

## Analysis of financial results

for the six months ended 30 June 2007





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for the six months ended 30 June 2007

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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 the IFRS (International Financial Reporting Standards) basis. Results are normalised to correct the distortions caused by IFRS’s treatment of the Black Economic Empowerment Ownership initiative and deemed treasury shares held for the benefit of Liberty Life policyholders. Results have been reclassified for the implementation of *IFRS 7 – Financial Instruments: Disclosures* and restated for the change in accounting policy on transactions with minorities. Refer to page 24 for a detailed explanation of restatements and reclassifications, and page 82 for principal differences between normalised and IFRS results.

Headline earnings of R6 165 million, 27% up

Headline earnings per ordinary share, 451,1 cents, 26% up

Distribution covered 2,5 times by headline earnings per share

Distributions per ordinary share, 181 cents, 26% up

Net asset value per ordinary share, 3 904 cents, 22% up

Credit loss ratio (historic basis) 0,84% (June 2006: 0,70%)

Credit loss ratio 0,78% (June 2006: 0,63%)

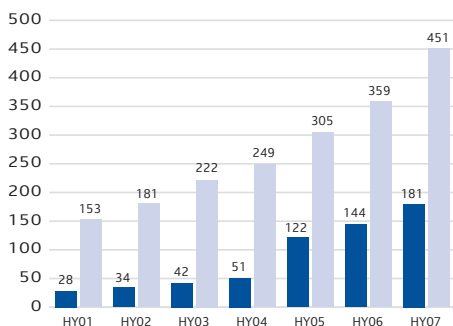
Cost-to-income ratio 51,9% (June 2006: 53,3%)

Net currency translation gain recognised in reserves, R412 million (June 2006: R2 062 million)

ROE 24,4% (June 2006: 24,4%)

### Headline earnings and distributions per share (cents)

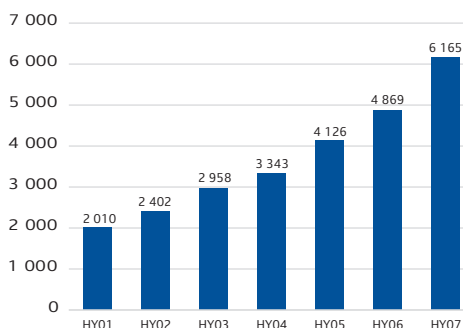
CAGR (HY2001 – HY2007): Headline earnings per share 20%  
Distributions per share 36%



- Distributions per share
- Headline earnings per share

### Headline earnings (Rm)

CAGR (HY2001 – HY2007): 21%



## Major business areas

### Standard Bank Group

#### Personal & Business Banking

Banking and other financial services to individual customers and small- to medium-sized enterprises throughout South Africa, Rest of Africa and Argentina.

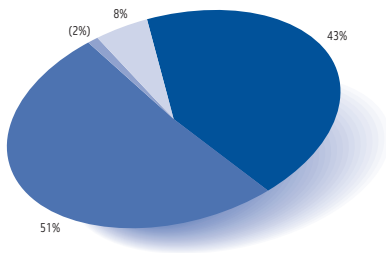
	June 2007	June 2006	December 2006
External net advances (Rm)	306 841	227 829	265 131
Headline earnings (Rm)	2 626	2 061	4 833
Headline earnings growth (%)	27	22	25
ROE (%)	28,8	29,1	31,7
Cost-to-income ratio (%)	52,5	56,2	53,8
Credit loss ratio (%)	1,32	0,99	1,00
Headline earnings contribution (%)	43	42	45

#### Corporate & Investment Banking

Commercial and investment banking services to larger corporates, financial institutions and international counterparties, in South Africa and other emerging markets.

	June 2007	June 2006	December 2006
External net advances (Rm)	283 196	243 829	237 390
Headline earnings (Rm)	3 117	2 265	5 033
Headline earnings growth (%)	38	19	20
ROE (%)	27,1	28,2	27,7
Cost-to-income ratio (%)	52,2	51,7	52,6
Credit loss ratio (%)	0,16	0,24	0,15
Headline earnings contribution (%)	51	47	47

#### Headline earnings contributions by business unit



- Personal & Business Banking 43% (June 2006: 42%)
- Corporate & Investment Banking 51% (June 2006: 47%)
- Central and other (2%) (June 2006: 4%)
- Liberty Life 8% (June 2006: 7%)

#### Investment Management & Life Insurance (Liberty Life)

Life insurance and asset management activities of group company Liberty Life and its now wholly owned subsidiary, Stanlib.

	June 2007	June 2006	December 2006
Total assets (Rm)	218 401	187 835	202 838
Third party funds under management (Rbn)	172	182	169
Normalised embedded value <sup>1</sup> (Rm)	25 902	20 511	23 017
Headline earnings (Rm)	514	330	843
Headline earnings growth (%)	56	20	36
ROE (%)	31,4	22,5	26,5
Headline earnings contribution (%)	8	7	8

<sup>1</sup>Liberty Life as published.

## Executive management

**Tina Eboka** (48)  
Corporate Affairs

BS Applied Mathematics (New York), BS Textile Engineering (Philadelphia), MBA (Philadelphia), SEP (Harvard)

Joined the group 2005, appointed to exco 2005



**Craig Bond** (46)  
Chief executive  
Standard Bank Africa

BCom, LLB, HDip Tax (Wits), SEP (Harvard)

Joined the group 2000, appointed to exco 2006

**Arnold Gain** (52)  
Credit

BCom (Hons) (Cape Town)

Joined the group 1994, appointed to exco 2005



**Bruce Hemphill** (44)  
Chief executive  
Liberty Life

BSoc (Cape Town), CPE (College of Law, London)

Joined the group 1993, appointed to exco 2006

**Ben Kruger** (48)  
Chief executive  
Corporate & Investment Banking

BCom (Hons) (Pretoria), CA (SA), AMP (Harvard)

Joined the group 1985, appointed to exco 2000



**Rob Leith** (44)  
Chief executive  
Corporate & Investment Banking – International

BCom (Hons) (Cape Town), CA (SA)

Joined the group 1991, appointed to exco 2003



**Jacko Maree** (51)  
Group chief executive

BCom (Stellenbosch), MA (Oxford), PMD (Harvard)

Joined the group 1980, appointed to exco 1995



**Sipho Ngidi** (51)  
Human Resources

BAdmin (Zululand), BCom (Hons)  
(Natal)

Joined the group 2001, appointed  
to exco 2001



**David Munro** (36)  
Chief executive  
Corporate & Investment  
Banking – SBSA

BCom (PGDA) (Cape Town),  
CA (SA), AMP (Harvard)

Joined the group 1996, appointed  
to exco 2004

**Sarah-Anne Orphanides** (39)  
Marketing and Communications

BSocSci (Hons) (Cape Town), MBA  
(London)

Joined the group 2002, appointed  
to exco 2006



**Simon Ridley** (51)  
Finance

BCom (Natal), CA (SA), AMP (Oxford)

Joined the group 1999, appointed to  
exco 2002

**Paul Smith** (53)  
Risk

BCom (Natal), CA (SA), AMP  
(Wharton)

Joined the group 1997, appointed  
to exco 1999



**Sim Tshabalala** (39)  
Chief executive  
Personal & Business Banking – SBSA

BA LLB (Rhodes), LLM (University of Notre  
Dame USA), HDip Tax (Wits)

Joined the group 2000, appointed  
to exco 2001



**Peter Wharton-Hood** (41)  
Chief executive  
Personal & Business Banking

BCom (Hons) (Wits), CA (SA),  
AMP (Harvard)

Joined the group 1997, appointed  
to exco 1999

## Key financial results and ratios – normalised

		Change %	June 2007	June 2006	December 2006
<b>Standard Bank Group</b>					
<b>Earnings</b>					
Headline earnings	Rm	27	6 165	4 869	10 818
Profit attributable to ordinary shareholders	Rm	29	6 584	5 121	11 148
<b>Other indicators</b>					
Headline EPS	cents	26	451,1	359,0	796,4
Diluted headline EPS	cents	26	444,5	353,0	783,7
Basic EPS	cents	28	481,7	377,6	820,7
Diluted EPS	cents	28	474,7	371,3	807,6
Distribution cover	times		2,5	2,5	2,5
Total distributions per share	cents	26	181,0	144,0	320,0
Net asset value per share	cents	22	3 904	3 201	3 548
Ordinary shareholders' funds	Rm	23	53 508	43 495	48 352
Return on equity (ROE)	%		24,4	24,4	25,4
Capital adequacy	%		13,7	14,7	14,8
Number of ordinary shares in issue					
– weighted average	thousands		1 366 720	1 356 202	1 358 415
– diluted weighted average	thousands		1 386 926	1 379 172	1 380 416
Number of employees		14	46 261	40 601	42 265
<b>Banking activities</b>					
<b>Earnings</b>					
Headline earnings	Rm	24	5 651	4 539	9 975
<b>Balance sheet</b>					
Total assets	Rm	16	879 342	754 890	775 220
Loans and advances (net of credit impairments)	Rm	24	593 972	477 771	506 720
<b>Other indicators</b>					
ROE	%		23,9	24,5	25,3
Net interest margin	%		2,91	2,75	2,79
Non-interest revenue to total income	%		52,7	53,7	53,0
Credit impairment charges	Rm	62	2 109	1 300	2 733
Credit loss ratio – historic basis	%		0,84	0,70	0,67
Credit loss ratio	%		0,78	0,63	0,60
Cost-to-income ratio	%		51,9	53,3	52,6
Effective taxation rate (including indirect taxation)	%		28,7	25,3	27,4
Number of employees		14	41 726	36 524	37 703



## In the first six months of 2007 the group experienced:

### Globally

- Economic growth in developing countries outpacing that of the developed world.
- Higher energy prices.
- Rising interest and inflation rate environment.
- Escalated geo-political tension.
- Uncertainty in global financial markets triggered by problems in the US sub-prime mortgage market.
- Increased utilisation of debt capital by corporates.
- Widening emerging market credit spreads.

### In South Africa

- Strong albeit recently waning consumer momentum following a 250 basis points rise in the prime rate since June 2006.
- Higher than inflation wage settlements.
- Generally rising inflation.
- Brisk loan growth supported by a pickup in the supply side of the economy.
- Buoyant transactional activity from both consumers and corporates.
- Increase in consumer indebtedness levels.
- Some Rand weakness.

### Standard Bank share price performance



## Overview of financial results

In the six months under review Standard Bank Group grew its headline earnings per share by 25,8% to 482,9 cents and achieved a return on equity of 26,4% on an International Financial Reporting Standards (IFRS) basis. On a normalised basis headline earnings per share grew 25,7% to 451,1 cents and the return on equity was 24,4%. Normalised earnings, fully explained later in this announcement, adjust the IFRS results for two accounting anomalies that have distorted the results from an economic perspective with effect from 2004. This commentary is based on the normalised results.

Economic growth in developing countries continues to outpace that of the developed world. In South Africa growth remained brisk, supported by an uplift in the supply side of the economy. Evidence of waning consumer demand has recently become apparent, reflecting the effect of the 250 basis point rise in the South African prime interest rate since June 2006.

### Key factors impacting the results

- Robust asset growth, particularly in Personal & Business Banking, boosted net interest income.
- Higher average interest rates in South Africa resulted in wider margins on transactional balances and capital. This higher rate environment has resulted in a recent increase in default experience and when applied to a much larger advances book resulted in a significant increase in the credit impairment charge in Personal & Business Banking.
- Increased transactional activity from both consumers and corporates benefited fee and commission income.
- Higher levels of global liquidity and increased client flows resulted in strong growth in trading income, particularly in operations outside of South Africa.
- Continued investment in staff and infrastructure had an impact on costs.

### During the period under review

- **The acquisition of BankBoston Argentina was finalised**  
The group obtained approval for its acquisition from both the South African and Argentine regulators and took transfer of the assets and liabilities of BankBoston Argentina with effect from 1 April 2007. The transaction was concluded at a discount to net asset value resulting in negative goodwill and a total gain of R390 million recognised in the income statement, but excluded from headline earnings. Earnings from this entity had no material impact on these results due to initial rebranding costs and other acquisition related expenses.
- **The group's holding in Stanlib was restructured**  
Following an approach by Liberty Life, the group restructured its investment in Stanlib, becoming effective on 29 January 2007. The group previously owned 48,8% of Stanlib, 37,4% directly and an effective 11,4% through its subsidiary, Liberty Life. After obtaining approval from its minority shareholders, Liberty Life acquired the interest in Stanlib directly owned by Standard Bank Group as well as

the 25,2% owned by a BEE consortium. The purchase consideration was settled by issuing Liberty Group shares and a cash payment. The transaction had no material impact on the group's results.

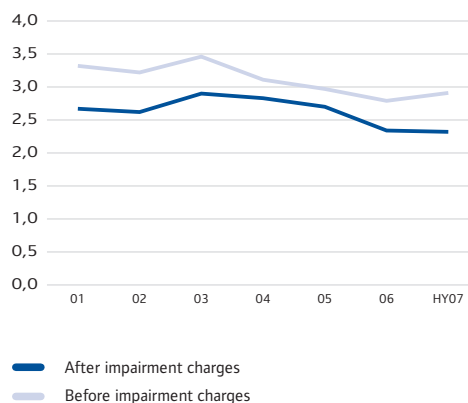
- **The National Credit Act (NCA) came into effect in South Africa**

The NCA, which became effective on 1 June 2007, aims to protect customers from over-indebtedness and create a fair and non-discriminatory market for lending. Standard Bank is fully supportive of the Act and has implemented the necessary policies and procedures to meet its requirements. Following the NCA implementation, there has been a slight decrease in mortgage and instalment finance account openings and a more significant reduction in new credit card accounts. It is too early to establish a trend or to determine if these changes may relate to the recent interest rate hikes.

### Income statement analysis

#### Net interest income

##### Group net interest margin (%)



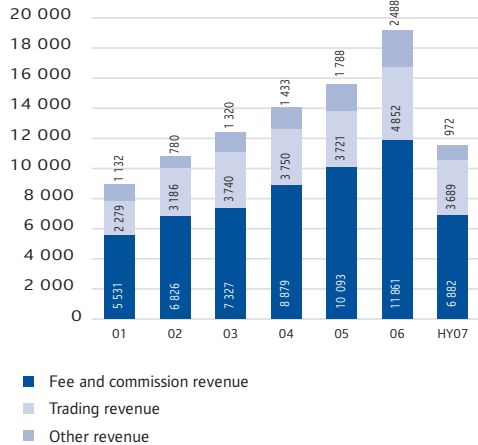
The group's net interest margin increased by 16 basis points to 2,91%. Net interest income grew by 36% with 39% growth in Personal & Business Banking and 34% in Corporate & Investment Banking following:

- continued strong lending growth across the banking operations;
- an increase in higher margin components of the lending book;
- a positive endowment impact as a higher funding margin was earned, following a 201 basis point increase in the average prime rate in South Africa to 12,56%; and
- reduced average concession rates on vehicle and asset financing as pricing processes were refined.

The group continued to rely on more expensive wholesale funding to finance asset growth. However, this impact was to a large degree offset by the mismatch benefit of liabilities repricing slower than assets. Other adverse factors were competitive pressure on mortgage lending rates and increased origination costs. Net interest income was also impacted by the delay in increasing the Usury Act rate ceiling following several increases in the prime rate.

## Non-interest revenue

### Analysis of non-interest revenue (Rm)



The group's non-interest revenue grew by 31% with:

- net fee and commission revenue up 25%;
- trading revenue up 62%; and
- other revenue down 7%.

Net fee and commission revenue in Personal & Business Banking grew by 18% with the main increases as follows:

- account transaction fees were 12% higher boosted by a 10% increase in customers, but limited by sub-inflation price increases;
- card-based commission increased by 22% off the back of 7% more customers and 15% growth in turnover at point of sale;
- growth of 8% in ATM transactions and 67% in internet transactions; and
- insurance fee income grew by 24% boosted by increased policy sales through the banking network.

Corporate & Investment Banking grew net fee and commission revenue by 47% as:

- advisory fees doubled following increased local and international deal flow including a number of large, high profile corporate and project finance, securitisation and structured debt transactions;
- electronic banking and account transaction fee income growth of 13% and 18% respectively, boosted by increased transaction values and volumes; and
- foreign currency service fees, which benefited from volume growth in trade finance and foreign guarantee income, were up 24%.

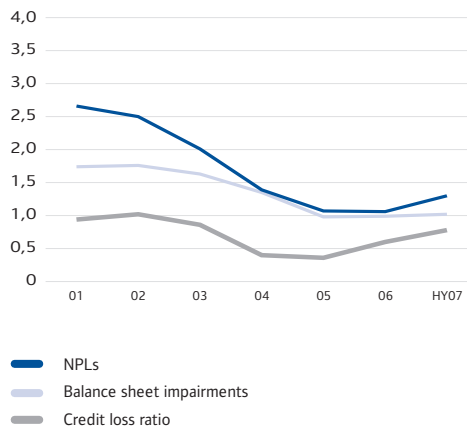
Strong growth in trading income was achieved due to:

- a significant increase in credit and interest rate trading in debt capital markets, benefiting from increased client flows and market volatility;
- growth in equity derivatives trading income following higher institutional and retail client flows; and
- the inclusion of the Argentine trading revenue for the first time.

Other non-interest revenue declined off a high base. The comparative figures include R157 million profit on the partial sale of the group's interest in MasterCard, which was excluded from headline earnings, and a gain on the realisation of a property investment not repeated.

## Credit impairment charges

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



Credit impairment charges for the group increased 62% and the credit loss ratio increased from 0,70% to 0,84% for the group. After implementing IFRS 7, which includes loans to banks in loans and advances used to calculate the ratio, the credit loss ratio increased from 0,63% to 0,78%.

Credit losses in Personal & Business Banking increased by 80% with the credit loss ratio rising from 0,99% to 1,32% as a result of:

- an increase in the incidence of arrears which, when applied to the larger mortgage book following two years of strong loan growth, resulted in a significantly higher charge. A recent increase in the number of short-payers is being experienced and a longer time lag in the mortgage cancellation process was experienced, given delays at the deeds office in the second quarter of 2007. In addition, recoveries are being discounted at higher rates given the increased interest rates. These factors combined to result in the credit loss ratio increasing from 0,33% to 0,61% in this product;

## Overview of financial results continued

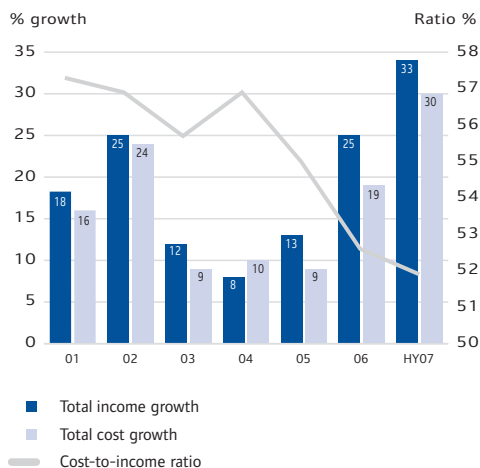
- a 79% increase in credit loss provisions against the instalment sales and finance leases book and the credit loss ratio increasing to 1,51% (June 2006: 1,03%). This was driven by an increase in dealer originated business which is mostly comprised of higher risk personal business, exacerbated by declining recovery values in the second hand car market; and
- a 39% increase in credit losses in card debtors, but as a percentage of the book the credit loss ratio remained unchanged.

Doubtful debt recoveries in Corporate & Investment Banking resulted in an 18% reduction in credit impairment charges and a drop in the credit loss ratio from 0,24% to 0,16%, despite increased portfolio provisions on the growing performing loan book.

Non-performing loans increased by 46% for the group and as a percentage of loans and advances increased from 1,1% to 1,3%. These non-performing loans, before accounting for security, are covered at 39% (June 2006: 43%) by the impairment for non-performing loans and 100% (June 2006: 100%) after considering security.

### Operating expenses

#### Cost and income growth (%)



Operating expenses increased by 30%, or 25% if the Argentine acquisition is excluded. Total income growth of 33%, including income from associates, exceeded cost growth by 3%, resulting in a 1,4% improvement in the cost-to-income ratio to 51,9%.

Staff costs were 36% higher, driven by a 14% increase in the group's staff complement, resulting mainly from:

- the inclusion of 2 677 staff members from the newly acquired operations in Argentina;
- business growth, particularly higher incentive and retention benefits in line with business performance;
- additional capacity required to deal with a heavier regulatory workload relating to Basel II and the National Credit Act; and

- increased security and credit collection staff.

Other operating expenses rose by 22% mainly as a result of:

- information technology spending, up 26%, resulting from increased compliance related infrastructure software development and maintenance costs to enhance network efficiency;
- communication costs, up 23%, as a result of increased customer interaction; and
- professional fees, up 71%, following initiatives to enhance business efficiency, support acquisition processes and compliance and risk management related information technology projects.

### Business units

Personal & Business Banking grew headline earnings by 27%. Key features of this result were:

- an expanded asset base and wider margins;
- strong growth in fee income due to higher transaction volumes;
- increased credit impairment charges as higher interest rates took effect; and
- cost increases to support business growth.

Corporate & Investment Banking grew headline earnings by 38% with growth of 65% in global markets, 44% in banking and trade finance and a 5% decline in investment banking. These results were characterised by:

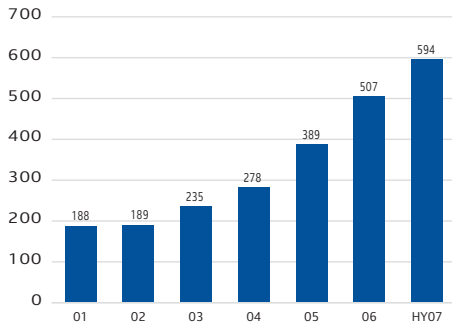
- improved trading results, particularly in debt capital markets;
- reduced net impairment charges as a result of doubtful debt recoveries in Rest of Africa;
- significant growth in advisory business;
- lower profits recognised on property investments and infrastructure funds; and
- cost growth above inflation levels as the business continues to invest in people and infrastructure to meet growing business needs.

Liberty Life increased headline earnings by 56% and achieved a BEE normalised return on embedded value of 24,7%. Key factors in this result were:

- strong investment returns; and
- value of new business up 14% as restructuring initiatives gained traction.

## Balance sheet analysis

### Loans and advances (Rbn)



Total loans and advances growth remained robust, increasing by 24%, with growth of 35% in Personal & Business Banking and 16% in Corporate & Investment Banking.

Activity in the Personal & Business Banking market segment remained buoyant for most of the period despite higher interest rates and the implementation of the National Credit Act in June 2007 as:

- mortgage loans grew by 36% resulting from a 24% increase in registration values driven by a 10% increase in registration volumes and 13% growth in average registration values;
- instalment sales and finance leases grew by 28%. The group's strategy to move closer to the dealer network benefited the motor book, as this book grew 25%; and
- card debtors increased by 45%, as the group continued its penetration into the still relatively underdeveloped South African card market.

Corporate & Investment Banking grew total loans and advances by 16%, with loans to corporate customers up 40% and loans to banks down by 17% as:

- strong growth occurred in medium-term and foreign currency lending, overdrafts and other demand lending in the South African market as a number of new large corporate lending transactions were concluded;
- continued strong economic growth in the commercial property market benefited corporate property lending which grew by 25%; and
- loans to and placements with banks were lower due to reduced surplus funds at period end and increased demand for credit from corporate customers.

## Capital and Basel II

In South Africa the Basel II requirements are being incorporated into the Banks Act and Regulations relating to Banks which becomes effective on 1 January 2008.

Standard Bank started its Basel II project in 2001 with regular board involvement from 2003. The Basel II concepts are now well entrenched at

an operating level and the group is confident of successfully finalising its implementation by the end of 2007. With respect to capital management key focus areas include:

- alignment of risk and capital management practices with Basel II definitions;
- improved and consistently applied group-wide regulatory and economic capital calculation and regulatory reporting tools; and
- improved linkages of business strategic planning and operational processes with economic and regulatory capital outcomes.

The group is well capitalised at a capital adequacy ratio of 13,7% (June 2006: 14,7%).

## Distributions

It is currently the group's policy to declare both interim and final distributions using a cover ratio of 2,5 times normalised headline earnings. This policy has not changed and an interim distribution of 181 cents per share (2006: 144 cents) has been declared, an increase of 26%. The interim distribution comprises a distribution out of share premium of 100 cents per share and a dividend of 81 cents per share.

## Charter progress

Standard Bank has increased its Financial Sector Charter score from 92,31 points at the end of December 2006 (audited) to 93,22 points as at 30 June 2007 (unaudited). The bank has consistently achieved scores in excess of the charter's requirements as a result of the strategy to embed black economic empowerment into operations in South Africa.

## Status of acquisitions

### IBTC Chartered Bank Plc in Nigeria

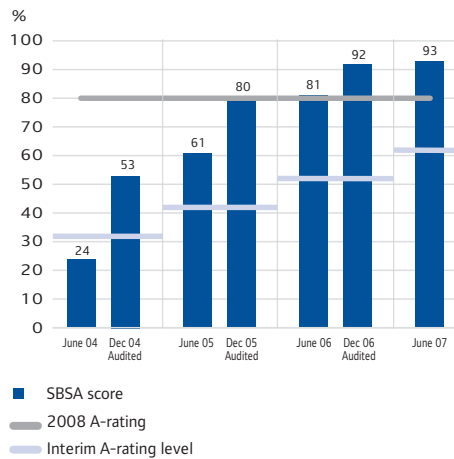
The group previously announced that it had reached an agreement in principle with the board of directors of the listed entity IBTC Chartered Bank Plc (IBTC) to merge Standard Bank's Nigerian operations, Stanbic Bank Nigeria Limited, with those of IBTC and for Standard Bank to acquire sufficient additional shares at an estimated total value of approximately US\$400 million in the enlarged IBTC to establish a controlling interest. The approach to IBTC's shareholders concludes on 20 August 2007 with the closing of a tender offer and shareholders' meetings of IBTC and Stanbic Nigeria to approve a Scheme of Merger.

### CFC Bank in Kenya

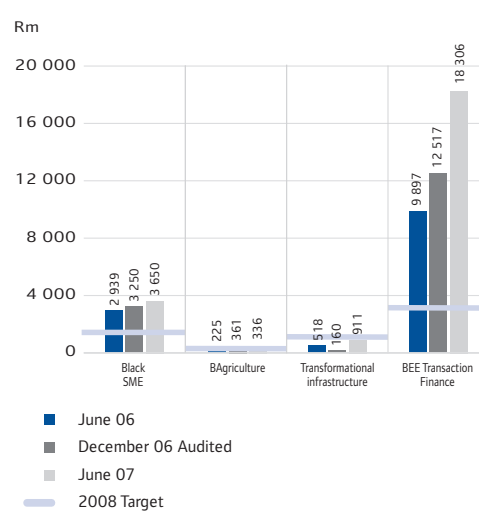
The group recently submitted an application for regulatory approval to acquire a 60% interest in CFC Bank Limited through a merger with Stanbic Bank Kenya Limited and the acquisition of further shares for cash. The cash outflow required in this transaction is approximately US\$80 million. Although this transaction is important to grow the group's African network, it is unlikely to have a significant impact on group results.

## Financial Sector Charter

### Overall scores



### Empowerment financing



	Target 2008	June 2007 Unaudited	June 2006 Unaudited	December 2006 Audited
<b>Human resource development</b>				
Proportion of black management (%)		46	40	44
<b>Access to financial services</b>				
Mzansi accounts (000's)	652	554	368	439
<b>Origination</b>				
Affordable housing lending (Rm)	16 600	8 700	5 946	7 665
Black SME lending (Rm)	1 385	3 650	2 939	3 250
BAgriculture lending (Rm)	116	336	225	361
<b>Empowerment financing</b>				
BEE transaction financing (Rm)	3 857	18 306	9 897	12 517
<b>Procurement and enterprise development from BEE suppliers (%)</b>	50	46	47	46
<b>Control</b>				
Proportion of black board directors (%)	33	28	33	33
Proportion of Top 50 executives (%)	25	24	22	24
<b>Overall score</b>	80,00	93,22	80,75	92,31

	Target 2008 %	June 2007 %	June 2006 %	December 2006 %
Black senior management	20	27	22	26
Black women senior management	4	7	5	7
Black middle management	30	41	35	38
Black women middle management	10	17	15	15
Black junior management	40	54	47	52
Black women junior management	15	32	28	31

- Scores above the charter's interim A-rating scoring requirements.
- Black economic empowerment (BEE) is seen as an opportunity to build a sustainable business in areas not traditionally serviced by banks in general, rather than as merely an exercise in compliance.
- Named best empowerment financier by the Business Map BEE awards under BEE transaction financing.

