STANDARD BANK GROUP LIMITED (Incorporated in the Republic of South Africa)
(Registered bank controlling company)
(Reg No 1969/017128/06)

Interim results and dividend announcement
for the six months ended 30 June 2005

JSE Limited
Share code: SBK
ISIN: ZAE000057378;
Share code SBKP
ISIN: ZAE000038881; and
Share code SBPP
ISIN: ZAE000056339

Namibian Stock Exchange
Share code: SNB
ISIN: ZAE000057378

Headline earnings of R4 billion, up 18% (23% normalised*)
Headline earnings per share 31% higher (22% normalised*)
ROE of 26,7% (23,7% normalised*)
Credit loss ratio of 0,46%
Dividend cover maintained at 2,5 times
Dividends per share up from 50,5 cents to 122,0 cents (based on revised interim dividend policy)

Overview of financial results
Standard Bank Group headline earnings per share for the six months to June 2005 increased by 31% to 327,4 cents per share and a return on equity of 26,7% was achieved. These earnings reflect the consequences of applying a number of accounting conventions which distort both the legal and economic substance.
In order to correct these distortions, this effect has been adjusted in arriving at normalised earnings (see details elsewhere). On this basis normalised headline earnings per share growth was 22% and return on equity a more realistic 23,7%.
The South African economic environment continued to be favourable for the group's domestic banking operations. Low nominal interest rates combined with robust growth in property and equity markets, continued to boost consumer credit demand. For the six months under review, inflation (measured by CPIX) averaged 3,6% and interest rates reduced by a further 50 basis points. Domestic corporates benefited from strong household consumption and pressure on exporters reduced as the rand weakened by 19% against the dollar at period end. However, higher liquidity in the corporate market kept credit demand at subdued levels.
Retail Banking increased headline earnings by 30% over the comparable period, benefiting from continued focus on customer service and low credit default experience. Retail loan growth of 33% was underpinned by a 26% year-on-year increase in residential property prices and a 28% growth in new motor vehicle sales. Buoyant consumer activity increased transaction volumes across most products, resulting in fee and commission income growing by 16% despite modest price increases.
Corporate and Investment Banking increased headline earnings by 10%. The division reported satisfactory growth in trading revenue and continued gains from listed property investments. Net interest income was negatively impacted by tighter margins as competitive pressures increased, however this effect was mitigated by further credit recoveries.
International's headline earnings were 2% lower in US dollars. In common with many competitors active in emerging markets, pricing pressures and low client activity levels resulted in lower than expected revenues. Trading revenue reduced by 27% in rand terms, mainly due to substantially lower trading opportunities in fixed income and credit markets, but also due to intentional reductions in proprietary risk. Recoveries of previously provisioned non-performing exposures provided a boost to results. Translated into rand at a stronger average rate, earnings from this entity decreased by 8%.
Earnings from Africa (excluding South Africa) grew by 16%. Alignment of Africa's retail and corporate business activities with operations in South Africa is gaining momentum and we continue to deploy domestic technology and expertise. Fee income generation was a highlight across the network, but higher credit impairment charges off a low base dampened the rate of earnings growth.
Liberty Group Limited (Liberty Life) increased its contribution to normalised headline earnings by 87% during a period characterised by stronger local equity markets and good growth in new business.

Implementation of IFRS
The group has implemented International Financial Reporting Standards (IFRS) effective 1 January 2005. Details relating to the changes resulting from the adoption of IFRS are set out in a separate announcement published alongside this interim results announcement. The most significant impact on

the group's published results is that Standard Bank Group and Liberty Holdings shares held by Liberty Group for the benefit of its policyholders are now deemed to be treasury shares for accounting purposes.
The adoption of IFRS in general, and the treatment of deemed treasury shares in particular, have increased the potential for greater volatility in reported earnings. As IFRS are implemented internationally, new accounting interpretations could be issued or existing interpretations revised and these may impact reported results.

* Normalised headline earnings

As indicated previously, normalised headline earnings have been adjusted for required accounting conventions that do not reflect the underlying legal and economic substance of transactions. A common element in these transactions relates to shares in issue deemed by accounting convention to be treasury shares. Consequently the number of shares used for per share calculation purposes are materially understated resulting in inflated per share ratios. With regard to segmental reporting, normalised adjustments have been made centrally and the business unit results are therefore not affected.

Black Ownership Initiative
In terms of the accounting treatment of the Black Ownership Initiative concluded in October 2004, preference share funding to the empowerment participants by the group is not recognised as an asset but deducted from equity. Income legally accrued on these preference shares is not reflected in income. Perpetual preference shares raised to fund the transaction is classified as equity and thus dividends are only accounted for when declared. The delivery of the ordinary shares to the black participants, although legally affected, are deemed 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 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 black participants is added back to the weighted number of shares in issue.

Deemed treasury shares
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, Standard Bank and Liberty Holding shares held by Liberty Life on behalf of policy holders are deemed 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. 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. 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 results of the adjustments are as follows.

Normalised headline earnings

	Weighted number of shares '000	Headline earning Rm	Growth on June 2004 %
Disclosed in terms of IFRS	1 203 776	3 941	18
Black Ownership Initiative			
Dividend receivable on 8,5% preference shares	99 190	182	
Dividend payable on perpetual preference shares adjusted to an accrual basis		2	
Group shares held on behalf of policyholders	50 738		
Fair value movements on group shares held on behalf of policyholders		(30)	
Dividends received on group shares held on behalf of policyholders		31	

Normalised for Black Ownership Initiative and group shares held on behalf of policyholders	1 353 704	4 126	23
Headline earnings per share as disclosed (cents)		327,4	31%
Normalised headline earnings per share (cents)		304,8	22%

Income statement analysis

Net interest income - up 11%

Growth in net interest income was supported by strong asset growth in all domestic asset classes. Significant growth areas were mortgage lending, card debtors, instalment finance and medium-term finance for corporates.

Following a further 70 basis point reduction in the domestic average prime interest rate, interest margins in Domestic Banking reduced by 26 basis points. The negative impact of the lower prime rate on margins was exacerbated by increased reliance on more expensive wholesale funding to support the retail lending growth combined with a strategy to lengthen the term structure of the funding book in line with prudent internal liquidity guidelines. The increased utilisation of mortgage originators further reduced Retail Banking lending margins.

In International, high levels of liquidity and competition in emerging markets caused significant pricing pressure but satisfactory loan growth and increases in LIBOR rates resulted in some increase in net interest income.

Impairment charges on loans and advances - reduced 23%

The group's credit loss experience has benefited in recent years from a combination of improved internal risk processes and a benign credit environment. The credit loss ratio of 0,46% compares to a ratio of 0,72% for the first half of 2004 and 0,43% for the 2004 year. A sequential comparison of the six month periods may be more instructive: credit experience improved from the first half of 2004 to an exceptionally favourable position in the second half of 2004, and has subsequently deteriorated in 2005. Nevertheless, the position at 30 June is better than our expectations.

Impairment charges for non-performing loans of R496 million were 22% lower than for the first six months of 2004. This reduction was mainly as a result of net recoveries and rehabilitation of previously impaired corporate loans in International and Corporate and Investment Banking.

