Unaudited results and distribution announcement

for the six months ended 30 June 2007

Standard Bank

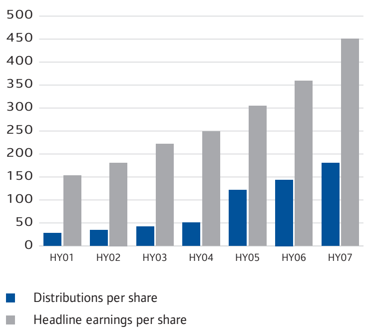
Contents

The group's key financial highlights were:

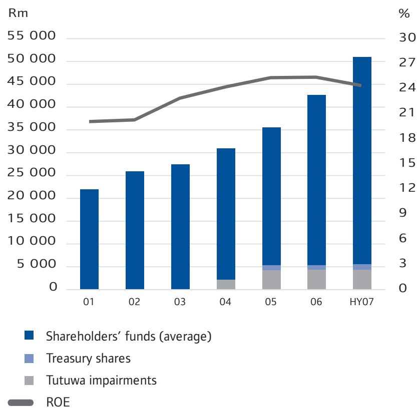
	Normalised	IFRS
• Return on equity (ROE) (%)	24,4	26,4
• Headline earnings growth (%)	26,6	27,5
• Headline earnings per share (cents)	451,1	482,9
• Headline earnings per share growth (%)	25,7	25,8
• Cost-to-income ratio (%)	51,9	52,3
• Credit loss ratio (%)	0,78	0,79

Normalised headline earnings and distributions per share (cents)

CAGR (HY2001 – HY2007): Headline earnings per share 20%
Distributions per share 36%



Normalised return on ordinary equity



Overview of financial results

In the six months under review Standard Bank Group grew its headline earnings per share by 25,8% to 482,9 cents and achieved a return on equity of 26,4% on an International Financial Reporting Standards (IFRS) basis. On a normalised basis headline earnings per share grew 25,7% to 451,1 cents and the return on equity was 24,4%. Normalised earnings, fully explained later in this announcement, adjust the IFRS results for two accounting anomalies that have distorted the results from an economic perspective with effect from 2004. This commentary is based on the normalised results.

Economic growth in developing countries continues to outpace that of the developed world. In South Africa growth remained brisk, supported by an uplift in the supply side of the economy. Evidence of waning consumer demand has recently become apparent, reflecting the effect of the 250 basis point rise in the South African prime interest rate since June 2006.

Key factors impacting the results:

- **Robust asset growth,** particularly in Personal & Business Banking, boosted net interest income.
- **Higher average interest rates** in South Africa resulted in wider margins on transactional balances and capital. This higher rate environment has resulted in a recent increase in default experience and when applied to a much larger advances book resulted in a significant increase in the credit impairment charge in Personal & Business Banking.
- **Increased transactional activity** from both consumers and corporates benefited fee and commission income.
- **Higher levels of global liquidity and increased client flows** resulted in strong growth in trading income, particularly in operations outside of South Africa.
- **Continued investment** in staff and infrastructure had an impact on costs.

During the period under review

- **The acquisition of BankBoston Argentina was finalised**

  The group obtained approval for its acquisition from both the South African and Argentine regulators and took transfer of the assets and liabilities of BankBoston Argentina with effect from 1 April 2007. The transaction was concluded at a discount to net asset value resulting in negative goodwill and a total gain of R390 million recognised in the income statement, but excluded from headline earnings. Earnings from this entity had no material impact on these results due to initial rebranding costs and other acquisition related expenses.

- **The group's holding in Stanlib was restructured**

  Following an approach by Liberty Life, the group restructured its investment in Stanlib, becoming effective on 29 January 2007. The group previously owned 48,8% of Stanlib, 37,4% directly and an effective 11,4% through its subsidiary, Liberty Life. After obtaining approval from its minority shareholders, Liberty Life acquired the interest in Stanlib directly owned by Standard Bank Group as well as the 25,2% owned by a black economic empowerment (BEE) consortium. The purchase consideration was settled by issuing Liberty Group shares and a cash payment. The transaction had no material impact on the group's results.

