Annual results presentation

For the year ended 31 December 2003

Standard Bank

Agenda

Financial highlights	Simon Ridley
Business unit overviews	
- Retail Banking	Peter Wharton-Hood
- Stanbic Africa	Sim Tshabalala
- Corporate and Investment Banking	Ben Kruger
- International	Ben Kruger
Conclusion	Jacko Maree

Financial highlights

	2003 %	2002 %
Return on equity	22.8	20.3
Growth in headline earnings	18.7	19.1
Cost-to-income	56.2	57.3
Provision for credit losses	0.91	1.08
Headline EPS growth	18.2	18.3
DPS growth	21.8	21.6

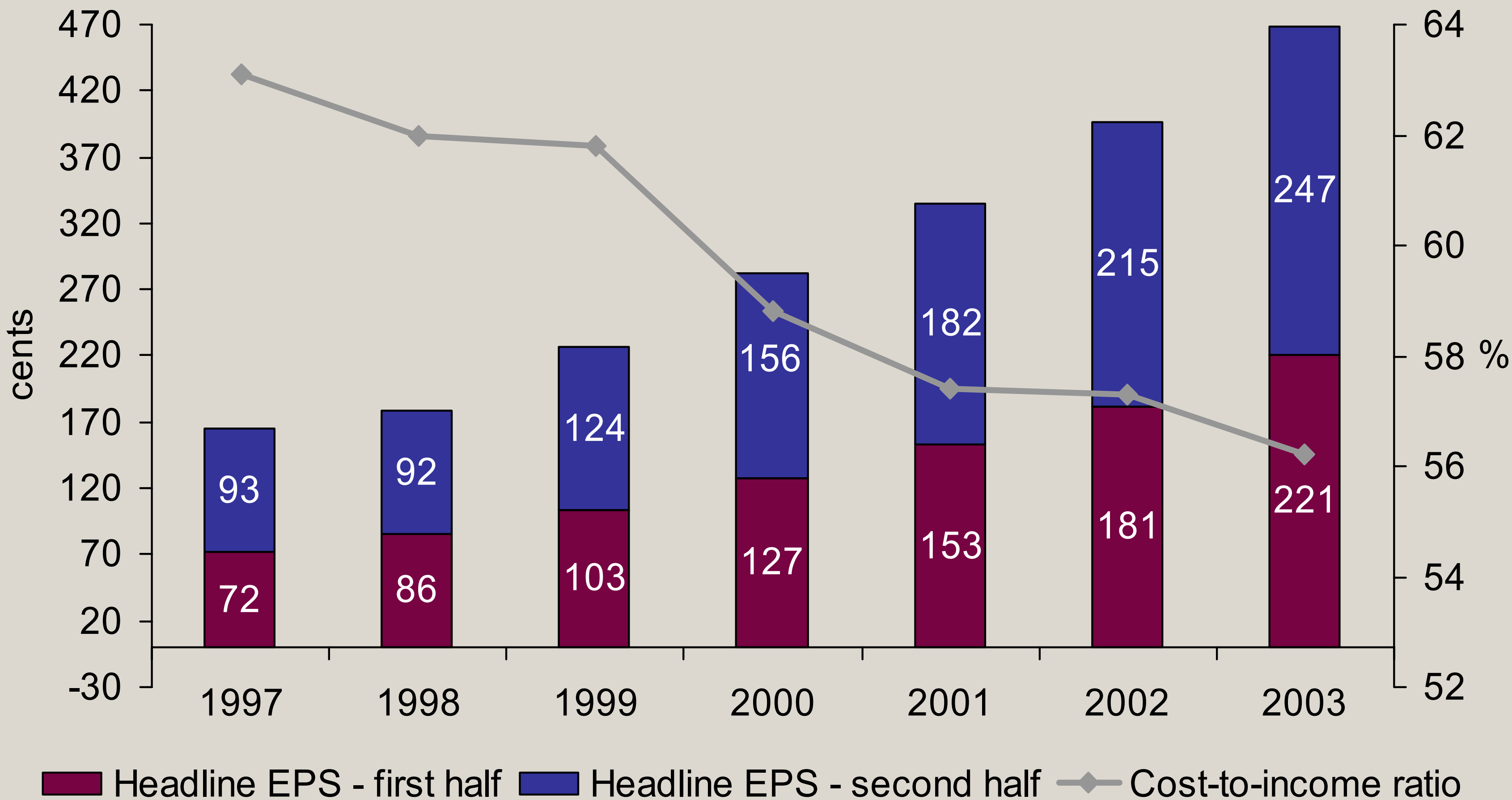
Main drivers of group performance

- Strong growth in loans and advances
- Declining domestic interest rates
- Further improvements in credit experience
- Rand strength
- Recovery in emerging markets

