rm	change %	FY09 Rm
Net interest income	8 866	(15)	10 475
Non-interest revenue	13 797	(17)	16 545
Total income	**22 663**	**(16)**	**27 020**
Credit impairment charges	523	(81)	2 725
Operating expenses	14 720	6	13 937
Headline earnings	**5 248**	**(30)**	**7 467**
ROE (%)	12.7		18.8
Net interest margin (%)	1.61		1.81
Cost-to-income ratio (%)	63.8		51.2

Reduced client activity had a detrimental impact on income



Contribution from product areas

	Total income			Headline earnings		
	FY10 Rm	change %	FY09 Rm	FY10 Rm	change %	FY09 Rm
Global markets	9 657	(23)	**12 463**	2 116	(49)	4 142
Investment banking	6 424	3	**6 252**	2 548	75	1 459
Transactional products and services	6 109	(11)	**6 863**	1 142	(30)	1 632
Principal investment management	729	(2)	**742**	170	(3)	175
Troika / Russia	-	(100)	**305**	370*	>100	26
Curtailed operations	(256)	(>100)	**395**	(1 098)	(>100)	33
Corporate & Investment Banking	**22 663**	**(16)**	**27 020**	**5 248**	**(30)**	**7 467**

* Share of running profit R113m and recovery of underlying asset values post acquisition R257m

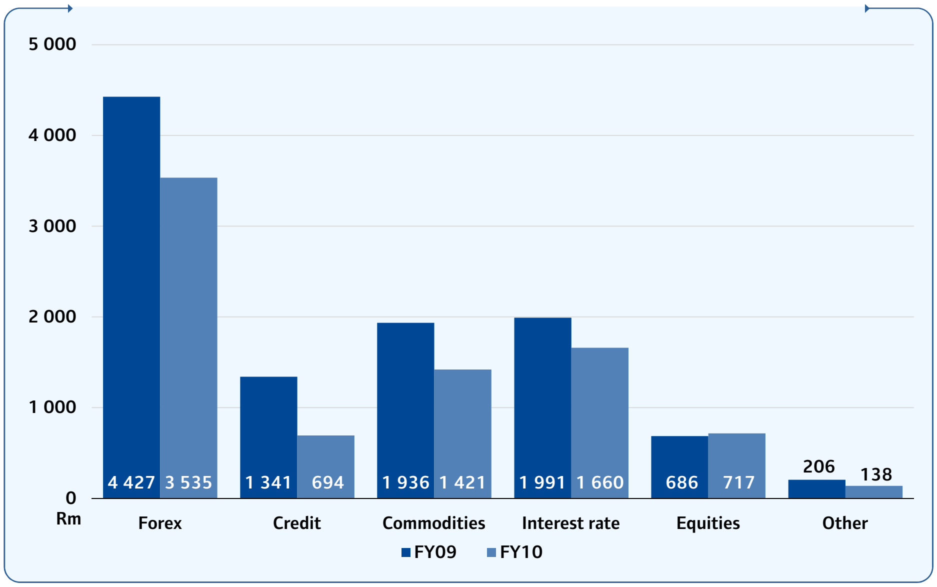
Standard Bank

Market conditions impacted Global markets’ performance

- Total income down 23% from relatively high base in 2009
- Trading revenue reduced in South Africa and Outside Africa
  - Lower client activity across majority of asset classes
  - Competition increased placing downward pressure on spreads
  - USD revenues impacted by the translation impact of a stronger ZAR
  - Improving equities franchise
- Rest of Africa produced a resilient set of results
  - Revenues benefiting from increased customer flows and interest rate movements

