

## Standard Bank Group Financial results presentation

for the six months ended 30 June 2011

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### Key indicators showing improvement

	1H11	change %	1H10	FY10
Headline earnings (Rm)	6 637	11	5 989	11 283
Headline EPS (HEPS) (cents)	418.4	10	381.9	715.9
Diluted HEPS (cents)	415.9	10	378.5	709.6
DPS (cents)	141		141	386
NAVPS (cents)	5 926	2	5 792	5 726
ROE (%)	14.5		13.5	12.5
Credit loss ratio (%)	0.80		1.04	1.04
Cost-to-income ratio (%)	58.4		58.1	61.7
Tier I capital adequacy ratio (%)	12.4		11.8	12.9

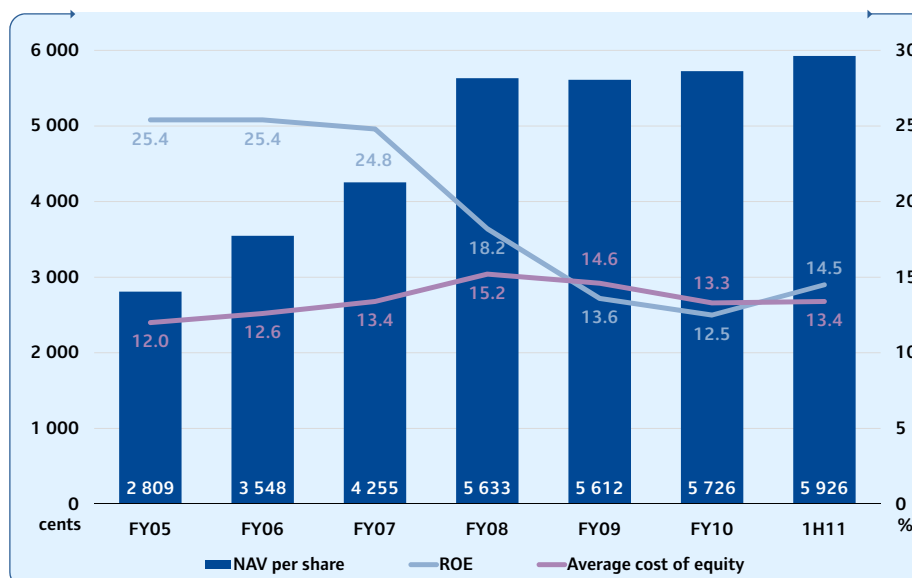
## Revenues remain subdued

	1H11 Rm	change %	1H10 Rm	2H10 Rm
Net interest income	14 421	(1)	14 541	14 386
Non-interest revenue	15 325	6	14 475	15 448
<b>Total income</b>	<b>29 746</b>	<b>3</b>	<b>29 016</b>	<b>29 834</b>
Credit impairment charges	2 970	(22)	3 790	3 734
Operating expenses	17 426	2	17 019	18 856
Restructuring costs				781
<b>Banking activities headline earnings</b>	<b>6 004</b>	<b>10</b>	<b>5 449</b>	<b>4 441</b>
Liberty – share of headline earnings	633	17	540	853
<b>SBG headline earnings</b>	<b>6 637</b>	<b>11</b>	<b>5 989</b>	<b>5 294</b>

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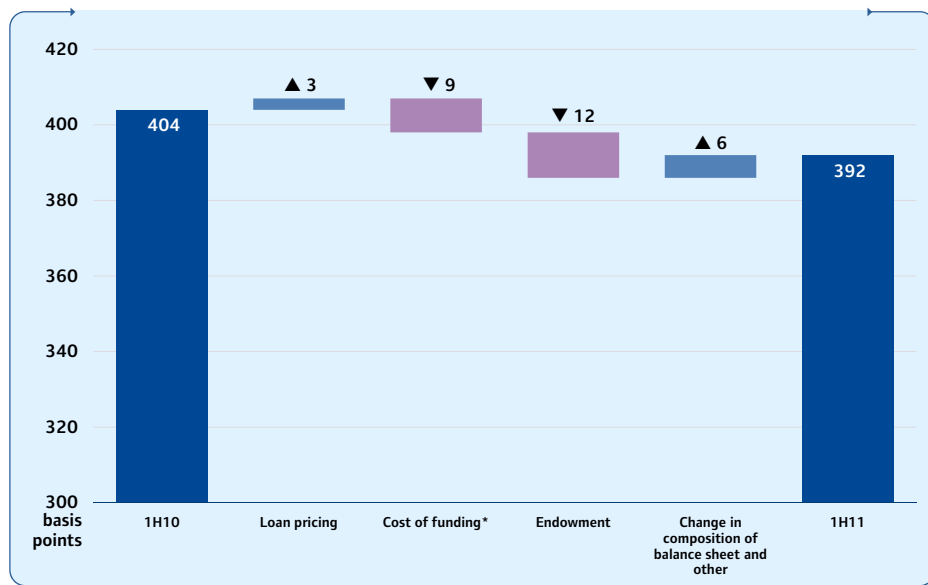
## Group return on equity starting to trend upward



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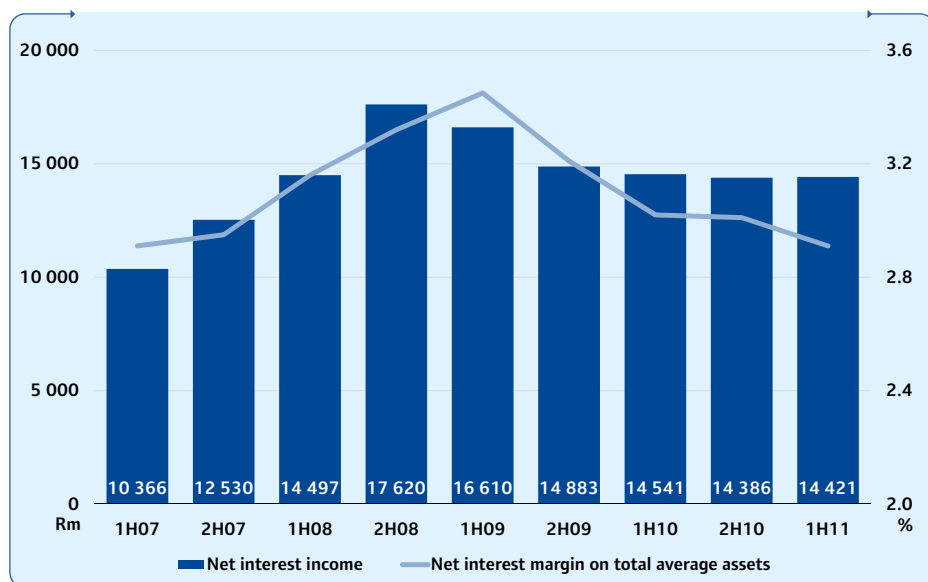
### Further compression of margin on interest earning assets...



