Audited results and dividend announcement

for the year ended 31 December 2005

Standard Bank

Contents

We are committed to shareholder value.

Financial statistics at/for the year ended 31 December 2005

	% change	2005 Audited	2004 Audited
Standard Bank Group			
Cents per ordinary share			
Headline earnings	23	**702,3**	570,3
Dividends	15	**267,0**	231,5
Earnings	20	**699,7**	581,4
Fully diluted earnings	17	**668,4**	571,3
Standard Bank operations			
Financial performance (%)			
Net interest margin		**2,93**	3,07
Credit loss ratio		**0,41**	0,43
Cost-to-income ratio		**56,6**	58,0
Effective tax rate (including indirect taxes)		**27,4**	28,3
Capital adequacy (%)			
Capital ratio			
– primary capital		**10,5**	11,0
– total capital		**14,2**	15,0

Normalised financial statistics at/for the year ended 31 December 2005

	% change	2005 Unaudited	2004 Unaudited
Standard Bank Group			
Cents per ordinary share			
Headline earnings	19	**666,0**	558,1
Earnings	17	**663,6**	569,0
Fully diluted earnings	16	**652,2**	561,6
Net asset value per ordinary share	15	**2 830**	2 464
Financial performance (%)			
Return on equity		**25,2**	24,2
Return on equity (Standard Bank operations)		**25,8**	25,1

Headline earnings and dividends per share (cents)

Overview of financial results

Standard Bank Group headline earnings per share for the year to December 2005 increased by 23% to 702,3 cents per share and a return on equity of 27,8% was achieved. These results are based on International Financial Reporting Standards (IFRS). Certain of the accounting conventions under IFRS, in the opinion of the board, distort the results from an economic perspective. As discussed under the normalised headline earnings section in this announcement, the effect of these distortions has been adjusted for in calculating normalised results. On a normalised basis headline earnings per share grew 19% and the return on equity was 25,2% (2004: 24,2%).

Broadly, 2005 was positive for emerging market economies as macroeconomic fundamentals and demand for exports from these markets improved. Investment inflows to these markets, aided by global liquidity and increased investor risk appetite, lifted economic activity but reduced profit margins of our corporate and investment banking activities.

South Africa's economic growth, which is high at present, stemmed substantially from strong local demand. High consumer spending was underpinned by relatively low inflation and interest rates. Net job creation, the positive effect of rising equity and house prices, increased household disposable income and the growing middle class resulted in improved consumer confidence and provided a strong platform for consumer and business banking in South Africa.

Key factors impacting the results

• Increased consumer activity in South Africa

2005 saw continued strong growth in the residential property market and record new vehicle sales. A further 50 basis points reduction in the prime interest rate together with a strengthening economy was conducive to sustained growth in lending and transaction volumes.

• Rehabilitation of previously impaired loans

Corporate & Investment Banking in South Africa and internationally experienced credit recoveries during the year as improved economic conditions in emerging markets led to the recovery of previously distressed counterparties. This helped reduce the group's credit loss ratio to a historic low, despite an increase in the credit loss ratio in Personal & Business Banking SA.

• Increased funding requirements

Customer deposits continue to grow at a slower pace than consumer lending, resulting in an increased reliance on more expensive wholesale funding. In addition, the proportion of term deposits has been increased to lengthen the structure of the funding book in line with internal prudential guidelines. Consequently, average long-term funding as a percentage of total funding has increased from 15% to 18%. During the year, the group successfully concluded its first asset-backed securitisation transactions: R4,5 billion of mortgage loans and R3,0 billion of vehicle and asset finance receivables.

• Strong equity markets

Investment Management & Life Insurance benefited from a strong run in equity markets. Higher property prices assisted Corporate & Investment Banking SA to achieve sizeable gains on its listed property investment portfolio.

• Intensified competition in emerging markets

Emerging markets are increasingly popular with global investors as developing countries' credit ratings continue to improve. In this environment, traditional emerging market players like ourselves are encountering increased competition from the large established global banks in our chosen markets. Consequently, margins have contracted. In addition, these more stable environments have reduced trading opportunities for the group's international operations. These trends have led to the international operations' 2005 results being below expectation.

• Higher compliance costs

Increased regulations are becoming a feature in most of the jurisdictions in which the group operates. Staff costs in South Africa were significantly impacted by additional staff requirements to comply with the Financial Intelligence Centre Act (FICA) and other regulations. FICA requirements were also the main driver behind increased communication costs.

