Standard Bank Group
Analysis of financial results

for the year ended 31 December 2010

Standard Bank

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Group results in brief

All results in this booklet are presented on a normalised basis, unless otherwise indicated as being on an International Financial Reporting Standards (IFRS) basis. Results are normalised to correct the distortions caused by IFRS' treatment of the group's Black Economic Empowerment Ownership initiative and by group share exposures entered into to facilitate client trading activities or for the benefit of Liberty policyholders that are deemed to be treasury shares. Refer to page 16 for principal differences between normalised and IFRS results.

Headline earnings of **R11 283 million** down 4%

2009: **R11 718 million**

Headline earnings per ordinary share **716 cents** down 5%

2009: **757 cents**

Dividend per share **386 cents**

2009: **386 cents**

Net asset value per share, **5 726 cents** up 2%

2009: **5 612 cents**

Return on equity **12,5%**

2009: **13,6%**

Credit loss ratio **1,04%**

2009: **1,60%**

Cost-to-income ratio **61,7%**

2009: **52,4%**

Total capital adequacy ratio **15,3%**

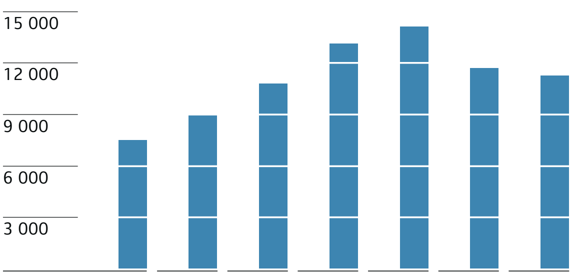
2009: **15,1%**

"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

Headline earnings

Rm CAGR (2004 - 2010): 7%

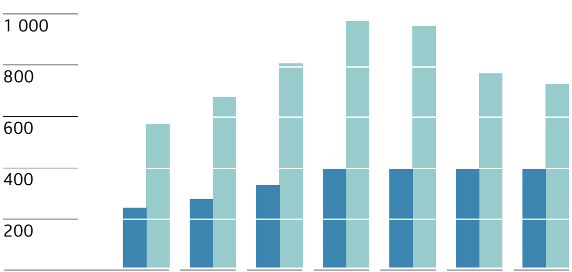


2004	2005	2006	2007	2008	2009	2010
7 511	9 013	10 818	13 153	14 150	11 718	11 283

Headline earnings and dividends per share

CAGR (2004 – 2010): Headline earnings per share: 4%
Dividends per share: 9%

Cents



	2004	2005	2006	2007	2008	2009	2010
Dividends per share	232	267	320	386	386	386	386
Headline earnings per share	558	666	796	961	943	757	716

Financial results, ratios and statistics

		Change %	2010	2009
Standard Bank Group (SBG)				
Headline earnings contribution by business unit				
Total headline earnings	Rm	(4)	**11 283**	11 718
Banking activities	Rm	(15)	**9 890**	11 646
Personal & Business Banking	Rm	23	**4 750**	3 874
Corporate & Investment Banking	Rm	(30)	**5 248**	7 467
Central and other	Rm	(>100)	**(108)**	305
Liberty	Rm	>100	**1 393**	72
Profit attributable to ordinary shareholders	Rm	(4)	**11 088**	11 519
Other indicators				
Headline earnings per ordinary share (EPS)	cents	(5)	**715,9**	756,9
Diluted headline EPS	cents	(5)	**709,6**	750,6
Basic EPS	cents	(5)	**703,5**	744,0
Diluted EPS	cents	(5)	**697,3**	737,8
Dividend cover	times		**1,9**	2,0
Dividend per share	cents		**386,0**	386,0
Net asset value per share	cents	2	**5 726**	5 612
Tangible net asset value per share	cents	1	**5 071**	5 008
Ordinary shareholders' equity	Rm	4	**90 755**	87 454
Return on equity (ROE)	%		**12,5**	13,6
Total capital adequacy ratio	%		**15,3**	15,1
Tier I capital adequacy ratio	%		**12,9**	11,9
Core tier I capital adequacy ratio	%		**12,0**	11,0
Number of ordinary shares in issue				
– end of year	thousands	2	**1 585 037**	1 558 258
– weighted average	thousands	2	**1 576 092**	1 548 236
– diluted weighted average	thousands	2	**1 590 083**	1 561 165
Number of employees		4	**53 351**	51 411
Net asset value				
Opening balance	Rm	2	**87 454**	85 902
Additional shareholder value	Rm	60	**6 583**	4 124
– headline earnings	Rm	(4)	**11 283**	11 718
– other earnings outside headline earnings	Rm		**(195)**	(199)
– currency translation movements, including hedging activities	Rm		**(4 325)**	(7 509)
– net cash flow hedges	Rm		**(214)**	85
– net available-for-sale movement	Rm		**71**	7
– other	Rm		**(37)**	22
Transactions with ordinary shareholders	Rm		**(3 282)**	(2 572)
– shares issued and capitalisation of reserves	Rm		**205**	200
– change in shareholding of subsidiary	Rm		**(41)**	
– dividends paid	Rm		**(3 860)**	(3 137)
– other	Rm		**414**	365
Closing balance	Rm	4	**90 755**	87 454
Banking activities				
Balance sheet				
Total assets	Rm	3	**1 111 885**	1 077 637
Loans and advances (net of credit impairments)	Rm	(1)	**713 025**	723 507
Other indicators				
ROE	%		**11,8**	14,5
Loan-to-deposit ratio	%		**89,5**	94,1
Net interest margin	%		**3,01**	3,21
Non-interest revenue to total income	%		**50,8**	49,8
Credit impairment charges	Rm	(38)	**7 524**	12 097
Credit loss ratio	%		**1,04**	1,60
Cost-to-income ratio	%		**61,7**	52,4
Effective taxation rate	%		**29,3**	29,5
Number of employees		5	**48 125**	45 937

In 2010 the group experienced:

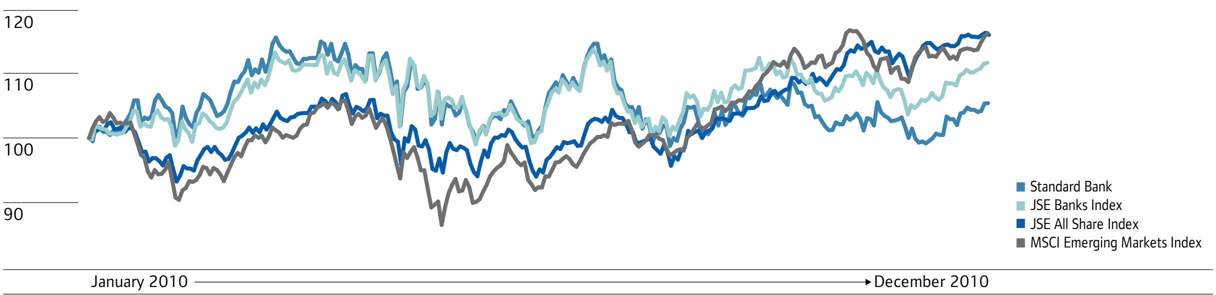
Globally

- Some improvement in global macroeconomic conditions following stressed conditions in 2009.
- Persistent uncertainty following the emergence of the European sovereign debt crisis in the second quarter of 2010 and heightened concerns of a 'double-dip' recession.
- Significant monetary and fiscal interventions to stimulate advanced economies.
- Subdued risk appetite and trade flows.
- Strong performance in emerging markets, driven by recoveries in consumption and investment.
- Increased focus on emerging markets by global financial institutions.
- Improved global liquidity, although the cost of term liquidity remained relatively high.
- Ongoing public and regulatory pressure on financial institutions.

South Africa

- Improved economic recovery buoyed by stronger demand for commodities and by the 2010 FIFA World Cup™, but hindered by industrial action during the second half of the year.
- Lower inflation, average of 4,3% for 2010 compared to 7,1% in 2009.
- Historically low interest rates as the average prime rate reduced by 198 basis points to 9,9% in 2010.
- Stronger closing average USD/ZAR exchange rate.
- Robust portfolio and foreign direct investment inflows.
- Continued recovery in the JSE All Share Index, up 16% in 2010.
- Capital and infrastructure spending driven primarily by state-owned enterprise investments.
- Continued corporate deleveraging and low levels of corporate activity.
- Persistent high levels of unemployment.
- Improvement in consumers' ability to service debt, but debt-to-disposable income levels remain high.
- Moderate increase in credit extension to the private sector.
- Stabilisation of rate of individual saving.

Share price performance



		Change %	2010	2009
Other economic indicators				
Market indicators				
USD/ZAR exchange rate				
– closing		(10)	**6,64**	7,37
– average		(13)	**7,32**	8,42
SA prime overdraft rate (closing)	%		**9,0**	10,5
SA average prime overdraft rate	%		**9,9**	11,9
SA average CPI	%		**4,3**	7,1
JSE All Share Index (closing)		16	**32 119**	27 666
JSE Banks Index (closing)		12	**40 985**	36 675
MSCI Emerging Markets Index (closing)		16	**1 151**	989
Share statistics				
Share price				
High for the year	cents	12	**11 800**	10 500
Low for the year	cents	70	**10 075**	5 915
Closing	cents	5	**10 755**	10 200
Shares traded				
Number of shares	thousands	(21)	**1 169 927**	1 489 980
Value of shares	Rm	(2)	**125 756**	128 351
Turnover in shares traded	%		**74,2**	96,2

Overview of financial results

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
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 year and Personal & Business Banking in Argentina ended the year profitably.

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 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. 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 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 Holdings 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 has 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.

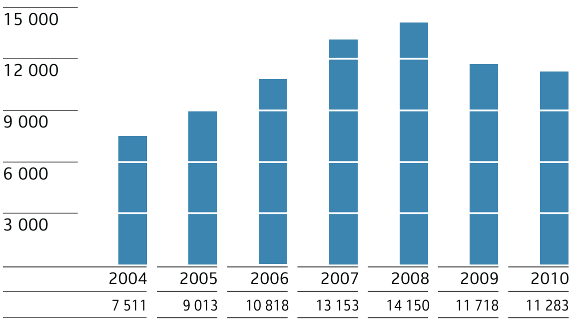
Standard Bank participated in the quantitative impact study that the Basel Committee conducted during 2010 and preliminary results showed that our tier I ratio would decrease slightly under the proposed Basel III framework. We are confident, however, that we are adequately capitalised to meet the new 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.

Summarised group income statement

	Change %	2010 Rm	2009 Rm
Net interest income	(8)	**28 927**	31 493
Non-interest revenue	(4)	**29 923**	31 217
Net fee and commission revenue	3	**18 641**	18 108
Trading revenue	(21)	**8 428**	10 621
Other revenue	15	**2 854**	2 488
Total income	(6)	**58 850**	62 710
Credit impairment charges	(38)	**7 524**	12 097
Specific credit impairments	(31)	**8 135**	11 779
Impaired loss	(28)	**7 077**	9 782
Discounting of expected recoveries	(47)	**1 058**	1 997
Portfolio credit impairments	(>100)	**(611)**	318
Income after credit impairment charges	1	**51 326**	50 613
Operating expenses	12	**36 656**	32 827
Staff costs	9	**19 542**	17 848
Other operating expenses	9	**16 333**	14 979
Restructuring costs		**781**	
Net income before goodwill	(18)	**14 670**	17 786
Goodwill impairment	(29)	**30**	42
Net income before associates and joint ventures	(17)	**14 640**	17 744
Share of profit/(loss) from associates and joint ventures	>100	**584**	(34)
Net income before taxation	(14)	**15 224**	17 710
Taxation	(15)	**4 466**	5 232
Profit for the year	(14)	**10 758**	12 478
Attributable to minorities	12	**617**	552
Attributable to preference shareholders	(22)	**376**	479
Attributable to ordinary shareholders – banking activities	(15)	**9 765**	11 447
Headline adjustable items – banking activities	(37)	**125**	199
Headline earnings – banking activities	(15)	**9 890**	11 646
Headline earnings – Liberty	>100	**1 393**	72
Standard Bank Group headline earnings	(4)	**11 283**	11 718

Headline earnings

Headline earnings
Rm CAGR (2004 - 2010): 7%

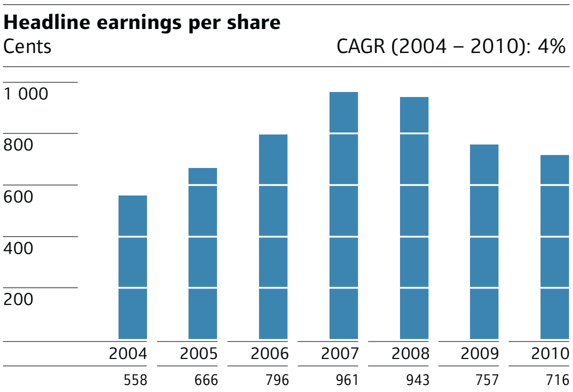


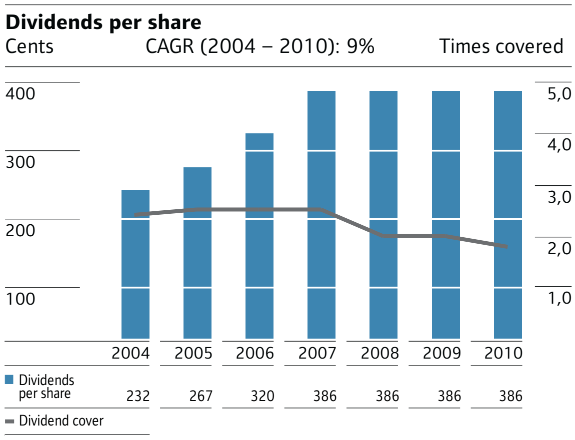
Reconciliation of headline earnings

	2010 Gross Rm	2010 Tax[1] Rm	2010 Minorities and preference share-holders Rm	2010 Net Rm	2009 Gross Rm	2009 Tax[1] Rm	2009 Minorities and preference share-holders Rm	2009 Net Rm
Profit for the year – banking activities	**14 006**	**(3 248)**	**(993)**	**9 765**	16 241	(3 763)	(1 031)	11 447
Headline adjustable items – banking activities added/(deducted)	**127**	**(22)**	**20**	**125**	205	16	(22)	199
Goodwill impairment – IFRS 3	**30**			**30**	42			42
Loss on deemed disposal of associate – IFRS 3	**10**			**10**				
Profit on sale of property and equipment – IAS 16	**(23)**	**4**	**2**	**(17)**	(38)	9		(29)
Impairment of property and equipment – IAS 16					46	(15)	(13)	18
Realised foreign currency translation reserve on foreign operations – IAS 21					(18)			(18)
Losses on the disposal of businesses and divisions – IAS 27	**30**	**(6)**	**1**	**25**	7			7
(Reversal of impairment)/impairment of associates – IAS 28	**(4)**			**(4)**	379	(28)		351
Impairment of intangible assets – IAS 38	**159**	**(44)**		**115**	96	(26)		70
Realised gains on available-for-sale assets – IAS 39	**(75)**	**24**	**17**	**(34)**	(309)	76	(9)	(242)
Headline earnings – banking activities	**14 133**	**(3 270)**	**(973)**	**9 890**	16 446	(3 747)	(1 053)	11 646
Headline earnings – Liberty	**4 590**	**(1 723)**	**(1 474)**	**1 393**	1 197	(877)	(248)	72
Liberty share of attributable profit	**4 421**	**(1 717)**	**(1 381)**	**1 323**	1 197	(877)	(248)	72
Liberty headline adjustable items added	**169**	**(6)**	**(93)**	**70**				
Goodwill impairment – IFRS 3	**114**		**(68)**	**46**				
Impairment of intangible assets – IAS 38	**20**	**(6)**	**(8)**	**6**				
Impairment of investment in joint venture – IAS 31	**14**		**(7)**	**7**				
Realised foreign currency translation reserve on foreign operations – IAS 21	**21**		**(10)**	**11**				
Standard Bank Group headline earnings	**18 723**	**(4 993)**	**(2 447)**	**11 283**	17 643	(4 624)	(1 301)	11 718

[1] *Excluding indirect taxes.*

Headline earnings and dividends per share





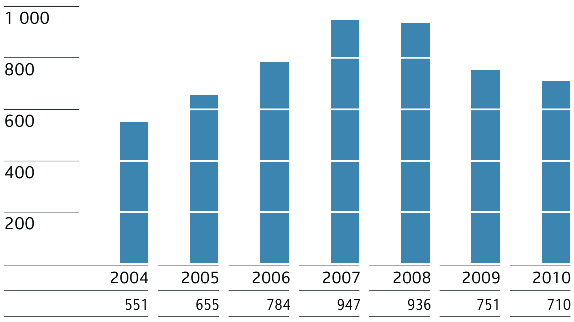
		Change %	2010	2009
Headline earnings	Rm	(4)	**11 283**	11 718
Headline EPS	cents	(5)	**715,9**	756,9
Basic EPS	cents	(5)	**703,5**	744,0
Total distributions per share	cents		**386,0**	386,0
Distribution paid out of share premium				
– final	cents			245,0
Dividend paid out of distributable reserves				
– interim	cents		**141,0**	141,0
– final	cents		**245,0**	
Dividend cover – based on normalised headline EPS	times		**1,9**	2,0

Movement in number of ordinary and weighted average shares issued

	2010		2009	
	Issued number of shares 000's	**Weighted number of shares 000's**	Issued number of shares 000's	Weighted number of shares 000's
Beginning of the year	**1 558 258**	**1 558 258**	1 525 008	1 525 008
Shares issued for share option settlements	**6 799**	**4 259**	6 061	3 190
Shares issued through scrip distribution	**19 980**	**13 575**	27 189	20 038
End of the year	**1 585 037**	**1 576 092**	1 558 258	1 548 236
Reconciliation to IFRS shares in issue				
End of the year – normalised	**1 585 037**	**1 576 092**	1 558 258	1 548 236
Shares held by Tutuwa SPVs	**(63 479)**	**(63 479)**	(63 479)	(63 479)
Total number of shares held initially by Tutuwa SPVs	**(99 190)**	**(99 190)**	(99 190)	(99 190)
Less: number of Tutuwa shares financed by third parties	**24 691**	**24 691**	24 691	24 691
Less: number of Tutuwa shares acquired by ICBC	**11 020**	**11 020**	11 020	11 020
Share exposures held to facilitate client trading activities	**876**	**3 186**	5 288	6 615
Shares held for the benefit of Liberty policyholders (deemed treasury shares)	**(17 341)**	**(23 843)**	(25 723)	(32 035)
End of the year – IFRS	**1 505 093**	**1 491 956**	1 474 344	1 459 337

Diluted headline earnings per share

Diluted headline earnings per share
Cents CAGR (2004 – 2010): 4%



	Change %	2010 cents	2009 cents
Diluted headline EPS	(5)	**709,6**	750,6
Diluted EPS	(5)	**697,3**	737,8

Diluted weighted average number of ordinary shares issued

	2010 000's	2009 000's
Weighted average shares	**1 576 092**	1 548 236
Dilution from equity compensation plans	**13 991**	12 929
Share option scheme	**5 323**	7 049
Equity growth scheme	**8 668**	5 880
Diluted weighted average shares	**1 590 083**	1 561 165
Reconciliation to diluted weighted average IFRS shares		
Diluted weighted average shares – normalised	**1 590 083**	1 561 165
Shares held by Tutuwa SPVs	**(63 479)**	(63 479)
Share exposures held to facilitate client trading activities	**3 186**	6 615
Shares held for the benefit of Liberty policyholders	**(23 843)**	(32 035)
Tutuwa transaction – dilutive shares	**42 054**	38 772
Diluted weighted average shares – IFRS	**1 548 001**	1 511 038

Statement of financial position

	Change %	Standard Bank Group 2010 Rm	2009[1] Rm
Assets			
Cash and balances with central banks	15	**28 675**	24 983
Derivative assets	22	**149 682**	122 194
Trading assets	(8)	**80 585**	87 874
Pledged assets	10	**6 390**	5 808
Financial investments	8	**286 198**	264 769
Loans and advances	(1)	**713 025**	723 507
Loans and advances to banks	(4)	**107 090**	111 068
Loans and advances to customers	(1)	**605 935**	612 439
Investment property	13	**21 521**	19 058
Other assets	6	**19 521**	18 407
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	**1 341 420**	1 297 788
Equity and liabilities			
Equity	4	**108 210**	104 498
Equity attributable to ordinary shareholders	4	**90 755**	87 454
Preference share capital and premium		**5 503**	5 503
Minority interest	4	**11 952**	11 541
Liabilities	3	**1 233 210**	1 193 290
Derivative liabilities	26	**145 004**	115 221
Trading liabilities	(41)	**30 375**	51 118
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
Other liabilities	(0)	**47 315**	47 447
Policyholders' liabilities	7	**197 878**	184 300
Subordinated debt	(13)	**23 138**	26 656
Total equity and liabilities	3	**1 341 420**	1 297 788

[1] *Refer to page 97 for the prior year reclassifications.*

[2] *Includes elimination of balances between Liberty and banking activities.*

Banking activities			Liberty[2]		
Change %	2010 Rm	2009[1] Rm	Change %	2010 Rm	2009[1] Rm
15	28 675	24 983			
21	147 892	122 213	>100	1 790	(19)
(8)	80 635	87 874		(50)	
50	6 390	4 249	(100)		1 559
20	95 441	79 849	3	190 757	184 920
(1)	713 025	723 507			
(4)	107 090	111 068			
(1)	605 935	612 439			
			13	21 521	19 058
7	14 037	13 141	4	5 484	5 266
3	4 388	4 265	17	6 145	5 264
15	8 965	7 827	(10)	1 418	1 582
28	12 437	9 729	(2)	2 470	2 521
3	1 111 885	1 077 637	4	229 535	220 151
3	92 867	90 486	9	15 343	14 012
3	83 870	81 221	10	6 885	6 233
	5 503	5 503			
(7)	3 494	3 762	9	8 458	7 779
3	1 019 018	987 151	4	214 192	206 139
25	143 923	115 415	>100	1 081	(194)
(39)	31 001	51 118		(626)	
4	796 635	768 548		(7 135)	
(13)	91 729	106 018			
6	704 906	662 530		(7 135)	
(6)	25 694	27 468	8	21 621	19 979
			7	197 878	184 300
(12)	21 765	24 602	(33)	1 373	2 054
3	1 111 885	1 077 637	4	229 535	220 151

Statement of comprehensive income

	Change %	2010 Ordinary shareholders' equity Rm	2010 Minorities and preference shareholders Rm	2010 Total equity Rm
Profit for the year	5	11 088	2 374	13 462
Other comprehensive income after tax for the year:	43	(4 509)	(844)	(5 353)
Exchange rate differences on translating equity investment in foreign operations		(3 561)	(845)	(4 406)
Foreign currency hedge of net investment		(768)		(768)
Cash flow hedges		(214)		(214)
Available-for-sale financial assets		71	45	116
Revaluation and other (losses)/gains		(37)	(44)	(81)
Total comprehensive income for the year	>100	6 579	1 530	8 109
Attributable to minorities			1 154	1 154
Attributable to equity holders of the parent		6 579	376	6 955
Attributable to preference shareholders	(22)		376	376
Attributable to ordinary shareholders	60	6 579		6 579

Statement of changes in equity

	Ordinary share capital and premium Rm	Foreign currency translation reserve Rm	Foreign currency hedge of net investment reserve Rm	Cash flow hedging reserve Rm
Balance at 1 January 2009	16 997	5 288	880	802
Increase in statutory credit risk reserve				
Equity-settled share-based payment transactions				
Tax on share-based payments				
Transfer of vested equity options				
Issue of share capital and share premium	200			
Total comprehensive income for the year		(7 403)	(106)	85
Dividends paid				
Balance at 31 December 2009	17 197	(2 115)	774	887
Balance at 1 January 2010	17 197	(2 115)	774	887
Increase in statutory credit risk reserve				
Equity-settled share-based payment transactions				
Tax on share-based payments				
Transfer of vested equity options				
Change in shareholding of subsidiary		4		
Issue of share capital and share premium and capitalisation of reserves	325			
Transfer of owner-occupied properties				
Total comprehensive income for the year		(3 561)	(768)	(214)
Dividends paid				
Balance at 31 December 2010	17 522	(5 672)	6	673

All balances are stated net of applicable tax.

	2009		
	Ordinary shareholders' equity Rm	Minorities and preference shareholders Rm	Total equity Rm
	11 519	1 279	12 798
	(7 395)	(2 069)	(9 464)
	(7 403)	(2 164)	(9 567)
	(106)		(106)
	85		85
	7	33	40
	22	62	84
	4 124	(790)	3 334
		(1 269)	(1 269)
	4 124	479	4 603
		479	479
	4 124		4 124

	Statutory credit risk reserve Rm	Available-for-sale revaluation reserve Rm	Share-based payment reserve Rm	Revaluation and other reserves Rm	Retained earnings Rm	Ordinary share-holders' equity Rm	Preference share capital and premium Rm	Minority interest Rm	Total equity Rm
	344	319	739	302	60 231	85 902	5 503	13 738	105 143
	202				(202)				
			307			307		37	344
					58	58			58
			(132)		132				
						200		(10)	190
		7		(14)	11 555	4 124	479	(1 269)	3 334
					(3 137)	(3 137)	(479)	(955)	(4 571)
	546	326	914	288	68 637	87 454	5 503	11 541	104 498
	546	**326**	**914**	**288**	**68 637**	**87 454**	**5 503**	**11 541**	**104 498**
	177				**(177)**				
			412			**412**		**32**	**444**
					2	**2**			**2**
			(581)		**581**				
	(6)	**(15)**			**(20)**	**(37)**		**36**	**(1)**
					(120)	**205**		**30**	**235**
				21	**(21)**				
		71		**(36)**	**11 087**	**6 579**	**376**	**1 154**	**8 109**
					(3 860)	**(3 860)**	**(376)**	**(841)**	**(5 077)**
	717	**382**	**745**	**273**	**76 109**	**90 755**	**5 503**	**11 952**	**108 210**

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Explanation of principal differences between normalised and IFRS results

Description of normalised adjustments

The group's consolidated financial statements are prepared in accordance with, and comply with, IFRS as issued by both the International Accounting Standards Board (IASB) and the Accounting Practices Board of South Africa. This document is prepared on a basis which normalises or adjusts the IFRS results for three specific accounting circumstances where IFRS does not reflect the underlying economic and legal substance of the following arrangements (the normalised adjustments):

- the group's Black Economic Empowerment Ownership (Tutuwa) initiative;
- group shares held by Liberty for the benefit of policyholders; and
- group share exposures entered into to facilitate client trading activities.

A common element in these transactions relates to shares in issue which are deemed by IFRS to be treasury shares. Consequently, the net value of the shares is recognised as a deduction against equity; and the number of shares used for per share calculation purposes is materially lower than the economic substance, resulting in inflated per share ratios. With regard to segmental and product reporting, the normalising adjustments have been made within Liberty, and central and other. The results of the other business units are unaffected.

Black Economic Empowerment Ownership ('Tutuwa') initiative

The group concluded its Black Economic Empowerment Ownership initiative in October 2004 when it sold an effective 10% interest in its South African banking operations to a broad-based grouping of black entities.

The group obtained financing through the issue of perpetual preference shares. These funds were used to subscribe for 8,5% redeemable, cumulative preference shares issued by special purpose vehicles (SPVs) controlled by the Standard Bank Group (SBG). These SPVs purchased SBG shares. Subsequently, the SPVs containing these shares were sold to black participants. The capital and dividends on the redeemable preference shares issued by the SPVs are repayable from future ordinary dividends received, or the proceeds from the disposal of SBG shares held.

As a result of SBG's contingent right to receive its own dividends back in the form of yield and capital on the redeemable preference shares, the subsequent sale of the SPVs and consequent delivery of the SBG shares to the black participants, although legally effected, is not accounted for as a sale.

