Standard Bank Group

Audited results and dividend announcement
for the year ended 31 December 2010

Standard Bank

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"Strategically we are well positioned and our capital adequacy is strong. After two extremely difficult years we are focusing on improving our ROE through revenue generation and cost containment."
– Jacko Maree, group chief executive

Investors are referred to www.standardbank.com where a detailed analysis of the group financial results, including an income statement and a statement of financial position for The Standard Bank of South Africa Limited (SBSA), can be found.

Financial highlights

Headline earnings
- normalised **R11 283 million**, down 4% on 2009
- IFRS **R10 969 million**, down 3% on 2009

Dividend per ordinary share 386 cents (2009: 386 cents)

Tier I capital adequacy ratio
12,9% (2009: 11,9%)

Headline earnings per ordinary share (HEPS)
- normalised **715,9 cents**, down 5% on 2009
- IFRS **735,2 cents**, down 5% on 2009

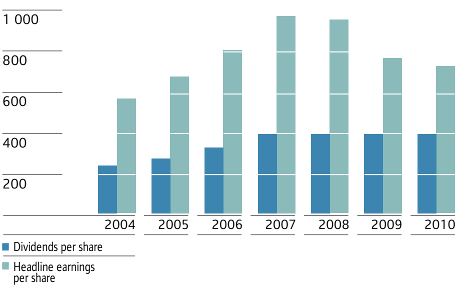
Return on equity (ROE)
- normalised **12,5%** (2009: 13,6%)
- IFRS **12,7%** (2009: 13,7%)

Net asset value (NAV) per share
- normalised **5 726 cents** (2009: 5 612 cents)
- IFRS **5 785 cents** (2009: 5 699 cents)

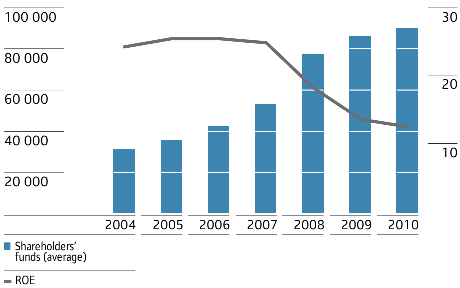
Credit loss ratio
- normalised **1,04%** (2009: 1,60%)
- IFRS **1,05%** (2009: 1,60%)

The results discussed in the following commentary are presented on an unaudited normalised basis. Results are normalised to reflect the legal and economic substance of the group's black ownership initiative; and for deemed treasury shares held for the benefit of Liberty policyholders and within the group to facilitate client trading activities.

Headline earnings and dividends per share
Cents



Return on ordinary equity
Rm %



Overview of financial results

Overview

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

Global operating environment

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

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

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

Domestic operating environment

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

Headline earnings by business unit

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

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

Liberty's turnaround delivered a strong set of results in 2010.

Headline earnings by geography

	% change	2010 Rm	2009 Rm
South Africa banking	(1)	**9 271**	9 327
Liberty	>100	**1 393**	72
South Africa	13	**10 664**	9 399
Rest of Africa	(38)	**746**	1 202
Outside Africa	(87)	**186**	1 479
Outside Africa – ongoing	(11)	**1 284**	1 446
Outside Africa – curtailed	(>100)	**(1 098)**	33
Central funding		**(313)**	(362)
Total	(4)	**11 283**	11 718

South African banking headline earnings ended the year down slightly with mixed fortunes within the two major business units: Personal & Business Banking SA up 35% and Corporate & Investment Banking SA down 15%. Revenues from banking operations in the rest of Africa grew by 2% in a difficult operating environment, with headwinds including low levels of client activity, low interest rates and the translation impact of a stronger rand. This revenue pressure occurred in a year of continued investment in IT, infrastructure and people in anticipation of future business growth, together with write offs and provisions of R290 million after tax following an extensive review of financial controls across all countries. Headline earnings in the rest of Africa were 38% lower than the prior year. Overall, headline earnings from our businesses outside Africa were 87% down on the prior year. Corporate & Investment Banking outside Africa saw a 34% decrease in revenues. Although restrained significantly in the second half, cost growth in these operations and write downs and provisions of R1 098 million after tax in discontinued and curtailed operations, led to headline earnings for Corporate & Investment Banking outside Africa being down 95%. Personal & Business Banking outside Africa (comprising the Personal & Business Banking division of our operations in Argentina and our offshore banking and wealth businesses in the Channel Islands previously reported within Corporate & Investment Banking) grew earnings during the period and Personal & Business Banking in Argentina ended the year profitably.