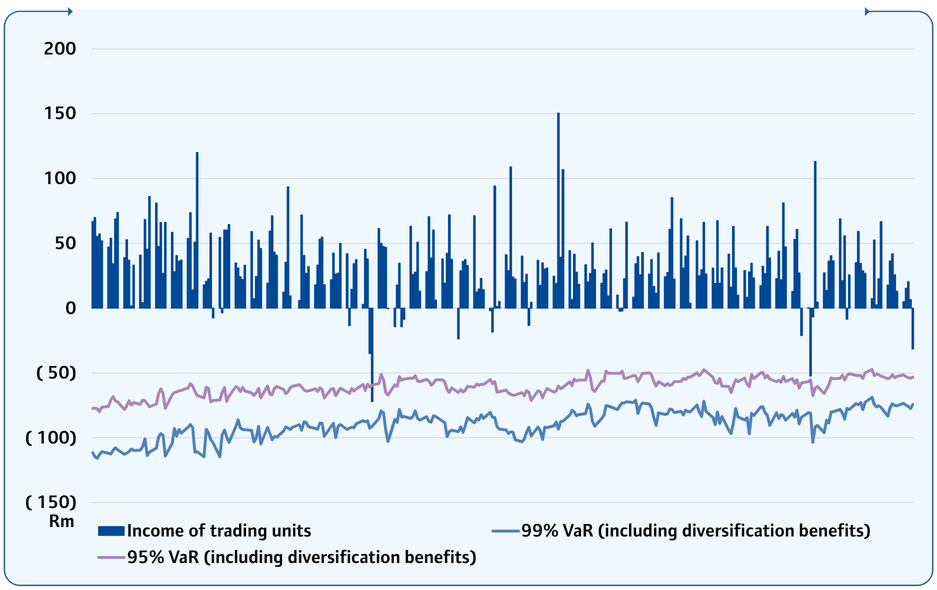
Standard Bank

Trading revenue remained diversified



Standard Bank

We didn't take on more risk to compensate for lower client flows



Standard Bank

Improved Investment banking performance

- Total income up 3%
  - Debt capital markets capitalised on an improved pipeline
  - Advisory franchise continues to grow across all regions
  - Cost of term funding still at elevated levels
- Lower margin income due to reduced loan book and margin compression
- Headline earnings benefited from lower credit impairments
- Franchise reflecting strategic growth
  - Domestic business continues to utilise local relationships and expertise
  - Cross border franchise gaining momentum through its core sectors

Standard Bank

Landmark strategic transactions for Investment banking

State Grid International Development Limited

2010
USD 1.8 billion

Buy-side advisor to SGID in its acquisition of seven power transmission companies

Standard Bank

MTN

2010
ZAR 4 billion

Acted as the joint lead manager to raise R4 billion across 3, 5 and 7 year tenors -the first corporate issuer to issue out to 7 years since the onset of the credit crisis

Standard Bank

Ghana Cocoa Board

2010
USD 1.5 billion

Acted as the joint mandated lead arranger for one of the largest structured soft commodity finance facilities in the African market

Standard Bank

BP - Angola

2010
USD 3 billion

Senior mandated lead arranger and the sole African Bank in one of the largest financings done on the continent during 2010

Standard Bank

PA Resources AB

2010
USD 250 million

Acted as joint mandated lead arranger and bookrunner for the 5 year medium term reserve base lending facility

Standard Bank

Eurasian Natural Resources Corporation PLC

2010
USD 299 million

Buy side advisor to LSE listed ENRC on the purchase of 12.2% of JSE listed Northam Platinum Limited

Standard Bank

Pulkovo Airport Expansion Project

2010
Euro 1.2 billion

Mandated lead arranger on the first PPP infrastructure financing in Russia

Standard Bank

Lumwana Project, Zambia

2010
USD 400 million

Mandated as advisor and structuring bank to arrange refinancing of original project financing. Brought in ICBC as one of the lead arrangers

Standard Bank

Standard Bank

Transactional products and services performance

- Total income down 11%
- Performance reflects
  - Negative endowment effect reducing margins
  - Transactional volumes down on subdued market conditions, cash balances up
  - Competition placing downward pressure on margins and fees
  - Growth in Investor Services custody base in Rest of Africa
- Focused investment to maintain our competitive advantage
  - New Business Online rolled out to 13 African countries
  - Launch of host to host offering for ICBC client base

Principal investment management performance

- Comprises debt funds, private equity and real estate investments
- Current year performance reflects
  - Solid returns from debt funds
  - Improved private equity performances in South Africa and Turkey
- Strategic focus of the franchise going forward
  - Debt funds and real estate investments
  - Realisation of existing private equity investments

Curtailed operations

- Comprises distressed debt business in Asia and structured high net worth lending
- Current year performance reflects
  - Fair value mark downs on SE Asian non-performing loan portfolios
  - Large single credit impairment
- These businesses are being discontinued