- **The National Credit Act (NCA) came into effect in South Africa**

  The NCA, which became effective on 1 June 2007, aims to protect customers from over-indebtedness and create a fair and non-discriminatory market for lending. Standard Bank is fully supportive of the Act and has implemented the necessary policies and procedures to meet its requirements. Following the NCA implementation, there has been a slight decrease in mortgage and instalment finance account openings and a more significant reduction in new credit card accounts. It is too early to establish a trend or to determine if these changes may relate to the recent interest rate hikes.

Income statement analysis

Net interest income

The group's net interest margin increased by 16 basis points to 2,91%. Net interest income grew by 36% with 39% growth in Personal & Business Banking and 34% in Corporate & Investment Banking following:

- continued strong lending growth across the banking operations;

- an increase in higher margin components of the lending book;
- a positive endowment impact as a higher funding margin was earned, following a 201 basis point increase in the average prime rate in South Africa to 12,56%; and
- reduced average concession rates on vehicle and asset financing as pricing processes were refined.

The group continued to rely on more expensive wholesale funding to finance asset growth. However, this impact was to a large degree offset by the mismatch benefit of liabilities repricing slower than assets. Other adverse factors were competitive pressure on mortgage lending rates and increased origination costs. Net interest income was also impacted by the delay in increasing the Usury Act rate ceiling following several increases in the prime rate.

Non-interest revenue

The group's non-interest revenue grew by 31% with:

- net fee and commission revenue up 25%;
- trading revenue up 62%; and
- other revenue down 7%.

Net fee and commission revenue in Personal & Business Banking grew by 18% with the main increases as follows:

- account transaction fees were 12% higher boosted by a 10% increase in customers, but limited by sub-inflation price increases;
- card-based commission increased by 22% off the back of 7% more customers and 15% growth in turnover at point of sale;
- growth of 8% in ATM transactions and 67% in Internet transactions; and
- insurance fee income grew by 24% boosted by increased policy sales through the banking network.

Corporate & Investment Banking grew net fee and commission revenue by 47% as:

- advisory fees doubled following increased local and international deal flow including a number of large, high profile corporate and project finance, securitisation and structured debt transactions;
- electronic banking and account transaction fee income growth of 13% and 18% respectively, boosted by increased transaction values and volumes; and
- foreign currency service fees, which benefited from volume growth in trade finance and foreign guarantee income, were up 24%.

Strong growth in trading income was achieved due to:

- a significant increase in credit and interest rate trading in debt capital markets, benefiting from increased client flows and market volatility;
- growth in equity derivatives trading income following higher institutional and retail client flows; and
- the inclusion of the Argentine trading revenue for the first time.

Other non-interest revenue declined off a high base. The comparative figures include R157 million profit on the partial sale of the group's interest in MasterCard, which was excluded from headline earnings, and a gain on the realisation of a property investment not repeated.

Credit impairment charges

Credit impairment charges for the group increased 62% and the credit loss ratio increased from 0,70% to 0,84% for the group. After implementing IFRS 7, which includes loans to banks in loans and advances used to calculate the ratio, the credit loss ratio increased from 0,63% to 0,78%.

Credit losses in Personal & Business Banking increased by 80% with the credit loss ratio rising from 0,99% to 1,32% as a result of:

- an increase in the incidence of arrears which, when applied to the larger mortgage book following two years of strong loan growth, resulted in a significantly higher charge. A recent increase in the number of short-payers is being experienced and a longer time lag in the mortgage cancellation process was experienced, given delays at the deeds office in the second quarter of 2007. In addition, recoveries are being discounted at higher rates given the increased interest rates. These factors combined to result in the credit loss ratio increasing from 0,33% to 0,61% in this product;
- a 79% increase in credit loss provisions against the instalment sales and finance leases book and the credit loss ratio increasing to 1,51% (June 2006: 1,03%). This was driven by an increase in dealer originated

business which is mostly comprised of higher risk personal business, exacerbated by declining recovery values in the secondhand car market; and

- a 39% increase in credit losses in card debtors, but as a percentage of the book the credit loss ratio remained unchanged.

Doubtful debt recoveries in Corporate & Investment Banking resulted in an 18% reduction in credit impairment charges and a drop in the credit loss ratio from 0,24% to 0,16%, despite increased portfolio provisions on the growing performing loan book.

