



Standard Bank Group unaudited results and dividend announcement for the six months ended 30 June 2012

"Our commitment to grow our group to be the leading financial services organisation in Africa remains unchanged. Our core businesses performed well in a difficult environment and are showing good momentum and we continue to improve our market position across many of our key products, segments and geographies. We have experienced strong growth in both loans and deposits – in fact our strongest revenue growth has come from our long-standing transactional banking businesses, both in retail and corporate banking."

– Jacko Maree, group chief executive

Headline earnings

- normalised R7 384 million, up 11% on 1H11
- IFRS R7 185 million, up 9% on 1H11

Cost-to-income ratio

- normalised 59,1% (1H11: 58,0%)
- IFRS 59,3% (1H11: 58,2%)

Dividends per ordinary share

- 212 cents (1H11: 141 cents)

Net asset value (NAV) per share

- normalised 6 581 cents (1H11: 5 926 cents)
- IFRS 6 667 cents (1H11: 5 994 cents)

Return on equity (ROE)

- normalised 14,5% (1H11: 14,5%)
- IFRS 14,6% (1H11: 14,9%)

Capital adequacy

- Tier I capital adequacy ratio of 11,0% (1H11: 12,4%)

Credit loss ratio

- normalised and IFRS 0,98% (1H11: 0,81%)

uncertainty around the LCR as we approach the implementation date in 2015. The banking industry still expects to face significant challenges in meeting the Basel III 2012 net stable funding ratio requirements and continues to engage with the relevant authorities in this regard.

The group participated in the Basel III quantitative impact assessment submitted to the SARB and the Bank of International Settlements. The results of the assessment reflect a reduction in the group's capital adequacy ratios under the proposed framework, but the group will remain adequately capitalised to meet the new Basel III requirements.

During the half year under review, the group implemented Basel 2.5 rules which accounted for R40 billion of the total increase in risk-weighted assets to R797,7 billion as at 30 June 2012, together with R47 billion of additional risk-weighted assets due to balance sheet growth.

The group maintained strong Basel II capital ratios in the period under review: core tier I capital ratio at 10,3%, tier I capital ratio at 11,0% and total capital ratio at 13,5%. Our objective is to strengthen SBSA's capital position in the second half of 2012 from internal sources of group surplus capital to support the use of SBSA as the primary balance sheet of the group.

Capital allocation to our business units has been refined to ensure a holistic focus on capital utilised including buffers, intangible assets and goodwill. The new capital allocation approach will support a sharper focus on efficient capital utilisation by business units and can be adapted easily to reflect the impact of the proposed increases in tier I capital ratios under Basel III rules in the future.

In order to achieve a better balance between interim and final dividends, the board has declared an interim distribution of 212 cents, which represents half of the prior year total. The dividend has been declared as a cash distribution but with an opportunity to elect capitalisation shares to provide flexibility for shareholders, given recent changes to dividend tax in South Africa.

Overview of business unit performance

	Change %	1H12	1H11	FY11
		Rm	Rm	Rm
Personal & Business Banking	33	3 194	2 408	5 860
Corporate & Investment Banking	(7)	2 861	3 085	5 532
Central and other	(17)	424	511	779
Banking activities	8	6 479	6 004	12 171
Liberty	43	905	633	1 428
Total	11	7 384	6 637	13 599

Personal & Business Banking (PBB)
For the six months under review, PBB reported headline earnings of R3 194 million, 33% higher than the prior period. The primary contributors to the increased headline earnings were income growth in excess of cost growth and well-priced loan origination. This result reflects the combination of an excellent result achieved in PBB South Africa which generated headline earnings of R3 250 million, with improving momentum in the rest of Africa, which reflected a smaller loss than the same period in the prior year as we expand our customer network.

The mortgage business continues to perform well with revenues up by 14% as a result of steady book growth over the last 18 months and a continued improvement in credit experience, particularly in South Africa given the sustained low interest rate environment and an improvement in customers' ability to service debt. NPLs reduced by a further R1 billion in the period from December 2011 (now 6,2% of the book) reducing the credit loss ratio to 91 basis points (bps). The specific provision for mortgages in the balance sheet at June 2012 was R3 749 million (21% coverage ratio, up from 20% at December 2011) and a further R1 362 million has been accumulated as a portfolio provision. The improving profitability in mortgages was partly attributable to new business being written at improved concessions in South Africa (68bps above prime for 1H12 and 1bp below prime for 1H11).

The instalment sale and finance lease book grew by 18% compared to the prior period, assisted by resilient vehicle sales in South Africa and good book growth in the rest of Africa. Nil relating to instalment sale and finance leases in the rest of Africa declined due to a sharp increase in funding costs as interest rates increased in East Africa. The credit loss ratio increased to 82bps from 72bps in the prior period, in line with book growth, and cost growth was affected by the negative impact of translating local currency expenses into rand. These factors combined resulted in a net decline in headline earnings for instalment sale and finance leases for the group.