5 \* Loan funding cost + funding margin



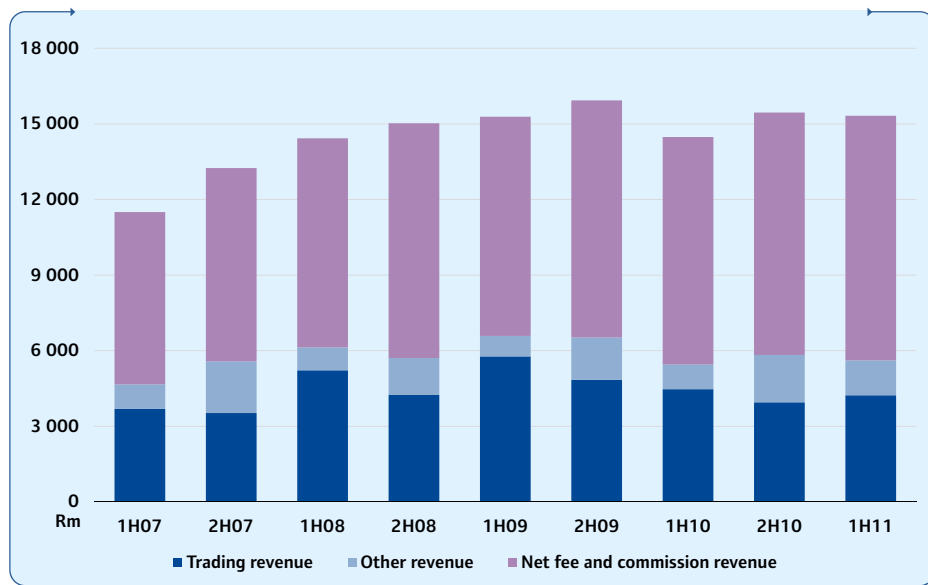
### ... nevertheless net interest income was maintained at 2H10 levels



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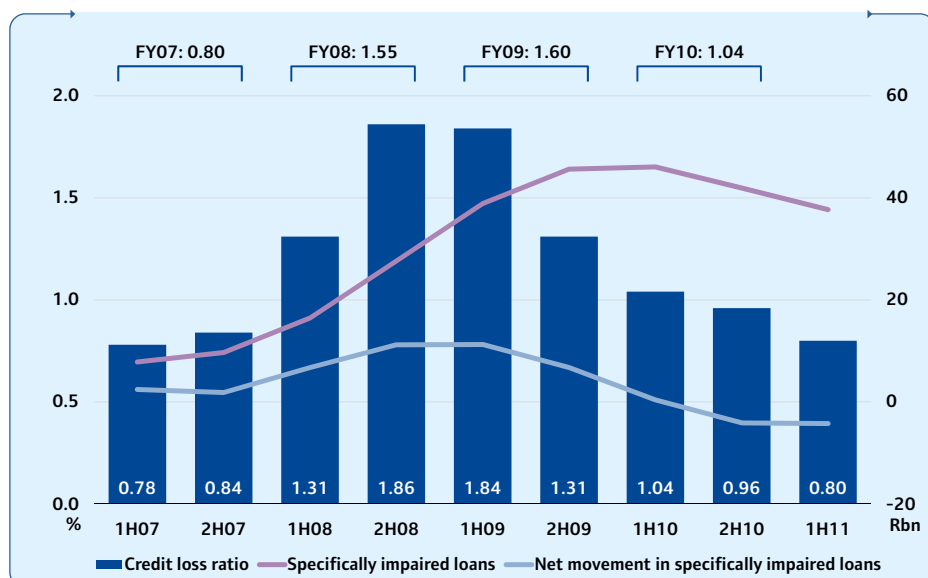
### Fee and commission income has held up well



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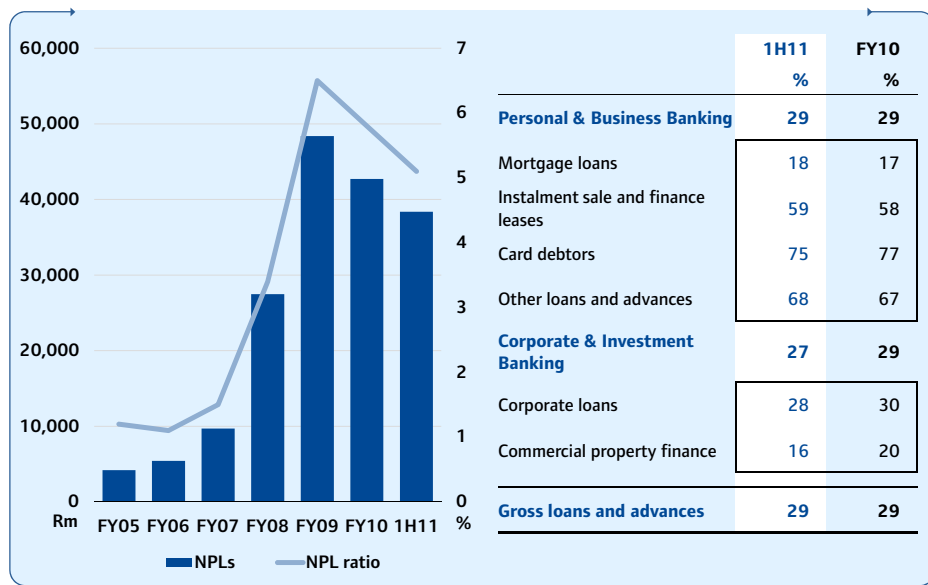
### Credit impairments show further improvement



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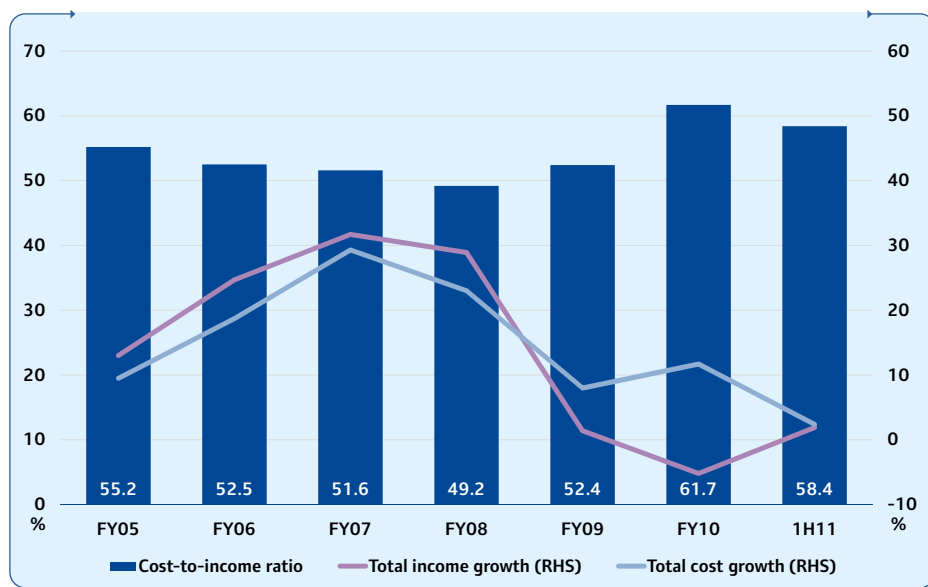
### NPLs continue to decline and coverage ratios are maintained