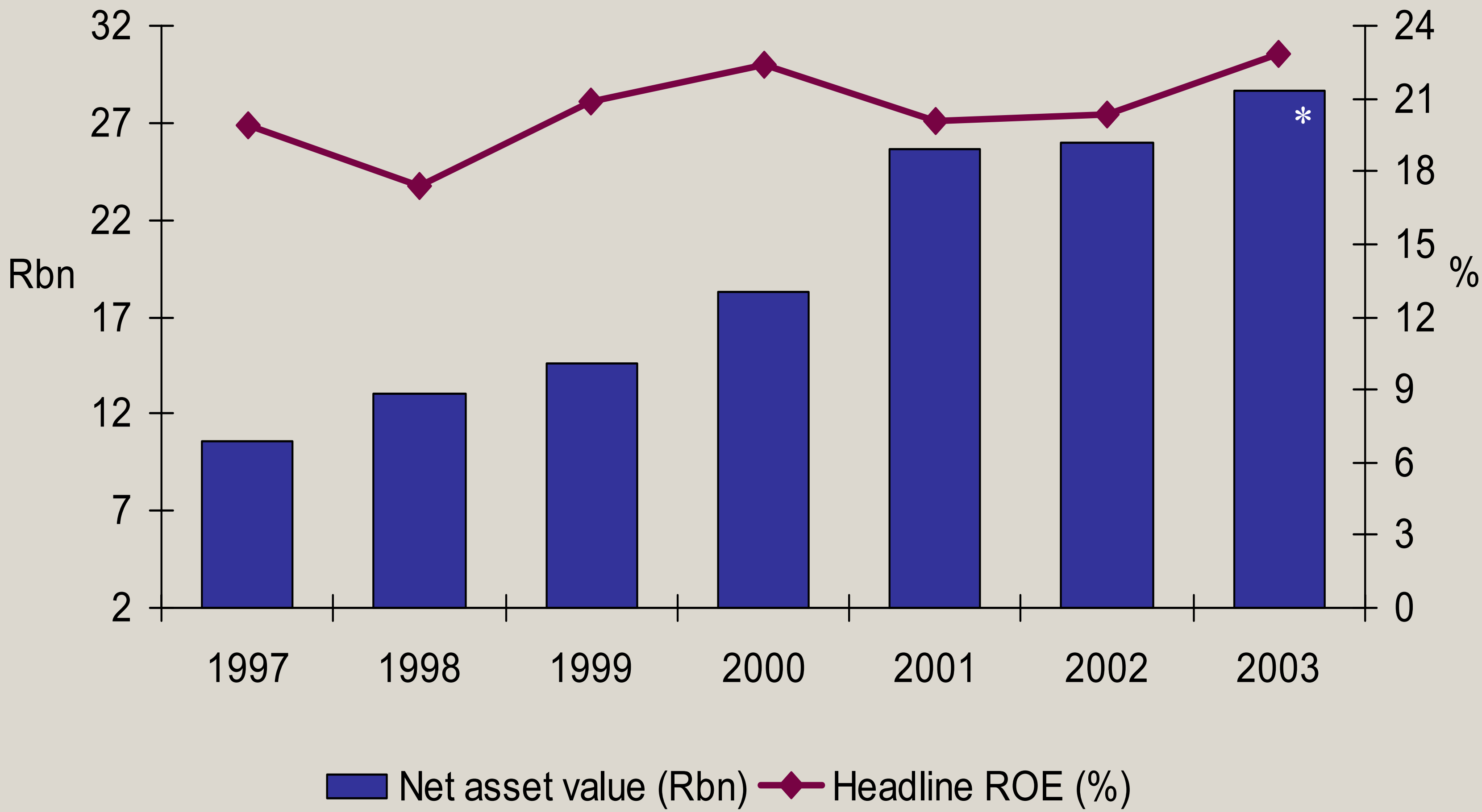
Group income statement highlights

	2003 Rm	% change	2002 Rm
Net interest income	11 437	9	10 520
Non-interest revenue	12 790	12	11 448
Total income	**24 227**	**10**	**21 968**
Provisions for credit losses	1 848	(5)	1 955
Operating expenses	13 608	8	12 587
Taxation	2 773	14	2 435
Group headline earnings	**6 248**	**19**	**5 263**
Banking operations headline earnings	5 978	20	4 965
Liberty headline earnings	270	(9)	298

Financial performance



Return on equity



* Includes R1.8bn reversal of translation reserve

Headline earnings analysis

	2003 Rm	% change	2002 Rm
Domestic Banking	4 609	16	3 960
Retail Banking	2 542	18	2 162
Corporate and Investment Banking	2 150	19	1 814
Central services	(83)		(16)
Africa	489	1	482
International	866	>100	429
Stanlib	40	(35)	62
Central funding	(26)		32
Standard Bank operations	**5 978**	**20**	**4 965**
Liberty	270	(9)	298
Standard Bank Group	**6 248**	**19**	**5 263**

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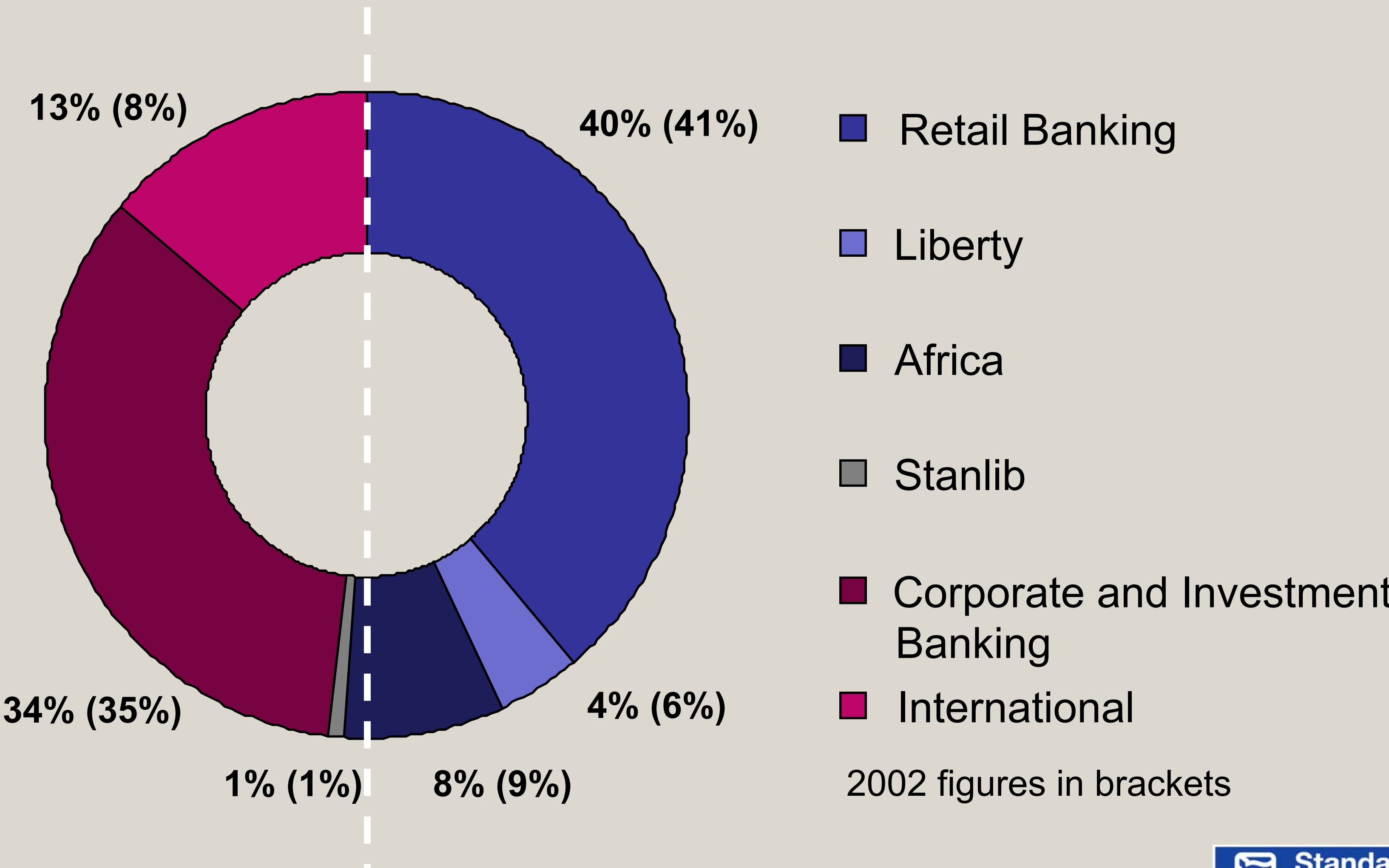
Returns on equity