Card debtors grew by 14% over the period as a result of good new account acquisition. Fee and commission income benefited from the increased account base, higher turnover and increased volumes in the acquiring business following the acquisition of new merchants. The credit loss ratio for the period was 2,28% (1H11: 2,20%). Operational risk losses reduced significantly during the period allowing headline earnings to grow by 19%.

Transaction and lending products achieved good growth in income and earnings. Retail priced deposits grew 13% in the period and, together with increased activity levels, provided good impetus to growth in fee and commission revenue, absorbing the impact of the price reductions announced in April in certain segments in South Africa. Strong growth was evidenced in personal term loans, overdrafts and revolving credit facilities in line with expectations given our focused approach to customer acquisition. The credit impairment charge for this grouping of unsecured loans more than doubled and the credit loss ratio was 2,64% for the period, well within pricing assumptions.

Bancassurance and wealth headline earnings grew by 29%. Short-term underwriting profits grew as a result of an improved claims management process resulting in the overall loss ratio on the book improving. The embedded products profit from the joint venture agreement with Liberty benefited from book growth and an improvement in product penetration ratios.

Corporate & Investment Banking (CIB)
After a strong start to the year, CIB experienced a much more difficult operating environment in the second quarter which put pressure on both revenues and earnings. Significant provisions taken in the period, predominantly outside Africa and in the rest of Africa, contributed to headline earnings being below the prior period and a decline in ROE from 15,5% to 12,7%.

The transactional products and services (TPS) business was the strongest performer in the period in CIB, with revenues for the first half of the year up 36% on the prior year comparative. This is a significant result given the core role TPS plays across the wider CIB franchise. Driving this strong growth was our developing businesses in the rest of Africa, supported by both operational growth and a positive endowment impact. The TPS business in the rest of Africa is now the same size (in revenue terms) as our long-standing TPS business in South Africa. The South African business made a positive contribution with cash management benefiting from income in average balances and the trade business experiencing an increase in exposures with Asian banks. Investor services income grew following a rise in securities lending, growth in assets under custody and increased volumes for the derivative-clearing business.

The global markets business saw revenues reduce 5% compared to the prior period as unfavourable market conditions, driven by the ongoing issues within the Eurozone, led to a weak second quarter for the outside Africa operation. The second quarter was severely impacted by subdued client activity and tighter margins, all of which contributed to revenues being well below the prior period. A further impact on revenues was the increased funding costs of the operations in London due to the introduction of new regulatory liquid asset buffer requirements. A positive trading result was achieved in the rest of Africa due to higher flow business in foreign exchange at improved margins. Costs in global markets rose year on year primarily due to increased support function costs, coupled with the translation effect of a weaker rand on operations outside South Africa. In presence of revenue growth, the rest of Africa has also seen increased investment in headcount and infrastructure across selected pressure countries, which have experienced high levels of cost inflation.

Investment banking reported half year income up 19% on the prior period. In particular, Nil has risen significantly following the focus on loan book growth seen towards the end of 2011. Rest of Africa revenues grew off a low base as a result of increased activity in the period, particularly within Mozambique and Kenya. At a headline earnings level, the positive revenue performance has been somewhat offset by significant provisions. Large specific impairments were taken in outside Africa relating to a small number of large exposures in the Middle East and a natural resources related exposure in Eastern Europe. In Africa, charges have been taken in Nigeria and Kenya as the recent growth in the book matures and credit losses trend to more expected levels.

Real estate and principal investment management, excluding those operations that have been curtailed, saw revenues rise 21% on the first six months of 2011. The property group in South Africa has seen a good selection of deals won in the period.

Liberty
The Liberty results referred to below reflect the group's 54,3% investment in Liberty Holdings Limited. Bancassurance results are included under PBB. Liberty's headline earnings for the six months to 30 June 2012 were up 41% to R1 797 million. Of these headline earnings, R905 million was attributable to the group. Liberty's ROE for the period was 23,4%.

The first half of 2012 reflected the significant operational improvements made by Liberty. Retail SA, which successfully remedied the policyholder lapse issues over the last few years, has now demonstrated capability to deliver innovative products and is achieving significant growth in new business and margin. LibFin continues to demonstrate its ability to manage to appropriate levels of market risk and Liberty's capital position is strong. Stanlib has substantially improved its investment fund performance and very good client inflows have been evidenced into higher margin retail funds.

Operational results for Liberty for the first half of 2012 include growth in indexed insurance sales of 22% and R2,7 billion cash inflows in its South African retail insurance operations. The asset management businesses attracted R5,4 billion net inflows. The core South African insurance operations were managed well within assumptions, producing positive policyholder behaviour variances. Liberty's operating earnings of R855 million are slightly lower than those reported in first half 2011, largely reflecting the cost of the investment in the build initiatives and noting that the 2011 earnings had benefited from once-off non-economic assumption changes of R112 million in the Retail SA business. The value of new business of R232 million is over 60% up on the prior period due to the growth in sales, a positive change in sales mix and sustainable improvements in persistency. Despite the ongoing European debt concerns and related volatility, a positive performance from investment markets has resulted in the shareholder investment portfolio producing a six-month gross return of 6,4% to 30 June 2012 (30 June 2011: 2,7%) marginally ahead of benchmark.