## Summarised group income statement

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Net interest income	36	10 366	7 636	17 001
Non-interest revenue	31	11 543	8 844	19 201
Net fee and commission revenue	25	6 882	5 521	11 861
Trading revenue	62	3 689	2 279	4 852
Other revenue	(7)	972	1 044	2 488
<b>Total income</b>	33	<b>21 909</b>	16 480	36 202
Credit impairment charges	62	2 109	1 300	2 733
Impairments for non-performing loans	51	1 639	1 087	2 022
Impairments for performing loans	>100	470	213	711
<b>Income after credit impairment charges</b>	30	<b>19 800</b>	15 180	33 469
Operating expenses	30	11 464	8 835	19 141
Staff costs	36	6 874	5 070	11 001
Other operating expenses	22	4 590	3 765	8 140
<b>Net income before goodwill</b>	31	<b>8 336</b>	6 345	14 328
Goodwill (gain)/impairment	(>100)	(390)	4	15
<b>Net income before associates and joint ventures</b>	38	<b>8 726</b>	6 341	14 313
Share of profit from associates and joint ventures	94	188	97	218
<b>Net income before taxation</b>	38	<b>8 914</b>	6 438	14 531
Taxation	57	2 562	1 627	3 980
<b>Profit for the period</b>	32	<b>6 352</b>	4 811	10 551
Attributable to minorities	93	56	29	81
Attributable to preference shareholders	>100	226	111	282
<b>Attributable to ordinary shareholders – banking activities</b>	30	<b>6 070</b>	4 671	10 188
Headline adjustable items – banking activities	>100	(419)	(132)	(213)
<b>Headline earnings – banking activities</b>	24	<b>5 651</b>	4 539	9 975
<b>Headline earnings – Liberty Life</b>	56	<b>514</b>	330	843
Liberty Life share of attributable profit	14	514	450	960
Headline adjustable items – Liberty Life	(100)	–	(120)	(117)
<b>Standard Bank Group headline earnings</b>	27	<b>6 165</b>	4 869	10 818

## Detailed group income statement

(Including grossed up life insurance components of income and expense)

	Change %	Standard Bank Group		
		June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Income from banking activities</b>	33	21 909	16 480	36 202
Net interest income	36	10 366	7 636	17 001
Interest income	50	33 448	22 266	51 202
Interest expense	58	23 082	14 630	34 201
Non-interest revenue	31	11 543	8 844	19 201
Net fee and commission revenue	25	6 882	5 521	11 861
Fee and commission revenue	25	7 707	6 162	13 398
Fee and commission expense	29	825	641	1 537
Trading revenue	62	3 689	2 279	4 852
Other revenue	(7)	972	1 044	2 488
<b>Income from investment management and life insurance activities</b>	14	28 380	24 937	60 410
Net insurance premiums	23	11 641	9 497	20 066
Investment income and gains	9	15 844	14 600	38 634
Management and service fee income	7	895	840	1 710
<b>Total income</b>	21	50 289	41 417	96 612
Credit impairment charges	62	2 109	1 300	2 733
<b>Benefits due to policyholders</b>	13	21 795	19 265	47 896
Net insurance benefits and claims	11	17 577	15 804	38 140
Fair value adjustment to policyholders' liabilities under investment contracts	54	4 217	2 730	8 276
Fair value adjustment on third party fund interests	(100)	1	731	1 480
<b>Income after credit impairment charges and policyholders' benefits</b>	27	26 385	20 852	45 983
<b>Operating expenses in banking activities</b>	30	11 464	8 835	19 141
Staff costs	36	6 874	5 070	11 001
Other operating expenses	22	4 590	3 765	8 140
<b>Operating expenses in investment management and life insurance activities</b>	21	3 528	2 924	6 486
Acquisition costs – insurance and investment contracts	13	1 355	1 196	2 413
Other operating expenses	26	2 173	1 728	4 073
<b>Net income before goodwill</b>	25	11 393	9 093	20 356
Goodwill (gain)/impairment	(>100)	(390)	4	15
<b>Net income before associates and joint ventures</b>	30	11 783	9 089	20 341
Share of profit from associates and joint ventures	>100	230	103	275
<b>Net income before indirect taxation</b>	31	12 013	9 192	20 616
Indirect taxation	18	515	436	841
<b>Profit before direct taxation</b>	31	11 498	8 756	19 775
Direct taxation	42	3 386	2 377	5 852
<b>Profit for the period</b>	27	8 112	6 379	13 923
Attributable to minorities	14	1 302	1 147	2 493
Attributable to preference shareholders	>100	226	111	282
<b>Attributable to ordinary shareholders</b>	29	6 584	5 121	11 148

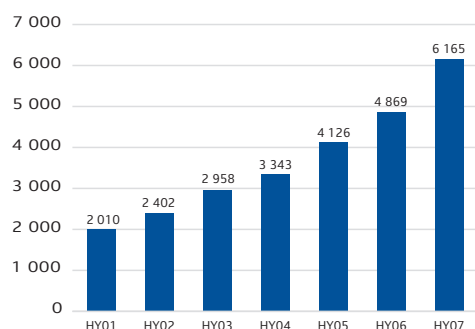


Change	Banking activities			Change	Liberty Life		
	June	June	December		June	June	December
	2007	2006	2006		2007	2006	2006
%	Rm	Rm	Rm	%	Rm	Rm	Rm
33	21 909	16 480	36 202				
36	10 366	7 636	17 001				
50	33 448	22 266	51 202				
58	23 082	14 630	34 201				
31	11 543	8 844	19 201				
25	6 882	5 521	11 861				
25	7 707	6 162	13 398				
29	825	641	1 537				
62	3 689	2 279	4 852				
(7)	972	1 044	2 488				
				14	28 380	24 937	60 410
				23	11 641	9 497	20 066
				9	15 844	14 600	38 634
				7	895	840	1 710
33	21 909	16 480	36 202	14	28 380	24 937	60 410
62	2 109	1 300	2 733				
				13	21 795	19 265	47 896
				11	17 577	15 804	38 140
				54	4 217	2 730	8 276
				(100)	1	731	1 480
30	19 800	15 180	33 469	16	6 585	5 672	12 514
30	11 464	8 835	19 141				
36	6 874	5 070	11 001				
22	4 590	3 765	8 140				
				21	3 528	2 924	6 486
				13	1 355	1 196	2 413
				26	2 173	1 728	4 073
31	8 336	6 345	14 328	11	3 057	2 748	6 028
(>100)	(390)	4	15				
38	8 726	6 341	14 313	11	3 057	2 748	6 028
94	188	97	218	>100	42	6	57
38	8 914	6 438	14 531	13	3 099	2 754	6 085
34	401	300	604	(16)	114	136	237
39	8 513	6 138	13 927	14	2 985	2 618	5 848
63	2 161	1 327	3 376	17	1 225	1 050	2 476
32	6 352	4 811	10 551	12	1 760	1 568	3 372
93	56	29	81	11	1 246	1 118	2 412
>100	226	111	282				
30	6 070	4 671	10 188	14	514	450	960

## Headline earnings

### Headline earnings (Rm)

CAGR (HY2001 – HY2007): 21%



### Reconciliation to headline earnings

	June 2007			June 2006			December 2006
	Banking activities Rm	Liberty Life Rm	Standard Bank Group Rm	Banking activities Rm	Liberty Life Rm	Standard Bank Group Rm	Standard Bank Group Rm
<b>Profit for the period</b>	6 352	1 760	8 112	4 811	1 568	6 379	13 923
Attributable to minorities	56	1 246	1 302	29	1 118	1 147	2 493
Attributable to preference shareholders	226		226	111		111	282
<b>Profit attributable to ordinary shareholders</b>	6 070	514	6 584	4 671	450	5 121	11 148
<b>Headline adjustable items reversed</b>	(424)		(424)	(153)	(379)	(532)	(601)
Goodwill (gain)/impairment	(390)		(390)	4		4	15
Gains on the disposal of businesses and divisions					(378)	(378)	(374)
Profit on sale of properties and equipment	(7)		(7)	(1)		(1)	(53)
Impairment of intangibles	26		26				9
Recycled investment gains on available-for-sale assets	(54)		(54)	(157)		(157)	(198)
Other capital losses/(profits)	1		1	1	(1)		
Taxation on headline adjustable items	5		5	21		21	14
Minority share of headline adjustable items					259	259	257
<b>Headline earnings</b>	5 651	514	6 165	4 539	330	4 869	10 818

## Headline earnings by business unit

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Personal & Business Banking	27	2 626	2 061	4 833
Corporate & Investment Banking	38	3 117	2 265	5 033
Central and other	(>100)	(92)	213	109
<b>Banking activities</b>	24	<b>5 651</b>	4 539	9 975
Liberty Life	56	514	330	843
<b>Standard Bank Group headline earnings</b>	27	<b>6 165</b>	4 869	10 818

### Personal & Business Banking

- Strong advances growth across most products, particularly in mortgage advances and card debtors, coupled with the positive endowment effect of increasing average interest rates.
- Continued reliance on wholesale priced funding, increased pricing concessions as competition in mortgage lending increased, Usury Act constraints as well as increased origination commission incurred.
- Higher fee and commission revenue, notwithstanding sub-inflation price increases, due to a larger customer base, higher transactional volumes and transaction values.
- Increased credit impairments on non-performing loans resulting from growth in advances, including card lending, mortgage advances and vehicle financing, coupled with the effects of interest rates.
- Increased portfolio impairments on performing loans attributable to growth in advances, increasing interest rates and generally weaker economic conditions.
- Operating expenses increased by business growth, operational maintenance, regulatory compliance, marketing costs and continued investment in electronic channel infrastructure.

### Corporate & Investment Banking

- Net interest income increased strongly as a result of a 40% growth in customer loans and advances.
- Fee and commission revenue boosted by significant increases in advisory fees and higher corporate and institutional transactional volumes.
- Strong trading performance, notably Outside Africa, driven by higher income in debt capital markets and equity derivatives.

- Positive translation effect on revenues of a weaker average Rand/Dollar exchange rate.
- Lower property and infrastructure fund related revenue.
- Improved credit loss experience.
- High staff cost growth due to increased incentive provisions in line with business performance and headcount driven by business growth.

### Central and other

- Costs of the group's new leadership centre held centrally for first year of operations.
- Inclusion of Argentine acquisition related expenditure as a charge against headline earnings while goodwill gain reported outside of headline earnings.

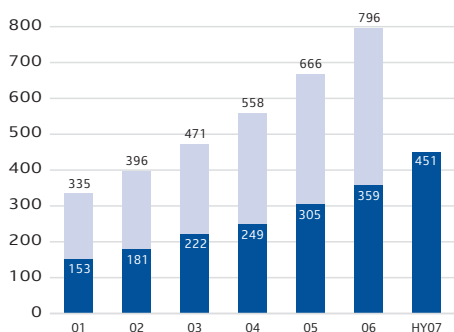
### Liberty Life

- Positive investment market performance.
- Buoyant new business sales and a more profitable mix of new business as new sales processes gain traction.

## Headline earnings and distributions per share

### Headline earnings per share (cents)

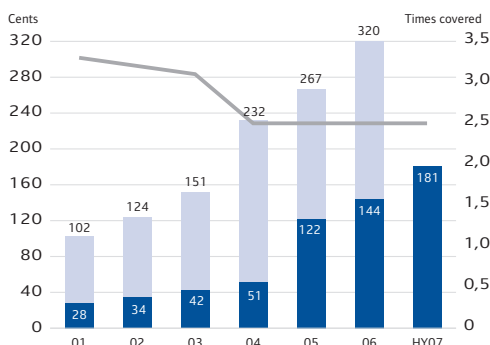
CAGR (HY2001 – HY2007): 20%



- Headline earnings per share – first half
- Headline earnings per share – second half

### Distributions per share

CAGR (HY2001 – HY2007): 36%



- Distributions per share – interim
- Distributions per share – final
- Distribution cover

	Change %	June 2007	June 2006	December 2006
Headline earnings (Rm)	27	6 165	4 869	10 818
Headline earnings per share (cents)	26	451,1	359,0	796,4
Basic earnings per share (cents)	28	481,7	377,6	820,7
Total distributions per share (cents)	26	181,0	144,0	320,0
Interim	26	181,0	144,0	144,0
Distribution paid out of share premium		100,0		
Distribution paid out of distributable reserves		81,0	144,0	144,0
Final				176,0
Distribution cover (times) – based on normalised HEPS		2,5	2,5	2,5

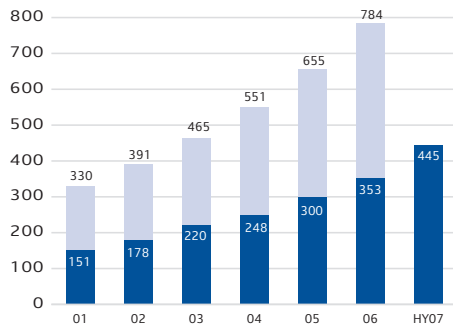
### Movement in number of ordinary shares issued and weighted average number of ordinary shares issued

	June 2007		June 2006		December 2006	
	Issued number of shares 000's	Weighted number of shares 000's	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 period	1 362 633	1 362 633	1 352 383	1 352 383	1 352 383	1 352 383
Shares issued for share option settlements	8 107	4 087	7 680	4 036	11 555	6 795
Share buy-backs			(1 305)	(217)	(1 305)	(763)
<b>Standard Bank Group – end of the period</b>	<b>1 370 740</b>	<b>1 366 720</b>	<b>1 358 758</b>	<b>1 356 202</b>	<b>1 362 633</b>	<b>1 358 415</b>
<b>Reconciliation to IFRS shares in issue</b>						
Standard Bank Group (SBG) – end of the period – normalised	1 370 740	1 366 720	1 358 758	1 356 202	1 362 633	1 358 415
Adjustments:						
SBG shares held by Tutuwa SPVs	(99 190)	(99 190)	(99 190)	(99 190)	(99 190)	(99 190)
SBG shares held for the benefit of Liberty Life policyholders (deemed treasury shares)	(39 141)	(38 864)	(44 235)	(45 362)	(38 587)	(42 538)
<b>Standard Bank Group – end of the period – IFRS</b>	<b>1 232 409</b>	<b>1 228 666</b>	<b>1 215 333</b>	<b>1 211 650</b>	<b>1 224 856</b>	<b>1 216 687</b>

## Diluted headline earnings per share

### Diluted headline earnings per share (cents)

CAGR (HY2001 – HY2007): 20%



- Diluted headline earnings per share – first half
- Diluted headline earnings per share – second half

	Change %	June 2007 cents	June 2006 cents	December 2006 cents
Diluted headline earnings per share	26	444,5	353,0	783,7
Diluted earnings per share	28	474,7	371,3	807,6

### Diluted weighted average number of ordinary issued shares

	June 2007 000's	June 2006 000's	December 2006 000's
Weighted average shares	1 366 720	1 356 202	1 358 415
Adjustments:			
Dilution from equity compensation plans	20 206	22 970	22 001
Share option scheme	17 022	22 129	19 197
Equity growth scheme	3 184	841	2 804
<b>Standard Bank Group diluted weighted average shares</b>	<b>1 386 926</b>	<b>1 379 172</b>	<b>1 380 416</b>
<b>Reconciliation to diluted weighted average IFRS shares</b>			
Diluted weighted average shares – normalised	1 386 926	1 379 172	1 380 416
Adjustments for deemed treasury shares:			
SBG shares held by Tutuwa SPVs	(99 190)	(99 190)	(99 190)
SBG shares held for the benefit of policyholders	(38 864)	(45 362)	(42 538)
Tutuwa transaction – dilutive shares	57 002	45 000	43 790
<b>Standard Bank Group diluted weighted average shares – IFRS</b>	<b>1 305 874</b>	<b>1 279 620</b>	<b>1 282 478</b>

## Group balance sheet

	Change %	Standard Bank Group		
		June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Assets</b>				
Cash and balances with central banks	(18)	18 164	22 244	20 046
Derivative assets	(16)	101 231	120 021	100 832
Trading assets	29	70 562	54 908	77 574
Pledged assets	(27)	12 890	17 609	10 828
Financial investments	24	235 717	189 993	214 640
Loans and advances	24	593 972	477 771	506 720
Loans and advances to banks	(18)	84 086	102 952	89 785
Loans and advances to customers	36	509 886	374 819	416 935
Investment properties	9	13 506	12 419	13 200
Other assets	(3)	32 036	33 192	18 018
Interest in associates and joint ventures	38	10 859	7 888	8 584
Goodwill and other intangible assets	44	2 885	2 006	2 374
Property and equipment	27	5 921	4 674	5 242
<b>Total assets</b>	16	<b>1 097 743</b>	942 725	978 058
<b>Equity and liabilities</b>				
<b>Equity</b>	21	<b>69 473</b>	57 346	64 187
Equity attributable to ordinary shareholders	23	53 508	43 495	48 352
Ordinary share capital	1	137	136	136
Ordinary share premium	15	2 548	2 207	2 303
Reserves	24	50 823	41 152	45 913
Preference share capital and premium	23	5 503	4 489	5 503
Minority interest	12	10 462	9 362	10 332
<b>Liabilities</b>	16	<b>1 028 270</b>	885 379	913 871
Derivative liabilities	(15)	102 857	120 494	103 122
Trading liabilities	(14)	37 562	43 538	36 790
Deposit and current accounts	28	636 405	498 994	545 164
Deposits from banks	(10)	44 640	49 731	48 374
Deposits from customers	32	591 765	449 263	496 790
Other liabilities	(8)	51 795	56 041	42 327
Policyholders' liabilities	22	182 817	150 282	168 898
Subordinated debt	5	16 834	16 030	17 570
<b>Total equity and liabilities</b>	16	<b>1 097 743</b>	942 725	978 058

Change %	Banking activities			Change %	Liberty Life		
	June 2007 Rm	June 2006 Rm	December 2006 Rm		June 2007 Rm	June 2006 Rm	December 2006 Rm
38	16 096	11 663	14 343	(80)	2 068	10 581	5 703
(16)	101 231	120 021	100 832				
29	70 562	54 908	77 574				
(36)	9 362	14 643	7 228	19	3 528	2 966	3 600
23	55 619	45 048	50 560	24	180 098	144 945	164 080
24	593 972	477 771	506 720				
(18)	84 086	102 952	89 785				
36	509 886	374 819	416 935				
				9	13 506	12 419	13 200
(4)	24 841	25 852	12 012	(2)	7 195	7 340	6 006
59	1 637	1 032	1 130	35	9 222	6 856	7 454
>100	1 651	574	1 043	(14)	1 234	1 432	1 331
29	4 371	3 378	3 778	20	1 550	1 296	1 464
16	879 342	754 890	775 220	16	218 401	187 835	202 838
24	56 078	45 109	50 565	9	13 395	12 237	13 622
23	49 945	40 445	44 874	17	3 563	3 050	3 478
1	137	136	136				
15	2 548	2 207	2 303				
24	47 260	38 102	42 435	17	3 563	3 050	3 478
23	5 503	4 489	5 503				
>100	630	175	188	7	9 832	9 187	10 144
16	823 264	709 781	724 655	17	205 006	175 598	189 216
(15)	102 749	120 386	103 026		108	108	96
(14)	37 562	43 538	36 790				
28	636 405	498 994	545 164				
(10)	44 640	49 731	48 374				
32	591 765	449 263	496 790				
(3)	31 768	32 887	24 159	(14)	20 027	23 154	18 168
				22	182 817	150 282	168 898
6	14 780	13 976	15 516		2 054	2 054	2 054
16	879 342	754 890	775 220	16	218 401	187 835	202 838

## Statement of changes in shareholders' funds

	Ordinary share capital and premium Rm	Foreign currency translation reserve Rm	Foreign currency hedge of net investment reserve Rm	Statutory credit risk reserve Rm	Cash flow hedging reserve Rm
<b>Balance at 1 January 2006 as previously reported</b>	2 242	(321)	(73)	26	(83)
Change in accounting policy					
<b>Restated balance at 1 January 2006</b>	2 242	(321)	(73)	26	(83)
Currency translation movement and hedging		1 914	259		
Increase in statutory credit risk reserve				58	
Fair value adjustments					178
Realised fair value adjustments recycled to the income statement					(66)
Change in shareholding of subsidiaries					
Decrease in minorities resulting from disposals					
Issue of share capital and share premium	299				
Share buy-backs	(102)				
Share issue and repurchase costs					
Equity-settled share-based payment transactions					
Other					
Attributable earnings for the year					
Dividends paid					
<b>Balance at 31 December 2006</b>	2 439	1 593	186	84	29
<b>Balance at 1 January 2007</b>	2 439	1 593	186	84	29
Currency translation movement and hedging		304	108		
Increase in statutory credit risk reserve				44	
Fair value adjustments					(154)
Realised fair value adjustments recycled to the income statement					
Net acquisitions of shares in subsidiaries					
Change in shareholding of subsidiaries					
Transactions between entities controlled by the group					
Issue of share capital and share premium	246				
Equity-settled share-based payment transactions					
Other					
Attributable earnings for the period					
Dividends paid					
<b>Balance at 30 June 2007</b>	2 685	1 897	294	128	(125)

All balances are stated net of applicable tax.



Available-for-sale revaluation reserve Rm	Revaluation and other reserves Rm	Treasury shares Rm	Share-based payment reserve Rm	Retained earnings Rm	Ordinary share-holders' funds Rm	Preference share capital and premium Rm	Minority interest Rm	Total equity Rm
162	298	(5)	253	35 771 (276)	38 270 (276)	2 991	9 761 (126)	51 022 (402)
162	298	(5)	253	35 495	37 994 2 173	2 991	9 635 10	50 620 2 183
				(58)	-			-
787					965			965
(185)					(251)			(251)
				(147)	(147)		(160)	(307)
							(166)	(166)
					299	2 518	57	2 874
					(102)			(102)
						(6)		(6)
			185	5	190		35	225
	9			2	11		25	36
				11 148	11 148	282	2 493	13 923
				(3 928)	(3 928)	(282)	(1 597)	(5 807)
764	307	(5)	438	42 517	48 352	5 503	10 332	64 187
764	307	(5)	438	42 517	48 352	5 503	10 332	64 187
					412		17	429
				(44)	-			-
281					127			127
(40)					(40)			(40)
							355	355
				(66)	(66)		(354)	(420)
				198	198		(656)	(458)
					246		6	252
			106	(1)	105		18	123
	2			(4)	(2)		(7)	(9)
				6 584	6 584	226	1 302	8 112
				(2 408)	(2 408)	(226)	(551)	(3 185)
1 005	309	(5)	544	46 776	53 508	5 503	10 462	69 473

## Changes in accounting policies and reclassifications

### Changes in accounting policies

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

- the adoption of *IFRS 7 – Financial instruments: Disclosures*. This new standard has not changed the recognition of financial instruments but has resulted in the reclassification of certain financial assets and fee expenses as described below;
- the adoption of other accounting standards and interpretations issued with an effective date of 1 January 2007. The adoption of these standards and interpretations has not had a material effect on the results, nor has it required any restatement of the results; and
- the group changing its accounting policy relating to transactions with minority shareholders. These transactions relate specifically to transactions where the group purchased an additional interest from minority shareholders or sold a portion of its interest to minority shareholders, while the group controlled the entities both before and after the transactions. Previously, the excess of the purchase consideration over the group's proportionate share of the additional net asset value of a subsidiary acquired was accounted for as goodwill (or negative goodwill). In terms of the group's new policy this excess will be accounted for directly in equity. Any profit or loss on the partial disposal of the group's interest in a subsidiary was previously accounted for in the income statement and will now be accounted for directly in equity. Any such goodwill or profit or loss accounted for directly in equity is ultimately accounted for in profit or loss on disposal of the subsidiary that results in the loss of control over the subsidiary. The change in accounting policy is considered appropriate as the group regards transactions that do not result in the change of control as transactions with minority shareholders (viewed as equity participants of the group) that should not result in the creation of goodwill assets or profit in the income statement but should rather be accounted for as equity transactions. These principles are in accordance with the exposure draft of proposed amendments to *IAS 27 – Consolidated and Separate Financial Statements* issued in June 2005.

### Reclassifications

Following the adoption of IFRS 7, the change to the policy on transactions with minorities and a review of best international practice, the following reclassifications have been performed on results previously disclosed:

- balances with banks previously included in cash and balances with banks have been reclassified to loans and advances to banks;
- short-term negotiable securities have been reclassified to financial investments;
- non-cash financial assets pledged, where the counterparty has the right to sell or repledge the assets to a third party, have been reclassified to pledged assets;
- fee and commission expenses relating to financial assets or liabilities that are not at fair value through profit or loss and fee and commission expenses relating to trust and fiduciary activities have been included in a separate line item in the income statement;
- profits on the partial sale of subsidiaries, where control has been retained, have been reclassified from the income statement to a direct reserve movement in equity;
- goodwill relating to the acquisition of additional interests in subsidiaries controlled before these transactions has been reclassified to equity; and
- reclassifications in Liberty Life relate mainly to the consolidation of certain mutual funds which were not consolidated in June 2006 and Liberty Life's restatements relating to the change in the group's accounting policy with regard to transactions with minorities. Other changes were made to individual income statement and balance sheet line items to conform to presentation at 2006 year end.

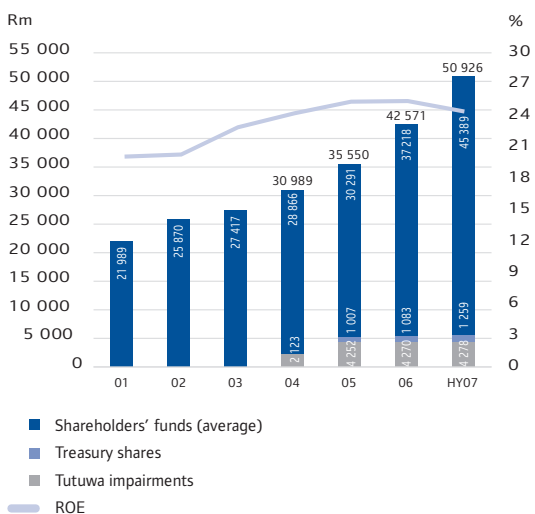
Details of the effect of these reclassifications on normalised results are set out on pages 76 to 79 and the effect on IFRS results are set out on pages 92 to 95.

## Capital management

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## Capital management – Return on ordinary equity

### Return on ordinary equity



- ROE of 24,4% is in line with 2006, and remains favourable against the 24% target set for the year despite the equity base increasing by positive items not included in headline earnings (e.g. foreign currency translation gain and goodwill gain).
- Personal & Business Banking ROE declined due to strong growth in risk-weighted assets giving rise to a 29% increase in average equity while earnings grew at a slower 27% due to increased credit impairments.
- Corporate & Investment Banking ROE decreased due to strong risk-weighted asset growth outpacing earnings growth, particularly in South Africa, partially offset by strong results in Outside Africa and Rest of Africa.
- Central and other had a dilutionary effect on group ROE due to non-recurring events in the current year (e.g. Argentina acquisition costs charged against headline earnings) and an increase in the rand value of surplus capital arising from a weaker rand.
- Improved Liberty Life earnings in the current year.