	2003 %	2002 %	2003 Cost of equity * %
Domestic Banking	31.4	31.2	15.2
Retail Banking	32.3	31.1	
Corporate and Investment Banking	31.5	31.7	
Africa	28.3	27.4	19.0
International	14.7	6.3	
GBP	*15.2*	*6.2*	*11.9*
Standard Bank operations	**24.0**	**21.2**	**15.4**
Liberty	11.1	12.3	13.4
Standard Bank Group	**22.8**	**20.3**	**14.8**

* Average for the year

Headline earnings mix



2002 figures in brackets

Product reporting – headline earnings

Summary	2003 Rm	% change	2002 Rm
Global retail	2 760	17	2 358
Global wholesale	3 167	27	2 496
Global fund management	81	(16)	96
Life insurance	270	(9)	298
Other	(30)		15
Group headline earnings	**6 248**	**19**	**5 263**

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AC 133 – key 2003 ratios restated

	Excl AC 133 %	Incl AC 133 %
Headline earnings growth	17.3	18.7
Return on equity	22.6	22.8
Cost-to-income	57.0	56.2
Credit loss ratio	0.80	0.91

Income statement impact for the period
Profit after tax R76m

Group funds margin analysis

	%
Margin at December 2002	**3.22**
Domestic Banking	(0.07)
Africa	0.04
International	0.01
Central funding	0.06
Increased Domestic proportion of total group assets	0.24
Margin pre gross-up effect	**3.50**
Balance sheet gross-up effect	(0.73)
Margin at December 2003	**2.77**

Domestic funds margin analysis

	%
Margin at December 2002	**3.83**
Endowment effect	0.02
Retail deposit growth	0.04
Wholesale funding (mix & repricing gap)	(0.33)
AC 133 discounting effect	0.14
Lending margin	0.08
Other	(0.05)
Margin at December 2003 pre gross up effect	**3.73**

Non-interest revenue

	2003 Rm	% increase	2002 Rm
Fees & commission revenue	7 984	8	7 416
Trading income	3 917	21	3 240
Other income	889	12	792
Total non-interest revenue	**12 790**	**12**	**11 448**

Operating expenditure

	2003 Rm	% increase	2002 Rm
Staff costs	7 581	9	6 934
Other operating costs	6 027	7	5 653
Total costs	**13 608**	**8**	**12 587**

- Domestic staff costs +15%
  - Emphasis on variable pay had positive effect on group performance
- IT spend +11%

Cost-to-income ratios

	2003 %	2002 %
Domestic Banking	54.5	53.4
Retail Banking	60.2	60.8
Corporate and Investment Banking	44.4	44.5
Africa	57.2	60.8
International	61.2	71.4
Standard Bank operations	**56.2**	**57.3**

Balance sheet highlights

	Dec '03 Rbn	% change	Dec '02 Rbn
Cash and short-term securities	44	(8)	48
Loans and advances	220	23	179
Derivative assets *	105		9
Total banking assets	**444**	**44**	**308**
Asset growth excluding gross up effect		**13**	
Shareholders' funds	29	10	26
Deposits	273	14	240
Derivative liabilities *	99		4
Total banking equity and liabilities	**444**	**44**	**308**

* Change in accounting policy gross up effect

Loans and advances

	Dec '03 Rbn	% change	Dec '02 Rbn
Domestic Banking	169.8	20	142.1
Retail Banking	112.7	27	88.5
Corporate and Investment Banking	57.1	7	53.6
International	43.3	19	36.5
Africa	10.7	20	8.9
Central funding and eliminations	(3.4)		(8.6)
Group	**220.4**	**23**	**178.9**

Credit provisioning

	2003 Rm	% change	2002 Rm
Provision for non-performing loans (specific)	1 398	(22)	1 794
Provision for performing loans (general)	450	>100	161
Total income statement charge	**1 848**	**(5)**	**1 955**

Credit loss ratios (%)

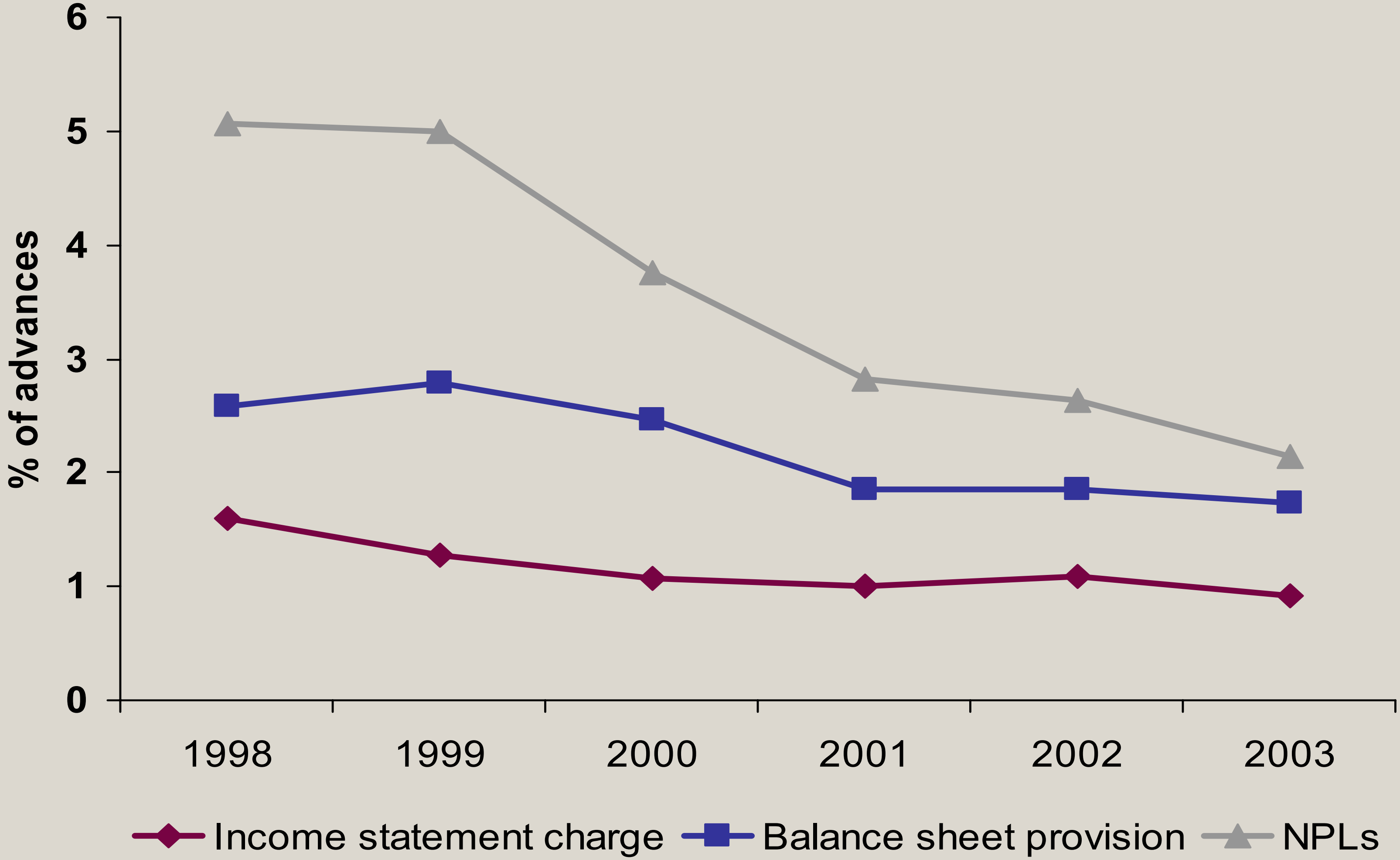
	2003	2002
Group - non performing loans	0.69	0.99
Group - performing loans	0.22	0.09
Group - total	0.91	1.08