Impairment charges for performing loans, now calculated on an incurred loss method under IFRS, were R142 million for the period, 26% lower than in the prior period. Lower current loss experience which is used to model losses in the performing book was slightly offset by a larger provision requirement due to the strong growth of the domestic lending books.

Non-performing loans increased over the period across most asset classes but as a percentage of the book have remained constant. Non-performing loans are well covered as the gross coverage ratio, calculated as impairment of non-performing loans as a percentage of these loans before deducting security, increased from 48% to 49% while the net coverage ratio remained at 100%.

Non-interest revenue - up 11%

Fees and commission revenue increased by 15%, other sources of non-interest income grew by 40% against a reduction in trading revenue of 5%.

Strong growth in fee revenue was experienced in all major product categories, assisted by growth in both transaction volumes and the retail customer base. Card-based commission grew by 22% and the number of current accounts increased by 14% contributing to a 13% increase in revenues from branch related transactions. Good internet transaction growth for both retail and corporate banking resulted in a 15% growth in electronic banking revenue. Fee revenue in Africa grew by 22%, benefiting from higher transaction volumes and a review of fee structures across the network.

Trading income in International reduced by 22% in dollar terms. Commodity trading income was lower due to subdued deal flow compared to a strong performance in the previous year. Domestically, trading income grew by 21%, mainly as a result of the bank's strong presence in local interest rate and foreign exchange markets.

Growth in other income resulted mainly from gains in listed property investments.

Operating expenses - up 13%

Costs increased by 16% in Domestic Banking and Africa and 7% in dollar terms in International.

Staff costs increased by 15% and other operating expenses by 10%, domestic staff costs being significantly impacted by additional staff required to comply with FICA and other regulations, and by increased business volumes. Staff costs include the amortised cost of the group's share option scheme in terms of IFRS and the amortisation of equity rights granted to black managers under the group's Black Ownership Initiative.

In an increasingly competitive environment, a high level of staff productivity needs to be maintained. Consequently the group has initiated a managerial productivity assessment of approximately 4 000 managerial and executive positions in the group's head office. Furthermore a separate review is underway on domestic regional structures. These assessments will take place by September and any

resultant headcount reduction should be known by the end of the year.
Growth in other operating expenses resulted mainly from increased communication costs in call centres where FICA requirements were the main driver of increased communication volumes. Increased IT production and development activity resulted in increased expenses on software purchases and hardware maintenance costs.

Taxation
Tax charges include both banking operations and total shareholder and policyholder taxes from the life operations. The banking operations' effective tax rate for the period ended 30 June 2005 reduced to 26,8% (June 2004: 30,3%). The direct tax rate reduced from 26,9% to 22,0% year-on-year primarily as a result of the decrease in the SA corporate tax rate and a corresponding reduction in the deferred tax liability released to the income statement offset to some extent by an increase in STC as a result of the lower dividend cover. The indirect tax rate increased from 3,4% to 4,8%. Although the VAT recovery rate remained relatively constant, increased taxable expenditure raised input VAT payable resulting in higher VAT absorbed costs.

Balance sheet
The domestic loans and advances book continued its strong growth fuelled by a buoyant property market and record sales of private new vehicles. The key lending product categories performed as follows:

- mortgage loans were 38% higher, with an increase of 14% in the number of new mortgage loans and a 30% increase in average loan value;
- nstalment finance loans increased by 19%; and
- card debtor balances grew by 47% reflecting high consumer spending, increased usage of revolving facilities and a 20% increase in new account openings.

Corporate loan growth increased by 12% primarily driven by an increase in term lending.
The substantial growth in domestic loans and advances necessitated a concerted programme to maintain liquidity within prudent targets. This included large increases in short-term money market instruments and liquid government stock coupled with a lengthening of the domestic funding profile. Accordingly, cash and short-term negotiable securities increased significantly and treasury term deposits grew by 46%.
Despite a slow-down in the general level of domestic consumer savings in South Africa, customer deposits and current accounts grew by 19%, reflecting Retail Banking's increased focus on deposit taking activities.
Ordinary shareholders' equity grew by 2% since June 2004 to R30 billion after the impairment arising from the Black Ownership Initiative concluded in October 2004 of R4 billion and the elimination of group shares of R1 billion that are held for the benefit of Liberty Life policyholders and now deemed to be treasury shares for accounting purposes. The weaker closing rand/dollar exchange rate increased the group's foreign currency translation reserve by R1 billion.

Liberty Life
After taking goodwill impairments into account, embedded value per share rose by 8% since the 2004 comparative period. Liberty's market share of new individual life single premiums improved to 32% during the period and market share of new individual life recurring premiums declined from 28% at March 2004 to 25% at March 2005.
The Liberty Life interim results to 30 June 2005 include the results of Capital Alliance (CAHL) for 3 months since the effective acquisition date of 1 April 2005. Goodwill on the R3 billion acquisition of R312 million has been fully impaired, as the CAHL policy portfolios are to be fully absorbed into Liberty's operations and consequently their future cash flows will not be separately tracked.

Capital
The group's primary capital adequacy reduced from 11,0% at December 2004 to 10,8% due to the combined effect of growth in risk-weighted assets, the reduction in the group's dividend cover and share buy-backs. The group repurchased approximately 4,4 million shares during the period under review in order to partially counter the dilutive effect of shares issued on exercise of share options. The group's total capital adequacy ratio remained unchanged at 15,0% due to net increases in Tier II capital.

Dividends
In March 2005 the group announced a revised dividend policy using a dividend cover ratio for both interim and year-end dividends. Due to the increased number of shares eliminated in terms of IFRS, dividend cover will now be applied to normalised headline earnings per share for the purpose of arriving at dividend declarations. At December 2004 the cover ratio was 2,5 times and this ratio has been maintained for the interim dividend. This is in contrast to the previous interim dividend policy which was based on one third of the prior year's total dividend. Accordingly, a dividend of 122,0 cents (June 2004:

50,5 cents) has been declared, an increase of 142%.

Prospects

The group's 2005 growth expectations remain positive notwithstanding an anticipated marginal contraction in global economic growth. Domestically margins are likely to remain under pressure and credit charges, still historically low, are expected to increase. Retail lending and transactional income streams should however continue to benefit from buoyant consumer activity and domestic cost growth is receiving increased focus. Internationally, high levels of global liquidity and increased competition in emerging markets are expected to dampen interest and trading margins but there are some recent signs of improvement in client deal flow. The group's operations in other African countries are expected to continue their growth trend.

Whilst credit charges at the interim stage are substantially lower than the comparative period, it is nevertheless expected that credit charges for the full year will show a significant increase over the prior year. Accordingly, growth in normalised headline earnings per share for the full year is unlikely to be as high as in the first half and should be more in line with our published growth objective of CPIX plus 10%. As noted above, the introduction of IFRS is likely to result in greater volatility in reported earnings.

