

Standard Bank Group financial results

for the six months ended 30 June 2013



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Standard Bank Group is the largest African banking group by assets and earnings offering a full range of banking and related financial services

- operates in 18 countries in sub-Saharan Africa, as well as in selected emerging markets
- owns a controlling stake in the South African listed wealth management group, Liberty Holdings Limited
- three business units: Personal & Business Banking, Corporate & Investment Banking and Liberty
- 151-year history in South Africa
- listed on the Johannesburg Stock Exchange (JSE) since 1970
- started building a franchise outside Southern Africa in the early 1990s.

The Standard Bank Group's (the group) analysis of financial results for the period ended 30 June 2013 has not been audited or independently reviewed and should be read in conjunction with the results announcement, released on the same date, 15 August 2013. The preparation of the financial results was supervised by the group financial director, Simon Ridley, BCom (Natal), CA(SA), AMP (Oxford).

Key banking legal entity information

The Standard Bank of South Africa

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Standard Bank Plc

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Highlights

Headline earnings

R8 149 million, up 11%

(1H12: R7 315 million)

Headline earnings per share

506 cents, up 10%

(1H12: 460 cents)

Return on equity

13.8%

(1H12: 14.3%)

Tier I capital adequacy ratio

12.3%

(FY12: 11.2%)

Net asset value per share

7 660 cents, up 16%

(1H12: 6 615 cents)

Cost-to-income ratio

57.3%

(1H12: 59.3%)

Credit loss ratio

1.17%

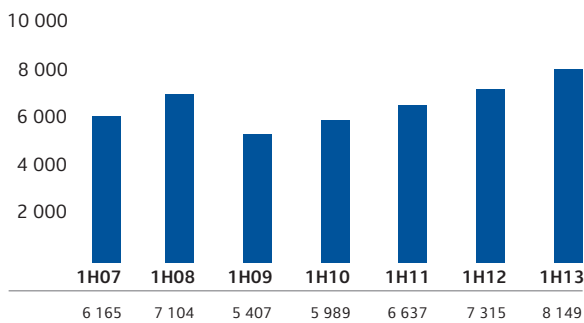
(1H12: 0.98%)

The 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 reflect the group's view of the economics of its Black Economic Empowerment Ownership initiative and the group's share exposures entered into to facilitate client trading activities and for the benefit of Liberty policyholders that are deemed to be treasury shares. Refer to page 20 for a detailed explanation on the principal differences between normalised and IFRS results. The normalised results reflect the basis on which management manages the group and is consistent with that reported in the group's segment report.

The comparative financial results have been restated – refer to page 93 for further details.

Headline earnings (Rm)

CAGR¹ (1H07 – 1H13): 5%

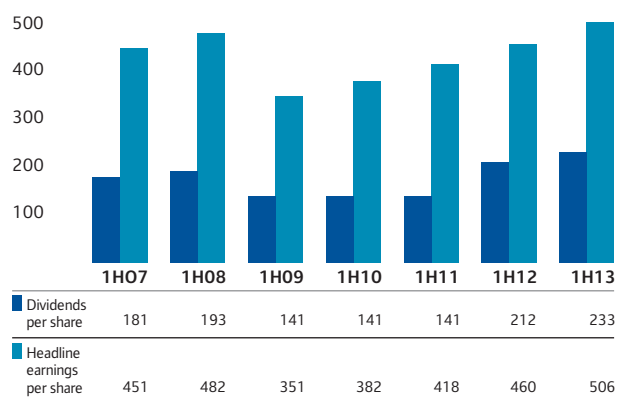


¹ Compound annual growth rate.

Headline earnings and dividends per share (cents)

CAGR (1H07 – 1H13):

Headline earnings per share: 2%
Dividends per share: 4%



1H13 refers to the first half year results for 2013.

1H12 refers to the first half year results for 2012.

FY12 refers to the full year results for 2012.

Change % reflects 1H13 growth on 1H12.

Financial results, ratios and statistics

		Change %	1H13	1H12	FY12
Standard Bank Group					
Headline earnings contribution by business unit					
Total headline earnings	Rm	11	8 149	7 315	14 918
Banking activities	Rm	12	7 225	6 439	12 928
Personal & Business Banking	Rm	14	3 655	3 197	7 342
Corporate & Investment Banking	Rm	25	3 515	2 803	4 423
Central and other	Rm	(87)	55	439	1 163
Liberty	Rm	5	924	876	1 990
Ordinary shareholders' interest					
Profit attributable to ordinary shareholders	Rm	12	8 169	7 296	16 400
Ordinary shareholders' equity	Rm	18	123 936	105 346	114 619
Share statistics					
Headline earnings per ordinary share (EPS)	cents	10	505,8	459,8	934,9
Diluted headline EPS	cents	10	502,0	456,6	927,4
Basic EPS	cents	11	507,1	458,6	1 027,8
Diluted EPS	cents	10	503,2	455,4	1 019,6
Dividend per share	cents	10	233,0	212,0	455,0
Net asset value per share	cents	16	7 660	6 615	7 136
Tangible net asset value per share	cents	15	6 635	5 760	6 222
Dividend cover	times		2.2	2.2	2.1
Number of ordinary shares in issue					
End of period	thousands	2	1 617 918	1 592 596	1 606 136
Weighted average	thousands	1	1 611 082	1 590 940	1 595 600
Diluted weighted average	thousands	1	1 623 360	1 601 989	1 608 506
Selected returns and ratios					
Return on equity (ROE)	%		13.8	14.3	14.0
Capital adequacy¹					
Total capital adequacy ratio	%		15.4	13.6	14.3
Tier I capital adequacy ratio	%		12.3	11.1	11.2
Common equity tier I capital adequacy ratio	%		11.8	10.4	10.7
Employee statistics					
Number of employees		(5)	48 730	51 252	49 017
Number of employees excluding Argentina		2	48 730	48 005	49 017
Banking activities					
Balance sheet					
Total assets	Rm	7	1 394 024	1 297 677	1 274 234
Loans and advances (net of credit impairments)	Rm	12	911 481	816 901	813 892
Selected returns and ratios					
ROE	%		13.2	13.6	13.2
Loan-to-deposit ratio	%		90.3	88.9	87.5
Net interest margin	%		3.11	2.91	3.09
Non-interest revenue to total income	%		48.4	51.1	50.2
Credit impairment charges	Rm	28	5 065	3 945	8 800
Credit loss ratio	%		1.17	0.98	1.08
Cost-to-income ratio	%		57.3	59.3	58.9
Effective taxation rate	%		25.7	29.1	30.4
Employee statistics					
Number of employees		(6)	42 933	45 755	42 736
Number of employees excluding Argentina		1	42 933	42 508	42 736

¹ Capital ratios for 1H12 are on a Basel II basis, 1H13 and FY12 are presented on a Basel III basis.

In the first six months of 2013 the group experienced:

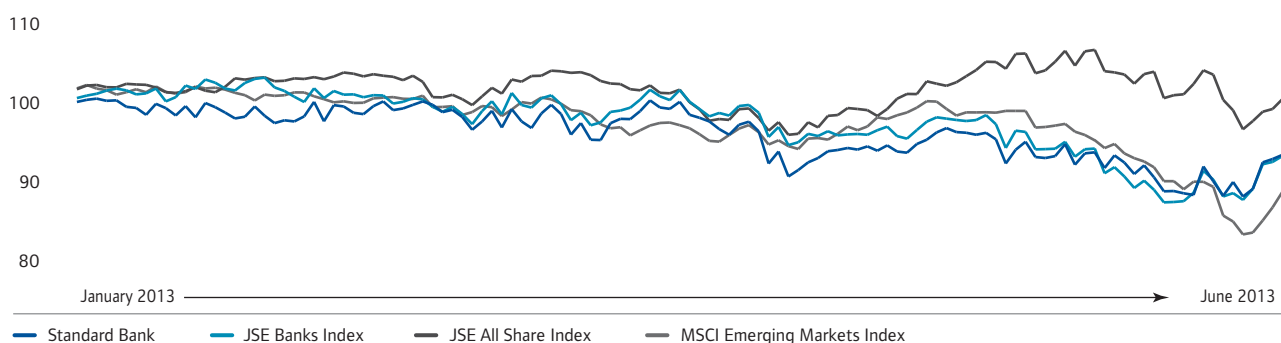
Globally

- Slowing rate of expansion in emerging economies countered by real growth in developed economies.
- Contained global inflation in spite of increasing inflation in emerging economies.
- More stable macro-economic conditions in east and west Africa as indicated by lower average interest rates.
- Continued moderation of growth in the Chinese economy.
- Further contraction of economic activity in the Eurozone.

South Africa

- Slow economic growth due to reduced demand from developed economies and contraction in manufacturing and agricultural output.
- Consistent levels of debt-to-disposable income.
- Persistent high levels of unemployment and high wage increases.
- Significant weakening of the rand due to global USD strength, industrial unrest in the mining sector and concerns about further sovereign debt downgrades.
- Sharply increasing bond yields by 30 June 2013 after being at the lowest levels in 40 years.
- Rising inflation driven by increases in prices of oil, food, transport, education and electricity.

Share price performance



	Change		1H13	1H12	FY12
	%				
Other economic indicators					
Market indicators					
USD/ZAR exchange rate					
– closing	21		9,94	8,19	8,48
– average	16		9,22	7,94	8,21
SA prime overdraft rate (closing)	%		8.5	9.0	8.5
SA average prime overdraft rate	%		8.5	9.0	8.8
SA average CPI	%		5.7	6.0	5.7
JSE All Share Index (closing)	17		39 578	33 708	39 250
JSE Banks Index (closing)	4		49 961	47 824	53 362
MSCI Emerging Markets Index (closing)	0		940	937	1 055
Share statistics					
Share price					
High for the period	cents	2	12 089	11 878	12 030
Low for the period	cents	4	10 316	9 876	9 876
Closing	cents	1	11 148	11 054	11 888
Shares traded					
Number of shares	thousands	12	573 251	513 061	938 187
Value of shares	Rm	14	64 975	56 790	103 232
Annualised turnover in shares traded	%		71.8	64.9	58.8

Overview

of financial results

Group results

In an environment where revenue generation is becoming increasingly challenging, the group has achieved good growth in total income of 13% and has managed to offset the pressures of higher credit impairments and costs affected by a weaker rand. Headline earnings per share increased by 10% to 506 cents, net asset value per share increased by 16%, and a dividend per share of 233 cents has been declared. The group's tier I ratio under Basel III rules stands at 12.3%.

The group's positioning across the African continent has been further validated in the period with 27% growth in aggregate headline earnings for our African subsidiaries, other than South Africa. Underlying momentum in our businesses across the continent is strong and we continue to build on the foundation laid in previous years. We are appropriately invested in key African countries and are leveraging the group's strong South African platform developed over many years to grow our businesses and deliver value to our clients.

Operating environment

The operating environment in the first half of the year remained challenging against an uncertain global backdrop. While the US economy is looking relatively healthier, concerns remain over subdued growth prospects in the European Union (EU) and, lately, China. The International Monetary Fund (IMF) has revised its outlook for global growth downwards on the back of increasingly softer demand in key emerging market economies and a more protracted recession in the EU. Global growth is now seen by the IMF at 3.1% in 2013, unchanged from 2012.

The downward adjustment in growth expectations for China has already been reflected in weaker commodity prices to which sub-Saharan Africa (SSA) is particularly exposed. The region's largest economies, such as Nigeria and South Africa, continue to struggle with weaker external demand coupled with internal growth constraints. According to the IMF, growth in SSA will rise only modestly to 5.1% in 2013 from 4.9% in 2012.

The uncertain global outlook was reflected in increased financial market volatility particularly in May and June 2013. Talk of the potential tapering of the US Federal Reserve's quantitative easing sparked fears of a withdrawal of funds from emerging markets. The rand was particularly hard hit as the currency faced not only external pressures but internally driven pressures too in the form of lower growth, concerns over the fiscal balance and continuing labour unrest, concentrated mostly in the mining sector.

South African households continue to struggle with high overall debt burdens coupled with sluggish income growth and rising inflation. Growth in household consumption expenditure slowed for the fifth consecutive quarter during the first quarter of 2013 to 2.4%, broadly in line with the growth in real disposable income. The moderation in spending growth can be attributed to slowing growth both in disposable income and in unsecured lending

extended to households as credit providers tightened their lending practices. The stubbornly high household sector debt has compromised the ability of households to take on further debt.

Revenue

Total income grew by 13% over the period with net interest income (NII) growing strongly by 20%, with non-interest revenue (NIR) higher by a more moderate 7%. The further depreciation of the rand helped revenue growth and, on a constant currency basis, total income was 10% higher than the prior period.

NII growth of 20% (17% in constant currency) was again a highlight for the group. Although balance sheet expansion was moderate, continued pricing improvement in secured lending portfolios, growth in higher-yielding unsecured balances in Personal & Business Banking (PBB), and favourable term funding rates offset an expected decline in endowment income from lower average interest rates in South Africa and in the rest of Africa.

Net fee and commission income grew by 10% compared with the six months to June 2012. PBB achieved 8% growth in spite of forgoing any price increase on transactional products in 2012 and 2013 as well as price decreases on certain products in 2012 in South Africa to retain and grow its customer base. Sharply increased activity occurred through the mobile banking channels in South Africa offset by slightly lower activity through the group's ATM network. Corporate & Investment Banking (CIB) grew fees and commissions by 11% as good growth continued in transactional banking across the African continent.

Trading revenue was 8% higher in a volatile environment as a similar pattern observed in the prior period of a strong first quarter partially offset by weaker revenue in the second quarter was experienced. A good performance from commodity trading was offset by difficult conditions in fixed income and foreign exchange trading. Trading conditions continue to be affected by uncertainty over when and at what rate the US Federal Reserve will withdraw its liquidity support to financial markets.

Other revenue benefited from the inclusion of a fair value gain on a contingent interest in Troika Dialog but was 9% lower than the prior period which had contained substantial positive valuation adjustments on listed and unlisted property investments in South Africa.

Credit impairments

Total credit impairment charges grew 28% and the credit loss ratio increased to 1.17% from 0.98% in the prior period. PBB's credit charges were 32% higher. Continued deterioration in the credit quality of the inclusive personal loan portfolio and higher-than-expected losses in higher margin personal loans and small and medium enterprise (SME) lending in the rest of Africa contributed to the PBB credit loss ratio of 1.57% (1H12: 1.32%). CIB's credit losses increased by 15% as its credit loss ratio

increased to 0.52% from 0.46% in the prior period. A recovery received in respect of a previously written-off exposure in CIB outside Africa was more than offset by a small number of high value credit impairments in South Africa and the rest of Africa.

Non-performing loans (NPLs) in mortgages continued to decrease in line with a slowly improving residential property market in South Africa. Impairments in personal unsecured lending increased by 69% to R1 511 million from R896 million in the prior period. The majority of these impairments originate in the domestic personal term loans (PTL) portfolio, known as the inclusive personal lending book, in South Africa which has been affected over the last year by higher living costs, limited growth in disposable income and reduced credit supply. The PTL book has reduced in size to R3,4 billion from R3,7 billion at the end of 2012 due to lower levels of new business written flowing from higher scorecard thresholds. NII after accounting for credit impairments has increased by 17% over the period, reflecting the group's overall ability to price appropriately for risk in chosen product segments.

Operating expenses

Operating expenses increased by 10% and by 5% on a constant currency basis excluding the impact of rand depreciation relative to the prior period.

Staff costs grew by 12% and by 7% on a constant currency basis. Within staff costs, variable staff costs increased by 31% mostly due to higher current year incentive provisions off a low 1H12 base in CIB flowing from the improvement in its profitability and the amortisation of prior year deferred incentive awards. Excluding the impact of the sale of the group's majority investment in Argentina, staff numbers were 1% higher due to continued investment within PBB in the rest of Africa offset marginally by lower staff complement in South Africa and outside of Africa.

Operating expenses excluding staff expenses increased by 7% and by 2% on a constant currency basis. The group's cost-to-income ratio improved to 57.3% from 59.3% in 1H12.

Loans and advances

Loans and advances to customers grew by 8% over the prior period. PBB advances to customers grew 10% due mainly to strong growth of 42% in personal unsecured lending and 16% growth each in card and instalment sale and finance leases which continued to benefit from higher vehicle sales over the period. Mortgage loans grew by a more moderate 5% with increased competitor activity evident in the market. CIB loans to customers grew at a slower rate of 6% in spite of the effect of a weaker rand in line with its strategy to contain growth in risk-weighted assets.

Capital, funding and liquidity

The group implemented Basel III on 1 January 2013 in line with the South African Reserve Bank (SARB) regulations. This resulted in an increase of R59,6 billion in risk-weighted assets,

due mainly to an increase in credit risk and risk-weighted assets for investments in financial entities. The group's tier I ratio declined to 11.2% on 1 January 2013 from the reported 11.7% tier I ratio at 31 December 2012 as a result of the adoption of Basel III.

Since the beginning of the year, the group has made further progress in the building of its common equity tier I and tier I capital levels and is well on track to meet the rising ratios required by the SARB through to 2016 by the careful allocation of available resources. The group's 30 June 2013 Basel III common equity tier I ratio increased to 11.8% from the pro forma Basel III ratio of 10.7% recorded in 31 December 2012. The effect of the weaker rand boosted shareholders' equity by approximately R4,4 billion and increased qualifying common equity tier I capital by 4% in the period.

The group's overall liquidity position remains strong with appropriate liquidity buffers in excess of prudential requirements amounting to R174,1 billion at 30 June 2013 (excluding cash reserving across the group of an additional R59,3 billion). These significant levels of liquidity are appropriately conservative given the group's liquidity stress testing philosophy and in view of potential change in regulatory requirements. The group continues to maintain a robust ratio of long-term funding at 22.6% of liabilities.

Retail priced deposits in PBB showed strong growth, up 18% from June 2012, with contributions to this growth from both South Africa and in the rest of Africa helping to continue the strong growth profile over the last few years. CIB benefited from good growth in negotiable certificates of deposit, up 38%, demand for which was mostly generated by insurers and asset managers, and current accounts which increased by 35% due mainly to corporate support in the rest of Africa. A reduction in term deposits in CIB was partially offset by 21% growth in call deposits as clients preferred to retain liquidity in order to manage cash flows in the subdued economic environment.

The Basel Committee on Banking Supervision (BCBS) previously proposed the two liquidity ratios, namely the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), as part of the Basel III regulations. Following a series of quantitative impact studies, industry comment letters and discussions with banks, the BCBS published a set of revisions to the LCR in January 2013. The SARB confirmed that the proposed revisions to the LCR will be adopted by the South African banking industry and that a committed liquidity facility will also be made available, at a fee, to assist banks in meeting this ratio. The banking industry still expects to face some challenges in meeting the NSFR requirements and continues to engage with the relevant authorities in this regard. Further NSFR guidance is expected from the regulatory authorities towards the end of 2013.

Overview of financial results continued

Overview of business unit performance

Headline earnings by business unit

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Personal & Business Banking	14	3 655	3 197	7 342
Corporate & Investment Banking	25	3 515	2 803	4 423
Central and other	(>100)	(34)	124	490
Banking activities excluding earnings from Argentina	17	7 136	6 124	12 255
Argentina	(72)	89	315	673
Banking activities	12	7 225	6 439	12 928
Liberty	5	924	876	1 990
Standard Bank Group	11	8 149	7 315	14 918

Personal & Business Banking

PBB reported headline earnings growth of 14% to R3 655 million in the period, driven mainly by strong NII growth of 20% offset by higher credit impairments in both South Africa and the rest of Africa. PBB South Africa grew headline earnings 17% while PBB in the rest of Africa reported a loss after a disappointing credit performance. PBB's return on equity declined to 16.8% from 18.0% in 1H12.

Within mortgages, profitability continued to improve in the period through more appropriate pricing on new business and further reduction in NPLs. Although the level of new business written is similar to the prior period, total revenue increased by 26% and headline earnings, which were positively impacted by 11% lower impairments, increased by 85% to R567 million. NPLs declined by a further R3,2 billion compared with the prior period, reflecting the gradual but steady improvement in the housing market in South Africa over the past year.

Instalment sale and finance leases had a satisfactory period in which higher vehicle sales, particularly in the retail market, supported an increase in total income of 14%. Good loan growth was experienced in certain countries in the rest of Africa and although higher specific impairments were required, the credit losses were within risk appetite and expectations. Headline earnings increased by 38% to R135 million.

Good advances growth was again recorded within card products due to higher activity flowing from account acquisition and credit limit increases and upgrades. Total income increased by 14%, supported by improved net interest margin and success in acquiring high value corporate merchants. As expected, credit card impairments were materially higher at R460 million and the credit loss ratio increased to 3.75% from a low loss ratio base of 2.16% in the comparative period. Headline earnings increased by 13% to R602 million notwithstanding the more normalised credit losses.

In spite of a modest improvement of 6% in total revenue, headline earnings from transactional products declined by 13% to R1 060 million. The unit was adversely affected by lower endowment income as interest rates declined in South Africa and in a number of other African countries. Banking fees in personal markets have not increased during 2012 and 2013, and customer pricing was materially reduced in April 2012, which flowed through fully during the period. Higher operating expenses driven by an increased footprint and a larger staff complement, primarily in west Africa, contributed to the decline in earnings.

Lending products delivered 13% growth in headline earnings due to appropriate risk pricing and higher overdraft and revolving credit plan balances offset by increased impairments required in the PTL portfolio. New origination of unsecured lending in South Africa slowed markedly during the period given a tightening of risk appetite initiated from June 2012 and lower consumer demand.

In bancassurance and wealth, satisfactory growth in the active policy base in core banking products as well as higher market penetration enabled good growth in total income of 23%. Higher insurance profits in certain African countries, single-digit growth in expenses and higher earnings in the Offshore Group supported the 28% growth in headline earnings to R901 million.

Corporate & Investment Banking

CIB's 25% growth in headline earnings to R3 515 million reflects the strong position it occupies in its chosen markets across the African continent. Income growth of 15% outpaced expense growth of 7% with the cost-to-income ratio declining to 59.0% from 63.3% and, although credit impairments were 15% higher, pre-tax profit increased by 31% over the comparative period. CIB's improved profitability and heightened focus on limiting capital usage has enabled it to increase its return on equity to 14.7% from 12.6% in the period to June 2013. Rest of Africa

now accounts for 36% of CIB's total revenues, a substantial increase on the 27% and 31% in the first half of 2011 and 2012 respectively.

The transactional products and services business grew revenues by a pleasing 22% mainly through higher volumes in cash management and investor services in South Africa and in the rest of Africa. Countering this was the sharply lower endowment income in South Africa and other African countries due to lower average interest rates in the period. Trade finance experienced increased client activity for guarantees and confirmations for a mix of new and existing clients. Credit impairments were higher but satisfactory headline earnings growth of 9% was achieved.

Global markets grew revenues by 10% in a period that was once again characterised by a strong first quarter performance offset by challenging conditions internationally in the second quarter. Fears that monetary conditions in the US would tighten through the removal of quantitative easing caused a substantial liquidation of positions during June 2013. The resultant lack of liquidity affected both fixed income and foreign exchange trading but commodities trading generated higher revenues from increased client flow and price volatility. Revenues grew within the rest of Africa as the business continued to experience a positive trading environment with high levels of activity, although this was partly offset by difficult operating conditions within South Africa. The restructuring undertaken in our international operations in 2012 assisted in costs falling by 2% over 1H12 and, as a result, headline earnings increased by 70%.

Investment banking increased revenue by 20% during the period in spite of the high base in the prior period. NII benefited from improved margins and measured loan book growth, and fee income was buoyed by increased client activity in mining, energy and infrastructure sectors. Credit impairments remained disappointingly elevated above expected levels due to a small number of large provisions required, and costs grew 13% in support of the revenue growth generated. Headline earnings growth of 19% reflects a satisfactory performance overall.

Real estate and principal investment management revenues fell primarily due to the non-recurrence of prior period gains on Turkey's principal investment management business, but headline earnings rose 14% due to tax credits received in the current period.

Central and other

Headline earnings declined to R55 million from R439 million in the prior period which had included the contribution of R431 million from the group's 75% investment in Standard Bank Argentina, the majority of which was sold in the last quarter of 2012. The attributable income from the 20% investment that the

group retains in Argentina amounted to R89 million in the current period. The non-recurrence of the secondary tax on companies charge partly offset this adverse effect.

Liberty

The financial results reported are the consolidated results of our 54% investment in Liberty Holdings Limited. Bancassurance results are included in PBB. Liberty's headline earnings for the six months to 30 June 2013 increased by 5% to R1 704 million of which R924 million was attributable to the group.

Liberty continued to produce a high return on equity and further growth in sales and assets under management, while producing positive experience variances in its long-term insurance business and successfully managing the volatility in the markets seen in May and June 2013. This performance has been supported by innovative new products, acceptable new business growth and reasonable investment fund performance. Operating earnings were 31% higher without any significant assumption or modelling changes and despite a volatile interest rate environment. Return on equity of 21.8% for 1H13 is comparable to 22.3% achieved for 1H12.

Long-term indexed insurance sales of R3 122 million were up 12% on the prior half year. This, combined with improved pricing, produced a 32% improvement in the group embedded value of long-term insurance new business to R307 million at an overall margin of 1.8% (1H12: 1.5%). Margins were down from the second half of 2012 mainly due to the higher risk discount rate following the increased South African bond market interest rates at 30 June 2013. Group asset management net cash inflows of R9 billion were significantly higher than the R5 billion cash inflows for 1H12 despite a drawdown of R7 billion of assets under a government mandate in east Africa. Stanlib's South African business had a particularly good half-year attracting R14 billion of net cash inflows of which R13,5 billion went into higher margin non-money market retail and institutional mandates. Assets under management across the group grew by 7% from 31 December 2012 to R566 billion.

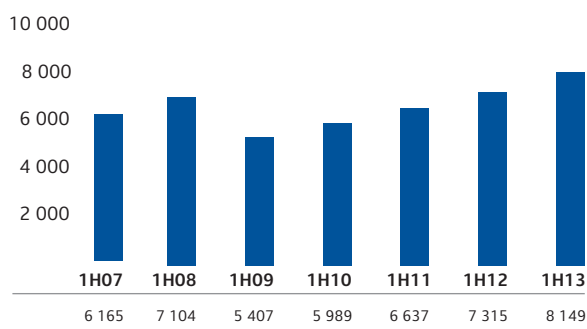
Summarised group income statement

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net interest income	20	18 912	15 794	34 233
Non-interest revenue	7	17 726	16 504	34 474
Net fee and commission revenue	10	11 029	10 016	21 319
Trading revenue	8	5 048	4 669	8 868
Other revenue	(9)	1 649	1 819	4 287
Total income	13	36 638	32 298	68 707
Credit impairment charges	28	5 065	3 945	8 800
Specific credit impairments	28	4 755	3 710	9 040
Impaired loss	29	4 357	3 366	8 240
Discounting of expected recoveries	16	398	344	800
Portfolio credit impairments	32	310	235	(240)
Income after credit impairment charges	11	31 573	28 353	59 907
Operating expenses	10	21 129	19 230	40 068
Staff costs	12	12 082	10 765	22 265
Other operating expenses	7	9 047	8 465	17 803
Net income before restructure charge	14	10 444	9 123	19 839
Restructure charge		–	–	758
Net income before goodwill	14	10 444	9 123	19 081
Goodwill impairment		–	–	777
Net income before disposal of subsidiary and equity accounted earnings	14	10 444	9 123	18 304
Loss on disposal of subsidiaries		–	–	(86)
Share of profit from associates and joint ventures	69	248	147	675
Net income before taxation	15	10 692	9 270	18 893
Taxation	2	2 752	2 696	5 745
Profit for the period from continuing operations	21	7 940	6 574	13 148
Discontinued operation – Argentina	(100)	–	431	2 435
Profit for the period	13	7 940	7 005	15 583
Attributable to non-controlling interests	28	522	407	855
Attributable to preference shareholders	(2)	173	177	357
Attributable to ordinary shareholders – banking activities	13	7 245	6 421	14 371
Headline adjustable items – banking activities	(>100)	(20)	18	(1 443)
Headline earnings – banking activities	12	7 225	6 439	12 928
Headline earnings – Liberty	5	924	876	1 990
Standard Bank Group headline earnings	11	8 149	7 315	14 918

Headline earnings

Headline earnings (Rm)

CAGR (1H07 – 1H13): 5%



Reconciliation of headline earnings

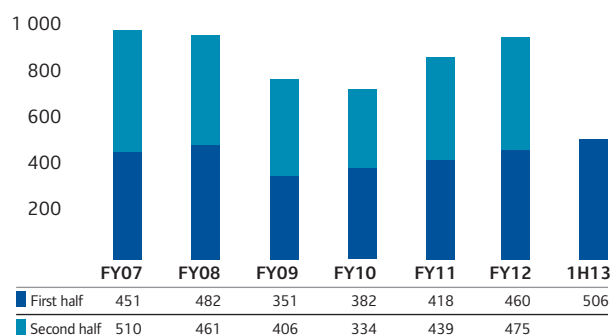
	1H13				1H12			FY12	
	Gross Rm	Tax ¹ Rm	Non-controlling interest and preference shareholders Rm	Net Rm	Gross Rm	Tax ¹ Rm	Non-controlling interest and preference shareholders Rm	Net Rm	Net Rm
Profit for the period – banking activities	9 988	(2 048)	(695)	7 245	9 276	(2 271)	(584)	6 421	14 371
Headline adjustable items – banking activities (reversed)/added	(36)		16	(20)	35	(6)	(11)	18	(1 443)
Profit on sale of property and equipment – IAS 16	(1)	1	(1)	(1)	(16)	(1)	1	(16)	(34)
Realised foreign currency translation reserve profit – IAS 21					(119)			(119)	(119)
Loss on disposal of subsidiary – IAS 27									86
Profit on sale of Argentina – IAS 27									(1 525)
Disposal profit and changes in impairment of associates – IAS 28/IAS 36									(336)
Goodwill impairment – IAS 36									777
Impairment of intangible assets – IAS 36									220
Loss on net investment hedge on disposal of associate – IAS 39					130			130	97
Realised (gains)/losses on available-for-sale assets – IAS 39	(35)	(1)	17	(19)	59	(14)	(14)	31	(599)
Headline adjustable items – Argentina					(19)	9	2	(8)	(10)
Headline earnings – banking activities	9 952	(2 048)	(679)	7 225	9 311	(2 277)	(595)	6 439	12 928
Headline earnings – Liberty	2 867	(1 045)	(898)	924	2 853	(1 109)	(868)	876	1 990
Standard Bank Group headline earnings	12 819	(3 093)	(1 577)	8 149	12 164	(3 386)	(1 463)	7 315	14 918

¹ Excluding indirect taxes and 1H12 includes direct taxes attributable to Argentina.