Non-performing loans increased by 46% for the group and as a percentage of loans and advances increased from 1,1% to 1,3%. These non-performing loans, before accounting for security, are covered at 39% (June 2006: 43%) by the impairment for non-performing loans and 100% (June 2006: 100%) after considering security.

Operating expenses

Operating expenses increased by 30%, or 25% if the Argentine acquisition is excluded. Total income growth of 33%, including income from associates, exceeded cost growth by 3%, resulting in a 1,4% improvement in the cost-to-income ratio to 51,9%.

Staff costs were 36% higher, driven by a 14% increase in the group's staff complement, resulting mainly from:

- the inclusion of 2 677 staff members from the newly acquired operations in Argentina;
- business growth, particularly higher incentive and retention benefits in line with business performance;
- additional capacity required to deal with a heavier regulatory workload relating to Basel II and the National Credit Act; and
- increased security and credit collection staff.

Other operating expenses rose by 22% mainly as a result of:

- information technology spending, up 26%, resulting from increased compliance related infrastructure software development and maintenance costs to enhance network efficiency;
- communication costs, up 23%, as a result of increased customer interaction; and
- professional fees, up 71%, following initiatives to enhance business efficiency, support acquisition processes and compliance and risk management related information technology projects.

Business units

Personal & Business Banking grew headline earnings by 27%. Key features of this result were:

- an expanded asset base and wider margins;
- strong growth in fee income due to higher transaction volumes;
- increased credit impairment charges as higher interest rates took effect; and
- cost increases to support business growth.

Corporate & Investment Banking grew headline earnings by 38% with growth of 65% in global markets, 44% in banking and trade finance and a 5% decline in investment banking. These results were characterised by:

- improved trading results, particularly in debt capital markets;
- reduced net impairment charges as a result of doubtful debt recoveries in Rest of Africa;
- significant growth in advisory business;
- lower profits recognised on property investments and infrastructure funds; and
- cost growth above inflation levels as the business continues to invest in people and infrastructure to meet growing business needs.

Liberty Life increased headline earnings by 56% and achieved a BEE normalised return on embedded value of 24,7%. Key factors in this result were:

- strong investment returns; and
- indexed new business up 14% as restructuring initiatives gained traction.

Balance sheet analysis

Total loans and advances growth remained robust, increasing by 24%, with growth of 35% in Personal & Business Banking and 16% in Corporate & Investment Banking.

Activity in the Personal & Business Banking market segment remained buoyant for most of the period despite higher interest rates and the implementation of the National Credit Act in June 2007 as:

- mortgage loans grew by 36% resulting from a 24% increase in registration values driven by a 10% increase in registration volumes and 13% growth in average registration values;
- instalment sales and finance leases grew by 28%. The group's strategy to move closer to the dealer network benefited the motor book, as this book grew 25%; and
- card debtors increased by 45%, as the group continued its penetration into the still relatively underdeveloped South African card market.

Corporate & Investment Banking grew total loans and advances by 16%, with loans to corporate customers up 40% and loans to banks down by 17% as:

- strong growth occurred in medium-term and foreign currency lending, overdrafts and other demand lending in the South African market as a number of new large corporate lending transactions were concluded;
- continued strong economic growth in the commercial property market benefited corporate property lending which grew by 25%; and
- loans to and placements with banks were lower due to reduced surplus funds at period end and increased demand for credit from corporate customers.

Capital and Basel II

In South Africa the Basel II requirements are being incorporated into the Banks Act and Regulations relating to Banks which becomes effective on 1 January 2008.

Standard Bank started its Basel II project in 2001 with regular board involvement from 2003. The Basel II concepts are now well entrenched at an operating level and the group is confident of successfully finalising its implementation by the end of 2007.

With respect to capital management key focus areas include:

- alignment of risk and capital management practices with Basel II definitions;
- improved and consistently applied group-wide regulatory and economic capital calculation and regulatory reporting tools; and
- improved linkages of business strategic planning and operational processes with economic and regulatory capital outcomes.

The group is well capitalised at a capital adequacy ratio of 13,7% (June 2006: 14,7%).