Jacko Maree, Chief Executive — Derek Cooper, Chairman

Declaration of dividends

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

- ordinary dividend No. 72 of 122,0 cents per ordinary share (share codes: SBK and SNB, ISIN: ZAE000057378), payable on Monday, 19 September 2005, to ordinary shareholders recorded in the books of the company at the close of business on the record date, Friday 16 September 2005. The last day to trade to participate in the dividend is Friday, 9 September 2005. Ordinary shares will commence trading ex-dividend from Monday, 12 September 2005;
- 6,5% first cumulative preference shares (first preference shares) dividend No. 72 of 3,25 cents per first preference share (share code: SBKP, ISIN: ZAE000038881), payable on Monday, 12 September 2005, to holders of first preference shares recorded in the books of the company at the close of business on the record date, Friday 9 September 2005. The last day to trade to participate in the dividend is Friday, 2 September 2005. First preference shares will commence trading ex-dividend from Monday, 5 September 2005; and
- non-redeemable, non-cumulative, non-participating preference shares (second preference shares) dividend No. 2 of 374,74 cents per second preference share (share code: SBPP, ISIN: ZAE000056339), payable on Monday, 12 September 2005, to holders of second preference shares recorded in the books of the company at the close of business on the record date, Friday 9 September 2005. The last day to trade to participate in the dividend is Friday, 2 September 2005. Second preference shares will commence trading ex-dividend from Monday, 5 September 2005.

	Ordinary shares	**6,5% cumulative preference shares (First preference shares)**	**Non-redeemable, non-cumulative, non-participating preference shares (Second preference shares)**
JSE Securities Exchange SA			
Share code	SBK	SBKP	SBPP
ISIN	ZAE000057378	ZAE000038881	ZAE000056339
Namibian Stock Exchange (NSX)			
Share code	STB		
ISIN	ZAE000057378		
Dividend number	72	72	2
Dividend per share (cents)	122,0	3,25	374,74
Dividend payment dates			
Last day to trade "CUM" dividend	Friday 9 September 2005	Friday 2 September 2005	Friday 2 September 2005
Shares trade "EX" dividend	Monday 12 September 2005	Monday 5 September 2005	Monday 5 September 2005
Record date	Friday 16 September 2005	Friday 9 September 2005	Friday 9 September 2005

Payment date	Monday 19 September 2005	Monday 12 September 2005	Monday 12 September 2005

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 12 September 2005 and Friday, 16 September 2005, both days inclusive.

Preference share certificates (first and second) may not be dematerialised or rematerialised between Monday, 5 September 2005 and Friday, 9 September 2005, 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, 12 September 2005. Ordinary shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday, 19 September 2005.

By order of the board,
Loren Wulfsohn,
Group Secretary

Financial statistics

	% change	Six months ended June 2005 R million Unaudited	Six months ended June 2004 R million Unaudited	Year ended Dec 2004 R million Audited
Standard Bank Group				
Shares (millions)				
Number of ordinary shares				
end of period		**1 202**	1 346	1 253
weighted average		**1 204**	1 342	1 322
Cents per ordinary share				
Headline earnings	31	**327,4**	249,0	570,3
Dividends	>100	**122,0**	50,5	231,5
Earnings	29	**322,0**	248,9	581,4
Fully diluted earnings	25	**309,1**	247,8	573,8
Net asset value	14	**2 536**	2 225	2 320
Financial performance (%)				
Return on equity		**26,7**	22,7	26,0
Standard Bank operations				
Financial performance (%)				
Return on equity		**26,6**	24,0	27,2
Cost-to-income ratio		**57,0**	56,2	58,0
Effective tax rate (including indirect taxes)		**26,8**	30,3	28,3
Capital adequacy (%)				
Capital ratio				
primary capital		**10,8**	11,3	11,0
total capital		**15,0**	14,9	15,0

Consolidated balance sheet

	% change	June 2005 R million Unaudited	June 2004 R million Unaudited	Dec 2004 R million Audited
Assets				

Cash and balance with banks	50	**60 994**	40 561	37 842
Short-term negotiable securities	71	**28 060**	16 362	21 040
Derivative assets	36	**103 434**	76 199	124 236
Trading assets	5	**33 550**	31 965	32 204
Investments	31	**141 923**	108 585	121 897
Loans and advances	26	**291 879**	231 447	257 151
Current and deferred tax assets	>100	**1 382**	658	1 094
Other assets	23	**31 219**	25 315	18 578
Interest in associates and joint ventures	36	**330**	242	296
Goodwill and other intangible assets	>100	**2 105**	821	918
Property and equipment	(2)	**4 031**	4 102	4 114
Total assets	30	**698 907**	536 257	619 370
Equity and liabilities				
Equity	3	**37 642**	36 521	38 533
Equity attributable to ordinary shareholders	2	**30 498**	29 953	29 064
Ordinary share capital		**135**	135	135
Ordinary share premium	(1)	**2 405**	2 427	2 541
Reserves	2	**27 958**	27 391	26 388
Preference share capital and premium	>100	**2 991**	8	2 991
Minority interest	(37)	**4 153**	6 560	6 478
Liabilities	32	**661 265**	499 736	580 837
Derivative liabilities	46	**103 322**	70 672	116 212
Trading liabilities	>100	**28 992**	12 751	14 410
Deposit and current accounts	25	**366 495**	294 148	316 592
Current and deferred tax liabilities	94	**5 332**	2 745	4 176
Other liabilities and provisions	(17)	**21 892**	26 450	22 454
Policyholder liabilities	47	**124 177**	84 595	97 500
Subordinated bonds	32	**11 055**	8 375	9 493
Total equity and liabilities	30	**698 907**	536 257	619 370

Consolidated income statement

		Six months ended June 2005 R million Unaudited	Six months ended June 2004 R million Unaudited	Year ended Dec 2004 R million Audited
Income from banking activities	11	**13 951**	12 540	26 536
Net interest income	11	**6 008**	5 395	11 492
Interest income	9	**18 135**	16 682	35 247
Interest expense	7	**12 127**	11 287	23 755
Non-interest revenue	11	**7 943**	7 145	15 044
Income from insurance activities	>100	**20 023**	8 140	31 298
Net insurance premiums and service fees	48	**9 068**	6 115	12 115
Investment returns	>100	**10 955**	2 025	19 183
Total income	64	**33 974**	20 680	57 834
Impairment charges on loans and advances	(23)	**638**	830	1 050
Benefits due to policyholders	>100	**15 982**	5 475	24 586

Net insurance benefits and claims		**6 350**	5 006	19 365
Transfer and fair value adjustment to policyholder liabilities		**8 517**	137	4 077
Fair value adjustment on third party mutual fund liabilities		**1 115**	332	1 144
Net income after impairment charges and policyholder benefits	21	**17 354**	14 375	32 198
Operating expenses in banking operations	13	**7 953**	7 050	15 384
Staff costs	15	**4 557**	3 969	8 610
Other operating expenses	10	**3 396**	3 081	6 774
Operating expenses in insurance operations	24	**2 500**	2 010	4 120
Commissions	16	**1 159**	997	1 920
Expenses	32	**1 341**	1 013	2 200
Profit from operations	30	**6 901**	5 315	12 694
Goodwill impairment		**(330)**	(25)	(48)
Income from associates and joint ventures	15	**53**	46	97
Profit before tax	24	**6 624**	5 336	12 743
Indirect tax expense		**259**	159	389
Profit before direct tax	23	**6 365**	5 177	12 354
Direct income tax expense	38	**1 991**	1 443	3 277
Profit for the period	17	**4 374**	3 734	9 077
Attributable to minorities		**384**	393	1 393
Attributable to preference shareholders		**114**	-	-
Attributable to ordinary shareholders	16	**3 876**	3 341	7 684

