

Analysis of financial results

for the year ended 31 December 2003

blueprint for **growth**





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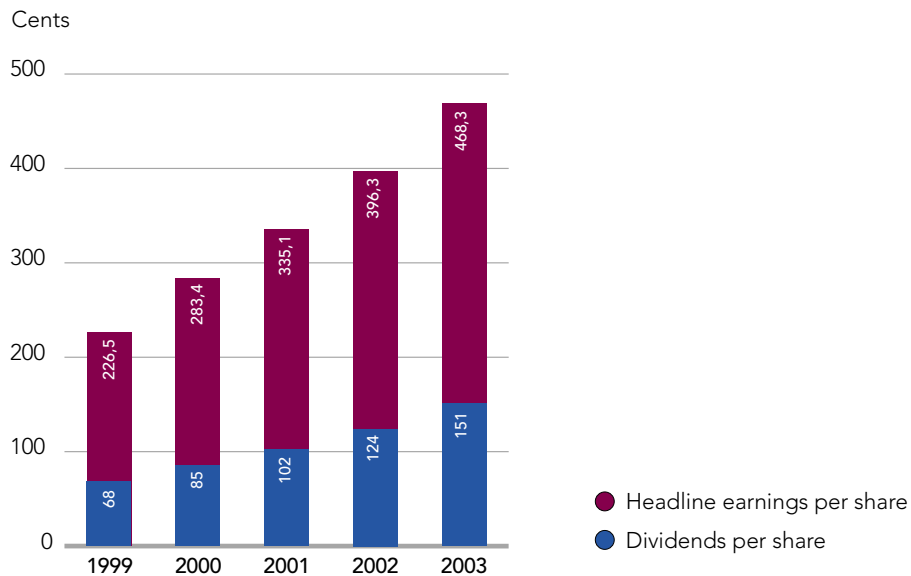
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Group results in brief

	2003 financial objectives
● Headline earnings of R6 248 million, 19% up	16,8%*
●● ROE 22,8%	20%
●●● Cost-to-income ratio improves from 57,3% to 56,2%	57%
●●●● Credit loss ratio improves from 1,08% to 0,91%	<1,00%
●●●●● Headline earnings per ordinary share of 468 cents, 18% higher	
●●●●● Dividend per ordinary share of 151 cents, 22% up	

* Average CPIX for 2003 of 6,8% + 10,0%

Headline earnings and dividends per share





Executive management

2

Chief Executive



Jacko Maree 48
Group Chief Executive
B Com (Stellenbosch)
MA (Oxford) PMD (Harvard)
Appointed 1999

Major operating units



Peter Wharton-Hood 38
Managing Director
 Retail Banking
B Com (Hons) (Wits) CA (SA)
Appointed 2001

Retail Banking

Banking, investment, insurance and other financial services to individual customers, the agricultural sector and small to medium sized enterprises throughout South Africa.



Sim Tshabalala 36
Managing Director
 Africa
BA LLB (Rhodes) LLM (University of Notre Dame USA)
H Dip Tax (Wits)
Appointed 2001

Africa

Retail, commercial and investment banking services in 16 African countries outside of South Africa.



Ben Kruger 44
Managing Director
 Corporate and Investment Banking
B Com (Hons) (Pretoria)
CA (SA) AMP (Harvard)
Appointed 2002

Corporate and Investment Banking

Commercial and investment banking services to larger corporates in South Africa, foreign banks and international counterparties.



Rob Leith 41
Chief Executive
 International
B Com (Hons) (UCT) CA (SA)
Appointed 2003

International

Investment banking activities for emerging markets and private client banking through offices in 22 countries outside Africa.



Myles Ruck 48
Chief Executive
 Liberty Group
B Bus Sc (UCT) PMD (Harvard)
Appointed 2003

Liberty (effective holding 29,6%)

Value added financial and associated non-banking services both locally and internationally.

Other executive committee members



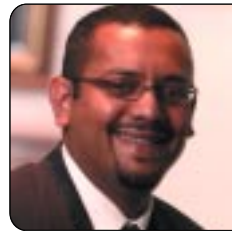
Iraj Abedian 48
Economics
*BA (Hons) MA Econ (UCT)
PhD (Simon Fraser)
Appointed 2000*



Chris Lombard 57
Retail Credit
*BA (Hons) PMD (Harvard)
Appointed 2000*



Sipho Ngidi 48
Human Resources
*B Admin (Zululand) B Com
(Hons) (Natal)
Appointed 2001*



Dipak Patel 40
Vehicle and Asset Finance
*MBA (Wits) MSc (London)
Appointed 2002*



Simon Ridley 48
Finance
*B Com (Natal) CA (SA)
AMP (Oxford)
Appointed 2002*



Paul Smith 50
Risk
*B Com (Natal) CA (SA)
Appointed 1999*



Highlights

		Dec '03	% change	Dec '02
Standard Bank Group				
Earnings				
Headline earnings	Rm	6 248	19	5 263
Attributable earnings	Rm	6 346	27	4 997
Other indicators				
Headline EPS	cents	468,3	18	396,3
EPS	cents	475,7	26	376,2
Fully diluted EPS	cents	469,8	27	371,2
Net asset value per share	cents	2 141	9	1 957
Ordinary shareholders' funds	Rm	28 659	10	26 054
Price-to-book (market value)	times	1,7		1,4
Group ROE	%	22,8		20,3
Capital adequacy	%	14,8		14,3
Standard Bank operations				
Earnings				
Operating profit	Rm	8 771	18	7 426
Attributable earnings	Rm	5 967	24	4 814
Headline earnings	Rm	5 978	20	4 965
Balance sheet				
Total assets	Rm	444 195	44	307 592
Advances	Rm	220 375	23	178 925
Deposits	Rm	272 677	14	239 715
Other indicators				
Banking operations ROE	%	24,0		21,2
Net interest margin (excluding derivative gross-up)	%	3,50		3,22
Non-interest revenue to total income	%	52,8		52,1
Credit provision for the period (income statement)	Rm	1 848	(5)	1 955
– to average loans and advances	%	0,91		1,08
Total loans and advances credit provision (balance sheet)	Rm	3 908	15	3 387
– to gross loans and advances	%	1,74		1,86
Cost-to-income ratio	%	56,2		57,3
Effective tax rate (including indirect taxes)	%	31,7		33,5
Number of employees		35 034		34 509

2003 was characterised by

- South African economy reflecting improved fundamentals
 - Upper point of the domestic interest rate cycle, prime having peaked at 17%
 - Rapid (550 basis points) decline in interest rates in second half
 - Domestic inflation (CPIX) on a downward trend
 - Strong rand
 - Buoyant domestic residential property market
- Equity markets strengthening in the last quarter after prolonged weakness
- International market environment more favourable
 - Strengthening of emerging market asset prices
 - General improvement in credit conditions

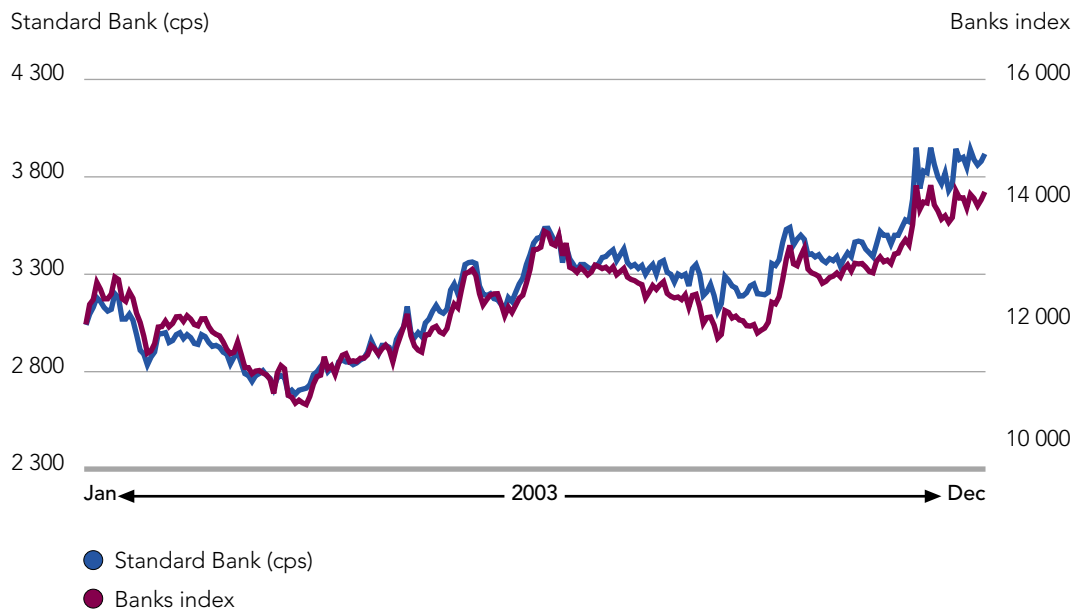
- Rapid decrease in interest rates causing some compression in margin in the second half
- International more than doubles earnings on the back of recovering emerging markets
- Improved credit processes result in a reduction in credit losses
- Strong rand significantly reduces translated earnings from non-South African sources
- Translation gain reversal on foreign net assets of R1 866 million

Accounting policy changes (AC 133)

- Gross-up of derivative assets and liabilities and move to trade date accounting
- Additional provisions for credit losses as security recoveries are discounted
- Increased interest income from unwinding of discounting of security recoveries for NPLs
- Unrealised investment surpluses on available-for-sale assets accounted for directly in shareholders' funds

Financial highlights for 2003

- Strong growth in domestic mortgage lending, card lending and instalment finance



**Income statement**

	Dec '03 Rm	% change	Dec '02 Rm
Standard Bank operations			
Interest income	36 796	18	31 055
Interest expense	25 359	23	20 535
Net interest income before provision for credit losses	11 437	9	10 520
Provision for credit losses	1 848	(5)	1 955
Net interest income	9 589	12	8 565
Non-interest revenue	12 790	12	11 448
Total income	22 379	12	20 013
Operating expenses	13 608	8	12 587
Staff costs	7 581	9	6 934
Other operating expenses	6 027	7	5 653
Operating profit	8 771	18	7 426
Income from associates	102	6	96
Goodwill	(173)	15	(151)
Exceptional items	144		–
Income before taxation	8 844	20	7 371
Taxation	2 773	14	2 435
Income after taxation	6 071	23	4 936
Attributable to outside and preference shareholders	104	(15)	122
Standard Bank income attributable to ordinary shareholders	5 967	24	4 814
Liberty			
Operating profit	1 713	25	1 369
Realised investment gains/(losses) attributable to shareholders' assets	471		(363)
Goodwill amortisation	(78)		(14)
Income before taxation	2 106		992
Taxation	823		368
Income after taxation	1 283		624
Attributable to outside and preference shareholders	904		441
Liberty income attributable to ordinary shareholders	379		183
Group income attributable to ordinary shareholders	6 346	27	4 997
Headline earnings	6 248	19	5 263

Balance sheet

	Dec '03 Rm	% change	Dec '02 Rm
Assets			
Standard Bank operations	444 195	44	307 592
Cash and balances with banks	22 081	(40)	36 641
Short-term negotiable securities	22 018	90	11 577
Derivative assets	104 723	>100	9 218
Trading assets	31 811	20	26 578
Investment securities	19 487	4	18 649
Loans and advances	220 375	23	178 925
Other assets	19 611	(11)	22 146
Interest in associated undertakings	541	96	276
Goodwill and other intangible assets	508	(24)	671
Property and equipment	3 040	4	2 911
Liberty	96 195	12	85 761
Current assets	3 687	(2)	3 754
Investments	91 869	13	81 491
Goodwill and other intangible assets	276	42	194
Equipment and furniture	363	13	322
Total assets	540 390	37	393 353
Equity and liabilities			
Liabilities	505 302	40	361 293
Standard Bank operations	417 518	47	283 614
Derivative liabilities	98 634	>100	4 007
Trading liabilities	18 162	35	13 482
Deposit and current accounts	272 677	14	239 715
Other liabilities and provisions	20 989	7	19 656
Subordinated bonds	7 056	4	6 754
Liberty	87 784	13	77 679
Other liabilities	2 444	14	2 136
Convertible bonds	1 500	(23)	1 947
Policyholder liabilities	83 840	14	73 596
Capital and reserves	28 667	10	26 062
Share capital and premium	2 415	6	2 282
Reserves	26 252	10	23 780
Minority interest	6 421	7	5 998
Total equity and liabilities	540 390	37	393 353

**Statement** of changes in shareholders' funds

	Share capital and premium Rm	Translation reserve Rm	Statutory general credit risk reserve Rm	Cash flow hedging reserve Rm	Available- for-sale revaluation and other reserves Rm	Retained earnings Rm	Total Rm
Balance at 1 January 2002	2 187	5 618			1 334	16 554	25 693
Group income						4 997	4 997
Dividends paid						(1 433)	(1 433)
Currency translation reversal		(3 271)					(3 271)
Shares issued	95						95
Investment deficit transferred to revaluation reserve					(111)	111	–
Capital deficit					(19)		(19)
Transfer of revaluation and other reserves					(4)	4	–
Balance at 31 December 2002	2 282	2 347	–	–	1 200	20 233	26 062
Balance at 1 January 2003	2 282	2 347	–	–	1 200	20 233	26 062
Change in accounting policy			242	20	59	(555)	(234)
Reclassification of opening reserves					(632)	632	–
Restated balance at 1 January 2003	2 282	2 347	242	20	627	20 310	25 828
Items accounted for directly in reserves		(1 866)	(58)	3	54	58	(1 809)
Currency translation reversal		(1 934)					(1 934)
Hedges of net investment – fair value gains*		68					68
Cash flow hedges – fair value gains*				3			3
Decrease in statutory general credit risk reserve			(58)			58	–
Mark-to-market of available- for-sale assets*					12		12
Unrealised investment gains/(losses) attributable to shareholders' funds*					42		42
Realised investment gains attributable to shareholders' funds recycled from reserves on disposal*					(78)		(78)
Group income						6 346	6 346
Dividends paid						(1 753)	(1 753)
Shares issued	133						133
Balance at 31 December 2003	2 415	481	184	23	603	24 961	28 667

* Net of taxation and minorities

Significant accounting issues

Basis of preparation

The accounting policies comply in all material respects with South African Statements and Interpretations of Statements of Generally Accepted Accounting Practice (SA GAAP) as well as the South African Companies Act of 1973 and the Long-term Insurance Act of 1998.

