STANDARD BANK GROUP LIMITED
INTERIM RESULTS AND DIVIDEND ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2002
JSE Securities Exchange share code: SBK
Namibian Stock Exchange share code: SNB
ISIN: ZAE000038873

- Headline earnings 19% up
- Headline earnings per share 18% higher
- Cost-to-income ratio 57,5%
- Return on equity 19%

Trading conditions and overall results

The major markets in which the group operates continued to be affected over the period by the prolonged global economic slowdown. As experienced in the latter part of 2001, these effects were more pronounced in the group's international banking operations, with domestic banking operations trading well despite the turmoil in the local banking industry and increasingly uncertain international business conditions. Performance highlights for the period were as follows:

- Headline earnings of R2 402 million, 19% higher;
- Headline earnings per share of 181 cents, 18% up;
- Cost-to-income ratio of 57,5% compared with 57,7% in June 2001; and
- Return on equity of 19% compared with 21% in June 2001, with this decline mainly due to the inclusion of substantial translation gains in equity.

Headline earnings from domestic banking operations for the period were 23% higher with all divisions contributing to this performance. International Operations were 23% higher in Rand terms but 11% down in Sterling terms as a result of increased volatility in world markets and higher levels of credit provisioning. Headline earnings from African operations were 26% higher.

In contrast to the 2001 year when a gain of R4,0 billion on translation of shareholders' funds was taken directly to reserves, a R1,5 billion reversal of this gain was charged to reserves for the period in accordance with the group's accounting policy. This reversal was due to the recovery in the value of the Rand at the period end compared with December 2001.

Earnings

Standard Bank operations

The asset management and wealth creation businesses of Standard Bank and Liberty were merged into the group entity, STANLIB, with effect from 1 January 2002. STANLIB's results have been included with those of Standard Bank operations for the current and prior periods.

Headline earnings from banking operations for the six months of R2 215 million were 23% up on the comparable period. This result reflected good contributions from both retail and wholesale banking activities and the favourable exchange rate effect on earnings from International Operations.

Total income, after provision for credit losses, of R9 055 million was 25% higher.

- Net interest income before provisions was 25% up. The interest margin for the period reduced from 3,51% to 3,04% due mainly to growth in lower margin assets both domestically and internationally. Total advances at the period end of R162 billion were 18% higher, with advances in the local market, which account for 82% of total advances, 13% up.

- Non-interest revenue of R5 287 million was 27% higher and comprised 52% of total income.

  - Fees and commissions were 23% up as a consequence of higher business volumes and the repricing of products and services.

  - Trading income was 48% higher with Domestic operations 24% up, and International Operations 64% up as a result of the expansion of activities and the exchange rate effect.

The charge for credit losses of R1 049 million was 40% higher, with specific provisions 28% up, and general provisions 127% higher due to the implementation of minimum regulatory requirements with effect from January

2002, and in recognition of the unsettled conditions in world markets. The increased level of provisioning was mainly occasioned by the significant increase in provisions in International Operations, with total domestic provisions only 11% higher. As a percentage of advances, the total charge for credit losses has increased from 1,13% in 2001 to 1,31%. The overall quality of the loan book has been maintained with non-performing loans as a percentage of average loans at 3,2% compared with 3,3% at December 2001 and 4,0% at June 2001.

Operating expenses for the period were 26% higher, with staff and other costs 31% and 20% higher respectively. Costs over the period were affected by acquisitions and by exchange rate movements and, on excluding the effect of these, the increase in costs for the period was 13%. Costs domestically were restricted to an increase of 11%. The cost-to-income ratio of 57,5% was marginally better than the 57,7% for the comparable period.

The tax charge for the period was 21% higher, with an effective rate, inclusive of indirect taxes, of 31%.

Liberty operations

Liberty performed well in all aspects under its control during the period with good new business growth in testing markets and further value created in the in-force insurance portfolio. This satisfactory operational performance could not, however, offset the adverse investment market trends experienced globally. The headline earnings contribution for the period of R187 million was 11% lower than the comparable period.

Balance sheet

Total assets of R416 billion were 34% higher than at June 2001, with banking assets 41% up. The sizeable fall in the value of the Rand, together with substantially higher hard currency assets in International Operations, contributed to this high rate of growth. Measured against December 2001, total assets were 5% higher. Net cash inflow from operating activities increased due to the temporary warehousing of surplus funds in short-term money market instruments.

Total capital and reserves were 31% higher than at June 2001, due mainly to the level of retained earnings and the net translation gain over the twelve-month period.

The group remains well capitalised, with total regulatory capital at 14,8% of risk-weighted assets. A tertiary capital issue of R1 billion was successfully concluded during the period.