Headline earnings

	% change	Six months ended June 2005 R million Unaudited	Six months ended June 2004 R million Unaudited	Year ended Dec 2004 R million Audited
Group profit for the period	17	**4 374**	3 734	9 077
Attributable to minorities	(2)	**384**	393	1 393
Attributable to preference shareholders		**114**	-	-
Attributable to ordinary shareholders	16	**3 876**	3 341	7 684
Adjustable items added back or reversed:		**284**	(43)	(562)
Goodwill impairment		**330**	25	48
Impairment of properties and equipment		**-**	-	15
Other capital losses		**-**	-	5
Profit on sale of properties and equipment		**(46)**	(7)	(44)
Impairment of intangibles		**-**	-	12
Recycled investment gains on available-for-sale assets		**-**	(61)	(598)
Tax on headline adjustable items		**1**	4	7
Minority share of headline earnings adjustable items		**(220)**	41	409
Headline earnings	18	**3 941**	3 343	7 538
				Unaudited

Normalised headline earnings	23	**4 126**	3 343	7 511
Standard Bank operations	21	**3 898**	3 221	7 156
Liberty Life	87	**228**	122	355

Segmental report

	% change	Six months ended June 2005 R million Unaudited	Six months ended June 2004 R million Unaudited	Year ended Dec 2004 R million Audited
Headline earnings				
Domestic Banking	19	**3 043**	2 550	5 790
Retail Banking	30	**1 550**	1 196	2 980
Corporate and Investment Banking	10	**1 398**	1 271	2 796
Other domestic operations		**95**	83	14
International	(8)	**319**	348	647
International (USD million)	(2)	**51**	52	101
Africa	16	**338**	292	616
Stanlib	>100	**48**	21	56
Central funding and eliminations		**(21)**	10	78
Standard Bank operations	16	**3 727**	3 221	7 187
Liberty Life	75	**214**	122	351
Standard Bank Group	18	**3 941**	3 343	7 538

Consolidated statement of changes in equity

	Ordinary shareholders equity R million Audited	Preference share capital and premium R million Audited	Minority interest R million Audited	Total equity R million Audited
Balance at 1 January 2004	**28 835**	**8**	**6 421**	**35 264**
Change in accounting policy	(91)		(5)	(96)
Restated balance at 1 January 2004	**28 744**	**8**	**6 416**	**35 168**
Profit for the year	7 684		1 393	9 077
Dividends paid	(2 150)		(797)	(2 947)
Net translation reversal and hedging	(1 272)		(108)	(1 380)
Issue of share capital and premium	269	3 000	138	3 407
Other reserve movements	35	(17)	250	268
Equity impact of empowerment transactions	(4 246)		(814)	(5 060)
Balance at 31 December 2004	**29 064**	**2 991**	**6 478**	**38 533**
Change in accounting policies	(901)		(2 756)	(3 657)
Restated balance at 1 January 2005	**28 163**	**2 991**	**3 722**	**34 876**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Profit for the period	3 876	114	384	4 374
Dividends paid	(2 231)	(114)	(257)	(2 602)
Net translation gain and hedging	1 096		51	1 147
Issue of share capital and premium	145			145
Share buy-back	(281)			(281)
Other reserve movements	(270)		253	(17)

Balance at 30 June 2005	**30 498**	**2 991**	**4 153**	**37 642**

Consolidated cash flow information

	Six months ended June 2005 R million Unaudited	Six months ended June 2004 R million Unaudited	Year ended Dec 2004 R million Audited
Net cash from operating activities	**8 516**	8 698	15 978
Net cash from operating funds	**21 308**	3 093	918
Net cash (used in)/from investing activities	**(4 237)**	(3 521)	3 195
Net cash used in financing activities	**(1 548)**	(1 576)	(3 581)

Contingent liabilities and capital commitments

	June 2005 R million Unaudited	June 2004 R million Unaudited	Dec 2004 R million Audited
Letters of credit	**5 107**	4 270	4 827
Guarantees	**18 309**	17 346	17 520
Unutilised facilities	**23 698**	14 887	18 497
	47 114	36 503	40 844
Capital commitments			
Capital Alliance Holdings Limited acquisition	**-**	-	3 094
Contracted capital expenditure	**384**	315	664
Capital expenditure authorised but not yet contracted	**556**	540	438
	940	855	4 196

Accounting policies

Basis of preparation
These consolidated financial statements are prepared in accordance with, and comply with 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 assets classified as available-for-sale, financial assets and liabilities held at fair value through profit and loss and derivative instruments.
The accounting policies comply in all material respects with IFRS as well as with the South African Companies Act of 1973.

Changes in accounting policies
The accounting policies are consistent with those applied in 2004 except for the adoption of IFRS. The impact of adopting IFRS is described in more detail below.

Standard Bank Group IFRS impact

Introduction
In line with the listing requirements of the JSE Securities Exchange of South Africa the Standard Bank Group (SBG) is adopting International Financial Reporting Standards (IFRS) with effect from 1 January 2005. As the group publishes comparative information for one year in its financial statements, the date for transition to IFRS is effectively 1 January 2004, which represents the start of the earliest period of comparative information presented. South African accounting standards have seen a number of significant changes over the past couple of years as they were being aligned with IFRS. The most notable change was the adoption of the South African version of IAS 39 (AC 133 - Financial instruments: Recognition and Measurement) in the group's 2003 results. The final move to full IFRS compliance is therefore less significant than what is currently being experienced in Europe and the United Kingdom.
The most significant IFRS changes for the group originate from the implementation of IFRS 4 - Insurance Contracts which results in Standard Bank Group and Liberty Holdings shares held by Liberty Life for the benefit of policyholders being deemed treasury shares for accounting purposes and eliminated on consolidation. It is however important to note that although this treasury share adjustment potentially results in greater volatility in reported earnings, there is no impact on the underlying business fundamentals, cash flows, risks, growth strategies or the group's capital management policies.

In the light of the potential for increased earnings volatility, the group will ensure that comparable underlying business performance and trends are clearly identified on an ongoing basis. With the exception of the abovementioned changes, the implementation of IFRS has a relatively immaterial impact on the group's financial position and earnings.

Basis of presentation
The financial information has been prepared in accordance with IFRS statements that are currently effective together with expected amendments. This may differ from IFRS finally in effect at 31 December 2005 as a result of ongoing review and possible amendment by interpretive guidance from the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and may therefore be subject to change.

Apart from the reclassification of cash and cash equivalents held by Liberty Life policyholders, there have been no material adjustments to the cash flow statements in respect of cash utilized by operating activities before tax, cash flows from investment activities and cash flows from financing activities as a result of the adoption of IFRS.

