Unaudited results and dividend announcement

for the six months ended 30 June 2009

Standard Bank

09

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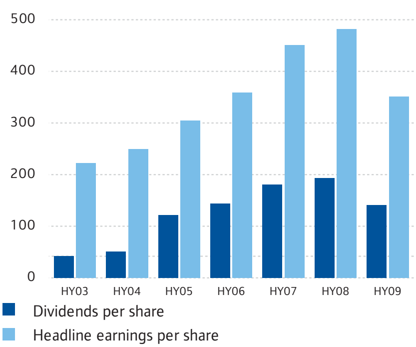
Investors are referred to www.standardbank.co.za where a detailed analysis of the group financial results, including an income statement and a statement of financial position for The Standard Bank of South Africa Limited (SBSA) can be found.

www.standardbank.co.za

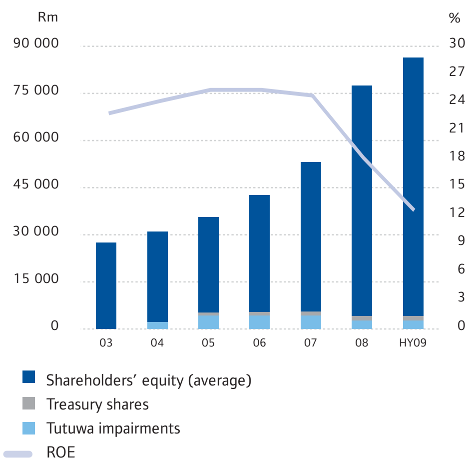
Key financial highlights

	Normalised	IFRS
Headline earnings (Rm)	5 407	5 079
Headline earnings decline (%)	(24)	(30)
Headline earnings per share (cents)	351,3	352,5
Headline earnings per share decline (%)	(27)	(33)
Dividend per share (cents)	141	141
Cost-to-income ratio (%)	49,9	50,0
Return on equity (%)	12,6	12,4
Credit loss ratio (%)	1,84	1,84
Capital adequacy ratio (%)	14,4	14,4

Headline earnings and dividends per share (cents)



Return on ordinary equity



Overview of financial results

The group's operating environment during the first six months of 2009 was challenging following the turbulence in financial markets experienced in the second half of 2008. The aftershocks of the credit and liquidity crisis continued to be felt in financial systems around the world. The impact of sharply lower demand for goods and services in the real economy dragged the global economy further into downturn.

Emerging market growth has come under increasing pressures due to the reduction in global export demand, falling commodity prices and a significant decline in foreign direct investment. Africa has not been spared from these pressures.

The South African banking sector has remained stable throughout the global financial crisis. Robust risk management practices, a relatively low concentration of exotic products in local banking models and a proactive regulatory framework have all contributed to the resilience of the banking system.

Although South Africa has avoided the worst effects of the financial crisis, the economy is feeling the lagged effect of the cyclically higher inflation and interest rates experienced in 2008, compounded by output levels in the first quarter of 2009 contracting by an annualised 6,4%. The contraction was particularly evident in mining and manufacturing with unemployment rising in these sectors. Consumers' ability to repay debt remained under strain, resulting in further growth in defaults, albeit at a slowing rate.

The group produced acceptable results in this tough operating environment. Normalised headline earnings of R5 407 million were down 24% on the comparable six month period while normalised headline earnings from banking activities were 11% lower. Higher lapses of insurance policies, the marking-to-market of portfolios exposed to market risk and foreign currency fluctuations impacted negatively on Liberty's earnings.

The group has been mindful that despite extreme short-term financial pressures, defensive action taken should wherever possible avoid damaging long-term relationships with customers, or hampering economic recovery. In the context of not compromising its risk practices, the group has done everything possible to proactively assist its customers.

In the past six months, personal customers have been encouraged to contact the group in advance of financial distress and various measures have been implemented to assist them.

The financial position of corporate clients has been closely monitored through rigorous industry-specific analysis and review. Proactive steps have included participating in recapitalisation, funding, renegotiating lending facilities and providing bridging finance.

Key performance indicators

On an International Financial Reporting Standards (IFRS) basis, the group reported a 12,4% return on equity (ROE) (June 2008: 21,4%). Headline earnings of R5 079 million were 30% lower and headline earnings per share down 33% at 352,5 cents per share (June 2008: 529,2 cents per share). On a normalised basis, the group's ROE was 12,6% (June 2008: 19,8%), headline earnings of R5 407 million were down 24% and headline earnings per share fell 27% to 351,3 cents per share (June 2008: 481,8 cents per share).

The dilution in the per share results was largely due to the inclusion of the shares issued to the Industrial and Commercial Bank of China (ICBC) on 3 March 2008, for the full reporting period.

Normalised results are adjusted to account for two accounting anomalies that have distorted the group's results from an economic perspective since 2004 (described fully in the normalised results on page 8). The commentary that follows is based on the normalised results.

Key factors impacting results

- **Slowdown in economic activity**

  The global economic downturn resulted in the continued deleveraging of company balance sheets, lower worldwide production levels, weaker international trade and a slump in demand for commodities. These economic conditions had a significant impact on emerging markets, leading to an increase in specific impairment levels in respect of the group's exposures outside South Africa.

  In South Africa, declining economic activity and an increase in the levels of unemployment sharply constrained consumer spending. This contributed to rising levels of corporate financial stress and an increase in loan impairments in Corporate & Investment Banking.