	Average equity June 2007	ROE June 2007	Average equity June 2006	ROE June 2006	Average equity December 2006	ROE December 2006
	Rm	%	Rm	%	Rm	%
Personal & Business Banking	18 413	28,8	14 284	29,1	15 223	31,7
Corporate & Investment Banking	23 193	27,1	16 207	28,2	18 199	27,7
Central and other	6 021		6 827		5 972	
<b>Banking activities</b>	<b>47 627</b>	<b>23,9</b>	<b>37 318</b>	<b>24,5</b>	<b>39 394</b>	<b>25,3</b>
Liberty Life	3 299	31,4	2 962	22,5	3 177	26,5
<b>Standard Bank Group</b>	<b>50 926</b>	<b>24,4</b>	<b>40 280</b>	<b>24,4</b>	<b>42 571</b>	<b>25,4</b>
<b>Reconciliation to IFRS</b>						
Standard Bank Group normalised average equity	50 926		40 280		42 571	
Empowerment reserve impairment (Tutuwa SPVs preference shares and dividends receivable)	(4 278)		(4 266)		(4 270)	
Central and other	(4 073)		(4 045)		(4 056)	
Liberty Life	(205)		(221)		(214)	
Market value of group company shares held in policyholders' funds	(1 259)		(1 137)		(1 083)	
<b>Standard Bank Group – IFRS</b>	<b>45 389</b>	<b>26,4</b>	<b>34 877</b>	<b>26,9</b>	<b>37 218</b>	<b>27,4</b>

## Capital management – Cost of equity and economic returns

### Cost of equity estimates

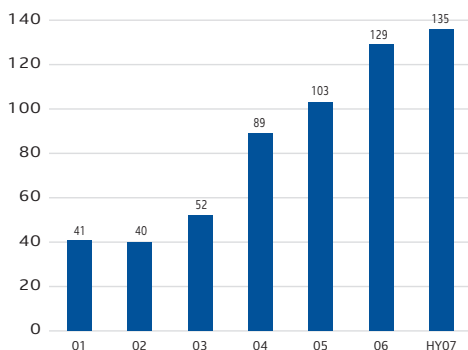
	Average June 2007 %	Average June 2006 %	Average December 2006 %
Personal & Business Banking	14,5	12,9	13,5
Corporate & Investment Banking	15,5	13,8	14,8
Central and other	13,4	11,8	12,6
<b>Banking activities</b>	<b>14,8</b>	<b>13,0</b>	<b>13,7</b>
Liberty Life	12,6	10,6	11,6
<b>Standard Bank Group</b>	<b>13,4</b>	<b>11,8</b>	<b>12,6</b>

### Economic returns generated by Standard Bank Group

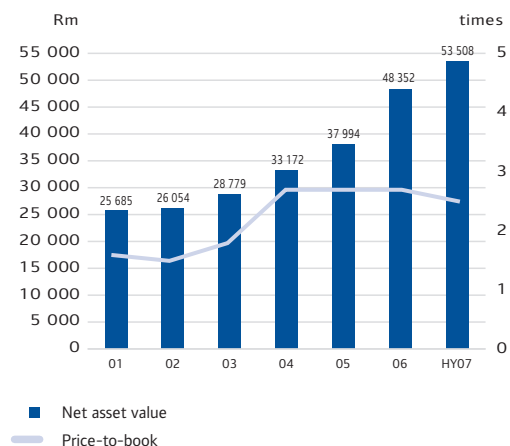
	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Average ordinary equity</b>	26	<b>50 926</b>	40 280	42 571
Headline earnings	27	6 165	4 869	10 818
Cost of equity charge	44	(3 394)	(2 357)	(5 364)
Economic profits on headline earnings	10	2 771	2 512	5 454
Other changes in net asset value	(57)	1 048	2 410	3 081
Net currency translation gains	(80)	412	2 062	2 173
Other gains excluded from headline earnings	83	636	348	908
<b>Total economic return</b>	<b>(22)</b>	<b>3 819</b>	4 922	8 535

## Capital management – Market capitalisation and price-to-book ratio

Market capitalisation (Rbn)



Price-to-book and net asset value



### Net asset value per share

	Change %	June 2007	June 2006	December 2006
Net asset value (Rm)	23	53 508	43 495	48 352
Number of shares at end of the period (000's)	1	1 370 740	1 358 758	1 362 633
Net asset value per share (cents)	22	3 904	3 201	3 548

### Market capitalisation

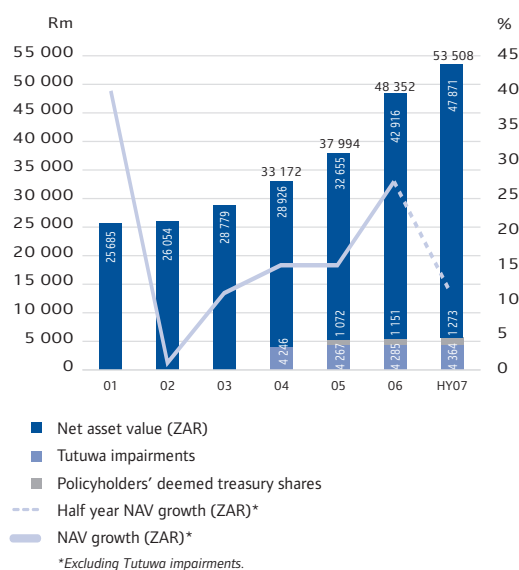
	Change %	June 2007	June 2006	December 2006
Share price at end of the period (rands)	28	98,30	77,00	94,50
Number of shares at end of the period (000's)	1	1 370 740	1 358 758	1 362 633
Market capitalisation at end of the period (Rm)	29	134 744	104 624	128 769
Price-to-book ratio (times)		2,5	2,4	2,7

### IFRS

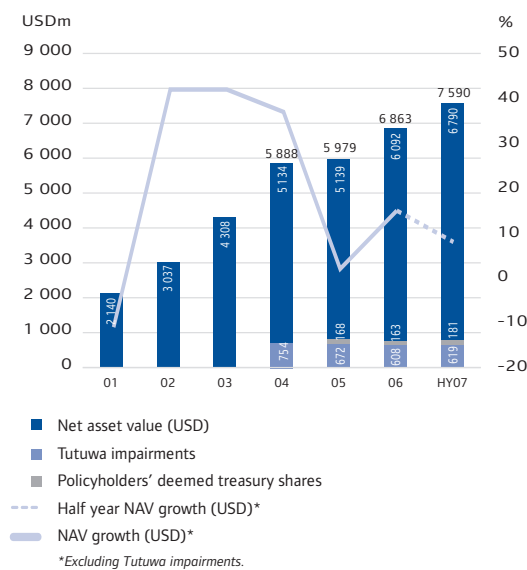
	Change %	June 2007	June 2006	December 2006
Net asset value (Rm)	25	47 871	38 181	42 916
Number of shares at end of the period (000's)	1	1 232 409	1 215 333	1 224 856
Net asset value per share (cents)	24	3 884	3 142	3 504

## Capital management – Ordinary shareholders' equity (net asset value)

### Analysis of net asset value (ZAR)



### Analysis of net asset value (USD)



### Net asset value

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Personal & Business Banking	31	20 214	15 373	16 594
Corporate & Investment Banking	29	23 963	18 565	21 130
Central and other	(11)	5 768	6 507	7 150
<b>Banking activities</b>	<b>23</b>	<b>49 945</b>	<b>40 445</b>	<b>44 874</b>
Liberty Life	17	3 563	3 050	3 478
<b>Standard Bank Group</b>	<b>23</b>	<b>53 508</b>	<b>43 495</b>	<b>48 352</b>

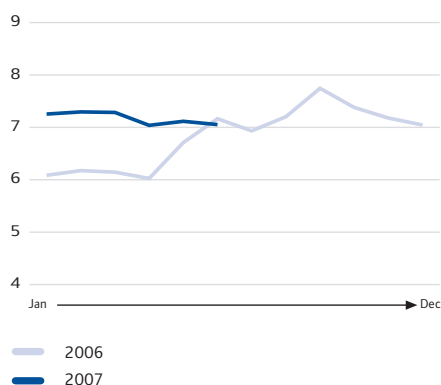
### Analysis of changes in net asset value

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Net asset value at beginning of the period (restated)	27	48 352	37 994	37 994
Group headline earnings for the period attributable to ordinary shareholders	27	6 165	4 869	10 818
Other earnings attributable to ordinary shareholders	66	419	252	330
Dividends paid	22	(2 408)	(1 969)	(3 928)
Currency translation movements, net of hedging	(80)	412	2 062	2 173
Share buy-backs			(102)	(102)
Issue of ordinary share capital and share premium (net)	21	246	203	299
Equity-settled share-based payments	15	105	91	190
Other direct movements	>100	217	95	578
<b>Standard Bank Group net asset value</b>	<b>23</b>	<b>53 508</b>	<b>43 495</b>	<b>48 352</b>

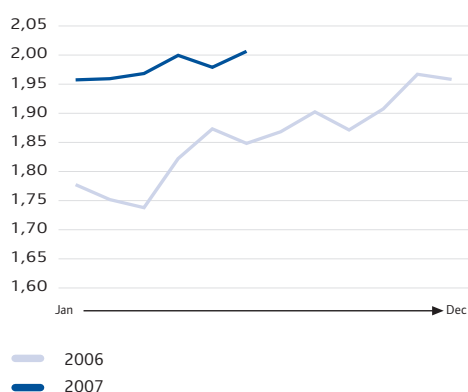
- Strong asset growth in Personal & Business Banking led to increased allocation of equity.
- Growth in equity in Corporate & Investment Banking mainly due to strong risk-weighted asset growth in the banking book, coupled with additional equity to fund growth in Outside Africa.
- The decrease in equity in Central and other mainly due to aforementioned capital allocations.

## Capital management – Currency analysis of net asset value

### Closing USD/ZAR exchange rate



### Closing GBP/USD exchange rate



	Total Rm	Rand Rm	Dollar Rm	Sterling Rm	Euro Rm	ZAR linked Rm	Other Rm
<b>June 2007</b>							
Underlying exposures	53 508	34 292	8 940	2 543	1 911	1 082	4 740
Currency profile changes due to hedging strategies			(4 569)	2 355	2 976		(762)
<b>Actual exposures</b>	<b>53 508</b>	<b>34 292</b>	<b>4 371</b>	<b>4 898</b>	<b>4 887</b>	<b>1 082</b>	<b>3 978</b>
<b>June 2006</b>							
Underlying exposures	43 495	27 940	6 947	1 982	1 720	973	3 933
Currency profile changes due to hedging strategies			(2 866)	2 690	889		(713)
<b>Actual exposures</b>	<b>43 495</b>	<b>27 940</b>	<b>4 081</b>	<b>4 672</b>	<b>2 609</b>	<b>973</b>	<b>3 220</b>
<b>December 2006</b>							
Underlying exposures	48 352	31 620	7 116	2 151	2 226	966	4 273
Currency profile changes due to hedging strategies			(2 843)	2 876	705		(738)
<b>Actual exposures</b>	<b>48 352</b>	<b>31 620</b>	<b>4 273</b>	<b>5 027</b>	<b>2 931</b>	<b>966</b>	<b>3 535</b>

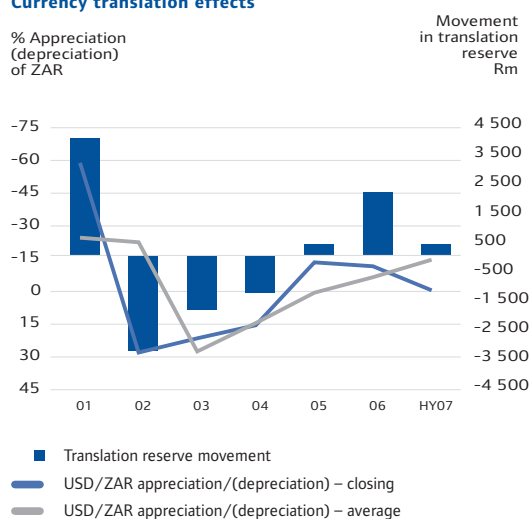
### Closing currency profile of NAV

	Total %	Rand %	Dollar %	Sterling %	Euro %	ZAR linked %	Other %
June 2007 before hedging	100	64	17	5	4	2	8
June 2007 after hedging	100	64	8	9	9	2	8
June 2006 before hedging	100	65	16	4	4	2	9
June 2006 after hedging	100	65	9	11	6	2	7
December 2006 before hedging	100	65	15	4	5	2	9
December 2006 after hedging	100	65	9	10	6	2	8



## Capital management – Currency translation effects

### Currency translation effects



### Exchange rates

	Rate change %			Rates		
	June 2007	June 2006	December 2006	June 2007	June 2006	December 2006
Average USD/ZAR <sup>1</sup>	(14)	1	(6)	7,17	6,31	6,77
Closing USD/ZAR	0	(13)	(11)	7,05	7,17	7,05
Average GBP/ZAR <sup>1</sup>	(25)	2	(8)	14,11	11,29	12,49
Closing GBP/ZAR	(3)	(21)	(26)	14,15	13,24	13,80
Average Euro/ZAR <sup>1</sup>	(23)	2	(8)	9,52	7,75	8,51
Closing Euro/ZAR	(3)	(22)	(24)	9,53	9,16	9,29
<b>Rand (depreciation)/appreciation (weighted for the group) vs African currencies</b>						
Average for the period	6	3	(4)			
Closing	–	(7)	(5)			

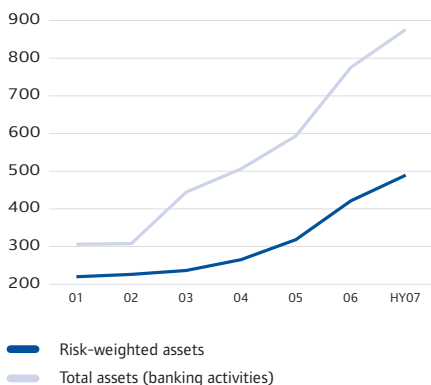
<sup>1</sup> Rand (depreciation)/appreciation for 12 months ending 30 June 2007.

### Movement in group currency translation reserve

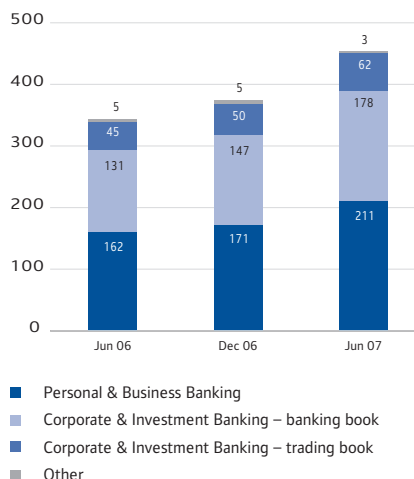
	June 2007 Rm	June 2006 Rm	December 2006 Rm
Balance at the beginning of the year: credit/(debit)	1 779	(394)	(394)
<b>Translation movement for the period</b>	412	2 062	2 173
Translation movements	304	1 931	1 914
Corporate & Investment Banking SA	2	97	63
Rest of Africa	131	305	212
Corporate & Investment Banking Outside Africa	7	821	817
Central and other	159	694	807
Liberty Life	5	14	15
Currency hedge gains	108	131	259
<b>Balance of the net translation reserve: credit</b>	2 191	1 668	1 779

## Capital management – Risk-weighted assets

**Risk-weighted assets trend (closing balances) (Rbn)**



**Risk-weighted assets by risk class (average) (Rbn)**



**Risk-weighted assets by business unit**

	Change %	Closing June 2007 Rm	Closing June 2006 Rm	Closing December 2006 Rm	Change %	Average June 2007 Rm	Average June 2006 Rm	Average December 2006 Rm
Personal & Business Banking	33	226 091	169 644	197 055	30	210 784	162 297	170 693
Corporate & Investment Banking	31	260 089	199 277	219 354	36	239 850	176 544	197 322
Banking book	31	196 601	149 800	165 616	35	177 977	131 375	147 112
Trading book	28	63 488	49 477	53 738	37	61 873	45 169	50 210
Central and other	(40)	3 186	5 323	4 778	(33)	3 034	4 513	5 393
<b>Banking activities</b>	<b>31</b>	<b>489 366</b>	<b>374 244</b>	<b>421 187</b>	<b>32</b>	<b>453 668</b>	<b>343 354</b>	<b>373 408</b>

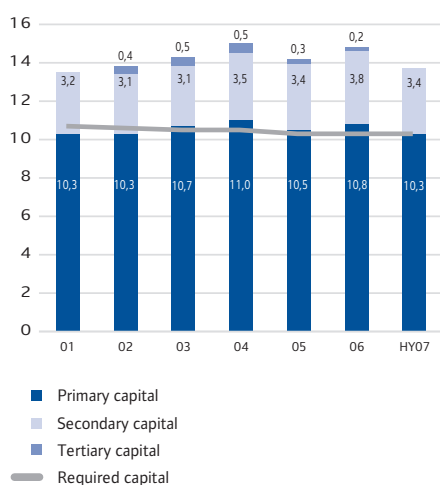
**Risk-weighted assets**

	Change %	Closing June 2007 Rm	Closing June 2006 Rm	Closing December 2006 Rm	Change %	Average June 2007 Rm	Average June 2006 Rm	Average December 2006 Rm
On-balance sheet	32	395 543	299 755	339 273	27	361 635	285 717	306 617
Off-balance sheet	21	30 335	25 012	28 176	>100	30 160	12 468	16 581
Trading activity notional assets	28	63 488	49 477	53 738	37	61 873	45 169	50 210
<b>Banking activities</b>	<b>31</b>	<b>489 366</b>	<b>374 244</b>	<b>421 187</b>	<b>32</b>	<b>453 668</b>	<b>343 354</b>	<b>373 408</b>

- Personal & Business Banking growth reflects a continuation of strong retail advances growth in South Africa, particularly mortgages, credit cards and instalment debtors, as well as the first time inclusion of the Argentina operation.
- Corporate & Investment Banking reflects underlying growth in both the loan and trading books across all geographies. Growth accelerated due to high growth in average risk-weighted assets for Outside Africa, in both banking and trading book activities, combined with continued growth in South Africa and Rest of Africa.

## Capital management – Capital adequacy – regulatory capital

### Capital adequacy (%)



	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Normalised ordinary shareholders' equity	23	53 508	43 495	48 352
Reversal of normalised adjustments		(5 637)	(5 314)	(5 436)
<b>IFRS ordinary shareholders' equity</b>	<b>25</b>	<b>47 871</b>	<b>38 181</b>	<b>42 916</b>
Minority interest	89	630	334	398
Perpetual preference shares	23	5 495	4 481	5 495
Less: elimination of insurance operations <sup>1</sup>	23	(3 177)	(2 583)	(2 748)
Less: impairments and other	(5)	(572)	(605)	(646)
<b>Tier I capital</b>	<b>26</b>	<b>50 247</b>	<b>39 808</b>	<b>45 415</b>
Preference share capital	–	8	8	8
Tier II subordinated debt	12	14 404	12 813	14 276
Provision for performing loans	52	2 071	1 361	1 672
Revaluation reserve	14	201	176	215
<b>Tier II capital</b>	<b>16</b>	<b>16 684</b>	<b>14 358</b>	<b>16 171</b>
<b>Tier III capital</b>	<b>(100)</b>	<b>–</b>	<b>886</b>	<b>882</b>
<b>Total regulatory capital</b>	<b>22</b>	<b>66 931</b>	<b>55 052</b>	<b>62 468</b>

<sup>1</sup>In accordance with Basel II principles relating to the treatment of insurance entities, insurance operations are excluded from the capital base and risk-weighted assets. Capital in insurance operations in excess of statutory minimum requirements is accordingly not recognised in group capital.

### Standard Bank Group capital adequacy ratios

	Effective group constraint (including buffers) %	Regulatory constraint %	June 2007 %	June 2006 %	December 2006 %
Total capital adequacy ratio	13,4	10,0	13,7	14,7	14,8
Tier I capital adequacy ratio	9,4	6,0	10,3	10,6	10,8
Preference shares as % of Tier I		20,0	10,9	11,3	12,1
Tier II and III as % of Tier I		100,0	33,2	38,3	37,5
Lower Tier II as % of Tier I		50,0	28,7	32,2	31,4
Ordinary equity as % of capital			66,9	64,2	63,9
Preference shares as % of capital			8,2	8,1	8,8
Tier II and III as % of capital			24,9	27,7	27,3

## Capital management – Capital adequacy ratios

	June 2007				June 2006				December 2006				Host regulatory requirement %
	Tier I capital %	Tier II capital %	Tier III capital %	Total capital %	Tier I capital %	Tier II capital %	Tier III capital %	Total capital %	Tier I capital %	Tier II capital %	Tier III capital %	Total capital %	
<b>Standard Bank Group</b>	10,3	3,4	–	13,7	10,6	3,9	0,2	14,7	10,8	3,8	0,2	14,8	–
<b>The Standard Bank of South Africa (SBSA)</b>	7,9	3,4	0,1	11,4	8,1	4,1	0,2	12,4	8,4	3,8	0,2	12,4	10
<b>Rest of Africa</b>													
Stanbic Bank Botswana	8,8	8,5	–	17,3	11,4	7,2	–	18,6	11,3	5,7	–	17,0	15
Stanbic Bank Congo	27,2	0,7	–	27,9	13,3	–	–	13,3	21,6	–	–	21,6	10
Stanbic Bank Ghana	10,9	4,3	–	15,2	18,1	0,6	–	18,7	14,5	–	–	14,5	10
Stanbic Bank Kenya	15,6	0,7	–	16,3	16,9	0,9	–	17,8	14,6	0,7	–	15,3	12
Stanbic Bank Nigeria	30,7	0,1	–	30,8	165,2	0,2	–	165,4	51,5	0,2	–	51,7	10
Stanbic Bank Tanzania	10,3	1,8	–	12,1	10,2	0,4	–	10,6	14,1	2,0	–	16,1	12
Stanbic Bank Uganda	14,0	0,1	–	14,1	14,3	1,4	–	15,7	16,2	0,5	–	16,7	12
Stanbic Bank Zambia	12,3	5,3	–	17,6	21,2	0,3	–	21,5	16,1	5,8	–	21,9	10
Stanbic Bank Zimbabwe	8,1	6,9	–	15,0	21,3	10,8	–	32,1	30,6	13,3	–	43,9	10
Standard Bank Malawi	13,3	3,8	–	17,1	12,5	6,3	–	18,8	11,6	5,0	–	16,6	10
Standard Bank Mauritius	23,9	–	–	23,9	45,0	0,8	–	45,8	25,6	0,7	–	26,3	10
Standard Bank Mozambique	11,2	4,5	–	15,7	10,0	–	–	10,0	9,4	–	–	9,4	8
Standard Bank Namibia	10,4	3,3	–	13,7	9,5	3,3	–	12,8	9,3	3,2	–	12,5	10
Standard Bank Swaziland	9,1	3,0	–	12,1	7,8	3,0	–	10,8	10,4	3,3	–	13,7	8
Standard Lesotho Bank	11,5	0,8	–	12,3	17,2	–	–	17,2	10,1	0,6	–	10,7	8
<b>Standard International Holdings, incorporating</b>	8,6	4,5	0,5	13,6	9,2	5,8	1,2	16,2	7,4	6,5	0,9	14,8	10-12
– Banco Standard de Investimentos (Brazil)													
– Standard Bank Argentina													
– Standard Bank Asia (Hong Kong)													
– Standard Bank Plc (United Kingdom)													
– Standard Merchant Bank (Asia) (Singapore)													
– ZAO Standard Bank (Russia)													
Standard Bank Isle of Man	10,5	4,1	–	14,6	8,3	3,3	–	11,6	8,7	4,4	–	13,1	10
Standard Bank Jersey	7,2	3,7	–	10,9	7,7	5,4	–	13,1	8,6	3,9	–	12,5	10
Aggregate regulatory capital requirement				10,3				10,3				10,3	
Liberty Life (calculated in terms of the Long-term Insurance Act)													
– CAR – times covered				2,1				2,1				2,3	

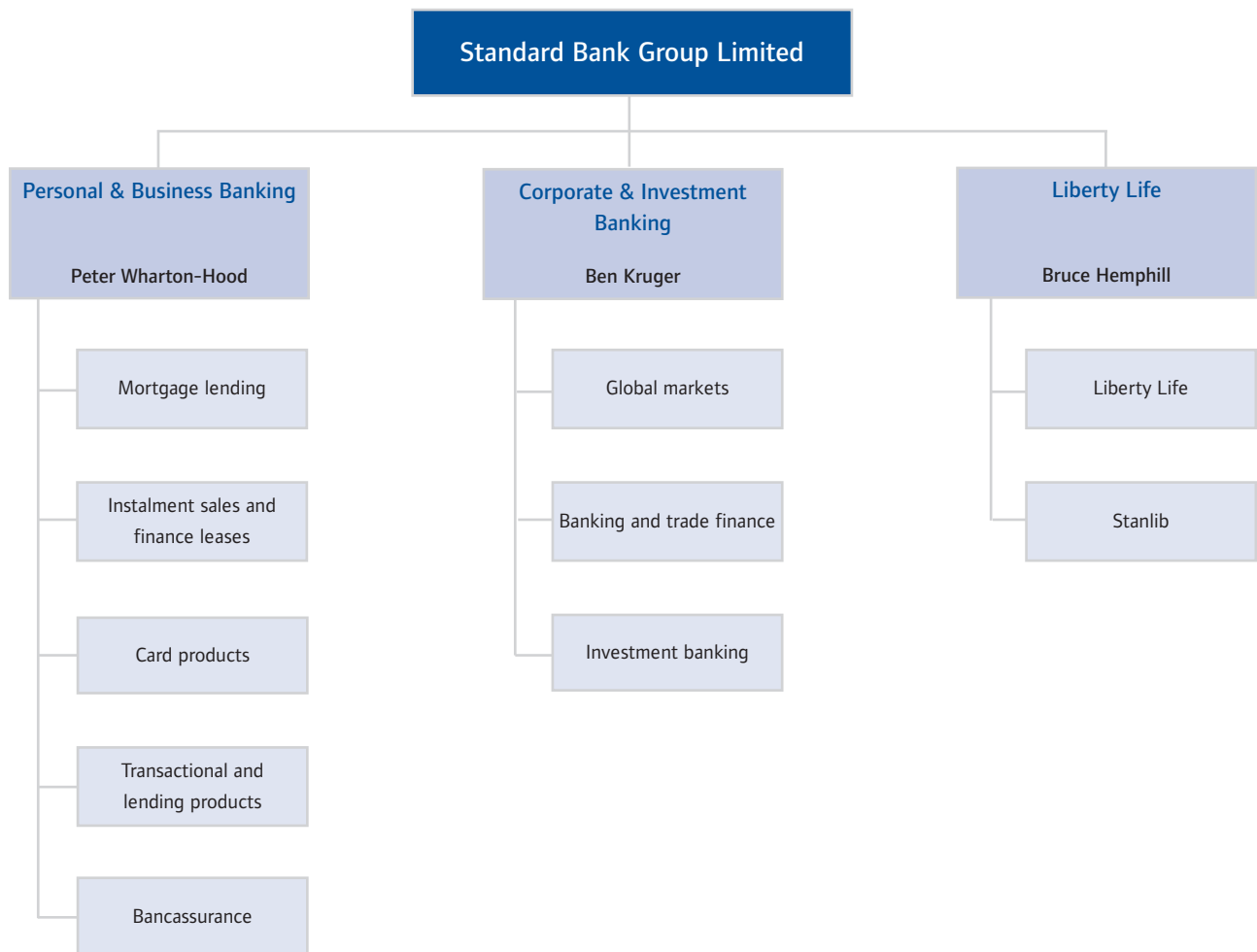
Changes in capital adequacy ratios in the main are a function of variations in risk-weighted assets, profits earned and dividends paid. In addition, the following capital raising activities took place:

- Stanbic Bank Ghana raised \$8 million tier II capital from the International Finance Corporation (IFC);
- Standard Bank Mozambique raised the equivalent of \$10 million tier II capital in the local market;
- The group injected \$183 million additional equity capital into Standard International Holdings to fund growth and the acquisition of BankBoston operations in Argentina; and
- Subsequent to balance sheet date, SBSA raised \$355 million in tier II capital through a private placement with institutional US investors.

## Business unit review

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## Reporting structure for key business units



## Description of key business units

The group has refined the retail and corporate components of its operations in the Rest of Africa. This has resulted in a marginal adjustment to June 2006 consolidated segment results.

Below is a brief overview of the segmentation definitions.

### Personal & Business Banking

Banking and other financial services to individual customers and small- to medium-sized enterprises throughout South Africa, Rest of Africa and Argentina.

**Mortgage lending** – Provides residential accommodation loans to individual customers.

**Instalment sales and finance leases** – Comprises two main areas, instalment finance in the consumer market, mainly vehicles, and secondly, finance of vehicles and equipment in the business market.