Distributions

It is currently the group's policy to declare both interim and final distributions using a cover ratio of 2,5 times normalised headline earnings. This policy has not changed and an interim distribution of 181 cents per share (2006: 144 cents) has been declared, an increase of 26%. The interim distribution comprises a distribution out of share premium of 100 cents per share and a dividend of 81 cents per share.

Charter progress

Standard Bank has increased its Financial Sector Charter score from 92,31 points at the end of December 2006 (audited) to 93,22 points as at 30 June 2007 (unaudited). The bank has consistently achieved scores in excess of the charter's requirements as a result of the strategy to embed BEE into operations in South Africa.

Zimbabwe

Conditions in Zimbabwe continue to deteriorate at both an economic and social level. Stanbic Zimbabwe remains solvent and is still profitable when measured in local currency. Political risk in this environment is high and continues to rise. The group adopts a conservative approach in recognising earnings from this subsidiary and no amounts have been included in these results.

Status of acquisitions

IBTC Chartered Bank Plc in Nigeria

The group previously announced that it had reached an agreement in principle with the board of directors of the listed entity IBTC Chartered Bank Plc (IBTC) to merge Standard Bank's Nigerian operations, Stanbic Bank Nigeria Limited, with those of IBTC and for Standard Bank to acquire sufficient additional shares at an estimated total value of approximately USD400 million in the enlarged IBTC to establish a controlling interest. The approach to IBTC's shareholders concludes on 20 August 2007 with the closing of a tender offer and shareholders' meetings of IBTC and Stanbic Nigeria to approve a Scheme of Merger.

CFC Bank in Kenya

The group recently submitted an application for regulatory approval to acquire a 60% interest in CFC Bank Limited through a merger with Stanbic Bank Kenya Limited and the acquisition of further shares for cash. The cash outflow required in this transaction is approximately USD80 million. Although this transaction is important to grow the group's African network, it is unlikely to have a significant impact on group results.

Prospects

Despite recent financial market volatility, economic growth in the group's target markets should remain reasonably strong for the remainder of the year. In South Africa, higher interest rates are impacting on consumers but this is likely to be moderated to some extent by increased levels of disposable income and better employment prospects within an expanding economy.

As consumer spending eases, the supply side of the economy is gaining momentum. Manufacturing production and infrastructure investment growth are showing encouraging signs as the government's Accelerated and Shared Growth Initiative of South Africa (Asgi-SA) gains traction. Financing and refinancing activity relating to BEE transactions should continue to present opportunities. This environment bodes well for the group's corporate and structured finance businesses as well as the corporate lending business for the rest of the year. Internationally the group will continue to utilise its network to originate business in the still fast growing emerging markets.

Operating conditions are expected to be more challenging in the next six months. This should result in the strong growth achieved in the first half moderating in the second half. Despite this we expect that Standard Bank's diversified sources of revenue growth and focus on risk management should enable the group to achieve a normalised return on equity of 24,0%, and exceed its published target of normalised headline earnings per share growth of South African inflation (CPIX) plus 10 percentage points for the full year.

Jacko Maree
Chief executive

Derek Cooper
Chairman

Johannesburg
14 August 2007

Declaration of distributions

Notice is hereby given that the following interim distributions have been declared:

- Distribution of 181 cents per ordinary share (share codes: SBK and SNB, ISIN: ZAE000057378), comprising 100 cents paid out of share premium and ordinary dividend No. 76 of 81 cents paid out of distributable reserves, payable on Monday, 17 September 2007, to ordinary shareholders recorded in the books of the company at the close of business on the record date, Friday, 14 September 2007. The last day to trade to participate in the distribution is Friday, 7 September 2007. Ordinary shares will commence trading ex-distribution from Monday, 10 September 2007. In terms of the requirements of the Companies Act, the directors confirm that after the payment of the distribution, the company will be able to pay its debts as they become due in the ordinary course of business and its consolidated assets, fairly valued, will exceed its consolidated liabilities;
- 6,5% first cumulative preference shares (first preference shares) dividend No. 76 of 3,25 cents per first preference share (share code: SBKP, ISIN: ZAE000038881), payable on Monday, 10 September 2007, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday, 7 September 2007. The last day to trade to participate in the dividend is Friday, 31 August 2007. First preference shares will commence trading ex-dividend from Monday, 3 September 2007; and
- Non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 6 of 436,09 cents per second preference share (share code: SBPP, ISIN: ZAE000056339), payable on Monday, 10 September 2007, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday, 7 September 2007. The last day to trade to participate in the dividend is Friday, 31 August 2007. Second preference shares will commence trading ex-dividend from Monday, 3 September 2007.

