

Standard Bank Group Analysis of financial results

for the year ended 31 December 2010

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Group results in brief

All 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 correct the distortions caused by IFRS' treatment of the group's Black Economic Empowerment Ownership initiative and by group share exposures entered into to facilitate client trading activities or for the benefit of Liberty policyholders that are deemed to be treasury shares. Refer to page 16 for principal differences between normalised and IFRS results.

Headline earnings of R11 283 million down 4%

2009: **R11 718 million**

Headline earnings per ordinary share 716 cents down 5%

2009: **757 cents**

Dividend per share 386 cents

2009: **386 cents**

Net asset value per share, 5 726 cents up 2%

2009: **5 612 cents**

Return on equity 12,5%

2009: **13,6%**

Credit loss ratio 1,04%

2009: **1,60%**

Cost-to-income ratio 61,7%

2009: **52,4%**

Total capital adequacy ratio 15,3%

2009: **15,1%**

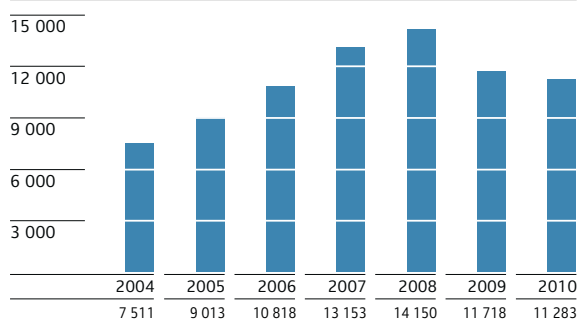
"Strategically we are well positioned and our capital adequacy is strong. After two extremely difficult years we are focusing on improving our ROE through revenue generation and cost containment."

– Jacko Maree, group chief executive

Headline earnings

Rm

CAGR (2004 - 2010): 7%

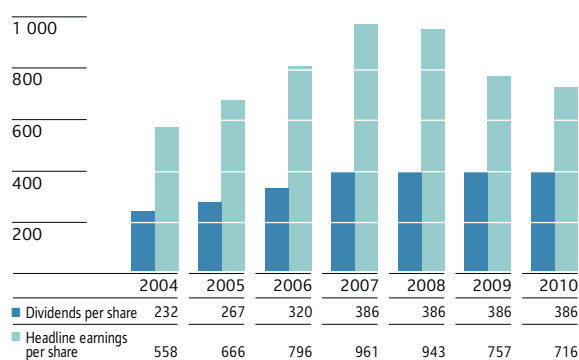


Headline earnings and dividends per share

Cents

CAGR (2004 - 2010): Headline earnings per share: 4%

Dividends per share: 9%



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Financial results, ratios and statistics

		Change %	2010	2009
Standard Bank Group (SBG)				
Headline earnings contribution by business unit				
Total headline earnings	Rm	(4)	11 283	11 718
Banking activities	Rm	(15)	9 890	11 646
Personal & Business Banking	Rm	23	4 750	3 874
Corporate & Investment Banking	Rm	(30)	5 248	7 467
Central and other	Rm	(>100)	(108)	305
Liberty	Rm	>100	1 393	72
Profit attributable to ordinary shareholders	Rm	(4)	11 088	11 519
Other indicators				
Headline earnings per ordinary share (EPS)	cents	(5)	715,9	756,9
Diluted headline EPS	cents	(5)	709,6	750,6
Basic EPS	cents	(5)	703,5	744,0
Diluted EPS	cents	(5)	697,3	737,8
Dividend cover	times		1,9	2,0
Dividend per share	cents		386,0	386,0
Net asset value per share	cents	2	5 726	5 612
Tangible net asset value per share	cents	1	5 071	5 008
Ordinary shareholders' equity	Rm	4	90 755	87 454
Return on equity (ROE)	%		12,5	13,6
Total capital adequacy ratio	%		15,3	15,1
Tier I capital adequacy ratio	%		12,9	11,9
Core tier I capital adequacy ratio	%		12,0	11,0
Number of ordinary shares in issue				
– end of year	thousands	2	1 585 037	1 558 258
– weighted average	thousands	2	1 576 092	1 548 236
– diluted weighted average	thousands	2	1 590 083	1 561 165
Number of employees		4	53 351	51 411
Net asset value				
Opening balance	Rm	2	87 454	85 902
Additional shareholder value	Rm	60	6 583	4 124
– headline earnings	Rm	(4)	11 283	11 718
– other earnings outside headline earnings	Rm		(195)	(199)
– currency translation movements, including hedging activities	Rm		(4 325)	(7 509)
– net cash flow hedges	Rm		(214)	85
– net available-for-sale movement	Rm		71	7
– other	Rm		(37)	22
Transactions with ordinary shareholders	Rm		(3 282)	(2 572)
– shares issued and capitalisation of reserves	Rm		205	200
– change in shareholding of subsidiary	Rm		(41)	
– dividends paid	Rm		(3 860)	(3 137)
– other	Rm		414	365
Closing balance	Rm	4	90 755	87 454
Banking activities				
Balance sheet				
Total assets	Rm	3	1 111 885	1 077 637
Loans and advances (net of credit impairments)	Rm	(1)	713 025	723 507
Other indicators				
ROE	%		11,8	14,5
Loan-to-deposit ratio	%		89,5	94,1
Net interest margin	%		3,01	3,21
Non-interest revenue to total income	%		50,8	49,8
Credit impairment charges	Rm	(38)	7 524	12 097
Credit loss ratio	%		1,04	1,60
Cost-to-income ratio	%		61,7	52,4
Effective taxation rate	%		29,3	29,5
Number of employees		5	48 125	45 937

In 2010 the group experienced:

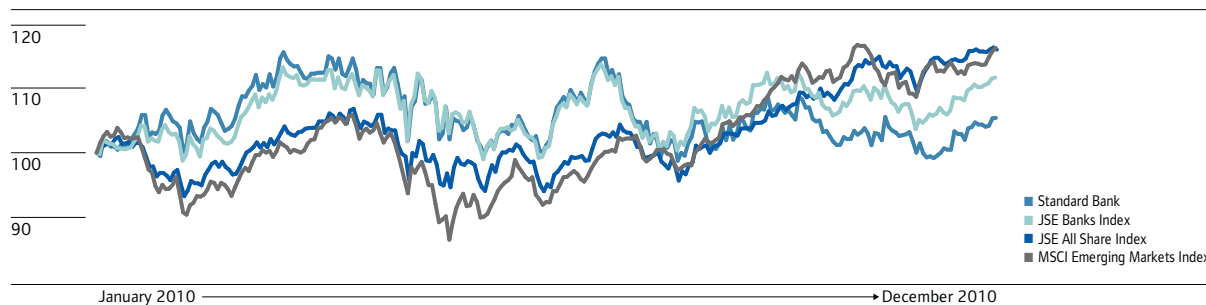
Globally

- Some improvement in global macroeconomic conditions following stressed conditions in 2009.
- Persistent uncertainty following the emergence of the European sovereign debt crisis in the second quarter of 2010 and heightened concerns of a 'double-dip' recession.
- Significant monetary and fiscal interventions to stimulate advanced economies.
- Subdued risk appetite and trade flows.
- Strong performance in emerging markets, driven by recoveries in consumption and investment.
- Increased focus on emerging markets by global financial institutions.
- Improved global liquidity, although the cost of term liquidity remained relatively high.
- Ongoing public and regulatory pressure on financial institutions.

South Africa

- Improved economic recovery buoyed by stronger demand for commodities and by the 2010 FIFA World Cup™, but hindered by industrial action during the second half of the year.
- Lower inflation, average of 4,3% for 2010 compared to 7,1% in 2009.
- Historically low interest rates as the average prime rate reduced by 198 basis points to 9,9% in 2010.
- Stronger closing average USD/ZAR exchange rate.
- Robust portfolio and foreign direct investment inflows.
- Continued recovery in the JSE All Share Index, up 16% in 2010.
- Capital and infrastructure spending driven primarily by state-owned enterprise investments.
- Continued corporate deleveraging and low levels of corporate activity.
- Persistent high levels of unemployment.
- Improvement in consumers' ability to service debt, but debt-to-disposable income levels remain high.
- Moderate increase in credit extension to the private sector.
- Stabilisation of rate of individual saving.

Share price performance



		Change %	2010	2009
Other economic indicators				
Market indicators				
USD/ZAR exchange rate				
– closing		(10)	6,64	7,37
– average		(13)	7,32	8,42
SA prime overdraft rate (closing)	%		9,0	10,5
SA average prime overdraft rate	%		9,9	11,9
SA average CPI	%		4,3	7,1
JSE All Share Index (closing)		16	32 119	27 666
JSE Banks Index (closing)		12	40 985	36 675
MSCI Emerging Markets Index (closing)		16	1 151	989
Share statistics				
Share price				
High for the year	cents	12	11 800	10 500
Low for the year	cents	70	10 075	5 915
Closing	cents	5	10 755	10 200
Shares traded				
Number of shares	thousands	(21)	1 169 927	1 489 980
Value of shares	Rm	(2)	125 756	128 351
Turnover in shares traded	%		74,2	96,2

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Overview of financial results

Standard Bank Group normalised HEPS were 715,9 cents for the 2010 year, down 5% on 2009. Within banking activities, lower revenues coupled with continued investment in people, premises and systems, as well as once-off restructuring expenses, more than offset the benefits of reduced credit impairments and resulted in a decline in banking activities headline earnings of 15%. Significant operational improvements in the insurance business and positive investment markets resulted in Liberty recording good growth in earnings and consequently group headline earnings were down 4%. An ROE of 12,5% (2009: 13,6%) was recorded.

Global operating environment

The pace of the global economic recovery remained slow throughout 2010. Many advanced economies faced low consumer confidence, reduced household income and rising unemployment. This placed pressure on global growth, estimated to amount to 2,7% for the year. Uncertainty remained a feature of financial markets, further undermining economic recovery.

Most emerging economies are estimated to have grown at above 6% for 2010, given their stronger footing going into the global economic crisis. Emerging economies are however heavily reliant on demand from advanced economies, which is running below pre-crisis levels.

Africa's economic growth slowed to about 2% in 2009 but then accelerated to 5% last year, fractionally lower than the performance in the pre-crisis era. The relatively mild downturn and swift recovery demonstrates markedly improved macroeconomic conditions from previous decades. The confluence of low inflation, strong fiscal frameworks, falling public debt and increased foreign exchange reserves was instrumental in the continent's resilience. Furthermore, diverse sources of growth have helped ensure generally firmer and sturdier output growth. These include vibrant expansion in personal incomes and investment, and stronger and better prioritised public spending. Strengthened diplomatic and trade relationships with Asia have also been beneficial.

Domestic operating environment

The South African economy was slow to recover from its first recession in 17 years and grew by 2,8% in 2010. Low inflation and interest rates and a modest recovery in house prices eased the pressure on consumers, leaving them in a better position to repay debt. Despite this, customers remained reluctant to take on new debt given high household debt to income ratios. South African corporates, while in generally good shape, also remained cautious and limited their activity both in terms of direct investment and corporate activity.

Headline earnings by business unit

	% change	2010 Rm	2009 Rm
Personal & Business Banking	23	4 750	3 874
Corporate & Investment Banking	(30)	5 248	7 467
Central and other		(108)	305
Banking activities	(15)	9 890	11 646
Liberty	>100	1 393	72
Total	(4)	11 283	11 718

The measures in place in Personal & Business Banking in South Africa to grow non-interest revenue for the last five years paid off in 2010. With the impact on margins of low interest rates and the rising cost of funding, the 6% improvement in non-interest revenue together with the improved credit experience were a welcome relief for the division. Corporate & Investment Banking, which has grown revenues from R10,7 billion to R22,7 billion in the last five years, struggled to grow off a relatively high base compounded by the continuing investments in operating infrastructure. The rationalisation and retrenchment costs incurred in 2010 are accounted for separately as a restructuring charge and reflected post tax in Central and other. Liberty's turnaround delivered a strong set of results in 2010.

Headline earnings by geography

	% change	2010 Rm	2009 Rm
South Africa banking	(1)	9 271	9 327
Liberty	>100	1 393	72
South Africa	13	10 664	9 399
Rest of Africa	(38)	746	1 202
Outside Africa	(87)	186	1 479
Central funding		(313)	(362)
Total	(4)	11 283	11 718

South African banking headline earnings ended the year down slightly with mixed fortunes within the two major business units: Personal & Business Banking SA up 35% and Corporate & Investment Banking SA down 15%. Revenues from banking operations in the rest of Africa grew by 2% in a difficult operating environment, with headwinds including low levels of client activity, low interest rates and the translation impact of a stronger rand. This revenue pressure occurred in a year of continued investment in IT, infrastructure and people in anticipation of future business growth, together with write offs and provisions of R290 million after tax following an extensive review of financial controls across all countries. Headline earnings in the rest of Africa were 38% lower than the prior year. Overall, headline earnings from our businesses outside

Africa were 87% down on the prior year. Corporate & Investment Banking outside Africa saw a 34% decrease in revenues. Although restrained significantly in the second half, cost growth in these operations and write downs and provisions of R1 098 million after tax in discontinued and curtailed operations, led to headline earnings for Corporate & Investment Banking outside Africa being down 95%. Personal & Business Banking outside Africa (comprising the Personal & Business Banking division of our operations in Argentina and our offshore banking and wealth businesses in the Channel Islands previously reported within Corporate & Investment Banking) grew earnings during the year and Personal & Business Banking in Argentina ended the year profitably.

Financial review

Balance sheet analysis

Total banking assets increased by 3% including derivative assets and surplus liquidity, while loans and advances decreased by 1%. A 3% growth rate in Personal & Business Banking was more than offset by a 7% decline of the loan book in Corporate & Investment Banking. In Personal & Business Banking, mortgage loans were up 5%, instalment sale and finance leases were down 7% and card debtors were 2% lower. In Corporate & Investment Banking, lending assets reduced as loans matured and clients were reluctant to take on new debt in the face of uncertainty in financial markets. In Nigeria and Kenya, lending improved as we strengthened our relationships with local corporates.

Deposits and current accounts rose 4%. The 2% growth in Personal & Business Banking was due largely to an increase in the number of current accounts and higher average balances. Growth in longer term indexed and notice deposits was the main contributor to deposit growth in Corporate & Investment Banking. The ratio of loans to deposits remained conservative at 89,5% (2009: 94,1%).

Net asset value grew 4% for the year. The group conserved capital by declaring a final dividend in respect of the 2009 financial year as a scrip distribution with a cash alternative. 57% of shareholders accepted the scrip offer. Shareholders' funds deployed outside South Africa are exposed to foreign currency translation movements resulting from the translation of these funds into rand. The closing rand exchange rate strengthened 10% against the dollar, resulting in a debit to the foreign currency translation reserve of R3,6 billion.

Income statement analysis

Net interest income fell by 8%. A lower net interest margin, 3,01% for 2010 versus 3,21% for 2009, and a flat loan book were the main reasons for the decline. The low interest rate environment in most of our markets and stiffer competition for transaction and saving balances constrained deposit spreads. The negative endowment impact of lower average interest rates on capital and transactional balances reduced margins by

38 basis points. The benefit of ongoing repricing of lending margins on new business was dampened by muted growth in the loan book.

Non-interest revenue declined by 4%, dragged down by a 21% drop in trading revenue, although net fee and commission revenue rose 3% and other revenue was up 15%.

Growth in the personal and business customer base in South Africa, combined with annual price increases, delivered income growth of 5% from account transaction fees. The expanded branch network in the rest of Africa underpinned higher transaction volumes, although fee income was dampened by the translation effect of the strong rand. Knowledge-based fees in Corporate & Investment Banking declined by 3% due to subdued corporate activity in South Africa. This was partly offset by an increase in advisory mandates won in the rest of Africa.

Trading revenue declined 21% and was impacted by the translation effect of the stronger rand. On a constant currency measure, trading revenue would have been down 11%. Uncertainty in financial markets especially in the wake of the European sovereign debt crisis led to lower levels of client activity and all trading desks were down on the prior year. No desks recorded losses for the year, testament to our client-focused franchise. Other revenue growth was supported by positive valuation adjustments on unlisted equities, improved short-term insurance income and solid contribution from the sale of insurance-related products to bank customers in partnership with Liberty. Property related income declined as a result of write downs on unlisted property investments in South Africa.

Credit impairment charges were 38% lower at R7 524 million (credit loss ratio of 1,04%) from R12 097 million (credit loss ratio of 1,60%) in 2009, reflecting the improving credit environment. Non-performing loans (NPLs) reduced to 5,8% of the book at year end (2009: 6,5%), as customers serviced their debt and we improved our recovery capability. This allowed the charge for NPLs to reduce by 31%, despite impairments of R715 million relating to curtailed operations. Corporate restructuring and the lower probability of client defaults in Corporate & Investment Banking resulted in a net reversal of portfolio provisions. Provision coverage ratios remain largely unchanged.

Banking staff costs were 9% higher than in 2009. Other operating expenses were also up 9% and together with the once-off restructuring costs of R781 million pushed up overall cost growth to 12%. On a constant currency measure, cost growth was 18%. Due to high cost growth evident in the first half of the year, a restructuring process was implemented. The reduction in heads as a result of the restructuring exercises will only be evident in 2011 once notice periods have expired.

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Overview of financial results continued

Banking staff costs were impacted by a 5% increase in headcount for the year and higher than inflation wage increases. After adjusting for the reduction in headcount as a result of the restructuring process, the staff complement is up 3%, or approximately 1 200 people higher than in 2009. This increase comes almost exclusively from our growing operations on the ground in the rest of Africa.

The 9% growth in other operating expenses included higher depreciation costs and continued investment in IT systems and infrastructure.

Once-off restructuring costs comprise the staff and other costs of the restructuring exercises undertaken in the group during 2010: earlier in the year in Argentina and later in the year in Johannesburg and London head offices.

In banking activities, income from associates and joint ventures grew to R584 million, largely due to the inclusion of equity accounted earnings from our investment in Troika Dialog in Russia for the first time, and the non-recurrence of impairments against carrying values of associates raised in 2009.

Business unit performance

Personal & Business Banking

Headline earnings were up 23% to R4 750 million, in spite of flat revenues and supported by improved credit experience. Revenues were impacted by the negative endowment impact on transactional account balances due to low interest rates, and further increases in the cost of term funding needed to support mortgage lending growth. The division achieved an ROE of 17,9% (2009: 15,1%).

Mortgage lending returned to profitability during the year, generating headline earnings of R310 million. New mortgage loan applications rose steadily and new loans of R28 billion were registered. Coupled with the purchase of a further R3 billion of mortgages from SA Home Loans, this pushed growth in the book up to 5% year-on-year notwithstanding a higher pre-payment rate by customers. Margins were again impacted by the higher cost of term funding but this was somewhat offset by further improvements in customer pricing. Weighted average new business concessions in South Africa improved to 0,20% in 2010 compared with 0,79% in 2009. The Standard Bank of South Africa's market share of new business in mortgage lending is currently around 21% compared with 16% in 2009.

As anticipated, the absolute value of mortgage NPLs started to come down towards the end of 2010, albeit marginally. At the end of the year NPLs made up 9,4% of the book compared with 10,1% a year earlier. The slower growth in NPLs and better outlook for debt repayment allowed the division to reduce credit impairment charges in home loans by 25%. This resulted in a credit loss ratio of 1,15% (2009: 1,59%). The proportion of debt review customers in the mortgage NPL portfolio was

reduced from R6,8 billion to R3,9 billion. NPLs arising from the debt review process remain a concern and are being carefully and proactively managed.

The instalment finance business increased new loan payouts due to relatively strong domestic vehicle sales off a low base in the prior year. New business in the South African motor business grew 34% while non-motor business managed only 2% growth as businesses struggled in the sluggish economy and major corporates used cash to purchase equipment. Despite the new business growth, increasing instalment repayments on this ageing book resulted in year-end balances dropping by 7%. Credit impairments halved during the period and the credit loss ratio was 1,93% compared to 3,49% in 2009.

Credit cards showed healthy earnings growth for the year despite lower revenues. Pressures on revenues continued with lower cardholder activity and lower outstanding average balances as consumers reduced debt obligations through most of the year. New account growth has recently gained momentum, which bodes well for the coming year. The credit loss ratio came down to 3,78% from 5,61%, and lower fraud losses as chip and pin cards are rolled out contributed to headline earnings growing 7%.

Transactional and lending product deposit margins remained under pressure due to the negative endowment impact of lower interest rates on transactional accounts in most of the countries in which we operate. Current account balances in both the personal and business markets in South Africa showed positive growth of 12% and 19% respectively. Transactional banking accounts in the rest of Africa grew by almost 100 000 accounts. Most of this account growth came from personal banking customers, with Nigeria being the single biggest contributor. Fee and commission income benefited from account growth and modest price increases. Credit losses in the business banking book improved although trading conditions remained difficult.

Bancassurance and wealth includes the bank's insurance-related businesses as well as the wealth management businesses in the Channel Islands, previously reported as part of Corporate & Investment Banking. We continued to forge closer operational ties with Liberty to grow bancassurance volumes and, in the domestic market, there was a marginal increase in the penetration rate for all products. The bancassurance businesses also recorded higher sales of complex products and improved claims loss ratios. The offshore wealth management businesses felt the impact of lower deposit margins due to international interest rates remaining structurally low for most of the financial year.

Corporate & Investment Banking

Headline earnings fell 30% to R5 248 million. The difficult market conditions in the first half of the year persisted into the second half, with market uncertainty continuing to have a

detrimental impact on revenues, which were down 16%. A significant improvement in credit experience helped offset revenue pressures although costs escalated as we continued to build our franchise in the rest of Africa. The decline in profitability resulted in an ROE of 12,7% (2009: 18,8%).

Global markets operated in a challenging environment characterised by lower levels of client activity. Stable low interest rates across most currencies provided limited hedging opportunities for clients. Revenues were down 23% from the high base set in 2009, affected by income previously earned through a subsidiary in Russia now being accounted for on a net basis as earnings from associates, following the investment in Troika Dialog, and not as trading income. Costs incurred in building trading platforms in physical commodities and equities resulted in headline earnings falling by 49%.

Investment banking saw some signs of recovery with client activity increasing in the second half. Advisory fees from cross-border activities benefited from a number of important landmark transactions. There was an improvement in term lending, particularly in South Africa and Nigeria. The turnaround in credit impairments as client positions improved and prior year provisions were reversed resulted in a 75% climb in headline earnings.

Transactional products and services income was down 11%. Margins were squeezed by the negative endowment effect on transactional balances and intensifying competition across Africa. We continued to make significant investments in IT platforms to maintain market leadership in South Africa and build transactional capabilities across our African franchise.

Principal investment management, previously included in investment banking, comprises investments in private equity, real estate and debt funds. Lower fair value gains during 2010 impacted this business. Certain activities which are non-core in relation to our refocused strategy have been curtailed and are in the process of being wound down. These activities incurred a loss of R1 098 million in 2010 and include credit impairments arising from a portfolio of structured loans to high net worth individuals outside of Africa and fair value write downs of investments in distressed debt in Asia. These businesses were also previously reported in investment banking.

The underlying performance in Troika was satisfactory during 2010. We equity accounted USD51 million of earnings of which USD16 million represented our share of the operating profit of Troika and USD35 million related to the recovery of underlying asset values post acquisition.

Wealth – Liberty

The financial results of Liberty arise from the group's 53,7% investment in Liberty Holdings Limited (Liberty). Bancassurance results are included under Personal & Business Banking. Normalised headline earnings were

R2 597 million for the year compared to R135 million reported in the prior year, a significant improvement indicating a return to more normal levels of earnings from core insurance operations. Of these headline earnings, R1 393 million was attributable to Standard Bank Group (2009: R72 million). The significant recovery in earnings resulted from substantially improved persistency and from the impact of investment markets on Liberty's book. Positive returns on bonds, equity and preference shares assisted in strong growth in investment income and gains. Net cash flows into asset management operations improved significantly and assets under management grew by 16%. Growth in net insurance premiums remained low at 1% and indexed new business was down 2%. Earnings were negatively impacted by higher death claims on core risk products, lower new business margins and higher member attrition and risk claims in health operations. Normalised total embedded value increased by 8% and Liberty achieved a 13,4% return on embedded value.

Shareholders are referred to the full Liberty Holdings results announcement dated 24 February 2011.

Capital and liquidity management

The group remains well capitalised with a tier I capital adequacy ratio of 12,9% and a total capital adequacy ratio of 15,3%, well above the group's internal targets. Liberty's capital adequacy level at December 2010 was strong at 2,67 times the required cover.

The group executed a number of key term loan funding transactions, taking advantage of pockets of well-priced liquidity. Compared to the height of the global financial crisis, global interbank funding conditions were stable, tenors have lengthened and spreads have compressed. In the South African market, weaker credit demand and surplus liquidity has started to lower the cost of term liquidity. Investor appetite for capital markets issuance remained robust and The Standard Bank of South Africa successfully placed R4,35 billion of senior debt in the domestic bond market.

The group increased its long-term funding ratio to 26,6% and retained a very conservative liquidity buffer with surplus liquidity totalling R106,8 billion at 31 December 2010.

Standard Bank participated in the quantitative impact study that the Basel Committee conducted during 2010 and preliminary results showed that our tier I ratio would decrease slightly under the proposed Basel III framework. We are confident, however, that we are adequately capitalised to meet the new requirements. We continue to assess the impact of the liquidity standards as proposed by the Basel Committee. These may prove to be onerous, depending on the extent of national discretion applied by domestic banking regulators.

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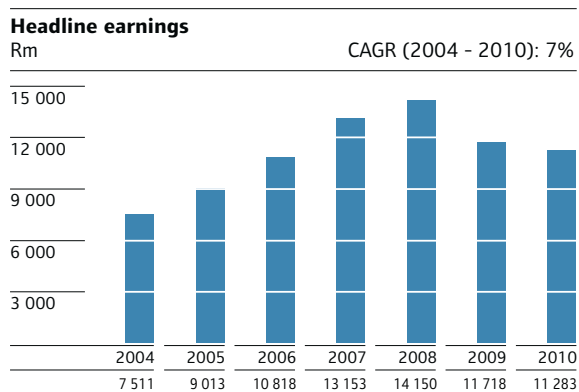
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Summarised group income statement

	Change %	2010 Rm	2009 Rm
Net interest income	(8)	28 927	31 493
Non-interest revenue	(4)	29 923	31 217
Net fee and commission revenue	3	18 641	18 108
Trading revenue	(21)	8 428	10 621
Other revenue	15	2 854	2 488
Total income	(6)	58 850	62 710
Credit impairment charges	(38)	7 524	12 097
Specific credit impairments	(31)	8 135	11 779
Impaired loss	(28)	7 077	9 782
Discounting of expected recoveries	(47)	1 058	1 997
Portfolio credit impairments	(>100)	(611)	318
Income after credit impairment charges	1	51 326	50 613
Operating expenses	12	36 656	32 827
Staff costs	9	19 542	17 848
Other operating expenses	9	16 333	14 979
Restructuring costs		781	
Net income before goodwill	(18)	14 670	17 786
Goodwill impairment	(29)	30	42
Net income before associates and joint ventures	(17)	14 640	17 744
Share of profit/(loss) from associates and joint ventures	>100	584	(34)
Net income before taxation	(14)	15 224	17 710
Taxation	(15)	4 466	5 232
Profit for the year	(14)	10 758	12 478
Attributable to minorities	12	617	552
Attributable to preference shareholders	(22)	376	479
Attributable to ordinary shareholders – banking activities	(15)	9 765	11 447
Headline adjustable items – banking activities	(37)	125	199
Headline earnings – banking activities	(15)	9 890	11 646
Headline earnings – Liberty	>100	1 393	72
Standard Bank Group headline earnings	(4)	11 283	11 718

Headline earnings

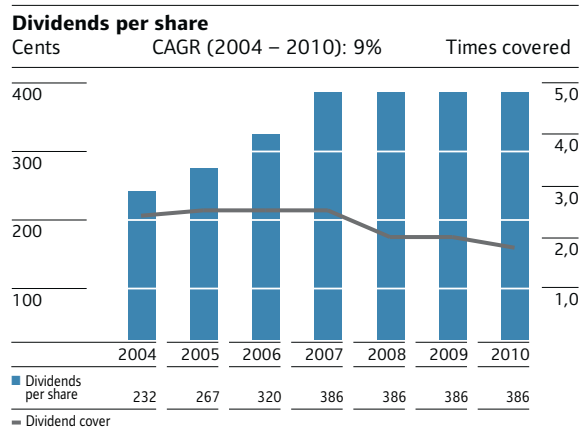
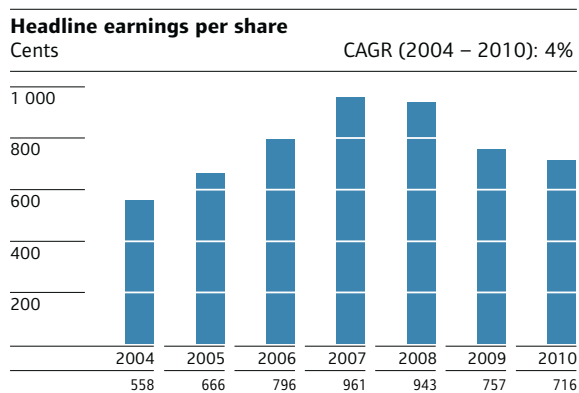


Reconciliation of headline earnings

	2010				2009			
	Gross Rm	Tax ¹ Rm	Minorities and preference shareholders Rm	Net Rm	Gross Rm	Tax ¹ Rm	Minorities and preference shareholders Rm	Net Rm
Profit for the year – banking activities	14 006	(3 248)	(993)	9 765	16 241	(3 763)	(1 031)	11 447
Headline adjustable items – banking activities added/ (deducted)	127	(22)	20	125	205	16	(22)	199
Goodwill impairment – IFRS 3	30			30	42			42
Loss on deemed disposal of associate – IFRS 3	10			10				
Profit on sale of property and equipment – IAS 16	(23)	4	2	(17)	(38)	9		(29)
Impairment of property and equipment – IAS 16					46	(15)	(13)	18
Realised foreign currency translation reserve on foreign operations – IAS 21					(18)			(18)
Losses on the disposal of businesses and divisions – IAS 27	30	(6)	1	25	7			7
(Reversal of impairment)/ impairment of associates – IAS 28	(4)			(4)	379	(28)		351
Impairment of intangible assets – IAS 38	159	(44)		115	96	(26)		70
Realised gains on available-for-sale assets – IAS 39	(75)	24	17	(34)	(309)	76	(9)	(242)
Headline earnings – banking activities	14 133	(3 270)	(973)	9 890	16 446	(3 747)	(1 053)	11 646
Headline earnings – Liberty	4 590	(1 723)	(1 474)	1 393	1 197	(877)	(248)	72
Liberty share of attributable profit	4 421	(1 717)	(1 381)	1 323	1 197	(877)	(248)	72
Liberty headline adjustable items added	169	(6)	(93)	70				
Goodwill impairment – IFRS 3	114		(68)	46				
Impairment of intangible assets – IAS 38	20	(6)	(8)	6				
Impairment of investment in joint venture – IAS 31	14		(7)	7				
Realised foreign currency translation reserve on foreign operations – IAS 21	21		(10)	11				
Standard Bank Group headline earnings	18 723	(4 993)	(2 447)	11 283	17 643	(4 624)	(1 301)	11 718

¹ Excluding indirect taxes.