**Card products** – Provides credit card facilities to individuals and businesses.

**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.

**Bancassurance** – Provides short-term and long-term insurance products, mainly through third parties, and provides financial planning services to clients.

### Corporate & Investment Banking

Commercial and investment banking services to larger corporates, financial institutions and international counterparties, in South Africa and other emerging markets.

**Global markets** – Includes foreign exchange, fixed income, derivatives, equities and commodities trading businesses, securitisation, debt origination, and money market funding units.

**Banking and trade finance** – Includes corporate lending and transactional banking businesses, custodial services, trade finance business and property related lending.

**Investment banking** – Includes equity investment and advisory businesses, project finance, structured lending as well as the asset and wealth management units.

### Central and other

Includes the impact of the Tutuwa Black Economic Empowerment Ownership initiative and group capital instruments, together with certain group overheads not recoverable from business segments, activities and taxes not allocated to business segments and inter-segment eliminations.

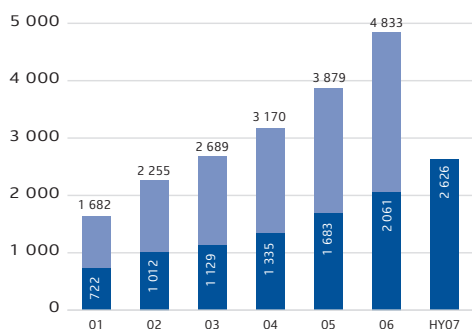
### Investment Management & Life Insurance (Liberty Life)

Life insurance and asset management activities of group company Liberty Life and its now wholly owned subsidiary, Stanlib.

## Personal & Business Banking

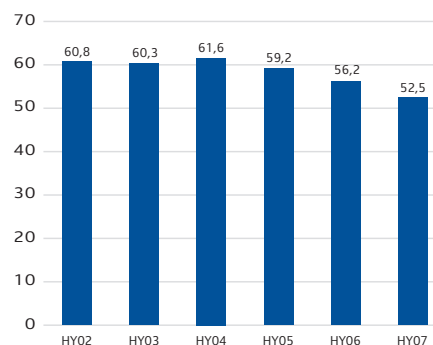
### Personal & Business Banking – headline earnings (Rm)

CAGR (HY2001 - HY2007): 24%



- Headline earnings – first half
- Headline earnings – second half

### Personal & Business Banking – cost-to-income ratio (%)

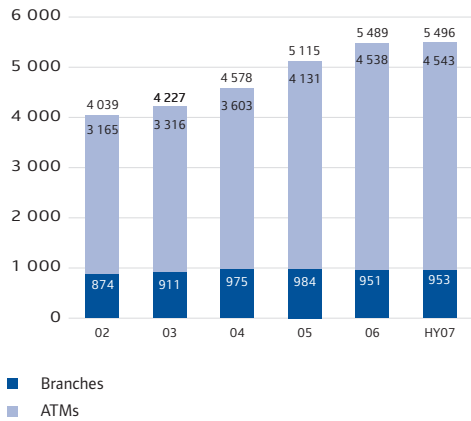


### Income statement

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Net interest income	39	6 973	5 022	11 169
Non-interest revenue	18	5 460	4 627	9 786
<b>Total income</b>	<b>29</b>	<b>12 433</b>	<b>9 649</b>	<b>20 955</b>
Credit impairment charges	80	1 913	1 062	2 333
<b>Income after credit impairment charges</b>	<b>23</b>	<b>10 520</b>	<b>8 587</b>	<b>18 622</b>
Operating expenses	20	6 572	5 462	11 361
<b>Net income before associates and joint ventures</b>	<b>26</b>	<b>3 948</b>	<b>3 125</b>	<b>7 261</b>
Share of profit from associates and joint ventures	29	93	72	145
<b>Net income before taxation</b>	<b>26</b>	<b>4 041</b>	<b>3 197</b>	<b>7 406</b>
Taxation	21	1 371	1 129	2 526
<b>Profit for the period</b>	<b>29</b>	<b>2 670</b>	<b>2 068</b>	<b>4 880</b>
Attributable to minorities	>100	23	7	19
<b>Attributable to ordinary shareholders</b>	<b>28</b>	<b>2 647</b>	<b>2 061</b>	<b>4 861</b>
Headline adjustable items		(21)	-	(28)
<b>Headline earnings</b>	<b>27</b>	<b>2 626</b>	<b>2 061</b>	<b>4 833</b>
ROE (%)		28,8	29,1	31,7
Total assets	38	325 926	236 867	275 474
Net loans and advances (external)	35	306 841	227 829	265 131
Net interest margin (%)		4,65	4,53	4,68
Cost-to-income ratio (%)		52,5	56,2	53,8
Credit loss ratio (%)		1,32	0,99	1,00
Effective taxation rate (%)		33,9	35,3	34,1



### Personal & Business Banking – points of representation



#### Favourable

- Strong advances growth across most products, particularly in mortgage advances and card debtors, coupled with the positive endowment effect of increasing average interest rates.
- Higher fee and commission revenue, notwithstanding sub-inflation price increases, due to a larger customer base, as well as higher transactional volumes and values.
- Improved bancassurance earnings due to increased policy sales partly offset by a higher short-term insurance claims loss ratio.

#### Adverse

- Continued reliance on wholesale priced funding, increased pricing concessions as competition in mortgage lending increased, Usury Act constraints as well as increased mortgage origination commission incurred.
- Credit impairments on non-performing loans impacted by growth in advances, including card lending, mortgage advances and vehicle financing, coupled with increased arrear accounts in a higher interest rate environment.
- Portfolio impairments on performing loans increased by growth in advances, increasing interest rates and generally weaker economic conditions.
- Operating expenses increased by business growth, operational maintenance, regulatory compliance, marketing costs and continued investment in electronic channel infrastructure.

## Personal & Business Banking continued

### Total income and headline earnings by product

	Change %	Total income			Change %	Headline earnings		
		June 2007 Rm	June 2006 Rm	Dec 2006 Rm		June 2007 Rm	June 2006 Rm	Dec 2006 Rm
Mortgage lending	23	1 631	1 321	2 853	14	444	388	876
Instalment sales and finance leases	38	1 004	728	1 603	46	51	35	202
Card products	26	1 718	1 361	3 015	22	113	93	441
Transactional and lending products	29	7 257	5 627	12 017	26	1 702	1 356	2 766
Bancassurance	34	823	612	1 467	67	316	189	548
<b>Personal &amp; Business Banking</b>	<b>29</b>	<b>12 433</b>	<b>9 649</b>	<b>20 955</b>	<b>27</b>	<b>2 626</b>	<b>2 061</b>	<b>4 833</b>

### External loans and advances by product

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Gross loans and advances to customers</b>	<b>35</b>	<b>310 952</b>	<b>230 520</b>	<b>268 267</b>
Mortgage loans	36	193 914	142 831	170 112
Instalment sales and finance leases	28	55 906	43 690	48 977
Card debtors	45	20 532	14 117	16 947
Overdrafts and other demand loans	23	17 809	14 513	15 580
Term loans and revolving credit accounts	45	20 681	14 216	15 728
Other loans and advances	83	2 110	1 153	923
<b>Credit impairments for loans and advances</b>	<b>53</b>	<b>(4 111)</b>	<b>(2 691)</b>	<b>(3 136)</b>
Credit impairments for non-performing loans	51	(2 326)	(1 536)	(1 755)
Credit impairments for performing loans	55	(1 785)	(1 155)	(1 381)
<b>Net loans and advances</b>	<b>35</b>	<b>306 841</b>	<b>227 829</b>	<b>265 131</b>
<b>Securitised assets consolidated above:</b>				
Mortgage loans	>100	14 761	7 057	9 997
Instalment sales and finance leases	31	3 454	2 633	4 436
<b>Securitised assets</b>	<b>88</b>	<b>18 215</b>	<b>9 690</b>	<b>14 433</b>

### Deposit and current accounts by product

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Wholesale priced deposit and current accounts</b>	<b>99</b>	<b>40 902</b>	<b>20 510</b>	<b>30 992</b>
Call deposits	93	22 750	11 790	16 671
Securitisation issuance consolidated	>100	18 152	8 720	14 321
<b>Retail priced deposit and current accounts</b>	<b>30</b>	<b>139 909</b>	<b>107 623</b>	<b>121 300</b>
Current accounts	21	44 227	36 652	41 372
Cash management deposits	36	5 595	4 103	4 466
Call deposits	33	32 769	24 637	27 223
Savings accounts	39	20 904	15 009	17 597
Term deposits	37	30 736	22 403	25 924
Other deposits	18	5 678	4 819	4 718
<b>Intragroup funding</b>	<b>34</b>	<b>117 689</b>	<b>87 916</b>	<b>101 930</b>
<b>Total</b>	<b>38</b>	<b>298 500</b>	<b>216 049</b>	<b>254 222</b>

### Mortgage lending

- Income growth supported by 36% asset growth, driven by a still buoyant residential property market.
- Margins compressed by increased amortisation of origination costs, higher average concessions granted and higher funding costs.
- Significant increases in credit impairment charges, driven by increased interest rates and consequential higher incidence of short payments of loan instalments.

### Instalment sales and finance leases

- Strong growth in the motor book following a renewed focus on the dealer channel.
- Margins improved due to the refinement of the credit scorecard and the pricing thereof.
- Credit impairment charges increased on the back of a shift in the portfolio mix.

### Card products

- 45% balance growth driven by an increase in revolving customers.
- Rate ceiling set by Usury Act only increased in line with the prime rate in March 2007.
- Growth in fee and commission income supported by an increased customer base.
- New volumes have declined significantly due to strong competitor activity and a decrease in the quality of data from outbound campaigns.
- Credit provisioning increased at a similar rate to the growth in the debtors book.

### Transactional and lending products

- Income growth boosted by the positive endowment effect of increasing interest rates.
- Margins reduced slightly by a shift in product mix towards more expensive money market call deposits.
- Higher non-interest revenues as the customer base increased despite sub-inflation average price increases, partially offset by a decrease in average volumes per account.
- Increased income from associates and joint ventures mainly due to the increased stake in RCS Investment Holdings (retailer) whilst income from ABIL Joint Venture (microlender) decreased following termination of joint venture in May 2007.

### Bancassurance

- Simple embedded life cover product profit grew significantly due to higher average policy income and reduced claims loss ratios.
- Personal short-term insurance product profit grew strongly on the back of good policy volumes, higher average policy income and cost growth being contained.
- Short-term underwriting profits were impacted by higher loss ratios but assisted by strong investment income growth.

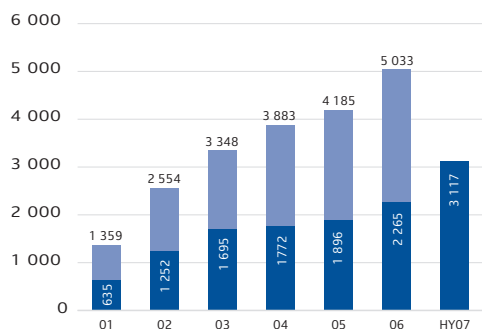
## Key business statistics – Personal & Business Banking South Africa

	Change %	June 2007	June 2006	December 2006
<b>Mortgage loans</b>				
Growth in value of registrations (%)		24	33	43
Average loan to value (LTV) of new business (%)		83	83	81
Average instalment to income (ITI) (%)		25	22	26
Proportion of new business from originators and external channels (%)		65	63	65
<b>Instalment sales and finance leases</b>				
Growth in value of new loans				
– motor (%)		22	26	18
– non-motor (%)		24	30	24
<b>Number of accounts at period end (000's)</b>				
Card accounts	7	2 362	2 205	2 287
Current accounts	11	1 414	1 277	1 327
Number of other transaction and savings accounts (excl. nil balance accounts)	7	4 716	4 406	4 573
Mzansi accounts	51	554	368	439
<b>Distribution</b>				
Growth in Internet users (%)		24	28	25
Growth in ATM transactions (%)		8	10	10

## Corporate & Investment Banking

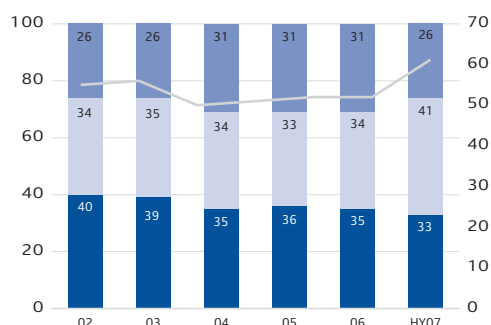
### Corporate & Investment Banking – headline earnings (Rm)

CAGR (HY2001 - HY2007): 30%



- Headline earnings – first half
- Headline earnings – second half

### Corporate & Investment Banking income contribution (%)

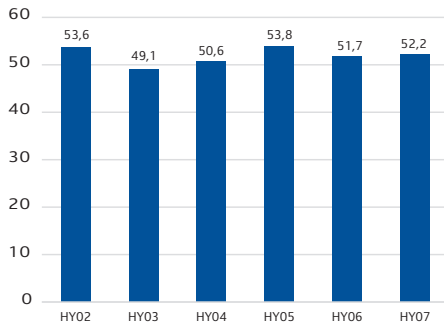


- Fees and other revenue
- Trading revenue
- Net interest income
- Trading revenue as a percentage of NIR

### Income statement

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Net interest income	34	2 968	2 223	5 116
Non-interest revenue	51	6 159	4 080	9 344
<b>Total income</b>	<b>45</b>	<b>9 127</b>	<b>6 303</b>	<b>14 460</b>
Credit impairment charges	(18)	196	238	335
<b>Income after credit impairment charges</b>	<b>47</b>	<b>8 931</b>	<b>6 065</b>	<b>14 125</b>
Operating expenses	47	4 810	3 271	7 650
<b>Net income before goodwill</b>	<b>47</b>	<b>4 121</b>	<b>2 794</b>	<b>6 475</b>
Goodwill impairment	(100)	–	4	15
<b>Net income before associates and joint ventures</b>	<b>48</b>	<b>4 121</b>	<b>2 790</b>	<b>6 460</b>
Share of profit from associates and joint ventures	>100	94	26	73
<b>Net income before taxation</b>	<b>50</b>	<b>4 215</b>	<b>2 816</b>	<b>6 533</b>
Taxation	96	1 043	532	1 442
<b>Profit for the period</b>	<b>39</b>	<b>3 172</b>	<b>2 284</b>	<b>5 091</b>
Attributable to minorities	>100	52	22	62
<b>Attributable to ordinary shareholders</b>	<b>38</b>	<b>3 120</b>	<b>2 262</b>	<b>5 029</b>
Headline adjustable items		(3)	3	4
<b>Headline earnings</b>	<b>38</b>	<b>3 117</b>	<b>2 265</b>	<b>5 033</b>
ROE (%)		27,1	28,2	27,7
Total assets	8	551 559	512 148	494 413
Net loans and advances (external)	16	283 196	243 829	237 390
Net interest margin (%)		1,47	1,37	1,40
Cost-to-income ratio (%)		52,2	51,7	52,6
Credit loss ratio (%)		0,16	0,24	0,15
Effective taxation rate (%)		24,7	18,9	22,1

### Corporate & Investment Banking – cost-to-income ratio (%)



#### Favourable

- Net interest income increase driven by 40% growth in customer loans and advances.
- Higher net fee and commission revenue mainly from increased transaction volumes, as well as arranging fees in securitisation.
- Strong trading performance, notably in Outside Africa, driven by improved trading in debt capital markets, sustained volumes in forex trading and improved results from equity derivative trading.
- Translation benefits on revenue of a weaker average Rand/Dollar exchange rate, R7,17 (June 2006: R6,31).
- Recoveries on rehabilitation of non-performing loans and minimal new provisions required for non-performing loans.

#### Adverse

- Lower property related revenue due to reduced investment realisation, partly offset by higher fair value gains on the listed property portfolio.
- Low growth in commodity trading income due to difficult base metals futures markets.
- Reduced income from infrastructure fund portfolios.
- Staff cost growth due to higher incentive provisions in line with business performance and increased headcount driven by business growth.
- Higher non-staff operating expenditure attributable to infrastructural costs, professional fees and marketing costs to build scale in operations in the global business.
- Reduced proportion of dividend income and capital profits resulted in a substantially increased effective taxation rate.

## Corporate & Investment Banking continued

### Total income and headline earnings by product

	Change %	Total income			Change %	Headline earnings		
		June 2007 Rm	June 2006 Rm	Dec 2006 Rm		June 2007 Rm	June 2006 Rm	Dec 2006 Rm
Global markets	65	4 167	2 521	5 874	65	1 326	803	1 880
Banking and trade finance	32	3 633	2 747	5 855	44	1 184	822	1 574
Investment banking	28	1 327	1 035	2 731	(5)	607	640	1 579
<b>Corporate &amp; Investment Banking</b>	<b>45</b>	<b>9 127</b>	<b>6 303</b>	<b>14 460</b>	<b>38</b>	<b>3 117</b>	<b>2 265</b>	<b>5 033</b>

### External loans and advances by product

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Loans and advances to banks</b>	(17)	<b>84 513</b>	101 688	89 243
Call loans	(15)	14 044	16 514	14 208
Loans granted under resale agreements	8	25 329	23 553	21 517
Balances with banks	(27)	45 140	61 621	53 518
<b>Loans and advances to customers</b>	<b>40</b>	<b>198 683</b>	142 141	148 147
<i>Gross loans and advances to customers</i>	39	200 540	143 882	149 866
Mortgage loans	27	1 024	805	921
Overdrafts and other demand loans	49	32 551	21 850	18 564
Medium and other term loans	37	90 302	65 702	79 058
Loans granted under resale agreements	33	29 261	21 930	14 730
Commercial property finance	25	21 738	17 328	19 960
Foreign currency loans	61	20 031	12 480	12 336
Other loans and advances	49	5 633	3 787	4 297
<i>Credit impairments for loans and advances</i>	7	(1 857)	(1 741)	(1 719)
Credit impairments for non-performing loans	(18)	(888)	(1 083)	(853)
Credit impairments for performing loans	47	(969)	(658)	(866)
<b>Net loans and advances</b>	<b>16</b>	<b>283 196</b>	243 829	237 390
<b>Comprising:</b>				
Gross loans and advances	16	285 053	245 570	239 109
Less: credit impairments	7	(1 857)	(1 741)	(1 719)
<b>Net loans and advances</b>	<b>16</b>	<b>283 196</b>	243 829	237 390

### Global markets

- Strong trading performances in debt capital markets across all geographies, largely driven by high liquidity levels and demand for yield.
- Good results from interest rate desks on the back of favourable market conditions and increased client flows.
- Solid performance from equity derivatives business driven by buoyant equity markets.
- Increase in new debt capital market issuance positively impacted primary markets trading.
- Additional trading income from inclusion of acquisition in Argentina.
- Difficult trading conditions experienced in base metal futures and options markets.

### Banking and trade finance

- Strong growth in overnight deposit balances and the margins thereon.
- Growth in term and commercial property lending in South Africa and the loan book in the Rest of Africa, mainly in Nigeria, Tanzania and Zambia.
- Additional fee income from inclusion of acquisition in Argentina.
- Growth in volumes in transactional business.
- Higher revenues in the custody business driven by both transaction volume growth and increased assets under custody.
- Increase in portfolio provisions against performing loans.

### Investment banking

- Strong performance of the unlisted private equity portfolio.
- Lower property related revenue due to reduced investment realisation, partly offset by fair value gains on the listed property portfolio.
- Higher advisory deal flow in project finance, energy finance, corporate finance and structured finance businesses.
- Reduced income from infrastructure funds off a high base in the comparative period.

## Liberty Life

### Income statement

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Net insurance premiums	23	11 641	9 497	20 066
Investment income and gains	9	15 844	14 600	38 634
Management and service fee income	7	895	840	1 710
<b>Total income</b>	14	<b>28 380</b>	24 937	60 410
Benefits due to policyholders	13	21 795	19 265	47 896
Net insurance benefits and claims	11	17 577	15 804	38 140
Fair value adjustment to policyholders' liabilities under investment contracts	54	4 217	2 730	8 276
Fair value adjustment on third party fund interests	(100)	1	731	1 480
<b>Income after policyholders' benefits</b>	16	<b>6 585</b>	5 672	12 514
Operating expenses	21	3 528	2 924	6 486
<b>Net income before associates and joint ventures</b>	11	<b>3 057</b>	2 748	6 028
Share of profit from associates and joint ventures	>100	42	6	57
<b>Net income before taxation</b>	13	<b>3 099</b>	2 754	6 085
Taxation	13	1 339	1 186	2 713
<b>Profit for the period</b>	12	<b>1 760</b>	1 568	3 372
Attributable to minorities	11	1 246	1 118	2 412
<b>Attributable to ordinary shareholders</b>	14	<b>514</b>	450	960
Headline adjustable items	(100)	–	(120)	(117)
<b>Headline earnings</b>	56	<b>514</b>	330	843
ROE (%)		31,4	22,5	26,5
Return on embedded value <sup>1</sup> (%)		24,7	17,4	22,4
Total assets		218 401	187 835	202 838
Normalised embedded value <sup>1</sup>		25 902	20 511	23 017

<sup>1</sup>Liberty Life as published.

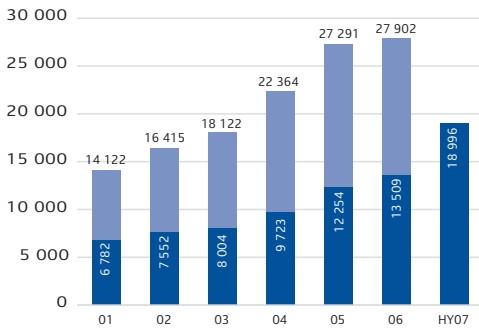
### Favourable

- Good investment market performance, resulting in a weighted average investment return in Liberty Life portfolios of 21,95% (annualised) (June 2006: 31,91% annualised).
- Strong growth in new business sales and a more profitable mix of new business.
- Stanlib continued to improve its investment performance against its peers, though earnings growth was impacted by the discontinuance of certain revenue streams and investing in skilled staff.
- Higher policyholder asset base on which asset management fees are earned.
- Increased return on embedded value supported by increased fair value adjustments on financial services subsidiaries, buoyant investment markets and improved new business.

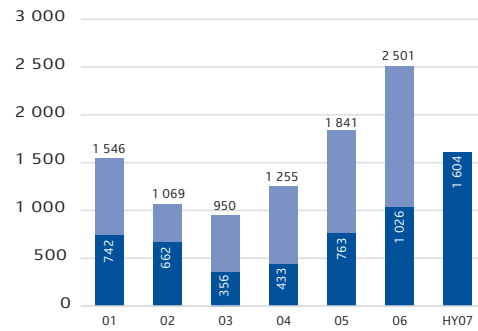
### Adverse

- Continued uncertainty in the savings component of the industry until detail available in Government's proposed introduction of compulsory savings legislation.
- Increase in mortality claims across all life licences resulting in a decrease in experience risk profits.
- Increased compliance burden on insurers to monitor brokers' FICA compliance regarding identification and verification of clients.
- Recent interest rate increases and higher volatility in investment markets.
- R33 billion of Public Investment Corporation (PIC) assets under management by Stanlib moved back to PIC in December 2006.



**Net premium income and inflows (Rm)**

- Net premium income and inflows – first half
- Net premium income and inflows – second half

**IFRS headline earnings (Rm)<sup>1</sup>**

- Headline earnings – first half
- Headline earnings – second half

<sup>1</sup>Liberty Life as published.

**External assets under management**

	Change %	June 2007 Rbn	June 2006 Rbn	December 2006 Rbn
<b>Asset management – assets under management</b>				
Segregated funds	(27)	66	90	65
Properties		2	2	2
<b>Total asset management – assets under management</b>	<b>(26)</b>	<b>68</b>	<b>92</b>	<b>67</b>
<b>Wealth management – funds under administration</b>				
Single manager unit trust	78	48	27	37
Alternate single manager business	100	6	3	6
Institutional marketing	14	8	7	5
Linked and structured life		4	–	–
Linked products	56	14	9	10
Structured products	(86)	3	22	23
Multi-manager	(23)	10	13	13
Institutional unit trusts		2	–	–
Rest of Africa		9	9	8
<b>Total wealth management – funds under administration</b>	<b>16</b>	<b>104</b>	<b>90</b>	<b>102</b>
<b>Total external assets under management</b>	<b>(5)</b>	<b>172</b>	<b>182</b>	<b>169</b>

## Liberty Life continued

Reconciliation of headline earnings 2006 periods: Stanlib jointly held		June 2006	December 2006
		Rm	Rm
<b>Standard Bank Group</b>			
Share of Liberty Holdings		264	681
Share of Stanlib		49	101
Treasury shares – Standard Bank		(26)	(235)
<b>IFRS headline earnings</b>		287	547
Normalised adjustments		43	296
Dividends on preference shares		13	27
Treasury shares – Standard Bank		26	235
Treasury shares – Liberty Holdings		4	34
<b>Normalised headline earnings</b>		330	843
		Jun 06: 57,2%; Dec 06: 57,2% <sup>1</sup>	
<b>Liberty Holdings Limited</b>			
Share of Liberty Group		533	1 303
Liberty Holdings earnings		(63)	(57)
Treasury shares – Liberty Holdings		(6)	(56)
<b>IFRS headline earnings</b>		464	1 190
Normalised adjustments		28	102
Dividends on preference shares		22	46
Treasury shares – Liberty Holdings		6	56
<b>Normalised headline earnings</b>		492	1 292
		Jun 06: 52,2%; Dec 06: 52,1% <sup>2</sup>	
<b>Liberty Group Limited – Effective holdings</b>			
Jun 06: 29,8%; Dec 06: 29,8% <sup>3</sup>		1 026	2 501
IFRS headline earnings		43	88
Normalised adjustment – dividends on preference shares		1 069	2 589
<b>Normalised headline earnings</b>		1 069	2 589
		37,4%	
<b>Stanlib</b>			
Effective holding 48,8%		131	267
As published			
<b>Quantum Leap Investments</b>			
		25,2%	
<b>Stanlib</b>			
Effective holding 31,2%			
As published			

Reconciliation of headline earnings 2007: Stanlib owned by Liberty		June 2007
		Rm
<b>Standard Bank Group</b>		
Share of Liberty Holdings		464
Share of Liberty Group		20
Treasury shares – Standard Bank		(36)
<b>IFRS headline earnings</b>		448
Normalised adjustments		66
Dividends on preference shares		14
Treasury shares – Standard Bank		36
Treasury shares – Liberty Holdings		16
<b>Normalised headline earnings</b>		514
		58,6% (closing: 58,7%) <sup>1</sup>
<b>Liberty Holdings Limited</b>		
Share of Liberty Group		820
Liberty Holdings earnings		1
Treasury shares – Liberty Holdings		(25)
<b>IFRS headline earnings</b>		796
Normalised adjustments		50
Dividends on preference shares		25
Treasury shares – Liberty Holdings		25
<b>Normalised headline earnings</b>		846
		51,1% (closing: 50,3%) <sup>2</sup>
<b>Liberty Group Limited – Effective holding 31,2%</b>		
(Closing: 32,0%) <sup>3</sup>		1 604
IFRS headline earnings		48
Normalised adjustment – dividends on preference shares		1 652
<b>Normalised headline earnings</b>		1 652
		100,0%
<b>Stanlib</b>		
Effective holding 31,2%		
(Closing: 32,0%) <sup>4</sup>		

<sup>1</sup> Average holding during the period, before adjusting for deemed treasury shares.

<sup>2</sup> Average holding during the period.

<sup>3</sup> Average effective holding in Liberty Life, before adjusting for deemed treasury shares.

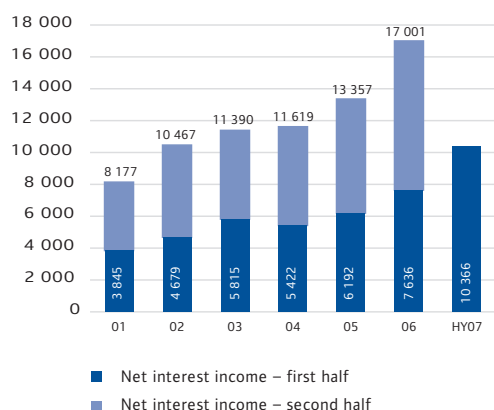
<sup>4</sup> Direct holding in Liberty Life following the sale of Stanlib to Liberty.