NPLs and balance sheet provisions

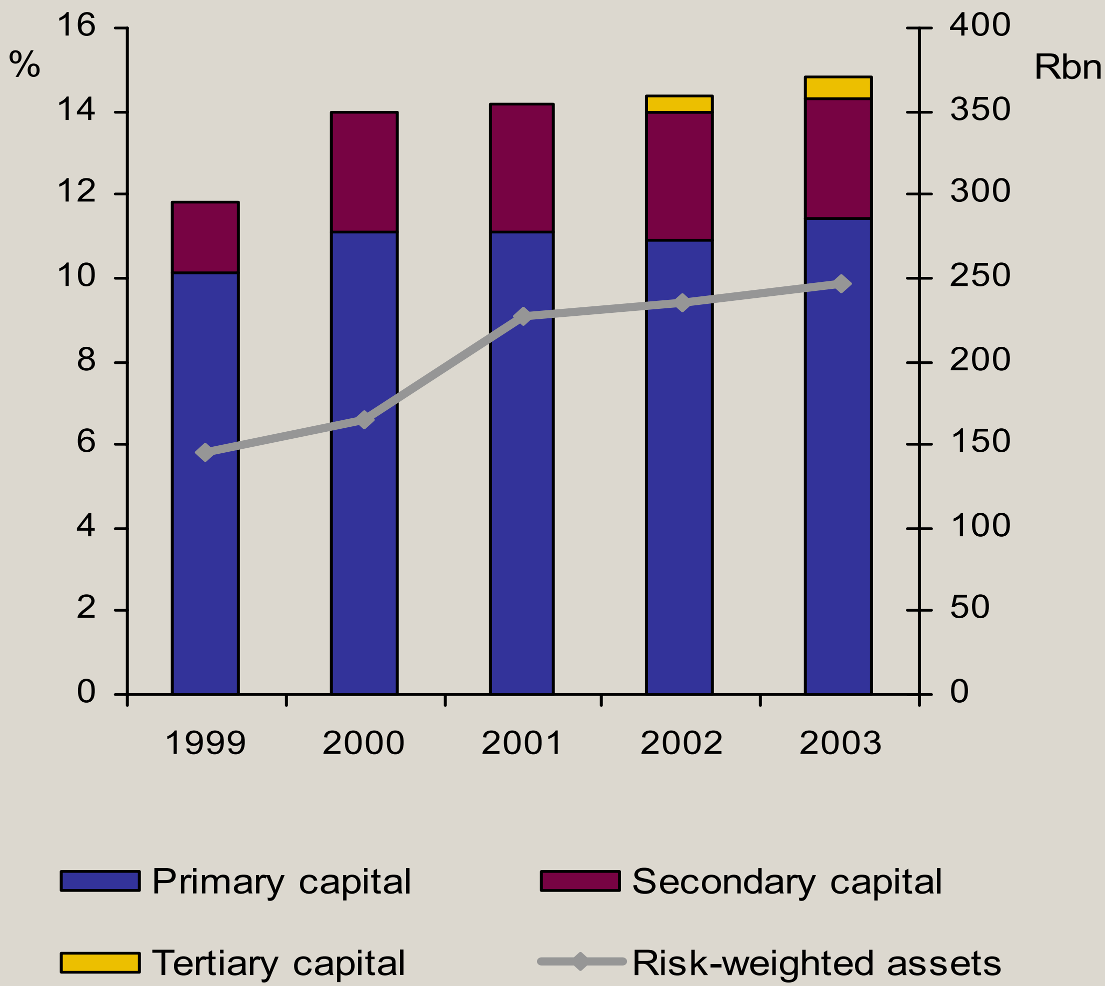
	Dec '03	Dec '02
	% of adv	% of adv
Gross NPLs	**2.15**	**2.64**
Provision for NPLs	1.08	1.01
Provision for performing loans	0.66	0.85
Total provisions	**1.74**	**1.86**

NPL coverage ratio (provision for NPLs as a percentage of gross NPLs) increased from 38% to 42%

Credit loss history



Capital adequacy



	Dec '03 %	Dec '02 %
Group		
Primary	11.4	10.9
Total	14.8	14.3
SBSA		
Primary	8.5	7.5
Total	12.5	11.3

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Retail Banking

Peter Wharton-Hood

Highlights

- 18% profit growth
- Improved branch service levels
  - Joint 1st place in interbank CUSSATS survey
  - Customer evaluation of branch service scores at record levels
  - Banking Adjudicator award for service excellence
- Improved customer segmentation data
- Vigorous sales emphasis led to good sales results in all core products
- Average asset growth 23%
- No compromise on credit quality

Highlights cont.

- Established executive team with clear roles and responsibilities
- Integrated smaller Business Banking customers into Retail
- Close interaction, co-ordination and teamwork
- Appropriately structured to deliver sustainable growth

Sales results

- Refined sales measurement processes
- Improved sophistication in credit granting, particularly in scored environment
- Home Loans
  - Grants +32%
  - Registrations +28% to R24bn
- Vehicle and asset finance
  - Sales +22% to R17bn
- Card
  - Card openings +66% - 272k accounts opened
  - Turnover up 17%

Sales results cont.