Consequently, the IFRS accounting treatment followed until full redemption, or third party financing is obtained, is:

- the redeemable preference shares issued by the SPVs and subscribed for by SBG are not recognised as financial assets, but eliminated against equity as a negative empowerment reserve;
- the negative empowerment reserve represents SBG shares held by the SPVs that are deemed to be treasury shares in terms of accounting conventions;
- to the extent that preference dividends are received from the SPVs, these are eliminated against the ordinary dividends paid on the SBG shares held by the SPVs;
- preference dividends accrued but not received, due to cash distributions paid to participants increase the empowerment reserve;
- for purposes of the calculation of earnings per share, the weighted average number of shares in issue is reduced by the number of shares held by those SPVs that have been sold to the black participants. The shares will be restored on full redemption of the preference shares, or to the extent that the preference share capital is financed by a third party; and
- perpetual preference shares issued by SBG for the purposes of financing the transaction, are classified as equity. Dividends paid on the perpetual preference shares are accounted on declaration and not on an accrual basis.

The 'normalised' adjustment:

- recognises a loan asset by reversing the elimination of the redeemable preference shares against equity;
- accrues for preference dividends receivable on the loan asset within interest income;
- adds back the number of shares held by the black participants to the weighted number of shares in issue, for purposes of calculating normalised per share ratios; and
- adjusts dividends declared on perpetual preference shares to an accrual basis.

In December 2007 the group obtained financing external to SBG for a portion of the financing provided to the SPVs. As a result, the negative empowerment reserve was reduced by the value of the external financing obtained of R1 billion and a proportion of the SBG shares held by the SPVs (24,7 million shares) are no longer deemed to be treasury shares for accounting purposes.

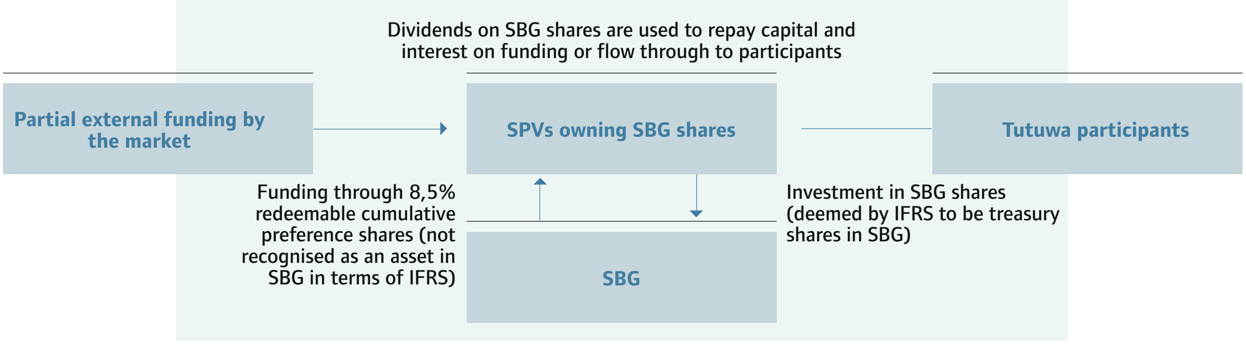
In March 2008 11,1% of the Tutuwa participants' shares were sold to ICBC with the proceeds being partly utilised for the repayment of their preference share liability, thereby releasing a further 11,0 million ordinary shares previously deemed by IFRS to be treasury shares.

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

The group acquires or sells short its own shares for two distinct business reasons:

- group companies' shares held by Liberty are invested for the risk and reward of its policyholders, not its shareholders, and consequently the group's shareholders are exposed to an insignificant portion of the fair value changes on these shares; and
- the group enters into transactions in its own shares to facilitate client trading activities. As part of normal trading operations, the group offers to clients trading positions over listed shares, including own shares. In order to hedge the risk on these trades, the group buys or sells short its own shares in the market. The group's shareholders are therefore exposed to an insignificant portion of fair value changes on these shares.

Tutuwa initiative



In terms of IAS 32 *Financial Instruments: Presentation* (IAS 32), trades by subsidiaries in the group's shares held on behalf of policyholders and group share exposures to facilitate client trading activities are deemed to be treasury shares for accounting purposes. The accounting consequences in the consolidated IFRS group financial statements are:

- the cost price of shares purchased by subsidiaries as well as any funds received by subsidiaries from selling the group's shares short are set off against or added to ordinary shareholders' equity and minority interest in the group's financial statements;
- all the fair value movements are eliminated from the income statement, reserves and minority interests where applicable; and
- dividends received on group shares are eliminated against dividends paid.

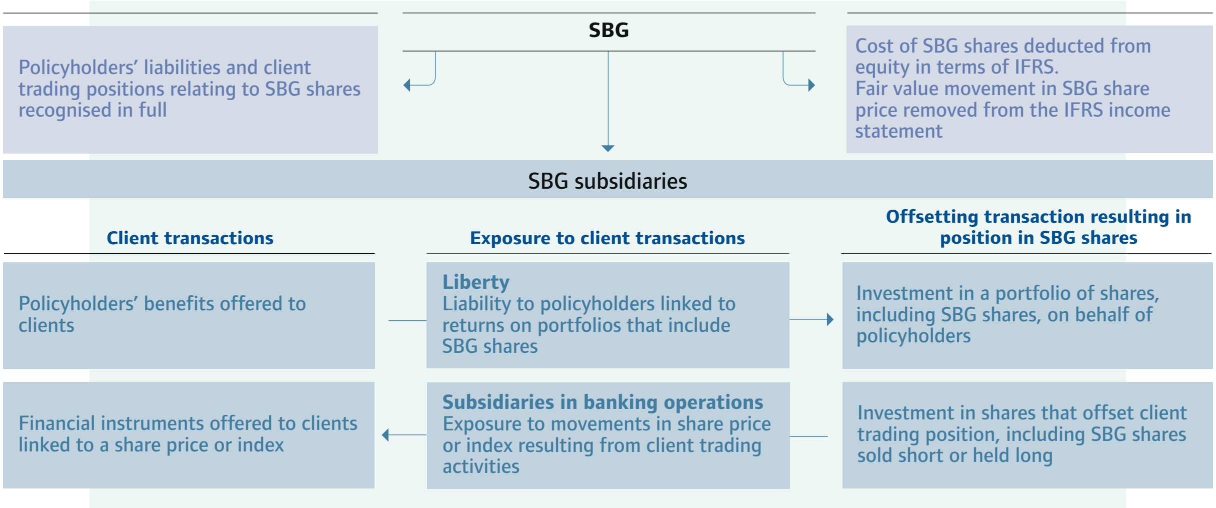
No corresponding adjustment is made to the policyholder liabilities or trading positions with customers. As a result, the application of IAS 32 gives rise to a mismatch in the overall equity and income statement of the group. The liability to policyholders and client trading position, along with the change in policyholders' liabilities and profit or loss recognised on the client trading position is therefore not eliminated even though the corresponding interest in the group's shares is eliminated and treated as treasury shares acquired or issued.

With regards to the group shares held for the benefit of Liberty policyholders, the weighted average number of shares in issue for per share figures is calculated by deducting the full number of group shares held (100%), not the IFRS effective 54% owned by the group, as IFRS (IAS 33 *Earnings per Share*) does not contemplate minority portions of treasury shares. This treatment exaggerates the reduction in the weighted average number of shares used to calculate per share ratios.

For purposes of calculating the normalised results, the adjustments described above are reversed and the group shares held on behalf of policyholders and to facilitate client trading activities are treated as issued to parties external to the group.

The impact of the normalised adjustments on the issued and weighted number of shares is provided on page 10.

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



Adjustments to IFRS results

	Headline earnings			Ordinary shareholders' equity
	Banking activities Rm	Liberty Rm	Standard Bank Group Rm	Standard Bank Group Rm
IFRS – 2010	**9 751**	**1 218**	**10 969**	**87 073**
Tutuwa initiative	**196**	**40**	**236**	**2 758**
Share exposures held to facilitate client trading activities	**(57)**		**(57)**	**(59)**
Group shares held for the benefit of Liberty policyholders		**135**	**135**	**983**
Normalised – 2010	**9 890**	**1 393**	**11 283**	**90 755**
IFRS – 2009	11 629	(376)	11 253	84 022
Tutuwa initiative	229	49	278	2 584
Share exposures held to facilitate client trading activities	(212)		(212)	(537)
Group shares held for the benefit of Liberty policyholders		399	399	1 385
Normalised – 2009	11 646	72	11 718	87 454

Financial results, ratios and statistics – IFRS

		Change %	2010	2009
Standard Bank Group				
Headline earnings contribution by business unit				
Total headline earnings	Rm	(3)	**10 969**	11 253
Banking activities	Rm	(16)	**9 751**	11 629
Personal & Business Banking	Rm	23	**4 750**	3 874
Corporate & Investment Banking	Rm	(30)	**5 248**	7 467
Central and other	Rm	(>100)	**(247)**	288
Liberty	Rm	>100	**1 218**	(376)
Profit attributable to ordinary shareholders	Rm	(3)	**10 774**	11 054
Other indicators				
Headline EPS	cents	(5)	**735,2**	771,1
Diluted headline EPS	cents	(5)	**708,6**	744,7
Basic EPS	cents	(5)	**722,1**	757,5
Diluted EPS	cents	(5)	**696,0**	731,6
Dividend cover	times		**1,9**	2,0
Dividend per share	cents		**386,0**	386,0
Net asset value per share	cents	2	**5 785**	5 699
Tangible net asset value per share	cents	1	**5 095**	5 061
Ordinary shareholders' equity	Rm	4	**87 073**	84 022
ROE	%		**12,7**	13,7
Total capital adequacy ratio	%		**15,3**	15,1
Tier I capital adequacy ratio	%		**12,9**	11,9
Core tier I capital adequacy ratio	%		**12,0**	11,0
Number of ordinary shares in issue				
– end of year	thousands	2	**1 505 093**	1 474 344
– weighted average	thousands	2	**1 491 956**	1 459 337
– diluted weighted average	thousands	2	**1 548 001**	1 511 038
Banking activities				
Balance sheet				
Total assets	Rm	3	**1 109 676**	1 076 058
Loans and advances (net of credit impairments)	Rm	(1)	**710 722**	721 389
Other indicators				
ROE	%		**11,9**	14,9
Loan-to-deposit ratio	%		**89,2**	93,9
Net interest margin	%		**3,00**	3,19
Non-interest revenue to total income	%		**51,1**	50,2
Credit impairment charges	Rm	(38)	**7 524**	12 097
Credit loss ratio	%		**1,05**	1,60
Cost-to-income ratio	%		**61,8**	52,3
Effective taxation rate	%		**29,7**	29,8

Summarised group income statement – IFRS

	Change %	2010 Rm	2009 Rm
Net interest income	(8)	**28 742**	31 316
Non-interest revenue	(5)	**30 004**	31 512
Net fee and commission revenue	3	**18 641**	18 108
Trading revenue	(22)	**8 509**	10 916
Other revenue	15	**2 854**	2 488
Total income	(6)	**58 746**	62 828
Credit impairment charges	(38)	**7 524**	12 097
Specific credit impairments	(31)	**8 135**	11 779
Impaired loss	(28)	**7 077**	9 782
Discounting of expected recoveries	(47)	**1 058**	1 997
Portfolio credit impairments	(>100)	**(611)**	318
Income after credit impairment charges	1	**51 222**	50 731
Operating expenses	12	**36 656**	32 827
Staff costs	9	**19 542**	17 848
Other operating expenses	9	**16 333**	14 979
Restructuring costs		**781**	
Net income before goodwill	(19)	**14 566**	17 904
Goodwill impairment	(29)	**30**	42
Net income before associates and joint ventures	(19)	**14 536**	17 862
Share of profit/(loss) from associates and joint ventures	>100	**584**	(34)
Net income before taxation	(15)	**15 120**	17 828
Taxation	(16)	**4 490**	5 315
Profit for the year	(15)	**10 630**	12 513
Attributable to minorities	12	**617**	552
Attributable to preference shareholders	(27)	**387**	531
Attributable to ordinary shareholders – banking activities	(16)	**9 626**	11 430
Headline adjustable items – banking activities	(37)	**125**	199
Headline earnings – banking activities	(16)	**9 751**	11 629
Headline earnings/(loss) – Liberty	>100	**1 218**	(376)
Standard Bank Group headline earnings	(3)	**10 969**	11 253

Statement of comprehensive income – IFRS

	Change %	2010 Ordinary shareholders' equity Rm	2010 Minorities and preference shareholders Rm	2010 Total equity Rm
Profit for the year	8	10 774	2 233	13 007
Other comprehensive income after tax for the year:	43	(4 509)	(844)	(5 353)
Exchange rate differences on translating equity investment in foreign operations		(3 561)	(845)	(4 406)
Foreign currency hedge of net investment		(768)		(768)
Cash flow hedges		(214)		(214)
Available-for-sale financial assets		71	45	116
Revaluation and other (losses)/gains		(37)	(44)	(81)
Total comprehensive income for the year	>100	6 265	1 389	7 654
Attributable to minorities			1 002	1 002
Attributable to equity holders of the parent		6 265	387	6 652
Attributable to preference shareholders			387	387
Attributable to ordinary shareholders	71	6 265		6 265

Statement of changes in equity – IFRS

	Ordinary share capital and premium Rm	Empowerment reserve Rm	Treasury shares Rm	Foreign currency translation reserve Rm	Foreign currency hedge of net investment reserve Rm
Balance at 1 January 2009	16 997	(2 653)	(758)	5 288	880
Increase in statutory credit risk reserve					
Equity-settled share-based payment transactions					
Tax on share-based payments					
Transfer of vested equity options					
Issue of share capital and share premium	200				
Net decrease in treasury shares			617		
Total comprehensive income for the year				(7 403)	(106)
Dividends paid					
Balance at 31 December 2009	17 197	(2 653)	(141)	(2 115)	774
Balance at 1 January 2010	17 197	(2 653)	(141)	(2 115)	774
Increase in statutory credit risk reserve					
Equity-settled share-based payment transactions					
Tax on share-based payments					
Transfer of vested equity options					
Change in shareholding of subsidiary				4	
Issue of share capital and share premium and capitalisation of reserves	325				
Transfer of owner-occupied properties					
Net increase in treasury shares			(358)		
Total comprehensive income for the year				(3 561)	(768)
Dividends paid		(318)			
Balance at 31 December 2010	17 522	(2 971)	(499)	(5 672)	6

All balances are stated net of applicable tax.

Ordinary shareholders' equity Rm	2009 Minorities and preference shareholders Rm	Total equity Rm
11 054	942	11 996
(7 395)	(2 069)	(9 464)
(7 403)	(2 164)	(9 567)
(106)		(106)
85		85
7	33	40
22	62	84
3 659	(1 127)	2 532
	(1 658)	(1 658)
3 659	531	4 190
	531	531
3 659		3 659

Cash flow hedging reserve Rm	Statutory credit risk reserve Rm	Available-for-sale revaluation reserve Rm	Share-based payment reserve Rm	Revaluation and other reserves Rm	Retained earnings Rm	Ordinary share-holders' equity Rm	Preference share capital and premium Rm	Minority interest Rm	Total equity Rm
802	344	319	739	302	59 693	81 953	5 503	12 045	99 501
	202				(202)				
			307			307		37	344
					58	58			58
			(132)		132				
						200		(10)	190
					74	691		316	1 007
85		7		(14)	11 090	3 659	531	(1 658)	2 532
					(2 846)	(2 846)	(531)	(886)	(4 263)
887	546	326	914	288	67 999	84 022	5 503	9 844	99 369
887	**546**	**326**	**914**	**288**	**67 999**	**84 022**	**5 503**	**9 844**	**99 369**
	177				**(177)**				
			412			**412**		**32**	**444**
					2	**2**			**2**
			(581)		**581**				
	(6)	**(15)**			**(20)**	**(37)**		**36**	**(1)**
					(120)	**205**		**30**	**235**
				21	**(21)**				
					335	**(23)**		**449**	**426**
(214)		**71**		**(36)**	**10 773**	**6 265**	**387**	**1 002**	**7 654**
					(3 455)	**(3 773)**	**(387)**	**(771)**	**(4 931)**
673	**717**	**382**	**745**	**273**	**75 897**	**87 073**	**5 503**	**10 622**	**103 198**

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Executive committee

The group has reviewed and streamlined the role and composition of the group executive committee (exco) commencing January 2011.

The revised members of exco are the group chief executive and the three deputy group chief executives.

The head of Corporate & Investment Banking, Rob Leith, the head of Liberty, Bruce Hemphill and the finance director, Simon Ridley, attend all exco meetings. Other executives attend exco meetings on invitation.

Jacko Maree (55)
Group chief executive
BCom (Stellenbosch), MA (Oxford), PMD (Harvard)
Joined the group 1980, appointed to exco 1995

Ben Kruger (51)
Group deputy chief executive
BCom (Hons) (Pretoria), CA(SA), AMP (Harvard)
Joined the group 1985, appointed to exco 2000

Sim Tshabalala (43)
Group deputy chief executive and chief executive – The Standard Bank of South Africa
BA LLB (Rhodes), LLM (University of Notre Dame – USA), HDip Tax (Wits), AMP (Harvard)
Joined the group 2000, appointed to exco 2001

Peter Wharton-Hood (45)
Group deputy chief executive
BCom (Hons) (Wits), CA(SA), AMP (Harvard)
Joined the group 1997, appointed to exco 1999

Segmental reporting

Standard Bank

Segmental structure for key business units

Standard Bank Group Limited

Personal & Business Banking

Banking and other financial services to individual customers and small- to medium-sized enterprises in South Africa, rest of Africa, Argentina and Channel Islands

What we offer

Mortgage lending
- Residential accommodation loans to mainly personal market customers

Instalment sale and finance leases
- Instalment finance to personal market customers
- Finance of vehicles and equipment in the business market

Credit cards
- Credit card facilities to individuals and businesses (credit card issuing)
- Merchant transaction acquiring services (card acquiring)

Transactional and lending products
- Transactions in products associated with the various point of contact channels such as ATMs, internet, telephone banking and branches. This includes deposit taking activities, electronic banking, cheque accounts and other lending products, coupled with debit card facilities to both personal and business market customers

Bancassurance and wealth
- Short-term and long-term insurance comprising:
  - simple embedded products including homeowners' insurance, funeral cover, household and vehicle insurance and loan protection plans sold in conjunction with related banking products
  - complex insurance products including life, disability and investment policies sold by qualified intermediaries
- Financial planning
- Wealth services

Corporate & Investment Banking

Corporate and investment banking services to governments, parastatals, larger corporates, financial institutions and international counterparties, in Southern Africa and other emerging markets

What we offer

Global markets
- Foreign exchange
- Commodities
- Credit and interest rates
- Equities trading

Transactional products and services
- Transactional banking
- Investor services

Investment banking
- Advisory
- Project finance
- Structured finance
- Structured trade finance
- Corporate lending
- Primary markets
- Acquisition and BEE finance
- Property finance
- Equity investments

Principal investment management
- Investments in
  - Private equity
  - Real estate

Wealth – Liberty

Life insurance and investment management activities of group companies in the Liberty Holdings group

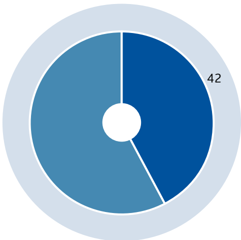
What we offer
- Long-term investments
- Long-term risk – life and disability
- Pension fund management
- Endowment and retirement annuities
- Corporate benefits
- Health care and health insurance
- Investment-related advice and solutions

Central and other

Includes the impact of the Tutuwa initiative, group capital instruments and group surplus capital, together with certain group overheads not recoverable from business segments, strategic acquisition costs and restructuring costs

Personal & Business Banking

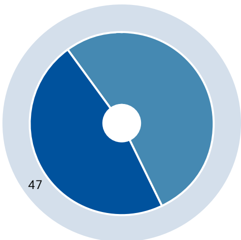
% of group headline earnings



	2010	2009
Headline earnings	R4 750 million	R3 874 million
Headline earnings	increase 23%	decline 18%
Headline earnings contribution	42%	33%
Return on equity	17,9%	15,1%
Cost-to-income ratio	60,2%	55,4%
Credit loss ratio	1,65%	2,38%
External net loans and advances	R406 billion	R395 billion

Corporate & Investment Banking

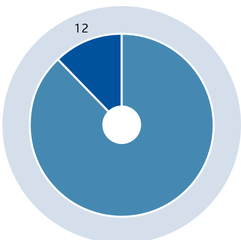
% of group headline earnings



	2010	2009
Headline earnings	R5 248 million	R7 467 million
Headline earnings	decline 30%	decline 6%
Headline earnings contribution	47%	64%
Return on equity	12,7%	18,8%
Cost-to-income ratio	63,8%	51,2%
Credit loss ratio	0,16%	0,74%
External net loans and advances	R330 billion	R355 billion

Wealth - Liberty

% of group headline earnings



	2010	2009
Headline earnings	R1 393 million	R72 million
Headline earnings contribution	12%	1%
Return on equity	21,9%	1,2%
Normalised embedded value	R26 billion	R24 billion
Third party funds under management	R232 billion	R200 billion

Segmental income statement

	Personal & Business Banking			Corporate & Investment Banking			Central and other		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Income from banking activities	0	34 975	34 855	(16)	22 663	27 020	45	1 212	835
Net interest income	(4)	19 118	19 945	(15)	8 866	10 475	(12)	943	1 073
Interest income	(11)	40 646	45 770	(37)	27 744	43 932	22	(5 629)	(7 234)
Interest expense	(17)	21 528	25 825	(44)	18 878	33 457	21	(6 572)	(8 307)
Non-interest revenue	6	15 857	14 910	(17)	13 797	16 545	>100	269	(238)
Net fee and commission revenue	5	14 219	13 584	(7)	4 331	4 660	>100	91	(136)
Fee and commission revenue	8	17 204	15 958	(4)	4 808	5 018	28	(98)	(136)
Fee and commission expense	26	2 985	2 374	33	477	358		(189)	
Trading revenue	(8)	162	177	(23)	8 165	10 587	>100	101	(143)
Other revenue	28	1 476	1 149	0	1 301	1 298	88	77	41
Income from investment management and life insurance activities									
Net insurance premiums									
Investment income and gains									
Management and service fee income									
Total income	0	34 975	34 855	(16)	22 663	27 020	45	1 212	835
Credit impairment charges	(31)	6 860	9 874	(81)	523	2 725	>100	141	(502)
Specific credit impairments	(27)	6 835	9 352	(46)	1 300	2 427			
Impaired loss	(22)	5 811	7 428	(46)	1 266	2 354			
Discounting of expected recoveries	(47)	1 024	1 924	(53)	34	73			
Portfolio credit impairments	(95)	25	522	(>100)	(777)	298	>100	141	(502)
Benefits due to policyholders									
Net insurance benefits and claims									
Fair value adjustment to policyholders' liabilities under investment contracts									
Fair value adjustment on third party fund interests									
Income after credit impairment charges and policyholders' benefits	13	28 115	24 981	(9)	22 140	24 295	(20)	1 071	1 337
Operating expenses in banking activities	10	21 175	19 198	6	14 720	13 937	>100	761	(308)
Staff costs	12	10 235	9 169	5	8 337	7 964	36	970	715
Other operating expenses	9	10 940	10 029	7	6 383	5 973	3	(990)	(1 023)
Restructuring costs								781	
Operating expenses in investment management and life insurance activities									
Acquisition costs – insurance and investment contracts									
Other operating expenses									
Net income before goodwill	20	6 940	5 783	(28)	7 420	10 358	(81)	310	1 645
Goodwill impairment	(100)		6	(17)	30	36			
Net income before associates and joint ventures	20	6 940	5 777	(28)	7 390	10 322	(81)	310	1 645
Share of profit/(loss) from associates and joint ventures	>100	188	(217)	>100	404	183		(8)	
Net income before indirect taxation	28	7 128	5 560	(26)	7 794	10 505	(82)	302	1 645
Indirect taxation	24	688	557	(7)	402	431	(73)	128	481
Profit before direct taxation	29	6 440	5 003	(27)	7 392	10 074	(85)	174	1 164
Direct taxation	20	1 780	1 484	(21)	1 534	1 948	(>100)	(66)	331
Profit for the year	32	4 660	3 519	(28)	5 858	8 126	(71)	240	833
Attributable to minorities	(>100)	(14)	42	23	631	511	100		(1)
Attributable to preference shareholders							(22)	376	479
Attributable to ordinary shareholders	34	4 674	3 477	(31)	5 227	7 615	(>100)	(136)	355
Headline adjustable items	(81)	76	397	>100	21	(148)	>100	28	(50)
Headline earnings	23	4 750	3 874	(30)	5 248	7 467	(>100)	(108)	305
ROE (%)		17,9	15,1		12,7	18,8			
Net interest margin (%)		4,45	4,67		1,61	1,81			
Credit loss ratio (%)		1,65	2,38		0,16	0,74			
Cost-to-income ratio (%)		60,2	55,4		63,8	51,2			
Number of employees	5	36 645	34 882	3	9 601	9 312	8	1 879	1 743

Banking activities			Liberty			Normalised Standard Bank Group			IFRS adjustments		IFRS Standard Bank Group		
Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
(6)	58 850	62 710				(6)	58 850	62 710	(104)	118	(6)	58 746	62 828
(8)	28 927	31 493				(8)	28 927	31 493	(185)	(177)	(8)	28 742	31 316
(24)	62 761	82 468				(24)	62 761	82 468	(185)	(177)	(24)	62 576	82 291
(34)	33 834	50 975				(34)	33 834	50 975			(34)	33 834	50 975
(4)	29 923	31 217				(4)	29 923	31 217	81	295	(5)	30 004	31 512
3	18 641	18 108				3	18 641	18 108			3	18 641	18 108
5	21 914	20 840				5	21 914	20 840			5	21 914	20 840
20	3 273	2 732				20	3 273	2 732			20	3 273	2 732
(21)	8 428	10 621				(21)	8 428	10 621	81	295	(22)	8 509	10 916
15	2 854	2 488				15	2 854	2 488			15	2 854	2 488
			16	51 466	44 338	16	51 466	44 338	(317)	(880)	18	51 149	43 458
			1	22 113	21 998	1	22 113	21 998			1	22 113	21 998
			34	26 987	20 100	34	26 987	20 100	(317)	(880)	39	26 670	19 220
			6	2 366	2 240	6	2 366	2 240			6	2 366	2 240
(6)	58 850	62 710	16	51 466	44 338	3	110 316	107 048	(421)	(762)	3	109 895	106 286
(38)	7 524	12 097				(38)	7 524	12 097			(38)	7 524	12 097
(31)	8 135	11 779				(31)	8 135	11 779			(31)	8 135	11 779
(28)	7 077	9 782				(28)	7 077	9 782			(28)	7 077	9 782
(47)	1 058	1 997				(47)	1 058	1 997			(47)	1 058	1 997
(>100)	(611)	318				(>100)	(611)	318			(>100)	(611)	318
			10	37 335	33 935	10	37 335	33 935			10	37 335	33 935
			13	30 529	27 109	13	30 529	27 109			13	30 529	27 109
			4	6 257	5 991	4	6 257	5 991			4	6 257	5 991
			(34)	549	835	(34)	549	835			(34)	549	835
1	51 326	50 613	36	14 131	10 403	7	65 457	61 016	(421)	(762)	8	65 036	60 254
12	36 656	32 827				12	36 656	32 827			12	36 656	32 827
9	19 542	17 848				9	19 542	17 848			9	19 542	17 848
9	16 333	14 979				9	16 333	14 979			9	16 333	14 979
	781						781					781	
			4	9 388	9 052	4	9 388	9 052			4	9 388	9 052
			(7)	2 906	3 114	(7)	2 906	3 114			(7)	2 906	3 114
			9	6 482	5 938	9	6 482	5 938			9	6 482	5 938
(18)	14 670	17 786	>100	4 743	1 351	1	19 413	19 137	(421)	(762)	3	18 992	18 375
(29)	30	42		114		>100	144	42			>100	144	42
(17)	14 640	17 744	>100	4 629	1 351	1	19 269	19 095	(421)	(762)	3	18 848	18 333
>100	584	(34)	(27)	49	67	>100	633	33			>100	633	33
(14)	15 224	17 710	>100	4 678	1 418	4	19 902	19 128	(421)	(762)	6	19 481	18 366
(17)	1 218	1 469	7	257	241	(14)	1 475	1 710			(14)	1 475	1 710
(14)	14 006	16 241	>100	4 421	1 177	6	18 427	17 418	(421)	(762)	8	18 006	16 656
(14)	3 248	3 763	>100	1 717	857	7	4 965	4 620	34	40	7	4 999	4 660
(14)	10 758	12 478	>100	2 704	320	5	13 462	12 798	(455)	(802)	8	13 007	11 996
12	617	552	>100	1 381	248	>100	1 998	800	(152)	(389)	>100	1 846	411
(22)	376	479				(22)	376	479	11	52	(27)	387	531
(15)	9 765	11 447	>100	1 323	72	(4)	11 088	11 519	(314)	(465)	(3)	10 774	11 054
(37)	125	199		70		(2)	195	199			(2)	195	199
(15)	9 890	11 646	>100	1 393	72	(4)	11 283	11 718	(314)	(465)	(3)	10 969	11 253
	11,8	14,5		21,9	1,2		12,5	13,6				12,7	13,7
	3,01	3,21					3,01	3,21				3,00	3,19
	1,04	1,60					1,04	1,60				1,05	1,60
	61,7	52,4					61,7	52,4				61,8	52,3
5	48 125	45 937	(5)	5 226	5 474	4	53 351	51 411			4	53 351	51 411