## Banking activities

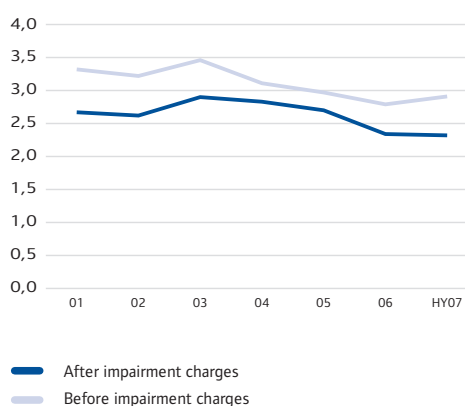
50	Net interest income and margin analysis
52	Non-interest revenue
54	Credit impairment charges
56	Non-performing loans
59	Operating expenses
60	Staff costs and headcount analysis
61	Other operating expenses
62	Loans and advances
64	Deposit and current accounts
66	Subordinated debt
67	The Standard Bank of South Africa Limited

## Net interest income (NII) and margin analysis (NIM)

Net interest income (Rm)



Group net interest margin (%)



	NII Change %	June 2007 NII Rm	June 2007 NIM %	June 2006 NII Rm	June 2006 NIM %	December 2006 NII Rm	December 2006 NIM %
Personal & Business Banking	39	6 973	4,65	5 022	4,53	11 169	4,68
Corporate & Investment Banking	34	2 968	1,47	2 223	1,37	5 116	1,40
Central and other	9	425		391		716	
<b>Banking activities</b>	<b>36</b>	<b>10 366</b>	<b>2,91</b>	<b>7 636</b>	<b>2,75</b>	<b>17 001</b>	<b>2,79</b>

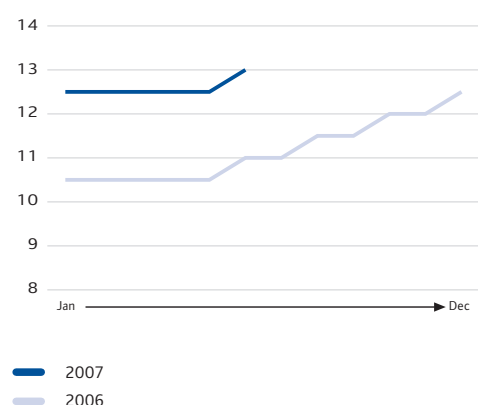
### Favourable

- Net interest income benefited from strong balance growth across the group.
- Positive endowment impact from higher interest rates.
- Change in the mix of the group balance sheet with increased proportion of higher margin Personal & Business Banking assets.
- Continuing change in mix of the card book to higher yielding clients.
- Reduced concessions on new instalment sales and finance leases.
- First time inclusion of Argentina.
- Positive mismatch benefit of term deposit book as rates increased.

### Adverse

- Continuing reliance on more expensive wholesale funding to support strong growth in assets.
- Increased competition driving concession rates on new mortgage lending and higher mortgage lending origination costs.
- Higher cost of liquid assets held for prudential requirements subject to negative mark-to-market as rates increased, including higher effective cost of reserving as rates increased.
- Unchanged Usury Act rate ceiling for the first quarter.
- Lower yields earned on commercial property finance due to competitive pressures coupled with a higher cost of funding.

## Prime interest rate (%)



## Movement in average assets, NII and group NIM

	Average assets Rm	NII Rm	NIM %
<b>June 2006 – banking activities</b>	<b>560 165</b>	<b>7 636</b>	<b>2,75</b>
Personal & Business Banking	79 030	1 951	0,05
Corporate & Investment Banking	79 096	745	0,05
Central and other	(882)	34	0,02
Change in mix			0,04
<b>June 2007 – banking activities</b>	<b>717 409</b>	<b>10 366</b>	<b>2,91</b>

## Movement in NII and margin per business unit

	Personal & Business Banking		Corporate & Investment Banking		Banking activities Total	
	NII Rm	NIM %	NII Rm	NIM %	NII Rm	NIM %
<b>June 2006</b>	<b>5 179</b>	<b>4,54</b>	<b>2 066</b>	<b>1,30</b>	<b>7 636</b>	<b>2,75</b>
Reclassifications	(157)	(0,01)	157	0,07		
<b>Restated June 2006</b>	<b>5 022</b>	<b>4,53</b>	<b>2 223</b>	<b>1,37</b>	<b>7 636</b>	<b>2,75</b>
Net non-interest earning assets	30	0,12	(56)	0,79	25	0,88
<b>Interest earning assets – June 2006</b>	<b>5 052</b>	<b>4,65</b>	<b>2 167</b>	<b>2,16</b>	<b>7 661</b>	<b>3,63</b>
Impact of volume changes	1 817		677		2 590	
Impact of rate changes	185	0,16	117	0,12	365	0,16
Lending – client yield <sup>1</sup>	(29)	(0,03)	2	0,00	(34)	(0,02)
– cost of lending <sup>2</sup>	(20)	(0,02)	89	0,09	94	0,04
Funding	(55)	(0,06)	(26)	(0,02)	(98)	(0,05)
Term funding repricing benefit			89	0,09	89	0,04
Endowment – funding	269	0,25	11	0,01	282	0,13
Endowment – capital and reserves	139	0,13	85	0,08	310	0,15
Assets held for liquidity purposes	(157)	(0,14)	(83)	(0,08)	(240)	(0,11)
Other treasury and banking activities	38	0,03	(50)	(0,05)	(38)	(0,02)
<b>Change in composition of balance sheet</b>		<b>(0,02)</b>		<b>(0,11)</b>		<b>(0,08)</b>
<b>Interest earning assets – June 2007</b>	<b>7 054</b>	<b>4,79</b>	<b>2 961</b>	<b>2,17</b>	<b>10 616</b>	<b>3,71</b>
Net non-interest earning assets	(81)	(0,14)	7	(0,70)	(250)	(0,80)
<b>June 2007</b>	<b>6 973</b>	<b>4,65</b>	<b>2 968</b>	<b>1,47</b>	<b>10 366</b>	<b>2,91</b>

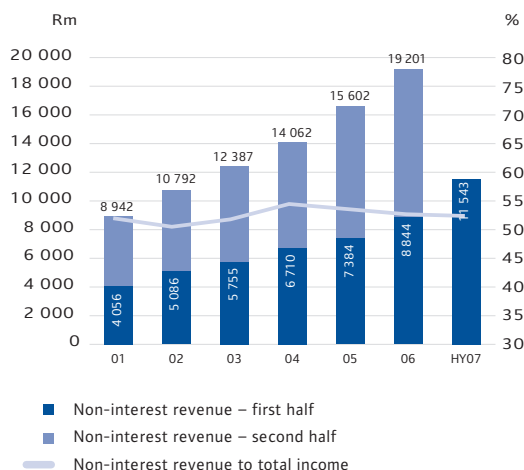
<sup>1</sup> Client yield changes refer to the difference in movement between average client rates and base lending rates.

<sup>2</sup> Cost of lending changes refer to the difference in movement between base lending rates and an allocated cost based on the term nature of the asset.

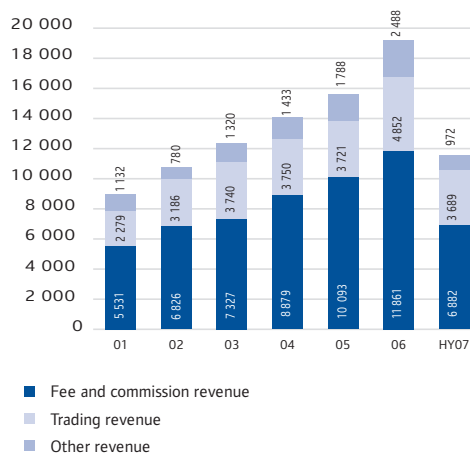
## Non-interest revenue

### Non-interest revenue

CAGR (HY2001 – HY2007) 19%



### Analysis of non-interest revenue (Rm)



	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Net fee and commission revenue</b>	25	6 882	5 521	11 861
Fee and commission revenue	25	7 707	6 162	13 398
Account transaction fees	13	2 747	2 437	5 132
Electronic banking	9	632	580	1 216
Knowledge based fees and commission	97	1 098	557	1 289
Card based commission	22	1 474	1 207	2 683
Insurance – fees and commission	24	491	396	879
Documentation and administration fees	58	279	177	369
Foreign currency service fees	29	357	276	657
Other	18	629	532	1 173
Fee and commission expense	29	(825)	(641)	(1 537)
<b>Trading revenue</b>	62	3 689	2 279	4 852
Commodities	4	655	632	1 078
Forex	10	1 140	1 035	2 014
Debt securities	>100	1 643	519	1 480
Equities	>100	245	91	290
Other	>100	6	2	(10)
<b>Other revenue</b>	(7)	972	1 044	2 488
Banking and other	(12)	258	293	976
Banking and other	90	258	136	819
Realised MasterCard profit (excluded from headline earnings)	(100)	–	157	157
Property related revenue	(28)	277	386	743
Insurance – underwriting and bancassurance profit	20	437	365	769
<b>Total non-interest revenue</b>	31	11 543	8 844	19 201

**Non-interest revenue per business unit**

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Personal & Business Banking	18	5 460	4 627	9 786
Corporate & Investment Banking	51	6 159	4 080	9 344
Central and other	(>100)	(76)	137	71
<b>Banking activities</b>	31	<b>11 543</b>	8 844	19 201

**Favourable**

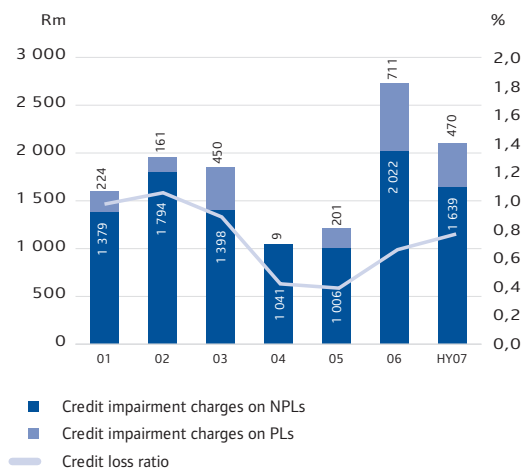
- Satisfactory growth in account transaction fees despite sub-inflation price increases.
- Significant increases in advisory revenue driven by good deal flow in investment banking and structured finance.
- Higher card based commission due to increased average cardholder spend and number of cards.
- Increased facility utilisation translating into increased administration fees.
- Strong trading income growth in debt capital markets arising due to changes in interest rates, increased trading volumes and generally improved trading conditions in emerging markets.
- Improved insurance policy sales.
- Inclusion of Argentina operations, R139 million of fee and commission revenue and R60 million of trading revenue (mainly debt capital markets).

**Adverse**

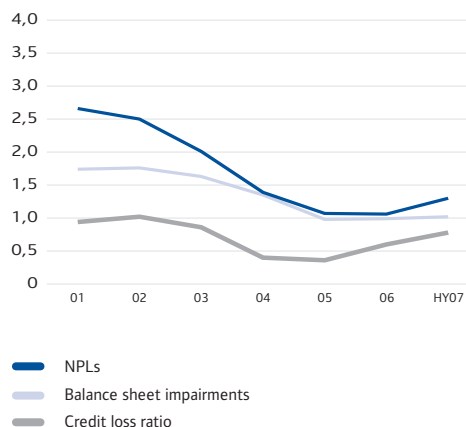
- Lower property related revenue and non-recurrence of a significant investment realisation in 2006, partly offset by higher fair value gains on the listed property portfolio.
- Reduced income from infrastructure fund portfolios and the 2006 profit on the realisation of a portion of the MasterCard shares (excluded from headline earnings).

## Credit impairment charges

Credit impairment charges



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



### Income statement impairment charges per product

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Personal &amp; Business Banking</b>	80	1 913	1 062	2 333
Mortgage loans	>100	551	213	390
Instalment sales and finance leases	79	387	216	479
Card debtors	39	606	435	1 000
Other loans and advances	86	369	198	464
<b>Corporate &amp; Investment Banking</b>	(18)	196	238	335
Corporate lending	(9)	217	238	326
Property finance		(21)	-	9
<b>Central and other</b>		-	-	65
<b>Banking activities</b>	62	2 109	1 300	2 733

### Income statement impairment charges (net of recoveries)

	June 2007			June 2006			December 2006		
	NPL Rm	PL Rm	Total Rm	NPL Rm	PL Rm	Total Rm	NPL Rm	PL Rm	Total Rm
Personal & Business Banking	1 567	346	1 913	857	205	1 062	1 915	418	2 333
Corporate & Investment Banking	72	124	196	230	8	238	107	228	335
Central and other	-	-	-	-	-	-	-	65	65
<b>Banking activities</b>	<b>1 639</b>	<b>470</b>	<b>2 109</b>	<b>1 087</b>	<b>213</b>	<b>1 300</b>	<b>2 022</b>	<b>711</b>	<b>2 733</b>

#### Favourable

- Targeted strategies to manage increased risk implemented, including tightening credit extension in high risk grades and scorecard enhancements.
- Some benefits evident from recently implemented model based collection processes and additional collections headcount.
- Relatively benign credit environment in the corporate and property sector.

#### Adverse

- Increased signs of stress observed in the personal markets and components of SME, following the increase in interest rates exacerbated by delays in the mortgage cancellation process due to deeds office impacted by June strikes.
- Increased impairments in vehicle and asset finance as a result of a change in the portfolio mix in favour of dealer originated personal business, compounded by lower recovery values due to a weaker used car market.



## Credit loss ratio by business unit

	Historic basis			New IFRS 7 basis		
	June	June	December	June	June	December
	2007	2006	2006	2007	2006	2006
	%	%	%	%	%	%
<b>Personal &amp; Business Banking</b>	<b>1,32</b>	0,99	1,00	<b>1,32</b>	0,99	1,00
Mortgage loans	0,61	0,33	0,27	0,61	0,33	0,27
Instalment sale and finance leases	1,51	1,03	1,09	1,51	1,03	1,09
Card products	6,55	6,50	7,03	6,55	6,50	7,03
Other loans and advances	1,83	1,36	1,57	1,83	1,36	1,57
<b>Corporate &amp; Investment Banking</b>	<b>0,19</b>	0,31	0,19	<b>0,16</b>	0,24	0,15
Corporate lending	0,23	0,35	0,21	0,19	0,27	0,16
Property finance	(0,22)	0,00	0,05	(0,22)	0,00	0,05
<b>Banking activities</b>	<b>0,84</b>	0,70	0,67	<b>0,78</b>	0,63	0,60

## Balance sheet impairments

	June 2007			June 2006			December 2006		
	Prov NPL Rm	Prov PL Rm	Total Prov Rm	Prov NPL Rm	Prov PL Rm	Total Prov Rm	Prov NPL Rm	Prov PL Rm	Total Prov Rm
Personal & Business Banking	2 326	1 785	4 111	1 536	1 155	2 691	1 755	1 381	3 136
Corporate & Investment Banking	888	969	1 857	1 083	658	1 741	853	866	1 719
Central and other	3	183	186	2	119	121	3	184	187
<b>Banking activities</b>	<b>3 217</b>	<b>2 937</b>	<b>6 154</b>	<b>2 621</b>	<b>1 932</b>	<b>4 553</b>	<b>2 611</b>	<b>2 431</b>	<b>5 042</b>

## Balance sheet impairments – reconciliation from December 2006

									June 2007
	December 2006 Opening balance Rm	Acquisitions Rm	Impaired accounts written off Rm	Discount element recognised in interest income Rm	New provisions raised <sup>1</sup> Rm	Exchange movements Rm	Other movements Rm	June 2007 Closing balance Rm	Recoveries of amounts written off in previous years Rm
<b>Impairments of non-performing loans</b>									
Personal & Business Banking	1 755	59	(1 061)	(177)	1 693	1	56	2 326	126
Corporate & Investment Banking	853	30	(12)	(3)	79	1	(60)	888	7
Central and other	3							3	
	<b>2 611</b>	<b>89</b>	<b>(1 073)</b>	<b>(180)</b>	<b>1 772</b>	<b>2</b>	<b>(4)</b>	<b>3 217</b>	<b>133</b>
<b>Impairments of performing loans</b>									
Personal & Business Banking	1 381	63			346	2	(7)	1 785	
Corporate & Investment Banking	866				124	3	(24)	969	
Central and other	184						(1)	183	
	<b>2 431</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>470</b>	<b>5</b>	<b>(32)</b>	<b>2 937</b>	<b>-</b>
<b>Banking activities</b>	<b>5 042</b>	<b>152</b>	<b>(1 073)</b>	<b>(180)</b>	<b>2 242</b>	<b>7</b>	<b>(36)</b>	<b>6 154</b>	<b>133</b>

<sup>1</sup>New provisions raised less recoveries of amounts written off in previous years equals income statement impairment charge (eg June 2007: R2 242 million – R133 million = R2 109 million).

## Non-performing loans

### Analysis of external loans and advances in terms of South African Reserve Bank regulatory definitions

	Gross advances	Non-performing loans				Performing loans	
	Total Rm	Sub-standard Rm	Doubtful Rm	Loss Rm	Total Rm	Special mention Rm	Standard Rm
<b>June 2007</b>							
Personal & Business Banking	310 952	4 029	2 098	550	6 677	7 276	296 999
Corporate & Investment Banking	285 053	300	334	535	1 169	516	283 368
Central and other	4 121	–	–	4	4	–	4 117
<b>Gross loans and advances</b>	<b>600 126</b>	<b>4 329</b>	<b>2 432</b>	<b>1 089</b>	<b>7 850</b>	<b>7 792</b>	<b>584 484</b>
<b>Percentage of total book (%)</b>	<b>100</b>	<b>0,7</b>	<b>0,4</b>	<b>0,2</b>	<b>1,3</b>	<b>1,3</b>	<b>97,4</b>
<b>June 2006</b>							
Personal & Business Banking	230 520	2 024	1 636	479	4 139	4 362	222 019
Corporate & Investment Banking	245 570	560	169	498	1 227	838	243 505
Central and other	6 234	–	–	4	4	–	6 230
<b>Gross loans and advances</b>	<b>482 324</b>	<b>2 584</b>	<b>1 805</b>	<b>981</b>	<b>5 370</b>	<b>5 200</b>	<b>471 754</b>
<b>Percentage of total book (%)</b>	<b>100</b>	<b>0,5</b>	<b>0,4</b>	<b>0,2</b>	<b>1,1</b>	<b>1,1</b>	<b>97,8</b>
<b>December 2006</b>							
Personal & Business Banking	268 267	2 064	1 710	459	4 233	4 903	259 131
Corporate & Investment Banking	239 109	383	267	527	1 177	952	236 980
Central and other	4 386	–	–	4	4	–	4 382
<b>Gross loans and advances</b>	<b>511 762</b>	<b>2 447</b>	<b>1 977</b>	<b>990</b>	<b>5 414</b>	<b>5 855</b>	<b>500 493</b>
<b>Percentage of total book (%)</b>	<b>100</b>	<b>0,5</b>	<b>0,4</b>	<b>0,2</b>	<b>1,1</b>	<b>1,1</b>	<b>97,8</b>

### Analysis of NPLs per business unit

	Gross NPLs (net of interest in suspense)			Securities and expected recoveries		
	June 2007 Rm	June 2006 Rm	December 2006 Rm	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Personal &amp; Business Banking</b>	<b>6 677</b>	<b>4 139</b>	<b>4 233</b>	<b>4 445</b>	<b>2 600</b>	<b>2 565</b>
Mortgage loans	4 369	2 267	2 371	3 613	1 855	1 906
Instalment sales and finance leases	964	674	593	482	361	300
Card debtors	457	288	384	129	81	101
Other loans and advances	887	910	885	221	303	258
<b>Corporate &amp; Investment Banking</b>	<b>1 169</b>	<b>1 227</b>	<b>1 177</b>	<b>321</b>	<b>478</b>	<b>392</b>
Corporate lending	995	881	992	221	320	334
Property finance	174	346	185	100	158	58
<b>Central and other</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>1</b>
	<b>7 850</b>	<b>5 370</b>	<b>5 414</b>	<b>4 767</b>	<b>3 080</b>	<b>2 958</b>

Staff home loan fair value adjustment in terms of IAS 39

Impairments for country risk

Credit risk inherent in off-balance sheet exposures and other asset classes

Banking activities

### Criteria for classification of loans and advances

Standard	Items that are fully current and the full repayment of the contractual principal and interest amounts are expected.
Special mention	Items where the loan is performing but evidence exists that the borrower is experiencing difficulties. Ultimate loss is not expected but could occur if adverse conditions persist. Includes early arrears.
Sub-standard	Items that show underlying well defined weaknesses that could lead to probable loss if not corrected. The risk that these items may be impaired is probable and the group relies to a large extent on any available security.
Doubtful	Items which are considered to be impaired, but are not yet considered final losses because of some pending factors which may strengthen the quality of the items.
Loss	Items which are considered to be uncollectable and where the realisation of collateral and institution of legal proceedings have been unsuccessful. These items are considered of such little value that they should no longer be included in the net assets of the group.

	Net after securities and expected recoveries			Balance sheet impairments for NPLs			Gross impairment coverage		
	June 2007 Rm	June 2006 Rm	December 2006 Rm	June 2007 Rm	June 2006 Rm	December 2006 Rm	June 2007 %	June 2006 %	December 2006 %
	2 232	1 539	1 668	2 232	1 539	1 668	33	37	39
	756	412	465	756	412	465	17	18	20
	482	313	293	482	313	293	50	46	49
	328	207	283	328	207	283	72	72	74
	666	607	627	666	607	627	75	67	71
	848	749	785	848	749	785	73	61	67
	774	561	658	774	561	658	78	64	66
	74	188	127	74	188	127	43	54	69
	3	2	3	3	2	3	75	50	75
	3 083	2 290	2 456	3 083	2 290	2 456	39	43	45
				106	92	93			
				–	30	30			
				28	209	32			
				3 217	2 621	2 611			

## Non-performing loans continued

### NPL coverage % to gross advances

	June 2007 %	June 2006 %	December 2006 %
<b>Gross NPLs</b>	1,3	1,1	1,1
Less: securities and collateral	(0,8)	(0,6)	(0,6)
Less: impairments for non-performing loans	(0,5)	(0,5)	(0,5)
<b>Net NPLs</b>	–	–	–
Coverage: Gross <sup>1</sup>	39	43	45
: Net <sup>2</sup>	100	100	100
Gross advances (Rm)	600 126	482 324	511 762

<sup>1</sup> Gross coverage = NPLs provision/Gross NPL.

<sup>2</sup> Net coverage = NPLs provision/(Gross NPL – Security).

### Balance sheet impairments on loans and advances

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Non-performing loans	23	3 217	2 621	2 611
Performing loans	52	2 937	1 932	2 431
<b>Total</b>	35	6 154	4 553	5 042
<b>Balance sheet impairments as a % of gross loans and advances at end of period</b>		1,03	0,94	0,99
Non-performing loans		0,54	0,54	0,51
Performing loans		0,49	0,40	0,48

#### Favourable

- Rehabilitations of non-performing loans within the commercial property portfolio and relatively benign credit conditions in the corporate market.
- Strategies to selectively tighten credit control within selected pockets of risk have been implemented.
- New risk based collections score-card process implemented for card accounts.

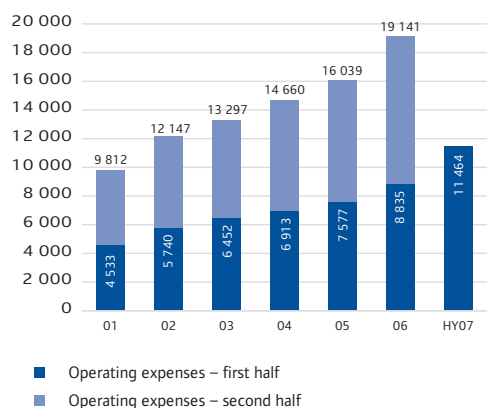
#### Adverse

- The substandard non-performing mortgage loan category in Personal & Business Banking increased due to high incidence of early arrears following increases in the number of short payers resulting from interest rate increases and a rise in unprocessed cancelled mortgage bonds.
- Instalment sales and finance leases increased as a result of the changed portfolio mix to more dealership sourced business.
- Inclusion of Argentina for the first time.

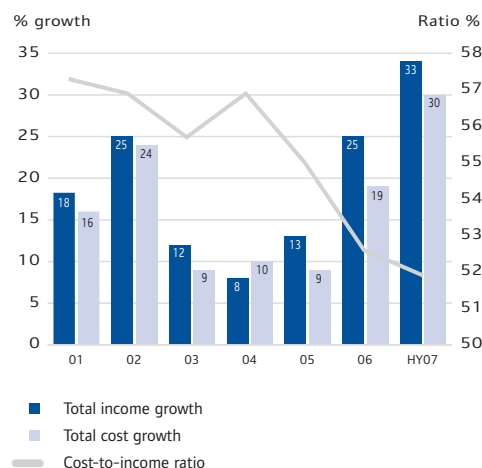
## Operating expenses

### Operating expenses (Rm)

CAGR (HY2001 – HY2007): 17%



### Cost and income growth (%)



### Operating expenses

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Personal & Business Banking	20	6 572	5 462	11 361
Corporate & Investment Banking	47	4 810	3 271	7 650
Central and other	(20)	82	102	130
<b>Banking activities</b>	<b>30</b>	<b>11 464</b>	<b>8 835</b>	<b>19 141</b>

### Cost-to-income ratio<sup>1</sup>

	June 2007 %	June 2006 %	December 2006 %
Personal & Business Banking	52,5	56,2	53,8
Corporate & Investment Banking	52,2	51,7	52,6
<b>Banking activities</b>	<b>51,9</b>	<b>53,3</b>	<b>52,6</b>

<sup>1</sup> Based on the revised formula as defined by the Banking Association, ie includes share of profit from associates and joint ventures in total income.

### Inclusion of Argentina impact on operating expenses

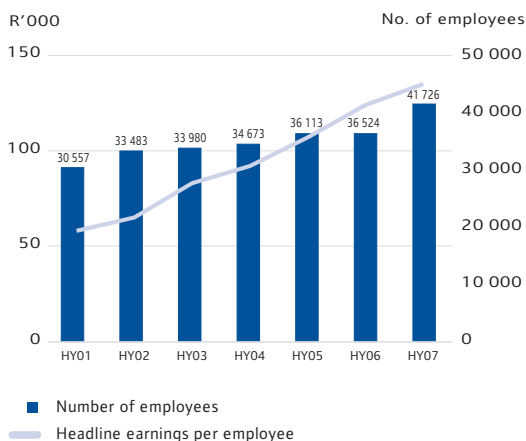
	June 2007 Rm	Growth excluding Argentina %
Personal & Business Banking	226	16
Corporate & Investment Banking	85	44
Central and other	118	(35)
<b>Total</b>	<b>429</b>	<b>25</b>

### Cost-to-income

- Continued strong revenue growth across the group resulted in an improvement in the cost-to-income ratio of 1,4%.
- Positive "jaws" gap, being the difference between growth in total income and growth in operating expenses, of 3% (June 2006: 5%).

## Staff costs and headcount analysis

### Headline earnings per employee



	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Staff costs</b>				
Personal & Business Banking	27	3 454	2 725	5 681
Corporate & Investment Banking	48	3 089	2 088	4 733
Central and other	29	331	257	587
<b>Banking activities</b>	<b>36</b>	<b>6 874</b>	<b>5 070</b>	<b>11 001</b>
<b>Analysis of staff costs</b>				
Fixed remuneration	24	4 353	3 522	7 619
Variable remuneration and other costs	63	2 521	1 548	3 382
<b>Total</b>	<b>36</b>	<b>6 874</b>	<b>5 070</b>	<b>11 001</b>
<b>Headcount</b>				
Personal & Business Banking	13	32 827	28 955	29 712
Corporate & Investment Banking	18	7 928	6 720	7 097
Central and other	14	971	849	894
<b>Banking activities</b>	<b>14</b>	<b>41 726</b>	<b>36 524</b>	<b>37 703</b>

### Inclusion of Argentina impact on staff costs and headcount

	Staff costs		Headcount	
	June 2007 Rm	Growth excluding Argentina %	June 2007 Number	Growth excluding Argentina %
Personal & Business Banking	135	22	2 262	6
Corporate & Investment Banking	44	46	415	12
Central and other	2	28		
<b>Total</b>	<b>181</b>	<b>32</b>	<b>2 677</b>	<b>7</b>

- Personal & Business Banking staff cost increase affected by business growth, credit collections and compliance related projects such as the NCA and Basel II.
- Higher staff cost growth in Corporate & Investment Banking mainly due to the improved performance in Outside Africa and business growth, including:
  - Increased incentive provisions in line with business performance;
  - Increased headcount; and
  - Unfavourable USD/GBP exchange rate movements.
- Staff costs in Central and other increased by higher headcount and higher group leave provision raised.