Changes in accounting policies

These accounting policies are consistent with those applied in 2002 except for the adoption of the new accounting statement Financial Instruments: Recognition and Measurement (AC 133) with effect from 1 January 2003.

The most significant changes are:

- Financial assets are now categorised based on their intended use.
- Certain investment banking assets previously held at cost are now fair valued through the income statement (held as fair value instruments) or fair valued directly to reserves until realised, with the profit transferred to the income statement on realisation (available-for-sale instruments).
- Provisions for credit losses on performing loans (previously termed general provisions) were based on regulatory prescribed percentages. Provisioning for loans and advances is now based on impairments resulting from the application of a discount factor to expected cash flows. Any regulatory requirements over and above those of SA GAAP are now accounted for in a statutory general credit risk reserve as part of equity.
- The discounted cash flow methodology used to determine the recoverable amount of a non-performing loan results in additional provisions where time to recovery of security and other recoveries had not previously been taken into account. Thereafter the discounting portion of the provision unwinds over time, as interest income.
- Loans and advances with off-market interest rates are impaired on initial recognition to achieve the recognition of a market related interest rate over the period to repayment.
- Derivative assets and liabilities were mainly disclosed on a net basis and are now disclosed gross.
- Formal hedging criteria are now being adhered to before hedge accounting may be applied, with the ineffective portion of the hedge accounted for in the income statement.
- Derivatives used for hedging purposes are now accounted for on-balance sheet.
- Assets subject to fair value hedging relationships are now fair valued for the risk being hedged.
- Insurance contracts continue to be valued in terms of the Financial Soundness Valuation (FSV) basis with the actuarially determined liabilities now being disclosed separately from liabilities under investment contracts. Investment contracts are valued at fair value.
- Previously in terms of the actuarial guideline PGN104, a portion of the profit on single premium investment contracts was recognised at point of sale. These investment contracts are now subject to statements of GAAP, and consequently profit is recognised over the life of the contracts.

As required by the transitional provisions of AC 133, the change in accounting policy has been applied prospectively and comparative amounts for 2002 have therefore not been restated. Certain reclassifications have however been made to allow for the expanded disclosure required by AC 133. The impact of adopting AC 133 in 2003 was as follows:

**Financial** impact of AC 133 on the group**Impact of AC 133 on key ratios (%)**

	Dec '03 Excluding AC 133	Dec '03 Including AC 133
Headline earnings growth	17,3	18,7
ROE	22,6	22,8
Cost-to-income ratio	57,0	56,2
Credit loss ratio	0,80	0,91

AC 133 adjustments to opening equity

	Cash flow hedging reserve Rm	Statutory general credit risk reserve Rm	AFS revaluation and other reserves Rm	Retained earnings Rm	Total equity Rm
Standard Bank operations					
Classify and value financial instruments				(285)	(285)
Creation of cash flow hedging reserve	28				28
Creation of available-for-sale reserve			60		60
Present value adjustment to specific provisioning				(381)	(381)
Adjustment for staff loans				(164)	(164)
Methodology change to general provisions				449	449
Tax on adjustments	(8)		(1)	95	86
Creation of statutory credit risk reserve – after taxation		242		(242)	–
	20	242	59	(528)	(207)
Liberty					
Liberty investment contract liabilities adjustment net of taxation and minorities				(27)	(27)
Adjustments to opening equity	20	242	59	(555)	(234)
Reclassification to align reserves to AC 133 definitions			(632)	632	–
Total adjustments to opening equity	20	242	(573)	77	(234)

AC 133 impact on headline earnings – December 2003

	Group Rm
Headline earnings as at 31 December 2003	6 248
Net interest income before provision for credit losses	343
Unwind of discounting relating to provisioning	353
MTM of interest bearing financial instruments	(10)
Provision for credit losses	(219)
Top-up of discounting adjustments	(171)
Performing loan adjustment	(48)
Net interest income	124
Non-interest revenue	(2)
Total income	122
Operating expenses	–
Operating profit	122
Associates	7
Net income before tax	129
Taxation	(41)
Income after tax	88
Outside shareholders	(1)
Impact on Standard Bank operations	87
Impact on Liberty	(11)
Impact on group headline earnings	76
Headline earnings pre AC 133	6 172



Other highlights



IAS Squirrel award

Global Finance Magazine Best bank in South Africa

Banking Adjudicator Award for Excellence in Dispute Management

Investment Analysts Society overall Squirrel award for effective and credible communications with investors

Finance Week and Finansies & Tegniek inaugural financial services company of the year award

Rated most trusted bank in an independent survey and second as South Africa's most trustworthy company

Investor Relations Magazine South Africa Award for best corporate governance

Top banking brand in the Markinor Sunday Times Brands survey

Achieved joint first place in Markinor CUSSATS customer services survey

Voted by peers as the best in corporate banking, foreign exchange trading, bonds and derivatives trading in the PricewaterhouseCoopers survey

Ranked as top lead manager by volume for all Brazilian non-public international bond issues by National Association of Investment Bank and Securities Dealers (Brazil)

Analysis of group results

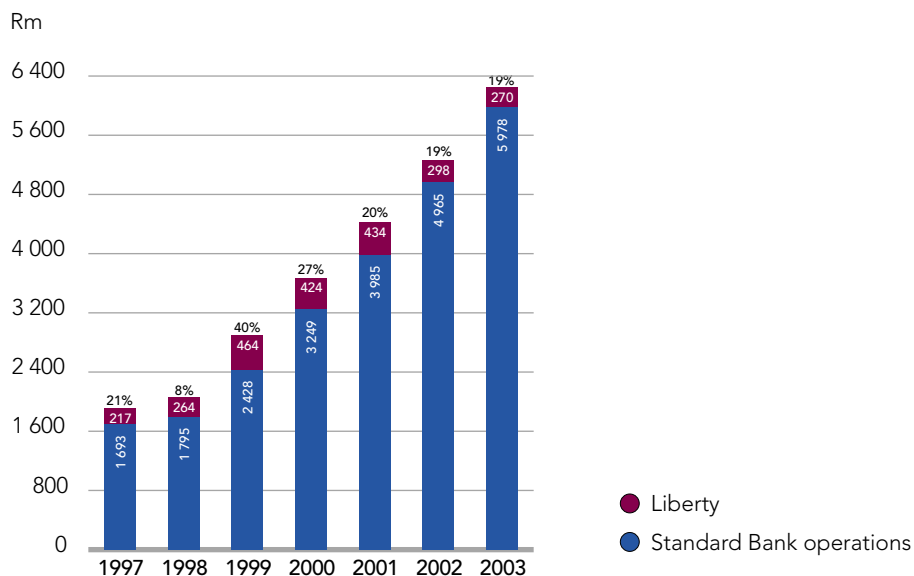
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Headline earnings

CAGR (1997 – 2003): Standard Bank Group = 22%
Standard Bank operations = 23%



Reconciliation of headline earnings

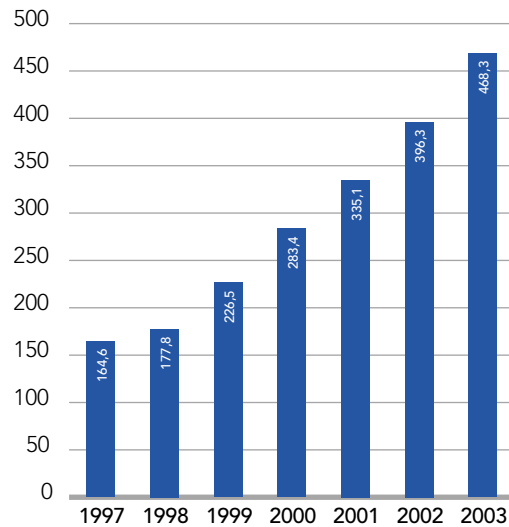
	Dec '03 Rm	% change	Dec '02 Rm
Group income attributable to ordinary shareholders	6 346	27	4 997
Standard Bank income adjusted for:			
Goodwill amortised	173		151
Exceptional items	(162)		–
Exceptional items before tax:	(144)		–
– profit on sale of properties	(238)		–
– impairment of properties	41		–
– impairment of intangibles	116		–
– profit on sale of subsidiaries and divisions	(57)		–
– other capital profits	(6)		–
Taxation on the above items	(18)		–
Liberty income adjusted for:	(109)		115
Goodwill amortised	78		14
Realised investment (gains)/losses attributable to shareholders' assets	(471)		363
Capital gains tax	25		9
Attributable to outside and preference shareholders	259		(271)
Headline earnings	6 248	19	5 263

Headline earnings and dividends per share

Headline earnings per share

CAGR (1997 – 2003) = 19%

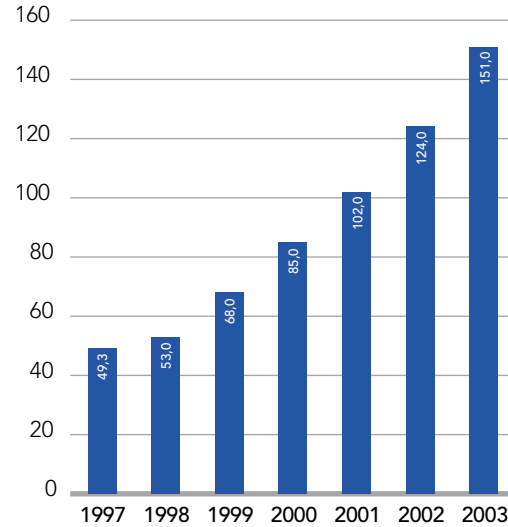
Cents



Dividends per share

CAGR (1997 – 2003) = 21%

Cents

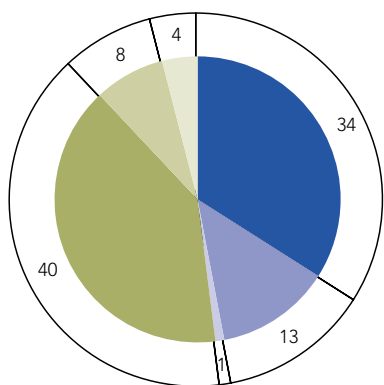


	Dec '03	% change	Dec '02
Headline earnings (Rm)	6 248	19	5 263
Headline earnings per share (cents)	468,3	18	396,3
Total dividends declared per share (cents)	151,0	22	124,0
Interim	41,5	22	34,0
Final	109,5	22	90,0
Dividend cover (times)	3,1		3,2
Dividend yield (%)	3,9		4,1

Dividend cover is anticipated to decrease to 3,0 in 2004, at which stage it will be reviewed



Headline earnings contribution by business unit



- Corporate and Investment Banking 34% (2002: 35%)
- International 13% (2002: 8%)
- Stanlib 1% (2002: 1%)
- Retail Banking 40% (2002: 41%)
- Africa 8% (2002: 9%)
- Liberty 4% (2002: 6%)

	Dec '03 Rm	% change	Dec '02 Rm
Domestic Banking	4 609	16	3 960
Retail Banking	2 542	18	2 162
Corporate and Investment Banking	2 150	19	1 814
Central services	(83)		(16)
Africa	489	1	482
International	866	>100	429
Stanlib	40	(35)	62
Central funding and eliminations	(26)		32
Standard Bank operations	5 978	20	4 965
Liberty	270	(9)	298
Standard Bank Group	6 248	19	5 263

Retail Banking

- Strong lending growth in Home Loans, Instalment Finance and Card
- Improved sales and penetration of embedded bancassurance products
- Good transaction volumes across most products