Business units

In 2005, re-alignments of executive focus areas and reporting lines have been implemented to support the group's growth objectives and to provide more flexibility for the deployment of capital, particularly against the background of the recent dispensation announced by the Minister of Finance. The dispensation allows a portion of a bank's assets to comprise exposures in the rest of Africa and, to a lesser extent, internationally without Exchange Control approval. This involves de-emphasis of geographical segmentation of businesses in favour of focusing on the three key business segments of the group: Personal & Business Banking, Corporate & Investment Banking and Investment Management & Life Insurance. This refocusing aims at the leveraging of skills, economies of scale and synergies, regardless of geography, and particularly at enhanced customer focus. It is anticipated that the financial results of the group will be presented on this basis from 2006 onwards. For 2005, however, the geographic information has been maintained.

On this new basis, Personal & Business Banking comprises 44% of the group's headline earnings, and grew these earnings in 2005 by 22%. Corporate & Investment Banking comprises 45% and grew by 7%, and Investment Management & Life Insurance comprises 7% and grew by 51%.

On a geographical basis, South African banking increased headline earnings by 21% with growth of 23% in Personal & Business Banking SA. The favourable economic conditions benefited the consumer market and underpinned transactional and lending growth. The division maintained a strong focus on service levels and operational efficiencies notwithstanding increased business volumes and compliance requirements. The home loans business concluded another successful year with a 25% growth in new loans registered and low credit losses. Specific focus on the card business resulted in substantial growth in both balances and turnover.

Corporate & Investment Banking SA increased headline earnings by 15%. The benefits of strong loan growth in commercial property lending was partly offset by lower interest margins resulting from more expensive and longer dated funding. Fees and commissions benefited from increased corporate transaction volumes and new electronic banking products. South African trading income increased by 8%, dampened by low volatility in foreign exchange markets. Other income increased following the revaluation and realisation of listed property investments. A net reversal of credit losses occurred for the third consecutive year supported by an exceptionally favourable credit environment. Operating cost growth was contained to 3% largely through lower IT costs, savings on depreciation and premises costs.

Corporate & Investment Banking International's headline earnings were 28% lower following increased competition and tightening spreads against a background of increased global liquidity across most of its markets. Trading income was also adversely impacted by a continued shift from a reliance on proprietary trading, with lower value-at-risk utilisation, to becoming more client focused. A net reversal of credit losses resulted from previously impaired accounts now performing. Strategies to improve performance in this operation are being implemented including an increase in the talent pool, particularly in client facing areas, improved systems and a change in emphasis from product to client focus. In addition, the appointment of Ben Kruger as chief executive of Corporate & Investment Banking across the group should quicken the pace of implementing these strategies.

Following strong earnings growth in Rest of Africa over a number of years, headline earnings growth of 17% was slightly below expectation. Lower lending margins restricted income growth, off a higher cost base. Management's attention in 2005 was mostly inwardly focused with concentration on the alignment of products, policies, procedures and systems across all African countries, and integrating these with the South African operations. The focus for 2006 will be to increase transaction flows through the stronger base that has now been established.

Liberty Life had a very good year and increased normalised headline earnings by 47%, notwithstanding a once-off R321 million after tax provision for the Statement of Intent relating to the Pension Funds Adjudicator (PFA) rulings. Significant gains on investments held in the shareholders portfolio more than offset this provision. Highlights of Liberty Life's results were improved investment returns and strong growth in new business. The Capital Alliance Holdings Limited (CAL) integration is on track and benefits are beginning to be extracted.

The group will continue to invest in expanding its activities in emerging markets outside of South Africa. In December 2005, a consortium led by Standard Bank entered into an agreement with Bank of America to buy BankBoston Argentina. This transaction remains subject to fulfilment of provisions of the agreement and obtaining the necessary regulatory approvals in both South Africa and Argentina. The acquisition is only expected to be concluded in the third quarter and is not anticipated to materially affect the 2006 results. Given our interest in Nigeria, we have invested approximately USD 185 million in our existing banking operation to meet the new minimum capital requirement set by the Central Bank of Nigeria. This enables us to comprehensively evaluate suitable acquisition opportunities.

Income statement analysis

Net interest income – up 13%

Despite lower margins, strong South African asset growth resulted in increased group net interest income.