  A further consequence has been reduced consumer contractual savings through institutions, negatively impacting Liberty.

- **Increase in non-performing loans**

  High consumer indebtedness and the lagged effect of previously high interest rates, together with high food and fuel prices in South Africa, continued to impact on customers' ability to service debt. Non-performing loans in Personal & Business Banking continued to increase, albeit at a slowing rate. Lower collateral values in weaker housing and vehicle markets exacerbated the credit losses experienced.

- **Falling interest rates**

  Towards the end of 2008, central banks around the world eased monetary policy aggressively in an attempt to revive weakened economies. Interest rates have remained at historically low levels in most large economies in the past six months. In South Africa, the Reserve Bank has cut lending rates by 450 basis points since December 2008. The positive impact of the interest rate cuts only became apparent towards the end of the reporting period through a reduction in early arrears. However the lower interest rates have reduced the endowment benefit which arises from transactional deposits and shareholders' funds that margins previously enjoyed in the rising rate cycle.

- **Changes in rand exchange rate**
  The rand strengthened by 17% against the US dollar from 31 December 2008 to 30 June 2009. This affected assets and liabilities translated at closing exchange rates, dampening banking asset and loan growth by 6% and 5% respectively. The adverse foreign currency translation movement accounted for directly in reserves was R6,2 billion attributable to ordinary shareholders.

- **Ongoing investment in infrastructure, technology and operations**
  The group continued to invest in technology and infrastructure mainly in its African operations. This is in line with the group's strategy to increase its footprint in key African countries such as Nigeria, Kenya, Ghana, Zambia and Uganda. This investment has contributed to substantial cost growth in the period whereas the benefits will only be realised over time.

Business units

Operations were impacted by the economic conditions which dampened revenue growth, increased impairment charges and resulted in negative fair value movements on both trading and investment asset classes.

Personal & Business Banking

Personal & Business Banking reported headline earnings of R2 011 million, 21% lower than in the prior period, primarily due to higher credit impairments. Non-performing loans as a percentage of the advances book were 7,7% at 30 June 2009, 5,7% at 31 December 2008 and 4,0% at 30 June 2008, reflecting the strain facing consumers in South Africa.

Despite the severity and duration of the economic downturn, easing interest rates have offered some relief to consumers. Early arrears have improved by 13% since June 2008 and 29% since December 2008. There are signs that the rate of increase in impaired loans is slowing, with these rising 35% from December 2008 to June 2009 compared to 49% between June 2008 and December 2008.

Revenue growth held up well in Personal & Business Banking at 8%. Interest income benefited from widening lending margins, the unwinding of the IAS 39 discount on expected non-performing loan recoveries and balance growth. The endowment impact of lower interest rates on transactional balances and capital dampened margins in the second half of the period. Continued growth in transactional volumes and the customer base supported higher fee revenue.

Costs were well contained and rose only 9%, with 4% higher staff costs and a 14% increase in other operating expenses. This resulted in a cost-to-income ratio of 50,2% (June 2008: 49,7%). The business unit achieved a commendable 16,5% ROE in the circumstances.

Corporate & Investment Banking

Corporate & Investment Banking produced a resilient performance in a very difficult operating environment. Total income grew by 18% and headline earnings of R3 391 million were down 8% after absorbing a 353% increase in credit impairment charges. The global markets business achieved a strong performance in commodities, foreign exchange and equity trading as a result of improved liquidity-related trading spreads and a favourable exchange rate impact. Market risk was well controlled within value-at-risk limits.

The harsh macroeconomic conditions in all the countries in which the group operates resulted in corporate credit deteriorating markedly across all portfolios, and impairment charges impacted significantly on headline earnings. Early intervention in anticipation of the deteriorating credit environments mitigated some risk in the period.

The strategic partnership with ICBC contributed R127 million to headline earnings in the six months to June 2009 and the partnership won significant deals across several product areas. A representative office has been established in Beijing to service Chinese clients interested in Africa and emerging markets.

Liberty

Economic activity in South Africa has slowed substantially over the past twelve months and consumers have seen a marked decline in their disposable income. This has impacted on Liberty's policyholder persistency and, together with substantial mark-to-market adjustments to its balance sheet exposures, has had a negative result on earnings.

Despite the economic challenges, Liberty remains strong operationally. New business sales and cash flows are satisfactory and management expenses have been well controlled.

Liberty reported a normalised headline loss of R1 207 million, compared with a profit of R913 million in the prior period. The loss attributable to the Standard Bank Group was R647 million compared to a consolidated profit of R279 million, given the group's increased shareholding in Liberty compared with the corresponding period in the prior year.

Banking operations

Balance sheet analysis

Banking assets of R1 130 billion were 1% down on June 2008 levels and 13% lower than December 2008. Excluding the impact of the strengthening rand, banking assets grew by 1% when compared to June 2008.

Gross loans and advances – down 1%

Gross loans and advances were down 1% across the group against June 2008 and 10% lower than December 2008. The South African book was 3% lower than in December 2008. The reduction across the rest of the group related mainly to the translation impact of the stronger rand on non-South African assets and steps taken to conserve liquidity given the global financial crisis.