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Segmental statement of financial position

	Personal & Business Banking			Corporate & Investment Banking			Central and other		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Assets									
Cash and balances with central banks	34	9 853	7 353	8	18 949	17 623	(>100)	(127)	7
Financial investments, trading and pledged assets	78	3 106	1 743	7	179 564	168 355	(>100)	(204)	1 874
Loans and advances	3	405 932	395 472	(7)	330 365	355 151	14	(23 272)	(27 116)
Loans and advances to banks	(17)	21 504	26 030	(4)	106 324	110 297	18	(20 738)	(25 259)
Loans and advances to customers	4	384 428	369 442	(9)	224 041	244 854	(36)	(2 534)	(1 857)
Investment property									
Derivative and other assets	12	4 412	3 954	48	156 190	105 189	(95)	1 327	26 211
Interest in associates and joint ventures	14	1 059	928	1	3 248	3 203	(40)	81	134
Goodwill and other intangible assets	(6)	4 342	4 632	41	4 378	3 097	>100	245	98
Property and equipment	(4)	5 459	5 697	12	2 336	2 093	>100	4 642	1 939
Total assets	3	434 163	419 779	6	695 030	654 711	(>100)	(17 308)	3 147
Equity and liabilities									
Equity	24	31 076	25 095	(12)	38 965	44 050	7	22 826	21 341
Equity attributable to ordinary shareholders	24	29 616	23 941	(12)	36 743	41 555	11	17 511	15 725
Preference share capital and premium								5 503	5 503
Minority interest	27	1 460	1 154	(11)	2 222	2 495	(>100)	(188)	113
Liabilities	2	403 087	394 684	7	656 065	610 661	(>100)	(40 134)	(18 194)
Deposit and current accounts	2	395 754	389 124	5	418 183	399 498	14	(17 302)	(20 074)
Deposits from banks	83	475	260	(14)	92 854	107 809	22	(1 600)	(2 051)
Deposits from customers	2	395 279	388 864	12	325 329	291 689	13	(15 702)	(18 023)
Derivative, trading and other liabilities	32	(1 305)	(1 910)	16	224 012	192 766	(>100)	(22 089)	3 145
Policyholders' liabilities									
Subordinated debt	16	8 638	7 470	(25)	13 870	18 397	41	(743)	(1 265)
Total equity and liabilities	3	434 163	419 779	6	695 030	654 711	(>100)	(17 308)	3 147
Average assets – banking activities excluding trading derivatives		429 571	427 513		550 562	579 555		(20 255)	(24 669)
Average loans and advances (gross)		416 333	415 113		331 333	370 336		(27 027)	(29 122)
Average ordinary shareholders' equity		26 573	25 630		41 446	39 737		15 629	14 717

	Banking activities			Liberty			Normalised Standard Bank Group			IFRS adjustments		IFRS Standard Bank Group		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
	15	28 675	24 983				15	28 675	24 983			15	28 675	24 983
	6	182 466	171 972	2	190 707	186 479	4	373 173	358 451	(2 809)	(3 164)	4	370 364	355 287
	(1)	713 025	723 507				(1)	713 025	723 507	(2 303)	(2 118)	(1)	710 722	721 389
	(4)	107 090	111 068				(4)	107 090	111 068			(4)	107 090	111 068
	(1)	605 935	612 439				(1)	605 935	612 439	(2 303)	(2 118)	(1)	603 632	610 321
				13	21 521	19 058	13	21 521	19 058			13	21 521	19 058
	20	161 929	135 354	39	7 274	5 247	20	169 203	140 601			20	169 203	140 601
	3	4 388	4 265	17	6 145	5 264	11	10 533	9 529			11	10 533	9 529
	15	8 965	7 827	(10)	1 418	1 582	10	10 383	9 409			10	10 383	9 409
	28	12 437	9 729	(2)	2 470	2 521	22	14 907	12 250			22	14 907	12 250
	3	1 111 885	1 077 637	4	229 535	220 151	3	1 341 420	1 297 788	(5 112)	(5 282)	3	1 336 308	1 292 506
	3	92 867	90 486	9	15 343	14 012	4	108 210	104 498	(5 012)	(5 129)	4	103 198	99 369
	3	83 870	81 221	10	6 885	6 233	4	90 755	87 454	(3 682)	(3 432)	4	87 073	84 022
		5 503	5 503					5 503	5 503				5 503	5 503
	(7)	3 494	3 762	9	8 458	7 779	4	11 952	11 541	(1 330)	(1 697)	8	10 622	9 844
	3	1 019 018	987 151	4	214 192	206 139	3	1 233 210	1 193 290	(100)	(153)	3	1 233 110	1 193 137
	4	796 635	768 548		(7 135)		3	789 500	768 548			3	789 500	768 548
	(13)	91 729	106 018				(13)	91 729	106 018			(13)	91 729	106 018
	6	704 906	662 530		(7 135)		5	697 771	662 530			5	697 771	662 530
	3	200 618	194 001	12	22 076	19 785	4	222 694	213 786	(100)	(153)	4	222 594	213 633
				7	197 878	184 300	7	197 878	184 300			7	197 878	184 300
	(12)	21 765	24 602	(33)	1 373	2 054	(13)	23 138	26 656			(13)	23 138	26 656
	3	1 111 885	1 077 637	4	229 535	220 151	3	1 341 420	1 297 788	(5 112)	(5 282)	3	1 336 308	1 292 506
		959 878	982 399					959 878	982 399	(1 568)	(1 404)		958 310	980 995
		720 639	756 327					720 639	756 327	(1 783)	(1 941)		718 856	754 386
		83 648	80 084		6 371	6 258		90 019	86 342	(3 795)	(4 054)		86 224	82 288

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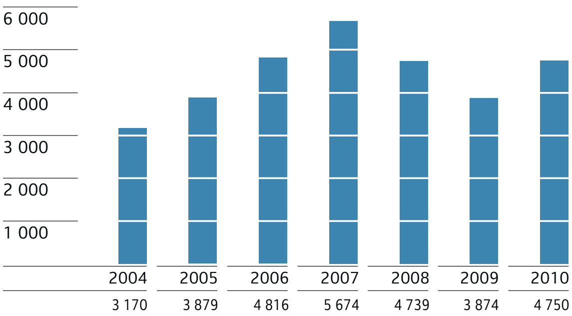
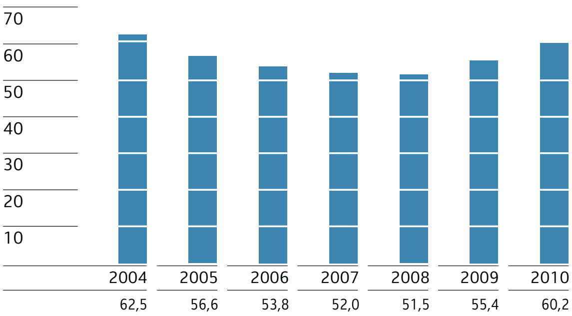
Personal & Business Banking

Headline earnings
Rm
CAGR (2004 – 2010): 7%



Cost-to-income ratio
%



		Change %	**2010 Rm**	2009 Rm
Net interest income		(4)	**19 118**	19 945
Non-interest revenue		6	**15 857**	14 910
Total income		0	**34 975**	34 855
Credit impairment charges		(31)	**6 860**	9 874
Operating expenses		10	**21 175**	19 198
Taxation		21	**2 468**	2 041
Headline earnings		23	**4 750**	3 874
Headline earnings change	%		**23**	(18)
Headline earnings contribution to the group	%		**42**	33
ROE	%		**17,9**	15,1
Net interest margin	%		**4,45**	4,67
Cost-to-income ratio	%		**60,2**	55,4
Credit loss ratio	%		**1,65**	2,38
Effective taxation rate	%		**34,6**	36,7
Total assets	Rm	3	**434 163**	419 779
External net loans and advances	Rm	3	**405 932**	395 472
Number of employees		5	**36 645**	34 882

Favourable

- Improved customer service ratings in South Africa.
- Reduced non-performing loan portfolio and decreased credit impairments aided by lower interest rates, improved customer debt servicing ability and internal debt recovery capability.
- Good growth in the mortgage portfolio.
- Increased fees, driven by growth in volumes and in the transactional account base.
- Growth in retail deposits.
- More appropriate pricing for credit risk and term funding.
- Improvement in bancassurance revenues from both simple and complex insurance products.

Adverse

- Decrease in net interest income due to the negative endowment impact of lower interest rates and more expensive term funding.
- Reduced card debtor and instalment sale and finance lease balances.
- Introduction of SARB cash handling fees.
- Continued pressure on recovery values of collateral.
- Translation impact of stronger rand.
- Increased costs in the rest of Africa as we grow the franchise.

Total income and headline earnings by product

	Total income			Headline earnings		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Mortgage lending	7	**4 805**	4 476	>100	**310**	(578)
Instalment sale and finance leases	(7)	**2 751**	2 955	>100	**86**	(486)
Credit cards	(4)	**4 525**	4 693	7	**659**	616
Transactional and lending products	(1)	**19 846**	20 089	(29)	**2 454**	3 466
Bancassurance and wealth	15	**3 048**	2 642	45	**1 241**	856
Personal & Business Banking	0	**34 975**	34 855	23	**4 750**	3 874

Mortgage lending

- Higher volume of new business registrations largely through the re-engagement of mortgage originators, and acquisitions of loan portfolios from SA Home Loans.
- Higher net interest income due to balance growth and improved pricing on new business, partially offset by the high cost of term funding.
- Lower credit impairment charges due to a reduction in new defaults and a continual improvement in the customer risk profile.
- Increased level of new business in rest of Africa, particularly in Namibia, Nigeria, Botswana, Uganda and Tanzania due to enhanced product awareness, improving collateral values and lower interest rates.

Instalment sale and finance leases

- Decline in net interest income due to a reduction in balances as capital repayments exceeded new business volumes, compounded by the high cost of term funding.
- Increased non-interest revenue from higher service fees.
- Lower credit impairments due to contracting non-performing loan portfolios, an active collections strategy, an improved customer risk profile, and a significant decrease in the early arrears book.
- Reduced earnings in rest of Africa largely due to an adverse foreign exchange impact, and a slow-down in book growth following the economic downturn, partly offset by new business growth in Nigeria, Uganda and Tanzania.
- Good business growth in Argentina.

Credit cards

- Net interest income adversely affected by lower average cardholder balances.
- Modest growth in fee and commission income following price increases and marginal turnover growth in card issuing volumes, partly offset by a decline in the overall account base.
- Lower credit impairments due to an improved customer risk profile.
- Lower fraud losses as a result of increased number of chip and pin cards issued coupled with industry-wide reduction in magstripe floor limits.
- Higher interchange and foreign exchange income in rest of Africa.
- Increased transactional volumes in Argentina.

Transactional and lending products

- Deposit margins impacted by the negative endowment effect of declining interest rates.
- Improved margin on term advances to customers in both business and personal markets following better pricing for risk.
- Fee and commission growth largely driven by inflation-related price increases, combined with growth in the transactional account base.
- Credit impairments lower due to the improved macro economic environment, lower defaults, higher recoveries of amounts written off in previous periods and an improved customer risk profile.
- Margin compression across rest of Africa due to a negative endowment effect, partly offset by higher transactional lending volumes.
- Higher deposit margins on savings and sight deposit accounts in Argentina.

Bancassurance and wealth

- Simple embedded and short-term insurance products benefited from improved pricing, higher average premiums and a lower claims loss ratio.
- Complex product profitability increased significantly due to increase in the policy base and higher embedded value earnings.
- Higher earnings in rest of Africa, following increased client activity, reduced insurance claims in CfC Kenya and an increase in number of policies under management in other African countries.
- Decreased income in Standard Bank offshore group due to lower deposit margins, partly offset by revenues received from the launch of structured products in 2010.

Personal & Business Banking continued

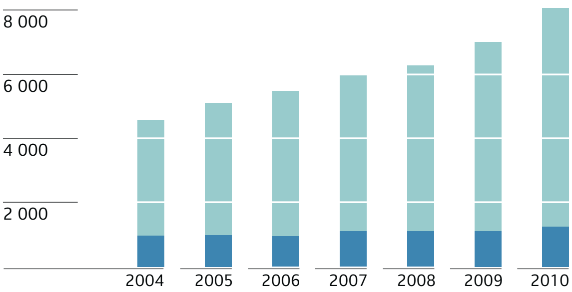
External loans and advances by product

	Change %	2010 Rm	2009 Rm
Loans and advances to banks	(17)	**21 504**	26 030
Call loans	(20)	**18 053**	22 580
Balances with banks	0	**3 451**	3 450
Loans and advances to customers	4	**384 428**	369 442
Gross loans and advances to customers	4	**397 320**	383 006
Mortgage loans	5	**269 900**	256 374
Instalment sale and finance leases	(7)	**49 709**	53 304
Card debtors	(2)	**21 686**	22 033
Overdrafts and other demand loans	3	**21 850**	21 231
Other term loans	14	**33 892**	29 775
Other loans and advances	(2)	**283**	289
Less: credit impairments for loans and advances	(5)	**12 892**	13 564
Specific credit impairments	(6)	**9 665**	10 318
Portfolio credit impairments	(1)	**3 227**	3 246
Net loans and advances	3	**405 932**	395 472
Comprising:			
Gross loans and advances	2	**418 824**	409 036
Less: credit impairments	(5)	**12 892**	13 564
Net loans and advances	3	**405 932**	395 472
Securitised assets consolidated above:			
Mortgage loans	(14)	**13 676**	15 879
Instalment sale and finance leases	(100)		365
Securitised assets	(16)	**13 676**	16 244

Deposit and current accounts by product

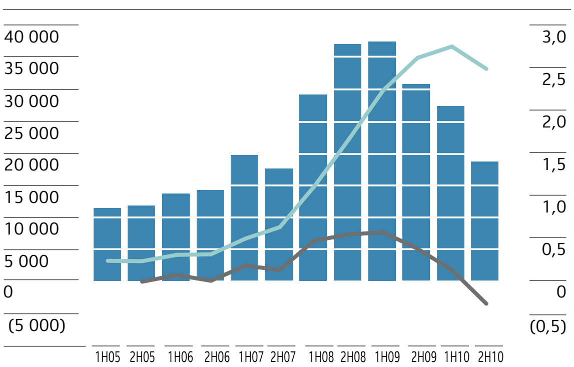
	Change %	2010 Rm	2009 Rm
Wholesale priced deposit and current accounts	(4)	**53 596**	55 768
Call deposits	2	**40 209**	39 590
Securitisation issuances	(17)	**13 387**	16 178
Retail priced deposit and current accounts	4	**205 812**	198 645
Current accounts	13	**70 217**	62 328
Cash management deposits	37	**10 669**	7 793
Call deposits	(5)	**50 458**	52 998
Savings accounts	7	**23 663**	22 125
Term deposits	(6)	**45 531**	48 446
Other funding	6	**5 274**	4 955
Interdivisional funding	1	**136 346**	134 711
Total deposit and current accounts	2	**395 754**	389 124

Points of representation



	2004	2005	2006	2007	2008	2009	2010
Branches	975	984	951	1 103	1 106	1 110	1 257
ATMs	3 603	4 131	4 538	4 916	5 174	5 912	6 816

Half-yearly credit loss ratios and impaired loans



	1H05	2H05	1H06	2H06	1H07	2H07	1H08	2H08	1H09	2H09	1H10	2H10
Credit loss ratio	0,85	0,88	1,02	1,06	1,48	1,31	2,18	2,77	2,80	2,30	2,04	1,39

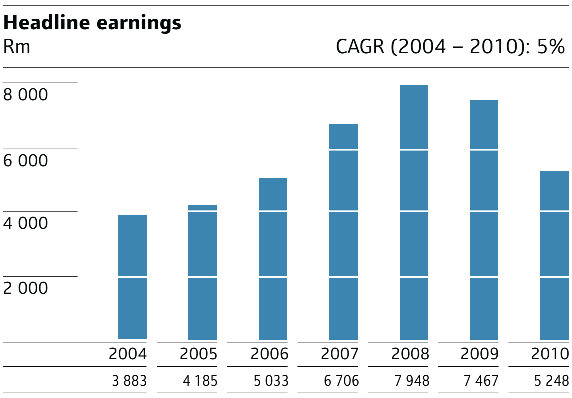
Net movement in specifically impaired loans
Specifically impaired loans

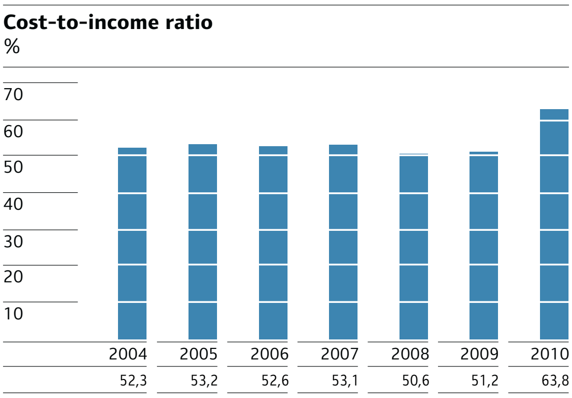
Key business statistics

		Change %	2010	2009
South Africa				
Mortgage loans				
Number of loan applications received	thousands	47	**249**	169
Change in value of new business registered	%		**58**	(61)
Average loan to value (LTV) of new business registered	%		**82**	77
Average balance to original value (BTV) of portfolio	%		**66**	66
Average instalment to income (ITI) of new business	%		**21**	21
Proportion of new business referred by independent mortgage originators and estate agents	%		**46**	43
Instalment sale and finance leases				
Growth in value of new loans				
– motor	%		**34**	(34)
– non-motor	%		**2**	(43)
Number of accounts at year end[2]				
Credit card accounts	thousands	(1)	**2 047**	2 072
Current accounts	thousands	14	**2 039**	1 788
Mzansi accounts	thousands	19	**1 086**	913
Other transaction and savings accounts	thousands	(1)	**4 637**	4 690
Distribution				
Change in internet users	%		**10**	13
Change in ATM transactions	%		**7**	2
Points of representation				
Branches		6	**705**	664
ATMs		16	**5 565**	4 810
Rest of Africa				
Points of representation				
Branches		30	**454**	348
ATMs		18	**908**	770
Change in ATM transactions	%		**23**	8
Outside Africa[1]				
Points of representation				
Branches			**98**	98
ATMs		3	**343**	332

[1] *Argentina.*
[2] *Excluding nil balance accounts.*

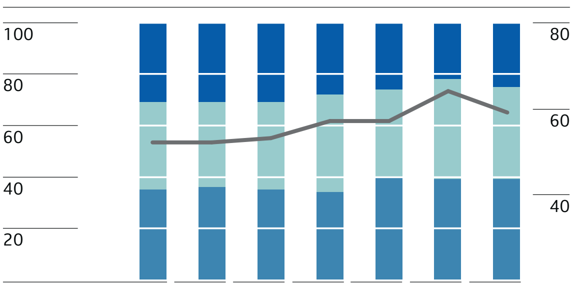
Corporate & Investment Banking





		Change %	2010 Rm	2009 Rm
Net interest income		(15)	**8 866**	10 475
Non-interest revenue		(17)	**13 797**	16 545
Total income		(16)	**22 663**	27 020
Credit impairment charges		(81)	**523**	2 725
Operating expenses		6	**14 720**	13 937
Taxation		(19)	**1 936**	2 379
Headline earnings		(30)	**5 248**	7 467
Headline earnings change	%		**(30)**	(6)
Headline earnings contribution to the group	%		**47**	64
ROE	%		**12,7**	18,8
Net interest margin	%		**1,61**	1,81
Cost-to-income ratio	%		**63,8**	51,2
Credit loss ratio	%		**0,16**	0,74
Effective taxation rate	%		**24,8**	22,6
Total assets	Rm	6	**695 030**	654 711
External net loans and advances	Rm	(7)	**330 365**	355 151
Number of employees		3	**9 601**	9 312

Income contribution



	2004	2005	2006	2007	2008	2009	2010
Net interest income	35	36	35	34	40	39	39
Trading revenue	34	33	34	38	34	39	36
Fees and other revenue	31	31	31	28	26	22	25
Trading income as percentage of non-interest revenue							

Favourable

- Credit impairment charges down across all regions as a result of non-recurrence of large non-performing and performing loan impairments, coupled with specific and portfolio provision releases due to improved credit environment.
- Investment banking revenue up in South African markets with good performance from debt products and trade financing.
- Strong interest rate trading performance in the rest of Africa on the back of increased client demand.
- Growth in income from associates and joint ventures due to Troika Dialog.
- Positive translation impact of the stronger rand on operating expenses.
- A number of landmark investment banking transactions completed across emerging markets.

Adverse

- Challenging revenue environment characterised by reduced client activity resulted in fewer trading opportunities, particularly in South Africa and outside Africa.
- Decrease in foreign exchange volatility reduced clients' appetite for hedging.
- Increased competition and falling interest rates resulted in margin compression.
- Higher operating expenses due to investment spend on IT platforms and premises, coupled with increased headcount and marketing fees.
- Credit losses and fair value write-downs relating to curtailed operations.
- Negative translation impact of stronger rand on foreign revenues.

Strategic partnership with ICBC

- General slowdown of commercial flows out of China as a result of a tightening of dollar liquidity by the Central Bank in China.
- Highlights for the year include advisory and financing transactions flowing from the Chinese strategic partnership to Brazil, Zambia, and Ghana.
- USD83 million of revenues attributed to ICBC relationship included in total income in 2010 (2009: USD97 million restated)

Corporate & Investment Banking continued

Total income and headline earnings by product

	Total income			Headline earnings		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Global markets	(23)	**9 657**	12 463	(49)	**2 116**	4 142
Investment banking	3	**6 424**	6 252	75	**2 548**	1 459
Transactional products and services	(11)	**6 109**	6 863	(30)	**1 142**	1 632
Principal investment management	(2)	**729**	742	(3)	**170**	175
Troika/Russia	(100)		305	>100	**370**	26
Curtailed operations	(>100)	**(256)**	395	(>100)	**(1 098)**	33
Corporate & Investment Banking	(16)	**22 663**	27 020	(30)	**5 248**	7 467

Global markets

- Volumes generally slowed across all global markets' businesses as market uncertainty reduced client activity.
- Net interest income impacted by increased competition, lower volumes and a negative endowment effect.
- Decrease in foreign exchange volatility reduced clients' appetite for hedging.
- Subdued performance in credit and commodities trading following sovereign debt crisis in Europe.
- Interest rate products in the rest of Africa performed well on the back of higher bond volumes in the first quarter of 2010.
- Focused investment in equities business and build out of physical commodities.

Investment banking

- Strong performance in African markets.
- Growth in debt products and trade finance on the back of an improved pipeline.
- Outside Africa experienced a slowdown in client deal flow and higher funding costs, offset by good performance in natural resources.
- Strategic investment in people across core resource sectors of mining and metals, oil, gas and renewables, and power and infrastructure.
- Net fees and commissions benefiting from strong global advisory business.
- Reduction in credit impairments; particularly in South Africa and outside Africa.
- Favourable fair value gains on listed property and equity investments.

Transactional products and services

- Lower net interest income due to negative endowment effect, reduced cash management balances and increased competitive pressure on margins.
- Reduced current account overdraft balances due to clients pursuing conservative cash management policies as a result of market conditions.
- Continued investment in products and IT platforms to maintain market leadership in South Africa and emulate this across the rest of Africa.
- Continued focus on the links between Africa and China.

Principal investment management

- Good performance from business in Turkey.

Troika/Russia

- Figures reported for 2010 include equity accounted earnings from Troika and for 2009 results from previous subsidiary in Russia, ZAO Standard Bank.
- 2010 figures for Troika include substantial recovery of value of principal investment assets of R257 million and operating profits of R113 million.

Curtailed operations

- Losses on curtailed Asian distressed debt business.
- Losses from discontinued international structured high net worth client lending business.

External loans and advances by product

	Change %	2010 Rm	2009 Rm
Loans and advances to banks	(4)	**106 324**	110 297
Call loans	54	**14 612**	9 493
Loans granted under resale agreements	18	**20 638**	17 526
Balances with banks	(15)	**71 074**	83 278
Loans and advances to customers	(9)	**224 041**	244 854
Gross loans and advances to customers	(9)	**227 832**	249 673
Overdrafts and other demand loans	11	**44 518**	40 276
Term loans	(15)	**112 249**	131 414
Loans granted under resale agreements	0	**16 613**	16 601
Commercial property finance	3	**34 777**	33 613
Foreign currency loans	(30)	**10 582**	15 043
Mortgage loans	33	**1 280**	962
Other loans and advances	(34)	**7 813**	11 764
Less: credit impairments for loans and advances	(21)	**3 791**	4 819
Specific credit impairments	(7)	**2 557**	2 759
Portfolio credit impairments	(40)	**1 234**	2 060
Net loans and advances	(7)	**330 365**	355 151
Comprising:			
Gross loans and advances	(7)	**334 156**	359 970
Less: credit impairments	(21)	**3 791**	4 819
Net loans and advances	(7)	**330 365**	355 151

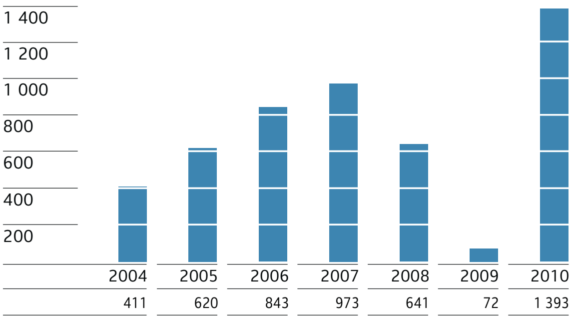
Deposit and current accounts by product

	Change %	2010 Rm	2009 Rm
Wholesale priced deposit and current accounts	4	**546 673**	524 179
Current accounts	(2)	**26 009**	26 473
Cash management deposits	12	**72 786**	65 177
Call deposits	1	**60 697**	59 932
Term deposits	35	**199 475**	147 459
Negotiable certificates of deposits	(30)	**71 563**	102 045
Repurchase agreements	65	**6 388**	3 882
Other funding	(8)	**109 755**	119 211
Interdivisional funding	(3)	**(128 490)**	(124 681)
Total deposit and current accounts	5	**418 183**	399 498

Wealth – Liberty

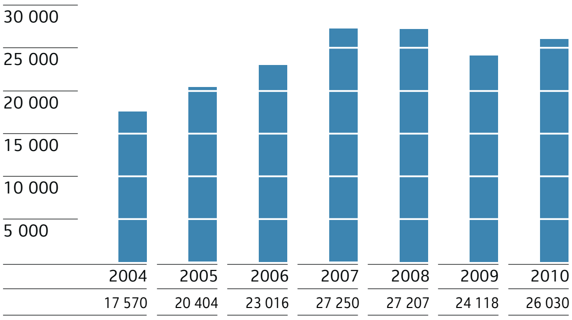
Headline earnings – SBG share

Rm CAGR (2004 – 2010): 23%



Normalised embedded value

Rm CAGR (2004 – 2010): 7%



		Change %	**2010 Rm**	2009 Rm
Net insurance premiums[1]		1	**22 113**	21 998
Investment income and gains[2]		34	**26 987**	20 100
Benefits due to policyholders[2]		10	**37 335**	33 935
Management and service fee income[2]		6	**2 366**	2 240
Operating expenses[2]		4	**9 388**	9 052
BEE normalised headline earnings[1]		>100	**2 597**	135
Headline earnings attributable to Standard Bank Group		>100	**1 393**	72
Headline earnings contribution to the group	%		**12**	1
Effective interest in Liberty at year end	%		**53,7**	53,7
ROE	%		**21,9**	1,2
Return on normalised embedded value[1]	%		**13,4**	(6,5)
Indexed new business (excluding contractual increases)[1]	Rm	(2)	**4 327**	4 412
New business margin[1]	%		**1,2**	1,3
Net cash (outflows)/inflows from insurance operations[1]	Rm	(>100)	**(273)**	1 267
Normalised total embedded value[1]	Rm	8	**26 030**	24 118
Liberty Group Limited capital adequacy requirement (times covered)			**2,67**	2,81

[1] Liberty as published.
[2] Includes adjustments on consolidation of Liberty Holdings into the Standard Bank Group.