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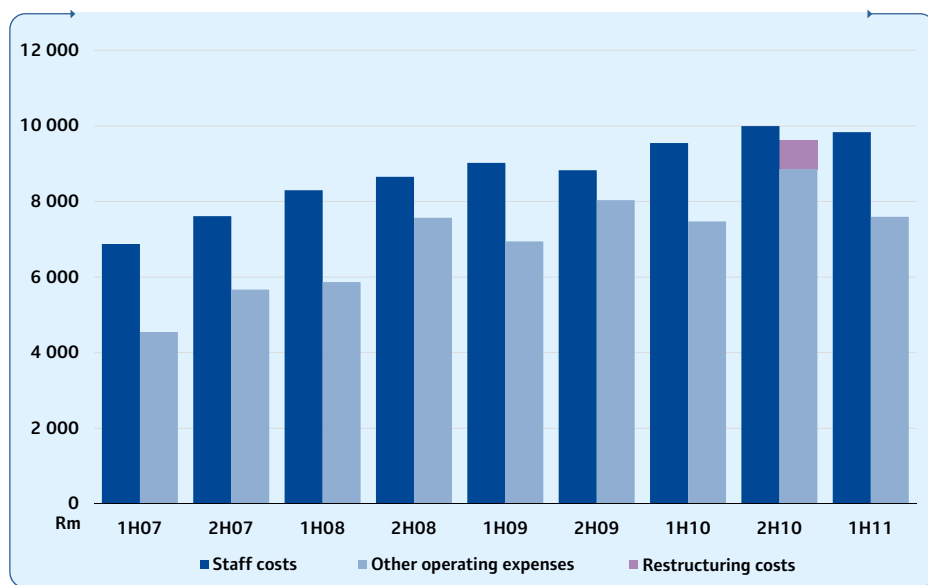
### Cost-to-income ratio still high, but jaws closing...



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### ... as the rate of increase in operating expenses slows



### All regions have shown good cost control...

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Outside Africa                             <ul style="list-style-type: none"> <li>- Down 9% on 1H10</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>• Strong action taken on costs</li> <li>• On a constant currency basis down 1%</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Rest of Africa                             <ul style="list-style-type: none"> <li>- Up 7% on 1H10</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>• Continued to invest in selected growth markets</li> <li>• Costs tightly controlled in mature countries</li> </ul>                                  |
| <ul style="list-style-type: none"> <li>• South Africa                             <ul style="list-style-type: none"> <li>- PBB                                     <ul style="list-style-type: none"> <li>• Up 13% on 1H10</li> </ul> </li> <li>- CIB                                     <ul style="list-style-type: none"> <li>• Up 5% on 1H10</li> </ul> </li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• PBB SA costs up - focus on investing for growth</li> <li>• Modest increase in CIB SA costs to develop the franchise as revenue improves</li> </ul> |

### ... as have the major expense categories

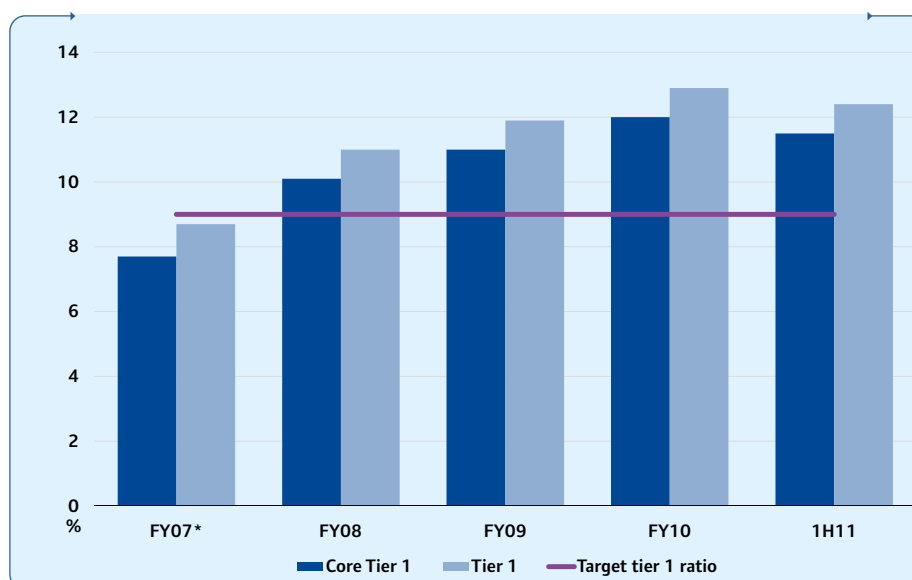
	1H11 Rm	change 1H11 on 1H10 %	change 1H11 on 2H10 %
Staff costs	9 832	3	(2)
Information technology	1 620	(0)	(10)
Depreciation and amortisation	1 289	15	(8)
Premises	1 461	14	(2)

- Staff costs well controlled but tend to be higher in the second half due to incentives
- Depreciation, amortisation and premises costs impacted by African infrastructure roll-out

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### Capital ratios are strong

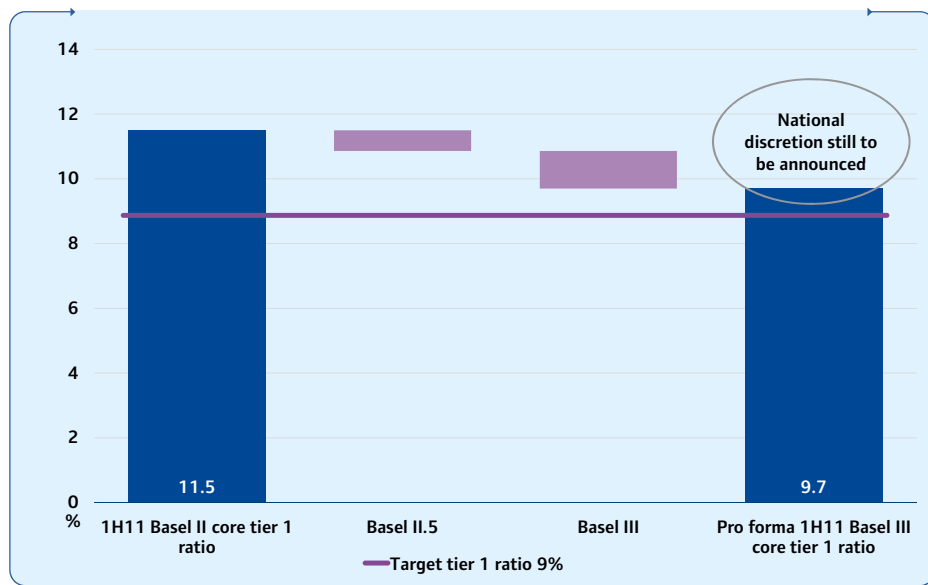


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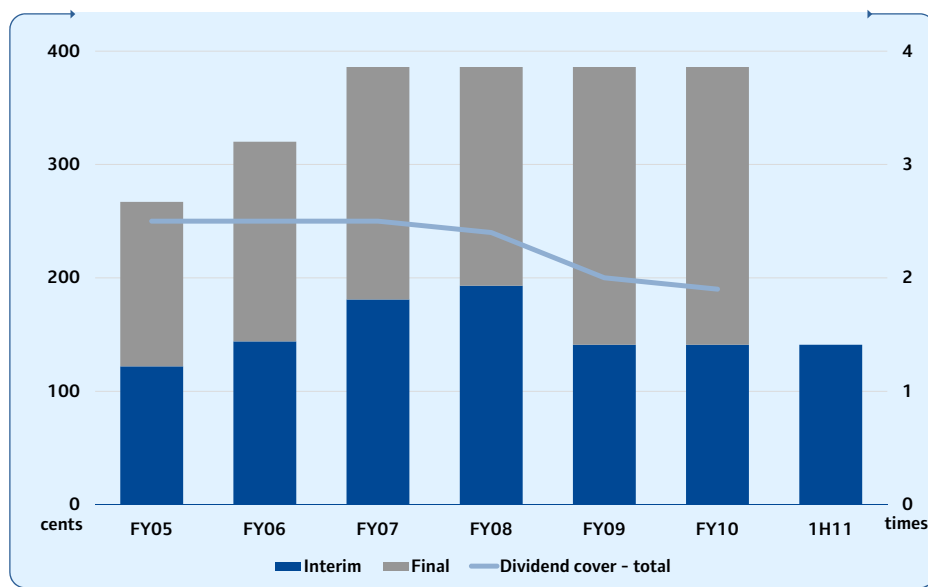
\* Pro-forma Basel II basis