Headline earnings and dividends per share



		Change %	2010	2009
Headline earnings	Rm	(4)	11 283	11 718
Headline EPS	cents	(5)	715,9	756,9
Basic EPS	cents	(5)	703,5	744,0
Total distributions per share	cents		386,0	386,0
Distribution paid out of share premium				
– final	cents			245,0
Dividend paid out of distributable reserves				
– interim	cents		141,0	141,0
– final	cents		245,0	
Dividend cover – based on normalised headline EPS	times		1,9	2,0

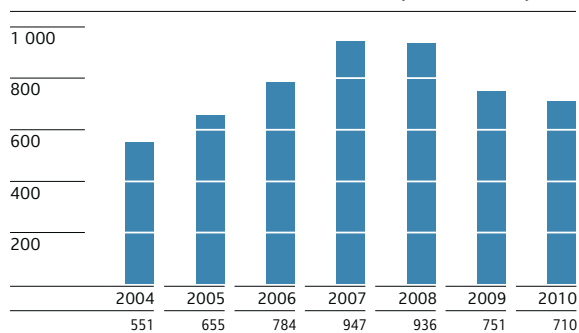
Movement in number of ordinary and weighted average shares issued

	2010		2009	
	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 year	1 558 258	1 558 258	1 525 008	1 525 008
Shares issued for share option settlements	6 799	4 259	6 061	3 190
Shares issued through scrip distribution	19 980	13 575	27 189	20 038
End of the year	1 585 037	1 576 092	1 558 258	1 548 236
Reconciliation to IFRS shares in issue				
End of the year – normalised	1 585 037	1 576 092	1 558 258	1 548 236
Shares held by Tutuwa SPVs	(63 479)	(63 479)	(63 479)	(63 479)
Total number of shares held initially by Tutuwa SPVs	(99 190)	(99 190)	(99 190)	(99 190)
Less: number of Tutuwa shares financed by third parties	24 691	24 691	24 691	24 691
Less: number of Tutuwa shares acquired by ICBC	11 020	11 020	11 020	11 020
Share exposures held to facilitate client trading activities	876	3 186	5 288	6 615
Shares held for the benefit of Liberty policyholders (deemed treasury shares)	(17 341)	(23 843)	(25 723)	(32 035)
End of the year – IFRS	1 505 093	1 491 956	1 474 344	1 459 337

Diluted headline earnings per share

Diluted headline earnings per share

Cents CAGR (2004 – 2010): 4%



	Change %	2010 cents	2009 cents
Diluted headline EPS	(5)	709,6	750,6
Diluted EPS	(5)	697,3	737,8

Diluted weighted average number of ordinary shares issued

	2010 000's	2009 000's
Weighted average shares	1 576 092	1 548 236
Dilution from equity compensation plans	13 991	12 929
Share option scheme	5 323	7 049
Equity growth scheme	8 668	5 880
Diluted weighted average shares	1 590 083	1 561 165
Reconciliation to diluted weighted average IFRS shares		
Diluted weighted average shares – normalised	1 590 083	1 561 165
Shares held by Tutuwa SPVs	(63 479)	(63 479)
Share exposures held to facilitate client trading activities	3 186	6 615
Shares held for the benefit of Liberty policyholders	(23 843)	(32 035)
Tutuwa transaction – dilutive shares	42 054	38 772
Diluted weighted average shares – IFRS	1 548 001	1 511 038

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Statement of financial position

	Change %	Standard Bank Group	
		2010 Rm	2009 ¹ Rm
Assets			
Cash and balances with central banks	15	28 675	24 983
Derivative assets	22	149 682	122 194
Trading assets	(8)	80 585	87 874
Pledged assets	10	6 390	5 808
Financial investments	8	286 198	264 769
Loans and advances	(1)	713 025	723 507
Loans and advances to banks	(4)	107 090	111 068
Loans and advances to customers	(1)	605 935	612 439
Investment property	13	21 521	19 058
Other assets	6	19 521	18 407
Interest in associates and joint ventures	11	10 533	9 529
Goodwill and other intangible assets	10	10 383	9 409
Property and equipment	22	14 907	12 250
Total assets	3	1 341 420	1 297 788
Equity and liabilities			
Equity	4	108 210	104 498
Equity attributable to ordinary shareholders	4	90 755	87 454
Preference share capital and premium		5 503	5 503
Minority interest	4	11 952	11 541
Liabilities	3	1 233 210	1 193 290
Derivative liabilities	26	145 004	115 221
Trading liabilities	(41)	30 375	51 118
Deposit and current accounts	3	789 500	768 548
Deposits from banks	(13)	91 729	106 018
Deposits from customers	5	697 771	662 530
Other liabilities	(0)	47 315	47 447
Policyholders' liabilities	7	197 878	184 300
Subordinated debt	(13)	23 138	26 656
Total equity and liabilities	3	1 341 420	1 297 788

¹ Refer to page 97 for the prior year reclassifications.

² Includes elimination of balances between Liberty and banking activities.

Change %	Banking activities		Change %	Liberty ²	
	2010 Rm	2009 ¹ Rm		2010 Rm	2009 ¹ Rm
15	28 675	24 983			
21	147 892	122 213	>100	1 790	(19)
(8)	80 635	87 874		(50)	
50	6 390	4 249	(100)		1 559
20	95 441	79 849	3	190 757	184 920
(1)	713 025	723 507			
(4)	107 090	111 068			
(1)	605 935	612 439			
			13	21 521	19 058
7	14 037	13 141	4	5 484	5 266
3	4 388	4 265	17	6 145	5 264
15	8 965	7 827	(10)	1 418	1 582
28	12 437	9 729	(2)	2 470	2 521
3	1 111 885	1 077 637	4	229 535	220 151
3	92 867	90 486	9	15 343	14 012
3	83 870	81 221	10	6 885	6 233
	5 503	5 503			
(7)	3 494	3 762	9	8 458	7 779
3	1 019 018	987 151	4	214 192	206 139
25	143 923	115 415	>100	1 081	(194)
(39)	31 001	51 118		(626)	
4	796 635	768 548		(7 135)	
(13)	91 729	106 018			
6	704 906	662 530		(7 135)	
(6)	25 694	27 468	8	21 621	19 979
			7	197 878	184 300
(12)	21 765	24 602	(33)	1 373	2 054
3	1 111 885	1 077 637	4	229 535	220 151

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Statement of comprehensive income

	Change %	2010 Ordinary shareholders' equity Rm	2010 Minorities and preference shareholders Rm	Total equity Rm
Profit for the year	5	11 088	2 374	13 462
Other comprehensive income after tax for the year:	43	(4 509)	(844)	(5 353)
Exchange rate differences on translating equity investment in foreign operations		(3 561)	(845)	(4 406)
Foreign currency hedge of net investment		(768)		(768)
Cash flow hedges		(214)		(214)
Available-for-sale financial assets		71	45	116
Revaluation and other (losses)/gains		(37)	(44)	(81)
Total comprehensive income for the year	>100	6 579	1 530	8 109
Attributable to minorities			1 154	1 154
Attributable to equity holders of the parent		6 579	376	6 955
Attributable to preference shareholders	(22)		376	376
Attributable to ordinary shareholders	60	6 579		6 579

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
Balance at 1 January 2009	16 997	5 288	880	802
Increase in statutory credit risk reserve				
Equity-settled share-based payment transactions				
Tax on share-based payments				
Transfer of vested equity options				
Issue of share capital and share premium	200			
Total comprehensive income for the year		(7 403)	(106)	85
Dividends paid				
Balance at 31 December 2009	17 197	(2 115)	774	887
Balance at 1 January 2010	17 197	(2 115)	774	887
Increase in statutory credit risk reserve				
Equity-settled share-based payment transactions				
Tax on share-based payments				
Transfer of vested equity options				
Change in shareholding of subsidiary		4		
Issue of share capital and share premium and capitalisation of reserves	325			
Transfer of owner-occupied properties				
Total comprehensive income for the year		(3 561)	(768)	(214)
Dividends paid				
Balance at 31 December 2010	17 522	(5 672)	6	673

All balances are stated net of applicable tax.

2009		
Ordinary shareholders' equity Rm	Minorities and preference shareholders Rm	Total equity Rm
11 519	1 279	12 798
(7 395)	(2 069)	(9 464)
(7 403)	(2 164)	(9 567)
(106)		(106)
85		85
7	33	40
22	62	84
4 124	(790)	3 334
	(1 269)	(1 269)
4 124	479	4 603
	479	479
4 124		4 124

Statutory credit risk reserve Rm	Available- for-sale revaluation reserve Rm	Share- based payment reserve Rm	Revaluation and other reserves Rm	Retained earnings Rm	Ordinary share- holders' equity Rm	Preference share capital and premium Rm	Minority interest Rm	Total equity Rm
344	319	739	302	60 231	85 902	5 503	13 738	105 143
202		307		(202)	307		37	344
		(132)		58	58			58
				132	200		(10)	190
	7		(14)	11 555	4 124	479	(1 269)	3 334
				(3 137)	(3 137)	(479)	(955)	(4 571)
546	326	914	288	68 637	87 454	5 503	11 541	104 498
546	326	914	288	68 637	87 454	5 503	11 541	104 498
177		412		(177)	412		32	444
		(581)		2	2			2
(6)	(15)			581	(37)		36	(1)
				(20)				
				(120)	205		30	235
	71		21	(21)				
			(36)	11 087	6 579	376	1 154	8 109
				(3 860)	(3 860)	(376)	(841)	(5 077)
717	382	745	273	76 109	90 755	5 503	11 952	108 210

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Explanation of principal differences between normalised and IFRS results

Description of normalised adjustments

The group's consolidated financial statements are prepared in accordance with, and comply with, IFRS as issued by both the International Accounting Standards Board (IASB) and the Accounting Practices Board of South Africa. This document is prepared on a basis which normalises or adjusts the IFRS results for three specific accounting circumstances where IFRS does not reflect the underlying economic and legal substance of the following arrangements (the normalised adjustments):

- the group's Black Economic Empowerment Ownership (Tutuwa) initiative;
- group shares held by Liberty for the benefit of policyholders; and
- 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 as a deduction against 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 normalising 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 Black Economic Empowerment Ownership 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.

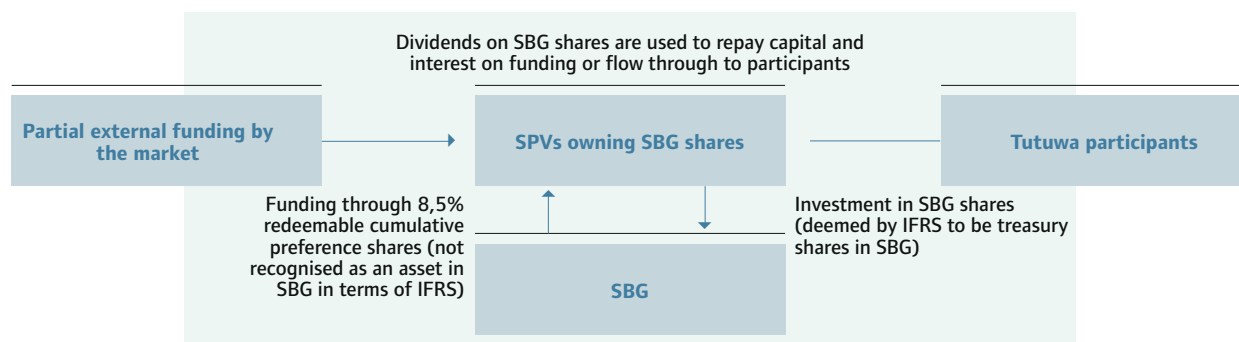
The group obtained financing through the issue of perpetual preference shares. These funds were used to subscribe for 8,5% redeemable, cumulative preference shares issued by special purpose vehicles (SPVs) controlled by the Standard Bank Group (SBG). These SPVs purchased SBG shares. Subsequently, the SPVs containing these shares were sold to black participants. The capital and dividends on the redeemable preference shares issued by the SPVs 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 SPVs 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 SPVs 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 SPVs that are deemed to be treasury shares in terms of accounting conventions;

Tutuwa initiative



- to the extent that preference dividends are received from the SPVs, these are eliminated against the ordinary dividends paid on the SBG shares held by the SPVs;
- preference dividends accrued but not received, due to cash distributions paid to participants increase the empowerment reserve;
- for purposes of the calculation of earnings per share, the weighted average number of shares in issue is reduced by the number of shares held by those SPVs 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; and
- 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; and
- adjusts dividends declared on perpetual preference shares to an accrual basis.

In December 2007 the group obtained financing external to SBG for a portion of the financing provided to the SPVs. As a result, the negative empowerment reserve was reduced by the value of the external financing obtained of R1 billion and a proportion of the SBG shares held by the SPVs (24,7 million shares) are no longer deemed to be treasury shares for accounting purposes.

In March 2008 11,1% of the Tutuwa participants' shares were sold to ICBC with the proceeds being partly utilised for the repayment of their preference share liability, thereby releasing a further 11,0 million ordinary shares previously deemed by IFRS to be treasury shares.

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

The group acquires or sells short its own shares 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; and
- the group enters into transactions in its own shares to facilitate client trading activities. As part of normal trading operations, the group offers to clients trading positions over listed shares, including 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 fair value changes on these shares.

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

No corresponding adjustment is made to the policyholder liabilities or trading positions with customers. 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 position, along with the change

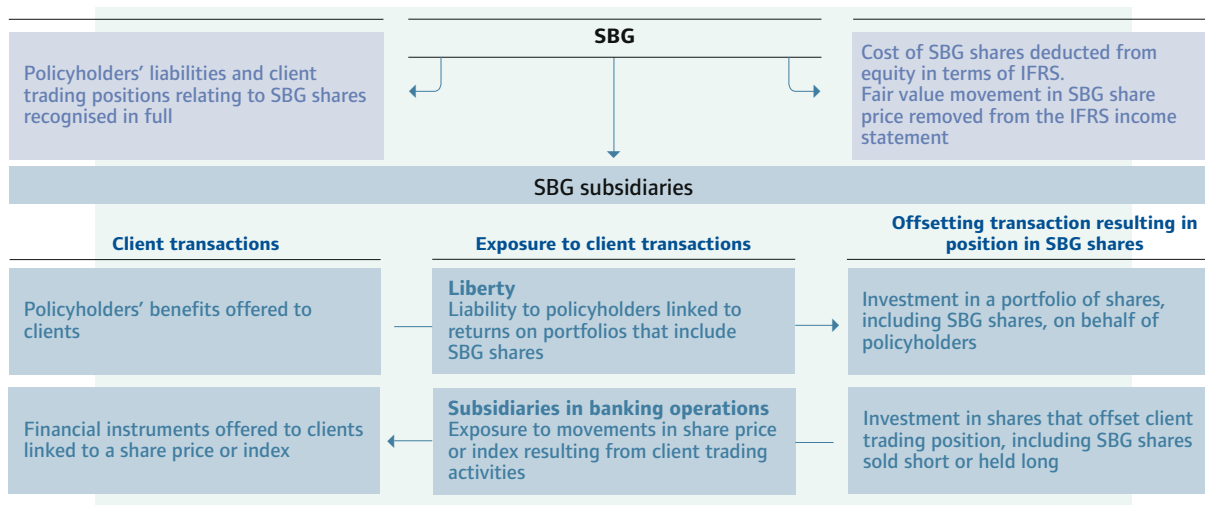
in policyholders' liabilities and profit or loss recognised on the client trading position is therefore not eliminated even though the corresponding interest in the group's shares is eliminated and treated as treasury shares acquired or issued.

With regards 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% owned by the group, as IFRS (IAS 33 *Earnings per Share*) does not contemplate minority 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.

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



Adjustments to IFRS results

	Headline earnings			Ordinary shareholders' equity Standard Bank Group Rm
	Banking activities Rm	Liberty Rm	Standard Bank Group Rm	
IFRS – 2010	9 751	1 218	10 969	87 073
Tutuwa initiative	196	40	236	2 758
Share exposures held to facilitate client trading activities	(57)		(57)	(59)
Group shares held for the benefit of Liberty policyholders		135	135	983
Normalised – 2010	9 890	1 393	11 283	90 755
IFRS – 2009	11 629	(376)	11 253	84 022
Tutuwa initiative	229	49	278	2 584
Share exposures held to facilitate client trading activities	(212)		(212)	(537)
Group shares held for the benefit of Liberty policyholders		399	399	1 385
Normalised – 2009	11 646	72	11 718	87 454

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Financial results, ratios and statistics – IFRS

		Change %	2010	2009
Standard Bank Group				
Headline earnings contribution by business unit				
Total headline earnings	Rm	(3)	10 969	11 253
Banking activities	Rm	(16)	9 751	11 629
Personal & Business Banking	Rm	23	4 750	3 874
Corporate & Investment Banking	Rm	(30)	5 248	7 467
Central and other	Rm	(>100)	(247)	288
Liberty	Rm	>100	1 218	(376)
Profit attributable to ordinary shareholders	Rm	(3)	10 774	11 054
Other indicators				
Headline EPS	cents	(5)	735,2	771,1
Diluted headline EPS	cents	(5)	708,6	744,7
Basic EPS	cents	(5)	722,1	757,5
Diluted EPS	cents	(5)	696,0	731,6
Dividend cover	times		1,9	2,0
Dividend per share	cents		386,0	386,0
Net asset value per share	cents	2	5 785	5 699
Tangible net asset value per share	cents	1	5 095	5 061
Ordinary shareholders' equity	Rm	4	87 073	84 022
ROE	%		12,7	13,7
Total capital adequacy ratio	%		15,3	15,1
Tier I capital adequacy ratio	%		12,9	11,9
Core tier I capital adequacy ratio	%		12,0	11,0
Number of ordinary shares in issue				
– end of year	thousands	2	1 505 093	1 474 344
– weighted average	thousands	2	1 491 956	1 459 337
– diluted weighted average	thousands	2	1 548 001	1 511 038
Banking activities				
Balance sheet				
Total assets	Rm	3	1 109 676	1 076 058
Loans and advances (net of credit impairments)	Rm	(1)	710 722	721 389
Other indicators				
ROE	%		11,9	14,9
Loan-to-deposit ratio	%		89,2	93,9
Net interest margin	%		3,00	3,19
Non-interest revenue to total income	%		51,1	50,2
Credit impairment charges	Rm	(38)	7 524	12 097
Credit loss ratio	%		1,05	1,60
Cost-to-income ratio	%		61,8	52,3
Effective taxation rate	%		29,7	29,8

Summarised group income statement – IFRS

	Change %	2010 Rm	2009 Rm
Net interest income	(8)	28 742	31 316
Non-interest revenue	(5)	30 004	31 512
Net fee and commission revenue	3	18 641	18 108
Trading revenue	(22)	8 509	10 916
Other revenue	15	2 854	2 488
Total income	(6)	58 746	62 828
Credit impairment charges	(38)	7 524	12 097
Specific credit impairments	(31)	8 135	11 779
Impaired loss	(28)	7 077	9 782
Discounting of expected recoveries	(47)	1 058	1 997
Portfolio credit impairments	(>100)	(611)	318
Income after credit impairment charges	1	51 222	50 731
Operating expenses	12	36 656	32 827
Staff costs	9	19 542	17 848
Other operating expenses	9	16 333	14 979
Restructuring costs		781	
Net income before goodwill	(19)	14 566	17 904
Goodwill impairment	(29)	30	42
Net income before associates and joint ventures	(19)	14 536	17 862
Share of profit/(loss) from associates and joint ventures	>100	584	(34)
Net income before taxation	(15)	15 120	17 828
Taxation	(16)	4 490	5 315
Profit for the year	(15)	10 630	12 513
Attributable to minorities	12	617	552
Attributable to preference shareholders	(27)	387	531
Attributable to ordinary shareholders – banking activities	(16)	9 626	11 430
Headline adjustable items – banking activities	(37)	125	199
Headline earnings – banking activities	(16)	9 751	11 629
Headline earnings/(loss) – Liberty	>100	1 218	(376)
Standard Bank Group headline earnings	(3)	10 969	11 253

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Statement of comprehensive income – IFRS

	Change %	Ordinary shareholders' equity Rm	2010 Minorities and preference shareholders Rm	Total equity Rm
Profit for the year	8	10 774	2 233	13 007
Other comprehensive income after tax for the year:	43	(4 509)	(844)	(5 353)
Exchange rate differences on translating equity investment in foreign operations		(3 561)	(845)	(4 406)
Foreign currency hedge of net investment		(768)		(768)
Cash flow hedges		(214)		(214)
Available-for-sale financial assets		71	45	116
Revaluation and other (losses)/gains		(37)	(44)	(81)
Total comprehensive income for the year	>100	6 265	1 389	7 654
Attributable to minorities			1 002	1 002
Attributable to equity holders of the parent		6 265	387	6 652
Attributable to preference shareholders			387	387
Attributable to ordinary shareholders	71	6 265		6 265

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
Balance at 1 January 2009	16 997	(2 653)	(758)	5 288	880
Increase in statutory credit risk reserve					
Equity-settled share-based payment transactions					
Tax on share-based payments					
Transfer of vested equity options					
Issue of share capital and share premium	200				
Net decrease in treasury shares			617		
Total comprehensive income for the year				(7 403)	(106)
Dividends paid					
Balance at 31 December 2009	17 197	(2 653)	(141)	(2 115)	774
Balance at 1 January 2010	17 197	(2 653)	(141)	(2 115)	774
Increase in statutory credit risk reserve					
Equity-settled share-based payment transactions					
Tax on share-based payments					
Transfer of vested equity options					
Change in shareholding of subsidiary				4	
Issue of share capital and share premium and capitalisation of reserves	325				
Transfer of owner-occupied properties					
Net increase in treasury shares			(358)		
Total comprehensive income for the year				(3 561)	(768)
Dividends paid		(318)			
Balance at 31 December 2010	17 522	(2 971)	(499)	(5 672)	6

All balances are stated net of applicable tax.

	2009	
Ordinary shareholders' equity Rm	Minorities and preference shareholders Rm	Total equity Rm
11 054	942	11 996
(7 395)	(2 069)	(9 464)
(7 403)	(2 164)	(9 567)
(106)		(106)
85		85
7	33	40
22	62	84
3 659	(1 127)	2 532
	(1 658)	(1 658)
3 659	531	4 190
	531	531
3 659		3 659

Cash flow hedging reserve Rm	Statutory credit risk reserve Rm	Available-for-sale revaluation reserve Rm	Share-based payment reserve Rm	Revaluation and other reserves Rm	Retained earnings Rm	Ordinary shareholders' equity Rm	Preference share capital and premium Rm	Minority interest Rm	Total equity Rm
802	344	319	739	302	59 693	81 953	5 503	12 045	99 501
	202		307		(202)	307		37	344
					58	58			58
			(132)		132				
					74	200		(10)	190
85		7		(14)	11 090	691	531	316	1 007
					(2 846)	3 659	(531)	(1 658)	2 532
						(2 846)		(886)	(4 263)
887	546	326	914	288	67 999	84 022	5 503	9 844	99 369
887	546	326	914	288	67 999	84 022	5 503	9 844	99 369
	177		412		(177)	412		32	444
					2	2			2
	(6)	(15)	(581)		581	(37)		36	(1)
					(20)				
					(120)	205		30	235
				21	(21)				
					335	(23)		449	426
(214)		71		(36)	10 773	6 265	387	1 002	7 654
					(3 455)	(3 773)	(387)	(771)	(4 931)
673	717	382	745	273	75 897	87 073	5 503	10 622	103 198

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Executive committee

The group has reviewed and streamlined the role and composition of the group executive committee (exco) commencing January 2011.

The revised members of exco are the group chief executive and the three deputy group chief executives.

The head of Corporate & Investment Banking, Rob Leith, the head of Liberty, Bruce Hemphill and the finance director, Simon Ridley, attend all exco meetings. Other executives attend exco meetings on invitation.



Jacko Maree (55)

Group chief executive
BCom (Stellenbosch), MA (Oxford),
PMD (Harvard)
Joined the group 1980, appointed
to exco 1995



Ben Kruger (51)

Group deputy chief executive
BCom (Hons) (Pretoria), CA(SA),
AMP (Harvard)
Joined the group 1985, appointed
to exco 2000



Sim Tshabalala (43)

Group deputy chief executive and chief
executive – The Standard Bank of
South Africa
BA LLB (Rhodes), LLM (University of
Notre Dame – USA), HDip Tax (Wits),
AMP (Harvard)
Joined the group 2000, appointed
to exco 2001



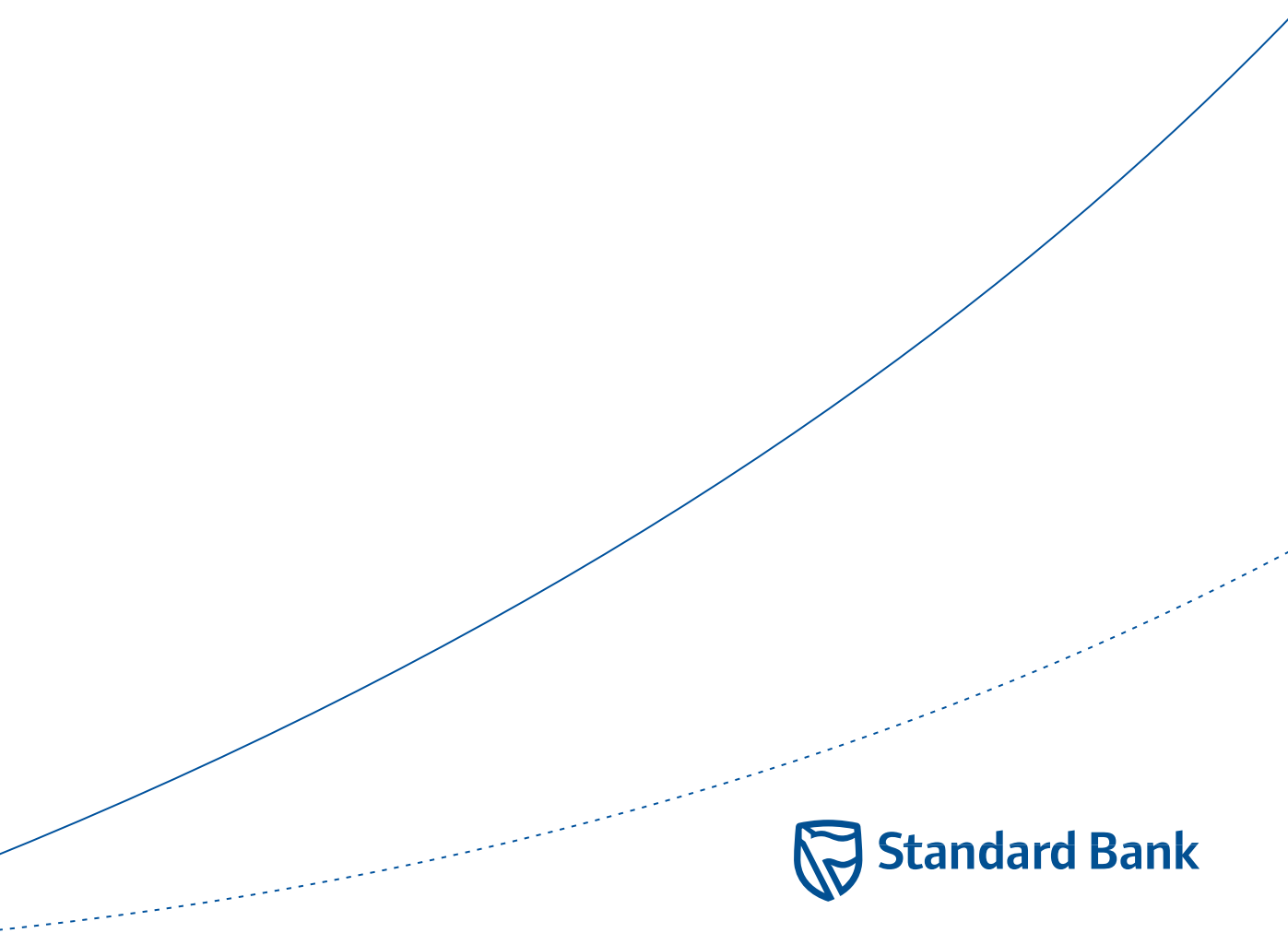
Peter Wharton-Hood (45)

Group deputy chief executive
BCom (Hons) (Wits), CA(SA),
AMP (Harvard)
Joined the group 1997, appointed
to exco 1999