Strategic update

The results for the first half of 2012 support our strategic refinement to strengthen our focus on Africa. A highlight of the results was the good growth trajectory being maintained in our on-the-ground banks in the rest of sub-Saharan Africa. Our banks are all at different stages of development, producing different returns but as a composite delivered an ROE (excluding goodwill) of 13,2%, much improved on the 8,9% of the prior period. Co-operation with the Industrial and Commercial Bank of China (ICBC) is a vital building block of our strategy, and linkages between Africa and China through ICBC continue apace.

CIB's operations outside Africa mirrored the experience evidenced by recently announced results of many global investment banks with substantially lower second quarter revenues. The reduced corporate activity and lower trading volumes have resulted in a continuation of sub-optimal financial results from this operation, especially when converted to rand. Cost savings which have been achieved by reducing the scale of these operations were largely outweighed in the last six months by the continued investment in operational risk and compliance areas. We remain committed to the right-sizing of these operations in a responsible and deliberate manner and the execution thereof will continue to be a protracted and complex process.

Prospects

Macro-economic uncertainties are expected to continue to weigh on investor sentiment and client activity in the second half of 2012 and we therefore expect revenue growth to be subdued in CIB in the second half. The second half of 2012 is also expected to be a more difficult environment for revenue generation for PBB, given the anticipated endowment impact of the recently announced rate cut and the full year impact of price cuts in South Africa. The upward pressure placed on costs as a result of being on an accelerated growth path in certain of our operations, having to overhaul legacy IT systems and increasing regulatory and compliance pressures will remain challenging.

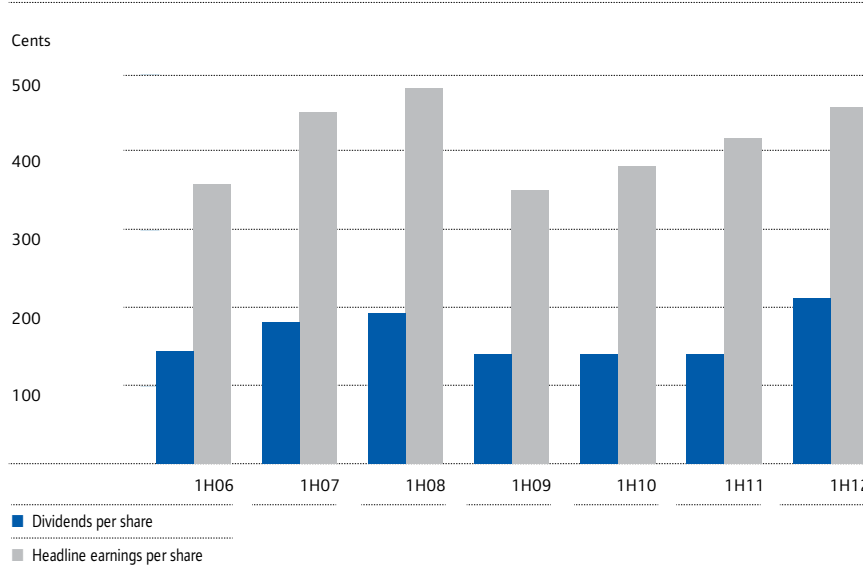
Our group is in good health and our core businesses have good momentum. We have maintained a strong liquidity and funding profile, asset quality is good and our strict capital and risk discipline means we are on track to comply with Basel III next year. We are mindful of the external challenges but believe that our healthy foundation and our broad product and client base will stand us in good stead.

Stakeholders should note that any forward looking information in this announcement has not been reviewed or reported on by the group's external auditors.

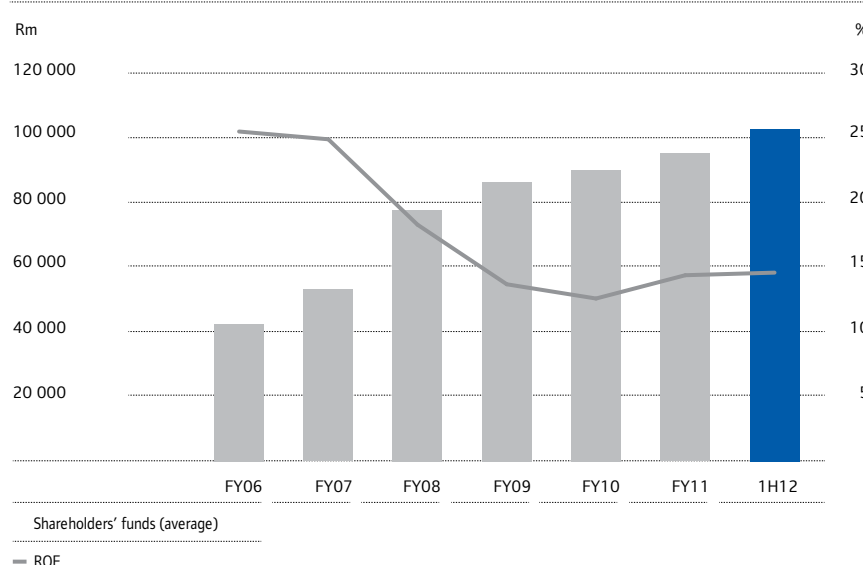
Jacko Maree
Chief executive
15 August 2012