Headline earnings and dividends per share

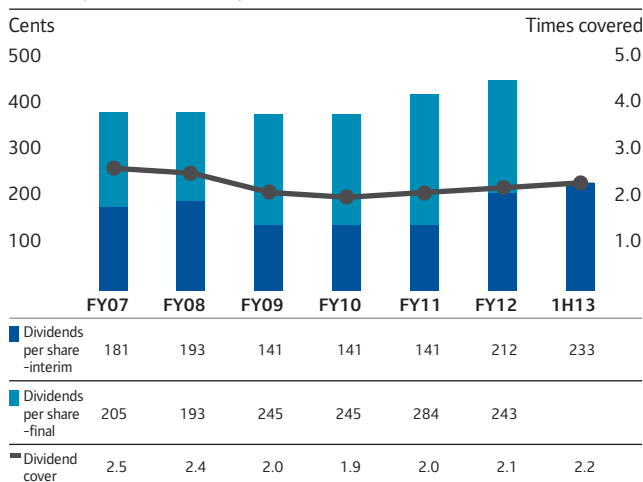
Headline earnings per share (cents)

CAGR (1H07 – 1H13): 2%



Dividends per share

CAGR (1H07 – 1H13): 4%



		Change %	1H13	1H12	FY12
Headline earnings	Rm	11	8 149	7 315	14 918
Headline EPS	cents	10	505,8	459,8	934,9
Basic EPS	cents	11	507,1	458,6	1 027,8
Total distribution per share	cents	10	233,0	212,0	455,0
Interim	cents	10	233,0	212,0	212,0
Final	cents				243,0
Dividend cover	times		2.2	2.2	2.1
Dividend payout ratio	%		46.1	46.1	48.7

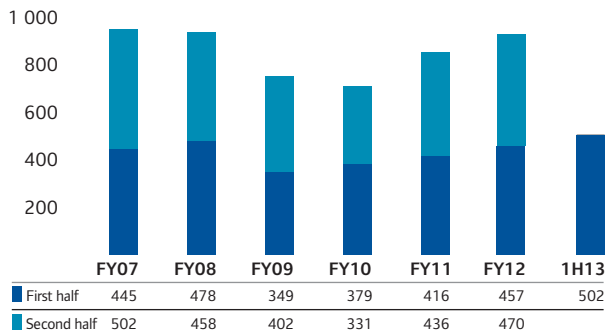
Movement in number of ordinary and weighted average shares issued

	1H13		1H12		FY12	
	Issued number of shares 000's	Weighted number of shares 000's	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 period	1 606 136	1 606 136	1 588 747	1 588 747	1 588 747	1 588 747
Share buy-back	(916)	(374)				
Shares issued	12 698	5 320	3 849	2 193	17 389	6 853
Shares issued for share option settlements	2 417	1 344	3 849	2 193	5 348	3 366
Shares issued through scrip distribution	10 281	3 976			12 041	3 487
End of the period – normalised	1 617 918	1 611 082	1 592 596	1 590 940	1 606 136	1 595 600
Reconciliation to IFRS shares in issue						
End of the period – normalised	1 617 918	1 611 082	1 592 596	1 590 940	1 606 136	1 595 600
Tutuwa SPEs' shares financed by Standard Bank	(27 726)	(58 343)	(63 479)	(63 479)	(63 479)	(63 479)
Total shares held initially by Tutuwa SPEs	(99 190)	(99 190)	(99 190)	(99 190)	(99 190)	(99 190)
Less: Tutuwa shares financed by third parties	60 444	29 827	24 691	24 691	24 691	24 691
Less: Tutuwa shares acquired by ICBC	11 020	11 020	11 020	11 020	11 020	11 020
Share exposures held to facilitate client trading activities	3 394	1 139	2 088	1 012	1 009	1 188
Shares held for the benefit of Liberty policyholders	(7 072)	(6 964)	(13 030)	(11 989)	(7 749)	(11 799)
End of the period – IFRS	1 586 514	1 546 914	1 518 175	1 516 484	1 535 917	1 521 510

Diluted headline earnings per share

Diluted headline earnings per share (cents)

CAGR (1H07 – 1H13): 2%



	Change %	1H13 cents	1H12 cents	FY12 cents
Diluted headline EPS	10	502,0	456,6	927,4
Diluted EPS	10	503,2	455,4	1 019,6

Diluted weighted average number of ordinary shares issued

	1H13 000's	1H12 000's	FY12 000's
Weighted average shares	1 611 082	1 590 940	1 595 600
Dilution from equity compensation plans	12 278	11 049	12 906
Share option scheme	1 510	2 465	1 874
Equity growth scheme	6 751	7 926	9 258
Deferred bonus scheme	4 017	658	1 774
Diluted weighted average shares – normalised	1 623 360	1 601 989	1 608 506
Reconciliation to diluted weighted average IFRS shares			
Diluted weighted average shares – normalised	1 623 360	1 601 989	1 608 506
Shares held by Tutuwa SPEs financed by Standard Bank	(58 343)	(63 479)	(63 479)
Share exposures to facilitate client trading activities	1 139	1 012	1 188
Shares held for the benefit of Liberty policyholders	(6 964)	(11 989)	(11 799)
Tutuwa transaction – dilutive shares	35 542	39 914	38 752
Diluted weighted average shares – IFRS	1 594 734	1 567 447	1 573 168

Statement of financial position

	Standard Bank Group			
	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Assets				
Cash and balances with central banks	73	56 041	32 413	61 985
Derivative assets	(8)	128 376	138 949	120 190
Trading assets	2	115 739	113 596	114 299
Pledged assets	12	10 139	9 069	11 640
Financial investments	13	354 992	313 088	333 312
Loans and advances	12	911 481	816 901	813 892
Loans and advances to banks	32	159 926	120 997	108 196
Loans and advances to customers	8	751 555	695 904	705 696
Investment property	5	24 259	23 032	24 133
Other assets	36	47 110	34 607	35 239
Interest in associates and joint ventures	19	20 197	16 979	18 731
Non-current assets held for sale	(100)	–	33 296	960
Goodwill and other intangible assets	22	16 594	13 606	14 687
Goodwill	(2)	3 560	3 620	3 124
Other intangible assets	31	13 034	9 986	11 563
Property and equipment	9	16 200	14 796	15 733
Total assets	9	1 701 128	1 560 332	1 564 801
Equity and liabilities				
Equity	17	146 463	125 050	135 267
Equity attributable to ordinary shareholders	18	123 936	105 346	114 619
Preference share capital and premium	–	5 503	5 503	5 503
Non-controlling interest	20	17 024	14 201	15 145
Liabilities	8	1 554 665	1 435 282	1 429 534
Derivative liabilities	(4)	133 751	138 705	121 998
Trading liabilities	33	51 065	38 452	39 206
Deposit and current accounts	10	996 124	902 743	915 950
Deposits from banks	14	162 450	142 736	124 275
Deposit and current accounts from customers	10	833 674	760 007	791 675
Other liabilities	25	101 355	80 963	84 148
Non-current liabilities held for sale	(100)	–	28 808	–
Policyholder liabilities	11	241 414	217 252	236 684
Subordinated debt	9	30 956	28 359	31 548
Total equity and liabilities	9	1 701 128	1 560 332	1 564 801

¹ Includes elimination of balances between Liberty and banking activities.

	Banking activities				Liberty ¹			
	Change %	1H13 Rm	1H12 Rm	FY12 Rm	Change %	1H13 Rm	1H12 Rm	FY12 Rm
	73	56 041	32 413	61 985	>100	3 731	1 134	1 837
	(10)	124 645	137 815	118 353	>100	597	(105)	(16)
	1	115 142	113 701	114 315	100	1 759	–	–
	(8)	8 380	9 069	11 640	17	249 666	212 928	238 597
	5	105 326	100 160	94 715				
	12	911 481	816 901	813 892				
	32	159 926	120 997	108 196				
	8	751 555	695 904	705 696				
	5	24 259	23 032	24 133	5	24 259	23 032	24 133
	36	47 110	34 607	35 239	14	8 037	7 063	7 006
	19	20 197	16 979	18 731	5	15 904	15 146	15 921
	(100)	–	33 296	960	(100)	–	222	–
	22	16 594	13 606	14 687	25	15 927	12 697	13 928
	(2)	3 560	3 620	3 124	(2)	3 523	3 589	3 092
	31	13 034	9 986	11 563	36	12 404	9 108	10 836
	(28)	630	878	727	10	13 716	12 470	13 403
	7	2 484	2 326	2 330	7	2 484	2 326	2 330
	17	307 104	262 655	290 567	17	307 104	262 655	290 567
	18	126 414	107 318	115 792	13	20 049	17 732	19 475
	18	114 826	97 269	105 733	13	9 110	8 077	8 886
	–	5 503	5 503	5 503	–	5 503	5 503	5 503
	34	6 085	4 546	4 556	13	10 939	9 655	10 589
	6	1 267 610	1 190 359	1 158 442	17	287 055	244 923	271 092
	(7)	129 099	138 120	120 868	>100	4 652	585	1 130
	34	52 583	39 127	40 105	(>100)	(1 518)	(675)	(899)
	10	1 009 483	918 766	930 153	17	(13 359)	(16 023)	(14 203)
	14	162 450	142 736	124 275				
	9	847 033	776 030	805 878	17	(13 359)	(16 023)	(14 203)
	22	46 932	38 558	37 202	28	54 423	42 405	46 946
	(100)	–	28 808	–				
	11	241 414	217 252	236 684	11	241 414	217 252	236 684
	9	29 513	26 980	30 114	5	1 443	1 379	1 434
	7	1 394 024	1 297 677	1 274 234	17	307 104	262 655	290 567

Financial results, ratios and statistics

– IFRS

		Change %	1H13 Rm	1H12 Rm	FY12 Rm
Standard Bank Group					
Headline earnings contribution by business unit					
Total headline earnings	Rm	13	8 046	7 110	14 564
Banking activities	Rm	12	7 123	6 340	12 732
Personal & Business Banking	Rm	14	3 655	3 197	7 342
Corporate & Investment Banking	Rm	25	3 515	2 803	4 423
Central and other	Rm	(>100)	(47)	340	967
Liberty	Rm	20	923	770	1 832
Ordinary shareholders' interest					
Profit attributable to ordinary shareholders	Rm	14	8 066	7 091	16 046
Ordinary shareholders' equity	Rm	20	122 348	101 760	111 085
Share statistics					
Headline EPS	cents	11	520,1	468,8	957,2
Diluted headline EPS	cents	11	504,5	453,6	925,8
Basic EPS	cents	12	521,4	467,6	1 054,6
Diluted EPS	cents	12	505,8	452,4	1 020,0
Dividend per share	cents	10	233,0	212,0	455,0
Net asset value per share	cents	15	7 712	6 703	7 232
Tangible net asset value per share	cents	15	6 666	5 807	6 276
Dividend cover	times		2.3	2.2	2.1
Number of ordinary shares in issue					
End of period	thousands	5	1 586 514	1 518 175	1 535 917
Weighted average	thousands	2	1 546 914	1 516 484	1 521 510
Diluted weighted average	thousands	2	1 594 734	1 567 447	1 573 168
Selected returns and ratios					
ROE	%		14.0	14.4	14.2
Capital adequacy¹					
Total capital adequacy ratio	%		15.4	13.6	14.3
Tier I capital adequacy ratio	%		12.3	11.1	11.2
Common equity tier I capital adequacy ratio	%		11.8	10.4	10.7
Banking activities					
Balance sheet					
Total assets	Rm	8	1 393 253	1 295 299	1 271 633
Loans and advances (net of credit impairments)	Rm	12	910 332	814 292	811 171
Selected returns and ratios					
ROE	%		13.3	13.7	13.3
Loan-to-deposits ratio	%		90.2	88.6	87.2
Net interest margin	%		3.09	2.90	3.07
Non-interest revenue to total income	%		48.5	51.3	50.4
Credit impairment charges	Rm	28	5 065	3 945	8 800
Credit loss ratio	%		1.17	0.98	1.08
Cost-to-income ratio	%		57.4	59.5	59.1
Effective taxation rate	%		26.0	29.4	30.8

¹ Capital adequacy ratios for 1H12 are on a Basel II basis, 1H13 and FY12 are presented on a Basel III basis.

Summarised group income statement

– IFRS

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net interest income	20	18 809	15 688	34 015
Non-interest revenue	7	17 732	16 503	34 499
Net fee and commission revenue	10	11 029	10 016	21 319
Trading revenue	8	5 054	4 668	8 893
Other revenue	(9)	1 649	1 819	4 287
Total income	14	36 541	32 191	68 514
Credit impairment charges	28	5 065	3 945	8 800
Specific credit impairments	28	4 755	3 710	9 040
Impaired loss	29	4 357	3 366	8 240
Discounting of expected recoveries	16	398	344	800
Portfolio credit impairments	32	310	235	(240)
Income after credit impairment charges	11	31 476	28 246	59 714
Operating expenses	10	21 129	19 230	40 068
Staff costs	12	12 082	10 765	22 265
Other operating expenses	7	9 047	8 465	17 803
Net income before restructure charge	15	10 347	9 016	19 646
Restructure charge		–	–	758
Net income before goodwill	15	10 347	9 016	18 888
Goodwill impairment		–	–	777
Net income before disposal of subsidiary and equity accounted earnings	15	10 347	9 016	18 111
Loss on disposal of subsidiaries		–	–	(86)
Share of profit from associates and joint ventures	69	248	147	675
Net income before taxation	16	10 595	9 163	18 700
Taxation	2	2 754	2 697	5 753
Profit for the period from continuing operations	21	7 841	6 466	12 947
Discontinued operation – Argentina	(100)	–	431	2 435
Profit for the period	14	7 841	6 897	15 382
Attributable to non-controlling interests	28	522	407	855
Attributable to preference shareholders	5	176	168	352
Attributable to ordinary shareholders – banking activities	13	7 143	6 322	14 175
Headline adjustable items – banking activities	(>100)	(20)	18	(1 443)
Headline earnings – banking activities	12	7 123	6 340	12 732
Headline earnings – Liberty	20	923	770	1 832
Standard Bank Group headline earnings	13	8 046	7 110	14 564

Statement of comprehensive income - IFRS

	Change %	1H13		
		Ordinary shareholders' equity Rm	Non- controlling interests and preference shareholders Rm	Total equity Rm
Profit for the period	14	8 066	1 598	9 664
Other comprehensive income after tax for the period	>100	3 574	1 128	4 702
Exchange rate differences on translating equity investments in foreign operations		4 383	1 129	5 512
Foreign currency hedge of net investments		(239)		(239)
Cash flow hedges		(54)		(54)
Available-for-sale financial assets		(34)	(49)	(83)
Defined benefit fund adjustments		(479)	11	(468)
Revaluation and other (losses)/gains		(3)	37	34
Total comprehensive income for the period	80	11 640	2 726	14 366
Attributable to non-controlling interests			2 550	2 550
Attributable to equity holders of the parent		11 640	176	11 816
Attributable to preference shareholders	5		176	176
Attributable to ordinary shareholders	74	11 640		11 640

Statement of changes in equity - IFRS

	Ordinary share capital and premium Rm	Empower- ment reserve Rm	Treasury shares Rm	Foreign currency trans- lation reserve Rm	Foreign currency hedge of net invest- ment reserve Rm
Balance at 1 January 2012	17 735	(3 079)	(198)	(1 058)	(273)
Opening IFRS transition adjustments			(49)		
Restated balance at 1 January 2012	17 735	(3 079)	(247)	(1 058)	(273)
Increase in statutory credit risk reserve					
Transactions with non-controlling shareholders		(8)	(4)		
Equity-settled share-based payment transactions					
Deferred tax on share-based payments					
Transfer of vested equity options					
Net decrease in treasury shares			61		
Issue of share capital and share premium and capitalisation of reserves	357				
Transfer of owner occupied properties					
Unincorporated property partnerships capital reductions and distributions					
Disposal of property partnership					
Total comprehensive income for the period		(183)		1 056	181
Net dividends paid					
Restated balance at 31 December 2012	18 092	(3 270)	(190)	(2)	(92)
Restated balance at 1 January 2013	18 092	(3 270)	(190)	(2)	(92)
Increase in statutory credit risk reserve					
Transactions with non-controlling shareholders		2	1		
Equity-settled share-based payment transactions					
Deferred tax on share-based payments					
Transfer of vested equity options					
Net decrease in treasury shares			284		
Issue of share capital and share premium and capitalisation of reserves	121				
External refinancing of Tutuwa transaction		1 658			
Unincorporated property partnerships capital reductions and distributions					
Total comprehensive income for the period		(29)		4 383	(239)
Net dividends paid					
Balance at 30 June 2013	18 213	(1 639)	95	4 381	(331)

All balances are stated net of applicable tax.

	1H12			FY12		
	Ordinary shareholders' equity Rm	Non- controlling interests and preference shareholders Rm	Total equity Rm	Ordinary shareholders' equity Rm	Non- controlling interests and preference shareholders Rm	Total equity Rm
	7 091	1 353	8 444	16 046	3 223	19 269
	(401)	(49)	(450)	1 378	307	1 685
	(421)	(124)	(545)	1 056	135	1 191
	73		73	181		181
	(275)	1	(274)	(219)	(8)	(227)
	84	56	140	17	142	159
	143	25	168	346	37	383
	(5)	(7)	(12)	(3)	1	(2)
	6 690	1 304	7 994	17 424	3 530	20 954
		1 136	1 136		3 178	3 178
	6 690	168	6 858	17 424	352	17 776
		168	168		352	352
	6 690	168	6 690	17 424		17 424

	Cash flow hedging reserve Rm	Statutory credit risk reserve Rm	Available- for-sale revaluation reserve Rm	Share- based payment reserve Rm	Other reserves Rm	Retained earnings Rm	Ordinary share- holders' equity Rm	Preference share capital and premium Rm	Non- controlling interest Rm	Total equity Rm
	725	952	110	1 040	311	82 777	99 042	5 503	12 988	117 533
						457	408		(44)	364
	725	952	110	1 040	311	83 234	99 450	5 503	12 944	117 897
		50				(50)				
				1	2	(65)	(74)		(970)	(1 044)
				282			282		46	328
						69	69			69
				(181)		181				
						210	271		245	516
						(232)	125			125
					(11)	11				
	(219)		17		(70)	16 459	17 424	352	3 178	20 954
						(6 279)	(6 462)	(352)	(726)	(7 540)
	506	1 002	127	1 142	232	93 538	111 085	5 503	14 301	130 889
	506	1 002	127	1 142	232	93 538	111 085	5 503	14 301	130 889
		68				(68)				
				218		(22)	(19)		57	38
							218		20	238
						63	63			63
				(259)		259				
						17	301		38	339
						(119)	2			2
						18	1 676			1 676
									(77)	(77)
	(54)		(34)		4	7 580	11 640	176	2 550	14 366
						(2 589)	(2 618)	(176)	(617)	(3 411)
	452	1 070	93	1 101	236	98 677	122 348	5 503	16 272	144 123

Explanation of principal differences between normalised and IFRS results

Description of normalised adjustments

The group's consolidated financial statements are prepared in accordance with IFRS, its interpretations adopted by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE, and the South African Companies Act, 71 of 2008. This document is prepared on a basis which normalises or adjusts the IFRS results for three specific accounting circumstances to reflect the group's view of the economics and legal substance of the following arrangements (the normalised adjustments):

- the group's Tutuwa initiative
- group shares held by Liberty for the benefit of policyholders
- 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 in 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 normalised adjustments have been made within Liberty, and central and other. The results of the other business units are unaffected.

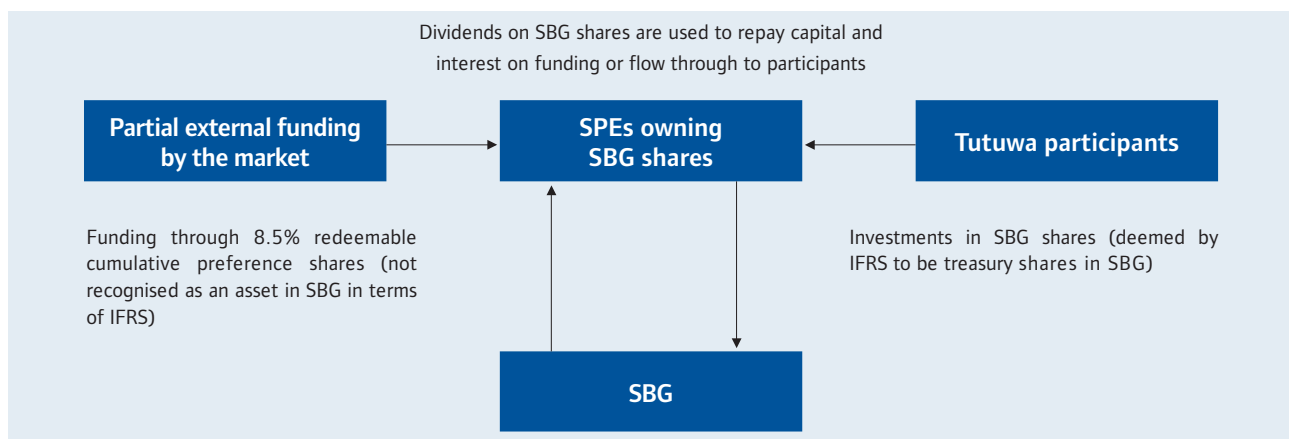
Black Economic Empowerment Ownership (Tutuwa) initiative

The group concluded its Tutuwa 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 SPEs controlled by the Standard Bank Group (SBG). These SPEs purchased SBG shares. Subsequently, the SPEs containing these shares were sold to black participants. The capital and dividends on the redeemable preference shares issued by the SPEs 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 SPEs 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 SPEs 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 SPEs that are deemed to be treasury shares in terms of accounting conventions.
- Preference dividends accrued but not received, due to cash distributions paid to participants, increase the empowerment reserve.
- To the extent that preference dividends are received from the SPEs, these are eliminated against the ordinary dividends paid on the SBG shares held by the SPEs.
- For purposes of the calculation of EPS, the weighted average number of shares in issue is reduced by the number of shares held by those SPEs 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.

Tutuwa initiative



- 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
- adjusts dividends declared on perpetual preference shares to an accrual basis.

The group obtained external financing in December 2007 and a portion of the Tutuwa participant’s shares were sold to the Industrial and Commercial Bank of China Limited (ICBC) in March 2008 (with the proceeds thereof being used for the repayment of the preference share liability). This resulted in 24,7 million and 11 million shares respectively no longer being deemed to be treasury shares for IFRS purposes.

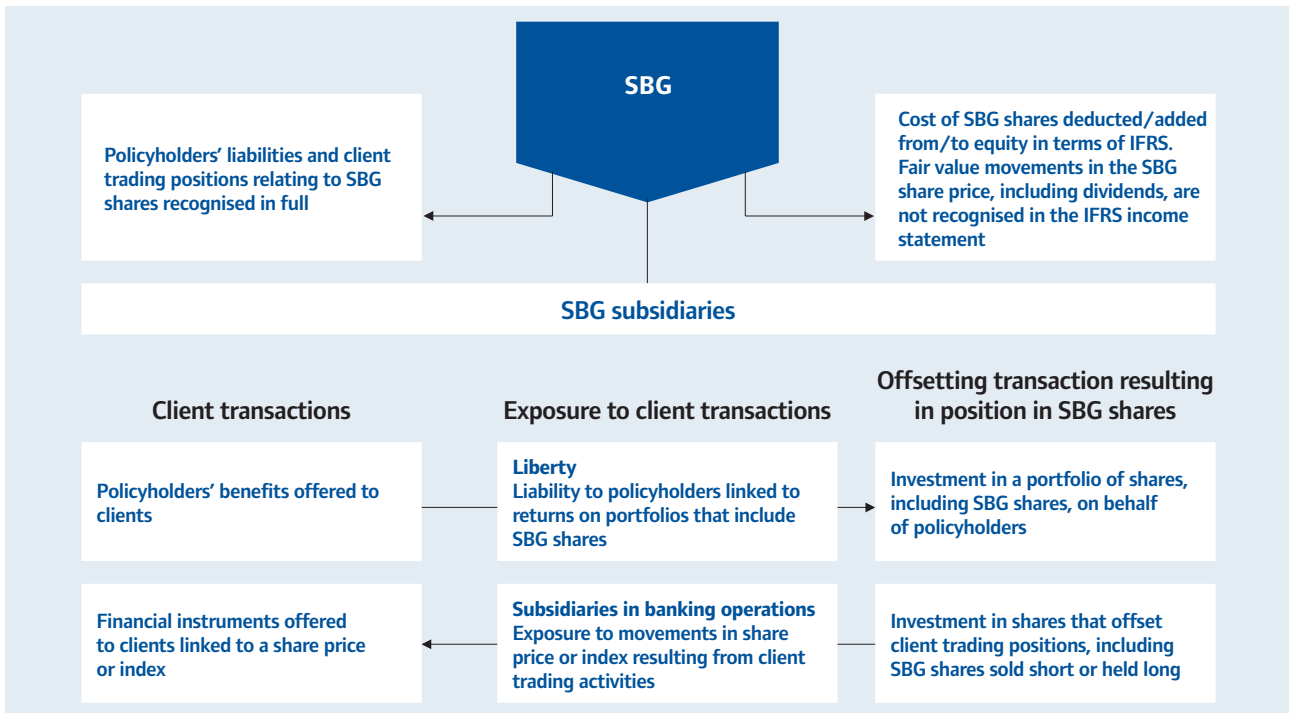
In May and June 2013, transactions were concluded to refinance the group’s funding of its Tutuwa transaction with external third-party financing. This resulted in the group’s empowerment reserve decreasing by R1,7 billion and 35,8 million shares no longer being deemed to be treasury shares for IFRS purposes.

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

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

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



Explanation of principal differences between normalised and IFRS results

continued

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

No corresponding adjustment is made to the policyholders' liabilities or trading positions with clients. 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 positions, along with the change

in policyholders' liabilities and profit or loss recognised on the client trading positions, 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 regard 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 54.1% owned by the group, as IAS 33 *Earnings per Share* does not contemplate non-controlling interest 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.