## Other operating expenses

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Other operating expenses by business unit</b>				
Personal & Business Banking	14	3 118	2 737	5 680
Corporate & Investment Banking	45	1 721	1 183	2 917
Central and other (net recovery)	61	(249)	(155)	(457)
<b>Banking activities</b>	22	<b>4 590</b>	3 765	8 140
<b>Analysis of other operating expenses</b>				
Information technology <sup>1</sup>	26	1 073	852	1 708
Depreciation and amortisation	17	484	414	862
Communication	23	455	370	806
Premises	8	857	796	1 588
Other	29	1 721	1 333	3 176
<b>Total</b>	22	<b>4 590</b>	3 765	8 140

<sup>1</sup> Total information technology spend, including depreciation of capitalised cost, subcontractors and IT staff amounted to R2 151 million (June 2006: R1 648 million), up 31%.

### Adverse

- Higher depreciation on IT equipment to support business growth.
- Communication costs impacted by an increase in volume and value of postage, phone and Internet usage, particularly due to FICA.
- Higher premises cost affected by increased rentals, opening and refurbishment of branches.
- Other category impacted by:
  - Increased travel and transport costs.
  - Increased professional fees incurred for outsourcing strategies, utilisation of consultants on risk related projects, due diligence assessments of business opportunities and costs associated with the group's new leadership centre.
  - Stationery costs increased following the opening of new branches.
  - Production of new chip cards.
  - Documentation costs to comply with new NCA related products.

Partly offset by:

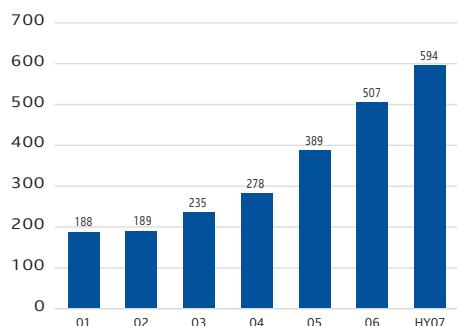
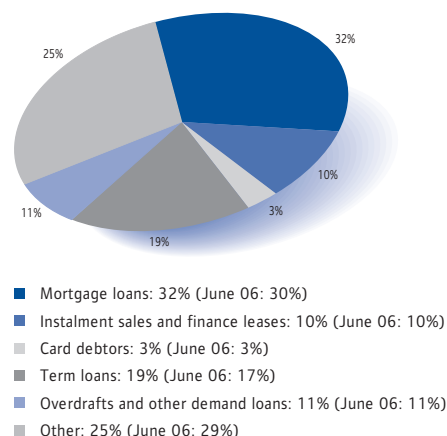
- Decreased fee and commission expense resulting from lower Bluebean account sales.
- Non-recurrence of prior year rebranding costs.

## Loans and advances

### By advance type

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Loans and advances to banks</b>	(18)	<b>84 086</b>	102 952	89 785
Call loans	(18)	14 034	17 213	14 160
Loans granted under resale agreements	8	25 329	23 553	21 517
Balances with banks	(28)	44 723	62 186	54 108
<b>Loans and advances to customers</b>	36	<b>509 886</b>	374 819	416 935
<i>Gross loans and advances to customers</i>	36	<b>516 040</b>	379 372	421 977
Mortgage loans	36	194 938	143 636	171 063
Instalment sales and finance leases	26	58 356	46 462	52 223
Card debtors	46	20 543	14 117	16 947
Overdrafts and other demand loans	33	50 135	37 614	35 513
Term loans	38	112 574	81 723	95 847
Loans granted under resale agreements	33	29 261	21 930	14 730
Commercial property finance	25	21 741	17 328	19 964
Foreign currency loans	66	20 989	12 672	12 416
Other loans and advances	93	7 503	3 890	3 274
<i>Credit impairments for loans and advances</i>	35	<b>(6 154)</b>	(4 553)	(5 042)
Credit impairments for non-performing loans	23	(3 217)	(2 621)	(2 611)
Credit impairments for performing loans	52	(2 937)	(1 932)	(2 431)
<b>Net loans and advances</b>	24	<b>593 972</b>	477 771	506 720
<b>Comprising:</b>				
Gross loans and advances	24	600 126	482 324	511 762
Less: credit impairments	35	(6 154)	(4 553)	(5 042)
<b>Net loans and advances</b>	24	<b>593 972</b>	477 771	506 720
<b>Securitised assets consolidated above:</b>				
Mortgage loans	>100	14 761	7 057	9 997
Instalment sales and finance leases	31	3 454	2 633	4 436
<b>Securitised assets</b>	88	<b>18 215</b>	9 690	14 433



**Loans and advances (Rbn)****Composition of gross loans and advances****Loans and advances by business unit (net of credit impairments)**

	External growth %	Total June 2007 Rm	Total eliminations Rm	External June 2007 Rm	Total June 2006 Rm	Total eliminations Rm	External June 2006 Rm	External December 2006 Rm
Personal & Business Banking	35	306 969	(128)	306 841	228 026	(197)	227 829	265 131
Corporate & Investment Banking	16	288 654	(5 458)	283 196	246 919	(3 090)	243 829	237 390
Central and other	(36)	11 847	(7 912)	3 935	10 517	(4 404)	6 113	4 199
Eliminations of intragroup balances		(13 498)	13 498		(7 691)	7 691		
<b>Banking activities</b>	<b>24</b>	<b>593 972</b>	<b>-</b>	<b>593 972</b>	<b>477 771</b>	<b>-</b>	<b>477 771</b>	<b>506 720</b>

**Inclusion of Argentina impact on loans and advances**

	June 2007 Rm	Growth excluding Argentina %
Personal & Business Banking	5 684	32
Corporate & Investment Banking	5 675	14
<b>Total</b>	<b>11 359</b>	<b>22</b>

**Favourable**

- Mortgage loan growth driven by an increase of 10% in registration volumes and a 13% increase in average registration values.
- Growth of 25% in instalment sales and finance leases motor book driven by a 20% increase in new vehicle sales volumes since June 2006.
- Growth in card debtors due to an increase in revolving credit customer base and account upgrades.

- Overdrafts and other demand loans increased due to strong personal current account growth and increased consumer activity.
- Continued strong growth in the commercial property market resulted in increased demand for corporate property finance.

**Adverse**

- Lower balances with banks.

## Deposit and current accounts

### By deposit type

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Deposits from banks</b>	(10)	<b>44 640</b>	49 731	48 374
Deposits from banks and central banks	12	35 719	31 969	41 444
Deposits from banks under repurchase agreements	(50)	8 921	17 762	6 930
<b>Deposits from customers</b>	32	<b>591 765</b>	449 263	496 790
Current accounts	17	58 903	50 315	55 153
Cash management deposits	17	59 893	51 339	61 902
Call deposits	13	132 447	117 523	123 390
Savings accounts	38	22 946	16 636	19 510
Term deposits	71	181 773	106 607	141 558
Negotiable certificates of deposit	46	70 896	48 520	55 538
Repurchase agreements	(19)	14 636	18 063	11 440
Other funding and loans	2	32 119	31 540	13 978
Securitisation issuances	>100	18 152	8 720	14 321
<b>Banking activities</b>	28	<b>636 405</b>	498 994	545 164

### Deposit and current accounts by business unit

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Personal &amp; Business Banking</b>	38	298 500	216 049	254 222
External funding	41	180 811	128 133	152 292
Deposit and current accounts – retail priced	30	139 909	107 623	121 300
Deposit and current accounts – money market	93	22 750	11 790	16 671
Securitisation issuances	>100	18 152	8 720	14 321
Interdivisional funding	34	117 689	87 916	101 930
<b>Corporate &amp; Investment Banking</b>	20	348 793	291 350	300 365
Deposit and current accounts	23	464 697	376 857	400 163
Interdivisional funding	36	(115 904)	(85 507)	(99 798)
<b>Central and other</b>	(>100)	312	(1 181)	(23)
Deposit and current accounts	45	1 678	1 161	1 411
Interdivisional funding	(42)	(1 366)	(2 342)	(1 434)
<b>Eliminations</b>	55	(11 200)	(7 224)	(9 400)
<b>Banking activities</b>	28	636 405	498 994	545 164

### Inclusion of Argentina impact on deposit and current accounts

	June 2007 Rm	Growth excluding Argentina %
Personal & Business Banking	9 446	34
Deposit and current accounts – retail priced	9 446	21
Corporate & Investment Banking	4 446	18
<b>Total</b>	<b>13 892</b>	<b>25</b>

#### Favourable

- Increased call deposits due to higher interest rates offered on large balances.
- Continued growth in Mzansi (low income Financial Sector Charter compliant) accounts, increasing year on year by 185 724 to 554 032.

#### Adverse

- Substantial increase in wholesale priced deposits to fund the strong asset growth.

## Subordinated debt

	Date issued	Notional value June 2007 LC m	Carrying <sup>1</sup> value June 2007 Rm	Notional <sup>2</sup> value June 2007 Rm	Carrying <sup>1</sup> value June 2006 Rm	Notional <sup>2</sup> value June 2006 Rm	Carrying <sup>1</sup> value December 2006 Rm	Notional <sup>2</sup> value December 2006 Rm
<b>Subordinated bonds</b>								
<b>SBSA</b>			10 228	10 000	10 877	10 600	10 862	10 600
Redeemable in 2007 (SBK 6) (Tier III)	28 February 2005	ZAR 600			616	600	616	600
Redeemable in 2013 (SBK 3)	29 October 2001	ZAR 2 000	2 062	2 000	2 080	2 000	2 072	2 000
Redeemable in 2016 (SBK 5)	17 November 2004	ZAR 2 000	2 074	2 000	2 088	2 000	2 080	2 000
Redeemable in 2018 (SBK 8)	10 April 2006	ZAR 1 500	1 528	1 500	1 528	1 500	1 528	1 500
Redeemable in 2020 (SBK 7)	24 May 2005	ZAR 3 000	3 036	3 000	3 037	3 000	3 037	3 000
Redeemable in 2023 (SBK 9)	10 April 2006	ZAR 1 500	1 528	1 500	1 528	1 500	1 529	1 500
<b>Standard Bank Swaziland</b>								
Redeemable in 2015	15 September 2005	E 35	36	35	35	35	36	35
<b>Standard Bank Namibia</b>			150	150	150	150	150	150
Redeemable in 2011	15 November 2001	NAD 150			150	150		
Redeemable in 2016	20 November 2006	NAD 150	150	150			150	150
<b>Stanbic Botswana</b>			116	114	120	120	118	117
Redeemable in 2013	12 December 2001	BWP 30	35	34	36	36	35	35
Redeemable in 2013	1 December 2003	BWP 20	23	23	24	24	23	23
Redeemable in 2016	2 June 2006	BWP 50	58	57	60	60	60	59
<b>Standard Bank Mozambique</b>								
Redeemable in 2017	28 June 2007	MT 260	71	71				
<b>Standard International Holdings</b>			4 019	3 879	2 794	2 794	4 250	4 157
Redeemable in 2007 (Tier III)	15 April 2005	USD 40			286	286	285	282
Redeemable in 2014	14 July 2004	USD 100	717	705	717	717	714	705
Redeemable in 2015	7 October 2005	USD 250	1 789	1 763	1 791	1 791	1 783	1 761
Redeemable before or in 2016	27 July 2006	USD 200	1 513	1 411			1 468	1 409
<b>Total bonds qualifying as regulatory banking capital</b>			14 620	14 249	13 976	13 699	15 416	15 059
<b>Liberty Life</b>								
Redeemable in 2017 – qualifying as regulatory insurance capital	September 2005	ZAR 2 000	2 054	2 000	2 054	2 000	2 054	2 000
<b>Total subordinated bonds</b>			16 674	16 249	16 030	15 699	17 470	17 059
<b>Subordinated loans</b>								
<b>Stanbic Ghana</b>								
Repayable in 2016	April 2007	USD 8	58	56				
<b>Stanbic Tanzania</b>								
Repayable in 2016	December 2006	USD 3	22	21			21	21
<b>Stanbic Zambia</b>								
Repayable in 2016	December 2006	USD 11	80	78			79	78
<b>Total subordinated loans</b>			160	155			100	99
<b>Total subordinated debt</b>			16 834	16 404	16 030	15 699	17 570	17 158
<b>Total subordinated debt – banking activities</b>			14 780	14 404	13 976	13 699	15 516	15 158
Total subordinated bonds – banking activities			14 620	14 249	13 976	13 699	15 416	15 059
Total subordinated loans – banking activities			160	155			100	99

<sup>1</sup> The difference between the carrying and notional value represents accrued interest together with the value of interest rate hedging instruments.

<sup>2</sup> Tier II unless otherwise stated.

# The Standard Bank of South Africa Limited

## Income statement

	Change %	Company		
		June 2007 Rm	June 2006 Rm	December 2006 Rm
Net interest income	33	7 811	5 872	12 894
Interest income	46	27 707	18 950	42 795
Interest expense	52	19 896	13 078	29 901
Non-interest revenue	15	6 942	6 020	13 455
Net fee and commission revenue	16	4 918	4 257	9 345
Fee and commission revenue	16	5 640	4 865	10 752
Fee and commission expense	19	722	608	1 407
Trading revenue	25	1 145	913	1 844
Other operating income	3	879	850	2 266
<b>Total income</b>	24	<b>14 753</b>	11 892	26 349
Credit impairment charges	77	1 830	1 035	2 323
<b>Income after credit impairment charges</b>	19	<b>12 923</b>	10 857	24 026
Operating expenses	18	7 321	6 196	13 024
Staff costs	24	4 302	3 458	7 268
Other operating expenses	10	3 019	2 738	5 756
<b>Net income before indirect taxation</b>	20	<b>5 602</b>	4 661	11 002
Indirect taxation	19	282	237	474
<b>Profit before direct taxation</b>	20	<b>5 320</b>	4 424	10 528
Direct taxation	48	1 363	918	2 450
<b>Attributable to ordinary shareholders</b>	13	<b>3 957</b>	3 506	8 078
Headline adjustable items		(17)	(136)	(167)
<b>Headline earnings</b>	17	<b>3 940</b>	3 370	7 911
ROE (%)		29,2	31,4	34,2
Cost-to-income ratio (%)		49,6	52,1	49,4
Credit loss ratio (%)		1,05	0,77	0,79
Credit loss ratio – new IFRS 7 basis (%)		0,99	0,72	0,71
Effective taxation rate (%)		29,4	24,8	26,6

# The Standard Bank of South Africa Limited continued

## Balance sheet

	Change %	Company		
		June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Assets</b>				
Cash and balances with central banks	30	11 466	8 849	11 315
Derivative assets	(11)	65 895	74 006	67 056
Trading assets	(39)	2 476	4 067	4 469
Pledged assets	(16)	3 641	4 350	4 842
Financial investments	13	36 457	32 211	33 063
Loans and advances	26	417 645	330 785	363 197
Loans and advances to banks	(29)	26 471	37 119	47 626
Loans and advances to customers	33	391 174	293 666	315 571
Other assets	(4)	11 161	11 580	5 986
Interest in group companies, associates and joint ventures	53	53 965	35 344	49 252
Goodwill and other intangible assets	>100	806	198	592
Property and equipment	19	3 032	2 549	2 813
<b>Total assets</b>	20	<b>606 544</b>	503 939	542 585
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity attributable to ordinary shareholder	25	28 314	22 658	25 885
Ordinary share capital		60	60	60
Ordinary share premium	45	17 730	12 230	15 730
Reserves	2	10 524	10 368	10 095
<b>Liabilities</b>	20	<b>578 230</b>	481 281	516 700
Derivative liabilities	(9)	69 469	76 036	69 030
Trading liabilities	(52)	2 065	4 294	6 147
Deposit and current accounts	30	461 108	355 335	395 762
Deposits from banks		5 446	5 427	7 042
Deposits from customers	30	455 662	349 908	388 720
Other liabilities	3	14 747	14 327	11 332
Subordinated debt	(6)	10 231	10 874	10 862
Liabilities to group companies	1	20 610	20 415	23 567
<b>Total equity and liabilities</b>	20	<b>606 544</b>	503 939	542 585

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## Segmental income statement

June 2007

	Personal & Business Banking Rm	Corporate & Investment Banking Rm	Central and other Rm	Banking activities Rm	Liberty Life Rm	Standard Bank Group Rm
<b>Income from banking activities</b>	12 433	9 127	349	21 909		21 909
Net interest income	6 973	2 968	425	10 366		10 366
Interest income	17 733	16 509	(794)	33 448		33 448
Interest expense	10 760	13 541	(1 219)	23 082		23 082
Non-interest revenue	5 460	6 159	(76)	11 543		11 543
Net fee and commission revenue	4 986	1 908	(12)	6 882		6 882
Fee and commission revenue	5 694	2 025	(12)	7 707		7 707
Fee and commission expense	708	117		825		825
Trading revenue	12	3 750	(73)	3 689		3 689
Other revenue	462	501	9	972		972
<b>Income from investment management and life insurance activities</b>					28 380	28 380
Net insurance premiums					11 641	11 641
Investment income and gains					15 844	15 844
Management and service fee income					895	895
<b>Total income</b>	12 433	9 127	349	21 909	28 380	50 289
Credit impairment charges	1 913	196		2 109		2 109
<b>Benefits due to policyholders</b>					21 795	21 795
Net insurance benefits and claims					17 577	17 577
Fair value adjustments to policyholders' liabilities under investment contracts					4 217	4 217
Fair value adjustment on third party fund interests					1	1
<b>Income after credit impairment charges and policyholders' benefits</b>	10 520	8 931	349	19 800	6 585	26 385
<b>Operating expenses in banking activities</b>	6 572	4 810	82	11 464		11 464
Staff costs	3 454	3 089	331	6 874		6 874
Other operating expenses	3 118	1 721	(249)	4 590		4 590
<b>Operating expenses in investment management and life insurance activities</b>					3 528	3 528
Acquisition costs – insurance and investment contracts					1 355	1 355
Other operating expenses					2 173	2 173
<b>Net income before goodwill</b>	3 948	4 121	267	8 336	3 057	11 393
Goodwill (gain)/impairment			(390)	(390)		(390)
<b>Net income before associates and joint ventures</b>	3 948	4 121	657	8 726	3 057	11 783
Share of profit from associates and joint ventures	93	94	1	188	42	230
<b>Net income before indirect taxation</b>	4 041	4 215	658	8 914	3 099	12 013
Indirect taxation	240	132	29	401	114	515
<b>Profit before direct taxation</b>	3 801	4 083	629	8 513	2 985	11 498
Direct taxation	1 131	911	119	2 161	1 225	3 386
<b>Profit for the period</b>	2 670	3 172	510	6 352	1 760	8 112
Attributable to minorities	23	52	(19)	56	1 246	1 302
Attributable to preference shareholders			226	226		226
<b>Attributable to ordinary shareholders</b>	2 647	3 120	303	6 070	514	6 584
Headline adjustable items	(21)	(3)	(395)	(419)		(419)
<b>Normalised headline earnings</b>	2 626	3 117	(92)	5 651	514	6 165
<b>IFRS headline earnings</b>	2 626	3 117	(258)	5 485	448	5 933
Return on equity (%)	28,8	27,1		23,9	31,4	24,4
Cost-to-income ratio (%)	52,5	52,2		51,9		
Net interest margin (%)	4,65	1,47		2,91		
Credit loss ratio (%)	1,32	0,16		0,78		
Average ordinary shareholders' equity	18 413	23 193	6 021	47 627	3 299	50 926
Average assets	302 425	407 274	7 710	717 409		
Number of employees	32 827	7 928	971	41 726	4 535	46 261



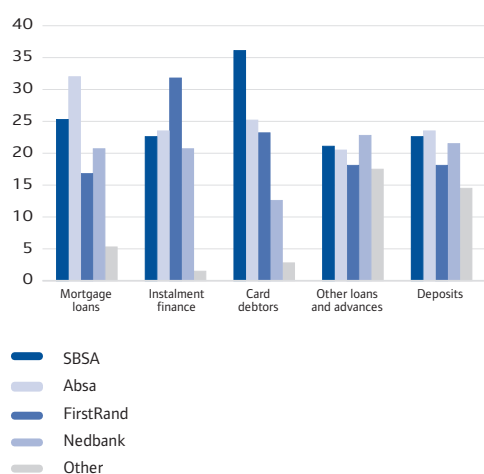
## June 2006

	Personal & Business Banking Rm	Corporate & Investment Banking Rm	Central and other Rm	Banking activities Rm	Liberty Life Rm	Standard Bank Group Rm
<b>Income from banking activities</b>	9 649	6 303	528	16 480		16 480
Net interest income	5 022	2 223	391	7 636		7 636
Interest income	11 226	11 555	(515)	22 266		22 266
Interest expense	6 204	9 332	(906)	14 630		14 630
Non-interest revenue	4 627	4 080	137	8 844		8 844
Net fee and commission revenue	4 240	1 294	(13)	5 521		5 521
Fee and commission revenue	4 805	1 370	(13)	6 162		6 162
Fee and commission expense	565	76		641		641
Trading revenue		2 296	(17)	2 279		2 279
Other revenue	387	490	167	1 044		1 044
<b>Income from investment management and life insurance activities</b>					24 937	24 937
Net insurance premiums					9 497	9 497
Investment income and gains					14 600	14 600
Management and service fee income					840	840
<b>Total income</b>	9 649	6 303	528	16 480	24 937	41 417
Credit impairment charges	1 062	238		1 300		1 300
<b>Benefits due to policyholders</b>					19 265	19 265
Net insurance benefits and claims					15 804	15 804
Fair value adjustments to policyholders' liabilities under investment contracts					2 730	2 730
Fair value adjustment on third party fund interests					731	731
<b>Income after credit impairment charges and policyholders' benefits</b>	8 587	6 065	528	15 180	5 672	20 852
<b>Operating expenses in banking activities</b>	5 462	3 271	102	8 835		8 835
Staff costs	2 725	2 088	257	5 070		5 070
Other operating expenses	2 737	1 183	(155)	3 765		3 765
<b>Operating expenses in investment management and life insurance activities</b>					2 924	2 924
Acquisition costs – insurance and investment contracts					1 196	1 196
Other operating expenses					1 728	1 728
<b>Net income before goodwill</b>	3 125	2 794	426	6 345	2 748	9 093
Goodwill (gain)/impairment		4		4		4
<b>Net income before associates and joint ventures</b>	3 125	2 790	426	6 341	2 748	9 089
Share of profit from associates and joint ventures	72	26	(1)	97	6	103
<b>Net income before indirect taxation</b>	3 197	2 816	425	6 438	2 754	9 192
Indirect taxation	197	89	14	300	136	436
<b>Profit before direct taxation</b>	3 000	2 727	411	6 138	2 618	8 756
Direct taxation	932	443	(48)	1 327	1 050	2 377
<b>Profit for the period</b>	2 068	2 284	459	4 811	1 568	6 379
Attributable to minorities	7	22		29	1 118	1 147
Attributable to preference shareholders			111	111		111
<b>Attributable to ordinary shareholders</b>	2 061	2 262	348	4 671	450	5 121
Headline adjustable items		3	(135)	(132)	(120)	(252)
<b>Normalised headline earnings</b>	2 061	2 265	213	4 539	330	4 869
<b>IFRS headline earnings</b>	2 061	2 265	40	4 366	287	4 653
Return on equity (%)	29,1	28,2		24,5	22,5	24,4
Cost-to-income ratio (%)	56,2	51,7		53,3		
Net interest margin (%)	4,53	1,37		2,75		
Credit loss ratio (%)	0,99	0,24		0,63		
Average ordinary shareholders' equity	14 284	16 207	6 827	37 318	2 962	40 280
Average assets	223 395	328 180	8 590	560 165		
Number of employees	28 955	6 720	849	36 524	4 077	40 601

## Supplementary information on a geographic basis

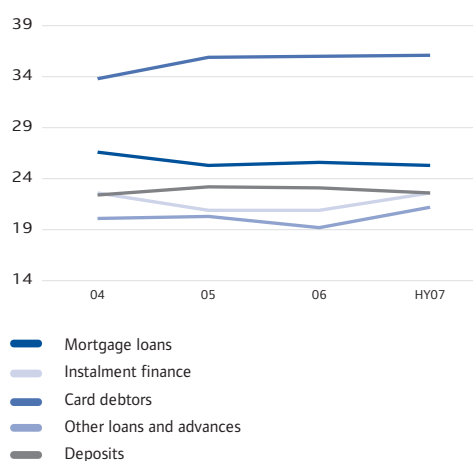
	South Africa				
	Personal & Business Banking Rm	Corporate & Investment Banking Rm	Liberty Life Rm	Other domestic Rm	Total Rm
<b>June 2007</b>					
Total income	11 121	4 342	28 380	91	43 934
Normalised headline earnings	2 475	2 052	514	72	5 113
Average ordinary shareholders' equity	17 029	11 180	3 299	2 262	33 770
Total assets	299 959	336 408	218 401	524	855 292
Risk-weighted assets (average)	199 642	132 410		2 046	334 098
Number of employees	25 422	3 699	4 535	971	34 627
<b>June 2006</b>					
Total income	8 944	3 452	24 937	257	37 590
Normalised headline earnings	1 959	1 781	330	142	4 212
Average ordinary shareholders' equity	13 213	8 495	2 962	2 838	27 508
Total assets	228 761	295 770	187 835	2 287	714 653
Risk-weighted assets (average)	155 190	104 576		3 738	263 504
Number of employees	24 323	3 320	4 077	849	32 569
<b>December 2006</b>					
Total income	19 355	7 847	60 410	302	87 914
Normalised headline earnings	4 620	3 822	843	128	9 413
Average ordinary shareholders' equity	14 248	9 238	3 177	2 110	28 773
Total assets	265 870	304 660	202 838	1 200	774 568
Risk-weighted assets (average)	163 942	114 939		2 874	281 755
Number of employees	24 974	3 486	4 562	894	33 916

South African market share analysis (%)



Source: DI 900 May 2007

Standard Bank's market share movement (%)



Source: DI 900 May 2007

Rest of Africa			Outside Africa			Central funding and eliminations Rm	Standard Bank Group Rm
Personal & Business Banking Rm	Corporate & Investment Banking Rm	Total Rm	Personal & Business Banking Rm	Corporate & Investment Banking Rm	Total Rm		
1 049	1 236	2 285	263	3 577	3 840	230	50 289
144	374	518	7	691	698	(164)	6 165
1 231	2 276	3 507	153	9 737	9 890	3 759	50 926
18 117	33 961	52 078	7 850	239 965	247 815	(57 442)	1 097 743
9 349	17 207	26 556	1 793	90 233	92 026	988	453 668
5 143	2 014	7 157	2 262	2 215	4 477		46 261
705	921	1 626		1 941	1 941	260	41 417
102	236	338		248	248	71	4 869
1 071	1 752	2 823		5 960	5 960	3 989	40 280
8 106	26 403	34 509		228 946	228 946	(35 383)	942 725
7 107	11 660	18 767		60 308	60 308	775	343 354
4 632	1 575	6 207		1 825	1 825		40 601
1 600	2 150	3 750		4 477	4 477	471	96 612
213	589	802		622	622	(19)	10 818
975	2 046	3 021		6 915	6 915	3 862	42 571
11 077	32 865	43 942		201 665	201 665	(42 117)	978 058
6 751	14 347	21 098		68 036	68 036	2 519	373 408
4 738	1 806	6 544		1 805	1 805		42 265

## Financial disclosure relating to recent acquisitions

### Standard Bank Argentina – income statement

30 June 2007<sup>1</sup>

	Personal & Business Banking Rm	Corporate & Investment Banking Rm	Central and other Rm	Total June 2007 Rm	Total June 2007 USDm
Net interest income	146	110		256	36
Non-interest revenue	117	81		198	27
Net fee and commission revenue	106	33		139	19
Trading revenue	12	48		60	8
Other revenue	(1)			(1)	
<b>Total income</b>	<b>263</b>	<b>191</b>		<b>454</b>	<b>63</b>
Credit impairment charges	3	10		13	2
<b>Income after credit impairment charges</b>	<b>260</b>	<b>181</b>		<b>441</b>	<b>61</b>
Operating expenses	226	85	118	429	60
Staff costs	135	44	2	181	25
Other operating expenses	91	41	116	248	35
<b>Net income before goodwill</b>	<b>34</b>	<b>96</b>	<b>(118)</b>	<b>12</b>	<b>1</b>
Goodwill (gain)/impairment			(390)	(390)	(55)
<b>Net income before taxation</b>	<b>34</b>	<b>96</b>	<b>272</b>	<b>402</b>	<b>56</b>
Taxation	25	37	(41)	21	3
<b>Profit for the period</b>	<b>9</b>	<b>59</b>	<b>313</b>	<b>381</b>	<b>53</b>
Attributable to minorities	2	14	(18)	(2)	–
<b>Attributable to ordinary shareholders</b>	<b>7</b>	<b>45</b>	<b>331</b>	<b>383</b>	<b>53</b>
Headline adjustable items			(390)	(390)	(54)
<b>Headline earnings</b>	<b>7</b>	<b>45</b>	<b>(59)</b>	<b>(7)</b>	<b>(1)</b>
Number of employees	2 262	415		2 677	

<sup>1</sup>Acquisition of BankBoston Argentina effective 1 April 2007.