The relevant dates for the payment of the distributions are as follows:

	Ordinary shares	6,5% 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	ZAE000057378	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000057378		
Dividend number	76	76	6
Distribution per share (cents)	181	3,25	436,09
Distribution paid out of share premium	100		
Distribution paid out of distributable reserves	81		
Distribution payment dates			
Last day to trade *"CUM"* distribution	Friday 7 September 2007	Friday 31 August 2007	Friday 31 August 2007
Shares trade *"EX"* distribution	Monday 10 September 2007	Monday 3 September 2007	Monday 3 September 2007
Record date	Friday 14 September 2007	Friday 7 September 2007	Friday 7 September 2007
Payment date	Monday 17 September 2007	Monday 10 September 2007	Monday 10 September 2007

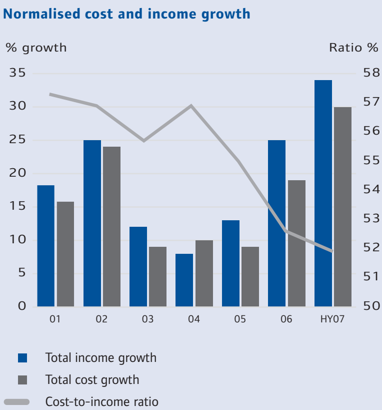
Ordinary share certificates may not be dematerialised or rematerialised between Monday, 10 September 2007 and Friday, 14 September 2007, both days inclusive.

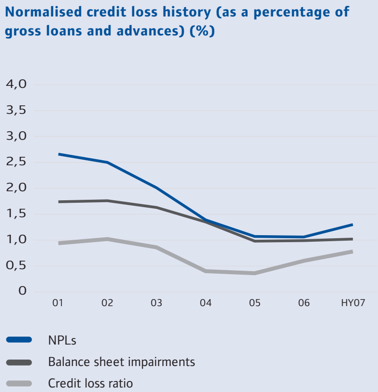
Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 3 September 2007 and Friday, 7 September 2007, both days inclusive.

Where applicable, distributions in respect of certificated shares will be transferred electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, distribution cheques will be posted to shareholders. Preference shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday, 10 September 2007. Ordinary shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday, 17 September 2007.

On behalf of the board

Loren Wulfsohn
Group secretary





Normalised results

With effect from 2004, the group has adjusted its results reported in terms of International Financial Reporting Standards (IFRS) for two required accounting conventions that, in the opinion of the board, do not reflect the underlying economic substance of transactions. Consistent with prior years, the IFRS results have been adjusted for the following items to arrive at the normalised results:

- preference share funding for the group's Black Economic Empowerment Ownership initiative (Tutuwa) transaction that is deducted from equity and reduces the number of ordinary shares in terms of IFRS; and
- group company shares held for the benefit of Liberty Life policyholders that result in a reduction in the number of shares and the exclusion of fair value adjustments and dividends on these shares. This IFRS treatment causes an accounting mismatch between income from investments and changes in policyholders' liabilities.

The result of these adjustments is as follows:

Normalised headline earnings

	Weighted average number of shares '000	Headline earnings Rm	Growth on 30 June 2006 %
Disclosed in terms of IFRS	1 228 666	5 933	28
Tutuwa initiative	99 190	180	
Group shares held for the benefit of Liberty Life policyholders	38 864	52	
Normalised	1 366 720	6 165	27

These adjustments are described in more detail in the group's 2006 financial statements which are available on the group website at www.standardbank.co.za.