Personal & Business Banking gross loans and advances grew by 3% from June 2008. The June 2009 mortgage loan book was 1% higher than December 2008 and grew 8% since June 2008. A slowdown in the property market, stricter affordability and loan-to-value lending criteria, and constrained consumer purchasing power were responsible for the steep decline. The impact of the slowdown was softened by a decrease in prepayment rates.

The slowdown in consumer spending and lower economic activity affected instalment sale and finance leases, which were 10% lower than in June 2008 and 7% down from December 2008. This resulted in an 11% decline in the total number of instalment sale and finance lease accounts. Card debtors were 5% lower than in June 2008 and 4% down from December 2008.

South African market share in key segments has changed from June 2008 to May 2009 as follows:

- mortgage advances up to 26,4% from 26,1%;
- instalment finance down to 21,2% from 22,3%;
- card debtors down to 34,4% from 35,5%; and
- deposit and current accounts up to 24,6% from 23,3%.

Corporate & Investment Banking gross loans and advances across all regions declined 5% from June 2008 and were 17% lower than at December 2008. Most of the decline since December 2008 occurred outside South Africa, due to both currency translation effects and deleveraging. The Corporate & Investment Banking loan book in South Africa at June 2009 was 9% lower than December 2008.

Net asset value

The group's net asset value reduced by 1% from December 2008. This was mainly as a result of the adverse foreign currency translation movement of R6,2 billion caused by the strong rand. Net asset value per share of 5 452 cents was 3% lower than December 2008.

Income statement analysis

Net interest income – up 15%

Net interest income was up 9% in Personal & Business Banking and 29% in Corporate & Investment Banking. The group's interest margin improved by 29 basis points to 3,45% (June 2008: 3,16%) despite a reduction of 162 basis points in the average prime interest rate. The margin improvement came from a significant reduction in non-interest earning trading assets. Excluding this impact the net interest margin contracted by 14 basis points. The reduction in the prime lending rate has had a negative endowment impact of 36 basis points as less interest was earned on shareholders' funds and transactional deposits. This was partially offset by an increase in the unwind of the discount on recoveries of impaired advances in terms of IAS 39 and improved lending margins due to better pricing for both liquidity and credit risk.

Personal & Business Banking continued to grow its loan book, at a slower rate, and the interest margin improved to 5,10% (June 2008: 4,87%). This was as a result of the abovementioned increase in the IAS 39 discount unwind, tighter control of pricing concessions on new business and lower loan origination costs.

Corporate & Investment Banking's interest margin improved by 37 basis points to 2,06% (June 2008: 1,69%). Lending margins were supported by increased term margins and from gains on the early settlement of a syndicated loan. These benefits were partly offset by a negative endowment impact and significantly higher term funding costs.

Non-interest revenue – up 6%

Growth in non-interest revenue was constrained by recessionary pressures. The overall growth rate in non-interest revenue was reduced due to the high 2008 base which included currency hedging profits of R394 million and the gain on the sale of Visa shares of R123 million recorded in Central and other. Both Personal & Business Banking and Corporate & Investment Banking performed well, posting growth rates of 7% and 12% respectively.

Net fee and commission revenue was up 5%. Personal & Business Banking achieved a 15% growth in account transaction fees due to an increased customer base, higher transaction volumes and the standardisation of pricing policies across all regions. Documentation and administration fees grew 43% due to volume growth in the rest of Africa and outside Africa. Card-based commissions were flat as annual fee escalations and revenue growth outside South Africa were offset by slower growth in customer accounts and transactional volumes in South Africa.

Net fee and commission revenue in Corporate & Investment Banking contracted 3%. Knowledge-based fees and commissions were down 1%, largely as a result of lower brokerage and custody revenues in Nigeria as transaction volumes and client asset values declined in a weaker equity market. Lower investment banking deal flow across the group was a further factor, while higher revenue from asset management activities outside Africa provided some relief.

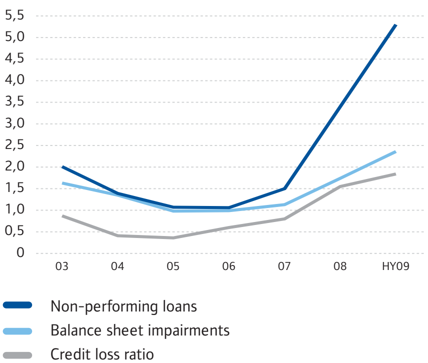
Trading revenue rose 11% off a relatively high base with a 37% growth in the rest of Africa supported by strong gains in securities and foreign exchange trading in Nigeria. Trading revenue outside Africa grew 23% with foreign exchange and commodity trading benefiting from higher trading volumes, market volatility and an overall increase in client business. This was partly offset by a decline in trading revenues in debt securities due to reduced liquidity. Improved trading volumes, market volatility and favourable yield curve movements resulted in 31% growth in commodities trading and 15% in foreign exchange trading revenue, while equities trading revenues were higher off a very low base.

Other non-interest revenue declined 11% largely resulting from the non-recurrence of profits on the sale of Visa shares (June 2008: R123 million) and favourable fair value adjustments (June 2008: R190 million) on the group's unlisted equity portfolio. The decline was partly offset by lower fair value mark-downs on the group's listed property investments and short-term insurance investment portfolios, and a 4% increase in bancassurance profit.

Credit impairments – up 58%

Credit impairments were up 58% to R7 115 million, resulting in the group's credit loss ratio deteriorating to 1,84% from 1,31%. Compared to the second half of 2008, credit impairments were 4% higher.