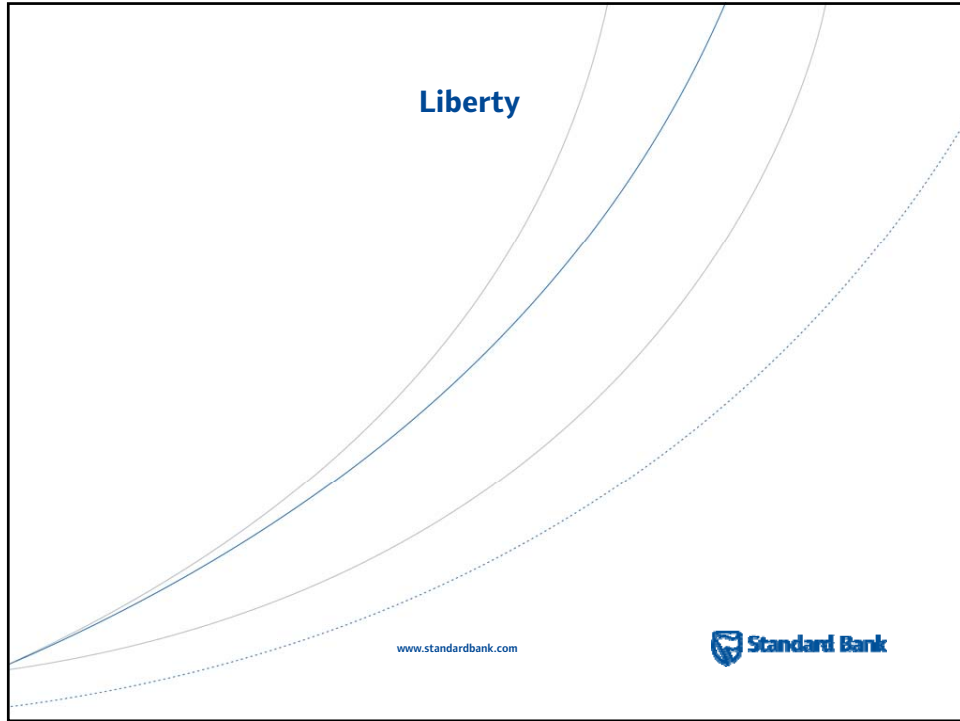
### Estimated impacts of Basel III not yet fully known



### Rebuilding dividend cover







### Liberty insurance business back on track

	1H11 Rm	change %	1H10 Rm	FY10 Rm
Retail Insurance	650	38	472	899
Liberty Corporate	47	(28)	65	103
LibFin	345	(4)	358	1 443
Stanlib	190	16	164	361
Liberty Properties	44	2	43	96
Liberty Africa	16	>100	2	10
Liberty Health	(10)	9	(11)	(43)
Other	(102)	(19)	(86)	(272)
<b>Headline earnings</b>	<b>1 180</b>	<b>17</b>	<b>1 007</b>	<b>2 597</b>
<b>SBG share of headline earnings (54%)</b>	<b>633</b>	<b>17</b>	<b>540</b>	<b>1 393</b>

## Quality and sustainability underpinning strong Liberty results

### Strengthen the insurance business

- Persistency objectives achieved
- Sales and margins moving in the right direction
- Product receiving industry recognition for quality and delivery from financial advisers

### Excellence in balance sheet management

- Reduced balance sheet exposure to volatility
- Shareholders' investment portfolio ahead of benchmark

### Diversification

- Stanlib operating model being implemented and strong investment performance in key funds
- Africa, Health, Frank.net gaining traction

Quality and sustainability underpinning strong first half financial performance

## Standard Bank of South Africa

Sim Tshabalala

## Key indicators are improving

	1H11	change %	1H10	FY10
Headline earnings (Rm)	4 865	20	4 056	8 034
ROE (%)	19.5		18.3	17.3
Cost of equity (%)	13.5		13.8	13.4
Credit loss ratio (%)	0.83		1.25	1.18
Cost-to-income ratio (%)	53.8		51.4	55.2
Number of employees	28 911	(4)	29 993	30 396
Revenue/employee (Rm)	1.34		1.27	1.27
Core tier I capital adequacy ratio (%)	11.4		10.2	11.5
Total capital adequacy ratio (%)	14.6		13.5	14.9

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## Earnings growth due to reduced credit impairments and strong cost control

	1H11 Rm	change %	1H10 Rm	2H10 Rm
Net interest income	9 912	(2)	10 156	10 056
Non-interest revenue	9 261	6	8 747	9 740
<b>Total income</b>	<b>19 173</b>	<b>1</b>	<b>18 903</b>	<b>19 796</b>
Credit impairment charges	2 283	(30)	3 278	3 081
Operating expenses	10 284	6	9 725	11 412
Restructuring costs				304
<b>SBSA headline earnings</b>	<b>4 865</b>	<b>20</b>	<b>4 056</b>	<b>3 978</b>

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## Personal & Business Banking in South Africa

- Largest market share of total deposits in the country
- Largest residential mortgage lender
- Largest credit card issuer
- Improved risk appetite and open and ready for business and lending
- 9.3 million retail customers
- Approximately 700 points of representation, 6 900 ATMs and 8 200 bank shops
- Increased electronic banking transactions by 12% and cellphone banking users by 119%

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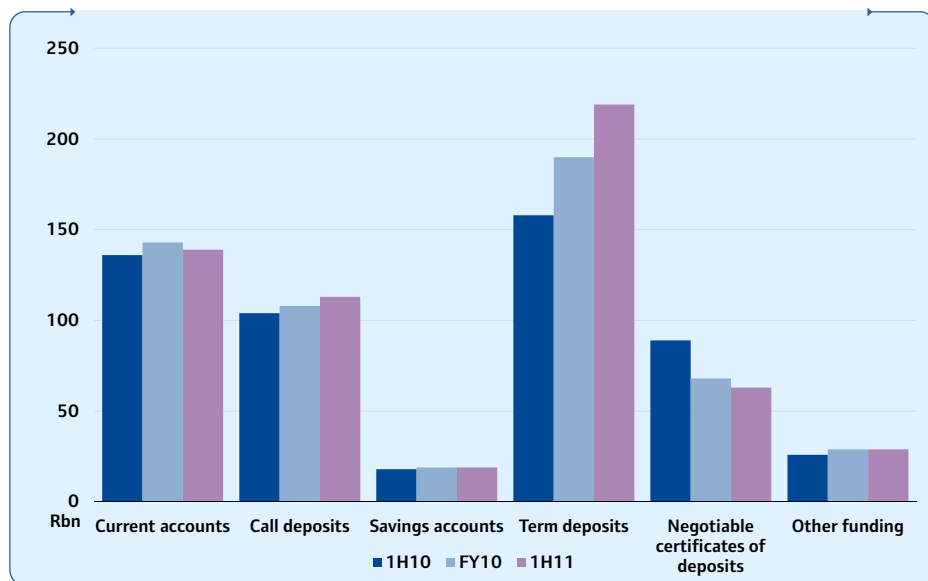
## Corporate & Investment Banking in South Africa