Performance review

Standard Bank Group generated headline earnings of R11,3 billion, down 4% on 2009. This result was very different from what we had planned at the beginning of the year. We did not anticipate how gradual the recovery in our markets would be nor did we see interest rates going as low as they did in South Africa and elsewhere in Africa. For the first time in many years we had to contend with declining revenues. It became clear in the second half of the year that much tougher cost management was necessary.

After a detailed analysis of our cost base we cut costs in a range of areas. As staff costs are our largest expense item, we halted recruitment in virtually all parts of the business and implemented a retrenchment process aimed at removing inefficiencies, mainly impacting head office managers and executives in Johannesburg and London. Customer-facing staff and those in high-growth geographies were largely unaffected. In total, 953 employees in Johannesburg and London (2% of the group's total permanent workforce) were retrenched. This process resulted in once-off pre tax costs of R610 million. Including a restructuring process undertaken in Argentina earlier in 2010, the group incurred total non-recurring restructuring costs of R781 million in 2010, reported centrally in the group's segmental analysis.

Other cost-saving measures included downsizing or delaying IT projects, reducing consulting services and cutting back travel and conference costs. Certain sponsorship agreements will not be renewed in May 2011.

Cost management will remain a key focus in 2011. Where feasible, we will relocate roles to less expensive jurisdictions and will continue to improve the efficiency of our operational structures. The restructuring process has proved effective in breaking the group's

Overview of financial results continued

recent trend of relatively high cost growth. We anticipate that the banking group's total operating expenses for 2011 will be at the same level as the 2010 cost base including restructuring costs.

Standard Bank Group, overall, is in good health. We are well capitalised, profitable and have a clear growth path, despite an uncomfortable cost-to-income ratio of 61,7% and an ROE of 12,5%. We have therefore, over and above the necessary action taken on costs, looked very carefully at our business strategy and refined our strategy to align it to changes in the group's operating environments.

Strategy review

Standard Bank Group has been in operation for 150 years providing banking services to individuals, companies and governments. We have withstood challenges in the past and have emerged stronger and more resilient. We remain the largest bank in Africa by earnings and assets, with a recognised and trusted brand, a well capitalised strong balance sheet, and our South African base remains an ideal springboard for our expansion in Africa. Our strategy is sound. After extensive debate, we believe that a fundamental revision of the strategy is unwarranted, but that some refinement and tightening of strategic focus is required.

Africa is at our core. We will continue to build first-class, on-the-ground banking franchises in chosen markets in Africa, investing in people, branch networks and systems. Our rapid pace of investment in those countries has not been vindicated by recent revenue trends. Nevertheless, we are confident that future revenue flows will justify these investments in infrastructure. As we create stronger annuity revenue streams and customer relationships in our domestic operations, these will provide greater opportunity to leverage our cross-border investment banking and global markets capabilities.

We no longer have ambitions to buy or build additional domestic businesses in markets outside of Africa. However, we will connect other selected emerging markets to Africa and to each other, applying our sector expertise, particularly in natural resources, globally.

Our long standing global natural resources franchise will retain its importance and remains a key focus area. We will continue to improve our sector coverage, expand our activities across the entire commodity value chain and put more of our people closer to our clients in the countries in which they operate.

China continues to be critical to our strategy. We will continue building robust banking systems for Chinese clients in Africa and positioning the group to service the growing trade and investment flows between China and other emerging markets.

In the context of our refocused strategic ambitions, tight capital management is fundamental. Now that we have more clarity on the proposed Basel III requirements, we have a clearer framework for optimising the deployment of capital across the group. This will be addressed from 2011 and over time will result in lower amounts of capital being allocated outside Africa.

Financial review

Balance sheet analysis

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

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

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

Income statement analysis

Net interest income fell by 8%. A lower net interest margin, 3,01% for 2010 versus 3,21% for 2009, and a flat loan book were the main reasons for the decline. The low interest rate environment in most of our markets and stiffer competition for transaction and saving balances constrained deposit spreads. The negative endowment impact of lower average interest rates on capital and transactional balances reduced margins by 38 basis points. The benefit of ongoing repricing of lending margins on new business was dampened by muted growth in the loan book.