Transitional arrangements
The key principle of IFRS 1 - First-time adoption of International Financial Reporting Standards is full retrospective application of IFRS. This statement however provides exemptions from retrospective application in certain instances due to cost and practical considerations. The group's transitional elections are set out below:

Elections applicable 1 January 2004
-Business combinations: The group is electing not to retrospectively apply the requirements of IFRS 3 for business combinations that occurred prior to 1 January 2004. As a result, the carrying amount of goodwill is the depreciated amount on 31 December 2003 and previously amortised goodwill and goodwill eliminated against reserves are not re-instated.

-Property and equipment: A first time adopter may elect to use the fair value of individual property and equipment at transition date as the deemed cost. The group is not making use of this transitional exemption and elects to measure individual items of property and equipment at original cost.

-Employee benefits: The group is electing not to apply the exemption to account for all deferred actuarial gains or losses, including a 10% tolerance limit for differences in actuarial assumptions, in opening equity as at 1 January 2004. This exemption is not elected as the group's accounting for employee benefits under previous SA GAAP was already substantially in compliance with IAS 19 - Employee Benefits.

-Cumulative foreign currency translation adjustment: The cumulative foreign currency translation reserve existing on transition to IFRS has been retained and the option to reset the reserve to zero is not elected as the group's accounting for translation adjustments under previous SA GAAP was already substantially in compliance with IAS 21 - The effects of changes in foreign exchange rates.

-Share-based payments: The group is electing not to apply the provisions of IFRS 2 - Share-based payments to equity-settled awards granted on or before 7 November 2002, or to awards granted after that date but which had vested prior to 1 January 2005.

Elections applicable 1 January 2005

-Comparative numbers restated for financial instruments and insurance contracts: The group is electing the exemption not to restate its comparatives for IAS 32 - Financial Instruments: Disclosure and Presentation, IAS 39 - Financial instruments: Recognition and Measurement and IFRS 4 - Insurance Contracts. SBG has therefore applied SA GAAP applicable as at 31 December 2004 to financial instruments and insurance contracts in its 2004 numbers disclosed as comparatives for the 2005 IFRS results. It is considered impractical to retrospectively adjust for changes resulting from revised impairment and insurance contract requirements.

-Designation of financial assets and financial liabilities in terms of IAS 39: In terms of the transitional arrangements SBG is electing the option to reclassify certain financial assets and liabilities on 1 January 2005. The reclassifications are not material.

There are no changes to estimates made under previous SA GAAP for transition to IFRS (for example expected default or actuarial assumptions). Where estimates have previously been made under SA GAAP, consistent estimates (after adjustments to reflect any difference in accounting policies) have been made for the same date.

Adjustments as a result of the adoption of IFRS
The impact of changing from SA GAAP to IFRS is summarised below. The quantification of the adjustments is shown in the tables for reconciliation of assets, liabilities and equity, IFRS income statement impact and IFRS equity impact.

Adjustments implemented with effect from 1 January 2004

Note 1: IAS 18 - Revenue recognition and deferred acquisition costs (excluding insurance contracts accounted for in terms of IFRS 4)
The previous South African version of IAS 39 (AC 133 - Financial instruments: Recognition and Measurement) required that fees which form an integral part of the effective interest rate, including transaction costs, be taken into account in calculating the original effective yield. Initial fees that relate to the origination of loans are therefore deferred and amortised as an adjustment to the effective interest rate. The same accounting principle was carried forward in the revised IAS 18 with fees relating to the future provision of services, deferred and amortised over the anticipated period in which the services will be provided. This adjustment effectively results in the reversal of fees and commission and a corresponding increase in interest income during these periods. A small adjustment was required to align the previous deferral methodologies with the revised IAS 18, primarily for instalment finance on moveable assets.

Note 2: IAS 36/IFRS 3 - Goodwill
Previously, the group recognised acquired goodwill at cost and amortised it on a straight-line basis over its expected useful life. Goodwill was subject to regular review for indications of impairment and any impairment charges were recognised in the income statement. In terms of IFRS 3 - Business combinations goodwill is not amortised but is subject to impairment reviews, both annually and where there are indications that the carrying value may not be recoverable. The 2004 goodwill amortisation previously recognised in the income statement has been reversed, resulting in a corresponding increase in equity. All goodwill has accordingly been tested for impairment at 1 January 2004, 30 June 2004, and 31 December 2004. One instance of goodwill impairment for 2004 arose out of the new accounting rules and this relates to the group's international operations.

Note 3: IFRS 2 - Share-based payments
The group grants share options to employees under employee share incentive schemes. Other than costs incurred in administering the schemes, which were expensed as incurred, the schemes did not result in any expense in the income statement, but rather a dilution in earnings per share when the shares were issued. In accordance with the requirements of IFRS 2, the group now recognises an expense in the income statement, with a corresponding credit to equity, representing the fair value of employee share options granted, recognised on a straight-line basis over the vesting period of the options.
In anticipation of a final international interpretation (D16) on IFRS 2, the group is extending the scope of IFRS 2 to include the group's Black Ownership Initiative. The statement is applicable to share appreciation rights that have not vested by 31 December 2004 and, as a result, the ownership of shares allocated to black managers that vests over a period ending on 31 December 2010 is accounted for in terms of this statement. The shares owned by community participants and strategic partners have vested and no expense is therefore required. The treatment in the group's annual results of 2005 will however be based on the final interpretation as issued by IFRIC.

Note 4: IAS 16 - Revaluation of residual values in property and equipment
In calculating the depreciation charge an entity reduces the depreciable amount of an asset by its residual value. Previously under SA GAAP, the estimated residual value was fixed on recognition of the asset and was not subject to reassessment. IAS 16 revised requires that the residual value of the assets should be reassessed at each balance sheet date. Annual increases in asset values result in annual upward adjustments of residual values. The continuous reassessment of residual values typically leads to a reduction in depreciation charges and depreciation charges cease when the carrying value of an asset equals the residual value.
With respect to the buildings' carrying values that were previously fully depreciated, they are now re-instated to reflect the applicable residual value. Where buildings are not fully depreciated, there has generally been a reduction in depreciation as residual values are reassessed. The depreciation previously recognised in the income statement has accordingly been reversed or reduced, resulting in a corresponding increase in equity.

Note 5: IAS 16 - Reclassification of property revaluations
This adjustment is to account for property revaluation surpluses directly in reserves. This has no impact on total equity.

Note 6: IAS 27 - Consolidation of mutual funds
IFRS requires the consolidation of certain mutual funds where Liberty Life and International are

considered to have control of such funds through the size of their investment, voting control and related management contracts. The consolidation of these mutual funds has an immaterial effect on total equity. The consolidation of such funds is still subject to international industry debate and progress in this regard will be monitored.