Reconciliation of IFRS and normalised results

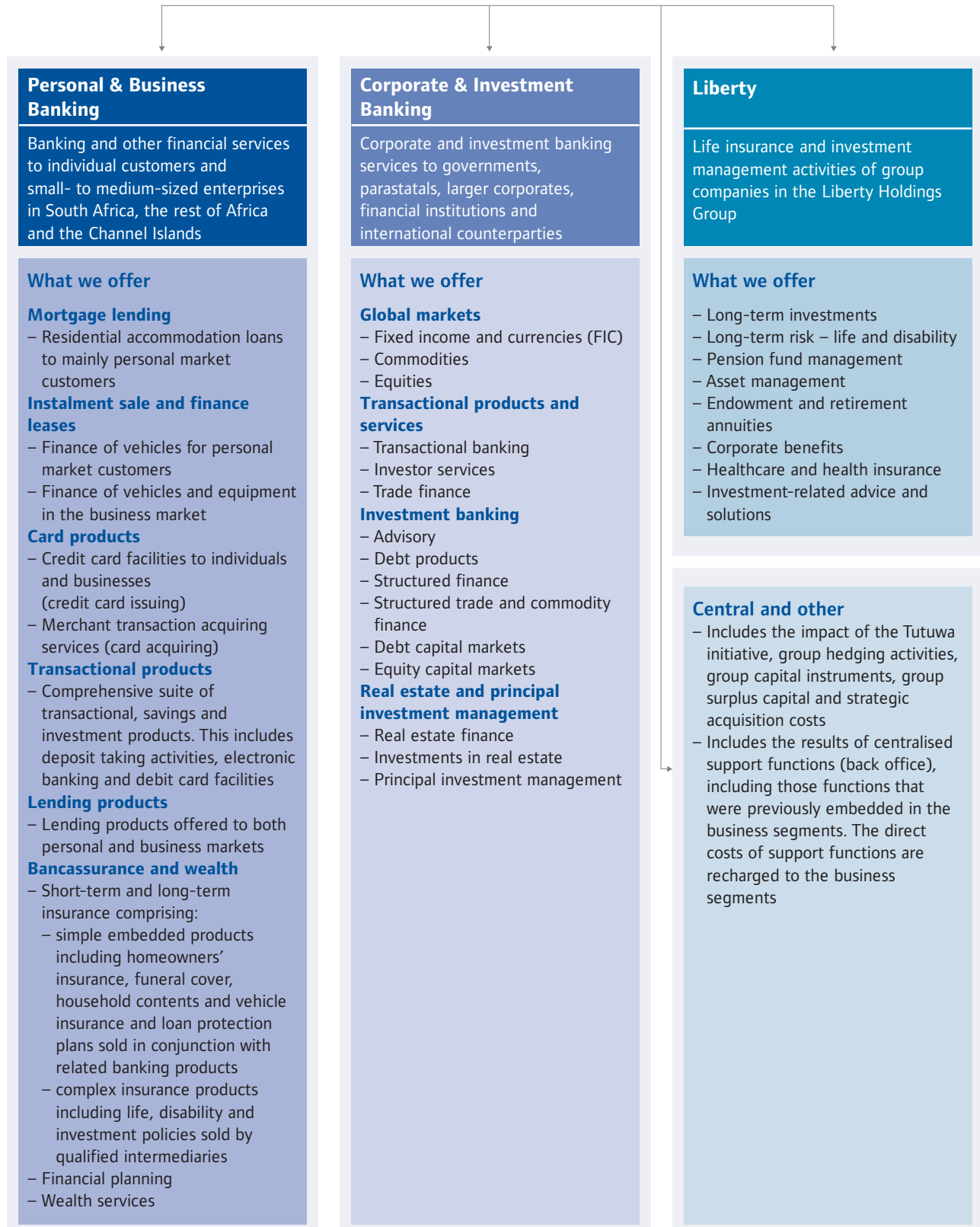
	Headline earnings			Ordinary share- holders' equity Standard Bank Group Rm
	Banking activities Rm	Liberty Rm	Standard Bank Group Rm	
IFRS – 1H13	7 123	923	8 046	122 348
Tutuwa initiative	106	20	126	1 513
Share exposures held to facilitate client trading activities	(4)		(4)	(351)
Group shares held for the benefit of Liberty policyholders		(19)	(19)	426
Normalised – 1H13	7 225	924	8 149	123 936
IFRS – 1H12	6 340	770	7 110	101 760
Tutuwa initiative	97	18	115	3 022
Share exposures held to facilitate client trading activities	2		2	(218)
Group shares held for the benefit of Liberty policyholders		88	88	782
Normalised – 1H12	6 439	876	7 315	105 346
IFRS – FY12	12 732	1 832	14 564	111 085
Tutuwa initiative	213	33	246	3 127
Share exposures held to facilitate client trading activities	(17)		(17)	(92)
Group shares held for the benefit of Liberty policyholders		125	125	499
Normalised – FY12	12 928	1 990	14 918	114 619

Segmental reporting

Segmental structure for key business units	24
Segmental income statement	26
Segmental statement of financial position	28
Personal & Business Banking	30
Corporate & Investment Banking	34
Liberty	38

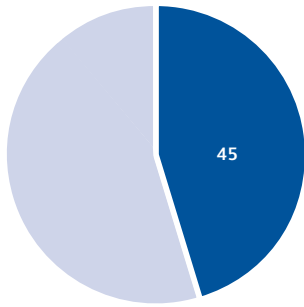
Segmental structure for key business units

Standard Bank Group



Personal & Business Banking

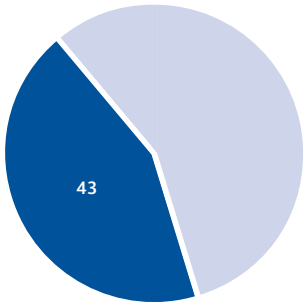
% of group headline earnings



	1H13	1H12
Headline earnings	R3 655 million	R3 197 million
Headline earnings change	increased 14%	increased 33%
Headline earnings contribution	45%	44%
Return on equity	16.8%	18.0%
Cost-to-income ratio	60.3%	61.5%
Credit loss ratio	1.57%	1.32%
External net loans and advances	R519 billion	R466 billion

Corporate & Investment Banking

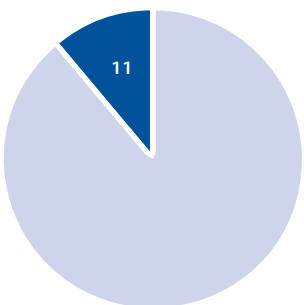
% of group headline earnings



	1H13	1H12
Headline earnings	R3 515 million	R2 803 million
Headline earnings change	increased 25%	decreased 9%
Headline earnings contribution	43%	38%
Return on equity	14.7%	12.6%
Cost-to-income ratio	59.0%	63.3%
Credit loss ratio	0.52%	0.46%
External net loans and advances	R431 billion	R379 billion

Liberty

% of group headline earnings



	1H13	1H12
Headline earnings as reported by Liberty	R1 704 million	R1 622 million
Headline earnings attributable to the group	R924 million	R876 million
Headline earnings contribution	11%	12%
Return on equity	20.4%	22.7%
Normalised equity value	R34 billion	R30 billion
Third party funds under management	R295 billion	R272 billion

Segmental income statement

	Change %	Personal & Business Banking		Corporate & Investment Banking		Central and other			
		1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm	Change %		1H13 Rm
Income from banking activities	15	23 016	20 079	15	13 957	12 158	(>100)	(335)	61
Net interest income	20	13 079	10 932	23	5 436	4 415	(11)	397	447
Non-interest revenue	9	9 937	9 147	10	8 521	7 743	(90)	(732)	(386)
Net fee and commission revenue	8	9 024	8 320	11	2 502	2 246	10	(497)	(550)
Trading revenue	(>100)	(17)	(3)	10	5 258	4 785	(71)	(193)	(113)
Other revenue	12	930	830	7	761	712	(>100)	(42)	277
Income from investment management and life insurance activities									
Net insurance premiums									
Investment income and gains									
Management and service fee income									
Total income	15	23 016	20 079	15	13 957	12 158	(>100)	(335)	61
Credit impairment charges	32	4 083	3 090	15	980	853	-	2	2
Specific credit impairments	36	3 907	2 880	2	847	829	-	1	1
Impaired loss	39	3 515	2 533	1	841	832	-	1	1
Discounting of expected recoveries	13	392	347	>100	6	(3)			
Portfolio credit impairments	(16)	176	210	>100	133	24	-	1	1
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	11	18 933	16 989	15	12 977	11 305	(>100)	(337)	59
Operating expenses in banking activities	12	13 961	12 413	7	8 241	7 724	(18)	(1 073)	(907)
Staff costs	16	3 932	3 403	10	2 689	2 446	11	5 461	4 916
Other operating expenses	11	10 029	9 010	5	5 552	5 278	(12)	(6 534)	(5 823)
Insurance activities									
Acquisition costs – insurance and investment contracts									
Other operating expenses									
Net income before equity accounted earnings	9	4 972	4 576	32	4 736	3 581	(24)	736	966
Share of profit from associates and joint ventures	44	154	107	(86)	5	37	>100	89	3
Net income before indirect taxation	9	5 126	4 683	31	4 741	3 618	(15)	825	969
Indirect taxation	(5)	189	199	(19)	133	164	33	382	288
Profit before direct taxation	10	4 937	4 484	33	4 608	3 454	(35)	443	681
Direct taxation	(0)	1 257	1 260	34	628	468	(49)	163	317
Profit for the period from continuing operations	14	3 680	3 224	33	3 980	2 986	(23)	280	364
Discontinued operation – Argentina							(100)	-	431
Profit for the period	14	3 680	3 224	33	3 980	2 986	(65)	280	795
Attributable to non-controlling interests	(5)	20	21	>100	444	212	(67)	58	174
Attributable to preference shareholders							(2)	173	177
Attributable to ordinary shareholders	14	3 660	3 203	27	3 536	2 774	(89)	49	444
Headline adjustable items	17	(5)	(6)	(>100)	(21)	29	>100	6	(5)
Headline earnings	14	3 655	3 197	25	3 515	2 803	(87)	55	439
ROE (%)		16.8	18.0		14.7	12.6			
Net interest margin (%)		4.92	4.57		1.57	1.44			
Credit loss ratio (%)		1.57	1.32		0.52	0.46			
Cost-to-income ratio (%)		60.3	61.5		59.0	63.3			
Number of employees (excluding Argentina)	3	21 605	20 898	(12)	2 431	2 774	0	18 897	18 836
Number of employees – Argentina							(100)	-	3 247

¹ Includes adjustments on consolidation of Liberty Holdings into the group.

	Change %	Banking activities		Change %	Liberty ¹		Change %	Normalised Standard Bank Group		IFRS adjustments		IFRS Standard Bank Group			
		1H13 Rm	1H12 Rm		Change %	1H13 Rm		1H12 Rm	Change %	1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm	
	13	36 638	32 298					13	36 638	32 298	(97)	(107)	14	36 541	32 191
	20	18 912	15 794					20	18 912	15 794	(103)	(106)	20	18 809	15 688
	7	17 726	16 504					7	17 726	16 504	6	(1)	7	17 732	16 503
	10	11 029	10 016					10	11 029	10 016			10	11 029	10 016
	8	5 048	4 669					8	5 048	4 669	6	(1)	8	5 054	4 668
	(9)	1 649	1 819					(9)	1 649	1 819			(9)	1 649	1 819
				(4)	30 836	32 209		(4)	30 836	32 209	(1)	(195)	(4)	30 835	32 014
				11	15 433	13 844		11	15 433	13 844			11	15 433	13 844
				(18)	14 062	17 119		(18)	14 062	17 119	(1)	(195)	(17)	14 061	16 924
				8	1 341	1 246		8	1 341	1 246			8	1 341	1 246
	13	36 638	32 298	(4)	30 836	32 209		5	67 474	64 507	(98)	(302)	5	67 376	64 205
	28	5 065	3 945					28	5 065	3 945			28	5 065	3 945
	28	4 755	3 710					28	4 755	3 710			28	4 755	3 710
	29	4 357	3 366					29	4 357	3 366			29	4 357	3 366
	16	398	344					16	398	344			16	398	344
	32	310	235					32	310	235			32	310	235
				(8)	21 593	23 428		(8)	21 593	23 428			(8)	21 593	23 428
				(14)	15 399	17 972		(14)	15 399	17 972			(14)	15 399	17 972
				(27)	2 754	3 773		(27)	2 754	3 773			(27)	2 754	3 773
				>100	3 440	1 683		>100	3 440	1 683			>100	3 440	1 683
	11	31 573	28 353				5	9 243	8 781			10	40 816	37 134	
	10	21 129	19 230					10	21 129	19 230			10	21 129	19 230
	12	12 082	10 765					12	12 082	10 765			12	12 082	10 765
	7	9 047	8 465					7	9 047	8 465			7	9 047	8 465
				7	6 200	5 779		7	6 200	5 779			7	6 200	5 779
				13	2 013	1 778		13	2 013	1 778			13	2 013	1 778
				5	4 187	4 001		5	4 187	4 001			5	4 187	4 001
	14	10 444	9 123				1	3 043	3 002			11	13 487	12 125	
	69	248	147				(37)	12	19			57	260	166	
	15	10 692	9 270				1	3 055	3 021			12	13 747	12 291	
	8	704	651				11	188	170			9	892	821	
	16	9 988	8 619				1	2 867	2 851			12	12 855	11 470	
	0	2 048	2 045				(6)	1 041	1 109			(2)	3 089	3 154	
	21	7 940	6 574				5	1 826	1 742			17	9 766	8 316	
	(100)	-	431					(100)	-			(100)	-	431	
	13	7 940	7 005				5	1 826	1 742			12	9 766	8 747	
	28	522	407				4	902	867			12	1 424	1 274	
	(2)	173	177					(2)	173	177			(2)	173	177
	13	7 245	6 421				6	924	875			12	8 169	7 296	
	(>100)	(20)	18				(100)	-	1			(>100)	(20)	19	
	12	7 225	6 439				5	924	876			11	8 149	7 315	
		13.2	13.6					20.4	22.7				13.8	14.3	
		3.11	2.91					3.11	2.91				3.09	2.90	
		1.17	0.98					1.17	0.98				1.17	0.98	
		57.3	59.3					57.3	59.3				57.4	59.5	
	1	42 933	42 508				5	5 797	5 497			2	48 730	48 005	
	(100)	-	3 247					(100)	-			(100)	-	3 247	

Segmental statement of financial position

	Change %	Personal & Business Banking		Corporate & Investment Banking		Central and other			
		1H13 Rm	1H12 Rm	Change %	1H13 Rm	1H12 Rm	Change %		1H13 Rm
Assets									
Cash and balances with central banks	28	3 878	3 034	92	46 516	24 232	10	5 647	5 147
Financial investments, trading and pledged assets	26	5 495	4 374	3	226 092	219 442	(>100)	(2 739)	(886)
Loans and advances	11	519 019	465 978	14	431 242	379 367	(36)	(38 780)	(28 444)
Loans and advances to banks	37	34 226	25 043	30	161 051	123 865	(27)	(35 351)	(27 911)
Loans and advances to customers	10	484 793	440 935	6	270 191	255 502	(>100)	(3 429)	(533)
Investment property									
Derivative and other assets	23	5 636	4 577	(2)	156 814	159 861	38	1 268	921
Non-current assets held for sale				(100)	-	941	(100)	-	32 133
Interest in associates and joint ventures	52	1 904	1 254	26	647	513	>100	1 742	66
Goodwill and other intangible assets	62	7 972	4 926	16	1 140	986	0	6 815	6 785
Property and equipment	16	5 188	4 475	13	1 365	1 206	6	7 163	6 789
Total assets	12	549 092	488 618	10	863 816	786 548	(>100)	(18 884)	22 511
Equity and liabilities									
Equity	18	45 785	38 932	5	51 408	48 998	51	29 221	19 388
Equity attributable to ordinary shareholders	18	44 867	38 112	4	48 839	47 090	75	21 120	12 067
Preference share capital and premium								5 503	5 503
Non-controlling interest	12	918	820	35	2 569	1 908	43	2 598	1 818
Liabilities	12	503 307	449 686	10	812 408	737 550	(>100)	(48 105)	3 123
Deposit and current accounts	12	494 642	439 988	10	528 614	480 385	(>100)	(13 773)	(1 607)
Deposits from banks	12	1 411	1 255	13	161 582	142 453	44	(543)	(972)
Deposit and current accounts from customers	12	493 231	438 733	9	367 032	337 932	(>100)	(13 230)	(635)
Derivative, trading and other liabilities	43	3 190	2 223	11	266 521	240 794	(51)	(41 097)	(27 212)
Non-current liabilities held for sale				(100)	-	229	(100)	-	28 579
Policyholders' liabilities									
Subordinated debt	(27)	5 475	7 475	7	17 273	16 142	>100	6 765	3 363
Total equity and liabilities	12	549 092	488 618	10	863 816	786 548	(>100)	(18 884)	22 511
Average assets – banking activities excluding trading derivatives		536 132	479 729		698 105	614 812		(6 304)	(7 883)
Average loans and advances (gross)		524 443	470 113		383 367	374 218		(31 161)	(33 138)
Average ordinary shareholders' equity		43 814	35 740		48 379	44 782		17 934	14 920

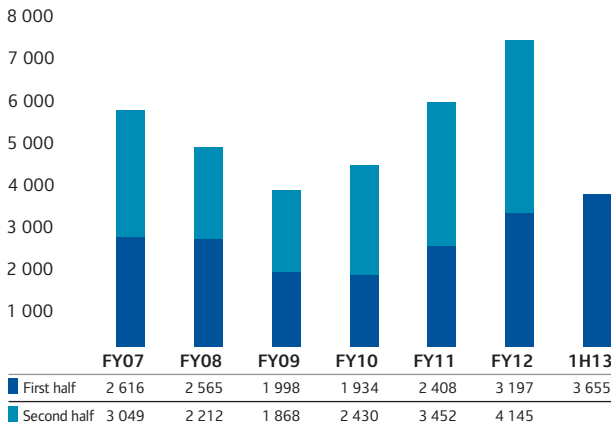
¹ Includes elimination of balances between Liberty and banking activities.

	Change %	Banking activities		Change %	Liberty ¹		Change %	Normalised Standard Bank Group		Change %	IFRS adjustments		Change %	IFRS Standard Bank Group		
		1H13 Rm	1H12 Rm		Change %	1H13 Rm		1H12 Rm	Change %		1H13 Rm	1H12 Rm		Change %	1H13 Rm	1H12 Rm
	73	56 041	32 413					73	56 041	32 413				73	56 041	32 413
	3	228 848	222 930	18	252 022	212 823		10	480 870	435 753		(1 261)	(2 162)	11	479 609	433 591
	12	911 481	816 901					12	911 481	816 901		(1 149)	(2 609)	12	910 332	814 292
	32	159 926	120 997					32	159 926	120 997				32	159 926	120 997
	8	751 555	695 904					8	751 555	695 904		(1 149)	(2 609)	8	750 406	693 295
				5	24 259	23 032		5	24 259	23 032				5	24 259	23 032
	(1)	163 718	165 359	44	11 768	8 197		1	175 486	173 556				1	175 486	173 556
	(100)	-	33 074	(100)	-	222		(100)	-	33 296				(100)	-	33 296
	>100	4 293	1 833	5	15 904	15 146		19	20 197	16 979				19	20 197	16 979
	25	15 927	12 697	(27)	667	909		22	16 594	13 606				22	16 594	13 606
	10	13 716	12 470	7	2 484	2 326		9	16 200	14 796				9	16 200	14 796
	7	1 394 024	1 297 677	17	307 104	262 655		9	1 701 128	1 560 332		(2 410)	(4 771)	9	1 698 718	1 555 561
	18	126 414	107 318	13	20 049	17 732		17	146 463	125 050		(2 340)	(4 680)	20	144 123	120 370
	18	114 826	97 269	13	9 110	8 077		18	123 936	105 346		(1 588)	(3 586)	20	122 348	101 760
	-	5 503	5 503					-	5 503	5 503				-	5 503	5 503
	34	6 085	4 546	13	10 939	9 655		20	17 024	14 201		(752)	(1 094)	24	16 272	13 107
	6	1 267 610	1 190 359	17	287 055	244 923		8	1 554 665	1 435 282		(70)	(91)	8	1 554 595	1 435 191
	10	1 009 483	918 766	17	(13 359)	(16 023)		10	996 124	902 743				10	996 124	902 743
	14	162 450	142 736					14	162 450	142 736				14	162 450	142 736
	9	847 033	776 030	17	(13 359)	(16 023)		10	833 674	760 007				10	833 674	760 007
	6	228 614	215 805	36	57 557	42 315		11	286 171	258 120		(70)	(91)	11	286 101	258 029
	(100)	-	28 808					(100)	-	28 808				(100)	-	28 808
				11	241 414	217 252		11	241 414	217 252				11	241 414	217 252
	9	29 513	26 980	5	1 443	1 379		9	30 956	28 359				9	30 956	28 359
	7	1 394 024	1 297 677	17	307 104	262 655		9	1 701 128	1 560 332		(2 410)	(4 771)	9	1 698 718	1 555 561
		1 227 933	1 086 658						1 227 933	1 086 658		(2 195)	(2 234)		1 225 738	1 084 424
		876 649	811 193						876 649	811 193		(2 339)	(2 370)		874 310	808 823
		110 127	95 442						119 243	103 210		(3 329)	(3 752)		115 914	99 458

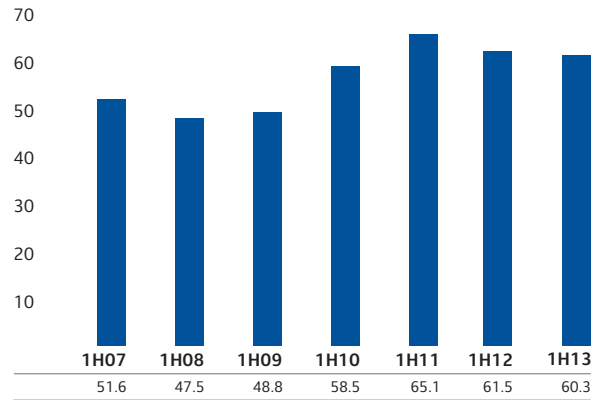
Personal & Business Banking

Headline earnings (Rm)

CAGR (1H07 – 1H13): 7%



Cost-to-income ratio (%)



		Change %	1H13	1H12	FY12
Net interest income	Rm	20	13 079	10 932	23 429
Non-interest revenue	Rm	9	9 937	9 147	19 083
Total income	Rm	15	23 016	20 079	42 512
Credit impairment charges	Rm	32	4 083	3 090	6 658
Operating expenses	Rm	12	13 961	12 413	25 891
Taxation	Rm	(1)	1 446	1 459	2 922
Headline earnings	Rm	14	3 655	3 197	7 342
Headline earnings change	%		14	33	25
Headline earnings contribution to the group	%		45	44	49
ROE	%		16.8	18.0	19.4
Net interest margin	%		4.92	4.57	4.80
Cost-to-income ratio	%		60.3	61.5	60.1
Credit loss ratio	%		1.57	1.32	1.39
Effective taxation rate	%		28.2	31.2	27.9
Total assets	Rm	12	549 092	488 618	518 458
Net loans and advances	Rm	11	519 019	465 978	489 909
Number of employees		3	21 605	20 898	21 067

Favourable

- Net interest income benefited from balance sheet growth at wider margins.
- Improved product profitability through continued pricing for risk.
- Higher non-interest revenue due to growth in transactional, savings and investment portfolios, as well as higher electronic and card-based commission revenue.
- Increased short-term insurance policy base.

Adverse

- Negative endowment impact of lower average interest rates in South Africa, Uganda, Nigeria, Mozambique and Kenya.
- Increased new defaults, particularly within the personal unsecured lending and business lending portfolios in South Africa, driving credit impairments higher.
- Increased credit impairments in the rest of Africa, particularly in Tanzania, Malawi, Uganda and Mozambique.
- Increased information technology costs following the commissioning of core banking platforms in 2012 and 2013.
- Higher other operating expenses due to increased business volumes and branch network expansion, particularly in the rest of Africa.

Total income and headline earnings by product

	Total income				Headline earnings			
	Change %	1H13 Rm	1H12 Rm	FY12 Rm	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Mortgage lending	26	3 011	2 393	5 153	85	567	306	970
Instalment sale and finance leases	14	1 393	1 227	2 546	38	135	98	208
Card products	14	2 438	2 139	4 455	13	602	532	1 200
Transactional products	6	9 647	9 071	18 984	(13)	1 060	1 215	2 647
Lending products	25	4 089	3 266	7 034	13	390	344	724
Bancassurance and wealth	23	2 438	1 983	4 340	28	901	702	1 593
Personal & Business Banking	15	23 016	20 079	42 512	14	3 655	3 197	7 342

Mortgage lending

- Growth in net interest income due to increased pricing on new loans to accommodate the impact of Basel III.
- Lower registration volumes.
- Reduced non-performing loan portfolio following several management initiatives, including enhanced collection activities and restructuring where appropriate.
- Lower credit impairment charge.
- Strong loan book growth in Botswana and Namibia on the back of buoyant mortgage markets.

Instalment sale and finance leases

- Continued improvement in South African vehicle sales, primarily in the personal lending market.
- Increased non-performing loans portfolio leading to higher specific impairments.
- Business banking loan book growth in Kenya and Uganda.

Card products

- Growth in the book due to increased turnover following acquisition initiatives and account upgrades.
- Improved net interest margin.
- Increased card acquiring turnover due to the acquisition of high value corporate merchants in the latter part of 2012 coupled with growth in existing business.
- Higher credit impairments, in line with the improved net interest margin and increased risk appetite.

Transactional products

- Good balance growth in transactional, savings and investment portfolios.
- Negative endowment impact of lower average interest rates in South Africa, Uganda, Nigeria and Mozambique.
- Lower fee structures due to the utilisation of cheaper Access accounts for long-term client acquisition strategy.
- Full year impact of reduced pricing introduced in April 2012.
- Increased term deposits in the rest of Africa.
- Higher operating expenses in the rest of Africa due to increased headcount and branch expansion, primarily in Angola and Nigeria.

Lending products

- Increased balances in overdrafts and revolving credit facilities due to higher limit utilisations and a focused approach to sales.
- Improved risk-based pricing.
- Higher credit impairments in all portfolios due to a deterioration in the non-performing loan mix and growth in the loan book.
- Revenue earned from growth in the rest of Africa's SME business loans and workplace banking personal loans was offset by increased specific impairments required.

Bancassurance and wealth

- Increased volumes of short-term insurance offset by lower underwriting profit following the finalisation of 2012 claims.
- Growth in embedded products policy base, increased penetration into core banking products and improved loss ratios.
- Higher insurance profits in Namibia and Mozambique following growth in the policy base.

Personal & Business Banking – South Africa

		Change %	1H13	1H12	FY12
Net interest income	Rm	20	10 496	8 755	18 838
Non-interest revenue	Rm	5	7 982	7 624	15 804
Total income	Rm	13	18 478	16 379	34 642
Credit impairment charges	Rm	30	3 338	2 576	5 553
Operating expenses	Rm	9	10 123	9 274	19 112
Headline earnings	Rm	17	3 781	3 244	7 436
ROE	%		20.6	21.4	23.0
Cost-to-income ratio	%		54.3	56.3	54.3
Credit loss ratio	%		1.50	1.26	1.33

Personal & Business Banking continued

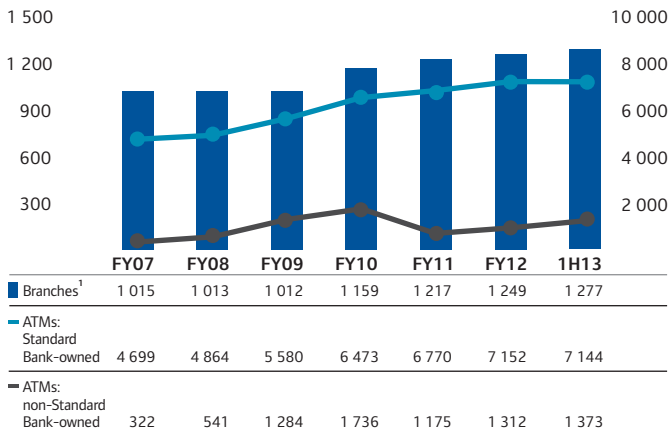
Loans and advances by product

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Loans and advances to banks	37	34 226	25 043	27 063
Call loans	(3)	21 226	21 824	17 657
Balances with banks	>100	13 000	3 219	9 406
Loans and advances to customers	10	484 793	440 935	462 846
Gross loans and advances to customers	10	498 491	452 656	475 105
Mortgage loans	5	306 187	292 733	299 675
Instalment sale and finance leases	16	67 713	58 453	62 860
Card debtors	16	26 322	22 669	24 052
Overdrafts and other demand loans	28	35 190	27 533	29 824
Personal unsecured lending	34	8 784	6 544	11 620
Business lending	26	26 406	20 989	18 204
Other term loans	23	59 455	48 156	55 164
Personal unsecured lending	44	37 668	26 145	31 033
Business lending	(1)	21 787	22 011	24 131
Commercial property finance	19	3 522	2 961	3 429
Other loans and advances	(32)	102	151	101
<i>Less: Credit impairments for loans and advances</i>	17	13 698	11 721	12 259
Specific credit impairments	25	9 817	7 826	8 614
Portfolio credit impairments	(0)	3 881	3 895	3 645
Net loans and advances	11	519 019	465 978	489 909
Comprising:				
Gross loans and advances	12	532 717	477 699	502 168
<i>Less: Credit impairments</i>	17	13 698	11 721	12 259
Net loans and advances	11	519 019	465 978	489 909
Securitised assets consolidated above:				
Mortgage loans	(12)	10 473	11 967	11 113

Deposit and current accounts by product

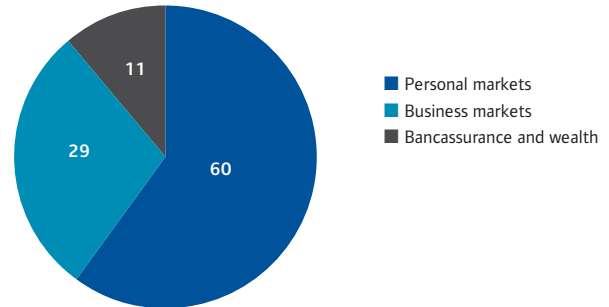
	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Wholesale priced deposit and current accounts	9	65 388	60 163	64 765
Call deposits	12	55 079	49 074	52 992
Securitisation issuances	(7)	10 309	11 089	11 773
Retail priced deposit and current accounts	18	268 854	227 390	248 289
Current accounts	31	100 702	77 058	87 830
Cash management deposits	33	18 161	13 684	15 696
Call deposits	24	71 393	57 355	62 675
Savings accounts	(20)	18 253	22 919	24 201
Term deposits	6	53 061	49 873	50 956
Other funding	12	7 284	6 501	6 931
Inter-divisional funding	5	160 400	152 435	148 289
Total deposit and current accounts	12	494 642	439 988	461 343

Points of representation



¹ Including loan centres.