Standard Bank

Corporate & Investment Banking response to improve ROE

- Management have taken action in light of reduced revenue environment
- Focus on revenue generation within tightened strategy
  - Invest in "on strategy" capabilities
    - Investment banking: advisory and sector coverage
    - Global markets: physical commodities and equities
    - Transactional products and services: senior talent and system infrastructure
- Ongoing cost management
  - Restructuring exercise to reduce headcount
  - Continuing review of location efficiencies
- Strengthen competitive position through optimisation of resources
  - Utilisation of people across all regions
  - Better use of capital to improve returns

Standard Bank

Personal & Business Banking

Peter Wharton-Hood

www.standardbank.com

Standard Bank

Operating environment

- 2010 results reflect the challenging banking environment across the globe
  - Decreasing interest rates resulting in compressed margins
  - Highly competitive environment
- South Africa
  - Tentative economic recovery
  - Customers continued to deleverage
    - Muted demand for credit in middle market segment
    - Limited savings growth
  - Ongoing increase in unemployment
  - Gradual recovery in house prices

Standard Bank

Operating environment

- Rest of Africa
  - Further strengthening of the Rand against African currencies
  - Increasing consumer demand for credit
- Outside Africa
  - Argentina
    - Solid cyclical rebound
    - Good growth in consumer credit demand
    - High levels of inflation

Standard Bank

Abridged income statement and key ratios

	FY10 Rm	change %	FY09 Rm
Net interest income	19 118	(4)	19 945
Non-interest revenue	15 857	6	14 910
Total income	**34 975**	**0**	**34 855**
Credit impairment charges	6 860	(31)	9 874
Operating expenses	21 175	10	19 198
Headline earnings	**4 750**	**23**	**3 874**
ROE (%)	17.9		15.1
Credit loss ratio (%)	1.65		2.38
Cost-to-income ratio (%)	60.2		55.4

Standard Bank

Personal & Business Banking results by geographic region

- South Africa up 35% to R4.6bn on the back of improved credit environment
  - Despite margin compression from
    - Decline in average prime interest rate of 198bps
    - More expensive term funding
- Small loss in Rest of Africa (R14m) as we build for future growth
- Outside Africa up 58% to R120m and includes
  - PBB Argentina, now profitable
  - Offshore banking and wealth businesses in the Channel Islands
    - Previously recognised in Corporate & Investment Banking

Standard Bank

Contribution from product areas

	Total income		Headline earnings	
	FY10 Rm	change %	FY10 Rm	change %
Mortgage lending	4 805	7	310	>100
Instalment sale and finance leases	2 751	(7)	86	>100
Credit cards	4 525	(4)	659	7
Transactional and lending products	19 846	(1)	2 454	(29)
Bancassurance and wealth	3 048	15	1 241	45
Personal & Business Banking	**34 975**	**0**	**4 750**	**23**

Standard Bank

Credit loss ratios per product

	FY10 %	FY09 %
Mortgage lending	1.15	1.59
Instalment sale and finance leases	1.93	3.49
Credit cards	3.78	5.61
Other loans and advances	2.54	3.16
Personal & Business Banking	**1.65**	**2.38**

Standard Bank

Personal & Business Banking balance sheet

	FY10 Rbn	change %	FY09 Rbn
Loans and advances	**419**	**2**	**409**
Mortgage loans	270	5	256
Instalment sale and finance leases	50	(7)	53
Credit cards	22	(2)	22
Other loans and advances	77	(0)	78
Deposit and current accounts	**260**	**2**	**254**
Retail priced	206	4	198
Wholesale priced	54	(4)	56

Standard Bank

Personal markets

- Improved distribution footprint
  - 904 new ATMs across our networks
  - 106 new branches in Rest of Africa
  - Internal service measure reached all time high
- Transactions and savings
  - Number of personal current accounts up 11%
  - Strengthening of presence in the South African Youth market
  - Savings and investment balances growth muted in South Africa as customers deleverage
  - Strong growth in savings volumes in Rest of Africa and Argentina
  - Retention of sizeable retail deposit base Offshore despite difficult low margin environment
  - Higher incidents of phishing