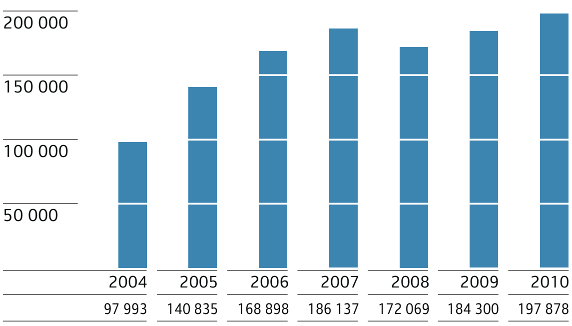
Favourable

- Significant progress made in improving customer retention in the retail business.
- Positive returns on shareholder investment portfolio.
- Frank Financial Services, Liberty's direct insurance business, successfully launched in November 2010.
- Stanlib achieved improved relative investment performance.
- Positive net customer cash flows of R22 billion received in asset management operations during the year.

Adverse

- New business margins impacted by higher costs per policy.
- Lower sales volume had a negative impact on embedded value of new businesses.
- Lower single premium business resulted in a decline in indexed new business.
- Health results impacted by high claims ratios and membership attrition.

Policyholder liabilities
Rm CAGR (2004 – 2010): 12%



BEE normalised summarised income statement

	Change %	2010 Rm	2009 Rm
Insurance premium revenue	1	**22 812**	22 630
Reinsurance premiums	(11)	**(699)**	(632)
Net insurance premiums	1	**22 113**	21 998
Investment income and gains	34	**26 962**	20 093
Management and service fee income	6	**2 355**	2 227
Defined benefit pension fund employer surplus	(15)	**11**	13
Total revenue	16	**51 441**	44 331
Benefits due to policyholders	10	**37 335**	33 935
Net insurance benefits and claims	13	**30 529**	27 109
Fair value adjustment to policyholders' liabilities under investment contracts	4	**6 257**	5 991
Fair value adjustment on third party mutual fund interests	(34)	**549**	835
Income after policyholders' benefits	36	**14 106**	10 396
Operating expenses	4	**9 606**	9 257
Acquisition costs	(7)	**2 906**	3 114
General marketing and administration expenses	9	**5 931**	5 434
Finance costs	(23)	**265**	343
Preference dividend in subsidiary	38	**504**	366
Goodwill impairment		**114**	
Equity accounted earnings from joint ventures	(4)	**45**	47
Profit before taxation	>100	**4 431**	1 186
Taxation	>100	**1 717**	857
Total earnings	>100	**2 714**	329
Preference share dividend deducted		**(2)**	(2)
Headline earnings adjustable items		**163**	
Attributable to minorities[1]	45	**278**	192
BEE normalised headline earnings	>100	**2 597**	135

[1] *Minority interest within Liberty Holdings.*

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Wealth – Liberty continued

BEE normalised headline earnings – Liberty Holdings

	Change %	2010 Rm	2009 Rm
Retail insurance	>100	**899**	(82)
Liberty corporate	>100	**103**	(29)
LibFin	>100	**1 443**	(8)
Stanlib	(0)	**361**	362
Liberty properties	20	**96**	80
Liberty Africa	(66)	**10**	29
Liberty health	9	**(43)**	(47)
Other	(60)	**(272)**	(170)
BEE normalised headline earnings	>100	**2 597**	135

External assets under management

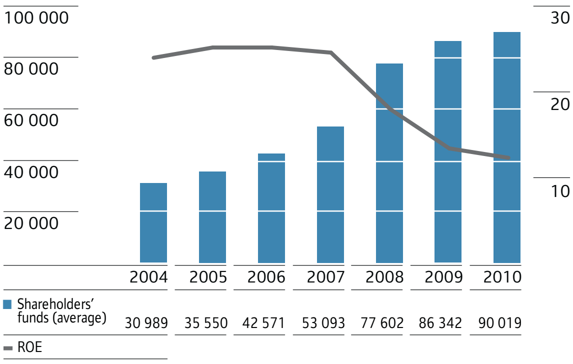
	Change %	2010 Rbn	2009 Rbn
Asset management – assets under management	(22)	**36**	46
Segregated funds	(23)	**33**	43
Properties		**3**	3
Wealth management – funds under administration	27	**196**	154
Single manager unit trust	18	**87**	74
Institutional marketing	64	**41**	25
Linked and structured life products	22	**28**	23
Multi-manager	13	**9**	8
Rest of Africa	29	**31**	24
Total external assets under management	16	**232**	200

Capital management

Standard Bank

Return on ordinary equity

Return on ordinary equity
Rm %



	Average equity 2010 Rm	**ROE 2010 %**	Average equity 2009 Rm	ROE 2009 %
Personal & Business Banking	**26 573**	**17,9**	25 630	15,1
Corporate & Investment Banking	**41 446**	**12,7**	39 737	18,8
Central and other	**15 629**		14 717	
Banking activities	**83 648**	**11,8**	80 084	14,5
Liberty	**6 371**	**21,9**	6 258	1,2
Standard Bank Group	**90 019**	**12,5**	86 342	13,6
Reconciliation to IFRS				
Normalised average equity	**90 019**		86 342	
Empowerment reserve impairment (Tutuwa SPVs' preference shares and dividends receivable)	**(2 342)**		(2 520)	
Central and other	**(1 783)**		(1 941)	
Liberty	**(559)**		(579)	
Deemed treasury shares (excluding Tutuwa)	**(1 453)**		(1 534)	
Standard Bank Group – IFRS	**86 224**	**12,7**	82 288	13,7

Cost of equity and economic returns

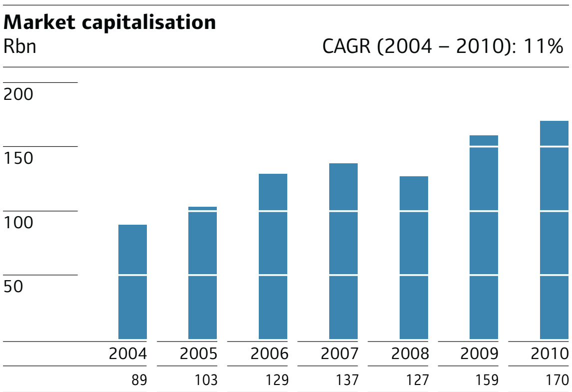
Cost of equity estimates

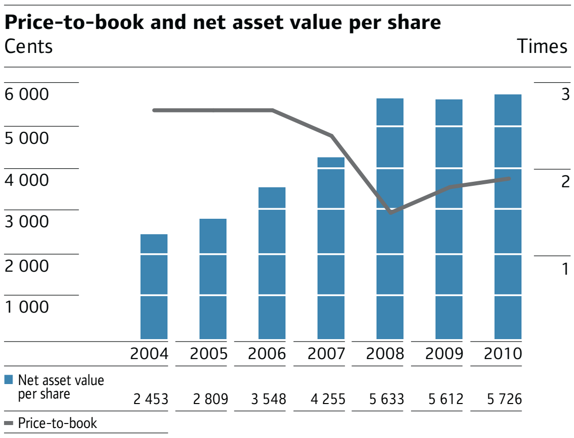
	Average 2010 %	Average 2009 %
Personal & Business Banking	**14,8**	16,6
Corporate & Investment Banking	**17,3**	18,8
Central and other	**13,3**	14,6
Banking activities	**13,4**	14,9
Liberty	**11,1**	12,1
Standard Bank Group	**13,3**	14,6

Economic returns

	Change %	2010 Rm	2009 Rm
Average ordinary equity	4	**90 019**	86 342
Headline earnings	(4)	**11 283**	11 718
Cost of equity charge	5	**(11 949)**	(12 597)
Economic losses on headline earnings	24	**(666)**	(879)
Other changes in net asset value	37	**(4 512)**	(7 153)
Net currency translation movement		**(4 325)**	(7 509)
Cash flow hedge (losses)/gains		**(214)**	85
Fair value gains on available-for-sale assets		**105**	249
Change in shareholding of subsidiary		**(41)**	
Other changes in equity		**(37)**	22
Total economic returns	36	**(5 178)**	(8 032)

Market capitalisation and price-to-book ratio

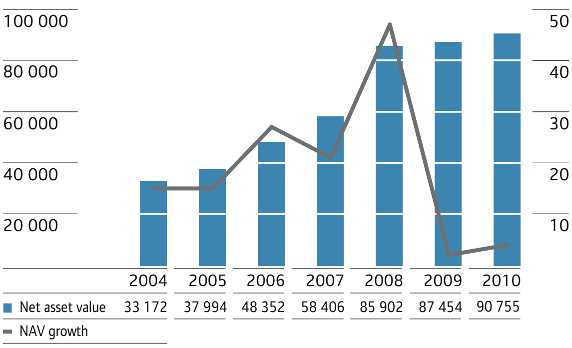




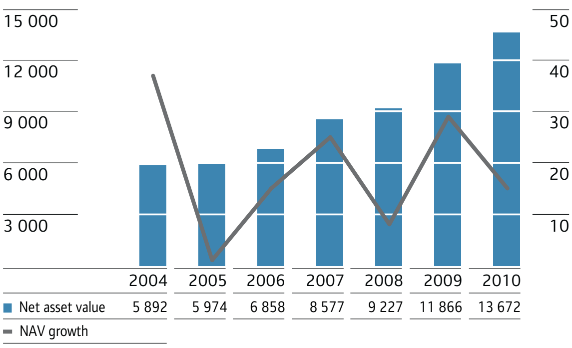
		Change %	2010	2009
Number of shares at end of the year	thousands	2	**1 585 037**	1 558 258
Net asset value	Rm	4	**90 755**	87 454
Tangible net asset value	Rm	3	**80 372**	78 045
Net asset value per share	cents	2	**5 726**	5 612
Tangible net asset value per share	cents	1	**5 071**	5 008
Share price at end of the year	cents	5	**10 755**	10 200
Market capitalisation at end of the year	Rm	7	**170 471**	158 942
Price-to-book ratio at end of the year	times		**1,9**	1,8

Ordinary shareholders' equity (net asset value)

Analysis of net asset value (ZAR)
Rm %



Analysis of net asset value (USD)
USDm %



Net asset value

	Change %	**2010 Rm**	2009 Rm
Personal & Business Banking	24	**29 616**	23 941
Corporate & Investment Banking	(12)	**36 743**	41 555
Central and other	11	**17 511**	15 725
Banking activities	3	**83 870**	81 221
Liberty	10	**6 885**	6 233
Standard Bank Group	4	**90 755**	87 454

Analysis of changes in net asset value

	Change %	**2010 Rm**	2009 Rm
Beginning of the year	2	**87 454**	85 902
Additional shareholder value	60	**6 583**	4 124
Headline earnings for the year attributable to ordinary shareholders	(4)	**11 283**	11 718
Other earnings attributable to ordinary shareholders	2	**(195)**	(199)
Currency translation movements, including hedging activities	42	**(4 325)**	(7 509)
Net cash flow hedges	(>100)	**(214)**	85
Net available-for-sale movement	>100	**71**	7
Fair value adjustments on available-for-sale instruments	(58)	**105**	249
Realised fair value adjustments transferred to the income statement	86	**(34)**	(242)
Other direct reserve movements	(>100)	**(37)**	22
Transactions with ordinary shareholders	(28)	**(3 282)**	(2 572)
Dividends paid	(23)	**(3 860)**	(3 137)
Equity-settled share-based payments	34	**412**	307
Issue of share capital and share premium and capitalisation of reserves	3	**205**	200
Change in shareholding of subsidiary		**(41)**	
Tax on share-based payments	(97)	**2**	58
End of the year	4	**90 755**	87 454

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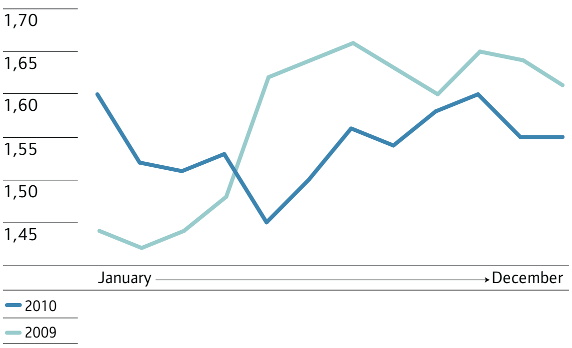
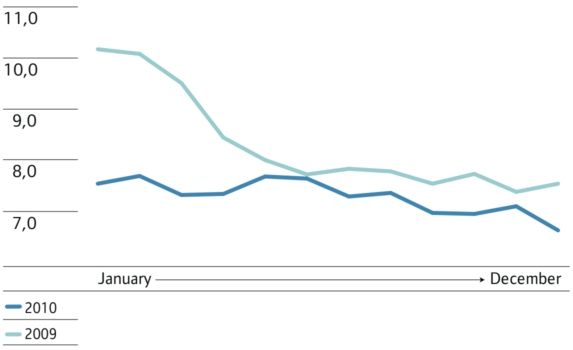
Currency analysis of net asset value

Closing GBP/USD exchange rate



Closing USD/ZAR exchange rate



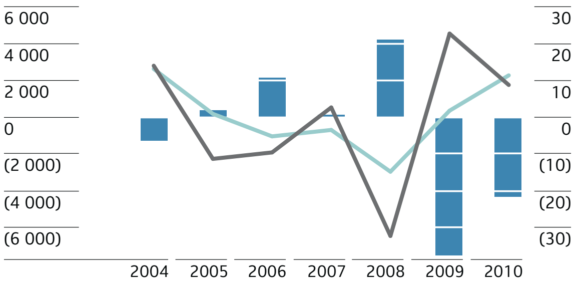
	Total Rm	Rand Rm	Dollar Rm	Sterling Rm	Euro Rm	ZAR linked Rm	Naira Rm	Other Rm
2010								
Underlying exposures	**90 755**	**61 275**	**13 107**	**2 304**	**19**	**2 132**	**4 294**	**7 624**
Changes due to hedging strategies			**1 614**	**1 151**			**(33)**	**(2 732)**
Actual exposures	**90 755**	**61 275**	**14 721**	**3 455**	**19**	**2 132**	**4 261**	**4 892**
2009								
Underlying exposures	87 454	55 022	13 687	2 889	817	1 567	4 776	8 696
Changes due to hedging strategies			(8 897)	2 429	9 001		(183)	(2 350)
Actual exposures	87 454	55 022	4 790	5 318	9 818	1 567	4 593	6 346

Closing currency profile of NAV

	Total %	Rand %	Dollar %	Sterling %	Euro %	ZAR linked %	Naira %	Other %
2010 before hedging	**100**	**68**	**14**	**3**		**2**	**5**	**8**
2010 after hedging	**100**	**68**	**16**	**4**		**2**	**5**	**5**
2009 before hedging	100	63	16	3	1	2	5	10
2009 after hedging	100	63	5	6	11	2	5	8

Currency translation effects

Currency translation effects
Rm %



	2004	2005	2006	2007	2008	2009	2010
Translation reserve (debit)/credit	(1 272)	397	2 174	155	4 234	(7 509)	(4 325)
USD/ZAR appreciation/ (depreciation) – closing							
USD/ZAR appreciation/ (depreciation) – average							

Movement in group foreign currency translation and net investment hedging reserve

	2010 Rm	2009 Rm
Balance at beginning of the year: (debit)/credit	**(1 341)**	6 168
Translation reserve decrease for the year	**(4 325)**	(7 509)
Translation reserve decrease	**(3 557)**	(7 403)
Rest of Africa	**(1 443)**	(2 600)
Outside Africa	**(2 109)**	(4 791)
Liberty	**(5)**	(12)
Currency hedge losses	**(768)**[1]	(106)
Balance at end of the year: debit	**(5 666)**	(1 341)

Exchange rates

	Average			Closing		
	Change %	2010	2009	Change %	2010	2009
USD/ZAR	(13)	**7,32**	8,42	(10)	**6,64**	7,37
ZAR/NGN	15	**20,64**	17,99	13	**23,01**	20,28
GBP/USD		**1,55**	1,55	(4)	**1,55**	1,61
Euro/USD	(4)	**1,33**	1,39	(7)	**1,34**	1,44

[1] *Decrease caused by a substantial weakening of Euro and Sterling in early 2010. Evolution of currency hedging gains/(losses): 2006: R186 million, 2007: R247 million, 2008: R447 million, 2009: (R106 million), 2010: (R768 million). Net gain to date: R6 million.*

Economic capital

Economic capital by risk type at end of the year

	Change %	2010 Rm	2009 Rm
Credit risk	(1)	**30 887**	31 336
Equity risk	82	**3 695**	2 030
Market risk	(11)	**1 553**	1 747
Operational risk	(5)	**6 644**	6 965
Business risk	12	**1 680**	1 504
Interest rate risk in the banking book	(14)	**1 641**	1 917
Banking activities – economic capital requirement	1	**46 100**	45 499
Available financial resources (AFR)	7	**87 353**	81 503
Capital coverage ratio (times)		**1,89**	1,79

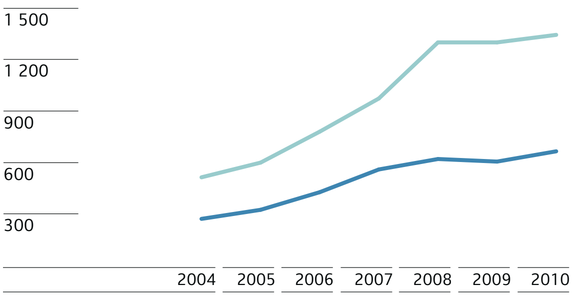
Economic capital by business unit at end of the year

	Change %	2010 Rm	2009 Rm
Personal & Business Banking	(10)	**14 230**	15 878
Corporate & Investment Banking	8	**31 518**	29 245
Central and other	(6)	**352**	376
Banking activities	1	**46 100**	45 499

- Economic capital is the amount of permanent capital that is required to support the economic risk profile of the group.
- Credit risk reduced marginally due to the improvement of risk estimates on a through the cycle basis.
- Increase in equity risk capital due to incorporation of additional equity risk buffers.
- Decrease in market risk is primarily due to trading desks running comparatively smaller positions as market conditions remained unpredictable and erratic.
- Operational risk economic capital reduced marginally due to the inclusion of lower 2010 gross income figures in calculating the average gross income.
- Capital in respect of interest rate risk in the banking book reduced due to limited likelihood of further material decline in interest rates.
- The minimum economic capital requirement of R46,1 billion for the group is reflective of the capital requirement to cover the risk profile of the group.
- The available financial resources of R87,4 billion covers the minimum economic capital requirement of R46,1 billion by a factor of 1,89 times, indicating risks well covered by capital reserves.

Risk-weighted assets

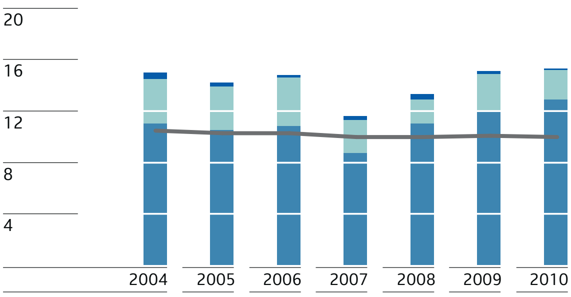
Risk-weighted assets (closing balances)[1]
Rbn



- Risk-weighted assets
- Total assets (banking activities)

[1] *Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for 2007 are on a Basel II pro forma basis. 2008 to 2010 are on a Basel II basis. All other historical comparatives are on a Basel I basis.*

Capital adequacy[1]
%



	2004	2005	2006	2007	2008	2009	2010
Tier I capital	11,0	10,5	10,8	8,7	11,0	11,9	12,9
Tier II capital	3,5	3,4	3,8	2,6	1,9	3,0	2,3
Tier III capital	0,5	0,3	0,2	0,3	0,4	0,2	0,1
Required capital							

[1] *Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for 2007 are on a Basel II pro forma basis. 2008 to 2010 are on a Basel II basis. All other historical comparatives are on a Basel I basis.*

Risk-weighted assets by business unit

	Change %	2010 Rm	2009 Rm
Personal & Business Banking	6	**239 701**	225 587
Credit risk	8	**186 779**	173 299
Operational risk	1	**52 838**	52 214
Equity risk in the banking book	14	**84**	74
Corporate & Investment Banking	(1)	**364 989**	367 024
Credit risk	(1)	**254 398**	256 732
Market risk	9	**52 385**	48 059
Operational risk	(5)	**45 166**	47 673
Equity risk in the banking book	(10)	**13 040**	14 560
Central and other	>100	**15 374**	7 211
Credit risk	>100	**7 630**	2 400
Operational risk	41	**5 284**	3 738
Equity risk in the banking book	>100	**2 460**	1 073
Banking activities	3	**620 064**	599 822

Risk-weighted assets by risk class

	Change %	2010 Rm	2009 Rm
Credit risk	4	**448 807**	432 431
Market risk	9	**52 385**	48 059
Operational risk	(0)	**103 288**	103 625
Equity risk in the banking book	(1)	**15 584**	15 707
Banking activities	3	**620 064**	599 822

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Capital adequacy – qualifying regulatory capital

Qualifying regulatory capital (excluding unappropriated profit)

	Change %	2010 Rm	2009[1] Rm
Normalised ordinary shareholders' equity	4	90 755	87 454
Net IFRS adjustments	(7)	(3 682)	(3 432)
IFRS ordinary shareholders' equity	4	87 073	84 022
Minority interest	8	10 622	9 844
Less: regulatory deductions	(13)	(18 316)	(16 202)
Investment in insurance entities (50%)	(2)	(3 954)	(3 880)
Investment in financial entities (50%)	(10)	(868)	(786)
Future expected losses exceeding provisions on incurred loss basis (50%)	(69)	(1 553)	(921)
Loans to SPVs (first loss credit enhancement) (50%)	47	(150)	(284)
Investment in regulated non-banking entities	4	(129)	(135)
Investment in banks	(14)	(2 697)	(2 369)
Goodwill and other intangible assets	(15)	(8 965)	(7 827)
Less: regulatory exclusions	47	(11 773)	(22 289)
Non-qualifying entities' retained earnings	24	(3 705)	(4 852)
Non-qualifying other reserves	>100	4 682	(282)
Unappropriated profit	31	(7 604)	(11 030)
Non-qualifying minority interest	16	(5 146)	(6 125)
Less: reserves included under tier II capital	(30)	(709)	(546)
Perpetual preference shares		5 495	5 495
Tier I capital	20	72 392	60 324
Preference share capital		8	8
Tier II subordinated debt	(11)	20 295	22 931
General allowance for credit impairments	16	1 080	929
Less: regulatory deductions	(20)	(7 040)	(5 871)
Investment in insurance entities (50%)	(2)	(3 954)	(3 880)
Investment in financial entities (50%)	(10)	(868)	(786)
Future expected losses exceeding provisions on incurred loss basis (50%)	(69)	(1 553)	(921)
Loans to SPVs (first loss credit enhancement) (50%)	47	(150)	(284)
Investment in banks' tier II subordinated debt instruments		(515)	
Tier II capital	(20)	14 343	17 997
Tier III capital	(66)	466	1 361
Total regulatory capital	9	87 201	79 682

Standard Bank Group capital adequacy ratios (including unappropriated profit)

	Minimum regulatory requirement %	Target ratios %	2010 %	2009[1] %
Total capital adequacy ratio	9,75	11 – 12	15,3	15,1
Tier I capital adequacy ratio	7,0	9	12,9	11,9
Core tier I capital adequacy ratio	5,25		12,0	11,0
Perpetual preference shares as % of tier I	<25,0		6,9	7,7
Tier II and III as % of tier I	<100,0		18,5	27,1
Subordinated tier II debt as % of tier I	<50,0		25,4	32,1

[1] *Restated, refer to page 96.*

Capital adequacy ratios

	2010		2009		Host regulatory require-ment
	Tier I capital %	Total capital %	Tier I capital %	Total capital %	%
Standard Bank Group	12,9	15,3	11,9	15,1	9,75
The Standard Bank of South Africa (SBSA)	11,5	14,9	10,6	14,1	9,75
Rest of Africa					
CfC Stanbic Bank (Kenya)	10,7	16,7	10,6	16,4	12
Stanbic Bank Botswana	10,2	17,7	10,8	18,6	15
Stanbic Bank Ghana	15,8	19,4	19,4	22,5	10
Stanbic Bank Tanzania	13,5	14,8	17,4	18,9	12
Stanbic Bank Uganda	12,6	14,3	13,1	16,3	12
Stanbic Bank Zambia	8,3	11,4	14,1	18,0	10
Stanbic Bank Zimbabwe	16,3	17,6	17,5	18,8	10
Stanbic IBTC Bank Nigeria	27,8	28,5	27,6	28,1	10
Standard Bank Malawi	22,2	27,4	19,8	25,7	10
Standard Bank Mauritius	12,1	17,9	12,0	18,1	10
Standard Bank Mozambique	9,2	10,8	12,0	14,7	8
Standard Bank Namibia	9,3	14,6	11,2	14,1	10
Standard Bank RDC (DRC Congo)	20,2	25,2	10,1	16,2	10
Standard Bank Swaziland	14,2	19,4	12,0	17,9	8
Standard Bank de Angola	145,9	145,9			10
Standard Lesotho Bank	10,9	12,2	9,1	10,6	8
Standard International Holdings, consolidated[1]	9,0	13,7	9,9	16,5	10,48[2]
Standard Bank Isle of Man	8,7	12,8	8,8	12,5	10
Standard Bank Jersey	10,8	16,2	10,0	13,0	10
Aggregate regulatory capital requirement for banking operations		10,0		10,1	
Liberty Group (calculated in terms of the Long-term Insurance Act) CAR – times covered		2,7		2,8	

[1] *Incorporating:*
– Banco Standard de Investimentos (Brazil);
– Standard Bank Argentina;
– Standard Bank Asia (Hong Kong);
– Standard Bank Plc (United Kingdom); and
– Standard Merchant Bank (Asia) (Singapore)
[2] *Plus an additional USD100 million for FSA requirements.*

Subordinated debt

	Redeemable/ repayable date	Callable date	Notional value[1] LCm	Carrying value[1] 2010 Rm	Notional value[1] 2010 Rm	Carrying value[1] 2009 Rm	Notional value[1] 2009 Rm
Subordinated bonds[2] – banking activities							
SBSA				**15 683**	**15 398**	15 814	15 398
SBK 10 (Tier III)	19 Nov 2012		ZAR 300	**302**	**300**	303	300
SBK 5	17 Nov 2016	17 Nov 2011	ZAR 2 000	**2 035**	**2 000**	2 046	2 000
USA private placement	31 Jul 2017	31 Jul 2012	USD 355	**2 404**	**2 548**	2 663	2 548
SBK 8	10 Apr 2018	10 Apr 2013	ZAR 1 500	**1 528**	**1 500**	1 528	1 500
SBKI 11	9 Apr 2019	10 Apr 2014	ZAR 1 800	**2 072**	**1 800**	1 930	1 800
SBK 7	24 May 2020	24 May 2015	ZAR 3 000	**3 035**	**3 000**	3 036	3 000
SBK 12	24 Nov 2021	24 Nov 2016	ZAR 1 600	**1 619**	**1 600**	1 618	1 600
SBK 13	24 Nov 2021	24 Nov 2016	ZAR 1 150	**1 159**	**1 150**	1 161	1 150
SBK 9	10 Apr 2023	10 Apr 2018	ZAR 1 500	**1 529**	**1 500**	1 529	1 500
Standard Bank Swaziland	2015 – 2020	2010 – 2015	E 80	**80**	**80**	81	80
Standard Bank Namibia	20 Nov 2016	19 Nov 2011	NAD 150	**150**	**150**	151	150
Stanbic Botswana	2016 – 2018	2011 – 2013	BWP 200	**208**	**208**	224	224
Standard Bank Mozambique	29 Jun 2017	29 Jun 2012	MT 260	**53**	**53**	67	67
CfC Stanbic Bank (Kenya)	2011 – 2016		KES 5 453	**450**	**450**	296	296
Stanbic Bank Uganda	10 Aug 2016	10 Aug 2014	USHS 30 000	**86**	**86**	123	116
Standard International Holdings				**4 656**	**4 600**	7 439	7 557
Tier III	28 Dec 2012	29 Dec 2009	EUR 100			1 062	1 061
	7 Oct 2015	8 Oct 2010	USD 240			1 772	1 767
	27 Jul 2016	27 Jul 2016	USD 142	**973**	**940**	1 080	1 044
	2 Dec 2019		USD 500	**3 349**	**3 328**	3 525	3 685
	3 Dec 2019		USD 25	**167**	**166**		
Tier III	3 Dec 2011		USD 25	**167**	**166**		
Subordinated bonds issued to group companies			ZAR 663	**(681)**	**(663)**		
Total subordinated bonds – banking activities				**20 685**	**20 362**	24 195	23 888
Total subordinated loans – banking activities[3]				**399**	**399**	407	404
Total subordinated debt – banking activities				**21 084**	**20 761**	24 602	24 292
Liberty (qualifying as regulatory insurance capital)	2017	12 Sep 2012	ZAR 2 000	**2 054**	**2 000**	2 054	2 000
Total subordinated debt				**23 138**	**22 761**	26 656	26 292

[1] The difference between the carrying and notional value represents accrued interest together with the unamortised fair value adjustments relating to bonds hedged for interest rate risk.