Composition of income per market segment (%)



Key business statistics

		Change %	1H13	1H12	FY12
South Africa					
Mortgage loans					
Number of loan applications received	thousands	(7)	135	145	291
Change in value of new business registered	%		2	2	2
Average loan-to-value of new business registered	%		84	86	87
Average balance-to-original-value of portfolio	%		67	66	66
Average instalment-to-income of new business	%		19	20	19
Proportion of new business referred by independent mortgage originators and estate agents	%		52	54	53
Instalment sale and finance leases					
Growth in value of new loans					
– motor	%		(1)	17	15
– non-motor	%		3	9	23
Number of accounts at period-end¹					
Credit card accounts	thousands	4	2 327	2 237	2 319
Current accounts	thousands	5	2 541	2 431	2 568
Transactional and savings accounts	thousands	3	7 958	7 757	8 315
Distribution					
Change in internet users (registered)	%		37	38	34
Change in mobile banking users (active)	%		21	>100	>100
Change in ATM transactions	%		0	5	2
Points of representation					
Branches		(1)	619	628	621
Loan centres/access banking		47	109	74	100
ATMs		3	7 416	7 197	7 414
ATMs – Standard Bank – owned		1	6 043	5 991	6 102
ATMs – non-Standard Bank – owned		14	1 373	1 206	1 312
Access points (active)		(20)	2 490	3 095	4 650
Rest of Africa					
Points of representation					
Branches ²		7	549	514	528
ATMs		13	1 101	977	1 050
Change in ATM transactions	%		42	19	35

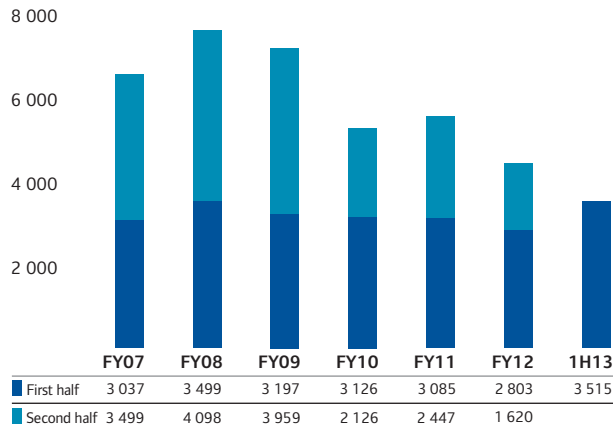
¹ Excluding nil balances.

² Includes service centres, customer service trade points, agencies, in-store banking and bank at work sites.

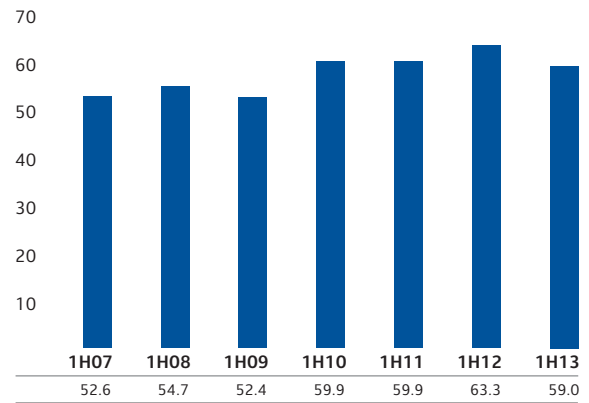
Corporate & Investment Banking

Headline earnings (Rm)

CAGR (1H07 – 1H13): 2%

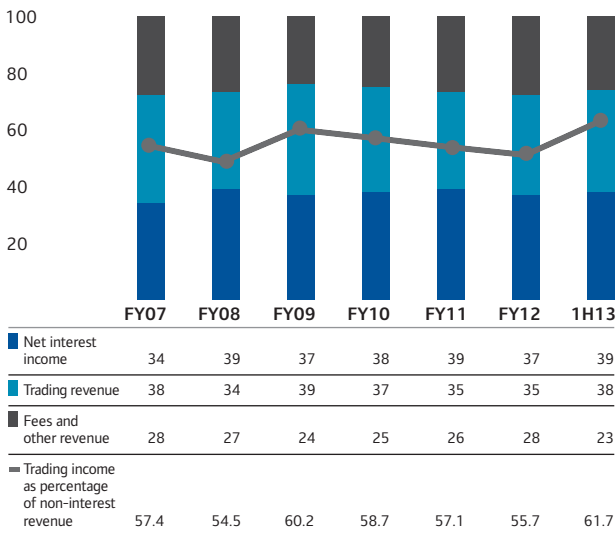


Cost-to-income ratio (%)



	Change %	1H13 Rm	1H12 Rm	FY12 Rm	
Net interest income	23	5 436	4 415	9 551	
Non-interest revenue	10	8 521	7 743	16 363	
Net fee and commission revenue	11	2 502	2 246	5 278	
Trading revenue	10	5 258	4 785	9 121	
Other revenue	7	761	712	1 964	
Total income	15	13 957	12 158	25 914	
Credit impairment charges	15	980	853	2 340	
Operating expenses	7	8 241	7 724	16 921	
Taxation	20	761	632	1 557	
Headline earnings	25	3 515	2 803	4 423	
Headline earnings change	%	25	(9)	(20)	
Headline earnings contribution to the group	%	43	38	30	
ROE	%	14.7	12.6	9.6	
Net interest margin	%	1.57	1.44	1.50	
Cost-to-income ratio	%	59.0	63.3	65.2	
Credit loss ratio	%	0.52	0.46	0.63	
Effective taxation rate	%	16.1	17.5	23.5	
Total assets	Rm	10	863 816	786 548	760 428
Net loans and advances	Rm	14	431 242	379 367	352 938
Number of employees	(12)	2 431	2 774	2 627	

Income contribution (%)



Favourable

- Momentum in revenue growth continued across Africa with strong performances in all core products.
- Net interest income driven by balance sheet growth and improved margins, particularly deposit balances.
- Commodities revenue remained resilient despite market weakness.
- Strong performance in FIC trading in the rest of Africa.
- Increased net fees and commissions driven by a number of investment banking transactions in core sectors, coupled with strong client revenue in trade finance.
- Fair value gain on a contingent interest in Troika.
- Careful cost management, coupled with savings resulting from the restructure outside Africa at the end of 2012, resulted in operating expenses being down on a constant currency basis.

Adverse

- Large specific impairments in investment banking and transactional products and services.
- Increased regulatory costs in the rest of Africa.
- Difficult trading conditions in the second quarter of 2013, particularly in South Africa and outside Africa.
- Negative endowment impact of lower average interest rates.

Corporate & Investment Banking continued

Total income and headline earnings by product

	Total income				Headline earnings			
	Change %	1H13 Rm	1H12 Rm	FY12 Rm	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Global markets	10	5 668	5 133	10 187	70	1 183	695	1 058
Investment banking	20	3 319	2 757	6 678	19	1 120	944	1 950
Transactional products and services	22	4 351	3 574	7 452	9	1 067	980	1 735
Real estate and principal investment management	(13)	593	682	1 524	14	266	234	286
	15	13 931	12 146	25 841	27	3 636	2 853	5 029
Curtailed operations	>100	26	12	73	(>100)	(121)	(50)	(68)
Restructure charge						-	-	(538)
Corporate & Investment Banking	15	13 957	12 158	25 914	25	3 515	2 803	4 423

Global markets

- Strong FIC revenue performance in the rest of Africa underpinned by increased client activity and high levels of liquidity in forex and interest rate trading, largely in Nigeria, Kenya and Ghana.
- Increased client revenues from cash equities and equity derivatives.
- FIC trading revenue in South Africa and outside Africa dropped in the second quarter due to lower client activity and a difficult trading environment as market volatility intensified.
- Commodities revenue performed well, particularly in precious metals, on the back of increased client flow and price volatility.
- Lower staff costs and other operating expenses outside Africa following the restructure at the end of 2012 and non-recurrence of regulatory and compliance related costs.

Investment banking

- Higher net interest income in South Africa, and in particular the rest of Africa, due to measured loan book growth and improved net interest margins.
- Higher fee and commission revenue due to increased client activity in mining, energy and infrastructure sectors.
- Large specific impairments raised against a small number of counterparties.
- Settlement received from a Middle Eastern exposure fully impaired in prior periods.

Transactional products and services

- Continued growth in asset and deposit balances across Africa.
- Good revenue growth in cash management, trade finance and investor services.
- Negative endowment impact as a result of declining interest rate environments in South Africa, Nigeria, Uganda and Mozambique.
- Investor services business, particularly in Nigeria, benefited from increased demand for custody services.
- Trade finance experienced increased client activity with growth in guarantees and confirmations.
- Increased impairments largely from a Mauritian trade finance portfolio.

Real estate and principal investment management

- Non-recurrence of prior period gains on Turkey's principal investment management business.
- Tax credits received in the current period.

Loans and advances by product

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Loans and advances to banks	30	161 051	123 865	106 349
Call loans	50	28 768	19 215	21 532
Loans granted under resale agreements	(0)	30 591	30 640	13 776
Balances with banks	37	101 692	74 010	71 041
Loans and advances to customers	6	270 191	255 502	246 589
Gross loans and advances to customers	6	275 703	259 604	251 805
Overdrafts and other demand loans	26	44 067	34 869	34 618
Term loans	2	165 102	161 476	161 225
Loans granted under resale agreements	(7)	19 082	20 541	11 562
Commercial property finance	2	39 979	39 242	37 964
Other loans and advances	>100	7 473	3 476	6 436
<i>Less: Credit impairments for loans and advances</i>	34	5 512	4 102	5 216
Specific credit impairments	42	4 004	2 819	3 901
Portfolio credit impairments	18	1 508	1 283	1 315
Net loans and advances	14	431 242	379 367	352 938
Comprising:				
Gross loans and advances	14	436 754	383 469	358 154
<i>Less: Credit impairments</i>	34	5 512	4 102	5 216
Net loans and advances	14	431 242	379 367	352 938
Net loans and advances on a constant currency	6	431 242	405 431	368 215

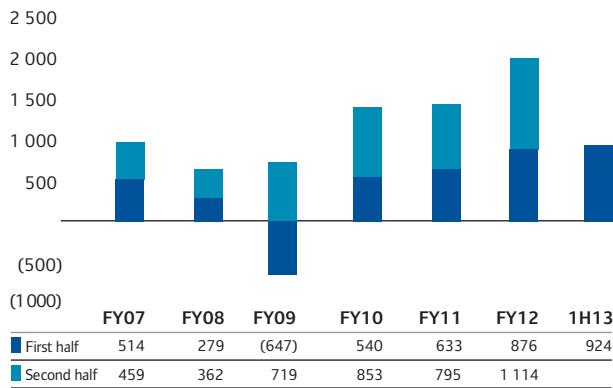
Deposit and current accounts by product

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Wholesale priced deposit and current accounts	7	683 195	637 274	623 708
Current accounts	35	45 321	33 548	40 146
Cash management deposits	11	101 047	90 794	91 272
Call deposits	21	83 153	68 828	66 281
Term deposits	(20)	171 464	215 619	202 056
Negotiable certificates of deposits	38	90 254	65 442	79 966
Repurchase agreements	12	13 123	11 672	8 294
Other funding	18	178 833	151 371	135 693
Inter-divisional funding	1	(154 581)	(156 889)	(151 877)
Total deposit and current accounts	10	528 614	480 385	471 831
Total deposit and current accounts on a constant currency	4	528 614	507 525	492 653

Liberty

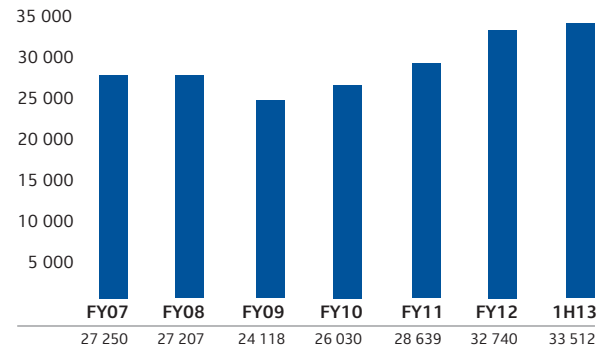
Headline earnings/(loss) – SBG share (Rm)

CAGR (1H07 – 1H13): 10%



Normalised group equity (Rm)

CAGR (FY07 – 1H13): 4%



		Change %	1H13	1H12	FY12
Net insurance premiums ¹	Rm	11	15 433	13 844	29 631
Investment income and gains ¹	Rm	(18)	14 062	17 119	45 603
Benefits due to policyholders ¹	Rm	(8)	21 593	23 428	58 739
Management and service fee income ¹	Rm	8	1 341	1 246	2 643
Operating expenses ¹	Rm	7	6 200	5 779	12 080
BEE normalised headline earnings ²	Rm	5	1 704	1 622	3 688
Headline earnings attributable to the group	Rm	5	924	876	1 990
Effective interest in Liberty at period-end	%		54.1	54.3	54.4
ROE	%		20.4	22.7	24.7
Return on Liberty group equity value ²	%		13.0	15.6	20.8
Indexed new business (excluding contractual increases) ²	Rm	12	3 122	2 793	6 055
New business margin ²	%		1.8	1.5	2.0
Net cash inflows in insurance operations ²	Rm	81	1 922	1 062	4 572
Normalised Liberty group equity value ²	Rm	13	33 512	29 575	32 740
Capital adequacy requirement cover (times covered)			2.75	2.94	2.71

¹ Includes adjustments on consolidation of Liberty Holdings into the group.

² Liberty as published (return on embedded value).

Favourable

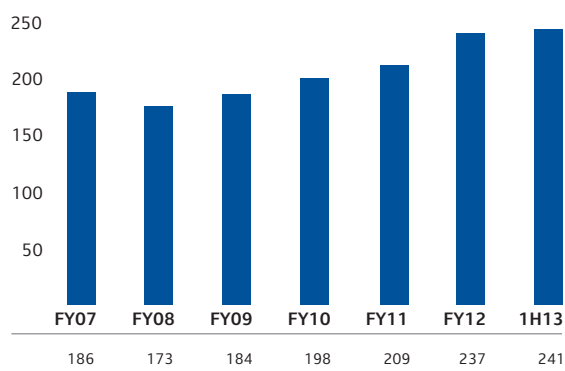
- Double digit growth in indexed new business and insurance cash flows.
- Positive risk and persistency variances in the insurance business coupled with higher assets under management in Stanlib.
- Strong growth in group asset management net cash inflows despite a large drawdown of assets under a government mandate in east Africa.
- Strong capital position.

Adverse

- Insurance new business margins impacted by a higher risk discount factor rate following an increase in South African bond market interest rates.
- Embedded value of insurance in-force contracts negatively impacted by the higher risk discount rates.
- LibFin investment earnings down due to lower market returns.
- LibFin market earnings lower due to significant interest rate volatility.

Policyholder liabilities (Rbn)

CAGR (FY07 – 1H13): 5%

**BEE normalised summarised income statement**

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Insurance premium revenue	12	16 090	14 400	30 720
Reinsurance premiums	18	(657)	(556)	(1 089)
Net insurance premiums	11	15 433	13 844	29 631
Investment income and gains	(18)	13 999	17 026	45 496
Management and service fee income	7	1 358	1 265	2 816
Total revenue	(4)	30 790	32 135	77 943
Benefits due to policyholders	(8)	21 549	23 378	58 647
Net insurance benefits and claims	(14)	15 399	17 972	43 864
Fair value adjustment to policyholders' liabilities under investment contracts	(27)	2 754	3 773	10 035
Fair value adjustment on third party mutual fund interests	>100	3 396	1 633	4 748
Income after policyholders' benefits	6	9 241	8 757	19 296
Operating expenses	8	6 388	5 922	12 434
Insurance, investment and asset management acquisition costs	13	2 013	1 778	3 818
General marketing and administration expenses	5	3 820	3 624	7 573
Finance costs	(9)	114	125	243
Preference dividend in subsidiary	12	441	395	800
Equity accounted earnings from joint ventures	(13)	14	16	3
Profit before taxation	1	2 867	2 851	6 865
Taxation	(6)	1 041	1 109	2 685
Total earnings	5	1 826	1 742	4 180
Preference share dividend deducted	0	(1)	(1)	(2)
Headline earnings adjustable items	(100)	–	2	(71)
Attributable to non-controlling interests ¹	0	121	121	419
BEE normalised headline earnings	5	1 704	1 622	3 688

¹ Non-controlling interest within Liberty Holdings.

Liberty continued

BEE normalised headline earnings – Liberty Holdings

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Retail Insurance South Africa	34	771	575	1 179
Liberty corporate	37	52	38	66
LibFin	(23)	710	920	2 116
Stanlib	22	270	221	537
Liberty properties	(32)	17	25	48
Liberty Africa	>100	18	(5)	21
Liberty health	42	(26)	(45)	(42)
Other	(1)	(108)	(107)	(237)
BEE normalised headline earnings	5	1 704	1 622	3 688

External assets under management

	Change %	1H13 Rbn	1H12 Rbn	FY12 Rbn
Asset management – assets under management	9	48	44	42
Segregated funds	–	40	40	38
Properties	100	8	4	4
Wealth management – funds under administration	8	247	228	236
Single manager unit trust	27	116	91	100
Institutional marketing	16	43	37	48
Linked and structured life products	(42)	21	36	43
Multi-manager	35	31	23	9
Rest of Africa	(12)	36	41	36
Total external assets under management	8	295	272	278

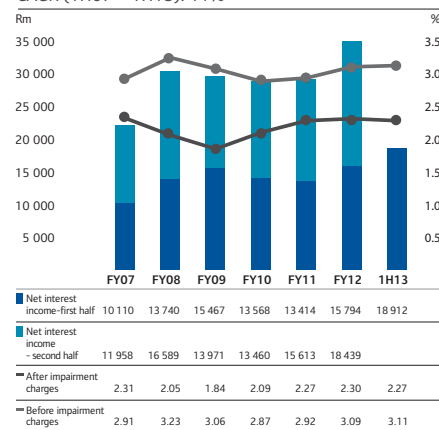
Income statement analysis

Net interest income and margin analysis	42
Non-interest revenue	44
Credit impairment charges	46
Operating expenses	50
Taxation	52

Net interest income and margin analysis

Net interest income and net interest margin

CAGR (1H07 – 1H13): 11%



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 %
1H12 banking activities as reported	475 411	11 130	4.70
Reclassifications	4 318	(198)	(0.13)
1H12 banking activities restated	479 729	10 932	4.57
Net non-interest earning assets	(21 232)	411	0.39
Interest earning assets – 1H12	458 497	11 343	4.96
Impact of volume changes	52 939	1 566	
Impact of calendar variance		(65)	
Impact of rate changes		614	0.27
Lending margin		852	0.37
Client yield ¹		751	0.33
Cost of funding ²		101	0.04
Unwinding of discount on credit impairments – IAS 39		(96)	(0.04)
Funding margin		270	0.12
Funding endowment		(339)	(0.15)
Capital and reserves endowment		(87)	(0.04)
Assets held for liquidity purposes		0	0.00
Other treasury and banking activities		14	0.01
Change in composition of balance sheet			0.08
Interest earning assets – 1H13	511 436	13 458	5.31
Net non-interest earning assets	24 696	(379)	(0.39)
1H13 banking activities	536 132	13 079	4.92
Net change (%)		19.6	
Average assets change (%)	11.8		

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.

* Reclassifications reflect the changes in group architecture as well as a refinement of the rest of Africa average balances

Favourable

- Cumulative effect of mortgage lending new business pricing strategies reflecting underlying risk and anticipated Basel III liquidity requirements.
- Growth in higher margin overdrafts, revolving credit plans, card debtors and other unsecured lending.
- Refined credit scorecards appropriately pricing for risk.
- Increased investment banking loan balances at higher margins following growth in high margin USD lending in mining, energy and infrastructure across Africa coupled with strong demand for lending in the renewable energy sector.
- Good business banking balance growth in the rest of Africa.
- Decreased cost of funding following the easing of liquidity in the rest of Africa coupled with less expensive sources of funding in CIB and PBB South Africa.
- Improved returns on other treasury and banking activities as excess liquidity in the rest of Africa was placed in higher yielding government paper.
- Translation effect of the weaker rand.

Adverse

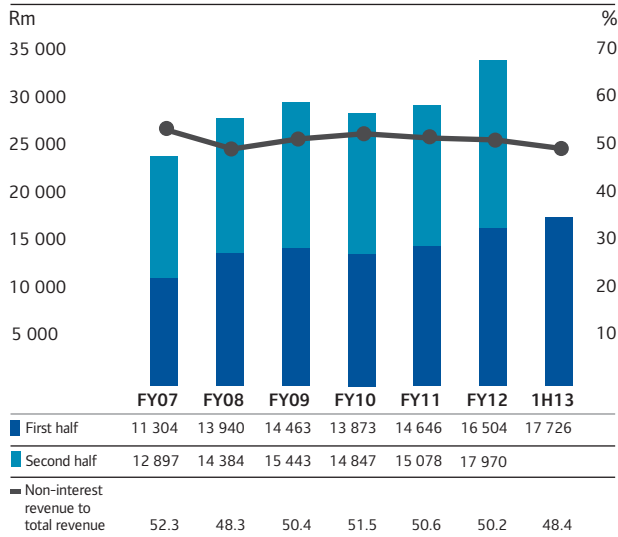
- Negative endowment impact on capital and transactional balances due to lower average interest rates in South Africa, Nigeria, Uganda, Mozambique and Kenya.
- Lower unwinding to interest income of the IAS 39 discount on expected recoveries of non-performing loans.
- Higher trading and other non-interest earning assets increasing the dilutive impact on margins.

	Corporate & Investment Banking			Total banking activities		
	Average assets Rm	Net interest income Rm	Net interest margin %	Average assets Rm	Net interest income Rm	Net interest margin %
	621 605	4 666	1.51	1 086 893	15 794	2.91
	(6 793)	(251)	(0.07)	(235)	-	0.00
	614 812	4 415	1.44	1 086 658	15 794	2.91
	(147 223)	203	0.54	(194 115)	1 213	0.91
	467 589	4 618	1.98	892 543	17 007	3.82
	36 876	999		91 995	2 557	
		(23)		(94)	(64)	
		235	0.10	644	0.15	0.15
		88	0.04	937	0.21	0.21
		70	0.03	821	0.19	0.19
		18	0.01	116	0.02	0.02
		(5)	0.00	(106)	(0.02)	(0.02)
		227	0.10	399	0.09	0.09
		(216)	(0.09)	(555)	(0.13)	(0.13)
		(159)	(0.07)	(319)	(0.07)	(0.07)
		91	0.04	168	0.04	0.04
		209	0.08	120	0.03	0.03
			0.25			0.15
	504 465	5 829	2.33	984 538	20 114	4.12
	193 640	(393)	(0.76)	243 395	(1 202)	(1.01)
	698 105	5 436	1.57	1 227 933	18 912	3.11
		23.1			19.7	
	13.5			13.0		

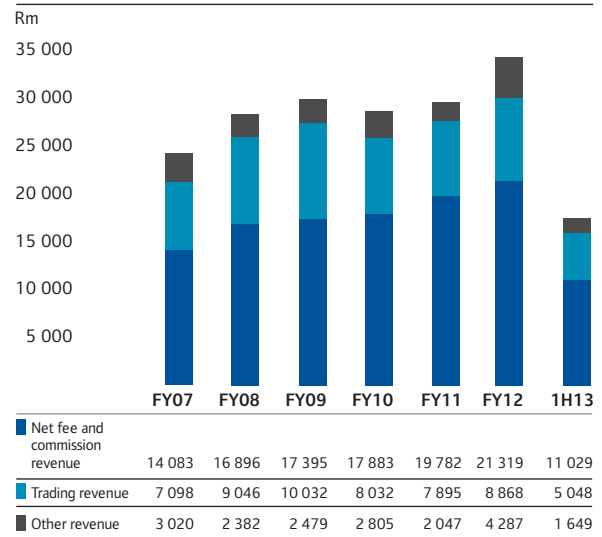
Non-interest revenue

Non-interest revenue

CAGR (1H07 – 1H13): 8%

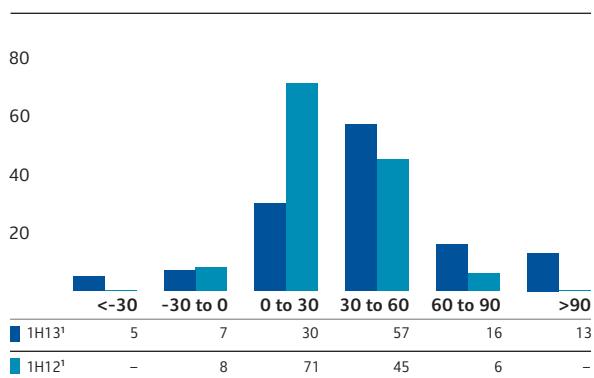


Analysis of non-interest revenue (Rm)



	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net fee and commission revenue	10	11 029	10 016	21 319
Fee and commission revenue	11	12 893	11 596	24 732
Account transaction fees	(1)	4 503	4 569	9 286
Electronic banking	11	1 115	1 005	2 082
Knowledge-based fees and commission	6	999	943	2 465
Card-based commission	18	2 259	1 909	4 132
Bancassurance	27	789	622	1 381
Documentation and administration fees	26	718	570	1 222
Foreign currency service fees	5	728	693	1 381
Other	39	1 782	1 285	2 783
Fee and commission expense	(18)	(1 864)	(1 580)	(3 413)
Trading revenue	8	5 048	4 669	8 868
Fixed income and currencies (FIC)	(2)	3 750	3 821	7 280
Commodities	51	1 056	699	1 553
Equities	62	242	149	35
Other revenue	(9)	1 649	1 819	4 287
Banking and other	(7)	714	767	2 253
Property-related revenue	(32)	212	312	663
Insurance – bancassurance income	(2)	723	740	1 371
Total non-interest revenue	7	17 726	16 504	34 474

Distribution of daily trading profit or loss (Rm)



¹ Daily trading revenue

Favourable

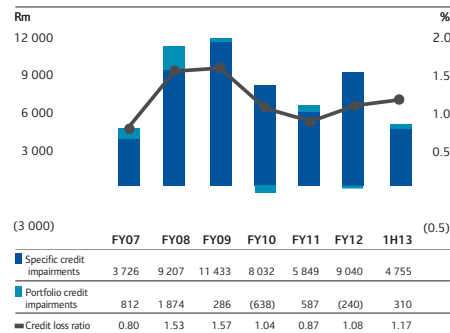
- Good growth in card-based commission due to higher turnover volumes and growth in the customer base.
- Bancassurance commission revenue assisted by the continued increase in the policy-base.
- Documentation and administration fees benefited from increased overdrafts and revolving credit account bases in South Africa, coupled with growth in business activity in Namibia and Nigeria.
- Electronic banking revenue supported by higher business online activity, sales volumes from the instant money initiative launched in the latter part of 2012 and increased ATM activity.
- Other fee income positively impacted by:
 - arrangement and structuring fees received in Nigeria and additional underwriting fees in South Africa
 - structuring fees received from renewable energy project financing
 - higher inflow of offshore investments in bonds and treasury bills increasing custody fees
 - increased volumes of assets under management on the back of higher equity prices.
- Positive trading environment in the rest of Africa with high levels of client activity in the rates business, largely in Nigeria, Kenya and Ghana.
- Large increase in equities investments' dividend income.
- Improved base metals and energy trading.
- Fair value gain on a contingent interest in Troika.
- The weaker rand contributed to 3% of total growth.

Adverse

- Lower fee structures with the utilisation of cheaper Access accounts for long-term client acquisition strategy.
- Full year impact of the simplification of PBB product offerings and the subsequent downward adjustment of pricing in April 2012 coupled with no further price increases in 2013.
- Difficult trading conditions during the second quarter impacting FIC in South Africa and outside Africa.
- Liquidity constraints during June 2013 as clients and banks liquidated positions over fears that the United States would remove quantitative easing earlier than previously expected.
- Lower fair value gains on a strategic investment portfolio.

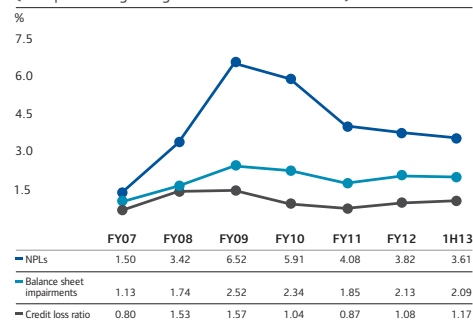
Credit impairment charges

Credit impairment charges



Credit loss history (%)

(as a percentage of gross loans and advances)



Income statement impairment charges (net of recoveries)

	Change %	1H13					
		Specifically impaired loans			Portfolio credit impairment charges		
		Specific impairment Rm	IAS 39 dis-count ¹ Rm	Total Rm	Specific impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
Personal & Business Banking	32	3 515	392	3 907	176	4 083	1.57
Mortgage loans	(11)	954	123	1 077	90	1 167	0.77
Instalment sale and finance leases	72	324	26	350	38	388	1.21
Card debtors	>100	369	30	399	61	460	3.75
Other loans and advances	56	1 868	213	2 081	(13)	2 068	3.26
Personal unsecured lending	69	1 333	138	1 471	40	1 511	6.94
Business lending and other	29	535	75	610	(53)	557	1.34
Corporate & Investment Banking	15	841	6	847	133	980	0.52
Corporate loans	12	824	6	830	134	964	0.57
Commercial property finance	(>100)	17	17	(1)	16	0.08	
Central and other		1		1	1	2	
Total banking activities	28	4 357	398	4 755	310	5 065	1.17

¹ Discounting of expected recoveries in terms of IAS 39.

Favourable

- Good performance by mortgage lending vintages registered since 2011.
- Final settlement received from a Middle Eastern exposure fully impaired in prior periods.
- Improved recoveries and risk profiles due to continued focus and execution of rehabilitation strategies.

Adverse

- Higher credit impairment charges in card debtors and other personal unsecured lending in South Africa due to loan book growth and increased consumer strain.
- Specific provisions in business lending and other due to macro-economic pressures, particularly in the manufacturing and construction industries.
- Disappointing credit performance in Tanzania's personal and business banking portfolios.
- Large increase in impairment charges in the rest of Africa's personal unsecured lending, primarily workplace banking.
- High impairments required against business banking's SME loans in Tanzania, Nigeria, Zambia, Botswana, Ghana and Malawi.
- Reduced post write-off recoveries across most PBB portfolios.
- Large specific impairment charges raised against a small number of counterparties in investment banking and transactional products and services.