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



Impairment losses in Personal & Business Banking rose 35% and the credit loss ratio increased to 2,80% (June 2008: 2,18%). The lagged effects from 2008 of high household debt ratios accompanied by high interest rates, food and fuel inflation are still evident in constraining the ability of many consumers to repay debt. Some slowing of growth in non-performing loans and a reduction in early arrears may be early signs that the reduction in interest rates, 2009 wage settlements and reducing inflation are improving customers' ability to service their debt.

In Personal & Business Banking, the mortgage loan credit loss ratio deteriorated to 1,55% (June 2008: 1,30% and December 2008: 1,49%). Expected recovery values remained under pressure following further contractions in house prices and the increased time required to realise security. Impairment losses in instalment sale and finance leases grew 70% and the credit loss ratio worsened to 3,60% (June 2008: 2,00% and December 2008: 2,48%). Vehicle loan delinquencies rose further and motor vehicle sale recovery values remained low. Card debtors reflected an improvement of 27% in credit losses and the credit loss ratio eased to 7,24% (June 2008: 9,44%) as collections improved. Impairment losses on other loans rose 113% with the credit loss ratio worsening to 6,04% from 3,18% in June 2008 and 3,92% in December 2008 as acute economic stress across all sectors of the economy impacted loan performance in business banking.

The credit loss ratio in Corporate & Investment Banking deteriorated to 1,15% off a low base in June 2008 of 0,31% (December 2008: 0,46%). The worsening trend was seen across all geographies. Financial stress caused by, amongst other things reduced commodity prices and weak demand for exports, as well as the significant slowdown in consumer spending in South Africa, heightened corporate default risk. Credit impairment charges on corporate lending increased by 353% from June 2008 and non-performing loans by 465% to R9,0 billion off a low base.

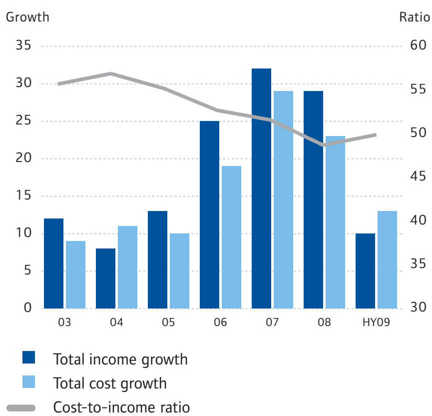
Targeted strategies remain in place to contain credit losses and manage risk. Specific measures include ongoing prudent credit extension criteria, close monitoring of arrears, active management of early delinquencies, ongoing improvement in collection capabilities and targeted programmes designed to assist customers.

Operating expenses – up 13%

Growth in operating expenses was 13%, reflecting ongoing investment in infrastructure in the rest of Africa, moderated by a continued focus on cost containment and efficiency management in South Africa. The cost-to-income ratio for the period was weaker at 49,9%, off a low base of 48,7% in June 2008. The translation of foreign expenses at weaker average rand exchange rates added 6% to cost growth.

Total staff costs were up 9%. Staff costs in the rest of Africa increased significantly due to continued expansion. A net 3% increase in staff costs was recorded in South Africa, resulting from annual salary increases of around 10% offset by reduced headcount through a recruitment freeze and natural attrition. The impact on staff costs of currency translation and a marginal increase in headcount outside Africa was partially offset by a reduction in incentive provisioning, resulting in an overall increase of 7%.

Cost and income growth (%)



Other operating expenses grew 18%, of which 5% was due to the weaker average exchange rate. South Africa accounted for 9% while the rest of Africa added 4% and outside Africa some 5% to overall expenses growth of 18%. Information technology costs were 29% higher as a result of increased systems development costs, maintenance costs and software licensing fees. Depreciation and amortisation increased due to investments in processing centres, ATMs and software development. The growth in other cost categories related mainly to the expansion in the rest of Africa and outside Africa.

Liquidity

In the first six months of 2009, the ability to price for credit and related liquidity risk improved moderately. However, the availability of term liquidity remained tight compared to the period before the financial crisis. The group has therefore continued to manage its liquidity prudently in accordance with the strategy initiated in 2008. Unencumbered surplus liquidity holdings were R136 billion at 30 June 2009, while any structural liquidity mismatches and the diversification of the funding base were managed and maintained within best banking practice guidelines.

Capital

The group remains well capitalised with the total capital adequacy ratio rising to 14,4% from 13,3% at December 2008 and tier I capital up to 12,0% from 11,0%. Tier I capital of R2,0 billion was retained through a scrip dividend offer in March 2009 when 68% of shareholders elected to receive scrip instead of a cash dividend. Tier II capital was enhanced by a R1,9 billion subordinated bond issue. The capital adequacy ratio improved significantly from December 2008 due to risk-weighted assets in respect of foreign operations being consolidated at a stronger closing rand exchange rate. Liberty's capital adequacy level at June 2009 was strong at 2,5 times the required cover.

Dividends

The group's policy is for both interim and final dividends to be covered 2,5 times by normalised headline earnings per share. An interim dividend of 141 cents per share has accordingly been declared, 27% lower than in June 2008.