Normalised financial statistics

for the six months ended 30 June 2007

	% change	June 2007	June 2006	December 2006
Standard Bank Group				
Ordinary shares in issue (000's)				
– weighted average		**1 366 720**	1 356 202	1 358 415
– diluted weighted average		**1 386 926**	1 379 172	1 380 416
Cents per ordinary share				
Headline earnings	26	**451,1**	359,0	796,4
Diluted headline earnings	26	**444,5**	353,0	783,7
Distributions	26	**181,0**	144,0	320,0
Basic earnings	28	**481,7**	377,6	820,7
Diluted earnings	28	**474,7**	371,3	807,6
Net asset value	22	**3 904**	3 201	3 548
Financial performance (%)				
ROE		**24,4**	24,4	25,4
Net interest margin		**2,91**	2,75	2,79
Credit loss ratio		**0,78**	0,63	0,60
Cost-to-income ratio		**51,9**	53,3	52,6

Normalised headline earnings contribution by business unit

for the six months ended 30 June 2007

Rm	% change	June 2007	June 2006	December 2006
Personal & Business Banking	27	**2 626**	2 061	4 833
Corporate & Investment Banking	38	**3 117**	2 265	5 033
Central and other	(>100)	**(92)**	213	109
Central and other – IFRS	(>100)	**(258)**	40	(225)
Tutuwa adjustments	(4)	**166**	173	334
Banking activities	24	**5 651**	4 539	9 975
Liberty Life	56	**514**	330	843
Liberty Life – IFRS	56	**448**	287	547
Policyholders' deemed treasury shares and Tutuwa adjustment	53	**66**	43	296
Standard Bank Group	27	**6 165**	4 869	10 818

Consolidated income statement

for the six months ended 30 June 2007

Rm	% change	June 2007 Unaudited	June 2006 Unaudited	December 2006 Audited
Income from banking activities	33	21 736	16 308	35 855
Net interest income	37	10 193	7 464	16 654
Non-interest revenue	31	11 543	8 844	19 201
Income from investment management and life insurance activities	13	28 086	24 749	59 344
Total income	21	49 822	41 057	95 199
Credit impairment charges	62	2 109	1 300	2 733
Benefits due to policyholders	13	21 795	19 265	47 896
Income after credit impairment charges and policyholders' benefits	26	25 918	20 492	44 570
Operating expenses in banking activities	30	11 464	8 835	19 141
Operating expenses in investment management and life insurance activities	21	3 528	2 924	6 486
Net income before goodwill	25	10 926	8 733	18 943
Goodwill (gain)/impairment	(>100)	(390)	4	15
Net income before associates and joint ventures	30	11 316	8 729	18 928
Share of profit from associates and joint ventures	>100	230	103	275
Net income before indirect taxation	31	11 546	8 832	19 203
Indirect taxation	18	515	436	841
Profit before direct taxation	31	11 031	8 396	18 362
Direct taxation	42	3 386	2 377	5 852
Profit for the period	27	7 645	6 019	12 510
Attributable to minorities	7	1 074	1 002	1 723
Attributable to preference shareholders	96	219	112	269
Attributable to ordinary shareholders	30	6 352	4 905	10 518

Headline earnings

for the six months ended 30 June 2007

Rm	% change	June 2007 Unaudited	June 2006 Unaudited	December 2006 Audited
Group profit attributable to ordinary shareholders	30	**6 352**	4 905	10 518
Headline earnings adjustable items reversed[1]		**(424)**	(532)	(601)
Goodwill (gain)/impairment		**(390)**	4	15
Impairment of intangibles		**26**		9
Profit on sale of properties and equipment		**(7)**	(1)	(53)
Gains on disposal of businesses and divisions			(378)	(374)
Recycled investment gains on available-for-sale assets		**(54)**	(157)	(198)
Other capital losses		**1**		
Taxation on headline earnings adjustable items		**5**	21	14
Minority share of headline earnings adjustable items			259	257
Headline earnings	28	**5 933**	4 653	10 188

[1]*These headline earnings adjustable items have been included in the calculation of normalised headline earnings disclosed on page 8.*

Segment report

for the six months ended 30 June 2007

Headline earnings contribution by business unit

Rm	% change	June 2007 Unaudited	June 2006 Unaudited	December 2006 Audited
Personal & Business Banking	27	**2 626**	2 061	4 833
Corporate & Investment Banking	38	**3 117**	2 265	5 033
Central and other	(>100)	**(258)**	40	(225)
Banking activities	26	**5 485**	4 366	9 641
Liberty Life	56	**448**	287	547
Standard Bank Group	28	**5 933**	4 653	10 188