	1H12						FY12					
	Specifically impaired loans			Portfolio credit impairment charges			Specifically impaired loans			Portfolio credit impairment charges		
	Specific impairment Rm	IAS 39 dis-count ¹ Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %	Specific impairment Rm	IAS 39 dis-count ¹ Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
	2 533	347	2 880	210	3 090	1.32	5 954	765	6 719	(61)	6 658	1.39
	1 125	234	1 359	(52)	1 307	0.90	2 793	552	3 345	(697)	2 648	0.91
	173	22	195	31	226	0.82	396	55	451	39	490	0.85
	190	6	196	33	229	2.16	300	24	324	60	384	1.73
	1 045	85	1 130	198	1 328	2.66	2 465	134	2 599	537	3 136	2.92
	721	40	761	135	896	6.10	1 772	69	1 841	463	2 304	6.47
	324	45	369	63	432	1.23	693	65	758	74	832	1.16
	832	(3)	829	24	853	0.46	2 285	35	2 320	20	2 340	0.63
	801	(3)	798	61	859	0.51	2 188	35	2 223	62	2 285	0.69
	31	31	(37)	(6)	(0.03)		97	97	(42)	55	0.14	
	1		1	1	2		1		1	(199)	(198)	
	3 366	344	3 710	235	3 945	0.98	8 240	800	9 040	(240)	8 800	1.08

Credit impairment charges continued

Balance sheet impairment – roll forward from December 2012

	1H13 Opening balance Rm	IAS 39 discount in opening balance Rm	Net provisions raised and released ¹ Rm
Specific credit impairments			
Personal & Business Banking			
	8 614	752	4 379
Mortgage loans	4 166	429	1 161
Instalment sale and finance leases	787	50	465
Card debtors	580	62	534
Other loans and advances	3 081	211	2 219
Personal unsecured lending	1 908	92	1 574
Business lending and other	1 173	119	645
Corporate & Investment Banking			
	3 901	61	849
Corporate loans	3 721	61	832
Commercial property finance	180		17
Central and other			
	1		1
Total	12 516	813	5 229
Portfolio credit impairments			
Personal & Business Banking			
	3 645		176
Mortgage loans	716		90
Instalment sale and finance leases	520		38
Card debtors	494		61
Other loans and advances	1 915		(13)
Personal unsecured lending	1 347		40
Business lending and other	568		(53)
Corporate & Investment Banking			
	1 315	20	133
Corporate loans	1 212	20	134
Commercial property finance	103		(1)
Central and other			
	228		1
Total	5 188	20	310
Total impairments			
Personal & Business Banking			
	12 259	752	4 555
Mortgage loans	4 882	429	1 251
Instalment sale and finance leases	1 307	50	503
Card debtors	1 074	62	595
Other loans and advances	4 996	211	2 206
Personal unsecured lending	3 255	92	1 614
Business lending and other	1 741	119	592
Corporate & Investment Banking			
	5 216	81	982
Corporate loans	4 933	81	966
Commercial property finance	283		16
Central and other			
	229		2
Total	17 704	833	5 539
Total balance sheet impairments as a % of gross loans and advances	2.13		

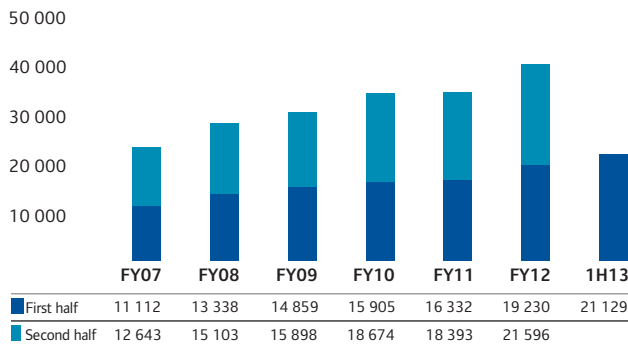
¹ New provisions raised less recoveries on the amounts written off in previous years equals the income statement credit impairment charge (1H13: R5 539 million – R474 million = R5 065 million).

IAS 39 discount in new impair- ments raised Rm	Impaired accounts written off Rm	IAS 39 discount recycled to net interest income Rm	Currency translation and other movements Rm	1H13 Closing balance Rm	IAS 39 discount in closing balance Rm	1H13 Recoveries of amounts written off in previous years ¹ Rm
392	(3 042)	(270)	136	9 817	874	472
123	(1 107)	(159)	52	4 113	393	84
26	(387)	(15)	115	965	61	115
30	(356)	(24)	1	735	68	135
213	(1 192)	(72)	(32)	4 004	352	138
138	(836)	(48)	(69)	2 529	182	103
75	(356)	(24)	37	1 475	170	35
6	(1 188)		442	4 004	67	2
6	(1 177)		442	3 818	67	2
	(11)			186		
				2		
398	(4 230)	(270)	578	13 823	941	474
			60	3 881		
			14	820		
			19	577		
			1	556		
			26	1 928		
			(85)	1 302		
			111	626		
			60	1 508	20	
			60	1 406	20	
				102		
				229		
			120	5 618	20	
392	(3 042)	(270)	196	13 698	874	472
123	(1 107)	(159)	66	4 933	393	84
26	(387)	(15)	134	1 542	61	115
30	(356)	(24)	2	1 291	68	135
213	(1 192)	(72)	(6)	5 932	352	138
138	(836)	(48)	(154)	3 831	182	103
75	(356)	(24)	148	2 101	170	35
6	(1 188)		502	5 512	87	2
6	(1 177)		502	5 224	87	2
	(11)			288		
				231		
398	(4 230)	(270)	698	19 441	961	474
				2.09		

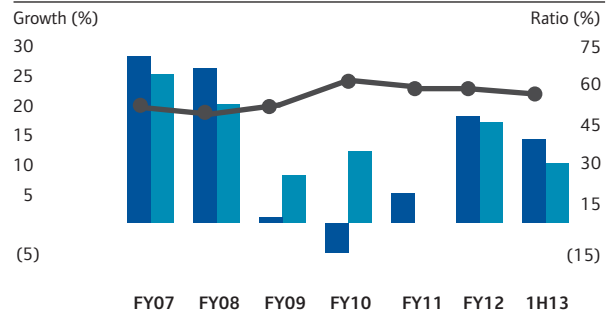
Operating expenses

Operating expenses (Rm)

CAGR (1H07 – 1H11): 11%



Cost and income growth (%)



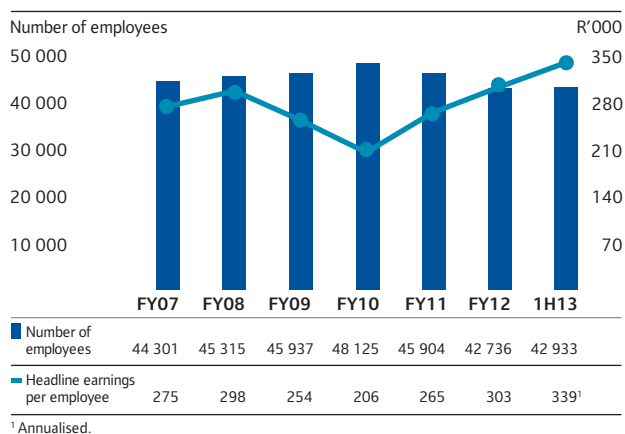
	FY07	FY08	FY09	FY10	FY11	FY12	1H13
Total income growth	28	26	1	(5)	5	18	14
Total cost growth	25	20	8	12	0	17	10
Cost-to-income ratio	51.0	48.4	51.9	61.4	58.8	58.9	57.3

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Staff costs				
Fixed remuneration	8	8 259	7 618	15 290
Variable remuneration	31	2 490	1 900	4 513
Charge for incentive payments	40	1 942	1 387	3 443
Charge for deferred incentive schemes	15	434	379	845
IFRS 2 share-based payment expense	(15)	114	134	225
Other staff costs	7	1 333	1 247	2 462
Total staff costs	12	12 082	10 765	22 265
Variable remuneration as a % of total staff costs		20.6	17.6	20.3
Other operating expenses				
Information technology	35	2 042	1 518	3 636
Depreciation, amortisation and impairments	9	1 666	1 533	3 341
Communication	8	706	653	1 403
Premises	4	1 569	1 513	3 133
Professional fees	(17)	761	912	2 114
Other	(1)	2 303	2 336	4 176
Total other operating expenses	7	9 047	8 465	17 803
Total operating expenses (excluding restructure charge)	10	21 129	19 230	40 068
Restructure charge		–	–	758
Total operating expenses	10	21 129	19 230	40 826
Total income including loss on disposal of subsidiary and equity accounted earnings	14	36 886	32 445	69 296
Cost-to-income ratio		57.3	59.3	58.9

Analysis of total information technology function spend

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
IT staff costs	8	1 427	1 321	2 696
Information technology licences, maintenance and related costs	35	2 042	1 518	3 636
Depreciation and amortisation	5	1 182	1 126	1 652
Other	(>100)	(21)	52	26
Total	15	4 630	4 017	8 010

Headline earnings per employee



	Change %	1H13	1H12	FY12
Headcount by business unit				
Personal & Business Banking	3	21 605	20 898	21 067
Corporate & Investment Banking	(12)	2 431	2 774	2 627
Central and other	0	18 897	18 836	19 042
Banking activities	1	42 933	42 508	42 736
Headcount by region				
South Africa	(1)	28 187	28 376	28 248
Rest of Africa	7	13 328	12 418	12 841
Outside Africa	(17)	1 418	1 714	1 647
Banking activities	1	42 933	42 508	42 736

Currency translation impact

- Negative translation impact of 5% on staff costs, other operating expenses and total operating expenses.

Staff costs and headcount

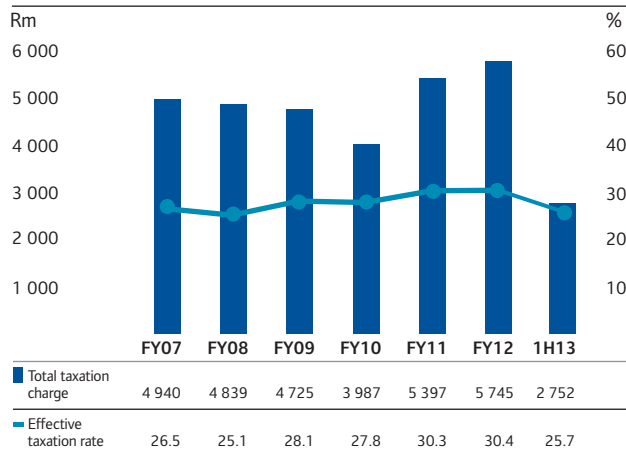
- Increased headcount from branch network expansions in the rest of Africa.
- Reduced headcount outside Africa due to the restructure at the end of 2012.
- Charge for incentive payments increased due to earlier recognition of potential incentive pools and expected impact of a weaker rand.
- Other staff costs increased due to:
 - lower pension fund surplus release
 - use of additional temporary staff in change initiatives.

Other operating expenses

- IT spend impacted by:
 - inflationary increases and the effect of the weaker rand
 - development projects moving into production
 - the outsourcing of desktop support services with savings realised in other expense items.
- Amortisation costs in South Africa increased as a result of core banking systems commissioned but partly offset by lower amortisation costs outside Africa due to the impairment of intangibles in 2012.
- Higher depreciation costs attributable to branch network expansion.
- Premises and travel costs impacted by network expansion in the rest of Africa.
- Additional deposit protection premium insurance legislated in Nigeria.
- Non-recurrence of regulatory and compliance related costs outside Africa.

Taxation

Taxation charge and effective taxation rate



Taxation rate reconciliation

	1H13 %	1H12 %	FY12 %
Effective taxation rate	25.7	29.1	30.4
Indirect taxation	(6.6)	(7.0)	(7.5)
Direct taxation – current and prior periods	19.1	22.1	22.9
Prior period tax	2.2	0.3	5.1
Direct taxation – current period	21.3	22.4	28.0
Adjustments to direct taxation	(1.0)	(2.6)	(1.8)
Capital gains tax	(0.4)	(0.2)	(0.4)
Foreign tax	(0.6)	(0.5)	(0.5)
Secondary tax cost on companies	–	(1.2)	(0.5)
Deferred tax rate adjustment	–	(0.7)	(0.4)
Direct taxation – current period – normal	20.3	19.8	26.2
Permanent differences	7.7	8.2	1.8
Non-taxable income	8.9	9.3	8.5
Deductible indirect tax	1.9	2.0	2.1
Other	(3.1)	(3.1)	(8.8)
Direct taxation – statutory rate	28.0	28.0	28.0

Favourable rate movements

- Prior period withholding tax credit.
- Positive impact of the abolishment of secondary tax on companies in the prior period.
- Non-recurrence of the deferred tax adjustment due to the change in the capital gains tax inclusion rate in 2012.

Unfavourable rate movements

- Increased other permanent differences, mainly in the rest of Africa.

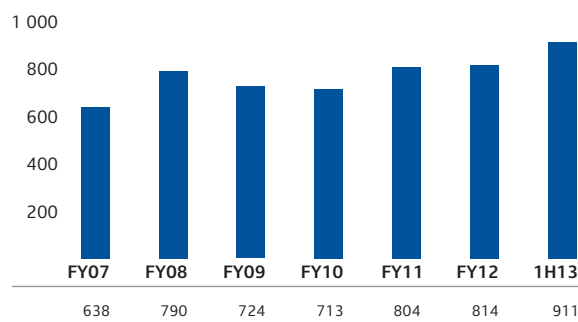
Balance sheet analysis

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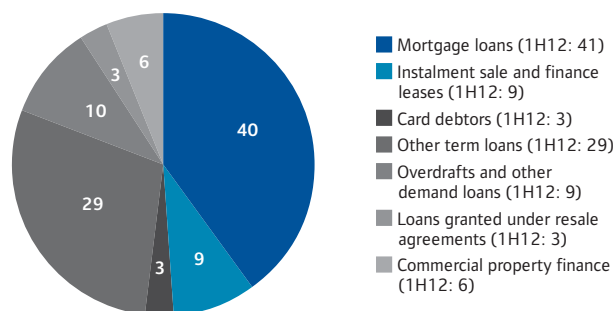
Loans and advances

Loans and advances (Rbn)

CAGR (FY07 – 1H13): 7%



Composition of gross loans and advances to customers (%)



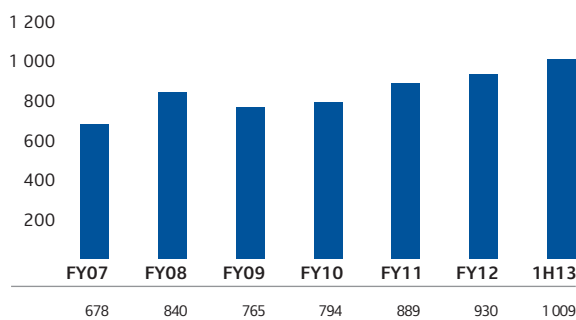
By advance type

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Loans and advances to banks	32	159 926	120 997	108 196
Call loans	67	26 352	15 766	22 328
Loans granted under resale agreements	(0)	30 591	30 639	13 776
Balances with banks	38	102 983	74 592	72 092
Loans and advances to customers	8	751 555	695 904	705 696
Gross loans and advances to customers	8	770 996	712 157	723 400
Mortgage loans	4	306 200	294 272	299 791
Instalment sale and finance leases	14	70 835	61 937	66 053
Card debtors	16	26 322	22 669	24 052
Overdrafts and other demand loans	25	78 440	62 584	65 008
Other term loans	9	223 663	206 122	213 761
Loans granted under resale agreements	(7)	19 082	20 541	11 562
Commercial property finance	3	43 501	42 203	41 393
Other loans and advances	61	2 953	1 829	1 780
<i>Less: Credit impairments for loans and advances</i>	20	19 441	16 253	17 704
Specific credit impairments	30	13 823	10 647	12 516
Portfolio credit impairments	0	5 618	5 606	5 188
Net loans and advances	12	911 481	816 901	813 892
Comprising:				
Gross loans and advances	12	930 922	833 154	831 596
<i>Less: Credit impairments</i>	20	19 441	16 253	17 704
Net loans and advances	12	911 481	816 901	813 892
Net loans and advances on a constant currency	7	911 481	852 552	837 761
Securitised assets consolidated above:				
Mortgage loans	(12)	10 473	11 967	11 113

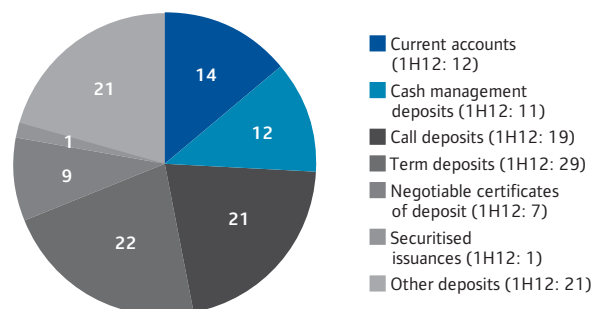
Deposit and current accounts

Deposit and current accounts (Rbn)

CAGR (FY07 – 1H13): 7%



Composition of deposit and current accounts (%)



By deposit type

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Deposits from banks	14	162 450	142 736	124 275
Deposits from banks and central banks	12	152 028	136 019	117 577
Deposits from banks under repurchase agreements	55	10 422	6 717	6 698
Deposits from customers	9	847 033	776 030	805 878
Current accounts	30	145 836	111 870	127 618
Cash management deposits	14	119 208	104 478	106 968
Call deposits	19	209 489	175 885	182 221
Savings accounts	(22)	18 425	23 716	24 382
Term deposits	(15)	224 334	265 457	252 979
Negotiable certificates of deposit	38	90 254	65 442	79 966
Repurchase agreements	(46)	2 700	4 955	1 596
Securitised issuances	(21)	5 956	7 538	7 192
Other funding	85	30 831	16 689	22 956
Total deposit and current accounts	10	1 009 483	918 766	930 153
Comprising:				
Retail priced deposit and current accounts	18	268 854	227 390	248 289
Wholesale priced deposit and current accounts	7	740 629	691 376	681 864
Total deposit and current accounts	10	1 009 483	918 766	930 153
Total deposit and current accounts on a constant currency	6	1 009 483	956 172	960 644

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 Rm
1H13					
Personal & Business Banking	532 717	456 124	22 127	31 120	
Mortgage loans	306 187	261 921	12 496	16 918	
Instalment sale and finance leases	67 713	58 183	3 635	4 075	
Card debtors	26 322	21 248	1 789	2 152	
Other loans and advances	132 495	114 772	4 207	7 975	
Personal unsecured lending	46 452	35 803	2 140	5 284	
Business lending and other	86 043	78 969	2 067	2 691	
Corporate & Investment Banking	436 754	425 866	377	228	1 435
Corporate loans	396 775	386 832	377	146	1 264
Commercial property finance	39 979	39 034		82	171
Central and other	(38 549)	(38 549)			
Gross loans and advances	930 922	843 441	22 504	31 348	1 435
Percentage of total book (%)	100.0	90.6	2.4	3.4	0.2
1H12					
Personal & Business Banking	477 699	408 443	20 803	24 196	
Mortgage loans	292 733	247 674	13 490	13 526	
Instalment sale and finance leases	58 453	51 134	2 536	3 078	
Card debtors	22 669	18 295	1 856	1 600	
Other loans and advances	103 844	91 340	2 921	5 992	
Personal unsecured lending	32 689	26 440	1 135	3 314	
Business lending and other	71 155	64 900	1 786	2 678	
Corporate & Investment Banking	383 469	371 749	1 175	170	2 026
Corporate loans	344 227	333 745	1 175	168	1 732
Commercial property finance	39 242	38 004		2	294
Central and other	(28 014)	(28 014)			
Gross loans and advances	833 154	752 178	21 978	24 366	2 026
Percentage of total book (%)	100.0	90.4	2.6	2.9	0.2
FY12					
Personal & Business Banking	502 168	429 868	20 341	29 483	
Mortgage loans	299 675	255 240	11 824	16 864	
Instalment sale and finance leases	62 860	54 950	3 089	3 220	
Card debtors	24 052	19 371	2 009	1 780	
Other loans and advances	115 581	100 307	3 419	7 619	
Personal unsecured lending	42 653	33 761	1 438	4 908	
Business lending and other	72 928	66 546	1 981	2 711	
Corporate & Investment Banking	358 154	348 205	604	30	1 332
Corporate loans	320 190	311 198	604	25	1 135
Commercial property finance	37 964	37 007		5	197
Central and Other	(28 726)	(28 726)			
Gross loans and advances	831 596	749 347	20 945	29 513	1 332
Percentage of total book (%)	100.0	90.2	2.5	3.5	0.2

Criteria for classifications of loans and advances

Non-performing loans	Those loans for which: <ul style="list-style-type: none"> 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 payments 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							Gross specific impairment coverage %	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			
	5 626	14 164	3 556	23 346	13 529	9 817	9 817	42	23 346	4.4
	3 903	10 202	747	14 852	10 739	4 113	4 113	28	14 852	4.9
	321	823	676	1 820	855	965	965	53	1 820	2.7
	222	331	580	1 133	398	735	735	65	1 133	4.3
	1 180	2 808	1 553	5 541	1 537	4 004	4 004	72	5 541	4.2
	488	1 716	1 021	3 225	696	2 529	2 529	78	3 225	6.9
	692	1 092	532	2 316	841	1 475	1 475	64	2 316	2.7
	807	6 604	1 437	8 848	4 844	4 004	4 004	45	10 283	2.4
	596	6 254	1 306	8 156	4 338	3 818	3 818	47	9 420	2.4
	211	350	131	692	506	186	186	27	863	2.2
					(2)	2	2			
	6 433	20 768	4 993	32 194	18 371	13 823	13 823	43	33 629	3.6
	0.7	2.2	0.5	3.4	2.0	1.4	1.4			
	6 871	14 655	2 731	24 257	16 431	7 826	7 826	32	24 257	5.1
	5 720	11 670	653	18 043	14 294	3 749	3 749	21	18 043	6.2
	213	642	850	1 705	796	909	909	53	1 705	2.9
	157	218	543	918	296	622	622	68	918	4.0
	781	2 125	685	3 591	1 045	2 546	2 546	71	3 591	3.5
	281	1 214	305	1 800	371	1 429	1 429	79	1 800	5.5
	500	911	380	1 791	674	1 117	1 117	62	1 791	2.5
	3 184	4 849	316	8 349	5 530	2 819	2 819	34	10 375	2.7
	2 713	4 402	292	7 407	4 739	2 668	2 668	36	9 139	2.7
	471	447	24	942	791	151	151	16	1 236	3.1
					(2)	2	2			
	10 055	19 504	3 047	32 606	21 959	10 647	10 647	33	34 632	4.2
	1.2	2.3	0.4	3.9	2.6	1.3	1.3			
	6 276	13 245	2 955	22 476	13 862	8 614	8 614	38	22 476	4.5
	4 966	10 088	693	15 747	11 581	4 166	4 166	26	15 747	5.3
	221	692	688	1 601	814	787	787	49	1 601	2.5
	159	233	500	892	312	580	580	65	892	3.7
	930	2 232	1 074	4 236	1 155	3 081	3 081	73	4 236	3.7
	475	1 292	779	2 546	638	1 908	1 908	75	2 546	6.0
	455	940	295	1 690	517	1 173	1 173	69	1 690	2.3
	3 238	3 783	962	7 983	4 082	3 901	3 901	49	9 315	2.6
	2 914	3 537	777	7 228	3 507	3 721	3 721	51	8 363	2.6
	324	246	185	755	575	180	180	24	952	2.5
					(1)	1	1			
	9 514	17 028	3 917	30 459	17 943	12 516	12 516	41	31 791	3.8
	1.1	2.0	0.5	3.6	2.1	1.5	1.5			

Non-performing but not specifically impaired loans Loans where the counterparty has failed to make contractual payments and payments 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 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.
- Loss items that are considered to be uncollectible in whole or in part. The group provides fully for its anticipated loss, after taking securities into account.

Banking activities average balance sheet

	Trading book Rm	Non- interest- earning Rm	Interest- earning Rm	1H13 Total average balance Rm
Assets				
Cash and balances with central banks ²	529	11 918	34 886	47 333
Trading assets	104 408	13 713		118 121
Financial investments			110 072	110 072
Net loans and advances	18 698		839 580	858 278
Loans and advances to banks	13 016		93 009	106 025
Loans and advances to customers	5 682		764 942	770 624
Mortgage loans			307 528	307 528
Instalment sale and finance leases			68 203	68 203
Card debtors			24 759	24 759
Overdrafts and other demand loans	5 682		91 988	97 670
Term loans			231 292	231 292
Commercial property finance			41 172	41 172
Gross loans and advances	18 698		857 951	876 649
Credit impairments for loans and advances			(18 371)	(18 371)
Investment property		5 714		5 714
Other assets	25 549	26 131		51 680
Interest in associates and joint ventures		7 276		7 276
Goodwill and other intangible assets		13 976		13 976
Property and equipment		15 483		15 483
Total average assets and interest excluding trading derivative assets	149 184	94 211	984 538	1 227 933
Trading derivative assets	173 148			173 148
Total average assets and interest	322 332	94 211	984 538	1 401 081
Equity and liabilities				
Equity	3 609	106 518		110 127
Liabilities	136 896	60 582	919 345	1 116 823
Trading liabilities	54 317			54 317
Deposit and current accounts	64 558		887 414	951 972
Deposits from banks	38 052		64 770	102 822
Deposits from customers	26 506		822 644	849 150
Current accounts			146 119	146 119
Cash management deposits			91 553	91 553
Call deposits			169 649	169 649
Savings accounts			20 624	20 624
Term deposits	26 506		299 723	326 229
Negotiable certificates of deposit			94 976	94 976
Other liabilities	17 065	60 582		77 647
Subordinated bonds	956		31 931	32 887
Total average equity, liabilities and interest excluding trading derivative liabilities	140 505	167 100	919 345	1 226 950
Trading derivative liabilities	174 131			174 131
Total average equity, liabilities and interest	314 636	167 100	919 345	1 401 081
Margin on total average assets excluding trading derivatives	149 184	94 211	984 538	1 227 933
Margin on total average loans and advances	18 698		839 580	858 278
Margin on average interest-earning assets			984 538	984 538

¹ Interest received and paid on trading derivatives instruments has been netted with interest received on derivative asset instruments used for hedging purposes allocated to the instrument being hedged thus the interest split between assets and liabilities will 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.

Interest ¹ Rm	Average rate %	1H12				Interest ¹ Rm	Average rate %
		Trading book Rm	Non- interest earning Rm	Interest earning Rm	Total average balance Rm		
		759	13 249	13 839	27 847		
		95 767	7 427		103 194		
3 220	5.90			101 112	101 112	3 077	6.10
32 566	7.65	17 308		777 592	794 900	30 483	7.69
1 010	1.92	16 756		105 711	122 467	1 228	2.01
31 556	8.26	552		688 174	688 726	29 255	8.52
12 025	7.89			293 422	293 422	11 995	8.20
3 271	9.67			59 031	59 031	3 014	10.24
1 678	13.67			21 330	21 330	1 489	14.00
3 577	7.39	552		76 666	77 218	3 101	8.05
9 435	8.23			199 276	199 276	8 104	8.16
1 570	7.69			38 449	38 449	1 552	8.10
32 566	7.49	17 308		793 885	811 193	30 483	7.54
				(16 293)	(16 293)		
					3 807		
		13 326		10 054	23 380		
				7 380	7 380		
				11 785	11 785		
				13 253	13 253		
35 786	5.88	127 160	66 955	892 543	1 086 658	33 560	6.19
		205 957			205 957		
35 786	5.15	333 117	66 955	892 543	1 292 615	33 560	5.21
				5 476	89 966		
		110 275		28 684	863 912	1 002 871	17 766
16 874	3.05				95 442		
					26 677		
15 678	3.32				913 855	16 732	3.67
					74 331		
568	1.11	33 647		60 735	94 382	592	1.26
15 110	3.59	40 684		778 789	819 473	16 140	3.95
174	0.24				115 905	191	0.33
1 725	3.80				82 420	1 761	4.28
3 336	3.97				155 717	3 533	4.55
110	1.08				21 853	122	1.12
7 058	4.36	40 684		328 165	368 849	8 242	4.48
2 707	5.75			74 729	74 729	2 291	6.15
1 196	7.33	7 640	28 684		36 324		
		1 627		24 388	26 015	1 034	7.97
16 874	2.77	115 751	118 650	863 912	1 098 313	17 766	3.24
		194 302			194 302		
16 874	2.43	310 053	118 650	863 912	1 292 615	17 766	2.76
18 912	3.11	127 160	66 955	892 543	1 086 658	15 794	2.91
18 912	4.44	17 308		777 592	794 900	15 794	3.98
20 114	4.12			892 543	892 543	17 007	3.82

Liquidity management

Liquidity market overview

- The group's liquidity risk management framework requires the group to measure and manage its liquidity position, and ensure that pipeline funding requirements and payment obligations can be met at all times, under both normal and stressed conditions. The group's liquidity risk standard is reviewed annually by the group risk oversight committee and the group's board of directors (the board).
- The group's overall liquidity risk appetite has remained unchanged over the first half of 2013 with continued active management of financial resources within the group's stated risk tolerance.
- New term lending volumes and investment activities are monitored and priced to take into account liquidity costs relating to anticipated regulatory changes and funding costs that will impact the group.
- The group continues to plan and prepare for Basel III and other regulatory changes, as well as assess and manage the potential impact of events in local and international markets on the bank.

Liquidity buffer

- Portfolios of highly marketable liquid securities, over and above prudential requirements, are maintained as protection against unexpected disruptions in cash flows. These holdings are considered in the context of internal stress tests and discounts assumed on certain securities in a stressed sale.
- The amount of contingent liquidity required by the group's liquidity risk standard is influenced by the nature of the depositor and the contractual terms of the deposit, stress testing requirements as well as prevailing and anticipated regulation.
- The contingent liquidity amounted to R174,1 billion as at 1H13 (1H12: R142,8 billion).