Black Economic Empowerment

The group continues to support the process undertaken in South Africa by the financial sector and other stakeholders to align the Financial Sector Charter (FSC) to the Codes of Good Practice for Broad-based Black Economic Empowerment legislated in 2007. Negotiations are ongoing and future targets have not been agreed. As a result the bank has reported performance for the six month period to 30 June 2009 in terms of the targets set by both the Department: Trade and Industry (DTI) and the FSC. The bank achieved a level 3 rating (above 75% compliant) in terms of the DTI scorecard. In terms of the bank's employment equity profile at June 2009, black managers comprise more than 50% of management in South Africa, of which 54% are women.

Pending transaction in Russia

On 6 March 2009, the group announced that it had entered into a strategic partnership with Troika Dialog Group, the largest independent investment bank in Russia. The group intends, subject to regulatory approvals, to become a 33% shareholder in Troika Dialog Group. As part of the purchase consideration, Standard Bank's existing operation in Russia, ZAO Standard Bank, will be sold to Troika Dialog Group. Both the detailed planning for the implementation of this transaction and the regulatory process are on track.

Prospects

In South Africa, the government's infrastructure development programme will continue to provide some counter to depressed consumer demand and spending. Interest rate reductions and lower inflation should alleviate financial strain among households over the medium term as debt affordability starts to improve. As consumer demand recovers, transactional volumes across all sectors should show some improvement with a positive effect on credit performance and lending growth.

The US economy is expected gradually to stabilise in the coming months. The Organisation of Economic Co-operation and Development has revised its growth forecasts upward, predicting that the global recession is close to bottoming out. The timing and strength of the recovery remain unclear, and financial markets are likely to remain unsettled for the remainder of the year.

In the current environment, the group is intensifying its focus on building revenue pipelines and strengthening customer relationships. We are committed to continue lending to our personal and corporate customers, while remaining firmly focused on risk, capital and liquidity management. Whilst we will remain vigilant and disciplined in our origination and risk management practices, we believe the group is well positioned both domestically and internationally to take advantage of opportunities as they arise.

With regard to Liberty, the Standard Bank board is confident that its board and management are focused on the main issues facing Liberty, being policyholder persistence and capital management.

We remain cautious in our outlook for the rest of 2009 and are not providing specific guidance on projected results for this year. Interim results together with current trends indicate that normalised earnings for the year will be lower than those of 2008.

Looking past the current challenges towards the longer term, we remain convinced of the group's strategic focus. Our strong presence across Africa and our growing businesses and strengthening associations in other key developing markets, coupled with the group's broad-based suite of financial services, provide a strong platform for future growth.

The above information has not been reviewed or audited by the group's auditors.

Jacko Maree
Chief executive

Derek Cooper
Chairman

Johannesburg
12 August 2009

Declaration of dividends

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

- Ordinary dividend No. 80 of 141,0 cents per ordinary share (share codes: SBK and SNB, ISIN: ZAE000109815), payable on Monday, 21 September 2009, to ordinary shareholders recorded in the books of the company at the close of business on the record date, Friday, 18 September 2009. The last day to trade to participate in the dividend is Friday, 11 September 2009. Ordinary shares will commence trading ex-dividend from Monday, 14 September 2009;
- 6,5% first cumulative preference shares (first preference shares) dividend No. 80 of 3,25 cents per first preference share (share code: SBKP, ISIN: ZAE000038881), payable on Monday, 14 September 2009, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday, 11 September 2009. The last day to trade to participate in the dividend is Friday, 4 September 2009. First preference shares will commence trading ex-dividend from Monday, 7 September 2009; and
- Non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 10 of 456,62 cents per second preference share (share code: SBPP, ISIN: ZAE000056339), payable on Monday, 14 September 2009, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday, 11 September 2009. The last day to trade to participate in the dividend is Friday, 4 September 2009. Second preference shares will commence trading ex-dividend from Monday, 7 September 2009.

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

	Ordinary shares	**6,5% cumulative preference shares (First preference shares)**	**Non-redeemable, non-cumulative, non-participating preference shares (Second preference shares)**
JSE Limited (JSE)			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000109815	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000109815		
Dividend per share (cents)	141	3,25	456,62
Last day to trade *"CUM"* dividend	Friday 11 September 2009	Friday 4 September 2009	Friday 4 September 2009
Shares trade *"EX"* dividend	Monday 14 September 2009	Monday 7 September 2009	Monday 7 September 2009
Record date	Friday 18 September 2009	Friday 11 September 2009	Friday 11 September 2009
Payment date	Monday 21 September 2009	Monday 14 September 2009	Monday 14 September 2009

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 14 September 2009 and Friday, 18 September 2009, both days inclusive.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 7 September 2009 and Friday, 11 September 2009, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Preference shareholders (first and second) who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 14 September 2009. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 21 September 2009.

On behalf of the board

Loren Wulfsohn
Group secretary

Normalised results

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

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

Two transactions reduced the extent of the normalised adjustments relating to Tutuwa:

- in December 2007, the group externalised R1 billion of preference share financing provided in terms of the Tutuwa initiative, resulting in the release of 24,7 million ordinary shares, previously deemed by IFRS to be treasury shares; and
- in March 2008, Tutuwa participants sold 11,1% of their shares to ICBC, partly using the proceeds 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.