[2] Tier II, unless otherwise stated.

[3] Subordinated loans have been issued in Ghana, Tanzania, Zambia, Mauritius, RDC (DRC Congo), and Kenya.

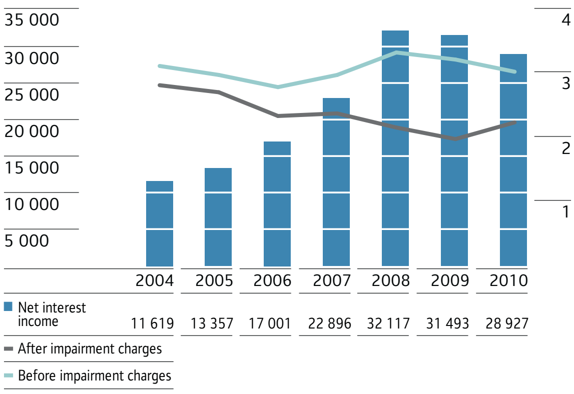
Income statement analysis

Standard Bank

Net interest income and margin analysis

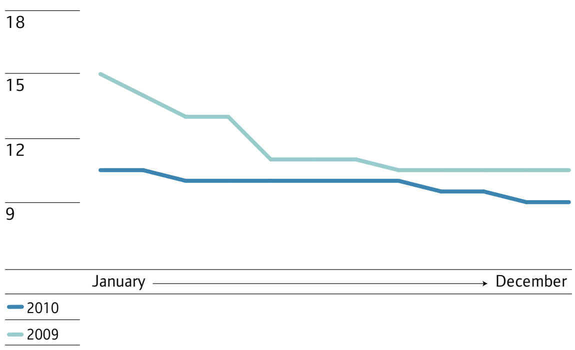
Net interest income and net interest margin

Rm CAGR (2004 – 2010): 16% %



Prime interest rate

%



Movement in average assets, net interest income and margin per business unit

	Personal & Business Banking		
	Average assets Rm	**Net interest income Rm**	**Net interest margin %**
2009 as reported	396 285	19 639	4,96
Reclassifications	31 228	306	(0,29)
2009 restated	427 513	19 945	4,67
Net non-interest earning assets	(23 475)	1 315	0,59
Interest earning assets – 2009	404 038	21 260	5,26
Impact of volume changes	**(142)**	**560**	
Impact of rate changes		**(1 860)**	**(0,46)**
Lending margin		**(630)**	**(0,16)**
– Client yield[1]		**511**	**0,13**
– Cost of funding[2]		**(1 141)**	**(0,29)**
Unwinding of discount on credit impairments – IAS 39		**33**	**0,01**
Funding margin		**(52)**	**(0,01)**
Endowment – funding		**(1 182)**	**(0,29)**
Endowment – capital and reserves		**(510)**	**(0,13)**
Assets held for liquidity purposes		**230**	**0,06**
Other treasury and banking activities		**251**	**0,06**
Change in composition of balance sheet			**0,14**
Interest earning assets – 2010	**403 896**	**19 960**	**4,94**
Net non-interest earning assets	**25 675**	**(842)**	**(0,49)**
2010	**429 571**	**19 118**	**4,45**
Net interest income change %		(4,1)	
Average assets change %	0,5		

[1] *Client yield changes refer to the difference in movement between average client rates and base lending rates.*
[2] *Cost of funding changes refer to the difference in movement between base lending rates and an allocated cost of funding based on the term nature of the asset.*

Favourable

- Continued repricing of mortgage loans and instalment sale and finance leases to better reflect risk and liquidity cost.
- Retail transactional deposits increased as a greater proportion of total book.
- Decreased trading assets and other non-interest earning assets, reducing the dilutive impact on margins.

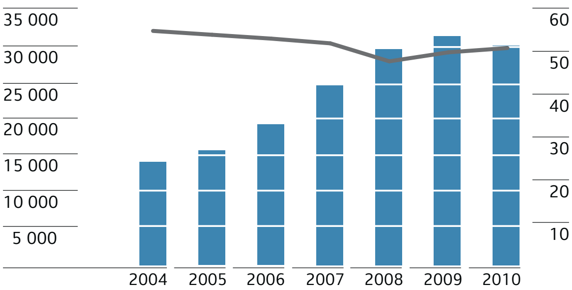
Adverse

- Negative endowment impact of R2,9 billion from lower interest rates on capital and reserves and transactional balances, primarily resulting from a decline in the average South African prime rate of 198 basis points.
- Translation impact of a stronger rand.
- Tier II capital issued in the last quarter of 2009 at higher interest rates.
- More expensive term funding.
- Reduced impact of unwinding to interest income of IAS 39 discount on expected recoveries of non-performing loans.
- Decreased lending margins in South Africa and outside Africa following reduced demand and competitive pressures.

Corporate & Investment Banking			Banking activities		
Average assets Rm	Net interest income Rm	Net interest margin %	Average assets Rm	Net interest income Rm	Net interest margin %
578 388	10 660	1,84	982 399	31 493	3,21
1 167	(185)	(0,03)			
579 555	10 475	1,81	982 399	31 493	3,21
(181 943)	1 145	1,11	(210 909)	3 201	1,29
397 612	11 620	2,92	771 490	34 694	4,50
(19 362)	**(436)**		**(17 003)**	**(7)**	
	(2 081)	**(0,52)**		**(4 155)**	**(0,54)**
	(492)	**(0,12)**		**(805)**	**(0,10)**
	58	**0,01**		**902**	**0,12**
	(550)	**(0,13)**		**(1 707)**	**(0,22)**
	(67)	**(0,02)**		**(34)**	
	(208)	**(0,05)**		**(360)**	**(0,05)**
	(218)	**(0,05)**		**(1 408)**	**(0,18)**
	(539)	**(0,14)**		**(1 524)**	**(0,20)**
	(272)	**(0,07)**		**(68)**	**(0,01)**
	(285)	**(0,07)**		**44**	
		0,01			**0,09**
378 250	**9 103**	**2,41**	**754 487**	**30 532**	**4,05**
172 312	**(237)**	**(0,80)**	**205 391**	**(1 605)**	**(1,04)**
550 562	**8 866**	**1,61**	**959 878**	**28 927**	**3,01**
	(15,4)			(8,1)	
(5,0)			(2,3)		

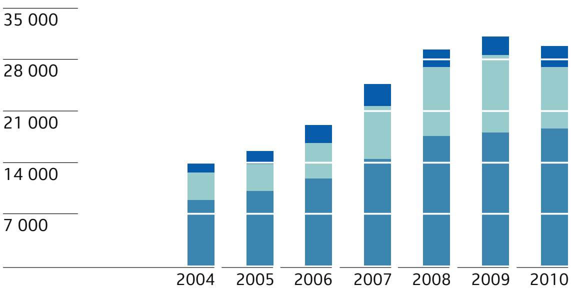
Non-interest revenue

Non-interest revenue
Rm CAGR (2004 – 2010): 13% %



	2004	2005	2006	2007	2008	2009	2010
Non-interest revenue	14 096	15 616	19 165	24 747	29 448	31 217	29 923
Non-interest revenue to total revenue							

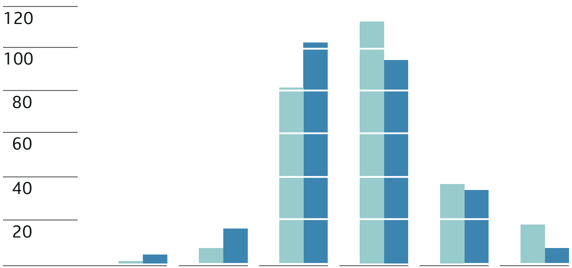
Analysis of non-interest revenue
Rm



	2004	2005	2006	2007	2008	2009	2010
Net fee and commission revenue	8 913	10 107	11 825	14 511	17 607	18 108	18 641
Trading revenue	3 750	3 721	4 852	7 216	9 463	10 621	8 428
Other revenue	1 433	1 788	2 488	3 020	2 378	2 488	2 854

	Change %	**2010 Rm**	2009 Rm
Net fee and commission revenue	3	**18 641**	18 108
Fee and commission revenue	5	**21 914**	20 840
Account transaction fees	5	**8 383**	7 994
Electronic banking	6	**1 748**	1 644
Knowledge-based fees and commission	(3)	**2 929**	3 015
Card-based commission	10	**3 817**	3 481
Bancassurance	10	**1 422**	1 290
Documentation and administration fees	(0)	**999**	1 004
Foreign currency service fees	4	**1 082**	1 042
Other	12	**1 534**	1 370
Fee and commission expense	(20)	**(3 273)**	(2 732)
Trading revenue	(21)	**8 428**	10 621
Commodities	(27)	**1 421**	1 936
Forex	(12)	**3 754**	4 275
Credit	(48)	**694**	1 341
Interest rates	(17)	**1 624**	1 966
Equities	(11)	**799**	901
Other	(33)	**136**	202
Other revenue	15	**2 854**	2 488
Banking and other	16	**1 152**	995
Property-related revenue	(25)	**334**	448
Insurance – bancassurance income	31	**1 368**	1 045
Total non-interest revenue	(4)	**29 923**	31 217

Distribution of daily trading profit and loss
Trading days



	<-30	-30 to 0	0 to 30	30 to 60	60 to 90	>90[1]
2009	1	8	82	113	37	18
2010	4	16	103	95	34	7

[1] *Daily trading revenue in Rm.*

Favourable

- Growth in account transaction fees and card-based commissions due to increase in customer base and volumes.
- Increased electronic banking revenue due to increased availability of new ATMs and utilisation of Standard Bank devices, coupled with growth in the electronic transactional account base.
- Higher insurance fees and commissions due to volume growth in life insurance and investment policies sold through banking channels coupled with growth in policy base and price increases.
- Increased advisory fees in Nigeria, Turkey and Brazil.
- Simple embedded and short-term insurance products benefited from improved pricing, higher average premiums and lower claims loss ratios.
- Complex product profitability increased significantly due to increase in the policy base and higher embedded value earnings.
- Favourable fair value adjustments on listed property and private equity portfolios.
- Widening spreads on credit default swaps.

Adverse

- Trading revenues suffered from reduced level of client activity across all products and geographies.
- Subdued performances in credit and commodities trading following the sovereign debt crisis in Europe.
- Introduction of SARB cash handling fees.
- Reduced liquidity in South African interest rate market.
- Fair value write-downs of unlisted property investments.
- Translation effect of the stronger rand.

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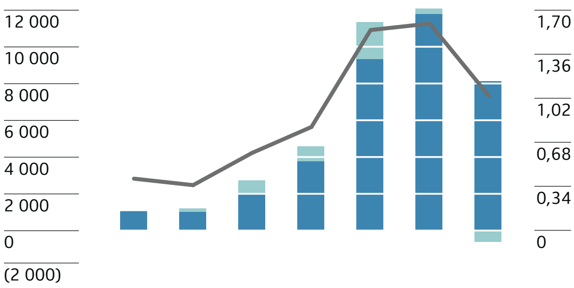
Credit impairment charges

Credit impairment charges

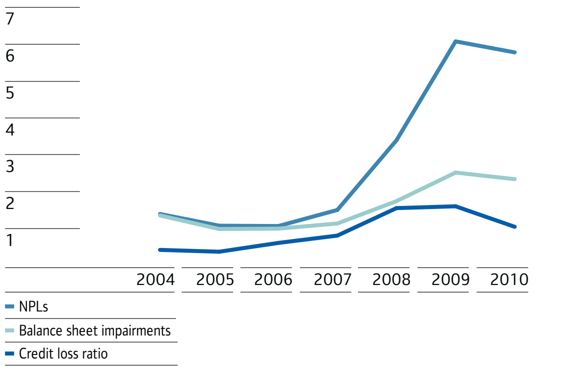
Rm %



	2004	2005	2006	2007	2008	2009	2010
Specific credit impairments	1 041	1 006	2 022	3 764	9 346	11 779	8 135
Portfolio credit impairments	9	201	711	826	1 996	318	(611)
Credit loss ratio							

Credit loss history (as a percentage of gross loans and advances)

%



Income statement impairment charges (net of recoveries)

		2010					
		Specifically impaired loans					
	Change %	Specific impairment Rm	IAS 39 discount[1] Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
Personal & Business Banking	(31)	5 811	1 024	6 835	25	6 860	1,65
Mortgage loans	(25)	2 338	725	3 063	(40)	3 023	1,15
Instalment sale and finance leases	(51)	1 069	89	1 158	(142)	1 016	1,93
Card debtors	(34)	807	79	886	(73)	813	3,78
Other loans and advances	(21)	1 597	131	1 728	280	2 008	2,54
Corporate & Investment Banking	(81)	1 266	34	1 300	(777)	523	0,16
Corporate loans	(83)	1 156	34	1 190	(777)	413	0,14
Commercial property finance	(60)	110		110		110	0,33
Central and other	>100				141	141	
Total banking activities	(38)	7 077	1 058	8 135	(611)	7 524	1,04

[1] *Discounting of expected recoveries in terms of IAS 39.*

Favourable

- Lower impairment charge across all portfolios within Personal & Business Banking South Africa, due to lower interest rates and improved debt servicing ability, resulting in substantially lower new defaults.
- Reduced impairment charge across all regions in Corporate & Investment Banking, due to non-recurrence of large non-performing and performing loan impairments, coupled with specific and portfolio provision releases due to improved credit environment.
- Net write back on performing loan book across most portfolios due to improved customer risk profile as well as rehabilitation and recovery capability.
- Decreased debt review portfolio in South Africa.

Adverse

- Credit losses from discontinued international structured high net worth lending operation in Corporate & Investment Banking.
- Continued pressure on recovery values of collateral.

2009					
Specifically impaired loans					
Specific impairment Rm	IAS 39 discount[1] Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
7 428	1 924	9 352	522	9 874	2,38
2 403	1 361	3 764	255	4 019	1,59
1 664	143	1 807	266	2 073	3,49
1 199	220	1 419	(180)	1 239	5,61
2 162	200	2 362	181	2 543	3,16
2 354	73	2 427	298	2 725	0,74
2 078	73	2 151	298	2 449	0,73
276		276		276	0,82
			(502)	(502)	
9 782	1 997	11 779	318	12 097	1,60

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Credit impairment charges continued

Balance sheet impairment – roll forward from December 2009

	2010 Opening balance Rm	*IAS 39 discount in opening balance Rm*
Specific credit impairments		
Personal & Business Banking	10 318	*1 644*
Mortgage loans	4 699	*1 220*
Instalment sale and finance leases	1 799	*56*
Card debtors	1 338	*177*
Other loans and advances	2 482	*191*
Corporate & Investment Banking	2 759	*7*
Corporate loans	2 397	*7*
Commercial property finance	362	
Central and other	1	
	13 078	*1 651*
Portfolio credit impairments		
Personal & Business Banking	3 246	
Mortgage loans	1 036	
Instalment sale and finance leases	769	
Card debtors	660	
Other loans and advances	781	
Corporate & Investment Banking	2 060	*20*
Corporate loans	1 877	*20*
Commercial property finance	183	
Central and other	282	
	5 588	*20*
Total impairments		
Personal & Business Banking	13 564	*1 644*
Mortgage loans	5 735	*1 220*
Instalment sale and finance leases	2 568	*56*
Card debtors	1 998	*177*
Other loans and advances	3 263	*191*
Corporate & Investment Banking	4 819	*27*
Corporate loans	4 274	*27*
Commercial property finance	545	
Central and other	283	
	18 666	*1 671*
Total balance sheet impairments as a % of gross loans and advances	2,52	

[1] New provisions raised less recoveries of amounts written off in previous years equals income statement credit impairment charge (2010: R8 306 million – R782 million = R7 524 million).

Net provisions raised and released[1] Rm	*IAS 39 discount in new impairments raised Rm*	Impaired accounts written off Rm	IAS 39 discount recycled to net interest income Rm	Currency translation and other movements Rm	2010 Closing balance Rm	*IAS 39 discount in closing balance Rm*	2010 Recoveries of amounts written off in previous years[1] Rm
7 580	*1 024*	(6 380)	(1 728)	(125)	9 665	*940*	745
3 120	*725*	(2 036)	(1 371)	(13)	4 399	*574*	57
1 318	*89*	(1 406)	(96)	(81)	1 534	*49*	160
1 303	*79*	(1 322)	(127)	(22)	1 170	*129*	417
1 839	*131*	(1 616)	(134)	(9)	2 562	*188*	111
1 337	*34*	(1 260)	(23)	(256)	2 557	*18*	37
1 227	*34*	(951)	(23)	(256)	2 394	*18*	37
110		(309)			163		
				(1)			
8 917	*1 058*	(7 640)	(1 751)	(382)	12 222	*958*	782
25				(44)	3 227		
(40)				(2)	994		
(142)				(1)	626		
(73)				(6)	581		
280				(35)	1 026		
(777)				(49)	1 234	*20*	
(777)				124	1 224	*20*	
				(173)	10		
141					423		
(611)				(93)	4 884	*20*	
7 605	*1 024*	(6 380)	(1 728)	(169)	12 892	*940*	745
3 080	*725*	(2 036)	(1 371)	(15)	5 393	*574*	57
1 176	*89*	(1 406)	(96)	(82)	2 160	*49*	160
1 230	*79*	(1 322)	(127)	(28)	1 751	*129*	417
2 119	*131*	(1 616)	(134)	(44)	3 588	*188*	111
560	*34*	(1 260)	(23)	(305)	3 791	*38*	37
450	*34*	(951)	(23)	(132)	3 618	*38*	37
110		(309)		(173)	173		
141				(1)	423		
8 306	*1 058*	(7 640)	(1 751)	(475)	17 106	*978*	782
					2,34		

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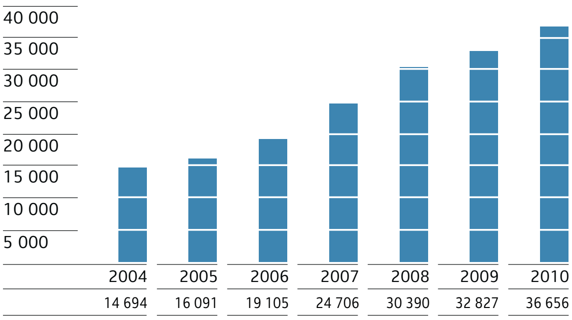
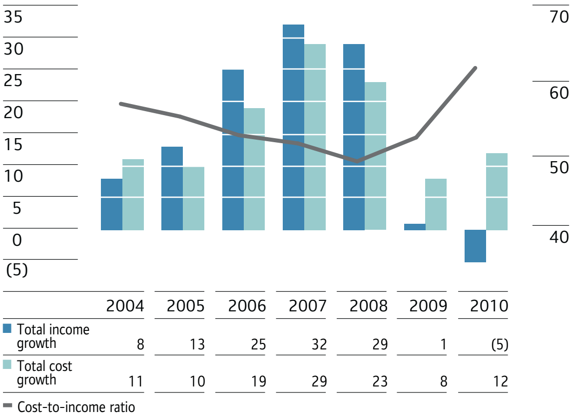
Operating expenses

Operating expenses
Rm CAGR (2004 – 2010): 16%



Cost and income growth
Growth Ratio



Operating expenses

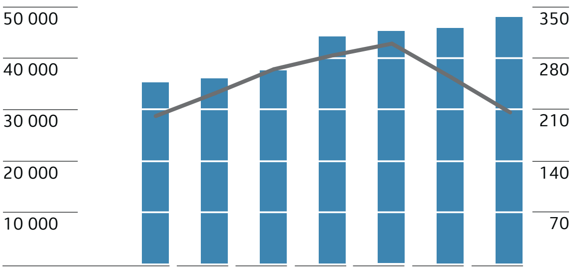
	Change %	2010 Rm	2009 Rm
Staff costs			
Fixed remuneration	14	**14 089**	12 313
Variable remuneration	5	**3 680**	3 489
Charge for incentive payments	(1)	**3 239**	3 261
Charge for deferred incentive schemes	93	**441**	228
Other staff costs	(13)	**1 773**	2 046
IFRS 2 equity-settled share-based payment expense	1	**306**	304
Other	(16)	**1 467**	1 742
Total staff costs	9	**19 542**	17 848
Variable remuneration as a % of total staff costs		**18,8**	19,5
Other operating expenses			
Information technology	9	**3 431**	3 146
Depreciation, amortisation and impairments	20	**2 522**	2 101
Communication	3	**1 221**	1 183
Premises	7	**2 762**	2 575
Other	7	**6 397**	5 974
Total other operating expenses	9	**16 333**	14 979
Restructuring costs		**781**	
Total operating expenses	12	**36 656**	32 827
Cost-to-income ratio		**61,7**	52,4

Analysis of total information technology function spend

	Change %	2010 Rm	2009 Rm
IT staff costs	33	**2 214**	1 669
Information technology licences, maintenance and related costs	9	**3 431**	3 146
Depreciation and amortisation	19	**1 247**	1 045
Other	18	**268**	227
Total	18	**7 160**	6 087

Headline earnings per employee – banking activites

Number of employees R'000



	2004	2005	2006	2007	2008	2009	2010
■ Number of employees	35 283	36 131	37 703	44 301	45 315	45 937	48 125
▬ Headline earnings per employee							

	Change %	2010	2009
Headcount by business unit			
Personal & Business Banking	5	**36 645**	34 882
Corporate & Investment Banking	3	**9 601**	9 312
Central and other	8	**1 879**	1 743
Banking activities	5	**48 125**	45 937
Headcount by geography			
South Africa	2	**29 937**	29 387
Rest of Africa	11	**12 748**	11 490
Outside Africa	8	**5 440**	5 060
Banking activities	5	**48 125**	45 937

Staff costs and headcount

- Increased headcount due to growth in IT staff in South Africa, new branches in the rest of Africa and conversion of contractors to permanent staff within credit.
- Partly offset by favourable translation impact of stronger rand.

Other operating expenses

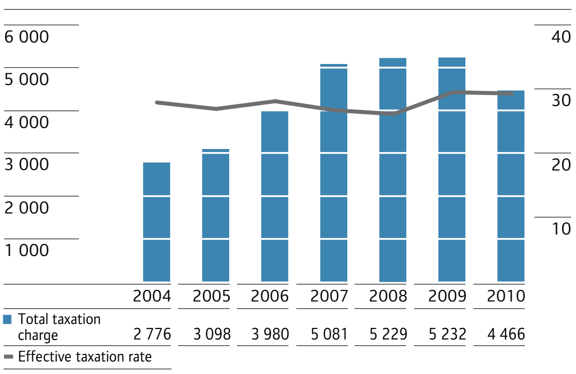
- Higher IT and depreciation costs attributable to the group's trading and offshore banking platforms, branch refurbishment and increased ATMs.
- Growth in premises costs resulting from roll out of branches in the rest of Africa, rental escalations and maintenance within South Africa and outside Africa.
- Favourable translation impact of stronger rand.
- Other costs impacted by:
  - increased professional fees across a range of projects;
  - increased marketing and advertising costs relating to global branding initiatives; and
  - operational risk write-offs and provisions in Africa following extensive clean up process across the network.

Restructuring costs

- Staff costs, premises costs and legal expenses incurred in the restructuring and retrenchment process.

Taxation

Taxation charge and effective taxation rate



Taxation rate reconciliation

	2010 %	2009 %
Effective taxation rate	**29,3**	29,5
Indirect taxation	**(8,0)**	(8,3)
Direct taxation – current and prior years	**21,3**	21,2
Prior year tax		0,4
Direct taxation – current year	**21,3**	21,6
Adjustments to direct taxation	**(1,3)**	0,3
Capital gains tax	**(0,2)**	(0,2)
Foreign tax	**(0,6)**	(0,4)
Secondary tax (cost)/benefit on companies	**(0,5)**	0,9
Direct taxation – current year – normal	**20,0**	21,9
Permanent differences	**8,0**	6,1
Non-taxable income	**9,1**	6,6
Deductible indirect tax	**2,6**	1,8
Other	**(3,7)**	(2,3)
Direct taxation – statutory rate	**28,0**	28,0

Favourable

- Increase in percentage of non-taxable income, predominantly from outside Africa and the rest of Africa.

Adverse

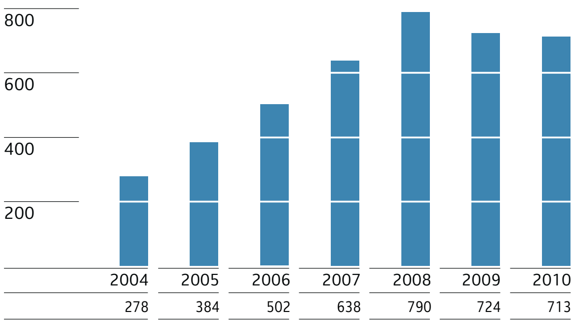
- Increase in other permanent differences due to expenses or losses outside South Africa, where these are either non-tax deductible, or where tax deductibility has not at this stage been recognised, as it is not certain there will be sufficient future taxable profit to utilise these losses.
- Higher secondary tax on companies (STC), due to the lower scrip dividend take up in 2010, and a decrease in STC credits received.
- Non-recurrence of a favourable prior year tax adjustment relating to research and development.