- Largest market share in the following transactional products
  - 40% market share of guarantees
  - 33% market share of trade finance
  - 30% market share in deposits
- Largest custodian bank with R2.3 trillion in assets under custody
  - 35% market share in equities
  - 33% market share of bonds
  - Settle  $\pm 2$  million trades per annum
- Provide ZAR foreign exchange clearing services through CLS
  - Clear approximately R6.3bn daily
  - 33% average market share of values settled
- Largest participant in foreign exchange spot, forward and option market in SA
  - Forex
    - US\$3bn per day,  $\pm 30\%$  market share
  - Capital markets
    - US\$20bn bond turnover per month, 18% market share
    - US\$22bn derivative turnover per month, 20% market share
  - Commodities
    - US\$6bn turnover per month

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## Growth in longer duration deposits and liabilities



## We are open for business and extending credit responsibly

**R50 BILLION**  
in **LOANS,**  
More

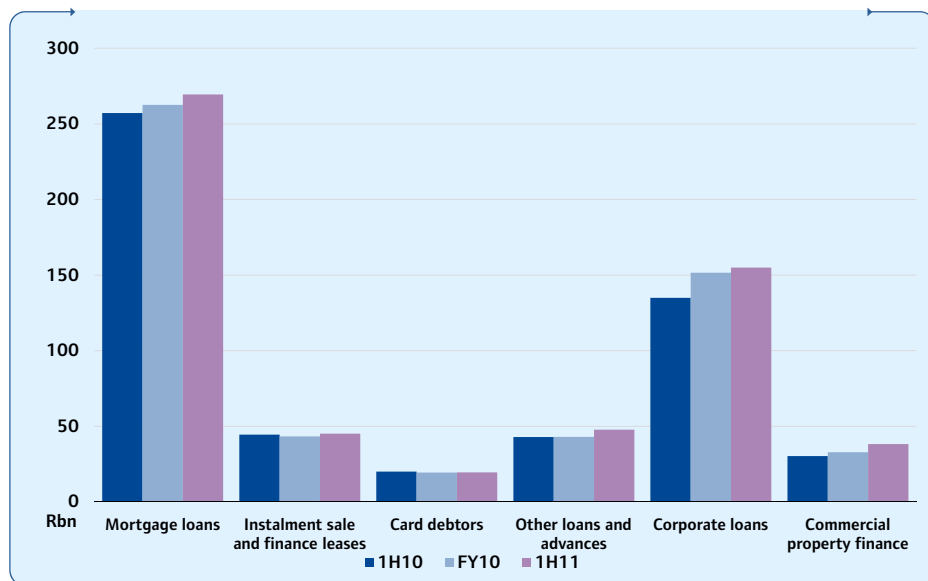
for more  
**South Africans.**

Moving Forward™

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Authorized financial services and regulated credit provider (BECR/FPIC)  
The Standard Bank of South Africa Limited (Reg. No. 1962/2007 (26.06.2008) 514/14/1/06/11)  
Moving Forward is a trademark of The Standard Bank of South Africa Limited

## Overall loan growth is encouraging



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## We are increasing banking penetration

- Accessible banking products
  - Serving previously underserved communities is a key part of our strategy
  - Currently have
    - Almost 4.5 million Inclusive Banking accounts
    - 67 inclusive banking loan centres and 8 200 bank shops
  - We recognise that we need to do more
- Extended R1.2bn to low income home owners in 1H11
- Significantly increased Inclusive Banking unsecured lending sales volumes
- Mobile banking account sales have increased 4 times
- Aim to be the leader in the Inclusive Banking market

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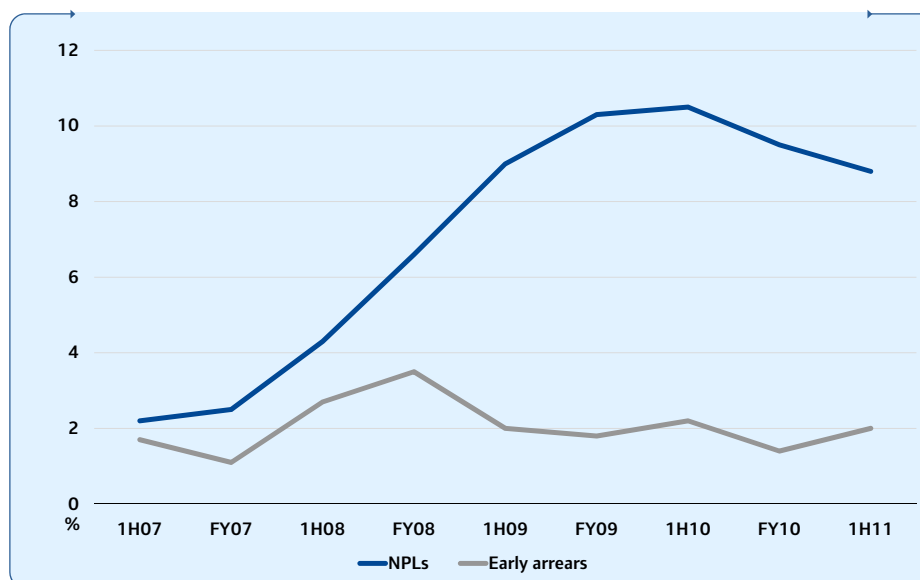
## The home loans we are writing today are profitable

- New business volumes 17% higher than 1H10 but 50% lower than 1H07
  - Significantly lower risk profile
  - Lower customer concessions
  - Mortgage originator costs almost halved
  - Internal cost of origination and processing reduced significantly
  - Good ROEs
- Strong drive in insurance
  - Homeowners cover and credit life
- Home Loans is a long-term embedded value business

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## Good work done on home loan NPLs in SA but still much to do



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NPLs = >90days, Early arrears = 31-90 days



## PBB franchise in good shape

- Vehicle and asset finance
  - Concentrating on business lending
  - Overall improvement in pricing
  - Growing market share
- Card
  - Strong growth in fees
  - Compensating for closure of inactive accounts with encouraging levels of new card accounts opened
- Transactional and lending products
  - Increased number of accounts by 14%
  - Higher average balances
  - Strong growth in business banking lending products
- Bancassurance
  - Agreement with Liberty renegotiated
    - Enhances an already successful arrangement
  - Penetration rates into own customer base continue to improve
  - Good underwriting results in short-term insurance

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## Transactional products and services are an important component of the CIB franchise