**Standard Bank Argentina – balance sheet**  
30 June 2007

	June 2007 Rm	June 2007 USDm
<b>Assets</b>		
Cash and balances with central banks	1 686	239
Derivative assets	1	–
Trading assets	2 470	350
Financial investments	53	8
Loans and advances	11 359	1 610
Other assets	540	77
Goodwill and other intangible assets	6	1
Property and equipment	458	65
<b>Total assets</b>	<b>16 573</b>	<b>2 350</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity attributable to ordinary shareholders	1 502	212
<b>Liabilities</b>	<b>15 071</b>	<b>2 138</b>
Trading liabilities	4	1
Deposit and current accounts	13 892	1 970
Other liabilities and provisions	1 175	167
<b>Total equity and liabilities</b>	<b>16 573</b>	<b>2 350</b>

## Group income statement reclassifications

30 June 2006

	Normalised as previously reported Rm	IFRS 7 Rm	Liberty Life Rm	Normalised restated Rm
<b>Income from banking activities</b>	16 684	(204)		16 480
Net interest income	7 636			7 636
Interest income	22 266			22 266
Interest expense	14 630			14 630
Non-interest revenue	9 048	(204)		8 844
Net fee and commission revenue	5 725	(204)		5 521
Fee and commission revenue	5 725	437		6 162
Fee and commission expense		641		641
Trading revenue	2 279			2 279
Other revenue	1 044			1 044
<b>Income from investment management and life insurance activities</b>	24 272		665	24 937
Net insurance premiums	9 497			9 497
Investment income and gains	13 876		724	14 600
Management and service fee income	899		(59)	840
<b>Total income</b>	40 956	(204)	665	41 417
Credit impairment charges	1 300			1 300
<b>Benefits due to policyholders</b>	18 747		518	19 265
Net insurance benefits and claims	15 804			15 804
Fair value adjustments to policyholders' liabilities under investment contracts	2 730			2 730
Fair value adjustment on third party fund interests	213		518	731
<b>Income after credit impairment charges and policyholders' benefits</b>	20 909	(204)	147	20 852
<b>Operating expenses in banking activities</b>	9 039	(204)		8 835
Staff costs	5 070			5 070
Other operating expenses	3 969	(204)		3 765
<b>Operating expenses in investment management and life insurance activities</b>	2 777		147	2 924
Acquisition costs – insurance and investment contracts	1 196			1 196
Other operating expenses	1 581		147	1 728
<b>Net income before goodwill</b>	9 093			9 093
Goodwill impairment	4			4
<b>Net income before associates and joint ventures</b>	9 089			9 089
Share of profit from associates and joint ventures	103			103
<b>Net income before indirect taxation</b>	9 192			9 192
Indirect taxation	436			436
<b>Profit before direct taxation</b>	8 756			8 756
Direct taxation	2 377			2 377
<b>Profit for the period</b>	6 379			6 379
Attributable to minorities	1 147			1 147
Attributable to preference shareholders	111			111
<b>Attributable to ordinary shareholders</b>	5 121			5 121

Refer to page 24 for explanations of reclassifications.

<b>Other indicators of banking activities</b>	<b>%</b>	<b>%</b>
Non-interest revenue to total income	54,2	53,7
Credit loss ratio	0,70	0,63
Cost-to-income ratio <sup>1</sup>	54,2	53,3
Cost-to-income ratio excluding capital profit on MasterCard <sup>1</sup>	54,7	53,8

<sup>1</sup> Restated based on the revised formula as defined by the Banking Association, ie includes share of profit from associates and joint ventures in total income.

## 31 December 2006

	Normalised as previously reported Rm	IFRS 7 Rm	Normalised restated Rm
<b>Income from banking activities</b>	36 713	(511)	36 202
Net interest income	17 001		17 001
Interest income	51 202		51 202
Interest expense	34 201		34 201
Non-interest revenue	19 712	(511)	19 201
Net fee and commission revenue	12 372	(511)	11 861
Fee and commission revenue	12 372	1 026	13 398
Fee and commission expense		1 537	1 537
Trading revenue	4 852		4 852
Other revenue	2 488		2 488
<b>Income from investment management and life insurance activities</b>	60 410		60 410
Net insurance premiums	20 066		20 066
Investment income and gains	38 634		38 634
Management and service fee income	1 710		1 710
<b>Total income</b>	97 123	(511)	96 612
Credit impairment charges	2 733		2 733
<b>Benefits due to policyholders</b>	47 896		47 896
Net insurance benefits and claims	38 140		38 140
Fair value adjustments to policyholders' liabilities under investment contracts	8 276		8 276
Fair value adjustment on third party fund interests	1 480		1 480
<b>Income after credit impairment charges and policyholders' benefits</b>	46 494	(511)	45 983
<b>Operating expenses in banking activities</b>	19 652	(511)	19 141
Staff costs	11 001		11 001
Other operating expenses	8 651	(511)	8 140
<b>Operating expenses in investment management and life insurance activities</b>	6 486		6 486
Acquisition costs – insurance and investment contracts	2 413		2 413
Other operating expenses	4 073		4 073
<b>Net income before goodwill</b>	20 356		20 356
Goodwill impairment	15		15
<b>Net income before associates and joint ventures</b>	20 341		20 341
Share of profit from associates and joint ventures	275		275
<b>Net income before indirect taxation</b>	20 616		20 616
Indirect taxation	841		841
<b>Profit before direct taxation</b>	19 775		19 775
Direct taxation	5 852		5 852
<b>Profit for the year</b>	13 923		13 923
Attributable to minorities	2 493		2 493
Attributable to preference shareholders	282		282
<b>Attributable to ordinary shareholders</b>	11 148		11 148

Refer to page 24 for explanations of reclassifications.

<b>Other indicators of banking activities</b>	<b>%</b>	<b>%</b>
Non-interest revenue to total income	53,7	53,0
Credit loss ratio	0,67	0,60
Cost-to-income ratio <sup>1</sup>	53,5	52,6
Cost-to-income ratio excluding capital profit on MasterCard <sup>1</sup>	53,8	52,8

<sup>1</sup> Restated based on the revised formula as defined by the Banking Association, ie includes share of profit from associates and joint ventures in total income.

## Group balance sheet reclassifications

30 June 2006

	Normalised as previously reported Rm	Change in accounting policy Rm	IFRS 7 Rm	Liberty Life Rm	Normalised restated Rm
<b>Assets</b>					
Cash and balances with central banks	84 139		(62 186)	291	22 244
Short-term negotiable securities	30 381		(30 381)		
Derivative assets	120 021				120 021
Trading assets	66 083		(11 175)		54 908
Pledged assets			14 643	2 966	17 609
Financial investments	177 958		26 913	(14 878)	189 993
Loans and advances	415 585		62 186		477 771
Loans and advances to banks	42 171		60 781		102 952
Loans and advances to customers	373 414		1 405		374 819
Investment properties				12 419	12 419
Other assets	33 098			94	33 192
Interest in associates and joint ventures	6 047			1 841	7 888
Goodwill and other intangible assets	2 537	(222)		(309)	2 006
Property and equipment	4 658			16	4 674
<b>Total assets</b>	<b>940 507</b>	<b>(222)</b>	<b>–</b>	<b>2 440</b>	<b>942 725</b>
<b>Equity and liabilities</b>					
<b>Equity</b>	<b>57 877</b>	<b>(222)</b>		<b>(309)</b>	<b>57 346</b>
Equity attributable to ordinary shareholders	43 907	(222)		(190)	43 495
Ordinary share capital	136				136
Ordinary share premium	2 207				2 207
Reserves	41 564	(222)		(190)	41 152
Preference share capital and premium	4 489				4 489
Minority interest	9 481			(119)	9 362
<b>Liabilities</b>	<b>882 630</b>			<b>2 749</b>	<b>885 379</b>
Derivative liabilities	120 494				120 494
Trading liabilities	43 538				43 538
Deposit and current accounts	498 994				498 994
Deposits from banks	49 731				49 731
Deposits from customers	449 263				449 263
Other liabilities	53 292			2 749	56 041
Policyholder liabilities	150 282				150 282
Subordinated debt	16 030				16 030
<b>Total equity and liabilities</b>	<b>940 507</b>	<b>(222)</b>	<b>–</b>	<b>2 440</b>	<b>942 725</b>

Refer to page 24 for explanations of reclassifications.



## 31 December 2006

	Normalised as previously reported Rm	Change in accounting policy Rm	IFRS 7 Rm	Liberty Life Rm	Normalised restated Rm
<b>Assets</b>					
Cash and balances with central banks	74 154		(54 108)		20 046
Short-term negotiable securities	29 175		(29 175)		
Derivative assets	100 832				100 832
Trading assets	81 569		(3 995)		77 574
Pledged assets			7 228	3 600	10 828
Financial investments	192 298		25 942	(3 600)	214 640
Loans and advances	452 612		54 108		506 720
Loans and advances to banks	35 677		54 108		89 785
Loans and advances to customers	416 935				416 935
Investment properties	13 200				13 200
Other assets	18 018				18 018
Interest in associates and joint ventures	8 584				8 584
Goodwill and other intangible assets	2 910	(227)		(309)	2 374
Property and equipment	5 242				5 242
<b>Total assets</b>	<b>978 594</b>	<b>(227)</b>	<b>–</b>	<b>(309)</b>	<b>978 058</b>
<b>Equity and liabilities</b>					
<b>Equity</b>	<b>64 723</b>	<b>(227)</b>		<b>(309)</b>	<b>64 187</b>
Equity attributable to ordinary shareholders	48 762	(227)		(183)	48 352
Ordinary share capital	136				136
Ordinary share premium	2 303				2 303
Reserves	46 323	(227)		(183)	45 913
Preference share capital and premium	5 503				5 503
Minority interest	10 458			(126)	10 332
<b>Liabilities</b>	<b>913 871</b>				<b>913 871</b>
Derivative liabilities	103 122				103 122
Trading liabilities	36 790				36 790
Deposit and current accounts	545 164				545 164
Deposits from banks	48 374				48 374
Deposits from customers	496 790				496 790
Other liabilities	42 327				42 327
Policyholder liabilities	168 898				168 898
Subordinated debt	17 570				17 570
<b>Total equity and liabilities</b>	<b>978 594</b>	<b>(227)</b>	<b>–</b>	<b>(309)</b>	<b>978 058</b>

Refer to page 24 for explanations of reclassifications.

## Financial and other definitions

### Standard Bank Group

Basic earnings per share (EPS) (cents)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.
CAGR (%)	Compound annual growth rate.
Distribution cover (times)	Headline earnings per share divided by distributions per share.
Distributions per share (cents)	Total distributions to ordinary shareholders including dividends declared per share in respect of the period.
Headline earnings (Rm)	Earnings attributable to ordinary shareholders excluding goodwill gain or impairment, capital profits and losses, and recycled profits or losses on available-for-sale financial instruments.
Headline earnings per 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 period end.
Normalised results	The financial results and ratios restated on an economic substance basis – refer page 82.
Price-to-book (times)	Market capitalisation divided by net asset value.
Profit attributable to ordinary shareholders (Rm)	Profit for the period attributable to ordinary shareholders, calculated as profit for the period less dividends on non-redeemable, non-cumulative, non-participating preference shares declared before period end, less minority interests.
Profit for the period (Rm)	Income statement profit attributable to ordinary shareholders, minorities and preference shareholders for the period.
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 JSE.
Tutuwa	Tutuwa is the group's Black Economic Empowerment Ownership initiative entered into in terms of the Financial Sector Charter.
Weighted average number of shares (number)	The weighted average number of ordinary shares in issue during the period as recorded on the JSE.
<b>Banking activities</b>	
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 coverage ratio (%)	Non-performing loan impairments as a percentage of gross non-performing loans.
Impairment of non-performing loans (Rm)	Impairment for specific identified credit losses, net of the present value of estimated recoveries.
Impairment of performing loans (Rm)	Impairment for incurred credit losses inherent in the performing loan book.
Net interest margin (NIM) (%)	Net interest income (NII) as a percentage of daily and monthly average total assets, excluding trading derivative assets.
Non-interest revenue to total income (%)	Non-interest revenue as a percentage of total income.
Return on equity (ROE) (%)	Headline earnings, excluding Liberty Life as a percentage of monthly average ordinary shareholders' funds, after deducting capital relating to Liberty Life.

Reconciliation  
to IFRS, results  
reported on an  
IFRS basis  
and  
reclassifi-  
cations

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## Explanation of principal differences between normalised and IFRS results

### Description of normalised adjustments

The group's financial results in this booklet are prepared on a normalised basis. The normalised results are prepared in accordance with IFRS except for adjustments relating to required accounting conventions that do not reflect the underlying economic substance of transactions (the normalised adjustments). The results on an IFRS basis are set out in this section.

The normalised adjustments relate to the accounting treatment of two specific and unique circumstances:

- the group's Black Economic Empowerment Ownership initiative; and
- group shares held by the insurance operation for the benefit of policyholders.

A common element in these transactions relates mostly to shares in issue deemed by accounting convention to be treasury shares. Consequently, the "assets" are recognised as a deduction against equity; and the number of shares used for per share calculation purposes are 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 Life, and Central and other. The results of the other business units are unaffected.

### Black Economic Empowerment Ownership initiative

The group concluded its Black Economic Empowerment Ownership initiative (Tutuwa) 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 subscribed for 8,5% redeemable, cumulative preference shares issued by special purpose vehicles (SPVs) controlled by Standard Bank Group (SBG). The initial repurchase of SBG shares by the SPVs is treated as a reduction in the group's equity. Subsequent to the repurchase of the SBG shares, the SPVs containing these shares were sold to the black participants. The capital and dividends on the preference shares are repayable from future ordinary dividends received on SBG shares. As a result of SBG's right to receive its own dividends back in the form of preference dividends and capital on the 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. The preference share investment in the SPVs is also not accounted for as an asset. The preference share asset is effectively eliminated against equity as a negative empowerment reserve.

As a consequence of the above, the IFRS accounting treatment followed until full redemption, or third party financing is:

- the 8,5% redeemable, cumulative preference shares issued by the SPVs and subscribed for by SBG are not recognised as financial assets, but eliminated against equity;

- the preference dividends received from the SPVs are eliminated against the ordinary dividends paid on the SBG shares held by the SPVs;
- 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 the group for the purposes of financing the repurchased SBG shares, is classified as equity. Dividends paid are accounted on declaration and not on an accrual basis.

The "normalised" adjustment:

- recognises a loan asset by reversing the elimination of the Tutuwa SPV preference shares against equity;
- accrues for preference dividends receivable, in interest income, which were not recognised;
- 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.

### Group shares held for the benefit of policyholders

Group companies' shares held by Liberty Life 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.

In terms of IAS 32, Standard Bank and Liberty Holdings shares held by Liberty Life on behalf of policyholders are deemed to be treasury shares for accounting purposes. The corresponding movement in the policyholder liabilities is however not eliminated, resulting in a mismatch in the overall equity and income statement of the group. The accounting consequences in the consolidated IFRS group financial statements are:

- the investment in group shares is set off against equity in the group financial statements;
- within equity, the cost price of the group shares is eliminated against ordinary shareholders' funds and minority interest;
- the fair value movements are eliminated from the income statement, reserves and minority interests;
- dividends received on group shares are eliminated against dividends paid; and
- no adjustment is however made for policyholder liabilities.

Increases in the fair value of group shares and dividends declared on these shares increases the liability to policyholders. The increase in the liability to policyholders is accounted for in the income statement. The increase in assets held to match the liability position is however eliminated against equity. This results in a mismatch in the income statement.

The elimination is attributable to Standard Bank ordinary shareholders to the extent of the effective holding in Liberty Life (approximately 32%).

The weighted average number of shares in issue for per share figures is calculated by deducting the full number of group shares held (100%) and not the effective 32% owned by the group, as the accounting standard (*IAS 33: Earnings per share*) does not contemplate minority portions of treasury shares. This treatment exaggerates the reduction in the weighted 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 are treated as issued to parties external to the group.

### Adjustments to IFRS results

	Headline earnings			Ordinary shareholders' equity
	Banking activities Rm	Liberty Life Rm	Standard Bank Group Rm	Standard Bank Group Rm
<b>IFRS – June 2007</b>	5 485	448	5 933	47 871
Tutuwa initiative	166	14	180	4 364
Group shares held for the benefit of Liberty Life policyholders		52	52	1 273
<b>Normalised – June 2007</b>	<b>5 651</b>	<b>514</b>	<b>6 165</b>	<b>53 508</b>
<b>IFRS – June 2006</b>	4 366	287	4 653	38 181
Tutuwa initiative	173	13	186	4 264
Group shares held for the benefit of Liberty Life policyholders		30	30	1 050
<b>Normalised – June 2006</b>	<b>4 539</b>	<b>330</b>	<b>4 869</b>	<b>43 495</b>
<b>IFRS – December 2006</b>	9 641	547	10 188	42 916
Tutuwa initiative	334	27	361	4 285
Group shares held for the benefit of Liberty Life policyholders		269	269	1 151
<b>Normalised – December 2006</b>	<b>9 975</b>	<b>843</b>	<b>10 818</b>	<b>48 352</b>

The impact of the normalised adjustments on the issued and weighted number of shares is provided on page 18.

## Key financial results and ratios – IFRS

		Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Standard Bank Group</b>					
<b>Earnings</b>					
Headline earnings	Rm	28	5 933	4 653	10 188
Profit attributable to ordinary shareholders	Rm	30	6 352	4 905	10 518
<b>Other indicators</b>					
Headline EPS	cents	26	482,9	384,0	837,4
Diluted headline EPS	cents	25	454,3	363,6	794,4
Basic EPS	cents	28	517,0	404,8	864,5
Diluted EPS	cents	27	486,4	383,3	820,1
Distribution cover	times		2,7	2,7	2,6
Total distributions per share	cents	26	181,0	144,0	320,0
Net asset value per share	cents	24	3 884	3 142	3 504
Ordinary shareholders' funds	Rm	25	47 871	38 181	42 916
ROE	%		26,4	26,9	27,4
Capital adequacy	%		13,7	14,7	14,8
Number of ordinary shares in issue					
– weighted average	thousands		1 228 666	1 211 650	1 216 687
– fully diluted weighted average	thousands		1 305 874	1 279 620	1 282 478
<b>Banking activities</b>					
<b>Earnings</b>					
Headline earnings	Rm	26	5 485	4 366	9 641
<b>Balance sheet</b>					
Total assets	Rm	17	875 143	750 721	771 019
Loans and advances (net of credit impairments)	Rm	25	589 773	473 602	502 519
<b>Other indicators</b>					
Return on equity (ROE)	%		25,4	26,5	27,3
Net interest margin	%		2,88	2,71	2,75
Non-interest revenue to total income	%		53,1	54,2	53,6
Credit impairment charges (income statement)	Rm	62	2 109	1 300	2 733
Credit loss ratio	%		0,79	0,64	0,60
Cost-to-income ratio	%		52,3	53,9	53,1
Effective taxation rate (including indirect taxation)	%		29,3	26,0	28,1

## Summarised group income statement – IFRS

	Change %	June 2007 Rm	June 2006 Rm	December 2006 Rm
Net interest income	37	10 193	7 464	16 654
Non-interest revenue	31	11 543	8 844	19 201
Net fee and commission revenue	25	6 882	5 521	11 861
Trading revenue	62	3 689	2 279	4 852
Other revenue	(7)	972	1 044	2 488
<b>Total income</b>	33	<b>21 736</b>	16 308	35 855
Credit impairment charges	62	2 109	1 300	2 733
Impairments for non-performing loans	51	1 639	1 087	2 022
Impairments for performing loans	>100	470	213	711
<b>Income after credit impairment charges</b>	31	<b>19 627</b>	15 008	33 122
Operating expenses	30	11 464	8 835	19 141
Staff costs	36	6 874	5 070	11 001
Other operating expenses	22	4 590	3 765	8 140
<b>Net income before goodwill</b>	32	<b>8 163</b>	6 173	13 981
Goodwill (gain)/impairment	(>100)	(390)	4	15
<b>Net income before associates and joint ventures</b>	39	<b>8 553</b>	6 169	13 966
Share of profit from associates and joint ventures	94	188	97	218
<b>Net income before taxation</b>	39	<b>8 741</b>	6 266	14 184
Taxation	57	2 562	1 627	3 980
<b>Profit for the period</b>	33	<b>6 179</b>	4 639	10 204
Attributable to minorities	93	56	29	81
Attributable to preference shareholders	96	219	112	269
<b>Attributable to ordinary shareholders – banking activities</b>	31	<b>5 904</b>	4 498	9 854
Headline adjustable items – banking activities	>100	(419)	(132)	(213)
<b>Headline earnings – banking activities</b>	26	<b>5 485</b>	4 366	9 641
<b>Headline earnings – Liberty Life</b>	56	<b>448</b>	287	547
Liberty Life share of attributable profit	10	448	407	664
Headline adjustable items – Liberty Life	(100)	–	(120)	(117)
<b>Standard Bank Group headline earnings</b>	28	<b>5 933</b>	4 653	10 188

## Segmental income statement – IFRS

June 2007

	Personal & Business Banking Rm	Corporate & Investment Banking Rm	Central and other Rm	Banking activities Rm	Liberty Life Rm	Standard Bank Group Rm
<b>Income from banking activities</b>	12 433	9 127	176	21 736		21 736
Net interest income	6 973	2 968	252	10 193		10 193
Interest income	17 733	16 509	(967)	33 275		33 275
Interest expense	10 760	13 541	(1 219)	23 082		23 082
Non-interest revenue	5 460	6 159	(76)	11 543		11 543
Net fee and commission revenue	4 986	1 908	(12)	6 882		6 882
Fee and commission revenue	5 694	2 025	(12)	7 707		7 707
Fee and commission expense	708	117		825		825
Trading revenue	12	3 750	(73)	3 689		3 689
Other revenue	462	501	9	972		972
<b>Income from investment management and life insurance activities</b>					28 086	28 086
Net insurance premiums					11 641	11 641
Investment income and gains					15 550	15 550
Management and service fee income					895	895
<b>Total income</b>	12 433	9 127	176	21 736	28 086	49 822
Credit impairment charges	1 913	196		2 109		2 109
<b>Benefits due to policyholders</b>					21 795	21 795
Net insurance benefits and claims					17 577	17 577
Fair value adjustments to policyholders' liabilities under investment contracts					4 217	4 217
Fair value adjustment on third party fund interests					1	1
<b>Income after credit impairment charges and policyholders' benefits</b>	10 520	8 931	176	19 627	6 291	25 918
<b>Operating expenses in banking activities</b>	6 572	4 810	82	11 464		11 464
Staff costs	3 454	3 089	331	6 874		6 874
Other operating expenses	3 118	1 721	(249)	4 590		4 590
<b>Operating expenses in investment management and life insurance activities</b>					3 528	3 528
Acquisition costs – insurance and investment contracts					1 355	1 355
Other operating expenses					2 173	2 173
<b>Net income before goodwill</b>	3 948	4 121	94	8 163	2 763	10 926
Goodwill (gain)/impairment			(390)	(390)		(390)
<b>Net income before associates and joint ventures</b>	3 948	4 121	484	8 553	2 763	11 316
Share of profit from associates and joint ventures	93	94	1	188	42	230
<b>Net income before indirect taxation</b>	4 041	4 215	485	8 741	2 805	11 546
Indirect taxation	240	132	29	401	114	515
<b>Profit before direct taxation</b>	3 801	4 083	456	8 340	2 691	11 031
Direct taxation	1 131	911	119	2 161	1 225	3 386
<b>Profit for the period</b>	2 670	3 172	337	6 179	1 466	7 645
Attributable to minorities	23	52	(19)	56	1 018	1 074
Attributable to preference shareholders			219	219		219
<b>Attributable to ordinary shareholders</b>	2 647	3 120	137	5 904	448	6 352
Headline adjustable items	(21)	(3)	(395)	(419)		(419)
<b>IFRS headline earnings</b>	2 626	3 117	(258)	5 485	448	5 933
<b>Normalised headline earnings</b>	2 626	3 117	(92)	5 651	514	6 165



## June 2006

	Personal & Business Banking Rm	Corporate & Investment Banking Rm	Central and other Rm	Banking activities Rm	Liberty Life Rm	Standard Bank Group Rm
<b>Income from banking activities</b>	9 649	6 303	356	16 308		16 308
Net interest income	5 022	2 223	219	7 464		7 464
Interest income	11 226	11 555	(687)	22 094		22 094
Interest expense	6 204	9 332	(906)	14 630		14 630
Non-interest revenue	4 627	4 080	137	8 844		8 844
Net fee and commission revenue	4 240	1 294	(13)	5 521		5 521
Fee and commission revenue	4 805	1 370	(13)	6 162		6 162
Fee and commission expense	565	76		641		641
Trading revenue		2 296	(17)	2 279		2 279
Other revenue	387	490	167	1 044		1 044
<b>Income from investment management and life insurance activities</b>					24 749	24 749
Net insurance premiums					9 497	9 497
Investment income and gains					14 412	14 412
Management and service fee income					840	840
<b>Total income</b>	9 649	6 303	356	16 308	24 749	41 057
Credit impairment charges	1 062	238		1 300		1 300
<b>Benefits due to policyholders</b>					19 265	19 265
Net insurance benefits and claims					15 804	15 804
Fair value adjustments to policyholders' liabilities under investment contracts					2 730	2 730
Fair value adjustment on third party fund interests					731	731
<b>Income after credit impairment charges and policyholders' benefits</b>	8 587	6 065	356	15 008	5 484	20 492
<b>Operating expenses in banking activities</b>	5 462	3 271	102	8 835		8 835
Staff costs	2 725	2 088	257	5 070		5 070
Other operating expenses	2 737	1 183	(155)	3 765		3 765
<b>Operating expenses in investment management and life insurance activities</b>					2 924	2 924
Acquisition costs – insurance and investment contracts					1 196	1 196
Other operating expenses					1 728	1 728
<b>Net income before goodwill</b>	3 125	2 794	254	6 173	2 560	8 733
Goodwill (gain)/impairment		4		4		4
<b>Net income before associates and joint ventures</b>	3 125	2 790	254	6 169	2 560	8 729
Share of profit from associates and joint ventures	72	26	(1)	97	6	103
<b>Net income before indirect taxation</b>	3 197	2 816	253	6 266	2 566	8 832
Indirect taxation	197	89	14	300	136	436
<b>Profit before direct taxation</b>	3 000	2 727	239	5 966	2 430	8 396
Direct taxation	932	443	(48)	1 327	1 050	2 377
<b>Profit for the period</b>	2 068	2 284	287	4 639	1 380	6 019
Attributable to minorities	7	22		29	973	1 002
Attributable to preference shareholders			112	112		112
<b>Attributable to ordinary shareholders</b>	2 061	2 262	175	4 498	407	4 905
Headline adjustable items		3	(135)	(132)	(120)	(252)
<b>IFRS headline earnings</b>	2 061	2 265	40	4 366	287	4 653
<b>Normalised headline earnings</b>	2 061	2 265	213	4 539	330	4 869