Personal markets

- Secured lending
  - Proactive pricing management to compensate for increased term funding cost
    - Improved concession rates without market share loss
    - Overall margins on total book improving
  - Some life starting to come back into the business
    - New mortgage applications up 47%
    - New business in motor VAF up 34%
    - Non-motor business starting to pick up
- Unsecured lending
  - Initial trends in low income lending roll-out positive
  - Credit card turnover remains under pressure in South Africa (+1%)
  - Significant focus on credit scoring in Rest of Africa
  - Increase in transactional card volumes in Argentina (+25%)
  - Strong personal loan growth in Argentina (+56%)

Personal markets

- Reduction in debt review portfolio from R9.1bn to R6.0bn
  - Uncertain credit regulatory environment
- Dedicated Inclusive Banking offering in South Africa
  - Improved mobile banking capability
  - More than 50 loan centres
  - 7 500 installed and activated "bank shops"
    - Authorised Standard Bank retailer based in a community appointed to act as a facilitator of transactions and services
    - Majority of "bank shops" offer money transfer and airtime sales
    - 1 000 "bank shops" are full service stops offering money transfer, airtime sales and basic banking services
      - Cash-in, cash-out, balance enquiries and purchasing of goods

Business markets

- Strong market share in all key markets
  - In South Africa
    - Market share of 27% in commercial business market
    - Market share of 26% in SME market
  - Dominant position in trade services and VAF in Argentina
- Dedicated Business Banking focus
  - 55% contribution to headline earnings
  - Focus areas for Rest of Africa include agriculture, trade, distributors and property finance
  - New dedicated sales and service structure in Argentina

Business markets

- Transactions and savings
  - Number of current accounts up 3% in South Africa, in a challenging economic environment
  - Deposits from business banking up 60% in Argentina
- Secured lending
  - VAF market share has reduced marginally
  - Increased new business volumes insufficient to offset run-off of ageing book
- Unsecured lending
  - Lending business experienced a moderate growth of 4.7% in term loans
  - Card acquiring volumes increased

Bancassurance and wealth

- South Africa
  - 34% growth in contribution from simple embedded products
    - Improved claims loss ratios and increased penetration to 39%
  - Strong sales growth in complex products
  - Good contribution from short-term insurance business
- Rest of Africa
  - 20% increase in policy base supported by client base penetration of 12%
  - Good progress with regulatory approvals
- Outside Africa
  - Substantial turnaround in Argentina with increased market share
  - Majority of offshore investments outperformed comparative market benchmarks
- Liberty co-operation optimised and bancassurance agreement extended

Key 2010 Personal & Business Banking actions

- Investment and scale the key theme outside South Africa
  - Capacity and infrastructure built for growth in Rest of Africa
  - Focused on responsibly increasing customer and account base
  - Improved credit capability with 37 credit factories rolled out
  - Double digit asset acquisition on the back of improved credit capability
  - Strong product offering and stable, loyal client base maintained Offshore
  - Achievement of scale through a large branch network in Argentina
  - Substantial growth in quality assets in Argentina off increased customer demand
- Private Clients transformed to a full service Private Bank
  - For top end clients in southern, west and east Africa
  - Offering a full suite of integrated services
  - Quality of service and advice a key differentiator

Outlook 2011

- Improving economic environment
- Ongoing cost containment as efficiencies extracted in mature markets
- Investment for growth in our African markets
- Increased emphasis on Business Banking opportunities
- Innovation and expertise in mobile channels to be enhanced
- Increased focus on transaction acquiring
- Attractive asset growth available in core segments
- Clear 3 year plan

Wealth - Liberty

Peter Wharton-Hood

Headline earnings – business unit view

	FY10 Rm	change %	FY09 Rm
Retail insurance	899	>100	(82)
Liberty Corporate	103	>100	(29)
LibFin	1 443	>100	(8)
Stanlib	361	0	362
Liberty Properties	96	20	80
Liberty Africa	10	(66)	29
Liberty Health	(43)	9	(47)
Other	(272)	(60)	(170)
Headline earnings	**2 597**	**>100**	**135**
SBG share of headline earnings (54%)	**1 393**	**>100**	**72**