Pressure on funding costs resulted in a decline in South African banking margins which affected the group's margin.

The lower interest earned on shareholders' funds and transactional deposits such as current accounts continued to squeeze margins as the average prime rate reduced by 66 basis points to 10,65% in 2005 following a further 50 basis points reduction in the domestic prime rate.

On the funding side, increased utilisation of more expensive wholesale funding to fund asset growth and the lengthening of the average long-term funding ratio from 15% to 18%, impacted margins.

Lending growth was the main contributor to higher net interest income in Rest of Africa and internationally but falling interest rates in key African markets and high levels of global liquidity resulted in tighter margins, partly reducing this benefit.

Non-interest revenue – up 11%

Growth in non-interest revenue resulted from a 14% increase in fee and commission revenue and growth of 25% in other sources of non-interest revenue. Net trading revenue was marginally lower.

In South Africa, fees and commission benefited from a growing customer base and higher transaction volumes resulting in growth of 16% despite below inflation price increases. These increased volumes were particularly evident in card-based commissions, point of representation fees and electronic banking where income growth rates of 29%, 13% and 19%, respectively, were achieved. Migration to electronic banking is continuing as the number of Internet transactions increased by 85% and the number of new Internet users increased by 27%. Increased deal flow benefited the corporate finance advisory business and contributed significantly to growth in knowledge-based fees. Rest of Africa recorded fees and commissions growth of 15%, resulting mainly from increased volumes and repricing of electronic banking and point of representation fees. Stanlib benefited from increased assets under management and grew fees by 14%. Internationally, competitive pressures and lower fund management fees led to a reduction of 9% in fee revenue.

Trading revenue grew by 8% in South Africa with improved deal flow in client-based derivative trading. Foreign exchange trading recorded a marginal increase, off a high base, with volumes and market conditions to a large extent the same as in 2004.

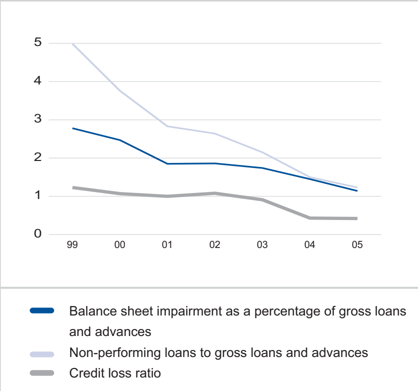
Buoyant precious metal prices resulted in reduced hedging activity and a consequent reduction in commodity trading revenue. In Rest of Africa, strong growth occurred in foreign exchange trading with favourable spreads and increased volumes from higher volatility being the main drivers.

Corporate & Investment Banking International showed a 9% reduction in trading revenue. Favourable economic conditions in emerging markets resulted in increased competition and tighter spreads, reducing foreign exchange and debt securities trading profits. In commodity markets, revenue was lower, off a high base, as the re-establishment of the energy business team following some key departures is only expected to take effect in 2006.

In South Africa, growth in the other income category resulted mainly from gains in listed property investments. This was coupled with increased profits from the private equity business and an improved underwriting performance in the short-term insurance operation.

Credit impairment charges – up 15%

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



The credit impairment charge increased by 15% off a low base. This growth is made up of a decrease in the charge for non-performing loans and a significant increase in the portfolio charge for performing loans. The benign South African credit conditions of the past two years played a significant role in the low credit losses on non-performing loans.

The charge for non-performing loans was also assisted by the corporate and investment banking businesses in South Africa and internationally ending the year with net recoveries following the rehabilitation of previously non-performing exposures. In Personal & Business Banking SA strong growth in all categories of consumer lending, especially in card, resulted in a substantially increased charge in rand terms.

This translated into a net credit loss ratio of 0,41% compared to a ratio of 0,43% the prior year. All businesses reflected lower credit loss ratios for the year, except for Personal & Business Banking SA where the ratio increased from 0,59% in 2004 to 0,73% in 2005. This was mainly as a result of a planned increase in risk appetite on credit card lending and the impact of prudent risk quantifications on a relatively young consumer loan book.

Operating expenses – up 9%

Banking operations contained its overall growth in operating expenses to 9% with staff costs increasing by 12% and other operating expenses growing by 6%.