Corporate and Investment Banking

- Strong lending growth in Structured Debt Finance
- Higher credit recoveries
- Higher profits on equity investments
- Difficult market conditions adversely affected trading activities

Africa

- Adverse impact of the stronger rand
- Strong performances in Uganda and Botswana driven by increased lending
- Acquisition of Investec Botswana

- Poor performances in Zambia and Kenya

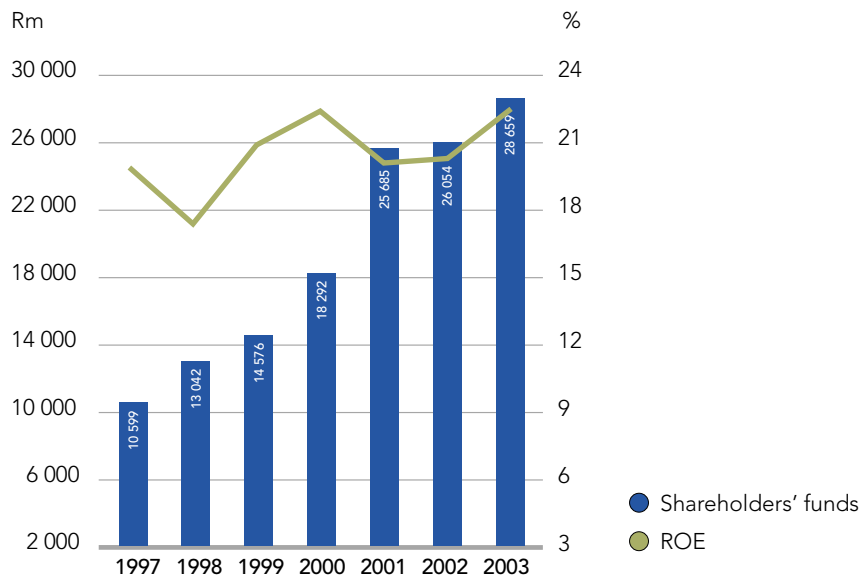
International

- Continued recovery in emerging markets
- Improved corporate credit conditions
- Product capability enhanced including Equity Derivatives and Energy (oil and gas trading and hedging)
- Buoyant commodity markets
- Infrastructure spend

Liberty

- Actuarial release in 2002 on policy expenses not repeated in 2003
- Reduced operating surplus generated by investment contracts resulting from the adoption of AC 133

Return on average equity



	Dec '03		Dec '02	
	Average equity Rm	ROE %	Average equity Rm	ROE %
Domestic Banking	14 692	31,4	12 680	31,2
Retail	7 872	32,3	6 958	31,1
Corporate and Investment Banking	6 820	31,5	5 722	31,7
Africa	1 727	28,3	1 760	27,4
International	5 910	14,7	6 810	6,3
Stanlib	243	16,5	301	20,6
Central funding and eliminations	2 343	(1,1)	1 902	1,7
Standard Bank operations	24 915	24,0	23 453	21,2
Liberty	2 442	11,1	2 417	12,3
Standard Bank Group	27 357	22,8	25 870	20,3

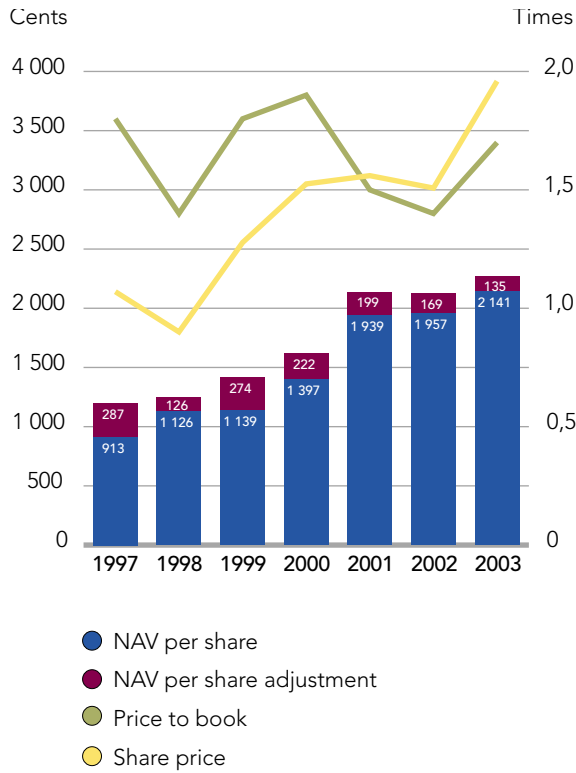
- The main drivers of the increase in group return on equity for 2003 are strong earnings combined with slower growth in net asset value due to reversal of translation gains
- International ROE in UK sterling: 15,2% (2002: 6,2%)
- Cost of equity estimate (Average 2003)

Domestic Banking	15,2%
Africa (aggregate)	19,0%
International (GBP)	11,9%
International (ZAR)	16,0%
Liberty	13,4%
Standard Bank Group	14,8%



Value of shareholders' funds

Value per share

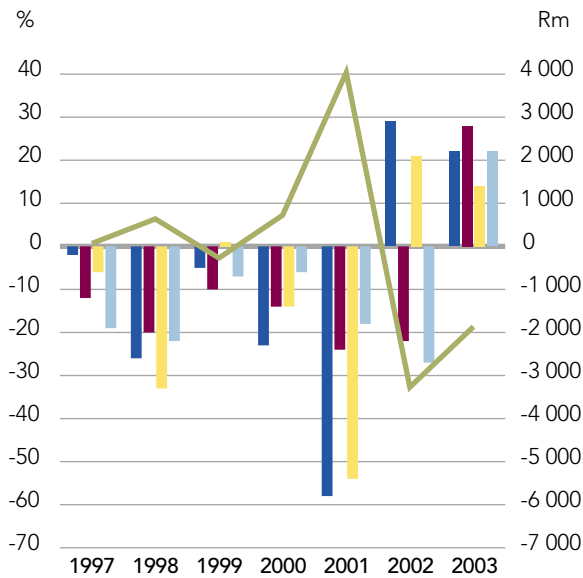


	Dec '03	% change	Dec '02
Ordinary shareholders' funds (Rm)	28 659	10	26 054
Adjusted ordinary shareholders' funds ¹ (Rm)	30 465	8	28 303
Market capitalisation (Rm)	52 451	31	40 132
Price-to-book (times)	1,7		1,4

¹ Ordinary shareholders' funds adjusted for the increase in market value over the carrying value of Liberty

Translation effects

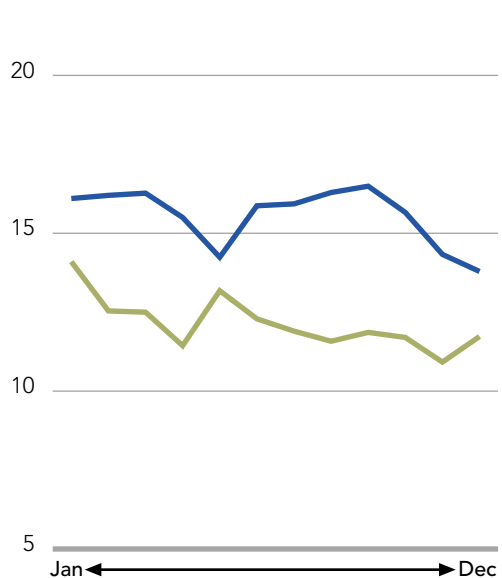
Exchange rate movements



- R/\$ appreciation/(depreciation) – closing*
- R/\$ appreciation/(depreciation) – average
- R/£ appreciation/(depreciation) – closing*
- R/£ appreciation/(depreciation) – average
- Translation movement

*Rates at 30 September ('97-'98), 31 December ('99-'03)

Rand/pound sterling closing exchange rate



- 2002
- 2003

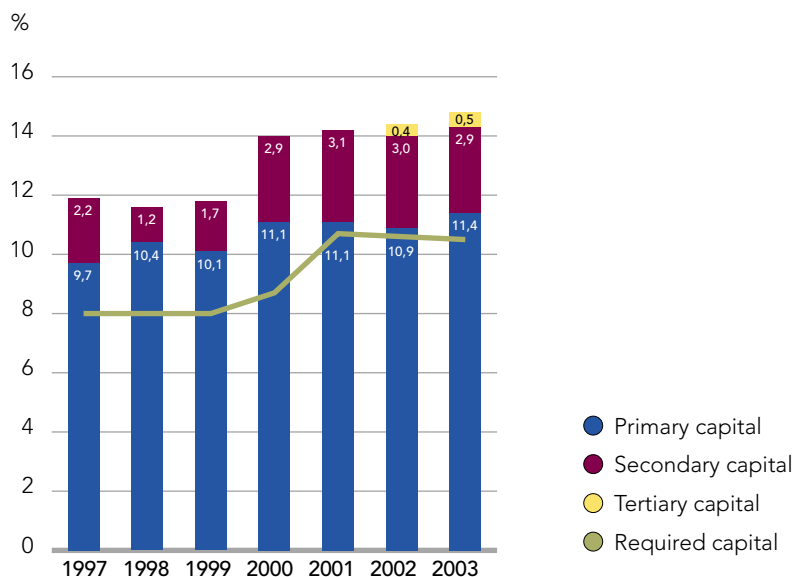
Effective 1 January 2004, the reporting currency for entities under Standard International Holdings was converted to US dollars

Movement in translation reserve

	Dec '03 Rm	Dec '02 Rm
Domestic Banking	(133)	(183)
Africa	(314)	(572)
International	(667)	(1 286)
Central funding	(745)	(1 215)
Liberty	(7)	(15)
Standard Bank Group	(1 866)	(3 271)
Exchange rates		
Average R/US\$	7,55	10,50
Average R/UK£	12,32	15,74
Closing R/US\$	6,68	8,58
Closing R/UK£	11,95	13,82
Rand appreciation (weighted for the group) vs African currencies:		
– period end	25%	35%
– average for the period	28%	4%



Capital adequacy



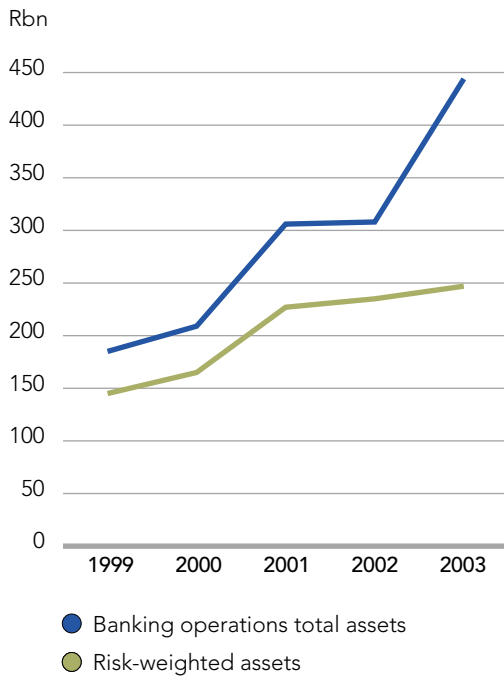
	Dec '03 Rm	% change	Dec '02 Rm
Share capital and reserves	28 659	10	26 054
Minority interest	494	51	328
Shareholders' funds not qualifying as Tier I capital [§]	(184)		–
Impairments	(862)	21	(713)
Tier I capital	28 107	9	25 669
Preference share capital	8	–	8
Tier II bonds	5 722	(1)	5 754
Qualifying general debt provision	1 349	12	1 203
Revaluation reserve	110	62	68
Tier II capital	7 189	2	7 033
Tier III capital	1 334	33	1 000
Total capital	36 630	9	33 702
Risk-weighted assets			
On-balance sheet	181 907	7	169 501
Off-balance sheet	14 052	(3)	14 491
Total banking book	195 959	7	183 992
Trading activity notional assets	51 066	–	51 055
Total risk-weighted assets	247 025	5	235 047
Group primary capital to risk-weighted assets (%)	11,4		10,9
Group total capital to risk-weighted assets (%)	14,8		14,3
Banking capital to risk-weighted assets (%) (excluding Liberty)	14,4		13,8
Aggregate regulatory capital requirement (%) [*]	10,5		10,6
Primary subsidiaries			
Standard Bank of South Africa (%)	12,5		11,3
Standard International Holdings (%)	15,3		16,7
Liberty Group (calculated in terms of the Long-term Insurance Act – CAR times covered)	2,6		3,0

^{*} Some foreign jurisdictions require higher than 10% capital adequacy resulting in a 10,5% aggregate requirement for the group's banking operations