Note 7: IAS 17 - Leases
IAS 17 requires operating lease costs and income to be accounted for on a straight-line basis. Future lease increases in terms of the lease contract is estimated and the average lease expense is then recognised in equal amounts over the lease period. In general, this leads to earlier recognition of lease income and lease expense, compared with the pattern of recognition under SA GAAP where income and expenses were recognised at a constant real rate of return on the net cash investment in the lease. This generally results in higher lease costs for previously reported periods with a reduction in the 2004 opening equity and an increase in the 2004 lease costs.
IAS 40 - Investment Property states that the fair value of investment property should exclude prepaid or accrued operating lease income if this would otherwise result in double counting. Therefore Liberty Life will offset any resulting adjustment against the fair value of investment properties. The impact of accounting on the basis of straight-line compared to the economic benefit basis currently employed at Liberty Life will require some time to determine accurately. Any adjustment will, in all probability, be netted off the respective investment property's fair value adjustments resulting in little or no change to reported earnings.
Further analysis of any interpretations issued by standard setters will take place in order to process any required adjustments for the full year results ending 31 December 2005.
As this treatment potentially departs from economic reality, it will be monitored and representations may be made to accounting standard setters.

Note 8: IAS12/IAS 40 - Deferred tax applicable to fair value adjustments on investment properties
IAS 12 - Income Taxes defines the difference between the carrying amount of a revalued depreciable asset and its tax base as a temporary difference and therefore gives rise to a deferred tax liability or asset. The carrying amount of a portion of investment property portfolios is considered to be recovered through future net rental income with the remaining portion recovered through disposals. In terms of IAS 12, deferred tax is provided on fair value adjustments on the future net rental portion at the use tax rate (income tax rate). Liberty Life already provides for deferred tax on fair value adjustments in investment properties at the applicable capital tax rate (CGT). It is believed that the fair (open market) value already discounts the average tax consequences of market participants in respect of rental income. A process is underway to engage the IASB to revise IAS 12 to result in the recognition of deferred tax assets and liabilities that are more reflective of economic reality.
The resulting additional deferred tax charge has been debited to policyholder liabilities to the extent that the applicable investment property return impacts the determination of the policyholder liability.

Adjustments implemented with effect from 1 January 2005
Note 9: IAS 39 - Credit impairments
Previously the group raised an impairment for credit losses on performing loans as the shortfall between the carrying value of a loan and the present value of expected future cash flows discounted at the original effective interest rate of loans, taking changes in expected cash flows and the average maturity of loans into account. Under IFRS an impairment loss can only be accounted for if there is objective evidence that a loss event has occurred after the initial recognition of the financial asset but before the balance sheet date. IFRS also allows for the creation of a credit impairment for incurred but not reported losses in order to provide for latent losses in a portfolio of loans that have not yet been individually identified as impaired. This change results in a net release of credit impairments and a consequent increase in the opening 2005 equity.
For certain African entities, already reporting under IFRS, the impairment for credit losses is lower than the level required by their respective regulatory authorities. As a result, a portion of their impairment for credit losses is released to equity on a retrospective basis. It has been agreed with these regulatory authorities that any shortfall on impairment for credit losses will be set aside in a statutory credit risk reserve, within total equity.

Note 10: IAS 32 - Elimination of treasury shares
Shares in group companies held on behalf of policyholders in the insurance operation were previously not classified as treasury shares. The risks and rewards of these shares are for the benefit of the policyholders. As a result of the issue of IFRS 4, the statement on insurance contracts, the SA GAAP statement specifically dealing with accounting for assets and liabilities in the insurance industry (AC 121: Disclosure in the financial statements of long-term insurers) was revoked. Assets are now subject to IAS 39 - Financial instruments: Recognition and Measurement and IAS 32 - Financial Instruments: Disclosure and Presentation. As a result, shares held by policyholders in group companies are accounted for as equity instruments. In terms of IAS 32 the cost price of any SBG and Liberty Holdings shares held by policyholders within Liberty Group is now eliminated against equity and any changes in fair value are eliminated from the income statement. In terms of actuarial principles, the insurance

operation maintains a matching position to ensure the risk profile of liabilities to policyholders is matched by the underlying shares. The classification of policyholders' investments in group company shares as treasury shares for accounting purposes, does not consider the relationship between the policyholder liabilities and shares held to meet these liabilities and consequently the corresponding policyholder liability is not similarly adjusted. This introduces a mismatch between assets and liabilities which is charged against equity.

Application of IAS 32 to these shares reduces equity and investments by R3 703 million in the opening 2005 balance sheet. As the effective interest held by the group in Liberty Life is 30%, R951 million of the equity reduction is allocated to ordinary shareholders, with the remaining 70% allocated against minority interests.

The statement on earnings per share, IAS 33, requires that the weighted number of shares should be calculated after deducting the total number of deemed treasury shares. The result of the above is that 30% of the value of these treasury shares is eliminated against ordinary shareholders equity, 30% of the fair value adjustments are eliminated against earnings attributable to ordinary shareholders with the remaining 70% eliminated against earnings attributable to minorities. In contrast 100% of the weighted number of treasury shares are eliminated for purposes of per share calculation.

The group started to publish normalised headline earnings at 31 December 2004 to allow for instances where the accounting treatment of transactions departs from their legal and economic substance. At 31 December 2004, the only adjustments falling within this category related to the group's Black Ownership Initiative. As the above accounting treatment departs from the legal and economic substance of returns on these assets accruing to policyholders, a further adjustment is now made. The headline earnings per share and earnings per share number has consequently been normalised to reflect the earnings and equity after re-instating the shares as investments and adding back the reversal of fair value movements on these shares accounted for in the income statement. Normalised earnings and headline earnings per share are calculated based on the total number of shares in issue per the JSE securities exchange.

Note 11: IAS 39 - Financial instrument reclassifications

The group has elected the exemption not to restate its comparatives for IAS 32 - Financial Instruments: Disclosure and Presentation and IAS 39 - Financial instruments: Recognition and Measurement. SBG has therefore applied SA GAAP applicable at 31 December 2004 to financial instruments in its 2004 numbers disclosed as comparatives for the 2005 results.

For entities that were already complying with International Accounting Standards, the transitional provisions in IFRS 1 do not apply. Therefore, as a result of the IAS 39 transitional provisions, certain African entities retrospectively reclassified financial assets and liabilities from 1 January 2004.

As at 1 January 2005 Liberty Life has reclassified certain shareholder-designated financial instruments from available-for-sale to fair value through profit and loss. This resulted in a reclassification from an available-for-sale reserve to retained surplus at 1 January 2005. There is no impact on total equity. In the future, all unrealised fair value adjustments on these assets will be included directly in the income statement.

Note 12: IAS 39 - Fair value adjustments for day one profits

Unquoted financial instruments acquired were previously recognised at cost and any profit or loss on remeasurement to fair value based on valuation models was accounted for on the date of such remeasurement (day two).

The IAS 39 revision for Financial Instruments: Recognition and Measurement, issued in February 2005, provided further criteria on the recognition of gains or losses on initial recognition of financial instruments. Where pricing models are used, inputs are based on observable market indicators at the balance sheet date and profits or losses are only recognised to the extent that it relates to changes in factors that market participants will consider in setting a price. Any gain or loss on the first remeasurement after initial recognition is deferred and recognised over the life of the instrument on a straight-line basis.

As a result of the IAS 39 revision a net decrease to trading assets is reflected in the 2005 opening balance sheet with a corresponding decrease in equity.