Staff cost growth resulted mainly from a 2% increase in headcount necessitated by additional volume and compliance requirements and new IT initiatives. A focus on efficiencies at branch level and productivity at head office resulted in containment of staff numbers despite increased business volumes. In line with the group's remuneration policy, increased profitability resulted in higher incentive payments. Staff costs were further increased by the phase-in of share-based payments relating to the group's share incentive schemes as well as a full year's expense relating to rights to shares acquired by black managers in terms of the Tutuwa initiative, both now required in terms of IFRS.

Growth in other operating expenses resulted mainly from an increase in IT contractor fees as a number of system-based projects in response to operational and regulatory requirements are in progress, including compliance with Basel II. Increased business volumes, higher communication costs and additional client interaction to meet the Financial Intelligence Centre Act (FICA) requirements resulted in increased costs in South Africa. Other operating expenses in Rest of Africa grew by 17% due to continued investment in improved IT systems and processes across the continent. Internationally, increasing investment in IT infrastructure and network capabilities coupled with the expansion of regional offices resulted in 6% cost growth.

Across the group, additional compliance related costs amounted to approximately R200 million in 2005.

Balance sheet analysis

Strong growth in banking assets excluding derivatives occurred across the group with growth of 28% in Personal & Business Banking SA, 35% in Corporate & Investment Banking SA, 18% in Rest of Africa and 14% in Corporate & Investment Banking International.

Most consumer lending categories in South Africa benefited from lower interest rates:

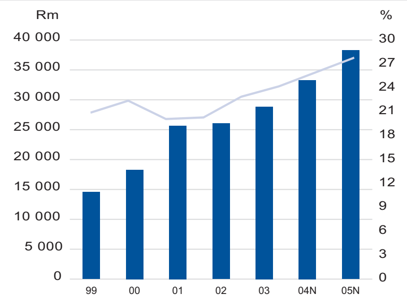
- Mortgage loans increased by 32% following an increase in the volume and value of new registrations;
- Instalment finance was up 15%, mainly as a result of volume growth as average lending values remained largely unchanged. Results reflected a performance above expectation in motor vehicle business for consumers and a disappointing growth rate in the non-motor book; and
- A strong focus was placed on growth in card debtors with a resulting 55% growth in card balances. Growth resulted mainly from new card openings through targeted campaigns and joint ventures, higher levels of revolving credit facilities and increased consumer spending.

The group's market share in South Africa increased in credit card debtors to 35,1% (2004: 32,8%) and decreased in both mortgage lending, down marginally to 25,6% (2004: 25,8%) and in instalment finance down to 20,3% (2004: 22,1%). Both mortgage lending and instalment finance market share statistics were impacted by securitisations, which reduced the ratios by 0,6% and 1,1% respectively.

Corporate & Investment Banking SA recorded growth in external loans and advances of 24%, mainly from increased commercial property lending, new term deals to corporate customers and increased structured trade finance transactions. Internationally, external loan growth of 45% resulted mainly from increased structured and trade finance deals.

Net asset value as defined by ordinary shareholders' equity grew by 13% to R33 billion. In 2004, the group reported a R4,2 billion elimination against equity attributable to ordinary shareholders for shares issued in terms of the Tutuwa initiative deemed to be treasury shares. Following the adoption of IFRS a further elimination was required for group shares held for the benefit of policyholders amounting to R1,1 billion, net of minority interest. On a normalised basis (adding these eliminations back) net asset value increased by 15% to R38 billion, representing mainly the retention of earnings and a R0,4 billion increase in the translation reserve.

Return on ordinary equity



Average ordinary shareholders' funds
ROE
N = Normalised

Liberty Life

It has been a good year for Liberty Life. Indexed new business premiums increased by 12%. Net cash inflows from insurance operations amounted to R5,7 billion – the highest level to date. In addition, Stanlib and Liberty Ermitage net cash inflows amounted to R13,3 billion and R0,4 billion respectively. Normalised embedded value per share was 15% higher than last year. During the course of 2005 Liberty Life initiated the disposal of its offshore asset manager, Liberty Ermitage, and the Australian life assurance business, Prefsure, which was included in the acquisition of CAL.

Liberty Life's published earnings are adjusted to exclude all earnings related to Stanlib, this entity's results being consolidated into those of Standard Bank operations.