- Transactional banking
  - Current accounts +8% (2002: +1%)
  - Active E Plan accounts +13% to 2.8m
- ABIL JV
  - Disbursements +45% to R366m
- Bancassurance
  - Embedded products
    - sales +20% and 28% increase in active policies
  - Complex life assurance product sales +1%
- Incentivisation programmes aligned to strategic objectives
- Sales trends continue into 2004

Asset growth

- Achieved through improved service and sales focus
- Home Loans +33% to R63bn
  - New business market share maintained at 25%
- Vehicle and asset finance +24% to R28bn
- Card balances +28% to R5.6bn
- Branch lending balances +12% to R15.2bn

Select retail market share information

	Dec ’03 %	Dec ’02 %
Home loans	19.9	17.3
Vehicle and asset finance	21.3	20.3
Credit card	28.8	24.9
Branch lending (personal and unincorporated businesses)	22.7	20.9
Branch deposits (personal and unincorporated businesses)	24.9	24.4

Source: December DI 900

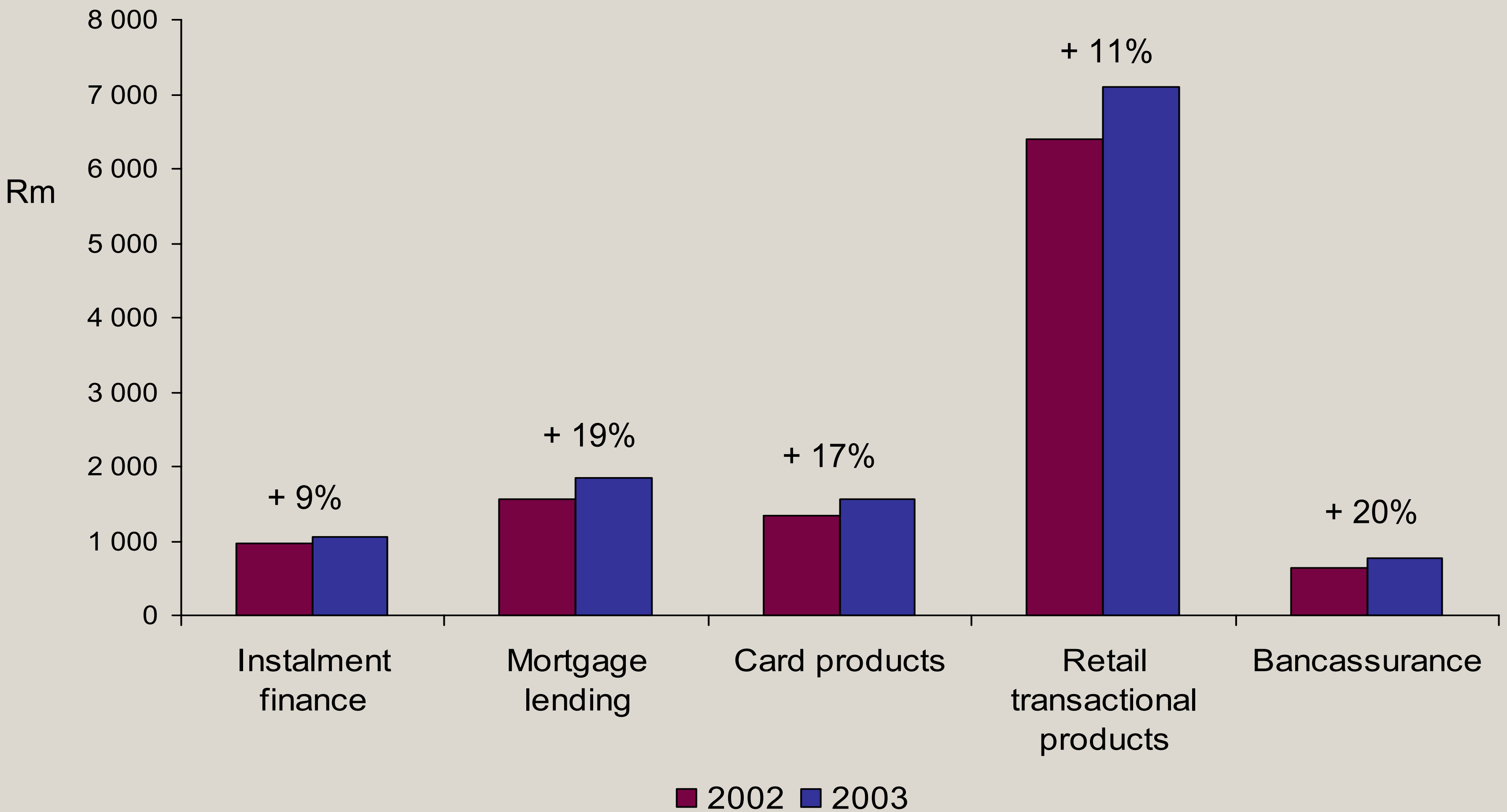
Credit

	Gross NPLs as a % of book	
	Dec ’03	Dec ’02
Mortgages	2.8	3.5
Vehicle and asset finance	1.0	0.7
Loans and overdrafts	3.2	6.1
Card debtors *	1.1	0.9

- Provision coverage ratios have increased
- PIPs reduced from 2 577 to 1 936 and from R204m to R159m
- Significantly improved alignment with Retail Credit

* excludes Diners Club

Retail Banking
revenue by product



Home Loans

- Good relationship with originators
  - 35% (2002: 26%) via independent originators
  - 30% (2002: 37%) via mobile sales force
- Fairly young book with low fall off
  - >60% by value is less than 3 years old
- Clear focus to improve processing capabilities

Vehicle and asset finance

- Name change from Stannic to Standard Bank Vehicle and Asset Finance
- Closer alignment with Retail at branch and support services level
- Well diversified book (motor business 61%)

Credit card

- Card processing previously outsourced to EDS successfully integrated
- Sold Bluebean division into Barclaycard collaborative division
  - Appointed former Barclaycard MD

Branch lending

- Improved risk-based pricing
- Improved collection processes
- Pre-approved loan offerings bundled with account opening

Transaction products

- Simplified and transparent pricing
- Improved customer proposition
- Key focus on youth market
- Good growth in debit and cheque card volumes (105%)

Distribution channels

- Branch network
  - Bank at any centre processes implemented
  - Net 26 new PORs and 21 revamped/relocated
  - 14 additional AutoBank E's
  - Provincial structures consolidated from 11 to 3
- Electronic banking
  - Total number of internet subscribers 287 000 (2002: 228 000)
  - 27% volume increase in internet banking
- ATMs
  - Volumes up 8%
  - 133 new Auto Banks
  - 603 Auto Banks upgraded in line with 3 year upgrade plan
  - Woolworths co-location initiative successful

Bancassurance

Embedded products

	# of Policies	Penetration
Funeral	+ 32%	19% (2002: 15%)
Home loan	+ 39%	15% (2002: 13%)
Personal loan	+ 21%	33% (2002: 29%)

Complex products

- Performance affected by poor market conditions
- Continued strategy to increase distribution capacity

Slightly changed focus in structure

Segment	Product	Distribution	Ops & IT	Wealth
What customers want	Build product solutions	Sell & service clients	Support customer solutions & service	Add value through wealth products

Going forward

- Sensible cost containment
- Careful margin management
- Africa Retail opportunities