Standard Bank

Key focus areas 2011

- Liberty well placed to face the challenges of the wealth industry
- Retail SA
  - Focus on
    - Volumes
    - Costs
    - Value of new business
    - Product innovation
- Asset management and corporate
  - Stanlib's new operating model being implemented
  - Systematically build Stanlib's ability and reputation for sustainable excellent investment performance
  - Leverage market opportunities for the corporate and property businesses
- Growth cluster (Africa and Health)
  - Achieve the business case
- Leverage the revised bancassurance arrangement with Standard Bank

Standard Bank

Strategy and prospects

Sim Tshabalala and Jacko Maree

www.standardbank.com

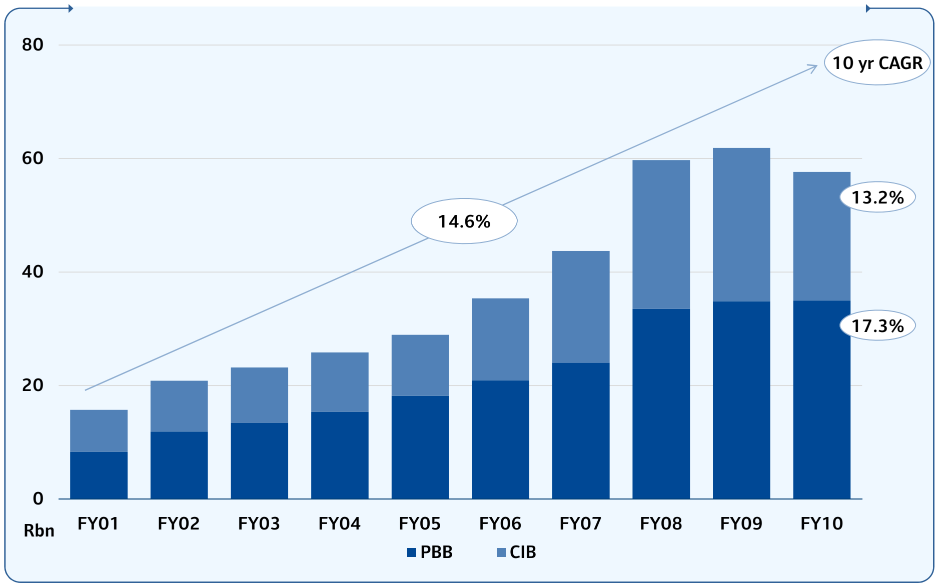
Standard Bank

Overview

- The group is in good health
- We are well capitalised, profitable and have a clear growth path
  - Despite uncomfortable ROE and cost-to-income ratios
- Fundamental revision to strategy is unwarranted
  - Tightening and refinement is required