Capital

The group's capital adequacy ratio reduced to 14,2% from 15,0% at December 2004, still well above the weighted average regulatory requirement of 10,3% for the 25 banks across the group. Tier I capital adequacy reduced from 11,0% to 10,5% due to strong growth in risk-weighted assets marginally exceeding retention of capital following the reduction in dividend cover. In addition, the group utilised R677 million to buy back 10,2 million shares thus counteracting the impact on earnings per share of shares issued in relation to the group's share option scheme.

Dividends

In March 2005 the group announced a revised dividend policy using a dividend cover ratio for both interim and year-end dividends. This has resulted in a more even spread between interim and final dividends. Due to the much higher number of shares eliminated in terms of IFRS from 2005, dividend cover has now been applied to normalised headline earnings per share for the purpose of arriving at dividend declarations, slightly reducing the reported dividend growth.

At December 2004 the cover ratio was 2,5 times, down from 3,1 times in 2003. The dividend cover for 2005 has remained unchanged, resulting in total dividends declared of 267,0 cents, 15% higher than the total dividend declared in 2004. The total dividend of 267,0 cents is made up of a final dividend of 145,0 cents (20% lower than 2004) and an interim dividend of 122,0 cents (142% higher than 2004).

The dividend policy is subject to annual review and may be adjusted for business growth, acquisition activity, the impact of Basel II or changes in reported earnings resulting from applying fair value accounting principles.

Prospects

The group's Personal & Business Banking operation is set to continue to benefit from sustained positive economic fundamentals in South Africa, together with increased economic development and organic business growth anticipated across the African continent.

Corporate & Investment Banking should benefit from potential growth in South African infrastructural and empowerment financing together with an expected increase in corporate credit demand. As we improve the infrastructure and trading teams in our regional operations in emerging economies, the group should be well placed to take advantage of opportunities across most of our chosen markets.

Investment Management & Life Insurance earnings may be lower in 2006 due to the potential impact of a lower assumed equity and bond market performance although real growth in embedded value and dividends should be achieved.

Taking the above factors into account, we believe that the group's diversified business spread will enable the group to produce returns to shareholders in 2006 in line with our principal financial objectives of a normalised return on equity of 24,0% (revised upwards) and normalised headline earnings per share growth of South African inflation (CPIX) plus 10 percentage points.

Jacko Maree *Chief Executive*
Derek Cooper *Chairman*

Johannesburg
8 March 2006

Normalised headline earnings (unaudited)

As indicated, normalised headline earnings have been adjusted for required accounting conventions that do not reflect the underlying economic substance of transactions. With regard to segmental reporting, normalised adjustments have been made centrally and in Liberty Life and the business unit results are therefore not affected.

Black Economic Empowerment Ownership Initiative (Tutuwa)

In terms of the accounting treatment of the Tutuwa initiative concluded in October 2004, preference share funding to the Tutuwa participants by the group is not recognised as an asset but deducted from equity. Income legally accrued on these preference shares is therefore not reflected in income. Perpetual preference share capital raised to fund the transaction is classified as equity and thus dividends are only accounted for when declared. The ordinary shares delivered to the Tutuwa participants, although legally effected, are deemed to be treasury shares for accounting purposes until eventual redemption or refinancing of the preference share funding. The “normalised” calculation adjusts headline earnings for preference dividends receivable but not included in income and reverses the elimination of preference shares against equity. Dividends declared on perpetual preference shares are adjusted to an accrual basis. In addition, in calculating normalised headline earnings per share, the number of shares held by the Tutuwa participants is added back to the weighted number of shares in issue.

Group companies’ 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 IFRS, with effect from January 2005, Standard Bank and Liberty Holdings shares held by Liberty Life on behalf of policyholders are deemed to be treasury shares and the investment in these shares is accordingly set off against equity in the group’s financial statements. The cost price of these shares is eliminated against ordinary shareholders’ funds and minority interests on consolidation. Fair value movements are eliminated from the income statement and dividends received are eliminated against dividends paid without a corresponding elimination in policyholders’ liabilities resulting in a mismatch in the group’s income statement. The elimination is attributable to Standard Bank ordinary shareholders to the extent of the effective holding in Liberty Life (30%).

The weighted average number of shares in issue for earnings per share is calculated by deducting the full number of group shares held (100%), 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 for per share calculations.