Africa

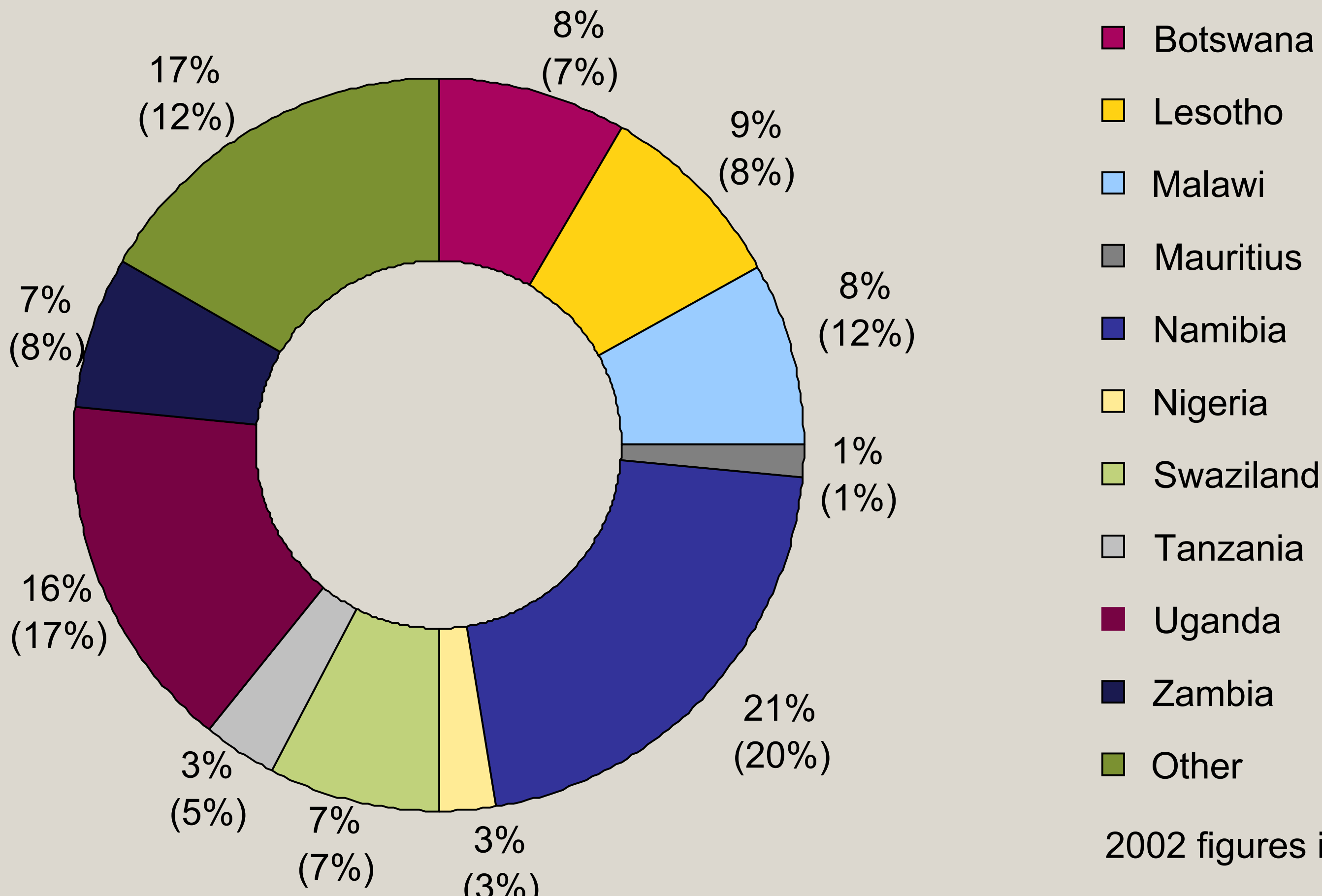
Sim Tshabalala

Standard Bank

Highlights

- Most businesses performed well in local currency
- Nominal growth in rand terms due to rand strength
- Focus on non-interest revenue generating results
- Complete risk management framework aligned with group
- Quality of lending portfolio continues to improve
- Reconfiguration of network to achieve efficiencies
- Operational control processes improved

Africa
revenue by country



2002 figures in brackets

Operating efficiency and customer service

- Network re-configuration to improve
  - efficiency
  - customer service
- Refurbishment and branding of branches
- Upgrade of banking technology platform
- Uniform operating policies and procedures
- Standardisation of branch opening hours
- Customer service measurement tool
  - piloted in 6 countries

Retail Banking

- Automation of fee collections
- Uniform pricing principles introduced
- Customer insights in target segments
- Sales incentive campaigns
- Expand and standardise product range

Wholesale Banking

- Continued integration with
  - Corporate and Investment Banking
  - International
- Dedicated trade finance and payments team
- Adoption of SA wholesale customer service methodology
- Enhancing quality and training country relationship teams
- Replicated SA treasury sales model

Acquisitions and integration

- Malawi re-branding and technology rollout complete
- Integration in Uganda progressing well
  - operating results exceeding expectations
- Controlling shareholding in Banco Standard Totta de Mozambique
- Enhanced affluent market position in Botswana
  - acquisition of Investec Botswana

Going forward

- Extract greater efficiencies from enhanced business processes and systems
- Extend and upgrade
  - branch network
  - electronic banking
- Bancassurance start up
- Continue selective search for acquisitions