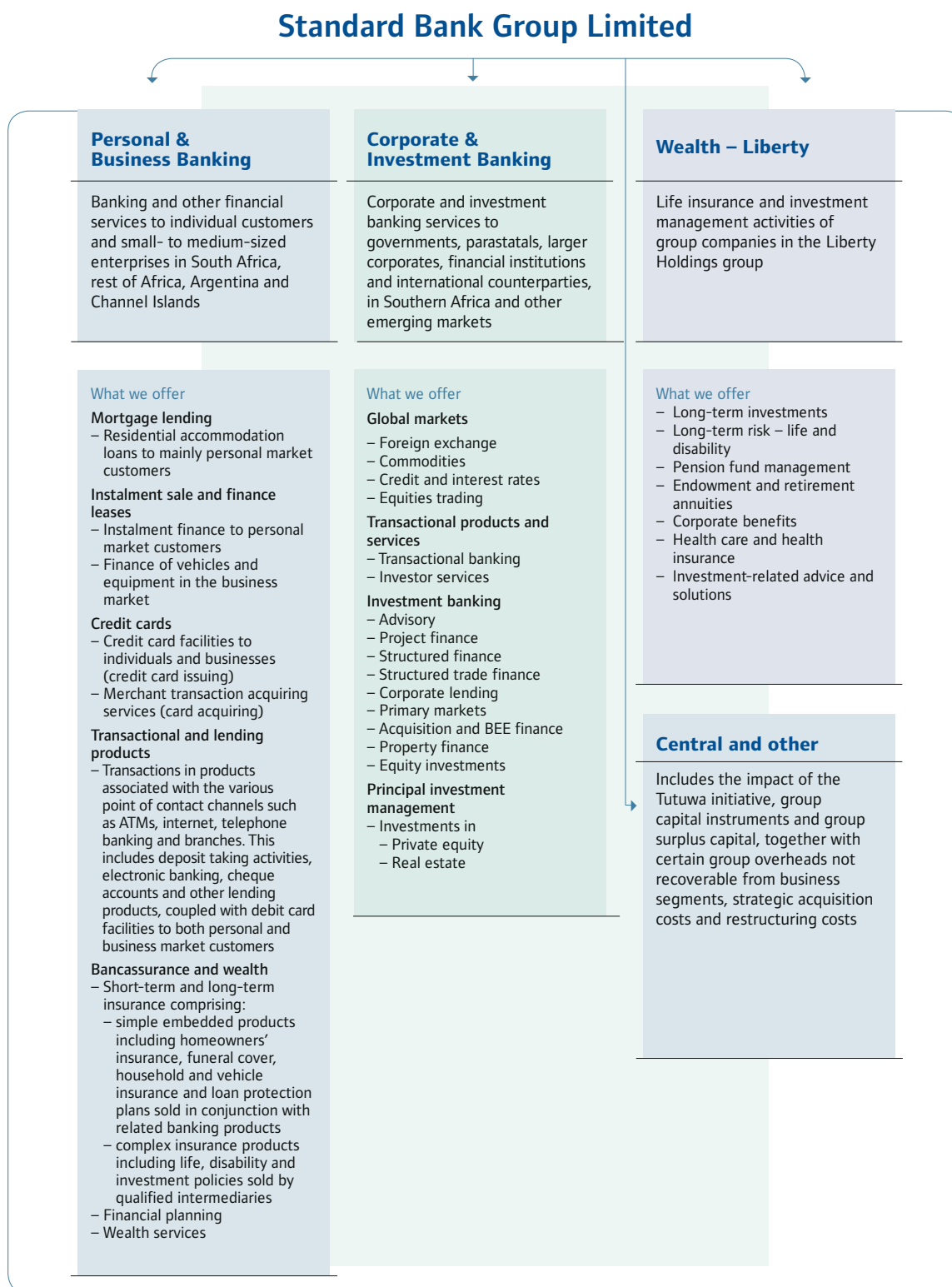
Segmental reporting

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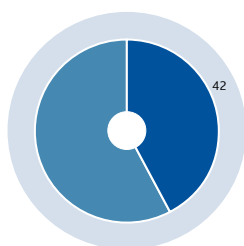


Segmental structure for key business units



Personal & Business Banking

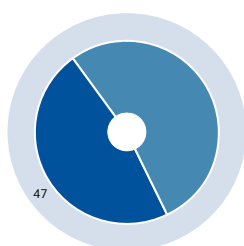
% of group headline earnings



	2010	2009
Headline earnings	R4 750 million	R3 874 million
Headline earnings	increase 23%	decline 18%
Headline earnings contribution	42%	33%
Return on equity	17,9%	15,1%
Cost-to-income ratio	60,2%	55,4%
Credit loss ratio	1,65%	2,38%
External net loans and advances	R406 billion	R395 billion

Corporate & Investment Banking

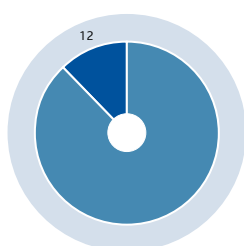
% of group headline earnings



	2010	2009
Headline earnings	R5 248 million	R7 467 million
Headline earnings	decline 30%	decline 6%
Headline earnings contribution	47%	64%
Return on equity	12,7%	18,8%
Cost-to-income ratio	63,8%	51,2%
Credit loss ratio	0,16%	0,74%
External net loans and advances	R330 billion	R355 billion

Wealth - Liberty

% of group headline earnings



	2010	2009
Headline earnings	R1 393 million	R72 million
Headline earnings contribution	12%	1%
Return on equity	21,9%	1,2%
Normalised embedded value	R26 billion	R24 billion
Third party funds under management	R232 billion	R200 billion

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Segmental income statement

	Change %	Personal & Business Banking		Corporate & Investment Banking		Central and other			
		2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	Change %		2010 Rm
Income from banking activities	0	34 975	34 855	(16)	22 663	27 020	45	1 212	835
Net interest income	(4)	19 118	19 945	(15)	8 866	10 475	(12)	943	1 073
Interest income	(11)	40 646	45 770	(37)	27 744	43 932	22	(5 629)	(7 234)
Interest expense	(17)	21 528	25 825	(44)	18 878	33 457	21	(6 572)	(8 307)
Non-interest revenue	6	15 857	14 910	(17)	13 797	16 545	>100	269	(238)
Net fee and commission revenue	5	14 219	13 584	(7)	4 331	4 660	>100	91	(136)
Fee and commission revenue	8	17 204	15 958	(4)	4 808	5 018	28	(98)	(136)
Fee and commission expense	26	2 985	2 374	33	477	358		(189)	
Trading revenue	(8)	162	177	(23)	8 165	10 587	>100	101	(143)
Other revenue	28	1 476	1 149	0	1 301	1 298	88	77	41
Income from investment management and life insurance activities									
Net insurance premiums									
Investment income and gains									
Management and service fee income									
Total income	0	34 975	34 855	(16)	22 663	27 020	45	1 212	835
Credit impairment charges	(31)	6 860	9 874	(81)	523	2 725	>100	141	(502)
Specific credit impairments	(27)	6 835	9 352	(46)	1 300	2 427			
Impaired loss	(22)	5 811	7 428	(46)	1 266	2 354			
Discounting of expected recoveries	(47)	1 024	1 924	(53)	34	73			
Portfolio credit impairments	(95)	25	522	(>100)	(777)	298	>100	141	(502)
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	13	28 115	24 981	(9)	22 140	24 295	(20)	1 071	1 337
Operating expenses in banking activities	10	21 175	19 198	6	14 720	13 937	>100	761	(308)
Staff costs	12	10 235	9 169	5	8 337	7 964	36	970	715
Other operating expenses	9	10 940	10 029	7	6 383	5 973	3	(990)	(1 023)
Restructuring costs								781	
Operating expenses in investment management and life insurance activities									
Acquisition costs – insurance and investment contracts									
Other operating expenses									
Net income before goodwill	20	6 940	5 783	(28)	7 420	10 358	(81)	310	1 645
Goodwill impairment	(100)		6	(17)	30	36			
Net income before associates and joint ventures	20	6 940	5 777	(28)	7 390	10 322	(81)	310	1 645
Share of profit/(loss) from associates and joint ventures	>100	188	(217)	>100	404	183		(8)	
Net income before indirect taxation	28	7 128	5 560	(26)	7 794	10 505	(82)	302	1 645
Indirect taxation	24	688	557	(7)	402	431	(73)	128	481
Profit before direct taxation	29	6 440	5 003	(27)	7 392	10 074	(85)	174	1 164
Direct taxation	20	1 780	1 484	(21)	1 534	1 948	(>100)	(66)	331
Profit for the year	32	4 660	3 519	(28)	5 858	8 126	(71)	240	833
Attributable to minorities	(>100)	(14)	42	23	631	511	100		(1)
Attributable to preference shareholders							(22)	376	479
Attributable to ordinary shareholders	34	4 674	3 477	(31)	5 227	7 615	(>100)	(136)	355
Headline adjustable items	(81)	76	397	>100	21	(148)	>100	28	(50)
Headline earnings	23	4 750	3 874	(30)	5 248	7 467	(>100)	(108)	305
ROE (%)		17,9	15,1		12,7	18,8			
Net interest margin (%)		4,45	4,67		1,61	1,81			
Credit loss ratio (%)		1,65	2,38		0,16	0,74			
Cost-to-income ratio (%)		60,2	55,4		63,8	51,2			
Number of employees	5	36 645	34 882	3	9 601	9 312	8	1 879	1 743

	Banking activities			Liberty			Normalised Standard Bank Group			IFRS adjustments		IFRS Standard Bank Group		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
	(6)	58 850	62 710				(6)	58 850	62 710	(104)	118	(6)	58 746	62 828
	(8)	28 927	31 493				(8)	28 927	31 493	(185)	(177)	(8)	28 742	31 316
	(24)	62 761	82 468				(24)	62 761	82 468	(185)	(177)	(24)	62 576	82 291
	(34)	33 834	50 975				(34)	33 834	50 975			(34)	33 834	50 975
	(4)	29 923	31 217				(4)	29 923	31 217	81	295	(5)	30 004	31 512
	3	18 641	18 108				3	18 641	18 108			3	18 641	18 108
	5	21 914	20 840				5	21 914	20 840			5	21 914	20 840
	20	3 273	2 732				20	3 273	2 732			20	3 273	2 732
	(21)	8 428	10 621				(21)	8 428	10 621	81	295	(22)	8 509	10 916
	15	2 854	2 488				15	2 854	2 488			15	2 854	2 488
				16	51 466	44 338	16	51 466	44 338	(317)	(880)	18	51 149	43 458
				1	22 113	21 998	1	22 113	21 998			1	22 113	21 998
				34	26 987	20 100	34	26 987	20 100	(317)	(880)	39	26 670	19 220
				6	2 366	2 240	6	2 366	2 240			6	2 366	2 240
	(6)	58 850	62 710	16	51 466	44 338	3	110 316	107 048	(421)	(762)	3	109 895	106 286
	(38)	7 524	12 097				(38)	7 524	12 097			(38)	7 524	12 097
	(31)	8 135	11 779				(31)	8 135	11 779			(31)	8 135	11 779
	(28)	7 077	9 782				(28)	7 077	9 782			(28)	7 077	9 782
	(47)	1 058	1 997				(47)	1 058	1 997			(47)	1 058	1 997
	(>100)	(611)	318				(>100)	(611)	318			(>100)	(611)	318
				10	37 335	33 935	10	37 335	33 935			10	37 335	33 935
				13	30 529	27 109	13	30 529	27 109			13	30 529	27 109
				4	6 257	5 991	4	6 257	5 991			4	6 257	5 991
				(34)	549	835	(34)	549	835			(34)	549	835
	1	51 326	50 613	36	14 131	10 403	7	65 457	61 016	(421)	(762)	8	65 036	60 254
	12	36 656	32 827				12	36 656	32 827			12	36 656	32 827
	9	19 542	17 848				9	19 542	17 848			9	19 542	17 848
	9	16 333	14 979				9	16 333	14 979			9	16 333	14 979
		781						781					781	
				4	9 388	9 052	4	9 388	9 052			4	9 388	9 052
				(7)	2 906	3 114	(7)	2 906	3 114			(7)	2 906	3 114
				9	6 482	5 938	9	6 482	5 938			9	6 482	5 938
	(18)	14 670	17 786	>100	4 743	1 351	1	19 413	19 137	(421)	(762)	3	18 992	18 375
	(29)	30	42		114		>100	144	42			>100	144	42
	(17)	14 640	17 744	>100	4 629	1 351	1	19 269	19 095	(421)	(762)	3	18 848	18 333
	>100	584	(34)	(27)	49	67	>100	633	33			>100	633	33
	(14)	15 224	17 710	>100	4 678	1 418	4	19 902	19 128	(421)	(762)	6	19 481	18 366
	(17)	1 218	1 469	7	257	241	(14)	1 475	1 710			(14)	1 475	1 710
	(14)	14 006	16 241	>100	4 421	1 177	6	18 427	17 418	(421)	(762)	8	18 006	16 656
	(14)	3 248	3 763	>100	1 717	857	7	4 965	4 620	34	40	7	4 999	4 660
	(14)	10 758	12 478	>100	2 704	320	5	13 462	12 798	(455)	(802)	8	13 007	11 996
	12	617	552	>100	1 381	248	>100	1 998	800	(152)	(389)	>100	1 846	411
	(22)	376	479				(22)	376	479	11	52	(27)	387	531
	(15)	9 765	11 447	>100	1 323	72	(4)	11 088	11 519	(314)	(465)	(3)	10 774	11 054
	(37)	125	199		70		(2)	195	199			(2)	195	199
	(15)	9 890	11 646	>100	1 393	72	(4)	11 283	11 718	(314)	(465)	(3)	10 969	11 253
		11,8	14,5		21,9	1,2		12,5	13,6				12,7	13,7
		3,01	3,21					3,01	3,21				3,00	3,19
		1,04	1,60					1,04	1,60				1,05	1,60
		61,7	52,4					61,7	52,4				61,8	52,3
	5	48 125	45 937	(5)	5 226	5 474	4	53 351	51 411			4	53 351	51 411

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Segmental statement of financial position

	Personal & Business Banking			Corporate & Investment Banking			Central and other		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Assets									
Cash and balances with central banks	34	9 853	7 353	8	18 949	17 623	(>100)	(127)	7
Financial investments, trading and pledged assets	78	3 106	1 743	7	179 564	168 355	(>100)	(204)	1 874
Loans and advances	3	405 932	395 472	(7)	330 365	355 151	14	(23 272)	(27 116)
Loans and advances to banks	(17)	21 504	26 030	(4)	106 324	110 297	18	(20 738)	(25 259)
Loans and advances to customers	4	384 428	369 442	(9)	224 041	244 854	(36)	(2 534)	(1 857)
Investment property									
Derivative and other assets	12	4 412	3 954	48	156 190	105 189	(95)	1 327	26 211
Interest in associates and joint ventures	14	1 059	928	1	3 248	3 203	(40)	81	134
Goodwill and other intangible assets	(6)	4 342	4 632	41	4 378	3 097	>100	245	98
Property and equipment	(4)	5 459	5 697	12	2 336	2 093	>100	4 642	1 939
Total assets	3	434 163	419 779	6	695 030	654 711	(>100)	(17 308)	3 147
Equity and liabilities									
Equity	24	31 076	25 095	(12)	38 965	44 050	7	22 826	21 341
Equity attributable to ordinary shareholders	24	29 616	23 941	(12)	36 743	41 555	11	17 511	15 725
Preference share capital and premium								5 503	5 503
Minority interest	27	1 460	1 154	(11)	2 222	2 495	(>100)	(188)	113
Liabilities	2	403 087	394 684	7	656 065	610 661	(>100)	(40 134)	(18 194)
Deposit and current accounts	2	395 754	389 124	5	418 183	399 498	14	(17 302)	(20 074)
Deposits from banks	83	475	260	(14)	92 854	107 809	22	(1 600)	(2 051)
Deposits from customers	2	395 279	388 864	12	325 329	291 689	13	(15 702)	(18 023)
Derivative, trading and other liabilities	32	(1 305)	(1 910)	16	224 012	192 766	(>100)	(22 089)	3 145
Policyholders' liabilities									
Subordinated debt	16	8 638	7 470	(25)	13 870	18 397	41	(743)	(1 265)
Total equity and liabilities	3	434 163	419 779	6	695 030	654 711	(>100)	(17 308)	3 147
Average assets – banking activities excluding trading derivatives		429 571	427 513		550 562	579 555		(20 255)	(24 669)
Average loans and advances (gross)		416 333	415 113		331 333	370 336		(27 027)	(29 122)
Average ordinary shareholders' equity		26 573	25 630		41 446	39 737		15 629	14 717

	Banking activities			Liberty			Normalised Standard Bank Group			IFRS adjustments		IFRS Standard Bank Group		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
	15	28 675	24 983				15	28 675	24 983			15	28 675	24 983
	6	182 466	171 972	2	190 707	186 479	4	373 173	358 451	(2 809)	(3 164)	4	370 364	355 287
	(1)	713 025	723 507				(1)	713 025	723 507	(2 303)	(2 118)	(1)	710 722	721 389
	(4)	107 090	111 068				(4)	107 090	111 068			(4)	107 090	111 068
	(1)	605 935	612 439				(1)	605 935	612 439	(2 303)	(2 118)	(1)	603 632	610 321
	20	161 929	135 354	13	21 521	19 058	13	21 521	19 058			13	21 521	19 058
	3	4 388	4 265	39	7 274	5 247	20	169 203	140 601			20	169 203	140 601
	15	8 965	7 827	17	6 145	5 264	11	10 533	9 529			11	10 533	9 529
	28	12 437	9 729	(10)	1 418	1 582	10	10 383	9 409			10	10 383	9 409
	3	1 111 885	1 077 637	(2)	2 470	2 521	22	14 907	12 250			22	14 907	12 250
				4	229 535	220 151	3	1 341 420	1 297 788	(5 112)	(5 282)	3	1 336 308	1 292 506
	3	92 867	90 486	9	15 343	14 012	4	108 210	104 498	(5 012)	(5 129)	4	103 198	99 369
	3	83 870	81 221	10	6 885	6 233	4	90 755	87 454	(3 682)	(3 432)	4	87 073	84 022
		5 503	5 503					5 503	5 503				5 503	5 503
	(7)	3 494	3 762	9	8 458	7 779	4	11 952	11 541	(1 330)	(1 697)	8	10 622	9 844
	3	1 019 018	987 151	4	214 192	206 139	3	1 233 210	1 193 290	(100)	(153)	3	1 233 110	1 193 137
	4	796 635	768 548		(7 135)		3	789 500	768 548			3	789 500	768 548
	(13)	91 729	106 018				(13)	91 729	106 018			(13)	91 729	106 018
	6	704 906	662 530		(7 135)		5	697 771	662 530			5	697 771	662 530
	3	200 618	194 001	12	22 076	19 785	4	222 694	213 786	(100)	(153)	4	222 594	213 633
				7	197 878	184 300	7	197 878	184 300			7	197 878	184 300
	(12)	21 765	24 602	(33)	1 373	2 054	(13)	23 138	26 656			(13)	23 138	26 656
	3	1 111 885	1 077 637	4	229 535	220 151	3	1 341 420	1 297 788	(5 112)	(5 282)	3	1 336 308	1 292 506
		959 878	982 399					959 878	982 399	(1 568)	(1 404)		958 310	980 995
		720 639	756 327					720 639	756 327	(1 783)	(1 941)		718 856	754 386
		83 648	80 084		6 371	6 258		90 019	86 342	(3 795)	(4 054)		86 224	82 288

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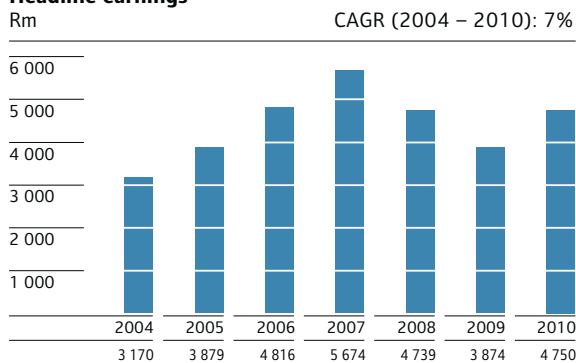
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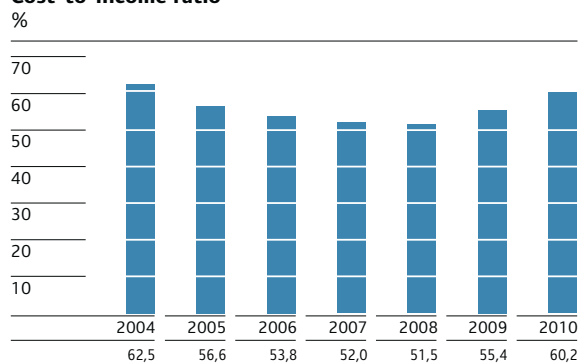
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Personal & Business Banking

Headline earnings



Cost-to-income ratio



	Change %	2010 Rm	2009 Rm
Net interest income	(4)	19 118	19 945
Non-interest revenue	6	15 857	14 910
Total income	0	34 975	34 855
Credit impairment charges	(31)	6 860	9 874
Operating expenses	10	21 175	19 198
Taxation	21	2 468	2 041
Headline earnings	23	4 750	3 874
Headline earnings change	%	23	(18)
Headline earnings contribution to the group	%	42	33
ROE	%	17,9	15,1
Net interest margin	%	4,45	4,67
Cost-to-income ratio	%	60,2	55,4
Credit loss ratio	%	1,65	2,38
Effective taxation rate	%	34,6	36,7
Total assets	Rm	3 434 163	419 779
External net loans and advances	Rm	3 405 932	395 472
Number of employees		5 36 645	34 882

Favourable

- Improved customer service ratings in South Africa.
- Reduced non-performing loan portfolio and decreased credit impairments aided by lower interest rates, improved customer debt servicing ability and internal debt recovery capability.
- Good growth in the mortgage portfolio.
- Increased fees, driven by growth in volumes and in the transactional account base.
- Growth in retail deposits.
- More appropriate pricing for credit risk and term funding.
- Improvement in bancassurance revenues from both simple and complex insurance products.

Adverse

- Decrease in net interest income due to the negative endowment impact of lower interest rates and more expensive term funding.
- Reduced card debtor and instalment sale and finance lease balances.
- Introduction of SARB cash handling fees.
- Continued pressure on recovery values of collateral.
- Translation impact of stronger rand.
- Increased costs in the rest of Africa as we grow the franchise.

Total income and headline earnings by product

	Total income			Headline earnings		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Mortgage lending	7	4 805	4 476	>100	310	(578)
Instalment sale and finance leases	(7)	2 751	2 955	>100	86	(486)
Credit cards	(4)	4 525	4 693	7	659	616
Transactional and lending products	(1)	19 846	20 089	(29)	2 454	3 466
Bancassurance and wealth	15	3 048	2 642	45	1 241	856
Personal & Business Banking	0	34 975	34 855	23	4 750	3 874

Mortgage lending

- Higher volume of new business registrations largely through the re-engagement of mortgage originators, and acquisitions of loan portfolios from SA Home Loans.
- Higher net interest income due to balance growth and improved pricing on new business, partially offset by the high cost of term funding.
- Lower credit impairment charges due to a reduction in new defaults and a continual improvement in the customer risk profile.
- Increased level of new business in rest of Africa, particularly in Namibia, Nigeria, Botswana, Uganda and Tanzania due to enhanced product awareness, improving collateral values and lower interest rates.

Instalment sale and finance leases

- Decline in net interest income due to a reduction in balances as capital repayments exceeded new business volumes, compounded by the high cost of term funding.
- Increased non-interest revenue from higher service fees.
- Lower credit impairments due to contracting non-performing loan portfolios, an active collections strategy, an improved customer risk profile, and a significant decrease in the early arrears book.
- Reduced earnings in rest of Africa largely due to an adverse foreign exchange impact, and a slow-down in book growth following the economic downturn, partly offset by new business growth in Nigeria, Uganda and Tanzania.
- Good business growth in Argentina.

Credit cards

- Net interest income adversely affected by lower average cardholder balances.
- Modest growth in fee and commission income following price increases and marginal turnover growth in card issuing volumes, partly offset by a decline in the overall account base.
- Lower credit impairments due to an improved customer risk profile.
- Lower fraud losses as a result of increased number of chip and pin cards issued coupled with industry-wide reduction in magstripe floor limits.
- Higher interchange and foreign exchange income in rest of Africa.
- Increased transactional volumes in Argentina.

Transactional and lending products

- Deposit margins impacted by the negative endowment effect of declining interest rates.
- Improved margin on term advances to customers in both business and personal markets following better pricing for risk.
- Fee and commission growth largely driven by inflation-related price increases, combined with growth in the transactional account base.
- Credit impairments lower due to the improved macro economic environment, lower defaults, higher recoveries of amounts written off in previous periods and an improved customer risk profile.
- Margin compression across rest of Africa due to a negative endowment effect, partly offset by higher transactional lending volumes.
- Higher deposit margins on savings and sight deposit accounts in Argentina.

Bancassurance and wealth

- Simple embedded and short-term insurance products benefited from improved pricing, higher average premiums and a lower claims loss ratio.
- Complex product profitability increased significantly due to increase in the policy base and higher embedded value earnings.
- Higher earnings in rest of Africa, following increased client activity, reduced insurance claims in CfC Kenya and an increase in number of policies under management in other African countries.
- Decreased income in Standard Bank offshore group due to lower deposit margins, partly offset by revenues received from the launch of structured products in 2010.

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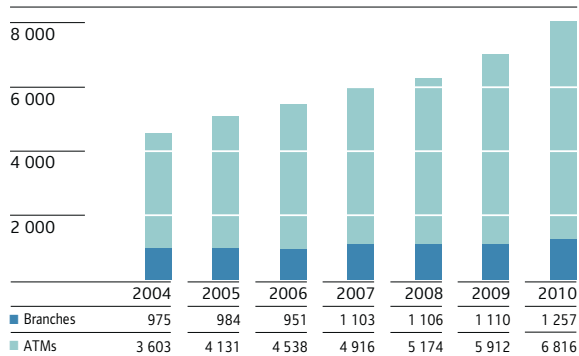
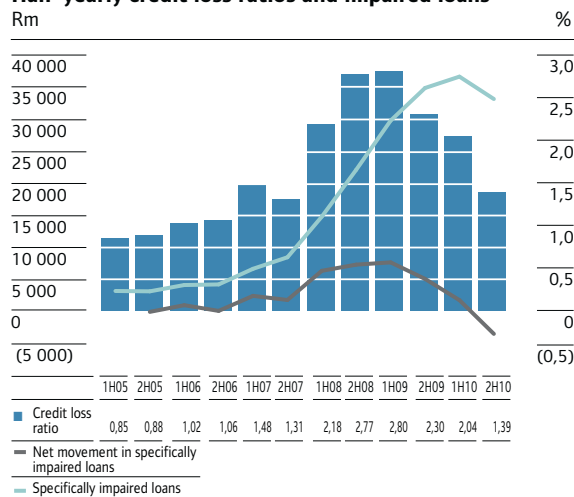
Personal & Business Banking continued

External loans and advances by product

	Change %	2010 Rm	2009 Rm
Loans and advances to banks	(17)	21 504	26 030
Call loans	(20)	18 053	22 580
Balances with banks	0	3 451	3 450
Loans and advances to customers	4	384 428	369 442
<i>Gross loans and advances to customers</i>	4	397 320	383 006
Mortgage loans	5	269 900	256 374
Instalment sale and finance leases	(7)	49 709	53 304
Card debtors	(2)	21 686	22 033
Overdrafts and other demand loans	3	21 850	21 231
Other term loans	14	33 892	29 775
Other loans and advances	(2)	283	289
<i>Less: credit impairments for loans and advances</i>	(5)	12 892	13 564
Specific credit impairments	(6)	9 665	10 318
Portfolio credit impairments	(1)	3 227	3 246
Net loans and advances	3	405 932	395 472
Comprising:			
Gross loans and advances	2	418 824	409 036
<i>Less: credit impairments</i>	(5)	12 892	13 564
Net loans and advances	3	405 932	395 472
Securitised assets consolidated above:			
Mortgage loans	(14)	13 676	15 879
Instalment sale and finance leases	(100)		365
Securitised assets	(16)	13 676	16 244

Deposit and current accounts by product

	Change %	2010 Rm	2009 Rm
Wholesale priced deposit and current accounts	(4)	53 596	55 768
Call deposits	2	40 209	39 590
Securitisation issuances	(17)	13 387	16 178
Retail priced deposit and current accounts	4	205 812	198 645
Current accounts	13	70 217	62 328
Cash management deposits	37	10 669	7 793
Call deposits	(5)	50 458	52 998
Savings accounts	7	23 663	22 125
Term deposits	(6)	45 531	48 446
Other funding	6	5 274	4 955
Interdivisional funding	1	136 346	134 711
Total deposit and current accounts	2	395 754	389 124

Points of representation**Half-yearly credit loss ratios and impaired loans****Key business statistics****South Africa****Mortgage loans**

	Change %	2010	2009
Number of loan applications received	47	249	169
Change in value of new business registered	%	58	(61)
Average loan to value (LTV) of new business registered	%	82	77
Average balance to original value (BTM) of portfolio	%	66	66
Average instalment to income (ITI) of new business	%	21	21
Proportion of new business referred by independent mortgage originators and estate agents	%	46	43

Instalment sale and finance leases

Growth in value of new loans			
– motor	%	34	(34)
– non-motor	%	2	(43)

Number of accounts at year end²

Credit card accounts	thousands	(1)	2 047	2 072
Current accounts	thousands	14	2 039	1 788
Mzansi accounts	thousands	19	1 086	913
Other transaction and savings accounts	thousands	(1)	4 637	4 690

Distribution

Change in internet users	%	10	13
Change in ATM transactions	%	7	2

Points of representation

Branches	6	705	664
ATMs	16	5 565	4 810

Rest of Africa**Points of representation**

Branches	30	454	348
ATMs	18	908	770
Change in ATM transactions	%	23	8

Outside Africa¹**Points of representation**

Branches		98	98
ATMs	3	343	332

¹ Argentina.² Excluding nil balance accounts.