For purposes of calculating the normalised numbers and ratios, the adjustments described above are reversed and the group shares held are treated as assets invested on behalf of policyholders. The result of these adjustments is as follows:

Normalised headline earnings

	Weighted average number of shares '000	Headline earnings Rm	Growth on 31 December 2004 %
Disclosed in terms of IFRS	**1 205 169**	**8 464**	12
Tutuwa initiative			
Dividend receivable on 8,5% preference shares	**99 190**	**367**	
Dividend payable on perpetual preference shares adjusted to an accrual basis		**3**	
Group shares held for the benefit of policyholders			
Fair value movements on group shares held on behalf of policyholders	**49 023**	**127**	
Dividends received on group shares held for the benefit of policyholders		**52**	
Normalised for Tutuwa initiative and group shares held for the benefit of policyholders	**1 353 382**	**9 013**	20
Headline earnings per share as disclosed (cents)		**702,3**	23
Normalised headline earnings per share (cents)		**666,0**	19

Normalised headline earnings comprise

	% change	2005 Rm	2004 Rm
Standard Bank Group	20	**9 013**	7 511
Standard Bank operations	19	**8 490**	7 156
Liberty Life	47	**523**	355

Consolidated balance sheet at 31 December 2005

Rm	% change	2005 Audited	2004 Audited
Assets			
Cash and balances with banks	87	**70 852**	37 842
Short-term negotiable securities	41	**30 313**	21 461
Derivative assets	(19)	**100 188**	124 236
Trading assets	19	**38 446**	32 438
Investments	29	**153 404**	118 677
Loans and advances	29	**334 128**	258 873
Current and deferred taxation	(10)	**990**	1 094
Other assets	(25)	**13 003**	17 223
Disposal groups held for sale		**2 380**	–
Interest in associates and joint ventures	53	**4 985**	3 250
Goodwill and other intangible assets	>100	**2 453**	965
Property and equipment	10	**4 536**	4 114
Total assets	22	**755 678**	620 173
Equity and liabilities			
Equity	4	**39 964**	38 533
Equity attributable to ordinary shareholders	13	**32 931**	29 064
Preference share capital and premium		**2 991**	2 991
Minority interest	(38)	**4 042**	6 478
Liabilities	23	**715 714**	581 640
Derivative liabilities	(15)	**98 826**	116 214
Trading liabilities	49	**21 462**	14 410
Deposit and current accounts	28	**412 462**	322 477
Current and deferred taxation	44	**6 926**	4 812
Other liabilities	32	**21 292**	16 074
Disposal groups held for sale		**1 267**	–
Policyholders' liabilities	44	**140 835**	97 993
Subordinated bonds	31	**12 644**	9 660
Total equity and liabilities	22	**755 678**	620 173

Consolidated income statement for the year ended 31 December 2005

Rm	% change	2005 Audited	2004 Audited
Income from banking operations	12	**29 705**	26 536
Net interest income	13	**12 987**	11 492
Interest income	10	**38 697**	35 247
Interest expense	8	**25 710**	23 755
Non-interest revenue	11	**16 718**	15 044
Income from life insurance operations	58	**51 127**	32 311
Total income	37	**80 832**	58 847
Credit impairment charges	15	**1 207**	1 050
Benefits due to policyholders	65	**41 004**	24 809
Income after credit impairment charges and policyholders' benefits	17	**38 621**	32 988
Operating expenses in banking operations	9	**16 817**	15 384
Operating expenses in insurance operations	54	**7 222**	4 684
Net income before goodwill	13	**14 582**	12 920
Goodwill impairment		**421**	48
Net income from banking and insurance	10	**14 161**	12 872
Income from associates and joint ventures	78	**226**	127
Net income before indirect taxation	11	**14 387**	12 999
Indirect taxation	20	**778**	651
Profit before direct taxation	10	**13 609**	12 348
Direct taxation	32	**4 312**	3 276
Profit for the year	2	**9 297**	9 072
Minorities	(54)	**639**	1 388
Preference shareholders		**226**	–
Ordinary shareholders	10	**8 432**	7 684

Headline earnings for the year ended 31 December 2005

Rm	% change	2005 Audited	2004 Audited
Group profit attributable to ordinary shareholders	10	**8 432**	7 684
Adjustable items added back or reversed		**293**	(563)
Goodwill impairment		**421**	48
Profit on sale of properties and equipment		**(64)**	(44)
Impairment on capital assets		**–**	27
Recycled investment gains on available-for-sale assets		**(64)**	(599)
Other capital losses		**–**	5
Taxation on headline earnings adjustable items		**20**	8
Minority share of headline earnings adjustable items		**(281)**	409
Headline earnings	12	**8 464**	7 538
		Unaudited	Unaudited
Normalised headline earnings	20	**9 013**	7 511