Corporate and Investment Banking

Ben Kruger

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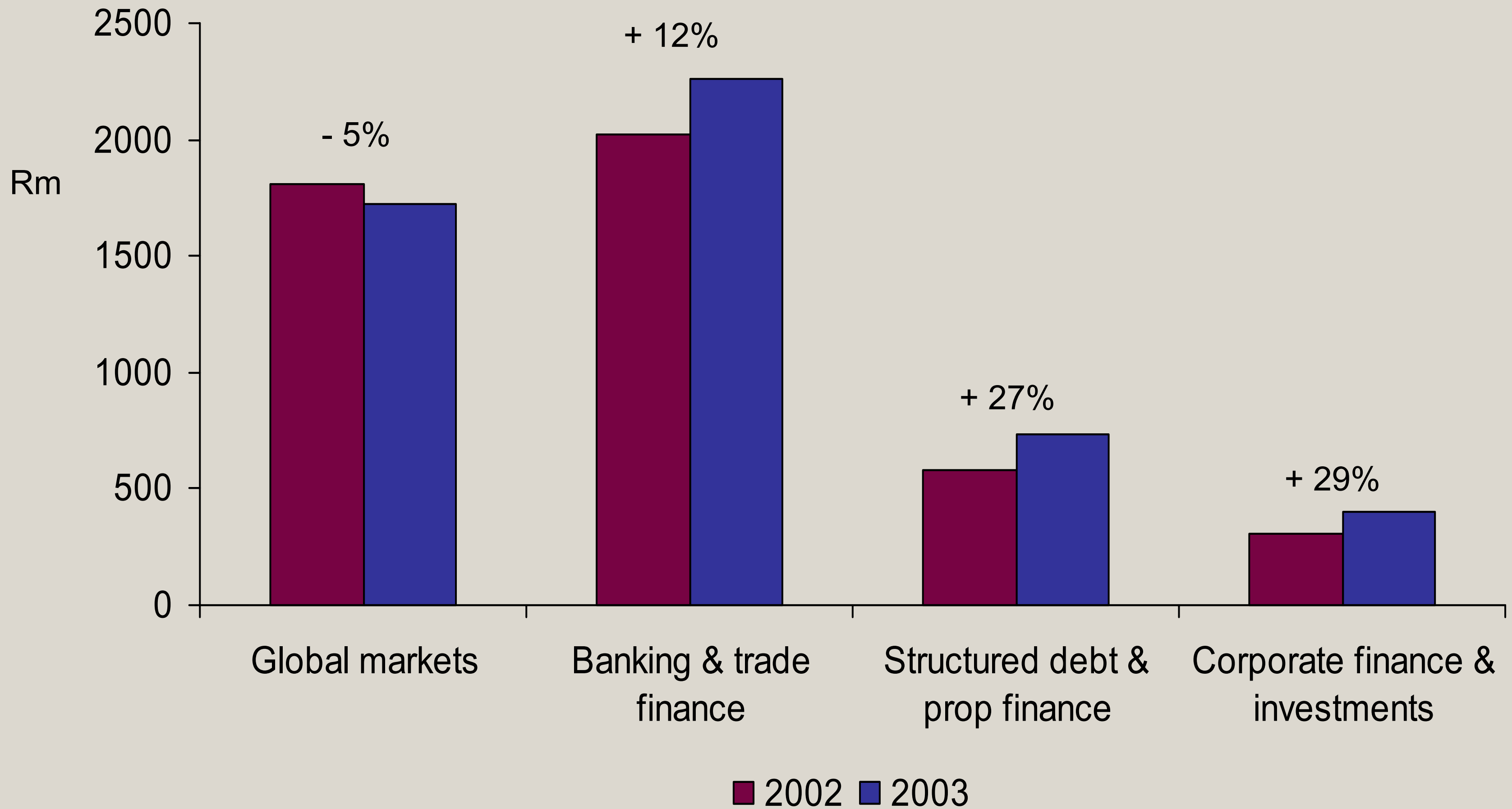
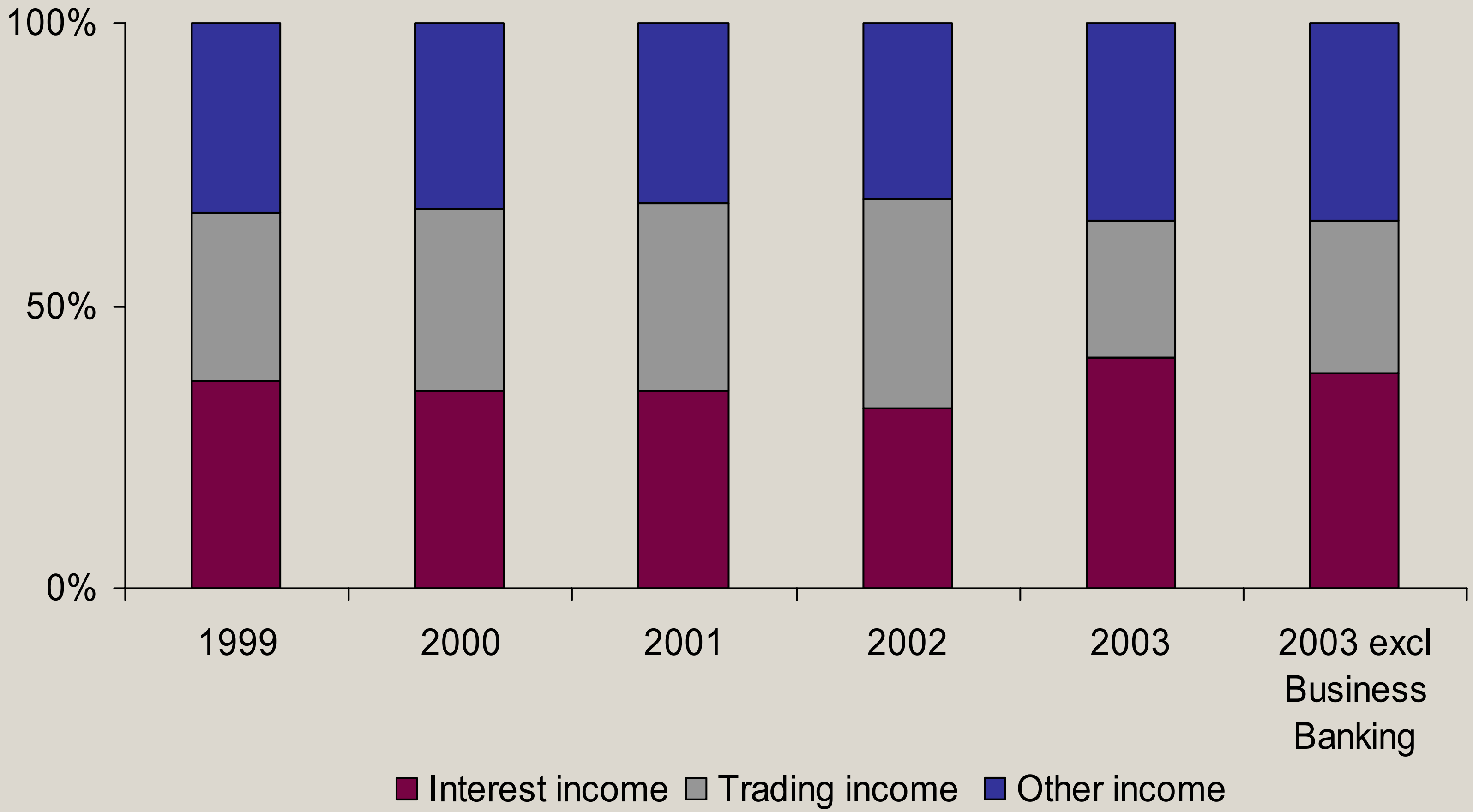
Highlights

- Profit growth 19%
- Cost containment
- Customer focus and stronger franchise
- Alignment with International and Africa
- Credit quality
- Investment revenue / Private equity
- Capital optimisation
- Name change

Corporate and Investment Banking
revenue by product



Diversified income streams



Global markets

- Record levels achieved in 2002
- Local interest rate trading disappointing
- Equity derivatives maintained position
  - largest market maker in Rand warrants
- Money market and commodities fared well
- Debt Origination had an active year
- Forex revenues strong
- All other desks performed well