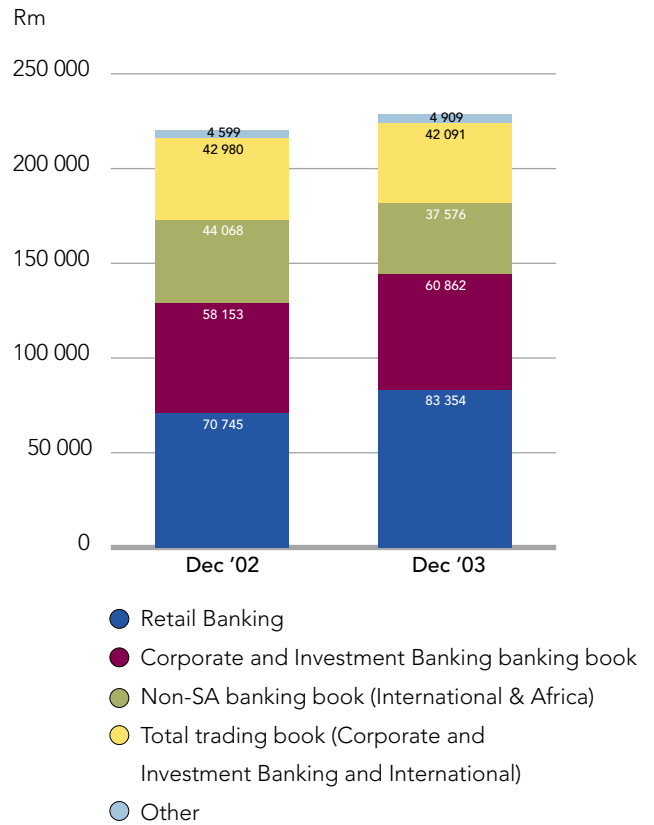
[§] Impairment for regulatory purposes, arising from additional general provisions on performing loans to comply with a regulatory general debt provisioning matrix

Risk-weighted assets

Risk-weighted asset trend



Standard Bank operations:
Composition of risk-weighted assets



Average risk-weighted assets per business unit

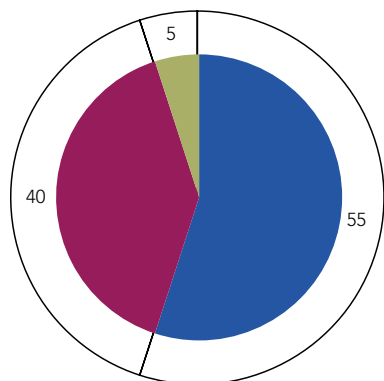
	Dec '03 Rm	% change	Dec '02 Rm
Domestic Banking	169 747	11	153 098
Retail Banking	83 354	18	70 745
Corporate and Investment Banking	83 996	5	79 929
Central services	2 397		2 424
Africa	12 426	7	11 622
International	44 107	(18)	53 650
Stanlib	1 218	66	734
Central funding	1 294	(10)	1 441
Standard Bank operations	228 792	4	220 545
Liberty	9 330	19	7 872
Standard Bank Group	238 122	4	228 417
Return on risk-weighted assets	2,6%		2,3%

- The widening gap between total and risk-weighted assets in the above graph is mainly due to AC 133 related grossing up of derivative balances
- Retail: strong asset growth, in particular in respect of mortgages, has given rise to the majority of the growth in average risk-weighted assets
- Corporate and Investment Banking risk asset optimisation countered the effect of asset growth, resulting only in moderate risk-weighted asset growth
- Africa: growth in risk-weighted assets was moderated by rand strength
- International: rand strength accounted for a significant proportion of the decline in risk-weighted assets



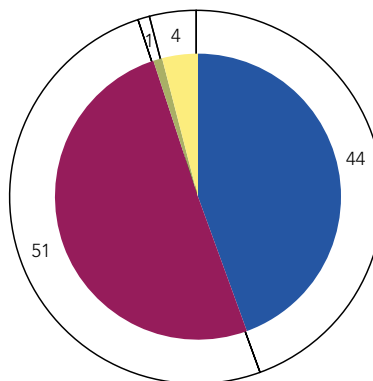
Product reporting

Total income (%)



- Global retail 55% (2002: 54%)
- Global wholesale 40% (2002: 41%)
- Global fund management 5% (2002: 5%)

Headline earnings (%)



- Global retail 44% (2002: 45%)
- Global wholesale 51% (2002: 47%)
- Global fund management 1% (2002: 2%)
- Life insurance 4% (2002: 6%)

	Total income			Headline earnings		
	Dec '03 Rm	% change	Dec '02 Rm	Dec '03 Rm	% change	Dec '02 Rm
Global retail	13 411	13	11 874	2 760	17	2 358
Instalment finance	1 170	8	1 082	260	7	242
Mortgage lending	1 925	19	1 624	563	11	505
Card	1 568	17	1 335	145	81	80
Retail transactional products	7 967	11	7 181	1 594	16	1 372
Bancassurance	785	20	653	209	25	167
Other	(4)	>(100)	(1)	(11)	(38)	(8)
Global wholesale	9 782	9	8 984	3 167	27	2 496
Commodities and resource banking	1 100	13	973	218	25	175
Global markets	3 872	6	3 669	1 435	36	1 057
Banking and trade finance	3 299	2	3 219	815	8	752
Corporate finance and investments	404	22	330	215	23	175
Structured debt and Property	921	21	760	484	44	337
Other	186	>100	33	(0)	-	-
Global fund management	1 119	(0)	1 124	81	(16)	96
Life insurance				270	(9)	298
Other	(85)	>(100)	(14)	(30)	>(100)	15
Standard Bank Group	24 227	10	21 968	6 248	19	5 263

Standard Bank operations

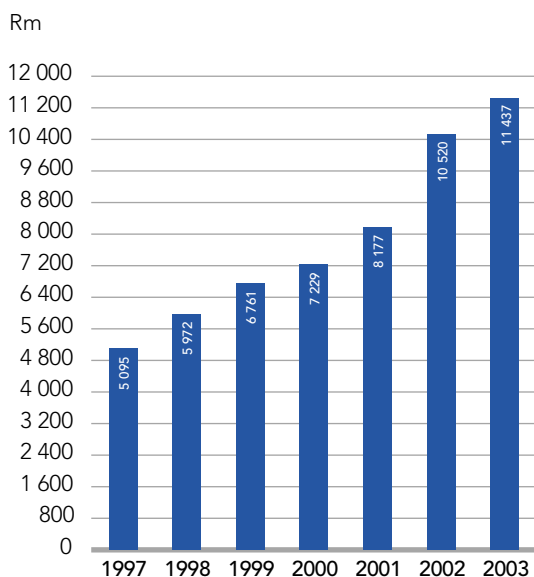
Contents

24	Net interest income
25	Margin analysis
26	Non-interest revenue
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28	Analysis of non-performing loans
30	Operating expenses
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32	Headcount analysis
33	Analysis of loans and advances
34	Domestic market share analysis



Net interest income

Net interest income



	Dec '03		Dec '02	
	Net interest income Rm	Net interest margin* %	Net interest income Rm	Net interest margin %
Domestic Banking	8 688	3,73	7 946	3,83
Retail Banking	6 773	6,63	6 094	7,29
Corporate and Investment Banking	2 081	1,65	1 809	1,49
Central services	(166)	n/a	43	n/a
Africa	1 421	6,72	1 321	6,18
International	1 094	1,21	1 231	1,17
Stanlib	47	3,71	53	4,46
Central funding and eliminations	187	n/a	(31)	n/a
Total net interest income	11 437	3,50	10 520	3,22

* Excludes impact of derivative gross-ups as these do not have funding impact

Favourable

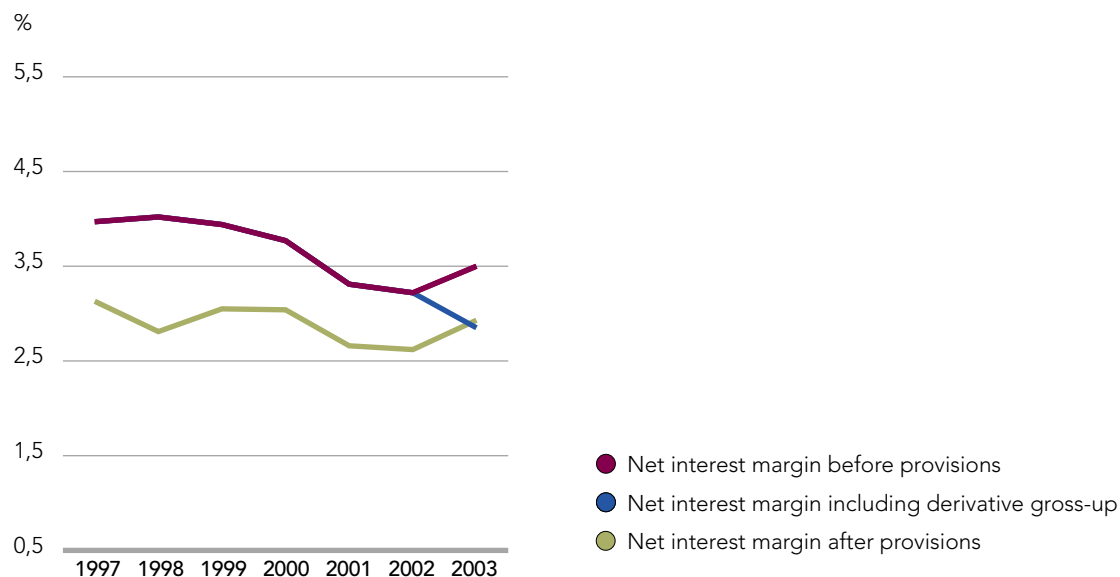
- Strong retail lending growth
- Good growth in Corporate and Investment Banking Structured Finance loans
- Unwind of AC 133 related discounting element of recoveries on NPLs
- Strong growth in Africa, particularly in Uganda due to increased lending and higher treasury bill yields
- Some protection of margin achieved from hedging

Adverse

- Reduction in the retail funding mix
- Repricing mismatch as interest rates rapidly decreased (impact of term funding book)
- Negative endowment effect in second half
- Exchange rate impact

Margin analysis

Net interest margin



	%
Movement in group margin	
Group margin – 2002	3,22
Domestic Banking	(0,07)
Africa	0,04
International	0,01
Central funding	0,06
Increased Domestic Banking proportion of total group assets	0,24
Group margin excluding gross-up effect – 2003	3,50
Balance sheet gross-up effect	(0,73)
Group margin including gross-up effect – 2003	2,77

Margin calculated on group monthly average assets

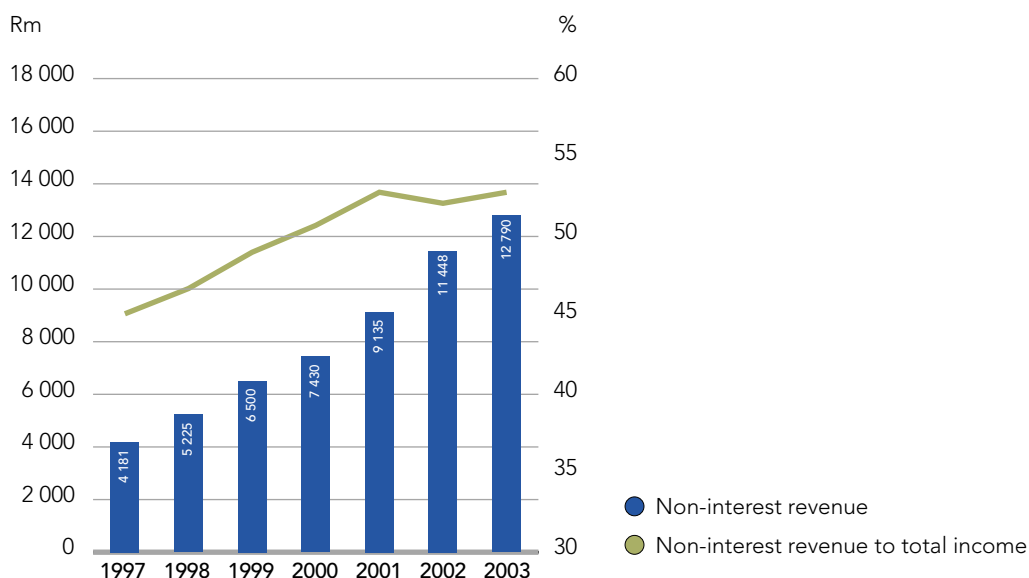
	%
Movement in Domestic Banking margin (excluding gross-up)	
Domestic Banking margin – 2002	3,83
Endowment effect	0,02
Retail deposit growth	0,04
Lending margin	0,08
Funding: Repricing gap in downward rate cycle and higher proportion of wholesale funding	(0,33)
Unwinding of AC 133 discounting provision	0,14
Other	(0,05)
Domestic Banking margin – 2003	3,73

Margin calculated on Domestic Banking monthly average assets



Non-interest revenue

CAGR (1997 – 2003) = 20%



	Dec '03 Rm	% change	Dec '02 Rm
Non-interest revenue			
Fees and commission revenue	7 984	8	7 416
Point of representation	3 440	11	3 095
Electronic banking	589	23	481
Knowledge based fees and commission	933	(16)	1 113
Card based commission	1 189	11	1 070
Insurance – fees and commission	408	7	380
Documentation and administration fees	261	12	233
Foreign currency service fees	398	19	335
Other	766	8	709
Trading income	3 917	21	3 240
Commodities	767	30	591
Forex	1 584	18	1 337
Debt securities	918	(13)	1 051
Equities	378	>100	128
Other	270	>100	133
Other income	889	12	792
Banking and other	545	(1)	550
Insurance	344	42	242
Total non-interest revenue	12 790	12	11 448