Balance sheet analysis

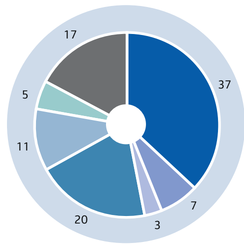
Standard Bank

Loans and advances

Loans and advances
Rbn CAGR (2004 – 2010): 17%



Composition of gross loans and advances



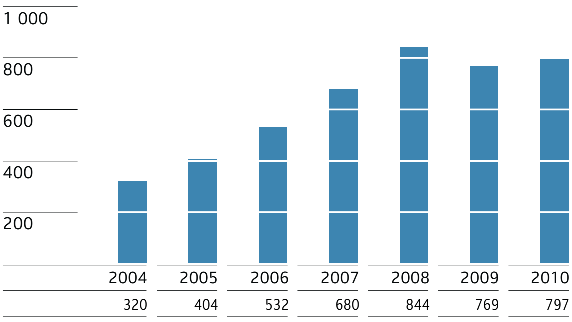
- Mortgage loans (2009: 35%)
- Instalment sale and finance leases (2009: 8%)
- Card debtors (2009: 3%)
- Term loans (2009: 21%)
- Overdrafts and other demand loans (2009: 10%)
- Loans granted under resale agreements (2009: 5%)
- Other term loans (2009: 18%)

By advance type

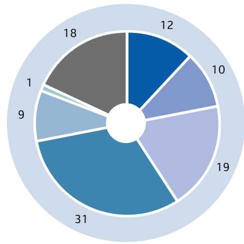
	Change %	2010 Rm	2009 Rm
Loans and advances to banks	(4)	**107 090**	111 068
Call loans	54	**14 911**	9 674
Loans granted under resale agreements	18	**20 638**	17 520
Balances with banks	(15)	**71 541**	83 874
Loans and advances to customers	(1)	**605 935**	612 439
Gross loans and advances to customers	(1)	**623 041**	631 105
Mortgage loans	5	**271 181**	257 336
Instalment sale and finance leases	(5)	**52 917**	55 966
Card debtors	(2)	**21 696**	22 045
Overdrafts and other demand loans	8	**66 395**	61 719
Other term loans	(10)	**142 742**	158 845
Loans granted under resale agreements	0	**16 613**	16 601
Commercial property finance	3	**34 781**	33 617
Foreign currency loans	(29)	**10 697**	15 124
Other loans and advances	(39)	**6 019**	9 852
Less: credit impairments for loans and advances	(8)	**17 106**	18 666
Specific credit impairments	(7)	**12 222**	13 078
Portfolio credit impairments	(13)	**4 884**	5 588
Net loans and advances	(1)	**713 025**	723 507
Comprising:			
Gross loans and advances	(2)	**730 131**	742 173
Less: credit impairments	(8)	**17 106**	18 666
Net loans and advances	(1)	**713 025**	723 507
Securitised assets consolidated above:			
Mortgage loans	(14)	**13 676**	15 879
Instalment sale and finance leases	(100)		365
Securitised assets	(16)	**13 676**	16 244

Deposit and current accounts

Deposit and current accounts
Rbn CAGR (2004 – 2010): 16%



Composition of deposit and current accounts



By deposit type

	Change %	2010 Rm	2009 Rm
Deposits from banks	(13)	**91 729**	106 018
Deposits from banks and central banks	(15)	**87 410**	102 789
Deposits from banks under repurchase agreements	34	**4 319**	3 229
Deposits from customers	6	**704 906**	662 530
Current accounts	8	**94 420**	87 496
Cash management deposits	14	**83 455**	72 970
Call deposits	(1)	**151 001**	152 249
Savings accounts	8	**26 203**	24 169
Term deposits	25	**244 943**	195 418
Negotiable certificates of deposit	(30)	**71 690**	102 045
Repurchase agreements	>100	**2 073**	653
Securitised issuances	(21)	**11 068**	13 960
Other funding	48	**20 053**	13 570
Total deposit and current accounts	4	**796 635**	768 548
Comprising:			
Retail priced deposit and current accounts	4	**205 812**	198 645
Wholesale priced deposit and current accounts	4	**590 823**	569 903
Total deposit and current accounts	4	**796 635**	768 548

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Loans and advances performance

		Performing loans			
		Neither past due nor specifically impaired		Not specifically impaired	
	Gross loans and advances Rm	Normal monitoring Rm	Close monitoring Rm	Early arrears Rm	Non-performing[1] Rm
2010					
Personal & Business Banking	**418 824**	**341 717**	**20 803**	**23 077**	
Mortgage loans	**269 900**	**219 598**	**13 153**	**11 913**	
Instalment sale and finance leases	**49 709**	**42 649**	**1 319**	**3 092**	
Card debtors	**21 686**	**17 011**	**2 694**	**454**	
Other loans and advances	**77 529**	**62 459**	**3 637**	**7 618**	
Corporate & Investment Banking	**334 156**	**319 122**	**5 128**	**432**	**772**
Corporate loans	**299 379**	**285 419**	**5 103**	**432**	**546**
Commercial property finance	**34 777**	**33 703**	**25**		**226**
Central and other	**(22 849)**	**(22 849)**			
Gross loans and advances	**730 131**	**637 990**	**25 931**	**23 509**	**772**
Percentage of total book (%)	**100,0**	**87,4**	**3,6**	**3,2**	**0,1**
2009					
Personal & Business Banking	409 036	332 189	16 258	25 548	
Mortgage loans	256 374	208 103	9 853	12 449	
Instalment sale and finance leases	53 304	43 917	1 199	4 760	
Card debtors	22 033	16 988	2 754	496	
Other loans and advances	77 325	63 181	2 452	7 843	
Corporate & Investment Banking	359 970	331 228	13 179	2 229	3 156
Corporate loans	325 367	299 133	12 471	1 899	2 716
Commercial property finance	34 603	32 095	708	330	440
Central and other	(26 833)	(26 834)			
Gross loans and advances	742 173	636 583	29 437	27 777	3 156
Percentage of total book (%)	100,0	85,8	4,0	3,7	0,4

[1] *Includes loans of R481 million (R2 749 million) that are past due but are not specifically impaired.*

Criteria for classifications of loans and advances

Non-performing loans	Those loans for which: – the group has identified objective evidence of default, such as a breach of a material loan covenant or condition; or – instalments are due and unpaid for 90 days or more.
Neither past due nor specifically impaired loans	Loans that are current and fully compliant with all contractual terms and conditions. Normal monitoring loans within this category are generally rated 1 to 21 and close monitoring loans are generally rated 22 to 25 using the group's master rating scale.
Early arrears but not specifically impaired loans	Loans where the counterparty has failed to make contractual payments and are less than 90 days past due, but it is expected that the full carrying value will be recovered when considering future cash flows, including collateral. Ultimate loss is not expected but could occur if the adverse conditions persist.

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Non-performing loans									
Specifically impaired loans									
Sub-standard Rm	Doubtful Rm	Loss Rm	Total Rm	Securities and expected recoveries on specifically impaired loans Rm	Net after securities and expected recoveries on specifically impaired loans Rm	Balance sheet impairments for non-performing specifically impaired loans Rm	Gross specific impairment coverage %	Total non-performing loans Rm	Non-performing loans %
11 664	**17 658**	**3 905**	**33 227**	**23 562**	**9 665**	**9 665**	**29**	**33 227**	**7,9**
10 638	**13 777**	**821**	**25 236**	**20 837**	**4 399**	**4 399**	**17**	**25 236**	**9,4**
229	**863**	**1 557**	**2 649**	**1 115**	**1 534**	**1 534**	**58**	**2 649**	**5,3**
192	**301**	**1 034**	**1 527**	**357**	**1 170**	**1 170**	**77**	**1 527**	**7,0**
605	**2 717**	**493**	**3 815**	**1 253**	**2 562**	**2 562**	**67**	**3 815**	**4,9**
4 124	**4 289**	**289**	**8 702**	**6 145**	**2 557**	**2 557**	**29**	**9 474**	**2,8**
3 844	**3 769**	**266**	**7 879**	**5 485**	**2 394**	**2 394**	**30**	**8 425**	**2,8**
280	**520**	**23**	**823**	**660**	**163**	**163**	**20**	**1 049**	**3,0**
15 788	**21 947**	**4 194**	**41 929**	**29 707**	**12 222**	**12 222**	**29**	**42 701**	**5,8**
2,1	**3,0**	**0,6**	**5,7**	**4,0**	**1,7**	**1,7**			
16 029	14 578	4 434	35 041	24 723	10 318	10 318	29	35 041	8,6
14 639	10 389	941	25 969	21 270	4 699	4 699	18	25 969	10,1
430	1 144	1 854	3 428	1 629	1 799	1 799	52	3 428	6,4
273	437	1 085	1 795	457	1 338	1 338	75	1 795	8,1
687	2 608	554	3 849	1 367	2 482	2 482	64	3 849	5,0
5 124	4 365	689	10 178	7 419	2 759	2 759	27	13 334	3,7
5 099	3 360	689	9 148	6 751	2 397	2 397	26	11 864	3,6
25	1 005		1 030	668	362	362	35	1 470	4,2
	1		1		1	1	100	1	
21 153	18 944	5 123	45 220	32 142	13 078	13 078	29	48 376	6,5
2,8	2,6	0,7	6,1	4,3	1,8	1,8			

Non-performing but not specifically impaired loans	Loans where the counterparty has failed to make contractual payments and is 90 days or more past due as well as those loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition. These loans are not specifically impaired due to the expected recoverability of the full carrying value when considering future cash flows, including collateral.
Non-performing specifically impaired loans	Loans that are regarded as non-performing and for which there has been a measurable decrease in estimated future cash flows. Specifically impaired loans are further analysed into the following categories: – sub-standard items that show underlying well defined weaknesses and are considered to be specifically impaired; – doubtful items that are not yet considered final losses because of some pending factors that may strengthen the quality of the items; and – loss items are considered to be uncollectible in whole or in part. The group provides fully for its anticipated loss, after taking securities into account.

Banking activities average balances and margins

	2010			
	Trading book Rm	Non-interest earning Rm	Interest earning Rm	Total average balance Rm
Assets				
Cash and balances with central banks[2]	1 218	10 278	10 755	22 251
Trading assets	83 512	14 125		97 637
Financial investments	1 985		83 974	85 959
Net loans and advances	40 603		659 758	700 361
Loans and advances to banks	12 960		67 449	80 409
Loans and advances to customers	27 643		612 587	640 230
Mortgage loans			264 435	264 435
Instalment sale and finance leases			57 051	57 051
Card debtors			21 438	21 438
Overdrafts and other demand loans	957		71 873	72 830
Other term loans	26 686		144 310	170 996
Commercial property finance			33 458	33 458
Foreign currency loans			20 022	20 022
Gross loans and advances	40 603		680 036	720 639
Credit impairment for loans and advances			(20 278)	(20 278)
Investment property	190	6 375		6 565
Other assets	8 079	7 437		15 516
Interest in associates and joint ventures		7 229		7 229
Goodwill and other intangible assets		12 390		12 390
Property and equipment	2 543	9 427		11 970
Total average assets and interest excluding trading derivative assets	138 130	67 261	754 487	959 878
Trading derivative assets	145 475			145 475
Total average assets and interest	283 605	67 261	754 487	1 105 353
Equity and liabilities				
Equity	2 861	90 962		93 823
Liabilities	127 565	45 118	687 992	860 675
Trading liabilities	39 487	14 725		54 212
Deposit and current accounts	80 272		665 764	746 036
Deposits from banks	80 272		6 055	86 327
Deposits from customers			659 709	659 709
Current accounts			97 654	97 654
Cash management deposits			70 494	70 494
Call deposits			99 775	99 775
Savings accounts			20 857	20 857
Term deposits			238 364	238 364
Negotiable certificates of deposit			92 112	92 112
Securitised issuances			10 863	10 863
Other funding			29 590	29 590
Other liabilities	6 045	30 393		36 438
Subordinated bonds	1 761		22 228	23 989
Total average equity, liabilities and interest excluding trading derivative liabilities	130 426	136 080	687 992	954 498
Trading derivative liabilities	150 855			150 855
Total average equity, liabilities and interest	281 281	136 080	687 992	1 105 353
Margin on total average assets excluding trading derivatives	138 130	67 261	754 487	959 878
Margin on total average loans and advances	40 603		659 758	700 361
Margin on average interest-earning assets			754 487	754 487

[1] *Interest received and paid on trading derivative financial instruments has been netted with interest received on derivative asset instruments used for hedging purposes. The interest split between assets and liabilities will therefore not equate to interest income and interest expense as per the income statement.*

[2] *Included within interest-earning cash and balances with central banks is the SARB interest-free deposit. This is utilised to meet liquidity requirements and is reflected in the margin as part of interest earning assets to reflect the cost of liquidity.*

		2009					
Interest[1] Rm	**Average rate %**	Trading book Rm	Non-interest earning Rm	Interest earning Rm	Total average balance Rm	Interest[1] Rm	Average rate %
		1 997	9 467	9 266	20 730		
		75 429	16 943		92 372		
5 605	**6,52**	1 937		72 824	74 761	6 494	8,69
59 263	**8,46**	50 785		689 400	740 185	72 951	9,86
3 561	**4,43**	14 916		80 931	95 847	5 527	5,77
55 702	**8,70**	35 869		624 611	660 480	67 424	10,21
24 354	**9,21**			254 410	254 410	28 342	11,14
6 535	**11,45**			64 221	64 221	8 362	13,02
3 277	**15,29**			22 256	22 256	3 987	17,91
6 468	**8,88**	756		81 386	82 142	7 794	9,49
11 167	**6,53**	35 113		146 683	181 796	13 714	7,54
3 153	**9,42**			33 676	33 676	4 066	12,07
748	**3,74**			21 979	21 979	1 159	5,27
59 263	**8,22**	50 785		705 542	756 327	72 951	9,65
				(16 142)	(16 142)		
		172	4 152		4 324		
		9 346	13 955		23 301		
		54	6 950		7 004		
			8 152		8 152		
		3 825	7 745		11 570		
64 868	**6,76**	143 545	67 364	771 490	982 399	79 445	8,09
		140 485			140 485		
64 868	**5,87**	284 030	67 364	771 490	1 122 884	79 445	7,08
		2 359	92 831		95 190		
35 941	**4,18**	141 259	40 514	710 027	891 800	47 952	5,38
		43 977	8 112		52 089		
33 813	**4,53**	91 606		691 041	782 647	46 390	5,93
2 089	**2,42**	91 606		13 013	104 619	1 952	1,87
31 724	**4,81**			678 028	678 028	44 438	6,55
1 278	**1,31**			89 412	89 412	1 939	2,17
3 532	**5,01**			63 135	63 135	4 293	6,80
6 177	**6,19**			91 796	91 796	9 012	9,82
221	**1,06**			18 971	18 971	337	1,78
11 386	**4,78**			253 589	253 589	14 681	5,79
6 067	**6,59**			104 072	104 072	9 420	9,05
958	**8,82**			16 300	16 300	1 402	8,60
2 105	**7,11**			40 753	40 753	3 354	8,23
		4 059	32 402		36 461		
2 128	**8,87**	1 617		18 986	20 603	1 562	7,58
35 941	**3,77**	143 618	133 345	710 027	986 990	47 952	4,86
		135 894			135 894		
35 941	**3,25**	279 512	133 345	710 027	1 122 884	47 952	4,27
28 927	**3,01**	143 545	67 364	771 490	982 399	31 493	3,21
28 927	**4,13**	50 785		689 400	740 185	31 493	4,25
30 532	**4,05**			771 490	771 490	34 694	4,50

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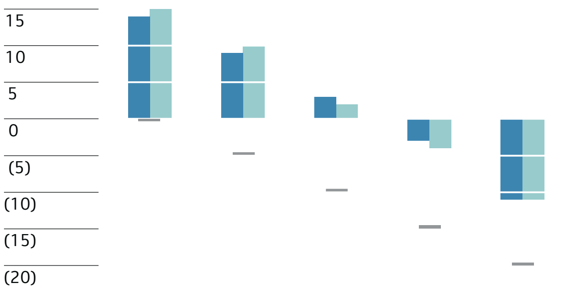
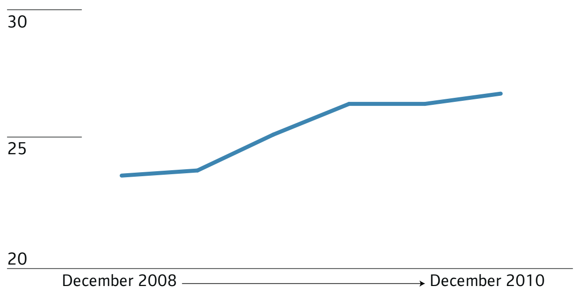
Liquidity management

Group behaviourally-adjusted cumulative liquidity mismatch
%



	0 – 7 days	0 – 1 month	0 – 3 months	0 – 6 months	0 – 12 months
2010	14	9	3	(3)	(11)
2009	15	10	2	(4)	(11)
Internal limit					

Group long-term funding ratio – Standard Bank Group
%



Liquidity market overview

- In the South African market the cost of term liquidity reduced on the back of reduced lending demand and general surplus liquidity positions. However, compared to pre-crisis levels, term funding costs remain high and continue to impact lending margins adversely.
- Investor appetite for capital markets issuance remained robust, and The Standard Bank of South Africa successfully placed R4,35 billion senior debt in the domestic bond market.
- International loan and debt capital markets have remained open albeit volatile, exacerbated by the European sovereign debt crisis. Standard Bank executed a number of key term loan funding transactions, taking advantage of pockets of well-priced liquidity. Compared to the 2008 and 2009 financial crisis, global interbank funding conditions remained relatively stable, tenors have lengthened and spreads have compressed.

Liquidity buffer

- Portfolios of highly marketable securities, over and above prudential requirements are maintained as protection against unexpected disruptions in cash flows. These portfolios are managed on the basis of diversification, liquidity and yield.
- In addition to minimum requirements, surplus liquidity holdings are informed by the results from liquidity stress testing as per Basel principles, and in certain instances, in-country regulations. Group unencumbered surplus liquidity decreased to R106,8 billion as at 31 December 2010 (31 December 2009: R118,6 billion), reflecting the group's prudent liquidity management approach as informed by stress testing requirements and prevailing market conditions.

Group unencumbered surplus liquidity

	2010 Rbn	2009 Rbn
Marketable assets	**52,3**	65,4
Short-term foreign currency placements	**48,9**	47,0
Total unencumbered marketable assets	**101,2**	112,4
Other readily accessible liquidity	**5,6**	6,2
Total unencumbered surplus liquidity	**106,8**	118,6

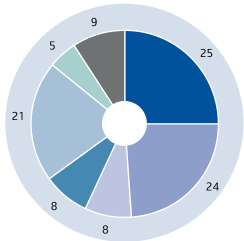
Structural liquidity requirements

- Behavioural profiling is applied to assets, liabilities and off-balance sheet commitments with an indeterminable maturity or drawdown period, as well as to certain liquid assets to identify and manage liquidity mismatches.
- Behavioural profiling assigns probable maturities based on actual customer behaviour. This process is used to identify additional sources of structural liquidity in the form of liquid assets and core deposits, such as current and savings accounts that although repayable on demand or at short notice, exhibit stable behaviour.
- Limits are set internally to restrict the cumulative liquidity mismatch between expected inflows and outflows of funds in different time buckets. One of the mechanisms employed to ensure adherence to these limits is the active management of the long-term funding ratio. The ratio is defined as those funding-related liabilities with a remaining maturity of greater than six months as a percentage of total funding-related liabilities.
- At 31 December 2010 the long-term funding ratio was 26,6% (31 December 2009: 25,1%), reflecting a management strategy to lengthen the funding base and build capacity to support term asset growth.

Group funding-related liabilities composition – SBG

	2010 Rbn	2009 Rbn
Corporate funding	**208**	203
Financial institutions	**200**	200
Government and parastatals	**72**	56
Interbank funding	**68**	63
Retail deposits	**172**	167
Senior and subordinated debt	**45**	47
Other liabilities to the public	**69**	68
Total group funding-related liabilities	**834**	804

Group funding-related liabilities composition – SBG
%



Diversified funding base

- The group's wholesale funding strategy is derived from the projected balance sheet growth which includes consideration of Personal & Business Banking and Corporate & Investment Banking asset classes, capital requirements, the maturity profile of existing wholesale funding and anticipated changes in the retail deposit base. Funding requirements and initiatives are assessed in accordance with the group asset and liability committee requirements for diversification, tenor and currency exposure as well as the availability and pricing of alternative liquidity sources. An active presence is maintained in professional markets, supported by relationship management efforts among corporate and institutional clients.
- Concentration risk limits are used within the group to ensure that funding diversification is maintained across products, sectors, geographic regions and counterparties.
- Primary sources of funding are in the form of deposits across a spectrum of retail and wholesale clients, as well as long-term capital market funding.

Liquidity stress testing and scenario analysis

- Anticipated on- and off-balance sheet cash flows are subjected to a variety of bank-specific and systemic stresses and scenarios in order to evaluate the impact of unlikely but plausible events on liquidity positions.

Contingency funding plans

- Contingency funding plans incorporate an extensive early warning indicator methodology supported by clear and decisive crisis response strategies.
- Crisis response strategies are formulated around the relevant crisis management structures and address internal and external communications, liquidity generation, operations, as well as heightened and supplementary information requirements.

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Fair value hierarchy – Standard Bank Group

	Composition %	Assets Rm	Composition %	Liabilities Rm
2010				
Level 1	**35**	**182 882**	**10**	**29 495**
Level 2	**62**	**323 572**	**89**	**272 895**
Level 3	**3**	**15 017**	**1**	**4 102**
Financial instruments at fair value	**100**	**521 471**	**100**	**306 492**
Reconciled as follows:				
Held-for-trading		**240 040**		**175 382**
Designated at fair value		**266 515**		**131 110**
Available-for-sale		**14 916**		
Financial instruments at fair value		**521 471**		**306 492**
2009				
Level 1	35	165 432	12	34 211
Level 2	62	299 874	87	253 992
Level 3	3	13 002	1	3 534
Financial instruments at fair value	100	478 308	100	291 737
Reconciled as follows:				
Held-for-trading		220 532		171 041
Designated at fair value		244 977		120 696
Available-for-sale		12 799		
Financial instruments at fair value		478 308		291 737

- In accordance with the group's accounting policies, certain financial assets and liabilities are measured at fair value using either quoted market prices or valuation techniques.
- Financial assets and liabilities that are measured at fair value have been categorised into the following levels:
  - **Level 1**: Financial instruments for which fair value is determined using quoted market prices (unadjusted) in active markets for identical instruments.
  - **Level 2**: Financial instruments for which fair value is determined using valuation techniques based on observable inputs, either directly, as prices or indirectly, derived from prices.
  - **Level 3**: Financial instruments for which fair value is determined using valuation techniques based on significant unobservable inputs.

The Standard Bank of South Africa Limited

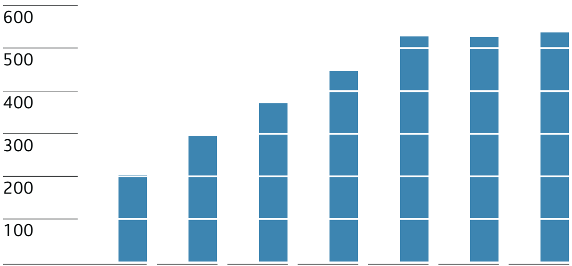
Standard Bank

Key financial results, ratios and statistics

The Standard Bank of South Africa

Loans and advances – SBSA group

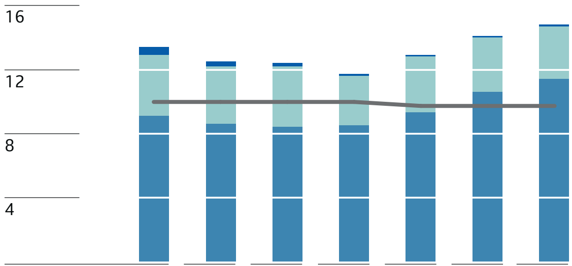
Rbn CAGR (2004 – 2010): 18%



2004	2005	2006	2007	2008	2009	2010
202	294	370	446	527	526	536

Capital adequacy – SBSA company[1] (including unappropriated profit)

%



	2004	2005	2006	2007	2008	2009	2010
Tier I capital	9,1	8,6	8,4	8,5	9,3	10,6	11,5
Tier II capital	3,8	3,6	3,8	3,1	3,5	3,4	3,3
Tier III capital	0,5	0,3	0,2	0,1	0,1	0,1	0,1
Required capital							

[1] *Basel II implemented 1 January 2008. Risk-weighted assets and capital adequacy for 2007 are on Basel II pro forma basis. 2008 to 2010 are on a Basel II basis. All other historical comparitives are on a Basel I basis.*

		Change %	2010	2009
SBSA group				
Income statement				
Headline earnings	Rm	(5)	**8 034**	8 441
Profit attributable to the ordinary shareholder	Rm	(3)	**7 938**	8 180
Balance sheet				
Ordinary shareholder's equity	Rm	11	**48 875**	44 159
Total assets	Rm	6	**840 423**	791 254
Loans and advances	Rm	2	**536 421**	525 700
Financial performance				
ROE	%		**17,3**	20,3
Non-interest revenue to total income	%		**47,8**	45,1
Loan-to-deposit ratio	%		**87,6**	91,0
Credit loss ratio	%		**1,18**	1,87
Cost-to-income ratio	%		**55,2**	46,9
Effective taxation rate	%		**27,5**	25,0
Number of employees		3	**30 396**	29 494
SBSA company				
Headline earnings	Rm	(5)	**7 697**	8 121
Total assets	Rm	7	**824 600**	773 284
ROE	%		**16,9**	19,9
Capital adequacy				
Total risk-weighted assets	Rm	0	**368 262**	367 839
Tier I capital adequacy ratio	%		**11,5**	10,6
Total capital adequacy ratio	%		**14,9**	14,1

Personal & Business Banking

Favourable

- Improved customer service ratings.
- Reduced non-performing loan portfolio and decreased credit impairments aided by lower interest rates, improved customer debt servicing ability and internal debt recovery capability.
- Good growth in the mortgage portfolio.
- Increased fees, driven by growth in volumes and in the transactional account base.
- Growth in retail deposits.
- More appropriate pricing for credit risk and term funding.
- Improvement in bancassurance revenues from both simple and complex insurance products.

Adverse

- Decrease in net interest income due to the negative endowment impact of lower interest rates and more expensive term funding.
- Reduced card debtor and instalment sale and finance lease balances.
- Introduction of SARB cash handling fees.
- Continued pressure on recovery values of collateral.

Corporate & Investment Banking

Favourable

- Credit impairment charges down across all regions as a result of non-recurrence of large non-performing and performing loan impairments, coupled with specific and portfolio provision releases due to improved credit environment.
- Investment banking revenue up with good performance from debt products and trade financing.

Adverse

- Challenging revenue environment characterised by reduced client activity resulted in fewer trading opportunities.
- Increased competition and falling interest rates resulted in margin compression.
- Higher operating expenses due to investment spend on IT platforms, coupled with increased headcount.