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

Reconciliation of normalised headline earnings

for the six months ended 30 June 2009

	Weighted average number of shares '000	Headline earnings Rm	Decline on 30 June 2008 %
Disclosed on an IFRS basis	**1 440 769**	**5 079**	(30)
Tutuwa initiative	**63 479**	**143**	
– Initial transaction	**99 190**		
– External financing	**(24 691)**		
– Disposal of shares to ICBC	**(11 020)**		
Group shares held for the benefit of Liberty policyholders	**34 981**	**185**	
Normalised	**1 539 229**	**5 407**	(24)

Normalised financial statistics

for the six months ended 30 June 2009

	% change	June 2009	June 2008	December 2008
Standard Bank Group				
Cents per ordinary share				
Headline earnings	(27)	**351,3**	481,8	942,6
Diluted headline earnings	(27)	**348,7**	477,7	935,6
Dividends	(27)	**141,0**	193,0	386,0
Basic earnings	(28)	**353,4**	492,3	937,0
Diluted earnings	(28)	**350,8**	488,2	930,0
Net asset value	0	**5 452**	5 451	5 633
Financial performance (%)				
ROE		**12,6**	19,8	18,2
Net interest margin		**3,45**	3,16	3,32
Credit loss ratio		**1,84**	1,31	1,55
Cost-to-income ratio		**49,9**	48,7	49,2
Number of ordinary shares in issue (000's)				
– end of period	2	**1 555 568**	1 527 810	1 525 008
– weighted average	4	**1 539 229**	1 474 519	1 501 126
– diluted weighted average	4	**1 550 674**	1 486 991	1 512 402

Normalised headline earnings contribution by business unit

for the six months ended 30 June 2009

Rm	% change	June 2009	June 2008	December 2008
Personal & Business Banking	(21)	**2 011**	2 549	4 797
Corporate & Investment Banking	(8)	**3 391**	3 668	7 889
Central and other	7	**652**	608	823
Central and other – IFRS	5	**537**	513	643
Tutuwa adjustments	21	**115**	95	180
Banking activities	(11)	**6 054**	6 825	13 509
Liberty	(>100)	**(647)**	279	641
Liberty – IFRS	(>100)	**(860)**	511	688
Policyholders' deemed treasury shares and Tutuwa adjustment	>100	**213**	(232)	(47)
Standard Bank Group	(24)	**5 407**	7 104	14 150

Unaudited results prepared in accordance with IFRS

Consolidated income statement

for the six months ended 30 June 2009

Rm	% change	**June 2009 Unaudited**	June 2008 Unaudited	December 2008 Audited
Income from banking activities	10	**31 804**	28 816	61 366
Net interest income	15	**16 522**	14 390	31 918
Non-interest revenue	6	**15 282**	14 426	29 448
Income from investment management and life insurance activities	(31)	**9 287**	13 486	23 359
Total income	(3)	**41 091**	42 302	84 725
Credit impairment charges	58	**7 115**	4 497	11 342
Benefits due to policyholders	(9)	**6 634**	7 273	11 997
Income after credit impairment charges and policyholders' benefits	(10)	**27 342**	30 532	61 386
Operating expenses in banking activities	13	**15 962**	14 167	30 390
Operating expenses in investment management and life insurance activities	6	**4 170**	3 916	8 423
Net income before goodwill	(42)	**7 210**	12 449	22 573
Goodwill impairment		**2**	2	5
Net income before associates and joint ventures	(42)	**7 208**	12 447	22 568
Share of profit from associates and joint ventures	(27)	**137**	187	268
Net income before indirect taxation	(42)	**7 345**	12 634	22 836
Indirect taxation	5	**679**	647	1 382
Profit before direct taxation	(44)	**6 666**	11 987	21 454
Direct taxation	(42)	**1 627**	2 804	4 705
Profit for the period	(45)	**5 039**	9 183	16 749
Attributable to minorities	(>100)	**(361)**	1 531	2 288
Attributable to preference shareholders	13	**289**	256	529
Attributable to ordinary shareholders	(31)	**5 111**	7 396	13 932
Basic earnings per share (cents)	(34)	**354,7**	540,5	995,9
Diluted earnings per share (cents)	(34)	**343,5**	521,2	962,2

Headline earnings

for the six months ended 30 June 2009

Rm	% change	June 2009 Unaudited	June 2008 Unaudited	December 2008 Audited
Group profit attributable to ordinary shareholders	(31)	**5 111**	7 396	13 932
Headline earnings adjustable items (deducted)/added[1]		**(44)**	(184)	126
Goodwill impairment – IFRS 3		**2**	2	5
Profit on sale of properties and equipment – IAS 16		**(18)**	(6)	(16)
Impairment of properties and equipment – IAS 16		**–**	28	84
Gains on disposal of businesses and divisions – IAS 27		**–**	(17)	(24)
Impairment of associates – IAS 28		**–**	–	139
Impairment of intangible assets – IAS 38		**11**	–	132
Gains on disposal of available-for-sale assets – IAS 39		**(39)**	(191)	(194)
Taxation on headline earnings adjustable items		**10**	29	(13)
Minority share of headline earnings adjustable items		**2**	–	(28)
Headline earnings	(30)	**5 079**	7 241	14 017

[1] *These headline earnings adjustable items have been included in the calculation of normalised headline earnings.*