Fred Phaswana
Chairman

Headline earnings and dividends per share



Return on ordinary equity



The results discussed in the following commentary are presented on an unaudited normalised basis, unless otherwise indicated as being on an International Financial Reporting Standards (IFRS) basis. Results are normalised to correct the distortions caused by IFRS' treatment of the Standard Bank Group's (the group's) Black Economic Empowerment Ownership initiative and of group share exposures deemed to be treasury shares, that are entered into to facilitate client trading activities or for the benefit of Liberty Holdings Limited and its subsidiaries (Liberty) policyholders. Refer to the normalised explanation alongside for further details. The interim unaudited results in accordance with IFRS are presented separately in the announcement.

Group results

Amidst the uncertainty in the world economy and the continuous upheavals in global banking, we have consistently delivered reasonable returns and our financial strength has served us well. Our improving revenue generation capability has allowed the group to absorb much higher provisions than in the prior period and higher than anticipated rand cost growth and yet deliver 11% growth in headline earnings per share to our shareholders, declare a dividend of 212 cents per share and maintain our tier I capital adequacy ratio at 11,0%.

Operating environment

Following a reasonable start to the year, the challenges that hampered the global economy in 2011 intensified in the second quarter, much of this centred on the Eurozone. Elsewhere official data showed that the UK has slipped into a double-dip recession, while in the US a struggling housing market and the threat of a tighter fiscal policy continued to hold back the economy. China's inflation rate fell to just 3%, another sign of cooling in the world's second biggest economy. Its central bank cut interest rates for the first time since 2008 in an attempt to boost demand. The impact that these issues have had on investor sentiment was reflected within financial markets, with the FTSE All World Index falling 8% in the second quarter. Sub-Saharan Africa is still anticipated to show growth of 5,1% in 2012 according to the International Monetary Fund's latest estimates, driven in particular by Nigeria, Ghana, Ethiopia, Angola and Tanzania. This compares favourably to the rates predicted for the global economy (3,9%) and advanced economies (1,6%). However, the region's trade links with the developed world will continue to mean that its outlook is somewhat determined by the strength of the global economic recovery.

In South Africa, household consumption continued to grow, albeit at a slower rate, supported by rises in real disposable income and a household debt-to-income ratio which continued to decline. The production side of the economy continued to struggle. The manufacturing sector has come under significant pressure due to the weak external environment as well as rising domestic price pressures, in particular labour and electricity. A slowing economy fuelled expectations of an interest rate cut which then occurred in July. Global financial instability and weaker commodity prices also resulted in the rand weakening significantly in the period.

It has become clear that 2012 has developed into another difficult year for the global economy. Investor confidence remains fragile and financial markets are volatile. This makes for a very challenging operating environment for all banks.

Revenues

Total income grew by 15% in the period under review. This growth was achieved through strong net interest income (NII) growth of 18% and good non-interest revenue growth of 13%. Revenue growth was assisted by a relatively weaker rand over the reporting period. On a constant currency basis, total income growth was 11%.

The group achieved good loan growth towards the end of 2011 and this continued during 2012 which provided some good impetus to NII growth. Margin expansion was achieved through a combination of continued appropriate risk-based pricing initiatives and a greater proportion of higher margin unsecured loans in Personal & Business Banking (PBB). Also assisting margin was a positive endowment effect on capital and transactional balances in the rest of Africa, where interest rates rose sharply towards the end of 2011.

Net fee and commission income increased by 8% compared to the first half of 2011. PBB achieved 10% growth despite the absence of price increases at the beginning of the year, coupled with some reductions in prices for personal customers effective 1 April 2012. PBB South Africa increased the number of customers by 10% compared to last June. Electronic banking fees and card-based fees supported growth and increased in line with a continued trend of increased activity levels through electronic channels. Fees in Corporate & Investment Banking (CIB) grew by a more subdued 2%. This was the net result of strong growth in account transaction fees, as our transactional banking franchise in the rest of Africa gained traction, and decreased knowledge-based fees, partly due to a narrower strategic focus.

Trading revenue ended the period 15% higher than the prior period and was the result of a strong first quarter combined with a comparatively weak second quarter. Our client franchise across Africa was relatively insulated from the drop off in revenues experienced globally in the second quarter, where fixed income and currency trading volumes decreased significantly as clients adopted a "risk-off" stance given macroeconomic uncertainty. Our global markets operations outside Africa felt this impact markedly and were required to hold much higher liquid asset buffers which further impacted their revenues in the Nil line.

Other revenue grew by 37% for the period and benefited from positive valuation adjustments on listed and unlisted property investments in South Africa.