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

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

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

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

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

Overview of financial results continued

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

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

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

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

Business unit performance

Personal & Business Banking

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

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

As anticipated, the absolute value of mortgage NPLs started to come down towards the end of 2010, albeit marginally. At the end of the year NPLs made up 9,4% of the book compared with 10,1% a year earlier. The slower growth in NPLs and better outlook for debt repayment allowed the division to reduce credit impairment charges in home loans by 25%. This resulted in a credit loss ratio of 1,15% (2009: 1,59%). The proportion of debt review customers in the mortgage NPL portfolio was reduced from R6,8 billion to R3,9 billion. NPLs arising from the debt review process remain a concern and are being carefully and proactively managed.

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

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

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

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

Corporate & Investment Banking

Headline earnings fell 30% to R5 248 million. The difficult market conditions in the first half of the year persisted into the second half, with market uncertainty continuing to have a detrimental impact on revenues, which were down 16%. A significant improvement in credit experience helped offset revenue pressures although costs escalated as we continued to build our franchise in the rest of Africa. The decline in profitability resulted in an ROE of 12,7% (2009: 18,8%).

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

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

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

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

The underlying performance in Troika was satisfactory during 2010. We equity accounted USD51 million of

Overview of financial results continued

earnings of which USD16 million represented our share of the operating profit of Troika and USD35 million related to the recovery of underlying asset values post acquisition.

Wealth – Liberty

The financial results of Liberty arise from the group's 53,7% investment in Liberty Holdings Limited (Liberty). Bancassurance results are included under Personal & Business Banking. Normalised headline earnings were R2 597 million for the year compared to R135 million reported in the prior year, a significant improvement indicating a return to more normal levels of earnings from core insurance operations. Of these headline earnings, R1 393 million was attributable to Standard Bank Group (2009: R72 million). The significant recovery in earnings resulted from substantially improved persistency and from the impact of investment markets on Liberty's book. Positive returns on bonds, equity and preference shares assisted in strong growth in investment income and gains. Net cash flows into asset management operations improved significantly and assets under management grew by 16%. Growth in net insurance premiums remained low at 1% and indexed new business was down 2%. Earnings were negatively impacted by higher death claims on core risk products, lower new business margins and higher member attrition and risk claims in health operations. Normalised total embedded value increased by 8% and Liberty achieved a 13,4% return on embedded value.

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

Capital and liquidity management

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

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

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

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

Dividends

Given the strong capital position of the group and the improving outlook described below, a final cash dividend of 245 cents has been declared, bringing the full dividend for the year to 386 cents, the same level as the prior three years. This declaration results in dividend cover for the year of 1,85 times, compared to the group's medium term dividend cover objective of 2,5 times.

Prospects

Signs are that the global economy will continue to recover slowly, but the combined threats of increasing inflation in developing economies and budget deficits in Europe pose risks to economic growth.

In Sub-Saharan Africa, we expect domestic demand to remain strong given rising real incomes and sustained private and public investment. In addition, exports are expected to benefit from the reorientation of trade toward the faster-growing markets in Asia. Africa is firmly in the company of the emerging markets outperforming the global economy in the medium term. However, growth will remain contingent on the improving health of the global economy and while there is certainly appetite for investment-led growth, there are a number of African countries facing significant political risk in the coming year.

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

We have taken decisive action to address our cost base, improve operational efficiency and close poorly performing business lines. We believe these initiatives, combined with an ongoing decline in credit impairments, will have a positive impact on our financial performance and that we are well positioned to resume growth in earnings.

Any forward looking information contained in this announcement has not been reviewed or audited by the group's auditors.

Jacko Maree	**Fred Phaswana**
Chief executive	Chairman

2 March 2011

Declaration of dividends

Notice is hereby given that the following final dividends have been declared:

- ordinary dividend No. 83 of 245 cents per ordinary share (share codes: SBK and SNB, ISIN: ZAE000109815), payable on Monday, 11 April 2011, to ordinary shareholders recorded in the books of the company at the close of business on the record date, Friday, 8 April 2011. The last day to trade to participate in the dividend is Friday, 1 April 2011. Ordinary shares will commence trading ex-dividend from Monday, 4 April 2011;
- 6,5% first cumulative preference shares (first preference shares) dividend No. 83 of 3,25 cents per first preference share (share code: SBKP, ISIN: ZAE000038881), payable on Monday, 4 April 2011, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday, 1 April 2011. The last day to trade to participate in the dividend is Friday, 25 March 2011. First preference shares will commence trading ex-dividend from Monday, 28 March 2011; and
- non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 13 of 337,90 cents per second preference share (share code: SBPP, ISIN: ZAE000056339), payable on Monday, 4 April 2011, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday, 1 April 2011. The last day to trade to participate in the dividend is Friday, 25 March 2011. Second preference shares will commence trading ex-dividend from Monday, 28 March 2011.