Segment report

for the six months ended 30 June 2009

Rm	% change	June 2009 Unaudited	June 2008[2] Unaudited	December 2008[2] Audited
Revenue contribution by business unit				
Personal & Business Banking	8	**17 152**	15 882	33 511
Corporate & Investment Banking	18	**14 238**	12 043	26 198
Central and other	(50)	**502**	998	1 856
Banking activities	10	**31 892**	28 923	61 565
Liberty	(25)	**9 684**	12 869	23 136
Standard Bank Group – Normalised	(1)	**41 576**	41 792	84 701
Adjustments for IFRS	(>100)	**(485)**	510	24
Standard Bank Group – IFRS	(3)	**41 091**	42 302	84 725
Profit and loss attributable to ordinary shareholders				
Personal & Business Banking	(21)	**2 041**	2 582	4 624
Corporate & Investment Banking	(8)	**3 395**	3 681	7 859
Central and other	(9)	**650**	717	941
Banking activities	(13)	**6 086**	6 980	13 424
Liberty	(>100)	**(647)**	279	641
Standard Bank Group – Normalised	(25)	**5 439**	7 259	14 065
Adjustments for IFRS	(>100)	**(328)**	137	(133)
Standard Bank Group – IFRS	(31)	**5 111**	7 396	13 932

[2] *Where reporting responsibility for individual cost centres and divisions within business units changes, the segmental comparatives are reclassified accordingly.*

Consolidated statement of financial position

as at 30 June 2009

Rm	% change	June 2009 Unaudited	June 2008 Unaudited	December 2008 Audited
Assets				
Cash and balances with central banks	(2)	**22 731**	23 296	25 697
Financial investments, trading and pledged assets	(12)	**337 536**	381 544	346 859
Loans and advances	(2)	**707 675**	722 183	787 934
Loans and advances to banks	(1)	**98 606**	100 082	129 890
Loans and advances to customers	(2)	**609 069**	622 101	658 044
Investment property	15	**17 695**	15 405	16 771
Derivative and other assets	16	**212 023**	182 806	299 476
Non-current assets held for sale		**3 363**	–	–
Interest in associates and joint ventures	(45)	**6 800**	12 435	6 990
Goodwill and other intangible assets	3	**9 356**	9 100	10 180
Property and equipment	24	**9 467**	7 618	9 746
Total assets	(2)	**1 326 646**	1 354 387	1 503 653
Equity and liabilities				
Equity	(2)	**95 445**	96 999	99 501
Equity attributable to ordinary shareholders	1	**80 632**	79 921	81 953
Preference share capital and premium		**5 503**	5 503	5 503
Minority interest	(20)	**9 310**	11 575	12 045
Liabilities	(2)	**1 231 201**	1 257 388	1 404 152
Deposit and current accounts	2	**769 052**	750 643	843 815
Deposits from banks	(16)	**90 906**	107 790	129 055
Deposits from customers	5	**678 146**	642 853	714 760
Derivative, trading and other liabilities	(11)	**269 655**	303 766	366 737
Non-current liabilities held for sale		**2 054**	–	–
Policyholders' liabilities	(7)	**168 733**	180 493	172 069
Subordinated debt	(3)	**21 707**	22 486	21 531
Total equity and liabilities	(2)	**1 326 646**	1 354 387	1 503 653

Contingent liabilities and capital commitments

as at 30 June 2009

Rm	June 2009 Unaudited	June 2008 Unaudited	December 2008 Audited
Contingent liabilities			
Letters of credit	**11 285**	16 219	16 521
Guarantees	**28 955**	28 122	34 680
	40 240	44 341	51 201
Capital commitments			
Contracted capital expenditure	**3 164**	847	2 059
Capital expenditure authorised but not yet contracted	**7 862**	4 861	9 117
	11 026	5 708	11 176

Consolidated cash flow information

for the six months ended 30 June 2009

Rm	June 2009 Unaudited	June 2008 Unaudited	December 2008 Audited
Net cash from operations	**15 888**	12 560	28 559
Net cash used in operating funds	**(15 676)**	(21 145)	(21 901)
Net cash used in investing activities	**(1 182)**	(2 212)	(10 885)
Net cash from financing activities	**557**	12 791	7 550

Consolidated statement of comprehensive income

for the six months ended 30 June 2009

Rm	June 2009 Ordinary shareholders	June 2009 Minorities and preference shareholders	June 2009 Total	June 2008 Total	December 2008 Total
Profit for the period	**5 111**	**(72)**	**5 039**	9 183	16 749
Other comprehensive income for the period after tax	**(5 821)**	**(1 894)**	**(7 715)**	4 942	6 277
Exchange rate differences on translating foreign operations	**(6 254)**	**(1 856)**	**(8 110)**	3 503	5 131
Foreign currency hedge of net investment	**96**	**–**	**96**	57	447
Cash flow hedges	**218**	**–**	**218**	1 410	932
Available-for-sale financial assets	**96**	**6**	**102**	(17)	(212)
Revaluation and other gains/(losses)	**23**	**(44)**	**(21)**	(11)	(21)
Total comprehensive income for the period	**(710)**	**(1 966)**	**(2 676)**	14 125	23 026
Attributable to minorities	**–**	**(2 255)**	**(2 255)**	2 032	3 568
Attributable to equity holders of the parent	**(710)**	**289**	**(421)**	12 093	19 458
Attributable to preference shareholders	**–**	**289**	**289**	256	529
Attributable to ordinary shareholders	**(710)**	**–**	**(710)**	11 837	18 929