- Important deposit gatherer and generator of net interest income and net fees and commissions
  - Negative endowment effect reducing margins
  - Competition placing further downward pressure on margins and fees
  - Still very profitable business
- Heightened focus on client service
  - Overall customer satisfaction index score of 8.7 from 8.1 in December 2010
  - Innovative solutions in trade finance leading to significant wins
  - 100% retention of targeted clients in 1H11
- Continuing to lead with transactional banking wins
  - Won a number of new accounts



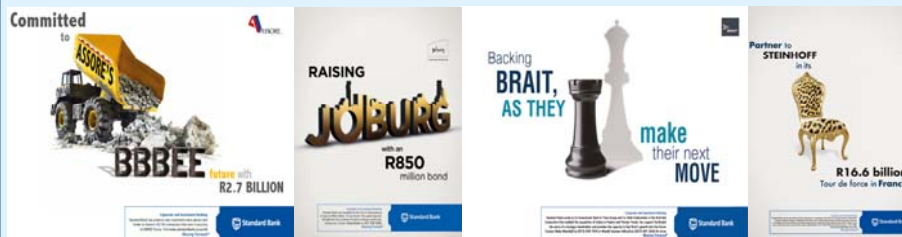
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## Traction in Investment banking

- Strong deal flow
  - Improved client focus, co-ordination and client activity
  - Benefits show in NIR
  - Improvement in NII will be seen later in the year from lending deals done in 1H11
- Disappointing volumes in DCM but a strong M&A pipeline for 2H11
- Deal pipeline remains strong notwithstanding a good first half



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## Global markets picking up as client activity increases

- Trading revenues up 35%
- Improved client coordination
  - Better collaboration between Global markets, Investment banking and coverage resulted in large hedging deals on the back of client transactions
- 2Q11 saw the return of client flows and transactions
- Successful integration of retail and institutional brokerage business

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## The franchise remains strong

- The recent PwC peer survey talks to our strengths in CIB SA

	Position	Times in a row
Corporate banking	1 <sup>st</sup>	4
Foreign exchange trading	1 <sup>st</sup>	4
Money markets	1 <sup>st</sup>	4
Fixed income	1 <sup>st</sup>	2
Derivatives	1 <sup>st</sup>	2
Commodities	1 <sup>st</sup>	2
Trade finance	1 <sup>st</sup>	3
Mergers and acquisitions	2 <sup>nd</sup>	4
BEE	2 <sup>nd</sup>	4

- Ranked number 1 investment adviser for Mergers and Acquisitions by deal value in the DealMakers SA survey for first half

## "The Power of &" in Corporate & Investment Banking

Corporate and Investment Banking

*Done* & done well for you.

Standard Bank

## SBSA is becoming indistinguishable from the group

- SA's economic role in Africa is facilitated by the ability of SA banks to carry foreign assets using the prudential limit
- Enhances the execution of the Standard Bank strategy
- Using SA balance sheet means we can have smaller balance sheets in London and in African countries
  - Cost and capital effective
  - Will increase capital utilisation in SA
- Standard Bank's African and natural resources franchises well positioned to utilise this limit

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## Standard Bank is well placed to be a financial gateway to the African continent

- SA provides
  - A good springboard for multinationals into Africa
  - A source of trade and FDI
  - Laws and regulations conducive to competition and growth
- Standard Bank
  - Is a full-service bank with extensive personal, business, corporate and investment banking capabilities
    - Enables clients to trade, pay, raise liquidity and capital, invest and manage risks across the continent
  - Is devoted to serving our clients in SA and abroad
    - 150 years in SA and more than two decades abroad

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## Banking operations outside South Africa

Ben Kruger

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### 20% of the group's NAV is deployed Outside Africa

- Difficult macro and regulatory environment and not improving
- Strategy refined, execution in progress
- Group need for International capability confirmed
- Scope narrowed and scale reduced to support group aspirations
- CIB Outside Africa revenue flat in USD, down 7% in ZAR
- CIB Outside Africa costs down 4% in USD, down 12% in ZAR
- ROE too low

## Outside Africa: Update

- London legal entity to exist for the benefit of the group and not as a stand-alone operation
- Dollar balance sheet to be retained as an important resource
- Retain maximum revenues with lowest costs and least capital possible
- Revenue environment remains uncertain
- Costs
  - Rationalisation of headcount and costs well under way
    - CIB Outside Africa headcount down 11%
  - Targeting further annualised operating expense reduction of \$75m
- Capital and ROE
  - Targeting to reduce overall capital utilisation outside Africa from \$3bn to \$1.5bn
  - Sale of Troika and Argentina
    - Will release \$750m of capital and lose approximately \$50m of annualised earnings
    - Subject to regulatory processes
  - Robust productivity assessment of each business line
  - On a legal entity basis \$1.5bn capital targeted to earn high single digit ROE
- Essential part of the CIB franchise which enhances our competitive position

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## Rest of Africa results reflect a portfolio of business

Rest of Africa	1H11 Rm	change %	1H10 Rm
Total income	5 193	6	4 892
Total income on a constant currency basis	5 193	17	4 426
<b>Headline earnings</b>	<b>423</b>	<b>(17)</b>	<b>511</b>
Loans and advances to customers	48 387	24	39 108
ROE – in-country*	19%		
ROE on consolidation	7%		

- ROE decomposition
  - Mature franchises
  - Investment/scale franchises
  - Growth franchises

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\* Local currency, pre-goodwill and development costs



## Higher ROEs in mature African franchises

All ratios in local currency	In-country ROE %	Loans and advances growth %	Deposit growth %	Headline earnings growth %
<b>Mature franchises</b>				
Uganda	43	20	6	20
Lesotho	38	4	8	11
Malawi	32	54	47	20
Swaziland	23	29	2	58
Namibia	19	19	14	5

- High ROEs where we operate as a universal bank with a solid CIB offering and a well established PBB domestic banking franchise
- Significant market share
  - Market leader in many instances
- Limited market share growth opportunities
  - Focus on cross-sell and extending product range
- Optimise distribution platform by driving cost efficiencies

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## Encouraging ROEs in countries where we are building for scale

All ratios in local currency	In-country ROE %	Loans and advances growth %	Deposit growth %	Headline earnings growth %
<b>Building scale</b>				
Botswana	44	19	(3)	90
Zambia	31	33	35	>100
Mozambique	26	13	2	6
Ghana	22	60	54	41
Tanzania	20	16	26	56
Kenya	7	28	24	48

- Specific investment spend incurred to build further scale
- Increase local relevance and market share in domestic markets
- Well positioned to benefit from growth

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## Low ROEs in high investment and growth countries