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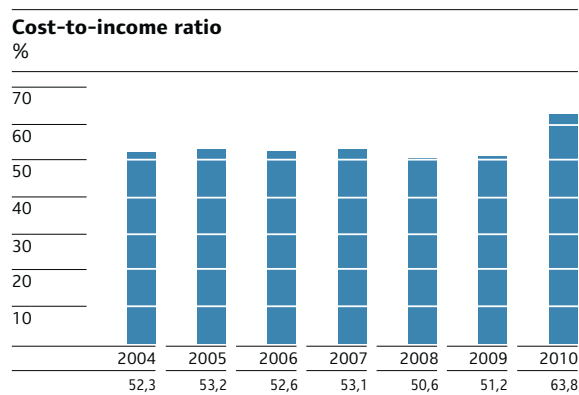
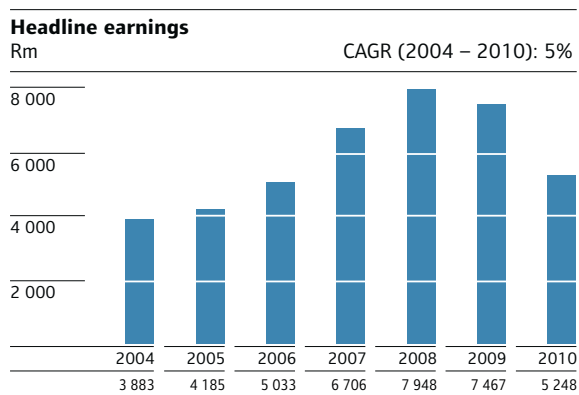
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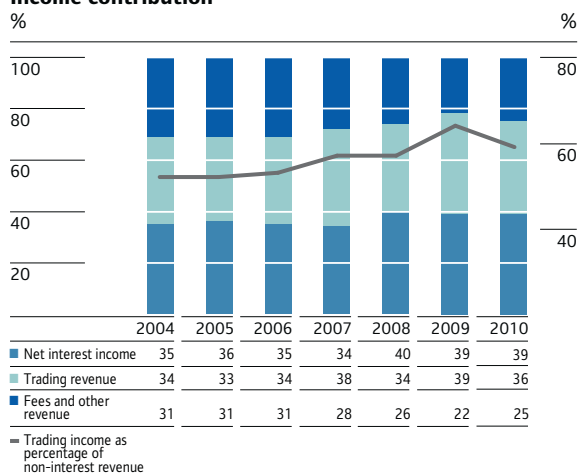
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Corporate & Investment Banking



	Change %	2010 Rm	2009 Rm
Net interest income	(15)	8 866	10 475
Non-interest revenue	(17)	13 797	16 545
Total income	(16)	22 663	27 020
Credit impairment charges	(81)	523	2 725
Operating expenses	6	14 720	13 937
Taxation	(19)	1 936	2 379
Headline earnings	(30)	5 248	7 467
Headline earnings change	%	(30)	(6)
Headline earnings contribution to the group	%	47	64
ROE	%	12,7	18,8
Net interest margin	%	1,61	1,81
Cost-to-income ratio	%	63,8	51,2
Credit loss ratio	%	0,16	0,74
Effective taxation rate	%	24,8	22,6
Total assets	Rm	695 030	654 711
External net loans and advances	Rm	330 365	355 151
Number of employees		9 601	9 312

Income contribution**Favourable**

- Credit impairment charges down across all regions as a result of non-recurrence of large non-performing and performing loan impairments, coupled with specific and portfolio provision releases due to improved credit environment.
- Investment banking revenue up in South African markets with good performance from debt products and trade financing.
- Strong interest rate trading performance in the rest of Africa on the back of increased client demand.
- Growth in income from associates and joint ventures due to Troika Dialog.
- Positive translation impact of the stronger rand on operating expenses.
- A number of landmark investment banking transactions completed across emerging markets.

Adverse

- Challenging revenue environment characterised by reduced client activity resulted in fewer trading opportunities, particularly in South Africa and outside Africa.
- Decrease in foreign exchange volatility reduced clients' appetite for hedging.
- Increased competition and falling interest rates resulted in margin compression.
- Higher operating expenses due to investment spend on IT platforms and premises, coupled with increased headcount and marketing fees.
- Credit losses and fair value write-downs relating to curtailed operations.
- Negative translation impact of stronger rand on foreign revenues.

Strategic partnership with ICBC

- General slowdown of commercial flows out of China as a result of a tightening of dollar liquidity by the Central Bank in China.
- Highlights for the year include advisory and financing transactions flowing from the Chinese strategic partnership to Brazil, Zambia, and Ghana.
- USD83 million of revenues attributed to ICBC relationship included in total income in 2010 (2009: USD97 million restated)

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Corporate & Investment Banking continued

Total income and headline earnings by product

	Total income			Headline earnings		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Global markets	(23)	9 657	12 463	(49)	2 116	4 142
Investment banking	3	6 424	6 252	75	2 548	1 459
Transactional products and services	(11)	6 109	6 863	(30)	1 142	1 632
Principal investment management	(2)	729	742	(3)	170	175
Troika/Russia	(100)		305	>100	370	26
Curtailed operations	(>100)	(256)	395	(>100)	(1 098)	33
Corporate & Investment Banking	(16)	22 663	27 020	(30)	5 248	7 467

Global markets

- Volumes generally slowed across all global markets' businesses as market uncertainty reduced client activity.
- Net interest income impacted by increased competition, lower volumes and a negative endowment effect.
- Decrease in foreign exchange volatility reduced clients' appetite for hedging.
- Subdued performance in credit and commodities trading following sovereign debt crisis in Europe.
- Interest rate products in the rest of Africa performed well on the back of higher bond volumes in the first quarter of 2010.
- Focused investment in equities business and build out of physical commodities.

Investment banking

- Strong performance in African markets.
- Growth in debt products and trade finance on the back of an improved pipeline.
- Outside Africa experienced a slowdown in client deal flow and higher funding costs, offset by good performance in natural resources.
- Strategic investment in people across core resource sectors of mining and metals, oil, gas and renewables, and power and infrastructure.
- Net fees and commissions benefiting from strong global advisory business.
- Reduction in credit impairments; particularly in South Africa and outside Africa.
- Favourable fair value gains on listed property and equity investments.

Transactional products and services

- Lower net interest income due to negative endowment effect, reduced cash management balances and increased competitive pressure on margins.
- Reduced current account overdraft balances due to clients pursuing conservative cash management policies as a result of market conditions.
- Continued investment in products and IT platforms to maintain market leadership in South Africa and emulate this across the rest of Africa.
- Continued focus on the links between Africa and China.

Principal investment management

- Good performance from business in Turkey.

Troika/Russia

- Figures reported for 2010 include equity accounted earnings from Troika and for 2009 results from previous subsidiary in Russia, ZAO Standard Bank.
- 2010 figures for Troika include substantial recovery of value of principal investment assets of R257 million and operating profits of R113 million.

Curtailed operations

- Losses on curtailed Asian distressed debt business.
- Losses from discontinued international structured high net worth client lending business.

External loans and advances by product

	Change %	2010 Rm	2009 Rm
Loans and advances to banks	(4)	106 324	110 297
Call loans	54	14 612	9 493
Loans granted under resale agreements	18	20 638	17 526
Balances with banks	(15)	71 074	83 278
Loans and advances to customers	(9)	224 041	244 854
<i>Gross loans and advances to customers</i>	(9)	227 832	249 673
Overdrafts and other demand loans	11	44 518	40 276
Term loans	(15)	112 249	131 414
Loans granted under resale agreements	0	16 613	16 601
Commercial property finance	3	34 777	33 613
Foreign currency loans	(30)	10 582	15 043
Mortgage loans	33	1 280	962
Other loans and advances	(34)	7 813	11 764
<i>Less: credit impairments for loans and advances</i>	(21)	3 791	4 819
Specific credit impairments	(7)	2 557	2 759
Portfolio credit impairments	(40)	1 234	2 060
Net loans and advances	(7)	330 365	355 151
Comprising:			
Gross loans and advances	(7)	334 156	359 970
<i>Less: credit impairments</i>	(21)	3 791	4 819
Net loans and advances	(7)	330 365	355 151

Deposit and current accounts by product

	Change %	2010 Rm	2009 Rm
Wholesale priced deposit and current accounts	4	546 673	524 179
Current accounts	(2)	26 009	26 473
Cash management deposits	12	72 786	65 177
Call deposits	1	60 697	59 932
Term deposits	35	199 475	147 459
Negotiable certificates of deposits	(30)	71 563	102 045
Repurchase agreements	65	6 388	3 882
Other funding	(8)	109 755	119 211
Interdivisional funding	(3)	(128 490)	(124 681)
Total deposit and current accounts	5	418 183	399 498

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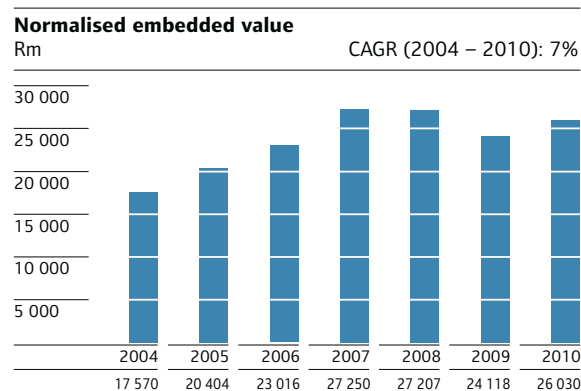
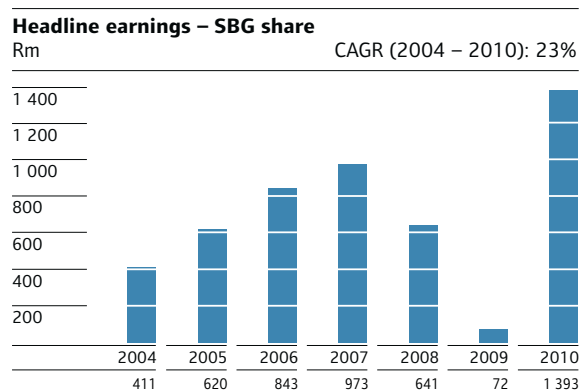
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Wealth – Liberty



	Change %	2010 Rm	2009 Rm
Net insurance premiums ¹	1	22 113	21 998
Investment income and gains ²	34	26 987	20 100
Benefits due to policyholders ²	10	37 335	33 935
Management and service fee income ²	6	2 366	2 240
Operating expenses ²	4	9 388	9 052
BEE normalised headline earnings ¹	>100	2 597	135
Headline earnings attributable to Standard Bank Group	>100	1 393	72
Headline earnings contribution to the group	%	12	1
Effective interest in Liberty at year end	%	53,7	53,7
ROE	%	21,9	1,2
Return on normalised embedded value ¹	%	13,4	(6,5)
Indexed new business (excluding contractual increases) ¹	Rm (2)	4 327	4 412
New business margin ¹	%	1,2	1,3
Net cash (outflows)/inflows from insurance operations ¹	Rm (>100)	(273)	1 267
Normalised total embedded value ¹	Rm 8	26 030	24 118
Liberty Group Limited capital adequacy requirement (times covered)		2,67	2,81

¹ Liberty as published.

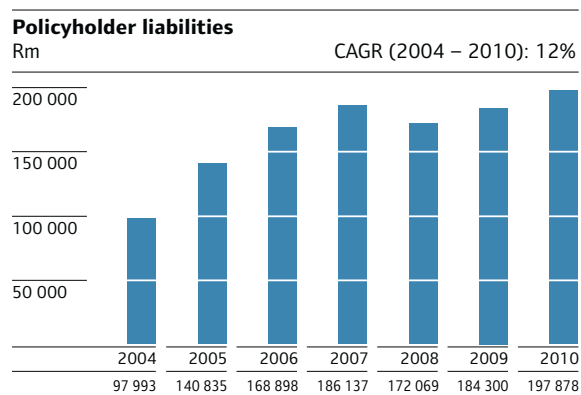
² Includes adjustments on consolidation of Liberty Holdings into the Standard Bank Group.

Favourable

- Significant progress made in improving customer retention in the retail business.
- Positive returns on shareholder investment portfolio.
- Frank Financial Services, Liberty's direct insurance business, successfully launched in November 2010.
- Stanlib achieved improved relative investment performance.
- Positive net customer cash flows of R22 billion received in asset management operations during the year.

Adverse

- New business margins impacted by higher costs per policy.
- Lower sales volume had a negative impact on embedded value of new businesses.
- Lower single premium business resulted in a decline in indexed new business.
- Health results impacted by high claims ratios and membership attrition.



BEE normalised summarised income statement

	Change %	2010 Rm	2009 Rm
Insurance premium revenue	1	22 812	22 630
Reinsurance premiums	(11)	(699)	(632)
Net insurance premiums	1	22 113	21 998
Investment income and gains	34	26 962	20 093
Management and service fee income	6	2 355	2 227
Defined benefit pension fund employer surplus	(15)	11	13
Total revenue	16	51 441	44 331
Benefits due to policyholders	10	37 335	33 935
Net insurance benefits and claims	13	30 529	27 109
Fair value adjustment to policyholders' liabilities under investment contracts	4	6 257	5 991
Fair value adjustment on third party mutual fund interests	(34)	549	835
Income after policyholders' benefits	36	14 106	10 396
Operating expenses	4	9 606	9 257
Acquisition costs	(7)	2 906	3 114
General marketing and administration expenses	9	5 931	5 434
Finance costs	(23)	265	343
Preference dividend in subsidiary	38	504	366
Goodwill impairment		114	
Equity accounted earnings from joint ventures	(4)	45	47
Profit before taxation	>100	4 431	1 186
Taxation	>100	1 717	857
Total earnings	>100	2 714	329
Preference share dividend deducted		(2)	(2)
Headline earnings adjustable items		163	
Attributable to minorities ¹	45	278	192
BEE normalised headline earnings	>100	2 597	135

¹ Minority interest within Liberty Holdings.

Wealth – Liberty continued

BEE normalised headline earnings – Liberty Holdings

	Change %	2010 Rm	2009 Rm
Retail insurance	>100	899	(82)
Liberty corporate	>100	103	(29)
LibFin	>100	1 443	(8)
Stanlib	(0)	361	362
Liberty properties	20	96	80
Liberty Africa	(66)	10	29
Liberty health	9	(43)	(47)
Other	(60)	(272)	(170)
BEE normalised headline earnings	>100	2 597	135

External assets under management

	Change %	2010 Rbn	2009 Rbn
Asset management – assets under management	(22)	36	46
Segregated funds	(23)	33	43
Properties		3	3
Wealth management – funds under administration	27	196	154
Single manager unit trust	18	87	74
Institutional marketing	64	41	25
Linked and structured life products	22	28	23
Multi-manager	13	9	8
Rest of Africa	29	31	24
Total external assets under management	16	232	200

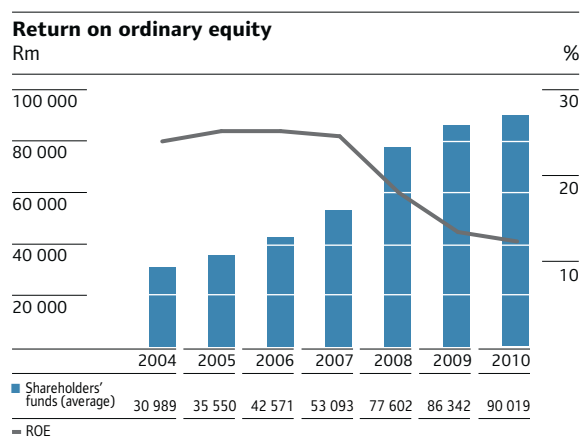
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Return on ordinary equity



	Average equity 2010 Rm	ROE 2010 %	Average equity 2009 Rm	ROE 2009 %
Personal & Business Banking	26 573	17,9	25 630	15,1
Corporate & Investment Banking	41 446	12,7	39 737	18,8
Central and other	15 629		14 717	
Banking activities	83 648	11,8	80 084	14,5
Liberty	6 371	21,9	6 258	1,2
Standard Bank Group	90 019	12,5	86 342	13,6
Reconciliation to IFRS				
Normalised average equity	90 019		86 342	
Empowerment reserve impairment (Tutuwa SPVs' preference shares and dividends receivable)	(2 342)		(2 520)	
Central and other	(1 783)		(1 941)	
Liberty	(559)		(579)	
Deemed treasury shares (excluding Tutuwa)	(1 453)		(1 534)	
Standard Bank Group – IFRS	86 224	12,7	82 288	13,7

Cost of equity and economic returns

Cost of equity estimates

	Average 2010 %	Average 2009 %
Personal & Business Banking	14,8	16,6
Corporate & Investment Banking	17,3	18,8
Central and other	13,3	14,6
Banking activities	13,4	14,9
Liberty	11,1	12,1
Standard Bank Group	13,3	14,6

Economic returns

	Change %	2010 Rm	2009 Rm
Average ordinary equity	4	90 019	86 342
Headline earnings	(4)	11 283	11 718
Cost of equity charge	5	(11 949)	(12 597)
Economic losses on headline earnings	24	(666)	(879)
Other changes in net asset value	37	(4 512)	(7 153)
Net currency translation movement		(4 325)	(7 509)
Cash flow hedge (losses)/gains		(214)	85
Fair value gains on available-for-sale assets		105	249
Change in shareholding of subsidiary		(41)	
Other changes in equity		(37)	22
Total economic returns	36	(5 178)	(8 032)

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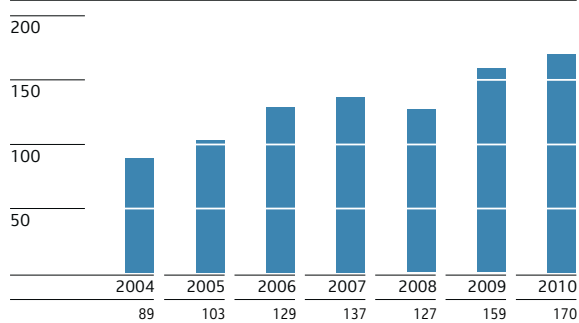
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Market capitalisation and price-to-book ratio

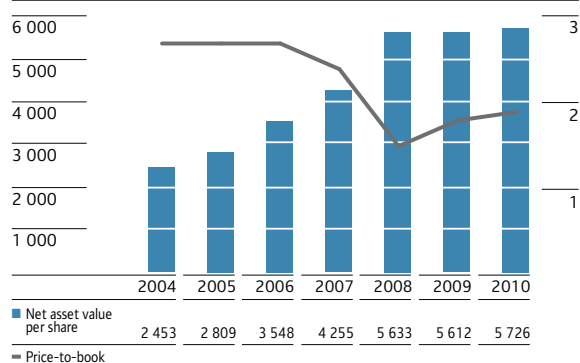
Market capitalisation

Rbn CAGR (2004 – 2010): 11%



Price-to-book and net asset value per share

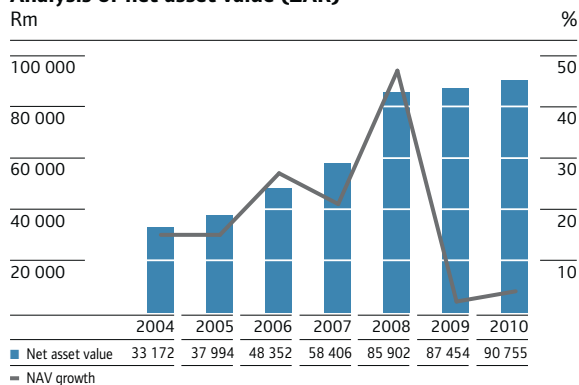
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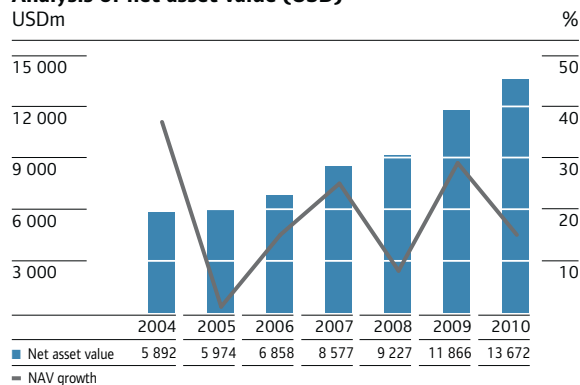
		Change %	2010	2009
Number of shares at end of the year	thousands	2	1 585 037	1 558 258
Net asset value	Rm	4	90 755	87 454
Tangible net asset value	Rm	3	80 372	78 045
Net asset value per share	cents	2	5 726	5 612
Tangible net asset value per share	cents	1	5 071	5 008
Share price at end of the year	cents	5	10 755	10 200
Market capitalisation at end of the year	Rm	7	170 471	158 942
Price-to-book ratio at end of the year	times		1,9	1,8

Ordinary shareholders' equity (net asset value)

Analysis of net asset value (ZAR)



Analysis of net asset value (USD)



Net asset value

	Change %	2010 Rm	2009 Rm
Personal & Business Banking	24	29 616	23 941
Corporate & Investment Banking	(12)	36 743	41 555
Central and other	11	17 511	15 725
Banking activities	3	83 870	81 221
Liberty	10	6 885	6 233
Standard Bank Group	4	90 755	87 454

Analysis of changes in net asset value

	Change %	2010 Rm	2009 Rm
Beginning of the year	2	87 454	85 902
Additional shareholder value	60	6 583	4 124
Headline earnings for the year attributable to ordinary shareholders	(4)	11 283	11 718
Other earnings attributable to ordinary shareholders	2	(195)	(199)
Currency translation movements, including hedging activities	42	(4 325)	(7 509)
Net cash flow hedges	(>100)	(214)	85
Net available-for-sale movement	>100	71	7
Fair value adjustments on available-for-sale instruments	(58)	105	249
Realised fair value adjustments transferred to the income statement	86	(34)	(242)
Other direct reserve movements	(>100)	(37)	22
Transactions with ordinary shareholders	(28)	(3 282)	(2 572)
Dividends paid	(23)	(3 860)	(3 137)
Equity-settled share-based payments	34	412	307
Issue of share capital and share premium and capitalisation of reserves	3	205	200
Change in shareholding of subsidiary		(41)	
Tax on share-based payments	(97)	2	58
End of the year	4	90 755	87 454

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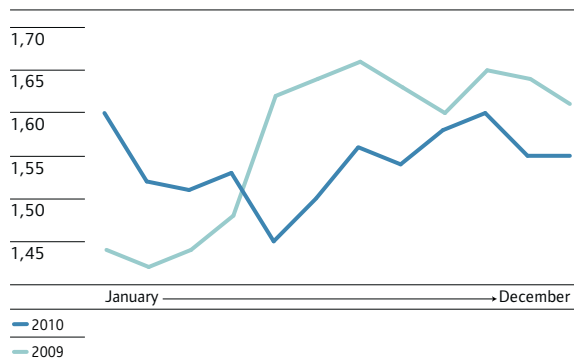
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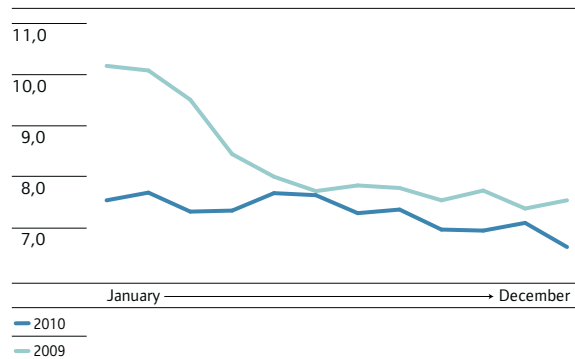
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Currency analysis of net asset value

Closing GBP/USD exchange rate



Closing USD/ZAR exchange rate

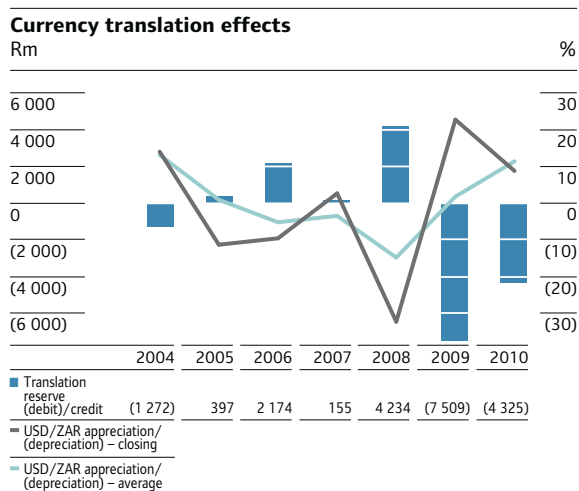


	Total Rm	Rand Rm	Dollar Rm	Sterling Rm	Euro Rm	ZAR linked Rm	Naira Rm	Other Rm
2010								
Underlying exposures	90 755	61 275	13 107	2 304	19	2 132	4 294	7 624
Changes due to hedging strategies			1 614	1 151			(33)	(2 732)
Actual exposures	90 755	61 275	14 721	3 455	19	2 132	4 261	4 892
2009								
Underlying exposures	87 454	55 022	13 687	2 889	817	1 567	4 776	8 696
Changes due to hedging strategies			(8 897)	2 429	9 001		(183)	(2 350)
Actual exposures	87 454	55 022	4 790	5 318	9 818	1 567	4 593	6 346

Closing currency profile of NAV

	Total %	Rand %	Dollar %	Sterling %	Euro %	ZAR linked %	Naira %	Other %
2010 before hedging	100	68	14	3		2	5	8
2010 after hedging	100	68	16	4		2	5	5
2009 before hedging	100	63	16	3	1	2	5	10
2009 after hedging	100	63	5	6	11	2	5	8

Currency translation effects



Movement in group foreign currency translation and net investment hedging reserve

	2010 Rm	2009 Rm
Balance at beginning of the year: (debit)/credit	(1 341)	6 168
Translation reserve decrease for the year	(4 325)	(7 509)
Translation reserve decrease	(3 557)	(7 403)
Rest of Africa	(1 443)	(2 600)
Outside Africa	(2 109)	(4 791)
Liberty	(5)	(12)
Currency hedge losses	(768) ¹	(106)
Balance at end of the year: debit	(5 666)	(1 341)

Exchange rates

	Change %	Average		Change %	Closing	
		2010	2009		2010	2009
USD/ZAR	(13)	7,32	8,42	(10)	6,64	7,37
ZAR/NGN	15	20,64	17,99	13	23,01	20,28
GBP/USD		1,55	1,55	(4)	1,55	1,61
Euro/USD	(4)	1,33	1,39	(7)	1,34	1,44

¹ Decrease caused by a substantial weakening of Euro and Sterling in early 2010. Evolution of currency hedging gains/(losses): 2006: R186 million, 2007: R247 million, 2008: R447 million, 2009: (R106 million), 2010: (R768 million). Net gain to date: R6 million.

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Economic capital

Economic capital by risk type at end of the year

	Change %	2010 Rm	2009 Rm
Credit risk	(1)	30 887	31 336
Equity risk	82	3 695	2 030
Market risk	(11)	1 553	1 747
Operational risk	(5)	6 644	6 965
Business risk	12	1 680	1 504
Interest rate risk in the banking book	(14)	1 641	1 917
Banking activities – economic capital requirement	1	46 100	45 499
Available financial resources (AFR)	7	87 353	81 503
Capital coverage ratio (times)		1,89	1,79

Economic capital by business unit at end of the year

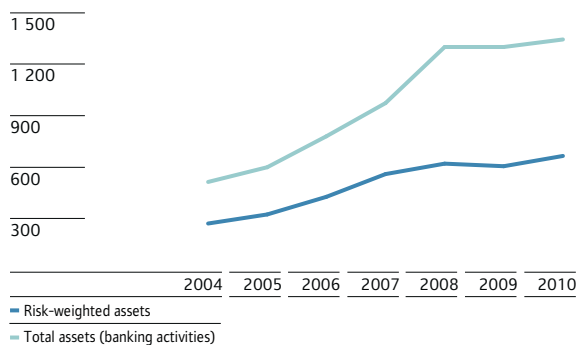
	Change %	2010 Rm	2009 Rm
Personal & Business Banking	(10)	14 230	15 878
Corporate & Investment Banking	8	31 518	29 245
Central and other	(6)	352	376
Banking activities	1	46 100	45 499

- Economic capital is the amount of permanent capital that is required to support the economic risk profile of the group.
- Credit risk reduced marginally due to the improvement of risk estimates on a through the cycle basis.
- Increase in equity risk capital due to incorporation of additional equity risk buffers.
- Decrease in market risk is primarily due to trading desks running comparatively smaller positions as market conditions remained unpredictable and erratic.
- Operational risk economic capital reduced marginally due to the inclusion of lower 2010 gross income figures in calculating the average gross income.
- Capital in respect of interest rate risk in the banking book reduced due to limited likelihood of further material decline in interest rates.
- The minimum economic capital requirement of R46,1 billion for the group is reflective of the capital requirement to cover the risk profile of the group.
- The available financial resources of R87,4 billion covers the minimum economic capital requirement of R46,1 billion by a factor of 1,89 times, indicating risks well covered by capital reserves.

Risk-weighted assets

Risk-weighted assets (closing balances)¹

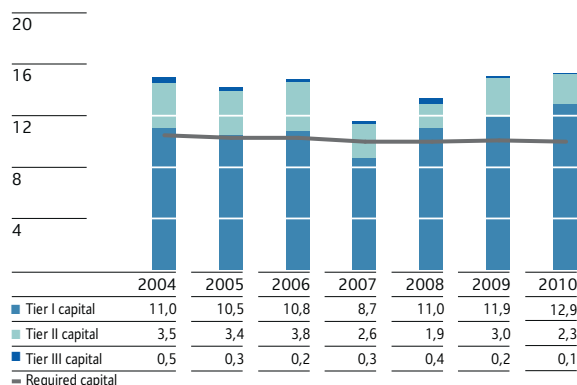
Rbn



¹ Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for 2007 are on a Basel II pro forma basis. 2008 to 2010 are on a Basel II basis. All other historical comparatives are on a Basel I basis.

Capital adequacy¹

%



¹ Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for 2007 are on a Basel II pro forma basis. 2008 to 2010 are on a Basel II basis. All other historical comparatives are on a Basel I basis.

Risk-weighted assets by business unit

	Change %	2010 Rm	2009 Rm
Personal & Business Banking	6	239 701	225 587
Credit risk	8	186 779	173 299
Operational risk	1	52 838	52 214
Equity risk in the banking book	14	84	74
Corporate & Investment Banking	(1)	364 989	367 024
Credit risk	(1)	254 398	256 732
Market risk	9	52 385	48 059
Operational risk	(5)	45 166	47 673
Equity risk in the banking book	(10)	13 040	14 560
Central and other	>100	15 374	7 211
Credit risk	>100	7 630	2 400
Operational risk	41	5 284	3 738
Equity risk in the banking book	>100	2 460	1 073
Banking activities	3	620 064	599 822

Risk-weighted assets by risk class

	Change %	2010 Rm	2009 Rm
Credit risk	4	448 807	432 431
Market risk	9	52 385	48 059
Operational risk	(0)	103 288	103 625
Equity risk in the banking book	(1)	15 584	15 707
Banking activities	3	620 064	599 822

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Capital adequacy – qualifying regulatory capital

Qualifying regulatory capital (excluding unappropriated profit)

	Change %	2010 Rm	2009 ¹ Rm
Normalised ordinary shareholders' equity	4	90 755	87 454
Net IFRS adjustments	(7)	(3 682)	(3 432)
IFRS ordinary shareholders' equity	4	87 073	84 022
Minority interest	8	10 622	9 844
Less: regulatory deductions	(13)	(18 316)	(16 202)
Investment in insurance entities (50%)	(2)	(3 954)	(3 880)
Investment in financial entities (50%)	(10)	(868)	(786)
Future expected losses exceeding provisions on incurred loss basis (50%)	(69)	(1 553)	(921)
Loans to SPVs (first loss credit enhancement) (50%)	47	(150)	(284)
Investment in regulated non-banking entities	4	(129)	(135)
Investment in banks	(14)	(2 697)	(2 369)
Goodwill and other intangible assets	(15)	(8 965)	(7 827)
Less: regulatory exclusions	47	(11 773)	(22 289)
Non-qualifying entities' retained earnings	24	(3 705)	(4 852)
Non-qualifying other reserves	>100	4 682	(282)
Unappropriated profit	31	(7 604)	(11 030)
Non-qualifying minority interest	16	(5 146)	(6 125)
Less: reserves included under tier II capital	(30)	(709)	(546)
Perpetual preference shares		5 495	5 495
Tier I capital	20	72 392	60 324
Preference share capital		8	8
Tier II subordinated debt	(11)	20 295	22 931
General allowance for credit impairments	16	1 080	929
Less: regulatory deductions	(20)	(7 040)	(5 871)
Investment in insurance entities (50%)	(2)	(3 954)	(3 880)
Investment in financial entities (50%)	(10)	(868)	(786)
Future expected losses exceeding provisions on incurred loss basis (50%)	(69)	(1 553)	(921)
Loans to SPVs (first loss credit enhancement) (50%)	47	(150)	(284)
Investment in banks' tier II subordinated debt instruments		(515)	
Tier II capital	(20)	14 343	17 997
Tier III capital	(66)	466	1 361
Total regulatory capital	9	87 201	79 682

Standard Bank Group capital adequacy ratios (including unappropriated profit)

	Minimum regulatory requirement %	Target ratios %	2010 %	2009 ¹ %
Total capital adequacy ratio	9,75	11 – 12	15,3	15,1
Tier I capital adequacy ratio	7,0	9	12,9	11,9
Core tier I capital adequacy ratio	5,25		12,0	11,0
Perpetual preference shares as % of tier I	<25,0		6,9	7,7
Tier II and III as % of tier I	<100,0		18,5	27,1
Subordinated tier II debt as % of tier I	<50,0		25,4	32,1

¹ Restated, refer to page 96.