Summarised income statement

The Standard Bank of South Africa

	Group			Company		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Net interest income	(6)	20 212	21 500	(5)	20 127	21 257
Non-interest revenue	5	18 487	17 627	2	17 528	17 112
Net fee and commission revenue	3	13 730	13 280	3	12 858	12 541
Trading revenue	(9)	2 686	2 961	(9)	2 699	2 982
Other revenue	49	2 071	1 386	24	1 971	1 589
Total income	(1)	38 699	39 127	(2)	37 655	38 369
Credit impairment charges	(35)	6 359	9 831	(35)	6 291	9 744
Specific credit impairments	(27)	7 072	9 672	(27)	6 986	9 573
Portfolio credit impairments	(>100)	(713)	159	(>100)	(695)	171
Income after credit impairment charges	10	32 340	29 296	10	31 364	28 625
Operating expenses	17	21 441	18 286	16	20 915	18 006
Staff costs	15	11 113	9 674	15	10 920	9 485
Other operating expenses	16	10 024	8 612	14	9 693	8 521
Restructuring costs		304			302	
Net income before associates and joint ventures	(1)	10 899	11 010	(2)	10 449	10 619
Share of profit/(loss) from associates and joint ventures	>100	124	(104)			
Net income before indirect taxation	1	11 023	10 906	(2)	10 449	10 619
Indirect taxation	47	856	582	47	856	581
Profit before direct taxation	(2)	10 167	10 324	(4)	9 593	10 038
Direct taxation	2	2 179	2 144	(1)	1 982	2 011
Profit for the year	(2)	7 988	8 180	(5)	7 611	8 027
Attributable to minorities		50				
Attributable to the ordinary shareholder	(3)	7 938	8 180	(5)	7 611	8 027
Headline adjustable items	(63)	96	261	(9)	86	94
Headline earnings	(5)	8 034	8 441	(5)	7 697	8 121

Statement of financial position

The Standard Bank of South Africa

	Group			Company		
	Change %	2010 Rm	2009[1] Rm	Change %	2010 Rm	2009[1] Rm
Assets						
Cash and balances with the central bank	26	**18 181**	14 470	26	**18 181**	14 470
Derivative assets	38	**105 221**	76 501	38	**105 181**	76 449
Trading assets	(34)	**13 825**	20 802	(34)	**13 453**	20 377
Pledged assets	>100	**5 934**	1 057	>100	**5 934**	1 057
Financial investments	28	**79 388**	62 008	29	**79 388**	61 623
Loans and advances	2	**536 421**	525 700	2	**517 507**	505 006
Loans and advances to banks	5	**62 364**	59 472	5	**62 311**	59 276
Loans and advances to customers	2	**474 057**	466 228	2	**455 196**	445 730
Other assets	30	**6 154**	4 718	22	**5 665**	4 634
Interest in group companies, associates and joint ventures	(19)	**62 981**	77 941	(18)	**67 034**	81 633
Intangible assets	51	**4 410**	2 913	50	**4 372**	2 913
Property and equipment	54	**7 908**	5 144	54	**7 885**	5 122
Total assets	6	**840 423**	791 254	7	**824 600**	773 284
Equity and liabilities						
Equity	11	**48 917**	44 159	10	**47 614**	43 207
Equity attributable to the ordinary shareholder	11	**48 875**	44 159	10	**47 614**	43 207
Ordinary share capital		**60**	60		**60**	60
Ordinary share premium	4	**25 230**	24 230	4	**25 230**	24 230
Reserves	19	**23 585**	19 869	18	**22 324**	18 917
Minority interest		**42**				
Liabilities	6	**791 506**	747 095	6	**776 986**	730 077
Derivative liabilities	36	**102 476**	75 196	36	**102 461**	75 196
Trading liabilities	(46)	**9 031**	16 707	(49)	**8 069**	15 744
Deposit and current accounts	6	**612 011**	577 860	7	**596 829**	559 904
Deposits from banks	(6)	**54 626**	57 833	(6)	**54 629**	57 857
Deposits from customers	7	**557 385**	520 027	8	**542 200**	502 047
Other liabilities	12	**12 421**	11 080	12	**12 035**	10 759
Subordinated debt	(1)	**15 683**	15 814	(1)	**15 683**	15 814
Liabilities to group companies	(21)	**39 884**	50 438	(20)	**41 909**	52 660
Total equity and liabilities	6	**840 423**	791 254	7	**824 600**	773 284

[1] *Refer to page 97 for the prior year reclassifications.*

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Segmental income statement

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			Personal & Business Banking	
		Change %	2010 Rm	2009 Rm
Net interest income		(4)	**15 221**	15 901
Interest income		(15)	**35 737**	42 054
Interest expense		(22)	**20 516**	26 153
Non-interest revenue		6	**12 116**	11 464
Net fee and commission revenue		4	**11 494**	11 071
Fee and commission revenue		7	**13 934**	12 996
Fee and commission expense		27	**2 440**	1 925
Trading revenue				
Other revenue		58	**622**	393
Total income		(0)	**27 337**	27 365
Credit impairment charges		(33)	**6 327**	9 418
Specific credit impairments		(29)	**6 385**	8 932
Portfolio credit impairments		(>100)	**(58)**	486
Income after credit impairment charges		17	**21 010**	17 947
Operating expenses		14	**14 914**	13 091
Net income before associates and joint ventures		26	**6 096**	4 856
Share of profit/(loss) from associates and joint ventures		>100	**87**	(256)
Net income before indirect taxation		34	**6 183**	4 600
Indirect taxation		(2)	**420**	428
Profit before direct taxation		38	**5 763**	4 172
Direct taxation		24	**1 593**	1 281
Profit for the year		44	**4 170**	2 891
Attributable to minorities			**1**	
Attributable to the ordinary shareholder		44	**4 169**	2 891
Headline adjustable items		(73)	**102**	382
SBSA group headline earnings		30	**4 271**	3 273
ROE	%		**22,7**	18,2
Credit loss ratio	%		**1,73**	2,61
Cost-to-income ratio	%		**54,4**	48,3

Corporate & Investment Banking			Other services			SBSA group		
Change %	**2010 Rm**	2009 Rm	Change %	**2010 Rm**	2009 Rm	Change %	**2010 Rm**	2009 Rm
(11)	**4 528**	5 064	(13)	**463**	535	(6)	**20 212**	21 500
(39)	**18 665**	30 658	47	**(2 768)**	(5 259)	(23)	**51 634**	67 453
(45)	**14 137**	25 594	44	**(3 231)**	(5 794)	(32)	**31 422**	45 953
1	**5 860**	5 827	52	**511**	336	5	**18 487**	17 627
(4)	**2 235**	2 323	>100	**1**	(114)	3	**13 730**	13 280
(4)	**2 334**	2 442	>100	**1**	(120)	6	**16 269**	15 318
(17)	**99**	119	100		(6)	25	**2 539**	2 038
(12)	**2 557**	2 905	>100	**129**	56	(9)	**2 686**	2 961
78	**1 068**	599	(3)	**381**	394	49	**2 071**	1 386
(5)	**10 388**	10 891	12	**974**	871	(1)	**38 699**	39 127
(>100)	**(107)**	906	>100	**139**	(493)	(35)	**6 359**	9 831
(6)	**688**	733	(>100)	**(1)**	7	(27)	**7 072**	9 672
(>100)	**(795)**	173	>100	**140**	(500)	(>100)	**(713)**	159
5	**10 495**	9 985	(39)	**835**	1 364	10	**32 340**	29 296
13	**5 160**	4 553	>100	**1 367**	642	17	**21 441**	18 286
(2)	**5 335**	5 432	(>100)	**(532)**	722	(1)	**10 899**	11 010
(75)	**37**	151	(100)		1	>100	**124**	(104)
(4)	**5 372**	5 583	(>100)	**(532)**	723	1	**11 023**	10 906
5	**88**	84	>100	**348**	70	47	**856**	582
(4)	**5 284**	5 499	(>100)	**(880)**	653	(2)	**10 167**	10 324
29	**943**	732	(>100)	**(357)**	131	2	**2 179**	2 144
(9)	**4 341**	4 767	(>100)	**(523)**	522	(2)	**7 988**	8 180
	49						**50**	
(10)	**4 292**	4 767	(>100)	**(523)**	522	(3)	**7 938**	8 180
92	**(6)**	(77)	100		(44)	(63)	**96**	261
(9)	**4 286**	4 690	(>100)	**(523)**	478	(5)	**8 034**	8 441
	30,4	37,3					**17,3**	20,3
	(0,06)	0,54					**1,18**	1,87
	49,5	41,2					**55,2**	46,9

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Segmental statement of financial position

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	Change %	Personal & Business Banking 2010 Rm	Personal & Business Banking 2009 Rm
Assets			
Cash and balances with central banks	20	**5 273**	4 400
Financial investments, trading and pledged assets	87	**28**	15
Loans and advances	3	**356 050**	344 650
Loans and advances to banks	(16)	**344**	410
Loans and advances to customers	3	**355 706**	344 240
Derivative and other assets	1	**2 493**	2 471
Interest in group companies, associates and joint ventures	(21)	**326**	411
Intangible assets	45	**2 742**	1 889
Property and equipment	(11)	**3 564**	4 015
SBSA group total assets	4	**370 476**	357 851
Equity and liabilities			
Equity	12	**19 874**	17 817
Equity attributable to the ordinary shareholder	12	**19 872**	17 817
Ordinary share capital		**4**	
Ordinary share premium		**4**	4
Reserves	12	**19 864**	17 813
Minority interest		**2**	
Liabilities	3	**350 602**	340 034
Deposit and current accounts	3	**339 977**	330 705
Deposits from banks	83	**(4)**	(24)
Deposits from customers	3	**339 981**	330 729
Derivative, trading and other liabilities	6	**2 474**	2 333
Subordinated debt	13	**8 108**	7 171
Liabilities to group companies	>100	**43**	(175)
SBSA group total equity and liabilities	4	**370 476**	357 851

Corporate & Investment Banking			Other services			SBSA group		
Change %	**2010 Rm**	2009 Rm	Change %	**2010 Rm**	2009 Rm	Change %	**2010 Rm**	2009 Rm
28	**12 908**	10 070				26	**18 181**	14 470
18	**97 048**	81 952	9	**2 071**	1 900	18	**99 147**	83 867
(0)	**183 126**	183 239	(26)	**(2 755)**	(2 189)	2	**536 421**	525 700
5	**62 006**	59 061	>100	**14**	1	5	**62 364**	59 472
(2)	**121 120**	124 178	(26)	**(2 769)**	(2 190)	2	**474 057**	466 228
38	**107 880**	78 029	39	**1 002**	719	37	**111 375**	81 219
(20)	**60 092**	74 958	(0)	**2 563**	2 572	(19)	**62 981**	77 941
31	**1 154**	879	>100	**514**	145	51	**4 410**	2 913
2	**389**	380	>100	**3 955**	749	54	**7 908**	5 144
8	**462 597**	429 507	89	**7 350**	3 896	6	**840 423**	791 254
7	**14 597**	13 658	14	**14 446**	12 684	11	**48 917**	44 159
7	**14 557**	13 658	14	**14 446**	12 684	11	**48 875**	44 159
	21	21	(10)	**35**	39		**60**	60
			4	**25 226**	24 226	4	**25 230**	24 230
7	**14 536**	13 637	7	**(10 815)**	(11 581)	19	**23 585**	19 869
	40						**42**	
8	**448 000**	415 849	19	**(7 096)**	(8 788)	6	**791 506**	747 095
9	**282 215**	259 205	16	**(10 181)**	(12 050)	6	**612 011**	577 860
(5)	**54 629**	57 786	(99)	**1**	71	(6)	**54 626**	57 833
13	**227 586**	201 419	16	**(10 182)**	(12 121)	7	**557 385**	520 027
19	**119 886**	100 696	>100	**1 568**	(46)	20	**123 928**	102 983
15	**6 299**	5 470	(60)	**1 276**	3 173	(1)	**15 683**	15 814
(22)	**39 600**	50 478	79	**241**	135	(21)	**39 884**	50 438
8	**462 597**	429 507	89	**7 350**	3 896	6	**840 423**	791 254

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Credit impairment charges

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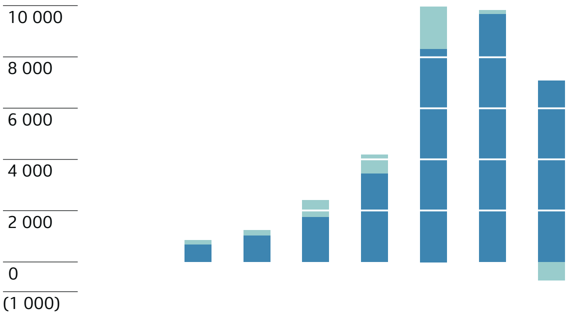
Credit impairment charges
Rm



	2004	2005	2006	2007	2008	2009	2010
Specific credit impairments	681	1 026	1 753	3 453	8 315	9 672	7 072
Portfolio credit impairments	178	230	661	743	1 700	159	(713)

Income statement impairment charges (net of recoveries)

		2010					
		Specifically impaired loans					
	Change %	Specific impairment Rm	IAS 39 discount[1] Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
Personal & Business Banking	(33)	5 381	1 004	6 385	(58)	6 327	1,73
Mortgage loans	(25)	2 299	730	3 029	(41)	2 988	1,16
Instalment sale and finance leases	(56)	945	84	1 029	(151)	878	1,97
Card debtors	(37)	748	78	826	(108)	718	3,58
Other loans and advances	(25)	1 389	112	1 501	242	1 743	4,07
Corporate & Investment Banking	(>100)	688		688	(795)	(107)	(0,06)
Corporate loans	(>100)	578		578	(795)	(217)	(0,15)
Commercial property finance	(68)	110		110		110	0,35
Other services	>100	(1)		(1)	140	139	
Total SBSA group	(35)	6 068	1 004	7 072	(713)	6 359	1,18

[1] *Discounting of expected recoveries in terms of IAS 39.*

Favourable

- Lower impairment charge across all portfolios within Personal & Business Banking, due to lower interest rates and improved customer debt servicing ability, resulting in substantially lower new defaults.
- Reduced impairment charge across Corporate & Investment Banking, due to non-recurrence of large non-performing and performing loan impairments, coupled with specific and portfolio provision releases due to improved credit environment.
- Net write back on performing loan book across most portfolios due to improved customer risk profile as well as rehabilitation and recovery capability.
- Decreased debt review portfolio.

Adverse

- Continued pressure on recovery values of collateral.

2009					
Specifically impaired loans					
Specific impairment Rm	IAS 39 discount[1] Rm	Total Rm	Portfolio credit impairment charges Rm	Total impairment charges Rm	Credit loss ratio %
7 064	1 868	8 932	486	9 418	2,61
2 380	1 358	3 738	247	3 985	1,61
1 580	133	1 713	261	1 974	3,80
1 125	218	1 343	(199)	1 144	5,49
1 979	159	2 138	177	2 315	5,63
733		733	173	906	0,54
394		394	173	567	0,41
339		339		339	1,12
7		7	(500)	(493)	
7 804	1 868	9 672	159	9 831	1,87

Credit impairment charges continued

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Balance sheet impairment – roll forward from December 2009

	2010 Opening balance Rm	*IAS 39 discount in opening balance Rm*
Specific credit impairments		
Personal & Business Banking	9 857	*1 576*
Mortgage loans	4 639	*1 195*
Instalment sale and finance leases	1 697	*52*
Card debtors	1 275	*175*
Other loans and advances	2 246	*154*
Corporate & Investment Banking	782	
Corporate loans	417	
Commercial property finance	365	
Other services		
	10 639	*1 576*
Corporate & Investment Banking		
Corporate loans (off-balance sheet)		
Portfolio credit impairments		
Personal & Business Banking	3 028	
Mortgage loans	1 022	
Instalment sale and finance leases	740	
Card debtors	618	
Other loans and advances	648	
Corporate & Investment Banking	1 499	
Corporate loans	1 326	
Commercial property finance	173	
Other services	284	
	4 811	
Total impairments		
Personal & Business Banking	12 885	*1 576*
Mortgage loans	5 661	*1 195*
Instalment sale and finance leases	2 437	*52*
Card debtors	1 893	*175*
Other loans and advances	2 894	*154*
Corporate & Investment Banking	2 281	
Corporate loans	1 743	
Commercial property finance	538	
Other services	284	
	15 450	*1 576*
Corporate & Investment Banking		
Corporate loans (off-balance sheet)		
Total SBSA group balance sheet impairments as a % of gross loans and advances	2,86	

[1] New provisions raised less recoveries of amounts written off in previous years equals income statement credit impairment charge (2010: R7 067 million – R708 million = R6 359 million).

Net provisions raised and released[1] Rm	*IAS 39 discount in new impairments raised Rm*	Impaired accounts written off Rm	IAS 39 discount recycled to net interest income Rm	Currency translation and other movements Rm	2010 Closing balance Rm	*IAS 39 discount in closing balance Rm*	2010 Recoveries of amounts written off in previous years[1] Rm
7 066	*1 004*	(5 902)	(1 721)		9 300	*859*	681
3 085	*730*	(2 010)	(1 371)		4 343	*554*	56
1 178	*84*	(1 379)	(96)		1 400	*40*	149
1 241	*78*	(1 282)	(127)		1 107	*126*	415
1 562	*112*	(1 231)	(127)		2 450	*139*	61
172		(387)			567		26
62		(74)			405		26
110		(313)			162		
							1
7 238	*1 004*	(6 289)	(1 721)		9 867	*859*	708
542							
7 780							
(58)				(2)	2 968		
(41)				(2)	979		
(151)					589		
(108)					510		
242					890		
(795)					704		
(795)				173	704		
				(173)			
140					424		
(713)				(2)	4 096		
7 008	*1 004*	(5 902)	(1 721)	(2)	12 268	*859*	681
3 044	*730*	(2 010)	(1 371)	(2)	5 322	*554*	56
1 027	*84*	(1 379)	(96)		1 989	*40*	149
1 133	*78*	(1 282)	(127)		1 617	*126*	415
1 804	*112*	(1 231)	(127)		3 340	*139*	61
(623)		(387)			1 271		26
(733)		(74)		173	1 109		26
110		(313)		(173)	162		
140					424		1
6 525	*1 004*	(6 289)	(1 721)	(2)	13 963	*859*	708
542							
7 067							
					2,54		

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Loans and advances performance

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	Gross loans and advances Rm	Performing loans: Neither past due nor specifically impaired — Normal monitoring Rm	Close monitoring Rm	Not specifically impaired — Early arrears Rm	Non-performing[1] Rm
2010					
Personal & Business Banking	**368 318**	**298 264**	**17 465**	**20 219**	
Mortgage loans	**262 601**	**213 434**	**12 850**	**11 278**	
Instalment sale and finance leases	**43 325**	**37 723**	**988**	**2 223**	
Card debtors	**19 388**	**14 898**	**2 686**	**347**	
Other loans and advances	**43 004**	**32 209**	**941**	**6 371**	
Corporate & Investment Banking	**184 397**	**181 525**	**49**		**250**
Corporate loans	**151 559**	**149 761**	**24**		**24**
Commercial property finance	**32 838**	**31 764**	**25**		**226**
Other services	**(2 331)**	**(2 331)**			
Gross loans and advances	**550 384**	**477 458**	**17 514**	**20 219**	**250**
Percentage of total book (%)	**100,0**	**86,7**	**3,2**	**3,7**	**0,1**
2009					
Personal & Business Banking	357 535	287 371	14 041	22 222	
Mortgage loans	249 520	202 692	9 513	11 589	
Instalment sale and finance leases	47 299	39 577	875	3 667	
Card debtors	20 316	15 435	2 721	442	
Other loans and advances	40 400	29 667	932	6 524	
Corporate & Investment Banking	185 520	181 110	1 837	330	514
Corporate loans	155 685	153 783	1 129		74
Commercial property finance	29 835	27 327	708	330	440
Other services	(1 905)	(1 905)			
Gross loans and advances	541 150	466 576	15 878	22 552	514
Percentage of total book (%)	100,0	86,2	2,9	4,2	0,1

[1] *Includes loans of R196 million (2009: R107 million) that are past due but are not specifically impaired.*

Criteria for classifications of loans and advances

Non-performing loans	Those loans for which: – the group has identified objective evidence of default, such as a breach of a material loan covenant or condition; or – instalments are due and unpaid for 90 days or more.
Neither past due nor specifically impaired loans	Loans that are current and fully compliant with all contractual terms and conditions. Normal monitoring loans within this category are generally rated 1 to 21 and close monitoring loans are generally rated 22 to 25 using the group's master rating scale.
Early arrears but not specifically impaired loans	Loans where the counterparty has failed to make contractual payments and are less than 90 days past due, but it is expected that the full carrying value will be recovered when considering future cash flows, including collateral. Ultimate loss is not expected but could occur if the adverse conditions persist.

Non-performing loans									
Specifically impaired loans									
Sub-standard Rm	Doubtful Rm	Loss Rm	Total Rm	Securities and expected recoveries on specifically impaired loans Rm	Net after securities and expected recoveries on specifically impaired loans Rm	Balance sheet impairments for non-performing specifically impaired loans Rm	Gross specific impairment coverage %	Total non-performing loans Rm	Non-performing loans %
11 365	**17 303**	**3 702**	**32 370**	**23 070**	**9 300**	**9 300**	**29**	**32 370**	**8,8**
10 584	**13 725**	**730**	**25 039**	**20 696**	**4 343**	**4 343**	**17**	**25 039**	**9,5**
139	**753**	**1 499**	**2 391**	**991**	**1 400**	**1 400**	**59**	**2 391**	**5,5**
174	**273**	**1 010**	**1 457**	**350**	**1 107**	**1 107**	**76**	**1 457**	**7,5**
468	**2 552**	**463**	**3 483**	**1 033**	**2 450**	**2 450**	**70**	**3 483**	**8,1**
288	**2 180**	**105**	**2 573**	**2 006**	**567**	**567**	**22**	**2 823**	**1,5**
8	**1 660**	**82**	**1 750**	**1 345**	**405**	**405**	**23**	**1 774**	**1,2**
280	**520**	**23**	**823**	**661**	**162**	**162**	**20**	**1 049**	**3,2**
11 653	**19 483**	**3 807**	**34 943**	**25 076**	**9 867**	**9 867**	**28**	**35 193**	**6,4**
2,1	**3,5**	**0,7**	**6,3**	**4,5**	**1,8**	**1,8**			
15 598	14 160	4 143	33 901	24 044	9 857	9 857	29	33 901	9,5
14 577	10 328	821	25 726	21 087	4 639	4 639	18	25 726	10,3
324	1 036	1 820	3 180	1 483	1 697	1 697	53	3 180	6,7
244	409	1 065	1 718	443	1 275	1 275	74	1 718	8,5
453	2 387	437	3 277	1 031	2 246	2 246	69	3 277	8,1
141	1 509	79	1 729	947	782	782	45	2 243	1,2
116	504	79	699	282	417	417	60	773	0,5
25	1 005		1 030	665	365	365	35	1 470	4,9
15 739	15 669	4 222	35 630	24 991	10 639	10 639	30	36 144	6,7
2,9	2,9	0,8	6,6	4,6	2,0	2,0			

Non-performing but not specifically impaired loans	Loans where the counterparty has failed to make contractual payments and is 90 days or more past due as well as those loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition. These loans are not specifically impaired due to the expected recoverability of the full carrying value when considering future cash flows, including collateral.
Non-performing specifically impaired loans	Loans that are regarded as non-performing and for which there has been a measurable decrease in estimated future cash flows. Specifically impaired loans are further analysed into the following categories: – sub-standard items that show underlying well defined weaknesses and are considered to be specifically impaired; – doubtful items that are not yet considered final losses because of some pending factors that may strengthen the quality of the items; and – loss items are considered to be uncollectible in whole or in part. The group provides fully for its anticipated loss, after taking securities into account.

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Capital adequacy – qualifying regulatory capital and risk-weighted assets

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SBSA company qualifying regulatory capital (excluding unappropriated profit)

	Change %	2010 Rm	2009 Rm
Ordinary shareholders' equity	10	**47 614**	43 207
Less: regulatory deductions	(49)	**(5 237)**	(3 508)
Expected losses exceeding eligible provisions (50%)	(>100)	**(616)**	(212)
Loans to SPVs (first loss credit enhancement) (50%)	47	**(150)**	(284)
Investment in regulated non-banking entities		**(99)**	(99)
Intangible assets	(50)	**(4 372)**	(2 913)
Less: regulatory exclusions	68	**(2 110)**	(6 565)
Non-qualifying foreign currency translation reserve	>100	**31**	(37)
Non-qualifying other reserves	67	**(236)**	(716)
Unappropriated profit	67	**(1 905)**	(5 812)
Tier I capital	22	**40 267**	33 134
Tier II subordinated debt		**15 098**	15 098
Impairments for performing loans	(30)	**156**	223
Less: regulatory deductions	(2)	**(2 761)**	(2 714)
Expected losses exceeding eligible provisions (50%)	(>100)	**(616)**	(212)
Loans to SPVs (first loss credit enhancement) (50%)	47	**(150)**	(284)
Investment in tier II instruments in banks	10	**(1 995)**	(2 218)
Tier II capital	(1)	**12 493**	12 607
Tier III capital		**300**	300
Total qualifying regulatory capital	15	**53 060**	46 041

SBSA company risk-weighted assets

	Change %	2010 Rm	2009 Rm
Credit risk	1	**285 399**	283 653
Market risk	46	**8 395**	5 745
Operational risk	(2)	**63 842**	65 252
Equity risk in the banking book	(19)	**10 626**	13 189
Total risk-weighted assets	0	**368 262**	367 839

SBSA company capital adequacy ratios (including unappropriated profit)

	Minimum regulatory requirement %	Target ratios %	2010 %	2009 %
Total capital adequacy ratio	9,75	11 – 12	**14,9**	14,1
Tier I capital adequacy ratio	7,0	9,0	**11,5**	10,6
Core tier I capital adequacy ratio	5,25		**11,5**	10,6
Tier II and III as % of tier I	<100,0		**30,3**	33,1
Subordinated tier II debt as % of tier I	<50,0		**35,8**	38,8

Broad-based black economic empowerment

Scorecard by category – dti codes

	Maximum available points	2010 %	2009[1] %
Ownership	23	**20,00[2]**	13,98
Management control	11	**8,25**	8,30
Employment equity	18	**12,54[3]**	9,43
Skills development	15	**12,04**	8,54
Preferential procurement	20	**20,00**	17,37
Enterprise development	15	**15,00**	15,00
Socioeconomic development	5	**5,00**	5,00
Total score	107	**92,83**	77,62

Procurement – dti codes

	dti target 2011 % of TMPS	2010 % of TMPS[4]	2010 weighted Rm	2009 % of TMPS[4]	2009 weighted Rm
Supplier classification					
All suppliers – Level 1 to 8[5]	50	**163**	**15 731**	61	7 190
Qualifying small enterprises (QSE) and exempted micro-enterprises (EME) – Level 1 to 8	10	**18**	**1 728**	9	1 074
Black owned (>50%)	9	**18**	**1 721**	6	695
Black women owned (>30%)	6	**9**	**827**	2	242
Total measured procurement spend (TMPS)			**9 638**		11 818

[1] *Restated.*
[2] *Methodology change in line with market practice.*
[3] *The bank benefited marginally from the change in employment equity scoring from salary bands (as measured by the FSC) to employment levels (under the dti codes).*
[4] *This is BEE spend per supplier classification calculated as a percentage of TMPS. TMPS is based on actual calculated procurement spend and certain inclusions and exclusions per dti guidelines.*
[5] *Procurement spend on all suppliers represents total BEE spend weighted for supplier BEE levels. The other supplier classifications are required to ensure procurement from black small entities and black women-owned entities.*

- While the gazetting of the Financial Sector Charter (FSC) is in progress, the bank's empowerment assessment continues to be governed by the Department: Trade and Industry (dti) generic codes published in terms of the Broad-based Black Economic Empowerment Act. In terms of the dti codes the bank scored 92,83 points (2009: 77,62) thereby achieving the level 2 black economic empowerment (BEE) contributor status. This performance is indicative of the bank's commitment to BEE and transformation.
- The bank remains committed to the FSC empowerment elements that are not specified in the dti codes. The bank extended R2 494 million (2009: R1 638 million) in loans to the affordable housing market during the year ended December 2010.
- The bank invested R19,4 million (2009: R21,1 million) towards consumer education with a focus on financial education to low-income communities and youth, including communities in rural areas. The number of Mzansi accounts grew from 913 244 in December 2009 to 1 086 094 accounts in December 2010.