Interim dividend

An interim dividend of 34 cents per share (2001: 28 cents) has been declared to shareholders, 21% up on the comparable interim dividend. The amount of the interim dividend has been determined in accordance with the group's policy of declaring approximately one third of the previous year's total dividend per share at the half year.

Prospects

The current state of world financial markets is unlikely to improve significantly in the short term. Similar growth in earnings to that recorded in the first half is achievable in the second half but this could be affected by continuing adverse or worsening conditions in international markets.

Derek Cooper, Chairman
Jacko Maree, Chief Executive
13 August 2002

SEGMENTAL REPORT

Domestic banking performed well, with headline earnings 23% higher and the contribution to the group's headline earnings increased from 66% to 68%. Net interest income was 13% higher, with an interest margin of 3,56% compared with 3,86% for the comparable period. Non-interest revenue was 16% up, with the main components of fees and commissions and trading income 17% and 24% higher respectively. The cost-to-income ratio at 55,4% was 1,8 percentage points lower than at June 2001.

Retail Banking's headline earnings of R761 million were 22% higher. Total revenue growth for the period was 13% with interest income and non-interest revenue 12% and 14% higher respectively. The provision for credit losses was 15% higher. Operating costs for the period were 10% up, with the cost-to-income ratio improving further to 62,5%.

SCMB’s headline earnings of R580 million were 23% higher. Factors in this performance were good growth in net interest income of 16%, a modest increase in debt provisioning and trading income 23% higher. The cost-to-income ratio for the period of 50,7% was 1,8 percentage points lower than in 2001.

Commercial Banking's headline earnings of R276 million were 26% higher, with total revenue growth of 12% and operating expenses 10% higher. The results for the period were assisted by the 16% decline in the level of credit provisioning. The cost-to-income ratio of 39,3% was 0,7 percentage points lower than the comparable period.

International Operations’ headline earnings of R336 million were 23% higher in Rand terms but 11% down in Sterling terms. Trading conditions deteriorated over the period as a consequence of the fragile global economic situation and heightened market uncertainties. The charge for credit losses for the period was R163 million higher due to the exchange rate effect, additional general debt provisions raised and specific provisions established in response to the difficult market conditions. Earnings from International Operations contributed 13% of the group’s headline earnings.
The table below sets out the geographic spread of internally weighted risk exposures for International Operations at 30 June 2002.

International Operations
Risk exposures - 30 June 2002

Geographic region	%
Europe	37
North America	22
Asia	15

Sub-Saharan Africa	10
Eastern Europe	6
South America	5
Middle East	5
Total	100

These exposures are to banks, corporates and sovereign entities, with 70% rated as investment grade.

Stanbic Africa's headline earnings of R231 million were 26% higher for the period, with strong performances from Zambia, Botswana and Namibia, and the inclusion of acquisitions in Malawi and Uganda. The situation in Zimbabwe remains of concern and, as a consequence, no contribution has been recognised in the current period. Stanbic Africa's credit exposure of R8 billion, by geographic area, was as follows: CMA countries 55%; Central and southern Africa 20%; East Africa 21% and West Africa 4%.

STANLIB was formed with effect from 1 January 2002 and represents the group's combined asset management and wealth creation operations. Headline earnings of R41 million were contributed for the period, 3% higher than in 2001. Operations over the period were affected by the merging of the respective businesses and by overall market conditions.

Liberty operations' headline earnings declined by 11%, from R209 million to R187 million, with this decrease mainly attributable to the effect of the weak investment markets on the life fund operating surplus. Headline earnings from continuing operations were 4% lower. The current period included a R44 million STC charge in respect of the 2001 final dividend, with no STC charge in the comparable period.

SEGMENTAL REPORT

		Six months ended		Year ended
		30 June	30 June	31 December
		2002	2001	2001
	%	R million	R million	R million
	Change	Unaudited	Unaudited	Audited
Headline earnings				
Domestic Banking	23	1638	1334	2956
- Retail Banking	22	761	625	1464

- Wholesale Banking	23	918	748	1521
- SCMB	23	580	471	958
- Commercial Banking	26	276	219	443
- Properties	7	62	58	120
- Central services		(41)	(39)	(29)
International Operations	23	336	274	648
Stanbic Africa	26	231	183	325
STANLIB	3	41	40	106
Central funding		(31)	(30)	(50)
Standard Bank operations	23	2215	1801	3985
Liberty operations	(11)	187	209	434
Standard Bank Group	19	2402	2010	4419