Capital adequacy ratios

	2010		2009		Host regulatory requirement %
	Tier I capital %	Total capital %	Tier I capital %	Total capital %	
Standard Bank Group	12,9	15,3	11,9	15,1	9,75
The Standard Bank of South Africa (SBSA)	11,5	14,9	10,6	14,1	9,75
Rest of Africa					
CfC Stanbic Bank (Kenya)	10,7	16,7	10,6	16,4	12
Stanbic Bank Botswana	10,2	17,7	10,8	18,6	15
Stanbic Bank Ghana	15,8	19,4	19,4	22,5	10
Stanbic Bank Tanzania	13,5	14,8	17,4	18,9	12
Stanbic Bank Uganda	12,6	14,3	13,1	16,3	12
Stanbic Bank Zambia	8,3	11,4	14,1	18,0	10
Stanbic Bank Zimbabwe	16,3	17,6	17,5	18,8	10
Stanbic IBTC Bank Nigeria	27,8	28,5	27,6	28,1	10
Standard Bank Malawi	22,2	27,4	19,8	25,7	10
Standard Bank Mauritius	12,1	17,9	12,0	18,1	10
Standard Bank Mozambique	9,2	10,8	12,0	14,7	8
Standard Bank Namibia	9,3	14,6	11,2	14,1	10
Standard Bank RDC (DRC Congo)	20,2	25,2	10,1	16,2	10
Standard Bank Swaziland	14,2	19,4	12,0	17,9	8
Standard Bank de Angola	145,9	145,9			10
Standard Lesotho Bank	10,9	12,2	9,1	10,6	8
Standard International Holdings, consolidated¹	9,0	13,7	9,9	16,5	10,48²
Standard Bank Isle of Man	8,7	12,8	8,8	12,5	10
Standard Bank Jersey	10,8	16,2	10,0	13,0	10
Aggregate regulatory capital requirement for banking operations		10,0		10,1	
Liberty Group (calculated in terms of the Long-term Insurance Act) CAR – times covered		2,7		2,8	

¹ Incorporating:

– Banco Standard de Investimentos (Brazil);

– Standard Bank Argentina;

– Standard Bank Asia (Hong Kong);

– Standard Bank Plc (United Kingdom); and

– Standard Merchant Bank (Asia) (Singapore)

² Plus an additional USD100 million for FSA requirements.

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Subordinated debt

	Redeemable/ repayable date	Callable date	Notional value ¹ LCm	Carrying value ¹ 2010 Rm	Notional value ¹ 2010 Rm	Carrying value ¹ 2009 Rm	Notional value ¹ 2009 Rm
Subordinated bonds² – banking activities							
SBSA				15 683	15 398	15 814	15 398
SBK 10 (Tier III)	19 Nov 2012		ZAR 300	302	300	303	300
SBK 5	17 Nov 2016	17 Nov 2011	ZAR 2 000	2 035	2 000	2 046	2 000
USA private placement	31 Jul 2017	31 Jul 2012	USD 355	2 404	2 548	2 663	2 548
SBK 8	10 Apr 2018	10 Apr 2013	ZAR 1 500	1 528	1 500	1 528	1 500
SBK 11	9 Apr 2019	10 Apr 2014	ZAR 1 800	2 072	1 800	1 930	1 800
SBK 7	24 May 2020	24 May 2015	ZAR 3 000	3 035	3 000	3 036	3 000
SBK 12	24 Nov 2021	24 Nov 2016	ZAR 1 600	1 619	1 600	1 618	1 600
SBK 13	24 Nov 2021	24 Nov 2016	ZAR 1 150	1 159	1 150	1 161	1 150
SBK 9	10 Apr 2023	10 Apr 2018	ZAR 1 500	1 529	1 500	1 529	1 500
Standard Bank Swaziland	2015 – 2020	2010 – 2015	E 80	80	80	81	80
Standard Bank Namibia	20 Nov 2016	19 Nov 2011	NAD 150	150	150	151	150
Stanbic Botswana	2016 – 2018	2011 – 2013	BWP 200	208	208	224	224
Standard Bank Mozambique	29 Jun 2017	29 Jun 2012	MT 260	53	53	67	67
CFC Stanbic Bank (Kenya)	2011 – 2016		KES 5 453	450	450	296	296
Stanbic Bank Uganda	10 Aug 2016	10 Aug 2014	USHS 30 000	86	86	123	116
Standard International Holdings				4 656	4 600	7 439	7 557
Tier III	28 Dec 2012	29 Dec 2009	EUR 100			1 062	1 061
	7 Oct 2015	8 Oct 2010	USD 240			1 772	1 767
	27 Jul 2016	27 Jul 2016	USD 142	973	940	1 080	1 044
	2 Dec 2019		USD 500	3 349	3 328	3 525	3 685
	3 Dec 2019		USD 25	167	166		
Tier III	3 Dec 2011		USD 25	167	166		
Subordinated bonds issued to group companies				ZAR 663	(681)	(663)	
Total subordinated bonds – banking activities				20 685	20 362	24 195	23 888
Total subordinated loans – banking activities³				399	399	407	404
Total subordinated debt – banking activities				21 084	20 761	24 602	24 292
Liberty (qualifying as regulatory insurance capital)	2017	12 Sep 2012	ZAR 2 000	2 054	2 000	2 054	2 000
Total subordinated debt				23 138	22 761	26 656	26 292

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, Tanzania, Zambia, Mauritius, RDC (DRC Congo), and Kenya.

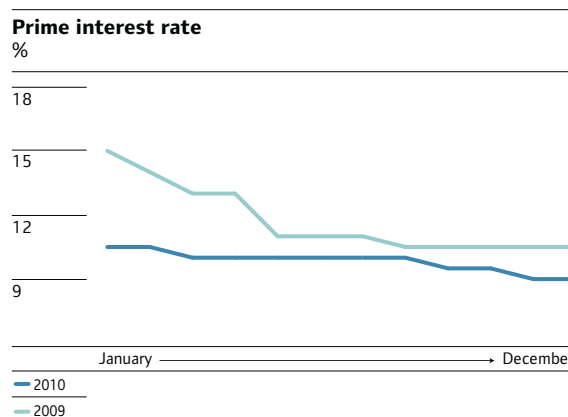
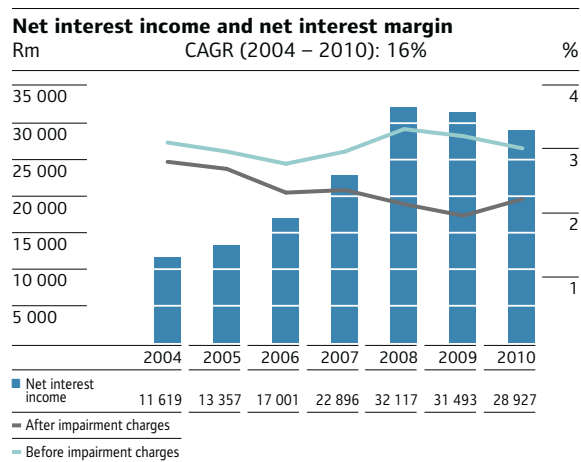
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Net interest income and margin analysis



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

	Personal & Business Banking		
	Average assets Rm	Net interest income Rm	Net interest margin %
2009 as reported	396 285	19 639	4,96
Reclassifications	31 228	306	(0,29)
2009 restated	427 513	19 945	4,67
Net non-interest earning assets	(23 475)	1 315	0,59
Interest earning assets – 2009	404 038	21 260	5,26
Impact of volume changes	(142)	560	
Impact of rate changes		(1 860)	(0,46)
Lending margin		(630)	(0,16)
– Client yield ¹		511	0,13
– Cost of funding ²		(1 141)	(0,29)
Unwinding of discount on credit impairments – IAS 39		33	0,01
Funding margin		(52)	(0,01)
Endowment – funding		(1 182)	(0,29)
Endowment – capital and reserves		(510)	(0,13)
Assets held for liquidity purposes		230	0,06
Other treasury and banking activities		251	0,06
Change in composition of balance sheet			0,14
Interest earning assets – 2010	403 896	19 960	4,94
Net non-interest earning assets	25 675	(842)	(0,49)
2010	429 571	19 118	4,45
Net interest income change %		(4,1)	
Average assets change %	0,5		

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.

Favourable

- Continued repricing of mortgage loans and instalment sale and finance leases to better reflect risk and liquidity cost.
- Retail transactional deposits increased as a greater proportion of total book.
- Decreased trading assets and other non-interest earning assets, reducing the dilutive impact on margins.

Adverse

- Negative endowment impact of R2,9 billion from lower interest rates on capital and reserves and transactional balances, primarily resulting from a decline in the average South African prime rate of 198 basis points.
- Translation impact of a stronger rand.
- Tier II capital issued in the last quarter of 2009 at higher interest rates.
- More expensive term funding.
- Reduced impact of unwinding to interest income of IAS 39 discount on expected recoveries of non-performing loans.
- Decreased lending margins in South Africa and outside Africa following reduced demand and competitive pressures.

Corporate & Investment Banking			Banking activities		
Average assets Rm	Net interest income Rm	Net interest margin %	Average assets Rm	Net interest income Rm	Net interest margin %
578 388	10 660	1,84	982 399	31 493	3,21
1 167	(185)	(0,03)			
579 555	10 475	1,81	982 399	31 493	3,21
(181 943)	1 145	1,11	(210 909)	3 201	1,29
397 612	11 620	2,92	771 490	34 694	4,50
(19 362)	(436)		(17 003)	(7)	
	(2 081)	(0,52)		(4 155)	(0,54)
	(492)	(0,12)		(805)	(0,10)
	58	0,01		902	0,12
	(550)	(0,13)		(1 707)	(0,22)
	(67)	(0,02)		(34)	
	(208)	(0,05)		(360)	(0,05)
	(218)	(0,05)		(1 408)	(0,18)
	(539)	(0,14)		(1 524)	(0,20)
	(272)	(0,07)		(68)	(0,01)
	(285)	(0,07)		44	
		0,01			0,09
378 250	9 103	2,41	754 487	30 532	4,05
172 312	(237)	(0,80)	205 391	(1 605)	(1,04)
550 562	8 866	1,61	959 878	28 927	3,01
	(15,4)			(8,1)	
(5,0)			(2,3)		

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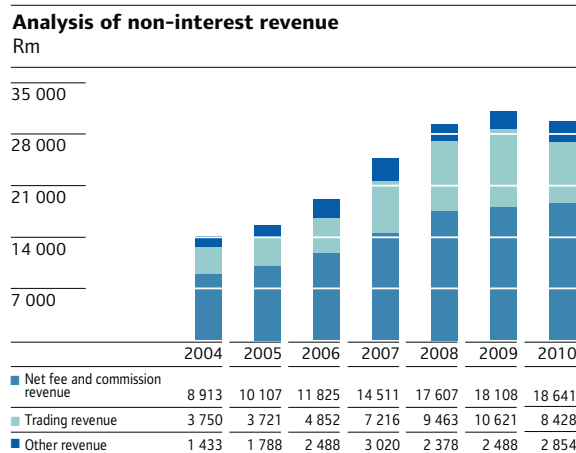
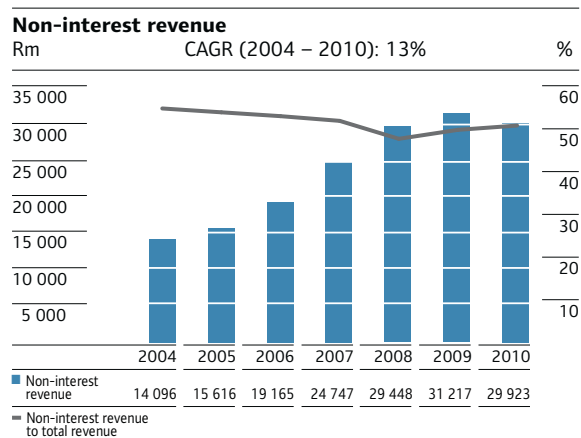
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Non-interest revenue



Net fee and commission revenue

	Change %	2010 Rm	2009 Rm
Net fee and commission revenue	3	18 641	18 108
Fee and commission revenue	5	21 914	20 840
Account transaction fees	5	8 383	7 994
Electronic banking	6	1 748	1 644
Knowledge-based fees and commission	(3)	2 929	3 015
Card-based commission	10	3 817	3 481
Bancassurance	10	1 422	1 290
Documentation and administration fees	(0)	999	1 004
Foreign currency service fees	4	1 082	1 042
Other	12	1 534	1 370
Fee and commission expense	(20)	(3 273)	(2 732)

Trading revenue

Trading revenue	(21)	8 428	10 621
Commodities	(27)	1 421	1 936
Forex	(12)	3 754	4 275
Credit	(48)	694	1 341
Interest rates	(17)	1 624	1 966
Equities	(11)	799	901
Other	(33)	136	202

Other revenue

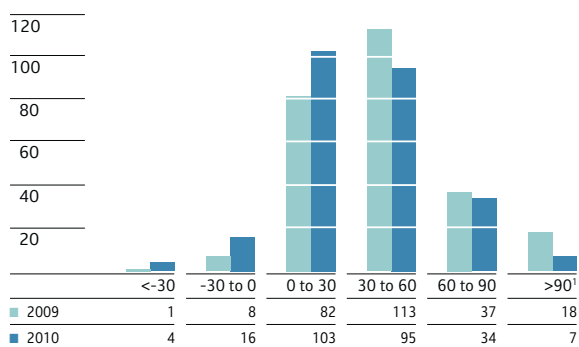
Other revenue	15	2 854	2 488
Banking and other	16	1 152	995
Property-related revenue	(25)	334	448
Insurance – bancassurance income	31	1 368	1 045

Total non-interest revenue

Total non-interest revenue	(4)	29 923	31 217
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Distribution of daily trading profit and loss

Trading days

¹Daily trading revenue in Rm.**Favourable**

- Growth in account transaction fees and card-based commissions due to increase in customer base and volumes.
- Increased electronic banking revenue due to increased availability of new ATMs and utilisation of Standard Bank devices, coupled with growth in the electronic transactional account base.
- Higher insurance fees and commissions due to volume growth in life insurance and investment policies sold through banking channels coupled with growth in policy base and price increases.
- Increased advisory fees in Nigeria, Turkey and Brazil.
- Simple embedded and short-term insurance products benefited from improved pricing, higher average premiums and lower claims loss ratios.
- Complex product profitability increased significantly due to increase in the policy base and higher embedded value earnings.
- Favourable fair value adjustments on listed property and private equity portfolios.
- Widening spreads on credit default swaps.

Adverse

- Trading revenues suffered from reduced level of client activity across all products and geographies.
- Subdued performances in credit and commodities trading following the sovereign debt crisis in Europe.
- Introduction of SARB cash handling fees.
- Reduced liquidity in South African interest rate market.
- Fair value write-downs of unlisted property investments.
- Translation effect of the stronger rand.

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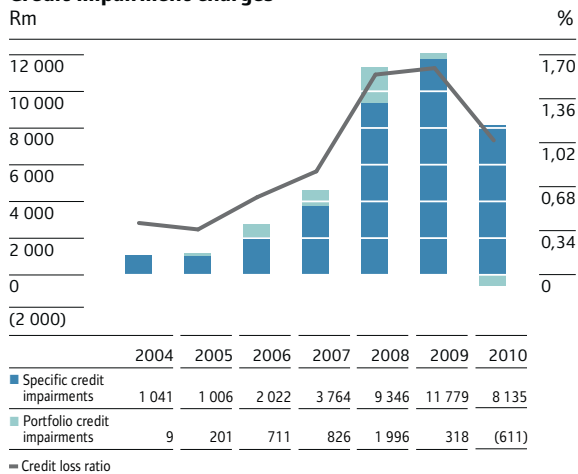
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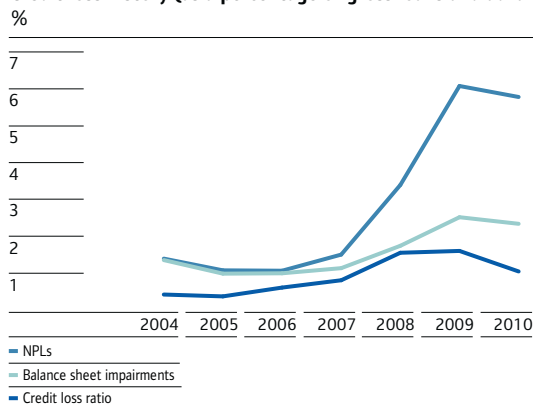
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Credit impairment charges

Credit impairment charges



Credit loss history (as a percentage of gross loans and advances)



Income statement impairment charges (net of recoveries)

	Change %	2010					Credit loss ratio %
		Specifically impaired loans			Portfolio credit impairment charges	Total impairment charges	
		Specific impairment Rm	IAS 39 discount ¹ Rm	Total Rm	Rm	Rm	
Personal & Business Banking	(31)	5 811	1 024	6 835	25	6 860	1,65
Mortgage loans	(25)	2 338	725	3 063	(40)	3 023	1,15
Instalment sale and finance leases	(51)	1 069	89	1 158	(142)	1 016	1,93
Card debtors	(34)	807	79	886	(73)	813	3,78
Other loans and advances	(21)	1 597	131	1 728	280	2 008	2,54
Corporate & Investment Banking	(81)	1 266	34	1 300	(777)	523	0,16
Corporate loans	(83)	1 156	34	1 190	(777)	413	0,14
Commercial property finance	(60)	110		110		110	0,33
Central and other	>100				141	141	
Total banking activities	(38)	7 077	1 058	8 135	(611)	7 524	1,04

¹ Discounting of expected recoveries in terms of IAS 39.

Favourable

- Lower impairment charge across all portfolios within Personal & Business Banking South Africa, due to lower interest rates and improved debt servicing ability, resulting in substantially lower new defaults.
- Reduced impairment charge across all regions in Corporate & Investment Banking, due to non-recurrence of large non-performing and performing loan impairments, coupled with specific and portfolio provision releases due to improved credit environment.
- Net write back on performing loan book across most portfolios due to improved customer risk profile as well as rehabilitation and recovery capability.
- Decreased debt review portfolio in South Africa.

Adverse

- Credit losses from discontinued international structured high net worth lending operation in Corporate & Investment Banking.
- Continued pressure on recovery values of collateral.

2009						
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 %	
7 428	1 924	9 352	522	9 874	2,38	
2 403	1 361	3 764	255	4 019	1,59	
1 664	143	1 807	266	2 073	3,49	
1 199	220	1 419	(180)	1 239	5,61	
2 162	200	2 362	181	2 543	3,16	
2 354	73	2 427	298	2 725	0,74	
2 078	73	2 151	298	2 449	0,73	
276		276		276	0,82	
			(502)	(502)		
9 782	1 997	11 779	318	12 097	1,60	

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Credit impairment charges continued

Balance sheet impairment – roll forward from December 2009

	2010 Opening balance Rm	IAS 39 discount in opening balance Rm
Specific credit impairments		
Personal & Business Banking	10 318	1 644
Mortgage loans	4 699	1 220
Instalment sale and finance leases	1 799	56
Card debtors	1 338	177
Other loans and advances	2 482	191
Corporate & Investment Banking	2 759	7
Corporate loans	2 397	7
Commercial property finance	362	
Central and other	1	
	13 078	1 651
Portfolio credit impairments		
Personal & Business Banking	3 246	
Mortgage loans	1 036	
Instalment sale and finance leases	769	
Card debtors	660	
Other loans and advances	781	
Corporate & Investment Banking	2 060	20
Corporate loans	1 877	20
Commercial property finance	183	
Central and other	282	
	5 588	20
Total impairments		
Personal & Business Banking	13 564	1 644
Mortgage loans	5 735	1 220
Instalment sale and finance leases	2 568	56
Card debtors	1 998	177
Other loans and advances	3 263	191
Corporate & Investment Banking	4 819	27
Corporate loans	4 274	27
Commercial property finance	545	
Central and other	283	
	18 666	1 671
Total balance sheet impairments as a % of gross loans and advances	2,52	

¹ New provisions raised less recoveries of amounts written off in previous years equals income statement credit impairment charge (2010: R8 306 million – R782 million = R7 524 million).

Net provisions raised and released ¹ Rm	IAS 39 discount in new impairments raised Rm	Impaired accounts written off Rm	IAS 39 discount recycled to net interest income Rm	Currency translation and other movements Rm	2010 Closing balance Rm	IAS 39 discount in closing balance Rm	2010 Recoveries of amounts written off in previous years ¹ Rm
7 580	1 024	(6 380)	(1 728)	(125)	9 665	940	745
3 120	725	(2 036)	(1 371)	(13)	4 399	574	57
1 318	89	(1 406)	(96)	(81)	1 534	49	160
1 303	79	(1 322)	(127)	(22)	1 170	129	417
1 839	131	(1 616)	(134)	(9)	2 562	188	111
1 337	34	(1 260)	(23)	(256)	2 557	18	37
1 227	34	(951)	(23)	(256)	2 394	18	37
110		(309)			163		
				(1)			
8 917	1 058	(7 640)	(1 751)	(382)	12 222	958	782
25				(44)	3 227		
(40)				(2)	994		
(142)				(1)	626		
(73)				(6)	581		
280				(35)	1 026		
(777)				(49)	1 234	20	
(777)				124	1 224	20	
				(173)	10		
141					423		
(611)				(93)	4 884	20	
7 605	1 024	(6 380)	(1 728)	(169)	12 892	940	745
3 080	725	(2 036)	(1 371)	(15)	5 393	574	57
1 176	89	(1 406)	(96)	(82)	2 160	49	160
1 230	79	(1 322)	(127)	(28)	1 751	129	417
2 119	131	(1 616)	(134)	(44)	3 588	188	111
560	34	(1 260)	(23)	(305)	3 791	38	37
450	34	(951)	(23)	(132)	3 618	38	37
110		(309)		(173)	173		
141				(1)	423		
8 306	1 058	(7 640)	(1 751)	(475)	17 106	978	782
					2,34		

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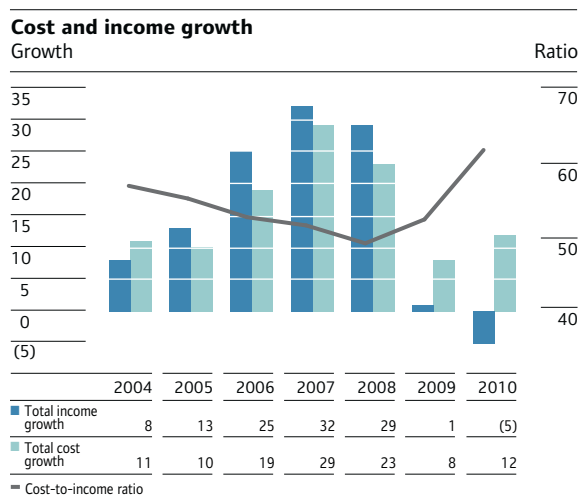
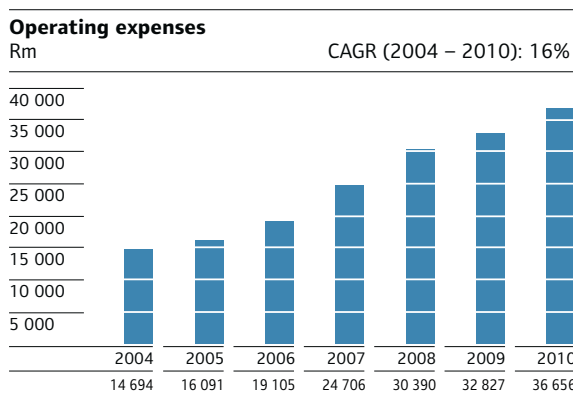
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Operating expenses

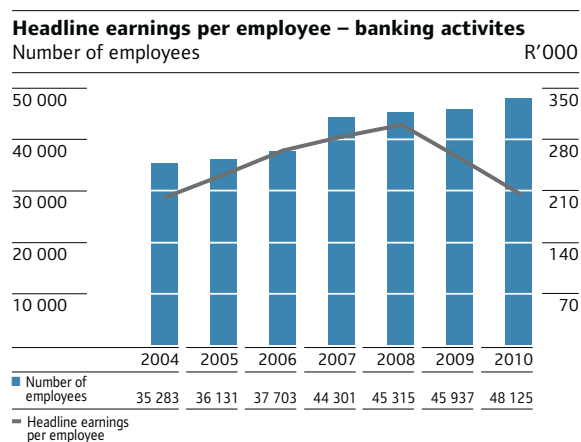


Operating expenses

	Change %	2010 Rm	2009 Rm
Staff costs			
Fixed remuneration	14	14 089	12 313
Variable remuneration	5	3 680	3 489
Charge for incentive payments	(1)	3 239	3 261
Charge for deferred incentive schemes	93	441	228
Other staff costs	(13)	1 773	2 046
IFRS 2 equity-settled share-based payment expense	1	306	304
Other	(16)	1 467	1 742
Total staff costs	9	19 542	17 848
Variable remuneration as a % of total staff costs		18,8	19,5
Other operating expenses			
Information technology	9	3 431	3 146
Depreciation, amortisation and impairments	20	2 522	2 101
Communication	3	1 221	1 183
Premises	7	2 762	2 575
Other	7	6 397	5 974
Total other operating expenses	9	16 333	14 979
Restructuring costs		781	
Total operating expenses	12	36 656	32 827
Cost-to-income ratio		61,7	52,4

Analysis of total information technology function spend

	Change %	2010 Rm	2009 Rm
IT staff costs	33	2 214	1 669
Information technology licences, maintenance and related costs	9	3 431	3 146
Depreciation and amortisation	19	1 247	1 045
Other	18	268	227
Total	18	7 160	6 087



	Change %	2010	2009
Headcount by business unit			
Personal & Business Banking	5	36 645	34 882
Corporate & Investment Banking	3	9 601	9 312
Central and other	8	1 879	1 743
Banking activities	5	48 125	45 937
Headcount by geography			
South Africa	2	29 937	29 387
Rest of Africa	11	12 748	11 490
Outside Africa	8	5 440	5 060
Banking activities	5	48 125	45 937

Staff costs and headcount

- Increased headcount due to growth in IT staff in South Africa, new branches in the rest of Africa and conversion of contractors to permanent staff within credit.
- Partly offset by favourable translation impact of stronger rand.

Other operating expenses

- Higher IT and depreciation costs attributable to the group's trading and offshore banking platforms, branch refurbishment and increased ATMs.
- Growth in premises costs resulting from roll out of branches in the rest of Africa, rental escalations and maintenance within South Africa and outside Africa.
- Favourable translation impact of stronger rand.

- Other costs impacted by:

- increased professional fees across a range of projects;
- increased marketing and advertising costs relating to global branding initiatives; and
- operational risk write-offs and provisions in Africa following extensive clean up process across the network.

Restructuring costs

- Staff costs, premises costs and legal expenses incurred in the restructuring and retrenchment process.