Consolidated cash flow information for the year ended 31 December 2005

Rm	2005 Audited	2004 Audited
Net cash from operating activities	**19 020**	16 550
Net cash from operating funds	**27 895**	623
Net cash (used in)/from investing activities	**(5 377)**	451
Net cash used in financing activities	**(1 907)**	(3 497)

Statement of changes in shareholders' funds for the year ended 31 December 2005

Rm	Ordinary shareholders' equity Audited	Preference share capital and premium Audited	Minority interest Audited	Total equity Audited
Balance at 1 January 2004	28 835	8	6 421	35 264
Adjustment on adoption of IFRS	(91)		(5)	(96)
Restated balance at 1 January 2004	28 744	8	6 416	35 168
Profit for the year	7 684		1 388	9 072
Net dividends paid	(2 150)		(797)	(2 947)
Net translation reversal and hedging	(1 272)		(103)	(1 375)
Issue of share capital and share premium	269	3 000	138	3 407
Equity impact of empowerment	(4 360)		(908)	(5 268)
Other reserve movements	149	(17)	344	476
Balance at 31 December 2004	**29 064**	**2 991**	**6 478**	**38 533**
Adjustment on adoption of IFRS	**(901)**		**(2 756)**	**(3 657)**
Restated balance at 1 January 2005	**28 163**	**2 991**	**3 722**	**34 876**
Profit for the year	**8 432**	**226**	**639**	**9 297**
Net dividends paid	**(3 747)**	**(226)**	**(488)**	**(4 461)**
Net translation gain and hedging	**397**		**(21)**	**376**
Issue of share capital and share premium	**246**		**71**	**317**
Share buy-backs	**(677)**		**–**	**(677)**
Other reserve movements	**117**		**119**	**236**
Balance at 31 December 2005	**32 931**	**2 991**	**4 042**	**39 964**

Contingent liabilities and capital commitments at 31 December 2005

Rm	2005 Audited	2004 Audited
Contingent liabilities		
Letters of credit	**5 398**	4 827
Guarantees	**16 309**	17 520
Unutilised facilities	**26 417**	18 497
	48 124	40 844
Capital commitments		
Capital Alliance Holdings Limited acquisition	**–**	3 094
Contracted capital expenditure	**552**	664
Capital expenditure authorised but not yet contracted	**876**	768
	1 428	4 526

Segment report for the year ended 31 December 2005

Rm	% change	2005 Audited	2004 Audited
Domestic Banking	21	**6 991**	5 790
Personal & Business Banking SA	23	**3 664**	2 985
Corporate & Investment Banking SA	15	**3 213**	2 805
Other domestic operations		**114**	–
Rest of Africa	17	**721**	616
Corporate & Investment Banking International	(28)	**465**	647
Stanlib	73	**97**	56
Central funding and eliminations		**(129)**	78
Standard Bank operations	13	**8 145**	7 187
Liberty Life	(9)	**319**	351
Standard Bank Group	12	**8 464**	7 538

Normalised headline earnings contribution by business unit

Rm	% change	2005 Unaudited	2004 Unaudited
Domestic Banking	21	**6 991**	5 790
Personal & Business Banking SA	23	**3 664**	2 985
Corporate & Investment Banking SA	15	**3 213**	2 805
Other domestic operations		**114**	–
Rest of Africa	17	**721**	616
Corporate & Investment Banking International	(28)	**465**	647
Corporate & Investment Banking International USD	*(28)*	***73***	*101*
Stanlib	73	**97**	56
Central funding and eliminations	>100	**216**	47
Central funding and eliminations – IFRS		**(129)**	78
Tutuwa adjustments		**345**	(31)
Standard Bank operations	19	**8 490**	7 156
Liberty Life normalised	47	**523**	355
Liberty Life – IFRS	(9)	**319**	351
Policyholder deemed treasury shares added back and Tutuwa adjustment	>100	**204**	4
Standard Bank Group	20	**9 013**	7 511

Accounting policies

Basis of preparation

The consolidated financial statements are prepared in accordance with, and comply with International Financial Reporting Standards (IFRS) and the South African Companies Act of 1973. The consolidated financial statements are prepared in accordance with the going concern principle under the historical cost basis as modified by the revaluation of financial instruments classified as available-for-sale, financial assets and liabilities held at fair value through profit and loss, investment properties and derivative instruments.