Financial statistics

for the six months ended 30 June 2007

	% change	June 2007 Unaudited	June 2006 Unaudited	December 2006 Audited
Standard Bank Group				
Number of ordinary shares in issue (000's)				
– weighted average		1 228 666	1 211 650	1 216 687
– diluted weighted average		1 305 874	1 279 620	1 282 478
Cents per ordinary share				
Headline earnings	26	482,9	384,0	837,4
Diluted headline earnings	25	454,3	363,6	794,4
Distributions	26	181,0	144,0	320,0
Basic earnings	28	517,0	404,8	864,5
Diluted earnings	27	486,4	383,3	820,1
Net asset value	24	3 884	3 142	3 504
Financial performance (%)				
ROE		26,4	26,9	27,4
Net interest margin		2,88	2,71	2,75
Credit loss ratio		0,79	0,64	0,60
Cost-to-income ratio		52,3	53,9	53,1
Capital adequacy (%)				
Capital ratio				
– primary capital		10,3	10,6	10,8
– total capital		13,7	14,7	14,8

Consolidated balance sheet

as at 30 June 2007

Rm	% change	June 2007 Unaudited	June 2006 Unaudited	December 2006 Audited
Assets				
Cash and balances with central banks	(18)	18 164	22 244	20 046
Derivative assets	(16)	101 231	120 021	100 832
Trading assets	29	70 562	54 908	77 574
Pledged assets	(27)	12 890	17 609	10 828
Financial investments	24	230 082	184 966	209 238
Loans and advances	25	589 773	473 602	502 519
Investment properties	9	13 506	12 419	13 200
Other assets	(3)	32 036	33 192	18 018
Interest in associates and joint ventures	38	10 859	7 888	8 584
Goodwill and other intangible assets	44	2 885	2 006	2 374
Property and equipment	27	5 921	4 674	5 242
Total assets	17	1 087 909	933 529	968 455
Equity and liabilities				
Equity	24	59 770	48 260	54 708
Equity attributable to ordinary shareholders	25	47 871	38 181	42 916
Preference share capital and premium	23	5 503	4 489	5 503
Minority interest	14	6 396	5 590	6 289
Liabilities	16	1 028 139	885 269	913 747
Derivative liabilities	(15)	102 857	120 494	103 122
Trading liabilities	(14)	37 562	43 538	36 790
Deposit and current accounts	28	636 405	498 994	545 164
Other liabilities	(8)	51 664	55 931	42 203
Policyholders' liabilities	22	182 817	150 282	168 898
Subordinated debt	5	16 834	16 030	17 570
Total equity and liabilities	17	1 087 909	933 529	968 455

Statement of changes in shareholders' funds

for the six months ended 30 June 2007

Rm	Ordinary shareholders' funds Audited	Preference share capital and premium Audited	Minority interest Audited	Total equity Audited
Balance at 1 January 2006	32 931	2 991	5 770	41 692
Change in accounting policy	(276)		(126)	(402)
Restated balance at 1 January 2006	32 655	2 991	5 644	41 290
Profit for the year	10 518	269	1 723	12 510
Net dividends paid	(3 555)	(269)	(1 380)	(5 204)
Net translation gain and hedging	2 173		10	2 183
Issue of share capital and share premium	299	2 518	57	2 874
Share buy-backs	(102)			(102)
Other reserve movements	928	(6)	235	1 157
Balance at 31 December 2006	42 916	5 503	6 289	54 708
	Unaudited	Unaudited	Unaudited	Unaudited
Balance at 1 January 2007	42 916	5 503	6 289	54 708
Profit for the period	6 352	219	1 074	7 645
Net dividends paid	(2 198)	(219)	(461)	(2 878)
Net translation gain and hedging	412		17	429
Issue of share capital and share premium	246		6	252
Other reserve movements	143		(529)	(386)
Balance at 30 June 2007	47 871	5 503	6 396	59 770

Consolidated cash flow information

for the six months ended 30 June 2007

Rm	June 2007 Unaudited	June 2006 Unaudited	December 2006 Audited
Net cash from operating activities	16 775	10 626	23 763
Net cash used in operating funds	(8 896)	(17 301)	(21 199)
Net cash used in investing activities	(7 279)	(2 986)	(13 511)
Net cash (used in)/from financing activities	(2 616)	1 744	2 187