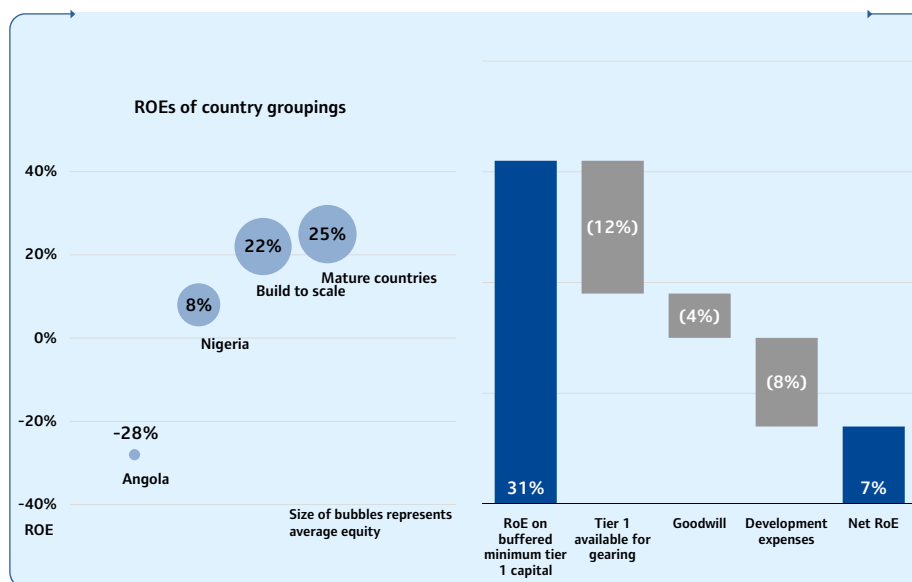
All ratios in local currency	In-country ROE %	Loans and advances growth %	Deposit growth %	Capital adequacy %
<b>Invest and grow markets</b>				
Nigeria	8	43	79	24
Angola	(28)	>100	>100	80

- Capital adequacy levels high
  - Ability to grow the franchise organically without further capital contribution
  - Capital reduction is complicated under local regulations
- Angola green field build continues
- Core banking platform successfully rolled out in Nigeria
- Staffed for next phase of growth
- Nigeria opened 44 new branches in last 12 months, 90 in the last 18 months
- High levels of expenditure on establishing PBB franchises

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## Reconciling the African franchise ROEs



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## CIB franchise reflects strong competitive positions

CIB Rest of Africa	1H11 Rm	change %	1H10 Rm
Total income	2 918	2	2 874
Total income on a constant currency basis	2 918	13	2 586
<b>Headline earnings</b>	<b>600</b>	<b>(7)</b>	<b>642</b>
Loans and advances to customers	26 291	30	20 292
ROE – in-country*	27%		
ROE on consolidation	14%		

- Leverage off the group and CIB
- Strong Investment banking and Global markets
  - More volatile revenue streams
- Good progress on transactional business
  - More dependent on PBB infrastructure

47 \* Local currency, pre-goodwill and development costs



## PBB franchise in different stages of development

PBB Rest of Africa	1H11 Rm	change %	1H10 Rm
Total income	2 275	13	2 018
Total income on a constant currency basis	2 275	24	1 840
<b>Headline earnings</b>	<b>(177)</b>	<b>(35)</b>	<b>(131)</b>
Loans and advances	22 107	17	18 816
ROE – in-country*	5%		
ROE on consolidation	(10%)		

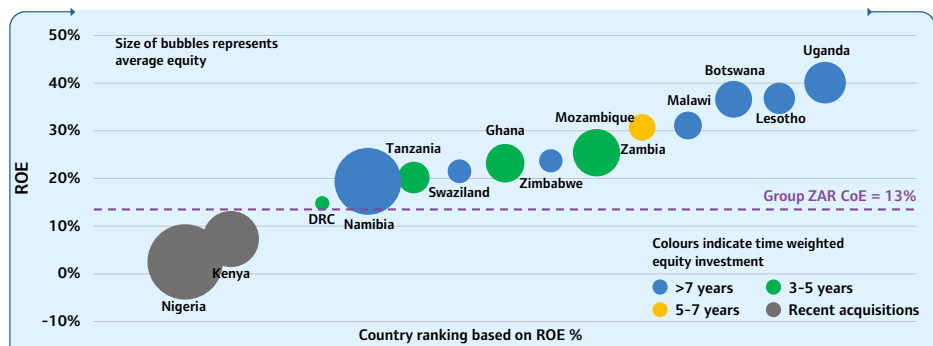
- Requires base load of branch and IT Infrastructure
- Customer attraction and retention
- Relevant products and services
- Credit capability
- Low cost producer

48 \* Local currency, pre-goodwill and development costs





## Life cycle investment strategy – ROEs improve with maturity



- We believe we can build a sustainable universal bank platform with a strong PBB and CIB franchise across our chosen markets
  - Network with a relevant footprint and diversified customer base
  - Strong deposit base
  - Relevant product offering with appropriate risk appetite
  - Scalable low cost infrastructure
  - Optimal distribution channels with a focus on cross-sell
  - Leverage off our 16 country footprint

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## Case study: Uganda – An example of a successful universal bank

	1H11 Rm	change %	1H10* Rm
Net interest income	313	31	239
Non interest revenue	138	39	99
Trading revenue	46	(30)	66
<b>Total income</b>	<b>497</b>	<b>23</b>	<b>404</b>
Credit impairment charges	31	72	18
Total expenses	254	16	219
<b>Headline earnings</b>	<b>125</b>	<b>20</b>	<b>104</b>
Cost to income ratio	51%		54%
Capital adequacy	13%		16%
ROE	43%		41%
Loans and advances	3 904	20	3 240
- CIB	1 710	(8)	1 860
- PBB	2 194	59	1 380

- Market leader with top customer base
- Mature branch network
  - 79 branches
- Good growth in business banking
- Further growth potential across all products in both business units

50 \* Constant currency basis



## Case study:

### Nigeria – Investment countries are the building blocks for the future

	1H11 Rm	change %	1H10* Rm
Net interest income	619	48	417
Non interest revenue	445	19	374
Trading revenue	225	(29)	318
<b>Total income</b>	<b>1 289</b>	<b>16</b>	<b>1 108</b>
Credit impairment charges	91	>100	(23)
Total expenses	949	21	784
Staff costs	411	5	392
Operating expenses	538	37	392
<b>Headline earnings</b>	<b>79</b>	<b>(38)</b>	<b>127</b>
Cost to income ratio	74%		71%
Capital adequacy	24%		27%
ROE	8%		13%
Loans and advances	10 308	43	7 232
- CIB	7 197	29	5 565
- PBB	3 111	87	1 667

- Limited PBB market share, but attractive growth potential
- Young branch network
- Product and credit capability created
- Branch network staffed for next phase of growth
- Leading CIB franchise
- Leading Wealth franchise
- Sufficient capital to grow franchise
- Strong team on the ground
- Good organic growth position
- Capacity to capitalise on banking consolidation

51 \* Constant currency basis



## Business Unit Review

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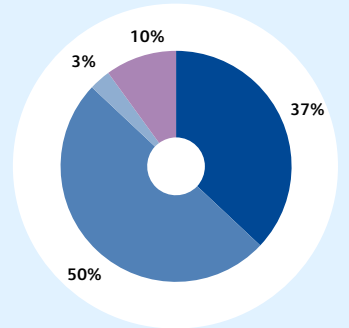
## Earnings well diversified

Headline earnings	1H11 Rm	change %
Personal & Business Banking	2 483	30
Corporate & Investment Banking	3 320	1
Central and other	201	
<b>Banking activities</b>	<b>6 004</b>	<b>10</b>
Liberty	633	17
<b>SBG</b>	<b>6 637</b>	<b>11</b>