Credit impairments

The charge for credit impairments increased 35% to R3,9 billion for the period and resulted in a credit loss ratio of 0,98% (1H11: 0,81%). In PBB, the charge for non-performing loans (NPLs) increased 18% despite the level of NPLs as a percentage of the book decreasing from 7,1% at June last year to 5,1%. As anticipated, this was required to cater for the credit risk inherent in a rapidly growing higher risk, but higher margin unsecured personal term loan book. In CIB, further specific provisions were raised to account for a small number of large exposures in the Middle East and a natural resources related exposure in Eastern Europe. In addition, a few large specific exposures in the rest of Africa were impaired as previously identified watch-list exposures moved into NPL status during the period. In an uncertain environment, we continue to closely monitor our corporate exposures, particularly as collateral values have come under increasing pressure.

Specific provision coverage ratios for the group increased from 29% at June 2011 to 33% at June 2012.

Operating expenses

Total operating expenses for the period were up by 17% on the prior period on a reported basis and up by 13% excluding the translation impact of a weaker rand. The average USD/ZAR exchange rate used to translate foreign costs in the first half of 2012 was 7,94 compared to 6,90 in the first half of 2011.

Staff costs grew by 16% for the period (11,5% on a constant currency basis). Fixed remuneration grew by 14% as a result of annual inflationary increases and an increased number of client facing staff in the rest of Africa. Variable remuneration increased by 1%, largely due to the amortisation impact of prior period deferred incentives. Other staff costs increased due to project staff employed during the period, particularly in operational risk and compliance areas, as well as exit costs incurred in operations outside of Africa as we continue to scale down activities consistent with our tightened strategy.

In line with the significant revenue opportunities we are seeing on the continent, a major driver of operational cost growth is the continued expansion of our businesses across the rest of Africa. Other factors placing upward pressure on costs included increased regulatory and compliance-related costs in our operations outside Africa, continued investment in systems and distribution, increased planned marketing campaigns and higher amortisation and depreciation charges.

Continued focus will be applied to the group's cost base as the current level of cost growth may prove unaffordable given softening revenue growth rates.

Loans and advances

Loans to customers grew by 12% when compared to the prior period. PBB grew by 11% with mortgages up 6%, instalment sale and finance leases up 18%, credit card balances up 14% and other loans up 29%. The strong growth in instalment sale and finance leases was supported by resilient new vehicle sales in South Africa in the period. Other term loans includes a small book of unsecured lending to customers who earn less than R8 000 a month (referred to as our inclusive banking loans book) which has grown to R3,4 billion, up from R761 million at June 2011. In CIB, growth in loans to customers of 14% was achieved, primarily driven by client demand for lending products in our core sectors of natural resources and infrastructure towards the end of 2011.

Capital, funding and liquidity

The group's overall liquidity position remains strong with appropriate liquidity buffers held for stress amounting to R142,8 billion at 30 June 2012 (excluding cash reserving across the group of an additional R42,1 billion). These levels of liquidity are significant but are required in anticipation of current and pending regulations as well as being appropriately prudent given the group's liquidity stress-testing philosophy. The group continues to maintain a robust ratio of long-term funding at 25% of liabilities.

The group's most stable funding source, retail deposits from PBB customers, grew by 13% compared to June 2011 and is a testament to our ability to hold our own in a fiercely competitive market in South Africa and our growing customer franchise in the rest of Africa. CIB also evidenced its ability to attract transactional banking customers with current accounts increasing by 21% and cash management deposits increasing by 27% compared to the prior interim period. A number of key debt capital market and term loan funding transactions were executed, taking advantage of pockets of relatively well-priced liquidity. Investor appetite for capital markets issuance remained robust and The Standard Bank of South Africa (SBSA) successfully placed R13 billion of senior debt in the domestic bond market. SBSA also raised USD1,35 billion in a single syndicated loan from the international bank loan markets.

In May 2012, the South African Reserve Bank (SARB) confirmed that it would assist banks to meet the new Basel III liquidity coverage ratio (LCR) requirement through the provision of a committed liquidity facility. The mechanics and details of such a facility are under discussion between the Banking Association and the SARB. Such a facility will significantly reduce

Declaration of dividends

Payment of an interim cash dividend of 212,00 cents per ordinary share to ordinary shareholders with an election to receive capitalisation shares in lieu of the cash dividend

Shareholders of Standard Bank Group Limited (“the company”) are advised of the following dividend declarations in respect of ordinary shares and preference shares.

Ordinary shares

Ordinary shareholders are advised that the board of directors (“the board”) has resolved to declare an interim gross cash dividend of 212,00 cents per ordinary share (“the cash dividend”) to ordinary shareholders recorded in the register of the company at the close of business on Friday, 14 September 2012. Ordinary shareholders will however be able to elect to receive ordinary shares of 10 (ten) cents each in the company as capitalisation shares in lieu of the cash dividend (“the capitalisation issue”), to be determined by the ratio that 212,00 cents bears to the volume weighted average price of the company’s ordinary shares on the exchange operated by the JSE Limited (“JSE”) during the five-day trading period ending Thursday, 30 August 2012. No Secondary Tax on Companies (“STC”) credits were utilised as part of the ordinary dividend declaration.