Total liquidity

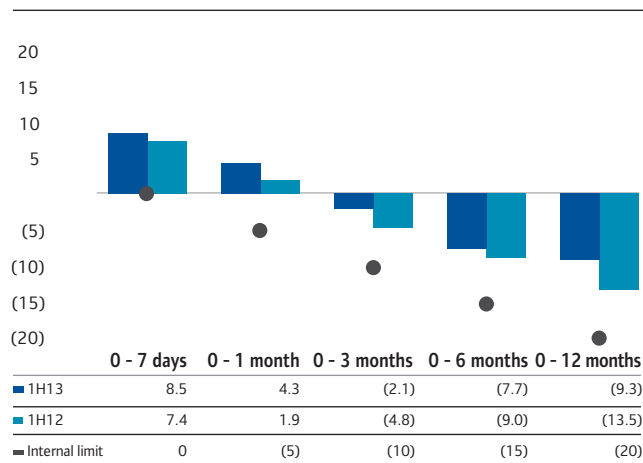
	1H13 Rbn	1H12 Rbn	FY12 Rbn
Contingent liquidity	174,1	142,8	143,5
Prudential requirements	59,3	42,1	42,5
Total liquidity	233,4	184,9	186,0
Contingent liquidity as % of funding related liabilities	16%	14%	14%

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 across the group.
- In respect of liabilities, behavioural profiling assigns probable maturities based on historically observed actual customer behaviour. This process is used to identify core deposits, such as current and savings accounts. These core deposits, although repayable on demand or at short notice, contribute towards stable funding based on their behaviour.

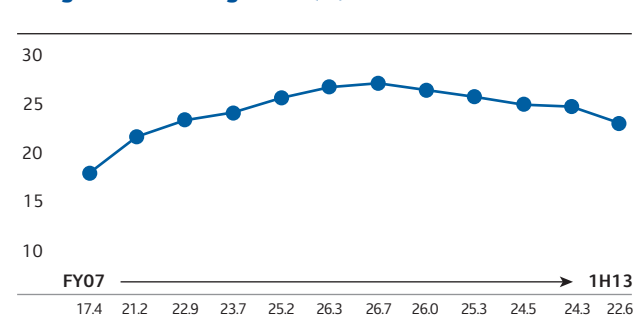
- In respect of assets, profiling is used to identify additional sources of structural liquidity in the form of liquid assets or assets that could be used to generate liquidity within a specific time frame.
- Limits and guidelines are set by the board to restrict the cumulative liquidity mismatch between expected inflows and outflows of funds in different time buckets based on contractual and behavioural analysis.
- The behaviourally adjusted cumulative liquidity mismatch remains within the group's liquidity risk appetite.

Behaviourally adjusted cumulative liquidity mismatch (%)



- The long-term funding ratio is used to measure funding-related liabilities with a remaining maturity greater than six months as a percentage of total funding-related liabilities. This ratio indicates the contractual stability of the total funding base.

Long-term funding ratio (%)¹



¹ Bi-annual long-term funding ratios.

- As at 1H13, the group's long-term funding ratio was 22.6% (1H12: 24.5%).
- Term liquidity spreads were compressed during the first half of 2013. This compression highlights the subdued market demand for term funding, mainly on the back of the benign term asset growth. In the absence of higher than expected growth in lending or stress in the banking system, we expect term liquidity spreads to remain at these levels.

Diversified funding base

- The group's funding strategy is determined after reviewing the group's projected balance sheet, which includes taking into account the forecast of PBB and CIB funding requirements, the maturity profile of existing funding and anticipated changes in the deposit base. Funding requirements and initiatives are assessed in accordance with the group asset and liability committee requirements for diversification, maturity profile, interbank reliance and currency exposure, as well as the availability and pricing of alternative liquidity sources.
- Concentration risk limits are used within the group to ensure funding diversification across products, sectors, geographic regions and counterparties.
- Primary sources of funding consist of deposits from a wide range of retail and wholesale clients as well as long-term capital market funding.

Funding-related liabilities composition

	1H13 Rbn	1H12 Rbn	FY12 Rbn
Corporate funding	246	224	253
Financial institutions	221	229	192
Retail	218	211	204
Interbank funding	123	99	107
Government and parastatals	104	106	99
Senior and subordinated debt issued	65	89	66
Other liabilities to the public	101	69	125
Total group funding-related liabilities	1 078	1 027	1 046

Liquidity stress testing and scenario analysis

- Anticipated on- and off-balance sheet cash flows are subjected to a variety of bank-specific and systemic liquidity stress scenarios. These stress scenarios facilitate the evaluation of the impact of unlikely but plausible stress events on liquidity positions.
- The outcomes of the stress tests are reviewed by asset and liability management committees on at least a monthly basis, and inform minimum liquid asset buffer requirements and liquidity contingency recovery plans. The scenarios themselves are reviewed periodically to ensure they remain valid and up to date.

Contingency funding plans

- Banking entities have entity-specific liquidity contingency and recovery plans in place in preparation for bank-specific and/or systemic liquidity crises.
- These plans are regularly reviewed, on at least an annual basis, and have been updated in accordance with the SARB recovery plan agenda.

- Liquidity contingency recovery plans include an extensive early warning indicator methodology supported by clear and decisive crisis response strategies. The above plans are developed at legal entity and group levels, and consider the interaction of entities should there be a group-wide crisis.
- Towards the end of 2012, a comprehensive liquidity stress testing exercise, facilitated by PwC, was undertaken where a crisis was simulated for its impact on the group and the viability of various contingent liquidity plans. The simulation provided valuable lessons and supported the enhancement of the bank's existing liquidity contingency strategy, whilst illustrating the robust nature of existing plans and contingent liquidity held by the group.
- Contingency and crisis response strategies are formulated around the relevant contingency and crisis management structures. These strategies address internal and external communications and escalation procedures, liquidity generation and operations, management actions required as well as additional information requirements.

Regulatory developments

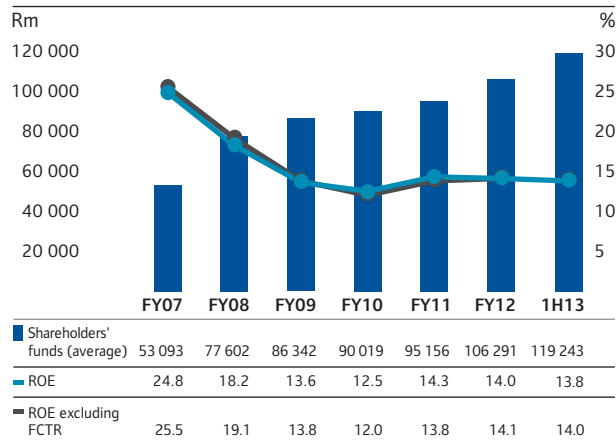
- When the Basel Committee previously proposed the two liquidity ratios, namely the LCR and NSFR, as part of the Basel III regulations, it stated that it would observe the impact of these ratios on banks and amend them if deemed necessary. Following a series of quantitative impact studies, industry comment letters and discussions with banks, the Basel Committee published a set of revisions to the LCR in January 2013. These revisions will make it easier for banks to meet the LCR, in particular by:
 - expanding the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage-backed securities
 - reducing the assumed outflow rates on some types of liabilities
 - phasing in the minimum LCR requirement level so that the required LCR is 60% in 2015, rising by 10 percentage points each year until it reaches 100% from 2019 onwards
- The SARB confirmed that the proposed revision to the LCR will be adopted by the South African banking industry and that a committed liquidity facility will also be made available, at a fee, to assist banks in meeting this ratio. The banking industry still expects to face some challenges in meeting the NSFR requirements and continues to engage with the relevant authorities in this regard. Further NSFR guidance is expected towards the end of 2013.

Capital management

Return on ordinary equity	64
Ordinary shareholders' equity (net asset value)	65
Currency translation effects	66
Cost of equity, economic returns and economic capital	67
Risk-weighted assets	68
Capital adequacy	70
Subordinated debt	72

Return on ordinary equity

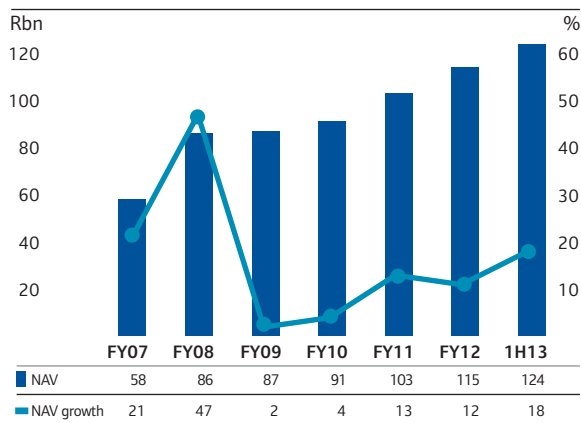
Return on ordinary equity



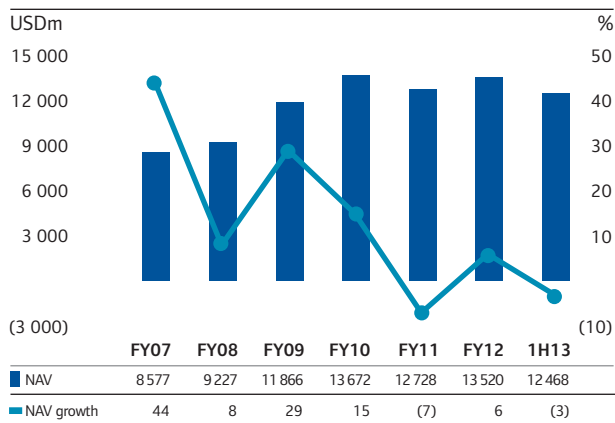
	Average equity 1H13 Rm	ROE 1H13 %	Average equity 1H12 Rm	ROE 1H12 %	Average equity FY12 Rm	ROE FY12 %
Personal & Business Banking	43 814	16.8	35 740	18.0	37 842	19.4
Corporate & Investment Banking	48 379	14.7	44 782	12.6	45 872	9.6
Central and other	17 934	0.6	14 920	5.9	14 518	8.0
Banking activities	110 127	13.2	95 442	13.6	98 232	13.2
Liberty	9 116	20.4	7 768	22.7	8 059	24.7
Standard Bank Group	119 243	13.8	103 210	14.3	106 291	14.0
Reconciliation to IFRS equity						
Normalised average equity	119 243		103 210		106 291	
Empowerment reserve impairment (Tutuwa SPEs' preference shares and dividends receivable)	(2 771)		(2 765)		(2 840)	
Central and other	(2 339)		(2 370)		(2 421)	
Liberty	(432)		(395)		(419)	
Deemed treasury shares (excluding Tutuwa)	(558)		(987)		(878)	
Standard Bank Group – IFRS	115 914	14.0	99 458	14.4	102 573	14.2

Ordinary shareholders' equity (net asset value)

Analysis of net asset value (ZAR)



Analysis of net asset value (USD)



Net asset value

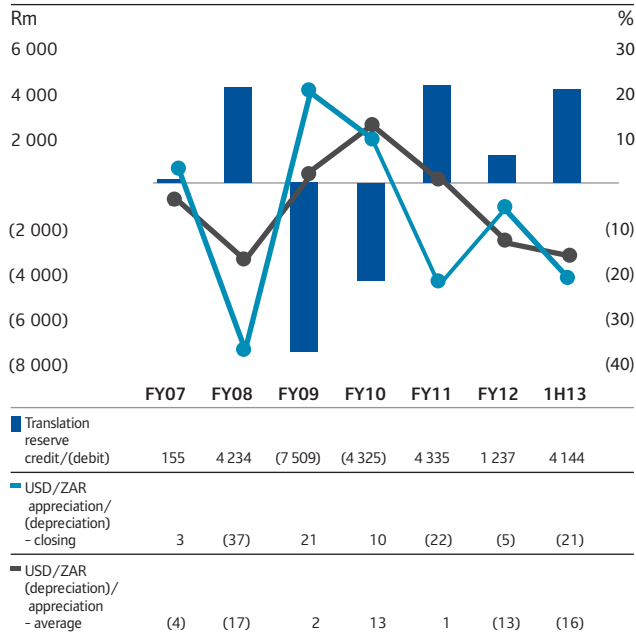
	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Personal & Business Banking	18	44 867	38 112	42 866
Corporate & Investment Banking	4	48 839	47 090	45 040
Central and other	75	21 120	12 067	17 827
Banking activities	18	114 826	97 269	105 733
Liberty	13	9 110	8 077	8 886
Standard Bank Group	18	123 936	105 346	114 619

Analysis of changes in net asset value

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Beginning of the period	11	114 619	102 984	102 984
Additional shareholder value	70	11 743	6 895	17 778
Headline earnings for the period attributable to ordinary shareholders		8 149	7 315	14 918
Other earnings attributable to ordinary shareholders		20	(19)	1 482
Currency translation movements, including hedging activities		4 144	(348)	1 237
Net cash flow hedges		(54)	(275)	(219)
Net available-for-sale movement		(34)	84	17
Fair value adjustments on available-for-sale instruments		(15)	66	607
Realised fair value adjustments transferred to the income statement		(19)	18	(590)
Other direct reserve movements		(482)	138	343
Transactions with ordinary shareholders	44	(2 405)	(4 309)	(6 080)
Dividends paid		(2 688)	(4 520)	(6 556)
Equity-settled share-based payments		218	65	282
Issue of share capital and premium and capitalisation of reserves		2	105	125
Deferred tax on share-based payments		63	41	69
Transactions with non-controlling shareholders	91	(21)	(224)	(63)
End of the period	18	123 936	105 346	114 619

Currency translation effects

Currency translation effects



Movement in group foreign currency translation and net investment hedge reserve

	1H13 Rm	1H12 Rm	FY12 Rm
Balance at beginning of the period: (debit)	(94)	(1 331)	(1 331)
Translation reserve increase/(decrease) for the period	4 144	(348)	1 237
Translation reserve increase/(decrease)	4 383	(421)	1 056
Rest of Africa	2 059	(257)	133
Outside Africa	2 278	(170)	912
Liberty	46	6	11
Currency hedge (losses)/gains	(239)	73	181
Balance at end of the period: credit/(debit)	4 050	(1 679)	(94)

Exchange rates

	Change %	Average			Change %	Closing		
		1H13	1H12	FY12		1H13	1H12	FY12
USD/ZAR	16	9,22	7,94	8,21	21	9,94	8,19	8,48
ZAR/NGN	(14)	17,16	20,05	19,33	(18)	16,33	19,86	18,41
GBP/USD	(3)	1,54	1,58	1,59	(3)	1,52	1,57	1,62
Euro/USD	1	1,31	1,30	1,29	2	1,30	1,27	1,32

Cost of equity, economic returns and economic capital

Cost of equity estimates

	Average 1H13 %	Average 1H12 %	Average FY12 %
Standard Bank Group	13.7	13.7	13.7
Banking activities	13.9	13.8	13.8
Liberty	11.7	11.6	11.6

Economic returns

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Average ordinary equity	16	119 243	103 210	106 291
Headline earnings	11	8 149	7 315	14 918
Cost of equity charge	(16)	(8 121)	(6 994)	(14 562)
Economic profits on headline earnings	(91)	28	321	356
Changes in other comprehensive income	>100	3 574	(401)	1 378
Net currency translation movement		4 144	(348)	1 237
Cash flow hedge losses		(54)	(275)	(219)
Fair value (losses)/gains on available-for-sale assets		(34)	84	17
Other changes		(482)	138	343
Total economic returns/(loss)	>100	3 602	(80)	1 734

Economic capital utilisation by risk type at end of the period

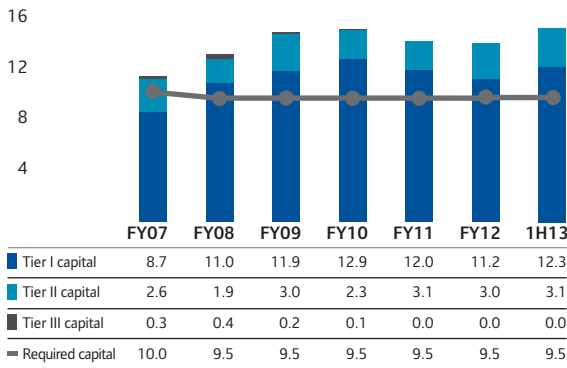
	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Credit risk	6	53 023	50 104	49 102
Equity risk	33	5 200	3 906	4 816
Market risk	60	1 660	1 035	1 973
Operational risk	14	8 756	7 651	7 455
Business risk	(6)	5 347	5 684	5 156
Interest rate risk in the banking book	62	3 465	2 139	2 423
Banking activities – economic capital requirement	10	77 451	70 519	70 925
Available financial resources		118 084	96 735	106 426
Economical capital coverage ratio (times)		1.52	1.37	1.50

Economic capital utilisation by business unit at end of the period

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Personal & Business Banking	22	27 024	22 076	23 352
Corporate & Investment Banking	7	49 169	45 759	46 476
Central and other	(53)	1 258	2 684	1 097
Banking activities	10	77 451	70 519	70 925

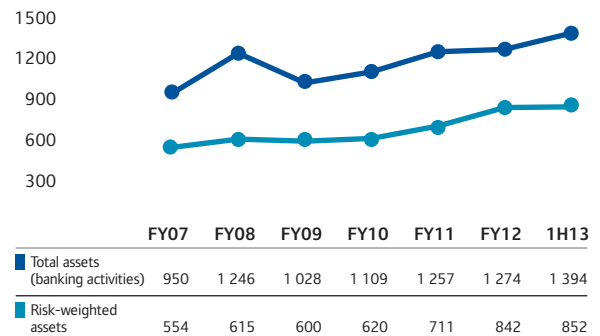
Risk-weighted assets

Capital adequacy¹ (%)



¹ Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for FY07 are on a Basel II pro forma basis. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis. 1H13 represents 2013 SARB Basel III minimum capital requirement.

Risk-weighted assets (closing balances)¹ (Rbn)



¹ Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for FY07 are on a Basel II pro forma basis. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis. 1H13 represents 2013 SARB Basel III minimum capital requirement.

Risk-weighted assets (RWA) by business unit

	Change %	1H13 Rm	FY12 ¹ Rm
Personal & Business Banking	2	301 899	297 093
Credit risk	3	245 489	237 288
Operational risk	(6)	56 128	59 629
Equity risk in the banking book	60	282	176
Corporate & Investment Banking	(0)	505 895	506 164
Credit risk	(1)	363 738	368 587
Market risk	7	73 857	69 244
Operational risk	(1)	51 988	52 722
Equity risk in the banking book	4	16 312	15 611
Central and other	13	43 751	38 578
Credit risk	17	19 567	16 730
Operational risk	(100)	–	338
Equity risk in the banking book	(58)	234	556
RWA for investments in financial entities	14	23 950	20 954
Banking activities	1	851 545	841 835

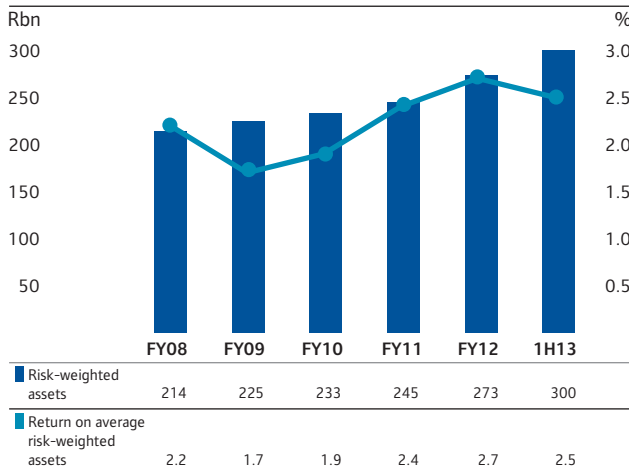
¹Pro forma Basel III basis.

RWA by risk class

	Change %	1H13 Rm	FY12 ¹ Rm
Credit risk	1	628 794	622 605
Market risk	7	73 857	69 244
Operational risk	(4)	108 116	112 689
Equity risk in the banking book	3	16 828	16 343
RWA for investments in financial entities	14	23 950	20 954
Banking activities	1	851 545	841 835

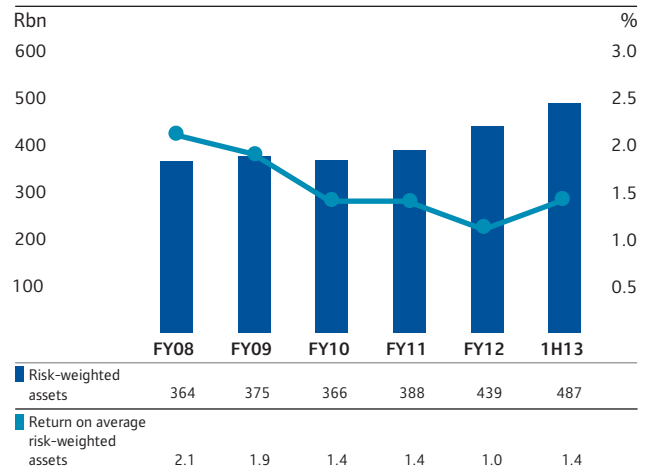
¹Pro forma Basel III basis.

PBB return on average RWA¹



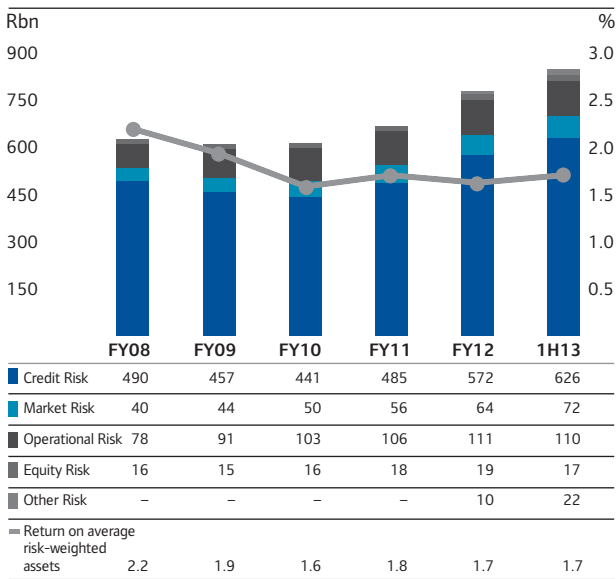
¹ Basel II implemented 1 January 2008. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis.

CIB return on average RWA¹



¹ Basel II implemented 1 January 2008. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis.

SBG return on banking activities average RWA¹



¹ Basel II implemented 1 January 2008. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis.

Capital adequacy

Qualifying Capital excluding unappropriated profit

	Change %	1H13 Rm	FY12 ¹ Rm
Normalised ordinary shareholders' equity	8	123 936	114 619
Net IFRS adjustments	55	(1 588)	(3 534)
IFRS ordinary shareholders' equity	10	122 348	111 085
Qualifying non-controlling interest	22	3 338	2 738
Less: regulatory adjustments:	(6)	(24 395)	(23 108)
Goodwill	(14)	(3 523)	(3 092)
Other Intangible assets	(14)	(11 887)	(10 445)
Shortfall of provisions to expected losses	(23)	(2 588)	(2 108)
Investments in financial entities	12	(4 525)	(5 156)
Other adjustments	19	(1 872)	(2 307)
Less: regulatory exclusions	(5)	(13 688)	(13 085)
Unappropriated profit	(4)	(12 570)	(12 055)
Non-qualifying reserves	(9)	(1 118)	(1 030)
Common equity tier I capital	13	87 603	77 630
Perpetual preference shares	–	4 945	4 945
Tier I capital	12	92 548	82 575
Tier II subordinated debt	(0)	24 902	25 020
General allowance for credit impairments	10	807	733
Tier II capital	(0)	25 709	25 753
Total	9	118 257	108 328

¹ Pro forma Basel III basis.

Standard Bank Group capital adequacy ratios

	2013 SARB Basel III minimum regulatory requirement %	Including unappropriated profits		Excluding unappropriated profits	
		1H13 %	FY12 ¹ %	1H13 %	FY12 ¹ %
Total capital adequacy ratio	9.5	15.4	14.3	13.9	12.9
Tier I capital adequacy ratio	6.0	12.3	11.2	10.9	9.8
Common equity tier I capital adequacy ratio	4.5	11.8	10.7	10.3	9.2

¹Pro forma Basel III basis.

Capital adequacy ratios

	Host tier I regulatory requirements %	Host total regulatory requirements %	1H13		FY12	
			Tier I capital %	Total capital %	Tier I capital %	Total capital %
Standard Bank Group¹	6.0 ²	9.5 ²	12.3	15.4	11.2	14.3
The Standard Bank of South Africa Group (SBSA Group)¹	6.0 ²	9.5 ²	11.3	14.2	10.5	13.7
Rest of Africa						
CfC Stanbic Bank Kenya	10.5	14.5	17.6	20.9	21.0	30.0
Stanbic Bank Botswana	7.5	15.0	11.3	18.6	8.9	17.3
Stanbic Bank Ghana	6.7	10.0	17.9	19.2	17.1	18.6
Stanbic Bank Tanzania	10.0	12.0	13.0	15.0	13.4	15.4
Stanbic Bank Uganda	8.0	12.0	19.3	23.3	15.7	20.0
Stanbic Bank Zambia	5.0	10.0	16.8	19.1	18.1	20.7
Stanbic Bank Zimbabwe	8.0	12.0	17.6	19.0	15.5	16.9
Stanbic IBTC Bank Nigeria	5.0	10.0	13.1	15.4	15.7	16.7
Standard Bank de Angola	5.0	10.0	11.9	17.8	15.6	15.6
Standard Bank Malawi	6.0	10.0	19.1	23.2	17.2	21.9
Standard Bank Mauritius	5.0	10.0	9.6	14.9	6.9	10.8
Standard Bank Mozambique	4.0	8.0	12.1	13.2	16.6	17.7
Standard Bank Namibia	7.0	10.0	9.8	11.8	10.2	11.8
Standard Bank RDC (DR Congo)	5.0	10.0	24.4	34.6	25.4	30.7
Standard Bank Swaziland	4.0	8.0	10.9	15.7	10.6	15.0
Standard Lesotho Bank	4.0	8.0	12.2	13.3	9.0	10.3
Standard International Holdings, consolidated³			17.2	24.2	15.1	21.7
Standard Bank Isle of Man		10.0	10.3	12.3	9.6	11.8
Standard Bank Jersey		10.0	10.5	15.2	11.2	15.8
Liberty Group (calculated in terms of the Long-term Insurance Act) capital adequacy requirement – times covered				2.8		2.7

¹ FY12 presented on a pro forma Basel III basis.

² Represents 2013 SARB Basel III minimum capital requirements.

³ Incorporating:

- Banco Standard de Investimentos (Brazil)
- Standard Bank Asia (Hong Kong)
- Standard Bank Plc (United Kingdom)

Subordinated debt

	Redeemable/ Repayable date	Callable date	Notional value ¹ LCm	Carrying value ¹ 1H13 Rm	Notional value ¹ 1H13 Rm	Carrying value ¹ 1H12 Rm	Notional value ¹ 1H12 Rm	Carrying value ¹ FY12 Rm	Notional value ¹ FY12 Rm
Subordinated bonds² – banking activities									
SBSA				20 745	20 050	19 456	18 398	22 400	21 550
SBK 10 (Tier III)	19 Nov 2012		ZAR 300	–	–	303	300	–	–
USA private placement	31 Jul 2017	31 Jul 2012	USD 355	–	–	2 978	2 548	–	–
SBK 8	10 Apr 2018	10 Apr 2013	ZAR 1 500	–	–	1 528	1 500	1 528	1 500
SBKI 11	9 Apr 2019	10 Apr 2014	ZAR 1 800	2 290	1 800	2 270	1 800	2 414	1 800
SBK 7	24 May 2020	24 May 2015	ZAR 3 000	3 032	3 000	3 032	3 000	3 033	3 000
SBK 12	24 Nov 2021	24 Nov 2016	ZAR 1 600	1 618	1 600	1 618	1 600	1 618	1 600
SBK 13	24 Nov 2021	24 Nov 2016	ZAR 1 150	1 159	1 150	1 159	1 150	1 159	1 150
SBK 15	23 Jan 2022	23 Jan 2017	ZAR 1 220	1 236	1 220	1 238	1 220	1 236	1 220
SBK 14	1 Dec 2022	1 Dec 2017	ZAR 1 780	1 794	1 780	1 794	1 780	1 795	1 780
SBK 16	15 Mar 2023	15 Mar 2018	ZAR 2 000	2 005	2 000	2 007	2 000	2 005	2 000
SBK 9	10 Apr 2023	10 Apr 2018	ZAR 1 500	1 528	1 500	1 529	1 500	1 529	1 500
SBK 17	30 Jul 2024	30 Jul 2019	ZAR 2 000	2 025	2 000	–	–	2 024	2 000
SBK 19	24 Oct 2024	24 Oct 2019	ZAR 500	507	500	–	–	507	500
SBK 18	24 Oct 2025	24 Oct 2020	ZAR 3 500	3 551	3 500	–	–	3 552	3 500
Standard Bank Swaziland	2019 – 2020	2014 – 2015	E 80	80	80	80	80	80	80
Stanbic Botswana	2018 – 2022	2013 – 2017	BWP 280	325	325	302	302	306	306
Standard Bank Mozambique	29 Jun 2017	29 Jun 2012	MT 260	87	87	76	76	74	74
CfC Stanbic Bank (Kenya)	2012 – 2016		KES 5 200	580	580	507	507	492	492
Stanbic Bank Uganda	10 Aug 2016	10 Aug 2014	UGX 30 000	116	116	100	100	95	95
Standard International Holdings				7 168	6 628	6 118	5 459	6 307	5 652
	27 Jul 2016	27 Jul 2016	USD 142	1 511	1 409	1 242	1 160	1 246	1 201
	2 Dec 2019		USD 500	5 408	4 970	4 665	4 094	4 849	4 239
	3 Dec 2019	3 Dec 2014	USD 25	249	249	211	205	212	212
Stanbic Bank Ghana	23 Jan 2022	23 Jan 2017	GHS 7	34	34	30	30	34	34
Subordinated bonds issued to group companies				(594)	(584)	(675)	(667)	(603)	(592)
Total subordinated bonds – banking activities				28 541	27 316	25 994	24 285	29 185	27 691
Total subordinated loans – banking activities³				378	378	311	311	326	326
Total subordinated debt – banking activities				28 919	27 694	26 305	24 596	29 511	28 017
Liberty (qualifying as regulatory insurance capital)	2017 – 2018		ZAR 2 000	2 037	2 000	2 054	2 000	2 037	2 000
Total subordinated debt				30 956	29 694	28 359	26 596	31 548	30 017

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, Mauritius, Kenya and DRC.