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

	Ordinary shares	**6,5% cumulative preference shares** (First preference shares)	**Non-redeemable, non-cumulative, non-participating preference shares** (Second preference shares)
JSE Limited (JSE)			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000109815	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000109815		
Dividend per share (cents)	245	3,25	337,90
Last day to trade "CUM" dividend	Friday, 1 April 2011	Friday, 25 March 2011	Friday, 25 March 2011
Shares trade "EX" dividend	Monday, 4 April 2011	Monday, 28 March 2011	Monday, 28 March 2011
Record date	Friday, 8 April 2011	Friday, 1 April 2011	Friday, 1 April 2011
Payment date	Monday, 11 April 2011	Monday, 4 April 2011	Monday, 4 April 2011

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

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

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Preference shareholders (first and second) who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 4 April 2011. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 11 April 2011.

On behalf of the board

Loren Wulfsohn
Group secretary

Normalised results (unaudited)

With effect from 2004, we have adjusted the group's results reported under IFRS for required accounting conventions that do not reflect the underlying economic substance of transactions. To arrive at the normalised results the IFRS results have been adjusted for the following items:

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

During the year the group entered into transactions on its own shares to facilitate client trading activities. As part of the normal trading operations, a group subsidiary offers to its clients trading positions of listed shares, including its own shares. In order to hedge the risk on these shares the subsidiary buys or sells short group shares in the market. Although the share exposure on the group's own shares is deducted from equity and the related fair value movements are reversed in the income statement on consolidation, the client trading position and fair value movements are not eliminated, resulting in an accounting mismatch. In addition to the two anomalies described above, the group has corrected this accounting mismatch resulting from the application of IFRS in preparing the normalised results.

The result of these adjustments is shown in the table below:

Normalised headline earnings

	Weighted average number of shares '000	Headline earnings Rm	Growth on 2009 %
Disclosed on an IFRS basis	**1 491 956**	**10 969**	(3)
Tutuwa initiative	**63 479**	**236**	
Group shares held for the benefit of Liberty policyholders	**23 843**	**135**	
Share exposures held to facilitate client trading activities	**(3 186)**	**(57)**	
Normalised	**1 576 092**	**11 283**	(4)

Abridged audited results in accordance with IFRS

Financial statistics

for the year ended 31 December

	% change	2010	2009
Number of ordinary shares in issue (000's)			
– end of year	2	**1 505 093**	1 474 344
– weighted average	2	**1 491 956**	1 459 337
– diluted weighted average	2	**1 548 001**	1 511 038
Cents per ordinary share			
Headline earnings	(5)	**735,2**	771,1
Diluted headline earnings	(5)	**708,6**	744,7
Dividend		**386,0**	386,0
Basic earnings	(5)	**722,1**	757,5
Diluted earnings	(5)	**696,0**	731,6
Net asset value	2	**5 785**	5 699
Financial performance (%)			
ROE		**12,7**	13,7
Net interest margin		**3,00**	3,19
Credit loss ratio		**1,05**	1,60
Cost-to-income ratio		**61,8**	52,3
Capital adequacy (%)			
Capital ratios (unaudited)			
– tier I capital		**12,9**	11,9
– total capital		**15,3**	15,1