Contingent liabilities and capital commitments

as at 30 June 2007

Rm	June 2007 Unaudited	June 2006 Unaudited	December 2006 Audited
Contingent liabilities			
Letters of credit	10 998	7 644	9 133
Guarantees	26 272	21 290	23 367
Irrevocable unutilised facilities	53 096	37 064	51 436
	90 366	65 998	83 936
Capital commitments			
Contracted capital expenditure	285	484	309
Capital expenditure authorised but not yet contracted	1 653	833	1 682
	1 938	1 317	1 991

Accounting policies

Basis of preparation

The consolidated financial statements are prepared in accordance with, and comply with International Financial Reporting Standards (IFRS) and the South African Companies Act of 1973. The consolidated financial statements are prepared in accordance with the going concern principle under the historical cost basis as modified by the revaluation of assets and liabilities where required in terms of IFRS. The interim results are prepared in accordance with IAS 34 – *Interim Financial Reporting* and have not been audited.

Changes in accounting policies

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

- the adoption of IFRS 7 – *Financial Instruments: Disclosures*. This new standard has not changed the recognition or measurement of financial instruments but has resulted in the reclassification of certain financial assets and fee expenses;
- the adoption of other accounting standards and interpretations issued with an effective date of 1 January 2007. The adoption of these standards and interpretations has not had a material effect on the results, nor has it required any restatement of the results; and
- the group changing its accounting policy relating to transactions with minority shareholders. These transactions relate specifically to transactions where the group purchased an additional interest in a subsidiary from minority shareholders or sold a portion of its interest in a subsidiary to minority shareholders, while the group controlled the entities both before and after the transactions. Previously, the excess of the purchase consideration over the group's proportionate share of the additional net asset value of a subsidiary acquired was accounted for as goodwill (or negative goodwill). In terms of the group's new policy this excess will be accounted for directly in equity. Any profit or loss on the partial disposal of the group's interest in a subsidiary was previously accounted for in the income statement and will now be accounted for directly in equity. Any such goodwill or profit or loss accounted for directly in equity is ultimately accounted for in profit or loss on disposal of the subsidiary that results in the loss of control over the subsidiary. The change in accounting policy is considered appropriate as the group regards transactions that do not result in the change of control as transactions with minority shareholders (viewed as equity participants of the group) that should not result in the creation of goodwill assets or profit in the income statement but should rather be accounted for as equity transactions. These principles are in accordance with the exposure draft of proposed amendments to IAS 27 – *Consolidated and Separate Financial Statements* issued in June 2005. The change in accounting policy did not result in any income statement restatement to the prior periods, but the balance sheet impact was a reduction in goodwill of R531 million and R536 million at 30 June 2006 and 31 December 2006 respectively and a reduction in ordinary shareholders' funds of R412 million and R410 million at the respective dates after considering minorities.

The group has reclassified and restated its comparative results for the changes described above.

Standard Bank Group Limited

(Incorporated in the Republic of South Africa)
(Registered bank controlling company)
(Reg No 1969/017128/06)
Share code: SBK • ISIN: ZAE000057378

Board of directors

DE Cooper *(Chairman)*, JH Maree* *(Chief executive)*, DDB Band, E Bradley, TS Gcabashe, DA Hawton, SE Jonah KBE##, Sir Paul Judge#, SJ Macozoma, RP Menell, Adv KD Moroka, AC Nissen, MC Ramaphosa, MJD Ruck, MJ Shaw, Sir Robert Smith#, EM Woods

**Executive director*
#British
##Ghanaian

Group secretary

L Wulfsohn

Registered office

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PO Box 7725, Johannesburg 2000

Share transfer secretaries in:

South Africa
Computershare Investor Services 2004 (Proprietary) Limited
70 Marshall Street, Johannesburg 2001
PO Box 61051, Marshalltown 2107

Namibia
Transfer Secretaries (Proprietary) Limited
Shop 8, Kaiserkrone Centre, Post Street Mall, Windhoek
PO Box 2401, Windhoek

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