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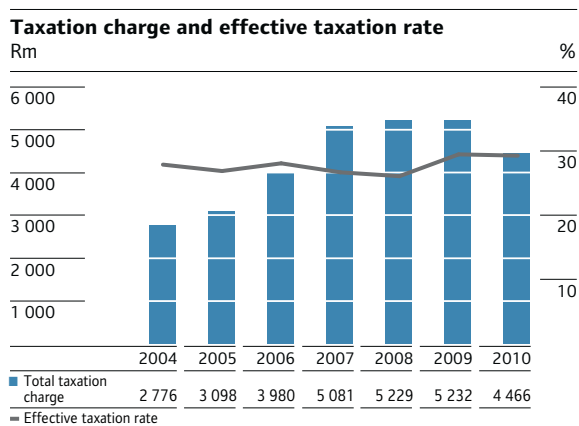
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Taxation



Taxation rate reconciliation

	2010 %	2009 %
Effective taxation rate	29,3	29,5
Indirect taxation	(8,0)	(8,3)
Direct taxation – current and prior years	21,3	21,2
Prior year tax		0,4
Direct taxation – current year	21,3	21,6
Adjustments to direct taxation	(1,3)	0,3
Capital gains tax	(0,2)	(0,2)
Foreign tax	(0,6)	(0,4)
Secondary tax (cost)/benefit on companies	(0,5)	0,9
Direct taxation – current year – normal	20,0	21,9
Permanent differences	8,0	6,1
Non-taxable income	9,1	6,6
Deductible indirect tax	2,6	1,8
Other	(3,7)	(2,3)
Direct taxation – statutory rate	28,0	28,0

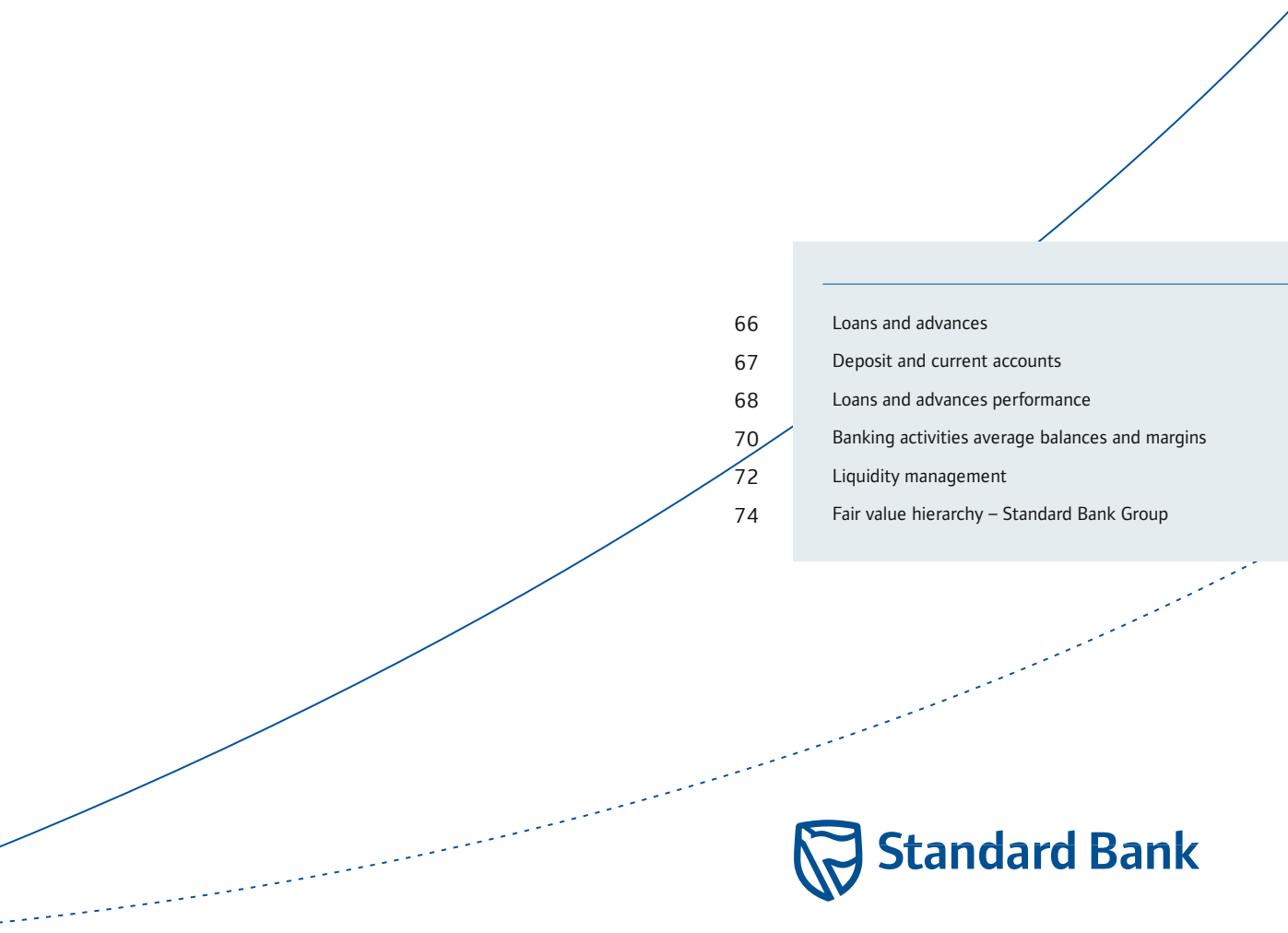
Favourable

- Increase in percentage of non-taxable income, predominantly from outside Africa and the rest of Africa.

Adverse

- Increase in other permanent differences due to expenses or losses outside South Africa, where these are either non-tax deductible, or where tax deductibility has not at this stage been recognised, as it is not certain there will be sufficient future taxable profit to utilise these losses.
- Higher secondary tax on companies (STC), due to the lower scrip dividend take up in 2010, and a decrease in STC credits received.
- Non-recurrence of a favourable prior year tax adjustment relating to research and development.

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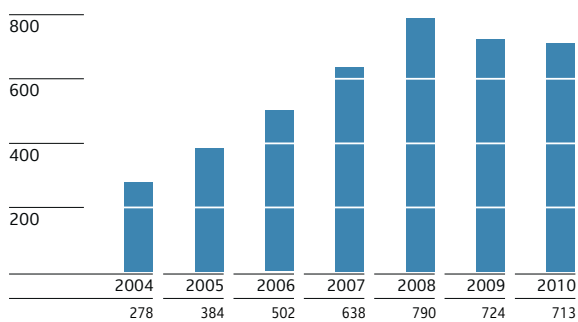
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Loans and advances

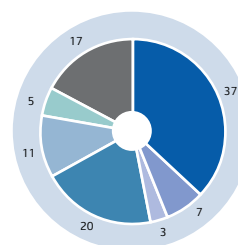
Loans and advances

Rbn

CAGR (2004 – 2010): 17%



Composition of gross loans and advances



- Mortgage loans (2009: 35%)
- Instalment sale and finance leases (2009: 8%)
- Card debtors (2009: 3%)
- Term loans (2009: 21%)
- Overdrafts and other demand loans (2009: 10%)
- Loans granted under resale agreements (2009: 5%)
- Other term loans (2009: 18%)

By advance type

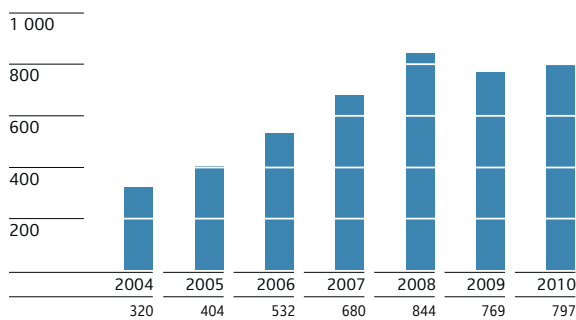
	Change %	2010 Rm	2009 Rm
Loans and advances to banks	(4)	107 090	111 068
Call loans	54	14 911	9 674
Loans granted under resale agreements	18	20 638	17 520
Balances with banks	(15)	71 541	83 874
Loans and advances to customers	(1)	605 935	612 439
<i>Gross loans and advances to customers</i>	(1)	623 041	631 105
Mortgage loans	5	271 181	257 336
Instalment sale and finance leases	(5)	52 917	55 966
Card debtors	(2)	21 696	22 045
Overdrafts and other demand loans	8	66 395	61 719
Other term loans	(10)	142 742	158 845
Loans granted under resale agreements	0	16 613	16 601
Commercial property finance	3	34 781	33 617
Foreign currency loans	(29)	10 697	15 124
Other loans and advances	(39)	6 019	9 852
<i>Less: credit impairments for loans and advances</i>	(8)	17 106	18 666
Specific credit impairments	(7)	12 222	13 078
Portfolio credit impairments	(13)	4 884	5 588
Net loans and advances	(1)	713 025	723 507
Comprising:			
Gross loans and advances	(2)	730 131	742 173
<i>Less: credit impairments</i>	(8)	17 106	18 666
Net loans and advances	(1)	713 025	723 507
Securitised assets consolidated above:			
Mortgage loans	(14)	13 676	15 879
Instalment sale and finance leases	(100)		365
Securitised assets	(16)	13 676	16 244

Deposit and current accounts

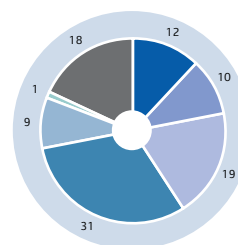
Deposit and current accounts

Rbn

CAGR (2004 – 2010): 16%



Composition of deposit and current accounts



- Current accounts (2009: 11%)
- Cash management deposits (2009: 9%)
- Call deposits (2009: 20%)
- Term deposits (2009: 25%)
- Negotiable certificates of deposit (2009: 13%)
- Securitisation issuances (2009: 2%)
- Other deposits (2009: 20%)

By deposit type

	Change %	2010 Rm	2009 Rm
Deposits from banks	(13)	91 729	106 018
Deposits from banks and central banks	(15)	87 410	102 789
Deposits from banks under repurchase agreements	34	4 319	3 229
Deposits from customers	6	704 906	662 530
Current accounts	8	94 420	87 496
Cash management deposits	14	83 455	72 970
Call deposits	(1)	151 001	152 249
Savings accounts	8	26 203	24 169
Term deposits	25	244 943	195 418
Negotiable certificates of deposit	(30)	71 690	102 045
Repurchase agreements	>100	2 073	653
Securitised issuances	(21)	11 068	13 960
Other funding	48	20 053	13 570
Total deposit and current accounts	4	796 635	768 548
Comprising:			
Retail priced deposit and current accounts	4	205 812	198 645
Wholesale priced deposit and current accounts	4	590 823	569 903
Total deposit and current accounts	4	796 635	768 548

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Loans and advances performance

	Performing loans				
	Gross loans and advances Rm	Neither past due nor specifically impaired		Not specifically impaired	
		Normal monitoring Rm	Close monitoring Rm	Early arrears Rm	Non-performing ¹ Rm
2010					
Personal & Business Banking	418 824	341 717	20 803	23 077	
Mortgage loans	269 900	219 598	13 153	11 913	
Instalment sale and finance leases	49 709	42 649	1 319	3 092	
Card debtors	21 686	17 011	2 694	454	
Other loans and advances	77 529	62 459	3 637	7 618	
Corporate & Investment Banking	334 156	319 122	5 128	432	772
Corporate loans	299 379	285 419	5 103	432	546
Commercial property finance	34 777	33 703	25		226
Central and other	(22 849)	(22 849)			
Gross loans and advances	730 131	637 990	25 931	23 509	772
Percentage of total book (%)	100,0	87,4	3,6	3,2	0,1
2009					
Personal & Business Banking	409 036	332 189	16 258	25 548	
Mortgage loans	256 374	208 103	9 853	12 449	
Instalment sale and finance leases	53 304	43 917	1 199	4 760	
Card debtors	22 033	16 988	2 754	496	
Other loans and advances	77 325	63 181	2 452	7 843	
Corporate & Investment Banking	359 970	331 228	13 179	2 229	3 156
Corporate loans	325 367	299 133	12 471	1 899	2 716
Commercial property finance	34 603	32 095	708	330	440
Central and other	(26 833)	(26 834)			
Gross loans and advances	742 173	636 583	29 437	27 777	3 156
Percentage of total book (%)	100,0	85,8	4,0	3,7	0,4

¹ Includes loans of R481 million (R2 749 million) that are past due but are not specifically impaired.

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 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 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 %
	11 664	17 658	3 905	33 227	23 562	9 665	9 665	29	33 227	7,9
	10 638	13 777	821	25 236	20 837	4 399	4 399	17	25 236	9,4
	229	863	1 557	2 649	1 115	1 534	1 534	58	2 649	5,3
	192	301	1 034	1 527	357	1 170	1 170	77	1 527	7,0
	605	2 717	493	3 815	1 253	2 562	2 562	67	3 815	4,9
	4 124	4 289	289	8 702	6 145	2 557	2 557	29	9 474	2,8
	3 844	3 769	266	7 879	5 485	2 394	2 394	30	8 425	2,8
	280	520	23	823	660	163	163	20	1 049	3,0
	15 788	21 947	4 194	41 929	29 707	12 222	12 222	29	42 701	5,8
	2,1	3,0	0,6	5,7	4,0	1,7	1,7			
	16 029	14 578	4 434	35 041	24 723	10 318	10 318	29	35 041	8,6
	14 639	10 389	941	25 969	21 270	4 699	4 699	18	25 969	10,1
	430	1 144	1 854	3 428	1 629	1 799	1 799	52	3 428	6,4
	273	437	1 085	1 795	457	1 338	1 338	75	1 795	8,1
	687	2 608	554	3 849	1 367	2 482	2 482	64	3 849	5,0
	5 124	4 365	689	10 178	7 419	2 759	2 759	27	13 334	3,7
	5 099	3 360	689	9 148	6 751	2 397	2 397	26	11 864	3,6
	25	1 005		1 030	668	362	362	35	1 470	4,2
		1		1		1	1	100	1	
	21 153	18 944	5 123	45 220	32 142	13 078	13 078	29	48 376	6,5
	2,8	2,6	0,7	6,1	4,3	1,8	1,8			

Non-performing but not specifically impaired loans

Loans where the counterparty has failed to make contractual payments and is 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; and
- loss items 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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Banking activities average balances and margins

	Trading book Rm	Non-interest earning Rm	Interest earning Rm	2010 Total average balance Rm
Assets				
Cash and balances with central banks ²	1 218	10 278	10 755	22 251
Trading assets	83 512	14 125		97 637
Financial investments	1 985		83 974	85 959
Net loans and advances	40 603		659 758	700 361
Loans and advances to banks	12 960		67 449	80 409
Loans and advances to customers	27 643		612 587	640 230
Mortgage loans			264 435	264 435
Instalment sale and finance leases			57 051	57 051
Card debtors			21 438	21 438
Overdrafts and other demand loans	957		71 873	72 830
Other term loans	26 686		144 310	170 996
Commercial property finance			33 458	33 458
Foreign currency loans			20 022	20 022
Gross loans and advances	40 603		680 036	720 639
Credit impairment for loans and advances			(20 278)	(20 278)
Investment property	190	6 375		6 565
Other assets	8 079	7 437		15 516
Interest in associates and joint ventures		7 229		7 229
Goodwill and other intangible assets		12 390		12 390
Property and equipment	2 543	9 427		11 970
Total average assets and interest excluding trading derivative assets				
Trading derivative assets	138 130	67 261	754 487	959 878
Total average assets and interest	283 605	67 261	754 487	1 105 353
Equity and liabilities				
Equity	2 861	90 962		93 823
Liabilities	127 565	45 118	687 992	860 675
Trading liabilities	39 487	14 725		54 212
Deposit and current accounts	80 272		665 764	746 036
Deposits from banks	80 272		6 055	86 327
Deposits from customers			659 709	659 709
Current accounts			97 654	97 654
Cash management deposits			70 494	70 494
Call deposits			99 775	99 775
Savings accounts			20 857	20 857
Term deposits			238 364	238 364
Negotiable certificates of deposit			92 112	92 112
Securitised issuances			10 863	10 863
Other funding			29 590	29 590
Other liabilities	6 045	30 393		36 438
Subordinated bonds	1 761		22 228	23 989
Total average equity, liabilities and interest excluding trading derivative liabilities				
Trading derivative liabilities	130 426	136 080	687 992	954 498
Total average equity, liabilities and interest	281 281	136 080	687 992	1 105 353
Margin on total average assets excluding trading derivatives	138 130	67 261	754 487	959 878
Margin on total average loans and advances	40 603		659 758	700 361
Margin on average interest-earning assets			754 487	754 487

¹ Interest received and paid on trading derivative financial instruments has been netted with interest received on derivative asset instruments used for hedging purposes. The interest split between assets and liabilities will therefore 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.

		2009							
Interest ¹ Rm	Average rate %	Trading book Rm	Non-interest earning Rm	Interest earning Rm	Total average balance Rm	Interest ¹ Rm	Average rate %		
		1 997	9 467	9 266	20 730				
		75 429	16 943		92 372				
5 605	6,52	1 937		72 824	74 761	6 494	8,69		
59 263	8,46	50 785		689 400	740 185	72 951	9,86		
3 561	4,43	14 916		80 931	95 847	5 527	5,77		
55 702	8,70	35 869		624 611	660 480	67 424	10,21		
24 354	9,21			254 410	254 410	28 342	11,14		
6 535	11,45			64 221	64 221	8 362	13,02		
3 277	15,29			22 256	22 256	3 987	17,91		
6 468	8,88	756		81 386	82 142	7 794	9,49		
11 167	6,53	35 113		146 683	181 796	13 714	7,54		
3 153	9,42			33 676	33 676	4 066	12,07		
748	3,74			21 979	21 979	1 159	5,27		
59 263	8,22	50 785		705 542 (16 142)	756 327 (16 142)	72 951	9,65		
		172	4 152		4 324				
		9 346	13 955		23 301				
		54	6 950		7 004				
			8 152		8 152				
		3 825	7 745		11 570				
64 868	6,76	143 545	67 364	771 490	982 399	79 445	8,09		
		140 485			140 485				
64 868	5,87	284 030	67 364	771 490	1 122 884	79 445	7,08		
		2 359	92 831		95 190				
35 941	4,18	141 259	40 514	710 027	891 800	47 952	5,38		
		43 977	8 112		52 089				
33 813	4,53	91 606		691 041	782 647	46 390	5,93		
2 089	2,42	91 606		13 013	104 619	1 952	1,87		
31 724	4,81			678 028	678 028	44 438	6,55		
1 278	1,31			89 412	89 412	1 939	2,17		
3 532	5,01			63 135	63 135	4 293	6,80		
6 177	6,19			91 796	91 796	9 012	9,82		
221	1,06			18 971	18 971	337	1,78		
11 386	4,78			253 589	253 589	14 681	5,79		
6 067	6,59			104 072	104 072	9 420	9,05		
958	8,82			16 300	16 300	1 402	8,60		
2 105	7,11			40 753	40 753	3 354	8,23		
		4 059	32 402		36 461				
2 128	8,87	1 617		18 986	20 603	1 562	7,58		
		143 618	133 345	710 027	986 990	47 952	4,86		
		135 894			135 894				
35 941	3,25	279 512	133 345	710 027	1 122 884	47 952	4,27		
28 927	3,01	143 545	67 364	771 490	982 399	31 493	3,21		
28 927	4,13	50 785		689 400	740 185	31 493	4,25		
30 532	4,05			771 490	771 490	34 694	4,50		

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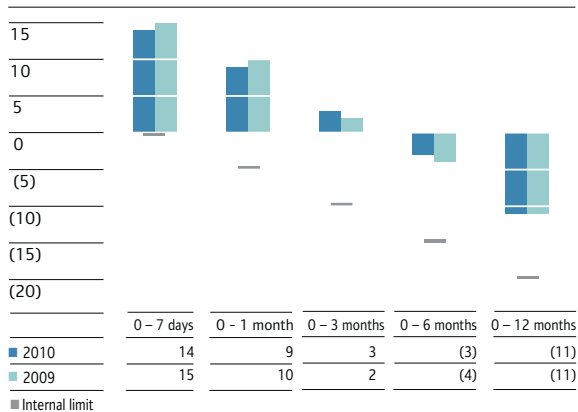
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Liquidity management

Group behaviourally-adjusted cumulative liquidity mismatch %



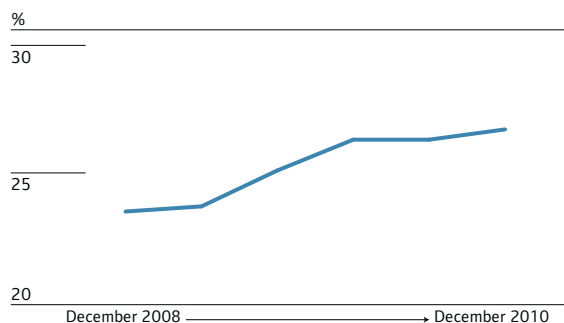
Liquidity market overview

- In the South African market the cost of term liquidity reduced on the back of reduced lending demand and general surplus liquidity positions. However, compared to pre-crisis levels, term funding costs remain high and continue to impact lending margins adversely.
- Investor appetite for capital markets issuance remained robust, and The Standard Bank of South Africa successfully placed R4,35 billion senior debt in the domestic bond market.
- International loan and debt capital markets have remained open albeit volatile, exacerbated by the European sovereign debt crisis. Standard Bank executed a number of key term loan funding transactions, taking advantage of pockets of well-priced liquidity. Compared to the 2008 and 2009 financial crisis, global interbank funding conditions remained relatively stable, tenors have lengthened and spreads have compressed.

Liquidity buffer

- Portfolios of highly marketable securities, over and above prudential requirements are maintained as protection against unexpected disruptions in cash flows. These portfolios are managed on the basis of diversification, liquidity and yield.
- In addition to minimum requirements, surplus liquidity holdings are informed by the results from liquidity stress testing as per Basel principles, and in certain instances, in-country regulations. Group unencumbered surplus liquidity decreased to R106,8 billion as at 31 December 2010 (31 December 2009: R118,6 billion), reflecting the group's prudent liquidity management approach as informed by stress testing requirements and prevailing market conditions.

Group long-term funding ratio – Standard Bank Group



Group unencumbered surplus liquidity

	2010 Rbn	2009 Rbn
Marketable assets	52,3	65,4
Short-term foreign currency placements	48,9	47,0
Total unencumbered marketable assets	101,2	112,4
Other readily accessible liquidity	5,6	6,2
Total unencumbered surplus liquidity	106,8	118,6

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 to identify and manage liquidity mismatches.
- Behavioural profiling assigns probable maturities based on actual customer behaviour. This process is used to identify additional sources of structural liquidity in the form of liquid assets and core deposits, such as current and savings accounts that although repayable on demand or at short notice, exhibit stable behaviour.
- Limits are set internally to restrict the cumulative liquidity mismatch between expected inflows and outflows of funds in different time buckets. One of the mechanisms employed to ensure adherence to these limits is the active management of the long-term funding ratio. The ratio is defined as those funding-related liabilities with a remaining maturity of greater than six months as a percentage of total funding-related liabilities.
- At 31 December 2010 the long-term funding ratio was 26,6% (31 December 2009: 25,1%), reflecting a management strategy to lengthen the funding base and build capacity to support term asset growth.

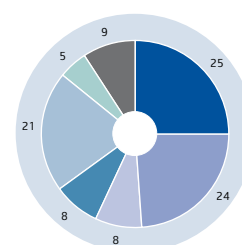
Group funding-related liabilities composition – SBG

	2010 Rbn	2009 Rbn
Corporate funding	208	203
Financial institutions	200	200
Government and parastatals	72	56
Interbank funding	68	63
Retail deposits	172	167
Senior and subordinated debt	45	47
Other liabilities to the public	69	68
Total group funding-related liabilities	834	804

Diversified funding base

- The group's wholesale funding strategy is derived from the projected balance sheet growth which includes consideration of Personal & Business Banking and Corporate & Investment Banking asset classes, capital requirements, the maturity profile of existing wholesale funding and anticipated changes in the retail deposit base. Funding requirements and initiatives are assessed in accordance with the group asset and liability committee requirements for diversification, tenor and currency exposure as well as the availability and pricing of alternative liquidity sources. An active presence is maintained in professional markets, supported by relationship management efforts among corporate and institutional clients.
- Concentration risk limits are used within the group to ensure that funding diversification is maintained across products, sectors, geographic regions and counterparties.
- Primary sources of funding are in the form of deposits across a spectrum of retail and wholesale clients, as well as long-term capital market funding.

Group funding-related liabilities composition – SBG %



- Corporate funding (2009: 25)
- Financial institutions (2009: 24)
- Government and parastatals (2009: 8)
- Interbank funding (2009: 8)
- Retail deposits (2009: 21)
- Senior and subordinated debt (2009: 5)
- Other liabilities to the public (2009: 9)

Liquidity stress testing and scenario analysis

- Anticipated on- and off-balance sheet cash flows are subjected to a variety of bank-specific and systemic stresses and scenarios in order to evaluate the impact of unlikely but plausible events on liquidity positions.

Contingency funding plans

- Contingency funding plans incorporate an extensive early warning indicator methodology supported by clear and decisive crisis response strategies.
- Crisis response strategies are formulated around the relevant crisis management structures and address internal and external communications, liquidity generation, operations, as well as heightened and supplementary information requirements.

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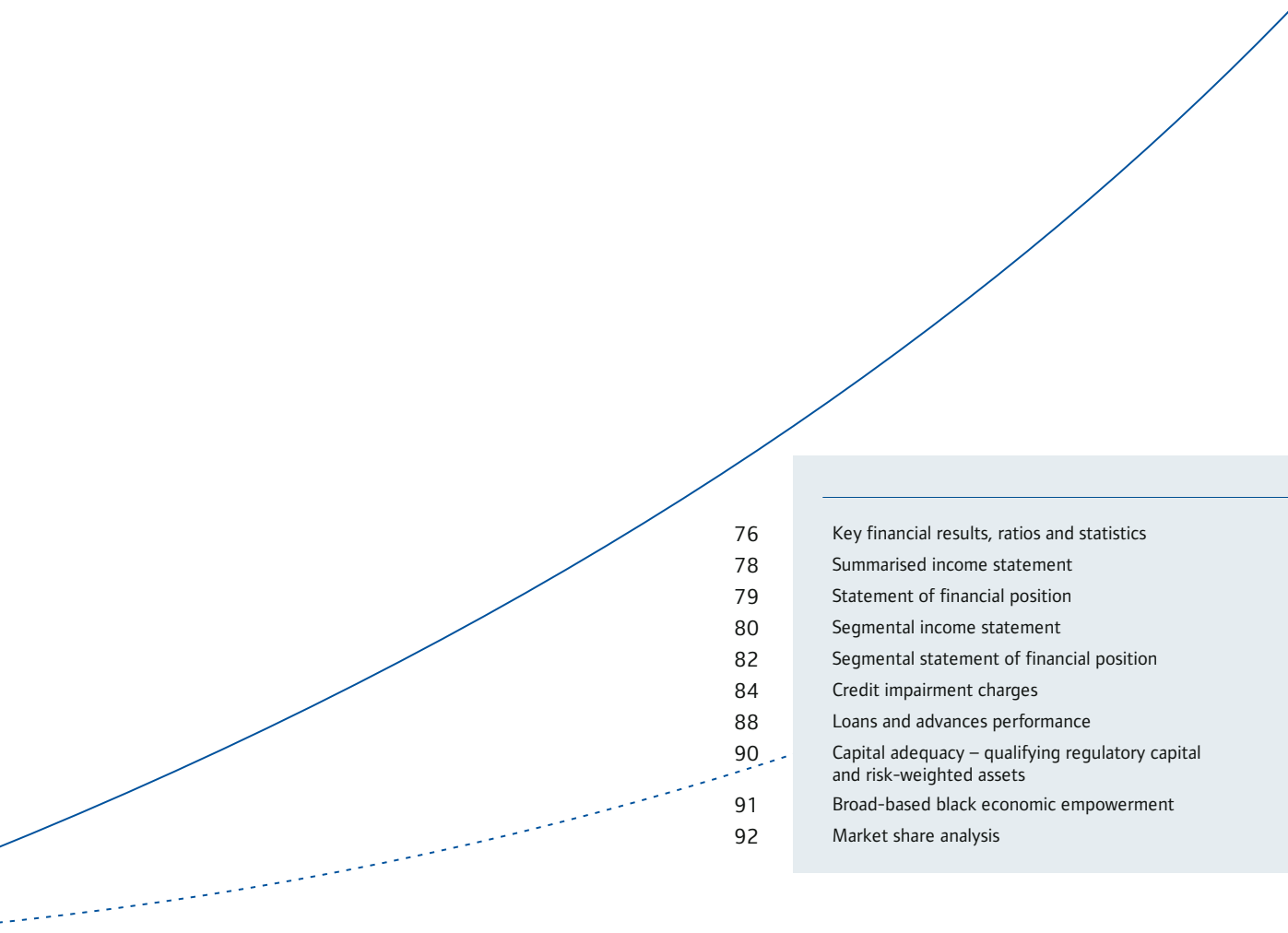
Fair value hierarchy – Standard Bank Group

	Composition %	Assets Rm	Composition %	Liabilities Rm
2010				
Level 1	35	182 882	10	29 495
Level 2	62	323 572	89	272 895
Level 3	3	15 017	1	4 102
Financial instruments at fair value	100	521 471	100	306 492
Reconciled as follows:				
Held-for-trading		240 040		175 382
Designated at fair value		266 515		131 110
Available-for-sale		14 916		
Financial instruments at fair value		521 471		306 492
2009				
Level 1	35	165 432	12	34 211
Level 2	62	299 874	87	253 992
Level 3	3	13 002	1	3 534
Financial instruments at fair value	100	478 308	100	291 737
Reconciled as follows:				
Held-for-trading		220 532		171 041
Designated at fair value		244 977		120 696
Available-for-sale		12 799		
Financial instruments at fair value		478 308		291 737

- In accordance with the group's accounting policies, certain financial assets and liabilities are measured at fair value using either quoted market prices or valuation techniques.
- Financial assets and liabilities that are measured at fair value have been categorised into the following levels:
 - **Level 1:** Financial instruments for which fair value is determined using quoted market prices (unadjusted) in active markets for identical instruments.

- **Level 2:** Financial instruments for which fair value is determined using valuation techniques based on observable inputs, either directly, as prices or indirectly, derived from prices.
- **Level 3:** Financial instruments for which fair value is determined using valuation techniques based on significant unobservable inputs.

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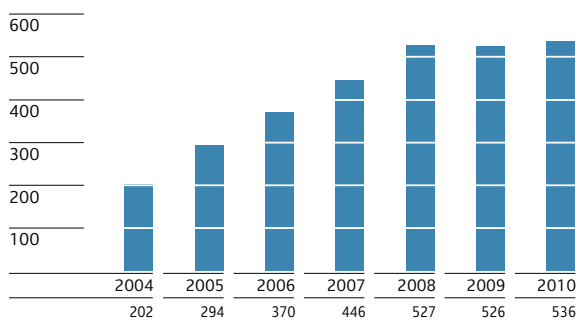
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Key financial results, ratios and statistics

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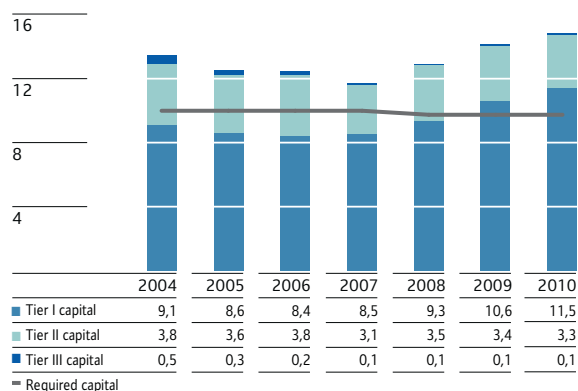
Loans and advances – SBSA group

Rbn CAGR (2004 – 2010): 18%



Capital adequacy – SBSA company¹ (including unappropriated profit)

%



¹ Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for 2007 are on Basel II pro forma basis. 2008 to 2010 are on a Basel II basis. All other historical comparatives are on a Basel I basis.