Favourable

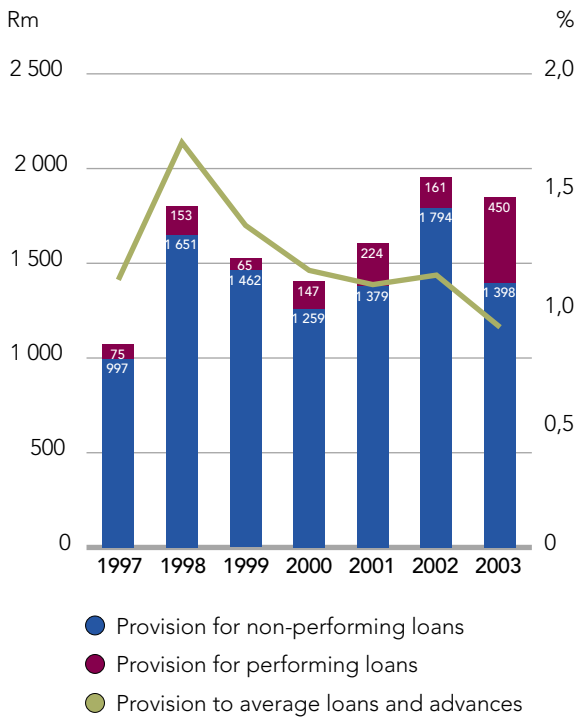
- Increased transaction volumes
- Repricing initiatives
- Strong rallies in emerging financial markets and improved international credit conditions
- AC 133 mark-to-market adjustments
- Buoyant property market benefiting listed property investments

Adverse

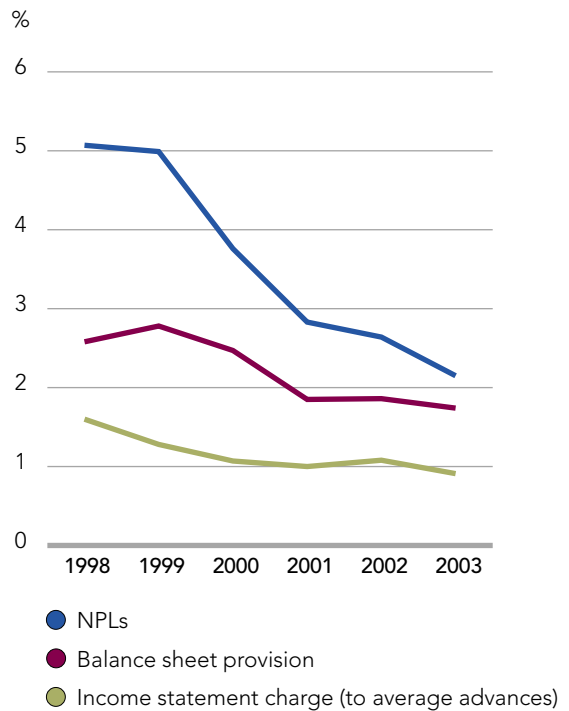
- Strong rand impacted fees and commissions from non-South African sources
- Disappointing performance from domestic debt security trading
- Sale of 51% of Andisa reduces knowledge based income (not material at operating profit level)

Provision for credit losses

Provisioning



Credit loss history



Income statement charge

	Dec '03 Rm	% change	Dec '02 Rm
Loans, overdrafts and other corporate exposures	888	(30)	1 261
Card debtors	68	(43)	120
Mortgage advances	283	(3)	291
Instalment finance	159	30	122
Provisions for non-performing loans ¹	1 398	(22)	1 794
Provisions for performing loans ²	450	>100	161
Total income statement charge	1 848	(5)	1 955

¹ Previously termed specific provisions

² Previously termed general provisions

Credit losses by business unit

Domestic Banking	0,83	1,04
Retail Banking	1,10	1,24
Corporate and Investment Banking	0,31	0,68
Africa	1,71	0,66
International	0,78	1,14
Standard Bank operations	0,91	1,08

Favourable

- High recoveries in Corporate and Investment Banking and International
- Reduced credit losses in Diners
- Continued downward trend of NPL ratios from retail branch lending

Adverse

- Additional discounting top-up provision in terms of AC 133
- Provisions for non-performing loans in Africa
- Performing loan provision increases
 - change in age profile of home loan book
 - currency impact on corporate clients potentially increases risk
 - lengthening average term of loan books



Analysis of non-performing loans

	Gross NPLs		Securities and expected recoveries		Net after securities and expected recoveries		Provision for NPLs		Gross provision coverage	
	2003 Rm	2002 Rm	2003 Rm	2002 Rm	2003 Rm	2002 Rm	2003 Rm	2002 Rm	2003 %	2002 %
Retail Banking										
Home loans	1 749	1 635	1 307	1 433	442	202	442	202	25	12
Credit card	81	32	35	–	46	32	46	28	57	88
Instalment sales and leases	290	154	126	60	164	94	164	94	57	61
Retail branches	611	885	124	350	487	535	487	535	80	60
Corporate and Investment Banking	1 169	1 010	842	578	327	432	327	432	28	43
Central Services	50	235	–	139	50	96	50	96	100	41
Domestic Banking	3 950	3 951	2 434	2 560	1 516	1 391	1 516	1 387	38	35
Africa	250	277	104	191	146	86	146	86	58	31
International	613	580	255	219	358	361	358	361	58	62
Total group NPLs	4 813	4 808	2 793	2 970	2 020	1 838	2 020	1 834	42	38
Specific provisions not applicable to NPLs										
Staff home loan impairment i.t.o. AC 133							104	–		
Provision for sovereign risk							74	22		
Credit risk inherent in other asset classes							220	362		
							2 418	2 218		

	% to gross advances	
	Dec '03	Dec '02
Gross NPLs	2,1	2,6
Less: Securities and collateral	(1,2)	(1,6)
Less: Provision for non-performing loans	(0,9)	(1,0)
Net NPLs	0,0	0,0
Coverage [#] : Gross [*]	42%	38%
: Net ^{**}	100%	100%
Gross advances	224 283	182 312

[#] A revised methodology was implemented to align with AC 133 and now excludes provisions for performing loans/GDP

^{*} Gross coverage = Non-performing loans provision/Gross NPL

^{**} Net coverage = Non-performing loans provision/(Gross NPL – Security)

Analysis of loans and advances by credit performance category

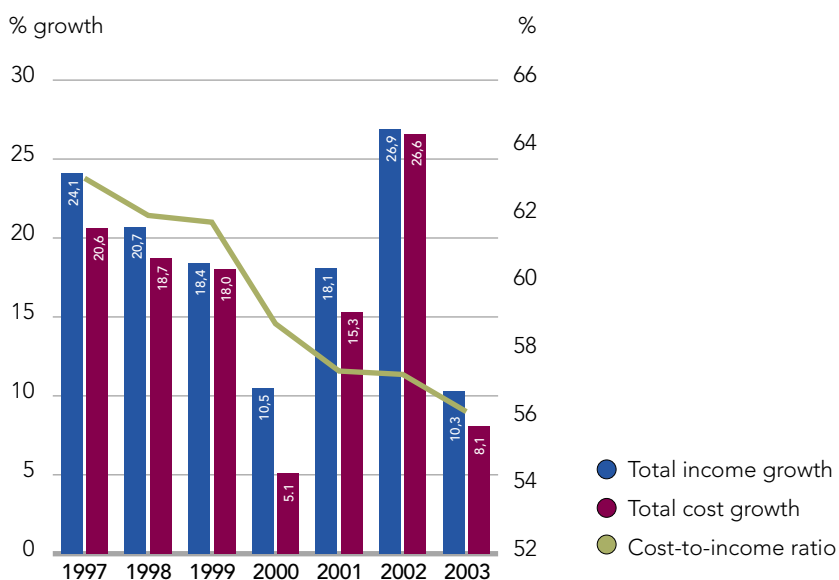
	Total Rm	Non-performing loans			Total Rm	Performing loans	
		Sub standard Rm	Doubtful Rm	Loss Rm		Special mention Rm	Standard Rm
2003							
Domestic Banking	170 169	1 861	1 406	683	3 950	2 453	163 766
Retail Banking	114 428	1 228	1 191	312	2 731	2 361	109 336
Corporate and Investment Banking	55 667	633	215	321	1 169	92	54 406
Other	74			50	50		24
Africa	11 024	83	59	108	250	237	10 537
International	43 025	310	277	26	613	839	41 573
Other	65						65
Gross loans and advances – 2003	224 283	2 254	1 742	817	4 813	3 529	215 941
Gross loans and advances – 2002	182 312	1 690	1 767	1 351	4 808	3 909	173 595
% of total 2003	100	1,0	0,7	0,4	2,1	1,6	96,3
% of total 2002	100	0,9	1,0	0,7	2,6	2,2	95,2

Standard	Items that are fully current and the full repayment of the contractual principal and interest amounts are expected.
Special mention	Items where the loan is performing but evidence exists that the borrower is experiencing difficulties. Ultimate loss is not expected but could occur if adverse conditions persist.
Sub-standard*	Items that show underlying well-defined weaknesses that could lead to probable loss if not corrected.
Doubtful*	Items which are considered to be impaired, but are not yet considered final losses because of some pending factors which may strengthen the quality of the items.
Loss*	Items which are considered to be uncollectable and where the realisation of collateral and institution of legal proceedings have been unsuccessful.

* Comprising non-performing loans



Operating expenses



Operating expenses

	Dec '03 Rm	% change	Dec '02 Rm
Domestic Banking	9 478	13	8 391
Retail Banking	7 463	12	6 654
Corporate and Investment Banking	2 271	8	2 101
Central services	(256)		(364)
Africa	1 319	(3)	1 364
International	2 407	(4)	2 506
Stanlib	458	3	444
Central funding	(54)		(118)
Standard Bank operations	13 608	8	12 587

Cost-to-income ratio (%)

	Dec '03 %	Dec '02 %
Domestic Banking	54,5	53,4
Retail Banking	60,2	60,8
Corporate and Investment Banking	44,4	44,5
Africa	57,2	60,8
International	61,2	71,4
Standard Bank operations	56,2	57,3

- Higher staff costs due to incentive programmes, medical aid and 2% headcount increase
- Favourable exchange rate impact

Other operating expenses

31

Other operating expenses by business unit

	Dec '03 Rm	% change	Dec '02 Rm
Domestic Banking	4 508	11	4 061
Retail Banking	4 870	10	4 408
Corporate and Investment Banking	1 197	4	1 156
Central services	(1 559)		(1 503)
Africa	674	(2)	690
International	682	(17)	819
Stanlib	231	9	212
Central funding and eliminations	(68)		(129)
Total other operating expenses	6 027	7	5 653

Summary of other operating expenses

	Dec '03 Rm	% change	Dec '02 Rm
Information technology*	1 115	11	1 008
Depreciation and amortisation	831	8	772
Premises	1 048	9	964
Other	3 033	4	2 909
Total other operating expenses	6 027	7	5 653

* Information technology represents operating costs paid to IT vendors (excludes depreciation and IT staff costs)

Favourable

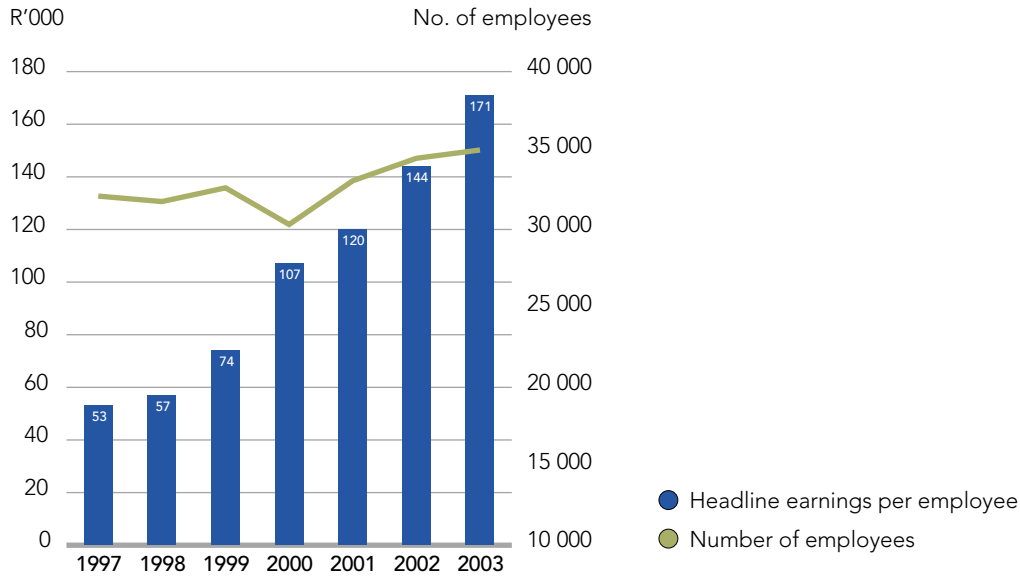
- Lower premises costs due to head office reorganisation costs incurred in 2002 not repeated in 2003
- Lower premises maintenance expenses due to disposal of properties
- Exchange rate impact on non-SA operations
- Impact of lower inflation on general cost growth
- Net savings of in-sourcing credit card processing

Adverse

- Higher depreciation due to greater capex spend and the acceleration of depreciation in some areas
- Upgrade of branches
- Increased marketing spend to support business growth
- Significant infrastructure investment (mainly IT and risk management) in International
- Establishment of investment banks in Russia and Brazil



Headcount analysis



	Dec '03	% change	Dec '02
Domestic Banking	27 687	2	27 161
Retail Banking	18 169	2	17 775
Corporate and Investment Banking	2 987	7	2 797
Credit	1 505	-	1 505
Business Operations	3 195	(4)	3 323
Group Technology and e-Commerce	1 141	2	1 114
Group HR, Risk, Finance and other	690	7	647
Africa	5 488	0	5 470
International	1 318	4	1 267
Stanlib	541	(11)	611
Standard Bank operations	35 034	2	34 509

Favourable

- Process improvements in business operations
- Rationalisation in Stanlib
- Africa increased support staff at head-office, but reduced headcount in network.