Consolidated income statement

for the year ended 31 December

	% change	2010 Rm	2009[1] Rm
Income from banking activities	(6)	**58 746**	62 828
Net interest income	(8)	**28 742**	31 316
Non-interest revenue	(5)	**30 004**	31 512
Income from investment management and life insurance activities	18	**51 149**	43 458
Total income	3	**109 895**	106 286
Credit impairment charges	(38)	**7 524**	12 097
Benefits due to policyholders	10	**37 335**	33 935
Income after credit impairment charges and policyholders' benefits	8	**65 036**	60 254
Operating expenses in banking activities	12	**36 656**	32 827
Operating expenses in investment management and life insurance activities	4	**9 388**	9 052
Net income before goodwill	3	**18 992**	18 375
Goodwill impairment	>100	**144**	42
Net income before associates and joint ventures	3	**18 848**	18 333
Share of profit from associates and joint ventures	>100	**633**	33
Net income before indirect taxation	6	**19 481**	18 366
Indirect taxation	(14)	**1 475**	1 710
Profit before direct taxation	8	**18 006**	16 656
Direct taxation	7	**4 999**	4 660
Profit for the year	8	**13 007**	11 996
Attributable to non-controlling interests	>100	**1 846**	411
Attributable to preference shareholders	(27)	**387**	531
Attributable to ordinary shareholders	(3)	**10 774**	11 054
Basic earnings per share (cents)	(5)	**722,1**	757,5
Diluted earnings per share (cents)	(5)	**696,0**	731,6

[1] *Restated.*

Abridged audited results in accordance with IFRS continued

Headline earnings

for the year ended 31 December

	% change	2010 Rm	2009 Rm
Group profit attributable to ordinary shareholders	(3)	**10 774**	11 054
Headline earnings adjustable items added back		**296**	205
Goodwill impairments – IFRS 3		**144**	42
Loss on deemed disposal of associate – IFRS 3		**10**	
Profit on sale of property and equipment – IAS 16		**(23)**	(38)
Impairment of property and equipment – IAS 16			46
Realised foreign currency translation reserve on foreign operations – IAS 21		**21**	(18)
Losses on the disposal of businesses and divisions – IAS 27		**30**	7
Impairment of associates – IAS 28		**29**	379
Reversal of impairment of associates – IAS 28		**(19)**	
Impairment of intangible assets – IAS 38		**179**	96
Realised gains on available-for-sale assets – IAS 39		**(75)**	(309)
Taxation on headline earnings adjustable items		**(28)**	16
Non-controlling interests' share of headline earnings adjustable items		**(73)**	(22)
Headline earnings	(3)	**10 969**	11 253

Consolidated statement of financial position

as at 31 December

	% change	2010 Rm	2009[1] Rm
Assets			
Cash and balances with central banks	15	**28 675**	24 983
Financial investments, trading and pledged assets	4	**370 364**	355 287
Loans and advances	(1)	**710 722**	721 389
Loans and advances to banks	(4)	**107 090**	111 068
Loans and advances to customers	(1)	**603 632**	610 321
Investment property	13	**21 521**	19 058
Derivative and other assets	20	**169 203**	140 601
Interest in associates and joint ventures	11	**10 533**	9 529
Goodwill and other intangible assets	10	**10 383**	9 409
Property and equipment	22	**14 907**	12 250
Total assets	3	**1 336 308**	1 292 506
Equity and liabilities			
Equity	4	**103 198**	99 369
Equity attributable to ordinary shareholders	4	**87 073**	84 022
Ordinary share capital	2	**159**	156
Ordinary share premium	2	**17 363**	17 041
Reserves	4	**69 551**	66 825
Preference share capital and premium		**5 503**	5 503
Non-controlling interest	8	**10 622**	9 844
Liabilities	3	**1 233 110**	1 193 137
Deposit and current accounts	3	**789 500**	768 548
Deposits from banks	(13)	**91 729**	106 018
Deposits from customers	5	**697 771**	662 530
Derivative, trading and other liabilities	4	**222 594**	213 633
Policyholders' liabilities	7	**197 878**	184 300
Subordinated debt	(13)	**23 138**	26 656
Total equity and liabilities	3	**1 336 308**	1 292 506

[1] *Restated.*

Abridged audited results in accordance with IFRS continued

Contingent liabilities and capital commitments
as at 31 December

	2010 Rm	2009 Rm
Letters of credit and bankers' acceptances	**10 407**	10 784
Guarantees	**29 327**	29 078
Contingent liabilities	**39 734**	39 862
Contracted capital expenditure	**2 662**	1 689
Capital expenditure authorised but not yet contracted	**8 415**	10 075
Capital commitments	**11 077**	11 764