ROE	1H11 %	1H10 %
Personal & Business Banking	17.8	14.7
Corporate & Investment Banking	15.4	15.8
<b>Banking activities</b>	<b>14.2</b>	<b>13.2</b>
Liberty	18.5	17.7
<b>SBG</b>	<b>14.5</b>	<b>13.5</b>

### Headline earnings mix



- Personal & Business Banking (1H10: 32%)
- Corporate & Investment Banking (1H10: 55%)
- Central and other (1H10: 4%)
- Liberty (1H10: 9%)

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## Personal & Business Banking SA focusing on customers

<b>Inclusive banking</b>	<ul style="list-style-type: none"> <li>• Grow the SA “banked” population</li> <li>• Lower cost digital channels/mobile</li> <li>• Growth in mobile origination</li> <li>• Largest money transfer network</li> <li>• Grow unsecured lending sustainability</li> </ul>
<b>Personal markets</b>	<ul style="list-style-type: none"> <li>• Leadership position in retail deposits</li> <li>• Cross sell to existing customers</li> <li>• Restore secured lending profitability</li> <li>• Private banking</li> </ul>
<b>Business banking</b>	<ul style="list-style-type: none"> <li>• Dominant business banking market share</li> <li>• Maintain momentum in public sector</li> <li>• Leverage improved electronic platforms</li> <li>• Complete turnaround of VAF</li> <li>• Lower cost and appropriate differentiation</li> </ul>
<b>Bancassurance</b>	<ul style="list-style-type: none"> <li>• Improve penetration of embedded products</li> <li>• Delivering on bancassurance and growth commitments with Liberty</li> </ul>

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## Personal & Business Banking Rest of Africa continues to build

<b>Deploying branch network</b>	<ul style="list-style-type: none"> <li>• Attract customers and deposits</li> <li>• Cash handling and management</li> <li>• Facilitate business and corporate banking growth</li> </ul>
<b>Relevant products/channels</b>	<ul style="list-style-type: none"> <li>• Relevant to domestic customers</li> <li>• Business banking, agriculture and trade finance</li> <li>• Leverage corporate relationships – workplace banking</li> <li>• Leading transactional franchise</li> <li>• Mobile</li> </ul>
<b>Credit capability industrialised</b>	<ul style="list-style-type: none"> <li>• Facilitate lending – both commercial and unsecured</li> <li>• Risk appetite and pricing</li> </ul>
<b>Fit for purposes: IT and Ops</b>	<ul style="list-style-type: none"> <li>• Low cost processing</li> <li>• Payments and cash management</li> <li>• Distribution optimisation</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>• Sales culture → branches → stores</li> <li>• Service</li> <li>• Engagement</li> </ul>

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## Corporate & Investment Banking sustained revenues

	Total income		Headline earnings	
		change %		change %
Global markets	5 584	6	1 378	1
Investment banking	2 550	(16)	1 278	7
Transactional products and services	3 089	8	676	8
Principal investment management	429	11	(43)	46
Troika			31	(82)
<b>Corporate &amp; Investment Banking</b>	<b>11 652</b>	<b>1</b>	<b>3 320</b>	<b>1</b>

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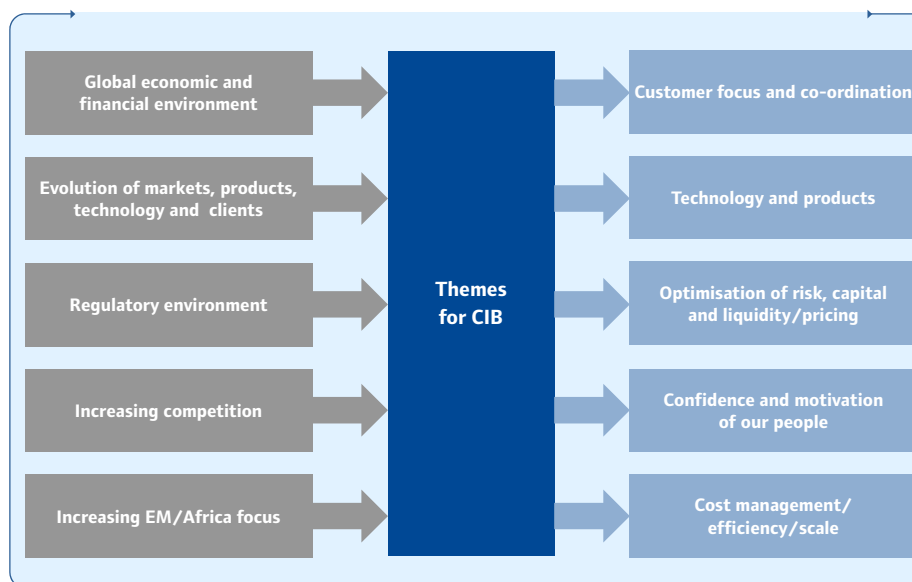
## Corporate & Investment Banking continued client focus

<b>Global markets</b>	<ul style="list-style-type: none"> <li>• Good result in difficult market conditions and increased competition</li> <li>• Quality of SA franchise underscored by 30% growth</li> <li>• Better coordinated in serving our clients</li> <li>• Risk well controlled</li> <li>• Positive sentiment remains</li> </ul>
<b>Investment banking</b>	<ul style="list-style-type: none"> <li>• Client focus reflected with increased origination levels within our strategic areas</li> <li>• Strong mining sector performance, below par growth within telecoms and power and infrastructure</li> <li>• Advisory business impacted by general slowdown in African M&amp;A</li> <li>• Slow start for debt products, strong second quarter</li> <li>• Pipelines encouraging</li> </ul>
<b>Transactional products and services</b>	<ul style="list-style-type: none"> <li>• Ongoing focus in serving our clients</li> <li>• Negative endowment, but good improvement in trade and transaction flows</li> <li>• Strong contribution from growing African platform, leader in custody across the continent</li> <li>• Critical linkage between Africa and China</li> </ul>

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## Corporate & Investment Banking positioned for growth



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## Conclusion

Jacko Maree

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## Responding to cost pressures

- Detailed plans within the organisation to achieve sustained cost savings are aimed at
  - Dramatically streamlining regional and head office support costs
  - Re-evaluating the pace and scope of IT transformation
  - Accelerating geographic hubbing and infrastructure sharing
  - Consolidating a consistent approach to enabling functions
- In the short term we anticipate
  - Banking group's total operating expenses for FY11 will be at the same level as FY10

## Capital update

- Sales of Russia and Argentina - \$750m
- Reduction of capital outside Africa will result in increased capital utilisation in SA as we use the prudential limit
- Strategy focused on Africa and natural resources will require further capital
- Basel III and national regulatory discretion to be clarified
- Possible African acquisitions
- Will only have reasonable clarity on surplus capital by March 2012

## Increasing our focus on Africa

- Africa is at the core of our refined strategy
- We have a good platform from which to expand
- We have the capacity to grow organically so we are not compelled to make any acquisitions
- But we are still not at sufficient scale in key regions
  - Not present in some potentially attractive and fast-growing countries
- We are looking for acquisition opportunities in Africa

## Outlook

- Current global economic uncertainty continues
- Pipelines across core sectors remain strong and continue to grow
- Continue to focus on acquiring good quality new customers and assets
- Continue to invest in key growth areas that underpin our long-term strategy
- Strong capital and funding position
- Sharpened focus on cost discipline
- Improved returns to shareholders