		Change %	2010	2009
SBSA group				
Income statement				
Headline earnings	Rm	(5)	8 034	8 441
Profit attributable to the ordinary shareholder	Rm	(3)	7 938	8 180
Balance sheet				
Ordinary shareholder's equity	Rm	11	48 875	44 159
Total assets	Rm	6	840 423	791 254
Loans and advances	Rm	2	536 421	525 700
Financial performance				
ROE	%		17,3	20,3
Non-interest revenue to total income	%		47,8	45,1
Loan-to-deposit ratio	%		87,6	91,0
Credit loss ratio	%		1,18	1,87
Cost-to-income ratio	%		55,2	46,9
Effective taxation rate	%		27,5	25,0
Number of employees		3	30 396	29 494
SBSA company				
Headline earnings	Rm	(5)	7 697	8 121
Total assets	Rm	7	824 600	773 284
ROE	%		16,9	19,9
Capital adequacy				
Total risk-weighted assets	Rm	0	368 262	367 839
Tier I capital adequacy ratio	%		11,5	10,6
Total capital adequacy ratio	%		14,9	14,1

Personal & Business Banking

Favourable

- Improved customer service ratings.
- Reduced non-performing loan portfolio and decreased credit impairments aided by lower interest rates, improved customer debt servicing ability and internal debt recovery capability.
- Good growth in the mortgage portfolio.
- Increased fees, driven by growth in volumes and in the transactional account base.
- Growth in retail deposits.
- More appropriate pricing for credit risk and term funding.
- Improvement in bancassurance revenues from both simple and complex insurance products.

Adverse

- Decrease in net interest income due to the negative endowment impact of lower interest rates and more expensive term funding.
- Reduced card debtor and instalment sale and finance lease balances.
- Introduction of SARB cash handling fees.
- Continued pressure on recovery values of collateral.

Corporate & Investment Banking

Favourable

- Credit impairment charges down across all regions as a result of non-recurrence of large non-performing and performing loan impairments, coupled with specific and portfolio provision releases due to improved credit environment.
- Investment banking revenue up with good performance from debt products and trade financing.

Adverse

- Challenging revenue environment characterised by reduced client activity resulted in fewer trading opportunities.
- Increased competition and falling interest rates resulted in margin compression.
- Higher operating expenses due to investment spend on IT platforms, coupled with increased headcount.

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Summarised income statement

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	Change %	Group		Change %	Company	
		2010 Rm	2009 Rm		2010 Rm	2009 Rm
Net interest income	(6)	20 212	21 500	(5)	20 127	21 257
Non-interest revenue	5	18 487	17 627	2	17 528	17 112
Net fee and commission revenue	3	13 730	13 280	3	12 858	12 541
Trading revenue	(9)	2 686	2 961	(9)	2 699	2 982
Other revenue	49	2 071	1 386	24	1 971	1 589
Total income	(1)	38 699	39 127	(2)	37 655	38 369
Credit impairment charges	(35)	6 359	9 831	(35)	6 291	9 744
Specific credit impairments	(27)	7 072	9 672	(27)	6 986	9 573
Portfolio credit impairments	(>100)	(713)	159	(>100)	(695)	171
Income after credit impairment charges	10	32 340	29 296	10	31 364	28 625
Operating expenses	17	21 441	18 286	16	20 915	18 006
Staff costs	15	11 113	9 674	15	10 920	9 485
Other operating expenses	16	10 024	8 612	14	9 693	8 521
Restructuring costs		304			302	
Net income before associates and joint ventures	(1)	10 899	11 010	(2)	10 449	10 619
Share of profit/(loss) from associates and joint ventures	>100	124	(104)			
Net income before indirect taxation	1	11 023	10 906	(2)	10 449	10 619
Indirect taxation	47	856	582	47	856	581
Profit before direct taxation	(2)	10 167	10 324	(4)	9 593	10 038
Direct taxation	2	2 179	2 144	(1)	1 982	2 011
Profit for the year	(2)	7 988	8 180	(5)	7 611	8 027
Attributable to minorities		50				
Attributable to the ordinary shareholder	(3)	7 938	8 180	(5)	7 611	8 027
Headline adjustable items	(63)	96	261	(9)	86	94
Headline earnings	(5)	8 034	8 441	(5)	7 697	8 121

Statement of financial position

The Standard Bank of South Africa

	Group			Company		
	Change %	2010 Rm	2009 ¹ Rm	Change %	2010 Rm	2009 ¹ Rm
Assets						
Cash and balances with the central bank	26	18 181	14 470	26	18 181	14 470
Derivative assets	38	105 221	76 501	38	105 181	76 449
Trading assets	(34)	13 825	20 802	(34)	13 453	20 377
Pledged assets	>100	5 934	1 057	>100	5 934	1 057
Financial investments	28	79 388	62 008	29	79 388	61 623
Loans and advances	2	536 421	525 700	2	517 507	505 006
Loans and advances to banks	5	62 364	59 472	5	62 311	59 276
Loans and advances to customers	2	474 057	466 228	2	455 196	445 730
Other assets	30	6 154	4 718	22	5 665	4 634
Interest in group companies, associates and joint ventures	(19)	62 981	77 941	(18)	67 034	81 633
Intangible assets	51	4 410	2 913	50	4 372	2 913
Property and equipment	54	7 908	5 144	54	7 885	5 122
Total assets	6	840 423	791 254	7	824 600	773 284
Equity and liabilities						
Equity	11	48 917	44 159	10	47 614	43 207
Equity attributable to the ordinary shareholder	11	48 875	44 159	10	47 614	43 207
Ordinary share capital		60	60		60	60
Ordinary share premium	4	25 230	24 230	4	25 230	24 230
Reserves	19	23 585	19 869	18	22 324	18 917
Minority interest		42				
Liabilities	6	791 506	747 095	6	776 986	730 077
Derivative liabilities	36	102 476	75 196	36	102 461	75 196
Trading liabilities	(46)	9 031	16 707	(49)	8 069	15 744
Deposit and current accounts	6	612 011	577 860	7	596 829	559 904
Deposits from banks	(6)	54 626	57 833	(6)	54 629	57 857
Deposits from customers	7	557 385	520 027	8	542 200	502 047
Other liabilities	12	12 421	11 080	12	12 035	10 759
Subordinated debt	(1)	15 683	15 814	(1)	15 683	15 814
Liabilities to group companies	(21)	39 884	50 438	(20)	41 909	52 660
Total equity and liabilities	6	840 423	791 254	7	824 600	773 284

¹ Refer to page 97 for the prior year reclassifications.

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Segmental income statement

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	Change %	Personal & Business Banking	
		2010 Rm	2009 Rm
Net interest income	(4)	15 221	15 901
Interest income	(15)	35 737	42 054
Interest expense	(22)	20 516	26 153
Non-interest revenue	6	12 116	11 464
Net fee and commission revenue	4	11 494	11 071
Fee and commission revenue	7	13 934	12 996
Fee and commission expense	27	2 440	1 925
Trading revenue			
Other revenue	58	622	393
Total income	(0)	27 337	27 365
Credit impairment charges	(33)	6 327	9 418
Specific credit impairments	(29)	6 385	8 932
Portfolio credit impairments	(>100)	(58)	486
Income after credit impairment charges	17	21 010	17 947
Operating expenses	14	14 914	13 091
Net income before associates and joint ventures	26	6 096	4 856
Share of profit/(loss) from associates and joint ventures	>100	87	(256)
Net income before indirect taxation	34	6 183	4 600
Indirect taxation	(2)	420	428
Profit before direct taxation	38	5 763	4 172
Direct taxation	24	1 593	1 281
Profit for the year	44	4 170	2 891
Attributable to minorities		1	
Attributable to the ordinary shareholder	44	4 169	2 891
Headline adjustable items	(73)	102	382
SBSA group headline earnings	30	4 271	3 273
ROE	%	22,7	18,2
Credit loss ratio	%	1,73	2,61
Cost-to-income ratio	%	54,4	48,3

	Corporate & Investment Banking			Other services			SBSA group		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
	(11)	4 528	5 064	(13)	463	535	(6)	20 212	21 500
	(39)	18 665	30 658	47	(2 768)	(5 259)	(23)	51 634	67 453
	(45)	14 137	25 594	44	(3 231)	(5 794)	(32)	31 422	45 953
	1	5 860	5 827	52	511	336	5	18 487	17 627
	(4)	2 235	2 323	>100	1	(114)	3	13 730	13 280
	(4)	2 334	2 442	>100	1	(120)	6	16 269	15 318
	(17)	99	119	100		(6)	25	2 539	2 038
	(12)	2 557	2 905	>100	129	56	(9)	2 686	2 961
	78	1 068	599	(3)	381	394	49	2 071	1 386
	(5)	10 388	10 891	12	974	871	(1)	38 699	39 127
	(>100)	(107)	906	>100	139	(493)	(35)	6 359	9 831
	(6)	688	733	(>100)	(1)	7	(27)	7 072	9 672
	(>100)	(795)	173	>100	140	(500)	(>100)	(713)	159
	5	10 495	9 985	(39)	835	1 364	10	32 340	29 296
	13	5 160	4 553	>100	1 367	642	17	21 441	18 286
	(2)	5 335	5 432	(>100)	(532)	722	(1)	10 899	11 010
	(75)	37	151	(100)		1	>100	124	(104)
	(4)	5 372	5 583	(>100)	(532)	723	1	11 023	10 906
	5	88	84	>100	348	70	47	856	582
	(4)	5 284	5 499	(>100)	(880)	653	(2)	10 167	10 324
	29	943	732	(>100)	(357)	131	2	2 179	2 144
	(9)	4 341	4 767	(>100)	(523)	522	(2)	7 988	8 180
		49						50	
	(10)	4 292	4 767	(>100)	(523)	522	(3)	7 938	8 180
	92	(6)	(77)	100		(44)	(63)	96	261
	(9)	4 286	4 690	(>100)	(523)	478	(5)	8 034	8 441
		30,4	37,3					17,3	20,3
		(0,06)	0,54					1,18	1,87
		49,5	41,2					55,2	46,9

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Segmental statement of financial position

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	Change %	Personal & Business Banking	
		2010 Rm	2009 Rm
Assets			
Cash and balances with central banks	20	5 273	4 400
Financial investments, trading and pledged assets	87	28	15
Loans and advances	3	356 050	344 650
Loans and advances to banks	(16)	344	410
Loans and advances to customers	3	355 706	344 240
Derivative and other assets	1	2 493	2 471
Interest in group companies, associates and joint ventures	(21)	326	411
Intangible assets	45	2 742	1 889
Property and equipment	(11)	3 564	4 015
SBSA group total assets	4	370 476	357 851
Equity and liabilities			
Equity			
Equity attributable to the ordinary shareholder	12	19 874	17 817
Ordinary share capital		4	
Ordinary share premium		4	4
Reserves	12	19 864	17 813
Minority interest		2	
Liabilities	3	350 602	340 034
Deposit and current accounts	3	339 977	330 705
Deposits from banks	83	(4)	(24)
Deposits from customers	3	339 981	330 729
Derivative, trading and other liabilities	6	2 474	2 333
Subordinated debt	13	8 108	7 171
Liabilities to group companies	>100	43	(175)
SBSA group total equity and liabilities	4	370 476	357 851

Corporate & Investment Banking			Other services			SBSA group		
Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
28	12 908	10 070				26	18 181	14 470
18	97 048	81 952	9	2 071	1 900	18	99 147	83 867
(0)	183 126	183 239	(26)	(2 755)	(2 189)	2	536 421	525 700
5	62 006	59 061	>100	14	1	5	62 364	59 472
(2)	121 120	124 178	(26)	(2 769)	(2 190)	2	474 057	466 228
38	107 880	78 029	39	1 002	719	37	111 375	81 219
(20)	60 092	74 958	(0)	2 563	2 572	(19)	62 981	77 941
31	1 154	879	>100	514	145	51	4 410	2 913
2	389	380	>100	3 955	749	54	7 908	5 144
8	462 597	429 507	89	7 350	3 896	6	840 423	791 254
7	14 597	13 658	14	14 446	12 684	11	48 917	44 159
7	14 557	13 658	14	14 446	12 684	11	48 875	44 159
	21	21	(10)	35	39		60	60
			4	25 226	24 226	4	25 230	24 230
7	14 536	13 637	7	(10 815)	(11 581)	19	23 585	19 869
	40						42	
8	448 000	415 849	19	(7 096)	(8 788)	6	791 506	747 095
9	282 215	259 205	16	(10 181)	(12 050)	6	612 011	577 860
(5)	54 629	57 786	(99)	1	71	(6)	54 626	57 833
13	227 586	201 419	16	(10 182)	(12 121)	7	557 385	520 027
19	119 886	100 696	>100	1 568	(46)	20	123 928	102 983
15	6 299	5 470	(60)	1 276	3 173	(1)	15 683	15 814
(22)	39 600	50 478	79	241	135	(21)	39 884	50 438
8	462 597	429 507	89	7 350	3 896	6	840 423	791 254

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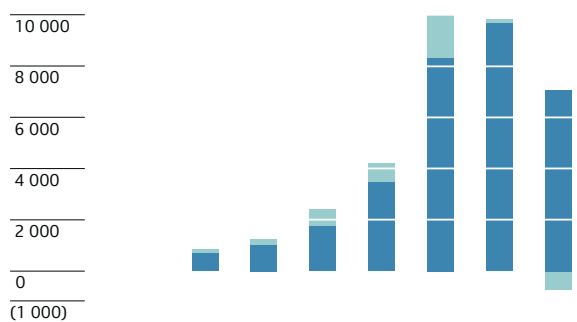
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Credit impairment charges

The Standard Bank of South Africa

Credit impairment charges

Rm



	2004	2005	2006	2007	2008	2009	2010
■ Specific credit impairments	681	1 026	1 753	3 453	8 315	9 672	7 072
■ Portfolio credit impairments	178	230	661	743	1 700	159	(713)

Income statement impairment charges (net of recoveries)

	Change %	2010					
		Specifically impaired loans			Port- folio credit impair- ment charges Rm	Total impair- ment charges Rm	Credit loss ratio %
Specific impair- ment Rm	IAS 39 discount ¹ Rm	Total Rm					
Personal & Business Banking	(33)	5 381	1 004	6 385	(58)	6 327	1,73
Mortgage loans	(25)	2 299	730	3 029	(41)	2 988	1,16
Instalment sale and finance leases	(56)	945	84	1 029	(151)	878	1,97
Card debtors	(37)	748	78	826	(108)	718	3,58
Other loans and advances	(25)	1 389	112	1 501	242	1 743	4,07
Corporate & Investment Banking	(>100)	688		688	(795)	(107)	(0,06)
Corporate loans	(>100)	578		578	(795)	(217)	(0,15)
Commercial property finance	(68)	110		110		110	0,35
Other services	>100	(1)		(1)	140	139	
Total SBSA group	(35)	6 068	1 004	7 072	(713)	6 359	1,18

¹ Discounting of expected recoveries in terms of IAS 39.

Favourable

- Lower impairment charge across all portfolios within Personal & Business Banking, due to lower interest rates and improved customer debt servicing ability, resulting in substantially lower new defaults.
- Reduced impairment charge across Corporate & Investment Banking, due to non-recurrence of large non-performing and performing loan impairments, coupled with specific and portfolio provision releases due to improved credit environment.
- Net write back on performing loan book across most portfolios due to improved customer risk profile as well as rehabilitation and recovery capability.
- Decreased debt review portfolio.

Adverse

- Continued pressure on recovery values of collateral.

2009						
Specifically impaired loans						
Specific impairment Rm	IAS 39 discount ¹ Rm	Total Rm	Port- folio credit impair- ment charges Rm	Total impair- ment charges Rm	Credit loss ratio %	
7 064	1 868	8 932	486	9 418	2,61	
2 380	1 358	3 738	247	3 985	1,61	
1 580	133	1 713	261	1 974	3,80	
1 125	218	1 343	(199)	1 144	5,49	
1 979	159	2 138	177	2 315	5,63	
733		733	173	906	0,54	
394		394	173	567	0,41	
339		339		339	1,12	
7		7	(500)	(493)		
7 804	1 868	9 672	159	9 831	1,87	

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Credit impairment charges continued

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Balance sheet impairment – roll forward from December 2009

	2010 Opening balance Rm	IAS 39 discount in opening balance Rm
Specific credit impairments		
Personal & Business Banking	9 857	1 576
Mortgage loans	4 639	1 195
Instalment sale and finance leases	1 697	52
Card debtors	1 275	175
Other loans and advances	2 246	154
Corporate & Investment Banking	782	
Corporate loans	417	
Commercial property finance	365	
Other services		
	10 639	1 576
Corporate & Investment Banking		
Corporate loans (off-balance sheet)		
Portfolio credit impairments		
Personal & Business Banking	3 028	
Mortgage loans	1 022	
Instalment sale and finance leases	740	
Card debtors	618	
Other loans and advances	648	
Corporate & Investment Banking	1 499	
Corporate loans	1 326	
Commercial property finance	173	
Other services	284	
	4 811	
Total impairments		
Personal & Business Banking	12 885	1 576
Mortgage loans	5 661	1 195
Instalment sale and finance leases	2 437	52
Card debtors	1 893	175
Other loans and advances	2 894	154
Corporate & Investment Banking	2 281	
Corporate loans	1 743	
Commercial property finance	538	
Other services	284	
	15 450	1 576
Corporate & Investment Banking		
Corporate loans (off-balance sheet)		
Total SBSA group balance sheet impairments as a % of gross loans and advances	2,86	

¹ New provisions raised less recoveries of amounts written off in previous years equals income statement credit impairment charge (2010: R7 067 million – R708 million = R6 359 million).

Net provisions raised and released ¹ Rm	IAS 39 discount in new impairments raised Rm	Impaired accounts written off Rm	IAS 39 discount recycled to net interest income Rm	Currency translation and other movements Rm	2010 Closing balance Rm	IAS 39 discount in closing balance Rm	2010 Recoveries of amounts written off in previous years ¹ Rm
7 066	1 004	(5 902)	(1 721)		9 300	859	681
3 085	730	(2 010)	(1 371)		4 343	554	56
1 178	84	(1 379)	(96)		1 400	40	149
1 241	78	(1 282)	(127)		1 107	126	415
1 562	112	(1 231)	(127)		2 450	139	61
172		(387)			567		26
62		(74)			405		26
110		(313)			162		
							1
7 238	1 004	(6 289)	(1 721)		9 867	859	708
542							
7 780							
(58)				(2)	2 968		
(41)				(2)	979		
(151)					589		
(108)					510		
242					890		
(795)					704		
(795)				173	704		
				(173)			
140					424		
(713)				(2)	4 096		
7 008	1 004	(5 902)	(1 721)	(2)	12 268	859	681
3 044	730	(2 010)	(1 371)	(2)	5 322	554	56
1 027	84	(1 379)	(96)		1 989	40	149
1 133	78	(1 282)	(127)		1 617	126	415
1 804	112	(1 231)	(127)		3 340	139	61
(623)		(387)			1 271		26
(733)		(74)		173	1 109		26
110		(313)		(173)	162		
140					424		1
6 525	1 004	(6 289)	(1 721)	(2)	13 963	859	708
542							
7 067							
					2,54		

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Loans and advances performance

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	Performing loans				
	Gross loans and advances Rm	Neither past due nor specifically impaired		Not specifically impaired	
		Normal monitoring Rm	Close monitoring Rm	Early arrears Rm	Non-performing ¹ Rm
2010					
Personal & Business Banking	368 318	298 264	17 465	20 219	
Mortgage loans	262 601	213 434	12 850	11 278	
Instalment sale and finance leases	43 325	37 723	988	2 223	
Card debtors	19 388	14 898	2 686	347	
Other loans and advances	43 004	32 209	941	6 371	
Corporate & Investment Banking	184 397	181 525	49	250	
Corporate loans	151 559	149 761	24	24	
Commercial property finance	32 838	31 764	25	226	
Other services	(2 331)	(2 331)			
Gross loans and advances	550 384	477 458	17 514	20 219	250
Percentage of total book (%)	100,0	86,7	3,2	3,7	0,1
2009					
Personal & Business Banking	357 535	287 371	14 041	22 222	
Mortgage loans	249 520	202 692	9 513	11 589	
Instalment sale and finance leases	47 299	39 577	875	3 667	
Card debtors	20 316	15 435	2 721	442	
Other loans and advances	40 400	29 667	932	6 524	
Corporate & Investment Banking	185 520	181 110	1 837	330	514
Corporate loans	155 685	153 783	1 129		74
Commercial property finance	29 835	27 327	708	330	440
Other services	(1 905)	(1 905)			
Gross loans and advances	541 150	466 576	15 878	22 552	514
Percentage of total book (%)	100,0	86,2	2,9	4,2	0,1

¹ Includes loans of R196 million (2009: R107 million) that are past due but are not specifically impaired.

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 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 loans											
Specifically impaired loans										Total non-performing loans Rm	Non-performing 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 %		
11 365	17 303	3 702	32 370	23 070	9 300	9 300	29	32 370	8,8		
10 584	13 725	730	25 039	20 696	4 343	4 343	17	25 039	9,5		
139	753	1 499	2 391	991	1 400	1 400	59	2 391	5,5		
174	273	1 010	1 457	350	1 107	1 107	76	1 457	7,5		
468	2 552	463	3 483	1 033	2 450	2 450	70	3 483	8,1		
288	2 180	105	2 573	2 006	567	567	22	2 823	1,5		
8	1 660	82	1 750	1 345	405	405	23	1 774	1,2		
280	520	23	823	661	162	162	20	1 049	3,2		
11 653	19 483	3 807	34 943	25 076	9 867	9 867	28	35 193	6,4		
2,1	3,5	0,7	6,3	4,5	1,8	1,8					
15 598	14 160	4 143	33 901	24 044	9 857	9 857	29	33 901	9,5		
14 577	10 328	821	25 726	21 087	4 639	4 639	18	25 726	10,3		
324	1 036	1 820	3 180	1 483	1 697	1 697	53	3 180	6,7		
244	409	1 065	1 718	443	1 275	1 275	74	1 718	8,5		
453	2 387	437	3 277	1 031	2 246	2 246	69	3 277	8,1		
141	1 509	79	1 729	947	782	782	45	2 243	1,2		
116	504	79	699	282	417	417	60	773	0,5		
25	1 005		1 030	665	365	365	35	1 470	4,9		
15 739	15 669	4 222	35 630	24 991	10 639	10 639	30	36 144	6,7		
2,9	2,9	0,8	6,6	4,6	2,0	2,0					

Non-performing but not specifically impaired loans

Loans where the counterparty has failed to make contractual payments and is 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; and
- loss items 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 – qualifying regulatory capital and risk-weighted assets

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SBSA company qualifying regulatory capital (excluding unappropriated profit)

	Change %	2010 Rm	2009 Rm
Ordinary shareholders' equity	10	47 614	43 207
Less: regulatory deductions	(49)	(5 237)	(3 508)
Expected losses exceeding eligible provisions (50%)	(>100)	(616)	(212)
Loans to SPVs (first loss credit enhancement) (50%)	47	(150)	(284)
Investment in regulated non-banking entities		(99)	(99)
Intangible assets	(50)	(4 372)	(2 913)
Less: regulatory exclusions	68	(2 110)	(6 565)
Non-qualifying foreign currency translation reserve	>100	31	(37)
Non-qualifying other reserves	67	(236)	(716)
Unappropriated profit	67	(1 905)	(5 812)
Tier I capital	22	40 267	33 134
Tier II subordinated debt		15 098	15 098
Impairments for performing loans	(30)	156	223
Less: regulatory deductions	(2)	(2 761)	(2 714)
Expected losses exceeding eligible provisions (50%)	(>100)	(616)	(212)
Loans to SPVs (first loss credit enhancement) (50%)	47	(150)	(284)
Investment in tier II instruments in banks	10	(1 995)	(2 218)
Tier II capital	(1)	12 493	12 607
Tier III capital		300	300
Total qualifying regulatory capital	15	53 060	46 041

SBSA company risk-weighted assets

	Change %	2010 Rm	2009 Rm
Credit risk	1	285 399	283 653
Market risk	46	8 395	5 745
Operational risk	(2)	63 842	65 252
Equity risk in the banking book	(19)	10 626	13 189
Total risk-weighted assets	0	368 262	367 839

SBSA company capital adequacy ratios (including unappropriated profit)

	Minimum regulatory requirement %	Target ratios %	2010 %	2009 %
Total capital adequacy ratio	9,75	11 – 12	14,9	14,1
Tier I capital adequacy ratio	7,0	9,0	11,5	10,6
Core tier I capital adequacy ratio	5,25		11,5	10,6
Tier II and III as % of tier I	<100,0		30,3	33,1
Subordinated tier II debt as % of tier I	<50,0		35,8	38,8

Broad-based black economic empowerment

Scorecard by category – dti codes

	Maximum available points	2010 %	2009 ¹ %
Ownership	23	20,00 ²	13,98
Management control	11	8,25	8,30
Employment equity	18	12,54 ³	9,43
Skills development	15	12,04	8,54
Preferential procurement	20	20,00	17,37
Enterprise development	15	15,00	15,00
Socioeconomic development	5	5,00	5,00
Total score	107	92,83	77,62

Procurement – dti codes

	dti target 2011 % of TMPS	2010 % of TMPS ⁴	2010 weighted Rm	2009 % of TMPS ⁴	2009 weighted Rm
Supplier classification					
All suppliers – Level 1 to 8 ⁵	50	163	15 731	61	7 190
Qualifying small enterprises (QSE) and exempted micro-enterprises (EME) – Level 1 to 8	10	18	1 728	9	1 074
Black owned (>50%)	9	18	1 721	6	695
Black women owned (>30%)	6	9	827	2	242
Total measured procurement spend (TMPS)			9 638		11 818

¹ Restated.

² Methodology change in line with market practice.

³ The bank benefited marginally from the change in employment equity scoring from salary bands (as measured by the FSC) to employment levels (under the dti codes).

⁴ This is BEE spend per supplier classification calculated as a percentage of TMPS. TMPS is based on actual calculated procurement spend and certain inclusions and exclusions per dti guidelines.

⁵ Procurement spend on all suppliers represents total BEE spend weighted for supplier BEE levels. The other supplier classifications are required to ensure procurement from black small entities and black women-owned entities.

– While the gazetting of the Financial Sector Charter (FSC) is in progress, the bank's empowerment assessment continues to be governed by the Department: Trade and Industry (dti) generic codes published in terms of the Broad-based Black Economic Empowerment Act. In terms of the dti codes the bank scored 92,83 points (2009: 77,62) thereby achieving the level 2 black economic empowerment (BEE) contributor status. This performance is indicative of the bank's commitment to BEE and transformation.

– The bank remains committed to the FSC empowerment elements that are not specified in the dti codes. The bank extended R2 494 million (2009: R1 638 million) in loans to the affordable housing market during the year ended December 2010.

– The bank invested R19,4 million (2009: R21,1 million) towards consumer education with a focus on financial education to low-income communities and youth, including communities in rural areas. The number of Mzansi accounts grew from 913 244 in December 2009 to 1 086 094 accounts in December 2010.