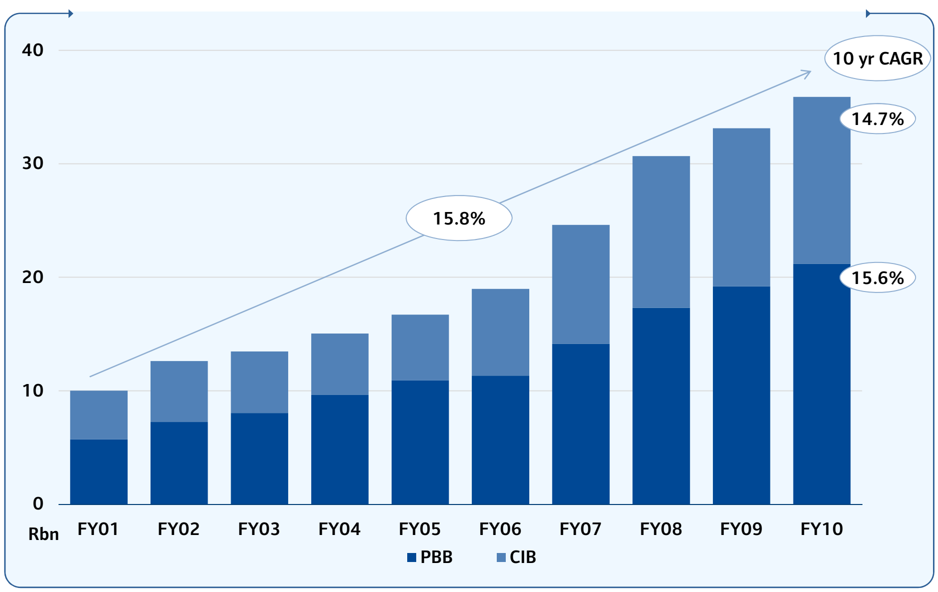
Standard Bank

Revenues declined in 2010 although 10 year growth rate remains high



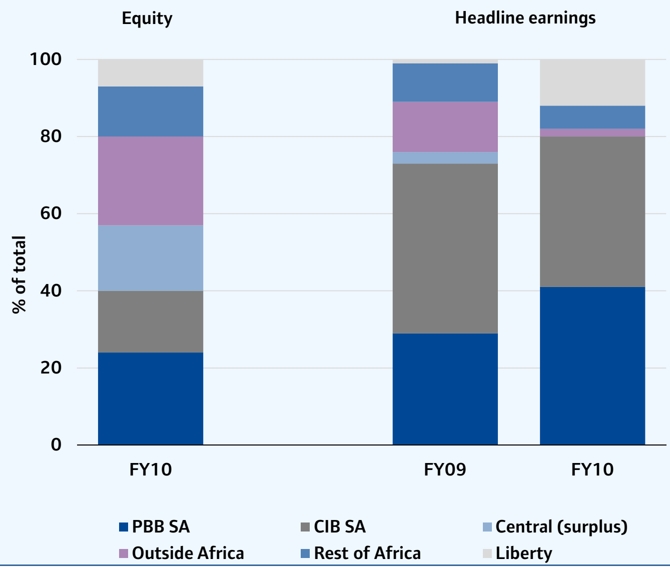
Standard Bank

Cost growth too fast for revenues



Standard Bank

Equity capital across the Group



- Outside Africa consumes too much capital for the current level of returns
- CIB SA capital would be higher on a stand-alone basis

Standard Bank

Optimising ROE is important, but what about "g"?

- Tomorrow's "g" is as important as today's ROE
- Standard Bank SA is outperforming Standard Bank outside SA on many measures
- But we believe Standard Bank outside SA
  - Strengthens the SA franchise
    - Mobilises SA people, liquidity and capital to serve clients worldwide
    - Broadens our thinking
    - Provides access to non-SA talent pools
  - Is critical to the Group's future "g"

Standard Bank

Operations outside South Africa: where are we now?

- Domestic universal banks in Africa
  - In various stages of maturity
  - Mostly we are building
    - People and infrastructure
    - Which comes at a cost
      - We are looking for greater cost effectiveness
      - Achieving scale and efficiency at same time
  - Have performed reasonably well

Standard Bank

Operations outside South Africa: where are we now?

- Cross-border – connector of emerging markets
  - Designed to capture flows
    - Trade
    - Fixed investment
    - Portfolio investment
    - Developmental
  - Global sectoral focus
    - Mining and metals
    - Oil and gas
    - Power and infrastructure
  - Enables us to meet customer needs and support their operational footprint
  - Leverage our in-country local relationships and knowledge
  - Builds on our natural competitive advantages
  - Enables us to defend our core franchise from global competitors

Standard Bank

What challenges are we now facing outside South Africa?

Regulatory/ rating agencies

- Change in global regulators' approach – increasing capital and liquidity requirements
- Relative size: outside SA size cannot be "too big"
  - More difficult to reach scale outside SA
- Ratings agencies: more onerous requirements to be "self-sufficient" in dollar funding
  - Limits access to Group funding and requires diversification of portfolio

Revenues

- Downturn in global economy – revenue environment much tougher – unlikely to return to 07/08 levels for a while
- Narrowing of strategic focus = smaller revenue opportunity
- Cost and availability of dollar funding under pressure
  - Impacts profitability of long term dollar lending business

Competitive forces

- CIB: all global investment banks are now EM-focused
- PBB: renewed focus on Africa
  - Barclays, Stanchart, HSBC, Citi, etc

These challenges are particularly severe outside SA

What are the implications?

Regulatory/ ratings agency changes

Revenue pressures

Competitive forces

Shareholder impatience

Actions to improve returns while sustaining growth

Strategy 2011

Previous vision

We aspire to be a leading emerging markets financial services organisation

Refined strategy

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

Standard Bank

What does this refinement mean?