CONSOLIDATED INCOME STATEMENT

		Six months ended		Year ended
		30 June	30 June	31 December
		2002	2001	2001
	%	R million	R million	R million
	Change	Unaudited	Unaudited	Audited
Standard Bank operations				
Interest income	30	14377	11074	24368
Interest expense	33	9560	7207	16191
Net interest income before provision for credit losses	25	4817	3867	8177
Provision for credit losses	40	1049	747	1603
Net interest income	21	3768	3120	6574
Non-interest revenue	27	5287	4152	9135
Total income	25	9055	7272	15709
Operating expenses	26	5813	4629	9940
Staff costs	31	3237	2475	5347
Other operating expenses	20	2576	2154	4593
Operating profit	23	3242	2643	5769
Income from associated undertakings		30	18	49
Exceptional items		(61)	(4)	(65)
Income before taxation	21	3211	2657	5753
Taxation	21	1001	827	1756
Income after taxation	21	2210	1830	3997
Attributable to outside and				

preference shareholders		56	33	77
Standard Bank income attributable				
to ordinary shareholders	20	2154	1797	3920
Liberty operations				
Income before taxation	25	927	741	2114
Taxation		306	354	980
Income after taxation		621	387	1134
Attributable to outside and				
preference shareholders		436	291	816
Net income before investment				
surplus		185	96	318
Net income from continuing				
operations	(4)	187	195	420
Net income from unbundled				
operations		-	14	14
Exceptional items		(2)	(113)	(116)
Investment surplus		39	158	287
Liberty income attributable				
to ordinary shareholders	(12)	224	254	605
Group income attributable to				
ordinary shareholders	16	2378	2051	4525
HEADLINE EARNINGS				
Group income attributable to				
ordinary shareholders	16	2378	2051	4525
Standard Bank income adjusted for:				
- goodwill amortised		61	4	65
Liberty income adjusted for:		2	113	116
- secondary tax on companies				
relating to capital reduction		-	111	111
- goodwill amortised		2	2	5
Liberty investment surplus		(39)	(158)	(287)
Headline earnings	19	2402	2010	4419

CONSOLIDATED BALANCE SHEET

	30 June 2002 R million Unaudited	30 June 2001 R million Unaudited	31 December 2001 R million Audited
ASSETS			
Standard Bank operations	327124	232094	306466
Cash and short-term funds	60854	29802	43578
Investment and trading securities	51456	23169	45807
Loans and advances	162013	137837	157878
Other assets	49032	38364	55249
Interest in associated undertakings	173	93	187
Goodwill	496	-	403
Property and equipment	2930	2577	3049
Acceptances outstanding	170	252	315
Liberty operations	89297	78129	88994
Current assets	3476	2724	2979
Investments	85335	74909	85487
Intangible assets	44	44	70
Goodwill	104	115	113
Equipment and furniture	338	337	345
Total assets	416421	310223	395460
EQUITY AND LIABILITIES			
Capital and reserves	25636	19542	25693
Share capital	141	140	140
Share premium	2108	2006	2047
Reserves	23387	17396	23506
Minority interest	6427	5271	5973
Liabilities	384358	285410	363794
Standard Bank operations	303705	214556	282964
Deposit and current accounts	259786	184973	236553

Other liabilities and provisions	36819	26034	40197
Bonds	6930	3297	5899
Acceptances outstanding	170	252	315
Liberty operations	80653	70854	80830
Life funds	75521	66187	75918
Long-term liabilities	2433	1906	2874
Other liabilities	2699	2761	2038
Total equity and liabilities	416421	310223	395460

CONTINGENT LIABILITIES AND
CAPITAL COMMITMENTS

	30 June 2002 R million Unaudited	30 June 2001 R million Unaudited	31 December 2001 R million Audited
Contingent liabilities			
- letters of credit	5430	3151	5449
- guarantees	21048	15962	19199
Capital commitments			
- contracted	166	163	84
- authorised but not yet contracted	300	230	38
Ordinary shareholders' funds adjusted for the increase in market value over the carrying value of Liberty Group, and over the book value of investments and property	28171	23025	28330

STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS

	Six months ended 30 June 2002 R million Unaudited	30 June 2001 R million Unaudited	Year ended 31 December 2001 R million Audited
Shareholders' funds at beginning of the period			
Previously reported	25693	18300	18300

Effect of change in accounting policies:			
- Investment Properties (AC 135)	-	(334)	(334)
Restated	25693	17966	17966
Movements in share capital and share premium			
Shares issued	62	359	400
Movements in reserves	(119)	1217	7327
Retained earnings	1398	1226	3329
Group income attributable to ordinary shareholders	2378	2051	4525
Dividends paid	(980)	(825)	(1196)
Translation (losses)/gains	(1512)	-	4037
Capital deficit	(5)	(9)	(39)
Shareholders' funds at end of the period	25636	19542	25693