Consolidated statement of changes in equity

for the six months ended 30 June 2009

Rm	Ordinary shareholders' equity	Preference share capital and premium	Minority interest	Total equity
Balance at 1 January 2008	53 671	5 503	9 332	68 506
Total comprehensive income for the year	18 929	529	3 568	23 026
Equity-settled share-based payment transactions	217	–	35	252
Transactions with minority shareholders	(2 198)	–	(982)	(3 180)
Issue of share capital and premium	16 132	–	–	16 132
Share buy-backs	(503)	–	–	(503)
Net decrease in treasury shares	1 483	–	906	2 389
Dividends paid	(5 778)	(529)	(814)	(7 121)
Balance at 31 December 2008	81 953	5 503	12 045	99 501
Balance at 1 January 2009	**81 953**	**5 503**	**12 045**	**99 501**
Total comprehensive income for the period	**(710)**	**289**	**(2 255)**	**(2 676)**
Equity-settled share-based payment transactions	**133**	**–**	**17**	**150**
Issue of share capital and premium	**103**	**–**	**(2)**	**101**
Net increase in treasury shares	**(73)**	**–**	**(63)**	**(136)**
Dividends paid	**(774)**	**(289)**	**(432)**	**(1 495)**
Balance at 30 June 2009	**80 632**	**5 503**	**9 310**	**95 445**

Private equity associates and joint ventures[3]

Rm	**June 2009 Unaudited**	June 2008 Unaudited	December 2008 Audited
Cost	**303**	236	308
Carrying value	**418**	389	411
Fair value	**418**	397	516
Loans to associates and joint ventures	**515**	818	719
Equity accounted income	**12**	34	119

[3] *These associates and joint ventures are accounted for using the equity method and are subject to the headline earnings exemption for listed banks.*

Financial statistics
for the six months ended 30 June 2009

Rm	% change	June 2009 Unaudited	June 2008 Unaudited	December 2008 Audited
Standard Bank Group				
Number of ordinary shares in issue (000's)				
– end of period	2	**1 457 831**	1 425 474	1 430 618
– weighted average	5	**1 440 769**	1 368 386	1 398 866
– diluted weighted average	5	**1 487 924**	1 419 137	1 447 886
Cents per ordinary share				
Headline earnings	(33)	**352,5**	529,2	1 002,0
Diluted headline earnings	(33)	**341,3**	510,2	968,1
Dividends	(27)	**141,0**	193,0	386,0
Basic earnings	(34)	**354,7**	540,5	995,9
Diluted earnings	(34)	**343,5**	521,2	962,2
Net asset value	(1)	**5 531**	5 607	5 729
Financial performance (%)				
ROE		**12,4**	21,4	19,1
Net interest margin		**3,44**	3,15	3,31
Credit loss ratio		**1,84**	1,31	1,55
Cost-to-income ratio		**50,0**	48,9	49,3
Capital adequacy (%)				
Capital ratio				
– tier I capital		**12,0**	11,4	11,0
– total capital		**14,4**	14,2	13,3

Accounting policies

Basis of preparation

The consolidated financial results are prepared in accordance with, and comply with, IFRS and the South African Companies Act (61 of 1973). The consolidated financial statements are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of assets and liabilities where required in terms of IFRS. The interim results are prepared in accordance with IAS 34 *Interim Financial Reporting* and have not been audited.

Changes in accounting policies

The accounting policies are consistent with those adopted in the previous year except for the standards and interpretations noted below. The following standards became effective on 1 January 2009:

- IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations;*
- IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments;*
- IAS 1 *Presentation of Financial Statements (revised);*
- IAS 28 *Investments in Associates (2008 Improvements to IFRS); and*
- IAS 40 *Investment Property (2008 Improvements to IFRS).*

The following new interpretations became effective on 1 January 2009:

- IFRIC 13 *Customer Loyalty Programmes;*
- IFRIC 15 *Agreements for the Construction of Real Estate;*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation; and*
- AC 503 *Accounting for Black Economic Empowerment (BEE) Transactions.*

The adoption of these standards and interpretations has had no material effect on the results, nor has it required any restatements of the results.

Reclassifications and restatements

No reclassifications or restatements were made to results disclosed in respect of December 2008.

The June 2008 statement of financial position has been restated for reclassifications and restatements made in the second half of 2008. These reclassifications include:

- all items which are of a trading nature were moved into the trading assets or liabilities classification. These included collateral and repurchase agreements held for trading purposes;
- financial instruments previously classified as other assets were moved to appropriate financial instrument classifications; and
- the analysis of balances between banks and non-banks was reviewed and refined.

The allocation of goodwill and intangible assets on the acquisition of IBTC Chartered Bank Plc, previously determined provisionally, was finalised in the second half of 2008. The June 2008 comparatives have been restated as if the initial accounting had been completed at the acquisition date as required by IFRS 3 *Business Combinations*. The finalisation of the purchase price allocation resulted in a decrease in intangible assets for the 2008 interim results, of R185 million and a resulting increase in goodwill of R65 million, after accounting for minority interest and taxation.

Comparative numbers relating to segmental results have been reclassified for restructuring of divisional responsibilities between business units.

The reclassifications and restatements did not impact equity attributable to ordinary shareholders or profit for the period attributable to ordinary shareholders.

Standard Bank Group Limited
Registration No. 1969/017128/06
Incorporated in the Republic of South Africa

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