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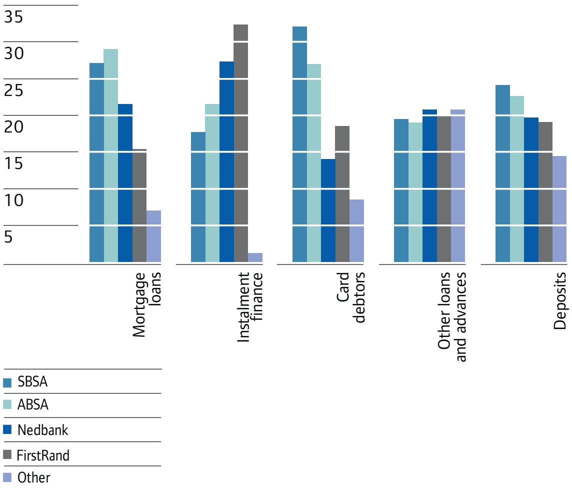
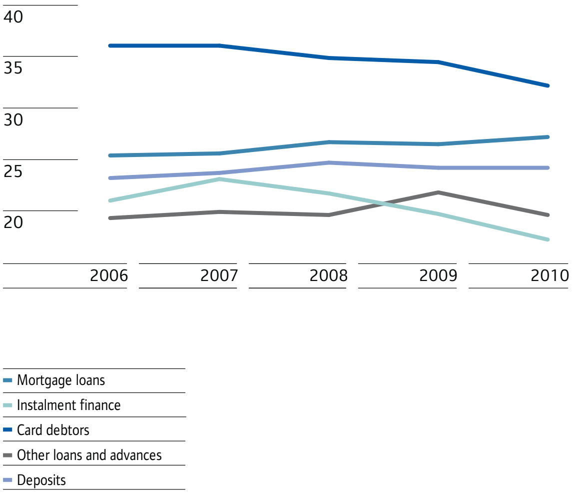
Market share analysis
The Standard Bank of South Africa

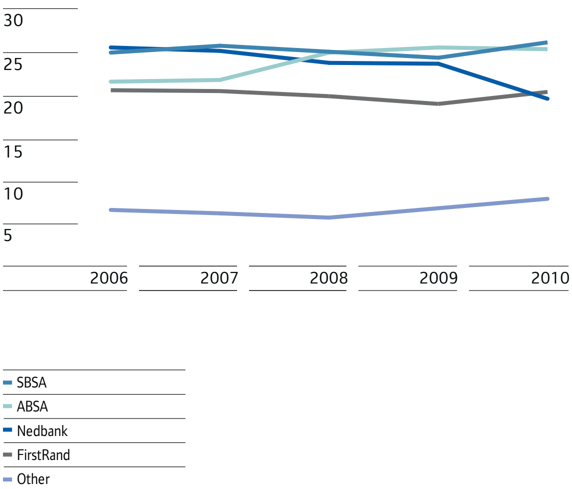
South African market share analysis
%



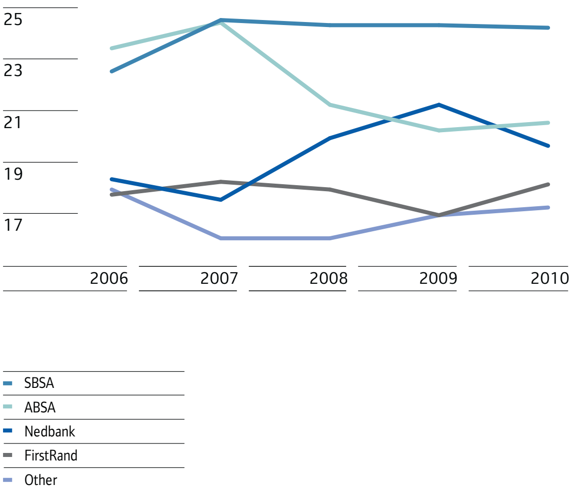
SBSA's market share movement
%



Retail-based deposits (denominated in rand)
%



Corporate-based deposits (denominated in rand)
%



Source: BA 900

Other information and reclassifications

Standard Bank

Supplementary information on a geographic basis

South Africa

		Personal & Business Banking			Corporate & Investment Banking		
		Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Total income	Rm	(0)	**28 068**	28 160	(8)	**10 595**	11 545
Headline earnings	Rm	35	**4 644**	3 448	(15)	**4 422**	5 212
Loans and advances	Rm	3	**356 846**	345 842	(4)	**215 528**	224 258
Total assets	Rm	3	**372 203**	359 760	8	**460 948**	427 206
Average ordinary shareholders' equity	Rm	3	**21 638**	20 941	11	**14 448**	12 963
ROE	%		**21,5**	16,5		**30,6**	40,2
Number of employees		2	**24 190**	23 743	(1)	**3 868**	3 901

		Liberty			Total South Africa		
		Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Total income	Rm	16	**51 466**	44 338	7	**90 681**	84 545
Headline earnings	Rm	>100	**1 393**	72	13	**10 664**	9 399
Loans and advances	Rm				1	**574 508**	570 440
Total assets	Rm	4	**229 535**	220 151	6	**1 073 326**	1 014 955
Average ordinary shareholders' equity	Rm	2	**6 371**	6 258	10	**55 058**	49 831
ROE	%		**21,9**	1,2		**19,4**	18,9
Number of employees		(5)	**5 226**	5 474	1	**35 163**	34 861

Rest of Africa

		Personal & Business Banking			Corporate & Investment Banking		
		Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Total income	Rm	2	**4 329**	4 225	2	**5 475**	5 379
Headline (loss)/earnings	Rm	(>100)	**(14)**	350	(11)	**760**	852
Loans and advances	Rm	12	**19 172**	17 101	16	**51 843**	44 852
Total assets	Rm	17	**26 712**	22 906	4	**82 660**	79 114
Average ordinary shareholders' equity	Rm	11	**2 805**	2 530	(6)	**8 881**	9 486
ROE	%		**(0,5)**	13,8		**8,6**	9,0
Number of employees		13	**9 066**	8 017	6	**3 682**	3 473

Outside Africa

		Personal & Business Banking			Corporate & Investment Banking		
		Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
Total income	Rm	4	**2 578**	2 470	(34)	**6 681**	10 101
Headline earnings/(loss)	Rm	58	**120**	76	(95)	**66**	1 403
Loans and advances	Rm	(8)	**29 914**	32 529	(19)	**116 600**	143 393
Total assets	Rm	(5)	**35 248**	37 113	(0)	**236 814**	237 264
Average ordinary shareholders' equity	Rm	(1)	**2 130**	2 159	5	**18 117**	17 288
ROE	%		**5,6**	3,5		**0,4**	8,1
Number of employees		9	**3 389**	3 122	6	**2 051**	1 938

	Other domestic operations			Banking operations		
	Change %	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
	10	**552**	502	(2)	**39 215**	40 207
	(69)	**205**	667	(1)	**9 271**	9 327
	>100	**2 134**	340	1	**574 508**	570 440
	36	**10 640**	7 838	6	**843 791**	794 804
	30	**12 601**	9 669	12	**48 687**	43 573
		1,6	6,9		**19,0**	21,4
	8	**1 879**	1 743	2	**29 937**	29 387

	Total rest of Africa		
	Change %	2010 Rm	2009 Rm
	2	**9 804**	9 604
	(38)	**746**	1 202
	15	**71 015**	61 953
	7	**109 372**	102 020
	(3)	**11 686**	12 016
		6,4	10,0
	11	**12 748**	11 490

	Total outside Africa			Central funding and eliminations		Standard Bank Group		
	Change %	2010 Rm	2009 Rm	2010 Rm	2009 Rm	Change %	2010 Rm	2009 Rm
	(26)	**9 259**	12 571	**572**	328	3	**110 316**	107 048
	(87)	**186**	1 479	**(313)**	(362)	(4)	**11 283**	11 718
	(17)	**146 514**	175 922	**(79 012)**	(84 808)	(1)	**713 025**	723 507
	(1)	**272 062**	274 377	**(113 340)**	(93 564)	3	**1 341 420**	1 297 788
	4	**20 247**	19 447	**3 028**	5 048	4	**90 019**	86 342
		0,9	7,6				**12,5**	13,6
	8	**5 440**	5 060			4	**53 351**	51 411

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Changes in accounting policies and reclassifications

The accounting policies are consistent with those adopted in the previous year, except for the following:

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

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

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

While the revised IFRS statements have resulted in changes to the group's accounting policies there has not been any material impact on any of the financial statement line items or earnings per share.

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 period 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 with no restatement of the prior period 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).

Deferred tax

The group has also early adopted the amendments to IAS 12 *Income Taxes* (Deferred Tax: Recovery of Underlying Assets). In terms of the amendment, if deferred tax liabilities or assets arise from investment property that is measured using the fair value model in IAS 40 *Investment Property*, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale.

Comparative information has been restated to conform to the revised standard. This has resulted in the deferred tax liability in respect of these investment property surpluses being restated to the sale rate and has correspondingly increased policyholders' liabilities. The adoption of this amendment does not impact headline earnings or earnings per share.

Reclassifications and restatements

Derivative contracts

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 contracts' 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.

Repurchase agreements

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'. The revised accounting treatment has resulted in reclassification adjustments in the statement of financial position with no impact on reserves.

Loans and advances

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 reclassified as loans to customers.

The comparative statements of financial position have been adjusted to reflect the presentation consequences of the reclassification and restatements.

Capital adequacy

Standard Bank Group

Tier I and tier II capital was increased for the December 2009 period to correctly reflect the group's investment in financial entities, in terms of the Regulations relating to Banks.

Group statement of financial position reclassifications

	2009					
	Normalised as previously reported Rm	Derivative contracts[1] Rm	Repurchase agreements[2] Rm	Loans and advances Rm	Deferred tax Rm	Normalised restated Rm
Assets						
Cash and balances with central banks	24 983					24 983
Derivative assets	168 257	(45 961)	(102)			122 194
Trading assets	89 105		(1 231)			87 874
Pledged assets	5 808					5 808
Financial investments	264 769					264 769
Loans and advances	723 507					723 507
Loans and advances to banks	122 923			(11 855)		111 068
Loans and advances to customers	600 584			11 855		612 439
Current and deferred taxation	1 481					1 481
Investment property	19 058					19 058
Other assets	16 926					16 926
Interest in associates and joint ventures	9 529					9 529
Goodwill and other intangible assets	9 409					9 409
Property and equipment	12 250					12 250
Total assets	1 345 082	(45 961)	(1 333)			1 297 788
Equity and liabilities						
Equity	104 498					104 498
Equity attributable to ordinary shareholders	87 454					87 454
Ordinary share capital	156					156
Ordinary share premium	17 042					17 042
Reserves	70 256					70 256
Preference share capital and premium	5 503					5 503
Minority interest	11 541					11 541
Liabilities	1 240 584	(45 961)	(1 333)			1 193 290
Derivative liabilities	162 515	(45 961)	(1 333)			115 221
Trading liabilities	51 118					51 118
Deposit and current accounts	768 548					768 548
Deposits from banks	106 018					106 018
Deposits from customers	662 530					662 530
Current and deferred taxation	7 690				(756)	6 934
Other liabilities	40 513					40 513
Policyholders' liabilities	183 544				756	184 300
Subordinated debt	26 656					26 656
Total equity and liabilities	1 345 082	(45 961)	(1 333)			1 297 788

Refer to page 96 for an explanation of the reclassification.

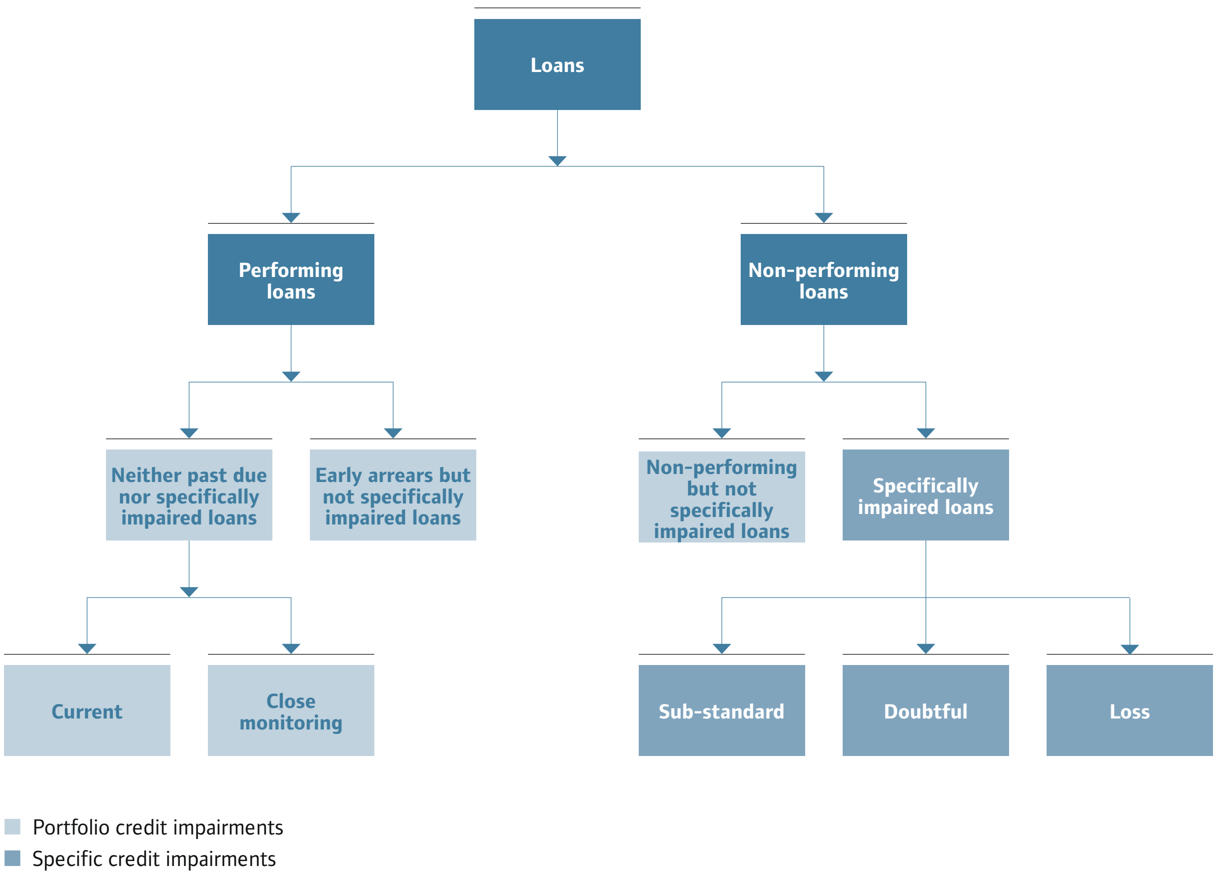
[1] *Reclassification for derivative contracts also applicable to SBSA.*

[2] *Reclassification for repurchase agreements also applicable to SBSA, however resulted in an increase in interest in group companies and a decrease in trading assets of R1 842 million.*

Revised credit risk definitions

The group has traditionally classified its retail and corporate loans and advances as either performing or non-performing for the determination of its credit impairment losses. The group previously provided disclosure of the performance of its loans and advances by distinguishing its loans between those that were performing and those that were impaired. This resulted in many instances in the use of the terms 'impaired' and 'non-performing' as interchangeable items. Whilst a loan is classified as non-performing, it may not necessarily be specifically impaired

To clarify this difference, the group has revised its credit risk definitions. The revised definitions distinguish between loans that are performing and those that are non-performing and, further within non-performing loans, those loans that are non-performing but not specifically impaired and those loans that are specifically impaired. The group believes that this distinction provides a better reflection of the group's credit risk. IFRS also requires various disclosures of the group's exposure to credit risk. The group has further revised its credit risk definitions so as to align the requirements of IFRS with the group's definitions of performing and non-performing loans. The diagram below sets out the group's revised credit risk definitions:



Non-performing loans have been defined as those loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition, or where instalments are due and unpaid for 90 days or more. Within non-performing loans are loans that are not specifically impaired. This category consists of those loans where the counterparty has failed to make contractual payments and are 90 days or more past due as well as those loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition. These loans are not specifically impaired due to the expected recoverability of the full carrying value when considering future cash flows, including collateral. Non-performing loans that carry a specific impairment, as a result of a measurable decrease in estimated future cash flows, are classified separately as specifically impaired.

The group previously distinguished its credit impairment accounts between performing and non-performing loans. As a result of the changes to the group's credit risk definitions noted above, the group has revised its references to its impairment allowance accounts to 'Portfolio credit impairments' and 'Specific credit impairments'. The categories to which each of these impairment allowance accounts relate has been set out in the diagram on the previous page.

As a result of the changes in the credit risk definitions noted above, for the purposes of the group's 2009 disclosures certain of the group's loans have been classified as non-performing rather than performing. The group's comparative disclosures have been restated to reflect this change. No changes were required to the group's total specifically impaired loans or credit impairments.

Financial and other definitions

Standard Bank Group

Basic earnings per ordinary share (EPS) (cents)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.
CAGR (%)	Compound annual growth rate.
Diluted headline earnings per ordinary share (cents)	Headline earnings divided by the weighted average number of shares, adjusted for potential dilutive ordinary shares resulting from share-based payments.
Dividend cover (times)	Headline earnings per share divided by dividend per share.
Dividend per share (cents)	Total dividends to ordinary shareholders including dividends and scrip distributions declared per share in respect of the year.
Headline earnings (Rm)	Earnings attributable to ordinary shareholders excluding goodwill gain or impairment, capital profits and losses, and realised profits or losses on available-for-sale financial instruments.
Headline earnings per ordinary share (HEPS) (cents)	Headline earnings divided by the weighted average number of ordinary shares in issue.
Net asset value (Rm)	Equity attributable to ordinary shareholders.
Net asset value per share (cents)	Net asset value divided by the number of ordinary shares in issue at the end of the year.
Price-to-book ratio (times)	Market capitalisation divided by net asset value.
Profit attributable to ordinary shareholders (Rm)	Profit for the year attributable to ordinary shareholders, calculated as profit for the year less dividends on non-redeemable, non-cumulative, non-participating preference shares declared before year end, less minority interests.
Profit for the year (Rm)	Income statement profit attributable to ordinary shareholders, minorities and preference shareholders for the year.
Return on equity (ROE) (%)	Headline earnings as a percentage of monthly average ordinary shareholders' funds.
Shares in issue (number)	Number of ordinary shares in issue as listed on the exchange operated by the JSE Limited (JSE).
Tangible net asset value (Rm)	Equity attributable to ordinary shareholders excluding goodwill and other intangible assets.
Tangible net asset value per share (cents)	Tangible net asset value divided by the number of ordinary shares in issue at the end of the year.
Total capital adequacy ratio (%)	Capital as a percentage of risk weighted assets.
Turnover in shares traded (%)	Number of shares traded during the year as a percentage of the weighted average number of shares.
Weighted average number of shares (number)	The weighted average number of ordinary shares in issue during the year as listed on the JSE.

Standard Bank Group continued

Banking activities

Available financial resources (AFR) (Rm)	The amount of permanent capital that is available to the group to absorb potential losses.
Capital coverage ratio (times)	Available financial resources divided by minimum economic capital requirements.
Cost-to-income ratio (%)	Operating expenses as a percentage of total income including share of profit from associates and joint ventures.
Credit loss ratio (%)	Total impairment charges on loans and advances per the income statement as a percentage of average daily and monthly gross loans and advances.
Effective taxation rate (%)	Direct and indirect taxation as a percentage of income before taxation.
Gross specific impairment coverage ratio (%)	Specific loan impairments as a percentage of specifically impaired loans.
Portfolio credit impairments (Rm)	Impairment for latent losses inherent in groups of loans and advances that have not yet been specifically impaired.
Loans-to-deposits ratio (%)	Net loans and advances as a percentage of deposits and current accounts.
Net interest margin (%)	Net interest income as a percentage of daily and monthly average total assets, excluding trading derivative assets.
Non-interest earning assets (Rm)	Includes total trading book assets and rate insensitive banking book assets, such as cash and cash equivalents, fixed assets, goodwill and other intangible assets, investment property, other assets, and current and deferred taxes. Cash balances with central banks are specifically excluded as they are utilised to meet liquidity requirements and are reflected as part of the interest earning assets to reflect the cost of liquidity. Derivative assets are also excluded.
Non-interest revenue to total income (%)	Non-interest revenue as a percentage of total income.
Return on equity (ROE) (%)	Headline earnings, excluding Liberty, as a percentage of monthly average ordinary shareholders' funds, after deducting capital relating to Liberty.
Specific credit impairments (Rm)	Impairment for specific identified credit losses, that are classified as specifically impaired, net of the present value of estimated recoveries.

Financial and other definitions continued

Standard Bank Group continued

Other definitions

Black	African, Coloured, Indian and South African Chinese people (who fall within the orbit of black people in the relevant legislation as determined by court ruling).
Broad-based black economic empowerment (BBBEE)	Socio-economic term concerning formalised initiatives and programmes to enable historically disadvantaged black individuals and groups to participate gainfully and equitably in the mainstream economy.
Complex products	Life, disability and investment insurance policies sold by qualified intermediaries.
CPI	A South African index of prices used to measure the change in the cost of basic goods and services.
dti	Department: Trade and Industry of the Government of South Africa.
International Financial Reporting Standards (IFRS)	International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).
Liberty	Investment management and life insurance activities of companies in the Liberty Holdings group.
Normalised results	The financial results and ratios restated on an economic substance basis as explained on page 16.
SARB	South African Reserve Bank.
SBG	Standard Bank Group Limited.
SBSA	The Standard Bank of South Africa Limited.
Simple embedded products	Homeowners' insurance, funeral cover, household and vehicle insurance and loan protection plans sold in conjunction with related banking products.
Special Purpose Vehicle (SPV)	An entity created to accomplish a narrow and well-defined objective.
Tutuwa	Tutuwa is the group's black economic empowerment ownership initiative entered into in terms of the Financial Sector Charter.

Shareholder information

Analysis of shareholders

Ten major shareholders[1]

	2010 Number of shares (million)	2010 % holding	2009 Number of shares (million)	2009 % holding
Industrial and Commercial Bank of China	317,9	20,1	313,0	20,1
Public Investment Corporation	210,5	13,3	189,7	12,2
Tutuwa participants	88,6	5,6	89,7	5,7
– Staff	34,9	2,2	36,0	2,3
– Strategic partners	35,8	2,3	35,8	2,3
– Communities and regional businesses	17,9	1,1	17,9	1,1
Dodge & Cox	44,9	2,8	46,9	3,0
Old Mutual Group	39,6	2,5	52,3	3,4
Investment Solutions	28,3	1,8	31,0	2,0
Sanlam Group	23,9	1,5	26,0	1,7
Vanguard Emerging Markets Fund	18,0	1,1	12,9	0,8
Liberty Group[2]	17,3	1,1	25,7	1,6
Lazard Emerging Markets Fund	17,2	1,1	15,1	1,0
	806,2	50,9	802,3	51,5

[1] *Beneficial holdings determined from the share register and investigations conducted on our behalf in terms of S140A of the Companies Act.*
[2] *Policyholders' funds.*

Geographic spread of shareholders

	2010 Number of shares (million)	2010 % holding	2009 Number of shares (million)	2009 % holding
South Africa	825,8	52,1	844,9	54,2
Foreign shareholders	759,2	47,9	713,4	45,8
China	317,9	20,1	313,0	20,1
United States of America	244,3	15,4	234,8	15,1
United Kingdom	64,0	4,0	39,7	2,6
Namibia	16,9	1,1	16,9	1,1
Netherlands	12,4	0,8	12,9	0,8
Singapore	12,2	0,8	12,7	0,8
United Arab Emirates	12,0	0,8	11,0	0,7
Luxembourg	11,9	0,8	14,4	0,9
Saudi Arabia	11,8	0,7	8,3	0,5
Australia	8,5	0,5	4,2	0,3
Norway	8,5	0,5	9,9	0,6
Other	38,8	2,4	35,6	2,3
	1 585,0	100,0	1 558,3	100,0

Credit ratings

Ratings as at 2 March 2011 for entities within Standard Bank Group are detailed below:

	Short term	Long term	Outlook
Fitch Ratings			
The Standard Bank of South Africa			
Issuer default rating	F2	BBB+	Stable
Local currency issuer default rating		BBB+	Stable
National rating	F1+ (ZAF)	AA (ZAF)	Stable
RSA Sovereign rating			
Foreign currency issuer default rating	F2	BBB+	Stable
Local currency issuer default rating		A	Stable
Standard Bank Plc			
Issuer default rating	F2	BBB+	Stable
Banco Standard de Investimentos SA (Brazil)			
National rating	F1+ (BRA)	AA+ (BRA)	Stable
Standard Bank Argentina SA			
National rating		AA+ (ARG)	Stable
Stanbic IBTC Bank Plc (Nigeria)			
National rating	F1+ (NGA)	AAA (NGA)	
CfC Stanbic Bank (Kenya)			
Issuer default rating	B	BB-	Stable
Liberty Group			
National rating		AA- (ZAF)	Negative
National Insurer Financial Strength		AA (ZAF)	Negative
Moody's Investor Services			
The Standard Bank of South Africa			
Foreign currency deposit rating	P-2	A3	Stable
Local currency deposit rating	P-1	A1	Stable
RSA Sovereign rating			
Foreign currency		A3	Stable
Local currency		A3	Stable
Standard Bank Plc			
Foreign and local currency deposit rating	P-2	Baa2	Negative
Standard Bank Argentina SA			
Foreign currency deposit rating	NP	Caa1	Stable
Local currency deposit rating	NP	Ba1	Stable
Standard & Poor's			
The Standard Bank of South Africa			
Local currency		BBBpi	
RSA Sovereign rating			
Foreign currency	A-2	BBB+	Stable
Local currency	A-1	A	Stable

Dividend payment dates

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

	Ordinary shares	6,5% cumulative preference shares (First preference shares)	Non-redeemable, non-cumulative, non-participating preference shares (Second preference shares)
JSE Limited (JSE)			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000109815	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000109815		
Dividend number	83	83	13
Dividend per share (cents)	245	3,25	337,90
Dividend payment dates			
Last day to trade in order to be eligible for the dividend (“CUM” distribution)	Friday, 1 April 2011	Friday, 25 March 2011	Friday, 25 March 2011
Shares trade “EX” the dividend	Monday, 4 April 2011	Monday, 28 March 2011	Monday, 28 March 2011
Record date in respect of the dividend	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.

Instrument codes

JSE Limited

Deposit notes

SBR002: ZAE000083853

SBR003: ZAE000128195

Bond Exchange of South Africa

Subordinated debt

SBK 5: ZAG000023078

SBK 7: ZAG000024894

SBK 8: ZAG000029679

SBK 9: ZAG000029687

SBK 10: ZAG000046640

SBKI 11: ZAG000066382

SBK 12: ZAG000073388

SBK 13: ZAG000073396

Senior debt

SBS 3: ZAG000030586

SBS 4: ZAG000035049

SBS 5: ZAG000035650

SBS 6: ZAG000051475

SBS 7: ZAG000051483

SBS 8: ZAG000051491

SBS 9: ZAG000069329

SBSI 10: ZAG000069063

SBSI 11 : ZAG000075789

SBSI 12: ZAG000080847

SBS13: ZAG000080839

Notes

Contact details

Linda Dodgen
Director, investor relations
Tel: +27 11 636 5039
e-mail: Linda.Dodgen@standardbank.co.za

Luvuyo Masinda
Director, group financial control
Tel: +27 11 631 6854
e-mail: Luvuyo.Masinda@standardbank.co.za

Loren Wulfsohn
Group secretary
Tel: +27 11 636 5119
e-mail: Loren.Wulfsohn@standardbank.co.za

Simon Ridley
Group financial director
Tel: +27 11 636 3756
e-mail: Simon.Ridley@standardbank.co.za

Registered address

9th Floor
Standard Bank Centre
5 Simmonds Street
Johannesburg 2001
PO Box 7725
Johannesburg 2000

Contact details

Tel: +27 11 636 9111
Fax: +27 11 636 4207
e-mail: shareholder queries:
InvestorRelations@standardbank.co.za
e-mail: customer queries:
information@standardbank.co.za