The cash dividend will be paid out of profits of the company while the new ordinary shares to be issued pursuant to the capitalisation issue will be done from the company’s share premium reserves.

Details of the ratio will be released on the Securities Exchange News Service of the JSE (“SENS”) by no later than 11:00 on Friday, 31 August 2012 and published in the South African and Namibian press the following business day.

Trading in the Strate Limited environment does not permit fractions and fractional entitlements. Accordingly, where an ordinary shareholders’ entitlement to new ordinary shares calculated in accordance with the above formula gives rise to a fraction of a new ordinary share, such fraction of a new ordinary share will be rounded up to the nearest whole number where the fraction is greater than or equal to 0,5 and rounded down to the nearest whole number where the fraction is less than 0,5.

A circular relating to the cash dividend and the capitalisation issue will be posted to ordinary shareholders on or about Friday, 24 August 2012 and the salient dates and times are set out in the table below.

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 10 September 2012, and Friday, 14 September 2012, both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited or updated on Monday, 17 September 2012.

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 shares

Preference shareholders are advised that the board has resolved to declare the following interim distributions:

- 6,5% first cumulative preference shares (first preference shares) dividend No. 86 of 3,25 cents (gross) per first preference share, payable on Monday, 10 September 2012, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday, 7 September 2012. The last day to trade to participate in the dividend is Friday, 31 August 2012. First preference shares will commence trading ex-dividend from Monday, 3 September 2012. No STC credits were utilised as part of the first preference dividend declaration.

- Non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 16 of 345,55 cents (gross) per second preference share, payable on Monday, 10 September 2012, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday, 7 September 2012. The total STC credits utilised as part of the declaration amount to R183 080 157,96 and consequently the STC credits utilised per share amounts to 345,55 cents per second preference share. Second preference shareholders will therefore receive a net dividend of 345,55 cents per second preference share. The last day to trade to participate in the dividend is Friday, 31 August 2012. Second preference shares will commence trading ex-dividend from Monday, 3 September 2012.

The salient dates and times for the preference share distributions are set out in the table below.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 3 September 2012 and Friday, 7 September 2012, both days inclusive.

In the absence of specific mandates, dividend cheques will be posted to shareholders.

Preference shareholders (first and second) who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday, 10 September 2012.

Salient dates and times for the ordinary and preference share distributions

	Ordinary shares	6,5% first 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 number	86	86	16
Gross distribution/dividend per share (cents)	212,00	3,25	345,55
Circular and form of election posted to ordinary shareholders	Friday, 24 August 2012		
Announcement of the ratio applicable to the capitalisation shares, based on the five-day trading period ending Thursday, 30 August 2012, released on SENS	Friday, 31 August 2012		
Announcement of the ratio applicable to the capitalisation shares published in the South African and Namibian press	Monday, 3 September 2012		
Last day to trade in order to be eligible for the cash dividend/capitalisation shares (CUM distribution)	Friday, 7 September 2012	Friday, 31 August 2012	Friday, 31 August 2012
Shares trade EX the cash dividend/capitalisation shares	Monday, 10 September 2012	Monday, 3 September 2012	Monday, 3 September 2012
Record date in respect of the cash dividend/capitalisation shares	Friday, 14 September 2012	Friday, 7 September 2012	Friday, 7 September 2012
Payment date	Monday, 17 September 2012	Monday, 10 September 2012	Monday, 10 September 2012

All times provided in this announcement are South African local times. The above dates and times are subject to change. Any changes will be released on SENS and published in the South African and Namibian press.

Tax implications

The cash dividend received under the ordinary shares and the preference shares, or the election to receive the capitalisation shares in lieu of the cash dividend under the ordinary shares, are likely to have tax implications for both resident and non-resident ordinary and preference shareholders. Ordinary shareholders are therefore encouraged to consult their professional tax advisers should they be in any doubt as to the appropriate action to take with respect to the election.

In terms of the Income Tax Act 58 of 1962 (“Income Tax Act”), the cash dividend will, unless exempt, be subject to Dividend Withholding Tax (“DT”) that was introduced with effect from 1 April 2012. South African resident ordinary and preference shareholders that are liable for DT, will be subject to DT at a rate of 15% of the cash dividend, and this amount will be withheld from the cash dividend with the result that they will receive a net amount of 180,20 cents per ordinary share, 2,7625 cents per first preference share and 345,55 cents per second preference share. Non-resident ordinary and preference shareholders may be subject to DT at a rate of less than 15% depending on their country of residence and the applicability of any Double Tax Treaty between South Africa and their country of residence. The capitalisation issue is not subject to DT in terms of the Income Tax Act, but the subsequent disposal of shares obtained as a result of the capitalisation issue is likely to have Income Tax or Capital Gains Tax (“CGT”) implications. Where any future disposals of shares obtained as a result of the capitalisation issue fall within the CGT regime, the base cost of such shares will be regarded as nil in terms of the Income Tax Act (or the value at which such shares will be included in the determination of the weighted average base cost method would be zero).