Adverse

- Risk management staff and in-sourcing of processing from rest of group increased staff in Corporate and Investment Banking
- Card processing staff brought back in-house
- Expansion of front-line and support staff in International

Analysis of loans and advances

	Dec '03 Rm	% change	Dec '02 Rm
Gross loans and advances	224 283	23	182 312
Loans and overdrafts	108 530	20	90 774
Card debtors	5 600	28	4 392
Mortgage advances	77 456	32	58 714
Instalment sale and finance leases	29 655	19	24 904
Preference shares and debentures	570	(4)	592
Trade, other bills and bankers' acceptances	2 472	(16)	2 936
Provision for performing and non-performing loans	(3 908)	15	(3 387)
Provision for non-performing loans	(2 418)	32	(1 834)
Provision for performing loans	(1 490)	(4)	(1 553)
Net loans and advances	220 375	23	178 925

Net loans and advances by business unit

	Dec '03 Total Rm	% change	Dec '02 Total Rm	Dec '03 External ¹ Rm	% change	Dec '02 External Rm
Domestic Banking	169 763	20	142 047	167 529	23	136 537
Retail Banking ²	112 751	27	88 502	112 751	27	88 502
Corporate and Investment Banking	57 178	7	53 625	54 778	14	48 035
Central services	(166)	>100	(80)	–	–	–
Africa	10 674	20	8 886	10 674	22	8 753
International	43 311	19	36 493	42 151	26	33 463
Stanlib	21	(88)	172	21	(88)	172
Central funding	4 551	13	4 042	–	–	–
Eliminations	(7 945)	(38)	(12 715)	–	–	–
Standard Bank operations	220 375	23	178 925	220 375	23	178 925

Note 1: External advances reflect advances at divisional level excluding intragroup lending

Note 2: Retail advances growth of 27% on year-end balances affected by movements in last quarter, average advances grew by 23%

Favourable

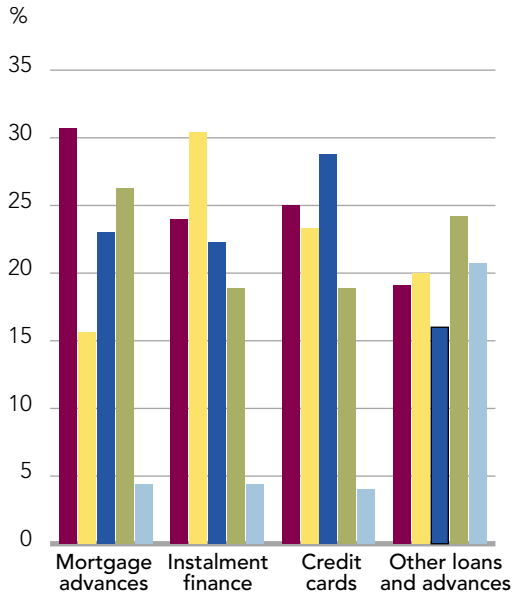
- Record levels of Retail home loan registrations
- New home loan products
- Growth in agricultural and SME sectors
- Increased market share in Card
- Strong Structured Debt Finance growth
- Increased lending activities in International off a low base
- Expansion of property finance business

Adverse

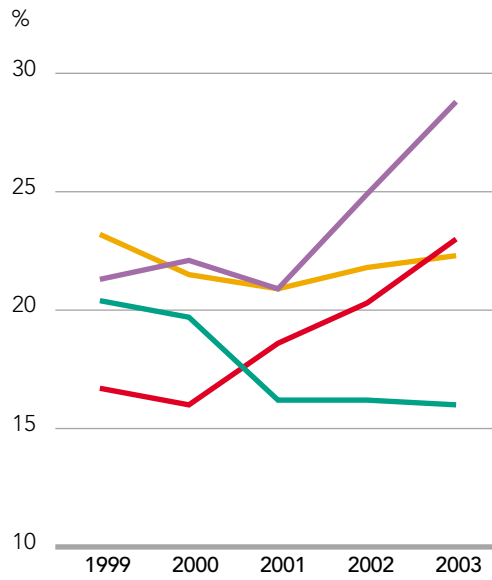
- International and African growth dampened by strong rand
- Subdued growth in low margin corporate overnight lending



Domestic market share analysis



- Absa
- FirstRand
- SBSA
- Nedcor
- Other



- Mortgage advances
- Instalment finance
- Credit cards
- Other loans and advances

Mortgages

- Improved turnaround
- Sales and services initiatives

Instalment finance

- Increased cross selling to bank customers and large corporate deals

Card debtors

- Increased number of accounts through cross-selling

Other loans and advances

- Customers opting for alternative products
- Growth in corporate unsecured overnight lending not targeted



Business unit review

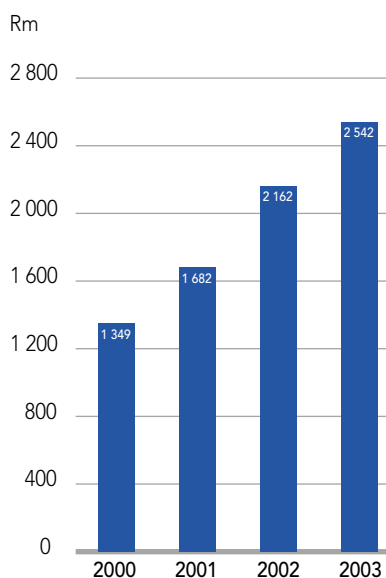
Contents

36	Retail Banking
37	Corporate and Investment Banking
38	Africa
39	International
40	Liberty
42	Stanlib

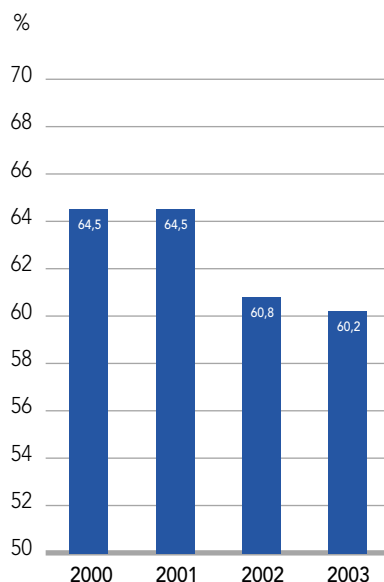


Retail Banking*

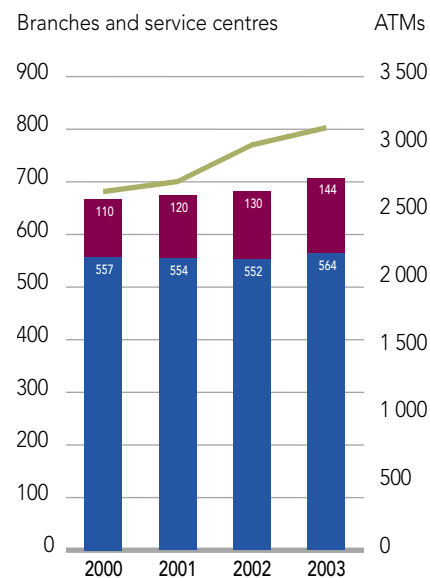
Headline earnings



Cost-to-income



Points of representation



* Retail includes smaller commercial customers transferred following restructuring of Business Banking

- AutoBank E centres
- Branches and service centres
- ATMs

Income statement

	Dec '03 Rm	% change	Dec '02 Rm
Net interest income before provision for credit losses	6 773	11	6 094
Provision for credit losses	1 128	8	1 048
Net interest income	5 645	12	5 046
Non-interest revenue	5 618	16	4 851
Operating expenses	7 463	12	6 654
Operating profit	3 800	17	3 243
Income from associates	28	17	24
Taxation	1 286	16	1 105
Headline earnings	2 542	18	2 162
Total advances	112 751	27	88 502
Cost-to-income ratio (%)	60,2		60,8
ROE (%)	32,3		32,1

Favourable

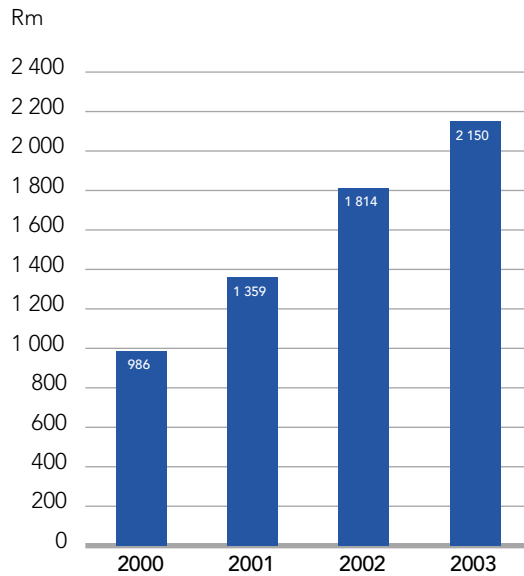
- Increased advance book generating annuity type income
- Increased customer base, transaction volumes and market share
- NPL ratios down
- Increased bancassurance sales and penetration
- Reduced card processing costs

Adverse

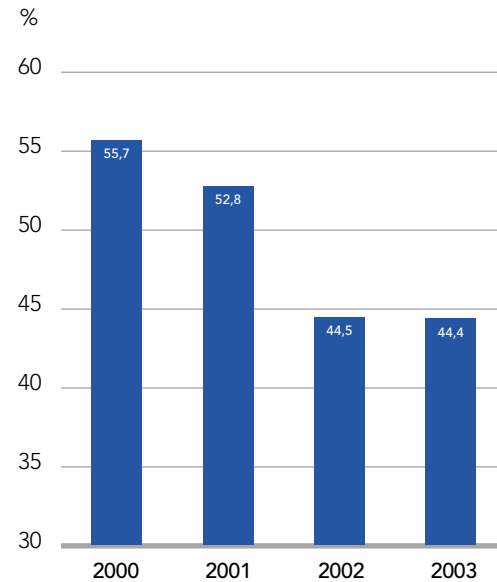
- Negative endowment effect in second half
- Increased cash holding cost
- Increased cost of funding due to:
 - term deposit repricing gap
 - increased utilisation of wholesale funding
- Branch network extension

Corporate and Investment Banking*

Headline earnings



Cost-to-income



* Corporate and Investment Banking includes Standard Bank Properties and larger business customers transferred following restructuring of Business Banking

Income statement

	Dec '03 Rm	% change	Dec '02 Rm
Net interest income before provision for credit losses	2 081	15	1 809
Provision for credit losses	177	(49)	346
Net interest income	1 904	30	1 463
Non-interest revenue	3 037	4	2 914
Operating expenses	2 271	8	2 101
Operating profit	2 670	17	2 276
Income from associates	41	14	36
Taxation	544	13	482
Income after taxation	2 167	18	1 830
Attributable to outside and preference shareholders	17	6	16
Headline earnings	2 150	19	1 814
Total advances	57 178	7	53 625
Cost-to-income ratio (%)	44,4		44,5
ROE (%)	31,5		31,7
Credit loss ratio (%)	0,31		0,68

Favourable

- Strong lending growth in Structured Debt Finance
- Stable margins on lending book
- Recoveries of NPLs
- Profits on the sale of investments together with good performance from private equity investments
- Growth in property portfolio
- Good growth in deposits