Key banking legal entity information

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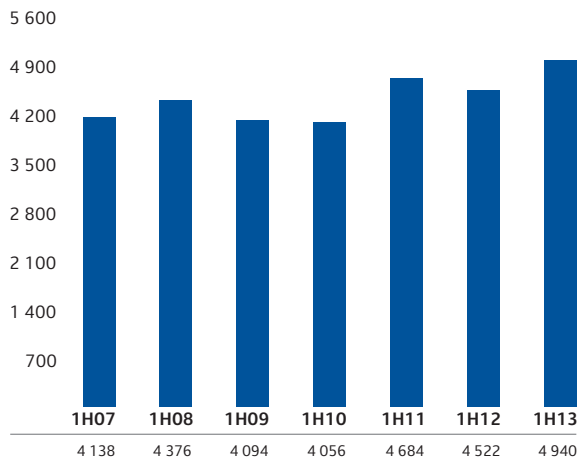
Key financial results, ratios and statistics

		Change %	1H13	1H12	FY12
SBSA group					
Income statement					
Headline earnings	Rm	9	4 940	4 522	11 461
Profit attributable to the ordinary shareholder	Rm	9	4 941	4 532	11 884
Statement of financial position					
Ordinary shareholders' equity	Rm	31	74 233	56 677	70 562
Total assets	Rm	8	1 027 883	954 789	980 152
Loans and advances	Rm	12	714 130	636 054	659 500
Financial performance					
ROE	%		13.8	16.3	18.3
Non-interest revenue to total income	%		43.9	47.3	46.6
Loan-to-deposit ratio	%		95.6	89.8	91.9
Credit loss ratio	%		1.21	0.83	0.89
Cost-to-income ratio	%		54.9	57.4	54.5
Effective taxation rate	%		25.8	29.7	21.8
Number of employees		(0)	28 078	28 084	28 168
Capital adequacy¹					
Total risk-weighted assets	Rm	6	513 634	483 354	528 266
Tier I capital adequacy ratio	%		11.3	9.6	10.5
Total capital adequacy ratio	%		14.2	12.6	13.7
SBSA company					
Headline earnings	Rm	4	4 561	4 389	11 140
Total assets	Rm	8	1 017 581	941 933	969 095
ROE	%		13.0	16.2	18.1

¹ Capital ratios for 1H12 are on a Basel II basis, 1H13 and FY12 are presented on a Basel III basis.

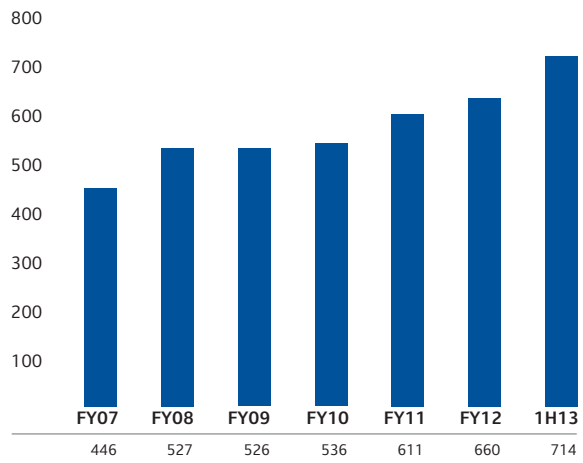
Headline earnings - SBSA group (Rm)

CAGR (1H07– 1H13): 3%



Loans and advances - SBSA group (Rbn)

CAGR (FY07– 1H13): 9%



SBSA's operating model

- Standard Bank's African strategy is assisted by the macro prudential limit, which allows South African banks to apply up to 25% of their total liabilities in foreign assets and an additional 5% on assets in Africa.
- In order to utilise this limit, assets from entities outside Africa were transferred to SBSA during 2011 and 2012 and subsequently assets have been originated under this model from regions outside South Africa onto the SBSA balance sheet.
- Under this model, the SBSA group can no longer be viewed as a purely South African operation as assets from multiple jurisdictions are booked onto the SBSA balance sheet.

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Summarised income statement

	Group				Company			
	Change %	1H13 Rm	1H12 Rm	FY12 Rm	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net interest income	21	13 867	11 486	25 249	19	13 649	11 460	25 196
Non-interest revenue	5	10 861	10 299	22 032	4	10 364	9 931	21 394
Net fee and commission revenue	9	8 181	7 507	16 364	8	7 565	6 992	15 561
Trading revenue	(4)	1 697	1 764	3 147	(3)	1 764	1 810	3 154
Other revenue	(4)	983	1 028	2 521	(8)	1 035	1 129	2 679
Total income	14	24 728	21 785	47 281	12	24 013	21 391	46 590
Credit impairment charges	59	4 160	2 624	5 785	57	4 126	2 621	5 751
Specific credit impairments	59	3 945	2 488	6 005	58	3 912	2 475	5 946
Portfolio credit impairments	58	215	136	(220)	47	214	146	(195)
Income after credit impairment charges	7	20 568	19 161	41 496	6	19 887	18 770	40 839
Revenue sharing agreements with group companies	(49)	(893)	(598)	(1 642)	(49)	(893)	(598)	(1 642)
Income after revenue sharing arrangements	6	19 675	18 563	39 854	5	18 994	18 172	39 197
Operating expenses	8	13 156	12 217	25 161	8	12 830	11 928	24 566
Staff costs	6	6 946	6 572	13 344	5	6 811	6 463	13 112
Other operating expenses	10	6 210	5 645	11 817	10	6 019	5 465	11 454
Net income before equity accounted earnings	3	6 519	6 346	14 693	(1)	6 164	6 244	14 631
Share of profit/(loss) from associates and joint ventures	0	107	107	523	(100)	(2)	-	155
Net income before indirect taxation	3	6 626	6 453	15 216	(1)	6 162	6 244	14 786
Indirect taxation	24	551	443	974	24	547	442	973
Profit before direct taxation	1	6 075	6 010	14 242	(3)	5 615	5 802	13 813
Direct taxation	(21)	1 161	1 476	2 347	(25)	1 054	1 403	2 251
Profit for the period	8	4 914	4 534	11 895	4	4 561	4 399	11 562
Attributable to non-controlling interests	(>100)	(27)	2	11				
Attributable to the ordinary shareholder	9	4 941	4 532	11 884	4	4 561	4 399	11 562
Headline adjustable items	90	(1)	(10)	(423)	100	-	(10)	(422)
Headline earnings	9	4 940	4 522	11 461	4	4 561	4 389	11 140

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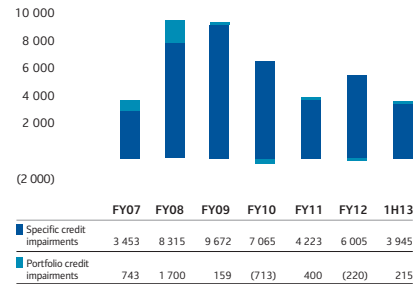
Statement of financial position

	Group				Company			
	Change %	1H13 Rm	1H12 Rm	FY12 Rm	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Assets								
Cash and balances with central banks	8	22 115	20 474	25 926	8	22 114	20 474	25 926
Trading assets	19	34 413	28 848	35 685	19	34 231	28 660	35 496
Pledged assets	15	1 538	1 338	5 706	15	1 538	1 338	5 706
Financial investments	(3)	80 957	83 521	76 679	(2)	80 967	83 028	76 690
Loans and advances	12	714 130	636 054	659 500	13	697 336	619 369	643 762
Loans and advances to banks	49	95 132	63 980	69 999	49	95 061	63 963	70 033
Loans and advances to customers	8	618 998	572 074	589 501	8	602 275	555 406	573 729
Derivative and other assets	(18)	85 189	103 709	98 021	(18)	84 507	103 201	97 147
Non-current assets held for sale		–	–	960		–	–	708
Interest in group companies, associates and joint ventures	7	68 900	64 414	58 430	10	76 417	69 594	64 593
Goodwill and other intangible assets	49	11 924	7 982	10 350	50	11 880	7 946	10 307
Property and equipment	3	8 717	8 449	8 895	3	8 591	8 323	8 760
Total assets	8	1 027 883	954 789	980 152	8	1 017 581	941 933	969 095
Equity and liabilities								
Equity								
Equity attributable to the ordinary shareholder	31	74 270	56 731	70 625	31	72 488	55 508	69 202
Ordinary share capital	–	60	60	60	–	60	60	60
Ordinary share premium	23	35 196	28 630	35 196	23	35 196	28 630	35 196
Reserves	39	38 977	27 987	35 306	39	37 232	26 818	33 946
Non-controlling interest	(31)	37	54	63				
Liabilities	6	953 613	898 058	909 527	7	945 093	886 425	899 893
Derivative liabilities	(16)	73 762	87 416	81 744	(16)	73 762	87 395	81 744
Trading liabilities	(5)	16 082	16 893	15 953	(5)	16 082	16 893	15 953
Deposit and current accounts	5	747 140	708 307	717 944	6	737 229	694 849	706 586
Deposits from banks	4	94 151	90 205	78 453	4	94 151	90 205	78 453
Deposit and current accounts from customers	6	652 989	618 102	639 491	6	643 078	604 644	628 133
Other liabilities	14	24 310	21 366	21 285	14	23 556	20 709	20 645
Subordinated debt	7	20 745	19 456	22 400	7	20 745	19 456	22 400
Liabilities to group companies	60	71 574	44 620	50 201	56	73 719	47 123	52 565
Total equity and liabilities	8	1 027 883	954 789	980 152	8	1 017 581	941 933	969 095

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Credit impairment charges

Credit impairment charges (Rm)

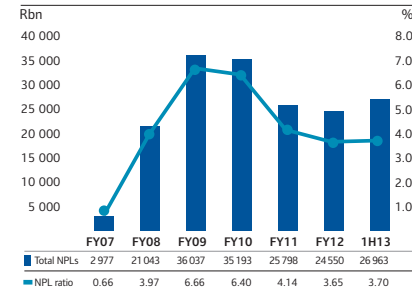


Income statement impairment charges (net of recoveries)

	Change %	1H13					Credit loss ratio %
		Specifically impaired loans		Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	
Specific impairment Rm	IAS 39 dis-count ¹ Rm						
Personal & Business Banking	30	2 916	289	3 205	132	3 337	1.52
Mortgage loans	(12)	946	119	1 065	68	1 133	0.78
Instalment sale and finance leases	70	251	14	265	46	311	1.08
Card debtors	>100	364	27	391	59	450	3.74
Other loans and advances	66	1 355	129	1 484	(41)	1 443	4.11
Personal unsecured lending	64	1 103	96	1 199	(23)	1 176	7.36
Business lending and other	72	252	33	285	(18)	267	1.40
Corporate & Investment Banking	>100	740		740	85	825	0.67
Corporate loans	>100	723		723	86	809	0.77
Commercial property finance	>100	17		17	(1)	16	0.08
Other services	(>100)				(2)	(2)	
Total SBSA group	59	3 656	289	3 945	215	4 160	1.21

¹ Discounting of expected recoveries in terms of IAS 39.

Non performing loans (%)



	1H12						FY12					
	Specifically impaired loans			Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %	Specifically impaired loans			Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
Specific impairment Rm	IAS 39 dis-count ¹ Rm	Total Rm	Specific impairment Rm				IAS 39 dis-count ¹ Rm	Total Rm				
	2 123	300	2 423	139	2 562	1.26	5 050	698	5 748	(208)	5 540	1.32
	1 110	234	1 344	(53)	1 291	0.92	2 786	542	3 328	(697)	2 631	0.93
	121	17	138	45	183	0.74	330	32	362	24	386	0.74
	182	6	188	30	218	2.09	290	24	314	61	375	1.72
	710	43	753	117	870	3.08	1 644	100	1 744	404	2 148	3.47
	607	26	633	82	715	6.55	1 317	58	1 375	385	1 760	7.07
	103	17	120	35	155	0.90	327	42	369	19	388	1.05
	69	(6)	63	(8)	55	0.05	263	(8)	255	180	435	0.19
	38	(6)	32	30	62	0.07	166	(8)	158	222	380	0.20
	31		31	(38)	(7)	(0.03)	97		97	(42)	55	0.14
	2		2	5	7		2		2	(192)	(190)	
	2 194	294	2 488	136	2 624	0.83	5 315	690	6 005	(220)	5 785	0.89

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Loans and advances performance

	Performing loans				
	Neither past due nor specifically impaired		Not specifically impaired		
	Gross loans and advances Rm	Normal monitoring Rm	Close monitoring Rm	Early arrears Rm	Non-performing Rm
1H13					
Personal & Business Banking	452 219	387 947	18 198	24 796	
Mortgage loans	292 312	250 803	11 956	15 140	
Instalment sale and finance leases	60 622	54 953	1 626	2 630	
Card debtors	25 763	20 773	1 789	2 093	
Other loans and advances	73 522	61 418	2 827	4 933	
Personal unsecured lending	33 361	26 323	1 241	3 150	
Business lending and other	40 161	35 095	1 586	1 783	
Corporate & Investment Banking	280 208	274 387		136	925
Corporate loans	240 229	235 355		54	754
Commercial property finance	39 979	39 032		82	171
Central and Other	(4 234)	(4 234)			
Gross loans and advances	728 193	658 100	18 198	24 932	925
Percentage of total book (%)	100.0	90.4	2.5	3.4	0.1
1H12					
Personal & Business Banking	417 281	356 688	17 795	20 070	
Mortgage loans	282 908	239 846	13 100	12 329	
Instalment sale and finance leases	52 636	47 721	1 124	2 322	
Card debtors	21 766	17 433	1 856	1 578	
Other loans and advances	59 971	51 688	1 715	3 841	
Personal unsecured lending	23 754	19 521	470	2 238	
Business lending and other	36 217	32 167	1 245	1 603	
Corporate & Investment Banking	230 099	228 122		2	343
Corporate loans	190 857	190 118			49
Commercial property finance	39 242	38 004		2	294
Central and Other	798	798			
Gross loans and advances	648 178	585 608	17 795	20 072	343
Percentage of total book (%)	100.0	90.3	2.7	3.1	0.1
FY12					
Personal & Business Banking	435 434	373 051	16 790	24 619	
Mortgage loans	288 701	246 369	11 401	15 549	
Instalment sale and finance leases	56 389	51 610	1 230	2 230	
Card debtors	23 604	18 974	2 009	1 751	
Other loans and advances	66 740	56 098	2 150	5 089	
Personal unsecured lending	29 651	23 897	558	3 310	
Business lending and other	37 089	32 201	1 592	1 779	
Corporate & Investment Banking	239 161	235 580		5	2 188
Corporate loans	201 197	198 573			1 991
Commercial property finance	37 964	37 007		5	197
Central and other	(2 628)	(2 628)			
Gross loans and advances	671 967	606 003	16 790	24 624	2 188
Percentage of total book (%)	100.0	90.2	2.5	3.7	0.3

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 payments 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 %
	4 829	13 587	2 862	21 278	12 715	8 563	8 563	40	21 278	4.7
	3 744	10 074	595	14 413	10 409	4 004	4 004	28	14 413	4.9
	106	688	619	1 413	668	745	745	53	1 413	2.3
	220	329	559	1 108	397	711	711	64	1 108	4.3
	759	2 496	1 089	4 344	1 241	3 103	3 103	71	4 344	5.9
	405	1 610	632	2 647	680	1 967	1 967	74	2 647	7.9
	354	886	457	1 697	561	1 136	1 136	67	1 697	4.2
	641	3 934	185	4 760	3 751	1 009	1 009	21	5 685	2.0
	429	3 583	54	4 066	3 243	823	823	20	4 820	2.0
	212	351	131	694	508	186	186	27	865	2.2
					(2)	2	2			
	5 470	17 521	3 047	26 038	16 464	9 574	9 574	37	26 963	3.7
	0.8	2.4	0.4	3.6	2.3	1.3	1.3			
	6 395	14 176	2 157	22 728	15 567	7 161	7 161	32	22 728	5.4
	5 595	11 518	520	17 633	14 015	3 618	3 618	21	17 633	6.2
	118	561	790	1 469	684	785	785	53	1 469	2.8
	156	217	526	899	292	607	607	68	899	4.1
	526	1 880	321	2 727	576	2 151	2 151	79	2 727	4.5
	224	1 128	173	1 525	358	1 167	1 167	77	1 525	6.4
	302	752	148	1 202	218	984	984	82	1 202	3.3
	520	1 058	54	1 632	1 301	331	331	20	1 975	0.9
	49	611	30	690	510	180	180	26	739	0.4
	471	447	24	942	791	151	151	16	1 236	3.1
					(2)	2	2			
	6 915	15 234	2 211	24 360	16 866	7 494	7 494	31	24 703	3.8
	1.1	2.4	0.3	3.8	2.6	1.2	1.2			
	5 793	12 737	2 444	20 974	13 174	7 800	7 800	37	20 974	4.8
	4 863	9 966	553	15 382	11 287	4 095	4 095	27	15 382	5.3
	127	597	595	1 319	622	697	697	53	1 319	2.3
	157	230	483	870	310	560	560	64	870	3.7
	646	1 944	813	3 403	955	2 448	2 448	72	3 403	5.1
	341	1 154	391	1 886	456	1 430	1 430	76	1 886	6.4
	305	790	422	1 517	499	1 018	1 018	67	1 517	4.1
	340	840	208	1 388	997	391	391	28	3 576	1.5
	16	594	23	633	422	211	211	33	2 624	1.3
	324	246	185	755	575	180	180	24	952	2.5
					(2)	2	2			
	6 133	13 577	2 652	22 362	14 169	8 193	8 193	37	24 550	3.7
	0.9	2.0	0.4	3.3	2.1	1.2	1.2			

Non-performing but not specifically impaired loans Loans where the counterparty has failed to make contractual payments and payments 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 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.
 ■ Loss items that are considered to be uncollectible in whole or in part. The group provides fully for its anticipated loss, after taking securities into account.

The Standard Bank of South Africa

Capital adequacy

SBSA group qualifying regulatory capital (excluding unappropriated profit)

	Change %	1H13 Rm	FY12 ¹ Rm
Share capital and premium	–	35 256	35 256
Retained earnings	10	38 552	35 097
Other reserves	>100	425	209
Less: regulatory adjustments	(9)	(15 937)	(14 578)
Goodwill	–	(40)	(40)
Other intangible assets	(15)	(11 303)	(9 850)
Shortfall of provisions to expected losses	2	(2 713)	(2 755)
Other adjustments	3	(1 881)	(1 933)
Less: regulatory exclusions	(67)	(8 586)	(5 138)
Unappropriated profit	(74)	(8 077)	(4 645)
Non-qualifying reserves	(3)	(509)	(493)
Tier I capital	(2)	49 710	50 846
Tier II subordinated debt	–	19 395	19 395
Impairments for performing loans	(43)	169	295
Less: regulatory adjustments	(41)	(4 195)	(2 984)
Investment in Tier II instruments in other banks	(41)	(4 195)	(2 984)
Tier II capital	(8)	15 369	16 706
Total qualifying regulatory capital	(4)	65 079	67 552

¹ Pro forma Basel III basis.

SBSA group capital adequacy ratios

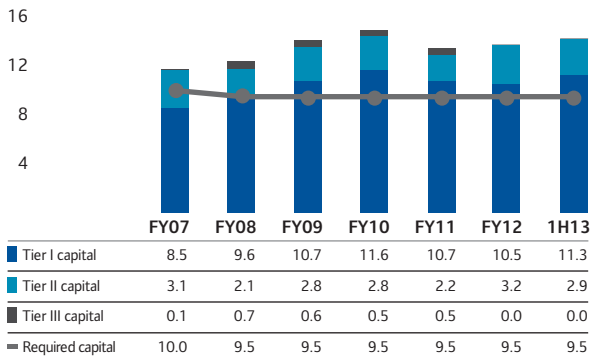
	2013 SARB Basel III Minimum regulatory requirement %	Including unappropriated profits		Excluding unappropriated profits	
		1H13 %	FY12 ¹ %	1H13 %	FY12 ¹ %
Total capital adequacy ratio	9.5	14.2	13.7	12.7	12.8
Tier I capital adequacy ratio	6.0	11.3	10.5	9.7	9.6
Common equity tier I capital adequacy ratio	4.5	11.3	10.5	9.7	9.6

¹ Pro forma Basel III basis.

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Risk-weighted assets

Capital adequacy - SBSA group¹ (including unappropriated profit)



¹ Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for FY07 are on a Basel II pro forma basis. Basel III implemented 1 January 2013. Risk-weighted assets and capital adequacy for FY12 are on a pro forma Basel III basis. FY08 to FY11 are on a Basel II basis. 1H13 represents 2013 SARB Basel III minimum capital requirements.

SBSA group risk-weighted assets

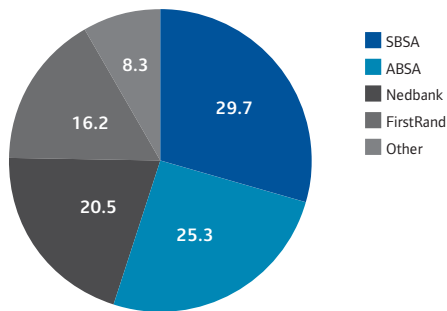
	Change %	1H13 Rm	FY12 ¹ Rm
Credit risk	(2)	414 545	422 568
Operational risk	(12)	61 756	70 327
Market risk	(2)	20 734	21 099
Equity risk in the banking book	20	12 592	10 500
RWA for investments in financial entities	7	4 027	3 772
Total risk-weighted assets	(3)	513 654	528 266

¹Pro forma Basel III basis.

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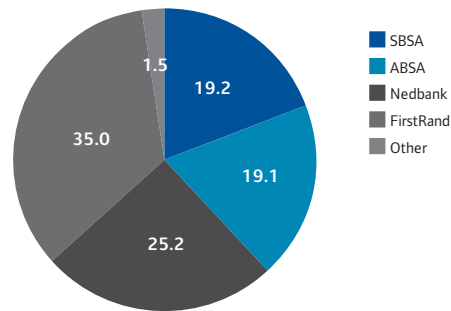
Market share analysis

Mortgage loans (%)



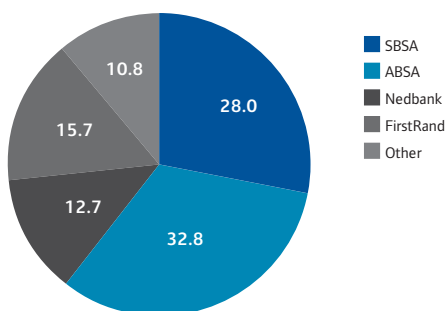
Source: BA 900

Instalment finance (%)



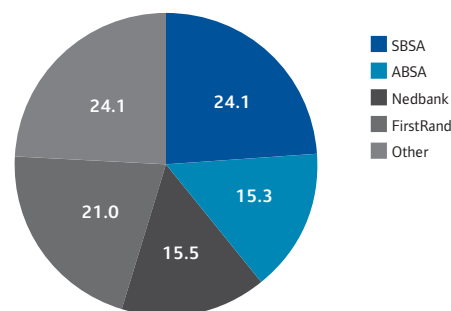
Source: BA 900

Card debtors (%)



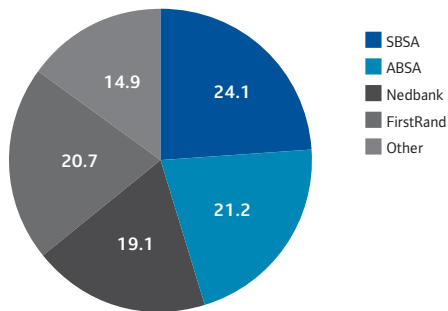
Source: BA 900

Other loans and advances (%)



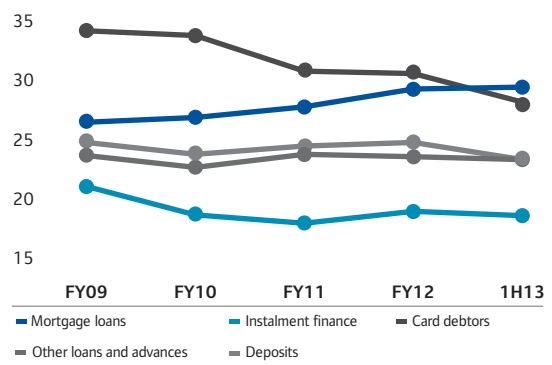
Source: BA 900

Deposits (%)

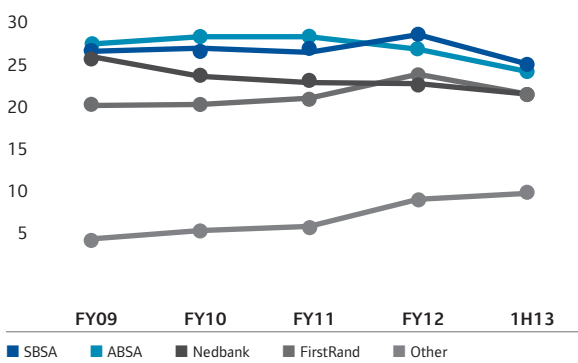


Source: BA 900

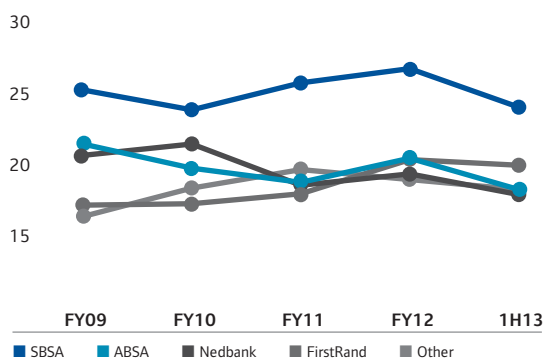
SBSA's market share movement (%)



Retail-based deposits (denominated in rands) (%)



Corporate-based deposits (denominated in rands) (%)



Standard Bank Plc

Summarised income statement

	Change %	1H13 USDm	1H12 USDm	FY12 USDm	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net interest income	(>100)	(10)	37	59	(>100)	(87)	291	509
Non-interest revenue	(13)	241	278	511	1	2 200	2 174	4 396
Net fees, commission and revenue sharing agreements	(2)	107	109	179	16	981	849	1 538
Net fee and commission revenue	(43)	12	21	34	(34)	109	164	290
Revenue sharing and fee agreements with group companies	8	95	88	145	27	872	685	1 248
Trading revenue	(11)	134	151	253	3	1 219	1 187	2 180
Other revenue	(100)	–	18	79	(100)	–	138	678
Total income	(27)	231	315	570	(14)	2 113	2 465	4 905
Credit impairment (recoveries)/charges	(>100)	(18)	67	142	(>100)	(157)	535	1 224
Income after credit impairments	0	249	248	428	18	2 270	1 930	3 681
Operating expenses	(20)	223	279	569	(5)	2 066	2 175	4 899
Staff costs	(15)	153	179	354	2	1 419	1 385	3 047
Other operating expenses	(30)	70	100	215	(18)	647	790	1 852
Net income/(loss) before restructure charge	>100	26	(31)	(141)	>100	204	(245)	(1 218)
Restructure charge		–	–	74		–	–	636
Net income/(loss) before disposal of loan portfolio	>100	26	(31)	(215)	>100	204	(245)	(1 854)
Loss on intra-group disposal of loan portfolio ¹		–	–	(52)		–	–	(446)
Net income/(loss) before taxation	>100	26	(31)	(267)	>100	204	(245)	(2 300)
Taxation	>100	5	(1)	21	>100	44	(12)	184
Profit/(loss) for the period	>100	21	(30)	(288)	>100	160	(233)	(2 484)
Loss for the period from discontinued businesses ²	(>100)	(15)	(4)	(44)	(>100)	(138)	(34)	(384)
Attributable to ordinary shareholders	>100	6	(34)	(332)	>100	22	(267)	(2 868)
Headline adjustable items		–	–	(19)		–	–	(157)
Headline earnings	>100	6	(34)	(351)	>100	22	(267)	(3 025)

¹ Eliminated on consolidation of group results.

² The discontinued businesses are reported as curtailed operations at a group level.

Key issues

- The restructure at the end of 2012 resulted in lower operating expenses and reduced headcount.
- Reduced net interest income earned due to the transfer of the Investment Banking commercial loan portfolio to the SBSA balance sheet.
- Difficult market conditions experienced.
- Other revenue in the prior period resulted from a revaluation gain on an unlisted equity investment holding.
- Final settlement received from a Middle Eastern exposure fully impaired in prior periods.
- The remaining loans to customers balance comprised mainly of short-term placements and reverse repurchase agreements with non-banking financial institutions.
- Cash deposits held with the Bank of England and forms part of the liquid asset management strategy.
- Continued success in exiting the curtailed Asian distressed debt business with the remaining net exposure reduced to USD42 million from USD72 million in December 2012. The total net remaining balance sheet exposure of the group's curtailed operations was USD81 million (FY12: USD118 million).
- Higher loss from discontinued businesses due to costs associated with cash recoveries made on the distressed debt loan portfolios.