The issued share capital of the company, as at declaration date, is as follows:

- 1 592 617 674 ordinary shares;
- 8 000 000 first preference shares; and
- 52 982 248 second preference shares.

The company’s tax reference number is 9800/211/71/7.

On behalf of the board

Loren Wulfsohn

Group secretary

Accounting policies

Basis of preparation

These results are prepared in accordance with the recognition and measurement criteria of 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 and the South African Companies Act 71 of 2008, as amended.

The consolidated interim 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 interim financial results 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 as noted below and are in terms of IFRS.

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

The group adopted the following IFRS prospectively as of 1 January 2012 with no impact on the group’s accounting policies or results and with no restatement of the prior period results:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* (revised 2010); and
- IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* (revised 2010).

Early adoption of amended standards and interpretations

The group has early adopted the following amended IFRS as of 1 January 2012 with no material impact on the group’s accounting policies or results and with no restatement of the prior period results:

- IAS 1 *Presentation of Financial Statements* (2011 Improvements to IFRS);
- IAS 16 *Property, Plant and Equipment* (2011 Improvements to IFRS);
- IAS 32 *Financial Instruments: Presentation* (2011 Improvements to IFRS);
- IAS 34 *Interim Financial Reporting* (2011 Improvements to IFRS); and
- IFRS 1 *First-time Adoption of International Financial Reporting Standards* (2011 Improvements to IFRS).

Restatements

The comparative statement of financial position at 30 June 2011 has been adjusted to reflect the presentation consequences of the restatement below, with no impact on reserves.

Commodity transactions

Following a review of the group’s commodity transactions in terms of IFRS and group accounting policies, certain commodity transactions that had previously been classified as deposits were reclassified to trading liabilities in 2009. The subsequent settlement of those trading liabilities reduced pledged assets, trading assets and deposits in June 2011. The group believes that this restatement better reflects the nature of the underlying transactions. The restatement had no impact on reserves or the income statement.

Retirement of directors and group secretary

Sir Paul Judge and Sam Jonah KBE have retired from office by rotation at the company’s annual general meeting held on 31 May 2012.

Further to the announcement of 7 February 2012, shareholders are advised that the group secretary, Loren Wulfsohn, will now be resigning with effect from 31 October 2012 and not 30 September 2012.

Interim unaudited results in accordance with IFRS

The Standard Bank Group’s consolidated interim financial results for the six months ended 30 June 2012 have not been audited or independently reviewed by the group’s external auditors. The preparation of the group’s consolidated interim financial results was supervised by the group financial director, Simon Ridley, BCom (Natal), CA(SA), AMP (Oxford). These results were made publicly available on 16 August 2012.

Consolidated income statement for the six months ended 30 June 2012				
	Change %	1H12 Unaudited Rm	1H11 Unaudited Rm	FY11 Audited Rm
Income from banking activities	15	32 191	27 964	58 552
Net interest income	18	15 688	13 316	28 827
Non-interest revenue	13	16 503	14 648	29 725
Income from investment management and life insurance activities	57	31 261	19 923	48 835
Total income	33	63 452	47 887	107 387
Credit impairment charges	35	3 945	2 914	6 436
Benefits due to policyholders	77	22 646	12 810	33 799
Income after credit impairment charges and policyholders’ benefits	15	36 861	32 163	67 152
Operating expenses in banking activities	17	19 175	16 332	34 725
Operating expenses in investment management and life insurance activities	19	5 723	4 825	10 410
Net income before goodwill impairment	9	11 963	11 006	22 017
Goodwill impairment	–	–	–	61
Net income before associates and joint ventures	9	11 963	11 006	21 956
Share of profit from associates and joint ventures	44	166	115	284
Net income before indirect taxation	9	12 129	11 121	22 240
Indirect taxation	31	821	627	1 384
Profit before direct taxation	8	11 308	10 494	20 856
Direct taxation	9	3 190	2 926	5 713
Profit for the period from continuing operations	7	8 118	7 568	15 143
Profit for the period from discontinued operations ¹	69	431	255	641
Profit for the period	9	8 549	7 823	15 784
Attributable to non-controlling interests	14	1 215	1 064	2 213
Attributable to preference shareholders	(6)	168	179	345
Attributable to ordinary shareholders	9	7 166	6 580	13 226
Basic earnings per share (cents)	8	472,3	436,2	875,7
– continuing operations	6	451,0	423,6	843,9
– discontinued operations	69	21,3	12,6	31,8
Diluted earnings per share (cents)	8	457,0	422,4	849,2
– continuing operations	6	436,4	410,2	818,3
– discontinued operations	69	20,6	12,2	30,9

¹ *The income and expenses relating to Standard Bank Argentina, which qualifies as a discontinued operation, have been presented as a single amount relating to its after tax profit for 1H12, 1H11 and FY11.*