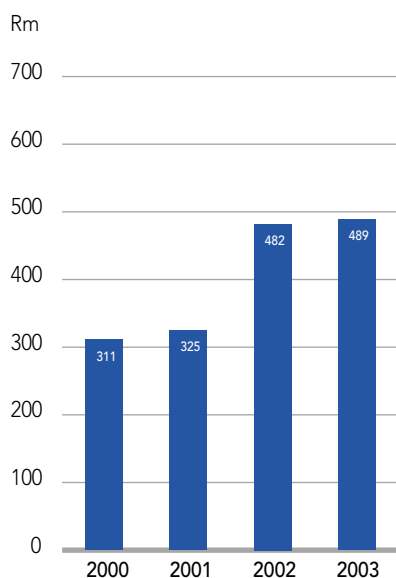
Adverse

- Decrease in foreign lending book return due to strengthening of the rand
- Difficult trading conditions in debt capital markets
- Higher provisions for performing loans

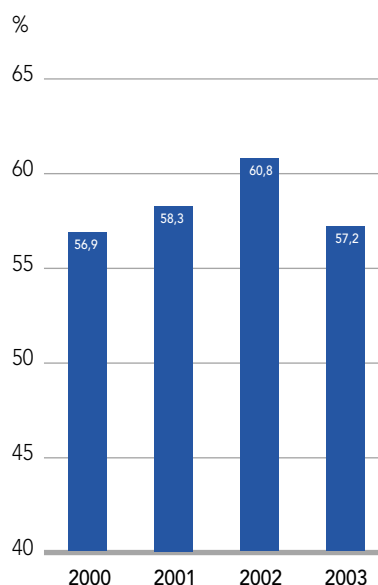


Africa

Headline earnings



Cost-to-income



Income statement

	Dec '03 Rm	% change	Dec '02 Rm
Net interest income before provision for credit losses	1 421	8	1 321
Provision for credit losses	172	>100	58
Net interest income	1 249	(1)	1 263
Non-interest revenue	884	(4)	923
Operating expenses	1 319	(3)	1 364
Operating profit	814	(1)	822
Income from associates	33	(13)	38
Taxation	303	(1)	305
Income after taxation	544	(2)	555
Attributable to outside and preference shareholders	55	(25)	73
Headline earnings	489	1	482
Total assets	22 264	8	20 693
Total advances	10 674		8 886
Cost-to-income ratio (%)	57,2		60,8
ROE (%)	28,3		27,4

Favourable

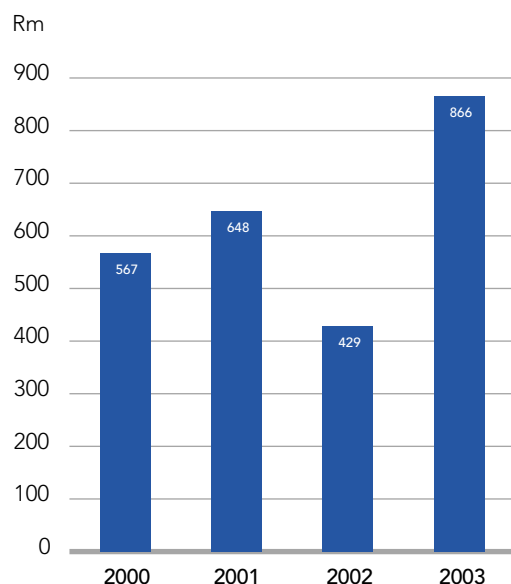
- Strong performance by Lesotho driven by high volumes and introduction of new fees
- Strong performance in Stanbic Botswana resulting from growth in the loan book, especially Stannic Finance deals
- Acquisition of Investec Botswana
- Strong performance in Uganda as a result of growth in the loan book and high yields on treasury bills

Adverse

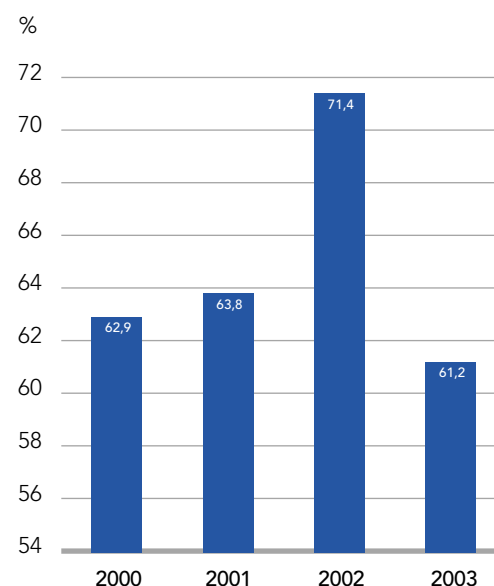
- Negative exchange rate impact on headline earnings, (R111 million)
- Reduced net interest income in Zambia and Kenya due to declining interest rates
- Non-performing loans in Namibia and Botswana
- Increased provisioning in Congo
- Zimbabwe profit eliminated in provisioning line

International

Headline earnings



Cost-to-income



Income statement

	Dec '03 Rm	% change	Dec '02 Rm
Net interest income before provision for credit losses	1 094	(11)	1 231
Provision for credit losses	317	(35)	487
Net interest income	777	4	744
Non-interest revenue	2 842	25	2 277
Operating expenses	2 407	(4)	2 506
Operating profit	1 212	>100	515
Taxation	346	>100	86
Headline earnings	866	>100	429
Headline earnings (GBP)	70	>100	27
Average exchange rate	12,32		15,74
Cost-to-income ratio (%)	61,2		71,4
ROE (%)	14,7		6,3
Credit loss ratio (%)	0,78		1,14

Favourable

- Continued recovery in emerging markets economies and improved credit conditions
- Fair value gains in investment portfolios
- Strong performance from core products
- Product capability enhanced including Energy and Equity Derivatives
- Buoyant commodity markets

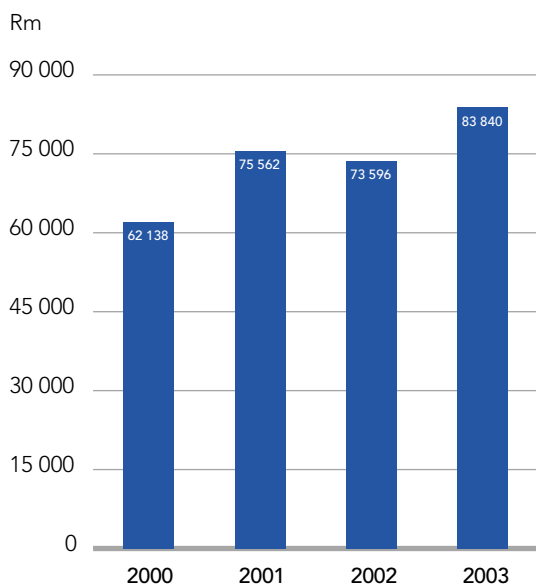
Adverse

- Exchange rate impact on translation of results
- Increased competition in recovering economies
- Costs related to establishment of investment banks in Russia and Brazil
- Margin pressure in low interest rate environment
- Infrastructure investments (mainly in IT)

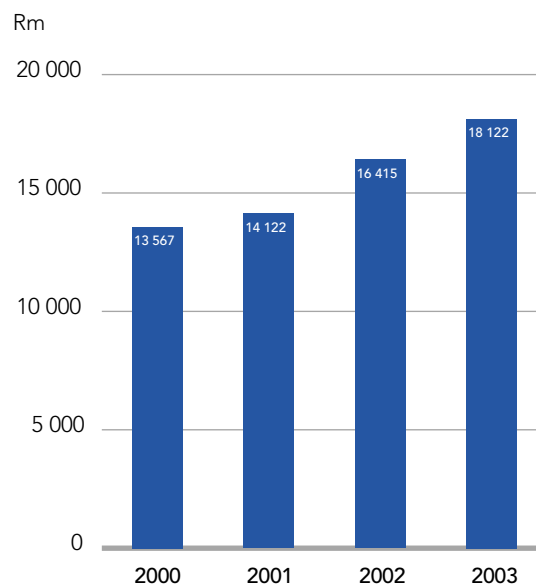


Liberty

Policyholders liabilities



Net premium income and inflows from investment contracts



Liberty Group highlights

		Dec '03	% change	Dec '02
Net premium income and inflows from investment contracts	Rm	18 122	10	16 415
Headline EPS	cents	346,4	(12)	391,5
Headline earnings	Rm	949	(11)	1 069
Earnings	Rm	1 162	6	1 099
Total assets	Rm	96 558	12	86 260
Ordinary shareholders' funds	Rm	8 782	2	8 588
Policyholder liabilities	Rm	83 840	14	73 596
Total embedded value	Rm	15 817	5	15 127
Dividend per share declared for the year	cents	278	–	278

Favourable

- New business increased by 3% to R11 667 million
- New business margins were maintained at 20%
- Net cash inflows from insurance operations remained strong at R4 497 million
- Investment return on weighted policyholder portfolio was 12,5% versus (9,5%) prior year

Adverse

- Adoption of AC 133 resulted in reduction in the total operating profit from insurance operations of R36 million after tax
- Prior year releases from policyholder liabilities, due mainly to reduced expenses per policy, not repeated

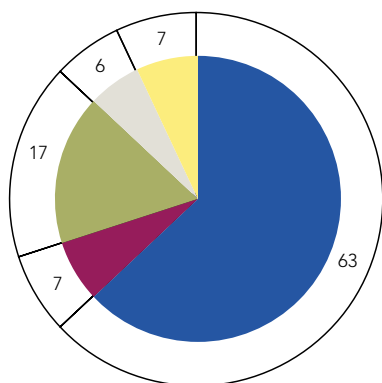
Reconciliation of Liberty earnings

	Dec '03 Rm	% change	Dec '02 Rm
Liberty			
Headline earnings	949	(11)	1 069
Net investment gains/(losses)	291		43
Realised investment gains attributable to shareholders' assets	316		52
Capital gains tax attributable to realised shareholders' investment gains	(25)		(9)
Goodwill amortisation and impairment	(78)		(13)
Total earnings	1 162	6	1 099
Libhold 54,2% (Dec '02: 54,4%)			
Headline earnings	494	(10)	546
Earnings from Liberty	515	(12)	582
Less: Stanlib income reflected in Standard Bank operations	(18)		(30)
Libhold expenses	(1)		(4)
Preference dividends	(2)		(2)
Net investment gains/(losses)	241		(203)
Realised investment gains attributable to shareholders' assets	171		28
Recognition/(elimination) of profits on sale of Stanlib and adjustment for goodwill	84		(226)
Capital gains tax attributable to realised shareholders' investment gains	(14)		(5)
Goodwill amortisation and impairment	(42)		(7)
Total earnings	693	>100	336
Standard Bank Group (Effective holding 29,6%) (Dec '02: 29,8%)			
Headline earnings	270	(9)	298
Net investment gains/(losses)	132		(111)
Realised investment gains/(losses) attributable to shareholders' assets	140		(108)
Capital gains tax attributable to realised shareholders' investment gains	(8)		(3)
Goodwill amortisation and impairment	(23)		(4)
Liberty income attributable to Standard Bank Group	379	>100	183



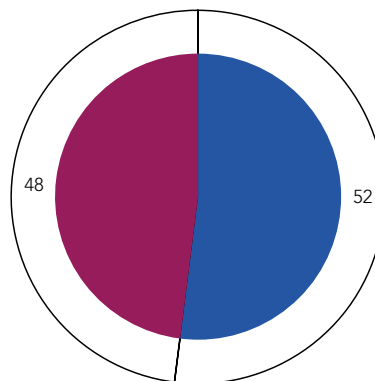
Stanlib

Funds under administration – Wealth Management



- Single manager unit trusts 63% (2002: 59%)
- Linked products 7% (2002: 9%)
- Structured products 17% (2002: 22%)
- Multi-Manager 6% (2002: 4%)
- Africa 7% (2002: 6%)

Assets under management – Asset Management



- Life funds 52% (2002: 52%)
- Segregated funds 48% (2002: 48%)

Income statement

	Dec '03 Rm	% change	Dec '02 Rm
Operating profit	104	(12)	118
Taxation	33	43	23
Income after tax	71	(25)	95
Attributable to outside and preference shareholders	31	(6)	33
Headline earnings	40	(35)	62

Assets under management

	Dec '03 Rbn	% change	Dec '02 Rbn
Stanlib Asset Management assets under management	114,0	13	100,9
Stanlib Wealth Management funds under administration	63,5	31	48,3
Total assets under management	177,5	19	149,2

Favourable

- Net inflows positive R12 billion
- Rationalisation largely complete

Adverse

- Integration and rationalisation costs



Other information

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Shareholder information

	2003		2002	
	Number of shares (million)	% holding	Number of shares (million)	% holding
Ten largest shareholders				
Old Mutual Group	185,0	13,8	268,8	20,2
Public Investment Commissioner	168,1	12,6	163,9	12,3
Liberty Group ¹	63,0	4,7	64,9	4,9
Sanlam Group	57,2	4,3	72,6	5,4
Investment Solutions	43,6	3,3	31,9	2,4
Transnet Pension Fund	33,8	2,5	44,8	3,4
Momentum Life Assurance (SA)	20,0	1,5	13,5	1,0
Metlife	19,2	1,4	18,3	1,4
Standard Bank Group Retirement Fund	17,9	1,3	21,1	1,6
Sentinel Mining Retirement Fund	17,3	1,3	7,0	0,5
	625,1	46,7	706,8	53,1