Banking and trade finance

- Successful integration of larger Business Banking customers
- Margins maintained
  - Planned slow asset growth +2%
  - Good deposit growth +7%
- Improved quality of the book
- Transactional volumes up
  - Physical +7%
  - Online +11%
- Securities lending and custody performed well

Structured debt and property finance

- Strong structured finance asset growth 36%
- Project finance reaching maturity, asset growth 32%
- Property earnings increased by 45%
  - Growth in loan book
  - Buoyant property sector

Corporate finance and investments

- Corporate finance achieved strong growth in advisory fees and market position
  - BEE deals
  - Good deal pipeline
- Investment banking / Private Equity profit realisation

Going forward

- Opportunities arising from Financial Sector Charter
- Client focus - further utilisation of CRM
- Alignment with International and Africa
- Risk management systems
- Cost containment
- Asset growth
- People, people, people

International

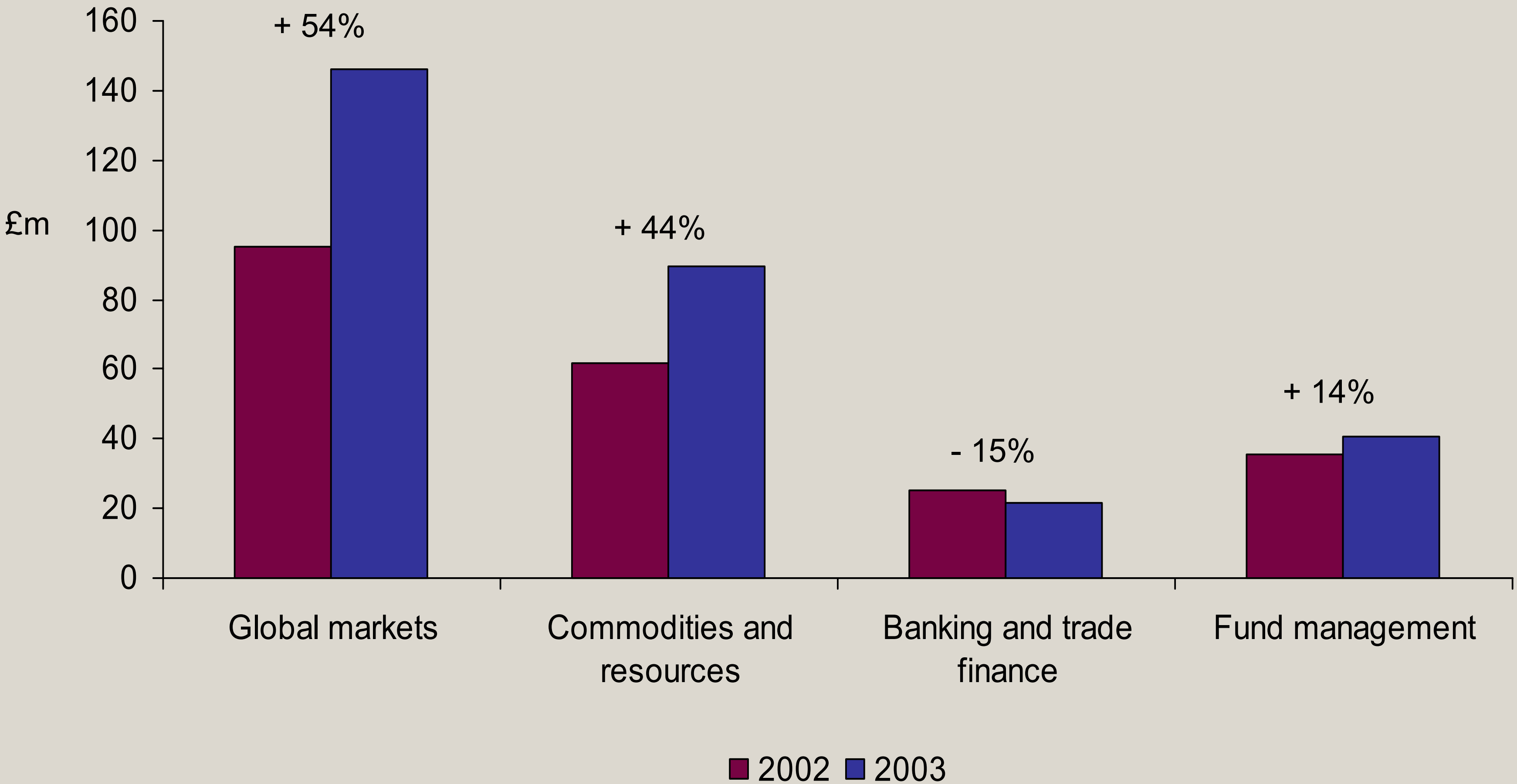
Ben Kruger

Standard Bank

Highlights

- Strong performances across all major business units
- Significant growth in customer revenues
- Investment banks operative in Brazil and Russia
- Franchise strengthened
- Product capability enhanced
- Management team expanded
- Alignment with SA and the rest of Africa

International
revenue by product



Global markets

- Strong revenue growth across all product lines
- Debt origination
  - topped 2003 Brazil league tables for non-public international issues
- Local markets
  - broader product range; enhanced geographic penetration
- Foreign exchange and money markets
  - increased volumes; strengthening of customer base
- Principal trading
  - strengthening asset prices

Commodities and resources

- Strong brand
- Precious metals
  - increased business flows off regional expansion
- Base metals
  - strong growth in client activity
- Mining project finance and structured commodity finance
  - activity levels buoyed by market conditions

Banking and trade finance

- Market conditions mixed
- Telecommunications finance
  - African leadership position extended to other developing markets
- Africa trade finance
  - active dealflow in conjunction with Africa and Corporate and Investment Banking
- Forfaiting and syndications
  - maintain volumes
- Russia and Brazil banks provide enhanced structured trade finance platform

Global fund management

- Strong growth in 3rd party assets under management (approx US$ 2bn)
- Regional development of private client services activities
- Private client banking margins under pressure

Going forward

- Increase depth in core product areas
- Enhance client focus
- Expand banks in Hong Kong, Brazil and Russia
- Extend efficiencies through improved systems and infrastructure
- Continue process of Group alignment

Conclusion

Jacko Maree

Striving for long-term growth

- Retail Banking transformed, but a way to go
- Corporate and Investment Banking continues to perform
- International and Africa approaching critical mass
- One brand
- Liberty – getting the basics right
- Good long-term macro-economic outlook (post Financial Sector Charter)
- Outward rather than inward focus
- Portfolio of growth options

The year ahead: financial objectives

- ROE of 20%+
- Headline earnings growth of CPIX (estimate 5%) plus 10%
- Cost-to-income below 56%
- Credit loss ratio contained within 1% of average advances

Standard Bank