- Africa is at our core
  - We will continue to build first-class on-the-ground banks
  - With the benefit of hindsight we could validly be criticised for having invested too quickly given current revenue trends
  - But we are confident that future revenue flows will justify these investments in infrastructure
- We no longer have ambitions to buy or build additional domestic businesses in markets outside Africa
  - We will connect other selected emerging markets to Africa and to each other
    - Particularly in natural resources
- China continues to be critical
- Tight capital management is fundamental
  - Over time lower amounts of capital will be allocated outside Africa

Standard Bank

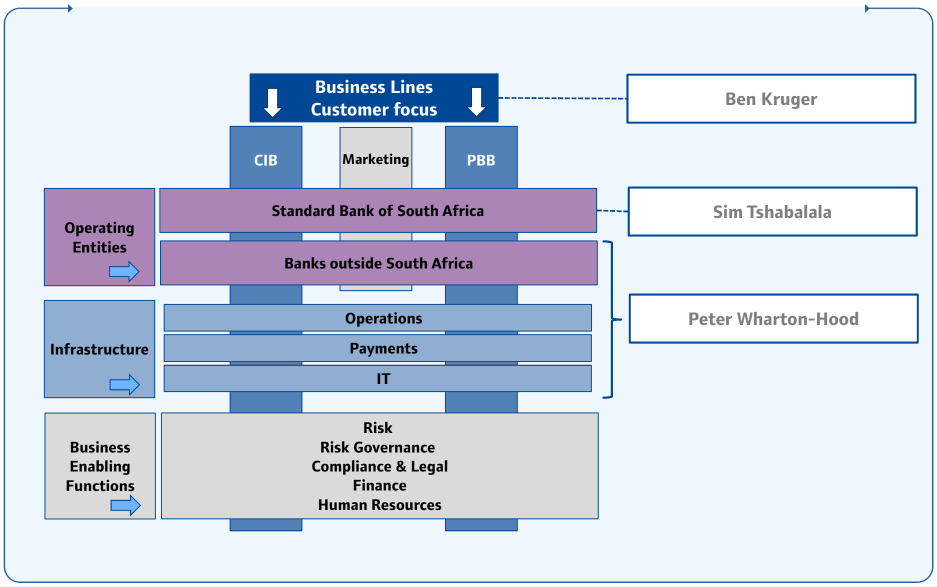
The role of Standard Bank's international operations headquartered in London

- The international operations are not a stand-alone business
- They are integral to the group strategy
- London contains our dollar balance sheet for cross-border business
- We attract and employ specialist skills in international operations
- However in today's lower return environment the international operations are disproportionately large

Selected emerging markets

- The following markets outside Africa are key to our cross border strategy and success
  - China
  - Brazil
  - Russia
  - India
- We need a presence or a partnership in each of these countries
- We do not need to own banks in each of these countries

Change in responsibilities of Deputy Group Chief Executives to better execute our strategy in banking operations



Standard Bank

Remuneration

- Working towards compliance with Financial Stability Board (FSB) principles
- Remco consists only of non-executive directors
- Remco chairman presented report on 2010 remuneration awards to the full board yesterday
- Remuneration of financial and risk control staff was reviewed separately
- Remco ranks the relationship between risk and remuneration as a top priority
- Remco considered a report from the Head of Risk before considering incentive awards
- No incentive pools are formulaically linked to revenue generation – strongly influenced by group and divisional multi-year performance
- Quantitative and qualitative evaluations underpin decisions on individuals' remuneration

Standard Bank

Remuneration

- Incentive remuneration above a certain level is deferred for 3 years
  - Up to 40% in SA, 60% in International
- Deferrals are linked to Standard Bank share price
- Clawbacks of deferrals in defined circumstances
- Equity Growth Scheme subject to conditionality
  - Significant loss of prior awards to Exco members given negative earnings growth performance since 2007
- Remuneration policy will be put to the vote at the AGM

Prospects

- We have taken decisive action on costs
  - Committed to keeping total costs flat in FY11 compared to FY10
- Credit impairments should improve further
- Environment for revenues remains unclear
  - Dependant on economic conditions
- Strategically we are well positioned
- Strong capital adequacy
- After two extremely difficult years
  - Focusing on improving ROE
    - Revenue generation
    - Cost containment
- We are excited about the future