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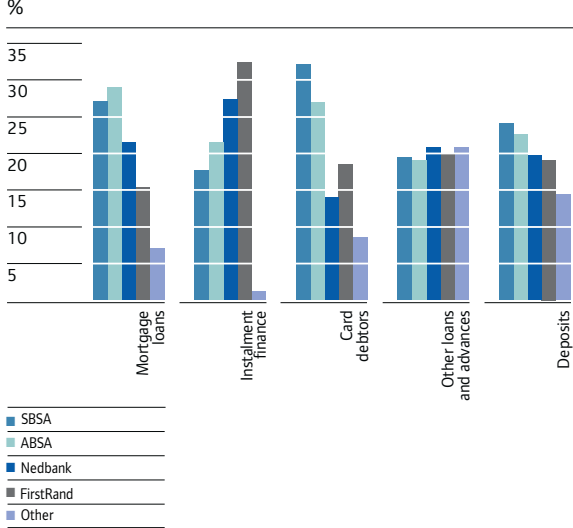
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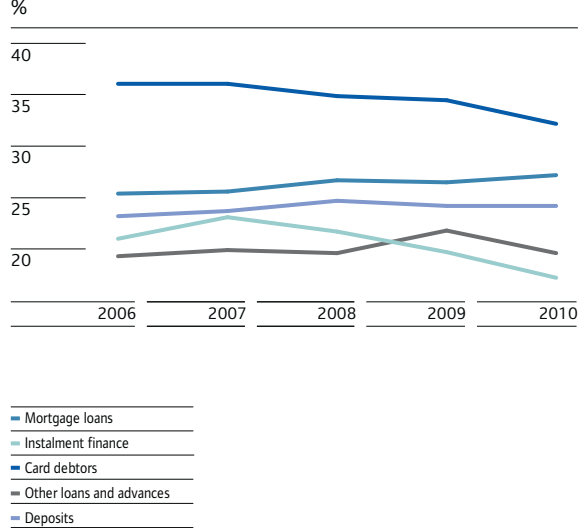
Market share analysis

The Standard Bank of South Africa

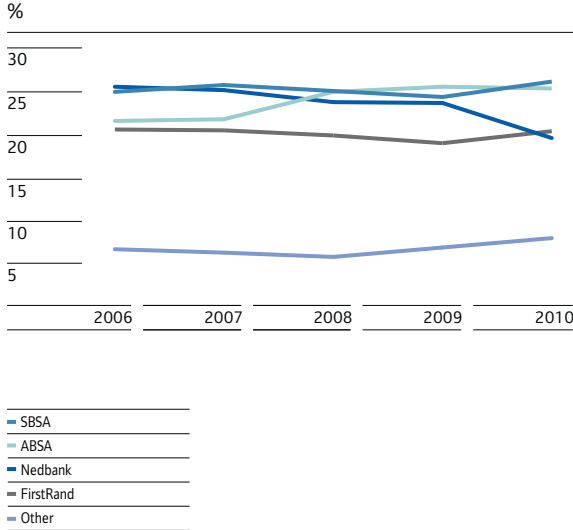
South African market share analysis



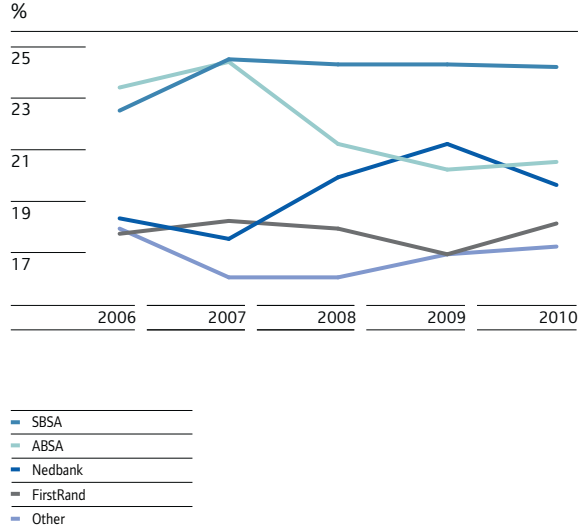
SBSA's market share movement



Retail-based deposits (denominated in rand)

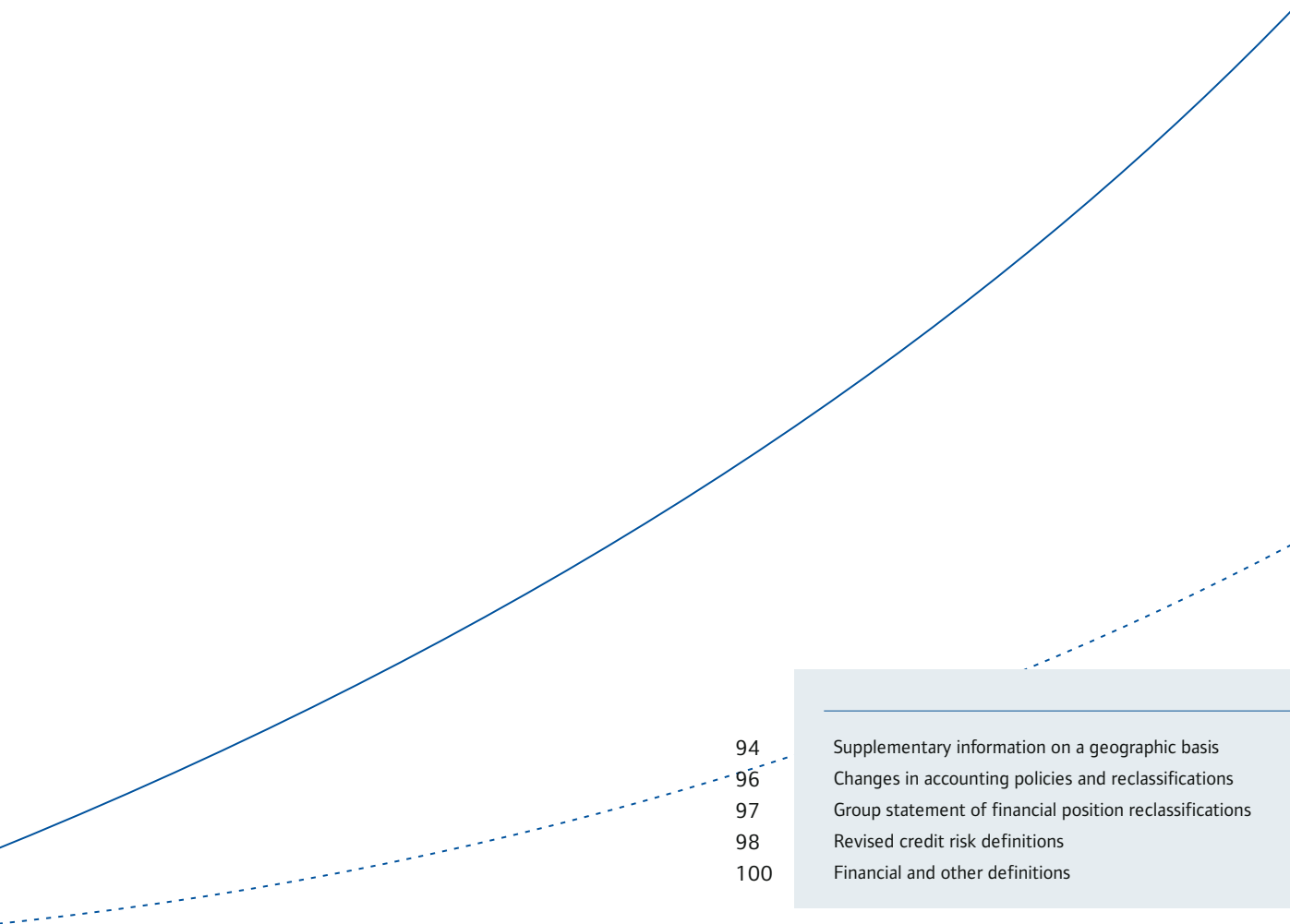


Corporate-based deposits (denominated in rand)



Source: BA 900

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Supplementary information on a geographic basis

South Africa

		Personal & Business Banking			Corporate & Investment Banking		
		Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Total income	Rm	(0)	28 068	28 160	(8)	10 595	11 545
Headline earnings	Rm	35	4 644	3 448	(15)	4 422	5 212
Loans and advances	Rm	3	356 846	345 842	(4)	215 528	224 258
Total assets	Rm	3	372 203	359 760	8	460 948	427 206
Average ordinary shareholders' equity	Rm	3	21 638	20 941	11	14 448	12 963
ROE	%		21,5	16,5		30,6	40,2
Number of employees		2	24 190	23 743	(1)	3 868	3 901

		Liberty			Total South Africa		
		Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Total income	Rm	16	51 466	44 338	7	90 681	84 545
Headline earnings	Rm	>100	1 393	72	13	10 664	9 399
Loans and advances	Rm				1	574 508	570 440
Total assets	Rm	4	229 535	220 151	6	1 073 326	1 014 955
Average ordinary shareholders' equity	Rm	2	6 371	6 258	10	55 058	49 831
ROE	%		21,9	1,2		19,4	18,9
Number of employees		(5)	5 226	5 474	1	35 163	34 861

Rest of Africa

		Personal & Business Banking			Corporate & Investment Banking		
		Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Total income	Rm	2	4 329	4 225	2	5 475	5 379
Headline (loss)/earnings	Rm	(>100)	(14)	350	(11)	760	852
Loans and advances	Rm	12	19 172	17 101	16	51 843	44 852
Total assets	Rm	17	26 712	22 906	4	82 660	79 114
Average ordinary shareholders' equity	Rm	11	2 805	2 530	(6)	8 881	9 486
ROE	%		(0,5)	13,8		8,6	9,0
Number of employees		13	9 066	8 017	6	3 682	3 473

Outside Africa

		Personal & Business Banking			Corporate & Investment Banking		
		Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Total income	Rm	4	2 578	2 470	(34)	6 681	10 101
Headline earnings/(loss)	Rm	58	120	76	(95)	66	1 403
Loans and advances	Rm	(8)	29 914	32 529	(19)	116 600	143 393
Total assets	Rm	(5)	35 248	37 113	(0)	236 814	237 264
Average ordinary shareholders' equity	Rm	(1)	2 130	2 159	5	18 117	17 288
ROE	%		5,6	3,5		0,4	8,1
Number of employees		9	3 389	3 122	6	2 051	1 938

Change %	Other domestic operations		Change %	Banking operations	
	2010 Rm	2009 Rm		2010 Rm	2009 Rm
10	552	502	(2)	39 215	40 207
(69)	205	667	(1)	9 271	9 327
>100	2 134	340	1	574 508	570 440
36	10 640	7 838	6	843 791	794 804
30	12 601	9 669	12	48 687	43 573
	1,6	6,9		19,0	21,4
8	1 879	1 743	2	29 937	29 387

Change %	Total rest of Africa	
	2010 Rm	2009 Rm
2	9 804	9 604
(38)	746	1 202
15	71 015	61 953
7	109 372	102 020
(3)	11 686	12 016
	6,4	10,0
11	12 748	11 490

Change %	Total outside Africa		Central funding and eliminations		Change %	Standard Bank Group	
	2010 Rm	2009 Rm	2010 Rm	2009 Rm		2010 Rm	2009 Rm
(26)	9 259	12 571	572	328	3	110 316	107 048
(87)	186	1 479	(313)	(362)	(4)	11 283	11 718
(17)	146 514	175 922	(79 012)	(84 808)	(1)	713 025	723 507
(1)	272 062	274 377	(113 340)	(93 564)	3	1 341 420	1 297 788
4	20 247	19 447	3 028	5 048	4	90 019	86 342
	0,9	7,6				12,5	13,6
8	5 440	5 060			4	53 351	51 411

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Changes in accounting policies and reclassifications

The accounting policies are consistent with those adopted in the previous year, except for the following:

Adoption of new standards and interpretations effective for the current financial year

The group has adopted the following revised IFRS statements prospectively as of 1 January 2010:

- IFRS 3 *Business Combinations* (revised 2008); and
- IAS 27 *Consolidated and Separate Financial Statements* (revised 2008).

While the revised IFRS statements have resulted in changes to the group's accounting policies there has not been any material impact on any of the financial statement line items or earnings per share.

The group has also adopted all other effective new and amended IFRS (not previously early adopted) as of 1 January 2010, with no material impact on the group's accounting policies or results, and no restatement of prior period results.

Early adoption of new standards and interpretations

The group has early adopted the following new and amended IFRS as of 1 January 2010 with no material impact on the group's accounting policies or results and with no restatement of the prior period results:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* (IFRS 1) (2010 Improvements to IFRS);
- IFRS 1 (Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters);
- IFRS 3 *Business Combinations* (revised 2008) (2010 Improvements to IFRS);
- IAS 1 *Presentation of Financial Statements* (2010 Improvements to IFRS)
- IAS 27 *Consolidated and Separate Financial Statements* (2010 Improvements to IFRS); and
- IFRIC 13 *Customer Loyalty Programmes* (2010 Improvements to IFRS).

Deferred tax

The group has also early adopted the amendments to IAS 12 *Income Taxes* (Deferred Tax: Recovery of Underlying Assets). In terms of the amendment, if deferred tax liabilities or assets arise from investment property that is measured using the fair value model in IAS 40 *Investment Property*, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale.

Comparative information has been restated to conform to the revised standard. This has resulted in the deferred tax liability in respect of these investment property surpluses being restated to the sale rate and has correspondingly increased policyholders' liabilities. The adoption of this amendment does not impact headline earnings or earnings per share.

Reclassifications and restatements

Derivative contracts

A review of the group's derivative positions was undertaken during the course of the year to determine whether the presentation applied was in accordance with international best practice.

The group's cross currency interest rate swap contracts incorporate, as standard market practice, reset dates on

which cash flows are exchanged to manage the credit risk on the contracts' notional amounts. These cash flows have historically been presented as derivative assets and liabilities, separately from the underlying derivative contract.

Following the review it was decided to present the cash flows, together with the underlying derivative contract, as a single contractual relationship with the group's counterparty.

The group believes that this treatment better reflects the nature of the underlying transactions and the credit risk of its relationship with its counterparty.

Repurchase agreements

The group routinely enters into soft (for example maize) and hard (for example precious metals) commodity based financing transactions. Hard commodity based financing transactions within the trading book have historically been accounted for as either outright purchases, by recognising a commodity and related derivative forward sales agreement, or sales, through derecognition of the commodity and recognition of a related derivative forward purchase agreement.

The group has revised the accounting treatment for these transactions based on market practice and analogy to IFRS requirements for similar financing transactions with a financial instrument underlying.

The group's revised policy treats certain of the group's hard commodity based financing transactions as either buy to sell backs (collateralised lending), where a reverse repurchase agreement within trading assets is recognised, or sell to buy backs (collateralised borrowing), where the commodity continues to be recognised together with a repurchase agreement within trading liabilities.

These financing transactions are accounted for in accordance with the group's existing accounting policy for 'Sale and repurchase agreements and lending of securities'. The revised accounting treatment has resulted in reclassification adjustments in the statement of financial position with no impact on reserves.

Loans and advances

For the classification of loans and advances to banks, banks are defined as entities that are regulated deposit taking institutions. In previous reporting periods, overnight placements with certain banking groups, which are not regulated deposit taking institutions, were included under loans to banks. These placements have now been reclassified as loans to customers.

The comparative statements of financial position have been adjusted to reflect the presentation consequences of the reclassification and restatements.

Capital adequacy

Standard Bank Group

Tier I and tier II capital was increased for the December 2009 period to correctly reflect the group's investment in financial entities, in terms of the Regulations relating to Banks.

Group statement of financial position reclassifications

	2009					Normalised restated Rm
	Normalised as previously reported Rm	Derivative contracts ¹ Rm	Repurchase agreements ² Rm	Loans and advances Rm	Deferred tax Rm	
Assets						
Cash and balances with central banks	24 983					24 983
Derivative assets	168 257	(45 961)	(102)			122 194
Trading assets	89 105		(1 231)			87 874
Pledged assets	5 808					5 808
Financial investments	264 769					264 769
Loans and advances	723 507					723 507
Loans and advances to banks	122 923			(11 855)		111 068
Loans and advances to customers	600 584			11 855		612 439
Current and deferred taxation	1 481					1 481
Investment property	19 058					19 058
Other assets	16 926					16 926
Interest in associates and joint ventures	9 529					9 529
Goodwill and other intangible assets	9 409					9 409
Property and equipment	12 250					12 250
Total assets	1 345 082	(45 961)	(1 333)			1 297 788
Equity and liabilities						
Equity	104 498					104 498
Equity attributable to ordinary shareholders	87 454					87 454
Ordinary share capital	156					156
Ordinary share premium	17 042					17 042
Reserves	70 256					70 256
Preference share capital and premium	5 503					5 503
Minority interest	11 541					11 541
Liabilities	1 240 584	(45 961)	(1 333)			1 193 290
Derivative liabilities	162 515	(45 961)	(1 333)			115 221
Trading liabilities	51 118					51 118
Deposit and current accounts	768 548					768 548
Deposits from banks	106 018					106 018
Deposits from customers	662 530					662 530
Current and deferred taxation	7 690				(756)	6 934
Other liabilities	40 513					40 513
Policyholders' liabilities	183 544				756	184 300
Subordinated debt	26 656					26 656
Total equity and liabilities	1 345 082	(45 961)	(1 333)			1 297 788

Refer to page 96 for an explanation of the reclassification.

¹ Reclassification for derivative contracts also applicable to SBSA.

² Reclassification for repurchase agreements also applicable to SBSA, however resulted in an increase in interest in group companies and a decrease in trading assets of R1 842 million.

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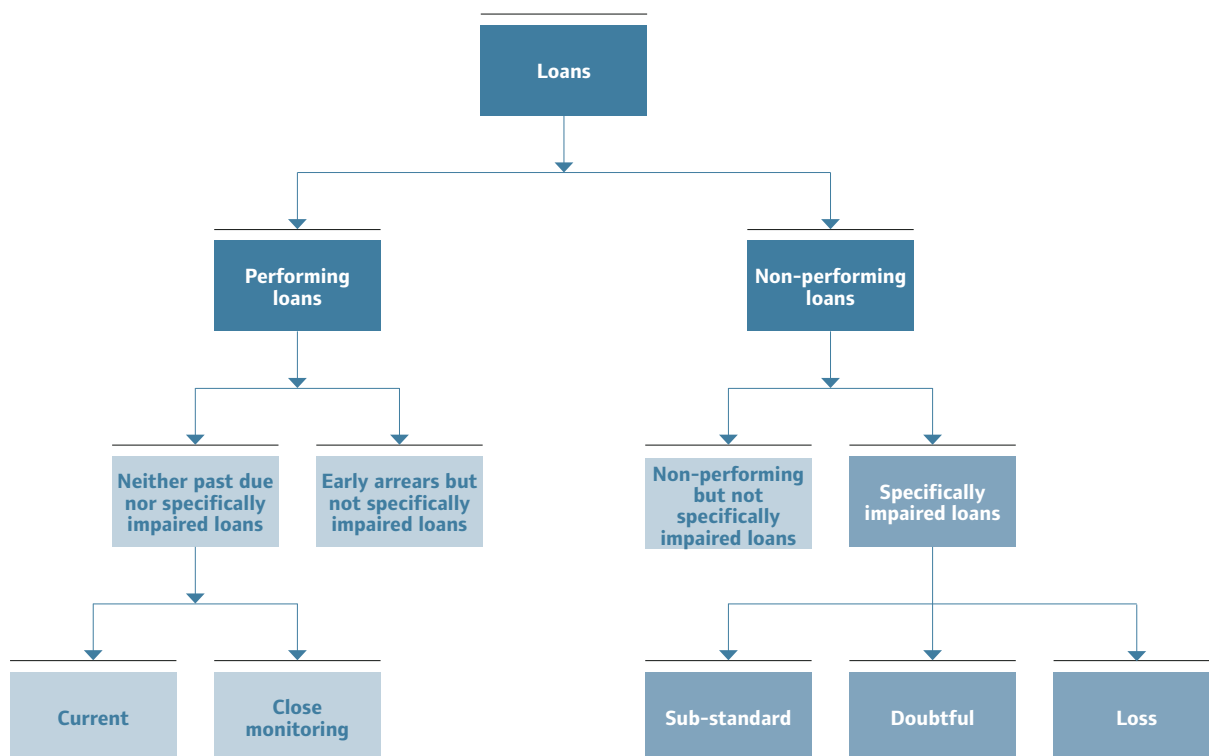
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Revised credit risk definitions

The group has traditionally classified its retail and corporate loans and advances as either performing or non-performing for the determination of its credit impairment losses. The group previously provided disclosure of the performance of its loans and advances by distinguishing its loans between those that were performing and those that were impaired. This resulted in many instances in the use of the terms 'impaired' and 'non-performing' as interchangeable items. Whilst a loan is classified as non-performing, it may not necessarily be specifically impaired

To clarify this difference, the group has revised its credit risk definitions. The revised definitions distinguish between loans that are performing and those that are non-performing and, further within non-performing loans, those loans that are non-performing but not specifically impaired and those loans that are specifically impaired. The group believes that this distinction provides a better reflection of the group's credit risk. IFRS also requires various disclosures of the group's exposure to credit risk. The group has further revised its credit risk definitions so as to align the requirements of IFRS with the group's definitions of performing and non-performing loans. The diagram below sets out the group's revised credit risk definitions:



- Portfolio credit impairments
- Specific credit impairments

Non-performing loans have been defined as those loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition, or where instalments are due and unpaid for 90 days or more. Within non-performing loans are loans that are not specifically impaired. This category consists of those loans where the counterparty has failed to make contractual payments and 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 loans that carry a specific impairment, as a result of a measurable decrease in estimated future cash flows, are classified separately as specifically impaired.

The group previously distinguished its credit impairment accounts between performing and non-performing loans. As a result of the changes to the group's credit risk definitions noted above, the group has revised its references to its impairment allowance accounts to 'Portfolio credit impairments' and 'Specific credit impairments'. The categories to which each of these impairment allowance accounts relate has been set out in the diagram on the previous page.

As a result of the changes in the credit risk definitions noted above, for the purposes of the group's 2009 disclosures certain of the group's loans have been classified as non-performing rather than performing. The group's comparative disclosures have been restated to reflect this change. No changes were required to the group's total specifically impaired loans or credit impairments.

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Financial and other definitions

Standard Bank Group

Basic earnings per ordinary share (EPS) (cents)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.
CAGR (%)	Compound annual growth rate.
Diluted headline earnings per ordinary share (cents)	Headline earnings divided by the weighted average number of shares, adjusted for potential dilutive ordinary shares resulting from share-based payments.
Dividend cover (times)	Headline earnings per share divided by dividend per share.
Dividend per share (cents)	Total dividends to ordinary shareholders including dividends and scrip distributions declared per share in respect of the year.
Headline earnings (Rm)	Earnings attributable to ordinary shareholders excluding goodwill gain or impairment, capital profits and losses, and realised profits or losses on available-for-sale financial instruments.
Headline earnings per ordinary share (HEPS) (cents)	Headline earnings divided by the weighted average number of ordinary shares in issue.
Net asset value (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 year.
Price-to-book ratio (times)	Market capitalisation divided by net asset value.
Profit attributable to ordinary shareholders (Rm)	Profit for the year attributable to ordinary shareholders, calculated as profit for the year less dividends on non-redeemable, non-cumulative, non-participating preference shares declared before year end, less minority interests.
Profit for the year (Rm)	Income statement profit attributable to ordinary shareholders, minorities and preference shareholders for the year.
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 Limited (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 year.
Total capital adequacy ratio (%)	Capital as a percentage of risk weighted assets.
Turnover in shares traded (%)	Number of shares traded during the year as a percentage of the weighted average number of shares.
Weighted average number of shares (number)	The weighted average number of ordinary shares in issue during the year as listed on the JSE.

Standard Bank Group continued**Banking activities**

Available financial resources (AFR) (Rm)	The amount of permanent capital that is available to the group to absorb potential losses.
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 share of profit 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 ratio (%)	Specific loan impairments as a percentage of specifically impaired loans.
Portfolio credit impairments (Rm)	Impairment for latent losses inherent in groups of loans and advances that have not yet been specifically impaired.
Loans-to-deposits 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, other assets, and current and deferred taxes. 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.
Return on equity (ROE) (%)	Headline earnings, excluding Liberty, as a percentage of monthly average ordinary shareholders' funds, after deducting capital relating to Liberty.
Specific credit impairments (Rm)	Impairment for specific identified credit losses, that are classified as specifically impaired, net of the present value of estimated recoveries.

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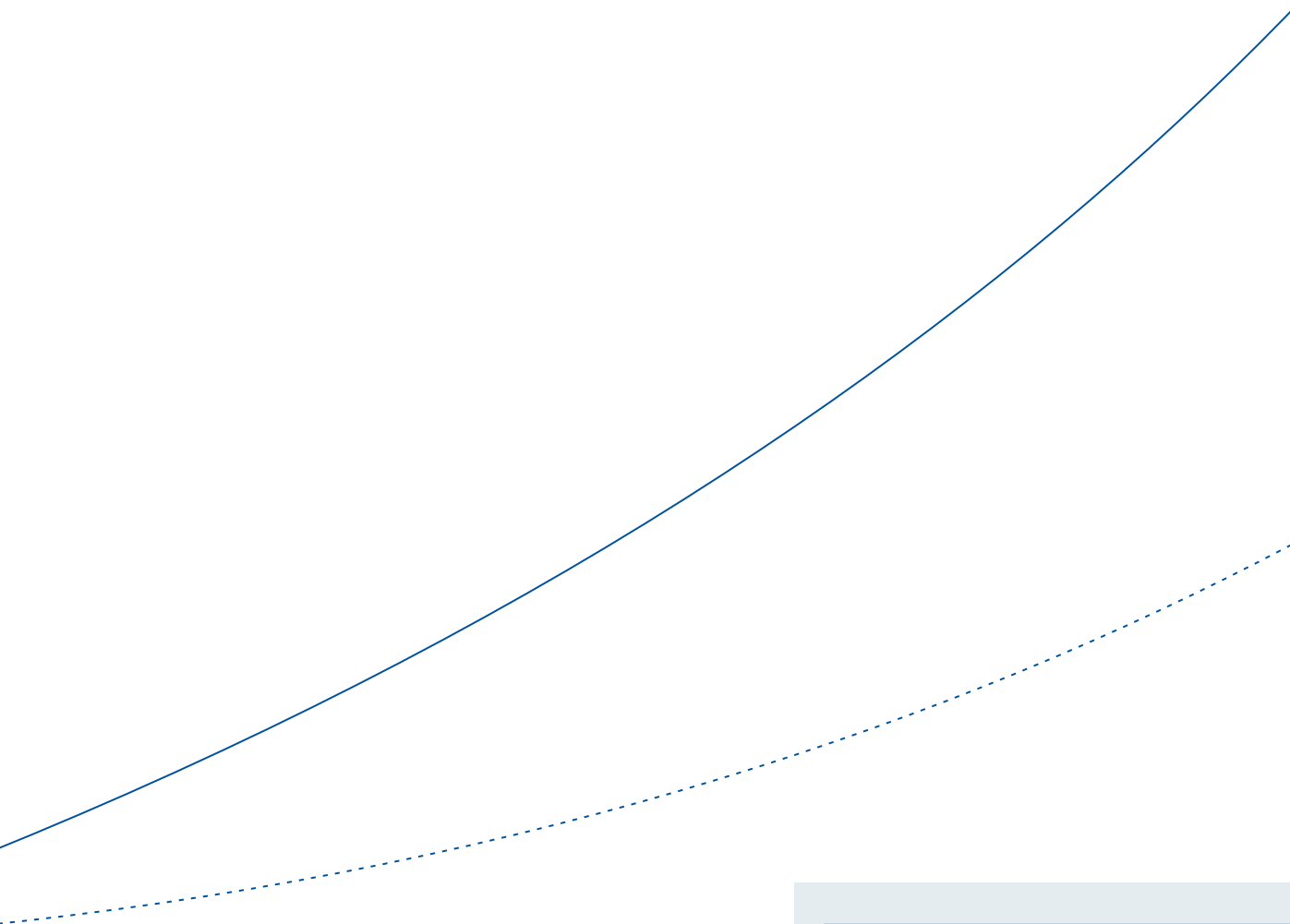
Financial and other definitions continued

Standard Bank Group continued

Other definitions

Black	African, Coloured, Indian and South African Chinese people (who fall within the orbit of black people in the relevant legislation as determined by court ruling).
Broad-based black economic empowerment (BBBEE)	Socio-economic term concerning formalised initiatives and programmes to enable historically disadvantaged black individuals and groups to participate gainfully and equitably in the mainstream economy.
Complex products	Life, disability and investment insurance policies sold by qualified intermediaries.
CPI	A South African index of prices used to measure the change in the cost of basic goods and services.
dti	Department: Trade and Industry of the Government of South Africa.
International Financial Reporting Standards (IFRS)	International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).
Liberty	Investment management and life insurance activities of companies in the Liberty Holdings group.
Normalised results	The financial results and ratios restated on an economic substance basis as explained on page 16.
SARB	South African Reserve Bank.
SBG	Standard Bank Group Limited.
SBSA	The Standard Bank of South Africa Limited.
Simple embedded products	Homeowners' insurance, funeral cover, household and vehicle insurance and loan protection plans sold in conjunction with related banking products.
Special Purpose Vehicle (SPV)	An entity 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.

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Analysis of shareholders

Ten major shareholders¹

	2010		2009	
	Number of shares (million)	% holding	Number of shares (million)	% holding
Industrial and Commercial Bank of China	317,9	20,1	313,0	20,1
Public Investment Corporation	210,5	13,3	189,7	12,2
Tutuwa participants	88,6	5,6	89,7	5,7
– Staff	34,9	2,2	36,0	2,3
– Strategic partners	35,8	2,3	35,8	2,3
– Communities and regional businesses	17,9	1,1	17,9	1,1
Dodge & Cox	44,9	2,8	46,9	3,0
Old Mutual Group	39,6	2,5	52,3	3,4
Investment Solutions	28,3	1,8	31,0	2,0
Sanlam Group	23,9	1,5	26,0	1,7
Vanguard Emerging Markets Fund	18,0	1,1	12,9	0,8
Liberty Group ²	17,3	1,1	25,7	1,6
Lazard Emerging Markets Fund	17,2	1,1	15,1	1,0
	806,2	50,9	802,3	51,5

¹ Beneficial holdings determined from the share register and investigations conducted on our behalf in terms of S140A of the Companies Act.

² Policyholders' funds.

Geographic spread of shareholders

	2010		2009	
	Number of shares (million)	% holding	Number of shares (million)	% holding
South Africa	825,8	52,1	844,9	54,2
Foreign shareholders	759,2	47,9	713,4	45,8
China	317,9	20,1	313,0	20,1
United States of America	244,3	15,4	234,8	15,1
United Kingdom	64,0	4,0	39,7	2,6
Namibia	16,9	1,1	16,9	1,1
Netherlands	12,4	0,8	12,9	0,8
Singapore	12,2	0,8	12,7	0,8
United Arab Emirates	12,0	0,8	11,0	0,7
Luxembourg	11,9	0,8	14,4	0,9
Saudi Arabia	11,8	0,7	8,3	0,5
Australia	8,5	0,5	4,2	0,3
Norway	8,5	0,5	9,9	0,6
Other	38,8	2,4	35,6	2,3
	1 585,0	100,0	1 558,3	100,0

Credit ratings

Ratings as at 2 March 2011 for entities within Standard Bank Group are detailed below:

	Short term	Long term	Outlook
Fitch Ratings			
The Standard Bank of South Africa			
Issuer default rating	F2	BBB+	Stable
Local currency issuer default rating		BBB+	Stable
National rating	F1+ (ZAF)	AA (ZAF)	Stable
RSA Sovereign rating			
Foreign currency issuer default rating	F2	BBB+	Stable
Local currency issuer default rating		A	Stable
Standard Bank Plc			
Issuer default rating	F2	BBB+	Stable
Banco Standard de Investimentos SA (Brazil)			
National rating	F1+ (BRA)	AA+ (BRA)	Stable
Standard Bank Argentina SA			
National rating		AA+ (ARG)	Stable
Stanbic IBTC Bank Plc (Nigeria)			
National rating	F1+ (NGA)	AAA (NGA)	
CfC Stanbic Bank (Kenya)			
Issuer default rating	B	BB-	Stable
Liberty Group			
National rating		AA- (ZAF)	Negative
National Insurer Financial Strength		AA (ZAF)	Negative
Moody's Investor Services			
The Standard Bank of South Africa			
Foreign currency deposit rating	P-2	A3	Stable
Local currency deposit rating	P-1	A1	Stable
RSA Sovereign rating			
Foreign currency		A3	Stable
Local currency		A3	Stable
Standard Bank Plc			
Foreign and local currency deposit rating	P-2	Baa2	Negative
Standard Bank Argentina SA			
Foreign currency deposit rating	NP	Caa1	Stable
Local currency deposit rating	NP	Ba1	Stable
Standard & Poor's			
The Standard Bank of South Africa			
Local currency		BBBpi	
RSA Sovereign rating			
Foreign currency	A-2	BBB+	Stable
Local currency	A-1	A	Stable

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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 (JSE)			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000109815	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000109815		
Dividend number	83	83	13
Dividend per share (cents)	245	3,25	337,90
Dividend payment dates			
Last day to trade in order to be eligible for the dividend ("CUM" distribution)	Friday, 1 April 2011	Friday, 25 March 2011	Friday, 25 March 2011
Shares trade "EX" the dividend	Monday, 4 April 2011	Monday, 28 March 2011	Monday, 28 March 2011
Record date in respect of the dividend	Friday, 8 April 2011	Friday, 1 April 2011	Friday, 1 April 2011
Payment date	Monday, 11 April 2011	Monday, 4 April 2011	Monday, 4 April 2011

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 4 April 2011, and Friday, 8 April 2011, both days inclusive.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 28 March 2011 and Friday, 1 April 2011, both days inclusive.

Instrument codes

JSE Limited

Deposit notes

SBR002: ZAE000083853

SBR003: ZAE000128195

Bond Exchange of South Africa

Subordinated debt

SBK 5: ZAG000023078

SBK 7: ZAG000024894

SBK 8: ZAG000029679

SBK 9: ZAG000029687

SBK 10: ZAG000046640

SBKI 11: ZAG000066382

SBK 12: ZAG000073388

SBK 13: ZAG000073396

Senior debt

SBS 3: ZAG000030586

SBS 4: ZAG000035049

SBS 5: ZAG000035650

SBS 6: ZAG000051475

SBS 7: ZAG000051483

SBS 8: ZAG000051491

SBS 9: ZAG000069329

SBSI 10: ZAG000069063

SBSI 11 : ZAG000075789

SBSI 12: ZAG000080847

SBS13: ZAG000080839

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