Consolidated cash flow information
for the year ended 31 December

	2010 Rm	2009 Rm
Net cash flows from operating activities	**27 164**	6 295
Net cash flows used in investing activities	**(13 912)**	(7 372)
Net cash flows (used in)/from financing activities	**(7 810)**	2 887
Effects of exchange rate changes on cash and cash equivalents	**(1 750)**	(2 524)
Net increase/(decrease) in cash and cash equivalents	**3 692**	(714)
Cash and cash equivalents at beginning of the year	**24 983**	25 697
Cash and cash equivalents at end of the year	**28 675**	24 983

Consolidated statement of comprehensive income

for the year ended 31 December

	2010			
	Ordinary shareholders' equity Rm	Non-controlling interests and preference shareholders Rm	Total Rm	2009 Total Rm
Profit for the year	**10 774**	**2 233**	**13 007**	11 996
Other comprehensive income after tax for the year	**(4 509)**	**(844)**	**(5 353)**	(9 464)
Exchange rate differences on translating equity investment in foreign operations	**(3 561)**	**(845)**	**(4 406)**	(9 567)
Foreign currency hedge of net investment	**(768)**		**(768)**	(106)
Cash flow hedges	**(214)**		**(214)**	85
Available-for-sale financial assets	**71**	**45**	**116**	40
Revaluation and other (losses)/gains	**(37)**	**(44)**	**(81)**	84
Total comprehensive income for the year	**6 265**	**1 389**	**7 654**	2 532
Attributable to non-controlling interests		**1 002**	**1 002**	(1 658)
Attributable to equity holders of the parent	**6 265**	**387**	**6 652**	4 190
Attributable to preference shareholders		**387**	**387**	531
Attributable to ordinary shareholders	**6 265**		**6 265**	3 659

Abridged audited results in accordance with IFRS continued

Consolidated statement of changes in equity
for the year ended 31 December

	Ordinary shareholders' equity Rm	Preference share capital and premium Rm	Non-controlling interest Rm	Total Rm
Balance at 1 January 2009	81 953	5 503	12 045	99 501
Total comprehensive income for the year	3 659	531	(1 658)	2 532
Transactions with owners, recorded directly in equity	(1 590)	(531)	(543)	(2 664)
Equity-settled share-based payment transactions	307		37	344
Tax on share-based payments	58			58
Issue of share capital and share premium	200		(10)	190
Net decrease in treasury shares	691		316	1 007
Dividends paid	(2 846)	(531)	(886)	(4 263)
Balance at 31 December 2009	84 022	5 503	9 844	99 369
Balance at 1 January 2010	**84 022**	**5 503**	**9 844**	**99 369**
Total comprehensive income for the year	**6 265**	**387**	**1 002**	**7 654**
Transactions with owners, recorded directly in equity	**(3 214)**	**(387)**	**(224)**	**(3 825)**
Equity-settled share-based payment transactions	**412**		**32**	**444**
Tax on share-based payments	**2**			**2**
Change in shareholding of subsidiary	**(37)**		**36**	**(1)**
Issue of share capital and share premium and capitalisation of reserves	**205**		**30**	**235**
Net increase in treasury shares	**(23)**		**449**	**426**
Dividends paid	**(3 773)**	**(387)**	**(771)**	**(4 931)**
Balance at 31 December 2010	**87 073**	**5 503**	**10 622**	**103 198**

Segment report

for the year ended 31 December

	% change	2010 Rm	2009[1] Rm
Revenue contribution by business unit			
Personal & Business Banking		**34 975**	34 855
Corporate & Investment Banking	(16)	**22 663**	27 020
Central and other	45	**1 212**	835
Banking activities	(6)	**58 850**	62 710
Liberty	16	**51 466**	44 338
Standard Bank Group – Normalised	3	**110 316**	107 048
Adjustment for IFRS		**(421)**	(762)
Standard Bank Group – IFRS	3	**109 895**	106 286
Profit and loss attributable to ordinary shareholders			
Personal & Business Banking	34	**4 674**	3 477
Corporate & Investment Banking	(31)	**5 227**	7 615
Central and other	(>100)	**(136)**	355
Banking activities	(15)	**9 765**	11 447
Liberty	>100	**1 323**	72
Standard Bank Group – Normalised	(4)	**11 088**	11 519
Adjustment for IFRS		**(314)**	(465)
Standard Bank Group – IFRS	(3)	**10 774**	11 054

[1] *Reclassified.*

Abridged audited results in accordance with IFRS continued

Private equity associates and joint ventures

for the year ended 31 December

	2010 Rm	2009 Rm
Cost	**382**	409
Carrying value	**641**	658
Fair value	**651**	818
Loans (from)/to associates and joint ventures	**(37)**	432
Equity accounted income	**43**	128

Reports of the independent auditors

The unmodified audit reports of KPMG Inc. and PwC Inc., the independent auditors, on the annual financial statements and the summarised financial statements contained herein for the year ended 31 December 2010, dated 2 March 2011, are available for inspection at the registered office of the company.