Note 13: IFRS 4 - Insurance classifications

Liberty Life has re-examined the classification of all their contracts between investment and insurance under the IFRS 4 definition criteria. This resulted in a net reclassification from investment policyholder liabilities to insurance policyholder liabilities at 1 January 2005.

For the majority of the reclassifications, where investment contracts are reclassified as insurance contracts, this reclassification has no effect as contracts were previously valued on a fair value basis consistent with IAS 39 and South African Financial Soundness Valuation (FSV) methodology. Where an insurance contract is reclassified to an investment contract, negative rand reserves that were previously allowed under FSV techniques in terms of SA GAAP are now reversed, leading to a decrease in equity.

Further developments in IFRS reporting

The information has been prepared on the basis of the group's expectation of the standards that will be applicable as at 31 December 2005. IFRS information at year-end may differ from the information contained herein for the following reasons:

- Further standards and interpretations may be issued that are applicable for 2005 reporting or which are applicable to later accounting periods but with an option to adopt for earlier periods; and
- different practice may develop with regard to interpretation and application of the standards.

Audit opinion
The 30 June 2004 restatements are unaudited.
The restatements of financial information for the opening IFRS balance sheet as at 1 January 2004, the IFRS balance sheet and income statement as at and for the year ended 31 December 2004 and the opening IFRS balance sheet at 1 January 2005 have been audited by the group's auditors, KPMG Inc and PricewaterhouseCoopers Inc and their audit opinion is available for inspection at the group's registered office. Their report includes an emphasis of matter that amendments to the interpretive guidance issued by the IASB, between the date of this announcement and the finalisation of the financial statements for the year ending 31 December 2005, may result in changes to the restatements published. They further note that the scope of the audit engagement did not include the presentation and disclosure of the IFRS financial information in a set of consolidated annual financial statements and was limited to the recognition and measurement requirements of IFRS and the disclosures of the conversion information as required by IFRS 1.

IFRS reconciliation of assets, liabilities and equity
Assets

R million	Note	Audited[1] 1 Jan '05	Audited[1] 31 Dec '04	Unaudited 30 Jun '04
31 December 2004 and 30 June 2004-as previously reported/restated[1]		619 370	615 596	533 119
IFRS adjustments		(3 045)	3 774	3 138
IFRS 2 - Share-based payments	3		4	4
IFRS 4-Insurance classifications	13	471		
IAS 12/IAS 40 - Investment properties	8	-	-	-
IAS 16 - Revaluation of residual values in property and equipment	4		45	43
IAS 17 - Leases	7		5	5
IAS 18/IFRS 4 - Revenue recognition	1	99	-	-
IAS 27 - Consolidation of mutual funds	6		3 648	3 040
IAS 32 - Elimination of treasury shares	10	(3 703)		
IAS 36/IFRS 3 - Goodwill amortisation	2		112	57
IAS 36/IFRS 3 - Goodwill impairment	2		(48)	(25)
IAS 39 - Financial instrument reclassifications	11	(6)	10	3
IAS 39 - Fair value adjustments	12	(21)		
IAS 39 - Credit impairments	9	115	(2)	11
Restated under IFRS		616 325	619 370	536 257

Liabilities

R million	Note	Audited[1] 1 Jan '05	Audited[1] 31 Dec '04	Unaudited 30 Jun '04
31 December 2004 and 30 June 2004-as previously reported/restated[1]		580 837	577 032	496 550
IFRS adjustments		612	3 805	3 186
IFRS 2 - Share-based payments	3		136	130
IFRS 4-Insurance classifications	13	504		
IAS 12/IAS 40 - Investment properties	8			
IAS 16 - Revaluation of residual values in property and equipment	4			

IAS 17 - Leases	7		20	17
IAS 18/IFRS 4 - Revenue recognition	1	70	3	(1)
IAS 27 - Consolidation of mutual funds	6		3 648	3 040
IAS 32 - Elimination of treasury shares	10			
IAS 36/IFRS 3 - Goodwill amortisation	2			
IAS 36/IFRS 3 - Goodwill impairment	2			
IAS 39 - Financial instrument reclassifications	11		(2)	-
IAS 39 - Fair value adjustments	12	-	-	-
IAS 39 - Credit impairments	9	38	-	-
Restated under IFRS		581 449	580 837	499 736

Equity

R million	Note	Audited[1] 1 Jan '05	Audited[1] 31 Dec '04	Unaudited 30 Jun '04
31 December 2004 and 30 June 2004-as previously reported/restated[1]		38 533	38 564	36 569
IFRS adjustments		(3 657)	(31)	(48)
IFRS 2 - Share-based payments	3		(132)	(126)
IFRS 4-Insurance classifications	13	(33)		
IAS 12/IAS 40 - Investment properties	8	-	-	-
IAS 16 - Revaluation of residual values in property and equipment	4		45	43
IAS 17 - Leases	7		(15)	(12)
IAS 18/IFRS 4 - Revenue recognition	1	29	(3)	1
IAS 27 - Consolidation of mutual funds	6	-	-	-
IAS 32 - Elimination of treasury shares	10	(3 703)		
IAS 36/IFRS 3 - Goodwill amortisation	2		112	57
IAS 36/IFRS 3 - Goodwill impairment	2		(48)	(25)
IAS 39 - Financial instrument reclassifications	11	(6)	12	3
IAS 39 - Fair value adjustments	12	(21)	-	-
IAS 39 - Credit impairments	9	77	(2)	11
Restated under IFRS		34 876	38 533	36 521

[1] This represents the adjustments relating to prospective application of statements and uses the 31 December 2004 restated IFRS balance sheet as the base.

IFRS equity impact

	Note	Unaudited 30 Jun '04 Rm	Audited 31 Dec '04 Rm
Opening equity previously reported at 1 January 2004		**28 843**	**28 843**
Minority interest at 1 January 2004		6 421	6 421
Opening adjustments at 1 January 2004 on statements applied retrospectively		(96)	(96)
Standard Bank operations		(96)	(96)
Retained earnings:		(115)	(115)
IFRS 2 – Share-based payments	3	(139)	(139)
IAS 16 – Revaluation of residual values in property and equipment			
IAS 17 – Leases	4	40	40
IAS 18 – Revenue recognition	7	(7)	(7)
IAS 39 – Financial instrument reclassification	1	(11)	(11)
IAS 39 – Credit impairments	11	(3)	(3)
IAS 39 – Transfer to statutory credit risk reserves	9	5	5
Tax impact	9	(2)	(2)