¹ Policyholders' funds

JSE Securities Exchange statistics

Share and bond codes

JSE Securities Exchange (ordinary shares)	SBK
JSE Securities Exchange (6,5% cumulative preference shares)	SBKP
I-Net Bridge	SBK
Bloomberg	SBK.SJ
Reuters	SBK.JJ
ISIN	
ordinary shares	ZAE000038873
6,5% cumulative preference shares	ZAE000038881
Subordinated debt SBK 1	ZAG000016569
Subordinated debt SBK 2	ZAG000017955
Subordinated debt SBK 3	ZAG000018086
Subordinated debt SBK 4	ZAG000019597

	2003	2002
Share prices (cents)		
– High for the year	3 960	3 810
– Low for the year	2 650	2 595
– 31 December	3 918	3 015
Shares traded		
– Number of shares ('000)	908 179	673 703
– Value of shares (Rm)	28 751	20 887
– Turnover in shares traded (%)	67,8	50,6
Number of shares in issue (million)		
– End of period	1 339	1 331
– Weighted average	1 334	1 328

Credit ratings	Short-term	Long-term	Outlook
Standard Bank of South Africa Limited			
Fitch Ratings (November 2003)			
Foreign currency	F3	BBB	Stable
Local currency		A-	Stable
Standard & Poor's (January 2004) public information rating			
Local currency		BBBpi	
Moody' Investors Services (July 2003) public information rating			
Bank deposit rating	P-2	Baa2	Stable
Financial strength rating			C+
RSA Sovereign ratings: Foreign currency			
Fitch Ratings		BBB	
Standard and Poor's		BBB	
Moody's Investors Services		Baa2	
RSA Sovereign ratings: Local currency			
Fitch Ratings		A-	
Standard and Poor's		A	
Moody's Investors Services		A2	

Financial definitions

Standard Bank Group

CAGR

Compound annual growth rate.

Dividend cover (times)

Headline earnings per share divided by ordinary dividends per share.

Earnings per share (cents)

Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.

Headline earnings (Rm)

Earnings attributable to shareholders excluding goodwill amortisation and capital profits and losses.

Headline earnings per share (cents)

Headline earnings divided by the weighted average number of ordinary shares in issue.

ROE (%)

Headline earnings as a percentage of average ordinary shareholders' funds.

Net asset value per share (cents)

Ordinary shareholders' funds divided by the number of ordinary shares in issue at year-end.

Price-to-book (times)

Market capitalisation divided by adjusted shareholders' funds.

Dividend yield (%)

Dividends per share as a percentage of the closing share price.

Earnings yield (%)

Headline earnings per share as a percentage of the closing share price.

Price earnings ratio (times)

Closing share price divided by headline earnings per share.

Return on risk-weighted assets (%)

Headline earnings as a percentage of average risk weighted assets.

Standard Bank operations

Cost-to-income ratio (%)

Operating expenses as a percentage of total income, before deducting the provision for credit losses.

Domestic Banking

Activities managed in South Africa excluding centralised funding activities.

International

Operations in Europe (including the United Kingdom), Asia and the Americas.

Africa

Operations in Africa other than South Africa.

Central funding

Consolidation unit housing group investments, central costs and group eliminations.

Effective tax rate (%)

The income statement tax charge as a percentage of income before tax, excluding income from associated undertakings.

ROE (%)

Headline earnings, excluding income from Liberty, as a percentage of average ordinary shareholders' funds, after deducting capital relating to Liberty.

Net interest margin (%)

Net interest income as a percentage of monthly average total assets, excluding derivative assets.

Non-interest revenue to total income (%)

Non-interest revenue as a percentage of total income before provision for credit losses.

Performing loan provisions

Provisions for unidentified credit losses inherent in the performing loan book (previously termed general provisions).

Non-performing loan provisions

Provisions for specific identified credit losses, net of the present value of estimated recoveries (previously termed specific provisions).

Return on risk-weighted assets (%)

Headline earnings as a percentage of average risk-weighted assets of the banking operations.

Credit loss ratio (%)

Total provision for credit losses per the income statement as a percentage of gross average loans and advances.



Segment report December 2003

1 Segment reporting

2003

Domestic Banking

	Retail Banking	Corporate and Investment Banking	Central services	Total
	Rm	Rm	Rm	Rm
Interest income	15 186	24 371	(7 122)	32 435
Interest expense	8 413	22 290	(6 956)	23 747
Net interest income before provision for credit losses	6 773	2 081	(166)	8 688
Provision for credit losses	1 128	177	7	1 312
Provision for non-performing loans	972	(28)	11	955
Provision for performing loans	156	205	(4)	357
Net interest income	5 645	1 904	(173)	7 376
Non-interest revenue	5 618	3 037	52	8 707
Fees and commission income	5 321	1 107	5	6 433
Trading income	–	1 249	(7)	1 242
Other income	297	681	54	1 032
Total income	11 263	4 941	(121)	16 083
Operating expenses	7 463	2 271	(256)	9 478
Staff costs	2 593	1 074	1 303	4 970
Other operating expenses	4 870	1 197	(1 559)	4 508
Operating profit	3 800	2 670	135	6 605
Income from associates	28	41	–	69
Goodwill and exceptional items	(17)	(8)	155	130
Income before taxation	3 811	2 703	290	6 804
Standard Bank operations				
Liberty				
Taxation	1 281	544	223	2 048
Income after taxation	2 530	2 159	67	4 756
Attributable to outside and preference shareholders	–	17	–	17
Income attributable to ordinary shareholders	2 530	2 142	67	4 739
Headline earnings	2 542	2 150	(83)	4 609
Headline ROE	32,3	31,5		31,4
Cost-to-income ratio (%)	60,2	44,4		54,5
Credit loss ratio (%)	1,10	0,31		0,83
Total assets	116 277	202 895	7 347	326 519
Average equity	7 872	6 820		14 692
Net interest margin	6,63	1,65		3,73
Total liabilities	108 082	194 712	6 759	309 553
Number of employees	18 169	2 987	6 531	27 687

International	Africa	Stanlib	Central funding	Standard Bank operations	Liberty	Standard Bank Group
Rm	Rm	Rm	Rm	Rm	Rm	Rm
2 228	2 463	102	(432)	36 796		36 796
1 134	1 042	55	(619)	25 359		25 359
1 094	1 421	47	187	11 437		11 437
317	172	–	47	1 848		1 848
276	147	–	20	1 398		1 398
41	25	–	27	450		450
777	1 249	47	140	9 589		9 589
2 842	884	515	(158)	12 790		12 790
606	629	474	(158)	7 984		7 984
2 232	221	39	183	3 917		3 917
4	34	2	(183)	889		889
3 619	2 133	562	(18)	22 379		22 379
2 407	1 319	458	(54)	13 608		13 608
1 725	645	227	14	7 581		7 581
682	674	231	(68)	6 027		6 027
1 212	814	104	36	8 771		8 771
–	33	–	–	102		102
(29)	(84)	6	(52)	(29)		(29)
1 183	763	110	(16)	8 844		8 844
346	285	33	61	2 773	2 106	2 106
837	478	77	(77)	6 071	823	3 596
–	55	31	1	104	1 283	7 354
837	423	46	(78)	5 967	904	1 008
837	423	46	(78)	5 967	379	6 346
866	489	40	(26)	5 978	270	6 248
14,7	28,3	16,5	(1,1)	24,0		22,8
61,2	57,2			56,2		56,2
0,78	1,71			0,91		0,91
112 064	22 264	1 341	(17 993)	444 195	96 195	540 390
5 910	1 727	243	2 343	24 915	2 442	27 357
1,21	6,72	3,71		3,50		3,50
107 711	20 485	1 176	(21 407)	417 518	87 784	505 302
1 318	5 488	541		35 034	3 399	38 433



Segment report December 2002

1 Segment reporting

Domestic Banking

2002	Retail Banking Rm	Corporate and Investment Banking Rm	Central services Rm	Total Rm
Interest income	13 010	24 866	(11 505)	26 371
Interest expense	6 916	23 057	(11 548)	18 425
Net interest income before provision for credit losses	6 094	1 809	43	7 946
Provision for credit losses	1 048	346	22	1 416
Provision for non-performing loans	969	271	14	1 254
Provision for performing loans	79	75	8	162
Net interest income	5 046	1 463	21	6 530
Non-interest revenue	4 851	2 914	5	7 770
Fees and commission income	4 635	1 059	7	5 701
Trading income	–	1 370	(50)	1 320
Other income	216	485	48	749
Total income	9 897	4 377	26	14 300
Operating expenses	6 654	2 101	(364)	8 391
Staff costs	2 246	945	1 139	4 330
Other operating expenses	4 408	1 156	(1 503)	4 061
Operating profit	3 243	2 276	390	5 909
Income from associates	24	36	–	60
Goodwill and exceptional items	–	(26)	–	(26)
Income before taxation	3 267	2 286	390	5 943
Standard Bank operations	3 267	2 286	390	5 943
Liberty	–	–	–	–
Taxation	1 105	482	406	1 993
Income after taxation	2 162	1 804	(16)	3 950
Attributable to outside and preference shareholders	–	16	–	16
Income attributable to ordinary shareholders	2 162	1 788	(16)	3 934
Headline earnings	2 162	1 814	(16)	3 960
Headline ROE	31,1	31,7		31,2
Cost-to-income ratio (%)	60,8	44,5		53,4
Credit loss ratio (%)	1,24	0,68		1,04
Total assets	89 240	124 393	1 940	215 573
Average equity	6 958	5 722		12 680
Net interest margin	7,29	1,49		3,83
Total liabilities	81 923	119 010	1 724	202 657
Number of employees	17 775	2 797	6 589	27 161

International	Africa	Stanlib	Central funding	Standard Bank operations	Liberty	Standard Bank Group
Rm	Rm	Rm	Rm	Rm	Rm	Rm
2 802	2 348	122	(588)	31 055		31 055
1 571	1 027	69	(557)	20 535		20 535
1 231	1 321	53	(31)	10 520		10 520
487	58	–	(6)	1 955		1 955
502	38	–	–	1 794		1 794
(15)	20	–	(6)	161		161
744	1 263	53	(25)	8 565		8 565
2 277	923	509	(31)	11 448		11 448
722	607	443	(57)	7 416		7 416
1 547	254	54	65	3 240		3 240
8	62	12	(39)	792		792
3 021	2 186	562	(56)	20 013		20 013
2 506	1 364	444	(118)	12 587		12 587
1 687	674	232	11	6 934		6 934
819	690	212	(129)	5 653		5 653
515	822	118	62	7 426		7 426
–	38	–	(2)	96		96
(35)	(26)	–	(64)	(151)		(151)
480	834	118	(4)	7 371		7 371
86	305	23	28	2 435	992	992
394	529	95	(32)	4 936	368	2 803
–	73	33	–	122	624	5 560
394	456	62	(32)	4 814	441	563
429	482	62	32	4 965	298	5 263
6,3	27,4	20,6	1,7	21,2		20,3
71,4	60,8			57,3		57,3
1,14	0,66			1,08		1,08
80 005	20 693	1 573	(10 252)	307 592	85 761	393 353
6 810	1 760	301	1 902	23 453	2 417	25 870
1,17	6,18	4,46		3,22		3,22
75 622	18 945	1 173	(14 783)	283 614	77 679	361 293
1 267	5 470	611		34 509	3 282	37 791

**Prior** year reclassifications (balance sheet only)

	Originally stated Dec '02 Rm	Reclassification of net derivative positions ^a Rm	Reclassification of other assets ^b Rm	Reclassification of short sale positions ^c Rm	Other reclassifications ^d Rm	Reclassified Dec '02 Rm
Standard Bank operations						
Effect on assets				3 655		
Cash and balances with banks	32 988				3 653	36 641
Short-term negotiable securities	12 368				(791)	11 577
Derivative assets	–	9 218				9 218
Trading assets	24 931				1 647	26 578
Loans and advances	170 377		12 201		(3 653)	178 925
Other assets	40 766	(9 218)	(12 201)	3 655	(856)	22 146
Effect on liabilities				3 655		
Derivative liabilities	–	4 007				4 007
Trading liabilities	–			13 482		13 482
Other liabilities and provisions	33 490	(4 007)		(9 827)		19 656

^a Reclassification of the net derivative position to accommodate additional line item disclosures (derivative assets and derivative liabilities).

^b Reclassification of long dated forward sales agreements from other assets to loans and advances to disclose the lending nature of these balances.

^c Reclassifications of short sale positions from other assets and liabilities to disclose trading liabilities separately.

^d Reclassifications of money market (R3 653 million), commodity trading (R856 million) and trading NCD's (R791 million) to align the disclosure of International and Corporate and Investment Banking.



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