Changes in accounting policies

The accounting policies are consistent with those adopted in the previous year, except for changes made as a result of the adoption of IFRS. The revised IFRS policies have been consistently applied to both years presented with the exception of IAS 32 – Financial Instruments: Disclosure and Presentation, IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 4 – Insurance Contracts, where the group elected to apply IFRS with effect from 1 January 2005 as permitted by IFRS.

A detailed report summarising the impact of IFRS conversion was published with the 2005 interim results announcement and is available on www.standardbank.co.za. With the exception of reallocation in the income statement and balance sheet line items since that publication, no further adjustments have been made impacting profit and equity attributable to ordinary shareholders.

Audit opinion

These abridged financial statements have been extracted from the audited financial statements on which KPMG Inc and PricewaterhouseCoopers Inc have issued an unqualified audit report. This report is available for inspection at the company's registered office.

Declaration of dividends

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

- Ordinary dividend No. 73 of 145 cents per ordinary share (share codes: SBK and SNB, ISIN: ZAE000057378), payable on Tuesday, 18 April 2006, to ordinary shareholders recorded in the books of the company at the close of business on the record date, Thursday, 13 April 2006. The last day to trade to participate in the dividend is Thursday, 6 April 2006. Ordinary shares will commence trading ex-dividend from Friday, 7 April 2006;
- 6,5% first cumulative preference shares (first preference shares) dividend No. 73 of 3,25 cents per first preference share (share code: SBKP, ISIN: ZAE000038881), payable on Monday, 10 April 2006, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday, 7 April 2006. The last day to trade to participate in the dividend is Friday, 31 March 2006. First preference shares will commence trading ex-dividend from Monday, 3 April 2006; and
- Non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 3 of 370,52 cents per second preference share (share code: SBPP, ISIN: ZAE000056339), payable on Monday, 10 April 2006, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday, 7 April 2006. The last day to trade to participate in the dividend is Friday, 31 March 2006. Second preference shares will commence trading ex-dividend from Monday, 3 April 2006.

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

	Ordinary shares	6,5% cumulative preference shares (First preference shares)	Non-redeemable, non-cumulative, non-participating preference shares (Second preference shares)
JSE Limited (JSE)			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000057378	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	SNB		
ISIN	ZAE000057378		
Dividend number	73	73	3
Dividend per share (cents)	145	3,25	370,52
Dividend payment dates			
Last day to trade "CUM" dividend	Thursday, 6 April 2006	Friday, 31 March 2006	Friday, 31 March 2006
Shares trade "EX" dividend	Friday, 7 April 2006	Monday, 3 April 2006	Monday, 3 April 2006
Record date	Thursday, 13 April 2006	Friday, 7 April 2006	Friday, 7 April 2006
Payment date	Tuesday, 18 April 2006	Monday, 10 April 2006	Monday, 10 April 2006

Ordinary share certificates may not be dematerialised or rematerialised between Friday, 7 April 2006 and Thursday, 13 April 2006, both days inclusive.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 3 April 2006 and Friday, 7 April 2006, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Preference shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday, 10 April 2006. Ordinary shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Tuesday, 18 April 2006.

On behalf of the board

Loren Wulfsohn
Group Secretary

Board of directors
DE Cooper (Chairman), JH Maree* (Chief Executive), DDB Band, E Bradley, T Evans, TS Gcabashe, DA Hawton, Sir Sam Jonah KBE[§], Sir Paul Judge[#], SJ Macozoma, RP Menell, Adv KD Moroka, AC Nissen, MC Ramaphosa, Dr MA Ramphele, MJD Ruck*, MJ Shaw, Sir Robert Smith[#], Dr CB Strauss

**Executive directors*
[#]*British*
[§]*Ghanaian*

Group Secretary
L Wulfsohn

Standard Bank Group Limited
(Incorporated in the Republic of South Africa)
(Registered bank controlling company)
(Reg No 1969/017128/06)
Share code: SBK • ISIN: ZAE000057378

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