		2	2
Share-based payment reserve: IFRS 2 – Share-based payments	3	22	22
Statutory credit risk reserve: IAS 39 – Transfer to statutory credit risk reserves	9	2	2
Minority interest		(5)	(5)
Liberty Life		-	-
Retained earnings:		(133)	(133)
IFRS 2 – Share based payments IFRS 16 – Reclassification of properties revaluations Tax impact	3 5	(1) (132) -	(1) (132) -
Share-based payment reserve: IFRS 2 – Share-based payments	3	1	1
Other reserves: IAS 16 – Reclassification of properties revaluations	5	132	132
Restated opening equity at 1 January 2004		**35 168**	**35 168**
Income statement adjustments		**(19)**	**(57)**
Standard Bank operations		(13)	(61)
Liberty Life		(6)	4
Minority interest		(15)	9
Equity adjustments		82	113
Standard Bank operations		55	115
Share-based payment reserve: IFRS2 – Share-based payments **Statutory credit risk reserve:** IAS 39 – Transfer to statutory credit risk reserves **Retained earnings:** IAS 39 – Financial instrument reclassifications IAS 39 – Transfer to statutory credit risk reserve **Impact of IFRS restatements on translation reserve** **Minority interest**	3 9 11 9	22 - 21 - 13 (1)	66 1 24 (1) 36 (11)
Liberty Life		27	(2)
Share-based payment reserve: IFRS 2 – Share-based payments **Revaluation reserve:** IAS 16 – Reclassification of properties revaluations **Minority interest**	3 5	1 6 20	4 (5) (1)
Changes in shareholders' funds as previously reported		1 165	3 235
Minority interest reclassification		140	65
Closing equity at 30 June 2004 and 31 December 2004		**36 521**	**38 533**
Opening adjustments at 1 January 2005 on statements applied prospectively			(3 657)
Standard Bank operations			
Retained earnings:			50
IAS 39 – Credit impairments IAS 39 – Financial instrument reclassifications IAS 39 – Fair value adjustments for day one profits Tax impact	9 11 12		109 (9) (29) (21)
Liberty Life			
Retained earnings:			(198)
IFRS 4 – Insurance classifications	13		(13)

IAS 39 – Financial instrument reclassifications IAS 32 – Treasury shares (fair value adjustments) IAS 18/IFRS 4 – Revenue recognition Tax impact	11 10 1		399 (597) 11 2
Available for sale reserve: IAS 39 – Financial instrument reclassifications	11		(399)
Treasury shares reserve: IAS 32 – Treasury shares (original costs)	10		(354)
Minority interest			(2 756)
Restated opening equity balance as at 1 January 2005			**34 876**

IFRS income statement impact

Income statement line items R million	Unaudited 30 Jun '04 as previously reported	Unaudited IFRS adjust-ments	Unaudited 30 Jun '04 restated
Standard Bank operations			
Interest income	16 664	18	16 682
Interest expense	11 287	–	11 287
Net interest income before impairment charges on loans and advances	**5 377**	**18**	**5 395**
Interest expense	829	1	830
Net interest income after impairment charges on loans and advances	**4 548**	**17**	**4 565**
Non-interest revenue	7 139	6	7 145
Income from operations	**11 687**	**23**	**11 710**
Operating expenses	**6 996**	**54**	**7 050**
Staff costs	3 924	45	3 969
Fees and commission paid	-	40	40
Other operating expenses	3 072	(31)	3 041
Profit from operations	**4 691**	**(31)**	**4 660**
Goodwill and exceptional items	(44)	44	-
Goodwill impairment	-	(25)	(25)
Income from associates and joint ventures	46	-	46
Profit before tax	**4 693**	**(12)**	**4 681**
Indirect tax expense	159	-	159
Profit before direct tax expense	**4 534**	**(12)**	**4 522**
Direct income tax expense	1 259	2	1 261
Standard Bank operations profit for the period	**3 275**	**(14)**	**3 261**
Attributable to minorities	59	(1)	58
Attributable to ordinary shareholders	**3 216**	**(13)**	**3 203**
Liberty Life			
Net insurance premiums and service fees	6 115	-	6 115
Investment returns	1 716	309	2 025
Total revenue	**7 831**	**309**	**8 140**
Net insurance benefits and claims	5 006	-	5 006
Transfer and fair value adjustment to policyholder liabilities	84	53	137
Fair value adjustments on third party mutual fund liabilities	–	332	332

Expenses	2 006	4	2 010
Profit from operations	**735**	**(80)**	**655**
Goodwill impairment	6	(6)	-
Profit before tax	**729**	**(74)**	**655**
Direct income tax expense	236	(54)	182
Liberty Life profit for the period	**493**	**(20)**	**473**
Attributable to minorities	349	(14)	335
Attributable to ordinary shareholders	**144**	**(6)**	**138**
Group profit for the period	**3 768**	**(34)**	**3 734**
Attributable to minorities	408	(15)	393
Attributable to ordinary shareholders	3 360	(19)	3 341

IFRS income statement impact

Income statement line items R million	Audited 31 Dec '04 as previously reported	Audited IFRS adjust-ments	Audited 31 Dec '04 restated
Standard Bank operations			
Interest income	35 206	41	35 247
Interest expense	23 755	-	23 755
Net interest income before impairment charges on loans and advances	**11 451**	**41**	**11 492**
Interest expense	1 048	2	1 050
Net interest income after impairment charges on loans and advances	**10 403**	**39**	**10 442**
Non-interest revenue	15 048	(4)	15 044
Income from operations	**25 451**	**35**	**25 486**
Operating expenses	**15 242**	**142**	**15 384**
Staff costs	8 499	111	8 610
Fees and commission paid	-	114	114
Other operating expenses	6 743	(83)	6 660
Profit from operations	**10 209**	**(107)**	**10 102**
Goodwill and exceptional items	(86)	86	-
Goodwill impairment	-	(48)	(48)
Income from associates and joint ventures	97	-	97
Profit before tax	**10 220**	**(69)**	**10 151**
Indirect tax expense	389	-	389
Profit before direct tax expense	**9 831**	**(69)**	**9 762**
Direct income tax expense	2 489	(5)	2 484
Standard Bank operations profit for the period	**7 342**	**(64)**	**7 278**
Attributable to minorities	127	(3)	124
Attributable to ordinary shareholders	**7 215**	**(61)**	**7 154**
Liberty Life			
Net insurance premiums and service fees	12 115	-	12 115
Investment returns	18 021	1 162	19 183
Total revenue	**30 136**	**1 162**	**31 298**
Net insurance benefits and claims	19 280	85	19 365
Transfer and fair value adjustment to policyholder liabilities	4 056	21	4 077

Fair value adjustments on third party mutual fund liabilities	-	1 144	1 144
Expenses	4 105	15	4 120
Profit from operations	**2 695**	**(103)**	**2 592**
Goodwill impairment	12	(12)	-
Profit before tax	**2 683**	**(91)**	**2 592**
Direct income tax expense	900	(107)	793
Liberty Life profit for the period	**1 783**	**16**	**1 799**
Attributable to minorities	1 257	12	1 269
Attributable to ordinary shareholders	**526**	**4**	**530**
Group profit for the period	**9 125**	**(48)**	**9 077**
Attributable to minorities	1 384	9	1 393
Attributable to ordinary shareholders	7 741	(57)	7 684

More details of IFRS changes will be available on the Standard Bank website on 22 August 2005.

Board of Directors
DE Cooper (Chairman), JH Maree* (Chief Executive),
DDB Band, E Bradley, T Evans, TS Gcabashe,
DA Hawton, 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

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

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

Share transfer secretaries in:
South Africa
Computershare Investor Services 2004
(Proprietary) Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown,
Johannesburg, 2107

Namibia
Transfer Secretaries (Proprietary) Limited
Shop 12, Kaiserkrone Centre,
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