Headline earnings

Headline earnings for the six months ended 30 June 2012				
	Change %	1H12 Unaudited Rm	1H11 Unaudited Rm	FY11 Audited Rm
Profit for the period from continuing operations	7	6 843	6 389	12 745
Headline adjustable items added/(reversed)		56	(9)	231
Goodwill impairment – IAS 36				61
Loss on deemed disposal of associate – IFRS 3			22	22
Loss on net investment hedge reclassified on disposal of associate – IAS 39		130		
Realised foreign currency translation reserve on foreign operations – IAS 21		(117)		
Profit on sale of property and equipment – IAS 16		(16)	(25)	(62)
Impairment of property and equipment – IAS 36				29
Impairment of non-current assets held for sale – IFRS 5				37
Impairment of intangible assets – IAS 36				109
Realised losses/(gains) on available-for-sale assets – IAS 39		59	(6)	35
Taxation on headline earnings adjustable items		(15)	10	(33)
Non-controlling interests’ share of headline earnings adjustable items		(14)	3	–
Standard Bank Group headline earnings from continuing operations	7	6 870	6 393	12 943
Profit for the period from discontinued operations	69	323	191	481
Headline adjustable items (reversed)/added		(19)	(47)	(49)
Loss/(profit) on sale of property and equipment – IAS 16		7	1	(1)
Realised gains on available-for-sale assets – IAS 39		(26)	(48)	(48)
Taxation on headline earnings adjustable items		9	17	17
Non-controlling interests’ share of headline earnings adjustable items		2	8	8
Standard Bank Group headline earnings from discontinued operations	86	315	169	457
Standard Bank Group headline earnings	9	7 185	6 562	13 400

Consolidated statement of financial position as at 30 June 2012

	Change %	1H12 Unaudited Rm	1H11 ¹ Unaudited Rm	FY11 Audited Rm
Assets				
Cash and balances with central banks	5	32 413	30 816	31 907
Financial investments, trading and pledged assets	8	424 166	391 477	385 881
Non-current assets held for sale ²	>100	33 296	2 553	34 085
Loans and advances	10	814 292	741 071	801 308
Derivative and other assets	24	171 768	138 196	174 569
Interest in associates and joint ventures	(16)	14 991	17 871	13 935
Investment property	4	23 032	22 095	23 470
Goodwill and other intangible assets	20	13 606	11 346	12 754
Property and equipment	0	14 796	14 793	14 920
Total assets	13	1 542 360	1 370 218	1 492 829
Equity and liabilities				
Equity	12	119 916	107 133	117 533
Equity attributable to ordinary shareholders	12	101 268	90 531	99 042
Preference share capital and premium	–	5 503	5 503	5 503
Non-controlling interest	18	13 145	11 099	12 988
Liabilities	13	1 422 444	1 263 085	1 375 296
Deposit and current accounts	8	906 481	842 304	876 777
Derivative, trading and other liabilities	22	241 544	197 564	237 261
Non-current liabilities held for sale ²	100	28 808	27 939	
Policyholders’ liabilities	9	217 252	199 744	208 565
Subordinated debt ³	21	28 359	23 473	24 754
Total equity and liabilities	13	1 542 360	1 370 218	1 492 829

¹ *Restated.*

² *Includes the assets and liabilities of Standard Bank Argentina and Standard Ünlü as at 1H12. Standard Bank Argentina and Troika, an associate of the group that has subsequently been disposed of, were classified as held for sale as at FY11.*

³ *Includes the issue of SBK15 and SBK16 during 1H12 with notional amounts of R1,2 billion and R2,0 billion respectively.*

Contingent liabilities and capital commitments as at 30 June 2012

	Change %	1H12 Unaudited Rm	1H11 Unaudited Rm	FY11 Audited Rm
Letters of credit and bankers’ acceptances	29	16 556	12 787	15 345
Guarantees	53	45 973	30 119	36 307
Contingent liabilities	46	62 529	42 906	51 652
Contracted capital expenditure	(9)	2 779	3 044	2 846
Capital expenditure authorised but not yet contracted	(16)	6 527	7 733	7 901
Capital commitments	(14)	9 306	10 777	10 747

Private equity associates and joint ventures as at 30 June 2012

	Change %	1H12 Unaudited Rm	1H11 ¹ Unaudited Rm	FY11 ¹ Audited Rm
Cost	(22)	126	161	131
Carrying value	24	491	395	431
Fair value	1	436	430	410
Loans to associates and joint ventures	(93)	18	251	278
Equity accounted income	100	35	–	84

¹ *Comparative financial information restated to exclude banking activities ring-fenced associates that have been consolidated at a group level.*

Consolidated statement of other comprehensive income for the six months ended 30 June 2012

	Change %	1H12 Non-controlling interests and preference shareholders Unaudited Rm	1H11 Non-controlling interests and preference shareholders Unaudited Rm	FY11 Audited Rm
Profit for the period		7 166	6 580	13 226
Other comprehensive income after tax for the period – continuing operations		<		