CONSOLIDATED CASH FLOW INFORMATION

	Six months ended		Year ended
	30 June 2002	30 June 2001	31 December 2001
	R million	R million	R million
	Unaudited	Unaudited	Audited
Net cash inflow/(outflow) from operating activities	20317	316	(195)
Net cash (outflow)/inflow from investing activities	(1963)	493	(2443)
Net cash outflow from financing activities	(192)	(2861)	(858)

FINANCIAL STATISTICS

	% Change	Six months ended 30 June 2002 R million Unaudited	Six months ended 30 June 2001 R million Unaudited	Year ended 31 December 2001 R million Audited
Standard Bank Group				
Shares in issue (millions)				
Number of ordinary shares in issue				
- end of period		1329	1322	1325
- weighted average		1327	1314	1319
Share statistics per ordinary share (cents)				
Earnings	15	179,3	156,1	343,1
Fully diluted earnings	15	176,7	153,4	337,9
Headline earnings	18	181,1	153,0	335,1
Dividends	21	34,0	28,0	102,0
Net asset value	31	1929	1477	1939
Adjusted net asset value	22	2120	1741	2138
Financial performance (%)				
Headline return on equity		18,7	21,3	20,1
Standard Bank operations				
Selected returns and ratios (%)				
Headline return on equity		19,1	21,1	19,9
Headline return on total assets		1,4	1,6	1,5
Cost-to-income ratio		57,5	57,7	57,4
Effective tax rate		31,5	31,3	30,8
Capital adequacy (%)				
Capital ratio				
- primary capital		11,2	10,9	11,1
- total capital		14,8	13,6	14,2

Accounting policies

The financial statements have been prepared under the historic cost convention as modified by the revaluation of certain trading and insurance assets and liabilities. The accounting policies adopted for purposes of reporting comply in all material respects with South African Statements of Generally Accepted Accounting Practice as well as the South African Companies Act of 1973.

The accounting policies are consistent with those applied at 31 December 2001 except for the adoption of the new accounting statement on Investment Property (AC 135). In terms of this statement, owner-occupied properties are not permitted to be treated as investment properties and are accounted for under the provisions of the statement dealing with property, plant and equipment (AC 123). These properties are now depreciated over their expected useful lives.

In addition to the above, comparative amounts have been restated where necessary to allow for a more meaningful comparison of performance. The comparative amounts relating to the businesses comprising the merged STANLIB entity have been regrouped as follows:

	Six months ended 30 June 2001 R million	Year ended 31 December 2001 R million
Liberty Group income attributable to ordinary shareholders as previously reported	265	629
Liberty Group business units included in STANLIB and reported as part of Standard Bank operations	(11)	(24)
Liberty operations as reported	254	605

Declaration of dividend No 66

Notice is hereby given that an interim dividend, No 66, of 34 cents per ordinary share, has been declared payable on 23 September 2002 to shareholders recorded in the books of the company at the close of business on the record date, 20 September 2002. The last day to trade to participate in the dividend is 13 September 2002. Shares will commence trading ex-dividend from Monday 16 September 2002.

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

Last day to trade “CUM” dividend	13 September 2002
Shares trade “EX” dividend	16 September 2002
Record date	20 September 2002
Payment date	23 September 2002

Share certificates may not be dematerialised or rematerialised between Monday 16 September 2002 and Friday 20 September 2002, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders.

Shareholders who have dematerialised their share certificates will have their bank accounts, which are linked to their CSDP or broker's safe custody accounts, credited on 23 September 2002.

By order of the board,
Loren Wulfsohn, Group Secretary
13 August 2002

Board of Directors

DE Cooper (Chairman)
EAG Mackay (Joint Deputy Chairman)
SJ Macozoma (Joint Deputy Chairman)
JH Maree* (Chief Executive)
MJD Ruck* (Deputy Chief Executive)
RC Andersen*
PC Prinsloo*
DDB Band
E Bradley
DA Hawton

RJ Khoza

RP Menell

RA Plumbridge

CL Stals

CB Strauss

EP Theron

* Executive director

Standard Bank Group Limited

(Incorporated in the Republic of South Africa)

(Registered bank controlling company)

(Reg No 1969/017128/06)

JSE Securities Exchange share code: SBK

Namibian Stock Exchange share code: SNB

ISIN: ZAE000038873

Registered office

9th Floor, Standard Bank Centre

5 Simmonds Street, Johannesburg, 2001

PO Box 7725, Johannesburg, 2000

Share transfer secretaries

In South Africa

Computershare Investor Services Limited

10th Floor, 11 Diagonal Street, Johannesburg, 2001

PO Box 1053, Johannesburg, 2000

In Namibia

Transfer Secretaries (Proprietary) Limited

Shop 12, Kaiserkrone Centre

Post Street Mall, Windhoek

PO Box 2401, Windhoek

This announcement, together with a financial presentation, is available on the Standard Bank website at: http://www.standardbank.co.za