Accounting policies

Basis of preparation

These audited results are a summary of the consolidated financial statements and are prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), its interpretations adopted by the International Accounting Standards Board (IASB), the presentation and the disclosure requirements of IAS 34 Interim Financial Reporting, the AC 500 standards as issued by the Accounting Practices Board or its successor, the Listings Requirements of the JSE Limited and the requirements of the South African Companies Act 61 of 1973, as amended. The consolidated financial results are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS.

The consolidated financial statements are presented in South African rand. All amounts are stated in millions of rand (Rm), unless indicated otherwise.

Changes in accounting policies

The accounting policies are consistent with those adopted in the previous year except for the standards and interpretations noted below and are in terms of IFRS.

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

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

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

Whilst the revised IFRS have resulted in changes to the group's accounting policies, the adoption of these revised standards has had no material effect on the results, nor has it required any restatements of the results.

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

Early adoption of new standards and interpretations

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

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

The group has also early adopted the amendments to IAS 12 *Income Taxes* (Deferred Tax: Recovery of Underlying Assets). Comparative information has been restated to conform to the revised standard. This has resulted in the deferred tax liability in respect of investment property surpluses being restated to the sale rate and has correspondingly increased policyholder liabilities. The adoption of this amendment has had no impact on headline earnings or earnings per share.

Reclassifications and restatements

A review of the group's derivative positions was undertaken during the course of the year to determine whether the presentation applied was in accordance with international best practice. The group's cross currency interest rate swap contracts incorporate, as standard market practice, reset dates on which cash flows are exchanged to manage the credit risk on the contract's notional amounts. These cash flows have historically been presented as derivative assets and liabilities separately from the underlying derivative contract. Following the review it was decided to present the cash flows, together with the underlying derivative contract, as a single contractual relationship with the group's counterparty. The group believes that this treatment better reflects the nature of the underlying transactions and the credit risk of its relationship with its counterparty.

The group routinely enters into soft (for example, maize) and hard (for example, precious metals) commodity based financing transactions. Hard commodity based financing transactions within the trading book have historically been accounted for as either outright purchases, by recognising a commodity and related derivative forward sales agreement, or sales, through derecognition of the commodity and recognition of a related derivative forward purchase agreement. The group has revised the accounting treatment for these transactions based on market practice and analogy to IFRS requirements for similar financing transactions with a financial instrument underlying. The group's revised policy treats certain of the group's hard commodity based financing transactions as either buy to sell backs (collateralised lending), where a reverse repurchase agreement within trading assets is recognised, or sell to buy backs (collateralised borrowing), where the commodity continues to be recognised together with a repurchase agreement within trading liabilities. These financing transactions are accounted for in accordance with the group's existing accounting policy for 'Sale and repurchase agreements and lending of securities'.

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

The comparative statements of financial position have been adjusted to reflect the presentation consequences of the reclassifications.

Administration

Administrative information

Standard Bank Group Limited

Registration No. 1969/017128/06
Incorporated in the Republic of South Africa

Directors

TMF Phaswana (Chairman), Hongli Zhang** (Deputy chairman), SJ Macozoma (Deputy chairman), JH Maree* (Chief executive), DDB Band, RMW Dunne#, TS Gcabashe, SE Jonah KBE##, Sir Paul Judge#, KP Kalyan, Yagan Liu**, Adv KD Moroka, AC Nissen, MC Ramaphosa, SP Ridley*, MJD Ruck, Lord Smith of Kelvin, Kt#, EM Woods
*Executive director **Chinese #British ##Ghanaian

Group secretary

L Wulfsohn

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Share transfer secretaries in

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70 Marshall Street, Johannesburg 2001
PO Box 61051, Marshalltown 2107

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

Independent sponsor

Deutsche Securities (Proprietary) Limited

Joint sponsor

Standard Bank

www.standardbank.com