## Group balance sheet – IFRS

	Change %	Standard Bank Group		
		June 2007 Rm	June 2006 Rm	December 2006 Rm
<b>Assets</b>				
Cash and balances with central banks	(18)	18 164	22 244	20 046
Derivative assets	(16)	101 231	120 021	100 832
Trading assets	29	70 562	54 908	77 574
Pledged assets	(27)	12 890	17 609	10 828
Financial investments	24	230 082	184 966	209 238
Loans and advances	25	589 773	473 602	502 519
Loans and advances to banks	(18)	84 086	102 952	89 785
Loans and advances to customers	36	505 687	370 650	412 734
Investment properties	9	13 506	12 419	13 200
Other assets	(3)	32 036	33 192	18 018
Interest in associates and joint ventures	38	10 859	7 888	8 584
Goodwill and other intangible assets	44	2 885	2 006	2 374
Property and equipment	27	5 921	4 674	5 242
<b>Total assets</b>	17	<b>1 087 909</b>	933 529	968 455
<b>Equity and liabilities</b>				
<b>Equity</b>	24	<b>59 770</b>	48 260	54 708
Equity attributable to ordinary shareholders	25	47 871	38 181	42 916
Ordinary share capital	1	137	136	136
Ordinary share premium	15	2 548	2 207	2 303
Reserves	26	45 186	35 838	40 477
Preference share capital and premium	23	5 503	4 489	5 503
Minority interest	14	6 396	5 590	6 289
<b>Liabilities</b>	16	<b>1 028 139</b>	885 269	913 747
Derivative liabilities	(15)	102 857	120 494	103 122
Trading liabilities	(14)	37 562	43 538	36 790
Deposit and current accounts	28	636 405	498 994	545 164
Deposits from banks	(10)	44 640	49 731	48 374
Deposits from customers	32	591 765	449 263	496 790
Other liabilities	(8)	51 664	55 931	42 203
Policyholders' liabilities	22	182 817	150 282	168 898
Subordinated debt	5	16 834	16 030	17 570
<b>Total equity and liabilities</b>	17	<b>1 087 909</b>	933 529	968 455

Change %	Banking activities			Change %	Liberty Life		
	June 2007 Rm	June 2006 Rm	December 2006 Rm		June 2007 Rm	June 2006 Rm	December 2006 Rm
38	16 096	11 663	14 343	(80)	2 068	10 581	5 703
(16)	101 231	120 021	100 832				
29	70 562	54 908	77 574				
(36)	9 362	14 643	7 228	19	3 528	2 966	3 600
23	55 619	45 048	50 560	25	174 463	139 918	158 678
25	589 773	473 602	502 519				
(18)	84 086	102 952	89 785				
36	505 687	370 650	412 734				
				9	13 506	12 419	13 200
(4)	24 841	25 852	12 012	(2)	7 195	7 340	6 006
59	1 637	1 032	1 130	35	9 222	6 856	7 454
>100	1 651	574	1 043	(14)	1 234	1 432	1 331
29	4 371	3 378	3 778	20	1 550	1 296	1 464
17	875 143	750 721	771 019	16	212 766	182 808	197 436
27	52 010	41 050	46 488	8	7 760	7 210	8 220
26	45 877	36 386	40 797	11	1 994	1 795	2 119
1	137	136	136				
15	2 548	2 207	2 303				
27	43 192	34 043	38 358	11	1 994	1 795	2 119
23	5 503	4 489	5 503				
>100	630	175	188	6	5 766	5 415	6 101
16	823 133	709 671	724 531	17	205 006	175 598	189 216
(15)	102 749	120 386	103 026		108	108	96
(14)	37 562	43 538	36 790				
28	636 405	498 994	545 164				
(10)	44 640	49 731	48 374				
32	591 765	449 263	496 790				
(3)	31 637	32 777	24 035	(14)	20 027	23 154	18 168
				22	182 817	150 282	168 898
6	14 780	13 976	15 516		2 054	2 054	2 054
17	875 143	750 721	771 019	16	212 766	182 808	197 436

## Group income statement – reconciliation to IFRS

	IFRS change %	June 2007			June 2006			December 2006		
		Normalised Rm	Adjustment Rm	IFRS Rm	Normalised Rm	Adjustment Rm	IFRS Rm	Normalised Rm	Adjustment Rm	IFRS Rm
<b>Income from banking activities</b>	33	21 909	(173)	21 736	16 480	(172)	16 308	36 202	(347)	35 855
Net interest income	37	10 366	(173)	10 193	7 636	(172)	7 464	17 001	(347)	16 654
Interest income	51	33 448	(173)	33 275	22 266	(172)	22 094	51 202	(347)	50 855
Interest expense	58	23 082		23 082	14 630		14 630	34 201		34 201
Non-interest revenue	31	11 543		11 543	8 844		8 844	19 201		19 201
Net fee and commission revenue	25	6 882		6 882	5 521		5 521	11 861		11 861
Fee and commission revenue	25	7 707		7 707	6 162		6 162	13 398		13 398
Fee and commission expense	29	825		825	641		641	1 537		1 537
Trading revenue	62	3 689		3 689	2 279		2 279	4 852		4 852
Other revenue	(7)	972		972	1 044		1 044	2 488		2 488
<b>Income from investment management and life insurance activities</b>	13	28 380	(294)	28 086	24 937	(188)	24 749	60 410	(1 066)	59 344
Net insurance premiums	23	11 641		11 641	9 497		9 497	20 066		20 066
Investment income and gains	8	15 844	(294)	15 550	14 600	(188)	14 412	38 634	(1 066)	37 568
Management and service fee income	7	895		895	840		840	1 710		1 710
<b>Total income</b>	21	50 289	(467)	49 822	41 417	(360)	41 057	96 612	(1 413)	95 199
Credit impairment charges	62	2 109		2 109	1 300		1 300	2 733		2 733
<b>Benefits due to policyholders</b>	13	21 795		21 795	19 265		19 265	47 896		47 896
Net insurance benefits and claims	11	17 577		17 577	15 804		15 804	38 140		38 140
Fair value adjustment to policyholders' liabilities under investment contracts	54	4 217		4 217	2 730		2 730	8 276		8 276
Fair value adjustment on third party fund interests	(100)	1		1	731		731	1 480		1 480
<b>Income after credit impairment charges and policyholders' benefits</b>	26	26 385	(467)	25 918	20 852	(360)	20 492	45 983	(1 413)	44 570
<b>Operating expenses in banking activities</b>	30	11 464		11 464	8 835		8 835	19 141		19 141
Staff costs	36	6 874		6 874	5 070		5 070	11 001		11 001
Other operating expenses	22	4 590		4 590	3 765		3 765	8 140		8 140
<b>Operating expenses in investment management and life insurance activities</b>	21	3 528		3 528	2 924		2 924	6 486		6 486
Acquisition costs – insurance and investment contracts	13	1 355		1 355	1 196		1 196	2 413		2 413
Other operating expenses	26	2 173		2 173	1 728		1 728	4 073		4 073
<b>Net income before goodwill</b>	25	11 393	(467)	10 926	9 093	(360)	8 733	20 356	(1 413)	18 943
Goodwill (gain)/impairment		(390)		(390)	4		4	15		15
<b>Net income before associates and joint ventures</b>	30	11 783	(467)	11 316	9 089	(360)	8 729	20 341	(1 413)	18 928
Share of profit from associates and joint ventures	>100	230		230	103		103	275		275
<b>Net income before indirect taxation</b>	31	12 013	(467)	11 546	9 192	(360)	8 832	20 616	(1 413)	19 203
Indirect taxation	18	515		515	436		436	841		841
<b>Profit before direct taxation</b>	31	11 498	(467)	11 031	8 756	(360)	8 396	19 775	(1 413)	18 362
Direct taxation	42	3 386		3 386	2 377		2 377	5 852		5 852
<b>Profit for the period</b>	27	8 112	(467)	7 645	6 379	(360)	6 019	13 923	(1 413)	12 510
Attributable to minorities	7	1 302	(228)	1 074	1 147	(145)	1 002	2 493	(770)	1 723
Attributable to preference shareholders	96	226	(7)	219	111	1	112	282	(13)	269
Attributable to ordinary shareholders	30	6 584	(232)	6 352	5 121	(216)	4 905	11 148	(630)	10 518

## Group balance sheet – reconciliation to IFRS

	IFRS change %	June 2007			June 2006			December 2006		
		Normalised Rm	Adjustment Rm	IFRS Rm	Normalised Rm	Adjustment Rm	IFRS Rm	Normalised Rm	Adjustment Rm	IFRS Rm
<b>Assets</b>										
Cash and balances with central banks	(18)	18 164		18 164	22 244		22 244	20 046		20 046
Derivative assets	(16)	101 231		101 231	120 021		120 021	100 832		100 832
Trading assets	29	70 562		70 562	54 908		54 908	77 574		77 574
Pledged assets	(27)	12 890		12 890	17 609		17 609	10 828		10 828
Financial investments	24	235 717	(5 635)	230 082	189 993	(5 027)	184 966	214 640	(5 402)	209 238
Loans and advances	25	593 972	(4 199)	589 773	477 771	(4 169)	473 602	506 720	(4 201)	502 519
Loans and advances to banks	(18)	84 086		84 086	102 952		102 952	89 785		89 785
Loans and advances to customers	36	509 886	(4 199)	505 687	374 819	(4 169)	370 650	416 935	(4 201)	412 734
Investment properties	9	13 506		13 506	12 419		12 419	13 200		13 200
Other assets	(3)	32 036		32 036	33 192		33 192	18 018		18 018
Interest in associates and joint ventures	38	10 859		10 859	7 888		7 888	8 584		8 584
Goodwill and other intangible assets	44	2 885		2 885	2 006		2 006	2 374		2 374
Property and equipment	27	5 921		5 921	4 674		4 674	5 242		5 242
<b>Total assets</b>	17	<b>1 097 743</b>	<b>(9 834)</b>	<b>1 087 909</b>	<b>942 725</b>	<b>(9 196)</b>	<b>933 529</b>	<b>978 058</b>	<b>(9 603)</b>	<b>968 455</b>
<b>Equity and liabilities</b>										
<b>Equity</b>	24	<b>69 473</b>	<b>(9 703)</b>	<b>59 770</b>	<b>57 346</b>	<b>(9 086)</b>	<b>48 260</b>	<b>64 187</b>	<b>(9 479)</b>	<b>54 708</b>
Equity attributable to ordinary shareholders	25	53 508	(5 637)	47 871	43 495	(5 314)	38 181	48 352	(5 436)	42 916
Ordinary share capital	1	137		137	136		136	136		136
Ordinary share premium	15	2 548		2 548	2 207		2 207	2 303		2 303
Reserves	26	50 823	(5 637)	45 186	41 152	(5 314)	35 838	45 913	(5 436)	40 477
Preference share capital and premium	23	5 503		5 503	4 489		4 489	5 503		5 503
Minority interest	14	10 462	(4 066)	6 396	9 362	(3 772)	5 590	10 332	(4 043)	6 289
<b>Liabilities</b>	16	<b>1 028 270</b>	<b>(131)</b>	<b>1 028 139</b>	<b>885 379</b>	<b>(110)</b>	<b>885 269</b>	<b>913 871</b>	<b>(124)</b>	<b>913 747</b>
Derivative liabilities	(15)	102 857		102 857	120 494		120 494	103 122		103 122
Trading liabilities	(14)	37 562		37 562	43 538		43 538	36 790		36 790
Deposit and current accounts	28	636 405		636 405	498 994		498 994	545 164		545 164
Deposits from banks	(10)	44 640		44 640	49 731		49 731	48 374		48 374
Deposits from customers	32	591 765		591 765	449 263		449 263	496 790		496 790
Other liabilities	(8)	51 795	(131)	51 664	56 041	(110)	55 931	42 327	(124)	42 203
Policyholders' liabilities	22	182 817		182 817	150 282		150 282	168 898		168 898
Subordinated debt	5	16 834		16 834	16 030		16 030	17 570		17 570
<b>Total equity and liabilities</b>	17	<b>1 097 743</b>	<b>(9 834)</b>	<b>1 087 909</b>	<b>942 725</b>	<b>(9 196)</b>	<b>933 529</b>	<b>978 058</b>	<b>(9 603)</b>	<b>968 455</b>

## Group income statement reclassifications

30 June 2006

	IFRS as previously reported Rm	IFRS 7 Rm	Liberty Life Rm	IFRS restated Rm
<b>Income from banking activities</b>	16 512	(204)		16 308
Net interest income	7 464			7 464
Interest income	22 094			22 094
Interest expense	14 630			14 630
Non-interest revenue	9 048	(204)		8 844
Net fee and commission revenue	5 725	(204)		5 521
Fee and commission revenue	5 725	437		6 162
Fee and commission expense		641		641
Trading revenue	2 279			2 279
Other revenue	1 044			1 044
<b>Income from investment management and life insurance activities</b>	24 084		665	24 749
Net insurance premiums	9 497			9 497
Investment income and gains	13 688		724	14 412
Management and service fee income	899		(59)	840
<b>Total income</b>	40 596	(204)	665	41 057
Credit impairment charges	1 300			1 300
<b>Benefits due to policyholders</b>	18 747		518	19 265
Net insurance benefits and claims	15 804			15 804
Fair value adjustment to policyholders' liabilities under investment contracts	2 730			2 730
Fair value adjustment on third party fund interests	213		518	731
<b>Income after credit impairment charges and policyholders' benefits</b>	20 549	(204)	147	20 492
<b>Operating expenses in banking activities</b>	9 039	(204)		8 835
Staff costs	5 070			5 070
Other operating expenses	3 969	(204)		3 765
<b>Operating expenses in investment management and life insurance activities</b>	2 777		147	2 924
Acquisition costs – insurance and investment contracts	1 196			1 196
Other operating expenses	1 581		147	1 728
<b>Net income before goodwill</b>	8 733			8 733
Goodwill impairment	4			4
<b>Net income before associates and joint ventures</b>	8 729			8 729
Share of profit from associates and joint ventures	103			103
<b>Net income before indirect taxation</b>	8 832			8 832
Indirect taxation	436			436
<b>Profit before direct taxation</b>	8 396			8 396
Direct taxation	2 377			2 377
<b>Profit for the period</b>	6 019			6 019
Attributable to minorities	1 002			1 002
Attributable to preference shareholders	112			112
<b>Attributable to ordinary shareholders</b>	4 905			4 905

Refer to page 24 for explanations of reclassifications.

Other indicators of banking activities	%	%
Non-interest revenue to total income	54,8	54,2
Credit loss ratio	0,71	0,64
Cost-to-income ratio <sup>1</sup>	54,7	53,9
Cost-to-income ratio excluding capital profit on MasterCard <sup>1</sup>	55,3	54,4

<sup>1</sup> Restated based on the revised formula as defined by the Banking Association, ie includes share of profit from associates and joint ventures in total income.

## 31 December 2006

	IFRS as previously reported Rm	IFRS 7 Rm	IFRS restated Rm
<b>Income from banking activities</b>	36 366	(511)	35 855
Net interest income	16 654		16 654
Interest income	50 855		50 855
Interest expense	34 201		34 201
Non-interest revenue	19 712	(511)	19 201
Net fee and commission revenue	12 372	(511)	11 861
Fee and commission revenue	12 372	1 026	13 398
Fee and commission expense		1 537	1 537
Trading revenue	4 852		4 852
Other revenue	2 488		2 488
<b>Income from investment management and life insurance activities</b>	59 344		59 344
Net insurance premiums	20 066		20 066
Investment income and gains	37 568		37 568
Management and service fee income	1 710		1 710
<b>Total income</b>	95 710	(511)	95 199
Credit impairment charges	2 733		2 733
<b>Benefits due to policyholders</b>	47 896		47 896
Net insurance benefits and claims	38 140		38 140
Fair value adjustment to policyholders' liabilities under investment contracts	8 276		8 276
Fair value adjustment on third party fund interests	1 480		1 480
<b>Income after credit impairment charges and policyholders' benefits</b>	45 081	(511)	44 570
<b>Operating expenses in banking activities</b>	19 652	(511)	19 141
Staff costs	11 001		11 001
Other operating expenses	8 651	(511)	8 140
<b>Operating expenses in investment management and life insurance activities</b>	6 486		6 486
Acquisition costs – insurance and investment contracts	2 413		2 413
Other operating expenses	4 073		4 073
<b>Net income before goodwill</b>	18 943		18 943
Goodwill impairment	15		15
<b>Net income before associates and joint ventures</b>	18 928		18 928
Share of profit from associates and joint ventures	275		275
<b>Net income before indirect taxation</b>	19 203		19 203
Indirect taxation	841		841
<b>Profit before direct taxation</b>	18 362		18 362
Direct taxation	5 852		5 852
<b>Profit for the year</b>	12 510		12 510
Attributable to minorities	1 723		1 723
Attributable to preference shareholders	269		269
<b>Attributable to ordinary shareholders</b>	10 518		10 518

Refer to page 24 for explanations of reclassifications.

<b>Other indicators of banking activities</b>	%	%
Non-interest revenue to total income	54,2	53,6
Credit loss ratio	0,68	0,60
Cost-to-income ratio <sup>1</sup>	54,0	53,1
Cost-to-income ratio excluding capital profit on MasterCard <sup>1</sup>	54,3	53,3

<sup>1</sup> Restated based on the revised formula as defined by the Banking Association, ie includes share of profit from associates and joint ventures in total income.

## Group balance sheet reclassifications

30 June 2006

	IFRS as previously reported Rm	Change in accounting policy Rm	IFRS 7 Rm	Liberty Life Rm	IFRS restated Rm
<b>Assets</b>					
Cash and balances with central banks	84 139		(62 186)	291	22 244
Short-term negotiable securities	30 381		(30 381)		
Derivative assets	120 021				120 021
Trading assets	66 083		(11 175)		54 908
Pledged assets			14 643	2 966	17 609
Financial investments	172 931		26 913	(14 878)	184 966
Loans and advances	411 416		62 186		473 602
Loans and advances to banks	42 171		60 781		102 952
Loans and advances to customers	369 245		1 405		370 650
Investment properties				12 419	12 419
Other assets	33 098			94	33 192
Interest in associates and joint ventures	6 047			1 841	7 888
Goodwill and other intangible assets	2 537	(222)		(309)	2 006
Property and equipment	4 658			16	4 674
<b>Total assets</b>	<b>931 311</b>	<b>(222)</b>	<b>–</b>	<b>2 440</b>	<b>933 529</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Equity attributable to ordinary shareholders	38 593	(222)		(190)	38 181
Ordinary share capital	136				136
Ordinary share premium	2 207				2 207
Reserves	36 250	(222)		(190)	35 838
Preference share capital and premium	4 489				4 489
Minority interest	5 709			(119)	5 590
<b>Liabilities</b>	<b>882 520</b>			<b>2 749</b>	<b>885 269</b>
Derivative liabilities	120 494				120 494
Trading liabilities	43 538				43 538
Deposit and current accounts	498 994				498 994
Deposits from banks	49 731				49 731
Deposits from customers	449 263				449 263
Other liabilities	53 182			2 749	55 931
Policyholders' liabilities	150 282				150 282
Subordinated bonds	16 030				16 030
<b>Total equity and liabilities</b>	<b>931 311</b>	<b>(222)</b>	<b>–</b>	<b>2 440</b>	<b>933 529</b>

Refer to page 24 for explanations of reclassifications.



## 31 December 2006

	IFRS as previously reported Rm	Change in accounting policy Rm	IFRS 7 Rm	Liberty Life Rm	IFRS restated Rm
<b>Assets</b>					
Cash and balances with central banks	74 154		(54 108)		20 046
Short-term negotiable securities	29 175		(29 175)		
Derivative assets	100 832				100 832
Trading assets	81 569		(3 995)		77 574
Pledged assets			7 228	3 600	10 828
Financial investments	186 896		25 942	(3 600)	209 238
Loans and advances	448 411		54 108		502 519
Loans and advances to banks	35 677		54 108		89 785
Loans and advances to customers	412 734				412 734
Investment properties	13 200				13 200
Other assets	18 018				18 018
Interest in associates and joint ventures	8 584				8 584
Goodwill and other intangible assets	2 910	(227)		(309)	2 374
Property and equipment	5 242				5 242
<b>Total assets</b>	<b>968 991</b>	<b>(227)</b>	<b>–</b>	<b>(309)</b>	<b>968 455</b>
<b>Equity and liabilities</b>					
<b>Equity</b>	<b>55 244</b>	<b>(227)</b>		<b>(309)</b>	<b>54 708</b>
Equity attributable to ordinary shareholders	43 326	(227)		(183)	42 916
Ordinary share capital	136				136
Ordinary share premium	2 303				2 303
Reserves	40 887	(227)		(183)	40 477
Preference share capital and premium	5 503				5 503
Minority interest	6 415			(126)	6 289
<b>Liabilities</b>	<b>913 747</b>				<b>913 747</b>
Derivative liabilities	103 122				103 122
Trading liabilities	36 790				36 790
Deposit and current accounts	545 164				545 164
Deposits from banks	48 374				48 374
Deposits from customers	496 790				496 790
Other liabilities	42 203				42 203
Policyholders' liabilities	168 898				168 898
Subordinated bonds	17 570				17 570
<b>Total equity and liabilities</b>	<b>968 991</b>	<b>(227)</b>	<b>–</b>	<b>(309)</b>	<b>968 455</b>

Refer to page 24 for explanations of reclassifications.

## Business unit reclassifications

	Personal & Business Banking Rm	Corporate & Investment Banking Rm	Central and other Rm	Liberty Life Rm	Standard Bank Group Rm
<b>June 2006</b>					
IFRS headline earnings as reported June 2006	2 086	2 210	70	287	4 653
Group marketing and other cost centre moves	30		(30)		
Rest of Africa split refinement	(55)	55			
<b>IFRS headline earnings</b>	<b>2 061</b>	<b>2 265</b>	<b>40</b>	<b>287</b>	<b>4 653</b>
<b>December 2006</b>					
IFRS headline earnings as reported December 2006	4 828	5 033	(220)	547	10 188
Other cost centre moves	5		(5)		
<b>IFRS headline earnings</b>	<b>4 833</b>	<b>5 033</b>	<b>(225)</b>	<b>547</b>	<b>10 188</b>

## Shareholder information

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## Shareholder information

### Ten major shareholders<sup>1</sup>

	June 2007		June 2006		December 2006	
	Number of shares (million)	% holding	Number of shares (million)	% holding	Number of shares (million)	% holding
Public Investment Corporation	190,8	13,9	174,6	12,8	181,2	13,3
Old Mutual Group	112,8	8,2	138,1	10,2	121,1	8,9
Tutuwa Group	102,3	7,6	102,3	7,6	102,3	7,6
– Staff	42,0	3,1	42,0	3,1	42,0	3,1
– Strategic partners	40,2	3,0	40,2	3,0	40,2	3,0
– Communities and regional businesses	20,1	1,5	20,1	1,5	20,1	1,5
Dodge & Cox	40,8	3,0	15,3	1,1	28,6	2,1
Sanlam Group	39,6	2,9	40,4	3,0	36,1	2,6
Liberty Group <sup>2</sup>	39,1	2,9	44,2	3,3	38,6	2,8
Investment Solutions	38,2	2,8	42,6	3,1	40,3	3,0
Allan Gray Equity Fund	13,4	1,0	11,6	0,9	14,6	1,1
	<b>577,0</b>	<b>42,3</b>	<b>569,1</b>	<b>42,0</b>	<b>562,8</b>	<b>41,4</b>

<sup>1</sup> Beneficial holdings determined from the share register and investigations conducted on our behalf in terms of S140A of the Companies Act.

<sup>2</sup> Policyholders' funds.

### Credit ratings

The latest credit ratings for Standard Bank Group are detailed below:

	Short-term	Long-term	Outlook
<b>The Standard Bank of South Africa</b>			
Fitch Ratings (July 2007)			
Foreign currency	F2	A-	Stable
Local currency		A-	Stable
National	F1+(zaf)	AA+(zaf)	Stable
Standard & Poor's (November 2005) public information rating			
Local currency		BBBpi	
Moody's Investors Services (December 2006) public information rating			
Bank deposit rating	P-2	Baa1	Stable
<b>Standard International Holdings Limited</b>			
Fitch Ratings (July 2007)			
Foreign currency	F2	A-	Stable
Moody's Investors Services (April 2007)			
Issuer rating		Baa1	Stable
<b>Standard Bank Plc</b>			
Fitch Ratings (July 2007)			
Foreign currency	F2	A-	Stable
Moody's Investors Services (April 2007)			
Bank deposit rating	P-2	A3	Stable
<b>Liberty Life</b>			
Fitch Ratings (June 2006)			
National Insurer Financial Strength		AA(zaf)	Stable
National Long-term		AA-(zaf)	Stable
<b>RSA Sovereign ratings: Foreign currency</b>			
Fitch Ratings		BBB+	
Standard & Poor's		BBB+	
Moody's Investors Services		Baa1	
<b>RSA Sovereign ratings: Local currency</b>			
Fitch Ratings		A	
Standard & Poor's		A+	
Moody's Investors Services		A2	

**Share statistics – JSE Limited**

	June 2007	June 2006	December 2006
<b>Share prices (cents)</b>			
– High for the period	11 725	8 900	9 650
– Low for the period	9 000	6 850	6 850
– Closing	9 830	7 700	9 450
<b>Shares traded</b>			
– Number of shares (000's)	475 296	577 897	1 014 873
– Value of shares (Rm)	49 028	46 415	81 541
– Turnover in shares traded (%)	69,9	85,8	74,5
<b>Number of shares in issue (million)</b>			
– End of period	1 371	1 359	1 363
– Weighted average	1 367	1 356	1 358

**Instrument codes****JSE Limited****Ordinary shares**

Share code: SBK

ISIN code: ZAE000057378

**6,5% cumulative preference shares**

Share code: SBKP

ISIN code: ZAE000038881

**Non-redeemable non-cumulative preference shares**

Share code: SBPP

ISIN code: ZAE000056339

**Deposit notes**

SBR001: ZAE000077780

SBR002: ZAE000083853

**Bond Exchange of South Africa****Subordinated debt**

SBK 3: ZAG000018086

SBK 5: ZAG000023078

SBK 7: ZAG000024894

SBK 8: ZAG000029679

SBK 9: ZAG000029687

SBS 1: ZAG000023235

SBS 2: ZAG000024522

SBS 4: ZAG000035049

SBS 5: ZAG000035650

**Namibian Stock Exchange (NSX)****Ordinary shares**

Share code: SNB

ISIN code: ZAE000057378

## Distribution payment dates

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

	Ordinary shares	6,5% cumulative preference shares (First preference shares)	Non-redeemable, non-cumulative, non-participating preference shares (Second preference shares)
<b>JSE Limited (JSE)</b>			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000057378	ZAE000038881	ZAE000056339
<b>Namibian Stock Exchange (NSX)</b>			
Share code	SNB		
ISIN	ZAE000057378		
<b>Dividend number</b>	76	76	6
<b>Distribution per share (cents)</b>	181	3,25	436,09
Distribution paid out of share premium	100		
Distribution paid out of distributable reserves	81		
<b>Distribution payment dates</b>			
Last day to trade "CUM" distribution	Friday 7 September 2007	Friday 31 August 2007	Friday 31 August 2007
Shares trade "EX" distribution	Monday 10 September 2007	Monday 3 September 2007	Monday 3 September 2007
Record date	Friday 14 September 2007	Friday 7 September 2007	Friday 7 September 2007
Payment date	Monday 17 September 2007	Monday 10 September 2007	Monday 10 September 2007

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 10 September 2007 and Friday, 14 September 2007, both days inclusive.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 3 September 2007 and Friday, 7 September 2007, both days inclusive.



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