Standard Bank Plc

Statement of financial position and key ratios

Statement of financial position

	Change %	1H13 USDm	1H12 USDm	FY12 USDm	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Assets								
Balances with central banks	100	1 760	–	2 228	100	17 498	–	18 890
Derivative assets	(0)	5 872	5 885	4 813	21	58 374	48 190	40 801
Trading assets	(28)	5 980	8 316	6 848	(13)	59 444	68 095	58 054
Pledged assets	(29)	522	739	504	(14)	5 190	6 051	4 270
Financial investments	(59)	28	69	37	(62)	278	729	312
Loans and advances	(28)	8 002	11 136	6 161	(13)	79 537	91 194	52 228
Loans and advances to banks	(17)	4 835	5 818	3 085	1	48 060	47 643	26 149
Loans and advances to customers	(40)	3 167	5 318	3 076	(28)	31 477	43 551	26 079
Other assets	77	1 144	648	424	>100	11 553	5 321	3 783
Intangible assets	(50)	41	82	48	(40)	403	674	406
Property and equipment	(25)	24	32	28	(6)	242	258	236
Total assets	(13)	23 373	26 907	21 091	5	232 519	220 512	178 980
Equity and liabilities								
Equity	(17)	1 377	1 665	1 375	0	13 867	13 840	11 835
Liabilities	(13)	21 996	25 242	19 716	6	218 652	206 672	167 145
Derivative liabilities	(7)	5 828	6 281	5 255	13	57 935	51 430	44 545
Trading liabilities	(26)	1 772	2 397	2 274	(10)	17 615	19 632	19 280
Deposit and current accounts	(17)	11 980	14 463	10 409	1	119 083	118 430	88 240
Deposits from banks	(16)	9 374	11 147	8 032	2	93 181	91 276	68 091
Deposit and current accounts from customers	(21)	2 606	3 316	2 377	(5)	25 902	27 154	20 149
Other liabilities	33	1 394	1 052	733	61	13 858	8 593	6 218
Subordinated debt	(3)	1 022	1 049	1 045	18	10 161	8 587	8 862
Total equity and liabilities	(13)	23 373	26 907	21 091	5	232 519	220 512	178 980

Key ratios

	1H13 %	1H12 %	FY12 %
ROE	0.7	(4.0)	(20.5)
Cost-to-income ratio	96.5	88.6	109.8

Rest of Africa legal entities

Summarised income statement

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Net interest income	30	4 724	3 639	7 699
Non-interest revenue	32	4 576	3 477	7 602
Net fee and commission revenue	29	2 488	1 928	4 150
Trading revenue	34	1 988	1 486	3 314
Other revenue	59	100	63	138
Total income	31	9 300	7 116	15 301
Credit impairment charges	27	1 015	801	1 838
Income after credit impairment charges	31	8 285	6 315	13 463
Operating expenses	24	5 274	4 241	9 129
Staff costs	30	2 629	2 029	4 277
Other operating expenses	20	2 645	2 212	4 852
Net income before goodwill	45	3 011	2 074	4 334
Goodwill impairment		–	–	777
Net income before equity accounted earnings	45	3 011	2 074	3 557
Share of profit from associates and joint ventures	(50)	1	2	1
Net income before taxation	45	3 012	2 076	3 558
Taxation	44	884	612	1 357
Profit for the period	45	2 128	1 464	2 201
Attributable to non-controlling interests	>100	550	271	576
Attributable to ordinary shareholders	32	1 578	1 193	1 625
Headline adjustable items	(>100)	(20)	30	791
Headline earnings	27	1 558	1 223	2 416

The results above, including the prior period comparatives, reflect the consolidation of African legal entities and excludes the net Africa head office costs borne by SBSA and included in the SBSA legal entity's financial results. Previously the Africa head office costs borne by SBSA were reflected in both SBSA's and in the rest of Africa consolidated results.

Key features

- African currencies strengthened against the rand.
- Strong revenue growth from a large customer base and good trading revenue offset by a negative endowment impact of lower interest rates in Nigeria, Uganda, Mozambique and Kenya.
- Total income on a constant currency basis increased 21%.
- Cost containment initiatives implemented across countries assisted in keeping cost growth at 14% on a constant currency basis. The residual cost growth was driven by the cost of Nigerian regulatory changes and further investments, mainly in Angola.
- Increased credit impairments in line with book growth, with large impairments in Tanzania, Mauritius, Mozambique and Uganda.
- Continued loan growth; PBB loans to customers up 29% (constant currency basis up 17%), mainly personal unsecured lending products, and CIB up 26% (constant currency basis up 9%), largely within transactional products and services.
- Good growth of 42% (constant currency basis up 25%) in deposit balances despite liquidity constraints experienced in some markets.

Rest of Africa legal entities

Statement of financial position and key ratios

Statement of financial position

	Change %	1H13 Rm	1H12 Rm	FY12 Rm
Assets				
Cash and balances with central banks	38	16 302	11 818	17 045
Derivative assets	4	711	683	842
Trading assets	60	25 333	15 837	15 750
Pledged assets	(2)	1 652	1 679	1 663
Financial investments	47	23 489	15 943	17 073
Loans and advances	33	125 241	93 876	106 064
Loans and advances to banks	47	41 796	28 368	34 546
Loans and advances to PBB customers	29	40 581	31 541	35 055
Loans and advances to CIB customers	26	42 864	33 967	36 463
Other assets	94	7 446	3 834	4 566
Goodwill and other intangible assets	(11)	3 577	4 019	3 150
Goodwill	(2)	3 461	3 531	3 030
Other intangible assets	(76)	116	488	120
Property and equipment	36	3 812	2 796	3 317
Total assets	38	207 563	150 485	169 470
Equity and liabilities				
Equity				
Equity attributable to ordinary shareholders	31	24 639	18 771	20 458
Minority interests	26	19 744	15 673	16 541
	58	4 895	3 098	3 917
Liabilities				
Derivative liabilities	39	182 924	131 714	149 012
Trading liabilities	21	798	661	970
Deposit and current accounts	(36)	5 491	8 600	4 884
Deposits from banks	42	163 322	114 650	134 111
Deposit and current accounts from PBB customers	>100	31 774	12 274	17 095
Deposit and current accounts from CIB customers	41	45 501	32 346	37 384
Other liabilities	23	86 047	70 030	79 632
Subordinated debt	70	10 494	6 177	7 197
	73	2 819	1 626	1 850
Total equity and liabilities	38	207 563	150 485	169 470

Key ratios

		1H13 %	1H12 %	FY12 %
ROE	%	18.2	17.7	16.6
ROE excluding goodwill	%	21.8	22.7	20.8
Credit loss ratio	%	1.66	1.84	1.90
Cost-to-income ratio	%	56.7	59.6	59.7

Other information and restatements

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Constant currency summarised group income statement

	Change %	1H13 Rm	1H12 Rm
Net interest income	17	18 912	16 151
Non-interest revenue	4	17 726	17 094
Net fee and commission revenue	7	11 029	10 268
Trading revenue	1	5 048	4 977
Other revenue	(11)	1 649	1 849
Total income	10	36 638	33 245
Credit impairment charges	24	5 065	4 090
Specific credit impairments	24	4 755	3 849
Portfolio credit impairments	29	310	241
Income after credit impairment charges	8	31 573	29 155
Operating expenses	5	21 129	20 138
Staff costs	7	12 082	11 298
Other operating expenses	2	9 047	8 840
Net income before equity accounted earnings	16	10 444	9 017
Share of profit from associates and joint ventures	69	248	147
Net income before taxation	17	10 692	9 164
Taxation	1	2 752	2 719
Profit for the period from continuing operations	23	7 940	6 445
Discontinued operations – Argentina	(100)	–	500
Profit for the period	14	7 940	6 945
Attributable to non-controlling interests	21	522	432
Attributable to preference shareholders	(2)	173	177
Attributable to ordinary shareholders – banking activities	14	7 245	6 336
Headline adjustable items – banking activities	(>100)	(20)	18
Headline earnings – banking activities	14	7 225	6 354
Headline earnings – Liberty	5	924	876
Standard Bank Group headline earnings	13	8 149	7 230

Changes in accounting policies and restatements

Adoption of new and amended standards effective for the current financial period

The accounting policies are consistent with those reported in the previous year except as required in terms of the adoption of the following new or amended IFRS:

- IFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* (IFRS 7R)
- IFRS 10 *Consolidated Financial Statements* (IFRS 10)
- IFRS 11 *Joint Arrangements* (IFRS 11)
- IFRS 13 *Fair Value Measurement* (IFRS 13)
- IAS 19 *Employee Benefits (2011 revised)* (IAS 19R)
- IAS 27 *Separate Financial Statements (2011 revised)* (IAS 27R) and
- IAS 28 *Investments in Associates and Joint Ventures (2011 revised)* (IAS 28R).

Of the above-mentioned IFRS adopted on 1 January 2013, both IFRS 10 and IAS 19R resulted in the restatement of the group and the SBSA's previously reported financial results set out on pages 94 to 96 as follows.

IFRS 10

In terms of IFRS 10, control exists only if the investor has power over the investee; exposure, or rights to, variable returns from its involvement with the investee; and the ability to use its power to affect those returns. The application of control will be applied irrespective of the nature of the investee.

Investments in mutual funds that amounted to between 20% and 50% of the total fund value or voting rights were previously considered to be interests in associates, and those greater than 50% were previously considered to be subsidiaries. As a result of the adoption of IFRS 10 references in the accounting policies to specific percentage holdings have been removed.

The adoption of IFRS 10 resulted in the group consolidating additional mutual funds, classifying additional interests in mutual funds as associates, reclassifications of interests between these categories and financial investments and the recognition of additional treasury shares.

IAS 19R

The most significant change as a result of the adoption of IAS 19R is the elimination of the 'corridor' method under which the recognition of actuarial gains or losses was deferred. In terms of IAS 19R all unrecognised actuarial gains have to be recognised in other comprehensive income (OCI) on transition to the new requirements.

Other restatements

The comparative statement of financial position as at 30 June 2012 and 31 December 2012 as well as the income statements for the periods ended 30 June 2012 and 31 December 2012 have been adjusted to reflect the presentation consequences of the following restatements:

Trading liabilities to deposits from customers – SBG

Certain customer deposits were previously classified as trading liabilities on the basis that such deposits were used to fund trading positions. In accordance with IFRS and group accounting policies, such deposits should rather have been classified as part of deposit and current accounts. The deposits have accordingly been reclassified in previously reported financial periods from trading liabilities to customer deposit and current accounts to conform to the classification of such deposits in the current financial reporting period. The restatement had no impact on the group's reserves or profit and loss.

Banks to customers reclassification – SBG and SBSA

Following a review and benchmarking of the group's disclosures of loans and advances as well as deposit and current accounts, specifically cross-referencing these to regulatory and risk disclosures, certain balances that had been previously disclosed in the various categories of loans to customers or deposits from customers, have been re-categorised as to/from banks. The categorisation of the aforementioned asset and liability balances is not an IFRS requirement, but rather an industry disclosure practice. There is no change at a net loans and advances or deposit and current account level.

Revenue sharing agreements – SBSA

During the financial year ended 31 December 2012 the SBSA group reviewed its transfer pricing agreements in order to refine such methodologies applied in line with the revised business operating model, specifically as it relates to the group's CIB business. The transfer pricing arrangements have been presented in the income statement on a basis that reflects the underlying nature and substance of all cross-border related party transactions. Such presentation has been achieved through the inclusion of a new line in the income statement designated "Revenue sharing agreements with group companies", as well as presenting any such costs paid within "other operating expenses" rather than in specific line item expenses. The comparative results have been restated in order to present the results of such agreements on a consistent basis. The transfer pricing agreements fully eliminate on consolidation into the group's results.

Group restatements

Summarised income statement

	As previously reported Rm	1H12 IAS 19 adjust- ments Rm	Normalised restated Rm	As previously reported Rm	FY12 IAS 19 adjust- ments Rm	Normalised restated Rm
Total income	32 298		32 298	68 707		68 707
Credit impairments	3 945		3 945	8 800		8 800
Income after credit impairment charges	28 353		28 353	59 907		59 907
Operating expenses	19 175	55	19 230	39 998	70	40 068
Staff costs	10 710	55	10 765	22 195	70	22 265
Other operating expenses	8 465		8 465	17 803		17 803
Net income before restructure charge	9 178	(55)	9 123	19 909	(70)	19 839
Restructure charge				758		758
Net income before goodwill	9 178	(55)	9 123	19 151	(70)	19 081
Goodwill impairment				777		777
Net income before disposal of subsidiary and equity accounted earnings	9 178	(55)	9 123	18 374	(70)	18 304
Loss on disposal of subsidiaries				(86)		(86)
Share of profit from associates and joint ventures	147		147	675		675
Net income before taxation	9 325	(55)	9 270	18 963	(70)	18 893
Taxation	2 711	(15)	2 696	5 766	(21)	5 745
Profit for the period from continuing operations	6 614	(40)	6 574	13 197	(49)	13 148
Discontinued operation – Argentina	431		431	2 435		2 435
Profit for the period	7 045	(40)	7 005	15 632	(49)	15 583
Attributable to non-controlling interest	407		407	855		855
Attributable to the preference shareholders	177		177	357		357
Attributable to ordinary shareholders – banking activities	6 461	(40)	6 421	14 420	(49)	14 371
Headline adjustable items – banking activities	18		18	(1 443)		(1 443)
Headline earnings – banking activities	6 479	(40)	6 439	12 977	(49)	12 928
Headline earnings – Liberty	905	(29)	876	2 033	(43)	1 990
Standard Bank Group headline earnings	7 384	(69)	7 315	15 010	(92)	14 918

Summarised statement of financial position

	1H12			FY12		
	Normalised as previously reported Rm	Adjust- ments Rm	Normalised restated Rm	Normalised as previously reported Rm	Adjust- ments Rm	Normalised restated Rm
Assets						
Cash and balances with central banks	32 413		32 413	61 985		61 985
Derivative, trading and pledged assets	261 614		261 614	246 129		246 129
Financial investments	303 581	9 507 ¹	313 088	320 010	13 302 ¹	333 312
Loans and advances	816 901		816 901	813 892		813 892
Loans and advances to banks	118 788	2 209 ²	120 997	108 196		108 196
Loans and advances to customers	698 113	(2 209) ²	695 904	705 696		705 696
Investment property	23 032		23 032	24 133		24 133
Other assets	32 819	1 788 ^{1,3}	34 607	33 898	1 341 ^{1,3}	35 239
Interest in associates and joint ventures	14 991	1 988 ¹	16 979	17 246	1 485 ¹	18 731
Non-current assets held for sale	33 296		33 296	960		960
Goodwill and other intangible assets	13 606		13 606	14 687		14 687
Property and equipment	14 796		14 796	15 733		15 733
Total assets	1 547 049	13 283	1 560 332	1 548 673	16 128	1 564 801
Equity and liabilities						
Equity	124 514	536	125 050	134 552	715	135 267
Equity attributable to ordinary shareholders	104 811	535 ³	105 346	113 905	714 ³	114 619
Preference share capital and premium	5 503		5 503	5 503		5 503
Non-controlling interest	14 200	1 ³	14 201	15 144	1 ³	15 145
Liabilities	1 422 535	12 747	1 435 282	1 414 121	15 413	1 429 534
Derivative liabilities	138 705		138 705	121 998		121 998
Trading liabilities	40 745	(2 293) ⁴	38 452	39 206		39 206
Deposit and current accounts	906 481	(3 738)	902 743	918 533	(2 583)	915 950
Deposits from banks	129 397	13 339 ^{2,4}	142 736	124 275		124 275
Deposits from customers	777 084	(17 077) ¹	760 007	794 258	(2 583) ¹	791 675
Other liabilities	62 185	18 778 ^{1,3}	80 963	66 152	17 996 ^{1,3}	84 148
Non-current liabilities held for sale	28 808		28 808			
Policyholders' liabilities	217 252		217 252	236 684		236 684
Subordinated debt	28 359		28 359	31 548		31 548
Total equity and liabilities	1 547 049	13 283	1 560 332	1 548 673	16 128	1 564 801

¹ IFRS 10.² Bank to customers reclassification.³ IAS 19.⁴ Trading liabilities to deposits from customers.

SBSA group restatements

Summarised income statement

	1H12			FY12		
	As previously reported Rm	Adjust- ments ¹ Rm	Restated Rm	As previously reported Rm	Adjust- ments ¹ Rm	Restated Rm
Net interest income	11 486		11 486	25 249		25 249
Non-interest revenue	10 358	(59)	10 299	22 032		22 032
Net fee and commission revenue	7 507		7 507	16 364		16 364
Trading revenue	1 823	(59)	1 764	3 147		3 147
Other revenue	1 028		1 028	2 521		2 521
Total income	21 844	(59)	21 785	47 281		47 281
Credit impairment charges	2 624		2 624	5 785		5 785
Income after credit impairment charges	19 220	(59)	19 161	41 496		41 496
Revenue sharing agreements with group companies		(598)	(598)	(1 642)		(1 642)
Income after revenue sharing agreements	19 220	(657)	18 563	39 854		39 854
Operating expenses	12 819	(602)	12 217	25 106	55	25 161
Staff costs	6 694	(122)	6 572	13 289	55	13 344
Other operating expenses	6 125	(480)	5 645	11 817		11 817
Net income before equity accounted earnings	6 401	(55)	6 346	14 748	(55)	14 693
Share of profit from associates and joint ventures	107		107	523		523
Net income before indirect taxation	6 508	(55)	6 453	15 271	(55)	15 216
Indirect taxation	443		443	974		974
Profit before direct taxation	6 065	(55)	6 010	14 297	(55)	14 242
Direct taxation	1 491	(15)	1 476	2 362	(15)	2 347
Profit for the period	4 574	(40)	4 534	11 935	(40)	11 895
Attributable to non-controlling interests	2		2	11		11
Attributable to the ordinary shareholder	4 572	(40)	4 532	11 924	(40)	11 884
Headline adjustable items	(10)		(10)	(423)		(423)
Headline earnings	4 562	(40)	4 522	11 501	(40)	11 461

¹Adjustments on 1H12 represent restatements of IAS 19 and revenue sharing agreements. Adjustments on FY12 represent IAS 19 restatements.

Key line items from the statement of financial position

	1H12			FY12		
	As previously reported Rm	Adjust- ments Rm	Restated Rm	As previously reported Rm	Adjust- ments Rm	Restated Rm
Loans and advances	636 054		636 054	659 500		659 500
Loans and advances to banks	64 228	(248)	63 980	69 999		69 999
Loans and advances to customers	571 826	248	572 074	589 501		589 501
Derivative and other assets	102 062	1 647	103 709	96 882	1 139	98 021
Equity	56 118	613	56 731	69 805	820	70 625
Deposit and current accounts	708 307		708 307	717 944		717 944
Deposits from banks	76 866	13 339	90 205	78 453		78 453
Deposit and current accounts from customers	631 441	(13 339)	618 102	639 491		639 491
Other liabilities	20 332	1 034	21 366	20 966	319	21 285

Financial and other definitions

Standard Bank Group

Annualised turnover in shares traded (%)	Number of shares traded during the period as a percentage of the weighted average number of shares.
Basic earnings per ordinary share (EPS) (cents)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.
Behaviourally adjusted cumulative liquidity mismatch	Analysis performed to anticipate any mismatch between payment profiles of balance sheet items, in order to highlight potential risks within the group's defined liquidity risk thresholds.
Common equity tier I capital adequacy ratio (%)	Common equity tier I regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.
Constant currency	Comparative financial results adjusted for the difference between the current and prior periods cumulative average exchange rates.
Consumer price index (CPI)	A South African index of prices used to measure the change in the cost of basic goods and services.
Diluted headline earnings per ordinary share (cents)	Headline earnings divided by the weighted average number of shares, adjusted for potential dilutive ordinary shares.
Dividend cover (times)	Headline earnings per share divided by dividend per share.
Dividend per share (cents)	Total dividends to ordinary shareholders, including dividends and capitalisation shares, declared in respect of the period.
Headline earnings (Rm)	Determined by excluding from reported earnings specific separately identifiable remeasurements net of related tax and non-controlling interests.
Headline earnings per ordinary share (cents)	Headline earnings divided by the weighted average number of ordinary shares in issue.
Long-term funding ratio (%)	Funding-related liabilities with a remaining maturity greater than six months as a percentage of total funding-related liabilities.
Net asset value (NAV) (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 period.
Profit attributable to ordinary shareholders (Rm)	Profit for the period less dividends on non-redeemable, non-cumulative, non-participating preference shares declared before year-end, less non-controlling interests.
Profit for the period (Rm)	Income statement profit for the period attributable to ordinary shareholders, non-controlling interests and preference shareholders.
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.
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 period.
Total capital adequacy ratio (%)	Total regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.
Tier I capital adequacy ratio (%)	Tier I regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.
Weighted average number of shares (number)	The weighted average number of ordinary shares in issue during the period as listed on the JSE.
Normalised results	The financial results and ratios restated on an economic substance basis as explained on page 20.
Special purpose entity (SPE)	Entities where each is 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.

Financial and other definitions continued

Banking activities

Available financial resources (Rm)	The amount of permanent capital that is available to the group to absorb potential losses.
Economic 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 profit/(loss) on disposal of subsidiaries and share of profit/(loss) 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 (%)	Balance sheet impairments for non-performing specifically impaired loans as a percentage of specifically impaired loans.
Loan-to-deposit 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, current and deferred tax assets, and other assets. 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.
Portfolio credit impairments (Rm)	Impairment for latent losses inherent in groups of loans and advances that have not yet been specifically impaired.
Risk-weighted assets (Rm)	Determined by applying prescribed risk weightings to balance sheet and off-balance sheet exposures according to the relative risk of the counterparty.
Specific credit impairments (Rm)	Impairment for loans and advances that have been classified as non-performing and specifically impaired, net of the present value of estimated recoveries.

Abbreviations and acronyms

BCBS	Basel Committee on Banking Supervision
CAGR (%)	Compound annual growth rate
CIB	Corporate & Investment Banking
EU	European Union
FIC	Fixed income and currencies.
IASB	International Accounting Standards Board
ICBC	Industrial and Commercial Bank of China Limited
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
JSE	Johannesburg Stock Exchange
LCR (%)	Liquidity coverage ratio
MSCI	Emerging Markets Index Morgan Stanley Capital International Emerging Markets Index
NII	Net interest income
NIR	Net interest revenue
NPLs (Rm)	Non-performing loans
NSFR (%)	Net stable funding ratio
PBB	Personal & Business Banking
PTL	Personal term portfolio
SARB	South African Reserve Bank
SBG	Standard Bank Group Limited
SBSA	The Standard Bank of South Africa Limited
SME	Small and medium enterprise
SSA	Sub-Saharan Africa
the "Board"	The group's board of directors.
The group	The Standard Bank of Group
Liberty	Investment management and life insurance activities of companies in the Liberty Holdings Group

Shareholder information

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Analysis of shareholders

Ten major shareholders¹

	1H13		1H12		FY12	
	Number of shares (million)	% holding	Number of shares (million)	% holding	Number of shares (million)	% holding
Industrial and Commercial Bank of China	325,0	20.1	319,4	20.1	322,0	20.0
Public Investment Corporation	217,5	13.4	238,1	15.0	233,7	14.6
Tutuwa participants	88,2	5.4	88,4	5.5	88,2	5.4
– Staff	34,5	2.1	34,7	2.2	34,5	2.1
– Strategic partners	35,8	2.2	35,8	2.2	35,8	2.2
– Communities and regional businesses	17,9	1.1	17,9	1.1	17,9	1.1
Dodge & Cox	28,2	1.7	40,4	2.5	29,8	1.9
Investment Solutions	27,3	1.7	25,7	1.6	25,2	1.6
Vanguard Emerging Markets Fund	25,5	1.6	21,6	1.4	23,9	1.5
Sanlam Group	20,2	1.2	21,4	1.3	23,2	1.4
Old Mutual Group	17,2	1.1	33,0	2.1	25,9	1.6
First State Global Emerging Markets Fund	17,0	1.1	11,0	0.7	13,9	0.9
Government Singapore Investment Corp	17,0	1.1	15,9	1.0	14,1	0.9
	783,1	48.4	814,9	51.2	799,9	49.8

¹ Beneficial holdings determined from the share register and investigations conducted on our behalf in terms of section 56 of the Companies Act.

Geographic spread of shareholders

	1H13		1H12		FY12	
	Number of shares (million)	% holding	Number of shares (million)	% holding	Number of shares (million)	% holding
South Africa	824,2	50.9	856,5	53.8	864,6	53.8
Foreign shareholders	793,7	49.1	736,1	46.2	741,5	46.2
China	327,0	20.2	321,2	20.2	323,5	20.1
United States of America	240,2	14.8	224,0	14.1	217,5	13.6
United Kingdom	82,1	5.1	55,2	3.5	62,8	3.9
Singapore	23,0	1.4	22,1	1.4	17,6	1.1
Australia	15,8	1.0	9,9	0.6	11,1	0.7
Norway	13,2	0.8	9,7	0.6	12,3	0.8
United Arab Emirates	12,5	0.8	12,6	0.8	12,8	0.8
Namibia	11,0	0.7	16,1	1.0	16,7	1.0
Luxembourg	9,6	0.6	9,7	0.6	11,1	0.7
Netherlands	9,3	0.6	9,9	0.6	10,4	0.7
Canada	9,1	0.6	8,3	0.5	9,6	0.6
Saudi Arabia	8,9	0.5	10,2	0.6	10,0	0.6
Other	32,0	2.0	27,2	1.7	26,1	1.6
	1 617,9	100.0	1 592,6	100.0	1 606,1	100.0

Credit ratings

Ratings as at 14 August 2013 for entities within Standard Bank Group are detailed below:

	Short term	Long term	Out-look
Fitch Ratings			
Standard Bank Group Limited			
Foreign currency issuer default rating	F3	BBB	Stable
Local currency issuer default rating		BBB	Stable
National rating	F1+ (ZAF)	AA (ZAF)	Stable
The Standard Bank of South Africa			
Foreign currency issuer default rating	F3	BBB	Stable
Local currency issuer default rating		BBB	Stable
National rating	F1+ (ZAF)	AA (ZAF)	Stable
RSA Sovereign ratings			
Foreign currency issuer default rating	F3	BBB	Stable
Local currency issuer default rating		BBB+	Stable
Standard Bank Plc			
Foreign currency issuer default rating	F3	BBB	Stable
Stanbic IBTC Bank Plc (Nigeria)			
National rating	F1+ (NGA)	AAA (NGA)	
CfC Stanbic Bank (Kenya)			
Issuer default rating	B	BB-	Stable
National rating	F1+ (KEN)	AAA (KEN)	Stable
Liberty Group			
National rating		AA- (ZAF)	Stable
National Insurer Financial Strength		AA (ZAF)	Stable
Moody's Investor Services			
Standard Bank Group Limited			
Foreign and local currency issuer rating		Baa1	Negative
The Standard Bank of South Africa			
Foreign currency deposit rating	P-2	Baa1	Negative
Local currency deposit rating	P-2	A3	Negative
National rating	P-1.za	Aa2.za	
RSA Sovereign ratings			
Foreign currency	P-2	Baa1	Negative
Local currency		Baa1	Negative
Standard Bank Plc			
Foreign and local currency deposit rating	P-2	Baa1	Negative
Standard & Poor's			
The Standard Bank of South Africa			
Unsolicited issuer rating	A-2	BBB	Negative
RSA Sovereign ratings			
Foreign currency	A-2	BBB	Negative
Local currency	A-2	A-	Negative

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			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000109815	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000109815		
Dividend number	88	88	18
Gross distribution/dividend per share (cents)	233,00	3,25	324,56
Last day to trade in order to be eligible for the cash dividend	Friday, 6 September 2013	Friday, 30 August 2013	Friday, 30 August 2013
Shares trade <i>ex</i> the cash dividend	Monday, 9 September 2013	Monday, 2 September 2013	Monday, 2 September 2013
Record date in respect of the cash dividend	Friday, 13 September 2013	Friday, 6 September 2013	Friday, 6 September 2013
Dividend cheques posted and CSDP/ broker accounts credited/updated (payment date)	Monday, 16 September 2013	Monday, 9 September 2013	Monday 9 September 2013

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 9 September 2013, and Friday, 13 September 2013, both days inclusive.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 2 September 2013 and Friday, 6 September 2013, both days inclusive.

Instrument codes

JSE Limited

Deposit notes

SBR 003: ZAE000128195

Subordinated debt

SBK 7: ZAG000024894
 SBK 9: ZAG000029687
 SBKI 11: ZAG000066382
 SBK 12: ZAG000073388
 SBK 13: ZAG000073396
 SBK 14: ZAG000091018
 SBK 15: ZAG000092339
 SBK 16: ZAG000093741
 SBK 17: ZAG000097619
 SBK 18: ZAG000100827
 SBK 19: ZAG000100835

Senior debt

SBS 3: ZAG000030586
 SBS 4: ZAG000035049
 SBS 9: ZAG000069329
 SBSI 10: ZAG000069063
 SBSI 11: ZAG000075789
 SBSI 12: ZAG000080847
 SBS 13: ZAG000080839
 SBS 14: ZAG000083940
 SBS 15: ZAG000085556
 SBS 16: ZAG000086729
 SBS 18: ZAG000086745
 SBS 19: ZAG000086752
 SBS 20: ZAG000095365
 SBS 21: ZAG000095373
 SBS 22: ZAG000095514
 SBS 23: ZAG000095522
 SBS 24: ZAG000095530
 SBS 25: ZAG000095548